

Joshin Denki Co., Ltd.

Consolidated Financial Results
for the First Six Months of
the Fiscal Year Ending March 31, 2021
(April 1, 2020 to September 30, 2020)

Presentation Material

November 6, 2020

Listed on the First Section of the Tokyo Stock Exchange

Securities Code: 8173



Message and Measures against the Novel Coronavirus Infection at Stores

We wish to express our heartfelt sympathy to those who are suffering from the novel coronavirus infectious disease (“COVID-19”). At the same time, we offer our deepest thanks to medical personnel who are striving to save human lives around the clock and to those who are performing their duties to protect precious lives in various fields of society. Furthermore, we would like to extend our sincere sympathy to those affected by the tremendous disaster of heavy rain in July 2020, wishing them a quick recovery.

For our customers’ security: Joshin’s countermeasures against COVID-19

1. Health management of employees engaging in customer service

- (1) We have a “Health Check Sheet” in all offices and stores to check the health condition of employees every day. Any employee who displays symptoms including fever of 37.5 degrees centigrade or higher, sore throat, severe coughing, difficulty in breathing, diarrhea or feeling nauseous and strong feeling of tiredness must refrain from commuting and stay at home.
- (2) The Company’s rule provides that an employee whose family member is suspected to have been infected with COVID-19 must remain at home, and work from home by following instructions given by a public health center.
- (3) The Company has announced internally that sufficient sleep and rest must be secured between the ending time of work on the previous day and the starting time of the following day, and that good attention must be paid to the nutritious balance of meals.

2. Initiatives for the prevention of infection of customers

- (1) Disinfection liquid is placed at the entrances of stores and the doors to passages for employees.
- (2) Employees are required to wear a mask.
- (3) “Good coughing manners” are thoroughly observed.
- (4) “Hand washing” and “gargling” prevail.
- (5) Customers are requested to make a line at a cashier counter while keeping sufficient distance from each other.
- (6) At a cashier counter, a transparent protection shield may be placed between customers and employees.
- (7) In order to prevent contact infections inside the stores, handing over cash or a credit card at the cashier counter will be carried out using a tray rather than directly from hand to hand.
- (8) The chairs at the table for consultation and the counter are reduced so that customers may use the chairs while keeping distance from each other.
- (9) In order to prevent contact infections, we periodically clean the tables for consultation and counters, the door knobs of lavatories, the handrails of escalators, the operation buttons of elevators, etc.
- (10) In order to avoid “confined and enclosed spaces,” the automatic entrance doors may be left open.
- (11) When visiting customers’ homes to deliver goods or conduct construction work, our staff shall disinfect the palm and back of their hands with antiseptic solution, and wear a mask, gloves, and a pair of oversocks. Furthermore, upon completion of the work, the workers shall thoroughly clean the places which they touched.

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1. Summary of the Consolidated Financial Results for
the First Six Months of
the Fiscal Year Ending March 31, 2021



Consolidated Income Statements

Summary of the Statements of Income for the First Six Months of the Fiscal Year Ending March 31, 2021

Historical highs in both net sales and profits were posted for the first six-months period

(Million yen)	Fiscal year ended March 31, 2020			Fiscal year ending March 31, 2021			
	(First six-month period)			(First six-month period)			
	Actual results	% to net sales	YoY	Actual results	% to net sales	YoY	Change in % to net sales
Net sales	216,865	100.0%	112.7%	226,698	100.0%	104.5%	—
(Of which, sales at stores)	179,775	82.9%	112.5%	183,291	80.9%	102.0%	(2.0)%
(Of which, sales in EC business)	27,812	12.8%	109.5%	34,095	15.0%	122.6%	2.2%
(Of which, other sales)	9,277	4.3%	127.1%	9,311	4.1%	100.4%	(0.2)%
Gross profit	52,357	24.1%	110.0%	52,718	23.3%	100.7%	(0.9)%
Selling, general and administrative expenses	46,088	21.3%	109.1%	45,388	20.0%	98.5%	(1.2)%
Operating income	6,269	2.9%	117.1%	7,330	3.2%	116.9%	0.3%
Ordinary income	6,219	2.9%	114.3%	7,284	3.2%	117.1%	0.4%
Net income*	4,185	1.9%	120.1%	4,261	1.9%	101.8%	(0.1)%

(*Profit attributable to owners of parent)

Consolidated Cash Flows And Balance Sheet

Cash flows:

(Million yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020	Increase (decrease)
Net cash provided by operating activities (a)	16,489	20,937	4,448
Net cash used in investing activities (b)	(2,829)	(3,396)	(567)
(Free cash flow (a)+(b))	13,660	17,540	3,880
Net cash used in financing activities	(4,603)	(6,062)	(1,458)
Cash and cash equivalents at end of the term	13,446	14,811	1,365

Balance Sheet:

(Million yen)

Assets:	As of March 31, 2020	As of September 30, 2020	Increase (decrease)	Liabilities and Net Assets	As of March 31, 2020	As of September 30, 2020	Increase (decrease)
Total current assets	98,255	94,999	(3,256)	Total current liabilities	75,114	67,693	(7,420)
Total non-current assets	99,052	100,658	1,606	Total long-term liabilities	33,047	34,859	1,812
Total assets	197,308	195,657	(1,650)	Total liabilities	108,161	102,553	(5,608)
				Total net assets	89,147	93,104	3,957
				Total liabilities and net assets	197,308	195,657	(1,650)

(Reference)

Total interest-bearing liabilities	47,144	42,956	(4,188)
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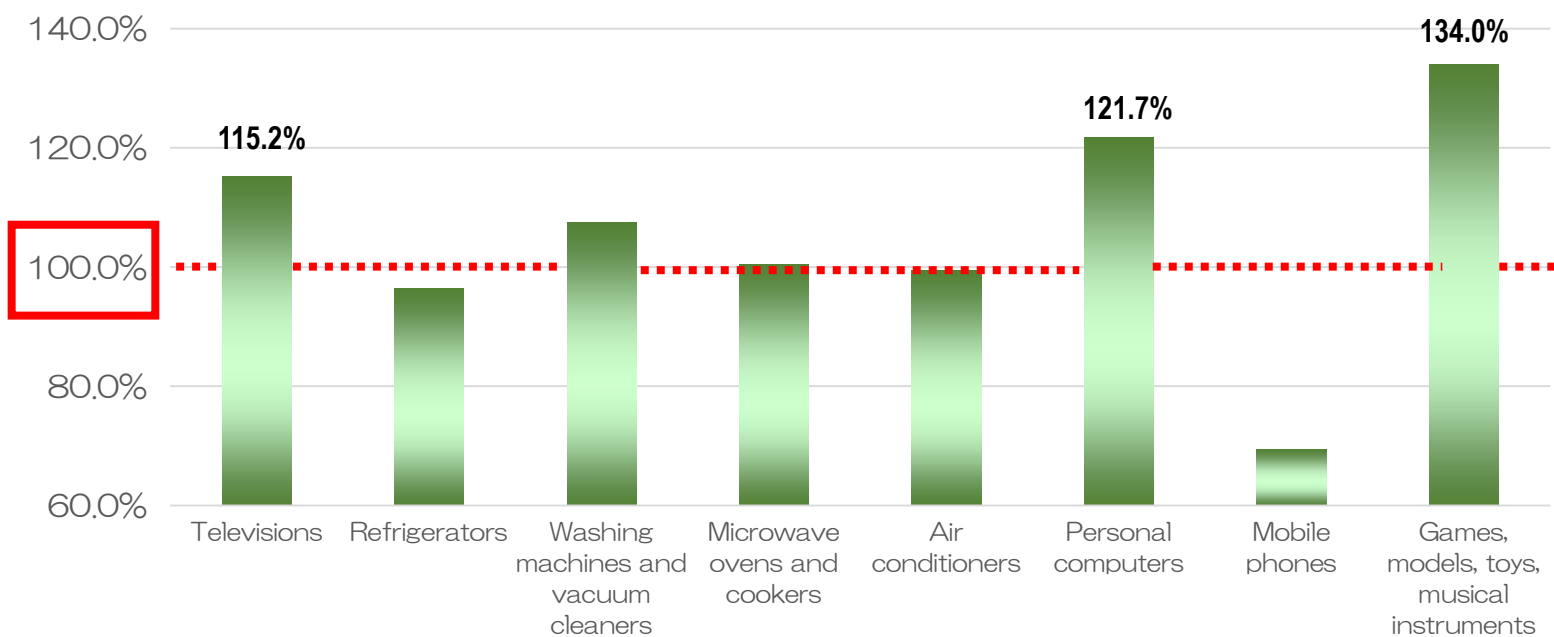
(Reference)

Equity ratio	45.2%	47.6%	2.4%
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Consolidated Sales by Product Item

Amid the continued new normal, sales of televisions, personal computers, video games, etc. remain robust.

Year-on-year comparison of major product items (cumulative total sales)



Earnings Forecast (1)

Overview of major items

Net sales

Up to the 2nd Quarter:

While sales of summer items were weak due to bad weather in July, strong sales of goods associated with new lifestyles such as “telework” and “stay home” and white goods backed by the special cash handout, and sales through non-contact shopping styles such as e-commerce contributed positively to business performance.

3rd Quarter and thereafter:

Sales may be affected depending on the status of the ending of COVID-19. Meanwhile, we take into consideration positive factors such as return of consumers to suburban-type stores and advancement of EC by which non-contact shopping is possible.

Full-year basis:

Year on year: +4.5 billion yen

Selling, general and administrative expenses

As a whole, the relevant expenses are expected to increase year on year, assuming that we continue to invest in labor-saving and digitalization reflecting the workstyle reforms while advertising expenses were reduced partly due to the self-restraint environment under the declaration of a state of emergency.

Extraordinary losses

Approx. **1.4 billion yen**
(Actual results in the six-month period)
(Including impairment loss arising from the restructuring of Osaka Nipponbashi area)

Net income*

Approx. **5.0 billion yen**
(Full-year)
(-7.7% year on year)

(*Profit attributable to owners of parent)

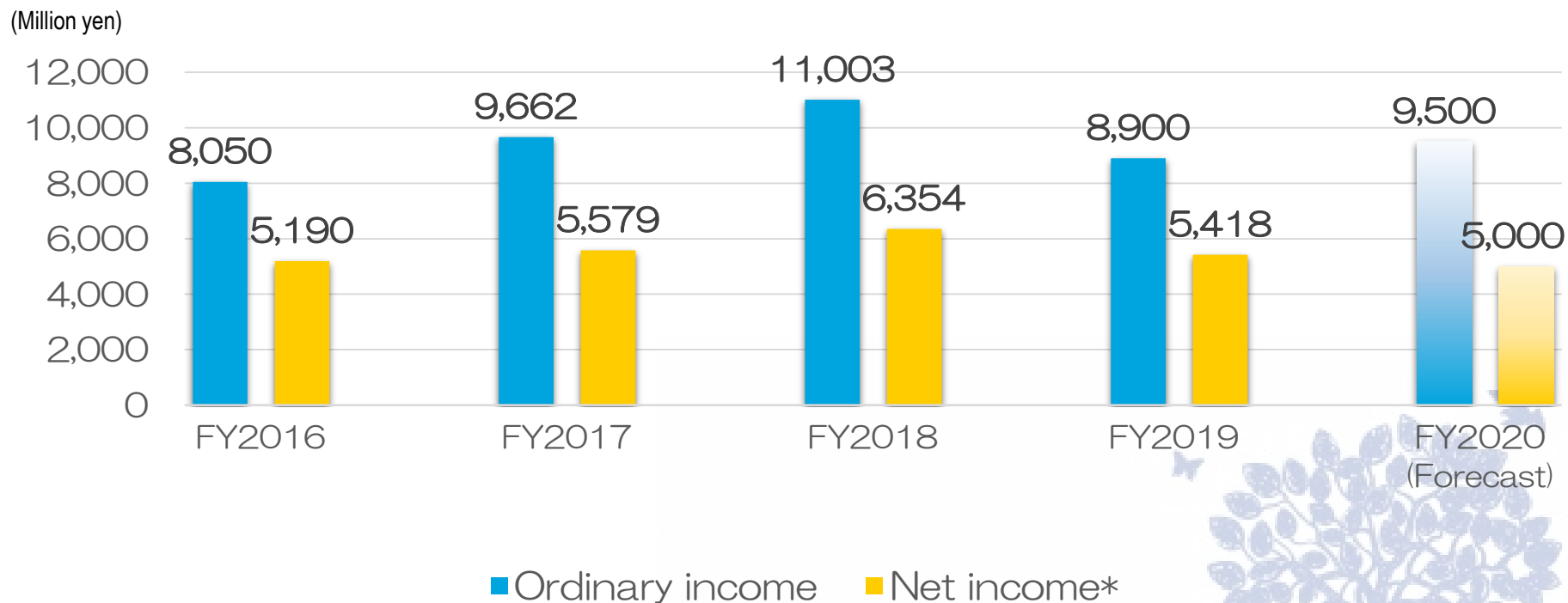
Earnings Forecast (2)

(Disclosed on August 7, 2020)

(Million yen)	Fiscal year ended March 31, 2020			Fiscal year ending March 31, 2021			(Reference) Progress rate up to the 2nd quarter
	(Full year)			(Full year)			
	Actual results	% to net sales	YoY	Forecast	% to net sales	YoY	
Net sales	415,643	100.0%	102.9%	420,000	100.0%	101.0%	54.0%
Operating income	8,979	2.2%	81.7%	9,500	2.3%	105.8%	77.2%
Ordinary income	8,900	2.1%	80.9%	9,500	2.3%	106.7%	76.7%
Net income*	5,418	1.3%	85.3%	5,000	1.2%	92.3%	85.2%

(*Profit attributable to owners of parent)

Trends of Ordinary Income and Net Income

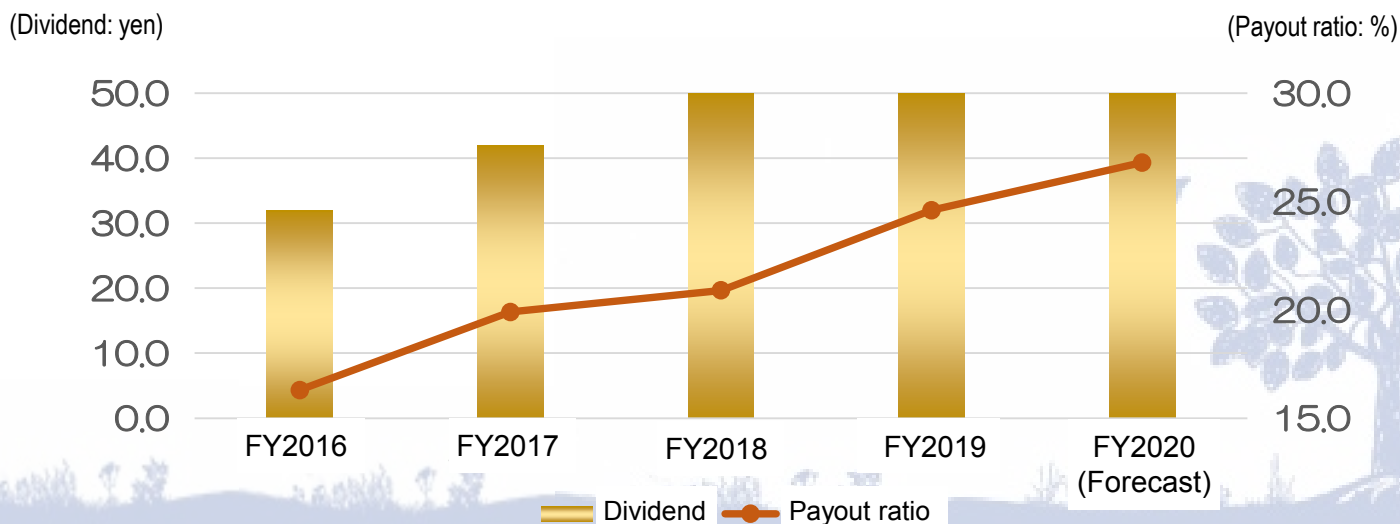


* Profit attributable to owners of parent

Trend of Dividend

Basic policy: Stable dividend payment will be continued by taking into consideration the balance of business performance, dividend and internal reserve.

Full-year	FY2016	FY2017	FY2018	FY2019	FY2020 (Forecast)
Dividend	32.0 yen*	42.0 yen	50.0 yen	50.0 yen	50.0 yen
Payout ratio	16.3%	19.9%	20.9%	24.6%	26.8%



* As a result of a reverse stock split conducted on October 1, 2017 in which 2 shares of common stock were consolidated into 1 share of common stock issued by the Company, the amount of dividend per share for FY2016 indicates the amount retroactively adjusted from the reverse stock split.

2. Topics



The 1st Phase of Store Restructuring in the Osaka Nipponbashi Area (1)

Stores will be revitalized by organically integrating and restructuring the brands and management resources accumulated to date

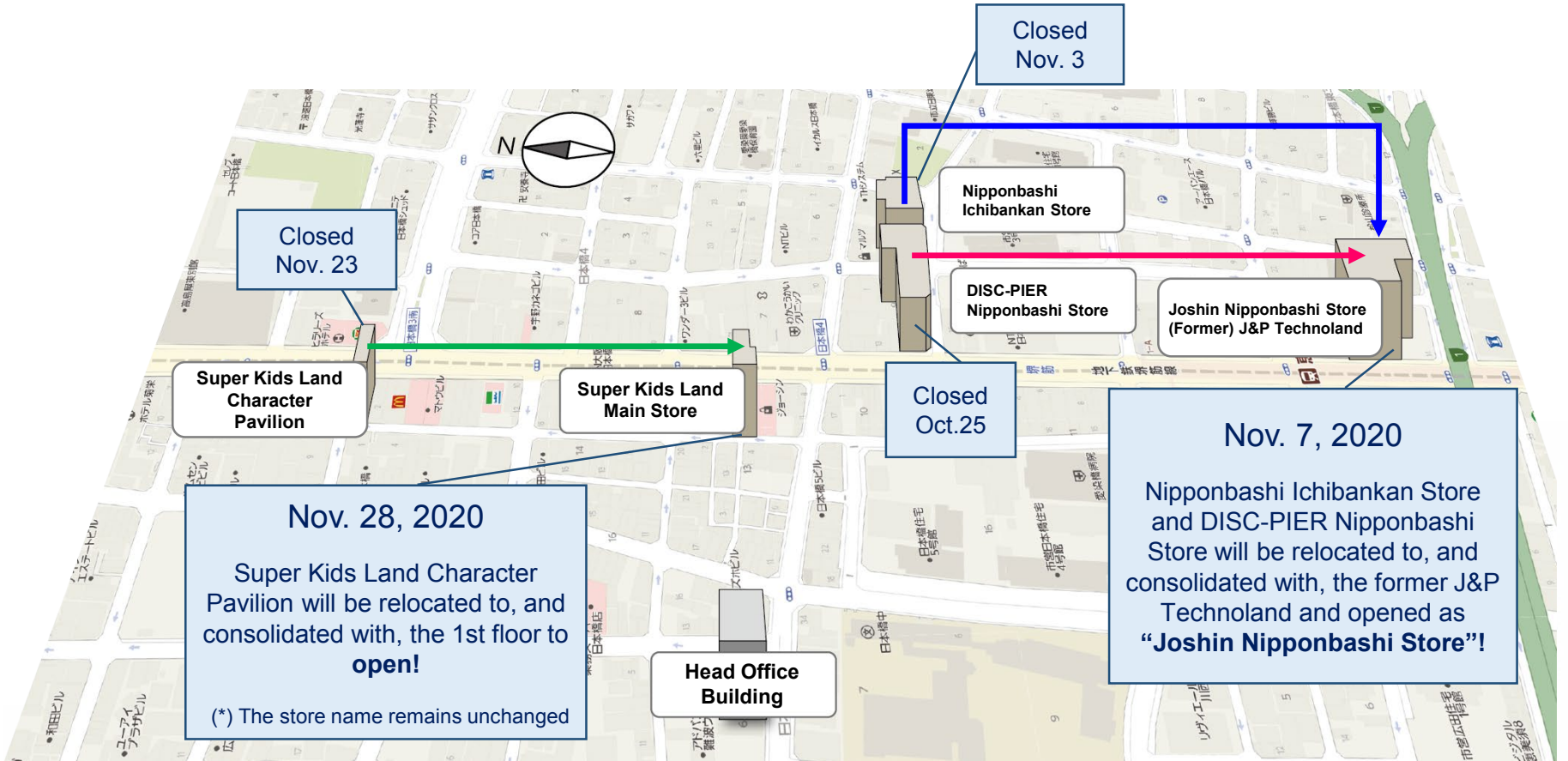
Details:

- Based on the Business Continuity Plan (BCP), reconstruction and aseismic reinforcing work will be implemented as improvement measures for the stores built in compliance with the former earthquake resistance standard. (Extraordinary loss of estimated 1 billion yen was already posted in the 1st quarter.)
- Profitability will be strengthened by consolidating stores and brands in response to the characteristics of the market of the Osaka Nipponbashi area which have changed with the passage of time.

Schedule for Consolidation and Reconstruction of Stores:

Store name	Schedule
DISC-PIER Nipponbashi Store	Relocated to, and consolidated with, “Joshin Nipponbashi Store” (formerly, “J&P Technoland”) (The store was closed on Sunday, October 25, 2020.)
Nipponbashi Ichibankan Store	Relocated to, and consolidated with, “Joshin Nipponbashi Store” (formerly, “J&P Technoland”) (The store was closed on Tuesday, November 3 (national holiday), 2020.)
J&P Technoland ↓ Joshin Nipponbashi Store	J&P Technoland was closed on Sunday, November 1, 2020. Subsequently, “DISC-PIER Nipponbashi Store” and “Nipponbashi Ichibankan Store” will be consolidated to open “Joshin Nipponbashi Store” on Saturday, November 7, 2020.
Super Kids Land Main Store	To be opened on Saturday, November 28. (Aseismic reinforcing work and renovation work will be implemented from Monday, Oct. 12 to Friday Nov. 27, 2020. During the period of work, business will be closed on the 1st floor only.)
Super Kids Land Character Pavilion	To be relocated to the 1st floor of “Super Kids Land Main Store” for consolidation. (The store will be closed on Monday, November 23 (national holiday), 2020.)

The 1st Phase of Store Restructuring in the Osaka Nipponbashi Area (2)



Note: The plans after the 2nd phase will be announced upon deciding specifically.

Transfer of Business: Drug Store Mother-Pier, Independent Stores

Reasons for transfer:

Mother-Pier independent stores were initially retailers of small home appliances, subsequently changing the type of business. A transfer of business was decided based on the basic policy of the Medium-term Management Plan, “JT-2023 Management Plan,” to organizationally consolidate and reorganize management resources.

Transferee:

WELCIA YAKKYOKU CO., LTD. (a wholly-owned subsidiary of Welcia Holdings Co., Ltd.)

Stores to be transferred:

Six Mother-Pier stores: Izumifuchu store, Tsukuno store, Fukai store, Neyagawa store, Nishi- Iwata store and Shin-Omiya store

Timing of transfer:

To be completed by the end of FY2020 (planned)



The 1st Time of O2O Campaign with Rakuten of FY2020 Launched!

Details of the campaign:

Period: August 21 to September 3, 2020

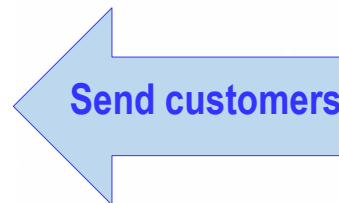
Target stores: A total of 211 stores of Joshin and Joshin Outlet stores

Exposure: Rakuten Ichiba portal site, etc.

Joshin
OFF Line
(**Joshin** real stores)



Rakuten
On Line
(Rakuten Ichiba)



Customers of broad age groups, centering on those in their 30s to 50s, entered the campaign!

Note: Going forward, campaigns will be held on an irregular basis.

3. Joshin's Initiatives and the SDGs



Sustainable Management for Achievement of SDG Targets

Joshin's Corporate Strategy and the SDGs

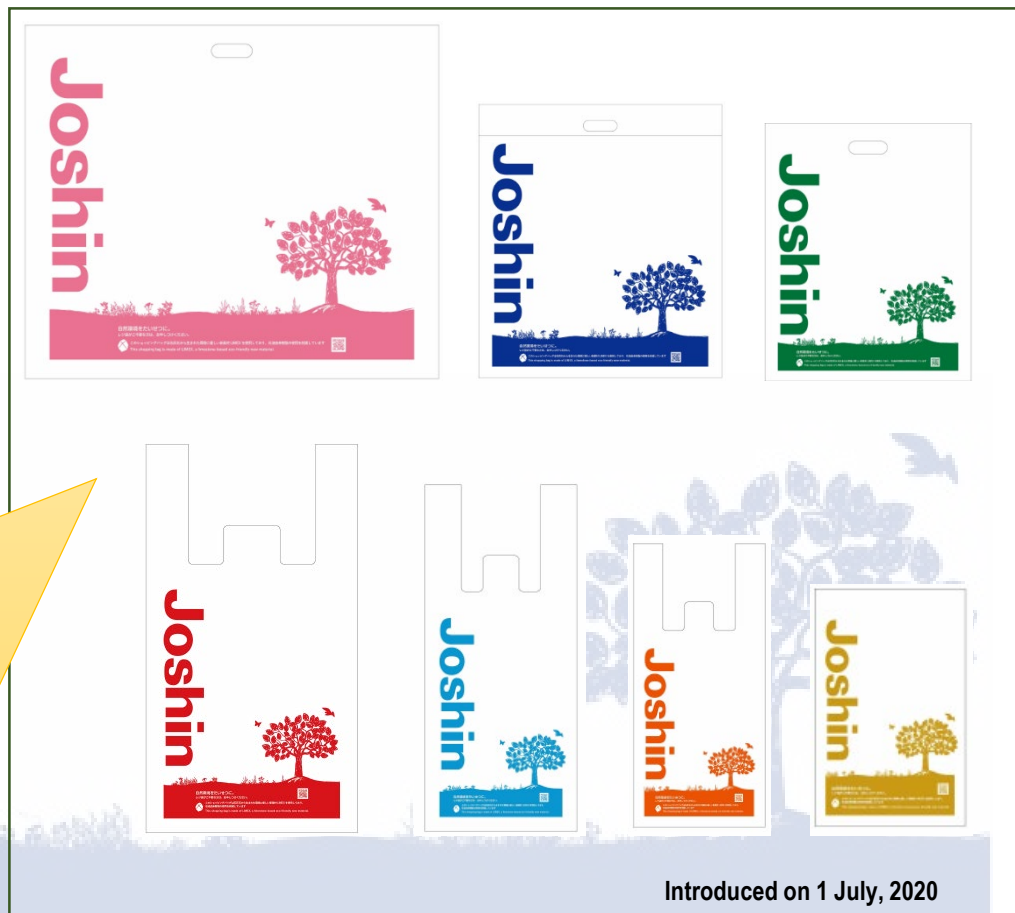
Promote management supporting “aging society” and contributing to “environment.”



New shopping bags introduced!

We have introduced LIMEX material

- A material now under the spotlight as an alternative to paper and plastic.
- The main material being limestone, the plastic content of a shopping bag can be reduced significantly compared with conventional ones made from petroleum-derived or biomass materials.



Joshin's Initiatives (2)



We have introduced an earth-friendly photovoltaic system.

Clean energy capable of restraining global warming with no CO₂ emissions



Appearance of Ibaraki Store (Opened in November 2019)

Stores with photovoltaic system:
30 stores in total including Ibaraki Store, Nishinomiya Store, Kakogawa Store, Higashi-Osaka Store, and Nagaokakyo Store.

Enhancing Efforts to Improve Service Skills

Joshin makes daily efforts to serve our customers with secure and safe products

Certified by the Ministry of Economy, Trade and Industry

Company with prominent product safety measures



Certified with a logo as a "Gold Product Safety Company"

Feel safe with Joshin!

Joshin

Acquired a patent for Joshin Training House

Details of the Patent:

Patent Number	:Patent No. 4970612
Owner of patent right	:Joshin Denki Co. Ltd.
Title of invention	:House structure for training of carrying in goods
Date of registration	:April 13, 2012



You can trust Joshin! Professional work!

Professional delivery skills!

Joshin's Initiatives (4)

Diversification of Sales Channels

- Cover **all trade areas nationwide** by operating the “Joshin web” shopping system.
- Opened stores in the major internet sales sites (such as “Rakuten,” “Yahoo! Shopping”)
- Joshin web CD/DVD Store won the “Genre Award”^(*) of “Rakuten Shop of the Year 2019.”
- Won 2nd place in “Yahoo! Best Store Award 2019.”

(*) Genre of CD, DVD, books

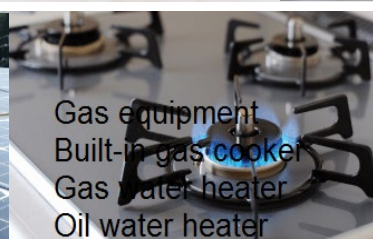
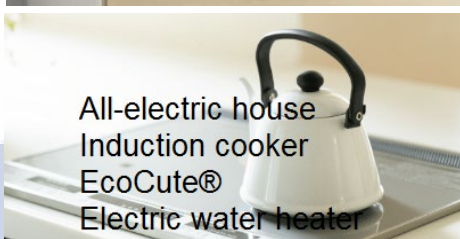
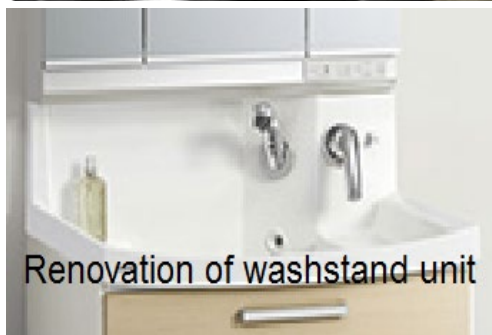


- **Quick shipping!**
- **Extra value services for members only!**
- **Excellent product warranty and services!**



- **Customer support by dedicated staff!**
- **Quick response!**
- **Reliable after-sales service!**

“Wholehearted Renovation” by Joshin



4. Reference Materials



Advertisement Image Characters in 2020

HANSHIN Tigers

HANSHIN
Tigers × **Joshin**

Joshin is the first ever official sponsor of HANSHIN Tigers.



Ryutaro Umeno



Kento Itohara

Three members from
NMB48



NMB48 × **Joshin**



Nagisa Shibuya



Ayaka Yamamoto

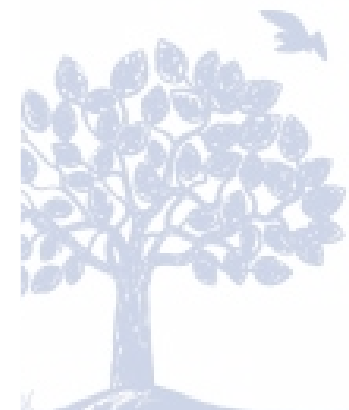


Miru Shiroma

Corporate Profile

As of September 30, 2020

Name	: Joshin Denki Co., Ltd.
Securities code	: 8173
Stock exchange	: First Section, Tokyo Stock Exchange
Head Office	: 6-5, Nipponbashi-nishi 1-chome, Naniwa-ku, Osaka City, Osaka, Japan
Establishment	: May 1948
Capital stock	: 15,121 million yen
Number of shares outstanding	: 28,680,333
Representative	: Ryuhei Kanatani, President and Representative Director, Executive Officer
Businesses	: Sale of home appliances, information communication equipment, entertainment products and housing equipment-related products and incidental businesses
Annual sales	: 415,643 million yen (Consolidated basis for the fiscal year ended March 31, 2020)
Number of employees	: 3,940 (plus an average of 3,871 temporary employees (equivalent to number of regular employees) (Consolidated basis for the fiscal year ended March 31, 2020)
Number of stores	: 234 (Consolidated total number); 239 (Total of the Joshin Group)
Number of consolidated subsidiaries	: 14 (Joshin Service Co., Ltd. and 13 others)



Corporate History

May 1948 : Joshin Denki Shokai was founded at 4-33, Nipponbashisuji, Naniwa-ku, Osaka City.

December 1954 : The store was converted from an electric parts store into an electronics retail store.

August 1956 : “Service Department” was established ahead of other competitors in order to provide good after-sales services to customers.

First in the industry!

April 1958 : The trade name was changed to Joshin Denki Co., Ltd.

September 1972 : The Company’s shares were listed on the 2nd Section of the Osaka Securities Exchange.

July 1974 : Launched “0% Interest Rate Credit” (Raku Raku Credit) ahead of competitors.

First in the industry!

November 1974 : Started the first-in-the-industry TV Shopping (mail order shopping). (Currently, Joshin operates an internet shopping site “Joshin web.”)

First in the industry!

March 1976 : Sales of air-conditioners were recorded as No. 1 in Japan.

October 1981 : A large-scale store specializing in personal computers “J&P” (currently, “J&P Technoland”) was established.

December 1985 : The Company’s shares were listed on the 1st Section of Tokyo Stock Exchange.

October 2000 : Launched “Joshin web,” an internet shopping site.

June 2001 : Established “PitONE OUTLET,” a specialty outlet store. (Former, “Joshin OUTLET”)

First in the industry!

June 2002 : A store management system using PDAs ^{(*)1} was introduced to all stores.

April 2005 : Obtained “Privacy Mark,” the first among electronics retail stores.

First as a large-scale retailer!

November 2012 : Received Product Safety Award from the Ministry of Economy, Trade and Industry, the first company awarded three consecutive times (2008, 2010 and 2012) ^{(*)2} (Retailer division, major companies) as a company with excellent product safety frameworks and initiatives

Joshin was the first company awarded for 3 consecutive years!

January 2013 : Became the first ever official sponsor of HANSHIN Tigers, a leading professional baseball team.

June 2014 : Allowed to use logo of “Gold Product Safety Company,” a newly established logo awarded by the Ministry of Economy, Trade and Industry in recognition of being a company with prominent product safety measures.

First in the system!

September 2015 : Tie-up with Rakuten, Inc. for the common point service “R Point Card” of Rakuten Super Point

First in the industry!

January 2017 : Acquired the certification of Business Continuity Management System (ISO22301) as the first major domestic retail company.

First in the retail business!

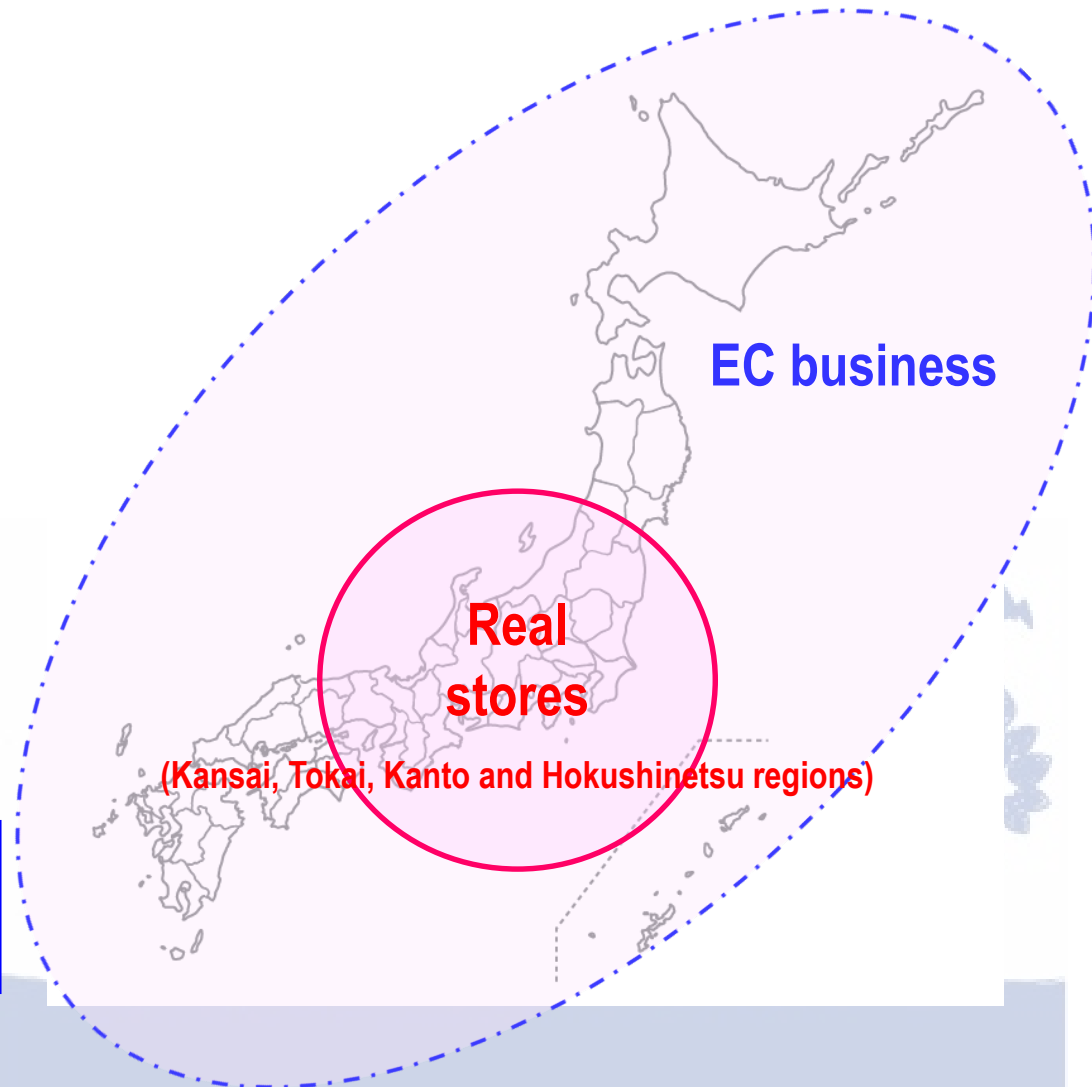
Notes *1: PDA stands for Personal Digital Assistant.

*2: In the fiscal year after receiving the award, a company is not eligible to apply.

Store Distribution by Region

As of September 30, 2020

Store Distribution by Region	
Region	Number of directly managed stores
Kinki	153
Chubu	32
Hokushinetsu	23
Kanto	17
Tohoku	2
Chugoku and Shikoku	2
Total	229



Business Types of the Group Stores

Joshin

Joshin stores propose life scenes for all generations, and quickly satisfy every kind of customer needs with consistent service systems ranging from delivery and installation work to repairs, not to mention sales of goods.



Joshin OUTLET provides goods at a lower price to customers through its internal distribution system established with the aim of forming a recycling-based society.



J&P

J&P is a special brand of information devices and digital products applicable to a diversified network environment from personal use to business use. Used personal computers and smartphones are also purchased from customers at high prices or taken as a trade-in.

Nipponbashi Ichibankan Store and DISC-PIER Nipponbashi Store will be relocated to, and consolidated with, (former) J&P Technoland, and opened as “Joshin Nipponbashi Store” on November 7, 2020.



(Imaging Photo)



KIDS LAND Joshin is a general family entertainment shop, specializing in toys, models and video games.



(Note 2)

The brand Mother-Pier handles a large line-up of not only pharmaceuticals but also cosmetics, baby goods, daily supplies, operating popular 100 yen shops. The store is supported by customers of broad age groups.



(Note 1)

DISC-PIER has a large lineup of music and video software and video games, thereby satisfies fans' needs across a broad range of genres.



A franchisee of BOOK-OFF, a company of specialty shops of buying and selling used books.



Joshin MEGA WATCH has a special corner of watches, brand-name bags and accessories. In addition to the line-up of popular items, a long-term warranty system is provided to luxury watches for customer security.



A franchisee of TSUTAYA, a company of rental package media such as DVD and CD.



Notes 1: DISC-PIER Nipponbashi store was closed on October 25, 2020, and will be relocated to, and consolidated with, Joshin Nipponbashi Store to open on November 7, 2020.

2: The transfer of the independent stores will be completed by the end of FY2020.

Disclaimer

- The descriptions concerning forecasts and outlook for future performance are based on the Company's business targets and plans, and do not guarantee the content of the representations.
- This presentation material should be used on the condition that the reader understands the uncertainties which may cause actual results to differ from the future outlook and forecasts.
- While the descriptions concerning business performance have been prepared based on the best available information, the Company does not guarantee the accuracy and completeness of such information.
- This presentation material is not intended to encourage investment decisions. Readers are requested to make decisions on investment on their own judgment and responsibility.

J o s h i n D e n k i C o . , L t d .
Business Administration Headquarters



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Company's website : https://www.joshin.co.jp/joshintop/ir_en.html

Internet shopping site : <https://joshinweb.jp/>