



CO-CREATION  
*with you*



CO-CREATION MANAGEMENT REPORT 2021

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MARUI GROUP CO., LTD.



OUR

CO-CREATION  
MANAGEMENT REPORT 2021  
MARUI GROUP CO., LTD.

IMP

Co-Creation of Positive Impact  
with Younger and Future Generations

ACT



The world of 2050 will be shaped by the hands of younger and future generations. We visited Nitobe Bunka Gakuen, located in the Nakano area of Tokyo where MARUI GROUP was founded, to take pictures of the smiling and energetic elementary school students in attendance. (Thank you to everyone who took part in this fun photo shoot.)

**PROLOGUE**

**Co-Creation of Positive Impact  
with Younger and Future Generations**

MARUI GROUP's commitment toward the future can be seen in its dedication to co-creating a positive impact together with younger, and eventually future, generations. The generations to which we refer include the millennials and Generation Z and Generation Alpha individuals who will lead the world three decades from now as well as the future generations who have yet to be born. These younger and future generations are our hope for the future.

How do members of these generations see our current world? What is their view for the future? Can we preserve a planet on which they can live while expressing themselves freely and without fear for the future? Motivated by these questions, MARUI GROUP put forth three impact targets that define a clear path for it to take in the future.

At MARUI GROUP, we believe that 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 therefore recognize that we must not pursue economic development and prosperity at the expense of future generations. Current generations and future generations should not be viewed as being at odds. Rather, we must see each other as partners sharing the same planet. Working together, with everyone contributing their unique strengths, we look to co-create a happier future.

The younger generations alive today as well as the generations to be born in the future will be a source of values and ideas for producing positive impacts that move society in a better direction. MARUI GROUP will join hands with younger generations, and eventually with future generations, as well as with members of current generations who share our ideals to harness the power of business to build a world that transcends dichotomies and thereby contribute to the creation of a flourishing and inclusive society that offers happiness to all.

This is MARUI GROUP's declaration of its quest to co-create positive impacts with younger and future generations.

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Cautionary Notice regarding Forward-Looking Statements  
Performance forecasts and other forward-looking statements contained in this report represent the Group’s best  
judgments based on information available at the time of this report’s publication and therefore contain a degree  
of uncertainty. It is possible that actual performance could differ materially from these forecasts due to a variety  
of factors. Economic conditions, foreign exchange rates, and stock price movements are among the factors that  
could have a major impact on performance.

# Message from the President

Hiroshi Aoi  
President and Representative Director  
Representative Executive Officer, CEO

# VISION ENCAPSULATED IN IMPACT TARGETS

In May 2021, MARUI GROUP put forth three impact targets. These impact targets represent a new declaration by MARUI GROUP that clearly delineates the course it will take as a company going forward with eyes to the future in 2050. Contemplating the happiness MARUI GROUP seeks to create and the expectations of its stakeholders, President Hiroshi Aoi defines the impact we desire to have as being a combination of what we love, what we are good at, what we can be paid for, and what stakeholders need. In the following message, President Aoi describes the previously unexplained vision encapsulated in our impact targets.

The question of "what exactly is Hiroshi Aoi made of?" led to the picture on the right, with President Aoi surrounded by books. President Aoi is a bibliophile of an extraordinary degree, and nothing bothers him more than having his reading time interrupted. He turns to books when he is lost, whether at life or at work, or when he just wants a source of excitement. We have compiled a list of President Aoi's favorite works, books and otherwise, as well as those that have left a significant impression on him. If you see any overlap with your favorites, he would love to talk to you about them.

*Mushi Toru Ko Dake ga Ikinokoru* (Only Children Who Catch Bugs Will Survive), written by Takeshi Yoro, Kiyohiko Ikeda, and Daizaburo Okumoto, published by SHOGAKUKAN Inc.; *Tamashi ni Mesu ha Iranai—Jung Shinnigaku Kogi* (The Spirit Needs No Scalpel—Jungian Psychology Course), written by Hayao Kawai and Shuntaro Tanikawa, published by Kodansha Ltd.; *Gandhi: A Life*, written by Krishna Kripalani, translated by Tatsuo Morimoto, published by Daisanbunmei-sha INC.; *Homo Delphinus: The Dolphin Within Man*, written by Jacques Mayol, translated and edited by Kunihiro Seki, published by Kodansha Ltd.; *Kamome no Hi no Dokusho* (Reading for Seagull Day), written by Yakei Ozu, published by Tokyo Shiki Shuppan Inc.; *Rene Magritte*, written by René Passeron, translated by Kunio Iwaya, Japanese version overseen by Shuzo Takiguchi, published by KAWADE SHOBO SHINSHA, PUBLISHERS; *Ryushi Kawabata Cho-Do-Kyo no Nihonga Tokubetsu Ten Botsugo 50-Nen Kinen* (Extensive Collection of Ryushi Kawabata: Japanese Painting—Exhibition Commemorating 50th Anniversary of Passing), compiled by Yamatane Museum of Art, published by the Yamatane Museum of Art, Fukuo Jiden (Autobiography of Yukichi Fukuzawa), written by Yukichi Fukuzawa, revised by Masafumi Tomita, published by Iwanami Shoten, Publishers; *The Passion Economy: The New Rules for Thriving in the Twenty-First Century*, written by Adam Davidson, John Murray Publishers Ltd.; *Renzoku Shashin de Kiwameru Shorinji Kempo* (Shorinji Kempo Investigated through Sequence Photographs), compiled by SHORINJI KEMPO, published by BASEBALL MAGAZINE SHA Co., Ltd.; *The Blue Bird*, Maurice Maeterlinck, translated by Daigaku Horiguchi, published by SHINCHOSHHA; *Zoku-Hyakken Zuhitsu* (More Jottings from the Goblins' Garden), written by Hyakken Uchida, published by Obunsha Co., Ltd.; *The Sign of the Four*, written by Arthur Conan Doyle, translated by Ken Nobuhara, published by SHINCHOSHHA; *You Are, Therefore, I Am: A Declaration of Dependence*, written by Satish Kumar, translated by Osamu Ozeki and Sawato Ozeki, published by Kodansha Ltd.; *The Blue Book*, written by Ludwig Wittgenstein, translated by Shozo Omori, commentary by Shigeki Noya, published by Chikumashobo Ltd.; *Kigyo Kachi Keiei* (Corporate Value Management), written by Kunio Ito, published by Nikkei Business Publications, Inc.; *Leading Quietly: An Unorthodox Guide to Doing the Right Thing*, written by Joseph L. Badaracco, translated by Naoko Natsusato, commentary by Yuki Watanabe, overseen by Haruo Takagi, published by SHOEISHA; *Doughnut Economics: Seven Ways to Think Like a 21st-Century Economist*, written by Kate Raworth, translated by Atsushi Kurowa, published by KAWADE SHOBO SHINSHA, PUBLISHERS; *Peter Gabriel 1: Car*, by Peter Gabriel (Real World Records); *Biseibutsu Hanta, Shinkai wo Iku* (Microbe Hunter, Journey to the Deep Seas), written by Ken Takai, published by Eastpress; *Kazuhiko Fukujo-Midoriko Fukujo no Sekai* (The World of Kazuhiko Fukujo and Midoriko Fukujo), written by Kazuhiko Fukujo and Midoriko Fukujo, published Kazuhiko Fukujo-Midoriko Fukujo Ten Jikkou linkai; *Froth on the Daydream*, written by Boris Paul Vian, translated by Morio Ito, published by Hayakawa Publishing Corporation; *Futsubu Kaishi Dai 66 Go* (Keio Futsubu School Newsletter No. 66), written by Keio Futsubu School, published by Keio University; *Zhuang Zi*, written by Koji Fukunaga, published by CHUOKORON-SHINSHA, INC.; *Shinpen Kaze no Matasaburo* (New Matasaburo of the Wind), written by Kenji Miyazawa, published by SHINCHOSHHA; *Complete Works of Gérard de Nerval V*, written by Gérard de Nerval, translated by Shinichi Nakamura, edited by Takeshi Tamura and Yoshihiro Maruyama, overseen by Yasuo Irisawa, published by Chikumashobo Ltd.; *Boku no Daisuki na Aohige* (Blue Beard Whom I Love), written by Kaoru Shoji, published by SHINCHOSHHA; *Kami no Shima—Oki no Shima* (Okinoshima—Island of God), written by Shinya Fujiwara and Abe Ryutarō, published by SHOGAKUKAN Inc.; *Shinpen Ginga Tetsudo no Yoru* (New Night on the Galactic Railroad), written by Kenji Miyazawa, published by SHINCHOSHHA; *Pavarotti*, directed by Ron Howard, Polygram Entertainment, LLC; *BLUE GIANT 1*, written by Shinichi Ishizuka, published by SHOGAKUKAN Inc.; *Words Without Music*, written by Philip Glass, published by Liveright Publishing Corporation; *Twenty Thousand Leagues Under the Sea*, written by Jules Verne, translated by Kiyoshi Muramatsu, published by SHINCHOSHHA; *Kumagusu no Hoshi no Jikan* (Time of Kumagusu's Plane), written by Shinichi Nakazawa, published by Kodansha Ltd.; *Rikano Kyoshitsu—SENYA-SENSATSU Edition* (Science Classroom, SENYA-SENSATSU Edition), written by Saigo Matsuoka, published by KADOKAWA GROUP HOLDINGS, INC.; *The Moon and the Bonfires*, written by Cesare Pavese, translated by Hideaki Kawashima, published by Iwanami Shoten, Publishers; *Sculpting in time*, written by Andrei Tarkovsky, translated by Hidenaga Otori, published by Kinema Junposha Co., Ltd.; *The Dogon*, written by Marcel Griaule and Germaine Dieterlen, translated by Shinzo Sakai, published by Serica Syobo, Inc.; *Operating Manual for Spaceship Earth*, written by Richard Buckminster Fuller, translated by Takashi Serizawa, published by Chikumashobo Ltd.; *Myoe Shonin Aizoban* (Saint Myoe: Collector's Edition), written by Masako Shirasu, published by SHINCHOSHHA; *Togake Ehon Sumikkogurashi Sora Iro no Mainichi* (Lizard Picture Book Sumikkogurashi Sky-Colored Days), written and illustrated by Yuri Yokomizo, published by SHUFU TO SEIKATSU SHA CO., LTD.; *Cup te Nandakke?* (What Was a Cup?), written by Ooki Sato, published by DIAMOND, INC.; *Sustainable Energy - Without the Hot Air*, written by David J.C. MacKay, translated by Katsunori Muraoka, published by Sangyo Toshō Co., Ltd.; *The Fossils of the Burgess Shale*, written by Derek E. G. Briggs, translated by Hisashi Suzuki, Mieko Setoguchi, Keiko Yamaguchi, translation supervised by Terufumi Ono, published by Asakura Publishing Co., Ltd.; *Blue*, directed by Derek Jarman, distributed by UPLINK CO.; *Imi ga Nakereba Suingu wa Nai* (It Don't Mean a Thing, If It Ain't Got That Swing), written by Haruki Murakami, published by BUNGEISHUNJU LTD.; *The Catcher in the Rye*, written by J. D. Salinger, translated by Takahashi Nozaki, published by Hakusuisha Publishing Co., Ltd.; *Shinpen Miyazawa Kenji Shishu* (New Collection of Poems by Kenji Miyazawa), written by Kenji Miyazawa, edited by Taijro Amazawa, published by SHINCHOSHHA

Please refer to the following website for Book Lounge, a book blog updated on an unscheduled basis by bibliophile Hiroshi Aoi (in Japanese only).  
[www.to-mare.com/b/](http://www.to-mare.com/b/)



Five Years Supported by Stakeholders

Nearly two years have passed since the outbreak of the COVID-19 pandemic. I would like to extend my sincere condolences to the families and friends of those who have succumbed to the virus and my thoughts and prayers to all those impacted by the pandemic. Our daily lives have undergone great change during the pandemic as we have faced various restrictions impeding our freedom of movement and other activities. A virus, a force of nature beyond human control, has brought society and the economy to a screeching halt. This unprecedented situation has provided us with a chance for introspection.

Many have taken this opportunity to reflect on their own lives or to look to the future, and these acts of introspection are gradually transforming the world. I believe that society is currently undertaking a bold change of course, redirecting its ship toward unknown seas and the paradigm shift that has been spoken of thus far. The pandemic still has no end in sight, and ongoing vigilance is required. Regardless, I am already confident that beyond this pandemic the world will take a course that is very different from the one we have followed up until now.

Amid this great upheaval, MARUI GROUP reached the end of its five-year medium-term management plan in March 2021. The progress of this plan was smooth through to its fourth year. However, the impacts of the COVID-19 pandemic in the plan's fifth year left our targets

unmet. I would like to apologize for our failure to live up to the expectations of stakeholders. Regardless of this failure, a look back at these five years will reveal that we have accomplished almost all of the goals we put forth at the start of the plan. We completed the transition to fixed-term rental contracts in the Retailing segment, stabilizing earnings. We also began the move toward stores that do not sell. In the FinTech segment, meanwhile, we spread our network of EPOS card application desks across Japan, allowing us to effectively double our business scale. We also launched a new initiative not envisioned at the start of the medium-term management plan: co-creative investments. These investments allowed us to forge ahead with investment in and co-creation with start-ups while incorporating various new innovations. Also, on the environmental, social, and governance (ESG) front, we advanced an array of initiatives based on MARUI GROUP's 2050 Vision, which was announced in 2019. These initiatives have won strong praise, including the No. 1 ranking in the global retailing field in the Dow Jones Sustainability Index.

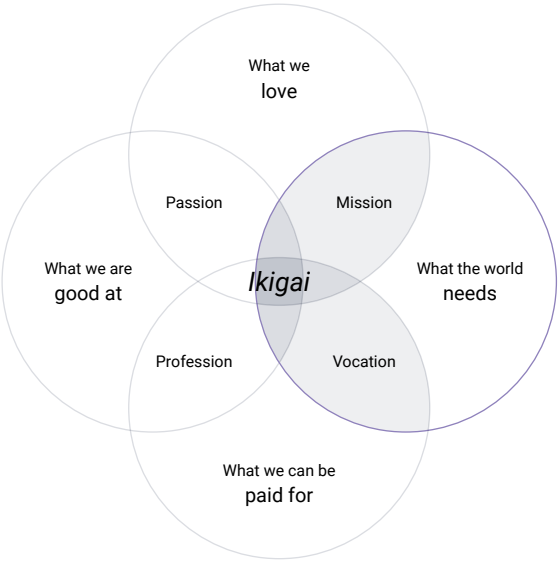
Our strong progress over these five years would have been impossible if not for the support of all of our stakeholders, namely, customers, employees, investors, business partners, communities and society, and future generations. I am truly grateful for your support.

Concept of *Ikigai* Shaping Impact Targets

MARUI GROUP's journey to the future has only just begun. In May 2021, we unveiled our new medium-term management plan, which is meant to guide our journey to new heights. The new plan covers the five years leading up to 2026. The aspect of this plan that has me the most excited is the incorporation of the new concept of impact targets. The previous medium-term management plan was

primarily focused on business strategies and capital measures. The new plan adds the perspective of our impact alongside these more conventional areas of focus. The idea of impact, which refers to the social changes brought about by our activities, has been an area of focus for NPOs and other agents of the social sector for some time now. MARUI GROUP is a for-profit company. We therefore have

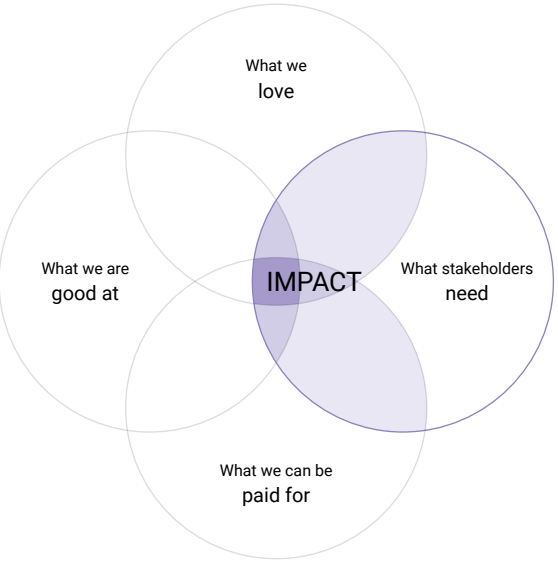
Figure 1: Concept of *Ikigai* Referenced When Defining Impact Targets



The intersection between the four circles in the diagram above represents *Ikigai*. This concept places true happiness at the intersection between our personal happiness and what the world needs.  
Source: *Ikigai* diagram, Marc Winn, May 2014

put our own spin on this idea. To explain our spin on this idea, I would like to have you look at some diagrams.  
One of the diagrams we referenced when considering our impact was the *Ikigai* diagram, which I am quite fond of (see Figure 1). *Ikigai* is a Japanese word that refers to one's meaning for living. As shown in this diagram, *Ikigai* lies at the intersection of four factors: what you love, what you are good at, what you can be paid for, and what the world needs. What is most amazing about this concept of *Ikigai* is that its placing of true happiness at the intersection between our personal happiness and what the world needs coincides perfectly with MARUI GROUP's concept of promoting harmony between the interests of different stakeholders.

Figure 2: MARUI GROUP's Idea of Impact



A major characteristic of MARUI GROUP's idea of impact is how it emphasizes what stakeholders want above what we love, what we are good at, and what we can be paid for.

In tailoring this idea of *Ikigai* to MARUI GROUP, we reframed it from the perspective of a company, replacing the factor of what the world wants with what shareholders want. This reframing gave form to MARUI GROUP's idea of impact (see Figure 2). This idea is similar to the idea of purpose, which has been gaining a lot of attention recently. However, the idea of purpose refers more to one's personal sense of purpose. Different from this self-centric idea, our idea of impact is focused on stakeholders, looking at what we can do to respond to the needs and wants of stakeholders. I feel that this focus is more closely matched to MARUI GROUP's philosophy and corporate culture.  
In this regard, MARUI GROUP has defined three impact targets together with six priority measures. The three

Figure 3: Clear Future Envisioned through Impact Targets

Themes	Priority Measures	Key Performance Indicators
Creating a future for future generations together	Realization of a carbon-free society	CO <sub>2</sub> emissions reductions: More than 1.0 million tons Number of individuals provided with circular lifestyle options: More than 1.0 million customers
	Creation of a circular economy	
Creating happiness for individuals	Assistance for self-actualization	Number of individuals provided with financial services based on co-creation of creditability: More than 4.5 million customers Number of individuals provided with support for individual preferences: More than 3.5 million customers Number of new businesses created: Aggregate total of 20 or more
	Support for individual preferences	
Creating platforms for co-creation	Provision of venues for co-creation	Number of co-creative projects with younger generations: Aggregate total of 150 or more
	Facilitation of work styles that are transparent to both internal and external stakeholders	

impact targets are creating a future for future generations together, creating happiness for individuals, and creating platforms for co-creation (see Figure 3). We have also identified concrete initiatives to be advanced with regard to each of the six priority measures (see page 18). Central to the formulation of these impact targets, measures, and initiatives was the development of a clear value creation narrative for increasing stakeholder happiness and interests. Our impact targets do not entail the de-emphasizing of shareholder interests for the sake of the happiness of other stakeholders. No, we must contribute to the interests and happiness of all stakeholders. Shareholders are, of course, stakeholders, and we must therefore realize the

profits and capital efficiency that they expect. Our path toward creating this type of monetary value together with the non-monetary value sought by other stakeholders is our value creation narrative.

Plans for more specific initiatives and targets are currently being developed by the relevant Group companies and divisions with the goal of unveiling these elements within the fiscal year ending March 31, 2022. In other words, this new medium-term management plan will not be finalized at its start. Rather, we have developed a framework for this plan, which will be developed flexibly as an ongoing project while we move forward.

Governance Focused on Six Stakeholder Groups for Achieving Impact Targets

This new medium-term management plan is incredibly exciting for us. The reason for this excitement is that the approach toward management presented by the plan is congruent with the ambitions we have pursued thus far. Improvement of corporate value is a major management priority for MARUI GROUP. To us, corporate value entails creating harmony between the interests and happiness of all of our stakeholders and growing the intersection of

these interests and happiness. Going back to the impact diagram, we see that our definition of our desired impact, the combination of what we love, what we are good at, what we can be paid for, and what stakeholders need, aligns exactly with our definition of corporate value (see Figure 4). This means that, for MARUI GROUP, our desired impact is equivalent to stakeholder value and consequently corporate value. Our approach toward

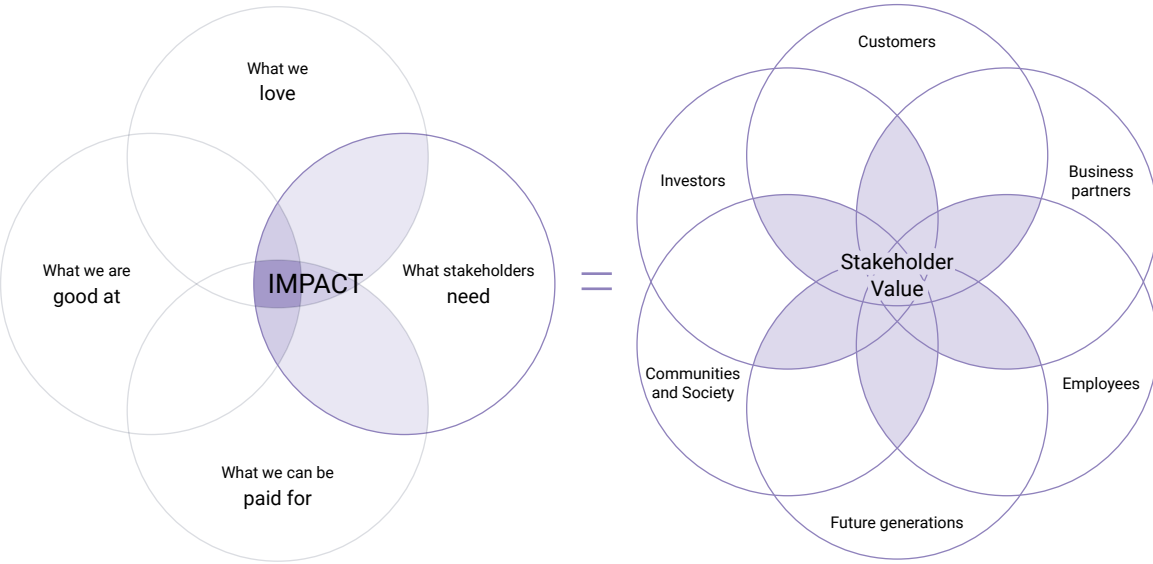
management over the coming five years will be one that aligns with these three considerations.

Our first step in practicing such management was to welcome stakeholders to the Board of Directors, which is the very heart of management. Specifically, we appointed Mr. Yasunori Nakagami, representative director and CEO of Misaki Capital Inc., as an external director to act as a representative for shareholders while also making sustainability expert Mr. Peter David Pedersen an external director. From within the Company, Dr. Reiko Kojima, a company physician and well-being expert, became our newest internal director. The corporate governance system created by the inclusion of these new directors will move us toward the approach for stakeholder-oriented management that we envision. At the same time, we are also taking steps to incorporate elements of the Board 3.0

model, a new governance model being promoted that entails actively involving external directors in management strategy planning and other facets of management.

To this end, we have established the Strategy Committee as a new advisory body to the Board of Directors. This committee is chaired by Mr. Nakagami. Meanwhile, Mr. Pedersen has taken up the position of chairman of the Sustainability Committee, where Dr. Kojima serves as a member. Another member of the Sustainability Committee is Ms. Kyoko Ozawa, first chief future officer of Euglena Co., Ltd., who serves as a representative of future generations. These moves represent our efforts to practice the principles of stakeholder capitalism, an idea that began gaining global attention around 2019, as part of corporate management.

Figure 4: Relationship Between Desired Impact, Stakeholder Value, and Corporate Value



The definition of MARUI GROUP's desired impact aligns perfectly with the Company's definition of corporate value as entailing creating harmony between the interests and happiness of all of its stakeholders and growing the intersection of these interests and happiness, and thus with the definition of stakeholder value. MARUI GROUP's approach toward management over the next five years will be one that aligns with these three considerations.

True Reason for Prioritizing Ongoing, Long-Term Dividend Increases

Some may wonder why we decided to invite shareholders to serve on the Board of Directors as part of practicing stakeholder-oriented management. One reason for this move is something that I touched on earlier: our approach toward stakeholder management is not one that denies the interests of shareholders. Rather, we look to practice management that emphasizes all stakeholders, including shareholders. However, that is not the only reason. We also believe that emphasis on the interests of shareholders will not necessarily lead us to neglect the interests of other stakeholders. In fact, it is true that shareholders are not a homogeneous group. People often think of shareholders as being people among the wealthier classes, but there is actually a wide range of shareholders. For example, pension funds, such as the national Government Pension Investment Fund as well as the funds of companies, are also shareholders. The gains generated by the equity investments of these funds are used to pay the pensions of people today and will also fund the pensions of future generations.

I would like to take a moment to talk about one such shareholder: the AOI SCHOLARSHIP FOUNDATION (see page 116). This public interest foundation was established by MARUI GROUP founder Chuji Aoi using stock he personally held, and it is currently our ninth largest shareholder. The AOI SCHOLARSHIP FOUNDATION uses dividend payments from MARUI GROUP to provide scholarships totaling ¥120 million to approximately 200 high school and university school students each year. I am one of the foundation's councilors. Supported by the strong performance of MARUI GROUP, we were able to offer scholarships to 70 new individuals during the fiscal year ended March 31, 2021, bringing the number of scholarship recipients to a new record high.

However, not all of my memories surrounding the AOI SCHOLARSHIP FOUNDATION are rosy. MARUI GROUP found itself facing a management crisis shortly after I became president. During this period, we posted two losses, forcing us to cut dividend payments to ¥14 per share, half the prior level of ¥28 per share. When I asked

the secretariat of the foundation about their plans for the coming year after the cut, they said that the number of new scholarship recipients in the next fiscal year would be less than half of previous years. In my shock, I asked them why. The response was simple: MARUI GROUP had halved its dividend payments. Concern was also voiced that, if the low level of dividend payments continued, the foundation might be forced to reduce payments to both current and new scholarship recipients.

I was aghast. This was the first time I was forced to acknowledge exactly how reductions to dividend payments impact shareholders and those related to them. I thus pledged that, once we had recovered our performance, we would never lower dividend payments again. Since then, we have continued to prioritize ongoing, long-term dividend increases, raising dividend payments for the nine consecutive years following the recovery of performance, even in the fiscal year ended March 31, 2021, during which we were heavily impacted by the COVID-19 pandemic. My commitment to increasing dividend payments is underscored by the difficult realization from this experience. Accordingly, we cannot view management based on a dichotomy between shareholder interests and social contributions. It is not just scholarships that are affected by shareholder interests. The interests of shareholders are also connected to an array of social welfare frameworks, including pensions and insurance.

In this manner, the interests of shareholders are often directly linked to the interests of other stakeholders, and the interests of shareholders eventually affect the interests of society, which in turn then have an influence on the interests of shareholders. We therefore look to base our approach toward management on this relationship. I believe that this type of management is a responsibility of a listed company. By accomplishing our immediate goals and then taking the next step down this path, I hope to further facilitate stakeholder-oriented management by inviting representatives of future generations, customers, and employees to the Board of Directors.

Co-Creation with Younger Generations and New Work Styles

We have embarked on a new journey to achieve our desired impact. The part of this journey that I look most forward to is joining hands with others who share our philosophy and also seek the same desired impact. When we join hands with such individuals, we engage in the process of co-creation. MARUI GROUP's approach toward co-creation goes beyond simply passively responding to the requests of stakeholders; we seek to create the desired impacts by actively working with those who share our ambitions. In the past, we have practiced such co-creation when developing stores and products, and we have recently begun co-creation with start-ups. Through our co-creative activities with around 40 start-ups, we are pursuing open innovation, an approach toward innovation that has been deemed quite difficult, with few success stories to learn from. These efforts are spearheaded by more than 200 employees assembled to form co-creative teams as part of our committed approach toward co-creation, which is gradually producing results (see page 68).

An area of focus going forward will be co-creation with younger generations. If we are to achieve our impact targets of realization of a carbon-free society and creation of a circular economy (see page 26), we will no doubt need to call upon the strength of younger generations, who could be said to be sustainability natives. Moreover, we hope to offer assistance for self-actualization and support for individual preferences as priority measures for accomplishing our impact targets (see page 40). Providing this assistance and support will require the use of technologies such as the internet, which lends itself to individual empowerment, and blockchain, which is driving the development of an independent and decentralized society. We have to practice co-creation with the digital

native younger generations if we hope to effectively utilize these technologies.

To pursue such co-creation with younger generations, MARUI GROUP must embrace new work styles. This process should entail broadening our perspective. Rather than primarily requiring people to work inside the organization, we will need to promote more open work styles that allow people to work outside of the Company. Instead of mainly hiring new graduates, we should recruit mid-career individuals and adopt a wider range of employment styles to allow us to secure the ideal members for any given project. Such employment styles could include contract employees, individuals using us for secondary employment, non-traditional temporary employment schemes, and long-term internships. We also look to make our work styles such that talented and motivated individuals will be able to assume leadership roles regardless of their age or numbers of years of service. Ultimately, we want to develop work styles that frame collaboration as our business in order to pursue co-creation that blurs the boundaries of the Company.

These will not be easy tasks, and we cannot expect immediate results. Nevertheless, we are committed to gradually evolving to give rise to a co-creative ecosystem. I look forward to co-creating the future together with those who take an interest in our philosophy and desired impact after reading *Co-Creation Management Report 2021*.

October 2021

*Shiroshi Aoi*

President and Representative Director  
Representative Executive Officer, CEO

The president's message from *Co-Creation Management Report 2020* can be found below.



We seek to contribute to both interests and happiness, as opposed to sacrificing one for the other. (Fiscal year ended March 31, 2020)  
www.0101maruigroup.co.jp/en/ir/message/ceo/2020.html



# INDIVIDUAL EMPOWERMENT

DIALOGUE 01 — YUTA TSURUOKA — HIROSHI AOI

## Individual Empowerment Made Possible by Digital Technologies

BASE, Inc., CEO Yuta Tsuruoka believes that, when the internet makes the individual and the small team stronger, the world becomes better. We invited Mr. Tsuruoka to talk with President Aoi, an advocate of promoting individual empowerment together with younger generations, to discuss his view of the world of the internet and his predictions for the businesses that will shape the future.



This discussion can be viewed in its entirety on the kono yubi to-mare YouTube channel (in Japanese only).  
The following is an excerpt.  
[www.youtube.com/channel/UCCHq6q2aRFTyyEwVOMxHYXA](https://www.youtube.com/channel/UCCHq6q2aRFTyyEwVOMxHYXA)

BASE Roppongi office featuring a spectacular skyline view

Failure of the Internet Dream,  
Start of the Second Act

**Aoi:** I have really been looking forward to today. I am excited for the opportunity to ask you, Mr. Tsuruoka, about BASE, the future, and your dreams and visions. For starters, BASE's mission is "Payment to the People, Power to the People." I think most would agree that the internet was a technology born with the purpose of granting power to the people, or, in other words, of facilitating individual empowerment. I refer to this as the internet dream. Today, however, tech giants like Alphabet Inc.; Amazon.com, Inc.; Facebook, Inc.; Apple Inc.; and Microsoft Corporation are monopolizing information and capital on the internet, creating disparity between the haves and the have-nots even in this space and effectively undermining the potential for individual empowerment. For this reason, I would say the first act of the internet dream has ended in failure. Regardless, there is hope for the future as members of younger generations, like yourself, are once again trying to use the internet as a vessel for granting power to the people. I see the efforts of your generation as representing the second act of the internet dream. What are your thoughts in this regard?

**Tsuruoka:** You touch on a very difficult subject. We cannot deny that the sheer size of tech giants has robbed the people of their power. On the other hand, the internet offers venues like Instagram and Twitter, where the individual can gain a strong sense of empowerment. It is perhaps a structural reality of the internet that platform holders end up

having the greatest amount of power. However, it is because of the strength of platform holders that everyone is now allowed to have a voice on the internet. The power of these voices is such that it might have even changed the course of presidential elections in certain countries. From this perspective, you might say that there was a benefit from tech giants amassing such power.

**Aoi:** Social media has definitely played a role in supporting individual empowerment.

**Tsuruoka:** However, with the tech giants as large as they are today, we must now think about how to coexist alongside such massive platforms and how to create a space for ourselves outside of such platforms. For this reason, rather than this second act being about seizing individual empowerment, it is more about living alongside mega platforms. The long tail\* area of the empowerment curve will be the third act of the internet dream. This area represents potential for niche products to see consistent demand over the long term.

**Aoi:** In other words, we are at the midpoint, the transition period, for realizing the internet dream.

**Tsuruoka:** I think that the structure of BASE is really intuitive. Traditional e-commerce platforms, like Amazon, have both demand-side and supply-side aspects. BASE, meanwhile, only deals with the supply side, and we are targeting the extreme end of the long tail area of the empowerment curve. For the demand side, we will borrow the capabilities of mega platform holders. In this manner, we are taking advantage of the good aspects of the prior internet eras, and we are currently at a point at which

we are half dependent on large platforms and half empowered as individuals. It is possible that the power will return to large platforms in the future, but it is also possible that the individual may claim the power.

\* The portion of distributions of numbers far from the "head" portion at the center of the distribution

Small is Beautiful

**Aoi:** I suspect that BASE might be the first long tail-oriented e-commerce platform.

**Tsuruoka:** You are correct. Total distribution amounts are among the most important indicators for e-commerce businesses, and it is common for e-commerce platform holders to seek large affiliates so that they can become larger merchants. However, because we already have merchants like Rakuten and Amazon, BASE is able to take a different approach. Prior merchants were not able to commit themselves to serving the long tail end of the curve, but we can. Committing ourselves in this manner could be seen as a duty of my generation. Moreover, the lack of prior commitment to this area leaves a gap open to be filled by our business. This long tail-oriented approach requires a long-term perspective, looking to maximize earnings over 10 or 20 years, as opposed to achieving the greatest possible earnings next year. This approach may seem irrational from a short-term perspective, but its rationale becomes apparent in the long term.

An underlying principle of this approach is long-term confidence in the potential for the internet and for technology. My generation was raised around the internet and various other technologies. We grew up amid constantly increasing internet speeds, rising iPhone specs, and growing tech giants. This background is the source of such long-term confidence. We know the wonders of the internet age like our backyard, and we are thus able to speak with confidence about the world that will emerge two to three decades from now. This


It is people in their teens and 20s that are setting the trends.

This means that I only have another decade during which I can

be active at the front lines of product development.

Yuta Tsuruoka

Yuta Tsuruoka,  
CEO and Senior Executive Officer, BASE, Inc.

Born in Oita Prefecture in 1989, Yuta Tsuruoka took part in an internship program at crowdfunding company CAMPFIRE, Inc., while he was still in university. He released the BASE platform in 2012, and some 10,000 shops were opened through this platform in its first month. BASE, Inc., was established later in 2012 and was listed on the Mothers section of the Tokyo Stock Exchange in 2019.  thebase.in (in Japanese only)

To me, the input of younger generations is the future itself.

My interactions with such individuals give me a glimpse of the future, and this is incredibly exciting.

Hiroshi Aoi

confidence underpins BASE's long tail strategy.

**Aoi:** Your approach means that the users of our platform will all be operating small businesses. What are your thoughts regarding such smaller businesses?

**Tsuruoka:** We refer to the individuals who sell products through our platform as "owners" because they effectively own their own shop, and we try to avoid using words like "small business" or "small and medium-sized enterprises." I do not have a strong aversion to the term "small business," but I do feel strange referring to our users as "small and medium-sized." This is because the term "small and medium-sized enterprises" implies a desire to get bigger. BASE's users, however, do not necessarily desire for their business to get bigger. We have some users who have no intention of growing their staff above five members, no matter how much sales may increase, or those that don't replenish their inventories even if they immediately sell out. In this manner, our users are committed to their own individual approaches, a right granted to them as owners. Selling what one wants to sell. Buying what one wants to buy. Only accruing as much money as one needs, and working only when one wants. This is a set of values that many will likely subscribe to going forward. Small businesses offer the benefit of allowing people to embrace such values. As our society becomes a happier place overall, people with diverse values are taking the idea of being "small and medium-sized," something that was previously viewed as a weakness, as a strength.

**Aoi:** This has all been made possible by the internet. An incredibly influential economist coined the expression "Small

is Beautiful" in a book he wrote around 1973. I really liked this idea. However, at the time, everyone was convinced that bigger was better, and his words thus fell on deaf ears. Today, we have finally reached a point at which the beauty of the small is being acknowledged.

Small Businesses Satisfying Personal Preferences

**Tsuruoka:** I actually believe small businesses have advantages over large businesses. For example, when a new marketing method appears on the internet, it is individuals who are the first to adopt it. Larger businesses cannot act with such speed.

**Aoi:** We are truly seeing a reversal in values. Nowadays, larger businesses suffer from a lack of flexibility. As a result, there are some businesses that strategically and intentionally maintain their small size.

**Tsuruoka:** The rational advantages of small businesses can be seen in all aspects of operations. As individuals now have their own voice, it is becoming harder for large companies to counter what has been said using mass media after the fact. The internet trends over the past five to 10 years have shown the emergence of a larger number of direct-to-consumer (D2C) brands. The teams developing these brands have been engaged in local skirmishes with other such brands, with only the strong surviving.

**Aoi:** I believe that the small business format is the best format for apparel businesses. This is because everyone has different tastes, physiques, and body types. When the apparel industry was at its height, it primarily comprised apparel manufacturers working on sewing

machines in one-room apartments. When these individuals put their clothes up for sale in small shops at Marui locations in Shinjuku or Shibuya, they would fly off the shelves. This was during the so-called DC (Designers and Characters) brand boom of the 1980s. When I think about it, I cannot help but feel that history is repeating itself. The emergence of D2C brands has brought that sense of excitement back to the apparel industry, and I find myself inspired to support the efforts of such brands. As you say, small businesses are more economically feasible. We are likely entering into an era in which aspiring entrepreneurs are able to put their individuality on full display and transform their preferences into a business.

**Tsuruoka:** In the past, apparel manufacturers were only able to sell their products to people within a close proximity to them. Today, however, the internet and modern technologies allow people to deliver their products to customers anywhere in the world. This reality has lowered the high barrier to entry into the apparel industry as one no longer needs to have a brick-and-mortar store in a prime location.

**Aoi:** Businesses used to entail competition between people offering the same things, but times seem to be changing. The businesses of the future will likely see people offering different things forming networks and working together. What type of co-creative initiatives do you hope to promote in the future, Mr. Tsuruoka?

**Tsuruoka:** I feel strongly that future co-creative initiatives will be advanced through the entire business ecosystems. All members of the business community will be prospective partners, and it will be impossible for one business owner to provide all the forms of value needed. In the case of BASE, we called upon MARUI GROUP to establish physical stores. We were able to take this approach because the current era is very strongly oriented in favor of users. Businesses in this era are only able to prosper to the degree that they satisfy users. No matter how



you look at it, co-creation is becoming the cornerstone of business in the current era.

**Aoi:** I think I have wrapped my head around this. In the future, rather than MARUI GROUP having its business while also collaborating with BASE as a separate endeavor, we will come to adopt a perspective that frames collaboration as our business. Individuals will be the business owners of the future, and individuals and small teams will have a main-stage role in the business community of the future. For MARUI GROUP, the value we provide, the co-creation we pursue, will be shaped by our ability to support such individuals and small teams.

**Tsuruoka:** It is rare for a company of MARUI GROUP's size to say that individuals will be on the main stage in the future. I have incredible respect for this boldness.

Definitive Reason for Pledging Life to Supporting Younger Generations

**Tsuruoka:** MARUI GROUP is collaborating with BASE as part of its co-creative projects with younger generations. Why are you, Mr. Aoi, so committed to

supporting younger generations? It seems rare for someone to be so dedicated in their support for younger generations.

**Aoi:** I see myself as a forward-looking person. I have little interest in the past; it is much more edifying to think about the future. When I was around 45, I realized that the people I interact with and the people from whom I sought guidance were getting younger and younger. To me, the input of younger generations is the future itself. My interactions with such individuals give me a glimpse of the future, and this is incredibly exciting.

**Tsuruoka:** You mean to say that your commitment to younger generations is a product of an earnest curiosity, a desire to formulate an image of the future?

**Aoi:** That is one reason, but I have another, more definitive, reason. When my son was in sixth grade, his class conducted a panel discussion on the theme of "Our Future" during a class that was open for viewing by parents. I was shocked at how depressing the panelists' visions of the future were. Some predicted that humanity would be destroyed by nuclear war, while others projected extinction due to global

warming. Nonetheless, they said this while laughing. It dawned on me that these kids were the same age as Greta Thunberg. Even though they lived in a different country, they would be living their future in the same era as her. It then hit me: It is the responsibility of my generation to protect the future of these children. At that very moment, I lost my ability to pass the buck to others. After that, I turned 60, and at that time I pledged to use the rest of my life to support younger generations. What do you, Mr. Tsuruoka, think you can learn from younger people?

**Tsuruoka:** Basically, I think that the only place to find new ideas is from younger generations. At the very least, this is true in the IT and technology spheres. Here, it is people in their teens and 20s that are setting the trends. This means that I only have another decade during which I can be active at the front lines of product development. It is crucial for the most important and influential members of frontline operations to be young. It is also a must for all members to share such values in order to spur their mutual growth.

## IMPACT TARGET 01

# Creating a Future for Future Generations Together

The first theme examined when considering our desired impact was the future for future generations. Climate change moves closer to robbing us of our future and destroying the global environment every minute, and addressing this crisis must take priority above any of our other desires. In light of this crisis, MARUI GROUP seeks to provide options for contributing to a decarbonized society and fostering circular economies, both elements of a green recovery. We thereby aim to help preserve a global environment that will allow future generations to live without fear for the future (see page 26).

## IMPACT TARGET 02

# Creating Happiness for Individuals

The second theme addressed with regard to our impact was the happiness of individuals. Our everyday lives have somehow become a burden. We are restricted by what is considered social etiquette, we face feelings of internal conflict as a result of our interpersonal relationships, and we suffer from social disparities that do not reflect differences in abilities. Trapped by the confines of our current society, we all desire to break these chains and create a society in which every individual is empowered to be themselves. To help move us toward such a society, MARUI GROUP offers support for individual preferences and self-actualization from the perspective of finance, investment, and consumption (see page 40).

# OUR IMPACT

## IMPACT TARGET 03

# Creating Platforms for Co-Creation

Realizing our desired impact will require us to create platforms for co-creation. The society that MARUI GROUP envisions is not something that we can achieve by ourselves; we must build an ecosystem that moves us toward this goal through co-creation with individuals who share our ideals. By sharing its current corporate assets, namely its physical stores, EPOS cards, IT, and employees, with partners outside of the immediate organization, MARUI GROUP looks to produce innovation through co-creation (see page 68).

**This is MARUI GROUP's declaration of its quest to co-create positive impacts with younger and future generations.**

IMPACT

IMPACT

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Co-Creation of Positive Impact with Younger and Future Generations

## WHAT IS OUR IMPACT?

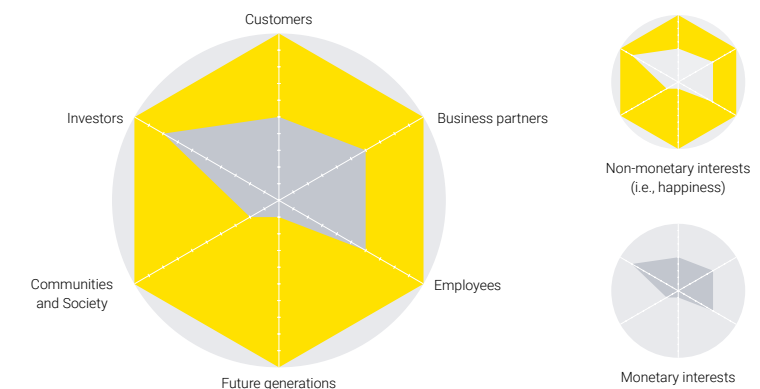
In May 2021, MARUI GROUP announced impact targets based on three themes. This announcement constituted a new declaration by MARUI GROUP that describes the clear direction it will take as a company to realize the future it envisions for 2050.

Our impact refers to how we change and influence society. Some may wonder why MARUI GROUP decided to emphasize its impact in this manner. We believe that corporate value entails creating harmony between the interests and happiness of all of our stakeholders and growing the intersection of these interests and happiness. MARUI GROUP has defined six groups of stakeholders, each of which seeks different interests and happiness. Monetary interests can include the salaries paid to employees, the dividends issued to shareholders, the prices at which products are sold, and costs for business partners. Each of these monetary interests could be seen as being in opposition with the others. Happiness, meanwhile, is not something that can be measured monetarily. Rather, happiness is a value shared among all of humanity, and there is thus a great deal of overlap between the happiness of individuals in differing stakeholder groups.

Impact has been framed as a new perspective for gauging interests and, the more difficult, quantifying happiness. Based on this perspective, we have defined three impact targets: creating a future for future generations together, creating happiness for individuals, and creating platforms for co-creation. These targets were defined based on consideration of how we can bring about meaningful changes for stakeholders and for society as well as the desires of stakeholders that we are able and eager to fulfill.

By accomplishing these impact targets, MARUI GROUP will harness the power of business to build a world that transcends dichotomies and thereby contribute to the creation of a flourishing and inclusive society that offers happiness to all.

Interests and Happiness Sought by Stakeholders (Hypothesis)





## WHY FOCUS ON FUTURE GENERATIONS?

MARUI GROUP is unique in its placing future generations among the stakeholder groups it emphasizes. This new stakeholder group was introduced in 2019 when we unveiled MARUI GROUP's 2050 Vision, our long-term vision for 2050. The introduction of this stakeholder group was symbolic of our commitment to help contribute to the realization of a sustainable society that emphasizes well-being by promoting co-creation with future generations.

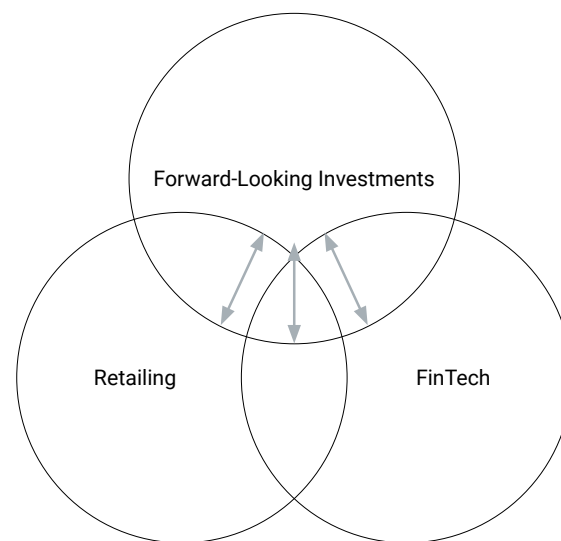
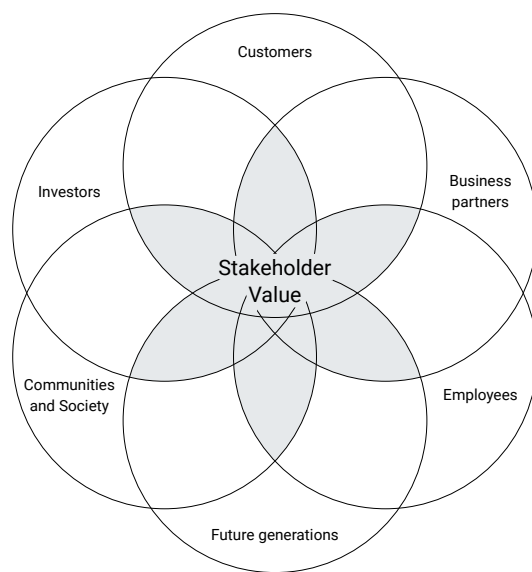
In his book, *The Good Ancestor: How to Think Long Term in a Short-Term World*, Australian-born, U.K.-based philosopher Roman Krznaric describes a need to move away from short-sightedness to adopt a longer-term perspective by posing the question of whether we can become "good ancestors."

This question is more pertinent today than it has ever been in the past. Humanity has grown to a point whereby the impacts of our culture, economy, and lifestyles have surpassed the ability of the global environment to repair itself, triggering a crisis that threatens our very survival. The first horseman of this crisis is climate change. It has even been said that climate change is symbolic of how we are extracting resources from the future.

Recognizing this threat, members of the current generations have launched nation-level campaigns to pursue sustainability. A number of companies have joined this cause, listing the environment or the earth among their stakeholders. However, this raises the question, if the earth or the environment is a stakeholder, to whom exactly does that refer?

What we are fighting to protect is not the earth itself, it is the people of the future who will live on this planet. It could thus be said that the stakeholders whose interests we should actually be looking to serve are future generations. This is the reason why MARUI GROUP has chosen to place future generations as the sixth member among the stakeholder groups on which it focuses.

Rather than preoccupying itself with the question of *if* it can become a good ancestor, MARUI GROUP is acting based on the commitment that it *will* be a good ancestor.



# MARUI GROUP'S DIRECTION

## Goals for MARUI GROUP

The future direction for MARUI GROUP can be seen in its mission and its vision. These clearly defined objectives have attracted various partners desiring to engage in co-creation with us. At the same time, however, we have seen cases in which we have faced difficulty when actually attempting to develop businesses with such individuals, despite their sharing our mission and vision. We realized that this difficulty was a result of a lack of clarity with regard to our goals.

The decision to define the three impact targets on which we will focus going forward was meant to clearly present the goals toward which MARUI GROUP will work to both internal and external stakeholders. On the following pages, you will find a detailed look at our efforts with regard to each of our three impact goals—creating a future for future generations together, creating happiness for individuals, and creating platforms for co-creation.

# IMPACT TARGET 01

## Creating a Future for Future Generations Together

The first theme examined when considering our desired impact was the future for future generations. Climate change moves closer to robbing us of our future and destroying the global environment every minute, and addressing this crisis must take priority above any of our other desires. In light of this crisis, MARUI GROUP seeks to provide options for contributing to a decarbonized society and fostering circular economies, both elements of a green recovery. We thereby aim to help preserve a global environment that will allow future generations to live without fear for the future.



# SHAPING A BETTER FUTURE FOR FUTURE GENERATIONS

DIALOGUE 02 — SAORI IWANO — PETER DAVID PEDERSEN

## Escaping a Restrictive Future by Imagining the Future as a Blank Slate

Saori Iwano is a high school student who shaved her head, parting ways with hair grown down past her shoulders, and wrote an essay on the potential of shaving one's head to help fight climate change. People have diverse ideals. There is no need to limit the ideal of feminine appeal to having long hair. Peter David Pedersen, external director at MARUI GROUP and guide in its quest for true sustainability, spoke with Iwano about the ideals she espouses.

### Saori Iwano

A third-year high school student born in Tokyo in 2003, Saori Iwano is a central member of the student environmental activist organization Fridays For Future Japan. This unique Generation Z environmental activist has gained attention for her research on decentralized energy and her essay on the potential of shaving one's head to help fight climate change, which reflected her own experience of shaving her hair, which had been grown down past her shoulders.

### Peter David Pedersen

Peter David Pedersen was born in Denmark in 1967. He has been involved in the formulation of business, environment, and CSR strategies for major Japanese companies, and it was Pedersen who introduced Japan to the concept of Lifestyles of Health and Sustainability (LOHAS). Today, he is devoting his efforts to fostering future leaders as the representative director of Next Leaders' Initiative for Sustainability while also acting as a professor at Shizenkan University. Pedersen assumed the position of external director at MARUI GROUP in June 2021.

### Start of Environmental Activism Inspired by Inconsistency of Adults

**Pedersen:** I have been working with major Japanese companies over the past 25 years. I refer to innovation that is not mindful of sustainability as "trash innovation." Innovation can create new value, but innovation that only seeks economic value at the cost of the environment has no place in society. How do you, Ms. Iwano, view Japanese companies from your perspective?

**Iwano:** It depends on the company, but there are a lot of companies that only think about doing business through existing frameworks, and these companies formulate visions of their future based on their current state. Japanese companies love the word "innovation." However, it is also common for these companies to primarily pursue innovation

aimed at sustaining their current systems and businesses.

**Pedersen:** I completely agree. Those working in existing systems tend to become prisoners of these systems, and therefore have their actions limited by the systems. Based on this perspective, I would like to talk about your activities. Exactly what type of activities have you been engaged in?

**Iwano:** I have been involved in the activities of the student environmental activist organization Fridays For Future Japan since 2019. These activities are part of a movement calling for action to combat climate change. Due to the COVID-19 pandemic, we are currently focusing on efforts online and through other venues that do not involve close contact with others. One example of these efforts is a call for action on climate change via social media. We are also working together with the government and the



corporate sector, sometimes offering advice on government policies and coordinating with companies at the forefront of climate action. In addition, we form connections with Asian environmental activists, contribute to the efforts of the United Nations Climate Change Conference, and take other flexible actions related to these efforts.

**Pedersen:** I was born in Denmark. When I was 10, I remember taking part in a demonstration protesting the construction of a nuclear power plant. This demonstration resulted in Denmark making the switch to wind power. This experience opened my eyes to the importance of action. What was your call to action?

**Iwano:** When I was in my third year of junior high school, I listened to Severn Cullis-Suzuki's legendary speech at the Earth Summit in Rio de Janeiro about the day our world will change, which she delivered when she was only 12. In this memorable speech, Suzuki illustrates the inconsistency between the righteous action adults expect of us and their own actions. When I was still chewing on this idea, I learned that Greta Thunberg had begun her climate change activism in Sweden. Thunberg had put forth a message casting light on the same issue by questioning why adults think they can tell us what not to do while they violate their own creeds and present an inconsistent stance through the Paris Agreement. Her message matched the one of Suzuki. When I learned of Thunberg's activities, I was around the same age as her, 15. This experience, and the recognition of the inconsistency of adults, was my call to action.

**Importance of Younger Generations  
Commenting on Company Impact**

**Pedersen:** I understand that you wrote a very intriguing essay.

**Iwano:** You're talking about my paper on how cutting one's hair can help combat climate change, right? I shaved my head for that paper. My hair used to be down past my shoulders.

**Pedersen:** That is a really clever idea. What were the results of this experiment?

**Iwano:** My thesis was that shaving my head would affect how much water I used to bathe and the amount of gas consumed to heat the water as well as my usage of a hair dryer. I measured these metrics using myself as the sample to determine the impact of shaving my head, and compared the results to

other options. I found that shaving one's head has mid-range benefits for fighting climate change.

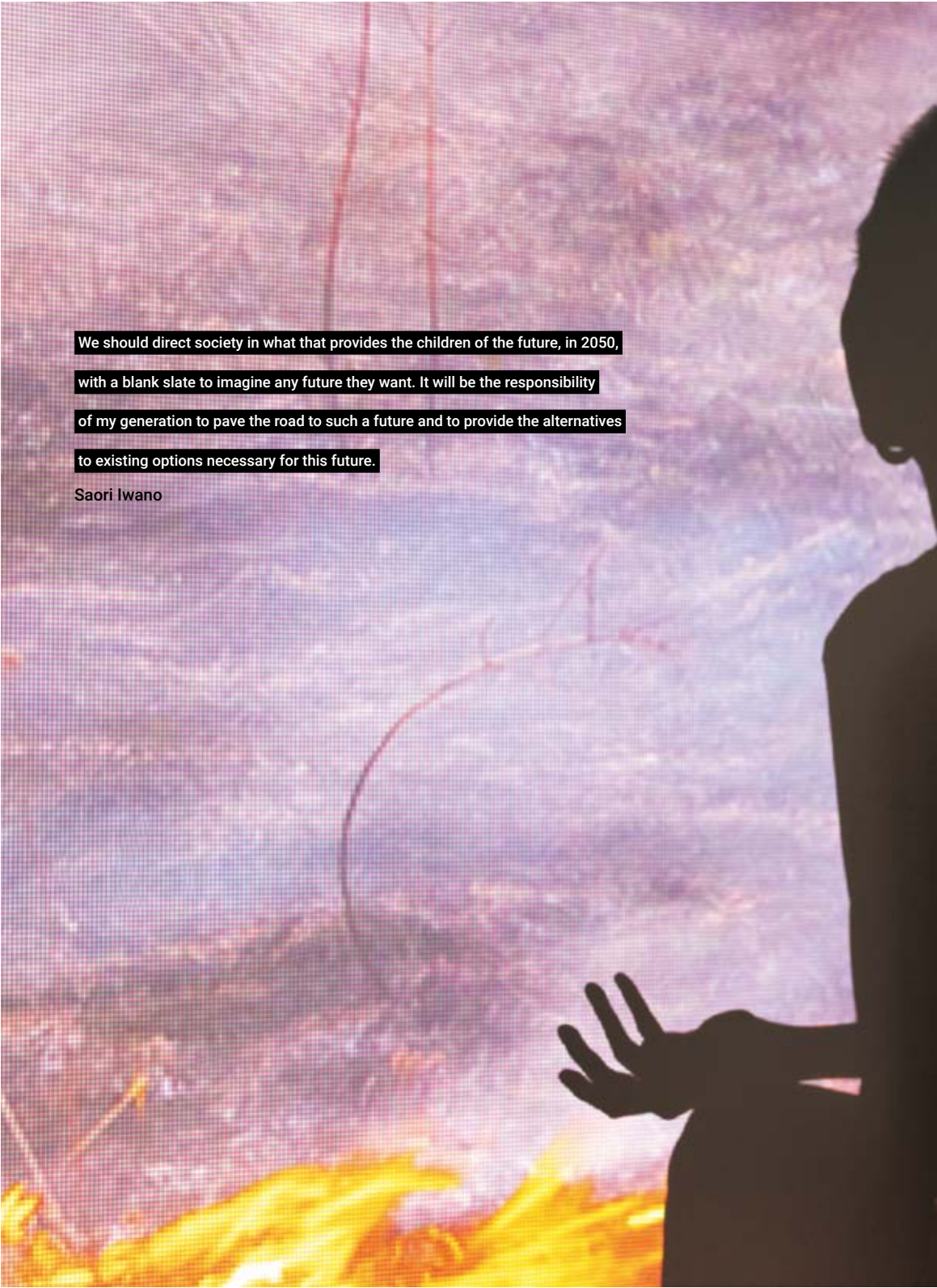
**Pedersen:** It is generally accepted that girls of your age tend to be interested in things like makeup and fashion. What type of response did you get from the people around you when you shaved your head?

**Iwano:** I get asked that a lot. On the flip side, as people often come up and ask me about my hairstyle because it is so unusual, this gives me plenty of opportunities to talk to people about our climate crisis. Also, I don't think that we need to limit the ideal of feminine appeal to having long hair. This is supposed to be an era in which people can have diverse ideals after all.

**Pedersen:** That is true. The idea that having long hair is feminine is an outdated preconception that is incompatible with the values of diversity. Changing gears, it is said that there is a need to enlist the aid of companies to realize positive social impacts. What are your thoughts on this topic?

**Iwano:** Companies have a very large impact on society. It is therefore crucial that we let companies know what the younger generations are thinking. Companies tend to formulate visions of how to generate profits, while younger generations put forth visions of how to address issues facing society. We should thus combine the visions from these two perspectives to create one overarching vision for all of society and work together as partners in accomplishing this vision. There is a book by the Japanese scholar of the history of economic thought Kohei Saito on the subject of capital theory for a new era. This book is full of insightful critiques of contemporary capitalism as well as proposals of alternative approaches based on the visions of younger generations. I have had several opportunities to speak with Mr. Saito, but in his book he does not explain a clear process toward reaching the stated ideals. I think the nitty-gritty about making and transitioning to the new systems that will be required to realize these ideals will need to be handled by companies and others in positions of power. The role of us younger generations will thus be to share our visions and to engage with this process.

**Pedersen:** U.K.-born, U.S.-based futurist Hazel Henderson speaks of building a love economy in contrast to the existing money economy. In the past, earning money was seen as a pursuit completely separate from exercising compassion or contributing to society. In recent years, however, we have seen a rise in companies guided by a social purpose.



We should direct society in what that provides the children of the future, in 2050,  
with a blank slate to imagine any future they want. It will be the responsibility  
of my generation to pave the road to such a future and to provide the alternatives  
to existing options necessary for this future.

Saori Iwano

**Iwano:** I think that the idea of intersectionality\* will become increasingly prominent in the future. MARUI GROUP values its stakeholders, and I think the idea of intersectionality aligns well with stakeholder value.

**Pedersen:** From one perspective, the ideas of a money economy and love economy overlap in a way similar to the categories of intersectionality. I think it would be great if companies were to team up with NPOs, with each party leveraging their respective strengths to create a more open environment, and then eventually if companies were to become more like NPOs.

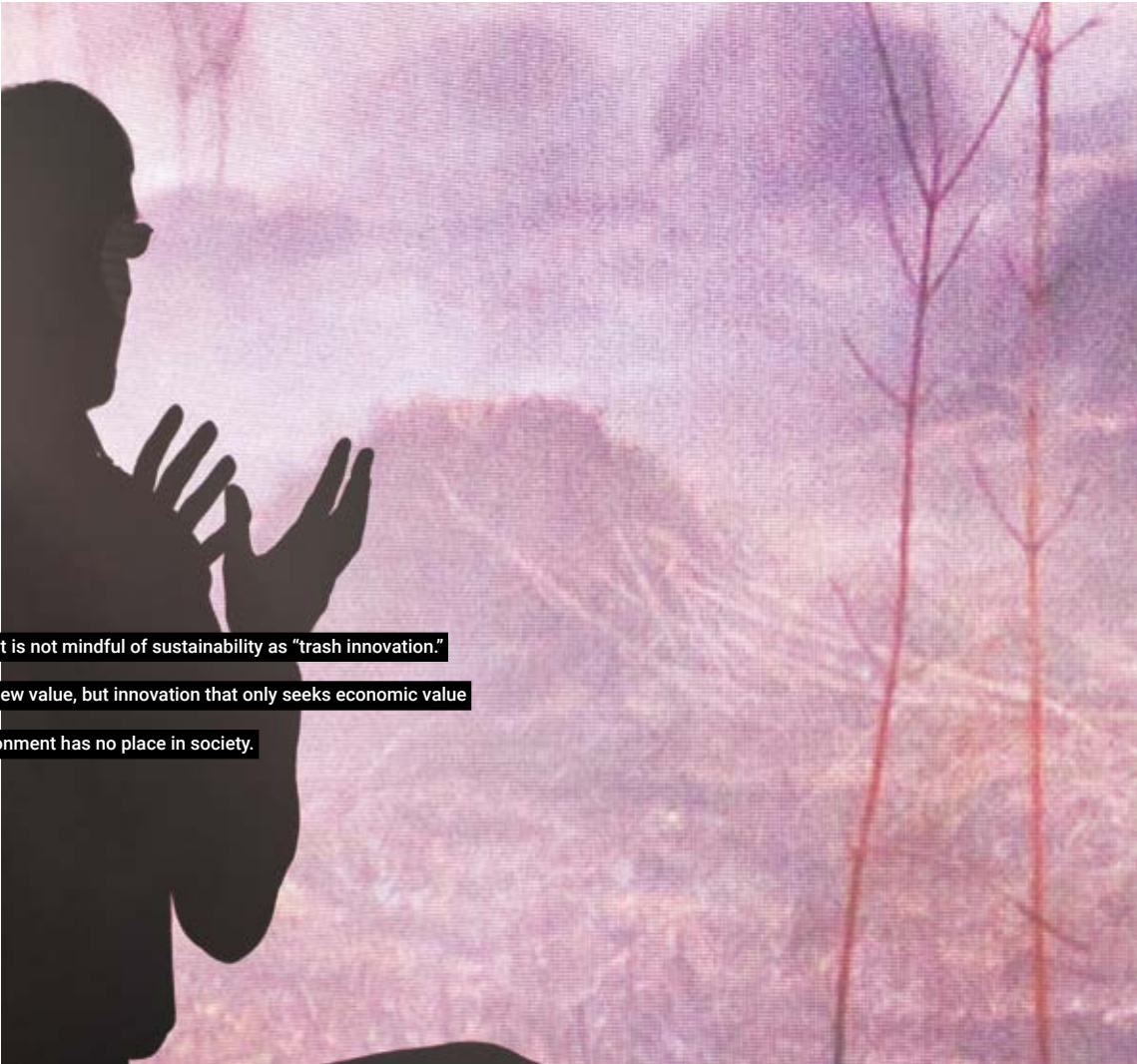
**Iwano:** A successful business is dependent on the people involved in the business as well as on consumers and community members. An emphasis on the interests of these various stakeholders is also important to decarbonization efforts. I think there is a strong need for MARUI GROUP to exercise

leadership in guiding community decarbonization efforts together with stakeholders by connecting various styles of consumption and returning the benefits of these activities to communities.

\* An analytical framework that looks at how attributes of a person's identity, including race and gender, contribute to discrimination and privilege

**Need for New Values Surpassing the Scope of Businesses Focused Purely on Resolving Issues**

**Pedersen:** In terms of consumption, I think a change in perspective, from the prior focus on trade-offs to an emphasis on raising value, will help to realize sustainability in its truest form. Rather than relying on trade-offs, by prioritizing the economy to the detriment of the environment and supply, we should transform our lifestyles to provide options that position inclusivity and circularity as the norm. With this perspective, I look to propose alternative consumption methods and new lifestyles for Japan.



I refer to innovation that is not mindful of sustainability as “trash innovation.”

Innovation can create new value, but innovation that only seeks economic value

at the cost of the environment has no place in society.

Peter David Pedersen

**Iwano:** Concepts such as sustainability and ethics have become a normal part of education in Japan, leading to a rise in awareness on these subjects among high school students. However, this education is still limited to the idea of resolving social issues. The option of fair trade only exists due to the presence of issues of poverty and exploitation. Similarly, the climate crisis has given rise to the option of decarbonization. In the future, I think it will be important for businesses and products to propose new values and offer a path toward embracing these values, as opposed to simply resolving the current issues we face. By proposing new and better options, people can make new discoveries and have new encounters. These possibilities are something not present in prior issue resolution-oriented businesses.

**Pedersen:** MARUI GROUP is a company whose business is founded on stimulating consumption. For this reason, it will need to change the products it offers. The question then becomes, how should it undertake such a change? Ms. Iwano, what are your thoughts regarding the future of consumption?

**Iwano:** I don't shop at stores a lot. Even the clothes I am wearing today were hand-me-downs from my cousin. The approach of stimulating a desire for consumption does not seem suited to the coming era. I think there is more potential in promoting consumption by proposing better options. It would be great if consumers were able to purchase items based on the understanding of what went into their making, the story of each item, so to say. Understanding the feelings of the producer creates a kind of synergistic effect for the user that makes them feel more satisfied with their purchase of the item in question when they use it.

**Diversity in Decision-Making Required for Inclusive Thinking**

**Pedersen:** MARUI GROUP has defined impact targets in its new medium-term management plan. What do you think of this undertaking?

**Iwano:** I think the involvement of people like you, Mr. Pedersen, and representatives of various other sectors in decision-making is necessary for inclusive thinking. This is also important for promoting decarbonization while preventing the emergence of new social issues as a result of these efforts. For example, if we were only to focus on a single aspect of the United Nations Sustainable Development Goals (SDGs), we might be able to effectively

resolve the targeted issues, but it is also highly likely that we would cause a new issue in the process. This lack of inclusive thinking is a common trait of the shallow and performative approach toward the SDGs that many companies are adopting. As the standards of society change, the definition of impact will also change. It is easy to put forth the goal of decarbonization, but it is important not to rigidly define this goal as an unmoving impact target. Such rigidity will likely kill the potential of a company. A more ideal approach would be to incorporate people from diverse backgrounds into the process of developing action plans in order to make these plans more impartial.

**Creation of a Blank Slate Society That Lets Children Imagine Their Own Future**

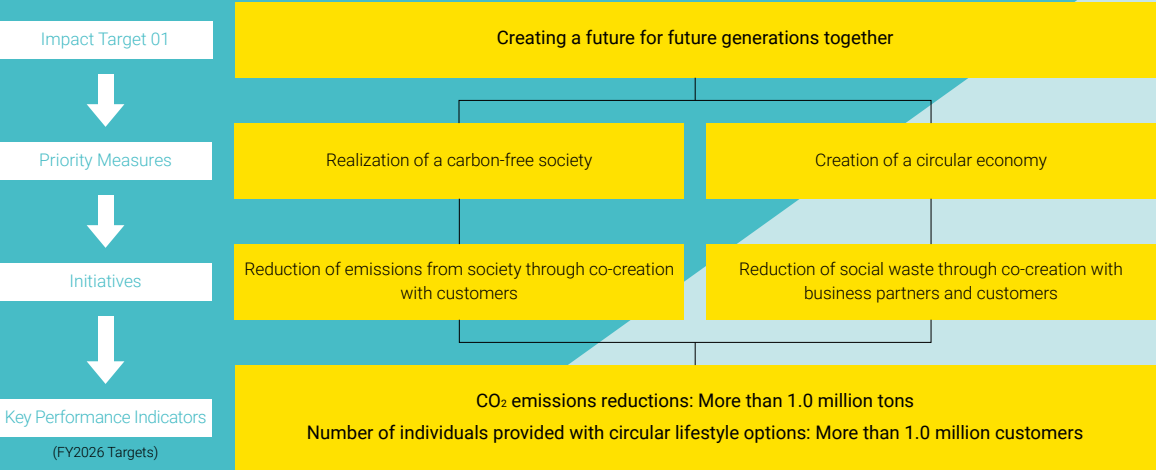
**Pedersen:** What is your goal for the future, Ms. Iwano?

**Iwano:** I want to be involved in the decentralized energy cycle. I see potential for the application of decentralized blockchain technologies to decision-making processes. Blockchain is a promising tool for realizing transparent and impartial decision-making. As far as the future I hope to create, I think it is important for the future to be like a blank slate. The future we are able to imagine for ourselves in the current society is restrictive. What I mean to say is that we should direct society in what that provides the children of the future, in 2050, with a blank slate to imagine any future they want. Moreover, I hope that society will be such that the future generation of 2050 will be inspired to create a better future for the generation that follows them, and that this generation will do the same, giving birth to a consistent and virtuous cycle. It will be the responsibility of my generation to pave the road to such a future and to provide the alternatives to existing options necessary for this future. For this reason, I want to work toward this vision in various fields together with individuals from an array of sectors. **Pedersen:** Collaboration with companies should be framed in terms of “with,” as opposed to “for.” I have been working together with major Japanese companies for 25 years. I try to deny the obvious standing of these companies as I work with them. This is because I think that creative self-denial is vital to companies. Rather than working “for” the companies, I want to work “with” them to build a better world.

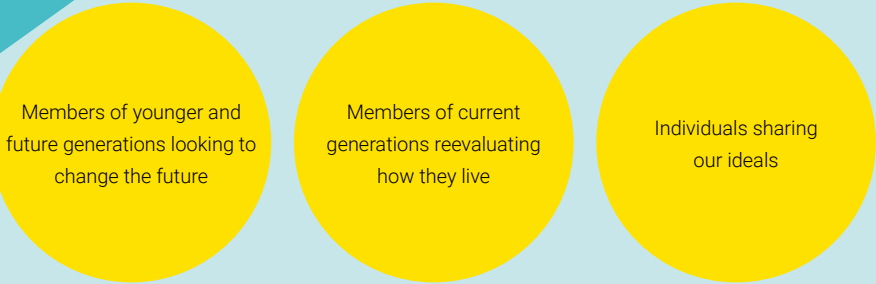
# Creating a Future for Future Generations Together

MARUI GROUP seeks to create a future for a wide range of generations, including the younger millennials and Generation Z and Generation Alpha individuals who will lead the world three decades from now as well as the future generations who have yet to be born. At MARUI GROUP, we believe that 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 therefore recognize that we must not pursue economic development and prosperity at the expense of future generations. If we combine our existing assets and experience with the greater stock of wisdom of humanity, we will be capable of overcoming the crisis presented by climate change through co-creation and thereby reach a future characterized by happiness and prosperity in the truest sense.

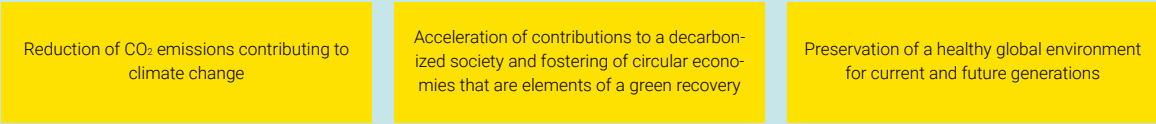
Overall Vision and Key Performance Indicators



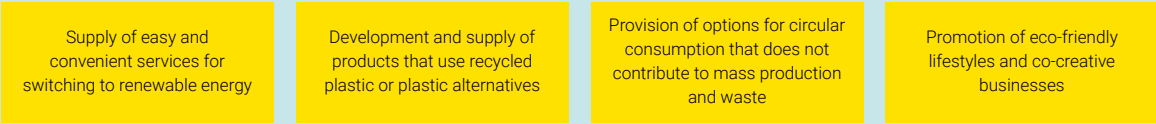
WHO?



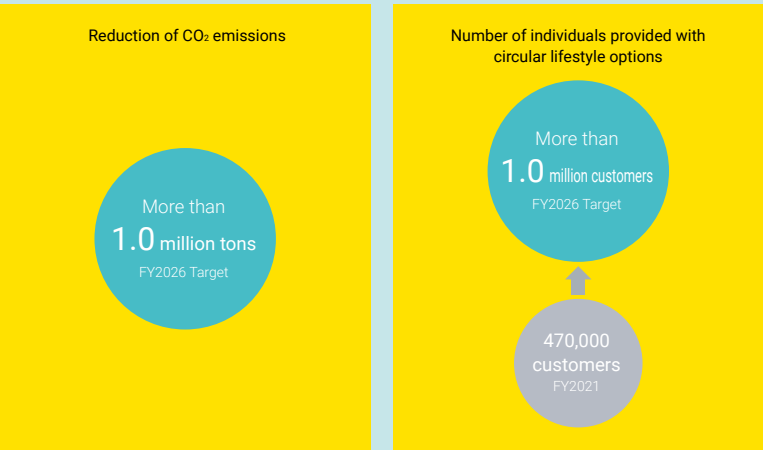
WHAT?



HOW?

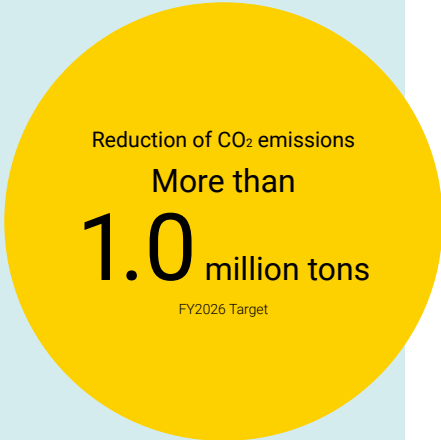


OUR IMPACT



# 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.



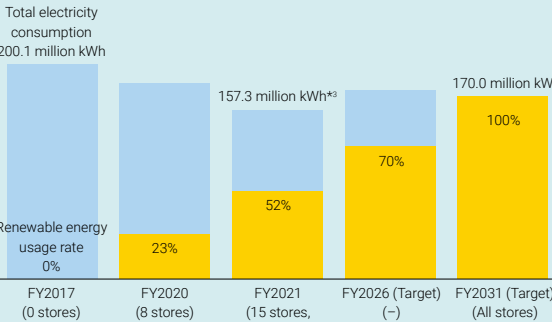
## Reduction of CO<sub>2</sub> Emissions Together with Stakeholders

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/](http://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 CO<sub>2</sub> 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 CO<sub>2</sub> than would be produced when issuing a conventional credit card.\*<sup>1</sup> Moreover, ¥1,000\*<sup>2</sup> 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 CO<sub>2</sub> emissions of more than one million tons in the aforementioned fiscal year when combining the reductions associated with this service with its own CO<sub>2</sub> reductions.

\*<sup>1</sup> Based on data from credit card production companies with which MARUI GROUP has business relationships  
\*<sup>2</sup> 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](http://www.eposcard.co.jp/eposnet/index.html)

Information on Minna-denryoku EPOS Cards (in Japanese only)  
[www.eposcard.co.jp/collabo/minden/index.html](http://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-m<sup>2</sup> 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 CO<sub>2</sub> 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 CO<sub>2</sub> 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.

## 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.



MEDULLA store offering scalp diagnosis, fragrance testing, and other experiences only possible at a physical store (Yurakucho Marui)  
[medulla.co.jp/](https://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/](https://fabric-tokyo.com/) (in Japanese only)



Number of individuals provided  
with circular lifestyle options

More than  
**1.0** million customers

FY2026 Target

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.

## 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/](https://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/](https://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/](https://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.

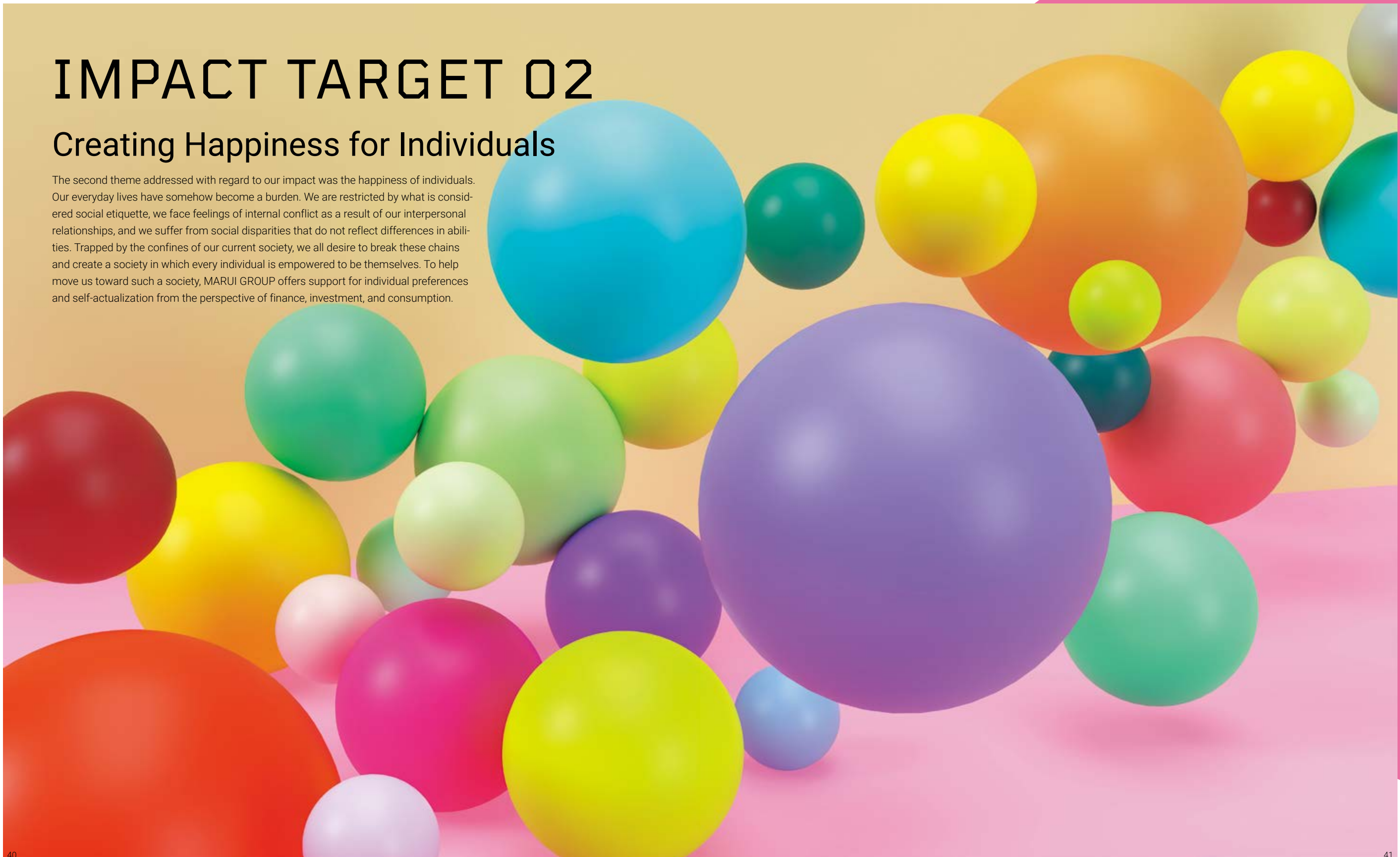
### I hope to offer easy access to opportunities to experience circular lifestyles.

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.

# IMPACT TARGET 02

## Creating Happiness for Individuals

The second theme addressed with regard to our impact was the happiness of individuals. Our everyday lives have somehow become a burden. We are restricted by what is considered social etiquette, we face feelings of internal conflict as a result of our interpersonal relationships, and we suffer from social disparities that do not reflect differences in abilities. Trapped by the confines of our current society, we all desire to break these chains and create a society in which every individual is empowered to be themselves. To help move us toward such a society, MARUI GROUP offers support for individual preferences and self-actualization from the perspective of finance, investment, and consumption.





Yasunori Nakagami

Yasunori Nakagami is the representative director and CEO of Misaki Capital Inc. and has served as an external director at MARUI GROUP since 2021. He is a self-proclaimed management enthusiast, placing the management of companies even above eating. Nakagami made his management consulting debut immediately after graduating from university. He also acts as a long-term investor dedicated to an emerging Japan based on the belief that management emphasizing partnership between managers, employees, and shareholders will contribute to improved corporate value.  
🌐 [www.misaki-capital.com/en/index.html](http://www.misaki-capital.com/en/index.html)

Arata Sekimoto

At only 13 years of age, Arata Sekimoto is already an unrivaled expert on *yokai* (traditional Japanese mythical creatures). His love of *yokai* extends beyond his research to the sale of books and merchandise on *yokai*. In 2020, he produced and sold keychains of a *yokai* known as *amabie* and used the proceeds from these sales to buy 4,000 hygienic masks, which he donated to local physician associations and healthcare centers. Moreover, he established a company called *Omori wo Tsukuru* ("Shaping Our Sentiments") when he was in the fifth grade of elementary school, and he currently oversees this company as president.  
🌐 [egaku.thebase.in/](http://egaku.thebase.in/) (in Japanese only)



Hikari

Hikari refers to herself as a "financial economist cosplayer" committed to connecting the world through cosplay. In addition to acting as a fund manager at financial institutions both in Japan and overseas, she has visited more than 60 countries around the world as a backpacker and sometimes as a guest at overseas events, and her fans can be found across the globe. The number of self-made costumes she has worn over her 19-year career as a cosplayer surpasses 200. In 2017, she started up her own clothing brand centered on the Japanese view of "cuteness" (*kawaii*) with plans for overseas expansion.  
🌐 [www.instagram.com/hikari\\_green/](https://www.instagram.com/hikari_green/)

Shoki Takahata

Shoki Takahata is an unstoppable master of radio-controlled (RC) cars. First grabbing the "wheel" when he was 10, his storied racing career includes three consecutive wins at the Japanese national championship as well as a victory at the 2019 IFMAR World Championship for 1.8 IC Off-Road Cars, a world championship event held in California. The envy of RC car racers worldwide, this meticulous craftsman carefully selects the tires and components to be used for each race based on the course and weather, tuning his racing vehicle with millimeter-level precision. When not busy with his day job as an office worker, Takahata will look to broadcast his love of RC cars to the world via social media.



## SUPPORTING EVERYONE'S HAPPINESS AND SELF-EXPRESSION

DIALOGUE 03 — YASUNORI NAKAGAMI — ARATA SEKIMOTO  
— HIKARI — SHOKI TAKAHATA

### Younger Generations Seeking the Pinnacles of Their Passions

The following is a discussion with Arata Sekimoto, a *yokai* researcher who started his own company while in elementary school; Hikari, an anime and manga cosplayer active around the world who has experience as an institutional investor and markets her own clothing brand; and Shoki Takahata, an RC car lover and world champion racer. These individuals, each seeking the pinnacle of their passions, were met by Yasunori Nakagami, an institutional investor and self-proclaimed management enthusiast who also serves as an external director at MARUI GROUP, who asked them about their respective passions.

#### *Yokai*, RC Cars, Cosplay, and Management—To Each Their Own Passion

**Nakagami:** We have asked for you to be here today because each of you is a member of the younger generations who has reached the pinnacle of your passion. I am not young, but I too pursued the pinnacle of my passion—management. In fact, I see myself as a management enthusiast, and I would place managing companies even above eating (laughs). After graduating from university, I joined a management consulting firm. I proceeded to help clients improve their management ability to the greatest degree possible over the next two

decades. I then moved on from consulting to get into investing some 15 years ago. Previously, I had not dreamed that I would eventually start my own company. In June 2021, I became an external director at MARUI GROUP. I am pleased that we were able to arrange such a forum today at which we can discuss the dedication we have each committed to our respective passions. Please start by introducing yourself.

**Sekimoto:** My name is Arata Sekimoto and I am a *yokai* researcher. I have loved books since I was a little kid. My house is filled with manga, novels, and encyclopedias. Back then, I would often get hooked on something, like insects or dinosaurs, but would quickly lose

interest later. However, this trend stopped when I reached *yokai*. *Yokai* are supernatural elements spoken about in the stories of old. I find the stories of these creatures incredibly interesting as I can sense how they were born out of people imposing their own thinking and imagination on things that happen. I even created my own *yokai* encyclopedia when I was in fifth grade, which was actually published by a major publisher.  
**Takahata:** I am Shoki Takahata, the RC car racing world champion. I first got into RC cars when I was 10. Initially, it was because of my parents' influence. We had RC cars at home, and they asked if I wanted to try them out. I have never liked losing, and racing, which

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Yokai are supernatural elements spoken about in the stories of old. I find the stories of these creatures incredibly interesting as I can sense how they were born out of people imposing their own thinking and imagination on things that happen.



involves receiving a clear numeric rank, thus fit my personality. I also really enjoy tuning my car in preparation for each race. RC car racing entails blazing around tracks 600 to 700 meters long at speeds of up to 120 kph, where a difference of a thousandth of a second can be the difference between winning and losing. This means that precise tuning is crucial to ensure the car drives the way you want it to. A change in how tight one screw is can alter how a vehicle rolls, or leans, around corners. These kinds of small details are addicting. In 2019, I won the IFMAR World Championship for 1:8 IC Off-Road Cars event held in California. This competition uses 1:8 scale cars, the largest class of cars in RC racing. Just like in F1 and other automobile races, RC racing involves teams and sponsors. The world championship takes place once every two years, and the 2021 championship was scheduled to be held in Japan but was delayed because of the COVID-19 pandemic.

I was looking forward to claiming my second consecutive championship win in my country, so this outcome was a bit disappointing.

**Hikari:** Hi, I'm Hikari. I am currently working at an investment fund, and I have been active as an anime and manga cosplayer for 19 years. I love visiting other countries; I have gone on backpacking trips in 60 countries, all while continuing my cosplay activities. I am the type of person who strives for perfection in the things I love. When preparing costumes, I explore various items, including complex wigs and outfits, as I try to express various two-dimensional characters in three dimensions. I upload the pictures I take in these costumes onto social media, and this has gained me a following overseas. One time when I was invited to an overseas cosplay event, I met people who said that they started cosplay a decade ago after learning about me. I was even asked for an autograph for someone

who still had one of my photo books from 10 years ago. I keep doing cosplay because I love how sharing my passion with other cosplayers allows me to connect with people both in Japan and around the world.

**Takahata:** I too have made a lot of connections and had a wide range of experiences due to my love of RC cars. When I won the world championship, even the rival racers were happy for me. This experience changed how I see things: We may be rivals on the track, but off of it we are all the same RC car lovers.

**Sekimoto:** The *yokai* researchers and folklore specialists I have come to know are almost all older than me. Even so, I can talk with these people for hours, and it is always a lot of fun. Still, as there are no *yokai* lovers my age, I do wish I had friends my own age who are also interested in *yokai*.

**Nakagami:** Hearing your stories, I realized two things that all four of us have in

common. The first is the need to research what we are passionate about. I can definitely relate as a management enthusiast. The inability to stop ourselves from getting to the bottom of the things we love is an important part of following our passions. The second thing is the need for comrades with similar interests. At first, it is fun to research by ourselves, but in the end, we want to share our passion with others to enjoy these activities together. Everyone feels this way. Talking with comrades from around the world allows us to surpass the boundaries of space, our age group, and even time.

Ways to Turn One's Passions  
into a Business

**Nakagami:** I understand both Mr. Sekimoto and Ms. Hikari have started your own businesses. Could you please tell me a little about your businesses?

**Sekimoto:** When I was in fifth grade, I founded Omoi wo Tsukuru and became

the president of this company. I was even able to acquire a patent through this company. This story goes back to when I was in third grade. Basically, I wanted to invent something for my homework assignment over summer break, and I wanted my invention to be something that would help people. I started by asking my mom about the issues she faced. She told me that she was having problems with how long it took bath towels to dry after she washed them. To fix this problem, I invented a cylinder that would increase the area of the poles used to hang laundry out to dry to allow for faster drying of even larger items. This was the invention for which I took out a patent. They started selling my invention at ¥100 shops (the equivalent of dollar stores in the United States) in 2021. This made the decision to start a company worth it.

**Hikari:** I started up a clothing brand based on the Japanese view of "cuteness" that offers clothes people can

either wear on regular occasions or use as cosplay items. It used to be that one would have to make their cosplay costumes themselves, which made this a very difficult hobby to get into. I started out knowing nothing about sewing, but I learned by doing. To date, I have made more than 200 costumes. Today, however, one can find low-cost costumes to buy, which has made cosplay a more accessible hobby.

**Nakagami:** You are both turning your passions into businesses. What about you, Mr. Takahata? Do you have any interest in starting a business?

**Takahata:** Right now, I just want to focus on racing, but I am interested in starting up a business in the future. I want to provide services that RC car lovers will like. A little while ago, the racing community was a lot larger. The Japanese championship would see participation by more than 100 people. Today, the participation number is like half that. RC cars is a hobby that requires a lot of time



I keep doing cosplay because I love how sharing my passion with other cosplayers allows me to connect with people both in Japan and around the world.



Right now, I just want to focus on racing, but I am interested in starting up a business in the future.

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and money. As a result, we are losing many racers to video games, which you can play from the comfort of your own home. After I won the world championship, a local TV program asked to do a feature story on me. This story was broadcast on YouTube, where it has been viewed more than a million times. This reminded me that there are still a lot of people who love RC cars.

**Nakagami:** If you were to start a business, it seems like it might be a good idea to use your name as your brand. You are the world champion after all.  
**Takahata:** Thank you for the advice. Why did you decide to start a business, Mr. Nakagami?

**Nakagami:** After spending two decades helping companies chart a better course in a management consulting firm, I came to think that I could become an investor. I followed this inclination to join the investment industry. Starting a business is something that you cannot do if you overthink things; the fear of failure will stop you in your tracks.

**Hikari:** I work with some unlisted companies. A lot of companies suffered after the 2008 financial crisis. Companies started based on the passions of managers making amazing products, but there are often times when the managers are more like craftsmen and are not really good at managing. It is great to have a passion, but there are many managers who cannot turn their passion into corporate value.

**Nakagami:** During Japan's period of rapid economic growth, it was important to produce the things people wanted in mass quantities to ensure that everyone could buy them. Today, however, goods do not sell as much. Also, people don't go to stores as often because of the COVID-19 pandemic. Everyone is looking for a way to keep their business alive, but no one has found a good answer. I think we can see a viable answer in MARUI GROUP's approach of supporting individual preferences. RC cars are not something that should be mass-produced for mass consumption, and there is

probably not a lot of demand for *yokai*. Regardless, the niche demand for such items is very strong among enthusiasts. People with niche interests want to immerse themselves in their interests and talk with people who share these interests as much as possible. A company could probably find success by catering to such niche demand and reflecting this in their corporate value.

Result of Spreading One's Passion

**Hikari:** What I was most impressed with when talking with you all today is how everyone is simply continuing to following their passion, rather than jumping on the latest bandwagon. Cosplay was not a common hobby back when I started, and no one could understand my passion. I got a lot of flak from people around me. Not even my family could understand. Luckily, I was able to find a few people who could understand, and we enjoyed our passion together. I just continued with my hobby, and eventually

things like manga, anime, and cosplay, which had been viewed as stuff for nerds, got widespread attention through the government's Cool Japan campaign. It is not like I was trying to make cosplay mainstream, I just kept on doing it because it was what I loved.

**Takahata:** I can relate. When I started RC cars at age 10, my friends just thought I was playing with toys, but today they are cheering me on. The same goes for the company I work at. My coworkers first saw my RC car racing as a hobby, but I started to receive a lot of support after I told them about my victories at the Japanese championship and other events. I sometimes have to take days off to go to races. Luckily, my company understands.

**Nakagami:** It is true that niche interests eventually become mainstream as more and more people become interested in them. The *yokai* that Mr. Sekimoto loves may still be only a small niche, but I am sure the number of people who share your interest will grow if you keep at it. As these allies increase, you will likely see more interest among those your age, and before you know it, *yokai* will be gaining attention on a global scale.

**Sekimoto:** My research has found that there is an astounding number of legends about *yokai* and other supernatural elements in Japan. In other countries, it is common for monotheist beliefs like Christianity to be the norm, with other supernatural elements being relegated to the domains of demons and fairies. Japan, however, has a lot of gods, and stories of supernatural elements are passed down in forms such as legends about *yokai*.

**Nakagami:** Japan is said to have eight million gods. These gods take the form of trees, mountains, and rivers. This belief system seems to be founded on the principle that there is not one main character in life.

**Sekimoto:** That's right. Japan even presents the belief that words have power, that everything in this world, even words and colors, can be inhabited by a heart, a soul, or a god. There was an ancient Shinto tradition of purifying oneself by washing off any dirt before presenting oneself before a god. We continue this tradition today in the form of bathing. I think that there is no other country in the world where people bathe as much as Japan. Such customs may

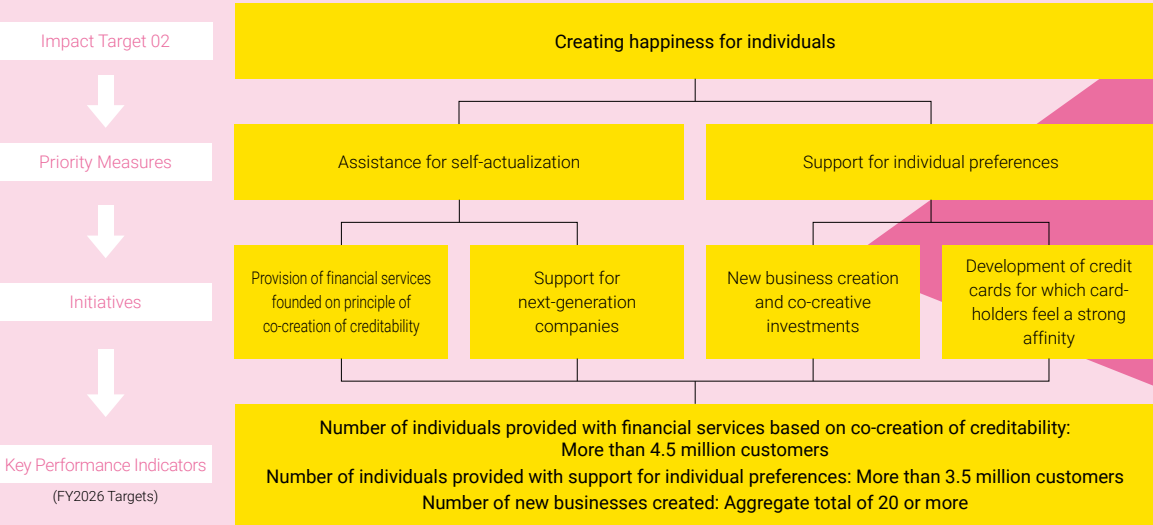
be unconsciously linked to culture and lessons handed down from the past.  
**Nakagami:** You surprised me with how knowledgeable you all are. Hearing you speak of your passions reminded me of a book about Kenichi Kato, editor of an old manga magazine. It is a critical biography of Kato, who published a manga magazine based on the belief that manga was beneficial to the development of youths. This magazine was published as a family business, and it started the tradition that would become the Japanese manga of today. In a now famous apartment building in Tokyo, he provided then popular manga artist Osamu Tezuka an apartment to work out of and housed various manga artists who had not yet found an audience. This building was a place where a wide variety of talent was cultivated. What I want to say is that even something like manga, which is now a major cultural cornerstone loved around the world, started from the passion, the love, of a single editor. Whether it be anime, cosplay, RC cars, *yokai*, or something else, when one's passion spreads, the result will be more people around the world becoming happy.



# Creating Happiness for Individuals

People are plagued by as many instances of suffering as the number of dreams they pursue. However, no one should be forced to give up on their dream or have their dream denied because of the circumstances in which they find themselves. Every individual has limitless potential, and the optimistic outlook toward this potential that we should all be allowed to feel is the source of innovation. MARUI GROUP aspires to provide options that allow everyone to embrace their individuality and find happiness regardless of their age, gender, nationality, physical characteristics, or circumstances. In this manner, we are offering support for individual preferences and self-actualization and helping to accelerate the realization of a society that allows people to achieve individual empowerment.

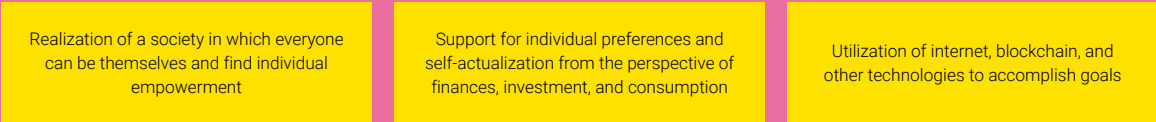
Overall Vision and Key Performance Indicators



WHO?



WHAT?



HOW?



OUR IMPACT



# Support for Pursuing Interests

MARUI GROUP supports individuals with an endless range of interests, including anime, K-pop, veganism, cosmetics, art, cafes, camping, saunas, and do-it-yourself projects. The Anime Business Department was established in 2016, primarily with a staff comprising employees who were passionate about anime. The establishment of this department sparked the emergence of various other employee groups offering their support for a specific interest. When people with shared interests are able to gather together, it creates a positive atmosphere that is conducive to self-actualization and self-expression. In this section, we would like to talk about the passion employees devote toward supporting such interests.



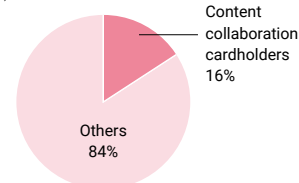
## ANIME

### Anime Boasting Global-Scale Popularity

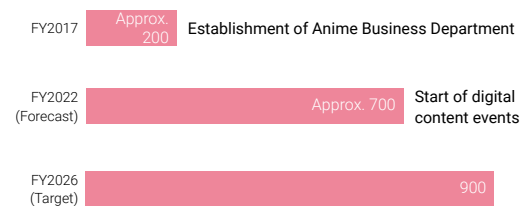
With global-scale popularity, anime is one of Japan's most well-known pop culture elements. Anime series often monopolize the top slots in the popularity rankings of video streaming services, and the impact of anime on society and industry is growing with each coming year.

MARUI GROUP's Anime Business Department was established with a staff centered on anime-loving employees passionate about supporting other anime fans. In addition, Marui stores have been holding anime events to give fans opportunities to better enjoy their passion. Our anime business sees a never-ending stream of new ideas for supporting this interest, including planning and selling original goods to help fans build their collections of merchandise based on their favorite anime series and the issuing of EPOS cards bearing anime-inspired designs. We have been witnessing a constant increase in the annual number of fans visiting event sites and in the number of events themselves, indicating the growth of the population of people who share this interest and our ideals.

Ratio of Content Collaboration Cardholders Among All New Cardholders (FY2020)



Annual Number of Events



Event based on increasingly popular *Tokyo Revengers*  
Ken Wakui, Kodansha Ltd., Tokyo Revengers Movie Production Committee, 2020



Event based on highly popular *Jujutsu Kaisen*  
Gege Akutami, Shueisha Inc., Jujutsu Kaisen Production Committee



Marina Takao  
Sales Section 1,  
Anime Business Department  
MARUI CO., LTD.

**I was able to create a collaboration card based on my favorite anime series!**

A number of years ago, I visited a comic market event attended by the company that held the copyrights for my favorite anime series. I spoke with them a little at this event, and this sparked a series of other conversations that eventually culminated in the creation of a collaboration card based on that series. After I transferred from the Anime Business Department to a store, I found myself serving a customer with that card. When they said that they loved the design, it made me super happy. I returned to the Anime Business Department after two years working at the store to find that the department had branched out to also deal with YouTube, streaming apps, and other digital content. We are now able to support the interests of an even wider range of people!

### Growing Assortment of Anime Cards Promising to Include Your Favorite

MARUI GROUP's anime-related collaboration cards began in 2014 with a card based on Otomate, a brand of video games aimed at women. In the years that followed, we proceeded to develop an ever-growing assortment of anime cards ranging from cards associated with popular anime series, such as *Gintama*, *Neon Genesis Evangelion*, and *ONE PIECE*, to lesser known series. We will continue to build upon our lineup of collaboration cards so that everyone will be able to find a card based on their favorite series and have that card occupy a permanent position in their wallet.



**I want to support the interests of both players and fans!**

The Anime Business Department is currently rolling out services aimed at supporting video game players on YouTube and streaming apps as well as their fans. For example, we are holding events at Marui stores that serve as opportunities for players to use to "show off their stuff" and earn a following. Fans can also build solidarity with their favorite players and other fans by attending such events. This is just one way we are allowing MARUI GROUP's media to be used as a stage in our efforts to promote co-creation with digital content. I hope to help make MARUI GROUP a platform holder that uses its assets to support people's interests in the future.

### Nearly 300,000 Twitter Followers

The official Marui no Anime Twitter account celebrated the fifth anniversary of its creation with nearly 300,000 followers (as of December 1, 2021), and this number continues to grow. This Twitter account is used as a venue for providing information on limited-time events at Marui and Modi stores and items sold online as well as for conducting campaigns like fandom surveys. Attracting tweets lovingly crafted by fans pushing their favorite series, the account has become a bustling hub of activity. Marui no Anime Twitter will continue to function as a venue for new discoveries and encounters related to one's interests on into the future.

Official Marui no Anime Twitter account  
(in Japanese only)  
@marui\_anime



Birthday event for popular multi-creator P-Marui Sama held at Marui store  
© P.M.S.



First physical location of YouTube anime production and distribution company Plott Inc.  
©Plott Inc. 2021



Kei Ogawa  
Sales Section 1,  
Anime Business Department  
MARUI CO., LTD.

# K-POP

## K-Pop Enjoying a Passionate Fandom

K-pop is a genre of music that enjoys a passionate fandom around the world. Fans are so dedicated that they will be seen displaying signs advertising the birthdays and debut anniversaries of their favorite artists, preparing subtitles for television programs in which these artists appear, and otherwise expressing their passion in South Korea and countries around the world.

MARUI GROUP has set up a K-pop division with the goal of further catalyzing the immense passion that fans exert toward this interest. The activities of this division include online community forums and events at Marui stores.

### Brief History of South Korean Media Boom

2004	Broadcast of <i>Winter Sonata</i> debuts in Japan, sparking an explosion in popularity of Bae Yong-joon and other South Korean actors
2010	Start of K-pop boom led by artists like TVXQ, Big Bang, Girls' Generation, and Kara
2015	BTS claims No. 1 spot on U.S. Billboard 200
2020	Video productions like the film <i>Parasite</i> and the TV drama <i>Itaewon Class</i> gain attention
2021	K-pop artists take to the global stage, making frequent appearances on overseas music programs

### I hope to make fans thankful for the support MARUI GROUP offers for their fandom!

I fell down the K-pop rabbit hole after watching a BTS performance. K-pop fans are quick to move to support their favorite artists, and we hold events related to K-pop and South Korean dramas at Marui stores for the benefit of such fans. We have even started an online community called CHOA Comm to provide a venue for exchanges between fans. This community has recently been working to help out fans that were unable to attend certain events by having fellow fans post reports of these events. I am committed to developing fandom businesses that will make fans thankful for the support MARUI GROUP offers for their fandom.

#### Community Website for Linking People's CHOA (Likes)

CHOA Comm is a community website created to provide a venue through which lovers of South Korean culture can connect with those who share their passion regardless of time or place. As of December 6, 2021, this thriving online fan community had around 22,000 registered users enjoying the opportunity to tell others about their recommended South Korean dramas and dishes or to talk about their favorite K-pop idols and actors.

CHOA Comm community website (in Japanese only)  
[www.beach.jp/community/CHOA-0101/index](http://www.beach.jp/community/CHOA-0101/index)

Check out the official CHOA Comm Twitter account for the latest event information.  
[@choa\\_0101](https://twitter.com/choa_0101)



Commemorative photograph event where fans posed with tomato prop resembling tomato held by actor



Space for visitors to write freely about their favorite South Korean dramas or K-pop artists

#### Events Designed by Fans to Excite Fans

The most important thing to consider when planning an event is the emotional response it will produce, and MARUI GROUP employs a variety of techniques to excite fans at its events. For example, at an event commemorating the sale of a photo book of a popular actor, we prepared a tomato prop that resembled the tomato held by the actor on the book's cover for fans to use when taking photographs. For events related to K-pop idols, we distribute items that are must-haves for birthday events.



Mayu Hinohara  
Sales Section 2,  
Anime Business Department  
MARUI CO., LTD.



# K-COSMETICS

Support for  
Pursuing Interests

## K-Cosmetics at the Leading Edge of Beauty

K-cosmetics\* are drawing global interest as they continue to set new trends in the field of cosmetics. The greatest appeal of these cosmetics is the high quality they offer relative to their affordable price, allowing them to capture the hearts of fans of all genders, ages, and nationalities.

To support this fandom, MARUI GROUP created KOREAJU, a service that offers a lineup of recommended K-cosmetic products to allow fans to shop for the product that fits them best with peace of mind through both physical and e-commerce venues.

\* Korean cosmetics



Erika Yokoyama  
K-Cosmetics Business  
Department  
okos Co., Ltd.

### I want to evolve KOREAJU into a community of K-cosmetics lovers!

K-pop was the gateway through which I fell in love with K-cosmetics. At KOREAJU events, I have had the joy of chatting with customers about K-pop as I help them pick out cosmetic products, and these customers have mentioned that they wished we did these events all the time. I want to make KOREAJU more than just a place to buy products; I want to evolve it into a community of K-cosmetics lovers and to help create more fans of South Korea through this community.



Event at non-MARUI GROUP store

#### KOREAJU Lineup Promising Something for Everyone

KOREAJU offers more than 800 K-cosmetic products from 50 brands through its e-commerce website, and we offer new limited-time KOREAJU sets every month that provide discounts and special bonuses. KOREAJU events are periodically held at physical stores to offer customers an opportunity to shop while actually trying out products.

Official KOREAJU website (in Japanese only)  
[koreaju.0101.co.jp/](http://koreaju.0101.co.jp/)  
 Check out the official KOREAJU Instagram account for information on popular and staff-recommended cosmetic products.  
[@koreaju\\_official](https://www.instagram.com/koreaju_official)

KOREAJU

#### Top 3 Recommendations from KOREAJU Staff

- No. 1 High cost performance face masks
- No. 2 Eyeshadow available in a wide assortment of types
- No. 3 Lip tint that won't get on your mask

### I love seeing customers having fun picking out cosmetics!

I am a member of the KOREAJU Support Team, and I help out with the operation of events and with our official Instagram account. I continued to apply for this position through our internal open application system until I was eventually chosen, and I have even been selected to staff events twice. I love K-cosmetics as well as trying out cosmetic products with customers to help them find new likes and maybe even new favorites. Businesses that support interests allow us employees to use our interests to spread the interests of customers. I will continue working to deliver higher levels of service so that I can better give form to the input and desires of customers.



Shiori Yamaguchi  
KOREAJU Support Team  
Women's Shoes Sales Floor,  
Machida Marui  
MARUI CO., LTD.

# VEGANISM



Support for  
Pursuing Interests

## New Lifestyle Option of Veganism

Veganism is garnering attention from both the perspectives of environmental preservation and health. The influence of this lifestyle is spreading, and we have recently seen a rise in brands that do not use leather products or conduct animal experiments in both the fashion and beauty industries. There might even be times when you are using a vegan product without even knowing it. Focused on food, the element of the vegan lifestyle that is easiest to incorporate into our everyday lives, our Vegan Business Department is developing and selling vegan confections that do not use animal products and sharing how to enjoy such treats via social media.



Setsuko Kaneko  
Vegan Business Department  
okos Co., Ltd.

I really get the feeling that we are delivering the joy of choice to our customers.

We launched the vee ga boo vegan confection mail order service in May 2021. Since the start of this service, I have been able to see the joy it brings to customers while receiving input expressing this joy, and these outpourings have become my source of motivation. At events, I have seen the eyes of children with allergies light up when they are told that they can eat anything we offered, and this makes me really happy. However, I realize that eggs and dairy products are not the only things people can be allergic to; they can have wheat and soy allergies too. We therefore offer a wide variety of vegan brands and foods, really giving me the feeling that we are delivering the joy of choice to our customers.



Brands rotating on a monthly basis let customers enjoy new treats every month.

### Sets Offering the Excitement of Trying Various Delicious Vegan Confections

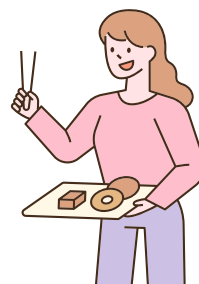
Launched in May 2021, vee ga boo is a mail order service through which users receive sets containing a different assortment of meticulously selected vegan confections every month. Each month, users will be treated to confections from three to five different brands, meaning that everyone is sure to find something they like.

vee ga boo website (in Japanese only)  
[vee-ga-boo.jp/](http://vee-ga-boo.jp/)

### Instagram Account Offering Up-to-the-Minute Information

Followers of the official vee ga boo Instagram account will be treated to up-to-the-minute information on our monthly confection sets, recommended brands, and events. We also arrange live broadcasts with the producers of these brands to give followers a behind-the-scenes look at the origins of these brands and the production of their confections. You can even get exclusive coupons and other bonuses.

Official vee ga boo Instagram account (in Japanese only)  
[@vee\\_ga\\_boo\\_official](https://www.instagram.com/vee_ga_boo_official)



# EMPOWERMENT

## Flagship Shops of Brands Supporting Individual Empowerment Opening at Marui Stores

### Brand Offering Items That Women Have Always Wanted

DINETTE is a company charged with a mission of creating a happier world through the power of women. This company's beauty-related social media accounts supply the latest cosmetics information users seek along with insight and other content to help users become even more beautiful. Moreover, DINETTE's private PHOEBE BEAUTY UP brand has been shaped by information on user needs acquired through various media venues. This commitment to user needs is the reason this brand is loved by so many.

Official PHOEBE BEAUTY UP website (in Japanese only)  
[phoebbeautyup.com/lp?u=gold](http://phoebbeautyup.com/lp?u=gold)

Official DINETTE Instagram account (in Japanese only)  
[@dinette\\_inc](https://www.instagram.com/dinette_inc)



PHOEBE BEAUTY UP shop providing an environment for taking photos to post on social media (Yurakucho Marui)



BULK HOMME THE STAND shop that uses the latest technologies to recreate the brand's aesthetic (Shinjuku Marui Main Building)

### Empowerment of Men Worldwide through Men's Beauty Products

BULK HOMME defines its mission as earning the No. 1 share of the global men's skincare market. Inspired by this mission, BULK HOMME is supporting the lifestyles of men around the world through men's beauty products. Expanding into Asia in 2017 and then into the United Kingdom and France in 2020, this company has continued to steadily grow its fan base. BULK HOMME only offers products with assured quality verified through a process of repeated inspections. Its physical flagship shop allows customers to try out cosmetic products and feel the actual textures of skin products while talking with staff members.

Official BULK HOMME website (in Japanese only)  
[bulk.co.jp/](http://bulk.co.jp/)

Report on MARUI GROUP's employee visit to BULK HOMME THE STAND shop (in Japanese only)  
[www.to-mare.com/news/2021/bulk-homme.html](http://www.to-mare.com/news/2021/bulk-homme.html)

## VOICE



Takuya Noguchi  
CEO and Representative Director,  
BULK HOMME Co., Ltd.

### Our new flagship shop has seen positive reception.

BULK HOMME is a brand founded on the goal of capitalizing on Japan's acute talent for research and development on beauty and skincare products to earn fame around the world. We decided to set up shop in a Marui store after developing a line of cosmetic products for men, as it is important to have a place and services that allow people to try out products, especially cosmetics. Fortunately, our new flagship shop has seen positive reception from a wide variety of customers, ranging from those who have previously purchased our products online to those who had their first experience with our products at the shop.



# Vegan Baking with 8abliSh

## EIGHTABLISH

### Baking of Vegan Treats That Are Friendly Toward People and the Planet

Vegan foods have recently been drawing attention for reasons other than environmental preservation benefits. However, the lack of stores dealing in vegan foods in Japan means that they are still not easily available to everyone. In May 2021, MARUI GROUP launched its vee ga boo service, which delivers meticulously selected vegan treats to customers on a monthly basis, to make vegan foods feel more accessible. Seeking to further communicate the appeal of vegan treats to a wider range of people, we employed the guidance of EIGHTABLISH INC. (8abliSh), a company that supplies products for the vee ga boo service, to hold a baking session in which we made vegan treats that are friendly toward people and the planet together with children who will help shape the future.

#### Recipe for Gluten-Free Chocolate Chip Muffins (Batch of Six)

A	Baking rice flour	160 g
	Soy flour	40 g
	Almond powder	50 g
	Baking powder	10 g
B	Canola oil	70 g
	Soy milk	170 g
	Maple syrup	80 g
C	Chocolate chips	40 g

Select toppings based on preference  
(chocolate chips, almonds, etc.)



Ingredients free of eggs and other animal products



Mix ingredients from group A and pass through a sieve



Pour soy milk and then maple syrup into the canola oil from group B and stir thoroughly



Pour ingredients from group B into the mixed ingredients from group A and mix with a spatula



Add chocolate chips from group C while powdery texture still remains



Use spoon to transfer dough to muffin molds with diameter of 7.0 cm and depth of 3.5 cm, bake in baking cup as soon as possible after measuring dough volume (muffins will rise less if too much time has passed)



Add toppings like chocolate chips or almonds



Preheat oven to 180°C and bake for 30 minutes

A delicious treat is  
a reward for a job  
well done!



Masazumi (age 5) and  
Ako (age 7) enjoyed their  
first time baking.

### What are vegan baked goods?

Vegan baked goods are confections made using only plant-derived ingredients and without using honey, eggs, dairy products, or other animal products. These treats can be enjoyed by children and adults alike, even those with allergies or who have embraced diets that are friendly toward the environment.

A video of this vegan baking session is available on MARUI GROUP's community YouTube channel (in Japanese only).  
[www.to-mare.com/ytube/](https://www.to-mare.com/ytube/)

#### 8abliSh

Established in 2000, 8abliSh is a company that provides vegan confections based on its slogan of UNIVERSAL PLEASURE FOR EVERYONE. They are committed to providing treats that can be loved universally by people of all ages and that offer peace of mind for both producers and eaters regardless of the dietary restrictions they may face based on their physical conditions, religion, or beliefs. In August 2021, 8abliSh opened its latest store in Toyama Prefecture, adding to existing locations in the Minami-Aoyama and Ginza areas of Tokyo.

8abliSh website (in Japanese only)  
[www.8abliSh.com/](https://www.8abliSh.com/)  
8abliSh online shop (in Japanese only)  
[8abliSh.shop/](https://8abliSh.shop/)



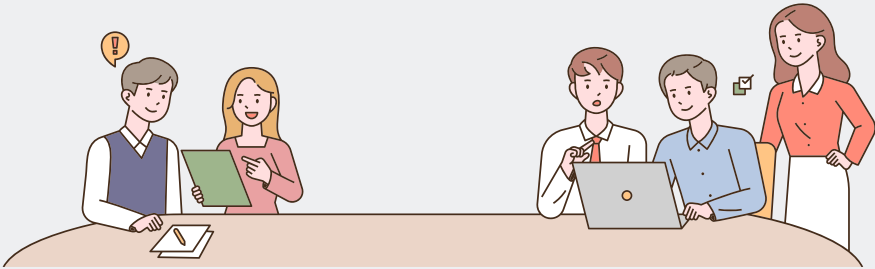
Parlor 8abliSh

vee ga boo service offering a chance to enjoy various vegan confections  
Official vee ga boo website (in Japanese only)  
[vee-ga-boo.jp](https://vee-ga-boo.jp)  
Official vee ga boo Instagram account (in Japanese only)  
[www.instagram.com/vee\\_ga\\_boo\\_official/](https://www.instagram.com/vee_ga_boo_official/)



# ASSISTANCE FOR ACHIEVING SELF-ACTUALIZATION

MARUI GROUP has launched two programs for the purpose of accelerating open innovation and creating new businesses. These programs are drawing participation from members of younger generations boasting innovative ideas as well as from young entrepreneurs driven by their convictions to build a more prosperous society through business. Through these programs, MARUI GROUP's assets and expertise are being used to offer assistance for achieving self-actualization.



## Future Accelerator Gateway Program for University and Graduate School Students

Together with IT education program operator Life is Tech, Inc., MARUI GROUP launched the Future Accelerator Gateway program in October 2020. This program solicits new business ideas from university and graduate school students (or from people in the equivalent age range of 18 to 24). Participants whose ideas are selected form teams with MARUI GROUP employees to refine their business ideas under the guidance of entrepreneur mentors over a period of three months. The mentor for the first iteration of the program was Life is Tech CEO Yusuke Mizuno, while second iteration participants were mentored by BASE CEO Yuta Tsuruoka and TSUKURUBA CEO Hiroki Murakami. Presentations were judged by well-known entrepreneurs together with MARUI GROUP President Hiroshi Aoi. This robust support network aided the young participants in shaping their passions toward the businesses they envisioned.



### The passion of younger generations rekindled our spirit of entrepreneurship.

It was amazing watching the students participating in the Future Accelerator Gateway program put their heads together to come up with their ideas and having fun while giving their absolute all amid the tense atmosphere on the day of the presentations. The open-minded, unfettered ideas produced by the participants were truly stimulating, and it rekindled our spirit of entrepreneurship. I hope that the students will remain conscious of the importance of being proactive and initiating action so that they will not be hesitant to embark on the first step of new ventures.

\*"Im La Floria" brand of care products for delicate areas, developed by Mellia Inc. (in Japanese only)  
im-official.com/

### Comments from Judges of First Program Iteration



Yuki Hara  
Representative Director  
and CEO  
Mellia Inc.



Yuki Wada  
Representative Director  
and CEO  
Mellia Inc.

## Marui Co-Creation Pitch Program for Start-Up Companies

Marui Co-Creation Pitch is a program for soliciting business ideas from start-up companies created jointly with SAMURAI INCUBATE INC. in February 2021. SAMURAI INCUBATE conducts venture capital businesses in which it invests and supports the growth of relatively young start-up companies and promotes open innovation with large companies and municipal and other government agencies. The first Marui Co-Creation Pitch event saw the proposal of business ideas for 10 companies selected from among 35 applicants via written and interview screening. Each of the proposals exuded a strong sense of passion and sparked a lively back-and-forth of questions with judges. In the end, four companies were selected for the grand prize. Co-creation is already underway with some of these companies, like HERALBONY, winner of a grand prize as well as the audience prize, with which we are issuing collaboration cards.

### Four Grand Prize Winners

Name	Business Activities
Ellie Inc.	Development of SILKFOOD, a next-generation food product made from silkworms
ShareWing, Co., Ltd.	Operation of OTERA STAY service for staying overnight at temples and CLOUD HOTEL online service for experiencing pilgrims' quarters
DATAFLUCT, Inc.	Provision of solutions for resolving corporate and social issues using data science
HERALBONY	Social measures based on the theme of combining art with disabilities (sale of artworks, fabric art, space production)



HERALBONY EPOS Card



Pop-up shop opened to commemorate launch of HERALBONY EPOS Card (Yurakucho Marui)  
Photograph by Shinsuke Sugino

**HERALBONY EPOS Card Moving Society**  
**Forward with Each Purchase**

Committed to its mission of helping people express their unique color, HERALBONY is a start-up company that works with artists with disabilities across Japan to create a new culture focused on welfare. MARUI GROUP partnered with this company to launch the HERALBONY EPOS Card in November 2021 through which 0.1% of every purchase is donated to welfare facilities via HERALBONY. By using this card, customers are able to donate to art creation, gallery operation, and welfare facilities when they do their everyday shopping.



### I want to help produce MARUI GROUP's crowning co-creation success stories.

MARUI GROUP cannot achieve its vision and mission alone; it will need to create new value through open innovation. The Marui Co-Creation Pitch program was born out of this recognition as we searched for ways to develop a program that could create new businesses through open innovation by combining the assets and experience of start-ups with those of MARUI GROUP.

We have received a number of unique ideas for co-creation through this program, and I was proud to help initiate our first co-creative undertaking through this program. I want to help evolve the Marui Co-Creation Pitch program so that it can keep producing MARUI GROUP's crowning co-creation success stories.



Sho Osawa  
New Business Development  
Corporate Planning Division  
MARUI GROUP CO., LTD.

Behind-the-scenes discussion about Marui Co-Creation Pitch 2021 (in Japanese only)  
www.to-mare.com/tf/2021/005.html



# NEW BUSINESSES BORN OUT OF IDEAS FROM YOUNGER GENERATIONS

DIALOGUE 04 ——— KIMIHIRO KATSUMI ——— YUTO TOMITA  
————— YUSUKE MIZUNO ——— HIROYA NAKAMURA

## New Businesses Created from the Ideas of Younger Generations

Future Accelerator Gateway is a program through which members of younger generations are invited to propose business ideas with the potential to change the future. Those ideas selected are refined over a period of roughly three months through collaboration with the presidents of start-ups and employees of MARUI GROUP. The first iteration of this program was held over the period from December 2020 to March 2021. We met with two representatives of younger generations who participated in this iteration of the program to hear about their experiences in the program, what they learned from it, and the possibilities for the future.

Please refer to the following website for more information on Future Accelerator Gateway 2020 (in Japanese only).  
[www.0101maruigroup.co.jp/future/archive/001.html](http://www.0101maruigroup.co.jp/future/archive/001.html)

## Futures Shaped by Program Participants

**Nakamura:** It has been a while. In Future Accelerator Gateway, I participated as a MARUI GROUP mentor in the Allesgood team led by Mr. Katsumi. Mr. Mizuno, meanwhile, attended to all teams, offering valuable input as an entrepreneur mentor. Today, I wanted to hear about your perspectives on the program. Let's start by introducing ourselves. Would you like to go first, Mr. Mizuno?

**Mizuno:** Sure. My name is Yusuke Mizuno. I started an educational technology venture company called Life is Tech in 2010. This company teaches junior high and high school students about IT and computer programming. We are not only about teaching, though. We have set a medium-term target of fostering 1.2 million innovators by 2025. By fostering such innovators, we hope to cultivate a capacity to change society and support people's happiness. Life is Tech shares MARUI GROUP's vision: We want our business to contribute to a better society for future generations.

**Katsumi:** I am Kimihiro Katsumi, CEO of Allesgood. This company offers

ETHICAL SHUKATSU, a job-hunting platform designed to introduce companies actively addressing climate change, poverty, and other social issues to students looking to work at such companies. My decision to start such a company was based on the struggles I personally faced finding a job. I had wanted to choose a company from the perspective of social issues, but there was no effective means of searching for such companies at the time. This experience led to the idea for ETHICAL SHUKATSU. I like to think I am quick to act, and when the idea sprung into my head, I immediately registered it as a company. It was around that time that I learned of the Future Accelerator Gateway program, and I jumped on the opportunity.

**Nakamura:** I understand the ETHICAL SHUKATSU platform is already in service.

**Katsumi:** It has only been about three months since we launched the platform, and we have just now reached the phase at which we are identifying and addressing user issues. Our mission is to accelerate the move toward sustainability in industry, in businesses. Human resources are a crucial management resource. By

matching companies dedicated to resolving social issues and bettering the future with human resources who look to do the same, we hope to foster innovators who can achieve the desirable impacts advocated by Mr. Mizuno and MARUI GROUP.

**Mizuno:** Your presentation for the Future Accelerator Gateway program was really impressive, and you yourself have a certain appeal. At first, you seemed to lack the skills to implement the idea for ETHICAL SHUKATSU, but the idea itself was really good as it coincided with the times.

**Katsumi:** Thank you. Despite your kind words, it was not me, but Mr. Tomita's team that took first place.

**Nakamura:** That makes for a good segue; Mr. Tomita, would you like to introduce yourself and explain your business idea and reason for participating in the Future Accelerator Gateway program?

**Tomita:** Yes. My name is Yuto Tomita. I am looking to develop a textbook distribution service for students who are unable to purchase textbooks due to economic reasons. In Japan, there is currently a move to digitize junior high and high school textbooks. I see no reason why we can't do this for university textbooks, and I therefore plan to develop a service that will allow for textbooks to be viewed via a smartphone or computer. I found out about



**Kimihiro Katsumi**  
 Representative Director and CEO  
 Allesgood Inc.  
 Born in 1998, Kimihiro Katsumi founded Allesgood Inc. in response to issues he saw with the existing job-hunting process in Japan. This company operates ETHICAL SHUKATSU, a more social issue-oriented version of a LinkedIn-type platform designed to introduce ethical companies seeking to resolve social issues to talented students.

NEW BUSINESSES BORN OUT OF IDEAS  
FROM YOUNGER GENERATIONS

Future Accelerator Gateway because my two teammates and I were working as mentors for junior high and high school students at Life is Tech. We decided that we wanted to try to create something, and this led to our decision to enter the program.

**Nakamura:** How far has your service come along?

**Tomita:** At the moment, we are working with a university accelerator program to build connections with publishers. Our service is dependent upon the cooperation of the publishers who hold the copyrights to the books we hope to digitize and distribute. However, there are many people in publishing who still are averse to digitizing books. Even if we are able to launch this service, the first issue we will need to address will be the fact that a large number of students lack the credit cards necessary to use subscription services. In the Future Accelerator Gateway program, we advanced discussion based on the assumption that we would be collaborating with MARUI GROUP. This gave rise to the ideas of linking the service to EPOS cards or issuing prepaid cards that could be used with the service.

Freedom of Youth

**Katsumi:** Aside from missing out on first place, there is something else that really

stuck with me from the program. Two days before the final presentation, I had the chance to give a preliminary presentation to Mr. Mizuno. At the same time, we had already received a contract for our service from a customer, and we had a rough date of when we would start to record sales. I was therefore sure that we would get first place. However, Mr. Mizuno said our preliminary presentation was “boring.”

**Mizuno:** I don’t recall saying that (everyone laughs).

**Nakamura:** From my standpoint as a mentor, I thought “this is bad.” However, when we looked back at the presentation materials, I could see what you were talking about. The presentation looked like one that a major company would do to try and secure a budget. It really was boring. The problem could be traced back to us, the members of the team from MARUI GROUP. Based on our own preconceptions, we had suggested that the presentation be made more logical.

**Katsumi:** I cannot remember a time when I have felt more unnerved. Then, Mr. Mizuno told me that the presentation just didn’t seem like me. It was then that it hit me. I had focused so much on rational explanations that I had inadvertently stripped the passion out of the presentation. We completely reworked the presentation over the next two days to better communicate our passion. This



Yuto Tomita

Born in 1999, Yuto Tomita acted as a programming mentor at Life is Tech while he was in university. He established iisa to develop a textbook distribution service for university students, and he is currently working to commercialize this service.

experience taught me the importance of looking forward when we fail.

**Mizuno:** If you had given up there, you would have failed as an entrepreneur. I made a point of speaking my mind with no concern about how you would react to it. If you cannot respond appropriately to criticism, you are not cut out to be an entrepreneur. People grow not with time, but rather through an ongoing process of responding to criticism. You, Mr. Katsumi, are here today because you were able to respond appropriately to such criticism.

**Tomita:** I too took a very orthodox approach toward the program. Luckily, Mr. Mizuno helped me amend my approach. There is a law that says digitized books cannot be borrowed or lent, so I was convinced that we would have to distribute printed books. However, there was no way we could make that profitable. After struggling with this quandary for about a month, Mr. Mizuno told me that I should try and free myself of preconceptions. He also suggested that I start by making a product I could show publishers. We made this product over the course of two weeks. I was shocked at how many publishers were now willing to take us seriously after we came up with a product.



Yusuke Mizuno

Representative Director and CEO  
Life is Tech, Inc.

Yusuke Mizuno was born in Hokkaido in 1982. During his time at graduate school, Mizuno spent two years as a part-time physics teacher at a high school. After completing the graduate program, he joined a human resource consulting firm. It was in July 2010 that Mizuno founded Life is Tech, Inc., and this company formed a capital alliance with MARUI GROUP in 2019. Through this company he started up Life is Tech!, a programming and IT camp and education program for junior high and high school students that employs the IT education methods used in Silicon Valley.

**Nakamura:** I was surprised by your swift ability to transform your idea into an implementable form. At MARUI GROUP, it is a shared assumption that developing an app or some other product requires a significant amount of time and money.

**Mizuno:** Students can get it done in two weeks (laughs). Companies tend to be predisposed to underestimating the abilities of students, but they are often impressed when they actually see them in action. A major benefit of youth is the freedom that allows you to tackle challenges that large companies tend to shy away from.

IT and Programming Skills That Help  
Make Lives Better

**Katsumi:** IT and digital technologies have made it easier for a single person, even a student, to take action to resolve social issues. ETHICAL SHUKATSU is a digital job-hunting platform that matches companies with students. If we had to match people in the same way without IT and digital technologies, it would be super expensive.

**Tomita:** I agree. Launching a business or service is something that has been made much more accessible thanks to IT and digital technologies. The idea of just starting with a prototype is still applicable today, and it would not be an exaggeration to say that this type of thinking changed my life.

**Nakamura:** The MARUI GROUP employees that took part in Future Accelerator Gateway as mentors felt the same. We realized that we too could make something new. In fact, after the program, I made an app for the new business I oversee. I surveyed and interviewed customers while showing this app. The response was 100% different from the ones I was used to getting with paper proposals.

**Mizuno:** This is what digital transformation means. People learn programming to make products, and those products have the potential to change someone’s life for the better or to lead to the

creation of more convenient services. In Japan, information technology will become a required course for high school students in April 2022, and it is slated to show up on the shared first-phase university entrance exam in 2025. This means that a future in which all students will have basic programming knowledge when they join the workforce is not far off. Programming will become a basic work skill just like English.

**Katsumi:** The part of participating in Future Accelerator Gateway I am most thankful for was the opportunity to hear about the feelings and success stories of people who are truly committed to changing the world like Mr. Mizuno and President Aoi. In the future, I hope to use what I have learned to help junior high and high school students with a similar drive to chase their ambitions.

**Mizuno:** I hope you will do just that. Junior high and high school students are generally not moved by the words of adults. This is why Life is Tech employs mentors in their 20s to teach students. Rather than being taught by a 40-something with teaching skills, learning from someone in their 20s, who seems cool and relatable, is more valuable in terms of changing a student’s life. This is true even if the mentor lacks teaching skills.



Hiroya Nakamura

Co-Creative Media and Business Management Officer  
D2C & Co. Inc.

Hiroya Nakamura joined MARUI GROUP in 2015, and in 2020, he was charged with overseeing a new business as the co-creative media and business management officer of D2C & Co. Inc. He has also been involved in the launch and operation of 5PM Journal, Japan’s first D2C brand curation website (in Japanese only).  
5pmjournal.com/

**Nakamura:** Future Accelerator Gateway is a program brimming with potential. It creates businesses that we would have never imagined. I see the possibility for us to change the future of MARUI GROUP through synergies with these businesses. I also want to increase the number of co-creative partners we have among younger generations, like you two. The more such partners we have, the more force we will have propelling us toward our desired impact.



# TELL US WHAT YOU LOVE

Nitobe Bunka Gakuen, located in the Nakano area of Tokyo where MARUI GROUP was founded, has defined its goal of fostering happiness creation and is cultivating individuals with the capacity to help resolve social issues. This school also has the facility VIVISTOP NITOBE, which is a creative space that is not bound by the traditional conventions of schools and that allows teachers and students to learn together. VIVISTOP encourages students to freely create based on their interests. In fact, children are able to use this space to pursue their own interests. VIVISTOP resonates with MARUI GROUP's goal of developing spaces for co-creation. We sat down with four students from Nitobe Bunka Gakuen and Yusuke Yamauchi, a teacher at the school and core member behind the operation of VIVISTOP, to discuss the interests that they are using this space to pursue.

## Unstructured Environment to Pursue One's Creative Interests

**Mr. Yamauchi:** I teach art at Nitobe Bunka Gakuen. After school, I engage in creative activities together with students at VIVISTOP NITOBE. Here, we have access to upcycled materials made from scraps as well as laser cutters and state-of-the-art tools. Both adults and kids work together to create whatever we think is possible in this environment. At VIVISTOP, we do not tell kids what to do. No, VIVISTOP is a place where everyone can do what they like and make what they want.

**Hikari:** You're not like other teachers! You sound just like a regular guy (everyone laughs).

**Mr. Yamauchi:** You're right, I'm not really teaching anything, am I? Anyways, how about you all tell us what you are doing at VIVISTOP? Hikari, I saw you painting a gradation pattern on some paper. It didn't seem like you had planned anything ahead, and it was more like you were just enjoying painting.

**Hikari:** Yep, I just did it, and it ended up looking pretty good!

**Mr. Yamauchi:** That's amazing. I am always so impressed at how you just have this natural understanding, this talent for making things look good.

**Hikari:** I put a little water in my paint, and then dunked this piece of paper in it. When I pulled it out, it had this pretty pattern on it. I tried all of the colors I

hadn't used yet and experimented to see what patterns I would get when I dunked the paper.

**Mr. Yamauchi:** Schools give us paper scraps that they would have normally thrown away, and we see what we can do with them. What we do at VIVISTOP is more like an extension of play.

**Miri:** There are a lot of wood scraps at my school. I am trying to make a swing

set together with two of my friends. I want to make a swing set because the kids at Nitobe Bunka Preschool and Childcare don't have swings. I have asked the preschool if it is okay for me to make a swing set. I want to make one with a long seat, like a couch, that you can relax on. I hope to give it to them as a Christmas present.

**Mr. Yamauchi:** You might not be done in

The students are pictured sitting on chairs created at VIVISTOP NITOBE by fifth graders of Nitobe Bunka Gakuen together with a designer. These chairs were awarded with the Prime Minister's Award in the 15th Kids Design Awards.



cutter, the machine that cuts wood with lasers, to cut the wood for the pillars and then ran kite string between the pillars. I was somehow able to get the balance right so that the rails are supported without the bridge falling over.

**Mr. Yamauchi:** Yusei won first prize in a robot contest the other day.

**Yusei:** Yep. If I mess up my program, I can't fix it by myself. So, I needed to get help from Mr. Yamauchi and other people. To tell the truth, I was actually aiming for a different prize.

**Miri:** What was that?

**Yusei:** The technology award. I just wanted to win some prize. When my name was called, I was like "huh, I won?" (everyone laughs)

## Growth through Creativity

**Mr. Yamauchi:** Yusei, it has been about a year since you started coming to VIVISTOP. What do you think has changed over this year?

**Yusei:** Maybe how I use the laser cutter. I use wood to make stuff like desks and shelves.

**Mr. Yamauchi:** That's true. I have seen you using the laser cutter as well as a bunch of other tools, and the range of things you make has gotten much larger. What about you, Ryotaro? You joined us in the summer, but you seem to have learned a lot.

**Ryotaro:** I learned how to use the laser cutter and the electric saw.

time for Christmas, but you could give them a model, you know, to show them what the finished product will look like.

**Miri:** No way, you can't swing on a model (laughs).

**Ryotaro:** I made a car that can move. I got the idea when I saw Yusei and Mr. Yamauchi playing with RC cars they had made, and I wanted to make one too.

**Mr. Yamauchi:** What is so cool about

Ryotaro's car is that he programmed it, built the controller, and made it so that the car could be controlled by himself.

**Ryotaro:** The hardest part was making the motor. I had to ask other people how to do things like make holes for the screws.

**Yusei:** I love trains, so I made things like a station platform and suspension bridge from wood. I used the laser

**Mr. Yamauchi:** I've seen that. The laser cutter is something you would never use in class. You were quick to pick that up and to start using the electric saw, which I recall you initially putting off until you were more used to things. Now you are really good at using them by yourself. How about you, Hikari?

**Hikari:** I don't know. I just do what I want to do.

**Mr. Yamauchi:** You are really true to your feelings. If you want to do something, you do it. Miri, you have been with us for about half a year. Is there anything you have learned in that time?

**Miri:** I learned how to use a lot of the machines.

**Mr. Yamauchi:** Were there any tools or machines that you wanted to use before coming here?

**Miri:** Nope (laughs).

**Mr. Yamauchi:** So, you didn't think about it at all (laughs)? Do you prefer to make things by yourself, or with others?

**Miri:** It's more fun to make things with other people. If I'm by myself, I just think too much and never get started. If I'm with my friends, we can talk about what we're making while we do it.

**Yusei:** I think about what I want to make next at VIVISTOP when I am home, but everything is a prototype (laughs).

Mr. Yamauchi and other people give me ideas and advice on things like balance and stuff while I make things.

**Mr. Yamauchi:** It is natural to make a lot of mistakes. Not even I know what's best. It is probably common for everyone to find themselves scratching their heads while making things.

## Space Where You Can Make Anything You Want

**Mr. Yamauchi:** What do you all like best about VIVISTOP?

**Ryotaro:** I like crafts and how I can make whatever I want, especially using the laser cutter!

**Hikari:** I don't like to study, but I love arts and crafts, and making pictures. I like how I can do almost anything I want. VIVISTOP is a magical place. I come here at least once a week.

**Miri:** I want to come to VIVISTOP every day. If I don't know how to do something, I can get help from Mr. Yamauchi and other grown-ups. Even if I make a mistake, they will give me advice on how I can fix it.

**Yusei:** I like the freedom, and how I can make whatever I want. I wish that VIVISTOP was open from 7 a.m. to midnight every day, even on weekends (laughs).

**Mr. Yamauchi:** Until midnight? (laughs)

**Miri:** I also wish we had a 3D printer.

**Ryotaro:** Yeah, we need a 3D printer!

**Mr. Yamauchi:** I will put that on the list of things we need to buy next year. It sounds like VIVISTOP is a place where you can give form to your imagination, where we can make our dreams a reality together. I am so happy that you all love VIVISTOP.



I won a robot contest! Even though I was the one who wrote the program, it is so complicated that I think of a train map when I look at it. I also like trains and photos. I even held a photo exhibition at school.

— Yusei  
Fifth Grade



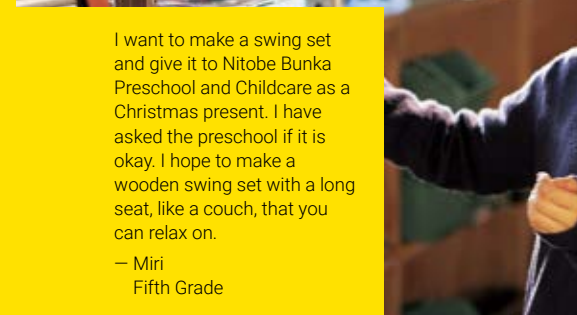
I want to make a swing set and give it to Nitobe Bunka Preschool and Childcare as a Christmas present. I have asked the preschool if it is okay. I hope to make a wooden swing set with a long seat, like a couch, that you can relax on.

— Miri  
Fifth Grade



I made my first RC car with help from kids older than me. I didn't know how to write the program at first, but I somehow got it running. It was hard, but fun.

— Ryotaro  
Third Grade



I like pretty things. Lately, I have been having fun pouring ink into water and seeing the gradations. When I color the paper scraps I get at school, they all have different patterns. I have made so many!

— Hikari  
Fourth Grade



# IMPACT TARGET 03

## Creating Platforms for Co-Creation

Realizing our desired impact will require us to create platforms for co-creation. The society that MARUI GROUP envisions is not something that we can achieve by ourselves; we must build an ecosystem that moves us toward this goal through co-creation with individuals who share our ideals. By sharing its current corporate assets, namely its physical stores, EPOS cards, IT, and employees, with partners outside of the immediate organization, MARUI GROUP looks to produce innovation through co-creation.



# CO-CREATIVE TEAMS INSPIRING INDUSTRY

DIALOGUE 06 — ETSUKO OKAJIMA — AYAMI TORIHATA  
— NOZOMU ABE — MIZUKI TAKENOBU

## Potential for Co-Creative Teams to Inspire Industry Transformation

MARUI GROUP conducts forward-looking investments comprising co-creative investments aimed at incorporating external innovation and new business investments for fostering innovation within the Company. We have assembled 24 co-creative teams, consisting of a total of 212 members, to help guide the course of such forward-looking investments. These teams are focused predominantly on co-creation with start-ups. Led by executive officer-level employees, these teams are membered by individuals from across MARUI GROUP who function as the vanguard for achieving our impact target of creating platforms for co-creation. These co-creative teams will march forward, claiming small victories with the goal of eventually inspiring industry transformation. With high expectations, External Director Etsuko Okajima explores this potential from multiple angles together with members of co-creative teams.

## Vanguard for Creating Platforms for Co-Creation

**Okajima:** There are two facets of MARUI GROUP's impact target of creating platforms for co-creation. One is building forums for co-creation using the assets of existing businesses. The other is developing work styles that are open to those both inside and outside of the Company through means such as open innovation. Co-creative teams embody both of these facets. Today, I would like to hear about the experiences each of you has had as a member of co-creative teams. Let us begin with introducing ourselves.

**Torihata:** I am a member of the TSUKURUBA Business Department at okos, where I am involved in creating new businesses together with investee TSUKURUBA Inc. The TSUKURUBA Business Department used to be a co-creative team, but it was reorganized into a full-fledged business department in April 2021. TSUKURUBA is a company that offers a secondhand real estate renovation platform known as cowcamo. Real estate can be sold, purchased, or rented. In its co-creation with TSUKURUBA, MARUI GROUP is mainly focused on rental, a field in which we are also involved. My role in this undertaking is developing user experiences that better accommodate the perspective of users and promoting digital transformation as it relates to real estate.

**Abe:** I work at M & C SYSTEMS. I am also a member of the co-creative team that works with a start-up called WED, Inc. Led by Representative Director Soto Yamauchi, WED is an innovative company that is breaking down previous norms. This company is developing an app that uses optical character recognition technologies, which convert text contained in image data into text data, to photograph receipts and change them into money. My co-creative team has aided in this endeavor by helping develop billing and sales reporting systems for tenants.

**Takenobu:** I am not a MARUI GROUP employee. Rather, I was seconded to

MARUI GROUP from COUNTERWORKS Inc., a start-up that is looking to digitize commercial real estate. I have been working at the Tenant Success Office of MARUI CO., LTD., which is involved in the operation of Marui and Modi stores, three days a week since April 2021. MARUI is in the process of creating stores that do not sell while pursuing impact targets for offering support for individual preferences. Together with this company, I am formulating and implementing governance plans that fundamentally transform the services offered to tenants. These efforts include the development of online stores and the revision of contract conditions to make it easier for tenants to open stores.

**Okajima:** Thank you. Some call me the "Godmother of Venture Companies," and I view it as my personal mission to increase the number of management professionals across Japan. I have been an external director at MARUI GROUP since 2014. In this capacity, I have helped out with the Co-Creation Management Academy future leader development program as well as with other measures for stimulating the personal growth of employees and the growth of the organization. MARUI GROUP's strength comes from its co-creation platform, and, as members of co-creative teams, you are all the vanguard of the creation of this platform.

## Small Start-Ups Within MARUI GROUP

**Torihata:** My participation in co-creative teams has made me aware of the wide

range of things one can accomplish even with the limited discretion available to one in my position. Previously, at meetings it has been rare for me to be able to assert my own judgment. Now, however, I enjoy a much wider range of authority. The majority of members of the TSUKURUBA Business Department are without knowledge of real estate. Nevertheless, we are able to come up with ideas from a perspective that differs from real estate based on our experience with EPOS cards and new business development. In fact, I would say that this is a strength.

**Okajima:** MARUI GROUP has continued to encourage employees to acquire a diverse range of experience through initiatives such as intra-Group profession changes. It has thereby installed frameworks conducive to the acquisition of new experiences and the melding of strengths. These frameworks are what helped the TSUKURUBA Business Department be such an effective bridge between TSUKURUBA and MARUI GROUP.

**Abe:** Speaking from my experience with WED, apparently they primarily dealt with systems companies before starting co-creation with MARUI GROUP. Now, they are able to incorporate our varied perspectives, related to considerations such as well-being, sustainability, and fintech, into their approach, which they say has greatly widened the scope of their thinking. Moreover, WED has that sense of momentum we tend to associate with start-ups as well as an elite team of individuals boasting a level of

I am motivated by a strong sense of  
commitment to fulfill my mission as  
a single, unique individual.

Ayami Torihata  
TSUKURUBA Business Department,  
okos Co., Ltd.  
(Joined MARUI GROUP CO., LTD., in 2016)



CO-CREATIVE TEAMS  
INSPIRING INDUSTRY

strength similar to that of a certain pirate squad from a popular manga. As a member of a co-creative team, I thus feel like I can apply the might of a large company to various small actions, effectively capitalizing on all the benefits of start-ups. I would even go as far as to say that co-creative teams feel like small start-ups that exist within MARUI GROUP.

**Okajima:** Sota Yamauchi, who founded WED in his teens, has a unique perspective that is not confined by existing frameworks. If MARUI GROUP is going to provide a platform for co-creation, it will be important for it to respect such otherworldly talents. Mr. Takenobu, from your perspective as an outsider at MARUI GROUP, what do you see as the value of co-creation with the Company.

**Takenobu:** A major advantage of working with MARUI GROUP is the ability to utilize its assets to create greater value for society. As a start-up, COUNTERWORKS is able to exercise its ingenuity targeting a limited scope of customers and market segments. MARUI GROUP, meanwhile, has a well-entrenched practice of looking at matters such as how shopping centers will be affected or how EPOS cards will be used to generate profits. My involvement with MARUI GROUP has made me aware of the importance of adopting a multi-faceted perspective to pursue an overall

A major advantage of working with  
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its assets to create greater value for society.

Mizuki Takenobu  
Seconded to Tenant Success Office  
of MARUI CO., LTD.,  
from COUNTERWORKS Inc.



balanced approach. MARUI GROUP is incredibly proficient at achieving such a balance when it comes to expanding potential demand.

Small Starts for the Peripheries  
Leading to Small Victories

**Takenobu:** Together with MARUI GROUP, I am looking into ways of transforming shopping center operation, leasing, and other existing business frameworks. How are all of you approaching the process of transforming existing businesses within your respective co-creative teams?

**Torihata:** When it comes to providing services for lease properties in the real estate industry, it is common to focus on the owners of the properties, and to forget about the users. This type of approach seems outdated, and I think it is time for a change. TSUKURUBA is working to guide the market in the right direction by starting new businesses

small and gradually building a greater impact. It is currently in the process of laying the groundwork for this approach.

**Abe:** With its optical character recognition technologies for reading receipts via a smartphone, WED looks to reduce the amount of time used for all tenant processes by 110,000 hours while cutting annual delivery center processes by 20,000 hours. In the past, we have seen only limited scope applicability for such systems. However, co-creation with WED has opened the door to the possibility of transforming existing businesses with these systems. Proposals that go beyond the boundaries of companies, such as initiatives for improving productivity or reforming work styles, can create an opportunity. This recognition has enabled me to think about tenant success from a broader perspective.

**Okajima:** I think that co-creative teams have the potential to inspire the transformation of the industries in which they

Co-creative teams are effectively capitalizing on  
all the benefits of start-ups. Co-creation  
has opened the door to the possibility  
of transforming existing businesses.

Nozomu Abe  
WED Co-Creative Team  
R&D Center, Digital Transformation Department  
M & C SYSTEMS CO., LTD.  
(Joined MARUI GROUP CO., LTD., in 2017)



are involved. The union of start-ups and MARUI GROUP, both of which are unable to sufficiently promote change by themselves, will allow for the creation of small success models for use in pursuing small victories. These efforts will eventually snowball to transform industry structures themselves. We have already seen this happen with the retailing industry. Co-creative teams are one venue for inspiring such transformation. It is like we are all working together in a process of trial and error aimed at creating a recipe for success.

**Takenobu:** The amount of access MARUI GROUP grants to its existing businesses is amazing to someone like me, who is viewing this as an outsider. COUNTERWORKS is currently developing a store opening support service called OMEMIE. This service is offered as a short-term event, and we thus have to be really frank in our efforts to commercialize this service. To facilitate frank discussion, MARUI GROUP lets us view its internal data, and we do the same. We have sufficient access to MARUI GROUP's existing businesses through this open relationship, and we are able to change our existing frameworks to match. This has had an impressive influence within COUNTERWORKS.

**Okajima:** When a large company collaborates with a start-up, the collaborative initiatives tend to be isolated from the rest of the company's operations. This causes a disconnect with the rest of the company, meaning that, for better or

What is unique about MARUI GROUP's  
co-creative teams is that they function  
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central entity that is the Company.

Etsuko Okajima  
External Director, MARUI GROUP CO., LTD.  
President & CEO, ProNova Inc.



for worse, the impact on the company as a whole is limited. What is unique about MARUI GROUP's co-creative teams is that they function more as peripheries to the central entity that is the Company. The center can be seen from the peripheries and vice versa. The peripheries advance a variety of initiatives to achieve small victories, and the victories of the co-creative teams then drive the transformation of the Company itself.

**Takenobu:** The co-creative team I am on is focused on speed, looking to generate a positive impact as quickly as possible. We started developing the OMEMIE store opening support service in April 2021, and it was launched only a month later. A large company like MARUI GROUP has a lot of organizations, which means it can take longer to kick off a new initiative. With co-creative teams, however, when the decision to do something is made, everyone springs into action. This approach of beginning with small starts in the peripheries is part of the genius of MARUI GROUP.

Exercise of the Corporate Philosophy  
Through Co-Creative Teams

**Takenobu:** Does everyone here enjoy participating in co-creative teams? Is it helping with our well-being?

**Torihata:** I really enjoy it. It makes it feel like I have my own special job that is only for me. I am motivated by a strong sense of commitment to fulfill my mission as a single, unique individual. My

first goal is to create a positive impact within my co-creative team. I want to get off to a strong start to generate results and show everyone the excitement of the wide range options made possible by partnering with MARUI GROUP.

**Abe:** The systems development work I have been involved in previously has been focused purely on resolving the issues faced by the Company. Getting involved in new business development, meanwhile, has greatly expanded the scope and degree of my contributions. I can make a contribution to the overall industry, to all of Japan, or even to the entire world. These contributions can be measured on timetables of 30 or even 50 years. This greater capacity to contribute is a massive source of motivation. When you belong to a small organization like a co-creative team, you get the sense that nothing will happen if you don't do it yourself. This feeling is very empowering.

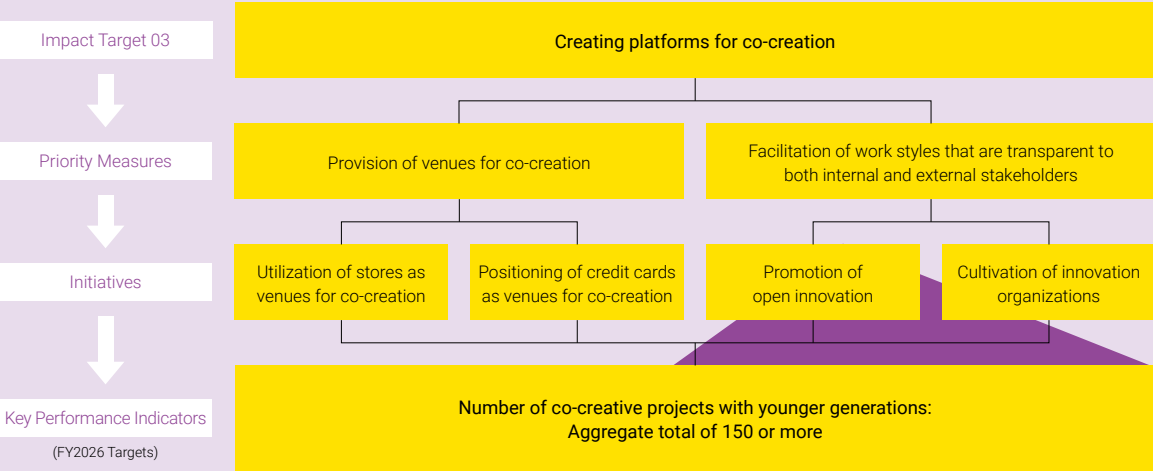
**Takenobu:** Co-creation with MARUI GROUP allows me to escape the confines of my own thinking to engage in wider ranging discussions on topics like new approaches that could be taken. This is especially beneficial given the COVID-19 pandemic. For a start-up, the ability to receive support from colleagues committed to the same goals is something that is greatly appreciated.

**Okajima:** I am really fond of MARUI GROUP's corporate philosophy of "equate the development of our people with the development of our company." However, I am also looking at how industry structures can be transformed in the future to place more emphasis on well-being. Hearing from you all today has made me realize that the approach of co-creative teams is an initiative for transforming industries while at the same time being a measure for developing human resources. Whether we are talking about the development of people or the development of the Company, it is a truly innovative undertaking.

# CREATING PLATFORMS FOR CO-CREATION

MARUI GROUP cannot build the world it envisions by itself; it looks to shape this world through co-creation with stakeholders that share its ideals. Our assets include the physical stores that serve as points of contact with 200 million customers, our base of more than 7 million EPOS cardholders, our some 5,000 employees equipped with customer- and IT-oriented mindsets, and our deeply entrenched corporate culture of co-creation. By sharing these assets with stakeholders, we aim to create platforms for co-creation.

Overall Vision and Key Performance Indicators



WHO?



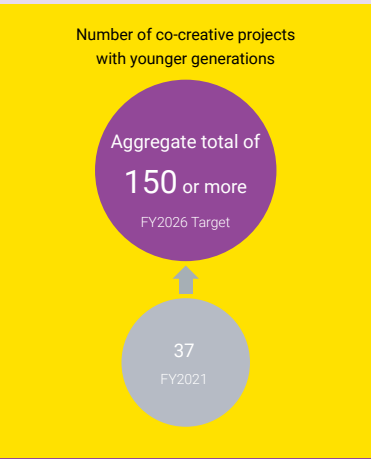
WHAT?



HOW?



OUR IMPACT



# CO-CREATION PLATFORMS

## Acceleration of Co-Creation Platforms

MARUI GROUP has continued to promote innovation through investment in start-up companies and co-creation with external partners alongside its internal efforts to develop new businesses like its anime and securities businesses. To accelerate these innovation efforts, we established D2C & Co. Inc. in 2020 to support direct-to-consumer (D2C) ecosystems. Also in this year, we assembled co-creative teams tasked with promoting co-creation with investees. These moves were followed up with the founding of the business incubation company okos Co., Ltd., in 2021. By reinforcing our systems for developing co-creation venues, we aim to accelerate the creation of platforms for co-creation.

Number of co-creative projects  
with younger generations:  
Aggregate total of

150 or more

FY2026 Target



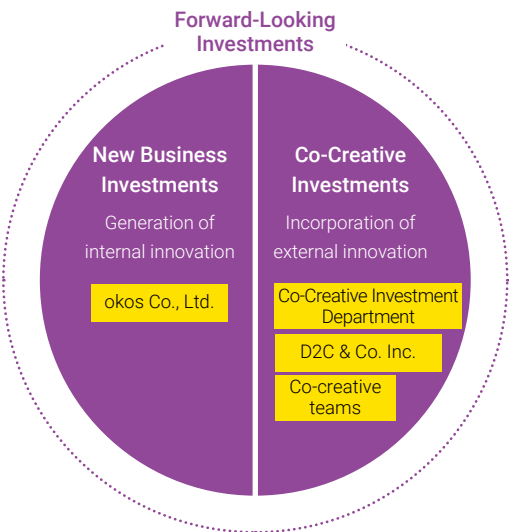
## Frameworks for Creating Platforms for Co-Creation Encompassing Both Internal and External Partners

MARUI GROUP's forward-looking investments are comprising co-creative investments aimed at co-creation with external partners and new business investments for the purpose of generating innovation within the Company. The Co-Creative Investment Department plays a central role in selecting target areas for co-creative investment that account for medium-to-long-term social changes and trends. In accordance with the defined fields, we seek out start-up companies that can join MARUI GROUP in shaping its envisioned future in which to invest. Particular attention is being paid to investments in the D2C field, which employs new business models entailing brands forming connections with consumers through directly operated e-commerce sites and social media. D2C & Co. was established to facilitate efforts in this field, where we are investing in D2C start-up companies, offering services that allow such companies to open physical stores and contract MARUI GROUP to operate them, and otherwise working to develop a D2C ecosystem. We have also assembled co-creative teams comprising employees active in various divisions to accelerate co-creation with investees.

In addition to co-creative investments, we are also investing in new businesses via the platform provided by okos. Through these investments, we aim to quickly cultivate and develop new businesses to generate innovation within the Company. The possibility of spinning off new business to form independent subsidiaries after they have achieved a state of profitability is being examined as a means of growing medium-to-long-term earnings contributions.

These are the frameworks MARUI GROUP is utilizing to create platforms for co-creation.

### Forward-Looking Investment Business Structure



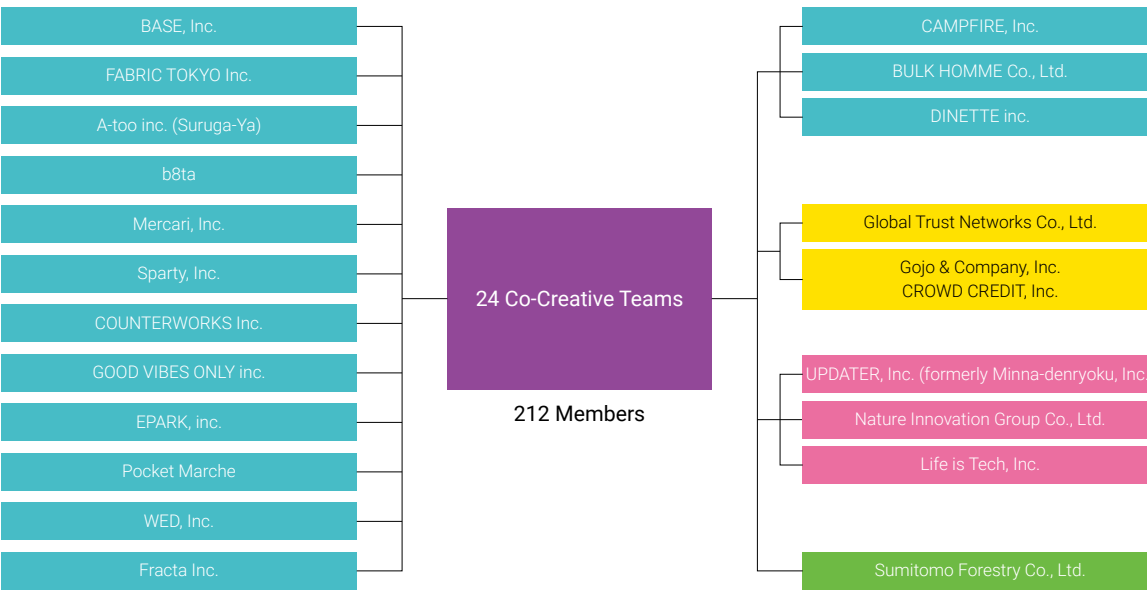
Achievement of earnings growth together  
with desired impact

(Sustainability, well-being, and digital transformation)

## Co-Creative Teams Comprising Members from Across MARUI GROUP

MARUI GROUP has assembled co-creative teams for the purpose of streamlining the process of starting co-creation with investees and to exercise responsibility for producing results. We currently have 24 co-creative teams with a total of 212 members who are working diligently on a Groupwide basis to accelerate co-creation with investees and partners. Executive officers have been appointed as the leaders of each team, and

team members are selected from the division most suited to co-creation with the respective start-up companies, whether that division be related to investment, retailing, EPOS cards, distribution, or space production. Each group is responsible for producing results, and this dedicated approach contributes to exceptionally quick decision-making.



Note: Some non-investee partners are included.  
Figures are as of October 1, 2021.

### VOICE



Masahisa Aoki  
Executive Officer,  
MARUI GROUP CO., LTD.  
CEO, tsumiki Co., Ltd.

### Co-creative teams have allowed for speedy co-creation because all members see themselves as connected to the project.

I am responsible for co-creation with A-too, the operator of Suruga-Ya, the No. 1 seller of secondhand hobby items in terms of online sales. Our relationship dates back to 2018, when A-too opened a Suruga-Ya store in Shinjuku Marui Annex, and then evolved further when we formed a capital and business alliance in 2019 and when we launched the SURUGAYA EPOS CARD in 2020. In this way, we are engaged in expansion—in forward-looking co-creation with A-too.

The Suruga-Ya Co-Creative Team was assembled in June 2020, comprising eight members including myself, who serves as executive officer oversight. Members have been chosen from a variety of divisions, including people from retailing and fintech and even those seconded to A-too, and these members are engaged in comprehensive, Groupwide initiatives. In the past, co-creation was advanced with a single division serving as our venue for communication with A-too, but this approach resulted in fragmented initiatives and roundabout communication. The change to co-creative teams, however, has allowed for speedy co-creation because all members see themselves as connected to the project, like they themselves are members of A-too. As a result, we have been able to open Suruga-Ya locations in various Marui stores, and these locations have garnered immense popularity. The number of SURUGAYA EPOS CARDS issued too has come to rival the average numbers of cards issued by large-scale Marui stores.

Looking ahead, I hope to expand the scope of our co-creation with A-too beyond one-on-one collaboration to include more extensive co-creation practiced with other partners. This, I hope, will lead to the creation of new business models.

Innovation through Co-Creation with External Partners

For MARUI GROUP, external start-up companies are more than just business partners; they are partners with which we seek mutual growth in our quest to maximize the interests and happiness of our stakeholders.

Tenant Success Defined by Mutual Growth

The interests of stakeholders sometimes appear to be in conflict when viewed from a short-term perspective. However, MARUI GROUP is confident that it is possible to achieve harmony and expand the intersection between the interests and happiness of all stakeholders through dialogue and co-creation advanced over the medium-to-long term. Our ability to commit ourselves to co-creation management up until today has been supported by the presence of our tenants. Recognizing the importance of our tenants, we work to co-create happiness together with them while pursuing tenant success, which we define as mutual growth for both tenants and MARUI GROUP.

WED

Joint Development of Process Streamlining System

WED, Inc., operates the ONE receipt purchasing system. Our co-creation with this partner has included the joint development of a system for streamlining the complicated processes related to generating receipts and preparing reports that tenants must conduct every day after closing. This system is projected to contribute to savings of between 60 and 180 work hours for each tenant\* while eliminating the need for 20,000 hours of delivery processing and confirmation procedures at delivery centers.

\* Figures may vary based on the number of cash registers.



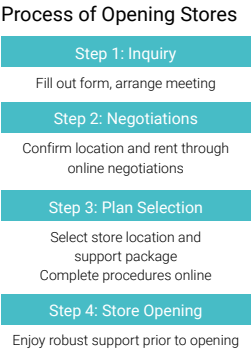
COUNTERWORKS

Services Allowing for Individuals, Small Companies, and Anyone Else to Open a Store

COUNTERWORKS Inc. provides SHOPCOUNTER, an online service that matches lenders of store and other spaces with those seeking to rent such spaces. This company's vision of a world where anyone can make forays into retail matched that of MARUI GROUP, inspiring us to embark on co-creative ventures with the goal of democratizing retail.

These venues have included the launch of a store opening support service called OMEMIE. This service, which was developed swiftly by taking advantage of COUNTERWORKS' ideas and implementation capabilities, allows anyone to set up shop at a Marui store with ease—in as little as a week. Moreover, the service provides information on location pricing, facilities, and support so that prospective store openers can choose the location best for them ahead of time, granting an extra element of peace of mind when making inquiries.

Please refer to the following website for more information on OMEMIE (in Japanese only).  
omemie.0101.co.jp/



VOICE



Kana Yamamoto  
Tenant Success Office,  
MARUI CO., LTD.

We are working to grow together as partners seeking to democratize retail. COUNTERWORKS is guided by its vision of free creation with ambitious individuals and its mission of digitizing all commercial real estate to create new forms of commercial infrastructure. These ambitions line up with the goals of MARUI GROUP, a move that led to our decision to engage in co-creation. MARUI GROUP seeks to create stores that do not sell and eventful stores based on sustainable business models that bring joy to customers. By pooling our resources with those of COUNTERWORKS, we hope to make both our visions for the world a reality. We have learned a lot through co-creation with COUNTERWORKS that encompasses a number of MARUI GROUP divisions. COUNTERWORKS is not just a business partner, they are a partner in our quest to democratize retail, and I hope that we will be able to grow together in the future.

Sharing of MARUI GROUP Assets through Secondment and Operation Contracting

MARUI GROUP is actively sharing its assets with external partners as part of its efforts to create platforms for co-creation. One way in which we share assets is through the secondment of employees to start-up companies. Such secondment allows employees to gain the forward-looking perspective needed to create new businesses while also granting them with the opportunities to make decisions at their own discretion. Moreover,

this process helps us incorporate the unique expertise and other intangible assets of partner companies into MARUI GROUP. Another approach toward sharing assets is through operation contracting, which allows us to share with partners assets like our stores and human resources who are well-versed in store operation and customer service as we pursue mutual growth.

Global Trust Networks

MARUI GROUP has seconded employees to Global Trust Networks Co., Ltd. (GTN), as one of our various joint initiatives with this company, which have included issuing the first EPOS card exclusively for non-Japanese residents of Japan. GTN is currently investing in the development of new apps and other digital transformation measures while working to expand its network of bases in Asia. Meanwhile, the range of services offered for non-Japanese individuals is being broadened through co-creation with MARUI GROUP.



GTN EPOS CARD issued by using GTN's database of non-Japanese individuals

Mercari

Co-creation with Mercari, Inc., has involved its opening Mercari Station, a physical venue that offers customers an easy way to experience its Mercari service, and contracting the operation of this store to MARUI GROUP employees. Mercari Station sees visitation by current Mercari users as well as by people who have never taken advantage of the service, thereby helping expand Mercari's ability to connect with users offline.



Mercari Station, Mercari's first physical location, operated by MARUI GROUP employees



Suruga-Ya counter where customers can sell their hobby items, operated by MARUI GROUP employees at Marui Family Mizonokuchi

Suruga-Ya

The Suruga-Ya stores operated by A-too inc. had previously enjoyed strong support from certain niche customers. However, A-too was able to connect with the new customer demographic of women by opening locations in Marui stores. Moreover, the SURUGAYA EPOS CARD was launched as physical stores struggled amid the COVID-19 pandemic, and we have seen a brisk increase in the numbers of holders of this card since its launch. This accomplishment is an example of synergies being generated with the rise in transactions seen on the suruga-ya.jp e-commerce website.

VOICE



Hiroki Yoshida  
Seconded to A-too inc.  
MARUI GROUP CO., LTD.

The fundamental essence of co-creation should be leveraging our respective strengths to create new value. With a laser-sight focus on profit, President Tsunashige Sugiyama of A-too has sometimes been referred to as a man made for business. When I was seconded to this company, President Sugiyama drilled this focus on profits into my head with his mantra of "customer satisfaction is the source of profit." At the same time, I was facing an issue that, because of a lack of understanding with regard to co-creation, it was not uncommon for our co-creative efforts to boil down to MARUI GROUP dragging its partners down the path it wants to take. Contrary to this reality, the fundamental essence of co-creation should be partnering with others who share our ideals and utilizing our respective strengths to create new value and thereby maximize our earnings. Responding to the diversifying expectations of customers requires companies and their businesses to always be changing and evolving. There is a limit to what a single company can do by itself. It is therefore important to broaden our scope of co-creation and evaluate our partnerships to ensure that we are forming a mutually beneficial, win-win relationship on our quest to maximize the interests and happiness of stakeholders.

Generation of Internal Innovation

MARUI GROUP has continued to move forward with efforts to produce innovation through co-creation with external start-up companies. Going forward, we will also seek to foster a corporate culture that is conducive to the generation of internal innovation by making the organization a fertile breeding ground for co-creation between various internal divisions.

Cultivation of New Businesses and Internal Entrepreneurs through okos

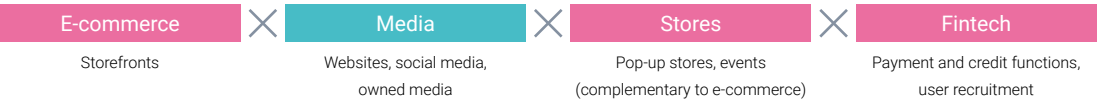
We established okos with the purpose of fostering a corporate culture that is conducive to the generation of internal innovation within MARUI GROUP. Prefaced on the ideas of creating new things and starting new ventures, okos is committed to the development of new businesses. However, this company does not limit its scope to new businesses; it also looks to swiftly incubate businesses through co-creative investment while providing a platform for cultivating internal entrepreneurs.



It is common for start-up companies to act spontaneously and produce new innovative ideas, even with limited resources. Through okos, we offer the support necessary for starting new businesses or embarking on other entrepreneurial exploits to provide opportunities to continue chasing one's ambitions, without fear of failure, and to build an ever-growing track record of small victories. This framework allows us to cultivate human resources with an entrepreneurial spirit while fostering a corporate culture that is conducive to the generation of internal innovation.

Business Model of okos

Centered on e-commerce, services offered by okos include helping create fans of a given company through websites, social media, and owned media, and directing these fans to e-commerce venues. Stores are used to complement online media and e-commerce websites through pop-up stores and events. Meanwhile, fintech services are supplied to provide payment and credit functions for both physical and e-commerce venues, and okos also supports the recruitment of registered users. In this manner, okos utilizes MARUI GROUP's stores and fintech services while maintaining a focus on e-commerce, to support the development of unique business models with a high barrier to entry.



VOICE



Yuichi Kori  
External Director, okos Co., Ltd.  
Partner, NEXTBLUE, LLP

MARUI GROUP's frameworks for creating new businesses are incredibly unique.

Today, we are seeing members of younger generations around the world propose new ways of thinking, expression, and living. The current era is also more accepting toward individuality and differences. In fact, I would say that it turns these elements into strengths. This trend seems to gain more steam with each coming year. However, members of these younger generations tend to lack experience, connections, and funds. This is why it is truly remarkable that a company like MARUI GROUP, which is rich in assets and resources, is acting as a door opener for younger generations. The Company's efforts to create platforms for co-creations are truly something that meets the needs of the times.

MARUI GROUP's frameworks for creating new businesses are incredibly unique. I am particularly impressed with three elements of these frameworks that form the foundation for developing new businesses: the utilization of existing assets to create new businesses in a more organic manner; the smooth internal coordination made possible by an open atmosphere and strong connections between employees from different divisions; and the foresight exercised to identify social trends before rivals. This foundation gives me a sense of excitement for MARUI GROUP's unique approach toward business development. I want okos to be a central proponent for generating a cycle of creating new businesses, resolving social issues through these businesses, and returning the profits of these efforts to MARUI GROUP. At the same time, I hope that MARUI GROUP employees will create, grow, and strengthen new businesses. This is the future I envision for us.

New Work Styles Conducive to Innovation

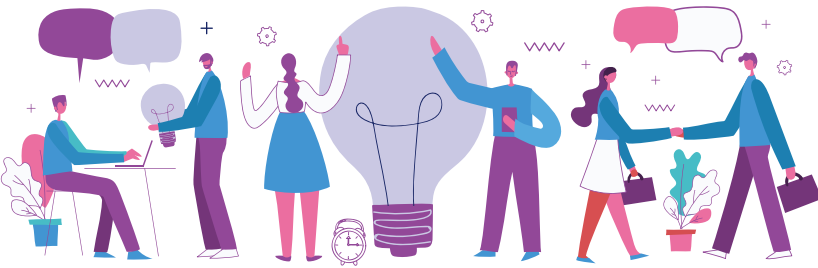
In creating innovation, the autonomous bottom-up actions of employees are more important than the top-down commitments of senior management. Developing a corporate culture in which employees are moved to such autonomous action is a process that requires time to foster the necessary foundations. In this regard, MARUI GROUP has been developing a culture of voluntary participation, in which employees step up to new tasks of their own volition, for more than a decade. The self-driven, ambitious action of employees serves as a catalyst for stimulating innovation and is crucial to the accomplishment of MARUI GROUP's three impact targets.

Also essential to the accomplishment of our impact targets will be the moving away from our prior MARUI GROUP-centric work styles to facilitate work styles that are transparent to both internal and external stakeholders. We will, for example, look to utilize individuals using us for secondary employment, non-traditional temporary employment schemes, long-term internships, and other work styles that allow talented and motivated individuals to contribute regardless of their age or numbers of years of service. The Company will also promote work styles

that frame collaboration as our business through strategic secondment of employees to start-up companies and the establishment of co-creative teams. By exploring such new work styles, we aim to make the organization more conducive to innovation.



Medium-Term Management Visionary Committee open to voluntary participation by autonomous employees regardless of age or rank (Groupwide project teams are also open to voluntary participation)



VOICE



Makoto Ito  
Human Resource Development  
Section, Personnel Division  
MARUI GROUP CO., LTD.

I want MARUI GROUP to be a company that promotes co-creation between people.

I think that our frameworks and culture of providing opportunities to anyone who is driven by their own ambitions is something that is truly unique to MARUI GROUP.

At the same time, I recognize that developing a culture conducive to innovation requires interaction with people from outside of the Company, along with opportunities for them to engage with insights and values with which they are not familiar.

I expect that the advent of co-creative teams will give rise to work styles that transcend the boundaries of sections, departments, and even companies, and ultimately lead to our framing collaboration as our business. However, this will require that every employee be able to grow.

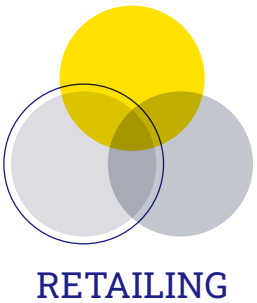
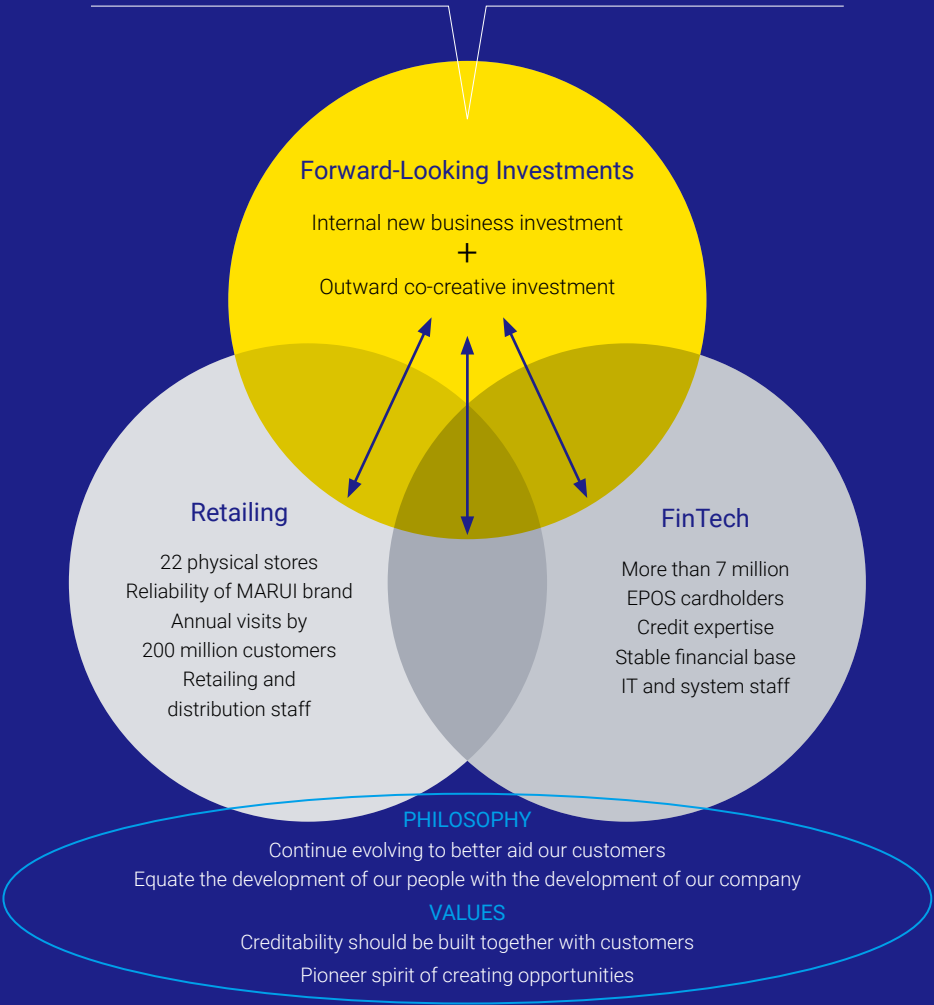
MARUI GROUP is supporting the interests of individuals, and I want to extend this approach toward our work styles. What I mean is that I think employees should view their work, or MARUI GROUP itself, as a tool to be used to accomplish their own personal life goals. This would create an overlap between one's interests and their work and allow them to branch out from there. If we can support the growth of employees by allowing them to work in this manner, we will no doubt see people from outside of the Company contacting us because they will want to take part in the project of a specific employee. By cultivating free and unrestrained employees in this way, I hope to foster a culture of co-creation between people, rather than just between companies, in a manner that transcends the boundaries of companies.

# 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

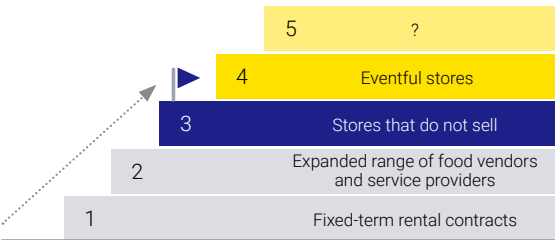


### Physical Stores Seeing Visitation from 200 Million Customers a Year

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

### Noteworthy Establishments



HARA8 new food court  
(Marui Family Mizonokuchi)



BULK HOMME THE STAND  
(Shinjuku Marui Main Building)



Tokyo Anime Center in DNP PLAZA SHIBUYA  
(Shibuya Modi)



PARK by CAMPFIRE  
(Shibuya Modi)

### VOICE

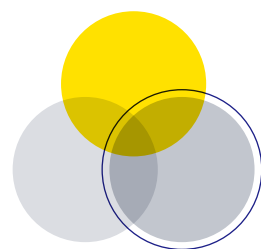


Masahiro Aono  
Senior Executive Officer  
In charge of Retailing Business  
President and Representative  
Director, MARUI CO., LTD.

### 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

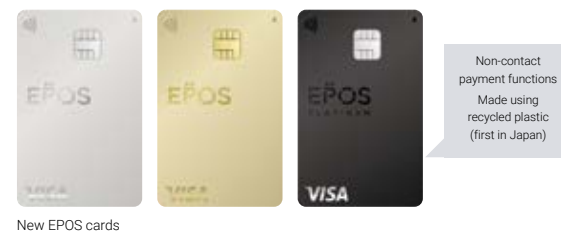
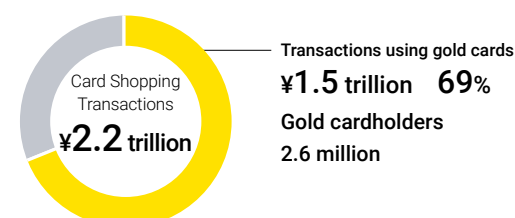
MARUI GROUP sees fintech as a means of promoting financial inclusion to provide access to financial services, which were previously limited to wealthy individuals, to everyone, regardless of their age or income, so that they can use the services they need when they need them. This vision has inspired 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)



Non-contact payment functions  
Made using recycled plastic (first in Japan)



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

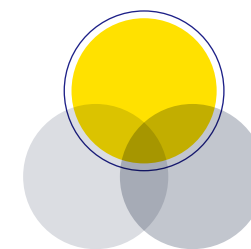


Yoshinori Saito  
Managing Executive Officer  
In charge of FinTech Business  
President and Representative  
Director, Epos Card Co., Ltd.

#### 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

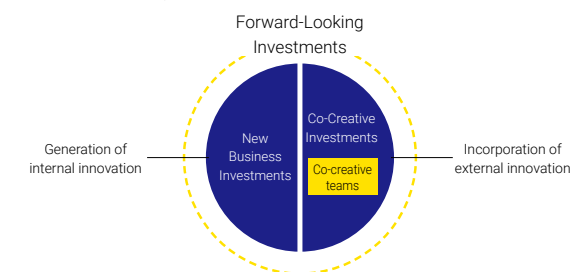
### Creation of Innovation to Achieve Earnings Growth Together with Desired Impact

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

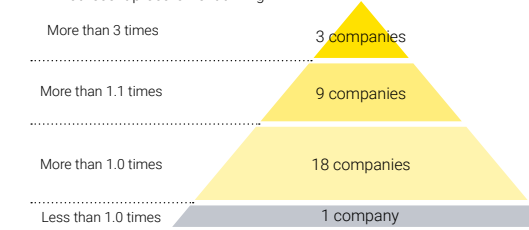
#### Forward-Looking Investment Business Structure



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.

I am co-founder of BORDERLESS JAPAN CORPORATION, a company that only engages in social businesses. BORDERLESS JAPAN offers a platform that socially minded entrepreneurs can use to work toward resolutions to social issues, such as poverty, discrimination and prejudice, and environmental destruction, through their businesses.

I was appointed as sustainability advisor of MARUI GROUP in 2019. I believe my role at the Company is to identify issues and help illuminate the path MARUI GROUP should take from the perspectives of social change and social businesses. To date, President Aoi and I have discussed a variety of subjects based on my background.

One topic we have discussed is the formulation of impact targets. BORDERLESS Group companies define social impact, or the degree to which they are contributing to the resolution of social issues, as their most important indicator. This indicator is symbolic of our overall business goal of contributing to the realization of our envisioned society through the resolution of social issues. All of our colleagues are committed to social impact and work to guarantee a better impact through their daily activities. I therefore recommended that MARUI GROUP set its own impact targets based on the type of society it hopes to realize.

MARUI GROUP agreed, setting three impact targets in its new medium-term management plan. MARUI GROUP embraces a philosophy focused on inclusion. This meant that it was important to define indicators that account for its overall business goals, including those related to social issues. I have high praise for how the three impact targets were decided based on an earnest examination of the future that MARUI GROUP envisions. After all, it is crucial for impact targets to be directly linked to the ideals that one hopes to pursue.

## THREE IMPACTS, ONE COMMITMENT

Determining one's goals, charting a path toward accomplishing three impact targets

# BORDERLESS

An intuitive understanding of the people you work with is imperative to achieving impact targets. In other words, you have to be able to share their goals and feel a connection with them as such. When the efforts of frontline employees contribute to a company's desired impact, they will feel a sense of accomplishment knowing that they are helping to realize their envisioned future that cannot be measured in numbers like sales and profit. As a platform holder, MARUI GROUP is working to create opportunities that allow diverse individuals to tackle new challenges in order to have a positive impact on society in a variety of ways. It will therefore be important for employees who are passionate and committed to realizing their envisioned future to maintain an intuitive understanding of those around them and assert themselves so that they can pursue their ambitions. Over the next couple of years, management will need to be patient. Employees should be allowed to experience and overcome failure through an ongoing process of trial and error and to work together with their colleagues to produce one success at a time. I am confident that this process will make MARUI GROUP into an even more independent and autonomous organization and eventually evolve the Company into an ecosystem capable of achieving its envisioned future.

Masayoshi Suzuki

Executive Vice President, BORDERLESS JAPAN CORPORATION  
Sustainability Advisor, MARUI GROUP CO., LTD.

Masayoshi Suzuki was born in Yamaguchi Prefecture in 1979. After graduating from a graduate program, Suzuki joined Misumi CO., LTD., at the same time as Kazunari Taguchi, with whom he would later go on to found BORDERLESS JAPAN CORPORATION in 2007. As a company that only engages in social businesses, BORDERLESS JAPAN seeks to contribute to the resolution of social issues, such as poverty, discrimination and prejudice, and environmental destruction. As of October 2021, BORDERLESS JAPAN had 43 subsidiaries in 15 countries. Through a unique "one good turn deserves another" system, 43 socially minded entrepreneurs pool their funds and know-how to drive the continuous development of social businesses via a social entrepreneurship platform. Suzuki became a sustainability advisor to MARUI GROUP in 2019.

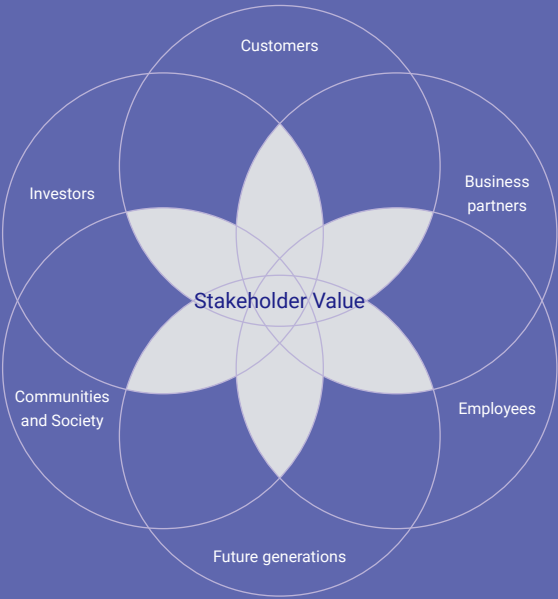
[www.borderless-global.com](http://www.borderless-global.com)



# MARUI GROUP's Governance Focused on Six Stakeholder Groups

MARUI GROUP defines corporate value as being produced by creating harmony between the interests and happiness of all of its stakeholders and growing the intersection of these interests and happiness. To coincide with this view, we have begun practicing governance with a focus on our six stakeholder groups.

In June 2021, as the first step of this process, we appointed two new outside directors—Yasunori Nakagami and Peter David Pedersen. Also at this time, Reiko Kojima was appointed as an internal director. We also incorporated elements of the Board 3.0 model, a new governance model being promoted that entails actively involving external directors in management strategy planning and other facets of management. Specifically, MARUI GROUP established the Strategy Committee as a new advisory body to the Board of Directors tasked with examining medium-to-long-term business strategies. MARUI GROUP has also appointed new advisors from younger generations on whom it will call for advice based on their new perspectives and diverse values. Through these frameworks, the Company will accelerate governance focused on six stakeholder groups for the purpose of achieving its desired impact.



## Members of the New Board of Directors Including Stakeholders




**Hiroshi Aoi**  
President and Representative Director, Representative Executive Officer  
Chairman of Management Committee and Compliance Promotion Board,  
Member of Nominating and Compensation Committee, Sustainability  
Committee, and Strategy Committee

Reason for appointment: Hiroshi Aoi has properly overseen the Board of Directors as the chairman and duly performed his supervisory functions with regard to important management decision-making and operational execution as the president and representative director of the Company since 2005. He has ample business experience and knowledge as a corporate manager and has overseen the overall operation of the Group and performed his duties properly as the Group representative executive officer. Based on the above reasons, the Company believes that he can fully perform his functions for facilitating the medium-to-long-term improvement of the corporate value of the Company.




**Yasunori Nakagami**  
Representative Director and CEO, Misaki Capital Inc.  
External Director, Chairman of Strategy Committee,  
Member of Nominating and Compensation Committee

Reason for appointment: Yasunori Nakagami has accumulated a wealth of experience at management consulting firms and investment management companies through which he has amassed exceptional insight regarding corporate management that emphasizes capital markets. The Company thus judged that he would be able to contribute to the supervision of overall management from an independent and objective standpoint as an external director.




**Hirotugu Kato**  
Director, Managing Executive Officer, and CFO  
Chairman of ESG Committee and Insider Trading Prevention Committee,  
Member of Management Committee, Sustainability Committee,  
Strategy Committee, Compliance Promotion Board,  
Public Relations IR Committee, and Internal Control Committee

Reason for appointment: Hirotugu Kato has overseen finance, investment research, sustainability, and ESG divisions and performed his duties properly as a managing executive officer of the Company. Based on the above reasons, the Company believes that he can fully perform his functions for facilitating the medium-to-long-term improvement of the corporate value of the Company.



**Etsuko Okajima**  
President & CEO, ProNova Inc.  
External Director, Member of Nominating and  
Compensation Committee and Strategy Committee

Reason for appointment: Etsuko Okajima has experience and extensive knowledge in corporate management and is well versed in diversity policy and practices. She has performed her duties as an external director of the Company from an objective, independent position. The Company believes that she can continue to contribute to the reinforcement of the supervisory function for the management of the Company.



**Peter David Pedersen**  
Representative Director, Next Leaders' Initiative for Sustainability  
Professor, Shizenkan University  
External Director, Chairman of Sustainability Committee

Reason for appointment: Peter David Pedersen has accumulated a wealth of experience at environmental and CSR consulting firms through which he has amassed exceptional insight regarding global-level sustainability management. The Company thus judged that he would be able to contribute to the supervision of overall management from an independent and objective standpoint as an external director.



**Reiko Kojima**  
Director, Executive Officer, and CWO (Chief Well-being Officer)  
General Manager, Wellbeing Promotion Department  
Company Physician  
Member of Management Committee and Sustainability Committee

Reason for appointment: Reiko Kojima has robust experience as a general physician, a Doctor of Medicine, and a company physician and has properly performed her duties in overseeing Groupwide well-being divisions as an executive officer. Based on the above reasons, the Company believes that she can fully perform her functions for facilitating the medium-to-long-term improvement of the corporate value of the Company.

## Appointment of New Advisors from Younger Generations

MARUI GROUP appoints external experts with insight into business strategies and various business areas as advisors. We anticipate that such advisors will be powerful assets in the establishment of strategies for Groupwide efforts to accomplish the targets of the medium-term management plan and to improve corporate value over the medium-to-long term as we seek to address the rapidly changing operating environment and an ever-diversifying society. Regular meetings of advisors are held once every two or three months, at which the president, pertinent directors, executive officers, and representatives from relevant areas attend; advice is also sought on specific themes. In December 2021, MARUI GROUP appointed two representatives of younger generations as advisors to guide it in accommodating the needs of future generations.



**Kyoko Ozawa**  
Member of Sustainability Committee  
University Freshman  
**Sustainability Specialist**

Reason for appointment: As the first chief future officer of euglena Co., Ltd., Kyoko Ozawa began offering insight regarding frameworks that unconsciously drive consumers to eco-friendly action and the elimination of products contained in plastic bottles in 2019 from the perspective of future generations. MARUI GROUP thus judged that she would be able to offer valuable input and advice for achieving the impact targets described in its medium-term management plan.

Appointed in  
December 2021



**Sota Watanabe**  
CEO, STAKE TECHNOLOGIES PTE. LTD.  
Director, Japan Blockchain Association  
**Public Blockchain Specialist**

Reason for appointment: After founding STAKE TECHNOLOGIES in 2019, Sota Watanabe went on to develop Japan's Astar Network public blockchain. With substantial experience and insight regarding blockchain technology, MARUI GROUP judged that he would be able to offer valuable input and advice for promoting digital transformation based on its medium-term management plan.

Appointed in  
December 2021



**Masakazu Masujima**  
Partner, Mori Hamada & Matsumoto  
**Fintech Specialist**

Reason for appointment: Masakazu Masujima is a leading expert in the field of fintech with robust insight and experience. MARUI GROUP anticipates that he will offer proposals of specific growth investment targets, advice and proposals regarding entry into the securities business, and advice on fintech-related laws and regulations for use in the development of new fintech businesses.

Appointed in  
July 2016



**Meyumi Yamada**  
Director, istyle Inc.  
**D2C Specialist**

Reason for appointment: MARUI GROUP anticipates that Meyumi Yamada will provide up-to-date information on D2C ecosystems and customer success strategies and stimulate meaningful discussion in this regard to drive new value creation in the post-digital world.

Appointed in  
July 2017



**Yutaka Matsuo**  
Professor, Department of Technology Management for Innovation, Artifacts, Center for Engineering, Graduate School of Engineering,  
The University of Tokyo  
**AI Specialist**

Reason for appointment: Yutaka Matsuo possesses a wealth of insight and experience as a leading authority in artificial intelligence (AI) research. In addition, he has devoted his efforts promoting the use of AI and the cultivation of human resources in this field. One such effort was the establishment of the Japan Deep Learning Association, an organization tasked with improving the competitiveness of industry in Japan with deep learning. MARUI GROUP anticipates that he will offer valuable suggestions and advice for utilizing AI to improve corporate value.

Appointed in  
October 2019



**Yoshiki Ishikawa**  
Doctor of Medicine, Preventative Medicine Researcher, Representative Director, Well-being for Planet Earth Foundation  
**Well-being Specialist**

Reason for appointment: Yoshiki Ishikawa possesses a wealth of experience and broad-ranging insight as a preventative medicine researcher. He is also one of Japan's foremost researchers of well-being and the representative director of the Well-being for Planet Earth Foundation. MARUI GROUP anticipates that he will offer valuable suggestions and advice pertaining to the Company's management.

Appointed in  
July 2020



**Masayoshi Suzuki**  
Executive Vice President, BORDERLESS JAPAN CORPORATION  
Member of Sustainability Committee  
**Social Specialist**

Reason for appointment: Masayoshi Suzuki co-founded BORDERLESS JAPAN, one of the few companies in the world that only engages in social businesses, through which this company has addressed social issues pertaining to poverty, discrimination and prejudice, and the environment. MARUI GROUP anticipates that he will offer valuable suggestions and advice for resolving social issues to help create a flourishing and inclusive society.

Appointed in  
January 2019



**Tomohiro Miyasaka**  
Venture Capitalist  
**Venture Investment Specialist**

Reason for appointment: Tomohiro Miyasaka has been involved in initial public offerings associated with numerous investees including Sansan, Inc.; Mercari, Inc.; Money Forward, Inc.; RAKSUL INC.; Chatwork Co., Ltd.; and Uzabase, Inc. With this extensive background and robust insight, MARUI GROUP judged that he would be able to offer valuable input and advice for promoting forward-looking investments and gaining higher levels of trust from stakeholders.

Appointed in  
August 2021

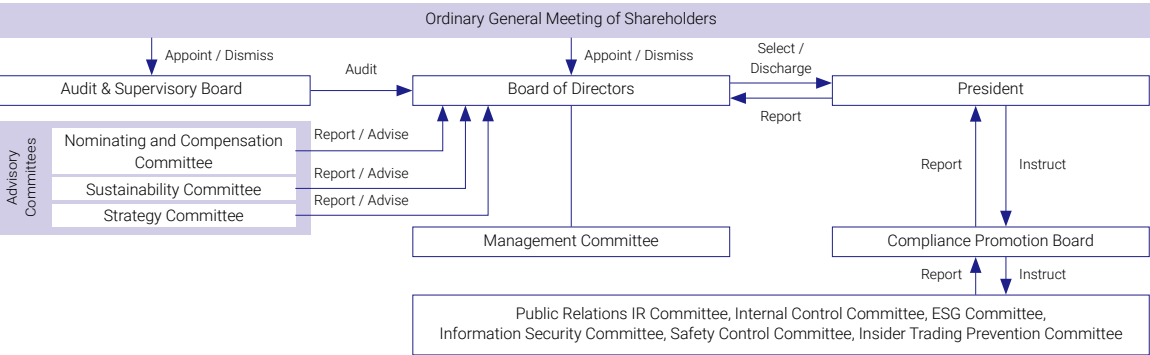
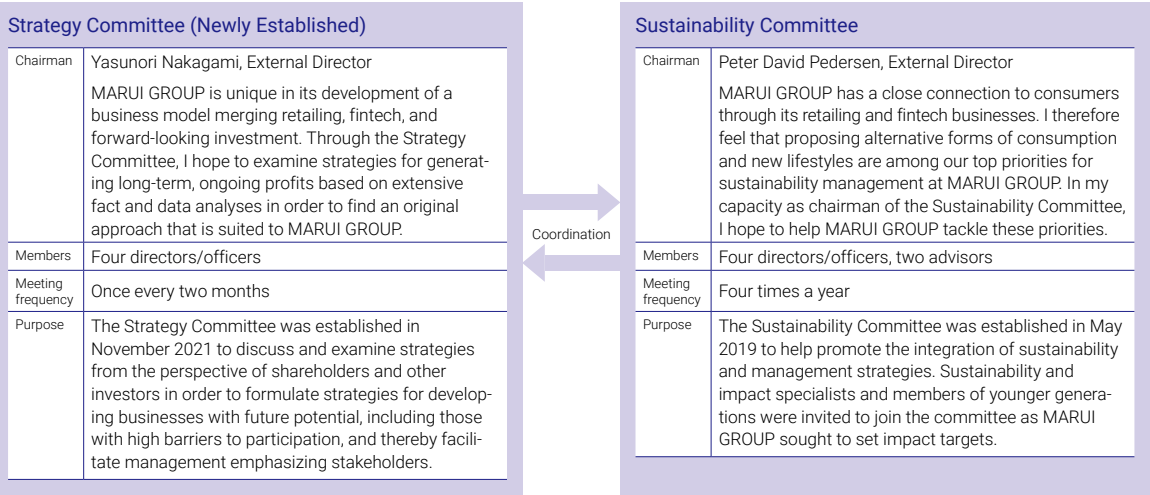
## Corporate Governance System

Under the new corporate governance system launched in June 2021, the Board of Directors and the Company's various committees have been engaging in discussions that are not bound by previous conventions in search of the strategies, organizational structures, and human resources that will be necessary for achieving its three impact goals. One aspect of the new system is the Strategy Committee, which was established with the goal of discussing and examining MARUI GROUP's management from the perspectives of shareholders and other investors. This committee is helping us produce an even greater range of strategic proposals for businesses based on their barriers to entry. Moreover, the Strategy Committee coordinates with the Sustainability Committee to align our business and sustainability initiatives in order to develop management frameworks directly linked to positive impacts.

### Major Agenda Items Discussed at Meetings of the New Board of Directors (June–November 2021)

- |  |  |   |
|--|--|---|
| <ul style="list-style-type: none"><li>• Discussion themes for the new Board of Directors</li><li>• Revision of officer compensation systems</li><li>• Establishment and revision of committees</li><li>• Revision and augmentation of membership of Management Committee and other committees</li><li>• Appointment of new advisors</li><li>• Revision of regulations related to Board of Directors and Management Committee</li><li>• Evaluation of Board of Directors' effectiveness</li></ul> | <ul style="list-style-type: none"><li>• Changes to authority delegated to executive officers</li><li>• Response to revision to Japan's Corporate Governance Code</li><li>• Revision of MARUI GROUP Corporate Governance Guidelines</li><li>• Production and disclosure of officer skill matrix</li><li>• Partial revision of internal audit regulations</li><li>• Status of cross-shareholdings and future measures</li><li>• Cancellation of treasury stock</li></ul> | <ul style="list-style-type: none"><li>• Status of investment projects and holding of unlisted securities</li><li>• Transfer of stock listing to Tokyo Stock Exchange Prime Market</li><li>• Directives for new business development</li><li>• Organization and human resource development for post-digital world</li><li>• Allocation of Co-Creation Management Academy participants</li><li>• Issues and future initiatives pertaining to subsidiaries</li></ul> |
|--|--|---|

### New Committee Structures and Purpose



Committee Membership  
[www.0101maruigroup.co.jp/pdf/committee\\_members\\_en.pdf](http://www.0101maruigroup.co.jp/pdf/committee_members_en.pdf)



MARUI GROUP Corporate Governance Guidelines  
[www.0101maruigroup.co.jp/pdf/cgg\\_20210805\\_en.pdf](http://www.0101maruigroup.co.jp/pdf/cgg_20210805_en.pdf)



MARUI GROUP Corporate Governance Report  
[www.0101maruigroup.co.jp/pdf/cgr\\_en.pdf](http://www.0101maruigroup.co.jp/pdf/cgr_en.pdf)

## Officer Skill Matrix

MARUI GROUP began disclosing annual officer skill matrixes with the publication of *VISION BOOK 2050* in 2019 in order to help stakeholders gain a more multifaceted understanding of the management skills and personal qualities of the officers that represent the Company in various business fields. Through discussions by the new Board of Directors held during 2021, it was decided that there were 14 skills, comprising shared skills and unique skills, that were required for achieving MARUI GROUP's desired impact through the advancement of its management and medium-term management plan. Based on this decision, we prepared a new skill matrix indicating the insight, experience, and skills of MARUI GROUP's 24 internal and external directors, Audit & Supervisory Board members, and executive officers (please see page 106).

### Shared Skills

- Common skills required for the Board of Directors to appropriately fulfill its function (insight, experience, and skills)
1. Corporate management
  2. Management strategy formulation
  3. Human resource management
  4. Finances
  5. Corporate governance
  6. Risk management
  7. Innovation

### Unique Skills

- Unique skills necessary for implementing MARUI GROUP's medium-term management plan (insight, experience, and skills)
8. Sustainability
  9. Well-being
  10. Digital transformation
- Unique skills needed for MARUI GROUP's business strategies (insight, experience, and skills)
11. Retailing
  12. Fintech
  13. New business development (forward-looking investments)
  14. Investments in start-up companies (forward-looking investments)

### Transcript of Board of Directors' Discussion

The following is an abridged transcript of a discussion by the Board of Directors regarding the skill matrix that took place across two meetings held in September and November 2021.

**Nakagami:** There is no need for MARUI GROUP's skill matrix to be like those of other companies. MARUI GROUP has its own purpose, and its skill matrix should thus focus on the skills that are necessary for achieving this purpose. Skills related to the Company's business could include industry experience and insight related to retailing and fintech.

**Okajima:** When considering the reasons why Japan's Corporate Governance Code expects companies to disclose skill matrixes, I think we don't necessarily need to focus on the areas of expertise of each officer. Rather, it would probably be better to think about the contribution everyone makes to the Board of Directors as a forum for management decisions.

**Pedersen:** I agree with both of you. The skill matrix should not be about filling in a template; it should be prepared as a message from MARUI GROUP.

**Aoi:** By incorporating your input, I hope to make a skill matrix that truly represents MARUI GROUP, something that closely resembles the ideas of purpose and impact that Mr. Nakagami spoke of. I think that we could really make a unique skill matrix by discussing this matter a little further.

**Nakagami:** In the past, MARUI GROUP has taken such unique steps as presenting external evaluations of the officers using frameworks like CliftonStrengths®.\* The effectiveness of a board of directors is not only determined by the skills of its members, there also has to be a good match between the thought patterns of these members. I hope you will continue to release such evaluations in the future. Innovation is a very broad concept. Accordingly, the skill matrix could use concrete terms matched to your business strategies, like

"investments in start-up companies" and "new business development," as surrogates for this concept.

**Pedersen:** "Innovation" may be a little too broad, but I think that "investments in start-up companies" might be too narrow. You could talk about the co-creation of businesses.

**Aoi:** I think we could use "investments in start-up companies" to refer to forward-looking investments and include it in the shared skills category if we want to give it a broader nuance. I hope we can receive more input from you when refining future iterations of our skill matrix.

\* The CliftonStrengths® assessment is a framework developed by Gallup, Inc., of the United States that defines 34 CliftonStrengths® themes created by consolidating some 5,000 behavior and thought patterns. This assessment is used in the human resource development programs of more than 90% of Fortune 500 companies.



Online Board of Directors' meeting held in September 2021

Future Leader Development Program Seeing Involvement from Officers and Advisors

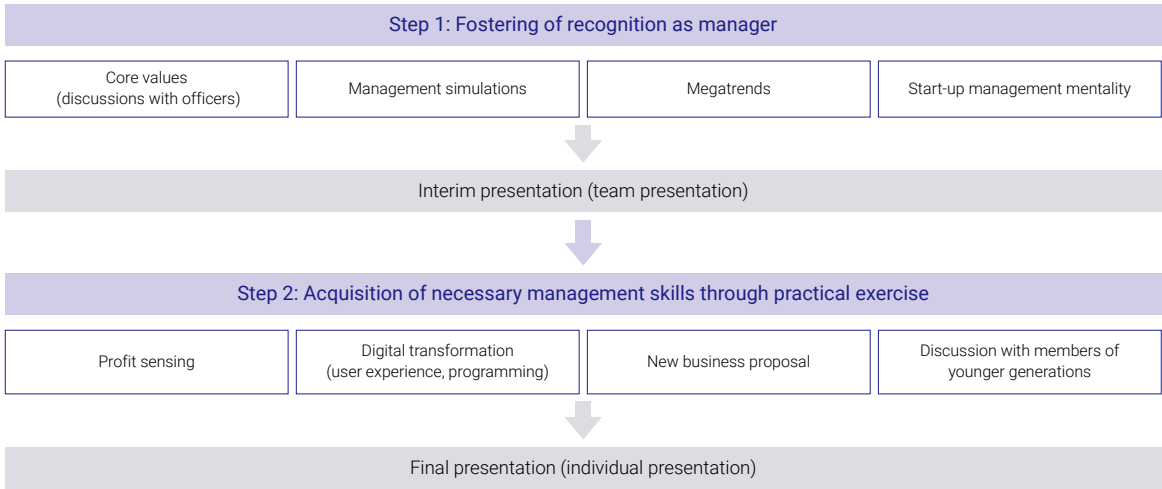
MARUI GROUP unveiled its Co-Creation Management Academy (CMA) future leader development program in April 2017 with the aim of identifying and cultivating human resources capable of promoting management innovation. This program is based on open application by individuals passionate about shaping the future of MARUI GROUP, and each year 10–20 candidates are selected from among these ambitious volunteers. To date, a total of 62 individuals have participated. Those selected are submitted to a one-year training curriculum developed under the guidance of external directors to instill in them a management perspective.

In the fiscal year ending March 31, 2022, the fifth year of the program, 12 individuals were chosen for participation with an average age of 32. Under the guidance of External Director Etsuko Okajima, these individuals are taking part in a one-year curriculum aimed at cultivating human resources that are able to undertake co-creative businesses with start-up companies and younger generations. After the completion of this curriculum, they will be seconded to partner companies or positioned in strategy or corporate planning positions as we monitor their ongoing development as future leaders.



Participants and instructor for fifth year of CMA program

CMA Program's Fifth Year Curriculum Road Map



Principal Instructors and Discussion Counterparties

Overall supervision	Etsuko Okajima, External Director	Start-up management mentality	Yuta Tsuruoka, CEO, BASE, Inc. Taejun Shin, Representative Director & CEO, Gojo & Company, Inc. Yosuke Miyama, Representative Director, Sparty, Inc.
Core values (discussions with officers)	Hiroshi Aoi, President and Representative Director Masao Nakamura, Senior Managing Executive Officer Tomoo Ishii, Senior Managing Executive Officer	Digital transformation (user experience, programming)	Yusuke Mizuno, Representative Director and CEO, Life is Tech, Inc.
Megatrends	Peter David Pedersen, External Director (Sustainability) Masayoshi Suzuki, Advisor (Social Impact) Yoshiki Ishikawa, Advisor (Well-being)	New business proposal	Kentaro Sakakibara, Representative Director, SAMURAI INCUBATE INC.



Energization through Well-being and Gender Equality

MARUI GROUP's goal in emphasizing well-being in management is to make all of its stakeholders happier. Employees are one such stakeholder, and ensuring that they are healthy and energized is of utmost importance. The World Health Organization (WHO) uses the word “well-being” in its definition of “health,” which is as follows: “Health is a state of complete physical, mental and social well-being and not merely the absence of disease or infirmity.” MARUI GROUP aims to allow all of its employees to experience the type of well-being talked about in this definition. We believe that when every employee is empowered to utilize their individuality and skills to contribute to higher corporate value and consequently greater happiness for society, they themselves will also feel happier. This cycle of generating happiness is indispensable to the accomplishment of the impact targets described in MARUI GROUP's new medium-term management plan.

Resolution of Well-being Issues through Groupwide Project Teams

MARUI GROUP has established Groupwide project teams in which any employee can volunteer to participate. One of these teams is the Well-being Management Project Team.



Fifth-year Well-being Management Project Team members

This project team is engaged in discussion of various themes related to working while maintaining a strong sense of well-being. Based on these discussions, the team is formulating and implementing action plans for achieving our impact targets through well-being activities. Another well-being-related project team is the Gender Equality Project Team. MARUI GROUP recognizes that empowering its female employees in the workplace requires the development of gender-equal work styles. Developing these work styles is a task that cannot be accomplished by women alone, but rather one that requires reforms to the thinking of their families and coworkers and of society as a whole. As its first step in promoting these reforms, MARUI GROUP analyzed its degree of success with regard to the women's empowerment indexes it unveiled in 2014. This

information has been used to set new targets to be accomplished by the fiscal year ending March 31, 2026.

Women's Empowerment Indexes

	Indicator	Goal	FY2021 Result	FY2026 Target
Awareness and corporate culture reforms	Rate of elimination of gender preconceptions (ratio of employees rejecting preconceptions about gender roles)	Cultivation of a culture emphasizing well-being through elimination of preconceptions about the roles that people of specific genders should play in housework and child-rearing	37%	50%
	Ratio of applicable male employees taking childcare leave	Promotion of involvement of both parents in child-rearing	100%	100%
	Ratio of applicable male employees taking childcare leave within eight weeks of childbirth by partner	Encouragement of men to get involved in child-rearing from an early stage	36%	80%
	Ratio of applicable male employees taking childcare leave for one month or more	Establishment of foundations for ongoing involvement in child-rearing by men	9%	20%
	Rate of household chore and child-rearing participation by male employees	Improvement of rate of involvement in housework and child-rearing by men	30%	35%
	Ratio of female employees pursuing upper-level positions	Establishment of foundations for empowering female employees	70%	75%
Empowerment of female employees	Ratio of female leaders	Expansion of female representation in management	30%	40%
	Ratio of female managers	Encouragement of female employees to participate in management	15%	20%
	Ratio of female officers	Encouragement of female employees to participate in senior management	22%	30%

VOICE



Yoshiki Ishikawa  
Advisor, MARUI GROUP  
Doctor of Medicine;  
Preventative Medicine Researcher;  
Representative Director, Well-being  
for Planet Earth Foundation

I am focused on how to measure reductions in the disparity in the use of time between men and women.

Well-being includes both objective and subjective elements. The objective elements can be measured in the form of data on such metrics as the rates of employees undergoing health examinations or taking paid leave and childcare leave. Subjective elements, meanwhile, include how empowered and motivated one feels in their work. The world I envision after the COVID-19 pandemic is not just one where we live without masks and enjoy resumed economic growth. I want a world in which everyone has true well-being, in other words, a world in which everyone experiences both objective and subjective well-being. In order to effectively promote well-being, a company must do so from both objective and subjective perspectives.

MARUI GROUP is a company that is truly committed to promoting well-being for both its employees and the rest of society. Looking at these committed efforts, I am focused on how to measure reductions in the disparity in the use of time between men and women going forward. For example, women have a tendency to devote more time to their work and family than men, and therefore spend less time on themselves. It is currently common for their husbands and male coworkers to fail to understand this difference between their ideal use of time and the reality of the situation, which has created a gender gap when it comes to well-being. By sharing this information among people of all genders, and reconciling these disparities, I hope to help improve contemporary lifestyles. This would help us enjoy the fundamental quality of well-being, which is just that—being well. I have high expectations for the activities of MARUI GROUP's Well-being Management Project Team and Gender Equality Project Team. I hope to see their activities spread throughout the Company and then into the greater society.



#### Akira Sato

Co-Founder and Representative Partner, Value Create Inc.

Akira Sato joined Nomura Securities Co., Ltd., in 1987, where he became a securities analyst in 1989. He co-founded Value Create Inc. together with Masahiro Mitomi, a certified public accountant in Japan and the United States, in May 2001. Over the years, he has held a number of positions, which have included being a part-time lecturer at the Department of Management of Technology of the Tokyo University of Science and director of WICI Japan. He also held director, outside director, and corporate auditor positions at overseas asset management companies, Rheos Capital Works Inc., long-term investment firm Commons Asset Management, Inc., Fuji Pharma Co., Ltd., and other companies. In 2016, Sato became general manager of the Investment Research Department at MARUI GROUP.

#### Reiko Kojima

Director, Executive Officer, and CWO (Chief Well-being Officer)  
Company Physician  
General Manager, Wellbeing Promotion Department, MARUI GROUP CO., LTD.

A physician by profession, Reiko Kojima spent roughly 10 years as a company physician at a major manufacturer. She began working at the occupational mental health unit of Kitasato University Graduate School of Medical Science in 2006, receiving her Doctor of Medicine in 2010. Kojima became a company physician at MARUI GROUP in 2011, later assuming her current positions of director, executive officer, CWO, and general manager of the Wellbeing Promotion Department in 2021.

Photographs show Sato and Kojima walking at the Four Seasons and Waterside Gardens biotope at Nakano Marui.

# Broadening Scope of Well-being Activities

DIALOGUE 07 — AKIRA SATO — REIKO KOJIMA

## Potential for Well-being That Extends Outside of the Company

Former leading securities analyst and current investor Akira Sato believes the excitement an organization exhibits is an intangible asset. Joined by Reiko Kojima, CWO, company physician, and proponent of well-being management at MARUI GROUP, he explores the meaning of this statement through an intellectual examination of topics ranging from the definition of well-being to the Group's future direction.

### Improvement of Well-being through Empowerment and Excitement

**Kojima:** The Constitution of the World Health Organization (WHO), which was written in 1946, uses the word "well-being" in its definition of the word "health." The full definition of the constitution is "Health is a state of complete physical, mental and social well-being and not merely the absence of disease or infirmity." In 2016, MARUI GROUP started up a Companywide project team based on the theme of health, which would eventually become the Wellbeing Promotion Project Team. I have been sharing the WHO's concept of well-being with project team members since this time. However, the idea of well-being was not one that was well known in Japan even just a few years ago. Not until recently did you hear people talking about the subject.

**Sato:** It is similar to the concept of outcome as it relates to the process of creating corporate value. It was only just recently that people have started to assess outcome for this purpose. Companies create products as their output, and people have now begun emphasizing the outcome of that output, such as the positive impacts they create for society. However, it was only just five years ago that this idea of outcome would be met with question marks. Even when I was still an analyst, I did not believe that quarterly financial results were directly linked to corporate value. For that reason, I found no excitement in the financial explanations at financial results briefings. I was more interested in going to factories to talk to engineers and other frontline workers. Seeing their enthusiasm gave me a better sense of the potential outcomes of a given company.

**Kojima:** Management academic Sumantra Ghoshal explained that the competitiveness of a company flows from the front lines.

**Sato:** Yes. And I wasn't the only one who felt this way. Many investors who were focused on the fundamentals also turned their attention to non-financial factors. I, personally, look at factors like a company's strengths, strategies, culture, the differences in the quality of its human resources, and employee turnover rates.

**Kojima:** Over the course of two decades, I worked as a company physician at a number of companies. My examinations of employees revealed that addressing an individual's health issues did not necessarily contribute to their happiness. Meanwhile,

people who were motivated to immerse themselves in their work or hobbies had a certain energy to them. This experience convinced me that empowering people and granting them a sense of excitement was a clear route to improving their well-being.

### Well-being as Viewed from the Idea of Ecosystems

**Kojima:** When promoting well-being, selecting appropriate indicators is something that requires special attention. If we are asked what indicators are linked to improved profitability, our explanations become very abstract and roundabout, with no hard, direct link established. There are a lot of elements that contribute to well-being. It is therefore not as simple as saying, we launched a Companywide project and it resulted in this specific improvement in financial indicators. What are your thoughts regarding financial indicators for well-being, Mr. Sato?

**Sato:** There are two factors I would like to touch on in that regard. The first is technological progress. It has gotten a lot easier to quantify various changes. The pace of technological progress is such that we are substantially closer to the desired technologies today than we were even just five years ago. One example of new technology for quantifying well-being is Happiness Planet, a smartphone app that measures happiness scores. I understand that you have used this app in the past, Dr. Kojima. We have also recently seen the emergence of websites like OpenWork, a review and recruitment website that allows employees to post reviews of their companies. A number of current and former employees of companies use such websites to score their employers. Moreover, we are now able to perform analysis that reveals when a rise in a certain indicator has contributed to higher sales or stock prices, even after a period like 18 months. I suspect that we will see an increase in such tools going forward. The second factor is the idea that, perhaps, we don't even need to look at the numbers. What I mean to say is this, value is not about one-to-one relationships, where a single action has a direct impact on a single indicator. Rather, value is born out of what is more like an ecosystem. I want to talk with institutional investors about things like the reasons behind certain decisions or why they chose to emphasize a specific indicator. I believe that such conversations can give

a more overarching picture of these subjects. As opposed to focusing on the mechanics of companies, like how much input resulted in what output or what something's absolute value was, I think it would be better to look at companies like ecosystems.

**Kojima:** I believe that we are currently seeing the spread of such thinking.

**Sato:** MARUI GROUP advisor Yoshiaki Ishikawa speculated that well-being should be defined as "when you feel like things are going well." I think he touches on something incredibly insightful. It is important not to break things down too far. One way to look at this is to think about the forest of Meiji Jingu shrine. This forest was engineered by forestry expert Seiroku Honda with a vision for its completion 150 years later. He assembled a variety of trees from across Japan: tall trees, short trees, broad-leaf trees, conifer trees. He planted these in an inconsistent pattern while picturing how they would grow in this environment to get an idea of the completed forest that would emerge 150 years later. As a result, the Meiji Jingu forest is a lush and thriving forest today, 100 years after Honda started it. However, if Honda had broken down his view of the forest to look at things on a lower level, I do not think we would have the forest we have today. The same goes with finances. What others call "non-financial information," I call "pre-financial information." This is because I do not think we should look at aspects of a company as being either "financial" or "non-financial." Rather, I think that these two categories have more of an "and" relationship, as what is currently "non-financial information" may become an indicator of future performance if we look far enough down the line. This is why I brought this ampersand-shaped (&) decoration to today's discussion. "Non-financial" factors like well-being and impact will eventually have a financial impact. This is why I refer to information on these factors as "pre-financial information." Corporate value is predicated on the betterment of society. For this reason, we should look at the benefits for society, including those that do not immediately translate to corporate value, as elements of future corporate value. This value is something that cannot be accounted for when you gauge corporate value on the short time frame of one quarter or one year.

### Analogy of Organizations as Bodies

**Kojima:** I can totally agree with the idea that we should not look at non-financial information and financial information in terms of an "or" relationship. For example, health issues are something usually categorized as non-financial information. The COVID-19 pandemic is a major health issue, but it has also had a massive impact on the financial performance of companies. Human rights issues are also something viewed as non-financial. However, as we have witnessed with the Black Lives Matter movement, human rights issues can also impact a company's business. As seen in these relationships, as well as in the recently emerging concept of dynamic materiality, this is not an "or" relationship.

I think that a good analogy can be made between

organizations and people's bodies. Every cell and every organ does not only act based on the commands of the brain. They function with a degree of autonomy based on feedback from the organism to work toward its own goal of survival.

**Sato:** I agree. Cells are at the same time individual organisms as well as parts of a larger organism. In this manner, there is a relationship between the individual and organization. I think I have heard something about a person's bowels having a mind of their own.

**Kojima:** What you are talking about is the gut-brain connection in which intestinal flora have a major influence on one's physical condition.

**Sato:** So, it wasn't cells, but bacteria.

**Kojima:** Yes, intestinal flora.

**Sato:** So, it is bacteria that is the source of the impact. There is perhaps something that can be learned by thinking about companies from that perspective.

**Kojima:** There is definitely a lot that can be learned. If all organs fulfilled the same function, there would be no problem with people being like slimes. But this is not the case. Livers have liver cells. Skin has skin cells. Because each cell has its own characteristics, the collective of these cells that is us is able to function as a single human. Cells themselves are always working and being replaced via metabolism. When we think of it like this, we will see that the human body is definitely the best analogy for an organization.

**Sato:** What you are saying resembles the idea of dynamic equilibrium put forth by Japanese biologist Shinichi Fukuoka. It would be great if we could link this mechanism to corporate value.

### Future Direction for Well-being

**Kojima:** A lot of Japanese companies still expect employees to leave their values at home, put on their work face, and do what they are told. If MARUI GROUP can escape these conventions and show how it can succeed without them, other companies will be able to use this as an example. This would also move the Group closer to accomplishing its mission of bringing happiness to its employees.

**Sato:** One's physical and mental health as well as their happiness are all related. It is therefore odd to expect one to leave their values at home. How are conditions for MARUI GROUP employees in this respect?

**Kojima:** We still have a long way to go in this regard. MARUI GROUP has been fostering a corporate culture of voluntary participation for about a decade now, and the ratio of employees participating in the Company's various voluntary opportunities had risen to 80% in the fiscal year ended March 31, 2021. Our current task is to help employees express their personal values as a lingua franca and to encourage them to share these values with their colleagues so that everyone can feel joy in their work. To this end, the Companywide Wellbeing Promotion Project Team held a purpose workshop for around 200 employees.



Project team members mentioned how they hadn't had any opportunities previously to think about the overlap between their personal values and their work goals, and 95% of participants said that the workshop was a beneficial opportunity.

**Sato:** That is great.

**Kojima:** MARUI GROUP aims to foster a corporate culture founded on autonomy, in which employees are able to express their personal values as a lingua franca and turn their preferences and aptitudes into work.

**Sato:** What do you think should be MARUI GROUP's next step forward?

**Kojima:** The next step should be to use MARUI GROUP's initiatives and businesses to promote increased well-being throughout society. In 2020, the Wellbeing Promotion Project Team partnered with students from Otsuma Nakano Junior & Senior High School, which is located near the MARUI GROUP head office in Nakano, in an effort to energize the community. Students and employees prepared more than 1,400 cards containing messages of appreciation for their families and friends as well as for healthcare workers. These message cards were displayed in Nakano Marui, where they could be viewed by customers. The employees who took part in this event in an effort to contribute to the happiness of the community stated that they also felt more empowered as a result.

**Sato:** They got joy from seeing the joy their actions brought to members of the community.

**Kojima:** Exactly. Rather than just trying to promote well-being in the isolated environment that is a company, it is better to try and bring joy to society, an approach that can also contribute to higher employee engagement. The Nakano Marui event proved that people get the most joy by bringing joy to others. This is one of the reasons MARUI GROUP aims to help employees use their preferences and aptitudes in their work. For example, by having employees develop businesses based on their own interests, whether that be anime, K-pop, or something else, we can attract customers with similar interests and thereby bring joy to both customers and the employees. Our well-being initiatives should not be limited to employees, but should rather be advanced on targeting all stakeholders, including future generations, to bring joy to a wider range of people. This is the direction I think we should take in our well-being management.

**Sato:** I think the time frame we consider is important. Analysts tend to only formulate performance forecasts for a two-year period. However, if you only look to generate earnings on a two-year basis, it will be tempting to push your employees forward, even at the expense of their well-being. Conversely, some say that more than 60% of the corporate value of a company can be explained by its cash flows 10 years down the line. If we take this perspective, the physical and mental health of employees becomes more important than the earnings of a given fiscal year or the three-year plan of a company. If employees, and society as a whole, are not healthy, a company will not last 10 years. Based on this perspective, I think MARUI GROUP has chosen the right direction.

# OUR FAVORITES

As of October 1, 2021



H\_\_Hiroshi Aoi

President and Representative Director, Representative Executive Officer  
President and Representative Director, okos Co., Ltd.  
Director, D2C & Co. Inc.

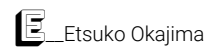
I love movies, especially comedies. Luckily, 2021 was a good year for comedies. The pamphlet I hold is from a 2020 Taiwanese movie called *My Missing Valentine* that we just got in Japan in 2021. This is a love story about a woman who is a second too early and a man who is always a second too late. The fun is seeing the relationship develop between these two people who live in different worlds. This fantastical story takes place against a beautiful yet nostalgic backdrop, and even includes some scenes more akin to science fiction. The happy ending exudes a warm feeling of peace and happiness. I would also like to mention that this movie got me hooked on Douhua, a Taiwanese snack, over the summer. Its subtle taste brings with it a calming feeling of pleasure.



P\_\_Peter David Pedersen

External Director  
Professor, Graduate School of Leadership and Innovation, Shizenkan University  
Representative Director, Next Leaders' Initiative for Sustainability

I love things that are based on a cross-generation perspective aimed at enriching our future, whether these be products, services, businesses, people, or organizations. I want to support things that can survive and evolve and help create a future that is more in tune with people. In 1994, I went on an exchange to Schumacher College in Devon, England. There, I learned from writer and scientist Fritjof Capra about the Gaia hypothesis, ecology, and the systems theory of life. I also value peace above all else. It was for this reason that I have devoted my life to ensuring the coexistence and survivability of all living things, including people and especially the future generations, given their aversion toward conflict. These are areas in which I am incredibly interested. My experience at this school shaped my values and the course I would walk in the future.



E\_\_Etsuko Okajima

External Director  
President & CEO, ProNova Inc.  
Director, euglena Co., Ltd.

I love the act of co-creation through brainstorming with extraordinary people. I always carry around a miniature whiteboard that I use to map out diverse viewpoints to help stimulate innovation. My experience of co-creating with my various colleagues at Harvard Business School transformed my priorities from maximizing, stabilizing, and knowing to updating, changing, and being. Meanwhile, having a child shifted my focus from predicting the future to shaping the future. I now view my mission as being to indulge my obsession with seeking out extraordinary individuals, including those among younger generations, to connect with such individuals, provide them with opportunities, and engage in co-creation. I also hope to continue to draw out the potential of the MARUI GROUP team so that we can create a more exciting future together.



H\_\_Hirotsugu Kato

Director, Managing Executive Officer, and CFO  
In charge of IR, Finance, Sustainability, and ESG Promotion  
Director, MARUI CO., LTD.  
Director, tsumiki Co., Ltd.  
President and Representative Director, D2C & Co. Inc.  
Director, okos Co., Ltd.

I have with me my protein shaker, which I have been using at the gym for five years. This is the longest I have ever managed to keep going to the gym, and I was able to slim down as a result. To be honest, I have signed up for gyms several times in the past, but I would always quit within a year. This is because I was not very good at introducing myself to the established community that already existed at these gyms, which meant I always felt isolated. My current gym assigns me a personal trainer, which, of course, means that I am exercising more effectively. This also means that I do not have to feel isolated. After working out, my trainer will ice me down and then give me a massage. This is just pure bliss. My workouts are now an inseparable part of my well-being.



Y\_\_Yasunori Nakagami

External Director  
Representative Director and CEO, Misaki Capital Inc.

My favorite words are "hypothesis" and "playfulness." Hypotheses entail viewing the world from different angles and thus serves as a source of motivation for changing the future. I feel the most excitement when I am hypothesizing in this manner. Surprisingly, what I find most important when hypothesizing is a playful approach. Examining something from a new angle can tend to make one get a little too serious, but the trick to finding the best ideas is to take a playful approach and search freely. I brought cuff links with me today. Cuff links are generally used in formal occasions and can sometimes be used for extravagance. However, my favorites are the playful cuff links, like these beach sandal ones, or these tennis rackets, motorcycles, or triangles. I love to clip on these cuff links when I hypothesize.



R\_\_Reiko Kojima

Director, Executive Officer, and CWO (Chief Well-being Officer)  
General Manager, Wellbeing Promotion Department  
Company Physician

My lifework is calling upon my background as a physician to contribute to the well-being of society. At graduate school, I researched how to energize people and organizations. Lately, I have been hooked on media related to China's *Records of the Three Kingdoms*. The highly relatable generals and strategists that appear in these stories show a level of commitment to their goals that is itself empowering to see. When I feel tired, I pop in a DVD and am rejuvenated with a new passion to proceed and a recognition of how happy I am to have the job of making people happy. People should not leave their values at home when they go to work. Rather, they should find a way to utilize their strengths and individuality in their work. I hope to help create a more accommodating society in which this will be possible. Recently, I have been having more opportunities to meet people outside of MARUI GROUP who share this vision, giving me a sense that the times are changing and are making me even more committed to my work.



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(focused on works from Communication University of China)



**H** Hitoshi Kawai

Audit & Supervisory Board Member (Full time)

A number of years ago, a gust of wind blew over the planters on my veranda. My rosemary shrub, which was the largest among those plants affected, had its trunk split in two by the impact. This got me a little down in the dumps. It was my fault for not taking proper care of the plant. The sprig I have with me is from the rosemary shrub after I managed to revive it. I have continued to care for this shrub since I bought it as a sapling at a gardening store on the Boso Peninsula some 20 years ago, and this rosemary shrub is now among the oldest of the more than 70 plants that can be found both in and around my house. This plant gives me peace with all the flowers it produces each year while also helping to spice up my meals. In case you haven't guessed, my hobby is gardening.

**N**

Nariaki Fuse

Audit & Supervisory Board Member (Full time)

I lived in Hokkaido for three years when I was still in elementary school. It was during this time that I first played ice hockey, and I have been in love with the sport ever since. I even kept playing it as a hobby after joining MARUI GROUP. This is the head gear that I used to wear back in the day. Ice hockey is an incredibly intense sport, with plays only lasting about a minute or so. Accordingly, teams are always switching out their members, which means that teamwork is much more important than individual talent. It was from this sport that I learned the value of cooperation and also gained the spirit of dedication that propels me to get things done. Today, MARUI GROUP is united in exercising its philosophy of co-creation. I look forward to contributing to these efforts by calling upon my spirit of dedication and what I learned from ice hockey.



**T** Takehiko Takagi

External Audit & Supervisory Board Member  
Certified Public Tax Accountant

Here is a fountain pen that I have been using for more than two decades. Being stuck at home during the COVID-19 pandemic has given me a chance to reflect on my life. There is a saying in Japanese that essentially translates to "do what you can and wait for the heavens to judge." This sentiment has inspired me to move forward without fear for what might happen, and I am truly grateful for the environment that has allowed me to take this approach. I think that acting with sincerity is incredibly important, whether we are talking about people or about companies. MARUI GROUP shows such sincerity as it continues to make forward-looking investments based on its co-creation approach, even while feeling the impacts of the pandemic. I too am sincerely committed to helping the Company achieve its sustainability and well-being goals in my capacity as an Audit & Supervisory Board member.



Guri and Gura  
Written by Rie Nakagawa, illustrated by Yuriko Omura, published by FUKUINKAN SHOTEN PUBLISHER INC.

**M** Masao Nakamura

Senior Managing Executive Officer, and CSO (Chief Security Officer)  
In charge of Corporate Planning, Real Estate Operations  
President and Representative Director, MARUI HOME SERVICE Co., Ltd.  
President and Representative Director,  
MARUI HOME SERVICE MANAGEMENT Co., Ltd.  
Director, Epos Small Amount and Short Term Insurance Co., Ltd.

I love sitting in my hammock chair, on my veranda, with the sun glinting through the trees. As I rock back and forth, and let my head relax, my imagination springs into action, and I envision fun plans for the future, sometimes for my work, sometimes for my private life. I love the excitement I feel when lost in my mind. My attitude toward work may make me seem like a pragmatist, but I actually see myself as a romantic. I am also an optimist, believing that we can do anything as long as we want it bad enough. I like it when my job is fun. Of course, I have never worked in a job that wasn't fun. Maybe I am just the kind of person who finds fun in everything. Right now, I am filled with excitement for MARUI GROUP's efforts to co-create value as we shape a new future that is not confined by the limits of our common sense.



**Y** Yoko Suzuki

External Audit & Supervisory Board Member  
Outside Director and Audit & Supervisory Board Member, Nippon Pigment Co., Ltd.  
Member of the Board, Bridgestone Corporation  
Auditor, Research Institute of Economy, Trade and Industry  
Partner, Suzuki Sogo Law Office

Growing up in the lush nature of Fukuoka City, I have loved the *Guri and Gura* series of books since I was a kid. Wanting to experience the world contained in these books, I remember asking my mom to make pancakes and then eating these on a picnic. A lot of time has passed since then, and I am now a mom myself. Reading these books with my children, I am once again moved by seeing the forest creatures happily share their *castella* sponge cakes and reuse the shell of a big egg. When making our daily meals, I try to make sure that I use everything I buy to prevent food loss. Also, like the characters Guri and Gura, I always want to enjoy cooking and the act of eating itself. One of my hopes in helping build a sustainable society is to ensure that *Guri and Gura* can be read for generations to come.



**T** Tomoo Ishii

Senior Managing Executive Officer and CHRO (Chief Human Resources Officer)  
In charge of General Affairs, Personnel, and Wellness Promotion

People cannot see the future. If you could, you would be some sort of superhuman. However, if one could see the future, I don't think it would be any fun. Sure, things would be easier, but it might actually be depressing for the prophet themselves. The feelings of joy and excitement we experience are a result of us formulating hypotheses about uncertain futures and working toward our goals to find success. There is nothing greater than when your vision for the future matches up with the one of the company you work at. We may feel a sense of lacking by ourselves, but we can form a strong organization if we are all aligned toward a single goal. This is the type of organization, the type of corporate culture, I hope to create. When I think about my future right now, there is a goal that I definitely want to accomplish: Getting beefed up!

OUR FAVORITES

**Y**\_Yoshinori Saito

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

When I was in my 20s, an older coworker took me to a well-established bar, where I had my first encounter with single malt whisky, and I have been a fan of whisky ever since. The greatest appeal of single malt is the sense of individuality each brand has. The distillery and the number of years of distillation give each whisky its own, clearly defined personality, characterized by differing colors, fragrances, and tastes. The COVID-19 pandemic has limited my opportunities to drink with friends, but I am still enjoying experiencing new, unique single malts at home. I take the same approach toward interacting with people in my work and private life as I do to whisky. I value the individuality of every person as I seek to expand my number of acquaintances. After the pandemic, I hope to go to Scotland with some of my good friends so that we can tour the distilleries there.



**A**\_Akikazu Aida

Senior Executive Officer, CDO (Chief Digital Officer), and General Manager,  
Customer Success Division and Corporate Planning Division  
In charge of Co-Creative Investment  
Director, D2C & Co. Inc.  
Director, okos Co., Ltd.

Working out at the gym is what gives me the strength to keep going every day. It goes without saying that the gym helps me keep in shape. However, it is also an important element of my mental health as it offers me an opportunity to feel the joy of testing and surpassing my limits and gives my head a break when I shut out all unnecessary thoughts to focus on my breathing. I have always been optimistic, forward-looking, and true to myself, and using the gym as a mood changer helps me better enjoy the other aspects of my life. At the same time, I get tired of things easily, and I have a tendency to seek out new thrills to excess. I also am a people lover, and I find joy in engaging with different people. I therefore look forward to producing value that is beneficial to society through co-creation with a wide variety of people.



**M**\_Masahiro Aono

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

I love to see people's smiling faces. I made my debut on the sales floor 35 years ago, but I still remember the smile of a customer thanking me after they had purchased a wallet. I was struck; it is so amazing to be able to do a job that makes people smile. Around two decades ago, I was put in the position of selling yukata, traditional Japanese garments people often wear to festivals, and it was great seeing all of the smiling customers off on their way to a summer festival or to go see fireworks. Yukata definitely look best on smiling people. I continue to wear a yukata every summer. It is still the smiles of customers that motivate me today in our efforts to develop stores that do not sell and eventful stores. I also want to make our business partners smile. And our employees too. In fact, I hope to bring smiles to the faces of all of our stakeholders, including shareholders, communities, and even future generations. My business goal is to make as many people smile as possible, and I cannot forget about myself when it comes to this.



**M**\_Masahisa Aoki

Executive Officer  
CEO, tsumiki Co., Ltd.

When you want the thrill of speeding along untamed roads, but you just don't have the time, there is a small yet consistent group of people who turn to good old radio-controlled (RC) cars. I think I am pretty good at supporting the interests of others and taking these interests and turning them into businesses. When making such businesses, I always remember to have fun. Tackling a difficult task is not all fun and games, but I try to turn a challenge into an opportunity with a higher-than-necessary level of smiles. I feel like I am defined by MARUI GROUP's anime business, which was still new when I got involved. In this business, the synergy between the interests of employees and the interests of customers catalyzed rapid growth, and our anime business quickly reached a scale at which it is posting transaction figures in the tens of billions of yen. I am excited about the possibility of co-creating a new world together with passionate, or perhaps over-passionate, customers and business partners.

**H**\_Hajime Sasaki

Senior Executive Officer  
In charge of Architecture  
President and Representative Director, AIM CREATE CO., LTD.

There are so many things I love: music, books, sports, sake, houses, cars, dogs, et cetera. However, it is not like I have broad knowledge about all of these things. Rather, I am the type of person who gets really into specific areas of my wider scope of interests. For example, I am currently into surfing, and my instructor often tells me to be careful not to overdo it. When I get into something, I really get into it, and I have to stop myself from dragging others into whatever I am obsessed with at the moment. Everyone is different, and I have to respect our differing values after all. I think everyone can understand getting passionate about something they love. I hope we can make a society in which everyone is free to passionately devote themselves to whatever it is that they love.



**Y**\_Yoshiaki Kogure

Executive Officer  
In charge of Audit

Recently, I have been spending all my time golfing, but I have to be honest and say that I like skiing the best. Skiing is what made me. I joined a ski club in my freshman year at university, but I had zero ski experience at the time. I remember spending the entire year preparing for the winter skiing season and devoting so much time to competitions, where I would take part in races that were over in about a minute. I never really accomplished much competitively, but I loved it nonetheless. It was this experience that gave me the dedication to see things through. I have with me the skis I used to use some 40 years ago. I am not using them anymore, but they were too important to me to throw away. When I see these scratched up, rusty old things, I can't help but want to take a trip down the slopes. But, I guess I still love golf too.





**Y**\_\_Yuko Ito

Executive Officer  
General Manager, Group Design Center and Construction Department  
Director, MARUI CO., LTD.  
Managing Director, AIM CREATE CO., LTD.

At school, I used to love geography and geometry. I had a lot of fun looking at maps and imagining spaces. This passion led me to visit these spaces to see what they actually looked like. Climbing tall mountains rewarded me with a view and feeling of accomplishment that no map can provide, and this thus became my hobby. Later, my love of imagining spaces would drive me to become an architect. I would eventually be involved in developing numerous stores for MARUI GROUP. You could even say that I wrote the map for MARUI GROUP. The digital maps we have today let you experience various spaces without grabbing a compass or even leaving your home. I am now working to combine the ideas of the young digital natives who grew up in this world with my ability to invent spaces in order to create new value.

**M**\_\_Mayuki Igayama

Executive Officer  
President and Representative Director, MOVING CO., LTD.

I have always loved sports, though I have never been very good at them. I have been playing sports since I was a kid, starting by playing baseball with my friends and moving on to basketball, tennis, skiing, and eventually golf. Even now, I will often spend entire days off playing some kind of sport. As a side effect of this hobby, I have come to love the feeling of sore muscles and being worn out. But I really hate getting sunburned. I have been a dedicated user of SPF 50 sunscreen since I was in my 20s. I used to be the type of person who would get so caught up in my work that I had to do everything by myself. A health incident in my 40s, however, forced me to realize the limits of individuals and awakened me to the power of co-creation. I am now caught up in co-creation for realizing MARUI GROUP's vision.



**T**\_\_Tatsuo Niitsu

Executive Officer  
Director and General Manager, E-Commerce Business Department, MARUI CO., LTD.  
Director, MOVING CO., LTD.  
Director, okos Co., Ltd.

I have always been someone who gets completely absorbed in things. When I got hooked on bicycle races, I watched every race held overseas on cable TV. This spray I have with me is my own special blend of mint oil that I use to drive away bugs when I go traveling, my current obsession. My tendency to get absorbed in things is also an asset to my work. If something bothers me, I will keep at it until I am satisfied. If it ever looks like I am "spacing out," it is because I am lost in thought. If I were to try to assess myself objectively, I would say that I cannot help but take an interest in the unique characteristics of every individual. I hope to practice co-creation in which everyone involved can get absorbed in both unique talents and business models.



**J**\_\_Junko Tsuda

Executive Officer  
Director and General Manager, Sales Promotion Department, Epos Card Co., Ltd.

I love to tour various regions to indulge in their local culinary specialties. If you tell me a place has a unique culinary tradition or distinctive ingredients, I will dash to the location. I love food so much that I will sometimes, though admittedly rarely, take day trips to Mie Prefecture when clams are in season. I have been this way for more than 20 years. I also love enjoying drinks that have embraced the local culinary culture. It is a lot of fun to drink and chat with the regulars of an establishment. By being among people with different backgrounds and values, I have the opportunity to talk about and understand our differences and also to experience that feeling of joy when we find common ground. I look forward to co-creating with anyone willing to join me.



**T**\_\_Takeshi Ebihara

Executive Officer and CIO (Chief Information Officer)  
President and Representative Director, M & C SYSTEMS CO., LTD.

I have been a fan of the Yomiuri Giants baseball team since I was a kid. Even right now, I am curious about what the latest scores and standings are. I was on a baseball team when I was a kid, and this experience taught me the joy of winning as a team, utilizing our individual strengths while covering for our weaknesses. I found this experience most worthwhile. However, I always hated when people bunted. I was more interested in scoring big in each inning. This attitude carried over to my work. To date, I have been involved in numerous systems-related initiatives that were only successfully completed thanks to the support of our various partners. Going forward, I hope to take full advantage of our store and EPOS card infrastructure to score big in co-creation with stakeholders.

## OUR FAVORITES

**M**\_\_Miyuki Kawara

Executive Officer  
Director and Store Manager, Kitasenju Marui, MARUI CO., LTD.

I love fashion. When I was job hunting, I attended an introductory presentation on MARUI GROUP. I was so happy for the opportunity to be able to go to Tokyo that I wore a flower dress to the presentation. My love of wearing adventurous outfits continued even after I joined the Company, with me showing up to work in a long skirt that dragged along the ground and even pants with a tiger's face on them. I was enjoying testing the limits of how far I could go. If you ask me why I love fashion so much, I would say because it fills me with a feeling of optimism. The things that give one this feeling will vary from person to person. In fact, the same person may draw optimism from different things under different circumstances. I hope to co-create businesses that give people this sense of optimism. Today, I have brought Ku-chan. She helps me relax and she has a lot of friends back at home.



# SKILL MATRIX

Officer Skill Matrix



See page 91 for a discussion by the members of the new Board of Directors regarding the revision of the officer skill matrix.

For information on officer backgrounds, please refer to the following website.  
<https://www.0101maruigroup.co.jp/en/ci/officer/>

For information on CliftonStrengths®, please refer to the following website.  
<https://www.gallup.com/cliftonstrengths/en/253715/34-cliftonstrengths-themes.aspx>

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	CliftonStrengths®	Shared Skills							Unique Skills							Basis for Skills
	Domain of Overall Strengths: Top 5 CliftonStrengths®	Corporate management	Management strategy formulation	Human resource management	Finances	Corporate governance	Risk management	Innovation	Sustainability	Well-being	Digital transformation	Retailing	Fintech	New business development	Investments in start-up companies	
Hiroshi Aoi President and Representative Director, Representative Executive Officer	1. Futuristic 2. Ideation 3. Learner 4. Belief 5. Individualization															<ul style="list-style-type: none"><li>○ Corporate management: Experience as president and representative director (April 2005 to present)</li><li>○ Management strategy formulation: Involvement in corporate planning since prior to becoming president and representative director and in formulation of medium-term management plans collectively encompassing period spanning from 2014 to 2026 as president and representative director</li><li>○ Finances: Oversight of capital policies as president and representative director</li><li>○ Risk management: Chairman of the Compliance Promotion Board responsible for Groupwide risk management (October 2005 to present)</li><li>○ Innovation: Leadership of business model innovation and evolution through measures including transition to fixed-term rental contracts, development of stores that do not sell, and redefinition of credit card business as fintech business</li><li>○ Sustainability/Well-being: Promotion of Groupwide ESG initiatives, including 2019 establishment and disclosure of MARUI GROUP's 2050 Vision; participation in World Economic Forum's Global Future Council on Japan and other sustainability- and well-being-related committees</li><li>○ Digital transformation: Definition of vision for post-digital era and promotion of stores that do not sell, housing tenants like D2C brands and content and subscription service providers</li><li>○ Retailing/Fintech: Oversight of retailing and fintech businesses as president and representative director</li><li>○ New business development: Leadership of launch of several new business projects through direct oversight</li><li>○ Investments in start-up companies: Involvement in decisions to conduct investments totaling ¥13.4 billion in 31 start-up companies (as of September 30, 2021)</li></ul>
Etsuko Okajima External Director	1. Activator 2. Communication 3. Maximizer 4. Individualization 5. Achiever															<ul style="list-style-type: none"><li>○ Corporate management: Experience as representative and CEO of GLOBIS Management Bank (July 2005 to May 2007) and president &amp; CEO of ProNova Inc. (June 2007 to present)</li><li>○ Management strategy formulation/Human resource management: Extensive track record as a management consulting expert specializing in management team enhancement and leader cultivation; involvement in cultivation of future leaders at MARUI GROUP</li><li>○ Finances/Corporate governance: Extensive knowledge regarding finances and corporate governance gained from serving as an outside director at various companies</li><li>○ Innovation: Discussions with managers and support for corporate innovation as part of main business</li><li>○ Sustainability: Support for promoting diversity at various companies as part of main business, leadership in promoting empowerment of female employees at MARUI GROUP</li><li>○ Well-being: Leadership exercised in discussions regarding improving corporate value through well-being as first chairperson of a Japanese well-being initiative committee established in 2021</li><li>○ New business development: Establishment of ProNova Inc. in June 2007</li><li>○ Investments in start-up companies: Insight regarding start-up companies gained as advisory board member of committee seeing participation by leaders in start-up company management</li></ul>
Yasunori Nakagami External Director Chairman, Strategy Committee	1. Strategic 2. Activator 3. Ideation 4. Futuristic 5. Command															<ul style="list-style-type: none"><li>○ Corporate management: Experience as representative director and CEO of Asuka Corporate Advisory Co., Ltd. (March 2005 to July 2013) and representative director and CEO of Misaki Capital Inc. (October 2013 to present)</li><li>○ Management strategy formulation: Two decades of experience providing management consulting services to a wide range of industries</li><li>○ Finances/Risk management: Insight regarding finances and investment-related risk management gained through years of involvement in investing</li><li>○ Corporate governance: Insight related to corporate governance gained as chairman of the Independent Directors Committee of the Japan Association of Corporate Directors (February 2018 to present)</li><li>○ Innovation: Establishment of unique investment style by advocating new concept of being an engaged shareholder that works together with companies and their management</li><li>○ New business development: Establishment of Misaki Capital Inc. in October 2013</li></ul>
Peter David Pedersen External Director Chairman, Sustainability Committee	1. Strategic 2. Input 3. Futuristic 4. Responsibility 5. Connectedness															<ul style="list-style-type: none"><li>○ Corporate management: Experience as CEO of E-Square Inc. (September 2000 to October 2011), representative director of Next Leaders' Initiative for Sustainability (January 2015 to present)</li><li>○ Management strategy formulation: Guidance of strategy formulation for collaboration with new companies and managers focused on environmental initiatives and Lifestyles of Health and Sustainability (LOHAS) and for related projects in self-established companies and NPOs</li><li>○ Human resource management: Cultivation of future leaders as representative director of Next Leaders' Initiative for Sustainability</li><li>○ Innovation: Advancement of numerous innovative sustainability initiatives, including introducing Japan to the concept of LOHAS, together with companies, universities, and government agencies</li><li>○ Sustainability/Well-being: Co-founding of CSR and environmental consulting firm E-Square Inc. as start of more than 20-year career as sustainability specialist</li><li>○ New business development: Founding of E-Square Inc., Next Leaders' Initiative for Sustainability, and various other companies</li></ul>
Hirotsugu Kato Director, Managing Executive Officer, and CFO	1. Harmony 2. Analytical 3. Responsibility 4. Consistency 5. Individualization															<ul style="list-style-type: none"><li>○ Corporate management: Experience as president and representative director of D2C &amp; Co. Inc. (January 2020 to present)</li><li>○ Management strategy formulation/Corporate governance: Leadership of formulation of medium-term management plans and establishment and evolution of corporate governance systems as general manager of the Corporate Planning Division (April 2013 to March 2017)</li><li>○ Finances: Background centered on finance and accounting divisions dating back to joining MARUI GROUP and experience as CFO (April 2019 to present)</li><li>○ Risk management: Member of the Compliance Promotion Board responsible for Groupwide risk management (October 2015 to present)</li><li>○ Innovation: Spearheading of capital measures including promotion of targeted balance sheet from perspective of investors since 2016</li><li>○ Sustainability: Promotion of sustainability initiatives and proactive disclosure as officer in charge of sustainability and ESG promotion (October 2016 to present)</li><li>○ Digital transformation: Leadership of Groupwide digital strategies as CDO (October 2017 to March 2019) and senior managing director of M &amp; C SYSTEMS CO., LTD. (April 2018 to March 2019)</li><li>○ New business development: Leadership in establishing tsumiki Co., Ltd., a company providing cumulative investment services through EPOS cards</li><li>○ Investments in start-up companies: Involvement in decisions to conduct investments totaling ¥13.4 billion in 31 start-up companies (as of September 30, 2021)</li></ul>
Reiko Kojima Director, Executive Officer, and CWO (Chief Well-being Officer)	1. Maximizer 2. Learner 3. Arranger 4. Achiever 5. Self-Assurance															<ul style="list-style-type: none"><li>○ Human resource management: Leadership in promoting wellness management contributing to improved corporate value as company physician (April 2011 to present)</li><li>○ Risk management: Promotion of workplace risk management measures including those for prevention of overworking and mental health issues with occupational health and safety consultant qualifications</li><li>○ Innovation: Promotion of development of highly creative organizations by going beyond scope of duties as company physician to plan Companywide project team and programs targeting senior management</li><li>○ Sustainability/Well-being: Promotion of wellness management and well-being management through Companywide project team as general manager of Wellbeing Promotion Department (formerly Health Management Division, April 2014 to present) and CWO (May 2021 to present)</li></ul>

	CliftonStrengths®  Domain of Overall Strengths: Top 5 CliftonStrengths®	Shared Skills							Unique Skills							Basis for Skills
		Corporate management	Management strategy formulation	Human resource management	Finances	Corporate governance	Risk management	Innovation	Sustainability	Well-being	Digital transformation	Retailing	Fintech	New business development	Investments in start-up companies	
Hitoshi Kawai Audit & Supervisory Board Member (Full time)	1. Ideation 2. Responsibility 3. Deliberative 4. Strategic 5. Arranger															<ul style="list-style-type: none"> <li>○ Management strategy formulation: Insight into management strategies gained from experience as general manager of the Corporate Planning Division of Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. (January 2013 to September 2014)</li> <li>○ Finances: Robust practical experience and insight regarding finances and accounting gained from working at a bank</li> <li>○ Corporate governance: Practical corporate governance insight related to business partners gained from working at a bank</li> <li>○ Risk management: Insight regarding financial and accounting risks gained from working at a bank</li> </ul>
Nariaki Fuse Audit & Supervisory Board Member (Full time)	1. Arranger 2. Responsibility 3. Analytical 4. Harmony 5. Achiever															<ul style="list-style-type: none"> <li>○ Corporate management: Experience as president and representative director of M &amp; C SYSTEMS CO., LTD. (April 2013 to March 2018)</li> <li>○ Corporate governance: Leadership of Groupwide IT governance and investment plans as president and representative director of M &amp; C SYSTEMS CO., LTD.</li> <li>○ Risk management: Insight regarding information security risks gained through more than 30 years of experience in core systems engineering, development, and operation</li> <li>○ Digital transformation: Involvement in formulating systems development frameworks supporting expansion of fintech business as president and representative director of M &amp; C SYSTEMS CO., LTD.</li> </ul>
Takehiko Takagi External Audit & Supervisory Board Member	1. Harmony 2. Responsibility 3. Analytical 4. Arranger 5. Deliberative															<ul style="list-style-type: none"> <li>○ Finances: Specialized insight and robust experience regarding taxation and accounting gained in positions as chief of Kanazawa Regional Taxation Bureau and president of National Tax College</li> <li>○ Corporate governance/Risk management: Qualifications as certified public tax accountant; auditing of taxation and other management risks based on robust experience as corporate auditor at other companies</li> </ul>
Yoko Suzuki External Audit & Supervisory Board Member	1. Positivity 2. Includer 3. Achiever 4. Communication 5. Strategic															<ul style="list-style-type: none"> <li>○ Corporate governance/Risk management: Highly specialized insight as attorney; extensive knowledge on corporate legal affairs and legal compliance audits founded on robust experience and insight gained as outside director, corporate auditor, etc., at other companies</li> <li>○ Retailing: Insight on retailing from perspective of corporate auditor gained in positions as an outside corporate auditor at retailing companies</li> </ul>
Masao Nakamura Senior Managing Executive Officer and CSO (Chief Security Officer)	1. Individualization 2. Arranger 3. Maximizer 4. Woo 5. Communication															<ul style="list-style-type: none"> <li>○ Corporate management: Experience as president and representative director of MOVING CO., LTD. (April 2010 to March 2011); president and representative director of MARUI CO., LTD. (April 2011 to March 2016); president and representative director of AIM CREATE CO., LTD. (April 2016 to March 2019); and president and representative director of MARUI HOME SERVICE Co., Ltd. (April 2021 to present)</li> <li>○ Management strategy formulation/Finances/Corporate governance: Experience as general manager of the Corporate Planning Division (March 2008 to March 2011) and officer in charge of corporate planning (April 2019 to present)</li> <li>○ Risk management: Oversight of Groupwide risk management as CSO (April 2021 to present)</li> <li>○ Innovation: Promotion of retailing business structural reforms through transition to fixed-term rental contracts</li> <li>○ Retailing: Experience as officer in charge of retailing business (April 2015 to September 2017 and April 2020 to March 2021) and president and representative director of MARUI CO., LTD.</li> <li>○ Fintech: Experience as officer in charge of fintech business (October 2017 to March 2020)</li> </ul>
Tomoo Ishii Senior Managing Executive Officer and CHRO (Chief Human Resources Officer)	1. Analytical 2. Significance 3. Responsibility 4. Restorative 5. Relator															<ul style="list-style-type: none"> <li>○ Corporate management: Experience as president and representative director of MARUI FACILITIES Co., Ltd. (formerly CSC Service Co., Ltd., October 2008 to March 2013) and president and representative director of MOVING CO., LTD. (April 2017 to March 2019)</li> <li>○ Human resource management: Experience as general manager of the Personnel Division (April 2013 to March 2016), officer in charge of personnel (April 2016 to present), and CHRO (May 2021 to present)</li> <li>○ Corporate governance/Risk management: Experience as general manager of the Group Compliance Division (October 2005 to September 2007), general manager of the General Affairs Division (October 2007 to March 2013), and officer in charge of general affairs (April 2013 to present)</li> <li>○ Sustainability: Experience as officer in charge of CSR promotion (September 2007 to March 2013)</li> <li>○ Well-being: Experience as CHO (formerly Chief Operating Officer of Healthcare Promotion, April 2015 to May 2021) and officer in charge of wellness promotion (formerly officer in charge of healthcare promotion, April 2015 to present)</li> <li>○ Retailing: Experience as deputy store manager in charge of general affairs at Tachikawa Marui (January to December 1999)</li> </ul>
Yoshinori Saito Managing Executive Officer	1. Consistency 2. Harmony 3. Analytical 4. Significance 5. Relator															<ul style="list-style-type: none"> <li>○ Corporate management: Experience as president and representative director of Epos Card Co., Ltd. (April 2016 to present)</li> <li>○ Management strategy formulation: Establishment of medium-term management plans for the fintech business, collectively encompassing period spanning from 2016 to 2026 as president and representative director of Epos Card Co., Ltd.</li> <li>○ Finances: Experience as general manager of the Financial Department (July 2008 to March 2011)</li> <li>○ Risk management: Insight regarding fintech-specific risks like delinquent debt and information security gained as president and representative director of Epos Card Co., Ltd.</li> <li>○ Innovation: Promotion of unique strategy of maximizing share of household finances through expansion of rent guarantee services, etc.</li> <li>○ Retailing: Experience as general manager of the Direct Marketing Department (April 2011 to March 2012) and the Demand Survey Department of MARUI CO., LTD. (April 2012 to March 2013)</li> <li>○ Fintech: Experience as president and representative director of Epos Card Co., Ltd., and officer in charge of fintech business (April 2020 to present)</li> </ul>
Masahiro Aono Senior Executive Officer	1. Positivity 2. Maximizer 3. Ideation 4. Intellection 5. Woo															<ul style="list-style-type: none"> <li>○ Corporate management: Experience as president and representative director of MARUI CO., LTD. (July 2020 to present)</li> <li>○ Management strategy formulation: Establishment of medium-term management plan for the retailing business encompassing period spanning from 2021 to 2026 as president and representative director of MARUI CO., LTD.</li> <li>○ Risk management: Member of the Compliance Promotion Board responsible for Groupwide risk management (April 2016 to March 2017 and October 2019 to present)</li> <li>○ Innovation: Promotion of retailing business structure reforms through transition to fixed-term rental contracts</li> <li>○ Retailing: Experience as president and representative director of MARUI CO., LTD., and officer in charge of retailing business (April 2021 to present)</li> </ul>
Hajime Sasaki Senior Executive Officer	1. Maximizer 2. Strategic 3. Ideation 4. Adaptability 5. Relator															<ul style="list-style-type: none"> <li>○ Corporate management: Experience as president and representative director of MARUI CO., LTD. (April 2016 to March 2019), and president and representative director of Epos Card Co., Ltd. (April 2019 to present)</li> <li>○ Management strategy formulation: Establishment of medium-term management plan for the retailing business encompassing period spanning from 2016 to 2020 as president and representative director of MARUI CO., LTD.</li> <li>○ Risk management: Member of the Compliance Promotion Board responsible for Groupwide risk management (October 2014 to present)</li> <li>○ Innovation/Retailing: Robust retailing experience as president and representative director of MARUI CO., LTD.; promotion of retailing business structure reforms through transition to fixed-term rental contracts</li> <li>○ Sustainability: Promotion of sustainability in the construction field through collaboration with Sumitomo Forestry Co., Ltd., conducted as president and representative director of AIM CREATE CO., LTD.</li> <li>○ Retailing: Experience as officer in charge of retailing and store operation business (April 2015 to March 2016) and president and representative director of MARUI CO., LTD.</li> <li>○ Fintech: Experience as director and general manager of the Card Planning Division (October 2007 to September 2009) and director of Epos Card Co., Ltd. (April 2015 to March 2016)</li> </ul>

	CliftonStrengths®  Domain of Overall Strengths: Top 5 CliftonStrengths®	Shared Skills							Unique Skills							Basis for Skills
		Corporate management	Management strategy formulation	Human resource management	Finances	Corporate governance	Risk management	Innovation	Sustainability	Well-being	Digital transformation	Retailing	Fintech	New business development	Investments in start-up companies	
Akikazu Aida Senior Executive Officer and CDO (Chief Digital Officer)	1. Woo 2. Achiever 3. Communication 4. Positivity 5. Analytical															<ul style="list-style-type: none"> <li>○ Corporate management/Finances/Corporate governance: Experience as general manager of the Corporate Planning Division (April 2017 to present)</li> <li>○ Risk management: Member of the Compliance Promotion Board responsible for Groupwide risk management (April 2019 to present)</li> <li>○ Innovation: Promotion of increased investments in non-tangible assets for creating new businesses and transition to intellectual creation company as general manager of the Corporate Planning Division and officer in charge of co-creative investment (October 2021 to present)</li> <li>○ Digital transformation: Oversight of digital transformation strategies as general manager of the Customer Success Division (October 2018 to present) and CDO (April 2021 to present)</li> <li>○ Retailing: Experience as deputy store manager of Yurakucho Marui (April 2013 to March 2014) and of Hakata Marui (April 2016 to March 2017)</li> <li>○ New business development/Investments in start-up companies: Experience as director of D2C &amp; Co. Inc. (January 2020 to present); director of okos Co., Ltd. (May 2021 to present); and officer in charge of co-creative investment</li> </ul>
Masahisa Aoki Executive Officer	1. Positivity 2. Maximizer 3. Harmony 4. Individualization 5. Includer															<ul style="list-style-type: none"> <li>○ Corporate management: Experience as president and representative director of MARUI CO., LTD. (April 2019 to June 2020)</li> <li>○ Risk management: Member of the Compliance Promotion Board responsible for Groupwide risk management (April 2019 to present)</li> <li>○ Innovation/New business development: Proposal of anime business; pioneering of MARUI GROUP's development of new businesses; and growth of anime business and contribution to transformation of retailing business as general manager of Anime Business Department (April 2016 to March 2019) and officer in charge of the anime business (April 2018 to March 2020)</li> <li>○ Sustainability: Promotion of reuse and recycling initiatives as chief manager in charge of apparel recycling project (April 2010 to March 2011)</li> <li>○ Retailing: Experience as store manager of Shinjuku Marui Annex (April to September 2015) and president and representative director of MARUI CO., LTD.</li> <li>○ New business development: Experience as general manager of Co-Creative Investment Department (July 2020 to September 2021) and director of D2C &amp; Co. Inc. (July 2020 to September 2021)</li> </ul>
Yoshiaki Kogure Executive Officer	1. Achiever 2. Responsibility 3. Harmony 4. Arranger 5. Consistency															<ul style="list-style-type: none"> <li>○ Corporate management: Experience as president and representative director of MARUI FACILITIES Co., Ltd. (April 2013 to March 2021)</li> <li>○ Management strategy formulation: Experience as general manager of the Corporate Planning Division (April 2011 to March 2013)</li> <li>○ Human resource management: Experience as general manager of the Personnel Division (July 2008 to September 2009)</li> <li>○ Finances: Experience as general manager of the Group Financial Department (March 2006 to July 2008)</li> <li>○ Risk management: Audits of risks as officer in charge of audit (April 2021 to present) and a corporate auditor at Group companies (April 2021 to present)</li> <li>○ Sustainability: Leadership of initiatives for sourcing 100% of electricity from renewable energy as president and representative director of MARUI FACILITIES Co., Ltd.</li> <li>○ Retailing: Experience as general manager of the Voi Business Department of MARUI CO., LTD. (October 2009 to March 2011)</li> </ul>
Yuko Ito Executive Officer	1. Discipline 2. Analytical 3. Deliberative 4. Focus 5. Responsibility															<ul style="list-style-type: none"> <li>○ Innovation: Leadership of Groupwide design management through open innovation with nendo inc. as general manager of the Group Design Center (April 2018 to present)</li> <li>○ Sustainability: Promotion of sustainability in the construction field through collaboration with Sumitomo Forestry Co., Ltd., conducted as director of AIM CREATE CO., LTD. (April 2012 to present)</li> <li>○ Retailing: Experience as director of MARUI CO., LTD. (April 2019 to present)</li> </ul>
Mayuki Igayama Executive Officer	1. Analytical 2. Ideation 3. Achiever 4. Arranger 5. Responsibility															<ul style="list-style-type: none"> <li>○ Corporate management: Experience as president and representative director of MOVING CO., LTD. (April 2019 to present)</li> <li>○ Risk management: Member of the Compliance Promotion Board responsible for Groupwide risk management (April 2016 to March 2017 and April 2019 to present)</li> <li>○ Retailing: Experience as director and general manager of the Direct Marketing Department (April 2014 to March 2016) and director and general manager of the Omni-Channel Retailing Division of MARUI CO., LTD. (April 2016 to March 2019)</li> </ul>
Junko Tsuda Executive Officer	1. Maximizer 2. Positivity 3. Arranger 4. Ideation 5. Woo															<ul style="list-style-type: none"> <li>○ Retailing: Experience as director and store manager of Marui Family Shiki (April 2015 to March 2017) and director and store manager of Marui Family Mizonokuchi of MARUI CO., LTD. (April 2018 to March 2019)</li> <li>○ Fintech: Experience as director and general manager of the Cardholder Service Department (April 2019 to September 2020) and director and general manager of the Sales Promotion Department of Epos Card Co., Ltd. (October 2020 to present)</li> </ul>
Miyuki Kawara Executive Officer	1. Positivity 2. Maximizer 3. Individualization 4. Achiever 5. Responsibility															<ul style="list-style-type: none"> <li>○ Sustainability: Experience as general manager of the CSR Promotion Department (April 2012 to March 2015)</li> <li>○ Retailing: Experience as director and store manager of Marui Family Mizonokuchi (April 2019 to March 2021) and director and store manager of Kitasenju Marui of MARUI CO., LTD. (April 2021 to present)</li> <li>○ Fintech: Experience as director and general manager of the Collaboration Card Business Department (April 2015 to March 2016) and director and general manager of the Sales Promotion Department of Epos Card Co., Ltd. (April 2016 to March 2018)</li> </ul>
Tatsuo Niitsu Executive Officer	1. Individualization 2. Ideation 3. Arranger 4. Maximizer 5. Futuristic															<ul style="list-style-type: none"> <li>○ Digital transformation: Promotion of collaboration with artificial intelligence technology companies as director of okos Co., Ltd. (April 2021 to present)</li> <li>○ Retailing: Experience as director and general manager of Sales Planning Division (April 2019 to March 2021), and director and general manager of the E-Commerce Business Department of MARUI CO., LTD. (April 2021 to present)</li> <li>○ Fintech: Experience as director of Epos Card Co., Ltd. (April 2016 to March 2019)</li> <li>○ New business development: Robust experience in new business development gained as leader of multiple new business projects</li> </ul>
Takeshi Ebihara Executive Officer and CIO (Chief Information Officer)	1. Harmony 2. Responsibility 3. Positivity 4. Includer 5. Restorative															<ul style="list-style-type: none"> <li>○ Corporate management: Experience as president and representative director of M &amp; C SYSTEMS CO., LTD. (April 2021 to present)</li> <li>○ Risk management: Oversight of information security risk management as CIO (April 2021 to present) and president and representative director of M &amp; C SYSTEMS CO., LTD.</li> <li>○ Digital transformation: Experience as director and general manager of the Digital Transformation Promotion Department of M &amp; C SYSTEMS CO., LTD. (April 2019 to March 2021) and CDO (April 2019 to March 2021)</li> <li>○ Fintech: Experience as general manager of the Systems Department (April 2014 to March 2018) and director of Epos Card Co., Ltd. (April 2018 to March 2021)</li> </ul>

# RATINGS, AWARDS, AND RECOGNITION

MARUI GROUP established the IR Department in October 2015 and then the ESG Promotion Department in October 2016 to enhance communication with institutional investors and information disclosure. We have also identified the promotion of diversity and wellness (healthcare) management as key measures under the medium-term management plan with the aim of improving corporate value.



More detailed information on these and other awards and recognition can be found on the Company's corporate website.  
[www.0101maruigroup.co.jp/en/ci/award/index.html](http://www.0101maruigroup.co.jp/en/ci/award/index.html)

## Global Socially Responsible Investment Indexes



MARUI GROUP has been selected for inclusion in the Dow Jones Sustainability World Index for the third consecutive year, also claiming the No. 1 spot in the retailing industry, and has also been included in the Dow Jones Sustainability Asia Pacific Index for four consecutive years.



In RobecoSAM Sustainability Yearbook 2021, a compilation of companies displaying excellence in terms of ESG initiatives and information disclosure, MARUI GROUP was included in the Gold Class, building on its record of inclusion in the Bronze Class in 2019 and the Silver Class in 2020.



MARUI GROUP has been included in the FTSE4Good Index Series,\*1 a series of indexes arranged by FTSE Russell that comprise companies meeting evaluation standards pertaining to ESG factors, for five consecutive years.



MARUI GROUP was included in the MSCI ESG Leaders Indexes,\*2 an ESG stock index with high global recognition.



MARUI GROUP was selected for inclusion in the SOMPO Sustainability Index for four consecutive years. This index is compiled by Sompo Asset Management Co., Ltd., and used in its SOMPO Sustainable Investment Fund, which prioritizes ESG ratings by investigation firms.

## Four ESG Indexes Utilized by the Government Pension Investment Fund



MARUI GROUP has been included in the FTSE Blossom Japan Index for five consecutive years. This ESG index is meant to reflect the performance of Japanese companies that meet various ESG-related requirements, and industry is therefore not considered when selecting companies for inclusion.

## 2021 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX

MARUI GROUP was included in the MSCI Japan ESG Select Leaders Index\*2 for the fifth consecutive year. This ESG index comprises Japanese companies with relatively high MSCI ESG Ratings in each industry selected from among the top 700 companies in terms of market capitalization after excluding those companies with the lowest MSCI ESG Rating of CCC.

## 2021 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

For five consecutive years, MARUI GROUP has been included in the MSCI Japan Empowering Women Index,\*2 an ESG index for Japanese stocks consisting of companies that exhibit gender diversity excellence in each industry, based on the Global Industry Classification Standard, selected from among the top 700 companies in terms of market capitalization.



For the fourth consecutive year, MARUI GROUP was included in the S&P/JPX Carbon Efficient Index, which comprises companies included in the Tokyo Stock Price Index selected through a process that entails overweighting or underweighting companies in reflection of their disclosure of environmental information and their carbon efficiency (carbon emissions per unit of revenue).

## JPX-Nikkei Index 400

MARUI GROUP was included in the JPX-Nikkei Index 400, a stock price index composed of companies with high appeal for investors that meet requirements of global investment standards, such as efficient use of capital and investor-focused management perspectives.



MARUI GROUP's new greenhouse gas emissions reduction targets, which were established in September 2019, have received certification from Science Based Targets, indicating that these targets are effective for keeping global warming below 1.5°C above pre-industrial levels.



In 2020, MARUI GROUP CO., LTD., was included in the Climate A-List, which represents the highest evaluation offered by CDP, for the third consecutive year in reflection of its endorsement of the recommendations of the TCFD and other initiatives to address climate change and practice information disclosure of a level that is high even viewed from a global perspective.

STOXX Climate Change Leaders Index  
MARUI GROUP was selected for inclusion in the STOXX Climate Change Leaders Index in 2019 and 2020. This index is one of a series of low-carbon indexes developed in 2016 and the world's first index to focus on inclusion of companies featured on CDP's Climate A-List.



MARUI GROUP received the highest rank of A in the Development Bank of Japan Inc.'s DBJ Environmentally Rated Loan Program based on the high evaluation of its various initiatives for accomplishing its 2050 Vision.



ESG Finance Awards Japan is a program developed by Japan's Ministry of the Environment for the purpose of evaluating and recognizing companies engaging in ESG finance and environmental sustainability management initiatives. In 2021, MARUI GROUP was the only retailer to receive a bronze award in the environmentally sustainable company category of this award program.



MARUI GROUP received an award of excellence in the special renewable energy proliferation category of the Green Purchasing Award program out of reflection of its contributions to the expansion of green purchasing markets through initiatives such as the introduction of renewable energy and the issuance of the first green bonds to be offered by a Japanese retailer.



MARUI GROUP was included in the Health & Productivity Stock Selection for the fourth consecutive year in 2021, recognizing it as a company that is strategically addressing employee health and productivity management issues based on a management perspective. The Company was rated highly for its wellness management initiatives.



MARUI GROUP was chosen for inclusion in the Nadeshiko Brand for the fourth consecutive year based on the evaluation of its efforts in supporting two-income households by helping both men and women succeed. These efforts include official Groupwide initiatives and the promotion of inclusion in the workplace.



The Eruboshi certification system is a program through which companies engaged in superior activities based on the Act on the Promotion of Female Participation and Career Advancement in the Workplace are recognized by the Ministry of Health, Labour and Welfare. In 2020, MARUI GROUP was presented with a three-star rating.



MARUI GROUP was awarded with the highest rating of gold in the PRIDE INDEX for the fifth consecutive year. Our receipt of this recognition was based on our scheme of providing regular LGBTQ sensitivity training in video format and our communication of initiatives related to individuals and connections through the Inclusion Rally section of MARUI GROUP's community site.



CWO Dr. Reiko Kojima received the inclusion award in the 2021 Forbes JAPAN WOMEN AWARD, a program sponsored by Forbes JAPAN designed to recognize women forging their own path as well as companies fostering female leaders and professionals.



MARUI GROUP was ranked 1st in the retail category in the 2021 Awards for Excellence in Corporate Disclosure presented by the Securities Analysts Association of Japan. This ranking was a reflection of the Company's efforts to enhance and promote non-financial disclosure of ESG and other information and to practice engagement for improving corporate value.

Recognition as Excellent Integrated Report  
MARUI GROUP's co-creation management reports have been recognized as excellent integrated reports for five consecutive years by institutions to which the Government Pension Investment Fund outsources the management of domestic securities. Reasons for the selection of *Co-Creation Management Report 2020* include the high evaluation of its outstanding disclosure regarding stakeholders.

\*1 FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that MARUI GROUP CO., LTD. has been independently assessed according to the FTSE4Good criteria, and has satisfied the requirements to become a constituent of the FTSE4Good Index Series. Created by the global index provider FTSE Russell, the FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. The FTSE4Good indices are used by a wide variety of market participants to create and assess responsible investment funds and other products.

\*2 THE INCLUSION OF MARUI GROUP CO., LTD. IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF MARUI GROUP CO., LTD. BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

Overview of MARUI GROUP

As of March 31, 2021

Company Overview

Name	MARUI GROUP CO., LTD.
Head office	3-2, Nakano 4-chome, Nakano-ku, Tokyo 164-8701, Japan
Date of foundation	February 17, 1931
Date of establishment	March 30, 1937
Capital	¥35,920 million
Business activities	Corporate planning and management for Group companies engaged in Retailing segment and FinTech segment
Number of employees	4,855 (Group total, excludes temporary employees)

Stock Information

Stock listing	Tokyo Stock Exchange, First Section (Loan margin trading issues)
Securities code	8252
Number of authorized shares	1,400,000,000
Number of common shares issued*1	223,660,417
Number of shareholders	31,838

\*1 Number of common shares issued includes 8,704,000 shares of treasury stock, equivalent to 3.9% of the total number of shares of common stock issued.

Corporate Data

MARUI GROUP CO., LTD. and Its Consolidated Subsidiaries

	FY2017	FY2018	FY2019	FY2020	FY2021*8
Total Group transactions (Millions of yen)*5	1,933,685	2,189,374	2,539,631	2,903,713	2,919,231
Retailing (Millions of yen)	326,327	328,486	337,006	320,119	229,207
FinTech (Millions of yen)	1,723,254	1,972,482	2,310,635	2,678,839	2,760,432
Operating income (Millions of yen)	31,253	36,365	41,184	41,944	15,310
Net income attributable to owners of parent (Millions of yen)	18,724	20,907	25,341	25,396	2,327
Earnings per share (Yen)	80.24	93.18	115.99	117.58	10.86
Return on equity (%)	6.7	7.6	9.1	8.8	0.8
Return on invested capital (%)	3.1	3.3	3.7	3.7	1.4
EPOS cardholders (including Akai Card) (Ten thousands of members)	636	657	688	720	709
Ratio of active cardholders (%)	65.3	65.9	65.9	65.5	63.0
Ratio of bad debt write-offs (%)	1.45	1.60	1.80	1.88	2.09
Total number of employees	5,732	5,548	5,326	5,130	4,855
Ratio of female employees (%)	45.1	44.4	43.9	44.8	44.1
Ratio of female managers (%)	10.0	11.2	12.6	13.3	14.5
Ratio of applicable male employees acquiring childcare leave (%)	74	84	100	100	100
Rate of renewable energy use (%)*6	0	0	1.1	23.0	52.1
GHG emissions (Scope 1) (t-CO <sub>2</sub> )*7	14,920	13,818	15,109	13,956	11,090
GHG emissions (Scope 2) (t-CO <sub>2</sub> )*7	103,264	99,286	96,232	67,916	37,858
GHG emissions (Scope 3) (t-CO <sub>2</sub> )*7	489,439	412,256	399,926	352,640	256,682

\*5 The "Eliminations" item, which is used to deduct card shopping transactions from figures for the Retailing segment, has been omitted.

\*6 Figures represent rates of renewable energy use for MARUI GROUP stores and offices.

\*7 Scope 1 and Scope 2 represent greenhouse gas emissions from the Group. Scope 3 represents greenhouse gas emissions from areas including raw material procurement, transportation, and use by customers. Third-party verification has been received from the Japan Quality Assurance Organization for greenhouse gas emissions figures since the fiscal year ended March 31, 2017.

\*8 The Company began applying the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020) effective April 1, 2021. Figures for the fiscal year ended March 31, 2021, have not been restated to reflect this change.

Major Shareholders

Name	Number of shares *2 (Thousands of shares)	Percentage of total shares issued *3 *4 (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	35,329	16.4
Custody Bank of Japan, Ltd. (Trust Account)	17,443	8.1
Misaki Engagement Master Fund (Standing Proxy: The Hongkong and Shanghai Banking Corporation Limited)	6,911	3.2
Aoi Real Estate Co., Ltd.	6,019	2.8
MUFG Bank, Ltd.	5,808	2.7
Custody Bank of Japan, Ltd. (Trust Account 7)	4,955	2.3
TOHO CO., LTD.	3,779	1.8
Custody Bank of Japan, Ltd. (Securities Investment Trust Account)	3,404	1.6
The AOI SCHOLARSHIP FOUNDATION	3,247	1.5
JP MORGAN CHASE BANK 385781 (Standing Proxy: Mizuho Bank, Ltd.)	3,095	1.4

\*2 The Company holds 8,704,000 shares of treasury stock, which are excluded from the above principal shareholders. The number of shares of treasury stock excludes shares held by the Officer Compensation BIP Trust and Stock Benefit ESOP Trust.

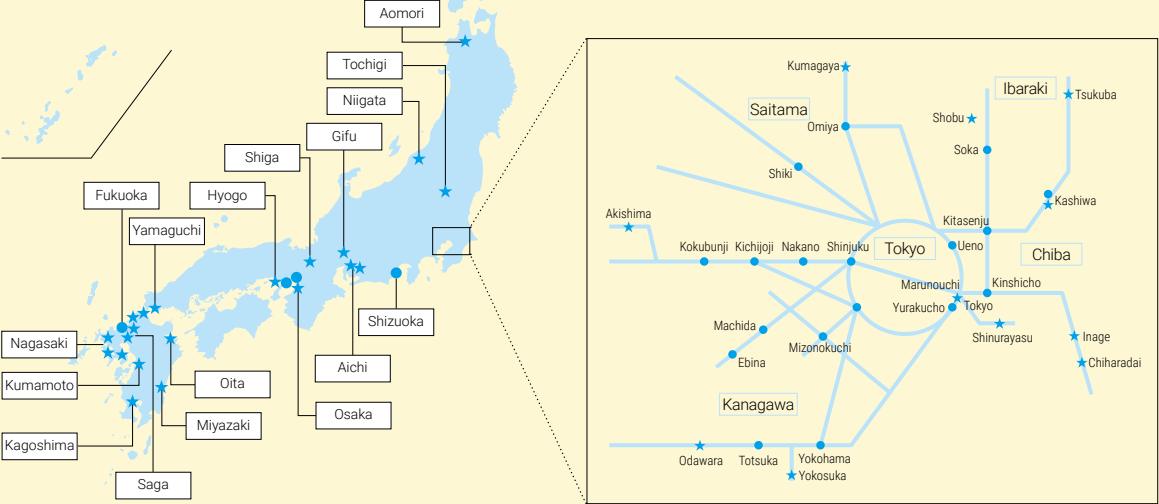
\*3 Percentage of shareholding is calculated based on the total number of shares issued and outstanding, excluding treasury stock of 8,704,000 shares.

\*4 The calculation for the percentage of shareholding includes 545,000 shares held by the Officer Compensation BIP Trust and Stock Benefit ESOP Trust.

MARUI GROUP Store Network

As of October 1, 2021

- Marui and Modi stores: 22
- ★ EPOS card application centers (outside of Marui and Modi stores): 35



Shinjuku Marui Main Building



Yurakucho Marui



Shibuya Modi



EPOS card application center

Marui and Modi Stores

	Name	Sales floor area (m <sup>2</sup> )	Transactions (Billions of yen) (FY2021)
Tokyo	Kitasenju Marui	35,300	290
	Shinjuku Marui*9	30,590	141
	Yurakucho Marui	18,500	105
	Machida Location*9	21,270	104
	Ueno Marui	16,390	73
	Marui Kinshicho	22,990	96
	Kokubunji Marui	14,300	90
	Shibuya Location*9	14,090	37
	Nakano Marui	4,950	54
	Marui Kichijoji	11,950	42
Kanagawa	Marui Family Mizonokuchi	32,260	175
	Totsuka Modi	16,580	69
	Marui Family Ebina	19,500	67
	Marui City Yokohama	16,770	69

	Name	Sales floor area (m <sup>2</sup> )	Transactions (Billions of yen) (FY2021)
Saitama	Marui Family Shiki	18,900	92
	Omiya Marui	13,970	47
	Soka Marui	16,530	38
Chiba	Kashiwa Location*9	18,810	57
Shizuoka	Shizuoka Location*9	5,540	18
Osaka	Namba Marui	17,000	66
Hyogo	Kobe Marui	6,940	38
Fukuoka	Hakata Marui	15,000	57

\*9 "Shinjuku Marui" refers to Shinjuku Marui Main Building, Shinjuku Marui Annex, and Shinjuku Marui Men. "Machida Location," "Shibuya Location," and "Kashiwa Location" refer to both the Marui and Modi stores located at these sites. Shizuoka Marui was closed on March 28, 2021, and only Shizuoka Modi remains accordingly.



Please refer to the following website for details on scholarship application requirements and methods (in Japanese only).

[www.aoishohgakukai.or.jp/business/index.html](http://www.aoishohgakukai.or.jp/business/index.html)

### Activities of the AOI SCHOLARSHIP FOUNDATION

The AOI SCHOLARSHIP FOUNDATION was established in 1973 through a personal investment by MARUI GROUP founder Chuji Aoi based on his desire to foster talented individuals to serve society. Scholarships offered by the foundation entail no fees, and there is no need to pay back money received, which is rare in Japan. This decision was made based on Chuji Aoi's belief that, as companies received their earnings from society, they have a duty to return some of these earnings to society, and his hope to use his personal assets to help better society. The activities of this foundation are fully funded by the dividends received from its holdings of MARUI GROUP stock.

The activities of the AOI SCHOLARSHIP FOUNDATION include offering high school and university scholarships, presenting the Aoi Global Research Award, and supporting professional networking. Scholarship recipients are able to choose the high school or university of their choice to pursue self-actualization along their desired path.

### Accomplishments to Date

In 2021, the 48th year since the establishment of the AOI SCHOLARSHIP FOUNDATION, the number of students graduating on scholarships from the foundation was 1,588 and the total amount of scholarships paid surpassed ¥2,000 million. In the fiscal year ending March 31, 2022, the foundation plans to make scholarship payments totaling ¥131 million to 197 individuals, both figures representing record highs.

One characteristic of the AOI SCHOLARSHIP FOUNDATION is that it arranges a gathering for current and former scholarship recipients once a year. In this manner, the foundation seeks to provide opportunities for growth through monetary scholarship payments as well as through opportunities to network with people of the same age and with graduates of the program.

### History of the AOI SCHOLARSHIP FOUNDATION

- 1973** Established as an incorporated foundation after receiving approval from the Ministry of Education
- 1974** Decided first 26 scholarship recipients (11 high school students, 15 university students)
- 2012** Approved as a public interest incorporated foundation by the prime minister; commenced advanced application system for university scholarships open to students in last year of high school
- 2014** Established Aoi Global Research Award program and presented first awards to three graduate school students
- 2015** Commenced new high school scholarship program



Annual gathering of current and former scholarship recipients providing a forum for discussion and networking

### Numbers of Recipients and Amounts of Scholarship Payments (After Transition to Public Interest Incorporated Foundation)

	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Total scholarship recipients	66	67	73	98	119	123	148	189	197
Scholarship payments (Thousands of yen)	33,840	42,060	44,740	55,060	72,900	73,800	91,040	123,320	131,000 (Forecast)
New recipients	14	21	26	38	40	40	55	70	61
University students	13	20	19	22	31	28	41	61	52
High school students	1	1	7	16	9	12	14	9	9

### AOI SCHOLARSHIP FOUNDATION by the Numbers

Aggregate program graduates (since establishment)

1,588

Aggregate scholarship payments (since establishment)

¥2,010 million

### DIALOGUE 08

## Support for the Future Granted by the AOI SCHOLARSHIP FOUNDATION

The AOI SCHOLARSHIP FOUNDATION has continued to support the growth of future generations for nearly 50 years since its establishment. The foundation's scholarship activities are closely linked to MARUI GROUP's management approach, which entails a focus on shareholders and other stakeholders and its impacts as it accelerates co-creation with younger generations. The following is a chronicle of a discussion between three scholarship recipients, current recipients Daisuke Sasaki and Anna Tode, and former recipient and current screening committee member Yumiko Horie, during which they talked about memories associated with the foundation as well as about their future dreams.



Yumiko Horie	Former Scholarship Recipient	Representative Director, Posse Nippon
Daisuke Sasaki	Current Scholarship Recipient	University Junior
Anna Tode	Current Scholarship Recipient	University Junior

### Encounter with the AOI SCHOLARSHIP FOUNDATION

**Horie:** Hi, I'm Yumiko Horie. It's nice to meet you. I received a scholarship from the AOI SCHOLARSHIP FOUNDATION up until I graduated from university in 1998. I will be joining today's discussion as a former scholarship recipient. After graduating, I spent 12 years working at a newspaper before going back to school in my late 30s, at a graduate school in London. I later went on to work at United Nations organizations and NGOs and eventually started my own company. I am also a member of the foundation's screening committee. Could you please each introduce yourself and explain some of the goals you are working toward in your studies?

**Sasaki:** Hi, I'm Daisuke Sasaki and I am currently researching AI and other information technologies as a junior at university. I hope to find an area of engineering that interests me so that I can apply AI and other methodologies to that field.

**Tode:** Hi, I'm Anna Tode and I am also a junior at university. I am studying the structures and functions of animals and plants based on their genes, DNA, and genetics. In addition, I have been looking into proteins and amino acids. I am also concerned about environmental issues. After choosing to take part in the Miss Earth Japan 2020 pageant, an event promoting awareness on environmental issues, I was selected to be the Japanese delegate to the international Miss Earth pageant, so I have been engaged in activities on this front as well.

**Horie:** The foundation has been unable to hold gatherings for scholarship recipients recently as a result of the COVID-19 pandemic. However, we have still been receiving twice-annual newsletters, and I am always sure to read these. I knew about your activities, Ms. Tode, as they are sometimes covered in the newsletters. There are a lot of scholarship foundations in Japan. What made you two choose the AOI SCHOLARSHIP FOUNDATION?

**Sasaki:** I was born and raised in Iwate Prefecture, which means that living alone in Tokyo while going to school would require a lot of money. I applied for the scholarship of the AOI SCHOLARSHIP FOUNDATION as there were no fees attached and no requirements to pay back the money received and also because the amounts of payments were higher than other scholarships. It is not uncommon for people moving to Tokyo for school to spend a lot of their time at part-time jobs. I am happy that I don't need to do this and can instead devote my time to my studies or to other interests.

**Tode:** I have a twin sister, which means that tuition costs are double for my parents. This is why I decided to look for a scholarship. I remember spending a lot of time writing the application essay. When I was a freshman, I devoted a good portion of my time to doing things you can only do while you are still at school, like joining clubs and working part-time. As such, there was a period when I found it difficult to focus on my classes. However, when I think about the AOI SCHOLARSHIP FOUNDATION, I am reminded of why I chose to go to university. This is just how important the foundation is to me.

**Horie:** I also remember being inspired by the AOI SCHOLARSHIP FOUNDATION when I was still in school. We would listen to speeches from people of high social standing, like the foundation director, at gatherings. These speeches reminded me of the need to give it my all in my studies.

Future Dreams of Scholarship Recipients

**Horie:** As I mentioned when introducing myself, I run my own company. When making the decision to leave the newspaper where I had worked for 12 years, I consulted two associates who had entered into the scholarship program before me. Yes, the AOI SCHOLARSHIP FOUNDATION was just that important a presence to me. I graduated nearly a quarter of a century ago, but you two are still at school, preparing to start your careers. Is there anything you want to accomplish while you are still in school? Also, what are your dreams for the future?

**Tode:** I became involved in beach and trash cleanup activities through the Miss Earth Japan pageant. This experience filled me with a desire to engage in similar activities with my friends. I

therefore want to create opportunities for younger generations to become more involved in environmental activities, perhaps by using social media. Also, I hope that one day I will be able to start my own business, like you, Ms. Horie.

**Sasaki:** I plan to go to graduate school. I don't necessarily need a Ph.D., but I want to get a master's degree before joining the workforce. In the future, I hope to use what I learned in the engineering program to develop products that are used by people throughout society. It would be most gratifying if I were able to accomplish this dream.

**Horie:** I see that you both have dreams for the future, and that you are both studying hard to make these dreams a reality. When you have been working for a long time, you start to realize the importance of the positivity, health, and sense of appreciation that the foundation director often speaks of. I hope you will keep such ideas in mind going forward. To change topics, we are currently in a time of great change, due in part to the impacts of the COVID-19 pandemic. What are your thoughts on this topic?

**Sasaki:** I try to think of the potential for new innovations to emerge as a result of the great changes we are seeing as a positive development for me. If I am ever in the position of creating something new during such a period of change in society, I will make sure to develop products that respond to those changes. To whatever degree possible, I will try to take advantage of these changes to entrench what I have made in society on a fundamental level.

**Tode:** Participation in a beauty pageant usually requires one to spend several months overseas, a situation that would have made it difficult for me to keep up with my studies. As an odd benefit of the COVID-19 pandemic, the pageant judging was performed online when I participated, which allowed me to join without taking time off from school. The pandemic also triggered an increase in the number of events by NGOs and other organizations that allowed for remote exchange with people from outside of Japan. I was thus able to interact with people from around the world to an even greater degree. Change is not always a bad thing, and I therefore look to focus on the positive outcomes of change.

**Horie:** You two did a really good job of casting light on the possibilities unlocked by taking a positive view toward change and using it for the benefit of your future. Ms. Tode talked about her interest in exchanges with people from around the world. When you are young, working overseas or taking other such concrete action is a very effective way to broaden your horizons. However, this is not the only way. Regardless of where you are working, if you keep tackling new challenges and gain enough experience, you will naturally come to gain



a broader perspective. This is something we should remember, especially as the COVID-19 pandemic limits our ability to take trips overseas.

Hopes and Dreams for Future Generations

**Horie:** What do you both expect of companies going forward?  
**Sasaki:** Society is changing, and this means that companies need to change too. In recent years, we have seen companies put forth bold slogans, like “resolving issues on a global scale,” and back these with grandiose advertisements. However, these companies often fail to change their work environments or employee treatment to match the implied virtue of these slogans. Before companies try to address the SDGs, they probably should focus on improving the conditions for their employees. I understand that MARUI GROUP has always viewed employees as family members. That type of sentiment is what we need today. As a student, I hope that we will see an increase in the number of companies that offer strong support to their employees, and I want to work at such a company in the future.  
**Tode:** I have a lot of interest in addressing social issues. In fact, I was involved in activities related to the SDGs, sustainability, and ethics as part of my participation in the Miss Earth Japan pageant. As Mr. Sasaki says, there are a lot of companies whose efforts don't go any further than their words. I

understand that companies have to turn a profit, but I still want to see more companies that are truly devoted to sustainability and the accomplishment of the SDGs.

**Horie:** As an entrepreneur, I aspire to create an organization in which all employees are able to fully exercise their talents. The director of the AOI SCHOLARSHIP FOUNDATION has long said that the 21st century is an era of authenticity. I agree that this is a time in which the authentic can assert itself as such. The foundation does not just offer monetary aid; it also provides opportunities and other support. I hope to help shape the coming era together with you and the other foundation scholarship recipients.

**Tode:** I feel the same. It is important to call upon the aid of others through the foundation. The world will keep changing. I therefore want future scholarship recipients to seek the aid of others while tackling new challenges. They should always remember to enjoy themselves as they do this.

**Sasaki:** No matter what one is doing, they always need to take the first step by themselves. The same goes with scholarships. You have to research them yourself, but this research will likely reveal that there are more organizations offering help than one would have imagined. In the future, I will look to be quick in taking such first steps, and I hope that members of future generations will do the same.

MESSAGE FROM THE CFO

Let me begin by apologizing for our failure to accomplish our targets for all of our key performance indicators (KPIs) in the fiscal year ended March 31, 2021, the final year of the previous medium-term management plan. Reasons for this failure include the heavy impact of the COVID-19 pandemic on the performance of the retailing and fintech businesses as well as a misjudgment in our interest repayment forecast for the fintech business made at the stage of formulating the plan. Regardless, we were pretty much on track when it came to our KPIs in the fourth year of the five-year plan. As this shows, the main measures of the plan progressed more or less as expected and with a certain degree of success when you don't consider the aforementioned reasons for failure. Specific successes included stable earnings generated in the retailing business following the transition to fixed-term rental contracts as well as earnings growth in the fintech business as a result of our nationwide expansion and our strategy of maximizing the share of EPOS card payments in relation to household finances. We also transitioned to an optimal capital structure in which return on invested capital (ROIC) consistently exceeds weighted average cost of capital (WACC) through our capital measures. Meanwhile, our overall excellence in terms of sustainability initiatives earned us a spot on the global Dow Jones Sustainability World Index for the third consecutive year.

Based on these outcomes of the previous medium-term management plan, as well as the changes we have seen in the social climate and in the operating environment, MARUI GROUP formulated a new medium-term management plan, which was unveiled in May 2021. This plan is meant to cover the fiscal years ending March 31, 2022 to 2026, the first five years of our longer plan for the next decade.

Over the next decade, we expect to see three major changes in the operating environment. The first is replacement of the current work-age generation with younger generations. The second is the transition from the introduction of digital technologies to their full-scale deployment. The third is a long-term shift from tangible to intangible assets.

We will furnish a swift response to these changes as we seek to ensure that the targets of the new medium-term management plan are met. I hope we can look forward to your ongoing support as we march ahead on this journey.

The previous medium-term management plan primarily employed financial KPIs, like earnings per share, return on equity, and ROIC. However, we realized that creating the value MARUI GROUP pursues would be impossible if we merely focused on financial KPIs. For this reason, the new medium-term management plan includes impact targets along with associated KPIs.

This plan thus comprises business strategies, capital measures, and impact targets. In *Co-Creation Management Report 2021*, we chose to focus on our impact targets. If you want more information on our business strategies, capital measures, and other financial matters, I invite you to refer to the following resources.



Hirotsugu Kato

Director, Managing Executive Officer, and CFO  
In charge of IR, Finance, Sustainability, and ESG Promotion  
Director, MARUI CO., LTD.  
Director, tsumiki Co., Ltd.  
President and Representative Director, D2C & Co. Inc.  
Director, okos Co., Ltd.

Investor Relations Information

Medium-Term Management Plan

Medium-term management plan-related materials  
www.0101maruigroup.co.jp/en/ir/management/plan.html

Corporate Governance

MARUI GROUP Code of Conduct and policies  
www.0101maruigroup.co.jp/en/sustainability/theme04/risk.html

MARUI GROUP Corporate Governance Guidelines  
www.0101maruigroup.co.jp/pdf/cgg\_20210805\_en.pdf

Corporate Governance Report  
www.0101maruigroup.co.jp/pdf/cgr\_en.pdf

Corporate officer backgrounds and reasons for appointment  
www.0101maruigroup.co.jp/en/ci/officer/

Committee members  
www.0101maruigroup.co.jp/pdf/committee\_members\_en.pdf

Shareholder return policies  
www.0101maruigroup.co.jp/en/ir/stock/dividend.html

Shareholder benefits (in Japanese only)  
www.0101maruigroup.co.jp/ir/stock/benefit/

Basic internal control policy (in Japanese only)  
www.0101maruigroup.co.jp/ci/pdf/statement/int\_control.pdf

Mailing list registration (in Japanese only) www.0101maruigroup.co.jp/ir/infomail/reg.html

Risk management

www.0101maruigroup.co.jp/en/sustainability/theme04/risk.html

Financial and ESG Information

Financial results summaries  
www.0101maruigroup.co.jp/en/ir/lib/brief.html

Annual securities reports  
www.0101maruigroup.co.jp/en/ir/lib/sec.html

FACT BOOKs (supplementary financial materials)  
www.0101maruigroup.co.jp/en/ir/lib/fact.html

Monthly performance forecasts  
www.0101maruigroup.co.jp/en/ir/lib/monthly.html

ESG DATA BOOKs  
www.0101maruigroup.co.jp/en/sustainability/lib/databook.html

GRI and ISO 26000 applicability tables  
www.0101maruigroup.co.jp/en/sustainability/lib/gri.html

Investors guides  
www.0101maruigroup.co.jp/en/ir/lib/guide.html

Financial results briefings and videos  
www.0101maruigroup.co.jp/en/ir/lib/result.html

MARUI IR DAY materials and videos  
www.0101maruigroup.co.jp/en/ir/lib/irday.html

Investor Relations website

www.0101maruigroup.co.jp/en/ir/  
Sustainability website  
www.0101maruigroup.co.jp/en/sustainability/  
Initiatives related to the TCFD  
www.0101maruigroup.co.jp/en/sustainability/vision2050/3business\_02.html

Awards and Recognition

www.0101maruigroup.co.jp/en/ci/award/

Publications

Co-creation management reports  
www.0101maruigroup.co.jp/en/ir/lib/i-report.html

VISION BOOK 2050 and co-creation sustainability reports  
www.0101maruigroup.co.jp/en/sustainability/lib/s-report.html

Co-creation wellness reports (in Japanese only)  
www.0101maruigroup.co.jp/sustainability/lib/w-report.html

Convocation notices for Ordinary General Meetings of Shareholders  
www.0101maruigroup.co.jp/en/ir/stock/meeting.html

Co-creation newsletters (shareholders newsletters, in Japanese only)  
www.0101maruigroup.co.jp/ir/lib/report.html

MARUI GROUP Media Sources (All content is available in Japanese only.)

Talk Forum

This section showcases discussions with individuals at the forefronts of their respective fields that are sure to provide hints at what the future holds.



Forum examining the future of MARUI GROUP together with younger employees  
www.to-mare.com/tf/2021/006.html

Yubi News

Check out this section for information on MARUI GROUP's ESG activities and events.



Event in Shinjuku for communicating advancements in men's beauty to the world  
www.to-mare.com/news/2021/post-52.html

Book Lounge

Bibliophile President Aoi introduces books that are particularly noteworthy from among the wide selection of books he reads. With recommendations ranging from business books to comics, there is something for every reader.

Future View

This section contains summaries and videos of the lectures by external lecturers conducted at MARUI GROUP. We invite you to learn about the future course of MARUI GROUP through these lectures.

Inclusion Rally

MARUI GROUP seeks to help a diverse range of people form wide-reaching and equal relationships. This section rallies the voices of leaders in various fields through discussions and other contributions based on the themes of equality (individuality, respect for individuality, human rights) and engagement (connections, outreach, trust).



MARUI GROUP Community Site

MARUI GROUP's community site—kono yubi to-mare—is an open forum in which anyone, regardless of their age, gender, or nationality, can come to ponder the various issues of all sizes that surround us and take part in forward-looking discussions. We also provide up-to-the-minute information about our websites, updates on seminars, and glimpses into the daily activities of the editorial department through our official Twitter account.



MARUI GROUP's community site—kono yubi to-mare  
www.to-mare.com/



kono yubi to-mare Twitter account  
twitter.com/maruigroup



kono yubi to-mare YouTube channel  
www.youtube.com/channel/UCCHq6q2aRFTYyEwVOMxHYXA



Marui Store Website  
www.0101.co.jp.e.ex.hp.transer.com/global/en.html?from=01\_pc\_appinfo\_head\_logo



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



Store and Brand Information

We offer daily updates containing exclusive information for customers and the latest brands supported by MARUI GROUP.



Marui Shopping App  
www.0101.co.jp.e.ex.hp.transer.com/appinfo/



EPOS Card Official App (in Japanese only)  
www.eposcard.co.jp/appli/index.html

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. For our past co-creation management reports, we have referenced the *International Integrated Reporting Framework* released by the International Integrated Reporting Council, *Ito Report 2.0*, and 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*. The concepts have been utilized to prepare integrated reports that present the financial and pre-financial information that supports the exercise of MARUI GROUP's management philosophy as well as the ongoing growth of the Company.

This most recent co-creation management report was reinvented in conjunction with the announcement of three impact targets in MARUI GROUP's new medium-term management plan, which is slated to conclude with the fiscal year ending March 31, 2026. This new report serves as a unique form of owned media designed to give stakeholders a vivid opportunity to engage with MARUI GROUP's vision.

Overview of Planning Process (Period: March–December 2021, 17 meetings)

Attendees

President Hiroshi Aoi; CFO Hirotugu Kato; representatives from the Corporate Planning Division, the IR Department, the Financial Department, the Sustainability Department, the ESG Promotion Department, the Wellbeing Promotion Department, the General Affairs Department, the Investment Research Department, and EDGE INTERNATIONAL, INC.

Guest Attendees

- Takaaki Umada, Director, FoundX, Division of University Corporate Relations, The University of Tokyo (Impact Expert)
- Yoshiki Ishikawa, Representative Director of Well-being for Planet Earth Foundation (Well-being Expert)

Major Discussion Themes

- |   |  |
|---|--|
| <ul style="list-style-type: none"><li>• Results of surveys of investors, experts, and employees</li><li>• Directives for second phase of co-creation management reports</li><li>• Media venues viable for engagement with six groups of stakeholders</li><li>• MARUI GROUP's targeted values and desired impacts</li><li>• Presence and definition of future generations within MARUI GROUP</li><li>• Potential for kono yubi to-mare community site as a media venue</li></ul> | <ul style="list-style-type: none"><li>• Goals of forward-looking investments and differences from conventional investments</li><li>• Individual empowerment and small businesses</li><li>• Goals of governance focused on six stakeholder groups</li><li>• Sustainability and well-being, interests and motivation</li><li>• Shareholder return policies, relationship between the AOI SCHOLARSHIP FOUNDATION and shareholder returns</li><li>• Indicators and scope of officer skill matrix</li></ul> |
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Afterword

Thank you for reading *Co-Creation Management Report 2021* to its end.

MARUI GROUP began publishing co-creation management reports in 2015 to function as a communication tool for facilitating engagement with stakeholders and promoting understanding with regard to the Company's management and businesses. Six years have passed since we issued our first co-creation management report, and each of these reports has been met with strong praise from stakeholders. The fiscal year ending March 31, 2022, represents a turning point as this is the year in which we kicked off our new medium-term management plan. We therefore took this as an opportunity to evolve our reports to be more than just a tool for sharing single-year information on financial results and business activities. We wanted to develop these reports into a form of media that will give stakeholders a vivid opportunity to engage with MARUI GROUP. With this goal in mind, the Groupwide project team that is a characteristic of our report-making processes began our longest production period to date with the question of how to differentiate our reports from standard integrated reports.

The ensuing process of ongoing discussion culminated in the creation of a report focused on younger and future generations and on MARUI GROUP's desired impact. We thus devoted the pages of this report to discussing the future visions of MARUI GROUP and of its co-creation partners, the processes that led us to hold these visions, and other previously untold stories replete with the individuality of all of the parties involved. I suspect that many of our readers will notice how different this report feels in comparison to our previous reports. However, we also recognize that there is still a lot of room for us to continue to evolve. We therefore hope to further evolve our co-creation management reports based on the insight gained through our conversations with stakeholders. Our co-creation reports are tools, or platforms, for engaging with stakeholders and thereby broadening the scope of our co-creation activities.

MARUI GROUP is committed to engaging in future-oriented co-creation activities with as many stakeholders as possible. I look forward to your ongoing support of MARUI GROUP.

Yukiko Udaka  
General Manager, Public Relations Office,  
General Affairs Department, MARUI GROUP CO., LTD.  
koho-ml@0101.co.jp

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 generations that  
will shape the future.  
We invite everyone who shares our vision for the future and for  
happiness to join us in creating a positive impact on society.

LET'S JOIN HANDS  
CO-CREATION  
*with you*



**Co-Creation Management Reports**  
www.0101maruigroup.co.jp/en/ir/lib/i-report.html  
Annually published communication tool offering a condensed look at MARUI GROUP's present and future



**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



**MARUI GROUP Corporate Video—The Future (in Japanese only)**  
www.youtube.com/watch?v=-WQZCdHfxno&t=2s  
Corporate video explaining the positive impact that MARUI GROUP hopes to produce through co-creation with stakeholders



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www.0101maruigroup.co.jp/en/question.html