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

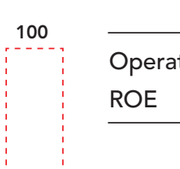
Joshin Reborn Action 2026

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)

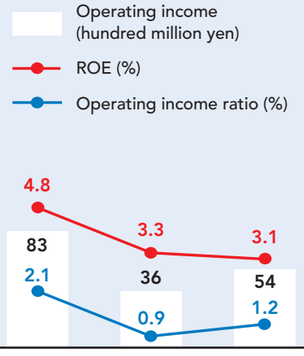
Looking ahead to our 100th anniversary, we will advance to the next stage

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

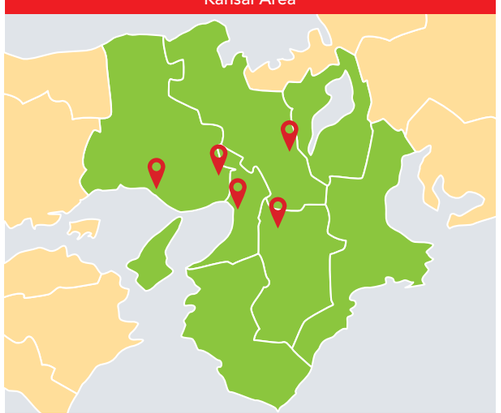
Market background and outlet store expansion schedule

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.

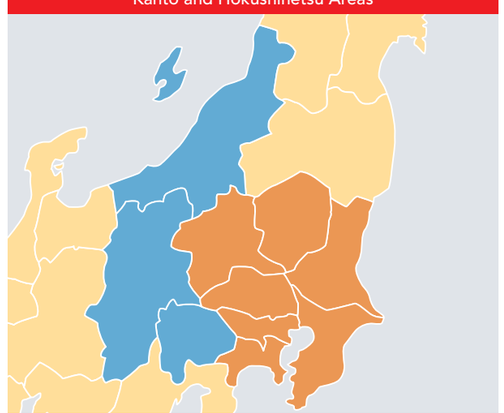
Outlet store rollout schedule through FY2028

	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.

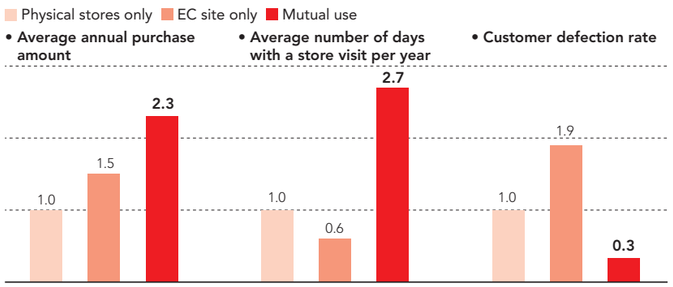
The pillars of our medium- to long-term strategy

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

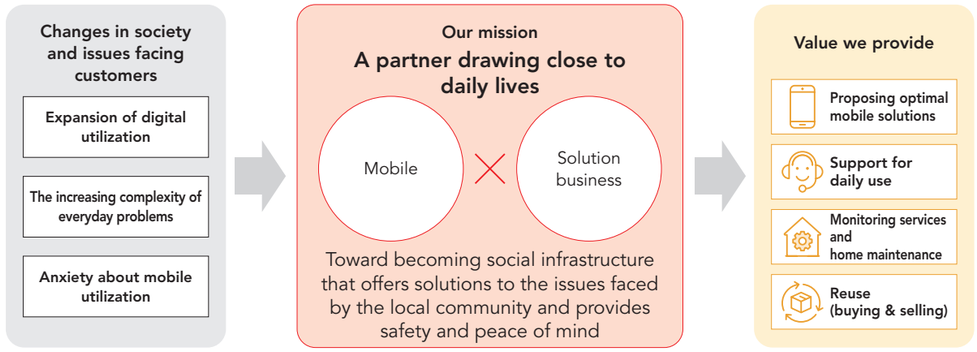
As a partner that stands alongside our customers in their daily lives, we fulfill our role as social infrastructure by solving the problems facing customers and providing safety and peace of mind.

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.

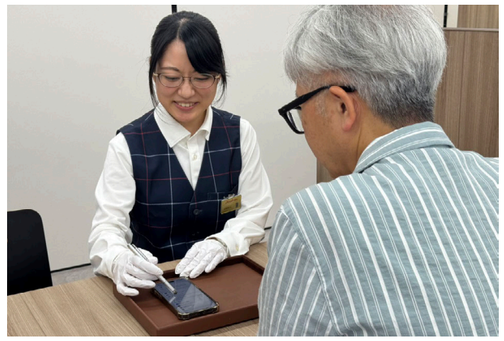
Through this business, we will stand alongside each and every customer every step of the way to address their concerns and solve the issues they face. I am convinced that building this trust is the driving force behind enhancing Joshin's value to society. From now on, as a reliable partner that gives 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.

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

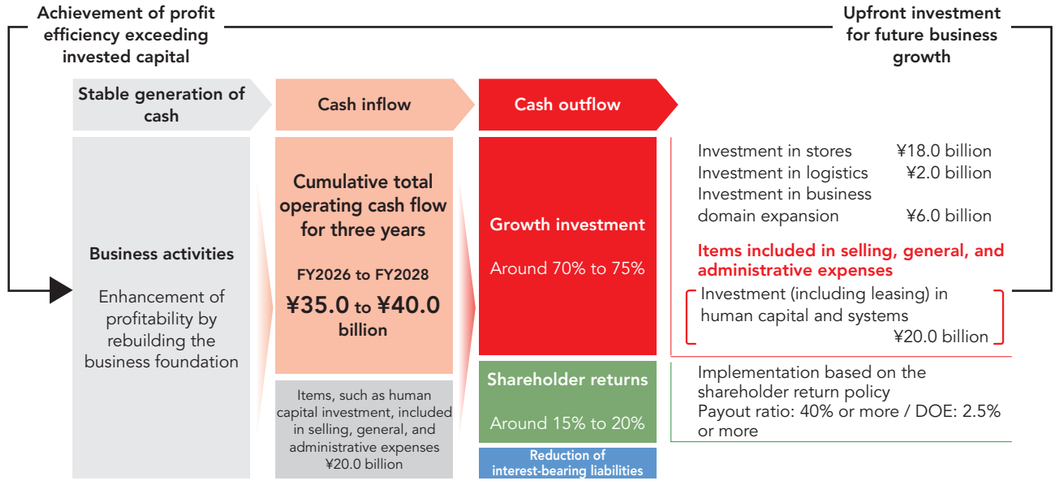
Achieving a story of sustainable value creation through appropriate financial leveraging and a disciplined financial strategy

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.

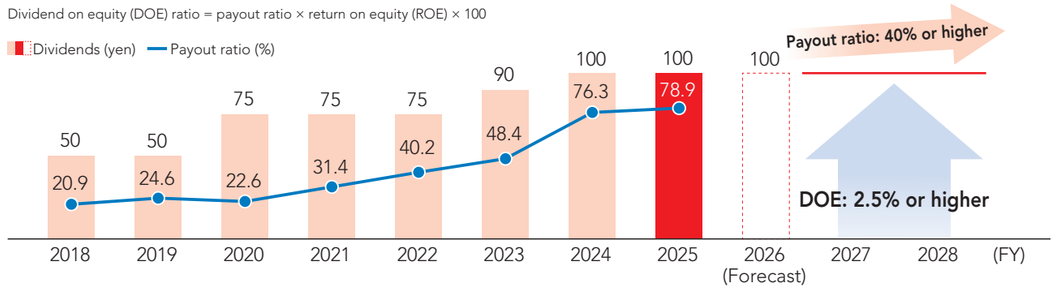
We will continue to position improving shareholder returns as one of our top priority issues. We will also continue to flexibly consider the optimal approach for measures to enhance market liquidity, such as the concept of total payout ratio including share buybacks and reducing the investment unit through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

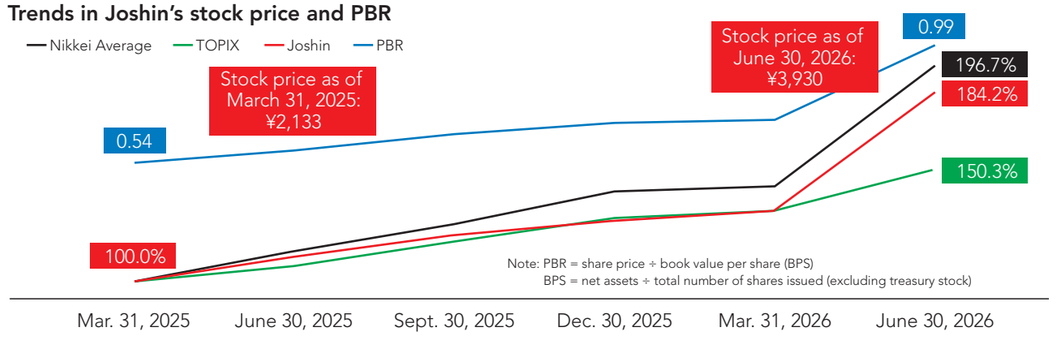
To optimize our net assets, the cornerstone of capital allocation, we are promoting in-depth discussions from an accounting perspective and implementing appropriate strategies for closing and replacing stores, in addition to our regular reviews.

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.

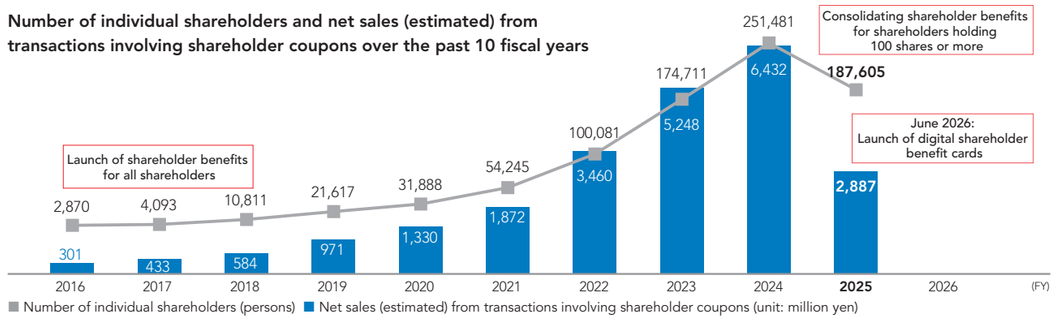
To encourage our shareholders to support us for a longer period and with greater commitment, we are offering shareholder benefits.

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.