



**YUHO REPORT**  
**Annual**

Fiscal Year Ended **March 31, 2001**

Traded **OTC**

Stock Code **9831**

2001

**YAMADA DENKI CO., LTD**

# YUHO REPORT

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Fiscal Year Ended	March 31, 2001
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This report is based on the Company's Japanese-language annual filing with the Ministry of Finance and supplemented with materials that facilitate comparison with the Company's peers. The materials from the annual filing with the Ministry of Finance have been edited and reorganized in a format more familiar to the international investment community. All information contained in this report has been obtained from sources believed to be reliable, but the accuracy of the data and the translation, completeness, or timeliness of the information are not warranted by the Company, Pacific Associates, or Asia Securities Printing. None of the above parties shall be responsible for any errors or omissions or for the results obtained from the use of this information.

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## Company Profile

## Financial highlights

Years ended March 31; Thousands of yen	1997	1998	1999	2000	2001	Change 2001/1997
Net sales	126,518,216	162,041,928	242,822,879	332,169,353	471,246,003	372%
Ordinary profit	3,300,106	3,050,437	6,663,845	10,245,450	16,403,146	497%
Net income	1,575,984	1,631,248	3,082,158	5,564,479	8,790,195	558%
Equity income assuming application of equity method	-	-	-	-	-	
Common stock	5,685,574	8,098,208	10,793,924	20,633,642	32,181,055	566%
Shares outstanding	12,242	14,835	17,629	21,616	24,699	202%
Shareholders' equity	15,420,594	21,639,883	29,760,916	54,912,469	86,245,387	559%
Total assets	53,762,703	65,652,416	78,615,396	115,531,282	167,509,182	312%
Equity / assets (%)	28.7	33.0	37.9	47.5	51.5	
Shareholders' equity per share (Yen)	1,259.56	1,458.68	1,688.14	2,540.32	3,491.78	277%
Dividends per share (Yen)	17.00	22.00	23.00	23.00	26.00	153%
Net income per share (Yen)	131.68	112.57	196.84	268.18	360.27	274%
Net income per share, fully diluted (Yen)	121.84	102.00	172.00	264.76	358.52	294%
Dividend payout ratio (%)	13.2	20.0	13.1	8.9	7.3	
Net cash provided by operating activities	-	-	-	9,027,001	16,196,809	
Net cash used in investing activities	-	-	-	(20,754,671)	(31,356,709)	
Net cash provided by financing activities	-	-	-	19,813,874	18,549,090	
Cash and cash equivalents at end of period	-	-	8,598,320	16,684,524	20,073,715	
Employees	1,192	1,880	2,446	3,476	4,545	381%

## Peer comparisons

Percent	1997	1998	1999	2000	2001
Net income / net sales (%)	1.2	1.0	1.3	1.7	1.9
Peers	1.2	(0.6)	0.4	(0.8)	(0.4)
Ordinary profit / net sales (%)	2.6	1.9	2.7	3.1	3.5
Peers	3.0	0.7	1.4	1.2	0.7
Net income / assets (%)	2.9	2.5	3.9	4.8	5.2
Peers	2.1	(0.6)	0.8	(0.5)	0.1
Ordinary profit / assets (%)	6.1	4.6	8.5	8.9	9.8
Peers	5.1	1.2	2.8	2.6	2.0
Equity / assets (%)	28.7	33.0	37.9	47.5	51.5
Peers	44.9	44.2	40.9	41.5	38.4
Net income / equity (%)	10.2	7.5	10.4	10.1	10.2
Peers	5.8	(1.1)	3.0	(1.7)	0.6

Peers include Kojima (7513), Eiden (8161), Joshin Denki (8173), Best Denki (8175), Matsuya Denki (8189), Deo Deo (8199), Nakagawa Musen (8192), Laox (8202), K's Denki (8282).

## Common size statements

Years ended March 31; Percent	1999	2000	2001
<b>Balance sheet</b>			
Assets	100.0	100.0	100.0
Current assets	57.5	56.7	54.4
Tangible fixed assets	27.1	26.9	24.9
Intangible fixed assets	0.2	0.1	0.1
Investments and other assets	15.2	16.3	20.6
Total fixed assets	42.5	43.3	45.6
<b>Liabilities and shareholders' equity</b>			
Current liabilities	48.8	42.7	42.5
Long-term liabilities	13.3	9.8	6.0
Total liabilities	62.1	52.5	48.5
Common stock	13.7	17.8	19.2
Additional paid-in capital	13.7	17.8	19.2
Legal income reserve	0.2	0.2	0.1
Retained earnings	10.3	11.7	13.0
Unrealized gains or losses on other securities	-	-	(0.0)
Total shareholders' equity	37.9	47.5	51.5
<b>Statement of income</b>			
Net sales	100.0	100.0	100.0
Cost of goods sold	86.3	86.0	85.4
Gross profit on sales	13.7	14.0	14.6
Selling, general and administrative expenses	12.4	12.4	12.6
Operating income	1.3	1.6	2.0
Nonoperating income	1.6	1.6	1.6
Nonoperating expenses	0.2	0.1	0.1
Ordinary profit	2.7	3.1	3.5
Extraordinary income	-	0.0	0.0
Extraordinary losses	0.0	0.1	0.2
Net income before taxes	2.7	3.0	3.3
Taxes	1.4	1.3	1.4
Net income	1.3	1.7	1.9

## Business Overview

### Description of business

The corporate group comprises the Company and five subsidiaries. Its principal business is selling household electrical appliances, personal computers and other home-information products.

The Company sells these products directly to consumers through its corporate-run stores and through the stores of a subsidiary, Minami Kyushu Yamada Electric, Co., Ltd.

Another subsidiary, CIC Co., Ltd., has responsibility for disposing of electrical appliances and other industrial waste that the Company accepts at its stores from customers.

On April 13, a new subsidiary, i++.com, was established to plan and develop e-commerce systems and shopping-mall systems operated by the Company.

A fourth subsidiary, Multi Media Work, Co., Ltd., provides support services for personal computers and computer-related goods purchased from the Company.

The other subsidiary, Tecc-Information System Co., Ltd., developed and marketed software, but on February 28, 2001 this company was wound up and is in process of being liquidated.

The Company has not prepared consolidated financial statements because assets, revenues, etc. of subsidiaries are sufficiently immaterial as not to impede reasonable judgements of the financial conditions and operating results of the corporate group in question.

## History

Year	Month	Event
1983	September	Established the Company. Opened the Maebashi Minami Store, and began full-scale development of retail chain
1984	March	To strengthen and improve the efficiency of its distribution department, opened its Distribution Center in Asakura-cho, Maebashi-shi
1985	April	Opened the Fukaya Store in Fukaya-shi, Saitama Prefecture, its first store outside its prefecture of origin. Simultaneously, to accommodate a multi-branch operation and to strengthen its distribution department, expanded its Distribution Center
1986	May	To enable the instantaneous gathering of financial and customer-related information, introduced a POS system for all of its stores, and a large, all-purpose computer
	July	Opened its first franchised store in Saku-shi, Nagano Prefecture. With this, began the development of a franchise chain
1987	May	To change the par value of its stock, merged with Yamada Electric Co., Ltd. (established in June 1, 1978) on a 1:100 basis
	December	Completed construction of its headquarters building (Hiyoshi-cho, Maebashi-shi). Moved corporate headquarters into new building. Simultaneously, opened the Tecc Land Headquarters Store, its first large-scale, comprehensive electrical appliance store (core store) on the first floor of the building. With this, began implementation of a "core-store" strategy
1988	March	Opened the A&V Bics Takasaki Store, a specialty store dealing in audio visual products. Simultaneously, on the same site, opened the Rings Takasaki Store, a rental shop dealing in video and compact disk software With this, commenced development of a strategy of combining specialty stores and rental shops
1989	March	Registered its shares for OTC trading with the Securities Dealers Association of Japan
1990	September	Converted the A&V Bics Takasaki Store into a personal computer specialty store. Began the development of "Computer Kan" stores
1991	February	With the dissolution of franchisee relationships, converted 10 former franchise stores into corporate-run outlets
	March	Established Tecc-Information System Co., Ltd. an affiliated company involved in computer-related development and sales
1992	July	Opened the Tecc Land Miyazaki Store in Miyazaki-shi, Miyazaki Prefecture, its first store in the Kyushu district
1993	December	Converted the Tecc Land Shibukawa Store in Shibukawa-shi, Gunma Prefecture into a corporate-run store
1995	October	Opened the Tecc Land Sendai Izumi Store in Izumi-ku, Sendai, its first store in the Tohoku district
1997	February	Opened the Tecc Land Nisshin Store in Nisshin-shi, Aichi Prefecture, its first store in the Chukyo district
	April	Began transactions with partners established through operational alliances
	June	Established CIC Co., Ltd. an affiliated company involved in the processing and recycling of industrial wastes
	July	Opened the Tecc Land Okayama Store in Okayama-shi, Okayama Prefecture, its first store in the Chugoku/Shikoku district
	December	Established Minami Kyushu Yamada Electric Co., Ltd., an affiliated company in Kagoshima-shi, Kagoshima Prefecture
1998	September	Opened the Tecc Land Himeji Store, its first store in the Kinki district
2000	September	Listed on the First Section of the Tokyo Stock Exchange

(As of the end of the fiscal term, there were 131 stores in operation.)

## Directors

Name	Title	Entered company	Date of birth	Shares Thousands
Noboru Yamada	Representative Director, President	Apr-64	11-Feb-43	470.0
Tadao Ichimiya	Representative Director, Executive Vice President	Jan-83	13-Aug-55	30.3
Koji Ichimiya	Executive Vice President	Dec-83	28-Sep-63	1.0
Ginji Karasawa	Senior Managing Director	Nov-84	1-Apr-53	4.0
Masaya Moteki	Senior Managing Director	Jul-86	12-Jul-65	-
Mamoru Moteki	Senior Managing Director	Jan-85	29-Mar-49	1.3
Akihiko Iwai	Managing Director	Aug-85	27-Jul-56	2.3
Hiroyasu Iizuka	Managing Director	Apr-85	18-Jan-65	-
Masaaki Kurihara	Managing Director	Jul-96	25-Apr-57	-
Makoto Igarashi	Managing Director	Jan-90	4-Aug-64	1.0
Hitoshi Arai	Director	Mar-84	26-Aug-60	-
Shigeru Kobayashi	Director	Apr-84	4-Sep-51	-
Takashi Watanabe	Director	Mar-91	30-Dec-67	-
Haruhiko Itakura	Director	Jun-86	11-Jan-54	-
Kiichi Makishima	Standing Statutory Auditor	May-86	18-Jun-46	3.9
Katshuji Kato	Standing Statutory Auditor	Sep-83	14-Sep-44	10.1
Masahito Kobayashi	Statutory Auditor	Aug-88	2-Aug-48	2.6
Izumi Inukai	Statutory Auditor	Jun-94	6-Mar-48	-
				526.5

## Employees

	Total or average
Number	4,545
Average age	27.3
Average years of service	2.5
Average yearly salary (Yen)	3,892,922

The average yearly salary includes bonuses.

The number of employees does not include 423 temporary employees.



## Cash Flow

## Nonconsolidated statement of cash flow

Years ended March 31; Thousands of yen	2000	2001
Net cash provided by operating activities		
Net income before taxes and other adjustments	9,762,823	15,414,710
Depreciation	2,245,579	3,070,432
Increase (decrease) in reserve for retirement allowances	28,000	(152,000)
Increase in retirement benefits	-	1,137,000
Increase in reserve for bonuses	514,000	217,000
Increase (decrease) in allowance for doubtful accounts	(65,325)	(14,599)
Interest and dividend income	(71,072)	(219,110)
Interest expenses	396,687	427,800
Gain on sales of marketable securities	(20,152)	(8,370)
Loss on valuation of marketable securities	141	-
Loss on valuation of securities of affiliated companies	-	16,498
Issuing expenses on new equity	72,230	92,365
Loss on disposal and sales of tangible fixed assets	312,139	175,528
Loss on cancellation of guarantee deposits	120,882	9,655
Revaluation loss of golf membership deposits	55,700	-
Decrease (increase) in trade receivables	(549,369)	(3,285,560)
Decrease (increase) in inventory	(9,558,038)	(16,022,175)
Increase (decrease) in trade payables	9,356,742	15,339,524
Increase (decrease) in consumption tax payable	(652,402)	449,057
Decrease (increase) in consumption tax receivable	(1,317)	1,317
Decrease (increase) in other current assets	(52,865)	(570,817)
Increase (decrease) in other current liabilities	1,808,509	5,111,272
Directors' bonuses	(34,000)	(50,500)
	13,668,895	21,139,027
Interest and dividend income	74,559	217,913
Interest expenses	(392,662)	(424,656)
Income tax and others	(4,323,791)	(4,735,475)
	9,027,001	16,196,809

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Years ended March 31; Thousands of yen	2000	2001
Net cash used in investment activities		
Increase in time deposits	(6,859,000)	(7,553,000)
Proceeds from decrease in time deposits	5,476,000	6,196,000
Payments for acquisition of marketable securities	(50,220)	-
Payments for acquisition of investment securities	-	(25,145)
Payments for acquisition of capital stock of affiliated companies	(60,900)	(50,000)
Payments for loans and advances	(361,814)	(736,470)
Proceeds from collection of loans and advances	1,021,611	748,421
Payments for acquisition of tangible fixed assets	(12,013,652)	(13,918,731)
Payments for acquisition of intangible fixed assets	(64,827)	(55,904)
Payments of guarantee deposits	(8,877,459)	(16,819,875)
Proceeds from reversal of guarantee deposits	1,212,337	1,024,628
Other net cash used in investment activities	(176,746)	(166,633)
	(20,754,671)	(31,356,709)
Net cash provided by financing activities		
Proceeds from increase in short-term borrowings	154,100,000	170,500,000
Payments of short-term borrowings	(156,470,000)	(170,920,000)
Proceeds from increase in long-term debt	7,800,000	1,400,000
Payments of long-term debt	(2,805,900)	(4,823,450)
Proceeds from issuing of new shares	17,591,769	22,839,635
Dividends	(404,377)	(497,943)
Payments for purchase of treasury stock	(309,556)	(44,523)
Proceeds from sales of treasury stock	311,938	95,371
	19,813,874	18,549,090
Effect of exchange rate changes on cash and cash equivalents	-	-
Net increase in cash and cash equivalents	8,086,204	3,389,190
Cash and cash equivalents at beginning of period	8,598,320	16,684,524
Cash and cash equivalents at end of period	16,684,524	20,073,715

Relationship between balance of cash and cash equivalents as of term end and balance sheet items

Years ended March 31; Thousands of yen	2000	2001
Cash and time deposits	21,309,524	26,055,715
Time deposits etc. of 3 months or longer	(4,625,000)	(5,982,000)
Cash and cash equivalents at end of period	16,684,524	20,073,715

Noncash investing and financing activities

Years ended March 31; Thousands of yen	2000	2001
Conversion of convertible bonds into common stock	1,007,717	81,412
Conversion of convertible bonds into additional paid-in capital	1,007,075	81,397
Reduction in balance of convertible bonds	2,014,793	162,810

## Capital expenditure plans

Thousands of yen	Prefecture	Expenditures to date	Anticipated expenditures	Date commenced	Completion date
Significant new additions of facilities					
Tecc Land stores					
Teine	(Hokkaido)	161,000	246,050	2001/2	2001/4
Isesaki	(Gunma)	362,644	566,600	2000/10	2001/4
Kiyota	(Hokkaido)	64,000	348,550	2000/2	2001/4
Shizuoka	(Shizuoka)	-	570,000	2001/4	2001/6
Sakaecho	(Hokkaido)	-	500,000	2001/5	2001/6
Yokohama-Izumi	(Kanagawa)	560,000	540,000	2001/3	2001/7
Tatebayashi	(Gunma)	7,000	924,000	2001/4	2001/7
Wakaba	(Chiba)	15,000	1,002,000	2001/4	2001/8
Kaizuka	(Osaka)	15,000	1,106,000	2001/5	2001/9
Adachi	(Tokyo)	20,000	1,100,000	2001/7	2001/11
Ginowan	(Okinawa)	19,200	1,337,800	2001/7	2001/11
Jonan	(Fukuoka)	250,000	940,000	2001/8	2001/12
Fukushima	(Fukushima)	15,615	1,216,000	2001/8	2001/12
Iwaki	(Fukushima)	15,000	1,075,000	2001/8	2002/1
Uozu	(Toyama)	310,000	930,000	2001/10	2002/2
Sakai	(Osaka)	50,000	1,050,000	2001/10	2002/2
Funabashi	(Chiba)	20,000	941,000	2001/11	2002/2
Kobe	(Hyogo)	50,000	1,170,000	2001/11	2002/2
Tsukuba	(Ibaraki)	50,000	1,083,000	2001/11	2002/3
Gifu	(Gifu)	9,517	1,060,000	2001/11	2002/3
Digital 21					
Inage	(Chiba)	-	250,000	2001/3	2001/4
Hiroshima	(Hiroshima)	11,069	691,000	2001/8	2001/12
PC-kan					
Matsumoto	(Nagano)	3,000	447,000	2001/6	2001/10
Takasaki	(Gunma)	15,000	305,000	2001/7	2001/11
		2,023,045	19,399,000		

## Dividend policy

In allocating its profits, the Company will be most concerned with the stability and continuity of dividends to shareholders. At the same time, amid changes occurring in the economics of distribution, it also believes that internal reserves will be indispensable for achieving stable growth through a strengthened corporate structure. Consequently it has adopted as its basic policy paying out dividends commensurate with profits.

In accordance with this policy, the Company has declared a regular dividend of 23 yen per share, plus a commemorative dividend of 3 yen per share, for a total payout of 642 million yen.

The Company will allocate retained earnings for the term toward the financing of new outlets, the renovation of existing stores, the development of human resources, and strengthening of the Company's balance sheet. Thus, it will be using these earnings to consolidate and improve its competitiveness and for the future expansion of the business.

## Operations

## Nonconsolidated statement of income

Years ended March 31; Thousands of yen	1999	2000	2001
Net sales			
Net sales - merchandise goods	241,600,660	331,096,192	470,176,930
Net sales - rental fee	1,222,219	1,073,161	1,069,072
	242,822,879	332,169,353	471,246,003
Cost of goods sold			
Cost of goods sold - merchandise			
Merchandise inventory, beginning of period	25,518,549	27,508,384	37,066,422
Purchase of merchandise for the period	211,361,052	294,902,009	418,270,026
	236,879,601	322,410,394	455,336,448
Merchandise inventory, end of period	27,508,384	37,066,422	53,088,597
	209,371,217	285,343,971	402,247,851
Cost of goods sold - rental fee	116,467	102,860	66,321
	209,487,685	285,446,831	402,314,172
Gross profit on sales			
Merchandise goods	32,229,442	45,752,220	67,929,079
Rental fee	1,105,751	970,301	1,002,751
	33,335,193	46,722,521	68,931,831
Selling, general and administrative expenses			
Advertising expenses	6,323,480	9,510,417	13,292,694
Employees' salaries	7,425,105	10,195,602	14,228,538
Reserve provision for bonuses	789,000	1,303,000	1,520,000
Retirement allowances	38,642	51,684	-
Pension benefit expenses	-	-	270,350
Employee benefit expenses	1,199,879	1,570,626	2,274,202
Leasing fees	4,281,430	5,599,657	8,937,865
Water, heating and lighting expenses	1,065,678	1,408,335	2,318,769
Depreciation expenses	1,662,766	2,132,319	2,919,291
Others	7,341,599	9,582,243	13,785,382
	30,127,581	41,353,887	59,547,094
Operating income	3,207,612	5,368,634	9,384,736

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Years ended March 31; Thousands of yen	1999	2000	2001
Nonoperating income			
Interest income	18,848	68,522	211,400
Purchase discount	2,873,637	3,673,423	5,056,048
Income on sales promotion	577,518	969,758	1,232,017
Others	509,979	695,275	1,084,650
	<u>3,979,983</u>	<u>5,406,979</u>	<u>7,584,116</u>
Nonoperating expenses			
Interest expenses	378,486	395,778	427,604
Interest expenses on bonds	4,846	909	195
Issuing expenses on new shares	-	72,230	92,365
Issuing expenses on bonds	122,563	-	-
Others	17,853	61,245	45,541
	<u>523,749</u>	<u>530,163</u>	<u>565,707</u>
Ordinary profit	<u>6,663,845</u>	<u>10,245,450</u>	<u>16,403,146</u>
Extraordinary income			
Reversal of allowance for doubtful accounts	-	10,195	14,599
	<u>-</u>	<u>10,195</u>	<u>14,599</u>
Extraordinary losses			
Loss on disposal of fixed assets	62,268	198,661	185,160
Loss on cancellation of guarantee deposits	77,339	120,882	9,655
Directors' retirement expenses	-	4,100	-
Revaluation loss of golf membership deposits	-	55,700	-
Consumption taxes for previous fiscal year	-	113,478	-
Loss on valuation of securities of affiliated companies	-	-	16,498
Loss resulting from change in retirement benefit accounting standards	-	-	791,720
	<u>139,607</u>	<u>492,821</u>	<u>1,003,034</u>
Net income before taxes and other adjustments for the period	<u>6,524,238</u>	<u>9,762,823</u>	<u>15,414,710</u>
Corporate, inhabitant and enterprise taxes	3,442,079	4,327,662	7,401,548
Deferred taxes	-	(129,318)	(777,034)
	<u>3,442,079</u>	<u>4,198,344</u>	<u>6,624,514</u>
Net income for the period	<u>3,082,158</u>	<u>5,564,479</u>	<u>8,790,195</u>
Retained earnings brought forward from previous period	408,475	507,335	616,827
Adjustment for tax effect in prior years	-	347,578	-
Unappropriated retained earnings, end of fiscal period	<u>3,490,633</u>	<u>6,419,393</u>	<u>9,407,023</u>

## Results of operations

Fiscal year ended March 31, 2001

### Economic and other factors affecting operations

- 1) Continued weakness in consumer spending.
- 2) Slowdown in growth of computer sales, especially in urban areas.
- 3) Strong demand for air conditioners in the first half, helped by favorable weather.
- 4) Sales of other household electrical appliances buoyed in the latter half by the startup of BS digital broadcasting and accelerated purchases by consumers ahead of the introduction of the new Home Appliance Recycling Law.

### Store openings

- 1) Aggressive opening of new retail outlets, based on the concept of cheerfulness, fun, kindness and convenience.
- 2) Build-and-scrap policy to revitalize existing network:
  - 37 new stores opened, including Tecc Land Fukuoka Nishi.
  - 15 stores closed, including Nagano Wakatsuki.
  - 131 existing stores, as of term end.

### Sales by major category (percentage changes, year-on-year)

- 1) Household appliances: +40.3 percent to 272.2 billion yen (57.8 percent of net sales).
- 2) Personal computers and other home-information products: +44.7 percent to 197.8 billion yen (42.0 percent of sales).



## Sales

Year ended March 31; Thousands of yen		2001	
Products	Amount	%	Year-on-year comparison
<b>Home appliances</b>			
Color televisions	39,414,829	8.4	42.4
Video equipment	25,830,732	5.5	18.2
Audio equipment	27,109,641	5.7	22.1
Refrigerators	34,880,751	7.4	55.5
Washing machines	16,010,384	3.4	58.8
Cooking appliances	18,269,069	3.9	39.3
Air conditioners	25,425,472	5.4	54.5
Other home cooling and heating equipment	16,113,130	3.4	34.5
Others	69,156,811	14.7	43.3
	<b>272,210,819</b>	<b>57.8</b>	<b>40.3</b>
<b>Home information appliances</b>			
Personal computers	115,631,428	24.6	47.5
Computer peripherals	43,767,142	9.3	57.1
Software	9,556,419	2.0	16.6
Telephone and facsimile equipment	9,590,304	2.0	11.4
Others	19,275,837	4.1	41.4
	<b>197,821,130</b>	<b>42.0</b>	<b>44.7</b>
<b>Non appliances</b>			
Videos and books	1,079,619	0.2	(0.1)
Others	134,435	0.0	(54.9)
	<b>1,214,054</b>	<b>0.2</b>	<b>(12.0)</b>
	<b>471,246,003</b>	<b>100.0</b>	<b>41.9</b>

## Sales per unit

Years ended March 31; Thousands of yen	2000	2001
Net sales	332,169,353	471,246,003
Selling floor spaces (average) - m <sup>2</sup>	167,184	273,530
Sales per square meter	1,986	1,722
Employees (average) - persons	3,193	4,347
Sales per employees	104,030	108,407

## Leases

Under generally accepted accounting principles in Japan, finance leases that do not transfer ownership are accounted for in the same manner as operating leases if “as if capitalized” information is disclosed.

The Company’s main finance lease contracts are as follows:

Item	Term Months	Current payments	Future payments
		Thousands of yen	
Computer and peripheral equipment	60	510,731	1,790,539
Store buildings	120	98,985	2,416,245
Store facilities	36-108	810,505	3,673,077

Pro forma information on leased property is as follows:

Thousands of yen	2000	2001
Buildings		
Acquisition cost	-	1,673,670
Accumulated depreciation	-	46,363
Net leased property	-	1,627,306
Tools, furniture and fixtures		
Acquisition cost	4,674,393	7,377,414
Accumulated depreciation	1,606,760	2,602,977
Net leased property	3,067,632	4,774,436
Total		
Acquisition cost	4,674,393	9,051,084
Accumulated depreciation	1,606,760	2,649,340
Net leased property	3,067,632	6,401,743
Future minimum lease payments including interest portion		
Due within one year	834,801	1,404,994
Due after one year	2,371,199	5,205,364
	3,206,001	6,610,359
Lease payments	934,574	1,448,926
Pro forma depreciation expenses (assuming straight-line method)	795,440	1,183,326
Pro forma interest expenses	186,056	334,848

## Capital Structure

## Nonconsolidated balance sheet: assets

Years ended March 31; Thousands of yen	1999	2000	2001
<b>Current assets</b>			
Cash and time deposits	11,840,320	21,309,524	26,055,715
Accounts receivable - trade	3,187,510	3,736,879	7,022,440
Marketable securities	141,954	192,033	59,940
Treasury stock	28,355	46,125	3,647
Merchandise	27,508,384	37,066,422	53,088,597
Prepaid expenses	450,100	605,598	927,560
Deferred tax assets	-	427,719	812,277
Accounts receivable - other	1,375,847	1,523,152	1,809,807
Accounts receivable - consumer tax	-	1,317	-
Current portion of guarantee deposits	404,302	587,570	1,235,679
Others	293,049	73,346	78,270
Allowance for doubtful accounts	(31,293)	(26,248)	(12,359)
	45,198,531	65,543,443	91,081,577
<b>Fixed assets</b>			
<b>Tangible fixed assets</b>			
Buildings	16,480,768	27,547,667	37,394,783
Accumulated depreciation	3,002,842	4,585,820	6,723,289
	13,477,925	22,961,847	30,671,494
Structures	2,324,255	2,791,205	3,424,227
Accumulated depreciation	707,768	892,820	1,197,186
	1,616,486	1,898,384	2,227,040
Vehicles and delivery equipment	71,229	80,946	97,361
Accumulated depreciation	62,095	63,811	69,448
	9,134	17,134	27,913
Tools, furniture and fixtures	2,173,998	2,013,304	2,406,989
Accumulated depreciation	1,396,796	1,274,681	1,313,002
	777,202	738,622	1,093,987
Land	4,986,636	5,180,316	6,164,625
Construction in progress	469,360	295,430	1,504,587
	21,336,745	31,091,737	41,689,648

## YAMADA DENKI

Years ended March 31; Thousands of yen	1999	2000	2001
Intangible fixed assets			
Leaseholds	36,740	37,055	45,349
Software	-	2,740	3,632
Telephone bonds	75,585	101,862	147,772
	112,326	141,658	196,754
Investments and other assets			
Investments in securities	1,000	-	157,237
Capital stock of affiliated companies	117,000	177,900	211,401
Investments other than securities	160,294	144,008	114,874
Long-term loans	2,977	2,426	1,856
Long-term loans to affiliated companies	729,528	106,850	95,450
Reorganization, bankruptcy and other claims	56,268	-	-
Long-term prepaid expenses	79,974	104,115	2,669,895
Deferred tax assets	-	49,176	444,887
Guarantee deposits	10,812,835	18,156,918	30,831,287
Others	68,902	13,757	14,311
Allowance for doubtful accounts	(60,990)	(710)	-
	11,967,792	18,754,443	34,541,202
Total fixed assets	33,416,864	49,987,839	76,427,605
Total assets	78,615,396	115,531,282	167,509,182

## Nonconsolidated balance sheet: liabilities and shareholders' equity

Years ended March 31; Thousands of yen	1999	2000	2001
<b>Current liabilities</b>			
Notes payable - trade	268,129	505,772	537,452
Accounts payable - trade	24,777,698	33,896,797	49,204,642
Short-term borrowings	2,790,000	420,000	-
Current portion of long-term debt	2,655,920	4,793,580	3,425,155
Current portion of convertible bonds	39,933	37,935	-
Accounts payable - other	1,671,646	2,916,112	4,879,901
Accrued expenses	328,616	487,572	711,895
Income tax payable	2,595,852	2,599,724	5,217,057
Consumption tax payable	651,085	-	505,553
Advances from customers	1,540,061	2,063,766	4,671,480
Reserve for bonuses	789,000	1,303,000	1,520,000
Others	281,898	308,872	460,079
	<u>38,389,840</u>	<u>49,333,133</u>	<u>71,133,218</u>
<b>Long-term liabilities</b>			
Convertible bonds	2,294,920	282,125	157,250
Long-term debt	7,851,890	10,708,330	8,653,305
Reserve for retirement allowances	124,000	152,000	-
Retirement benefits	-	-	1,137,000
Others	193,829	143,225	183,021
	<u>10,464,639</u>	<u>11,285,680</u>	<u>10,130,576</u>
Total liabilities	48,854,479	60,618,813	81,263,794
<b>Shareholders' equity</b>			
Common stock	10,793,924	20,633,642	32,181,055
Additional paid-in capital	10,734,357	20,573,433	32,120,830
Legal income reserves	142,000	186,000	241,000
Retained earnings			
Voluntary reserves - total			
Special reserves	4,600,000	7,100,000	12,300,000
	<u>4,600,000</u>	<u>7,100,000</u>	<u>12,300,000</u>
Unappropriated retained earnings, end of fiscal period	3,490,633	6,419,393	9,407,023
	<u>8,090,633</u>	<u>13,519,393</u>	<u>21,707,023</u>
Unrealized gains or losses on other securities	-	-	(4,521)
Total shareholders' equity	<u>29,760,916</u>	<u>54,912,469</u>	<u>86,245,387</u>
Total liabilities and shareholders' equity	<u>78,615,396</u>	<u>115,531,282</u>	<u>167,509,182</u>

## Share-Related Information

## Shares in issue

Class of shares	Common (50 yen par value)
Registered or bearer	Registered
Number of shares authorized	40,000,000
Issued	
As of March 31, 2001	24,699,541
As of June 29, 2001	27,718,775
Stock exchange listings or registration	Tokyo Stock Exchange
Remarks	Voting rights

## Shareholders by type of investor

Type of investor	Number of shareholders	Thousands of shares	% owned
National and local government agencies	-	-	-
Financial institutions	88	107,816	44.63
Securities companies	15	766	0.32
Business and other corporations	97	29,783	12.33
Nonresidents	210	96,069	39.76
Individuals and others	822	7,157	2.96
	1,232	241,591	100.0
Shares less than one unit	-	540,441	-

## Largest shareholders

Name	Thousands of shares owned	Of which held in trust accounts	% of shares outstanding
Tecc-Planning	1,562.0		6.32
Japan Trustee Services Bank	1,511.3	1,511.3	6.11
Mitsubishi Trust & Banking	1,240.9	1,240.9	5.02
Goldman Sachs International	1,236.2		5.00
Nomura Trust & Banking	864.0	864.0	3.49
Toyo Trust & Banking	717.6	717.6	2.90
The Chase Manhattan Bank N.A. London	600.2		2.43
Mizuho Trust & Banking	568.8	568.8	2.30
Gunma Bank	547.0		2.21
Towa Bank	523.6		2.11
	9,371.6		37.94

## Share information

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Fiscal year-end	March 31
Ex-rights date	March 31
Ex-rights date for interim dividend	September 30
Closing of shareholder register	-
Annual general meeting of shareholders	June
Trading unit	100 shares
Type of share certificates	100, 1,000 and 10,000 shares
Transfer agent	Chuo Mitsui Trust & Banking, 3-33-1, Shiba, Minato-ku, Tokyo
Publication of record	Nihon Keizai Shimbun

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## Contact

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