

Co-Creation Corporate Governance



MARUI GROUP's Vision

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

Major Initiatives

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

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

Principal Data

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

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

MARUI GROUP Code of Conduct

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

1. Customers

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

2. Investors

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

3. Communities and Society

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

4. Business Partners

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

5. Employees

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

6. Environmental Preservation

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

7. Respect for Human Rights

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

8. Fair and Transparent Transactions

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

9. Elimination of Antisocial Forces

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

10. Protection and Management of Information Assets

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

Scope of Application and Implementation

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

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

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

MARUI GROUP Human Rights Policy

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

1. Commitment to Respecting Human Rights

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

2. Compliance with International Standards

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

3. Responsibility toward Promoting Respect for Human Rights

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

4. Fostering of a Corporate Culture of Respecting Human Rights

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

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

MARUI GROUP Occupational Health and Safety Policy

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

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

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

2. Promotion of Voluntary Occupational Health and Safety Initiatives

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

3. Compliance with Occupational Health and Safety Laws

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

4. Realization of Safe and Low-Risk Workplace Environments

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

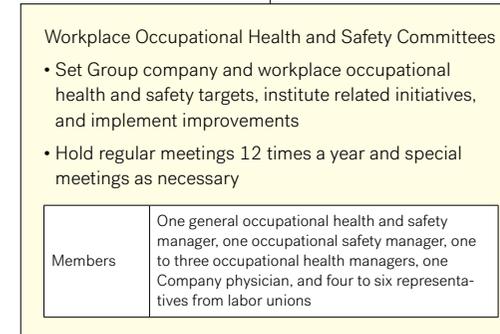
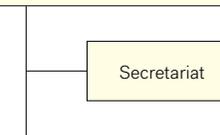
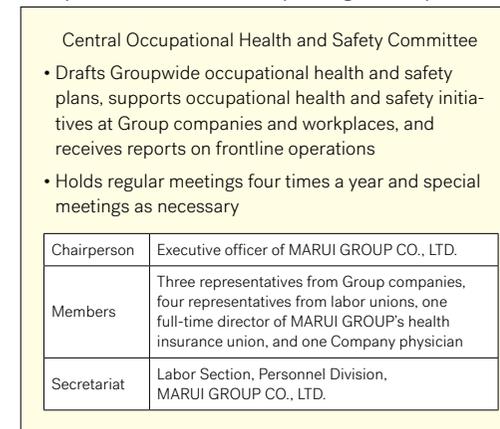
5. Facilitation of Employee Health Improvement

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

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

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

Occupational Health and Safety Management System



Healthcare Management Promotion System

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

Consultation Venues

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

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