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**Consolidated Financial Results  
for the Nine Months Ended December 31, 2020  
[Japanese GAAP]**



February 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 filing quarterly securities report: February 10, 2021  
 Scheduled date of commencing dividend payments: –  
 Availability of supplementary briefing material on quarterly financial results: No  
 Schedule of quarterly financial results briefing session: No

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

**1. Consolidated Financial Results for the Nine Months Ended December 31, 2020 (April 1, 2020 to December 31, 2020)**

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

	Total revenue		Operating income		Ordinary income		Net income attributable to owners of parent	
Nine months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
December 31, 2020	388,418	12.5	23,577	30.4	23,397	30.7	15,837	32.7
December 31, 2019	345,349	4.3	18,078	5.8	17,896	6.6	11,930	(6.5)

(Note) Comprehensive income: Nine months ended December 31, 2020: ¥15,981 million [32.7 %]

Nine months ended December 31, 2019: ¥12,047 million [(5.9) %]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2020	407.85	383.25
December 31, 2019	307.26	293.85

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of December 31, 2020	253,664	117,346	46.3	3,021.72
As of March 31, 2020	244,511	104,037	42.5	2,679.23

(Reference) Equity: As of December 31, 2020: ¥117,346 million

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

## 2. Dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended March 31, 2020	Yen -	Yen 30.00	Yen -	Yen 35.00	Yen 65.00
Fiscal year ending March 31, 2021	-	32.50	-		
Fiscal year ending March 31, 2021 (Forecast)				32.50	65.00

(Note) Revision to the forecast for dividends announced most recently: No

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

(% 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
	473,100	2.7	20,200	1.6	19,900	1.4	12,700	1.9	327.06

(Note) Revision to the financial results forecast announced most recently: No

### \* Notes:

(1) Changes in significant subsidiaries during the nine months ended December 31, 2020 (changes in specified subsidiaries resulting in changes in scope of consolidation): No

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

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No

(3) 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 8 of the Attachment, "Consolidated Financial Statements and Primary Notes, (3) Notes to the Consolidated Financial Statements, Changes in accounting policies."

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

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

December 31, 2020: 40,013,722 shares

March 31, 2020: 40,013,722 shares

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

December 31, 2020: 1,179,448 shares

March 31, 2020: 1,182,501 shares

3) Average number of shares during the period:

Nine months ended December 31, 2020: 38,832,869 shares

Nine months ended December 31, 2019: 38,830,546 shares

\* These quarterly financial results are outside the scope of quarterly review 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. Qualitative Information on Financial Results for the Nine Months Ended December 31, 2020, (3) Explanation of financial results forecast and forward-looking information.”

## Consolidated Financial Statements and Primary Notes

### (1) Consolidated Balance Sheets

(Millions of Yen)

	As of March 31, 2020	As of December 31, 2020
<b>Assets</b>		
Current assets		
Cash and bank deposits	24,338	19,686
Accounts receivable—trade	6,710	10,027
Merchandise and finished products	7,806	8,404
Raw materials and supplies	246	248
Other	8,960	13,138
Total current assets	48,062	51,505
Non-current assets		
Tangible fixed assets		
Buildings and structures (net)	67,784	67,554
Land	71,533	74,874
Other (net)	19,989	23,180
Total tangible fixed assets	159,307	165,609
Intangible fixed assets		
Goodwill	2,031	1,269
Other	7,826	7,443
Total intangible fixed assets	9,857	8,713
Investments and other assets		
Deferred tax assets	6,820	6,077
Guarantee deposits paid	18,023	19,356
Other	2,399	2,369
Total investments and other assets	27,244	27,803
Total non-current assets	196,409	202,126
Deferred assets	39	32
<b>Total assets</b>	<b>244,511</b>	<b>253,664</b>

(Millions of Yen)

	As of March 31, 2020	As of December 31, 2020
<b>Liabilities</b>		
Current liabilities		
Accounts payable—trade	30,975	35,591
Current portion of long-term loans payable	8,974	7,577
Income taxes payable	4,164	4,016
Provision for bonuses for employees	2,550	1,376
Provision for loss on future collection of gift certificates	41	-
Provision for point card certificates	1,752	-
Other	13,620	14,730
Total current liabilities	62,079	63,291
Long-term liabilities		
Bonds payable	15,062	15,051
Long-term loans payable	42,077	36,609
Deferred tax liabilities	1,121	1,101
Deferred tax liabilities on revaluation	34	34
Provision for retirement benefits for directors	197	223
Provision for retirement benefits for executive officers	29	31
Provision for stock compensation for employees	1,767	1,737
Provision for stock compensation for directors	158	178
Liability for retirement benefits	4,101	4,298
Asset retirement obligations	4,188	4,476
Other	9,654	9,283
Total long-term liabilities	78,394	73,026
Total liabilities	140,473	136,318
<b>Net assets</b>		
Shareholders' equity		
Common stock	4,199	4,199
Capital surplus	5,361	5,361
Retained earnings	101,925	115,075
Treasury stock	(3,128)	(3,113)
Total shareholders' equity	108,358	121,523
Accumulated other comprehensive income		
Unrealized gains on available-for-sale securities	166	185
Revaluation reserve for land	(3,534)	(3,534)
Remeasurements of defined benefit plans	(952)	(828)
Total accumulated other comprehensive income	(4,320)	(4,176)
Total net assets	104,037	117,346
Total liabilities and net assets	244,511	253,664

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

(Millions of Yen)

	Nine months ended December 31, 2019 (April 1, 2019 – December 31, 2019)	Nine months ended December 31, 2020 (April 1, 2020 – December 31, 2020)
Net sales	331,678	372,708
Cost of sales	245,684	276,733
Gross profit	85,993	95,975
Operating revenue	13,671	15,709
Operating gross profit	99,665	111,685
Selling, general and administrative expenses	81,586	88,107
Operating income	18,078	23,577
Non-operating income		
Interest income	76	73
Dividend income	8	8
Subsidy income	133	103
Other	58	53
Total non-operating income	276	239
Non-operating expenses		
Interest expenses	430	402
Other	28	16
Total non-operating expenses	458	419
Ordinary income	17,896	23,397
Extraordinary income		
Penalty income on lease contracts	-	73
Gain on reversal of asset retirement obligations	-	23
Total extraordinary income	-	96
Extraordinary losses		
Loss on disposal of fixed assets	56	57
Loss on impairment	1	14
Total extraordinary losses	57	72
Income before income taxes	17,838	23,422
Income taxes - current	5,300	6,907
Income taxes - deferred	606	677
Total income taxes	5,907	7,584
Net income	11,930	15,837
Net income attributable to owners of parent	11,930	15,837

## Consolidated Statements of Comprehensive Income

(Millions of Yen)

	Nine months ended December 31, 2019 (April 1, 2019 – December 31, 2019)	Nine months ended December 31, 2020 (April 1, 2020 – December 31, 2020)
Net income	11,930	15,837
Other comprehensive income		
Unrealized gains on available-for-sale securities	15	19
Remeasurements of defined benefit plans	101	124
Total other comprehensive income	116	143
Comprehensive income	12,047	15,981
Comprehensive income attributable to		
Owners of parent	12,047	15,981

### (3) Notes to the Consolidated Financial Statements

#### **Notes on going concern assumption**

Not applicable.

#### **Notes in the Event of Material Changes in the Amount of Shareholders' Equity**

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 first quarter of the fiscal year, 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 first quarter of the fiscal year is added to or deducted from retained earnings at the beginning of the first quarter of the fiscal year and new accounting policies have been applied to the balance from the beginning of the said period.

As a result, for the nine months ended December 31, 2020, total revenue decreased by ¥3,598 million, net sales decreased by ¥4,490 million, cost of sales decreased by ¥3,622 million, operating revenue increased by ¥891 million, operating income increased by ¥23 million, non-operating income decreased by ¥20 million, non-operating expenses decreased by ¥12 million, ordinary income and income before income taxes both increased by ¥15 million. Balance of retained earnings at the beginning of the fiscal year under review decreased by ¥36 million.

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.



### ***Important subsequent events***

(Establishment of a consolidated subsidiary)

At a meeting of Board of Directors held on January 18, 2021, the Company resolved to establish a consolidated subsidiary. Details of the company are as follows:

(1) Purpose of establishment

The Group is working to create corporate value and achieve sustainable growth under the long-term vision of aiming “to become the best supermarket chain which enriches the everyday lives of customers.”

In order to enhance the organizational strength of the Group as a whole and improve customer service, we established FOOCOT CO., LTD., whose operational format is new to the Company, on February 1, 2021.

(2) Overview of the consolidated subsidiary

Trade name:	FOOCOT CO., LTD.
Location of head office:	460-1, Ogawa, Ogawa-machi, Hiki-gun, Saitama
Date of establishment:	February 1, 2021
Representative person:	Arai Noriaki, President and Representative Director
Business description:	Supermarket business
Capital stock:	¥400 million
Fiscal year end:	March 31
Shareholder:	100% owned by YAOKO CO., LTD.