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INTEGRATED REPORT 2022

YAMADA HOLDINGS GROUP

 **YAMADA** HLDGS.

YAMADA HOLDINGS CO., LTD.

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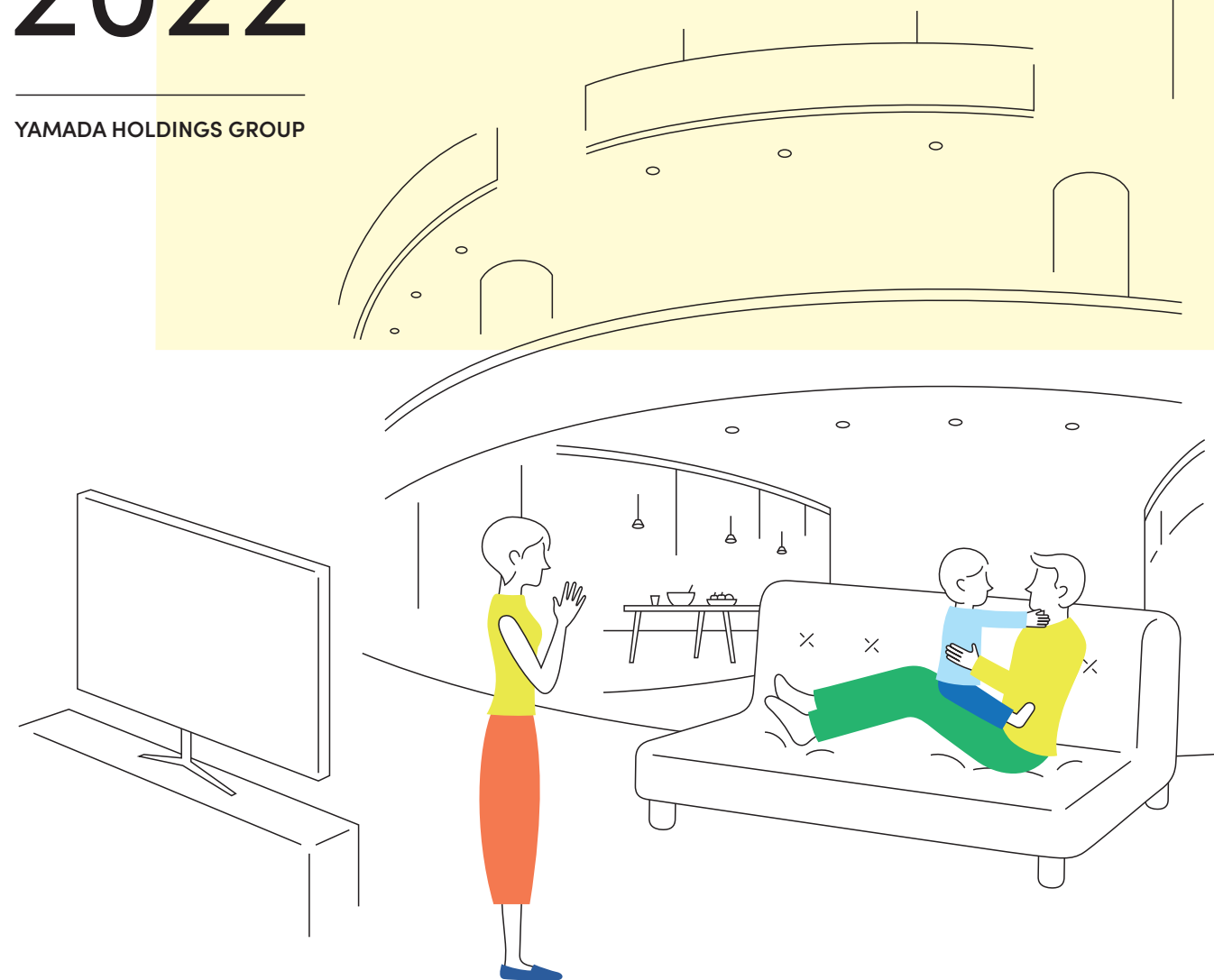
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 **YAMADA** HLDGS.



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.

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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, 2021 - March 31, 2022 (FY2022)
(Some activities in the fiscal year ending March 2023 (FY2023) also included.)

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<Guidelines Referred to>

The Global Reporting Initiative's Sustainability Reporting Standards 2016/2018/2019/2020
The International Integrated Reporting Council's International Integrated Reporting Framework
The Ministry of Economy, Trade and Industry's Guidance for Integrated Corporate Disclosure and Company-Investor Dialogue for Collaborative Value Creation

<Disclaimer>

Information contained within this report is based on various assumptions and suppositions made by YAMADA HOLDINGS. Such information involves uncertainties and risks and may significantly deviate from actual outcomes, or the information itself may be objectively incorrect. No assurance can be given that stated future plans, targets, or measures will be met. Actual performance may differ from planned figures due to various unforeseen circumstances such as changes in the future business environment.

The content of this report is for the purpose of providing information and is not for the purpose of soliciting investment.

Officers and employees of YAMADA HOLDINGS and of its Group companies assume no responsibility for any direct, indirect or secondary damage or loss resulting from the use of this report or arising from the content thereof.



By using our strengths, we will continue to grow as a company that makes our employees, customers, and the community feel happy

Looking back on the business environment

Since the 2000s, when Japan's declining birthrate and aging population began to quickly gain pace, drawing up a solid future vision for the Group's core business of selling consumer electronics has been an important issue for the Group as a leading Company in the industry. Against this backdrop, the Group focused on the housing aspect of food, clothing, and housing, starting with the acquisition of SxL in 2011. Then, based around sales of home appliances, we declared our "Total-Living" strategy in 2018 to give direction to the future of the Company.

In the fiscal year ended March 31, 2022, a year in which we all continued to feel the effects of the pandemic, the Groups business performance declined due to the impact of the reactionary drop from the previous fiscal year in the special fixed benefit payments and in demand while people were staying at home. However, even in such a difficult business environment, the fact that profit attributable to owners of parent was almost at the same level as the previous year, and that we were able to achieve profitability in all business segments, is proof that various reforms, such as our management reforms geared toward profit that we have been working on over the past few years based on the aforementioned "Total-Living" strategy, have begun to bear fruit. I also feel that stipulating the authority and responsibilities of each operating company through the creation of a holding company structure has steadily led to the strengthening of the Group's management foundation. By connecting management across all segments with a focus on YAMADA DENKI, I believe that our "Total-Living" strategy has come into its final phase, enabling us to steadily produce results going forward.

Start of a mid-term business plan

In November 2021, the Group announced the new YAMADA HLDGS 2025 Mid-Term Business Plan. This mid-term business plan, which aims to reach net sales of 2 trillion yen in the fiscal year ending March 31, 2025, is a plan to accelerate business growth while continuing to focus on the conventional management

approach geared toward profit based around our "Total-Living" strategy. Specifically, we will implement a variety of measures based on the following four pillars: active store development, strengthening our e-commerce, active development of SPA products, and achieving targets by setting goals for issues for each operating company.

The key to the first pillar of active store development is to develop stores in different areas. The Group's consumer electronics stores are already widespread across the country, and any further increase in the number of stores may lead to in-house competition. 25 years have passed since our network of stores was built with many of the properties now up for contract renewal. Therefore, in order to reorganize our network, we are poised to make it a pillar of our business growth as we actively develop stores to increase total sales floor area by 5% or more per year. This we will do while consolidating some stores and opening new ones by taking advantage of the characteristics of each trade area centered on large-scale stores and new concept stores. Of these stores, our latest version is LIFE SELECT, a type of store that embodies our "Total-Living" approach. Our aim is to open one of these stores in market areas of roughly 300,000 people. We expect that these stores will drive future business growth in an unprecedented new market that seamlessly integrates home appliances, home interiors, living and furniture to provide a rich experience and feeling of well-being. We will also maximize sales of consumer electronics through greater sales floor space by opening new stores such as our outlet & reuse stores and YAMADA web.com stores.

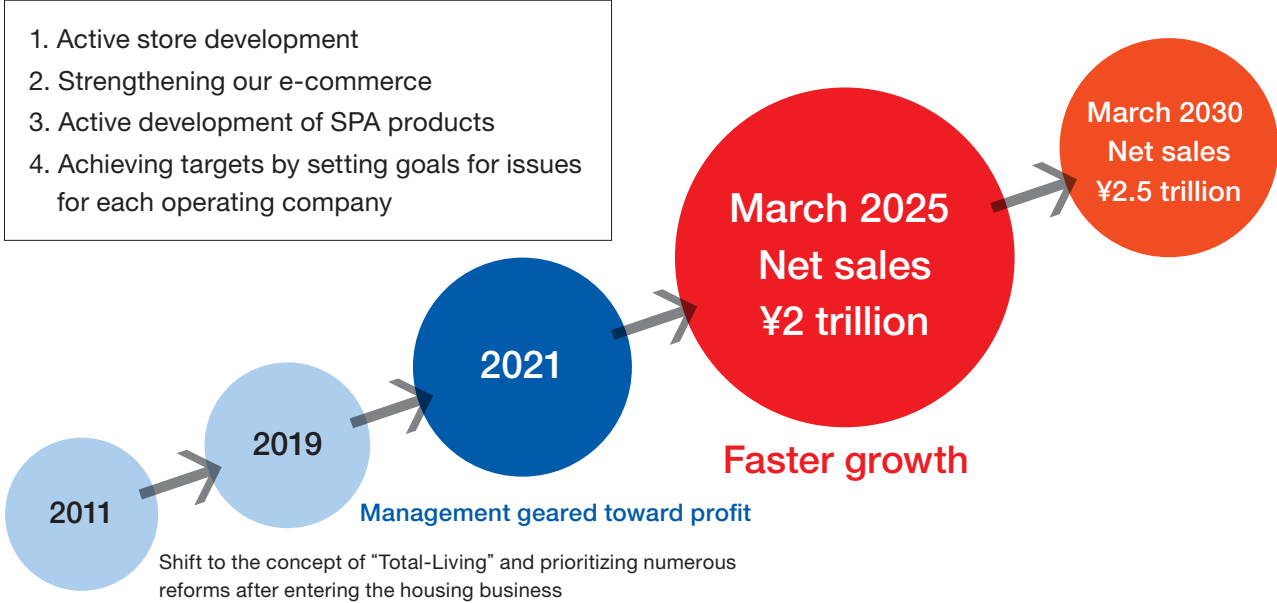
In terms of the second pillar, that of strengthening e-commerce, we will bolster our online sales from the perspective of how e-commerce, which has become even more widespread in the wake of the pandemic, can be tied to the services of our brick-and-mortar stores to become one of Yamada's strengths. Specifically, we will continue to refine Yamada's unique service of speedy delivery and installation using stock at brick-and-mortar stores and our distribution centers throughout the country. We will also revamp our website and work on ways specific to the online world to gain customer feedback.

Naturally, the strengthening and promotion of e-commerce is something we are focused on because

Noboru Yamada

Representative Director,
Chairperson and President CEO

Four key measures for the fiscal year ending March 2025



of the times we live in, but we are also ready to further expand the services unique to our brick-and-mortar stores that we have cultivated so far. For example, our sales engineers handle everything from customer service at stores to product delivery and installation, so as a very unique service this is quite attractive. This service has, until now, mainly been available from our LIFE SELECT stores, but in the future we plan to increase the number of sales engineers and expand the service to more of our stores nationwide.

With respect to the third pillar of our active development of SPA products, we will place a greater focus on those SPA products which have significantly helped to increase our profit margin in recent years. Product development that successfully exploits customer needs in the areas of home appliances, interiors, and living-related products has created a virtuous cycle. This has helped us to earn a great reputation for providing added value in terms of comfort, convenience, and health in a unique way. SPA products are compatible with the hands-on type of store that is LIFE SELECT so we will continue to pursue value creation that is unique to our brick-and-mortar stores by developing appealing products again and again.

With regard to the fourth pillar, that of achieving targets by setting goals for issues for each operating company, we will accelerate the movement toward achieving our original objectives of the holdings structure by developing growth strategies centered on our mainstay home appliances while taking stock of the synergies between the five segments of consumer electronics, housing, finance, the environment, and other. And especially in the housing segment, second only to that of consumer electronics, we have further enhanced our resources to establish a distinct way

to provide comfortable living spaces by acquiring the Hinokiya Group. Going forward, we will strengthen our sales force by developing and expanding our sales bases, and by linking this to the sale of products such as home appliances, furniture, finance and insurance with housing as our front door into the market, we hope to build a unique position in the housing industry.

Since before we became a holdings company in October 2020, the Group has been diversifying its business from time to time through mergers and acquisitions with the aim of providing comfortable living spaces based around home appliances, and now we are laying the foundations for a business that allows each segment to build solid profits. Going forward, if we can attain the business targets set by each business segment, then I believe we will naturally be able to achieve net sales of 2 trillion yen for fiscal 2025 as set out in the Group's mid-term business plan.

Toward sustainable growth

In 2019, the Group identified its priorities toward achieving the SDGs. We believe that we have fulfilled our duties as a corporate citizen by leveraging our strengths to solve some of the social issues laid out in the SDGs, such as providing comfortable living spaces, providing financial and other services that accompany them, and contributing to the environment through the promotion of reuse and recycling. In 2021, we established quantitative KPIs in line with these priorities, or material issues, putting in place a system to further advance a series of initiatives. By setting specific targets, I hope that more employees will gain a greater awareness of their contribution to the



SDGs and that this will take root as a far-reaching guiding principle for the Group.

With the widespread use of the term sustainability in recent years, sustainable growth for companies is recognized now more than ever as an important management issue. Although our Group has a history of less than 50 years, I believe that the requirement, or need, of our business to altogether support the housing aspect of food, clothing, and housing will still remain and not disappear forever. However, as Japan's population continues to age and the birthrate decline, I am all to aware that developing employees and improving the work environment, which is one of our priorities, is an issue that affects the sustainability of the Group. The goal is to make everyone happy in a company that lasts forever, and to do so, we must first create a cycle that increases job satisfaction for employees and, as a result, increases satisfaction for our customers. At the same time as creating a working environment, it is also important to educate employees. The development and appointment of human resources who can play an active role in highly specialized business fields such as housing, finance, and the environment is a very pressing issue for us to accomplish our "Total-Living" strategy, and so I would like to address this issue as a matter of urgency.

Initiatives promoted mainly by the environment segment to build a circular economy based around reuse and recycling are also seen as an important management issue in order to contribute to the sustainability of society as a whole. Currently, we are expanding the facilities of our reuse and recycling plants for used home appliances collected from customers, and we are also working to increase the number of outlet & reuse stores, with the aim to complete the finished goods life cycle within the

Group. Furthermore, in the fiscal year ending March 2025, we plan to build a new waste-to-energy plant to reduce the amount and volume of waste that cannot be recycled. While this series of moves also means fulfilling the Group's responsibility as a retailer, I believe that sustainability in the true sense of the word is to create a sustainable system that leverages the Group's network, redirecting it to become a purely environmental business.

To all our stakeholders

The Yamada Group made a new start as YAMADA HOLDINGS in 2020, and in the mid-term business plan launched this fiscal year, we set a target of achieving net sales of 2 trillion yen by the end of March 2025. As the pandemic continues, the outlook is likely to remain difficult in part due to the shortage of semiconductors, the surge in raw material prices, and the changing situation in Ukraine, but fortunately the Group's management structure is holding firm thanks to efforts made to date. While being prepared to deal with this difficult situation, we will work as a Group to overcome it, making it a platform from where we hope to move forward and then leap forward.

It is precisely because we live in a time of great change and uncertainty that our undeniable guiding principle of "Total-Living" we have come to know has become our driving force. Going forward, the Group will continue to grow sustainably with the ideas of Creation and Challenge, and Appreciation and Trust, as set out in our management philosophy, helping to build a sustainable society together with all the stakeholders who support us.

Accomplishing our “Total-Living” strategy to achieve sustainable improvements in corporate value

Atsushi Murasawa

Representative Director,
Vice President and Executive Officer



Strategies that bring synergies to life

As of April 1, 2022, I was appointed Representative Director, Vice President and Executive Officer.

Improving YAMADA HOLDINGS' corporate value is the greatest mission I have been tasked with, and I will do my utmost to see this mission through.

Approximately two years have passed since we became a holding company and we have come to realize that the formulation of strategies that bring the somewhat vague term "synergy" to life and implementing them in each Group company, is an important role for stepping up the power of the individual in each segment company and business to achieve the objective of deriving exponential results by organically connecting each business.

Always remember the customer's perspective

As stated in the YAMADA HLDGS 2025 Mid-Term Business Plan, the challenge for the consumer electronics segment, the core business of YAMADA HOLDINGS, is to maximize the value of our stores nationwide. Specifically, we provide value in terms of a rich experience and feeling of well-being to customers through many of our distinctive stores including LIFE SELECT, Tecc Land, YAMADA web.com, and our outlet & reuse stores, as well as through distribution service that utilizes these stores in online sales.

Meanwhile, there are a wide range of businesses in the housing segment, and the possibility of providing Housetec products, home appliances, furniture, and financial products will expand as we get more orders for

new build homes. An important issue for management is to continuously get orders and expand customer stock, and to do so, a top priority for us is to strengthen the sales system and accelerate the development of housing products unique to Yamada. We will also aggressively expand business in the second-hand home purchase and resale to try and put an end to the blight of vacant homes in Japan. In the finance segment, the ongoing challenge is to develop and expand financial products that connect each business.

Lastly, in the environment segment, we will build a recycling type of business model unique to Yamada for realizing a carbon-neutral society. We will build and strengthen the creation of mechanisms for sales, purchasing, turning reused goods into products, recovering resources, and productization using those same resources.

In order for us to evolve our “Total-Living” strategy and “connected management” moving forward, we must always remember the customer's perspective. Rather than just selling goods, the features that set us apart are providing value, a space for living and services that please our customers. These are our strengths. Through continuous investment over the past 10 years, we have built up a range of businesses that support our “Total-Living” approach. Based on the desire to give our customers a delightful life, we will accomplish our “Total-Living” strategy by organically connecting each business in the future, and we will seek to achieve sustainable growth in corporate value by building an unshakeable business foundation.

Carrying out personnel system reforms that lead to improved employee happiness and sustainable growth for the whole Group

Megumi Kogure

Representative Director
and Senior Managing Executive Officer



Set specific KPIs based on material issues

As of April 1, 2022, I was appointed Representative Director and Senior Managing Executive Officer. Up until now, I have served as a Director and Executive Officer in charge of the Human Resources & General Affairs Division, but now I intend to implement various personnel system reforms while being more aware of my position in senior management. Although it is a great responsibility, I will manage my obligations in a way that makes use of feedback from people in the workplace, and with the help of those around me, strive to further strengthen our management base. I will also actively manage selling, general and administrative expenses, and see it as my role to link this to workplace profits.

Specifically, I believe that the greatest mission assigned to me is to carry out personnel system reforms that lead to improved employee happiness. In recent years, as society has undergone major changes, we have also changed our training system and work style with sustainability in mind, but reforms are still a work in progress. In particular, we recognize that reviewing the salary structure with an eye on the future as the YAMADA HOLDINGS Group, building a unique career path system, strengthening tiered training, developing human resources worldwide, and promoting diversity, equity and inclusion as a management strategy are all very pressing issues, and as such we are proceeding with specific initiatives and measures.

From November to December 2021, we conducted an employee satisfaction survey to garner opinions from

the workplace on changes related to a series of system reforms. Moreover, in the area of developing employees and improving the work environment, one of our priorities toward achieving the SDGs, we have set KPIs on such things as the rate at which paid leave is taken and a continuation of initiatives to curb long working hours, something which has been of particular interest to employees. From the perspective of diversity, we have also set KPIs for the ratio of female managers and the number of female and male employees taking childcare leave, putting in place a system to implement a PDCA cycle. Through the steady promotion of these activities, we will improve the happiness of our employees, which in turn will lead to better customer satisfaction, and as a result, I hope this brings about improved profits.

Our greatest management resource is our people

The Group is in the process of accomplishing its “Total-Living” strategy based around consumer electronics, but there is no change to the fact that our greatest management resource is our people. By creating an environment where employees with diverse backgrounds are healthy both in mind and in body, and where they can fully demonstrate their abilities and individuality more than ever before, our vision of supporting our customers’ “Total-Living” will be able to evolve to the next stage. In order to continue to achieve sustainable growth together with our stakeholders, we will position diversity, equity and inclusion as a growth strategy and promote it throughout the Group.

About the YAMADA HOLDINGS Group

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. The Group will continue to monitor closely the changing times, creating systems for the future not bound by past results, and working hard to build on the next Creation and Challenge.

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
Net sales of ¥100 billion

1983
Established YAMADA DENKI CO., LTD.

1989
Went public

2000
Listed on First Section of TSE



2001
Issued the first Yamada Point Card



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
Net sales of ¥1 trillion

2004
Established employee training center "Soseijuku"



FY2010
Net sales of ¥2 trillion

2011
Acquired SxL

2013
Launched official online store, YAMADA web.com

2010
Released the YAMADA app for smartphones

2012
BEST DENKI became a subsidiary
Azuma Metal became a subsidiary



2019
OTSUKA KAGU became a subsidiary

2018
Established YAMADA HOMES

2016
Established YAMADA FINANCE SERVICE

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.

2020
Moved to a holding company structure

2021
Drew up the mid-term business plan

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.

2021
Launched YAMADA NEOBANK

2020
The Hinokiya Group became 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.

2021
Integrated consumer electronics businesses into YAMADA DENKI

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

Housing

Finance

Environment

Consumer Electronics

1970 From a small electrical store to a nationwide chain of stores

2000 Vigorously pushing forward as the number one consumer electronics retailer in Japan

2010 Striving to move from just consumer electronics into new areas

2020 Developing the strategy of "Total-Living"

Store formats



Affiliated electronics store



Multi-manufacturer retailer



Tecc Land



LABI



Outlet & Reuse store



Kaden Sumairu Kan



web.com store



LIFE SELECT

Developing the Strategy of “Total-Living”

— A Company Providing Everything for “Housing” —

Background

Since the 2000s, demand for home appliances increased. But then there followed concerns about less demand and market size due to the declining birthrate and aging population. From here, the “Total-Living” strategy was conceived, while looking ahead to the amalgamation of home appliances and the way we live with the evolution of the Internet society and IoT, in the search for what our future business will look like.

Our “Total-Living” strategy

Our strategy is to develop a variety of services tailored to our customer’s “way of living,” from home appliances that make everyday life more convenient and enjoyable to housing that is the basis of our daily lives. With all segments working together, arm in arm, to create unprecedented new value again and again, we will shape Yamada’s vision for the future.



Yamada's
vision for
the future

1

Formation of the Yamada Economy

In addition to the sale of home appliances, furniture and home interiors, Yamada’s “Total-Living” strategy, which covers new build homes, renovations, and real estate, will evolve at an ever-increasing pace through greater integration with a range of other services including finance, insurance, and environmental resource development. We will create even better services by utilizing our 60 million strong Yamada Point Card membership database with a future vision to form a so-called Yamada Economy in which all the different services of the Group work seamlessly together to bring about the very best in convenience for our customers.

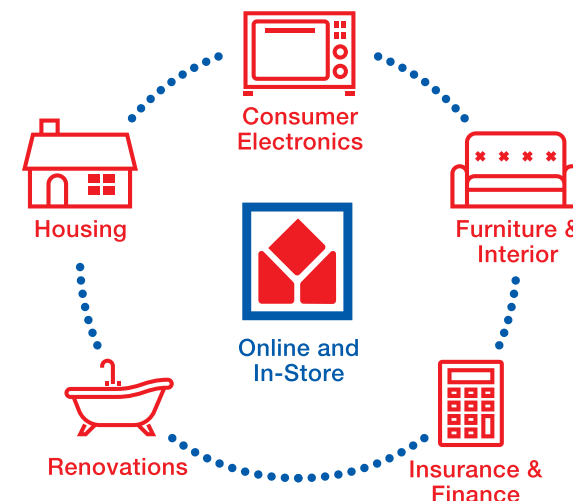


Yamada's
vision for
the future

2

Improved Value as a Social Infrastructure

With a nationwide sale network of more than 12,000 stores, Yamada has reaffirmed its value as a vital infrastructure for society during the recent pandemic. As people spend more time at home from restrictions on going out and working remotely, the value of consumer electronics retailers in being able to create more enjoyable and more comfortable homes has once again come to the fore. Yamada will continue to seek improved value as a social infrastructure that supports a “Total-Living” approach, going on as a Company favored by the community even in a time beyond the pandemic.



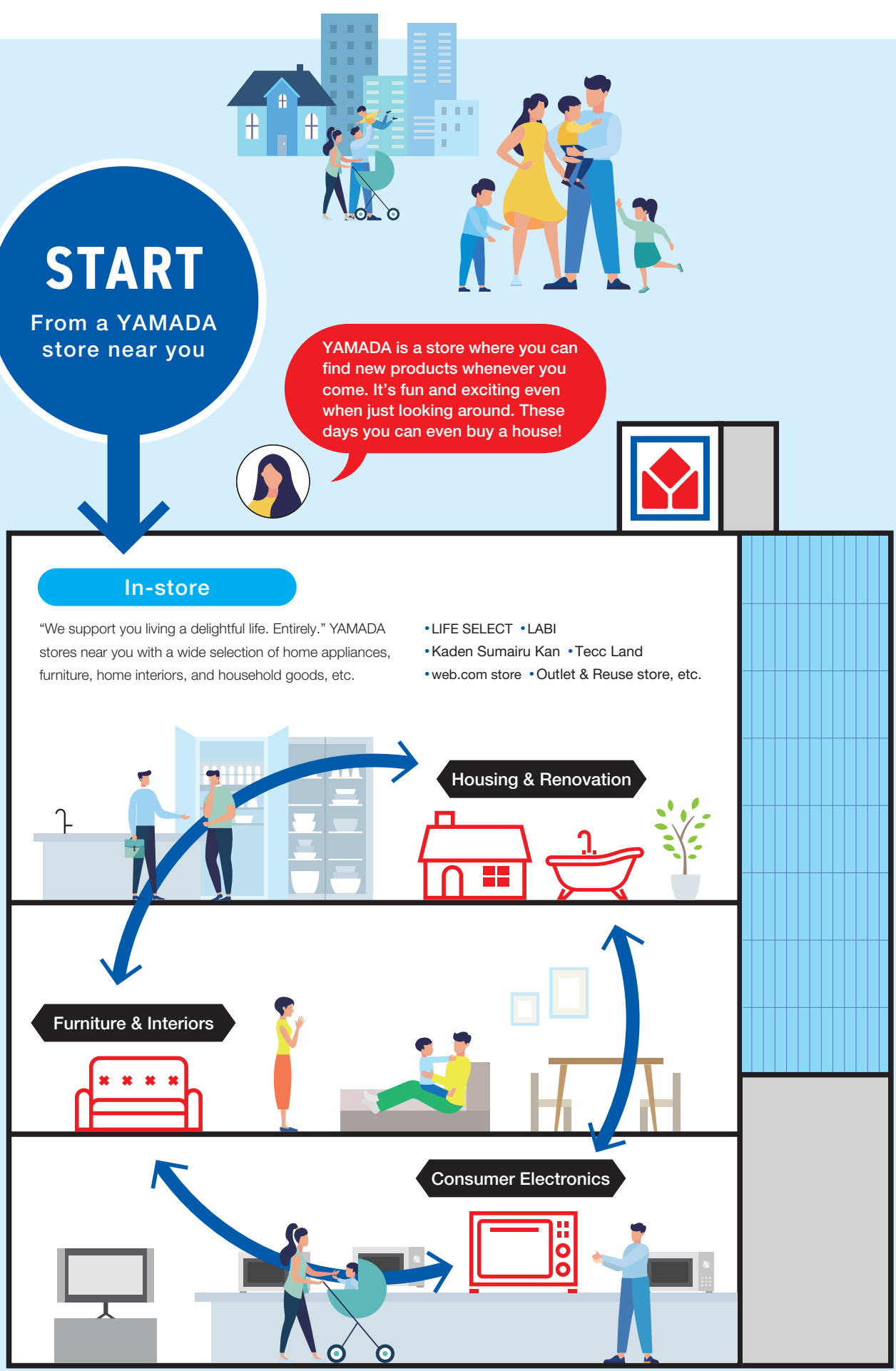
Yamada's
vision for
the future

3

Winning Fans Across Generations

Ever since our Company was first founded, we have been expanding our business by remaining in touch with communities as a “local electrical store.” And even now, when we will soon be celebrating our 50th anniversary, this “neighboring” attitude of ours has not changed. With the rollout of our “Total-Living” strategy, we will be able to forge longer relationships through a wide range of services in everything to do with “living” in the future. So that we can become a Company that will be needed for the next 50 years, we will actively contribute to resolving social issues, such as environmental problems, to win fans across generations, thereby leading to Yamada’s sustainable growth.





Purchase

Save and use Yamada Points

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.

Delivery, Installation, and "Living" Advice

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

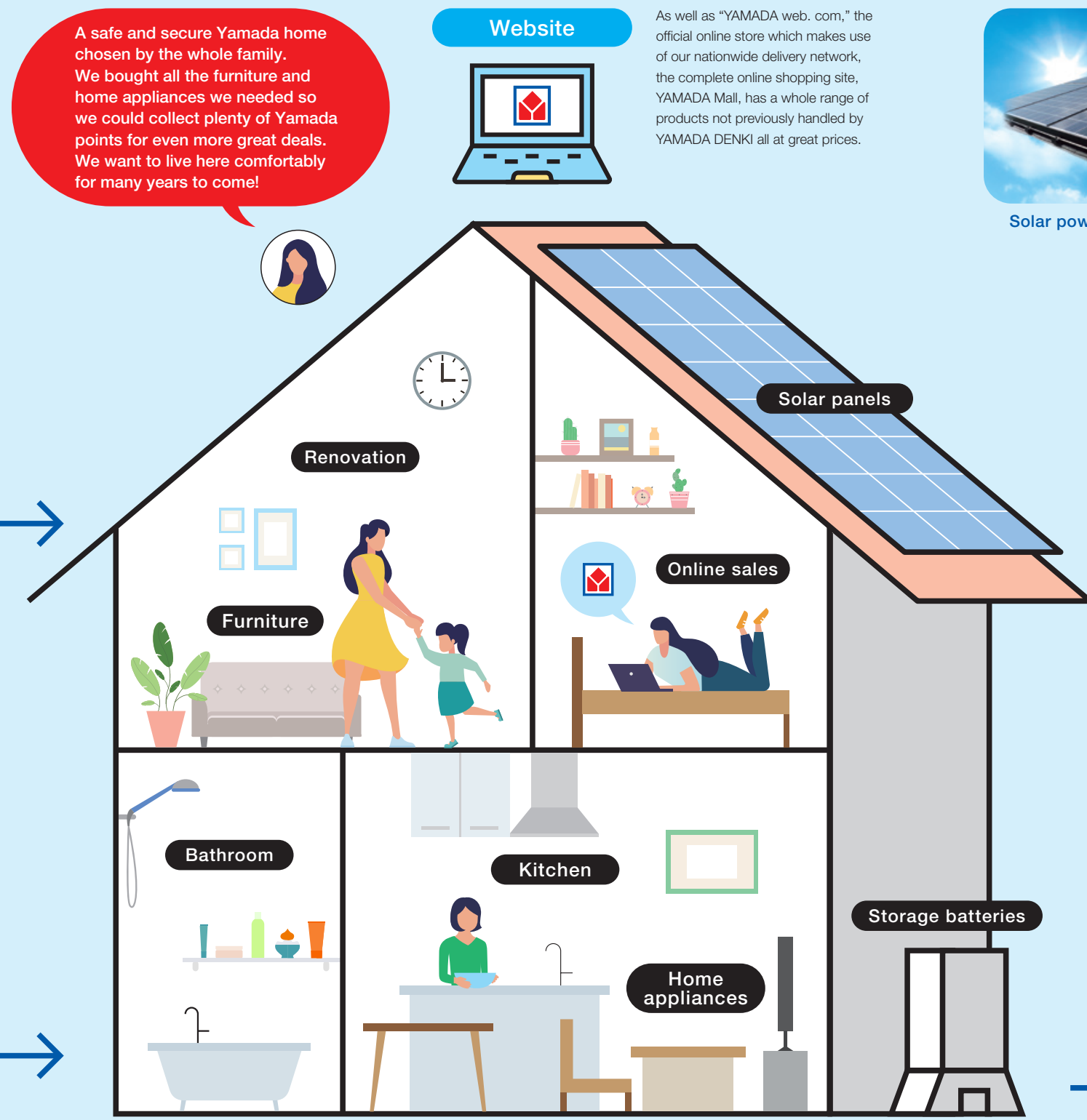
The same sales-person who deals with you in-store, delivers and installs your product!

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.

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.

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 newly-built home quality inspection to maintenance after moving in and support for home living thereafter.



Living

Save and use Yamada Points

Reuse & Recycling

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 storage tanks

Insurance & Finance

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 NEOBANK
An online bank for Yamada Digital Members that provides banking services, such as deposits, payments, and mortgages, all on one app.

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.

Buy Back & Collection
Home appliances and computers collected or bought back from customers are remanufactured. These remanufactured products are sold at outlet & reuse stores. Products that cannot be reused are recycled to every extent possible.

Waste-to-Energy Plant
Heat from incinerated waste is used to generate electrical energy (Launch scheduled for fiscal 2025)

Recycling Plant
Items are dismantled and crushed then separated by material

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

Outlet & Reuse stores

Material

Non-recyclable

Non-reusable

About the YAMADA HOLDINGS Group

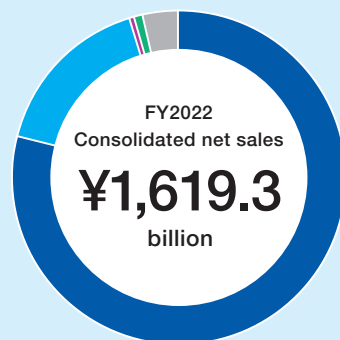
About the YAMADA HOLDINGS Segments

In line with its transition to a holding company structure, the YAMADA HOLDINGS Group has reorganized its existing segments of consumer electronics, housing, environmental resources development, finance, and services into the five segments of consumer electronics, housing, finance, environment, and other.

Under stronger group governance, Group companies, such as our mainstay consumer electronics business YAMADA DENKI, will accelerate our “Total-Living” strategy in their respective fields.

YAMADA HLDGS.

YAMADA HLDGS.



* Listed companies for each segment are as of March 31, 2022.
Sales for each segment are sales to external customers.



Consumer Electronics

We have rolled out a network of consumer electronics stores, such as urban and suburban stores, as well as some more locally-based stores, with differing concepts in relation to the size of their respective markets. As a social infrastructure rooted in the community, these stores handle not only sales of home appliances, furniture, and interior products, etc., but are also engaged in the SPA (Specialty retailer of Private label Apparel) business model, selling originally manufactured products. In May 2022, OTSUKA KAGU, LTD. was merged into YAMADA DENKI CO., LTD.

(Major consolidated subsidiaries)

- YAMADA DENKI CO., LTD.
- BEST DENKI MALAYSIA SDN.BHD.
- BEST DENKI (SINGAPORE) PTE.LTD.

FY2022 Net sales

¥1,284.9 billion

Housing

We are aiming to build ecofriendly housing by providing smart homes and custom-built homes with excellent earthquake resistance and energy-saving performance at low cost. As well as newly-built and rebuilt homes, and sales of second-hand houses under YAMADA JUKEN HOLDINGS, an intermediate holding company, this segment covers the complete spectrum in terms of renovations, from housing quality inspection and maintenance, the manufacture and sale of housing products, through to kitchens and bathrooms as well as interior and exterior products, supporting the creation of enjoyable homes for everyone.

(Major consolidated subsidiaries)

- YAMADA JUKEN HOLDINGS Co., LTD.
- YAMADA HOMES CO., LTD.
- Conglo Co., Ltd.
- SHUKEN co., LTD.
- Hinokiya Group Co., Ltd.
- Nippon Aqua Co., Ltd.
- Housetec Inc.
- Nikka Maintenance Co., Ltd.
- Chubu Nikka Service Co., Ltd.

(Major unconsolidated subsidiaries)

- Y・JUST Co., Ltd.
- IEMAMORI CO., LTD.
- Hinokiya Resco Construction Vietnam Co., Ltd.

FY2022 Net sales

¥263 billion

Finance

As part of our “Total-Living” service package, this segment is developing a range of financial products in the five fields of new builds, renovations, payment services, insurance products, and life planning. We have launched our own financial services, including YAMADA NEOBANK and the renovation industry’s first credit plans, aiming to be a partner to make customer dreams come true through proposal-based sales that meet a wide range of financial needs linked to the business of the YAMADA HOLDINGS Group.

(Major consolidated subsidiaries)

- YAMADA FINANCE SERVICE Co., Ltd.
- Yamada Financial Co., Ltd.
- Repair Depot Co., Ltd.

(Major unconsolidated subsidiaries)

- YAMADA SMALL AMOUNT SHORT TERM INSURANCE CO., LTD.
- Yamada Life Insurance Co., Ltd.

FY2022 Net sales

¥2.1 billion

Environment

Under Yamada Environmental Resources Development Holdings, we are developing the reuse, recycling, and resource recovery business of products with a focus on home appliances and personal computers, helping to reduce our impact on the environment by embarking on circular economy schemes including the collection, transportation, and reuse of waste.

(Major consolidated subsidiaries)

- YAMADA Environmental Resources Development Holdings Co., Ltd.
- CIC Corporation
- NVERSENET INC.

(Major unconsolidated subsidiaries)

- Azuma Metal Co., Ltd.
- SANKYU Corporation

FY2022 Net sales

¥14.6 billion

Other

This segment consists of Group companies, such as trading businesses, those in the travel industry, and those involved in the delivery and installation of electrical appliances, that develop a range of services to open up possibilities for the Group’s “Total-Living” strategy.

(Major consolidated subsidiaries)

- Cosmos Berry’s Co., Ltd.
- e Wellness Co., Ltd.
- J Staff Co., Ltd.
- BPC Co., Ltd.
- OTSUKA KAGU, LTD. Ltd.*
- Yamada Trading Co., Ltd.

(Major unconsolidated subsidiaries)

- NIHON TOURIST CLUB CO., LTD
- Yamada Technical Service, INC
- YAMADA FOOD SERVICE CO., LTD.*

* OTSUKA KAGU, LTD. merged with YAMADA DENKI CO., LTD on May 1, 2022, and YAMADA FOOD SERVICE CO., LTD. merged with YAMADA DENKI CO., LTD on April 1, 2022.

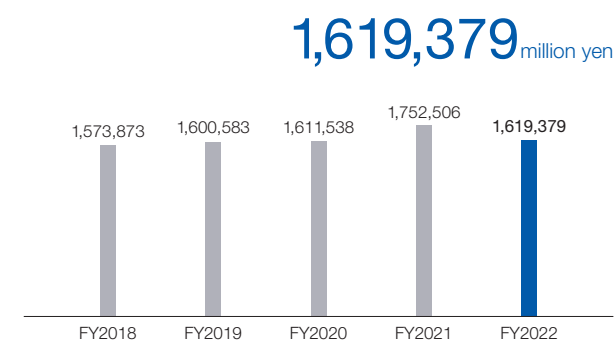
FY2022 Net sales

¥54.5 billion

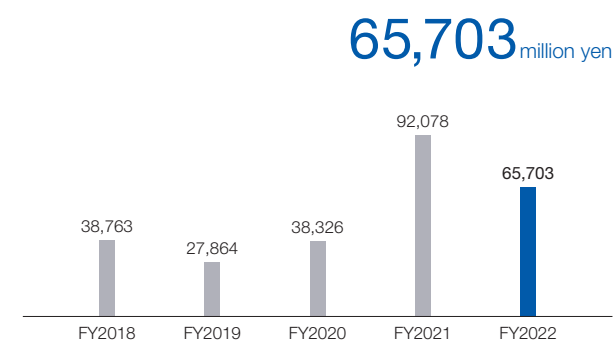
Financial & Non-Financial Highlights

Financial Information

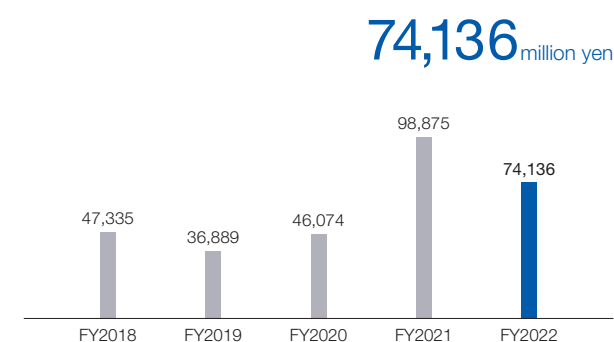
Net Sales (million yen)



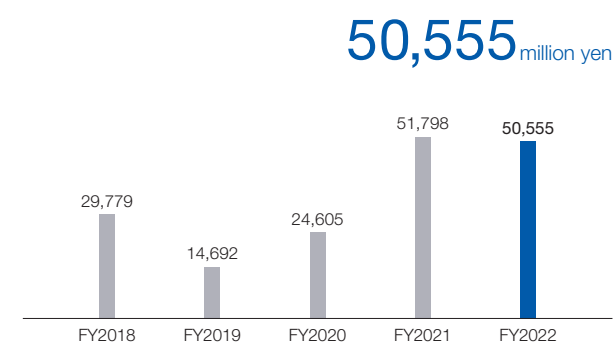
Operating Profit (million yen)



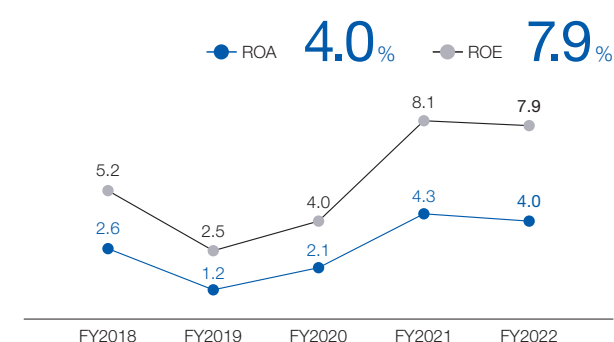
Ordinary Profit (million yen)



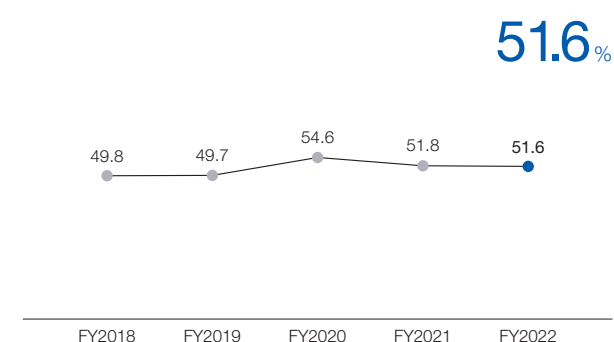
Profit Attributable to Owners of Parent (million yen)



ROA/ROE (%)



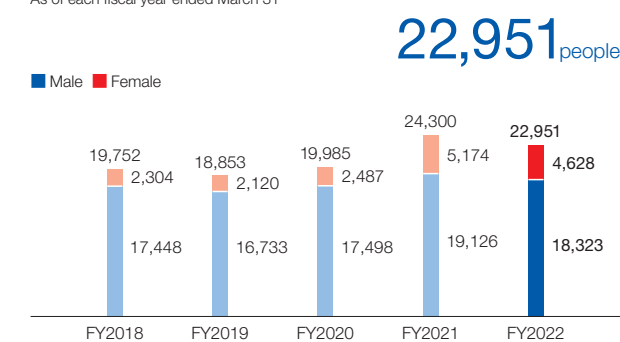
Equity Ratio (%)



Non-Financial Information

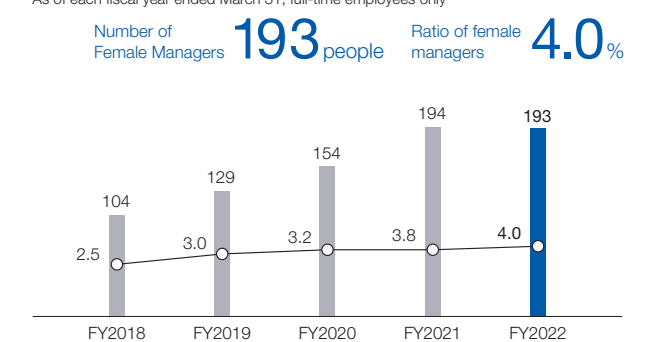
Number of Full-Time Employees

As of each fiscal year ended March 31



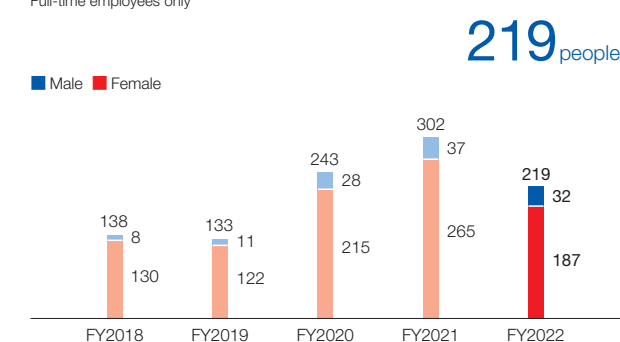
Number and Ratio of Female Managers (people, %)

As of each fiscal year ended March 31, full-time employees only



Number of Employees Taking Childcare Leave

Full-time employees only

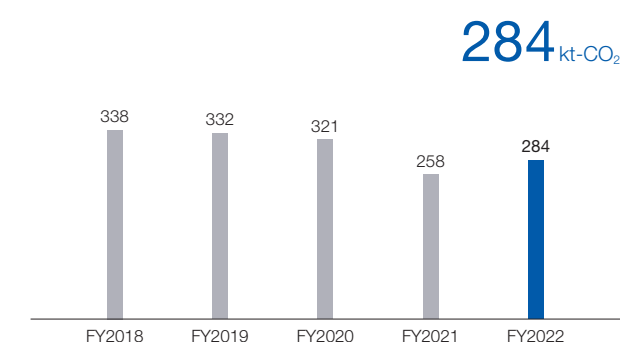


Total Number of Certified Home Appliance Advisors and Smart Masters

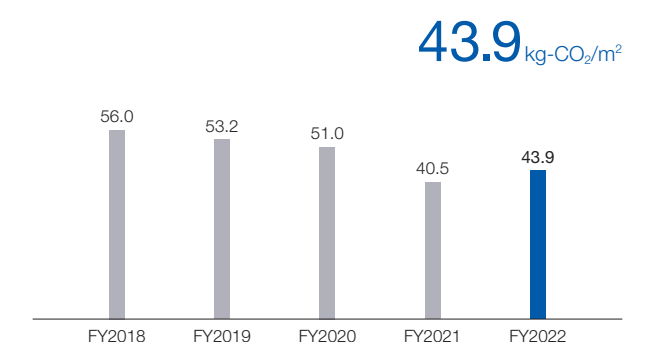
As of each fiscal year ended March 31



CO₂ Emissions from Electricity Use^{*1,2,3} (kt-CO₂)



CO₂ Emissions from Electricity Use per Floor Area^{*1,2} (kg-CO₂/m²)



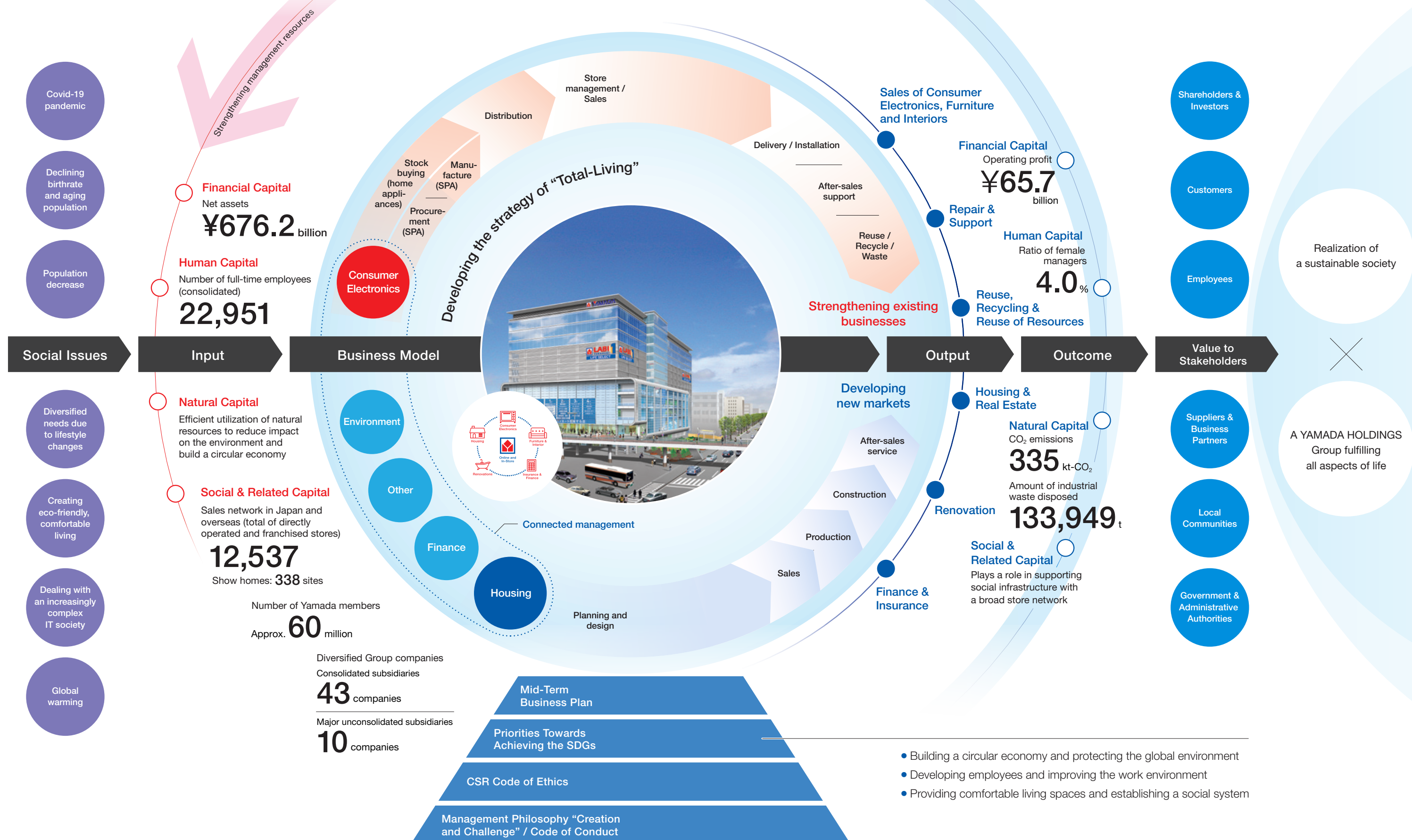
*1 Emission factor: 0.55kg-CO₂/kWh was used until the fiscal year ended March 2020, but from the fiscal year ended March 2021 it has been changed to the latest emission factor for each electric utility.

*2 Targets: YAMADA HOLDINGS and its major operating companies

*3 Previous years' values retroactively revised to improve accuracy

Process of Enhancing Corporate Value

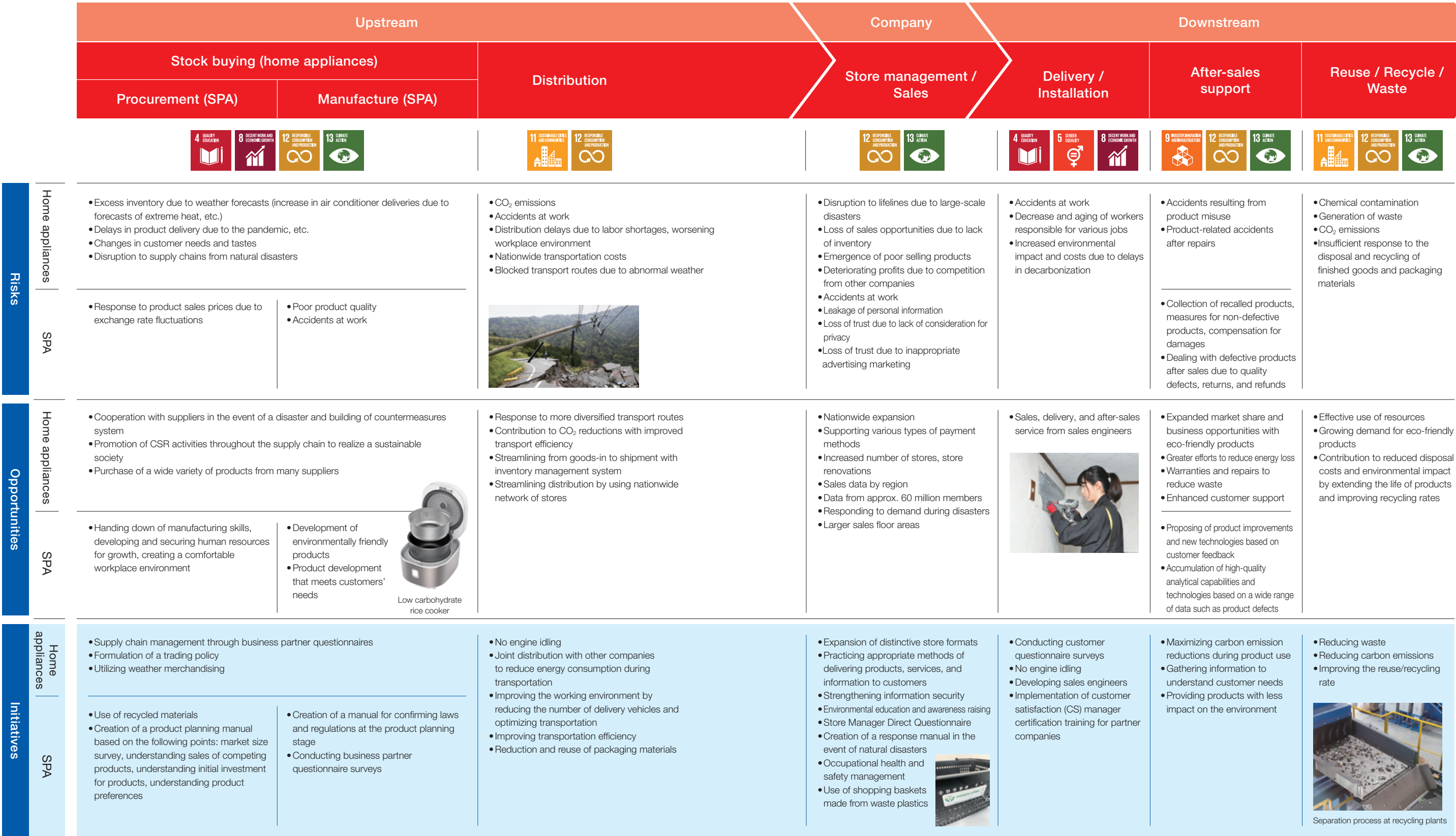
The YAMADA HOLDINGS Group has been carrying out various business activities using diverse funding for solving environmental and social issues. In anticipation of social changes and issues we will endeavor to further enhance the social value of the whole Group through the development of a solutions-based business that leverages synergies of the YAMADA HOLDINGS Group.



YAMADA HOLDINGS Group -Value Creation

Consumer Electronics Value Chain

The Yamada Holdings Group has organized and mapped out the activities that need to be prioritized by identifying the environmental and social impacts of its mainstay consumer electronics business on the entire value chain and understanding the risks and opportunities these impacts present.



Priorities Toward Achieving the SDGs

In September 2015, the United Nations Sustainable Development Summit declared the Sustainable Development Goals (SDGs) 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 of the SDGs and initiatives in line with the SDG Compass. In December 2019, the Group identified its priority issues for achieving the SDGs in order to make further contributions and, in January 2022, established quantitative and qualitative KPIs.

STEP 1

• Understanding the SDGs

As a first step, we are making the following efforts to familiarize ourselves internally with the SDGs. Carrying out training on the SDGs, handing out SDG badges, sending out information in our newsletter, and prominent messages and posters in the headquarters.

STEP 2

• Defining priorities SDGs

We assessed our business and sustainability 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.

- Consistency with management philosophy
- Level of contribution to achieving SDGs
- Contributions unique to the YAMADA HOLDINGS Group
- Industry trends
- Consistency with the implementation guidelines set out by the Japanese government

Identified priorities towards achieving the SDGs

Building a circular economy and protecting the global environment ▶P.42

By reusing and recycling second-hand home appliances and personal computers, 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 ▶P.50

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.



Providing comfortable living spaces and establishing a social system ▶P.58

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 HOLDINGS Group supporting customers’ living spaces.



STEP 3

• Setting goals (see right page)

We have set specific initiatives and KPIs for the identified priorities towards achieving the SDGs. Going forward, we will report on each KPI every year while working through the PDCA cycle.

STEP 4-5

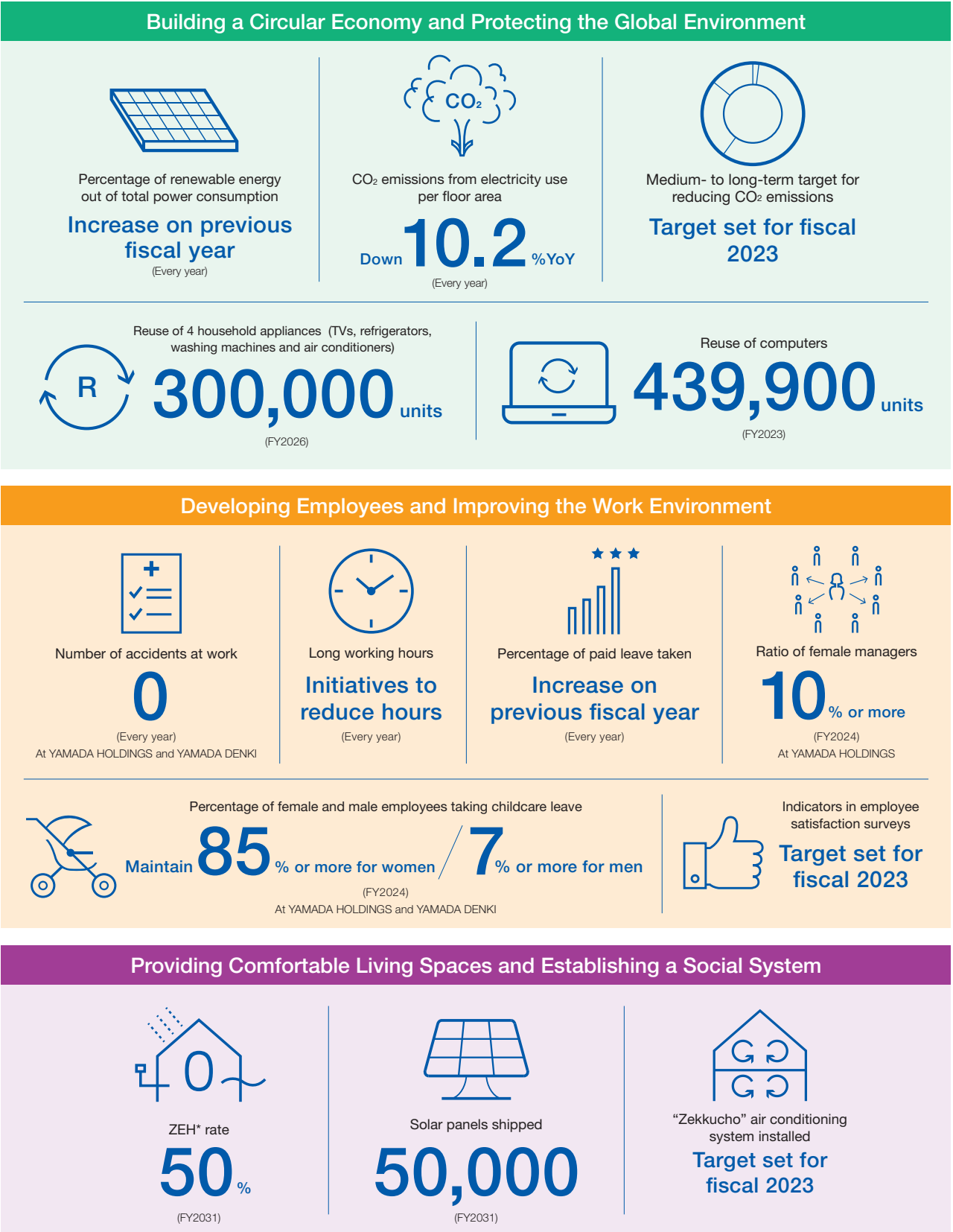
• Integrating into business

• Reporting and communicating

Going forward, we will incorporate specific initiatives and KPIs into our management plan. We will report the progress on a regular basis, thereby promoting dialogue with our stakeholders.

Specific Initiatives and KPIs for the Priorities Towards Achieving the SDGs

(parentheses indicate target year)



* ZEH (Net Zero Energy House) refers to a home with an annual primary energy consumption of net zero or negative through the use of renewable energies, such as solar power, after attempts made to save as much energy as possible with high-quality insulation and highly efficient equipment in the home.



Pushing on with further business reforms to achieve “Total-Living”

Tatsuo Kobayashi

YAMADA DENKI CO., LTD.
Representative Director and Chairperson

Transformation in the consumer electronics segment

Since our relaunch as an operating company responsible for the consumer electronics segment, kickstarted by the transition to a holding company in October 2020, YAMADA DENKI has been working on the challenge of speeding up business reforms to promote management geared toward profit while simultaneously playing a key role in the Group’s “Total-Living” strategy. On a personal level, in April 2022 my position changed from President to Chairperson. Together with President Ueno, we have changed the structure of senior-level management in the consumer electronics segment, even though the direction in which the Company needs to proceed remains unchanged. While we strengthen our product strategy to ensure healthy profits, we will also establish a system to provide customers with a more convenient and comfortable life, promoting a digital transformation. Leveraging the experience I gained from my days as a store clerk, I endeavor to transform the consumer electronics segment to steadily achieve the goals set out in the YAMADA HLDGS 2025 Mid-Term Business Plan, thereby leading to growth for the holding company as a whole.

As a pillar of our growth strategy, I have high hopes for LIFE SELECT, which opened its first store

in Kumamoto in June 2021. The store provides a rich experience and feeling of well-being along with a vast array of products related to daily life, from home appliances and furniture, to home interiors and household goods, as well as fitted kitchens and bathrooms for renovation projects. New in concept, LIFE SELECT coordinates the shopping experience in an environment where customers can get a real sense of what they are buying, with for example, electric sofas positioned in front of television sets on the TV sales floor. This is a strength unique only to Yamada, which has strategically developed stores in various formats. In what would normally take many years, we have been able to open 23 stores (as of the end of June 2022) in just over a year, and I feel confident that customers are satisfied with what we have done.

E-commerce exclusive to Yamada

These days, we are very focused on e-commerce. A difference between us and existing major online shopping stores, is that we have brick-and-mortar stores in every corner of the country from Hokkaido to Okinawa, and we have an advantage that every one of these stores has products in stock and salespeople who know everything about the products on offer. Now we are in the process of assigning sales engineers who

provide a one-stop service from dealing with customers and sales at stores, to product delivery and installation. Moreover, since our employees can deliver directly from nearby stores to customers who have ordered online, we are in the position to respond quickly and professionally to inquiries, for example, when customers don’t know exactly how to use the product they have just purchased. Based on the belief that it is only by providing a sense of security that trust can be achieved, we will strive to differentiate ourselves from other companies through this kind of e-commerce service exclusive to Yamada.

We are also bringing together the online to the real world with our YAMADA web.com stores. Most young people these days get their information not from the TV but from their smartphones. Now we have introduced an online live commerce system that enables us to interact with customers using the Yamada app. This gives us a great opportunity to answer and respond to any customer questions. While we focus on our brick-and-mortar stores, we will continue to aggressively promote e-commerce as part of our digital transformation strategy.

Leading synergies between all segments

In order to achieve sustainable growth at YAMADA DENKI, we will also strive to improve the workplace

environment at our stores. Improving employee motivation also affects our attitude toward customer service. If our employees feel healthy, both mentally and physically, then we can expect to provide good customer service. It is a lot easier for customers to talk to a store clerk who is cheerful and active. One experiment we have already implemented is our digital pricing. We started this with the idea that we would prefer our store clerks to spend more time interacting with customers rather than attaching prices to products. We will continue to improve customer satisfaction while creating a system that enables employees to do better work.

We will also continue with our efforts to integrate the online with the real world, and we will continue to take on the challenge of consolidating our sales floors such as home appliances, furniture, and fitted kitchens and bathrooms, as well as expanding our SPA and reused products. Furthermore, we will consistently be aware of the potential synergies between other segments, such as housing, finance, and the environment, to create new services that will lead to the realization of our “Total-Living” strategy. As Representative Director and Chairperson, my aim is to continue to strongly push forward with business reforms in the consumer electronics segment, which makes up a large portion of the holding company.



Yoshinori Ueno

YAMADA DENKI CO., LTD.
Representative Director, President

I was appointed as president of Yamada Denki in April 2022. Our greatest strength is that we have a nationwide store network. For example, products purchased online can be delivered immediately from a store nearby straight to the customer. I am extremely proud that we can offer such a speedy service all across the country, and I would like to see this service grow even more quickly. To achieve our mid-term business plan of Group sales of 2 trillion yen in three years, we must first establish a firm foothold in the first year of the plan. At the same time, we need to improve our corporate culture so that our colleagues all over the country can work more comfortably and are rewarded properly. And to embody the Creation and Challenge as set out in our management philosophy, I would like to actively take on new challenges.

Risks and Opportunities

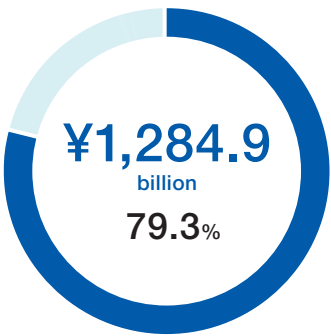
Risks

- Slowdown in consumer spending in line with increased needs to protect household budgets
- Impact on supply chains due to semiconductor shortages and soaring timber prices
- Increased costs due to rising logistics costs, and increased labor costs due to shortage of labor
- Economic recession due to pandemic

Opportunities

- Increased demand for e-commerce
- Increased demand for services and equipment due to more people working from home
- Increased demand for 5G equipment
- Larger sales floor areas

FY2022
Sales Composition



Business Strategy

We will promote our ‘Total-Living’ strategy that combines consumer electronics, furniture, products for renovation projects, and household goods that meet the diverse needs and market environment of our customers based on our network of stores, including Tecc Land, our urban stores known as LABI, and our new type of store known as LIFE SELECT. We will also promote an aggressive scrap and build strategy and expand sales floor space by accelerating the pace of store openings centered on LIFE SELECT and renovating existing stores. Furthermore, we will strive to strengthen services that integrate our brick-and-mortar stores and online sites, aiming to develop business that leverages our strength in last-mile solutions through our nationwide network of stores. To build a circular economy promoted by the entire Group, we will strive to improve services by opening more outlet & reuse stores that purchase and sell home appliances under the banner of “home appliances are also resources.”

Major Initiatives and Results in Fiscal 2022

In the consumer electronics retail industry in fiscal 2022, replacement demand for durable consumer goods such as refrigerators and washing machines remained firm, while seasonal products were sluggish due to a downturn following temporary demand from such things as the special cash benefit payments, working from home and products for those staying at home in response to new lifestyle changes, as well as some unseasonable weather. While promoting initiatives to create new business formats as a local infrastructure industry under our ‘Total-Living’ strategy, the consumer electronics segment has opened a total of 18 LIFE SELECT stores through an active attempt to change business format, open new stores and expand existing ones in order to expand our total sales floor area. On the other hand, there was a temporary impact due to the closures of the Shinjuku East Exit, Akihabara, and Shinbashi stores, the impact from the Accounting Standards for Revenue Recognition that was applied from the current fiscal year, and a decline in consumer sentiment due to rising inflation, resulting in a decrease in sales and profit compared to the previous fiscal year.

Challenges and Prospects for Fiscal 2022

The consumer electronics segment will continue to actively develop stores based around LIFE SELECT, making them a pillar of future business growth in order to increase the total sales floor area by 5% per year as set out in the YAMADA HLDGS 2025 Mid-Term Business Plan. We will also continue to build a system for increasing sales and profits by expanding our e-commerce utilizing the Group’s infrastructure, expanding our range of SPA products from home appliances to furniture and home living products, and expanding our future growth businesses in renovation and home interiors. In addition, we will promote digital marketing that supports these measures and work on reforming our distribution that makes use of our nationwide stores to improve productivity through streamlining.

TOPIC 81st Yamada Outlet & Reuse Store

In response to a growing awareness surrounding ethical consumption in recent years, the Yamada Holdings Group is promoting the expansion of its stores with a view to developing outlet & reuse stores across the country. In March 2022, we opened the Yamada Outlet & Reuse Hakodate Store, our 81st store in Japan, and we plan to increase this number to 100 stores by the end of this fiscal year. In addition to picking up some bargains like previous models brought in from Yamada Denki stores across the country, our outlet & reuse stores feature a large selection of high-quality used products, mainly home appliances we have purchased back and which have been carefully cleaned and inspected. As part of our ESG management, while continuing to promote the businesses of reuse & recycling, reducing and properly disposing of waste, and using recycled materials with a focus on home appliances produced completely within the Group, Yamada Holdings will focus on creating a system for the efficient collection of used products, reusing and remanufacturing as many of these products as possible, and delivering them to customers through our outlet & reuse stores nationwide.



(Artist's impression)



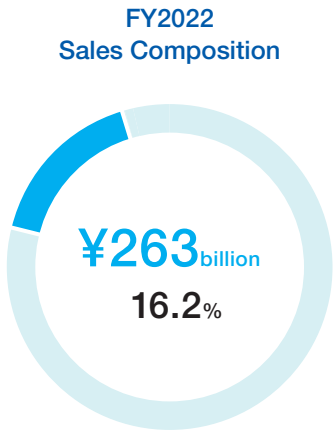
Akira Kondo
YAMADA JUKEN HOLDINGS CO., LTD.
Representative Director, President

Due to the pandemic, there have been major changes in people’s lifestyles with people spending more time at home. Meanwhile, the demand for eco-friendly housing is also increasing against the backdrop of a growing sense of crisis with respect to more intense natural disasters and the global trend toward the realization of a decarbonized society. While accurately grasping such changes in society as a whole, the housing segment plays an important role in delivering a living environment where customers can spend their time more comfortably through proposals that go beyond simply building houses, such as home appliances and furniture that are perfect for every home, renovations tailored to the growth of households, and financial products such as insurance. At the same time, social transformation should also be a great business opportunity. This can be seen from the growing need for homes that are extremely well insulated, are very energy efficient, and which are less wasteful in terms of resources and have less impact on the environment. Based on our pride and responsibility in creating social assets through building homes, not only will we respond to customer needs by creating high-quality housing stock that is more environmentally friendly, better for our health, and longer-lasting, but we will also help to solve social issues and create a sustainable and prosperous society.

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
 - Improving synergies through M&A and business alliances with other companies



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 furniture, home interiors, products for renovation projects, and finance, we will practice a so called “connected management” with the aim of expanding business in the housing segment.

Major Initiatives and Results in Fiscal 2022

Major changes in lifestyles, such as more people working from home in light of the coronavirus have created an advantageous situation. As people spend more time at home there is increased interest for detached homes where it is easier to have your own work or private space compared to condominiums, and there has been renewed attention for the ventilation performance and economic efficiency of our Zekkucho air conditioning units. As such, our high-value-added housing proposals that seek greater comfort and performance have captured these very needs, and orders for new build homes remained strong. In 2020, we began full-scale efforts to purchase and resell used homes in the real estate business, and the business expanded steadily. And as people spent more time at home, they became more concerned about the place they were living in, leading to an increase in orders for renovation projects in the housing equipment sales business.

In terms of profit, although there were increased costs and construction delays due to hold ups in the delivery of materials owing to the soaring cost of timber and supply chain disruptions, operating profit increased year-on-year as a result of a rising profits from increased sales, efforts to improve gross profit, and reductions in selling, general and administrative expenses.

Challenges and Prospects for Fiscal 2023

We will shorten the time it takes to build homes by streamlining through a digital shift with ICT, while aiming for strengthening of our ordering system, further growth of the second-hand home business, and greater expansion for sales of our housing equipment by having booths at home exhibitions and sales offices for the first time and by expanding our sales bases. We will also realize cost and cash flow reforms through joint development and joint procurement within the Group.

Furthermore, we intend to maximize the synergistic effects we have within the Group through measures such as attracting more home owners to our stores, thereby contributing to our so-called “connected management”.

TOPIC New Effects Confirmed for the Air Quality Improvement System Wellness AIR

Wellness AIR is an interior system that utilizes the air purification effects of natural charcoal. By applying high-quality charcoal paint to the ceiling and walls of a room and passing a weak electric current through it, the ceiling and walls become negative charged. This technology creates an indoor environment in which negative ions permeate the air by attracting positive air ions such as chemical substances. Since 2018, YAMADA HOMES has been conducting joint research on the effects of Wellness AIR on pollen allergens with Professor Wang Qingyue, a leading researcher in hay fever allergens at the Graduate School of Science and Engineering, Saitama University. When experiments were conducted, it was confirmed that by applying a high-quality charcoal and passing an electric current through it, less pollen allergens are found compared to the charcoal coating with no electric current. YAMADA HOMES will continue to research the effects and possibilities of this technology, and actively promote business to create new markets in the field of home living environments.

Effects of high-quality charcoal used in Wellness AIR and effects of electric current (image diagram)

Reduced pollen by applying charcoal
Wellness AIR’s high-quality charcoal absorbs and neutralizes indoor allergens.

Pollen is further adsorbed when an electric current is applied.



Yamada Finance Service is a company that was conceived to financially support Yamada Holdings' concept of 'Total-Living'. We aim to put into practice a connected management by providing a variety of financial products in order to create lifelong relationships with our customers.

The six finance companies have traditionally handled loans, the development of insurance products, the insurance agent network, guarantee business, fund settlement business, etc. individually, but by integrating them into the finance segment, we can now, for the first time, comprehensively respond to a wide range of customer financial needs. Going forward, we aim to be a partner to make customer dreams come true by integrating the YAMADA NEOBANK business to enable us to provide various financial services from the customer's point of view.

Kenichi Koyano

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

Risks and Opportunities

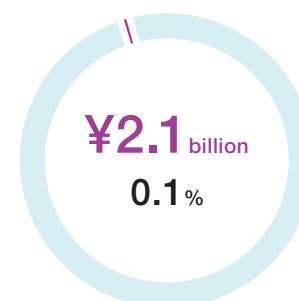
Risks

- Fluctuations in long-term interest rates
- Intensifying competition in a super-low interest rate environment

Opportunities

- More widespread open banking
- Extension to mortgage tax cuts
- Providing high-value-added financial services
- Improving management efficiency through restructuring in the financial industry, etc.

FY2022 Sales Composition



Business Strategy

We aim to create Group synergies by linking the financial business with the consumer electronics, furniture, and housing-related businesses. We will promote expansion in the idea of the Yamada Economy utilizing YAMADA NEOBANK accounts and the development of the 'Total-Living' strategy centered on YAMADA NEOBANK mortgages. We will also focus on ESG, especially environmental issues, by proposing loan products with far better terms for buying homes and renovation projects that help to save, create, and store energy, and by providing insurance products in readiness for natural disasters.

Major Initiatives in Fiscal 2022 and Future Prospects

In the fiscal year ended March 31, 2022, sales and profits increased due to strong performance in mortgages, which are closely related to the housing construction business. And with the opening of YAMADA NEOBANK in July 2021, we have established a substantial full banking system. We are also making progress in significantly integrating management within the finance segment. We will continue to work to expand and develop our financial business by enhancing our lineup of financial products that are unique to Yamada and which give the very best in terms and conditions.



As environmental conservation and resource recycling become global issues, the environment segment is working on building a group-wide resource recycling system of reuse, reduce, and recycle (3Rs) centered on home appliances. Especially when we consider the impact on the environment, it is essential that we promote the reuse (remanufacturing) of products before actually recycling them. Specifically speaking, through our business in the 3Rs, we will maximize the value of resources and products, minimize the amount of resources used, and limit the amount of waste generated so that we can strongly promote the realization of a circular economy. As a sustainability initiative aimed at solving social issues through environmental business, we hope to contribute to a carbon neutral society to solve the world's social issues.

Mitsumasa Kuwano

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

Risks and Opportunities

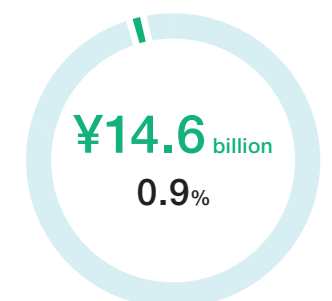
Risks

- Intensifying purchasing competition due to booming reuse/recycling market

Opportunities

- Enforcement of the Act on Promotion of Resource Circulation for Plastics
- More outlet & reuse store openings
- Operation of new plants for reuse (completed in May 2022) and recycling (scheduled to begin construction in fiscal 2023)
- Operation of waste-to-energy plant (scheduled to begin construction in fiscal 2025)

FY2022 Sales Composition



Business Strategy

In line with Group strategy, we will work directly with operating companies to plan the construction of various facilities and equipment in order to build a resource circulation system fully contained within the Group. The newly established YAMADA East Japan Reuse Center Gunma Plant, which is run by CIC, one of the Group's operating companies, is a strategically important base for realizing long-term use through the reuse of home appliances. The plant helps to preserve the global environment by reducing CO₂ emissions. By the fiscal year ending March 31, 2026, we plan to establish a reuse production system with an annual production capacity of 300,000 units nationwide. Going forward, as well as making more environmental contributions by establishing new reuse plants for home appliances in Yamaguchi, Tohoku, and Okinawa, and increasing processing capacity and sorting capacity to boost the amount of recycled resources, we will also aim to strengthen our sustainable profit structure.

Major Initiatives in Fiscal 2022 and Future Prospects

In the fiscal year ended March 31, 2022, all 3R businesses performed well amid unstable product supply due to soaring resource prices and the global shortage of semiconductors. With the start of operation of the YAMADA East Japan Reuse Center in May 2022, the annual production capacity for reused home appliances in the East Japan area has increased significantly to 156,000 units. Azuma Metal's new recycling plant is scheduled to be completed in the fiscal 2023. And with SANKYU Corporation joining the Group in March 2021 we will be able to work on recycling and reducing the amount of construction waste.

Special Feature 1

SPA Products Embodying
the Yamada Philosophy

Since 2013, the YAMADA HOLDINGS Group has been developing SPA* products in everything from marketing to product planning, development, and sales.

The SPA products, which were created as a service to embody Yamada's management philosophy of Creation and Challenge, have expanded to more than 10,000 products from home appliances and furniture to home interiors and household goods. (As of end of June 2022)

*Specialty store retailer of Private label Apparel

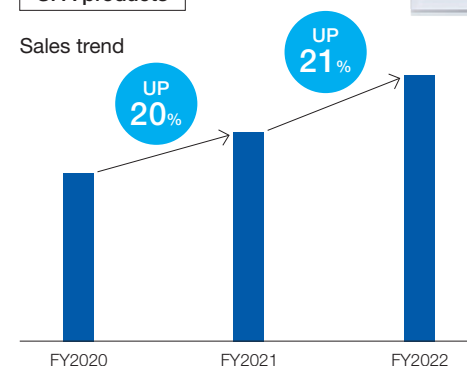
Original products based on safety,
security and good function

Yamada's SPA products are developed based on the idea of safety, security, and good function with every attention given to the customer's perspective. As lifestyles continue to change and diversify, there will always be demand for products that are simple, easy to use, and made with a unique, niche perspective in mind. It is purely because the YAMADA HOLDINGS Group, as a consumer electronics retailer with the largest number of customers in Japan allowing for extensive knowledge on products and customer feedback, is able to develop such products. One of our strengths is that we are able to set reasonable prices by utilizing our nationwide network of stores to reduce distribution costs. Creating products that directly reflect feedback from our customers is what gives true value to Yamada's SPA products, and as such, it plays an important role in promoting the 'Total-Living' strategy.



SPA products

Sales trend



Ratio of sales

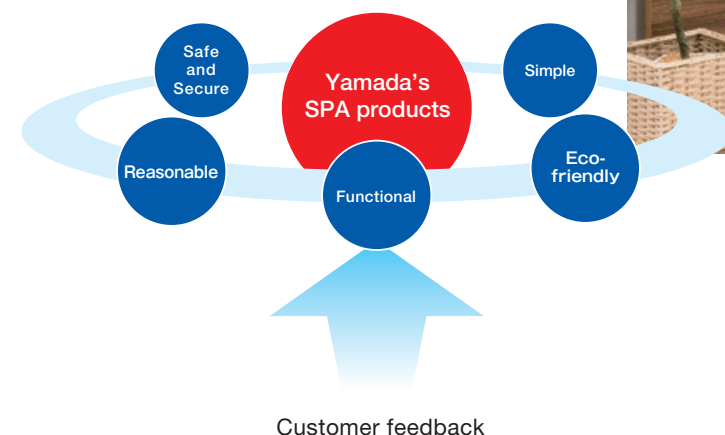
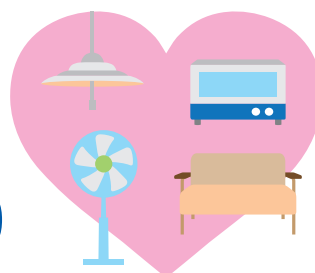
14.3%

Ratio of gross profit

23.1%

Number of products

Over 10,000

Providing high quality products
at low prices

Yamada's SPA products, fully integrated in-house from planning and manufacturing to sales, do not go through manufacturers or wholesalers, meaning costs can be kept down, leading to higher profit margins. This in turn means Yamada can offer high-quality products at low prices, so naturally, this is a range of products affording great value to customers. Initially, SPA products were mainly home appliances, but with progress being made with the 'Total-Living' strategy, furniture and home interiors have been brought further into play allowing for more and more unique and valuable products to be produced. The development of more environmentally friendly SPA products which we have focused on more in recent years has been receiving support from customers. As such, there is an increasing awareness surrounding our original brands and their presence on the sales floor meaning that sales of all our SPA products have been on the rise year by year. Yamada will continue to develop SPA products that meet the needs of its customers by making the most of its extensive knowledge and experience in handling a wide variety of products.

How Yamada's SPA products are made

It takes an average of 6 to 12 months to develop and produce products in the SPA Product Division.

1 Market analysis

The seeds of product development with a focus on home appliances, furniture, and home interiors, are examined with ideas taken from the sales floor and customer feedback.

2 Planning

Product commercialization is assessed after analyzing the best value and price for target customers. As well as original functions and specifications, planning and development progresses with an understanding on ensuring safety, design, and consideration for the environment.

3 Manufacture

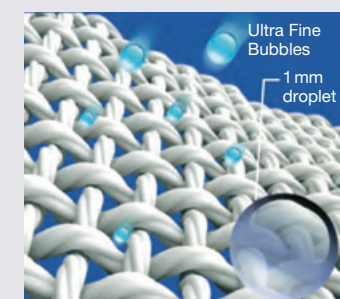
After selecting a manufacturer and plant, the process of prototype and review is repeated before the product can be commercialized and mass-produced.

4 Sales

As well as being on sale in Yamada Denki stores across the country, products are also sold online, on sites such as Yamada Web Com.

Development
Case
1Advanced washing machine hose turns out
cleaner clothes with the power of foam

Fuji Keiki and Tofle have jointly developed the Ultra Fine Bubble Hose which produces a swirling flow inside the washing machine to improve cleaning effect. The product has been on sale since May 2021. The hose can release ultra fine bubbles of less than 0.001 mm in diameter deep into the clothes' fibers. As the hose can be easily attached to the washing machine at home with very little effort, it is proving to be a popular product among homemakers.



*Image purposes only. 'Fine Bubble' and 'Ultra Fine Bubble' are registered trademarks of the Fine Bubble Industries Association.

Development
Case
2Voice recognition electric bed perfect for
a good night's sleep

Yamada has developed Japan's first voice-recognition electric bed, ASSISTEC, where the angle of the bed can be adjusted by way of an electrical assistance function. The ASSISTEC bed has been on sale nationwide since October 2021. The idea for development came about when a store salesperson noticed that more and more customers had been putting TVs in their bedrooms. As people have been spending more time at home these days, there has been more opportunity to spend time in bed watching TV or using the computer. With programmable memory positions, ASSISTEC can be adjusted to three positions by simple voice commands or by wireless remote control. The angle creates a comfortable position for working in bed, or it can even prevent snoring by freeing up the airway for a good night's sleep. The bed also comes complete with USB ports and an LED downlight to meet customer needs.



Special Feature 2

LIFE SELECT, a Culmination of the “Total-Living” Strategy

With the largest floor space in the area, LIFE SELECT has everything you could possibly need for home living, from home appliances, furniture and home interiors, to toys, household goods, and even products for renovation projects. Based on the concept of “We support you living a delightful life. Entirely,” LIFE SELECT is a culmination of the ‘Total-Living’ strategy. Here we give an overview and highlight the strengths and initiatives of the new format, large-scale store that is LIFE SELECT.



A Place of Fun

Fun to Choose

Huge product lineup

Customers are welcomed with a huge range of products, including home appliances, furniture, interior goods, household goods, toys, products for renovation projects, and more.



Fun to Experience

Recreating the living space with home appliances at its core

As well as areas where customers can get hands-on, products are showcased in a reimagining of home life with, for example, electric sofas together in the TV section.

A Place of Happy Living

Specialists on hand

Specialist staff with extensive knowledge, such as home appliance advisors, furniture/interior and renovation coordinators, are assigned to each sales floor to recommend products and provide the best in customer service.

Sales engineers provide full support from sales to delivery



Professional staff recommend products for a happy lifestyle



A complete recommendation package, from home appliances and furniture, to home interiors and products for renovation projects

Home appliances and furniture



Masaaki Kato

LABI1 LIFE SELECT TAKASAKI
Deputy store manager

Offering everything to help customers live a better life

The concept and strength of LIFE SELECT is that we can provide everything from home appliances and furniture to interior decoration and room renovations. We are essentially a one-stop-shop that allows us to help customers live a better life. For example, on the TV sales floor, we also display sofas to create an environment that feels closer to home. This way customers can choose products while sitting down and imagining how they will actually be used. We still don't have the same level of awareness when it comes to furniture, interiors, and renovations as we do with home appliances, but we are working to improve our knowledge for all products in store, not just those in our respective departments, so that customers can enjoy shopping while experiencing and getting a feel for the products. I hope to turn LIFE SELECT into Yamada's cutting-edge concept store that offers everything in terms of living.

Home appliances and furniture



Home interiors



Renovation



Household goods



Toys



Sales Engineer



Nami Kasuga

Sales Engineer

Delivering great joy and peace of mind by resolving lifestyle problems

Sales engineers deliver more than just products. We also play the role of solving various problems related to customers' homes and delivering great joy and peace of mind through our 'Total-Living' proposals. To be able to make proposals of a higher quality, we work closely with other employees while we are moving around the shop floor, and we listen carefully to what our customers are saying when visiting their homes. This leads to solutions to some of the problems they may have. And despite the shift to more online sales these days, we are striving to improve our product knowledge not only in home appliances but also in furniture and home interiors. In doing so, we are aiming to be a store that embodies the concept of LIFE SELECT, that of “We support you living a delightful life. Entirely.”

Making the most of our strengths over the competing companies for the best, long-term proposals

As well as properly responding to requests received when visiting customers' homes, the renovation sales department is in charge of a wide range of services from introducing home appliances and furniture to attracting people to stores and making recommendations. Many of the customers who purchase our products for renovation projects are repeat customers, so we strive to make the best proposals from a long-term perspective. We have a wide variety of products and an environment where customers can experience and get a feel for the products, and with dedicated staff on hand we can make some very detailed proposals. This is the strength of LIFE SELECT, something which our competitors do not have. To make the most of this strength, we are working to solve our customers' problems while strengthening cooperation with home appliance staff, advisors, and sales staff. We will continue to work hard to improve the skills of each and every employee, and we will create a space where everyone can smile and say, “I'm glad I came to LIFE SELECT.”

Renovation




Susumu Ono

LABI1 LIFE SELECT TAKASAKI
Floor manager

Basic Approach

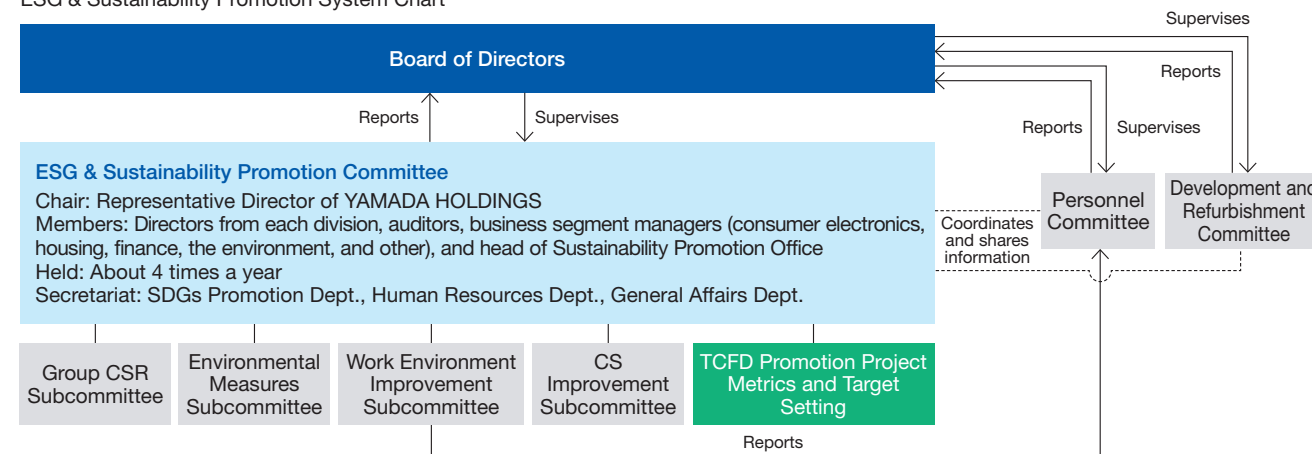
YAMADA HOLDINGS' management philosophy is "Creation and Challenge". The Group is engaged in various businesses and initiatives for its own growth and development of society. It also plays a role in supporting the social infrastructure with a network that utilizes numerous types of stores. With the aim of being a corporate Group that continues to grow with society, YAMADA HOLDINGS is promoting sustainability 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>
(in Japanese only)

ESG & Sustainability Promotion System

The YAMADA HOLDINGS Group has established the ESG & Sustainability Promotion 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 subcommittee 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. And to further enhance disclosure on climate change-related topics, we have set up a project team to set targets and analyze the current state of CO₂ emissions in Scopes 1, 2, and 3. 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.

ESG & Sustainability Promotion System Chart



Sustainability Training & Education

YAMADA HOLDINGS regularly conducts training on sustainability to promote activities across all companies in the Group. In fiscal 2022, videos talking about the sustainability issues that employees should be concerned about in their daily work and how to address these issues, were shown to all employees, including those at Group companies, on the Group's dedicated learning site, My Learning. Moreover, a study session was held in October 2021 for those in charge of Group companies to help them understand and help reduce the impact on the environment throughout the entire supply chain. Going forward, we will continue to foster and strengthen awareness about sustainability among our employees, and promote it throughout the Group to further improve the initiatives we are taking.

Stakeholder Engagement

The YAMADA HOLDINGS Group is working to increase corporate value by building a relationship of mutual appreciation and trust by recognizing the importance of 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.



Building a Circular Economy and Protecting the Global Environment



Basic Approach

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 ISO 14001 certification acting as specific action guidelines, we are proactively promoting initiatives to build a circular economy and to reduce CO₂ emissions by promoting reuse and recycling. The Group is also focusing on efforts to reduce CO₂ emissions at the product use stage by encouraging customers to switch to energy-saving home appliances.

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

ISO 14001 initiatives
<https://www.yamada-holdings.jp/info/policy/iso14001.html>
 (in Japanese only)

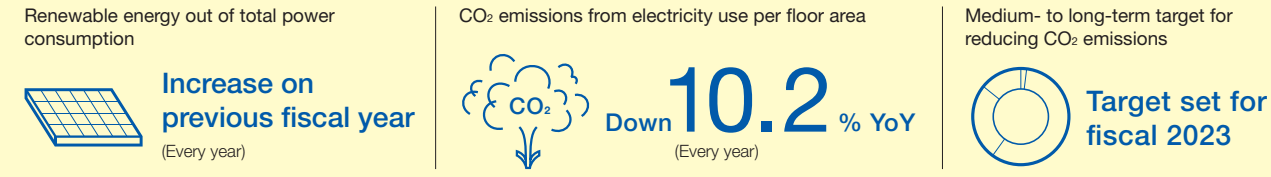
Targets Toward Achieving the SDGs

The YAMADA HOLDINGS Group has been promoting activities aimed at reducing greenhouse gases emitted from its stores and in its distribution, and aimed at reducing its environmental impact based on the setting and management of quantitative targets in line with the priorities toward achieving the SDGs.

Medium to Long-term Policy

Reduce impact on the environment by using energy efficiently and using renewable energy

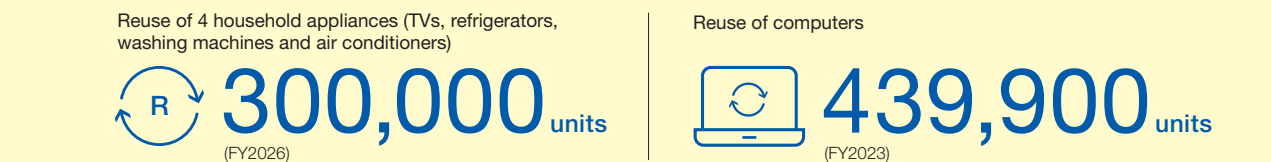
Target (Parentheses indicate target year)



Medium to Long-term Policy

Work on waste reduction and resource recycling through reuse and recycling systems

Target (Parentheses indicate target year)



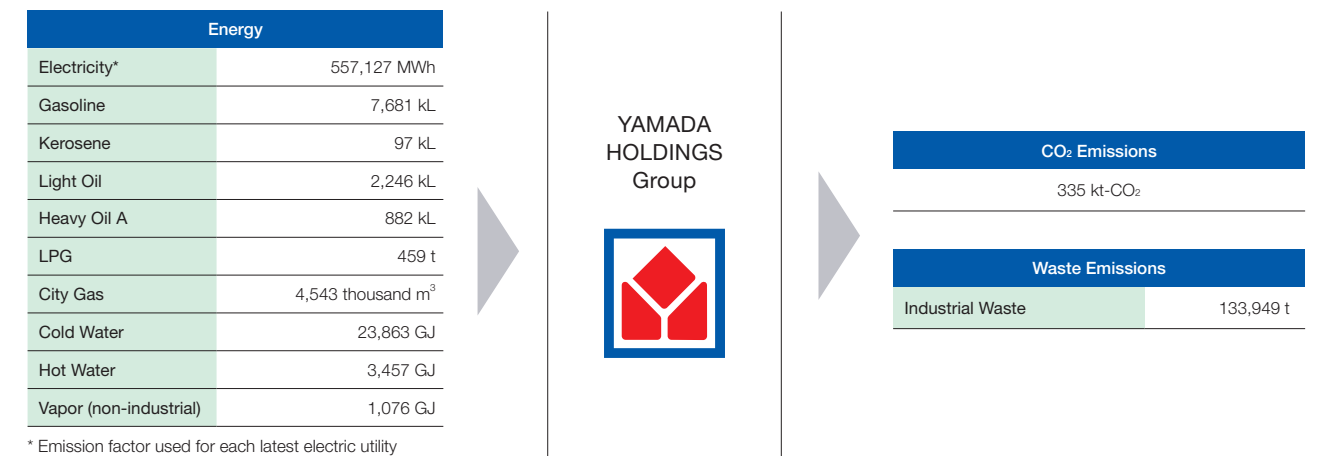
Environment Management System

All 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.

Material Flow (Fiscal year ended March 2022)



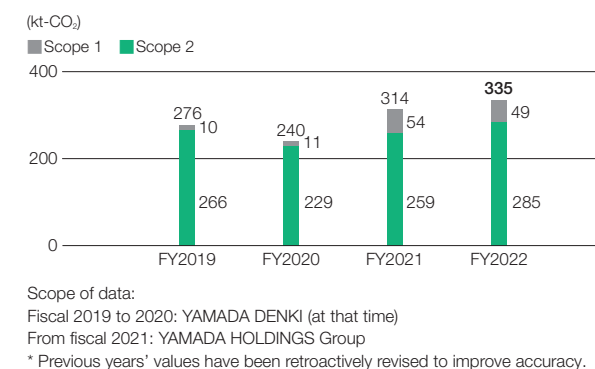
Preventing Global Warming

The YAMADA HOLDINGS Group recognizes that preventing global warming is one of the most important issues, and as such, is making various efforts to reduce CO₂ emissions. As well as announcing our support for the TCFD recommendations in March 2021 to promote information disclosure based on the framework, we are also working on measures through our business activities to contribute to the realization of a sustainable society.

Initiatives to Reduce Carbon Emissions

The total volume of Scope 1 and 2 emissions in the YAMADA HOLDINGS Group for the fiscal year ended March 31, 2022 increased by 21ktons year-on-year to 335kt-CO₂. The main reason for this increase was the inclusion of CO₂ emissions emitted during the building of new homes into the scope of data.

CO₂ emissions (Scope 1 and 2)



CO₂ Emissions from Electricity Use

The YAMADA HOLDINGS Group is continually working to reduce CO₂ emissions associated with its business activities. In order to reduce CO₂ emissions from electricity use, 2.03% of the total is covered by renewable energy. CO₂ emissions increased in fiscal 2022 compared to the previous fiscal year because there was minimal impact from business closures and shortened hours due to the pandemic.

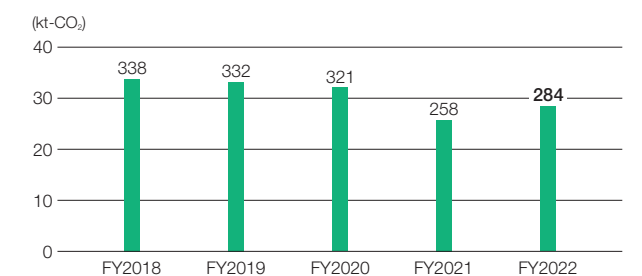


Percentage of renewable energy out of total power consumption (%)

FY2018	FY2019	FY2020	FY2021	FY2022
1.87	1.84	1.85	1.94	2.03

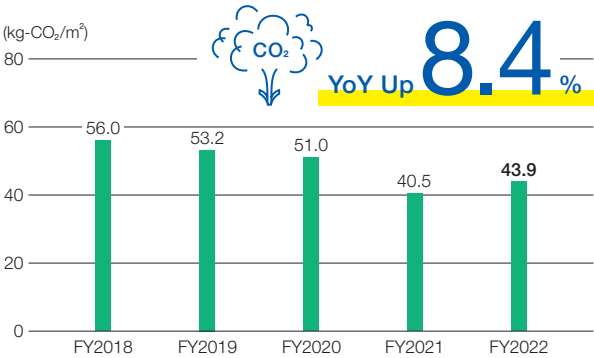
* Previous years' values have been retroactively revised to improve accuracy.

CO₂ Emissions from Electricity Use*1,2





CO₂ Emissions from Electricity Use 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

● Calculation of Scope 3 Emissions

The YAMADA HOLDINGS Group started calculating CO₂ emissions for the entire supply chain from fiscal 2021 in order to reduce the environmental impact in all its business activities. Of the Scope 3 emissions for fiscal 2021, use of sold products (Category 11) accounted for the largest share at 80% of the total, followed by purchased goods and services (Category 1) at 18%. We will continue to monitor and reduce CO₂ emissions throughout the supply chain.

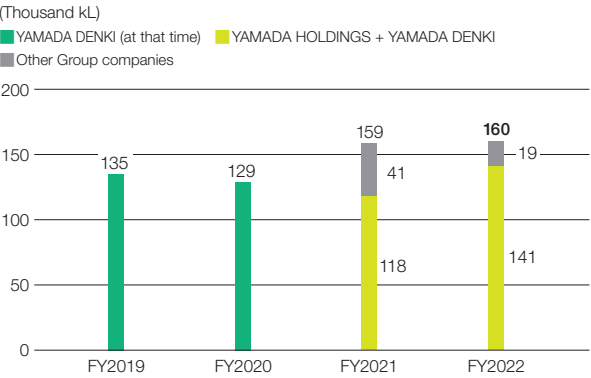
Summary of Scope 3 Emissions (FY2021)

Scope 3	Associated Activity	Emissions (kt-CO ₂)
Category 1	Purchased Goods and Services	4,911
Category 2	Capital Goods	21
Category 3	Fuel- and Energy-Related Activities Not Included in Scope 1 or Scope 2	46
Category 5	Waste Generated in Operations	206
Category 6	Business Travel	2
Category 7	Employee Commuting	4
Category 11	Use of Sold Products	20,907
Category 12	End-of-Life Treatment of Sold Products	273
Category 14	Franchises	2
Total		26,371

Reducing Energy Consumption

The YAMADA HOLDINGS Group is striving to reduce the amount of energy it uses. The Group is working to visualize the amount of electricity through energy-saving activities, such as switching to LED lighting in its offices and stores, and through an analysis of electricity use by equipment and time using demand controllers.

Energy Usage



Scope of data:
Fiscal 2019 to 2020: YAMADA DENKI (at that time)
From fiscal 2021: YAMADA HOLDINGS Group



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. These contributions to promoting the spread of green power have been valued and as such YAMADA DENKI 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. Total electricity generated in fiscal 2022 was 48,367 MWh which contributed to reducing the Group's environmental impact through the sale of electricity. 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, YAMADA HOMES, Housetec, INVERSENET, Hinokiya Group, BPC



Logistics Initiatives

To promote energy-savings in its distribution, YAMADA DENKI has requested its outsourcing and partner companies to turn off their idling engines while out delivering products, maintaining a high implementation rate of over 98% in fiscal 2022. In addition, the Group is promoting eco-friendly logistics such as by considering the use of electric vehicles for use at stores and by reducing distances covered during product delivery through the creation of an efficient logistics system for vehicles moving between stores.

Business Initiatives

● The YAMADA GREEN Logo

The YAMADA HOLDINGS Group has created the YAMADA GREEN logo as a symbol of its commitment to the environment. The five letters of GREEN embody the meanings of Global, Resource, Ecology, Evolution, and Next. It expresses our determination to realize a resource-recycling society and further contribute to the creation of a sustainable society.

In conjunction with this logo, we have also established the YAMADA GREEN Certification System whereby companies can display the YAMADA GREEN

logo on products, initiatives, and reused products that meet YAMADA HOLDINGS' own environmental standards (not applicable to energy-saving home appliances). The first certified product, the Epson printer EPM553T, uses recycled plastic for approximately 30% of all the plastic used in the product, reducing the amount of petroleum-derived plastic used and thereby helping to recycle resources.



Sales poster used at outlet & reuse stores



Information about YAMADA GREEN
<https://www.yamada-holdings.jp/csr/green.html>
(in Japanese only)



Preventing Global Warming
<https://www.yamada-holdings.jp/lang-en/csr303.html>



Information Disclosure Based on TCFD Recommendations

Climate change poses not only a risk but also brings new business opportunities. For the YAMADA HOLDINGS Group to aim for sustainable growth, the transition to a decarbonized society is one of the important management issues that must be faced and addressed. 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. Going forward, 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

The Group recognizes that responding to climate change is an important management issue. Basic policies and important matters related to climate change are examined by the ESG & Sustainability Promotion Committee chaired by the representative director, and deliberated and decided by the Management Committee, 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. To conduct studies for the Group’s four major businesses based on various climate-related scenarios, including scenarios of 2°C or lower, as recommended by the TCFD, YAMADA HOLDINGS analyzed the impact on the Group’s business activities and finances, and identified important risks and opportunities in fiscal 2022 with reference to the 2°C or lower and the 4°C scenarios.

Scenario Analysis

Scope: All YAMADA DENKI stores in Japan, all sales offices of the Hinokiya Group and YAMADA HOMES, Housetec plants, and reuse/recycle plants
Period: Impact from 2030 to 2050

Assumed Scenarios

Category	Below 2°C*	4°C*
Policy/Regulation	·Introduction of carbon tax ·Active promotion of energy-saving and renewable energy policies ·Demands on companies to significantly reduce CO ₂ emissions ·Taxation on CO ₂ emissions across the entire supply chain, electricity rate hike ·Tightening of energy-saving regulations for housing ·Tightening of recycling regulations, etc.	·Energy-saving and renewable energy policies not actively promoted ·No carbon tax introduced ·Maintaining status quo in climate change measures
Technology	·Further progress in product development with high energy-saving performance	·Further progress in product development with high energy-saving performance
Changes in market/customer behavior	·Changes in customer behavior towards ethical consumption and increased interest in energy-saving and decarbonized products ·Sustainable lifestyles take hold ·Limited increase in raw material prices ·Increased demand for adaptive products due to the shift to ZEH housing, etc. (solar power, high-performance insulation, renovations)	·Changes in customer behavior toward ethical consumption and interest in energy-saving and decarbonized products will increase, albeit to a limited extent, compared to 2°C ·Increased interest in disaster prevention products and stockpiled goods ·Rising raw material prices ·Increased demand for adaptive products (high-performance insulation materials, shades)
Products / Logistics	·Adoption of low-carbon/ decarbonized products and services, and certified products ·Slight increase in logistics delays and disruptions	·Adoption of low-carbon/ decarbonized products and services and certified products limited compared to 2°C ·More logistics delays and disruptions
Stores / Sales Offices / Plants	·Slight increase in damage to stores/offices/plants due to heavy rainfall	·Heavy rainfall and typhoons cause flooding and wind damage which greatly increases damage to stores, sales offices, and plants

* Below 2°C scenario: Regulations and policies for decarbonization are tightened and measures against climate change progress with the temperature rise from pre-industrial levels at around 1.5°C to 2.0°C
* 4°C scenario: A scenario in which sufficient measures against climate change are not taken and the temperature rises around 4°C from pre-industrial levels

Risk Management

Climate-related risks are regarded as one of the major risks that affect the Group’s business. As such, the Group confirms progress of measures to address the important climate-related risks identified in the scenario analysis, and the status of risk management, reporting to the Board of Directors once a year.

Metrics and Targets

The Group is developing targets for Scope 1, 2, and 3 emissions to assess and manage climate-related risks and opportunities.

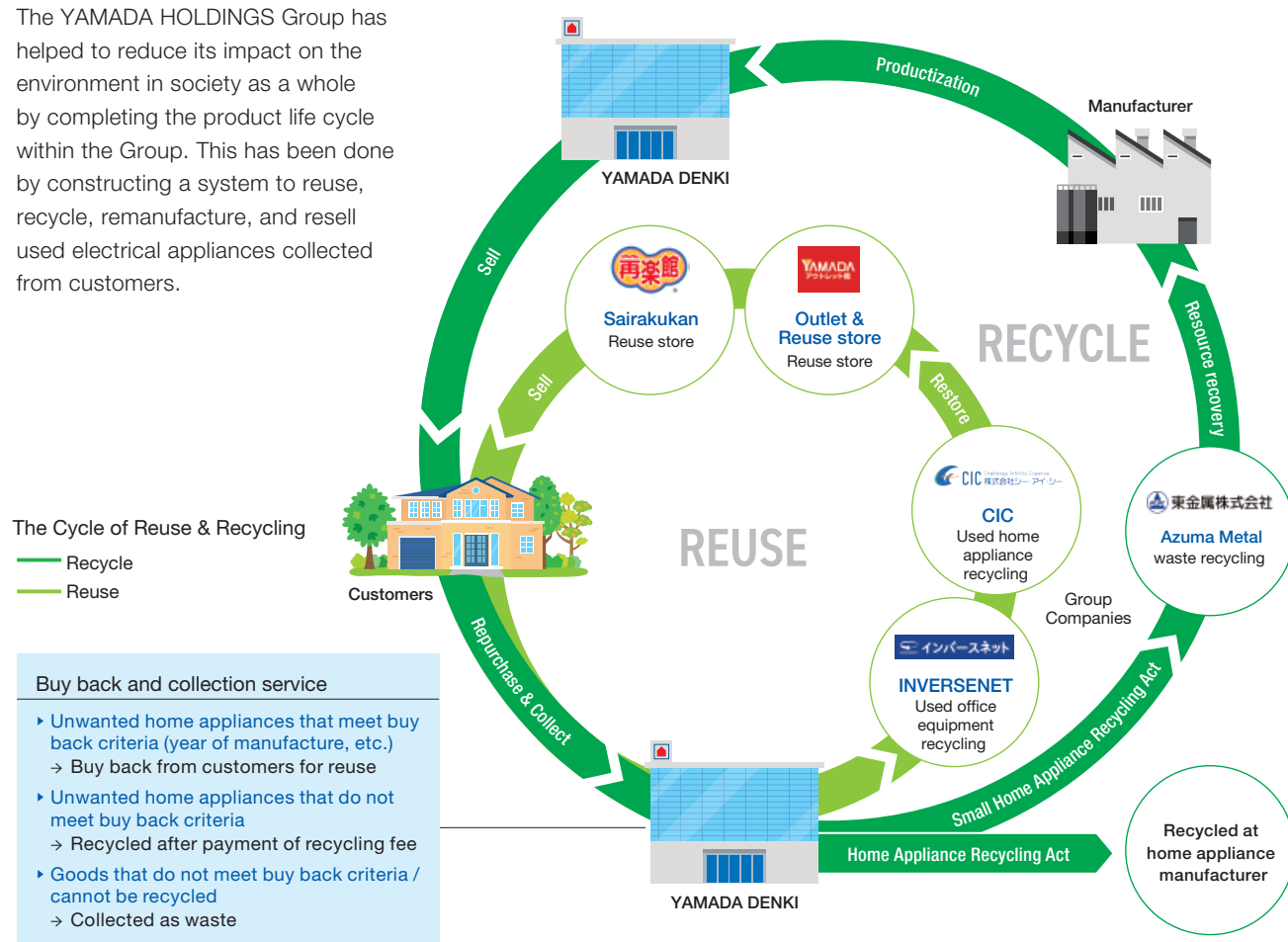
Scenario Analysis on Climate Change-Related Risks and Opportunities

Risk Type	Category	Risk	Relevant Business				Impact of Risks on Business	Impact Level	Response to Risks
			Home Appliances	Housing	SPA	Environment			
Transition Risks	Policy/regulation	Carbon tax/carbon pricing	●	●	●	●	Company electricity costs increase owing to carbon pricing (carbon tax, etc.)	High	· Manage power-on/off for lighting, air-conditioning, and exhibits at YAMADA DENKI stores, switching to LED lighting in parking lots and on signboards · Use of decarbonized and low-carbon energy to avoid and reduce burden of business costs, such as carbon taxes · Improve energy use efficiency by generating power from heat generated when incinerating waste at the Yamada Energy Plant
			●	●	●	●	Necessary to develop price competitiveness including carbon pricing, low-carbon materials and construction technology	High	· Actively support the decarbonization activities of suppliers and respond to the risk of rising procurement costs
		Energy-saving regulations	●	●	●	●	Tightening of regulations such as energy-saving standards	High	· Encourage customers to switch to products with high energy-saving functions by using an in-house qualification system to help employees understand and acquire knowledge about energy-saving · Promote widespread use of energy-saving home appliances through active participation in local government subsidies to replace products for energy-saving home appliances · Diversify procurement sources through capital alliances with major suppliers, etc. · Respond to the risk of rising production costs by streamlining and expanding production technology for new manufacturing methods, and by streamlining production lines and manufacturing technologies · Promote technological innovation in low-carbon construction methods by implementing an environmentally friendly design assessment when designing such methods · Promote development of low-carbon products by implementing an environmentally friendly design assessment during product design
			●	●	●	●	Increased store/office operating costs due to rising energy costs	High	· Manage power-on/off for lighting, air-conditioning, and exhibits at YAMADA DENKI stores, switching to LED lighting in parking lots and on signboards · Medium- to long-term reduction of GHG emissions (electricity use) on a profit/ loss neutral basis
	Market	Changes in customer behavior	●				The replacement cycle of durable consumer goods (mainly home appliances and furniture) will lengthen, and sales decline	High	· Encourage customers to switch to products with high energy-saving functions by using an in-house qualification system to help employees understand and acquire knowledge about energy-saving · Promote widespread use of energy-saving home appliances through active participation in local government subsidies to replace products for energy-saving home appliances · Promote widespread use of products that contribute to building a decarbonized society
	Acute	More extreme weather	●	●	●	●	· Damage or suspension of business due to natural disasters at stores, sales offices, or plants · Logistics and transportation networks cut off, resulting in a decrease in sales	High	· Set up new stores and show homes factoring locations and facility layouts on the basis of possible flood damage · Strengthen measures against water risks at stores and show homes, etc. based on water risk assessment results · Implement recovery manuals (already created) assuming stores/sales offices/ plants stop functioning · Formulate business continuity plans for procurement and distribution systems · Use of IT in operations and negotiations · Increase product inventories
Physical Risks	Chronic	Changes in precipitation/ weather patterns	●	●	●	●	· Damage or suspension of business due to natural disasters at stores, sales offices, or plants · Logistics and transportation networks cut off, resulting in a decrease in sales	High	· Set up new stores and show homes factoring locations and facility layouts on the basis of possible flood damage · Strengthen measures against water risks at stores and show homes, etc. based on water risk assessment results · Formulate business continuity plan to assess degree of danger on-site using hazard maps, etc.
							Changes in vegetation and timber procurement areas lead to increased timber procurement costs	High	· Secure timber suppliers in readiness for forest protection
		Rising average temperature	●	●	●	●	Customers less likely to go out, refraining from purchasing in store	High	· Boost sales promotion via e-commerce · Use of IT for online consultations and business negotiations

Risk Type	Opportunity	Relevant Business				Impact of Opportunities on Business	Impact Level	Response to Opportunities
		Home Appliances	Housing	SPA	Environment			
Resource Efficiency	Reuse and recycling	●			●	Increased sales due to the recycling of home appliances collected from customers	High	· Further work to build circular economy by expanding reuse and recycling plants
Products and Services	Development of low-carbon and decarbonized products and services	●				Increased sales due to promotion of energy-saving home appliances	High	· Strengthen sales of products and services that help reduce environmental impact in all business segments · Provide more economic support through financial services such as flat-rate systems
	Changes in consumer preferences	●		●		Increased sales of energy-saving home appliances and eco-friendly products	High	· Strengthen sales of products and services that help reduce environmental impact in all business segments · Develop YAMADA GREEN certified products jointly with suppliers to improve lineup of sustainable products · Expand sales of furniture made from oil palm waste materials

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.

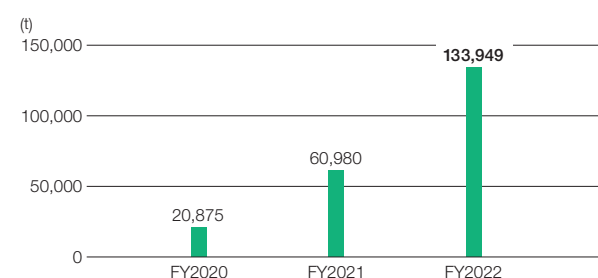


Initiatives to Reduce Waste

In accordance with relevant laws, 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. Specifically speaking, home appliances taken in store are classified into one of three categories: reuse, recycle, or dispose. Products that meet the Company's criteria are given a new lease of life at reuse plants as reused products and sold at Yamada outlet and other stores. Some products that cannot be reused are processed at a recycling plant. As for products that don't meet the reuse criteria but which can be recycled, these are meticulously sorted at recycling plants and separated into component materials such as iron, aluminum, and stainless steel. This then goes on to be reused as raw materials in lots of other different products. Waste is outsourced to an external

recycling company for recycling. Products that cannot be recycled are disposed of in landfill. By building systems and using machines with advanced sorting functions, we will increase the number of products that can be reused and recycled, leading to a reduction in waste.

Amount of Industrial Waste Disposed



* The scope of aggregation has been expanded from fiscal 2022 to cover 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 reuse 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. As for the reuse and recycling of computers, INVERSENET recovers second-hand computers for resale. Items that cannot

Number of Home Appliances Reused

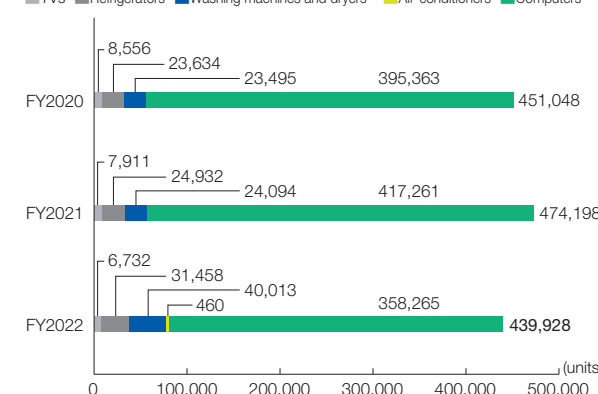
Reuse of 4 household appliances (TVs, refrigerators, washing machines and air conditioners)



Reuse of computers



■ TVs ■ Refrigerators ■ Washing machines and dryers ■ Air-conditioners ■ Computers



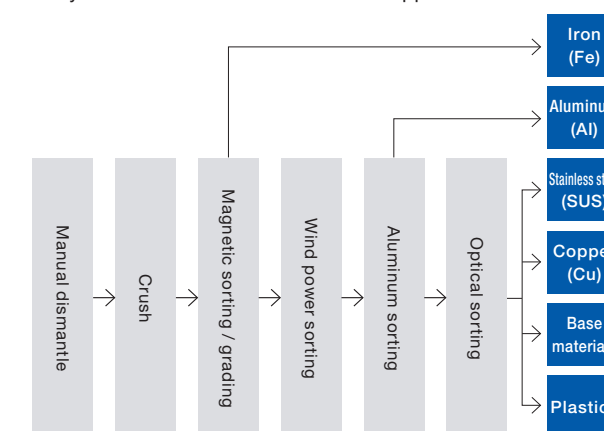
be reused are dismantled and recycled as raw materials or as fuel. Furthermore, Azuma Metal is able to use a high-precision machine to cut out and separate plastics, metals and mixtures, etc. By subdividing the materials into tiny parts and recycling them raises the value of the resources. Looking ahead,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

● Recycling Small Household Appliances

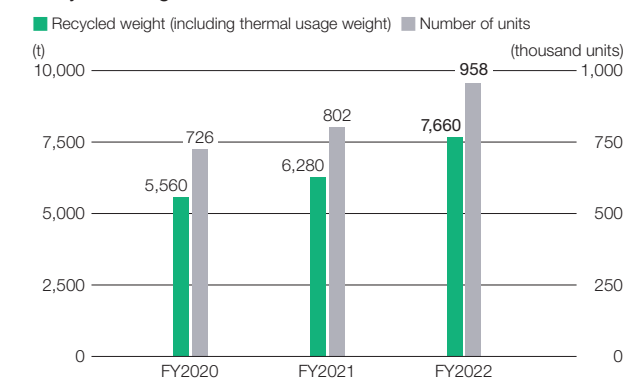
YAMADA DENKI collects used small electrical appliances at all of its stores based on the Act on Promotion of Recycling of Small Waste Electrical and Electronic Equipment (Small Home Appliance Recycling Act*). Small electrical appliances collected at stores are inspected, disassembled, and crushed by Azuma Metal. 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).

Recycle Flow of Used Small Electrical Appliances



Number of Small Electrical Appliances Recycled and Recycled Weight





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.

Targets Toward Achieving the SDGs

The YAMADA HOLDINGS Group sets and manages quantitative targets in line with the priorities toward achieving the SDGs, and promotes activities to achieve these targets through the development of its employees, diversity, and a safe and comfortable workplace environment.

Target (Parentheses indicate target year)

Number of Accidents at Work



(Every year)
At YAMADA HOLDINGS and
YAMADA DENKI

Long working hours



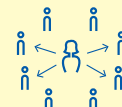
**Initiatives to
reduce hours**
(Every year)

Percentage of paid leave taken



**Increase on
previous
fiscal year**
(Every year)

Ratio of female managers



(FY2024)
At YAMADA HOLDINGS

10% or more

Percentage of female and male employees taking childcare leave



(FY2024)
At YAMADA HOLDINGS and YAMADA DENKI

Maintain 85% or more for women / 7% or more for men

Indicators in employee satisfaction surveys



**Target set for
fiscal 2023**

Securing and Training Human Resources

On its path toward the 'Total-Living' strategy, the YAMADA HOLDINGS Group is striving to secure human resources capable of responding to a wide range of customer needs that comes with a broader spectrum of products and services as well as future expansion into other business areas.

In terms of human resource development and rebuilding the training system to suit the current times when it is difficult to predict the future, the Group has set the theme of development and training for self-starting human resources and a self-starting organization. The Group endeavors to develop human resources who can nurture people and organizations to achieve results as a team, and who can learn and make decisions in a logical way based on experience and information to create more

efficient and streamlined operations. The Group seeks to do this by providing training that emphasizes human skills and conceptual skills, in addition to traditional forms of training focused on technical skills (ability to do the work). More specifically, as well as the planned implementation of tiered training, education and training programs will be improved by enhancing specific measures based on employee satisfaction surveys to ensure the Group continuously keeps the very best employees.

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".



Tiered training program

Category	Partners	Members	Lower Management	Middle Management	Top Management
Human Skills Conceptual Skills	<ul style="list-style-type: none"> What is required as a member of society Conduct as a member of society Basic actions for members of society 	<ul style="list-style-type: none"> Basic actions for members of society Conduct as a member of society How to get on with work Thinking of the future Experience and growth after joining company 	<ul style="list-style-type: none"> Meeting expectations Mentoring junior employees Improving problem-solving skills Team building Avoiding mental blocks For further growth 	<ul style="list-style-type: none"> Skills required for managerial roles Business management Training management Envisioning the future 	<ul style="list-style-type: none"> Senior management Creating management philosophy and vision Account management Labor management Drafting of action plans Giving direction Decision-making thought processes
	<ul style="list-style-type: none"> General, social common sense Basic abilities for members of society Business communication General business etiquette 	<ul style="list-style-type: none"> Boost own motivation Compliance knowledge Fundamentals of information security How to proceed with team work 	<ul style="list-style-type: none"> Managing motivation as a leader Training methods for junior and new employees Basic knowledge on harassment Assisting superiors and supporting junior employees 	<ul style="list-style-type: none"> Compliance to be practiced Developing team leaders Eliminating harassment in the workplace Leadership for those in managerial roles 	<ul style="list-style-type: none"> Managing team motivation Legal obligations for senior managers Developing those in managerial roles Strategic planning points
Technical Skills	<ul style="list-style-type: none"> Customer satisfaction Compliance Mental health Good relationships with others 	<ul style="list-style-type: none"> Basic sales knowledge Significance and understanding of sales activities Basic knowledge on shop-floor customer service Service and hospitality 	<ul style="list-style-type: none"> Customer service Dealing with customers in the service industry Psychological customer service techniques that produce repeat customers Practical theory to increase average customer spend 	<ul style="list-style-type: none"> Store manager training Marketing theory to increase sales Profit management 	<ul style="list-style-type: none"> Training managers in the area Mind training for managers in the area Improving customer service in the area Improving sales in the area Improving employee satisfaction in the area
Yamada Denki foundation, internal regulations and rules, internet literacy, social initiatives					

● Training for New Employees

New recruits learn the skills needed to be Group employees through the use of such resources as online study sessions and educational tools for learning, as well as acquiring basic knowledge by using the products themselves, and become fully fledged employees after the end of a training period in the workplace.

● 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.

● Middle and Top Management Training

The YAMADA HOLDINGS Group conducts tiered-based middle and top management training at the Soseijuku employee training center for employees at the section manager level or above, for sales managers and store managers, and for employees at operating companies at the general manager level or above. Under the theme of developing self-starting human resources and a self-starting organization, external instructors are invited to provide mind training and strengthen team building and management skills. There is also a focus on cross-border training through group discussions with other departments and other operating companies. The purpose of this training is also to educate top management who will lead the next generation of the Group, including the acquisition of managerial perspectives. The YAMADA HOLDINGS Group will continue to enhance and expand its training programs. Seminars were held for 159 people over a period of seven days (approximately 50 hours) in fiscal 2022.





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 and installations such as during the summer, New Year holidays and fiscal year-end.

As part of the sales engineers' development, practical training is being given on installation work for air conditioners, etc. As well as further recruitment from industrial high schools, we are also focusing on training female sales engineers.

Based on an annual training plan, we are working to raise the level of the entire profession of sales engineers by encouraging them to gain qualifications through such things as regular training sessions by professional engineers who hold a Second Class Electric Works Specialist's license.

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. YAMADA DENKI 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. The Company has also been actively encouraging employees to gain external qualifications, such as certified sellers, architects, or as interior stylists, as these skills are a necessary part of being able to provide proposals on furniture and renovations. The acquisition of external qualifications is not only for the purpose of maintaining and improving employees' job satisfaction, but also leads to improved customer satisfaction, which is why we are strengthening our efforts throughout the Group.

*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	FY2020	FY2021	FY2022
Home Appliance Advisor	8,295	8,408	8,956
Smart Master	1,068	1,146	1,274
Photo Master	—	1,663	1,679
Certified Sellers (1st to 3rd Grade)	—	1,251	1,268
First Class Architect	—	184	227
Second Class Architect	—	659	727
First Class Building Operation and Management Engineer	—	148	178
Second Class Building Operation and Management Engineer	—	125	154
Real Estate Notary	—	534	580
Sleep Advisor	—	491	595
Interior Stylist	—	180	190
Second Class Electric Works Specialist	—	—	627
Second Grade Certified Skilled Professional of Financial Planning	—	—	203
Total	9,363	14,789	16,658

* Total number within the YAMADA HOLDINGS Group

Human Resource Development and Training in Response to Customer

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 also 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 employee training purposes. Furthermore, as part of strengthening renovation proposals in order to augment '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.

Enhanced Learning Support Tools

To give a consistent sales services from home appliances to interiors and renovations, YAMADA DENKI has been rolling out its own learning site, called My Learning, to employees on product knowledge and sales techniques. As well as improving knowledge on such matters, the Company is also working to enhance content that focuses on social and environmental issues such as human rights

and anti-corruption. 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 with an emphasis more on demonstration and role-playing videos instead of lectures.



A screenshot of the My Learning site

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, every year YAMADA DENKI requests its partner companies to train as certified CS Managers. In order to prevent the spread of Covid-19 in fiscal 2022, existing CS Managers had their certifications automatically renewed while training was given only to 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 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 fiscal 2022 to prevent the spread of Covid-19, with 21 companies taking part.

Human Resources and Performance Appraisals

Building a Performance Appraisal System

YAMADA DENKI 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, etc. The program was held online in fiscal 2022 to help prevent the spread of Covid-19, but despite this, 54 people and 9 stores and sales offices were commended.

Diversity, Equity & Inclusion

The greatest management resource for the YAMADA HOLDINGS Group is its human resources. Positioning diversity, equity and inclusion as part of the Group’s growth strategy will help to create a workplace environment where diverse human resources can play an active role. Human resources nurtured in such a work environment will work hard together, and by continuing to create valuable products and services will grow sustainably together with the Group’s stakeholders.

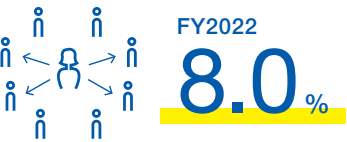
YAMADA HOLDINGS’ Initiatives

Type	Description
Work-life balance support	・Establishment of a flexible work system tailored to the stages in employee’s lives and promotion of diverse work styles
Active participation of women	・Creating an environment that responds to changes in the stages of women’s lives and helps them to play active roles in conjunction with work-life balance support ・Promoting the elimination of gender roles based on a code of conduct for gender equality ・Actively strengthen recruitment, develop next-generation executives, promote more women to managerial roles, and support for gaining more skills
Active participation of people with disabilities	・Realization of an inclusive society through active employment
Active participation of senior human resources	・Extension of retirement age to 63 years old (system revised in April 2022), continuation of career-based work
Active participation of global human resources	・Continuing with the active employment of foreign nationals
Understanding of LGBTQ+ issues	・Promoting understanding of LGBTQ+ issues and eliminating unconscious bias through training ・Creating a workplace that ensures mental well-being where diverse personalities work together with respect for each other

Supporting the Success of Women in the Workplace

The YAMADA HOLDINGS Group recognizes that creating an environment in which all female employees can pursue their private lives while simultaneously advancing their careers based on their own intentions and desires is the foundation for further corporate growth. 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 this action plan, the Group has set a target of at least 10% of female employees to be promoted to managerial positions. As of the end of March 2022, 8% of all female employees have been promoted into managerial roles. 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 improving the workplace environment so that more women can play active roles in the Company.

Ratio of female managers



At YAMADA HOLDINGS

Success for women in the workplace action plan
https://www.yamada-holdings.jp/csr/female_success.html
(in Japanese only)

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

Type		FY2020	FY2021	FY2022
Number of new employees	Male	—	388	358
	Female	—	197	241
	Total	—	585	599
Average number of years service		12.7	12.7	12.6
Turnover rate (%)		5.6	5.3	6.1
Number of employees with disabilities (including non-full-time employees)		612	670	700
Number of retirees reemployed		128	174	162
Retirees reemployed (%)		82.9	85.3	89.0
Number of foreign employees	Male	103	176	85
	Female	121	125	93
	Total	224	301	178

* Targets: YAMADA HOLDINGS and its major operating companies.

Topic

Registered with the Gunma Support Group for the Success of Women in the Workplace

In January 2022, YAMADA HOLDINGS registered with the Gunma Support Group for the Success of Women in the Workplace organized by Gunma Prefecture. The support group is a registered group of organizations and companies that supports women’s active participation to realize a society where women can demonstrate their abilities according to their wishes so they can play an active role in all fields. Registered groups and companies, including YAMADA HOLDINGS, post messages of support to encourage women in Gunma to keep on pushing forward.



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 2022)

Type	System	Description
Childcare	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 of time 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. Upon prior request from the employee, this leave can be used when the employee is absent from work due to illness or injury or undergoing fertility treatment, or when caring for a family member as stipulated in the nursing care leave regulations, after all annual paid leave has been used up.
	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 back to the original location
	Consecutive leave	Five, six, or seven consecutive days off may be taken in any one year
	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 to retire due to reasons such as childcare or nursing care to return to work (within 5 years)



Reducing Long Work Hours

In addition to complying with labor-related laws, YAMADA DENKI is working to curb long working hours.

A work interval system which ensures at least 11 hours of rest between the end and the start of the following work day is in operation to help improve work efficiency and reduce the amount of overtime work. Through this system, the Company aims to reform work-styles while reducing overtime hours.

Long working hours



Promoting More Use of Annual Paid Leave

The YAMADA HOLDINGS Group is working to improve the rate of paid leave taken, which can also be taken in half-day increments.

The Group has also set new targets and is working to promote and strengthen them throughout the Group to provide a comfortable working environment for all employees.

Percentage of paid leave taken



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

Type		FY2020	FY2021	FY2022
Paid leave taken (%)		—	45.8	46.2
Number of employees taking childcare leave	Male	28	37	32
	Female	215	265	187
	Total	243	302	219
Number of employees taking shorter hours for childcare	Male	10	13	7
	Female	350	730	581
	Total	360	743	588
Number of employees taking nursing care leave	Male	4	3	2
	Female	5	5	5
	Total	9	8	7

* YAMADA HOLDINGS and its major operating companies.

* Previous years' values have been retroactively revised to improve accuracy.

Childcare and Nursing Care System

Regardless of gender, the YAMADA HOLDINGS Group encourages employees to take childcare and nursing care leave so that they can work flexibly.

Percentage of female and male employees taking childcare leave



At YAMADA HOLDINGS and YAMADA DENKI

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

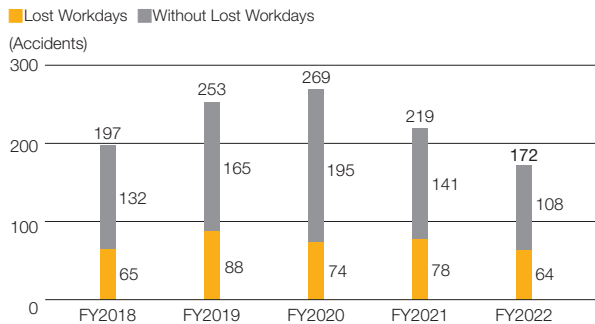
YAMADA HOLDINGS and YAMADA DENKI have established a Health and Safety Committee chaired by managers and held once a month at all business sites. The committee also sets a theme for the year (based on important matters and matters for consultation). Activities and discussions take place around the monthly theme with the results submitted to and managed by the labor section at headquarters.

Main Initiatives to Prevent Accidents at Work

YAMADA HOLDINGS and YAMADA DENKI have determined priority issues to ensure no accidents occur in the workplace, and are taking various measures, including monitoring and managing work-related accidents. 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. And in the event of an emergency, such as an earthquake or fire, the Group carries out disaster prevention drills at the headquarters and at each store, and posters are displayed at every store to ensure an appropriate initial response while securing the safety of its customers. In the event of an accident at work, the Group is obliged to put measures in place to prevent the accident from ever happening again. YAMADA HOLDINGS will strive to improve levels of safety management throughout the Group.

Number of Accidents at Work (FY2022)

(Including minor accidents such as stumbles and slips)



At 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, life-care training is being provided to employees in managerial roles from occupational health physicians.

Percentage of Stress Tests and Health Checkups Taken (%)

	FY2020	FY2021	FY2022
Stress tests	94.5	92.3	92.7
Health checkups	95.8	93.0	93.8

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

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 of its business activities.



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 fiscal 2022, the Group participated in the "My Declaration of Human Rights" project managed by the Ministry of Justice. "My Declaration of Human Rights" is an initiative that aims to realize a society where everyone respects each other's human rights, through declarations by companies, organizations, and individuals which express that they will take actions to respect human rights. The purpose of the initiative is to encourage companies and organizations to take action through management's determination and commitment to respect human rights. The officer in charge at YAMADA HOLDINGS has made a commitment to promote respect for human rights and the importance of respecting human rights in the Group's business activities. Questionnaires are also given to business partners to check for any human rights issues by understanding their working environments.



YAMADA HOLDINGS's "My Declaration of Human Rights"

Priorities Towards Achieving the SDGs

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 12,537 stores in Japan and overseas, as well as 338 show homes in Japan, the YAMADA HOLDINGS Group is creating a network of stores that are easily and readily accessible for the elderly and people in remote areas.

Targets Toward Achieving the SDGs

The YAMADA HOLDINGS Group is promoting activities to achieve its goals by improving customer satisfaction through the provision of services and products that support customers' living spaces based on quantitative goal setting and management in line with the priorities toward achieving the SDGs.

Medium to Long-term Policy

Continue to implement proposals that support customers' living spaces

Target (Parentheses indicate target year)



* Since the target was set in May 2022, the results will be reported from the fiscal year ending March 31, 2023.

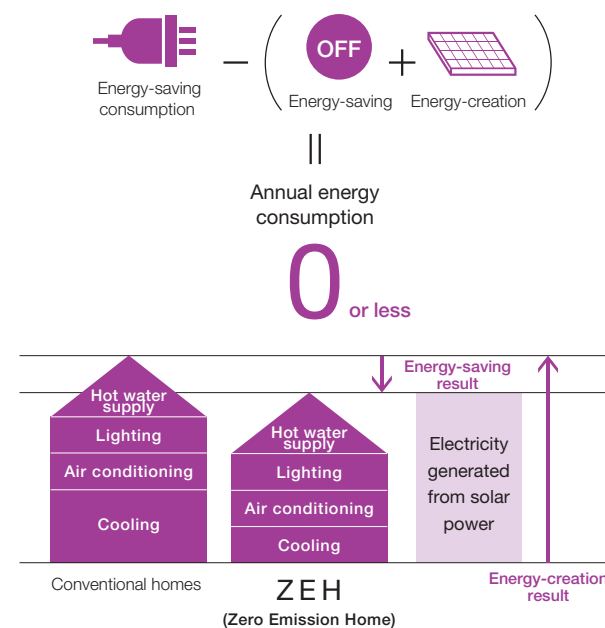
Initiatives to Increase ZEH Rate

YAMADA HOMES is seeking to provide eco-friendly housing and services such as improving heat insulation and adopting advanced energy-saving equipment and solar powers to make zero emission homes (ZEH) more widely known. At the same time, the Company aims to protect the global environment and realize a comfortable and prosperous life for Group customers by promoting a lifestyle that does not waste energy. The YAMADA HOLDINGS Group has set a goal of increasing the ZEH rate to 50% of all homes sold by YAMADA HOMES by 2025, thereby actively working to make emission-free homes more widespread.

ZEH rate of homes sold by YAMADA HOMES (%)

Feb 2017	Feb 2018	Feb 2019	Feb 2020	Feb 2021	Feb 2022
6	15	20	13	17	25

What are zero emission homes?



Topic

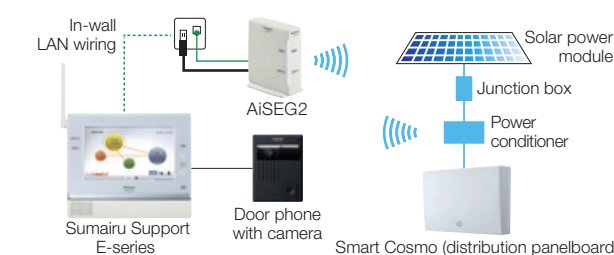
ShuKen Wins House of the Year in Energy 2021 Awards

In March 2022, ShuKen received the Excellence Award and the Excellent Company Award for Energy-Saving Homes in the House of the Year in Energy (sponsored by the Japan Center for Area Development Research). The awards recognize outstanding homes that contribute both to energy conservation and CO₂ emission reductions by taking into account the structure of the building and equipment within the house. Going forward, the Group hopes to create more comfortable living spaces and reduce its impact on the environment through further energy savings.

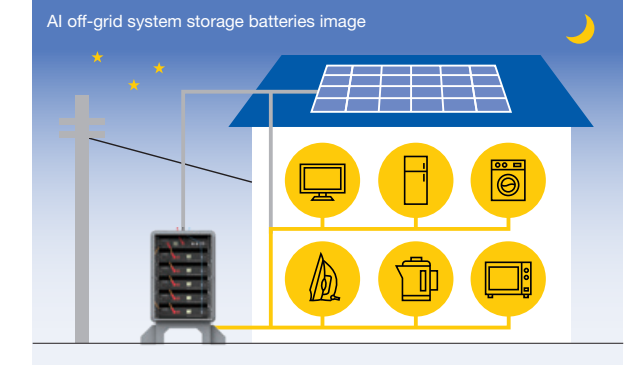
Providing Resilient Homes Equipped with Solar Power

The YAMADA HOLDINGS Group is looking to make the concept of resilient homes, with solar power and storage batteries, more well known. A resilient home is one that can independently supply energy even in an emergency, while controlling energy consumption in normal times. It is hoped that solar power systems equipped with home energy management systems (HEMS) to visualize electricity costs and energy generated without wasting any of the energy created, will have the effect of raising awareness about saving energy. The YAMADA HOLDINGS Group continues to make proposals for the installation of solar panels. Going forward, the Group will help build a safe and secure society through proposals for YAMADA HOMES' disaster-proof homes, NEXIS, and houses equipped with the Hinokiya Group's Qcells solar power system.

Home energy management system (HEMS)



YAMADA HOMES—NEXIS

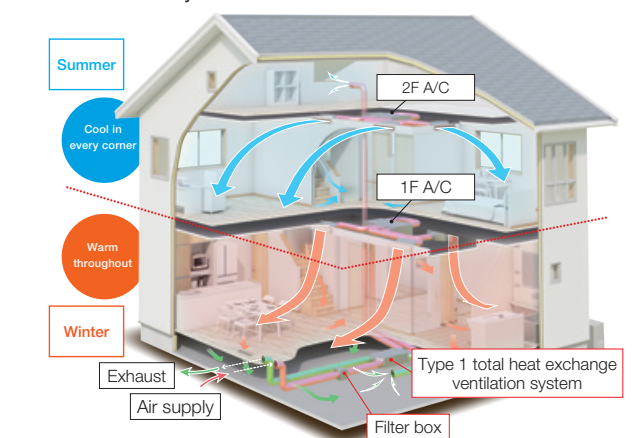


* It is possible to live off-grid by using the electricity generated during the day at home and storing the surplus power without selling it back to the electric power company for use at night or in the event of a disaster. As an emergency power source however, a basic contract with an electric power company is required.

Zekkkucho—Next-Generation Heating and Cooling System

The Hinokiya Group is focusing on selling custom-built homes equipped with its Zekkkucho systems which can keep temperatures around the home comfortable all year round, thanks to its excellent housing performance in terms of airtightness and heat insulation. Airtightness and heat insulation are controlled with the W-Barrier Construction Method, used as standard in Hinokiya homes. Combined with the foam insulation Aqua Foam, and aluminum heat shielding which blocks infrared rays, the result is a highly airtight, highly insulated home. Up to 20,000 orders for the Zekkkucho system were received in fiscal 2022 for installation in homes. Going forward, the Group will continue to make every effort to provide more comfortable living spaces.

The Zekkkucho System

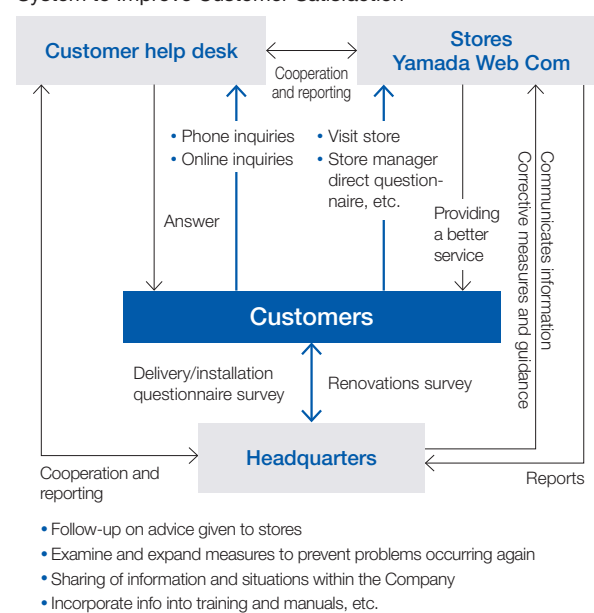


Customer Satisfaction Initiatives

Support System

YAMADA DENKI is seeking 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, 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 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 dedicated to receiving repairs and various other services in an effort to improve

services. Going forward, the Company will continue to collect and analyze customer feedback with the aim of further improving levels of customer satisfaction.

Customer Feedback

(No. of cases)

	FY2020	FY2021	FY2022
Complimentary feedback	564	638	625
Suggestions for improvement	769	632	615

Customer Service Training

Customer service training is conducted for call center staff at the Group's call center. Based on actual customer recordings, a check sheet that incorporates evaluation items is used to conduct an assessment to improve the quality of staff responses. The quality of our customer service is improved through feedback from the assessment results. Going forward, we will continue to work to further improve our responses, including how we collect customer feedback.



Training for call center staff

Digital Customer Support

YAMADA DENKI has been updating the design of the Yamada Digital Member app since May 2020 and continues to improve app functionality to make it easier for customers to use. In the latest update, the app has been redesigned with three features making it easier to operate, easier to find what users want, and with a better design for ease of use. Going forward, the Group will continue to provide not only products that meet the needs of customers, but also digital tools that make



Yamada Digital Member app

shopping easier and more enjoyable.

The Group's e-commerce site, Yamada Web Com, was also given a facelift in April 2022. To make it easier for customers to find the products they are looking for, ways have been created to make shopping easier, including banners, information laid out in an easy-to-understand format, and rankings visibly displayed. Going forward, the Group will continue to optimize the Yamada Web Com site, from searching for products to making a purchase, and expand the range of products on offer so customers can experience the same excitement of coming across new products as they would in-store.



Yamada Web Com

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

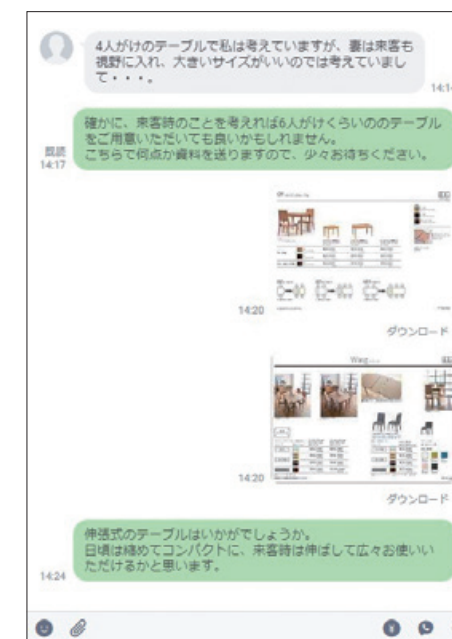
Store Manager Direct Questionnaire

As a way to garner customer feedback on the Group's business and services, customers are able to give their feedback directly to the store manager by posting their opinions and suggestions in a feedback box in store. Responses to customer opinions and suggestions received at each store are put up in store giving an opportunity for employees to see what problems and issues there are.



Remote Interior Consultations

As part of the Group's safe and secure proposal service especially during the pandemic, OTSUKA KAGU has been offering a free advice service that allows customers to easily consult with experts about their furniture and interior concerns from the comfort of their own home. Customers can make contact in whichever way is more convenient for them, either by telephone, by LINE, or on Zoom (video call). In this way, the Group is developing ways to assist customers, with products, interiors, and rooms, so they can lead a more comfortable life. Since the service began, the number of remote consultations has steadily increased, and as such, the Group will continue to make proposals that meet the needs of its customers.



A typical remote consultation on LINE

Basic Approach

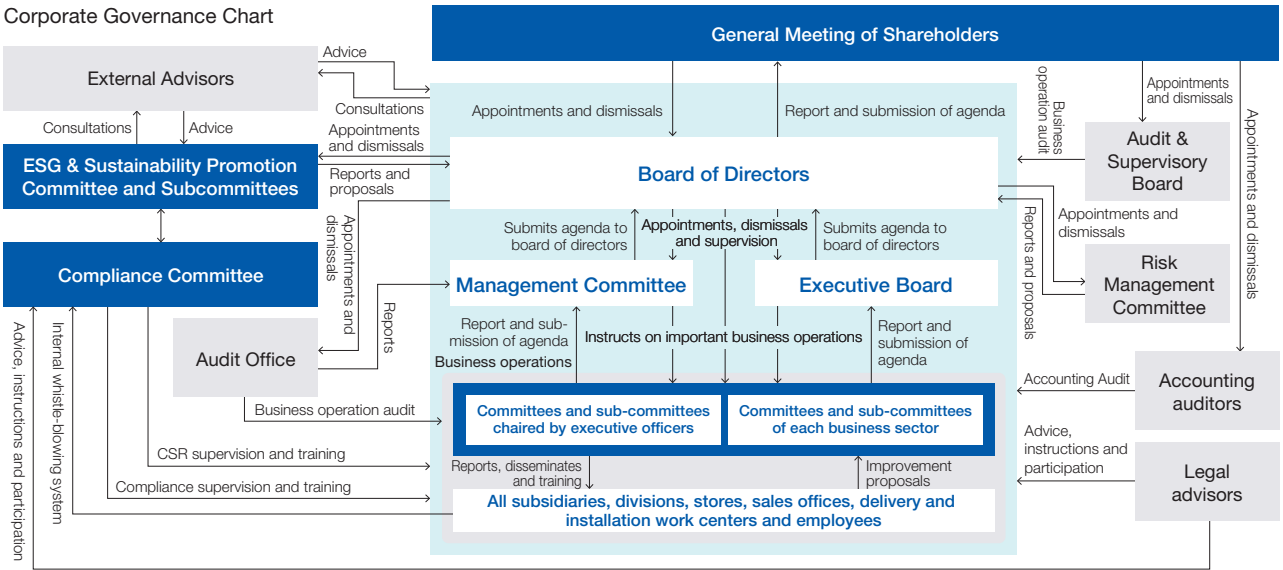
YAMADA HOLDINGS works to clarify management responsibilities, make quick management decisions, maintain and improve corporate value and shareholder value while enhancing management transparency and conducting fair corporate activities.

Corporate Governance System

YAMADA HOLDINGS has adopted an audit & supervisory board system under which the execution of business is supervised and monitored by the Board of Directors and

the Audit & Supervisory Board. Additionally, a business operation system by way of each executive officer has been introduced so as to enable quick responses to changes in the business environment by clarifying the functions of management decision making and supervision, and the function of business operations. The system clarifies management responsibilities with each executive officer dedicated to the execution of their duties through each business division, as well as the various committees and subcommittees, structured under an organization in which the Representative Director, Chairperson and President CEO, and two Representative Directors are responsible for their management.

Corporate Governance Chart



Corporate Governance System Overview (as of June 29, 2022)

Main Items	Description
Type of organization	Company with corporate Audit & Supervisory Board Members
Chairperson of the Board of Directors	Representative Director
Number of directors	8 (of which 2 female)
Number of outside directors	3 (all independent)
Number of executive officers	12 (3 of which concurrently serve as directors)
Number of Audit & Supervisory Board Members	4
Number of outside Audit & Supervisory Board Members	2 (both independent)
Term of directors	2 years
Term of Audit & Supervisory Board Members	4 years

Main Committee Meetings (FY2022)

Committee	Number of Meetings	Average Attendance of Outside Officers
Board of Directors	21	98.8%
Audit & Supervisory Board	12	100%

Assessment of Board's Effectiveness

At YAMADA HOLDINGS, each director carries out a self-evaluation by way of a progress check on the business plan. The effectiveness of the whole Board of Directors is analyzed and assessed based on the views of outside directors and Audit & Supervisory Board members. In the fiscal year ended March 2022, the effectiveness of the Board of Directors and each committee was sufficiently secured. We will continue to strive to improve the functions of the Board of Directors based on the results of the effectiveness assessments.

Internal Control System

YAMADA HOLDINGS operates an effective governance system by continuously strengthening its compliance, information management and risk management based on the Company's Internal Control System Basic Policy. The Risk Management Committee and Compliance Committee also fully share important matters to members of each department by way of the Compliance Subcommittee, thereby making every effort to strengthen the management system to improve the effectiveness of internal control.

Executive Remuneration

YAMADA HOLDINGS' executive remuneration is determined by the Board of Directors in accordance with regulations and within the total amount of remuneration approved at the general meeting of shareholders, taking into consideration the degree of contribution, the financial situation and the economic climate. Remuneration for outside directors and Audit & Supervisory Board members is fixed in order to maintain proper and effective management supervision.

Total Remuneration for Each Executive Class, Total by Type of Remuneration, and Number of Eligible Executives

Executive Class	Total remuneration (million yen)	Total by type of remuneration (million yen)			Number of eligible officers
		Basic remuneration	Performance-linked remuneration	Non-monetary rewards	
Directors (of which are outside directors)	641 (10)	390 (10)	— (—)	250 (—)	10 (2)
Audit & Supervisory Board members (of which are outside Audit & Supervisory Board members)	56 (10)	56 (10)	— (—)	— (—)	4 (2)
Total (of which are outside executives)	697 (20)	446 (20)	— (—)	250 (—)	14 (4)

Management Policy Presentation

In January each year, the YAMADA HOLDINGS Group holds a meeting at the YAMADA HOLDINGS headquarters with the participation of executives and representatives from every Group company to present its management policy. Representative directors from YAMADA HOLDINGS present policy for the following fiscal year while each division and Group company gives a review on their respective annual action plans, reports on progress, and presents future goals.



Board of Directors

Comprised of 8 directors. The chairperson is the representative director. Regular board meetings are held once a month, and extraordinary board meetings are held when necessary. Discusses and decides important management matters and oversees the progress of business performance.

Audit & Supervisory Board

Comprised of 4 auditors. Each auditor attends meetings of the Board of Directors and all the various committee meetings, and as well as expressing their views in terms of legitimacy and appropriateness, auditors carry out surveys on the status of business operations, and regularly exchange opinions with directors and executive officers. Audits are also carried out to ensure soundness in management in conjunction with the Audit Office and an auditing firm.

Management Committee

The Management Committee is held once a month to decide a broad range of management policies and strategies, based on discussions and evaluations of reports and proposals on management policies, strategies, challenges, and business execution.

Audit Office

The Audit Office, which reports directly to the President, has been set up to enhance internal audits. Nine full-time employees are engaged in internal checks and internal audits, such as routine audits and overseeing inventory work. In addition, auditors and an auditing firm exchange information and actively cooperate with each other to conduct audits from the perspective of whether corporate activities are conducted in an appropriate and efficient manner.

Directors and Officers



Representative Director, Chairperson and President 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
- 2021 Sep. Representative Director, Chairperson and President CEO (present post)



Director

Akira Fukui

Born on June 6, 1965

As the officer in charge of the accounting, finance, and management divisions, I am working to strengthen the management foundation through further sophistication of the holding company structure, such as maintaining and strengthening a sound financial base that enables flexible investment necessary for the sustainable growth of the Group, and consolidating the operations of the management departments of the Group and improving capital efficiency. And in order to achieve our 'Total-Living' strategy, I will work to improve customer convenience by utilizing finance technology and diversifying our payment services. I will also strengthen the functions and enhance the services of YAMADA NEOBANK (agency bank) that started in July 2021 to provide financial services that are unique to Yamada. It is through these efforts that we aim to improve medium- to long-term corporate value and achieve our mid-term business plan. As the division of roles between the holding company and operating companies has been further clarified by this change to the executive structure, I feel once again the weight of my responsibility to manage and supervise operating companies as an executive officer, and I will work with renewed vigor to improve the profitability of the Group and further strengthen corporate governance.

- 2017 Jun. Executive Officer, Deputy General Manager of Corporate Sales Division
- 2018 Jun. Director and Senior Executive Officer, Manager of Corporate Sales Department, 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)



Representative Director, Vice President

Atsushi Murasawa

Born on March 16, 1962

- 2018 Jun. Joined the Company as Executive Officer, Head of SPA Product Development Office
- 2019 Nov. Executive Officer, General Manager of Business Administration Division, and Manager of SPA Product Department
- 2020 Jun. Director and Senior Managing Executive Officer, General Manager of Business Administration Division
- 2020 Oct. Director
- 2021 Apr. Director and Executive Officer in charge of Business Administration Division
- 2022 Apr. Representative Director, Vice President and Executive Officer (present post)



Representative Director

Megumi Kogure

Born on October 18, 1976

- 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 and General Affairs Division
- 2022 Apr. Representative Director and Senior Managing Executive Officer (present post)



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. I will spare no effort to ensure our business continues to grow together with all of our stakeholders. As it has been about 20 years since we began to aggressively open new stores, an issue for us right now is that we must push forward with a scrap and build strategy in response to changes in the market. Meanwhile, there is a need to focus on measures to control SG&A expenses in response to the soaring price of materials owing to changing world events such as the pandemic and Russia's invasion of Ukraine. For us, we recognize that this is also a very pressing issue. 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)

Directors and Officers



Outside Director
Tsukasa Tokuhira*
Born on May 3, 1954

My job is to check the governance of YAMADA HOLDINGS and advise on management strategy and policy according to the changing business environment. As the number one business in the industry, not only are we required to contribute to the development of the industry, but we must also improve and grow by listening to the needs of our many customers, quickly reflecting this feedback into our product lineup and services. On the other hand, we are working with speed to address the issues so prevalent in these times, including environmental problems, digital transformation, supply chains, and soaring resource prices. But with environmental issues in particular, we have our own recycling plants meaning we are at the forefront of the reduce, reuse, and recycle concept. We are a Company that has grown alongside our management philosophy of Creation and Challenge. And in today's rapidly changing times, Creation and Challenge has never been so crucial. I will do all I can to support more new creations and challenges.

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) |



Outside Director
Miki Mitsunari*
Born on February 29, 1972

Awareness of environmental issues and the SDGs has become more widespread, and companies are now, more than ever before, required to conduct their business activities with protecting the environment and with social issues firmly in mind. Along with promoting ESG initiatives, I feel the weight of responsibility I have in my role to make proposals from the consumer's perspective on the housing aspect of food, clothing and housing. With sales of home appliances at its heart, YAMADA HOLDINGS is a leading business in the distribution industry in Japan. The Group has great influence with every ESG-related initiative acting as a powerful force in contributing to society through its sales network of directly operated and franchise stores. Although it is not easy to balance sales and profits with the need to address social challenges, the demand for environmentally friendly fields, such as the home appliance reuse business, is steadily increasing. Based on our management philosophy of Creation and Challenge, and Appreciation and Trust, we will promote business activities that are ahead of the times while sharing direction with each business division, continuing to develop as a corporate Group in line with our customers' viewpoints.

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 Subcommittee on Industrial and Environmental Measures, the Committee on Industrial Science and Technology Policy and Environment, the Industrial Structure Council, the Ministry of Economy, Trade and Industry (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) |
| 2022 | Jun. | Outside Director at Solasto Corporation (present post) |

(As of June 29, 2022)
* Independent officer under the listing rules of the Tokyo Stock Exchange



Outside Director
Kunimitsu Yoshinaga*
Born on November 20, 1945

I recognize that the role expected of an outside director is to help YAMADA HOLDINGS, the largest domestic consumer electronics retailer, continue to be number one in every field in Japan, including in corporate governance. I have been president of a bank for 13 years and a public servant for 35 years, both locally and overseas. It would be my great pleasure if I could contribute to the future development of Yamada, which continues to transform, based on the experience I have gained over the years. I would be especially pleased to help in the field of finance. Up until now, Yamada has been anticipating changes in the world and making changes on its own. I feel that the challenge now for Yamada is how to use its financial functions, such as YAMADA NEOBANK, to increase sales of home appliances, furniture, and housing as part of its 'Total-Living' strategy. I used to enjoy walking around Akihabara and seeing all the electronic components, but now I'm in Gunma prefecture and like to visit the Yamada stores instead. As a self-confessed Yamada-phile, I would be happy if I could help bring further change in any way I can.

Reason for appointment
Having worked at the Ministry of Finance and served as Deputy Governor of Iwate Prefecture and as Director-General of the Kanto Local Finance Bureau among other positions, he has gained extensive knowledge in finance and other matters. As such, we have determined that he can play an advisory and supervisory role in the Company's management strategy.

- | | | |
|------|------|---|
| 1970 | Oct. | Joined the Ministry of Finance |
| 2005 | Jun. | Joined THE TOWA BANK, LTD. as Managing Director |
| 2006 | Jun. | Representative Director and Vice President of THE TOWA BANK, LTD. |
| 2007 | May. | Representative Director and President of THE TOWA BANK, LTD. |
| 2020 | Jun. | Representative Director, Chairperson of THE TOWA BANK, LTD. |
| 2021 | Jun. | Corporate Advisor of THE TOWA BANK, LTD. |
| 2022 | Jun. | Corporate Honorary Advisor of THE TOWA BANK, LTD. (present post) |
| 2022 | 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 Department 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) |

Directors and Officers



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

From the perspective of promoting compliance in the Group’s business, 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 Kanatazeirishoujin Co., Ltd. (present post)



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

I find it rewarding to work hard to ensure that the operations of the largest consumer electronics company in Japan are carried out legally. I will make full use of my domestic and international legal experience as a lawyer to build a better company that complies with the Companies Act, Japan’s Corporate Governance Code, and any other applicable laws or regulations.

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 Auditor at Nachi-Fujikoshi Corporation
- 2019

Jan.

Joined Nishimura & Asahi Law Firm
- 2020

Jan.

Joined ITN Law Office as a Senior Partner
- 2020

May.

Outside Auditor at SANYO SHOKAI LTD. (present post)
- 2020

Jun.

Outside Director at Furukawa Battery Co., Ltd. (present post)
- 2020

Dec.

Executive Partner of ITN Law Office (present post)

Skills Matrix

	Name	Position	Corporate Management / Management Strategy	Store Development / Store Opening Policy	Product Development	Sales / Store Operation Management	Financial Business	Housing Business	Environmental Business	Overseas Business	Digital Transformation / IT	M&A	Human Resources / Talent Development	Finance / Accounting	Legal / Risk Management	ESG / Sustainability
Director	Noboru Yamada		●	●		●				●	●	●			●	●
	Atsushi Murasawa		●		●			●	●		●				●	●
	Megumi Kogure		●			●						●			●	●
	Akira Fukui						●			●		●		●	●	●
	Takayuki Fukuda			●		●		●							●	●
	Tsukasa Tokuhira	Independent / Outside	●			●										●
	Miki Mitsunari	Independent / Outside							●							●
	Kunimitsu Yoshinaga	Independent / Outside	●				●				●			●	●	●
Audit & Supervisory Board Member	Makoto Igarashi		●				●	●		●		●		●	●	●
	Jun Okamoto		●				●					●		●	●	●
	Masamitsu Takahashi	Independent / Outside					●							●		●
	Somuku Iimura	Independent / Outside										●		●	●	●

Note: Items marked with a black circle are those skills the Group particularly expects but do not represent all knowledge and experience.

(As of June 29, 2022)
* Independent officer under the listing rules of the Tokyo Stock Exchange

Compliance

Basic Approach

The YAMADA HOLDINGS Group positions compliance as one of the most important management issues, and recognizes that, as a corporate citizen, not only legal compliance, but also compliance with social norms is essential. By practicing the Group Code of Conduct which serves as an action guideline for realizing the Group’s management philosophy, we are making all of our employees more aware about the issue of compliance and we are working to establish and thoroughly ensure compliance is carried out.

Code of Conduct
<https://www.yamada-holdings.jp/info/policy/code-of-conduct.html>
(in Japanese only)

Compliance Promotion System

YAMADA HOLDINGS has established a Compliance Committee, chaired by the director in charge, to ensure thorough compliance throughout the Group. At the monthly Compliance Committee meeting, the status of compliance management at each Group company is confirmed to identify any problems and discuss improvement measures. The Group is also striving to improve its compliance system through various subcommittee topics. Compliance committees are also held once a month at Group companies to exchange opinions and to hold study sessions on issues arising from each company. Content from all committee discussions is reported to the Board of Directors as required with information shared and any appropriate measures taken.

How the Compliance and Risk Management Committees Work



Compliance Subcommittee Topics (FY 2022)

Topic		Description
April	Act against Unjustifiable Premiums and Misleading Representations	Adhering to laws on misleading representations and offering prizes and benefits
May	Industrial Safety and Health Act	Laws surrounding health and safety at work
June	Act for Eliminating Discrimination against Persons with Disabilities	Fully share information on the law regarding people with disabilities, and promote understanding of the need for appropriate consideration
July	Subcontract Law	Law against delayed payments to subcontractors
August	Proper understanding of working hours	Understand and regulate working hours for the purpose of preventing overwork
September	Act against Unjustifiable Premiums and Misleading Representations	Adhering to laws on misleading representations and offering prizes and benefits
October	Whistleblower Protection Act	Addressing internal regulations enforced in June 2022
November	Act on the Protection of Personal Information	Ensure the proper handling of personal information
December	Act on Specified Commercial Transactions	Law surrounding specified commercial transactions
January	Intellectual property rights	Intellectual property rights including trademarks and patents
February	Improve internal controls	Ascertaining and maintaining how the various rules and regulations are being run in each department
March	Improve internal controls	Confirming how internal controls are being implemented and improving the system

Compliance Training

YAMADA HOLDINGS holds compliance training as and when required, mainly for employees in the Merchandise Division who deal largely with business partners, in order to gain knowledge and learn the correct way to manage a store based on the basic principles of legal compliance. Every year, topics are selected that are strongly related to the work of the Group. In the fiscal year ended March 31, 2022, in addition to voluntary training through online learning tools, study sessions were held for compliance officers of Group companies closely linked to each topic in an effort to promote understanding among employees. The content of the compliance training is also being improved through questionnaires conducted after the training.

Internal Whistle-Blowing System

In order to prevent compliance violations, including on matters related to harassment, discrimination, and human rights, 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. Every effort is being made to protect whistle-blowers, based on the Rules on the Internal Whistle-Blowing System, so that any person may be able to come forward anonymously without suffering any form of disadvantage. 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. 151 whistle-blowing reports were received in the fiscal year ended March 2022 and all reports were properly dealt with.

Basic Approach

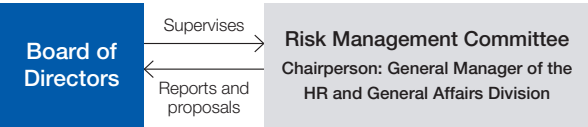
As well as identifying various risks related to its business activities and implementing appropriate countermeasures, the YAMADA HOLDINGS Group shares necessary information to prevent any risks from materializing.

Promotion System

Every month YAMADA HOLDINGS holds the Risk Management Committee, chaired by the General Manager of the Human Resources and General Affairs Division, to build a risk management system that includes every Group company. The content of discussions from these committee meetings is also reported back 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. The

Security Committee (held once a month), chaired by the General Manager of the IT Business Division, makes every effort in terms of information security by identifying any information security risks both internally and externally, formulating countermeasures and reporting progress.

The Risk Management System



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.

Major Risks and Countermeasures

Type	Detail	Countermeasure	Impact Level
Earthquakes and natural disasters	Damage to store facilities or power outages caused by typhoons, earthquakes, or torrential rain may lead to business interruptions or hinder product procurement, resulting in a significant decline in sales and a significant impact on business results.	·Construct a safety management system centered on a headquarters for disaster control ·Regular review and update to the disaster response manual ·Training for employees ·Stockpile disaster supplies (240 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.	·Build a system to mitigate disaster risks for manufacturing contractors ·Diversify and seek out new contractors	Medium
Information security	In the event of any tampering or leaking of information due to computer viruses or unauthorized access, etc., any such customer data breach may negatively impact the Group's reputation and corporate image.	·Thorough compliance with information security and privacy policies ·Hold study sessions to raise awareness among employees on information security ·Obtain 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.	·Diversify suppliers in each product category ·Hold regular purchasing and inventory meetings with purchasing managers in each category	High
Outbreaks of infectious disease such as Covid-19 and influenza	Due to the impact on management resources owing to outbreaks of infectious disease such as 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.	·Rigorous infection control measures that put the health and safety of customers, shareholders, business partners, employees, etc. first ·Ascertain employee safety in times of emergency and put in place steps to return to work ·Implement measures in line with the guidelines of The Japan Major Consumer Electronics Appliance Distributor Association	High

Supply Chain Management

The YAMADA HOLDINGS Group has formulated a trading policy for Group companies and business partners in an effort to strengthen its supply chain 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.

Trading Policy

<https://www.yamada-holdings.jp/info/policy/trading-policy.html>

(in Japanese only)

Business Partner Questionnaire

Among its emphasis on corporate social responsibility 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. For this reason, a questionnaire survey is conducted once a year targeting major business partners. 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.

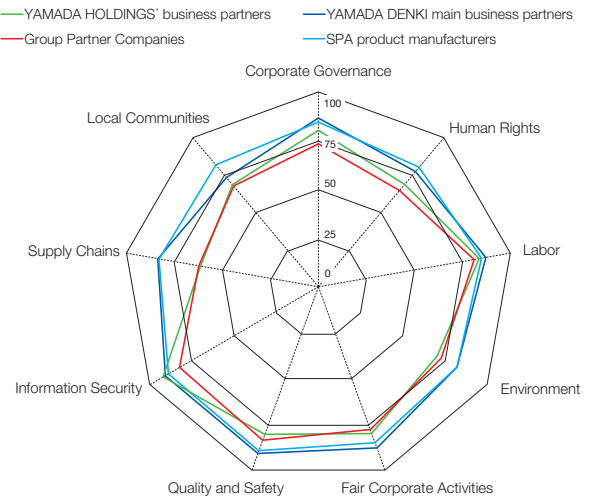
Business Partner Questionnaire Survey Results for Fiscal 2022

From fiscal 2022, YAMADA HOLDINGS has been using the CSR Procurement Self-Assessment Questionnaire published by the Global Compact Network Japan (GCNJ) to conduct a self-assessment questionnaire with a total of 114 questions on 9 topics, including human rights, the environment, and the supply chain. The questionnaire is given to YAMADA HOLDINGS' business partners, Group company business partners, major business partners of YAMADA DENKI, and SPA product manufacturers.

Information on the Business Partner Questionnaires

Business Partners	Type	FY2020	FY2021	FY2022
YAMADA HOLDINGS' business partners	Number of companies	—	—	121
	Response rate (%)	—	—	43.0
Group company business partners	Number of companies	—	5	314
	Response rate (%)	—	100	53.8
YAMADA DENKI main business partners	Number of companies	48	81	80
	Response rate (%)	89.6	82.7	63.8
SPA product manufacturers	Number of companies	18	19	37
	Response rate (%)	100	100	70.3

Questionnaire results



As part of efforts to strengthen risk management for the whole supply chain in the YAMADA HOLDINGS Group, the questionnaire survey form has been updated. As a result, the number of target companies has been significantly increased from 105 in fiscal 2021 to 552 in fiscal 2022. A particular focus has been given to significantly increasing the number of Group company business partners to strengthen management of supply chains in Group companies. This was the first time that the questionnaire survey had been updated, and although the response rate was lower than last year, more than half of the surveys had been completed. By continuing with these self-assessment questionnaires, the Group will not only be able to get an understanding of progress based on a comparative analysis with the previous fiscal year, but will also be promoting sustainable procurement by proposing improvement plans and taking corrective measures as necessary.

Major Financial Data for 10 Years (Consolidated)

(million yen)

	36th* ¹	37th	38th	39th	40th	41st	42nd	43rd	44th	45th* ²
	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Profit and Loss										
Net sales	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	1,619,379
Operating profit	33,930	34,265	19,918	58,158	57,895	38,763	27,864	38,326	92,078	65,703
Ordinary profit	47,906	50,187	35,537	62,734	66,040	47,335	36,889	46,074	98,875	74,136
Profit attributable to owners of parent	22,203	18,666	9,340	30,395	34,528	29,779	14,692	24,605	51,798	50,555
Assets										
Net assets	555,391	553,354	509,397	557,722	585,547	588,740	591,593	645,166	672,545	676,277
Total assets	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	1,271,668
Cash Flow										
Cash flows from operating activities	△12,789	45,148	22,982	△23	43,855	61,689	36,023	62,433	122,281	21,084
Cash flows from investing activities	△39,232	△38,606	△20,232	△13,437	△15,279	△12,668	△8,469	△8,234	△14,777	△22,265
Cash flows from financing activities	47,174	△7,646	△41,487	4,732	△24,382	△32,920	△27,461	△58,091	△82,837	△16,647
Cash and cash equivalents at end of year	77,906	77,754	39,691	30,664	34,981	51,326	51,175	48,397	73,760	56,470
Financial Indicators										
Common stock (100 million yen)	710	710	710	710	710	710	710	710	710	711
Equity ratio (%)	46.8	44.2	43.2	46.6	48.4	49.8	49.7	54.6	51.8	51.6
Price earnings ratio (times)	18.22	17.01	42.18	13.92	12.91	17.35	30.02	15.19	9.50	6.23
ROA (%)	2.1	1.6	0.8	2.7	3.0	2.6	1.2	2.1	4.3	4.0
ROE (%)	4.2	3.5	1.8	6.0	6.3	5.2	2.5	4.0	8.1	7.9
Share Information										
Net assets per share (yen)	565.33	592.17	643.03	666.03	697.46	731.57	723.55	721.37	792.26	785.50
Basic earnings per share (yen)	23.56	20.21	11.73	38.22	43.00	36.77	18.18	28.38	62.82	60.96
Diluted earnings per share (yen)* ³	—	20.21	11.72	38.16	42.89	36.65	18.07	27.01	62.53	60.67

Notes:

1. 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 (fiscal 2013).
2. The Accounting Standards for Revenue Recognition (ASBJ Statement No.29, March 31, 2020) have been applied since the beginning of the 45th business year (fiscal 2022). As such, all figures relating to the 45th business year are the figures after this accounting standards have been applied.
3. Diluted earnings per share for the 36th business year (fiscal 2013) are not indicated because there were no securities with dilutive effects.

Consolidated Balance Sheets

(million yen)

	Previous fiscal year (March 31, 2021)	Current fiscal year (March 31, 2022)
Assets		
Current assets		
Cash and time deposits	74,438	57,184
Notes and accounts receivable	72,961	—
Notes receivable - trade	—	4,647
Accounts receivable - trade	—	68,753
Accounts receivable from completed construction contracts	2,049	2,378
Operating loans	4,254	6,322
Merchandise and finished goods	368,838	356,043
Real estate for sale	28,584	35,542
Costs on construction contracts in progress	5,545	8,172
Work in process	1,253	1,234
Raw materials and supplies	4,352	3,797
Other current assets	54,382	78,824
Allowance for doubtful accounts	△2,026	△1,622
Total current assets	614,634	621,279
Non-current assets		
Property and equipment		
Buildings and structures, net	197,027	201,122
Land	199,381	203,087
Lease assets, net	14,112	13,509
Construction in progress	2,906	4,840
Other, net	15,173	14,931
Total property and equipment, net	428,601	437,490
Intangible assets	42,777	40,955
Investment and other assets		
Investment securities	6,715	10,384
Long-term loans receivable	3,675	3,019
Net defined benefit asset	1,839	1,789
Deferred tax assets	40,362	54,102
Guarantee deposits	85,752	77,423
Other assets	30,835	28,081
Allowance for doubtful accounts	△2,595	△2,858
Total investments and other assets	166,585	171,942
Total non-current assets	637,965	650,388
Total assets	1,252,599	1,271,668

(million yen)

	Previous fiscal year (March 31, 2021)	Current fiscal year (March 31, 2022)
Liabilities		
Current liabilities		
Notes and accounts payable	106,928	94,564
Accounts payable on construction contracts	13,719	15,037
Short-term loans payable	44,199	60,755
Current portion of long-term loans payable	50,860	50,300
Lease obligations	4,447	4,870
Income taxes payable	29,986	4,677
Advances received on construction contracts in progress	17,284	23,370
Provision for bonuses	10,794	12,062
Other provisions	14,989	4,178
Contract liabilities	—	58,530
Other current liabilities	64,106	63,340
Total current liabilities	357,315	391,688
Long-term liabilities		
Long-term loans payable	123,430	111,111
Lease obligations	12,318	11,102
Provision for directors' retirement benefits	1,083	796
Provision for product warranties	7,912	1,675
Other provisions	400	217
Net defined benefit liability	30,606	31,523
Asset retirement obligations	35,487	35,786
Other long-term liabilities	11,499	11,488
Total long-term liabilities	222,738	203,701
Total liabilities	580,054	595,390
Net assets		
Shareholders' equity		
Common stock	71,077	71,100
Capital surplus	84,235	80,989
Retained earnings	560,958	564,882
Treasury stock, at cost	△68,882	△61,251
Total shareholders' equity	647,388	655,720
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities, net of taxes	△269	△24
Foreign currency translation adjustments	609	1,404
Remeasurements of defined benefit plans	1,685	△397
Total accumulated other comprehensive income	2,025	982
Subscription rights to shares	1,578	1,725
Non-controlling interests	21,551	17,849
Total net assets	672,545	676,277
Total liabilities and net assets	1,252,599	1,271,668

Consolidated Statements of Income

(million yen)

	Previous fiscal year (from April 1, 2020, to March 31, 2021)	Current fiscal year (from April 1, 2021, to March 31, 2022)
Net sales	1,752,506	1,619,379
Cost of sales	1,231,470	1,154,418
Gross profit	521,036	464,960
Selling, general and administrative expenses	428,957	399,257
Operating profit	92,078	65,703
Non-operating income		
Interest income	611	588
Purchase discounts	2,713	2,452
Sales of electric power	1,902	1,905
Other	8,273	6,700
Total non-operating income	13,501	11,646
Non-operating expenses		
Interest expenses	1,360	1,421
Cost of sale of electric power	772	775
Other	4,570	1,016
Total non-operating expenses	6,703	3,213
Ordinary profit	98,875	74,136
Extraordinary income		
Gain on negative goodwill	1,163	—
Gain on sale of non-current assets	85	29
Gain on sales of investment securities	55	216
Gain on sales of shares of subsidiaries and associates	—	190
Gain on revision to retirement benefit plan	—	3,061
Gains on sale of businesses	414	—
Other	719	89
Total extraordinary income	2,438	3,587
Extraordinary loss		
Loss on disposal of non-current assets	1,184	616
Impairment loss	14,030	3,961
Loss on Covid-19	639	208
Loss on disasters	305	1,345
Retirement benefits for directors (and other officers)	43	1,010
Other	7,597	1,050
Total extraordinary losses	23,800	8,192
Profit before income taxes	77,513	69,531
Income taxes-current	36,165	15,959
Income taxes-deferred	△10,319	1,289
Total income taxes	25,846	17,249
Profit	51,667	52,281
Profit (loss) attributable to non-controlling interests (△)	△131	1,726
Profit attributable to owners of parent	51,798	50,555

Consolidated Statements of Comprehensive Income

(million yen)

	Previous fiscal year (from April 1, 2020, to March 31, 2021)	Current fiscal year (from April 1, 2021, to March 31, 2022)
Profit	51,667	52,281
Other comprehensive income		
Valuation difference on available-for-sale securities	459	128
Foreign currency translation adjustments	171	763
Remeasurements of defined benefit plans, net of tax	1,145	△2,082
Share of other comprehensive income of associates accounted for using equity method	△0	△3
Total other comprehensive income	1,775	△1,194
Comprehensive income	53,442	51,087
Comprehensive income attributable to:		
Owners of parent	53,578	49,512
Non-controlling interests	△135	1,575

Consolidated Statement of Changes in Shareholders' Equity, etc.

(million yen)

Previous fiscal year (from April 1, 2020, to March 31, 2021)	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity
Balance at April 1, 2020	71,058	84,059	517,943	△38,170	634,891
Changes of items during the period					
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 ownership interest of parent due to transactions with non-controlling interests		2		22	24
Other changes in the period, net					—
Total changes of items during the period	18	176	43,014	△30,711	12,497
Balance at March 31, 2021	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, net of taxes	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total of accumulated other comprehensive income			
Balance at April 1, 2020	△732	437	540	245	1,872	8,157	645,166
Changes of items during the period							
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 ownership interest of parent due to transactions with non-controlling interests							24
Other changes in the period, net	463	171	1,145	1,780	△293	13,394	14,881
Total changes of items during the period	463	171	1,145	1,780	△293	13,394	27,379
Balance at March 31, 2021	△269	609	1,685	2,025	1,578	21,551	672,545

(million yen)

Current fiscal year (from April 1, 2021, to March 31, 2022)	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity
Balance at April 1, 2021	71,077	84,235	560,958	△68,882	647,388
Cumulative effects of changes in accounting policies			△31,955		△31,955
Restated balance	71,077	84,235	529,002	△68,882	615,432
Changes of items during the period					
Issuance of new shares	22	22			45
Cash dividends			△14,754		△14,754
Profit attributable to owners of parent			50,555		50,555
Purchase of treasury stock				△5	△5
Disposal of treasury stock		△5		51	45
Change in scope of consolidation			17		17
Increase by merger			61		61
Purchase of shares of consolidated subsidiaries		△3,263		7,585	4,321
Other changes in the period, net					—
Total changes of items during the period	22	△3,246	35,880	7,631	40,287
Balance at March 31, 2022	71,100	80,989	564,882	△61,251	655,720

	Accumulated other comprehensive income				Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities, net of taxes	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total of accumulated other comprehensive income			
Balance at April 1, 2021	△269	609	1,685	2,025	1,578	21,551	672,545
Cumulative effects of changes in accounting policies							△31,955
Restated balance	△269	609	1,685	2,025	1,578	21,551	640,589
Changes of items during the period							
Issuance of new shares							45
Cash dividends							△14,754
Profit attributable to owners of parent							50,555
Purchase of treasury stock							△5
Disposal of treasury stock							45
Change in scope of consolidation							17
Increase by merger							61
Purchase of shares of consolidated subsidiaries							4,321
Other changes in the period, net	244	794	△2,082	△1,043	146	△3,702	△4,598
Total changes of items during the period	244	794	△2,082	△1,043	146	△3,702	35,688
Balance at March 31, 2022	△24	1,404	△397	982	1,725	17,849	676,277

Consolidated Statements of Cash Flows

(million yen)

	Previous fiscal year (from April 1, 2020, to March 31, 2021)	Current fiscal year (from April 1, 2021, to March 31, 2022)
Cash flow from operating activities		
Profit before income taxes	77,513	69,531
Depreciation	21,470	23,686
Impairment loss	14,030	3,961
Amortization of goodwill	383	742
Gain on negative goodwill	△1,163	—
Increase (decrease) in allowance for doubtful accounts (△ represents a decrease)	7	△218
Increase in net defined benefit liability (△ represents a decrease)	931	△953
Interest and dividend income	△741	△826
Interest expenses	1,360	1,421
Foreign exchange losses (△ represents a gain)	255	△360
Gain on sale of investment securities (△ represents a gain)	△41	△216
Loss on sale and disposal of property and equipment, net (△ represents a gain)	1,098	587
Decrease (increase) in notes and accounts receivable (△ represents an increase)	△9,816	△65
Decrease (increase) in accounts receivable (△ represents an increase)	2,068	1,049
Increase in operating loans receivable (△ denotes an increase)	△1,810	△2,067
Decrease (increase) in inventories (△ represents an increase)	19,427	3,041
Increase (decrease) in notes and accounts payable (△ represents a decrease)	4,733	△11,443
Increase (decrease) in advances received on construction contracts in progress (△ represents a decrease)	△6,015	5,911
Increase (decrease) in contract liabilities (△ represents a decrease)	—	△6,788
Other, net	14,453	△10,420
Sub-total	138,146	76,570
Interest and dividend income received	207	334
Interest expenses paid	△1,365	△1,422
Income taxes paid (△ represents payment)	△14,707	△54,397
Net cash provided by operating activities	122,281	21,084

(million yen)

	Previous fiscal year (from April 1, 2020, to March 31, 2021)	Current fiscal year (from April 1, 2021, to March 31, 2022)
Cash flow from investing activities		
Payments into time deposits	△136	△672
Proceeds from withdrawal of time deposits	—	636
Purchases of property and equipment	△22,765	△28,797
Proceeds from sale of property and equipment	163	141
Purchases of intangible assets	△526	△756
Purchase of investment securities	△4	△3,925
Proceeds from sales and redemption of investment securities	92	425
Purchases of investments in subsidiaries and affiliated companies	△1,574	△1
Payments for guarantee deposits	△1,619	△2,264
Proceeds from collection of guarantee deposits	8,160	10,286
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	4,765	24
Purchase of investments in subsidiaries resulting in change in scope of consolidation	△53	—
Proceeds from sale of shares in subsidiary resulting in change in scope of consolidation	—	1,067
Payment of loans receivable	△2,214	△266
Collection of loans receivable	1,040	682
Other, net	△105	1,154
Net cash used in investing activities	△14,777	△22,265
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable (△ represents a decrease)	△20,790	16,470
Proceeds from long-term loans payable	40,100	41,000
Repayments of long-term loans payable	△56,647	△53,731
Purchase of treasury stock	△31,955	△5
Repayments of lease obligations	△4,573	△4,573
Cash dividends paid	△8,809	△14,743
Other, net	△160	△1,063
Net cash used in financing activities	△82,837	△16,647
Effect of exchange rate change on cash and cash equivalents	△151	484
Net decrease in cash and cash equivalents (△ represents a decrease)	24,515	△17,343
Cash and cash equivalents at beginning of year	48,397	73,760
Increase in cash and cash equivalents resulting from change in scope of consolidation (△ denotes a decrease)	847	—
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	—	53
Cash and cash equivalents at end of year	73,760	56,470

Sales Network / Reuse & Recycling Sites

Japan

Number of stores Number of show home locations

12,517 338

Various directly operated consumer electronics stores

The aim is to create a complex store network, centered around LIFE SELECT, with different format stores ideally located according to commercial area and customer needs. This area strategy of Yamada will not cause any internal competition between stores in the Group.

LABI LIFE SELECT
Urban store offering 'Total-Living' products and services centered on home appliances

Tecc LIFE SELECT
Suburban store offering 'Total-Living' products and services centered on home appliances

Tecc Land
Suburban consumer electronics store

Outlet & Reuse
Handles old and reused products, creating a market to meet this demand

Community Tecc Land
Consumer electronics store based in local communities

LABI
Consumer electronics store located in urban areas

web.com
Consumer electronics store and hub for shipping online orders

Kaden Sumairu Kan
Suburban store centered on sales and service geared toward home appliances and renovation projects

Shopping centers and in-shop
Providing a friendly service and consumer electronics for the living space geared toward families

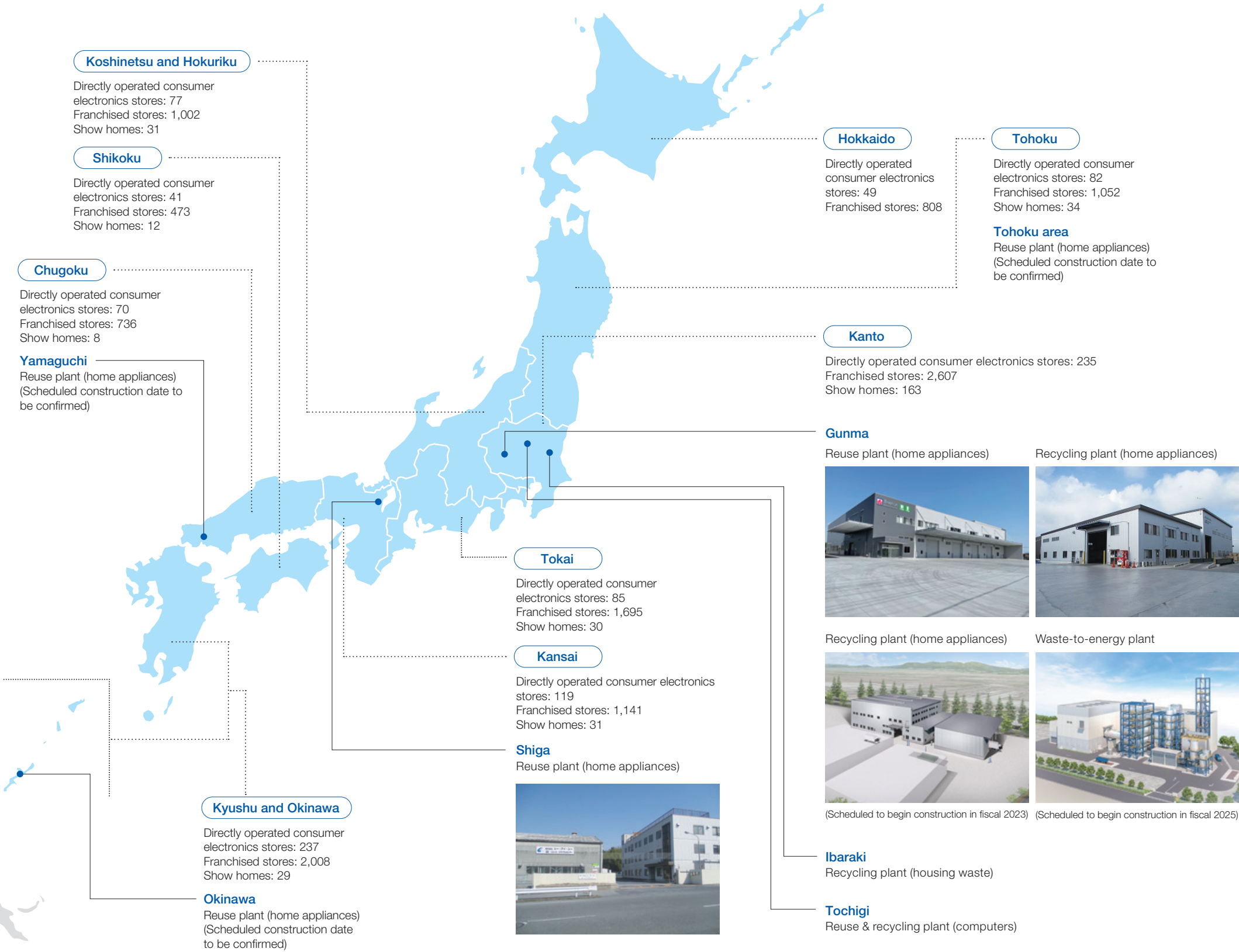
Overseas

Number of stores

20

Malaysia
Directly operated consumer electronics stores: 7

Singapore
Directly operated consumer electronics stores: 13



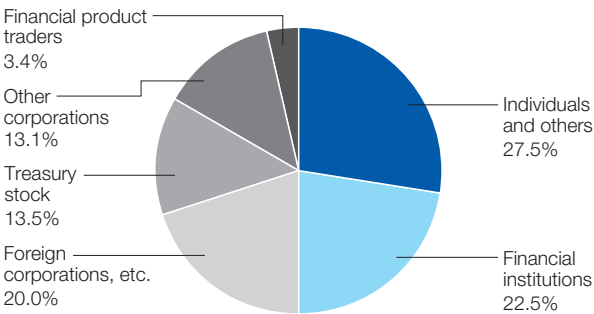
Corporate Profile

Company name : YAMADA HOLDINGS CO., LTD.
Headquarters address : 1-1 Sakae-cho, Takasaki City, Gunma 370-0841 Japan
Founded : April 1973
Organized : Sep. 1983
Common stock : ¥71.1 billion
Total assets : ¥1,271.6 billion (consolidated)
Capital adequacy ratio : 51.6% (consolidated)
Number of employees : 22,951 (consolidated)

Stock Information

Total number of authorized shares : 2,000,000,000
Total number of issued shares : 966,647,930
Number of shareholders : 439,292
Listed stock exchange : Tokyo Stock Exchange
Shareholder register administrator : Mizuho Trust & Banking Co., Ltd.

Shareholding Ratio



* Figures rounded to one decimal place

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	Non-Financial Information
Investor Relations https://www.yamada-holdings.jp/lang-en/irdata.html	Sustainability https://www.yamada-holdings.jp/lang-en/csr_index.html
Securities reports, financial reports, etc.	Monthly CSR reports and ESG data
YAMADA HOLDINGS GROUP INTEGRATED REPORT	

Editorial Note



Koichi Kiyomura

Executive Officer, Head of Corporate Planning Office and Head of Sustainability Promotion Office

Thank you for reading the 2022 Integrated Report to the end.

This is the fifth time the YAMADA HOLDINGS Group has produced and published an integrated report since the first one was issued in 2018. In this integrated report, we have endeavored to provide a better understanding of the Group's growth strategy on 'Total-Living' as well as the foundation for sustainable value creation that underpins it. After about 10 years of structural reforms, YAMADA HOLDINGS has established a business foundation for its 'Total-Living' strategy, and has expanded into a business that offers lifestyle proposals for a wide range of products and services related to daily life, most notably home appliances. The Group is also working to solve issues pertaining to the SDGs and achieve its goals through its 'Total-Living' strategy. This report was created with the main aim of conveying to stakeholders in an easy-to-understand manner how the Group will tackle issues through its business activities, such as in recent years, efforts to raise consumers' awareness of the SDGs, changing to more ethical consumption behavior, solving global social issues, and protecting the earth's depleting resources.

The Group formulated a mid-term business plan in November 2021 with 2022 as its start year. The first year priority measures for the consumer electronics segment include the rollout of its distinctive store format based around the LIFE SELECT stores, and improving product profit margins through a greater range of SPA products. These measures are talked about in the special feature in this report. An overview and strengths of LIFE SELECT with its concept of "We support you living a delightful life. Entirely." is revealed in this report. Also mentioned in this report is how our SPA products directly reflect customer feedback, and how they play an important role in promoting our 'Total-Living' strategy.

The second half of the report talks about our efforts to address our priorities towards achieving the SDGs. We regularly report on our progress toward KPIs in this report and on our website, and promote dialogue with our stakeholders.

Finally, I would like to express my sincere gratitude to everyone who has read this report, including to everyone involved in its production. I hope this report serves as a tool for all stakeholders, including customers, shareholders and investors, our business partners, and our employees, to gain a better understanding of the Group. I look forward to your continued support for the YAMADA HOLDINGS Group.



Members of the Corporate Planning Office and Sustainability Promotion Office (June 2022)