Translation

May 6, 2022

Consolidated Financial Results for the Fiscal Year Ended March 31, 2022 <under Japanese GAAP>

Company name:	**YAMADA HOLDINGS CO., LTD.**
Listing:	The Tokyo Stock Exchange
Stock code:	9831
URL:	https://www.yamada-holdings.jp/
Representative:	Noboru Yamada, Representative Director, Chairperson and President CEO
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Scheduled date of ordinary general meeting of shareholders:	June 29, 2022
Scheduled date to commence dividend payments:	June 30, 2022
Scheduled date to file Annual Securities Report:	June 29, 2022
Preparation of supplementary material on financial results:	Yes
Holding of financial results presentation meeting:	Yes (for institutional investors and analysts)

(Millions of yen with fractional amounts rounded off, unless otherwise noted)

1. Consolidated performance for the fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2022	1,619,379	(7.6)	65,704	(28.6)	74,137	(25.0)	50,556	(2.4)
March 31, 2021	1,752,506	8.7	92,079	140.2	98,876	114.6	51,799	110.5

Note: Comprehensive income
Fiscal year ended March 31, 2022: 51,087 million yen ((4.4)%)
Fiscal year ended March 31, 2021: 53,443 million yen (137.0%)

	Basic earnings per share	Diluted earnings per share	Return on equity	Ordinary profit/ total assets	Operating profit/ net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2022	60.96	60.67	7.9	5.9	4.1
March 31, 2021	62.82	62.53	8.1	8.2	5.3

Reference: Equity in earnings (losses) of affiliated companies
Fiscal year ended March 31, 2022: 109 million yen
Fiscal year ended March 31, 2021: 125 million yen

Note: The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant revised ASBJ regulations from the beginning of the current fiscal year, and each figure for the fiscal year ended March 31, 2022, is the figure after applying the accounting standard and relevant revised ASBJ regulations. As a result, when compared with the previous standard, net sales decreased by ¥104,073 million, and the actual year-on-year change excluding this impact was negative 1.7%.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2022	1,271,668	676,278	51.6	785.50
March 31, 2021	1,252,600	672,545	51.8	792.26

Reference: Equity
As of March 31, 2022: 656,703 million yen
As of March 31, 2021: 649,414 million yen

Note: The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and relevant revised ASBJ regulations from the beginning of the current fiscal year, and each figure for the fiscal year ending March 31, 2022, is the figure after applying the accounting standard and relevant revised ASBJ regulations. As a result, net assets decreased by ¥31,956 million.

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of year
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2022	21,085	(22,266)	(16,647)	56,470
March 31, 2021	122,281	(14,778)	(82,837)	73,760

2. Cash dividends

	Annual cash dividends					Total cash dividends (Total)	Dividend payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	First quarter	Second quarter	Third quarter	Fiscal year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2021	–	0.00	–	18.00	18.00	14,754	28.6	2.4
March 31, 2022	–	0.00	–	18.00	18.00	15,049	29.5	2.3
Fiscal year ending March 31, 2023 (Forecasts)	–	–	–	–	–		–	

Note: Future shareholder return measures will be determined in consideration of a progress in business performance.

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2022	821,000	2.6	32,500	(7.4)	35,800	(8.9)	25,900	(13.6)	29.78
Fiscal year ending March 31, 2023	1,694,000	4.6	73,900	12.5	80,000	7.9	51,900	2.7	59.48

*** Notes**

(1) Changes in significant subsidiaries during the year (changes in specified subsidiaries resulting in the change in scope of consolidation): None

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

a. Changes in accounting policies due to revisions of accounting standards, etc.: Yes
b. Changes in accounting policies due to other reasons: None
c. Changes in accounting estimates: None
d. Restatement of prior period financial statements: None

(3) Number of issued shares (common stock)

a. Total number of issued shares at the end of the year (including treasury stock)

As of March 31, 2022	966,647,930 shares
As of March 31, 2021	966,560,272 shares

b. Number of treasury stock at the end of the year

As of March 31, 2022	130,619,777 shares
As of March 31, 2021	146,871,443 shares

c. Average number of shares during the year

Fiscal year ended March 31, 2022	829,192,352 shares
Fiscal year ended March 31, 2021	824,430,821 shares

* Document as English translation and difference in presentation method of figures
This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. Readers should also note that (i) in the Japanese original, figures are presented in millions of yen with fractional amounts discarded unless otherwise noted, while in the English translation, figures are presented in millions of yen with fractional amounts rounded off unless otherwise noted, and (ii) in the Japanese original, totals may not equal the sum of individual amounts due to the discarding of the fractional amounts, while in the English translation, individual amounts are adjusted so that totals equal the sum of such individual amounts.

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters
The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company as of the announcement date and on certain assumptions deemed to be reasonable. These statements do not purport that the Company pledges to realize such statements. Actual results may differ substantially due to various factors.
For the details of the above forecasts, please refer to the section of “(5) Future outlook” under “1. Overview of operating results and others” on page 5 of the attached materials to the financial results report.

Attached Materials

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1. Overview of operating results and others

(1) Overview of operating results for the fiscal year

[On background of economies at home and abroad]

During the fiscal year under review, the Japanese economy showed signs of recovery as the number of COVID-19 cases declined with the progress made in vaccinations. However, the environment remains challenging with the risk of further downward pressures on the economy due to higher prices of energy and raw materials and foreign exchange movements caused by an increase in infections due to new virus variants and the increasingly serious situation in Ukraine.

The consumer electrical appliance retail industry has seen a reactionary drop from the transient demand generated by the special cash payments, teleworking corresponding to the "new way of life," and stay-at-home products in the previous fiscal year and a slump in seasonal products due to the unseasonable weather, but replacement demand for durable consumer goods such as refrigerators and washing machines has been firm.

[On the Company's efforts]

Against the backdrop of this situation, the Company has been carrying out measures against the spread of COVID-19 in stores and business offices as it believes that its priority is to take the safety and security of customers and employees as well as the aspect of health into consideration in order to fulfill its role of providing social infrastructure and its responsibilities by stably supplying daily necessities. Furthermore, the Company significantly expanded Internet mail order services and shopping channel sales, where customers can place orders from home. In addition, to meet the changing lifestyles and consumer preferences, the Company is building a new store network by reviewing the optimal product lineups and services of its various store formats and expanding the sales floor space.

We are aggressively pursuing the Group's growth strategy to increase the total sales floor area by opening new stores, as well as expanding stores and changing the store format. To strengthen our "Total-Living(Kurashi-Marugoto)" strategy, we opened a total of 18 stores, beginning with the opening of the Kumamoto Kasuga Store on June 18, 2021 as a new store format LIFE SELECT (a store offering the widest range of everyday goods in the region, such as home electrical appliances, furniture and home interior products, household goods, renovation services, and toys), based on the store concept of "We support you living a delightful life. Entirely." (Expanded and renovated existing stores: Kumamoto Kasuga Store, Himeji Main Store, Sapporo Main Store, Kobe Main Store, Kisarazu Jozai Main Store, Nagano SBC Street Store, Kakogawa Main Store, Tokushima Main Store, Kasukabe Main Store, New Kohoku Center Store, Morioka Main Store, and Asahikawa Store; Completely renovated stores: LABI1 Takasaki, LABI1 Ikebukuro, and LABI Shinagawa Oimachi; Newly opened stores: Musashi Kukishobu Store, LABI Chigasaki Store, and New Ichinomiya Store) In addition, the Company is steadily increasing sales floor space and its share of home electrical appliance retail sales through the development of various store formats including YAMADA Web.com stores, which integrate Internet sales and stores, as well as outlet stores offering a large selection of outlet and reuse products, and by expanding sales of home-related products centered on home electrical appliances in conjunction with existing specialist electric appliance stores.

Net sales in the fiscal year under review decreased 7.6% year on year to ¥1,619,379 million due to the following factors: (1) the impact of the Accounting Standard for Revenue Recognition, which was adopted from the current fiscal year, (2) a decrease in the number of customers visiting stores due to reduced business hours and self-restraint on business promotion caused by the holding of the Tokyo Olympics and Paralympics without spectators and COVID-19, (3) unseasonable weather as well as the impact of natural disasters such as heavy rain, (4) deteriorating consumer sentiment associated with price increases, and (5) a reactionary drop from the previous year's transient increase in demand for stay-at-home products mainly at suburban stores and as generated by the special cash payments. In comparison to before the application of the Accounting Standard for Revenue Recognition, net sales declined 1.7% year on year, from among various factors in dampening net sales. This is due to the efforts the Company has been making for some time for "new business lines as the industry for living infrastructure" that is based on the concept of "Total-Living (Kurashi-Marugoto)."

As for profits, there have been ongoing improvements in profits as the "Management Reforms to Reinforce the Corporate Structure," the Company's long-term initiatives, have continued to improve the gross profit (rate) and reduce selling and administrative expenses. However, operating profit decreased 28.6% year on year to ¥65,704 million due to lower gross profit caused by factors including lower net sales and inventory evaluation with an eye to the future, while ordinary profit decreased 25.0% year on year to ¥74,137 million. Profit attributable to owners of parent decreased 2.4% year on year to ¥50,556 million, at virtually the same level as the previous fiscal year. All of the Company's business segments have returned to profitability. For details, please refer to [Operating results by segment] below.

(2) Operating results by segment

1) Electrical Business

In the Electrical Business, net sales decreased 14.5% year on year to ¥1,310,802 million, and operating profit decreased 34.4% year on year to ¥56,185 million.

Net sales in the Electrical Business were affected by the aforementioned transient factors and closures of stores such as the Shinjuku East Exit Store, the Akihabara Store and the Shimbashi Store. In comparison to before the application of the Accounting Standard for Revenue Recognition, net sales declined 7.8% year on year. There was the transient impact from the decline in profits caused mainly by standardization of the month for settlement of accounts with the aforementioned inventory evaluation and the reorganization of the Electrical Business, and operating profit decreased 21.5% year on year, when excluding this impact.

2) Housing Business

In the Housing Business, net sales increased 48.5% year on year to ¥268,231 million, and operating profit increased 59.5% year on year to ¥7,362 million.

The number and the value of orders grew at a high rate of almost double the previous year, as a result of the acquisition of LEOHOUSE Co., LTD. ("LEOHOUSE" hereinbelow) on February 1, 2021 by YAMADA HOMES CO., LTD. ("YAMADA HOMES" hereinbelow) and conversion of Hinokiya Group Co., Ltd. (the "Hinokiya Group" hereinbelow) to a consolidated subsidiary. The Hinokiya Group received a record number of orders and a record value of orders in the fiscal year under review. Net sales significantly increased due to the delivery of orders received by YAMADA HOMES, which increased in the second half of FY2020, in the current fiscal year as well as the addition of LeoHouse and the Hinokiya Group as consolidated subsidiaries. Operating profit also increased largely due to the effect of turning the Hinokiya Group into a consolidated subsidiary.

The performance of the Housing Business by company was as follows. (1) YAMADA HOMES (including LEOHOUSE) reported an increase in net sales and a decrease in profits, with net sales of ¥89,532 million (up 26.0% year on year) and an operating profit of ¥777 million (down 29.6% year on year). (2) Hinokiya Group reported an increase in revenues and a decrease in profits, with net sales of ¥122,504 million (up 7.1% year on year) and operating profit of ¥6,259 million (down 5.6% year on year). (3) Housetec Inc., a developer and manufacturer of housing equipment such as bathroom equipment and kitchen equipment, was impacted by COVID-19 but nevertheless reported an increase in revenues and profits, with net sales of ¥57,938 million (up 6.3% year on year) and operating profit of ¥2,038 million (up 40.4% year on year) mainly due to online negotiations with customers, synergy effects of the Group, and an increase in renovation services.

The impact of higher prices of housing materials due to the recently soaring lumber prices was absorbed by management reforms such as increasing the sales unit price with added value proposals and cost savings, and synergies through comprehensive initiatives with Nice Corporation (with which the Company entered into a capital and business alliance on July 18, 2021).

3) Financial Business

In the Financial Business, net sales increased 39.7% year on year to ¥2,447 million, and operating profit increased 43.8% year on year to ¥429 million. Revenues and profits both increased due to the strong performance of housing loans, which are deeply linked to the Housing Business.

The YAMADA NEOBANK service and the renovation industry's first original financial service were launched in the fiscal year under review, and we will seek to further develop the "Total-Living (Kurashi-Marugoto)" strategy by providing new financial services.

4) Environment Business

In the Environment Business, net sales increased 5.7% year on year to ¥28,493 million, and operating profit increased 50.7% year on year to ¥1,229 million. Revenues and profits both increased due to the outcomes of the self-contained initiatives for environmental resource development undertaken by the Group.

5) Other businesses

In other businesses, net sales decreased 8.0% year on year to ¥65,109 million, while operating profit was ¥275 million (operating loss of ¥1,880 million in the previous fiscal year), an improvement of ¥2,155 million from the previous fiscal year and a return to profitability.

The main reasons were improved revenue at OTSUKA KAGU, LTD., with expanding sales of OTSUKA KAGU products at Yamada Denki LIFE SELECT stores, a recovery in the number of customers visiting stores, synergies between furniture and home electrical appliances through sales of home electrical appliances, and the results of ongoing business restructuring.

OTSUKA KAGU merged with YAMADA DENKI on May 1. In addition to further improvement in operating revenue and expenses of OTSUKA KAGU, the entire Group will utilize human resources who have many years of knowledge and expertise.

[On number of stores]

The number of consolidated retail stores, including those overseas at the end of the fiscal year under review encompassing 50 new store openings and 38 store closures, was 1,015 directly-managed stores (comprising 978 stores directly managed by YAMADA DENKI and 37 stores operated by other consolidated subsidiaries). The total number of stores of the Group, including the stores managed by franchise stores, was 12,537.

[On performance summary]

As a result of the above, consolidated net sales for the fiscal year under review amounted to ¥1,619,379 million, down 7.6% year on year, operating profit totaled ¥65,704 million, down 28.6% year on year, ordinary profit was ¥74,137 million, down 25.0% year on year, and profit attributable to owners of parent was ¥50,556 million, down 2.4% year on year.

(3) Overview of financial position for the fiscal year

Total assets at the end of the fiscal year under review amounted to ¥1,271,668 million, up ¥19,068 million (1.5%) compared to the end of the previous fiscal year. This was mainly due to an increase in “other current assets” under “current assets” as a result of the application of the Accounting Standard for Revenue Recognition and other factors, despite a decrease in merchandise and finished goods resulting from a reduction in inventories.

Total liabilities amounted to ¥595,390 million, up ¥15,335 million (2.6%) compared to the end of the previous fiscal year. This was mainly due to an increase in “contract liabilities” as a result of the application of the Accounting Standard for Revenue Recognition and borrowings for working capital.

Net assets amounted to ¥676,278 million, up ¥3,733 million (0.6%) compared to the end of the previous fiscal year. This was mainly due to a decrease in treasury stock as a result of conversion of OTSUKA KAGU, LTD. into a wholly owned subsidiary through share exchange. As a result, the equity ratio was 51.6% (down 0.2 point from the end of the previous fiscal year).

(4) Overview of cash flows for the fiscal year

As of the end of the fiscal year under review, cash and cash equivalents on a consolidated basis stood at ¥56,470 million, down ¥17,290 million (23.4%) compared with the end of the previous fiscal year.

The position of cash flows during the fiscal year under review is as follows:

Cash flows from operating activities

Net cash provided by operating activities amounted to ¥21,085 million (¥122,281 million provided in the previous fiscal year).

This was mainly due to an increase in income taxes paid, and decreases in notes and accounts payable and contract liabilities.

Cash flows from investing activities

Net cash used in investing activities amounted to ¥22,266 million (¥14,778 million used in the previous fiscal year).

This was mainly due to purchase of property and equipment associated with renovations of stores, etc.

Cash flows from financing activities

Net cash used in financing activities amounted to ¥16,647 million (¥82,837 million used in the previous fiscal year).

This was mainly due to repayments of long-term loans payable.

(Reference) Trends in company cash flow indicators are as shown below.

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Equity ratio (%)	49.8	49.7	54.6	51.8	51.6
Market value-based equity ratio (%)	43.4	37.5	32.6	39.1	25.0
Interest-bearing debt to cash flows (year)	3.7	6.0	4.0	1.9	11.3
Interest coverage ratio (factor)	46.3	28.8	44.2	89.5	14.8

Equity ratio: equity / total assets

Market value-based equity ratio: market capitalization / total assets

Interest-bearing debt to cash flows: interest-bearing debt / operating cash flows

Interest coverage ratio: operating cash flows / paid interest

* All indicators are calculated using consolidated-based financial figures.
* Market capitalization is calculated based on the number of issued shares as of the end of the year (excluding treasury stock).
* The figure used for operating cash flows is “net cash provided by (used in) operating activities” on the consolidated statements of cash flows.
* Interest-bearing debt includes all liabilities recorded on the consolidated balance sheets on which we paid interest.

(5) Future outlook

For the fiscal year ending March 31, 2023, in addition to the risk of a resurgence in infections due to new COVID-19 variants, attention needs to be paid to the downside risks from semiconductor supply shortages, higher prices of raw materials and the increasingly tense situation in Ukraine. There remain concerns for economic slowdown in not only Japan but also globally, so the economic outlook is expected to continue to be unclear.

In addition, the retail industry overall is expected to remain under challenging circumstances amid factors including increasing defensive spending patterns and deteriorating consumer sentiment due to the risk of resurgence of COVID-19 and higher prices caused by higher energy prices and depreciation of the yen, as well as increased management costs and product supply concerns due to semiconductor shortages.

Despite the challenging market environment, the Company continues to build a structure for increased sales and profits through implementation of the following key measures in each segment in the first year of the YAMADA HLDGS 2025 Mid-term business plan.

Electrical Business

(1) Aggressively develop stores with an annual increase of at least 5% in total sales floor area, (2) develop store formats with distinctive features with LIFE SELECT stores at the core, (3) expand the e-commerce business by utilizing the most of our group infrastructure, (4) increase the product profit ratio through enhancement of SPA products, and (5) expand the growth businesses of renovation and furniture and home interiors businesses

The business infrastructure to support the realization of these key measures include (1) completion of the installation of electronic shelf labels at all stores and digital marketing utilizing extensive customer data, (2) logistics reforms using stores nationwide, (3) IT sales system able to conduct onsite investigations and quotes for renovations using smartphones, and (4) enhance sales engineers (SE) who are close to customers

Utilize these infrastructure, which belong to the Company, to improve productivity and achieve greater operating efficiency.

Housing Business

(1) Strengthen the system for receiving orders through expansion of sales offices, (2) reform costs and cash flows through substantial reduction of the number of construction days, (3) double the sale of used products business, (4) enhance comprehensive initiatives with Nice Corporation, (5) reap group synergies such as with development and procurement at the Hinokiya Group and YAMADA HOMES, and (6) measures to attract visitors to Yamada Stores including selling benefits of home electrical appliances and furniture to owners

Financial Business

Financial product development that is well-versed in NEOBANK services and the “Total-Living (Kurashi-Marugoto)” strategy

Environment Business

(1) Double the production of reuse products through operation of the new recycling plant (scheduled for June 2022), and (2) complete the development of self-circulating environmental resources through the start of construction of the incineration power generation system

Under these circumstances and measures, for the fiscal year ending March 31, 2023, the Company forecasts net sales of ¥1,694,000 million, up 4.6% year on year, operating profit of ¥73,900 million, up 12.5% year on year, ordinary profit of ¥80,000 million, up 7.9% year on year, and profit attributable to owners of parent of ¥51,900 million, up 2.7% year on year.

2. Capital policy

In order to enhance the return to shareholders, the Company resolved on May 6, 2022 to purchase treasury stock (total number of shares to be purchased: 200,000,000 shares (maximum), total amount for share purchase: ¥100 billion (maximum), purchase period: from May 9, 2022 to May 8, 2023), and disclosed this matter today.

3. **ESG and sustainability**

The YAMADA HOLDINGS Group aims to proactively contribute to solving social issues by accommodating the needs of various stakeholders including customers, as a retailing group that provides a wide variety of products and services including home electrical appliances in the fields of housing and lifestyles.

In December 2019, the Company announced its policy to focus on three themes in the key areas of sustainable development goals (SDGs): (1) Provide comfortable living space and establish a social system; (2) Develop employees and improve the work environment; and (3) Build a circular economy and protect the global environment.

Recently, sustainability initiatives have played a significant role when customers select brands. Setting "Total-Living (Kurashi-Marugoto)" as its concept ranging from home electrical appliances, furniture, home interior products, housing, renovation, finance to circulation of environmental resources, the Group has determined the following KPIs as primary indicators for solving these issues through its business activities. Moving forward, the Group will report the progress of these KPIs regularly.

Materiality	Impact	KPI items	Targets and policies	SDGs
Provide comfortable living spaces and establish social systems	Residence	Ratio of introducing ZEH	FY2030: 50%	
		Number of introducing Z Air Conditioning	FY2022 targets	
		Shipment of solar panels	FY2030: 50,000	
Develop employees and improve the work environment (diversity, equity, and inclusion [DE&I])	Employee-friendly workplaces	Indicators used in an employee satisfaction survey	FY2022 targets	
		Initiatives to curb long working hours	Every year: Engage in initiatives continuously	
		Increase the percentage of employees taking paid leave	Every year: Higher than the previous year	
	Inclusive and healthy economy	Ratio of female managers	FY2030: 10% or more	
		Percentage of female and male employees taking childcare leave	FY2023: Female: 85% or more Male: 7% or more	
Build a circular economy and protect the global environment	· Responses to climate changes · Reduction in CO_2 emissions	Reduction in electricity usage and CO_2 emissions by users backed by the spread and promotion of energy-saving electronic appliances	FY2022 targets	
		The ratio of renewable energies in the total electricity used (scope 2)	Every year: Higher than the previous year	
		CO_2 emissions per floor space (scope 2)	Every year: 10.2% lower than the previous year	
	・Volume reduction in waste ・Circular economy	Reuse of four types of home electronic appliances (televisions, refrigerators, washing machines, and air conditioners)	FY2030: 300,000	
		Reuse of computers	FY2030: 400,000	

[Climate change initiatives and TCFD]

1) On responses toward climate change

Under the “Total-Living (Kurashi-Marugoto)” concept, the Group offers various home electronic appliances, household equipment, and furniture/home interiors that support the foundations of customers’ living infrastructure. These products are manufactured and processed in Japan and around the world, and use various resources in each region. Accordingly, the Group believes that responses to climate changes and conservation of the natural environment are key themes for its sustainable growth.

To disclose information based on the Task Force on Climate-Related Financial Disclosures (TCFD), the Group has taken measures to understand the current situations of the Group, build its governance system, engage in risk management, and consider its strategies/indicators and targets.

Along with properly managing risks following climate changes, the Group will proactively engage in its climate change initiatives by considering various changes toward decarbonization as its business opportunities to grow sustainably.

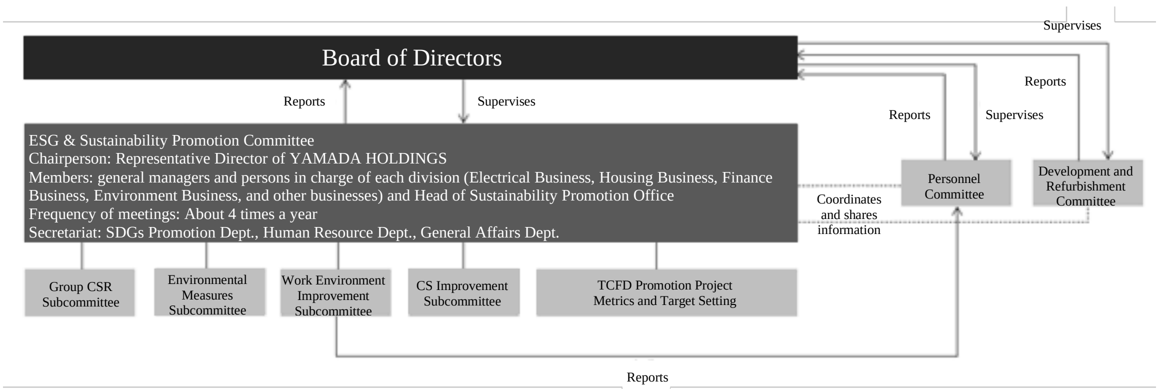
(The Group will disclose the details of climate change-related information and relevant indicators and targets based on TCFD.)

Classification	Major initiatives
Reduction in greenhouse gases in the Group (Scopes 1 and 2)	● Purchase the electricity generated by renewable energies ● PPA after selling internal existing solar power output ● Internal consumption of the electricity generated by the YAMADA Resource Energy Plant ● Introduction of EVs as commercial vehicles, etc.
Reduction in greenhouse gases emitted when customers use products, etc. (Scope 3)	● Promote wider use of energy-saving home electrical appliances ● Introduction of ZEH for new custom-built houses ● Installation of solar panels for new custom-built houses

2) Governance

The YAMADA HOLDINGS Group has established the ESG & Sustainability Promotion Committee as an organ to deliberate policies and measures on environmental and social issues, monitor the progress of its targets, report to the Board of Directors, and engage in other activities. Chaired by the Representative Director of the YAMADA HOLDINGS, committee members consist of general managers and persons in charge of each division (Electrical Business, Housing Business, Finance Business, Environment Business, and other businesses) and the Head of Sustainability Promotion Office. These members make decisions on important matters. Four subcommittees are established under the ESG & Sustainability Promotion Committee: Group CSR Subcommittee, Work Environment Improvement Subcommittee, CS Improvement Subcommittee, and Environmental Measures Subcommittee. These four subcommittees discuss the details of individual activities and monitor their progress and targets. Envisioning more disclosure of climate change-related information, a project team has engaged in analyzing the current situations of CO2 emissions regarding scopes 1, 2, and 3 and managing the progress against the targets.

ESG & Sustainability Promotion System Chart



3) CO_2 emissions in scopes 1, 2, and 3 (FY2020)

Scope		Calculation method	Emission ($t\text{-}CO_2$)	Ratio
Scope 1 Direct emissions from the combustion of fuels		Multiplying the quantity of fuels used by the emission factors	54,317	0.204%
Scope 2 Indirect emissions from consumption of electricity		Multiplying the quantity of electricity used by the emission factors	257,443	0.965%
Scope 3 Other indirect emissions		Refer to categories 1 to 15 below	26,370,549	98.832%
Total of scopes 1, 2, and 3			26,682,309	100.000%
1	Procurement of raw materials	Multiplying the total amount of procurement by material, by the emission factors	4,910,896	18.405%
2	Increase in capital goods and production facilities	Multiplying the total investment amount for facilities, etc. by the emission factors	20,809	0.078%
3	Fuel- and energy-related activities	Multiplying the consumption of fuels and electricity used that are not included in scopes 1 and 2, by the emission factors	45,561	0.171%
4	Procurement logistics and logistics outsourced by the Company as a consignor	Out of scope in this chart because it takes time to specify the scope of the obligations borne by a specified consignor	Out of scope	
5	Waste generated from operations	Multiplying the quantity of waste generated by the emission factors	206,099	0.772%
6	Business travel of employees	Multiplying the total amount of travel expenses by the emission factors	1,633	0.006%
7	Employee commuting	Multiplying the total amount paid by the emission factors	3,814	0.014%
8	Operations of the assets the Company leased from owners	Out of scope because this category is included in scopes 1 and 2	Out of scope	
9	Transportation in which the Company ships goods as a consignor	Out of scope in this chart because it takes time to specify the scope of the obligations borne by a specified consignor	Out of scope	
10	Processing of intermediate products	Out of scope because the Company does not sell intermediate products	Out of scope	
11	Use of products by users	Multiplying the annual energy consumption, useful life, and sales volume of products, by the emission factors	20,906,986	78.355%
12	Disposal of products by users	Multiplying the total weight of products by the emission factors	272,614	1.022%
13	Assets leased to other companies	Out of scope because the Company does not hold leased assets	Out of scope	
14	Emissions that fall under scopes 1 and 2 among franchised stores	Multiplying the total floor space of franchised stores, by the emissions of YAMADA DENKI stores per square meter	2,137	0.008%
15	Stock and bond investments	Out of scope because the Company does not hold stocks for the investment purpose to the degree that impacts the calculation of emissions	Out of scope	

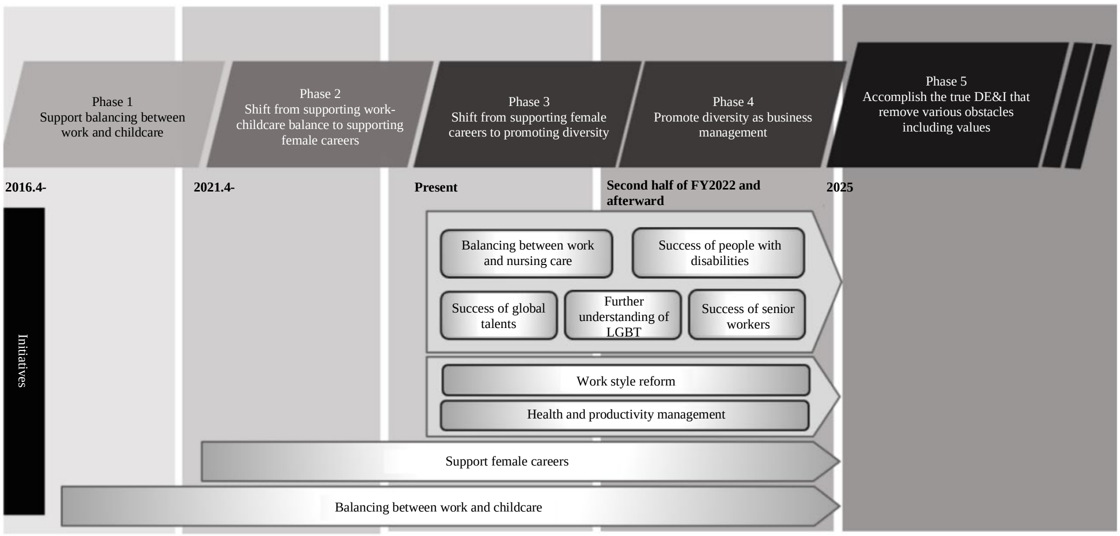
[Promotion and initiatives of diversity, equity, and inclusion (DE&I)]

1) Policy

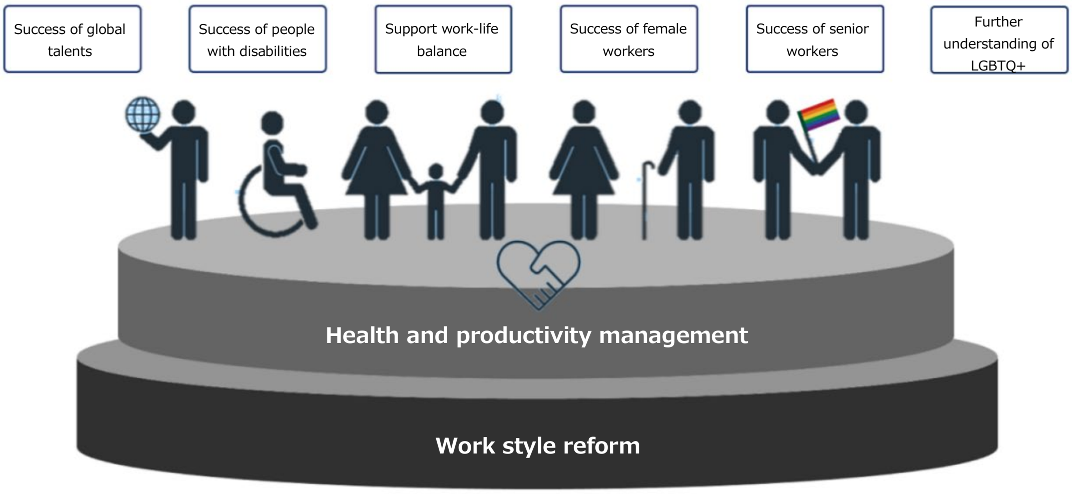
Talents are the most important management resources for the YAMADA HOLDINGS Group. Regardless of race, nationality, age, gender, sexual orientation/gender identity, religion, credo, culture, disabilities, career, and lifestyle, corporate growth derives from the environment where employees of various backgrounds respect each other, exert their capabilities and individuality, and feel their fulfillment and growth through work.

Casual conversations among employees can trigger innovations. Meanwhile, the organizational strength where diverse talents play a role by leveraging their backgrounds functions as the driver to accommodate various social needs. To grow sustainably with stakeholders through providing products and services that cater to the changes in the social environment, the YAMADA HOLDINGS Group will deem DE&I as its growth strategy itself and promote these initiatives across the Group.

2) Roadmap

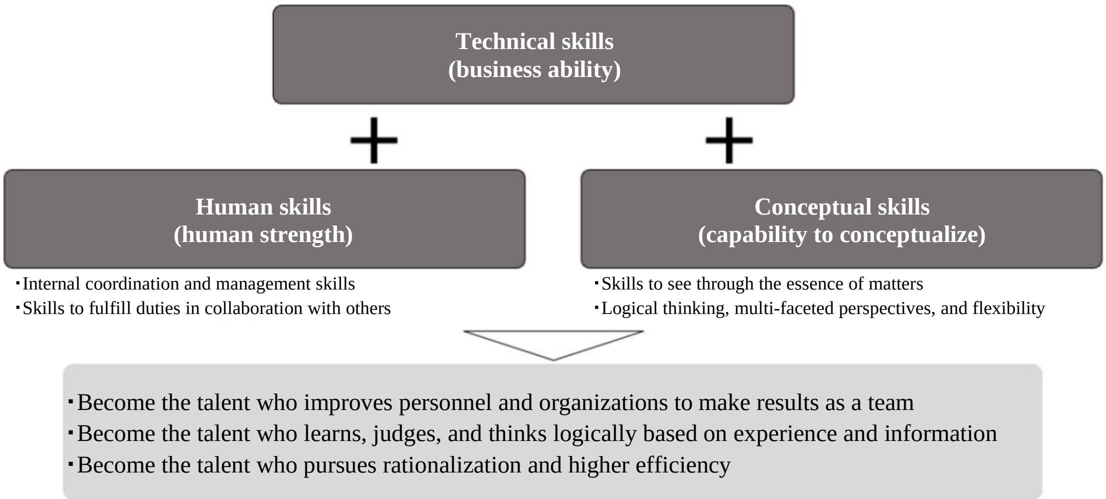


3) Specific initiatives and policy



Specific initiatives	Major initiatives
Support work-life balance	Establish a flexible working system corresponding to life stages and promote diverse work styles
Success of female workers	Build an environment to encourage female workers to play an active role by responding to changes in their life stages while supporting their work-life balance Eliminate the division of roles by gender based on the code of conduct that pursues gender equality Bolster recruitment activities, train next-generation executives, promote female workers to administrative positions, and support upgrading skills
Success of people with disabilities	Achieve an inclusive society through proactively employing people with disabilities
Success of senior workers	Extend the retirement age to 63 years old (this system was revised in April 2022) Support seniors to continue their work taking advantage of their careers
Success of global talents	Continue to employ people of foreign nationality proactively
Further understanding of LGBTQ+	Promote further understanding of LGBTQ+ and eliminate unconscious biases through training Build a workplace where psychological safety is secured for diverse individuality to shine based on respect for others

4) Concept of personnel training



5) Stratified skills and training themes

		Partner	Member	Lower management	Middle management	Top management
Human skills Conceptual skills	70%	・Skills required for working adults ・Behavior as a working adult ・Basic conduct of working adults	・Basic conduct of working adults ・Behavior as a working adult ・Way of engaging in work ・Think of future ・Experience and growth after entering the Company	・Meet expectations ・Instruct younger colleagues ・Enhance problem-solving skills ・Team building ・Remove mental blocks ・For further growth	・Skills required for managers ・Operation management ・Personnel training management ・Envision the future	・Management of senior managers ・Formulate management philosophy and visions ・Account management ・Labor management ・Develop action plans ・Guide directions ・Thinking processes leading to decision-makings
		・Common sense ・Basic skills as working adults ・Business communication ・Business manners in general	・Enhance own motivation ・Compliance knowledge ・Basic information security knowledge ・Way of engaging in team operations	・Motivation management as a leader ・Training method for younger colleagues and new employees ・Basic knowledge about harassment ・Assist the boss and help younger colleagues	・Ensure compliance in his/her work ・Training of team leaders ・Eliminate harassment in the workplace ・Leadership skills for managers	・Team motivation management ・Legal obligations borne by senior managers ・Training of managers ・Essence of strategic planning
Technical skills	Expertise 20%	・Customer satisfaction ・Compliance ・Mental health ・Build favorable relationships with people around you	・Basic sales knowledge ・Understand the significance and operations of sales activities ・Basic onsite CS knowledge ・Hospitality	・Customer services in general ・Customer services in the service industry ・Psychological service skills for acquiring repeat customers ・Practical theory to increase per-customer spending	・Store manager training ・Marketing theory for increasing sales ・Profit management	・Manager training within the area ・Manager mindset within the area ・CS enhancement within the area ・Sales increase within the area ・ES enhancement within the area
	Corporate knowledge 10%	Basics of YAMADA DENKI, internal regulations and rules, internet literacy, and societal initiatives				

4. Basic rationale for selection of accounting standards

The Group applies accounting principles generally accepted in Japan (Japanese GAAP) for its accounting standards in order to secure year-on-year comparisons of consolidated financial statements and comparisons among companies.

The Group will continue to closely observe matters with respect to IFRSs such as developments in the accounting system.

5. Consolidated financial statements and significant notes thereto

(1) Consolidated balance sheets

(Millions of yen)

	Previous fiscal year (March 31, 2021)	Current fiscal year (March 31, 2022)
Assets		
Current assets		
Cash and time deposits	74,438	57,184
Notes and accounts receivable	72,962	–
Notes receivable - trade	–	4,647
Accounts receivable - trade	–	68,753
Accounts receivable from completed construction contracts	2,050	2,379
Operating loans	4,255	6,322
Merchandise and finished goods	368,839	356,044
Real estate for sale	28,585	35,542
Costs on construction contracts in progress	5,545	8,172
Work in process	1,254	1,235
Raw materials and supplies	4,352	3,798
Other current assets	54,382	78,825
Allowance for doubtful accounts	(2,027)	(1,622)
Total current assets	614,635	621,279
Non-current assets		
Property and equipment		
Buildings and structures, net	197,027	201,122
Land	199,382	203,087
Lease assets, net	14,113	13,510
Construction in progress	2,906	4,840
Other, net	15,173	14,932
Total property and equipment, net	428,601	437,491
Intangible assets	42,778	40,956
Investments and other assets		
Investment securities	6,715	10,385
Long-term loans receivable	3,676	3,019
Net defined benefit asset	1,839	1,789
Deferred tax assets	40,363	54,102
Guarantee deposits	85,752	77,424
Other assets	30,836	28,081
Allowance for doubtful accounts	(2,595)	(2,858)
Total investments and other assets	166,586	171,942
Total non-current assets	637,965	650,389
Total assets	1,252,600	1,271,668

(Millions of yen)

	Previous fiscal year (March 31, 2021)	Current fiscal year (March 31, 2022)
Liabilities		
Current liabilities		
Notes and accounts payable	106,929	94,564
Accounts payable for construction contracts	13,720	15,037
Short-term loans payable	44,199	60,755
Current portion of long-term loans payable	50,860	50,301
Lease obligations	4,448	4,871
Income taxes payable	29,986	4,677
Advances received on construction contracts in progress	17,285	23,371
Provision for bonuses	10,794	12,063
Other provisions	14,989	4,178
Contract liabilities	–	58,530
Other current liabilities	64,106	63,341
Total current liabilities	357,316	391,688
Long-term liabilities		
Long-term loans payable	123,430	111,112
Lease obligations	12,319	11,102
Provision for directors’ retirement benefits	1,083	796
Provision for product warranties	7,913	1,675
Other provisions	400	218
Net defined benefit liability	30,607	31,523
Asset retirement obligations	35,488	35,787
Other long-term liabilities	11,499	11,489
Total long-term liabilities	222,739	203,702
Total liabilities	580,055	595,390
Net assets		
Shareholders’ equity		
Common stock	71,078	71,101
Capital surplus	84,236	80,989
Retained earnings	560,958	564,883
Treasury stock, at cost	(68,883)	(61,252)
Total shareholders’ equity	647,389	655,721
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities, net of taxes	(269)	(25)
Foreign currency translation adjustments	609	1,404
Remeasurements of defined benefit plans	1,685	(397)
Total accumulated other comprehensive income	2,025	982
Subscription rights to shares	1,579	1,726
Non-controlling interests	21,552	17,849
Total net assets	672,545	676,278
Total liabilities and net assets	1,252,600	1,271,668

(2) Consolidated statements of income and consolidated statements of comprehensive income

(Consolidated statements of income)

(Millions of yen)

	Previous fiscal year (April 1, 2020 to March 31, 2021)	Current fiscal year (April 1, 2021 to March 31, 2022)
Net sales	1,752,506	1,619,379
Cost of sales	1,231,470	1,154,418
Gross profit	521,036	464,961
Selling, general and administrative expenses	428,957	399,257
Operating profit	92,079	65,704
Non-operating income		
Interest income	612	589
Purchase discounts	2,713	2,453
Sales of electric power	1,903	1,905
Other	8,273	6,700
Total non-operating income	13,501	11,647
Non-operating expenses		
Interest expenses	1,361	1,422
Cost of sales of electric power	772	776
Other	4,571	1,016
Total non-operating expenses	6,704	3,214
Ordinary profit	98,876	74,137
Extraordinary income		
Gain on negative goodwill	1,163	–
Gain on sales of non-current assets	86	30
Gain on sales of investment securities	56	216
Gain on sale of shares of subsidiaries and associates	–	191
Gain on revision of retirement benefit plan	–	3,061
Gain on sale of businesses	414	–
Other	720	90
Total extraordinary income	2,439	3,588
Extraordinary loss		
Loss on disposal of non-current assets	1,185	617
Impairment loss	14,030	3,962
Loss on COVID-19	639	209
Loss on disaster	306	1,345
Retirement benefits for directors (and other officers)	43	1,010
Other	7,598	1,050
Total extraordinary losses	23,801	8,193
Profit before income taxes	77,514	69,532
Income taxes-current	36,166	15,960
Income taxes-deferred	(10,319)	1,290
Total income taxes	25,847	17,250
Profit	51,667	52,282
Profit (loss) attributable to non-controlling interests	(132)	1,726
Profit attributable to owners of parent	51,799	50,556

(Consolidated statements of comprehensive income)

(Millions of yen)

	Previous fiscal year (April 1, 2020 to March 31, 2021)	Current fiscal year (April 1, 2021 to March 31, 2022)
Profit	51,667	52,282
Other comprehensive income, net of taxes		
Valuation difference on available-for-sale securities	459	128
Foreign currency translation adjustments	172	764
Remeasurements of defined benefit plans, net of tax	1,145	(2,083)
Share of other comprehensive income of associates accounted for using equity method	(0)	(4)
Total other comprehensive income	1,776	(1,195)
Comprehensive income	53,443	51,087
Comprehensive income attributable to:		
Owners of parent	53,579	49,512
Non-controlling interests	(136)	1,575

(3) Consolidated statements of changes in net assets

Previous fiscal year (April 1, 2020 to March 31, 2021)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity
Balance at April 1, 2020	71,059	84,060	517,944	(38,171)	634,892
Changes of items during the period					
Issuance of new shares	19	18			37
Cash dividends			(8,805)		(8,805)
Profit attributable to owners of parent			51,799		51,799
Purchase of treasury stock				(31,956)	(31,956)
Disposal of treasury stock		(77)		609	532
Change in scope of consolidation			20		20
Purchase of shares of consolidated subsidiaries		232		613	845
Change in ownership interest of parent due to transactions with non-controlling interests		3		22	25
Other changes in the period, net					–
Total changes of items during the period	19	176	43,014	(30,712)	12,497
Balance at March 31, 2021	71,078	84,236	560,958	(68,883)	647,389

	Accumulated other comprehensive income				Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities, net of taxes	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at April 1, 2020	(733)	438	540	245	1,872	8,157	645,166
Changes of items during the period							
Issuance of new shares							37
Cash dividends							(8,805)
Profit attributable to owners of parent							51,799
Purchase of treasury stock							(31,956)
Disposal of treasury stock							532
Change in scope of consolidation							20
Purchase of shares of consolidated subsidiaries							845
Change in ownership interest of parent due to transactions with non-controlling interests							25
Other changes in the period, net	464	171	1,145	1,780	(293)	13,395	14,882
Total changes of items during the period	464	171	1,145	1,780	(293)	13,395	27,379
Balance at March 31, 2021	(269)	609	1,685	2,025	1,579	21,552	672,545

Current fiscal year (April 1, 2021 to March 31, 2022)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity
Balance at April 1, 2021	71,078	84,236	560,958	(68,883)	647,389
Cumulative effects of changes in accounting policies			(31,956)		(31,956)
Restated balance	71,078	84,236	529,002	(68,883)	615,433
Changes of items during the period					
Issuance of new shares	23	23			46
Cash dividends			(14,754)		(14,754)
Profit attributable to owners of parent			50,556		50,556
Purchase of treasury stock				(6)	(6)
Disposal of treasury stock		(6)		51	45
Change in scope of consolidation			17		17
Increase by merger			62		62
Purchase of shares of consolidated subsidiaries		(3,264)		7,586	4,322
Other changes in the period, net					–
Total changes of items during the period	23	(3,247)	35,881	7,631	40,288
Balance at March 31, 2022	71,101	80,989	564,883	(61,252)	655,721

	Accumulated other comprehensive income				Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities, net of taxes	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at April 1, 2021	(269)	609	1,685	2,025	1,579	21,552	672,545
Cumulative effects of changes in accounting policies							(31,956)
Restated balance	(269)	609	1,685	2,025	1,579	21,552	640,589
Changes of items during the period							
Issuance of new shares							46
Cash dividends							(14,754)
Profit attributable to owners of parent							50,556
Purchase of treasury stock							(6)
Disposal of treasury stock							45
Change in scope of consolidation							17
Increase by merger							62
Purchase of shares of consolidated subsidiaries							4,322
Other changes in the period, net	244	795	(2,082)	(1,043)	147	(3,703)	(4,599)
Total changes of items during the period	244	795	(2,082)	(1,043)	147	(3,703)	35,689
Balance at March 31, 2022	(25)	1,404	(397)	982	1,726	17,849	676,278

(4) Consolidated statements of cash flows

(Millions of yen)

	Previous fiscal year (April 1, 2020 to March 31, 2021)	Current fiscal year (April 1, 2021 to March 31, 2022)
Cash flows from operating activities		
Profit before income taxes	77,514	69,532
Depreciation	21,471	23,686
Impairment loss	14,030	3,962
Amortization of goodwill	384	742
Gain on negative goodwill	(1,163)	–
Increase (decrease) in allowance for doubtful accounts	7	(219)
Increase in net defined benefit liability	931	(954)
Interest and dividend income	(741)	(827)
Interest expenses	1,361	1,422
Foreign exchange losses	256	(360)
Gain on sale of investment securities	(41)	(216)
Loss on sale and disposal of property and equipment, net	1,099	587
Decrease (increase) in notes and accounts receivable	(9,817)	(66)
Decrease (increase) in accounts receivable	2,069	1,050
Increase in operating loans receivable	(1,811)	(2,068)
Decrease (increase) in inventories	19,428	3,041
Increase (decrease) in notes and accounts payable	4,733	(11,443)
Increase (decrease) in advances received on construction contracts in progress	(6,016)	5,911
Increase (decrease) in contract liabilities	—	(6,788)
Other, net	14,453	(10,421)
Sub-total	138,147	76,571
Interest and dividend income received	208	334
Interest expenses paid	(1,366)	(1,422)
Income taxes paid	(14,708)	(54,398)
Net cash provided by operating activities	122,281	21,085

(Millions of yen)

	Previous fiscal year (April 1, 2020 to March 31, 2021)	Current fiscal year (April 1, 2021 to March 31, 2022)
Cash flows from investing activities		
Payments into time deposits	(136)	(672)
Proceeds from withdrawal of time deposits	–	636
Purchases of property and equipment	(22,766)	(28,798)
Proceeds from sale of property and equipment	163	141
Purchases of intangible assets	(527)	(757)
Purchase of investment securities	(5)	(3,925)
Proceeds from sales and redemption of investment securities	93	425
Purchase of investments in subsidiaries and affiliated companies	(1,575)	(2)
Payments for guarantee deposits	(1,619)	(2,265)
Proceeds from collection of guarantee deposits	8,161	10,287
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	4,765	25
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(53)	–
Proceeds from sale of shares in subsidiary resulting in change in scope of consolidation	–	1,068
Payment of loans receivable	(2,215)	(266)
Collection of loans receivable	1,041	683
Other, net	(105)	1,154
Net cash used in investing activities	(14,778)	(22,266)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(20,791)	16,470
Proceeds from long-term loans payable	40,100	41,000
Repayments of long-term loans payable	(56,647)	(53,731)
Purchase of treasury stock	(31,956)	(6)
Repayments of lease obligations	(4,573)	(4,573)
Cash dividends paid	(8,810)	(14,744)
Other, net	(160)	(1,063)
Net cash used in financing activities	(82,837)	(16,647)
Effect of exchange rate change on cash and cash equivalents	(151)	485
Net decrease in cash and cash equivalents	24,515	(17,343)
Cash and cash equivalents at beginning of year	48,398	73,760
Increase in cash and cash equivalents resulting from change in scope of consolidation	847	–
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	–	53
Cash and cash equivalents at end of year	73,760	56,470

6. Segment information

1. Overview of reportable segments

   The reportable segments of the Group are constituent units of the Group for which separate financial information is obtainable. These segments are periodically examined by the Board of Directors for the purpose of deciding the allocation of management resources and evaluating operating results.

   The Group's business segments, based on its business domains, comprise its four reportable segments: "Electrical Business," "Housing Business," "Financial Business" and "Environment Business."

   In the "Electrical Business," the Group carries out the sale of home electrical appliances such as TVs, refrigerators and washing machines, and home information appliances such as computers and mobile phones, as well as the provision of renovation services and the sale of housing-related products such as furniture and home interior products. In the "Housing Business," the Group is engaged in the sale of houses, mainly detached houses, as well as the manufacturing and sale of housing equipment such as bathroom equipment and kitchen equipment. In the "Financial Business," the Group provides various financial products in the five areas of new construction, renovation, fund settlement, insurance products, and life planning as part of the services to "Total-Living (Kurashi-Marugoto)." In the "Environment Business," the Group provides reuse, recycling, and recovery of resource services mainly for home electrical appliances and computers.

2. Notes relating to changes in reportable segments, etc.

   The Group had previously set forth "Electrical Business" and "Housing Business" as reportable segments. However, in order to enhance the disclosure of each segment, the Company has changed to a method of adding the following businesses that were included in "Others" as reportable segments: the "Financial Business" and the "Environment Business." Therefore, from the fiscal year ended March 31, 2022, the Company discloses information for the reportable segment classifications of the categories of "Electrical Business," "Housing Business," "Financial Business," and "Environment Business." Furthermore, in line with the intragroup reorganization, part of the real estate related business that was previously included in the "Financial Business" has been included in the "Housing Business," and part of the wholesale related business that was included in "Housing Business" has been included in "Others" from the fiscal year under review.

   Segment information for the previous fiscal year has been prepared based on the reportable segment classification for the fiscal year under review.

   As described in "Changes in accounting policies," the Company has applied the Accounting Standard for Revenue Recognition and relevant revised ASBJ regulations from the beginning of the fiscal year ended March 31, 2022, and changed the accounting treatment for revenue recognition. Accordingly, the Company has similarly changed the method of measuring profit of business segments.

   With this change, net sales of the Electrical Business in the fiscal year under review decreased by ¥103,490 million compared with the previous method, while the impact on net sales of the "Housing Business," "Financial Business," "Environment Business," and "Others" was minimal. The impact of this change on the profit of each segment is minimal.

3. Information about amounts of net sales, profit or loss by reportable segment
Previous fiscal year (April 1, 2020 to March 31, 2021)

(Millions of yen)

	Reportable segments				
	Electrical Business	Housing Business	Financial Business	Environment Business	Total
Net sales					
Sales to external customers	1,503,272	175,682	1,474	13,948	1,694,376
Intersegment sales or transfers	30,320	4,995	278	12,998	48,591
Total	1,533,592	180,677	1,752	26,946	1,742,967
Segment profit (loss)	85,671	4,617	298	815	91,401
Segment assets	1,017,899	141,729	14,440	13,877	1,187,945
Other items					
Depreciation	18,618	1,996	58	117	20,789
Increase in property and equipment and intangible assets	26,174	3,477	37	195	29,883

	Others (Note 1)	Total	Adjusted amounts (Note 2, 3)	Amount recorded in consolidated financial statements (Note 4)
Net sales				
Sales to external customers	58,130	1,752,506	–	1,752,506
Intersegment sales or transfers	12,670	61,261	(61,261)	–
Total	70,800	1,813,767	(61,261)	1,752,506
Segment profit (loss)	(1,880)	89,521	2,558	92,079
Segment assets	31,598	1,219,543	33,057	1,252,600
Other items				
Depreciation	46	20,835	636	21,471
Increase in property and equipment and intangible assets	485	30,368	–	30,368

Notes:
1. The “others” category includes other business segment not included in reportable segments.
2. The ¥33,057 million for adjusted amounts of segment assets resulted from corporate assets that have not been allocated to segments of ¥45,856 million and elimination of intersegment transactions of ¥(12,799) million.
3. The ¥2,558 million for adjusted amounts of segment profit (loss) resulted from elimination of intersegment transactions.
4. Segment profit (loss) is adjusted with operating profit in the consolidated statement of income.

Current fiscal year (April 1, 2021 to March 31, 2022)

(Millions of yen)

	Reportable segments				
	Electrical Business	Housing Business	Financial Business	Environment Business	Total
Net sales					
Sales to external customers	1,284,942	263,084	2,154	14,615	1,564,795
Intersegment sales or transfers	25,860	5,147	293	13,878	45,178
Total	1,310,802	268,231	2,447	28,493	1,609,973
Segment profit	56,185	7,362	429	1,229	65,205
Segment assets	1,007,636	146,878	38,474	15,107	1,208,095
Other items					
Depreciation	19,601	3,226	37	122	22,986
Increase in property and equipment and intangible assets	27,589	4,867	4	1,694	34,154

	Others (Note 1)	Total	Adjusted amounts (Note 2, 3)	Amount recorded in consolidated financial statements (Note 4)
Net sales				
Sales to external customers	54,584	1,619,379	–	1,619,379
Intersegment sales or transfers	10,525	55,703	(55,703)	-
Total	65,109	1,675,082	(55,703)	1,619,379
Segment profit	275	65,480	224	65,704
Segment assets	27,228	1,235,323	36,345	1,271,668
Other items				
Depreciation	59	23,045	641	23,686
Increase in property and equipment and intangible assets	110	34,264	–	34,264

Notes:
1. The “others” category includes other business segment not included in reportable segments.
2. The ¥36,345 million for adjusted amounts of segment assets resulted from corporate assets that have not been allocated to segments of ¥47,093 million and elimination of intersegment transactions of ¥(10,748) million.
3. The ¥224 million for adjusted amounts of segment profit resulted from elimination of intersegment transactions.
4. Segment profit is adjusted with operating profit in the consolidated statement of income.

7. Per share information

	Previous fiscal year (April 1, 2020 to March 31, 2021)	Current fiscal year (April 1, 2021 to March 31, 2022)
Net assets per share	792.26 yen	785.50 yen
Basic earnings per share	62.82 yen	60.96 yen
Diluted earnings per share	62.53 yen	60.67 yen

Note: Basis for calculation of basic earnings per share and diluted earnings per share are as follows:

	Previous fiscal year (April 1, 2020 to March 31, 2021)	Current fiscal year (April 1, 2021 to March 31, 2022)
Basic earnings per share		
Profit attributable to owners of parent (millions of yen)	51,799	50,556
Amount not attributable to shareholder (millions of yen)	–	–
Profit attributable to owners of parent attributable to common stock (millions of yen)	51,799	50,556
Average number of common stock outstanding during the year (thousands of shares)	824,430	829,192
Diluted earnings per share		
Adjustments to profit attributable to owners of parent (millions of yen)	–	–
(Including interest expenses (net of corresponding tax amount) (millions of yen))	(–)	(–)
Number of common stock increased (thousands of shares)	3,944	3,994
(Including subscription rights to shares (thousands of shares))	(3,944)	(3,994)
Potentially issuable shares not included in the calculation of diluted earnings per share because no diluting effect arises	(Consolidated subsidiary) OTSUKA KAGU, LTD. Subscription rights to shares by resolution at the meeting of the Board of Directors held on February 15, 2019 The 1st subscription rights to shares Number of subscription rights to shares: 65,000 units (Common stock: 6,825,000 shares) The 2nd subscription rights to shares Number of subscription rights to shares: 18,000 units (Common stock: 1,890,000 shares)	(The Company) Subscription rights to shares by resolution at the meeting of the Board of Directors held on June 9, 2021 The 2nd subscription rights to shares Number of subscription rights to shares: 18,000 units (Common stock: 1,098,000 shares)

8. Significant subsequent events

Transaction under common control

(Conversion into wholly-owned subsidiaries through simplified share exchange)

Based on the meeting of the Board of Directors held on February 10, 2022, the Company executed a share exchange, whereby the Company becomes the wholly-owning parent company and Hinokiya Group Co., Ltd. (hereinafter referred to as "Hinokiya Group") becomes the wholly-owned subsidiary (hereinafter referred to as the "Share Exchange"), as of the effective date of April 27, 2022.

(1) Summary of transaction

a. Name and description of business of the wholly-owned subsidiary resulting from a share exchange

Name of the wholly-owned subsidiary resulting from a share exchange:	Hinokiya Group Co., Ltd.
Description of business:	Housing, real estate investment, thermal insulation materials, renovation, and other businesses

b. Date of business combination

April 27, 2022

c. Legal form of business combination

The Share Exchange was one whereby the Company became the wholly-owning parent company and Hinokiya Group became the wholly-owned subsidiary. In accordance with Article 796, Paragraph 2 of the Companies Act, the Share Exchange was conducted by the Company through a simplified share exchange procedure that did not require approval by a resolution of the shareholder's meeting. For Hinokiya Group, the Share Exchange Agreement was approved at the Ordinary General Meeting of Shareholders of Hinokiya Group held on March 29, 2022. The Share Exchange took effect on April 27, 2022.

d. Name of the company after business combination

The name will not be changed.

e. Purpose of the Share Exchange

・To further strengthen the collaborative relationship

・To establish a structure that enables swift and flexible decision-making and thorough implementation of policies within the Group

(2) Summary of accounting applied

The transaction is accounted for as a transaction with non-controlling shareholders in the category of transactions under common control in accordance with "Accounting Standard for Business Combinations" (ASBJ Statement No. 21) and "Guidance for Accounting Standard for Business Combination and Divestitures" (ASBJ Guidance No. 10).

(3) Matters concerning the acquisition of additional shares in subsidiary

a. Acquisition cost and breakdown by type of consideration

Consideration for the acquisition (common stock)	¥14,740 million
Acquisition cost	¥14,740 million

b. Stock type, exchange ratio, and number of shares delivered

	The Company (wholly-owning parent company)	Hinokiya Group (wholly-owned subsidiary)
Allotment ratio for the Share Exchange	1	6.2
Number of shares delivered in the Share Exchange	Common stock of the Company: 39,204,615 shares	

(Note 1) Share allotment ratio

For each share of Hinokiya Group, 6.2 shares of the Company's common stock (hereinafter referred to as the "Company's Shares") are allotted. However, no shares are allotted in the Share Exchange for the Hinokiya Group Shares which the Company holds (6,327,659 shares).

(Note 2) Number of the Company's Shares delivered in the Share Exchange

Upon the Share Exchange, the Company delivered the number of the Company's Shares calculated based on the Share Exchange Ratio to the shareholders of Hinokiya Group (referring to the shareholders after the cancellation of treasury stock as described below and excluding the Company) as of the time immediately prior to the time at which the Company acquired all of the issued shares in Hinokiya Group (excluding the Hinokiya Group Shares held by the Company) under the Share Exchange (hereinafter referred to as the "Record Time"), in exchange for Hinokiya Group Shares being owned by these shareholders. The Company used its 39,204,615 treasury shares as shares delivered through the Share Exchange, and did not issue new shares upon allotment to the Share Exchange.

c. Rationale and reason for allotment in the Share Exchange

In order to ensure fairness and appropriateness in calculating the Share Exchange Ratio described in b. "Stock type, exchange ratio, and number of shares delivered" above, the Company and Hinokiya Group, respectively and separately, decided to request a third-party valuation institution independent from them to calculate the share exchange ratio. The Company appointed Nomura Securities Co., Ltd., and Hinokiya Group appointed YAMADA Consulting Group Co., Ltd. as the third-party valuation institutions.

The Company and Hinokiya Group conducted careful examinations based on the results of due diligence, etc. that each company respectively carried out with respect to the counterparty while referencing the calculation result of the share exchange ratio submitted to them by the respective third-party valuation institution, and held careful discussions and negotiations concerning the Share Exchange Ratio, giving comprehensive consideration to various factors, such as the financial conditions, business performance trends, future outlook and share price trends of both companies. As a result, the Company and Hinokiya Group judged that the Share Exchange Ratio is appropriate for the respective shareholders and, at the respective Board of Directors' meetings of both companies held on February 10, 2022, decided to conduct the Share Exchange at the Share Exchange Ratio and concluded and conducted the Share Exchange Agreement between the two companies.

(Merger between subsidiaries)

Based on a resolution at a meeting of the Board of Directors held on February 14, 2022, the Company conducted an absorption-type merger (the "Merger"), whereby YAMADA DENKI CO., LTD. (hereinafter referred to as "YAMADA DENKI"), a consolidated subsidiary of the Company, will be a surviving company and OTSUKA KAGU, LTD. (hereinafter referred to as "OTSUKA KAGU"), a consolidated subsidiary of the Company, will be a dissolving company as of the effective date of May 1, 2022.

(1) Summary of transaction

a. Name and description of business of companies involved in business combination

Name of surviving company:	YAMADA DENKI CO., LTD.
Description of business:	Home electrical appliances and home information appliances sales business and housing-related product sales business
Name of dissolving company:	OTSUKA KAGU, LTD.
Description of business:	General sales of furniture, home electrical appliances and home interiors

b. Date of business combination

May 1, 2022

c. Legal form of business combination

Absorption-type merger, with YAMADA DENKI CO., LTD. as the surviving company and OTSUKA KAGU, LTD., as the dissolving company.

e. Name of the company after business combination

YAMADA DENKI CO., LTD.

f. Other matters relating to the transaction

Both YAMADA DENKI and OTSUKA KAGU, under mutual cooperation, have worked on sale of merchandise of OTSUKA KAGU at YAMADA DENKI and handling of electronic appliances at OTSUKA KAGU stores, acquisition of orders from corporate customers through collaboration with the corporate sector, mutual acquisition of know-how on sale of furniture and electronic appliances through temporary assignment of employees from OTSUKA KAGU to YAMADA DENKI and YAMADA HOLDINGS, development of human resources, and other initiatives.

The purpose of the Merger is to further deepen these initiatives, and bring together know-how and managerial resources of OTSUKA KAGU to YAMADA DENKI under the concept of "We support you living a delightful life. Entirely." to combine furniture and home interior products with electrical appliances, as well as to realize higher corporate value through strengthening of seamless marketing and sales by integrating the both companies, improvement of convenience for customers, increase in efficiency in terms of administration, prompt implementation of the Group's management strategy, achievement of SDGs, and initiatives for ESG, sustainability management, etc.

(2) Summary of accounting applied

The transaction was accounted for as a transaction in the category of under common control in accordance with "Accounting Standard for Business Combinations" (ASBJ Statement No. 21) and "Guidance for Accounting Standard for Business Combination and Divestitures" (ASBJ Guidance No. 10).

(Acquisition of treasury stock)

At the meeting of the Board of Directors held on May 6, 2022, the Company approved a resolution regarding matters related to acquisition of treasury stock pursuant to the provisions of Article 156 of the Companies Act, as applied by replacing the relevant terms pursuant to the provisions of Article 165, paragraph 3 of the same Act, as described below.

1. Reason for acquisition of treasury stock

   In order to implement a flexible capital policy that can meet changes in the business environment and to enhance the return on profits to shareholders through improvements in capital efficiency

2. Details of matters related to acquisition

(1) Class of shares to be acquired	Common stock
(2) Total number of shares to be acquired	200,000,000 shares (maximum) (23.9% of total number of issued shares excluding treasury stock)
(3) Total amount of share acquisition costs	¥100,000 million (maximum)
(4) Acquisition period	May 9, 2022 to May 8, 2023
(5) Method of acquisition	Open-market purchase

* Depending on market trends, etc., all or part of the acquisition may not be completed.