

MARUI GROUP  
Corporate Governance Guidelines



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## MARUI GROUP Corporate Governance Guidelines (Draft)

### Chapter 1 General Provisions

#### Article 1 (Purpose)

2.1, 3.1 i)

MARUI GROUP CO., LTD. (the Company), based on the corporate philosophy described below, will support employees as they strive to aid customers and thereby create a virtuous cycle through which the development of people drives the development of the Company. In this manner, we are pursuing medium-to-long-term improvements in corporate value. Accordingly, the Company positions corporate governance as a top management priority and has established this document and the guidelines contained within for the purpose of ensuring its management is sound, highly transparent, and capable of efficiently generating profits. These guidelines will be continually reexamined and refined to promote the ongoing improvement of the Company's corporate governance systems.

#### 【Corporate Philosophy】

Continue evolving to better aid our customers

Equate the development of our people with the development of our company

#### Article 2 (Code of Conduct)

General Principle 2, 2.2, 2.2.1

All directors, Audit & Supervisory Board members, executive officers, and employees are expected to recognize the important part they play in upholding the MARUI Group Code of Conduct and to exercise the responsibility their roles entail. Awareness with regard to the code of conduct is to be entrenched throughout the Group, and the Board of Directors is to examine the degree to which this code has been entrenched and is being practiced when necessary.

Changes to the code of conduct are only to be instituted after sufficient discussion among the Board of Directors.

## **【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.

## **Chapter 2 Corporate Governance Systems**

### **Article 3 (Organizational Structure)**

**4.10, 4.10.1**

The Company has selected the Company with Board of Company Auditors structure described in the Companies Act of Japan as its organizational structure. In addition to the Board of Directors and the Audit & Supervisory Board, the Company has also established the Nominating and Compensation Committee, which serves as an advisor body regarding the nomination of candidates for positions as directors or executive officers bearing special titles and is also responsible for deciding the compensation of directors and executive officers, and the Management Committee, which functions as the highest decision-making body on the operational execution level. Furthermore, the executive officer system shall be employed to separate management decision-making, supervisory, and operational execution functions and to realize more-flexible operational execution.

### **Article 4 (Duties of Directors)**

**General Principle 3, 3.1, General Principle 4, 4.1, 4.1.1, 4.1.2, 4.1.3, 5.2**

The Board of Directors is to work toward sustainable improvements in corporate value. To this end, it shall exert its supervisory function by realizing highly effective corporate governance and appropriately exercise its authority by making the most ideal decisions based on impartial judgment.

The Board of Directors shall make important management decisions and supervise operational execution in accordance with relevant laws, the articles of incorporation, and internal regulations.

The Board of Directors shall formulate management strategies and plans based on the corporate philosophy and an accurate understanding of the Company's capital costs (shareholders' equity costs and weighted average cost of capital) and disclose related information. The progress of these management strategies and plans is to be confirmed and analyzed annually. When deemed necessary, revisions shall be instituted with regard to areas such as business structures or plans for allocating management resources to new business investments, capital investments, or investments in human resources development.

The Board of Directors shall be involved in the formulation and implementation of programs for discovering and cultivating future leaders to fill senior management positions such as president and representative director as one facet of developing succession plans for the president and representative director. Based on the corporate philosophy and management strategies, the Board of Directors shall oversee the content of such programs as well as plans for future cultivation of participation through assignments and promotions after completion of the program.

For operational execution decisions not requiring the judgment of the Board of Directors based on relevant laws, the articles of incorporation, and internal regulations, the Board of Directors shall delegate decision-making authority to the Management Committee and executive officers.

The Company shall take steps to ensure that the rate of attendance by directors and Audit &

Supervisory Board members at meetings of the Board of Directors is over 80%.

#### **Article 5 (Composition of the Board of Directors)**

**4.6, 4.8, 4.11, 4.11.1, 4.12**

The Board of Directors is to be composed of directors from a diverse range of backgrounds with differing specialties and experience and of various genders and nationalities. Based on the number of directors pursuant to the articles of incorporation, an optimal number of directors is to be maintained to ensure that the Board of Directors is able to function with the highest possible level of effectiveness and efficiency from the following perspectives.

1. Securing a level of diversity necessary to guarantee appropriate management decision making and supervision
2. Facilitating lively discussions at meetings of the Board of Directors centered on external directors that have been designated as independent directors, as stipulated by the Tokyo Stock Exchange

In principle, one-third of directors should be external directors (independent directors) in order to incorporate a wealth of outside experience and specialized insight into management, strengthen supervisory functions for the Board of Directors, and improve the transparency of management.

#### **Article 6 (Proceedings of the Board of Directors)**

**4.12.1, 4.13, 4.13.3**

The number of agenda items, deliberation times, and the frequency of meetings of the Board of Directors are to be set in a manner that ensures that discussions may be conducted to a sufficient degree.

In principle, materials related agenda items for meetings of the Board of Directors are to be distributed ahead of time to provide attendees with sufficient time to prepare in order to promote lively discussions at meetings.

Yearly schedules and projected agenda items for the Board of Directors are to be decided ahead of time to the greatest degree possible.

The Corporate Planning Division is to function as the secretariat for the Board of Directors and shall coordinate with the relevant divisions to provide directors and Audit & Supervisory Board members with the information necessary to perform their duties.

#### **Article 7 (Evaluation of the Board of Directors)**

**4.11, 4.11.3**

In order to improve the functionality of the Board of Directors, the Board's effectiveness is to be analyzed and evaluated once a year, in principle, and the findings of this evaluation are to be disclosed.

#### **Article 8 (Duties of Audit & Supervisory Board Members)**

**3.2, 3.2.1, 4.4, 4.4.1**

The Audit & Supervisory Board is to perform audits of the operational execution of directors and executive officers as well as of the Company's internal control systems and accounting procedures as an organization that is separate from management.

The Audit & Supervisory Board shall formulate standards for appropriately evaluating the independent auditing firm. Based on these standards, the Audit & Supervisory Board is to evaluate the degree of independence and specialized capabilities of the independent auditing firm once a year. Using the findings of this evaluation, the Audit & Supervisory Board will be responsible for deciding the details of proposals for the appointment or dismissal of the independent auditing firm to be submitted at the ordinary general meeting of shareholders.

The Audit & Supervisory Board is to coordinate with external directors to ensure that they can smoothly collect information from a sufficiently independent standpoint.

The Audit & Supervisory Board will coordinate with finance, internal auditing, and other relevant entities to collect a sufficient amount of necessary information for performing its duties.

#### **Article 9 (Composition of the Audit & Supervisory Board)**

**4.11**

Based on the number of Audit & Supervisory Board members pursuant to the articles of incorporation, the Audit & Supervisory Board is to be composed of a majority of external Audit & Supervisory Board members. Audit & Supervisory Board members to be appointed shall possess the prerequisite experience and skills and have insight with regard to areas such as finance, accounting, and legal affairs. At least one Audit & Supervisory Board member shall possess specialties related to finance and accounting.

#### **Article 10 (Nominating and Compensation Committee)**

**3.1 iii), 3.1 iv), 4.3, 4.3.1, 4.10, 4.10.1, 4.11.1**

The Nominating and Compensation Committee will be put in place to improve the transparency and objectivity of the deliberation process related to the nomination of directors and executive officers bearing special titles and to compensation systems for directors and executive officers.

The Nominating and Compensation Committee is to consist of at least three members, two or more of whom should, in principle, be external directors.

Members of the Nominating and Compensation Committee are to be appointed through resolution by the Board of Directors.

The Nominating and Compensation Committee shall discuss the following matters regarding the nomination of directors and executive officers [bearing special titles] based on consultations by the Board of Directors.

1. Matters related to the selection of director candidates to be presented at the ordinary general meeting of shareholders
2. Matters related to the selection of executive officers bearing special titles
3. Other matters for which the Board of Directors may seek counsel

The Nominating and Compensation Committee shall be delegated authority from the Board of Directors to discuss the following matters and make decisions regarding the compensation paid to directors and executive officers, with compensation of directors being contained within the confines of the compensation systems and limits approved at the ordinary general meeting of shareholders.

1. Matters related to the compensation of individual directors and executive officers
2. Matters related to changes in compensation systems for directors and executives officers
3. Other matters for which the Board of Directors may seek counsel or delegate authority

#### **Article 11 (Management Committee)**

The Management Committee shall exist as an organization tasked with expediting decision making related to operational execution that is comprised of executive officers appointed by the Board of Directors. This committee will be responsible for making important decisions related to operational execution within the scope of authority delegated from the Board of Directors.

#### **Article 12 (Directors) 4.4.1, 4.5, 4.7, 4.8.1, 4.8.2, 4.11.2, 4.12, 4.13, 4.13.1, 4.13.2, 4.13.3**

The term of directors is to be set at one year, and directors are to be appointed at the ordinary general meeting of shareholders held each year.

Directors are expected to recognize their fiduciary responsibility, based on which they are to participate in making important decisions as members of the Board of Directors and oversee operational execution.

Directors shall actively provide input at meetings of the Board of Directors to facilitate constructive discussions.

Directors are to collect the information necessary to properly play their role and perform their duties while also diligently studying to acquire the required knowledge and insight. In collecting information, directors may receive input from lawyers, accountants, and other [outside] specialists as necessary.

Directors are not to allow concurrent positions as officers at other companies to interfere with the performance of their duties at the Company, and all major concurrent positions are to be disclosed each year.

External directors (independent directors) are expected to utilize their experience and insight to supervise management, provide advice to management, and prevent conflicts of interest [with general shareholders] based on an independent standpoint. In addition, they are to help incorporate the opinions of stakeholders into the proceedings of the Board of Directors.

Information necessary for the external directors (independent directors) to perform their duties is to be provided promptly through the Corporate Planning Division.

Meetings between external directors (independent directors) and Audit & Supervisory Board members are to be held periodically to exchange information and foster a shared understanding of issues with the aim of strengthening the supervisory function for management.

**Article 13 (Audit & Supervisory Board Members)****4.4, 4.5, 4.11.2, 4.13, 4.13.1, 4.13.2**

The term of Audit & Supervisory Board members is to be set at four years, and Audit & Supervisory Board members are to be appointed at the ordinary general meeting of shareholders.

Audit & Supervisory Board members are expected to recognize their fiduciary responsibility, based on which they are to attend meetings of the Board of Directors and other important meetings, providing input from an objective standpoint when necessary.

Audit & Supervisory Board members are to collect the information necessary to properly play their role and perform their duties while also diligently studying to acquire the required knowledge and insight. In collecting information, Audit & Supervisory Board members may receive input from lawyers, accountants, and other outside specialists as necessary.

Based on requests from Audit & Supervisory Board members, support staff are to be assigned that possess the expertise and skills necessary for performing their duties.

Audit & Supervisory Board members are not to allow concurrent positions as officers at other companies to interfere with the performance of their duties at the Company, and all major concurrent positions are to be disclosed each year.

**Article 14 (Executive Officers)****2.4**

The term of executive officers is to be set at one year, and executive officers are to be appointed by the Board of Directors.

Executive officers are to participate in making important management decisions as members of the Management Committee and are expected to conduct operational execution with regard to the duties delegated by the Board of Directors from the perspective of Groupwide optimization.

Executive officers are to collect the information necessary to properly play their role and perform their duties while also diligently studying to acquire the required knowledge and insight. In collecting information, executive officers may receive input from lawyers, accountants, and other outside specialists as necessary.

The Company is to select executive officers from various backgrounds with differing specialized insights and experience to promote the diversification of management.

**Article 15 (Selection of Candidates for Positions as Directors, Audit & Supervisory Board Members, and Managers Ranked Lower Than President and Representative Director, and Dismissal of Individuals in These Positions)****3.1 iv), 3.1 v), 4.3.1, 4.3.2,  
4.3.3, 4.9, 4.11, 4.11.1, 4.11.3**

The Board of Directors shall flexibly make decisions regarding the selection of candidates for positions as directors, Audit & Supervisory Board members, and managers ranked lower than president and representative director, and the dismissal of individuals in these positions based on transparent and impartial discussions by the Nominating and Compensation Committee members,

who comprise a majority of external directors, and on the performance of the Company.

Directors, Audit & Supervisory Board members, and managers ranked lower than president and representative director are to be selected regardless of gender, age, or nationality, with selection decisions based on consideration of the personalities and views of potential candidates. In this manner, the Company shall select candidates that are capable of fulfilling the duties and responsibilities of their positions. Candidates for positions as directors and managers ranked lower than president and representative director shall be selected based on their potential to contribute to medium-to-long-term improvements in the corporate value of the Company. Audit & Supervisory Board member candidates shall be selected based on their potential to contribute to the establishment of an impartial system for supervising the Company's management. Candidates for positions as external directors and external Audit & Supervisory Board members should fulfill the requirements set forth by the Companies Act of Japan as well as the Company's own Criteria for Independence of External Directors and Audit & Supervisory Board Members (provided separately). The rationale for selecting candidates for any of these positions shall be disclosed in notices of convocation of ordinary general meetings of shareholders.

Candidates for positions as internal directors and internal Audit & Supervisory Board members are to be recommended by directors based on personal and human resources evaluations by the Nominating and Compensation Committee. Recommended candidates are only to be selected after discussion by the Management Committee and the Board of Directors. Candidates for positions as external directors and external Audit & Supervisory Board members are to be chosen for having the necessary insight, skills, and experience required by the Company's Board of Directors, and selection decisions are to only to be made after discussion by the Management Committee and the Board of Directors. Prior to the selection of director candidates, the candidates must be discussed by the Nominating and Compensation Committee. Audit & Supervisory Board member candidates must be approved by the Audit & Supervisory Board.

#### **Article 16 (Compensation of Directors, Audit & Supervisory Board Members, and Executive Officers) 3.1 iii), 4.2, 4.2.1**

The amount of compensation paid to individual directors is to be decided by the Nominating and Compensation Committee and set within the limit approved at the ordinary general meeting of shareholders. These amounts are to be determined based on a comprehensive evaluation of factors including the responsibility of each director for the management of the Group and the progress of the Group's medium-term management plan. The amount of compensation paid to individual executive officers is to be decided by the Nominating and Compensation Committee.

Director compensation is to be set at a level that will serve as an adequate motivation for directors to properly perform their duties of making management decisions and providing supervisory functions.

Compensation for directors and executive officers includes fixed basic compensation as well

as performance-linked compensation, which is based on the performance of the Company in a given fiscal year to function as a short-term incentive, and performance-linked stock-based compensation, which is based on the medium-to-long-term performance of the Company to function as a medium-to-long-term incentive. The portion of compensation linked to performance is meant to provide incentive for pursuing sustainable growth for the Company. However, external directors will only receive fixed basic compensation based on their position to ensure that they maintain an independent standpoint.

Compensation for Audit & Supervisory Board members will consist only of fixed basic compensation and is to be decided through discussion among the Audit & Supervisory Board and set within the limit approved at the ordinary general meeting of shareholders.

#### **Article 17 (Training Policies)**

**4.14, 4.14.1, 4.14.2**

The Board of Directors shall establish internal systems for providing directors, Audit & Supervisory Board members, and executive officers with the training and information necessary for properly fulfilling their roles and performing their duties.

Upon being appointed to their position, new directors, Audit & Supervisory Board members, and executive officers shall undergo training on laws, finances, corporate governance, risk management, and other matters.

Upon being appointed to their position, new external directors and external Audit & Supervisory Board members shall be provided with opportunities to receive information related to the Company, such as that regarding its corporate philosophy, corporate culture, business activities, finances, organizational characteristics, and other matters.

After being appointed to their position, directors, Audit & Supervisory Board members, and executive officers shall be provided with ongoing training opportunities based on their duties, skills, and experience, and the Company will make necessary arrangements for the pursuit of education opportunities outside the Company and cover any necessary expenses.

#### **Article 18 (Independent Auditing Firm)**

**3.2, 3.2.1, 3.2.2**

The independent auditing firm plays an important role in ensuring the reliability of information disclosed by the Company and is expected to fulfill this responsibility toward shareholders and other investors.

The independent auditing firm must maintain its independence from the Company.

The independent auditing firm must maintain a sufficient degree of specialties and must ensure the necessary level of quality in its accounting audits.

The Board of Directors and the Audit & Supervisory Board are to establish systems for enabling the independent auditing firm to coordinate with Audit & Supervisory Board members, external directors, and internal audit divisions as necessary for appropriately performing its auditing

duties. In addition, the independent auditing firm is to be provided with opportunities to receive information as needed from the president and representative director and from the CFO.

Quick action shall be taken in the event that the independent auditing firm detects misconduct requiring a response by the Company or should other deficiencies be pointed out.

#### **Article 19 (Risk Management System)**

**4.3, 4.3.4**

From the perspective of Group management, the Board of Directors shall oversee the establishment and implementation of frameworks for ensuring that internal control systems related to compliance, the appropriateness of financial reports, and risk management are functioning effectively in order to facilitate sound, transparent, and efficient management. Information on the operations of Group companies, potential risk, and risk countermeasures are to be documented and monitored to minimize management risks and improve the effectiveness of internal control.

The Board of Directors shall maintain seven committees to manage high-risk areas: the Public Relations IR Committee, the Internal Control Committee, the Environment CSR Promotion Committee, the Personal Information Protection Promotion Committee, the Information Security Committee, the Safety Control Committee, and the Insider Trading Prevention Committee. Through these committees, swift improvements to workflow processes are to be pursued while steps are taken to prevent the actualization of risks. Also, the Compliance Promotion Board, which is to be chaired by the president, shall be put in place to oversee these committees. Moreover, the Company shall adhere to the MARUI GROUP Information Security Policy, which sets specific policies for developing systems and formulating measures to ensure the security of information assets, and the MARUI GROUP Tax Policy, which clearly delineates guidelines for compliance with tax laws and minimization of tax risks (see Supplementary Material 2 and Supplementary Material 3 for more information).

## **Chapter 3 Relationship with Shareholders**

### **Article 20 (Protection of Shareholder Rights)**

**General Principle 1, 1.1, 1.1.3**

The Company shall take care to treat all shareholders, including minority and non-Japanese shareholders, in an impartial manner that takes into account their shareholdings. In addition, appropriate steps shall be taken to ensure that the voting rights at the ordinary general meeting of shareholders and other shareholder rights are effectively protected.

### **Article 21 (Communication with Shareholders)**

**General Principle 5, 5.1, 5.1.1, 5.1.2, 5.1.3**

The Company is to practice constructive communication with shareholders in order to realize medium-to-long-term improvements in corporate value.

The Company is to improve upon its investor relations (IR) activities in order to facilitate understanding with regard to its corporate philosophy, management strategies, business performance, and other matters.

Communications with shareholders are to be advanced through effective coordination between the CFO and the executive officer in charge of investor relations and overseen by the president and representative director.

Requests for individual meetings by shareholders are to be catered to as appropriate and as rationally feasible based on the details of the request and the purpose of the meeting with the Investor Relations Division serving as the primary venue for issues such requests.

In order to facilitate constructive communication with shareholders, the Investor Relations Division and other relevant divisions are to coordinate their efforts, periodically exchanging information and sharing opinions based on specialized insight.

The invaluable opinions and requests received from shareholders through communication activities will be reflected in meetings of the Board of Directors when appropriate.

The Company will periodically research the distribution of its shareholder base. The findings will be used to enhance communication with shareholders by utilizing the communication method that is most ideal for each different shareholder type.

In communicating with shareholders, the Company will comply with relevant laws and regulations and manage insider information in an appropriate manner.

### **Article 22 (Ordinary General Meeting of Shareholders)**

**1-1.1, 1.1.3, 1.2, 1.2.2, 1.2.3, 1.2.4, 1.2.5, 3.1.2**

Ordinary general meetings of shareholders shall be positioned as the highest-level forum for decision making, and these meetings will be conducted in the manner that will best ensure shareholder desires are reflected in management to the greatest degree possible.

Dates for ordinary general meetings of shareholders will be set to allow shareholders to appropriately exercise their voting rights. In order to guarantee that shareholders are provided with

sufficient time to consider the matters to be proposed at these meetings, notices of convocation of ordinary general meetings of shareholders will be made to contain accurate information and will, in principle, be dispatched three weeks prior to meetings. In addition, notices of convocation will be made available through electronic venues prior to dispatch.

English-language versions of notices of convocation of ordinary general meetings of shareholders will be provided, and the Company will participate in a platform for electronic voting rights exercise to improve shareholder convenience and thereby ensure all shareholders can appropriately exercise their voting rights.

The Company shall coordinate with trust banks in preparation for requests to exercise rights at ordinary general meetings of shareholders from institutional investors whose shareholdings are under the name of trust banks.

Should a large number of votes be lodged in opposition to a given proposal at an ordinary general meeting of shareholders, the reasons for this opposition will be analyzed and the need for further measures will be examined by the Board of Directors.

#### **Article 23 (Basic Policies for Capital Measures)**

**1.3, 1.6, 5.2**

The Company is to conduct appropriate capital measures based on changes in its business structure and on capital costs (shareholders' equity costs and weighted average cost of capital). In the pursuit of improvements in corporate value, core operating cash flow is to be allocated in a balanced manner to growth investments and shareholder returns. Return on equity is to be positioned as an important management indicator for which targets will be set. At the same time, the Company shall endeavor to improve return on invested capital through earnings growth while developing a capital structure in which return on invested capital consistently exceeds capital costs (weighted average cost of capital) by transitioning to the optimal capital structure based on its business structure.

Prior to enacting capital measures that result in changes in controlling interests or significant dilution of the stock base, the Board of Directors must first fully evaluate the necessity and rationale of these measures. After this evaluation, the shareholders are to be provided with full explanations of these measures in accordance with the Companies Act of Japan and the Financial Instruments and Exchange Act of Japan as well as the regulations of the Tokyo Stock Exchange, and related procedures are to be conducted appropriately and through suitable means.

#### **Article 24 (Shareholder Returns)**

**1.3**

The Company shall maintain the basic policy of issuing appropriate and ongoing shareholder returns.

The Company will target a consolidated payout ratio of more than 40%, and it will seek raise this ratio to 55% in a phased manner as it works toward increases in dividend payments over the long term.

After considering a comprehensive range of factors including cash flows, treasury stock acquisitions are conducted when the timing has been deemed appropriate for improving capital

efficiency and increasing shareholder value as the Company targets a total return ratio of approximately 70%. Acquired shares of treasury stock are, in principle, to be cancelled.

The target level for the consolidated payout ratio and the total return ratio will be reassessed regularly and revised as necessary.

#### **Article 25 (Cross-Shareholdings)**

**1.4, 1.4.1, 1.4.2**

In principle, the Company will not engage in cross-shareholdings except for cases in which such holdings are deemed necessary for maintaining or building upon collaborative or transactional relationships that are strategically critical for improving corporate value.

The rationality of cross-shareholdings will be reassessed periodically, and holdings will be confirmed annually by the Board of Directors. The results of these confirmations will be disclosed. Shares for which the meaning of holding has been diminished may be sold in a phased manner after considering the circumstances surrounding the counterparty.

Voting rights attached to shares held through cross-shareholdings will be exercised based on thorough evaluation of each proposal and whether or not the proposal will contribute to improvements in the medium-to-long-term corporate value of the Company. Consideration will also be paid to the management policies of the counterparty.

The Company will not engage in transactions with companies that hold shares of its stock if these transactions lack sufficient economic rationale. Should a company holding shares of stock in the Company express intent to sell these shares, the Company will not impede those sales.

#### **Article 26 (Related Party Transactions)**

**1.7, 4.3**

With regard to related party transactions, the Company has defined the following measures as means of preventing damage to corporate value and the common interests of the shareholders of the Company.

If a director plans to conduct a transaction that competes with the Company or represents a conflict of interests, approval must be received from the Board of Directors in advance and a report is to be issued to the Board of Directors immediately upon conclusion of the transaction.

For other related party transactions, the appropriateness of conditions and decision-making procedures for important transactions will be determined through discussion by the Board of Directors.

## **Chapter 4 Others**

### **Article 27 (Information Disclosure)**

**1.2.1, General Principle 3, 3.1.1, 4.3, 5.2**

The Company shall comply with all relevant laws and regulations and conduct timely and appropriate information disclosure to ensure that its management is both impartial and highly transparent.

The Corporate Planning Division, the Investor Relations Division, the General Affairs Department, and the Financial Department shall be the entities responsible for information disclosure.

Both financial and non-financial information will be actively disclosed if deemed valuable to shareholders and other investors seeking to deepen their understanding of the Company.

Information is to be disclosed through venues that are easy to access for shareholders and other stakeholders.

### **Article 28 (Internal Reporting System)**

**2.5, 2.5.1**

The MARUI Group Hot Line (internal reporting system) is to be maintained as a means for preventing the occurrence of legal violations or misconduct by organizations or individuals and for correcting any issues that may be discovered.

The MARUI Group Hot Line is to be operated in accordance with internal regulations and is to provide a venue for reporting to a consultation office inside the Group or to an outside lawyer. The Company is to prevent reporters from suffering any detrimental treatment as a result of filing reports.

### **Article 29 (Changes to the Guidelines)**

Any changes to the guidelines are to be instituted based on resolution by the Board of Directors.

#### **(Supplementary Information)**

The guidelines were enacted effective November 6, 2015.

On May 12, 2016, provisions on the Nominating and Compensation Committee was established and other partial revisions were implemented.

On November 9, 2017, partial revisions were made to the MARUI GROUP Code of Conduct.

On June 25, 2018, partial revisions were made in response to revisions to Japan's Corporate Governance Code.

**【Criteria for Independence of External Directors and  
Audit & Supervisory Board Members】 4.9**

MARUI GROUP aims to ensure the appropriate levels of objectivity and transparency necessary for effective corporate governance. For this reason, it has established the following criteria for determining the independence of external directors, external Audit & Supervisory Board members, and candidates for these two positions. Individuals that meet all of these criteria are judged to be sufficiently independent from the Company.

1. The individual must not be a person involved in operation\*1 of the Company, its subsidiaries, or its affiliates and must not have been a person involved in operation during the past 10 years.
2. The individual must not be a major supplier\*2 of the Company, its subsidiaries, or its affiliates or a person involved in operation of a major supplier.
3. The individual must not be a major customer\*3 of the Company, its subsidiaries, or its affiliates or a person involved in operation of a major customer.
4. The individual must not be a major shareholder of the Company possessing direct or indirect holdings equating to 10% or more of voting rights or a person involved in operation of a major shareholder.
5. The individual must not be a person involved in operation of an entity that possesses direct or indirect holdings equating to 10% or more of the total voting rights of the Company, its subsidiaries, or its affiliates.
6. The individual must not be a consultant, a certified public accountant or other accounting specialist, or a lawyer or other legal specialist receiving large amounts of monetary payments or other financial assets (more than ¥10 million) from the Company, its subsidiaries, or its affiliates that are separate from the compensation paid for services as a director or Audit & Supervisory Board member. The individual also must not belong to a company or other organization that receives such payments or assets.
7. The individual must not receive large amounts of monetary payments or other financial assets (more than ¥10 million) as donations from the Company, its subsidiaries, or its affiliates and must not belong to a company or other organization that receives such donations.
8. The individual must not be the accounting auditor of the Company. The individual also must not belong to a company or other organization that serves as the accounting auditor of the Company.
9. The individual must not have been applicable under items 2. to 8. during the past five years.
10. The individual must not be a relative (one's spouse or second-degree relatives) of an individual that qualifies under items 2. to 8. (only applicable to relatives of important persons involved in operation\*4 for all items except items 6. and 8.).

11. The individual must not be a person involved in operation of another company at which a person involved in operation of the Company, its subsidiaries, or its affiliates serves as an external director or Audit & Supervisory Board member.

Notes:

\*1 A “person involved in operation” is defined as an executive director, executive officer, or employee with operational execution responsibilities of a stock company; a director of a non-company legal entity or organization; or individuals serving persons in similar positions or at similar companies, non-company legal entities, or organizations.

\*2 A “major supplier” is defined as an entity that fulfills one of the following conditions:

1. A supplier group (the corporate group to which the supplier that serves as the direct transaction counterparty belongs) that provides products or services to the Company, its subsidiaries, or its affiliates and for which transactions with the Company, its subsidiaries, and its affiliates equated to more than ¥10 million and represented more than 2% of the total consolidated net sales (consolidated revenue) or transaction revenues of the supplier group in the most recently completed fiscal year.

2. A supplier group with which liabilities of the Company, its subsidiaries, or its affiliates are associated and for which the applicable liabilities equated to more than ¥10 million and represented more than 2% of the consolidated total assets of the supplier group as of the end of the most recently completed fiscal year.

\*3 A “major customer” is defined as an entity that fulfills one of the following conditions:

1. A customer group (the corporate group to which the customer that serves as the direct transaction counterparty belongs) to which the Company, its subsidiaries, or its affiliates provide products or services and for which the total amount of transactions with the customer group equated to more than ¥10 million and represented more than 2% of the consolidated revenues of the Company in the most recently completed fiscal year.

2. A customer group possessing liabilities that are associated with the Company, its subsidiaries, or its affiliates and that equated to more than ¥10 million and represented more than 2% of the consolidated total assets of the Company as of the end of the most recently completed fiscal year.

3. A financial group (the financial group to which the customer that serves as the direct transaction counterparty belongs) from which the Company, its subsidiaries, or its affiliates procure funds through borrowings and from which the total amount of funds borrowed represented more than 2% of the consolidated total assets of the Company as of the end of the most recently completed fiscal year.

\*4 “Important persons involved in operation” refers to directors, executive officers, and employees with operational execution responsibilities ranked as division manager or higher or individuals with similar operational execution authority.

## **Supplementary Material 2**

### **MARUI GROUP Information Security Policy**

MARUI GROUP (the Company and its subsidiaries and affiliates) practices co-creation management, which entails co-creating the happiness of its customers and other stakeholders through business activities merging retailing and finance. This undertaking entails collecting information on customers as well as other information assets. For this reason, strengthening Groupwide information security to protect these assets from unauthorized access, cyberattacks, and other threats is among the most important tasks for management.

In light of this recognition, MARUI GROUP has established the following MARUI GROUP Information Security Policy based on the MARUI GROUP Code of Conduct. MARUI GROUP officers and employees are expected to act and handle information assets in compliance with this policy as well as with the separate MARUI GROUP Privacy Policy and MARUI GROUP Social Media Policy in order to contribute to improved information security.

#### **1. Purpose**

The purpose of this policy is to provide guidelines for establishing and implementing information security management systems to protect the information assets of customers and of MARUI GROUP from all threats, whether internal or external, accidental or intentional, and thereby help ensure the continuity of MARUI GROUP's business activities.

#### **2. Basic Principles**

- (1) MARUI GROUP shall practice appropriate management of the information entrusted to it by individuals or organizations during the course of its business activities while respecting the rights and interests of these individuals or organizations.
- (2) MARUI GROUP shall practice appropriate management of trade secrets, technological information, and other valuable information acquired during the course of its business activities and protect the rights and interests of MARUI GROUP.
- (3) MARUI GROUP will engage in research and human resource development in order to work to improve information security as it pertains to customer information and thereby gain greater levels of trust from customers and subsequently society as a whole.

### **3. Scope of Application**

This policy is applicable to all MARUI GROUP officers and employees.

### **4. Definition of Information Security**

- (1) MARUI GROUP defines information security as precautions for protecting the information assets of MARUI GROUP from threats with the potential to impact the confidentiality, completeness, and availability of these assets. Cybersecurity is one facet of information security.
- (2) MARUI GROUP defines cybersecurity as safety precautions necessary for preventing information from being leaked, destroyed, or damaged; provisions for ensuring the safety and reliability of MARUI GROUP's information systems and telecommunications networks; and measures for ensuring proper maintenance and management of these provisions.

### **5. Information Security Provisions**

Recognizing the various risks that may threaten information security during the course of its business, MARUI GROUP shall implement the following information security provisions.

- (1) Risk management pertaining to IT systems for the entire Group shall be overseen by the Compliance Promotion Board, which is to be chaired by the president and representative director of MARUI GROUP CO., LTD.
- (2) MARUI GROUP shall establish an Information Security Committee tasked with maintaining an accurate understanding of circumstances pertaining to information security and discussing information security measures. The Information Security Committee shall submit reports on its activities to the Compliance Promotion Board in order to facilitate the swift implementation of Groupwide information security measures.
- (3) MARUI GROUP shall appoint a chief security officer (CSO) to serve as the highest-level authority on security responsible for promoting appropriate management and protecting Groupwide information assets. Responsibility and authority for the implementation of information security measures at MARUI GROUP shall be entrusted to the CSO.
- (4) The CSO shall issue reports on the execution of their duties to the Board of Directors of MARUI GROUP CO., LTD., and to the Compliance Promotion Board when deemed necessary.
- (5) The president and representative director of M & C SYSTEMS CO., LTD., a Group

company that is responsible for the management and operation of the Group's information security systems, shall serve as the chief information officer (CIO).

- (6) The MARUI GROUP Hot Line (internal reporting system) is to be maintained as a means for preventing the occurrence of legal violations or misconduct by organizations or individuals and for correcting any issues that may be discovered. The MARUI GROUP Hot Line is to be operated in accordance with internal regulations and is to provide a venue for reporting to the Audit Department of MARUI GROUP CO., LTD., or to an outside lawyer. MARUI GROUP is to prevent reporters from suffering any detrimental treatment as a result of filing reports.

## **6. Information Security Measures**

### **(1) Information security frameworks**

MARUI GROUP shall formulate action plans for addressing information security risks and conduct evaluations to assess whether or not these plans are being effectively implemented. In addition, a framework will be put in place to facilitate ongoing improvements through a plan-do-check-act (PDCA) cycle.

### **(2) Compliance with internal regulations and laws**

MARUI GROUP shall establish internal regulations for ensuring effective information security measures and disseminate these regulations among officers and employees. Harsh penalties shall be levied against individuals that are found to be in violation of internal regulations or laws related to information security.

### **(3) Resource management**

- i. MARUI GROUP shall secure and allocate the management resources necessary for implementing appropriate information security measures.
- ii. MARUI GROUP shall recruit and develop the human resources necessary for implementing appropriate information security measures in a systematic and ongoing manner.
- iii. MARUI GROUP shall provide education on information security to officers and employees to promote awareness of the importance of information security and encourage action in this regard.
- iv. MARUI GROUP shall actively participate in external forums for exchanges of information and reflect the information gained in its information security measures.

### **(4) Sharing of information security policies with business partners**

MARUI GROUP shall share its information security policies with tenants, affiliates, subcontractors, and other business partners and request that they practice appropriate information security in accordance with these policies.

(5) Information disclosure

MARUI GROUP shall practice appropriate disclosure of its information security initiatives in order to gain greater levels of trust from its stakeholders.

(6) Implementation and enhancement of auditing systems

MARUI GROUP shall conduct audits of its information security systems periodically and as necessary to verify that it is in compliance with all laws, government and industry organization standards, and internal rules and regulations related to information security in its operations and that these information security systems are functioning appropriately. Harsh penalties shall be levied in response to any violations found to ensure effective management of information.

(7) Systems reflecting information security measures

MARUI GROUP shall develop systems that reflect its information security measures for preventing unauthorized access, destruction, leakage, alteration, or other incidents affecting information assets.

(8) Improvement of information security literacy

MARUI GROUP shall continually conduct education and training programs to improve the information security literacy of officers and employees and support effective management of information assets across the Group.

## **7. Protection of Personal Information of Customers**

MARUI GROUP shall conduct personal information protection activities based on the MARUI GROUP Privacy Policy, which defines policies for handling personal information in all business activities, to protect personal information and implement the necessary information security measures.

## **8. Response to Information Security Incidents**

In the event that an information security risk materializes (an information incident occurs), MARUI GROUP shall respond through the following frameworks and response policies.

(1) MARUI GROUP shall identify the lines of reporting and create initial response manuals regarding information security incidents. Awareness regarding these provisions shall be entrenched among relevant personnel and regular, practical drills shall be conducted.

(2) In the event that a major information security incident occurs, the head of the division that detected the incident shall promptly report to the chairperson of the Information Security Committee and to the CSO.

The chairperson of the Information Security Committee shall then report to the CIO,

and the CSO will report to the president and representative director of MARUI GROUP CO., LTD., as necessary.

- (3) When the CSO receives a report of a serious information security incident, a task force will be assembled under the guidance of the CSO to respond to the incident.
- (4) When the president and representative director of MARUI GROUP CO., LTD., receives a report of an emergency incident, they will promptly set up a response headquarters when necessary. This response headquarters will work to quickly resolve the issue, identify its cause, and formulate and implement measures to prevent recurrence.
- (5) Notification will be submitted to the relevant government authorities and to other related parties as necessary in the event of an information security incident.

## **9. Revision or Abolishment of This Policy**

This policy is to be reviewed as necessary by the Board of Directors of MARUI GROUP CO., LTD., and revised or abolished when deemed prudent through sufficient discussion. Minor revisions, such as changes to organization names, may be made at the discretion of the CSO.

## **10. Ongoing Improvement**

MARUI GROUP shall regularly evaluate the aforementioned provisions and make revisions as necessary to implement ongoing improvements to its information security measures in response to changes in external and internal information security trends and IT technologies.

## **11. Third-Party Evaluation and Certification**

### **(1) Information Security Management Certification (ISO 27001)**

The Data Center Division of M & C SYSTEMS CO., LTD., received information security management system certification in 2006. In March 2007, after the development of international standards as well as standards set by the Japanese Industrial Standards Committee (JISC) related to information security management systems, ISO 27001 certification was acquired.

### **(2) IT Service Management Certification (ISO 20000)**

In April 2008, ISO 20000 certification was acquired with regard to the product sales and distribution systems of MARUI CO., LTD., and the core operating systems of Epos Card Co., Ltd. The ability to acquire this certification was a reflection of MARUI GROUP's swift response to system malfunctions, its provisions for

preventing recurrence of incidents, and other factors that contribute to the high quality of its services.

(3) PrivacyMark Certification (JIS Q 15001)

Group companies M & C SYSTEMS CO., LTD.; Epos Card Co., Ltd.; AIM CREATE CO., LTD.; MOVING CO., LTD.; MRI Co., Ltd.; and MARUI HOME SERVICE Co., Ltd., handle personal information in the course of their businesses. The personal information management systems of these companies are compliant with JISC standards and have been certified by JIPDEC, granting these companies permission to use the PrivacyMark.

Established on June 25, 2018

## **MARUI GROUP Privacy Policy**

MARUI GROUP (the Company and its subsidiaries and affiliates) collects personal information on its customers and other stakeholders in order to provide services that satisfy customers through its business activities. This personal information is an important asset to the ongoing growth of MARUI GROUP. Accordingly, the appropriate management of such information is a major management responsibility. MARUI GROUP has therefore established Groupwide privacy policies for guiding efforts to appropriately manage and protect all personal information collected by MARUI GROUP.

### **1. Acquisition, Use, Provision, and Outsourced Handling of Personal Information**

When collecting personal information, MARUI GROUP shall receive expressed consent from the individual in question after clearly explaining the purpose for which the collected information will be used. Collected personal information will only be used for the purpose initially agreed upon, and appropriate management will be practiced while implementing measures to prevent such information from being used for other purposes.

MARUI GROUP will not provide personal information to a third-party without consent from the individual in question except in cases when permitted by law. When contracting third parties to perform handling of personal information, MARUI GROUP will select entities that have sufficient measures in place to protect personal information and ensure that this information is managed appropriately by including stipulations pertaining to the protection of personal information in contracts and other agreements.

### **2. Measures for Protection of Personal Information**

MARUI GROUP shall take steps to prevent unauthorized access, destruction, damage, or leakage of personal information. In the event that an information security incident occurs, swift action will be taken to address this incident. In addition, MARUI GROUP shall establish rules regarding the appropriate management and use of personal information, appoint individuals responsible for managing such information, and provide thorough training to Group officers and employees.

### **3. Compliance with Laws and Standards Regarding Personal Information**

MARUI GROUP shall comply with laws such as Japan's Act on the Protection of Personal Information, national policies, and other standards regarding the handling of personal information.

### **4. Continuous Improvement of Personal Information Management Systems**

MARUI GROUP shall develop, implement, and continuously improve personal information management systems to ensure that personal information is protected.

### **5. Inquiries Regarding Personal Information**

MARUI GROUP shall respond to any inquiries regarding the disclosure, revision, or deletion of personal information as well as any complaints or consultations from individuals or proxies acting on behalf of individuals pertaining to personal information it has collected.

### **6. Use of Cookies**

MARUI GROUP uses cookies for some of the content provided on its websites. Cookies are files saved in a user's browser when they access a website. These files do not contain names, email addresses, or other personal information. It is possible to disable the use of cookies by adjusting one's browser settings. Should a user disable the use of cookies, it may impact their ability to view certain parts of MARUI GROUP websites.

### **7. Revision of Privacy Policies**

MARUI GROUP shall revise its privacy policies as deemed necessary. Information on important changes to such policies will be provided through MARUI GROUP's corporate website.

#### **Group Companies with Privacy Policies**

MARUI GROUP CO., LTD.

MARUI CO., LTD.

Epos Card Co., Ltd.

AIM CREATE CO., LTD.

MOVING CO., LTD.

M & C SYSTEMS CO., LTD.

MARUI FACILITIES Co., Ltd.

MARUI HOME SERVICE Co., Ltd.

MRI Co., Ltd.

Epos Small Amount and Short Term Insurance Co., Ltd.

## **Privacy Policy of MARUI GROUP CO., LTD.**

MARUI GROUP CO., LTD., has defined the following policies for the management of personal information including the names, addresses, and email addresses of customers, business partners, shareholders, officers, and employees.

The terms used in these policies are based on the definitions put forth by the Act on the Protection of Personal Information of Japan and other relevant legislation. Personal information acquired by Group companies other than MARUI GROUP CO., LTD., and other personal information defined as applicable for management under the regulations of these companies shall be managed in accordance with the regulations of each company.

### **1. Compliance with Relevant Legislation, Guidelines, etc.**

MARUI GROUP shall manage personal information appropriately and in compliance with the Act on the Protection of Personal Information and other relevant legislation as well as the guidelines and other standards set forth by the Company's Personal Information Protection Promotion Committee and this privacy policy.

### **2. Collection of Personal Information**

MARUI GROUP shall only collect personal information through appropriate and legal means.

With regard to information classified as "special care-required personal information" in the Act on the Protection of Personal Information, expressed consent must be received from the individual in question prior to collecting such information.

Furthermore, MARUI GROUP will only collect and use "Individual Numbers" and "Specific Personal Information" as defined in the Act on the Use of Numbers to Identify a Specific Individual in Administrative Procedures for the purposes permitted under this law.

### **3. Purposes of Use of Personal Information**

MARUI GROUP will only use collected personal information for the following purposes or for purposes that are clear from the method through which this information was collected. Personal information will not be used for other purposes without expressed consent from the individual in question except in cases when such usage is permitted by law.

#### **Purposes of Uses for Personal Information of Customers and Business Partners**

- (1) Use for the purpose of performing transactions in the retailing, FinTech, or other businesses of MARUI GROUP or in performing related procedures
- (2) Use for the purpose of supplying information related to products, services, or other offerings of the businesses of MARUI GROUP
- (3) Use for the purpose of responding to inquiries or consultations from customers or business partners
- (4) Use for the purpose of performing procedures associated with (3) above

#### **Purposes of Uses for Personal Information of Shareholders**

- (1) Use for the purpose of exercising rights or obligations defined by the Companies Act of Japan
- (2) Use for the purpose of supplying information regarding the businesses of MARUI GROUP
- (3) Use for the purpose of facilitating discussion with shareholders regarding the businesses of MARUI GROUP
- (4) Use for the purpose of providing shareholder and other benefits from MARUI GROUP
- (5) Use for the purpose of managing shareholders in accordance with relevant legislation
- (6) Use for the purpose of responding to inquiries or consultations from shareholders

#### **Purposes of Uses for Personal Information of Officers and Employees of MARUI GROUP CO., LTD., and Group Companies**

- (1) Use for the purpose of human resource or labor management
- (2) Use for the purpose of promoting occupational health and safety, health, and healthcare management
- (3) Use for the purpose of performing procedures related to social health

insurance or other welfare programs

- (4) Use for the purpose of performing other procedures related to officers and employees

#### **4. Joint Usage of Personal Information**

Joint usage of names, addresses, email addresses, and other personal information collected from customers and business partners may be conducted between MARUI GROUP CO., LTD., and Group companies in order to realize more comprehensive use of personal information for the purposes described in “Purposes of Uses for Personal Information of Customers and Business Partners” under “3. Purposes of Use of Personal Information” above. Joint usage of personal information collected by Group companies will be conducted in accordance with the relevant regulations of the companies engaged in joint usage. Joint usage will not be conducted with regard to information for which such use is prohibited by the regulations of the relevant companies.

The following Group companies engage in joint usage of personal information.

- MARUI GROUP CO., LTD.
- MARUI CO., LTD.
- Epos Card Co., Ltd.
- AIM CREATE CO., LTD.
- MOVING CO., LTD.
- M & C SYSTEMS CO., LTD.
- MARUI FACILITIES Co., Ltd.
- MARUI HOME SERVICE Co., Ltd.
- MRI Co., Ltd.
- Epos Small Amount and Short Term Insurance Co., Ltd.
- TSUMITATE SECURITIES PREPARATORY CO., LTD.

Group Company Responsible for Management of Personal Information Used Jointly

- MARUI GROUP CO., LTD.

In addition to the above, joint usage of personal information collected from officers and employees of MARUI GROUP CO., LTD., and Group companies may be conducted between MARUI GROUP CO., LTD., MARUI GROUP’s health

insurance union, and MARUI GROUP UNION in order to realize more comprehensive use of personal information for the purposes described in “Purposes of Uses for Personal Information of Officers and Employees of MARUI GROUP CO., LTD., and Group Companies” under “3. Purposes of Use of Personal Information” above. MARUI GROUP CO., LTD., shall be responsible for the management of personal information used jointly in this manner.

## **5. Subcontracting of Personal Information Handling**

MARUI GROUP may subcontract the handling of personal information it has collected to third parties in order to facilitate smooth operations or the provision of higher quality services to customers or shareholders. In these cases, the personal information provided will be limited to the minimum amount necessary to perform the tasks for which the third party is contracted.

## **6. Provision of Personal Information to Third Parties**

Personal information will not be provided to third parties (with the exception of cases involving subcontractors handling personal information) without advance consent from the individual in question except in cases when such usage is permitted by law.

## **7. Management of Personal Information**

### **(1) Information accuracy**

MARUI GROUP shall take steps to ensure that all information is accurate and up-to-date as required for the intended purpose of use. Personal information that is no longer necessary is to be deleted.

### **(2) Information security**

MARUI GROUP shall implement information security measures as necessary to prevent the destruction, damage, or leakage of personal information.

### **(3) Employee oversight**

MARUI GROUP shall work to entrench awareness regarding appropriate personal information management among employees responsible for handling such information, provide education to these employees, and exercise the necessary oversight of these employees.

### **(4) Oversight of subcontractors**

When contracting the handling of personal information to subcontractors, MARUI GROUP shall select subcontractors that have implemented

appropriate information security measures and exercise the necessary oversight of subcontractors.

## **8. Continuous Improvement of Personal Information Management Systems**

MARUI GROUP shall develop, implement, and continuously improve personal information management systems to ensure that personal information is properly managed.

## **9. Protection of Rights Associated with Collected Personal Information**

- (1) Should an individual or proxy acting on behalf of an individual request an explanation of the purposes for which personal information collected by MARUI GROUP is used, a prompt explanation shall be provided except in the following cases.
  - i. When the purpose for which the personal information of the individual in question to be used is clear
  - ii. When the provision of such explanation could adversely impact the life, physical safety, assets, or other interests of the individual in question or of a third party
  - iii. When the provision of such explanation could adversely impact the rights or legitimate interests of MARUI GROUP
  - iv. When the provision of such explanation could adversely impact the legally mandated procedures of a national government institution or local public organization for which MARUI GROUP is required to provide assistance
- (2) Should an individual or proxy acting on behalf of an individual request disclosure of the personal information that has been collected by MARUI GROUP, prompt disclosure shall be performed except in the following cases.
  - i. When such disclosure could adversely impact the life, physical safety, assets, or other interests of the individual in question or of a third party
  - ii. When such disclosure could seriously impede the legitimate operations of MARUI GROUP
  - iii. When such disclosure would constitute a legal violation
- (3) Should an individual or proxy acting on behalf of an individual request the revision, addition, or deletion of personal information collected by MARUI GROUP, a prompt investigation of the situation shall be performed and the appropriate steps shall be taken based on the findings of this investigation.

- (4) Should an individual or proxy acting on behalf of an individual request that MARUI GROUP cease the use of and delete personal information it has collected, the appropriate steps shall be taken after determining that the request was based on a legitimate reason.
- (5) Requests applicable (4) above should be made by submitting the designated forms and documents listed on those forms to the contact venue described in “11. Contact Venue for Inquiries and Complaints” below. Personal information collected in this manner will be used for the designated purpose, and strict management of this information will be practiced. Forms and documents submitted will not be returned.

## **10. Handling of Anonymized Information**

- (1) When creating anonymized information, MARUI GROUP shall take the necessary steps to ensure that the individuals with whom the information is associated cannot be identified and that the original personal information cannot be reproduced.
- (2) When using anonymized information, MARUI GROUP will not compare this information to other information for the purpose of identifying the individuals with whom the anonymized information is associated.
- (3) Items regarding the individuals whose personal information was used by MARUI GROUP to create anonymized information will be disclosed as required by relevant legislation.
- (4) When providing anonymized information to third parties, MARUI GROUP shall disclose items regarding the individuals whose personal information was used to create the anonymized information and the purpose for which this information was provided as required by relevant legislation. In addition, MARUI GROUP shall inform the third party of the fact that the information has been anonymized.

## **11. Contact Venue for Inquiries and Complaints**

Compliance and Legal Affairs Section,

General Affairs Department,

MARUI GROUP CO., LTD.

3-2, Nakano 4-chome, Nakano-ku, Tokyo 164-8701, Japan

Tel: 03-5343-0052

Hours: 10:30–18:00 (Closed on Wednesdays, Sundays, and Company holidays)

## **12. Revision of Privacy Policy**

This policy is to be reviewed as necessary by the Board of Directors and revised when deemed prudent through sufficient discussion. Minor revisions, such as changes to organization names, may be made at the discretion of the chief security officer. Information on important changes to this policy will be provided through MARUI GROUP's corporate website. Upon revisions, the revised privacy policy shall be applied effective as of the date of announcement.

Established on June 25, 2018

## **MARUI GROUP Social Media Policy**

MARUI GROUP (the Company and its subsidiaries and affiliates) utilizes social media as a communication tool for facilitating co-creation activities with all of its stakeholders. MARUI GROUP has established and complies with the following policies regarding the operation of official social media accounts and private social media use by Group officers and employees.

### **1. Basic Policies**

MARUI GROUP officers and employees are expected to comply with relevant laws and to adhere to the MARUI GROUP Code of Conduct and internal regulations in their use of social media. Moreover, officers and employees should recognize that it is nearly impossible to completely delete information from the Internet after it has been disseminated through social media. Officers and employees should always act with good common sense in recognition of this fact. Official social media accounts operated by MARUI GROUP should be used as tools for sincere and appropriate communication based on respect for the diverse views of stakeholders.

### **2. Education Regarding Private Social Media Use**

MARUI GROUP shall provide regular education regarding private use of social media in order to facilitate ongoing improvements in awareness among Group officers and employees.

Social media postings by MARUI GROUP officers and employees on private social media accounts represent the opinions of the individual that made the posts. Official announcements and statements by MARUI GROUP will be issued through MARUI GROUP's corporate website or through official social media accounts operated by MARUI GROUP.

### **3. Official MARUI GROUP Social Media Accounts**

MARUI GROUP has established standards regarding the opening of official MARUI GROUP social media accounts, and internal authorization is required to open such an account. Operating official social media accounts presents the risk of unexpected incidents occurring due to the misinterpretation of statements made through these

accounts. MARUI GROUP therefore works to ensure that all statements use appropriate language in consideration of this risk. Postings may be deleted from official social media accounts should the postings or the language used therein be deemed inappropriate.

#### **4. List of Official MARUI GROUP Social Media Accounts**

The following is a list of the official social media accounts authorized by MARUI GROUP.

##### Twitter

MARUI no Anime ([https://twitter.com/marui\\_anime](https://twitter.com/marui_anime))

*Neko ga Kureta Ma-ru i Shiawase* (Simply Joys Taught to Me by a Cat)

([https://twitter.com/marui\\_neko](https://twitter.com/marui_neko))

Shinjuku Marui Annex Anime Events ([https://twitter.com/marui\\_annex\\_a](https://twitter.com/marui_annex_a))

Shibuya Marui Anime Events ([https://twitter.com/marui\\_shibuya\\_a](https://twitter.com/marui_shibuya_a))

Kansai Marui Anime Events ([https://twitter.com/marui\\_kansai\\_a](https://twitter.com/marui_kansai_a))

MARUI no Ongaku ([https://twitter.com/miyani\\_fes](https://twitter.com/miyani_fes))

MIYAZAKI ANIME FESTIVAL [Official] ([https://twitter.com/miyani\\_fes](https://twitter.com/miyani_fes))

Epos Card ([https://twitter.com/epos\\_card](https://twitter.com/epos_card))

##### Facebook

Shoe Lab Plus by 0101 (<https://ja-jp.facebook.com/maruirakuchin/>)

Epos Card (<https://ja-jp.facebook.com/eposcard/>)

Shibuya Modi (<https://m.facebook.com/modi.shibuya/>)

##### LINE

Marui (<https://line.me/ti/p/%400101>)

Shizuoka Marui (<https://line.me/R/ti/p/aEB0MTWWa9>)

Hakata Marui (<https://line.me/R/ti/p/YFMbfeMUSp>)

##### Instagram

Rakuchin Kirei Shoes ([https://www.instagram.com/rakuchin\\_kirei\\_official/](https://www.instagram.com/rakuchin_kirei_official/))

## **Supplementary Material 3**

### **MARUI GROUP Tax Policy**

#### **Basic Policy**

MARUI GROUP (the Company and its subsidiaries and affiliates) practices co-creation sustainability management together with its stakeholders to help build a flourishing and inclusive society that offers happiness to all.

Complying with tax laws and paying appropriate taxes contributes to communities and to the greater society and is therefore congruent with MARUI GROUP's concept of co-creation sustainability management. Based on this recognition, MARUI GROUP has established tax policies and seeks to exercise its responsibility to make tax payments based on the circumstances of its business and to ensure transparency in its tax payments in order to minimize tax risks.

#### **1. Legal Compliance**

MARUI GROUP shall comply with laws and regulations pertaining to taxes to appropriately fulfill its obligation to pay taxes.

Accordingly, MARUI GROUP will not take advantage of tax deductions or other provisions that do not match the circumstances of its business or use regions deemed to be "tax havens" in order to avoid paying taxes. In international transactions, MARUI GROUP will adhere to the tax laws and tax treaties of the relevant countries as well as to international taxation rules.

#### **2. Transparency**

MARUI GROUP shall comply with all applicable accounting standards and disclosure standards to practice appropriate disclosure of information to all stakeholders. At the same time, MARUI GROUP shall cooperate with tax authorities by providing all information requested in order to build strong, trusting relationships with these authorities. Should a tax-related issue be discovered, MARUI GROUP will take quick action to rectify the issue and prevent recurrence.

#### **3. Minimization of Tax Risks**

MARUI GROUP shall endeavor to minimize tax risks based on accurate understanding of tax systems in order to improve corporate value.

When transactions made during the course of business activities involve unclear tax reporting methods, MARUI GROUP will seek consultation from specialists, thoroughly

examine the transactions, and receive confirmation from tax authorities as deemed necessary to reduce tax risks.

#### **4. Tax Functions and Governance**

Procedures related to taxes will be performed by accounting representatives designated based on internal regulations.

Tax governance systems shall be headed by the chief finance officer (CFO) of MARUI GROUP CO., LTD., and accounting representatives shall report on the status of accounting and tax-related procedures as necessary. Oversight of tax-related procedures is to be provided by the Audit & Supervisory Board and auditing divisions, which shall include members with specialized insight with regard to areas such as finance, accounting, and legal affairs.

Established on June 25, 2018