

Fiscal year ended February 20, 2022

# Financial Results Presentation Material

OKUWA Co., Ltd. (8217)

April 5, 2022

# Consolidated Operating Results: P/L



(Million yen)

	Fiscal year ended February 20, 2020	Fiscal year ended February 20, 2021	Fiscal year ended February 20, 2022	Year-on-year change	Year-on-year change (%)
Operating income	265,398	279,217	266,532	(12,685)	95.5
Operating profit	3,448	7,845	5,233	(2,611)	66.7
Ordinary profit	3,755	8,015	5,463	(2,552)	68.2
Profit attributable to owners of parent	1,429	3,786	1,523	(2,263)	40.2
Basic earnings per share (yen)	32.38	86.38	34.74	(51.64)	—

- Treatment of fractions in this material: Fractions less than one million yen are rounded down and percentage points for year-on-year changes, composition ratios, etc. are rounded off.

# Consolidated Operating Results: P/L (Comparison against Forecast)



(Million yen)

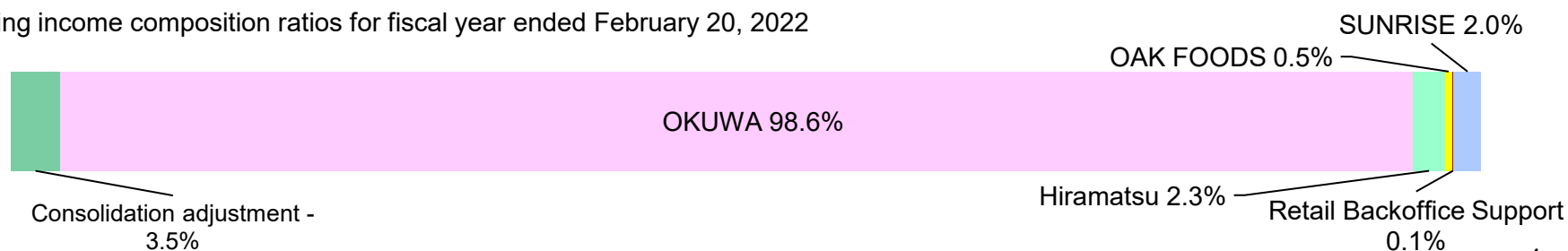
	Financial results forecast	Fiscal year ended February 20, 2022	Difference	Comparison against forecast (%)
Operating income	270,000	266,532	(3,467)	98.7
Operating profit	4,800	5,233	+433	109.0
Ordinary profit	5,100	5,463	+363	107.1
Profit attributable to owners of parent	2,000	1,523	(476)	76.2
Basic earnings per share (yen)	45.62	34.74	(10.88)	—

# Consolidated Operating Results: Operating Income by Company



(Million yen)	Fiscal year ended February 20, 2020	Fiscal year ended February 20, 2021	Fiscal year ended February 20, 2022	Year-on-year change	Year-on-year change (%)
OKUWA	261,431	275,304	262,734	(12,570)	95.4
Hiramatsu	6,729	6,830	6,229	(600)	91.2
OAK FOODS	1,544	1,259	1,333	+74	105.9
Retail Backoffice Support	395	392	378	(14)	96.3
SUNRISE	4,818	5,427	5,302	(124)	97.7
Consolidation adjustment	(9,521)	(9,996)	(9,446)	550	—
Consolidated total	265,398	279,217	266,532	(12,685)	95.5

Operating income composition ratios for fiscal year ended February 20, 2022

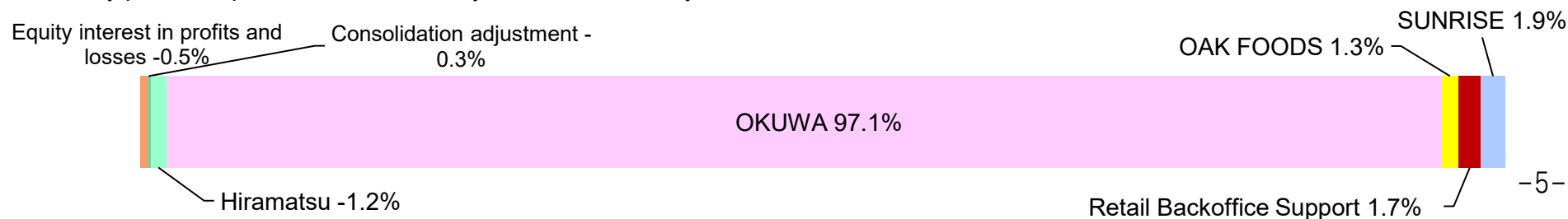


# Consolidated Operating Results: Ordinary Profit by Company



(Million yen)	Fiscal year ended February 20, 2020	Fiscal year ended February 20, 2021	Fiscal year ended February 20, 2022	Year-on-year change	Year-on-year change (%)
OKUWA	3,671	7,828	5,303	(2,525)	67.7
Hiramatsu	(118)	(37)	(62)	(25)	—
OAK FOODS	30	29	72	+43	249.2
Retail Backoffice Support	80	94	92	(2)	97.6
SUNRISE	88	141	102	(39)	72.2
Consolidation adjustment	(9)	(22)	(18)	+3	—
Share of loss (profit) of entities accounted for using equity method	12	(18)	(24)	(6)	—
Consolidated total	3,755	8,015	5,463	(2,552)	68.2

Ordinary profit composition ratio for fiscal year ended February 20, 2022



# Consolidated Operating Results: Management Indicators



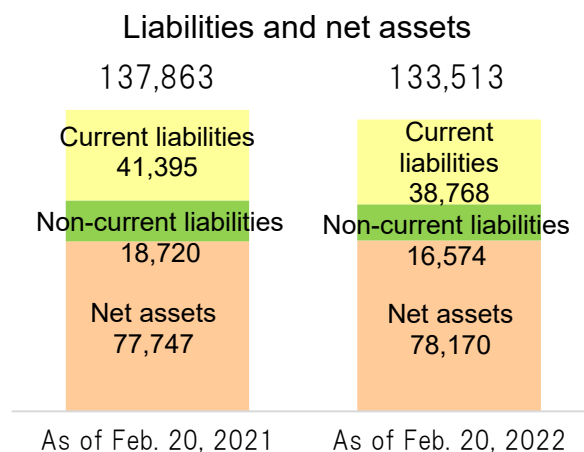
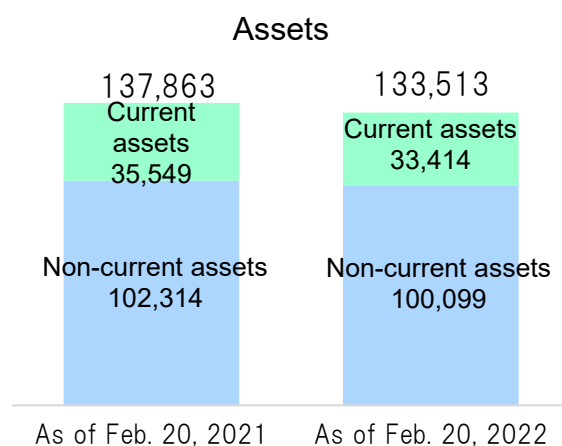
	Fiscal year ended February 20, 2020	Fiscal year ended February 20, 2021	Fiscal year ended February 20, 2022
<b>(Profitability)</b>			
Operating profit/Operating income (%)	1.30	2.81	1.96
Ordinary profit/Operating income (%)	1.42	2.87	2.05
<b>(Capital efficiency)</b>			
Return on equity (ROE, %)	1.90	4.97	1.96
Return on assets (ROA, %)	2.77	5.85	4.03
<b>(Per share indicators)</b>			
Basic earnings per share (EPS, yen)	32.38	86.35	34.74
Dividend per share (DPS, yen)	26	26	26
Book value per share (BPS, yen)	1,708.28	1,767.36	1,775.94
Dividend payout ratio (DPS/EPS, %)	80.28	30.10	74.84

EPS and BPS are calculated on the basis of that treasury shares are excluded. The dividend for the fiscal year ended February 20, 2022 is a forecast figure.

# Consolidated Operating Results: Management Indicators, B/S



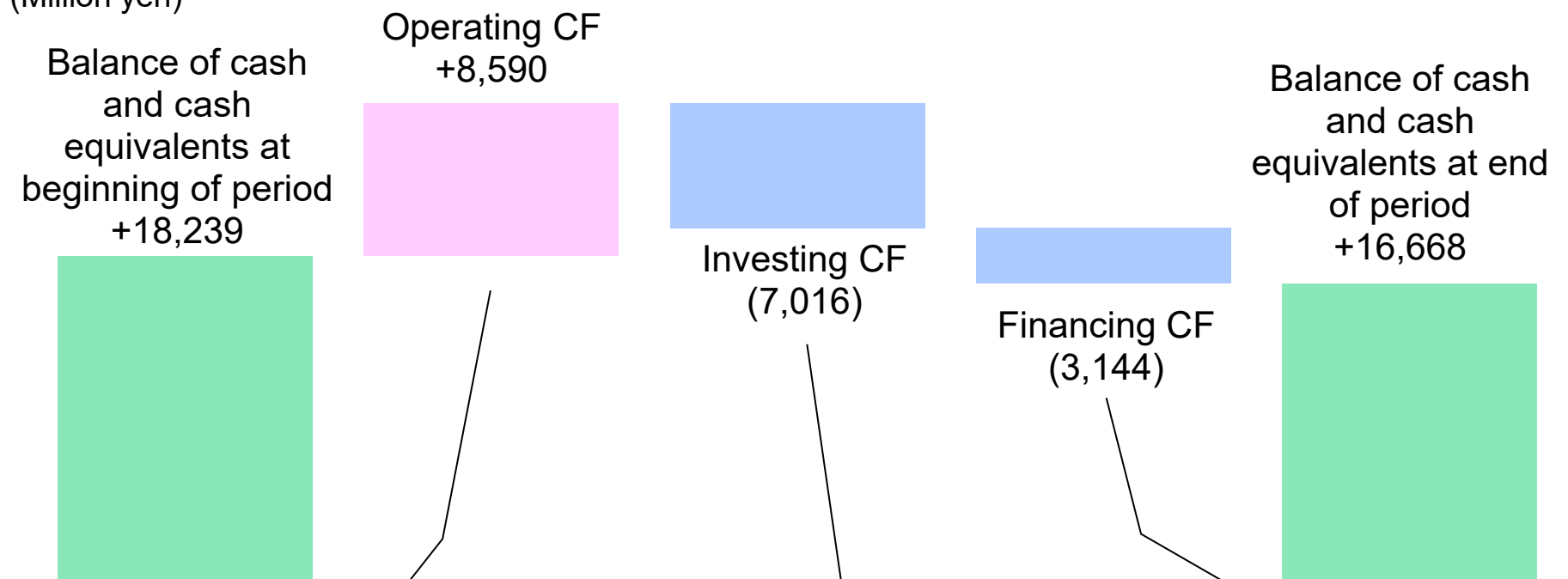
(Million yen)	February 20, 2020	February 20, 2021	February 20, 2022
Total assets	136,362	137,863	133,513
Equity	74,875	77,475	77,876
(Safety) Equity ratio (%)	54.91	56.20	58.33
Debt-to-equity (D/E) ratio (times)	0.35	0.29	0.26
Net D/E ratio (times)	0.14	0.05	0.04



- Equity = Total shareholders' equity + Accumulated other comprehensive income
- D/E ratio = Interest-bearing debt / Equity
- Net D/E ratio = (Interest-bearing debt - Cash and deposits) / Equity

# Consolidated Operating Results: C/F

(Million yen)



## Main elements of operating CFs

• Profit (loss) before income taxes	3,057
• Depreciation	6,452
• Impairment losses	1,682
• Inc (dec) in trade payables	(612)
• Dec (inc) in trade receivables	(188)
• Other	(1,800)

## Main elements of investing CFs

• Purchase of non-current assets	(8,152)
• Proceeds from sale of non-current assets	1,572
• Other	(436)

## Main elements of financing CFs

• Proceeds from long-term borrowings	3,000
• Repayments of long-term borrowings	(4,317)
• Repayments of lease obligations	(1,064)
• Dividends paid	(1,139)
• Net inc (dec) in short-term borrowings	400
• Other	(22)



# Non-consolidated Operating Results: P/L



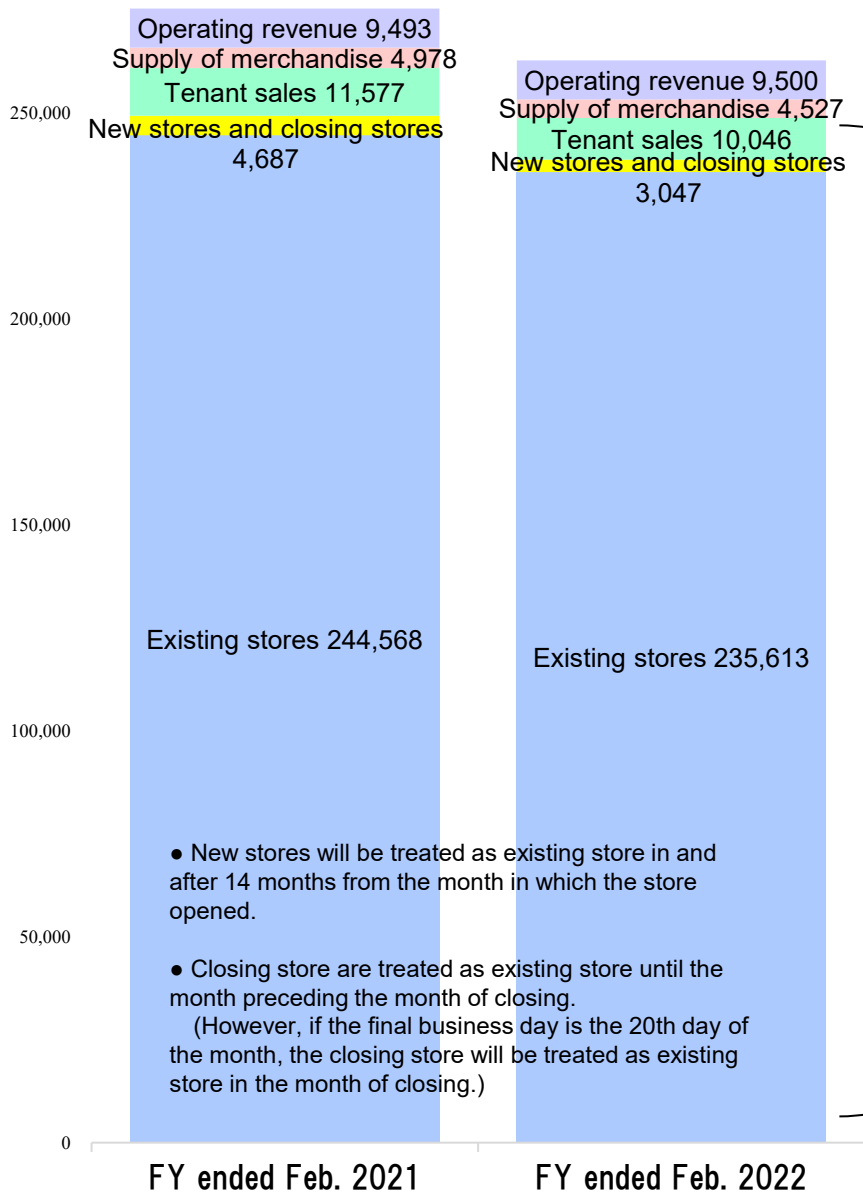
(Million yen)

	Fiscal year ended February 20, 2020	Fiscal year ended February 20, 2021	Fiscal year ended February 20, 2022	Year-on-year change	Year-on-year change (%)	Comparison against forecast (%)
Operating income	261,431	275,304	262,734	(12,570)	95.4	98.8
Net sales from direct operation	234,106	249,255	238,660	(10,595)	95.7	—
Gross profit	64,214	70,532	67,063	(3,469)	95.1	—
Gross profit margin (%)	27.4	28.3	28.1	(0.2)	—	—
Selling, general and administrative expenses	71,619	73,670	72,549	(1,120)	98.5	—
Operating profit	3,357	7,634	5,065	(2,568)	66.4	107.8
Ordinary profit	3,671	7,828	5,303	(2,525)	67.7	106.1
Profit	1,453	3,744	1,484	(2,260)	39.6	74.2

- For changes in gross profit margin, differences between gross profit margins for the previous fiscal year and the current fiscal year, which were rounded off to the nearest two decimal place, were calculated for each product category. There may be calculation errors caused by the rounding off.

# Non-consolidated Operating Results: Breakdown of Operating Income

(Million yen)



- New stores will be treated as existing store in and after 14 months from the month in which the store opened.
- Closing store are treated as existing store until the month preceding the month of closing.  
(However, if the final business day is the 20th day of the month, the closing store will be treated as existing store in the month of closing.)

## Net sales from direct operation

Amount	238,660
Year-on-year change (%)	95.7%
Year-on-year change	(10,595)

### Net sales from existing stores

Year-on-year change (%)	97.7%
Year-on-year change	(5,639)

### New stores and closed stores

Year-on-year change (%)	38.1%
Year-on-year change	(4,956)

## Operating income

Amount	262,734
Year-on-year change (%)	95.4%
Year-on-year change	(12,570)

### Operating income

Year-on-year change (%)	100.1%
Year-on-year change	+7

### Supply of merchandise

Year-on-year change (%)	90.9%
Year-on-year change	(450)

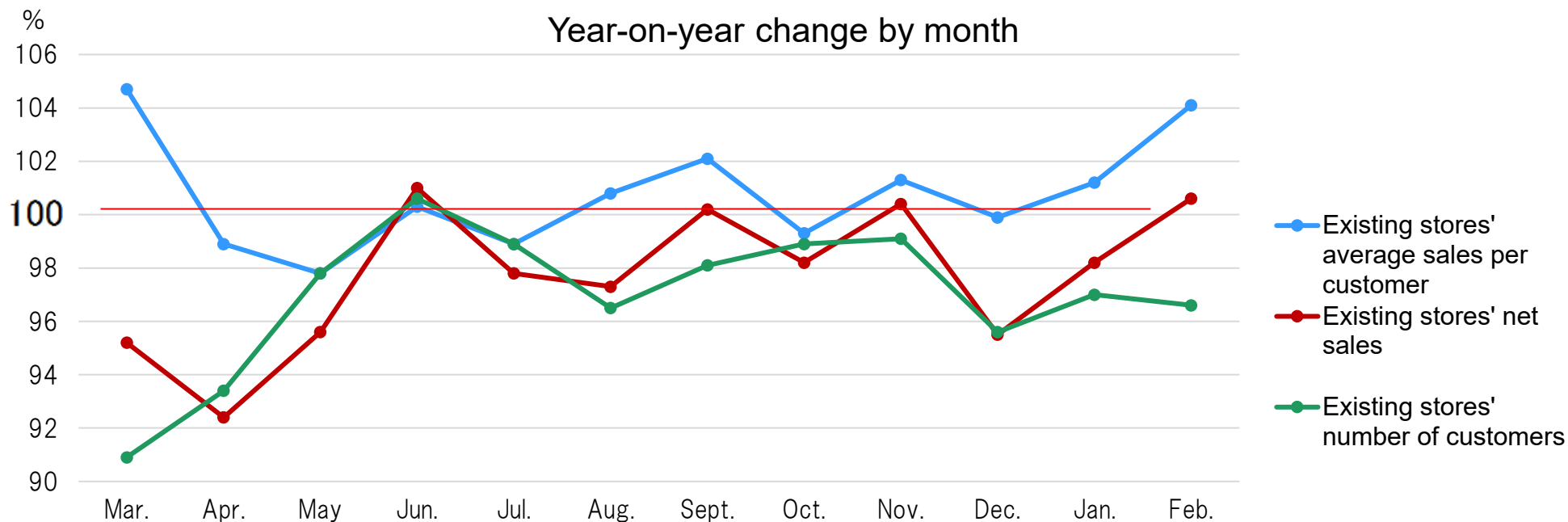
### Tenant sales

Year-on-year change (%)	86.8%
Year-on-year change	(1,531)

Total	(1,975)
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# Non-consolidated Operating Results: Net Sales from Existing Stores

Year-on-year change for existing stores (%)	Net sales	Number of customers	Average sales per customer	Number of products purchased	
				Number of products purchased	Unit price per product
1H	96.5	96.4	100.2	99.0	101.2
2H	98.8	97.6	101.3	99.3	102.0
Full year	97.7	96.9	100.7	99.1	101.6



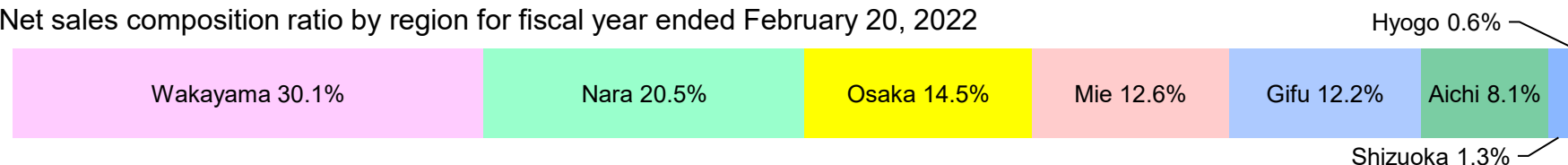
Accounts are closed on the 20th day. Year-on-year changes (%) are based on corresponding dates.

# Non-consolidated Operating Results: Net Sales from Direct Operation (By Region)



(Million yen)	Fiscal year ended February 20, 2020	Fiscal year ended February 20, 2021	Fiscal year ended February 20, 2022	Year-on-year change (%)	Year-on-year change for existing stores (%)
Wakayama	75,723	76,250	71,801	94.2	98.5
Nara	47,726	51,235	48,907	95.5	96.3
Osaka	32,521	35,773	34,523	96.5	96.5
Hyogo	1,516	1,698	1,527	89.9	89.9
(Kinki area)	157,488	164,957	156,760	95.0	97.3
Mie	28,754	31,571	30,117	95.4	98.5
Gifu	27,706	29,574	29,159	98.6	98.8
Aichi	18,426	20,879	19,430	93.1	98.4
Shizuoka	1,658	2,186	3,091	141.4	93.6
(Tokai area)	76,545	84,212	81,798	97.1	98.5
Total	234,106	249,255	238,660	95.7	97.7

Net sales composition ratio by region for fiscal year ended February 20, 2022



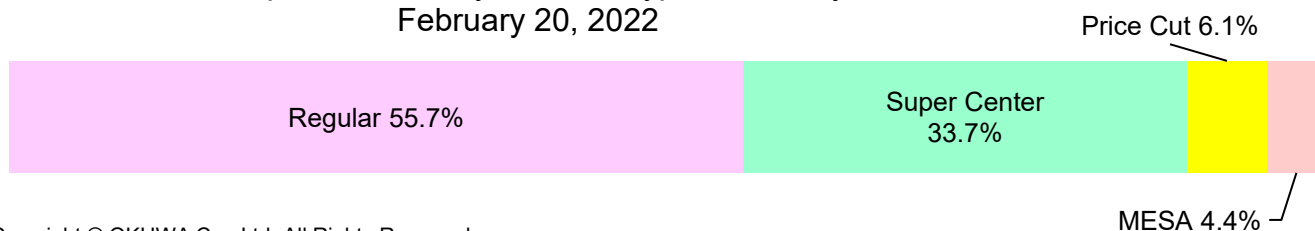
# Non-consolidated Operating Results: Net Sales from Direct Operation (By Business Type)



(Million yen)

	Fiscal year ended February 20, 2020	Fiscal year ended February 20, 2021	Fiscal year ended February 20, 2022	Year-on-year change (%)	Year-on-year change for existing stores (%)
SC	18,900	17,228	12,421	72.1	99.7
SSM	104,344	114,584	111,543	97.3	97.3
SM	9,917	9,270	9,025	97.4	96.7
Regular	133,163	141,084	132,990	94.3	97.4
Super Center	74,461	80,620	80,422	99.8	98.5
Price Cut	17,206	17,834	14,546	81.6	92.7
MESA	9,202	9,630	10,599	110.1	102.1
Total	234,106	249,255	238,660	95.7	97.7

Net sales composition ratio by business type for fiscal year ended  
February 20, 2022



SC: Shopping center  
SSM: Super supermarket (1,000 m<sup>2</sup> or larger)  
SM: Supermarket (smaller than 1,000 m<sup>2</sup>)  
Super Center: Allows one-stop shopping on one floor  
Price Cut: Discount store  
MESA: High quality supermarket (three MESA stores and two Pare Marche stores)

# Non-consolidated Operating Results: Net Sales from Direct Operation (By Department)



(Million yen)

	Fiscal year ended February 20, 2020	Fiscal year ended February 20, 2021	Fiscal year ended February 20, 2022	Year-on-year change (%)	Year-on-year change for existing stores (%)
Fresh foods	95,878	103,952	101,251	97.4	98.6
Processed foods	102,222	108,213	103,046	95.2	97.0
Foods	198,101	212,165	204,298	96.3	97.8
Household supplies	27,648	29,189	27,375	93.8	95.8
Clothing	8,357	7,900	6,986	88.4	101.7
Departments total	234,106	249,255	238,660	95.7	97.7

Net sales composition ratio by department for fiscal year ended February 20, 2022



Fresh foods represent a total of agricultural products, livestock products, marine products, delicatessen foods and in-store bakeries.

# Non-consolidated Operating Results: Product Gross Profit Margin



(%)	Fiscal year ended February 20, 2020	Fiscal year ended February 20, 2021	Fiscal year ended February 20, 2022	Year-on-year change (% points)
Fresh foods	31.8	32.4	32.5	+0.1
Processed foods	22.6	23.7	23.2	(0.5)
Foods	27.1	28.0	27.8	(0.2)
Household supplies	27.6	28.7	28.5	(0.2)
Clothing	35.3	35.9	35.2	(0.6)
Department total	27.4	28.3	28.1	(0.2)

- For changes in gross profit margin, differences between gross profit margins for the previous fiscal year and the current fiscal year, which were rounded off to the nearest two decimal places, were calculated for each product category. There may be calculation errors caused by the rounding off.

Product gross profit amount composition ratio for fiscal year ended February 20, 2022



# Non-consolidated Operating Results: Selling, General and Administrative Expenses



(Million yen)	Fiscal year ended February 20, 2020	Fiscal year ended February 20, 2021	Fiscal year ended February 20, 2022			
			Amount	Year-on-year change	Year-on-year change (%)	Ratio to net sales (%)
Net sales	252,152	265,811	253,233	(12,577)	95.3	100.0
Selling expenses	4,273	3,756	3,836	+80	102.1	1.5
Personnel expenses	29,595	31,074	30,974	(100)	99.7	12.2
Rent	8,234	8,104	7,615	(489)	94.0	3.0
Depreciation	5,578	5,575	5,782	+206	103.7	2.3
Utilities expenses	4,810	4,358	4,361	+2	100.1	1.7
Other general and administrative expenses	19,127	20,799	19,979	(820)	96.1	7.9
Total selling, general and administrative expenses	71,619	73,670	72,549	(1,120)	98.5	28.6

Net sales = Sales from direct operation + Tenant sales + Supply of merchandise

Selling, general and administrative expenses amount composition ratio for fiscal year ended February 20, 2022

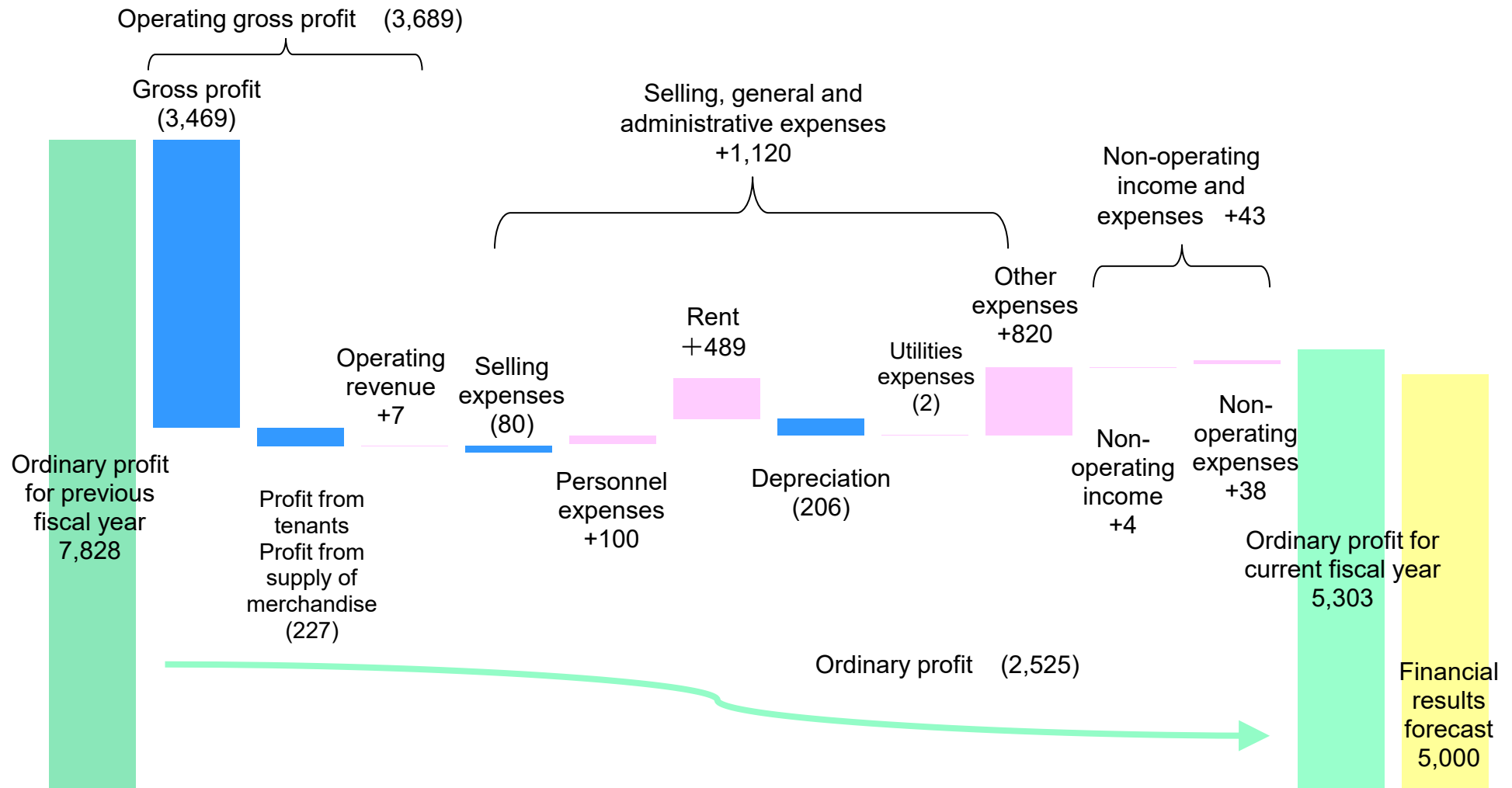




# Non-consolidated Operating Results: Factors behind Changes in Ordinary Profit



(Million yen)



- Figures with a positive sign indicate an increase in ordinary profit, while figures in parentheses ( ) indicate a decrease in ordinary profit.

## ■ New stores: 2

Tanabe Higashiyama Store (Wakayama, March 6, 983 m<sup>2</sup>)  
Pare Marche Jingumae Store (Aichi, July 21, 1,256 m<sup>2</sup>)





## ■ Renovated stores: 10

Pavilion City Tanabe Store (Wakayama, April 17)  
Katsuragi Store (Wakayama, April 28)  
Hisai Shoda Store (Mie, June 10)  
Minabe Store (Wakayama, July 10)  
Shirahama Katata Store (Wakayama, July 15)  
Super Center Central City Wakayama Store (Wakayama, September 10)  
Izumi Chuo Store (Osaka, September 18)  
Kashiba Osaka Store (Nara, October 1)  
Kashihara Bojo Store (Nara, October 15)  
Wakayama Nakanoshima Store (Wakayama, January 28)

## ■ Closed stores: 8

# Store Distribution

(Number of store as of February 20, 2022)

					Total by region
Wakayama	30	7	3	2	42
Nara	22	5	5	1	33
Osaka	16	2	1	—	19
Hyogo	1	—	1	—	2
Kinki area	69	14	10	3	96
Mie	14	3	6	—	23
Gifu	3 (PM: 1)	10	—	1 (PM: 1)	14
Aichi	9 (PM: 4)	1	—	2 (PM: 2)	12
Shizuoka	1 (PM: 1)	1	—	—	2
Tokai area	27	15	6	3	51
<b>Total by business type</b>	<b>96</b>	<b>29</b>	<b>16</b>	<b>6</b>	<b>147</b>

• The figures within parentheses ( ) represent the numbers of Pare Marche (PM) stores.

# Management Policy for Fiscal Year Ending February 20, 2023

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# Consolidated Financial Results Forecast



(Million yen)

Full year	Actual for fiscal year ended February 20, 2022	Financial results forecast for fiscal year ending February 20, 2023	Year-on-year change (%)
Operating income	266,532	252,000	—
Operating profit	5,233	5,400	103.2%
Ordinary profit	5,463	5,600	102.5%
Profit*	1,523	2,050	134.6%

\*Profit represents profit attributable to owners of parent.

2Q cumulative	Actual 2Q cumulative for fiscal year ended February 20, 2022	2Q cumulative financial results forecast for fiscal year ending February 20, 2023	Year-on-year change (%)
Operating income	133,002	125,000	—
Operating profit	2,470	2,000	81.0%
Ordinary profit	2,610	2,100	80.4%
Profit*	1,448	1,000	69.0%

\*Profit represents profit attributable to owners of parent.

# Non-consolidated Financial Results Forecast



(Million yen)

Full year	Actual for fiscal year ended February 20, 2022	Financial results forecast for fiscal year ending February 20, 2023	Year-on-year change (%)
Operating income	262,734	246,000	—
Operating profit	5,065	5,300	104.6%
Ordinary profit	5,303	5,500	103.7%
Profit	1,484	2,000	134.8%
2Q cumulative	Actual 2Q cumulative for fiscal year ended February 20, 2022	2Q cumulative financial results forecast for fiscal year ending February 20, 2023	Year-on-year change (%)
Operating income	131,138	122,000	—
Operating profit	2,424	2,000	82.5%
Ordinary profit	2,586	2,100	81.2%
Profit	1,480	1,000	67.6%

○ Operating income: 246.0 billion yen (\*100.8% year on year)

- Net sales from existing stores: 101.8% year on year
- Net sales from direct operation: Approx. 239.8 billion yen (100.5% year on year)
- Two stores newly opened, five fully renovated stores in the first half and a number of other stores fully renovated

○ Ordinary profit: 5.5 billion yen (103.7% year on year)

- Product gross profit margin: 27.8% (\*up 0.2% year on year)
- Selling, general and administrative expenses: Approx. 71.8 billion yen (\*up 1.9% year on year)

○ Profit: 2.0 billion yen (134.8% year on year)

- Extraordinary gains (losses) forecast: (2.1) billion yen

\* The Accounting Standard for Revenue Recognition is applied to figures between which comparisons are made.

Full-year product gross profit margin: 27.8% (up 0.2% year on year)

Full-year product gross profit: Approx. 65.0 billion yen (101.3% year on year)

## Priority issues for Fiscal 2022

### **(1) Food waste reduction targets**

Reduction of 100 million yen annually

### **(2) OKUWA brand product development targets**

All departments: 26.0 billion yen (137% year on year)

### **(3) In-house food plant product share increase targets**

Delicatessen foods: 46.3% (up 0.5% year on year)

Japanese daily foods: 20.5% (up 0.3% year on year)

### **(4) Share increase targets for products jointly purchased with Nichiryu**

Food Division: 17.6% (up 0.2% year on year)

Household Supplies Section: 9.6% (up 0.8% year on year)

Clothing Section: 14.5% (up 0.7% year on year)



# New Stores, Renovated Stores and Closed Stores

## ●New stores

- Nakatsugawa Nakamura Store opened on March 24 (Thurs.).

	Prefecture	Business type	Directly-operated sales floor area	Date of opening
Nakatsugawa Nakamura Store	Gifu	SSM	2,459 m <sup>2</sup>	March 24
MESA Iwade Store (tentative name)	Wakayama	MESA	3,156 m <sup>2</sup>	2H



▲ Nakatsugawa Nakamura Store opened on March 24

## ●Five fully renovated stores in the first half

	Prefecture	Business type	Directly-operated sales floor area	Date of opening after renovation
Kishiwada Hatsuta Store	Osaka	SSM	2,341 m <sup>2</sup>	March 3
PM Nishikani Store	Gifu	SSM	2,350 m <sup>2</sup>	April 9
PRC Matsusaka Oishi Store	Mie	PRC	1,041 m <sup>2</sup>	April 23
Iga Shindo Store	Mie	SSM	1,873 m <sup>2</sup>	In June
Izumisano Shofudai Store	Osaka	SSM	3,120 m <sup>2</sup>	In June

## ●Two closed stores

Sanda Store (March 20)      Momoyama Store (April 20)



# (Fully Renovated) Kishiwada Hatsuta Store

- A 100-yen shop “Daiso” has been newly introduced.

- The introduction of Daiso has allowed the strengthening of the product assortment of the whole household supplies category.
- Cash registers exclusive for Daiso were eliminated and lump-sum payment can be made using OKUWA's directly-operated cash registers. This improved convenience for customers.



- We provide products that are only available at “OKUWA,” centering on branded products.



Launched in Fiscal 2020

This year marks the third anniversary since the launch of the brand. The sales amounts and SKUs have been steadily expanding.

 <p>OKUWA Premium</p> <ul style="list-style-type: none"> <li>Brand that places strong emphasis on the production areas, raw materials and production methods</li> </ul>	 <p>OKUWA Marche</p> <ul style="list-style-type: none"> <li>Brand that buyers who are well-versed in product knowledge recommend</li> </ul>
 <p>OKUWA Select</p> <ul style="list-style-type: none"> <li>Brand jointly developed by OKUWA and manufacturers</li> </ul>	 <p>SOZAI Delica Factory</p> <ul style="list-style-type: none"> <li>Brand of safe delicatessen foods produced in a reliable manner in in-house factories (O Delica Factory)</li> </ul>



Results in Fiscal 2020  
Sales amount: 13.6 billion yen  
**457 SKUs**

Results in Fiscal 2021  
Sales amount: 1.9 billion yen  
**631 SKUs**

*Targets for Fiscal 2022*  
Sales amount: 2.6 billion yen  
**700 SKUs**

## OKUWA Premium



No. 1 sales among OKUWA Premium products

Brand that places strong emphasis on the production areas, raw materials and production methods



One million packs sold annually!

## OKUWA Marche



## OKUWA Marche



Brand that buyers who are well-versed in product knowledge recommend





## Kurashi More

Make lemon sours at home. So easy



Thick cut potato chips



Promotion of building of digital customer service tools and operational reforms in tandem

## **(1) Building a close relationship with customers**

Increased convenience for customers

- Diversification of payment means
- Use of familiar terminal devices (smartphone, etc.)

## **(2) Creating a working environment worth to work for**

Improved productivity  
(A shift toward customer services, commercialization and building of sales

- Ordering operations
- Cash register operations
- Sales space management operations
- Simplification of application operations

Provision of information to customers

Provision of information concerning house-brand products

Increased convenience of brick-and-mortar stores and the online store

Integrated memberships

Development of environment for learning

- Use of manuals in the workplace
- Obtaining knowledge of products
- Systemic education

## Improved ordering operations efficiency

(Major progress in fiscal 2021)

### ■ Improving accuracy of automated ordering system

	Progress in fiscal 2021	Targets in fiscal 2022
Agricultural product department (Processed products)	<ul style="list-style-type: none"> <li>Newly introduced for approx. 200 items and in 58 stores</li> <li>Time required for ordering of 800 hours has been reduced annually</li> </ul>	<ul style="list-style-type: none"> <li>Number of stores with the system to increase to 80 stores</li> <li>Time required for ordering of 400 hours to be reduced annually</li> </ul>
Marine product department (Processed products)	<ul style="list-style-type: none"> <li>Additionally introduced for approx. 50 items</li> <li>Time required for ordering of 13,000 hours has been reduced annually</li> </ul>	<ul style="list-style-type: none"> <li>Introduce for additional approx. 10 items</li> <li>Continue operation at 147 stores (all stores)</li> <li>Time required for ordering of 2,600 hours to be reduced annually</li> </ul>

### ■ Using AI for weekly orders

	Progress in fiscal 2021	Targets in fiscal 2022
Livestock product department	<ul style="list-style-type: none"> <li>Newly introduced for approx. 400 items and in 78 stores</li> <li>Time required for ordering of 1,100 hours has been reduced annually</li> </ul>	<ul style="list-style-type: none"> <li>Number of stores with the system to increase to 142 stores</li> <li>Time required for ordering of 2,000 hours to be reduced annually</li> </ul>



## ■ A smartphone cash register (Shopimo) introduced for an experiment purpose

- Honsha Nakajima Store introduced the cash register on April 1, 2022 on an experimental basis.

## OKUWA'S new shopping app "Shopimo Regi" introduced



## ■ Introduction of electronic shelf labels

- Kishigawa Store (Wakayama) has introduced the shelf labels on an experimental basis. The second store will start the experiment in late April.
- Customers satisfaction has been improved thanks to less price errors.
- Reduced workload of installation/removal of point of purchase (POP) advertisements and checking prices on them contribute to improvement in employees' productivity.

## ■ Promotion of paperless procedures

- Use of electronic management approval documents, reports, etc. (promotion of an internal workflow system)
- Use of personnel evaluation sheets on an information system

## ● Enhanced services

- At the all 19 stores providing an online supermarket function, customers are able to receive goods purchased “at storefront” or “drive-through” (17 stores deliver goods purchased at storefront, and two stores, drive-through).
- The service will be expanded to SUC Tomio Nakamachi (Nara) on April 9, 2022.

20 stores in total

## ● Net sales (Fiscal 2021)

- Approx. 910 million yen achieved (120% compared with fiscal 2019)

Fiscal 2022

Target: 1,000 million yen

## ● System renewal (planned in September)

- Introduction of a smartphone app
- AI search engine
- Points granted for O-CARDS



## ■ Establishment of the “Sustainability Promotion Office”

- The “Sustainability Promotion Office” was newly established in September 2021, and the new “Sustainability Policy” was formulated in December 2021.

Sustainability policy

Our aspiration OKUWA Management Vision

**“A supermarket that continues to transform, with a timeless spirit.”**

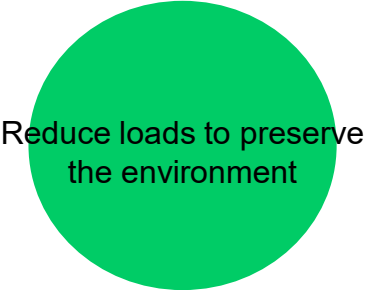
## ■ Issuance of corporate report

- The Sustainability Promotion Office is currently preparing our corporate report “OKUWA Report 2022.”
- The report will be completed in early May and published on the Company’s website.



私たちが持続可能な開発目標(SDGs)を支援しています。

- Sustainability priority issues (materiality) were identified.



We will take measures to reduce environmental loads to preserve the global environment, aiming to create prosperous future

We will adhere to relevant laws, regulations and rules, and establish and thoroughly enforce our independent standards during the entire process ranging from ordering to product acceptance, product management and freshness management.



Five priority items

We will put our management credo “contribution to local communities through business” into practice.



We will thoroughly enforce risk management and compliance with the aim of increasing trust of society by adhering to ethical standards and laws and regulations in good faith.

We are pushing forward with efforts including human resource utilization, human resource development and promotion of active participation by women with the aim of creating workplaces and working environments where employees can continue to work in a sound and vigorous manner.

## ■ Solar power plants

### (1) Increased number of sites where solar power plants are introduced

- The total volume of electricity generated in fiscal 2021 was approx. 3.94 million kWh (from 10 plants in total).
- Additional five plants will commence operation in fiscal 2022 (15 plants in total).
- Power generation equipment was introduced at new Nakatsugawa Nakamura Store from its opening, which is the first such instance for the Company.

Renewable energy  
ratio of 100%

Head Office and Honsha Nakajima Store  
Head Office Education and Training Center  
Reduced approx. 941 tCO<sub>2</sub>  
(as compared with Fiscal 2020)



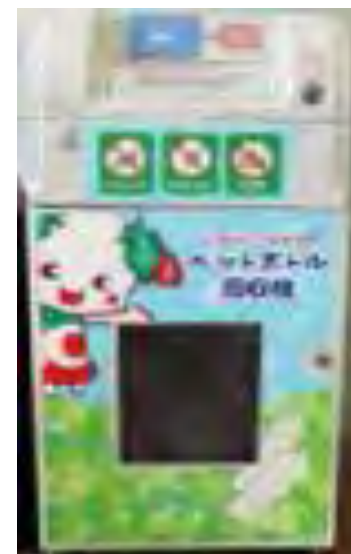
(Nakatsugawa Nakamura Store opened on March 24).

### (2) Introduction of CO<sub>2</sub>-free electricity

- Since April 2021, the electricity used in the Head Office Building (including Honsha Nakajima Store) and the adjacent Head Office Education and Training Center is all sourced from renewable energy.

## ■ Response to the Plastic Resource Circulation Act

- Since October 2021, “plastic bottle volume reduction and collection system (the “System”)” has been introduced for the purpose of promoting collection and recycling of plastic bottles. The System will also be used to respond to the “Plastic Resource Circulation Act (the “Act”)” enacted in April 2022.
- In addition, as part of our response to the Act, we started the initiative of discontinuing the distribution of plastic products such as spoons, forks and straws at store counters, and began to make a shift to the use of wooden ones as necessary.



(A plastic bottle volume reduction and collection system)

# Coexistence with Local Communities

## Support in time of disaster

- Conclusion of disaster-relief support agreements with municipal governments of regions where our stores are located

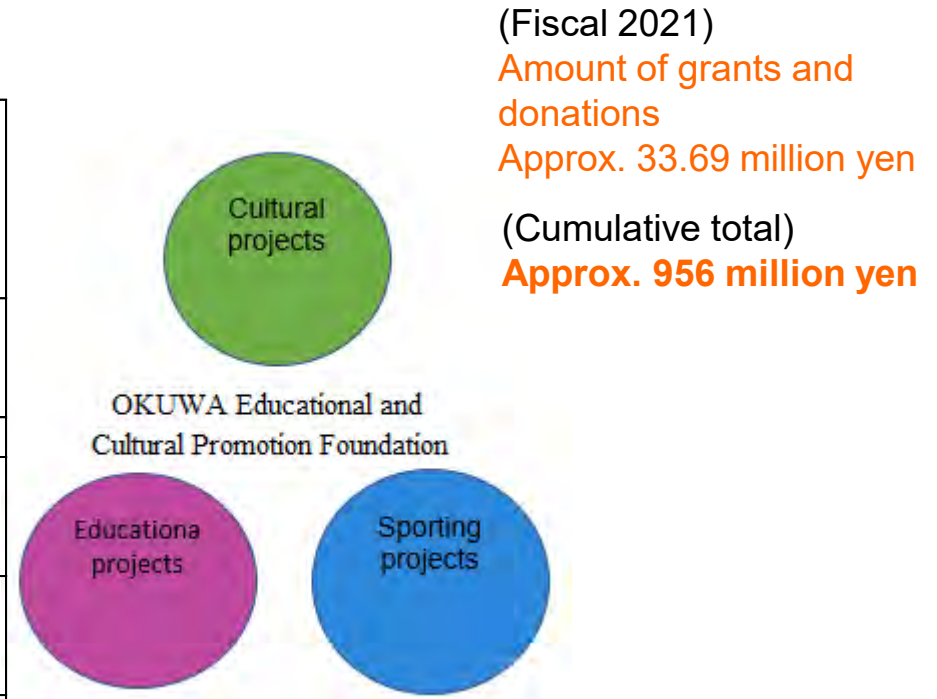
Agreements are entered into with the following municipal governments

Wakayama	Wakayama Prefectural Government, Wakayama City Government, Shingu City Government, Gobo City Government, Kainan City Government and Tanabe City Government
Osaka	Osaka Prefectural Government, Kawachinagano City Government, Kanan Town Office
Nara	Nara Prefectural Government
Mie	Mie Prefectural Government, Kumano City Government, Kameyama City Government and Asahi Town Office
Gifu	Mino City Government, Anpachi Town Office, Toki City Government and Mizunami City Government
Aichi	Kasugai City Government and Kota Town Office

- Conclusion of agreement with Kansai Transmission and Distribution, Inc.

## Promotion of culture, education and sports

- OKUWA Educational and Cultural Promotion Foundation



## Thorough implementation of safe driving

- Introduction of a vehicle operation confirmation system
- Holding of safe driving workshop every year

## Promotion of diversity

### ■ Promotion of active participation by women

- At present, there are 28 female employees in managerial positions (up 11 from the previous fiscal year).
- Starting from the current fiscal year, we will develop female executive candidates after conducting screening training.

### ■ Promotion of work-child care balance

- We provide support for female employees so that they can strike a work-childcare balance in such ways as job transfer taking into consideration their physical burdens during pregnancy and near term, reduced working hours after returning from childcare leave and a system of giving consideration to their situations when they become candidate for job transfer requiring relocation, among others.

## Review of work-life balance

### ■ Experiment on setting non-business days of stores

Non-business day	Fiscal 2020	Fiscal 2021
New Year's day	15 stores	31 stores (up 16)
New Year's day and Jan. 2	—	11 stores (up 11)

### ■ Review of business hours (fiscal 2021)

- Ceased 24-hour operations at six stores

# (Looking Back over) Medium-Term Management Plan

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Fiscal year ended February 20, 2020 –  
Fiscal year ended February 20, 2022



# Medium-Term Management Plan

(Fiscal Year Ended February 20, 2020 – Fiscal Year Ended February 20, 2022)



(Million yen)

## Forecast figures (final forecast figures for each fiscal year)

Consolidated	Fiscal year ended February 20, 2020	Fiscal year ended February 20, 2021	Fiscal year ended February 20, 2022
Operating income	268,000	278,000	270,000
Ordinary profit	4,000	6,450	5,100

Initial Medium-Term Management Plan  
(Consolidated) Fiscal year ended February 20, 2022  
Operating income: 270.0 billion  
Ordinary profit: 4.5 billion yen



## Actual

(Million yen)

Consolidated	Fiscal year ended February 20, 2020	Fiscal year ended February 20, 2021	Fiscal year ended February 20, 2022
Operating income	265,398	279,217	266,532
Ordinary profit	3,755	8,015	5,463

## Major Initiatives

### (1) Reborn (Transform ourselves)

- Inauguration of the new management and organizational reforms
- Closing down of unprofitable stores
- Review of stores and head office operations

### (2) Real (Highest priority on sites)

- Creation of customer-first sales floors and an increase in branded products
- Establishment of educational and store support systems

### (3) Refresh (Freshen ourselves up)

- Proactive large-scale renovation to existing stores
- Adoption of Daiso

# New Medium-Term Management Plan (Three Years)

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Fiscal year ending February 20, 2023 –  
Fiscal year ending February 20, 2025

## OKUWA Management Vision

**“A supermarket that continues to transform,  
with a timeless spirit.”**

Recognized once again through operation  
during the Covid-19 pandemic

- Importance as a lifeline
- Social responsibility and role



- OKUWA's essence
- Meeting customers' needs
- Provision of new products and services

Strive for the above more than ever

## (1) Store strategy

- Continuing with large-scale renovation of existing stores (an increase in successful cases and new challenges)
- Trying new formats toward revitalization of the discount-type stores and SM-type stores
- A share increase through continued opening of new stores in the Tokai area, as well as store opening in the Kinki area
- Continuing with the reduction of total costs by focusing on facility management

## (2) Product strategy

- Continuing with enhancing, revising and abolishing house brand products to pursue value and thereby depart ourselves from homogeneity competition
- Product development in line with customers' needs such as attention, health, environment, etc. and creation of sales floors that meet expectations of customers
- Stay ahead in a competitive society with unique strengths that competitors cannot imitate, including fresh foods
- Product development and sales promotion to tap into the young

## **(3) Labor strategy**

- Reduction in store operations through improved productivity of in-house plants
- Leveling out of employees' skills through promotion of education and improved motivation through a career-path system
- Initiatives toward creation of a working environment worth to work for and regional revitalization
- Effective use of elderly employees

## **(4) Promotion of digitalization**

- Promotion of efficiency improvement through the use of cashless payment methods and such other means as smartphones and (quasi) self-service cash registers
- Further promotion of accuracy improvement for automated (AI-projected) ordering and operational efficiency improvement
- Reduction in store operations through the introduction of electronic shelf labels
- Simplification of operations through renewal of back-office systems
- Expansion of EC services that supplement brick-and-mortar stores

## (5) Sustainability management

- Enhancement of social contribution activities  
(support for children's cafeterias offering free food, responses to food loss and waste, food banks, etc. )
- Environmental measures (energy conservation and reduction of plastics)
- Establishment of the Sustainability Promotion Office (Committee and Subcommittee)

## (6) Corporate governance structure

- Transition to a company with an audit and supervisory committee
- Establishment of the Nomination and Compensation Committee
- Under the new management, we will make a transition to the prime market and work to enable swift management decisions and strengthen governance

Numerical targets for Fiscal year ending February 20, 2025

○Operating income: 270.0 billion yen

○Ordinary profit: 6.5 billion yen



PRIME  
TOKYO



■Notes regarding handling of this material

The plans, strategies, predictions of future business performance and business outlook of the Company described in this material rest on assumptions and beliefs determined based on information available to the Company at this point in time.

Please be advised that actual business performance may differ due to various factors.

The Company may revise the descriptions regarding the future outlook and/or modify the assumptions and factors which served as the basis for the future outlook without prior notice, unless such notice is legally required.