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

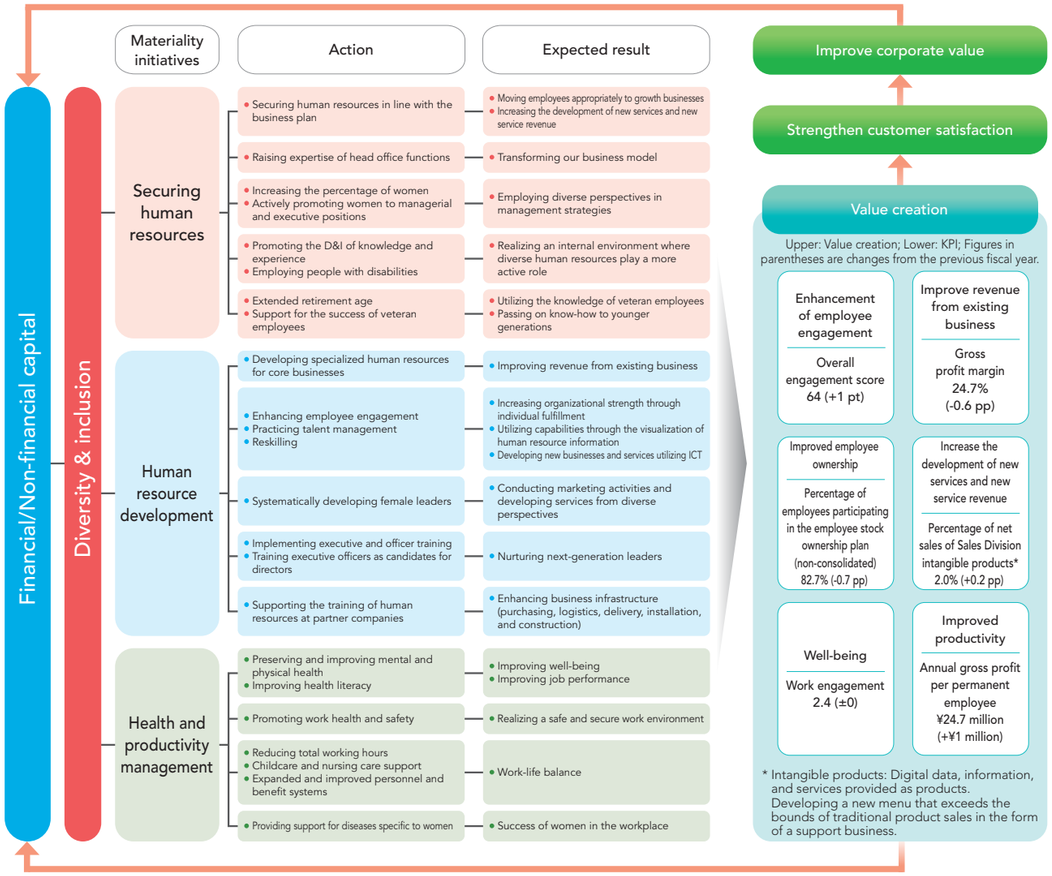
- Realization of management philosophy
- Improve corporate value and strengthen customer satisfaction
- Enhancement of employee engagement
- Improved employee ownership
- Realization of job satisfaction and ease of work

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

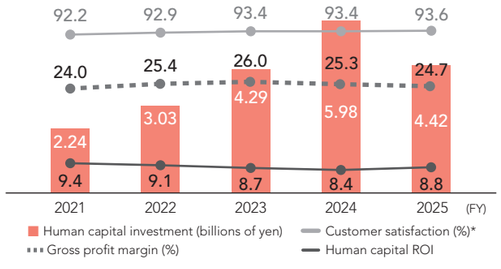
Investments in systems that improve productivity
..... ¥1,822 million (-¥996 million)
- Expenses for self-checkout systems, digital POP, and electronic price tags
- Queuing systems, order card issue systems, etc.

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

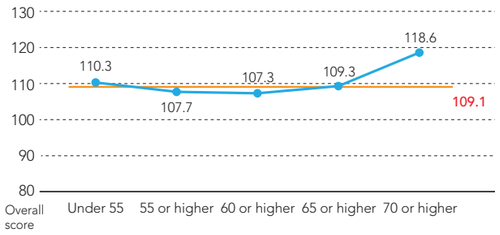
The Group's human resources strategy aims to drive organizational growth by enhancing employee engagement.

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.

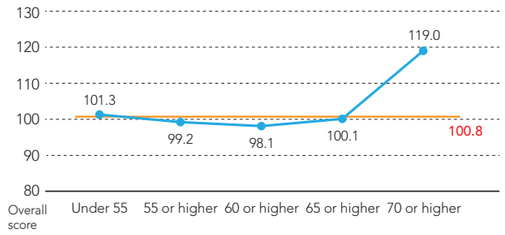
As shown in the graph below, the engagement score is correlated with sales and the number of customers at the register, leading us to recognize that engagement and organizational performance are closely linked.

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)

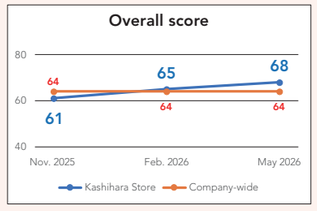
- Fiscal year-on-year data: FY2025 order results
  (different from consolidated operating results) for stores where year-on-year comparisons are possible
- Overall engagement score: Data from February 2026
- Survey tool: Wevox by Atrae, Inc.
- The overall score is reflected in the stock-based compensation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

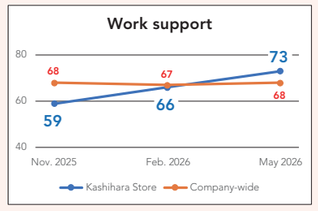
Example of Improving Engagement at a Store

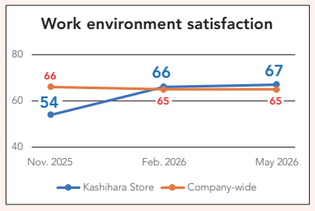
Saori Yamamuro
Joshin Kashihara Store Manager
(Appointed January 2026)

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.





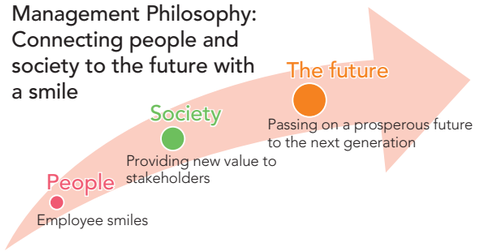


The engagement score of the Joshin Kashihara Store was up in the two most recent surveys.
The scores for the "Work support" and "Work environment satisfaction" categories improved dramatically; management that encourages individuals in taking on challenges through daily communication and support has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

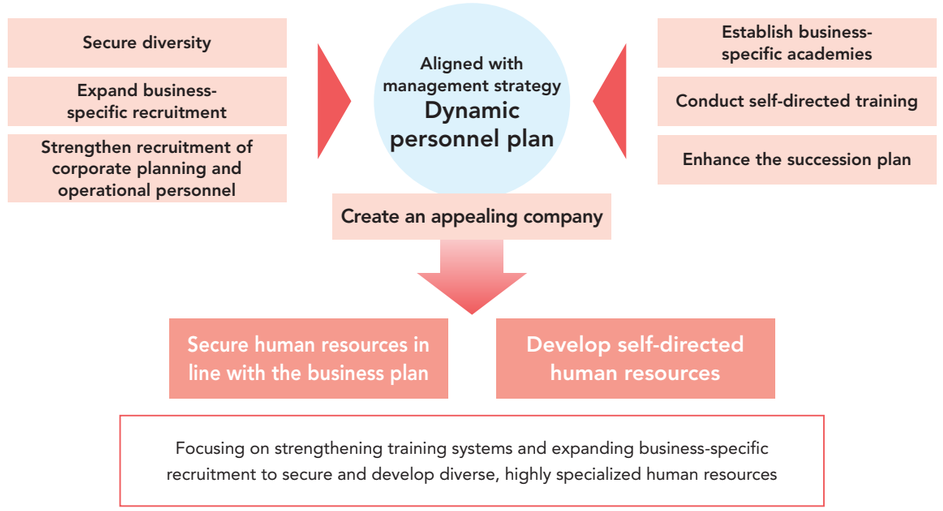
* Number of certifications held by permanent employees, associate employees, contract employees, and part-time employees of the Joshin Group

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



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

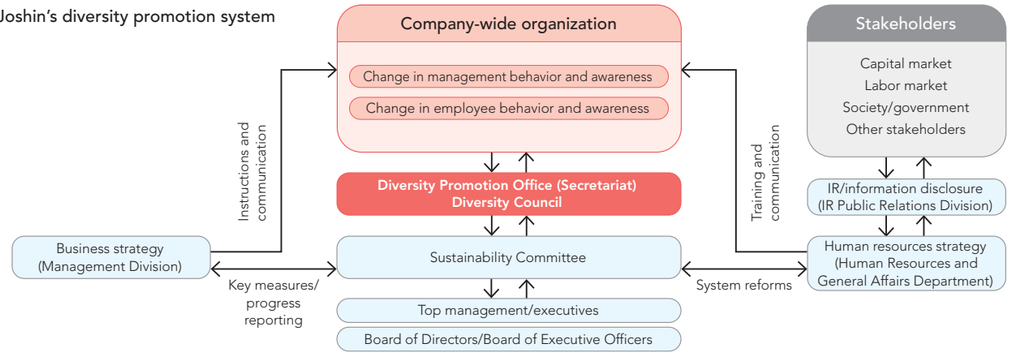
Noriko Tsukamoto
Section Manager in Charge of Education

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.

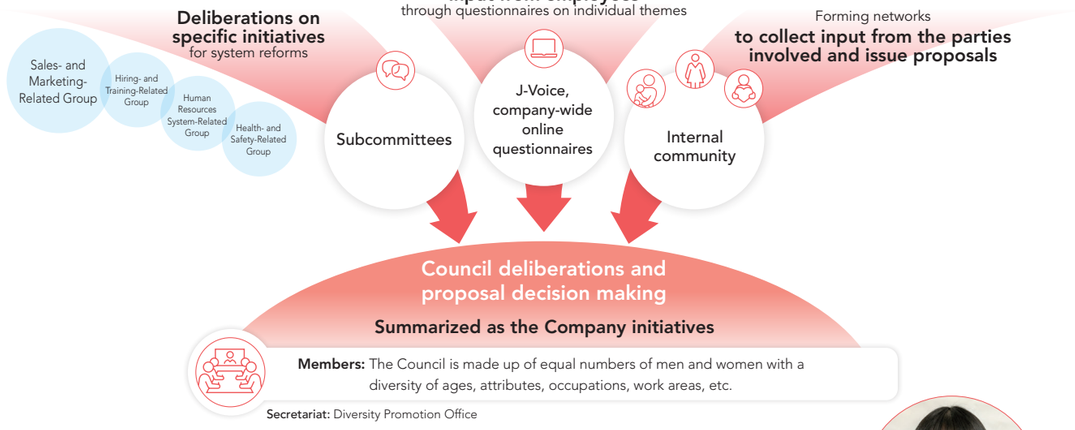
https://www.joshin.co.jp/en/csr/policy/list/di.html

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.

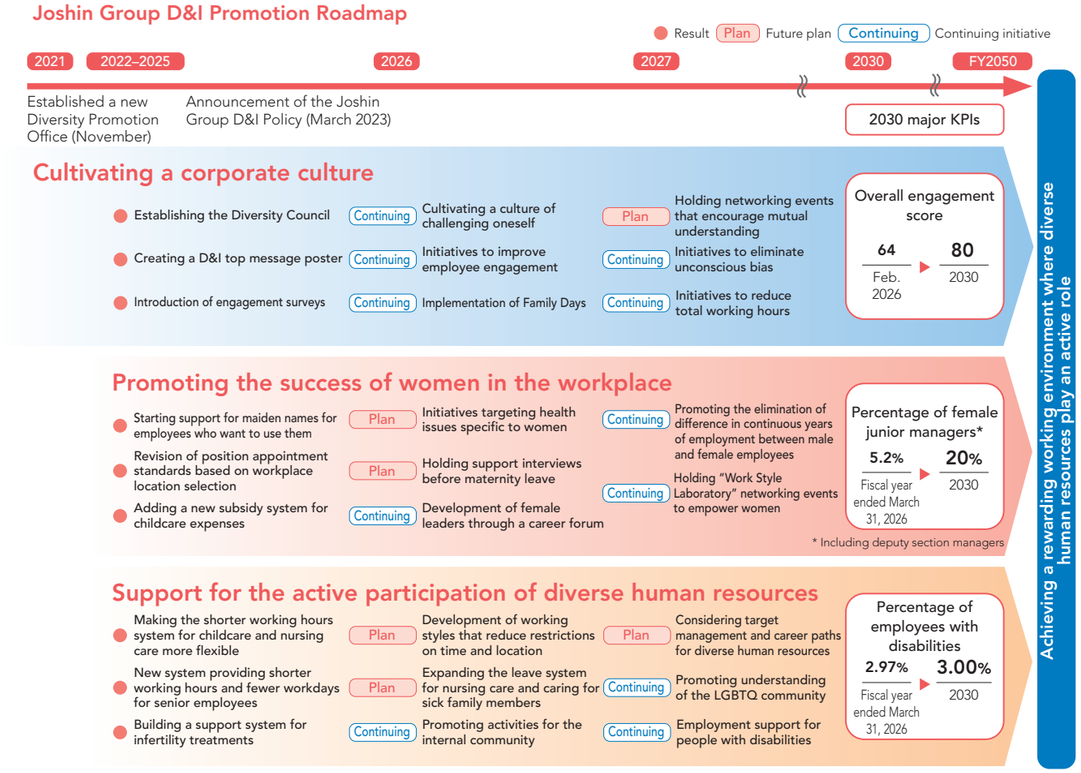
1. Implementation of a staggered working hours system for childcare
2. Implementation of Family Days
3. Planned "Work Style Laboratory" networking events to empower women
4. Planned events to cultivate a culture of challenging oneself

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.

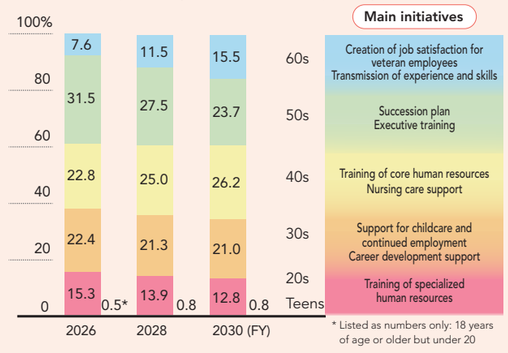
Human resource development will generate future value

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.

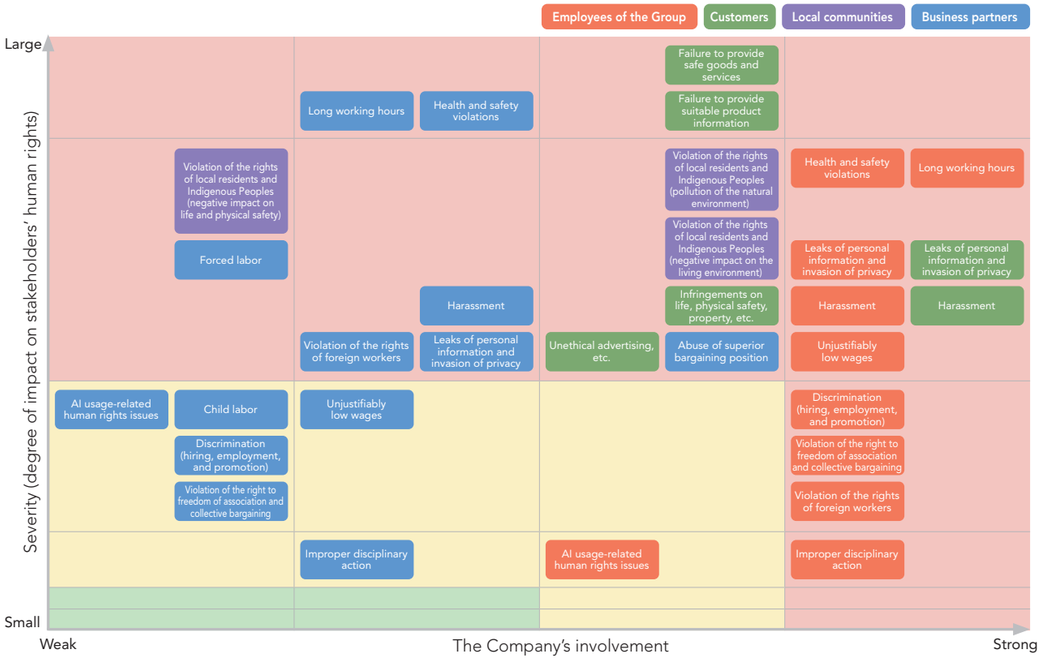
Please see our website for more information on the Joshin Group Human Rights Policy.
https://www.joshin.co.jp/en/csr/social/strategy/human_rights_policy.html

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

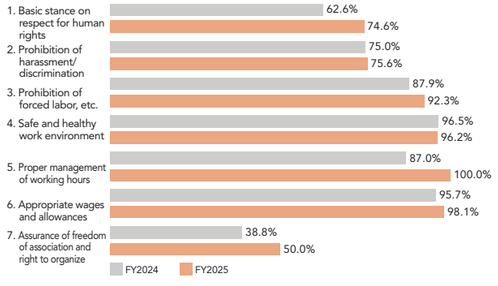
As a result of assessing human rights risks, we identified long working hours, health and safety violations, and other high-severity issues at our business partners that needed to be prioritized for a response. Accordingly, we asked our delivery, installation, and repair contractors to complete a questionnaire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

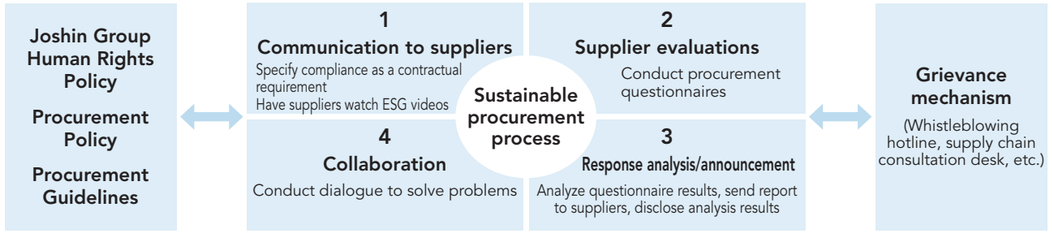


For details about the Human Rights Awareness Promotion System and Human Rights Remedy System, please see our website.
https://www.joshin.co.jp/en/csr/social/strategy/promotion_structure.html

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.

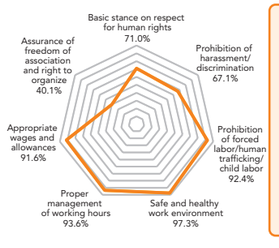


Implementation of Value Chain Engagement

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.

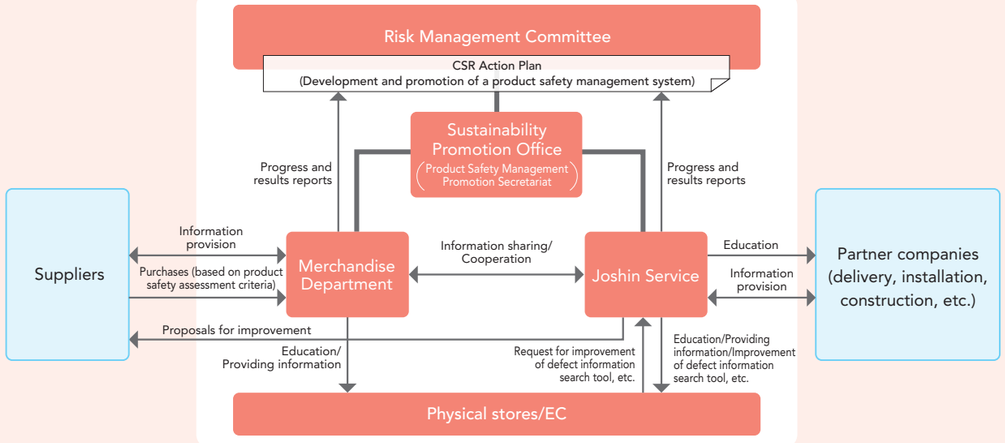
We formulated the Voluntary Action Guidelines for Product Safety of Joshin Group in 2007 to further embody this idea, and have developed a Group-wide, coordinated product safety promotion system, so that our customers can always select and use the products we sell with peace of mind.

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.

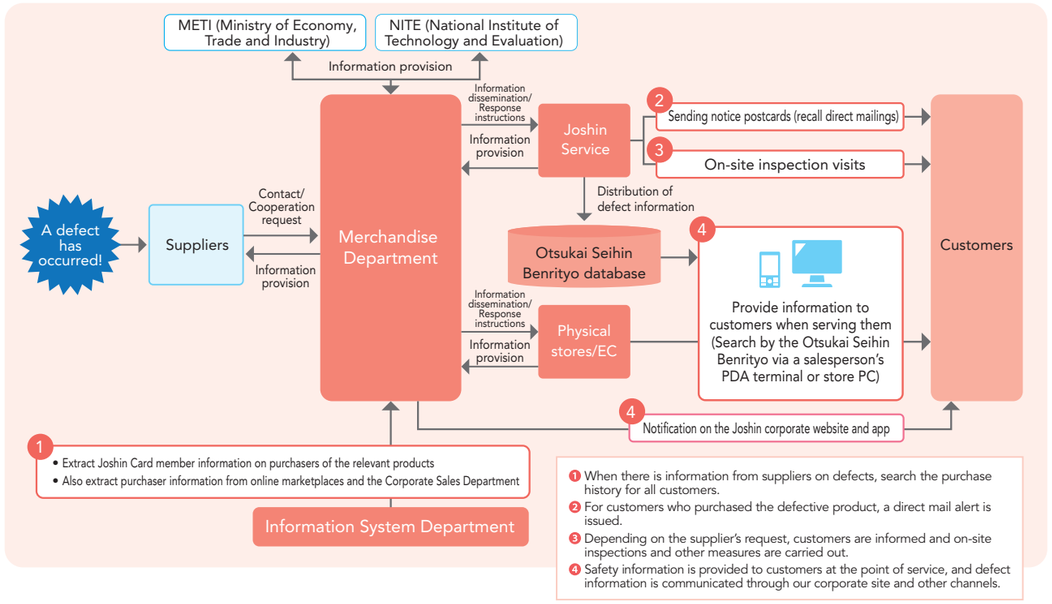
In FY2025, we started new initiatives including reskilling training for employees in managerial positions, follow-up training specialized for product classes that new service engineers find difficult, and training to prevent product damage.

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.

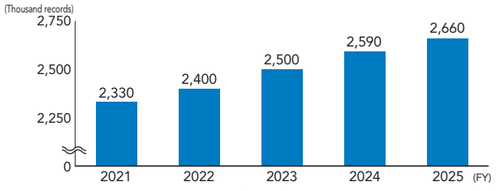


Defect Database and How It Is Used

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

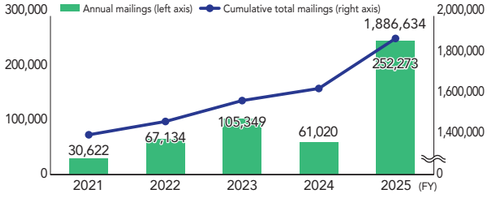


Note: Number at the end of each fiscal year

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

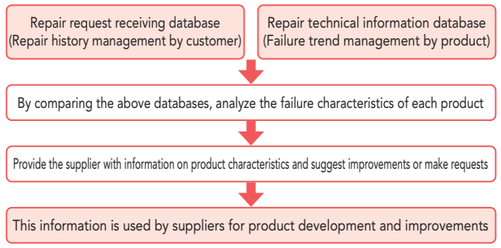
The Group currently receives about 380,000 repair requests annually through stores, service centers, and call centers.

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

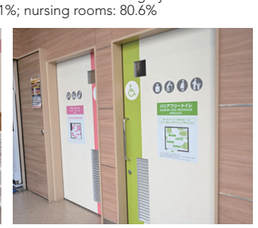
The Group is working to create store environments that are safe and comfortable.

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.

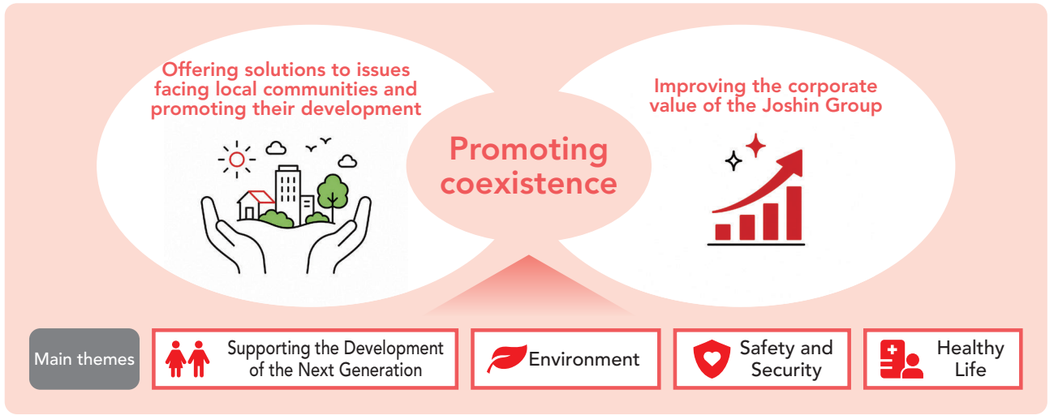
* Installation rates: Accessible toilets: 98.1%; dedicated parking spaces for wheelchair users: 95.2%; wheelchairs available for borrowing by customers: 94.7%; diaper-changing facilities: 97.1%; nursing rooms: 80.6%



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.

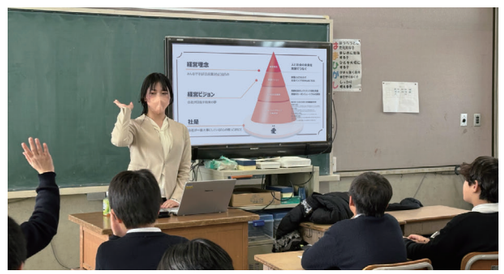
Left: Special booth for collecting household resources at RE:FES
Right: Unwanted household cables and peripheral devices collected at the event

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")