

2018 Corporate Profile



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<http://www.maruetsu.co.jp/>



For everyone's shiawaseikatsu (happy life)

In a time not so long ago,
for people who until then had only known markets and dedicated specialist shops,
supermarkets—with their fresh and richly colorful food produce laid out in orderly fashion
inside their clean and sanitary store premises—were truly a world of dreams
and astonishing surprises. Maruetsu is working to carry that sense of thrill and excitement
on into the future. In addition to protecting the basic principles of delivering great-tasting
products with convenience, safety and peace of mind, we aim to create a new generation of
supermarkets where customers will feel excited just to visit, and where they can
encounter pleasing surprises. Moving forward, Maruetsu will continue to propose new ideas
for achieving the realization of shiawaseikatsu (happy life).

Maruetsu will continue to contribute to the enrichment of customers' dietary lifestyles through the pursuit of excellence in its business operations, from a customer perspective.

Maruetsu's predecessor, Uoetsu Shoten, was established in October 1945, engaging mainly in fish sales in the Saitama prefecture city of Urawa, now part of the city of Saitama. By consistently maintaining our principle of taking root in local communities, we have now grown into the largest food supermarket chain in the Greater Tokyo area, with around 300 stores in the Kanto region (Tokyo and its five surrounding prefectures).

Working in accordance with our management philosophy, under which we contribute to a healthy and rich dietary life through provision of safe and good products, we have endeavored to enrich the array of goods we handle and to create products and selling spaces designed from our customers' point of view, such as through the development of products that guarantee greater safety and peace of mind, with a core focus on enhancing our range of fresh food and deli products.

We believe that people are our company's greatest asset, and engage proactively in the training and development of human resources, to ensure that our staff will enjoy their roles in the business and have a spirit of meticulously serving customers. In this way, we are driving the creation of stores that will enable customers to shop with total peace of mind, at any time they choose. At the same time,

we are also endeavoring to create a corporate culture where each and every one of our employees can engage in their work with a sense of fulfillment and satisfaction that they are doing a worthwhile job.

In March 2015, we set up a joint holding company called United Super Market Holdings Inc. (U.S.M.Holdings) with Kasumi Co., Ltd. and MaxValu Kanto Co., Ltd. Three years after this integration, and heading into the future, we are utilizing the advantage of our corporate scale to create new value that was unattainable by Maruetsu alone, in order to solidify our industry presence and maximize the corporate value of U.S.M. Holdings.

Moving forward, we will continue to pursue excellence in our business operations from a customer perspective, endeavor to create stores that will gain us the trust and confidence of our stakeholders, and aim to achieve further growth and advancement as a company.

June 2018

President and
Representative
Director

上田 真
Makoto Ueda



Brand Message

Shiawaseikatsu (Happy life)

This message embodies our aspiration to make customers feel happier in their daily life.

Corporate Symbol



Our corporate symbol represents a wide variety of fresh food items with its shape that looks like a fish or a vegetable and colors that are associated with liveliness. Its shape also represents the initial Roman alphabet of our company name, which is "M."

Management Philosophy

Objective

We will contribute to a healthy and rich dietary life by offering safe and good products.

Management Policy

We will always innovate while striving to be a fair and sincere company.

Standard of Conduct

We are determined to create lively, happy supermarkets that are beloved by local customers.

Commitments to Customers

Our Aim

We will support customers' dietary life with a smile.

Our Offer

We will deliver fresh discoveries an excitement.

Our Heart

We love the locality and value ties with customers.

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Read about our proactive social contribution and environmental conservation activities.

22 Company Profile

296 stores* in the Kanto region (Tokyo and five of its surrounding prefectures)

* As of the end of May 2018

Maruetsu will continue to grow while responding to both community and customer needs

In order to offer the products and services best suited to their region, we greet our customers with various different store styles, including the Maruetsu, Maruetsu Petit and Lincos brands.

Store Types



While dealing mainly with fresh food items, Maruetsu supermarkets also offer an extensive lineup of products, including daily miscellaneous goods, to enable customers to enjoy convenient shopping every day.



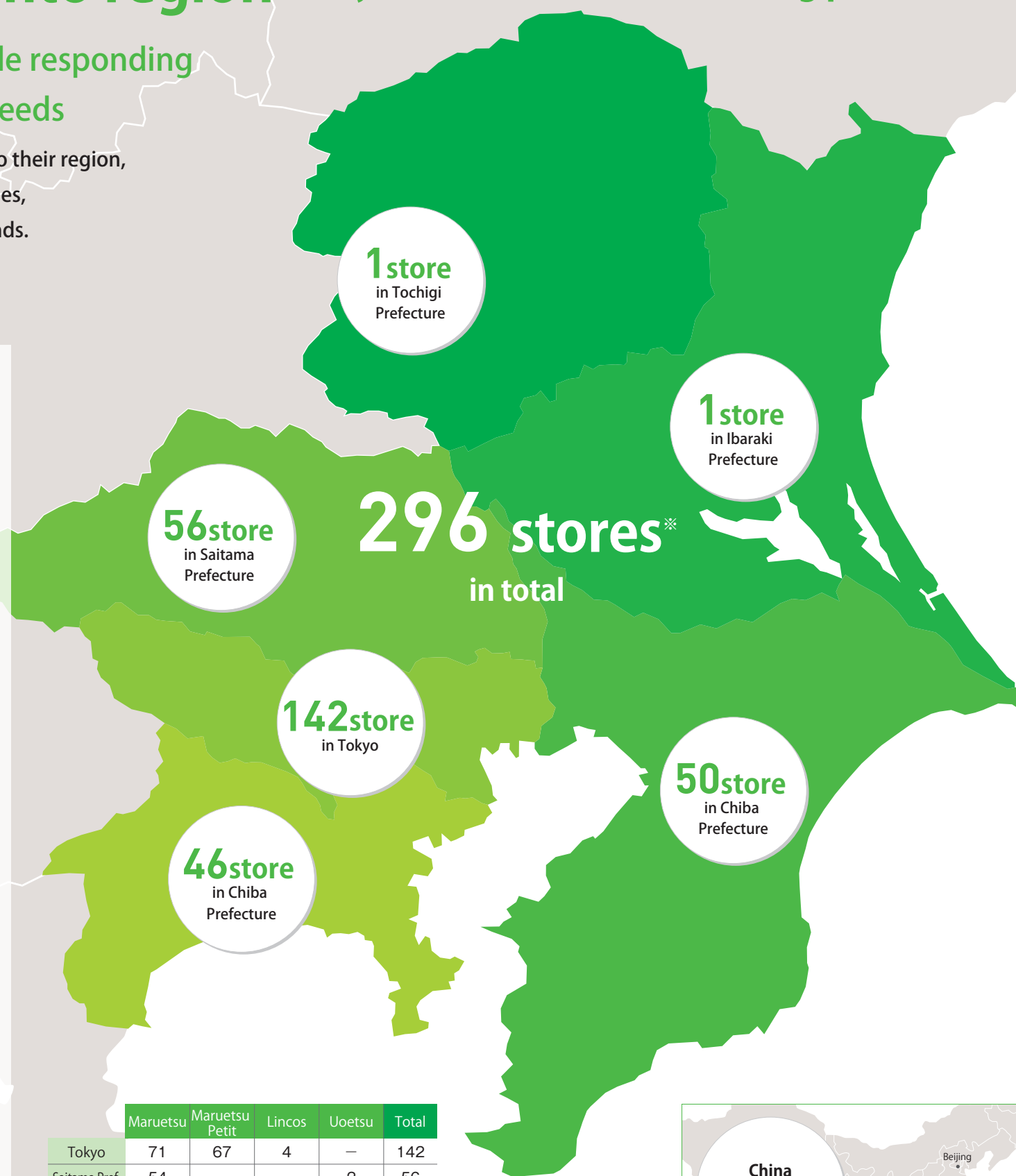
Maruetsu Petit stores are urban-style supermarkets that provide customers living in urban areas with fresh food, hot prepared food and services. Ranging in area for 120 to 450 square meters, they offer the products needed for everyday life.



Lincos is a brand of quality supermarkets that cater to the sophisticated needs of customers with an array of high quality goods and services.



As quality supermarkets with Japanese hospitality that offer comfortable new lifestyles, two Lincos stores have opened in the city of Wuxi in Jiangsu Province in China.



	Maruetsu	Maruetsu Petit	Lincos	Uoetsu	Total
Tokyo	71	67	4	—	142
Saitama Pref.	54	—	—	2	56
Chiba Pref.	48	1	1	—	50
Kanagawa Pref.	43	3	—	—	46
Ibaraki Pref.	1	—	—	—	1
Tochigi Pref.	1	—	—	—	1
合計	218	71	5	2	296

* As of the end of May 2018



The Group has established two Lincos stores in the city of Wuxi (Jiangsu, China).

U.S.M. Holdings

ユナイテッド・スーパーマーケット・ホールディングス



United Super Markets Holdings Inc. (U.S.M. Holdings) was established in March 2015 as a joint holding company established through the management integration of Maruetsu with Kasumi Co., Ltd. and MaxValu Kanto Co., Ltd.

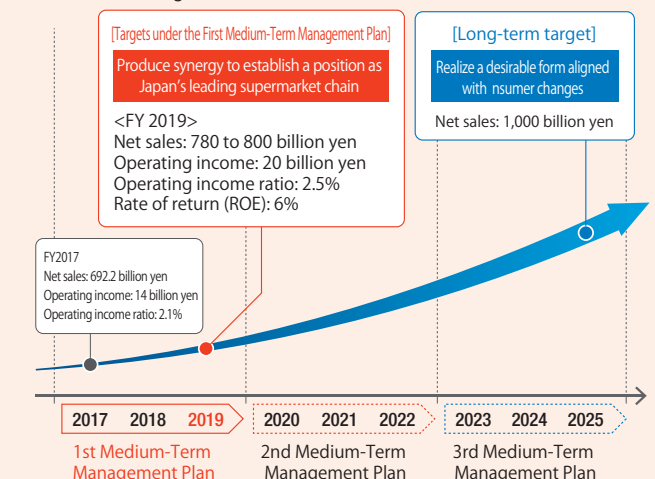
We are currently advancing the Medium-Term Management Plan (beginning as of fiscal 2017), with a basic policy of creating new value through integrated synergies. In this way, we are creating certain synergy benefits in areas such as purchasing and accounting, from the perspective of overall optimization, while at the same time respecting the three member companies' autonomy and independence in management.

Overview of the Medium-Term Management Plan

Basic Policy

- (1) Introduce common business infrastructure to maximize synergy
- (2) Ambitiously seek to establish a new supermarket model that aligns with consumer changes

Numerical Targets

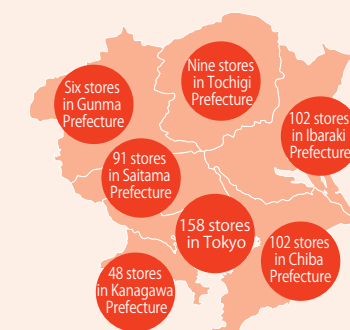


Corporate Profile

Company Name: United Super Markets Holdings Inc.
Representatives: Makoto Ueda, chairman and representative director
Motohiro Fujita, president and representative director
Head Office: 1 Kanda Aioicho, Chiyoda-ku, Tokyo, Japan
Date of Establishment: March 2, 2015
Capital: 10 billion yen
Business: Management of supermarket operations

Number of Stores in the Group

A total of 516 stores in the Group



Group's Operating Income

	Number of Stores	Operating Income
The Maruetsu, Inc.	296	3,775 billion yen
KASUMI CO., LTD.	186	2,713 billion yen
MaxValu Kanto Co., Ltd.	34	434 billion yen
Total	516	6,922 billion yen

* The figures for the number of stores are as of the end of May 2018.* The operating income figures are based on the financial results for the fiscal year ended February 2018.

* We also operate specialist fresh fish shops such as Uoetsu, which offers fresh fish every day at great value prices.

Contributing to rich and healthy dietary lifestyles for our customers, by creating stores that are full of smiles and energy

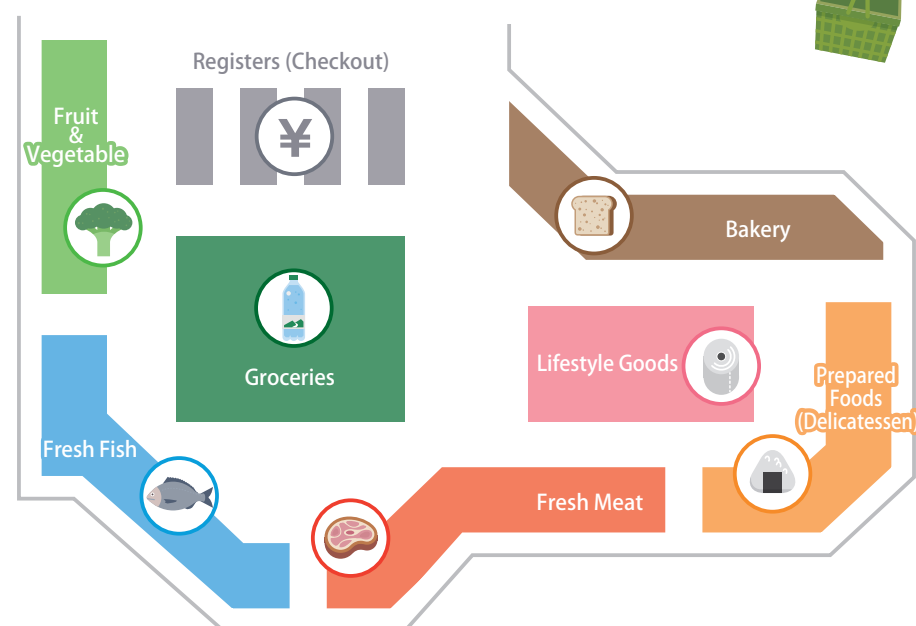
After joining the company, our employees are assigned to one of our stores. A store is the only one place where we can support the lifestyles of customers in the local community and connect with them. By driving the creation of store departments that deliver fresh, safe and reassuring products to customers and enabling them to enjoy their shopping in comfort, we aim to create more attractive, more appealing stores.

Fresh Meat Department

This department is responsible for cutting blocks of fresh meat using machines and knives, processing and packaging it for a range of uses (e.g. Korean barbecue-style grilling), and setting it out on display in selling spaces. It also handles ham, sausages and other processed meats.



Maruetsu Store Departments (example layout)



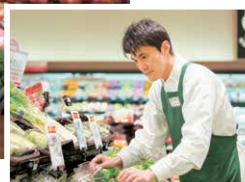
Greeting Department

At Maruetsu, we call our cashiers "greeters." These hospitality professionals work primarily on register duty at our store checkouts, greeting our customers with their best smiling faces and the spirit of omotenashi (hospitality).



Fruit & Vegetables Department

This department is the face of any Maruetsu store, located at the store entrance. Fruits and vegetables are cut or packaged in bags before being displayed instore. The department sells seasonal fruit and vegetables based on which varieties are in season at that particular time.



Fresh Fish Department

This department processes and packages the very freshest fish for a range of uses, such as sashimi (sliced raw fish) and fish fillets, and sets it out on display in selling spaces. There are also cases where employees in this department are asked by customers to fillet fish for them, making it a place to display one's skills.



Prepared Foods Department (Delicatessen)

This department lays out an array of foods prepared freshly in store, including bento boxed meals, fried foods, side dishes and sushi. By adapting its lineup according to the time of day, this department contributes to the dining table of busy customers providing additional one item of dishes.



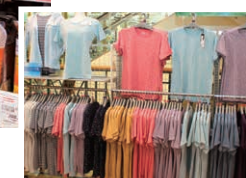
Bakery Department

This department molds dough and bakes fresh bread instore, offering an extensive lineup with numerous varieties of freshly baked breads, including regular loaves, dressed breads and sweet-baked breads.



Lifestyle Goods Department (Miscellaneous Goods Department & Clothing Department)

This department handles non-food products that support the daily lives of customers, from daily necessities and consumables to stationery, clothing and underwear.



Groceries Department

This department stocks shelves with condiments and seasonings, confectionaries, retort pouches and other processed food products, frozen foods, dairy products, chilled beverages and other daily delivered food products to create grocery selling spaces. Grocery sales account for approximately half of all store sales turnover.

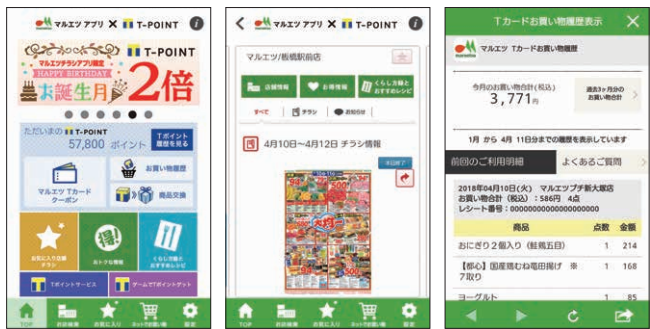


Building ties with customers in local communities by proactively communicating information to support their daily lives

Maruetsu aims for each of its stores to become the No.1 store in its local community, by deepening the level of relationships with customers through various initiatives that go beyond simply the creation of selling spaces.

Maruetsu Leaflet App

The Maruetsu Leaflet App enables users to view great value money-saving information from Maruetsu leaflets easily, anytime, anywhere. It is also convenient because logging in allows users to check their T-Point balances (for our T-Card points card) and purchase histories, and take advantage of exclusive limited-access discount information for further savings. Many customers are already making use of the app since the service began.



Kurashi Catalog

Kurashi Catalog presents useful information for customers' everyday lives on monthly basis, including cooking suggestions, numerous recipes, lifestyle information and promotions of selected Maruetsu products. After over 30 years in publication, our catalog continues to be well received by customers.



Eatopia

As part of its efforts to "support its customers' dietary life with smiles," since 1991, Maruetsu has operated "Eatopia" cooking & culture classes. These classes provide an opportunity to disseminate information to enrich the diets and lifestyles of customers, and act as a place for hand-on practical experiences. There are numerous types of classes. One example is Kids Cooking, a children's cooking class where participants learn about a range of topics that includes cooking, nutritional knowledge and table manners. A total of approximately 3,000 children have participated in the class so far. Our managerial dietitians and dietitians also act as lecturers to provide support for food education activities. As part of the Eatopia initiative,

Maruetsu offers health seminars and nutrition consultations as a Japan Dietetic Association (JDA) certified Nutrition Care Station, and acts as a hub for activities supporting the health and wellbeing of people in local communities.

Maruetsu's Ookubo Ekimae Store (Narashino, Chiba) utilizes its instore multipurpose space to hold events at various times throughout the year. These include health seminars led by Eatopia managerial dietitians, and cooking classes organized as collaborative tie-ups with suppliers or other business partners.



いーとびあでの食育講座



管理栄養士による健康セミナー



いーとびあ (埼玉県蕨市)

Direct Message to the Store Manager

Introduced to all stores in 1996. The store manager will reply to each of the valued comments or requests from customers within three days. Comments received from customers are shared on a company-wide scale, and utilized in improving the way we run our business.



Product Knowledge Tests

All of our employees take regular product knowledge tests. These tests are aimed at encouraging them to acquire knowledge about the products they deal with at stores, irrespective of their department, so that they will learn to help customers with shopping. As our employees build their product knowledge they become able to give direct explanations to customers, which in turn helps to create a larger fan base of shoppers who are loyal to Maruetsu stores.



Kitchen Eatopia

Kitchen Eatopia introduces suggested menus and recipes that are useful in creating daily meal plans, while incorporating seasonal ingredients and considering nutritional balance. To date, Maruetsu has established Kitchen Eatopia stations in 17 of its stores. By making direct suggestions to customers that use ingredients that can be found in instore selling spaces, Kitchen Eatopia contributes to building our level of communication with our customers.



Service Care-Fitters

Maruetsu is engaged in proactive efforts to help its employees to gain Service Care-Fitter qualifications. Employees studying for this qualification learn about the spirit of hospitality, and acquire care-giving techniques for helping elderly customers and customers with disabilities to shop, thus enabling all customers visiting our stores to shop with greater confidence and peace of mind. To date, more than 1,000 employees have acquired this qualification, and are actively engaged in assisting customers in our stores.

* The service care-fitter qualification is accredited by the Nippon Care-Fit Education Institute.



Ensuring safety and peace of mind for our customers by offering an extensive range of fresh, safe and reassuring high-quality products through efficient delivery

With its own distribution system, Maruetsu is continually seeking to enhance its range of highly fresh products and further improve the efficiency of its store operations; and to propose products that will bring smiles to the dietary lifestyles of its customers.



Certified with ISO 22000

The Kawasaki and Misato Complex Centers have been certified with the ISO 22000 international standards for food safety management systems. Under ISO 22000, quality management is undertaken in all processes of production, distribution and sales to ensure food safety.



Product Development

Maruetsu develops and proposes products that will enrich the dietary lifestyles of its customers, pursuing even greater-tasting products and focusing on the food cultures of various local communities, or excellent specialty products that are deeply rooted in specific regions. Such products include the U.S.M. Holdings own brand of products Eatime, developed around the concept of proposing new value to customers, and the maruetsu365 range, which offers added-value daily necessity items at reasonable prices.



Product development meetings are held with U.S.M. Holdings Group members



Original Fresh Food and Deli Products Available Only at Maruetsu

Maruetsu develops products to fulfill its duties as a food supermarket by delivering attractive products to customers. In particular, we make effective use of the fresh ingredients sold by our fresh meat and fresh fish departments to produce a large number of products that are only available at Maruetsu stores. These include the freshly made bento boxed lunches, boiled meat/fish and vegetable dishes and fried food items sold in our Butcher's Deli and Fishmonger's Deli ranges, and our Fishmonger's Sushi range of sushi made using fresh seasonal toppings procured via our fresh fish department.



◀ Maruetsu original meat and potato croquettes made using Yuyumegyu Beef

Voluntary Inspections for Radioactive Substances

We have been conducting sampling inspections of fresh food and private label (own brand) products since 2011. In response to the revision to the standard levels specified by the Japanese government, we developed our own standards in 2012, and have since been disclosing inspection results on our website.



Supporting the career formation of our employees with an education system that enables them to engage vigorously in their work and feel that they are doing a worthwhile job

Our human resources development begins with feeling and thinking about what customers need now, and what we can do for them. Through our various training programs, we endeavor to train personnel who can think and act for themselves.

After joining the company, new recruits immediately undergo orientation training, after which they engage in training to acquire basic supermarket knowledge. With a primary focus on Off-JT (Off the Job Training) at training centers, our trainees engage in a range of curriculums that include group training in processing techniques and sales planning, and mass training on topics such as personnel & labor issues.

I decided to join the company because I thought that with Maruetsu I could be involved in a variety of different jobs with many different people. Right now I am working hard at my daily duties with the aim of helping to create a store that will satisfy our customers, and to become like our team leader, who I respect very much.



We offer a range of training programs to match each of our employee job types. From new recruit to general sales personnel, trainees learn technical skills linked directly to their practical work duties, which will enable them to function as acting team leaders.

We also offer training schemes to enable employees to fulfill their specific duties after stepping up to higher level positions, including programs aimed at newly-appointed team leaders, sales managers, acting store managers, store managers, section managers and so on. The higher the position an employee rises to, the higher the level of practical training and management skills they will acquire.



We also offer programs in which employees study and learn for themselves, on topics such as logical thinking, marketing and financial analysis, with the objective of training future candidates for senior management.



Entry

New employee training

Age (guideline)
Internal qualification
22 [J]

Chief sales
manager

Acting store managers

Merchandisers

Field staff / Trainers

Store managers

Section manager

Department
manager

23 and above
[L]

27 and above
[S1]


29 and above
[S2]

31 and above
[M]

39 and above
[M]



Apr. May. Jun. Jul. Aug. Sep. Oct. Nov. Dec. Jan. Feb. Mar.												
Technical education	Orientation training	Departmental basic knowledge										
		Hands-on training at stores of assignment										
Management education	Internal exam for qualification	Personnel and labor affairs					Sales planning					
Internal exam for qualification		Skill exams										
		L qualification promotion exam - Personnel and labor affairs, budget management and rules and regulations										

Position-specific training	Annual follow-up training	Store manager assessment	M promotion assessment	M qualification promotion training	Cornell University / Distribution Future University
		New team leader training	Training to obtain management duty skills	Domestic and overseas distribution observation	
				New store manager training	
		Specialist job development		U.S.M.H. strategy leader development training	
			Qualification promotion training		
Self-development, etc.	Training to obtain public qualifications				
		Product knowledge tests			



Annual Follow-Up Training (Years 2 – 5)

From the second year after joining the company, we offer training to match employees' current number of years with the company. In addition to acquiring specialist knowledge and skills through department-specific training, employees also learn about the company's current situation and acquire business skills through group training programs.



Training at Production Sites

Our trainees visit fruit and vegetable farms to learn the processes by which the fruit and vegetables sold at our stores are carefully grown, harvested and shipped, through hands-on training at actual production sites. We also conduct various other training programs that include observational visits to fish markets and rice harvesting experiences.



Joint Training Seminars with U.S.M. Holdings Group Members

Store Comparison Study Groups

U.S.M. Holdings runs training classes for sales team leaders with the purpose of allowing Group employees to deepen the level of their interactions with one another and learn about store operation methods and good initiatives in operation at U.S.M.H. group companies. By enabling employees to come into contact with initiatives at other companies which they would not normally get to see, the Group is seeking to increase employee awareness, learning and motivation.



Strategy Leaders Development Program

The Group conducts training programs over the course of approximately one year aimed at store managers and section managers, with the aim of training personnel who can construct and implement strategies to adapt to changes in the environment, with aspirations as a leading supermarket company; and who can continue to make new innovations and attempt new challenges, through interactions with their counterparts in other group companies.



Providing opportunities for employees to show who they want to become

Spend every day working vigorously, being ourselves, and aiming to become the people we want to be. Won't you join us in discovering shiawaseikatsu (a happy life) for our customers, and for yourself?



Maruetsu is an easy place to work!
I feel fortunate to have the other
employees and partners around me.

Ikumi Watanabe

Joined Maruetsu: 2017 Fruit & Vegetables Department sales staff

Working in the Fruit & Vegetables Department involves a lot of manual labor, but we handle a wide range of products, and I feel that I am doing a worthwhile job. At the same time as learning how to sort products and stock shelves, from my first year onwards, I have also been given the opportunity to experience order placement work little by little. I am also acquiring specialist knowledge about topical vegetables and new fruits, and differences in how to sell products depending on current weather conditions. I am enjoying making use of this new knowledge in my work, such as when serving customers and creating selling spaces. The number of female team leaders in Fruit & Vegetables is also increasing, I also want to become a team leader myself, and to make use of a woman's unique perspective in my work!

8:00	10:00	12:00	13:00	17:00
Arrive at work, prepare for store opening (receive deliveries, stock shelves, prepare selling space, place orders, etc.)	Open store	Break time	Admin work and selling space related work	Go home

General



My job requires a broad perspective with regard
to aspects such as communicating food-related
information, and developing new products.

Takuya Morozumi

Joined Maruetsu: 2004 Prepared/Processed Foods Department Sales Staff Team Leader Merchandiser

In addition to deciding what products we will purchase, as a merchandiser in charge of curries, soups and other condiments and seasonings, I am also responsible for the development of new products based on my own concepts. I am also in contact with a large number of suppliers on a day-to-day basis, and picking up information through those interactions and seeking to increase sales by communicating that information to the various stores is another important part of my role. Refining sales promotion plans for products that I think will sell well is one of the real joys of my job. The voices of satisfied customers saying that the products tasted good are also an encouragement.

9:00	12:00	13:00	14:00	15:00	17:00	18:00
Arrive at work, check state of sales figures, prepare sales plans and other documents, etc.	Break time	Departmental meeting	Prepare documents	Go out for business negotiations	Research and compare rival stores with Maruetsu stores	Go home

Merchandiser



Team
Leader

With the help of those around me,
I was able to become a Team Leader
in my third year with the company.

Yuka Moriya

Joined Maruetsu: 2015 Bakery Department Sales Staff Team Leader

I wanted to see the smiling faces of customers enjoying something that I had made, and so I requested to be assigned to the Bakery Department from the time when I initially joined the company. In my first year I learned skills and techniques, and in my second year I learned the duties performed by team leaders. In my third year, I have become a team leader myself. Although my responsibilities have increased, I can now decide various things for myself, such as what kind of selling space we will create or what color to bake the bread, and so I feel that I am doing a very worthwhile job. Right now, everyone around me is helping me out, but eventually I would like to become a "dependable" team leader at a large-scale store.

8:00	10:00	12:00	13:00	17:00
Arrive at work, prepare for store opening	Open store	Break time	Admin work (check attendance, prepare work process schedules and POP advertisements, etc.)	Go home



Head
Office
Staff

The happiness that I felt when I see
packaging that I created
on the shelves is really special!

Saori Ito

Joined Maruetsu: 2008 Prepared/Deli Foods Department Sales Staff Secretarial Department (Head Office Staff) Product Development Promotion Department

I studied nutrition, and so I joined the company because I wanted to do a job that involved food. In my current job in the Product Development Promotion Department, I am involved in sales promotion planning and the creation of packages for the company's own private brands. When it comes to sales promotions and product development, knowing what customers want is the most important thing, and communication with stores is essential. I think that my experiences working in actual selling spaces instore for the first year-and-a-half after joining the company are useful to me now. In the future, I would like to try developing a new product completely from scratch.

9:00	12:00	13:00	18:00
Arrive at work, do internal office work (meetings, prepare documents, etc.)	Break time	Internal office work (includes overseeing printing of packaging)	Go home



The relationships that I have built
with people in various
departments are a real asset.

Tomoihiro Takiguchi

Joined Maruetsu: 2001 Fruit & Vegetables Department Sales Staff Team Leader Acting Store Manager Sales Promotion Department (Head Office Staff) Store Manager

Store Managers are entrusted to run their store, and must decide and implement an operating policy, while at the same time making appropriate adjustments based on the needs of customers and head office policy initiatives. While it is a very worthwhile job, it is also a hard one, and there are many times where I am helped out by the relationships that I have built up with people in various departments. I think the fact that I set myself the task of volunteering to do the tiresome jobs myself has been useful to me in that respect. Moving forward, I want to think about what I can do towards creating the supermarkets of the future.

8:00	9:00	13:00	14:00	15:00	17:00
Arrive at work, prepare for store opening (check state of sales figures, check e-mails, replenish product stocks, etc.)	Open store (check attendance, receive deliveries, check sales plans, etc.)	Finance management duties	Break time	Admin work Preparations for limited-time sale event	Check price reduction work, go home

Store
Manager



My mission is to ingrain Japanese food
supermarket culture in the Chinese market.

Kazuya Tsuda

Joined Maruetsu: 1998 Fresh Fish Department Sales Staff Team Leader Merchandiser Trainer Section Manager Head of Chinese Operations

As a team leader I worked on the sales side of things, before becoming a merchandiser on the product side. I then worked in the training department, which connects those two, before eventually arriving in my current post, where I am fighting hard every day to ingrain the Japanese food supermarket culture in the Chinese marketplace. The store managers and sales staff are Chinese, but I find that the important thing is still communication, regardless of differences in language or country. By looking at things from the same point of view and sharing hardships, we can become a united team. I am excited to think about what kind of new selling spaces we will create here.

9:00	12:00	13:00	18:00	19:00
Arrive at work (meetings, admin work, patrol stores, etc.)	Break time	Meetings, admin work, patrol stores, etc.	Go home	Occasionally, have dinner with Chinese employees to develop closer friendships

Head
of Chinese
Operations



Driving the creation of workplaces where anyone can take an active role, and feel that they are doing a worthwhile job

Maruetsu aims to utilize a diverse range of human resources and create workplace environments that enable maximum effective use of the abilities of individual employees.



Promoting Active Roles for Women

In March 2016, Maruetsu established an office dedicated to promoting active roles for women, and is driving the creation of workplace environments that will enable female employees to further increase their abilities and expand the range of opportunities available to them.

Maruetsu is working to improve work environments and working styles with the aim of becoming a company where not only women but all employees can take an active role. We hold Kirameki Mirai (Sparkling Future) Seminars, which foster motivation for female employees to grow and develop while remaining true to themselves, and to set goals and take the initiative in carving out their own futures.

We also provide opportunities for working mothers to think and make new realizations and discoveries with regard to balancing their work and childcare commitments, such as by holding Life Plan Seminars aimed at female employees who are currently raising children.

We are also actively driving the promotion of female employees to management positions, including that of Store Manager. As of the end of fiscal 2017, a total of 16 female employees are active in management positions (percentage of female employees in management positions: 3.8%).



The company holds Kirameki Mirai (Sparkling Future) Seminars.



Female employees are also active as Store Managers.

Active Roles for People from Various Countries

Including our permanent employees, over 1,000 foreign nationals are currently working in active roles at Maruetsu stores. Additionally, in February 2018, Maruetsu subsidiary Maruetsu Fresh Foods Co., Ltd. accepted 10 technical intern trainees from Vietnam, who are now engaged in manufacturing duties at the company's Kawasaki Complex Center.



Workplace conditions for bringing out the outstanding performance of staff members

Taking advantage of our employment program, which allows elderly workers to continue making full use of the experience they have accumulated, they work in a lively manner, helping pass down their skills to younger staff and develop them. Maruetsu subsidiary Asubiz Support Co., Ltd. actively dispatches experienced and highly competent personnel, including those of the older generation.



Stepping up in terms of disability employment

We employ workers with disabilities through our special subsidiary Mamo Co., Ltd. As of the end of February 2018, our employees with disabilities accounted for 2.69% of our personnel. We appoint job coaches who help these employees to carry out their duties efficiently. The range of tasks they deal with is broadening, including commissioned administrative / clerical work and shelf stocking / in-store product displays.



Childcare Support

Maruetsu has personnel schemes in place to enable both male and female employees to continue working while maintaining a balance between their work and childcare commitments. The reduced working hours for childcare scheme allows parents to work shorter hours (from one to three hours less per day) up until their child graduates from elementary school. The number of employees making use of this scheme is increasing each year, and many employees are expanding the range of opportunities available for them to take an active role at work. Through childcare support schemes such as this, we are driving the creation of workplace environments that enable employees to continue working vigorously in a wider range of fields.



One female employee who is taking advantage of the company's childcare support schemes to enable her to work in a management role.

Major Childcare Support Schemes

- Reduced working hours during pregnancy
- Maternity leave (before and after giving birth)
- Childcare leave
- Reduced working hours for childcare

Work-Life Balance

Finding a healthy balance between our work and our private lives is essential in order for us to continue working with enthusiasm and a feeling that we are doing a worthwhile job. At Maruetsu, we are working to improve and enhance our employees' work-life balance, by establishing schemes for employees to take consecutive holidays and refresh days, and other schemes that enable employees to choose working styles to match their own individual lifestyles; including paid leave for treatment of sickness and injuries, and for caring for family members.



A store manager participated in a marathon together with Group company employees

Main Schemes

- Special paid leave
- Refreshment leave
- Paid leave for sickness, injury or caregiving
- Reduced working hours for caregiving

Engaging proactively in social contribution and environmental conservation activities as an integral part of our local communities

Many Maruetsu products that bring a smile to the faces of our customers are grown in rich natural environments. We are engaged in a range of initiatives to benefit our customers, to contribute to our local communities, and to protect the global environment.

Maruetsu Environmental Policy

The Maruetsu, Inc. (“the Company”) operates supermarkets that are locally-based and dedicated to serving local communities. The Company not only offers safe and reassuring goods and services, but also provides support for environmental conservation activities and local environmental activities, together with its customers, with the aim of helping to build a sustainable recycling society.

1. The Company will operate and continuously improve its environmental management system, including the setting and furthering of environmental goals, in order to minimize the environmental impact of its business activities.
 - (1) The Company will carry out efforts to cut electricity consumption and other forms of energy and resource consumption.
 - (2) The Company will apply the 3-R approach (reduce, reuse, and recycle) to cut final waste.
 - (3) The Company will reduce CO2 emissions per store to help stop global warming.
 - (4) The Company will work to spread and popularize environmentally friendly products.
2. The Company will endeavor to prevent environmental pollution and protect ecosystems for the purpose of environmental conservation, and will comply with applicable legal regulations relating to the environment, and other requirements that it has agreed on.
3. The Company will make this policy known to its employees, and ensure that each one of them observes it and actively engages in environmental conservation activities.
4. The Company will make this policy known to people both within and outside the company, and endeavor to actively provide information.

December 1, 2017
The Maruetsu, Inc. President and Representative Director

Makoto Ueda

Engaging in activities in compliance with ISO 14001

In September 2006, our Head Office and five stores received certification under the ISO 14001 international standards for environmental management systems (EMS). The number of our certified facilities has reached 285 to date. In accordance with the ISO 14001-compliant EMS, we have set environmental goals for FY 2018, including the reduction of electric power consumption, which has a particularly high environmental impact in our operation, the reduction of combustible waste emissions and an increase in the number of

consumers who decline plastic bags, and we work toward meeting them. In addition, we have a goal of cutting CO2 emissions by 30% per store from the FY 2007 level by 2020. Everyday actions to cut down on electric power and waste emissions not only lead to lower CO2 emissions but also lower expenses. We will continue our environmental activities in the belief that they are by no means far removed from the realm of our ordinary business activities.

■ Environmental goals helpful to environmental and business activities that we are working in accordance with the ISO 14001 standards

Environmental goal for FY 2017	Numerical goal	Result	
Reduce power consumption	Down 1.3% from the FY 2016 level	Down 3.9% Goal achieved	Goal achieved
Increase the number of consumers who decline plastic bags	Up 3 million consumers from the FY 2016 level	Up 2.36 million	Goal not achieved
Reduce food waste	Down 3% from the FY 2016 level	Down 2.3%	Goal not achieved



Voluntary forest conservation activities in Maruetsu's Forest

Since 2010, we have been taking part in the Saitama prefectural forest conservation project entitled the Musashino Forest Revitalization Project. Launched as a forest conservation project by the Saitama Prefectural Government, it aims to revitalize thickets and woods in the Musashino area by cutting down Japanese cedars in both flat and hilly areas where pest damage occurred and working with local residents and volunteers to plant deciduous broad-leaved trees. In the woodland nicknamed Maruetsu's Forest that is located at Yokote in the Saitama Prefecture city of Hidaka, some of our employees planted wild cherry, maple, saw tooth oak, and other trees by hand in April 2010. Since then, voluntary employees have removed the weeds every year to help preserve the forest.



Carbon offsetting actions

Carbon offsetting is the concept of offsetting the remaining portion of CO2 and other greenhouse gas emissions from business activities which it is deemed difficult to reduce further (after efforts have already been made to cut emissions by as much as possible). Emissions are offset against credits (corresponding to a certain amount of CO2 absorption) purchased from other projects or business operations designed to absorb CO2 emissions, such as through forest preservation or other similar activities. Maruetsu is engaged in a Bring a Shopping Bag campaign, in which we are working together with customers to reduce the amount of plastic bags used. As a further progression of this initiative, since 2014, we have been purchasing CO2 credits, which are calculated based on the amount of CO2 absorbed by forests preserved in areas afflicted by the Great East Japan Earthquake, from the Iwate Prefectural Government, the Tome City Government (in Miyagi Prefecture) and the Kitakata City Government (in Fukushima Prefecture), to offset CO2 emissions

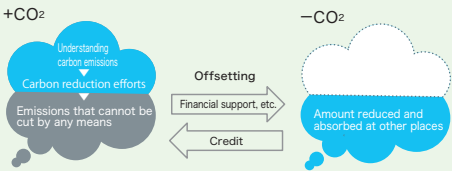
from plastic bag manufacturing. For FY2017, we offset 240 tons of CO2. This purchase was financed by proceeds from the sales of paper cartons and PET plastic bottles collected at stores with the help of customers. The scheme is designed to conduct environmental activities—together with customers—that will help to stop global warming, and to support environmental conservation activities and regional revitalization in disaster-hit areas. In recognition of these efforts, we earned an honorable mention at the fifth Carbon Offsetting Awards in 2015, and appreciation prizes at the Tohoku Region Carbon Offset Grand Prix in 2015 and again in 2017.



Tohoku Regional Carbon Offsetting Grand Prix awards ceremony (February 15, 2018)

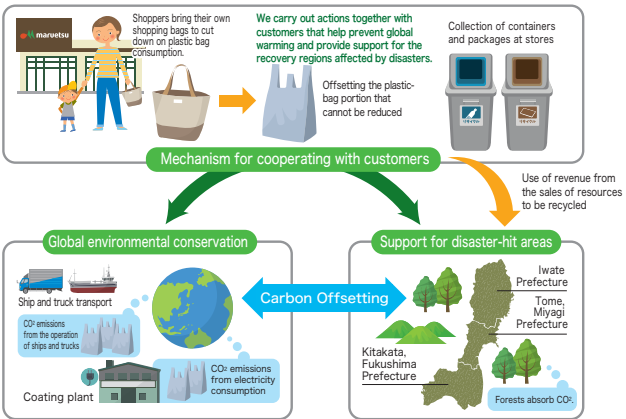
What is carbon offsetting?

Carbon offsetting is a scheme for taking a part or all of a company's (or other such entity's) greenhouse gas emissions that are difficult to reduce by various means, and offsetting them against the amount of CO2 emissions reduced or absorbed at another place.



Results Achieved by the Bring a Shopping Bag Campaign

FY2017
Percentage of cases in which plastic bags are declined 31.7%
Number of plastic bags reduced 99,038,000



Promoting Recycling Activities

We have installed collection boxes at stores and are pushing ahead with the collection of recyclable resources. Three boxes are installed at each store: one for paper cartons, one for food trays, and one for plastic bottles. Our boxes for paper cartons can also accept cartons with vapor-deposited aluminum.



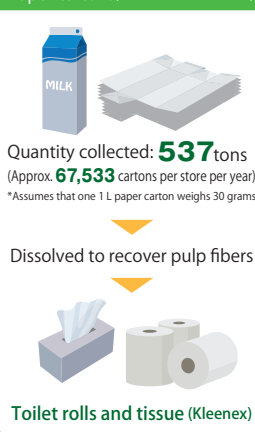
Recycling in cooperation with local communities



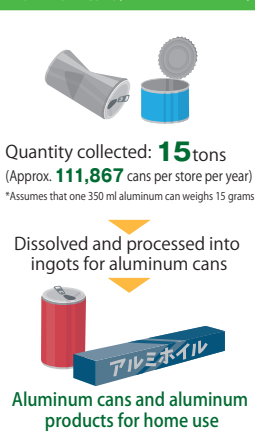
The reuse of precious resources helps to conserve resources and energy, reduce CO₂ emissions, and mitigate global warming.

We set up collection boxes for paper cartons, food trays, and other items in each store in order to recycle these resources.

Paper cartons (collected at 265 stores)



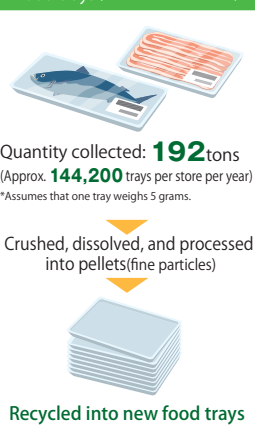
Aluminum cans (collected at nine stores)



PET plastic bottles (collected at 180 stores)



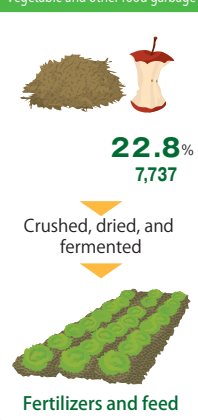
Food trays (collected at 266 stores)



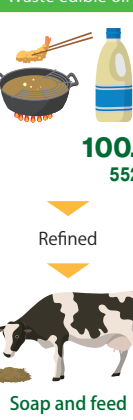
Recycling waste from stores

We are working to recycle waste emitted by stores, and have stepped up efforts to suppress and reduce food waste generated from stores in contribution to realizing a recycling society

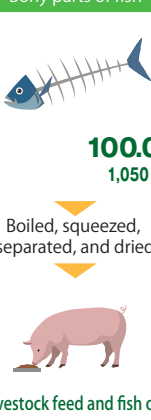
Vegetable and other food garbage



Waste edible oil



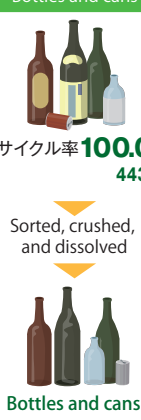
Bony parts of fish



Cardboard, waste paper, etc.



Bottles and cans



Visualization of waste helps to raise waste reduction awareness among employees

We have taken many different actions to raise and improve global environmental conservation awareness among individual employees. In addition to sorting the waste emitted by business activities, we are working to increase their awareness of the need to cut waste emissions. Understanding the types and quantities of waste emitted is the first step towards slashing waste emissions. We introduce waste measurement and management systems chiefly to Maruetsu stores in an attempt to visualize waste emissions. In an effort to reduce these emissions, we motivate each staff member to reduce emissions by having them measure and quantify waste emission amounts on their own.



Online management of data measured at stores.

Supporting the breeding of guide dogs

There are currently 3,000 visually impaired people in Japan who desire to have a guide dog. This demand far surpasses the 1,000 guide dogs in service all over the country. In a bid to change this situation for the better, since 1993 we have been collecting contributions for the guide dog breeding fund and donating the money collected to the Japan Guide Dog Association. For FY2017, the contributions collected amounted to 12,760,566 yen. The cumulative total of money raised so far is approximately 280 million yen.



Campaign for interacting with guide dogs near Iwatsuki station



Photo courtesy of the Japan Guide Dog Association

Guide dog training center tours

In addition to fund raising activities, we organize tours to the Kanagawa Training Center of the Japan Guide Dog Association for customers in a bid to boost their understanding for visually impaired people. For FY 2018, we invited 41 Maruetsu customers, including 20 children, to take part in a tour on March 27. The event included a trial walk in which the participants were blindfolded and led by guide dogs, as well as experience of writing in braille. These activities provided the participants with hands-on experience that simulated the troubles the visually impaired face in everyday life. Also, to provide the best shopping experience for customers who come to our stores with guide dogs, we have implemented in-house training for employees.



Trial walk at the Kanagawa Training Center

Donations (amounts donated)

Our company has been actively making contributions to communities and society, as well as donations toward the preservation of the environment for future generations. Since the Japanese eel was designated an Endangered Species (IB) in 2014, we have been contributing to eel conservation activities.



Presentation of 1% of the sales from beverage vending machines

Donation	Period	Amount	Recipient
Donation from the guide dog breeding fund	Contributions collected from Mar. 2017 to Feb. 2018	12,760,566yen	Japan Guide Dog Association
Donation of 1% of sales from beverage vending machines	Amount equivalent to 1% of sales from beverage vending machines from Mar. 2017 to Feb. 2018	3,400,000yen	Social welfare conferences in different regions
Donation of gain on sales of collected caps for PET plastic bottles	Gain on sales of caps collected from Mar. 2016 to Feb. 2017	420,140yen	Japan Committee, Vaccines for the World's Children
Donations for activities to conserve eels	10 yen per eel product sold contributed from sales of such products on July 21-25, 2017	2,174,410yen	Kagoshima Prefectural Council for Boosting Eel Supply

* From August 2018, we will be posting the information on our environmental accounting activities under the Environmental Activities and Social Contributions section on our website.

History

1945: Uoetsu Shoten begins business in the city of Urawa (now in the city of Saitama) in Saitama Prefecture.

1952: Uoetsu Shoten Y.K. is established.

1959: The company name is changed to Maruetsu Store Y.K.

1965: The Omiya store opens as the first self-service food supermarket

1970: Operations are expanded into Tokyo and the company is reorganized as Maruetsu Store K.K.

1974: The company name is changed to The Maruetsu, Inc.

1975: The Omiya Distribution Center is built in the city of Omiya (now part of the city of Saitama) in Saitama Prefecture.

1976: Operations are expanded into Chiba Prefecture.

1977: Listed on the Second Section of the Tokyo Stock Exchange, the first food supermarket to do so.

1978: The number of stores in the Tokyo area exceeds 100 after the merger with Primart Co. Ltd.

1979: The consumer monitoring program is introduced.

1981: Shares of Sundaymart Co., Ltd. are acquired and a merger with Sanko Co., Ltd. is conducted.

1984: Shares are transferred to the first sections of the Tokyo and Osaka Stock Exchanges.

1986: Introduction of point-of-sales systems begins.

1989: The Head Office is relocated to Higashi Ikebukuro, Toshima-ku, Tokyo.

1991: The Eatopia hands-on lesson on health and eating culture is launched.

1993: The guide dog breeding fund is launched.

1995: The planting fund is launched.

1996: The direct message to the store manager is introduced for encouraging customer feedback.

1999: Maruetsu wins a Minister of International Trade and Industry award for excellent consumer-oriented companies in FY 1999.

2000: Maruetsu wins a Minister of Labour award at the FY2000 Awards for Outstanding Offices and Workers for the Employment of Persons with Disabilities.

2001: A business and capital alliance is formed with Suehiro Co., Ltd.

2002: Shares of Pororoca Corporation are acquired. Nippon Ryutsu Mirai Kyoiku Center Co., Ltd. is established. The number of Maruetsu stores reaches 200.

2003: Sundaymart Co., Ltd. merges with Suehiro Co., Ltd.

2004: The cumulative total of the guide dog breeding fund exceeds 100 million yen.

2005: Maruetsu wins a prize in the fourth Tokyo Metropolitan Green Consumer Encouragement Award.

2006: A new management philosophy is formulated. The Head Office and five stores are certified with ISO 14001.

2007: A new symbol and a new brand philosophy are formulated. A business alliance is formed with Aeon Co., Ltd. and with Marubeni Corporation. Mergers with Sundaymart Co., Ltd. and with Pororoca Corporation take place.

2009: A shareholder special benefit program is launched. The Head Office and all stores are certified with ISO 14001. Certification of an excellent company in disability employment is obtained from the Ministry of Health, Labour and Welfare.

2010: Store brands are integrated into three: Maruetsu, Maruetsu Petit and Lincos. Normal temperature distribution centers are inaugurated in Yokohama and Yashio. The Kawasaki Complex Center is inaugurated.

2011: The number of Maruetsu Petit stores reaches 50. Assistance efforts are made for reconstruction of the region devastated by the Great East Japan Earthquake.

2012: The cumulative total of the guide dog breeding fund exceeds 200 million yen. The Misato Complex Center is inaugurated. A joint venture is set up with Suning Appliance Corporation with a view to launching a store in China.

2013: The Kawasaki and Misato Complex Centers are certified with ISO 22000. Maruetsu wins the highest prize in the demonstration project category in the Sakana no Kuni no Shiawase Award organized by the Fisheries Agency. The Lincos Wuxi Suning Plaza Store is inaugurated as the first store in China.

2014: A basic agreement is signed to establish an alliance of supermarkets in the Tokyo area. The Lincos Wuxi Coastal City Store is inaugurated as the second store in China. Assistance in eel resources conservation activities is commenced. Shares are delisted from the First Section of the Tokyo Stock Exchange.

2015: The Maruetsu, Inc., Kasumi Co., Ltd. and Max Valu Kanto Co., Ltd. integrate to establish a joint holding company called United Super Market Holdings Inc. Its shares are listed on the First Section of the Tokyo Stock Exchange. Maruetsu wins honorable mention at the fifth Carbon Offsetting Awards. Maruetsu wins appreciation prize at the Tohoku Region Carbon Offset Grand Prix.

2016: The Towa Bakery and Food Preparation Center is inaugurated.

2017: Asubiz Support Co., Ltd. is established. Maruetsu wins Tohoku appreciation prize at the Tohoku Region Carbon Offset Grand Prix for the second time.

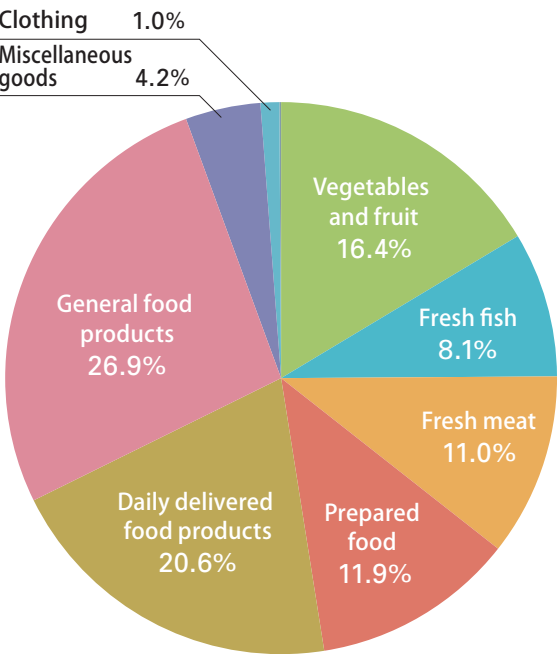
Corporate Profile

Company Name	The Maruetsu, Inc.
Head Office Location	5-51-12 Higashi Ikebukuro, Toshima-ku, Tokyo 170-8401 Japan
Main Phone Number	+81-(0)3-3590-1110
President and Representative Director	Makoto Ueda
Date of Foundation	October 1945
Date of Incorporation	June 16, 1952
Capital	1 億yen
Operating Income (consolidated)	377,590 million yen
Number of Stores	296 (as of the end of May 2018)
Number of Employees (non-consolidated)	16,409 (incl. 12,177 part-time workers; on average for the period on the assumption that one working day equals eight hours)
Business	Food supermarket operations

* The data are correct as of the end of February 2018 unless otherwise specified.

Sales share by product category (non-consolidated)

Sales share by product category (non-consolidated) FY2017



Group companies

Maruetsu-Kaihatsu Co., Ltd.
Location: 5-51-12 Higashi Ikebukuro, Toshima-ku, Tokyo
Date of Incorporation: April 1989
Representative: Tetsuya Furuichi, president and representative director
Business: Real estate management and development of stores and shopping centers

Maruetsu Fresh Foods Co., Ltd.
Location: 5-51-12 Higashi Ikebukuro, Toshima-ku, Tokyo
Date of Incorporation: April 2010
Representative: Kenji Ikeno, president and representative director
Business: Manufacture and processing of food products at fresh food processing centers

Marno Co. Ltd.
Location: 5-51-12 Higashi Ikebukuro, Toshima-ku, Tokyo
Date of Incorporation: March 1992
Representative: Shinya Nishino, president and representative director
Business: A special subsidiary engaging in contracted operations and clerical services

Asubiz Support Co., Ltd.
Location: 5-51-12 Higashi Ikebukuro, Toshima-ku, Tokyo
Date of Incorporation: March 2017
Representative: Akio Watanabe, president and representative director
Business: Worker dispatch and contracted services

Food Quality Management Center Co., Ltd.
Location: 5-51-12 Higashi Ikebukuro, Toshima-ku, Tokyo
Date of Incorporation: July 2010
Representative: Yuichi Sasaki, president and representative director
Business: Contracted inspections on food quality, safety and hygiene

Nippon Ryutsu Mirai Kyoiku Center Co., Ltd.
Location: 3-22-30 Chuo, Warabi, Saitama Prefecture
Date of Incorporation: October 2002
Representative: Takashi Nakamura, president and representative director
Business: Education services exclusively for supermarkets

Maruetsu (Hong Kong) Co., Ltd.
Location: Hong Kong, China
Date of Incorporation: September 2012
Business: A holding company of Maruetsu (Wuxi) Trading Co., Ltd., which runs retail business in China

Maruetsu (Wuxi) Trading Co., Ltd.
Location: Wuxi,
Date of Incorporation: January 2013
Business: Management of retail business (supermarkets) in China