

# Overview of MARUI GROUP

As of March 31, 2016

## Company Overview

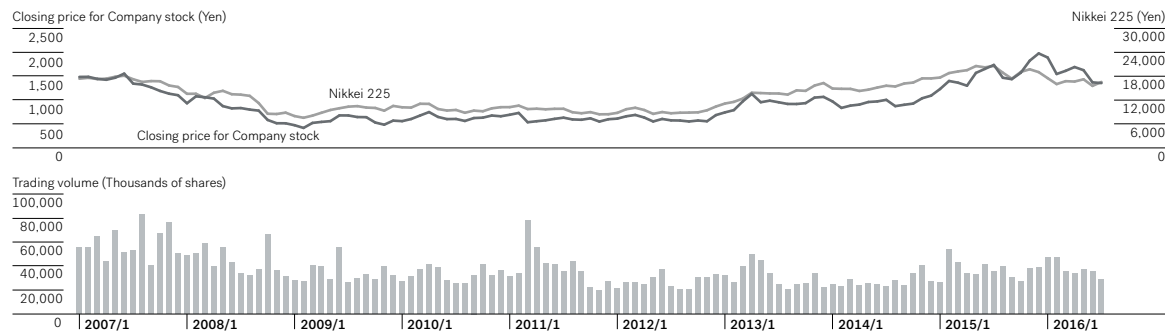
<b>Name</b>	MARUI GROUP CO., LTD.
<b>Head office</b>	3-2, Nakano 4-chome, Nakano-ku, Tokyo 164-8701, Japan
<b>Date of foundation</b>	February 17, 1931
<b>Date of establishment</b>	March 30, 1937
<b>Capital</b>	¥35,920 million
<b>Business activities</b>	Corporate planning and management for Group companies 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 Modi: 4 located in Kanto region
<b>Total sales floor area</b>	441,800 m <sup>2</sup>
<b>Number of employees</b>	5,899 (Group total, excludes temporary employees)
<b>Main banks</b>	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.
<b>Accounting auditor</b>	KPMG AZSA LLC

## Stock Information

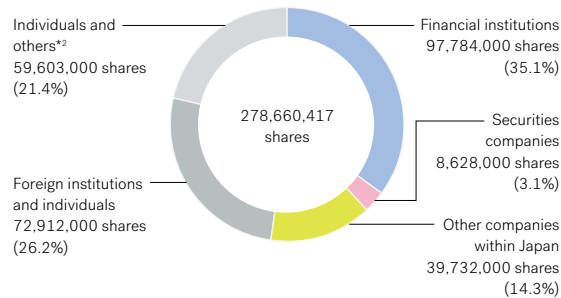
<b>Stock listing</b>	Tokyo Stock Exchange, First Section (loan margin trading issues)
<b>Securities code</b>	8252
<b>Number of authorized shares</b>	1,400,000,000
<b>Number of common shares issued*1</b>	278,660,417
<b>Number of shareholders</b>	21,770

\*1 Number of common shares issued includes 36,270,334 shares of treasury stock, equivalent to 13% of the total number of shares of common stock issued.

## Stock Price



## Distribution of Shares Held by Shareholder Type



\*2 Individuals and others includes 36,270,334 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)	27,505	11.3
Japan Trustee Services Bank, Ltd. (Trust Account)	22,496	9.3
Aoi Real Estate Co., Ltd.	6,019	2.5
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	5,808	2.4
Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	5,133	2.1
Toho Co., Ltd.	3,779	1.6
MSCO CUSTOMER SECURITIES	3,654	1.5
AOI SCHOLARSHIP FOUNDATION	3,234	1.3
Toriyama Co., Ltd.	3,104	1.3
STATE STREET BANK WEST CLIENT-TREATY 505234	3,048	1.3

\*3 Percentage of total shares issued is calculated excluding treasury stock.

## Awards Received

**MARUI GROUP Ranked High in the 2016 All-Japan Executive Team Rankings Released by U.S. Financial Industry Magazine Institutional Investor**

MARUI GROUP was placed in the upper ranks among retail sector companies in the Best IR Companies category and President Aoi placed high among retail sector peers in the Best CEOs category of the 2016 All-Japan Executive Team Rankings. These rankings are compiled by globally renowned U.S. financial industry magazine *Institutional Investor*.

**Best IR Companies Sell Side No. 2**

**Best CEOs**

**Sell Side No. 1, Buy Side No. 3, Combined No. 2**

**About the All-Japan Executive Team Rankings**

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. The ranking consists of six categories (Best CEOs, Best CFOs, Best IR Professionals, Best IR Companies, Best Analyst Days, and Best Websites). In 2016, votes were received from 515 institutional investors and securities analysts from 205 institutions.

**Ranking Details**

[www.institutionalinvestor.com/Research/6280/Honored-Companies.html#V1UuU01f2M8](http://www.institutionalinvestor.com/Research/6280/Honored-Companies.html#V1UuU01f2M8)

**Receipt of 16th Porter Prize by Credit Card Services Business**

The Porter Prize is an award created in July 2001 to bestow recognition on Japanese companies that have achieved and maintained superior profitability in a particular industry by implementing unique strategies based on innovations in products, processes, and ways of managing. The name of the award is derived from Professor Michael E. Porter of Harvard University, a leading authority on competitive strategy. [www.porterprize.org/english/index.html](http://www.porterprize.org/english/index.html)

**Ranked 1st in Retail Category of 2016 Awards for Excellence in Corporate Disclosure**

MARUI GROUP was ranked 1st in the retail category of the 2016 Awards for Excellence in Corporate Disclosure given by the Securities Analysts Association of Japan.

**Best IR Award**

In November 2016, the Japan Investor Relations Association presented MARUI GROUP with the Best IR Award in its 2016 IR Award out of recognition for the Company's improvement of disclosure materials based on investor input and the uniqueness of initiatives such as MARUI IR DAY.

**Platinum "Kurumin" Certification for Companies that Actively Support Child-rearing**

The Platinum "Kurumin" program is designed to recognize companies that have regular "Kurumin" certification and have made exceptional progress in promoting the use of work-life balance systems. In July 2016, Platinum "Kurumin" certification was awarded to MARUI GROUP by the Ministry of Health, Labour and Welfare (MHLW) to certify the Company as providing superb levels of support for employees' child-rearing efforts.

**Award of Excellence in 6th Carbon Offset Awards**

The Carbon Offset Awards were established with the aim of furthering the development of a low-carbon society by promoting proper understanding of carbon offset and encouraging utilization in business activities to spread usage. The acknowledgment of the Rakuchin Kirei series of shoes as eco-friendly products and the high evaluation of related carbon offset initiatives, which began in 2014, made MARUI GROUP the first apparel company to be recognized by this award program.

**Grand Prix Award in Ikumen Enterprise Award 2016**

The MHLW presents the Ikumen Enterprise Award to help support men in participating in child-rearing and acquiring childcare leave. MARUI GROUP has introduced a short-term childcare leave system, and usage of this system by men has increased rapidly. We thus received a Special Encouragement Award in the 2014 program and then the Grand Prix Award in the 2016 program.

**GP Environmental Award**

The Japan Federation of Printing Industries selects companies for the GP Environmental Award that have demonstrated a passionate approach to reducing their environmental impact and displayed the GP mark on the largest number of publications. MARUI GROUP received this award in both 2015 and 2016 for its understanding and active use of the GP certification system.

**Grand Prix Award in Ikuboss Award 2015**

The MHLW's Ikuboss Award program recognizes managers that support their subordinates' work-life balance. Kazumi Abe, a director and store manager at MARUI CO., LTD., received the Grand Prix Award in the Ikuboss Award 2015 program. Reasons for Ms. Abe's selection included her management style that inspires her staff as well as her consideration for the unique situations of her employees. Ms. Abe also received recognition for her efforts to encourage the use of childcare leave by male employees on a Companywide basis.

**Finalist in 3rd Nikkei Social Initiative Awards**

In April 2015, MARUI GROUP was selected as a finalist in the Tohoku category of the 3rd Nikkei Social Initiative Awards. This decision was a reflection of the high evaluation of the Company's efforts to resolve social issues; support reconstruction in the Tohoku region, which was heavily damaged by the 2011 Great East Japan Earthquake; and help people in this region achieve independence by supplying trade-in clothing and shoes to be resold in special charity bazaars in the Tohoku region.

## Financial and Non-Financial Data

Fiscal years ended March 31

	2014	2015	2016	
Number of employees	Women	2,655	2,641	2,685
	Men	3,311	3,277	3,214
	Total	5,966	5,918	5,899
Average number of temporary employees	Women	1,491	1,596	1,585
	Men	485	457	362
	Total	1,976	2,053	1,947
Average number of consecutive years served	Women	12.9	13.4	13.9
	Men	20.9	21.3	21.8
Average age	Women	35.4	36	36.4
	Men	44.4	44.8	45.3
Number of intra-Group profession changes*1	383	552	196	
Aggregate total number of intra-Group profession changes	670	1,222	1,418	
Ratio of employees with disabilities (%)*2	2.12	2.08	2.16	
Number of female leaders	545	576	603	
Number of female managers	24	28	29	
Ratio of female managers (%)	7.0	8.0	8.9	
Childcare leave (average acquisition numbers for women)*3	289	309	305	
Shortened working hours for childbirth or childcare purposes (men and women)*4	312	345	386	
Ratio of applicable male employees taking childcare leave (%)	14	54	66	
Ratio of female employees returning to work full time after taking childcare leave (%)*5	36	55	66	
Total number of stores	27	27	28	
Total sales floor area (thousand m <sup>2</sup> )	446.5	444.0	441.8	
Environment preservation expenditure (thousands of yen)	924,500	1,281,000	837,400	
Energy consumption (t-CO <sub>2</sub> )	90,670	86,150	80,902	
Per unit energy consumption	0.0364	0.0368	0.0332	
Water consumption (thousands of m <sup>3</sup> )	1,270	1,240	1,254	
Electricity consumption (thousands of kWh)	214,905	199,700	196,196	
Total waste production (tons)	13,620	13,390	12,900	
Waste sent to final disposal (tons)	5,760	5,550	5,200	
Ratio of waste recycled (%)	58	59	60	
CO <sub>2</sub> emissions (Scope 1 and 2) (t-CO <sub>2</sub> )*6	113,227	109,528	101,278	
CO <sub>2</sub> emissions (Scope 3) (t-CO <sub>2</sub> )*6	550,612	530,595	509,070	

\*1 Figures represent the total for April and October of each year.

\*2 Figures are as of June 1 of each year.

\*3 Figures are the average for each fiscal year.

\*4 Figures are the total for each fiscal year.

\*5 Ratio of employees returning to work full time after taking childcare leave is the ratio of female employees returning to work full time to the total number of female employees that returned to work shortened hours after childcare leave within a given year.

\*6 Scope 1 and 2 represent CO<sub>2</sub> emissions from the Group. Scope 3 represents CO<sub>2</sub> emissions from areas including raw material procurement, transportation, and use by customers. Emissions calculations for Scope 3 are verified by Mizuho Information & Research Institute, Inc.

## MARUI GROUP Environmental Policy

Established in 2008, revised in 2016

MARUI GROUP views all the resources it uses in its business as being borrowed from society. Based on this belief, we examined the impacts of our business on natural capital and then revised the MARUI GROUP Environmental Policy in order to better guide us in preventing climate change and pollution and otherwise advancing eco-friendly business activities on a Groupwide basis.

### Basic Policy

MARUI GROUP strives to provide all of its customers with joy and fulfilling lifestyles through a unique business model comprising its Retailing and FinTech businesses. We believe that a fulfilling lifestyle is one in which an individual's sensibilities are such that they wish for a sustainable and flourishing society that is considerate of natural capital and the enrichment of people's lives.

### Code of Conduct

#### 1. Integrated Group Efforts to Reduce Environmental Footprint

To contribute to the realization of a sustainable and flourishing society, all Group employees should 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 should be accomplished while advancing eco-friendly business activities.

#### 2. Co-Creation with Stakeholders

MARUI GROUP is to advance ongoing initiatives for reducing its environmental impact together with customers, implement the MARUI GROUP Procurement Policy together with business partners, and engage in other co-creation activities with all stakeholders. In this manner, we should actively work toward environmental preservation and contribute to communities and society as a whole.

#### 3. Reduction of Environmental Footprint of Stores

Initiatives at stores should include energy-saving measures at shopping centers, development of green spaces at stores in urban locations, preservation of biodiversity, and promotion of the 3Rs (reduce, reuse, and recycle) with regard to resources.

#### 4. Reduction of Environmental Footprint of Private Brand Products

MARUI GROUP should strive to reduce waste by preventing the creation of products that go unused due to not meeting customer needs while reducing greenhouse gas emissions and developing eco-friendly products. At the same time, we should track conditions across the value chain, from raw material procurement to disposal or reuse, in order to engage in safe and trustworthy production and procurement, which should include management of work environments and chemical substances.

#### 5. Development of Innovative Services for Reducing Environmental Impacts

MARUI GROUP shall utilize its unique platform, which incorporates 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.

#### 6. Compliance with Environmental Regulations

Based on environmental legislation, regional ordinances and agreements, and international customs and conventions, MARUI GROUP shall comply with and properly address the environmental regulations present in each country of operation. We shall also manage our own business activities in accordance with internal standards.

#### Hiroshi Aoi

President and Representative Director  
Representative Executive Officer  
MARUI GROUP CO., LTD.  
November 1, 2016

#### Targets Leading up to 2050

The MARUI GROUP Environmental Policy was established in 2008, after which MARUI GROUP accomplished its targets of reducing per unit greenhouse gas emissions by more than 1% each year and achieving a recycling rate of 60%. Based on projected future changes in our business activities and our impact on natural capital, we are in the process of discussing possible short-, medium-, and long-term targets for reducing environmental impacts leading up to 2050.

#### Management Systems

The Company has in place the 20-member Compliance Promotion Board, which is chaired by MARUI GROUP's president, and the 10-member Environment CSR Promotion Committee, which is chaired by the officer in charge of CSR promotion. Meetings and committee assemblies are held regularly. The details of discussions by the Environment CSR Promotion Committee are periodically reported to the Compliance Promotion Board to promote collaborative discussion.

#### Compliance Promotion Board

Chairman: President and Representative Director and Representative Executive Officer of MARUI GROUP CO., LTD.  
Members: Senior managing executive officers, managing executive officers, senior executive officers, executive officers, and Audit & Supervisory Board members of MARUI GROUP CO., LTD.; president and representative director of MRI Co., Ltd.; and president and representative director of Epos Small Amount and Short Term Insurance Co., Ltd.  
Secretariat: General manager of General Affairs Division of MARUI GROUP CO., LTD.

#### Environment CSR Promotion Committee

Chairman: Managing executive officer in charge of CSR promotion of MARUI GROUP CO., LTD.  
Members: Directors of Group companies; general manager of CSR Promotion Department of MARUI GROUP CO., LTD.; general manager of Store Manager & Store Support Division of MARUI CO., LTD.; and chairman of Central Vice Executive Committee of MARUI GROUP UNION  
Secretariat: Chief manager of CSR Promotion Department of MARUI GROUP CO., LTD.