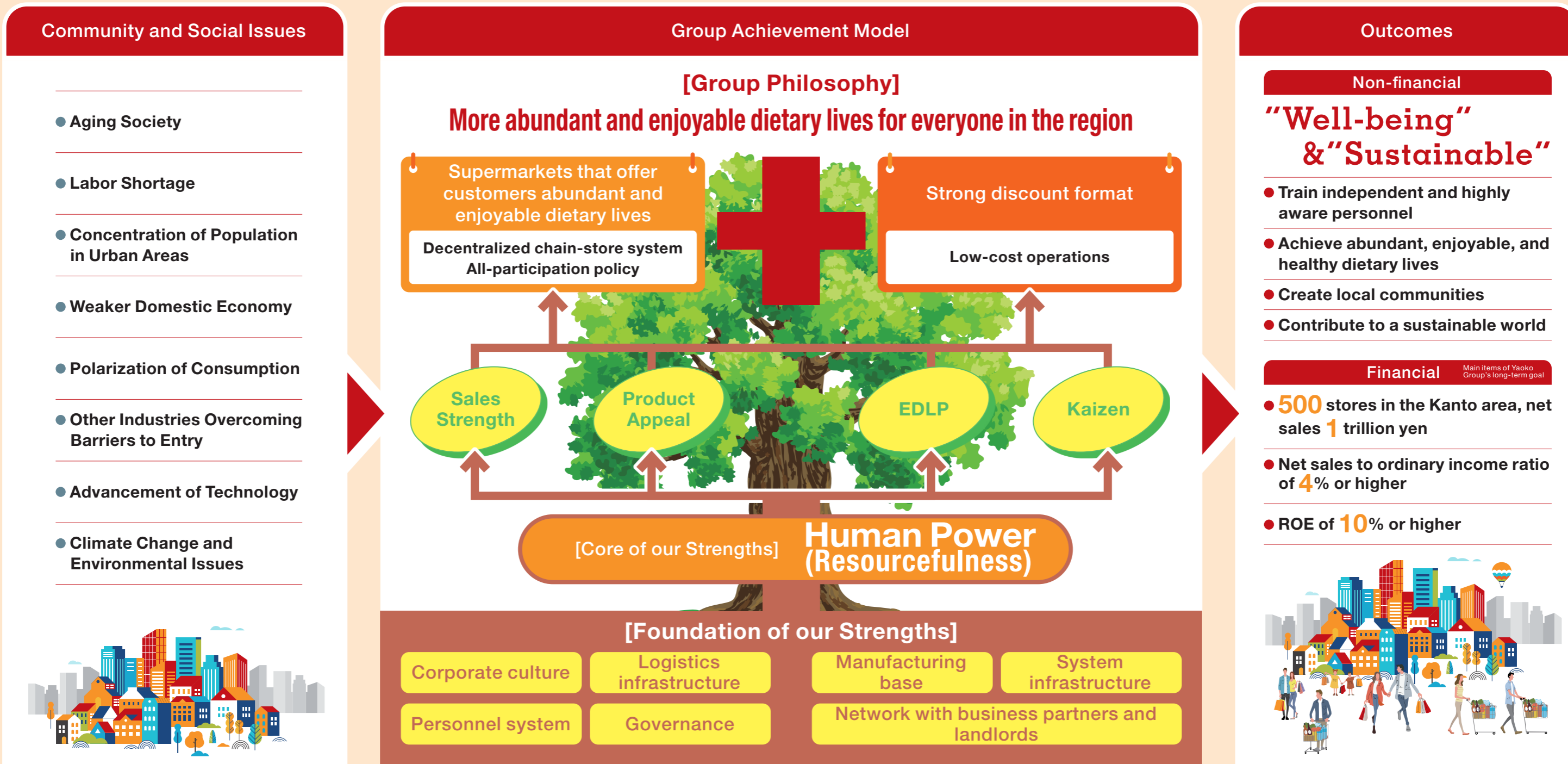


# YAOKO GROUP's Value Creation Process

Under the Yaoko Group's management philosophy of providing more abundant and enjoyable dietary lives to everyone in the region, we will strive to achieve outcomes by satisfying all of the customers in the region. To this end, we will strengthen four initiatives addressing "sales strength," "product appeal," "EDLP (everyday low prices)," and "kaizen" as well as advance the two types of business format: one proposes ideas for abundant and enjoyable dietary lives and the other offers discount.



## Community and Social Issues

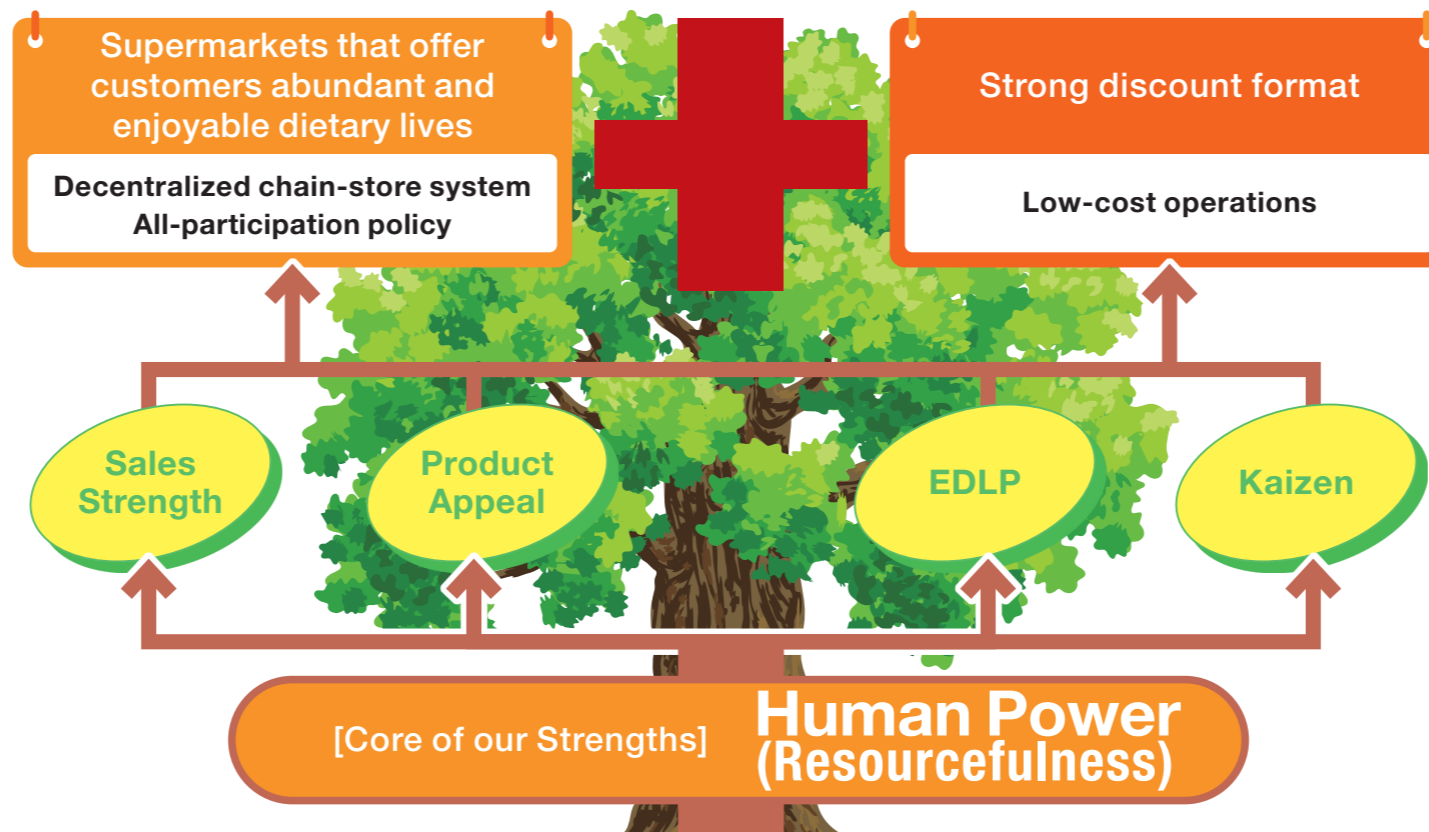
- Aging Society
- Labor Shortage
- Concentration of Population in Urban Areas
- Weaker Domestic Economy
- Polarization of Consumption
- Other Industries Overcoming Barriers to Entry
- Advancement of Technology
- Climate Change and Environmental Issues



## Group Achievement Model

### [Group Philosophy]

More abundant and enjoyable dietary lives for everyone in the region



## Outcomes

### Non-financial

**"Well-being" & "Sustainable"**

- Train independent and highly aware personnel
- Achieve abundant, enjoyable, and healthy dietary lives
- Create local communities
- Contribute to a sustainable world

### Financial

Main items of Yaoko Group's long-term goal

- **500** stores in the Kanto area, net sales **1** trillion yen
- Net sales to ordinary income ratio of **4%** or higher
- ROE of **10%** or higher



## ● Basic Factors of Our Strengths

### Sales Strength

Sales strength means our proposal power. Offering a product lineup to propose that day's meals in marketplaces with a sense of seasonality, we make lifestyle suggestions that cater to every customer.

### Product Appeal

We develop and extend affordable and value-added products that appeal to customers, including fresh and seasonal produce, delicious deli, direct imports, and private label products.

### EDLP

We provide a product lineup that offers reliable quality and leads to lifestyle enrichment, while achieving low prices affordable to families in the childrearing generation on a daily basis.

### Kaizen

We aim to enhance productivity by capitalizing on our processing center, improving the accuracy of automatic ordering, advancing optimal shelf allocation and store operation systems.