



June 6, 2025

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Company's Opinion and Supplementary Explanation in Response to ISS Report  
Concerning 89th Ordinary General Meeting of Shareholders

It has come to our attention that the proxy advisory firm Institutional Shareholder Services Inc. ("ISS") has issued a report (the "Report") advising a vote "Against" Proposal 5: "Disposal of Treasury Stock Through Third-party Allotment for the Purpose of Supporting Activities of the General Incorporated Foundation 'Social Intrapreneur Development Foundation'" (the "Proposal" and the "Foundation") to be presented to the 89th Ordinary General Meeting of Shareholders, scheduled to be held on June 25, 2025.

We are providing shareholders and investors with the following explanation so that they can fully understand the Company's opinion regarding the Proposal when exercising their voting rights.

1. Details of ISS's recommendation "Against" the Proposal

The Report recommends a vote "Against" the Proposal, stating that the effect of the Foundation's activities on the Company is unclear, and that the Company fails to present an explanation regarding the benefits of using the dividend income from shares of the Company as the source of funds for the Foundation's activities.

2. Company's opinion and supplementary materials

<Background of the establishment of the Foundation>

The Company has set its mission as "contributing to co-creating an inclusive society that offers happiness to all" and has defined corporate value as an overlapped portion of interests and happiness of all stakeholders, with the aim of achieving both the resolution of social issues and profit through

our business.

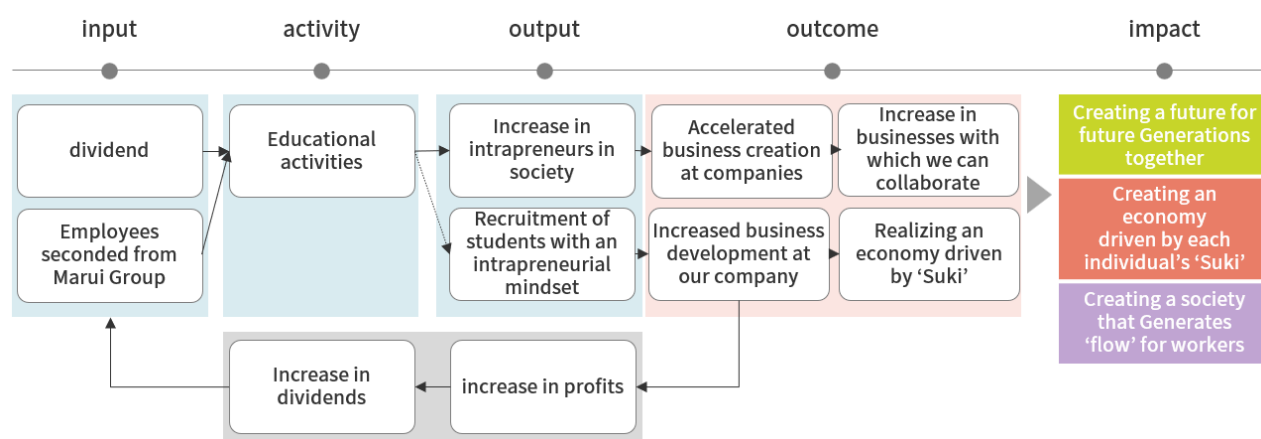
To date, the Company has aimed to create innovation through co-creative investments with external entrepreneurs, but it is said that there are two types of human resources that create innovation: entrepreneurs and internal entrepreneurs. In addition, a survey on work styles among future generations showed that, in addition to seeking stability in an uncertain future, there is also a desire to pursue the challenge of addressing social issues, indicating a dual focus on both stability and challenge.

Going forward against this backdrop, in addition to co-creative investment, we will work to have internal entrepreneurs create businesses. To achieve this, we are promoting a new work style we call “social intrapreneurs (internal entrepreneurs) who can change society while working within a company.” This enables them to remain affiliated with their company and use its management resources to address social issues. Using corporate assets means that social impact can be created more quickly than at a startup, and also makes it possible to pursue challenges while maintaining a sense of economic and psychological security. This work style is also closely aligned with future generations’ sense of values, and we believe this will contribute to a sustainable society and economic development.

#### <Contribution to corporate value>

The Foundation intends to carry out educational and awareness activities for young professionals with the aim of cultivating social intrapreneurs. First, it is considering the establishment of underwritten courses at universities in Japan that will broaden the scope of potential intrapreneurs in society. An increase in the number of intrapreneurs will accelerate business creation at various companies, which we expect to increase the number of businesses that could be co-created with the Company. This would contribute to the realization of the impact that the Company seeks to make.

We also believe that hiring students who wish to become intrapreneurs or having them participate in projects will promote business creation and lead to the enhancement of corporate value.

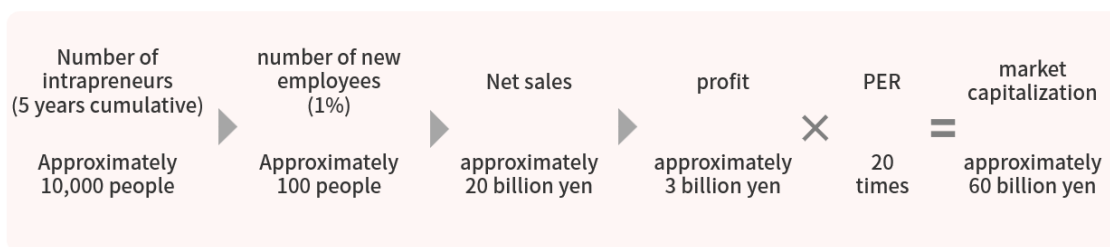


\*The word ‘suki’ can mean love, like, favor, passionate about, crazy about, adore, etc.

The Foundation aims to create shareholder value of over 60 billion yen in the future.

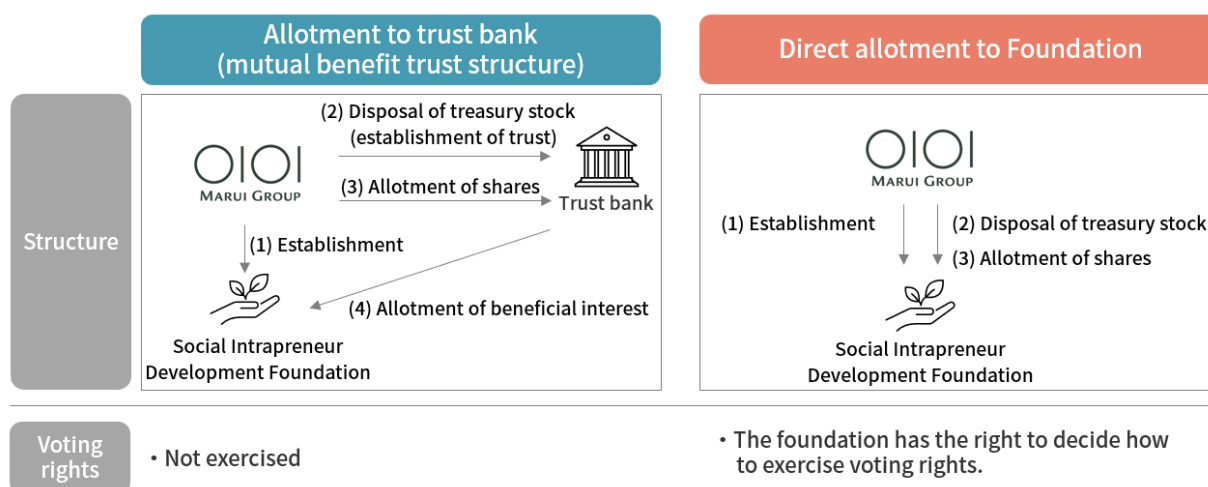
## ■ Assumptions for estimates

- Created approximately 10,000 social intrapreneurs in five years. Of these, 1% joined our company.
- Assuming that 100 new employees will generate ¥20 billion in net sales with an operating margin of 20%.
- Calculate the contribution to market capitalization by multiplying the current PER.



## <Structure for disposal of treasury stock>

To enable the Foundation to carry out its targeted activities continuously and with stability, the Company will establish a mutual benefit trust (the “Trust”) with Sumitomo Mitsui Trust Bank, Limited, as the trustee, Custody Bank of Japan, Ltd., as the re-trustee, and the Foundation as the beneficiary. Custody Bank of Japan, Ltd., the re-trustee, will acquire the Company’s shares as trust assets for the Trust. The Trust will deliver trust income from dividends, etc., on shares of the Company to the Foundation, and the Foundation will use that trust income as the source of funds for its activities. In addition, the voting rights of the shares to be held by the Trust through the disposal of treasury stock will not be exercised during the Trust period.



## <Reasonableness of disposal conditions, etc.>

The number of shares to be disposed of is 1,700,000, which is equivalent to 0.81% of the 208,660,417 common shares issued as of March 31, 2025 (or 0.94% of the 1,807,936 total voting rights as of the same date, both figures rounded to two decimal places), and the Company considers the effect on the stock market to be negligible.

In addition, as announced in the May 13, 2025, press release “Notice Concerning Cancellation of Treasury Stock (Cancellation of treasury stock pursuant to Article 178 of the Companies Act),”

25,000,000 shares of treasury stock were cancelled on May 30, 2025.

Furthermore, as per the “Formulation of Management Vision & Strategy Narrative 2031” announced on May 13, 2025, the Company plans to acquire treasury stock shares in the amount of 30 billion yen by the fiscal year ending March 31, 2031, for capital optimization at the retail business.

In the “Notice of Establishment of Limit for Acquisition of Treasury Stock (Acquisition of treasury stock in accordance with the provisions of the Articles of Incorporation pursuant to Article 165, Paragraph 2 of the Companies Act),” announced on May 13, 2025, the Company also announced the establishment of a 20 billion yen limit, in effect until November 15, 2025, for the acquisition of treasury stock to respond in the event future profitability is not fully factored into the stock price.

Comprehensively taking these factors into account, the Company considers the scale of dilution as a result of this disposal of treasury stock to be reasonable.

<Benefits of the Foundation using dividend income from the Company’s shares as a source of funds for its activities>

Continuous efforts based on cooperation between companies and educational institutions, etc., are essential for the Foundation to achieve its objectives. For this reason, it was determined that establishing the Foundation and using dividends from the Company’s shares as its source of funds for its activities was the optimal way to achieve the Foundation’s objectives from the perspectives of continuity, potential, and shareholder value.

From the perspective of continuity, if corporate activities and donations are used as the source of funds, there is a possibility of outlays being affected by changes in the operating environment, making it difficult to carry out activities continuously and with stability. On the other hand, as a nonprofit corporation, having the Foundation use dividends from the Company’s shares, with DOE as an indicator, will facilitate stable operation over the long term.

From the perspective of potential, there is a concern that the activities of a for-profit company could be restricted by the nature of its business, but by operating as a legal entity that does not pursue profits, the Foundation can engage in a wide range of activities necessary for the completion of its objectives.

Finally, from the perspective of shareholder value, if corporate activities and donations are used as the source of funds, the fact that temporary increases in expenses or decreases in profit could create structural conflicts with shareholders’ interests cannot be denied. Using dividend income as the source of funds, however, creates a structure in which stable dividend increases over the long term associated with growth in business results will lead to an increase in the Foundation’s activity funds. We believe this will make it possible for the objective of enhanced corporate value to be shared with all other shareholders and investors.

	establish a foundation (dividend income)	business activities / establish a foundation (donation)
continuity	As a non-profit organization, we are able to conduct long-term, stable activities by using our dividends based on DOE as a benchmark.	Changes in the business environment and other factors may affect expenditure amounts, making it impossible to ensure the continuity of activities.
Development	By operating as a non-profit organization, it is easier to engage stakeholders in activities.	As a for-profit enterprise, there is a possibility that restrictions may be imposed on activities due to business constraints.
shareholder value	The structure of long-term stable dividend increases will increase the foundation's operating resources, enabling it to share the goal of enhancing corporate value with other shareholders.	Increases in operating funds are accompanied by increases in expenses and decreases in profits, which may structurally conflict with the interests of shareholders.

#### <Reference materials>

Notice of the Establishment of the General Incorporated Foundation “Social Intrapreneur Development Foundation” and the Disposal of Treasury Stock through Third-Party Allocation

[https://files.0101maruigroup.co.jp/assets/fcb3f6f785e64150a816739a2f2f6d10/926cfc3175d34615a5af40fd4577eb53/en\\_25\\_0513\\_4.pdf](https://files.0101maruigroup.co.jp/assets/fcb3f6f785e64150a816739a2f2f6d10/926cfc3175d34615a5af40fd4577eb53/en_25_0513_4.pdf)

Formulation of Management Vision & Strategy Narrative 2031

[https://files.0101maruigroup.co.jp/assets/fcb3f6f785e64150a816739a2f2f6d10/73d03a2d8275474992fc6d54229e8afa/en\\_25\\_0513\\_1.pdf](https://files.0101maruigroup.co.jp/assets/fcb3f6f785e64150a816739a2f2f6d10/73d03a2d8275474992fc6d54229e8afa/en_25_0513_1.pdf)

Notice Concerning Cancellation of Treasury Stock (Cancellation of treasury stock pursuant to Article 178 of the Companies Act)

[https://files.0101maruigroup.co.jp/assets/fcb3f6f785e64150a816739a2f2f6d10/adff6a1daf334557bf450d9c89bd4952/en\\_25\\_0513\\_2.pdf](https://files.0101maruigroup.co.jp/assets/fcb3f6f785e64150a816739a2f2f6d10/adff6a1daf334557bf450d9c89bd4952/en_25_0513_2.pdf)

Notice of Establishment of Limit for Acquisition of Treasury Stock (Acquisition of treasury stock in accordance with the provisions of the Articles of Incorporation pursuant to Article 165, Paragraph 2 of the Companies Act)

[https://files.0101maruigroup.co.jp/assets/fcb3f6f785e64150a816739a2f2f6d10/a75d8a1db68f457d9ec78f31de361e07/en\\_25\\_0513\\_3.pdf](https://files.0101maruigroup.co.jp/assets/fcb3f6f785e64150a816739a2f2f6d10/a75d8a1db68f457d9ec78f31de361e07/en_25_0513_3.pdf)

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