

Joshin Corporation

Integrated Report

2026

Fiscal Year Ended March 31, 2026

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Joshin

From Joshin Denki to

Joshin.

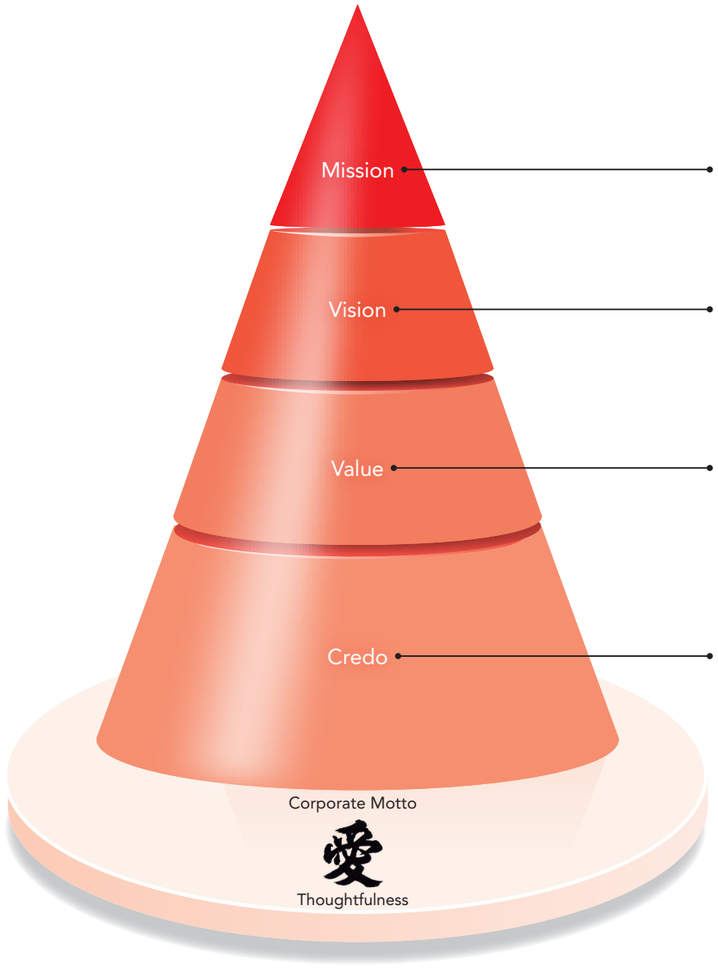
Our new corporate name, "Joshin," embodies our gratitude for the affinity and trust our stakeholders have shown us over many years, the commitment of our employees to preserving our founding spirit and corporate culture for future generations, and our determination to flexibly adapt to a rapidly changing business environment while transforming change itself into a driver of growth.

Under our new corporate name, we will rise to the challenge of further expanding our business while enhancing our corporate value.



Management Philosophy Structure

Guided by our corporate motto of "Thoughtfulness," the Joshin Group works as one to realize our management philosophy.



Management Philosophy

Connecting people and society to the future with a smile

Management Vision

Becoming a hub for the infrastructure of life through the power of home appliances and ICT (information and communication technology)

Creating two types of social value:
"Helping to strengthen the resilience of an aging society"
"Achieving household carbon neutrality"

Fan Base

The core of all Joshin business activities—unchanging values nurtured by our Wholehearted Customer Service and handed down for over 75 years since our founding

Joshin Group Declaration on Actions

Joshin Group Code of Conduct



The Inspiration Behind Our Cover

In April 2026, to mark the milestone of becoming "Joshin Corporation," we used our corporate color red to express our passion and determination as we forge a new future. The red paper airplanes soaring across the cover were launched by employees and executives during the new employee induction ceremony event "Joshin's Something Red," held in conjunction with each business location, with a pledge to take the new Joshin to greater heights and embrace new challenges. The illustrated townscape incorporated into the company logo depicts our vision of being a "local electronics store that is also a mass retailer" closely connected to the communities we serve. The cover expresses our resolve to move forward toward a future of new value creation in tandem with our stakeholders, while remaining closely connected to the communities we serve.

Renewal and Promotion of the Credo (Joshin Group Declaration on Actions and Code of Conduct)

To mark the significant milestone of changing our corporate name, we renewed the Declaration on Actions, which represents our commitments to all stakeholders, and the Code of Conduct, which guides every employee's actions and decisions. To instill these principles across the organization, every employee carries a Credo Card and watches video messages from the President, helping each of them take ownership of the Credo and put it into practice.



Digitization of the Code of Conduct



President's video messages and explanatory videos



Credo Card carried by all employees

Message from the President

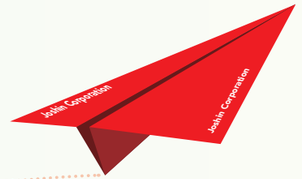


高橋 徹也

Tetsuya Takahashi
Representative Director,
President and CEO

With every employee committed to being an "electronics store that never says 'no,'" we will remain closely connected to our customers as we evolve into a "local electronics store that is also a mass retailer," aiming to become a company that all our stakeholders see as their first choice: "It has to be Joshin"

A New Beginning for Joshin: The Resolve Behind Our Corporate Name Change



Effective April 1, 2026, we changed our trade name from Joshin Denki Co., Ltd. to Joshin Corporation. FY2026 marks both the first year of the new medium-term management plan—the JT-2028 Management Plan (hereafter, the "New Medium-Term Plan")—and the beginning of a new chapter for Joshin.

The home appliance retail business has reached a major turning point. Historically, competition in the industry has centered on three main areas: expanding the number of stores, increasing their size, and lowering prices. However, in the face of unprecedented structural changes such as population decline, a declining birthrate, and an aging population, the conventional business model reliant on scale and price can no longer deliver sustainable growth and improved profitability on its own.

That is precisely the reason we intend to make the trust and confidence we have established with our customers over many years the starting point for everything we do as we build a management foundation for a new era, rather than simply pursuing growth on a greater scale. Our new corporate name reflects this unwavering determination and our commitment to the future.

For over 75 years, we have cultivated strong bonds with our customers, primarily in the Kansai region. And as an official sponsor of the Hanshin Tigers, the irreplaceable "Joshin" brand has gained widespread recognition and support across Japan. We have chosen our new corporate name to reflect our determination to evolve to the next stage while preserving our long-cherished identity.

What We Are Carrying Forward: 75 Years of Wholehearted Customer Service and My Beginnings

No matter how drastically the structure of society may change, the bonds we have nurtured with our customers since our founding, alongside the trust and confidence we have built over the years, must be passed on to future generations as enduring values of our company.

Our corporate motto is "Thoughtfulness." This means always acting in consideration of others' perspectives. Inspired by this philosophy, we have faithfully upheld the concept of "Wholehearted Customer Service" over our history spanning more than 75 years. This commitment to supporting our customers before, during, and after they make a purchase is firmly rooted in our corporate motto. In the general retail sector, the focus tends to fall on sales promotions before purchase and customer interactions at the time of purchase, while after-sales service is often left to manufacturers or third-party repair companies. However, we have always believed that it is precisely these post-purchase interactions that hold true value.

I still vividly remember the formative experience I had when I joined Joshin Denki (now Joshin) 40 years ago and was assigned to a store in Nipponbashi, Osaka. One day, a customer contacted us because they were having trouble with poor TV reception, so I immediately drove out to their home in my pickup truck. Despite my best efforts to check the antenna cable and other possible causes, local reception conditions prevented me from fully resolving the issue on the spot. However, rather than simply giving up and saying, "I can't help you," I carefully explained the situation and each of the reasons behind it. The customer responded with genuine understanding, saying, "I understand. You've done everything you could. Thank you."

Looking back, what I did was nothing out of the ordinary. All I did was assist a customer in need, assess the situation, and then explain it to them honestly. It was then that I realized firsthand just how these simple, everyday actions build trust and confidence that go beyond the confines of any manual.

The same customer later introduced me to friends and neighbors, and our circle of trust gradually grew. Over the years, these connections extended even further, from parents to their children and then to their grandchildren, as they developed into bonds that spanned generations. Treating one customer with genuine care leads to new encounters with others. The foundation of our business growth lies in the multiplied effect of trust and confidence. Even 40 years on, this experience remains the cornerstone of who I am as a business leader.

People supporting people and maximizing our customers' lifetime value—it is this noble aspiration that is personified by Joshin's frontline team. No matter how times may change, our people and their commitment to remaining closely attuned to our customers are the source of our core competitive advantage. Whatever happens, this will remain constant.

Reflections on the JT-2025 Management Plan and Emerging Signs of Transformation

Under the previous medium-term management plan—the JT-2025 Management Plan (hereafter, the "Previous Medium-Term Plan")—we fell short of our targets for key management indicators and were unable to fully meet the expectations of our stakeholders. While we made some progress in our ability to generate sales, gross profit growth remained sluggish, and profitability indicators such as operating income and ROE (return on equity) all fell short of their targets. The entire management team takes these results very seriously.

The primary cause was that we were unable to fully exercise our earning power and ultimately translate sales into profit. During this period, overall net sales remained stable, driven by growth areas such as entertainment, mobile communications, and home renovation. At the same time, however, the customer base of our core home appliance business was beginning to show signs of fragility.

Home appliances have long replacement cycles, particularly large appliances. Once purchased, they may not need replacing for eight to ten years. In the past, purchases of batteries, cables, consumables, and other items helped us maintain regular contact between major appliance purchases. In recent years, however, much of this business has shifted to other retailers, such as home improvement stores, drugstores, and convenience stores, gradually weakening our bonds with customers. Our inability to take effective action at the right time in response to these changing market conditions is something we deeply regret.



The loss of these regular interactions meant that customers visited our stores less often, which ultimately became apparent in the declining number of active members*. The number of active members, which stood at approximately 5.7 million in FY2020, fell to about 4.7 million in FY2024, marking a decline of 1 million. This posed our single greatest management challenge, one that we needed to confront head-on.

Thankfully, the groundwork for a turnaround had already been laid, and in the following fiscal year, FY2025, the number of active members began to rise again, albeit modestly. I view this as a historic positive turn that offers a glimpse into our company's future. In addition to the success of the Joshin Smile Program, a loyalty initiative launched in 2024, our steady efforts to win back everyday purchasing opportunities that had shifted to other retailers are clearly beginning to pay off.

The starting point for the New Medium-Term Plan is to face the reality that we fell short of expectations, identify the challenges we need to address, and turn these emerging signs of change into a sustained trend.

* Active members: Members purchasing a product or service from us at least once a year

As the "Electronics Store That Never Says 'No,'" Evolving into a "Local Electronics Store That Is Also a Mass Retailer"—The New Joshin We Aspire to Become

Under the New Medium-Term Plan, the stance Joshin should aim for is that of an "electronics store that never says 'no.'"

We will remain firmly committed to taking our customers' concerns to heart, starting by accepting in full requests such as, "Could you take care of this for me?" We will then pool the collective expertise of our organization to determine the best approach to meet those requests. We aspire to be an electronics store that consistently addresses our customers' challenges with speed and quality in every situation, not only repairs but also delivery, installation, and construction. This is a message that I have conveyed many times across the company with a firm sense of determination.

As the market environment changes rapidly while expectations of home appliance retailers become increasingly diverse and sophisticated, the conventional product-driven approach of simply relying on providing products based on volume and scale is no longer viable. The shift toward a customer-driven approach that delivers value based on the individual needs and concerns of each customer will define our purpose going forward.

The key to elevating this value proposition beyond one-off services into a sustainable growth model lies in the bonds we create with our customers. There is a message that I constantly impress upon everyone throughout the company: "Our customer base underpins our earnings base, and our earnings base underpins our management foundation." This solid foundation stems from the trust and confidence generated by sincere interactions with our customers every day, rather than short-term profits.

When we each fully embrace our commitment to being an "electronics store that never says 'no,'" these efforts will accumulate and give rise to a new business model: a "local electronics store that is also a mass retailer." We offer the efficient chain operations and an unrivaled product selection that only a large-scale retailer can provide. Our innovation lies in combining these strengths with the meticulous attention to detail and exceptional responsiveness of a community-based local electronics store.

Currently, around 70 of our in-house service engineers operate in the Kansai region, and they visit customers directly to fulfill repair requests. For washing machines, which are essential household appliances, we have a system in place to provide same-day visits and repairs as a rule. We have also begun piloting a Rapid Response Service in the Hokusetsu area of Osaka, where store staff rush directly from our stores to customers' homes, with plans to gradually expand the service area during FY2026. Even for everyday concerns outside the scope of conventional repairs, such as "It won't turn on" or "I don't know how to use the remote," staff from our physical stores will visit customers at home to help resolve the situation.

In addition, we are developing a hybrid service model that combines this personal, face-to-face support with modern digital technologies that enable us to provide estimates for installation work and remote diagnostics via the customer's smartphone.

In fact, when we first launched the Rapid Response Service, concerns were raised within the company that charging a ¥3,300 call-out fee might lead to customer complaints. However, what came back from the front lines were expressions of appreciation that went far beyond anything we had imagined.

"Joshin really goes out of its way for its customers."
"I never expected them to come so quickly."

It turned out that our customers truly wanted the peace of mind that comes with swift solutions, not low prices. This has given us tangible proof that we are moving closer to our vision of a "local electronics store that is also a mass retailer," and firm confidence in our next stage of growth.

JT-2028 Management Plan: Three Years to Achieve Our Vision

To truly become a "local electronics store that is also a mass retailer," we must concentrate our human resources, investments, and capabilities on locations where we can continue providing high-quality services and areas of business where we can leverage our strengths. It is not simply a matter of cutting costs, but rather reallocating our human resources and investments to areas that best capitalize on our strengths.

The New Medium-Term Plan is a three-year plan designed to launch us into the next stage. We have refined our plan to include two management targets: an operating income of at least ¥10 billion and ROE of at least 7%. We deliberately narrowed our focus to these two objectives because the issues left unresolved under the Previous Medium-Term Plan were profitability and capital efficiency. To renew our efforts to bolster the earning power left as an unresolved issue under the Previous Medium-Term Plan, we will promote company-wide management focused on both the profit and loss statement (P/L) and balance sheet (B/S), aiming to achieve our targets ahead of schedule by addressing both areas.

The cornerstone of these efforts is the redesign of our management resources. We will divide the three years of the New Medium-Term Plan into two phases: Transformation and Growth. During the two-year Transformation phase from FY2026 to FY2027, we will focus on closing up to 15 unprofitable stores to streamline our tangible assets. We are committed to seeing this through and are prepared for temporary losses resulting from the store closures.

At the same time, we will provide employees affected by the store restructuring with education, training, and other reskilling opportunities. They will then apply the knowledge and experience gained in our stores to growth areas such as mobile communications and home renovation. Our employees are our most valuable asset. That is why we view this store restructuring not simply as downsizing, but as an opportunity to optimally deploy our human resources where they are needed as we also expand our intangible assets.

We will then designate FY2028 as our Growth phase, achieving the management targets of the New Medium-Term Plan while transitioning to a growth trajectory that looks ahead to our 100th anniversary.

Joshin Reborn Action 2026: Company-Wide Action Plan to Accelerate Progress Toward Our Targets

With the goal to secure recognition from the capital markets by achieving the targets of the New Medium-Term Plan ahead of schedule and enhance corporate value with an early PBR (price-to-book ratio) of 1.0 or higher, we have launched Joshin Reborn Action 2026 as a company-wide action plan. This plan is designed to further accelerate our progress toward the targets set out in the JT-2028 Management Plan as Joshin Corporation. Going beyond mere improvements, we will fundamentally revise our existing frameworks and business models. United as one, we will undertake the challenging process of reinventing ourselves, which includes store restructuring and redeploying human resources, while building the management foundation needed to launch us into the next stage. Under Joshin Reborn Action 2026, we will steadily implement the following four key strategies. These strategies are not standalone initiatives. We will redesign our physical stores, improve the profitability of home appliances with private brand (PB) products, expand our interactions with customers using our OMO strategy, and extend our value proposition to consider the bigger picture of customer lifestyles with home renovation. All of these initiatives aim to turn a "local electronics store that is also a mass retailer" into a profitable business model.

The first strategy is improving profitability in our physical store business. By redesigning our management resources, we aim to boost capital efficiency by closing unprofitable stores and increase earnings by reallocating resources to more profitable ones. Our primary focus is the Kansai region, which accounts for 60% or more of our physical store business in terms of both sales and number of stores. We cannot expand our unique value to other regions without first becoming the clear choice for local customers in Kansai, including Osaka, where Joshin was founded. Starting in Kansai, we will expand our chain of local electronics stores into the Tokai, Kanto, and Hokushinetsu regions.



The second strategy is our full-scale entry into the PB product business. In FY2025, we established a dedicated PB division within the Merchandise Department and began developing OEM partnerships. In FY2026, we will gradually launch products, primarily small and medium-sized home appliances, with a target of 150 items. In hindsight, I believe we should have moved forward with our efforts much sooner. As a retailer, we will draw on customer feedback and insights into how our products are actually used, gained from our daily interactions with customers, to develop products that offer not only competitive prices but also ease of use and quality, improving our profit margins in the process.

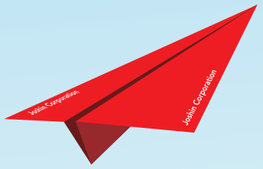
The third is our OMO strategy. We will forge even stronger links between our physical stores and our EC site, Joshin Web Shop. Dual-channel customers make significantly more purchases and spend considerably more each year than those who rely on only one service. We position these dual-channel customers as core fans and aim to drive growth in both our physical store and EC businesses by improving customer satisfaction.

The fourth strategy is expanding the scope of our home renovation business. In February 2026, we completed an M&A deal to acquire the home renovation business of HOUSE DO JAPAN Co., Ltd., entering the specialized field of tailored renovations to capitalize on the growth potential of the home renovation market. Starting with Joshin Reform Kinki Co., Ltd., which recently joined the Group, we will first rapidly expand the reach of our home renovation business across the Kansai region.

By steadily implementing these key strategies, we aim to improve capital efficiency and achieve management with an awareness of cost of capital and stock price. In addition to a payout ratio of 40% or higher, the New Medium-Term Plan newly introduces a dividend on equity ratio (DOE) of 2.5% or higher as a stable return metric based on shareholders' equity. We will also continue to reduce our cross-shareholdings and tangible fixed assets, while making a concerted effort to improve capital profitability and corporate value over the medium to long term.

All these initiatives are built on our home appliances business, where Joshin began. There is something I firmly believe: An electronics retailer that cannot win in the home appliances market cannot succeed in any other market. Our future depends on reviving and evolving the home appliances business on which Joshin was built. We will not shy away from this mission.

A Foundation for Transformation: Building a Self-Directed Organization



To ensure the success of the New Medium-Term Plan, my greatest priority is management that trusts in the capabilities of our frontline employees. There was once a time in the home appliance retail industry when top management could simply say, "Open more stores, expand their scale, and sell cheaper," and that would directly translate into robust business performance. However, those measures alone are no longer enough to drive growth. Our day-to-day business holds a wealth of hidden insights into how to identify customer needs and succeed in the market. Our employees who interact with customers every day know best what customers want, the unique characteristics of each store's local community, and the nuances of the market.

Management's role is to gather input from these employees, develop it into practical initiatives, and implement them across our operations. At Joshin, we refer to this as a self-directed, bottom-up organization, where frontline employees think independently and management draws on their insights in its decision-making. To instill this organizational culture throughout the company, we launched group training sessions at the end of May 2026 for all officers—myself included—as well as department heads. First of all, neither the organization nor the way people work will change unless management itself changes. I firmly believe that to be the case.

What I value most when it comes to governance is honesty. At Joshin, we make it a rule to take an honest view of every number that emerges as a result. Numbers don't lie. Whether the numbers are good or bad, we humbly accept the responses from the front lines as they are and simply keep asking ourselves what we need to do next. Rather than assigning blame for poor results, we will continue to ask ourselves as an organization how to best put them to use going forward. Honest decision-making from honest numbers. This is the fundamental approach to governance that the new Joshin is committed to.

To support this decision-making as an organization, we transitioned to a company with an Audit and Supervisory Committee in June 2025. By delegating authority to the business execution side, we will accelerate decision-making while enhancing the effectiveness of Board oversight, thereby driving the PDCA cycle forward and steadily promoting the key strategies of the New Medium-Term Plan and Joshin Reborn Action 2026.

Our 80th Anniversary and the Road to 100

FY2028, the final fiscal year of the New Medium-Term Plan, will mark our 80th anniversary. We must lay the foundations for sustainable growth as we look ahead to our 100th anniversary in 2048. As the head of management, I have only one thing on my mind right now: to deliver tangible results and continue building even stronger trust and confidence with all our stakeholders.

It all begins with earning the trust and confidence of our customers, together with the capabilities of each and every frontline employee. We are committed to standing by our customers throughout the life of the home appliances they purchase from us. We hear from customers who are pleasantly surprised and say, "Joshin really goes out of its way for its customers." Underlying all of this are the human connections within local communities that we have built over more than 75 years. The future of the new Joshin will grow from these enduring roots.

We will make Joshin a company that customers, shareholders and investors, business partners, each and every employee, and all our other stakeholders will continue to choose because, for them, "It has to be Joshin." I hope you are also looking forward to what Joshin has in store.



The Goal of the New Joshin Group: A Local Electronics Store That Is Also a Mass Retailer

While valuing the trust we have built and our commitment to local communities, we aspire to create new value by fusing the concepts of "mass retailer" with the "local electronics store."

With our diverse touchpoints, including physical stores, e-commerce sites, and service infrastructure, as a foundation, we stay closely connected to everyday life in local communities and work to resolve the issues each customer faces at every stage of life. By building this community-based "Joshin economic zone," we aim to evolve into a lifestyle support company.





POINT 1 Carrying On and Evolving Wholehearted Customer Service

Since our founding, Joshin has cherished the practice of bringing to every point of contact the wholeheartedness embodied in our corporate motto of "Thoughtfulness" (always acting in consideration of others' perspectives). In every service we provide, from customer service and delivery to construction, installation, and repairs, each and every Joshin employee has thoroughly practiced kindness and attentiveness and has continued to stay close to our customers so that they can truly feel that human warmth.

This core company DNA will remain unchanged and be passed on from one generation to the next as value that only people can provide, while being combined with technologies and services suited to the times.



POINT 2 Becoming a Lifestyle Hub Attentive to Community Feedback

Rather than pursuing nationwide expansion, Joshin has established deep roots primarily in the Kansai region, developing stores closely connected to the daily lives of local residents.

Our mission is to identify the concerns and requests of each community and respond attentively to the diverse lifestyles and everyday needs that vary from town to town.

Going forward, we aim to become a trusted part of everyday infrastructure for all generations, from children to seniors, by combining not only physical stores but also touchpoints such as e-commerce sites and mobile apps.



POINT 3 Evolving Services That Utilize Digital Technologies

Joshin is working to deliver new value beyond conventional home appliance sales, including remote installation estimates and repair diagnostics using AI and digital technologies, same-day repair visits, customized home renovations and smartphone maintenance tailored to changing lifestyles, and monitoring and security services.

By combining the convenience of a mass retailer with the approachability of a local electronics store and offering products and services designed for every stage of life, Joshin remains a constant presence in people's lives as their lifestyles change. Together with our communities, we will build this future.

Key Points of This Report

Effective April 1, 2026, we changed our corporate name to Joshin Corporation. We have formulated "Joshin Reborn Action 2026," an action plan that further builds on the JT-2028 Management Plan launched in FY2026 (hereafter, the "New Medium-Term Plan"), as we take on the challenges of the next stage under our new corporate name.

POINT 1



P. 3 Message from the President: A New Beginning for Joshin

With our corporate name change in April 2026 and the launch of the New Medium-Term Plan, the new Joshin officially embarked on its journey. Building on the customer trust and confidence we have cultivated over many years, we are fully embracing our commitment to being an electronics store that never says "no." We wish to share the President's unwavering determination to achieve sustainable growth and enhance corporate value by building a "local electronics store that is also a mass retailer."

POINT 2



P. 23 Launch of the New Medium-Term Plan

We have launched the New Medium-Term Plan to improve profitability and capital efficiency in light of the issues identified under the previous plan, which we take very seriously. We have formulated the company-wide action plan "Joshin Reborn Action 2026" to accelerate progress toward our targets while strengthening our earning power by reorganizing our store network and implementing key strategies. We outline our strategy for driving the next stage of growth as a "local electronics store that is also a mass retailer."

POINT 3



P. 77 President and Outside Directors - Three-Way Discussion: The Role of the Board of Directors in Supporting Joshin's Reinvention

The corporate name change, proposed by young employees, reflects the new Joshin's strong commitment to reinvention. In this three-way discussion, we explore strategies for evolving into a "local electronics store that is also a mass retailer" that supports every aspect of our customers' lives. The discussion also highlights management's commitment to enhancing corporate value, including efforts to strengthen governance by better aligning management execution and supervision and to develop management personnel with a strong awareness of capital efficiency.

Editorial Policy

Guided by our management philosophy, "Connecting people and society to the future with a smile," we identified our Management Vision and material issues by backcasting from a mid- to long-term perspective. This Integrated Report has been prepared with reference to the IFRS Foundation's International Integrated Reporting Framework and other guidelines to explain to a broad range of stakeholders, including shareholders and investors, the direction the Joshin Group is pursuing, its key management strategies, as well as the business activities and ESG initiatives that underpin value creation. It also aims to sustainably enhance corporate value by fostering constructive dialogue.

Our Sustainability website provides essentially the same ESG information as this Integrated Report, but will be added and updated from time to time with the latest initiatives and data. Please also visit our website.

Scope
Applies to Joshin Corporation and 13 consolidated subsidiaries
From April 1, 2025, to March 31, 2026
(Some information is from the period starting April 2026)
Issued September 2026
Reporting frequency: Yearly

Notes on Forecasts
Forecasts and other forward-looking statements are based on information currently available to us and certain assumptions that we consider reasonable. Actual results may differ due to various risks, uncertainties, and other factors.

Positioning of the Integrated Report

	Financial information	Non-financial information
Dialogue	General Meeting of Shareholders Financial results briefings	
Reports	Integrated Report Financial results Presentation materials Annual Securities Report	Corporate Governance Report
Website	IR website https://www.joshin.co.jp/en/ir.html	Sustainability website https://www.joshin.co.jp/en/csr.html

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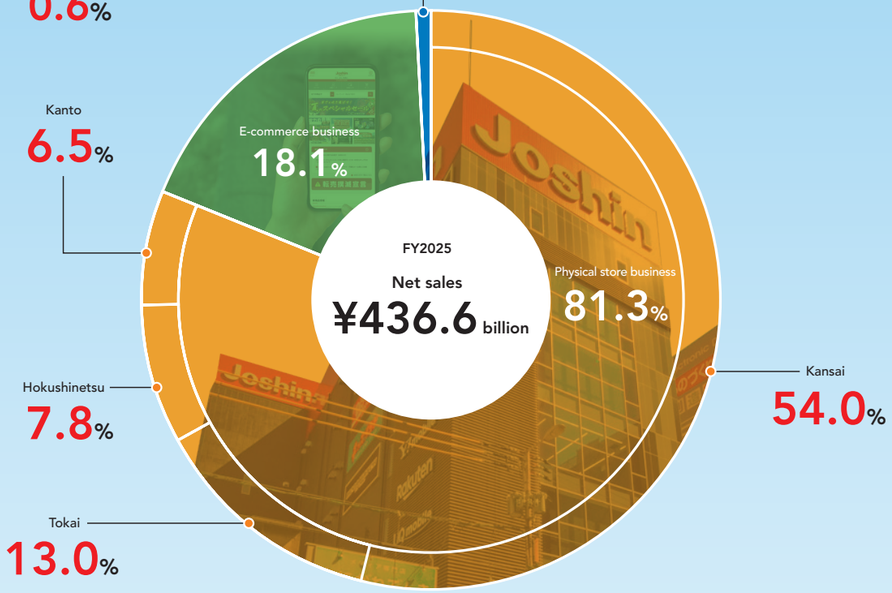
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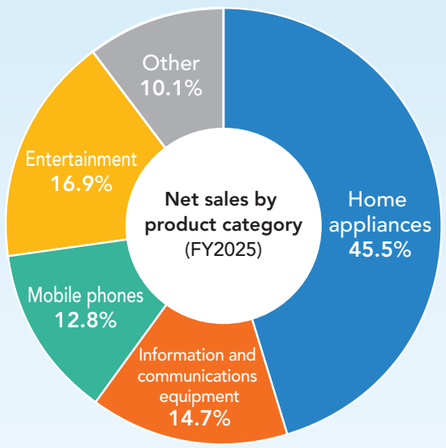


At a Glance (As of March 2026)

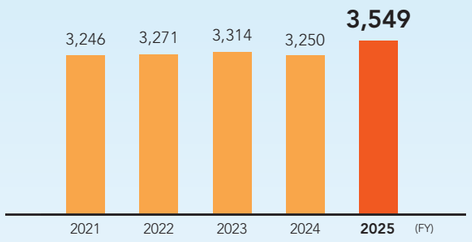
Composition of Net Sales by Business Segment



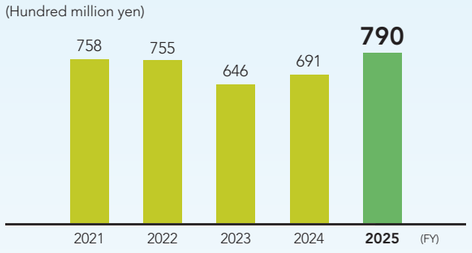
Composition of Net Sales by Product Category



Net Sales of Physical Store Business



Net Sales of E-commerce Business



Total number of Joshin Card memberships
Approx. **26.81** million people

Number of active members each year[1]
Approx. **4.72** million people

Member purchase amount[2]
Approx. **¥75,000**

Number of Joshin-operated stores
210 stores

Number of items handled in the e-commerce business
Approx. **800,000** items

Percentage of e-commerce business sales from Joshin's own website
Approx. **44%**

Number of employees[3]
8,459

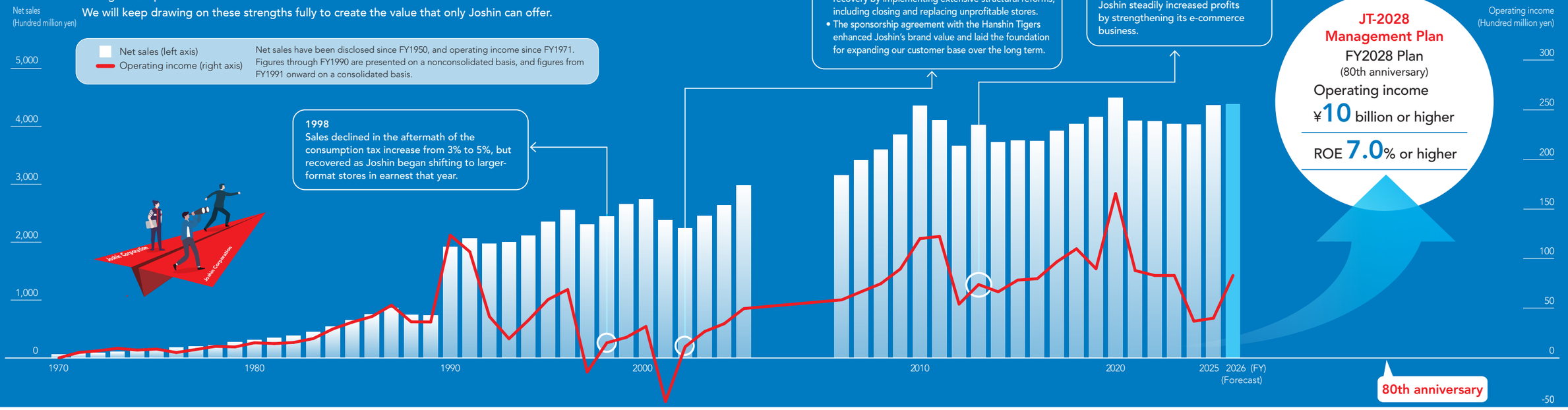
Percentage of female managers
(section manager or higher)
4.7%

Percentage of employees certified as Home Appliance Advisors
(permanent employees)
86.5%

1. Members purchasing a product or service from us at least once a year
2. Average annual purchase amount per active member
3. Including temporary staff

History of Value Creation

Since our founding, we have continued to grow by repeatedly turning challenges into opportunities, while developing strengths unique to Joshin.
We will keep drawing on these strengths fully to create the value that only Joshin can offer.



1948 – 1960s

Joshin started as a home appliance parts store in Nipponbashi, Osaka. In 1954, we switched our business to become a home electronics and appliance store. This established the basis for our community-based company approach.

Business Developments

1948 Founded Joshin Denki Shokai
1954 Transitioned from a parts retailer to a home electronics and appliance store
1956 Established a service department Industry first
1965 Introduced radio-equipped service vehicles


Osaka's Nipponbashi at the time of Joshin's founding


Service department members at its founding

1970s – 1980s

Expanded our store network primarily in the Kansai region, went public in 1972, and became Japan's top air conditioner retailer by sales in 1976. Enhanced our market recognition and trust as a home appliance retailer by opening both large-scale and specialty stores.

1974 Began interest-free credit payment service (Rakuraku Credit)
1974 Began TV shopping service Industry first
1981 Opened large-scale specialty stores for personal computers Industry first
1988 Newly established KIDS LAND, Joshin's strongest sub-brand Industry first
1989 Launched the Joshin Members Card and began using POS systems for customer management



Large PC specialty store at the time



SUPER KIDS LAND Main Store (present day)

1990s – 2000s

Changes in the home appliance retail industry and the economy led to a period of stagnation. Established new sales methods such as launching an e-commerce site and introducing a points program. We continued to build the foundations for the next stage of growth while learning by trial and error.

1990 Reorganized Joshin Service Co., Ltd. by merging with Joshin Logistics Co., Ltd.
1997 Started a five-year repair warranty service, "5 Long Run" (the current long-term repair warranty service)
1998 Started a three-year repair warranty service, "3 Long Run," for business users (the current three-year repair warranty service for corporations)
2000 Launched the online store Joshin Web
2002 Became a sponsor featured on the Hanshin Tigers' helmets



Sponsor advertisement on Hanshin Tigers' helmets

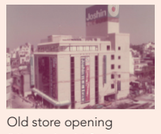
2010s – 2020s

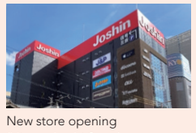
Expanded new lifestyle-related solutions, including home renovations and mobile communication services. Initiatives such as "Wholehearted Renovation" and virtual stores drove the transformation from a "home appliance retailer" to a "hub for the infrastructure of life."

2012 Commenced full-scale operation of the Home Maintenance Service business
2014 Commenced full-scale operation of the Wholehearted Renovation business
2018 Introduced electronic shelf labels (electronic price tags) at all home appliance stores Industry first
2021 Completed construction of the new Kansai Ibaraki Logistics Center
2022 Opened the flagship Nipponbashi Store in Nipponbashi, Osaka, where Joshin was founded
2023 Launched the Joshin Smile Program


Electronic shelf labels


Kansai Ibaraki Logistics Center


Old store opening (Nipponbashi Store)



New store opening (Nipponbashi Store)

2026

Looking ahead to our 100th anniversary in 2048, we need to rebuild our business foundation to enable sustainable growth and enhance corporate value as the new Joshin Group. Under the JT-2028 Management Plan, we aim to evolve into a lifestyle support company by developing a chain of "local electronics stores that are also mass retailers," combining the extensive product selection of a mass retailer with the attentive service and responsiveness of a community-based local electronics store.

2026 Made Joshin Reform Kinki Co., Ltd. (formerly DO Reform Co., Ltd.) a subsidiary
2026 Changed our trade name to Joshin Corporation (April 1)
Held a participatory induction ceremony on the date of the trade name change
— Red Paper Airplanes Carrying the Resolve of New Employees Take Flight All at Once—
New employees folded Red Paper Airplanes bearing their aspirations and goals and flew them together with executives in a ceremony called "Joshin's Something Red 2026" to celebrate their new beginning. The same event was also held at each business location.



Value Creation Processes



The Joshin Group is committed to increasing corporate value by creating two types of social value—helping to strengthen the resilience of an aging society and achieving household carbon neutrality—through a virtuous cycle of capital based on long-term management strategies.

Management Philosophy Connecting people and society to the future with a smile

Management Vision Becoming a hub for the infrastructure of life through the power of home appliances and ICT (information and communication technology)

Risk/Opportunity Analysis

Material Issues

- Proposing enriched lives that anticipate lifestyle changes
- Providing safe and secure products and services
- Contributing to the creation of a prosperous society that is in harmony with the global environment
- Diversity & inclusion
- Building a responsible value chain
- Promoting coexistence with local communities
- Enhancing corporate governance

External Environment

- Demographic change
- Advances in ICT
- Climate change
- Lifestyle changes
- Diversification of values
- Global supply chain disruptions

Inputs

Financial Capital
- Net assets: ¥105.3 billion
- JCR long-term issuer rating: A-

Fixed Capital
- Number of physical stores: 220
- Number of items offered in the e-commerce business: Approx. 800,000
- Logistics center (Kansai): Approx. 102,186 m²
- Service infrastructure sites: 32 (Kansai, Tokai, Kanto, and Hokushinetsu areas)

Social and Relationship Capital
- Total number of Joshin Card memberships: Approx. 26.81 million
- Annual number of app uses: Approx. 4.75 million
- Number of active members each year[1]: Approx. 4.72 million

Human Capital
- Number of employees[2]: 8,459
- Turnover rate: 2.3%
- Home Appliance Advisors[3]: 7,052
- Smart Masters[3]: 2,649

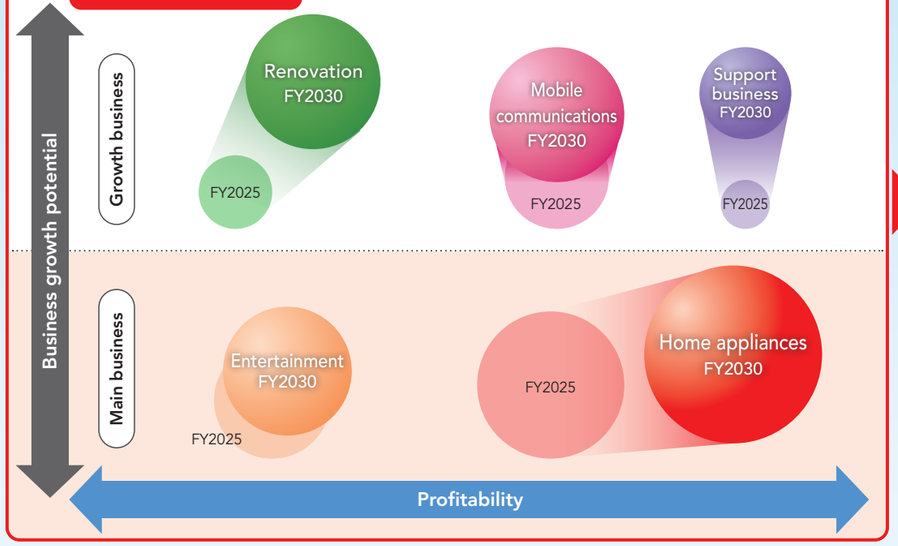
Intellectual Capital
- Otsukai Seihin Benrityo (product information handbook) data: Approx. 2.65 million entries
- Brands such as Joshin, J&P, and KIDS LAND

Natural Capital
- Solar power output (including the power generated under the FIT system): Approx. 20,055 MWh
- Total number of appliances/electronics collected for recycling: 14.8 million units (FY2008–FY2025)

Ideal Form in 2030 A company that supports the growth of local communities and contributes to the future of people and the environment

Medium-Term Management Plan JT-2028 Management Plan

Business Model



The five categories in which we provide value to customers are home appliances, our founding and core business; entertainment, including models, toys, video games, video, and music software; renovations, which we expect to develop into our third pillar after home appliances and entertainment; mobile communications, where demand continues to grow; and the support business, comprising digital support, house cleaning centered on air conditioner cleaning, home maintenance, reuse, rentals, and other services.

Outcomes

Employees
Realization of workplaces where diverse human resources can work with enthusiasm

Customers
Realization of enjoyable and comfortable lives with a sense of safety and security

Business Partners
Sustainable supply chain achieved through sound and fair partnerships

Shareholders and Investors
Highly transparent corporate management and higher corporate value over the medium to long term

ROE
Target: 7.0%
Actual result: 3.1%
Dividends per share
Actual result: ¥100
Payout ratio
Target: 40.0% or higher
Actual result: 78.9%
FY2025 results

Local Communities
Resilient society created in collaboration with local communities

Global Environment
Contributions to the creation of a society with net-zero carbon emissions and a recycling-based society

Social Value Creation

Helping to strengthen the resilience of an aging society

Achieving household carbon neutrality

1. Calculation criteria partially revised from FY2025
2. Including temporary staff
3. The Home Appliance Advisor and Smart Master qualifications are awarded by the Association for Electric Home Appliances. They certify holders, respectively, as professionals in home appliance sales and customer service and as specialists in smart homes and lifestyles.

Joshin Group's Material Issues

To realize our Management Philosophy, "Connecting people and society to the future with a smile," and our Management Vision, "Becoming a hub for the infrastructure of life through the power of home appliances and ICT," the Joshin Group has identified seven material issues that have a significant impact on corporate value creation and should be addressed as priorities, together with 15 issues to be addressed.

In identifying these issues, we considered the perspectives of both investors and a broad range of stakeholders, analyzed and organized the risks and opportunities for Joshin, and established long-term targets and KPIs for each issue to be addressed, together with action plans for achieving them. We are implementing these initiatives to achieve our material issue targets.

Sustainability Committee

The Sustainability Committee manages the material issues and action items that should be addressed as priorities to realize our Management Philosophy and Management Vision, as well as the progress of key cross-divisional internal projects that support them. It also centrally manages financial and non-financial information related to business strategies, ESG initiatives, and other matters. To verify the viability of our management strategy targeting 2050, the committee examines detailed numerical plans for each fiscal year through 2030, the strategy's midpoint, and monitors progress toward the established targets and action plans.

Revision of Material Issues

We announced our material issues in 2021 and made partial revisions to both the material issues and related initiatives in 2023. This time, we revised some of the initiatives, updated the main results to reflect the latest developments, and reviewed the issues and countermeasures.

Material Issue Identification Process

STEP 1	STEP 2	STEP 3	STEP 4
Identify candidate issue groups	Narrow down and evaluate candidate issue groups	Create a material issues map	Secure approval by the Board of Directors
We selected candidate issues with particular emphasis on the perspective of ESG investors, using disclosure standards such as SASB and sector materiality prioritized by major ESG rating agencies as a basis, while also taking into account the SDGs, demographic data, regional characteristics, industry trends, and other factors.	Evaluated candidate issues based on two axes: impact on medium- to long-term corporate value and impact on stakeholders. The stakeholders' axis was assessed (questionnaire conducted) by outside directors and outside experts. Impact on corporate value was evaluated by all directors.	Created a scatterplot with the scores for the two evaluation axes on the horizontal and vertical axes. In addition to items rated highly on both axes, others, such as those with a high impact on corporate value despite not having a high impact on stakeholders, were reaffirmed as material issues after taking comments from outside experts into account.	After gaining approval at the Board of Executive Officers, material issues were determined after being deliberated on and gaining final approval by the Board of Directors. Thereafter, all material issues were reviewed in a timely and appropriate manner, with final decisions made following deliberation by the Board of Directors.

Material issues	Challenges	Reason for selection	Main action plans	Main goals	Main results	Issues and countermeasures
ES (Impact) 1. Proposing enriched lives that anticipate lifestyle changes	Providing goods and services that support a diversifying super-aged society	To create the social value of helping to strengthen the resilience of an aging society under our Management Philosophy, "Connecting people and society to the future with a smile"	• Delivering value unique to Joshin by building a strategic business foundation closely aligned with each customer's lifestyle	• Achieving a 50% share of e-commerce sales on our own website by increasing the number of customers using both channels under our OMO strategy [FY2028]	• Expanded the Joshin economic zone by raising awareness of the Joshin website	• Eliminating shortages of human resources involved in our e-commerce systems and product planning operations
				• Percentage of consolidated net sales from the full-scale launch of the private brand (PB) product business: Achievement of 10% [FY2028]	• Established the Product Development Office within the Merchandise Department and identified and secured several OEM partners	• From FY2026, began launching PB products focused primarily on small and medium-sized home appliances
			• Enhancing the service and support capabilities of store staff	• Improving the capabilities of 33 Rapid Response Service staff in the Kansai region with on-the-job training in the Service Support Division [2028]	• Launching the Rapid Response Service marked the first step toward becoming a "local electronics store that is also a mass retailer."	• Establishing and enforcing rules for managing personal and corporate information when implementing LIVE ASSIST to leverage remote technologies
			• Resolving customer concerns using our own delivery, installation, repair, and other infrastructure along with remote technologies	• Implementing LIVE ASSIST across all sales divisions and service centers [2030]		• Increasing the participation rate for reciprocal training between store staff and Service Support Division personnel
			• Expanding the "local electronics store that is also a mass retailer" model across the entire Kansai region	• Expanding the number of stores with resident Rapid Response Service staff to 57 across the Kansai region by FY2027	• Built an environment to fully attend to the concerns of our customers	• Developing Rapid Response Service staff and establishing the necessary staffing structure
	Proposing prosperous and fulfilling lives filled with smiles, made possible by energy conservation and clean energy	To create the social value of achieving household carbon neutrality under our Management Philosophy, "Connecting people and society to the future with a smile"	• Contributing to GHG reductions by boosting sales of environmentally friendly products	• Target percentage of units accounted for by environmentally friendly products (energy-saving products): 40% (under FY2024 standards) [FY2030]	• Percentage of units accounted for by environmentally friendly products (energy-saving products): 32.1% (Target percentage of units: 30%) (Applicable products: Refrigerators, air conditioners, washing machines, and bidet toilet seats)	• Establishing a sales structure following the revision of energy efficiency standards in 2027
			• Promoting renovations to enhance the functionality of homes and thermal insulation retrofits of windows and doors	• Annual installation target for thermal insulation improvements to windows and doors (interior windows: 6,000 units; entrance doors: 200 units) [FY2030]	• FY2025 units compared with the previous fiscal year: Interior windows: 182%; entrance doors: 137%	• Promoting bundled sales with air conditioners • Proposing that the work be carried out at the same time as renovations that use subsidies
			• Promoting the adoption of V2H systems, EV charging equipment, and residential storage batteries, and increasing sales of solar power systems and high-efficiency water heaters	• Annual sales target for EV-related products (EV charging equipment: 2,000 units; V2H units: 400 units; residential storage batteries: 110 units) [FY2030]	• Began collaborating with the Toyota Nankai Group on the installation of residential EV charging equipment	• Securing B2B projects for common areas of apartment complexes and other facilities
					• Used subsidies administered by the Ministry of Economy, Trade and Industry for EV charging outlet installation	• Promoting proposals for non-FIT and self-consumption systems
	Enhancing customer service using AI and ICT technologies	To address diversifying lifestyles and household concerns while becoming a "hub for the infrastructure of life" that is indispensable to society	• Establishing a framework for providing safe and secure customer service using the latest ICT technologies	• Providing services that combine convenience with safety and reliability by promoting DX that uses AI and other ICT technologies [FY2030]	• Maximized customer lifetime value (LTV) by distributing coupons via the app and using purchase data analysis for marketing	• Establishing a framework for promoting DX to develop services that anticipate latent customer issues by enhancing the analysis of purchase histories and other data, and to accelerate the early implementation of ICT technologies
			• Developing a system that links the app with location and skills data to immediately dispatch (match) the most suitable home-visit support staff	• Establishing next-generation support infrastructure that enables the most suitable specialist staff to respond rapidly to unexpected customer concerns	• Visualized the skills of home-visit support staff and enhanced their response capabilities by accompanying staff on site visits and through other measures	• Developing a matching app that connects home-visit support staff with customer needs, and improving on-site response capabilities by using remote support technologies and AI
			• Promoting OMO that seamlessly integrates online and offline channels	• Achieving the target number of members using both physical stores and the e-commerce site	• Improved the convenience of the e-commerce site by implementing store inventory information display and enhanced search functions	• Building a convenient, seamless service environment to encourage customers to use both physical stores and Joshin Web Shop
2. Providing safe and secure products and services	Ensuring product quality and safety	Because, as a Gold Product Safety Company, it is our social responsibility to contribute to a comfortable, safe, and secure society by providing products and services that customers can use with peace of mind	• Improving the system and process for providing recall information	• Streamlining and accelerating recall notifications by upgrading the system [FY2026]; Providing recall information via the app, SMS, and other channels [FY2030]	• Began upgrading the system to provide recall information more quickly and efficiently	• Reinforcing the integration of the purchaser information database with product and defect information
			• Continuously proposing product improvements to suppliers and cooperating in the recovery of recalled products	• Establishing an integrated product safety framework with suppliers that covers both sales and manufacturing [FY2030]	• Held 28 discussions with suppliers on handling product recalls and 60 information exchange meetings on safety improvements and other topics during the year	• Continuing to contribute to improved product safety by exchanging views with our suppliers
			• Enhancing and standardizing installation techniques using AI, ICT, and other technologies	• Pursuing zero installation defects at all sites and establishing a strong safety and security brand [FY2030]	• Established a system for real-time photographic monitoring of air conditioner installation work, introduced a pre-work facial recognition system, and enhanced practical, specialized training curricula	• Using accumulated data for training and guidance to enhance and standardize installation quality
E (Environment) 3. Contributing to the creation of a prosperous society that is in harmony with the global environment	Developing a resource recycling society	As this is critically important for preventing the depletion of resources and addressing global warming, and, as a platform for local consumers, we can contribute by appropriately collecting, reusing, and recycling unwanted equipment and products	• Diversifying approaches to resource collection and establishing a recycling-based business model	• Increasing the resource collection rate by diversifying approaches to resource collection • Establishing a business model by forming alliances with other industries [2030]	• Collection rate for the four product categories subject to home appliance recycling: 63.0% • Launched the project and began considering potential collaboration partners	• Considering the development of a business model suited to the circular use of resources and extending product life
			• Recycling and reusing in-house equipment and consumables	• Developing domestic recycling channels for unwanted equipment and consumables [2028]	• Recycled unwanted equipment and other items resulting from store closures	• Increasing the recycling rate by ensuring proper waste separation
			• Reducing the use of plastic in containers and packaging materials	• Phasing out shopping bags made from plastic materials [FY2040]	• Reduction of plastic usage in shopping bags by 86.7% (compared to FY2019)	• Considering new shopping bags based on cost and materials
	Addressing climate change in our business activities	Climate change and biodiversity conservation are pressing global issues that must be addressed not only in relation to the direct environmental impact of the Group's business activities, but also across the entire supply chain	• Reducing GHG emissions across our entire supply chain	• 42% reduction in Scope 1 + 2 emissions and 25% reduction in Scope 3 (categories 1 and 11) emissions compared with FY2021 [FY2030]	• FY2025: 35.0% reduction in Scope 1 + 2 emissions and 7.8% reduction in Scope 3 (categories 1 and 11) emissions compared with FY2021	• Promoting the use of renewable energy at business sites located in leased premises and exploring initiatives to reduce emissions across our entire supply chain
			• Increasing the self-generated renewable energy ratio by optimizing infrastructure facilities	• Self-generated renewable energy ratio at business sites where the Company contracts directly with power suppliers: Achievement of 30% [FY2030]	• FY2025 self-generated renewable energy ratio: 28.0%	• Promoting the conversion of business sites into ZEBs
			• Improving the quality of climate change and biodiversity disclosures	• Maintaining a high rating in the CDP Climate Change Program [FY2030] • Expanding the scope and detail of TNFD-based disclosures	• Selected for the CDP Climate Change Program A List for the third consecutive year • Began TNFD analysis of dependencies and effects on nature in selected areas of the midstream value chain	• Exploring the creation of opportunities related to biodiversity

Material issues		Challenges	Reason for selection	Main action plans	Main goals	Main results	Issues and countermeasures
S (Society)	4. Diversity & inclusion	Securing human resources	To secure the human resources that are the source of our organizational strength, and to connect their growth to the Company's sustainable growth	• Securing human resources in line with the business plan	• Continuing to hire 150 new employees every year [FY2030]	• Number of new graduates and mid-career hires: 177	• Developing a human resources strategy aligned with the management strategy
				• Raising the expertise of head office functions	• Human resources fulfillment rate: 100% [FY2030]	• Human resources fulfillment rate: 101.2%	• Optimizing the allocation of personnel to growth businesses
				• Ensuring and retaining a diverse workforce to enhance corporate value	• Turnover rate of permanent employees: 2.5% or less [FY2030]; 2.0% or less [FY2050]	• Turnover rate: 2.3%	• Realizing an in-house environment where diverse human resources play a more active role
		Human resource development	To create new customer satisfaction and enhance corporate value by developing specialized human resources	• Developing specialized human resources for core businesses	• Percentage of employees holding Home Appliance Advisor and other certifications: 85.0% [FY2030]	• Percentage of certified Home Appliance Advisors and Engineers among permanent employees: 86.5%	• Developing self-directed human resources
				• Reskilling	• Having all employees complete DX training [Continuing initiative]	• DX literacy training: Cumulative total: 4,327 participants; generative AI training: 1,269 participants	• Developing a training framework by establishing business-specific academies
				• Systematically developing female leaders	• Percentage of female managers: 5.0% [FY2030]	• Percentage of female managers: 4.7%	• Supporting women's career development through networking
		Health and productivity management	To maximize individual and organizational performance by promoting health and productivity management	• Preserving and improving mental and physical health	• Presenteeism: 94.0% [FY2030] (Measured using the WLQ-J) Overall health risk: 102 or lower	• Presenteeism: 92.9% Overall health risk: 101	• Providing targeted support based on potential health risks
				• Improving health literacy to promote healthier lifestyles (diet, exercise, and sleep)	• Health index score (obesity, blood pressure, liver function, lipids, blood sugar, and smoking): national average +2.0% [FY2030] (National averages are based on the Ministry of Health, Labour and Welfare's NDB Open Data)	• Health index score (obesity, blood pressure, liver function, lipids, blood sugar, and smoking): national average -4.0%	• Enhancing individualized guidance and support to address health concerns
				• Creating a safe and secure work environment	• Occupational accident frequency rate: 1.30 or lower; occupational accident severity rate: 0.02 or lower	• Occupational accident frequency rate: 1.36; occupational accident severity rate: 0.02	• Regularly assessing risks in the work environment
	5. Building a responsible value chain	Respect for human rights	To carry out business management that respects the fundamental human rights of all stakeholders in line with our corporate motto of "Thoughtfulness" and international human rights standards	• Communicating the Joshin Group Human Rights Policy to stakeholders	• Promoting awareness of respect for human rights throughout our value chain	• Held stakeholder meetings	• Collaborate on human rights awareness initiatives under the UN Global Compact
				• Implement human rights due diligence	• Prevent and mitigate risks to human rights across our value chain	• Provided feedback on the results of the human rights questionnaire	• Support partner companies in implementing human rights due diligence
		Sustainable procurement activities	To reduce and prevent risks in our supply chain and build a sound and resilient procurement framework in the spirit of the UN Global Compact	• Communicate the Procurement Policy and Procurement Guidelines and conduct supplier assessments	• Establish resilient and sustainable partnerships with suppliers in order to address ESG issues	• Conducted a procurement questionnaire targeting 303 major suppliers; sustainable procurement rate: 70.5% (Response rate 52.5%)	• Enhance analysis of assessment results and hold individual feedback meetings with suppliers
				• Promote engagement (collaboration) with suppliers	• Achieve a sustainable procurement rate of 80% [FY2030] • Continue to be selected as a CDP Supplier Engagement Leader [FY2050]	• Selected as a CDP Supplier Engagement Leader for two consecutive years	• Build a framework for resolving issues across the entire supply chain through engagement
	6. Promoting coexistence with local communities	Further developing businesses that support the growth of local communities	To promote solutions to social issues by leveraging our core business in our role as part of the infrastructure of life and achieve sustainable growth alongside local communities, whose development is essential to the Company as a business built on community-based stores	• Promote community engagement and businesses that address social issues, based on the four pillars of safety and security, a healthy life, support for the development of the next generation, and the environment	• Create and expand businesses that address social issues based on these four pillars [FY2030]	• Achieved closed-loop recycling of 315.6 kg of bubble cushioning material in collaboration with other companies at Joshin Outlet Kitahanada Store	• Build a new business model that leverages stores as local hubs for the infrastructure of life
				• Promote the resolution of local issues and sustainable creation of shared value (CSV) in collaboration with local governments, educational institutions, and other organizations	• Build a model for resolving issues in collaboration with local governments and educational institutions in the communities where we operate [FY2030]	• Donated 693 air purifiers to elementary and junior high schools and other institutions in Izumisano City, Osaka • Implemented programs to support the development of the next generation in inquiry-based learning classes and other activities at elementary and junior high schools	• Participate in events and inquiry-based learning in ongoing collaboration with local governments and schools
				• Bridge the digital divide (information gap) in local communities by providing smartphone support and other services	• Achieve a digital society where people of all generations can live with peace of mind by expanding smartphone support and other services [2050]	• Contributed to bridging the digital divide by rolling out free and paid smartphone support services at all stores	• Expand the function of our physical store network as a consultation point forming part of the infrastructure of life in communities with aging populations
G (Governance)	7. Enhancing corporate governance	Corporate/Group governance	Because a sophisticated corporate governance system is required to link the creation of social value to Joshin's sustainable growth, enhanced corporate value, and realization of its Management Philosophy	• Fine-tune medium- to long-term growth strategies	• Operating income: ¥10 billion or higher, ROE: 7.0% or higher [FY2028]	• Operating income: ¥5,422 million, ROE: 3.1% [End of FY2025]	• Enhance dialogue with shareholders and institutional investors
				• Promote more efficient management with a focus on cost of capital and stock price	• Ratio of cross-shareholdings to consolidated net assets: Less than 3.0% [FY2028]	• Cross-shareholdings: Holdings in 23 companies, representing 5.5% of net assets [End of FY2025]	• Promote balance sheet management
				• Develop board succession plans to support growth strategy execution and the promotion of efficient management	• Ensure and maintain the independence and diversity of the Board of Directors [FY2028] (Maintain an outside director ratio of over 50% and a female director ratio of over 40%)	• Transitioned from being a company with a Board of Auditors to one with an Audit and Supervisory Committee [FY2025] • Independent outside director ratio: 75.0% (six outside directors / eight total directors) [FY2025] • Female director ratio: 50.0% (four female directors / eight total directors) [FY2025]	• Enhance the Board of Directors' monitoring functions and strengthen coordination with executive officers • Enhance the succession plan for outside directors
		Ensuring compliance, managing risk, and maintaining corporate ethics	Because adherence to laws and social norms (compliance) and high ethical standards (corporate ethics) are required to maintain sustainable corporate growth and the trust of stakeholders	• Enhance compliance training in the value chain	• Promote compliance training at Group subsidiaries and cooperating companies [Continuing initiative]	• Enhanced the structure of the Legal and Risk Management Divisions in anticipation of future expansion of business fields	• Promote skills training for executive officers overseeing the specialized subcommittees of the Risk Management Committee
				• Construct a business continuity management system in the value chain	• Introduce a fixed-term system (renewal system) for assigning staff to management positions [FY2030]	• Formulated information security and BCP guidelines and ensured they are widely communicated	• Encourage awareness and cooperation in compliance management among contractors
		Improving data security	Because enhancing resilience (capacity to recover) against diverse risks that threaten business continuity, including increasingly sophisticated cyberattacks, and establishing and operating a robust management framework are key management issues	• Build an effective data security system	• Retain PrivacyMark certification [FY2050] • Establish a CSIRT (Computer Security Incident Response Team) to bolster business continuity [2030]	• Maintained PrivacyMark certification for 20 consecutive years (since FY2005) • Introduced a service that detects unauthorized activity in logs and blocks network access	• Continue activities to raise awareness of personal information protection across the Group • Enhance backup capabilities to establish a rapid recovery framework

Aiming to shift to a sustainable management structure with an eye on our 100th year and beyond

Rebuilding of the business foundation

JT-2025 Management Plan

To be a concierge to customers, drawing close to their daily lives

By staying attuned to each customer's lifestyle and offering products and services that resolve the challenges they face, Joshin aims to deliver value creation that exceeds customer expectations, thereby creating customer lifetime value and establishing a sustainable business model that secures earnings

JT-2028 Management Plan

Transformation to a lifestyle support company

Rebuilding of the business foundation to realize sustainable growth and enhancement of corporate value as the new Joshin Group

Further attempt to strengthen profitability

Joshin Reborn Action 2026

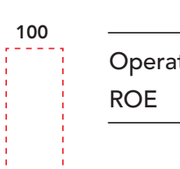
Redesigning management resources

- Transitioning to a sustainable business structure that does not rely on the number of physical stores
  [Closure of unprofitable stores and store replacement]
- Reinvesting in human capital to maximize productivity
  [Optimal allocation of resources to growth areas, including home renovation]
- Optimizing the business portfolio to realize the vision of a "local electronics store"
  [Expansion of our service menu tailored to customer needs]



Full-scale entry into PB products

- Developing and selling proprietary products tailored to our customers' lifestyles, with a focus on optimal value for money and reliable performance



Establishing the OMO strategy

- Expanding the e-commerce business by acquiring members who use both our proprietary e-commerce site and physical stores, which are our core strengths
- Expanding service coverage, enhancing our service menu, and expanding delivery, installation, construction work, and recycling outside our service area



Strengthening the outlet strategy

- Strengthening regional competitiveness by converting some underperforming stores into outlet operations (existing stores + outlet stores)
- Achieving optimal inventory levels and improving the inventory turnover ratio by maximizing the use of our two-hub logistics centers in the east and west



Transformation phase (2026–2027)

Secure a foothold to ensure medium- to long-term success

Growth phase (from 2028)

Looking ahead to our 100th anniversary, we will advance to the next stage

2030 / 2048

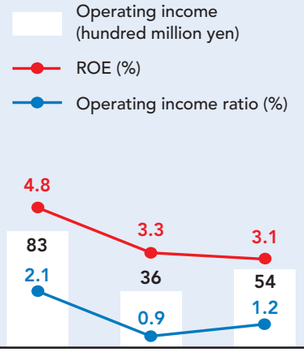
100th anniversary

Ideal Form in 2030

A company that supports the growth of local communities and contributes to the future of people and the environment



FY2028 Plan	
Operating income	¥10 billion or higher
ROE	7.0% or higher



Message from Executive Officer

We will pursue increased profits through thoroughly customer-centric marketing and enhanced profitability through the optimization of our logistics infrastructure in an integrated manner.



Kensuke Motoi

Managing Executive Officer in Charge of Marketing and Logistics Strategy

1. Business environment for home appliances

The business environment for home appliances in FY2026 is becoming increasingly uncertain due to the sharp rise in crude oil prices caused by the deteriorating situation in the Middle East, as well as the resulting rise in home appliance prices and shortages of components.

In addition, factors such as a pullback following the surge in PC demand caused by the end of Windows 10 support in the previous fiscal year and market fluctuations such as the launch of new video game consoles are expected to make navigating our business challenging. On the other hand, we also anticipate solid positive factors, such as replacement demand ahead of the "FY2027 air conditioner problem" (expected price increases as Japan tightens energy-efficiency standards for air conditioners in April 2027). We will remain highly responsive to these changes in the market and among our customers, implementing agile marketing strategies that quickly incorporate customer needs to ensure the achievement of our management plan. With this concept as our foundation, we will strongly promote the three priority strategies put forth in Joshin Reborn Action 2026.

2. Full-scale entry into PB products

The full-scale rollout of our private brand (PB) products is the most critical factor in driving our sustainable growth and bolstering our profitability. Our traditional proprietary product lineup faced the challenge of a high proportion of IT products, such as personal computers, which left its contribution to profitability limited.

To fundamentally resolve this situation, in October 2025, we established a new Product Development Office within the Merchandise Department, our procurement department. This move has streamlined the process from planning through development to business negotiations, and we have established a structure to pursue the development of proprietary PB products in earnest.

Since June 2026, we have been gradually introducing products to the market, ranging from kitchen and home appliances, such as handheld vacuums, microwaves, and toasters, to consumables. Going forward, we will expand to major appliance categories, such as refrigerators, washing machines, and air conditioners, and accelerate development and business negotiations with a relentless focus on delivering optimal value for money and reliable performance for our customers. We are fully committed to achieving our FY2028 targets of a 10% share of sales for PB products and a PB product development target of 500 items or more.

3. Establishing the OMO strategy

Joshin's second strategy is to further develop our OMO membership strategy, which organically integrates our e-commerce business, one of our core strengths, with our stores. Expanding the number of mutual-use members, who use both our stores and e-commerce, will boost the overall number of active members and directly contribute to increased sales and profits. We are implementing a concrete action plan centered on the Joshin app.

First is the in-store pickup service, an initiative designed to encourage customers who make purchases on our e-commerce site, Joshin Web Shop (hereafter, "J-web"), to visit our physical stores. This service, which allows customers to pick up products at a nearby store with free shipping, combined with the distribution of in-store pickup-only coupons, is driving a steady increase in the number of mutual-use transactions. Next, to target customers who shop exclusively in-store, we launched a related-product recommendation initiative in June 2026. Based on a customer's in-store purchase history, this system automatically delivers web-exclusive coupons for related products through the app. For example, by using the app to recommend dedicated dust bags and send coupons to customers who have purchased a vacuum cleaner in-store, we are effectively encouraging customers with no previous online purchasing experience to use our e-commerce site, and the number of mutual-use members is steadily increasing. By integrating digital and physical channels, we are providing each and every customer with a customized, optimal experience.

4. Strengthening the outlet strategy

The third strategy is our outlet strategy. By linking our stores, e-commerce, and reuse business, we are aiming to drastically reduce slow-moving inventory and establish an appropriate management structure based on appropriate product inventory levels.

As a specific measure, we established a scheme to promptly consolidate display inventory and slow-moving inventory scattered across individual stores at our two logistics centers in eastern and western Japan. The consolidated inventory is then sold intensively at our outlet stores. This dramatically accelerates the speed of new product introductions at regular stores, allowing us to maximize profits while keeping our stores fresh. At the same time, after consolidating each store's slow-moving inventory at the logistics centers, we have established multiple sales channels utilizing J-web and reuse centers. Looking ahead, with an eye toward expanding our outlet stores through business format changes, we will promote balance sheet management to enhance asset efficiency.

We will implement our marketing and logistics strategies centered on the three priority strategies outlined above: (1) PB product strategy, (2) OMO strategy, and (3) improvement of product inventory turnover through our outlet strategy. We will steadily execute these marketing and logistics strategies in tandem to drive the transformation into a new Joshin with appropriate product inventory levels and a solid earnings base.

Message from Executive Officer

By reallocating human capital resulting from the restructuring of unprofitable stores and using our proprietary service infrastructure, we will maximize LTV and achieve high profitability by serving as a "local electronics store" that provides customized service to each and every customer.



Nobuhiro Eriguchi

Managing Executive Officer in Charge of Retail Strategy

1. Strengthening profitability of the physical store business

The most significant and top-priority theme in the JT-2028 Management Plan is strengthening profitability of the physical store business. We will move away from our previous focus on scale and the number of stores and shift toward a sustainable, highly profitable business structure that does not depend on the number of physical stores. As part of this initiative, we will systematically close 15 unprofitable stores where profitability improvements are not expected. By optimally allocating the human capital freed up by these store closures, not only to existing stores but also to future growth areas such as home renovation and mobile services, we aim to improve profitability across the entire company.

Our future store deployment strategy will move away from the one-size-fits-all approach we have taken in the past and instead implement marketing by store type that takes into account the regional characteristics and competitive environment for each store type, such as stand-alone stores, mall stores, and hybrid stores. Driven by our frontline teams, we will promote diverse store layouts and pricing strategies tailored to customer needs, thereby rebuilding the unique experiential value that physical stores can offer. Furthermore, we will proceed with transitioning some of our existing stores into outlet formats to enhance our competitiveness and attract more customers in the region. At our outlets, we will fully leverage our advanced logistics system, including the Kansai Ibaraki Logistics Center, our largest logistics hub, to thoroughly reduce slow-moving inventory, improve profitability through the early introduction of new products, and improve inventory turnover, thereby building a sound financial foundation.

2. Realizing the vision of a "local electronics store that is also a mass retailer": Pursuing Wholehearted Customer Service that never says "We can't do that!"

The ideal image for the new business model we put forth in the JT-2028 Management Plan is to realize the vision of a "local electronics store that is also a mass retailer." The essence of this strategy, which takes a proactive approach to creating new added value by leveraging our frontline capabilities, goes beyond simply providing technical services via our Rapid Response Service (delivery, repair, and construction). Our true goal is to pursue Wholehearted Customer Service, utilizing online technology to provide comprehensive, customized support tailored to the specific problems faced by each and every customer and deepen our relationships of trust.

To create an environment where we never say "We can't do that!" to our customers, we will strengthen service center training for store staff, ensuring they review and thoroughly master the fundamentals of delivery, construction, and repair services, and elevate their ability to resolve issues on the sales floors. And to rapidly expand this service throughout Kansai, we will roll out Wholehearted Customer Service across key areas such as the Hokusetsu area (northern Osaka), Nara, the Hannan area (southern Osaka) and Wakayama, Kyoto, and eastern Hyogo. By reallocating the human capital freed up by store closures, we will establish a community-focused organizational structure.

In particular, we will thoroughly instill the concept of "local electronics store = wholehearted service" in the young employees who will lead the next generation and encourage a shift in their mindset. Leveraging our core strengths of overwhelming brand recognition in the Kansai region, our solid membership base, and our proprietary infrastructure, we will transform the "point" of contact represented by the sale of tangible products, namely home appliances, into a "line" of connection that resolves customers' everyday problems. This will turn our customers into enthusiastic "core fans" and maximize their lifetime value (LTV).

3. Expansion of the renovation business, a growth area

The dramatic expansion of our renovation business will serve as a pillar of our next-generation growth and drive our sustainable growth. Our renovation business has, until now, centered on "packaged renovations" for repeat orders following the purchase of home appliances. However, we plan to strengthen our collaboration with Joshin Reform Kinki to expand into "tailored renovations."

We will broadly expand our services, centered on renovations of kitchens, bathrooms, and other water-related areas that are highly compatible with our core strength in home appliances, to include interior renovations, exterior painting, interior window replacement, and barrier-free modifications and other services addressing nursing care needs. By also expanding sales via our proprietary e-commerce site, we will ensure that our renovation business achieves a revenue scale of ¥20.0 billion in FY2028.

Strengthening Profitability of the Physical Store Business

Vision for FY2028

- Improving asset efficiency through store network optimization
- Improving profitability through reinvestment in human capital

External Environment

- While balancing our services with the convenience offered by e-commerce, we are called upon to serve as next-generation infrastructure that supports local communities by providing comprehensive support tailored to each and every customer

Strengths and Challenges

Strengths
- Our proprietary delivery and construction service infrastructure, marketing optimized for each store's specific characteristics

Challenges
- Closing unprofitable stores, optimizing store allocation, and reinvesting in human capital to improve profitability and productivity

Initiatives in the Kansai Area

1. Implementing structural reforms and reinvesting in human capital

To strengthen our profitability, we will close up to approximately 15 unprofitable stores nationwide and pursue a strategy of closing and replacing stores to achieve an optimal store allocation at the regional and prefectural levels.

We will reinvest the management resources (capital and human resources) generated by these structural reforms primarily in our renovation business, a growth area, and in human capital to drive value creation for the next generation. Through employee upskilling and optimal staffing, we will maximize productivity across the entire organization.

2. Deploying area-specific strategies tailored to regional characteristics

In each domestic sales area, we will deploy regional strategies that leverage our unique brand recognition and strengths.

In our most important area, Kansai, where we operate 133 directly managed Joshin stores, we will implement a comprehensive approach that includes creating store layouts that capitalize on our solid infrastructure, promoting OMO by integrating physical stores with e-commerce, and strengthening our proprietary service system, from delivery and installation to repairs.

We aim to create the "New Joshin Economic Bloc" by integrating marketing by store type, area-specific strategies, and our digital network, and by consolidating our assets.

3. The essence and value proposition of the "local electronics store," as defined by Joshin

The essence of the "local electronics store" strategy lies not merely in responding to problems, but in bolstering our Wholehearted Customer Service—comprehensive, customized support tailored to the specific problems faced by each and every customer.

By integrating the warmth of analog (people) with the convenience of digital (networks), continuing to support customers throughout their life stages will become our sustainable competitive advantage.

By integrating these elements, we will evolve into a "lifestyle support company" that supports people's lives as part of the social and regional infrastructure, thereby contributing to the sustainable enhancement of corporate value.



Message from the Manager in Charge



Hirofumi Hyakutake
Kansai Sales Manager

The Kansai region is the foundation of our business and the most important region where we must further solidify our competitive advantage. Currently, based on the Joshin Reborn Action 2026 initiative, we are proceeding with the closure of unprofitable stores.

The essence of this reform is not simply to reduce scale, but to reinvest the human capital made available by store optimization in growth businesses (Renovation, Mobile Communications, and Rapid Response Service).

By providing our employees with education and training while assigning them appropriately, we will pursue chain expansion as a "local electronics store" deeply rooted in each community, creating stores where employees can thrive and customers genuinely enjoy their experience.

Rather than depending solely on scale, we will work together as a team with a strong determination to boost customer satisfaction through attractive store environments and reliable customer service, and to chart a new trajectory for growth starting in the Kansai region.

Initiatives in the Tokai, Kanto, and Hokushinetsu Areas

In the Tokai, Kanto, and Hokushinetsu areas, as in Kansai, we will continue to focus on the "local electronics store" concept and strive to solve the problems facing customers.

In the Tokai area, which enjoys brand recognition second only to Kansai, we will accelerate our area-dominance strategy, aim to expand our market share to an overwhelming level by establishing deep roots in the community, and work to enhance our market competitiveness.

In the Kanto area, we will leverage the strengths of our physical stores to establish a competitive advantage based on our high share of e-commerce sales and the infrastructure of our Kanto Logistics Center, thereby further enhancing awareness of our brand in the market and solidifying our customer base.

In the Hokushinetsu area, we will launch area-specific strategies based on the distinct competitive environments in Shinetsu and Hokuriku and optimize store allocation by closing and replacing stores.

Furthermore, by deepening integration with our proprietary e-commerce site, Joshin Web Shop, we will solidify our OMO strategy, which integrates online channels with physical stores. By integrating our unique customer service and proposal capabilities with ICT technologies such as generative AI, we will create new value that is tailored to our customers' needs. While flexibly and swiftly proceeding with store relocations, consolidations, and closures, we will build a highly profitable business structure that seamlessly integrates online and offline channels. We will continue to take on challenges relentlessly in step with the times and remain a company trusted by all our stakeholders.

Product Circulation Centered on Outlet Stores

Joshin currently operates a total of six outlet stores: five in the Kansai region and one in the Kanto region.

These are not merely intended for clearing out inventory; they are the infrastructure that supports the growth of our regular stores and product circulation.

1. Accelerating the introduction of new products (maintaining freshness in physical stores)

To enhance the freshness of our directly managed Joshin stores and introduce new products in a timely manner, the rapid circulation of products is essential. By having outlet stores serve as a platform for these products, Joshin's directly managed stores can maintain their appeal as venues that consistently showcase the latest trends.

2. Rediscovery of dormant product value (improvement of asset efficiency)

Even products that did not get much attention on the sales floor at Joshin's directly managed stores are transformed into attractive items for customers when placed in the different environment of an outlet store. Joshin's unique strength lies in redefining the value of products and restoring their luster.

3. Reducing long-term slow-moving inventory through logistics center coordination (backroom optimization)

We work in close collaboration with our Logistics and Display Centers in Kansai Ibaraki and Tokyo to thoroughly implement measures designed to minimize the accumulation of long-term slow-moving inventory. By efficiently linking these centers with a total of six outlet stores, we are embodying a sustainable business model.

We will continue to make the most of this efficient logistics network and the complementary synergies between our stores to achieve both sustainable improvement in profitability and a reduction in our environmental impact.





Full-scale Entry into PB Products and Strengthening of the Outlet Strategy

Vision for FY2028

- Providing PB products with the unique value of a home appliance and electronics store
- Establishing an attractive PB brand that reflects customer feedback

External Environment

- Increase in the market share for overseas manufacturers due to the decline in the number of domestic home appliance manufacturers
- Acceleration of business model transformation among home appliance manufacturers (expansion of products subject to designated pricing systems and strengthening of direct sales through their own websites)
- Acceleration of entry into the home appliance market by companies from different business categories with PB products

Strengths and Challenges

Strengths
- A product development framework based on OEM collaboration with approximately 100 business partners
- Customer-centric product development utilizing purchasing data and review analysis
- Product planning capabilities that incorporate feedback from sales staff to identify latent needs

Challenges
- Increasing awareness of PB products and further establishing brand value
- Expanding the product lineup to meet diversifying customer needs
- Establishing an ongoing product development framework that combines quality, price, and functionality

Initiatives for PB Products

Development of PB products

Joshin has largely completed aligning its vision for private brand (PB) products with approximately 100 business partners and is currently advancing product development through OEM collaborations. While maintaining the relationships of trust and the scale of transactions with our existing business partners, we will continue to promote the deployment of PB products that leverage the strengths of both parties. For everyday essentials, we aim to achieve strong cost competitiveness through centralized procurement and sales, while also providing product value unique to a home appliance and electronics store. For medium-sized products like vacuum cleaners and kitchen appliances, as well as large appliances such as refrigerators and air conditioners, we also incorporate customer feedback received daily by our sales staff into product development, in addition to analyzing purchasing data and reviews from the Joshin Web Shop. We will continue to develop PB products that deliver what our customers have been looking for by striving for the optimal balance of design, functionality, and price, and by incorporating features typically found in higher-end models into our entry-level models.







Message from the Manager in Charge



Taku Sakagami
Product Manager
and Head of Product
Development Office

Joshin has positioned full-scale entry into the private brand (PB) product market as one of its priority strategies and aims to increase PB products to 10% of consolidated sales and develop 500 or more PB product SKUs in FY2028. In October 2025, we launched the Product Development Office, and through collaboration with our OEM partners, we are actively working not only to enhance the specifications of our existing products but also to develop models exclusive to Joshin. We will utilize customer data to collect and analyze customer feedback, enabling us to develop products that accurately reflect market needs and purchasing trends. The deployment schedule for our PB products will expand in stages: in FY2026, everyday essentials such as batteries and light bulbs; in FY2027, medium-sized appliances such as kitchen appliances and vacuum cleaners; and in FY2028, large appliances such as refrigerators, washing machines, and air conditioners. We are also considering the launch of our own proprietary brand in the future. We aim to strengthen our medium- to long-term revenue base by not only focusing on price competitiveness but also by offering high-value-added products rooted in a commitment to functionality, design, and quality, thereby differentiating ourselves from other companies and enhancing our brand value.

Initiatives to Promote Outlet Products

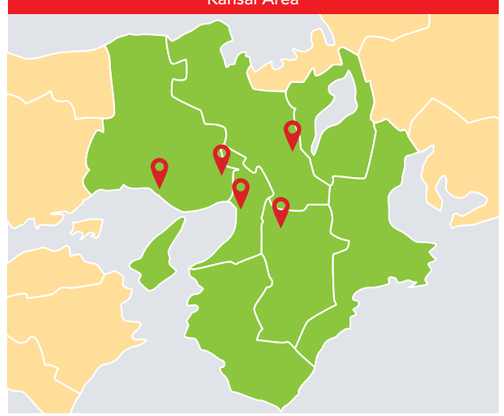
Market background and outlet store expansion schedule

While inflation and higher product prices are driving customers to be more cost-conscious, there is a growing demand for purchasing products that offer better value without compromising on quality. As sales channels expand and lifestyles change, customers have an ever-wider range of options when making purchases. Through our outlet stores, which offer in-store display models from one or two generations ago at special prices, we are responding to these diversifying needs while creating new value for our products. We will continue to position the outlet business as one of our growth strategies and plan to expand from our current seven stores by FY2028, aiming to enhance the value we provide to customers and expand revenue opportunities.

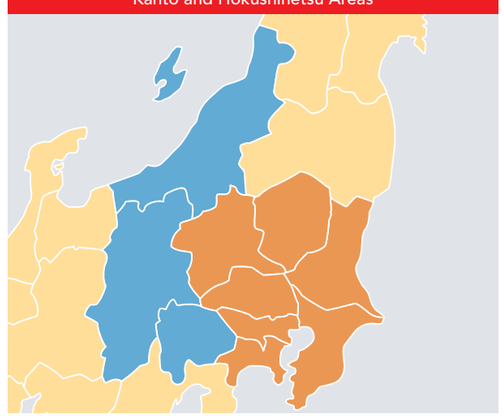
Outlet store rollout schedule through FY2028

	FY2025	FY2026
Number of outlet stores	6	7
Change (YoY)	+3	+1
Names of stores opened ("Outlet" notation omitted)	Kujo Karasuma Store Nara Sanjo-oji Store Himeji Higashi Store	Mizuho Store

Kansai Area



Kanto and Hokushinetsu Areas



Expanding the outlet store network by utilizing the logistics centers serving each store

Improving inventory turnover through the use of outlet stores

At Joshin, we promote efficient inventory management through our outlet sales channels to ensure optimal sales in line with the product lifecycle. By utilizing our two logistics centers in Kansai and Kanto, we flexibly supply products to the most appropriate outlet stores based on product condition and demand. We have also established a sales structure that integrates various sales channels, including outlet sales on our e-commerce site, the Joshin Web Shop. By ensuring appropriate inventory circulation, we aim to improve capital efficiency and cash flow by reducing the value of inventory held, while also maintaining freshness on the sales floor and minimizing product loss through improved inventory turnover, thereby contributing to the sustainable enhancement of corporate value.



Establishing the OMO Strategy

Vision for FY2028

Becoming an indispensable part of daily life that supports our customers 24 hours a day, 365 days a year

External Environment

- The range of products subject to manufacturer-designated pricing systems is expanding rapidly
- Affordable PB products are being introduced one after another by companies from other industries

Strengths and Challenges

Strengths
- Logistics network
- High-quality delivery, installation, and construction services provided by Joshin Service

Challenges
- Customers who use only the e-commerce channel have an extremely high customer defection rate
- There is a need to improve profitability by optimizing promotional costs on third-party sites

Message from the Executive Officer in Charge



Tatsuhiro Kihara
Executive Officer in Charge of EC Store Business

We commit to ensuring that 50% of sales come from our company websites and to maximizing customer lifetime value by integrating online and physical channels to the fullest extent.

As we take our first steps as the new Joshin Corporation and enter the transformation phase of our medium-term management plan, the JT-2028 Management Plan, our goal is to build new points of contact with customers that embody the fusion of "mass retailer" with the "local electronics store." In the previous fiscal year, we successfully capitalized on a temporary surge in demand, achieving record-breaking growth with e-commerce sales of ¥79.0 billion and a 44% share of sales through our company e-commerce site, while building strong ties with our many annual active members. We will further develop this hard-won invaluable intangible asset.

As the person in charge of the e-commerce business, I hereby make a strong commitment to achieving the two pillars of our medium- to long-term strategy: "the achievement of a 50% sales ratio on our company websites" and "an increase in the sales percentage of home appliances." We will leverage the latest IT and AI technologies to refine our recommendation features and increase the number of Joshin trial-use reports issued, thus boosting traffic to our company websites and generating greater enthusiasm among our customers.

At the heart of this initiative is maximizing the number of mutual-use active members who genuinely engage with both our physical and digital channels. Data analysis clearly demonstrates that customers who use both channels spend significantly more on average each year, visit stores on significantly more days, and have a dramatically lower defection rate. Using our Online Ordering and In-Store Pickup Service as a powerful hub, we will create experiences that allow customers to feel the warmth of Joshin anytime, anywhere.

Guided by the firm belief that "an electronics retailer that cannot win in the home appliances market cannot succeed in any other market," we will integrate our renowned logistics network and Joshin Service's installation expertise directly into our company websites to enable prompt delivery, installation, and construction, thereby maximizing our conversion rate. We are committed to listing a wide selection of products other than home appliances and, as a "local electronics store" that supports our customers 24 hours a day, 365 days a year, we will strive to become an indispensable part of daily life.

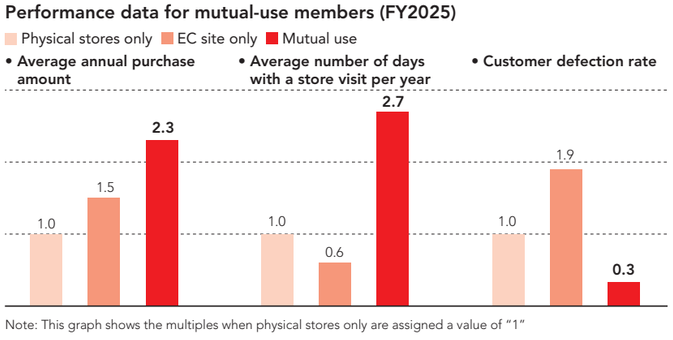
The pillars of our medium- to long-term strategy

Third-party sites
Acquisition of new customers

Achievement of a 50% sales ratio on our company websites
(FY2025 actual result: 44%)

Company website
Loyal customer development

Performance data for mutual-use members (FY2025)



Note: This graph shows the multiples when physical stores only are assigned a value of "1"

Initiatives for the OMO Strategy and Membership Strategy

1. Expansion of Mutual-use Members

Members who use both our physical stores and Joshin Web Shop, referred to as mutual-use members, are our core fans, with higher average annual spending, more frequent store visits, and a lower customer defection rate. In our OMO strategy, we have positioned expanding this base of mutual-use members as our top priority. By providing a customer experience that spans our stores, e-commerce, and the app, we aim to build lasting relationships with our customers and increase their lifetime value (LTV).

2. Initiatives to Encourage Mutual Use

Initiative 1: Encourage mutual use through the App Festival campaign

We conduct a Cross-Channel Shopping Campaign for customers who shop at both our physical stores and the Joshin Web Shop, as well as distribute coupons according to members' ranks in the Joshin Smile Program. By encouraging customers to use both physical stores and e-commerce, we are increasing the number of mutual-use members and encouraging continued use of both channels.



Initiative 2: Encourage store visits through in-store pickup coupons

We distribute coupons redeemable at in-store pickup to app members who have used the Joshin Web Shop but have yet to shop at a physical store. By encouraging customers to visit our physical stores after using our e-commerce channel and experience the unique services and in-person assistance they offer, we aim to promote the use of both our physical stores and online store.



Initiative 3: Encourage continued use through related-product recommendations

We distribute information about consumables and related products via our app based on the products customers purchase in our stores. For instance, we make recommendations tailored to customers' usage patterns, such as suggesting replacement dust bags to customers who have purchased a vacuum cleaner or replacement filters to customers who have purchased an air purifier, thereby enhancing convenience and encouraging continued use.

3. Further Enhancing Data Utilization to Maximize LTV

In the future, we will expand the scope of related-product recommendations to categories with high gross margins and high repeat purchase rates, while also strengthening one-to-one marketing tailored to each customer's needs, including the distribution of coupons based on new scenarios. While utilizing the member data accumulated through stores, e-commerce, and apps, we aim to build long-term relationships with our customers and further increase customer lifetime value (LTV).



Message from the Manager in Charge



Kenichi Okuda
Sales Promotion Department Manager

The Sales Promotion Department is advancing an OMO strategy centered on the integration of physical stores and e-commerce, with a focus on increasing the number of active members each year, a metric that represents our active points of contact with customers. In particular, mutual-use members who use both our physical stores and e-commerce have much higher average annual spending and visit stores much more frequently than active members overall, while their customer defection rate is substantially lower, making them a core customer segment driving our sustainable growth. To further expand this important base of mutual-use members, we will make the most of our official app as a core touchpoint (marketing tool) with customers. Moving forward, we will further leverage our marketing automation (MA) tools, which have now entered full-scale operation, to implement optimal approaches based on purchase data, thereby strongly encouraging the mutual use of our physical stores and e-commerce platform. At the same time, building on the Joshin Smile Program, a membership program now in its third year that is becoming increasingly established, we will deepen the value we provide, tailored to each individual customer. We will continue to create exceptional customer experiences by combining the strengths of digital and physical channels, and remain committed to maximizing customer lifetime value (LTV) and sustainably enhancing Joshin's corporate value.

Renovation

Vision for FY2028

We are expanding from packaged renovations to tailored renovations and are standing alongside our customers to provide one-stop solutions for the problems they face in their living environments

External Environment

- Shift in demand from newly built houses to renovating and living in existing homes due to the sharp rise in the prices of real estate
- Renewed acceleration of the energy conservation and decarbonization movement due to energy supply concerns
- Worsening aging of society and shortage of skilled workers

Strengths and Challenges

Strengths
- Leveraging our own construction systems built through air conditioning and electrical work
- The sense of trust and reassurance that comes from being a major consumer electronics retailer with physical stores that can provide customer support
- The ability to propose energy-saving solutions and usage tips by combining renovation with home appliances

Challenges
- Competition is intensifying as new players, including retailers, real estate firms, e-commerce operators, and new-construction developers, enter the market
- We must secure market share in central urban areas where demand for condominium renovation is high
- We must expand our renovation service options
- The system for undertaking large-scale renovation projects (proposal, design, and construction) needs to be further strengthened

Message from the Executive Officer in Charge



Katsutoshi Takagi
Executive Officer in Charge of Smart Life Support Services

We stand alongside our customers to help them achieve their ideal lifestyle and provide one-stop solutions to the problems they face in their homes.

Joshin's renovation business views the growing demand for renovations of existing homes, driven by a sharp rise in real estate prices, and the growing interest in energy conservation and decarbonization as opportunities for growth. We aim to stand alongside our customers and provide one-stop solutions to the problems they face in their homes. To achieve this, we are expanding our conventional renovation business focused on equipment replacement while broadening our scope to tailored renovations that offer comprehensive living space proposals, and expanding our range of outdoor services, including exterior walls, roofing, and outdoor structures.

In an increasingly competitive market, we will leverage our strength in collaboration between sales and construction to create a unified team comprising sales representatives, construction managers, and field workers, thereby establishing a construction framework that provides customers with peace of mind. Specifically, we will establish a General Installation and Construction Division to oversee the construction and promote the standardization of construction capabilities and the enhancement of technical expertise. Furthermore, we will utilize online technologies to reduce the burden on our customers and improve their convenience.

Additionally, we have turned Joshin Reform Kinki Co., Ltd. (formerly DO Reform Co., Ltd.), which operates in the areas surrounding Kyoto City and central Nara Prefecture, into a subsidiary. The company specializes in services ranging from seismic safety assessments to full-scale renovations. By combining its technical capabilities and design proposal capabilities with our know-how in equipment upgrades and home appliance proposal capabilities, we will strengthen our ability to provide integrated solutions for everything from partial renovations to full-scale renovations. Going forward, we will expand our service area by leveraging Joshin stores and further enhance the Group's comprehensive capabilities through joint events and home appliance recommendations linked to renovation.

Through renovations, we will not only solve the problems customers face but also stand alongside them, helping them achieve their ideal lifestyle, as we strive to play our part in realizing the Group's vision of becoming a "local electronics store that is also a mass retailer."

The pillar of our medium- to long-term strategy

Focused on equipment replacement		Comprehensive living space proposals
Packaged renovation	Expanding our domain	**Tailored renovation**
Air conditioners, water heaters, kitchens, toilets, etc.		Thermal insulation, senior-friendly design, energy conservation, clean energy, etc.

The foundation supporting the expansion

- Collaboration framework between sales and construction
- Standardization of construction capabilities and improvement of technical capabilities
- Use of online technologies
- Creating synergies through M&A

Initiatives to Build a Foundation for Growth in the Renovation Business

1. Initiatives to build a foundation for growth in the renovation business

Acquire the know-how of a specialized renovation company that provides integrated management from sales through planning, design, and construction

2. Establishing a department to oversee all construction projects, including renovations



Joshin Service's General Installation and Construction Division, which is responsible for construction, will establish a system to comprehensively promote and support renovation projects, including technical planning and construction management, with the aim of ensuring stable construction capabilities and improving technical capabilities.

3. Key strategies for expanding our renovation service options



To expand our business domains, we will build on Joshin Wholehearted Renovation's core strengths: equipment replacement and packaged renovations, to expand our offerings in areas such as combined packages, space renovations (including living rooms), and exterior renovations. At the same time, we will ensure that our service options are easy to choose from and understand, and that pricing is clearly presented, to enhance our proposal capabilities and the value we provide.

4. Reducing proposal and construction lead times through online methods

Through online consultations and preliminary reviews using images, we are working to shorten lead times from proposal to construction and reduce the burden on customers. We are developing a swift, reliable, and stable system to enhance customer convenience.

Initiatives in Collaboration with Joshin Reform Kinki

1. Strengthening the acquisition of consultation cases in collaboration with Joshin stores

We are holding joint events at Joshin stores and conducting activities to refer customers from Joshin stores to our renovation services.

2. Home appliance purchase proposals for customers undergoing major renovations

We provide customers who have signed renovation contracts with discount vouchers with special benefits to encourage them to purchase home appliances.



3. Acquiring new insights and creating synergies

By having members from both organizations participate in regularly held training sessions and meetings, information is exchanged and opinions are shared with one another.



Message from the President



Tatsuya Hattori
President and Representative Director, Joshin Reform Kinki Co., Ltd.

By expanding our capabilities through DO Reform's long-cultivated expertise in residential renovation and complete, all-encompassing renovations, and combining this expertise in large-scale extensions, renovations, and design with Joshin's strength in speedy equipment replacement, we have established a system capable of reliably handling everything from partial renovations to "entire-building renovations" and "complete, all-encompassing renovations" that revitalize an entire home. This will dramatically improve the Group's capacity to serve the housing-related sector.

Furthermore, we go beyond simply selling "goods" such as equipment and products; instead, we practice renovations that sell "experiences and value," namely, our customers' future lifestyles and the smiles of their families. We aim to provide inspiring proposals crafted by award-winning designers, and promise to offer Joshin's robust customer base high-value-added lifestyles that fulfill their housing ideals. Additionally, we add to the reliability of the Joshin brand with our solid quality control, cultivated over many years, including thorough pre-construction home inspections and seismic assessments, seismic reinforcement work (renovations to improve seismic resistance), the use of natural materials, remote on-site camera monitoring, the glass coating project, and the DO Support in-house maintenance system. We aim to firmly establish a reputation in the local community that "with Joshin, customers can have complete peace of mind even with large-scale, full renovations," while maximizing MHCR (Managed Housing Cost Reduction) for our customers.

This will also contribute to maximizing the customer lifetime value (LTV) across the entire Joshin Group. By integrating Joshin, the home appliance and home equipment expert, with DO Reform, the house-building expert, we will establish a "one-stop service for homes you can rely on for a lifetime" that stands alongside our customers throughout their lives. We will spare no effort to ensure this becomes a new pillar of growth that drives the Group's goal of "selling experiences."

Mobile Communications, Support Business, and Joshin Service

Vision for FY2028

We aim to be a trusted, accessible point of contact that helps solve the daily problems faced by customers across all generations. As a reliable "Joshin," we will stand alongside our customers, provide genuine peace of mind, and contribute to sustainable growth and bringing smiles to people's faces.

External Environment

- Nuclear families, aging population, population decline
- Sophistication of contract plans

Strengths and Challenges

Strengths Fostering a relationship where we stand alongside our customers so they can feel comfortable consulting with us about anything

Challenges Developing advanced proposal skills that enable us to clearly explain even complex contract plans to customers

Message from the Executive Officer in Charge



Hajime Arauchi

Executive Officer in Charge of Solution Business and Mobile Business

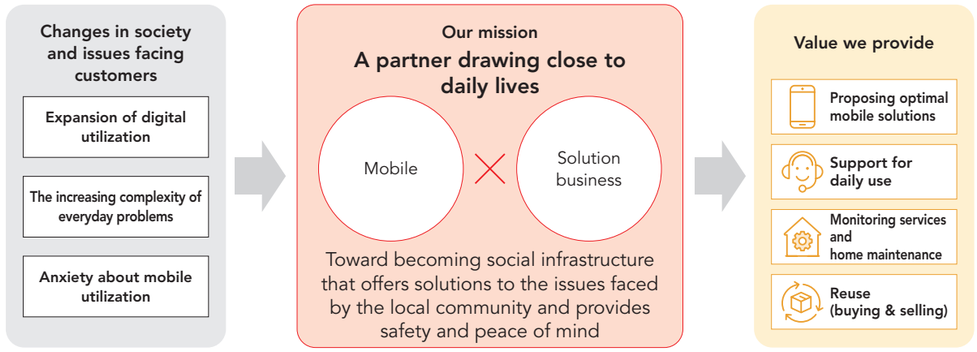
As a partner that stands alongside our customers in their daily lives, we fulfill our role as social infrastructure by solving the problems facing customers and providing safety and peace of mind.

Our goal is to become the most trusted partner in the community, one whom everyone, from the younger generation to seniors, can feel free to consult at any time about their daily problems. To date, we have supported our customers in achieving enriched lifestyles through the sale of home appliances. However, with the rapid evolution of digital technology and the diversification of lifestyles, the issues facing our customers in their daily lives are also changing and becoming more complex. To respond to these changing times and our customers' expectations, and to further advance our mission of "offering solutions to the issues faced by the local community," we are now focused on strengthening our "mobile" and "solutions (support)" businesses.

In modern society, mobile devices have become indispensable "social infrastructure" in our daily lives. While they are a vital key to enabling people of all generations to enjoy the benefits of the digital society, they also give rise to new anxieties and challenges. We aim to be more than just a provider of products; we strive to be a partner who stands alongside our customers in their daily lives. From proposing optimal mobile solutions to providing support for daily use, as well as services such as monitoring and support for the elderly and home maintenance, we are working to strengthen our network.

Furthermore, to meet diversifying needs and growing environmental concerns, we will also promote the "Reuse (used goods buybacks and sales)" business. By properly buying back household appliances and electronic devices that are no longer needed and connecting them with new owners, we contribute to the realization of a recycling-oriented society while providing "reliable peace of mind" that lasts from purchase through disposal.

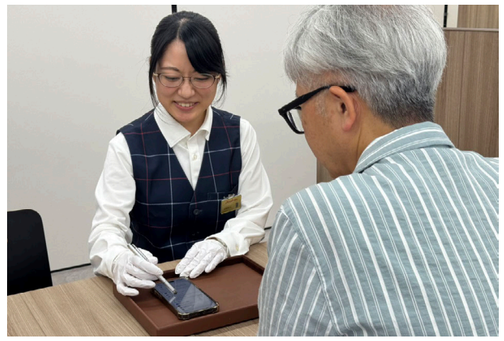
Through this business, we will stand alongside each and every customer every step of the way to address their concerns and solve the issues they face. I am convinced that building this trust is the driving force behind enhancing Joshin's value to society. From now on, as a reliable partner that gives tangible form to peace of mind, we will continue to enhance our corporate value on a sustainable basis and bring smiles to everyone.



Initiatives in Mobile Communications and the Support Business

The issues faced by the local community vary greatly depending on age and lifestyle. We stand alongside each individual and work to address their specific problems and challenges, expanding the range of solutions we can provide every day. In recent years, while smartphones have become more convenient, we have also heard an increasing number of concerns that their operation and digital payment systems are complex and difficult to understand. Of course, there is no end to the questions people have about choosing and using the latest home appliances. Moreover, everyday problems run the gamut, from air conditioner cleaning to sudden plumbing problems.

We earnestly address even the smallest concerns. "When you are in trouble, just contact Joshin and they will solve it for you." We aim to be a source of reassurance and a reliable partner for everyone in the community, doing our utmost to support their daily lives and solve any problems they may face.





Initiatives for Joshin Service

Repair

To strengthen our On-site Repair Division, we established a new Technical Support Department in January 2026 to oversee repair divisions. To stand alongside each customer and quickly solve their problems, we are committed to continuously investing in our human resources and enhancing our technical capabilities.

Note: Starting April 1, 2026, same-day on-site repair services expanded in select areas of the Kansai region (washing machines and air conditioners)

→ Achieved same-day visits at more than 500% of the previous year's level (April to May)





Online services

To enhance customer convenience and provide smoother service, we are testing the implementation of an online customer service portal for in-store repair drop-offs within the app, as well as online scheduling for preliminary site visits for refrigerator and washing machine deliveries and air conditioner installation work.

持込修理オンライン相談窓口　運用フロー



Installation work

With the primary goal of enhancing and building up the technical capabilities of our employees, during peak seasons we also perform air conditioner installation construction, thereby helping to increase the number of projects we undertake. We are also making preparations to have Joshin's own employees install gas water heaters.

Service expansion

To strengthen our home maintenance services, we will work swiftly to expand our Wholehearted Customer Service offerings (maintenance, support, and cleaning) by actively leveraging external expertise, including the development of new partner companies, and through cross-departmental collaboration with relevant internal departments.

In addition, we have launched same-day delivery for select products sold on our proprietary e-commerce site, limited to specific models.

Starting with our Rapid Response Service, we will expand our service offerings by combining the hands-on expertise of our employees with online technology to meet our customers' needs, while simultaneously enhancing our technical capabilities to enable faster responses and deliveries.

Message from the Executive Officer in Charge of Financial Strategy



Joshin's most significant challenge is improving capital efficiency. We will execute disciplined capital recovery and investment to create sustainable corporate value.

大志 卓

Suguru Oshiro
Managing Executive Officer in Charge of Financial Strategy

A Look Back at Our Previous Medium-Term Management Plan, the JT-2025 Management Plan

Business performance issues and achievements in healthier finances

The results for the final fiscal year of our previous medium-term management plan, the JT-2025 Management Plan, were severely impacted by the rapidly changing business environment, resulting in outcomes that fell significantly short of the targets we put forth. However, throughout this process, Joshin has focused on the efficient management of assets, starting with the optimization of inventory, as well as on reducing and disposing of cross-shareholdings based on constructive dialogue with the companies in which Joshin holds stakes. Through these initiatives, we have curbed excessive bloat in asset holdings and made steady progress in strengthening our financial foundation to enhance capital efficiency.

As a result, we have continued to maintain and strengthen our solid financial stability. In particular, in the area of cash flow, Joshin's consistent implementation of various measures has led to an increase in operating cash flows and a major improvement in free cash flows. This has enabled us to reduce our net interest-bearing liabilities (debt reduction), which had previously been on an upward trend, and we are making progress in shifting toward a sound financial structure in preparation for the next stage of growth under the new medium-term management plan, the JT-2028 Management Plan (hereafter, the "New Medium-Term Plan").

Consolidated financial indicators (excerpt)

(Million yen)

	(1) FY2022	(2) FY2023	(3) FY2024	(4) FY2025	(4) – (1)/Cumulative total ((2) to (4))[2]
Total assets	223,218	232,775	231,503	228,813	5,595
Net assets	100,698	104,613	104,665	105,364	4,666
Equity ratio	45.1%	44.9%	45.2%	46.0%	0.9%
(Reference) Inventory assets	76,229	78,369	70,298	69,867	-6,362
Net interest-bearing liabilities[1]	43,194	49,212	38,317	33,400	-9,794
Net D/E ratio (times)	0.43	0.47	0.37	0.32	-0.11
Operating cash flow	7,119	2,278	16,374	13,085	31,737[2]
Investing cash flow	-9,070	-4,806	-1,815	-3,505	-10,126[2]
Free cash flow	-1,951	-2,527	14,558	9,579	21,610[2]
Financing cash flow	2,360	3,649	-10,741	-12,758	-19,850[2]

1. Net interest-bearing liabilities = interest-bearing liabilities – cash and deposits
2. Cumulative total for (2) FY2023 – (4) FY2025

JT-2025 Management Plan results

(Million yen)

	FY2024 results	FY2025 plan	FY2025 results
Operating income	3,688	11,000	5,422
ROE (return on equity)	3.3%	8.0% or more	3.1%

As indicated in the title, a priority issue for Joshin is that capital efficiency remains low, as represented by ROE (return on equity).

Since the majority of invested capital in the retail industry is concentrated in stores, a decline in the profitability of store assets directly leads to a deterioration in capital efficiency.

Impairment losses on assets whose profitability has declined significantly are a major factor weighing on profits.

Gains from the disposal of idle assets (including cross-shareholdings) do not directly contribute to improving recurring earnings power, and impairment losses are one factor hindering the stabilization of bottom-line profit levels. (See below)

JT-2025 Management Plan consolidated income statement (excerpt)

(Million yen)

	FY2023	FY2024	FY2025	Cumulative total for the Medium-Term Plan period
Gains on the sale of non-current assets + Gains on the sale of investment securities	1,322	4,141	1,976	7,439
Impairment losses	1,105	1,448	1,392	3,945
Net income	4,891	3,407	3,280	11,578

Three Financial Policies Underpinning the New Medium-Term Management Plan, the JT-2028 Management Plan

Maintenance of a solid and robust financial base and practice of disciplined growth investment with a focus on cost of capital

In pursuing the maximization of capital efficiency, ensuring robust financial soundness is an indispensable prerequisite.

To implement our New Medium-Term Plan, we will thoroughly adhere to the following three financial policies to drive sustainable value creation.

❶ Maintenance of a solid financial base
❷ Optimal allocation of operating cash flows
❸ Promotion of efficient management that is conscious of cost of capital and stock price

FY2028 target (JT-2028 Management Plan)

	FY2028 target
Operating income	¥10 billion or higher
ROE	7.0% or more

Recent cost of capital (based on our standards)

Cost of shareholders' equity (CAPM)	8.47%
Weighted average cost of capital (WACC)	4.25%

❶ Maintenance of a solid financial base (Thorough balance sheet management)

Joshin has established a sound financial base, generally maintaining an equity ratio of approximately 45% and keeping our net D/E ratio under 0.5.

Moving forward, we will continue to maintain the financial stability that serves as the foundation for the Company's sustained growth.

In particular, we will focus on shortening and improving the CCC (cash conversion cycle) and optimizing inventory levels, which is directly linked to controlling working capital and net interest-bearing liabilities.

Through these efforts, we will continue to practice efficient asset management that enhances the overall quality of our balance sheet (B/S).

❷ Optimal allocation of operating cash flows (Balancing growth investment and shareholder returns)

During the New Medium-Term Plan period, we will use operating cash flows generated from our business activities as our primary funding source and achieve an optimal balance (allocation) between "proactive growth investments for the future," which contribute to the sustainable enhancement of corporate value, and "highly effective return of profits" to shareholders.

Under the New Medium-Term Plan, we will strike a balance between proactive investments that contribute to future business growth, based on operating cash flows generated from our business operations, and shareholder returns.

❸ Promotion of efficient management that is conscious of cost of capital and stock price (Commitment to achieving a PBR of over 1)

Joshin is clearly formulating a sustainable value creation story and translating it into concrete business initiatives as part of our commitment to management practices that are conscious of cost of capital and stock price.

We will continue to further deepen our two-way engagement (dialogue) with our shareholders and investors and, by meeting market expectations, we will strongly advance our management efforts toward achieving a PBR (price-to-book ratio) of over 1 as soon as possible.

In particular, with an eye toward the implementation of the new lease accounting standards scheduled to take effect in the next fiscal year, we have begun implementing measures such as reducing property, plant, and equipment as part of structural reforms in store management, as a core initiative to improve capital efficiency.

While controlling the expansion of assets resulting from their recognition on the balance sheet, we will actively work to further strengthen our balance sheet (B/S) and improve asset efficiency.

Cash Allocations

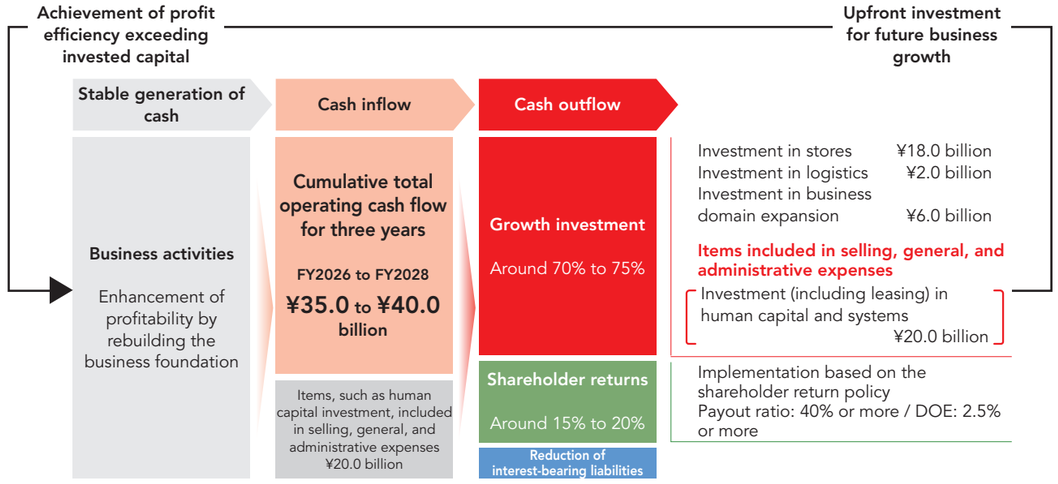
Achieving a story of sustainable value creation through appropriate financial leveraging and a disciplined financial strategy

With regard to capital allocation under our New Medium-Term Plan, we are planning a strategic allocation of cash based on the assumption that we will generate cumulative operating cash flows in the range of ¥35 to ¥40 billion over the three-year period. Under the previous Medium-Term Plan, the cumulative total of operating cash flows was approximately ¥32 billion over the three-year period, and compared to the degree of achievement of business performance targets, cash generation capability has steadily improved. Moving forward, we will further accelerate investment in future growth domains by leveraging this strengthened cash generation capacity, combined with appropriate financial leveraging. As for the specific allocation, we will prioritize directing approximately 70% to 75% of the cash generated toward investments centered on our growth strategy, including the strengthening of existing businesses, M&A, and the expansion of service infrastructure.

We will also actively pursue intangible investments in areas such as human capital, systems, and DX that are treated as cash outflows and recorded as selling, general, and administrative expenses (SG&A), viewing them as upfront investments that ensure sustainable business growth in the future.

By optimizing the balance between these growth investments and shareholder returns, and by thoroughly implementing disciplined capital management, we will strive to maximize capital efficiency.

Capital policy in the JT-2028 Management Plan: Cash allocations



Shareholder Returns

Highly effective shareholder returns based on disciplined capital allocation

Joshin's shareholder return policy is based on the principle of maintaining stable dividends while striking a balance between business performance and retained earnings for future growth investments.

As specific criteria for shareholder returns, in addition to a payout ratio of 40% or more, we will introduce a **DOE (dividend on equity ratio) of 2.5% or more**, with the aim of achieving a more robust and stable shareholder return that is less affected by fluctuations in business performance.

As part of this policy, we introduced an interim dividend system in the previous fiscal year to expand opportunities for shareholder returns throughout the year.

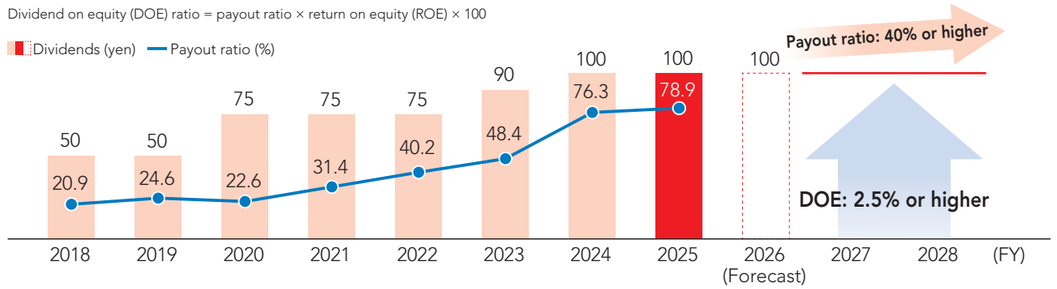
We will continue to position improving shareholder returns as one of our top priority issues. We will also continue to flexibly consider the optimal approach for measures to enhance market liquidity, such as the concept of total payout ratio including share buybacks and reducing the investment unit through stock splits, while taking into account the trends in the capital market.

In addition, we have revamped the shareholder benefits program, which has been well received by many of our individual shareholders, by transitioning to an electronic (digitalized) format starting with this round to improve convenience and reduce environmental impact.

Capital policy in the JT-2028 Management Plan: Shareholder returns

	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2028 plan
Payout ratio	20.9%	24.6%	22.6%	31.4%	40.2%	48.4%	76.3%	**78.9%**	40% or more
ROE	7.6%	6.2%	9.4%	6.6%	5.0%	4.8%	3.3%	**3.1%**	7.0% or more
DOE	1.6%	1.5%	2.1%	2.1%	2.0%	2.3%	2.5%	**2.5%**	2.5% or more
Dividends	¥50	¥50	¥75	¥75	¥75	¥90	¥100	**¥100**	

Dividend on equity (DOE) ratio = payout ratio × return on equity (ROE) × 100



Realization of Management that is Conscious of the Cost of Capital and the Stock Price

The JT-2028 Management Plan, which prioritizes capital efficiency above all else: Optimizing capital begins with more efficient store management

1. Basic Concept

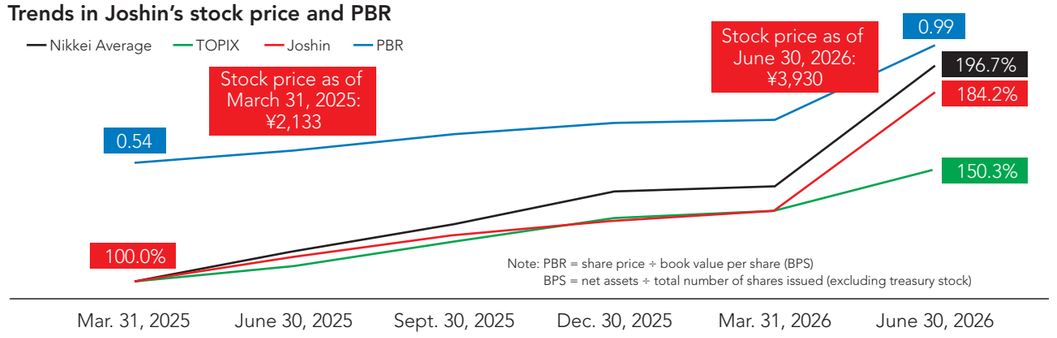
To optimize our net assets, the cornerstone of capital allocation, we are promoting in-depth discussions from an accounting perspective and implementing appropriate strategies for closing and replacing stores, in addition to our regular reviews.

Strengthening the profitability of our businesses on an optimized net asset basis directly contributes to the sustainable growth of EPS (earnings per share).

We believe that this sustained growth will raise market expectations (confidence in future growth) and ultimately lead to a boost in PBR through an increase in PER (price-earnings ratio).

Based on this financial logic, under the New Medium-Term Plan, we will shift toward management that prioritizes capital efficiency and implement various measures, including more efficient store management.

Trends in Joshin's stock price and PBR



2. Optimum Capital Structure Initiatives

• Share buybacks (Implementation of a flexible capital policy that takes market liquidity into account)

Since the number of our issued shares is relatively compact at 28 million shares, we do not set a uniform, constant acquisition limit. Instead, we implement a flexible capital policy that comprehensively considers market conditions and liquidity.

In light of the recent trend toward the unwinding of cross-shareholdings, should a significant block of shares be released onto the market, we will prioritize the interests of our existing shareholders, such as preventing dilution, and consider and implement flexible share buybacks as appropriate.

(Number of treasury shares held as of the end of FY2025: approximately 1.45 million shares; ratio to the total number of shares issued: approximately 5.2%)

• Dividend policy (Optimal returns making best use of financial soundness and flexibility)

Enhancing shareholder returns is one of our most important management issues, and we will continue to strive to maintain and improve our optimal level of returns.

By leveraging the appropriate size of our share base, we will implement a flexible and effective dividend policy that responds to our business performance trends while minimizing any sudden strain on the Company's cash flow.

• Reduction of cross-shareholdings (Improving capital efficiency and advancing corporate governance)

In accordance with the policies disclosed in the Corporate Governance Report, we are rigorously verifying the reason for holding shares and engaging in constructive dialogue with the companies in which we hold shares, and are progressively selling the shares for which agreement has been reached.

In FY2025, Joshin recorded approximately ¥1.6 billion in gains on the sale of investment securities from the sale of cross-shareholdings and shares held for pure investment purposes, which contributed to an increase in net income for the period.

Moving forward, with the aim of further improving capital efficiency and under a policy of, as a general rule, not acquiring any new cross-shareholdings, we have put forth a target of reducing the ratio of cross-shareholdings to net assets to "less than 3% in three years" and will accelerate the reduction of these holdings.

(Million yen)

	FY2023	FY2024	FY2025	FY2026 plan	FY2027 plan	FY2028 plan
Balance of cross-shareholdings	7,775	5,781	5,359	4,000	3,500	3,000
Ratio to net assets	7.4%	5.5%	5.1%	3.8%	3.3%	2.8%

Building an optimized business portfolio and promoting growth investments

To achieve sustainable corporate management, Joshin is building an optimized business portfolio and actively making growth investments to support it. As a fundamental premise, we will emphasize ROE (return on equity) and ROIC (return on invested capital), which are company-wide management indicators, and rigorously make investment decisions with an awareness of achieving returns that exceed the cost of capital.

Moving forward, we will continue to work with the Executive Officer in Charge of Sales Strategy and roll out active investments with disciplined and efficient management as a fundamental premise.

In addition, since the previous fiscal year, we have been implementing full-scale initiatives aimed at the effective utilization (optimization) of our store assets, which account for the majority of Joshin's property and equipment. Specifically, leveraging our extensive network of relationships with financial institutions, securities firms, and other partners, we are promoting alliances (such as store-to-store collaboration) with various retailers beyond the home appliances sector. Through these efforts, we will maximize the asset value of our existing stores and strive to improve our total asset turnover ratio and further enhance capital efficiency.

Engagement with Shareholders and Investors

Deepen our dialogue with the market and maximize corporate value over the medium to long term

(Shareholder distribution trend summary)

	End of FY2023		End of FY2024		End of FY2025			
	Number of shares (thousands of shares)	Percentage (%)	Number of shares (thousands of shares)	Percentage (%)	Number of shares (thousands of shares)	Percentage of number of shares (%)*	Change	
							Number of shares (thousands of shares)	Percentage
Financial institutions	5,294	18.91	4,396	15.70	3,548	12.67	-848	-3.03
Business corporations	7,592	27.11	7,264	25.94	7,018	25.06	-246	-0.88
Shareholding association, executive officers, etc.	2,315	8.27	2,304	8.23	2,356	8.41	52	0.19
Treasury stock	1,653	5.90	1,454	5.19	1,454	5.19	0	0.00
Effectively fixed shares	**16,855**	**60.20**	**15,418**	**55.06**	**14,376**	**51.34**	**-1,042**	**-3.72**
Trust accounts, etc.	3,599	12.85	4,181	14.93	4,051	14.47	-130	-0.47
Overseas shareholders	2,102	7.51	2,029	7.25	3,478	12.42	1,449	5.17
Individuals, etc.	5,445	19.45	6,372	22.76	6,095	21.77	-277	-0.99
Effectively floating shares	**11,145**	**39.80**	**12,582**	**44.94**	**13,624**	**48.66**	**1,042**	**3.72**

* Based on our standards

Through IR activities tailored to the attributes of domestic and international investors, Joshin is working to acquire a diverse body of "fan" shareholders.

As a result, the number of unit shareholders as of the end of March 2026 stood at 24,685, growing by 1,890 people from the previous fiscal year, marking a steady rise.

Most of this increase in the previous fiscal year was from overseas investors, and we recognize that their contribution has been significant, including their role in improving our PBR. We believe this is the result of our consistent, steady engagement efforts, such as the thorough simultaneous disclosure of information in English and the conduct of individual investor relations meetings, both face-to-face and online.

By leveraging the strengths of the retail sector, which is closely tied to consumers' daily lives, we have kept the proportion of shares held by individual shareholders stable at over 20%.

Furthermore, we are engaging in ongoing constructive dialogue with securities analysts to stimulate a better understanding of Joshin's unique characteristics and differentiation strategies. We will utilize this market feedback to implement management strategies that are conscious of the cost of capital and our stock price.

Starting in FY2026, in anticipation of the full-scale TOPIX review, we are proceeding with the reduction of our cross-shareholdings and the sale of our fixed holdings on the market. Through these measures, we will focus on improving share liquidity in parallel with boosting our stock price. Going forward, as a company listed on the TSE Prime Market, we will continue to pursue an optimal balance between growth investments and shareholder returns with due regard for capital efficiency. We will also further intensify our investor relations (IR) activities, and strive to be selected as a target for medium- to long-term investment.

Engagement with Individual Investors

Broadening the Scope of Our Fans (Consumers) as a Company in the Retail Industry

Increasing the number of tradable shares and fostering fan shareholders are key components of our capital strategy.

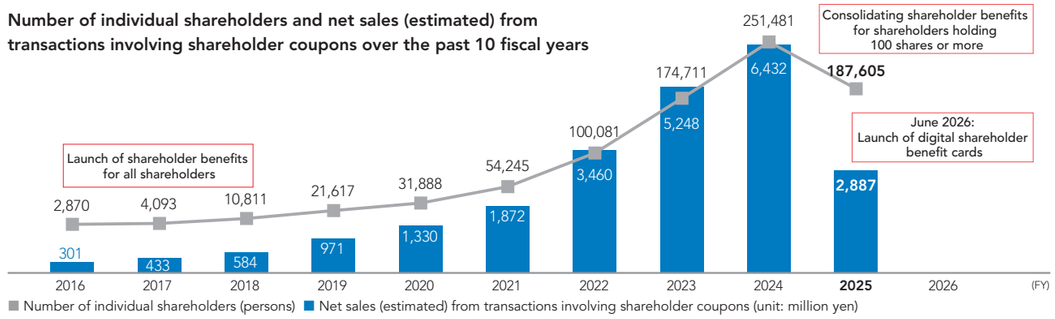
To encourage our shareholders to support us for a longer period and with greater commitment, we are offering shareholder benefits.

These shareholder benefits encourage visits to our stores and use of our e-commerce site, which in turn leads to increased sales and a higher proportion of shares held by individual shareholders.

In FY2025, we consolidated the September-end benefits to shareholders holding 100 or more shares and revamped the gift to one worth ¥10,000. Although this led to a decrease in the number of individual shareholders, we implemented a digital shareholder benefits program in FY2026, creating an environment where benefits can be used seamlessly at both our physical stores and on our online store.

We will continue to update our program in response to changing times and needs, striving to enhance corporate value and expand our base of fan shareholders.

Number of individual shareholders and net sales (estimated) from transactions involving shareholder coupons over the past 10 fiscal years



Net sales from transactions involving shareholder coupons were estimated by Joshin (= number of coupons used × ¥2,000); one coupon may be used for every ¥2,000 of purchase, and each coupon provides a discount of ¥200.

Shareholder Benefits

Effective June 2026, we replaced the paper ¥200 shareholder benefit vouchers with digital shareholder benefit cards. Through digitalization, we achieved greater convenience by shortening the time required for payments at in-store cash registers and enabling instant payments for shopping on our Joshin Web Shop, eliminating the need to mail vouchers.



Shareholder Benefit Cards

Number of shares held (As of Mar. 31 each year)	Details of benefits	Additional benefits for shareholders holding shares for two consecutive years or more
100 to fewer than 500 shares	Card worth 2,200 yen	—
500 to fewer than 2,500 shares	Card worth 12,000 yen	Card worth 6,000 yen
2,500 to fewer than 5,000 shares	Card worth 24,000 yen	Card worth 12,000 yen
5,000 shares or more	Card worth 36,000 yen	Card worth 18,000 yen

Number of shares held (As of Sept. 30 each year)	Details of benefits	Additional benefits for shareholders holding shares for two consecutive years or more
100 shares or more	Card worth 10,000 yen	—

A shareholder benefit card may be used for a purchase of ¥2,000 or higher (tax inclusive), with ¥200 worth of the card applicable to every ¥2,000 of purchase amount.
The confirmation of shareholders who have held shares for two years or more will be determined by verifying that they have been recorded or registered in the shareholder register as of March 31 each year under the same shareholder number on three or more consecutive occasions.
The shareholder benefit cards for qualified shareholders as of September 30 each year will be sent out in early December. The cards will be valid through March 31 of the following year.

Briefings for Individual Investors



Starting in 2017, we have used meeting rooms in branches of securities companies and similar locations to hold briefings for individual investors about once a quarter. We conduct online briefings provided by SBI Securities Co., Ltd. to coincide with our financial results announcements. The briefing held on May 15, 2026, drew 105 participants (based on live streaming) from a wide range of age groups, from those in their 20s to those in their 60s and older. We received many questions on topics including the corporate name change, financial indicators, and the home appliance industry. These briefings help participants gain a better understanding of our Company while also providing feedback that we can reflect in management. We will continue to strengthen engagement and cultivate even more "fan" shareholders.

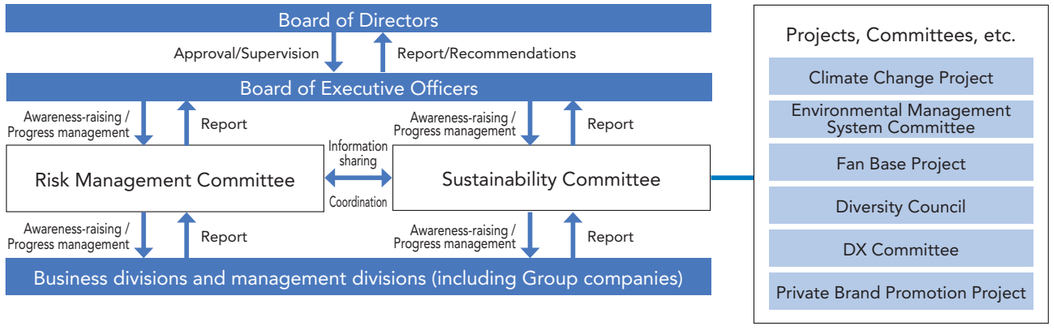
Promotion of Sustainability Management

At the Group, we are promoting sustainable management aimed at realizing a sustainable society in which no one is left behind, guided by our management philosophy of "Connecting people and society to the future with a smile" and in accordance with the spirit of our corporate motto of "Thoughtfulness."

We view major changes—such as shifts in social structures and values, as well as changes in the global environment—as opportunities, and aim to create two types of social value: "Helping to strengthen the resilience of an aging society" and "Achieving household carbon neutrality." To achieve this, we have established the management vision of "Becoming a hub for the infrastructure of life through the power of home appliances and ICT (information and communication technology)."

Centering on the seven material issues we have identified to realize this vision, we will foster a virtuous cycle of social value creation and corporate value enhancement, and strive for sustainable growth under a robust governance framework.

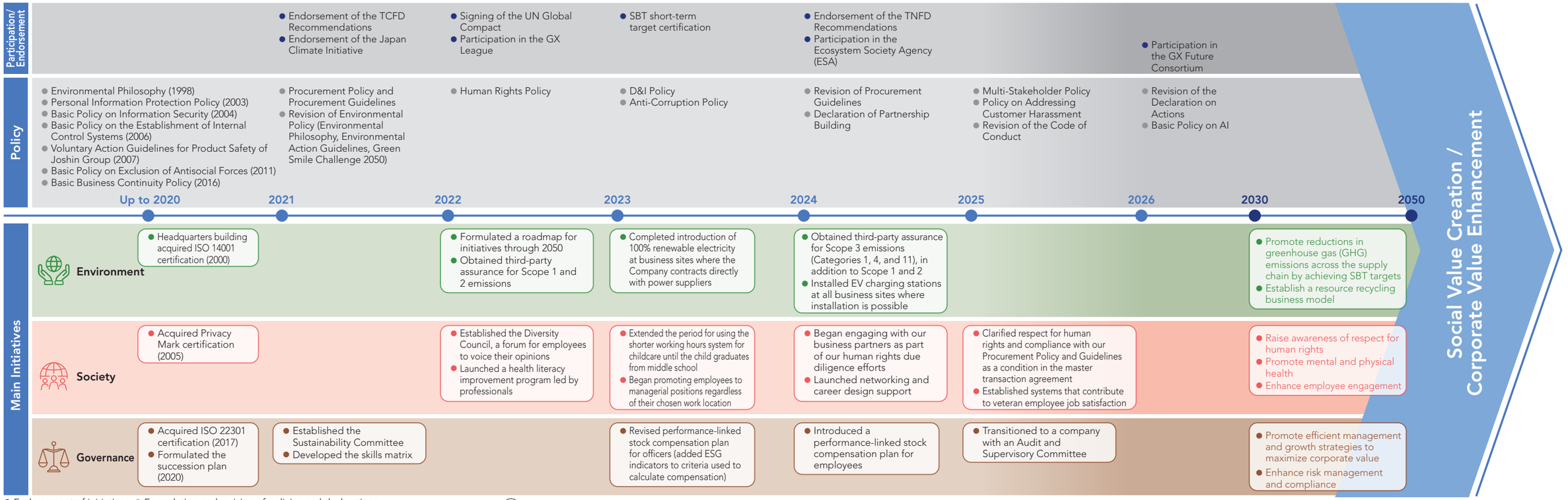
Sustainability promotion system



FY2025 sustainability-related discussions and reports

Sustainability-related meeting bodies	Members	No. of sessions	Summary of ESG-related discussion/report content
Board of Directors	Directors and executive officers Independent outside directors, Audit and Supervisory Committee members	17	● Progress of medium- to long-term sustainability management strategies and medium-term management plan ● Report on sustainability-related issues with respect to key division-specific actions for the 78th term ● Revision of the Joshin Group Declaration on Actions and the Joshin Group Code of Conduct ● Report on the governance survey
Board of Executive Officers	Executive directors Executive officers Independent outside directors attend as observers	34	● Initial introduction of a PPA-based solar carport at the Joshin Handa Store and Joshin Izumi Chuo Store ● Introduction of a staggered working-hours system for childcare in response to the revised Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members ● Implementation of a questionnaire on respect for human rights for Joshin Service partner companies ● Report on the acquisition of "ZEB" certification at the existing Joshin Konosu Store ● Report on being chosen for the CDP A List for the third consecutive year
Sustainability Committee	Chairperson: Representative Director, President and Executive Officer Members: Comprised of executive directors, executive officers, Audit and Supervisory Committee members, and heads of departments	10	● Approach to the integrated report's various ESG pages ● Activity report on the third and fourth Diversity Councils ● Report on the updated version of the Carbon Neutrality Transition Plan ● Progress of the revision of the Joshin Group Declaration on Actions and the Joshin Group Code of Conduct ● Report on the implementation of a supply chain questionnaire ● Report on the Fan Meeting ● Information on environmental management training and results ● New directions for addressing environmental challenges through the Climate Change Project ● Introduction of a telecommuting program
Risk Management Committee	Chairperson: Representative Director, President and Executive Officer Members: Comprised of executive directors, executive officers, directors who are members of the Audit and Supervisory Committee, labor union leaders, and heads of departments (including officers at subsidiary companies)	4	● Formulation of business continuity management system plans each fiscal year ● Formulation of a CSR Action Plan and quarterly progress management (incl. ESG) ● Selection of risk management items (incl. ESG) based on risk identification and assessment each fiscal year ● Confirmation of status of measures taken at business sites built under the former earthquake-resistance standards and review of hazard map information

History of Sustainability



● Endorsement of initiatives ● Formulation and revision of policies and declarations
Main initiatives: ● Environment ● Society ● Governance

For more information on external evaluations, refer to p. 95.

Environment

The Group's environmental initiatives are key to the achievement of one of our seven material issues: "contributing to the creation of a prosperous society that is in harmony with the global environment." We believe that proactively tackling these issues will improve how we are viewed by society at large.

Joshin Group's Environmental Initiatives

Taking into account the increasingly serious environmental challenges facing the world and our own management policies, the Group has established its Basic Environmental Policy, Environmental Action Guidelines, and Green Smile Challenge 2050, which clearly define the society we seek to achieve from a long-term perspective.

To realize a decarbonized society, the Group has formulated the Carbon Neutrality Transition Plan aligned with the TCFD framework, based on scenarios in which the rise in the global average temperature is limited to 1.5°C or 2°C.

Environmental Philosophy

The Joshin Group recognizes, in the spirit of our corporate motto of "Thoughtfulness," that conservation of the global environment is of utmost importance for people and all other life on earth. We aim to conduct responsible corporate activities with the social mission of creating an environment in which people can live safely, comfortably, and healthily, while giving due consideration to biodiversity.

Basic Environmental Policy (excerpt)

Based on our management philosophy of "Connecting people and society to the future with a smile," we are focused on making prosperous living proposals that anticipate lifestyle changes, and on providing safe and secure products and services. Through all of our business activities, we will contribute to the creation of a prosperous society in harmony with the global environment.

Management system	Ensuring compliance	Engagement with stakeholders
Raising environmental awareness	Disclosure of environmental information	Conservation of biodiversity and ecosystems

Environmental Action Guidelines / Green Smile Challenge 2050 (excerpt)

Initiatives to counteract climate change
- Achieve a carbon-neutral society
- Increase the self-generated renewable energy ratio with solar power generation
- Raise our proportional usage of renewable energy sources at all business sites, including those in tenant (leased) premises

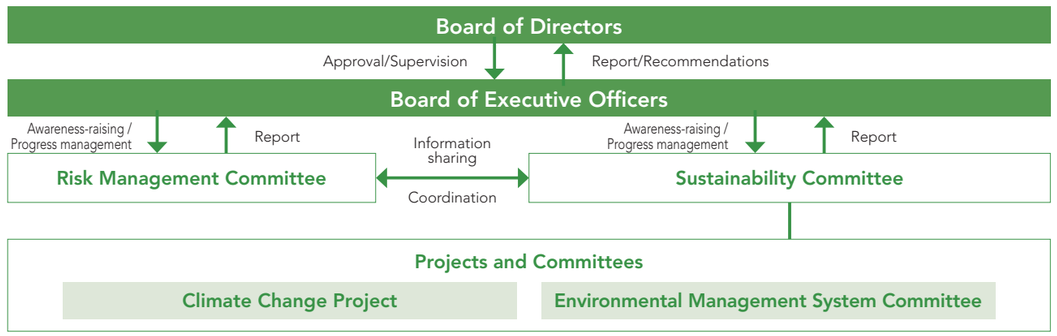
Initiatives to create a recycling-based society
- Establish circular economy businesses
- Promote proper reuse and recycling of used home appliances
- Reduce the use of plastics by no longer offering shopping bags and taking other related actions

Achieving household carbon neutrality
- Bolster sales of environmentally friendly products and promote the remodeling of housing environments for advanced features

Please refer to our website for details. https://www.joshin.co.jp/en/csr/environment/policy.html

Governance Structure for Environmental Issues

The identification of risks and opportunities related to environmental issues, as well as initiatives to address them, is reviewed by the Climate Change Project and the Environmental Management System Committee. Matters under consideration are discussed following information sharing and coordination between the Sustainability Committee and the Risk Management Committee; decisions on important matters are made by the Board of Executive Officers and approved and supervised by the Board of Directors.



Message from the Executive Officer in Charge

As we reach the milestone of changing our company name, Joshin will go beyond simply reducing its own GHG emissions by deepening collaboration across the entire supply chain and expanding its decarbonization initiatives.



Tatsuo Sakai
Executive Officer
in Charge of Development and Construction

Having proactively addressed environmental issues, the Group recognizes that people's growing concern for the environment and the transition to a decarbonized society of the future represent major business opportunities for the Group. To that end, we believe that generating social value by "achieving household carbon neutrality" will in turn enhance our corporate value.

Initiatives to encourage households to replace appliances with environmentally friendly ones and to promote the adoption of EcoCute systems, energy-efficient windows, and EV charging stations have become an important pillar in securing earnings in our business operations, and Joshin will continue to strengthen these efforts moving forward.

1. Accelerating the decarbonization of the Group's business sites and building next-generation eco-friendly stores

The Group's decarbonization efforts in its business operations are yielding steady results. In FY2025, Joshin completed the following initiatives as scheduled: installing solar power generation facilities under on-site PPAs at business sites where the Company contracts directly with power suppliers; installing battery storage systems at six stores and solar carports at two stores; and introducing air-conditioning control systems (demand control) at ten stores. Furthermore, regarding "ZEB (Net Zero Energy Building)" certification, following the Joshin Nara Store, which obtained certification in the previous fiscal year, the Joshin Konosu Store, despite being an existing store, also achieved certification in FY2025. As a result of these initiatives, the self-generated renewable energy ratio at business sites where the Company contracts directly with power suppliers has reached 28.0%, and we now aim to achieve our FY2030 target of 30% ahead of schedule.

To accelerate this momentum, in FY2026, we aim to obtain ZEB certification for three existing stores, while continuing to promote the conversion of existing stores to ZEB standards when upgrading their facilities. With an eye toward the widespread adoption of EVs, we aim to install additional fast-charging stations at the 30 business sites that already have standard charging stations, with the goal of reducing the environmental impact of our entire store network and improving infrastructure.

2. Decarbonization of the entire value chain and the creation of new solution businesses

Going beyond reducing Joshin's own GHG emissions, we are also strengthening our efforts across the entire supply chain. Starting in FY2026, we will launch initiatives among participating companies to collect primary GHG emissions data (data on GHG emissions from specific activities within the value chain).

In FY2026, we will raise our sustainable procurement rate, as measured by the supplier procurement questionnaire, from the current 70.5% to 80.0% and further deepen our collaboration with suppliers. At the same time, we will deploy new business initiatives to more robustly support the decarbonization of our customers' homes, such as exploring entry into the retail electricity market and developing sales models for next-generation solar power generation systems.

3. Addressing resource recycling and natural capital, and enhancing ESG disclosure

Leveraging the high praise we have received both domestically and internationally for our disclosure efforts, Joshin will steer the Company toward further advancing sustainability management.

To date, we have consistently earned the highest rank in initiatives such as the CDP Climate Change Program and the Ministry of the Environment's ESG Finance Awards Japan, thereby building a solid foundation of trust.

Going forward, we will not only maintain our ratings in major ESG assessments but also work toward obtaining certification for our SBT Net-Zero Goals and enhancing our disclosures in accordance with the TNFD, thereby advancing our compliance with global standards. Additionally, in the resource recycling sector, we will draw on our internal track record to explore business alliances in FY2026 aimed at expanding our reuse services.

As we mark this milestone with our change of corporate name in April 2026, we will continue to strive to enhance our corporate value over the medium to long term, and work together as one company to help achieve a prosperous society.

Roadmap for Achieving Net-Zero

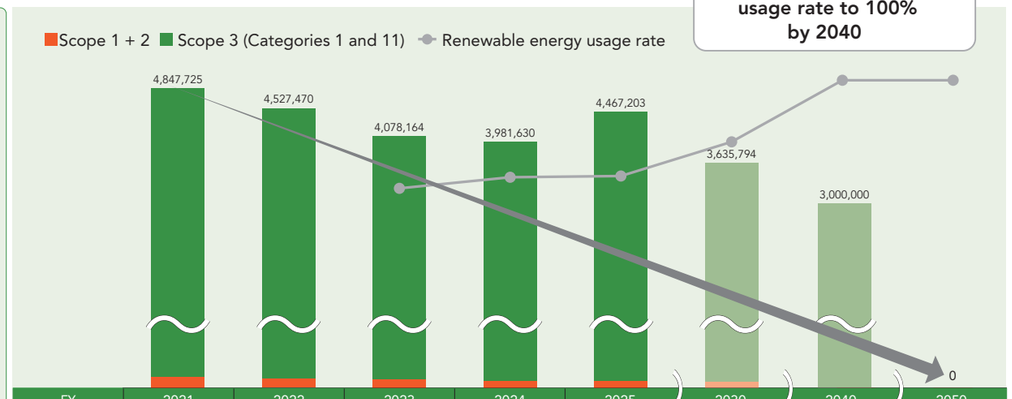
To achieve net-zero by 2050, the Group is focusing not only on reducing Joshin's own Scope 1 and 2 emissions but also on reducing GHG emissions across the entire supply chain (Scope 3).

As part of our Scope 2 initiatives, during FY2023, we completed the transition to 100% renewable energy at business sites where the Company contracts directly with power suppliers. We are also gradually promoting the introduction of renewable energy at our leased properties and aiming to have renewable energy in place at all of our business sites by 2040. In addition, to ensure a stable energy supply and further reduce our environmental impact, we are promoting the introduction of solar power generation systems and energy storage batteries, as well as the use of corporate PPAs.

As part of these efforts, in FY2025, the Joshin Konosu Store obtained the highest level of ZEB certification. We are also developing specific store models, including increasing the self-generated renewable energy ratio by installing solar carports at the Joshin Handa and Joshin Izumi Chuo Stores. To address Scope 3 emissions, which account for the majority of our total emissions, we are deepening our collaboration with suppliers and continuing our efforts to collect primary data on GHG emissions. Moving forward, we will conduct rigorous calculations and visualization with a view toward compliance with the SSBJ (Sustainability Standards Board of Japan) standards. We will also contribute to achieving net-zero emissions across the entire supply chain by promoting the spread of environmentally friendly products and advancing initiatives aligned with the circular economy.

Climate Change Roadmap

Raise the renewable energy usage rate to 100% by 2040



FY	2021	2022	2023	2024	2025	2030	2040	2050
Scope 1 + 2 (t-CO_2)	22,966	18,903	17,808	14,845	14,929	13,320	0	0
Scope 3 (Categories 1 and 11) (t-CO_2)	4,847,725	4,527,470	4,078,164	3,981,630	4,467,203	3,635,794	3,000,000	0
Renewable energy usage rate (%)	—	—	64.9	68.5	68.9	80.0	100	100

Reduction target

Action plan

Scope 1 and 2

- Introduction of renewable energy at business sites where Joshin contracts directly with power suppliers (Completed in FY2023)
- Optimizing energy consumption by improving operational efficiency

→
- Promoting introduction of renewable energy at leased properties
- Introduction of renewable energy at all business sites (2040)
- Increasing the self-generated renewable energy ratio by promoting on-site power generation

Scope 3

- More efficient logistics
- Assessing GHG emissions across the supply chain
- Promoting energy-saving, energy-generating, and energy-storage products, as well as renovations that enhance functionality

→
- GHG reduction through collaboration with suppliers
- Decarbonization of products handled
- Promotion of the circular economy

Investment plan

- Introduction of renewable energy facilities (including PPAs and storage batteries) and energy-saving equipment, and expansion of ZEB business sites
- Costs for renewable energy procurement
- Costs for expanding decarbonization/circular economy–related solutions

→
- Expanding investments in line with business growth targets
- Decarbonization measures through the introduction of DX
- Purchasing carbon credits

Converting Business Sites into ZEBs

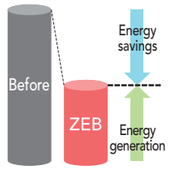
The Group is converting its business sites into ZEBs with the aim of reducing environmental impact and creating comfortable store environments. In FY2025, the Joshin Konosu Store (Saitama Prefecture) earned "ZEB" certification, the highest rank in the four-tier ZEB certification system based on energy consumption performance under the BELS (Building-Housing Energy-Efficiency Labeling System). This marks the second Group store to obtain "ZEB" certification, following the Joshin Nara Store, which obtained certification as a newly constructed store. In addition to reducing energy consumption, ZEB initiatives also contribute to improved business continuity in the event of a disaster.

● Joshin Konosu Store

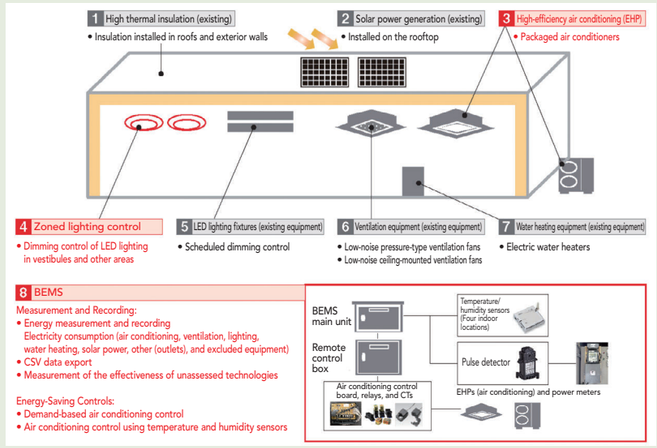


ZEB

100% or greater reduction through energy savings and generation



ZEB Initiatives



Installation of Solar Carports

We have completed the installation of solar carports at the Joshin Handa Store (Handa City, Aichi Prefecture) and the Joshin Izumi Chuo Store (Izumi City, Osaka Prefecture). The renewable energy generated by the solar carports is consumed on-site at each store. When generation exceeds consumption, the surplus electricity is supplied via i GRID SOLUTIONS Inc. As a result of this initiative, we expect the annual renewable energy self-sufficiency rate to reach approximately 45% at the Handa Store and approximately 35% at the Izumi Chuo Store.



GHG Emissions in the Supply Chain

For indirect GHG emissions (Scope 3) throughout the Group's supply chain, we will continue working with suppliers to obtain primary data in preparation for compliance with SSBJ Standard No. 2, which was developed to provide a global baseline for mandatory disclosures building on the voluntary disclosures made to date under sustainability disclosure standards.

Scope 3 category		FY2025 calculation results: CO_2 calculation results (t-CO_2)	Ratio (%)
1	Purchased goods and services	1,096,663	24.3%
2	Capital goods	15,791	0.3%
3	Fuel- and energy-related activities	2,523	0.1%
4	Upstream transportation and distribution	19,473	0.4%
5	Waste generated in operations	4,710	0.1%
6	Business travel	119	0.0%
7	Employee commuting	1,714	0.0%
8	Upstream leased assets	Not applicable (outside the scope of calculation)	
9	Downstream transportation and distribution	Not applicable (outside the scope of calculation)	
10	Processing of sold products	Not applicable (outside the scope of calculation)	
11	Use of sold products	3,370,540	74.5%
12	End-of-life treatment of sold products	6,773	0.1%
13	Downstream leased assets	3,005	0.1%
14	Franchises	76	0.0%
15	Investments	261	0.0%
Total		4,521,648	100.0%

Information Disclosure Based on TCFD Recommendations

Governance

Risks and opportunities related to environmental issues such as climate change and biodiversity conservation, together with measures to address them, are put forward through the Climate Change Project. These measures are discussed by the Sustainability Committee and the Risk Management Committee, both of which are comprised of executive directors, executive officers, and department heads, etc. Following these discussions, final decisions are made by the Board of Executive Officers, the Company's central body for business execution, under the supervision of the Board of Directors.

Strategy

Impact of Climate-Related Risks and Opportunities on the Organization's Business, Strategy, and Financial Planning

The Group conducts scenario-based analyses based on a global average temperature increase of 1.5/2°C and 4°C, respectively, with the aim of assessing the risks and opportunities that climate change presents to the Group, evaluating its impact on our businesses, and developing appropriate countermeasures.

We identify the impact on businesses under the transition risks, physical risks, and related business opportunities for each average temperature increase scenario, and have begun initiatives to implement response measures by 2030.

Based on these assumptions, we analyze the potential impact of climate change and develop new growth opportunities aligned with our business strategy and medium-term management plan under each average temperature increase scenario.

Assessment of Climate-Related Risks and Opportunities for Our Business, and Countermeasures

• Scenario used: 1.5°C/2°C scenario and 4°C scenario

		Time frame[1]	Risks/opportunities	Financial impact[2] 1.5°C/2°C	Financial impact[2] 4°C	Countermeasures	Status of our response
Transition risks	Policies and legal regulations	Medium term	Increase in costs resulting from introduction of carbon pricing	Medium (-¥280 million/year)	Small	Increasing the renewable energy usage rate	Scheduled to be introduced at all business sites by 2040
			Increased costs due to stronger plastic regulations	Large	Small	Reducing the use of disposable plastic packaging materials	Scheduled to be abolished by 2040
	Technologies	Long term	Increased costs due to renewable energy facilities, electric vehicles, and other factors	Medium	Medium	Reducing investment burden through corporate PPAs, subsidies, and other measures	Underway
	Markets	Long term	Increased costs due to soaring energy prices	Medium	Medium	Increasing Joshin's own renewable energy usage rate through the expansion of ZEB initiatives	Ongoing
Physical risks	Acute	Long term	Risk of business suspension due to intensifying storms and floods	Medium	Large (-¥1,532 million)	Establishing and promoting a business continuity management framework; providing stores with disaster preparedness equipment and supplies, including storage batteries and emergency supplies	Implemented
	Chronic	Long term	Increased air conditioning costs and other electricity consumption due to rising average temperatures	Medium	Large (-¥540 million)	Investing in energy-saving facilities to reduce temperature increases in stores and facilities (e.g., greening of parking lots and the installation of heat-shielding films)	Ongoing
Opportunities	Products and services	Medium term	Increased sales of products and services that address climate change	Large	Medium	Promoting sales of environmentally friendly products and services	Ongoing
						Promoting home renovations that enhance the functionality of living environments	
						Promoting sales of energy-generating and energy-storage facilities (solar panels, storage batteries, etc.)	
	Markets	Medium term	Expansion of business markets with the transition to a decarbonized society	Large	Medium	Promoting decarbonization businesses through alliances with other companies, such as circular economy businesses	Ongoing
		Medium term	Opportunities for more consistent earnings through mitigation of the risk of seasonal fluctuations	Large	Medium	Bolstering initiatives for products and services (support businesses, mobile communications, subscription models, etc.) that are not easily affected by seasonal factors	Ongoing
	Reputation	Long term	Growing demand for investment focused on ESG assessments	Large	Medium	Proper disclosure and enhanced transparency for ESG-related information Improving ESG ratings and strengthening branding through active promotion of climate change countermeasures and the realization of a circular economy	Ongoing

1. Term: Short-term (within 2 years), Medium-term (3–5 years), Long-term (6 years or more) 2. Impact: Large: ¥500 million or more; Medium: ¥50 million or more but less than ¥500 million; Small: less than ¥50 million

For the scenario analysis, we adopted NZE 2050, a scenario published by the International Energy Agency (IEA) that is aligned with a 1.5°C world. We set 2030 as the time horizon and calculated the Group's tax increase risk.

Based on projected carbon tax data for developed countries under NZE 2050, Japan's carbon tax rate in 2030 was set at $140/t-$CO_2$ (¥21,000/t-CO_2 at an exchange rate of $1 = ¥150). This assumes an exchange rate similar to the current level.

Risk Management

The Group analyzes medium- to long-term issues impacting our businesses and identifies potential risk factors, which are then used to formulate a medium- to long-term business strategy. The Climate Change Project reviews progress on environmental initiatives and challenges therein, and then reports are submitted to the Sustainability Committee. Upon receiving the Sustainability Committee's reports, the Board of Executive Officers deliberates on the Group's environmental response and all other sustainability matters. This is all supervised by the Board of Directors.

Furthermore, the Risk Management Committee examines and manages key risks within the Group.

Metrics and Targets

The Group has established Scope 1, 2, and 3 GHG emissions, as well as the percentage of renewable energy in the electricity used in our business operations, as indicators for assessing risks and opportunities related to climate change.

Metric	Target fiscal year	Target value
Scope 1 + 2 emissions	FY2030	42.0% reduction compared to FY2021
	FY2040	Carbon neutrality
Scope 3 (Categories 1 and 11) emissions	FY2030	25.0% reduction compared to FY2021
	FY2050	Carbon neutrality
Renewable energy usage rate	FY2030	80%
	FY2040	100%

Environmentally Friendly Products

The Group is promoting the sale of environmentally friendly products as a key priority directly linked to environmental conservation, and we are working to expand sales of energy-efficient products. By enhancing in-store recommendations and refining product selection, we aim to continuously increase the share of value-added products designated by the Company, such as those with high star ratings on energy-saving labels, to at least 30% of total units sold. Furthermore, since energy-efficiency standards are regularly revised, we view the stable maintenance of a high proportion of products with high star ratings as a significant achievement in itself and will continue our efforts in this regard. Going forward, we will continue to offer our products in ways that make them easy to choose and understand, contribute to reducing energy consumption during the customer's usage phase, and promote the provision of value toward the achievement of a decarbonized society.

Environmental conservation items	Target	FY2025 results	Department in charge
Promotion of sales of environmentally friendly products	Unit sales ratio of 30%	32.1%	Merchandise Department

[Target categories]
- Refrigerators: 450 L or larger, rated three stars or higher under the unified energy-saving label system, with an automatic icemaker
- Air conditioners: Rated two stars or higher under the energy-saving label system (no star-rating requirement for units of 5.0 kW or above), featuring automatic filter cleaning, auto-louver control, and a high-power cooling or heating function that is unaffected by outside temperatures
- Drum-type washer-dryers
- Instant-heating warm-water washing toilet seats

We calculated the contribution to GHG reduction for the environmentally friendly products listed above (excluding drum-type washer-dryers). Assuming replacement cycles of 8 to 13 years, we defined the contribution to GHG reductions as the difference in GHG emissions based on the assumption that the number of environmentally friendly products sold was equal to the actual number sold during FY2021–FY2025.

(Excluding drum-type washer-dryers)

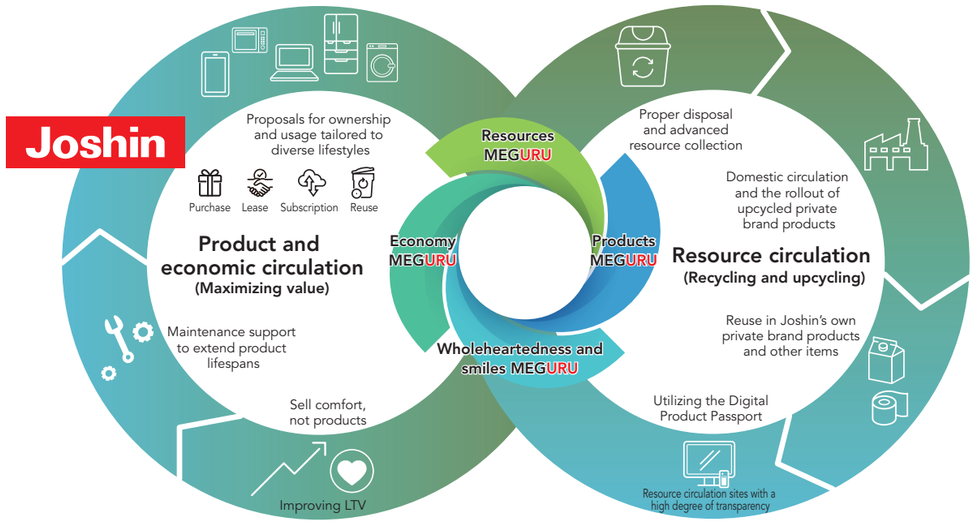
Categories covered by the emissions reduction contribution calculation	Contribution to GHG emissions reductions (Unit: t-CO_2) FY2021	FY2022	FY2023	FY2024	FY2025	Target FY2030 target
Total for environmentally friendly air conditioners	4,950	3,256	7,948	7,387	21,018	23,000
Total for environmentally friendly refrigerators	5,501	4,596	6,714	5,922	6,126	8,000
Total for instant-heating warm-water washing toilet seats	288	188	371	386	392	500
Total for environmentally friendly target categories	10,379	8,040	15,032	13,694	27,535	31,500

Emissions reduction contribution = (Average GHG emissions per unit during use in FY2013 × number of units sold in each FY) – (GHG emissions during use of products sold in each FY × actual number of units sold)

We are also encouraging customers to switch to high-efficiency water heaters, promoting the remodeling of housing environments for advanced features in areas such as bathrooms and toilets, and promoting sales of energy-generation products such as solar power systems and storage batteries.

Joshin Resource Circulation Model

From a "URU (selling)" Society to a "MEGURU (circulation)" Society



In a resource-circulation society, it is crucial that we determine how to reduce waste and respond to resource circulation, as well as to provide services that support "extending the lifespan of products." The word "MEGURU," which means "circulate," contains the word "URU" (to sell).

The Group aims to build a business model that goes beyond simply "selling (URU)" and incorporates the four forms of "circulation (MEGURU)" to help achieve a circular society.

MEGURU (1) "Resources"

Proper Disposal Consistent with Laws and Regulations

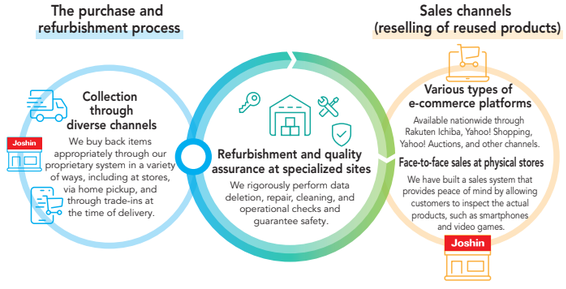
For the four types of home appliances covered by the Act on Recycling of Specified Kinds of Home Appliances (air conditioners, televisions, refrigerators and freezers, and washing machines and clothes dryers), we collected 807,672 units at the time of replacement purchases in FY2025. The collected products are transported to recycling plants via designated collection locations, where they are sorted by material type and recommercialized.

We also collected 222,014 small home appliances. We are a member of the PC3R Promotion Association and ensure that computers are disposed of properly. We also promote the collection and recycling of used button batteries and rechargeable batteries in collaboration with the Battery Association of Japan and the JBRC. We have also installed collection boxes at our stores to collect used ink and toner. We are reducing waste generation at each of our business sites through thorough sorting and recycling.

MEGURU (2) "Products"

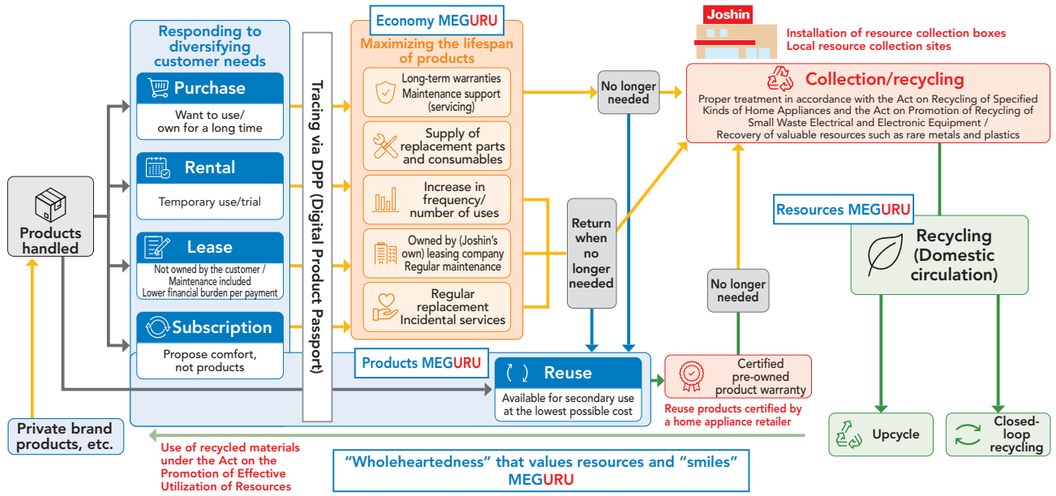
The Reuse Business

The Group purchases and resells unwanted products, focusing primarily on digital devices such as personal computers, smartphones, game consoles, and cameras. In FY2025, we accepted a total of 21,308 units through trade-ins and purchases. The purchased products are collected at our Reuse Business Promotion Center, which serves as our refurbishment site. After undergoing data deletion, repair, conditioning, cleaning, and operational checks, they are sold at select stores and through our EC site.



MEGURU (3) "Economy"

As the ecosystem transitions toward a circular economy, the traditional business model of "making money by selling goods" will begin to decline, and future business models will center on how to enhance the value of each product and the services associated with it. By extending and optimizing the lifespan of products and matching products with customer needs, we aim to maximize the value of products and achieve both resource circulation and economic performance.



Proposals Tailored to Lifestyles

We will establish a service framework that provides services tailored to our customers' needs and optimizes the lifespan of products.

● **Rental**	For products used only a few times a year or for trial use, utilizing a "rental" service instead of making a "purchase" can help reduce customers' financial burden and prevent products from missing opportunities to be used.
● **Lease/subscription**	We offer "lease" and "subscription" services that allow customers to use products comfortably with maintenance included, while reducing the financial burden of each payment.
● **Reuse/outlet**	Products that are still usable after their first users part with them are offered as "reuse" or "outlet" products.
● **Long-term warranties/ maintenance support / provision of replacement parts**	For products purchased by our customers, we enhance our "long-term warranties," "maintenance support," and "replacement parts" offerings to provide services that enable customers to use them for a longer time.

MEGURU (4) "Wholeheartedness and Smiles"

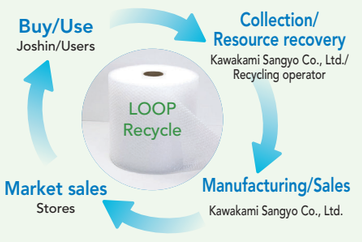
At each store, we collect used ink and toner, button batteries, rechargeable batteries, and other such items. As a resource collection platform, we aim to create a "wholeheartedness" cycle of our customers who care for resources and the "smiles" that connect us to the future.

● Example of an Initiative
Collection of Air-cushioning Material

In collaboration with Kawakami Sangyo Co., Ltd., we are conducting closed-loop recycling of the company's air-cushioning material, PUTIPUTI. Kawakami Sangyo Co., Ltd. collects used air-cushioning material that we no longer need and uses it as raw material for PUTIPUTI.

We then purchase PUTIPUTI made from the recycled material, completing the closed-loop recycling process.

Note: Kawakami Sangyo Co., Ltd. will change its name to Putiputi Co., Ltd. effective October 1, 2026.



Biodiversity Initiatives

The Group recognizes nature-related impacts as a key management challenge. Based on the FY2024 results, we disclose the results of our LEAP approach* assessment of our dependence and impact on nature, as well as related risks and opportunities, together with the metrics and targets established for them.

* LEAP approach is a comprehensive process recommended by the TNFD for assessing nature-related issues, including an organization's interactions with nature, its dependencies, and impacts on nature, and the resulting risks and effects.

Please refer to our website for details of our FY2024 initiatives. https://www.joshin.co.jp/en/csr/environment/biodiversity.html

Governance

As our governance structure addresses biodiversity and climate change issues in an integrated manner, please refer to the Governance section of "Information Disclosure Based on the TCFD" (P. 49–50).

Strategy

Business model clarification chart for the Group's direct operations

Value chain	Upstream			Midstream					Downstream	
	A	B	C	A	B	C	D	E	A	B
Product stage	Input goods	Raw materials	Basic products	Intermediate products	Final products	Store construction	Sales	Services	Consumption	
Examples of raw materials, products, and customers	Products • Industrial machinery and parts manufacturing • Mining machinery manufacturing	Raw materials for products • Oil • Ores • Rare metals, etc. Raw materials for store construction	Products • Steel • Glass • Plastics • Aluminum • Urethane, etc. Building materials for store construction, etc.	Products • Semiconductors • Frames • Boards, etc.	Products • Personal computers • Smartphones • Televisions • Refrigerators • Washing machines • Air conditioners, etc. Customers • Mass retailers of home appliances	Machines employed • Construction equipment • Heavy trucks Planning, design, and engineering Construction • Procurement • Construction plan • Construction management • Construction supervision • Disposal	Retailers • Mass retailers of home appliances Customers • General consumers • Businesses • Local governments	Product shipment and setup work for installation Repair services	—	Collectors • Recycling operators

Please see our website for the detailed version of the Business Model Clarification Chart. https://www.joshin.co.jp/en/csr/environment/biodiversity.html

◆ Assessing Nature-related Risks Associated with a Single Part (Assumed to Be a Semiconductor) in the Midstream of the Value Chain

Purpose of the risk assessment

To understand the risks of semiconductor supply chain disruptions and gather information to inform related engagement activities under the Group's procurement strategy

As the natural environment becomes increasingly challenging, the home appliance industry will likely be required to take measures such as sourcing sustainable raw materials, developing products based on circular design, and strengthening collection, reuse, and recycling. Consumers are also likely to show a growing preference for products that are considerate of biodiversity and the environment. Given these factors, we believe the Group can identify opportunities by examining products and technologies for which demand may increase under future scenarios, as well as the corresponding procurement and sales methods.

In FY2026, based on information disclosed by semiconductor manufacturers and other sources, we identified representative nature-related risks in semiconductor manufacturing, selected approximately three companies, and compiled information on their responses to these risks, including the status of risk identification, whether countermeasures have been disclosed, and details of those countermeasures.

Nature-related risks and negative impacts in semiconductor manufacturing

Risk type		Representative nature-related risks	Negative impact on business	Negative impact on the Group
Category 1	Category 2			
Physical risks	Acute	Landslides and mudslides resulting from the increasing frequency and severity of extreme weather events, as well as the rise in heavy rainfall due to climate change	Decline in productivity and increased restoration costs resulting from factory shutdowns and road closures	Rising costs for home appliances and declining sales due to a semiconductor shortage, etc.
	Chronic	Decrease in available water resources due to climate change	Delays in water-intensive production processes and increased response costs due to a decrease in available water resources	
Transition risks	Policy	Strengthening of laws and regulations related to natural capital (water source conservation, marine pollution, soil contamination, ecosystem protection, etc.)	Increased costs associated with stricter regulations	
	Reputation	Deterioration of the company's reputation among surrounding communities and stakeholders due to the decline of ecosystems caused by environmental impacts such as water use and pollution	Decline in corporate value, deteriorating earnings, and increased costs associated with litigation	Decline in corporate value resulting from doing business with companies whose reputation has suffered due to negative impacts on the ecosystem, among other factors

The Group's main measures to address nature-related risks in semiconductor manufacturing

1. Review of procurement strategies (including investigations and corrective actions targeting companies deemed to have insufficient countermeasures in place to address nature-related risks)
2. Avoidance of nature-related risks by engaging with home appliance manufacturers

We believe it would be desirable to propose the above countermeasures to semiconductor manufacturers that have not disclosed countermeasures for representative nature-related risks, through home appliance manufacturers, and to encourage upstream companies to take action as well.

Creating Nature-related Opportunities

With an eye toward the future of nature-related issues, Joshin conducted an initiative to identify opportunities for the Group, such as products and technologies expected to see growing demand in the home appliance industry, as well as business opportunities arising from corresponding procurement and sales methods, and compiled a long list of such opportunities. Starting in FY2027, we will conduct monitoring based on these indicators.

◆ Implementation of an Approach to Create Biodiversity- and Nature-related Opportunities

Target: Executive officers responsible for environmental matters and representatives from related departments
Purpose: 1. To clarify the direction of future nature-related initiatives with executive officers and management, in order to identify opportunities related to nature-related issues
2. To identify more specific and diverse business ideas and opportunities from a frontline perspective through member participation

Indicators for opportunities

Opportunities	Related events	Positive impact on business	Proposed related indicators	Additional information
Acquiring new customers by strengthening e-commerce	Climate change/ Natural disasters	Improved earnings Market expansion	Reviewing the store-dominance and strategy in response to demographic changes and promoting e-commerce	Due to the growing demand for e-commerce, it is necessary to reevaluate the dominance strategy encompassing physical stores and e-commerce
Market stimulation through expanded subsidies for energy-saving products and energy-efficiency upgrades	Climate change/ Natural disasters	Improved earnings Market expansion	Sales performance and emissions avoided through targeted environmentally friendly products	In response to rising demand for low-priced, energy-efficient air conditioners driven by rising temperatures and deteriorating air quality, Joshin is promoting sales of air conditioners across a wide range of price points
Strengthening sales of cooking appliances that allow users to adjust cooking methods to changes in harvested ingredients	Food/Agriculture	Improved earnings	Earnings	
Strengthening sales of green home appliances (high-performance, high-output air conditioners, etc.)	Climate change/ Natural disasters Biodiversity/ Natural capital Health/Public health	Improved earnings Improved reputation (corporate value)	Number of units, reduction rate (if available), earnings	To encourage customers to use their home appliances for a long time, we are proposing a subscription-based maintenance service and promoting the creation of a system that fosters ongoing relationships with customers so they will purchase from Joshin when it is time for replacement
Quantifying the contribution to the circular economy and inclusion in ESG indices	Biodiversity/ Natural capital	Improved earnings Improved reputation (corporate value) Increased investment capital and stable funding	Improving ESG index ratings, investment capital	We are quantifying our contribution to the circular economy to enable inclusion in ESG indices as a highly resource-efficient company and to secure long-term, stable funding from institutional investors
Acquiring new customers by improving services at urban stores (e.g., holding seminars to raise disaster preparedness awareness)	Climate change/ Natural disasters	Improved earnings Improved reputation (corporate value)	Absolute amount Number of seminars held	We are reviewing Joshin's store-dominance strategy and strengthening and promoting e-commerce We are holding seminars to raise awareness of disaster preparedness and thereby encourage purchases of disaster preparedness products
Extending the lifespan of home appliances (building a repair system)	Biodiversity/ Natural capital	Stable product procurement Improved reputation (corporate value)	Earnings	Extending the lifespan of home appliances by developing repair systems and using recycled materials help prevent land alteration and habitat destruction associated with new mining for metal resources such as copper, lithium, and rare earth elements

Note: Only items with high feasibility and significant impact have been selected.

Society

Our Group provides value to society starting with the smiles of our employees, and we will pass on a prosperous future to the next generation. We bring out the potential of our human resources through investment in human capital, generating a virtuous cycle in which we pursue initiatives to improve job satisfaction and create more comfortable workplaces while individual fulfillment is used to drive the Company's growth. With all of our initiatives built on a foundation of respect for human rights and health and productivity management, our business activities strengthen connections within the supply chain to contribute to resolving social issues while co-creating with the community.

Basic Approach to Human Resources Strategy

Looking ahead to 2050, the Group has established the management philosophy of "Connecting people and society to the future with a smile." As part of our efforts to put this into practice, we have defined our ideal form in 2030—the halfway point to 2050—as "A company that supports the growth of local communities and contributes to the future of people and the environment." We are developing a system of management that contributes to building a sustainable society through the creation of two types of social value: "Helping to strengthen the resilience of an aging society" and "Achieving household carbon neutrality."

The Group's human resources strategy is based on the universal value of "respect for human rights" as well as "health and productivity management" that aims to draw out the full potential of our human resources. Based on that, the Group is now engaged in securing and developing a diverse range of human resources with D&I as the pillar of our strategy. We believe our human resources strategy—which connects securing human resources capable of meeting diverse customer needs, developing human resources to support growth businesses, and enhancing employee engagement to customer satisfaction, thereby creating new business and enhancing corporate value—is integral to our management strategy aimed at contributing to a sustainable society.

General Human Resources Strategy Concept

In order to draw on diverse perspectives to empower the Company, we will create a work environment where all employees can perform at their best, achieving the Company's management philosophy by creating an upward spiral from ease of work to job satisfaction, then employee ownership, and further to enhanced employee engagement.



Human Capital KPIs for Realization of Our Management Philosophy

We have set KPIs for areas in need of improvement to bridge the gap between our current state and our ideal form, working to achieve a rewarding working environment where diverse human resources play an active role.

[Areas far from goals]

- Percentage of female junior managers (deputy section manager or higher)
  Female appointments are a key area in need of improvement, but we do have a growing number of female chiefs who could serve in management positions.
- Wage difference between men and women (permanent employees)
  The primary causes of the wage gap are that 40% or more of female employees choose to restrict their workplace location, which involves reduced salary, in addition to the smaller number of female managers.

Category	KPIs	FY2024 results	FY2025 results	Gap (Negative gaps are indicated by "-")	FY2030 target
Securing human resources Human resource development	Number of new graduates and mid-career hires	190	177	27	150 annually
	Turnover rate (female permanent employees)	3.7%	4.9%	-2.4 pt	2.5% or less
	Turnover rate (male permanent employees)	2.2%	1.8%	0.7 pt	2.5% or less
	Turnover rate (permanent employees total)	2.4%	2.3%	0.2 pt	2.5% or less
	Number of Home Appliance Advisor certification holders (cumulative total number of people)	6,894	7,052	—	—
	Number of Smart Master certification holders	2,590	2,649	—	—
Diversity & inclusion	Percentage of female directors	50.0%	50.0%[1]	0.0 pt	50.0%
	Percentage of female managers (section manager or higher)	2.0%	4.7%	-0.3 pt	5.0%
	Percentage of female junior managers (deputy section manager or higher)	4.5%	5.2%	-14.8 pt	20.0%
	Number of female chiefs	55	61	—	—
	Percentage of female permanent employees	15.3%	16.1%	-13.9 pt	30.0%
	Percentage of female employees	36.7%	36.8%	-13.2 pt	50.0%
	Percentage of female new employees	54.8%	49.4%	-0.6 pt	50.0%
	Wage difference between men and women (permanent employees)	74.7%	77.5%	-0.5 pt	78.0%
	Percentage of employees with disabilities	2.79%	2.97%	-0.03 pt	3.0%
	Number of employees 65 years old and over	151	189	—	—
	Rate of male employees taking childcare leave, etc., or leave for the purpose of childcare[2]	98.5%	98.4%	-1.6 pt	100.0%
Health and productivity management	Health index score[3]	-3.9%	-4.0%	-6.0 pt	+2.0% vs. the national average score
	Presenteeism[4]	92.9%	92.9%	-1.1 pt	94.0%
	Medical checkup participation rate	97.9%	99.5%	-0.5 pt	100.0%
	Stress check participation rate[5]	99.0%	99.3%	-0.7 pt	100.0%
	Overtime work hours (monthly average)	12.7 hours	15.7 hours	—	—
	Annual paid leave usage rate (all employees)	62.4%	65.0%	-5.0 pt	70.0%

Ideal form

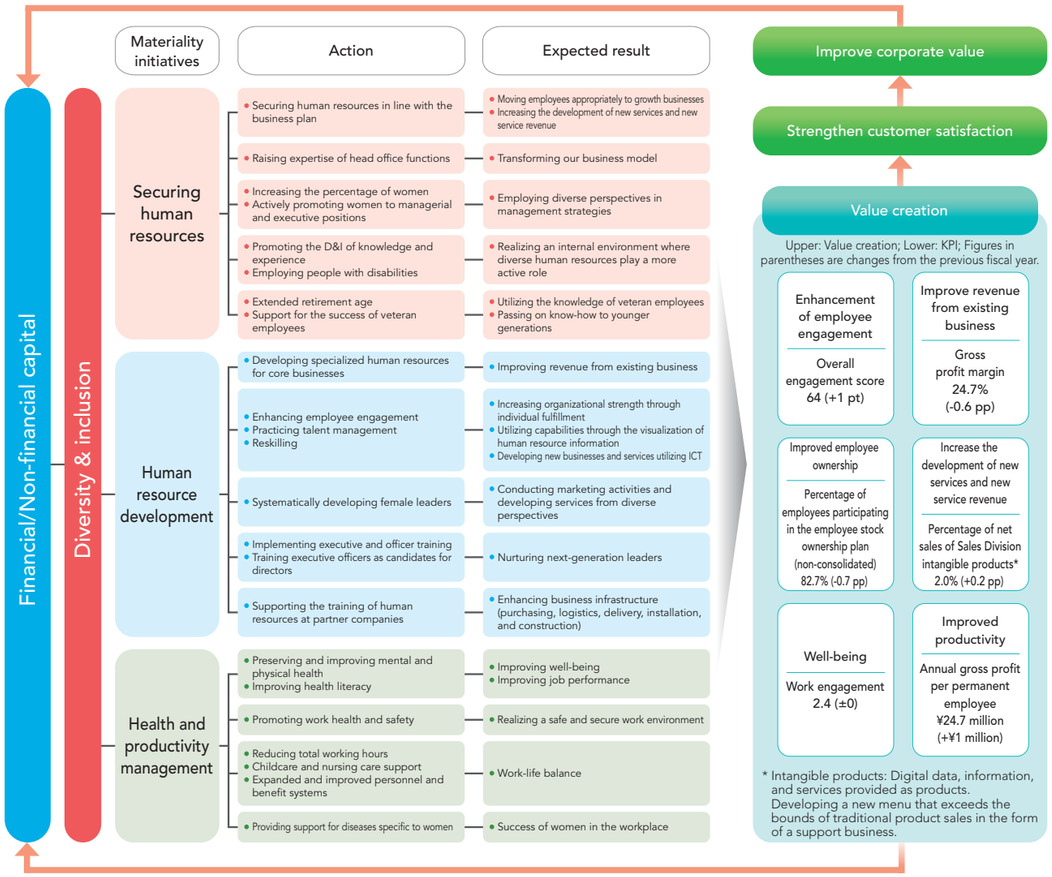
- Realization of management philosophy
- Improve corporate value and strengthen customer satisfaction
- Enhancement of employee engagement
- Improved employee ownership
- Realization of job satisfaction and ease of work

1. The percentage of female directors is valid as of June 26, 2026.
2. Rate of male employees taking childcare leave, etc., or leave for the purpose of childcare: Rate of taking childcare leave, etc., or leave for the purpose of childcare based on the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members
3. Health index score: An original index compared with national data based on the percentage of those whose medical checkup results for obesity, blood pressure, liver function, lipids, and blood sugar are within the appropriate range, and of nonsmokers (target: 40 years old and above)
4. Presenteeism: Where employees are at work but their work efficiency is declining due to health problems (measured by WLQ-J). Performance in the best condition is calculated as 100%.
5. Stress check participation rate: All business sites are targeted, including those with fewer than 50 people.

Connecting Management Strategy and Human Resources Strategy

The Group positions diversity & inclusion as a pillar of its human resources strategy, and uses individual capabilities to drive its organization's performance and enhance corporate value. The financial and non-financial capital acquired from that will be reinvested to create a virtuous cycle that generates new value.

Reinforcing Joshin's financial and non-financial capital through the promotion of diversity & inclusion (D&I)



Improving Organizational Performance by Enhancing Employee Engagement

The Group positions diversity & inclusion as a pillar of its human resources strategy, and by promoting measures to achieve a rewarding working environment where diverse human resources play an active role, the Group is making the utmost effort to enhance employee engagement in a way that raises corporate value. The power that comes from individual fulfillment will drive up organizational performance, creating new value that is essential for society.

Creating a Virtuous Cycle of Improved Corporate Value and Stronger Management Foundations

We secure human resources by actively investing in human capital, ensuring the sustainable growth of existing businesses and diverse expertise that generate new customer satisfaction. Furthermore, we promote health and productivity management that maximizes the potential of diverse human resources, creating a virtuous cycle that improves corporate value and strengthens management foundations.

A look back at FY2025

A trend toward improvement can be seen in the KPIs related to the percentage of net sales of intangible products and productivity improvements. However, further action is needed to improve the profitability of existing businesses. In FY2025, we established a dynamic personnel plan after consultations with each department to create a human resources strategy aligned with our management strategy. In addition, we advanced plans to promote employee participation in management by launching the performance-linked stock incentive system and to develop "self-directed human resources."

Dynamic personnel plan - Type of human resources sought: Innovative human resources that provide "two types of social value"

This is a dynamic personnel plan aligned with our management strategy. It is an HR measure that links directly to human resource requirements extrapolated from roles at each business, which aims to bridge the gap to 2030.
We will revise the plan as it progresses in order to secure and cultivate the human resources that we need.

Projected changes in personnel

Note: Personnel counts and sales figures are for conceptual purposes only. Proportions of sales will not sum to 100% because there are other sales.

Type of human resources	Roles and requirements for the human resources to be added	HR measures that bridge the gap
Concierge Personnel - Physical stores and e-commerce Projected change in personnel: 2,500 → Projected sales scale Proportion of sales FY2024 62%, FY2025 60%; Proportion of sales (planned) FY2030 60%	**Roles** • Proposing attractive products and services to customers • Building relationships of trust with customers • Generating new customer satisfaction **Requirements for the human resources to be added by 2030** • Highly specialized retail sales staff (stores) • Diverse retail sales staff (stores) to handle customer needs • Systems engineers, web marketers, and analysts (EC)	Common to all types of human resources sought • Clearer human resource requirements • Securing diverse human resources • Human resource development in line with the business plan • Establishing multiple paths for career development • Utilizing the capabilities of veteran employees • Improving management to boost productivity • Assigning specialized human resources to drive up EC sales
Entertainment Personnel KIDS LAND, DISC-PIER, and MEGA WATCH Projected change in personnel: 400 → Projected sales scale Proportion of sales FY2024 15%, FY2025 17%; Proportion of sales (planned) FY2030 15%	**Roles** • Providing highly specialized customer service • Creating sales floors that continuously win customer support • Further expanding market share **Requirements for the human resources to be added by 2030** • Personnel with experience in sales floor display and presentation	• Training of specialized human resources • Optimizing personnel assignments • Ensuring well-placed employees through open recruitment
Growth Business Personnel Mobile communications, support businesses, and renovation Projected change in personnel: 600 → Projected sales scale Proportion of sales FY2024 16%, FY2025 18%; Proportion of sales (planned) FY2030 20%	**Roles** • Lifestyle proposals rooted in smartphones as a core hub • Expanding services tailored to customer lifestyles • Proposing solutions that achieve a comfortable, smart living environment **Requirements for the human resources to be added by 2030** • Personnel with contract sales experience (mobile) • Personnel with reuse business experience (support business) • Housing Environment Coordinators for the Elderly and Disabled (renovation) • Architects (renovation)	• Increasing personnel • Training high-performance human resources • Establishing business-specific academies • Securing human resources who will drive business growth
Service Infrastructure Personnel - Delivery, construction, and repairs Projected change in personnel: 500 → Projected sales scale Proportion of sales FY2024 5%, FY2025 5%; Proportion of sales (planned) FY2030 5%	**Roles** • Providing services based on trust and technical capabilities • Delivery, construction, and repairs for large products subject to recycling • Understanding untapped needs through customer home visits • Same-day support for home appliances that are an essential part of daily life **Requirements for the human resources to be added by 2030** • Qualified electricians and other personnel with repair-related credentials • Licensed construction management engineers	• Training of dispatch repair staff • Measures to address aging staff • Reskilling • Professional certifications
Corporate Planning and Operational Personnel Planning and operational departments Projected change in personnel: 300	**Roles** • Creating future value through vision-building • Improving earning power • Improving capital efficiency • Optimizing and streamlining information technology and logistics infrastructure **Requirements for the human resources to be added by 2030** • Strategists (management, marketing, finance, HR) • Systems engineers and data science talent • Creators (VMD) • Product planners and developers	• Securing and training highly specialized human resources • Improving productivity • Addressing changes in work styles • Executing succession plans • Starting corporate division education

Internal Environment Improvement Policy

The Group believes that the active participation of diverse human resources is the source of our organizational strength to seize new business values and to achieve sustainable growth. To improve the Group's corporate value by contributing to society as a "hub for the infrastructure of life," it is necessary to create new value by understanding the issues and needs of society. For that reason, the Group will create an internal environment where everyone is given a fair opportunity and can thrive in good mental and physical health while achieving job satisfaction.

We will then turn the ideas coming from the free thinking of diverse human resources into new businesses as well as promote sustainability management.

Human Capital Investment

We have long placed importance on investment in people who create future value. Going beyond just hiring, training, and salary increases, investment that will boost job satisfaction and ease of work as well as investment in the implementation of systems to improve productivity and reduce effort is also defined as human capital investment.

As one form of human capital investment, we introduced a performance-linked stock incentive system for employees in FY2024. The purpose of this is to enhance employees' awareness of their active involvement in improving the medium- to long-term value of the Company.

At present, we are making upfront investments to maximize the potential of our human resources and create value for the future. Going forward, we will continue investment to generate future returns.

Note: Figures in ( ) are changes from the previous fiscal year.

FY2025 Human Capital Investment ¥4,419 million (-¥1,566 million)

Recruiting and education .....¥758 million (-¥20 million)
- Cost of hiring new graduates and mid-career workers
- Recruitment expenses
- Education and training expenses

Wage increases and a revised HR system
.....¥1,657 million (-¥641 million)
- Wage increases (including non-regular employees)
- Amount of investment in stock incentives
- Risk-responsive lump sums for retirement annuities
- Increased personnel costs due to the extended retirement age
- Talent management system operating costs

Investments leading to job satisfaction and ease of work
.....¥182 million (+¥92 million)
- Investment in new work styles
- Ikumen (men rearing their children) leave
- Nursing care support
- Expenses for conducting engagement surveys

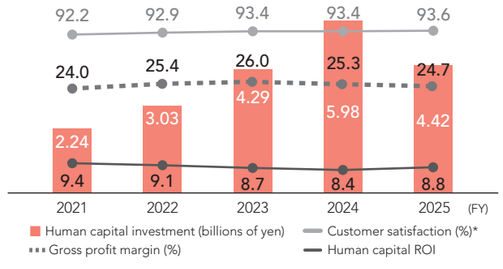
Investments in systems that improve productivity
..... ¥1,822 million (-¥996 million)
- Expenses for self-checkout systems, digital POP, and electronic price tags
- Queuing systems, order card issue systems, etc.

Although we have not yet been able to clearly map out the return on human capital investment, there is some correlation apparent between human capital investment and gross profit margin.

- Human capital investment
  FY2024: ¥5.98 billion → FY2025: ¥4.42 billion
  Systems investment, etc. decreased from the previous fiscal year

- Human capital ROI (ISO 30414 productivity indicator)
  Formula =
  [Sales – {Selling, general, and administrative expenses – (Wages and allowances + Bonuses + Legally required and other welfare expenses)}] ÷ (Wages and allowances + Bonuses + Legally required and other welfare expenses) – 1

Human capital investment and financial data



* Customer satisfaction (%) = "very satisfied" + "satisfied" in our online questionnaire

Employee Engagement Improvement Initiatives Using Engagement Surveys

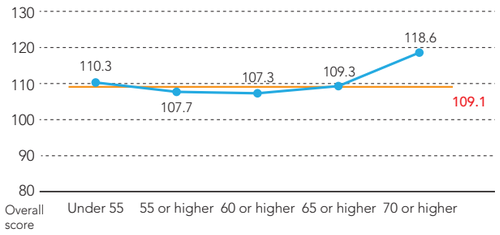
The Group's human resources strategy aims to drive organizational growth by enhancing employee engagement.

As part of these efforts, we introduced an engagement survey in April 2023 to assess progress toward achieving job satisfaction and a comfortable work environment. We promote the use of engagement surveys as a tool to visualize the psychological status of employees and support management.

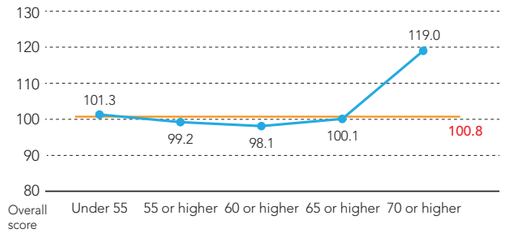
As shown in the graph below, the engagement score is correlated with sales and the number of customers at the register, leading us to recognize that engagement and organizational performance are closely linked.

Correlation between overall engagement score and operating data

Sales year-on-year comparison



Register customers year-on-year comparison



Year-on-year comparison of various averages by engagement survey overall score
Average across 197 stores (stores where year-on-year comparisons are possible)

- Fiscal year-on-year data: FY2025 order results
  (different from consolidated operating results) for stores where year-on-year comparisons are possible
- Overall engagement score: Data from February 2026
- Survey tool: Wevox by Atrae, Inc.
- The overall score is reflected in the stock-based compensation of executive directors and executive officers as a long-term incentive.

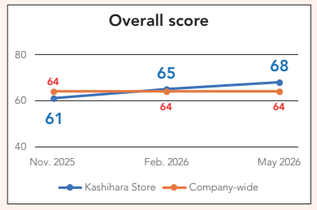
Example of Improving Engagement at a Store

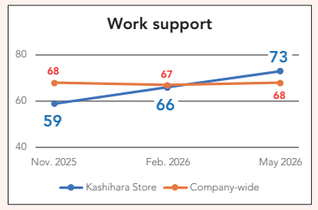


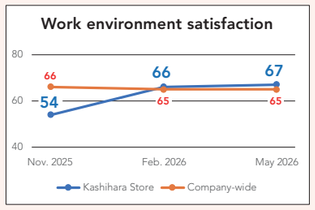
Saori Yamamuro
Joshin Kashihara Store Manager
(Appointed January 2026)

We value creating a workplace where team members can work with peace of mind and take on new challenges.

We place great value on everyday conversations with team members to understand how they think and act. It is important to communicate with them and make decisions after fully understanding the situation. For example, if a team member is struggling because they have taken on too much work, we first work alongside them and then provide guidance. By striving for the quick resolution of problems such as customer complaints, while also constructing a system that gives each individual greater freedom of action even as ultimate responsibility lies with the store manager, we aim to create a workplace where employees can take on challenges with peace of mind.





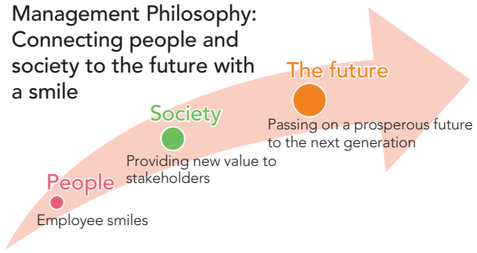


The engagement score of the Joshin Kashihara Store was up in the two most recent surveys.
The scores for the "Work support" and "Work environment satisfaction" categories improved dramatically; management that encourages individuals in taking on challenges through daily communication and support has produced meaningful results.

Securing Human Resources

Basic Concept

The smiling faces of our employees are the driving force behind the sustainable growth of the Group. Only when employees can participate actively with smiles on their faces can we provide services that bring smiles to our customers and all other stakeholders. For this purpose, we are working to create an environment where all employees can work with peace of mind, and to secure a diverse pool of human resources.



▶ Hiring of new graduates

Through ongoing hiring, we are achieving a balanced age composition in our workforce.

▶ Employee retention initiatives

- Promoting the elimination of the gender gap in the turnover rate
  Turnover rate: 2.3% / Turnover rate of male employees: 1.8% / Turnover rate of female employees: 4.9%
  By networking with frontline employees, we identify the challenges they face in continuing to work, which helps us create an environment where employees can succeed regardless of gender.

▶ Securing specialized personnel by expanding mid-career hires

We are expanding experience-focused mid-career hiring centered on specialized fields, such as growth business personnel and planning and operational personnel at corporate divisions. Our percentage of mid-career hires and percentage of mid-career hires in management positions are increasing.*

* FY2025 percentage of mid-career hires: 40.9% / Percentage of mid-career hires in management positions: 33.8%

- Systematization of human resource requirements
  We have defined the specialized skills and qualities that we need by focusing on the following specialized fields, which has enabled us to secure human resources with a high degree of precision.

Renovation / Mobile communications / Support business / Marketing/promotions / ICT/DX / Logistics / Delivery, installation, and construction

Human Resource Development

Human Resource Development Policy

The Group believes that human resource development is an investment that will result in sustainable growth. To develop human resources who are sensitive to changes in the environment and motivated to transform the Company's structure and business model, we encourage employee participation in management by creating opportunities for employees to express their opinion, and by reflecting those opinions in our policies. In this way, we draw out in every employee the desire to feel a bond with the Joshin brand, to voluntarily demonstrate their abilities, and to actively contribute to the creation of new value. We create new levels of customer satisfaction and intend to improve our corporate value by offering services provided by employees with deep knowledge and experience.

▶ Develop self-directed human resources

- Conduct training to change awareness of management
- Conduct management reviews
- Assign the right people to the right posts based on self-assessment reports

▶ Nurture next-generation executives

- Establish three new human resource pools of Ready, Next, and Potential as part of the succession plan
- Conduct systematic development programs based on a selective process

▶ Develop the specialized human resources needed for each business

- Create a development system by establishing business-specific academies
- Expand the target certifications of certification acquisition incentive programs

▶ Initiatives to promote DX

- Conduct DX training for all employees (launched in FY2022)
  DX literacy training: 4,327 participants
  Generative AI training: 1,269 participants

▶ Education that supports expertise in our core business

- Proportion of Home Appliance Advisor certification holders: 86.5% (permanent employees)
- Proportion of Smart Master certification holders: 59.1% (permanent employees)

Recommended certifications and number of holders

Title	Type	No. of certifications held* (holders of multiple certifications counted once for each)
Home Appliance Advisor	Various grades	7,052
Home Appliance Engineer	Various grades	405
Smart Master	—	2,649
Housing Environment Coordinators for the Elderly and Disabled	Various grades	148
IT Passport	—	130
Qualified Electrician	Various grades	331
Installation Technician	Various grades	284
Health Supervisor	Various grades	253
Photo Master	Grades 1–3	1,813

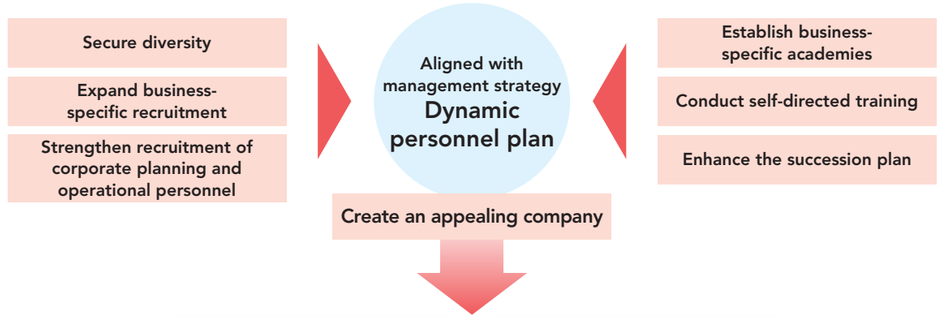
* Number of certifications held by permanent employees, associate employees, contract employees, and part-time employees of the Joshin Group

Training hours and cost

Item	Result
No. of sessions held	273
Total hours	48,202[1]
Total no. of trainees	89,541[2]
Cost of training (yen)	43,784,000

1. E-learning is calculated by setting the average viewing time to 5 minutes per content and multiplying that by the number of times viewed
2. Figures for temporary employees are also included in the total number of trainees

Future Initiatives for Securing and Developing Human Resources



Focusing on strengthening training systems and expanding business-specific recruitment to secure and develop diverse, highly specialized human resources

Leaders for Securing and Developing Human Resources

Since the start of FY2026, we have enhanced our recruitment and training functions. The two section managers, who assumed their positions in April, introduce their upcoming initiatives.

Oura: Securing human resources is getting more difficult every year. In response, we need to take every possible approach focusing on both the quality and the quantity of human resources in order to maintain the Group's business foundation and drive us toward further growth. It's not simply a question of securing the required quantity of human resources, but also the diversity that will be our source of innovation, and the people who could add spice to the organization. To do this, it is crucial to properly put into words and communicate the business and approach of the Group.

Tsukamoto: The key theme in human resource development is how to bring out the best in the next generation of human resources. We are focused on two main steps to develop an environment that will achieve this. The first is to transition to a self-directed organization in which each employee thinks and acts based on the information they obtain each day at their worksite. Starting this fiscal year, we have launched training for area managers to change the awareness of the managers themselves and help them support subordinates. The second step is to establish a system to develop the specialized human resources needed to grow each business. We will define the human resource requirements of each business and move ahead with establishing business-specific academies to develop specialized human resources for our core and growth businesses.

Oura: If we succeed in changing the awareness of management and establishing business-specific academies, it will also have a positive effect on securing human resources. In recent years, we have also introduced job-specific recruitment for new graduates, with separate application tracks from the outset, starting with our mobile business. By securing and developing human resources in a way that respects individuals' characteristics and their desire to develop expertise in specific fields, we support employees in taking the lead in forming their own career paths. In the future, we will expand these entry points for job-specific recruitment, initially to businesses and departments where development systems have already been established, and hand off the process to human resource development. To do this, we want to understand the needs of each business and create a structure in which both the organization and its people grow together.

Tsukamoto: By securing and developing specialized human resources who can support business growth, we will further raise the quality of the customer contact points that Joshin has cultivated over the years. The recruitment and education sections will continue to work together as we strive to increase the Group's appeal and secure and develop human resources who will forge the future.



Yuka Oura
Section Manager in Charge of Recruitment

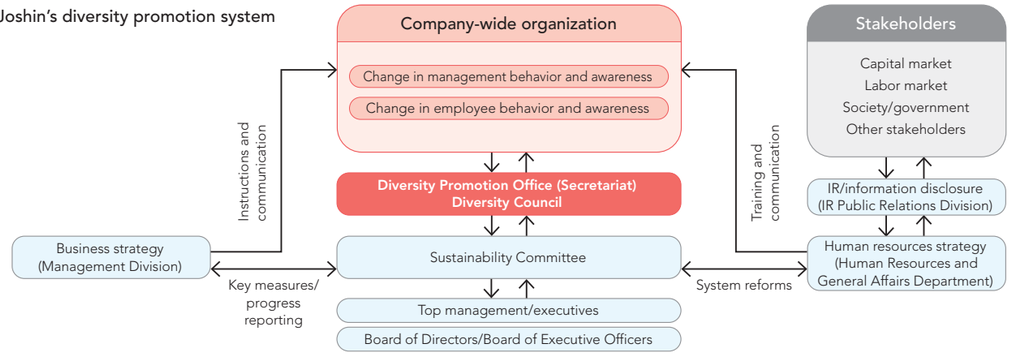
Noriko Tsukamoto
Section Manager in Charge of Education

Diversity & Inclusion

Diversity & Inclusion (D&I) is an initiative to realize job satisfaction and ease of work, and to build a foundation that opens up business prospects from diverse perspectives. We believe that the promotion of D&I is necessary to connect with society through services that bring smiles to the faces of our stakeholders and to pass on a prosperous future to the next generation. We announced the Joshin Group D&I Policy in March 2023, viewing our goal through D&I promotion as the success of all employees and sustainable growth as a company.

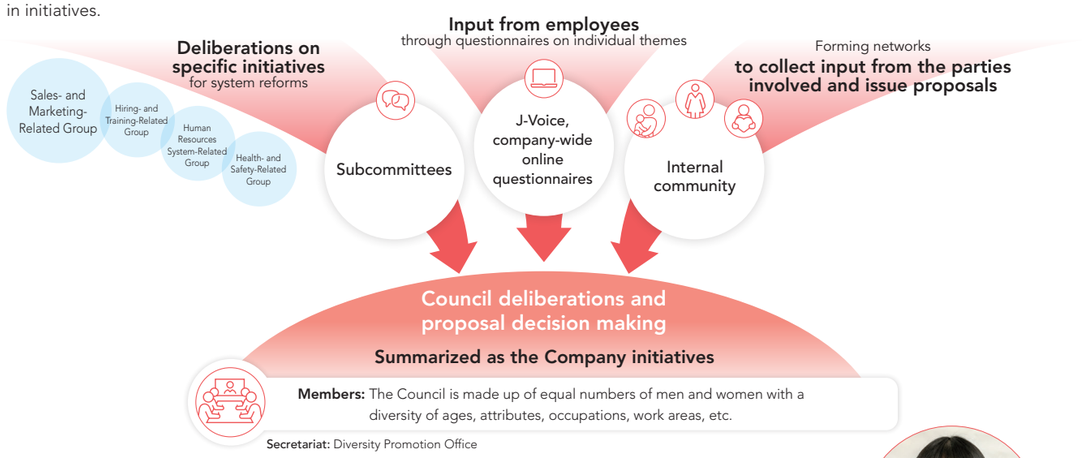
https://www.joshin.co.jp/en/csr/policy/list/di.html

Joshin's diversity promotion system



Employee Participation in Management through the Diversity Council

The Diversity Council allows employees to directly communicate their opinions to management and have their opinions quickly reflected in initiatives.



Results of Main Activities in FY2025

The Council holds discussions aimed at achieving job satisfaction and improved work environments using monthly online meetings.

1. Implementation of a staggered working hours system for childcare
2. Implementation of Family Days
3. Planned "Work Style Laboratory" networking events to empower women
4. Planned events to cultivate a culture of challenging oneself

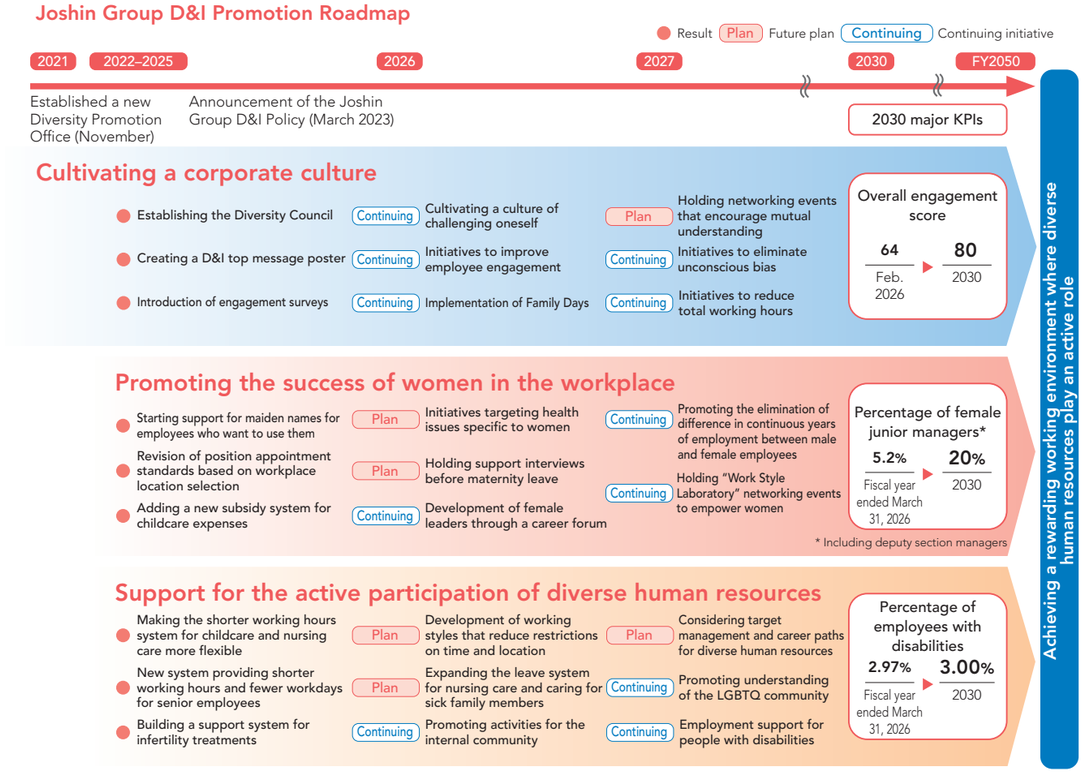
Council Activities



Sora Uehara
Joshin Dainichi Aeon Mall Store

Since I was curious about what "diversity" meant in a company, I applied to join the Council soon after entering the Company. I've had the chance to hear many opinions about the work environment, so I'm glad I took the initiative in joining. Through Council activities, I have realized that offering a wider range of work styles will boost the active participation of diverse human resources. I value this broad perspective and want to do whatever I can to help create a good workplace.

Joshin Group D&I Promotion Roadmap



Diverse Perspectives Empowering the Company



Diverse values, experience, and perspectives are necessary to grow the Company
(Securing human resources, improving company performance, creating future value)

For that purpose...

We will continue to create a workplace environment where diverse members can succeed

The Company grows by incorporating and utilizing a diversity of perspectives. To that end, we are creating a workplace environment where diverse members can succeed.

Initiatives for elimination of gender bias
- Revision of position appointment standards based on workplace location selection
- Holding a career forum that inspires and encourages female leaders
  - Creating a network of employees who voluntarily expressed interest in participating
  - Advice from female outside officers participating as observers
- Gender-agnostic childcare support and encouraging men to take paternity leave
- Encouraging men to take Ikumen (men rearing their children) leave (mandatory leave: 28 days)

Creation of job satisfaction for veteran employees
- Career interviews that aim to clarify people's roles
- Operation of a system providing shorter working hours and fewer workdays for senior employees

Employment support for people with disabilities
- Promoting initiatives aimed at hiring people with disabilities at all stores
- Conducting trial training during hiring to support employment that matches individual characteristics

Promoting understanding of the LGBTQ community
- Carrying out workshops and sharing information about allies in order to deepen understanding of diverse gender identities and sexual orientations

Health and Productivity Management

The Group promotes "fan" development by deepening connections with customers, and we are working on health and productivity management that forms the foundation of our human resources strategy. We will maximize the potential of each and every employee by promoting mental and physical health.

The Health and Productivity Management Promotion Office, led by the Chief Wellness Officer (CWO) who is top management, works to resolve the health challenges of the Group in cooperation with internal and external organizations.

https://www.joshin.co.jp/en/csr/social/hr/health.html

2026 健康経営優良法人 KENKO Investment for Health 大規模法人部門

Certified for seven consecutive years

▶ Main initiatives

- Mandatory complete medical checkups for permanent employees who have reached the age of 35 (at no cost to them)
- Conduct Good Condition Interviews with public health nurses, aiming to improve health literacy
- Have national registered dietitians implement the MealSelect Program, aiming to prevent lifestyle-related diseases

▶ Future initiatives

- Lifestyle improvements: Training programs to improve sleep habits
- Self-care and line management care training for health issues specific to women
- Promoting greater use of smoking cessation support programs in collaboration with health insurance societies

Promoting Company-Wide Smoking Cessation Programs

Believing that upper management should tackle employee smoking issues, Joshin established the following mandatory rules, effective April 1, 2025.

These measures helped raise awareness, contributing to a 1.4-percentage-point decline in the smoking rate recorded in FY2025 health checkups compared with FY2024.

1. No smoking during work hours
(Excluding break time; including business travel and out-of-company work)

2. No smoking for 45 minutes before starting work and returning from breaks or off-site visits
(Including 45 minutes before visiting a customer's home or client location)

After smoking, harmful substances continue to be emitted from the smoker's breath, hair, clothing, etc. The inhalation of these harmful substances by people nearby is called thirdhand smoke, which is regarded as a form of passive smoking. This 45-minute no-smoking period derives from research that indicates harmful substances are emitted from smokers' breath for 45 minutes after smoking.

By promoting a company-wide smoking cessation program, we will reduce various losses that contribute to management issues.

❶ Employee loss
- Risk of death (smoking is the leading cause)
- Risk to the health of those around the smoker (secondhand, thirdhand smoke)



❷ Productivity loss
- Hindered concentration
- Lost opportunities due to the smoker being away from their desk



❸ Customer loss
- Decrease in purchase intention and customer satisfaction due to cigarette odor



Health and Safety

To create a safe and secure work environment, we are actively working on measures to address long working hours, occupational accidents, and workplace harassment, as well as on improving productivity by implementing ICT on the front lines of sales.

We will continue to promote labor savings by implementing ICT and we will increase contact points with customers to improve customer satisfaction.

▶ Main initiatives

- Expanding the occupational safety and health management system by increasing the number of public health nurses
- Promoting the work interval system that guarantees rest between work shifts
- Internally sharing information on accidents and disasters and enacting thorough countermeasures
- Implementing risk assessments
- Subsidizing infectious disease immunizations
- Establishing an internal harassment consultation desk (from 2003)
- Safety management when working at heights or when transporting heavy items
- Measures to prevent lower back pain
- Introduction of cut-resistant gloves
- Introduction of fan-cooled clothing as a measure against heatstroke
- Dust control measures for asbestos and other substances
- Sharing information about accidents and implementing countermeasures with logistics contractors

Promoting Management by Smoothly Sharing Information between Labor and Management

The labor union represents the workers and works to improve working conditions and economic positions. It also develops a relationship of trust with the Company that is the foundation for improving employee engagement. The Company and the labor union regularly hold labor-management council meetings. From the Company's side, detailed information is shared about the changing management environment, management policies, business plans and their progress, financial results, and other items. From the labor union, issues are raised related to the work environment of employees and suggestions are made to management, making this a valuable forum for information sharing between labor and management. Labor-management council meetings are attended by the Company's executive officers, as well as the union's full-time officers and executives from each region. This facilitates the sharing of values, such as management's visions and policies, with frontline union members. The council, as well as driving the business forward, plays a leading role in establishing a management system in which labor and management are united. (Collective agreement coverage: 92.1%)

Message from the Executive Officer in Charge

Roadmap for Securing and Developing Human Resources Who Will Create Future Value



Kiminori Nishio
Executive Officer in Charge of Human Resources and General Affairs

A human resources strategy integrated with our management strategy

At the Group, we are implementing a human resources strategy that is integrated with our management strategy in order to achieve our management philosophy of "Connecting people and society to the future with a smile." We are working to maximize human capital, which we consider our most important management issue, as we seek to create the two types of social value of "Helping to strengthen the resilience of an aging society" and "Achieving household carbon neutrality."

Establishing a Dynamic Personnel Plan aligned with our management strategy

In order to realize our management strategy, we established a Dynamic Personnel Plan after close consultations with each department. This plan is a dynamic roadmap that flexibly adjusts the human resource requirements and scale for each business in line with changes in society and the progress of our strategy. The plan outlines the roles and requirements of the human resources responsible for each business and visualizes the human resources measures needed to bridge the gap to achieving the plan, ensuring a shared understanding as the plan is implemented.

Securing human resources who will be our source of innovation

To ensure the effectiveness of the Dynamic Personnel Plan, we are taking on the challenge of securing not only the proper "quantity" of personnel, but also "quality," with an emphasis on the diversity and expertise that will be our source of innovation. For the hiring of new graduates, we have implemented job-specific recruitment that respects individuals' characteristics and their desire to develop expertise in specific fields, starting from our mobile business. We plan to expand the entry points in stages. We are also actively expanding mid-career recruitment of highly specialized human resources to strengthen our growth businesses and corporate functions.

As shown in Projected Changes in Employee Structure by Age Group, the proportion of employees in their 60s will increase by 2030. As securing human resources becomes ever more difficult, providing support for the success of veteran employees and making effective use of their capabilities are key themes to address. The Group conducted career interviews during FY2025 to clarify people's roles, and we established flexible work styles, such as a system allowing employees to work fewer days. Going forward, we will continue to strive to increase our appeal as a company that makes the most of the talents of each employee, and to secure a diverse pool of human resources.

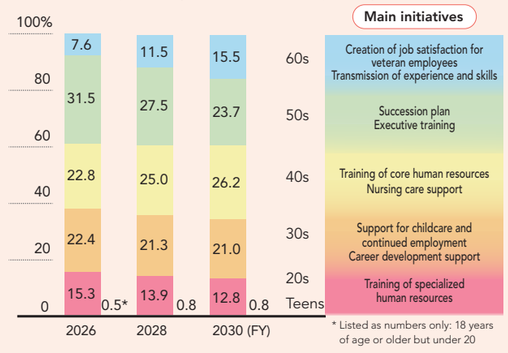
Human resource development will generate future value

Human resource development is an investment for the sustainable growth of the Group, and we are currently reinventing our development process. One of our main areas of focus moving forward is to establish business-specific academies as a development system for the specialized human resources needed to grow each business. By reorganizing the existing educational system while also establishing a new educational system for growth businesses and corporate roles, we will develop the specialized human resources required by each business. We will also combine these academies with our company-wide DX literacy training and generative AI training so that our extensive knowledge improves the quality of contact points with customers.

Furthermore, starting this fiscal year, we launched training to foster a mindset shift among managers as we seek to transition to a "self-directed organization." In this age of rapid change, a top-down organization cannot identify the risks and opportunities in society. Rather, all individuals need to think and act for themselves based on the firsthand information they gather at each workplace. This is essential for the growth of the organization. We aim to transition into this kind of self-directed organization.

In the future, we will continue to raise the precision of our human resources strategy as an integrated part of our management strategy, and work to secure and develop human resources capable of forging a new future. In this way, we will achieve sustainable growth.

Projected changes in employee structure by age group through FY2030



* Listed as numbers only: 18 years of age or older but under 20

Respect for Human Rights

Establishment of the Joshin Group Human Rights Policy

Since our foundation, the Group has cherished the corporate motto of "Thoughtfulness"—"to always act in consideration of others' perspectives."

This connects directly with respect for human rights that values what each individual holds important. And moving forward, with our foundational spirit of respecting human rights and to contribute to resolving social issues through our business activities, we signed the United Nations Global Compact in July 2022 and announced the Joshin Group Human Rights Policy in December 2022.

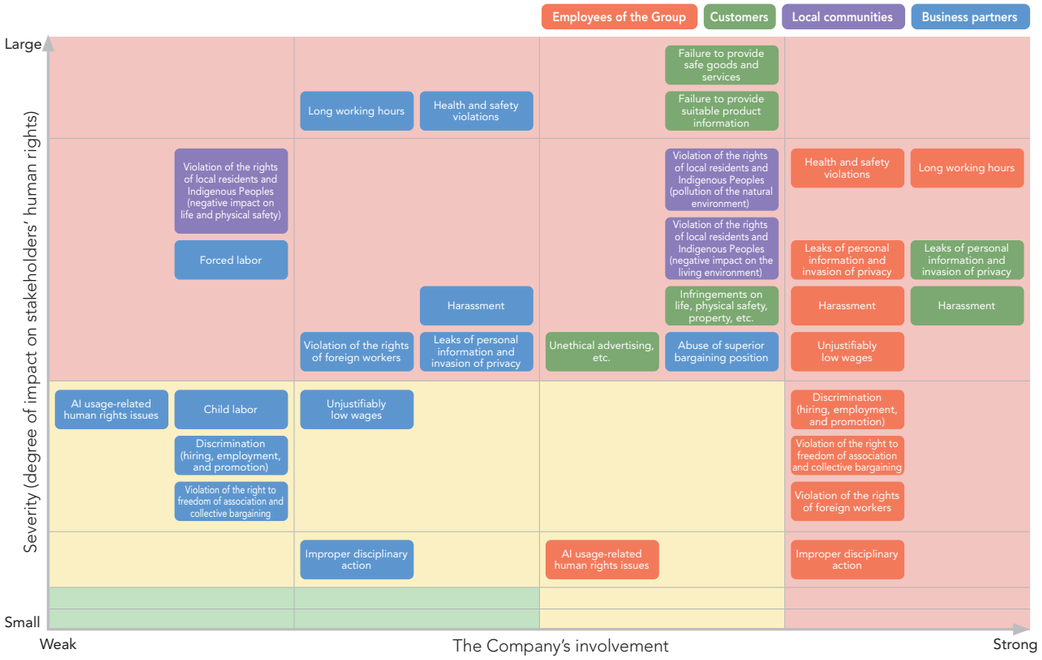
Please see our website for more information on the Joshin Group Human Rights Policy.
https://www.joshin.co.jp/en/csr/social/strategy/human_rights_policy.html

Implementation of Human Rights Due Diligence

▶ Identifying and assessing human rights risks

We identified potential human rights risks associated with the Group's business activities and evaluated them from the standpoints of severity and our involvement, using that to create a human rights risk map. Based on these results, we will consider specific actions to reduce human rights risks that have been indicated as highly significant, and prioritize ways to address them.

Human rights risk map (risk assessment results) Unlike a typical risk matrix, there are also areas of high priority at the ends of each axis.



Refer to the United Nations Guiding Principles on Business and Human Rights, The Arc of Human Rights Priorities of the Danish Institute for Human Rights, the Stakeholder Engagement Program of the Caux Round Table, etc.

▶ Preventing and mitigating human rights risks

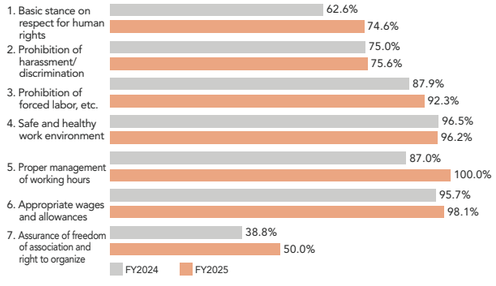
As a result of assessing human rights risks, we identified long working hours, health and safety violations, and other high-severity issues at our business partners that needed to be prioritized for a response. Accordingly, we asked our delivery, installation, and repair contractors to complete a questionnaire on their initiatives to respect human rights.

The implementation rate for initiatives to respect human rights at cooperating delivery partners increased (see the graph on the right). Our analysis found that this was thanks to educational activities such as seminars that were held as part of our stakeholder meetings.

▶ Information disclosure

- Number of reported human rights cases related to the value chain
  FY2023: 2; FY2024: 0; FY2025: 2

▶ Year-on-year comparison of implementation rate for initiatives to respect human rights at cooperating delivery partners

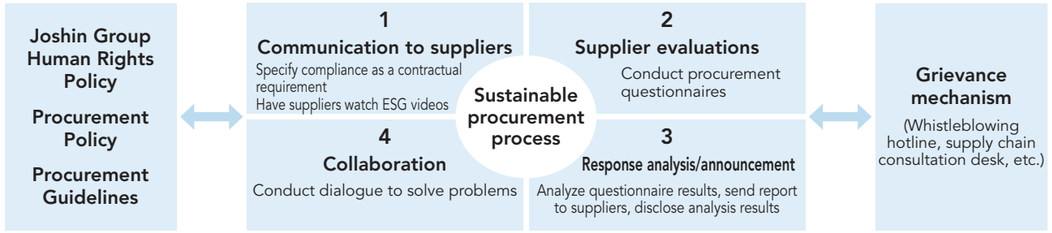


For details about the Human Rights Awareness Promotion System and Human Rights Remedy System, please see our website.
https://www.joshin.co.jp/en/csr/social/strategy/promotion_structure.html

Sustainable Procurement Activities

The Group created our Procurement Policy and Procurement Guidelines in 2021. In 2024, based on the results of a procurement questionnaire and other input, we partially revised the Procurement Guidelines to further promote initiatives concerning environmental protection, respect for human rights, and other matters in the value chain. We also amended our master transaction agreement to explicitly state that compliance with the Procurement Policy and Procurement Guidelines is a contractual requirement.

In addition, we established a new human rights clause to encourage proactive initiatives on respect for human rights.

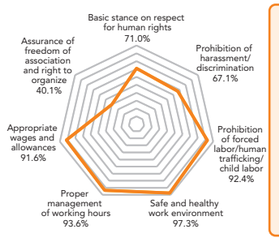


Implementation of Value Chain Engagement

The Ten Principles of the UN Global Compact in four core areas form the foundation of the various policies of the Group, and we conduct a procurement questionnaire as an assessment focused primarily on how our suppliers are addressing these principles. (The questionnaire targets companies ranking highest in product purchasing value and companies ranking highest in transaction value for consumables and similar supplies.)

We ask participating suppliers to watch a video explaining our Group's ESG initiatives as well as the purpose of our policies, including the Human Rights Policy, Procurement Policy, and Procurement Guidelines, and we also exchange opinions through the questionnaire system. In addition, the Group holds briefings and individual explanatory sessions for relevant departments including the Merchandise Department, which handles procurement. Through this series of training sessions, we deepen understanding of sustainable procurement within the Company.

In FY2024, we started video viewings, questionnaires, and stakeholder meetings about initiatives to respect human rights for cooperating delivery partners, and in FY2025, we expanded the participants to our cooperating construction and repair partners as well. By expanding the scope of assessments, we aim to reduce risk across the entire value chain and help resolve social issues.

FY2025 results	Evaluation/analysis	Future initiatives: Metrics and targets
Supply Chain Procurement Questionnaire  **Target companies** 303 **Responding companies** 159 (Response rate 52.5%) **Sustainable procurement rate** **70.5%** (Procurement from responding suppliers / Total Company procurement)	• A high percentage of companies have constructed internal implementation systems and enacted measures for "ensuring quality and safety" and "fair and equitable trade as well as full compliance with laws and regulations." • Many suppliers replied that the approach across the entire supply chain was inadequate for "consideration for the environment" and "initiatives for health and productivity management and work health and safety."	Increase the opportunities for problem-solving and support for capacity building through collaboration with each supplier **2030 target: Sustainable procurement rate** **80%**
Questionnaire on Initiatives to Respect Human Rights  **Target companies** 373 **Responding companies** 228 **Response rate** **61.1%**	• The implementation rate of initiatives to respect human rights is high for items directly related to frontline work, such as ensuring a "safe and healthy work environment" and "proper management of working hours." • Some partner companies have not implemented systemization and institutionalization initiatives, such as formulating a human rights policy or establishing a harassment consultation desk, and this impacts the implementation rate for the "basic stance on respect for human rights" and "prohibition of harassment/discrimination" items.	Increase the opportunities to hold stakeholder meetings with the aim of cultivating an awareness of respect for human rights at our delivery, construction, and repair partner companies **Stakeholder meetings scheduled for FY2026** **10 meetings** **120 companies**

Note: In the radar chart, for all questions, the ratio of the highest response is indicated as a percentage, and the average value for each major question category is shown.

Providing Safe and Secure Products and Services

Approach to Product Safety and Voluntary Action Guidelines

Since the Group was founded, we have been developing our business based on the concept that "The duty of a retailer is to ensure that the customers who purchase products use them with peace of mind until the very end," with the consistent offering of safe and secure products and services to our customers as a key issue.

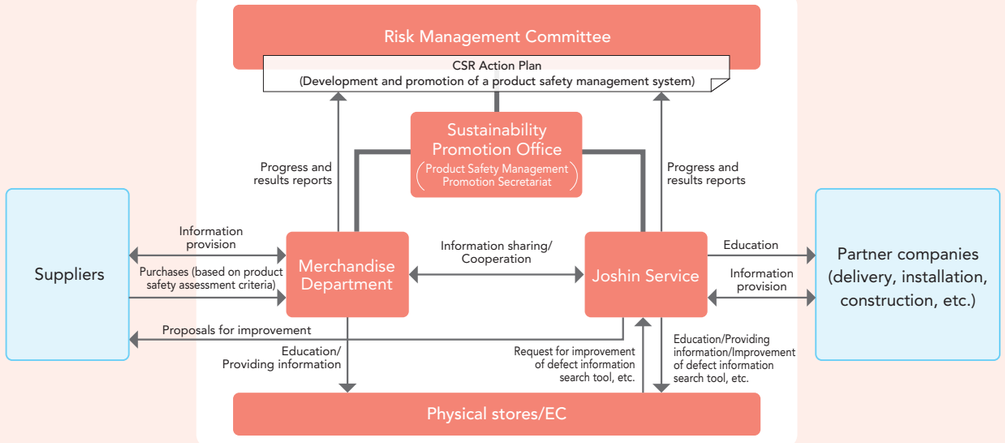
We formulated the Voluntary Action Guidelines for Product Safety of Joshin Group in 2007 to further embody this idea, and have developed a Group-wide, coordinated product safety promotion system, so that our customers can always select and use the products we sell with peace of mind.

Please see our website for the Voluntary Action Guidelines for Product Safety of Joshin Group.
https://www.joshin.co.jp/en/product_secure.html

Product Safety Management Promotion System

At our Group, every division in charge of product safety reports to the Risk Management Committee every quarter on the state of activities based on the CSR Action Plan for the development and promotion of the product safety management system, in this way sharing information. The Group has also established a system under which the Risk Management Committee regularly reviews the CSR Action Plan and directs each division to make the required improvements.

Diagram of the product safety management promotion system



Development and Implementation of the Education System

We proactively incorporate product safety-related subjects into the curriculum of various employee training programs conducted within the Company. Also, employees of Joshin Service serve as instructors to delivery, installation, and construction partner companies on subjects including CS education, safety education, delivery and construction training, home appliance repair training, facility-related training, and technical qualification courses.

Further, at the Joshin Training House* inside our Technical Training Center, we conduct training for delivery, installation, construction, and other work suitable for various house structures to prevent product accidents due to installation defects.

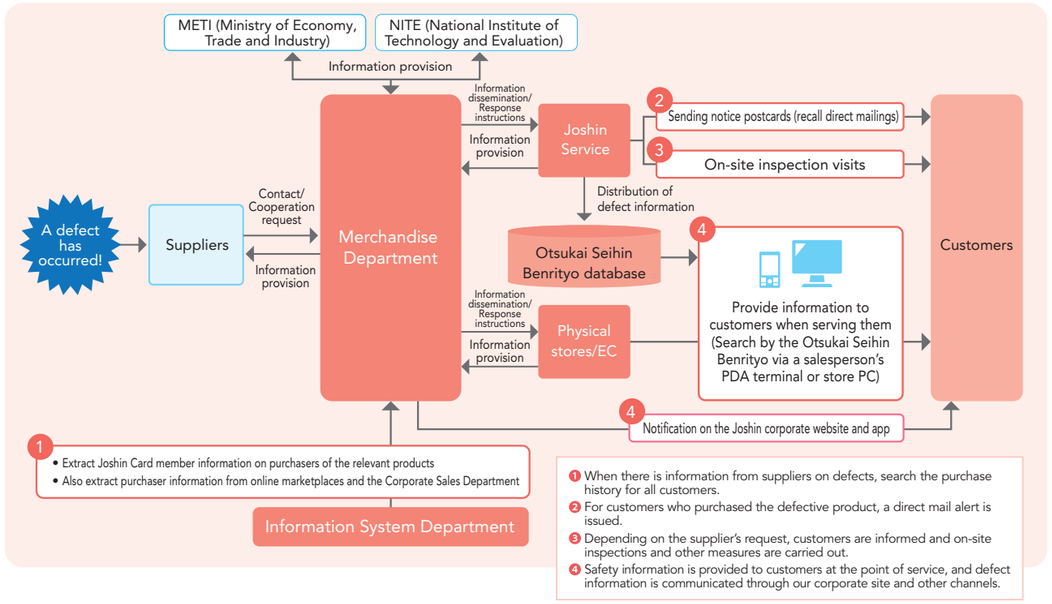
In FY2025, we started new initiatives including reskilling training for employees in managerial positions, follow-up training specialized for product classes that new service engineers find difficult, and training to prevent product damage.

For air conditioner installation, we established a system that visualizes the installation quality in real time by having the engineer upload photographs before, during, and after the work to check whether the installation standards are being complied with, and we also built an individual identification system based on face authentication. Through such initiatives, we are using ICT to strengthen compliance and provide safety and security. The resulting data is also used as a resource for education and guidance in an effort to achieve a high level of uniformity in installation quality.

* Obtained a patent in 2012 for a training house structure for goods delivery operations

Flow When a Defect Occurs (the Group's Response)

In the event that a defect or fault is found in a product we have sold, the Group will work closely with the supplier and take prompt action following the workflow shown below. All information on products handled is managed and controlled by the Merchandise Department, and whenever a defect occurs, the department issues instructions to each business site with a summary of countermeasures, which are then followed.

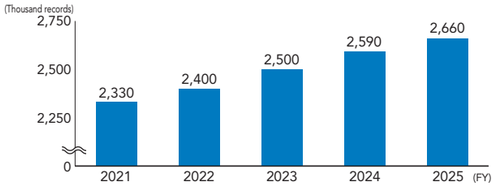


Defect Database and How It Is Used

Information on defects is stored in the *Otsukai Seihin Benrityo* database. The database stores approximately 2.66 million items (as of March 31, 2026) of product information and related information, and is the Group's proprietary system that allows employees to easily retrieve related information such as consumables and accessories, and even defect information from their PDA terminals and store PCs.

Using this system, we provide customers with information on product defects even when they inquire about consumables and accessories.

Number of product information records registered in the Otsukai Seihin Benrityo database

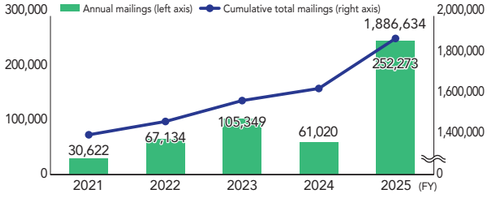


Note: Number at the end of each fiscal year

Direct Mailing for Product Recalls

When we receive a recall report from a supplier, we request an in-person meeting whenever possible to receive an explanation regarding the degree of risk, urgency, and response measures. Depending on the nature of the defect, we also discuss whether the Company should handle the response directly. Based on these discussions, we hold several meetings regarding the direct mailing to be sent to customers (approximately 30 times per year). In the event of a product recall, we also send direct mailings to customers who have purchased related accessories or consumables, thereby increasing opportunities for customers to see the defect information and aiming to reduce recall-caused damage as much as possible.

Number of direct mailings sent for recalls (serious manufacturer-related incidents)



Suggestions for Product Improvements Using Data on Repairs

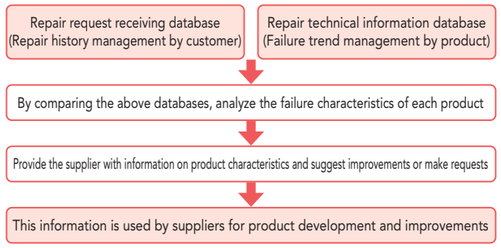
The Group currently receives about 380,000 repair requests annually through stores, service centers, and call centers.

The information received during repair requests and the technical information obtained during repairs are compiled into a database to analyze the failure characteristics of each product.

The analysis results are shared with suppliers during about 60 information exchange meetings throughout the year, at which we propose product improvements and make requests.

For example, we invite suppliers to a model house at our training facility where we verify installation risks for air conditioners, and we identify nonconformities in washing machines based on reports from delivery work. Such measures enable us to provide direct feedback of opinions from the front lines. These initiatives are leading to changes in supplier specifications and improvements in the next generation of models, helping to improve safety from a viewpoint that is closer to customers.

Information flow on product characteristics based on repair history



Engagement with Government Agencies and Local Communities

At the Product Safety Awards (PS Awards) organized by Japan's Ministry of Economy, Trade and Industry (METI), Joshin was certified as the first Gold Product Safety Company* in 2014. In the follow-up reviews conducted every five years after certification, we achieved certification renewal in 2019 and then again in 2024. Joshin is the first to receive two consecutive renewals under this system.

As a means of passing on this high expertise to society, Joshin plays a central role as a core company in the Product Safety Community under the leadership of METI, the National Institute of Technology and Evaluation (NITE), and other agencies.

We are also focused on educational activities for consumers. We actively communicate information in collaboration with government agencies; for example, we cooperated in creating the Product Safety Inspection Video on the METI website.

In addition, based on a comprehensive cooperation agreement with the government of Osaka Prefecture, we conduct outreach classes at elementary schools via after-school children's classes. We have developed a unique program on the subject of product safety to help increase awareness of safety across the entire region.



* A company is certified if it has won the highest rating in the Product Safety Awards, the Minister of Economy, Trade and Industry Award (Gold Award) three times or more.

Safety and Security at Stores

The Group is working to create store environments that are safe and comfortable.

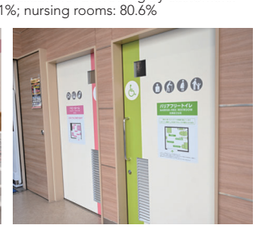
One initiative is to make our facilities barrier-free by installing accessible toilets and dedicated parking spaces for wheelchair users, as well as providing wheelchairs available for borrowing by customers at any time. We are also installing diaper-changing facilities and nursing rooms for customers with small children.* In addition, each store is equipped with an automated external defibrillator (AED) in case of emergencies.

To prevent secondary damage from earthquakes or fires, we are implementing a complete changeover from smoke barrier walls made of glass that can be dangerous when broken to sheet-type smoke barrier walls that have a higher safety performance.

Furthermore, under a crisis management system based on the ISO 22301 international standard, we have made it mandatory for all stores to conduct disaster response drills and check their stockpiled disaster supplies twice a year, and we also inspect their disaster prevention equipment once a month. Other initiatives for supporting the safety of local communities include having certain stores designated Tsunami Evacuation Buildings and conducting joint disaster response drills with local residents.

* Installation rates: Accessible toilets: 98.1%; dedicated parking spaces for wheelchair users: 95.2%; wheelchairs available for borrowing by customers: 94.7%; diaper-changing facilities: 97.1%; nursing rooms: 80.6%

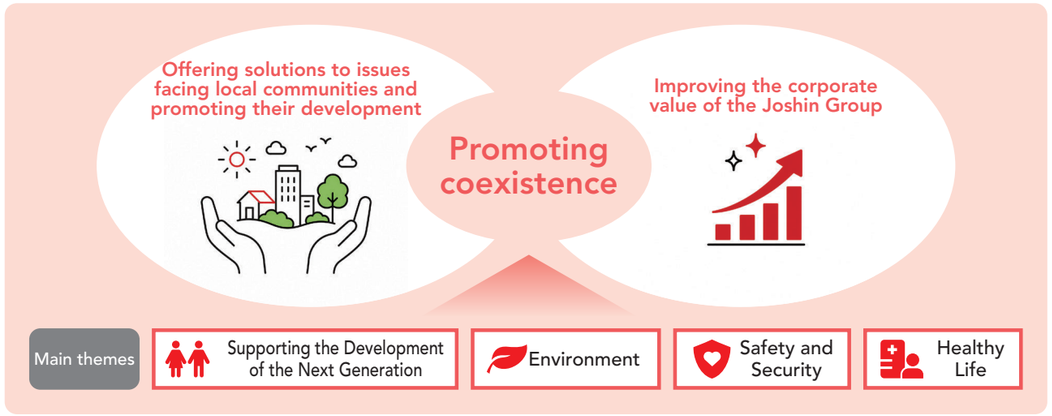




For more information on provision of safe and secure products and services, please see our website.
https://www.joshin.co.jp/en/csr/social/safety.html

Promoting Coexistence with Local Communities

The Group believes that our brand value increases when we develop good relationships with local communities as part of our business operations, and when we work through our business activities to solve issues facing local communities and promote their development. These efforts toward coexistence with local communities create business benefits and value. By putting these benefits and value into the cycle of capital, we will contribute to the development of these communities and improve our corporate value.



Initiative for Resource Recycling via the RE:FES Event to Achieve a Recycling-Based Society

The Group promotes environmental conservation and resource recycling in order to achieve a sustainable society. In May 2026, we sponsored and exhibited at RE:FES, a participatory event based on the theme of the 3Rs, where we collected old household cables that were no longer needed. The collected materials are recycled properly within Japan.

Through such activities, we are creating opportunities to think about the global environment together with local communities, while also working to reduce our environmental impact.

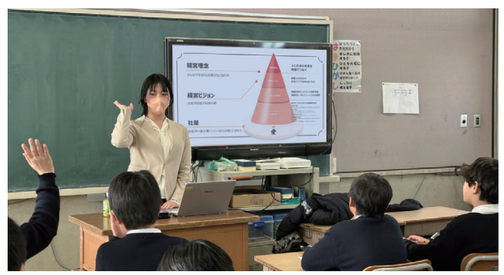
Left: Special booth for collecting household resources at RE:FES
Right: Unwanted household cables and peripheral devices collected at the event

Activities for Developing the Next Generation at the Group

In FY2025, the Group continued to conduct outreach classes at elementary and junior high schools, including career talks, career education, and product safety lectures, and to welcome student groups on school trips by utilizing our local stores as places to learn about actual society for project-based learning. We provided many children and students with a venue for practical learning.

Through these educational activities, we aim to provide strong support for the growth of the next generation who will shape the future and contribute to the sustainable development of local communities.

Please see our website for details on these activities.
https://www.joshin.co.jp/en/csr/social/contribution/next_generation.html



Career talk at an elementary school (Sakai City, Osaka: "Company Learning Support Program")

Governance

In order to achieve sustainable growth and enhance corporate value based on relationships with employees, customers, business partners, local communities, shareholders, and capital markets, Joshin will build the optimal corporate governance structure that can provide both great leadership from top management and a good partnership between executive and supervisory functions. Furthermore, through business portfolio management, proper allocation of capital and management resources, and other strategic actions as well as disclosing the results thereof, we will live up to the expectations of all stakeholders.

Basic Concept

Under our management philosophy of "Connecting people and society to the future with a smile" and our management vision of "Becoming a hub for the infrastructure of life through the power of home appliances and ICT," Joshin is developing a system of management that contributes to building a sustainable society through the creation of two types of social value: helping to strengthen the resilience of an aging society and achieving household carbon neutrality.

Joshin examined the changes in our business environment from the viewpoint of their risks and opportunities, while incorporating them into our management strategies and business portfolio. We intend to continue improving our corporate governance system to better manage the value creation process that feeds the social and economic value created through the use of capital back into a further virtuous cycle of capital.

History of Enhancing Corporate Governance

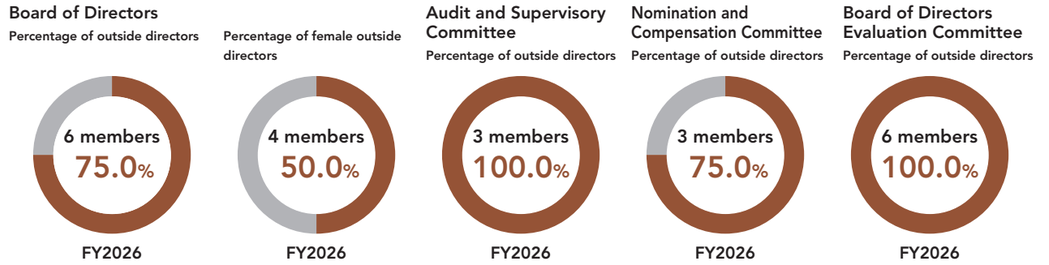
To improve the effectiveness of the Board of Directors, Joshin has worked to improve our corporate governance framework by ensuring diversity through increasing the number of independent outside directors and appointing female directors; introducing the executive officer system; establishing a Nomination and Compensation Committee and a Board of Directors Evaluation Committee made up of a majority of outside directors; and implementing a performance-linked stock compensation plan.

In order to enhance these initiatives, Joshin transitioned from being a company with a Board of Auditors to a company with an Audit and Supervisory Committee in June 2025. This will further accelerate decision-making by largely transferring the Board of Directors' authority over business execution decisions to the business execution side of the Company, while also improving the effectiveness of the Board of Directors through focused discussion at the Board of Directors of medium- to long-term management strategy, capital policy, and other items that contribute to improving corporate value. Additionally, the Audit and Supervisory Committee, comprised exclusively of independent outside directors, will be responsible for auditing and supervising the legality and appropriateness of business execution, with the aim of further bolstering Joshin's corporate governance systems and achieving more transparent management.

(FY)

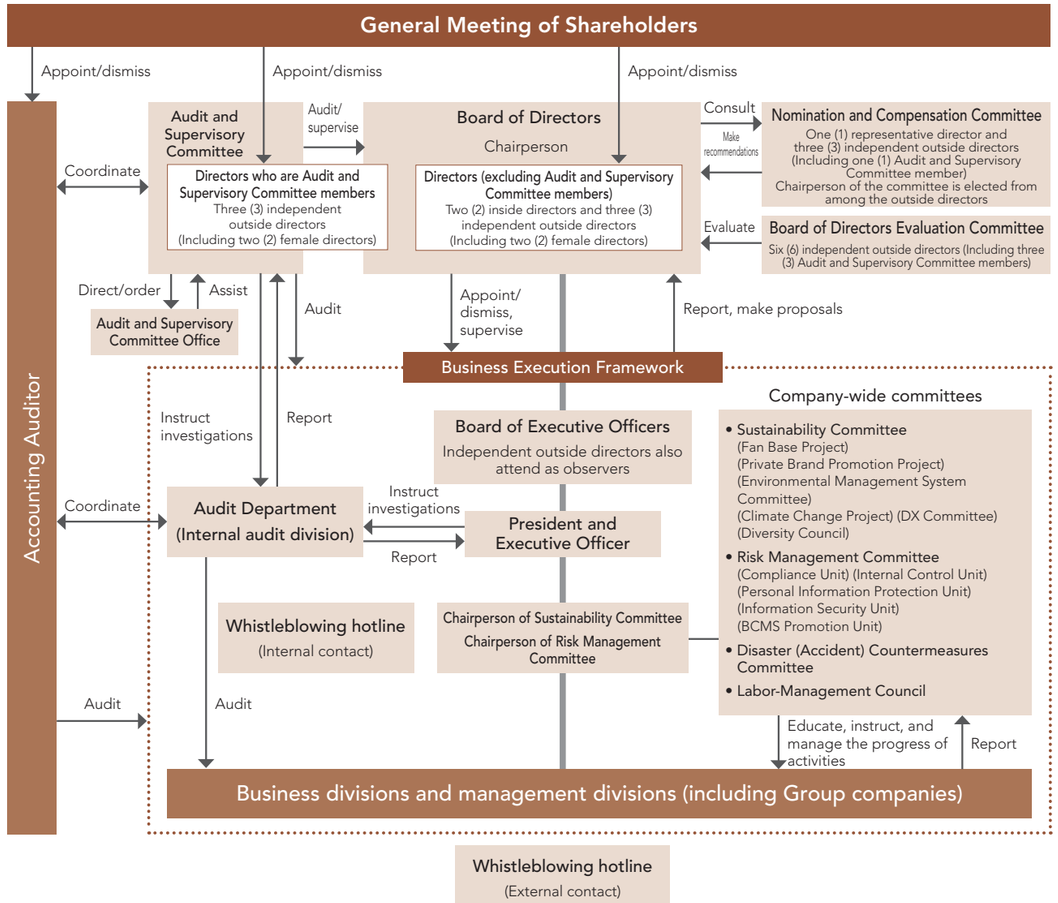
	2021	2022	2023	2024	2025	2026
Ensuring diversity of the Board of Directors						
Skills matrix	• Developed the skills matrix	• Revised the skills matrix	• Revised the skills matrix and utilization policy	• Disclosed the reason for skill set selection	• Partially revised the skills matrix	
Succession plan	2020 • Formulated the succession plan				• Revised the succession plan (Established three (3) new human resource pools of Ready, Next, and Potential candidates)	
Appointment of outside directors	• Increased to four (4) members (44.4% composition) (gradual increase from FY2014)				• Increased to six (6) members (75.0% composition)	
Appointment of female directors	• Increased to two (2) members (22.2% composition) (gradual increase from FY2019)				• Increased to four (4) members (50.0% composition)	
Improving effectiveness of the Board of Directors						
Corporate governance structure	2016 • Company with a Board of Auditors (Two (2) independent outside auditors, 50% composition)		• Three (3) independent outside auditors (75% composition), including one (1) female	• Three (3) independent outside auditors (75% composition), including two (2) females	• Transitioned to a company with an Audit and Supervisory Committee Six (6) independent outside directors (75% composition) Three (3) directors who are Audit and Supervisory Committee members (100% comprised of independent outside directors) Assigned dedicated staff to support Audit and Supervisory Committee members	
Nomination and Compensation Committee	2018 • Established the Nomination and Compensation Committee (Appointed independent outside directors to be the Chairperson of the Nomination and Compensation Committee and the majority of the committee members)				• Appointed one (1) director who is an Audit and Supervisory Committee member to be a committee member	
Performance-linked stock compensation plan	2017 • Introduced performance-linked Board benefit trust scheme		• Revised performance-linked stock compensation plan (Added capital efficiency indicators and ESG indicators to criteria used to calculate compensation)		• Announced the outline of our Malus clause	
Individual performance-linked compensation	2019 • Introduced individual performance-linked compensation (Changed to assessment criteria that emphasize the monitoring function)					• Changed the indicators used for calculations to the degree of achievement of operating income targets, based on the new medium-term management plan
Training for officers	• Held six (6) times a year	• Began practical training for management skills				
Evaluation of effectiveness of the Board of Directors	2016 • Established the Board of Directors Evaluation Committee / Held once a year					
Executive officer system	2016 • Introduced the executive officer system	• Transitioned to a delegation-type executive officer system	• Introduced performance-linked stock compensation plan			• Changed some of the indicators used to calculate performance-linked stock compensation to the degree of achievement of ROE targets
Management strategies / Management plan			• Disclosed cost of capital (CAPM/WACC)		• Announced plan to reduce cross-shareholdings (to a ratio of less than 3% of cross-shareholdings to FY2028 consolidated net assets)	

Corporate Governance Promotion System



Note: All committee chairpersons are outside directors.

Corporate governance system



Board of Directors

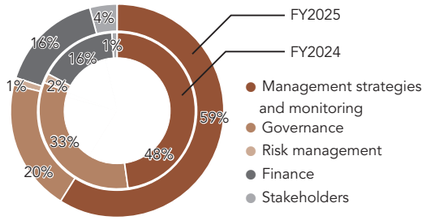
▶ Roles and purpose of the governing body

As the highest decision-making management body, the Board of Directors makes decisions on important management issues, such as the medium- to long-term management policies and business strategies, that help create social value and corporate value. Additionally, the Board supervises the performance of duties by directors and executive officers selected by the Board of Directors.

▶ Structure of the governing body

Of the eight directors, six are independent outside directors (75%) and four are female directors (50%). There are three directors who are Audit and Supervisory Committee members, all three of them being independent outside directors (100%), and two being women (66.7%). (See p. 84 for more on skill diversity.)

Allocation of discussion time



▶ Major discussion details in FY2025

- Changing the company name to Joshin Corporation
- Transitioning to a company with an Audit and Supervisory Committee
- Revising the director appointment/dismissal standards and procedures
- Revising the succession plan
- Policies toward achieving management that is conscious of cost of capital and stock price
- Formulation of the new medium-term management plan (JT-2028 Management Plan)
  - Business strategy • Human resources strategy
  - Business foundation/DX strategy • Financial strategy/capital policy
- Effectiveness of the Board of Directors

Audit and Supervisory Committee

The Audit and Supervisory Committee is comprised of three members who are independent outside directors. A certified public accountant and an attorney have been appointed as outside directors who are Audit and Supervisory Committee members to bolster the Committee's auditing and supervisory functions. The outside directors who are Audit and Supervisory Committee members share information and exchange opinions on the directors' performance of their duties, in addition to timely monitoring of actual management status by reviewing important approval documents and other materials. They also monitor the decision-making process by exchanging information with the Audit Department (internal audit division) and Accounting Auditors, and audit the directors' execution of their duties.

Nomination and Compensation Committee

The Nomination and Compensation Committee was established to strengthen corporate governance by ensuring the independence, objectivity, and transparency of the Board of Directors. This committee is comprised of three independent outside directors and the Chairman and Representative Director. Outside directors comprise three-fourths of the committee and one of them serves as its chair. This committee discusses HR issues including the appointment and dismissal of the representative director and other directors as well as CEO succession planning. It also discusses director (excluding Audit and Supervisory Committee members) remuneration system design and individual compensation amounts. These discussions produce recommendations that are then submitted to the Board of Directors for a decision.

Board of Directors Evaluation Committee

A Board of Directors Evaluation Committee comprised of six independent outside directors was established as part of initiatives to strengthen corporate governance, while aiming to achieve sustainable growth and increase medium- to long-term corporate value. Through the activities of this Committee that aim to continuously improve the functioning of the Board of Directors by analyzing and evaluating the overall effectiveness of the Board, we have established a framework in which the independent outside directors provide appropriate advice to the Board of Directors from a variety of angles.

Board of Executive Officers

The Board of Executive Officers is the central body for business execution, consisting of executive directors and executive officers. It was established for purposes such as enhancing the Board of Directors' formulation of management strategies and its supervisory functions, and speeding up decision-making for business execution. Independent outside directors also participate as observers, thereby contributing to the training and evaluation of candidates for CEO and director positions.

Sustainability Committee

Chaired by the Director, President and Executive Officer, the Sustainability Committee is comprised of executive directors, executive officers, and heads of departments. This Committee works to achieve our management philosophy and our management vision by managing the progress of division-spanning internal projects. The Committee manages, in an integrated manner, financial and non-financial information such as our business strategies and our ESG policy. We have incorporated the contribution that we make to addressing sustainability-related social issues into our management strategy and set up an integrated framework to monitor them. These issues include demographic changes caused by the declining birthrate and the arrival of a super-aged society, climate change, lifestyle changes due to diversification of values and ICT advancements, and D&I.

Risk Management Committee

Chaired by the Director, President and Executive Officer, the Risk Management Committee is comprised of executive directors, executive officers, heads of departments, and labor union representatives. The committee analyzes and manages various risks that threaten the Company's efforts to maintain and continue business management, and supports stable management. Special units established within the Risk Management Committee include the Compliance Unit, Internal Control Unit, Personal Information Protection Unit, Information Security Unit, and BCMS Promotion Unit, which develops and promotes the business continuity management system. The Risk Management Committee acts through those units to support stable management of the larger business group.

Labor-Management Council

The Labor-Management Council is the highest council meeting held jointly by labor and management that is attended by executive officers of the Company and the central officers of the labor union representing the employees. The council is a cooperative organization that aims to continuously improve the labor conditions and labor environment of the employees and promote work style reforms and reforms for job satisfaction. The sharing of employee feedback and information about workplace health and safety between labor and management helps improve the working environment for employees and enhance overall working conditions. This initiative heightens employees' awareness of participating in management and leads ultimately to higher customer satisfaction.

Message from the Chair of the Board of Directors

To be a Board that supports implementation of the JT-2028 Management Plan, we aim to enhance the corporate value of the new Joshin through effective oversight.



Ryuhei Kanatani
Chairman and Representative Director

Ever since the Corporate Governance Code was published, Joshin has continuously worked to bolster our governance structure for the sustainable enhancement of corporate value. At the Annual General Meeting of Shareholders in June 2025, the Company transitioned to being a company with an Audit and Supervisory Committee structure, and the Board of Directors was also reborn as a diverse and independent body in which outside directors account for 75.0% and female directors for 50.0%. These reforms are not limited to institutional changes, but are rather positioned as building the foundations for further enhancing strategic discussions and oversight at the Board of Directors as we steadily implement the JT-2028 Management Plan (our new medium-term management plan) to sustainably increase growth and corporate value as the new Joshin.

Our current position after transitioning to a company with an Audit and Supervisory Committee

One year has passed since this transition, and we have started full-scale operation of the new structure that both speeds up executive actions and improves the supervisory function of the Board of Directors by largely delegating decision-making authority over business execution to the Board of Executive Officers. At the Board of Directors, a foundation is steadily being laid for deeper discussions on medium- to long-term strategies, capital policies, and management resource allocation, drawing on the diverse expertise of our outside directors. However, since this was the first year after our transition, it became obvious that issues remain for further improvement. These include the division of supervisory and executive roles; the presentation of strategic significance, investment effects, and risk assessments in proposals; the implementation of PDCA in alignment with our KPIs; and the provision of a mechanism that reflects feedback from the market back into management. We recognize that the transition to being a company with an Audit and Supervisory Committee is not the end point of our governance reforms, but rather the starting line for efforts to further raise the effectiveness of the Board of Directors.

Toward improving the effectiveness of the Board of Directors

In the future, instead of making decisions about individual business actions, the Board of Directors will concentrate on holding deeper discussions about the important themes that will contribute to increasing medium- to long-term corporate value.

Specifically, we will focus on checking medium- to long-term strategies, capital efficiency, management resource allocation, and the appropriateness of risk-taking as we seek to create an environment that supports swift and decisive decision-making by executives. We are also making improvements to reference materials used in discussions, organizing strategic significance, investment effects, and risk assessments from both quantitative and qualitative perspectives. This helps the Board of Directors to make decisions from a big-picture viewpoint. Furthermore, input gained from discussions with shareholders and investors is fed back appropriately to the Board and leveraged to improve capital policies, growth investments, and information disclosures so that constructive dialogue with capital markets will lead to enhanced corporate value.

Oversight to increase the likelihood of successful execution of the JT-2028 Management Plan

FY2026 is the year in which the JT-2028 Management Plan is launched in earnest. The key themes of the JT-2028 Management Plan are renewing growth in the home appliances business, enhancing points of contact with customers through stores, e-commerce, and the use of data, and expanding into growth areas from the starting point of home appliances. The Board of Directors will review whether these strategies are contributing to the realization of the new Joshin's vision of becoming a "local electronics store that is also a mass retailer," while continuously monitoring KPI progress, investment effectiveness, capital efficiency, and the appropriateness of management resource allocation. If any delays or issues occur in the plan, we will check the cause and urge the necessary course corrections to increase the likelihood of successfully implementing the JT-2028 Management Plan.

Commitment to sustainably enhance corporate value

In my role as Chair of the Board of Directors, I am committed to achieving both fast business execution and effective oversight by the Board, as we seek to leverage the endeavors of the new Joshin into a sustainable increase in corporate value. To meet the expectations of all our stakeholders, we will steadily implement governance reforms that will help raise corporate value through the further advancement of the Board of Directors and the building of a highly transparent management structure.



The Role of the Board of Directors in Supporting Joshin's Reinvention

Rebirth as the new Joshin is reflected in the corporate name change

Incorporating young employees' recommendations into management to clarify our goals and values to protect

Naito: Changing our corporate name was not simply a change of words, but rather an important decision that was made to express the kind of company that we want to become in the future as the new Joshin. Particularly symbolic were the proposals generated from the project, which was mostly made up of young employees. These future leaders of Joshin gave deep thought to the future of their own company going forward and made recommendations to management. The fact that the Board of Directors accepted these proposals and carried them through to a decision is itself very significant.

Kawano: I also have a high regard for that process. When studying the corporate name change, rather than deciding on the conclusion in advance and presenting it, a framework was created in which young employees could think for themselves. Joshin's most valuable asset is the deep relationship with customers that we have cultivated over the years. While protecting this value, we will make changes that will transcend conventional business and organizational boundaries. Changing the corporate name was an important milestone in sharing this purpose across the entire organization and clarifying our goals as the new Joshin.

Takahashi: The momentum for the name change grew within the company, and the final corporate name change was the culmination of discussions among the project team made up of young members. As my colleagues have both mentioned, management and employees showed strong determination to drive transformation as the new Joshin, each from their own distinct standpoints. While we need to let go of the things that are no longer suited to the times and change the things that need to be changed, we must also be steadfast in protecting the value of Joshin that has been passed down to us. We need to protect the trust and confidence that we have earned from our customers, and the Wholehearted Customer Service that we deliver based on our corporate motto of "Thoughtfulness." We must continue unwaveringly along this path, going beyond conventional appliance sales to evolve into a "local electronics store that is also a mass retailer" that supports every aspect of our customers' lives.

Changing the Board of Directors to support reinvention

Clarifying executive and supervisory roles to enhance capabilities to execute reforms

Naito: To achieve our goal of becoming a "local electronics store," it's essential to have a system where the business execution side makes decisions for themselves and then the Board of Directors supervises them appropriately. In 2025, we transitioned into being a company with an Audit and Supervisory Committee, and we delegated most of the decision-making authority over business execution to individual Directors or the Board of Executive Officers. However, it did not function as originally designed right from the start. Even after delegating authority, the business execution side tried to find out what the President or Board members thought, and the Board of Directors sometimes asked for excessively detailed reports. There needs to be a better common understanding of the boundaries between monitoring and intervening in business execution.

Takahashi: The last year has been one of trial and error for the business execution side as well. They were unsure of what to report, to what extent, and in what way, sometimes focusing solely on activity reports, while in other cases narrowing down the key points too much and failing to communicate information required for decisions. Nevertheless, the Board of Directors and the business execution side have gradually reached a shared understanding over the year of the targets of confirmation by the Board and the scope of actions that the execution side should decide for themselves. As our direction is further clarified, the Board of Executive Officers will decide for itself how to achieve our goals, and the Board of Directors will oversee the progress and risks. I believe that each of these roles starting to work in tandem has been one factor behind the recent improvement in our results.

Kawano: I feel that discussions at the Board of Executive Officers have also changed in obvious ways. Each member has become able to describe in their own words the issues within their areas of responsibility and the actions that should be taken next. The metrics that should be checked by the Board of Directors have also been expanded beyond just net sales and profit margins to encompass leading indicators such as the number of active members* and the trends of customers who use both physical stores and e-commerce. Execution and supervision are not in opposition to each other. As we work toward implementing our shared goals, a relationship is taking shape in which each side contributes with a sense of speed from its own standpoint.

* Active members: Customers who have purchased products or services from Joshin at least once in the past year

Developing management talent and an organization to drive reform

Developing diverse human resources and an autonomous organization by transforming frontline capabilities into managerial skills

Naito: To enable the Board of Executive Officers to think and make decisions for itself, the management talent responsible for this must also change. Many of the current members of the Board of Executive Officers are professionals who come from store management. Even though this is a major strength, to reform existing business models there is a need to bring in outside perspectives and to develop the ability to make decisions from the standpoints of capital efficiency and company-wide optimization. In the area of store investments too, discussions are becoming even more conscious of capital efficiency and investment payback than before. Instead of intervening in decisions about opening or closing individual stores, the role of the Board of Directors is to check whether the judgment criteria and yardsticks of the business execution side are clear.

Kawano: Experiences cultivated in store management should be incorporated into management decisions from a company-wide perspective. To do this, we must develop our current human resources while also appointing other people with a diverse range of experiences to be managers, including personnel from corporate administrative functions, mid-career hires, and women. Similarly, the Nomination and Compensation Committee is discussing succession planning and how to select and develop the next generation of management talent. That said, reform is not something that happens at the managerial level only. It's important that we transform into an organization where the frontline employees who know local customers the best can identify issues for themselves and propose new services.

Takahashi: The development of management personnel is an urgent issue. We started an initiative at Joshin that selects the next generation of candidates in different stages and develops them while specifying their expected roles. Key themes going forward will be to provide opportunities for these candidates to gain experience that fosters their growth, while also developing a manager's perspective by increasing their contact points with the Board of Directors. In parallel with developing the next generation in this way, it's also essential to convert the frontline capabilities of the current executive officers into managerial skills and combine diverse insights from both inside and outside the Company. We need to deepen the pool of next-generation talent while also improving the capability of the current system to execute reforms. I believe that keeping both of these wheels turning is precisely what will give Joshin the foundation for sustainable growth.

Future of Joshin forged as a "local electronics store"

Solving issues in daily life and society from the starting point of customer trust and confidence

Naito: Instead of competing by doing the same things as the major players in the industry, Joshin should take on the challenge of generating its own unique value. Becoming a "local electronics store" is one of our key concepts as we seek to do this. The Board of Directors should not put a stop to taking on challenges because certain risks are present, but rather encourage appropriate risk-taking by the management team. Even so, the Board must monitor and verify whether the policies are producing the expected benefits based on the KPIs and capital efficiency. It's also important to increase dialogue with our investors and leverage outside perspectives, including capital efficiency, in our discussions at the Board of Directors.

Kawano: If we can become a "local electronics store," then I believe that Joshin will deliver significant social value. As the number of elderly people living alone increases, daily life presents many difficulties, such as changing lightbulbs, using home appliances, having someone check in on them, and making use of digital devices. Joshin has earned the trust of customers to visit their homes through deliveries and installation work. These contact points do not need to end with the delivery of the product, but can be taken a further step by asking customers if they are facing any other problems, which greatly expands the value that we provide. By expanding such initiatives, we can bring about peace of mind for living in a super-aged society and help achieve carbon neutrality in the household, while also supporting the active participation of senior human resources.

Takahashi: After listening to you both speak, I feel anew that we must make the "local electronics store" a reality. Rather than focusing solely on selling products, we must become a company that fully engages with customers' problems and solves them. We will combine our real-world resources (personnel, stores, and delivery/installation capabilities) with digital technologies to confront the challenges that our competitors avoid or cannot take on. Through such actions, we will build the trust and confidence that make people contact Joshin if there is anything they need, further strengthening our relationship with customers. Based on the foundations arising from these efforts, we will drive sustainable growth and increase medium- to long-term corporate value, while also making sure that we fully communicate our goals and progress to shareholders and investors. With the business execution side and Board of Directors aligned in the same direction, we will steadily implement our transformation into the new Joshin.



Norihiro Itano
Outside Director

Supporting sustainable growth in changing times through frontline capabilities and an enterprising spirit

Up to now, I've been involved in production technology and promoting IT/DX at the front line of a B2B business of a Japanese materials manufacturer. I hold the deepest respect for the efforts of employees in the distribution and home appliance industries who spend every day alongside customers providing value on the front lines.

My duty is to provide appropriate oversight of management from my independent, outside standpoint, while also encouraging the Company to leverage its strengths and to address its management issues from a medium- to long-term perspective. As the business environment undergoes seismic changes due to the rapid evolution of AI, digitalization, and increased geopolitical risks, I will help make governance more robust and transparent to achieve sustainable growth and increase corporate value.

It's the insights and enthusiasm of each of our employees working in both stores and back offices that will be the power forging the future of Joshin. While valuing the viewpoints of our shareholders and customers, I will also listen sincerely to feedback from employees as I put all my efforts into realizing a better vision of what the Company should be.



Michiko Funamoto
Outside Director

Aiming for sustainable growth and increased corporate value by capturing changes in the market

Our industry's environment is changing as uncertainties are rising around the world and Japan faces the issues of higher inflation, population decline, and labor shortages, as well as the digitalization of consumer behavior. For Joshin to grow sustainably, it's important for us to be an organization that treats stores, e-commerce, delivery, and after-sales service as an integrated whole, translates customer needs into enhanced products and services and improved operations, leverages frontline knowledge in management decisions, and can execute management policies.

Through my involvement in the management of a retail company, I have placed importance on making investment decisions based on numerical data after understanding changes in lifestyles and purchasing behavior, and on allocating resources to support competitiveness over the medium to long term.

I will use my experience of confronting management issues from both financial and business development perspectives in diverse business domains in Japan and overseas to support Joshin in increasing customer value and profitability, while also balancing growth investment with financial discipline.

Additionally, I will incorporate into management the insights gained from market trends, the capital markets' assessment of the Company, and dialogue with stakeholders to improve the quality of decision-making from the independent standpoint of an outside director, thereby contributing to the sustainable enhancement of Joshin's corporate value.



Kazumi Yoshikawa
Outside Director, Audit and Supervisory Committee Member

Monitoring and governance to support managerial decision-making

As the market environment changes significantly, the Board of Directors plays a critical role in enhancing corporate value by making swift and appropriate management decisions. To do this, it's essential to monitor the information that forms the basis of management decisions in a timely and appropriate manner to identify the signs of change at an early stage.

With this in mind, I've drawn on my knowledge and experience as a certified public accountant at many companies during their transition into a company with an Audit and Supervisory Committee to improve the transparency and appropriateness of management decisions at the Board of Directors from financial, accounting, and internal control perspectives. I verify from multiple viewpoints the information required for management decisions while taking into account changes in the industry environment, and I continuously check data such as profits and losses by category, channel, and store through reports from the management team. For the implementation of Joshin Reborn Action 2026 as well, I make recommendations to facilitate managerial decision-making based on appropriate information sharing. Furthermore, my work to enhance the succession plan as a member of the Nomination and Compensation Committee will help form a Board of Directors that supports a sustainable increase in corporate value.



Kazuko Otsuki
Outside Director, Audit and Supervisory Committee Member

Pursuit of capital efficiency and culmination of Joshin's uniqueness

We launched the new JT-2028 Management Plan (hereafter, the "New Medium-Term Plan") after falling short of our targets for profitability and capital efficiency indicators under the JT-2025 Management Plan (previous Medium-Term Plan). Under the new plan, Joshin Reborn Action 2026 in particular sets out a clear direction of streamlining assets and expanding intangible assets by closing unprofitable stores and reinvesting in human capital. As an outside director who is a certified public accountant, I particularly want to direct my energy to the rebuilding of the business foundation in the transformation phase, and the reduction of property, plant and equipment, focusing on whether these are leading to a solid increase in corporate value.

In the area of finance and accounting, I closely monitor risk management for the temporary losses arising from the closure of unprofitable stores, strict inventory assessments, and improvements in turnover rates, and in the area of capital policy, I closely monitor further improvements in ROE and the steady implementation of the reduction in cross-shareholdings. From the standpoint of governance, by conducting appropriate ROI monitoring of growth investments such as human capital, private-brand products, and tailored renovations, and effectively overseeing the optimal allocation of management resources and risk management, I aim to provide an impetus for a further increase in PBR and sustainable growth.

Even as we undergo a period of transformation in the home appliance retail industry, I want to hold on to the uniqueness of Joshin, sharing with all stakeholders our brand slogan of "Bringing smiles to people and communities," while conducting careful oversight to ensure the successful implementation of the New Medium-Term Plan.

Evaluation of the Effectiveness of the Board of Directors

To strengthen corporate governance, the Board of Directors Evaluation Committee, comprised only of outside directors, takes the lead in analyzing and evaluating the effectiveness of the Board of Directors and related matters each fiscal year, and the Company takes continual action to improve effectiveness based on that.

(1) Evaluation Process

Anonymous questionnaires to each director → Interviews with executive directors by outside directors → Compiling and analyzing results by the Board of Directors Evaluation Committee, and then submitting reports to the Board → Identifying challenges and determining measures for improvement and enhancement at the Board of Directors meetings

(2) FY2025 Issues

1. Deepening medium- to long-term growth strategies and promoting more efficient management with a focus on cost of capital
2. Enhancing the Board of Directors' monitoring functions and ability to respond flexibly and quickly

(3) Initiatives Tackling FY2025 Issues

Advice from outside directors	Measures taken by the business-executing departments
• Formulating medium- to long-term growth strategies that leverage the Company's strengths • Improving profit margins by setting appropriate KPIs • Promoting investments to support expansion of growth businesses • Promoting improvements to capital efficiency • Reviewing the succession plan for the CEO and other personnel	• Formulating the next medium-term management plan (JT-2028 Management Plan) • Understanding business results in real time and establishing a PDCA cycle based on KPIs • Conducting M&A in the renovation business, which is positioned as a growth business • Promoting the reduction of cross-shareholdings and reviewing planning for capital profitability indicators • Proposals for revising the appointment/dismissal standards and restructuring the succession plans for the directors and CEO

(4) Results of FY2025 Initiatives and Remaining Issues

Result 1: Deepening medium- to long-term management strategies

- Formulated and disclosed the medium-term management plan (JT-2028 Management Plan) ahead of schedule to facilitate dialogue with shareholders and investors
- Conducted M&A to expand and strengthen the renovation business, which is positioned as a growth business

▶ **After spending time to achieve the recent recovery in business results, refining growth strategies in greater detail remains an ongoing issue**

Result 2: Promoting more efficient management with a focus on cost of capital

▶ **After reconsideration, revised downward the ROE target values and positioned the bolstering of earning power as the highest-priority issue**

- Strengthened the PDCA function by setting important KPIs for improving the gross profit margin and operating income ratio
- Introduced approval standards focused on ROI for investments in newly establishing, renovating, or changing the business format of stores
- Promoted improved inventory efficiency and greater freshness on the sales floor by leveraging outlet sales
- Promoted continued reduction of cross-shareholdings
- Introduced ROE as an indicator used to calculate the performance-linked stock-based compensation of executive officers, with application from FY2026

Result 3: Enhancing the Board of Directors' monitoring functions and ability to respond flexibly and quickly

- As a result of delegating authority to the business-executing departments following the transition to a company with an Audit and Supervisory Committee, established a system where the Board of Directors can concentrate on big-picture discussions, such as medium- to long-term growth strategies and financial and capital policies
- Set the annual agenda for the Board of Directors in advance and created a dashboard for important KPIs
- Revised the appointment/dismissal standards for the directors and CEO
- As a result of revising the succession plan, established three new human resource pools—candidates for the next directors, candidates for the next executive officers, and candidates for future senior management—started development programs for them

▶ **Bolstering communication between the supervision side and the business execution side (eliminating asymmetry of information) is an issue**

(5) Overview of the Evaluation Results for the Effectiveness of the Board of Directors

1. Points rated as highly effective
   - Following the transition to a company with an Audit and Supervisory Committee, the foundations of a monitoring framework have been built, and timely and accurate business results monitoring has started to function.
   - The Board hosts an active exchange of opinions, drawing on the diverse expertise of the outside directors.
2. Points where improvement and enhancement initiatives are expected
   - The intended form of the partnership between supervision and execution (that is, the respective division of roles) was partly unclear.
   - There is room for improvement in expressing big-picture perspectives such as strategic significance, investment effects, and risk assessments for the proposals submitted by the business-executing divisions to the Board of Directors.
   - Management strategies must be further refined through dialogue with stakeholders (IR activities).
3. Result of the evaluation of the effectiveness of the Board of Directors
   It was determined that the effectiveness of the Board of Directors is generally being upheld.

(6) FY2026 Initiatives to Improve the Effectiveness of the Board of Directors

1. Deepening medium- to long-term growth strategies and promoting more efficient management with a focus on cost of capital
2. Strengthening coordination between the Board of Directors and the Board of Executive Officers and enhancing monitoring functions

Using the Skills Matrix to Improve the Effectiveness of the Board of Directors

Based on the belief that the diversity of directors determines the Board of Directors' effectiveness and has a major impact on sustainable growth and on increasing the Company's corporate value over the medium to long term, the Company compiled the skills that the Board of Directors as a whole should possess in order to realize its management strategies into the skills matrix (see p. 84), and uses the matrix as a basis for selecting director candidates. In appointing directors, including Audit and Supervisory Committee members, candidates are selected based on these criteria and appointed at the General Meeting of Shareholders.

The skills matrix is also utilized in the succession plan as a benchmark for evaluating and developing future CEO candidates and other key personnel. Continuous training is provided for directors, executive officers, and other senior management. Executive officers are helped to acquire a broad range of skills by having them lead the Board of Executive Officers, which is the core of the Company's business execution framework, and the cross-company committees that support it. Through this process, sufficient time is taken to evaluate and develop them as future candidates for director positions.

Director Skill Sets

Management skills						
Corporate management	Finance, accounting, and capital policy	Legal affairs and governance	Management planning and business strategies	HR, labor relations, and diversity	ICT/DX	Environment and energy

Skills related to business specialization			
Home appliance retail business	Housing environment business	Marketing	Logistics

Reasons for skill set selection:
https://www.joshin.co.jp/en/csr/governance/corporate/skills.html

Purposes of the Skills Matrix

1. **Identification of the necessary skills for the Board of Directors in light of the management strategy**
2. **Understanding the gap between the ideal composition of the Board of Directors and the current situation**
3. **Appointment of human resources with skills that the directors lack**
4. **Enhancement of director training on the skills that are lacking**
5. **Use in succession plans for directors**
6. **Use in succession plans for executive officers and other senior management**

Training for Officers

In FY2025, we continued our initiatives for improving officer skills based on the skills matrix. Training through outside courses was carried out, focusing on obtaining up-to-date knowledge and building up skills that are lacking in individual directors, Audit & Supervisory Board members, and executive officers among the "management skills" and "skills related to business specialization" listed in the skills matrix (p. 84).
As one part of the succession plans, the system was made so that directors and executive officers are appointed as chief officers responsible for sustainability and risk management, and practical training is also carried out for the acquisition and updating of the skills required for management through actual work.

Management skills	Number of training courses taken
Corporate management	15
Finance, accounting, and capital policy	8
Legal affairs and governance	15
Management planning and business strategies	7
HR, labor relations, and diversity	5
ICT/DX	1
Environment and energy	1
Total	52

Specialized skills	Number of training courses taken
Home appliance retail business	2
Housing environment business	0
Marketing	4
Logistics	0
Total	6

Notes: Transitioned to a company with an Audit and Supervisory Committee in June 2025
Each director, Audit & Supervisory Board member, and executive officer took two courses.

Directors



Ryuhei Kanatani

Chairman and Representative Director

March 1979	Joined the Company
July 1993	Manager of General Affairs Department
June 1998	Director, Manager of General Affairs Department
March 2002	Director, General Manager of Sales Planning Division
June 2002	Managing Director, General Manager of Sales Division
April 2006	Managing Director, General Manager of Management Planning Division
October 2006	Senior Managing Director, General Manager of Management Planning Division
July 2008	Representative Director, Senior Managing Director, General Manager of Management Planning Division
June 2011	Representative Director, Vice President, General Manager of Management Planning Division
June 2016	Representative Director, Vice President and Executive Officer, General Manager of Business Administration Headquarters and Manager of Management Planning Department
June 2019	Representative Director, President and Executive Officer
June 2025	Chairman and Representative Director (to present)



Tetsuya Takahashi

Representative Director, President and CEO

March 1986	Joined the Company
June 2013	Manager of Tokyo & Tokai Sales Department
June 2016	Executive Officer, Assistant General Manager in charge of Store Sales of Sales Division and Assistant General Manager of Local Sales Support Division
October 2016	Executive Officer, General Manager of Sales Division and Manager of Kansai Sales Department
June 2017	Director and Executive Officer, General Manager of Sales Division
June 2019	Director and Managing Executive Officer, General Manager of Sales Division
March 2020	Director and Managing Executive Officer, General Manager of Sales Division and Manager of Internet Sales Department
April 2021	Director and Senior Managing Executive Officer, in charge of Sales Strategy
June 2021	Representative Director and Senior Managing Executive Officer, in charge of Sales Strategy
April 2023	Representative Director, Vice President and Executive Officer, in charge of Sales Strategy
June 2025	Representative Director, President and CEO (to present)



Junko Kawano

Outside Director
Independent

April 1986	Joined Recruit Co., Ltd.
January 1997	Chief Editor of Travail, Recruit Co., Ltd.
July 2008	Joined Sumitomo Corporation
February 2013	Director, Institute of Global Human Capital Strategies Co., Ltd.
March 2018	Established Kawano Junko Office (to present); Executive Officer and Chief Marketing Officer, Life Shift Japan Co., Ltd.
September 2019	Director, Tokyo International Progressive School (to present)
April 2020	Senior Researcher, Keio Research Institute at SFC (to present)
June 2021	Outside Director of the Company (to present)
December 2021	Director and Chief Marketing Officer, Life Shift Japan Co., Ltd. (to present)
April 2022	Outside Director, DyDo Group Holdings, Inc. (to present)



Norihiro Itano

Outside Director
Independent

April 1989	Joined Mitsubishi Kasei Corporation (currently Mitsubishi Chemical Corporation)
October 2012	General Manager of Information Systems Department, Mitsubishi Chemical Corporation; Director (part-time), Ryoka Systems Inc.; General Manager of Group Infrastructure Strengthening Office, Mitsubishi Chemical Holdings Corporation (currently Mitsubishi Chemical Group Corporation) (concurrent position)
April 2015	Head of Information Systems Department, Mitsubishi Chemical Holdings Corporation (currently Mitsubishi Chemical Group Corporation)
October 2018	Manager of Information Systems Department, Mitsubishi Chemical Corporation
April 2021	Chief Information Officer (CIO) and General Manager of Systems Strategy, Mitsubishi Materials Corporation Director (part-time), MBS Corporation (currently Mitsubishi Materials IT Solutions Co., Ltd.) (concurrent position)
April 2024	Chief Information Officer (CIO) and General Manager of Systems Strategy, Mitsubishi Materials Corporation; President and Representative Director, Mitsubishi Materials IT Solutions Co., Ltd. (concurrent position) (to present)
June 2026	Outside Director of the Company (to present)



Michiko Funamoto

Outside Director
Independent

April 1989	Joined Nippon Telegraph and Telephone Corporation (currently NTT, Inc.)
November 2006	Director, CFO & CIO, Tower Records Japan Inc.
July 2008	ITS General Manager, Ubiquitous Services Department, NTT DOCOMO, INC.
July 2013	Chairman of the Board, DoCoMo interTouch Pte. Ltd.; President and Representative Director, InterTouch Japan Co., Ltd.
July 2014	General Manager, Dimension Data Holdings Ltd.
July 2015	IR Department Manager, NTT Urban Development Corporation
October 2017	Chief Researcher, InfoCom Research, Inc. (to present)
June 2026	Outside Director of the Company (to present)



Kinya Naito

Outside Director
Audit and Supervisory Committee Member
Independent

April 1986	Admitted to the bar
June 2003	Outside Auditor, Ikko Corporation (currently J Trust Co., Ltd.)
February 2004	Established Mizuho Partners Law Office
April 2012	Vice President, Osaka Bar Association; Executive Governor, Kinki Federation of Bar Associations
April 2014	Part-Time Auditor, National University Corporation Osaka University
June 2016	Outside Auditor of the Company; Outside Director, FALCO HOLDINGS Co., Ltd.
April 2017	Established Naito Law Office
June 2017	Outside Director of the Company
April 2019	Member, Osaka Prefecture Personnel Inspection Commission
January 2020	Chairman, Development Investigation Committee, Osaka City
June 2025	Outside Director (Audit and Supervisory Committee Member) of the Company (to present)
March 2026	Joined The Mitsuboshi Law Firm



Kazumi Yoshikawa

Outside Director
Audit and Supervisory Committee Member
Independent

December 1995	Joined Chuo Audit Corporation
May 1999	Registered as a certified public accountant
April 2002	Registered as a tax accountant
August 2007	Joined Tohmatsu & Co. (currently Deloitte Touche Tohmatsu LLC)
December 2019	Established Yoshikawa Kazumi Certified Public Accountant Office (to present)
September 2020	Director, SAKA NO TOCHU Co., Ltd.
June 2022	Outside Auditor, VALTES CO., LTD. (currently VALTES HOLDINGS CO., LTD.)
September 2022	Outside Auditor, Ubie, Inc.
June 2023	Outside Director (Audit and Supervisory Committee Member), VALTES CO., LTD. (currently VALTES HOLDINGS CO., LTD.) (to present)
June 2023	Outside Auditor of the Company
June 2025	Outside Director (Audit and Supervisory Committee Member) of the Company (to present)



Kazuko Otsuki

Outside Director
Audit and Supervisory Committee Member
Independent

October 1996	Joined Tohmatsu & Co. (currently Deloitte Touche Tohmatsu LLC)
May 2000	Registered as a certified public accountant
December 2015	Left Deloitte Touche Tohmatsu LLC
January 2016	Joined Imaoka Certified Public Accountant and Certified Public Tax Accountant Office (to present)
September 2021	Auditor, Osaka Research Institute of Industrial Science and Technology
March 2023	Outside Director, Sakata INX Corporation (to present)
June 2023	Outside Director, Ishihara Chemical Co., Ltd. (Audit and Supervisory Committee Member) (to present)
June 2024	Outside Auditor of the Company
June 2025	Outside Director (Audit and Supervisory Committee Member) of the Company (to present)

	Tenure	Number of Company shares held	Committee membership		Attendance at meetings of the Board of Directors and Board of Auditors		Areas of experience/skills										
							Management skills							Skills related to business specialization			
			Nomination and Compensation Committee	Board of Directors Evaluation Committee	During term of office in FY2024	During term of office in FY2025	Corporate management	Finance, accounting, and capital policy	Legal affairs and governance	Management planning and business strategies	HR, labor relations, and diversity	ICT/DX	Environment and energy	Home appliance retail business	Housing environment business	Marketing	Logistics
Ryuhei Kanatani	28 years	73,158 shares (34,958 shares*)	○		18/18	17/17	○	○	○	○	○		○	○		○	
Tetsuya Takahashi	9 years	36,787 shares (25,987 shares*)			18/18	17/17	○		○	○		○	○	○	○	○	○
Junko Kawano	5 years	—	○ (Chairperson)	○	18/18	17/17	○			○	○					○	
Norihiro Itano	—	—	○	○	—	—	○			○	○	○					
Michiko Funamoto	—	—		○	—	—	○	○		○	○	○					
Kinya Naito	9 years	4,000 shares		○ (Chairperson)	18/18	Board of Directors 17/17 Audit and Supervisory Committee 11/11	○		○		○						
Kazumi Yoshikawa	3 years	201 shares	○	○	Board of Directors 18/18 Board of Auditors 14/14	Board of Directors 17/17 Board of Auditors 3/3 Audit and Supervisory Committee 11/11	○	○	○		○						
Kazuko Otsuki	2 years	—		○	Board of Directors 14/14 Board of Auditors 11/11	Board of Directors 17/17 Board of Auditors 3/3 Audit and Supervisory Committee 11/11	○	○	○		○						

* The number of shares to be delivered under the stock-based compensation plan

Compensation to Officers

▶ Our approach to the compensation of officers

In order to maximize the performance of duties in line with the management strategies and management goals, compensation for officers of the Company is based on job position and contribution to performance. With the aim of sharing profits and risks with shareholders, the compensation system provides incentives to manage the Company from the perspective of shareholders. With the start of the medium-term management plan (JT-2028 Management Plan), we revised the compensation system to clarify management responsibility and to aim for improved corporate value over the medium to long term.

For outside directors who are independent from business execution, variable compensation such as performance-linked compensation is not necessarily appropriate. Therefore, outside directors are paid fixed compensation only.

▶ Process of determining compensation to officers

The total amount of compensation for directors is set by resolution at the General Meeting of Shareholders, and monetary compensation is set within the range of ¥240 million per year, and stock-based compensation is set within the range of 50,000 points per fiscal year (1 point = 1 share). The Nomination and Compensation Committee, in which independent outside directors account for the majority of members with one of them serving as chairperson, deliberates on the allocation of compensation to individual directors based on the Regulation on Compensation for Directors in response to a consultation from the Board of Directors, and the Board of Directors then makes the decision based on the Committee's report.

▶ Composition of directors' compensation

Composition and purpose of the compensation system for directors

1. Clarify management responsibilities by setting the component ratio of performance-linked compensation to 50%.
2. Provide incentives for management aimed at improving corporate value from the perspective of the shareholders, with the component ratio of stock-based compensation set to 30%.
3. Promote sustainability management from a medium- to long-term perspective, with the component ratio of compensation based on ESG indicators set to 20%.

<table>
<tr><td>Fixed compensation (50%)</td><td colspan="4">Variable compensation (50%)</td></tr>
<tr><td rowspan="2">Fixed compensation (50%)</td><td colspan="2">Financial indicator-linked compensation (30%)</td><td colspan="2">Sustainability indicator-linked compensation (20%)</td></tr>
<tr><td>Operating income results-linked compensation (20%)</td><td>ROE-linked compensation (10%)</td><td>Environmental management indicator-linked compensation (10%)</td><td>Employee engagement indicator-linked compensation (10%)</td></tr>
<tr><td colspan="2">Monetary compensation (70%)
Short term</td><td colspan="3">Stock-based compensation (30%)
Long term</td></tr>
</table>

Note: The table above assumes that the level of achievement of performance targets is 100%. The composition of directors' compensation is common to all executive directors.

▶ Directors' compensation by position

Compensation for directors is based on "Director and Executive Officer" compensation, and the standard monthly compensation is set at no more than 300% of the maximum monthly salary as set forth in the employee salary system. For individual allocations, a compensation multiplier is set according to the position.

▶ Calculation of performance-linked compensation

Monetary compensation paid as short-term incentive compensation

❶ Financial indicator-linked monetary compensation (20%)

To encourage labor and management to work together to improve business performance, this type of compensation is determined based on the degree of achievement of the operating income plan, the same as year-end bonuses for employees. The amount paid will vary between 0% and 150%, with 100% indicating achievement of the targets.

Stock-based compensation paid as long-term incentive compensation (30%)

Directors are awarded points for each position once a year, calculated by multiplying the base points for each position by the performance-based coefficient based on the performance of the immediately preceding fiscal year (one ordinary share of the Company per one point), and each director receives ordinary shares of the Company (some are converted to cash) upon their retirement. Stock-based compensation varies between 0% and 150%, with 100% indicating achievement of the targets, based on the achievement rate against targets for financial and sustainability indicators.

❶ Financial indicator-linked stock-based compensation (10%)

To reflect in the compensation the degree of improvement in capital profitability, shares are awarded as compensation based on the degree of achievement of ROE targets in the medium-term management plan.

❷ Stock-based compensation based on environmental management indicator (10%)

The Company has introduced this incentive to encourage directors to be actively involved in incorporating the environmental issues caused by climate change into the management strategies from the perspectives of risk and opportunity, and in linking the creation of a positive impact on society to the Company's sustainable growth. This incentive is awarded as shares for compensation based on an environmental management indicator (the CDP climate change score).

❸ Stock-based compensation based on employee engagement indicator (10%)

The creation of an internal environment where diverse human resources can play an energetic, active role as well as investments in human resource development that improve employee engagement should improve customer satisfaction, or CS (by creating new social value). In order to link this to the Company's sustainable growth, the Company continually measures engagement to monitor the progress as an engagement score and reflects this in directors' compensation.

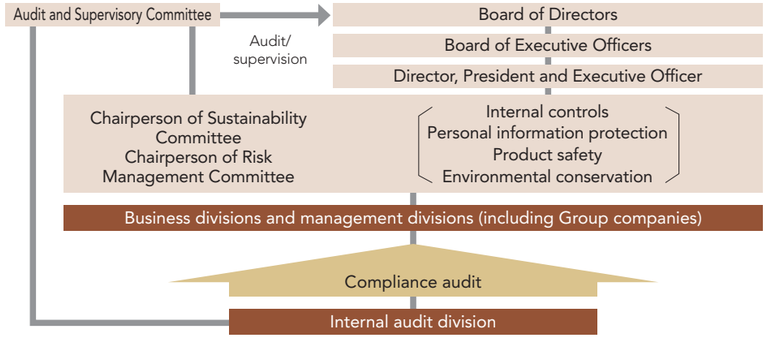
Note: A Malus clause has been added to the performance-linked stock-based compensation plan to establish a system whereby, by resolution of the Board of Directors, all or part of the shares already awarded are forfeited and no further shares are awarded in the case of any director who is dismissed or resigns as a result of having caused damage to the Company, or who has otherwise committed acts detrimental or prejudicial to the Company.

Compliance Systems

Compliance Promotion System

Changing the company name in April 2026 was an important milestone, and the Group took this opportunity to further promote compliance awareness by redistributing the Credo (Joshin Group Declaration on Actions and Joshin Group Code of Conduct) to all Group employees. The new Joshin Group Declaration on Actions includes a "Commitment to Society" to act honestly by observing laws and adhering to high ethical standards, and a "Commitment to Business Partners" to build relationships of trust through fair and sound transactions. We believe that deeply instilling in all employees the values underlying our corporate motto and the Joshin Group Declaration on Actions is the foundation of compliance management. Starting from this initiative, we will resolutely drive forward efforts to "Conduct compliance training at Group subsidiaries and cooperating companies [Continuing initiative]," which is one of the main goals within Joshin's material issues, thereby strengthening compliance not only at our own Company, but throughout the entire supply chain.

Compliance promotion system



Whistleblowing System

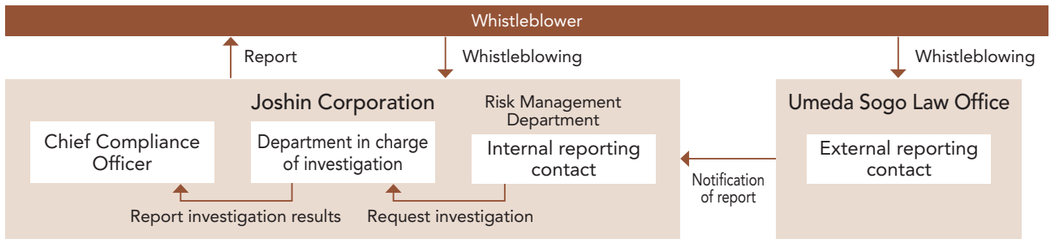
To prevent and promptly correct illegal and inappropriate acts, and to improve the capability of the organization to take its own remedial action, the Group has established a highly effective internal whistleblowing system. In addition to an internal reporting contact (Risk Management Department), we also provide an external reporting contact (Umeda Sogo Law Office) to make the system available not only to the employees of the Group and franchisees, but also to business partners, the staff of contractors, and specific contracted work operators (freelancers), as well as former employees who fulfill the legal requirements.

The system is operated to strictly protect whistleblowers by accepting anonymous reports, and taking measures to prevent disadvantage to whistleblowers, such as dismissal or contract cancellation. Furthermore, obstructions to reporting (such as agreements not to report) are explicitly prohibited.

This fiscal year, we also revised our Whistleblower System Operating Standards in anticipation of the amended Whistleblower Protection Act, which takes effect in December 2026. In order to update the rules in alignment with the new law, revisions have been applied to the Code of Conduct, and regulations and procedures have been established and put into operation. The importance of confidentiality obligations to prevent information leaks and the prohibition of disadvantageous treatment of whistleblowers is thoroughly communicated and subjected to periodic training across the entire Group to further strengthen the transparency and trustworthiness of the whistleblowing system.

[Number of whistleblowing reports (FY2025)]
114 (16 harassment cases, 3 legal violations, and 95 others)

Joshin Group whistleblowing system



Risk Management

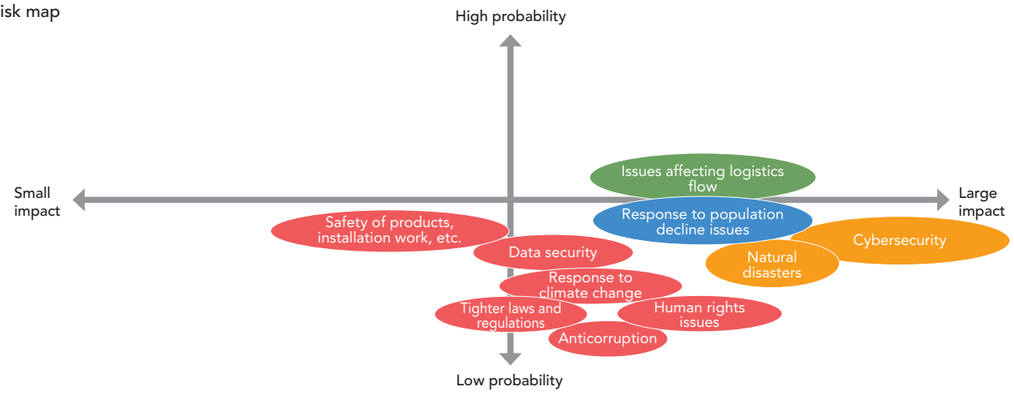
Risk Management System

To identify, evaluate, and manage the various risks surrounding the Group in an integrated manner, the Company has established the Risk Management Committee and built an enterprise-wide risk management (ERM) system. Once a year, this Committee identifies and assesses risks that may interfere with achievement of the targets in the new JT-2028 Management Plan (medium-term management plan) and other risks that could impact the Group, and continuously monitors the status of our response to high-priority risks. Chaired by the Director, President and Executive Officer, the Risk Management Committee is comprised of executive directors, executive officers, directors who are full-time members of the Audit and Supervisory Committee, heads of divisions (including officers at subsidiary companies), and labor union representatives. The Committee comprehensively analyzes and manages hazard risks, operational risks, and business risks that threaten the Company's efforts to maintain and continue business management, and it plays a central role in providing a strong underpinning to our stable management foundations.

Risk management structure



Risk map



Critical risk issues and status of our response

Classification	Risk issues (content)	Countermeasure
Hazard risks	Natural disasters, epidemics, and fires in important facilities	• Formulation of basic business continuity policy and its communication to all employees throughout the Group • Acquisition of ISO 22301 certification, the international standard for business continuity management systems • Review of business continuity plans (BCPs) and disaster countermeasure manuals, as necessary • Continuing drills and training based on BCPs and disaster countermeasure manuals
	Increased importance of cybersecurity	• Prevention of network attacks and intrusions using firewalls and other means • Constant EDR/MDR monitoring of all business terminals and servers, including those in remote work environments • Ongoing targeted email attack training for all Group employees • Ongoing maintenance of website safety based on results of website vulnerability evaluations
Operational risks	Issues affecting logistics flow	• Promotion of automation and labor savings using IT systems • Rapid response to laws related to work-style reform and other legislation in coordination with contractors and the supply chain
Business risks	Response to population decline issues	• Promotion of streamlining, automation, and labor savings for store operations by proactively using ICT

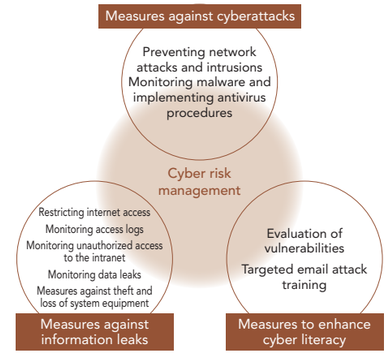
Data Security

Cyber Risk Management Promotion System

In order to protect POS data, online shopping purchase information, and other valuable customer information, we have enacted a variety of measures for information security.

In addition to defense systems, such as firewalls, as countermeasures against cyberattacks, the Company operates a system that constantly monitors all business terminals and servers through EDR/MDR, in order to eliminate threats by immediately detecting the intrusion of malware and other unauthorized programs, then isolating the affected terminals, among other measures. External public servers are monitored 24 hours a day, 365 days a year by specialized security companies. Each year we also receive a vulnerability evaluation and immediately enact countermeasures against any vulnerabilities.

Overview of cyber risk management initiatives



Promotion of Personal Information Protection

The personal information of members and others who use our services, along with information used within the Company, is managed using an information system based on high security standards. For personal information protection, since the Company became the first major retailer to acquire Privacy Mark certification in 2005, we have built and maintained an operational framework that meets the strict compliance criteria, providing an environment in which both our physical stores and our EC stores can be used with peace of mind.

Personal Information Protection Policy
https://www.joshin.co.jp/en/privacy.html

Data security and personal information protection promotion system



Initiatives for Strengthening Security

As initiatives for strengthening security in sales operations, we are carrying out a paperless transition in store operations such as accepting member card applications and issuing receipts. In addition to simplifying our operations, this has reduced incidents involving information leakage or loss. In our office operations, we are strengthening security measures for sending and receiving email. We are also enacting security measures for business terminals, such as introducing data-free PCs that do not save data to the local disk and disabling connections to external devices.

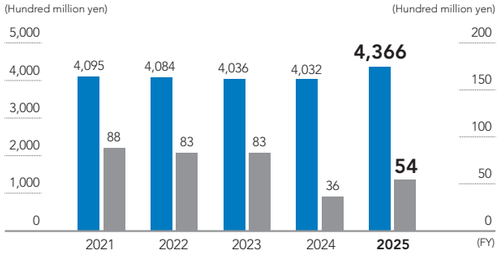
Education and Training

The Group conducts education on information management and education on preventing personal information incidents once each year (textbook learning and a test of understanding). In order to prevent incidents and raise the level of knowledge related to external threats, we conduct response training for targeted email attacks several times each year.

Financial/Non-financial Highlights

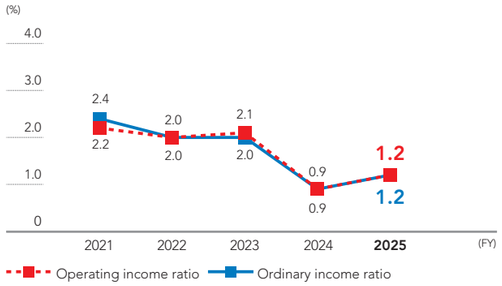
Financial

Net Sales / Operating Income



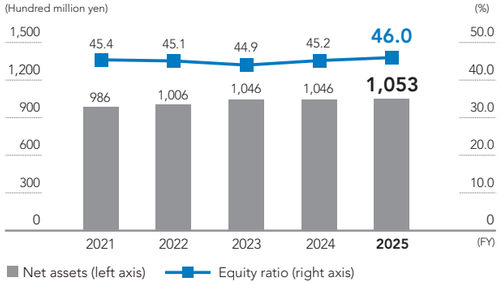
Amid sluggish overall consumer spending driven by cost-saving trends associated with rising prices, demand for new game consoles and replacement PCs, together with a boost from sales campaigns celebrating the league championship of the Hanshin Tigers—the professional baseball team Joshin sponsors—enabled the Company to post higher revenue and profits in FY2025.

Operating Income Ratio / Ordinary Income Ratio



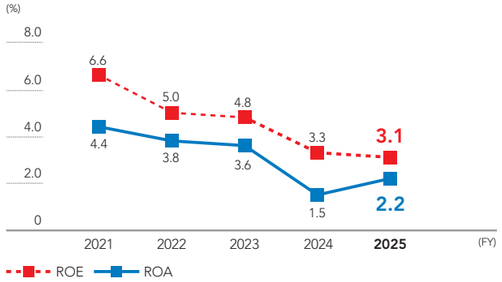
With the increase in net sales, profits also trended upward (gross profit increased by ¥5.6 billion), and profit margins improved across the board.

Equity Ratio / Net Assets



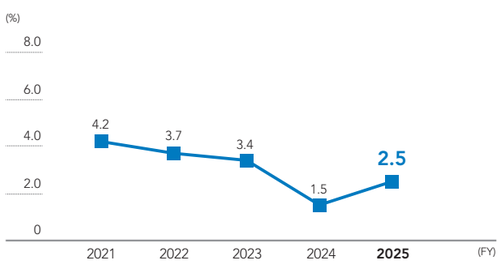
Net assets remained largely unchanged due in part to the payment of an interim dividend, while inventory levels remained stable. The cash position also continued to improve, interest-bearing liabilities were further reduced, and financial stability was maintained.

Return on Equity (ROE) / Return on Assets (ROA)



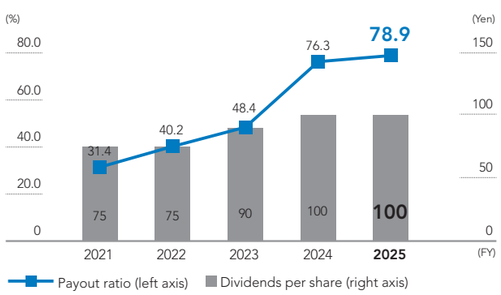
Reflecting changes in profit levels, ROE edged down while ROA edged up.

Return on Invested Capital (ROIC)



Higher operating income lifted ROIC above the previous year's level, but we recognize that improving capital efficiency is an urgent management priority.

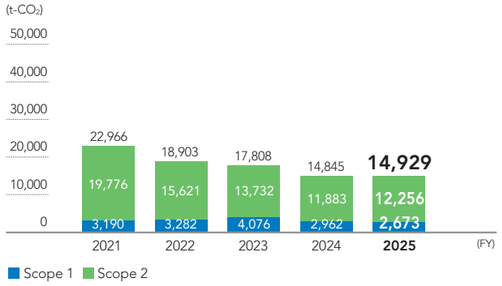
Payout Ratio / Dividend per Share



We paid a dividend of ¥100 per share as initially forecast, resulting in a payout ratio well above our benchmark of 40%. The New Medium-Term Plan also adds a DOE (dividend on equity ratio) of 2.5% or higher to our benchmarks.

Non-financial

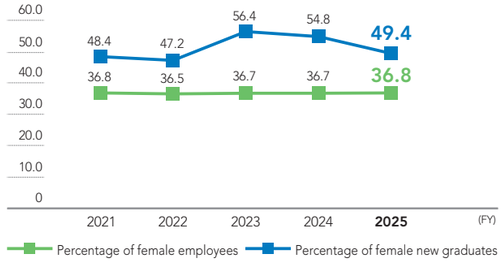
GHG* Emissions (Scope 1 and 2)



Despite a slight year-on-year increase in FY2025, GHG emissions remain on track to meet the FY2030 target of a 42% reduction from FY2021 levels. We will continue to reduce GHG emissions (Scope 1 and 2) by increasing the ratio of self-generated renewable energy and expanding the use of renewable energy.
* GHG: greenhouse gas

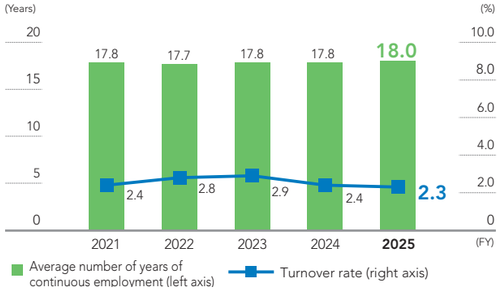
Percentage of Female Employees / Percentage of Female New Graduates

(Percentage of female new graduates is as of April 1 of each fiscal year)



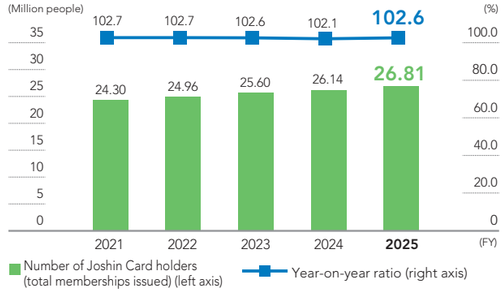
We are focusing on recruiting women and supporting their career development to better understand societal needs from diverse perspectives and harness them as a strength of the Company.

Permanent Employee Retention (Average Number of Years of Continuous Employment / Turnover Rate)



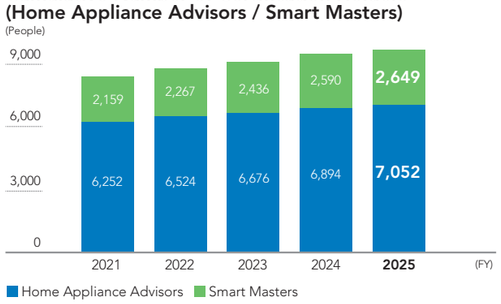
Our high permanent employee retention rate indicates that the Company is a great place to work. We will focus on improving employee engagement to foster job satisfaction across our diverse workforce.

Number of Joshin Card Holders



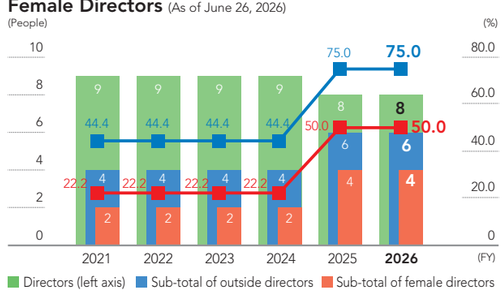
Since its launch in 1989, Joshin Card has enjoyed longstanding customer support and now has more than 26.8 million holders.

Cumulative Number of Certification Holders (Home Appliance Advisors / Smart Masters)



Obtaining professional certifications is a mark of professionalism. We are dedicated to proposing safe, secure, and comfortable lifestyles for our customers and to achieving carbon neutrality in the home.

Percentage of Independent Directors / Percentage of Female Directors (As of June 26, 2026)



Of the eight directors, including three who are Audit and Supervisory Committee members, 75% are independent directors and 50% are female directors.

Key Financial/Non-financial Data for 11 Years

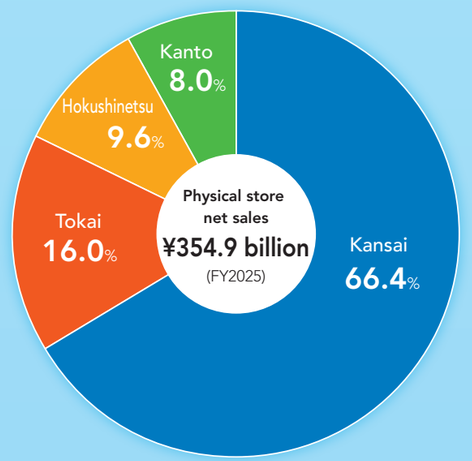
Unit: Million yen

	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	**FY2025**
Financial											
Profit/loss status											
Net sales	375,782	374,387	391,726	403,832	415,643	449,121	409,508	408,460	403,692	403,259	**436,650**
Operating income	7,838	7,982	9,680	10,987	8,979	16,550	8,884	8,311	8,364	3,688	**5,422**
Ordinary income	7,802	8,050	9,662	11,003	8,900	16,555	9,701	8,317	8,251	3,491	**5,113**
Net income attributable to owners of the parent	4,356	5,190	5,579	6,354	5,418	8,873	6,391	4,972	4,891	3,407	**3,280**
Capital investment amount	4,931	11,767	7,283	9,888	8,120	8,488	9,389	9,253	7,036	5,941	**4,657**
Status of cash flows											
Net cash from operating activities	751	16,581	15,223	4,533	13,022	25,836	1,442	7,119	2,278	16,374	**13,085**
Net cash from investing activities	-3,595	-10,412	-6,230	-10,427	-6,316	-6,118	-9,573	-9,070	-4,806	-1,815	**-3,505**
Free cash flow	-2,844	6,169	8,992	-5,893	6,706	19,718	-8,131	-1,951	-2,527	14,558	**9,579**
Net cash from financing activities	2,167	-6,131	-8,134	5,900	-7,762	-14,433	1,873	2,360	3,649	-10,741	**-12,758**
Financial status											
Total assets	180,905	185,971	188,550	207,351	197,308	210,321	217,417	223,218	232,775	231,503	**228,813**
Net assets	70,773	75,859	80,892	86,091	89,147	99,303	98,641	100,698	104,613	104,665	**105,364**
Interest-bearing liabilities	56,002	51,423	44,877	52,717	47,144	35,119	40,017	45,964	53,104	46,025	**37,930**
Net interest-bearing liabilities[1]	52,416	47,749	40,345	48,178	43,661	26,351	37,656	43,194	49,212	38,317	**33,400**
Equity ratio	39.1%	40.8%	42.9%	41.5%	45.2%	47.2%	45.4%	45.1%	44.9%	45.2%	**46.0%**
Net D/E ratio (times)[2]	0.74	0.63	0.50	0.56	0.49	0.27	0.38	0.43	0.47	0.37	**0.32**
Per-share information (adjusted for the reverse stock split)											
Earnings per share (EPS) (yen)	¥166.26	¥196.56	¥210.62	¥239.10	¥202.84	¥331.62	¥238.78	¥186.77	¥185.90	¥131.13	**¥126.81**
Dividends per share	¥32.0	¥32.0	¥42.0	¥50.0	¥50.0	¥75.0	¥75.0	¥75.0	¥90.0	¥100.0	**¥100.0**
Management indicators											
ROE (return on equity)	6.3%	7.1%	7.1%	7.6%	6.2%	9.4%	6.6%	5.0%	4.8%	3.3%	**3.1%**
ROA (return on assets)	4.4%	4.4%	5.2%	5.6%	4.4%	8.1%	4.4%	3.8%	3.6%	1.5%	**2.2%**
ROIC (return on invested capital)[3]	4.0%	4.1%	5.0%	5.1%	4.3%	8.0%	4.2%	3.7%	3.4%	1.5%	**2.5%**
Financial indicators											
Operating income ratio	2.1%	2.1%	2.5%	2.7%	2.2%	3.7%	2.2%	2.0%	2.1%	0.9%	**1.2%**
Ordinary income ratio	2.1%	2.2%	2.5%	2.7%	2.1%	3.7%	2.4%	2.0%	2.0%	0.9%	**1.2%**
Ratio of net income attributable to owners of the parent	1.2%	1.4%	1.4%	1.6%	1.3%	2.0%	1.6%	1.2%	1.2%	0.8%	**0.8%**
Payout ratio	19.2%	16.3%	19.9%	20.9%	24.6%	22.6%	31.4%	40.2%	48.4%	76.3%	**78.9%**
Non-financial											
GHG emissions (Scope 2) (t-CO_2)	46,897	45,681	43,929	39,783	34,450	30,344	19,776	15,621	13,732	11,883	**12,256**
Changes in plastic shopping bags (amount of plastic contained in shopping bags) (t)	204	208	219	219	203	80	30	28.4	27.5	26.3	**27.0**
Sales area (m^2)	501,918	502,974	512,812	514,237	518,958	505,210	513,509	510,001	510,319	520,671	**524,995**
Number of employees (including temporary employees) (people)	7,845	7,825	8,446	9,169	9,483	9,277	9,121	8,906	8,711	8,455	**8,459**
Number of new graduate hires (people)	59	63	55	77	91	98	126	123	110	104	**86**
Number of employees 65 years old or older (including temporary employees) (people)	29	39	60	80	84	93	97	102	126	151	**189**
Percentage of employees with disabilities (%)	2.08	2.07	2.32	2.55	2.54	2.44	2.60	2.65	2.73	2.79	**2.97**
Turnover rate of permanent employees (%)	2.6	2.7	2.8	3.3	2.8	2.2	2.4	2.8	2.9	2.4	**2.3**
Percentage of employees participating in the employee stock ownership plan (Joshin nonconsolidated) (%)	92.61	92.41	91.90	91.13	90.13	87.46	86.49	86.29	85.44	83.41	**82.69**
Cases of violations of laws and regulations, monetary amount	0	0	0	0	0	0	0	0	0	1 case, ¥0	**0**
Number of whistleblowing reports (cases)[4]	26	28	29	41	46	60	68	61	39	97	**114**

1. Net interest-bearing liabilities: interest-bearing liabilities – cash and deposits
2. Net D/E ratio: (interest-bearing liabilities – cash and deposits) ÷ (equity capital)
3. ROIC: operating income × 0.65 (assuming a tax rate of 0.35) ÷ (end-of-period net assets + end-of-period interest-bearing liabilities)
4. Total number of reports received, regardless of whether an incident occurred (from FY2024 onward)

Group Locations

As of the end of March 2026, the Group operates 220 stores in the Kansai, Tokai, Kanto, Hokushinetsu, and Shikoku regions.
The Group will continue to expand its store network while developing service infrastructure centered on an east-west two-hub system comprising the Kansai Ibaraki Logistics Center and the Tokyo Logistics Center.



Note: The regional breakdown is based on total net sales at physical stores, with the total set at 100%.

Kansai region: 140 stores
Total store area: 338,139 m²

Osaka Prefecture	58 stores	141,654 m²	Shiga Prefecture	13 stores	27,766 m²
Kyoto Prefecture	11 stores	28,907 m²	Nara Prefecture	13 stores	32,636 m²
Hyogo Prefecture	37 stores	88,549 m²	Wakayama Prefecture	8 stores	18,625 m²



Nipponbashi Store



Kishiwada Store

Hokushinetsu region: 25 stores
Total store area: 63,912 m²

Toyama Prefecture	8 stores	22,671 m²
Ishikawa Prefecture	4 stores	9,735 m²
Fukui Prefecture	2 stores	5,319 m²
Niigata Prefecture	9 stores	20,985 m²
Nagano Prefecture	2 stores	5,199 m²



Toyama Main Store

Kanto region: 18 stores
Total store area: 41,459 m²

Tokyo	4 stores	7,646 m²
Kanagawa Prefecture	2 stores	5,263 m²
Saitama Prefecture	6 stores	14,784 m²
Chiba Prefecture	5 stores	10,681 m²
Gunma Prefecture	1 store	3,082 m²

Matsudo Store

Tokai region: 35 stores
Total store area: 81,271 m²

Aichi Prefecture	19 stores	43,422 m²
Gifu Prefecture	7 stores	16,135 m²
Mie Prefecture	8 stores	19,729 m²
Shizuoka Prefecture	1 store	1,984 m²



Komaki Store

Shikoku region: 2 stores
Total store area: 213 m²

Tokushima Prefecture	2 stores	213 m²



ASAKA Naruto Store

Note: All figures are rounded down to the nearest whole number.

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Joshin

For more specific store information, visit our site. (Japanese only)
Store search https://shop.joshin.co.jp

External Evaluations / Participation in Initiatives

External Evaluations

CDP Climate Change Report 2025

Received an **A score**, the highest CDP rating, in the climate change sector for **three consecutive years**

Selected as a CDP **Supplier Engagement Leader**, the highest rating in the CDP Supplier Engagement Assessment, **for two consecutive years**

Major Ratings from ESG Rating Agencies

FTSE JPX Blossom Japan Index

Selected **for four consecutive years**

FTSE JPX Blossom Japan Sector Relative Index

Selected **for five consecutive years**

S&P/JPX Carbon Efficient Index

Continued inclusion

Other Assessments by External Organizations

2025 Oricon Customer Satisfaction® Survey: Detached Housing Renovations

Awarded **first place for five consecutive years**

Gold Product Safety Company Follow-up Review

Certification continued for the second time, **a first under the program**

"Environmentally Sustainable Company" at the ESG Finance Awards Japan

Selected **for two consecutive years**

2025 Certified Health and Productivity Management Outstanding Organization (Large Enterprise Category)

Certified **for seven consecutive years**

Company supporting childcare "Kurumin"

Certified

Company promoting women's participation and advancement "Eruboshi" (Certification Level 2)

Certified

Participation in Initiatives

UN Global Compact

Science Based Targets (SBT)

GX Future Consortium

Task Force on Climate-related Financial Disclosures (TCFD)

Task Force on Nature-related Financial Disclosures (TNFD)

Corporate Information / Stock Information (As of March 31, 2026)

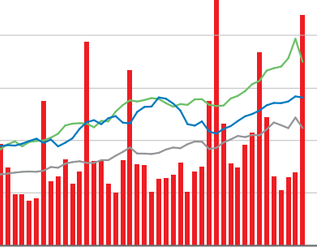
Corporate Information

Company Name	Joshin Corporation (Effective April 1, 2026)
Head Office	6-5, Nipponbashi-nishi 1-chome, Naniwa-ku, Osaka City, 556-8550, Japan Tel.: +81 6-6631-1221
Founded	May 11, 1948
Established	February 2, 1950
Net Sales	¥436.650 billion (consolidated) ¥435.737 billion (nonconsolidated)
Capital Stock	¥15.121 billion
Stock Listing	Prime Market, Tokyo Stock Exchange (code: 8173)
Number of Employees	8,459 Males: 5,342 Females: 3,117 (including temporary employees)

Basic Stock Information

Number of shares authorized:	99,000,000
Number of shares issued:	28,000,000
Shareholders with voting rights:	24,685
Total number of shareholders: (excluding treasury stock)	188,847

Distribution of Shares



Note: The above ratio is calculated excluding treasury stock (1,453,872 shares).

Current Major Shareholders

Shareholder	Number of shares held	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (trust account)	1,964,000	7.39
Joshin Denki Employee Shareholding Association	1,799,287	6.77
Custody Bank of Japan, Ltd. (trust account)	1,046,352	3.94
Resona Bank, Limited	800,000	3.01
The Dai-ichi Life Insurance Company, Limited	675,000	2.54
Sharp Corporation	542,500	2.04
STATE STREET BANK AND TRUST COMPANY 505223	401,761	1.51
K's Management Co., Ltd.	370,000	1.39
Joshin Denki Business Partner Shareholding Association	356,000	1.34
BNYM SA / NV FOR BNYM FOR BNY GCM CLIENT ACCOUNTS M LSCB RD	342,294	1.28

Note: The above ratio is calculated excluding treasury stock (1,453,872 shares).

Share Prices (Adjusted for the Reverse Stock Split)

Note: On October 2, 2017, the Company consolidated every two ordinary shares into one.

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Joshin

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Joshin Corporation
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Fax: +81 6-6644-3626