

Joshin

Fiscal Year Ended March 31, 2024 (FY2023) Consolidated Financial Results

**Joshin Denki Co., Ltd.
(Securities code: 8173)**

May 7, 2024

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 - (i) Individual Strategies
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Earnings Summary for the Fiscal Year Ended March 31, 2024 (FY2023): 1

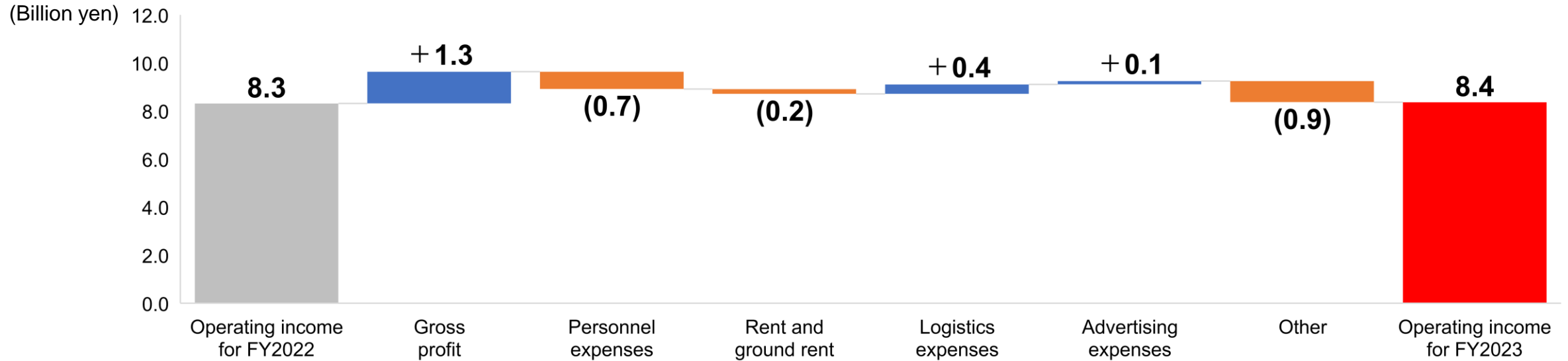
Consolidated Income Statement (Apr.–Mar.)

(Million yen)	Full-year FY2022 (Apr.–Mar.)		Full-year FY2023 (Apr.–Mar.)					
	Actual results	% of net sales	Forecast	% of net sales	Actual results	% of net sales	YoY	Vs. forecast
Net sales	408,460	100.0%	410,000	100.0%	403,692	100.0%	(1.2%)	(1.5%)
Of which, sales at stores	327,174	80.1%	—	—	331,418	82.1%	+1.3%	—
Of which, sales in EC business	75,552	18.5%	—	—	64,618	16.0%	(14.5%)	—
Of which, other sales	5,732	1.4%	—	—	7,656	1.9%	+33.5%	—
Gross profit	103,802	25.4%	—	—	105,124	26.0%	+1.3%	—
Selling, general and administrative expenses	95,491	23.4%	—	—	96,759	24.0%	+1.3%	—
Operating income	8,311	2.0%	9,000	2.2%	8,364	2.1%	+0.6%	(7.1%)
Ordinary income	8,317	2.0%	9,000	2.2%	8,251	2.0%	(0.8%)	(8.3%)
Net income (*1)	4,972	1.2%	6,000	1.5%	4,891	1.2%	(1.6%)	(18.5%)

*1 Profit attributable to owners of parent

Earnings Summary for the Fiscal Year Ended March 31, 2024 (FY2023): 2

Factors for Changes in Operating Income (Apr.-Mar.): Vs. Previous Year



FY2022

(Billion yen)	Operating income for FY2021	Gross profit	Personnel expenses	Rent and ground rent	Logistics expenses	Advertising expenses	Other	Operating income for FY2022
Apr.-Mar.	8.9	+5.4	(0.4)	(0.7)	(4.6)	+0.9	(1.1)	8.3

Factors for Changes in Operating Income (Quarterly): Vs. Previous Year

(Billion yen)	Operating income for FY2022	Gross profit	Personnel expenses	Rent and ground rent	Logistics expenses	Advertising expenses	Other	Operating income for FY2023
Apr.–Jun.	1.4	(0.0)	(0.1)	(0.0)	(0.3)	+0.3	(0.1)	1.1
Jul.–Sep.	2.7	+1.7	(0.3)	(0.1)	+0.2	(0.2)	(0.6)	3.5
Oct.- Dec.	2.0	(0.5)	(0.1)	(0.0)	+0.3	+0.1	+0.0	1.8
Jan.-Mar.	2.2	+0.2	(0.2)	(0.1)	+0.2	(0.1)	(0.2)	2.0

Earnings Summary for the Fiscal Year Ended March 31, 2024 (FY2023): 3

Consolidated Income Statement (first/second half)

(Million yen)	First half FY2022 (Apr.-Sep.)		First half FY2023 (Apr.-Sep.)			Second half FY2022 (Oct.-Mar.)		Second half FY2023 (Oct.-Mar.)		
	Actual results	% of net sales	Actual results	% of net sales	YoY	Actual results	% of net sales	Actual results	% of net sales	YoY
Net sales	197,918	100.0%	197,483	100.0%	(0.2%)	210,541	100.0%	206,209	100.0%	(2.1%)
Of which, sales at stores	160,125	80.9%	163,356	82.7%	+2.0%	167,049	79.3%	168,062	81.5%	+0.6%
Of which, sales in EC Business	35,634	18.0%	31,463	15.9%	(11.7%)	39,917	19.0%	33,154	16.1%	(16.9%)
Other	2,158	1.1%	2,664	1.4%	+23.4%	3,574	1.7%	4,992	2.4%	+39.7%
Gross profit	51,193	25.9%	52,868	26.8%	+3.3%	52,608	25.0%	52,255	25.3%	(0.7%)
Selling, general and administrative expenses	47,089	23.8%	48,282	24.5%	+2.5%	48,401	23.0%	48,477	23.5%	+0.2%
Operating income	4,104	2.1%	4,586	2.3%	+11.7%	4,206	2.0%	3,778	1.8%	(10.2%)
Ordinary income	4,119	2.1%	4,549	2.3%	+10.4%	4,198	2.0%	3,702	1.8%	(11.8%)
Net income*1	3,006	1.5%	3,110	1.6%	+3.4%	1,965	0.9%	1,781	0.9%	(9.4%)

*1 Profit attributable to owners of parent

Earnings Summary for the Fiscal Year Ended March 31, 2024 (FY2023): 4

Consolidated Income Statement (Jan.–Mar.)

(Million yen)	1Q FY2023 (Apr.–Jun.)		2Q FY2023 (Jul.–Sep.)		3Q FY2023 (Oct.–Dec.)		4Q FY2022 (Jan.–Mar.)		4Q FY2023 (Jan.–Mar.)			
	Actual results	% of net sales	Actual results	% of net sales	Actual results	% of net sales	Actual results	% of net sales	Actual results	% of net sales	YoY	QoQ (vs. Oct.-Dec.)
Net sales	90,377	100.0%	107,106	100.0%	109,806	100.0%	102,817	100.0%	96,402	100.0%	(6.2%)	(12.2%)
Of which, sales at stores	72,998	80.8%	90,358	84.4%	89,855	81.8%	81,857	79.6%	78,206	81.1%	(4.5%)	(13.0%)
Of which, sales in EC Business	16,048	17.7%	15,414	14.4%	17,853	16.3%	18,758	18.3%	15,301	15.9%	(18.4%)	(14.3%)
Other	1,330	1.5%	1,333	1.2%	2,097	1.9%	2,201	2.1%	2,894	3.0%	+31.5%	+38.0%
Gross profit	24,787	27.4%	28,081	26.2%	26,139	23.8%	25,957	25.2%	26,116	27.1%	+0.6%	(0.1%)
Selling, general and administrative expenses	23,695	26.2%	24,586	23.0%	24,346	22.2%	23,764	23.1%	24,131	25.0%	+1.5%	(0.9%)
Operating income	1,091	1.2%	3,494	3.3%	1,793	1.6%	2,193	2.1%	1,985	2.1%	(9.5%)	+10.7%
Ordinary income	1,076	1.2%	3,472	3.2%	1,781	1.6%	2,172	2.1%	1,920	2.0%	(11.6%)	+7.8%
Net income*1	620	0.7%	2,489	2.3%	1,017	0.9%	830	0.8%	763	0.8%	(8.1%)	(25.0%)

*1 Profit attributable to owners of parent

Earnings Summary for the Fiscal Year Ended March 31, 2024 (FY2023): 5

Sales by Product (Apr.–Sep.)

(Million yen)	1Q FY2023 (Apr.–Jun.)		2Q FY2023 (Jul.–Sep.)		3Q FY2023 (Oct.–Dec.)		4Q FY2023 (Jan.–Mar.)		Full FY2022 (Apr.–Mar.)		Full-year FY2023 (Apr.–Mar.)		
	Actual results	% of net sales	Actual results	% of net sales	Actual results	% of net sales	Actual results	% of net sales	Actual results	% of net sales	Actual results	% of net sales	YoY
TVs	5,252	5.8%	7,120	6.6%	8,537	7.8%	6,255	6.5%	27,285	6.7%	27,165	6.7%	(0.4%)
Refrigerators	5,841	6.5%	8,206	7.7%	6,960	6.3%	5,351	5.6%	26,573	6.5%	26,359	6.5%	(0.8%)
Washing machines and vacuum cleaners	8,205	9.1%	10,071	9.4%	10,086	9.2%	8,934	9.3%	37,443	9.2%	37,297	9.2%	(0.4%)
Microwave ovens and cookers	3,559	4.0%	4,217	3.9%	5,050	4.6%	4,745	4.9%	17,142	4.2%	17,574	4.4%	+2.5%
Air conditioners	11,764	13.0%	16,289	15.2%	6,451	5.9%	5,271	5.5%	41,246	10.1%	39,776	9.9%	(3.6%)
Personal computers	4,500	5.0%	4,580	4.3%	4,728	4.3%	7,036	7.3%	23,674	5.8%	20,845	5.2%	(11.9%)
Mobile phones	6,596	7.3%	8,645	8.1%	11,423	10.4%	11,535	12.0%	33,329	8.2%	38,200	9.5%	+14.6%
Games, models, toys, musical instruments	13,730	15.2%	14,170	13.2%	20,102	18.3%	15,666	16.3%	63,972	15.7%	63,669	15.8%	(0.5%)

Earnings Summary for the Fiscal Year Ended March 31, 2024 (FY2023): 6

Balance Sheet

(Million yen)	2023/03	2024/03	Change
Current assets	114,560	124,006	+9,445
Tangible assets	75,085	74,902	(183)
Intangible assets	2,471	2,545	+73
Investment, other assets	31,100	31,322	+221
Non-current assets	108,657	108,769	+112
Total assets	223,218	232,775	+9,557
(Reference)			
Total interest-bearing liabilities	45,964	53,104	+7,139

(Million yen)	2023/03	2024/03	Change
Current liabilities	84,376	84,571	+194
Non-current liabilities	38,143	43,590	+5,447
Total liabilities	122,520	128,162	+5,642
Total net assets	100,698	104,613	+3,915
Total liabilities and net assets	223,218	232,775	+9,557
Total net interest-bearing liabilities*	43,194	49,212	+6,017

*Total net interest-bearing liabilities: Interest-bearing liabilities less cash and deposits

Cash Flows

(Million yen)	2023/03	2024/03	Change
Cash flow from operating activities (a)	7,119	2,278	(4,840)
Cash flow from investing activities (b)	(9,070)	(4,806)	+4,264
(Free cash flow (a) + (b))	(1,951)	(2,527)	(576)
Cash flow from financing activities	2,360	3,649	+1,289
Cash and cash equivalents at end of period	2,769	3,891	+1,122

Full-year Forecast for the Fiscal Year Ending March 31, 2025 (FY2024)

Consolidated Income Statement (Full-year Forecast)

(Million yen)	Full-year FY2023 (Apr.–Mar.)		Full-year FY2024 (Apr.–Mar.)		
	Actual results	% of net sales	Forecast	% of net sales	YoY
Net sales	403,692	100.0%	410,000	100.0%	+ 1.6%
Operating income	8,364	2.1%	9,000	2.2%	+ 7.6%
Ordinary income	8,251	2.0%	9,000	2.2%	+ 9.1%
Net income (*1)	4,891	1.2%	6,000	1.5%	+ 22.7%

*1 Profit attributable to owners of parent

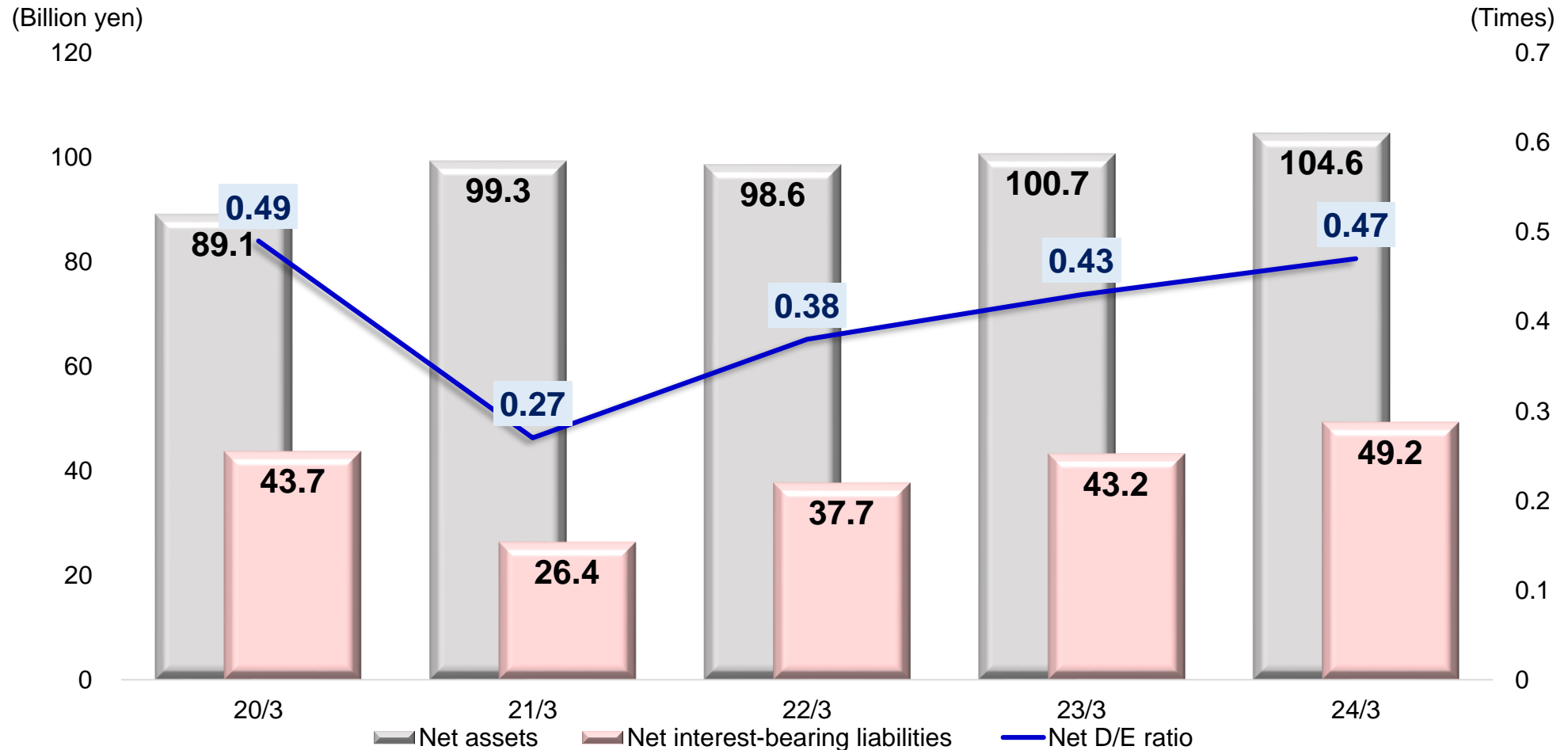
Forecast for First Half (Apr.–Sep.) and Second Half (Oct.–Mar.)

(Million yen)	First half FY2023 (Apr.-Sep.)		First half FY2024 (Apr.-Sep.)			Second half FY2023 (Oct.-Mar.)		Second half FY2024 (Oct.-Mar.)		
	Actual results	% of net sales	Forecast	% of net sales	YoY	Actual results	% of net sales	Forecast	% of net sales	YoY
Net sales	197,483	100.0%	198,000	100.0%	+ 0.3%	206,209	100.0%	212,000	100.0%	+ 2.8%
Operating income	4,586	2.3%	4,600	2.3%	+ 0.3%	3,778	1.8%	4,400	2.1%	+ 16.5%
Ordinary income	4,549	2.3%	4,600	2.3%	+ 1.1%	3,702	1.8%	4,400	2.1%	+ 18.8%
Net income (*1)	3,110	1.6%	3,200	1.6%	+ 2.9%	1,781	0.9%	2,800	1.3%	+ 57.2%

*1 Profit attributable to owners of parent

Trends of Financial Conditions and Net Interest-bearing Liabilities

Net interest-bearing liabilities increased and net D/E ratio stably remained low.



Net interest-bearing liabilities: Interest-bearing liabilities – Cash and deposits
 Net D/E ratio: (Interest-bearing liabilities – Cash and deposits) / Net assets

Trend in Number of Stores

We strengthened Joshin brand directly managed stores to promote our dominant strategy and reentered the Gunma Prefecture market for the first time in about 20 years.

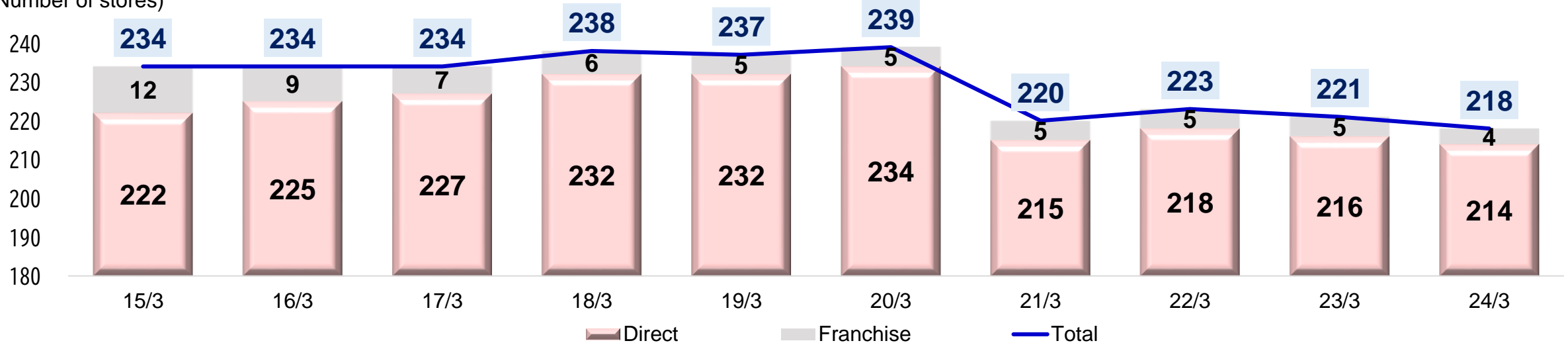
Breakdown of stores by region as of the end of March 2024

Region	Number of stores	Joshin		BOOK-OFF	TSUTAYA
		Direct	Franchise		
Kansai	143	135		6	2
Tokai	34	32	2		
Hokushinetsu	23	23			
Kanto	16	16			
Shikoku	2	0	2		
Total	218	206	4	6	2

Store openings and closures in FY2023

New opening		Prefecture	Store format	Store name
2024	March	Gunma	Joshin	AEON MALL Ota store
New opening accompanied by relocation		Prefecture	Store format	Store name
2024	February	Nara	Joshin	Nara store => Nara Sanjo-oji store
Closure		Prefecture	Store format	Store name
2023	June	Osaka	TSUTAYA	TSUTAYA Yao-oihara store
2024	February	Hyogo	TSUTAYA	TSUTAYA Takasago Yoneda store
2024	February	Aichi	Franchise	MEGLiA Fujioka store
2024	March	Saitama	Joshin (OL)	Outlet Tokorozawa store

(Number of stores)



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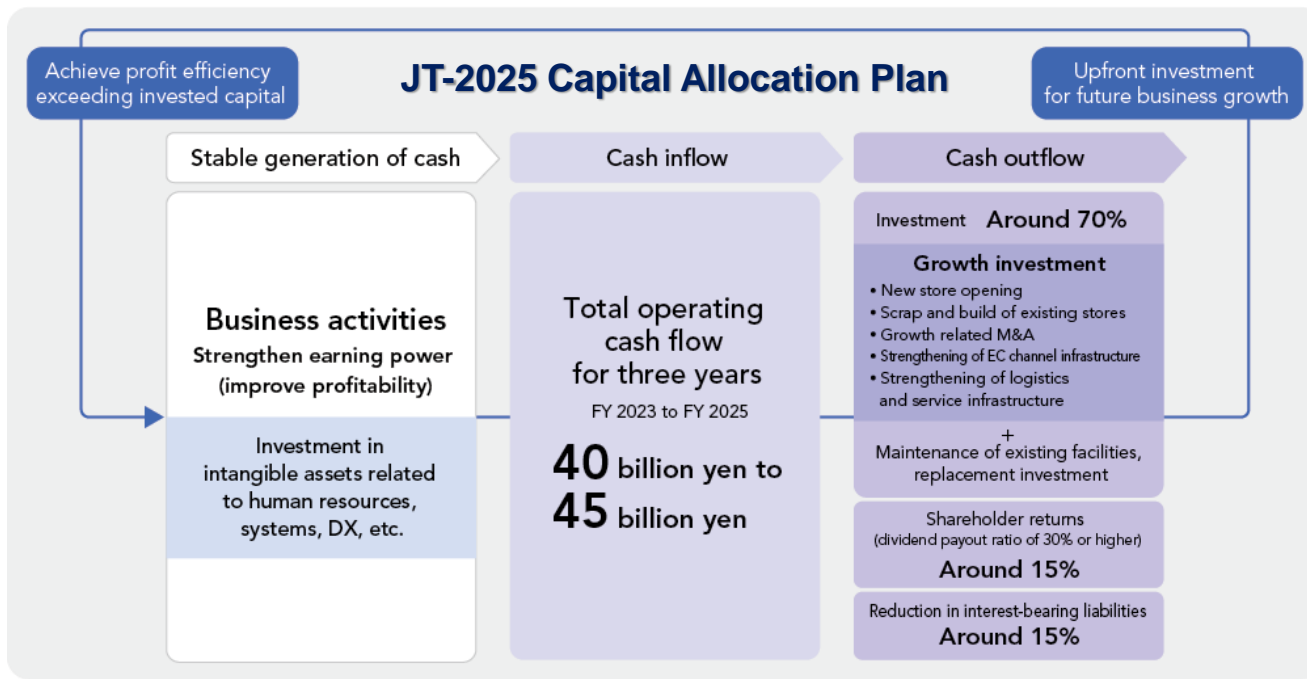
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Measures to Achieve Management Conscious of Capital Cost and Stock Price

Stock price = Net income per share (EPS) x Price earnings ratio (PER)

PER = The higher the profit growth, the more the future growth prospects get reflected in stock price, and therefore it is possible to raise it by expanding EPS



ROE = Possible to raise the value by increasing EPS, the numerator

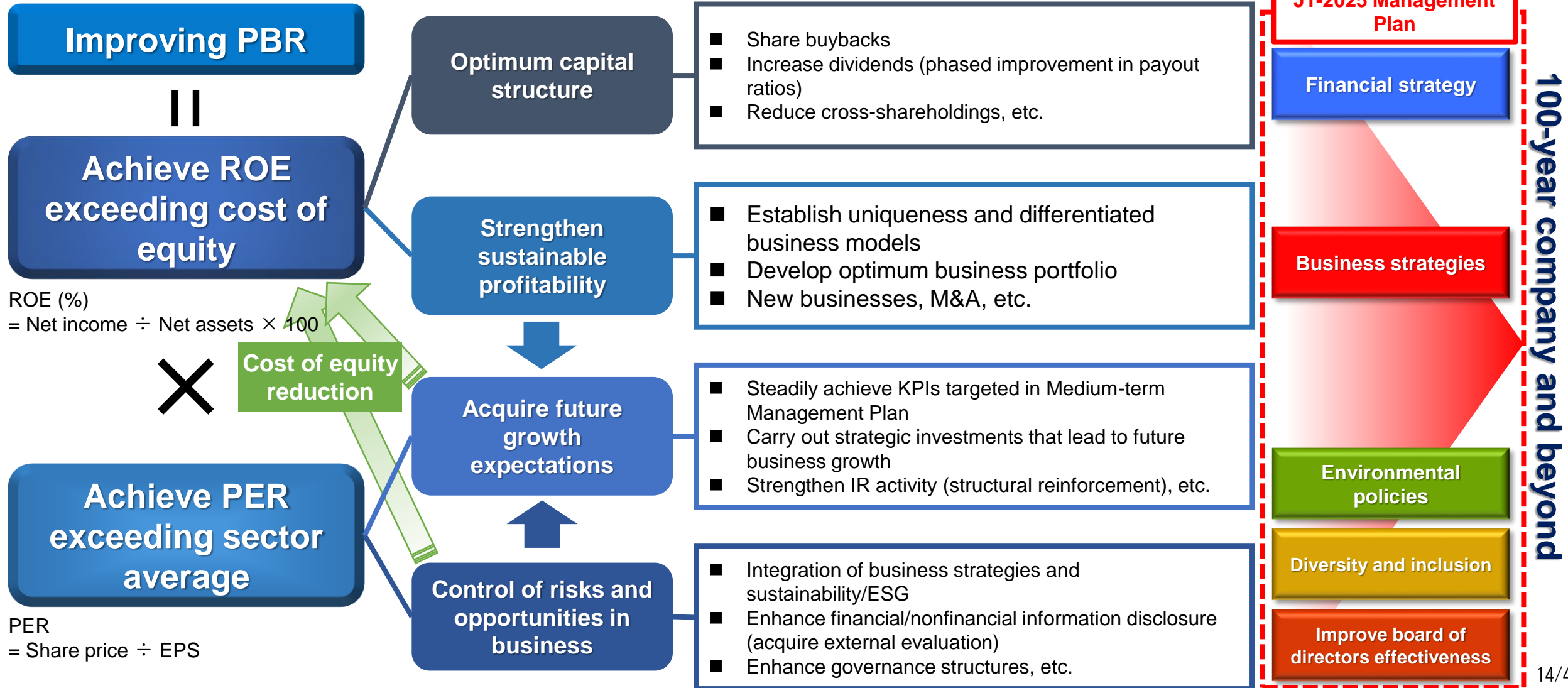
Price book-value ratio (PBR)
 = Stock price ÷ BPS (net assets per share)
 = Return on equity (ROE) x PER

	FY2025 plan	Ideal form in FY2030
Operating income ratio	2.6%	Aim for 4.0% level
ROE	8.0% or higher	Aim for 10.0% or higher
ROA	5.0% or higher	Aim for 7.0% or higher
ROIC*1	5.0% or higher	Aim for 7.0% or higher
Dividend payout ratio	30% ⇒ 40% or higher	30% ⇒ Maintain 40% or higher

*1 ROIC: (Operating income x 0.65) ÷ (interest-bearing liabilities + equity) with assumed effective tax rate of 35%

Toward Realization of Management With Capital Costs and Share Prices in Mind

Promote efforts to improve PBR from both ROE and PER aspects



FY2023: Cost of Equity and Weighted Average Cost of Capital at Joshin Group

We revised the base data of risk-free rate, recalculated it using latest data, and confirmed validity of FY2025 ROE and ROIC targets.

Cost of equity (%)

Base data for risk free rate

Calculated using the formula: "10-year government bond yield in key regions * percentage composition"
Actual results as at 29 March 2024 are used.

Percentage Composition	Yield
Japanese government bonds (50%)	0.72%
U.S. Treasuries (30%)	4.20%
German Bonds*	2.30%
*Euro government bond yield indicator	
Total average yield	2.08%

<p>Risk free rate</p> <div style="border: 1px solid black; padding: 5px; width: 100px; margin: 0 auto;">0.50⇒2.08%</div> <p>Safe assets, risk-free rate</p>	+	<p>Beta (β) exposure</p> <div style="border: 1px solid black; padding: 5px; width: 100px; margin: 0 auto;">0.95⇒0.95</div> <p>Vs. TOPIX basis Risk unique to Joshin</p> <p><small>*Remained largely at FY2022 levels</small></p>	×	<p>Risk premium</p> <div style="border: 1px solid black; padding: 5px; width: 100px; margin: 0 auto;">6.00⇒6.00%</div> <p>Excess return expected from equity investment</p> <p><small>*Estimated based on past stock market returns</small></p>	=	<p>Cost of equity CAPM</p> <div style="border: 2px solid blue; padding: 5px; width: 100px; margin: 0 auto; color: blue;">6.20⇒7.78%</div> <p><small>*CAPM (capital asset pricing model) is a theory for calculating the cost of shareholders' equity.</small></p>
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Weighted average cost of capital (%)

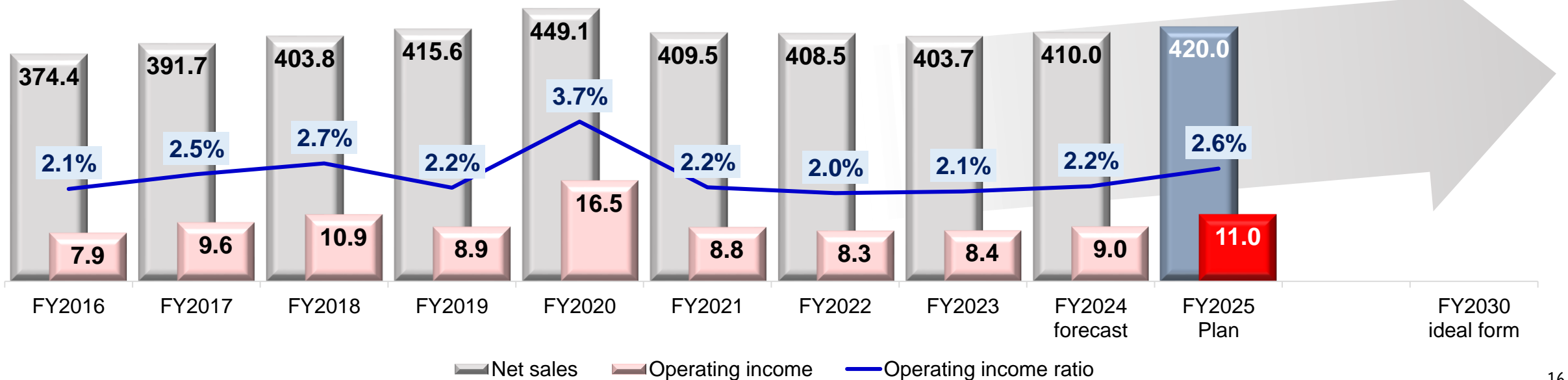
<p>Cost of equity</p> <p>CAPM</p>	<p>Equity ratio</p>	<p>Interest rate on debt</p>	<p>1 – Equity ratio</p>	<p>1 – Corporate tax rate</p>	<p>Weighted average cost of capital WACC</p>
<div style="border: 2px solid blue; padding: 5px; width: 100px; margin: 0 auto; color: blue;">6.20⇒7.78%</div>	<div style="border: 1px solid black; padding: 5px; width: 100px; margin: 0 auto;">0.45⇒0.45</div> <p><small>*FY2023 44.9%</small></p>	<div style="border: 1px solid black; padding: 5px; width: 100px; margin: 0 auto;">0.35⇒0.45%</div>	<div style="border: 1px solid black; padding: 5px; width: 100px; margin: 0 auto;">0.55⇒0.55</div>	<div style="border: 1px solid black; padding: 5px; width: 100px; margin: 0 auto;">(1 – 0.35)</div> <p><small>*Tax-saving effect of interest expenses being tax deductible considered</small></p>	<div style="border: 2px solid blue; padding: 5px; width: 100px; margin: 0 auto; color: blue;">2.99⇒3.67%</div>

Consolidated Management Indices

No change in final-fiscal-year targets of JT-2025 Management Plan; aim to achieve them by strengthening profitability with focus on operating income ratios

(Billion yen)	FY2022 actual result	FY2023 actual result	FY2024 forecast	FY2025 (JT-2025 final fiscal year)		Ideal form in FY2030
				Plan	Vs. FY2023	
Net sales	408.5	403.7	410.0	420.0	104.0%	Operating profit margin Aim for 4.0% level
Operating income ratio	2.0%	2.1%	2.2%	2.6%	—	
Operating income	8.3	8.4	9.0	11.0	131.5%	

(Billion yen)

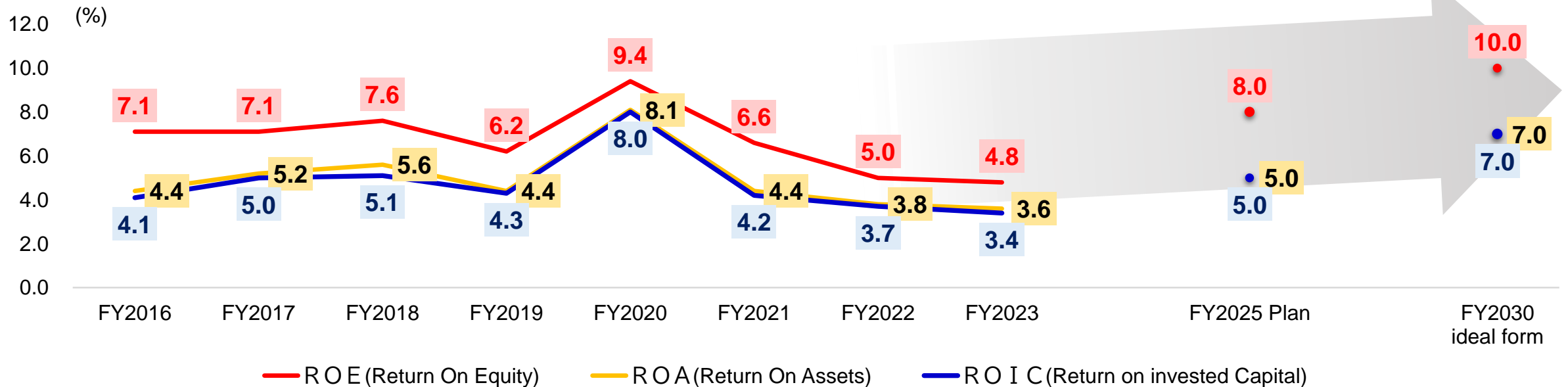


Capital Efficiency Indices

No change in final-fiscal-year targets of JT-2025 Management Plan; aim to achieve them by strengthening profitability to expand EPS

	FY2022 actual result	FY2023 actual result	FY2025 plan	Ideal form in FY2030
ROE	5.0%	4.8%	8.0% or higher	Aim for 10.0% or more
ROA	3.8%	3.6%	5.0% or higher	Aim for 7.0% or more
ROIC*1	3.7%	3.4%	5.0% or higher	Aim for 7.0% or more

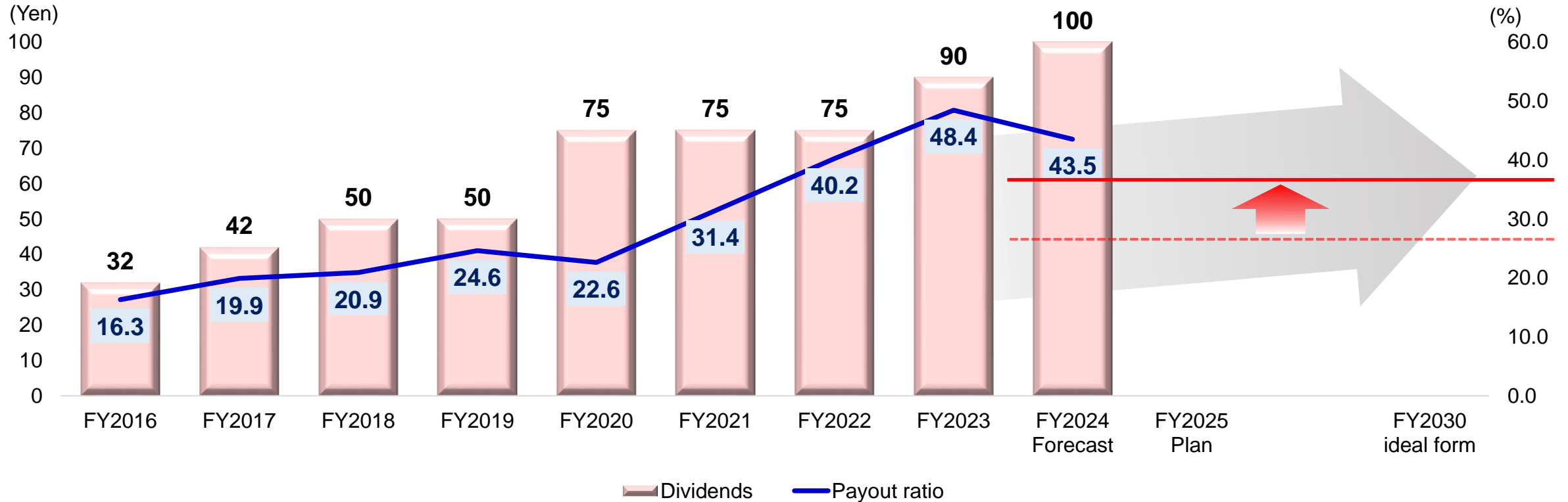
*1 ROIC (return on invested capital) = (Operating income × 0.65) ÷ (Interest-bearing liabilities + equity) assuming effective tax rate at 35%



Shareholder Returns

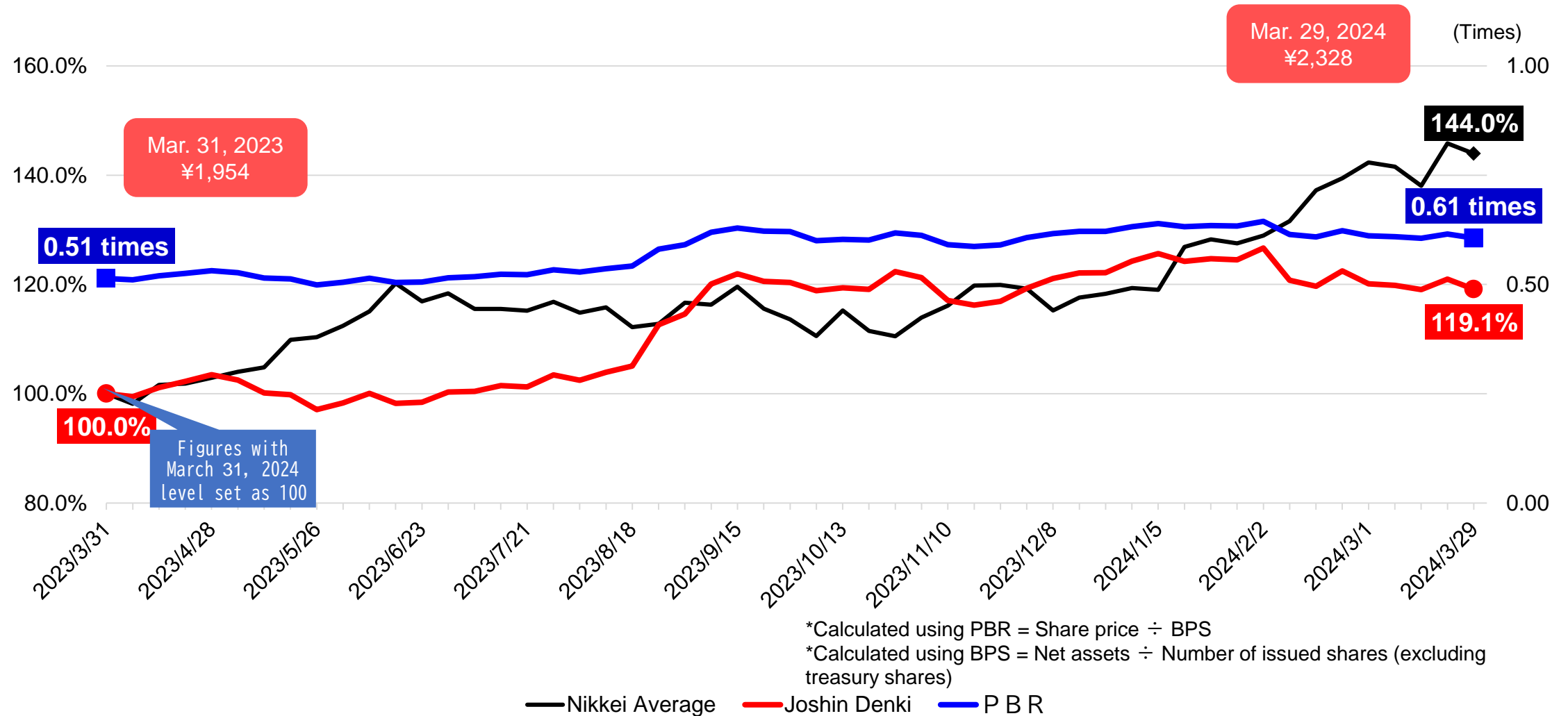
Raise payout ratio target to 40% or higher and meet shareholder expectations by strengthening profitability to expand income gains in March 2024

	FY2022 actual result	FY2023 actual result	FY2024 Forecast	FY2025 plan	Ideal form in FY2030
Payout ratio	40.2%	48.4%	43.5%	30% ⇒ 40% or higher	30% ⇒ Maintain 40% or higher



Trends in Joshin's Stock Price and PBR

Share prices fell below Nikkei Average in 2024, but PBR Improved to 0.6 times



Progress of Fan Base Strategy

Number of active members decreased but member purchase amounts increased; Joshin Card members increased steadily

FY2023 results

Number of active members*1

About 5.20 million ⇒ **5.00 million**

Member Purchase Amount*2

About 62,000 yen ⇒ **64,500 yen**

*1. Customers who have purchased products or services from us at least once in FY 2023

*2. Average unit price per active member purchased in a year

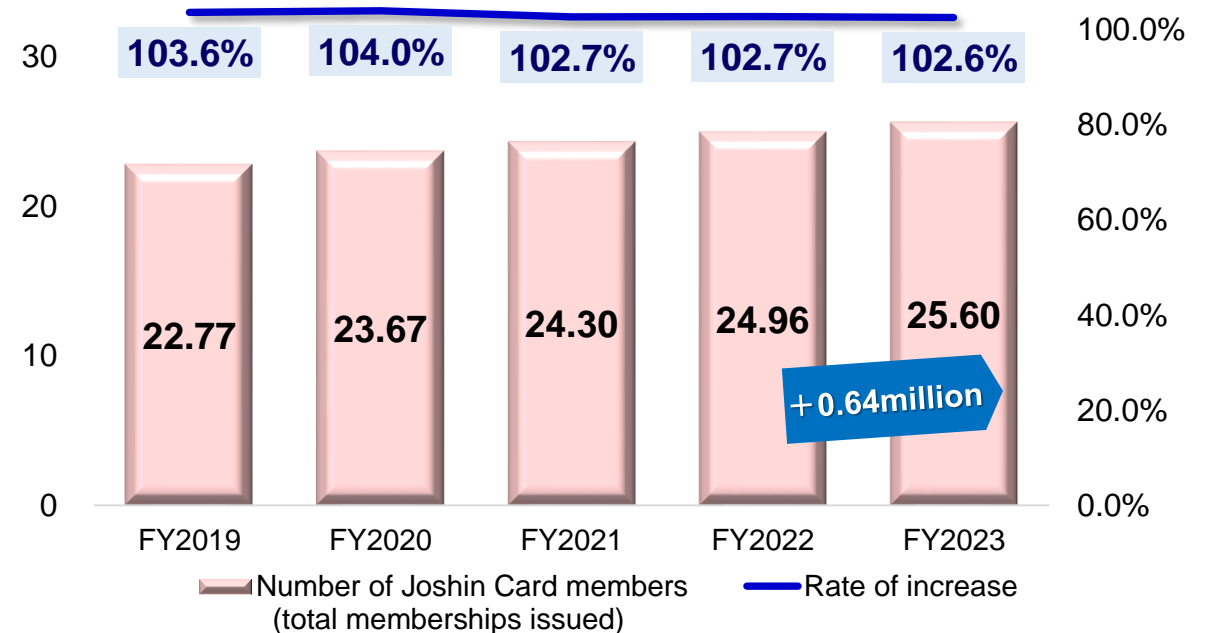
Conceptual image of fans and core fans

	Fans	Core fans
Positioning	Customers who continually support and use our services	Customers who strongly support our services and co-create future value
Quantitative definition	<ul style="list-style-type: none"> • Store visits on three or more days per year • Purchase amounts of 80,000 yen or more per Year 	<ul style="list-style-type: none"> • Store visits on 10 or more days per year • Purchase amounts of 300,000 yen or more per year

Evaluates values we offer through products and services in addition to prices ⇒ Purchase amount is on a rising trend ⇒ Steady increase in average annual purchase amount ⇒ Results in strengthened profitability

Number of Joshin Card members

(million)



Joshin Smile Program Launched Officially

Commenced on February 3, 2024, aimed at increasing Gold Smile or higher ranked members, who are positioned as fans/core fans

Greater value, more smile!
New program is coming!

2024.2 START!

New launch! What is Joshin Smile Program?

- A service where customers can enjoy greater value depending on their purchase at Joshin Group stores and Joshin web shop
- The members' rank to be determined based on the combined total purchase amount at physical stores and Joshin web shop
- It offers five stages of member ranks, and members are entitled to benefits at both stores and Joshin web shops depending on their rank.



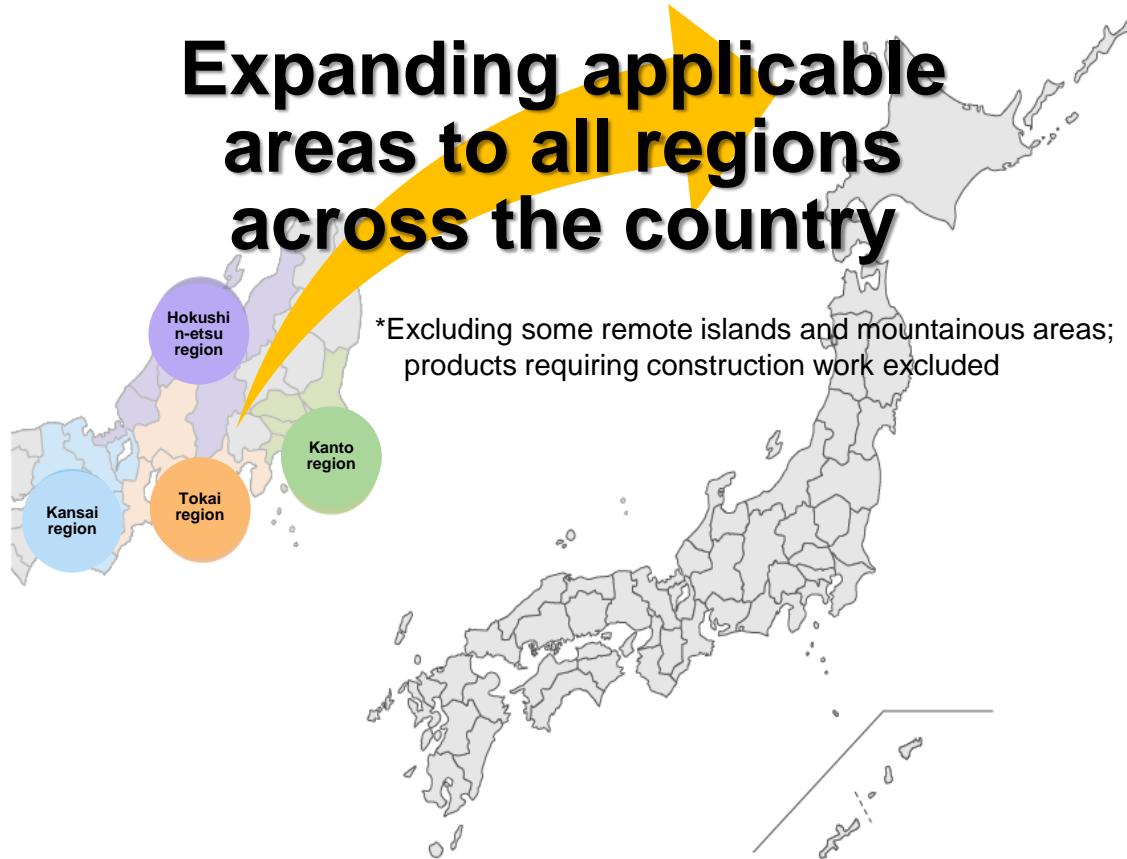
For details, see the URL below.
<https://card.joshin.co.jp/smileprogram/>

Expanding Delivery, Installation, Recycling Areas to Nationwide!

Expanding areas in which we deliver and install large home appliances that require recycling, from our service areas to nationwide in both real-store and EC channels

Start date: Monday, February 19, 2024

Expanding applicable areas to all regions across the country



Aim to maximize synergy through collaboration, rather than thinking about real stores and EC separately

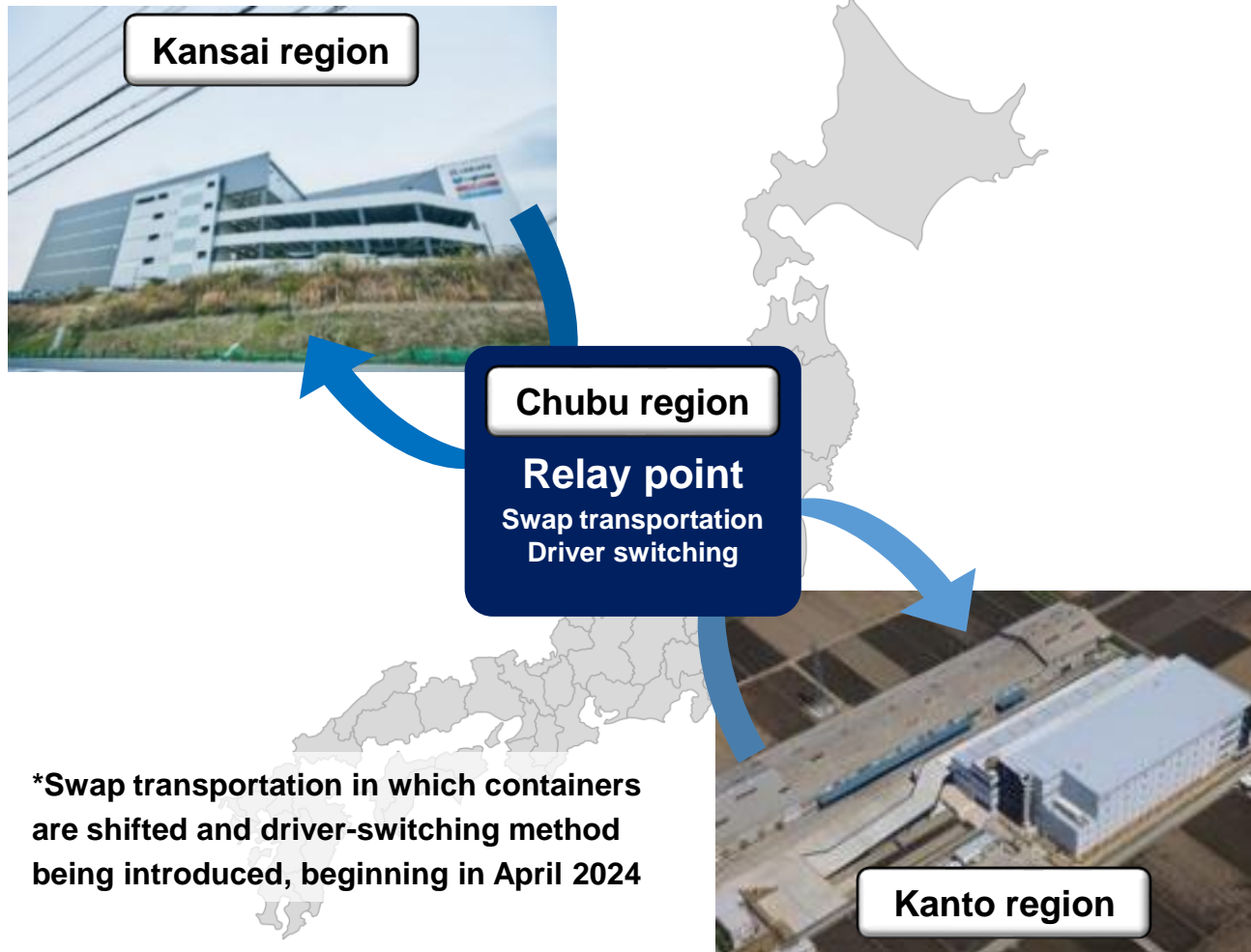
By enhancing collaboration with partner companies, we aim to expand areas in which we deliver and install large home appliances that require recycling, rather than just delivering, to all regions across the country in order to strengthen our logistics system.

Giving top priority to improving customer convenience, Joshin Service, our wholly owned subsidiary, takes on services that require delivery, installation and recycling/construction work and, elsewhere, we build business foundation through collaboration with partner companies, except for some remote islands and mountainous areas.

Efforts to Address "2024 Problem" in Logistics

Building stable product supply structures through measures to address various issue, including efforts to secure transportation capacities and address driver shortages

Relay transportation initiatives centered on Chubu region began



[Key measures]

(i) Measures to address declining transportation capacity caused by driver shortages

- Improve efficiency by reviewing store delivery routes and delivery frequencies, and improve loading efficiency
- *Implemented in Kansai, Kanto and Hokushin-etsu regions

(ii) Reduction in driver commitment time (including standby time)

- Reduction in truck delivery waiting time through introduction of berth management (delivery reservation) system
- *The system introduced at the Kansai Ibaraki Logistics Center will be introduced to other facilities in phases.
- Promote introduction of paperless operation and EDI systems for documents used delivery processes to stores/warehouses

(iii) Reduction in transportation distances

- Strengthen functions of Tokyo Logistics Center, which covers the Kanto region
- (EC shipment to start June 2024)

Provision of New Services Begun in Support Business

New subscription service menu provided by Joshin Group expanded

U-NEXT for Joshin begun to be provided

 **U-NEXT** for **Joshin**



U-NEXT for Joshin is one of the largest video and e-book services in Japan, offering over 360,000 video titles*¹ For 2,189 yen, the unlimited video streaming service has over 310,000 videos for unlimited viewing and over 190 magazines for unlimited reading, and many latest rental titles are offered. Subscribers can view any title at any time.

Launch date: April 1, 2024

- Available at Joshin Group stores (excluding some stores*²)
- Monthly rate: unlimited video viewing service for 2,189 yen (inc. tax)
- (U-NEXT points worth 1,200 yen granted monthly)

*1. As of April 1, 2024

*2. MEGLiA main store, Anjo Sakurai store, Naruto store, Tokushima store, and Joshin web shop

Started “AppleCare+” monthly payment plan

Add peace of mind with AppleCare+



AppleCare+ is a guarantee service for Apple products. By subscribing to the program on a monthly fee, users are qualified to receive services, including repairs for damage caused by negligence or accidents, as many times as they need during the contract period. Users are also qualified for priority access to Apple's dedicated specialists for inquiries, via phone or chat.

Launch date: April 1, 2024

- Eligible products: Mac, iPad, Apple Watch, and Apple displays
- Available at Joshin outlets selling Apple products (excluding Joshin web shop)

Printer Ink Rakuraku Ordering Service Launched

Printer Ink Rakuraku Ordering Service (ink ordering card vending machine) introduced at Nara Sanjo-oji (and three other) stores

Printer Ink Rakuraku Ordering Service (ink ordering card vending machine)



- (i) Method of scanning the member bar code on a Joshin Card and select from the photos of the printer ink products purchased in the past or the printers
- (ii) Method of selecting a product by scanning the bar code printed on a printer ink package
- (iii) Method of searching from a printer manufacture and selecting

- Touch panel system customers can operate at stores
- Customers can select printer ink products using one of three different methods and easily print out an ordering card.
- Aimed at eliminating customers' concerns about ordering wrong products and enabling effective use of sales floors
- Improves staff work efficiency by reducing maintenance work on ordering cards



Provides customers with improved shopping experiences and improves both efficiency for a store as a whole and customer service

Take-Home Full Self-Service Cash Register Introduced

Take-home full self-service cash register introduced at Wakayama (and seven other) stores



- Enabled multiple cash register operation with only one store staff member
(Realized cash register operation with less staff members)
- Automated voice and on-screen information communicates without fail.
- Service for customers guides customers' operation
(Realized simplified cash register operation)
- Uniform quality achieved through automated voice and on-screen information for services that should be communicated to customers, such as long-term repair guarantees
(Gap in degrees of mastering between store staffers corrected)

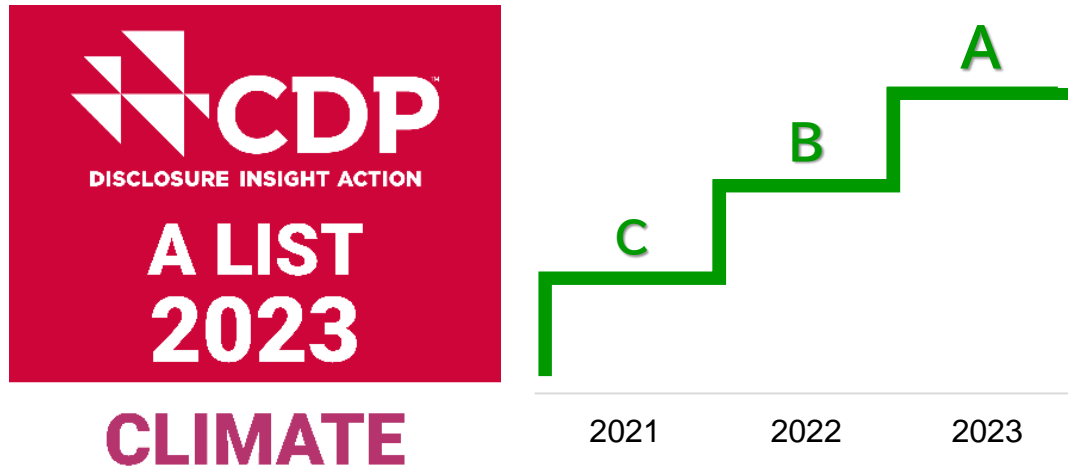


Achieves both highly efficient operation in anticipation of decreased working population and sustainable provision of high-quality customer service

CDP A Score Earned; 100% Renewable Energy Conversion Ratio Achieved at Business Sites for Which the Company Has Signed Contracts Directly

Steadily carried out action plans to address material issues in accordance with Joshin Group Environmental Principles

A score, highest rating by CDP, earned in climate change field



Our group began submitting responses to CDP's questionnaires in fiscal 2021.

We were selected among A list companies, the highest rated group, in fiscal 2023 in recognition of leadership in transparency and performance in the climate change field.

With the acquisition of CDP A score as a guidepost showing the direction for realizing "2050 Carbon Neutral Goal," we aim to further promote efforts on complex environmental issues and promote sustainable management that aims to co-create "social values in harmony with the global environment" with all our stakeholders.

Achieved 100% renewable-energy power conversion ratio at 150 business sites for which the company has signed contracts directly*1

*1. Carbon credits used at business sites in areas where power utilities' renewable-energy power plans are not available, such as islands (one business site).



Ibaraki store



Hikone store

Our group is a retail business selling mainly home appliances, and most of our greenhouse gas emissions are from power usage at stores. As such, we gave top priority to introduce renewable sources for electricity used at business sites (conversion to renewable energy) and steadily implemented this over the past two years.

We cut 18,000 tons of GHG annually through the introduction of renewable energy this time.

We also actively made efforts on private power generation/self-consumption using renewable energy from solar power systems.

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- Full-year Forecast for the Fiscal Year Ending March 31, 2025 (FY2024)
- Initiatives Under Medium-term Management Plan (JT-2025 Management Plan)
- **Progress and Issues for Medium-term Management Plan (JT-2025 Management Plan)**
 - (i) Individual Strategies
 - (ii) Sustainability-related Initiatives



JT-2025 Management Plan: (i) Progress of Individual Strategies and Issues

	Individual Strategy	FY2023: Progress and achievements	FY2024: Issues and planned initiatives
Real stores	<ul style="list-style-type: none"> ● Open new stores and strengthen existing stores with focus on synergies between EC stores and real stores 	<ul style="list-style-type: none"> ● New store openings: 2 stores (1 new, 1 relocation), withdrawal: 5 stores (including 2 affiliates and 1 FC store) ● Store opened in Gunma Prefecture for the first time in 20 years in March 2024 to strengthen fusion with EC stores in metropolitan area ● Carried out full renovation (30 stores), partial renovation (19 stores), and refreshing renovation (48 stores) with aim to strengthen existing stores 	<ul style="list-style-type: none"> ■ Opening of 2 new stores, annual net increase of two stores (including 1 in Kanto) targeted ■ Renovation of total 106 stores planned, including full renovation (18 stores), partial renovation (23 stores), and refreshing renovation (65 stores)
	<ul style="list-style-type: none"> ● Improve customer satisfaction through realization of highly efficient, high quality management leveraging ICT (Touch panel product selection, online customer service, self-checkout system, customer service support system, electronic POP, digital signage, etc.) 	<ul style="list-style-type: none"> ● Self-service cash registers introduced at time of opening or renovating stores * Introduced at total 8 stores 	<ul style="list-style-type: none"> ■ Step up efforts for full introduction of self-service cash registers, to reduce checkout-related operations and develop a store operation system that allows staff to focus on serving customers ■ Support efforts at stores that have failed to take full advantage of the systems to improve operational efficiency through guidance and support from headquarters
	<ul style="list-style-type: none"> ● Strengthen employees' marketing/sales skills, proposal skills, and ability to serve customers with in-house education system in addition to acquisition of professional certifications (Home appliance advisor, home appliance engineer, Smart Masters, welfare and living environment coordinator, etc.) 	<ul style="list-style-type: none"> * Qualification holding ratio of Joshin Group indicated in "Efforts on Diversity and Inclusion" 	<ul style="list-style-type: none"> ■ Conduct training by rank, including for second-ranking individual and product-specific area leaders ■ Actively conduct store exchange training
	<ul style="list-style-type: none"> ● Strengthen renovation and mobile products initiatives as the third pillar following home appliances and entertainment products 	<ul style="list-style-type: none"> ● Store reform sales (yoy): 102.5% ● Number of mobile phones (yoy): 102.6% (116.3% on value basis due to unit price rises) 	<ul style="list-style-type: none"> ■ Strengthen sales floors (promote reforms, including painting external walls in wall surface corners, expand application for subsidies) ■ Conduct closer-accompanying training to improve customer service skills ■ Enhance seating corners for mobile products



JT-2025 Management Plan: (i) Progress of Individual Strategies and Issues

	Individual Strategy	FY2023: Progress and achievements	FY2024: Issues and planned initiatives
EC	<ul style="list-style-type: none"> ● Strengthen products that support customers (Further expansion of the support menu to assist customers in their daily lives) 	<ul style="list-style-type: none"> ● Number of items in stock increased to 193,000 (103% vs. target) ● Number of listed products increased to 700,000 items 	<ul style="list-style-type: none"> ■ Increase number of items in stock to 198,800 (103% vs. target) ■ Increase number of listed products to 750,000 items
	<ul style="list-style-type: none"> ● Strengthen EC business operation structure by securing and nurturing in-house DX human resources (Develop education system to nurture DX human resources, promote in-house development) 	<ul style="list-style-type: none"> ● DX human resources training conducted by external instructors; DX levels raised for entire divisions 	<ul style="list-style-type: none"> ■ Further strengthen external training and OJT to develop DX human resources
	<ul style="list-style-type: none"> ● Strengthen system to handle inquiries from customers, strengthen staff's education to improve their product skills and ability to respond (Improve convenience, support direct purchase, and use skilled employees in anticipation of the super-aging society for improving customer satisfaction) 	<ul style="list-style-type: none"> ● Cooperation structures to improve inquiry response rates developed ● Structures established to ensure timely response to inquiry emails through strengthened monitoring efforts ● Inquiry details scrutinized and findings reflected in CS improvement 	<ul style="list-style-type: none"> ■ Further improve CS, ensure attentive customer service in expectation for extreme aging of society, improve convenience, and realize direct purchasing support ■ Take advantage of experienced staff with wealth of experience and skills ■ Further strengthen monitoring functions and training to raise both inquiry response rates and quality levels
	<ul style="list-style-type: none"> ● Grow to an attractive website that wins the approval of the customers (Procure carefully selected items and develop attractive original products by strengthening Merchandising capability) 	<ul style="list-style-type: none"> ● Sales of EC original products, including mainly PCs, increased, playing the role of complementing shortage in existing product lineup 	<ul style="list-style-type: none"> ■ Strengthen and expand development and sale of strictly selected, attractive original products through enhanced MD capabilities
	<ul style="list-style-type: none"> ● Improve customer convenience with measures such as store pick-up of products purchased in EC 	<ul style="list-style-type: none"> ● Trial operation of real-store store pick-up of EC-carried products begun in March 2024 Number of eligible product items increased * 98% of listed products are covered. 	<ul style="list-style-type: none"> ■ Full-fledged operation of real-store pick-up of EC-carried products to begin in April 2024 ■ Begin nationwide delivery/installation of home appliance products to meet customer demand

JT-2025 Management Plan: (i) Progress of Individual Strategies and Issues

	Individual Strategy	FY2023: Progress and achievements	FY2024: Issues and planned initiatives
Home appliances	<ul style="list-style-type: none"> Strengthen sales of environmentally friendly products (energy-saving products) for achieving household carbon neutrality 	<ul style="list-style-type: none"> Environmentally friendly products (energy-saving products) unit composition ratio: 25.6% (target unit composition ratio: 35%) * Target products: refrigerators, air-conditioners, television, and warm-water toilet seats 	<ul style="list-style-type: none"> Replace televisions to washing machines in target products, target unit composition ratio for water-saving drum-types: 25% Target unit composition ratio of overall environmentally friendly products: 30% * Revised downward from 35% due to changes above from televisions to washing machines
Entertainment	<ul style="list-style-type: none"> Establish firm branding by further strengthening entertainment products, which are maintaining high market share 	<ul style="list-style-type: none"> Total real-store sales of game software products and accessories underperformed year-earlier levels. Number of newly subscribed "Kids Members" exceeded target. * Number of newly joined members in FY2023: about 72,000 * Cumulative number of members as of end-FY2023: about 230,000 (145% vs. year earlier) 	<ul style="list-style-type: none"> Conduct sales floor creation competition multiple times Review software, parts, and store appeal tools, as well as promote sales floor creation Conduct employee group training sessions to strengthen development of human resources in charge of entertainment

JT-2025 Management Plan: (i) Progress of Individual Strategies and Issues

Renovation	Individual Strategy	FY2023: Progress and achievements	FY2024: Issues and planned initiatives
	<ul style="list-style-type: none"> ● Initiatives related to products that contribute to achieving carbon neutrality in households (V2H, stationary storage batteries, aperture insulation, high efficiency water heater) 	<ul style="list-style-type: none"> ● No major progress for V2H as Ministry of Economy, Trade and Industry subsidies depleted on May 21, 2023 ● Economic benefit of storage batteries uncertain due to material price spikes; door/window openings insulation and high efficiency water heaters remained solid, supported by subsidies 	<ul style="list-style-type: none"> ■ Greater use of energy-generating, energy-storing, EV charging equipment, eco interior windows, high efficiency water heaters, and door/window openings insulation products * Solar panels, household storage batteries, EV charging equipment, home entrance doors, external wall painting
	<ul style="list-style-type: none"> ● Initiatives related to renovation products for “stock recycling” and “improving QOL(quality of life) by increasing efficiency” of housing (Water conservation, reducing household burden, upgrading childcare support, highly functional bathroom, nursing care-related, etc.) 	<ul style="list-style-type: none"> ● Demand remained solid supported by a renewed interest in renovation using existing homes, a trend driven by rises in property price indices. ● 1st place in the 2023 Oricon Customer Satisfaction Survey for standalone housing renovations for three consecutive years <div style="text-align: right;">   </div>	<ul style="list-style-type: none"> ■ Strengthen efforts for wet-area products, including system kitchens, system baths, toilet renovation
	<ul style="list-style-type: none"> ● Response to renovation related to nursing care needs to support enhancing the resilience of the aging society 	<p>*Smart Masters qualification holding ratio of Joshin Group indicated in "Efforts on Diversity and Inclusion"</p> <ul style="list-style-type: none"> ● Acquisition of welfare and living environment coordinator qualification encouraged 	<ul style="list-style-type: none"> ■ Continue encouraging acquisition of welfare and living environment coordinator qualification

JT-2025 Management Plan: (i) Progress of Individual Strategies and Issues

	Individual Strategy	FY2023: Progress and achievements	FY2024: Issues and planned initiatives
Mobile communication	<ul style="list-style-type: none"> ● Make proposals tailored to requirements of mobile terminal and network-related customers 	<ul style="list-style-type: none"> ● Consolidated related divisions in mobile business to strengthen sales capabilities ● Impact felt from the December 2023 amendment to a ministerial order under the Telecommunications Business Act but mobile devices and broadband contracts exceeding year-earlier levels won 	<ul style="list-style-type: none"> ■ Revise targets for each real store and hold more than 1,000 events to boost volumes (800 events year earlier) ■ Conduct training programs to strengthen customer-serving and proposing skills at specialized training facilities
Support business	<ul style="list-style-type: none"> ● Enhance support menu that would help in solving customers' issues 	<ul style="list-style-type: none"> ● Test operation begun ahead of customer rental start 	<ul style="list-style-type: none"> ■ Expand stores handling rental items in Kansai (15 stores targeted) *Start with facial massagers and shower heads
	<ul style="list-style-type: none"> ● Build new business that include subscription and recurring revenue 	<ul style="list-style-type: none"> ● Trial operation of U-NEXT for Joshin begun 	<ul style="list-style-type: none"> ■ Provision of U-NEXT for Joshin begun on April 1, 2024 ■ Handling of AppleCare+ monthly payment plan begun on April 1, 2024
	<ul style="list-style-type: none"> ● Realize circular economy by strengthening reuse business 	<ul style="list-style-type: none"> ● Number of used smartphone purchases exceeded year-earlier figure. ● 12,552 smartphone purchased in 76th term (155% vs. year earlier) 	<ul style="list-style-type: none"> ■ Strengthen purchase through courier services by renewing purchasing website ■ Expand stores handling reuse smartphones

JT-2025 Management Plan: (i) Progress of Individual Strategies and Issues

Promotion Marketing	Individual Strategy	FY2023: Progress and achievements	FY2024: Issues and planned initiatives
	<ul style="list-style-type: none"> ● Introduce “New Loyalty Program” to promote the fan base strategy 	<ul style="list-style-type: none"> ● Joshin Smile Program, a member rank program integrating real stores and EC, introduced ● Special-offer coupons according to member ranks and app push notification service launched 	<ul style="list-style-type: none"> ■ Strengthen relationship with members and aim to develop flexible service provision structures
	<ul style="list-style-type: none"> ● Strengthen information dissemination through operation of retail media “Joshin ads” and promote monetization 	<ul style="list-style-type: none"> ● Cost estimate and order instances increased, driven by contract with new sales agents *Number of contracted manufacturers: total 23 companies, number of deals: 75 	<ul style="list-style-type: none"> ■ Expand sales menus; develop more sales agents ■ Enhance services for contracted manufacturers
	<ul style="list-style-type: none"> ● Enhance points of contact with customers by utilizing Joshin app and digital media 	<ul style="list-style-type: none"> ● Digital ad PV increased to 180% of year-earlier level thanks to collaborative effect with app 	<ul style="list-style-type: none"> ■ Strengthen scenario operation of MA (market automation) system * Scenario: A function for taking actions based on predefined stories according to customer attributes and behavior history ■ Establish app distribution at right timing

JT-2025 Management Plan: (i) Progress of Individual Strategies and Issues

Information Systems (ICT)	Individual Strategy	FY2023: Progress and achievements	FY2024: Issues and planned initiatives
	<ul style="list-style-type: none"> ● Establish data flow foundation that will contribute to creating new customer satisfaction, employee workstyle reforms (sales activities leveraging ICT), and prompt management decisions 	<ul style="list-style-type: none"> ● Equipped 73 stores with ordering card issuance tablet devices that have detailed product information display function and staff-calling function (20 such devices at each store) ● Printer Ink Rakuraku Ordering machines installed at three stores 	<ul style="list-style-type: none"> ■ Expand stores introducing full self-service cash registers (take-home products) (measures to address labor shortage and to simplify checkout operation) ■ Expand stores installing Printer Ink Rakuraku Ordering machines and develop derived models (shaver spare blades, electric toothbrush spare brushes, air purifier filters, memory cards, etc.)
	<ul style="list-style-type: none"> ● Realize optimum approach through one-to-one marketing with further sophistication of CDP (Customer Data Platform) and marketing automation (MA) 	<ul style="list-style-type: none"> ● CDP analysis platform completed, enabling customer analysis from wide-ranging perspectives and adding new judgment criteria to sales strategies 	<ul style="list-style-type: none"> ■ Acquire customer behavior history data on EC site ■ Practice personalized optimum approaches ■ Realize one-to-one marketing
	<ul style="list-style-type: none"> ● Further enhance membership services that are based on the Joshin app platform (Electronic receipts and reservation for customer representative, use of biometric authentication technology, consultation for repairs, purchased home appliances management list, etc.) 	<ul style="list-style-type: none"> ● Issuance of electronic receipts to Joshin app members begun in November 2023; purchase history can be viewed for 10 years from issuance 	<ul style="list-style-type: none"> ■ Realize remote customer service using Joshin app as an entry point (repair consultation for products brought in, estimate consultation for air-conditioners, renovations, etc.)

JT-2025 Management Plan: (i) Progress of Individual Strategies and Issues

	Individual Strategy	FY2023: Progress and achievements	FY2024: Issues and planned initiatives
Logistics	<ul style="list-style-type: none"> ● Expand the logistics structure covering the Kanto area (Establish logistics structure with two bases in the west and east and the Kansai Ibaraki Logistics Center at the core) 	<ul style="list-style-type: none"> ● Tokyo Logistics Center floor area increased beginning in October 2023; mobile distribution center started its operation in January 2024 with aim to improve delivery efficiency of mobile devices in Kanto area ● Number of TC/DC product items increased <p>* TC: Acronym for transfer center DC: Acronym for distribution center</p>	<p>Tokyo Logistics Center</p> <ul style="list-style-type: none"> ■ EC shipment to start in June 2024; shifting to multifunctional logistics center equipped with TC/DC/EC functions <p>Kansai Ibaraki Logistics Center</p> <ul style="list-style-type: none"> ■ Promote labor saving through introduction of material-handling equipment
	<ul style="list-style-type: none"> ● Respond to implementation of the Act on the Arrangement of Related Acts to Promote Work Style Reform in the transportation and logistics industry (Strengthen collaboration with vendors led by partner companies) 	<ul style="list-style-type: none"> ● Distribution routes reviewed; next-day delivery deadline brought forward; venous lead time extended; no day-off system during busy season reviewed 	<ul style="list-style-type: none"> ■ Examine "2024 problem in logistics" measures and identify new issues and design countermeasures ■ Prepare measures in anticipation of issues in and after 2025 problem in logistics ■ Set up relay point to Kanto region in Chubu region (driver-switching method + swap transportation)
	<ul style="list-style-type: none"> ● Establish highly efficient logistics structure through labor saving 	<ul style="list-style-type: none"> ● No-store-restocking-slip operation: February 2024 Kansai region: introduced at 132 stores 	<ul style="list-style-type: none"> ■ No-store-restocking-slip operation: introduced in Tokai and Hokuriku areas in April 2024 ■ Prepare introduction of no-store-restocking-slip operation in Tokyo area
	<ul style="list-style-type: none"> ● Expand delivery area utilizing external delivery network 	<ul style="list-style-type: none"> ● Areas where delivery, installation and recycling services for large home appliance products are available expanded to areas across the country Started for real stores in February 2024 and for EC in March 2024 	<ul style="list-style-type: none"> ■ Strengthen service structures for real stores through enhanced skills of Kansai Ibaraki Home Delivery Center staff ■ Strengthen efforts to correct gaps in usage frequency between stores

JT-2025 Management Plan: (i) Progress of Individual Strategies and Issues

Delivery, installation, construction	Individual Strategy	FY2023: Progress and achievements	FY2024: Issues and planned initiatives
	<ul style="list-style-type: none"> Promote hiring and education of diverse human resources in preparation for aging of employees (Enhance service menu through reskilling) 	<ul style="list-style-type: none"> Total 38 full-time employees hired, including new graduate and mid-career hires *New hires aged 31 on average; 34 males and 4 females A female delivery supporter hired; 3, combined with year-earlier hires Various training programs conducted 	<ul style="list-style-type: none"> Promote hiring of female employees working outside office *Review hiring media; strengthen contents Strengthen service menu line-ups by promoting education through various reskilling training programs
	<ul style="list-style-type: none"> Build technical support system for service personnel (onsite repair) 	<ul style="list-style-type: none"> On-site repair structure enhanced through systematic training of repair technicians New service staff repair skills basic training and air-conditioner OJT at Business Development Department conducted 	<ul style="list-style-type: none"> Increase number of visits centered on white appliances Continue to strengthen OJT education at Business Development Department
	<ul style="list-style-type: none"> Expand the area where the Joshin Group provides service and improve capability 	<ul style="list-style-type: none"> Introductory training program for new cooperating company employees conducted for the purpose to expand areas and strengthen skills 	<ul style="list-style-type: none"> Improve service skills and quality by Joshin Group and cooperating companies, including creation of delivery and installation manual for each product and appropriate update of air-conditioner installation work specifications ensuring related personnel is informed
	<ul style="list-style-type: none"> Strengthen hybrid structure made up of the Joshin Group and contractors for securing stable capacity (delivery and installation) and improving quality 	<ul style="list-style-type: none"> Relations with existing cooperating companies strengthened and development of new cooperating companies promoted *Number of contracted companies: 92 companies for construction work and 11 companies for delivery added Work quality maintained and quality improved through implementation of CS training and introductory training 	<ul style="list-style-type: none"> Strengthen new cooperating company development projects Enhance governance education targeting cooperating companies Maintain and strengthen CS training that contributes to quality improvement
	<ul style="list-style-type: none"> Establish a new repair consultation desk utilizing ICT (realize online diagnosis) 	<ul style="list-style-type: none"> Develop remote diagnosis system for product issues using Joshin app 	<ul style="list-style-type: none"> Launch real-time online trouble diagnosis service by specialized technicians using Joshin app for items brought in to stores

JT-2025 Management Plan: (ii) Progress of Sustainability-related Initiatives and Issues (Environment)

Initiatives for climate change problems	Individual Strategy	FY2023: Progress and achievements	FY2024: Issues and planned initiatives
	<ul style="list-style-type: none"> ● Raise renewable energy conversion ratio at business sites 	<ul style="list-style-type: none"> ● Power purchase agreement to receive power: 100% renewable energy conversion ratio achieved at 150 business sites for which the company has signed contracts directly (as of end-March 2024) 	<ul style="list-style-type: none"> ■ Ask tenant stores to introduce renewable energy and aim to achieve carbon neutral for all business sites
	<ul style="list-style-type: none"> ● Improve off-grid power generation ratio through introduction of photovoltaic systems 	<p>On-site PPA</p> <ul style="list-style-type: none"> ● Installable: Installation to 73 business sites fully completed <p>Off-site PPA</p> <ul style="list-style-type: none"> ● Power supply from solar power equipment installed by Daigas Energy to 13 business sites supervised by Tokai Sales Department (equivalent of 2,128 MWh) begun (in November 2023) 	<ul style="list-style-type: none"> ■ 2MW off-site PPA introduced in April 2024 through tie-up with Kansai Electric Power * Annual consumption equivalent of 2,155MWh
	<ul style="list-style-type: none"> ● Initiatives for reducing Scope 3 GHG emissions 	<ul style="list-style-type: none"> ● Third-party guarantee of categories 1, 11 implemented; target scope expanded to 98.1% of total emissions with the addition of scope 1, 2 ● Discussion on measures to reduce categories 1, 11 begun with member companies of Association of Large Home Appliance Retailers 	<ul style="list-style-type: none"> ■ Conduct calculation with base data switched from estimates to actual figures to reduce GHG emissions ■ Improve emissions calculation precision in upstream/downstream of logistics through collaboration between Logistics Supervisory Department and MITSUI-SOKO LOGISTICS Co., Ltd. and work out category 4 reduction plans
	<ul style="list-style-type: none"> ● Initiatives for realization of circular economy 	<ul style="list-style-type: none"> ● Discussion with external companies in each business flow launched to help realize circular economy (i) Purchase of PCs and smartphones → recycle → resale (ii) Collect cardboard and waste paper generated at business sites → reuse 	<ul style="list-style-type: none"> ■ Maintain engagement with companies that practice business flows in (i) and (ii) on left, with involvement by relevant divisions

JT-2025 Management Plan: (ii) Progress of Sustainability-related Initiatives and Issues (Society)

Initiatives for diversity and inclusion	Individual Strategy	FY2023: Progress and achievements	FY2024: Issues and planned initiatives
	<ul style="list-style-type: none"> ● Enhance employee engagement 	<ul style="list-style-type: none"> ● Employee engagement survey tool introduced ⇒ FY2023 average overall score: 63.5 ● Recognized as Certified Health and Productivity Management Organization (large enterprise category) for 5 consecutive years 	<ul style="list-style-type: none"> ■ Enhance employee engagement using engagement survey tool ■ Make work rewarding for veteran employees and pass down their knowledge in preparation for 2025 introduction of retirement age of 65 ■ Raise career formation awareness to groom female leaders ■ Identify human resources by talent management and assign appropriate personnel to growth businesses
	<ul style="list-style-type: none"> ● Strengthen hiring of employees 	<ul style="list-style-type: none"> ● Total 234 hired, including 104 new graduates and 130 mid-career hires ● Referral hiring introduced ● New addition to defined benefit (DB) corporate pension plan suspended 	<ul style="list-style-type: none"> ■ Secure annual 200 group fulltime employees stably ■ Hire mid-career expert human resources for planning and ICT divisions ■ Shift to defined-benefit pension plan (secure asset portability to strengthen mid-career hiring)
	<ul style="list-style-type: none"> ● Ensure diversity of employees (age, gender, skills, nationality, etc.) 	<ul style="list-style-type: none"> ● Female ratios: fulltime employees 14.1%, managerial positions 4.3% ● Ratio of employees with disabilities: 2.68% ● First female store manager appointed on Oct. 1, 2023 ● 28 days of child care leave until child reaches 1 required for male employees ● Subsidies for holiday child care and child care fees introduced 	<ul style="list-style-type: none"> ■ Female ratios: fulltime employees 15.0%, managerial positions 4.5% ■ Ratio of employees with disabilities: 2.70% ■ Balance treatment of regular and nonregular employees by promoting equal pay for equal work principle and introduce common personnel system among group companies. ■ Enhance measures to support employees to manage child/nursing care and work in a balanced manner
	<ul style="list-style-type: none"> ● Improve diverse expertise of employees 	<ul style="list-style-type: none"> ● Home appliance advisor/engineer qualification Number of qualified individuals: 3,522, holding ratio: 85.0% ● Smart Masters Number of qualified individuals: 2,298, holding ratio: 55.4% ● Acquisition of welfare and living environment coordinator qualification encouraged to help strengthen nursing care renovation business 	<ul style="list-style-type: none"> ■ Increase holding ratio of home appliance advisor/engineer qualification ■ Increase holding ratio of Smart Master qualification ■ Increase holding ratio of welfare and living environment coordinator qualification to help strengthen nursing care renovation business ■ Increase holding ratios of electrician and installation technician qualifications
	<ul style="list-style-type: none"> ● Support autonomous growth of employees 	<ul style="list-style-type: none"> ● DX education targeting all regular employees continued to be conducted; participated by total 1,637 individuals; participated by 39.8% of eligible employees ● IT passport qualification acquisition supported 	<ul style="list-style-type: none"> ■ Continue conducting DX education targeting all regular employees ■ Encourage acquisition of information technology engineer qualifications, including IT passport

JT-2025 Management Plan: (ii) Progress of Sustainability-related Initiatives and Issues (Governance)

Efforts to improve board of directors effectiveness	Individual Strategy	FY2023: Progress and achievements	FY2024: Issues and planned initiatives
	<ul style="list-style-type: none"> ● Improve PBR through efficient management conscious of capital cost 	<ul style="list-style-type: none"> ● Capital cost disclosed in Medium-term Management Plan; medium-term targets for ROE and ROIC to help improve PBR and management strategies disclosed ● Number of cross-shareholding stocks as of March 31, 2024: 25 companies *As of end-March 2023: 26 companies ● Shares bought back: 325 thousand shares ● Selected among component stocks of FTSE Blossom Japan Index, an ESG index, for the first time ● Policy for "Measures to realize management that is conscious of the cost of capital and stock price" disclosed in Corporate Governance Report (Dec. 7, 2023) ● Dividend policy revised; payout ratio target raised from at least 30% to at least 40% ● Continue to discuss measures to improve growth strategies to increase resolution of Medium-term Management Plan 	<ul style="list-style-type: none"> ■ Continued discussion of optimum capital structure <ul style="list-style-type: none"> · Capital adequacy ratio level · Cross-shareholdings reduction · Expand and enhance IR structure and enhance financial and nonfinancial information disclosure ■ Step up efforts to improve sustainable profitability <ul style="list-style-type: none"> · Differentiation strategy and business foundation development to support stable growth of core home appliance business · Consideration of growth businesses that can generate synergies with home appliance business · Integration of business and ESG strategies ■ Strengthen supervisory function and effectiveness for Board of Directors, enhance Director succession plans to support it, and design succession plans for executive officers to help realize the above
	<ul style="list-style-type: none"> ● Reinforce link between the medium- to long-term management strategies and directors' compensation 	<ul style="list-style-type: none"> ● Revise Directors' compensation system to increase composition ratio of performance-linked compensation to 50% and composition ratio of share-based compensation to 30% ● Adopt financial indicator (ROE) and ESG indicators (CDP climate change score, employee engagement score) for indicators used to calculate share-based compensation (long-term incentive compensation) ● Treasury shares disposed of through third-party allotment capital increase on Nov. 28 in conjunction with continuation of performance-linked share-based compensation system for Directors and introduction of performance-linked share-based compensation system for executive officers * Number of shares disposed of: 200,000 Total amount disposed of: 470,600,000 yen (2,353 yen disposed of per share) 	
	<ul style="list-style-type: none"> ● Establish director succession plan based on skill matrix 	<ul style="list-style-type: none"> ● Revise skill matrix to add "ICT/DX" and "Environment/energy" to management skills ● Work out and disclose skill matrix use policy to improve Board of Directors effectiveness ● Revise officer training implementation method and shift formats from group training session to individual theme choice-style seminar ● Carry out Board of Directors skill set assessment regularly and establish FY2024 skill matrix 	

Disclaimer

1. Earnings forecasts and other forward-looking contents of this presentation are based on the Company's decision at the time of the preparation of this document. We cannot promise or guarantee that results will match forecasts.
2. This presentation contains unaudited approximations, which may change.

The logo for Joshin, featuring the word "Joshin" in a bold, red, sans-serif font.

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