



# マルイミライ

みんなつながる、まあるい未来。

Co-Creation CSR Report 2015

DIGEST

MARUI GROUP CO., LTD.

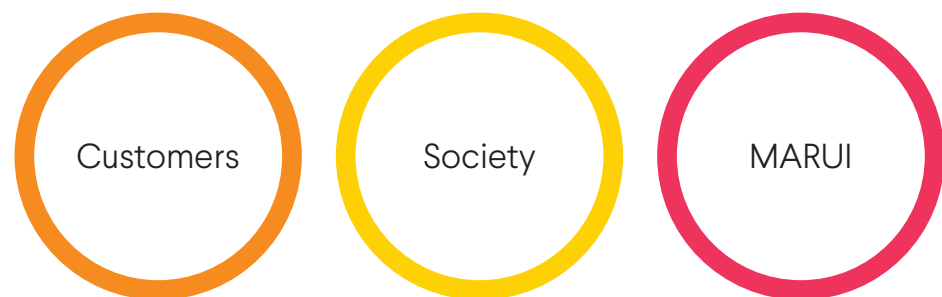


マルイミライ

みんなつながる、まあるい未来。

The concept of **マルイミライ**, or *MARUI MIRAI*, is embodied in its logo mark, which symbolizes MARUI GROUP's stance toward realizing a future in which all are linked through rings of inter-connectivity.

The three rings that form this mark represent customers, society, and MARUI GROUP.



We aim to realize a future  
in which MARUI brings smiles to all it touches  
through its ever-expanding rings of inter-connectivity.

MARUI GROUP strives to practice co-creation management, which entails advancing a business model that merges retailing and credits cards while viewing not only customers but also business partners, community members, and employees as important “partners.” Together with these partners, we will work to co-create customer joy. This stance has remained unchanged from when the Company was founded in 1931. The lives and lifestyles of people change together with the times. The co-creation management we envision is realized when intrinsic links are formed between customers, society, and MARUI GROUP, as we work to address the needs of each of these parties amid changes. This also embodies the concept of a future in which all are linked through rings of inter-connectivity.

# To Our Stakeholders



Hiroshi Aoi  
President and Representative Director  
Representative Executive Officer

## Corporate Philosophy

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

## Corporate Philosophy and CSR Activities

MARUI GROUP's corporate philosophy calls for us to "continue evolving to better aid our customers" and "equate the development of our people with the development of our company." Based on this philosophy, we have defined our mission as being to co-create customer happiness through our business activities, or, in other words, to conduct co-creation management. Striving to fulfill this mission, the Group is pushing forward with management reforms and CSR activities in response to changing customer and social needs.

The corporate philosophy was formulated in 2007 to clarify the goal MARUI GROUP should aspire to as it grows amid the paradigm shift from the accumulation of physical goods to the pursuit of more-fulfilling lifestyles currently seen in Japanese society. During the period known as the Japanese post-war economic miracle, companies largely targeted quantitative growth in terms of sales and market shares, while consumers similarly sought to accumulate physical wealth. However, as Japanese society has become more mature, people have begun prioritizing the improvement of their quality of life above tangible goods. As such, it has been crucial to transition away from prior marketing practices that assume companies can choose their customers to adopt approaches based on the belief that companies must endeavor to be chosen by customers.

We believe that, rather than growing simply for the sake of expanding sales, companies should focus on creating value for themselves by working for the benefit

of customers and society, achieving increases in their economic value as a secondary result of these efforts. Convinced that this is the proper stance for companies, MARUI GROUP's corporate philosophy was made to encapsulate this belief. It is for this reason that we are aspiring to the ideal of co-creation, a process through which the Company grows as its employees grow during the course of their efforts to benefit customers and society. Our CSR activities are thus evolving as they integrate our corporate philosophy.

## Process of Evolving CSR Activities

It was with the 2007 establishment of the CSR Promotion Department that our CSR activities began in earnest. This department takes the form of a back-office support organ that effectively enables employees to play a leadership role in CSR activities, which are advanced by all employees primarily through project teams at business sites. Since the establishment of this department, we continued to act in accordance with the basic stance of conducting CSR activities through our business through means such as operating stores in an energy-efficient manner. We are also engaged in ventures characteristic of an apparel company, such as the apparel recycling program, which involves accepting clothing item trade-ins. We believe the role of companies extends beyond simply selling products, and that companies have a responsibility to ensure that the resources they consume are used effectively throughout all stages of the supply chain. For this reason, we have created a framework for

reselling items that customers have traded in through coordination with Group distribution company MOVING CO., LTD. In 2013, the apparel recycling program was expanded to allow shoes to be traded in.

The shoe trade-in program ended up providing the impetus for a massive step forward in the evolution of our CSR policies. When accepting trade-ins, we issued surveys aimed at helping us address customers' shoe-related concerns. This survey revealed that a number of customers had been unable to continue wearing their pairs of shoes due to pain, despite the fact that such discomfort was not felt when trying the shoes on. This survey made us realize that, if we were able to create shoes that would not go unworn for such reasons, we would be able to contribute to both customers and society. Addressing this issue also presented a business opportunity for MARUI GROUP.

### Goal of *MARUI MIRAI*

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We are currently targeting CSR activities that co-create happiness by linking customers, society, and MARUI GROUP through rings of inter-connectivity. While seeking out methods of contributing to society, we will strive to more actively respond to the issues faced by customers in order to usher in a brighter future for both society and the Company. I am certain that achieving this goal will give form to the concept of co-creation management that we advocate. It was based on this belief that we chose *MARUI MIRAI* as the name for the CSR activities we advance with this goal.

Up until now, our CSR activities have been designed to help give rise to a society that values recycling and have included reuse and reduction initiatives. In the future, however, we will take a step forward from simply addressing environment issues to better respond to the challenges of society and customers in order to more actively co-create happiness. You could therefore say that our CSR activities are advancing to a new stage.

The benefits of resolving issues faced by customers are not limited to bringing joy to customers and fulfilling our social responsibilities. Rather, I am convinced that these efforts will also create new business opportunities for MARUI GROUP and will therefore help us improve the value of the Company. With regard to shoe sizes, for example, it is common for product lineups to be focused on the middle range of sizes, meaning that customers with particularly small or large feet can have difficulty finding shoes. Expanding the range of sizes we offer has not only brought joy to countless customers but also resulted in increased sales. Based on this experience, I am confident that steadfast efforts to address social needs will open the path to the future for MARUI GROUP.

### Corporate DNA Shaping *MARUI MIRAI*

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MARUI GROUP's CSR activities embody our desire to better aid our customers, and I believe that the Company's corporate DNA will serve to further drive these activities forward. When we think about CSR activities for resolving social issues, we cannot ignore trends such as the increasingly global nature of economic activity as well as the

declining birthrate and the aging of the population in Japan. The customers that visit Marui stores can differ in terms of age and gender as well as nationality and language. Our stores are also frequented by countless individuals with disabilities. Our business thus entails catering to various customers and societies, and we must always maintain a customer-based mindset as we think and act. This mindset is imprinted on our corporate DNA, which has been transmitted to all members of MARUI GROUP.

Currently, 99% of store employees have undergone special-needs service training, through which they have learned the proper approach to assisting senior citizens and people with disabilities. We began holding these training sessions in 2009, and employees have continued to proactively participate each year, a fact that has helped us keep the ratio of employees undergoing training so high. Initiatives such as this have been seamlessly incorporated in various sites of business activity, and I believe that these initiatives will be a major force driving the evolution of our CSR activities. The corporate DNA that spurs these initiatives forward is truly one of MARUI GROUP's precious intangible assets.

### Projections for Japanese Society in 2020 and Beyond

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Tokyo is scheduled to host the 2020 Olympic and Paralympic Games. For this event, plans have been made to devote a significant degree of effort to improving the recognition of the Paralympic Games in Japan and to creating a barrier-free environment in order to ensure

that people with either vision or hearing impairments or with physical disabilities are able to receive information without issue. I suspect that initiatives to this end will serve as an important test case for determining whether or not Japanese society can be made more affluent even as the population ages ever-more rapidly after 2020.

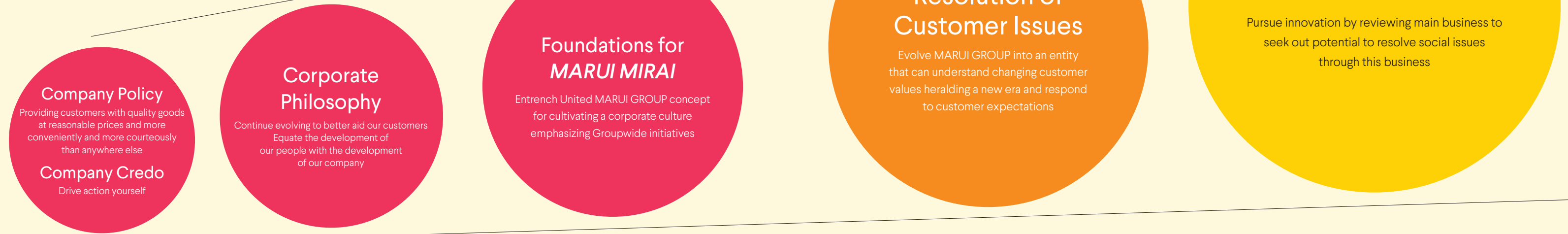
Amid the nationwide drive to prepare for the 2020 Olympic and Paralympic Games, we are committed to maintaining a clear understanding of large overarching trends and what is required of us from the perspective of benefiting customers and society. Going forward, MARUI GROUP's CSR activities will be advanced while linking customers, society, and MARUI GROUP through rings of inter-connectivity, as we work to transform our main business into social contribution undertaking.

November 2015

Hiroshi Aoi  
President and Representative Director  
Representative Executive Officer

# Realization of a Future of Co-Creation

Just as MARUI is heavily influenced by changes in society, we believe that MARUI also has the potential to drive social change. People are currently shifting their focus from the accumulation of physical goods to pursue more-fulfilling lifestyles. Amid this transition, we seek to give form to the concept of *MARUI MIRAI* as we exercise our corporate philosophy, and we are evolving to better respond to this new era and the needs of our customers.



## Company Policy

Providing customers with quality goods at reasonable prices and more conveniently and more courteously than anywhere else

## Company Credo

Drive action yourself

## Corporate Philosophy

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

## Foundations for MARUI MIRAI

Entrench United MARUI GROUP concept for cultivating a corporate culture emphasizing Groupwide initiatives

## Resolution of Customer Issues

Evolve MARUI GROUP into an entity that can understand changing customer values heralding a new era and respond to customer expectations

## Resolution of Social Issues

Pursue innovation by reviewing main business to seek out potential to resolve social issues through this business

### Building Foundations for MARUI MIRAI

#### 2005–2007

- Hiroshi Aoi became president. Announced MARUI GROUP's medium-term management plan
- Established Environmental Initiative Office
- Changed to holding company structure. All employees affiliated with MARUI GROUP CO., LTD.
- Created corporate philosophy
- Established CSR Promotion Department
- Formulated MARUI GROUP Code of Conduct

- M & C SYSTEMS CO., LTD., ▲ acquired ISO 27001 accreditation
- Began conducting store development and product creation together with customers
- Established Demand Survey Department
- Launched campaign encouraging customers to carry their own reusable shopping bags to reduce use of disposable shopping bags

#### 2008–2009

- Established MARUI GROUP Environmental Policy. Set medium-term targets
- Introduced Work-Life Balance Day to encourage Group employees to use vacation days
- MARUI KIT CENTER CO., LTD., ▲ receives Minister of Health, Labour and Welfare Award for initiatives to expand scope of duties of employees with disabilities
- Became only apparel company to participate in the government's Committee for Realizing Practical Application and Promoting Carbon Footprint Systems

- Started providing special-needs service training
- Launched Rakuchin Kirei Pumps, ▲ developed together with customers
- Began holding communication forums for mothers raising small children to support employees seeking to return to work during childcare leave
- Worked together with Japan Blind Football Association to hold shopping event that can be enjoyed by individuals with physical disabilities

### Reformation and Evolution of MARUI MIRAI

#### 2010–2011

- Started clothing trade-in program ▲
- Commenced textile product recycling model business and started participating in FUKU-FUKU Project
- Began participating in Table for Two program, donating ¥20 to developing countries for each meal purchased in employee restaurants
- MARUI KIT CENTER CO., LTD., visited by Emperor and Empress of Japan as part of national week for promoting awareness of people with disabilities
- Established Health Management Office staffed by full-time industrial physicians and nurses

- MARUI KIT CENTER CO., LTD., visited by Chair of ASEAN
- Biodiversity initiatives begun by Nakano Marui
- Started holding events for providing used clothing free of charge as a form of support for people in regions heavily impacted by the Great East Japan Earthquake
- Introduced new shareholder benefit systems
- Launched Power of Fashion Project

#### 2012–2014

- Launched Mutual Benefit Social Contribution Project
- Awarded Kurumin mark by Ministry of Health, Labour and Welfare
- Began supporting used-clothing sales in quake-stricken Tohoku region
- Started trial trade-in program for women's shoes ▲
- Began holding planning meetings with customers related to establishment of Hakata Marui
- Established Health Management Division and enhanced employee physical and mental health support

#### 2015

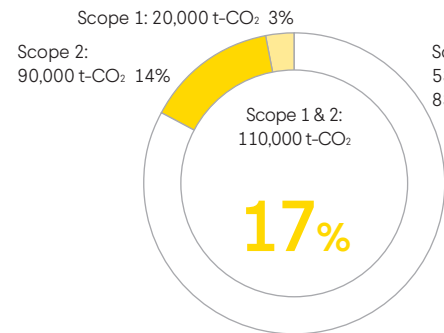
- Established MARUI MIRAI Project Team through which all employees can take part in determining MARUI GROUP's future course
- Published first integrated report, *Co-Creation Management Report 2015* ▲
- Commenced CSR-minded procurement initiatives in relation to private-brand products
- Expanded scope of employees undergoing special-needs service training

# Benefiting Society

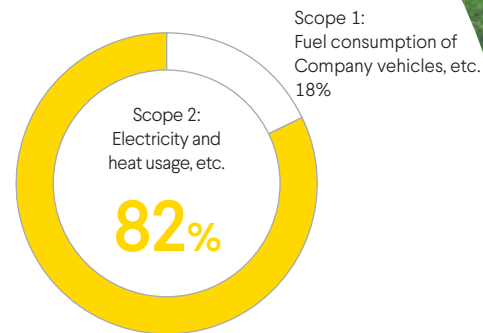
The Company has traditionally calculated emissions of CO<sub>2</sub> and other greenhouse gases based on Scope 1 and Scope 2 of the Greenhouse Gas Protocol, and it began calculating emissions under Scope 3 during 2014. We are thereby able to track emissions across the entire value chain, including direct and indirect emissions from MARUI GROUP as well as emissions from raw material procurement, transportation, and purchased products.

## Greenhouse Gas Emissions by MARUI GROUP

Breakdown of 640,000 t-CO<sub>2</sub> Emissions from across the Supply Chain



Breakdown of 110,000 t-CO<sub>2</sub> Emissions from MARUI GROUP



### MARUI GROUP's Endeavor

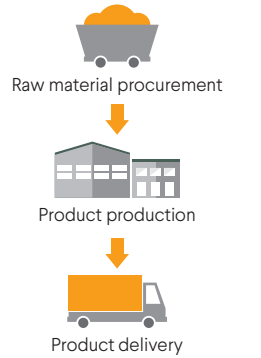
MARUI GROUP works to save energy, reduce resource usage, and otherwise help preserve the environment. We also track emissions of CO<sub>2</sub> and other greenhouse gases across the entire supply chain to reduce environmental impacts within the Group and throughout the supply chain.

# Tracking of Emissions across the Supply Chain

## Emissions from Delivery to Delivery

Scope 3: **370,000 t-CO<sub>2</sub>**

1. Purchased products and services
2. Capital goods
3. Fuel and energy related activities not included in Scope 1 or 2
4. Transportation and delivery
5. Waste generated in operations
6. Business travel
7. Employee commuting
8. Leased assets



## Emissions by MARUI GROUP

Scope 1 & 2: **110,000 t-CO<sub>2</sub>**

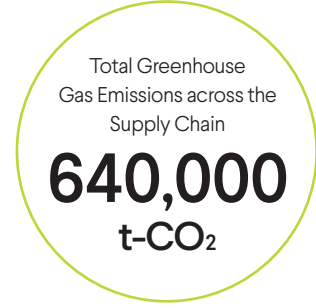
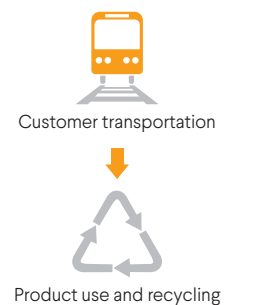
- Scope 1: Direct emissions from fuel consumption by Company vehicles, etc.
- Scope 2: Indirect emissions from electricity purchased for store operation, etc.



## Post-Purchase Emissions

Scope 3: **160,000 t-CO<sub>2</sub>**

9. Transportation and delivery
10. Processing of sold products (not applicable to the Company)
11. Use of sold products
12. End-of-life treatment of sold products
13. Leased assets
14. Franchises (not applicable to the Company)
15. Investments



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 these calculations have been checked by Mizuho Information & Research Institute, Inc.

# Group Effort to Reduce Environmental Footprint

The majority of greenhouse gas emissions by MARUI GROUP comes from activities related to the operation of stores. Therefore, the Group is advancing a unified effort to reduce its environmental impact while promoting biodiversity initiatives.



Solar power generation facilities were installed at AIM Logisport in 2014. Annually, these facilities generate enough electricity to power 100 households.

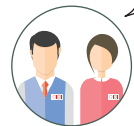


Eco-friendly hybrid vehicles have been introduced into the distribution business fleet of MOVING CO., LTD., to reduce CO<sub>2</sub> emissions volumes.



Nakano Marui's lush and sprawling forested biotope, Four Seasons and Waterside Gardens, were certified as "Urban Oases" by the Organization for Landscape and Urban Green Infrastructure in 2013 and then received the Nakano Greenery Contribution Award in 2015. Also, the Q-COURT British-style garden of the Shinjuku Marui Main Building was certified as an "Urban Oasis" in 2014.

Marui stores contain various spots with lush greenery. Please pay a visit to see some of the urban wildlife!



**Youji Nagahora**  
Manager, Shinjuku Marui Main Building  
MARUI FACILITIES Co., Ltd.

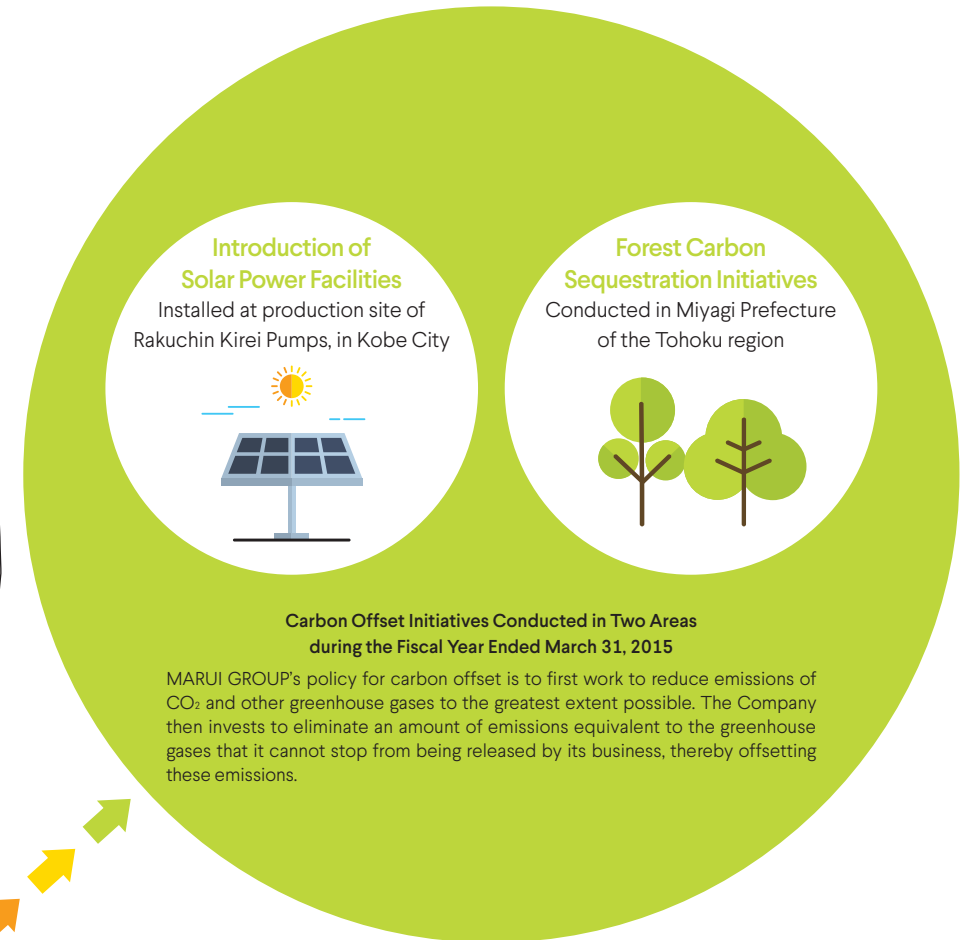
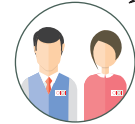
## Providing a Comfortable Environment for Customers

My division is primarily responsible for managing the electricity and air-conditioning facilities for all of Shinjuku Marui. We make minute adjustments to air-conditioning based on temperature changes occurring on a given day or a specific time or the amount of customer traffic. For example, we take into account considerations such as the presence of high-traffic tenants in certain store locations or times when the intake of air from outside the store would provide a more ideal temperature than using coolers. In this manner, we seek to provide customers with the most comfortable store environment possible.

# Tracking of CO<sub>2</sub> Emissions from Manufacturing



We offset the amount of CO<sub>2</sub> used to produce Rakuchin Kirei Pumps!



## Carbon Footprint Display

In August 2014, MARUI GROUP took steps to display the carbon footprint of Rakuchin Kirei Pumps, showing all CO<sub>2</sub> emitted through their entire lifespan.



## Total carbon footprint of one pair of Rakuchin Kirei Pumps (velikoko V11F5-8014)



The results of these calculations have been checked by Mizuho Information & Research Institute, Inc.

# Overview of MARUI GROUP

As of March 31, 2015

<b>Name</b>	MARUI GROUP CO., LTD.
<b>Head office</b>	3-2, Nakano 4-chome, Nakano-ku, Tokyo 164-8701, Japan
<b>Date of foundation</b>	February 17, 1931
<b>Date of establishment</b>	March 30, 1937
<b>Capital</b>	¥35,920 million
<b>Stock listing</b>	Tokyo Stock Exchange, First Section (loan margin trading issues)
<b>Securities code</b>	8252
<b>Number of employees</b>	5,918 (Group total, excludes temporary employees)

<b>Business activities</b>	Corporate planning and management for Group companies conducting Retailing and Store Operation, Credit Card Services, and Retailing-Related Services businesses and other businesses
<b>Stores</b>	Marui: 24 located in Kanto, Tokai, and Kansai regions (1 scheduled to be opened in spring 2016) Modi: 3 located in Kanto region (1 scheduled to be opened in fall 2015)
<b>Total sales floor area</b>	444,040 m <sup>2</sup>
<b>Homepages</b>	MARUI GROUP CO., LTD. <a href="http://www.0101maruigroup.co.jp/english.html">www.0101maruigroup.co.jp/english.html</a> MARUI MIRAI <a href="http://www.0101.co.jp/earthsmileproject/">www.0101.co.jp/earthsmileproject/</a> (Japanese only)

## Number of employees

		FY2015
Employees	Women	2,641
	Men	3,277
	Total	5,918
Average number of temporary employees	Women	1,596
	Men	457
	Total	2,053
Average number of consecutive years served	Women	13.4
	Men	21.3
Average age	Women	36.0
	Men	44.8
Ratio of employees with disabilities*1		2.08

## Welfare support system usage numbers

	FY2015
Childcare leave (average acquisition numbers for women)*2	309
Shortened working hours for childbirth or childcare purposes (men and women)*3	345

## Intra-Group profession changes

(Totals from April and October of each year)

	FY2015
Number of intra-Group profession changes	554
Aggregate total number of intra-Group profession changes	1,215

\*1 Ratio of employees with disabilities is as June 1 of each year. Other figures are as of March 31 of each year.

\*2 Figures for childcare leave (average acquisition numbers for women) represent the average number of women using childcare leave systems each year.

\*3 Figures for shortened working hours for childbirth or childcare purposes (men and women) represent the total number of employees using this system in each fiscal year.

## Environment Preservation Expenditure

(Millions of yen)

		FY2015 investments	FY2015 expenses
Global warming prevention	Energy consumption reduction (Electricity, gas, etc.)	785.5	0
	Operational measures	0	33
Waste reduction and recycling	Waste treatment outsourcing (final disposal)	0	120
	Waste treatment outsourcing (recycling)	0	98
	Recycling outsourcing based on the Act on the Promotion of Sorted Collection and Recycling of Containers and Packaging	0	11.6
Resource conservation	Water conservation	0	0
	Reuse and recycling of apparel items		
	Reduction of packaging and packing materials (plastic and paper bags, etc.)	0	61.3
Pollution prevention	Air and water pollution prevention Prevention of unpleasant smell and vibration emission	0	27.7
	Management of polychlorinated biphenyl, asbestos, etc.	0	1.3
Management activities	Information disclosure	2.5	8.3
	Personnel expenses for environmental preservation activities	0	73.2
	Environmental events and campaigns	0	8.1
Social contribution activities	Relief clothing donations	0	5.5
	Plastic bag campaign donations	0	2.3
	Social contribution activities, donations, etc.	0	20.2
<b>Total</b>		<b>810.5</b>	<b>470.5</b>

Period of data collection: April 1, 2014–March 31, 2015 / Scope of data collection: Marui stores (all 24 stores)  
Reference: *Environmental Accounting Guidelines* (2005 edition), Ministry of the Environment





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Integrated report (in English): [www.0101maruigroup.co.jp/ir/pdf/i\\_report/i-report2015\\_ena3.pdf](http://www.0101maruigroup.co.jp/ir/pdf/i_report/i-report2015_ena3.pdf)