

March 31, 2023

To whom it may concern

Sumitomo Mitsui Trust Bank, Limited

Notice regarding the Conclusion of a Positive Impact Finance (with unspecified use of funds)
Loan Agreement (with MARUI GROUP CO., LTD.)

Sumitomo Mitsui Trust Bank, Limited (President: Kazuya Oyama; hereinafter “SuMi TRUST Bank”) concluded a “Positive Impact Evaluation” (hereinafter “this evaluation”) and “Positive Impact Finance (with unspecified use of funds)” loan agreement (hereinafter “this agreement”) with MARUI GROUP CO., LTD. (President and Representative Director: Hiroshi Aoi; hereinafter “MARUI GROUP”) in line with the Principles for Positive Impact Finance (*1) released by the United Nations Environment Programme Finance Initiative (hereinafter “UNEP FI”) (*2).

Positive Impact Finance (hereinafter “PIF”) is a type of loan agreement intended to support corporations to comprehensively analyze and evaluate the impacts (both positive and negative) of business activities related to the environment, society and economy on an ongoing basis. The most notable feature of PIF is that the degree of contribution from corporate activities, products and services in achieving Sustainable Development Goals (SDGs) is used as an evaluation indicator and monitored based on publicly disclosed information, and that we support corporations’ activities to achieve these goals through engagement.

This agreement has obtained a third-party opinion (*3) from Japan Credit Rating Agency, Ltd. (President: Shokichi Takagi) regarding the compliance of the procedures related to this agreement’s evaluation to the Principles as well as the rationality of the evaluation indicators.

Through providing PIF and other solutions for sustainability businesses, we will continue to support clients’ business activities that contribute to the achievement of the SDGs and contribute to the enhancement of their corporate value over the medium to long term.

【About MARUI GROUP】




MARUI GROUP’s mission is to “Contribute to co-creating a flourishing and inclusive society that offers happiness to all,” under their philosophy to “Continue evolving to better aid our customers” and “Equate the development of our people with the development of our company.” MARUI GROUP is developing a business model integrating three pillars of retailing (Marui, Modi, etc.), FinTech (EPOS card, tsumiki Co., Ltd., etc.), and forward-looking investments (investments in start-up companies and new businesses), based on co-creation.


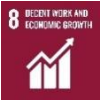


On 2021, MARUI GROUP established a medium-term management plan slated to conclude with the fiscal year ending March 31, 2026, which targets a balance between earnings growth and the creation of a positive impact. MARUI GROUP is promoting “Futuristic stakeholder management” integrating ESG initiatives with its core businesses.

【Overview of Positive Impact Evaluation】

In concluding this agreement, SuMi TRUST Bank assessed the following initiatives of MARUI GROUP

both qualitatively and quantitatively as initiatives that particularly have an impact on achieving SDGs.

Theme	Content	Goals and Indicators (KPI)	SDGs
<p>A sustainable future in harmony with the global environment</p>	<p>✓ Realize a decarbonized society and circular economy, and forge a sustainable future in harmony with the global environment for future generations</p>	<p><u>a. Contribution to reduction of CO₂ emissions</u> (Goal) ✓ Reduce CO₂ emissions by 1 million tons on a Groupwide basis by FY2025 (compared to FY2016) (Indicator (KPI)) ✓ Total amount of reduction of CO₂ emissions on a Groupwide basis (including the amount of which MARUI GROUP encourages its customers to switch to renewable energy through the Minna-denryoku EPOS Plan etc.)</p> <p><u>b. Reduction of GHG emissions (Scope 1,2) on a Groupwide basis</u> (Goals) ✓ Reduce GHG emissions (Scope 1,2) on a Groupwide basis (compared to FY2016) by ➤ 35% by FY2025 ➤ 80% by FY2030 ➤ 90% by FY2050 (Indicator (KPI)) ✓ GHG emissions (Scope 1,2) on a Groupwide basis</p> <p><u>c. Reduction of GHG emissions (Scope 3)</u> (Goal) ✓ Reduce GHG emissions (Scope 3) 35% by FY2030 (compared to FY2016) (Indicator (KPI)) ✓ GHG emissions (Scope 3: 13 categories of a total of 15 categories, excluding unapplicable categories of Category 10,14)</p> <p><u>d. Improvement of renewable energy rate</u> (Goals) ✓ Improve renewable energy rate by ➤ 70% by FY2025 ➤ 100% by FY2030 (Indicator (KPI)) ✓ Renewable energy rate (the amount of electricity deriving from renewable energy divided by total amount of electricity on a Groupwide basis)</p> <p><u>e. Improvement of resource recycling rate</u></p>	  

		<p>(Goals)</p> <ul style="list-style-type: none"> ✓ Improve resource recycling rate by <ul style="list-style-type: none"> ➢ 75% by FY2025 ➢ 80% by FY2030 ➢ 100% by FY2050 <p>(Indicator (KPI))</p> <ul style="list-style-type: none"> ✓ Resource recycling rate (the amount of waste recovery divided by waste emissions on a Groupwide basis) 	
<p>Provision of financial services founded on principle of co-creation of creditability</p>	<ul style="list-style-type: none"> ✓ Realize financial inclusion which supplies financial services to customers of all income and ages 	<p><u>a. Development of financial inclusion through investments</u></p> <p>(Goal)</p> <ul style="list-style-type: none"> ✓ Increase the number of countries provided with financial services through investments by <ul style="list-style-type: none"> ➢ 10 or more by FY2025 ➢ 20 or more by FY2030 <p>(Indicator (KPI))</p> <ul style="list-style-type: none"> ✓ The number of countries provided with financial services through investments <p><u>b. Increase the number of individuals all over the world provided with financial services</u></p> <p>(Goals)</p> <ul style="list-style-type: none"> ✓ Increase the number of individuals provided with financial services by 10 million or more by FY2050 <p>(Indicator (KPI))</p> <ul style="list-style-type: none"> ✓ The number of individuals provided with financial services 	 
<p>Equate the development of our people with the development of our company</p>	<ul style="list-style-type: none"> ✓ Foster a corporate culture in which employees may keep on growing up with an empowerment, based on its philosophy “Equate the development of our people with the development of our company” 	<p><u>a. Expansion of human capital investments</u></p> <p>(Goal)</p> <ul style="list-style-type: none"> ✓ Increase the amount of human capital investments by 12 billion yen by FY2025 <p>(Indicator (KPI))</p> <ul style="list-style-type: none"> ✓ The amount of human capital investments <p><u>b. Improvement of ratio of female leaders</u></p> <p>(Goal)</p> <ul style="list-style-type: none"> ✓ Increase ratio of female leaders to 40% by FY2025 <p>(Indicator (KPI))</p> <ul style="list-style-type: none"> ✓ Ratio of female leaders (ratio of female employees in post-management (senior staff, chief, etc.)) <p><u>c. Maintaining ratio of applicable male employees taking childcare leave at 100%</u></p>	 

		(Goal) ✓ Keep ratio of applicable male employees taking childcare leave at 100% (Indicator (KPI)) ✓ Ratio of applicable male employees taking childcare leave <u>d. Improvement of ratio of applicable male employees taking childcare leave within eight weeks of childbirth by partner</u> (Goal) ✓ Increase ratio of applicable male employees taking childcare leave within eight weeks of childbirth by partner to 80% by FY2025 (Indicator (KPI)) ✓ Ratio of applicable male employees taking childcare leave within eight weeks of childbirth by partner	
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(*1) The Principles for Positive Impact Finance

The Principles for Positive Impact Finance was developed by UNEP FI in January 2017 as a financial framework for achieving the SDGs. Companies disclose the level of contributions to achieving SDGs through KPIs. Banks then provide funding by evaluating the positive impact observed from these KPIs that is intended to guide the borrowers to increase the positive impact and reduce the negative impact.

The lending bank, as a responsible financial institution, will check if the impact is continuing or not by monitoring the indicators.

(*2) The United Nations Environment Programme Finance Initiative (UNEP FI)

The United Nations Environment Programme (UNEP) is an executive body for implementing the “Human Environment Declaration” and the “International Environmental Action Programme”, established in 1972 as a subsidiary body to the United Nations system. UNEP FI represents a broad as well as a close partnership between UNEP and more than 200 global financial institutions. Since its establishment in 1992, UNEP FI has been working in concert with financial institutions, policy/regulatory authorities to transform itself into a financial system that integrates economic development and ESG considerations.

(*3) Third-party opinion on compliance with Principles of Positive Impact Financial and rationality of used metrics

For the independent opinion from Japan Credit Rating Agency, Ltd., please visit:

<https://www.jcr.co.jp/en/greenfinance/>

Ends