

THE WORLD IS CHANGING

Once-in-a-Millennium Paradigm Shift

We are currently in the midst of a once-in-a-millennium paradigm shift. The economic growth sparked by the industrial revolution has created great physical wealth. At the same time, the era that followed the industrial revolution has been characterized by mass production and consumption, which in turn has led to a myriad of issues on a global scale. These issues include rampant waste; resource depletion; global warming and other forms of climate change, which is being accompanied by increasingly frequent extreme weather events; and rapid global demographic changes. Meanwhile, technology is developing in a manner that is subdividing the landscape into various specializations, fueling swift progress in digital technology fields such as artificial intelligence (AI) and the Internet of Things (IoT). A diverse range of options are being made available to society as a result of this progress, and these options are driving the diversification of the values of people and the types of happiness they seek. Furthermore, the global COVID-19 pandemic has created a situation in which conventional business models presuming stability and predictability have ceased to be effective. Amid this great upheaval, humanity is faced with the need to update its way of thinking.

Placed now at the crossroads of history, MARUI GROUP continues to emphasize its commitment to promoting harmony and the expansion of the intersection between the interests and happiness of six groups of stakeholders, which include future generations. We are motivated by our mission of contributing to co-creating a flourishing and inclusive society that offers happiness to all, which prompted us to put forth a long-term vision of harnessing the power of business to build a world that transcends dichotomies. This vision, however, cannot be realized by MARUI GROUP alone; we will need to pursue this vision through co-creation with all of our stakeholders. MARUI GROUP invites all who agreed with its aims to join hands with us in shaping a happier future.

Richard Buckminster Fuller, one of the 20th century's leading engineers, proposed a unique resolution to the global-scale issues we face. In his book, *Operating Manual for Spaceship Earth*, which was written roughly 50 years ago, Fuller relates the earth to a spaceship with finite resources. This book could be seen as a gift, a letter so to speak, to us, the members of humanity living half a century after its publication. From this manual, we can glean hints on how to effectively pilot this "Spaceship Earth" in a manner that will enable us to sustain life on board.

Fuller, in his book, states that "living only on our energy savings by burning up the fossil fuels which took billions of years to impound from the Sun or living on our capital by burning up our Earth's atoms is lethally ignorant and also utterly irresponsible to our coming generations and their forward days." His words cast light on the ignorance people have demonstrated toward the limitless energy of the sun and wind, berating this ignorant humanity as being irresponsible toward future generations. Fuller's eyes were always turned toward the future. His idea for the actions we should take is clear in his definition of "wealth," which is as follows:

The Number of Forward Days for Future Generations

Wealth is the number of forward days we are physically prepared to sustain for future generations.

"Now we can account wealth more precisely as the number of forward days for a specific number of people we are physically prepared to sustain at a physically stated time and space liberating level of metabolic and metaphysical regeneration."

Richard Buckminster Fuller
Operating Manual for Spaceship Earth



R I C H A R D

B U C K M I N S T E R

F U L L E R ' S L E T T E R

T O F U T U R E

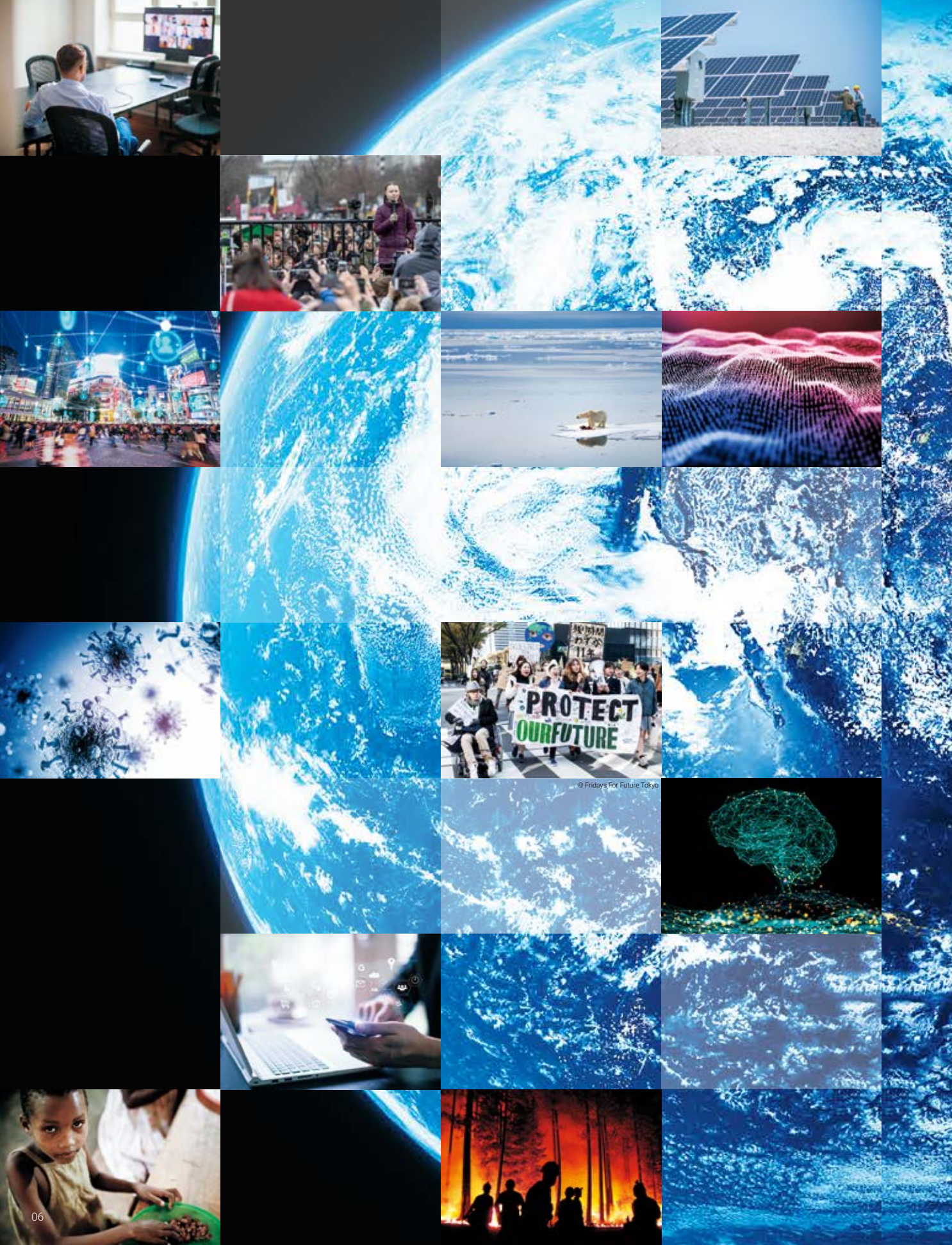
G E N E R A T I O N S

Metaphysical Wealth for Increasing the Number of Forward Days for Future Generations

Having defined wealth as the number of forward days we are physically prepared to sustain for future generations, Fuller goes on to divide the concept of wealth into two constituents, the physical, or finite resources, and the metaphysical, or the knowledge and know-how of people. Metaphysical wealth expands the more it is used, through the experiments and experiences of people, and reciprocal stimulus effect generated through this process leads to explosive growth. Fuller used the word "synergy" to refer to this reciprocal stimulus effect. He also stated that we can increase our number of forward days by investing not only in our physical wealth but also in our metaphysical wealth, or our knowledge and know-how. These investments in metaphysical wealth translate to investments in intangible assets under today's lexicon.

Reemployment of Humanity's Innately Comprehensive Capabilities

Another key part of Fuller's message was the importance of humanity's innately comprehensive capabilities. All animals, ranging from the birds of the sky to the organisms of the sea, are equipped with special capability-functioning tools. The superior creativity and imagination of humanity is its unique tool. These comprehensive capabilities are something that AI cannot mimic, no matter how much it may evolve. While AI may be able to beat a world champion at chess, it cannot create a unique game like chess. It is therefore important for humanity to reemploy its comprehensive capabilities, while borrowing the specialized capabilities of AI, to unlock the potential of metaphysical wealth. This message seems specifically aimed at the people of today, who are rushing to invest in intangible assets and resolve social issues through the use of digital technologies.



POWER TO SHAPE THE FUTURE

New Era for Society

With the move to transitioning to a low-carbon society and the advent of a digital society, the prior economic structure, which was focused on physical commodities and presumed mass production and consumption, is undergoing a massive transformation.

At the same time, as millennials are increasingly coming into positions in which they can shape society, we are seeing the birth of new businesses aimed at resolving various issues by harnessing the power of technology. Truly, we are entering into a new era of society.

Ethical Responsibility Toward Protecting the Wealth of Future Generations

It is estimated that 1.7 earths would be required to accommodate the current pace of humanity's consumption of natural resources. In other words, the people of today are devouring the resources that will be needed by future generations, effectively robbing them of their future.

This overconsumption is accelerating global warming, creating a global crisis that is recognized by people across the planet, even managers and major financial institutions. Addressing this climate crisis is a matter of utmost importance.

The adoption of the Paris Agreement in 2015 represented a move in the opposite direction of the prior trend, signaling the start of movement to transitioning to a low-carbon society.

This movement gained momentum when young Swedish environmental activist Greta Thunberg stood before adult leaders from around the world to say figuratively that "our house is on fire." This message was underscored by literal forest fires in Australia and California. Forward-looking individuals across the globe were moved to action by Thunberg's words, which launched a global movement to combat climate change through demonstrations and other forms of activism. We, the people of today, have an ethical responsibility to protect the tomorrows of our children and to pass the shared wealth of Spaceship Earth onto future generations.



"Since the climate crisis has never once been treated as a crisis, people are simply not aware of the full consequences on our everyday life... I want you to act as you would in a crisis. I want you to act as if our house is on fire. Because it is."

Greta Thunberg
Swedish Environmental Activist (currently 17)

Power of Digital Technologies to Empower Individuals

Technological innovations, such as IoT, big data, robots, and AI, are creating a society in which things, experiences, and actions are intrinsically linked, freeing us from some of the limitations that could not be lifted in the previous society focused on mass production and consumption. For example, previously idle assets, such as unused clothing and houses, can be put to effective use by utilizing data to match holders with prospective users. Meanwhile, blockchain technologies have made transactions of solar power and other forms of renewable energy even easier. A particularly impressive feat of technology was accomplished by Taiwan Digital Minister Audrey Tang. Together with a team of private-citizen engineers, Tang developed a map program that displayed locations at which masks could be purchased in a mere three days, providing peace of mind to the people of Taiwan amid the COVID-19 pandemic.

While there are some concerns regarding the digitization trend, we cannot deny that this trend is also providing us with a diverse range of options and that these technologies have the power to empower individuals. Digital technologies make it possible for people to fulfill their needs precisely and in a cost-efficient manner while also driving the creation of new businesses that cross industry lines to seek resolutions to the issues we face. Millennials are the largest proponents of the birth of such businesses. Engaging with the flexible thinking of this and future generations will no doubt be key to the transformation of society.



"When we see 'Internet of Things', let's make it an internet of beings. When we see 'virtual reality', let's make it a shared reality."

Audrey Tang
Digital Minister of Taiwan

THE GREAT RESET

Around the time that Fuller published *Operating Manual for Spaceship Earth*, economist Klaus Schwab was advocating ideas that would form the basis for the concept of stakeholder capitalism.

This concept is garnering renewed attention in the midst of the COVID-19 pandemic, prompting us to question the best course as we are currently pressed to take swift action.

Origin Traceable to Stakeholder Capitalism

Recently, the concept of stakeholder capitalism has been gaining traction in Japan. This concept was first advocated by German-born economist Klaus Schwab some 50 years ago. It was Schwab who founded the World Economic Forum in 1971, at a time when the world was divided into east and west by the Cold War. Schwab was also involved in the creation of the first Davos Manifesto, which, published in 1973, expresses that the goal of managers should be to "harmonize the different interests of the stakeholders" while also stating of management that "It must assume the role of a trustee of the material universe for future generations. It has to use the immaterial and material resources at its disposal in an optimal way. It has to continuously expand the frontiers of knowledge in management and technology." Up until then, prioritizing shareholders was the most common approach toward management. Schwab, however, proposed a different view of management that encompassed such concepts as stakeholder interests, future generations, immaterial and material resources, and knowledge. His view could be seen as representing the origin of the common perspective of today.

The 2020 Davos Manifesto, released at a time when the world was clamoring for a new definition of capitalism, called back to the 1973 manifesto by once again casting the spotlight on stakeholder capitalism.

Start of the Great Reset

The outbreak of the COVID-19 pandemic accelerated the speed at which our lives are changing. The pandemic is showing no signs of decline, creating an ever-present sense of social and economic anxiety. U.K. Prime Minister Boris Johnson, having survived infection by the virus himself, expressed his appreciation toward the essential workers that are supporting healthcare infrastructure while exposing themselves to the risk of infection with the words "there really is such a thing as society." Johnson's words stress how we are all supported by our connections to society.

Realizing the need to rethink the world's socio-economic system, Schwab has set "The Great Reset" as the theme of the 2021 World Economic Forum summit. This decision highlights how we must think about how the economy can be redesigned around the happiness of people. This sentiment was echoed in the decision of Emmanuel Faber, chairman and CEO of major France-based food company Danone S.A., to make this company the world's first *entreprise à mission* (company with a mission), a new model for companies aimed at accomplishing goals other than just generating profit. Faber has expressed his desire to create a case study on how to strike a balance between creating value for shareholders and for other stakeholders. With the goal of moving our economy and society into a new phase, we are searching for a means of enacting a Great Reset.



"We have to see how we can create a world which is more cohesive, more inclusive, provide jobs for tomorrow, and create the necessary infrastructure, particularly for the next generations."

Klaus Schwab
Swiss Economist
Chairman of the World Economic Forum