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Consolidated Financial Results for the Nine Months Ended December 31, 2024 [Japanese GAAP]

February 10, 2025

Company name: YAOKO CO., LTD.
Stock exchange listing: Tokyo Stock Exchange
Code number: 8279
URL: https://www.yaoko-net.com/
Representative: Kawano Sumito, President and Representative Director
Contact: Kamiike Masanobu, Senior Managing Director and Chief Administrative Officer
Phone: +81-49-246-7000
Scheduled date of commencing dividend payments: -
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: None

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

1. Consolidated Financial Results for the Nine Months Ended December 31, 2024 (April 1, 2024 to December 31, 2024)

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

	Total revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Nine months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
December 31, 2024	557,612	18.7	34,516	8.5	33,919	7.1	22,963	4.0
December 31, 2023	469,573	9.2	31,808	21.3	31,672	22.3	22,088	31.2

(Note) Comprehensive income: Nine months ended December 31, 2024: ¥23,392 million [5.7%]
Nine months ended December 31, 2023: ¥22,139 million [31.1%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2024	561.35	-
December 31, 2023	568.50	533.96

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of December 31, 2024	380,763	190,503	48.8	4,536.43
As of March 31, 2024	342,409	167,902	49.0	4,121.55

(Reference) Equity: As of December 31, 2024: ¥ 185,771 million
As of March 31, 2024: ¥167,902 million

2. Dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	-	42.50	-	67.50	110.00
Fiscal year ending March 31, 2025	-	55.00	-		
Fiscal year ending March 31, 2025 (Forecast)				55.00	110.00

(Note) Revision to the forecast for dividends announced most recently: None

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)

(% indicates changes from the previous corresponding period.)

	Total revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	707,000	14.1	31,400	7.1	30,500	5.6	18,700	2.5	476.04

(Note) Revision to the financial results forecast announced most recently: None

*** Notes:**

(1) Significant changes in the scope of consolidation during the period: Yes
New: 1 company (Sendo Co., Ltd.) Exclusion: - company (Name of company)

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement
1) Changes in accounting policies due to the revision of accounting standards: Yes
2) Changes in accounting policies other than 1) above: None
3) Changes in accounting estimates: None
4) Retrospective restatement: None
(Note) For details, please refer to page 10 of the Attachment, "Quarterly Consolidated Financial Statements and Primary Notes, (3) Notes to Quarterly Consolidated Financial Statements, Changes in accounting policies."

(4) Total number of issued shares (common shares)
1) Total number of issued shares at the end of the period (including treasury shares):
December 31, 2024: 41,894,288 shares
March 31, 2024: 41,894,288 shares

2) Total number of treasury shares at the end of the period:
December 31, 2024: 943,189 shares
March 31, 2024: 1,156,609 shares

3) Average number of shares during the period:
Nine months ended December 31, 2024: 40,908,298 shares
Nine months ended December 31, 2023: 38,854,016 shares

* Quarterly financial results reports are exempt from review conducted by certified public accountants or an audit firm.

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

The earnings forecasts and other forward-looking statements herein are based on certain assumptions in light of information currently available and deemed reasonable and are not a guarantee of future performance. Actual results may differ significantly from these forecasts due to a wide range of factors. For details on conditions for the assumptions of financial results forecasts and notes for the use of financial results forecasts, please refer to page 5 of the Attachment, “1. Qualitative Information on Quarterly Financial Results, (3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information.”

Table of Contents - Attachments

1. Qualitative Information on Quarterly Financial Results 2
(1) Explanation of Operating Results 2
(2) Explanation of Financial Position 5
(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information 5

2. Quarterly Consolidated Financial Statements and Primary Notes 6
(1) Quarterly Consolidated Balance Sheets 6
(2) Quarterly Consolidated Statements of Income and Comprehensive Income 8
(3) Notes to Quarterly Consolidated Financial Statements 10
Notes on going concern assumption 10
Notes in the event of material changes in the amount of shareholders' equity 10
Changes in accounting policies 10
Notes on segment information, etc. 10
Notes on statements of cash flows 10
Important subsequent events 11

1. Qualitative Information on Quarterly Financial Results

(1) Explanation of Operating Results

The Group operates its food supermarkets business in the following two formats: a format that "proposes ideas for abundant, enjoyable, and healthy dietary lives" for customers who live close to our stores and visit our stores frequently (lifestyle assortment-style); and a format that offers discount to respond to needs for "bulk purchase" of customers who lives in wider areas centered around our stores (discount-style).

The basic strategies of the Group are to satisfy all customers in the local communities by deepening the two formats and thereby increase our share in them; and to allow each company to operate independently and hone their own unique "strengths."

The key theme in the period of the 11th Mid-Term Management Plan (from the fiscal year ending March 31, 2025 to the fiscal year ending March 31, 2027) has been to "become stronger through united efforts of the Group." By allowing each company which operates under either the lifestyle assortment-style or the discount-style to grow autonomously, the Group will aim to increase the share in its market territories and also promote building of the foundation to create a "system to achieve Group net sales of 1 trillion yen."

(i) A share increase in the market territories of the Group

- Share increase in both the lifestyle assortment-style and the discount-style
- Continuation of consideration of M&As in the lifestyle assortment-style

(ii) Strengthening of the shared functions of the Group (building the foundation to achieve Group net sales of 1 trillion yen)

- Personnel affairs, financial affairs, internal control, store development, logistics, systems, and manufacturing
- Fostering of management personnel, human resource interactions, and mutual learning

(iii) Investment and collaboration in growth markets

- Growth support and collaboration in the Vietnam market
- Collaboration and creation of new value with domestic ventures

During the nine months ended December 31, 2024, the Japanese economy continued to be on a moderate recovery trend with progress in the normalization of financial policy. Meanwhile, the economic outlook remains uncertain due in part to surging commodity prices and uncertainty in the world economy.

The food supermarkets industry is also facing the increasing thriftiness of consumers, and the business environment surrounding the industry has been extremely challenging, with soaring expenses for personnel, construction materials, etc. and accelerating competition among companies regardless of business type, including industry reorganization.

The basic policies of the Company have been set as "enhancing meal solutions" and "emphasizing price-conscious choices," and the key theme of the 11th Mid-Term Management Plan has been set as "The New Yaoko: Structural reform from the Showa model to the Reiwa model." During the fiscal year under review, we worked on the following priority measures to simultaneously realize four types of value, namely, "deliciousness," "product assortments," "proposals," and "inexpensiveness."

[Product and Sales Strategy]

On the product front, we have been focusing on enhancing meal solutions to realize product assortments that lead to uniqueness and differentiation of the Company. In addition, in order to achieve competitive advantage throughout the value chain, we are aiming to enhance SPA-type product development by tapping into the manufacturing and retailing industry. Furthermore, a new healthy product lineup "Happiness" was added to Yes! YAOKO. By so doing, we are further refining the quality and prices of our private brand products.

On the sales front, we have been emphasizing price-conscious choices by continuing to respond to polarization. In addition to EDLP (Every Day Low Price measures) and "the GENSEN 100 (monthly special:100 bargain items)," we worked on pricing policies for frequently sold fresh foods. At the same time, in order to attract more customers, we implemented the "Japan's No. 1 Program" to promote single item mass sales, and the "Local Products Fair" and the "Toyosu Festival" where local specialty products from various regions are sold, among other measures. We are also promoting the "Tailored strategies for different markets" centered around sales promotion and product assortments to further advance our support for each specific customer.

The utilization rate of "Yaoko Pay," a cashless payment service, is gradually increasing as it can be used with the "Yaoko Card" in addition to the "Yaoko App".

[Operational Strategy]

For productivity improvement, we are working on *kaizen* (improvement) activities where operations are improved through automation and digital technologies are utilized. The utilization of an automatic ordering system for grocery products based on AI demand projections has been successful, resulting in improved productivity.

In addition, the cash register department is promoting introduction of fully self-service checkouts. Furthermore, electronic shelf labels and operational support apps have been gradually introduced to promote paperless operations, and thereby we are establishing an employee-friendly working environment.

The Soka Distribution Center where a warehouse management system and automatic warehouse sorting machine have been installed is gradually increasing the number of stores under its jurisdiction, and has worked to stabilize its operation. In June, we relocated the Yokohama Distribution Center to improve the logistics capacity in the Kanagawa area.

Moreover, we are working on initiatives to reduce waste, save electricity, and promote recycling toward a recycling-oriented society.

[Human Resources Development Strategy]

For the purpose of developing independent human resources who can yield results as a team, we have revised our personnel evaluation system including how to set targets and challenges, and are promoting company-wide efforts to instill the system.

In parallel with the *kaizen* (improvement) activities, we are working on establishing and maintaining the working environment by, for example, reviewing the operational categories.

In addition, we will improve the employee-friendliness in which female and senior employees can play an active role, and at the same time, strive to achieve health and productivity management.

[New Stores and Growth Strategy]

During the nine months ended December 31, 2024, we opened the Musashi Urawa Store (Saitama-shi, Saitama Prefecture) in May, the Urawa Mimuro Store (Saitama-shi, Saitama Prefecture) in June, the Kuki Yoshiba Store (Kuki-shi, Saitama Prefecture) and the Higashi Washinomiya Store (Kuki-shi, Saitama Prefecture) in September, the Kawaguchi SKIP City Store (Kawaguchi-shi, Saitama Prefecture) and the Shibukawa Store (Shibukawa-shi, Gunma Prefecture) in October,and Shin-Yurigaoka Store (Kawasaki-shi, Kanagawa Prefecture) in November. In December, the Gakuen-mae store (Chiba-shi, Chiba Prefecture) underwent a scrap-and-build renovation.

The Kuki Yoshiba store is positioned as a flagship store in the northern area, mainly targeting middle and senior customers, and we will share the challenges and measures at this store within the company.

In addition, YAOKO online supermarket, the bases of which are brick-and-mortar stores, operates at 24 stores,

and the number of such stores is slated to increase in the future.

The overview of each company of the Group is as follows:

AVE Co., Ltd. has formed a dominant area centered around Kanagawa Prefecture. The company has set its basic policies as “unrivalled low prices” and “thorough low-cost operation,” and is striving to realize the policies through various measures and initiatives. In October, Hiratsuka store (Hiratsuka-shi, Kanagawa Prefecture) opened.

Foocot Co., Ltd. operates five stores mainly in Saitama Prefecture “through an overwhelming assortment of delicious products, low prices, and the thorough pursuit of low-cost operations to support this,” which is its management policy.

Sendo Co., Ltd. became a consolidated subsidiary on April 1, 2024, and has formed a dominant area centered around Ichihara-shi, Chiba Prefecture. The company operates food supermarkets with tremendous advantage in perishable foods.

The number of stores of the entire Group as of December 31, 2024 is 238 (YAOKO: 194; AVE: 14; Foocot: 5; and Sendo: 25).

As a result, total revenue for the nine months ended December 31, 2024 was 557,612 million yen (up 18.7% year on year), operating profit was 34,516 million yen (up 8.5% year on year), ordinary profit was 33,919 million yen (up 7.1% year on year), and Profit attributable to owners of parent was 22,963 million yen (up 4.0% year on year).

The segment information is omitted, as the Group has only a single segment, which is the supermarket business, and other businesses are immaterial.

(Notes) The term “meal solutions” refers to our solutions to help our customers solve issues related to meals by, for example, proposing their daily meal plans and advising how to cook meals.
The term “price-conscious choices” refers to pricing products always bearing in mind reasonable prices affordable for customers.

(2) Explanation of Financial Position

(Assets)

Total assets at the end of the nine months of the fiscal year under review increased by 38,353 million yen compared with the end of the previous fiscal year to 380,763 million yen. This was primarily due to an increase in cash and bank deposits, accounts receivable—trade, merchandise, deposits included in "other" of current assets, and an increase in property, plant and equipment associated with investment in new store openings and renovation of existing stores.

(Liabilities)

Liabilities at the end of the nine months of the fiscal year under review increased by 15,752 million yen compared with the end of the previous fiscal year to 190,259 million yen. This was primarily due to increases in accounts payable – trade and borrowings, despite decreases in bonds payable.

(Net Assets)

Net assets at the end of the nine months of the fiscal year under review increased by 22,601 million yen compared with the end of the previous fiscal year to 190,503 million yen. This was primarily due to an increase in retained earnings arising from the recording of profit attributable to owners of parent, as well as an increase in non-controlling interests arising from the event that Sendo Co., Ltd. became a consolidated subsidiary.

(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information

As for the financial results forecast for the fiscal year under review, there have been no changes to the consolidated financial results forecast announced on May 13, 2024 at this point in time. If a need to revise the forecast arises in the future, we will make prompt disclosure.

2. Quarterly Consolidated Financial Statements and Primary Notes

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	48,079	52,606
Accounts receivable - trade	10,721	17,067
Securities	100	-
Merchandise and finished goods	10,500	13,843
Raw materials and supplies	457	395
Other	16,276	20,554
Total current assets	86,135	104,468
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	88,720	108,676
Land	84,785	92,927
Other, net	31,205	27,779
Total property, plant and equipment	204,711	229,383
Intangible assets	5,643	5,903
Investments and other assets		
Deferred tax assets	9,029	7,821
Guarantee deposits	23,642	25,428
Other	13,244	7,756
Total investments and other assets	45,917	41,007
Total non-current assets	256,272	276,294
Deferred assets	1	-
Total assets	342,409	380,763

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	40,410	55,322
Short-term borrowings	-	900
Current portion of bonds payable	3,710	-
Current portion of long-term borrowings	3,922	2,351
Income taxes payable	5,733	5,138
Provision for bonuses	2,980	1,695
Provision for point card certificates	441	167
Asset retirement obligations	33	-
Other	25,640	21,559
Total current liabilities	82,871	87,134
Non-current liabilities		
Long-term borrowings	64,556	72,994
Deferred tax liabilities	1,089	1,089
Deferred tax liabilities for land revaluation	34	34
Provision for retirement benefits for directors (and other officers)	-	60
Provision for executive officers' retirement benefits	27	87
Provision for share awards	3,315	3,239
Provision for share awards for directors (and other officers)	208	236
Retirement benefit liability	4,221	4,652
Asset retirement obligations	6,678	8,005
Other	11,502	12,723
Total non-current liabilities	91,635	103,124
Total liabilities	174,506	190,259
Net assets		
Shareholders' equity		
Share capital	9,846	9,846
Capital surplus	12,806	12,562
Retained earnings	152,493	170,364
Treasury shares	(4,787)	(4,507)
Total shareholders' equity	170,358	188,267
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	285	257
Revaluation reserve for land	(2,939)	(2,939)
Remeasurements of defined benefit plans	197	186
Total accumulated other comprehensive income	(2,456)	(2,495)
Share acquisition rights	-	0
Non-controlling interests	-	4,731
Total net assets	167,902	190,503
Total liabilities and net assets	342,409	380,763

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

(Millions of yen)

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Net sales	451,299	536,411
Cost of sales	336,801	402,836
Gross profit	114,497	133,574
Operating revenue	18,274	21,200
Operating gross profit	132,771	154,775
Selling, general and administrative expenses	100,963	120,259
Operating profit	31,808	34,516
Non-operating income		
Interest income	85	86
Dividend income	11	16
Share of profit of entities accounted for using equity method	421	-
Subsidy income	49	58
Other	31	39
Total non-operating income	598	200
Non-operating expenses		
Interest expenses	719	779
Other	14	17
Total non-operating expenses	734	796
Ordinary profit	31,672	33,919
Extraordinary income		
Gain on sale of non-current assets	-	20
Gain on cancellation of leasehold contracts	2	3
Surrender value of insurance policies	-	173
Total extraordinary income	2	196
Extraordinary losses		
Loss on sale of non-current assets	-	0
Loss on retirement of non-current assets	33	48
Loss on step acquisitions	-	258
Total extraordinary losses	33	306
Profit before income taxes	31,642	33,810
Income taxes - current	8,723	8,773
Income taxes - deferred	830	1,604
Total income taxes	9,553	10,378
Profit	22,088	23,432
Profit attributable to non-controlling interests	-	468
Profit attributable to owners of parent	22,088	22,963

Quarterly Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Profit	22,088	23,432
Other comprehensive income		
Valuation difference on available-for-sale securities	31	(28)
Remeasurements of defined benefit plans, net of tax	14	(10)
Share of other comprehensive income of entities accounted for using equity method	4	-
Total other comprehensive income	51	(39)
Comprehensive income	22,139	23,392
Comprehensive income attributable to		
Owners of parent	22,139	22,925
Non-controlling interests	-	467

(3) Notes to Quarterly Consolidated Financial Statements

Notes on going concern assumption

Not applicable.

Notes in the event of material changes in the amount of shareholders' equity

Not applicable.

Changes in accounting policies

The Company has applied the "Accounting Standard for Current Income Taxes" (ASBJ Statement No. 27, October 28, 2022; the "Revised Accounting Standard of 2022") and other relevant ASBJ regulations from the beginning of the nine months of the fiscal year under review.

Revisions to categories for recording current income taxes (taxation on other comprehensive income) conform to the transitional treatment in the proviso of paragraph 20-3 of the Revised Accounting Standard of 2022 and the transitional treatment in the proviso of paragraph 65-2(2) of the "Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022; the "Revised Guidance on Accounting Standard of 2022"). There is no impact on the quarterly consolidated financial statements as a result of this change in accounting policies.

In addition, for revisions related to the review of the treatment in consolidated financial statements when a gain or loss on sale arising from the sale of shares of subsidiaries, etc. among consolidated companies is deferred for tax purposes, the Company has applied the Revised Guidance on Accounting Standard of 2022 from the beginning of the nine months of the fiscal year under review. The change in accounting policies has been applied retrospectively. Therefore, the retrospective application was reflected in the consolidated financial statements for the same period of the previous fiscal year and for the previous fiscal year. There is no impact on the quarterly consolidated financial statements for the same period of the previous fiscal year and the consolidated financial statements for the previous fiscal year as a result of this change in accounting policies.

Notes on segment information, etc.

[Segment information]

The segment information is omitted, as the Group has only single segment which is the supermarket business centered around foodstuff, and other businesses are immaterial.

Notes on statements of cash flows

The quarterly consolidated statements of cash flows for the nine months ended December 31, 2024 have not been created. Depreciation and amortization (including amortization pertaining to intangible fixed assets (excluding goodwill)) and amortization of goodwill for the nine months ended December 31, 2024 are as follows:

(Millions of Yen)

	Nine months ended December 31, 2023 (From April 1, 2023 to December 31, 2023)	Nine months ended December 31, 2024 (From April 1, 2024 to December 31, 2024)
Depreciation and amortization	9,441	10,526
Amortization of goodwill	—	258

Important subsequent events

(Notice Concerning Transition to Holding Company Structure through Sole-Share Transfer)

The Company hereby announces that the Company resolved at the Board of Directors meeting held on January 14, 2025 to establish the holding company (wholly owning parent company) "BLUE ZONES HOLDINGS CO., LTD." (the "holding company") through sole-share transfer of the Company effective October 1, 2025 (scheduled) (the "Share Transfer"), subject to the prescribed procedures including approval at the Annual General Meeting of Shareholders of the Company to be held on June 24, 2025.

1. Background and purpose of transition to the holding company structure through sole-share transfer

(1) Background of transition to the holding company structure

Under the management philosophy, "More rich, enjoyable, and healthy lives for everyone in the region," the Group aims to realize sustainable growth by achieving "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," and "Contribute to solving social issues by collaborating with all stakeholders."

In the management environment surrounding the Group, the markets are expected to shrink in such store opening areas as the northern Kanto region, the Yokosuka-Miura area (Kanagawa Prefecture), and the Sotobo area (Chiba Prefecture) due to the accelerating decline in birthrate and aging population. In addition, as the entire economy continues to show an inflationary trend, it is expected that consumers will be more cost-conscious, raw materials costs, labor costs, construction materials costs, and various other costs will continue to rise, and as a result, the environment will be severer.

Under such a severe environment, the Company decided to transition to the holding company structure in order for food supermarket companies with unique strengths to survive and continue to contribute to the improvement of dietary lives of people in the region for the future, through solidarity and friendly competition with each other.

The name of the holding company will be "BLUE ZONES HOLDINGS CO., LTD." in the hope that the Group will be recognized by local residents as contributing to the creation of a community where they can enjoy long, active, and healthy lives.

(2) Purpose of transition to the holding company structure

[1] Improving our trade area share as a group

In the food supermarket business, the Group operates two formats: one proposes ideas to all people for rich, enjoyable, and healthy lives intending to undertake frequent store visits in small trade areas (Lifestyle assortment format); and the other offers large discounts to meet the needs of customers over a wide area who buy in bulk (Discount Store format). Based on deepening these two formats, the Group's basic strategy is that the Group increases its market share by satisfying all of the customers in the region, and that each group company develops respective unique strengths through independent operations.

As a result of this transition to the holding company structure, the group companies will no longer be in the relationship of a parent and children but will be brothers, both nominally and practically. In this way, the group companies will work diligently through friendly competition with each other to achieve respective autonomous growth.

The Group will also promote further solidarity under the holding company with food supermarket companies that share the Group's philosophy and have unique strengths. The Group aims to build a large alliance of food supermarket companies that can meet the expectations of local residents.

[2] Strengthening the Group's governance

The management functions and the business execution function of the Group will be separated, and authorities and responsibilities will be clarified in each business company, which is in the business execution division. The Group will also aim to strengthen the competitiveness of the Group as a whole by speeding up decision-making and clarifying business responsibilities.

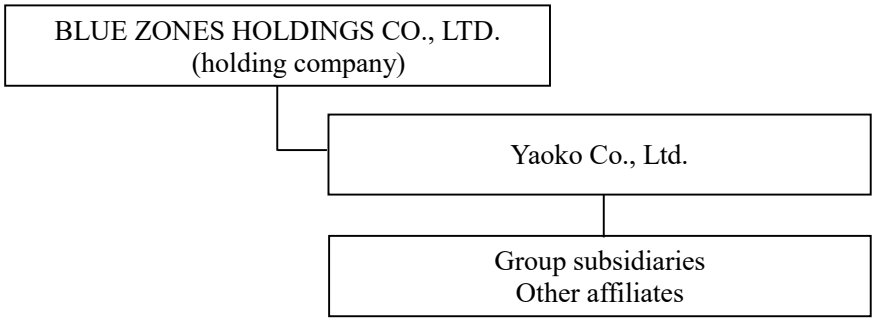
To build the foundation to achieve 1 trillion yen in group sales, it is planned that the holding company will implement three functions: the development of strategies for group management including M&A, development of new businesses, and support for ESG; risk management for the Group as a whole; and shared services for the administration division.

2. Procedures for transition to the holding company structure

The Company plans to implement the transition to the holding company structure by the following method.

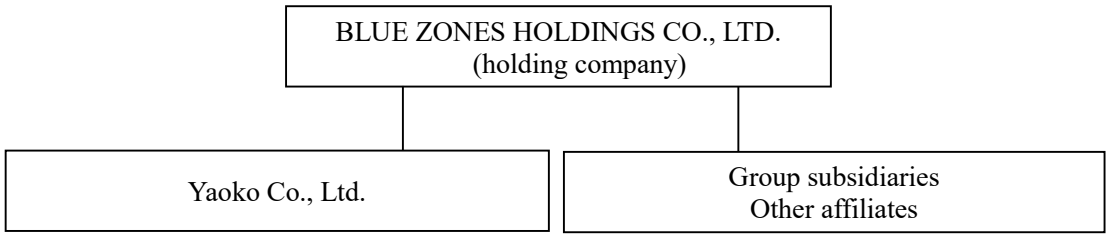
(1) Step 1: Establishment of the holding company through sole-share transfer

As a result of establishing the holding company through the Share Transfer effective October 1, 2025, the Company will become a wholly owned subsidiary of the holding company.



(2) Step 2: Reorganization of the group companies after the establishment of the holding company

After the Share Transfer takes effect, the Company's subsidiaries will be reorganized into subsidiaries directly owned by the holding company to complete the transition to the holding company structure. The details and timing of this reorganization will be announced as soon as they are determined.



3. Summary of the Share Transfer

(1) Schedule of the Share Transfer

(1) Board of Directors meeting to approve the share transfer plan	January 14, 2025
(2) Record date of the Annual General Meeting of Shareholders	March 31, 2025
(3) Annual General Meeting of Shareholders to approve the share transfer plan	June 24, 2025 (scheduled)
(4) Date of delisting the Company's shares	September 29, 2025 (scheduled)
(5) Date of registering the incorporation of the holding company (effective date)	October 1, 2025 (scheduled)
(6) Date of listing the holding company's shares	October 1, 2025 (scheduled)

(*) The schedule is subject to change due to requirements for the procedures of the Share Transfer, etc.

(2) Method of the Share Transfer

A sole-share transfer in which the Company will become a wholly owned subsidiary resulting from the share transfer and the holding company will become the wholly owning parent company incorporated in the share transfer.

(3) Details of allotment in the Share Transfer (share transfer ratio)

Company name	BLUE ZONES HOLDINGS CO., LTD. (wholly owning parent company)	Yaoko Co., Ltd. (wholly owned subsidiary)
Share transfer ratio	1	1

[1] Share transfer ratio

As a result of the Share Transfer, one share of common stock of the holding company to be established will be allotted to one share of common stock of the Company held by shareholders of the Company as of the time immediately preceding the time when the holding company acquires all outstanding shares of the Company.

[2] Share unit

The holding company will adopt the unit share system, and the number of shares per unit will be 100 shares.

[3] Basis of calculating the share transfer ratio

The Share Transfer will result in the establishment of one wholly owning parent company through share transfer solely by the Company, and the composition of shareholders of the holding company will not be different from that of the Company as of the Share Transfer. Therefore, one share of common stock of the holding company will be allotted to one share of common stock of the Company held by the shareholders, putting the priority on avoiding any disadvantage or confusion to the shareholders.

[4] Results, method, and basis of calculation by a third-party calculation agent

For the reasons stated in [3] above, no calculation was performed by a third-party calculation agent.

[5] Number of new shares to be delivered due to the Share Transfer (planned)

41,681,738 shares of common stock (planned)

The number of new shares shown above is based on the total number of outstanding shares of the Company, 41,894,288 shares (as of September 30, 2024). If the total number of outstanding shares of the Company changes before the Share Transfer takes effect, the number of new shares to be delivered by the holding company shown above will also change.

Because the Company plans, by the effective date of the Share Transfer, to cancel practically cancellable treasury shares that are currently held or will be newly acquired in the future, 212,550 shares of common stock held by the Company as treasury stock as of September 30, 2024, were excluded from shares to which new shares will be allotted in the calculation above.

If the number of treasury shares changes in such a case that shareholders of the Company exercise their right to request purchase of shares, the number of new shares to be delivered by the holding company may be changed.

(4) Treatment of share acquisition rights and bonds with share acquisition rights for the Share Transfer

The Company has not issued any share acquisition rights or bonds with share acquisition rights.

(5) Matters concerning the application for listing the holding company's shares

The Company plans to apply for initial listing (technical listing) of the newly established holding company's shares on the TSE Prime Market, with the scheduled listing date of October 1, 2025. Because the Company will become a wholly owned subsidiary of the holding company as a result of the Share Transfer, the Company plans to delist its shares from the TSE Prime Market on September 29, 2025, prior to the listing of the holding company's shares.

The delisting date may be changed, because it will be determined in accordance with the rules of TSE.

4. Overview of the company involved in the Share Transfer

(As of September 30, 2024)

(1) Name	Yaoko Co., Ltd.		
(2) Location	1-10-1 Arajukumachi, Kawagoe-shi, Saitama		
(3) Title and name of the representative	President and Representative Director Sumito Kawano		
(4) Business	Supermarket business		
(5) Capital stock	9,846 million yen		
(6) Date of establishment	July 9, 1957		
(7) Number of outstanding shares	41,894,288 shares		
(8) Fiscal year-end	March 31		
(9) Major shareholders and shareholding ratio	KAWANO SHOJI CORPORATION 18.42% KAWANO PARTNERS 10.13% The Master Trust Bank of Japan, Ltd. (Trust account) 8.28% Kawano Masanori Memorial Public Interest Incorporated Foundation for Promotion of Pediatrics 4.56% The Musashino Bank, Ltd. 3.10% Sumitomo Mitsui Banking Corporation 3.10% Custody Bank of Japan, Ltd. (Trust account) 2.77% Yaoko Employee Shareholding Association 2.20% Kiyomi Kawano 1.97% Mitsuyo Kawano 1.81%		
(10)Operating results and financial position for the past three years			
Fiscal year	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Consolidated net assets (Millions of yen)	128,828	141,613	167,902
Consolidated total assets (Millions of yen)	305,997	318,231	342,409
Consolidated net assets per share (yen)	3,317.02	3,644.95	4,121.55
Consolidated net sales (Millions of yen)	514,029	541,824	595,348
Consolidated operating income (Millions of yen)	24,081	26,235	29,328
Consolidated ordinary income (Millions of yen)	23,290	25,597	28,877
Net income attributable to owners of parent (Millions of yen)	15,382	15,849	18,243
Consolidated net income per share (yen)	396.08	407.99	464.43
Dividend per share (yen)	80.00	85.00	110.00

5. Overview of the company to be newly established through the Share Transfer (the wholly owning parent company and holding company incorporated in the share transfer) (planned)

(1) Name	BLUE ZONES HOLDINGS CO., LTD.
(2) Location	1-10-1 Arajukumachi, Kawagoe-shi, Saitama
(3) Title and name of the representative	President and Representative Director Sumito Kawano
(4) Business	Management of group companies and operations incidental thereto
(5) Capital stock	9,846,755,216 yen
(6) Date of establishment	October 1, 2025
(7) Number of outstanding shares	41,681,738 shares
(8) Fiscal year-end	March 31

6. Overview of accounting processing

Because the Share Transfer falls under the category of "common control transactions" for the purpose of corporate accounting, it has no impact on profit and loss. No goodwill is expected to arise from the Share Transfer.

7. Future outlook

As a result of the Share Transfer, the Company will become a wholly owned subsidiary of the holding company. Accordingly, the business results of the Company will be reflected in the consolidated business results of the holding company, which is the wholly owning parent company incorporated in the share transfer. The impact of the Share Transfer on the business results is expected to be minor.