

# Joshin Denki Co., Ltd.

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

Earnings Forecast for the Fiscal Year Ending  
March 31, 2021

August 7, 2020

Listed on the First Section of the Tokyo Stock Exchange

**Securities Code: 8173**

# Message and Measures against the Novel Coronavirus Infection at Stores

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**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.

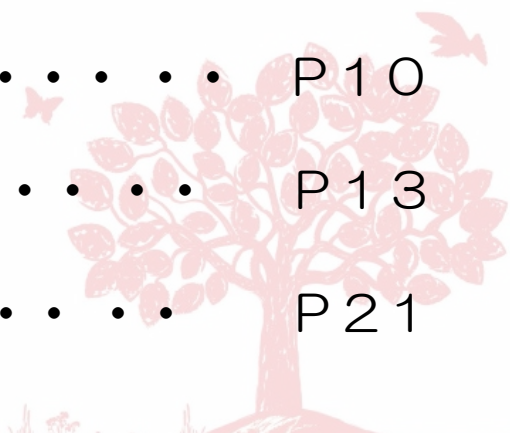
### **2. Initiatives for the prevention of infection of customers**

- (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 Three  
Months of the Fiscal Year  
Ending March 31, 2021



# Consolidated Income Statements

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

◆ Net sales increased 11.0% year on year, and gross profit increased 4.7% year on year.

◆ Of the net sales, the EC business accounted for 16,965 million yen (36.6%).

(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	<b>96,481</b>	100.0%	107.5%	<b>107,119</b>	100.0%	111.0%	—
(Of which, sales at stores)	<b>79,895</b>	82.8%	—	<b>85,462</b>	79.8%	107.0%	-3.0%
(Of which, sales in EC business)	<b>12,419</b>	12.9%	—	<b>16,965</b>	15.8%	136.6%	3.0%
(Of which, other sales)	<b>4,166</b>	4.3%	—	<b>4,691</b>	4.4%	112.6%	0.1%
Gross profit	<b>24,165</b>	25.0%	108.9%	<b>25,292</b>	23.6%	104.7%	-1.4%
Selling, general and administrative expenses	<b>22,639</b>	23.5%	108.1%	<b>22,067</b>	20.6%	97.5%	-2.9%
Operating income	<b>1,525</b>	1.6%	122.3%	<b>3,224</b>	3.0%	211.3%	1.4%
Ordinary income	<b>1,519</b>	1.6%	115.3%	<b>3,208</b>	3.0%	211.1%	1.4%
Net income*	<b>1,211</b>	1.3%	162.0%	<b>1,576</b>	1.5%	130.2%	0.2%

(\*Profit attributable to owners of parent)

# Consolidated Cash Flows And Balance Sheet

(Million yen)

Assets:	2020/3	2020/6	Increase (decrease)
Total current assets	98,255	112,035	13,779
Total non-current assets	99,052	100,143	1,091
<b>Total assets</b>	<b>197,308</b>	<b>212,179</b>	<b>14,871</b>

Liabilities and Net Assets	2020/3	2020/6	Increase (decrease)
Total current liabilities	75,114	87,555	12,440
Total non-current liabilities	33,047	34,635	1,588
Total liabilities	108,161	122,190	14,029
Total net assets	89,147	89,988	841
<b>Total liabilities and net assets</b>	<b>197,308</b>	<b>212,179</b>	<b>14,871</b>

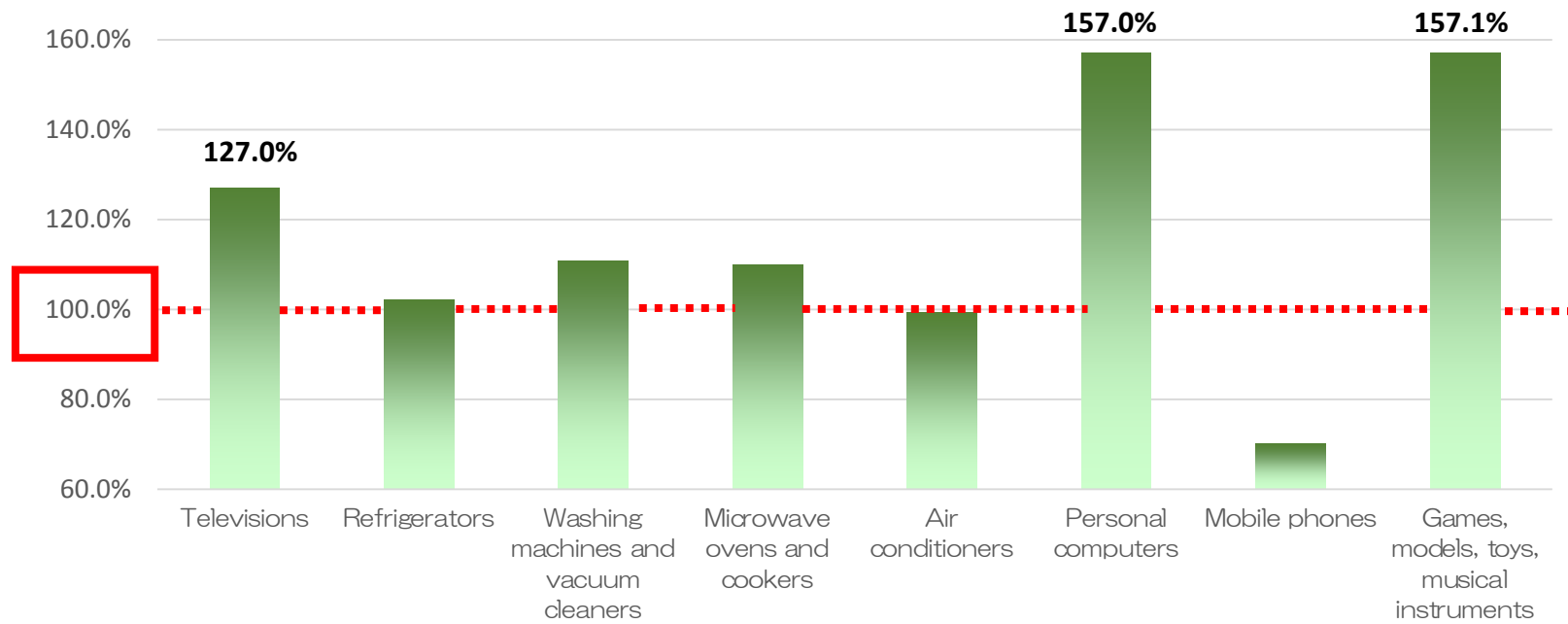
(Reference)

Total interest-bearing liabilities	47,144	47,390	245
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# Consolidated Sales by Product Item

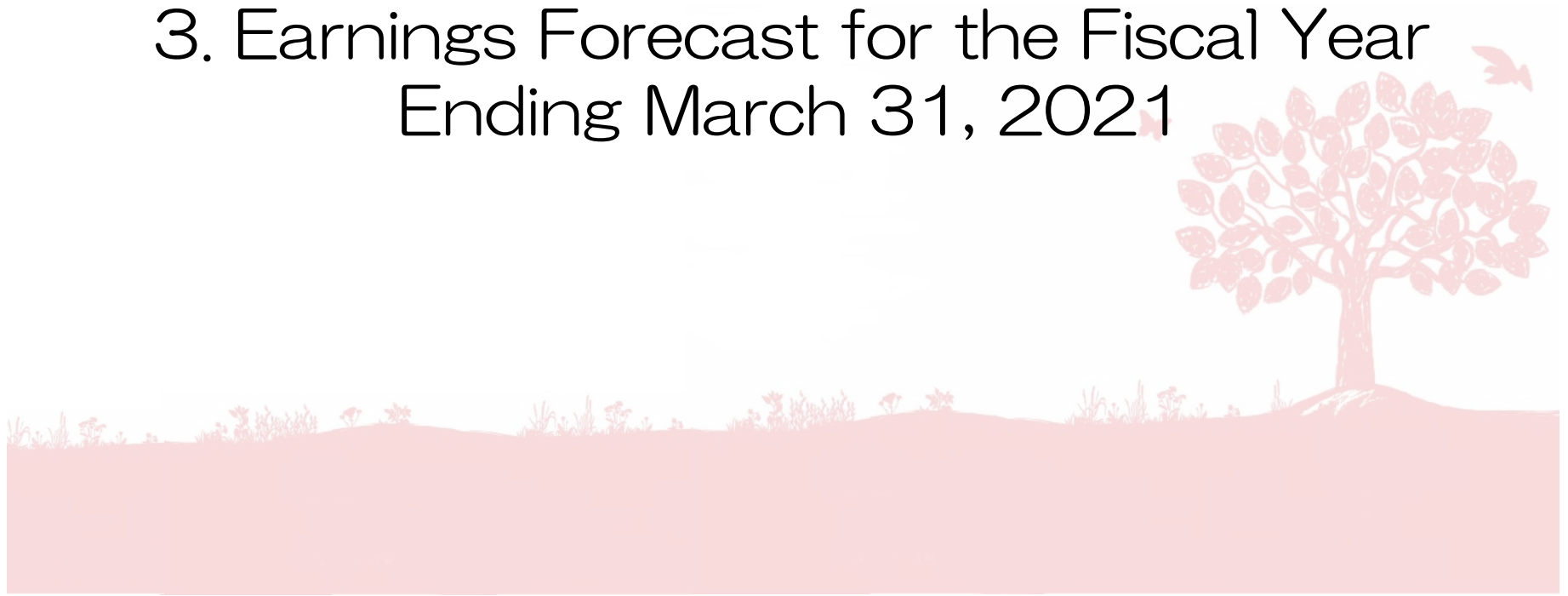
- Demand for PCs is increasing with the spread of telecommuting
- TV and video games have also grown significantly with the spread of new lifestyle choices such as refraining from going out unnecessarily

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



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### 3. Earnings Forecast for the Fiscal Year Ending March 31, 2021





# Earnings Forecast (1)

## Overview of major items

### Net sales

#### Up to the 2nd Quarter:

The first quarter was strong due to the impact of special cash payments and other subsidies. However, in the second quarter, cumulative total sales are expected to be about the same as the previous year due to the expected recoil from the previous year's rush demand before the consumption tax hike.

#### 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 noncontact shopping is possible.

#### Full-year basis:

Year on year: +5.0 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

Impairment loss arising from S&B (\*1)

Approx. **1.3 billion yen**  
(Actual results in the three-month period)

### Net income (\*2)

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

\*1 Scrap-and-build

\*2 Profit attributable to owners of parent

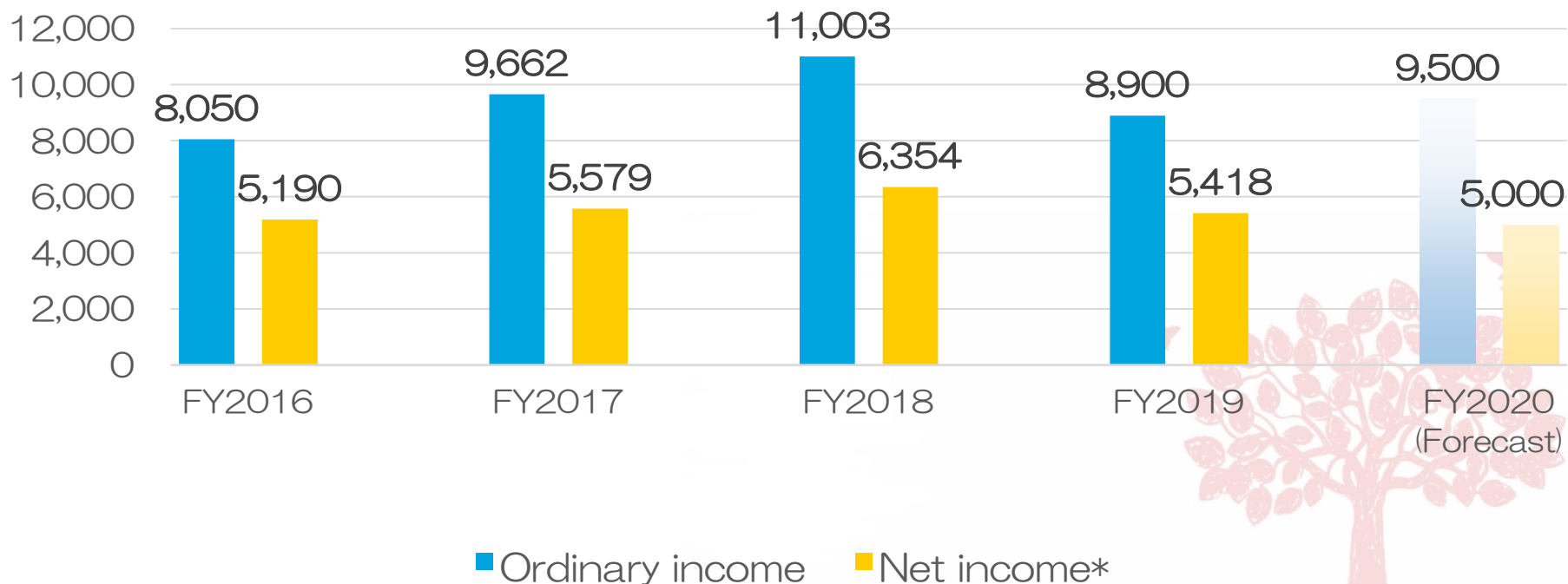
# Earnings Forecast (2)

(Million yen)	Fiscal year ended March 31, 2020			Fiscal year ending March 31, 2021			(Reference) Progress rate up to the 1st quarter
	(Full year)			(Full year)			
	Actual results	% to net sales	YoY	Forecast	% to net sales	YoY	
Net sales	<b>415,643</b>	100.0%	102.9%	<b>420,000</b>	100.0%	101.0%	<b>25.5%</b>
Operating income	<b>8,979</b>	2.2%	81.7%	<b>9,500</b>	2.3%	105.8%	<b>33.9%</b>
Ordinary income	<b>8,900</b>	2.1%	80.9%	<b>9,500</b>	2.3%	106.7%	<b>33.8%</b>
Net income*	<b>5,418</b>	1.3%	85.3%	<b>5,000</b>	1.2%	92.3%	<b>31.5%</b>

(\*Profit attributable to owners of parent)

# Trends of Ordinary Income and Net Income

(Million yen)



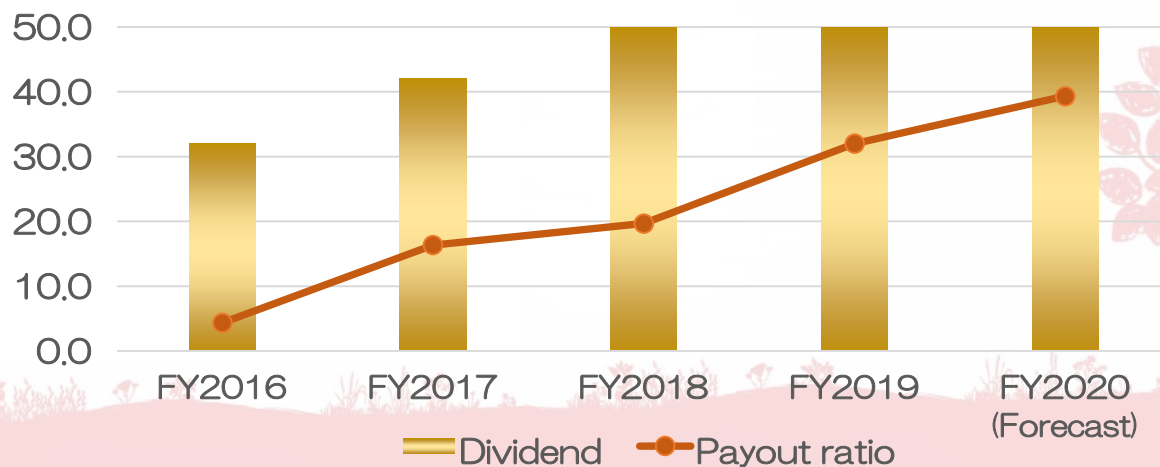
\* Profit attributable to owners of parent

# 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%

(Dividend: yen)



\* 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.

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## 2. Topics



# Start Operation of New Distribution Center

A new site to ensure both business continuity and operational efficiency

## Features

- Located in an inland area with excellent business continuity in the event of a major disaster  
Ideally located to cover a large area of western Japan
- Consolidates two distribution centers in the Kansai area into one to improve inventory efficiency in anticipation of EC business expansion
- Labor saving through enhanced material handling functions to improve operational efficiency

## Benefits

- Number of items held → 20% increase
- EC shipping capacity → 2x greater
- Total logistics inventory value → 10% reduction
- Transport vehicles → 10% reduction

Note: Figures are current estimates

## Overview

- Structure: 5 floors above ground, seismic isolation
- Total floor area: Approx. 116,000 m<sup>2</sup>
- Completion date: End of May 2021 (planned)



Logista/Logicross Ibaraki Saito Building A (rendering)



Current distribution center 1



Current distribution center 2

# New Promotion Arrangement with SIRIUS GAMING eSports Team

[Background to promotion arrangement]

- February 2020:  
**Joshin** becomes the main sponsor of the SIRIUS GAMING professional eSports team based at the eSports Arena Sannomiya.
- June 2020:  
Japan's state of emergency is lifted, and Joshin concludes a new promotion arrangement with the SIRIUS GAMING eSports team.



Our advertising on social media and other activities will raise the players' profiles while promoting **Joshin**'s corporate image of taking on new challenges to the younger generation!

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### 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.”

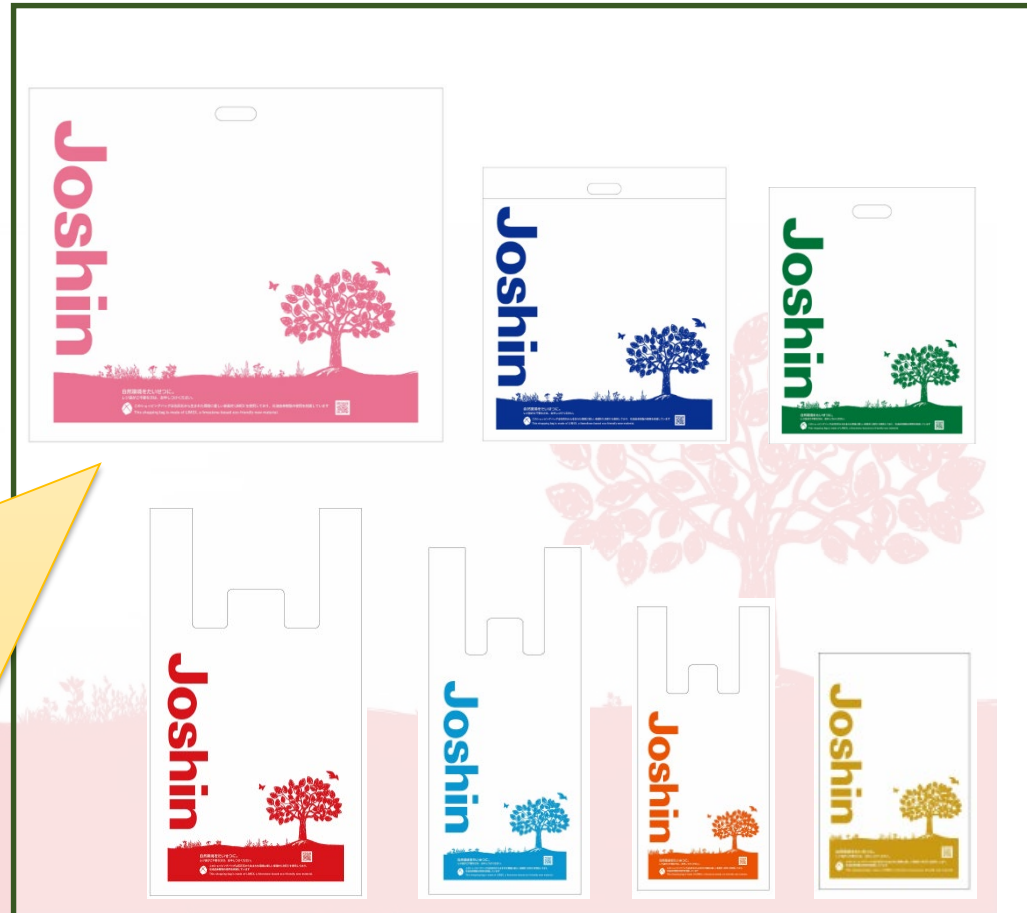




## New shopping bags introduced!

### 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 CO<sub>2</sub> 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.



## Consideration for the Environment

As of October 31, 2019

Joshin was awarded the highest rating (AAA) in the ESG/SDGs evaluation loan conducted by Sumitomo Mitsui Banking Corporation!

Recognized for “Very good efforts and information disclosure toward achieving ESG and SDGs”



## 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!

## Joshin Corporate Sales Department

Joshin 法人営業部

サービス案内 | おやすみ制度 | 個別課金サポート | 法人事例 | 近畿圏一見 | お問い合わせ

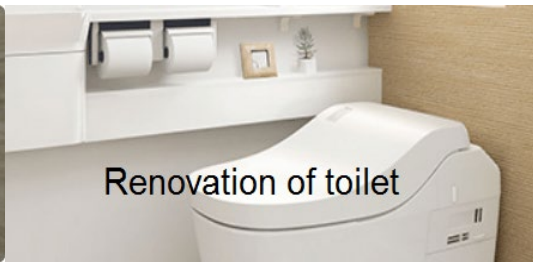
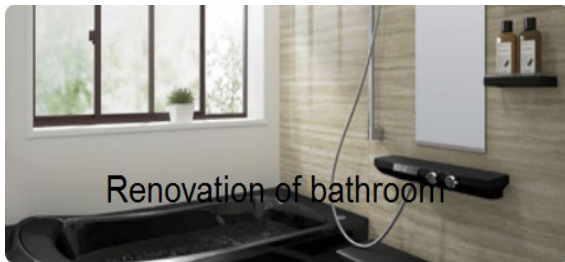


- 法人サポートなら、やっぱり **Joshin**
- Customer support by dedicated staff!
- Quick response!
- Reliable after-sales service!

# Joshin's Initiatives (5)



## “Wholehearted Renovation” by Joshin



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## 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**

From  
this  
year!



Nagisa Shibuya



Ayaka Yamamoto



Miru Shiroma

# Corporate Profile

As of March 31, 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, Nipponbashi-1, 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. <b>First in the industry!</b>
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. <b>First in the industry!</b>
November 1974	Started the first-in-the-industry TV Shopping (mail order shopping). (Currently, Joshin operates an internet shopping site "Joshin web.") <b>First in the industry!</b>
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 "PtONE OUTLET," a specialty outlet store. (Former, "Joshin OUTLET") <b>First in the industry!</b>
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. <b>First as a large-scale retailer!</b>
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. <b>Joshin was the first company awarded for 3 consecutive years!</b>
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. <b>First in the system!</b>
September 2015	Tie-up with Rakuten, Inc. for the common point service "RPoint Card" of Rakuten Super Point. <b>First in the industry!</b>
January 2017	Acquired the certification of Business Continuity Management System (ISO22301) as the first major domestic retail company. <b>First in the retail business!</b>

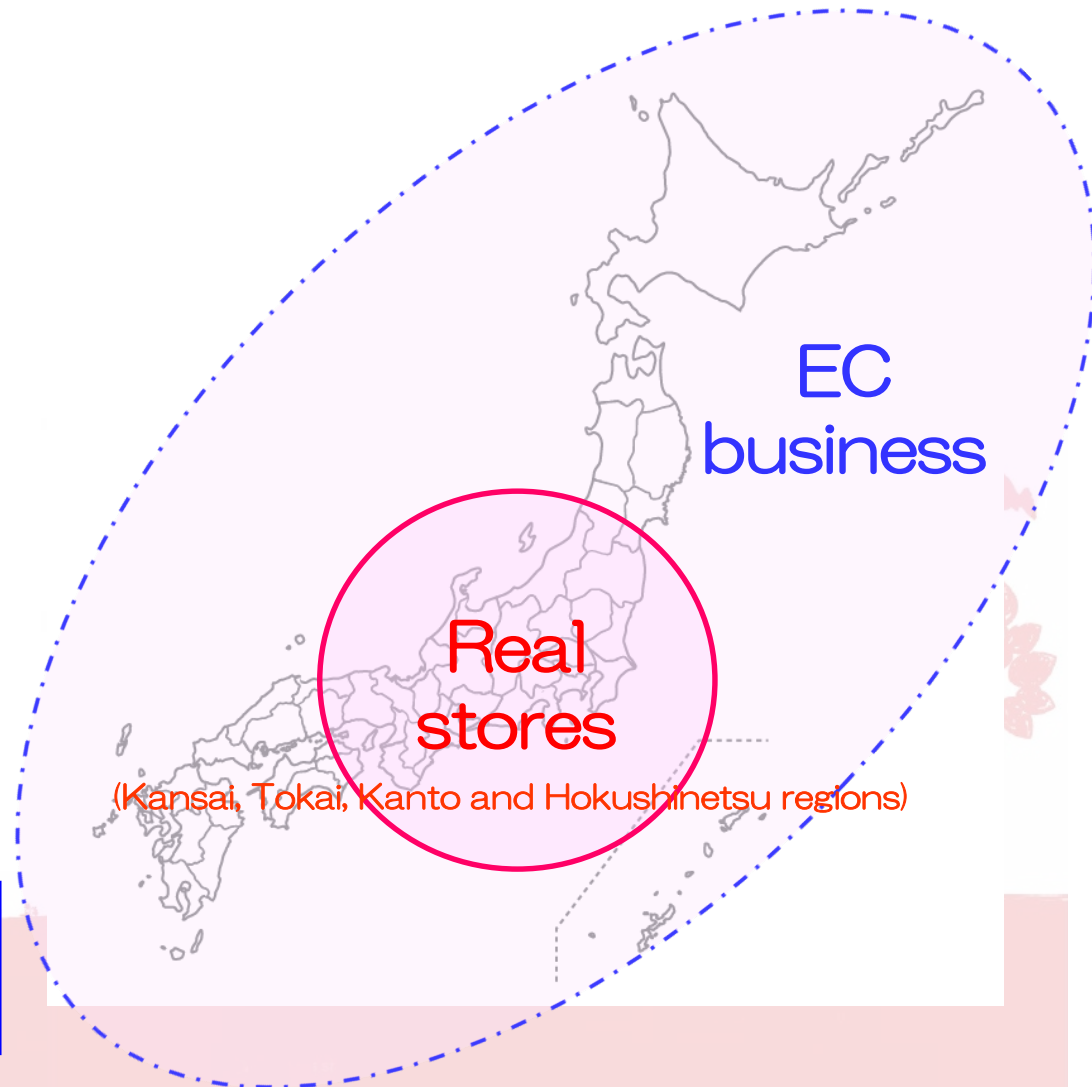
Notes \*1: PDA stands for Personal Digital Assistant.

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

# Store Distribution by Region

As of June 30, 2020

Store Distribution by Region	
Region	Number of directly managed stores
Kinki	156
Chubu	32
Hokushinetsu	23
Kanto	17
Tohoku	2
Chugoku and Shikoku	2
<b>Total</b>	<b>232</b>



# 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.



## 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.



## DISCPIER

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



## Joshin MEGA WATCH

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.



## Joshin OUTLET

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.



## キッズランド KIDS LAND Joshin

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



## マザーピア

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.



## BOOK-OFF

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



## TSUTAYA

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



# Disclaimer

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- 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.
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Joshin Denki Co., Ltd.  
Business Administration Headquarters



**Joshin**

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