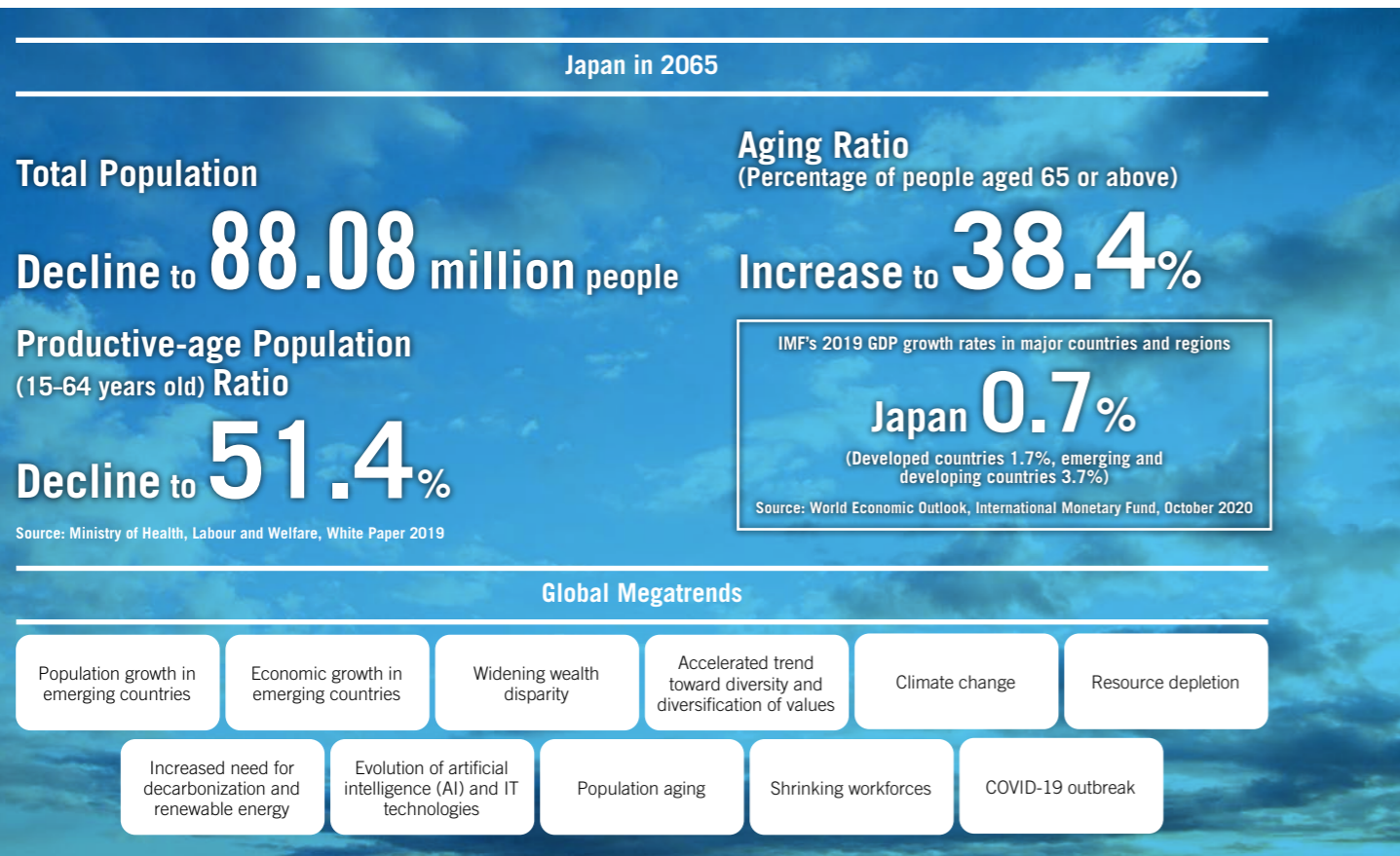


## Environment Facing the PPIH Group

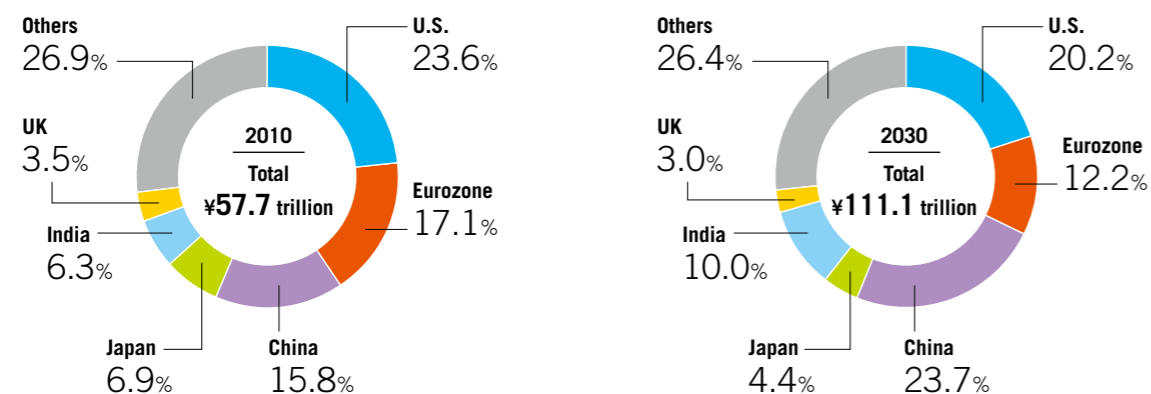
# Addressing All Changes, Responding Quickly to Risks, and Maximizing Opportunities

Modern society is undergoing rapid changes, such as advances in globalization in a variety of areas, due to progress in information and communication technologies and open markets. Japan faces many difficult issues in an ultra-aged society, including shrinkage of economic scale and sustainability of social guarantee programs and fiscal finances. Companies must stay abreast of trends in fintech, AI, e-commerce, and other technologies even more than in the past to address these changes, particularly in the wake of the impact from the COVID-19 outbreak.

Outside of Japan, while emerging countries are sustaining strong economic growth and robust population growth rates in these countries are helping to boost economic efficiency, global resource depletion and environmental challenges are worsening and it is vital to actively contribute to the resolution of these issues.

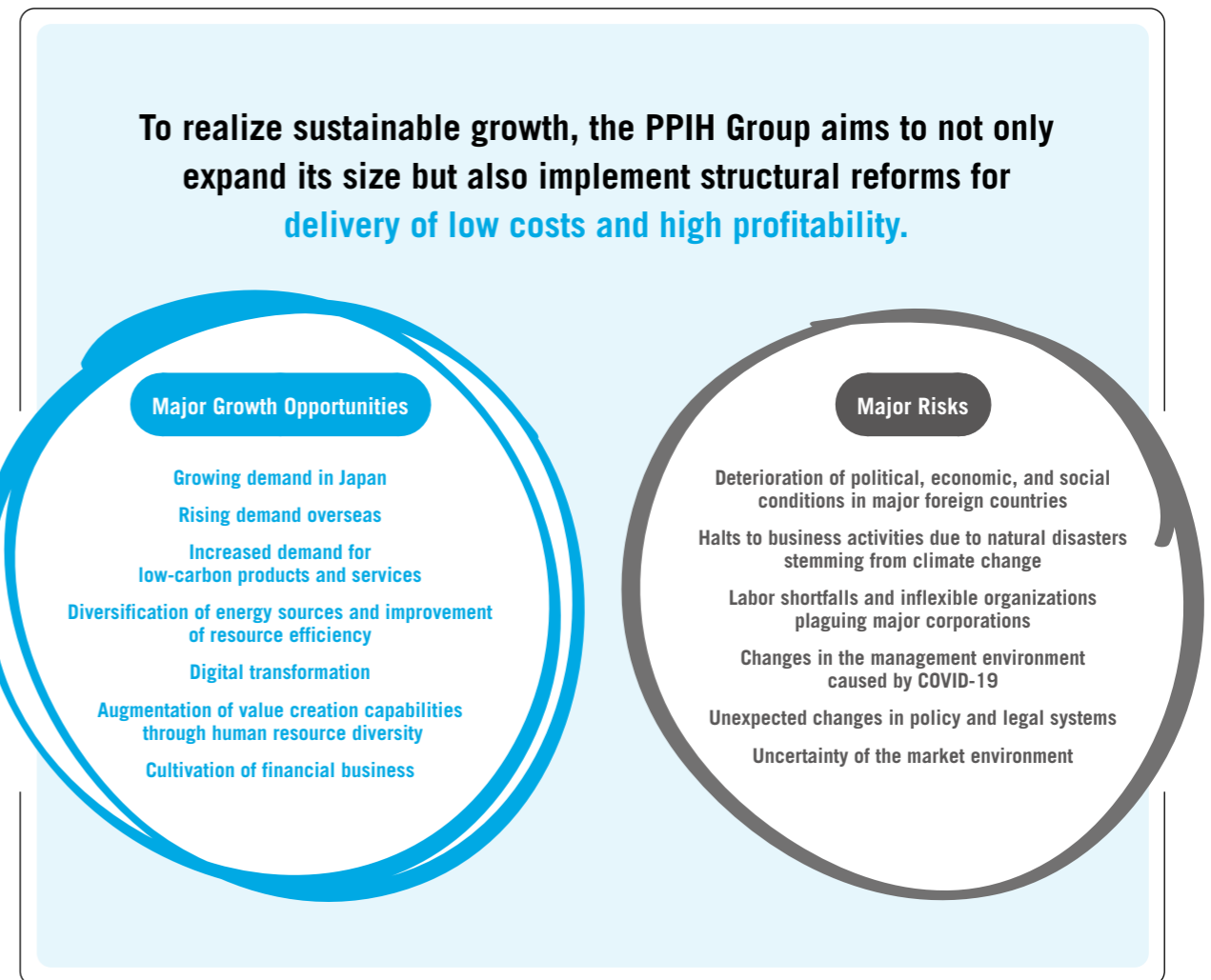


GDP Shares of the Global Economy for Major Countries (Real 2005 Chained U.S. Dollar Basis)



Note: Eurozone covers 15 countries that are OECD members.  
Source: Prepared from OECD (2014) "Economic Outlook No. 95"

With a belief that initiatives to tackle social issues could provide new business opportunities, the PPIH Group continues to build a foundation to support sustainable growth while dealing with anticipated challenges. The Group intends to adapt to changes in the world at an even faster pace than up to now.



### The PPIH Group's Response

#### ▶ Business Portfolio Management in Japan

We are making steady progress with business portfolio management in the context of diverse store formats and locations, store sizes, and aspects and announced the New Apita Piago Concept as a new strategy that aims to maximize synergies with UNY and further strengthen the business foundation. We intend to implement rebranding of "Apita" (broad-line supermarkets) and "Piago" (food supermarkets) with the goal of realizing sustainable growth at UNY. Through our efforts, we hope to develop "stores that people want to go to every day," by including feedback from local customers and ideas from store staff.

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#### ▶ Environmental Management with an "Eco-First Promise"

The PPIH Group strives to contribute to building a sustainable society through business activities with an environmental policy of "being an eco-friendly corporate citizen." As a leader in environmental initiatives, UNY submitted an "Eco-First Promise" to Japan's Environment Minister. We are pursuing solutions to environmental issues jointly with customers through the reduction of food waste, recycling, and other actions to help attain the Sustainable Development Goals (SDGs).

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