Value Creation Business Model

The social situation surrounding retail businesses is at a major turning point. Drastic changes in the social structure and demographics and rapid advances in technology have diversified the environment of consumers. Against this backdrop, the Group continues its business activities centering on brick-and-mortar stores toward the sustainable growth of society and itself while supporting local communities and consumers as a community-based

company. While leveraging our strengths, we make ongoing efforts to resolve social issues and meet consumer needs in collaboration with various stakeholders. In the future, we are determined to further enhance our social and economic value as a retail group and contribute to the realization of a sustainable society.

Development and streamlining of the entire supply chain Streamlining of store operation Quality improvement of Reduction of environmental burden ready-to-eat products of products in the supply chain Products that meet ever-diversifying needs Harmonious coexistence with local communities Climate change System Contribution to the vitalization for Providing Human rights issues of local communities Valued Low birthrate **Products** and longevity Increasing automation Completion of brand Store Network Expanding integration Rooted in Local Al and IoT markets Strategic investment Communities (Group Principle) Everyday Fun and Fresh centering on existing stores (Starting point of business) Brick-and-mortar stores Social Relationships Aiming for Full-Scale changes Development of Financial with Customers Services and Businesses that Service Based on In-House Cards E-Commerce Store Facilities Increasing safety, Reflecting reassurance. Changing and health needs Needs Increasing demands of a recycling-based Developing next-generation stores society Decreasing working-age Development of people and organizations population that support the aggressive approach Growing presence of to new growth e-commerce in retail

Economic Value

- Strengthening management foundations, enhancing profitability
- Expanding customer base
- Increasing competitiveness of products and services
- Creating new revenue-generating businesses
- Enhancing competitiveness for hiring and development of personnel
- Growing profit margins by increasing operational efficiency

Value we create

Social Value

For customers:

- Providing products and services that match demand
- Eliminating inconvenient shopping areas

For local communities:

- Revitalizing local communities
- Providing products and services that meet safety, reassurance, and health needs
- Building a recycling-based society