

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Consolidated Financial Results for the Fiscal Year Ended March 31, 2022 [Japanese GAAP]



May 10, 2022

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, Senior Managing Director and Chief Director of Business Management
 Phone: +81-49-246-7000
 Scheduled date of Annual General Meeting of Shareholders: June 21, 2022
 Scheduled date of commencing dividend payments: June 22, 2022
 Scheduled date of filing annual securities report: June 21, 2022
 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, 2022 (April 1, 2021 to March 31, 2022)

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

	Total revenue		Operating income		Ordinary income		Net income attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2022	536,025	5.5	24,081	7.2	23,290	4.9	15,382	5.4
March 31, 2021	507,862	10.3	22,458	13.0	22,211	13.2	14,593	17.1

(Note) Comprehensive income: Fiscal year ended March 31, 2022: ¥15,711 million [3.0%]
 Fiscal year ended March 31, 2021: ¥15,259 million [22.8%]

	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, 2022	396.08	372.04	12.5	8.1	4.5
March 31, 2021	375.81	353.07	13.2	8.6	4.4

(Reference) Equity in earnings of affiliated companies: Fiscal year ended March 31, 2022: ¥ (154) million
 Fiscal year ended March 31, 2021: ¥- million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2022	305,997	128,828	42.1	3,317.02
As of March 31, 2021	269,121	116,625	43.3	3,003.15

(Reference) Equity: As of March 31, 2022: ¥128,828 million
 As of March 31, 2021: ¥116,625 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, 2022	30,525	(46,909)	15,571	31,268
March 31, 2021	26,896	(23,345)	4,191	32,080

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, 2021	-	32.50	-	53.00	85.50	3,373	22.8	3.0
Fiscal year ended March 31, 2022	-	36.25	-	43.75	80.00	3,166	20.2	2.5
Fiscal year ending March 31, 2023 (Forecast)	-	40.00	-	40.00	80.00		19.4	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023 (April 1, 2022 to March 31, 2023)

(% 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
	546,000	1.9	25,500	5.9	24,700	6.1	16,000	4.0	411.97

* Notes:

(1) Changes in significant subsidiaries during the fiscal year ended March 31, 2022 (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: Yes

2) Changes in accounting policies other than 1) above: No

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, 2022: 40,013,722 shares

March 31, 2021: 40,013,722 shares

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

March 31, 2022: 1,174,975 shares

March 31, 2021: 1,179,180 shares

- 3) Average number of shares during the period:
 Fiscal year ended March 31, 2022: 38,837,603 shares
 Fiscal year ended March 31, 2021: 38,833,224 shares

(Reference) Summary of Non-consolidated Financial Results

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

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

	Total revenue		Operating income		Ordinary income		Net income	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2022	467,838	5.8	21,753	10.3	21,451	8.4	13,937	4.7
March 31, 2021	442,126	10.2	19,719	11.1	19,791	11.0	13,315	15.0

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2022	358.88	337.07
March 31, 2021	342.90	322.12

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2022	290,367	123,961	42.7	3,191.70
As of March 31, 2021	254,815	113,515	44.5	2,923.05

(Reference) Equity: As of March 31, 2022: ¥123,961 million
 As of March 31, 2021: ¥113,515 million

2. Non-consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023 (April 1, 2022 to March 31, 2023)

(% indicates changes from the previous corresponding period.)

	Total revenue		Operating income		Ordinary income		Net income		Basic earnings per share
Full year	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	469,500	0.4	22,100	1.6	21,600	0.7	14,100	1.2	363.05

* 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 5 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, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and bank deposits	32,080	31,268
Accounts receivable—trade	7,044	8,255
Merchandise and finished products	8,126	9,112
Raw materials and supplies	244	311
Other	10,596	11,355
Total current assets	58,091	60,303
Non-current assets		
Tangible fixed assets		
Buildings and structures	119,816	138,279
Accumulated depreciation	(51,504)	(55,937)
Buildings and structures (net)	68,312	82,341
Vehicles	47	41
Accumulated depreciation	(39)	(31)
Vehicles (net)	8	9
Tools, furniture and fixtures	33,913	39,969
Accumulated depreciation	(19,532)	(22,641)
Tools, furniture and fixtures (net)	14,380	17,328
Land	72,922	93,176
Leased assets	2,995	3,922
Accumulated depreciation	(1,191)	(1,405)
Leased assets (net)	1,803	2,516
Construction in progress	12,207	3,260
Total tangible fixed assets	169,634	198,633
Intangible fixed assets		
Goodwill	1,015	-
Leasehold rights	1,707	1,708
Leased assets	86	56
Other	5,221	4,747
Total intangible fixed assets	8,030	6,512
Investments and other assets		
Investment securities	467	429
Long-term loans receivable	961	952
Retirement benefit asset	320	329
Deferred tax assets	7,019	7,547
Deferred tax assets for land revaluation	-	8
Guarantee deposits paid	19,998	21,245
Other	4,567	10,013
Total investments and other assets	33,333	40,527
Total non-current assets	210,999	245,673
Deferred assets		
Bond issuance costs	29	20
Total deferred assets	29	20
Total assets	269,121	305,997

(Millions of Yen)

	As of March 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Accounts payable—trade	31,314	34,069
Current portion of long-term loans payable	12,639	4,671
Lease obligations	208	273
Income taxes payable	4,138	4,712
Provision for bonuses for employees	2,611	2,733
Other	18,375	18,483
Total current liabilities	69,287	64,942
Long-term liabilities		
Bonds payable	15,047	15,032
Long-term loans payable	45,437	72,766
Lease obligations	3,712	4,510
Deferred tax liabilities	1,111	1,106
Deferred tax liabilities on revaluation	34	-
Provision for retirement benefits for directors	225	228
Provision for retirement benefits for executive officers	31	34
Provision for stock compensation for employees	1,980	2,524
Provision for stock compensation for directors	179	160
Liability for retirement benefits	4,039	4,100
Asset retirement obligations	4,914	5,360
Other	6,492	6,402
Total long-term liabilities	83,207	112,226
Total liabilities	152,495	177,168
Net assets		
Shareholders' equity		
Common stock	4,199	4,199
Capital surplus	7,017	7,160
Retained earnings	113,716	125,180
Treasury stock	(4,767)	(4,888)
Total shareholders' equity	120,166	131,652
Accumulated other comprehensive income		
Unrealized gains on available-for-sale securities	194	171
Revaluation reserve for land	(3,370)	(2,939)
Remeasurements of defined benefit plans	(364)	(55)
Total accumulated other comprehensive income	(3,540)	(2,823)
Total net assets	116,625	128,828
Total liabilities and net assets	269,121	305,997

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

(Millions of Yen)

	For the fiscal year ended March 31, 2021	For the fiscal year ended March 31, 2022
Net sales	487,189	514,029
Cost of sales	363,286	384,259
Gross profit	123,902	129,769
Operating revenue	20,673	21,996
Operating gross profit	144,575	151,766
Selling, general and administrative expenses		
Distribution expenses	8,918	9,577
Advertising and promotion expenses	2,718	2,669
Salaries and allowances	49,820	53,089
Provision for bonuses for employees	2,922	2,987
Retirement benefit expenses	1,097	1,148
Provision for retirement benefits for directors	248	3
Provision for retirement benefits for executive officers	2	2
Provision for stock compensation for employees	229	565
Provision for stock compensation for directors	40	37
Legal welfare expenses	8,636	8,303
Utilities	4,540	5,282
Rent	13,336	14,166
Depreciation and amortization	9,582	10,303
Amortization of goodwill	1,015	1,015
Other	19,008	18,530
Total selling, general and administrative expenses	122,117	127,684
Operating income	22,458	24,081
Non-operating income		
Interest income	100	105
Dividend income	8	8
Subsidy income	121	98
Other	89	67
Total non-operating income	319	279
Non-operating expenses		
Interest expenses	545	896
Share of loss of entities accounted for using equity method	-	154
Other	20	19
Total non-operating expenses	565	1,070
Ordinary income	22,211	23,290

(Millions of Yen)

	For the fiscal year ended March 31, 2021	For the fiscal year ended March 31, 2022
Extraordinary income		
Gain on sales of fixed assets	99	4
Penalty income on lease contracts	76	4
Gain on reversal of asset retirement obligations	23	43
Total extraordinary income	199	52
Extraordinary losses		
Loss on sales of fixed assets	505	9
Loss on disposal of fixed assets	287	151
Loss on impairment	528	693
Other	-	111
Total extraordinary losses	1,322	966
Income before income taxes	21,089	22,376
Income taxes - current	6,906	7,651
Income taxes - deferred	(411)	(657)
Total income taxes	6,495	6,993
Net income	14,593	15,382
Net income attributable to owners of parent	14,593	15,382

Consolidated Statements of Comprehensive Income

(Millions of Yen)

	For the fiscal year ended March 31, 2021	For the fiscal year ended March 31, 2022
Net income	14,593	15,382
Other comprehensive income		
Unrealized gains on available-for-sale securities	27	(26)
Revaluation reserve for land	50	43
Remeasurements of defined benefit plans	587	309
Share of other comprehensive income of entities accounted for using equity method	-	2
Total other comprehensive income	665	329
Comprehensive income	15,259	15,711
Comprehensive income attributable to Owners of parent	15,259	15,711

(3) Consolidated Statements of Changes in Net Assets
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

For the fiscal year ended March 31, 2022

(Millions of Yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance, April 1, 2021	4,199	7,017	113,716	(4,767)	120,166
Cumulative effects of changes in accounting policies					-
Restated balance	4,199	7,017	113,716	(4,767)	120,166
Changes during the year					
Cash dividends			(3,531)		(3,531)
Net income attributable to owners of parent			15,382		15,382
Purchase of treasury stock				(174)	(174)
Disposal of treasury stock		142		53	196
Reversal of revaluation reserve for land			(387)		(387)
Other changes during the year—net					
Total changes during the year	-	142	11,463	(120)	11,486
Balance, March 31, 2022	4,199	7,160	125,180	(4,888)	131,652

	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, 2021	194	(3,370)	(364)	(3,540)	116,625
Cumulative effects of changes in accounting policies					-
Restated balance	194	(3,370)	(364)	(3,540)	116,625
Changes during the year					
Cash dividends					(3,531)
Net income attributable to owners of parent					15,382
Purchase of treasury stock					(174)
Disposal of treasury stock					196
Reversal of revaluation reserve for land					(387)
Other changes during the year—net	(23)	430	309	716	716
Total changes during the year	(23)	430	309	716	12,202
Balance, March 31, 2022	171	(2,939)	(55)	(2,823)	128,828

(4) Consolidated Statements of Cash Flows

(Millions of Yen)

	For the fiscal year ended March 31, 2021	For the fiscal year ended March 31, 2022
Cash flows from operating activities		
Income before income taxes	21,089	22,376
Depreciation and amortization	10,203	11,250
Loss on impairment	528	693
Amortization of goodwill	1,015	1,015
Increase (decrease) in provision for retirement benefits for directors	27	3
Increase (decrease) in provision for retirement benefits for executive officers	2	2
Increase (decrease) in provision for stock compensation for employees	212	543
Increase (decrease) in provision for stock compensation for directors	20	(18)
Increase (decrease) in liability for retirement benefits	286	306
Interest and dividend income	(108)	(113)
Interest expenses	545	896
Share of loss (profit) of entities accounted for using equity method	-	154
Loss (gain) on sales of fixed assets	406	5
Loss on disposal of fixed assets	287	151
Decrease (increase) in trade receivables	(334)	(1,210)
Decrease (increase) in inventories	(317)	(1,053)
Increase (decrease) in trade payables	338	2,754
Net change in consumption taxes payable or receivable	(609)	(803)
Other—net	731	1,625
Subtotal	34,326	38,580
Interest and dividend income received	11	24
Interest expenses paid	(521)	(873)
Income taxes paid	(6,920)	(7,205)
Net cash provided by operating activities	26,896	30,525
Cash flows from investing activities		
Purchase of tangible fixed assets	(21,120)	(38,826)
Proceeds from sales of tangible fixed assets	1,865	7
Purchase of intangible fixed assets	(692)	(902)
Purchase of shares of subsidiaries and associates	-	(5,656)
Loan advances	(1,390)	(400)
Payments of guarantee deposits	(2,755)	(2,293)
Collection of guarantee deposits paid	803	1,068
Other—net	(56)	93
Net cash used in investing activities	(23,345)	(46,909)
Cash flows from financing activities		
Proceeds from long-term loans payable	16,000	32,000
Repayments of long-term loans payable	(8,974)	(12,639)
Purchase of treasury stock	(1,999)	(174)
Proceeds from sales of treasury stock	2,005	177
Payment of cash dividends	(2,651)	(3,530)
Repayments of lease obligations	(188)	(261)
Net cash provided by (used in) financing activities	4,191	15,571
Net increase (decrease) in cash and cash equivalents	7,741	(811)
Cash and cash equivalents, beginning of the year	24,338	32,080
Cash and cash equivalents, end of period	32,080	31,268

(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 Fair Value Measurement” (ASBJ Statement No. 30, July 4, 2019; hereinafter referred to as “Fair Value Measurement Accounting Standard”), etc. from the beginning of the fiscal year under review, and will apply new accounting policies prescribed by the Fair Value Measurement Accounting Standard, etc. into the future in accordance with the transitional treatment stipulated in Paragraph 19 of the Fair Value Measurement Accounting Standard and Paragraph 44-2 of the “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, July 4, 2019). The adoption had no impact on the consolidated financial statements.

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.