

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.

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Co-Creation of Positive Impact with Younger and Future Generations

WHAT IS OUR IMPACT?

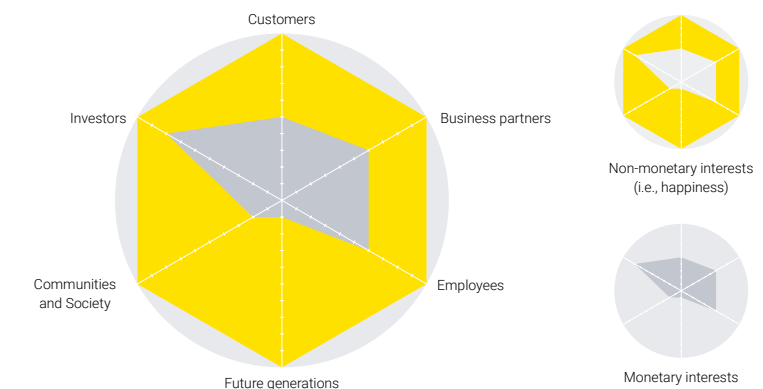
In May 2021, MARUI GROUP announced impact targets based on three themes. This announcement constituted a new declaration by MARUI GROUP that describes the clear direction it will take as a company to realize the future it envisions for 2050.

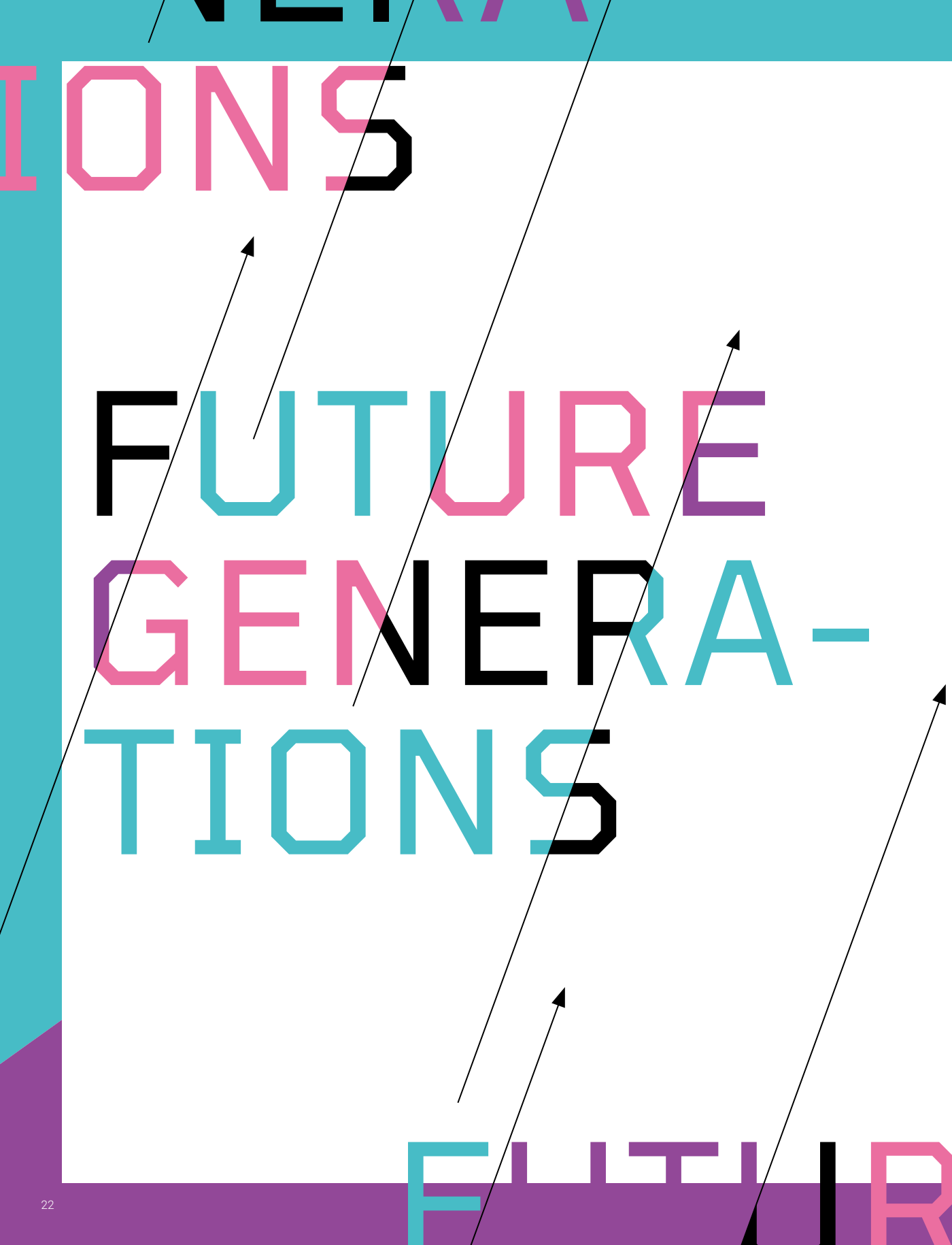
Our impact refers to how we change and influence society. Some may wonder why MARUI GROUP decided to emphasize its impact in this manner. We believe that corporate value entails creating harmony between the interests and happiness of all of our stakeholders and growing the intersection of these interests 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.

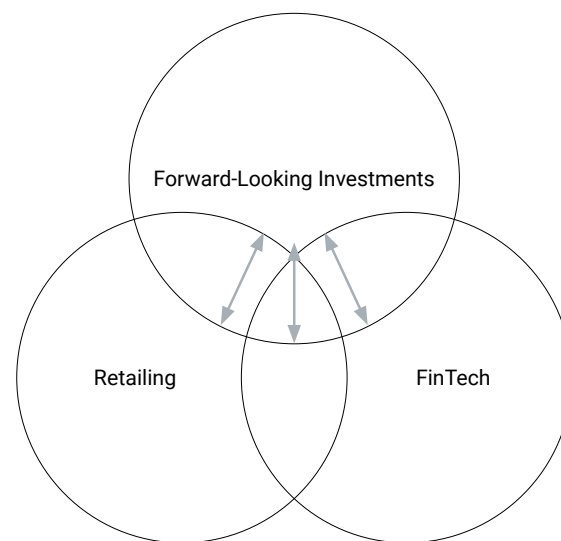
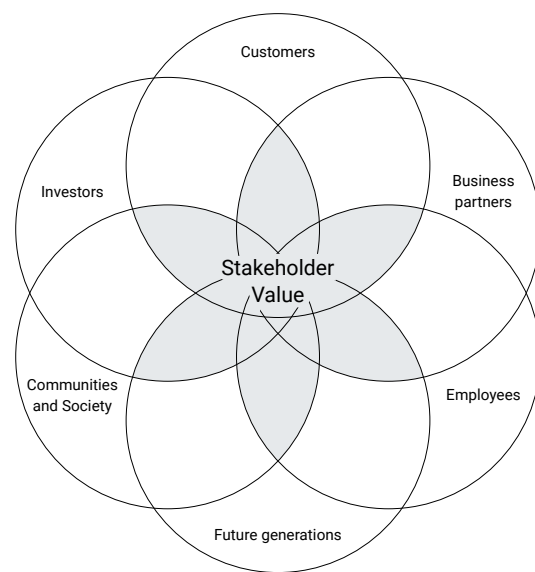
In his book, *The Good Ancestor: How to Think Long Term in a Short-Term World*, Australian-born, U.K.-based philosopher Roman Krznaric describes a need to move away from short-sightedness to adopt a longer-term perspective by posing the question of whether we can become "good ancestors."

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

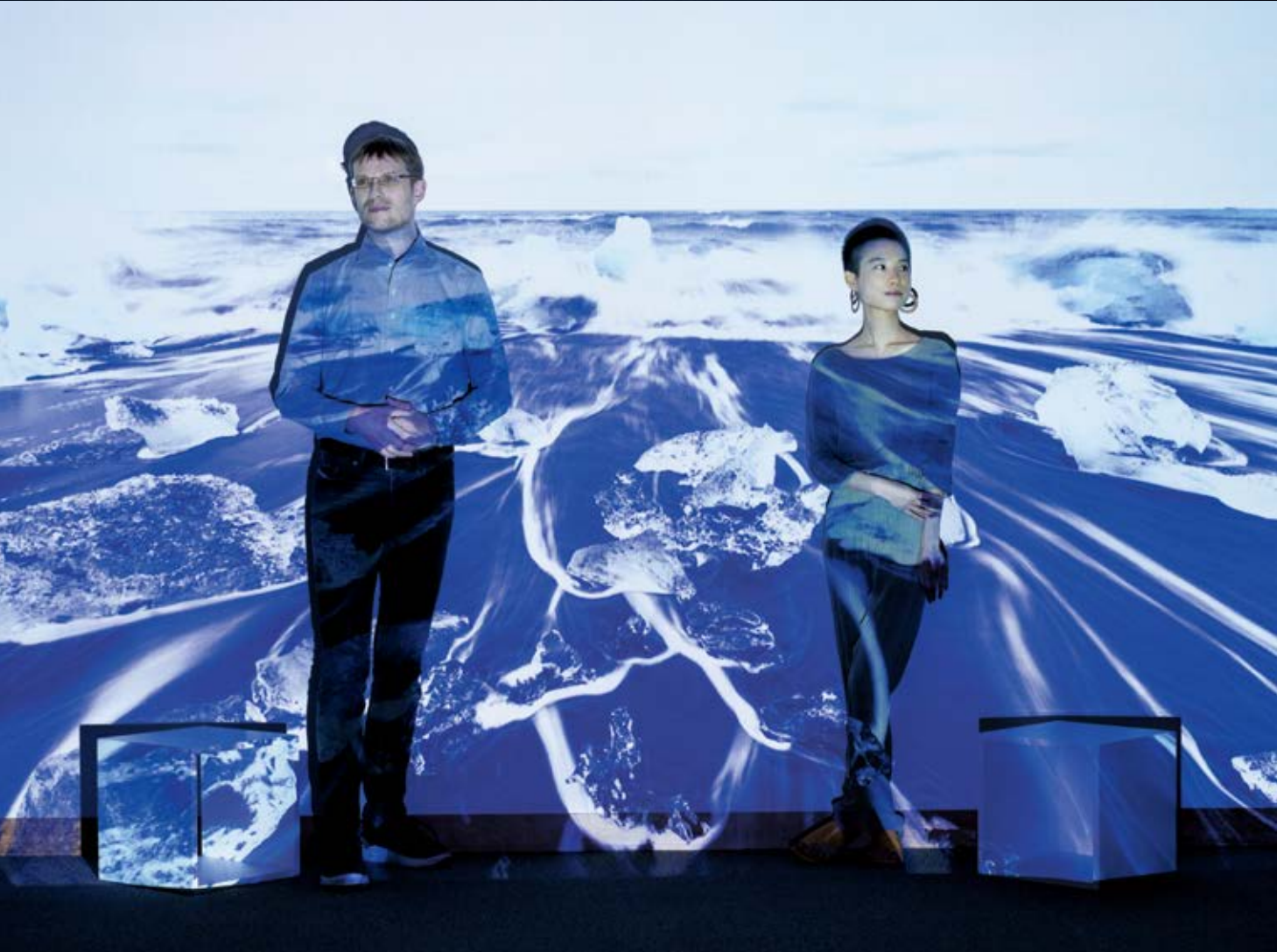
Pedersen: I have been working with major Japanese companies over the past 25 years. I refer to innovation that is not mindful of sustainability as "trash innovation." Innovation can create new value, but innovation that only seeks economic value at the cost of the environment has no place in society.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

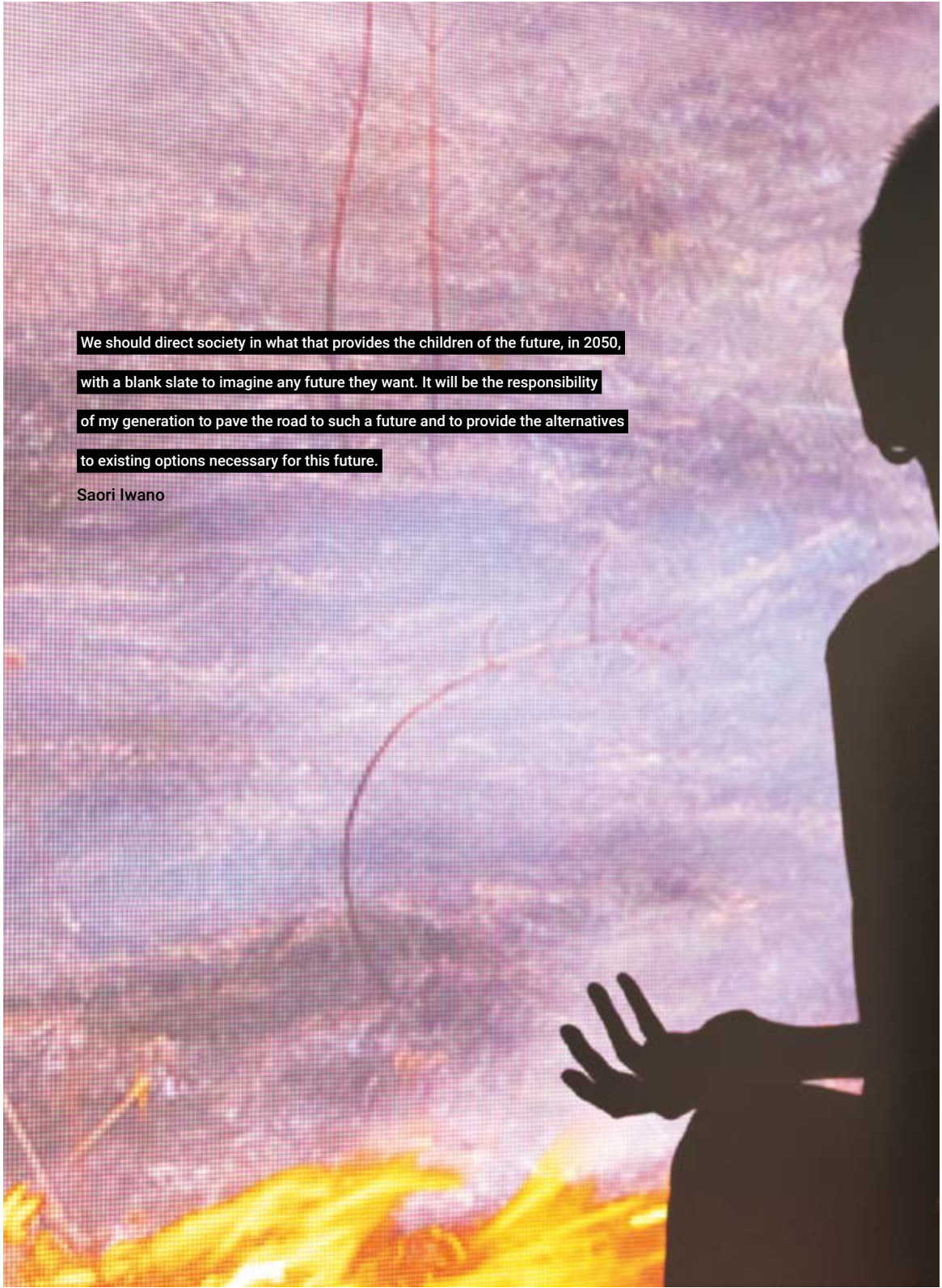
Pedersen: It is generally accepted that girls of your age tend to be interested in things like makeup and fashion. What type of response did you get from the people around you when you shaved your head?

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.

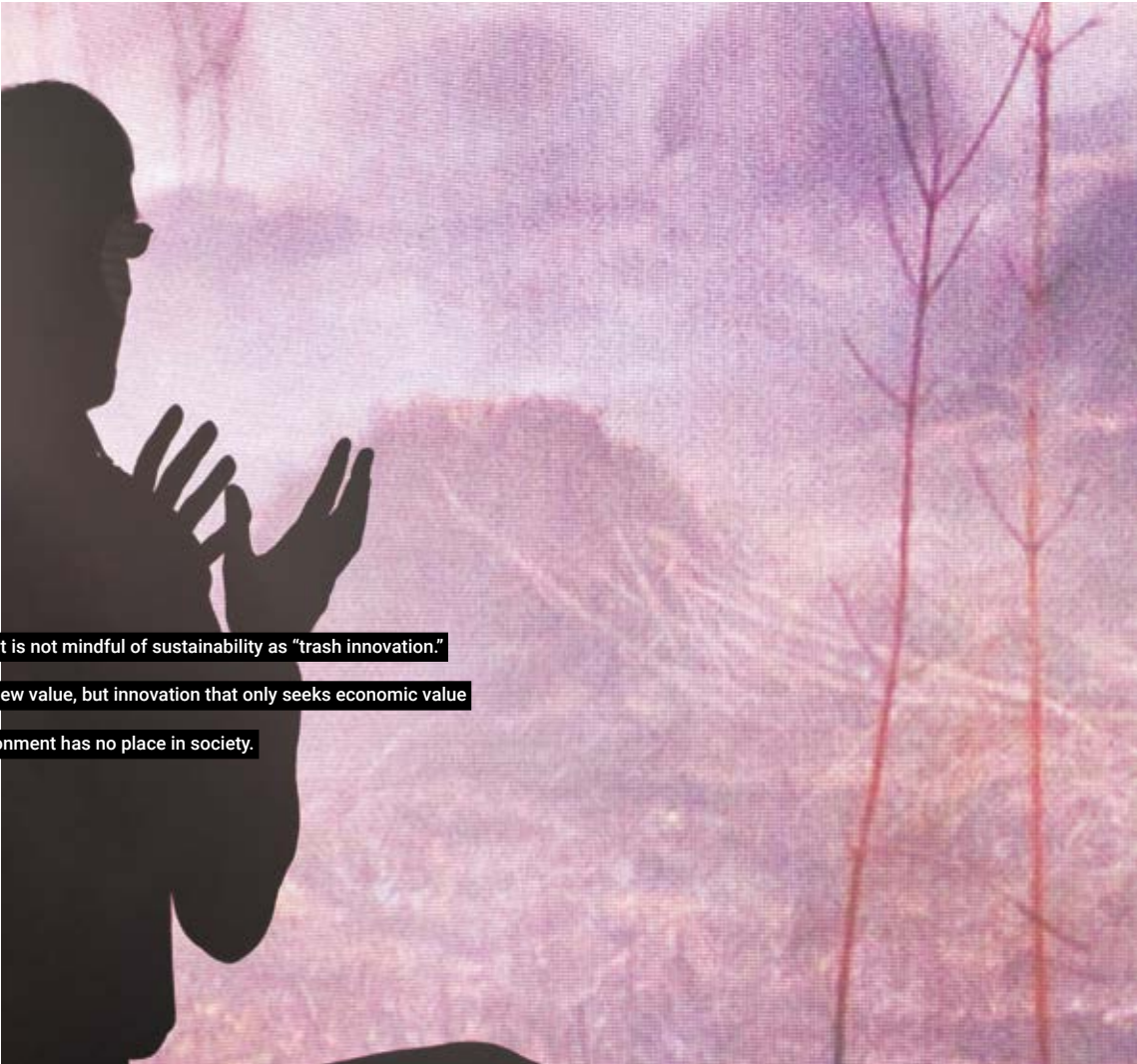
Iwano: A successful business is dependent on the people involved in the business as well as on consumers and community members. An emphasis on the interests of these various stakeholders is also important to decarbonization efforts. I think there is a strong need for MARUI GROUP to exercise

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

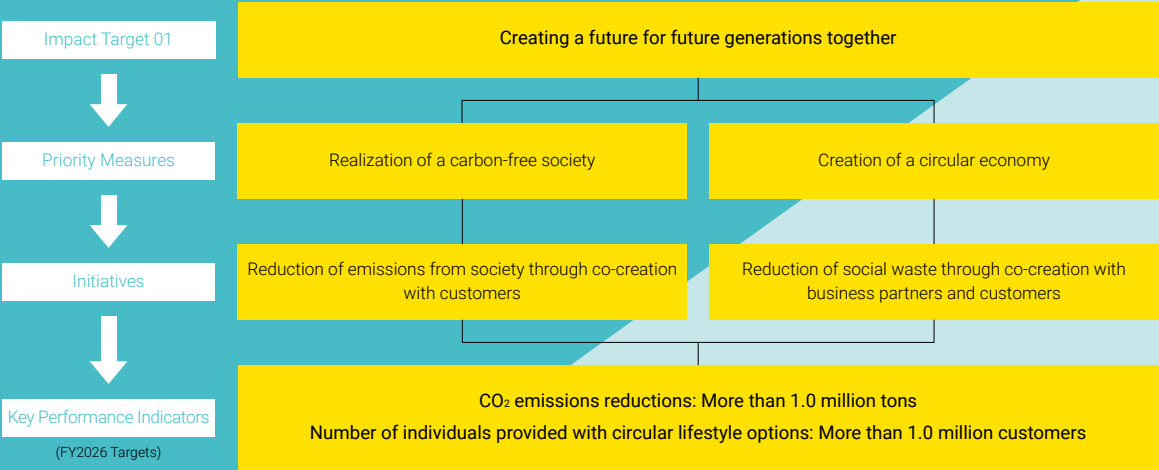
Pedersen: What is your goal for the future, Ms. Iwano?

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.

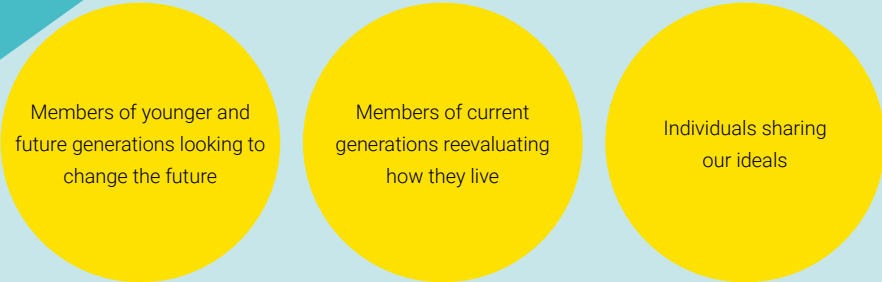
Creating a Future for Future Generations Together

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.

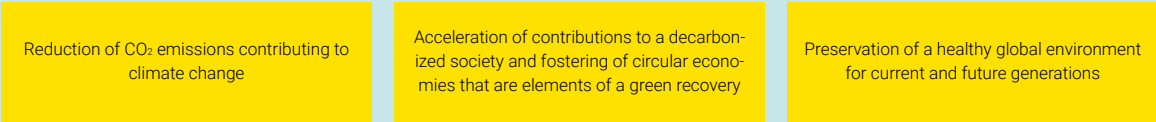
Overall Vision and Key Performance Indicators



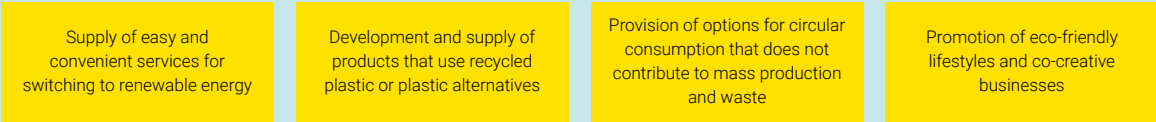
WHO?



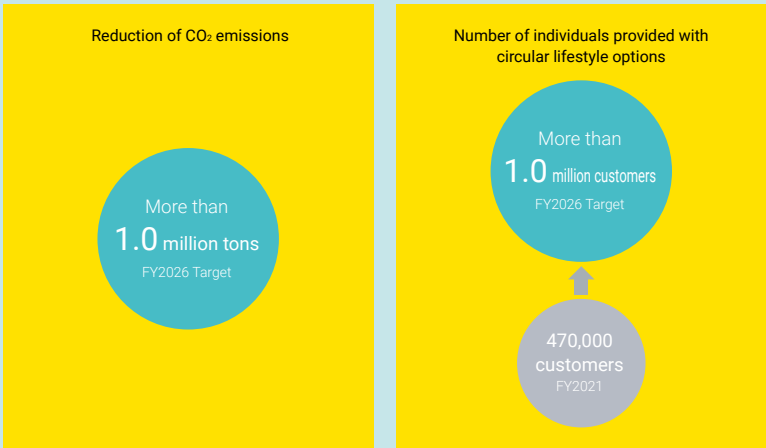
WHAT?



HOW?

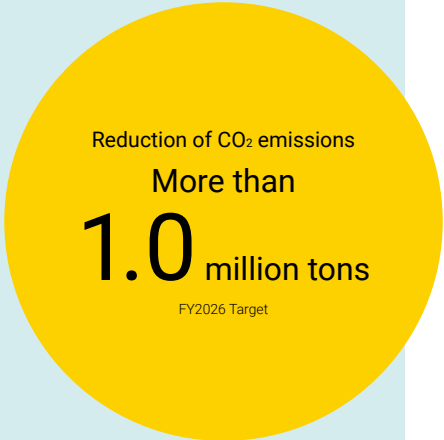


OUR IMPACT



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.



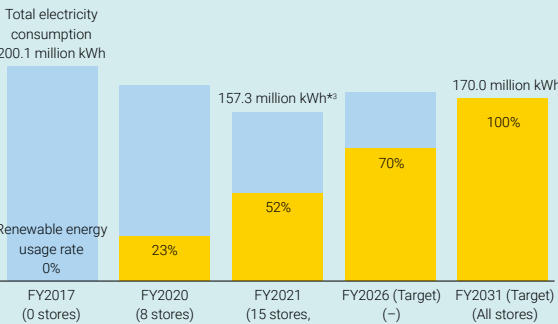
Reduction of CO₂ Emissions Together with Stakeholders

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

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

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

Road Map to 100% Use of Renewable Energy



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

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

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



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

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

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

Power Plant with Visibility of Producers Created by Community Members

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

* As of July 1, 2021



Community members involved with the Atsugi Community Power Station



Comments from Customers Using the Minna-denryoku EPOS Plan

Reason for Switching

I applied because the process of switching was so easy.

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

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

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

Feelings after Switching

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

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

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

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

VOICE



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

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

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

FOSTERING OF A CIRCULAR CULTURE

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

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/ (in Japanese only)



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



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/ (in Japanese only)



TSUKURUBA

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

tsukuruba.com/en/



MARUI TOCLUS Kichijoji

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

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



VOICE



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

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

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

VOICE



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

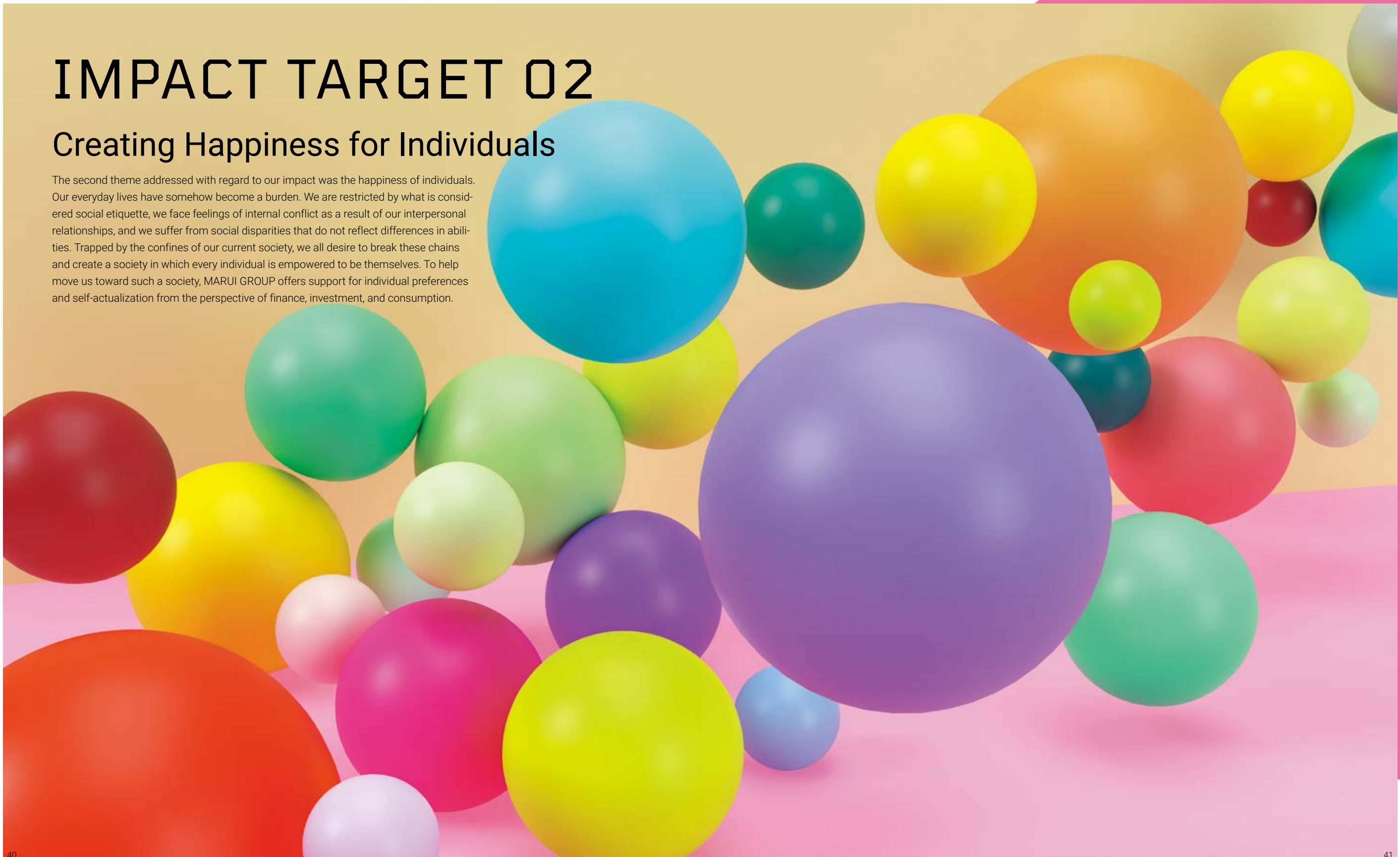
I hope to offer easy access to opportunities to experience circular lifestyles.

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

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

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/ (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/

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.

SUPPORTING EVERYONE'S
HAPPINESS AND SELF-EXPRESSION

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

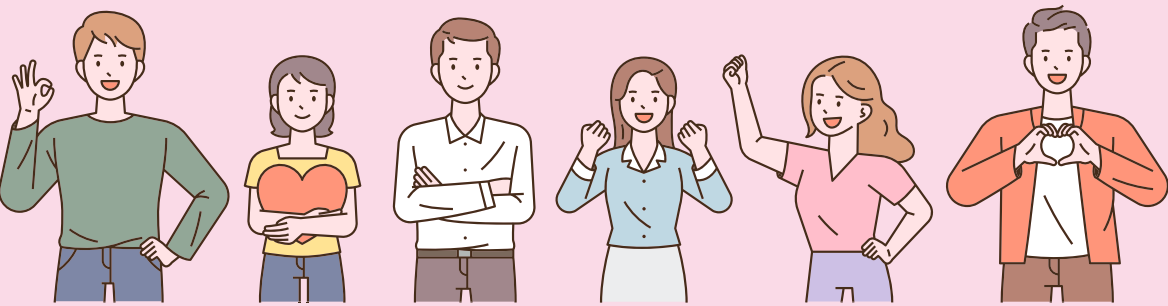
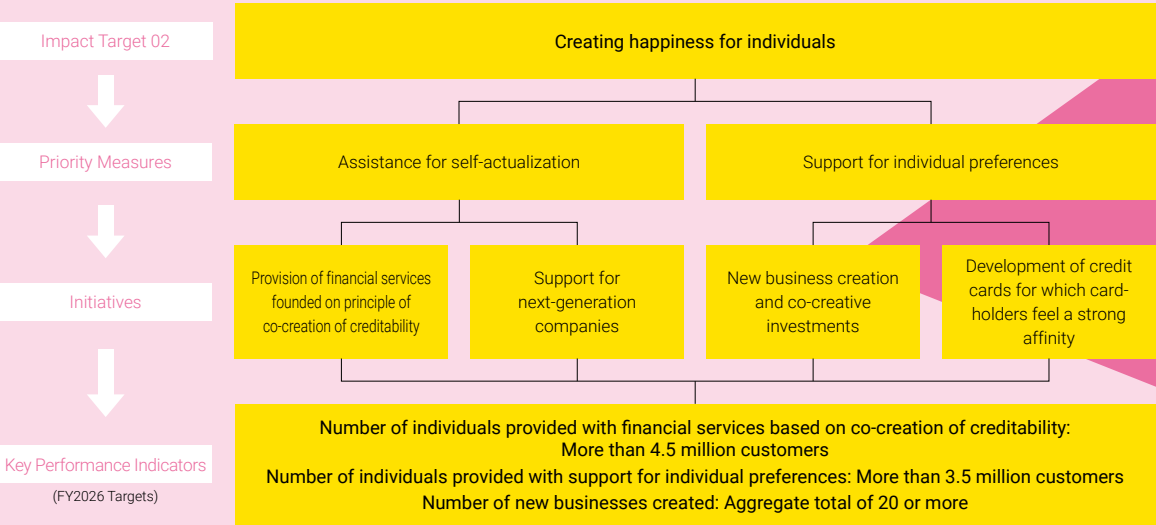
be unconsciously linked to culture and lessons handed down from the past.
Nakagami: You surprised me with how knowledgeable you all are. Hearing you speak of your passions reminded me of a book about Kenichi Kato, editor of an old manga magazine. It is a critical biography of Kato, who published a manga 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.

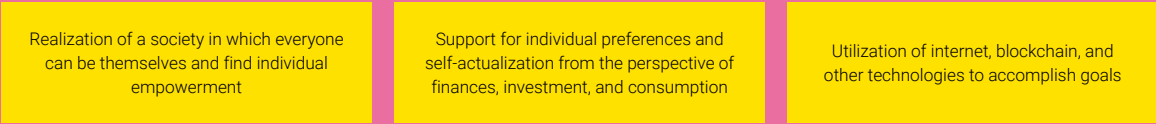
Overall Vision and Key Performance Indicators



WHO?



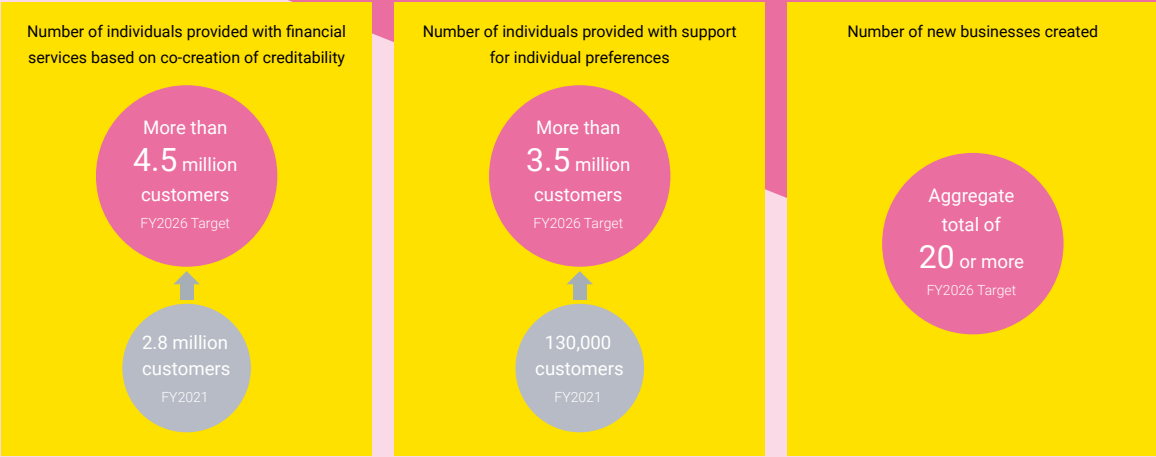
WHAT?



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.



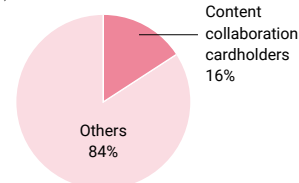
ANIME

Anime Boasting Global-Scale Popularity

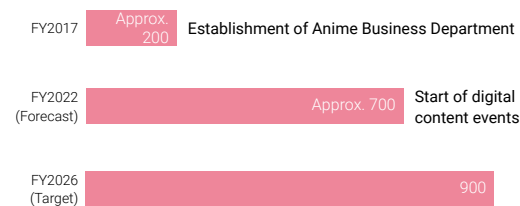
With global-scale popularity, anime is one of Japan's most well-known pop culture elements. Anime series often monopolize the top slots in the popularity rankings of video streaming services, and the impact of anime on society and industry is growing with each coming year.

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

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/
 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

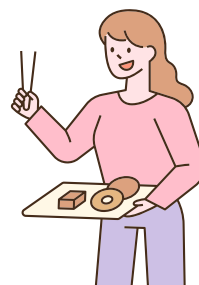
Launched in May 2021, vee ga boo is a mail order service through which users receive sets containing a different assortment of meticulously selected vegan confections every month. Each month, users will be treated to confections from three to five different brands, meaning that everyone is sure to find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

vee ga boo website (in Japanese only)
vee-ga-boo.jp/

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

MARUI GROUP continues co-creation with brand holders that resonate with our ideal of supporting individual preferences. Here, we will look at two such companies that have recently opened flagship shops in Marui stores: DINETTE inc. and BULK HOMME Co., Ltd.

Both of these brands have won strong support from customers for the high levels of craftsmanship they devote to their exquisite products as well as for the overall narrative associated with these brands. The flagship shops are steeped in the aesthetic of their respective brands, and their knowledgeable staff are reliable sources of beauty advice. Both shops are sure to offer something that you will love.

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

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/

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

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 8abli**sh**

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. (8abli**sh**), 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/

8abli**sh**

Established in 2000, 8abli**sh** 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, 8abli**sh** opened its latest store in Toyama Prefecture, adding to existing locations in the Minami-Aoyama and Ginza areas of Tokyo.

8abli**sh** website (in Japanese only)
www.8abli.com/
8abli**sh** online shop (in Japanese only)
8abli.shop/



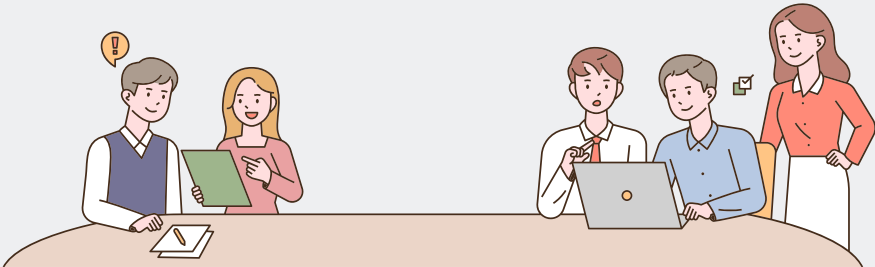
Parlor 8abli**sh**

vee ga boo service offering a chance to enjoy various vegan confections
Official vee ga boo website (in Japanese only)
vee-ga-boo.jp
Official vee ga boo Instagram account (in Japanese only)
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

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.



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.

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

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

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.



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



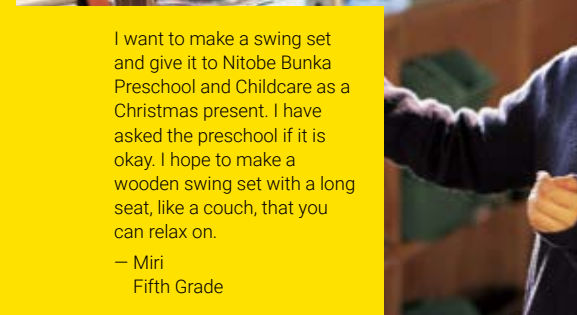
I want to make a swing set and give it to Nitobe Bunka Preschool and Childcare as a Christmas present. I have asked the preschool if it is okay. I hope to make a wooden swing set with a long seat, like a couch, that you can relax on.

— 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
MARUI GROUP is the ability to utilize
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

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

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.

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



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.

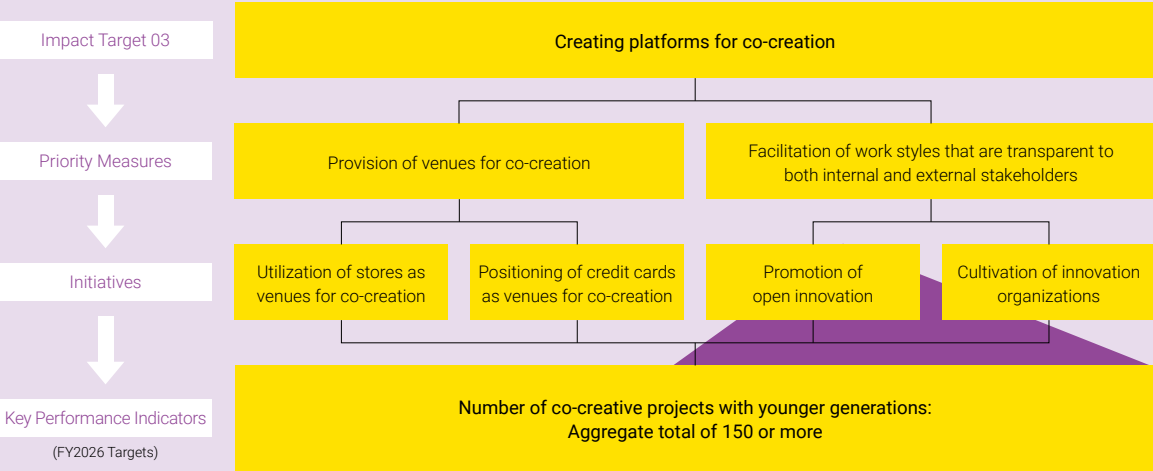
Takenobu: Co-creation with MARUI GROUP allows me to escape the confines of my own thinking to engage in wider ranging discussions on topics like new approaches that could be taken. This is especially beneficial given the COVID-19 pandemic. For a start-up, the ability to receive support from colleagues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



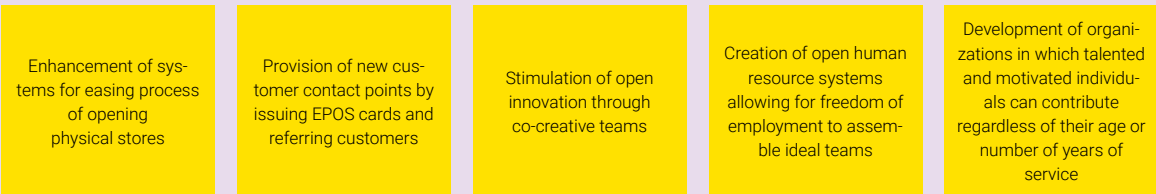
WHO?



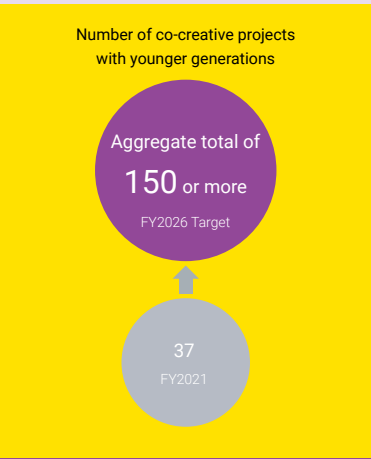
WHAT?



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



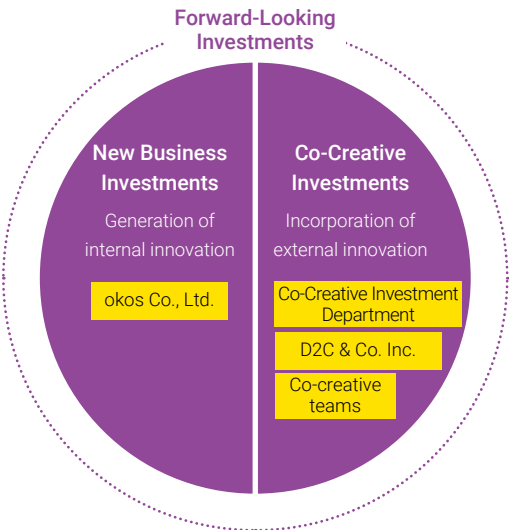
Frameworks for Creating Platforms for Co-Creation Encompassing Both Internal and External Partners

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



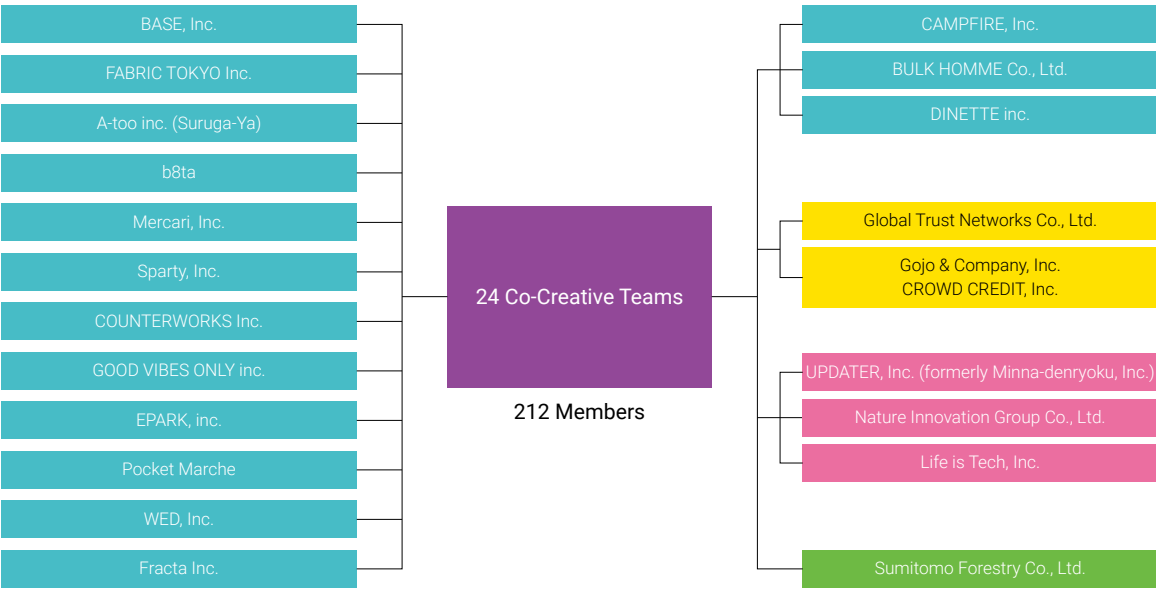
Achievement of earnings growth together
with desired impact

(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/

Process of Opening Stores

- Step 1: Inquiry
Fill out form, arrange meeting
- Step 2: Negotiations
Confirm location and rent through online negotiations
- Step 3: Plan Selection
Select store location and support package
Complete procedures online
- Step 4: Store Opening
Enjoy robust support prior to opening

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

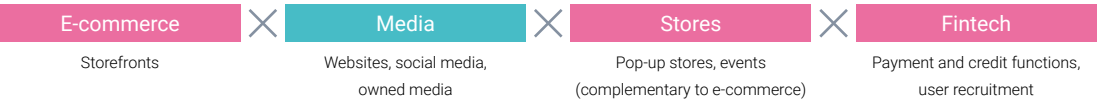
We established okos with the purpose of fostering a corporate culture that is conducive to the generation of internal innovation within MARUI GROUP. Prefaced on the ideas of creating new things and starting new ventures, okos is committed to the development of new businesses. However, this company does 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
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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

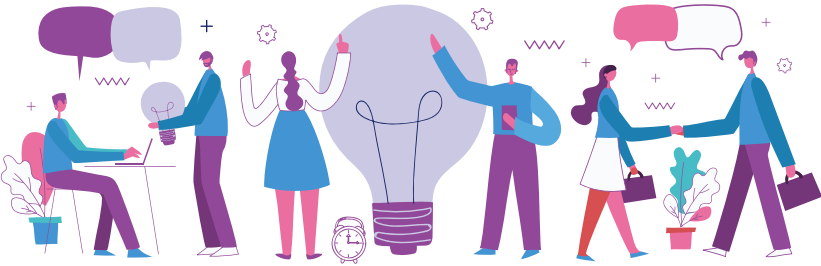
In creating innovation, the autonomous bottom-up actions of employees are more important than the top-down commitments of senior management. Developing a corporate culture in which employees are moved to such autonomous action is a process that requires time to foster the necessary foundations. In this 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)



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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.