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We support you living a delightful life. Entirely.

INTEGRATED REPORT 2021



From YAMADA DENKI to YAMADA HOLDINGS

In October 2020, YAMADA DENKI forged a new beginning as YAMADA HOLDINGS.

This change has been made to bolster the strengths of every company within the Group bringing them all together to support more strongly than ever before a ‘total-living’ concept for everyone, from home appliances that make everyday life more convenient and enjoyable, to housing that is the very basis of daily life.

While retaining our ideas of “Creation and Challenge” as set out in our management philosophy, we will continue to be the YAMADA everyone knows. A company that fulfills all life’s needs through a range of services that understands well the demands of society.

Editorial Policy

The YAMADA HOLDINGS Group publishes the YAMADA HOLDINGS Group Integrated Report, providing an integrated report of financial and non-financial information in order to gain a deeper understanding of the Group’s corporate value for the benefit of all its stakeholders, including shareholders and investors.

This report highlights the latest ESG activities and progress the YAMADA HOLDINGS Group has been doing through its business. Activities which strive for sustainable growth and improved corporate value based on the priority issues the Group identified in the fiscal year ended December 2019 for achieving the SDGs.

•Scope of Activities Covered by the Report

This report covers the activities and performance of the YAMADA HOLDINGS Group. Instances of ‘YAMADA HOLDINGS Group’ or ‘the Group’ throughout this report purport to YAMADA HOLDINGS CO., LTD. and its affiliated operating companies.

•Period Covered by the Report

April 1, 2020 - March 31, 2021 (FY2021) (Some activities in the fiscal year ending March 2022 (FY2022) also included.)

•Published

September 2021 (Previous issue: September 2020, next issue scheduled: September 2022)

•Guidelines Referred to

The Global Reporting Initiative’s Sustainability Reporting Standards 2016/2018/2019/2020
The International Integrated Reporting Framework (IIRC)
The Ministry of Economy, Trade and Industry’s Guidance for Integrated Corporate Disclosure

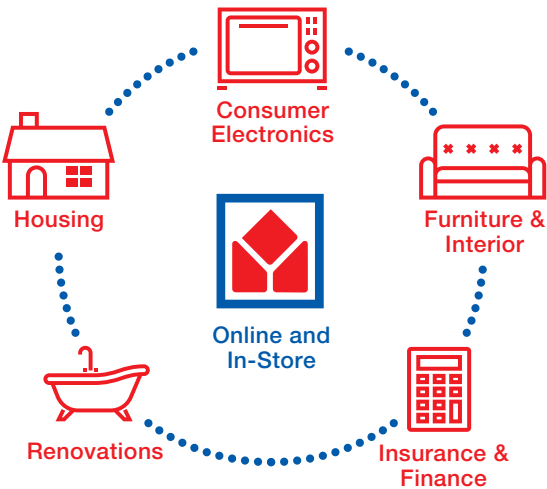
•Disclaimer

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Noboru Yamada

Representative Director,
Chairperson and CEO

Continuing to show our presence amid various changes as a company indispensable to the fabric of society

Full-scale move to a holding structure

The fiscal year ended March 2021 was a year full of uncertainty owing to the historical difficulties associated with the Covid-19 outbreak. Amid such a pandemic however, customers were reminded of our significance as a Group, with its main business centered on home appliances, underpinning people's very way of life. While we were forced to run the business amid a postponement to the Tokyo Olympic Games and a consumer reaction to the consumption tax hike in the previous fiscal year, the result was an increase in sales and profits. This only goes to show that our structural reforms for a more "connected management" saw the completion of our move to a holding company in October 2020 as a resounding success.

The fiscal year ending March 2022 will be the year when the holdings system officially starts. Behind this shift to a holding company structure was our absolute need to break away from our business centered primarily on home appliances and consumer electronics. Our first big move in that direction was our introduction of the branch office system in October 2019, dividing YAMADA DENKI (non-consolidated) into 13 branch offices (after the merger of our home appliance subsidiaries on July 1, 2021, the company transitioned to 11 branch offices). Measures are taken at each of these branch offices, such as the proper management of high-quality inventories, in order to improve our management structure with an emphasis on profitability. And through this holding company structure, we have encouraged independent business activities in our new areas of housing, finance, and environmental resource development by stipulating the authority and responsibilities of each operating company. In this way, we have established a system to further strengthen management efficiency and governance throughout the entire Group, taking us to a stage where results will manifest themselves in the future.

Specifically, we plan to open 30 new stores a year, mainly large stores in suburban areas, that encapsulate the Yamada ethos—"We support you living a delightful life. Entirely." In addition to home appliances and consumer electronics, we will work to expand our market share by developing a new type of store, Tecc LIFE SELECT, which features a wide range of products from furniture and goods for the home, to regular household

goods. We also plan to expand our high-margin SPA products in the areas of furniture and home interior. Meanwhile, with respect to online sales, we are aiming to bring together our online shopping store and TV shopping by taking advantage of our nationwide store network. Our YAMADA web.com stores are unique in being able to deliver this integration of the online world with the real where services are provided by sales engineers and a wide range of products are price matched with those on our official online store, our so called "trust prices".

Promoting ESG initiatives in line with current circumstances

The business environment surrounding the Group is rapidly changing, and I am keenly aware that the role that companies are expected to play in achieving the universal goal of sustainability is increasing. YAMADA HOLDINGS advocates a 'total-living' strategy in consumer electronics and home appliances, furniture and home interiors, renovations and home builds. Within this approach the Group is helping to lessen society's impact on the environment to fulfill its responsibilities as a retail store by creating a system that focuses on reuse and recycling to keep the life cycle of a product completely within the Group. And plans are also underway to build an incinerator power plant with the aim of reducing the amount and volume of non-recyclable waste. As an environmental business, we would like to contribute to the environment in a way that produces profits and promotes ESG initiatives in line with current circumstances.

The Group, needed as a company indispensable to the fabric of society, must always be there for the consumer even amid various social changes for it to survive well into the future. Our business model, championing the 'total-living' strategy, has shown just how original and unique it is only because we have been able to change flexibly by seeing changes in society and with our stakeholders. On the other hand, we also need something that is rooted in our business, something not affected by change. This, for the Group, is our management philosophy of "Creation and Challenge". By following this approach we will continue to be a company that is needed by society, even in a world of sustainability.

A corporate group working as one under the ‘total-living’ strategy

Tsuneo Mishima

Representative Director,
President and COO



The holding company is our new starting line

It has been four years since I joined YAMADA DENKI, as it was called then. Under the chairpersonship of the founder Noboru Yamada, the Company set out to specialize in the housing aspect of the three essentials; food, clothing, and shelter. As the Company embarked on its journey into the new business areas of housing, finance, and environmental resource development under its strategy of ‘total-living’, it has been a major step forward to see over these past four years how each operating company has taken on a theme and is functioning properly.

The Group has a history of expanding its business under the strong leadership of Noboru Yamada. And it is the speed of the Group’s decision-making which has helped it to make such great strides forward. But when we consider the future of our Company, we need to refine the entity of management, laying out exactly where authorities and responsibilities lie. The idea of moving to a holding company structure in October 2020 was intended to give independence to each of the operating companies, and I feel that by being able to do this we have set ourselves a new starting line.

Nonetheless, drawing up a concrete growth strategy as a Group, making it in such a way to bring together all management from across the operating companies, a so called “connected management”, is indeed a challenge for the future. The retail stores are by

no means perfect when they are first launched. Every day, the stores need to listen to feedback while interacting with customers so they can create a shop floor which is easier for the consumer to shop. For example, even with the internal split at YAMADA DENKI, I think it is important for the 11 spin-off companies to change into a type of retail business tailored specifically for their respective regions.

Improving our ability to make proposals to develop our ‘total-living’ strategy

From 2009 to 2011, when the consumer electronics business was at its peak, sales of home appliances increased significantly buoyed by government measures such as the transition to digital television and the eco-point program. The situation was such that anyone in the consumer electronics industry could make sales without doing anything, but the recoil following this period made for a very trying market.

In the fiscal year ended March 2021, the Group increased sales and profits by capturing demand for staying at home due to Covid-19 pandemic. Although efforts to improve profitability over the years have been successful, this quite unexpected demand did not come about because of our own endeavors. If the current pandemic did not occur and we did not constantly try to improve, history would no doubt repeat itself. But

what is different to the years before is that this time we have our strategy of ‘total-living’. This strategy gives us the grounds to come up with new ideas while making the most of aspects in each segment, in environmental resource development, finance, and housing with a focus on home appliances.

The ‘total-living’ strategy, which puts forward a complete lifestyle package, can be thought of in another way as a business model for creating new demand through the ingenuity and efforts of the seller. For example, many people buy new home appliances and furniture not because they are broken but because they want them. We also have the potential to provide the consumer with a complete package for their home appliances and furniture in the color combination of their choice at reasonable prices. Customers satisfied with these proposals we make in store will become customers for life, so with this in mind, we want to continue to promote our strategy of ‘total-living’.

Confronting the management and ESG issues in front of us

In response to revisions to Japan’s Corporate Governance Code, companies are now required to focus more on sustainability. In December 2019, the Group identified three important issues for achieving the SDGs

as a guideline for building a sustainable society. The two issues of “providing comfortable living spaces and the establishment of a social system” and “building a circular economy and protecting the global environment” are closely tied to the Group’s main business. The first, as a part of our ‘total-living’ strategy, and the second, as taking responsibility for selling products that ultimately lead to waste, are issues which need to be confronted head on and for which concrete actions need to be taken. As such, in March 2021, we announced our support for the TCFD recommendations as part of our global environmental conservation. The third issue of “developing employees and improving the work environment” is an urgent issue for the sustainable growth of the Group. To this end, while creating an educational environment that maximizes growth opportunities for employees, we will promote efforts to build a work environment not biased by gender in an effort to raise the level of the whole Group.

In 2023, just two years from now, the YAMADA HOLDINGS Group will celebrate its 50th anniversary. So that we can talk about the next 50 years with pride, we must first squarely face the management and ESG issues in front of us and become an organization with each Group company working as one. In this way, we will continue to be YAMADA, essential to society now and in the years to come.

A History of Value Creation

With its management philosophy of “Creation and Challenge” in mind, the YAMADA HOLDINGS Group has maintained growth by actively promoting a business approach which looks towards future management, strengthening its financial position through steady implementation of capital policies, and strengthening the base of its management resources.

Our Management Philosophy

Creation and Challenge

With Appreciation and Trust, Yamada Holdings aims to be a strong company, to increase corporate value on a company-wide scale for the sake of contributing to society.

1973

Founded



Founded by the current chairperson, Noboru Yamada, when he opened the Yamada Denka Service electronics store in Maebashi City, Gunma Prefecture.

1978

5 stores
Annual sales ¥600 million

1997

Established CIC

FY1997

Sales of ¥100 billion

1983

Established YAMADA DENKI CO., LTD.

1989

Went public

2000

Listed on First Section of TSE



2001

The first Yamada Point Cards are issued



2001

Started home appliance reuse business with CIC for TVs, refrigerators and washing machines

2004

Established the YAMADA DENKI Women's Track & Field Team



2006

Established Yamada Financial
Issued the first Yamada LABI card

2007

Started PC reuse and recycling business with INVERSENET

2007

Established CSR department

FY2005

Sales of ¥1 trillion

2004

Established employee training center “Soseijuku”



FY2010

Sales of ¥2 trillion

Five years since sales of 1 trillion yen were first achieved in 2005 by a domestic consumer electronics retailer-bolstered by more urban large-scale LABI and a nationwide chain of stores. Strong push for overseas store expansion.

2019

Otsuka Kagu becomes a subsidiary

2018

Established Yamada Homes

2016

Established YAMADA FINANCE SERVICE

2011

Acquisition of SxL

2013

Launched official online store, Yamada Web Com

2010

Released the Yamada app for smartphones

2012

BEST DENKI becomes a subsidiary
Azuma Metal becomes a subsidiary



2018

Launched the ‘total-living’ strategy



In addition to selling home electronics and furniture for the home, the Group launched its ‘total-living’ strategy, a complete package for living spaces encompassing new build homes, remodeling, and real estate.

2021

Established YAMADA JUKEN HOLDINGS



As part of the Group's move to strengthen the housing sector, something which it has been working on since the early 2010s, three consolidated subsidiaries engaged in housing and construction-related businesses were merged, and two companies were established as wholly owned subsidiaries. These mergers and incorporations have greatly helped to further expand the Group's housing business and strengthen its management base.

2020

The Hinokiya Group becomes a subsidiary

2020

Established YAMADA Environmental Resources Development Holdings

Established to strengthen environment-related fields in the home appliance sales business and housing business, and to expand business in the reuse and recycling of products and equipment. The company provides a resource recycling system within the Group helping to achieve a circular economy.

2021

Integrated consumer electronics businesses into YAMADA DENKI

Conducted an absorption-type merger combining seven consumer electronics retailers, including BEST DENKI, into YAMADA DENKI.

2020

Move to a holding company structure

Shifted to a holding company to further accelerate structural reforms implemented to strengthen existing businesses and develop new markets. By separating management and supervision from business execution, the Group has further strengthened its governance structure.

1970

From a small electrical store to a nationwide chain of stores

2000

Aspiring to be the number one consumer electronics retailer in Japan

2010

Striving to move from just consumer electronics into new areas

2020

Developing the ‘total-living’ strategy

Store formats



Affiliated electronics store



Multi-manufacturer retailer



Tecc Land



LABI



Outlet stores



Kaden Sumairu Kan



web.com stores



Tecc LIFE SELECT

What Is 'Total-Living'?

The YAMADA HOLDINGS Group is developing businesses that altogether support everyone's lives through a diverse network of nationwide stores and online services. Here we show YAMADA's goal of 'total-living', from shopping for home appliances and furniture, to advice on housing and living, and how to live an environmentally friendly lifestyle.

START

From a YAMADA store near you

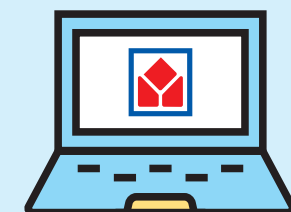
YAMADA is a store where you can find new products whenever you come. It's fun and exciting even when just looking around. These days you can even buy a house!

Waste-to-Energy Plant
Heat from incinerated waste is used to generate electrical energy
* Scheduled to start operation in 2024

Recycling Plant
Items are dismantled and crushed then separated by material

Reuse Plant
Items are checked, repaired, and cleaned, etc.

Website



As well as Yamada Web Com, the official online store which makes use of our nationwide delivery network, the complete online shopping site, Yamada Mall, has a whole range of products not previously handled by YAMADA DENKI all at great prices.

- Yamada Web Com
- Yamada Mall, etc.



Sold at outlet stores

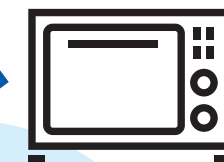
In-store

"We support you living a delightful life. Entirely."
YAMADA stores near you with a wide selection of home appliances, furniture, home interiors, and household goods, etc.

- Kaden Sumairu Kan
- LABI
- Tecco Land
- Outlet stores
- web.com stores
- LIFE SELECT, etc.



Home Appliances



Furniture and Interiors



Housing and Renovation



Delivery, Installation, and 'Living' Advice



YAMADA's unique specialists are sales engineers who handle everything from dealing with customers in-store, to delivery, installation, and after-sales service, and who also respond to customer's 'living' concerns.

Housing Advice



Proposing a total renovations package, from home exteriors and roofs to interiors, kitchens and bathrooms, as well as high-quality custom-built homes that leverage the strengths of the YAMADA HOLDINGS Group. Real estate related services are also provided, such as help finding an apartment and financial advice.

Buy Back & Collection



We can probably still use it so get your unwanted furniture and home appliances recycled at YAMADA!

Home appliances and computers are collected or bought back from customers with the remanufactured products sold at outlet stores. Products that cannot be reused are recycled to every extent possible.

Living

I can't believe that the salesperson who dealt with me in-store is the same person who delivers and installs my product!



After-Sales Service

Broken small home appliances are received in-store then sent off to the repair center or manufacturer for repair. For larger home appliances, a repair person can visit your home. Items purchased from other stores can also be serviced.



New Builds & Renovations



Reservations for visiting show homes in different locations can be made on the Hinokiya Group and Yamada Homes websites. All enquiries are dealt with by highly qualified staff. Enquiries can also be made online from the comfort of your own home.

Home Diagnostics

To protect the value of your home we provide a one-stop service, from a home-build quality inspection to maintenance after moving in and support for home living thereafter.



A safe and secure Yamada home chosen by the whole family. Yamada has all the furniture and home appliances you need so you can collect plenty of Yamada points for even more great deals. We're here for you always!



Disaster-Proof Homes

Yamada is working on disaster-proof homes for the safety and security of people's lives. Utilizing its expertise as a consumer electronics retailer, Yamada is also a specialist in cutting-edge smart homes.



Solar power systems



AI off-grid system storage batteries

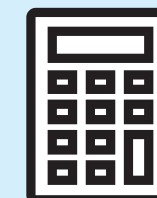


Water generators

Yamada Electric

A great electricity tariff where you can earn Yamada points on the electricity you use.

Insurance & Finance



Yamada also provides a range of services which give peace of mind in your life!

Insurance

As the insurance arm of the YAMADA HOLDINGS Group's financial business, we develop and provide various insurance products that have a high affinity with the "total-living" strategy.

Mortgages

We are aiming to be a partner to make customer dreams come true by providing various financial products with better terms.

Yamada LABI Card

The perfect credit card for shopping at YAMADA DENKI offering the same amount of Yamada Points for purchases made by card as by cash.



Purchase



Save and use Yamada Points

Living

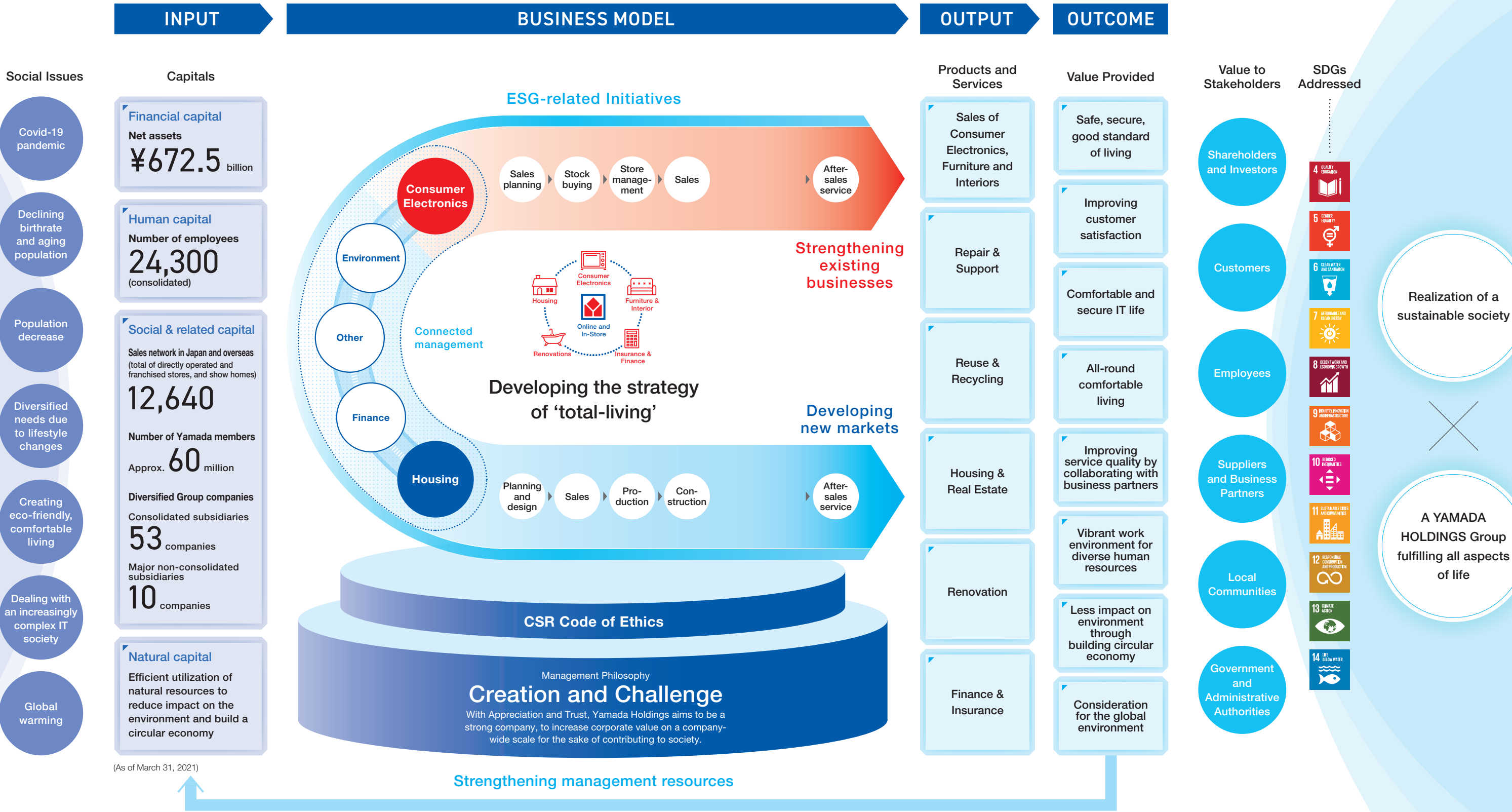


Save and use Yamada Points

Process of Enhancing Corporate Value

The YAMADA HOLDINGS Group has been carrying out various business activities using diverse funding for solving environmental and social issues.

In anticipation of social changes and issues we will endeavor to further enhance the social value of the YAMADA HOLDINGS Group through the development of a solutions-based business that leverages synergies of the Group.



Priorities Toward Achieving the SDGs

Through its business activities, the YAMADA HOLDINGS Group is actively working to achieve the Sustainable Development Goals (SDGs).

The Process to Define Our Priorities Toward Achieving the SDGs

In September 2015, the United Nations Sustainable Development Summit declared the Sustainable Development Goals (SDGs) consisting of 17 goals and 169 targets for UN member states to achieve by 2030. Not only national governments but also private companies are expected to actively participate towards achieving these goals. The YAMADA HOLDINGS Group is working to promote understanding and penetration of the SDGs in line with the SDG Compass. In December 2019, the Group set out its important issues for achieving the SDGs in order to make further contributions.



STEP 1

Understanding the SDGs

As a first step, we are making the following efforts to familiarize ourselves internally with the SDGs.

- 1. Carrying out training on the SDGs
- 2. Handing out SDGs badges
- 3. Sending out information in our newsletter
- 4. Prominent messages and posters in the headquarters

STEP 2

Defining priorities

We assessed our business and CSR activities for the 17 goals and 169 targets. We then selected 11 of the SDGs that we will focus on from the following five perspectives, setting out the priorities for achieving them.

- 1. Consistency with management philosophy
- 2. Level of contribution to achieving SDGs
- 3. Can the YAMADA HOLDINGS Group make any unique contributions?
- 4. Industry trends
- 5. Consistency with the implementation guidelines set out by the Japanese government

STEP 3

Setting goals

We will set specific efforts and KPIs for the important issues that we have set, and carry out a PDCA cycle.

STEP 4 / STEP 5

- Integrating into business
- Reporting and communicating

From now on we have been incorporating our specific efforts and their KPIs into our management plan. We will report the progress on a regular basis, thereby promoting dialogue with our stakeholders.

Priorities Toward Achieving the SDGs



Providing comfortable living space and establishing a social system

By offering not only consumer electronics, furniture and renovations, but also a 'total-living' package, we will become a necessary part of society and will be able to become a Yamada Denki Group supporting customers' living spaces.



Building a circular economy and protecting the global environment

By reusing and recycling second-hand home appliances and furniture, we will contribute to the formation of a circular economy, and will focus our efforts on using renewable energy as well as developing and selling eco-friendly products.



Developing employees and improving the work environment

We believe that people are the most important factor in our business operations. As such, we will educate our employees, promote diversity, and build a work environment that maintains a good work-life balance to achieve sustainable business development.



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- Basic Approach
- Customer Satisfaction Initiatives
- Human Resource Development and Training in Response to Customer Feedback

» P. 48

- Environmental Management
- Reducing Waste and Resource Recycling
- Preventing Global Warming

» P. 54

- Basic Approach
- Securing, Developing and Appraising Human Resources
- Promoting Diversity
- Promoting a Good Work-life Balance
- Health and Safety at Work
- Respect for Human Rights

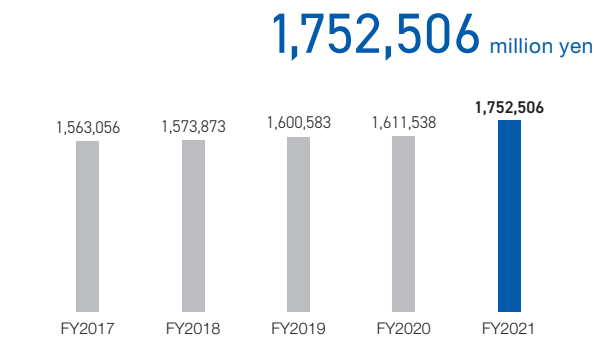
Medium to Long-term Policies

Priorities Towards Achieving the SDGs	Initiative	Medium to Long-term Policy
Providing comfortable living space and establishing a social system	Improve Customer Satisfaction	Continue to implement proposals that support customers' living spaces
Building a circular economy and protecting the global environment	Reducing Waste and Resource Recycling	Work on waste reduction and resource recycling through reuse and recycling systems
	Preventing Global Warming	Reduce impact on the environment by using energy efficiently and using renewable energy
Developing employees and improving the work environment	Secure, Develop and Appraise Human Resources	Conduct human resource management that values 'people' as the most important part of business through developing human resources and their abilities
	Promote Diversity	Strengthen management of diversity so that a diverse group of human resources can maximize their abilities
	Promote a Good Work-life Balance	Enhance system for good work-life balance and improve the work environment
	Health and Safety at Work	Promote the safety and health of employees and maintain a work environment where employees can work with enthusiasm and peace of mind
	Respect for Human Rights	Establish and operate a system for fostering awareness of human rights

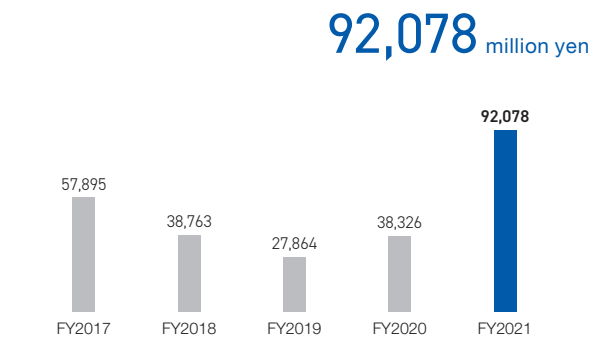
Financial & Non-Financial Highlights

Financial Information

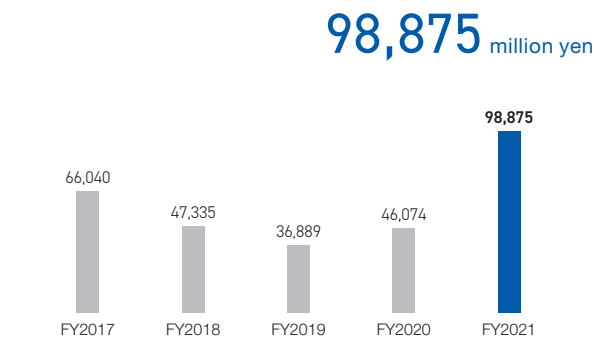
Net Sales (million yen)



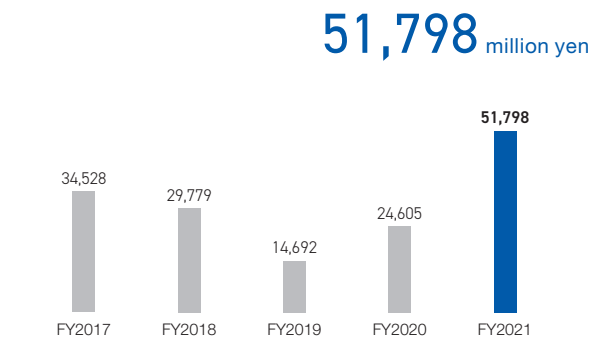
Operating Profit (million yen)



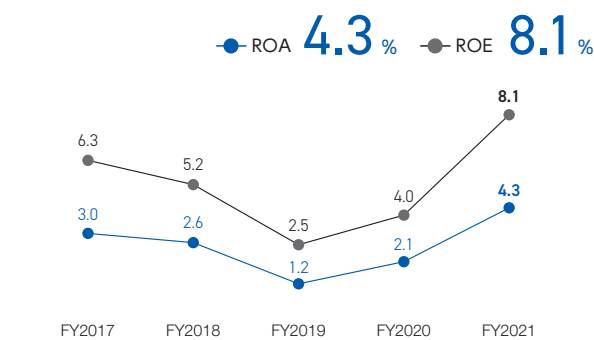
Ordinary Profit (million yen)



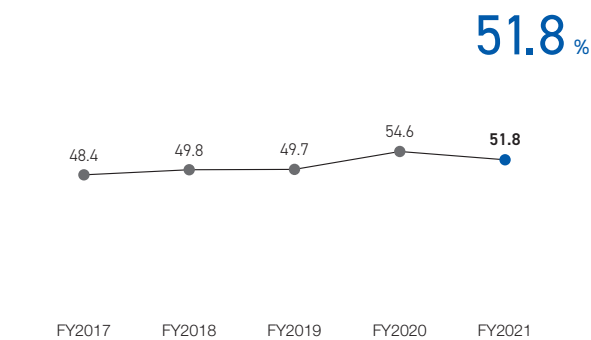
Profit Attributable to Owners of Parent (million yen)



ROA, ROE (%)



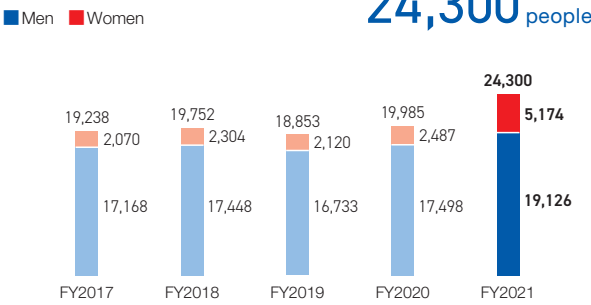
Equity Ratio (%)



Non-Financial Information

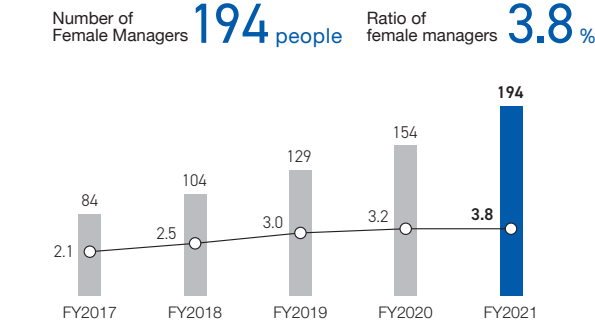
Number of Full time Employees

As of each fiscal year ended March 31



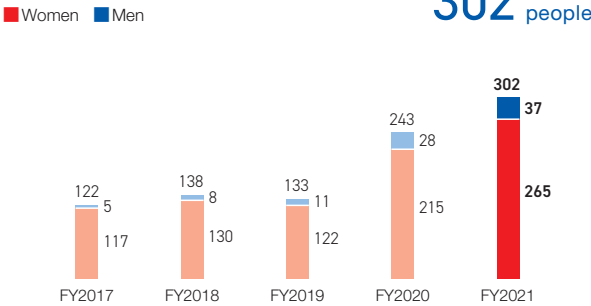
Number and Ratio of Female Managers (people, %)

As of each fiscal year ended March 31



*Full-time employees only

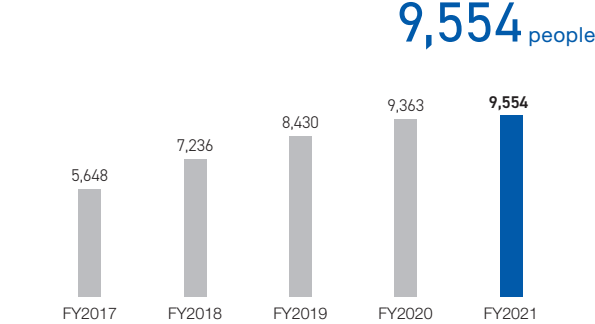
Number of Employees Taking Childcare Leave



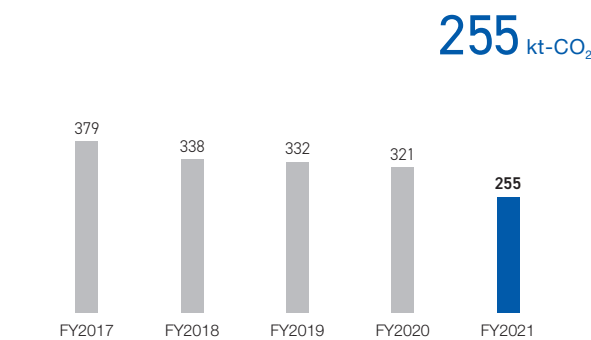
*Full-time employees only

Total number of Certified Home Appliance Advisors and Smart Masters

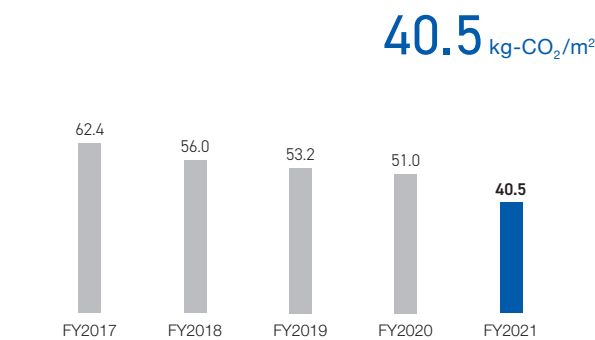
As of each fiscal year ended March 31



CO₂ Emissions from Electricity Use (kt-CO₂)



CO₂ Emissions per Floor Area (kg-CO₂ /m²)



*1 Emission factor: 0.55kg-CO₂ /kWh was used until the fiscal year ended March 2020, but from the fiscal year ended March 2021 it has been changed to the latest emission factor for each electric utility.

*2 Targets: YAMADA HOLDINGS and its major operating companies

Business Progress

Consumer Electronics



Tatsuo Kobayashi
YAMADA DENKI CO., LTD.
Representative Director, President

While Covid-19 pandemic continues to have a long-term impact on society as a whole, in the fiscal year ended March 2021 many customers visited our stores, mainly in suburban areas. This shows once again how important we are as a Company offering a wide array of products that benefit people’s lives. However, with various social changes taking place, such as the declining birthrate, aging population, and global warming, consumer attitudes are moving away from a “want” based consumption to a consumption based more on “needs,” so it is important for us to be able to propose products, not based solely on price, but by also identifying the needs of our customers. Going forward, we will continue to focus on refining our ‘total-living’ concept so we can always meet the latest needs of our customers while making the most of YAMADA DENKI’s diverse and wide-ranging network. In addition, as a Company that works with the local community, we will contribute to the sustainable development of the whole Group by making efforts to reduce our impact in the environment by promoting reuse and recycling and by improving the working environment for employees.

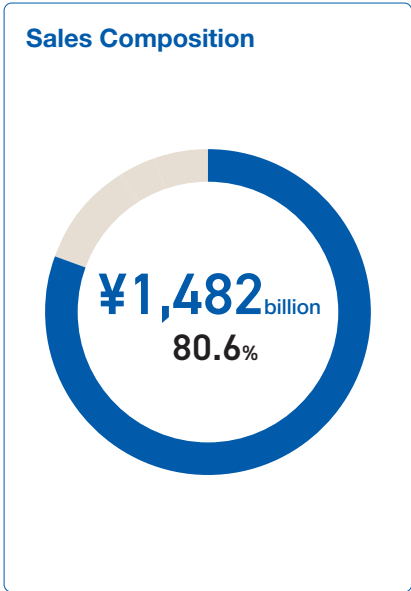
Risks and Opportunities

Risks

- Slowdown in consumer spending in line with increased needs to protect household budgets
- Economic recession due to Covid-19 pandemic
- Concerns about product supply due to semiconductor shortage
- Reduced business hours and customers visiting stores under a state of emergency
- Increased costs due to rising logistics costs, and increased labor costs due to shortage of labor

Opportunities

- Increased demand for e-commerce
- Increased demand for services and equipment due to more people working from home
- Increased demand for 5G equipment
- Increased demand for nest-dweller products with more people staying at home in line with new lifestyles
- “Total-living” proposals with all our products and services



Business Strategy

We will further promote our ‘total-living’ strategy that proposes a combination of consumer electronics, furniture, interiors, and household goods that meet the diverse needs and market environment of our customers. This can be achieved through our network of stores, including Tecc Land, our urban stores known as LABI, Kaden Sumairu Kan, our outlet stores, web.com stores, and our new type of store known as Tecc LIFE SELECT. And as well as aiming to further enhance our e-commerce strategy to respond to the rapid progress of digitalization in society amid the Covid-19 pandemic, we will strengthen services at our YAMADA web.com stores, which bring together the internet with the physical world. We will also improve the quality and quantity of the services provided by our sales engineers, a unique initiative that leverages the strengths of our nationwide brick and mortar stores. We will strive to open outlet stores and improve services that will lead to less waste in an effort to build a circular economy promoted by the whole Group.

Major Initiatives and Results in Fiscal 2021

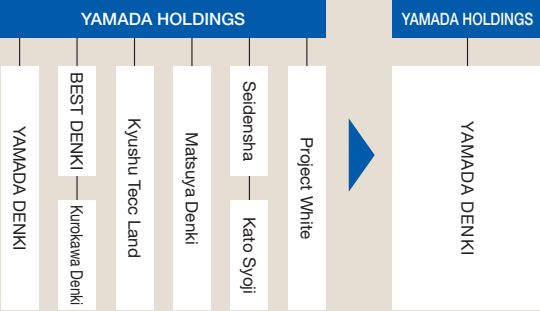
While conducting sales in accordance with government and local government guidelines, giving top priority to ensuring the safety of customers, employees, and all other relevant people at every store nationwide in response to the pandemic, we have promoted the shift to sales based around our ‘total-living’ proposals with consumer electronics at the heart of this lifestyle framework. Although the number of customers to our urban stores decreased significantly due to more people staying at home, less people visiting from outside areas, and shorter business hours, against the backdrop of increasing demand for suburban stores and e-commerce, sales increased buoyed by demand for so called nest-dweller products and replacement demand with people receiving special fixed benefits. Furthermore, in addition to maximizing sales, strengthening competitiveness and reducing costs through painstaking management by region under the branch manager system introduced in October 2019, the profits of the Consumer Electronics segment have increased significantly due to a wider range of SPA products that other companies do not have, and our price match program with cash discounts and points.

Challenges and Prospects for Fiscal 2022

The retail industry can expect to see continued tough times ahead as the end to the Covid-19 pandemic remains uncertain. In addition, there are concerns about a recoil to so called nest-dweller demand, working from home, and the effects of special fixed benefits in fiscal 2021. Even so, we are looking to open 30 new, directly managed, large-scale stores this coming year under our concept of, “We support you living a delightful life. Entirely.” Moreover, as well as expanding our unique e-commerce business by leveraging the strengths of our brick and mortar stores, we will aim to improve customer convenience and sales floor productivity by promoting digital transformation, including electronic shelf labels at every store. We will also work to develop a wider range of SPA products such as furniture, interior goods, and household goods, as well as consumer electronics, to strengthen our strategy of making ‘total-living’ proposals.

TOPIC

YAMADA DENKI, which was spun out of the YAMADA DENKI Group’s transition to a holding company system on October 1, 2020, merged with BEST DENKI, Kurokawa Denki, Kyushu Tecc Land, Matsuya Denki, Seidensha, Kato Syoji, and Project White, on July 1, 2021. YAMADA DENKI is responsible for the Consumer Electronics segment, the main business of its parent company, YAMADA HOLDINGS. By creating 11 new divisions in-house, YAMADA DENKI will improve efficiency in terms of sales and transactions, and further strengthen in terms of its store opening strategy, sales promotion, and utilizing human resources.



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graph LR
    subgraph "YAMADA HOLDINGS"
        YD[YAMADA DENKI]
        BD[BEST DENKI - Kurokawa Denki]
        KTL[Kyushu Tecc Land]
        MD[Matsuya Denki]
        S[Kato Syoji]
        SW[Project White]
    end
    YD --> YD2[YAMADA DENKI]
    BD --> YD2
    KTL --> YD2
    MD --> YD2
    S --> YD2
    SW --> YD2
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* Sales include figures for non-consolidated subsidiaries, etc. In addition, transactions within the group have not been offset, so figures differ from those reported in closing accounts.
* Figures by segment as of end of March 2021

Business Progress

Housing



In the YAMADA HOLDINGS Group’s ‘total-living’ strategy, the housing segment plays an important role in keeping customers connected with their homes for years. This role includes not only building the homes for the customer, but also proposing the best home appliances and furniture for their homes, as well as proposing renovation projects as the home ages, and financial products such as insurance. With the pride and responsibility of creating social assets through construction, living in a home for many years, as a good asset, because of its quality build, inspections and maintenance, is not only helping to protect the customer’s asset, but is also contributing to the global environment.

Atsushi Murasawa
YAMADA JUKEN HOLDINGS Co., LTD.
Representative Director, Chairperson

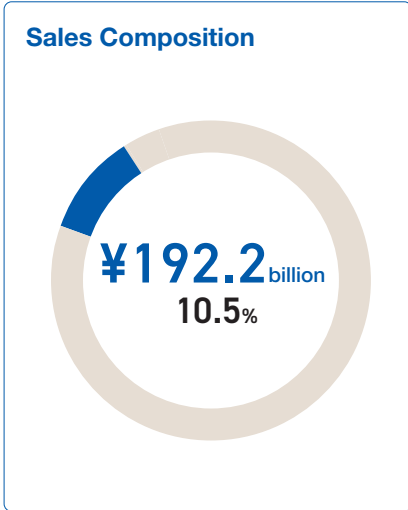
Risks and Opportunities

Risks

- Decrease in the number of new home builds due to population and household decline
- Increased costs due to rising logistics costs, and increased labor costs due to shortage of labor
- Cost increases due to shortage of materials and skilled workers
- Deteriorating profit-loss due to construction delays during the Covid-19 pandemic

Opportunities

- Growing market for home renovations
- Increasing demand for disaster-proof homes
- Increasing demand for eco-friendly housing such as smart houses
- Extension to mortgage tax cuts



Business Strategy

We will promote a wide range of housing proposals that meet the needs and budgets of our customers by leveraging the strengths of YAMADA HOMES and the Hinokiya Group including the high quality, reasonable prices, and planning capabilities to clarify product characteristics. Furthermore, by utilizing the YAMADA HOLDINGS Group’s unique, wide-ranging ability to offer not only consumer electronics, but also interior furniture including Otsuka Kagu’s products, as well as a complete renovations package, we will practice a so called “connected management” with the aim of expanding business in the housing segment.

Major Initiatives in FY2021 and Future Prospects

In the housing business which focuses on detached homes, the number of visitors to our show homes dropped significantly due to the impact of the state of emergency during the pandemic. However, orders remained at a higher level than in the previous fiscal year as we were able to attract customers by boosting our online customer service. In addition to the increase in completed builds due to this rise in orders, sales grew with the consolidation of Leo House in May 2020 and the Hinokiya Group in October of the same year. The segment structure will be in place for the entire Group in July 2021. We will work to further expand our business by practicing management that leverages our strengths as the second most important segment after the consumer electronics business.

Finance



Finance, being so closely associated with consumer electronics and furniture as well as new home builds and renovations, is essentially two sides of the same coin. The finance segment has an established structure as a comprehensive financial business with the six financial companies within the Group having been substantially integrated and YAMADA NEOBANK (agency bank) having obtained its license. We will provide various financial products tailored to customer lifestyles, striving to be with them throughout their lives as a “partner to make customer dreams come true.” We will continue to work on the financial side to put the Group’s slogan of “We support you living a delightful life. Entirely.” into practice.

Kenichi Koyano
YAMADA FINANCE SERVICE Co., Ltd.
Representative Director, President

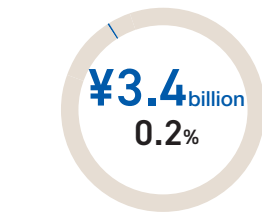
Business Strategy

As the finance segment with a one-stop system in place to meet a wide range of financial needs for our customers, we aim to provide various financial services linked to the consumer electronics, furniture, and housing-related businesses by enhancing the lineup of financial products unique to YAMADA HOLDINGS and the advantage these bring in terms of their conditions.

Major Initiatives in FY2021 and Future Prospects

We have focused on providing loan products for renovations and acquiring housing that leads to energy saving, energy creation, and energy storage, as well as developing insurance products for natural disasters. Going forward, we aim to expand our financial business by developing our own various loans and payment services that utilize BaaS (banking as a service) centered on NEOBANK®.

Sales Composition



Environment



Environmental conservation is a global issue. To actively promote the recycling of resources is one of the social responsibilities for any company. In addition to selling products, retailers who have direct contact with customers should take great responsibility for recycling and reusing resources by having the infrastructure in place to collect used products. As a core company in the reuse and recycling business of the YAMADA HOLDINGS Group, we will help build a sustainable society by constructing a resource recycling system within the Group as well as by seeking to use resources more effectively.

Mitsumasa Kuwano
YAMADA Environmental Resources Development Holdings Co., Ltd.
Representative Director, President

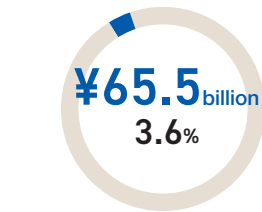
Business Strategy

To achieve a sustainable circular economy, we will take every effort to reduce, reuse, and recycle collected waste, such as household appliances, furniture, and equipment used in people’s homes. For products that are difficult to handle, we aim to convert them into energy through proper processing means.

Major Initiatives in FY2021 and Future Prospects

In the fiscal year ended March 2021, business performance improved steadily due to an increase in the number of items collected through trade-ins. In addition to the already completed acquisition of a company which manages a plant for the intermediate treatment of construction waste, and the expansion of a consumer electronics recycling plant, in the fiscal year ending March 2022 we will promote efforts toward the expansion of reuse and recycling plants and the establishment of a waste-to-energy plant.

Sales Composition



* Sales include figures for non-consolidated subsidiaries, etc. In addition, transactions within the group have not been offset, so figures differ from those reported in closing accounts.
* Figures by segment as of end of March 2021

YAMADA HOLDINGS' Ambition for a Circular Economy

The YAMADA HOLDINGS Group is aiming to complete the whole product life cycle within the Group by working to reduce waste and properly dispose of it. This it will do through resource circulation centered on its retail arm, such as by promoting the reuse and recycling of electrical appliances and by using recycled materials. Utilizing Yamada's unique nationwide store network, efforts have begun to help create a circular economy.

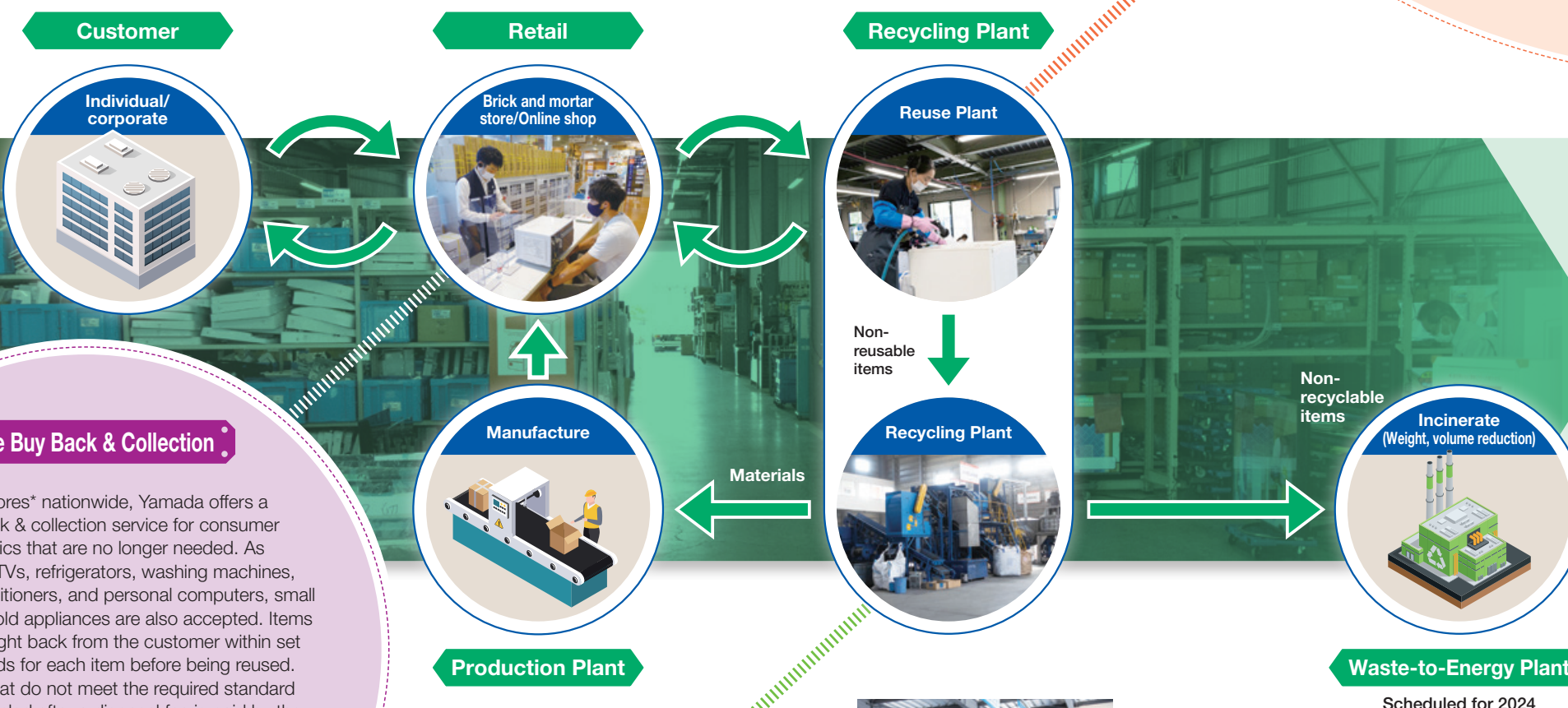


Hisashi Agatsuma
CIC Corporation
Head of the Fujioka Reuse Center

Reuse

Strengthen system so more products can be reused

Electrical appliances mainly traded-in at Group stores in East Japan are collected here at this reuse center. The process varies depending on the type of product, but after a professional engineer checks that they work, repairs, then cleans, about 90% of all items are recycled as reused products and sold at Yamada outlet stores. Because products are registered with a barcode when they arrive, it is possible to keep track of any product in the unlikely event of fault or failure. Products that cannot be reused are sent to a recycling plant, but the key to forming a circular economy is to reuse more products before they are recycled. We will continue to make efforts to improve technology so we can effectively expand our system for taking in more reuse products.



Facilities scheduled to be built after 2022

• Reuse Plant



Construction of a new plant adjacent to existing plant. Along with aiming to increase the number of products reused, the reuse plant will also function as a distribution center.

• Recycling Plant



Construction of a new small home appliance recycling plant adjacent to existing plant. Large home appliances will also be handled in the future.

• Waste-to-Energy Plant



Construction of a facility to incinerate non-recyclable waste to reduce weight and volume. Heat from the incineration process will be used to generate electricity.

VOICE

Forming a circular economy



Kohei Yoshida
YAMADA Environmental
Resources Development
Holdings Co., Ltd.
General Manager

We are conscious of our contribution to Goal 12 of the SDGs, that of responsible consumption and production. Because the YAMADA HOLDINGS Group's main business is the sale of consumer electronics, we are promoting the construction of a resource recycling system centered on reuse and recycling in order to fulfill our responsibility as a seller. YAMADA DENKI plans to double the number of outlet stores in the next two years, and at the same time, plans to expand facilities at each of its reuse and recycling plants. In 2024, we will build a new waste-to-energy plant to reduce the amount and volume of waste that cannot be recycled. While the birthrate is declining and the population is aging in Japan, the population is increasing globally, so relatively speaking the amount of resources supplied to Japan will most likely be small in quantity. This is why the promotion of reuse and recycling is important for securing our resources in the future. We need to first create a framework where everything from recycling to incineration can be taken by ourselves, and take this as the first step toward the formation of a circular economy.

Recycle

Recycling after Advanced Sorting

As a certified business in recycling small household appliances, each day we accept about 2,000 electrical appliances that are considered to be non-reusable. At the recycling plant, after being disassembled by hand and crushed by machine, advanced sorting takes place using magnetic, eddy current, and optical separators. What is left is then separated into individual materials, such as iron, aluminum, stainless steel, copper, plastic, and rare metals, and reused as raw materials for various products. Sorted plastic is used for parts in Yamada's SPA products and also for Company equipment like shopping baskets. We will continue to improve the quality and quantity of what is recycled, helping to build a system of resource circulation.



Toshiyuki Kakinuma
Azuma Metal Co., Ltd.
Head of Gunma No. 2 Plant,
Production Dept., Sales and
Marketing Division





Corporate Governance

A Conversation with Three Directors

Dialogue

Strengthening the YAMADA HOLDINGS Group Sustainability and Governance

As a leading company in the retail industry with a ‘total-living’ strategy, the YAMADA HOLDINGS Group continues to promote ESG initiatives while striving for a high degree of transparency in its business.

Three directors (two of which are outside directors) talk openly about the future direction of the Group and the challenges it faces, as well as their role and ambitions as a director.

Megumi Kogure
Director

Miki Mitsunari
Outside Director

Tsukasa Tokuhira
Outside Director

The Board of Directors actively engage with each other from the standpoint of their own specialist areas

● What is it like to be on the Board of Directors?

Tokuhira I think we may be having quiet discussions. Members of the board rarely mince their words. Everyone says things as they are. Perhaps it is the way Noboru Yamada chairs the meetings, ensuring each person’s views are heard out from their area of expertise. In fact, in the seven years since I became an outside director, the roles of each committee member have become clearer with more wide-ranging and specialist talks taking place.

Mitsunari It’s been less than a year since I became an outside director, but I am grateful for the meeting atmosphere where I am able to speak freely. I have the opportunity to speak at times during the meeting’s agenda and I feel like other members are listening to what I have to say. By taking part in outside events and meetings also

encourages a deeper exchange with the other directors, it deepens the relationship of trust and leads to lively discussions. The remarks of Noboru Yamada carry a lot of weight. However, he listens to the opinions of the directors and Audit & Supervisory Board Members ensuring discussions take place across the whole of the board. We also receive regular reports based on the Companies Act on how the directors have been executing their duties, which deepens our understanding of the Company’s business and results.

Kogure I think it’s an environment where people can easily talk and be listened to. Each member has many opportunities to talk about the issues at hand and future strategies, and for someone like me who is in the Company, I can hear the wide-ranging opinions of the outside directors who each have their own different strengths, so it really is a learning experience.

● Please tell us about diversity in the Company as a whole, including the board of directors.

Kogure Some of our inside directors have experience with other companies so I feel like there is diversity in the Company. As for the independent outside directors, we can see the management’s intention to hire a diverse range of talent.

Mitsunari The outside directors have their own areas of expertise, and the inside directors have backgrounds in various fields such as remodeling, banking, and manufacturing, as well as in the distribution industry. I think there is also a broad range of ages overall.

Tokuhira The distribution industry has always been an industry in which many women work in stores and the like. It is an industry where a corporate culture that respects diversity has been fostered from early on. In particular, Yamada has been actively hiring foreign nationals in Japan because of its experience in operating stores in China. And in developing our business at a locally-based level, we also have a background

in employing people with disabilities, something which has been progressing in response to requests from local communities. Big promoters of diversity among the management level are the store managers who have been using their experience of valuing close ties with the local community.

Moving to a holding company structure has enabled us to develop services that connect everything in daily life

● What are your views on the new business structure of the YAMADA HOLDINGS Group, which started in October 2020?

Tokuhira It’s a good decision in terms of laying the groundwork and investing in the future. I feel like we are moving in the right direction. Yamada has always been a company with excellent management, always doing what should be done, such as introducing a PDCA strategy for example. As a result, the Company has become much bigger. In moving to a holding company structure, YAMADA HOLDINGS will be responsible for overall investment and human resources while it leaves the everyday detailed management to its subsidiaries. With such a strategic move, it will be essential for the Group to work hand in hand to create synergies, from the sale of home appliances to recycling.

Mitsunari The holding company structure has made the management system more compact, and streamlined the management for subsidiaries. It has been difficult to integrate everything, but I respect the leadership of the management team for how quickly they are working.

● How do you rate the “total-living” strategy?

Kogure To be honest, there was some trepidation when we bought into a housing division, something which was out of our field. However, we continue to deal with customers, I think we are gradually seeing more and more who are seeking out our services. When recommending high-performance products such as energy-saving home appliances, it has become easier for us to make recommendations that includes the remodeling of rooms. I am confident now that being able to provide everything for everyday living is one of our greatest strengths, and more employees are coming to understand this as well. Many new employees have expressed positive opinions about this policy of handling a variety of services. Together with our employees, we want to create a store environment where customers feel like it is fun to be in the store!

Corporate Governance

A Conversation with Three Directors



Mitsunari In recent years with the global trend for decarbonization, the move toward more electric and motorization is accelerating in various fields. Yamada handles a wide range of products and services within the Group under its strategy of total-living, from electrical appliances and maintenance to furniture and housing equipment. In the future we will see a world where these products and services are all interconnected through ICT and IoT. YAMADA HOLDINGS can connect and provide all of these within the Group. Moreover, since we can reuse and recycle when goods are replaced, society as a whole can reduce waste to build a circular economy. We believe this will be the model that provides new value to society while lessening the impact on the environment.

Tokuhira In the distribution industry we are seeing subscriptions become more widespread, unlike in the past, where it was mainly products that were sold. The subscription model is a process that not only sells things but also promises to provide a service. Yamada is also changing its direction, handling everything from home appliances to eco-friendly components used for recycling. We sell things and provide a service. Being able to promote both of these aspects gives value to a company. As society ages, demand for services will increase more than it will for goods. For example, if you buy a new TV every 10 years and it costs 100,000 yen, the cost is about 800 yen a month. Nowadays, customers often pay a few thousand yen a month for a flat-rate service, meaning that we are seeing more demand for after-sales maintenance and service. We can therefore create new value by proposing services. Yamada has many stores so is never very far away from its customers. We are also working to provide services convenient for our customers whereby they pay money to Yamada, and in return they get a range of different services. Yamada is at this very forefront. We can see many opportunities ahead.

Building a stronger governance system by leveraging the strengths of a holding company

- How do you view YAMADA HOLDINGS' management policy from an ESG perspective?

Mitsunari I understand that YAMADA HOLDINGS' ESG is rooted in its core business, it is the business itself. For example, the complete service package currently being built, from recycling through to the disposal of electrical appliances, is going well as a business. The service is there throughout the whole life cycle of home appliances, giving the customer the option to reuse or recycle when the home appliance has been finished with after its initial purchase. In order to continue to put ESG initiatives into practice, we need to grow as a business with a management perspective. I think that YAMADA HOLDINGS is growing in this way because it is developing its business based on the management philosophy of our Chairperson, Noboru Yamada.

- What do you think about the Group's broad management and distinctive business model?

Tokuhira Historically, the retail distribution industry has mainly been large-scale stores such as department stores and general merchandise stores, but in the last 15 to 20 years or so we have seen the emergence of specialist mass retailers. Typical examples include Yamada, Uniqlo, and Nitori. This is probably because consumers' interests and preferences are more diversified, and they are no longer satisfied with the old department stores. Behind the growth of specialist stores was the rise of personal computers. Yamada sold the most number of personal computers in Japan during the time when its business performance soared. If computers sell, it means you can sell other add-on items. It is because of this that the department-type retail industry has been sluggish. The growth rate and profitability of these stores is far less than that of the specialist-type stores. Rivaling the consumer electronics retailers these days are the online stores, but in that respect as well, we are establishing our own means of online sales that make use of the strengths of our real stores, so I have the feeling that we are successfully moving in the right direction with the changing times. From an ESG perspective, Yamada did not start out selling home appliances when the Company was first founded. It started instead by repairing broken

products. From that point we were already helping to protect the environment so we can see the Company as one that has been working on ESG initiatives since its very inception.

- In terms of the 'S' of ESG, it is important for us to combat the Covid-19.

Kogure The first thing we thought about during the pandemic was to create an environment where on-site employees could work with peace of mind. We ensure that all employees are wearing masks and we have also created a manual to follow in case employees fall ill. About 300 people have tested positive to date but we are openly reporting and not hiding behind the data. This is for the well-being and peace of mind of our employees. Whenever anyone tests positive, no-one is allowed to go into the store until the place has been completely disinfected by a contractor. At the head office, PCR tests are given to those executives who have important responsibilities in management. PCR tests are also given to those who have to go on a business trip or to those who come into the head office. We fully comply with all government rules making sure to explain everything to everyone within the Company.

Taking on the challenge for further growth

- What role do you want to play as a director for the sustainable development of the YAMADA HOLDINGS Group?

Tokuhira In recent years, the rise of online shopping has expanded the range of retail distribution, and digitalization has also advanced technological innovation. I would like to accurately understand what is happening at the forefront of retail distribution in the world today to make



recommendations going forward. Yamada is a company that has always taken on challenges ever since it was founded. This is something in its very DNA which has always been passed down. In moving to holding company structure, we have been able to set out exactly the responsibilities and authorities of each operating company, but if profits can be covered by the Group as a whole, then I personally would like to not shy away from failure, but instead take on challenges in areas with growth potential. For the challenges ahead, the Board of Directors is there to examine the numbers and make a firm decision.

Mitsunari With regard to ESG, we will do our best to convey the latest news and corporate trends from overseas based on our experience and information. Also, from my own experience of about 20 years in nursing care, I am acutely aware of the problem of our aging population. The YAMADA HOLDINGS Group is a corporate group where consumers can buy high-quality products at reasonable prices, from home appliances and household goods to furniture and homes, so I have come to realize once again, even during the pandemic, we have been serving as a part of the social fabric. As a consumer, I would like to make proposals that lead to better services from the customer's perspective.

Kogure Yamada has not yet clarified its key targets on its policies for employees and customers. This is the area where we must demonstrate the strengths of our holding company, towards people, so I hope we can make the best use of human resources to make the Company one in which employees are happy to join. I will strive to speed up and streamline the decision-making process by building a stronger corporate governance system so that we can encourage employees to take on more challenges that demonstrate YAMADA HOLDINGS' strengths, leading to growth in their development.

Corporate Governance



Representative Director, Chairperson and CEO
Noboru Yamada
Born on February 11, 1943

- 1983 Sep. Representative Director, President
- 2008 Jun. Representative Director, Chairperson and CEO
- 2013 Jun. Representative Director, President and CEO
- 2016 Apr. Representative Director, Chairperson and Chairperson of the Board of Directors
- 2019 Jun. Representative Director, Chairperson
- 2021 Apr. Representative Director, Chairperson and CEO (present post)



Director
Atsushi Murasawa
Born on March 16, 1962

As the officer in charge of the Business Administration Division, I will demonstrate our concept of total-living through the development of new business models and products that satisfy our customers, and will strive to the fullest to drive the growth of the Holdings.

- 2018 Jun. Joined the Company as Executive Officer, Head of SPA Product Development Office
- 2019 Nov. Executive Officer, General Manager of Business Integration Division, and General Manager of SPA Product Division
- 2020 Jun. Director and Senior Managing Executive Officer, General Manager of Business Integration Division
- 2020 Oct. Director
- 2021 Apr. Director and Executive Officer in charge of Business Administration Division (present post)



Director
Yoshinori Ueno
Born on December 2, 1971

I believe that it is my mission to create a strong organization that allows the company to work as one by bringing together both the sales department and the product department. Specifically, with the large-scale organizational restructuring that will be completed by June this year, we will focus on creating an organization and structure that will bring the Holdings head office closer to the shop floor more than ever before so that we can demonstrate the Group's underlying potential of the group.

- 2014 Apr. Joined the Company as Head of Sales Strategy Office, Sales and Marketing Division
- 2016 Jun. Director and Senior Executive Officer, General Manager of Sales Strategy Division and Head of Housing Collaboration Sales Strategy Office
- 2018 Apr. Director and Managing Executive Officer, General Manager of Merchandise Division
- 2019 Oct. Director and Managing Executive Officer, General Manager of Sales and Merchandise Division
- 2020 Jun. Director and Senior Managing Executive Officer, General Manager of Sales and Merchandise Division
- 2020 Oct. Director
- 2021 Apr. Director and Executive Officer in charge of Sales and Merchandise Division (present post)



Representative Director, President and COO
Tsuneo Mishima
Born on September 10, 1959

- 2017 Jan. Joined the Company
- 2017 Jun. Executive Officer, Vice President
- 2018 Jun. Representative Director, President and COO
- 2020 Jun. Representative Director, President
- 2021 Apr. Representative Director, President and COO (present post)



Representative Director
Tatsuo Kobayashi
Born on July 6, 1964

- 2008 Jun. Director and Managing Executive Officer, Senior Manager of Sales and Marketing Division
- 2014 Jun. Director and Senior Executive Officer, General Manager of Corporate Sales Division
- 2018 Jun. Director and Managing Executive Officer, General Manager of Information Systems Division
- 2020 Jun. Representative Director and Senior Managing Executive Officer, General Manager of IT Business Division
- 2020 Oct. Representative Director
- 2021 Apr. Representative Director and Executive Officer (present post)



Director
Megumi Kogure
Born on October 18, 1976

In terms of the social aspect of ESG, as the executive officer in charge of the department connected to a company's most important asset, that of people, I have a responsibility for the lives of all employees from the time they join the Company to the time they leave. There is great responsibility, but it is a department that can be close to the lives of employees so I think there are endless possibilities. If the number of employees who feel they made the right decision in joining the Group increases, even by one, then this will be a reward in itself.

- 2017 May. Junior Executive Officer, Head of Secretary Office
- 2018 Jun. Director and Senior Executive Officer, Head of Secretary Office and Head of Human Resources Development Office
- 2019 Apr. Director and Senior Executive Officer, Head of Secretary Office and General Manager of Human Resources and General Affairs Division
- 2020 Jun. Director and Managing Executive Officer, General Manager of Human Resources and General Affairs Division
- 2020 Oct. Director
- 2021 Apr. Director and Executive Officer in charge of Human Resources & General Affairs Division (present post)



Director
Akira Fukui
Born on June 6, 1965

As the executive officer in charge of the accounting, finance and management departments, I am working to further improve customer convenience by utilizing finance technologies and diversifying our payment services. I will also help to improve corporate value by further enhancing synergies within the Group through consolidating and streamlining operations in the management department and strengthening Group governance.

- 2017 Jun. Executive Officer, Deputy General Manager of Corporate Sales Division
- 2018 Jun. Director and Senior Executive Officer, General Manager of Corporate Sales, Sales and Marketing Division
- 2018 Aug. Director and Senior Executive Officer, General Manager of Administration Division
- 2020 Jun. Director and Managing Executive Officer, General Manager of Administration Division
- 2020 Oct. Director
- 2021 Apr. Director and Executive Officer in charge of Administration Division (present post)

Business Fundamentals

Corporate Governance



Director
Takayuki Fukuda
Born on August 30, 1974

I am in charge of developing new stores, managing existing stores, and store remodeling. I take pride in our business of enriching the housing aspect of food, clothing and housing. Maintaining a nationwide store network and managing it well to support these efforts gives me a sense of great responsibility and satisfaction. Going forward, I will continue to utilize our inherent driving force and stick to the principle of shop-floor first to achieve our development goals.

2012	Apr.	Junior Executive Officer, Manager of Store Construction Department, Store Development Division
2016	Jun.	Director and Senior Executive Officer, Manager of Store Construction Department, Store Development Division
2018	Apr.	Director and Senior Executive Officer, General Manager of Store Development Division and Manager of Store Construction Department
2020	Jun.	Director and Senior Executive Officer, General Manager of Store Development Division
2020	Oct.	Director
2021	Apr.	Director in charge of Store Development Division (present post)



Outside Director
Miki Mitsunari*
Born on February 29, 1972

Along with promoting ESG initiatives, I am making proposals from the consumer's perspective on the housing aspect of food, clothing and housing. I will make efforts to help improve corporate value by utilizing my knowledge in the environmental sector to help combat climate change and create a circular economy.

Reason for appointment Based on her expertise in ESG management and environmental regulations, and her consulting experience in risk management, we have determined that she is the right person to help diversify the Board of Directors and promote the Group's ESG initiatives.

2011	Sep.	Representative Director of FINEV inc. (present post)
2013	Jan.	Temporary member of the Committee on Industrial Science and Technology Policy and Environment, a subcommittee of the Ministry of Economy, Trade and Industry's Industrial Structure Council (present post)
2020	Mar.	Outside Director at Funai Soken Holdings Inc. (present post)
2020	Jun.	Director at Japan Accreditation Board (present post)
2020	Jun.	Outside Director of the Company (present post)



Outside Director
Tsukasa Tokuhira*
Born on May 3, 1954

I am helping to swing our great influence as a top company in home appliance sales in a positive direction. I would like to actively incorporate technological innovations such as IoT, 5G, and electric vehicles into the fields of home appliances and housing, and oversee things so that we can make new proposals for everything to do with houses.

Reason for appointment Based on his many years of experience as a leader in the distribution industry, we have determined that he will be able to provide the Company with useful opinions and suggestions in regard to our business operations.

1974	Apr.	Joined Hanbai Noritsu Zoshin Honbu Co., Ltd.
1984	Apr.	Manager of Guidance Division at Hanbai Noritsu Zoshin Honbu Co., Ltd.
1987	Feb.	Representative Director and President of Fic Limited (present post)
2007	Jul.	Representative Director and President of Cross Co., Ltd. (present post)
2014	Jun.	Outside Director of the Company (present post)



Audit & Supervisory Board Member
Makoto Igarashi
Born on August 4, 1964

It is my role to ensure there is sound management of the Group through auditing the business and accounts of the holding company that controls the five business segments. In order to sustainably improve corporate value in the future, it is important to further strengthen the corporate governance system. I will fulfill my mission as an Audit & Supervisory Board Member by making use of my experience and knowledge in group businesses.

1999	Jun.	Director, Manager of Accounting Division of the Company
2003	May.	Senior Managing Director, General Manager of Administration Division
2004	Jun.	Director and Senior Managing Executive Officer, General Manager of Administration Division
2008	Jun.	Director and Senior Managing Executive Officer, Head of Overseas Business Strategy Office
2013	Jun.	Director and CFO, General Manager of Administration Division
2014	Jun.	Audit & Supervisory Board Member (present post)



Audit & Supervisory Board Member
Jun Okamoto
Born on April 28, 1956

Taking advantage of my previous job and 15 years of experience in charge of corporate planning, I am trying to take a different approach from that which has gone on in the past. I feel a sense of fulfillment that is different from my previous positions on the executive side. Recognizing that I have been given a great deal of authority as an Audit & Supervisory Board Member, I would like to renew my determination of the responsibilities naturally associated with this authority to help further strengthen the Group's framework.

2006	Jun.	Director and Senior Managing Executive Officer of the Company
2007	Jun.	Director and Senior Managing Executive Officer, Head of Corporate Planning Office
2012	Apr.	Director and Vice President, Head of Corporate Planning Office and Head of Management Office for SxL and Head of CSR Promotion Office
2019	Oct.	Director and Senior Managing Executive Officer, Head of Corporate Planning Office and Head of Sustainability Promotion Office
2020	Jun.	Audit & Supervisory Board Member (present post)



Outside Audit & Supervisory Board Member
Somuku Iimura*
Born on April 14, 1953

I find it rewarding to give practical advice taking advantage of my experience working as a lawyer in many different companies. As legal compliance becomes more and more important in the future, I would like to devote myself to my role in order to further develop an ever-expanding business.

Reason for appointment Based on his wealth of experience and excellent insight, we have determined that he can contribute to the corporate governance and management of the Company by lending his opinions on management from the perspective of a lawyer.

1986	Apr.	Registered as a lawyer and joined Nishimura & Asahi Law Firm
2014	Jun.	Outside Director at Maruha Nichiro Corporation (present post)
2016	Jun.	Outside Audit & Supervisory Board Member of the Company (present post)
2017	Feb.	Outside Audit & Supervisory Board Member at Nachi-Fujikoshi Corporation
2019	Jan.	Joined Nishimura & Asahi Law Firm
2020	Jan.	Joined ITN Partners as a Senior Partner
2020	May.	Outside Audit & Supervisory Board Member at SANYO SHOKAI LTD. (present post)
2020	Jun.	Outside Director at Furukawa Battery Co., Ltd. (present post)
2020	Dec.	Executive Partner of ITN Partners



Outside Audit & Supervisory Board Member
Masamitsu Takahashi*
Born on February 9, 1955

To ensure sound management in the Company, I try to ask the right questions and scrutinize the duties and decision-making of the directors. Also using my experience as an accounting and tax expert, I will pay particular attention to financial soundness while a growth strategy is drawn up.

Reason for appointment From the perspective of a tax accountant, we have decided that he will be able to provide us with advice and suggestions for ensuring the validity and appropriateness of the Board of Directors' decision-making, as well as for the Company's accounting system and internal audits.

1985	Mar.	Certified as a tax accountant
1985	Jul.	Representative of Takahashi Masamitsu Tax Accountant Office
1990	Dec.	Representative of Takahashi Tax and Management Consulting Office (present post)
2007	Jun.	Outside Audit & Supervisory Board Member of the Company (present post)
2021	Apr.	Representative Partner at Takahashi Tax & Management Co., Ltd. (present post)

(As of June 29, 2021)
*Independent officer under the listing rules of the Tokyo Stock Exchange



Compliance & Risk Management

Compliance Promotion

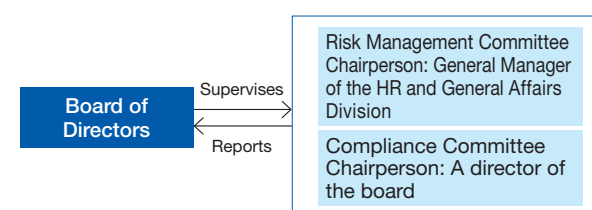
The YAMADA HOLDINGS Group conducts education, training and awareness activities for its employees throughout the year to establish and ensure compliance.

Compliance Promotion System

YAMADA HOLDINGS has set up a Compliance Committee, chaired by the director in charge, which meets every week to ensure that matters of compliance are made well known. The committee sets topics to

focus on each month, identifies problems and discusses improvement measures. Content from the discussions is reported to the directors as required with information shared and any appropriate measures taken.

System to Promote Compliance and Risk Management Committees



Compliance Subcommittee Topics (FY 2021)

Topic		Description
April	Check and improve internal control system	Check and improve how the various rules and regulations are being run in each department
May	Check and improve internal control system	Check and improve how the various rules and regulations are being run in each department
June	Proper understanding of working hours	Understand and regulate working hours for the purpose of preventing overwork
July	Confirm business flow after amendments to the Civil Code	Optimize business flow after amendments to the Civil Code
August	Workplace bullying and harassment	Measures to prevent bullying and harassment in the workplace
September	Protection of personal information	Ensure the proper handling of personal information
October	Antimonopoly Law	Risks and measures in the event of violation to antimonopoly law
November	Proper dealings in contract business	Thorough compliance and proper dealings in contract business
December	Human rights	Share the Group's human rights policy, and human rights issues in companies
January	Unfair Competition Law	Unfair competition law and preventive measures
February	Contracts with consumers	Laws related to transactions with customers, such as the Consumer Basic Act, the Consumer Contract Act, and the Specified Commercial Transaction Act
March	Subcontract Law	Understanding the concept of the Subcontract Act, the obligations and specific prohibited acts in business, and penalties

Internal Whistle-Blowing System

In order to prevent compliance violations, the YAMADA HOLDINGS Group operates a whistle-blowing system by setting up a point of contact as a means to receive reports from inside and outside the Company. Reports and information concerning human rights, including harassment and discrimination, are also welcomed. The Rules on the Internal Whistle-Blowing System have been established to protect whistle-blowers so that any person may be able to come forward anonymously without suffering any form of disadvantage. The content of any reports are handled in cooperation with relevant divisions. In addition, the Board of Directors regularly reports on the number of reports received, case summaries, results of responses to the reports, and the progress of those

reports not yet fully addressed.

133 whistle-blowing reports were received in the fiscal year ended March 2021 and all reports were properly dealt with.

Compliance Training

YAMADA HOLDINGS holds compliance training as and when required, mainly for employees in the Merchandise Division who deal largely with business partners. Compliance training is an opportunity to learn correct store management and gain knowledge based on the basic principles of legal compliance. Every year, themes are selected that are strongly related to the work of the Group. In the fiscal year ended March 2021, study sessions were held on anti-corruption using examples from other companies to promote understanding among employees.

Antisocial Forces

The YAMADA HOLDINGS Group has established its Basic Policy on Antisocial Forces and is developing a system in collaboration with external specialist agencies and police authorities to deal with antisocial forces.

Basic Policy on Antisocial Forces

<https://www.yamada-holdings.jp/info/policy/antisocial.html>
(Japanese Only)

Fair and Impartial Trading

Basic Approach

The YAMADA HOLDINGS Group has established a Trading Policy for its business partners and is working on fair and impartial business transactions as a major pillar of its ESG-focused management. The Group deals with various suppliers in Japan, including major consumer electronics and furniture manufacturers, household product manufacturers and wholesalers. Many of the manufacturers with which the Group deals with are companies making exceptional efforts. The Group aims to build sound partnerships with its business partners by utilizing knowledge and sharing information on the social responsibilities mutual to both parties in the trading relationship.

Business Partner Questionnaire

Among its emphasis on compliance efforts throughout the entire value chain, the YAMADA HOLDINGS Group promotes compliance in areas such as the environment, society, and ethics based on its CSR Code of Ethics. Since the Group's products and services are provided to customers via a number of domestic and foreign corporations, the Group believes that all relevant laws and regulations should be complied with at every stage to ensure products and services are provided in an environmentally, socially and ethically acceptable way. The Group therefore conducts a questionnaire survey once a year targeting its major business partners (first-tier and second-tier). The results from the responses are collated and analyzed, and hearings or requests for improvement are carried out if any companies are deemed to be high risk.

Trading Policy

<https://www.yamada-holdings.jp/info/policy/trading-policy.html>
(Japanese Only)

Business Partner Questionnaire Results for Fiscal Year Ended March 2021

Every year, YAMADA HOLDINGS conducts a business partner questionnaire targeting major business partners and SPA product manufacturers. In the fiscal year ended March 2021, as well as expanding the scale of the questionnaire, a trial questionnaire was given to partner companies in the Group in preparation for a full-scale roll-out in the future. Going forward, the Group will continue to increase the number of surveyed companies to fulfill its social responsibilities with its business partners.

Number of Companies and Response Rate (First-Tier Only)

Business Partners	Number/Response	FY2019	FY2020	FY2021
Main Suppliers*	Number of companies	48	48	81
	Response rate (%)	93.8	89.6	82.7
SPA Product Manufacturers	Number of companies	25	18	19
	Response rate (%)	100	100	100
Group Partner Companies	Number of companies	–	–	5
	Response rate (%)	–	–	100

* Suppliers accounting for 84% of purchase amount

Questionnaire results

First-Tier Suppliers

Maintained a compliance rate* of 95% or higher for all items with 100% compliance on ensuring product safety. Regarding the handling of information, although it was down from the previous year, a compliance rate of over 99% was maintained. Environmental conservation will be included in the questionnaire as a future issue.

Second-Tier Suppliers

Average compliance overall exceeded 85%. Respect for human rights increased from last year, and all items other than working with and contributing to the local community resulted in a compliance rate of over 80%. Future efforts will focus on strengthening supply chain management.

* The percentage of first-tier and second-tier suppliers who responded that they comply with survey items as set out in each of the eight categories in the questionnaire

Compliance & Risk Management

Risk Management

Risk Management Promotion System

Every month YAMADA HOLDINGS holds the Risk Management Committee, chaired by the General Manager of the Human Resources and General Affairs Division. The committee identifies business risks, formulates countermeasures, and shares necessary information to prevent any risks from occurring. The status of these activities is also reported to the Board of Directors. The

Risk Management Basic Rules have been established as a system for preventing risks and as a means for addressing any risks that have arisen. Each division operates in accordance with these rules.

Responding to Major Risks in Business Activities

The YAMADA HOLDINGS Group has set out the risks that may have a significant impact on its business results and financial position, and measures to mitigate these risks, as follows.

Major Risks and Countermeasures

Risk	Detail	Countermeasure	Impact Level
Earthquakes and natural disasters	Possibility of interruptions to business due to damage to store facilities or power outages because of typhoons, earthquakes, or torrential rain, and the effects of radioactive materials caused by a nuclear power plant accident could hinder product procurement leading to a significant decrease in sales and a significant impact on business results.	<ul style="list-style-type: none">Construct a safety management system centered on a headquarters for disaster controlRegular review and update to the disaster response manualTraining for employeesStockpile disaster supplies (218 stores and distribution bases)	High
The supply of original brand products	In the event of a disaster in China where main manufacturing contractors are based, there may be insufficient or no supply of our original products, which may have a significant impact on business performance and financial position.	<ul style="list-style-type: none">Build a system to mitigate disaster risks for manufacturing contractorsDiversify and seek out new contractorsClosely observe trends in the world economy	Medium
Information security	In the event of any tampering or leaking of information due to natural disasters, computer viruses, unauthorized access, etc., any such customer data breach may negatively impact the Group's reputation and corporate image.	<ul style="list-style-type: none">Thorough compliance with information security and privacy policiesHold study sessions to raise awareness among employees on information securityObtain international standard ISO / IEC 27001 certification (Takasaki Headquarters)Request outsourced companies to create and run an information management system	High
Product purchasing and inventory	With disruption to the distribution network due to natural disasters, changes in relationships with business partners, a global shortage of resources, or a collapse of the supply chain, etc., it may be difficult to purchase products and secure inventories as planned, which may have a significant impact on business results.	<ul style="list-style-type: none">Diversify suppliers in each product categoryHold regular purchasing and inventory meetings with purchasing managers in each category	High
Covid-19 and flu outbreaks	Due to the impact on management resources owing to outbreaks of Covid-19 or influenza, the stable supply of products and services may become difficult, which may have a significant impact on business performance and financial position.	<ul style="list-style-type: none">Rigorous infection control measures that put the health and safety of customers, shareholders, business partners, employees, etc. firstAscertain employee safety in times of emergency and put in place steps to return to workImplement measures in line with the guidelines of the Major Home Appliance Distribution Association	High



ESG & Sustainability Management

Basic Approach

The YAMADA HOLDINGS Group's management philosophy is Creation and Challenge. The Group is engaged in various businesses and initiatives for its own growth and development of society. It also plays a role in supporting the social infrastructure with a network that utilizes numerous types of stores. With the aim of being a corporate Group that continues to grow with society, YAMADA HOLDINGS is promoting CSR activities based on "Appreciation and Trust" with respect to its stakeholders in accordance with its specific guidelines, the CSR Code of Ethics.

Furthermore, in order for the Group to continue to be a company that contributes to solving social issues and improving corporate value, it recognizes that consideration to Environmental, Social and Governance (ESG) factors is essential. By actively working both inside and outside the company, the Group will contribute to the realization of a sustainable society.

CSR Code of Ethics

<https://www.yamada-holdings.jp/info/policy/csr-ethics.html>
(Japanese Only)

ESG & Sustainability Promotion System Chart



Sustainability Training & Education

In October 2020, ESG & SDGs training was conducted online at the YAMADA HOLDINGS headquarters for executives of all group companies. This training deepened understanding and provided education on what companies

ESG & Sustainability Promotion System

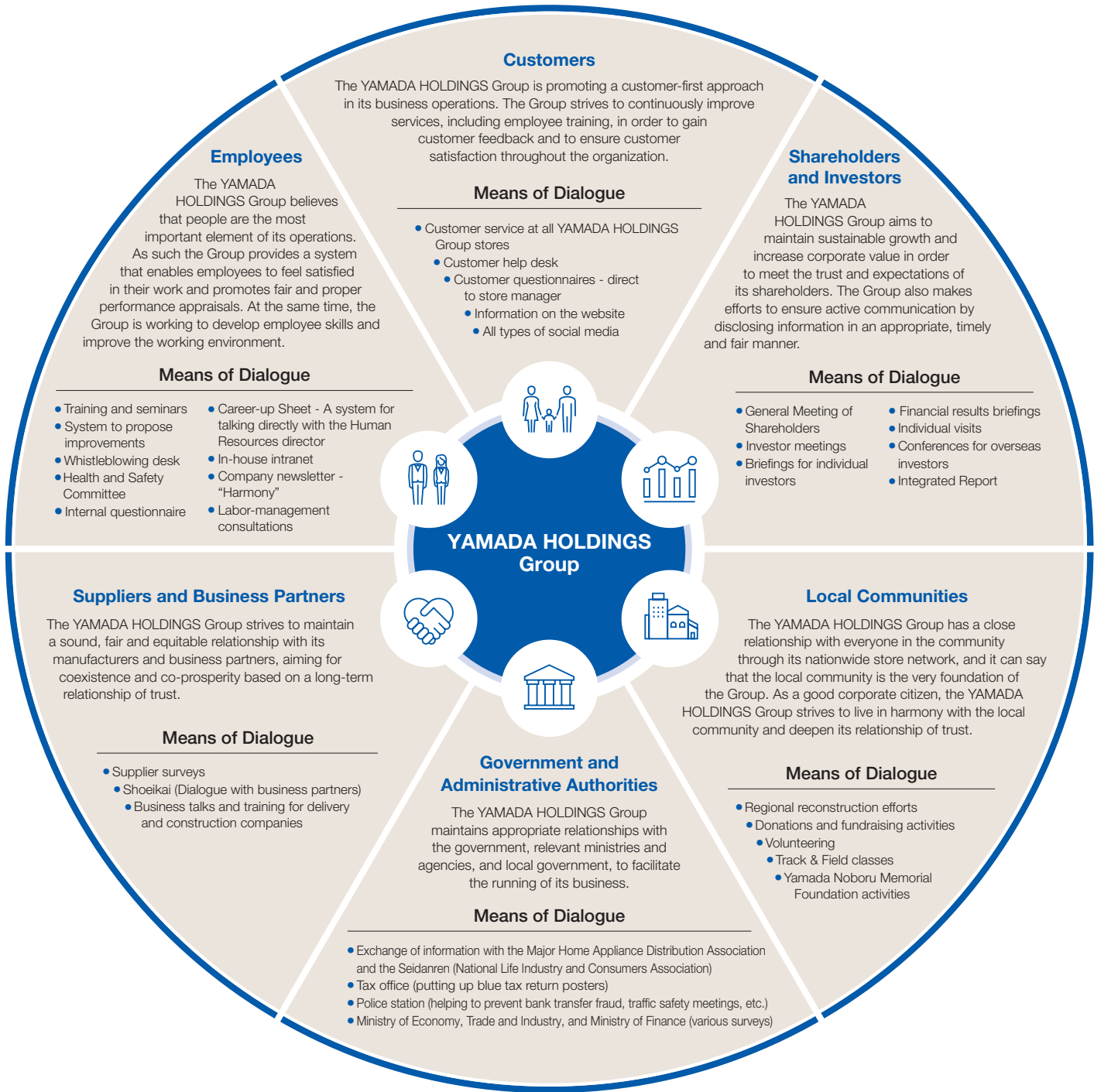
The YAMADA HOLDINGS Group has established the ESG & Sustainability Promotion Committee (a reorganization of the CSR Committee) as a place to deliberate policies and measures on environmental and social issues and to confirm the progress of its targets. The committee makes decisions on all the important matters related to ESG and sustainability. The four committees under the ESG & Sustainability Promotion Committee, namely the Group CSR Subcommittee, the Work Environment Improvement Subcommittee, the CS Improvement Subcommittee, and the Environmental Measures Subcommittee, discuss the content of individual activities and confirm targets and progress of ongoing activities. We will also create a project team to set targets and analyze the current state of CO₂ emissions in Scopes 1,2 and 3 to improve and expand future climate change-related information. In addition, a system for sharing and coordinating information on efforts to create sustainable stores has been established in the Development and Refurbishment Committee, and on human rights issues and gender discrimination in the Personnel Committee.

should be doing by way of the SDGs and ESG initiatives, and the social issues that the YAMADA HOLDINGS Group should aim to solve. YAMADA HOLDINGS will further expand its efforts throughout the Group going forward.

ESG & Sustainability Management

Stakeholder Engagement

The YAMADA HOLDINGS Group is working to increase corporate value by building a relationship of mutual appreciation and trust through a healthy dialogue with all its various stakeholders, including its customers, all its shareholders and investors, all its suppliers and business partners, and its employees and local communities.



Initiatives on the TCFD Recommendations



As a corporate group that supports ‘total-living’, YAMADA HOLDINGS has positioned tackling climate change as one of its most important strategies, announcing its support for the TCFD recommendations in March 2021. Based on the TCFD recommendations for information disclosure on the financial impact of risks and opportunities brought about by climate change, the Group will proceed to verify climate change scenarios in line with the framework of governance, strategy, risk management, metrics and targets, and proactively disclose information. The Group will also promote smooth dialogue with its stakeholders, aiming to further increase corporate value by improving upon its climate change-related information.

Governance System

The Group recognizes climate change as one of its most important management issues. Basic policies and

important matters related to climate change are examined by the ESG & Sustainability Promotion Committee chaired by the President, and deliberated and decided by the Management Council, a decision-making body involved in business execution. At the same time, based on the board’s rules, reports are made to the Board of Directors on a regular basis (about twice a year) with a system in place to ensure proper supervision of the Board of Directors.

Strategy

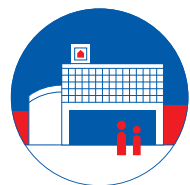
The Group regards various risks and opportunities associated with climate change as one of the most important aspects in formulating its business strategy. Since the effects of climate change may become apparent in the medium to long term, opportunities and risks are identified not only in the short term but also in the medium to long term after 2030. The Group also regularly analyzes and reviews risks and opportunities in light of any changes in external trends.

Identifying Risks and Opportunities

The Group has identified the important risks and opportunities for its business from among the transition risks and physical risks associated with climate change.

Identifying Risks and Opportunities

Category		Risks and Opportunities
Transition Risks and Opportunities	Regulatory	Increase in procurement and equipment costs due to more regulations and carbon pricing (carbon tax, etc.)
		Assistance with circulating low-carbon and decarbonized products & services
	Technological	More new business opportunities through the development / spread of new technologies and alternative products such as renewable energy and electric vehicles
		More new business opportunities through the development / spread of new technologies such as energy-saving home appliances
	Market	Less demand for fossil fuel-related products & services and more demand for low-carbon products & services
		Increased or decreased demand for energy-saving home appliances and eco-friendly products
Physical Risks	More extreme weather	Increased or decreased demand for housing insulation and zero energy homes (ZEH)
		Damage to stores, less sales due to closures, procurement delays due to blockages to the distribution / transportation network caused by floods and landslides
Physical Risks	Climate Change	Increased costs due to more power consumption owing to rising temperatures, etc., and less workforce due to heat stress, etc.



Providing comfortable living spaces and establishing a social system

Basic Approach

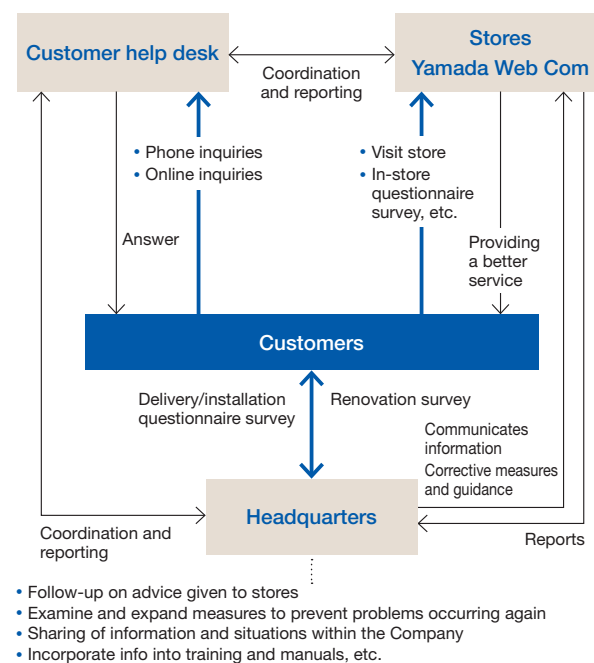
The YAMADA HOLDINGS Group plays an important role in providing comfortable living spaces in response to the diverse needs of its customers in an ever-changing social environment such as with changing lifestyles owing to a declining birthrate and aging population as well as the Covid-19 pandemic. Through an extensive network of 12,640 stores in Japan and overseas, YAMADA HOLDINGS Group are creating a network of stores that are easily and readily accessible for the elderly and people in remote areas.

Customer Satisfaction Initiatives

Support System

YAMADA DENKI strives to offer a wide range of products, all at reasonable prices, with a kind and courteous customer service. The Company is working hard to satisfy customers not only at the time of purchase, but also right up to and beyond the time customers start using its products, including the after-sales services of product delivery, installation, repair, and support. The Company also listens to feedback from the sales floor and from customers to improve its service for the better.

System to Improve Customer Satisfaction



Customer Help Desk

So that it can make the most of customer feedback, the YAMADA DENKI has set up a range of call centers, receiving many ideas and opinions from its customers. A customer help desk has been set up at the headquarters where a system is being created to listen to customer feedback and respond promptly after quick cooperation between relevant departments. In response to the feedback received, regular meetings are held from once a week to once a month. In addition to reports on the drafting of specific improvement plans, and the status of implementation and improvement efforts being reported to executive officers, information shared with each department at in-house company manager meetings. A call center has also been set up in Okinawa that accepts repairs and specializes in various services in an effort to improve customer satisfaction. Training is taking place for call center staff, and we are working to improve our service by responding well to customers and getting their feedback.



Training for call center staff

Utilizing Tablet POS*

YAMADA DENKI has started to use a highly flexible tablet POS system for the convenience of its customers. Every salesperson has the POS capability on their device making it possible to offer even better recommendations in line with the customers' wide-ranging needs. The system has helped to reduce customer waiting times by not having to manually check inventories, and has helped facilitate everything from initial customer service through to payment.

* POS: Point Of Sale, a system that collects and analyzes data on the sale situation of products

Human Resource Development and Training in Response to Customer Feedback

Improving Customer Service

In order to improve customer service skills, YAMADA DENKI provides practical training with a focus on on-the-job training (OJT), as well as systematic training via online training and e-learning programs.

In order to further improve the quality and accuracy of services, customer questionnaire surveys are conducted in stores, on deliveries and during after-service, with the results used for training purposes. Furthermore, as part of strengthening renovation proposals in order to provide 'total-living' services for the living environment, initiatives are being carried out to enhance job-specific training, including training manuals and interior study sessions for employees.



Training manual

Tiered Sales Training Scheme

Training	Topic
Internal OJT	OJT from senior colleagues
	On-site training from sales manager and training specialist
External qualification training	Follow-up training for home appliance advisors and Smart Master qualifications
	Study sessions and previews with suppliers
Self-study tools	Training for Meister qualification
	Self-development contents for mobile/computer learning, My Learning, and an external online learning site

Enhanced Learning Support Tools

YAMADA DENKI is developing and enhancing our own learning support tools to improve customer satisfaction. The My Learning video self-study tool was launched in the fiscal year ended March 2021. The videos provide not only product knowledge and basic training on home appliances, renovations and interiors, but also feature store employees introducing various sales techniques. In addition, as a customer service assistance tool for providing the very best in customer service, we provide learning tools for the benefit of sales floor customer service, such as showing the various selling points of products on a tablet POS, etc. We are also making efforts

to raise the level of customer service across the entire Group with, for example, role playing activities performed by our best sales staff at study sessions and videos of the sessions distributed to employees throughout the Group.



A screenshot of the My Learning site

VOICE

Aiming to improve the training system through My Learning



Tomoharu Yamada

Qualification Promotion Section, HR Development Dept., HR & General Affairs Division, YAMADA HOLDINGS CO., LTD.

In-house e-learning education programs have become commonplace. We built our own learning site, called My Learning, because we needed a learning system that flexibly responds to changes in working hours due to work style reforms. When building the site, we first trialed it and after getting feedback and information on how to improve the site we finally released it. After building the site, we could see how effective the site was with employees commenting on how good it is to be able to go back to it again and again in their free time, how useful the success cases are for employee training, and how the videos have more of an impact, rather than just the materials by themselves. The site is currently divided into three separate topics; basic knowledge, product knowledge, and sales techniques, but since we are aiming to develop employees who can sell products from other departments which they are involved in, we are looking at expanding the site further still. In the future, we would like to further improve the learning environment for employees in coordination with our in-house qualification system.



Providing comfortable living spaces and establishing a social system

Gaining External Qualifications

When customers purchase home appliances, employees need to have the relevant expertise in order to provide appropriate advice on such things as how the product works, what it can do, when to use it, where to install it, and other preferences. The YAMADA HOLDINGS Group has been focusing on encouraging employees to get externally qualified as home appliance advisors*1 or as Smart Masters*2. This has resulted in more and more qualified employees. With the number of qualified employees increasing year-on-year, the opportunities for employees to play an active role has also increased which has led to improved customer satisfaction.

*1 A qualification for professionals in sales and customer service of home appliances, giving accurate advice for customers on product selection, use, and troubleshooting.
*2 A qualification related to smart houses, giving a wide understanding of homes, home appliances, housing equipment, and energy management, to support the construction of smart houses that meet customers' needs.

Number of Qualified Employees* (as of March 31 each fiscal year)

Qualification	FY2019	FY2020	FY2021
Home Appliance Advisor	7,672	8,295	8,408
Smart Master	758	1,068	1,146
Photo Master	—	—	1,663
Certified Sellers (1st to 3rd Grade)	—	—	1,251
First Class Architect	—	—	184
Second Class Architect	—	—	659
First Class Building Operation and Management Engineer	—	—	148
Second Class Building Operation and Management Engineer	—	—	125
Real Estate Notary	—	—	534
Sleep Advisor	—	—	491
Kitchen Specialist	—	—	221
Interior Stylist	—	—	180
Qualified Life Insurance Solicitor	—	—	492
Total	8,430	9,363	15,502

* Total number within the YAMADA HOLDINGS Group

Improving Our Ability to Make Proposals

In addition to gaining product knowledge, various measures are being taken to accurately understand the needs of customers in order to recommend the best products to them.

Strengthening Proposals for Renovations

YAMADA DENKI is working to strengthen its proposals for renovations to improve the comfort and convenience of customers' lives. 'Total-living' proposals are made not only for home appliances but also for kitchens and bathrooms, interiors and exteriors, as well as for furniture. We are striving to improve our skills by strengthening the training of various advisors who can give more detailed advice with regard to customers' homes. Moreover, employees qualified as architects give pertinent proposals to meet the needs of customers looking to extend or make improvements to their homes.



Improving Delivery and Installation

At YAMADA DENKI, we aim to improve our service to our customers not only when selling products, but also after the products have been sold, during delivery and installation.

Training to Certify CS Managers

In order to standardize efforts to improve customer satisfaction (CS) in product delivery and installation, YAMADA DENKI has requested its partner companies (65 delivery companies, and 114 installation companies) to train some of their employees as YAMADA DENKI certified CS Managers. In order to prevent the spread of Covid-19, existing CS Managers had their certifications automatically renewed while training was given to only 114 new trainees. Training is given to certify a person in charge at the respective companies with guidance on the standards that YAMADA DENKI expects with respect to customer satisfaction, manners, how the technicians operate, product delivery and installation. Training sessions consist of educational training, group discussions and a written test. Under this system, YAMADA DENKI certifies the people in charge at partner companies with the aim of maintaining their levels of customer service to the same level as YAMADA DENKI employees.

Customer Questionnaire Survey

Customer questionnaires are conducted to survey the level of customer satisfaction. From the fiscal year ended March 2021, questionnaires were carried out on smartphones as a way to better protect personal information and improve the response rate. Results from the questionnaires are analyzed and based on the results policies are drawn up to improve customer satisfaction. These policies are made known to companies involved in the survey at customer satisfaction meetings and area meetings held four times a year so that the partner companies can then inform their respective shop floors. Customer satisfaction meetings were only held online in the fiscal year ended March 2021 to prevent the spread of Covid-19, with 22 companies taking part.

TOPIC

Annual Awards Based on Customer Questionnaire Survey

YAMADA DENKI conducts customer surveys for its delivery and installation staff. Results were compiled at the end of March after which highly evaluated employees received either the grand prix, excellence award, prime award, or incentive award in June. The 11th awards ceremony was held in the fiscal year ended March 2021 where a total of 292 employees received awards, including 2 for the grand prix, 10 for the excellence award, 11 for the prime award and 269 for the incentive award. Going forward, we will strive to improve customer satisfaction by sharing good work practices across all fields in the Group as well as encouraging our employees to be more motivated.

Developing Sales Engineers

YAMADA DENKI is strengthening the training of its sales engineers who handle everything from product sales to delivery and installation work. The aim is to make customers' lives more comfortable by developing sales engineers into technicians and advisors who can recommend everything from home appliances and furniture to interiors and home renovations at times when there are an increased number of deliveries such as during the summer, and the year-end and New Year holiday. As well as further recruitment from industrial high schools, we are also focusing on training female

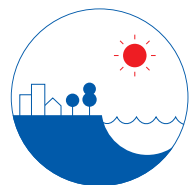
sales engineers. Moreover, based on an annual plan, qualified electrical instructors are helping employees gain qualifications so that they can develop and strengthen their professional abilities. In the fiscal year ended March 2021, 24 people received their Second Class Electric Works Specialist's license. In the future, we will utilize online training so that more employees can get their license.



Efforts to Achieve the SDGs as a Home Builder

At YAMADA HOMES, we are working in line with the SDGs to build sustainable homes for the benefit of people, the earth, and the future. The Company is carrying out a range of different initiatives to tackle one of the priority issues for achieving the SDGs, namely that of providing comfortable living spaces and establishing a social system. Such initiatives include; setting up a members site that provides total support for living and life, popularizing for water generators that make water from air, designing houses that enable coexistence with nature by incorporating water, light, and greenery, and developing durable housing that provides safety and security by protecting against climate change and disasters.

YAMADA HOMES' SDGs Initiatives
<https://yamadahomes.jp/corporate/sdgs/index.html>
(Japanese Only)



Building a Circular Economy and Protecting the Global Environment

Environmental Management

The YAMADA HOLDINGS Group is working to solve environmental issues throughout its business activities based on the idea that harmony with the global environment leads to sustainable social and economic development. With the Environmental Policy and ISO14001 certification acting as specific action guidelines, we are proactively promoting initiatives to reduce our impact on the environment such as with activities to reduce CO₂ emissions through reuse and recycling schemes.

Basic Policy

The YAMADA HOLDINGS Group environmental policy

<https://www.yamada-holdings.jp/info/policy/environmental.html>
(Japanese Only)

Major Initiatives, Targets and Results for Fiscal year ended March 2021

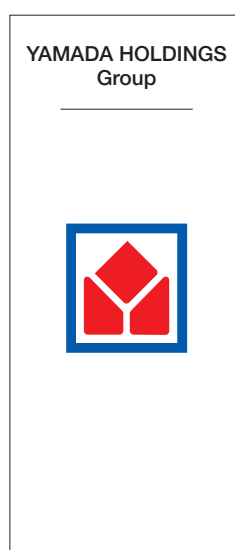
Major Initiatives		Fiscal year ended March 2020 Results	Fiscal year ended March 2021 Targets	Fiscal year ended March 2021 Results	Fiscal year ended March 2022 Targets
Reduce waste and Recycling	Reuse of 4 household appliances (TVs, refrigerators, washing machines and dryers)	55,685 units	96,536 units	56,937 units	100,000 units
	Reuse of computers	395,363 units	384,900 units	417,261 units	439,900 units
Prevent Global Warming	Percentage of renewable energy* out of total power consumption	1.85 %	Increase on previous fiscal year	1.96 %	Increase on previous fiscal year
	CO ₂ reductions from improved efficiencies in distribution	75.66 t-CO ₂	—	73.9 t-CO ₂	—

* Amount of green power used (amount of biomass power)

Material Flow (Fiscal year ended March 2021)

Energy	
Electricity*	540,506 thousand kWh
Gasoline	3,955 kℓ
Kerosene	88 kℓ
Light Oil	824 kℓ
A Heavy oil	783 kℓ
LPG	329 t
City Gas	4,484 thousand m ³
Cold Water	25,605 GJ
Hot Water	3,229 GJ
Vapor (non-industrial)	1,326 GJ

* Emission factor used for each latest electric utility



CO ₂ Emissions	
	281 kt-CO ₂
Waste Emissions	
Industrial Waste	60,980 t

From the fiscal year ended March 2021, in order to gain a deeper understanding of the environmental impact of the YAMADA HOLDINGS Group, we have expanded the scope of aggregation from Yamada Denki alone to the entire YAMADA HOLDINGS Group.

Environment Management System

The head offices of YAMADA HOLDINGS, YAMADA DENKI and CIC, as well as Azuma Metal, have acquired ISO14001 certification where they continue to carry out environmental management activities. Efforts will be expanded going forward from Group companies also, to strengthen management in the environmental field.

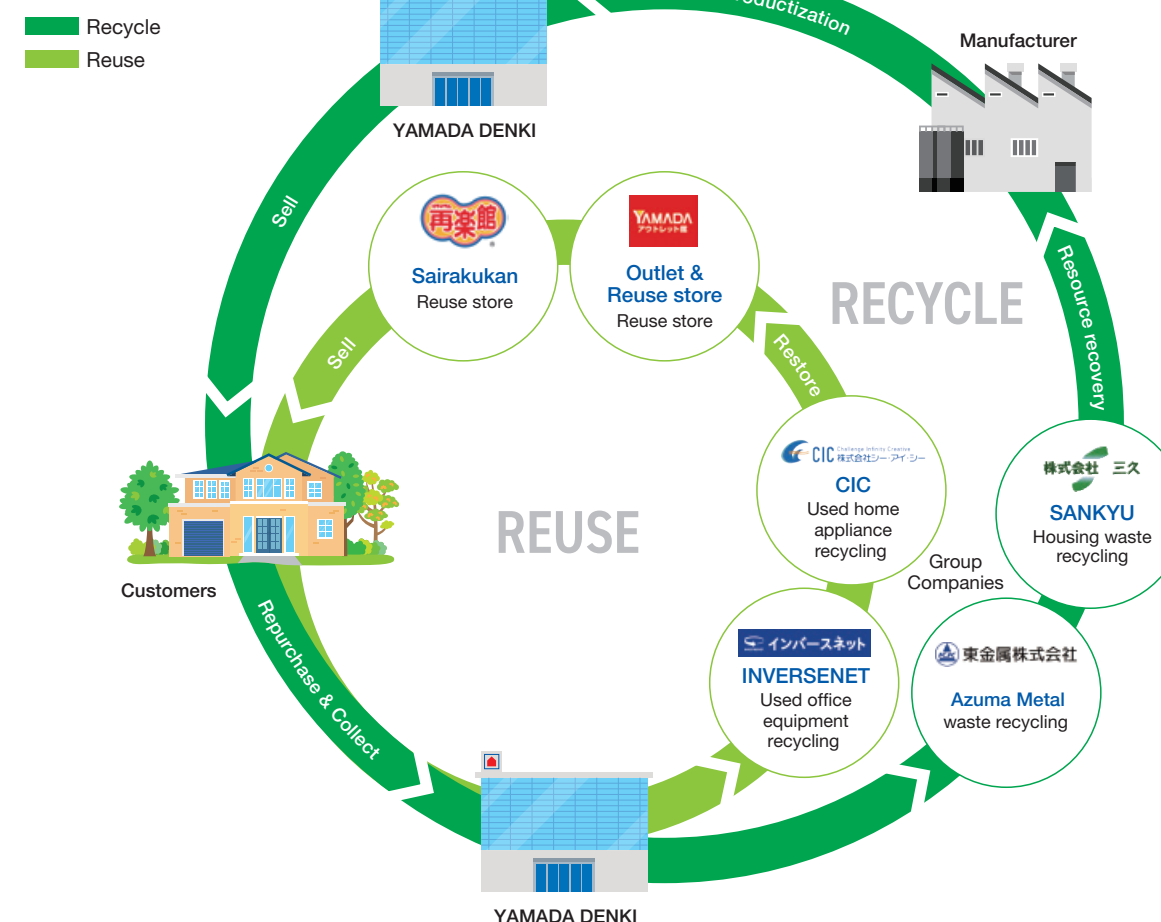
Environmental Education

The YAMADA HOLDINGS Group has been encouraging employees to gain qualifications as Smart Masters and home appliance advisors as certified by the Association for Electric Home Appliances, with the aim of raising their awareness about limiting the impact on the environment. The Group has also been stimulating initiatives by sharing environment-related information through its in-house newsletter and intranet to raise awareness of environmental issues.

Reducing Waste and Resource Recycling

The YAMADA HOLDINGS Group has helped to reduce its impact on the environment in society as a whole by completing the product life cycle within the Group. This has been done by constructing a system to reuse, recycle, remanufacture, and resell used electrical appliances collected from customers.

The Cycle of Reuse & Recycling



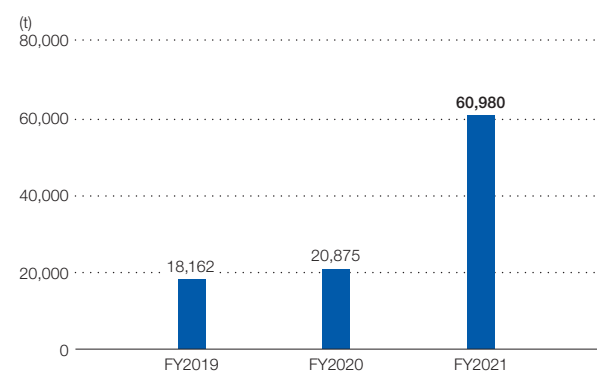
Building a Circular Economy and Protecting the Global Environment



Initiatives to Reduce Waste

In accordance with relevant laws, the YAMADA DENKI properly disposes of waste material from its stores as well as discarded home appliances from customers not covered by the Home Appliance Recycling Act. Since the fiscal year ended March 2021, the Group has been working to identify and reduce the amount of waste disposed across the Group.

Amount of Industrial Waste Disposed



* The scope of aggregation has been expanded from the fiscal year ended March 2021 to target YAMADA HOLDINGS and its major operating companies.

The 3Rs

Yamada Environmental Resources Development Holdings is engaged in the business of reuse and recycling, reducing waste and its proper disposal, and using recycled materials with a focus on electrical appliances. The Company efficiently collects used products and reuses them wherever possible to resell and deliver on to customers. The Company also comprehensively recycles products that cannot be reused with the recycled materials used as raw materials for new products.

Reuse & Recycling

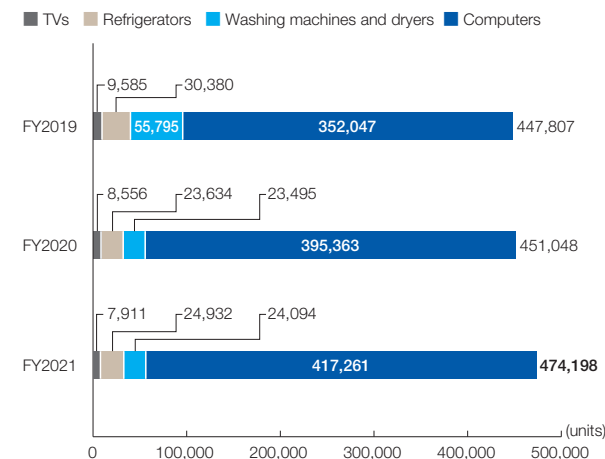
Regarding the reuse of home appliances, we are building a complete distribution network for the reuse of home appliances, from the repurchase of quality products through to recycling and sales, centered on CIC which develops environmental resources. Our two recycling centers provide a service that allows customers to purchase reused home appliances with peace of mind by giving every product a thorough clean, check and repair, as well as a warranty of up to 24 months from the day the product is purchased.

And for the reuse and recycling of computers, INVERSENET recycles used computers and dismantles those that cannot be recycled by reusing them as raw

materials (material recycling) or as fuel (thermal recycling).

Furthermore, Azuma Metal is able to use a high-precision machine to cut out and separate plastics, metals and mixtures, etc. By subdividing the materials into tiny parts and recycling them raises the value of the resources. Looking ahead, we will continue to make the most of our advanced technological capabilities to improve how much we can reuse and recycle.

Number of Home Appliances Reused

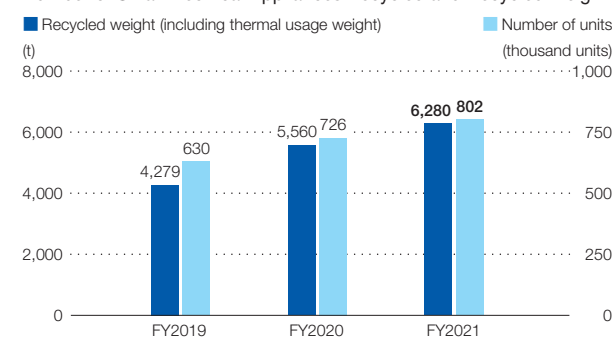


Recycling Small Household Appliances

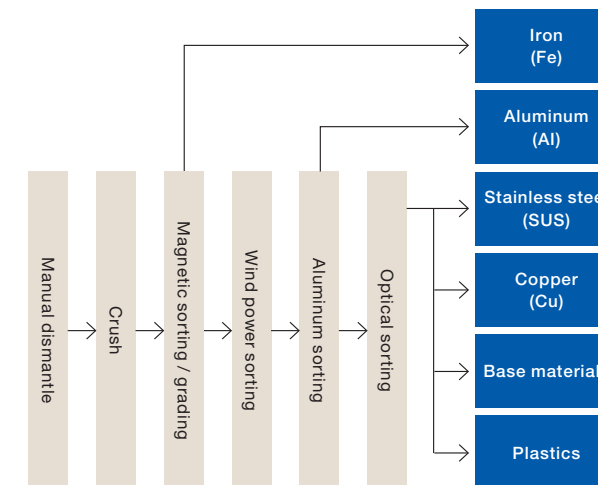
YAMADA DENKI collects used small electrical appliances at all of its stores based on the Act on Recycling of Used Small Electronic Devices (Small Home Appliance Recycling Act*). Small electrical appliances collected at stores are inspected, disassembled, and crushed by Azuma Metal, a certified Group company. The materials are then sorted before going on to be recycled.

* A system that promotes the formation of a circular economy whereby a government-certified business operator collects and processes electrical machinery and appliances, excluding the four categories of home appliances subject to the Home Appliance Recycling Act (TVs, air conditioners, refrigerators and freezers, and washing machines and clothes dryers).

Number of Small Electrical Appliances Recycled and Recycled Weight



Recycle Flow of Used Small Electrical Appliances



Product Development Using Recycled Materials

YAMADA HOLDINGS Group are making a range of sustainable efforts in terms of recycled materials. As well as reusing and re-marketing used electrical appliances received from customers, materials made from recycled resources are developed into eco-friendly products and then sold. Some of the parts used in YAMADA HOLDINGS's private brand SPA products use plastic materials recycled in our own group. One washing machine made with recycled plastics is expected to reduce emissions by as much as 7kg-CO₂, a sizable contribution to the Group's sustainability. In the future, the Group will aim to develop and sell products in various fields such as housing.

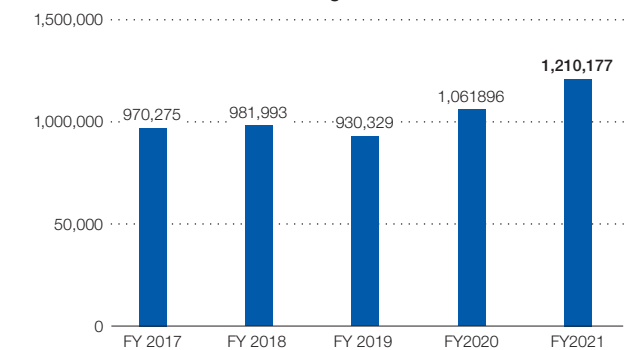


SPA washing machine

Recycling Ink Cartridges

YAMADA DENKI donates 10 yen for every used ink cartridge deposited at one of its reusable ink cartridge collection boxes in each of its stores. In the fiscal year ended March 2021, approximately 1.21 million cartridges were collected with 10,798,850 yen donated to the Foundation for Orphans from Automobile Accident. The amount of carbon emissions was also reduced by 91.5t through the collection and sale of ink cartridges.

Number of Collected Ink Cartridges



Reduced Paper and Ink with Electronic Shelf Labels

Since February 2020, YAMADA DENKI has been using electronic shelf labels (electronic prices) for its digital home appliances. Electronic pricing not only reduces the amount of paper and ink used, but also helps to streamline inventory management and reduces workloads for employees.



Electronic prices

Building a Circular Economy and Protecting the Global Environment

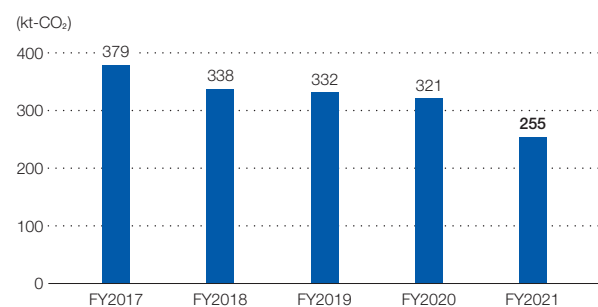
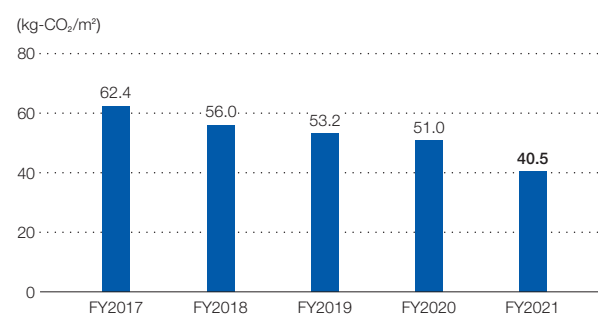


Preventing Global Warming

The YAMADA HOLDINGS Group has been promoting activities aimed at reducing CO₂ emissions from its stores and in its distribution and is reducing its environmental impact based on quantitative target setting and controls. The Group is also focusing on efforts to reduce CO₂ at the customer's product use stage by promoting replacement energy-saving home appliances.

CO₂ Emissions from Electricity Use

The YAMADA HOLDINGS Group is continually working to reduce CO₂ emissions associated with its business activities. Renewable energy covers 1.96% of CO₂ emissions from electricity use. In addition, in the fiscal year ended March 2021, as a result of shortening business hours to prevent COVID-19 infections, electricity consumption and CO₂ emissions decreased.

CO₂ Emissions from Electricity Use*1,2CO₂ Emissions per Floor Area*1,2

*1 Emission factor: 0.55kg-CO₂/kWh was used until the fiscal year ended March 2020, but from the fiscal year ended March 2021 it has been changed to the latest emission factor for each electric utility.

*2 Targets: YAMADA HOLDINGS and its major operating companies

In-Store Initiatives

● Introduction of Demand Controllers

Demand controllers have been installed in all YAMADA DENKI stores to save energy. Efforts are being made to reduce power consumption by comparing CO₂ emissions and analyzing the amount of electricity used per hour for each set of equipment. As of March 31, 2021, demand controllers have been installed in 553 stores.

● Shift to LED Lighting

Efforts are being made to conserve energy with the gradual introduction of LED lighting into YAMADA DENKI stores and sales offices.



Renewable Energy Initiatives

● Continuous Use of Green Power

YAMADA HOLDINGS has been using green power since the fiscal year ended March 2009. 100% of the power used at the Yamada headquarters building in Takasaki City is green power. In the fiscal year ended March 2021, a total of 10,593 thousand kWh of green power was used at the headquarters and 77 YAMADA DENKI stores.

These contributions to promoting the spread of green power have been valued and as such YAMADA HOLDINGS has been selected as an Excellent Partner of the Green Energy Partnership.

● Solar Power Installations

The rooftops of stores have been used to install solar power systems. In the fiscal year ended March 2021, the total electricity generated was 46,783 thousand kWh. The electricity was used for business operations as reusable energy and sold to the grid to contribute to the reduction of environmental burdens. The Group will continue its effort to promote and expand the use of reusable energy throughout the Group.

* Group companies involved: YAMADA DENKI, Azuma Metal, Kyushu Tecc Land, YAMADA HOMES, BEST DENKI, Housetec, INVERSENET



Promotion of Energy Conservation in Distribution

In order to promote environmental efforts in its distribution, YAMADA DENKI has requested its outsourcing and partner companies to turn off their idling engines while out delivering products. Over 98% of drivers have complied with this initiative in the fiscal year ended March 2021 maintaining a high level since the initiative began in 2010. In addition, the Group is promoting eco-friendly logistics by reducing distances covered during product delivery through the creation of an efficient logistics system for vehicles moving between stores.

Business Initiatives

● Eco-Friendly Energy-Saving Home Appliances

As a leader in the consumer electronics industry, YAMADA DENKI aims to reduce its impact on the environment by using more energy-saving home appliances. Standardized energy-saving labels are put up near products in store, and sales staff with a wealth of product knowledge in energy-saving home appliances serve customers promoting the use of more products with better energy-saving performance.



Energy-saving label

Source: 2020 Energy-Saving Label Guidebook, published by the Agency for Natural Resources and Energy, METI



Sales staff dealing with a customer

● Promoting Energy Efficient Homes and Renovations

With the government aiming to go carbon neutral by 2050, it is expected that new homes will be required to comply with energy-saving standards in the near future. In response to this trend, the housing segment has promoted energy efficient homes through high-quality custom-built housing provided by YAMADA HOMES and the Hinokiya Group.

Custom-built homes equipped with the Hinokiya Group's strengths in super-high quality heat insulation, and Zekkuchō, which keeps the temperature of the house comfortable all year round, are expected to meet the energy-saving standards of the next-generation. YAMADA HOMES is also developing NEXIS, long-life quality housing with excellent energy-saving performance and earthquake resistance. In the housing segment, we will continue to help prevent global warming through eco-friendly homes and renovations.

● Eco-Friendly Heat Insulation - AQUA FOAM

Based on its management philosophy of contributing to society by creating a human- and eco-friendly living environment, Nippon Aqua, a company in the Hinokiya Group, is working to spread the use of its eco-friendly, super-insulated on-site spray polyurethane foam insulation—AQUA FOAM. The foam insulation is used in up to 50,000 new build detached homes each year. The highly airtight and super-insulated AQUA FOAM blocks the summer heat and the winter cold from penetrating to keep the indoor environment at a comfortable temperature. The insulation also enhances energy-saving effects (reducing CO₂ emissions) in the home, contributing to the environment by being a Net Zero Energy House (ZEH).



Spraying the AQUA FOAM insulation



Developing employees and improving the work environment

Basic Approach

The YAMADA HOLDINGS Group regards its employees as an essential management resource for the sustainable development of the Company. As such, the Group is working to create an environment in which its human resources with all of its diverse experiences and values can maximize their abilities, flourish and play an active role, regardless of gender, nationality, or age. The Group is working to develop and improve the abilities of its employees through securing and nurturing human resources and through appraisals. It is actively working to secure a safe and secure working environment that respects diversity and individuality, making it a healthy and easy place to work.

Fiscal year ended March 2022 Targets

Topic	Target
Develop human resources	Continue training with learning support tools
Promote diversity	Increase number of female managers
Promote a good work-life balance	Encourage more use of paid leave
Health and safety at work	Increase number of health checks
Respect for human rights	Promote understanding and awareness of basic ideas regarding respect for human rights

Securing Human Resources

Recruiting New Graduates

In April 2021, the YAMADA HOLDINGS Group recruited 599 new graduate students, helping to re-energize the organization. With an increasing range of products and services, such as consumer electronics, furniture and renovations, the Group is working to develop new, young talent along with recruiting human resources who have the ability to meet the wide range of customer needs. Human resources with specialized knowledge, including talent for new businesses and systems aimed at strengthening headquarters operations will continue to be hired in the future.

Employee Appointment System

YAMADA HOLDINGS and YAMADA DENKI have established a system for the appointment of non-full-time and contracted employees as full-time employees in conjunction with the internal qualification system. In the fiscal year ended March 2021, 384 employees were appointed as full-time employees.

Developing Human Resources

Training for New Employees

As well as establishing a system that allows employees to take on the type of work that is right for them, the YAMADA HOLDINGS Group is working to enhance its education and training system so that each individual can demonstrate their abilities, flourish and play an active role in the Company. New recruits learn the skills needed to be a Group employee through the use of such resources as online study sessions, educational tools for learning, and acquiring basic knowledge by using the products themselves. New recruits become fully fledged employees after the end of a training period in the workplace.

Tiered Training

YAMADA HOLDINGS and YAMADA DENKI are giving tiered training under the banner of “cultivating human resources who can think and act on their own—upgrading our basic OS of awareness and mind”. As a new initiative from April 2021, the Group has been holding training for middle managers (section chiefs in the headquarters and store managers) with the aim of strengthening team building and management capabilities. Furthermore, in

order to develop talented human resources, the Group has been using an external online learning site to provide a variety of rich content by management level.

My Learning

To give a consistent sales services from home appliances to interiors and renovations, YAMADA HOLDINGS and YAMADA DENKI have been rolling out its own learning site, called My Learning, to employees on product knowledge and sales techniques. Through videos using QR codes, the Group is working to create a more fulfilling educational environment where employees can learn independently in their own time.

Developing Next-Generation Leaders

YAMADA HOLDINGS Group are working to develop next-generation leaders in all levels of the Company for its sustainable growth. Specifically, YAMADA DENKI is working on the following:

1. To develop leaders, employees participate in cross-industry exchange training to learn the principles of management and improve their leadership capabilities. Content learned is shared with the employee's manager who checks the progress of their efforts.
2. To train new graduates and new employees, senior employees try to improve their skills to help nurture new recruits so they don't have to rely on intuition or experience by learning training techniques and ways to improve motivation, etc.
3. To give top sales staff the capabilities to make proposals that further enhance customer satisfaction, they are provided with learning opportunities, including introductions to ICT and IoT as well as the latest products.

Human Resources and Performance Appraisals

Building a Performance Appraisal System

The YAMADA HOLDINGS Group emphasizes a merit system not based on seniority, and as such is building a fair, impartial, and transparent performance appraisal system. The Group aims to build and operate such a performance appraisal system while reviewing appraisal criteria as necessary, and improving customer satisfaction through ensuring its employees gain a wider product knowledge to constantly and continually improve the quality of its customer service.

Annual Employee Commendation Program

Each year, YAMADA DENKI commends stores and corporate sales offices which have made large sales in relation to their size, and individuals with the highest annual sales. The program was held online in the fiscal year ended March 2021 to help prevent the spread of Covid-19 infections, but despite this, a total of 48 people and a total of 12 stores and sales offices were commended.

Promoting Diversity

The YAMADA HOLDINGS Group is working to promote diversity in order to create a Company with equal career opportunities for all and where all employees can work comfortably to support sustainable growth.

Supporting the Success of Women in the Workplace

The YAMADA HOLDINGS Group recognizes that creating an environment in which women can play an active role is an essential measure for promoting diversity. As such, the Group has established and is promoting a success for women action plan in line with the Act of Promotion of Women's Participation and Advancement in the Workplace which came into force in April 2016. Based on its success for women action plan, the Group has set a target for 15% of female employees to be promoted to managerial positions. In the fiscal year ended March 2021, 12.5% of women were promoted to managerial positions. From the fiscal year ended March 2020, the Group has also been focusing on training female sales engineers so that both males and females can demonstrate their abilities. Of the 299 employees who have undergone training, 37 women have become sales engineers as of May 2021. Following the appointment of our first female director in the fiscal year ended March 2019, one more was appointed in June 2020 bringing the total number to two. The Group will continue to promote initiatives such as hiring more female employees and improving the workplace environment so that more women can play active roles in the Company.

Success for women in the workplace action plan

https://www.yamada-holdings.jp/csr/female_success.html
(Japanese Only)



Developing employees and improving the work environment

Appointing Foreign Employees

The YAMADA HOLDINGS Group has been working on recruiting foreign nationals so as to strengthen its ability to assist the many different customers who visit its stores. The Company places importance on recruiting whatever the nationality without setting any particular criteria for recruitment. YAMADA DENKI will continue to secure the most talented employees while diversifying its human resources within the Company.

Employing People with Disabilities

The stores, offices and headquarters at YAMADA HOLDINGS are accessible throughout for people with disabilities. The Company is therefore striving to create an environment where all employees with disabilities can work with peace of mind. The employment rate for people with disabilities in the fiscal year ended 2021 continues to meet the statutory employment rate.

Reemployment System for Retirees

The retirement age for employees at YAMADA HOLDINGS is 60 years-old but the Company has introduced a reemployment system that allows employees to work up to the age of 75. Senior talent with sophisticated skills and knowledge are playing an active role by helping to lead other employees.

Employee Data (full-time employees only) (as of March 31 each fiscal year)

Type		FY2019	FY2020	FY2021
Number of new employees	Male	—	—	388
	Female	—	—	197
	Total	—	—	585
Average number of years service		11.8	12.7	12.7
Turnover rate (%)		4.3	5.6	5.3
Number of employees with disabilities (including non-full-time employees)		569	612	670
Number of retirees reemployed		105	128	174
Retirees reemployed (%)		81.8	82.9	85.3
Number of foreign employees	Male	73	103	176
	Female	67	121	125
	Total	140	224	301

* Targets: YAMADA HOLDINGS and its major operating companies.

Promoting a Good Work-Life Balance

In order to create a comfortable workplace environment, the YAMADA HOLDINGS Group believes it is important to provide a work environment that respects a good work-life balance. As such, the Group has established a comprehensive work-life balance system so that employees can choose a flexible working style especially during times of need with childcare and nursing care, etc.

YAMADA HOLDINGS' Main Support Systems (as of April 2021)

Type	System	Description
Child-care	Childcare leave	May be taken up until child reaches the age of 3 (until the age of 1 by law)
	Shorter working hours for childcare	May be taken up until child graduates from elementary school (up to 3 years old by law)
	Maternity leave	8 weeks before delivery (14 weeks for multiple births), 8 weeks after delivery
	Time off for childcare	5 days leave may be taken for a child yet to enter elementary school (10 days for 2 children or more) in cases where time off is needed to look after a sick child, or for vaccinations or medical check-ups, up until the time child starts elementary school
Nursing care	Nursing care leave	Up to 184 days leave may be taken to care for a family member
	Time off for nursing care	5 days leave may be taken per year to care for a family member (10 days for 2 or more family members)
	Shorter working hours for nursing care	Up to 3 years leave may be taken to care for a family member
Others	Long break shift system	It is possible to leave work for a longer period than the set break time for personal reasons. The shift system may be used when the total number of hours worked before and after the long break is the same of more than the number of predetermined hours in the working day.
	Menstrual leave	When a female employee finds it too difficult to work on a menstruation day, they may request leave and receive normal pay
	Accumulation of expired annual paid leave	Up to 60 days of annual paid leave which has expired after a period of time may be accumulated. After annual paid leave has been used up any accumulated paid leave can be used by prior request for taking absence for illness or caring for a family member
	Hometown employees	Employees who work in regular positions may be transferred to locations around the country. After working for a certain period of time at the new location transferred employees may return to the original location
	Consecutive leave	4 consecutive days off twice a year, or up to 7 consecutive days leave
	Special leave for female workers to receive health guidance or medical checkups in accordance with the Maternal and Child Health Act	Up to the 23rd week of pregnancy, one day of leave may be taken every 4 weeks; from the 24th to 35th week of pregnancy, one day of leave every 2 weeks; and from the 36th week until childbirth, one day every week may be taken
	Reemployment System	A system that allows employees who have retired due to reasons such as childcare or nursing care to return to work (within 5 years)

Reducing Work Hours

In addition to complying with labor-related laws, YAMADA DENKI is working to curb long working hours in cooperation with the labor union. In the fiscal year ended March 2021, the introduction of electronic shelf labels improved work efficiency and led to a significant reduction in working hours.

Work Interval System

YAMADA HOLDINGS and YAMADA DENKI have been running a work interval system which ensures at least 10 hours of rest between the end and the start of the following work day. The aim of the system is to improve work efficiency and reduce the amount of overtime work. A minimum of 11 hours of rest between shifts has, in principle, been secured from the fiscal year ended March 2021. Through this system, the Company aims to reform work-styles while reducing overtime hours.

Healthy Labor-Management Relations

Overall, all employees who have signed up to YAMADA HOLDINGS and YAMADA DENKI's labor agreement are members of the labor union. The labor union has a membership rate 79.2%. Labor-management meetings are held once a month to promote dialogue between labor and management. Information is shared between management and the union, solutions to issues on working conditions are discussed, and activities are reported on. In the fiscal year ended March 2021, discussions were held on equal pay for equal work, the work interval system, and awareness of the appraisal system.

Internal Questionnaire Survey

YAMADA HOLDINGS and YAMADA DENKI conduct in-house questionnaires every year for full-time employees, contracted employees, and part-time workers on their motivation to continue working, their work satisfaction, the workplace environment, the training system, and CSR initiatives. In the fiscal year ended March 2021, the questionnaire survey was carried out at 809 stores for 18,935 people in June. 82.5% of participants responded to the questionnaires, a higher rate than the previous year. From the survey employees' willingness to work continued to be at a record high following on from last year, and job satisfaction improved for all those who responded.

Introduction of Area Employee System

YAMADA DENKI is running an area employee system that employees do not have to relocate. The system enables employees to choose a working style in line with their own life plan or family environment whether for childbirth or looking after children or elderly parents. In the fiscal year ended March 2021, 11.8% of employees used the system.

Corporate Defined Contribution Pension, CoDeCo

YAMADA DENKI runs a corporate defined contribution pension system called the Yamada CoDeCo for the purpose of securing employees' retirement income and supporting voluntary efforts to stabilize their everyday lives. It is a pension system to save for the future that takes advantage of tax and investment benefits. Taxes and social insurance premiums are deducted from salaries but not from CoDeCo premiums, thereby having a tax-saving benefit. In terms of investment, fixed deposits are currently at around 0.01% interest per year, but CoDeCo users have an average return on investment of 2.17% which is further tax-free.



System Usage Data (full-time employees only) (as of March 31 each fiscal year)

Type		FY2019	FY2020	FY2021
Paid leave taken (%)		—	—	49.5
Number of employees taking childcare leave	Male	11	28	37
	Female	122	215	265
	Total	133	243	302
Number of employees taking shorter hours for childcare	Male	1	10	13
	Female	134	350	730
	Total	135	360	743
Number of employees taking nursing care leave	Male	1	4	3
	Female	2	5	5
	Total	3	9	8

* Targets: YAMADA HOLDINGS and its major operating companies.



Developing employees and improving the work environment

Health and Safety at Work

Based on the idea that maintaining and improving a healthy and safe work environment and promoting health for all employees forms the basis of the Company's survival, the YAMADA HOLDINGS Group works to ensure health and safety at work, creates a comfortable work environment, facilitates job performance and improved productivity, and manages employee health.

System to Promote Health and Safety at Work

YAMADA HOLDINGS and YAMADA DENKI have established a Health and Safety Committee chaired by managers and held once a month at all business sites. The committee also sets a theme for the year (based on important matters and matters for consultation). Activities and discussions take place around the monthly theme with the results submitted to and managed by the labor section at headquarters. The annual theme of the Health and Safety Committee in the fiscal year ended March 2021 is Safety, Environment and Health Management. Activities include: creating unsafe incident reports to prevent work-related accidents, in-store inspections (temperature, ventilation, illumination etc.), stress tests, and checking annual non-scheduled working hours, etc.

Main Initiatives to Prevent Accidents at Work

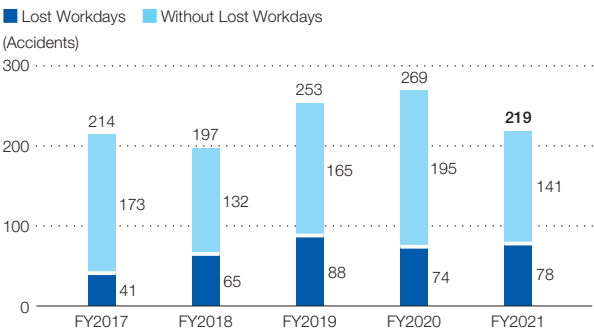
YAMADA HOLDINGS and YAMADA DENKI have determined priority issues and is taking various measures to ensure no accidents occur in the workplace. In order to eliminate risks that lead to serious injury etc., the Group has been working to prevent recurrences by preparing unsafe incident reports and examining individual cases. The Group also carries out disaster prevention drills at each store in the event of emergencies, such as earthquakes or fire, to ensure an initial response while securing the safety of its customers.

Accidents at Work

The number of occupational accidents between YAMADA HOLDINGS and YAMADA DENKI in the fiscal year ended March 2021 was 219* accidents (78 with lost workdays and 141 without lost workdays). No major accidents were reported. In the event of an accident, the Health and Safety Committee requires that a report, with remedial measures included, be submitted. The committee then decides on a response. YAMADA HOLDINGS will strive to improve levels of safety management throughout the Group.

* Including minor accidents such as stumbles and slips

Number of Accidents at Work



* Total number within the YAMADA HOLDINGS and YAMADA DENKI

Health Management and Mental Health

YAMADA HOLDINGS and YAMADA DENKI provide awareness and guidance on health management and mental health so that employees can make the most of their abilities and engage in their jobs. In terms of physical health, the Group carries out regular health checks for the purpose of preventing lifestyle-related diseases, and carries out specific health guidance based on the results. With regard to mental health, the Group conducts stress tests based on laws and regulations, and works to reduce the risk of mental illness by raising awareness of employees' own levels of stress. The Group has also established a consultation desk (toll free number) in cooperation with a medical institution so that employees can talk to someone if they need to. Furthermore, in order to gain the right knowledge about mental health and how to handle any issues in case of emergency, managers and supervisors have received life-care training from occupational health physicians. In the fiscal year ended March 2021, the Group held four video study sessions to exchange ideas and opinions, and deepened understanding of health in general, including mental health.

Percentage of Stress Tests and Health Checkups Taken (%)

	FY 2019	FY 2020	FY 2021
Stress tests	91.2	94.5	92.3
Health checkups	92.1	95.8	93.0

* Targets: YAMADA HOLDINGS and its major operating companies in the fiscal year ended March 2021.

Received Silver Health Award for Second Consecutive Year

Cosmos Berry's is working on health management with the understanding that each employee can perform at their best if they are able to maintain a healthy and fulfilling mind and body. The company is also working on health management with the understanding that each employee can perform at their best if they are able to maintain a healthy and fulfilling mind and body. As a result of introducing a health pass which allows its employees to have a health check at a time that suits them, not only has the number of checkups increased but employee's awareness of their own health has also improved.

In the fiscal year ended March 2021, in addition to newly registering as a health management promotion company in Aichi Prefecture, Cosmos Berry's received for the second consecutive year the silver award from the Health Declaration Excellent Business Office, certified by the Japan Health Insurance Association (Aichi Prefecture Branch). Other notable achievements for the company include receiving recognition as a Health & Productivity Management

Organization in the small and medium-sized enterprise category.



Sleep Pattern Analysis

IEMAMORI carries out online analysis for all employees on their sleep patterns under the supervision of a sleep specialist, provided by Brain Sleep, so that employees can work with peace of mind.

Understanding your own sleep patterns not only leads to the prevention and early detection of sleep apnea syndrome, but also helps reduce stress, something which is thought to be closely related to sleep, thus improving productivity at work.



Diagnosis result screen

Respect for Human Rights

With the progress of globalization, companies are trying to get to grips with international norms such as the World Declaration on Human Rights, the ILO's Fundamental Principles and Rights at Work, and the United Nations' Guiding Principles on Business and Human Rights. As such the YAMADA HOLDINGS Group is required to address human rights issues of various stakeholders affected by its business activities, and not just within the organization.

In light of these circumstances, along with reviewing the content of its respect for human rights in its CSR Code of Ethics, the YAMADA HOLDINGS Group has established a human rights policy which sets out the Group's due diligence on human rights, the remedies and corrective measures to be taken in the face of human rights abuses, and education on human rights. The Group will continue to strive to fulfill its responsibility to respect human rights throughout all its business activities.

Human Rights Policy

<https://www.yamada-holdings.jp/info/policy/human-rights.html> (Japanese Only)

Human Rights Initiatives

The YAMADA HOLDINGS Group conducts training on the theme of various human rights issues that arise in business execution, with the aim of raising awareness and building a culture of respect for human rights. In the fiscal year ended March 2021, the YAMADA HOLDINGS conducted training for managers on the basic ideas of respect for, and raising awareness of, human rights. The Group shares a management approach with all Group companies, including placing importance on respect for human rights. Questionnaires are also given to business partners to check for any human rights issues, such as within their own workplace environments, etc.

Major Financial Data for 10 Years (Consolidated)

(million yen)

	35 th	36 th *3	37 th	38 th	39 th	40 th	41 st	42 nd	43 rd	44 th
	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
Profit and Loss										
Net sales*1	1,835,454	1,701,489	1,893,971	1,664,370	1,612,735	1,563,056	1,573,873	1,600,583	1,611,538	1,752,506
Operating profit	88,978	33,930	34,265	19,918	58,158	57,895	38,763	27,864	38,326	92,078
Ordinary profit	102,225	47,906	50,187	35,537	62,734	66,040	47,335	36,889	46,074	98,875
Profit attributable to owners of parent	58,265	22,203	18,666	9,340	30,395	34,528	29,779	14,692	24,605	51,798
Assets										
Net assets	526,743	555,391	553,354	509,397	557,722	585,547	588,740	591,593	645,166	672,545
Total assets	937,841	1,138,389	1,196,288	1,122,407	1,146,722	1,159,456	1,175,568	1,184,042	1,163,494	1,252,599
Cash Flow										
Cash flow from operating activities	34,259	△12,789	45,148	22,982	△23	43,855	61,689	36,023	62,433	122,281
Cash flow from investing activities	△38,063	△39,232	△38,606	△20,232	△13,437	△15,279	△12,668	△8,469	△8,234	△14,777
Cash flow from financing activities	△24,361	47,174	△7,646	△41,487	4,732	△24,382	△32,920	△27,461	△58,091	△82,837
Cash and cash equivalents at end of year	76,344	77,906	77,754	39,691	30,664	34,981	51,326	51,175	48,397	73,760
Financial Indicators										
Stated capital (100 million yen)	710	710	710	710	710	710	710	710	710	710
Equity ratio (%)	55.4	46.8	44.2	43.2	46.6	48.4	49.8	49.7	54.6	51.8
Price earnings ratio (times)	8.36	18.22	17.01	42.18	13.92	12.91	17.35	30.02	15.19	9.50
ROA (%)	6.2	2.1	1.6	0.8	2.7	3.0	2.6	1.2	2.1	4.3
ROE (%)	11.8	4.2	3.5	1.8	6.0	6.3	5.2	2.5	4.0	8.1
Share Information										
Net assets per share (yen)	5,516.15	565.33	592.17	643.03	666.03	697.46	731.57	723.55	721.37	792.26
Basic earnings per share (yen)	618.46	23.56	20.21	11.73	38.22	43.00	36.77	18.18	28.38	62.82
Diluted earnings per share (yen)*2	—	—	20.21	11.72	38.16	42.89	36.65	18.07	27.01	62.53

Notes: 1. Net sales do not include consumption tax.

2. Diluted earnings per share for the 35th and 36th business years are not indicated because there were no securities with dilutive effects.

3. YAMADA HOLDINGS conducted a 10-for-1 stock split on common stock as of October 1, 2013. Net assets per share, basic earnings per share and diluted earnings per share are calculated on the assumption that the stock split was conducted at the beginning of the 36th business year.

Consolidated Balance Sheets

(million yen)

	The previous fiscal year (March 31, 2020)	The current fiscal year (March 31, 2021)
Assets		
Current assets		
Cash and time deposits	48,939	74,438
Notes and accounts receivable	58,126	72,961
Accounts receivable on completed construction	1,734	2,049
Operating loans	2,222	4,254
Merchandise and finished goods	377,233	368,838
Real estate for sale	7,014	28,584
Costs on construction contracts in progress	3,125	5,545
Work in process	1,690	1,253
Raw materials and supplies	3,766	4,352
Other current assets	43,527	54,382
Allowance for doubtful accounts	△1,904	△2,026
Total current assets	545,475	614,634
Non-current assets		
Property and equipment		
Buildings and structures (net)	202,638	197,027
Land	192,742	199,381
Lease assets (net)	13,732	14,112
Construction in progress	839	2,906
Others (net)	11,249	15,173
Total property and equipment	421,202	428,601
Intangible assets	33,697	42,777
Investments and other assets		
Investment securities	5,253	6,715
Long-term loans receivable	2,816	3,675
Net defined benefit assets	1,579	1,839
Deferred tax assets	29,722	40,362
Guarantee deposits	95,360	85,752
Other assets	30,500	30,835
Allowance for doubtful accounts	△2,113	△2,595
Total investments and other assets	163,119	166,585
Total non-current assets	618,019	637,965
Total assets	1,163,494	1,252,599

(million yen)

	The previous fiscal year (March 31, 2020)	The current fiscal year (March 31, 2021)
Liabilities		
Current liabilities		
Notes and accounts payable	98,113	106,928
Accounts payable on construction	5,214	13,719
Short-term loans payable	53,730	44,199
Current portion of long-term loans payable	53,224	50,860
Lease obligations	4,405	4,447
Income taxes payable	9,343	29,986
Advances received on construction contracts in progress	355	17,284
Provision for bonuses	8,354	10,794
Other current liabilities	65,805	79,095
Total current liabilities	298,547	357,315
Long-term liabilities		
Long-term loans payable	123,939	123,430
Lease obligations	11,819	12,318
Provision for directors' retirement benefits	1,048	1,083
Provision for product warranties	7,658	7,912
Net defined benefit liabilities	30,342	30,606
Asset retirement obligations	34,306	35,487
Other long-term liabilities	10,664	11,899
Total long-term liabilities	219,781	222,738
Total liabilities	518,328	580,054
Net assets		
Shareholders' equity		
Stated capital	71,058	71,077
Capital surplus	84,059	84,235
Retained earnings	517,943	560,958
Treasury stock	△38,170	△68,882
Total shareholders' equity	634,891	647,388
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	△732	△269
Foreign currency translation adjustments	437	609
Remeasurements of defined benefit plans	540	1,685
Total of accumulated other comprehensive income	245	2,025
Subscription rights to shares	1,872	1,578
Non-controlling interests	8,157	21,551
Total net assets	645,166	672,545
Total liabilities and net assets	1,163,494	1,252,599

Consolidated Statements of Income

(million yen)

	The previous fiscal year (from April 1, 2019, to March 31, 2020)	The current fiscal year (from April 1, 2020, to March 31, 2021)
Sales	1,611,538	1,752,506
Cost of sales	1,150,885	1,231,470
Gross profit	460,652	521,036
Selling, general and administrative expenses	422,326	428,957
Operating profit	38,326	92,078
Non-operating income		
Interest income	725	611
Purchase discounts	4,267	2,713
Rent income	3,820	3,626
Sales of electric power	1,915	1,902
Others	4,512	4,646
Total other income	15,242	13,501
Non-operating expenses		
Interest expenses	1,399	1,360
Rent expenses	3,071	3,032
Foreign exchange losses	944	255
Cost of sale of electric power	815	772
Others	1,263	1,282
Total non-operating expenses	7,494	6,703
Ordinary profit	46,074	98,875
Extraordinary income		
Gain on negative goodwill	2,721	1,163
Gain on sale of non-current assets	158	85
Gain on sales of investment securities	1,709	55
Gains on sale of business	—	414
Others	641	719
Total extraordinary income	5,230	2,438
Extraordinary loss		
Loss on disposal of non-current assets	205	1,184
Impairment loss	8,742	14,030
Loss due to Covid-19	—	639
Loss on cancellation of rental contracts	19	5,656
Others	3,932	2,289
Total extraordinary loss	12,899	23,800
Net income before taxes	38,406	77,513
Corporation tax, resident tax and enterprise tax	13,009	36,165
Deferred corporation taxes	820	△10,319
Total corporation taxes	13,829	25,846
Current net profit	24,576	51,667
Net loss attributable to non-controlling interests (△)	△28	△131
Profit attributable to owners of parent	24,605	51,798

Consolidated Statements of Comprehensive Income

(million yen)

	The previous fiscal year (from April 1, 2019, to March 31, 2020)	The current fiscal year (from April 1, 2020, to March 31, 2021)
Current net profit	24,576	51,667
Other comprehensive income		
Valuation difference on available-for-sale securities	△1,272	459
Foreign currency translation adjustments	124	171
Remeasurements of defined benefit plans	△879	1,145
Share of other comprehensive income of associates accounted for using equity method	△0	△0
Total of other comprehensive income	△2,027	1,775
Comprehensive income	22,548	53,442
(breakdown)		
Comprehensive income attributable to owners of parent	22,577	53,578
Comprehensive income attributable to non-controlling interests	△28	△135

Consolidated Statement of Changes in Shareholders' Equity, etc.

(million yen)

	Shareholders' equity				
	Stated capital	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of year	71,058	79,403	503,700	△67,952	586,210
Changes in the year					
Issuance of new shares					—
Cash dividends			△10,573		△10,573
Profit attributable to owners of parent			24,605		24,605
Purchase of treasury stock				△2	△2
Disposal of treasury stock		4,656		29,783	34,440
Change in scope of consolidation			210		210
Purchase of shares of consolidated subsidiaries					—
Change in equity of parent company related to transactions with non-controlling interests					—
Other changes in the year (net)					—
Total changes in the year	—	4,656	14,242	29,781	48,680
Balance at end of year	71,058	84,059	517,943	△38,170	634,891

	Accumulated other comprehensive income				Subscription rights to shares	Non- controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total of accumulated other comprehensive income			
Balance at beginning of year	539	312	1,420	2,273	1,493	1,616	591,593
Changes in the year							
Issuance of new shares							—
Cash dividends							△10,573
Profit attributable to owners of parent							24,605
Purchase of treasury stock							△2
Disposal of treasury stock							34,440
Change in scope of consolidation							210
Purchase of shares of consolidated subsidiaries							—
Change in equity of parent company related to transactions with non-controlling interests							—
Other changes in the year (net)	△1,272	124	△879	△2,027	378	6,541	4,892
Total changes in the year	△1,272	124	△879	△2,027	378	6,541	53,572
Balance at end of year	△732	437	540	245	1,872	8,157	645,166

(million yen)

	Shareholders' equity				
	Stated capital	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of year	71,058	84,059	517,943	△38,170	634,891
Changes in the year					
Issuance of new shares	18	18			37
Cash dividends			△8,804		△8,804
Profit attributable to owners of parent			51,798		51,798
Purchase of treasury stock				△31,955	△31,955
Disposal of treasury stock		△77		609	532
Change in scope of consolidation			20		20
Purchase of shares of consolidated subsidiaries		232		612	844
Change in equity of parent company related to transactions with non-controlling interests		2		22	24
Other changes in the year (net)					—
Total changes in the year	18	176	43,014	△30,711	12,497
Balance at end of year	71,077	84,235	560,958	△68,882	647,388

	Accumulated other comprehensive income				Subscription rights to shares	Non- controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total of accumulated other comprehensive income			
Balance at beginning of year	△732	437	540	245	1,872	8,157	645,166
Changes in the year							
Issuance of new shares							37
Cash dividends							△8,804
Profit attributable to owners of parent							51,798
Purchase of treasury stock							△31,955
Disposal of treasury stock							532
Change in scope of consolidation							20
Purchase of shares of consolidated subsidiaries							844
Change in equity of parent company related to transactions with non-controlling interests							24
Other changes in the year (net)	463	171	1,145	1,780	△293	13,394	14,881
Total changes in the year	463	171	1,145	1,780	△293	13,394	27,379
Balance at end of year	△269	609	1,685	2,025	1,578	21,551	672,545

Consolidated Statements of Cash Flows

(million yen)

	The previous fiscal year (from April 1, 2019, to March 31, 2020)	The current fiscal year (from April 1, 2020, to March 31, 2021)
Cash flow from operating activities		
Profit before income taxes	38,406	77,513
Depreciation	20,719	21,470
Impairment loss	8,742	14,030
Amortization of goodwill	58	383
Gain on negative goodwill	△2,721	△1,163
Increase (decrease) in allowance for doubtful accounts (△ represents a decrease)	440	7
Increase (decrease) in provision for product warranties (△ represents a decrease)	△315	254
Increase (decrease) in net defined benefit liabilities (△ represents a decrease)	1,338	931
Interest and dividend income	△964	△741
Interest expenses	1,399	1,360
Foreign exchange losses (△ represents a gain)	430	255
Loss (gain) on sale of investment securities (△ represents a gain)	△1,708	△41
Loss (gain) on sale and disposal of property and equipment (△ represents a gain)	47	1,098
Loss on cancellation of rental contracts	19	5,656
Increase (decrease) in notes and accounts receivable (△ represents an increase)	12,456	△9,816
Increase (decrease) in accounts receivable (△ represents an increase)	6,400	2,068
Increase (decrease) in operating loans receivable (△ denotes an increase)	△1,416	△1,810
Increase (decrease) in inventories (△ represents an increase)	3,392	19,427
Increase (decrease) in notes and accounts payable (△ represents a decrease)	△11,701	4,733
Increase (decrease) in advances received (△ represents a decrease)	△1,135	△5,935
Increase (decrease) in consumption taxes, etc. payable (△ represents a decrease)	4,787	6,372
Increase (decrease) in other current assets (△ represents an increase)	△382	△4,812
Increase (decrease) in other current liabilities (△ represents a decrease)	△3,832	3,771
Others	3,265	3,130
Sub-total	77,726	138,146
Interest and dividend income received	260	207
Interest expenses paid	△1,412	△1,365
Income taxes paid or refunds (△ represents payment)	△14,140	△14,707
Net cash provided by operating activities	62,433	122,281

(million yen)

	The previous fiscal year (from April 1, 2019, to March 31, 2020)	The current fiscal year (from April 1, 2020, to March 31, 2021)
Cash flow from investing activities		
Payments into time deposits	△94	△136
Proceeds from withdrawal of time deposits	58	—
Purchases of property and equipment	△19,104	△22,765
Proceeds from sale of property and equipment	463	163
Purchases of intangible assets	△714	△526
Payments for purchases of investment securities	△5	△4
Proceeds from sales and redemption of investment securities	3,416	92
Purchases of investments in subsidiaries and affiliated companies	△97	△1,574
Payments for guarantee deposits	△822	△1,619
Proceeds from collection of guarantee deposits	6,647	8,160
Proceeds from acquisition of shares in subsidiaries resulting in change in scope of consolidation	1,467	4,765
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	216	—
Payment of loans receivable	△1,260	△2,214
Collection of loans receivable	1,058	1,040
Others	535	△105
Net cash used in investing activities	△8,234	△14,777
Cash flow from financing activities		
Net increase (decrease) in short-term loans payable (△ represents a decrease)	△47,000	△20,790
Proceeds from long-term loans payable	115,309	40,100
Repayments of long-term loans payable	△45,650	△56,647
Redemption of bonds	△65,560	—
Purchase of treasury stock	△1	△31,955
Proceeds from disposal of treasury stock	0	0
Repayments of lease obligations	△4,638	△4,573
Proceeds from sales and leasebacks	24	380
Cash dividends paid	△10,571	△8,809
Others	△2	△540
Net cash used in financing activities	△58,091	△82,837
Effect of exchange rate change on cash and cash equivalents	△9	△151
Net increase (decrease) in cash and cash equivalents (△ represents a decrease)	△3,901	24,515
Cash and cash equivalents at beginning of year	51,175	48,397
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation (△ denotes a decrease)	1,123	847
Cash and cash equivalents at end of year	48,397	73,760

Corporate Information

As of March 31, 2021

Corporate Profile

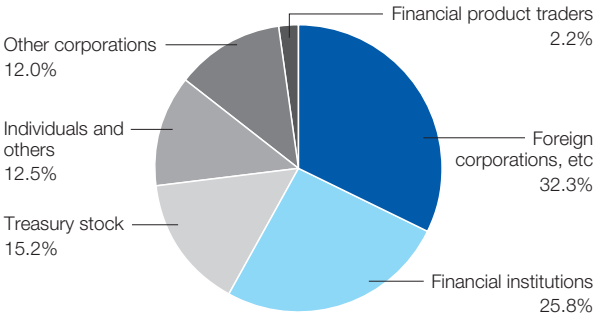
Company name	YAMADA HOLDINGS CO., LTD.
Headquarters address	1-1, Sakae-cho, Takasaki-city, Gunma 370-0841, Japan
Founded	April 1973
Organized	September 1983
Stated Capital	71 billion yen (consolidated)
Total assets	1,252.5 billion yen (consolidated)
Capital adequacy ratio	51.8% (consolidated)
Number of employees	24,300* (consolidated) 761* (non-consolidated)

* Excluding average number of temporary employees

Stock Information

Total number of authorized shares	2,000,000,000
Total number of issued shares	966,560,272
Number of shareholders	294,928
Listed stock exchange	Tokyo Stock Exchange
Shareholder register administrator	Mizuho Trust & Banking Co., Ltd.

Shareholding Ratio



* Figures rounded to one decimal place

Major Shareholders

Shareholder Name	Number of Shares held (thousand shares)	Shareholding Ratio (%)
TECC PLANNING Co., Ltd.	65,327	7.97
The Master Trust Bank of Japan, Ltd. (Trust Account)	61,085	7.45
Custody Bank of Japan, Ltd. (Trust Account)	45,650	5.57
Noboru Yamada	28,924	3.53
SoftBank Corp.	24,200	2.95
State Street Bank West Client - Treaty 505234 (Standing agent: Mizuho Bank, Ltd. Settlement & Clearing Services Department)	20,099	2.45
The Gunma Bank, Ltd.	17,410	2.12
Shinsei Trust & Banking Co., Ltd. ECM MF Trust Account 8299001	14,000	1.71
Custody Bank of Japan, Ltd. (Trust Account 7)	13,328	1.63
The Bank of New York 133972 (Standing agent: Mizuho Bank, Ltd. Settlement & Clearing Services Department)	12,808	1.56

* Yamada Holdings holds 146,871 thousand shares of treasury stock, excluded from the above shareholders

* Shareholding ratios are calculated excluding treasury stock

Sales Network

Total number of stores (Japan and overseas)

Japan

Overseas

12,640

12,595

45

Japan

Koshinetsu and Hokuriku

Directly operated consumer electronics stores: 76
Franchised stores: 994
Show homes: 22

Kansai

Directly operated consumer electronics stores: 119
Franchised stores: 1,234
Show homes: 29

Chugoku

Directly operated consumer electronics stores: 68
Franchised stores: 738
Show homes: 8

Kyushu and Okinawa

Directly operated consumer electronics stores: 232
Franchised stores: 1,988
Show homes: 29

Hokkaido

Directly operated consumer electronics stores: 52
Franchised stores: 769

Tohoku

Directly operated consumer electronics stores: 81
Franchised stores: 1,025
Show homes: 31

Kanto

Directly operated consumer electronics stores: 232
Franchised stores: 2,420
Show homes: 147

Tokai

Directly operated consumer electronics stores: 82
Franchised stores: 1,665
Show homes: 28

Shikoku

Directly operated consumer electronics stores: 40
Franchised stores: 475
Show homes: 11

Overseas

Malaysia

Directly operated consumer electronics stores: 8

Singapore

Directly operated consumer electronics stores: 13

Indonesia

Franchised stores: 24

Information Disclosure Media

YAMADA HOLDINGS discloses information on its website and in various reports so that all its stakeholders can get an understanding of the Group's efforts.

Corporate Websites

Financial Information

Investor Relations
<https://www.yamada-holdings.jp/lang-en/irdata.html>

Securities reports, Financial reports, etc.

Non-Financial Information

Corporate Social Responsibility
https://www.yamada-holdings.jp/lang-en/csr_index.html

Monthly CSR reports

The YAMADA HOLDINGS Group Integrated Report