

Consolidated Financial Results
for the Six Months of the Fiscal Year Ending March 31, 2012
<under Japanese GAAP>

Company name: **Yamada Denki Co., Ltd.**
 Listing: The Tokyo Stock Exchange
 Stock code: 9831
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Scheduled date to file Quarterly Report: November 14, 2011
 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results presentation meeting: Yes (for institutional investors and analysts)

(Millions of yen with fractional amounts rounded off, unless otherwise noted)

1. Consolidated performance for the six months of the fiscal year ending March 31, 2012
(from April 1, 2011 to September 30, 2011)

(1) Consolidated operating results (cumulative) (Percentages indicate year-on-year changes.)

Six months ended	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2011	987,076	(2.6)	63,002	33.8	69,200	28.1	40,883	44.6
September 30, 2010	1,013,773	8.2	47,092	87.5	54,006	67.5	28,272	72.7

Note: Comprehensive income

Six months ended September 30, 2011: 40,965 million yen (43.5 %)

Six months ended September 30, 2010: 28,552 million yen (—%)

Six months ended	Net income per share	Diluted net income per share
	Yen	Yen
September 30, 2011	433.96	—
September 30, 2010	300.09	—

(2) Consolidated financial position

As of	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
September 30, 2011	908,263	504,225	55.3
March 31, 2011	929,010	470,850	50.5

Reference: Equity

As of September 30, 2011: 502,223 million yen

As of March 31, 2011: 469,014 million yen

2. Cash dividends

	Annual cash dividends				
	First quarter	Second quarter	Third quarter	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2011	–	0.00	–	76.00	76.00
Fiscal year ending March 31, 2012	–	0.00			
Fiscal year ending March 31, 2012 (Forecasts)			–	76.00	76.00

Note: Revisions to the forecasts of cash dividends most recently announced: None

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2012 (from April 1, 2011 to March 31, 2012)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2012	2,154,000	0.0	128,000	4.3	140,000	1.6	77,000	8.8	817.32

Note: Revisions to the consolidated earnings forecasts most recently announced: None

4. Others

- (1) Changes in significant subsidiaries during the six months under review (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Application of special accounting for preparing quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
 - a. Changes in accounting policies due to revisions of accounting standards, etc.: None
 - b. Changes in accounting policies due to other reasons: None
 - c. Changes in accounting estimates: None
 - d. Restatement of prior period financial statements: None

(4) Number of issued shares (common stock)		
a.	Total number of issued shares at the end of the period (including treasury stock)	
	As of September 30, 2011	96,648,974 shares
	As of March 31, 2011	96,648,974 shares
b.	Number of treasury shares at the end of the period	
	As of September 30, 2011	2,438,797 shares
	As of March 31, 2011	2,438,797 shares
c.	Average number of shares during the period (cumulative from the beginning of the fiscal year)	
	Six months ended September 30, 2011	94,210,177 shares
	Six months ended September 30, 2010	94,210,178 shares

* Document as English translation and difference in presentation method of figures

This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. Readers should also note that (i) in the Japanese original, figures are presented in millions of yen with fractional amounts discarded unless otherwise noted, while in the English translation, figures are presented in millions of yen with fractional amounts rounded off unless otherwise noted, and (ii) in the Japanese original, totals may not equal the sum of individual amounts due to the discarding of the fractional amounts, while in the English translation, individual amounts are adjusted so that totals equal the sum of such individual amounts.

* Presentation regarding status of quarterly review procedures

This quarterly financial results report is out of the scope of the quarterly review procedures required under the Financial Instruments and Exchange Act, and as of the date of disclosure hereof, the quarterly review procedures for quarterly consolidated financial statements are being carried out.

* Proper use of earnings forecasts, and other special matters

The forward-looking statements contained in these materials are based on information currently available to the Company and may include uncertainties. Actual business and other results may differ due to factors such as changes in the business environment. For the details of the above forecasts, please refer to the section of “(3) Qualitative information regarding consolidated earnings forecasts” under “1. Qualitative information regarding settlement of accounts for the six months” on page 4 of the attached materials to the quarterly financial results report.

Attached Materials

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1. Qualitative information regarding settlement of accounts for the six months

(1) Qualitative information regarding consolidated operating results

In the Japanese economy during the six months under review, on top of the extensive damage from the Great East Japan Earthquake of March 11, 2011, the serious, nationwide power crunch resulting from the Fukushima Daiichi Nuclear Power Plant incident had a large impact on corporate activities. In addition, the U.S. debt ceiling issue and U.S. credit rating downgrade issue, together with the subsequent European financial crisis caused unstoppable devaluation on global stock markets and a sharp appreciation of the yen. These factors have significantly affected corporate performance, further clouded prospects for the economy, and deepened the sense of confusion.

In the consumer electrical appliance retail industry, a boost was experienced for some products from the migration toward digital terrestrial television on July 24, and from heightened consciousness towards saving electricity due to the electric power situation. However, we entered a relative quiet period after the television migration rush. In addition, compared to sales in the long and hot summer season of 2010, the market experienced a reactive lull. As these reactions were much greater than initially anticipated, competition among stores vying to survive in this market continued to be extremely fierce.

Under these circumstances, the Yamada Denki Group proactively made efforts to deal with the electric power circumstances faced by Japan as a leading company in the electrical appliance retailing industry by making proposals of “smart house,” which included, along with electric vehicles (EV), “Energy-saving” home appliance products, “Energy Creation” by solar power system, and “Energy Storage” that enables home users of solar power system to store excessive electricity for later use, with the viewpoint of customers in mind.

From a product perspective, although sales of visual related products, such as televisions, digital recorders and tuners for the migration toward digital terrestrial television, grew substantially up until July 24, television sales subsequently entered a reactive quiet period. Although the heightened consciousness towards saving electricity caused sales growth both in highly energy-saving types of air conditioners and fans in the first three months of the period, air conditioner sales in the latter three months of the period were weaker in reaction to the long and hot summer season of 2010. Solar power systems, LED lights and LED light bulbs grew strongly, as did mobile phones, particularly the strong-selling smartphone varieties. Furthermore, the Yamada Denki Group proactively conducted business as a one-stop shop utilizing the Group’s infrastructure network to the fullest extent such as by being at the industry’s vanguard in starting sales of rechargeable lithium batteries for household and corporate use and making proposals aimed at corporations, such as “LED light rental” and “air conditioner equipment promoting energy conservation.”

In addition, on July 15, LABI SHINJUKU Nishiguchi-kan was opened. Many aspects of this new store are environmentally friendly, such as electricity generation by solar power system, building lighting consisting entirely of LED lights, an air conditioning system that promotes energy conservation, and a green roof. Henceforth the Yamada Denki Group has endeavored to ensure newly opened stores adopt LED lighting in the interest of promoting environmentally friendly stores.

A characteristic of the Yamada Denki Group is that it creates profit through the proactive operation of solution businesses such as services, re-use, internet, points, corporate, information systems and logistics. Approximately 40% of our ordinary income was derived from these solution businesses in the six months under review.

In order to realize sustainable growth amid the prolonged economic downturn and drastically changing social and management environment, the Yamada Denki Group places priority on not only implementing the innovation to improve its management strength but also bolstering new solution businesses mainly in the home electrical appliance sales. Concerning the smart-house solutions

business, we made the decision that an essential step towards bolstering this business is to acquire the know-how of the housing business, including new house building. By conducting a tender offer for shares of, and subscribing to a private placement of shares of SxL Corporation, an house builder with 60-year history, known by its high technique of the wooden panel construction method, the Company completed the acquisition of 50.32% of its shares on October 12, 2011, and thereby made SxL Corporation a subsidiary.

Looking forward, the Yamada Denki Group will make smart-house proposals such as space proposals for entire houses that combine “Energy-saving” home appliance products, “Energy Creation” by solar power system, and “Energy Storage” that enables home users of solar power system to store excessive electricity for later use, and electric vehicles (EV) for newly constructed houses. Furthermore, our group will make reform proposals that include solar power systems for owners of single-residence homes that SxL Corporation previously sold. In the future, we envisage making comprehensive proposals for smart communities as we expand from the smart-house solutions business to the smart-town solutions business.

Regarding the Great East Japan Earthquake, we continued carrying out support activities for the afflicted areas. In addition to raising relief money and transporting relief goods, relief money-raising events such as fairs to support restoration were held in each region, and a portion of sales was allocated for donation. With the awareness that it was our mission as a retailer to recommence business as early as possible, all of our employees came together to work to repair and reopen our stores. As a result, the number of stores closed because of the earthquake disaster at the end of the second quarter under review was zero.

With regard to store development, we opened 28 stores including the Tecc Land Iwata store and closed four stores, including the Digital Stylish-kan Nagoya Sakae store, in line with our scrap-and-build policy. As a result, the number of consolidated retail stores at the end of the second quarter under review was 630 (comprising 459 directly managed stores and 171 stores operated by consolidated subsidiaries). The total number of stores, including the stores managed by non-consolidated subsidiaries and franchise stores, stood at 3,140.

In addition to the above, the “Yamada Denki Tianjin store,” our second overseas store, was opened in Tianjin, China, on June 10. Like our first overseas store, the “Yamada Denki Shenyang store,” the “Yamada Denki Tianjin store” had a start that surpassed expectations, with a line of approximately 5,000 people waiting from early in the morning. Afterwards, the business remains brisk. We are receiving positive evaluations for building a bright and clean store thoroughly based on the customer-first principle and for the reliable service that Yamada Denki offers (customer relations, delivery service and extended warranties), which is resulting in a high number of repeat customers.

As a result, consolidated net sales for the six months under review amounted to ¥987,076 million, operating income totaled ¥63,002 million, ordinary income was ¥69,200 million and net income was ¥40,883 million. Operating income, ordinary income and net income were all at their highest ever for the first six months of a fiscal year.

The Company and its consolidated subsidiaries have been primarily engaged in a single segment of sales of home electrical appliances and home information appliances. Therefore, the disclosure related to segment information is omitted.

(2) Qualitative information regarding consolidated financial position

Total assets at the end of the second quarter under review amounted to ¥908,263 million, down ¥20,747 million (2.2%) from the end of the previous fiscal year. This fall was mainly due to decreases in cash and time deposits, accounts receivable and other property and equipment such as construction in progress, despite an increase in merchandise and finished goods.

Total liabilities at the end of the second quarter under review amounted to ¥404,038 million, down ¥54,122 million (11.8%) from the end of the previous fiscal year. This fall was mainly due to decreases in income taxes payable, loans payable, and other current liabilities such as advances received.

Net assets at the end of the second quarter under review amounted to ¥504,225 million, up ¥33,375 million (7.1%) from the end of the previous fiscal year. This rise was due to an increase in net income, despite a decrease resulting from dividends from surplus. As a result, the equity ratio was 55.3% (up 4.8 points from the end of the previous fiscal year).

(3) Qualitative information regarding consolidated earnings forecasts

The Group has left the consolidated earnings forecasts for the fiscal year ending March 31, 2012 unchanged from the figures announced on May 12, 2011.

The above forecasts and descriptions are based on information currently available as of the announcement date and on certain assumptions deemed to be reasonable. Actual results may differ substantially due to various factors.

2. Matters regarding summary information (Others)

(Additional information)

Application of the Accounting Standard for Accounting Changes and Error Corrections and its guidance

The Company and its consolidated subsidiaries have applied the “Accounting Standard for Accounting Changes and Error Corrections” (ASBJ Statement No. 24, December 4, 2009) and the “Guidance on Accounting Standard for Accounting Changes and Error Corrections” (ASBJ Guidance No. 24, December 4, 2009) to accounting changes and corrections of prior period errors that were made on or after April 1, 2011.

Provision for retirement benefits

The Company applies the “Guidance on Accounting for Transfers between Retirement Benefit Plans” (ASBJ Guidance No. 1), as, although it previously adopted a qualified pension plan as its retirement benefit plan, it has adopted a defined benefit pension plan since June 1, 2011. The effect of this transfer between retirement benefit plans was immaterial.

3. Quarterly consolidated financial statements
(1) Consolidated balance sheets

(Millions of yen)

	As of March 31, 2011	As of September 30, 2011
Assets		
Current assets		
Cash and time deposits	113,269	93,244
Notes and accounts receivable	48,465	37,489
Merchandise and finished goods	151,736	166,457
Raw materials and supplies	778	842
Other current assets	62,965	56,506
Allowance for doubtful accounts	(190)	(185)
Total current assets	377,023	354,353
Noncurrent assets		
Property and equipment		
Buildings and structures, net	178,579	181,872
Land	152,344	161,727
Other, net	26,986	14,538
Total property and equipment, net	357,909	358,137
Intangible assets	32,129	32,613
Investments and other assets		
Guarantee deposits	111,066	110,007
Other assets	55,427	57,718
Allowance for loss on investments in non-consolidated subsidiaries	(4,405)	(4,405)
Allowance for doubtful accounts	(139)	(160)
Total investments and other assets	161,949	163,160
Total noncurrent assets	551,987	553,910
Total assets	929,010	908,263

(Millions of yen)

	As of March 31, 2011	As of September 30, 2011
Liabilities		
Current liabilities		
Notes and accounts payable	58,466	57,560
Short-term loans payable	34,695	35,348
Income taxes payable	43,432	25,804
Provision for point card certificates	17,528	17,865
Other provisions	6,832	5,666
Other current liabilities	56,373	37,954
Total current liabilities	217,326	180,197
Long-term liabilities		
Bonds	129,134	129,099
Long-term loans payable	66,475	49,355
Provision for product warranties	13,994	14,422
Other provisions	12,316	13,368
Other long-term liabilities	18,915	17,597
Total long-term liabilities	240,834	223,841
Total liabilities	458,160	404,038
Net assets		
Shareholders' equity		
Common stock	71,059	71,059
Capital surplus	70,977	70,977
Retained earnings	351,050	384,347
Treasury stock, at cost	(23,046)	(23,046)
Total shareholders' equity	470,040	503,337
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities, net of taxes	(1,026)	(1,114)
Total accumulated other comprehensive income	(1,026)	(1,114)
Minority interests	1,836	2,002
Total net assets	470,850	504,225
Total liabilities and net assets	929,010	908,263

**(2) Consolidated statements of income and consolidated statements of comprehensive income
(Consolidated statements of income - cumulative)**

(Millions of yen)

	Six months ended September 30, 2010	Six months ended September 30, 2011
Net sales	1,013,773	987,076
Cost of sales	780,652	740,688
Gross profit	233,121	246,388
Selling, general and administrative expenses	186,029	183,386
Operating income	47,092	63,002
Non-operating income		
Purchase discounts	5,262	4,266
Other non-operating income	3,202	3,968
Total non-operating income	8,464	8,234
Non-operating expenses		
Interest expenses	1,021	704
Foreign exchange loss	300	854
Other non-operating expenses	229	478
Total non-operating expenses	1,550	2,036
Ordinary income	54,006	69,200
Extraordinary income		
Penalty income from breach of leasehold contracts	17	—
Gain on sales of investment securities	10	27
Other extraordinary income	3	2
Total extraordinary income	30	29
Extraordinary losses		
Impairment loss	3,173	1,226
Loss on sale and disposal of property and equipment, net	47	41
Loss on valuation of investment securities	515	—
Loss on adjustment for changes of accounting standard for asset retirement obligations	1,932	—
Other extraordinary losses	278	28
Total extraordinary losses	5,945	1,295
Income before income taxes and minority interests	48,091	67,934
Income taxes-current	22,396	24,391
Income taxes-deferred	(2,800)	2,490
Total income taxes	19,596	26,881
Income before minority interests	28,495	41,053
Minority interests in income	223	170
Net income	28,272	40,883

(Consolidated statements of comprehensive income - cumulative)

(Millions of yen)

	Six months ended September 30, 2010	Six months ended September 30, 2011
Income before minority interests	28,495	41,053
Other comprehensive income		
Valuation difference on available-for-sale securities, net of taxes	57	(88)
Total other comprehensive income	57	(88)
Comprehensive income	28,552	40,965
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	28,329	40,795
Comprehensive income attributable to minority interests	223	170

(3) Notes on premise of going concern

No items to report

(4) Notes on significant changes in the amount of shareholders' equity

No items to report

(5) Important subsequent events

Acquisition of shares by tender offer and private placement

The Company resolved at the Board of Directors meeting held on August 12, 2011 to acquire the common stock of SxL Corporation (First Section of the Tokyo Stock Exchange; stock code 1919; hereinafter “the Target”) by tender offer and by subscription to private placement (hereinafter “the Tender Offer etc.”).

Based on this resolution, the Company started the tender offer on August 15, 2011, concluded the tender offer on October 4, 2011 and completed payment for both the tender offer and the private placement subscription on October 12, 2011. The Company plans to make the Target a consolidated subsidiary.

1) Purpose of the Tender Offer etc.

As part of a proactive development of the smart-house solutions business, the Yamada Denki Group has been accumulating the know-how in this business by promoting on a trial basis the resale of non-new residences after installing solar power system and all-electric home appliances in existing houses. However, due to the impact of electricity shortages caused by the Great East Japan Earthquake, there was a sudden expansion of heightened consciousness towards saving electricity throughout Japan. Accordingly, it became imperative for the Yamada Denki Group to accelerate the business development of the smart-house solutions business. It was decided that the best way to achieve this was to acquire the know-how of the housing business including new house building.

The Target is a company not bound by the conventions of traditional detached house builders and is meeting the customer needs with flexible ideas. This creative management policy matches the Yamada Denki Group's corporate philosophy of “Creation and Challenge” not bound by the conventions of traditional home electrical appliance mass-retail stores. For the Yamada Denki Group, the Target's know-how in detached houses would be useful to accelerate the development of the smart-house solutions business promoted by the Yamada Denki Group. Meanwhile, for the Target, an alliance with the Yamada Denki Group would boost its creditworthiness and enhance its sales power. The Company therefore decided to make the Target a consolidated subsidiary and form a solid partnership between the two parties, which would boost the corporate value of both corporate groups. Accordingly, it was decided to conduct this tender offer and subscribe to a private placement of new shares issued by the Target.

2) Overview of the Target

a. Name	SxL Corporation
b. Location	8-30, Tenmabashi 1-chome, Kita-ku, Osaka
c. Name and title of representative	Toshiharu Arakawa, President and Representative Director
d. Major lines of business	Housing business, home renovation business, real estate leasing business, other (leasing business, etc.)
e. Paid-in capital	¥7,968 million (as of March 31, 2011)
f. Date of incorporation	June 14, 1951

3) Overview of the Tender Offer etc.

(a) Tender offer

Number of shares acquired by tender offer	67,400,000 shares
Period of tender offer	From August 15, 2011 to October 4, 2011
Offering price	¥62 per common share
Payment amount	¥4,179 million
Settlement date	October 12, 2011

(b) Private placement subscription

Number of shares acquired by private placement subscription	35,000,000 shares
Subscription price	¥62 per common share
Payment amount	¥2,170 million
Share acquisition date	October 12, 2011

4) Target shares owned by the Company before and after the Tender Offer etc.

	Number of voting rights (number of shares owned)	Share of voting rights
Before the Tender Offer etc.	– units	– %
Number of shares acquired	102,400 units (102,400,000 shares)	50.43%
After the Tender Offer etc.	102,400 units (102,400,000 shares)	50.43%

- Notes: 1. The denominator used when calculating the “share of voting rights” for the “number of shares acquired” and “after the Tender Offer etc.” was 203,057 units. This number was obtained by first subtracting the sum of 50,000 treasury shares and 408,184 less-than-one-unit shares, including 652 less-than-one-unit treasury shares, (as of March 31, 2011 as stated in the 60th Annual Securities Report (*Yukashoken Hokokusho*) filed by the Target on June 28, 2011) from 168,515,184 shares as the total number of issued shares (as of March 31, 2011 as stated in said report) to obtain 168,057,000 outstanding shares. Then to 168,057 units, which was the number of voting rights attached to the said outstanding shares, 35,000 units, which was the number of voting rights attached to the private placement of shares, was added.
2. The “share of voting rights” is rounded to the nearest 100th of a percentage point.