



CO-CREATION

Co-Creation Sustainability Report 2017

MARUI GROUP CO., LTD.

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**Co-Creation Management Reports**

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

Annual integrated reports focused on
management strategies

**Co-Creation Sustainability Reports**

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

Annual sustainability reports focused on
connections with communities and society

**Editorial Policy**

In compiling *Co-Creation Sustainability Report 2017*, we endeavored to make the report of interest to readers, selecting topics with a focus on important initiatives based on MARUI GROUP's business characteristics. In July 2017, we created a sustainability page on our corporate website, which we will continually update with environmental, social, and governance (ESG) data for use by ESG evaluation institutions and ESG-minded investors alike.

Sustainability Site

www.0101maruigroup.co.jp/en/sustainability/

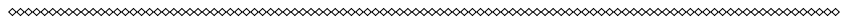
ESG DATA BOOKs

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

MARUI GROUP's Co-Creation Philosophy

Since its founding in 1931, MARUI GROUP has continued to evolve its unique business model, which merges retailing and finance, in response to changes in the times and in consumer needs. Today, we are engaged in co-creation management, a practice that entails creating value together with all of our stakeholders. Our goal is to co-create happiness, which is born out of the harmony between the interests of all stakeholders.

We are focused on the concept of "inclusion" as the key to responding to customer needs and social issues, which change with the times, and forging a better future. Through co-creation activities advanced with all stakeholders, MARUI GROUP will endeavor to help build a flourishing and inclusive society that offers happiness to all.



Mission

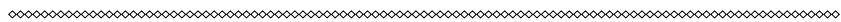
Contribute to co-creating a flourishing and inclusive society
that offers happiness to all

Corporate Philosophy

Continue evolving to better aid our customers
Equate the development of our people with
the development of our company

Founding DNA

Creditability should be built together with customers
Pioneer spirit of creating opportunities



MARUI GROUP's vision is for a flourishing and inclusive society in which happiness is available to all.

MARUI GROUP has begun practicing forward-looking co-creation sustainability management together with all stakeholders to contribute to the realization of a flourishing and inclusive society in which happiness is available to all.





MARUI GROUP would like to thank all of its stakeholders for their ongoing support and understanding. We would also like to thank first-time readers of MARUI GROUP's co-creation sustainability reports for taking interest in the Company.

MARUI GROUP has been publishing Japanese-language CSR reports since 2008. We rebranded these reports in 2016 as co-creation sustainability reports. This represented our first step in practicing forward-looking sustainability management that merges our business, environmental, social issue response, and governance initiatives in an integrated manner.

In conjunction with this rebranding, we also redefined the focus of our business from serving all customers to promoting inclusion. This redefinition was accompanied by the establishment of four core themes related to inclusion that are also based on the United Nations Sustainable Development Goals.

Core Theme 1: Customer Diversity and Inclusion

Core Theme 2: Workplace Inclusion

Core Theme 3: Ecological Inclusion

Core Theme 4: Co-Creation Corporate Governance

This report will focus largely on initiatives related to core themes 1 and 2.

With regard to core theme 1—customer diversity and inclusion—we will look at MARUI GROUP's efforts to develop products, services, and stores that can be enjoyed by all customers regardless of age, gender, or physical characteristics. At the same time, we will report on the progress of our financial inclusion initiatives, which seek to make the financial services that had previously been restricted to the wealthy available to youths and everyone else, and explain our future plans in this area.

In relation to core theme 2—workplace inclusion—this report discusses our quest to promote diversity in order to generate innovation for facilitating ongoing growth as well as our investments in human resources, the greatest driver behind the creation of corporate value.

This report will also touch on other subjects. In terms of environmental efforts, our focus will be reduction initiatives conducted during the course of our business. We will be building further on these initiatives in the future. However, we formulated an idea of how we will proceed, and we would like to look briefly at these initiatives.

On the governance front, we would like to introduce our revised MARUI GROUP Code of Conduct and the newly established MARUI GROUP Human Rights Policy and MARUI GROUP Occupational Health and Safety Policy.

In relation to overall themes, the topic of stakeholder engagement is a common thread running throughout the report. I would like to extend my thanks to everyone who contributed in this regard.

MARUI GROUP hopes to practice forward-looking co-creation sustainability management together with all of its stakeholders to contribute to the realization of a flourishing and inclusive society in which happiness is available to all. I would like to ask readers to feel free to offer any opinions or critiques regarding this report.

November 2017

Hiroshi Aoi

President and Representative Director
Representative Executive Officer



The concept of inclusion is integral to sustainability management.

Ken Shibusawa

Chairman
Commons Asset Management, Inc.

Dialogue 01



The direction of our business strategies coincided with the resolution of social issues from an inclusion standpoint.

Hiroshi Aoi

President and Representative Director
Representative Executive Officer
MARUI GROUP CO., LTD.

Co-Creation, All Customers, Inclusion, and Happiness

MARUI GROUP's vision is for a flourishing and inclusive society in which happiness is available to all. It is not enough for only certain people to prosper. Society cannot be said to be flourishing if all people do not experience prosperity. The following is a discussion between Ken Shibusawa, a long-term investor and chairman of Commons Asset Management, Inc., a company that has fully embraced the concept of inclusion, and MARUI GROUP President Hiroshi Aoi during which they talk of the new potential brought about by the perspective of inclusion.

Sustainability in Business Realized through Inclusion

Aoi: MARUI GROUP's sustainability management is based on four core themes and linked to the principles of the United Nations Sustainable Development Goals. Among the core themes are customer diversity and inclusion and, on an internal basis, workplace inclusion. In this manner, inclusion is a major focus for the Company. We have previously spoken of the concept of "all customers," but this concept lacked clarity. We were able to pinpoint the source of this lack of clarity when the Sustainable Development Goals put forth the idea of inclusion as incorporating everyone and leaving no one behind. This idea had the same goal as MARUI GROUP's co-creation management, which aims to expand the intersection between the interests of all stakeholders. We thus realized that "inclusion" more concisely communicated our goals than the idea of "all customers."

Shibusawa: The concept of inclusion is integral to sustainability management. I came to realize this fact when I read *Rongo and Soroban* ("The Analects of Confucius and Abacus") by Eiichi Shibusawa, my great-grandfather. Eiichi Shibusawa is viewed as the father of capitalism in Japan and is known to have contributed to the establishment of around 500 companies and 600 universities, hospitals, and social welfare institutions. In a chapter on rational management in *Rongo and Soroban*, he describes the idea that, no matter how rich a manager may become, the happiness this wealth grants will be fleeting if a large portion of society falls into poverty as a result. This idea is the same as the concept of sustainability, which it would seem, existed even 100 years ago.

Aoi: In the past, MARUI GROUP's business succeeded by focusing on younger generations. After the turn of the century, however, the operating environment underwent drastic change, and it became clear that continuing to focus only on products for younger generations would result in an unsustainable business and invite risks. This realization notwithstanding, our past successes had caused us to become trapped by a sense of identity that associated MARUI GROUP with younger generations, and we were unable to break away. The chance to escape this predicament came with the opening of a new store in front of Yurakucho Station in Tokyo, which took place around that time. Yurakucho is an area frequented by people of all ages, meaning that this new Marui would have to win the support of both younger and older generations. This was what inspired us to broaden our focus from younger generations to all ages.

Shibusawa: This ability to evolve together with the changing operating environment illustrates MARUI GROUP's affinity with sustainability.

Aoi: This change brought about increases in both customers and earnings. Our next step was to expand the range of sizes we offered. A prime example of these efforts can be seen in shoes. Previously, shoes had only been available in sizes near the middle of the bell curve, and shoes were not offered for foot sizes that deviated too far from the average foot size. People with such foot sizes therefore could not find the shoes they sought, forcing them to pay exorbitant amounts for custom-made shoes or to wear sneakers despite wanting high heels. This situation deprived specific groups of people of certain benefits of society. It is often said that the

number of customers is declining due to a shrinking population. However, from the perspective of inclusion, we will see that many potential customers are, in fact, being left behind. This realization led us to work to include such individuals, which in turn drove the growth of our business. In this manner, the direction of our business strategies coincided with the resolution of social issues from an inclusion standpoint.

Danger of Eradicating Inconsistency and Inefficiency

Shibusawa: There are two schools of thought with regard to efficiency. One is a mechanical approach that sees value as being born from efficiency and rationality. Throughout my career in the investment world, I have used this approach, believing the increased efficiency is certain to generate corporate value. However, blindly pursuing efficiency without entertaining new possibilities bears the risk of excluding exciting new ideas. The other school of thought sees life as inherently inconsistent and inefficient, presenting the possibility of new discoveries arising out of inefficiency. Innovation is at times the process of taking something that initially seemed to be inconsistent or inefficient and linking it to a new vision for the world to create something never seen before. For this reason, it is dangerous to attempt to eradicate all inconsistency and inefficiency from the world. This idea was in part behind my establishment of Commons Asset Management.

Aoi: A company is not like a machine, but is rather driven by people and is therefore like a living organism. Moreover, companies are not sustained exclusively by their employees, but are rather supported by entire ecosystems comprising their various stakeholders. In other words, a company is a place that is formed by various organic relationships.

Shibusawa: People sometimes speak of two different types of power. One is the power to increase efficiency. Although this power is necessary, it can only be exhibited in comparison to things that already exist and therefore cannot give birth to something completely new. The other type of power is the power to create new things, sometimes by incorporating inconsistency. There cannot be true progress without this power. The idea of co-creation is also linked to this type of power. I therefore think this is a concept that requires more attention.

Aoi: You speak of the idea of focusing on “ands” versus “ors.” Inconsistency is one of the fundamental reasons



why engagement is important. Two people will no doubt have differing views, making ideas appear in terms of “ors.” Focusing only on these differences or inconsistencies will make one unable to see the similarities in their views. However, if we change our perspective, we will certainly find similarities or shared aspects—the “ands” of their views. At MARUI GROUP, we see corporate value as building upon these “ands.”

Shibusawa: MARUI GROUP describes corporate value as arising from the intersection of five rings of stakeholders. I see these rings as having elasticity. Engagement is what moves these rings. If this movement can be directed toward the center of the intersection, the intersection between the interests of these stakeholders will no doubt grow larger. Accordingly, while it may be possible to entrust the efficiency-increasing power to the organization, the creating power, the power that goes beyond judging current situations to foresee the future, must be the power of management.

Necessity of Inclusion for Future Generations

Aoi: Around New Year’s 2017, I watched an interview with people who had just reached adulthood in which they were asked about their resolutions for that year, and the responses were quite shocking. Around 70% of the questioned individuals expressed concern for the future and in relation to money. Not knowing exactly how to address these concerns, they would resort to conservation and saving. Perhaps better than these options would



be the approach of making gradual, cumulative investments to save and increase one's money with time. This interview reinforced the idea that it was our mission to inform young adults of this approach.

Shibusawa: Saving money for the future is a prudent decision. However, the annual interest rate offered on bank deposits is only 0.002% in Japan. This means that if one were to save ¥10,000, roughly U.S.\$100, over 20 years, the 0.002% interest rate would result in it only growing to ¥10,020. In this manner, saving alone cannot produce sufficient results. Conversely, the annual growth rate of 3% in the global population suggests that the base growth of the global economy will be about 3% each year. A service that will take advantage of this fact is Tsumitate NISA, which is slated for launch in January 2018. This service provides tax exempt dividends and transfer gains over a 20-year period. While the maximum amount that can be invested in a year is ¥400,000, which may seem a bit low, this equates to ¥33,333 a month, a level that is sufficient for investments conducted as part of normal life. After 20 years, it is likely that the amount returned will be substantially larger than the collective principal of ¥8,000,000 invested over this period. If one were to start investing in their 20s, they would have accumulated a substantial amount of assets by the time they were in their 40s. I hope that younger people will catch on to this fact as soon as possible. While it is important to be satisfied with what one has, it is equally important to understand what necessities one lacks. MARUI GROUP is poised to build upon this

concept by introducing the new perspective of retailing in financial services.

Aoi: MARUI GROUP has long been engaged in retail. Looking back, I realize that it was the joy brought about by earning the gratitude of customers that has been our source of motivation. We have thus responded to the various changes society has undergone by considering what services would bring the greatest joy to our customers at any given time. Examining what services we can best provide, we have sometimes been led to start from zero. Our business has changed as a result. We are now rapidly transitioning to a real estate model; our stores are transforming into showroom-type spaces or sources of new experiences and venues for consulting; and our methods of distributing products are increasingly using an e-commerce approach. Nevertheless, our connection with customers is still retail in nature. However, the definition of "retail" is changing for MARUI GROUP. This new definition of "retail" goes beyond selling products to include the provision of retail finance and other financial and non-financial services.

Shibusawa: That is truly an example of the creating power behind co-creation. I am confident in MARUI GROUP's ability to create new innovations by incorporating the power of different fields. The word "invest" comes from the Latin word "*investire*," which means "to clothe in, cover, or surround." In this manner, investment is not simply about sinking funds into something, but is rather about surrounding oneself with various types of growth and perspectives. Based on this idea, I hope to open the eyes of people who have only ever seen investment in the traditional sense and help them see how anyone can easily invest to accumulate the assets that will help them in their future.

Ken Shibusawa

Chairman, Commons Asset Management, Inc.
Executive Director, Shibusawa Eiichi Memorial Foundation
Director, Keizai Doyukai

After working at a foundation operating in the field of international relations, Ken Shibusawa acquired a Master of Business Administration in the United States and then joined the financial industry. Working at foreign financial institutions in Japan, he was involved in the dealing of Japanese government bonds and currency options and the sale of derivatives. He also held a position as the Japanese representative of a major U.S. hedge fund. Mr. Shibusawa struck out on his own in 2001, later establishing the current Commons Asset Management in 2007 and becoming its chairman in 2008.

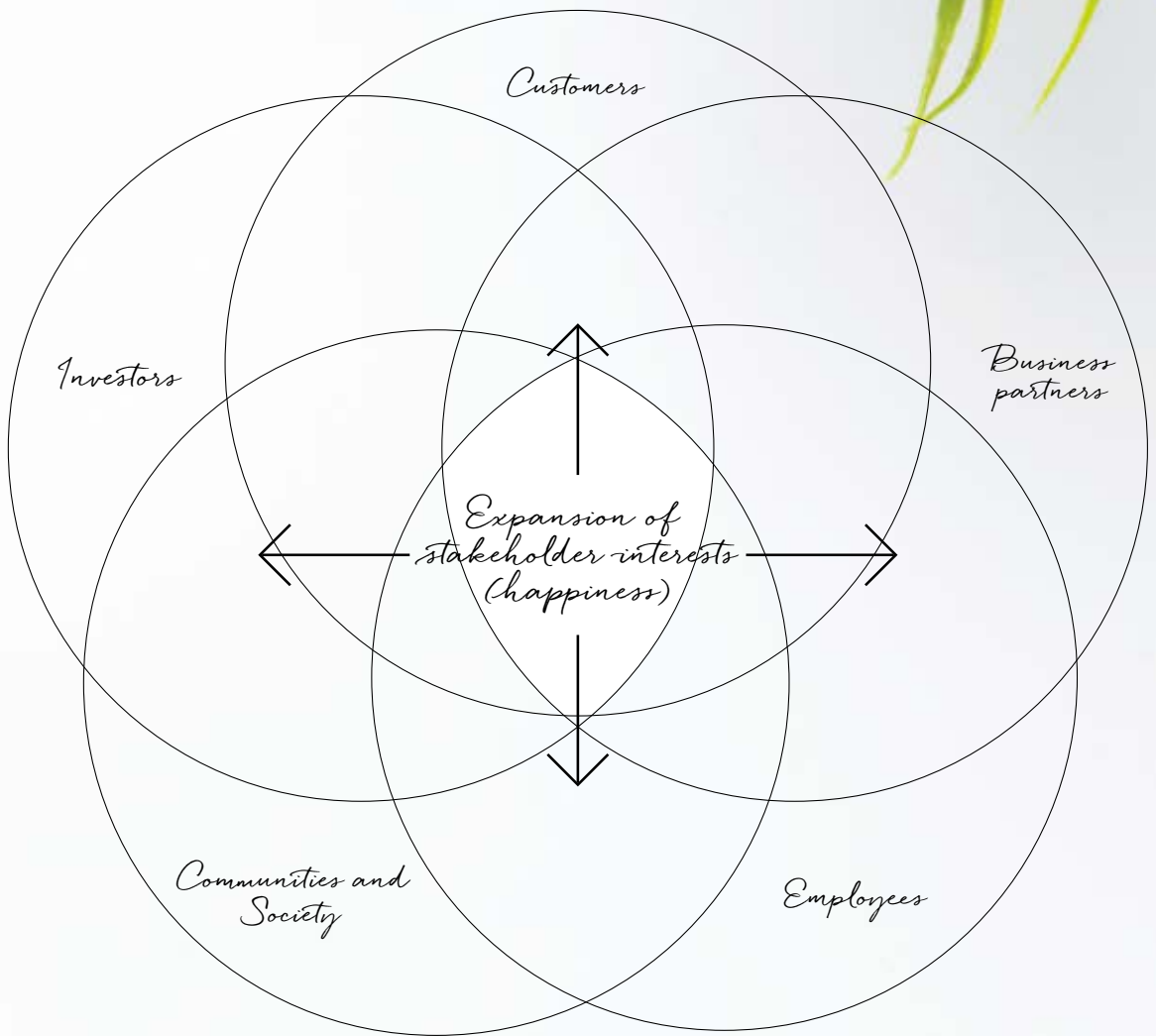


Goal of Co-Creation Management: Expansion of Intersection between the Happiness of Stakeholders

MARUI GROUP's Sustainability

MARUI GROUP aims to create a prosperous and inclusive society in which happiness is available to all. The Company is supported by a wide range of stakeholders, including customers, shareholders, other investors, business partners, members of local communities and the greater society, and employees. Although the interests of these various stakeholders are often seen to be in opposition, the reality is that there is a significant intersection at which the interests and values of different stakeholders overlap. Adopting the perspective of inclusion, MARUI GROUP sees true corporate value as being able to expand this intersection between the happiness of all stakeholders.

For this reason, stakeholder engagement is crucial as it plays a major role in harmonizing the interests of different stakeholders and expanding the intersection between these interests. Such engagement must be conducted from a long-term perspective looking toward the future. As we take part in ongoing engagement with all stakeholders, it is important to continue evolving our business frameworks and practices. Through such engagement and the new ideas born therein, we will create new value. This is MARUI GROUP's vision for innovation and the ideal form of co-creation sustainability management that we pursue.

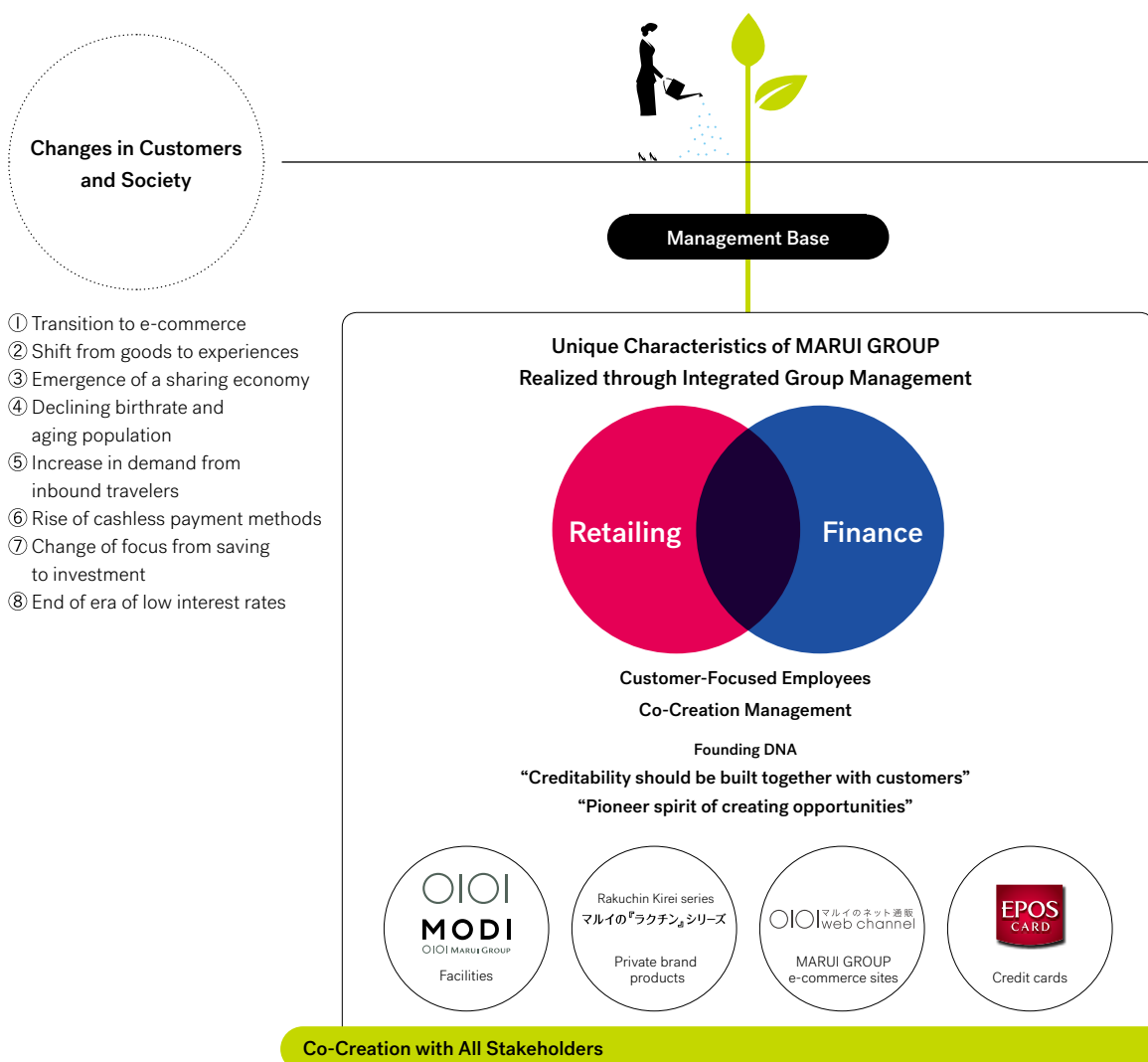


Corporate value = Intersection of all stakeholder interests

Expansion of this intersection = Improvement of corporate value

Forward-Looking Co-Creation Sustainability Management

MARUI GROUP strives to develop a business that turns issues into value through co-creation with its various stakeholders. Japan is known for the various challenges it faces as a developed nation, in its aging population and declining birthrate, and this country has a population of approximately 126.8 million diverse individuals. It is the goal of MARUI GROUP to contribute to the realization of a flourishing and inclusive society in which no one is excluded and happiness is available to all. The path to accomplishing this goal is MARUI GROUP's vision for co-creation sustainability management.





**SUSTAINABLE
DEVELOPMENT
GOALS**

→P.38

**A Flourishing and
Inclusive Society
Offering
Happiness to All**

Customer Base

Customers visiting Marui and
Modi stores a year

Approx. 200 million

Customers visiting MARUI GROUP
e-commerce sites a year

Approx. 110 million

EPOS cardholder base
comprising primarily youths and
young adults

6.36 million

Value Creation

Total Group
transactions

¥1,933.7 billion

Rakuchin Kirei series shoes
Total aggregate sales of

over 3.5 million pairs

Average annual growth rate for
EPOS card

17%

Industry-leading income per
EPOS card

¥6,500

Industry's lowest ratio of
delinquent debt boasted by
EPOS cards

1.45%

Creation of New Demand

Members of LGBT community
representing a ¥5,940 billion market

**One in 13 people
in Japan**

Differently abled
individuals in Japan

8.6 million

Senior citizens
over age 65 in Japan

34.8 million

Youths and adults aged
15 to 39 in Japan

33.7 million

Non-Japanese individuals
living in Japan

2.4 million

As of March 31, 2017



Development of Inclusive Stores that Offer Joy to All

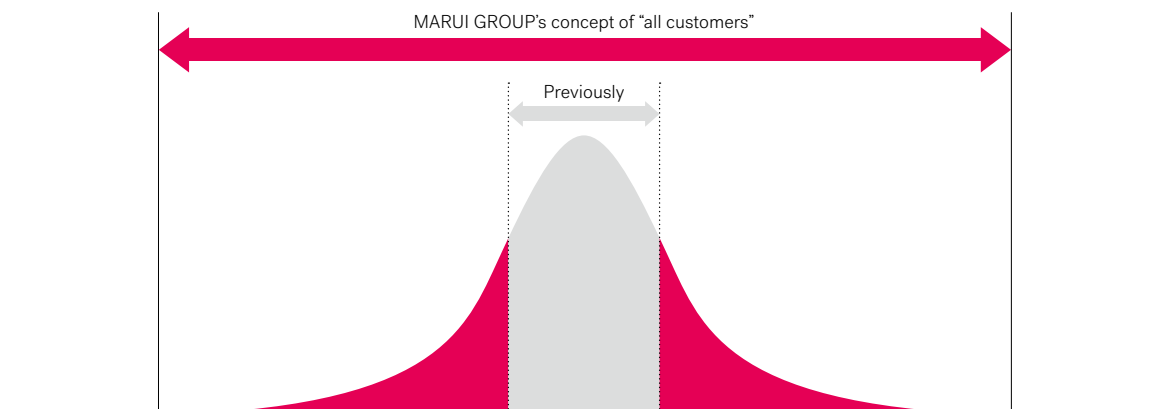
With eyes to 2020, the year of the Tokyo 2020 Olympic and Paralympic Games, MARUI GROUP will promote customer diversity and inclusion and strive to ascertain the ideal form of products, services, and stores that bring joy to all customers, regardless of their age, gender, or physical characteristics, through co-creation with all stakeholders.



Customer Diversity and Inclusion

"Inclusion" is the concept of including those who have previously been excluded. MARUI GROUP seeks to achieve both sustainability and profitability through innovations to its businesses. As part of this undertaking, we seek to develop stores that offer a comfortable environment in which all customers, including senior

citizens, differently abled individuals, non-Japanese people, and members of the LGBT community, can enjoy shopping with peace of mind regardless of their age or gender. The development of such stores encapsulates the concept of "customer diversity and inclusion" advocated by MARUI GROUP.



Ratio of Senior Citizens

The population of senior citizens over the age of 65 in Japan is 34.8 million.

27.5%

Source: *Population Estimates*, Statistics Bureau, Ministry of Internal Affairs and Communications

Ratio of Differently Abled Individuals

In Japan, 8.6 million people have physical or mental disabilities.

6.8%

Source: *Annual Report on Government Measures for Persons with Disabilities*, Cabinet Office, Government of Japan, 2017

Ratio of LGBT Community Members

One in 13 people in Japan is part of the LGBT community, representing a ¥5,940 billion market.

7.6%

Source: *LGBT Survey 2015*, Dentsu Diversity Lab, DENTSU INC., 2015

Departure from Industry Conventions — Positioning of Food Vendors in Entrance Areas

The majority of department stores in Japan position cosmetics and brand-name shops in their entrance areas. Marui stores have also adopted this industry convention in the past. When developing Hakata Marui, we departed from this convention, positioning food vendors in entrance areas to develop the first inclusive, lifestyle-oriented Marui store that can be enjoyed by customers of all ages and genders. This innovation was inspired by co-creation activities with customers.



Customer Input

"It would be nice to have a store that can be visited daily."
"I want a store that is enjoyable for everyone."
"I look for a comfortable atmosphere."



MARUI GROUP's Response

Food vendors were positioned in entrance areas and the portion of floor space devoted to apparel was reduced from around 60% to roughly 30%, making for a store that is easy to visit for people of all ages and genders.

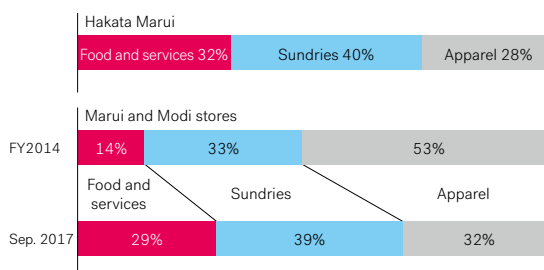
Progress Unconstrained by Past Successes — Co-Creation Store Development

Prior to the opening of Hakata Marui, we held more than 600 planning meetings at which we spoke with an aggregate total of 15,000 customers. At these meetings, input from customers indicated a desire for a store that could be visited daily, that is enjoyable for everyone, and that offers a comfortable atmosphere. Based on this input, we reduced the ratio of floor space devoted to apparel items to around 30%. This led to the creation of the first inclusive, lifestyle-oriented Marui store. As a result, the numbers of visiting customers and purchases at Hakata Marui in the fiscal year ended March 31, 2017, were 1.3 times and 1.2 times higher than at Yurakucho Marui while the number of new EPOS cards issued was 1.5 times higher. These figures surpassed prior records for newly opened Marui stores. Hakata Marui continues to be loved by various customers today.

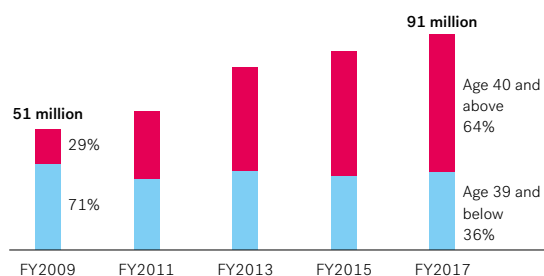
An amalgamation of MARUI GROUP's co-creation store development efforts with customers, the initiatives implemented at Hakata Marui are currently being introduced at other existing stores. These initiatives also signaled the start of the Company's co-creation activities with business

partners. Looking at a longer timeframe, we achieved a 60% increase in total purchase numbers over the past decade, with this number reaching 91 million in the fiscal year ended March 31, 2017. This increase was a result of revisions to store development approaches; product categories, increasing the portion of floor space devoted to restaurants and service providers to around 30%; hospitality; and services—revisions that transformed our stores, which were previously oriented toward younger generations, into places that are inviting to customers of all ages.

Ratios of Floor Space Devoted to Product Categories



Number of Purchases and Distribution by Age Group



Located on the first floor of Hakata Marui, Dashidokoro Hyoshiro is the first shop integrated with a dining establishment operated by Ajino Hyoshiro.



At planning meetings, we continued to discuss store development concepts, floor layouts, product lineups, and other matters with customers.

Introduction of Hakata Marui Successes at Existing Stores

Planning meetings with customers have since been conducted at five stores, enabling us to discover that demand for food vendors in entrance areas was not region-specific but was rather shared by all stores. MARUI GROUP thus undertook renovations at the five stores to position food vendors in entrance areas. As a result of these efforts, transactions and purchase numbers at these stores showed year-on-year increases of 25% and 30%, respectively, in October 2017.

Customer Input

If entrance areas contain high-ticket items, cosmetics, and accessories, only certain people will use the store and others will find it difficult to visit.

MARUI GROUP's Response

Food vendors are being positioned in entrance areas so that they can be enjoyed by all customers, making the stores more inviting to customers of all ages and genders.

Report on Planning Meeting with Customers

An important part of MARUI GROUP's co-creation store development approach is to present our ideas for store design concepts and product lineups to customers in order to solicit their opinions, discuss any necessary improvements, and revise these ideas as needed. This approach was adopted at Kitasenju Marui. In this store, we opened a food area known as Kitchen Garden 350 in the second floor entrance, adding to the existing food areas on the first floor and basement floor. This new food area features a total of 11 shops that are new to Marui stores and that primarily use vegetables and other healthy ingredients. A planning meeting was held with customers in November 2017, one month after the opening of the new food floor.



The Kitchen Garden 350 food area opened in the second floor entrance is based on the concept of "gathering and connecting." This sales area features shops that sell food items by weight as well as spaces in which customers can eat the items they purchased in the stores.



When touring Kitchen Garden 350, customers tried recommended menu items from all 11 shops and were provided with information on the ingredients used. Customers then graded the food area based on various factors and also offered opinions on what aspects they were fond of and where improvements were needed.

Planning Meeting with Customers

At Kitasenju Marui on November 4, 2017



One month has passed since Kitchen Garden 350 was opened. What are your impressions of this food area? In addition to the general theme of “gathering and connecting,” this area was also based on the concept of consuming 350 grams of vegetables each day, as is recommended by the Ministry of Health, Labour and Welfare.

Sachiko Sakai Sales Representative, Kitasenju Marui

As Kitchen Garden 350 was made by converting an accessory sales floor to a food area, there is an atmosphere of elegance about this area that **sparked my interest the moment I saw it**. There are also a lot of rare delicacies like taco rice and California rolls. I want to have lunch with my friends here.



This area previously comprised mainly shops dealing in brand-name products for women, making it difficult to approach. Now, my eyes are drawn to what’s inside the stores even as I walk past, and it feels much more inviting. I think with the sandwiches, though, **it would be better to allow customers more freedom in choosing combinations**.

Taking my kids to eat in one of the restaurants on the upper floors or at the basement food court and then buying macarons or bread at Kitchen Garden 350 **feels very satisfying. It is like a dream**. The vegetable juice is easy to drink even for those who dislike vegetables. I want to drink it with my kids.



I was struck by how easy Kitchen Garden 350 made it to get my daily vegetables. It would be nice if items were available in a wider range of prices and in smaller sizes so that they can be eaten even when time is short. **Kitchen Garden 350 is a great place to have my husband wait when I go shopping or to use as a meet-up spot**.

My generation uses social media a lot. All of the cute food items available just scream to have their pictures taken, and **all are ripe for Instagram**. If Kitchen Garden 350 was open earlier, I could get takeout before going to work and then eat it for lunch.



Actually, items such as the visually appealing sandwiches and rose-shaped gelato are new creations made by tenants exclusively for Kitasenju Marui with the aim of drawing in Instagram users. We hope you will continue to provide us with feedback that can be used to make Kitasenju Marui a store that brings even more joy to customers. Thank you for joining us today.

Message from a Tenant

Valuing Customer Input and Providing Products That Can’t Be Found Anywhere Else

We opened CHEF’S PRESS, a specialty sandwich shop featuring a menu based on the concept of healthy food and drinks, in Kitasenju Marui’s Kitchen Garden 350. Our relationship with MARUI GROUP goes back 16 years. The Company’s commitment to developing stores together with customers is one of its most noticeable characteristics. When opening up our shop in Kitasenju Marui, we were given new tasks: developing a wider range of sizes and establishing a menu that can attract any customer. We thus took to creating items exclusively for Kitasenju Marui, including smaller items, colorful and visually pleasing sandwiches aimed at Instagram users, and fresh juices made using locally produced vegetables. The end result was a menu comprising several products that can’t be found anywhere else.



Jun Tashiro

CHEF’S PRESS, Kitasenju Marui
AntenDo, Machida Marui
Antendo Co., Ltd.

Deployment of a Lineup of Sizes Matched to Customer Lifestyles

MARUI GROUP has come to be aware of how many customers have been forced to give up on having enjoyable shopping experiences due to an inability to make purchases because of a lack of the ideal product or size. Our first step to address this issue began with the expansion of the range of sizes for our private brand shoes and apparel products. Today, we are engaged in an even wider range of size-related initiatives together with tenants at our stores.



Customer Input

Even when there was a product with a design I liked, I couldn't buy it because it wasn't in my size.



MARUI GROUP's Response

The range of portions and sizes for food and apparel (clothing) and shoe products is being expanded in light of immense customer demand.

Private Brand Initiatives

Our Rakuchin Kirei series of shoes covers the foot sizes of 100% of the feet of Japanese women, with 16 sizes spanning a range from 19.5 cm to 27.0 cm.



The range of sizes of our Rakuchin Kirei series of pants was expanded to 12 sizes spanning from XXS to 7L and encompassing waist sizes from 55 cm to 88 cm.



Our VISARUNO line consists of ready-made and order-made business wear and other clothing, and our Rakuchin Keikai line of shoes comprises 16 sizes ranging from 22.5 cm to 30.0 cm.



Initiatives by Tenants

Macrobiotic Light Food Evah no Mori revised its menu to make 95% of its display lineup available in half sizes or "sample" sizes.



Lindt Chocolate Boutique began selling its popular Lindors in a manner that allows customers to choose from as many or as few as they want of these chocolates in each of the more than 10 flavors.



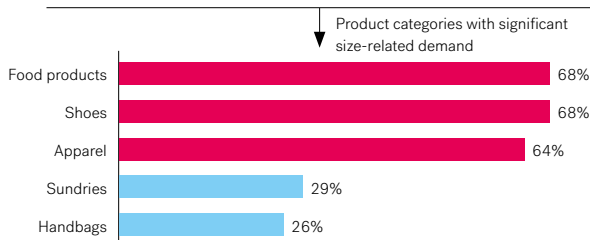
The lineups of casual and dress items at Extedlab produced by Tetehomme are now available in six sizes, from S to 4L, with emphasis placed on the wearer's silhouette.



Focus on Size Held by 73% of Customers



■ Customers longing for the perfect size 73%



Source: Survey of 3,000 people conducted by Macromill, Inc., July 2015



Message from a Tenant

Macrobiotic Light Food Evah no Mori has always offered a robust lineup of boxed meals. Hearing from MARUI GROUP that some customers couldn't find meals that matched their smaller appetites, we further expanded our lineup to include smaller sizes. These smaller meals are also more affordable, addressing customer needs and winning much praise from people of all ages. I am overjoyed that we were able to take part in co-creation.



Shoko Kobayashi

Macrobiotic Light Food
Evah no Mori, Hakata Marui
Evah Dining Inc.

Development of an Environment that Can Be Enjoyed by All

MARUI GROUP aims to be a frontrunner in providing products, services, and stores that can be enjoyed by all customers, including senior citizens, differently abled individuals, non-Japanese people, and members of the LGBT community and regardless of age, gender, or physical characteristic. Our efforts to develop stores that are inviting to all people are currently being advanced with an eye to the year of the Tokyo 2020 Olympic and Paralympic Games.



Customer Input

Does it cause problems for the store or other customers when one brings children or strollers or is in a wheelchair?



MARUI GROUP's Response

We are developing stores that offer comfort and security in terms of both facilities and customer service.

Universal Design Facilities

Seeking to identify the sources of concern for people using wheelchairs when shopping, we invited such individuals to take part in planning meetings. In terms of actual accessibility, we have been making stores easier to navigate for customers in wheelchairs by having Mirairo Inc. examine the facilities when we develop new stores or renovate existing stores. In addition, we utilized pictograms and floor guides in which black and white images and backgrounds are inverted at Kinshicho Marui to make them easier to see for customers with weak vision or cataracts.



Improvement of Customer Service

Employees undergo Service Care-Fitter training to foster a spirit of hospitality and to learn how to accommodate various customers. This training is conducted in-house by 11 Group employees that have acquired official instructor qualifications. In addition, external lecturers are invited to implement training for the Universal Manner Placement Examination program and to perform LGBT manner training. Employees also receive training on catering to the needs of inbound travelers performed by non-Japanese lecturers.



Promotion of an LGBT-Friendly Atmosphere

MARUI GROUP seeks to provide a comfortable shopping environment for members of the LGBT community and other sexual minorities. As part of these efforts, we

participate in LGBT pride events, such as RAINBOW PRIDE and RAINBOW FESTA.

This trend began with Marui and Modi stores located in Shinjuku and Shibuya and has since spread to stores in the Kansai, Hakata, and other areas nationwide. This is just one facet of our efforts to broadcast our support for and engage in co-creation with the LGBT community. As another facet, an event designed to support LGBT job seekers was held at Yurakucho Marui in collaboration with ReBit in February 2017. Taking advantage of our Order Suits and the wide range of sizes we provide, members of the Yurakucho Marui sales floor staff helped customers choose the suit that best matched who they were.



Messages from Customers

"Marui made the first high-heel shoes I was able to wear. It was a dream come true."

"The first time I opened up about my sexuality to a member of a store's sales staff was at Marui, and this individual helped me try on clothes for an hour."

"I wore my first yukata at Marui. I never thought a yukata could suit me this well."

"I didn't know that Marui was such an inviting store. I think this should be advertised more."



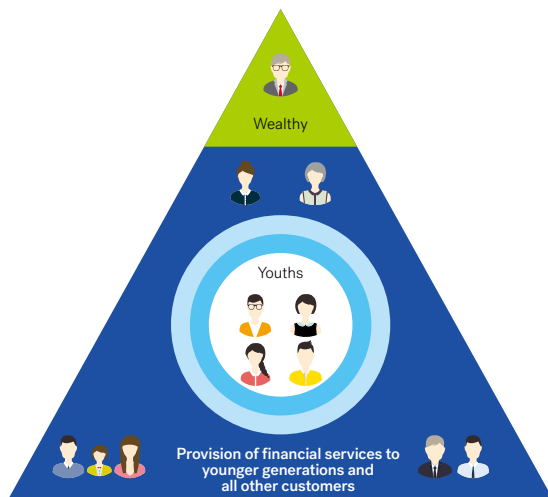
Promotion of Financial Inclusion for the Benefit of All Customers

MARUI GROUP's vision for financial inclusion is to provide financial services that can enrich the lives of younger generations and everyone else. This vision shares the same perspective as a core concept of the United Nations Sustainable Development Goals—the idea that no one will be left behind.

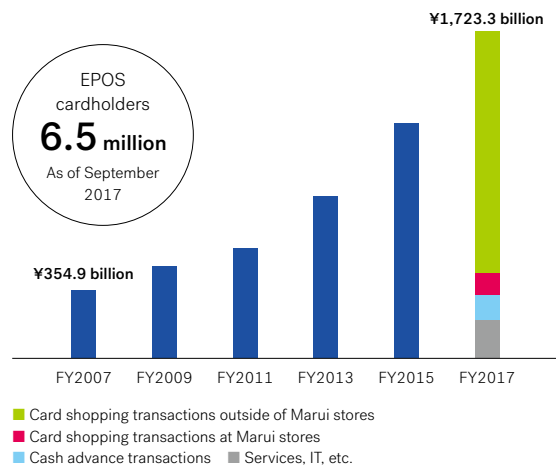
Services for Younger Generations and Everyone Else

In the past, financial services have primarily been for the wealthy. The concept of FinTech seeks to break away from this tradition by providing financial services that can be used by everyone, regardless of their income or age. MARUI GROUP sees its mission as being to promote financial inclusion by supplying financial services to everyone. Accordingly, we strive to provide financial services

that enrich the lifestyles of everyone, particularly the youths and young adults for whom existing financial services lie out of reach. In October 2017, we broadened the scope of individuals we seek to include to encompass non-Japanese individuals and foreign exchange students residing in Japan. We are thus expanding the range of services we offer in order to provide such individuals with easy access to a wide variety of financial services.



Transactions in the FinTech Business



People Aged 15–39 in Japan

Younger generations increasingly focusing more on the future over the present

33.8 million

Source: Population Estimates, Statistics Bureau, Ministry of Internal Affairs and Communications

Non-Japanese People Living in Japan

Increase of 20% since December 31, 2012, primarily comprising foreign exchange students

2.4 million

Source: FY2016 Statistics on Non-Japanese People Living in Japan, Immigration Bureau of Japan, Ministry of Justice

Ratio of Delinquent Debt for EPOS Cards

Lowest rate in the industry achieved through unique credit philosophy

1.45%

Fiscal year ended March 31, 2017

Financial Services Matched to the Lifestyles of Each Customer

MARUI GROUP has always operated under the belief that creditability should be built together with customers. As opposed to being assigned credit based on a customer's age, profession, or income, we feel that credit must be shaped through a customer's usage and payment records. The credit standards MARUI GROUP uses in judging credit card applications and setting credit limits are based on this credit philosophy, which we have cherished since the Company's founding.



Services Provided Based on Industry Standards

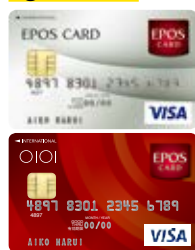
Judging of credit card applications and setting of credit limits are conducted based on a customer's age, profession, and income.



MARUI GROUP's Credit Philosophy

Rather than being based on a customer's age, profession, or income, credit should be shaped through a customer's usage and payment records.

Cardholder Base Comprising Primarily People Aged 18–39



MARUI GROUP sets initial credit limits lower than other companies in order to make EPOS cards easier to use for university students and minors without credit card experience. As a result, many customers receive their first credit card from MARUI GROUP, and we

have been able to build and maintain relationships with customers over the long term. As a result, for approximately 30%*1 of our cardholder base, the EPOS card was their first ever credit card. In addition, we encourage cardholders to upgrade to Gold cards, which feature no annual fees, based on their usage frequency and purchase amounts. Approximately 25% of cardholders currently carry Gold or Platinum cards.

*1 Source: Epos Card Co., Ltd.

New Connections with Customers Formed through Anime

In the fiscal year ended March 31, 2017, the ratio of new EPOS cards issued to people age 39 and below was 52%. This ratio was 84% with regard to anime-inspired collaboration cards, illustrating how these cards are helping us form new connections with customers in younger generations. The newly launched GODZILLA EPOS CARD helped the number of anime-inspired cards issued reach 7,000 in October 2017, representing 13% of all cards issued in this month.



Gintama EPOS CARD
©HIDEAKI SORACHI/SHUEISHA,
TV TOKYO, DENTSU, BNP, ANIPLEX



GODZILLA EPOS CARD
TM&©TOHO CO., LTD.

Cardholders by Age

EPOS Card



■ Age 39 and below	52%
■ Age 40 and above	48%

Industry*2



■ Age 39 and below	26%
■ Age 40 and above	74%

*2 Source: Consumer Credit Statistics from Japan (2016), Japan Consumer Credit Association



Message from an Employee

MARUI GROUP started a collaborative campaign with Toho Co., Ltd., to commemorate the release of *Godzilla: Planet of the Monsters*, which included the opening of the world's first official GODZILLA shop. In addition, the newly launched GODZILLA EPOS CARD proved immensely popular, with more than 4,000 cards issued in the first month after its launch. I look forward to planning more campaigns that excite customers.



Sho Yoshioka

Anime Business Department
MARUI GROUP CO., LTD.

Realization of a Japan that is Welcoming to Non-Japanese Residents

Recent surveys indicate that there are around 2.4 million non-Japanese individuals living in Japan. A new record has been set for this number in each of the previous four years amid a recent rise in people immigrating to Japan from Vietnam, Nepal, and other emerging countries in Asia. However, such individuals can often face difficulty acquiring the necessary living essentials, for example, renting housing or applying for a mobile phone or credit card.



Issues Faced by Non-Japanese Residents of Japan

Non-Japanese individuals face difficulty in areas of normal life including renting housing, working, borrowing money, and utilizing payment services.



MARUI GROUP's Response

MARUI GROUP issued a credit card to support non-Japanese individuals in borrowing money and utilizing payment services as needed.

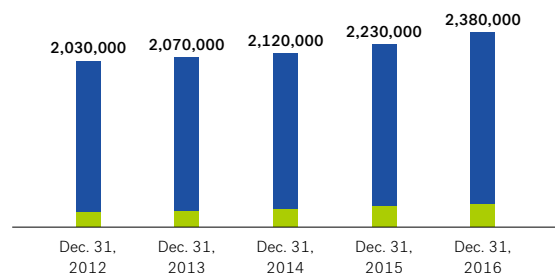
Issuance of Japan's First Credit Card Exclusively Available to Non-Japanese Residents

MARUI GROUP has embarked on a collaborative venture with Global Trust Networks Co., Ltd. (GTN), which specializes in providing comprehensive lifestyle support for non-Japanese residents of Japan. GTN works with the goal of hearing "I am happy to be here, Japan!" from all non-Japanese residents. This goal coincides with MARUI GROUP's own goal of realizing financial inclusion. Together with GTN, we have launched the GTN EPOS CARD, which offers services combining GTN's database of non-Japanese people with MARUI GROUP's credit card business platform. Holders of this card are supported by operating procedures that are tailored to the needs of non-Japanese individuals spanning from card application to credit services and inquiry response. Accordingly, this credit card is an ideal tool to help non-Japanese residents acquire the



funds and use the payment services needed for school, work, permanent residence, or other life patterns. As we support non-Japanese residents, we aim to issue 10,000 GTN EPOS CARDS over the first year after the card's October 2017 launch and a total of 70,000 cards in the card's first five years.

Number of Non-Japanese Residents of Japan



■ Non-Japanese residents ■ Foreign exchange students
Source: Statistics on Non-Japanese People Living in Japan, Immigration Bureau of Japan, Ministry of Justice



Message from a Business Partner

Union of MARUI GROUP's Strengths and GTN's Insight to Create New Contact Points

MARUI GROUP is earnest in its attempts to address the social issues of non-Japanese individuals facing difficulty receiving credit cards in Japan. When I first met with President Aoi and other MARUI GROUP representatives, I was quite impressed with their strong commitment to financial inclusion, which I felt was in the same vein as our desire to provide credit cards to non-Japanese people. MARUI GROUP also offers services that are highly convenient through its expertise in providing credit cards to younger generations, the real-life contact points it provides in the form of Marui stores located throughout Japan, and the more than 10,000 facilities affiliated with its EPOS cards. I am convinced that our alliance with MARUI GROUP will help us provide better service to our primary customers, non-Japanese residents of Japan and young foreign exchange students, and thereby realize our goal of hearing these individuals say "I am happy to be here, Japan!"



Hiroyuki Goto

President
Global Trust Networks Co., Ltd.

Concern for Money and the Future Among Younger Generations

Of the approximately ¥1,700 trillion worth of private financial assets in the country, only 6.6% are held by households headed by people in their 30s or below.*¹ Moreover, a survey has indicated that around 60% of people aged 18–39 are more focused on the future than on the present in terms of finances.*² This situation is seen as a social issue.

*1 Source: *Presentation on Inheritance Tax and Donation Tax*, Ministry of Finance, October 2015

*2 Source: *Public Opinion Survey Concerning People's Lifestyles*, Cabinet Office, June 2017



Social Issues Among Younger Generations

Vague concerns regarding money and the future are causing people in younger generations to give up on self-actualization.

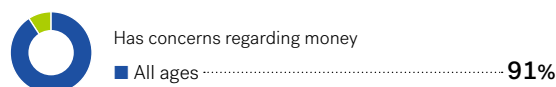


Support Offered by MARUI GROUP

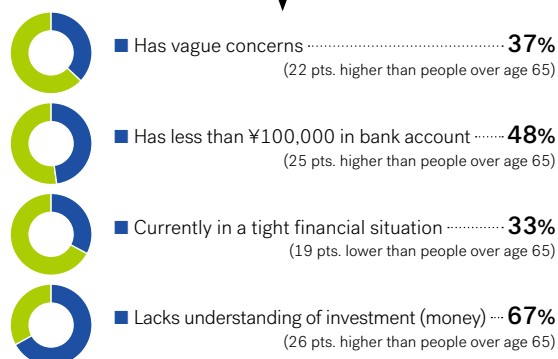
MARUI GROUP offers support for accumulating assets through financial services that allow people to learn about and increase money.

Faltering Younger Generations

MARUI GROUP conducted a survey regarding money of approximately 2,000 people, ranging from those in their teens to those in their 70s, to see how concerns for the future are manifesting in younger generations. This survey found that concerns regarding money are shared among all generations, with more than 90% of respondents admitting to such concerns. Among younger individuals aged 18–39, many indicated having vague concerns or being in a tight financial situation. These concerns were linked to insufficient knowledge regarding asset building, as indicated by around two-thirds of survey participants reporting a lack of understanding of investment (money).



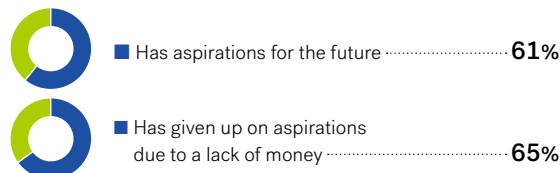
Responses from people aged 18–39



Source: Survey of 2,000 people aged 18–79 conducted by Macromill, Inc., September 2017

Younger Generations Giving Up On Self-Actualization Due to Concern for the Future

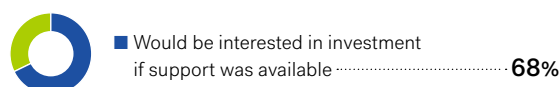
Although over 60% of younger generation respondents stated having aspirations for the future, nearly 70% had at one point given up on pursuing higher education or studying abroad due to a lack of money.



Source: EPOS cardholder survey of 1,000 people aged 18–79, October 2017

Support for Younger Generations

The majority of EPOS cardholders are aged 18–39. We therefore strive to support younger individuals interested in investment in accumulating assets by providing financial services that allow such individuals to learn about and increase financial assets alongside traditional payment services. By offering asset building services based on accurate financial knowledge, we aim to help resolve the social issue created by a concern for the future among younger generations while boosting earnings.



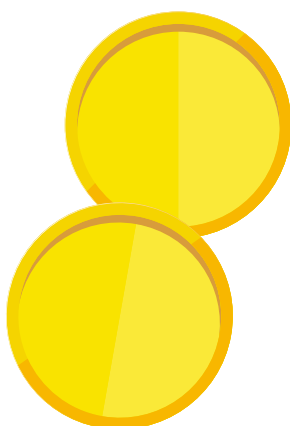
Source: Survey of 2,000 people aged 18–79 conducted by Macromill, Inc., September 2017



Aya Maeno

Representative Director, Cras Inc.
Representative, FP Office will

Previous job: School nurse
Current job: Financial planner

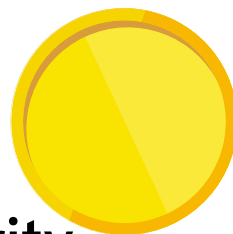


Satoko Abeshima

Previous jobs: Merchandise Planning Section,
Specialty Store Business Promotion
Department, MARUI CO., LTD.
Institute of Future Research,
MARUI GROUP CO., LTD.

Current job: Women's Shoes Section, Omni-Channel
Retailing Department, MARUI CO., LTD.

Dialogue 02



A New Form of Financial Security and Future Potential

As part of a Groupwide effort to provide new financial services, financial planner Aya Maeno was invited as a lecturer for a series of six financial seminars about people's relationship with money, with the first taking place in September 2017. Group employees applied to participate in these seminars on their own initiative, with each session being attended by 14 Group employees, who were separated into teams of seven. Employees were encouraged to leave titles, experience, and age at the door to foster a relaxed environment in which participants would be able to engage fully with finance, share their own concerns about money, and learn. In the following pages, we have compiled a dialogue between four employees that participated in these seminars and instructor Maeno.





Hiroyuki Nagata

Previous jobs: Store Support, Marui Family Shiki, MARUI CO., LTD.
Field and Men's Bags, Kichijoji Marui, MARUI CO., LTD.
Current job: Card Application Center, Kawasaki Marui, Epos Card Co., Ltd.



Yoshimi Takahara

Previous jobs: STUDIO1, Shinjuku Marui Main Building, MARUI CO., LTD.
EPOS Cardholder Recruitment, Marui City Yokohama, Epos Card Co., Ltd.
Current job: Business Promotion Division 2, Business Promotion Department, Epos Card Co., Ltd.



Kenta Murayama

Previous jobs: Editing Section, Shoes Business Division, MARUI CO., LTD.
Women's Shoes, Marui City Yokohama, MARUI CO., LTD.
Current job: Sales Representative, Marui City Yokohama, MARUI CO., LTD.

Decision to Participate in Financial Seminars

Aya: Please tell us your reasons for participating in the financial seminars, specifically, what inspired you to join. Also, for this discussion I would like to maintain the same relaxed environment as in the seminars.

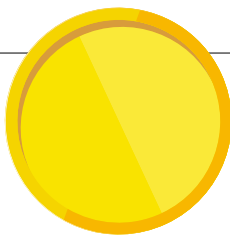
Hiroyuki: Hello, my name is Hiroyuki, and I will be representing the "in their 50s" crowd. The laidback atmosphere of the seminars was refreshing. I was previously positioned in the Group's credit card company, after which I gained experience on the sales floor at Marui stores. Today, I sell insurance products at an EPOS card application center. I want to be able to recommend products that I truly endorse to customers. I therefore chose to participate in the financial seminars with the aim of studying finance from square one.

Kenta: The majority of my 25 years of work experience have been spent on the Marui sales floor. Recently, I have come to feel that I could better bring joy to customers if I were able to offer them a little advice regarding money or lifestyles. When I was a kid, nobody taught me about money, and I would get strange looks from adults if I spoke of it. Regardless, money is an incredibly important part of living in society. I decided to take part in the seminar because I wanted to learn about money as soon as possible to prepare for having kids or other changes that could occur over the course of my life.

Satoko: MARUI GROUP is promoting the concept of financial inclusion. This idea really resonates with me.

I hope one day to be involved in finance, and this is what inspired me to participate in the seminar. I am currently engaged in developing private brand shoe products. At the moment, we are expanding the range of sizes of our shoes and otherwise working to make our shoes available to everyone. However, in this quest it becomes easy to overthink things. I started studying financial planning with the aim of broadening my perspective, but I could not see it as relating to me, which kind of left me feeling unsatisfied. Hearing Aya's lecture on the idea of thinking backward from one's goals in life really opened my eyes. I now want to tell those around me about how I found happiness through the seminar and to help them build a better future for themselves.

Yoshimi: At Epos Card, I am responsible for outside partner facilities. I have thus taken part in deploying EPOS cards at non-Marui commercial facilities in Tokyo as well as in locations from Hokkaido to Kagoshima. I have always had an interest in finance. This interest grew deeper after I read a book entitled *The 100-Year Life*. When I plotted my own 100-year life plan, I realized that I would run out of money if I did not change how I live. In addition, the seminars coincided with my getting married. I decided to participate so that I could thoroughly examine how much money would be needed now that I am not alone. I had previously thought that I was the only one who lacked knowledge about money. However, I now know that the things that give me concern or that I do not understand with regard to the life



stages I will undergo in the future are likely to be the same for other people. If I study and get involved with finance myself, I should be able to explain these matters to our customers.

Aya: When you experience something yourself, you exhibit a new passion when explaining it to others. It makes it easier to explain your passion to others when you make new and edifying discoveries or realize something you did not understand before.

Money Across All Areas of One's Life and for Shaping the Future

Aya: In the past, money could only be viewed in terms of specific applications; you buy insurance from insurance companies, deposit money in banks, invest through securities firms, and purchase homes through real estate companies. There were no means of looking at money across all areas of one's life. People at MARUI GROUP, however, possess such a means in the form of their connections with customers. Moreover, they are able to engage with these customers in a face-to-face manner. This vantage point allows people at MARUI GROUP to move beyond simply talking about money in terms of household finance or investment and act as partners that help give form to the concept of money as it pertains to one's lifestyle or life.

Satoko: I think the idea of viewing money in terms of all areas of one's life is very important. After participating in this seminar, I started discussing the future with my family. This may be a bit of an exaggeration, but I have come to think that talking about money can help people shape their future. Realizing this has given me a new sense of contentment.

Aya: I am also fond of the idea of money being used for "shaping." When I first spoke with President Aoi, I remember being moved by his talk of how MARUI GROUP sees all of its business assets as being borrowed from society. People may mistreat the things they see as belonging to them, but they will be more careful in their treatment of the things they borrow, striving to return them in a better condition than when borrowed. I believe that increasing the number of people who think about their lives and money is tantamount to returning borrowed assets to society after shaping a better future for them.

Hiroyuki: Customers come to Marui stores because they hope to find something good there. In the past, this was furniture and fashion. Today, we have grown to offer



financial services and peace of mind. There are a lot of older customers who still associate Marui stores with younger generations or with clothes. I think all we need to do is to tell them what Marui is offering now, which I'm sure will change how they view our stores.

Aya: It would seem that, no matter how the products MARUI GROUP handles may change, the desire of employees to help customers and contribute to their happiness, which lies at the core of the Company's activities, will remain unchanged. As Marui stores are open at night and on weekends, customers can go whenever they please without feeling as though that time is "lost." This fact makes visiting Marui stores a positive experience. Another strength of MARUI GROUP is that it can inform customers, even those that are not currently concerned with money, about the seminars it offers or the systems it will introduce.

Kenta: What will change going forward is the products we offer, not the desire to help our customers that has always driven us. I look forward to increasing the range of opportunities for customers to discuss money with ease going forward. To those of us at MARUI GROUP, the ability to issue credit cards on-the-spot in stores seems completely normal, but it is actually something that is quite impressive. It would be even more impressive if our next step found us supporting the lifestyles of customers.

Yoshimi: EPOS cards are not only issued at MARUI GROUP stores; we also have application centers in other commercial facilities located throughout Japan. The scope of our EPOS card operations will continue to grow in the future. If employees have a better grasp of financial concepts, they will be able to provide customers with

a wider range of information. I think the type of financial information MARUI GROUP staff will offer customers will not be difficult to understand, but will rather unlock new possibilities for them.

Joy Brought About by Financial Inclusion

Satoko: Most people have concerns regarding money, even if these concerns are vague. These concerns linger in the back of their minds, but they are often unable to take the initiative to resolve them. If we could provide an easy opportunity for them to address these concerns in an atmosphere of trust, it would contribute to co-creation and to a greater sense of happiness.

Kenta: By learning about finance, I came to understand how money should be invested and saved and how to live a happier life. I really think that money is integral to our lives. Questions about money differ from, for example, questions about clothing, which one can now answer for themselves simply by using the Internet. When it comes to money, many people, myself included, are not very knowledgeable. I am therefore confident that customers will take an interest in these topics.

Aya: The focus should not be the financial products themselves, but the mission these products are meant to fulfill. This approach will better contribute to customer happiness and to forming bonds.

Yoshimi: Such an approach would no doubt help us resolve customer issues. In fact, it would enable us to assist customers in a very direct manner.

Hiroyuki: I have long thought that good customer service was a form of added value. If we could go even further and provide services with even greater value, it would be something truly impressive. Such services would make our work more enjoyable by providing more opportunities to offer customers the type of advice that will truly help them and that they will fully appreciate. I want to begin giving customers financial advice as soon as possible so that I can help them live content lives.

Aya: One day, customers may come to speak enthusiastically of all they learned when visiting a Marui store on topics including credit cards, retailing, products, household finances, and investment. This excitement itself will be a form of financial inclusion. After helping a customer revise their insurance policy, for example, MARUI GROUP employees could go a step further to suggest that they invest the extra income the revision freed up for use after retirement or utilize this income to go on a family trip. Such proposals would make customers more proactive toward money. Wouldn't that be exciting? Moreover, such proposals would build trust with customers while bringing the employees making the proposals more joy in their work. No matter how much specialized knowledge a financial planner may possess, they still have to wait for customers to come to them. Marui stores, meanwhile, have always been a viable way to connect with customers in their real lives. This means that you can offer consultation to customers in a place that they are very familiar with. As a financial planner, I believe this ability is an amazing asset that is unique to MARUI GROUP.



Aya Maeno

Representative Director, Cras Inc.
Representative, FP Office will

Previously a junior high school and high school nurse, Aya Maeno later got married, left this career, and bought a home. She became a financial planner after her spouse's insurance provider went bankrupt, and has obtained CERTIFIED FINANCIAL PLANNER® status and is a 1st-grade Certified Skilled Professional of Financial Planning accredited by the Japan Association for Financial Planners. Ms. Maeno specializes in providing working women and families raising children with a sense of financial security and an understanding of the potential of money by offering invaluable advice. Each year, she holds more than 120 seminars and consults with over 300 people on an individual basis. Moreover, Ms. Maeno has penned numerous works, including the textbook used in MARUI GROUP's financial seminars, which is aimed at people committed to reforming their household finances. More recently, she has been overseeing the section of Epos Card's insurance site that features comics explaining insurance. www.fp-will.jp/ (Japanese only)

Workplace Inclusion Generating a Capacity for Innovation

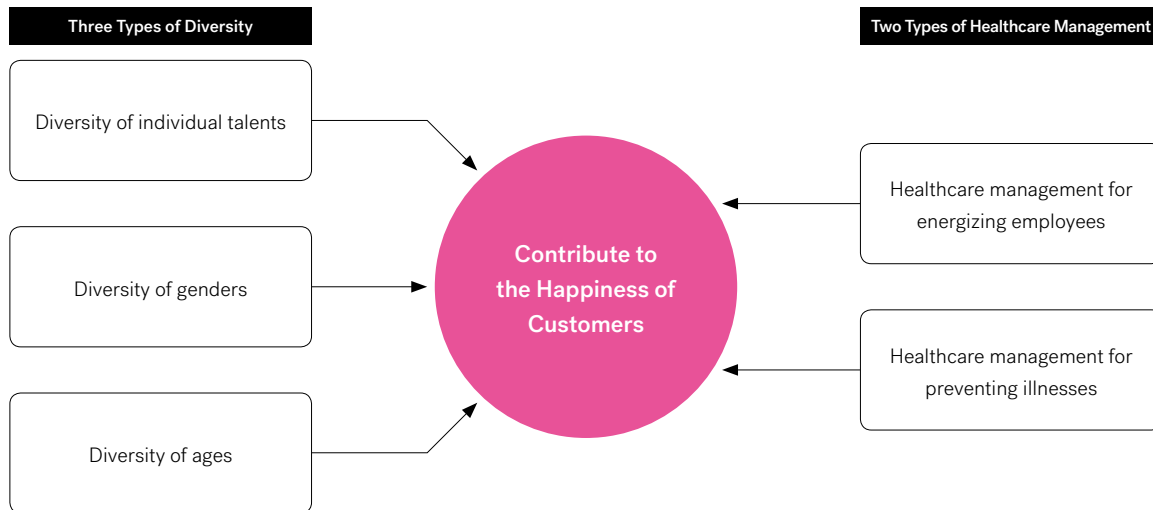
As part of its efforts to help build a flourishing and inclusive society that offers happiness to all, MARUI GROUP is promoting customer diversity and inclusion. At the same time, we have expanded the concept of “inclusion” to encompass employees. We therefore also encourage workplace inclusion with the aim of generating a capacity for innovation through receptiveness toward diverse workstyles and values.



Venues Through Which All Employees Can Excel

Each of the approximately 6,000 employees working for MARUI GROUP is a precious human resource that has been borrowed from society. Based on MARUI GROUP's corporate philosophy of striving to “continue evolving to better aid our customers” and “equate the development of our people with the development of our company,” we aim to provide all employees with venues through which

they can excel. We thus strive to cultivate a workplace environment that is conducive to generating innovation and is characterized by mutual understanding among all employees, regardless of their age, gender, lifestyle, or sexual orientation. Through these efforts, we will foster a corporate culture that furthers employee growth and creates venues that provide opportunities to everyone.



Total Group Employees
45.1% female, 19 years of average consecutive service, average age of 42

5,732
As of March 31, 2017

Ratio of Employees Changing Positions
Five year aggregate total of 1,833 employees changing positions

34%
From April 2013–April 2017
(excluding officers and managers)

Group Employee Turnover Rate
Turnover rate greatly lower than the averages for the retailing and financial industries

2.6%
Fiscal year ended March 31, 2017
(excluding mandatory retirement)

Development of an Organization that Utilizes Diversity

Each of MARUI GROUP's approximately 6,000 employees is different. We believe that innovation is assured when these employees are accepting of the differences in others and are able to unite with an eye toward social change and demand. We clearly defined our intent to encourage diversity in the medium-term management plan launched in the fiscal year ended March 31, 2015, and have thus been promoting diversity with regard to individual talents, gender, and age.



Social Backdrop for Promoting Diversity

The significant changes in the social climate are stimulating transformation in the values of individuals and driving the diversification of customer needs.



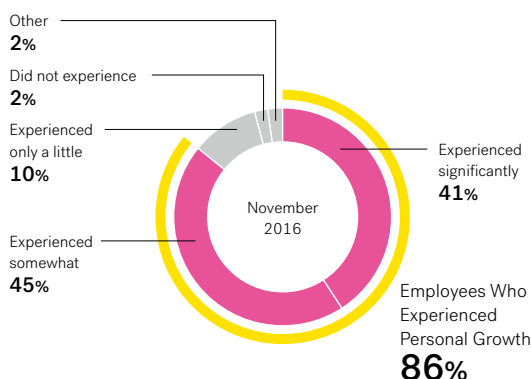
Diversity in MARUI GROUP

MARUI GROUP is promoting diversity with regard to individual talents, gender, and age in order to develop workplaces that are fertile grounds for innovation.

Profession Change System for Breaking Away from Preconceived Notions

MARUI GROUP offers a shared, Groupwide human resources system through which employees can undergo profession changes between Group companies to foster diversity of individual talents. As of April 2017, 1,833 employees, or roughly 34% of our entire employee base, had experienced profession changes through this system. Being placed in a new profession can kindle a fresh sense of curiosity and allow employees to escape preconceptions. Such transitions are not only beneficial for the employees undergoing profession changes, but also for the new workplaces in which they are placed. Through this system, we aim to cultivate employees that embody a customer-first mentality and are adept at responding to change in order to make the Group a more fertile ground for innovation.

Employees Experiencing Personal Growth After Profession Change



Corporate Culture Encouraging Autonomous Thought and Action

MARUI GROUP has established three official Groupwide project teams: the Marui Future Project Team, the Healthcare Management Project Team, and the Diversity Project Team. Members for these project teams are chosen through an open application system. The members change on an annual basis, producing a new set of autonomous employees with increased knowledge and awareness each year.



Revision of Human Resource and Evaluation Systems and Labor Agreements

A Groupwide committee was assembled in December 2015 to examine the Group's human resource and evaluation systems. To date, this committee has held discussions on the implementation of these systems and their quantitative and qualitative targets with a total of 2,600 representatives from the employee base and from the Personnel Division. Based on these discussions, we launched new systems centered on value evaluations, which assess employees based on the sensibilities necessary for exercising our management philosophy and how well they are suited to each position, and performance evaluations, which look at the results of teams over a given period.

In addition, labor agreements were updated to include a clear declaration that individuals are not to suffer discrimination on the basis of sexual identity or sexual orientation. Moreover, an internal helpline was established to allow employees to receive consultation with regard to LGBT issues. This helpline adds to the existing external helpline.

Healthcare Management Underpinning Personal Growth

MARUI GROUP practices healthcare management through coordination between the activities of the Health Management Division and the health insurance union. We focus on preventive healthcare management aimed at avoiding illness and also proactive healthcare management for energizing and motivating employees. We thus encourage employees to change their attitudes and behaviors to further improve corporate value and contribute to society through higher productivity.



Standard Corporate Health Measures

Activities are primarily focused on preventive measures for protecting employees from lifestyle diseases, mental health issues, and other illnesses.



MARUI GROUP's Healthcare Management

MARUI GROUP aims to prevent health issues in employees while also energizing employees and motivating them in their work.

Enhancement of Proactive and Preventive Healthcare Management Activities

MARUI GROUP has launched a project for linking employee health to increased corporate value and fostering a corporate culture characterized by unified efforts across the Company. This project is spearheaded by members of the Health Management Division, Personnel Division, divisions related to MARUI GROUP's health insurance union, and the Advisory Board to enhance the Group's healthcare management activities.

Resilience Program for Improving Awareness Beginning with Senior Management

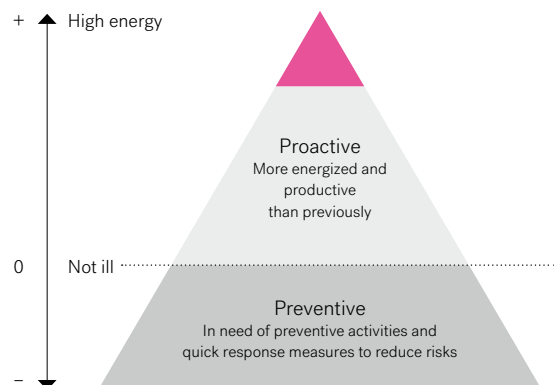
The understanding of senior management is necessary to enable employees to become more energized and motivated in their work. MARUI GROUP has implemented the Resilience Program to encourage members of senior management to develop lifestyle patterns that increase

their energy with regard to their body (with a focus on diet, exercise, and sleep habits), mood, mental state, and thinking. In addition, evaluations are conducted through feedback from the participants, their subordinates, and their family to analyze data on the participants' own energy levels and their influence on others.

Healthcare Management Project Team Comprising Employee Volunteers

One of MARUI GROUP's three official Groupwide project teams, the Healthcare Management Project Team was launched in November 2016 to encourage employees to think through the lens of health and act accordingly in order to become more energized and deliver their best possible performance. Members are recruited through open application from among all Group employees. The selected members learn about an approach to healthcare management that is unique to MARUI GROUP over the course of a year.

Two Types of Healthcare Management



Message from an Employee

I am currently a member of the Healthcare Management Project Team. As participation is voluntary, all members are very passionate about the project team's activities. I could feel our growth as we became more autonomous in thought and action. I hope to help employees throughout the Group feel more energized in their work by transmitting what I learned to my workplace and by supporting future project team members to further entrench healthcare management practices.



Mari Shiraiwa

Healthcare Management Project Team
Sales Promotion Division
Commercial Facility and
Advertisement Department
AIM CREATE CO., LTD.

Investments in Human Resources to Stimulate New Growth

MARUI GROUP recognizes the growth of employees that are committed to helping others as the source of all the value it creates. Accordingly, we strive to foster a corporate culture that is respectful of diverse values and in which all employees can feel energized and continue growing. At the same time, we are committed to cultivating the human resources that will shape the future through proactive investments in recruiting and developing human resources.



Perspective of Investors

A company's approach toward evaluating and tracking human resource investments is an important indicator of that company's ability to execute strategies.



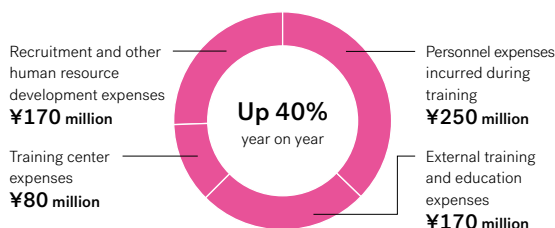
MARUI GROUP's Response

We conduct proactive investments in recruiting and developing human resources as we recognize them as the greatest driver behind the creation of corporate value.

Monitoring of Investments for Recruiting and Developing Human Resources

Recognizing that human resources are the greatest driver behind the creation of corporate value, MARUI GROUP conducts investments in the recruitment and development of human resources. These investments are forecast to total ¥670 million in the fiscal year ending March 31, 2018, an increase of 40% year on year.

Human Resource Investments (Forecasts for FY2018)



Future Leader Development Program

The Co-Creation Management Academy is one facet of the Company's succession plan. Participants in this program are submitted to a one-year training curriculum developed under the guidance of Mikiharu Noma, Associate Professor at the Graduate School of International Corporate Strategy of Hitotsubashi University and external directors to instill in them a management perspective. Each year, around 20 candidates are selected from among volunteer applications. The goal of the Co-Creation Management Academy is to continuously cultivate the future leaders that will support MARUI GROUP's management going forward.



Medium-Term Management Visionary Committee

The Medium-Term Management Visionary Committee is a forum for discussing various topics that will be important to the future of Group management. Meetings of this committee are convened almost every month and are focused on themes based on a medium-term perspective that looks three-to-five years down the line. At meetings, active discussion is conducted among the some 320 members that are selected from the approximately 1,000 applications received for each meeting. Furthermore, we regularly invite outside lecturers to conduct special lectures.



Internships for Recruiting Promising Future Employees

MARUI GROUP is ramping up its internship programs, which are aimed at recruiting promising future employees that are receptive toward the Company's corporate philosophy. Valuing opportunities to interact with diverse students interested in retailing as well as in finance, IT, technology, and other areas, we have organized internship programs that enable interns to experience the breadth of MARUI GROUP's wide-ranging operations. In the fiscal year ending March 31, 2018, we will hold internship programs spanning a total of 70 days. The number of participants is expected to reach 480.



www.0101maruigroup.co.jp/recruit/internship/ (Japanese only)

www.0101maruigroup.co.jp/recruit/2018newgraduate/guideline/seminar.html (Japanese only)



Dialogue 03



Diversity Cultivating Innovation

Many of MARUI GROUP's employees have experienced various professions.
As these employees undergo successive relocations among Group companies,
MARUI GROUP moves closer to becoming a "multi-career" organization in which diverse work experiences
are made available within a single conglomerate.

This is one of MARUI GROUP's approaches toward promoting diversity, the aim of
which is to bring greater joy to customers. Innovation expert Akie Iriyama was invited to discuss
MARUI GROUP's view of diversity with External Director Etsuko Okajima and President Hiroshi Aoi.

Etsuko Okajima

External Director
MARUI GROUP CO., LTD.



Akie Iriyama

Associate Professor
Graduate School of Business and Finance
Waseda University



Hiroshi Aoi

President and Representative Director
Representative Executive Officer
MARUI GROUP CO., LTD.



Diversity and Profession Changes for Breaking Away from Identity Formed by Past Successes

Aoi: I would like to explain the background that led to our decision to promote diversity and workplace inclusion. Over the period from the late 1980s to the collapse of Japan's bubble economy, MARUI GROUP found its business to be a perfect match for the operating environment, and we were thus able to accrue massive success over a short period of time. After the bubble collapsed, however, we suffered a period of extreme stagnancy. Our past successes had solidified the concepts of younger generations, fashion, and credit cards as aspects of MARUI GROUP's identity, and we thus found ourselves unable to break away from this identity to create new innovation. We had around 30 stores at that time. By undertaking a drastic transformation in our business model, we had been successful in changing the lineups and customer service approach of sundry item sales floors in areas relatively close to entrances. For some reason, however, we were unable to make similar changes to the menswear, children's clothing, and sporting goods sales floors on upper levels of stores. Upon examining this inability, we realized that the sales floors in which we failed to implement changes were also dealing in items that we saw as areas of strength for MARUI GROUP, areas to which sales representatives had devoted themselves for decades. Sundry item sales floors, meanwhile, were where new employees were positioned, meaning the staff of these sales floors changed frequently. We thus had to realize that working in the same place for a long time can cause one's past successes to become a part of their identity. If we were to introduce a system that allowed employees to move

between all sales floors with the same conditions, the organization should become a more fertile ground for innovation. This thought was what led us to introduce the profession change system, which we see as contributing to workplace diversity.

Okajima: Five years have passed since the introduction of the profession change system, and, to date, 34% of the Group's employees have taken advantage of this system. When the system was first introduced, there were those who expressed concern that relocation to a new division, where they lacked experience or insight, would result in lower results on their performance evaluations.

Aoi: Employees were worried at first, some feeling as though the system was a rejection of their career up to that point. However, when people got used to the system, they began to see that their past experience would indeed be beneficial at new workplaces. When this realization spread, employees started to feel that they might be more likely to miss out on opportunities by not undergoing profession changes.

Iriyama: I assume that new workplaces are not chosen at random. Do you ever assign employees to posts that are drastically different from their previous position? Can you think of any examples of employees undergoing such drastic position changes?

Aoi: Recently, we reallocated the responsibilities of two managing executive officers. One was responsible for retailing operations while the other handled finance operations. These roles were reversed.

Iriyama: That was a very bold decision. A swap in positions between individuals respectively responsible for retailing and credit cards is an intriguing development. I have no doubt that it will prove beneficial.

**New innovations and ideas
are created through
combinations of knowledge.**

Akie Iriyama





**The interesting thing about
MARUI GROUP employees is how
they view their position as less
a job and more of a membership.**

Etsuko Okajima

Innovation Created Through Combinations of Knowledge

Iriyama: A diverse range of employees is vital to innovation as doing something new is the essence of innovation. New innovations and ideas are created through combinations of knowledge. In other words, fresh combinations of knowledge that had previously been seen as unrelated give rise to new ideas. Moreover, there is a limit to a range of things that one person can perceive. If one works in the same industry, or in the same place, decade after decade, they will start to lose sight of things unrelated to their position, and no new combinations of knowledge will be born. Making new combinations requires that individuals seek out fresh knowledge in areas removed from the familiar. The fastest way to facilitate new combinations is to assemble individuals with differing insight, experience, and values within a single organization. Another consideration is the diversity of individual talents, or intrapersonal diversity. Looking at Ms. Okajima and myself, for example, we can both, essentially, be seen as contributing to diversity because putting us together will result in new combinations of knowledge. Similarly, if one person has a diverse career background consisting of multiple different positions, that person can produce new combinations of knowledge on their own. In this manner, I understand the goal of promoting diversity as facilitating innovation.

Okajima: In the same vein as what you said, MARUI GROUP's profession change system is an important means of increasing intrapersonal diversity. This system has expanded the range of subjects on which the Company's employees are versed, which proves beneficial when engaging in co-creation with customers.

Aoi: I thought the same thing four years ago, when we joined hands with Ms. Okajima and stepped up our efforts to promote diversity by empowering female employees. Gender diversity is, of course, important. However, I felt that there was a need to look further into this subject in order to help individuals develop varied careers and viewpoints to facilitate innovation. When I explained this

to Ms. Okajima, she stated that what I spoke of was "the diversity of individual talents." Accordingly, MARUI GROUP is currently promoting diversity in terms of employee gender, age, and individual talents.

Iriyama: Intrapersonal diversity brings with it additional benefits. When a person with a diverse career background becomes receptive toward the diversity of others in light of their own diverse background, they will become more inclusive. At the same time, prosocial motivation makes it easier to adopt other viewpoints, which in turn contributes to increased creativity.

Aoi: Given the fact that our business operates in the retailing and service industries, a lot of our employees are very social. Moreover, many of them find motivation in bringing joy to others and are gifted with a strong sense of empathy and a proficiency in understanding others. For this reason, they are compelled to place the customer's feelings before their own.

Okajima: The idea of cooperating with and considering the feelings of customers are common sentiments held by everyone at MARUI GROUP. Bearing similar sentiments, higher ranked employees are committed to supporting younger employees who are ambitious toward forming their plans and endorsing ideas that are beneficial to customers. This receptiveness and ability to think of others that is present in MARUI GROUP employees is a result of customers being positioned as the point of origin for the Company's entire business.

Aoi: Utilizing the sensibilities and ideas of younger employees requires that the Company feature a diverse range of age groups. If we are to help younger employees excel at the forefront of operations, the members of management who used to stand above them and issue orders will have to sit back in a more supporting role for these employees. I was initially concerned about whether or not this role reversal would be successful. However, as Ms. Okajima said, those of us at MARUI GROUP have always been devoted to cultivating people and are therefore happy to play a supportive role. The transition was smooth as a result.



Okajima: Even if one's position or role is reversed, people at MARUI GROUP seem to have no problem accepting their new role as their mission. I think this stems from the principle of and desire to serve the customer, which is so entrenched within the organization.

Active Mission Rather Than Passive Business Model

Okajima: The interesting thing about MARUI GROUP employees is how they view their position as less a job and more of a membership. What I mean to say is that, rather than seeing themselves as engaged in the "job" of fashion or of sales, employees at MARUI GROUP want to work at the Company and provide value to customers, making them feel affiliated with MARUI GROUP as members. At the moment, the amount of floor space at Marui stores devoted to fashion has been reduced to less than 30%. Regardless, we have not seen any employees leave their position because they were committed to working in fashion.

Aoi: Changing a business model is something that can be done with a little effort. However, as it is people who utilize this business model to create value, this change will be pointless if we cannot get people behind it. At the time when we were still clinging to a sense of identity formed by past successes, there were many people who joined MARUI GROUP out of a love of fashion. Still, I have heard stories of such people reflecting on why they joined finding that, while fashion was the initial reason, their source of motivation later became the memory of a "thank you" received from a certain customer they served or the bouquet they received when undergoing relocation. These sentiments are fueled by a desire to help customers or to tackle challenges in order to become more capable at serving. Discussion on these subjects brought us to the business model we have today.

Iriyama: In management theory, we speak of the concept of sensemaking, which is the process of giving meaning to experiences. One method of sensemaking is formulating a long-term vision to clearly define the purpose of the company, crafting a narrative around this vision that gives meaning to all employees. Without this type of sensemaking, people will not be motivated to change or act. My understanding is that, when reexamining what exactly it is that MARUI GROUP offers, the Company glimpsed a long-term vision. This vision showed that the Company need not limit itself to fashion. MARUI GROUP is not defined by retailing or fashion or credit cards, but rather by its ability to bring joy to customers—not by a

passive business model but by an active vision. While the business model, represented by retailing or fashion or credit cards, may change, the mission of bringing joy to customers will remain unchanged.

Aoi: I am often asked whether MARUI GROUP is a retail company or a finance company. This question is so common that we chose to answer it on the cover of *Co-Creation Management Report 2017*. The answer is "both." Today, we do not see ourselves as being bound by a business model.

Okajima: The graduates that will join the Company in the future will likely only be aware of a limited range of positions. By allowing these individuals to experience various jobs and positions, they may, for example, discover that they have a love of finance.

Iriyama: What you are saying is that MARUI GROUP is a company that seeks to make its customers smile. It doesn't matter what industry it operates in or what products it handles. This is why you were able to enter into the anime business.

Aoi: When viewed from the outside, our profession change system may seem like it entails relocations that are tantamount to moving to a completely different company. However, this system is more designed as a program to allow employees to experience various jobs while remaining in the safety net provided by being a Group employee. By enabling employees to experience a diverse range of positions while enjoying the changes this brings, we aim to stimulate growth, in both people and the Company, so that we can become more proficient at making customers smile.

Akie Iriyama

Associate Professor
Graduate School of Business and Finance
Waseda University

Akie Iriyama graduated from the Faculty of Economics at Keio University and then went on to complete a master's course in the Graduate School of Economics at the same university. After working as a consultant to automobile manufacturers and domestic and overseas governance institutions at Mitsubishi Research Institute, Inc., he received a Ph.D. from the graduate business school of the University of Pittsburgh, in the United States, in 2008, which was also the year he began serving as an assistant professor at the business school of the State University of New York at Buffalo. In 2013, Mr. Iriyama became an associate professor at the Graduate School of Business and Finance at Waseda University, specializing in strategic management and international business. Published in 2012 by Eiji Press Inc., his work *Sekai no Keieigakusha wa Ima Nani wo Kangaeteirunoka* ("What are the Manage Theorists of the World Thinking?") became a best seller. Mr. Iriyama is also active in other forms of media, including the DIAMOND Harvard Business Review, which publishes a long-running series of articles entitled *Sekai Hyojun no Keiei Riron* ("World-Standard Management Theory").



Millennials Slated to Drive the Future of MARUI GROUP

Winning Customer Favor as Key to Future Growth

Markets are shrinking in Japan as the birthrate declines and the population ages. For this reason, inclusion initiatives targeting all customers are in line with the direction Japan itself will need to head in the future. These initiatives will therefore be key to the future growth of MARUI GROUP. Winning the favor of a wide range of customers will no doubt create results in the form of earnings. I hope to help MARUI GROUP in winning this favor by thinking about what we can do to aid customers and society, without being bound by existing frameworks, so that the Company can earn greater praise from society.

Nozomu Inose

Educational background:
Sports and wellness

Establishment of Inclusion as the New Standard

When I was in university, I had many opportunities to interact with differently abled individuals. These interactions made me doubt the validity of the established social dichotomy that divides people into the supported and the supporters. The concept of inclusion, I believe, can help us establish a new standard of including those who had previously been left behind as they are. MARUI GROUP's idea of co-creation management, which seeks to expand the intersection between the interests of stakeholders, is revolutionary. This approach gives MARUI GROUP, a single company, the potential to change all of society.

Kana Hase

Educational background:
Communications and media studies

Entry into the Business of Inclusion

MARUI GROUP's inclusion initiatives really resonate with me. In university, I studied base of the economic pyramid businesses. During my studies, I learned about Unilever, a company that makes a business of providing soap to people around the world. I thus realized that inclusion is not just social contribution; it is a viable business concept, a concept that will be crucial to the future growth of Japan. I hope that MARUI GROUP's inclusion initiatives will spread to other companies and throughout society, or even that the Company will come to lead all of Japan on this front.

Akiya Hamatsu

Educational background:
Humanities and social sciences



Job-Hunting Students Included Among Stakeholders

I was moved by the idea of co-creation management, which entails creating together with all stakeholders from the perspective of inclusion. When job hunting, most companies only supplied me with simple booklets containing information selected specifically for job hunters. MARUI GROUP, however, provided me with its co-creation management reports and co-creation sustainability reports. It was then that I realized how the Company sees us job-hunting students as included among stakeholders alongside investors and shareholders. MARUI GROUP was the first company to exhibit this sentiment.

Karin Sugie

Educational background:
Earth and planetary sciences

Bright and Fulfilling Future at Home and at Work

I felt an attachment to MARUI GROUP when I heard of how the Company was promoting customer diversity with a focus on age, gender, and physical characteristics. Such initiatives are rare among Japanese companies. I found it most appealing how business initiatives are shaped based on meetings with customers and how employees strive to bring joy to customers. At MARUI GROUP, I hope to continue working vigorously, eventually getting married, having kids, and growing into the type of person my kids can be proud of. I see such a bright and fulfilling future for me at MARUI GROUP.

Eri Ichikawa

Educational background:
Cultural and creative studies

Unique Corporate Culture Motivating Young Employees

During my internship at MARUI GROUP, I toured the head office as well as distribution centers located outside of Tokyo. There, I saw the Company's corporate philosophy of "continue evolving to better aid our customers" as a shared sentiment held by employees of all ages. I was also impressed with the Medium-Term Management Visionary Committee and other official project teams. Based on voluntary participation, these bodies were venues for growth and for dialogue with management. All of these are aspects of MARUI GROUP's unique corporate culture that contribute to the motivation of young employees.

Kei Sato

Educational background:
Cross-cultural studies



Reason for Joining MARUI GROUP

Sato: During my internship, I learned that MARUI GROUP was more than just a retailer; it also utilized IT to conduct credit card and omni-channel retailing operations. I therefore thought that MARUI GROUP would be a place at which I could grow by experiencing various positions as I develop my career. This is why I decided to join.

Hase: I had previously shopped at Marui stores and bought their private brand products. I was surprised to learn of the Company's unique business model and corporate philosophy. My reason for joining was how the underlying principle of aiding customers is treasured in all of MARUI GROUP's varied and differing businesses. I sensed an unwavering resolve in this commitment.

Hamatsu: I was, of course, convinced by MARUI GROUP's corporate philosophy and job description. However, the main reason I decided to join was simply that all of the employees were people I wanted to work with. During my internship, I felt that they were earnest in their approach to us students, looking to ascertain our individual qualities. The idea of finding a position that suits me through the profession change system and continuing to grow there was also highly appealing.

Sugie: I too felt that MARUI GROUP looked at us students as individuals, and it seemed like they chose who to hire based on who they truly wanted to work with. I liked how they positively evaluate people who are proactive. The fact that the Company values diversity is apparent. The importance placed on engagement is also

obvious. I thus joined because I felt like I could work here while being myself.

Ichikawa: During my internship and at discussion forums, I was able to interact with several MARUI GROUP employees, making me want to work with them. I was also attracted to MARUI GROUP's focus on serving customers and how the Company evolves its business together with the changing times.

Inose: I think MARUI GROUP is unique in the breadth of its business and the amount of importance it places on evolution and growth. I plan to go all out no matter which of the Company's businesses I find myself in, whether they be operated by Epos Card, AIM CREATE, MOVING, or another company, and to pursue unrelenting personal growth. I believe that no company will be more suited to my growth over the coming decades than MARUI GROUP.

Ambitions to Be Pursued at MARUI GROUP

Hamatsu: MARUI GROUP is transitioning its stores toward a shopping center model that generates real estate revenues. I believe this makes it so that the Company's business partners are also its customers. When thinking of how to help partners succeed in their business, I came to the realization that shopping center Marui stores need to offer more than just convenience; they must be able to provide more appealing value. I hope to get involved with people outside of MARUI GROUP as I work to serve customers.

Ichikawa: In addition to retailing, MARUI GROUP is also engaged in credit card and various other operations. I want to make as many people as possible aware of this fact. I also think that the try-on store scheme used with Rakuchin Kirei series of shoes is an amazing system. I hope to help spread this system throughout Japan.

Sato: I hope to spread the word about the wide range of sizes Rakuchin Kirei series of shoes and other products are available in, not just to Japanese people, but also to non-Japanese people and people visiting Japan. Also, I know a lot of people who do not realize that EPOS cards belong to MARUI GROUP. I hope to teach such people more about the Company.

Inose: MARUI GROUP has a corporate philosophy based on aiding customers as well as a wide-ranging business. I hope to further develop MARUI GROUP into a unique entity that earns society's praise by advancing the type of initiatives that only MARUI GROUP can. Rather than being satisfied with simply finding a job, I will strive to continue evolving. I am well aware of the importance of linking my own evolution to the evolution of MARUI GROUP.

Hase: MARUI GROUP is advancing a wide variety of unique and inclusive initiatives. I hope that such initiatives will become a common fixture in society in the future. Right now, MARUI GROUP's business is centered on the Retailing business and the FinTech business, but this too will likely change going forward. It is my goal to make MARUI GROUP into a company that people are happy to have around, no matter how society changes, by helping the Company implement various initiatives for serving customers.

Sugie: I am confident that MARUI GROUP's inclusion initiatives will become commonplace in society in the future. The coming era will be one in which businesses actively seek to include those who have previously been excluded. I hope that my generation will grow MARUI GROUP into a company that others continue to follow in this coming era of inclusion. I may have overspecialized during my university years, but I now feel like I have limitless potential. I plan to tackle all challenges head on going forward.



Maho Yamada

Educational background: Frontier media science

Enjoyment of Changes and Differences Experienced in Various Positions

My background is in mathematics, but the part-time job I started in my sophomore year of university taught me the joy of providing customer service face-to-face, making me want to get a sales job that is closely linked to customers. Realizing that MARUI GROUP was the most devoted to its customers, I chose to join the Company. MARUI GROUP offers various positions. I therefore hope to enjoy changes and differences as I experience positions that are suited to me.



Yuto Takeuchi

Educational background: Political science

Drive to Aid Customers from the Perspective of Inclusion

When I first started job hunting, I read MARUI GROUP's *Co-Creation Sustainability Report 2016*. I felt an immediate connection with the Company when I read the discussion between President Aoi, a differently abled individual, and a transgender person. Sensing that the concept of inclusion was entrenched throughout the Company, I decided to join. I had hoped to work at a company like MARUI GROUP, and soon it became the sole target of my job hunt. I feel incredibly motivated by being able to work in an environment that lets me search for ways to better aid customers from various perspectives.



Akari Mitsu

Educational background: Social services

Spread of Inclusive Values throughout Society

It was the appeal of MARUI GROUP's management stance of valuing all customers that inspired me to join the Company. I was particularly struck by the inclusive approach toward management demonstrated by initiatives at Hakata Marui based on input from differently abled individuals as well as the suit try-on event held for members of the LGBT community. MARUI GROUP does not see differently abled individuals and members of the LGBT community as the targets of volunteer activities or support drives, but rather treats them as regular customers. I think this approach will contribute to an inclusive society. I want to be in the business of spreading such inclusive values throughout society.

MARUI GROUP’s Four Core Themes

In November 2016, MARUI GROUP defined four core themes related to inclusion to guide it in its quest to help build a flourishing and inclusive society that offers happiness to all. Inclusion entails including and reaching out to all those who have previously been excluded, and this concept is congruent with the direction set by the principles of the United Nations Sustainable Development Goals (SDGs). Accordingly, MARUI GROUP aims to make proactive contributions to the accomplishment of these goals through co-creation with all of its stakeholders.

1

Core Theme

Customer Diversity and Inclusion

We will seek to develop products, services, and stores that bring joy to all customers, regardless of their age, gender, or physical characteristics.

1 NO POVERTY

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

10 REDUCED INEQUALITIES

11 SUSTAINABLE CITIES AND COMMUNITIES

2

Core Theme

Workplace Inclusion

Based on MARUI GROUP’s corporate philosophy of striving to “continue evolving to better aid our customers” and “equate the development of our people with the development of our company,” we will provide all employees with venues through which they can excel.

3 GOOD HEALTH AND WELL-BEING

4 QUALITY EDUCATION

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

3

Core Theme

Ecological Inclusion

We will develop eco-friendly businesses that are considerate of natural capital and propose ecologically sound lifestyles that are in harmony with nature and the environment.

7 AFFORDABLE AND CLEAN ENERGY

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

15 LIFE ON LAND

4

Core Theme

Co-Creation Corporate Governance

We will develop management frameworks that include stakeholders in order to achieve harmony between the interests and the happiness of all stakeholders.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

17 PARTNERSHIPS FOR THE GOALS

Process for Deciding Core Themes

STEP 1



STEP 2



STEP 3



STEP 4

Stakeholder Engagement

In identifying the expectations for MARUI GROUP as well as the themes it should prioritize, we held meetings with long-term investors, ESG-minded investors, sustainability experts, nonprofit organizations, and other stakeholders in the greater society as well as with customers, business partners, and Group officers and employees.

Identification and Organization of Social Issues

With a focus on co-creation management; the impact of this co-creation management on the economy, society, and the environment; and its relationship with our medium-term management plans and human resource strategies, we identified and organized the issues facing society while referencing internal and external guidelines, such as those of ESG-rating institutions, the Global Reporting Initiative, ISO 26000, the Sustainability Accounting Standards Board, and the International Integrated Reporting Council, along with the SDGs.

Management-Level Discussions and Decisions

At meetings of a committee headed by the president, a series of discussions were held among the relevant officers and divisions to decide four core themes pertaining to inclusion. Responsibility for these themes was assigned to the Sustainability Department and the ESG Promotion Department, and the themes themselves were disclosed in *Co-Creation Sustainability Report 2016* and in the sustainability section of MARUI GROUP's website.

Verification of Activities and Quantification of Results

Activities are verified at least once a year as we continuously practice engagement with stakeholders. Taking into consideration issues pointed out by stakeholders, we have been preparing a long-term vision based on the four core themes and are examining possible key performance indicators that can be disclosed with regard to those themes for which targets can be set.

Major Initiative Matrix



● Customer Diversity and Inclusion ◎ Workplace Inclusion ■ Ecological Inclusion ◇ Co-Creation Corporate Governance

Customer Diversity and Inclusion



MARUI GROUP's Vision

We will seek to develop products, services, and stores that bring joy to all customers, regardless of their age, gender, or physical characteristics.

Major Initiatives

Inclusive store development	With eyes to the year of the Tokyo 2020 Olympic and Paralympic Games, we are developing stores that are comfortable in terms of both facilities and customer service to provide enjoyable shopping experiences to all customers, including senior citizens, differently abled individuals, non-Japanese people, and members of the LGBT community, regardless of age or gender.
Inclusive product development	MARUI GROUP views product creation as the process of developing products that match the physical characteristics of customers. We are thus establishing development and sales frameworks for supplying products that benefit all customers, excluding no one regardless of their physical characteristics. We thereby seek to create new demand.
Financial inclusion	MARUI GROUP sees its mission as being to promote financial inclusion by supplying financial services to everyone. Accordingly, we strive to provide financial services that enrich the lifestyles of everyone, particularly the youths and young adults for whom existing financial services lie out of reach.

Please refer to the sustainability section of MARUI GROUP's website for more information. www.0101maruigroup.co.jp/en/sustainability/theme01/

Principal Data

Fiscal year ended March 31 or as of March 31	2013	2014	2015	2016	2017
Retailing business transactions (millions of yen)	—	—	—	341,478	326,327
Number of visiting customers (thousands)	184,620	186,030	186,650	195,560	207,100
Number of purchases (thousands)	76,760	80,150	83,480	91,720	90,610
Number of MARUI GROUP e-commerce site visits (thousands)	88,120	92,190	93,220	99,690	112,480
Sales of Rakuchin Kirei series shoes (millions of yen)	2,700	3,600	4,500	4,700	5,200
Number of employees with Service Care-Fitter qualifications*1	400	430	460	540	568
Aggregate number of employees (tenants) that have undergone LGBT manner training	—	—	—	75	500 (28)
Number of employees (tenants) that have taken the rank 3 Universal Manner Placement Examination	—	—	—	309	1,249 (4)
FinTech business transactions (millions of yen)	—	—	—	1,473,539	1,723,254
EPOS cardholders (of whom new) (thousands)	4,980 (720)	5,420 (710)	5,910 (730)	6,130 (730)	6,360 (740)
Ratio of EPOS cardholders aged 18–39 (%)	61.8	58.8	56.5	54.0	52.0
Income per card of EPOS cards (yen)*2	4,100	4,400	5,400	5,900	6,500
Ratio of active EPOS card users (%)	65.1	65.4	62.9	63.7	65.3
Ratio of delinquent debt for EPOS cards (%)	2.32	1.84	1.68	1.57	1.45

Please refer to MARUI GROUP's ESG DATA BOOKs for more information. www.0101maruigroup.co.jp/en/sustainability/lib/databook.html

*1 Based on employees as of April 1 of each year

*2 FinTech business operating income ÷ Active cardholders

Workplace Inclusion



MARUI GROUP's Vision

Based on MARUI GROUP's corporate philosophy of striving to "continue evolving to better aid our customers" and "equate the development of our people with the development of our company," we will provide all employees with venues through which they can excel.

Major Initiatives

Development of an organization that utilizes diversity	Each of MARUI GROUP's approximately 6,000 employees is different. We believe that innovation is assured when these employees are accepting of the differences in others and are able to unite with an eye toward social change and demand. We are therefore promoting diversity with regard to individual talents, gender, and age.
Healthcare management underpinning personal growth	MARUI GROUP focuses on preventive healthcare management aimed at avoiding illness and also proactive healthcare management for energizing and motivating employees. We thus encourage employees to change their attitudes and behaviors to further improve corporate value and contribute to society through higher productivity.
Investments in human resources to stimulate new growth	Recognizing that human resources devoted to aiding customers are the greatest driver behind the creation of corporate value, MARUI GROUP respects diverse employee values and is proactively conducting investments in the recruitment and development of human resources to cultivate an environment in which all employees can feel energized and continue growing.

Please refer to the sustainability section of MARUI GROUP's website for more information. www.0101maruigroup.co.jp/en/sustainability/theme02/

Principal Data

Fiscal year ended March 31 or as of March 31	2013	2014	2015	2016	2017
Total number of employees	6,101	5,966	5,918	5,899	5,732
Number of female employees	2,703	2,655	2,641	2,685	2,584
Number of male employees	3,398	3,311	3,277	3,214	3,148
Average age of employees	39.7	40.4	40.9	41.2	42.0
Average annual overtime hours per person	35	40	44	46	44
Ratio of employees changing positions between Group companies (%) ^{*1}	—	8	18	25	34
Employees working shortened hours for childbirth or childcare reasons (male and female)	266	312	345	416	473
Ratio of female employees returning to work full time after taking childcare leave (%)	45	36	55	66	81
Ratio of applicable male employees taking childcare leave (%)	0	14	54	66	94
Ratio of differently abled employees (%) ^{*2}	2.01	2.06	2.12	2.08	2.16
Employees injured by occupational accidents	117	74	87	100	76
Employee turnover rate (excluding mandatory retirement) (%)	2.8	2.3	2.0	1.6	2.6
Human resource investments (millions of yen) ^{*3}	—	—	—	—	474

Please refer to MARUI GROUP's ESG DATA BOOKs for more information. www.0101maruigroup.co.jp/en/sustainability/lib/databook.html

^{*1} Aggregate total of position changes in April and October of each year (only April for 2017), excluding officers and managers

^{*2} As of June 1 of each year

^{*3} Human resource investments of ¥670 million projected for the fiscal year ending March 31, 2018

3

Core Theme

Ecological Inclusion



MARUI GROUP's Vision

We will develop eco-friendly businesses that are considerate of natural capital and propose ecologically sound lifestyles that are in harmony with nature and the environment.

Major Initiatives

Integrated Group efforts to reduce environmental footprint	MARUI GROUP views all of its business assets as being borrowed from society. Based on this belief, all Group employees practice autonomy in expanding the scope of our socially beneficial activities and proposing fulfilling lifestyles steeped in the unique characteristics of MARUI GROUP. This objective is to be accomplished while advancing eco-friendly business activities.
Reduction initiatives related to private brand products	MARUI GROUP is addressing social issues by expanding its reuse initiatives, which include allowing customers to trade in products they no longer use for resale, and its reduction initiatives, which include reducing waste by preventing the creation of products that go unused due to not meeting customer needs.
Responsible procurement activities with business partners	MARUI GROUP recognizes that it has responsibilities as producer that span the entire value chain, which encompasses everything from raw material procurement through to product creation, sales, and disposal. Through co-creation with stakeholders, we strive to contribute to local communities while also going further to address human rights issues and improve work environments across the value chain.
Innovative services for reducing environmental impacts	MARUI GROUP shall utilize its unique platform, which combines its strengths in IT and logistics, in its Retailing and FinTech businesses to develop innovative services that deliver new forms of convenience, addressing social change and customer needs while also reducing environmental impacts.

Please refer to the sustainability section of MARUI GROUP's website for more information. www.0101maruigroup.co.jp/en/sustainability/theme03/

Principal Data

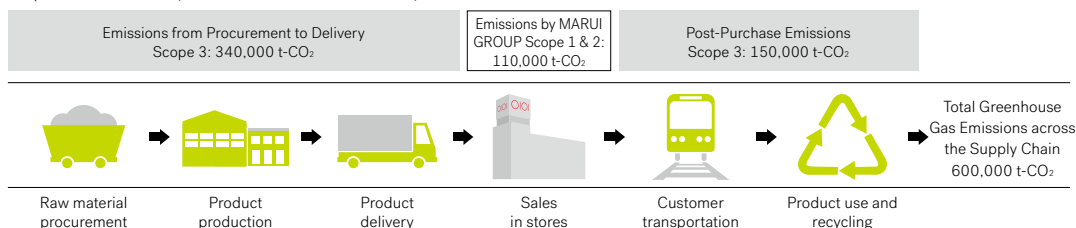
Fiscal year ended March 31 or as of March 31	2013	2014	2015	2016	2017
Greenhouse gas emissions (Scope 1) (t-CO ₂)	10,727	13,044	12,580	14,434	14,920
Greenhouse gas emissions (Scope 2) (t-CO ₂)	76,039	106,085	98,637	89,179	103,264
Greenhouse gas emissions (Scope 3) (t-CO ₂)	—	550,612	530,595	509,070	489,439
Greenhouse gas emissions per unit (per unit of operating income)	—	24.7	22.9	20.7	19.4
Energy consumption (GJ)	1,998,182	2,525,815	2,350,595	2,305,099	2,341,454
Total amount of renewable energy purchased or generated (thousands of kWh)	0	0	78	387	386
Total waste (tons)	13,240	13,620	13,390	12,900	15,039
Waste recycled (tons)	7,950	7,860	7,840	7,700	8,839
Ratio of waste recycled (%)	60	58	59	60	59
Waste sent to landfills (tons)	5,290	5,760	5,550	5,200	6,200
Business partners engaged in CSR procurement initiatives	—	—	—	—	20
Product carbon footprint	1	1	1	1	8

Please refer to MARUI GROUP's ESG DATA BOOKs for more information. www.0101maruigroup.co.jp/en/sustainability/lib/databook.html

Tracking of Environmental Footprint across the Value Chain

MARUI GROUP views all of its business assets as being borrowed from society, and is therefore promoting eco-friendly business activities through means such as combating climate change and preventing pollution in a concerted Groupwide effort. In addition, we recognize our responsibility as a producer to track our environmental footprint across the entire value chain, from the procurement of raw materials and product creation to the sale and disposal of products.

Scope 3 Emissions Data (Fiscal Year Ended March 31, 2017)



The Company calculates emissions volumes based on the *Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain*, released by the Ministry of the Environment and the Ministry of Economy, Trade and Industry. The results of Scope 3 emissions calculations have been confirmed by Mizuho Information & Research Institute, Inc.

Scope 3 Emissions Data

www.0101maruigroup.co.jp/en/sustainability/theme03/environment_01.html

Four Consecutive Years of Reductions in CO₂ and Other Greenhouse Gas Emissions

The Company has traditionally calculated emissions of CO₂ and other greenhouse gases based on Scope 1 and Scope 2 of the Greenhouse Gas Protocol, and it began calculating emissions under Scope 3 during the fiscal year ended March 31, 2014. We are thereby able to track environmental impacts across the entire value chain, including direct and indirect emissions from MARUI GROUP (Scope 1 and Scope 2) as well as emissions from raw material procurement, transportation, and products purchased by customers. Through this type of traceability that spans the entire value chain, we are advancing initiatives for reducing environmental impacts together with customers, business partners, communities, and society as a whole. These initiatives have helped us achieve four consecutive years of reductions in CO₂ and other greenhouse gas emissions.



Scope 3 490,000 t-CO₂ 80.5%
Emissions from raw material procurement, transportation, and products purchased by customers

Scope 2 100,000 t-CO₂ 17.0%
Emissions from operation of MARUI GROUP's stores and offices

Scope 1 10,000 t-CO₂ 2.5%
Emissions from transportation by MARUI GROUP vehicles

Third-Party Verification for CO₂ and Other Greenhouse Gas Emissions

In order to improve the reliability of the environmental information it discloses, MARUI GROUP began receiving third-party verification for its CO₂ and other greenhouse gas emissions from the Japan Quality Assurance Organization in the fiscal year ended March 31, 2017. This verification is received for all 15 categories of emissions applicable under Scope 1, Scope 2, and Scope 3.



Report Name
Greenhouse Gas Emissions Verification Report

Third-Party Verification Institution
Japan Quality Assurance Organization (JQA)

Incorporating Reduction into Business Activities

MARUI GROUP is addressing social issues through reuse and reduction initiatives. Our reuse initiatives include allowing customers to trade in products they no longer use, which are then resold. At the same time, we look to reduce waste through the development of private brand products that accurately match customer needs.

Lineup Offering the Perfect Fit for 100% of Foot Sizes

MARUI GROUP views product creation as the act of making products that match the physical characteristics of individual customers. We facilitate these efforts by creating products together with customers and asking them directly about their concerns and needs. Through this engagement, it was brought to our attention how many shoes are thrown away because of comfort or size issues that become apparent after their purchase. MARUI GROUP sought to rectify this issue by improving the comfort of shoes and expanding the range of available sizes to cover 100% of customer foot sizes. We were thus led to create the Rakuchin Kirei series of shoes, which have sold more than 3.5 million pairs by bringing joy to all customers. In this manner, we endeavor to reduce waste by proposing products that perfectly match every customer.



To quantify the results of our activities in this area, we have identified the portion of sales accounted for by products that perfectly match customers as a key performance indicator, and we are currently in the process of formulating a target for this indicator to be accomplished by 2030. The Company plans to disclose more detailed information on this matter in the fiscal year ending March 31, 2019.

www.0101.co.jp/voi/webshop/customer_portal/index.jsp (Japanese only)

Try-on Store Scheme Supporting Reduction Initiatives

Try-on stores represent a new sales floor scheme that merges Internet sales with physical stores. In these stores, customers can try on samples of all sizes of products and then make purchases via Internet sales. Benefits of try-on stores include lower investments in store fixtures and fixed rent fees than would be required for opening a standard store. In addition, as only samples are displayed, there is no need for inventories, decreasing the risk of losses on inventory disposal. Furthermore, the reduction in customer returns and inventories contributes to substantially lower

environmental impacts. This scheme is complemented by the distribution centers supporting our e-commerce operations, where we have introduced the AutoStore robotic warehouse system in order to heighten efficiency. This system allows for around 27,000 specialized storage containers to be arranged in stacks of 12, eliminating wasted space and tripling warehouse storage efficiency. Moreover, the task of retrieving products, which was previously carried out by people, is now conducted by robots, greatly reducing the amount of work needed to be performed by human hands.



www.0101maruigroup.co.jp/en/sustainability/theme03/reduce.html

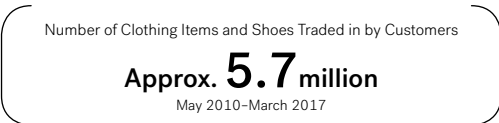
Proposal of Ecologically Sound Lifestyles

MARUI GROUP's co-creation activities with business partners commenced in 2009, and we have been conducting carbon footprint initiatives, which entail tracking CO₂ emissions across the value chain, since then to reduce environmental impacts. In the fiscal year ended March 31, 2017, these initiatives were applied to eight product styles—seven styles of Rakuchin Kirei series shoes and one style of Rakuchin Keikai shoes.



Furthermore, MARUI GROUP employs carbon offset schemes as an ecological action for offsetting emissions of CO₂ and other greenhouse gases that it is unable to reduce in its own operations through reductions or the absorption of emissions elsewhere. Since 2017, we have been deciding the specific venues for carbon offset utilized based on votes by customers and employees. These activities will be continued going forward in order to broaden the range of environmental preservation activities carried out through co-creation with customers.

www.0101maruigroup.co.jp/en/sustainability/theme03/environment_02.html



Responsible Procurement Activities with Business Partners

MARUI GROUP recognizes that it has responsibilities as producer that span the entire value chain, which encompasses everything from raw material procurement through to product creation, sales, and disposal. Through co-creation with stakeholders, we strive to contribute to local communities while also going further to address human rights issues and improve work environments across the value chain.

On-site Meetings with Business Partners

In 2016, we established the MARUI GROUP Procurement Policy. A step ahead of the release of this policy, the Company held an explanatory forum for roughly 100 business partners related to its private brands. At this explanatory forum, we discussed the importance of addressing human rights, labor, and other issues across the supply chain, explaining MARUI GROUP's policies in this regard while using actual case studies. Business partners participating in the forum expressed their support for our stance.

In 2017, we began conducting surveys and on-site audits of business partners to inspect their initiatives in relation to the supply and procurement of safe and

trustworthy products and to human rights and labor environments. During on-site audits, dedicated staff members from the Sustainability

Department hold meetings with business partners to confirm the environmental initiatives conducted at their domestic and overseas factories as well as their employee labor agreements and other conditions related to occupational health and safety.

www.0101maruigroup.co.jp/en/sustainability/theme03/valuechain.html



Message from a Business Partner



Shogo Fujinaga

Officer
Section 2, Department 2, Business Division 1
TAMURAKOMA & Co., Ltd.
Osaka, Japan

Responsible Procurement Activities Helping to Build a Better Society

We recently visited a factory producing MARUI GROUP private brand apparel products together with staff from the Company. On this visit, the first of its kind for us, a meeting was held during which we discussed such matters as work environments and procurement conditions. In the past, our focus has been ensuring that products can be delivered on schedule. I had not stepped inside a factory, whether in Japan or overseas, or thought about the cultural or historical background that shaped a specific factory. Becoming more involved in factories has given production activities a greater degree of transparency and enabled us to better ensure the safety of products. Our initiatives with MARUI GROUP will no doubt help to build a better society and achieve long-term corporate growth. At TAMURAKOMA, we hope to work together with MARUI GROUP to foster relationships with the factories we use that place us on equal footing and to spread MARUI GROUP's concept of co-creation with customers.



Message from a Business Partner



Sungwan Chaisongcam

President
S.K.N TRADING COMPANY LIMITED
Bangkok, Thailand

Employee Unity Realized by Revising Factory Operating Procedures

Some companies focus only on the samples provided to confirm final products or on the ability to receive products with consistent quality. MARUI GROUP differs from such companies. I was impressed with how involved MARUI GROUP is in the manufacturing process pertaining to its Rakuchin Keikai shoes, offering us guidance on how to perform tests on various materials and how and where these materials should be procured and other specific matters. This involvement spans all processes from initial planning to ordering. We recently had a meeting with MARUI GROUP centered on the importance of ensuring safety and security for employees, which opened my eyes on the topic of making factories more comfortable workplaces for employees. At factories, we have put an end to the practice of employees relaying orders verbally, requesting that shared instructions be presented in written form, and we have also begun thoroughly investigating the cause of mistakes. Our employees are currently united in working toward a common goal, minimizing production process mistakes.

4

Core Theme

Co-Creation Corporate Governance



MARUI GROUP's Vision

We will develop management frameworks that include stakeholders in order to achieve harmony between the interests and the happiness of all stakeholders.

Major Initiatives

Co-creation with stakeholders	MARUI GROUP is reinforcing its co-creation management activities through constructive engagement with stakeholders with the ultimate goal of developing a business that brings joy to all customers. These initiatives are also aimed at winning the support of employees, customers, shareholders, other investors, members of communities and society as a whole, and business partners with regard to our inclusion-oriented activities.
Sustainability management	Through activities centered on the Sustainability Department and the ESG Promotion Department, we have been verifying initiatives in accordance with the four core themes for sustainability, preparing a long-term vision based on the four core themes, and examining possible key performance indicators for evaluating sustainability in our businesses.
Cultivation of future leaders	In April 2017, MARUI GROUP launched the Co-Creation Management Academy, a program for discovering and cultivating future leaders under the guidance of external directors and the Graduate School of International Corporate Strategy at Hitotsubashi University. For the first iteration, 21 participants were chosen from among 134 applicants.
Risk management	Based on sustainability-related trends in the areas of business activities, human rights, and occupational health and safety, we revised the MARUI GROUP Code of Conduct and established the MARUI GROUP Human Rights Policy and the MARUI GROUP Occupational Health and Safety Policy in November 2017. The effectiveness of these policies will be evaluated once a year and awareness will be entrenched among all Group employees through training and other activities.

Please refer to the sustainability section of MARUI GROUP's website for more information. www.0101maruigroup.co.jp/en/sustainability/theme04/

Principal Data

Fiscal year ended March 31 or as of March 31	2013	2014	2015	2016	2017
Directors	7	8	10	6	6
Ratio of independent directors (%)	14	13	20	33	33
Ratio of female directors (%)	0	0	10	17	17
Average age of directors	54	55	54	55	55
Audit & Supervisory Board members	4	4	4	4	4
Ratio of independent auditors (%)	50	50	50	50	50
Executive officers	4	5	5	16	16
Ratio of female executive officers (%)	0	0	20.0	12.5	18.8
Return on equity (%)	4.5	5.0	5.2	6.0	6.7
Return on invested capital (%)	3.0	3.0	3.3	3.3	3.1
Earnings per share (yen)	48.43	56.29	58.87	70.68	80.24
Total Group transactions (millions of yen)	—	1,297,250	1,469,111	1,703,353	1,933,685
Payout ratio (%)	31.0	32.0	32.3	31.1	41.1

Please refer to MARUI GROUP's ESG DATA BOOKs for more information. www.0101maruigroup.co.jp/en/sustainability/lib/databook.html

MARUI GROUP Code of Conduct

MARUI GROUP engages in co-creation management with its stakeholders with the aim of contributing to the development of a flourishing and inclusive society that offers happiness to all. The various stakeholders of MARUI GROUP include customers, shareholders, other investors, communities, the greater society, business partners, and employees. The happiness to which we seek to contribute can only be realized through co-creation with all of these stakeholders. It is based on this belief that we promote compliance with laws and regulations as well as international rules and the principles embodied in these norms and that we have established and adhere to the MARUI GROUP Code of Conduct.

1. Customers

Customers are the point of departure for all of our business activities. Acting in accordance with the corporate philosophy of "continue evolving to better aid our customers," we will strive to create products, services, and stores that bring joy to all customers and can be used safely and with peace of mind.

2. Investors

We will pursue ongoing growth and medium-to-long-term improvements in corporate value in order to live up to the expectations of shareholders and other investors. In addition, we will disclose information in a timely and appropriate manner, conduct highly transparent business activities, and prevent insider trading.

3. Communities and Society

MARUI GROUP's business activities connect us to various areas of communities and the greater society. As responsible members of communities and of society as a whole, we will seek to resolve social and community issues and invigorate communities and the greater society to transform our main business into a socially contributing undertaking.

4. Business Partners

MARUI GROUP's business activities are supported by co-creation activities with business partners in Japan and overseas. By fostering trusting relationships with partners through fair and impartial transactions, we will promote mutual prosperity.

5. Employees

The growth of employees that are committed to helping others is the source of all the value we create. In addition to providing employees with a safe and hygienic workplace environment, we will foster a corporate culture that is respectful of diverse values and in which all employees can feel energized and continue growing.

6. Environmental Preservation

MARUI GROUP sees all of its business assets as being borrowed from society. Accordingly, we seek to understand the impact of our business on the environment in order to reduce the environmental footprint of the entire Group and to promote eco-friendly business activities.

7. Respect for Human Rights

MARUI GROUP endorses international standards regarding human rights and respects the personalities and individuality of all people. We stand in opposition of all discrimination, whether on the basis of race, nationality, religion, ideology, biological sex, age, physical characteristic, gender identity, or sexual orientation.

8. Fair and Transparent Transactions

MARUI GROUP adheres to domestic and overseas ethical standards and legal regulations as well as to its own internal rules as it promotes fair and transparent transactions and competition while preventing corrupt and otherwise inappropriate activities (bribery, money laundering, inappropriate lobbying activities and political contributions, etc.).

9. Elimination of Antisocial Forces

We will staunchly refuse to have any connection with antisocial forces that threaten the order and safety of society.

10. Protection and Management of Information Assets

MARUI GROUP's business activities entail the utilization of personal information, confidential information, and intellectual properties. These information assets are protected and managed based on internal regulations, and we seek to avoid infringing on the intellectual property rights of others.

Scope of Application and Implementation

The MARUI GROUP Code of Conduct is applicable to all Group officers and employees. An internal notification system is in place to quickly uncover and address activities that violate this code of conduct or activities that are illegal, unfair, or otherwise inappropriate.

Moreover, this code of conduct is reviewed as necessary by the Board of Directors and revised when deemed prudent through sufficient discussion. Should a serious violation of the MARUI GROUP Code of Conduct occur, we will take steps to identify the cause of the violation and prevent recurrence.

Established in April 2006
Revised in May 2014
Revised in November 2017

MARUI GROUP Human Rights Policy

MARUI GROUP aims for the development of a flourishing and inclusive society that offers happiness to all. MARUI GROUP therefore declares its commitment to endorsing international standards regarding human rights and ensuring respect for the personalities and individuality of all people throughout the Company.

1. Commitment to Respecting Human Rights

We stand in opposition of all discrimination, whether on the basis of race, nationality, religion, ideology, biological sex, age, physical characteristic, gender identity, or sexual orientation, and exercise respect for the personalities and individuality of all people throughout our business activities and our relationships with customers, business partners, employees, and other stakeholders.

2. Compliance with International Standards

MARUI GROUP complies with international standards regarding human rights. Accordingly, we adhere to the standards described in the International Bill of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work regarding freedom of association, the right to collective bargaining, the prohibition of forced labor and child labor, and the elimination of workplace discrimination.

3. Responsibility toward Promoting Respect for Human Rights

Based on the United Nations Guiding Principles on Business and Human Rights, we practice human rights due diligence and utilize other methods to evaluate the direct and indirect impact of all of our business activities on human rights and then address any negative impacts that come to light.

4. Fostering of a Corporate Culture of Respecting Human Rights

Through proactive education and awareness-raising programs targeting all Group officers and employees, we work to entrench the MARUI GROUP Human Rights Policy in our corporate culture and in all of our business activities. In addition, we ask that business partners and other external stakeholders endorse this policy while also making this policy publicly available.

Hiroshi Aoi

President and Representative Director

Representative Executive Officer

MARUI GROUP CO., LTD.

November 9, 2017

MARUI GROUP Occupational Health and Safety Policy

MARUI GROUP seeks to co-create customer happiness through its business activities, which merge retailing and finance. We understand that providing employees with a safe and hygienic workplace environment is essential to supporting the growth of all employees and is instrumental to invigorating the entire organization and driving the improvement of corporate value. MARUI GROUP therefore declares its intent to act in accordance with this understanding in all business activities, pursue higher levels of safety and hygiene, and to promote voluntary occupational health and safety initiatives on a Groupwide basis.

1. Development of a Workplace Environment that Prioritizes Health and Safety

Realizing that the health and safety of employees is crucial to their growth, all workplaces will foster awareness and heighten understanding regarding occupational health and safety, prioritizing the development of an environment in which employees can feel safe and secure and maintain good mental and physical health as they work.

2. Promotion of Voluntary Occupational Health and Safety Initiatives

Occupational health and safety targets are set at all Group companies and workplaces based on MARUI GROUP's occupational health and safety plans in order to promote voluntary occupational health and safety initiatives. These targets are periodically revised to pursue higher levels of health and safety on a Groupwide basis.

3. Compliance with Occupational Health and Safety Laws

We comply with Japan's Industrial Safety and Health Act and other labor-related legislation as well as with the internal rules regarding occupational health and safety in place at all Group companies and workplaces.

4. Realization of Safe and Low-Risk Workplace Environments

MARUI GROUP seeks to realize safe and low-risk workplace environments by determining the sources and extent of the occupational accident risks faced in each business and formulating and implementing measures to reduce or eliminate these risks.

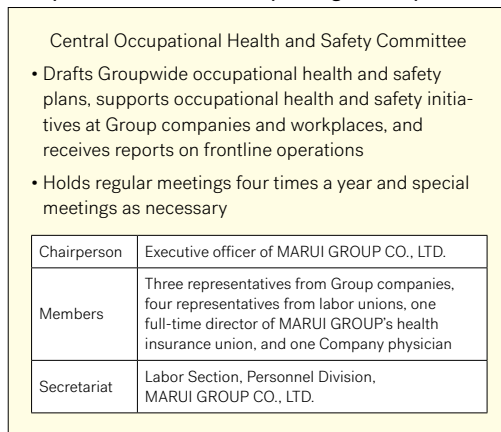
5. Facilitation of Employee Health Improvement

MARUI GROUP understands that the health of employees is crucial to their growth. We therefore practice healthcare management aimed at preventing mental health issues and lifestyle diseases as well as enabling all employees to feel more energized in their work.

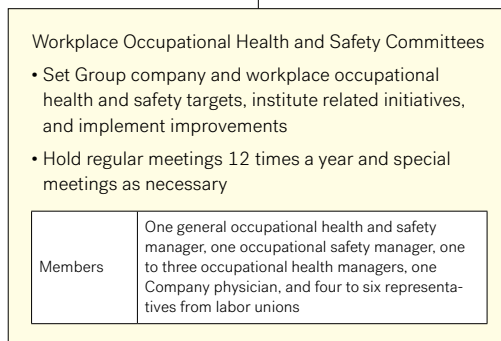
6. Cultivation of a Corporate Culture Emphasizing Occupational Health and Safety

We will cultivate a corporate culture emphasizing occupational health and safety by conducting proactive employee education and awareness-raising programs related to these topics. All Group officers and employees are expected to observe the MARUI GROUP Occupational Health and Safety Policy, and we ask that business partners and other external stakeholders endorse this policy while also making this policy publicly available.

Occupational Health and Safety Management System



Secretariat



Healthcare Management Promotion System

MARUI GROUP practices healthcare management to prevent mental health issues and lifestyle diseases in employees, limit exposure to secondhand smoke, reduce overtime, and raise employee health awareness. Healthcare management initiatives are spearheaded by MARUI GROUP's Personnel Division and Health Management Division and are coordinated with the Company's health insurance union.

Consultation Venues

Company physicians and occupational health staff are positioned in MARUI GROUP's Health Management Division on a full-time basis to provide employees with a venue for consulting on mental health and other health issues and for receiving support in improving lifestyle diseases. In addition, we have established a hotline for receiving third-party physical and mental health consultation through collaboration with a specialized external organization.

Hiroshi Aoi

President and Representative Director
Representative Executive Officer
MARUI GROUP CO., LTD.
November 9, 2017

Overview of MARUI GROUP

As of March 31, 2017

Company Overview

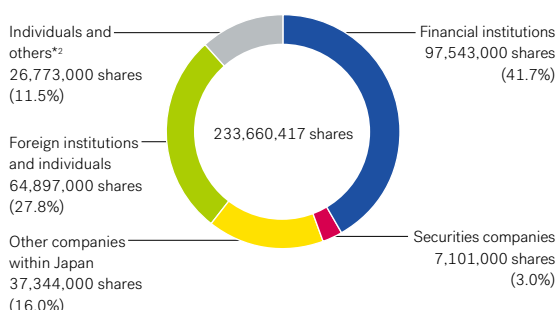
Name	MARUI GROUP CO., LTD.
Head office	3-2, Nakano 4-chome, Nakano-ku, Tokyo 164-8701, Japan
Date of foundation	February 17, 1931
Date of establishment	March 30, 1937
Capital	¥35,920 million
Business activities	Corporate planning and management for Group companies conducting Retailing business and FinTech businesses
Stores	Marui and Modi: 27 located in Kanto, Tokai, Kansai, and Kyushu regions
Total sales floor area	452,100m ²
Number of employees	5,732 (Group total, excludes temporary employees)
Main banks	The Bank of Tokyo-Mitsubishi UFJ, Ltd. Sumitomo Mitsui Banking Corporation Mitsubishi UFJ Trust and Banking Corporation Mizuho Bank, Ltd. Development Bank of Japan Inc.
Accounting auditor	KPMG AZSA LLC

Stock Information

Stock listing	Tokyo Stock Exchange, First Section (loan margin trading issues)
Securities code	8252
Number of authorized shares	1,400,000,000
Number of common shares issued* ¹	233,660,417
Number of shareholders	24,080

*1 Number of common shares issued includes 4,202,450 shares of treasury stock, equivalent to 1.8% of the total number of shares of common stock issued.

Distribution of Shares Held by Shareholder Type



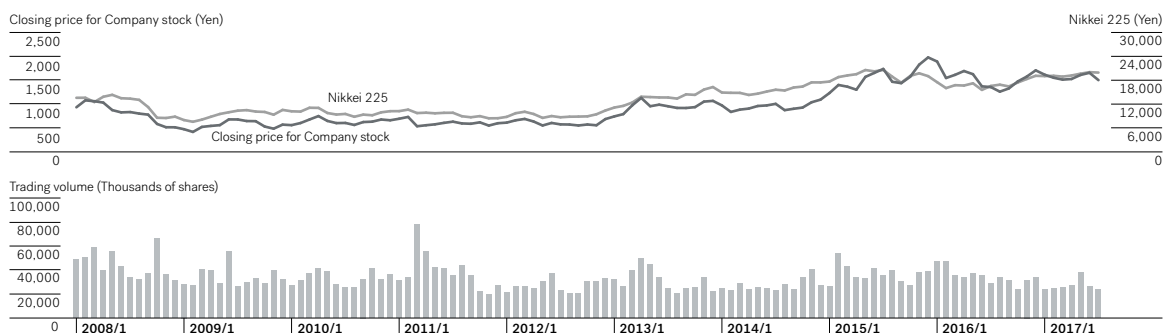
*2 Individuals and others includes 4,202,450 shares of treasury stock.

Major Shareholders

Name	Number of shares (Thousands of shares)	Percentage of total shares issued*3 (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	30,135	13.1
Japan Trustee Services Bank, Ltd. (Trust Account)	17,144	7.5
GOLDMAN, SACHS & CO. REG	6,185	2.7
Aoi Real Estate Co., Ltd.	6,019	2.6
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	5,808	2.5
Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	5,460	2.4
Japan Trustee Services Bank, Ltd. (Trust Account 9)	4,179	1.8
Japan Trustee Services Bank, Ltd. (Trust Account 5)	3,814	1.7
Toho Co., Ltd.	3,779	1.6
AOI SCHOLARSHIP FOUNDATION	3,234	1.4

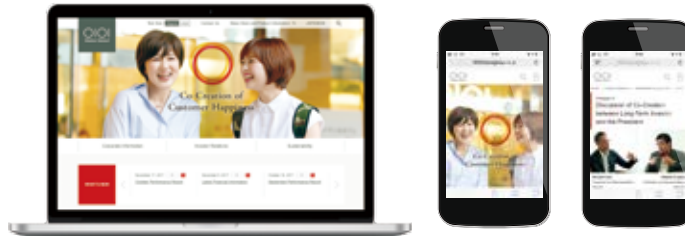
*3 Percentage of total shares issued is calculated excluding treasury stock and including 502,300 shares held under the Board Incentive Plan Trust scheme and the Employee Stock Ownership Plan Trust scheme.

Stock Price



MARUI GROUP Websites

MARUI GROUP CO., LTD.



Corporate, IR, sustainability, and recruit information
www.0101maruigroup.co.jp/en/



Sustainability (CSR) site
www.0101maruigroup.co.jp/en/sustainability/



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



Email Newsletter (Japanese only)
 MARUI GROUP distributes an email newsletter containing information on the latest topics and financial results as well as details on events and surveys.
www.0101maruigroup.co.jp/ir/infomail/reg.html

Retailing Business



Marui store and product information
www.0101.co.jp.e.ex.hp.transer.com

FinTech Business



Epos Card Co., Ltd. (Japanese only)
www.eposcard.co.jp



MARUI Internet shopping "marui web channel" (Japanese only)
voi.0101.co.jp

Global Socially Responsible Investment Indexes



MARUI GROUP was chosen for inclusion in the FTSE4Good Index Series, comprising companies selected by FTSE Russell for meeting evaluation standards based on ESG criteria.



MARUI GROUP has been selected for inclusion in the Dow Jones Sustainability Asia Pacific Index, the Asia Pacific division of the Dow Jones Sustainability Index series, a major global socially responsible investment index series.



MARUI GROUP was awarded a score of A- for the second consecutive year in *CDP Climate Change Report 2017*, Japan edition, out of recognition for its efforts to control emissions of CO₂ and other greenhouse gases and manage risks related to climate change.



MARUI GROUP was selected for inclusion in the Morningstar Socially Responsible Investment Index. This index compiles the stock price of listed companies in Japan that display excellence in terms of social contributions based on ESG concerns and human resource-related matters.

Three ESG Indexes Utilized by the Government Pension Investment Fund



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



MARUI GROUP was included in the MSCI Japan ESG Select Leaders Index.* This ESG index comprises Japanese companies with relatively high MSCI ESG Ratings in each industry selected from among the top 500 companies in terms of market capitalization after excluding those companies with the lowest MSCI ESG Rating of CCC.



MARUI GROUP has been included in the MSCI Japan Empowering Women Index,* an ESG index for Japanese stocks consisting of companies that exhibit gender diversity excellence in each industry, based on the Global Industry Classification Standard, selected from among the top 500 companies in terms of market capitalization.

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



MARUI GROUP received a Best IR Award in the 2017 IR Award program of the Japan Investor Relations Association based on the high evaluation of the Company's efforts to step up its investor relations activities, particularly those conducted by members of senior management; the stance to co-creating corporate value with investors expressed in these activities; and its explanatory forums pertaining to ESG matters and integrated reports.



MARUI GROUP was awarded the 16th Porter Prize out of recognition for how we ensure the convenience of credit card issuance, how our cards are largely held by customers under the age of 40, and the large ratio of revolving payment usage.

Rating and Investment Information, Inc.

MARUI GROUP has been granted a rating of A- for its overall debt repayment capacity with regard to financial liabilities.

MARUI GROUP Ranked High Among Retail Sector Companies in the 2017 All-Japan Executive Team Rankings Released by U.S. Financial Industry Magazine *Institutional Investor*

Honored Companies	Combined No. 3
Best IR Companies	Combined No. 1, Buy Side No. 1, Sell Side No. 2
Best CEO	Buy Side No. 3
Best Analyst Days	Combined No. 2

The All-Japan Executive Team Rankings is a ranking of major listed Japanese companies compiled by U.S. financial industry magazine *Institutional Investor*, based on votes from institutional investors and securities analysts from around the world. In 2017, votes were received from 1,007 institutional investors and securities analysts from 368 institutions.



MARUI GROUP was included in the Excellent Enterprise of Health and Productivity Management – White 500 selection. This inclusion acknowledged our proactive healthcare management approach that goes beyond simply addressing lifestyle diseases and mental health issues in an attempt to energize employees.



MARUI GROUP was awarded with a silver rating in the PRIDE INDEX, which was established by work with Pride, in 2016 and then the highest rating of gold in 2017 out of recognition of its inclusion of a clear declaration that individuals are not to suffer discrimination on the basis of sexual identity or sexual orientation among the items prohibiting discriminatory treatment in its labor agreements and its establishment of an internal consultation venue for LGBT issues, among other initiatives.



MARUI GROUP was listed among the Companies Exhibiting Excellence in Promoting Women's Empowerment in the SMBC Nadeshiko Loans and Private Placement Bonds selection out of reflection of the Company's establishment of women's empowerment indexes for measuring the empowerment of female employees.



MARUI GROUP received the highest rank of A in the Development Bank of Japan Inc.'s DBJ Environmentally Rated Loan Program, which scores companies on environmental management activities, selects companies exhibiting excellence, and sets financing conditions accordingly. The Company was also presented with a special award reserved for companies with particularly high ratings that can serve as model examples.



MARUI GROUP has received Platinum "Kurumin" certification, which is designed to recognize companies that have acquired regular "Kurumin" certification for providing superb levels of support for employees' childrearing efforts and that have made exceptional progress in introducing and promoting the use of work-life balance systems and are implementing high-level initiatives.



MARUI GROUP received an award of excellence in the 6th Carbon Offset Awards, making it the first apparel company to be recognized by this program, out of acknowledgment of the Rakuchin Kirei series of shoes being eco-friendly products and the high evaluation of related carbon offset initiatives.



The Ministry of Health, Labour and Welfare presented MARUI GROUP with a Special Encouragement Award in 2014 and then the Grand Prix Award in 2016 in its Ikumen Enterprise Award program as part of its Ikumen Project for supporting men in participating in childrearing and acquiring childcare leave. These awards are a reflection of the high evaluation of the Company's introduction of a short-term childcare leave system and the rapid increase in usage of childcare leave systems by men.



MARUI GROUP received the grand prize in the GP Environmental Award in 2015 and 2016 and a runner-up prize in 2017. In this program, which is operated by the Japan Federation of Printing Industries, the Company was recognized for its proactive utilization of the "Green Printing" certification scheme and its environmental preservation initiatives.

Nikkei DUAL Companies Supporting Childrearing by Two-Income Households Grand Prix

MARUI GROUP has received a Special Encouragement Award in this program for two consecutive years, in 2016 and 2017, out of recognition of the high evaluation of its efforts to promote diversity within the Company and understanding in this regard and to increase the ratio of applicable male employees taking childcare leave and to reduce overtime. This award also recognizes MARUI GROUP's efforts to support the work-life balance of employees raising children and implement workstyle reforms among its management strategies.



MARUI GROUP received an award for excellence of Co-Creation Management Report 2016 and Co-Creation CSR Report 2015 in the environmental report category of the 20th Environmental Communication Awards out of recognition of its proactive environmental communication initiatives through the publishing of environmental reports.



MARUI GROUP was selected for an award in the Impact category of Universal Manners Award 2017, which is sponsored by the Japan Universal Manners Association to recognize companies and organizations that are working to create more comfortable environments for a diverse range of people including senior citizens and differently abled individuals.



The MerComm Annual Report Competition is a global competition for annual reports held by U.S. independent evaluation firm MerComm, Inc. This competition judges and evaluates annual reports from various perspectives, including financial and management information, concept, and design. In 2017, 1,987 reports from 33 countries were judged, and MARUI GROUP's Co-Creation Sustainability Report 2016 (English-language version) was able to rise above the competition to receive a Silver award.

Third-Party Opinion



Peter David Pedersen

Co-founder, E-Square Inc.
Executive Director,
The Academy for Corporate Leadership
Co-founder, Next Leaders' Initiative for Sustainability

Born in Denmark in 1967, Peter David Pedersen graduated from the Institute of Cultural Anthropology at Copenhagen University. His activities in Japan began in 1984. Mr. Pedersen co-founded E-Square Inc. in 2000 and worked with numerous Japanese multinationals on sustainability strategy. In 2000, he introduced Japan to the concept of lifestyles of health and sustainability (LOHAS). He left his position as CEO of E-Square Inc. in 2011 but continued his work as co-founder. Mr. Pedersen became executive director of The Academy for Corporate Leadership (TACL), a part of TRANSAGENT Co., Ltd., in 2014. In 2015, he became co-founder and representative director of Next Leaders' Initiative for Sustainability (NELIS).

MARUI GROUP's *Co-Creation Sustainability Report 2017* is one of the few sustainability reports that I have found to be fun and interesting to read. The spirit of the Company, its ambitions and resolve, was present throughout its pages, leaving a very favorable impression. Moreover, this report led me to rediscover MARUI GROUP. I believe that the most fundamental role of a sustainability report is to illustrate the "personality" of a company as is done in this report, but few have succeeded in this respect.

I have particularly high praise for this report with regard to the following five areas.

- ☐ The design was exceptional and it was easy to read.
- ☐ There was a consistent narrative spun throughout the report based on a clear theme (inclusion).
- ☐ The constant inclusion of real people (managers, employees, external stakeholders, etc.) gives the report an added degree of warmth.
- ☐ The introduction of future employees set to join MARUI GROUP next year and their statements about their anticipations for joining the Company and the workstyles to which they aspire were most interesting.
- ☐ The section on workplace inclusion presented the idea that diversity and healthcare management, based on a broad definition, could give rise to innovation. This idea is inspiring. Also, the views on and definition of diversity were themselves diverse, which was a plus.

If there were an area requiring improvement, it was probably not related to reporting per se, but more to the need to further develop some of the activities described in the report. For example, the direction the MARUI GROUP indicated for its ecological inclusion and reduction initiatives is sound and good, but it felt like there was more that could be done in this area. Preserving a healthy environment is crucial to the happiness of future generations. I hope to see MARUI GROUP implementing innovative and distinctive initiatives in this regard in the future. As for the FinTech (credit card) business, there is no doubt a negative side to this business, namely collecting debt from payment delinquents. I would have liked to have known more about how MARUI GROUP addresses this issue, that is, how it overcomes the dilemma presented by the need to protect the human rights of delinquents while also responding to the necessity of recovering debt.



Thank you for reading *Co-Creation Sustainability Report 2017* to its end. I hope you enjoyed reading this year's sustainability report.

This report sought to explain MARUI GROUP's vision for co-creation sustainability management based on the theme of inclusion. We also received help from many of the stakeholders that aid us in our initiatives so that we could include a greater amount of discussions with stakeholders than had been featured in last year's report. The result is explanations featuring a more diverse range of viewpoints. However, we realize that there is still a lot of room for improving upon our reports. We hope to pursue improvements in future reports based on the advice of our readers, and we therefore ask that you feel free to offer your frank opinions with regard to this report.

I look forward to your ongoing support of MARUI GROUP.

Sustainability Department and ESG Promotion Department
MARUI GROUP CO., LTD.

MARUI GROUP distributes its co-creation management report and co-creation sustainability report to all employees. I have yet to see another company that does this. MARUI GROUP's co-creation sustainability reports came into existence by building upon its co-creation management reports to place more emphasis on the Company's connections with all stakeholders. At MARUI GROUP, employees going about their business have a direct impact on management.

Three years have passed since MARUI GROUP began publishing these reports, and we have therefore had the pleasure of helping produce six reports. MARUI GROUP's innovation and evolution has been palpable throughout this process. In its second cycle of reports, I look forward to MARUI GROUP spreading its unique brand of inclusion to the world through ongoing engagement and co-creation with stakeholders so that people can always have a glimpse of the essence of MARUI GROUP in the now.

MARUI GROUP Project Team
EDGE INTERNATIONAL, INC.

Efforts to Spread Inclusion



MARUI GROUP put forth the idea of inclusion in *Co-Creation Sustainability Report 2016*, and the Company has since been engaged in a myriad of efforts aimed at helping create a flourishing and inclusive society offering happiness to all. These efforts will be continued in the future to spread MARUI GROUP's concept of inclusion both inside and outside of the Company and thereby help enrich society.



MARUI GROUP holds explanatory forums for investors to offer explanations of management policies and ESG information.



A booth was established at Eco-Products 2016 to introduce try-on stores, and we exhibited in the area devoted to the SDGs at Eco-Products 2017.



Inclusion Fes 2017 was held as a venue for fostering awareness among employees and allowing them to experience their differences firsthand.



We are stepping up support for nationwide events as part of the OUT IN JAPAN LGBT coming out project.



We established Order Suits and shoes corners while participating in the RAINBOW CROSSING TOKYO 2017 event supporting LGBT job seekers.



We clothed members of the LGBT community in Marui *yukata* to enjoy summer at a star-viewing event held at the beach.





MARUI GROUP has concluded a partnership agreement with the Japan Blind Football Association through which it holds various workshops.



Co-Creation Sustainability Report 2016 (English-language version) received a Silver award in the MerComm Annual Report Competition.

About Co-Creation Sustainability Reports

We have always viewed reports as having a three-year cycle. Each year, we have described our innovations in our co-creation management reports and then evolved these ideas in our co-creation sustainability reports to explain the policies regarding co-creation, happiness, all customers, inclusion, and other concepts that give form to MARUI GROUP's philosophy of co-creation. The next three-year cycle will represent the second cycle of reporting in which we will continue to innovate and evolve, further building upon the foundation formed by the first-cycle reports.

	Co-Creation Management Reports	Co-Creation Sustainability Reports
<p>Step 1: Fiscal Year Ended March 31, 2015</p> <p>Co-Creation Management Declaration</p>	 <p>Co-creation of customer happiness with partners</p> <p>Co-Creation Management</p>	 <p>MARUI GROUP's vision for 2020</p> <p>For All Customers</p>
<p>Step 2: Fiscal Year Ended March 31, 2016</p> <p>Co-Creation Management from a Corporate Value Perspective</p>	 <p>MARUI GROUP's concept of corporate value</p> <p>Harmony between the Interests and Happiness of All Stakeholders</p>	 <p>Theme for us as we advance toward the future</p> <p>An Inclusive Society Offering Happiness to All</p>
<p>Step 3: Fiscal Year Ended March 31, 2017</p> <p>Co-Creation Management Business Model</p>	 <p>Realization of an inclusive society</p> <p>Unique Business Model Merging Retailing and Finance</p>	 <p>No one excluded</p> <p>MARUI GROUP's Vision for Inclusion</p>
<p>Co-Creation Management Report</p> <p>www.0101maruigroup.co.jp/en/ir/lib/i-report.html</p> 	<p>Co-Creation Sustainability Report</p> <p>www.0101maruigroup.co.jp/en/sustainability/lib/s-report.html</p> 	



The carbon footprint of the Japanese-language version of this report, or the amount of CO₂ emitted in printing one report, has been calculated based on the instructions of Mizuho Information & Research Institute, Inc.



INCLUSION



CO-CREATION

共創サステナビリティレポート 2017



株式会社 日本経済新聞社



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