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## Consolidated Financial Results for the Fiscal Year Ended March 31, 2021 [Japanese GAAP]



May 10, 2021

Company name: YAOKO CO., LTD.  
 Stock exchange listing: Tokyo Stock Exchange  
 Code number: 8279  
 URL: <https://www.yaoko-net.com/>  
 Representative: Kawano Sumito, President and Representative Director  
 Contact: Kamiike Masanobu, Managing Director and Chief Director of Business Management  
 Phone: +81-49-246-7000  
 Scheduled date of Annual General Meeting of Shareholders: June 22, 2021  
 Scheduled date of commencing dividend payments: June 23, 2021  
 Scheduled date of filing annual securities report: June 22, 2021  
 Availability of supplementary briefing material on annual financial results: Yes  
 Schedule of annual financial results briefing session: Yes

(Amounts of less than one million yen are rounded down.)

### 1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2021 (April 1, 2020 to March 31, 2021)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Total revenue		Operating income		Ordinary income		Net income attributable to owners of parent	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2021	507,862	10.3	22,458	13.0	22,211	13.2	14,593	17.1
March 31, 2020	460,476	5.8	19,882	11.1	19,629	12.2	12,458	5.6

(Note) Comprehensive income: Fiscal year ended March 31, 2021: ¥15,259 million [22.8%]

Fiscal year ended March 31, 2020: ¥12,430 million [6.5%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to total revenue
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2021	375.81	353.07	13.2	8.6	4.4
March 31, 2020	320.85	305.44	12.6	8.4	4.3

(Reference) Equity in earnings of affiliated companies: Fiscal year ended March 31, 2021: ¥- million

Fiscal year ended March 31, 2020: ¥- million

### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2021	269,121	116,625	43.3	3,003.15
As of March 31, 2020	244,511	104,037	42.5	2,679.23

(Reference) Equity: As of March 31, 2021: ¥116,625 million

As of March 31, 2020: ¥104,037 million

### (3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2021	26,896	(23,345)	4,191	32,080
March 31, 2020	29,218	(21,992)	1,418	24,338

### 2. Dividends

	Annual dividends per share					Total dividends	Payout ratio (consolidated)	Dividend on equity (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended March 31, 2020	-	30.00	-	35.00	65.00	2,552	20.3	2.5
Fiscal year ended March 31, 2021	-	32.50	-	53.00	85.50	3,373	22.8	3.0
Fiscal year ending March 31, 2022 (Forecast)	-	36.25	-	36.25	72.50		19.8	

(Note) Year-end dividend for the fiscal year ended March 31, 2021 includes commemorative dividend of 13.00 yen.

### 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2022 (April 1, 2021 to March 31, 2022)

(% indicates changes from the previous corresponding period.)

	Total revenue		Operating income		Ordinary income		Net income attributable to owners of parent		Basic earnings per share
Full year	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	508,600	0.1	22,300	(0.7)	21,800	(1.9)	14,200	(2.7)	365.67

#### \* Notes:

(1) Changes in significant subsidiaries during the fiscal year ended March 31, 2021 (changes in specified subsidiaries resulting in changes in scope of consolidation): No

New: - company (Name of company) Exclusion: - company (Name of company)

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: Yes

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(Note) For details, please refer to page 12 of the Attachment, "Consolidated Financial Statements and Primary Notes, (5) Notes to the Consolidated Financial Statements, Changes in accounting policies."

(3) Total number of issued shares (common stock)

1) Total number of issued shares at the end of the period (including treasury stocks):

March 31, 2021: 40,013,722 shares

March 31, 2020: 40,013,722 shares

2) Total number of treasury stocks at the end of the period:

March 31, 2021: 1,179,180 shares

March 31, 2020: 1,182,501 shares

- 3) Average number of shares during the period:  
 Fiscal year ended March 31, 2021: 38,833,224 shares  
 Fiscal year ended March 31, 2020: 38,830,676 shares

(Reference) Summary of Non-consolidated Financial Results

**1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2021 (April 1, 2020 to March 31, 2021)**

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Total revenue		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended								
March 31, 2021	442,126	10.2	19,719	11.1	19,791	11.0	13,315	15.0
March 31, 2020	401,358	5.3	17,754	10.6	17,829	11.5	11,574	3.9

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Fiscal year ended		
March 31, 2021	342.90	322.12
March 31, 2020	298.06	283.74

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2021	254,815	113,515	44.5	2,923.05
As of March 31, 2020	230,824	102,793	44.5	2,647.18

(Reference) Equity: As of March 31, 2021: ¥113,515 million  
 As of March 31, 2020: ¥102,793 million

**2. Non-consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2022 (April 1, 2021 to March 31, 2022)**

(% indicates changes from the previous corresponding period.)

	Total revenue		Operating income		Ordinary income		Net income		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	442,700	0.1	20,000	1.4	19,800	0.0	13,350	0.3	343.78

\* These financial results are outside the scope of audit by certified public accountants or audit firms

\* Explanation of the proper use of financial results forecast and other notes

The earnings forecasts and other forward-looking statements herein are based on certain assumptions in light of information currently available and deemed reasonable and are not a guarantee of future performance. Actual results may differ significantly from these forecasts due to a wide range of factors. For details on conditions for the assumptions of financial results forecasts and notes for the use of financial results forecasts, please refer to page 4 of the Japanese version of the Attachment, "1. Summary of Operating Results, etc., (4) Future outlook."

## Consolidated Financial Statements and Primary Notes

### (1) Consolidated Balance Sheets

(Millions of Yen)

	As of March 31, 2020	As of March 31, 2021
<b>Assets</b>		
Current assets		
Cash and bank deposits	24,338	32,080
Accounts receivable—trade	6,710	7,044
Merchandise and finished products	7,806	8,126
Raw materials and supplies	246	244
Other	8,960	10,596
Total current assets	48,062	58,091
Non-current assets		
Tangible fixed assets		
Buildings and structures	116,400	119,816
Accumulated depreciation	(48,615)	(51,504)
Buildings and structures (net)	67,784	68,312
Vehicles	47	47
Accumulated depreciation	(33)	(39)
Vehicles (net)	13	8
Tools, furniture and fixtures	31,594	33,913
Accumulated depreciation	(17,073)	(19,532)
Tools, furniture and fixtures (net)	14,520	14,380
Land	71,533	72,922
Leased assets	2,288	2,995
Accumulated depreciation	(1,081)	(1,191)
Leased assets (net)	1,207	1,803
Construction in progress	4,246	12,207
Total tangible fixed assets	159,307	169,634
Intangible fixed assets		
Goodwill	2,031	1,015
Leasehold rights	1,821	1,707
Leased assets	115	86
Other	5,888	5,221
Total intangible fixed assets	9,857	8,030
Investments and other assets		
Investment securities	428	467
Long-term loans receivable	75	961
Retirement benefit asset	-	320
Deferred tax assets	6,820	7,019
Guarantee deposits paid	18,023	19,998
Other	1,896	4,567
Total investments and other assets	27,244	33,333
Total non-current assets	196,409	210,999
Deferred assets		
Bond issuance costs	39	29
Total deferred assets	39	29
<b>Total assets</b>	<b>244,511</b>	<b>269,121</b>

(Millions of Yen)

	As of March 31, 2020	As of March 31, 2021
<b>Liabilities</b>		
Current liabilities		
Accounts payable—trade	30,975	31,314
Current portion of long-term loans payable	8,974	12,639
Lease obligations	180	208
Income taxes payable	4,164	4,138
Provision for bonuses for employees	2,550	2,611
Provision for loss on future collection of gift certificates	41	-
Provision for point card certificates	1,752	-
Asset retirement obligations	36	-
Other	13,403	18,375
Total current liabilities	62,079	69,287
Long-term liabilities		
Bonds payable	15,062	15,047
Long-term loans payable	42,077	45,437
Lease obligations	2,939	3,712
Deferred tax liabilities	1,121	1,111
Deferred tax liabilities on revaluation	34	34
Provision for retirement benefits for directors	197	225
Provision for retirement benefits for executive officers	29	31
Provision for stock compensation for employees	1,767	1,980
Provision for stock compensation for directors	158	179
Liability for retirement benefits	4,101	4,039
Asset retirement obligations	4,188	4,914
Other	6,714	6,492
Total long-term liabilities	78,394	83,207
Total liabilities	140,473	152,495
Net assets		
Shareholders' equity		
Common stock	4,199	4,199
Capital surplus	5,361	7,017
Retained earnings	101,925	113,716
Treasury stock	(3,128)	(4,767)
Total shareholders' equity	108,358	120,166
Accumulated other comprehensive income		
Unrealized gains on available-for-sale securities	166	194
Revaluation reserve for land	(3,534)	(3,370)
Remeasurements of defined benefit plans	(952)	(364)
Total accumulated other comprehensive income	(4,320)	(3,540)
Total net assets	104,037	116,625
Total liabilities and net assets	244,511	269,121

(2) Consolidated Statements of Income and Comprehensive Income  
Consolidated Statements of Income

(Millions of Yen)

	For the fiscal year ended March 31, 2020	For the fiscal year ended March 31, 2021
Net sales	442,220	487,189
Cost of sales	328,243	363,286
Gross profit	113,977	123,902
Operating revenue	18,256	20,673
Operating gross profit	132,233	144,575
Selling, general and administrative expenses		
Distribution expenses	7,708	8,918
Advertising and promotion expenses	2,996	2,718
Salaries and allowances	46,432	49,820
Provision for bonuses for employees	2,812	2,922
Retirement benefit expenses	1,059	1,097
Provision for retirement benefits for directors	5	248
Provision for retirement benefits for executive officers	2	2
Provision for stock compensation for employees	389	229
Provision for stock compensation for directors	42	40
Legal welfare expenses	7,121	8,636
Utilities	4,864	4,540
Rent	12,603	13,336
Depreciation and amortization	9,163	9,582
Amortization of goodwill	1,015	1,015
Other	16,132	19,008
Total selling, general and administrative expenses	112,351	122,117
Operating income	19,882	22,458
Non-operating income		
Interest income	102	100
Dividend income	8	8
Subsidy income	161	121
Income from unused gift certificates	32	-
Other	54	89
Total non-operating income	358	319
Non-operating expenses		
Interest expenses	569	545
Other	42	20
Total non-operating expenses	612	565
Ordinary income	19,629	22,211

(Millions of Yen)

	For the fiscal year ended March 31, 2020	For the fiscal year ended March 31, 2021
Extraordinary income		
Gain on sales of fixed assets	22	99
Penalty income on lease contracts	-	76
Gain on reversal of asset retirement obligations	-	23
Total extraordinary income	22	199
Extraordinary losses		
Loss on sales of fixed assets	-	505
Loss on disposal of fixed assets	81	287
Loss on impairment	771	528
Other	38	-
Total extraordinary losses	890	1,322
Income before income taxes	18,761	21,089
Income taxes - current	6,956	6,906
Income taxes - deferred	(653)	(411)
Total income taxes	6,303	6,495
Net income	12,458	14,593
Net income attributable to owners of parent	12,458	14,593

## Consolidated Statements of Comprehensive Income

(Millions of Yen)

	For the fiscal year ended March 31, 2020	For the fiscal year ended March 31, 2021
Net income	12,458	14,593
Other comprehensive income		
Unrealized gains on available-for-sale securities	27	27
Revaluation reserve for land	-	50
Remeasurements of defined benefit plans	(55)	587
Total other comprehensive income	(27)	665
Comprehensive income	12,430	15,259
Comprehensive income attributable to		
Owners of parent	12,430	15,259



(3) Consolidated Statements of Changes in Net Assets  
For the fiscal year ended March 31, 2020

(Millions of Yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance, April 1, 2019	4,199	5,361	91,921	(3,134)	98,348
Cumulative effects of changes in accounting policies					-
Restated balance	4,199	5,361	91,921	(3,134)	98,348
Changes during the year					
Cash dividends			(2,454)		(2,454)
Net income attributable to owners of parent			12,458		12,458
Purchase of treasury stock				(1)	(1)
Disposal of treasury stock				7	7
Reversal of revaluation reserve for land			0		0
Other changes during the year—net					
Total changes during the year	-	-	10,003	5	10,009
Balance, March 31, 2020	4,199	5,361	101,925	(3,128)	108,358

	Accumulated other comprehensive income				Total net assets
	Unrealized gains on available-for-sale securities	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance, April 1, 2019	139	(3,534)	(897)	(4,292)	94,055
Cumulative effects of changes in accounting policies					-
Restated balance	139	(3,534)	(897)	(4,292)	94,055
Changes during the year					
Cash dividends					(2,454)
Net income attributable to owners of parent					12,458
Purchase of treasury stock					(1)
Disposal of treasury stock					7
Reversal of revaluation reserve for land					0
Other changes during the year—net	27	(0)	(55)	(27)	(27)
Total changes during the year	27	(0)	(55)	(27)	9,981
Balance, March 31, 2020	166	(3,534)	(952)	(4,320)	104,037

For the fiscal year ended March 31, 2021

(Millions of Yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance, April 1, 2020	4,199	5,361	101,925	(3,128)	108,358
Cumulative effects of changes in accounting policies			(36)		(36)
Restated balance	4,199	5,361	101,888	(3,128)	108,321
Changes during the year					
Cash dividends			(2,651)		(2,651)
Net income attributable to owners of parent			14,593		14,593
Purchase of treasury stock				(1,999)	(1,999)
Disposal of treasury stock		1,655		360	2,015
Reversal of revaluation reserve for land			(114)		(114)
Other changes during the year—net					
Total changes during the year	-	1,655	11,828	(1,639)	11,844
Balance, March 31, 2021	4,199	7,017	113,716	(4,767)	120,166

	Accumulated other comprehensive income				Total net assets
	Unrealized gains on available-for-sale securities	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance, April 1, 2020	166	(3,534)	(952)	(4,320)	104,037
Cumulative effects of changes in accounting policies					(36)
Restated balance	166	(3,534)	(952)	(4,320)	104,001
Changes during the year					
Cash dividends					(2,651)
Net income attributable to owners of parent					14,593
Purchase of treasury stock					(1,999)
Disposal of treasury stock					2,015
Reversal of revaluation reserve for land					(114)
Other changes during the year—net	27	164	587	780	780
Total changes during the year	27	164	587	780	12,624
Balance, March 31, 2021	194	(3,370)	(364)	(3,540)	116,625

## (4) Consolidated Statements of Cash Flows

(Millions of Yen)

	For the fiscal year ended March 31, 2020	For the fiscal year ended March 31, 2021
<b>Cash flows from operating activities</b>		
Income before income taxes	18,761	21,089
Depreciation and amortization	9,757	10,203
Loss on impairment	771	528
Amortization of goodwill	1,015	1,015
Increase (decrease) in provision for retirement benefits for directors	5	27
Increase (decrease) in provision for retirement benefits for executive officers	2	2
Increase (decrease) in provision for stock compensation for employees	368	212
Increase (decrease) in provision for stock compensation for directors	42	20
Increase (decrease) in liability for retirement benefits	257	286
Interest and dividend income	(110)	(108)
Interest expenses	569	545
Loss (gain) on sales of fixed assets	(22)	406
Loss on disposal of fixed assets	81	287
Decrease (increase) in trade receivables	(2,354)	(334)
Decrease (increase) in inventories	(309)	(317)
Increase (decrease) in trade payables	5,172	338
Net change in consumption taxes payable or receivable	(141)	(609)
Other—net	2,729	731
Subtotal	36,597	34,326
Interest and dividend income received	12	11
Interest expenses paid	(542)	(521)
Income taxes paid	(6,848)	(6,920)
Net cash provided by operating activities	29,218	26,896
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(19,900)	(21,120)
Proceeds from sales of tangible fixed assets	71	1,865
Purchase of intangible fixed assets	(919)	(692)
Proceeds from sales or redemption of investment securities	13	-
Loan advances	-	(1,390)
Payments of guarantee deposits	(1,998)	(2,755)
Collection of guarantee deposits paid	837	803
Other—net	(96)	(56)
Net cash used in investing activities	(21,992)	(23,345)
<b>Cash flows from financing activities</b>		
Proceeds from long-term loans payable	-	16,000
Repayments of long-term loans payable	(11,034)	(8,974)
Proceeds from issuance of bonds	15,075	-
Purchase of treasury stock	(1)	(1,999)
Proceeds from sales of treasury stock	0	2,005
Payment of cash dividends	(2,454)	(2,651)
Repayments of lease obligations	(167)	(188)
Net cash provided by (used in) financing activities	1,418	4,191
Net increase (decrease) in cash and cash equivalents	8,644	7,741
Cash and cash equivalents, beginning of the year	15,693	24,338
Cash and cash equivalents, end of period	24,338	32,080

## (5) Notes to the Consolidated Financial Statements

### *Notes on going concern assumption*

Not applicable.

### *Changes in accounting policies*

The Company has adopted the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29 issued on March 31, 2020), etc. from the beginning of the fiscal year ended March 31, 2021, and recognizes revenue in the amount expected to be received in exchange for promised goods or services at the time the control of those goods or services is transferred to customers.

The main changes resulting from application of the Accounting Standard for Revenue Recognition, etc. are as follows:

- i) Revenue recognition relating to agent transactions  
In regard to revenue relating to consignment buying, the total amount of consideration received from customers was previously recognized as revenue. However, as a result of judging the role in providing goods or services to customers (whether the Company is a principal or an agent), the Company has changed the method of revenue recognition, in which it recognizes revenue in the net amount after subtracting the amount paid to suppliers from the total amount. The said revenue is recorded as operating revenue.
- ii) Revenue recognition relating to the Company’s point program  
The Company offers the YAOKO card royalty program for customers. Card members are awarded points according to the purchased amount and receive shopping certificates worth ¥500 for every 500 points they earn. Previously, in order to provide for the use of points given to customers, the amount expected to be used in the future in accordance with the program was recorded as provision for point card certificates and the provision was deducted from net sales. However, it was changed to the method of identifying awarded points as performance obligations and allocating the transaction price based on the stand-alone selling price calculated in consideration of the points that are expected to expire in the future.
- iii) Revenue recognition relating to gift certificates  
Unused gift certificates issued by the Company were previously recorded as revenue after a certain period of time, while provision for loss on future collection of gift certificates was recorded in order to provide for the future use. However, it was changed to the method of identifying revenue when the probability becomes extremely low for customers to exercise their rights. The former method of recording the said revenue as non-operating income was changed to the method of recording it as operating revenue.

The Company has implemented the Accounting Standard for Revenue Recognition, etc. in accordance with the transitional treatment as provided for in the provision of paragraph 84 of the Accounting Standard for Revenue Recognition. The cumulative effect of retroactively applying new accounting policies prior to the beginning of the fiscal year ended March 31, 2021 is added to or deducted from retained earnings at the beginning of the fiscal year ended March 31, 2021 and new accounting policies have been applied to the balance from the beginning of the said period.

As a result, for the fiscal year ended March 31, 2021, total revenue decreased by ¥4,867 million, net sales decreased by ¥6,045 million, cost of sales decreased by ¥4,985 million, operating revenue increased by ¥1,178 million, operating income increased by ¥118 million, non-operating income decreased by ¥30 million, non-operating expenses decreased by ¥18 million, ordinary income and income before income taxes both increased by ¥106 million. Balance of retained earnings at the beginning of the fiscal year under review decreased by ¥36 million.

The effects on per share information are stated in the relevant sections.

In accordance with the transitional treatment as provided for in paragraph 89-2 of the Accounting Standard for Revenue Recognition, the Company has made no reclassification for the previous fiscal year by using the new presentation method.

***Segment information, etc.***

**Segment information**

This information is omitted because the Group operates in a single business segment, the supermarket business, mainly handling food.

**Related information**

**1. Information by products and services**

This information is omitted because net sales to customers under a single product and service category exceeded 90% of net sales in the consolidated statements of income.

**2. Information by geographical area**

**(1) Net sales**

Not applicable since the Company does not sell to customers outside Japan.

**(2) Tangible fixed assets**

Not applicable since the Company does not have tangible fixed assets located outside Japan.

**3. Information by major customer**

This information is omitted because no customer accounted for 10% or more of net sales in the consolidated statements of income.

**Information about loss on impairment loss on fixed assets by reportable segment**

This information is omitted because the Group operates in a single business segment, the supermarket business.

**Information concerning amortization and unamortized balance of goodwill by reportable segment**

This information is omitted because the Group operates in a single business segment, the supermarket business.

**Gain on bargain purchase by reportable segment**

Not applicable.