

Forged Out of the Dedication of Employees and Officers

Creation of MARUI GROUP's 2050 Vision

MARUI GROUP's 2050 Vision was forged over a roughly yearlong process of ongoing discussion among employees, executive officers, and specialists.

Through a process shaped by employee volunteers, a back-casting approach was used starting from our goals for 2050 to form MARUI GROUP's vision for the future.

Background for Establishment of Vision

The establishment of MARUI GROUP's 2050 Vision was prompted by input from investors. Although the market had recognized the improvement in corporate value achieved through our co-creation philosophy and business strategies based on inclusion, there were requests for a long-term vision, long-term targets for accomplishing this vision, and quantitative information on progress toward those targets. These requests led us to start formulating a vision. When formulating an ultralong-term vision for 2050, the opinions of the employees that will actually be living in that era are of the utmost importance. For this reason, younger employees were recruited to take part in establishing the vision, a process that we advanced through a united employee effort.

Establishment Process

STEP 1: Analysis of operating environment projected for 2050 including microtrends and global megatrends



STEP 2: Prediction of future in 2050 as it pertains to MARUI GROUP



STEP 3: Establishment of vision for desired state of MARUI GROUP in 2050 and long-term targets for accomplishing vision

Sustainability Project Team meeting in July 2018

Ever-Evolving Process Driven by Employee Participation

Groupwide Sustainability Project Team

MARUI GROUP has established four official project teams that engage in deep, forward-looking discussion on themes that are related to the Company or society as a whole from a medium-to-long-term perspective. One of these teams is the Sustainability Project Team, which was formed in 2018. Members were recruited through open application, and the unprecedented number of applications was so great that only one-seventh of applicants were accepted, resulting in a team comprising roughly 50 Group employees. The members took part in workshops arranged by external specialists and discussed the vision for the future that would be MARUI GROUP's 2050 Vision.

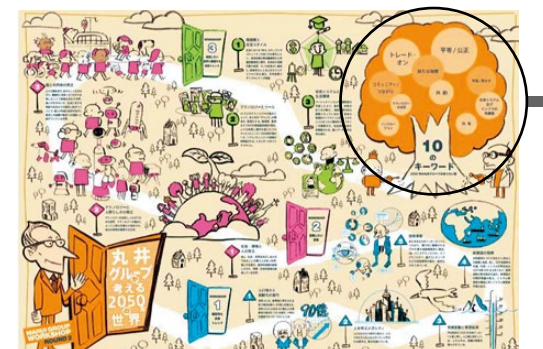


Major Events of the Year

2017 December	Input received from investors at MARUI GROUP IR DAY became the impetus for the establishment of a project team for establishing a vision. Meetings with employees and discussions with external specialists were commenced.
2018 January– February	The first Future Co-Creation Workshop was held on four occasions with attendance by officers, younger employees, and external specialists to discuss visions for MARUI GROUP in 2050.
May– September	The second Future Co-Creation Workshop was held on seven occasions during which project team members recruited through open application and external specialists discussed desirable futures for MARUI GROUP 2050.
September	In the second workshop, employees were divided into six groups to formulate 2050 vision proposals to be presented directly to executive officers, after which a rough draft was formulated by the organizing committee.
October	The third Future Co-Creation Workshop was held among executive officers only, who discussed the 2050 vision proposals prepared by employees while sharing their opinions and interpretations.
December	An intensive vision conference was held just for executive officers to finalize MARUI GROUP's 2050 Vision for announcement at the co-creation sustainability explanatory forum on December 10, 2018.

Creation of 2050 World Map Based on Employee Input

At the Future Co-Creation Workshops, employee participants first took part in analyzing the operating environment predicted for the future. Discussions were then held on future trends that seemed certain based on global megatrends, the future trends that, albeit uncertain, were of importance to MARUI GROUP, and finally visions for what MARUI GROUP wanted to become in 2050.



The 2050 world map compiles future trends that seem certain, uncertain trends of importance to MARUI GROUP, and visions for what MARUI GROUP wants to become.

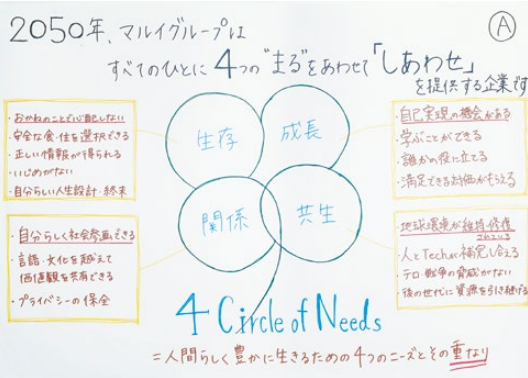
Ten Key Concepts

The values MARUI GROUP wants to emphasize in its 2050 Vision were organized into 10 key concepts.

- Fairness and impartiality
- Beneficial trade
- Community and connections
- New indicators
- Happiness and prosperity
- Redevelopment of social systems and infrastructure
- Utilization of technologies
- Co-creation
- Inclusion
- Sharing

Future Co-Creation Workshops Centered on Employees

Team A's presentation involved producing model examples of the cities in which we can live as we ideally desire. We wanted to take responsibility in shaping the future with our own hands, and this desire informed our vision. Through this presentation, I was reminded of the importance of assembling people with different perspectives and backgrounds to engage in free discussion on a single theme. This process led to substantial output that I would not have imagined prior to participating. Moving forward, it will be important for everyone at MARUI GROUP to think about how we will go about realizing our vision. I hope that I can help foster a corporate value in which employees are always aware of their vision, adjusting their actions based on the actions of others.

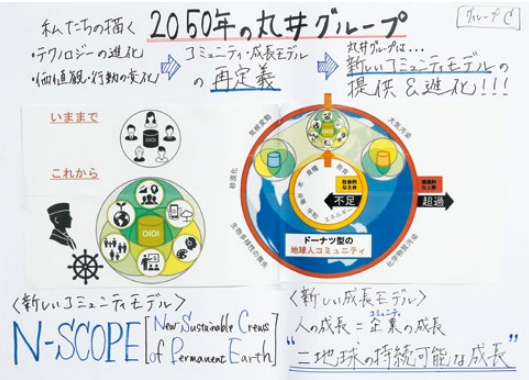


We wanted to take responsibility in shaping the future with our own hands.



Takashi Kitao
Second Sustainability Project Team Member
Digital Transformation Promotion Department,
M & C SYSTEMS CO., LTD.

Employees that took part in the Sustainability Project Team first analyzed the operating environment trends projected 30 years in the future and then discussed the future trends that seem certain and the world they wish to build based on those trends. After this, the members were divided into six groups to formulate visions for MARUI GROUP in 2050, which were presented directly to executive officers. On these pages, representatives from each of the six groups explain the sentiments incorporated into their visions and what they see as their duties following the announcement of MARUI GROUP's 2050 Vision.



I want to create a future of coexistence and co-prosperity in which all people can embrace their individuality.



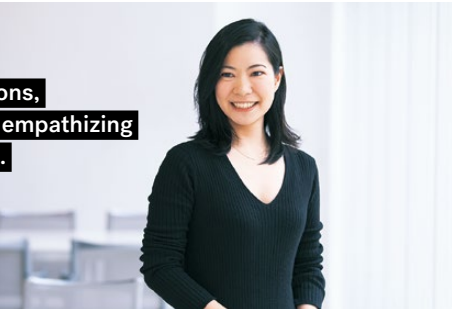
Natsuki Yano
Second Sustainability Project Team Member
Investment Research Department,
MARUI GROUP CO., LTD.

A key point of our presentation was our ability to communicate the appeal of the hope that we held for the future. I was inspired by MARUI GROUP's 2050 Vision, a declaration of our intent to play a leading role in shaping the world to realize the future we desire. Personally, I want to create a future of coexistence and co-prosperity in which all people can embrace their individuality through co-creative businesses that provide roles and places for everyone. I understand that MARUI GROUP cannot realize its vision alone. It will be crucial for us to accelerate our progress toward our vision by working together with allies that envision similar futures. For this reason, we must step outside the Group to become "human hubs" that create new allies and foster collaboration with them.



Our vision for 2050 was of a world in which everyone thinks and acts from a position of altruism that is blind to borders as they work to resolve global issues. Up until now, MARUI GROUP's business has sought to provide opportunities equally to everyone. Our vision for an ideal world is impossible in a society filled with inequality. We therefore aim to utilize the strengths and technologies of MARUI GROUP to help dispel global inequalities. I am interested in inter-generational human businesses. I hope we millennials can bridge the gap between Generation Z and all future generations, shaping the future while empathizing from a relatable position. This prospect fills me with excitement.

I hope to bridge the gap between future generations, shaping the future while empathizing from a relatable position.



Erika Watanabe
Second Sustainability Project Team Member
Sales & Planning Department,
MARUI CO., LTD.

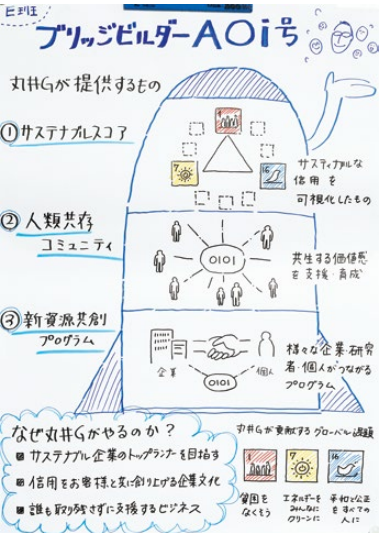


We envisioned a society that values individual enrichment over national prosperity.

Yuka Seta
Second Sustainability Project Team Member
Yurakucho Marui
In charge of Financial Inclusion
Epos Card Co., Ltd.



In my group, we envisioned a society that values individual enrichment over national prosperity, a future in which everyone is able to choose from options that do not cause harm and that contribute to the enrichment of individuals. I was surprised and overjoyed that the final 2050 Vision incorporated our input in various areas. I am in charge of financial inclusion in my current position, but I understand that the definition of happiness can vary from person to person and that people may place different values on money and prosperity. I therefore aspire to create various options for each individual to propose the best possible course of action, remaining careful not to lose sight of the true goal of financial inclusion. It is important that we continue to move forward so that our ideals can get beyond armchair theorizing to influence the world of today and tomorrow.



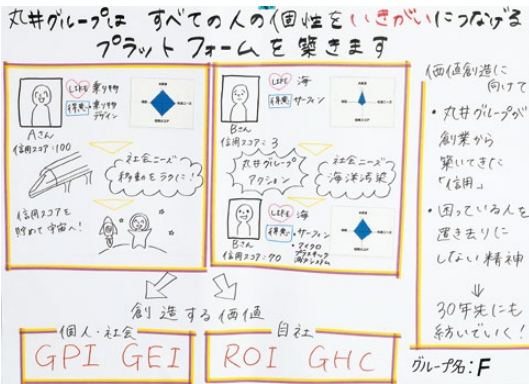
My team formulated our vision with a focus on the global environment from the perspective of humanity's continued survival in the world of 2050. I was struck by the finished 2050 Vision and its emphasis on the concept of dichotomies to envision scenarios for a broader perspective. However, the sheer scale of this vision places its ability to drive actual action into doubt. Nonetheless, I am confident that we can realize the 2050 Vision if we have a commitment to benefiting customers and a pioneer spirit. I personally want to take part in co-creative businesses. I am currently helping to build a flourishing and inclusive society that offers happiness to all through my product creation, e-commerce, and customer service activities in the Omni-Channel Retailing Department.

We can realize the 2050 Vision if we have a commitment to benefiting customers and a pioneer spirit.



Ryo Hayasaka
Second Sustainability Project Team Member
Omni-Channel Retailing Department,
MARUI CO., LTD.

Our vision was for a world in which everyone can find their raison d'être and in which MARUI GROUP can transform this purpose into value through its business. We therefore saw a need for indicators for the subjective value of purpose and a platform for linking individuality to purpose. MARUI GROUP's long-term vision accounts for the people that will be made happy through its accomplishment. I therefore believe that this vision is something that MARUI GROUP can accomplish with its core value emphasizing a love of people and the act of building trust. Key to accomplishing this vision will be combining this core value with technologies to accelerate our efforts.



We saw a need for a platform for linking individuality to purpose.



Yuri Matsuyama
Second Sustainability Project Team Member
Gender-Free Fashion Project Team
MARUI CO., LTD.

Employees Volunteering to Join the Sustainability Project Team



Participating in the Sustainability Project Team increased my environmental awareness while making me aware of my lack of knowledge pertaining to coexistence with the global environment. Also, I was filled with a desire to help preserve the environment through inter-generational businesses after being given the opportunity to think about the environment as it pertains to future generations. I anticipate that technological progress will make it possible to protect the environment in ways that we had all but given up on in the future.

Masao Mori
Second Sustainability Project Team Member
Sales Department, MARUI HOME SERVICE Co., Ltd.

Through the project team, I became aware of the fact that all businesses shape the future and of the importance of framing the accomplishment of goals in terms of commitment rather than ability. Furthermore, I have since come to voice opinions in my daily work while always remaining aware of the need for clear principles and visions of what we want to provide to stakeholders if MARUI GROUP is to be a company that is always chosen by customers.

Yuki Tsukita
First Sustainability Project Team Member
New Business Development Department, MARUI GROUP CO., LTD.



The project team helped me experience the need for increased speed to address the ever-more rapid pace of social change expected to be seen in the future, enabling me to think based on a more long-term perspective. In the field of financial inclusion, I hope to support the happiness of everyone by providing ways of interacting with money (services) that are characteristically MARUI GROUP to customers harboring monetary concerns.

Takuto Yoshihara
First Sustainability Project Team Member
System Planning Department, M & C SYSTEMS CO., LTD.

My involvement with the project team changed my perspective from focusing on what should be done to respond to social changes to working backward from a vision for the future to determine what needs to be done today. MARUI GROUP's 2050 Vision is of a great scale, and I am convinced that new businesses can be developed by uniting both sides of dichotomies. We will have to tackle new challenges to accomplish our vision, and I am committed to growing so that I can create value for the future.

Asami Ishii
First Sustainability Project Team Member
Ueno Marui, MARUI CO., LTD.



At first, I was unable to escape from the confines of standard conventions when thinking about the future from a long-term perspective. However, the more the project team met, the more I was able to break away from this thinking. I believe that the 2050 Vision exudes MARUI GROUP's aura, but I also suspect that it will be incredibly difficult to accomplish. If we are to realize this vision, we will need to take the focus off of profit, instead seeking to give form to our ideals and continue creating frameworks for generating profit through these ideals.

Tetsuya Hoshino
First Sustainability Project Team Member
Human Resources Development and Group Distribution Department, MOVING CO., LTD.

The project team made me realize that sustainability was my responsibility while heightening my commitment to benefit customers and reaffirming the importance of the creation of social value and beneficial trade of profits. Various dichotomies and inequalities are likely to appear in the future. However, this does not change the fact that all people have an equal right to happiness. I therefore feel that it is the mission of those of us working at MARUI GROUP to help build a society in which everyone can live with peace of mind.

Hidehiko Nonaka
First Sustainability Project Team Member
Personnel Division, MARUI GROUP CO., LTD.



Group Members Resonating with MARUI GROUP's 2050 Vision



Kumiko Tanaka
Kinshicho Marui
MARUI CO., LTD.

The 2050 Vision was of a much greater scale than my own vision. The concepts of environmental efficiency and circular revenue were excellent for clarifying the goals of MARUI GROUP. I now recognize that the small efforts of individuals can amount to something much larger, and I thus hope to work with lofty aspirations to help others resonate with this vision.



Ayumi Hiromatsu
System Planning Department,
M & C SYSTEMS CO., LTD.

The 2050 Vision amazed me and won my support at first sight. I recognize that, in the society of today, there are some dichotomies that are created by businesses, making me wonder how we can possibly transcend all dichotomies through our business. I am still a little unclear on how to do this, but I am committed to giving it my all as I move forward one step at a time.



Yuma Suzuki
Marui City Yokohama
MARUI CO., LTD.

The nitty-gritty of the 2050 Vision is about transcending dichotomies, and this vision made me realize the importance of remaining mindful of this task over the long term while tailoring one's efforts to changes in the environment and in the times. I hope that all employees will be as passionate toward this vision as I am so that MARUI GROUP can lead the accomplishment of this vision while incorporating all people, companies, and societies.



Naoki Ito
Marui City Yokohama
MARUI CO., LTD.

I have been convinced that transcending dichotomies is vital to the realization of a sustainable world. However, given the breadth and the long-term perspective of the 2050 Vision, I am concerned that some employees may sense a great deal of disparity between the MARUI GROUP of today and our vision. What we probably need is a clear roadmap to ensure effectiveness in human resource development and in collaboration with other companies.

MARUI GROUP's 2050 Vision was shaped through the efforts of members of the Sustainability Project Team and then shared with other employees at the meeting of the Medium-Term Management Visionary Committee held in July 2018. Many comments were received from employees across the Group that found themselves resonating with the 2050 Vision.



Mariko Kuwae
Ueno Marui
MARUI CO., LTD.

A strength of MARUI GROUP, with its wide-ranging businesses, is its ability to identify various social issues that can be addressed through its business. Our philosophy, which underscores dedication to the customer's perspective and to the realization of a sustainable society, is deeply rooted in the Company. I am therefore confident in our ability to accomplish our long-term vision if we prioritize our goals and work to accomplish them one step at a time.



Aika Sekine
Kinshicho Marui
MARUI CO., LTD.

MARUI GROUP's stance toward exercising corporate responsibility to resolve the issues to be faced in 2050 and shape the society we envision resonated with me. I think it is important that the vision be communicated to all employees and that we rapidly develop frameworks to let everyone at MARUI GROUP transmit their ideas in their own manner.



Tamae Saito
Customer Success Department and Investment
Research Department, MARUI GROUP CO., LTD.

The idea of transcending dichotomies condenses MARUI GROUP's quest to practice co-creation management and create value by expanding the intersection between stakeholder interests into a few words. I personally prefer to look at things in terms of "both A and B" rather than "either A or B," and this idea thus overlapped with my beliefs.



Fumimasa Hino
General Affairs Department,
MARUI GROUP CO., LTD.

I see a widening range of possibilities and business opportunities in MARUI GROUP's long-term vision, which encompasses the entire world and is an evolution of the Company's policy of diversity and inclusion. If the Company were to detail a clear process for how each business will accomplish the goals for its KPIs, it would be easier for all employees to link the vision to their work.

Questionnaire

Opinions of 600 Employees Regarding MARUI GROUP's 2050 Vision

QUESTION 01

What personal mission do you wish to accomplish through your work in order to contribute to the realization of a sustainable society?

Frequently Cited Keywords

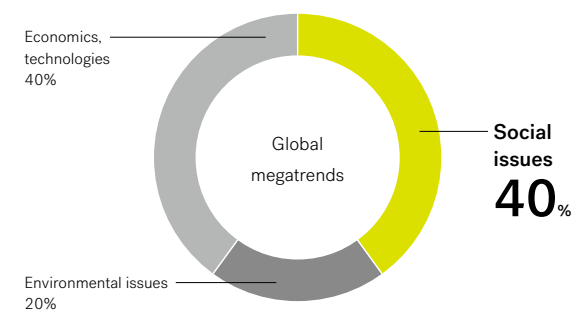
Action, implementation, learning, growth, diversity

Noteworthy Responses

- Always thinking first about what social issues my work addresses, I will search for the ideal resolution through introspection while deeply examining the issues to drive concrete action.
- First of all, I will learn about and experience social issues. I will then implement initiatives for addressing these issues through my work.
- I want to act in a manner that contributes to a sustainable society and to my own growth.
- Freeing myself of my prior thinking and preconceptions, I will predict future possibilities and focus on being open to diversity.

Analysis

From among the global megatrends of environmental issues, social issues, economics, and technologies, to which trend would you link the personal mission described in question 1?



The ratios of respondents linking their personal mission to social issues and environmental issues were 40% and 20%, respectively.

QUESTION 02

What type of company do you want MARUI GROUP to be in 2050?

Frequently Cited Keywords

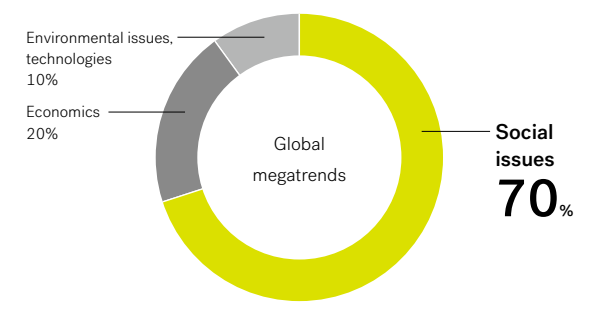
Action, flexibility, responsiveness, communities, social issues

Noteworthy Responses

- I want MARUI GROUP to be a company that interacts and coexists with a diverse range of people while generating innovation for resolving social issues.
- I hope that MARUI GROUP will maintain its mindset of evolving to better serve customers and at the same time respond flexibly to social change.
- In the society of the future, one will only need a computer to be complete, which may dilute interpersonal connections. I believe that we can bring joy to people by creating venues for connections and communities.
- Resolving a wider range of social issues will require us to search for resolutions while working together with other companies and coordinating with government agencies, the United Nations, and other institutions.

Analysis

From among the global megatrends of environmental issues, social issues, economics, and technologies, in which area would you like the MARUI GROUP described in your response to question 2 to resolve issues?



Approximately 70% of respondents wanted MARUI GROUP to be a company that resolves social issues while around 20% wanted MARUI GROUP to be a company that addresses economic issues.

Examining the relationship between responses to questions 1 and 2, it was found that around 20% of all respondents offered highly similar responses for their personal mission and their desire for MARUI GROUP in the future, indicating that MARUI GROUP and its employees are, to a certain degree, aligned along the same vector. The responses also signified that employees see the Company as somewhat of an extension of their own values. Furthermore, a large number of respondents stated a desire to think first about what exactly is the happiness of all people and then act to contribute to the resolution of social issues, whether with regard to themselves or the Company.

Input from Children That Will Shape the World 30 Years from Now



—Input from Children—



I hope that we will still value connections with people and the warmth of people 30 years in the future.



I want to enjoy the evolution of technology while addressing climate and other environmental issues.



We should separate the work of people from the work of robots. We need to enrich people's lives without making things overly convenient.

As part of the process of formulating our long-term vision, we reached out to Ebara Fifth Public Elementary School in Shinagawa, Tokyo. A total of 130 children, who will be the ones shaping the world 30 years from now, were invited to take part in discussions so that we could incorporate their thoughts and opinions into the vision. The children were first asked to imagine what the world may look like 30 years in the future and then to think about what would make for a more desirable future. The children voiced a mixed assortment of hope and concern regarding the future, with some stating how they want to value interpersonal connections or make ecological lifestyles the norm and others expressing concern for being ruled by technology. Such input from children was integrated into MARUI GROUP's 2050 Vision, representing our first step in practicing co-creation with the group of stakeholders that is future generations.



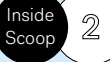
Ayano Moroto
Teacher
Ebara Fifth Public
Elementary School
Shinagawa, Tokyo

I remember how motivated and excited the children were to participate in this event after I informed them that their input would be used to help set MARUI GROUP's new management policies. Many of their opinions were unexpected, such as those that expressed dissatisfaction with an overly convenient society and those that wanted to eat meals with their families. This event thus made it apparent that the students had not lost sight of the importance of connections with others and the fundamental qualities of being human.

Inside Scoops on Discussions Held
When Formulating the 2050 Vision



There was actually a predecessor to the 2050 Vision of "harnessing the power of business to build a world that transcends dichotomies." This vision was "Shiawase (Happiness) × Sustainability = Seicho (Growth)" or "S3." Based on MARUI GROUP's co-creation philosophy, this vision involved providing all stakeholders with options for beneficial trade so that the Company could grow by accumulating value in addition to profit. However, the inclusion of future generations among the emphasized stakeholder groups was a new perspective unique to the long-term vision, and we thus decided to rethink our vision from this perspective.



At the Future Co-Creation Workshops, employee participants presented the long-term vision proposals they had thought of directly to executive officers. On the day of the presentations, a typhoon struck Japan, breaking windows at Namba Marui. One employee was forced to skip the workshop to address this issue. This employee's group had been working on their vision up until the morning of the presentation. They set up an impromptu intranet meeting via the Group's internal meeting system during which they discussed the vision, right up to the deadline. The passion infused in the discussions strengthened the bonds between the members, who remain connected even today.



Intensive Vision Conference for Executive Officers

After receiving proposals from Sustainability Project Team members and discussing with children, the last step in formulating MARUI GROUP's 2050 Vision was a two-day, overnight intensive vision conference attended by all executive officers. At this conference, the executive officers brought the vision to final form by organizing and confirming understanding of the opinions of employees, children, and experts and then considering, presenting, and sharing the long-term vision proposals presented by the Sustainability Project Team groups. A wide variety of opinions were raised during the open and lively discussions. One officer mentioned that he sensed an innovative drive to overcome challenges in the idea of transcending

dichotomies. Another stated that concrete KPIs were suited to green businesses while also bringing up the need to reevaluate the KPIs for other businesses in the future. Following its finalization at the conference, the 2050 Vision was announced at the co-creation sustainability explanatory forum held on December 10, 2018.



Letter

To Every Employee That Has Joined Since 1970 and Will Join in the Future



Motohiko Sato
Senior Managing Executive
Officer and CFO
In charge of IR and Finance
MARUI GROUP CO., LTD.

It is common, even today, for people of my age to express their appreciation for how MARUI GROUP has helped them in the past. Whenever this happens, I am reminded of how MARUI GROUP has been long loved by and necessary to society. Back in the day, we helped countless people with our installment payment framework based on credit forged together with customers, thereby addressing the consumption needs of younger, low-income individuals, which itself could be said to have been a social issue. The evaluation of the social value born out of being needed by society contributed to improved economic value, thereby driving our growth over the past 88 years.

Today, the evolution of the Internet is responsible for massive changes in our operating environment. We have responded to these changes by transforming our business structure, shifting from in-house credit cards to multi-purpose EPOS cards and transitioning from department stores using the consignment buying system to shopping centers utilizing fixed-term rental contracts. These initiatives have laid the foundations for stable growth. In the future, we anticipate further changes to the operating environment as digitization spreads and AI and other technologies evolve rapidly. No matter how times may change, though, we will continue to address social issues in our business by capitalizing on the responsiveness to change that is part of MARUI GROUP's DNA. Through unrelenting innovation and ambition, MARUI GROUP will aspire to be a company that is always loved and needed by society in order to ensure robust growth over the next 100 and 150 years.



The members of the Sustainability Project Team and the members of the 2018 Medium-Term Management Visionary Committee that resonated with MARUI GROUP's 2050 Vision assembled to share solidarity in their vision for the future.

MARUI GROUP's mission is to contribute to the co-creation of a flourishing and inclusive society that offers happiness to all. Creating happiness for everyone requires co-creation with Group employees as well as with customers, business partners, and all other stakeholders. We at MARUI GROUP will march forward toward the future we envision.

Contact

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Corporate information, investor relations information, sustainability information, recruitment information

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