

Provision of options for alleviating income disparity

# Financial Inclusion

MARUI GROUP's policy of financial inclusion was arrived at by evolving the Company's co-creation management into co-creation sustainability management. Up until today, MARUI GROUP has continued to provide credit to younger generations and everyone else in order to overcome the social issue represented by the exclusivity of financial services to a limited range of wealthy individuals. EPOS cards will be evolved from a highly convenient business into a vessel for promoting financial inclusion going forward in order to establish a sustainability platform through which we can transcend the dichotomy represented by globally widening income disparity.

**MARUI GROUP's PROMISE**

**MARUI GROUP promises to provide financial services to 10 million or more people worldwide by 2050.**

**PROVIDE WHAT?**

Financial services through credit cards  
Peace of mind for the future through asset building  
Financial services for low- and middle-income individuals worldwide

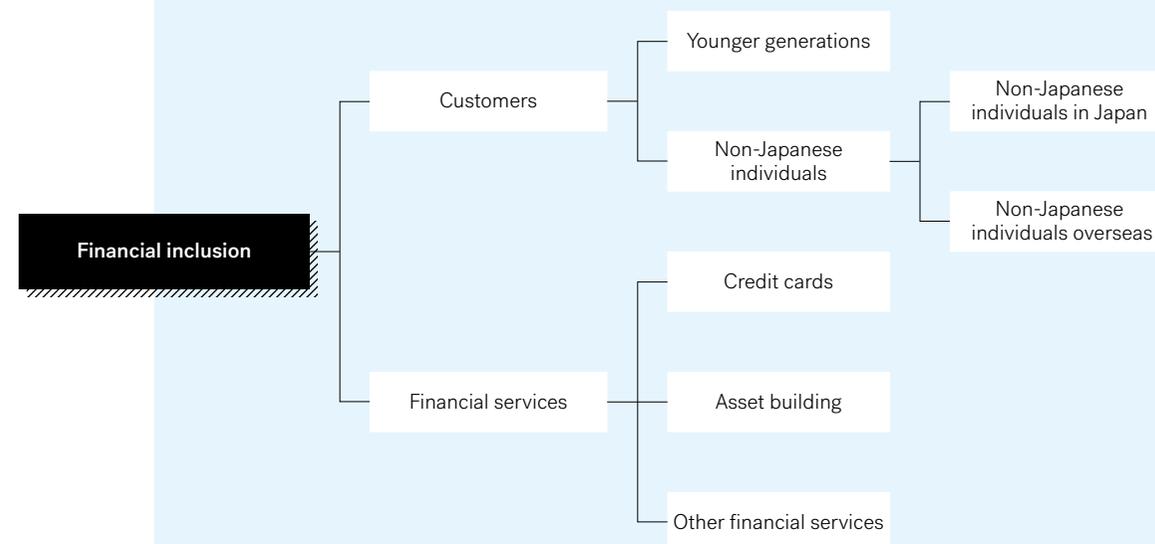
**TO WHOM?**

Younger generations and all other customers  
Non-Japanese customers residing in Japan  
Overseas customers to be attracted in the future

## Options for Alleviating Income Disparity

Through financial inclusion, MARUI GROUP seeks to resolve income disparity starting with existing EPOS cardholders. The majority of EPOS cardholders are in their 20s or 30s, meaning that many of them will find themselves in need of large amounts of money as their life stage changes. To communicate to these customers the importance of lifelong asset building, MARUI GROUP established a securities company, which became the first company in Japan to allow for investment trusts applicable under Tsumitate NISA to be purchased with credit

cards. We continue to expand the scope of our financial services for alleviating income disparity. Furthermore, we are expanding the range of options we offer to include non-Japanese residents of Japan with the goal of supplying new financial services that help them address the difficulties faced when going to school or working in Japan. Over the long term, we hope to provide these services both in Japan and overseas, and this aim is reflected in the following long-term targets.



Long-Term Targets		
Medium-Term Targets (5 years in the future)	Long-Term Targets (10 years in the future)	Ultralong-Term Targets (30 years in the future)
• EPOS cardholders of 10 million or more	• Services provided to 1 million individuals through tsumiki Securities	
• Financial services provided to 5 million or more members of younger generations	• Financial services provided to 500,000 or more non-Japanese individuals	• Financial services provided to 10 million or more individuals worldwide
• Financial inclusion promoted through investment in 10 or more countries worldwide	• Financial inclusion promoted through investment in 20 or more countries worldwide	



### Transcending of the Income Dichotomy through Credit Cards

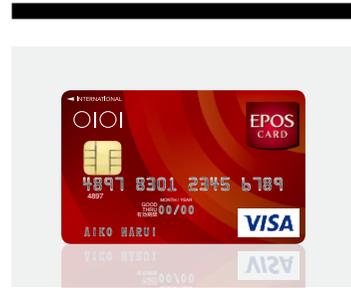
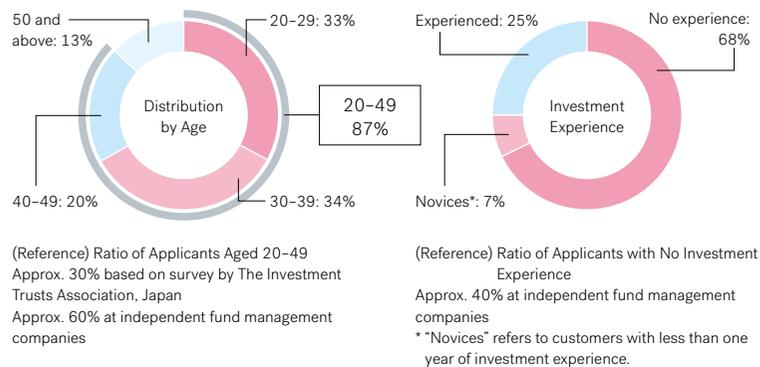
A part of MARUI GROUP's mission is to promote financial inclusion by providing financial services to all people, regardless of their age and income. Our decision to enter into the securities business was based on this mission. The majority of EPOS cardholders are in their 20s or 30s, and 70% of these cardholders are women. Input received from customers made us aware of their concerns for the future regarding money. Seeking to turn these concerns into hope and develop a service that will enable customers to increase their money with peace of mind, we arrived at the scheme of allowing customers to purchase investment trusts with credit cards, a world first. While lowering the hurdle for investment, this scheme makes it possible for customers to have payments for Tsumitate NISA applicable investment trusts be withdrawn from their account in a similar fashion to their monthly shopping or smartphone bills.

### Potential and Challenges of tsumiki Securities

First offering service in August 2018, tsumiki Securities is a securities company specializing in cumulative investments, a form of investment that can be carried out with peace of mind even by first-time investors. This company offers customers four carefully selected trusts operated by three fund managers that share the same vision as MARUI GROUP and are committed to communicating the importance of asset building. Since it started offering this service, tsumiki Securities has received applications from approximately 13,000 individuals (as of January 2019), and the ratio of these applicants that were younger or first-time investors was much higher than that of existing financial institutions. This achievement is thought to be due in part to our customer base of 6.6 million EPOS cardholders, the ease of application via the Internet, and the convenience of credit cards. Another important factor was the staff that offer support to help alleviate apprehensions regarding asset building, making it feel more familiar to customers.

Looking ahead, tsumiki Securities will seek to promote the shift from savings to investment, which has yet to take off in Japan, in order to instill cumulative investment as a part of our culture. At the same time, cultivating employees capable of responding to customers' diverse asset building needs will be a task to be addressed over the foreseeable future.

#### Customer Statistics (As of December 2018)



EPOS cards are IC chip-equipped, multipurpose Visa cards with a cardholder base of approximately 6.6 million individuals (as of March 2018). A major characteristic of this cardholder base is the large portion represented by younger generations and women, demographics with high credit needs. This characteristic is a result of MARUI GROUP's unique expertise in assigning credit based on usage and payment histories, rather than age, profession, or income.



Cumulative investment specialist  
tsumiki Securities Co., Ltd.

Fund manager	Trust name
Commons Asset Management, Inc.	Commons 30 Fund
Saison Asset Management Co., Ltd.	SAISON Vanguard Global Balanced Fund Saison Shisan Keisei no Tatsujin Fund
Rheos Capital Works Inc.	Hifumi Plus Fund



We opened a tsumiki Securities pop-up store on the first floor of Yurakucho Marui for one month beginning on October 14, 2018. During this period, customers were given the opportunity to experience tsumiki Securities' services, set up an account, or receive support to address questions, concerns, or issues related to cumulative investment. As another facet of our tailored support for customers offered through Marui stores, a fun talk event was held on October 26, 2018, in which participants discussed the benefits of cumulative investments.

### Subscription-Based Business Dating Back to Founding

MARUI GROUP launched its business in 1931 by selling furniture to younger individuals through monthly installment payments. At the time, people who were new to the workforce could not borrow money. As such products became more readily available, monthly installment payments arose as a mechanism for putting those products in the hands of individuals that wanted them but could not necessarily afford them through a one-time cash payment. Under this system, the Company would lend money to customers, which they would pay back through monthly installments. This differed from one-time cash payments in that long-term relationships would be formed as customers repaid their debts in 10, 12, or even 24 installments. On reflection, it is clear that this business was an example of the financial inclusion that MARUI GROUP promotes today. It could also be said to have been a subscription-type business in which customers continued to make regular payments after purchase.

### Potential of Financial Inclusion

With an increased focus on financial inclusion, MARUI GROUP will turn its attention to services that are both functional and have a strong subscription element, such as rent guarantee and asset building services for younger generations. We aim to create the ultimate subscription business by having customers pay for these services with their EPOS cards, thereby creating stable increases in lifetime value through recurring transactions. Furthermore, we intend to expand EPOS cards, a vessel for promoting financial inclusion, overseas in the future in order to evolve these cards into a sustainability platform and thereby provide options for transcending the dichotomy represented by globally widening income disparity.



The ROOM iD advance-payment rent guarantee service combines advance payments for rent with a guarantee service to eliminate the need for a guarantor when renting housing, a valuable service as it becomes more difficult to find a guarantor due to the aging population and falling birthrate. By merging MARUI GROUP's credibility, which enables it to provide advance-payment services, with EPOS cards, we have achieved impressive revenues from this service.



Non-Japanese individuals can face challenges in setting up their lives in Japan, whether when renting housing, acquiring a mobile phone, or applying for a credit card. To help address the living needs of non-Japanese individuals, we issued the GTN EPOS CARD through the combination of the database of non-Japanese individuals of Global Trust Networks Co., Ltd., and MARUI GROUP's credit card platform.

#### Message from a Financial Inclusion Business Representative



**Yoshinori Saito**  
Senior Executive Officer  
President and  
Representative Director,  
Epos Card Co., Ltd.

#### Global Promotion of Financial Inclusion

MARUI GROUP is promoting financial inclusion, the act of providing financial services to all people, regardless of their age or income. On this front, we have proceeded to develop businesses that are unparalleled in terms of growth, efficiency, and health. These businesses have been built through our credit card-based payment services provided largely to younger generations, our unique business model that defies the conventions of the financial and credit industries based on the credit philosophy that "credibility should be built together with customers," which has guided us since our founding, and our initiatives for transcending dichotomies as part of our long-term vision. We entered into the securities business in 2018. This move was representative of our commitment to expanding the range of financial services we offer, which currently include payment and asset building services, based on the concept of inclusion. Furthermore, we look to broaden our EPOS cardholder base by attracting younger generations as well as the growing non-Japanese population in Japan. We will also endeavor to improve financial literacy through distinctly MARUI GROUP initiatives in Japan, where financial education is lagging behind other countries, while promoting financial inclusion through investment on a global scale.