

COP26, held in Glasgow, UK, closed November 13, 2021.

At this COP meeting, the long-term goal for temperature increase in the Paris Agreement was factually strengthened from less than 2 °C to 1.5 °C!

This is a report from Glasgow.

Yes, I agree. Actually, we're obliged to make a substantial change.



What?

The difference between 2 °C and 1.5 °C is only 0.5 °C.

I wonder what the bigwigs talk about when they get together.

Global environment. . . Problems?

We are also trying to cut down on waste disposal, like plastic bags.

Right?

Well, it's not for us to know.

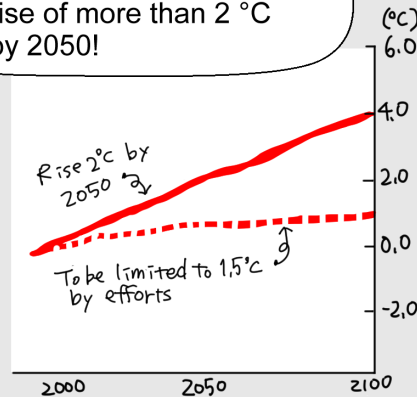
But, that's inconvenient sometimes, too.

No, no, no.

If this trend continues, the Earth's temperature . . .

The temperature of the Earth is expected to increase by an average of 4 °C above the current level by 2100.

That means a temperature rise of more than 2 °C by 2050!



In order to manage to limit this to about 1.5 °C through the efforts of each country and company, . . .

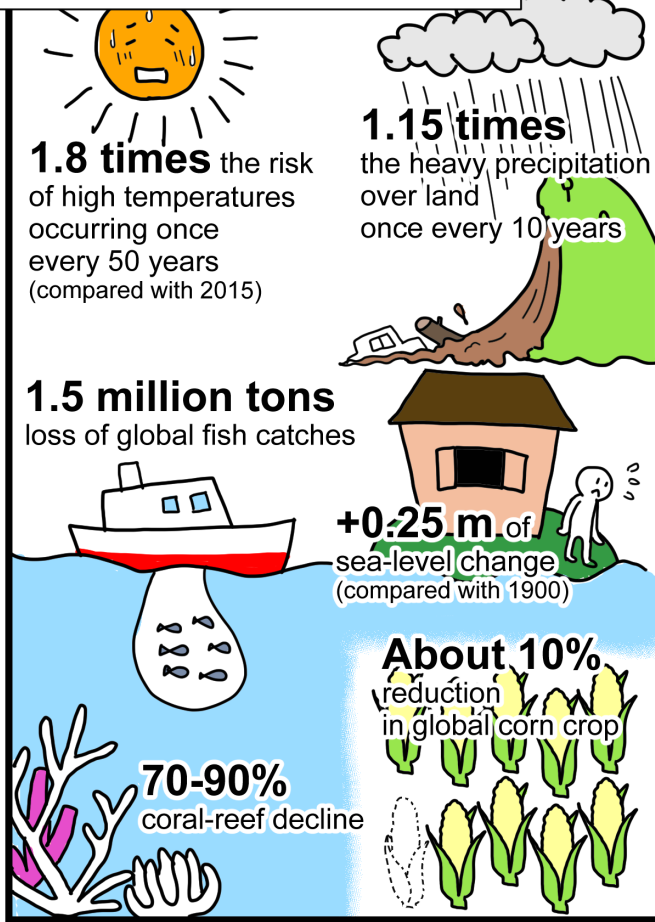
. . . we have to drastically reduce CO₂ emissions right now!

MORE
MORE
MORE

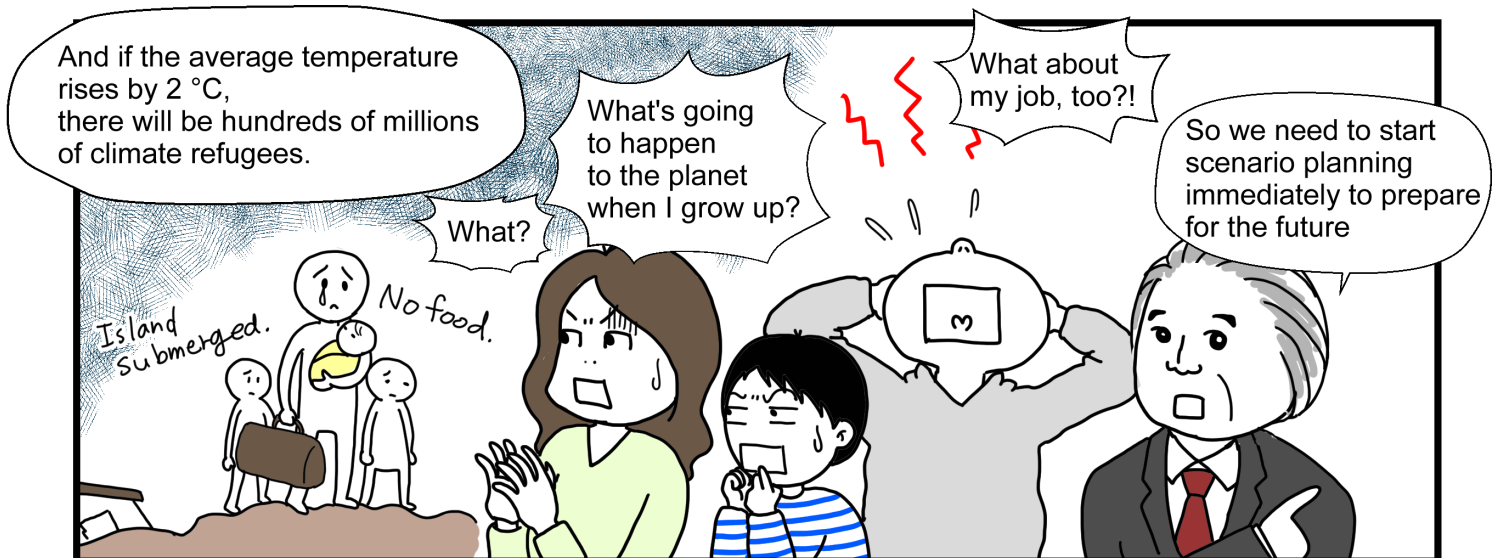
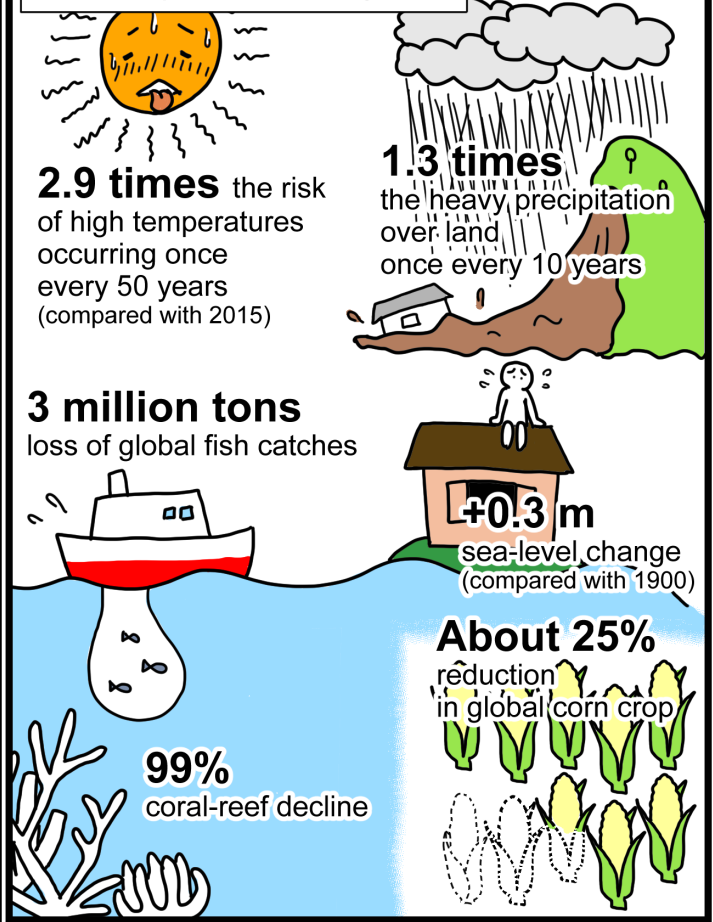
It may only be 0.5 degree, . . .

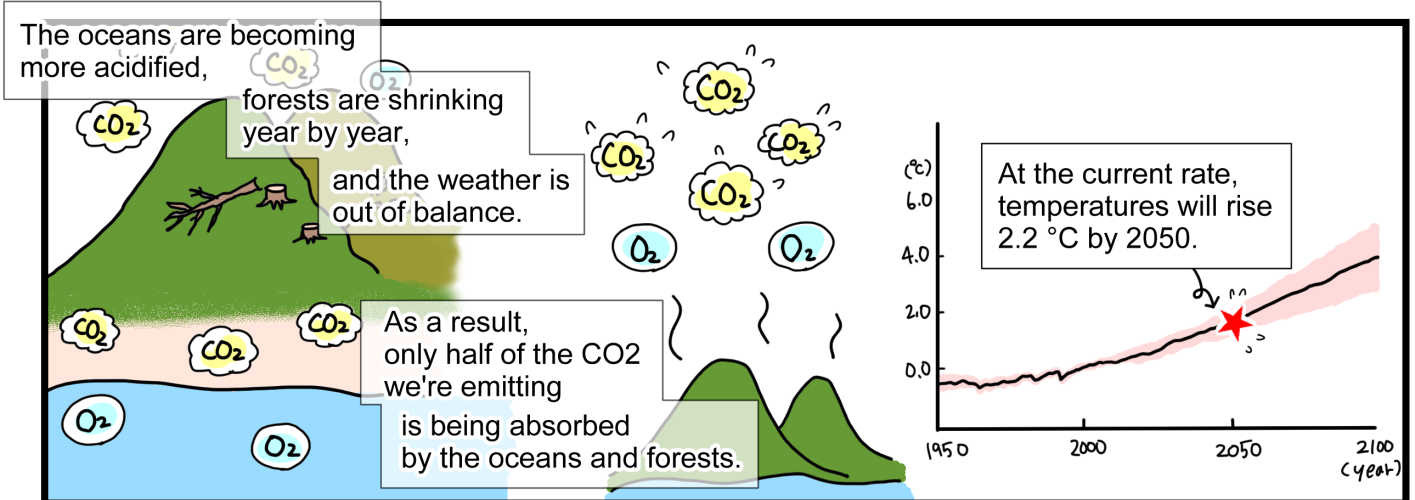
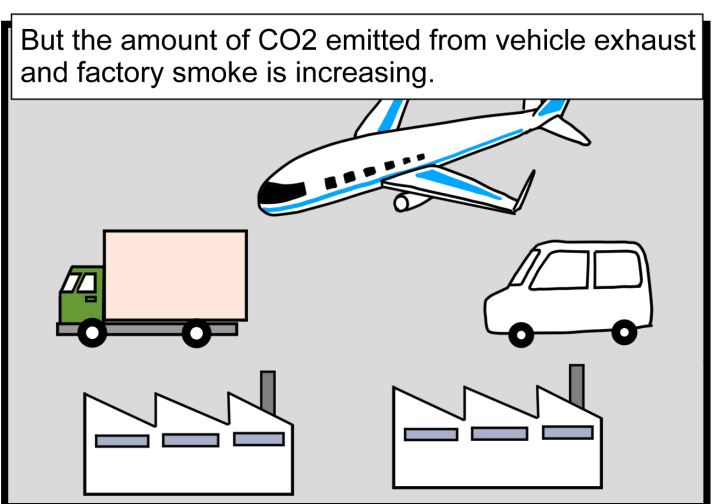
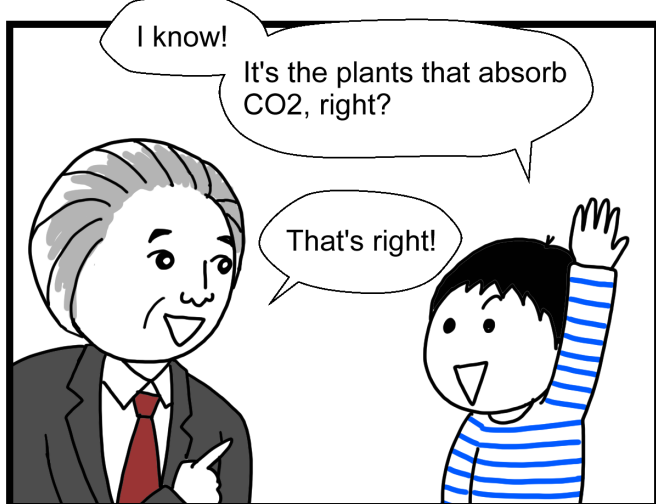
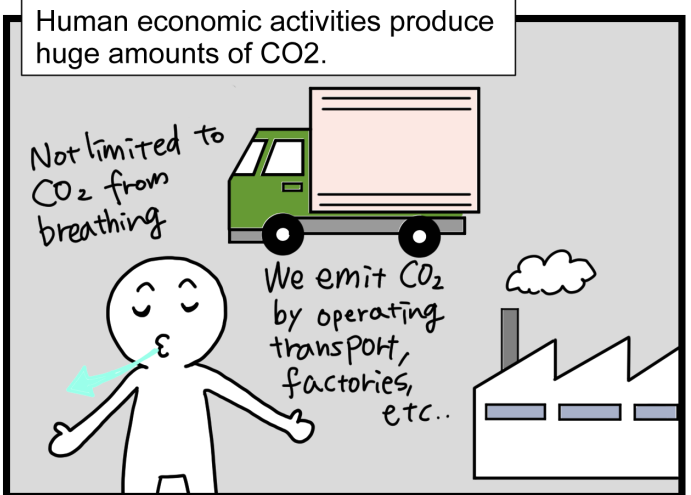
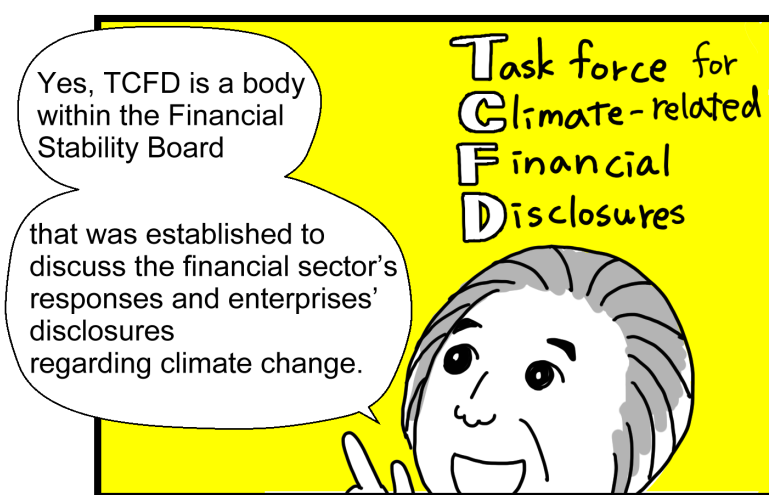
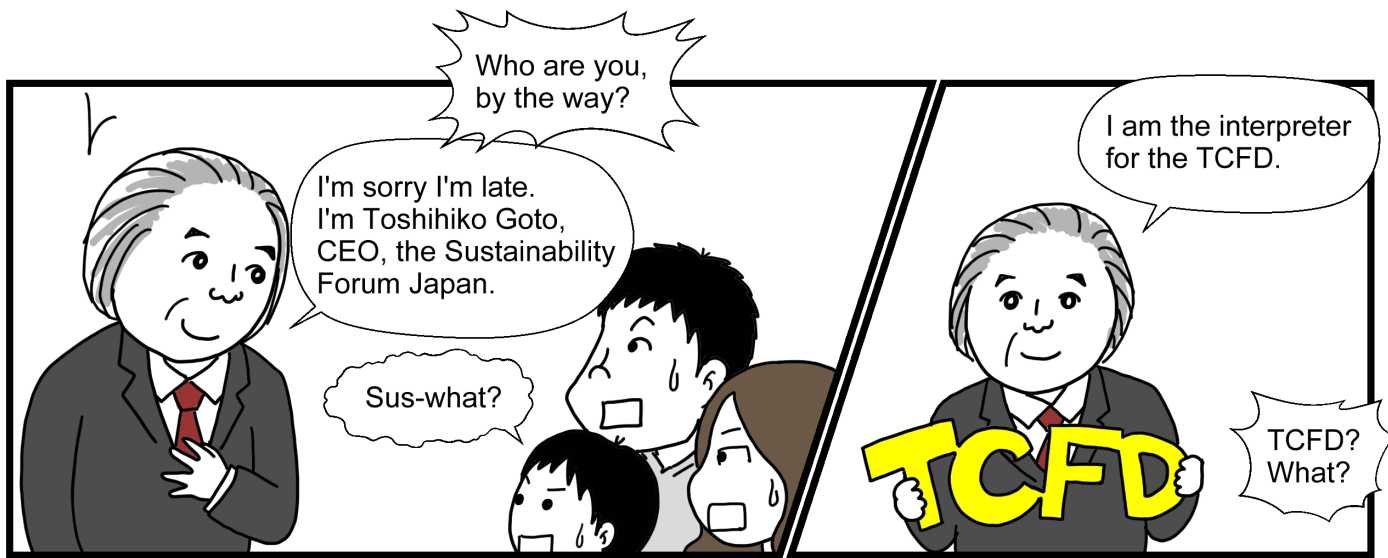
. . . but look at the difference it will make!

Even if the increase is limited to 1.5 °C

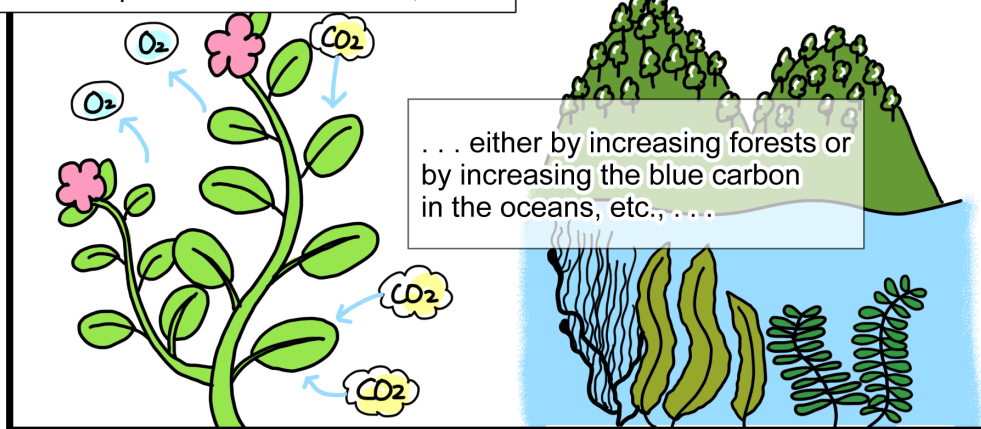


If the temperature rises by 2 °C



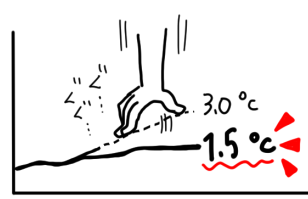


Some of the solutions are to increase the absorption of carbon dioxide, . . .



. . . either by increasing forests or by increasing the blue carbon in the oceans, etc., . . .

. . . but only then we will be able to limit the temperature increase to 1.5 °C by 2050, won't we?



Even humans can't live normally if our body temperature rises 2 degrees, right?

39 °C! There are some very serious things happening on Earth in the history of mankind.

Oh, no! The job of procuring ingredients for confectioneries that I've worked so hard for since I joined the company?

What's going to happen now that cacao is in short supply?

Will the vegetables grow?

My job, too!

You will be 95 years old by then!

Dad, are you going to work till around 2050?

But it's true. If the weather continues to be that hot, the only thing you'll be able to sell is sherbet.

Ice cream is very hard to transport!

I wonder if the price of fuel won't go up drastically in the first place.

It could be like the oil crisis. . . .

Oh, I thought we were in trouble then. . . .

I'll have to change jobs!

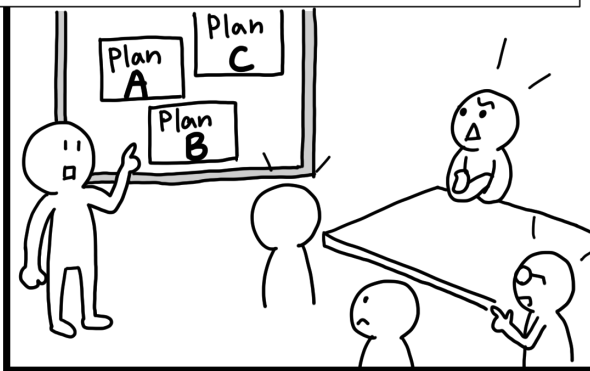
Take it easy—easy!

Kicking and screaming

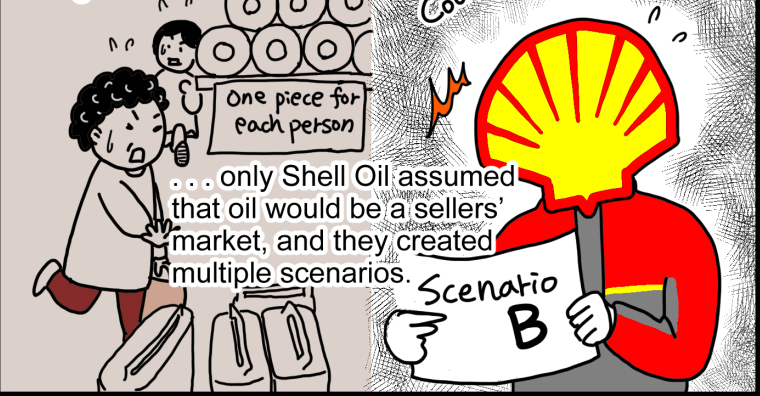
It's not easy to find a new job.

No one can reliably predict what the future holds.

However, it is useful to develop a strategy based on assumptions about possible changes in the business environment.

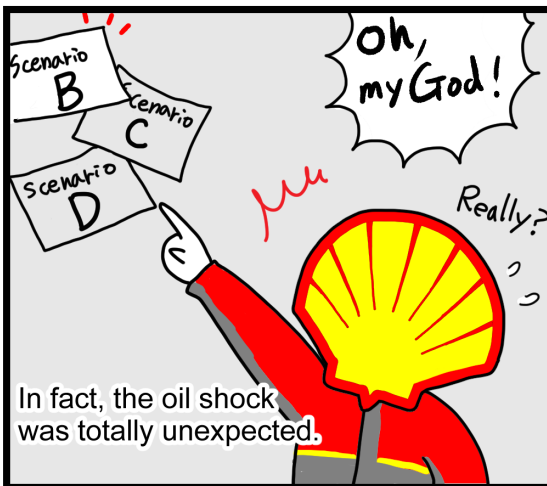
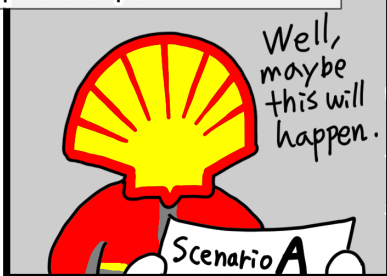


For example, during the oil crisis...



... only Shell Oil assumed that oil would be a sellers' market, and they created multiple scenarios.

Those scenarios were not taken seriously at first, because they were so far removed from the predictable future that had been experienced up to that point.

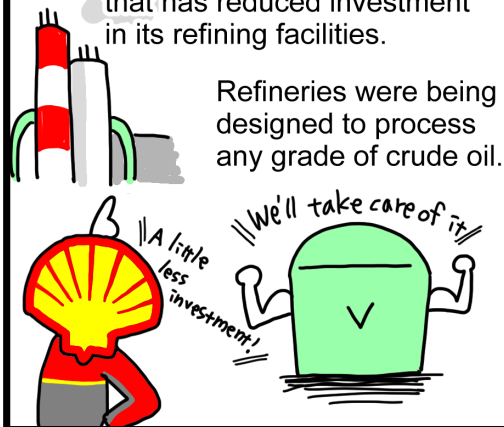


In fact, the oil shock was totally unexpected.

While competitors suffered from mistaken forecasts...



... Shell is the only oil company that has reduced investment in its refining facilities.



Refineries were being designed to process any grade of crude oil.

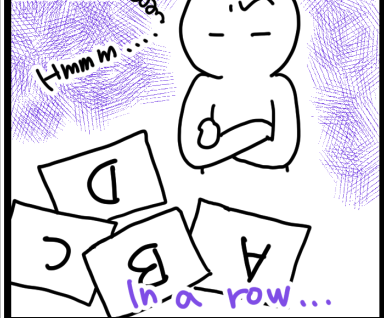
|| We'll take care of it! ||

More quickly than any of our competitors, ...

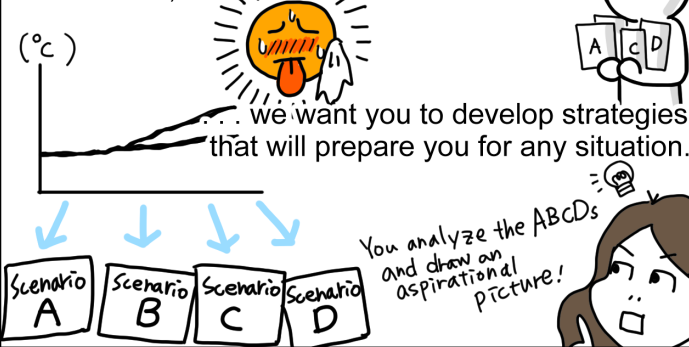


... we estimate the supply-demand balance.

It's called scenario planning/analysis to prepare multiple scenarios for plausible futures, like this.



By using this method to develop strategies for climate change and other changes in the business environment, ...

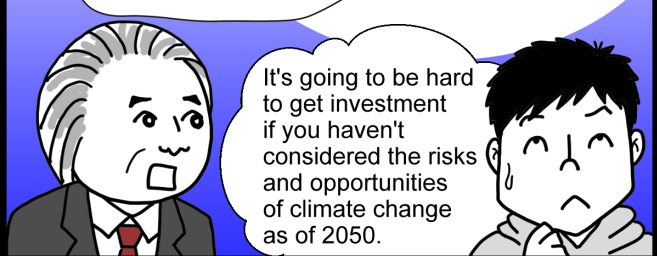


... we want you to develop strategies that will prepare you for any situation.

You analyze the ABCDs and draw an aspirational picture!

Climate change threatens to have huge impacts on economies and lifestyles worldwide.

So investors are paying a great deal of attention to it.



How do you do it, teacher?

Using your dad's candy maker as an example, ...

... let's do it together.

Define the time horizon to be 2050, and think about the world of 2050 as a 2x2 matrix.

The range of climate change has been fixed at 1.5 to 3 °C.

If the temperature increases by up to 4 °C, it will become extremely difficult to continue usual businesses.

| | |
|---|---|
| 2 | 1 |
| 3 | 4 |

1.5°C

3°C

As the horizontal axis, we chose one with a high-impact and high-uncertainty theme.

Examples of the horizontal axis ...

While it is ideal to conduct scenario analysis for the entire company, including the supply chain, it is also possible to work in phases, starting with the business units that are likely to be most affected.

- Focus on raw-material sourcing -
 - Supply priority to the market
 - Improving producers' livelihoods as a priority
- Focus on specific food needs. -
 - Consumption growth in Asia
 - Demand growth is sluggish as people become more health conscious.
- Big-Picture Perspective -
 - Protectionism enforcement
 - Globalization

Today we'll try this driver group.

A minimum of four scenarios are created.

| | |
|--------------------------------|---|
| 1.5 °C: A World of GDP Only | 1.5 °C: A world where happiness and indicators replace GDP |
| 3 °C: A World of GDP Only | 3 °C: A world where happiness and indicators replace GDP |

A World of GDP Only

A world where happiness and indicators replace GDP

What is GDP?

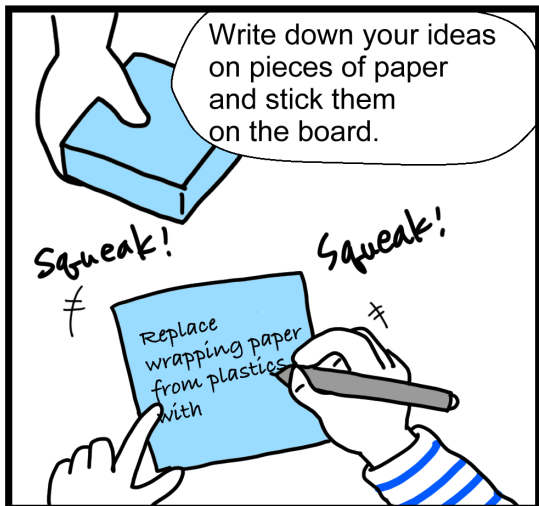
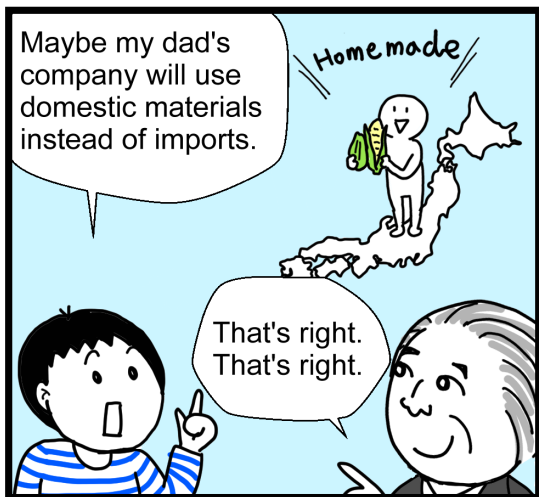
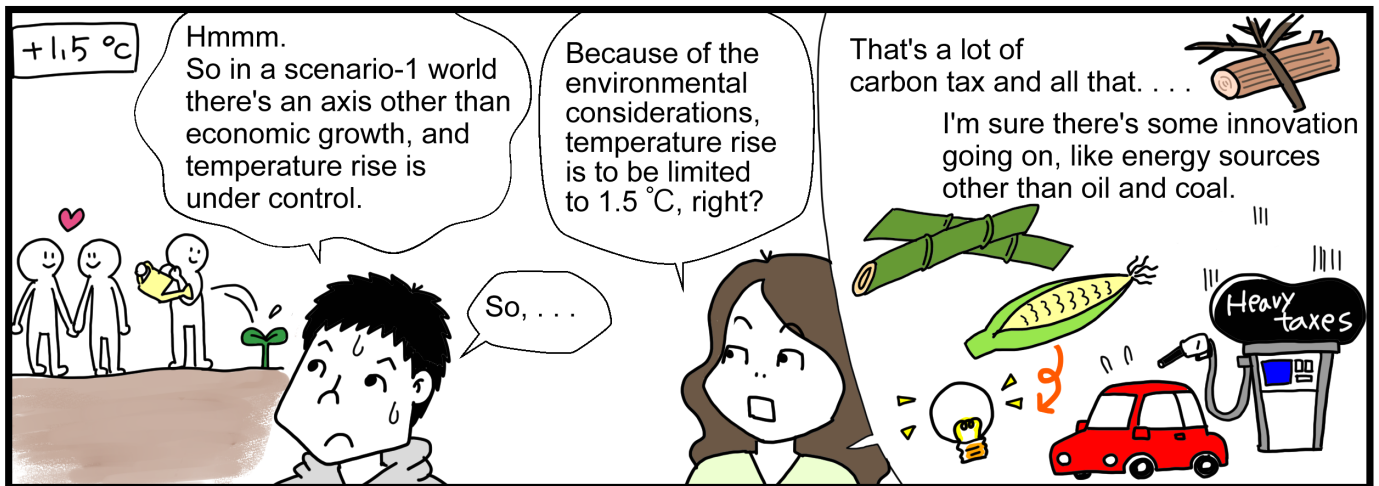
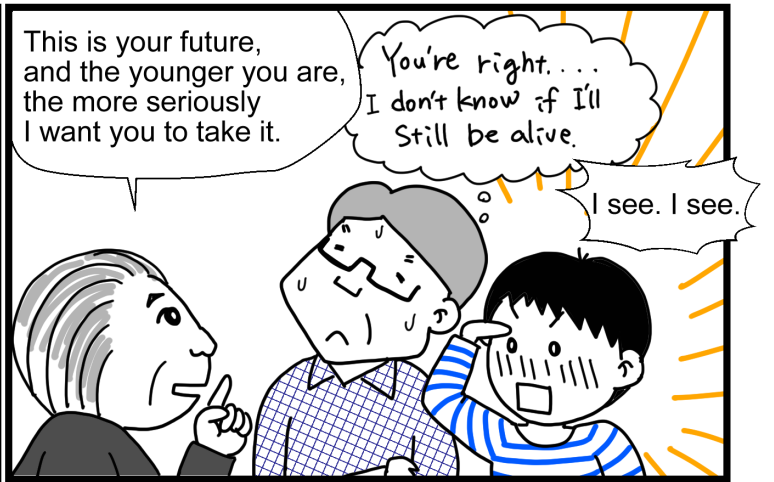
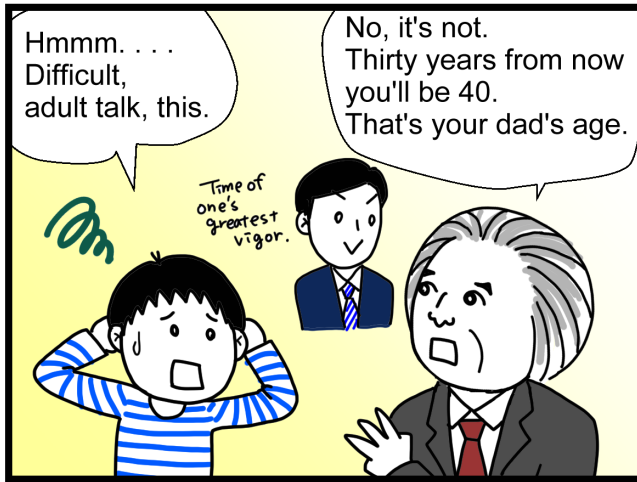
It's about how much the economy has grown.

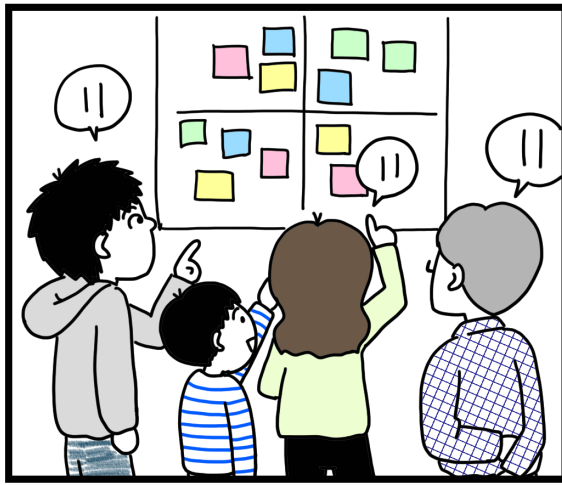
GDP
Gross Domestic Product

A world where monetary growth matters

Can we think of a worldview where there are other measures of happiness and health besides money?

Exactly!








MARUI GROUP CO., LTD. has already been promoting internal discussions since 2018.

Thinking of the world of 2050 in this way, ...

That MARUI!!

- (1) A World Focused on Individuality that Still Values Connections 
- (2) A World Featuring a Massive Global Market Catering to Low- & Middle-Income Individuals 
- (3) A World Emphasizing Businesses that Coexist with the Global Environment 

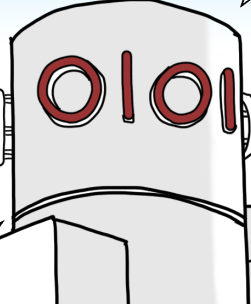
Aiming to become a "store that does not sell" in anticipation of a shift in consumption from goods to services & experiences.

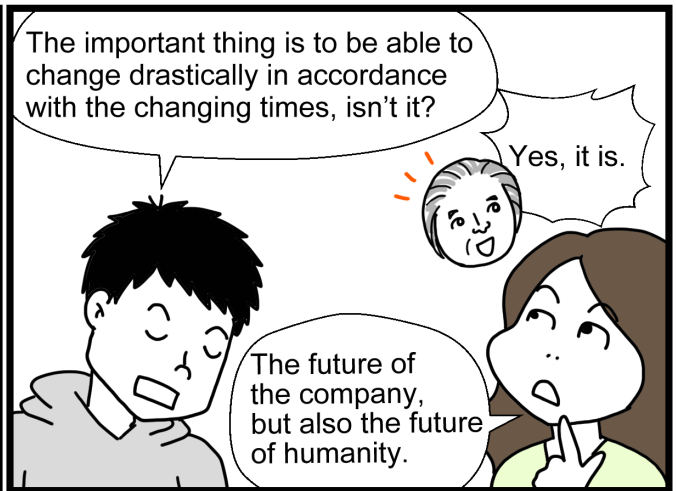
D2C brand

Subscription

Target 100% renewable energy by FY 2030

Provide experiential value






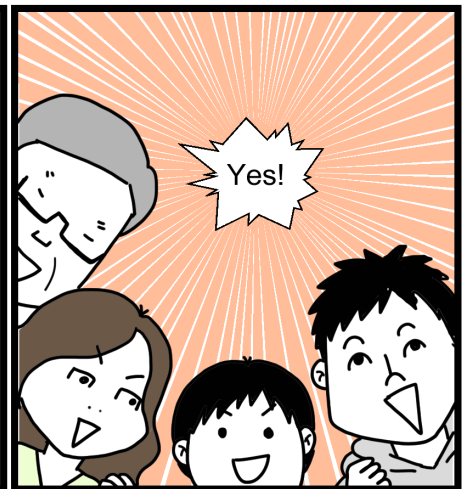
I thought we had to think about the global environment and future society for ourselves and our children, and act accordingly.

I agree.

No one can reliably predict the future.

preferred  Future

That's why it's important to work together with people of various departments of a company like this to draw up a vision for the future and take action!



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