

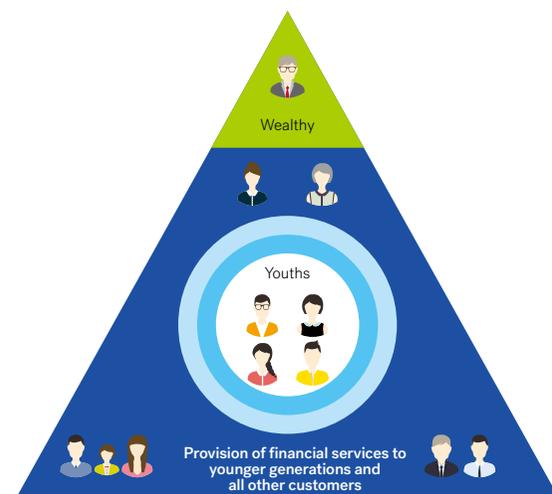
Promotion of Financial Inclusion for the Benefit of All Customers

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.

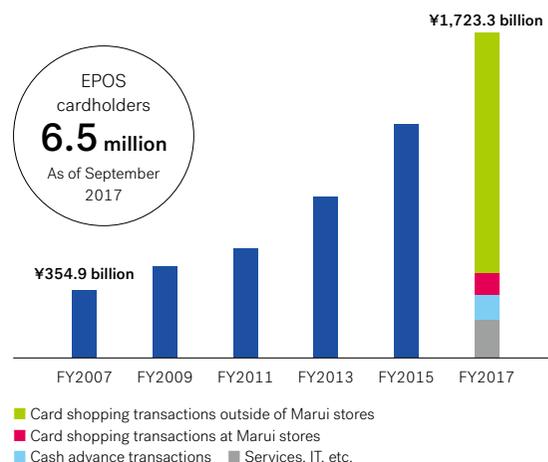
Services for Younger Generations and Everyone Else

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



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



*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.

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

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

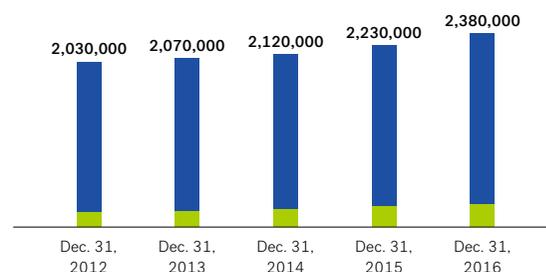
MARUI GROUP has embarked on a collaborative venture with Global Trust Networks Co., Ltd. (GTN), which specializes in providing comprehensive lifestyle



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.

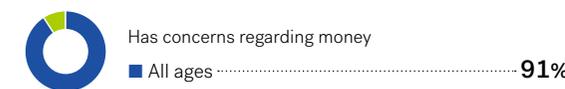


Support Offered by MARUI GROUP

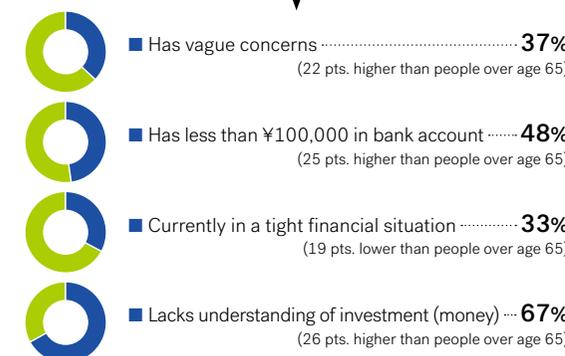
MARUI GROUP offers support for accumulating assets through financial services that allow people to learn about and increase money.

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).



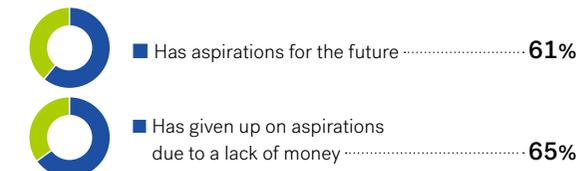
Responses from people aged 18-39



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.



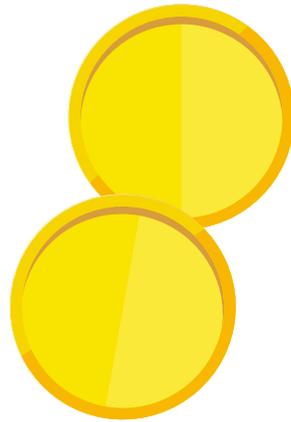
Source: Survey of 2,000 people aged 18-79 conducted by Macromill, Inc., September 2017



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.



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.

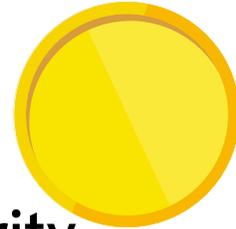


Kenta Murayama

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.

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.

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)