

YAKO Report



Company name	YAKO CO., LTD.
Head office	1-10-1 Arajukumachi, Kawagoe-shi, Saitama, 350-1124
Phone	049-246-7000 (Switchboard)
Representatives	Chairman and Representative Director Yukio Kawano President and Representative Director Sumito Kawano
Capital stock	¥9,846 million
Employees	4,347 (as of March 31, 2024) <Consolidated> Plus 13,400 partner and casual members (calculated at 8 hours per day).
Number of stores	205 (as of March 31, 2024) <Consolidated>
Group companies	AVE Co., Ltd. Foocot Co., Ltd. Sendo Co., Ltd. Yaoko Business Service Co., Ltd. (unconsolidated subsidiary) Ogawa Trading Co., Ltd. (unconsolidated subsidiary) Yaoko Harmony Co., Ltd. (unconsolidated subsidiary)
URL	https://www.yaoko-net.com/



Message from the President
**A structural shift from a “Showa era model”
to a “Reiwa era model”**

Special Report: The Group's 11th Mid-term Management Plan
**Strengthening Through Synergy: Building the Foundation
for Achieving 1 Trillion Yen in Group Sales**



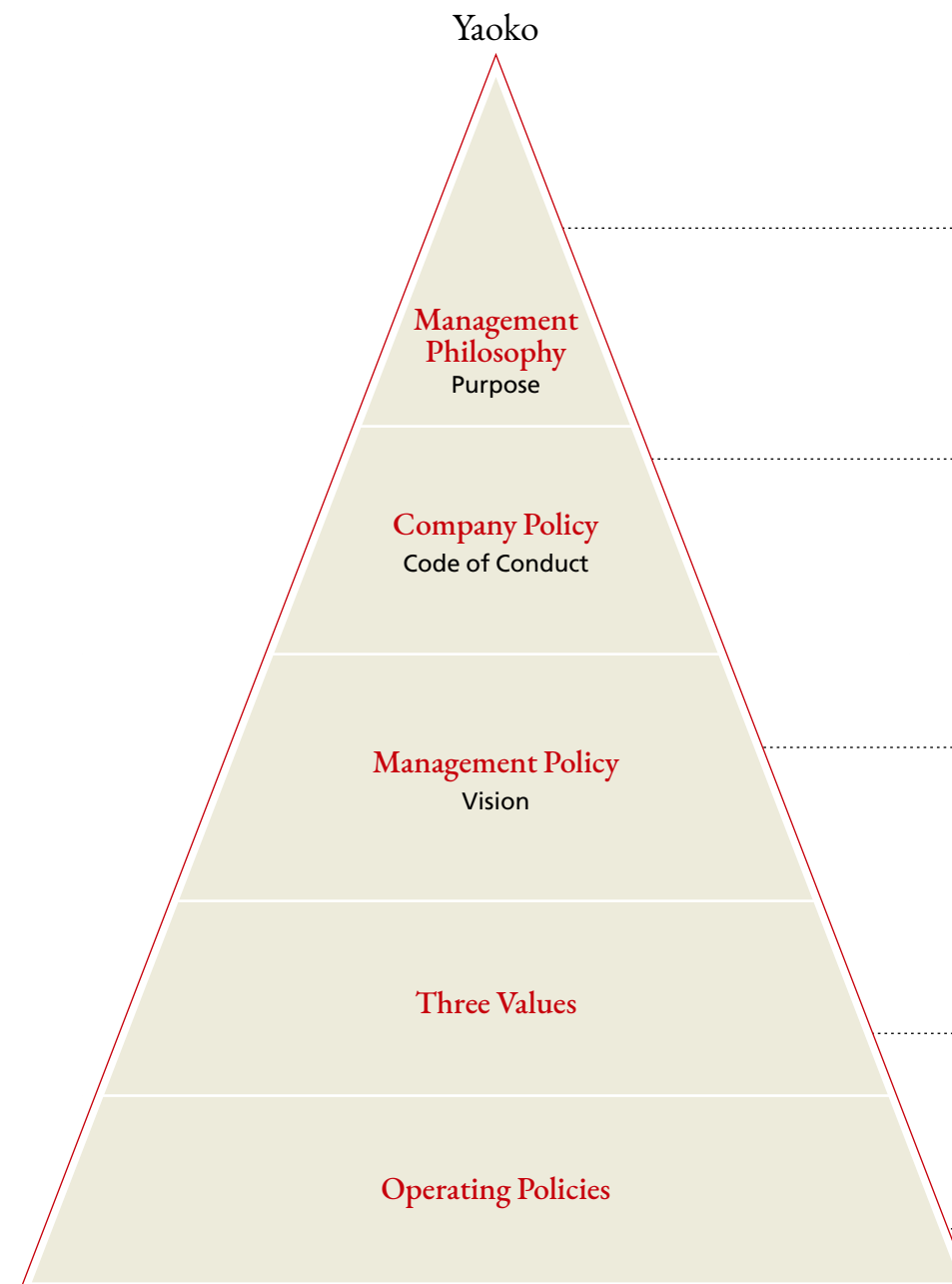
Yaoko Group Management Philosophy

More abundant and enjoyable dietary lives for everyone in the region

Vision

- Constantly provide our customers with value beyond just price
- Be a company where all employees are proud of their work and enjoy their living
- Build our own model of high productivity while eliminating waste
- Contribute to solving social issues by collaborating with all stakeholders

The Yaoko Group, encompassing the businesses of Yaoko, AVE, Foocot, and Sendo is there for all our customers in the region. We aspire to be relied on as a presence that warmly watches over the region, connected with our customers, employees, business partners, and the local community, contributing to their well-being and sustainability.



By enriching the daily lives of local consumers, we contribute to the improvement and development of regional culture

- We contribute to ensuring that all residents in the region can experience 'happiness' in their daily lives
- As the heart of the local community, we inherit and create a lifestyle culture associated with food
- We create connections between people and achieve a society that is rich in spirit and sustainable

A cheerful life will create a cheerful store

1. Create reliable goods that will make customers happy.
2. Build a spirit of service that is sincere to customers.
3. Create individuals who always act with a healthy smile.

Propose abundant, enjoyable, and healthy dietary lives

- Basic definition of ideal MD*
1. Prepare a lineup of tasty products in abundance
 2. Provide them at reasonable prices
 3. Not just side dishes but enough for a small feast
 4. Propose meal menus, other lifestyle ideas and solutions to food-related issues
 5. Bring variety to regular everyday life and achieve abundant, enjoyable dietary lives

Offering meal solutions and price-conscious choices

*Merchandising (MD) refers to all actions required to provide products and services to customers, from planning to sales



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Editorial Policy

The *Yaoko Report 2024* includes performance and business summaries, financial information, and more, focusing on our management philosophy and business strategies. In addition, comprehensive non-financial information which supports dynamic growth is also included. We hope it will be used by a variety of stakeholders, especially shareholders and investors, to promote an understanding of the Yaoko Group.

Reporting Period

April 2023 to March 2024

Important Points about Future Estimations

The *Yaoko Report 2024* contains uncertain elements, such as estimates and forecasts of the future performance of our group. These elements are based on information and certain premises determined to be reasonable, as currently obtained by our company at the time of issuing this report. Actual results may differ greatly from these forecasts due to various causes.

Scope of Reporting

YAOKO Co., Ltd. and Group companies



Message from the Chairman



We aspire to be appreciated by our customers as an enterprise enriching their daily lives

Yukio Kawano

Chairman and Representative Director

Due to COVID-19's reclassification as a Class 5 infectious disease in May 2023, the economy and society are returning to the normal pre-COVID state of affairs. At the same time, however, due to Russia's prolonged invasion of Ukraine and a worsening situation in the Middle East, there are shortages of energy resources and raw materials, and global inflation is continuing. Amidst these circumstances, the yen has been weakening rapidly due to the difference in interest rates between Japan and other countries, and the prices of all goods and services have been rising in Japan. Although government-led wage increases have been implemented, they have been limited to a few large companies, leading to the emergence of a situation known as consumption polarization. In addition, Japan has the most aging population in the world. The situation will become even more serious with the addition of higher personnel expenses due to labor shortages, and consumers will become increasingly aware of the need to maintain their standard of living.

In retailing, which is our business, ceaseless adaptation to continuous change is a way of life. To meet evolving customer needs, we frequently update our products and services, which themselves can be catalysts of change in customers' lifestyles and values. This is an issue we need to properly address in the uncertain world we face going forward. On the other hand, there are some things that remain constant and should not be changed in a company. Those are its philosophy and its principles, which are a company's fundamental ideas. I firmly believe that an ambitious corporate philosophy and unwavering principles are the backbones of corporate management, endowing the enterprise with the strength it needs to develop

steadily far into the future.

Yaoko's corporate philosophy emphasizes our contribution to the improvement and development of regional culture by enriching the daily lives of local consumers. It is not about thinking "if our products sell, that's good enough" or "if we make money, that's good enough." Our work should contribute to everyone in the community having an enjoyable and abundant day-to-day life, especially in the area of food. It should make many people feel happy to live by our stores. That is the meaning of this company's existence, and its purpose. It is often said that "Yaoko is unwavering," and I think this is primarily due to the fact that our corporate philosophy is unwavering. I firmly believe that management based on our corporate philosophy that has been passed down from generation to generation, ever since the company was founded, has been the driving force behind our company's development to date.

For many people, enjoying their food and having abundance in their dietary habits should be the base of their happiness in life. The level of trade at a supermarket also has a major impact on the level of food consumption of the people in the area, so our role is important in that sense, and the significance of that role makes the work of each and every person in our group worthwhile.

Eiichi Shibusawa, a great man born in Saitama Prefecture, guided us to pursue profit with morality, and to put the public interest first. In order to enrich our customers' daily lives so that they will appreciate Yaoko as a valued partner in their pursuit of happiness, and for the sake of the world, all of us will think about what we can do and how we can be of service, then endeavor to do our best every day.

Yaoko Group's History

We have continued to develop as a Group, together with the growth of our stores.

1890~

Founded as a fruit and vegetable store, then began to expand into a self-service supermarket chain

In 1890, Kotaro Kawano established Yaoko in Bushu Ogawamachi, Saitama. Afterward, in 1958, we shifted to supermarkets which adopted a self-service sales model.



Yaoko around 1945



(billions of yen)
35

1958

Shift to supermarkets using a self-service model



30

1972

Opening of the Ogawa Shopping Center, effectively the first chain store

25

1988

Stock offering as over-the-counter JSDA registered stock (Tokyo region)

20

■ Net sales (billions of yen / right axis)
● Ordinary income (billions of yen / left axis)
◆ Number of stores (consolidated)

15

10

5

0

1988 1989 1990 1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008

1994~

(The 1st to 5th Mid-Term Management Plans)

Establishing our trade as lifestyle assortment-style and meal solution-type supermarkets

With the everyday life of our customers changing, we considered: "What can we offer? What kind of supermarket do we aim to become?" Through this consideration, we have set a clear direction to become "lifestyle assortment-style supermarkets" that counter commodity discount-style supermarkets. The first full-fledged step in that direction was the major renovation of the Sayama Store in 1998. We introduced the concept of "lifestyle assortment" in earnest, with a wide selection of fresh and delicious food products and support for food-related proposals tailored to the individual needs and lifestyles of each customer.

We then saw many people having to think of what to cook every day in their daily lives. To address such worries, we made efforts to create supermarkets that can offer customer-oriented suggestions and support, and introduced meal solutions at our Kawagoe Minami Furuya Store and Wakaba Walk Store.



1998

Remodeling of the Sayama Store as a lifestyle assortment-style supermarket



2003

Opening of the Kawagoe Minami Furuya Store



2004

Opening of the Wakaba Walk Store

Surpassed
100
stores

2009~

(The 6th to 9th Mid-Term Management Plans)

**Acting price-conscious, which includes discount-style stores
Evolving our business, strengthening our foundation as a chain**

Amid sluggish consumer spending and growing income disparity, we added discount-style supermarkets to our group in 2017 and began working on price consciousness to expand our trade area share as a group.



2012

Opening of the Kawagoe Matoba Store, which started our price consciousness



2013

Opening of the Higashi Yamato Store
Launch of the "Yes! YAOKO" private label



2014

Opening of the Delicatessen & Fresh Food Center in Higashimatsuyama, Saitama Prefecture



2017

Opening of the Kumagaya Distribution Center
AVE Co., Ltd., which operates discount style supermarkets, becomes a wholly owned subsidiary

2020

Remodeling of the Tokorozawa Kitahara Store with the aim to establish a next-generation flagship store model

Surpassed
150
stores

Surpassed
200
stores

FY2023
Net sales of
511.3 billion yen
Ordinary income of
25 billion yen
Number of stores
205 stores (consolidated)

Achieved 35 consecutive terms of increased sales and profits (non-consolidated)

2021~

(The 10th Mid-Term Management Plan, and what comes next)

New stage toward independence and sustainable growth

In order to become known as "Yaoko," not just a supermarket, we will further promote the decentralized chain-store system and aim to become the number one supermarket group in terms of regional market share, satisfying all customers.



2021

Opening of the Wako Maruyamada Store that targets the young family demographic
Establishment of Focot Co., Ltd. to operate discount-style supermarkets

Capital and business tie-up with Sendo Co., Ltd., which has converted to an equity-method affiliate

Opening of the Kumagaya Delicatessen and Fresh Food Center, which functions as a processing center for fresh foods



2023

Opening of the Soka Matsubara Store as a model of the urban small store format

(billions of yen)
700

600

500

400

300

200

100

0

(FY)

Yaoko Group's Strengths

The strengths of the Yaoko Group, which offers value to customers in the local community, are human power, proposal power, and product appeal.

Human Power (Resourcefulness)

The foundation of our strengths lies in the implementation of a decentralized chain-store system; an all-participation policy and teamwork; and a bottom-up approach

As a retailer that adapts to change, Yaoko bestows significant authority on the stores closest to customers, in order to manage our business in accordance with their increasingly diverse needs. To improve customer satisfaction, we are thoroughly committed to a decentralized chain-store system and a bottom-up approach led by store, rather than everything being controlled by headquarters. The driving force behind that commitment is the strong will that our employees have to comprehend the Management Philosophy and Management Policy and put them into practice, as well as their ability at the individual level to acquire a high level of expertise and skills in purchasing, processing, and sales, and to think and act on their own to satisfy customers. In addition, in order to create stores that meet regional needs through the decentralized chain-store system, it is vital for us to detect the

needs of customers living in the community more quickly, understand them in more depth, and reflect them in store operations. This is made possible by our partners* who live in the area and know it well. All employees, including partners and casual workers, share their wisdom and ingenuity with each other, and continue to take on challenges as a team with the participation of everyone. The leader, who acts as an initiator, will then sum up everyone's thoughts to maximize the true power of the decentralized chain-store system. Yaoko will continue to develop human resources who can act on their own initiative from the customer's perspective, while valuing the three concepts of appreciation, taking on challenges, and commitment.

* "Partners" refers to regular part-time employees. At Yaoko, they are called partners.

— VOICE —

The most rewarding thing now is training young employees

As a store manager, I get great pleasure from talking with younger employees and getting involved in sales floor creation and sales floor planning, which improves our ability to think and act independently of each other and allows me to feel that they are experiencing growth. In discussions, of course, I convey my requests as the store manager, but sometimes at the outset, they tell me that they don't understand or that the request is difficult. Nevertheless, honestly, I feel glad when they understand me through repeated successes and failures as we work together. It's okay for young employees to make mistakes, so I want young employees to challenge themselves to do things they normally cannot do, even if they fail, and broaden their horizons.

Yuichi Suzuki

Tokorozawa Kitahara Store, Manager

To become a supermarket where people can come in the evening to buy tonight's meal

We try to focus on the "evening meal sale" which is held every day from 4:00 p.m., with the thought that we can't call ourselves the number one supermarket in the community if we aren't the place where people come to buy their meal for that night. While it's important to convey the quality of merchandise through promotional materials and verbal messages, I believe that the most effective way to do so is through samples. We weren't able to give out samples during the COVID-19 pandemic, but the whole time we were making preparations, we thought, "Once we start giving out samples again, let's make our customers happy through Yaoko's unique way of selling food!" Now we're giving out samples again, and I think we have the liveliest evening market across all locations.

Kenkichi Kobayashi

Warabi Nishikicho Store, Manager

Carrying on our management philosophy

Rather than just being content with selling goods and making profits, the linchpin of Yaoko's management are our aspirations to contribute to the local community as a result of our daily business. In order to be a supermarket that proposes abundant, enjoyable, and healthy dietary lives, where every customer is glad to have Yaoko in their lives and happy to live close to Yaoko, we will work to pass on our Management Philosophy to the next generation.

Robust training systems

A decentralized chain-store system, a bottom-up approach, an all-participation policy, and teamwork; all of the keywords that describe our strength come down to "people." People are the source of our development, and their growth leads to the company's growth. We value people and encourage them to grow. Based on this mindset, we are conducting personnel training under various training systems.



Proposal power

Offering fresh and colorful dietary lives through meal solutions

Many people are dealing with having to think of what to cook every day in their daily lives. Amidst those circumstances, Yaoko is aiming to be a supermarket that provides support for the needs of local customers, helping to solve problems related to meals by offering menu suggestions and cooking advice for customers' daily meals. When making proposals, we offer product lineups and sales floors to give customers variety in their meals and allow them to perceive the seasons and product seasonality. We also introduce the delicacies of producing regions through production area fairs, sell single items in quantities that make it easy

to decide on a daily menu, and introduce a lifestyle that allows customers to enjoy cheese and wine. We also offer proposals tailored to customers' requests for easier meal preparation and more health-consciousness due to changes in their lifestyles and growing health consciousness. The level of trade at the nearest supermarket for customers determines the level of the dietary lives of customers in that area. With that in mind, we are constantly refining our ability to make proposals to enrich the dietary lives of local customers and make them more enjoyable.

— VOICE —

Towards one-of-a-kind proposals sparked by conversations with our customers

When it comes to cooking support, we value our conversations with our customers. From these conversations, we draw out their concerns and problems while engaging in back-and-forth communication. More often than not, we are more likely to be listeners, but when we start by striking up a casual conversation and connecting it to menu suggestions, we find that some customers put the suggestions in their baskets and say, "I'd like to try making this." There are a hundred different ways to serve a hundred different customers. I would like to make one-of-a-kind proposals based on the tips we get from observing, imagining, and talking with these people.

Miwa Hirano

LaLaPort Fujimi Store, Cooking Support

Product appeal

Thoroughly pursuing "deliciousness" by creating products that are uniquely Yaoko

Recent price hikes, due to soaring raw material prices and the weak yen, have had a major impact on the household budgets of our customers. The food supermarket industry is also facing an increasingly competitive environment, with online trading and other industries entering the food sector. For Yaoko to demonstrate a strong presence in such circumstances, the question of how to continue offering tasty products has become even more crucial. To delight our customers

with tasty products, we are absolutely uncompromising when creating them. We strive each day to exhaustively pursue deliciousness and develop products that our store employees can confidently recommend to customers. Going forward, in order for us to continue offering products unique to Yaoko, which are linked to the reasons that our customers visit our stores, we will continue to refine our product appeal, which is a Yaoko strength.

— VOICE —

A popular product born from hundreds of trials and taste tests

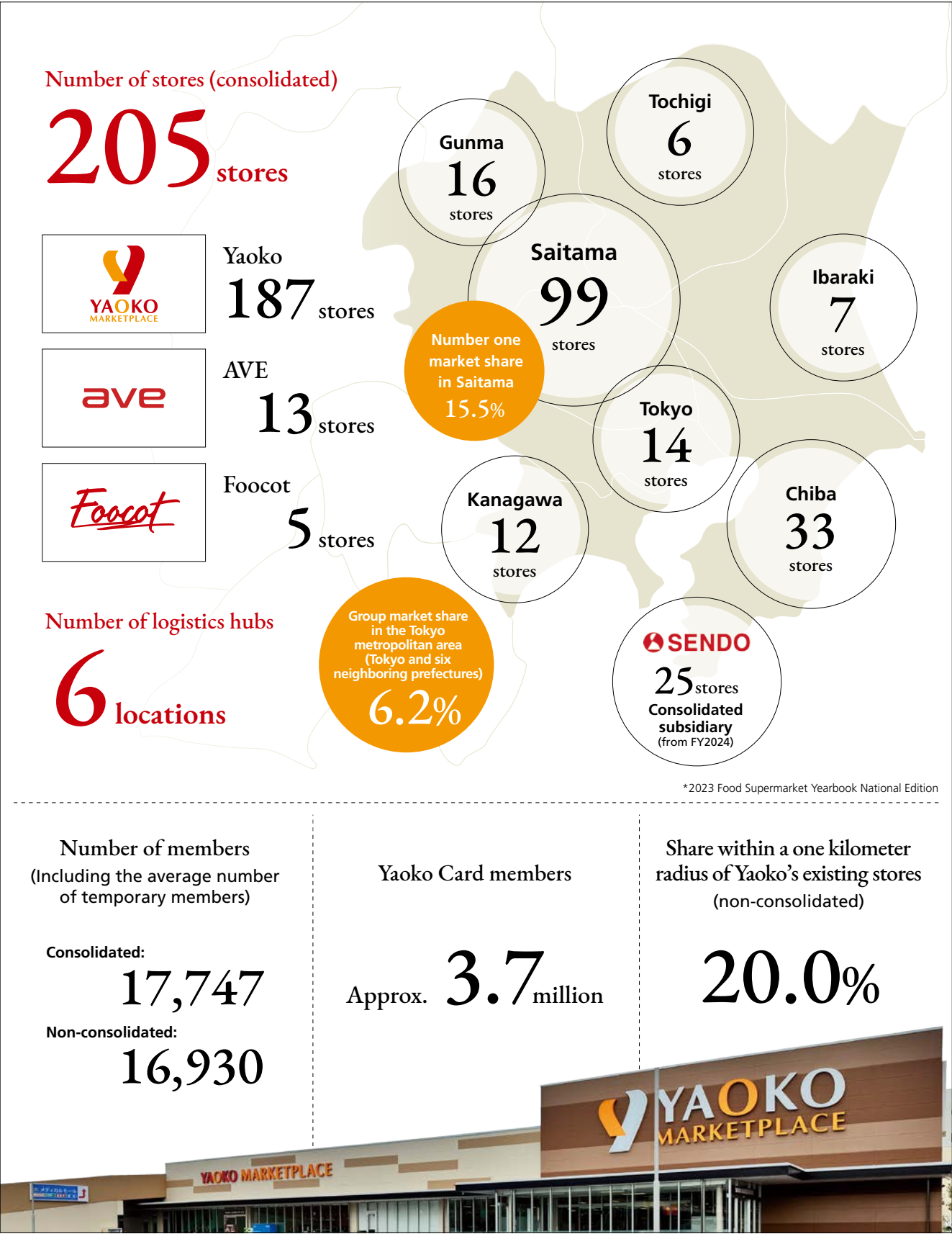
"The Addictive Poke Bowl" was inspired by my experience of tasting poke in Hawaii during my college years and thinking, "This is delicious!" I've always wanted to bring this product to market. Over a period of about six months, I carefully considered the ingredients and seasoning. The key to its success lies in our uniquely developed sauce. With the cooperation of our suppliers, we adjusted the seasoning quantities down to 0.1mg, conducting hundreds of trials and taste tests. Since its release, competitors have also started to follow suit with their own versions of poke bowls. This experience has made me realize that the true joy of being a buyer is the ability to create new markets and food cultures through our products.

Ayano Naito

SPA Development Department Higashimatsuyama Delicatessen and Fresh Food Center

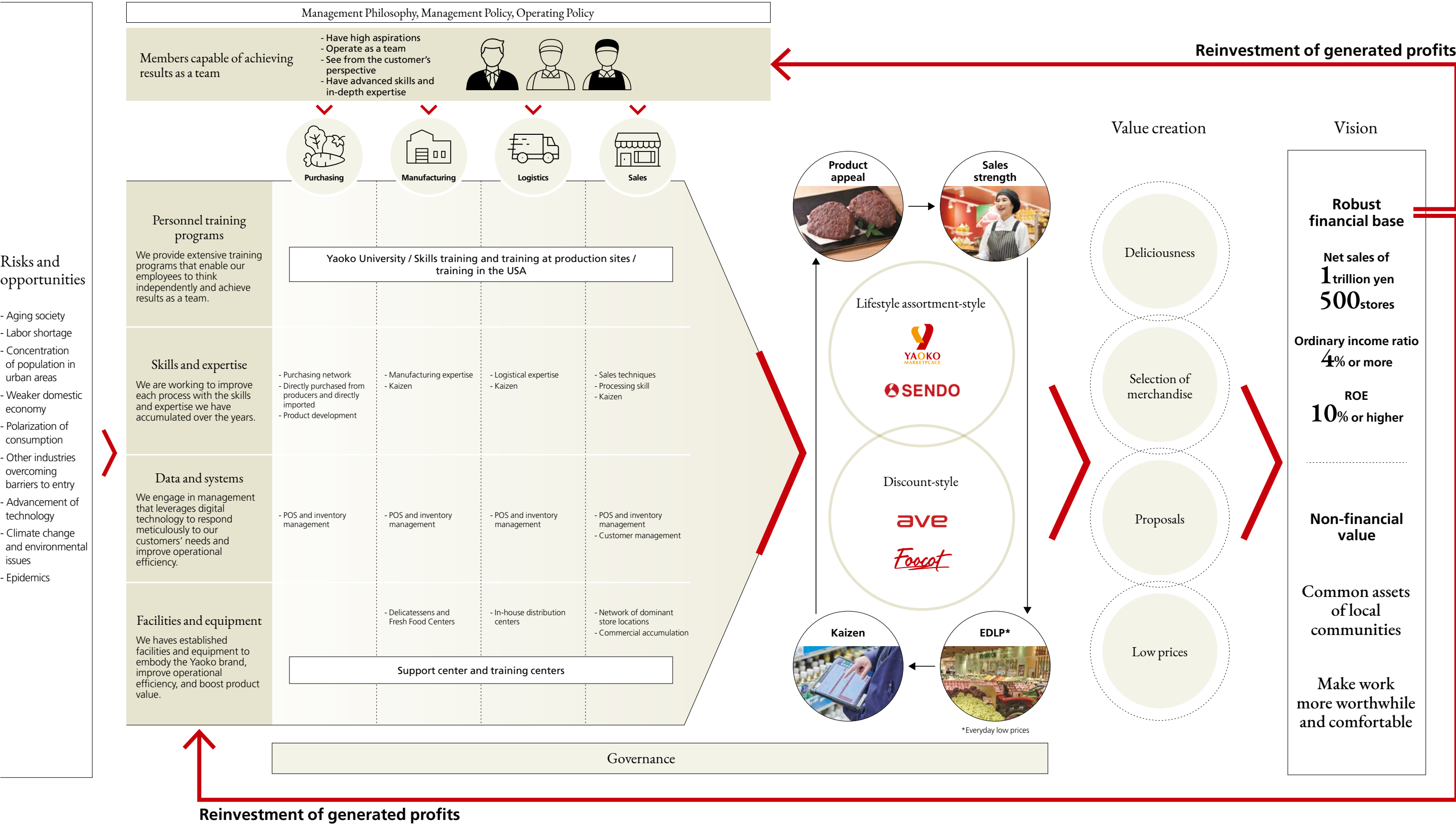
At a Glance (FY2023)

We are increasing our number of stores and expanding our locations, and we continue to grow year after year.



Yaoko Group's Value Creation Process

At Yaoko, we will implement a strategy that makes best use of our strengths, including human power (resourcefulness), to create social and economic value. We will aim for further growth by reinvesting the value we create into our resources.





Message from the President

Moving forward with a transformation from a “Showa era model” to a “Reiwa era model” through the New Mid-Term Management Plan

Sumito Kawano

President and Representative Director

Yaoko’s strength is its ability to carry out things that are taken for granted

Thanks to our strong performance in the fiscal year ending March 31, 2024, the final year of the 10th Mid-Term Management Plan (the 10th Mid-Term Plan), we were able to hit our targets for sales and profits on both a consolidated and non-consolidated basis. In addition, on a non-consolidated basis, Yaoko posted increases in both income and profit for the 35th consecutive fiscal year.

Outside directors often comment on the fact that we have been able to increase income and profit for so long, saying, “I thought there were some special mechanisms in place, but you just do normal things as though they were obvious.” I think that’s exactly right.

I believe there are three reasons for our continued strong performance.

First of all, our management philosophy is unwavering. The awareness that it is not enough for us to sell products or make money, and that we play a role in improving the dietary lives of local customers, has always been at the core of our management. Second, we have clear targets. The common target of improving the substance of our products and services is pervasive, from last year to this year, and from this year to the next. Third, we have a team of people, including our partner (part-time) employees, who share this management philosophy and these goals and can empathize with them. I believe that our strength lies in the fact that we are thinking for ourselves about how we can contribute to the community, then making an effort to do so.

Taking steps toward the “low prices” set forth in the 10th Mid-Term Plan

In the 10th Mid-Term Plan, we established a goal of “building stores that generate 20% more sales,” as we believe that in order to break free from competing with other companies in the industry, we need to throw away conventional wisdom and change our structure so that we can secure profits, even if it means selling our products at low prices.

The challenge was how to achieve low prices, based on the basic premise of closely doing business with customers in their daily lives. Therefore, we focused on a virtuous cycle of initiatives to further improve our traditional strengths—the freshness of our products, the deliciousness of our delicatessen items, and a robust selection of merchandise—by stepping further away from conventional EDLP and working to attract more customers, especially young families.

From a Group perspective, we have evolved our two types of business formats—with Yaoko, Lifestyle assortment-style, and with AVE and Foocot, Discount-style—and refined their mutual strengths to satisfy our customers in the region.

Our four accelerators/engines have definitely started moving

Each of our four initiatives—EDLP, Kaizen, sales strength, and product appeal—serves as an engine and accelerator, and they are connected to one another.

For EDLP, our measures to deal with fluctuating

Message from the President

prices included the GENSEN 100 (Monthly Special: 100 Bargain Items), which featured monthly price promotions, and the implementation of measures to promote low prices in categories such as ice cream, frozen meals, and ground meat, which appeal to young families. An increase in customers results in more product turnover and naturally improves freshness. In terms of the selection of merchandise, support will grow as our customer base becomes more varied. On the other hand, since EDLP requires funds, Kaizen has improved workability through measures such as adding upper shelves for product stock on sales floors and introducing an AI-based automatic ordering system, as well as full self-service checkout, to achieve labor and manpower savings. We use the time saved in this way to improve our sales strength and product appeal. For example, we have implemented projects such as the Toyosu Festival, which features rare species of fish, as well as production area fairs, which feature products not usually seen, and these efforts have been well received by customers. Furthermore, we call this initiative SPA; by doing our own manufacturing and in-house production at our Delicatessen and Fresh

Food Centers, we are able to set our products apart and gain manufacturer profit, leading to product appeal and profit. We then take the profits generated by this cycle and invest them back into human resources and equipment.

In the 10th Mid-Term Plan, we have been aiming for a virtuous cycle of these four measures, and looking back over the past three years, I feel that this cycle has started to turn steadily.

Clearly articulating issues such as “work which is pleasant”

On the other hand, our results are not the only things that have been clarified; our issues have been made explicit, too. Our greatest issue is implementing “work which is pleasant.”

Due to the increase in the number of customers, man-hour productivity numbers exceeded the appropriate threshold for Kaizen, even after taking increased net sales, caused by inflation, into account. In other words, our system development did not keep pace with increased sales, and as a result, workloads for employees on-site ended up increasing. I feel that our response to this issue was inadequate. We must take immediate action, since this is a problem that we, as management, cannot ignore.

In response to the goal of throwing away conventional wisdom, we were unable to create strong products that would lead to overwhelming support, surpassing, for example, Yaoko’s famous ohagi.

We could not achieve sufficient results for the goal of “evolving our flagship store.” Every two to three years, we take one flagship store and use as a turning point for new product development, merchandising, and taking on new challenges, but while we made some progress, we did not reach a level where there was a pronounced difference.

We intend to address these issues as priority measures in the 11th Mid-Term Management Plan.

From a “Showa era” model to a “Reiwa era” model

The theme of the 11th Mid-Term Management Plan (11th Mid-Term Plan) is “The New Yaoko: A Structural

Shift from a ‘Showa Era’ Model to a ‘Reiwa Era’ Model.”

As Japan’s population continues to become older and smaller at an accelerating pace, and as the digitalization of society using IT is rapidly becoming a reality, I believe that we are at a turning point where people’s lifestyles, values, and social systems will change in major ways.

In response to these changes, I believe that now is the time that the growth cycle has begun to turn, and we must transform ourselves with clear intentions in mind. I would also like to take all of our operations and ways of working under a “Showa era” model and shift them to a “Reiwa era” model in three years. The theme of “the New Yaoko” carries that message from me.

Creating “even greater value” by combining our company’s strengths

While the premise of the 11th Mid-Term Plan is that the four measures are being implemented well, sales are rising, and customer satisfaction is increasing, it aims to create “even greater value” for each and every customer. Greater value refers to improving the four values of deliciousness, selection of merchandise, proposals, and low prices, which are part of the basic definition of ideal merchandising (MD).

When it comes to deliciousness, we will once again work to enhance the taste of ingredients and freshness, in particular, over the next three years. In addition, drugstores that focus on handling food products have been increasing their presence in recent years as places for daily shopping. In this context, Yaoko will strengthen the unique deliciousness of our fresh food and delicatessen products, as well as the enjoyment of shopping in a bustling market-like atmosphere. For our selection of merchandise, Yaoko will meet the needs of local customers by offering everything from everyday dishes to small treats, from small-lot products for seniors to large packaged products for young customers. Our partner (part-time) employees, who are local residents of the community, will play a central role for proposals, as well. They will actively suggest recommended products that they themselves find delicious and want to eat, as well as daily dining menu items, which will lead to customer support through a

decentralized chain-store system and our all-participation policy.

Pursuing sustainable growth for the Yaoko Group, based on an investment in people

With regard to the urgent issue of reforming work styles, we will attempt to make even further improvements as part of Kaizen. We will focus on improving the efficiency of on-site operations by introducing electronic shelf tags and tablets to go paperless, and use the extra capacity created to improve employee compensation and train personnel.

Among those efforts, developing the next generation of leaders, who will lead Yaoko to achieve net sales of 1 trillion yen and 500 stores, is particularly crucial. We will develop management personnel by giving authority to store managers and utilizing the strength of our decentralized chain-store system—in which each store operates as a single company from hiring and training personnel to creating sales areas and managing profitability—while further strengthening personnel exchange with group companies.

As the Group’s impact on society increases and risks grow more diverse due to Yaoko’s expanding size, it is also the responsibility of our management personnel to strengthen our ESG initiatives, including risk management and our environmental response. We are implementing a variety of measures to achieve this. Fundamentally, as stated by our company policy, “A cheerful life will create a cheerful store,” I believe that it all comes down to doing honest business and not doing anything that would create problems if it were witnessed by the public. I also believe that the most important thing is to continue to communicate and preserve the basic ideas and culture of the company.

I strongly feel that Yaoko is able to be in business through our relationships with many stakeholders, including customers, employees, and business partners. We will continue to make every effort so that all residents in the community will be glad to have Yaoko in their lives, and all stakeholders will be pleased with our efforts.



Mid-Term Management Plan

Yaoko Group Reflections on the 10th Mid-Term Management Plan (FY2021-FY2023)

In the Yaoko Group's 10th Mid-Term Management Plan, each Group company has been working to achieve the management philosophy of "more abundant and enjoyable dietary lives for everyone in the region." Yaoko performed particularly well, supported by demand for things that make life more comfortable around the home and rising prices. We also opened five new discount Foocot stores, and entered into a capital and business alliance with Sendo, which operates mainly in Ichihara City in Chiba Prefecture. On the other hand, efficiency improvements within the Group were carried over to the next Mid-Term Management Plan.

Making steady progress in the cycle of profit generation and reinvestment through implementation of measures

Yaoko's 10th Mid-Term Management Plan promoted various initiatives under the main theme of "building

stores that generate 20% more sales." Net sales per store totaled approximately 2.8 billion yen, which is a significant increase compared to three years ago. While there were external factors caused by the COVID-19 pandemic over the past three years, such as the demand for things that make life more comfortable around the home and rising prices, the cycle of our four measures—product appeal, sales strength, EDLP, and Kaizen—began to steadily turn, and we were able to reliably link that tailwind to sales. In addition, our trade area share within a 1km radius of existing Yaoko stores rose to 20%. Yaoko continues to grow steadily in the food supermarket industry, despite dealing with online transactions and intense competition across business categories. On the other hand, the creation of a system to accompany the rise in sales was slower than planned, and implementing a pleasant work environment remained a challenge during the three-year period.

Results of the 10th Mid-Term Management Plan with respect to priority measures and targets

Steady progress made with EDLP and sales strength; on the other hand, increased workloads for employees on-site due to increased sales are an issue

Progress made	Issues
<ul style="list-style-type: none">• Attracting customers through EDLP Category-specific support, GENSEN 100, locking in prices• Kaizen to go along with investment Automatic ordering with demand forecasting, fully self-service checkout, sliding shelves• Improved sales strength through projects #1 in Japan Project, Toyosu Festival, Italy Fair• Improved product appeal with SPA Potato salad production from raw materials, bulgogi development	<ul style="list-style-type: none">• Implementing work which is pleasant• Evolving our flagship stores, as well as MD and product development leading to customers visiting our stores with a purpose in mind• Decrease in capital efficiency• Profitability for our online supermarket• Setting up digital infrastructure and utilizing it

Management environment

Low birthrate and an aging, shrinking population

- Shortage of labor, increased hourly wages, aging partners (part-time), changes to the technical training system
- Increase in the elderly population, normalization of dual-income households, changes to lifestyles
- Widening income disparity

Advancements in digital technology

- Digital technology becoming even more entrenched into daily life, everything can be done via smartphone
→EC conversion rate increases
- A gap has begun to open between companies and individuals who can take advantage of digital technology and those who cannot

Prices and interest rates continue to increase

- Rising logistics and construction costs associated with 2024 issues
- Increased borrowing costs, higher rent expenses, and inability of some companies to continue operations

Climate change and environmental issues growing more serious

- Review of suppliers with climate change in mind
- Response to disaster risks, including the spread of new infectious diseases

Yaoko Group 11th Mid-Term Management Plan (FY2024-FY2026)

With the Yaoko Group's management philosophy of "more abundant and enjoyable dietary lives for everyone in the region" we will aim for sustainable growth by constantly providing our customers with value beyond just price, being a company where all employees are proud of

what they do and enjoy their lives, building our own model of high productivity while eliminating waste, and contributing to solving social issues while smoothly partnering with all stakeholders. We will also focus on the following three aspects as our management strategy.

<div>01</div> <div>Improving our trade area share as a group</div> <ul style="list-style-type: none">• Increasing our trade area share in the lifestyle business and discount business categories• Considering the continuation of M&A in the lifestyle business category	<div>02</div> <div>Improving shared Group functions</div> <div>(Building infrastructure for Group net sales of 1 trillion yen)</div> <ul style="list-style-type: none">• Human resources, financial affairs, internal control, store development, logistics, systems, manufacturing• Training management personnel, interactions between personnel and mutual learning	<div>03</div> <div>Investment and collaboration in growth markets</div> <ul style="list-style-type: none">• Supporting growth and collaboration in the Vietnamese market• Collaborating with domestic ventures and creating new value
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Yaoko's 11th Mid-Term Management Plan: Embracing Structural Transformation

For Yaoko's 11th Mid-Term Management Plan, we have established "The New Yaoko: A Structural Shift from a 'Showa Era Model' to a 'Reiwa Era Model'" as the main theme, and are working on various measures. As the birthrate declines, the population ages, and digital

technology evolves, the business environment in Japan, including the country's demographic composition and people's lifestyles, will undergo a major shift from a 'Showa era' model to a 'Reiwa era' model. At the Yaoko Group, we will transform ourselves to become a company that understands these changes and creates value.

The main theme "The New Yaoko: A Structural Shift from a 'Showa Era Model' to a 'Reiwa Era Model'"	
A housewife/part-time model	» A dual-income/full-time model
A model solely focused on stores	» A model that creates value throughout the entire supply chain
A model solely focused on stores	» A model that can go beyond physical locations to offer products and services
A paper-based, individual-dependent model	» An automated model that uses databases
A resource-consuming model	» A resource-recycling model

Our goals for the 11th Mid-Term Management Plan

- 01 Creating even greater value for each and every customer in the community
- 02 Establishing an environment where employees can focus on work that creates value
- 03 Net sales per store of 3 billion yen

11th Mid-Term Management Plan key targets and priority measures

Product and sales strategy

In terms of product and sales strategy, we will further evolve our customer-oriented business and improve our customer-specific response so that we can understand each individual customer and bring them joy. In addition, we will implement structural reforms in the fresh food division, which is one of our strengths, to improve our ability to attract customers to an even greater extent. Furthermore, we will work to improve categories through SPA-type product development to increase the number of tasty products that can only be found at Yaoko, and improve customer satisfaction.

Operational strategy

Kaizen is the most important part of our operational strategy. We will work on the evolution of digital-based kaizen, including the evolution of demand-predictive AI-based automatic ordering and the introduction of fully self-service checkouts. We will also work to implement labor-saving and reduce waste throughout the entire supply chain, and by determining whether a job is value-generating or necessary and thoroughly reducing waste, we will create an environment in which each and every employee can focus on work that creates value, even in the midst of a labor shortage. In addition, with regard to energy conservation and recycling, we will continue to enhance our efforts to save electricity, collect recyclable resources, and recycle food residue.

Personnel training strategy

We will continue to enhance our human resources development, which is the source of value creation. We will implement reviews of our education, stratified by level, in order to develop human resources who can think independently and deliver results as a team. In order to implement Kaizen for working styles, which has been carried over as an issue from the previous Mid-Term Management Plan, we will strengthen recruitment to secure human resources, and create a working style and pleasant environment that allows on-site employees to feel that they can work comfortably and concentrate on work that creates value, even if net sales per store have reached 3 billion yen. We will also strive to develop leaders who will lead the next generation of Yaoko toward our long-term goal of achieving net sales of 1 trillion yen.

Store opening and growth strategy

For our store opening and growth strategy, we will continue to open stores that make up existing trade areas and dominant locations, mainly targeting the donut-shaped area 20 to 40 km from the city center, in order to expand our trade area share. We will also continue taking on challenges for each of our flagship stores, standard stores, and extremely small trade area formats, and working on them in greater depth. In addition, we will work to make our online supermarket—which has been in service since 2015—profitable, in addition to launching new services.

Capital allocation policy

Cash inflow from operating CF is expected to reach a total of 100 to 110 billion yen

1 Making investments necessary for business growth while maintaining financial soundness

2 Being keenly aware of the target ROE of 10% or higher and capital efficiency, and raising dividend payout ratio in stages

3 Utilizing ROIC as an investment indicator and being aware of the cost of capital when making investment decisions

▶ Refer to the graph on page 24.

Non-financial targets

We will continue our efforts to contribute to the environment and society.

	Item	Targets for FY2030
Environment	CO2 reduction	60% reduction in total volume compared to FY2013 (Scope 1 and 2 emissions)
	Plastic reduction	25% reduction of plastic used in packaging and containers per store vs. FY2019 levels Collect 10 times the amount collected in FY2020 through storefront recycling
	Food recycling	No disposal of food residue 100% food recycling rate
Society	Percentage of women in management positions	20.0%
	Percentage of male employees who have taken childcare leave	85.0%

Road map to our long-term goals

We will steadily implement the 11th Mid-Term Management Plan to improve our trade area share as a group, and aim to achieve consolidated net sales of 880 billion yen in the fiscal year ending March 31, 2031, as a road map toward the long-term goal of 1 trillion yen in consolidated net sales.

Numerical plans

During the 11th Mid-Term Management Plan period, the Yaoko Group will focus on implementing priority measures to achieve net sales of 730 billion yen, ordinary income of 33 billion yen, 255 store locations, and an ROE of 10% or

higher. While using investment criteria which increase corporate value, we will achieve optimal capital efficiency and returns through the most suitable capital structure.

Financial targets

		FY2026 (planned)	FY2023 (actual)
Consolidated	Net sales	¥730 billion	¥595.3 billion
	Ordinary income	¥33 billion	¥28.8 billion
	Number of stores	255 stores	205 stores
	ROE	10% or higher	11.8%
Non-consolidated	Net sales	¥590 billion	¥511.3 billion
	Ordinary income	¥28 billion	¥25 billion
	Number of stores	211 stores	187 stores

Balance sheet management (ROA and ROE)

Actual results as of March 2024

ROA 5.6%

ROE 11.8%

Net income attributable to owners of parent ¥18.2 billion

Assets ¥342.4 billion

Liabilities ¥174.5 billion

Net assets ¥167.9 billion

Planned results for March 2027

ROA 5.6%

ROE 10.6%

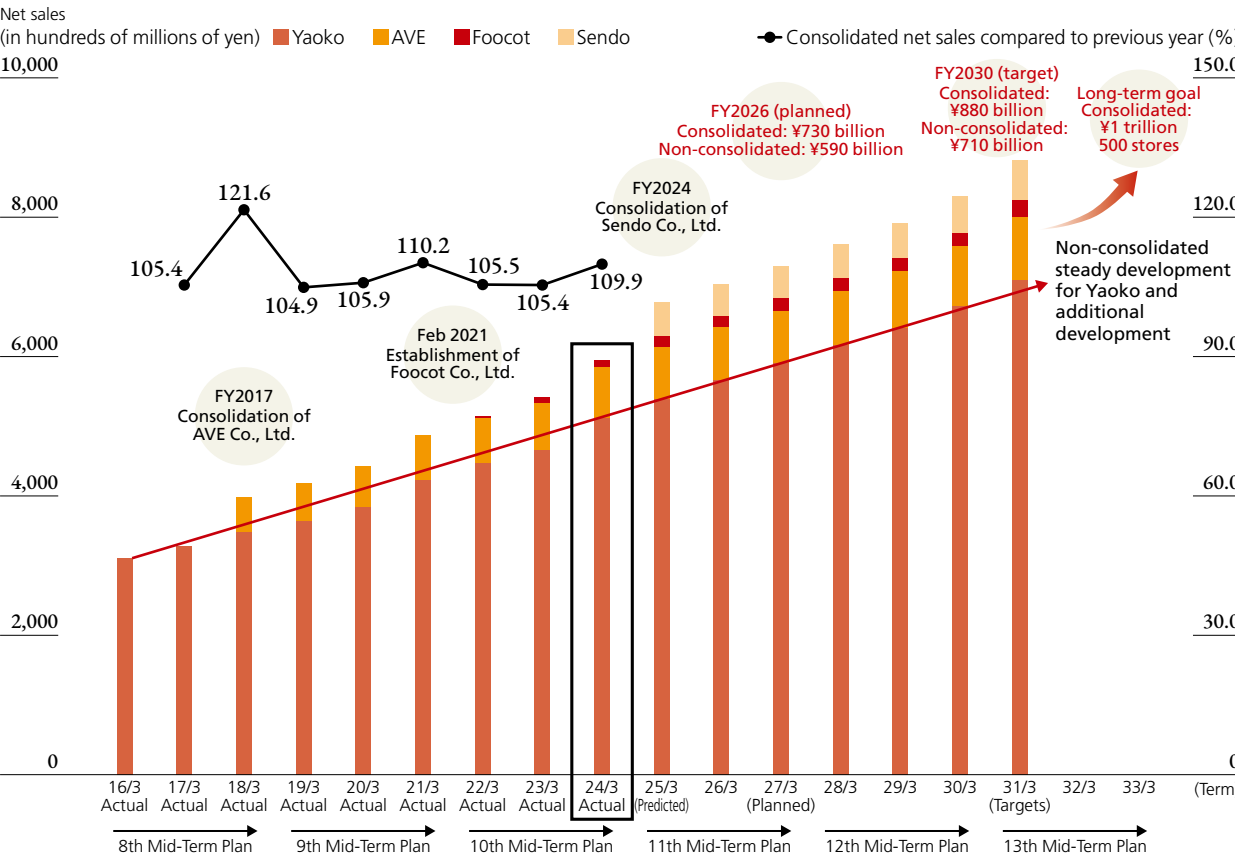
Net income attributable to owners of parent ¥22.3 billion

Assets ¥410.1 billion

Liabilities ¥190.5 billion

Net assets ¥219.6 billion

*Includes Sendo



Message from the Chief Administrative Officer

We will promote management that is more conscious of the cost of capital by utilizing ROIC, while maintaining our financial soundness.

Masanobu Kamiike

Senior Managing Director
Chief Administrative Officer,
in charge of Store Development Division,
General Manager of Finance Department,
Chief Health Officer (CHO)

Achieved 35 consecutive terms of (non-consolidated) increased sales and profits

During the three years of the 10th Mid-Term Management Plan (from the fiscal year ended March 31, 2022 up until the fiscal year ended March 31, 2024), which began in FY2021, Japan as a whole faced an extremely difficult economic environment due to the impact of the COVID-19 pandemic. Thankfully, however, our supermarkets—the lifelines that support daily meals—were able to achieve strong performance, thanks in part to demand from our customers who were in so-called “hibernation” at home.

As for FY2023, the final year of the 10th Mid-Term Management Plan, although the economy showed signs of recovery due to the reclassification of COVID-19 as a Class 5 infectious disease and an improved environment for employment and income, inflation caused the costs of raw materials and labor to soar, and the prices of goods and services in consumers’ day-to-day lives also rose, which had an impact due to price hikes throughout the year. In this environment, we believe that our response to the polarization of consumption, split between consumers focused on low prices and consumers focused on better quality, has led to strong customer support and good business results.

Investment in growth to enhance business infrastructure

In order for the Yaoko Group to achieve sustainable growth, along with investments in stores, it is necessary to

strengthen infrastructure such as Delicatessen and Fresh Food Centers, distribution centers, and even support centers. It is also essential to invest in productivity improvements such as AI-based automatic ordering and fully self-service checkouts. Therefore, in the 10th Mid-Term Management Plan, we have taken a step forward in making investments that will add new dimensions of these foundational parts of our business.

As part of our efforts to invest in business infrastructure, we raised 15 billion yen in Euro-Yen-denominated bonds with share acquisition rights as capital funds. In the 10th Mid-Term Management Plan, we also borrowed long-term funds with a 10-year fixed low interest rate in light of rising interest rates. With a capital to asset ratio of 49%, we consider financial security and soundness to be one of the Group's strengths.

Implementing management that is conscious of the cost of capital and stock prices

While we are maintaining financial soundness, we recognize that gradually declining ROE poses a challenge. This is partly due to the increase in retained earnings and other equity as a result of increases in sales and profits over consecutive terms. We must consider various options, such as raising our profit margins even further, or increasing the purchase of treasury shares. Therefore, in our recently announced 11th Mid-Term Management Plan, we established a capital allocation policy with a strong awareness of the cost of capital, based on growth investments over the medium- to long-term and their return prospects.

Being keenly aware of ROE of 10% or higher, and utilizing ROIC as an investment metric

During the term of the 11th Mid-Term Management Plan (from the fiscal year ending March 31, 2025 to the fiscal year ending March 31, 2027), we expect operating cash flow of 100 to 110 billion yen over a three-year period. With regard to growth investments, we will focus on opening new stores and renovations to revitalize existing stores, while continuing to make capital investments in systems, centers, and other facilities.

However, in the midst of rising interest rates, we will be more keenly aware of the cost of capital, and will use ROIC as an investment metric for all of our initiatives. In addition, given the anticipated sharp increases in construction material costs and personnel expenses, we plan to steadily pursue capital investment that will lead to medium- to long-term growth, while being prepared to slow down the pace of new store openings to a certain degree. Furthermore, we are operating under the assumption that future business restructuring is a possibility, and we aim to further expand the scale of our business through M&A.

Regarding shareholder returns, we have traditionally operated with a target payout ratio of 20%. However, with a strong focus on capital efficiency and maintaining an ROE of 10% or higher, we increased the payout ratio to approximately 24% for the fiscal year ending March 2024. Moving forward, we plan to gradually raise the payout ratio further, including the purchase of treasury shares.

Capital allocation policy

Cash inflow	Cash outflow	
Operating CF ¥100-110 billion	Capital investment ¥95 billion New stores Revitalizing existing stores Other (investments in systems and centers, etc.)	Using ROIC as an investment metric Being aware of the cost of capital
	Shareholder returns Dividends, share buybacks, etc.	Increasing the dividend payout ratio in stages Target of 25% for the time being, target of 30% in the future

Investing in people, who are the driving force for growth

Human capital management has been drawing attention. In this regard, as all the keywords that indicate our strengths—a decentralized chain-store system, an all-participation policy, teamwork, and a bottom-up approach—can be traced back to people, we have consistently believed since our founding that people are the source of our development, and the growth of people is the growth of the company.

Based on this belief, we have raised wages for our

partner (part-time) employees and regular employees who have contributed to profit generation for seven consecutive years, giving them a sense of security and inspiring them to take on challenges for the future.

In addition, from the perspective of investing in the future, we are constantly working to create training opportunities for personnel and improve our training methods. One such program is “Yaoko University,” a group training program for young employees. In order to keep pace with the speed of change, the curriculum that spanned employees’ first five years of employment has been reorganized into a three-year curriculum, and new subjects such as IT and digital transformation have been added.

Yaoko also offers training in production areas to enhance employees’ food proposal power, which is one of Yaoko's strengths. Understanding the thoughts of the producers who created something and what makes it taste special creates the enthusiasm needed for employees to be able to effectively present products in stores and sell all of the stock, unlike when they sell products purchased by buyers.

We offer overseas training and selective training programs to train personnel who can think and act on their own initiative, as well. In the selective training, young employees are given themes such as thinking about the next three years of Yaoko and creating the next Mid-Term Management Plan, and through discussions, we develop personnel who will lead the Yaoko Group in the future.

People, who are the strength of the Yaoko Group, play an active role and grow together with our business. We will then take the funds generated by that growth and link it to the development of the next generation. We will continue to strive to enhance our corporate value to maintain and develop such a virtuous cycle.

Improving measures to increase the number of customer shareholders

With regard to shareholder composition, which is one of our capital policies, we would like Yaoko's customers to become shareholders as much as possible, based on the premise of long-term ownership. As our chairman always says, “Who owns the company?” The Yaoko Group wants to be a common asset of the local community, which includes employees, local customers, and suppliers.

Amidst these circumstances, while the number of Yaoko Card holders is currently about 3.7 million, the number of individual shareholders remains small at approximately 9,500. Therefore, during the 10th Mid-Term Management Plan period, we sought to increase awareness of our business by holding business presentations for individual shareholders and distributing pamphlets at our stores to encourage our customers to become shareholders. We hope to persist with these efforts and help our customers to realize Yaoko's corporate philosophy of “enriching the daily lives of consumers” as company shareholders.

Individual Measures

Product and Sales Strategy

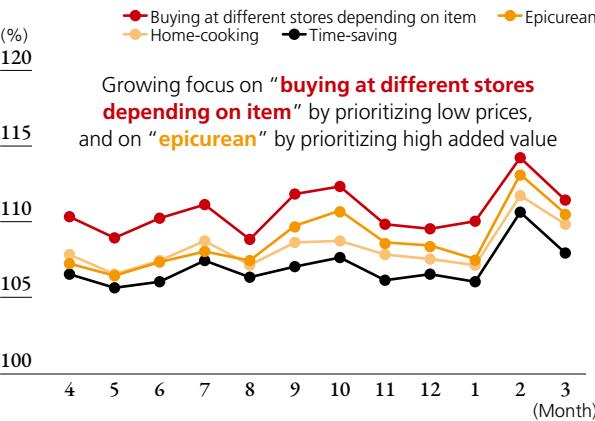
We will implement measures which are in tune with the polarization of consumption, families in the childrearing generation, and the characteristics of each area, and continue to focus on improving productivity and product development as a manufacturing retailer, in addition to proposing meal solutions.

Improving price-conscious choices and meal solutions

Evolving our response to the polarization of consumption

As prices for raw materials, labor costs, and other expenses continue to rise, and the impact of foreign exchange rates continues to drive up product prices, customers' consumption trends are increasingly polarized: one direction emphasizing low prices in order to save money, with the other emphasizing high value-added goods and services. Yaoko is focusing on two initiatives, price-conscious choices and meal solutions, to create product lineups and sales areas that satisfy customers while responding to these changes in their consumption trends.

Net sales by segment, compared to the previous year



Improving price-conscious choices

As an offering to price-sensitive customers, we have implemented the “GENSEN 100 (Monthly Special: 100 Bargain Items)” sales promotion, in which we select product groups that are particularly popular among young families and make appeals about their prices on a monthly basis, and this effort has increased customer support.

As for “EDLP” measures, we always sell products such as ice cream and yogurt at affordable prices. We are also working on measures to create reasons for customers to visit our stores, such as setting discount days for each category of products such as miso and dressing.



Offering meal solutions

We are also refining our ability to propose products and sales areas that meet the changing needs of our customers. The Toyosu Festival, held once a month, is a project where we offer extremely fresh and rare fish species from the Toyosu Market each time, with a growing number of customers who look forward to the next one. The Italy Fair, held as a joint project between the Trade Promotion Section of the Embassy of Italy and Yaoko's Grande Distribuzione Organizzata (GDO, or “major distribution organization” in English), as well as the Production Area Fairs for Hokkaido, Nagasaki and the Goto Islands, were also well-received, providing an opportunity for customers to learn about the appeal of products from each production area.

In FY2023, we also organized the “Mini Festival” project to provide customers with an opportunity to enjoy themselves while conveying the customs and seasonal rites of various regions in Japan, such as the Harvest Moon Festival, Halloween, and Setsubun. We will continue these projects to reach not only senior customers but our young family customers, as well.



Toyosu Festival



Harvest Moon Feature

Attracting customers through fresh meat (setting ourselves apart through processing technology)

As part of efforts to boost the appeal of products in the fresh food division, in FY2023, we focused on creating high value-added products in the fresh meat division. Taking product lines such as hams, wieners, and sausages that were previously handled in the fresh meat division and transferring them to the perishable food products division, which has introduced AI-based automated ordering, has freed up time for the fresh meat division to prepare processed meat products. Accordingly, we added value to our products by refining our original processing technology in the fresh meat division. For example, by having partners learn pork slicer processing techniques, we created a system that allows employees to focus on processing beef, which requires more advanced processing techniques, so that freshly sliced products can be placed on the sales floor. We also include meat-related projects in our sales promotions with a focus on selling meat products.



Area support for flier promotions

Improving the efficiency of flier promotions by taking advantage of area characteristics

Yaoko has opened stores in the Kanto region (the Tokyo area and six prefectures), and shopping trends differ depending on the ages, lifestyles, and family structures of customers in each area. We therefore took the product lineups and sales promotions which had been common to all areas and divided them into the “North Area,” which has a relatively high proportion of middle-aged and senior customers, and the “South Area,” which has a high proportion of young customers. We are implementing strategies tailored to each area. We will continue to aim to be more meticulous about what customers need, and make more in-depth proposals that are tailored to the shopping behavior and needs of the customers in each area.



North Area



South Area

Product and Sales Strategy

Venturing into Manufacturing and Retail

Expanding insourcing

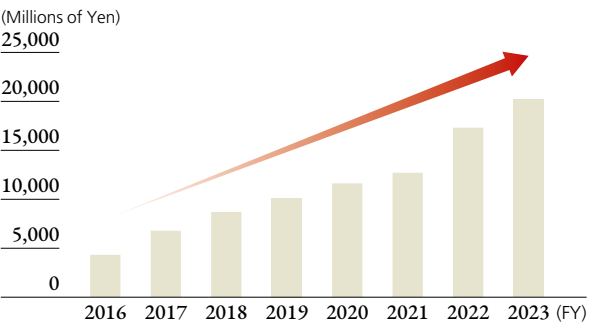
In order to achieve the theme of the 67th term, to “create new marketplaces—gain overwhelming support from customers through meal solutions and price-conscious choices,” Yaoko established the SPA Development Department in March 2023 to expand insourcing, both within the company and within the supply chain. At Delicatessen and Fresh Food Centers, we are expanding and improving manufacturing technologies from raw materials to the production of products, thereby contributing to securing manufacturing profits through in-house production, improving product appeal by enhancing flavor quality, and increasing work efficiency at stores. In addition, the Kumagaya Delicatessen and Fresh Food Center is demonstrating its function as a processing center and has been responsible for some products in the fresh meat division and fully centralized packing of meat products in four stores, thereby contributing to improved productivity by reducing opportunity loss due to labor shortages in the field and improving store technical capabilities.

New product development initiatives

Yaoko is focusing on the development of unique products that will become the purpose for customers’ visits to its stores. As an example of this practice, the number of products manufactured by Delicatessen and Fresh Food Centers has been steadily increasing. Centers produce and sell not only delicatessen products such as dorayaki bean-jam pancakes, sandwiches, and custard puddings, but also flavored meats (such as bulgogi), which bridge the gap between fresh food and delicatessen products, which have received high praise. Since 2024, we have also been increasing the ratio of in-house production of roast beef, our signature product, and expanding the number of

outlets where it is sold by using the Delicatessen and Fresh Food Centers to perform processes that had been outsourced, from the procurement of raw materials to production. Shipments by the Delicatessen and Fresh Food Centers in Higashimatsuyama and Kumagaya exceeded 20 billion yen in FY2023. The profit margin of the Delicatessen and Fresh Food Centers exceeds that of the supermarket business, and they are steadily contributing to profits. The Delicatessen and Fresh Food Centers play a major role as facilities that sustainably support Yaoko’s growth strategies of “EDLP (everyday low prices),” “Kaizen,” “sales strength,” and “product appeal.”

Value of Delicatessen and Fresh Food Center shipments



Safety and security initiatives

Our Higashimatsuyama Delicatessen and Fresh Food Center has attained ISO22000 certification and is continuing its Kaizen activities. Likewise, our Kumagaya Delicatessen and Fresh Food Center is thoroughly pursuing safety and security.

When there was an incident of food poisoning caused by station bento boxed meals in September 2023, we took it as an opportunity to conduct an examination our hygiene management system as a comprehensive food safety review, and confirmed once again that we are in a situation where we can prevent food incidents by adhering to existing rules in a thorough manner. We will continue to provide safe and delicious products to our customers by maintaining and enforcing a high level of hygiene management in our stores, Delicatessens, and Fresh Food Centers to the fullest extent.



Coffee jelly eaten with coffee whipped cream



Yaoko's original roast beef, produced in-house

Product development commitment

Recent price hikes have placed an ever-increasing burden on customers’ household budgets, and families in the childrearing generation, in particular, tend to be more frugal. At the same time, with the demand for in-store dining and ready-made meals amidst the polarization of consumption and other well-defined purchasing behaviors to go along with rising prices, we see a great opportunity. Therefore, we are focusing on developing products unique to Yaoko that will lead customers to visit our stores by thoroughly refining our product appeal, which is one of Yaoko’s strengths.

Yaoko’s buyers go to the actual production sites to check the production areas and share their thoughts on our products with the people making them, with the aim of being able to develop products that are delicious and have a story to tell. Such products are the ones that store staff can confidently recommend to customers. For example, the fresh fish division’s fresh-caught bonito is shipped directly from production areas to stores using the afternoon delivery service in order to deliver even fresher and more delicious bonito, caught that morning, to our customers. Products that would normally arrive on the sales floor the next day are delivered to Yaoko stores so that they can be placed on the sales floor in the afternoon of the day the fish was caught. Even if it is impossible to supply all Yaoko stores with amount of products, each store holds production area fairs so that customers can enjoy unique regional flavors.

Private label products

Yaoko’s private label products include “Yes! YAKO” an exclusive brand that reflects the pride we have in our products, and “Star Select,” co-developed with LIFE CORPORATION. By the end of March 2024, the number of products under these private brands were total approximately 1,300 SKUs, accounting for more than 10% of total sales.

In recent years, such specialties as “Milano-style

Doria,” which has an excellent meat sauce made with ground beef, “Yappo Fruits Jelly,” and “Yuzu Hakusai,” which uses yuzu citrus grown in Kochi Prefecture, have been hits with customers.



A health food line added to private label products The genesis of “Yes! YAKO Happiness”

In 2023, taking our customers’ increased awareness of health into consideration, Yaoko added “Yes! YAKO Happiness,” which offers health as a bonus benefit for products in addition to their deliciousness, to its line of private label products. Happiness offers a wide range of nutritionally balanced private label products which can be easily incorporated into daily diets for customers who care about their bodies. The name is not only about healthy food, but also conveys the message that we want our customers to lead happy lives by becoming healthier. We have sold 14 SKUs as of the end of March 2024, and will continue to develop new products to meet customers’ needs.



Management Strategy

Through the use of digital technology, we are making labor and power savings a reality throughout the supply chain, as well as promoting efforts to foster loyal customers and improve our services.

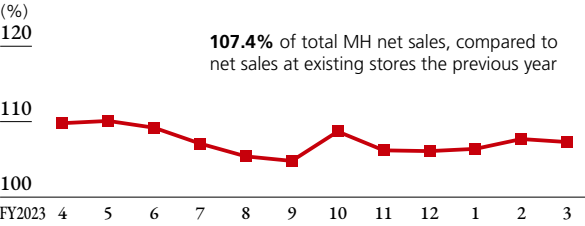
Kaizen using digital technology

Work efficiency Kaizen through AI-based automatic ordering

In May 2022, Yaoko introduced an AI-based automated ordering system across all stores for products in the dry food products division and the perishable food products division. Previously, an automatic ordering system operated on a buy-one/sell-one basis* had been introduced, but because the system was not compatible with irregular demand fluctuations or shelf allocation systems, the person in charge had to spend a certain amount of time placing orders. Through the introduction of demand-predictive automatic ordering, we have achieved a reduction in store workload, more effective operations through optimal inventory levels (inventory reductions), and improvements in productivity. In addition, as the operation of the automatic ordering system has stabilized, in FY2023, processed meats such as ham and sausage handled in the fresh meat division were transferred to the perishable food products division, leading to improved productivity without increasing the number of staff in the perishable food products division.

*When the total number of products sold exceeds the ordered units, the system automatically places an order for the number of products sold.

MH net sales for the dry food products division, compared to net sales at existing stores the previous year



Implementation of full self-service checkouts

Yaoko, which has introduced self-service cash registers in all its stores, is moving forward with the introduction of full self-service checkouts to relieve customers of the stress caused by waiting time at checkout and to further improve store productivity. We have installed full self-service checkouts in 24 stores as of March 31, 2024. Going forward, we intend to provide more valuable services to our customers by optimizing our store operations as a whole, for example, by using the time saved by the introduction of these checkouts to perform tasks in other divisions.



Retaining customers by introducing Yaoko Card and Yaoko Pay

The Yaoko Card, which was introduced as part of Yaoko's strategy to foster loyal customers, is being used to analyze big data on customer purchasing trends and implement various measures, with a KPI of increasing market share within a 1 km radius of Yaoko's existing stores. The analysis is based on the question, "What are customers buying?" We use our unique Customer Segment 19 approach, which categorizes customers into 19 segments from the viewpoint of their purchases. For example, in order to attract young families and respond to polarization of consumption, we are striving to provide new value to customers by implementing store services, product development, and future estimates targeting the upper sales volume segments.

There are also currently 1.4 million Yaoko app members (those who have paired it with their Yaoko Card) as of March 31, 2024, and of that number, approximately 760,000 of them are pure Yaoko customers (people who have paired their Yaoko Cards and shop at physical stores), with about 35% of them being Yaoko Card members. In addition to promotional fliers, the app provides loyalty points, coupons, and other money-saving information. It also features a health column written by a registered dietitian at Fundely Co., Ltd. and other useful shopping and lifestyle information, as well as initiatives that allow customers to feel more familiar with Yaoko in their everyday lives, such as an online forum where customers can freely post their own comments.

Furthermore, as the ratio of cashless payments increased during the COVID-19 pandemic and the need grew for customers to have other payment methods besides credit cards, we introduced Yaoko Pay to about 130 stores in February 2023, and to all stores in June 2024. The number of members as of March 31, 2024 was about 430,000, and Yaoko Pay is used by approximately 10% of Yaoko Card members. Yaoko Pay provides customers with even more valuable points for using, thereby improving customer service.



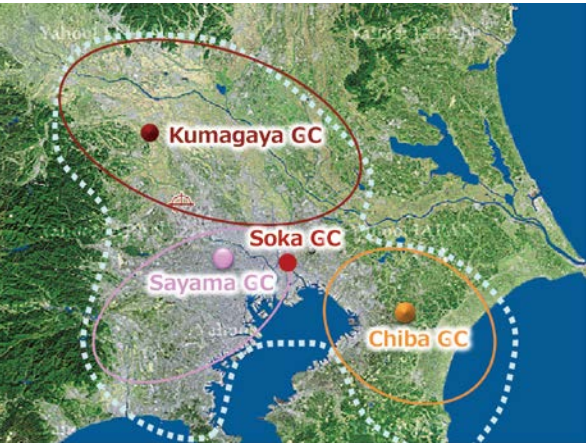
Optimizing our logistics network

Yaoko has expanded to 180 stores across Tokyo and six neighboring prefectures, with a focus on Saitama Prefecture. In order to deliver products to all stores within a certain time frame with high freshness and efficiency, it is necessary to promote the optimal arrangement of logistics hubs for smooth delivery. To that end, Yaoko is currently developing four grocery centers (room temperature) and six chilled centers (refrigerated and frozen) as distribution centers. In addition to improving the efficiency of shelf stocking operations at stores, Yaoko is also working to further improve store service levels by linking its shelf allocation system with the Soka Distribution Center, which began operations in February 2023, and by improving the accuracy of its automatic ordering system.

In June 2024, we relocated the Yokohama Chilled Center to improve logistics capacity to prepare for expansion, with stores being opened in the Kanagawa area.



Location of Chilled Centers



Location of Grocery Centers

Efficiency through our first proprietary warehouse management system

As a new initiative, the Soka Distribution Center has installed two automatic warehouse sorting machines and its first warehouse management system (WMS). The sorting shuttle and Goods To Person (GTP) shuttle are being used to promote efficiency of intra-center operation, and through linkage to the shelf allocation system, we aim for more efficient store operations by enabling deliveries for each store aisle.

Yaoko plans to further accumulate expertise and make logistics visible by operating its own distribution centers. In the future, Yaoko will contribute to the optimization of logistics for the entire supply chain, with a view to centralized management of multiple distribution centers.



Sorting shuttle



GTP shuttle

The evolution of initiatives to build sustainable food logistics

As the environment surrounding logistics continues to change, it is becoming more and more difficult each year to maintain existing delivery methods. In order to maintain a stable supply of food products, we need to link manufacturing, distribution, and sales together to improve the current logistics environment by thinking about how logistics should be and considering ideas that differ from convention, including a review of lead time for product orders, and reducing the workload of truck drivers, among other measures. Based on these ideas, on March 16, 2023, four food supermarkets in the Tokyo metropolitan area, namely SUMMIT, INC., The Maruetsu, Inc., LIFE CORPORATION, and Yaoko issued a declaration on initiatives to build sustainable food logistics. By studying solutions to issues that hinder the overall optimization of supply chains and implementing new rules in society, we aim to maintain an uninterrupted food supply to consumers and build sustainable logistics. The number of food supermarkets supporting the initiatives has expanded to 15 as of March 31, 2024.

Personnel Training Strategy

In order to nurture human power, which is one of Yaoko’s strengths, we are implementing various measures based on the concept of implementing a worthwhile and comfortable environment to work in.

Personnel training

Human capital

In line with its personnel training policy, Yaoko focuses on developing and securing the human resources necessary for sustainable growth. The foundation of this policy is our training by job level, which is divided into such categories as graduate hires, store managers, senior staff, partners, and management personnel, with the aim of developing the next generation of leaders. In addition, we actively nurture and promote talented young people and provide them with opportunities for growth. From a long-term perspective, in order to maintain and enhance our competitiveness, we also conduct training for selected candidates who will become candidates for executive positions.

Personnel training policy

Yaoko’s management policy includes a decentralized chain-store system; an all participation policy and teamwork; and a hands-on approach. “People” are the ultimate source of Yaoko’s strength in individual store management. Our partners living locally are in the best position to understand the local community. For this reason, our partners are more than just part of our workforce. Together, we build up our stores through wisdom and innovations drawing on a deep understanding of the community. With its hands-on management style, Yaoko places relatively many decisions at the discretion of store staff. The growth of our “people” on the front line also represents our growth as a company. At Yaoko, we train human resources capable of thinking and acting autonomously and producing results as a team, endeavoring to nurture leaders.

Workplace environment enhancement policy

We believe that the growth of our people is encouraged by making work more worthwhile and comfortable for our front-line members. We begin by creating comfortable workplace environments for each of our members. These environments form the foundation for a full-participation organizational culture where our members can find job satisfaction and where they are not afraid to take on challenges. We aim to be an organization where our people grow through a virtuous cycle of teamwork. We also undertake various forms of workplace environment enhancement to promote more comfortable workplaces.

Production area training

We believe that in order to properly convey the feelings of producers and Yaoko contained in the products we make—such as their deliciousness and ingenuity used during production—and deliver those products to our customers, employees need to have a firm grasp of production areas. Therefore, our buyers visit production sites and strive to purchase products that reflect the wishes of the producers and our company. In addition, we conduct training in production areas so that young employees in each division can acquire total understanding, “from upstream to downstream,” and learn in greater depth by interacting with producers, thereby improving their sales capabilities.



Yaoko Farm training for new employees



Training in the Nagano rice production area



Wine training

Diversity

Promoting employment of persons with disabilities (established YAKO HARMONY Co., Ltd.)

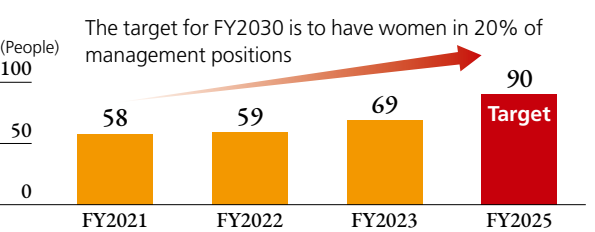
Yaoko promotes the employment of people with disabilities as part of its corporate social responsibility, and as of March 31, 2024, the employment rate of people with disabilities was 2.56%, with many people with disabilities working in our Delicatessen and Fresh Food Centers and stores. In addition, in April 2024, we established YAKO HARMONY Co., Ltd., on the premise of acquiring certification as a special subsidiary under the Act of Promotion of Employment of Persons with Disabilities, in order to ensure a stable work environment for them going forward. We will continue promoting the employment of people with disabilities, and strive to create a workplace where each person can play an active role while making the most of their individual personalities and abilities.



Initiatives for women and foreign nationals to play active roles

In 2022, we established a Diversity Development Division within the Human Resources & General Affairs Department, and are focused on promoting the advancement of women and encouraging foreign technical interns. Specifically, we are promoting an internal nursery school project to make it easier for women to work, and conducting lifestyle training for female employees. In addition, we have established “Women’s Empowerment Stores” in which store managers and all senior section staff are women, and we are linking the opinions and suggestions we receive from them to measures to make work more worthwhile and comfortable for female employees. As of March 31, 2024, there were 385 foreign technical interns, mainly working in the Delicatessen and Fresh Food Centers and the fresh fish, deli, and bakery divisions of our stores, and they have become an indispensable part of our workforce.

Number of women in management positions



Employee engagement

Promoting efforts to improve physical and mental health

A Chief Health Officer (CHO) has been appointed as the person responsible for promoting employees’ health management to strengthen the improvement of mental and physical health. Yaoko plans internal health-related events and implements direct consultations with public health nurses, stress checks, and other measures.

In FY2023, we launched the Wellness Project to Age 70 internally, in anticipation of the arrival of an aging society, and are considering a system that encourages vigorous work by seniors, including compensation, in consideration of the balance with the working-age population.



Group photo at the Koedo Kawagoe Half Marathon



Health Festival at the Mallage Kashiwa store

Store Opening and Growth Strategy

In addition to evolving standard stores, we are working to improve profitability by establishing formats for extremely small trade areas and expanding our Internet supermarket business.

Development policy / Store opening strategy

Expanding store opening areas

Yaoko's basic policy has been to open stores in the Kanto region, which consists of Tokyo and six neighboring prefectures, with the areas of southern Saitama, Tokyo, Chiba, and Kanagawa as priority areas.

For our existing formats, comprising standard stores with a sales floor space of around 1,500 m² and large stores with a sales floor space of around 2,600 m², we open stores targeting the donut area with a 20-40 km radius from the city center. In recent years, in addition to pursuing a dominant strategy in extremely small trade areas, including urban centers, and rural areas (towns and villages), we are also expanding our store openings in regional cities with densely concentrated populations.

For FY2023, we opened the Yaoko Kawasaki Masugata store in Kawasaki City, Kanagawa Prefecture, as a new store opening area in the Kanagawa area. The new store is connected to the existing trade area in the Tama area of Tokyo, and will serve as a foothold for future store openings in the southern part of Kawasaki City and the northern part of Yokohama City.

Yaoko will continue to strive to expand its number of stores under its Management Policy—to propose abundant, enjoyable, and healthy dietary lives—so that people in regional areas will be happy that they have a Yaoko store.



Kawasaki Masugata Store

Testing formats for extremely small trade areas

Our existing formats mainly target trade areas within 1 km and we work to increase our market share within this 1 km radius. On the other hand, in city centers and existing areas, there are extremely small trade areas with a trade area of less than 1 km. Therefore, we have established an extremely small trade area format that ensures profitability by increasing productivity even in a 500-meter trade area. We operate the Takasaki Ino Store and Soka Matsubara Store in existing areas under this format, and we are making an effort to improve productivity, such as by fully out-packing products in the fresh meat division using the Kumagaya Delica and Fresh Food Center. By evolving this format, we intend to further expand the areas in which we open stores.



Soka Matsubara Store

Verifying investment returns

For store openings, the Store Development Division prepares sales forecasts and investment return simulations, and examines the feasibility of opening new stores based on the following criteria: as a rule, we expect to achieve single-year profitability in two to three years, cumulative profitability in around five years, and a positive return on investment in around eight years (or more, if the store opening includes land acquisition). After opening a store, if we determine that it will be unable to generate the planned cash flows, we recognize an impairment based on the impairment rules.

Beginning in FY2024, in addition to the existing criteria, we will introduce ROIC criteria on a pilot basis to make our investments even more capital cost-conscious in the face of rising interest rates.

enhance the sales composition of fresh food products more than before, we have clarified the direction of the store, such as putting more effort into creating product value and creating value in terms of price, and are working on refining our techniques and taking on the challenge of new pricing strategies. We plan to take the initiatives at this store and expand them to the next flagship stores and to other stores in various regions.



Matsudo Kamihongo Store

Evolving standard stores

To create new marketplaces—evolving standard stores to make them 20% stronger

In November 2023, we opened the Yaoko Matsudo Kamihongo Store, an evolutionary model of our standard stores, in Matsudo City, Chiba Prefecture, as a store that embodies our theme for the 67th fiscal term, to “create new marketplaces—gain overwhelming support from customers through meal solutions and price-conscious choices.” At that same store, we situated the “new marketplace” as a lively fresh food sales floor. In order to

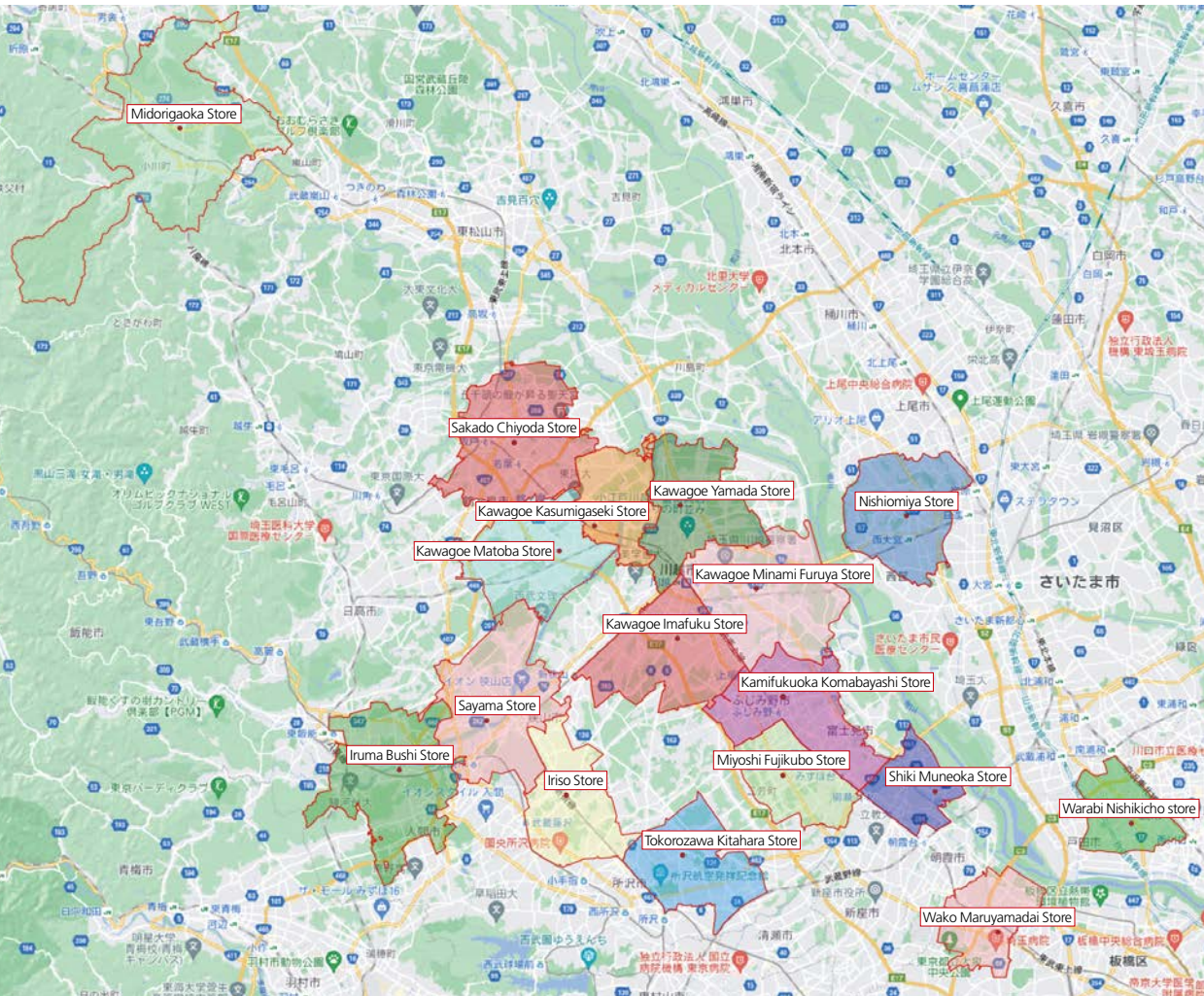
Expanding the online supermarket

Area expansion with the aim of improving customer convenience

Yaoko online supermarket currently operates at 24 stores as of the end of March 2024. Products are supplied from the physical store, with home delivery available within a 2 km radius of each store. Starting with the Miyoshi Fujikubo store in 2015, we have continued with our map based strategy of filling areas that are not covered by our dominant physical stores, mainly in the Kawagoe district, and also expanding into areas where customer needs are

high and where many young customers live.

In FY2023, we launched the online supermarket at six stores: the Hachioji Yarimizu store, the Inagekaigan store, the Kazo store, the Tonarie Utsunomiya store, the Sakura Someino store, and the Matsudo Kamihongo Store. Going forward, we intend to further improve profitability through operational efficiency and customer convenience improvements, such as reducing lead times between ordering and delivery.



17 online supermarket store areas

ESG Initiatives

As a supermarket chain rooted in the community, we use our business to offer healthy choices for, people to become healthier and happier, and promoting health and abundant lifestyles in local communities.

Environmental Measures

2030 targets

The company is exploring and implementing initiatives aimed at achieving the three target indicators for 2030, including specific efforts to achieve zero Scope 2 CO₂ emissions. We are also advancing initiatives to educate customers about the environment.

2030 targets (From April 2023)

Metrics	Targets
CO ₂ reduction	Reduce total Scope 1+2 CO ₂ emissions by 60% vs. FY2013 level
Plastic use reduction	Container and packaging plastic content weight Reduce by an average of 25% per store vs FY2019 level Collect 10 times the number of plastic trays vs. FY2020
Food recycling	Achieve zero food waste Recycle 100% of food waste

CO₂ reduction

Yaoko is actively working to reduce CO₂ emissions by making LED lighting the standard for our stores, installing reach-in cases to reduce electricity consumption, and installing automated air conditioning control systems to maintain optimal temperatures and maximize energy savings. In addition, we have introduced non-fluorocarbon refrigeration units that operate using environmentally friendly CO₂ refrigerants to a certain number of stores.

Measures to achieve our reduction target

1. Energy conservation (control electricity usage)

- [People] Honeycomb filter cleaning, turning off lights when not in use, appropriate temperature settings
- [Equipment] Energy-saving equipment, AI-based auto-controlled air conditioning, equipment using CO₂ coolant

2. Energy creation (generating electricity)

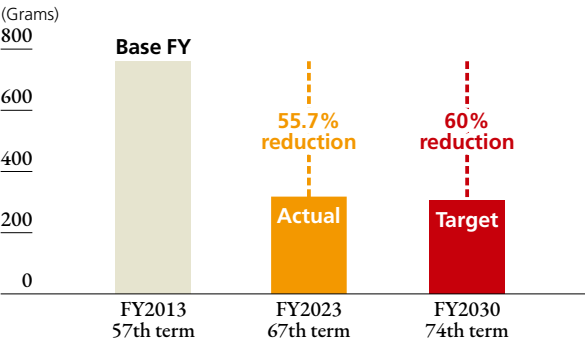
- Use solar power generation and biogas power generation

3. Switch to renewable energy and carbon credit procurement

- Purchase electricity generated from renewable energy sources and non-fossil fuel energy certificates

CO₂ reduction target and results

Scope 1 and 2:
60% reduction in CO₂ emission intensity by FY2030 vs. FY2013 levels



Reducing waste, biogas power generation, and contributing to a recycling-oriented society

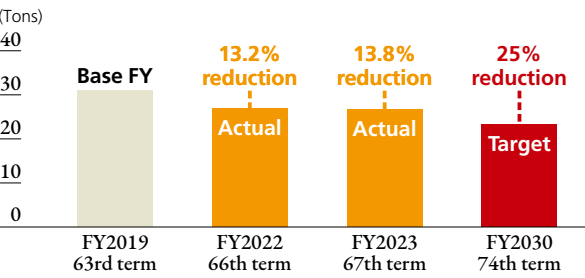
Yaoko is stepping up its store on-site recycling efforts. The stores collect foam trays, aluminum and steel cans, PET bottles, and other items then compact and bale them for recycling. Food waste from our stores is processed at the Nishi Tokyo Recycle Center using methane fermentation to produce compost, which is then used for biogas power generation at Yaoko Farm. This food recycling loop through our biogas power generation project has been recognized as the first Recycling Business Plan approved for a food supermarket.



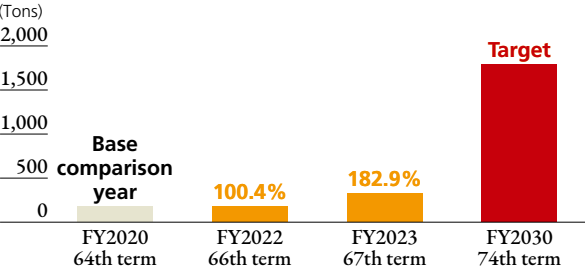
Nishi Tokyo Recycle Center

Plastic reduction target and results

25% reduction of plastic used in packaging and containers per store by FY2030 vs. FY2019 levels

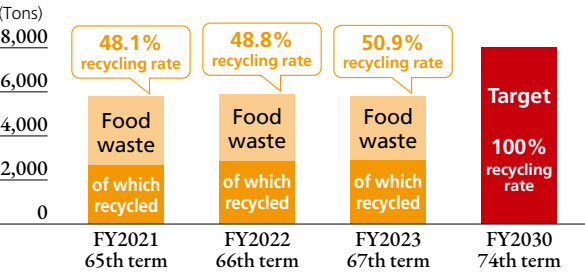


Foam and clear plastic trays collected at stores
10 times the level at each store vs. FY2020



Food recycling target and results

Achieve zero food waste **100%** recycling of food waste



Social Measures

Holding environmental and food education classes

Yaoko is a supermarket that "Proposes abundant, enjoyable, and healthy dietary lives." We join with our suppliers to hold environmental events for elementary school children to explore ways to improve the environment. We also organize food education events for parents and children.



An environmental workshop for children

Children support activities

Yaoko began supporting activities for children from economically disadvantaged and single-parent families in September 2020. In the four years we have been working with Department of Welfare of Saitama Prefecture and Saitama Social Welfare Council, the network of participating groups has continued growing, leading to a robust system providing widespread support. We look forward to continuing our activities making a brighter future for local children.



Providing rice in support of children

Yaoko Food Pantry

Yaoko employees continued holding the annual food drive and food pantry events in FY2023. The number of local food pantry organizations once again increased, and we collected a large volume of items from our in-house relief supplies and also items sponsored by business partners and local farmers who have contracts with our stores. We look forward to continuing to bringing even more happiness in FY2024.



Our Food Pantry

ESG Initiatives

Response to the TCFD Recommendations

We have analyzed climate change scenarios under the framework on the basis of the “Task Force on Climate-related Financial Disclosure (TCFD)” established by the Financial Stability Board. We will identify various risks and opportunities related to climate changes in our business, address them to minimize business risk and to reduce CO₂ emissions, and further disclose such information.

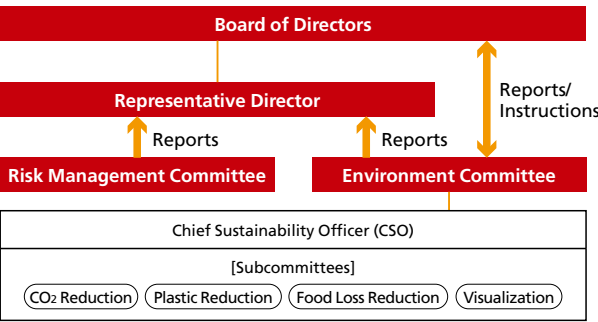
▶ Please see our website for details:
<https://www.yaoko-net.com/sustainability/tcfd.html> (in Japanese)

Governance

We see climate change issues as part of the long-term changes in the environment surrounding the Company, and consider them as company-wide matters to address.

The Environment Committee chaired by the President meets more than once a year to discuss and determine the policies for important matters on environment issues, and monitors their progress. In addition, the CSO (Chief Sustainability Officer) in charge of environment issues regularly reports the actions taken to the Board of Directors. The Board of Directors supervises environmental measures under the Environment Management System in response to the impact of climate changes on environment and society.

Environment Management System



Strategy

At Yaoko, we identify the risks and opportunities associated with climate change and ascertain their financial impact on the business. In analyzing financial impact, we have used the Stated Policies Scenario (STEPS), the Sustainable Development Scenario (SDS), and the Net Zero Emissions by 2050 Scenario (NZE) from the World

Energy Outlook published by the International Energy Agency (IEA) regarding the risks of policy, legal and regulatory systems transitioning to a decarbonized society. We have used the RCP8.5 scenario (RCP8.5) and the RCP2.6 scenario (RCP2.6) from the Fifth Assessment Report published by the Intergovernmental Panel on Climate Change (IPCC) regarding the physical risks anticipated from the rise in temperatures associated with climate change. When estimating the financial impact, we analyzed a 1.5°C (under 2°C) scenario combining NZE, SDS, and RCP2.6, and a 4°C scenario combining STEPS and RCP8.5. The risks and opportunities that will impact Yaoko, and estimations of their financial impact, are presented on the following page. We aim to implement measures to address the key risks and opportunities that we have clarified, mitigating risks and achieving resilience against climate change.

Applied scenarios	Physical scenario (4°C scenario): IPCC RCP8.5 scenario and RCP2.6 scenario Transition scenario (1.5°C–2°C scenario): IEA STEPS, SDS, and NZE scenarios
Subject	Store management of Yaoko (non-consolidated)
Analysis	Qualitative evaluation and financial impact of physical and transition risk of Yaoko store management (non-consolidated)
Terms	Short-term (0–3 years), medium-term (4–11 years), and long-term (11–30 years)

Risk management

To address company-wide risk management including climate change issues, the Risk Management Committee chaired by the President is established and held more than twice a year. The Risk Management Committee identifies risk surrounding the Company, assesses and reviews risk, develops procedures and systems to prevent risk from being pronounced, develops measures to address pronounced risks, and determines policies and plans on the above initiatives from a company-wide perspective.

Qualitative evaluation of important risks and impacts due to climate change (scenario analysis)

	Risk items				Risk impact			Countermeasures
	Category	Major category	Subcategory	Time to develop	Details of risks	2°C (1.5°C)	4°C	
Risks	Transition risks	Policy and legal/technology risk	Introduction of carbon tax	Medium to long term	Increase in carbon pricing and tax burden	High	—	Scope 1 • Control chlorofluorocarbon (CFC) emissions from freezer and refrigeration equipment (Transition to non-CFC coolant and strengthen measures to prevent leakage from existing equipment) Scope 2 • Engage in energy conservation (Clean honeycomb filters, revise temperature settings for air conditioners and refrigerated showcases, and introduce an automatic air conditioner control system) • Expand the introduction of renewable energy (Purchase directly sourced green electric power and non-fossil fuel electricity certificates and introduce solar power generation and biogas power generation)
			Stricter regulation on CO ₂ emissions reduction	Short to medium term	Increase in renewable energy cost	High	—	
			Stricter CFC substitutes regulations	Short to medium term	Increase in non-CFC capital expenditure	High	—	
			Stricter regulation on plastic reduction	Short to medium term	Plastic use restrictions, material change and increase in recycling costs	Moderate	—	
	Physical risks	Market and Reputation risk	Changes in procurement costs of energy and raw materials	Short to long term	Increase in electricity expenses and procurement costs of raw materials	Moderate	High	Strengthen the resilience of stores, factories, distribution centers, etc. by establishing and maintaining BCPs
			Changes in consumer behavior	Short to medium term	Changes in sales due to shifts in consumer behaviors with heightened environmental awareness	Moderate	—	
			Changes in evaluation from stakeholders	Short to medium term	Higher evaluation by business partners on our environmental measures (incl. financial institutions)	Low	—	
			Damages from extreme weather	Short to long term	Decrease in profit and increase in cost, due to flooding and destruction of stores (distribution bases, factories)	Moderate	High	
Opportunities	Products and services	Acute risk	Changes in rainfall and climate patterns	Medium to long term	Decrease in profit and increase in cost, due to suspension of operations and store closure as the coastal flooding risk rises	Moderate	High	Promote measures such as cooperation with business partners and product development at our own factories
			Rise in average temperature, sea temperature and sea level	Medium to long term	Increase in procurement costs of raw materials Increase in water expenses from drought	Moderate	High	
	Energy sources	Chronic risks	Consumer preference in eco-friendly products	Medium to long term	Changes in sales due to shifts in consumer behaviors with heightened environmental awareness, and increase in sales in new business areas	Low	—	
	Energy sources		Sharing renewable energy in local communities	Medium to long term	Increase in supply and demand of surplus electricity by the Company and consumers	Low	—	

Anticipated risk-related financial impact in 2030

Impact of the introduction of carbon taxes

Assumption: USD 130/t-CO₂ (source: IEA WEO-2021)

Item	Business impact
Cost of carbon tax	¥1.2 billion – ¥3.0 billion

This represents the range between the impact if we succeed and fail, respectively, in achieving the target reduction of 60% in CO₂ emission intensity on Scope 2 by FY2030 compared to FY2013 levels

*CO₂ emission intensity is calculated based on store area × number of business days

Impact due to the procurement of electricity from renewable energy

Assumption: Procurement of 10,200MWh in electricity from renewable energy

Item	Business impact
Procurement cost of electricity from renewable energy	¥0.25 billion

Damage due to more intense extreme weather

Assumption: Flooding damage due to overflowing rivers and storm surge damage due to atmospheric pressure changes

Item	Business impact
Damage to non-current assets and inventory	¥0.3 billion – ¥0.5 billion
Losses due to store shutdowns	¥30 million – ¥50 million

The minimum value represents an impact of an under 2°C scenario, and the maximum value represents that of a 4°C scenario

Metrics and targets

Metrics	Targets
CO ₂ reduction	Reduce CO ₂ emission intensity by 60% vs. FY2013 levels
Plastic reduction	Weight of packaging and containers used 25% reduction per store vs. FY2019 levels
	Storefront recycling Collect 10 times as many plastic trays per store vs. FY2020
Food recycling	Recycle 100% of food waste

▶ Please see page 45 for details.

Yaoko non-consolidated CO₂ emissions (calculated based on GHG Protocol)

▶ Please see page 45.

Directors and Auditors

(as of June 25, 2024)

Directors



Yukio Kawano
Chairman and Representative Director

Jan. 1969 Joined Yaoko Ltd., General Manager of Sales Department
Mar. 1974 Reorganized Yaoko Ltd. and established YAKO Co., Ltd.; Director
Oct. 1974 Senior Managing Director, the Company
May 1981 Representative Director, the Company
Jan. 1985 President and Representative Director, the Company
Jun. 2007 Chairman and Representative Director, the Company (to present)

• **Significant concurrent positions**

President, Kawano Masanori Memorial Public Interest Incorporated Foundation for Promotion of Pediatrics
Honorary Chairman, Japan Supermarkets Association



Takanori Ishizuka
Executive Managing Director; Chief Director of Sales Management

Apr. 1996 Joined the Company
Feb. 2012 General Manager of Sales Management Office and General Manager in charge of Merchandise Development, the Company
Oct. 2012 General Manager of Sales Management Office, General Manager in charge of Merchandise Development, and General Manager in charge of Operation Promotion, the Company
Feb. 2013 General Manager of Sales Management Office and General Manager in charge of Operation Promotion, the Company
Apr. 2015 General Manager of Delicatessen Division, the Company
Jun. 2015 Director; General Manager of Delicatessen Division, the Company
Mar. 2020 Director; General Manager of Sales Department 1 and Sales Department 2, in charge of Sales Division, the Company
Mar. 2021 Director; Deputy Director of Sales Management and General Manager of Sales Department 1 and Sales Department 2, the Company
Oct. 2021 Director; Deputy Director of Sales Management, General Manager of Sales Department 1 and Sales Department 2, in charge of information systems, the Company
Mar. 2022 Executive Managing Director; Chief Director of Sales Management, the Company (to present)



Sumito Kawano
President and Representative Director

Apr. 2001 Joined the Company
Jan. 2009 General Manager of Grocery Department, the Company
Jun. 2009 Director; General Manager of Grocery Department, the Company
Dec. 2009 Director; Deputy Director of Management Reform Promotion and General Manager of Grocery Department, the Company
Mar. 2011 Director; Deputy Director of Management Reform Promotion and Deputy Director of Sales Management, the Company
Jun. 2011 Executive Managing Director; Deputy Director of Management Reform Promotion and Deputy Director of Sales Management, the Company
Feb. 2012 Executive Vice President and Representative Director, the Company
Apr. 2013 President and Representative Director, the Company (to present)

• **Significant concurrent positions**

Representative Director, Ave Co., Ltd.
Representative Director, Foooot Co., Ltd.
President, YAKO Child Support Foundation



Hiroaki Yagihashi
Director; Chief Director of Store Development and Chief Sustainability Officer (CSO)

Oct. 2008 Joined the Company
Feb. 2012 General Manager of Store Planning Department, the Company
Mar. 2016 Chief Director of Store Development, the Company
Jun. 2017 Director; Chief Director of Store Development, the Company
Mar. 2018 Director; Chief Director of Store Development, General Manager of Store Development Management Division, and General Manager in charge of Store Development Strategy, the Company
Nov. 2018 Director; Chief Director of Store Development, the Company
Mar. 2019 Director; Chief Director of Store Development, General Manager of Store Development Management Division, and General Manager in charge of Store Development Strategy, the Company
Mar. 2020 Director; Chief Director of Store Development and General Manager of Store Development Management Division, the Company
Mar. 2024 Director; Chief Director of Store Development, the Company
Jun. 2024 Director; Chief Director of Store Development and Chief Sustainability Officer (CSO), the Company (to present)



Masanobu Kamiike
Senior Managing Director; Chief Administrative Officer, in charge of Store Development Division, General Manager of Finance Department, and Chief Health Officer (CHO)

Jan. 2005 Joined the Company
Apr. 2008 Chief Director of Store Development and General Manager of Store Development Management Division, the Company
Jun. 2008 Director; Chief Director of Store Development and General Manager of Store Development Management Division, the Company
Apr. 2013 Director; Chief Director of Business Management, General Manager of Corporate Planning Office, and Chief Director of Human Resources & General Affairs, the Company
Jun. 2013 Executive Managing Director; Chief Director of Business Management, General Manager of Corporate Planning Office, and Chief Director of Human Resources & General Affairs, the Company
Mar. 2019 Executive Managing Director; Chief Director of Business Management, Chief Director of Human Resources & General Affairs, in charge of Store Development Division, the Company
Mar. 2020 Executive Managing Director; Chief Administrative Officer, in charge of Store Development Division, the Company
Mar. 2022 Senior Managing Director; Chief Administrative Officer, in charge of Store Development Division, the Company
Mar. 2024 Senior Managing Director; Chief Administrative Officer, in charge of Store Development Division, General Manager of Finance Department, and in charge of Finance, and Chief Health Officer (CHO), the Company
Jun. 2024 Senior Managing Director; Chief Administrative Officer, in charge of Store Development Division, General Manager of Finance Department, and Chief Health Officer (CHO), the Company (to present)



Shigeyuki Kurokawa
Director (Outside)

Apr. 1979 Joined Nomura Securities Co., Ltd.
Oct. 2008 Senior Corporate Managing Director in charge of Financial Management Division, Nomura Securities Co., Ltd.
Apr. 2009 Director and Managing Executive Officer in charge of Corporate Sales of Corporate Company, Nomura Real Estate Development Co., Ltd.
Apr. 2013 Director and Executive Vice President; General Manager of Corporate Sales Division, Nomura Real Estate Development Co., Ltd.
Apr. 2014 Representative Director and Executive Vice President; General Manager of Corporate Sales Division, Nomura Real Estate Development Co., Ltd.
Apr. 2015 Advisor, Nomura Real Estate Development Co., Ltd.
Jun. 2015 Director, the Company (to present)
Jul. 2015 Representative Director, SK Holdings Co., Ltd. (to present)
Jul. 2015 Representative Director, INCREASE PLANNING CO., LTD.
Jul. 2016 Outside Director, PRESI Co., Ltd.
Sep. 2016 Representative Director, Go For It Co., Ltd. (to present)
Jul. 2017 Outside Director, PRESI-X Co., Ltd.
Jul. 2017 Outside Director, PRESI Kensetsu Co., Ltd.

• **Significant concurrent positions**

Representative Director, SK Holdings Co., Ltd.
Representative Director, Go For It Co., Ltd.

• **Reason for Appointment as Outside Director**

Mr. Shigeyuki Kurokawa has been highly evaluated for his achievements and insight as an executive manager in the finance and real estate industries. He has been sufficiently fulfilling his role in decision-making on important matters of the Company's management, supervision of business execution, and others.



Asako Saito
Director (Outside)

Apr. 1990 Joined Mercedes-Benz Japan Co., Ltd.
Sep. 1997 Joined Boston Consulting Group Japan Co., Ltd.
Mar. 2000 Joined Louis Vuitton Japan K. K.
Jun. 2002 COO, Celux Co., Ltd.
Oct. 2008 President and Representative Director, Dramatic Co., Ltd.
Jun. 2015 Director, the Company (to present)
Aug. 2015 Director, Cogito Education and Management Inc.
Jun. 2018 Outside Director, WATABE WEDDING CORPORATION
Mar. 2019 Outside Director, Mitsubishi Pencil Co., Ltd. (to present)
May. 2020 Outside Director, SANYO SHOKAI LTD.
Nov. 2020 Outside Director, CIRCULATION Co., Ltd. (to present)
Nov. 2020 Representative Director, BLOOM Co., Ltd. (to present)
Jun. 2024 Outside Director, Audit and Supervisory Committee Member, SPARX Group Co., Ltd. (to present)

• **Significant concurrent positions**

Outside Director, Mitsubishi Pencil Co., Ltd.
Outside Director, CIRCULATION Co., Ltd.
Representative Director, BLOOM Co., Ltd.
Outside Director, Audit and Supervisory Committee Member, SPARX Group Co., Ltd.

• **Reason for Appointment as Outside Director**

Ms. Asako Saito has been highly evaluated for her achievements and insight as an executive manager in marketing and branding. She has been sufficiently fulfilling her role in decision-making on important matters of the Company's management, supervision of business execution, and others.



Takashi Kuzuhara
Director (Outside)

Apr. 1988 Joined Recruit Co., Ltd. (currently Recruit Holdings Co., Ltd.)
Apr. 2011 Corporate Executive Officer, Recruit Co., Ltd.
Oct. 2012 Corporate Executive Officer, Recruit Holdings Co., Ltd.
Oct. 2012 President and Representative Director, Sumai Company, Recruit Co., Ltd.
Apr. 2013 President, RGF Hong Kong Ltd.
Apr. 2018 Chairman, RGF International Recruitment Business
Apr. 2018 President and Representative Director, Recruit Jobs Co., Ltd.
Apr. 2018 Corporate Executive Officer, Recruit Co., Ltd.
Apr. 2020 Advisor, Recruit Co., Ltd.
Oct. 2021 Outside Director, Net Smile, Inc. (to present)
Jan. 2022 Outside Director, Pac. EX Holdings Co., Ltd. (to present)
Jun. 2022 Director, the Company (to present)

• **Significant concurrent positions**

Outside Director, Net Smile, Inc.
Outside Director, Pac. EX Holdings Co., Ltd.

• **Reason for Appointment as Outside Director**

Mr. Takashi Kuzuhara has been highly evaluated for his achievements and insight as an executive manager of Recruit Group and he has been sufficiently fulfilling his role in decision-making on important matters of the Company's management, supervision of business execution, and others.

Auditors



Masahiro Yamada
Auditor (Full-time)

Apr. 2014 Joined the Company, General Manager of Human Resources Department in charge of Human Resources
Mar. 2015 General Manager of Human Resources Department in charge of Operations, the Company
Mar. 2018 General Manager of Internal Control Division and General Manager of Compliance Division, the Company
Mar. 2024 Assistant to Chief Administrative Officer, the Company
Jun. 2024 Auditor (Full-time), the Company (to present)



Yukio Sato
Auditor (Outside)

Oct. 2009 Chief of Kawaguchi Police Station
Mar. 2011 Chief of Regional Affairs Department, Saitama Prefectural Police Headquarters
Mar. 2012 Chief of Lifestyle Safety Department, Saitama Prefectural Police Headquarters
Mar. 2013 Chief of General Affairs Department, Saitama Prefectural Police Headquarters
Mar. 2014 Retired from Saitama Prefectural Police
Jun. 2017 Auditor (Outside), the Company (to present)

• **Reason for Appointment as Outside Auditor**

Mr. Yukio Sato provides effective advice and information on store crime prevention measures and measures to respond to crimes committed against the Company, based on his extensive experience and expertise in crisis management and others.



Katsuhiro Hashimoto
Auditor (Outside)

Apr. 2012 Director of Meat Inspection Center, Saitama Prefecture
Mar. 2014 Retired from Meat Inspection Center
Apr. 2014 Part-time Instructor, Hanasaki Tokuharu High School, Satogakuen (to present)
Apr. 2014 Instructor for Food Hygiene Manager Training Course, Saitama Prefecture Food Hygiene Association (to present)
Jun. 2020 Auditor (Outside), the Company (to present)

• **Reason for Appointment as Outside Auditor**

Mr. Katsuhiro Hashimoto provides effective advice and information on food safety management, particularly fresh foods, based on his extensive experience and his expertise as a health supervisor.



Tsuyoshi Ikarashi
Auditor (Outside)

Jul. 2012 District Director, Ojiya Tax Office, National Tax Agency
Jul. 2017 Assistant Regional Commissioner of Collection Department, Kantoshinetsu Regional Taxation Bureau, National Tax Agency
Jul. 2018 Retired from National Tax Agency
Aug. 2018 Commenced practice of Tax Accountant Office (to present)
Jun. 2020 Auditor (Outside), the Company (to present)
Jun. 2024 Auditor (Full-time), NCT Co., Ltd. (to present)

• **Reason for Appointment as Outside Auditor**

Mr. Tsuyoshi Ikarashi provides effective advice and information on the appropriateness of the execution of management duties from a tax expert's perspective.

Corporate Governance

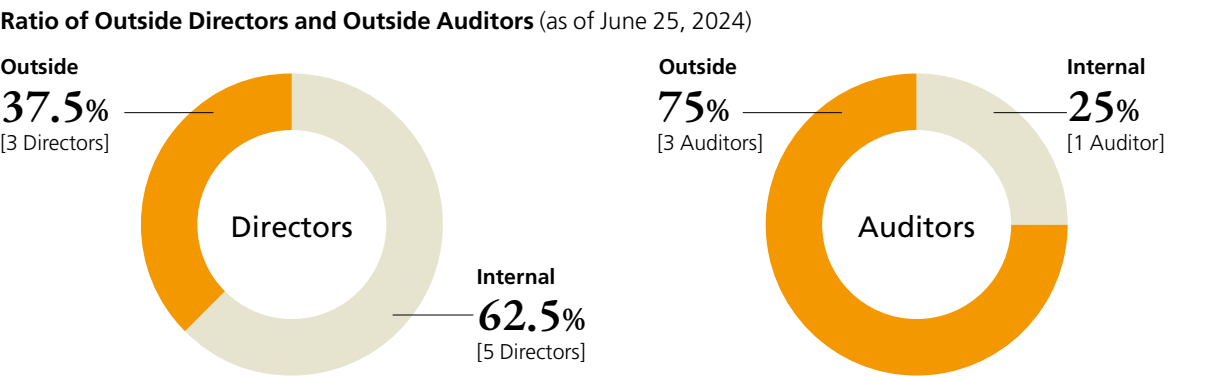
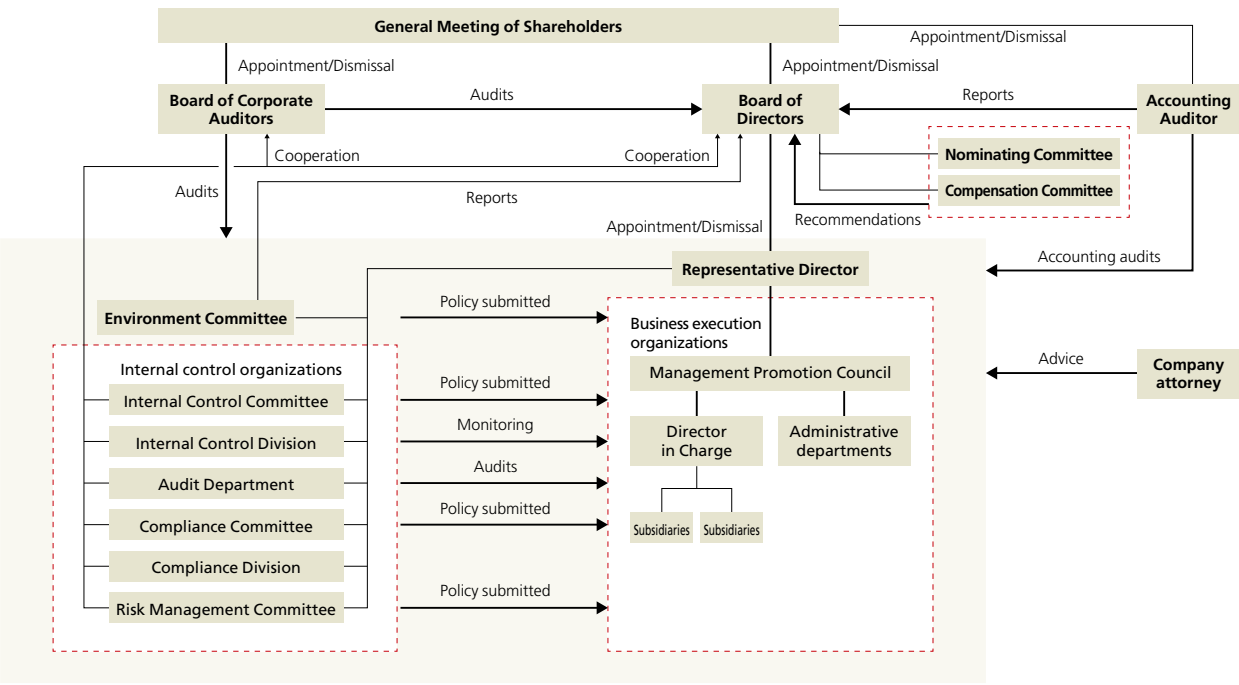
Yaoko’s corporate governance structure is designed to ensure compliance with laws, regulations, and social norms, fulfill our social responsibility to stakeholders, and provide a structure for transparent and fair management.

Governance that has made it possible to achieve 35 consecutive terms of increased sales and profits

The basis of company management is “honesty” declared in company policy. Honest business with no lies or tricks and transparent, healthy management are our first priority, and since our founding in 1890, we have dedicated ourselves to unwavering business according to our unwavering management philosophy. Our management philosophy and company policy are the reasons that we continue to exist. We believe it is essential for every employee to understand and apply them in their daily

work, and the chairman, president, and members of the management team regularly remind employees of their importance at morning gatherings and other meetings. The company’s way of thinking has been passed down through its philosophy and policy from the very beginning, and we view them as the foundation of our governance system, which has enabled Yaoko to successfully achieve 35 consecutive terms of increased sales and profits.

Corporate governance system
Corporate Governance System [Organizational structure: company with Board of Corporate Auditors]
(as of June 25, 2024)



Outline of Board of Directors, Board of Corporate Auditors, and Committees

Board of Directors

Chairperson	Composition	Number of meetings in FY2023 (Attendance rate)
President	Internal Directors 5 Outside Directors 3	14 (99.1%)

Purpose

The Board of Directors decides on important matters relating to management, including the budget, financial results, opening of new stores, remodeling and other store data, as well as successively monitoring the status of business execution. Section managers are appointed for the execution of routine operations, and a system is in place to delegate the necessary authority to speed up operations.

Main topics of discussion

- Cash plan
- Plan for new stores openings
- Selection of Director candidates

Board of Corporate Auditors

Chairperson	Composition	Number of meetings in FY2023 (Attendance rate)
Full-time Auditor	Full-time Auditor 1 Outside Auditors 3	17 (97.0%)

Purpose

Experts (tax accountant, public health professional, and former police officer) have been chosen as outside auditors in order to ensure the legality and propriety of business executed by Yaoko. The audit system is in place with the support of departments within the company. The Board of Corporate Auditors audits management issues.

Main topics of discussion

- Matters concerning the audit policy, audit plans, and auditing methods
- Decision on the reappointment of the Accounting Auditor
- Formulation of auditing standards for Auditors

Nominating Committee

Chairperson	Composition	Number of meetings in FY2023 (Attendance rate)
Outside Director	Internal Directors 2 Outside Directors 3	2 (100%)

Purpose

This committee holds necessary deliberations on the appointment and dismissal of directors and the nomination of candidates for corporate auditors at the request of the Board of Directors, and contributes to improving management transparency and supervisory functions while making use of the knowledge and advice of outside directors.

Main topics of discussion

- Matters concerning the appointment and dismissal of Directors (resolution: General Meeting of Shareholders)
- Matters concerning the selection and removal of Representative Directors and Directors with special titles
- Matters concerning the recommendation of Auditor candidates

Compensation Committee

Chairperson	Composition	Number of meetings in FY2023 (Attendance rate)
Outside Director	Internal Directors 2 Outside Directors 3	2 (100%)

Purpose

This committee holds necessary deliberations on remuneration, etc. for each individual director at the request of the Board of Directors, and contributes to improving management transparency and supervisory functions while making use of the knowledge and advice of outside directors.

Main topics of discussion

- Matters concerning policy on the determination of compensation for individual Directors (resolution: Board of Directors’ Meeting)
- Matters concerning compensation limits for Directors (resolution: General Meeting of Shareholders)

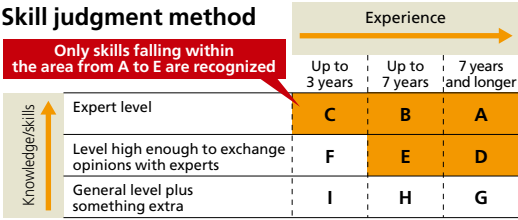
Assessment of the effectiveness of the Board of Directors

In accordance with Japan’s Corporate Governance Code and our Basic Policy on Corporate Governance, the Board of Directors carries out an evaluation of its effectiveness every year since FY2017.

Questionnaire outline	Our directors and auditors conducted a self-assessment based on a questionnaire from February to March 2024. 1. Operation of the Board of Directors 2. Support framework for the Board of Directors 3. Deliberations of the Board of Directors 4. Composition of the Board of Directors 5. Functions of the Board of Directors 6. Meetings to exchange opinions 7. Officers’ camps and training 8. Assessment of the effectiveness of the Board of Directors
Assessment results and analysis	The assessment concluded that the effectiveness of the Board of Directors of Yaoko has been secured. It was also found that the directors quickly execute business plans decided by the Board of Directors and that the Board of Directors appropriately monitors business execution.
Issues	In FY2024, issues to be addressed include dialogue among internal and outside directors, a survey to identify actual shareholders, and dialogue with stakeholders. The Corporate Brand Strategy Department will report investor opinions and other information to the Board of Directors to enable active discussion about the issues.

Officers’ expertise and experience (skills matrix)

The Company gives consideration to the diversity of knowledge, experience, abilities, and areas of expertise of the officers as a whole and the balance of the composition. We appoint candidates who have excellent insight into the management aspects required for operation of a listed company, as well as insight into business operation aspects corresponding to the Company’s business characteristics and issues.



		Management					Business operation				
Name	No. of years served as the Company's officer	Corporate management, management strategy, M&A	Personnel affairs, labor, human resource development	Financial, accounting	Sustainability	Governance, internal control, legal affairs	Experience in retail industry	Merchandise development, MD	IT, logistics	Store opening, store development	Innovation, new businesses
Directors											
Yukio Kawano	50	●	●	●		●	●	●		●	●
Sumito Kawano	15	●	●	●		●	●	●			
Masanobu Kamiike	16	●	●	●		●				●	●
Takanori Ishizuka	9	●					●	●		●	●
Hiroaki Yagihashi	7	●								●	
Shigeyuki Kurokawa Outside	9	●	●	●		●				●	
Asako Saito Outside	9	●			●		●				●
Takashi Kuzuhara Outside	2	●	●								●
Executive Officers											
Haruki Nagumo	2						●	●			●
Masahiro Iwasaki	2						●	●			
Shinsuke Goto	2									●	
Auditors											
Masahiro Yamada	—		●	●		●					
Yukio Sato Outside	7	●	●			●					
Katsuhiro Hashimoto Outside	4				●	●					
Tsuyoshi Ikarashi Outside	4		●	●							

Note: The number of years served for executive officers is the number of years they served as executive officers of the Company.

Skills to be acquired

Management (items required for operation of a listed company)	Corporate management, management strategy, M&A	Yaoko Group operates food supermarkets in the Kanto area. The competition in the “food” field is intensifying with entry of companies from other industries. To realize sustainable growth, the Company needs Directors and Executive Officers who have management experience and track record in retail, real estate development, and M&A fields.
	Personnel affairs, labor, human resource development	The Company sets forth a “decentralized chain-store system” with an “all participation policy,” and people are its most important assets. To develop an environment where each employee can demonstrate their ability to the maximum extent, the Company needs Directors and Executive Officers who have sufficient experience in human resource development as well as personnel and labor affairs.
	Financial, accounting	To continue making investments for further improving corporate values while maintaining sound financial standings, the Company needs Directors and Executive Officers with ample experience in the financial field. Directors and Executive Officers with experience in the accounting field are also required for maintaining the Company's credibility in the market and society through accurate accounting reporting.
	Sustainability	The Company aims to realize a “world where everyone is healthy and enjoys their daily life, now and 100 years from now.” In order to avoid ending up in a world with no hope and increased food shortage and disasters where financial burden on the next generation grows by sticking to existing ways, the Company needs Directors and Executive Officers who are knowledgeable and seriously working in the sustainability field.
	Governance, internal control, legal affairs	Building a right governance structure contributes to improvement of corporate values. To evolve into a company that appropriately manages risks and is aggressive at the same time, the Company needs Directors and Executive Officers who have sufficient knowledge and experience in the fields of corporate governance, internal control, and legal affairs.
Business operation (items corresponding to the Company's business Characteristics and issues)	Experience in retail industry	The driving force of the Company, which aims to “achieve abundant and enjoyable dietary lives,” is merchandize development capability and ability to sell the merchandize. To lineup tasty products at reasonable prices in abundance and to create a selling floor where customers can enjoy choosing products, the Company needs Directors and Executive Officers who are not only knowledgeable in merchandize but also have abundant experience in retailing including manufacturing knowledge, merchandize development, and MD.
	Merchandize development, MD	
	IT, logistics	Retailing is a labor-intensive industry and it is indispensable to improve productivity, to respond to various social issues such as a decline in working-age population due to the future low birth rate and ageing society. In addition to automation and labor saving through utilization of IT, the Company needs to evolve logistics by calculating from delivery to display, and it needs Directors and Executive Officers with solid knowledge and experience in IT and logistics.
	Store opening, store development	Yaoko Group aims to achieve the targets of 500 stores in Kanto and 1 trillion yen in sales, and it needs to build its store network in the Kanto region. To gain dominance in the Kanto region with various store formats including discount stores and to secure market share, the Company needs Directors and Executive Officers with rich experience in store opening and development.
	Innovation, new businesses	Though common for all industries, the retail industry in particular adapts to changes and is required to adapt to changes in customer needs in particular. The management needs the ability to closely observe customers and the ability to respond to changes. The Company needs Directors and Executive Officers who have long-term perspectives and are able to understand potential customer needs.

Officers’ compensation, etc.

Director compensation at Yaoko is based on a system that sufficiently functions as an incentive to continuously increase corporate value, and when decisions are made regarding compensation for individual directors, appropriate levels are set based on the position and duties of each director. Specifically, it consists of fixed compensation and performance-linked compensation, and for outside directors who serve in a supervisory capacity, only fixed compensation is paid in light of their duties.

Fixed compensation

Fixed compensation is monthly fixed monetary compensation. It is determined by considering all factors, including an evaluation of performance based on the position and duties, operating results, years of service, and employee salary levels.

Performance-linked compensation

Performance-linked compensation consists of compensation linked to short-term performance (bonuses)

Compliance

Basic views and promotion framework

The mission of the Yaoko Group is to satisfy our customers through the products and services that only we can provide. However, we believe it is yet more important to provide these products and services in compliance not only with laws and regulations but also with the rules and norms of society in general, and to fulfill our corporate social responsibility.

The Yaoko Group Compliance Committee, chaired by the President and for which the Compliance Division acts as secretariat, deliberates on basic policies and specific initiatives concerning the protection and management of personal information, fair trade, and other topics. By working under this framework in accordance with our Management Philosophy, Company Policy, and the Yaoko Group Code of Conduct, we aim to be a corporate group that wins the trust of all.

Internal reporting office

The Yaoko Compliance Hotline in the Compliance Division is a contact point for reporting and consultation on illegal and potentially illegal activities in the workplace. We are taking steps to improve the system's effectiveness by making consultation available to all Group companies, and expanding the scope beyond illegal activities to also

and compensation linked to medium/long-term performance (stock compensation). Advice from the Compensation Committee is sought, and President and Representative Director Sumito Kawano makes decisions based on the advice.

Total compensation for Directors and Auditors (FY2023)

Officer category	Total compensation (Millions of Yen)	Total by type of compensation (Millions of Yen)			Number of eligible officers
		Fixed compensation	Compensation linked to short-term performance (bonus)	Compensation linked to medium/long-term performance (stock compensation)	
Directors (excluding Outside Directors)	236	141	59	34	6
Auditors (excluding Outside Auditors)	13	13	—	—	1
Outside Officers	40	40	—	—	6

include anonymous reporting and consultation, and measures to ensure whistleblowers are not disadvantaged.

These measures include the appointment of dedicated whistleblower response personnel and the obligation of confidentiality.

Yaoko Group Code of Conduct

The Yaoko Group Code of Conduct specifically illustrates the Group management philosophy, and we are taking thorough steps to raise awareness of the basic ideas and code of conduct common to all group employees. By using this as the axis for daily conduct, we will earn the trust of our customers and fulfill our corporate social responsibility.

Compliance enforcement

Yaoko raises and instills compliance awareness through training for new employees, training by year of employment, meetings, and individual events. To foster a workplace culture that emphasizes compliance, we provide training on harassment laws and regulations using actual incidents at various companies. In addition, purchasing managers receive specialized training on the Subcontract Act.

ESG Data (non-consolidated)

Environment

Yaoko Environmental Policy <https://www.yaoko-net.com/sustainability/eco.html> (in Japanese)

	2020/3	2021/3	2022/3	2023/3	2024/3
CO2 reduction (scope: non-consolidated)					
Amount of GHG emissions (CO2-t) *1					
Scope 1 Emissions from fuel combustion	4,696	3,900	3,164	3,769	4,562*2
Scope 1 Emissions from fluorocarbon leakage	16,080	16,074	11,850	15,644	13,508
Scope 2 Indirect emissions from the use of electricity and heat supplied by other companies	99,833	100,491	111,492	107,314	63,371*2
Total	120,609	120,465	126,506	126,727	81,441*2
CO2 reduction results (compared to FY2013, with FY2013=100) *3	70.0%	62.7%	67.0%	64.0%	44.3%*2
Fluorocarbon emissions (leakage) *4					
Direct HFC emissions	10,514	10,818	9,089	11,237	12,041
Direct HCFC emissions	5,566	5,256	2,761	4,407	1,467
Total	16,080	16,074	11,850	15,644	13,508
Amount of energy usage*5					
Electricity (thousands of kWh)	228,563	237,720	245,047	234,367	276,599
Ratio of renewable energy (total for fiscal year)	0.0%	0.0%	0.0%	19.1%	36.6%
Liquefied petroleum gas (LPG) (t)	585	265	553	412	514
City gas (thousands of cubic meters)	754	816	897	893	1,061
A-heavy oil (KI)	196	206	196	196	236
Number of locations with rooftop solar power installations (cumulative total)	38	39	43	44	46
Number of locations that purchase renewable energy (cumulative total)	—	—	12	48	91
Plastic reduction (scope: non-consolidated)					
Amount of plastic used					
Weight of plastic containers and packaging used (t)	5,140.9	4,916.6	5,174.7	4,836.5	4,989.5
Actual reduction results per store (compared to FY2019, with FY2019=100)	—	93.1%	95.2%	86.8%	86.2%
Amount collected at stores for recycling					
Amount of foam trays and clear trays collected at stores (t)	140	179	156	178	329
Collection per store (compared to FY2020)	—	—	87.1%	100.4%	182.9%
Food recycling (area: non-consolidated)					
Burnable waste generated (t)		12,491	13,751	12,129	11,348
Amount which was food residue (t) a	4,542	3,116	3,352	3,032	2,837
Amount recycled (t) b	2,631	2,674	3,108	2,887	2,943
Food waste	991	915	991	1,159	1,160
Fish bones	1,486	1,607	1,970	1,600	1,667
Waste oil	154	152	147	127	116
Percentage recycled b/(a+b)	36.7%	46.2%	48.1%	48.8%	50.9%
Number of stores that conducted recycling (food waste)		36	36	36	40

Society

	2020/3	2021/3	2022/3	2023/3	2024/3
Labor environment					
Number of employees					
Men	2,782	2,921	3,011	3,103	3,214
Women	663	716	809	853	900
Total	3,445	3,673	3,820	3,956	4,114
PHA members (calculated at an average of 8 hours during the term)	11,185	11,784	12,428	12,554	12,816
Average age	38.8	39.4	39.3	39.4	39.6
Average years employed	10.7	10.9	11.0	11.3	11.5
Management positions					
Percentage of women in management positions	7.6%	7.3%	6.7%	6.6%	7.5%
Number of women in management positions	62	60	58	59	69
Childcare leave status					
Number of employees who took childcare leave	99	133	138	151	95
Percentage of male employees who took childcare leave	0.0%	1.8%	5.3%	12.8%	29.5%
Gender pay gap					
All employees	50.8%	52.2%	51.4%	51.9%	52.9%
Regular employees	75.6%	75.2%	72.6%	75.6%	77.0%
Part-time and fixed term staff	102.5%	104.1%	102.9%	102.7%	103.2%
Percentage of paid leave taken	36.4%	33.7%	34.5%	37.5%	38.2%
Number of hours of education per employee	73.0	12.1	16.6	30.6	53.4
Employment rate for people with disabilities	2.47%	2.50%	2.46%	2.52%	2.56%
Rate of work accidents (per 1,000 people per year)	4.1	3.5	5.2	5.4	4.8

Governance

	2020/3	2021/3	2022/3	2023/3	2024/3
Percentage of independent outside directors	33.3%	33.3%	33.3%	33.3%	37.5%
Percentage of female directors (from among directors)	11.1%	11.1%	11.1%	11.1%	12.5%
Percentage of independent outside auditors	75.0%	75.0%	75.0%	75.0%	75.0%

*1 Regularly reported figures for the Energy Conservation Act + regularly reported figures on fluorocarbon leakage
*2 March 2024 GHG emissions are figures calculated from the regularly reported figures for the revised Energy Conservation Act (emissions after being adjusted for non-fossil energy).
*3 Intensity target until March 2023, absolute target from March 2024
*4 Regularly reported figures on fluorocarbon leakage
*5 Regularly reported figures for the Energy Conservation Act

Financial Data

Main Financial Indicators (Consolidated) (Millions of Yen)

	6th Mid-term Management Plan			7th Mid-term Management Plan		
	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014
Total revenue	206,497	221,061	237,371	247,967	274,149	307,354
(Compared to previous period)	99.1%	107.1%	107.4%	104.5%	110.6%	112.1%
Net sales	197,671	211,624	227,291	237,307	261,900	293,397
Cost of sales	140,666	150,401	161,814	169,656	187,627	210,136
(Cost rate)	71.2%	71.1%	71.2%	71.5%	71.6%	71.6%
Gross profit	57,004	61,222	65,476	67,651	74,242	83,261
(Gross profit ratio)	28.8%	28.9%	28.8%	28.5%	28.3%	28.4%
Operating revenue	8,825	9,436	10,080	10,659	12,249	13,956
Operating gross profit	65,830	70,659	75,556	78,310	86,522	97,217
(Sales operating gross profit ratio)	33.3%	33.4%	33.2%	33.0%	33.0%	33.1%
Distribution expenses	3,824	4,126	4,561	4,745	5,212	5,877
Advertising and promotion expenses	2,035	2,210	2,116	2,110	2,233	2,463
Provision for point card certificates	—	—	—	—	—	—
Salaries and allowances	25,151	26,302	27,620	28,696	31,500	34,777
Provision for bonuses for employees	1,795	1,832	1,897	1,957	2,084	2,163
Retirement benefit expenses	1,257	1,236	1,289	1,367	1,263	823
Provision for retirement benefits for directors	21	21	386	151	78	90
Provision for retirement benefits for executive officers	—	—	—	—	—	—
Provision for stock compensation for employees	—	—	—	—	—	—
Provision for stock compensation for directors	—	—	—	—	—	—
Legal welfare expenses	—	—	—	—	—	—
Utilities	2,914	3,276	3,396	3,756	4,692	5,122
Rent	6,937	7,099	7,270	7,745	8,456	9,164
Depreciation and amortization	2,697	3,243	3,941	3,488	4,271	5,078
Amortization of goodwill	—	—	—	—	—	—
Other	10,597	11,707	12,297	13,307	14,728	18,184
Total selling, general and administrative expenses	57,232	61,056	64,777	67,327	74,523	83,746
(Sales, general, and administrative cost ratio)	29.0%	28.9%	28.5%	28.4%	28.5%	28.5%
Operating income	8,597	9,603	10,779	10,983	11,998	13,470
(Operating income ratio)	4.3%	4.5%	4.7%	4.6%	4.6%	4.6%
Non-operating income	227	198	208	201	205	208
Non-operating expenses	364	382	416	380	364	337
Ordinary income	8,460	9,418	10,571	10,803	11,840	13,342
(Ordinary income ratio)	4.3%	4.5%	4.7%	4.6%	4.5%	4.5%
Extraordinary income	85	553	17	120	93	1,726
Extraordinary losses	76	807	382	494	140	2,181
Income before income taxes	8,469	9,165	10,205	10,429	11,793	12,887
Net income attributable to owners of parent	4,827	5,148	5,388	6,019	7,110	7,834
(Net income ratio)	2.4%	2.4%	2.4%	2.5%	2.7%	2.7%
Capital investment	10,184	10,902	10,899	15,104	21,032	21,597
New stores and prior investments	9,864	10,705	10,306	12,322	16,431	17,550
Revitalizing existing stores	320	197	593	2,782	4,601	4,047
Other (IT systems, etc.)	—	—	—	—	—	—
Depreciation and amortization	2,697	3,243	3,941	3,488	4,271	5,078
Total assets	80,299	91,307	99,810	105,046	126,612	133,628
Current assets	14,552	17,124	17,826	20,305	25,430	21,449
Non-current assets	65,746	74,183	81,984	84,740	101,182	112,178
Deferred assets	—	—	—	—	—	—
Total liabilities	43,999	50,691	54,889	55,134	71,466	72,116
Net assets	36,299	40,615	44,921	49,911	55,146	61,511
Operating cash flow	7,965	10,962	9,981	8,808	15,859	17,750
Investing cash flow	-9,039	-8,795	-10,300	-5,838	-19,850	-13,918
Financing cash flow	-129	-721	-654	-2,086	7,379	-6,105
Free cash flow (Operating CF + Investing CF)	-1,074	2,167	-319	2,970	-3,991	3,832
ROE	14.2%	13.5%	12.7%	12.8%	13.6%	13.5%
ROA	6.0%	5.6%	5.4%	5.7%	5.6%	5.9%
EPS	248.62	265.15	277.53	310.03	183.12	201.77
BPS	1,859.18	2,079.54	2,298.69	2,552.70	1,409.88	1,584.19
Total asset turnover (times)	2.5	2.3	2.3	2.3	2.1	2.2
Capital to asset ratio	45.0%	44.2%	44.7%	47.2%	43.2%	46.0%
Outstanding shares (excluding treasury stock/average for period) (shares)	19,415,585	19,415,255	19,415,045	19,414,755	38,829,105	38,828,669

1. YCC CO., LTD., which had been a consolidated subsidiary, was transferred to BOOKOFF GROUP HOLDINGS LIMITED on September 30, 2009. Fresh Yaoko Co., Ltd. was liquidated on March 27, 2010.

2. On March 26, 2015, Nihon Apoch Co., Ltd., which had been a consolidated subsidiary, was partly transferred to Alfresa Holdings Corporation. It became an equity-method affiliate and was excluded from consolidated subsidiaries from the fiscal year ended March 31, 2016.

3. On April 1, 2015, Sanmi Co., Ltd., which had been a consolidated subsidiary, was taken over, and thus we did not prepare the consolidated financial statements for the fiscal years ended March 31, 2016 and 2017.

4. On April 3, 2017, Ave Co., Ltd. became a consolidated subsidiary.

8th Mid-term Management Plan			9th Mid-term Management Plan			10th Mid-term Management Plan		
FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
—	—	414,992	435,085	460,476	507,862	536,025	564,487	619,587
—	—	—	104.8%	105.8%	110.3%	105.5%	105.3%	109.8%
—	—	398,228	417,709	442,220	487,189	514,029	541,824	595,348
—	—	294,931	309,524	328,243	363,286	384,259	405,790	446,763
—	—	74.1%	74.1%	74.2%	74.6%	74.8%	74.9%	75.0%
—	—	103,297	108,184	113,977	123,902	129,769	136,034	148,584
—	—	25.9%	25.9%	25.8%	25.4%	25.3%	25.1%	25.0%
—	—	16,763	17,375	18,256	20,673	21,996	22,662	24,239
—	—	120,060	125,560	132,233	144,575	151,766	158,696	172,824
—	—	30.1%	30.1%	29.9%	29.7%	29.5%	29.3%	29.0%
—	—	7,129	7,332	7,708	8,918	9,577	9,937	10,895
—	—	2,829	2,934	2,996	2,718	2,669	2,761	3,037
—	—	—	—	—	—	—	78	588
—	—	42,995	44,264	46,432	49,820	53,089	54,895	58,637
—	—	2,684	2,599	2,812	2,922	2,987	3,180	3,308
—	—	1,033	1,029	1,059	1,097	1,148	1,573	1,573
—	—	5	5	5	248	3	2	0
—	—	2	2	2	2	2	1	1
—	—	346	284	389	229	565	387	492
—	—	42	42	42	40	37	29	34
—	—	6,568	6,759	7,121	8,636	8,303	8,458	9,176
—	—	4,766	5,072	4,864	4,540	5,282	7,553	7,040
—	—	11,557	12,058	12,603	13,336	14,166	14,728	15,835
—	—	7,114	8,452	9,163	9,582	10,303	10,863	11,354
—	—	1,015	1,015	1,015	1,015	1,015	—	—
—	—	14,997	15,805	16,132	19,008	18,530	18,008	21,517
—	—	103,091	107,660	112,351	122,117	127,684	132,461	143,495
—	—	25.9%	25.8%	25.4%	25.1%	24.8%	24.4%	24.1%
—	—	16,969	17,900	19,882	22,458	24,081	26,235	29,328
—	—	4.3%	4.3%	4.5%	4.6%	4.7%	4.8%	4.9%
—	—	214	217	358	319	279	357	589
—	—	655	629	612	565	1,070	995	1,040
—	—	16,528	17,488	19,629	22,211	23,290	25,597	28,877
—	—	4.2%	4.2%	4.4%	4.6%	4.5%	4.7%	4.9%
—	—	348	2,609	22	199	52	25	3
—	—	584	2,367	890	1,322	966	2,143	2,925
—	—	16,292	17,730	18,761	21,089	22,376	23,479	25,955
—	—	11,004	11,798	12,458	14,593	15,382	15,849	18,243
—	—	2.8%	2.8%	2.8%	3.0%	3.0%	2.9%	3.1%
—	—	24,702	23,009	22,723	24,673	42,047	22,977	26,738
—	—	20,520	13,427	11,706	13,318	23,799	11,616	17,097
—	—	4,182	2,752	7,944	3,462	11,324	6,837	6,091
—	—	6,830	3,073	7,893	6,924	6,924	4,524	3,551
—	—	7,114	8,452	9,163	9,582	10,303	10,863	11,354
—	—	213,673	224,315	244,511	269,121	305,997	318,231	342,409
—	—	35,601	38,507	48,062	58,091	60,303	76,625	86,135
—	—	178,071	185,807	196,409	210,999	245,673	241,595	256,272
—	—	—	—	39	29	20	11	1
—	—	129,034	130,259	140,473	152,495	177,168	176,618	174,506
—	—	84,639	94,055	104,037	116,625	128,828	141,613	167,902
—	—	18,613	22,970	29,218	26,896	30,525	33,276	37,163
—	—	-30,805	-16,431	-21,992	-23,345	-46,909	-10,516	-26,785
—	—	4,736	-5,715	1,418	4,191	15,571	-8,251	-8,075
—	—	-12,192	6,539	7,226	3,551	-16,384	22,760	10,378
—	—	13.7%	13.2%	12.6%	13.2%	12.5%	11.7%	11.8%
—	—	5.1%	5.3%	5.1%	5.4%	5.0%	5.0%	5.3%
—	—	283.41	303.86	320.85	375.81	396.08	407.99	464.43
—	—	2,179.81	2,422.24	2,679.23	3,003.15	3,317.02	3,644.95	4,121.55
—	—	1.9	1.9	1.8	1.8	1.7	1.7	1.7
—	—	39.6%	41.9%	42.5%	43.3%	42.1%	44.5%	49.0%
—	—	38,828,270	38,829,591	38,830,676	38,833,224	38,837,603	38,847,080	39,282,078

5. On April 1, 2015, the Company made a 2-for-1 split of its common shares. Book-value Per Share (BPS) and Earnings Per Share (EPS) are estimated based on stock split assumptions at the beginning of the fiscal year ended March 31, 2014.

6. Return on Equity (ROE) is calculated based on average capital over the period.

7. Since the fiscal year ended March 31, 2019, capital investment is written separately for stores (new and existing) and others.

8. Since the beginning of the fiscal year ended March 31, 2021, the Company applies the Accounting Standard for Revenue Recognition.

9. Since the fourth quarter of the fiscal year ended March 31, 2022, the equity method is applied to Sendo Co., Ltd.

Main Financial Indicators (Non-consolidated) (Millions of Yen)

	6th Mid-term Management Plan			7th Mid-term Management Plan		
	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014
Total revenue	197,877	211,885	227,211	237,556	263,015	295,883
(Compared to previous period)	101.1%	107.1%	107.2%	104.6%	110.7%	112.5%
Net sales	189,522	202,943	217,650	227,420	251,334	282,449
Cost of sales	144,219	154,299	165,676	173,312	191,480	214,975
(Cost rate)	76.1%	76.0%	76.1%	76.2%	76.2%	76.1%
Gross profit	45,302	48,643	51,973	54,108	59,853	67,474
(Gross profit ratio)	23.9%	24.0%	23.9%	23.8%	23.8%	23.9%
Operating revenue	8,355	8,942	9,561	10,136	11,680	13,433
Operating gross profit	53,658	57,585	61,534	64,244	71,534	80,908
(Sales operating gross profit ratio)	28.3%	28.4%	28.3%	28.2%	28.5%	28.6%
Distribution expenses	3,538	3,822	4,239	4,418	4,872	5,435
Advertising and promotion expenses	2,021	2,196	2,075	2,072	2,204	2,436
Provision for point card certificates	—	—	—	—	—	—
Salaries and allowances	17,437	18,177	19,108	19,991	22,022	24,473
Provision for bonuses for employees	1,360	1,397	1,441	1,491	1,582	1,665
Retirement benefit expenses	972	943	987	1,045	968	658
Provision for retirement benefits for directors	21	21	386	129	38	86
Provision for stock compensation for employees	—	—	—	—	—	—
Provision for stock compensation for directors	—	—	—	—	—	—
Legal welfare expenses	—	—	—	—	—	3,893
Utilities	2,891	3,249	3,370	3,727	4,661	5,075
Rent	6,731	6,875	7,040	7,506	8,215	9,053
Depreciation and amortization	2,425	3,059	3,546	3,130	3,848	4,592
Other	8,628	9,466	10,153	11,101	12,322	15,073
Total selling, general and administrative expenses	46,029	49,208	52,350	54,613	60,737	68,548
(Sales, general, and administrative cost ratio)	24.3%	24.2%	24.1%	24.0%	24.2%	24.3%
Operating income	7,628	8,377	9,184	9,630	10,796	12,360
(Operating income ratio)	4.0%	4.1%	4.2%	4.2%	4.3%	4.4%
Non-operating income	399	372	776	1,269	776	574
Non-operating expenses	368	379	412	378	359	334
Ordinary income	7,660	8,370	9,548	10,521	11,213	12,599
(Ordinary income ratio)	4.0%	4.1%	4.4%	4.6%	4.5%	4.5%
Extraordinary income	85	553	17	110	93	2,614
Extraordinary losses	63	784	371	465	132	2,101
Income before income taxes	7,681	8,139	9,194	10,166	11,174	13,112
Net income	4,506	4,698	5,159	6,379	7,074	8,543
(Net income ratio)	2.4%	2.3%	2.4%	2.8%	2.8%	3.0%
Capital investment	10,072	10,837	10,846	15,009	20,913	21,524
New stores and prior investments	9,770	10,650	10,263	12,230	16,319	17,550
Revitalizing existing stores	302	187	583	2,779	4,594	3,974
Other (IT systems, etc.)	—	—	—	—	—	—
Depreciation and amortization	2,644	3,181	3,868	3,413	4,190	4,995
Total assets	76,601	86,006	94,645	99,080	119,927	129,501
Current assets	12,478	13,729	14,659	16,678	21,196	21,837
Non-current assets	64,122	72,277	79,985	82,401	98,730	107,663
Deferred assets	—	—	—	—	—	—
Total liabilities	42,380	47,958	52,571	51,715	66,588	68,807
Net assets	34,220	38,048	42,074	47,364	53,338	60,694
Operating cash flow	—	—	—	—	—	—
Investing cash flow	—	—	—	—	—	—
Financing cash flow	—	—	—	—	—	—
Free cash flow (Operating CF + Investing CF)	—	—	—	—	—	—
Dividend per share	45.00	57.00	55.00	57.00	60.00	80.00
ROE	13.9%	13.0%	12.9%	14.3%	14.0%	15.0%
ROA	5.9%	5.5%	5.5%	6.4%	5.9%	6.6%
EPS	232.11	242.00	265.75	328.57	182.19	220.02
BPS	1,762.51	1,959.72	2,167.09	2,439.63	1,373.69	1,563.13
Total asset turnover (times)	2.5	2.4	2.3	2.3	2.1	2.2
Capital to asset ratio	44.7%	44.2%	44.5%	47.8%	44.5%	46.9%
Outstanding shares (excluding treasury stock/average for period) (shares)	19,415,585	19,415,255	19,415,045	19,414,755	38,829,105	38,828,669
Number of new stores	5	7	8	5	10	9
Number of remodeled stores	5	3	5	7	7	10
Number of scrap-and-build stores	—	—	—	1	—	—
Number of stores closed	—	—	—	—	—	—
Number of stores at end of FY	104	111	118	123	133	142
Number of stores at end of FY (consolidated)	—	—	—	—	—	—
Sales floor space at end of FY (weighted average) (m²)	195,728	210,679	223,535	232,330	251,654	267,349

1. On April 1, 2015, Sanmi Co., Ltd., which had been a consolidated subsidiary, was taken over, and thus we did not prepare the consolidated financial statements for the fiscal years ended March 31, 2016 and 2017.
2. On April 1, 2015, the Company made a 2-for-1 split of its common shares. Book-value Per Share (BPS) and Earnings Per Share (EPS) are estimated based on stock split assumptions at the beginning of the fiscal year ended March 31, 2014.

8th Mid-term Management Plan			9th Mid-term Management Plan			10th Mid-term Management Plan		
FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
325,441	343,061	363,892	380,992	401,358	442,126	467,838	487,891	534,780
110.0%	105.4%	106.1%	104.7%	105.3%	110.2%	105.8%	104.3%	109.6%
310,634	327,406	347,637	364,122	383,677	422,101	446,535	466,035	511,357
223,317	235,996	251,209	262,941	277,311	306,817	325,388	339,434	373,185
71.9%	72.1%	72.3%	72.2%	72.3%	72.7%	72.9%	72.8%	73.0%
87,317	91,410	96,427	101,181	106,366	115,284	121,147	126,601	138,172
28.1%	27.9%	27.7%	27.8%	27.7%	27.3%	27.1%	27.2%	27.0%
14,807	15,654	16,255	16,869	17,680	20,024	21,302	21,856	23,423
102,124	107,064	112,682	118,051	124,047	135,308	142,449	148,457	161,595
32.9%	32.7%	32.4%	32.4%	32.3%	32.1%	31.9%	31.9%	31.6%
6,449	6,712	7,129	7,332	7,708	8,878	9,401	9,752	10,680
2,626	2,815	2,824	2,922	2,949	2,713	2,641	2,728	2,974
—	—	—	—	—	—	—	78	588
36,864	39,415	41,488	42,679	44,735	47,982	51,027	52,583	56,141
2,014	2,181	2,270	2,351	2,505	2,554	2,640	2,771	2,855
727	930	1,014	1,003	1,021	1,099	1,112	1,513	1,548
90	22	—	—	—	—	—	—	—
339	462	346	284	389	229	565	387	492
—	32	42	42	42	40	37	29	34
5,130	5,735	6,328	6,532	6,871	8,340	7,993	8,099	8,788
4,665	4,170	4,524	4,804	4,598	4,288	4,992	7,023	6,572
9,640	10,045	10,655	11,157	11,612	12,277	13,036	13,493	14,481
5,612	6,142	6,817	8,049	8,739	9,140	9,761	10,092	10,509
14,113	13,876	14,021	14,832	15,117	18,043	17,485	17,064	20,345
88,274	92,544	97,465	101,991	106,292	115,588	120,696	125,619	136,003
28.4%	28.3%	28.0%	28.0%	27.7%	27.4%	27.0%	27.0%	26.6%
13,850	14,520	15,217	16,059	17,754	19,719	21,753	22,837	25,592
4.5%	4.4%	4.4%	4.4%	4.6%	4.7%	4.9%	4.9%	5.0%
220	218	383	499	648	611	586	559	475
531	524	581	574	573	539	889	981	1,032
13,539	14,214	15,019	15,984	17,829	19,791	21,451	22,415	25,036
4.4%	4.3%	4.3%	4.4%	4.6%	4.7%	4.8%	4.8%	4.9%
1,385	2,249	347	2,609	22	199	50	30	3
1,367	2,314	583	2,365	889	1,321	1,766	1,336	3,409
13,556	14,149	14,782	16,228	16,963	18,669	19,735	21,110	21,630
9,065	9,927	10,307	11,139	11,574	13,315	13,937	14,291	15,099
2.9%	3.0%	3.0%	3.1%	3.0%	3.2%	3.1%	3.1%	3.0%
17,048	26,054	24,445	15,699	17,049	24,405	32,153	21,811	22,606
8,980	18,449	20,373	6,226	10,738	13,293	14,125	10,591	13,101
8,068	7,605	4,072	2,730	3,357	3,315	11,297	6,755	6,066
—	—	—	6,743	2,954	7,797	6,731	4,465	3,439
5,612	6,142	6,817	8,049	8,739	9,140	9,761	10,092	10,509
142,399	179,870	198,546	210,799	230,824	254,815	290,367	301,647	321,850
20,400	40,137	31,632	36,029	43,703	52,283	55,383	70,235	78,106
121,998	139,733	166,914	174,770	187,082	202,501	234,962	231,401	243,741
—	—	—	—	39	29	20	11	1
74,407	103,781	113,712	117,159	128,031	141,300	166,405	166,621	163,789
67,991	76,089	84,834	93,640	102,793	113,515	123,961	135,026	158,061
15,428	15,805	—	—	—	—	—	—	—
-15,236	-23,267	—	—	—	—	—	—	—
-2,242	25,083	—	—	—	—	—	—	—
192	-7,462	—	—	—	—	—	—	—
45.00	50.00	55.00	60.00	65.00	85.50	80.00	85.00	110.00
14.1%	13.8%	12.8%	12.4%	11.8%	12.3%	11.7%	11.0%	10.3%
6.4%	5.5%	5.2%	5.3%	5.0%	5.2%	4.8%	4.7%	4.8%
233.48	255.67	265.47	286.89	298.06	342.90	358.88	367.89	384.37
1,751.10	1,959.66	2,184.83	2,411.54	2,647.18	2,923.04	3,191.70	3,475.41	3,879.97
2.2	1.8	1.8	1.7	1.7	1.7	1.5	1.5	1.6
47.7%	42.3%	42.7%	44.4%	44.5%	44.5%	42.7%	44.8%	49.1%
38,827,937	38,827,881	38,828,270	38,829,591	38,830,676	38,833,224	38,837,603	38,847,080	39,282,078
6	6	6	6	5	5	9	6	4
11	10	11	8	9	10	10	9	11
2	3	—	—	—	—	—	—	1
—	—	2	3	—	2	1	—	—
148	154	158	161	166	169	177	183	187
—	—	168	172	178	181	192	199	205
279,318	290,346	303,626	310,981	321,037	329,520	345,703	354,337	363,106

3. Return on Equity (ROE) is calculated based on average capital over the period.
4. Since the fiscal year ended March 31, 2019, capital investment is written separately for stores (new and existing) and others.
5. Since the beginning of the fiscal year ended March 31, 2021, the Company applies the Accounting Standard for Revenue Recognition.