

# We wanted to build a sustainable society and global environment. We thus declared our commitment to march forward toward our vision.



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We got our start in co-creation sustainability management in 2019 following the formulation of a long-term vision and targets for 2050. More than 30 years have passed since then. Have we realized this vision? Have we accomplished those targets? If our vision and targets have become a reality, even just a little, it is likely because the world was already leaning more in the direction we envisioned than had been anticipated. If we have failed in this quest, it is due to our lack of effort. The final judgment in this regard must be made by the people of 2050, the people we called “future generations” 30 years ago.

Recognizing this fact, I want to help future generations properly evaluate MARUI GROUP’s co-creation

sustainability management initiatives. For this reason, I would like to talk a little bit about how things were in 2018.

It may be difficult for the people of 2050 to imagine, but in 2018, when we formulated our long-term vision, the term “sustainability management” was not commonly used in Japan. This was only shortly after the United Nations Sustainable Development Goals, which put forth sustainability targets for 2030, had finally begun to catch on. In the equity markets, investment focused on environmental, social, and governance (ESG) factors was becoming more mainstream, particularly in Europe, but there were many who were still skeptical of the economic rationality of this approach.

In this environment, MARUI GROUP was among the first to embark on ESG initiatives in 2016. At the time, MARUI GROUP was in the process of cultivating a corporate culture in which all employees were inspired to practice autonomy and participate in guiding the Company. Accordingly, we were able to take ESG beyond a philosophy, transforming it into a business strategy in the hands of employees who exercised ownership. The result was improved corporate value.

On March 31, 2018, MARUI GROUP’s stock price was over 2.2 times higher than on March 31, 2013, prior to our embracing ESG initiatives, exceeding the growth rate for earnings per share over the same five-year period by approximately 30 percentage points. Meanwhile, across-the-board declines in price earnings ratios were seen among the department stores and credit card companies that were our rivals. The higher valuation of MARUI GROUP clearly reflected the positive evaluation of our ESG initiatives.

We were overjoyed to have received such acknowledgment from investors and other stakeholders. Regardless, we did not allow ourselves to become complacent, rather choosing to forge ahead on this course. This was when we became driven to undertake full-fledged co-creation sustainability management.

A long-term vision and targets are indispensable to co-creation sustainability management. MARUI GROUP’s employees and officers thus began a yearlong process of dialogue to formulate such a vision and targets. The vision we established for 2050 was “harnessing the power of business to build a world that transcends dichotomies.”

This vision was prefaced on the sense that our world was facing a crisis at that point in time. This crisis could be seen in the decision of the United Kingdom to leave the European Union, which was in part a response to fears of mass immigration. It could be seen in then U.S. President Donald J. Trump’s “America First” policy. This crisis threatened to destroy the pluralistic global society that Japan and other developed countries had labored to create. At the same time, growing income disparity was forming a common connection between people in

developed countries and developing countries. Meanwhile, climate change was affecting people around the world through frequent natural disasters and other impacts, making it impossible to ignore the severity of climate issues. It was an era characterized by the unprecedented emergence of dichotomies.

This was the backdrop for the start of MARUI GROUP’s co-creation sustainability management. Furthermore, the process of thinking about management from a long-term perspective looking 30 years down the line made us realize something important.

Up until that point, MARUI GROUP had been working for the benefit of stakeholders, namely customers, investors, business partners, society, and employees. However, we realized that we were forgetting another important group of stakeholders: future generations. This realization affirmed the necessity of co-creation with future generations in our quest to help build a sustainable society and global environment through our business. Looking at environmental issues, for example, it may have been all right to continue on our current course if we only thought of our own generation. However, if we considered our children and future generations, it became apparent that immediate action was required. We viewed this action to be an ethical responsibility for us.

Our decision to engage in co-creation sustainability management was not for the sake of MARUI GROUP’s sustainable growth alone. No, it was also because we wanted to build a sustainable society and global environment. It was our hope that all businesses would embrace sustainability. We became a frontrunner in this field to inspire them to do so.

It is unlikely that I or many of my colleagues from 2019 will be around to see the extent to which our vision came true.

Regardless, in 2019 we declared our commitment to march forward toward our vision of the future we desire.

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