

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, creating 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 forward 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 set an interim goal of being "A company that supports growth of local communities and contributes to the future of people and environment" by 2030. We are developing a system of management that contributes to building a sustainable society through the creation of two social values: helping to strengthen the resilience of an aging society and achieving carbon neutrality in households.

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 training a diverse range of human resources with D&I as the pillar of our strategy. We believe our human resources strategy—which connects securing talent capable of meeting diverse customer needs, developing talent to support new growth businesses, and enhancing employee engagement to new 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 that

increases ease of work, leading to job satisfaction, then to employee ownership, and finally to improved employee engagement.



● Human Capital KPIs for Realization of Our Management Philosophy

We will set KPIs for areas in need of improvement to bridge the gap from the present to our goals, working to achieve a rewarding work environment where diverse employees play a more active role.

[Areas far from goals]

- Percentage of female managers (section manager or higher) / 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. Changes to organizational structure have resulted in female directors accounting for 50% of the Board.
- Wage difference between men and women (permanent employees)
The primary causes of the wage gap are that more than 40% of female employees choose to restrict their workplace location, which involves reduced salary, in addition to the smaller number of female managers.

Category	KPIs	FY2023 results	FY2024 results	Gap Negative gaps are indicated by "-."	FY2030 target	Ideal form
Securing human resources Human resource development	Number of new graduates and mid-career hires	237	190	40	150 annually	Realization of management philosophy
	Turnover rate (female permanent employees)	5.2%	3.7%	-1.2%	2.5% or less	
	Turnover rate (male permanent employees)	2.6%	2.2%	0.3%	2.5% or less	
	Turnover rate (permanent employees total)	2.9%	2.4%	0.1%	2.5% or less	
	Number of Home Appliance Advisor certification holders (total number of people)	6,676	6,894	-	-	
Diversity & Inclusion	Number of Smart Master certification holders	2,436	2,590	-	-	Improved corporate value and customer satisfaction
	Percentage of female directors	22.2%	50.0% ¹	20.0%	30.0%	
	Percentage of female managers (section manager or higher)	1.8%	2.0%	-3.0%	5.0%	
	Percentage of female junior managers (deputy section manager or higher)	4.3%	4.5%	-15.5%	20.0%	
	Number of female chiefs	40	55	-	-	
	Percentage of female permanent employees	14.1%	15.3%	-14.7%	30.0%	
	Percentage of female employees	36.7%	36.7%	-13.3%	50.0%	
	Percentage of female new employees	56.4%	54.8%	4.8%	50.0%	
	Wage difference between men and women (permanent employees)	72.1%	74.7%	-3.3%	78.0%	
	Percentage of employees with disabilities	2.7%	2.8%	-0.2%	3.0%	
	Number of employees 65 years old and over	126	151	-	-	
	Rate of male employees taking childcare leave or leave for the purpose of child care ²	96.3%	98.5%	-1.5%	100.0%	
Health and productivity management	Health index score ³	-4.2%	-3.9%	-5.9%	+2.0% average score across Japan	Enhancement of employee engagement
	Presenteeism ⁴	93.0%	92.9%	-1.1%	94.0%	
	Medical checkup participation rate	98.3%	97.9%	-2.1%	100.0%	
	Stress check participation rate ⁵	98.9%	99.0%	-1.0%	100.0%	
	Overtime work hours (monthly average)	13.6 hours	12.7 hours	-	-	
Health and productivity management	Paid leave usage rate (all employees)	60.9%	62.4%	-7.6%	70.0%	Improved employee ownership
Health and productivity management						Realization of job satisfaction and ease of work

1. The percentage of female directors is valid as of June 24, 2025

2. Rate of male employees taking childcare leave or leave for the purpose of childcare: Rate of taking childcare leave 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 number of those who have medical checkup results for weight, blood pressure, liver function, fats, and blood sugar within the average range and of nonsmokers (target: 40 years old and above)

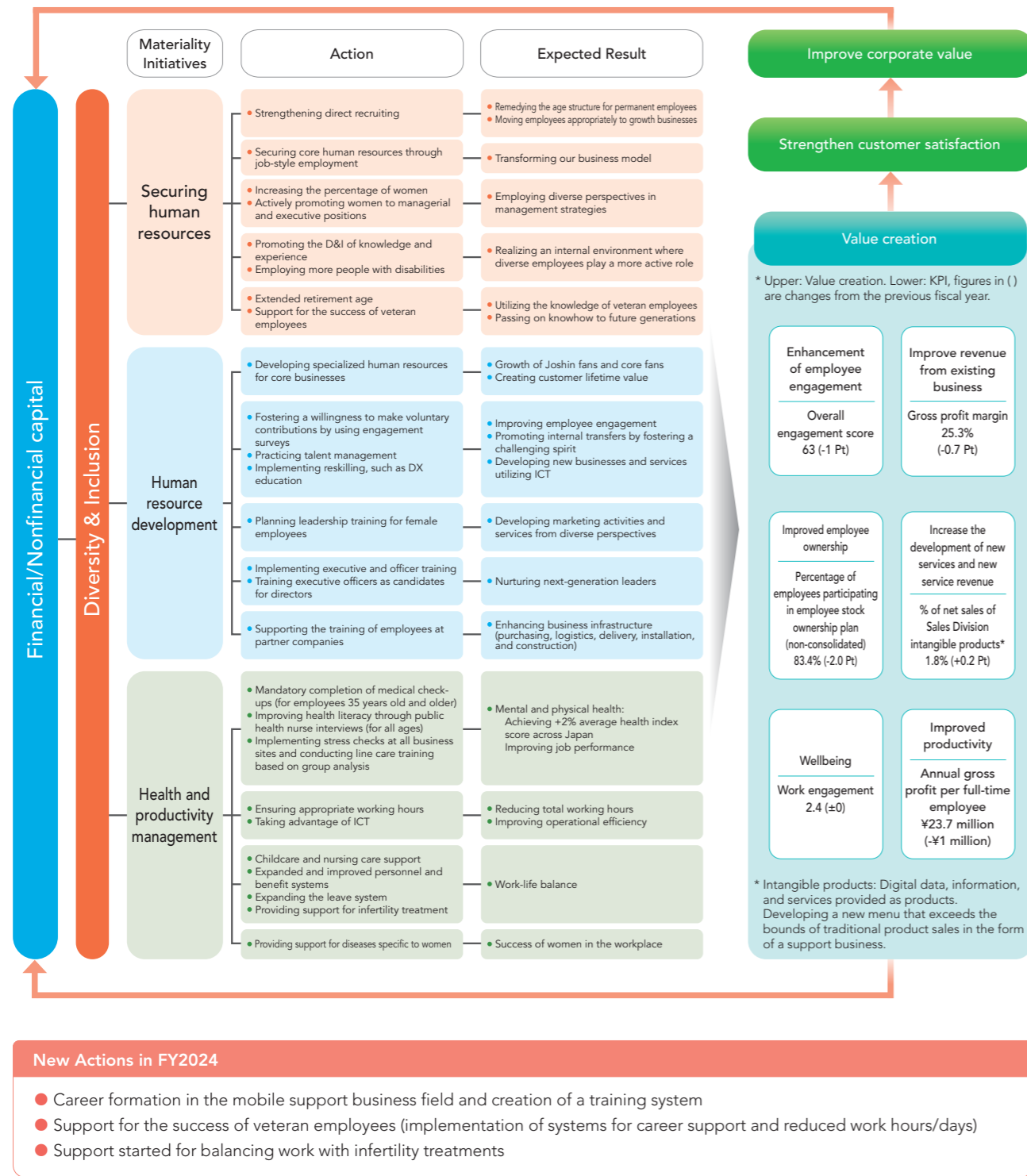
4. Presenteeism: Where employees are at work but their work efficiency is declining due to health problems (measured by WLQ-J). Performance in the best condition is calculated as 100%.

5. Stress check participation rate: All business sites are targeted, including those with less than 50 people

● Connecting Management Strategy and Human Resources Strategy

The Joshin Group positions diversity and 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 re-invested to create a virtuous cycle that generates new value.

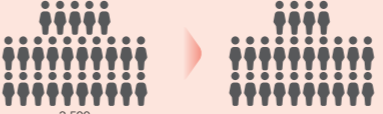




Reinforcing Joshin's Financial and Nonfinancial Capital through the Promotion of Diversity and Inclusion (D&I)



Dynamic Personnel Plan - Type of Employees Sought: Innovative Human Resources That Provide "Two Types of Social Value"

This is a dynamic personnel plan aimed at bridging the gap between the present and 2030 goals. We link this plan to management strategy and make adjustments based on social changes and plan progress in order to secure and cultivate the type of personnel that we need.

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

Type of personnel	Current role and future expanded personnel requirements	HR measures that bridge the gap
Concierge Personnel - Real stores, EC Change in personnel  Change in sales volume Proportion of sales FY2023 FY2024 63% 62% Proportion of sales (planned) FY2030 60%	Roles <ul style="list-style-type: none"> Proposing attractive products and services to customers Building relationships of trust with customers Generating new customer satisfaction Personnel requirements to be expanded through 2030 <ul style="list-style-type: none"> Highly specialized retail sales staff (stores) Diverse retail sales staff (stores) to handle customer needs Systems engineers, web marketers, analysts (EC) 	Common to all types of personnel sought <ul style="list-style-type: none"> Clearer personnel requirements Securing diverse human resources Human resource development in line with the business plan Establishing multiple paths for career development <ul style="list-style-type: none"> Improving management to boost productivity
Entertainment Personnel KIDS LAND, DISC-PIER, MEGA WATCH Change in personnel  Change in sales volume Proportion of sales FY2023 FY2024 17% 15% Proportion of sales (planned) FY2030 15%	Roles <ul style="list-style-type: none"> Providing highly specialized customer service Creating sales floors that continuously win customer support Further expanding market share Personnel requirements to be expanded through 2030 <ul style="list-style-type: none"> Personnel with experience in effective sales floor design and production 	Common to all types of personnel sought <ul style="list-style-type: none"> Clearer personnel requirements Securing diverse human resources Human resource development in line with the business plan Establishing multiple paths for career development <ul style="list-style-type: none"> Training of specialized human resources Optimizing personnel assignments
Growth Business Personnel Mobile communications, support businesses, renovation Change in personnel  Change in sales volume Proportion of sales FY2023 FY2024 14% 16% Proportion of sales (planned) FY2030 20%	Roles <ul style="list-style-type: none"> Lifestyle proposals rooted in smartphones as a core hub Expanding services closely customized to customer lifestyles Proposing solutions that achieve a comfortable, smart living environment Personnel requirements to be expanded through 2030 <ul style="list-style-type: none"> Personnel with contract sales experience (mobile) Personnel with reuse business experience (support business) Welfare housing environment coordinators (renovation) Architects (renovation) 	Common to all types of personnel sought <ul style="list-style-type: none"> Clearer personnel requirements Securing diverse human resources Human resource development in line with the business plan Establishing multiple paths for career development <ul style="list-style-type: none"> Increasing personnel Training high-performance personnel
Service Infrastructure Personnel - Delivery, construction, repairs Change in personnel  Change in sales volume Proportion of sales FY2023 FY2024 4% 5% Proportion of sales (planned) FY2030 4%	Roles <ul style="list-style-type: none"> 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 Personnel requirements to be expanded through 2030 <ul style="list-style-type: none"> Qualified electricians and other personnel with repairs-related credentials Licensed construction management engineer 	Common to all types of personnel sought <ul style="list-style-type: none"> Clearer personnel requirements Securing diverse human resources Human resource development in line with the business plan Establishing multiple paths for career development <ul style="list-style-type: none"> Training of dispatch repair staff Measures to address aging staff Reskilling
Planning & Operational Personnel Planning and operational departments 	Roles <ul style="list-style-type: none"> Creating future value through vision-building Improving earning power Improving capital efficiency Optimizing and streamlining information technology and logistics infrastructure Personnel requirements to be expanded through 2030 <ul style="list-style-type: none"> Strategists (management, marketing, financial, HR) Systems engineers and data science personnel 	Common to all types of personnel sought <ul style="list-style-type: none"> Clearer personnel requirements Securing diverse human resources Human resource development in line with the business plan Establishing multiple paths for career development <ul style="list-style-type: none"> Securing and training highly specialized personnel Improving productivity Addressing changes in work styles

● Internal Environmental 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 an infrastructure hub for a better 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 freethinking of diverse employees into new businesses as well as make sustainability management a reality.

● Human Capital Investment

As before, we have focused more on investment in people who produce future value. Going beyond just hiring, training, and salary increases, investment that will boost job satisfaction and comfort at work as well as investment in the implementation of systems to improve productivity and reduce effort are also defined as human capital investments.

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.

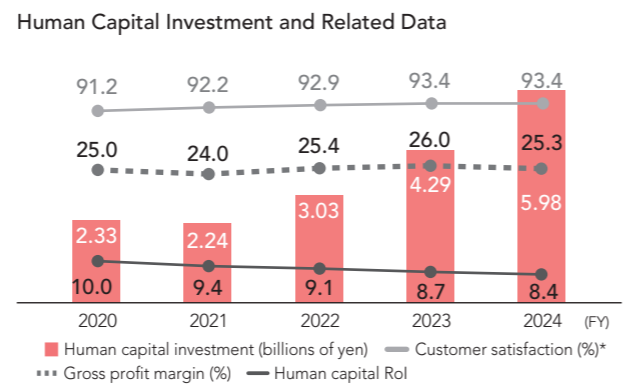
Note: Figures in () are changes from the previous fiscal year.

FY2024 Human Capital Investment		¥5,984 million (¥1,691 million)
Recruiting and education	¥778 million (¥13 million)	
● Cost of hiring new graduates and mid-career workers		
● Recruitment expenses		
● Education and training expenses		
Wage increases and a revised HR system	¥2,298 million (¥626 million)	
● Wage increases (including part-time employees)		
● Amount of investment in the performance-linked stock incentive system		
● Risk-responsive lump sums for retirement annuities		
● Increased personnel costs due to the extended retirement age		
● Talent management system introduction and operating costs		
Investments leading to job satisfaction and ease of work	¥90 million (-¥24 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	¥2,818 million (¥1,076 million)	
● Expenses for self checkout systems, digital POP, and electronic pricing		
● Electronic receipt systems and order card issue systems		
● Expenses for introduction of generative AI, etc.		

Although it is impossible at present to clearly predict returns of human capital investment, there is some correlation apparent between human capital investment and gross profit margin.

● Human capital investment
FY2023: ¥4.29 billion > FY2024: ¥5.98 billion
Reason for increase: Salary increases, IT systems investment, etc.

● Human capital Rol (ISO 30414 productivity indicator)
Formula =
[Sales - {Sales, 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



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

● Employee Engagement Improvement Initiatives Using Engagement Surveys

Use of engagement surveys to visualize employee psychological status and to work to improve employee engagement.

Engagement surveys

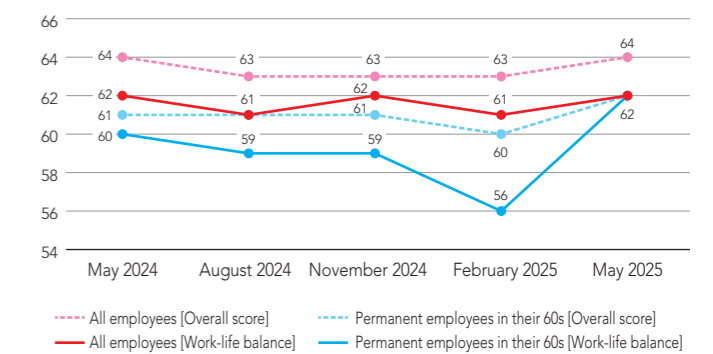
We introduced an engagement survey in April 2023 as a management support tool for every department to check on the progress of initiatives that create a comfortable, rewarding work environment.

Issue-based awareness

A key issue was to improve the engagement of permanent employees in their 60s. In April 2025, we introduced reduced work hours and work days for senior employees as a type of flexible work style, which improved our work-life balance score. Additionally, we began conducting career consultations to clarify job roles for personnel over 60 years old, which improved our "job satisfaction" score by 1 point and "empathy with the mission and the vision" by 2 points.

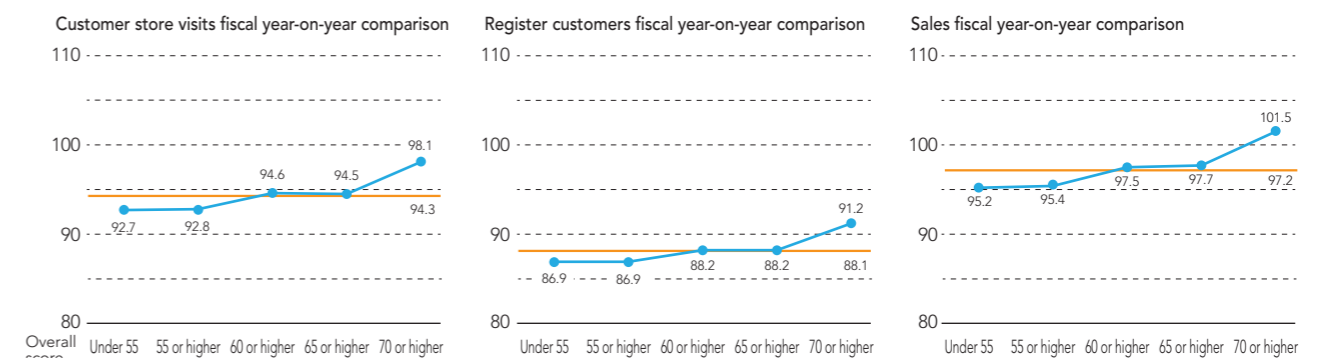
Overall engagement score is correlated with the number of customers visiting stores, number of customers at the register, and sales data. Engagement is a key to organizational performance.

Work-life Balance: Comparing Permanent Employees in Their 60s vs. All Employees



* Retail standard average score: 66
* Survey covered around 8,000 employees (including part-time employees) from all Group companies engaged in the home appliance sales and support business
* Survey tool: Wevox by Atrac, Inc.
* The overall score is reflected in the stock compensation of executive directors and executive officers as a long-term incentive.

Correlation between Overall Engagement Score and Sales Data



● Comparison of average annual values for each engagement survey overall score
— Average across 197 stores (Stores where year-by-year comparisons are enabled by customer visit counting systems and stores conducting engagement surveys)
* Fiscal year-on-year data: FY2024 order results (different to consolidated operating results) for stores (201) where year-by-year comparisons are enabled by customer visit counting systems
* Overall engagement score: Data from February 2025

Initiatives of the engagement survey use promotion team

One store from each area is selected as a promotion team that is taking proactive steps to improve engagement. One leader on each promotion team participates in promotion leader meetings where opinions on how to improve engagement are exchanged. Beginning with promotion leaders, we will spread understanding of engagement throughout the whole company.



● Respect for Human Rights

Approach to Human Rights

Since our foundation, the Group has cherished the Corporate Credo of "Thoughtfulness," "to always act in consideration of the other's perspective."

This credo connects directly with respect for human rights that value an individual's perspective. 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.

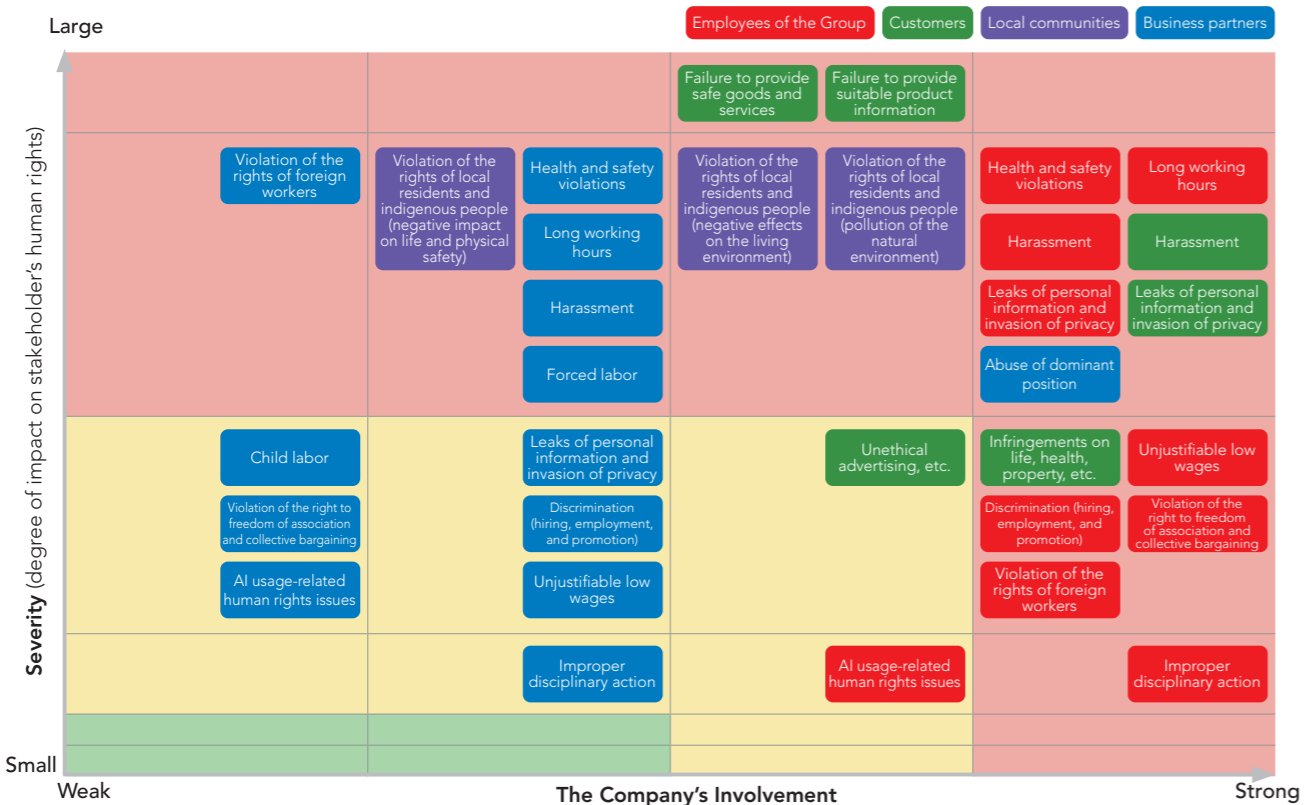
Please see our website for more information on the Joshin Group Human Rights Policy. https://www.joshin.co.jp/en/csr/social/strategy/human_rights_policy.html

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 each end of the axis.



Refer to 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.

▶ Main Initiatives to Date

- November 2023** Formulated the Joshin Group Human Rights Awareness Promotion System and began operating the Human-Rights Remedy System
- January 2024** Began the supply chain procurement questionnaire
- November 2024** Began the questionnaire on initiatives to respect human rights at cooperating delivery partners (58 of 88 companies responded)
- April 2025** Added a "human rights clause" to the master transaction agreement

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

▶ Future Actions

- Regular implementation of training and confirmation tests on respect for human rights targeted at the full Group
- Regular implementation of questionnaires for stakeholder companies and feedback regarding survey results

▶ Information Disclosure

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

● Health and Productivity Management

The Group that promotes "fan" development by deepening connections with customers, works on the health and productivity management that underlies HR strategy. We will maximize potential of each and every employee by promoting mental and physical health.

The Health and Productivity Management Promotion Office, led by a 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>



Certified for six 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

Key Item Promote Company-Wide Smoking Cessation Programs

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

(1) No smoking during work hours

- * Excluding break time
- * Including business travel and out-of-company work

(2) No smoking 45 minutes before work and before returning from a break or from out-of-company travel

- * Includes 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, and clothing. This is called third-hand smoke and is a kind 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 no-smoking program, we will reduce various losses that contribute to management issues.

① Loss of employees

- Risk of death (smoking is a leading cause)
- Risk to the health of those around the smoker (secondhand, thirdhand)



② Productivity loss

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



③ Customer loss

- Decrease the purchase intention and customer satisfaction due to the cigarette odor



Health and Safety

We are actively working to create a safe and secure work environment to address long working hours, labor accidents, workplace harassment, and improve productivity by implementing ICT on the front lines of sales.

Due to efforts to reduce working hours, annual total business

hours have been reduced and the gross profit margin has been increasing.* We will continue to promote labor savings by implementing ICT and we will increase contact points with customers to improve customer satisfaction.

* Store divisions - Graph of total business hours and gross profit margin https://www.joshin.co.jp/en/csr/social/hr/health_safety.html

▶ Main Initiatives

- Promoting "No Overtime Day" every day
- Promoting the system of intervals between working hours
- Internally sharing information on and enacting thorough countermeasures to disasters
- 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 waist and back injury
- Introduction of cut-proof gloves
- Asbestos removal and dust control
- Sharing information about accidents and implementing countermeasures with logistics contractors

Diversity & Inclusion

Diversity and Inclusion (D&I) helps to realize job satisfaction and ease of work, and to create 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.

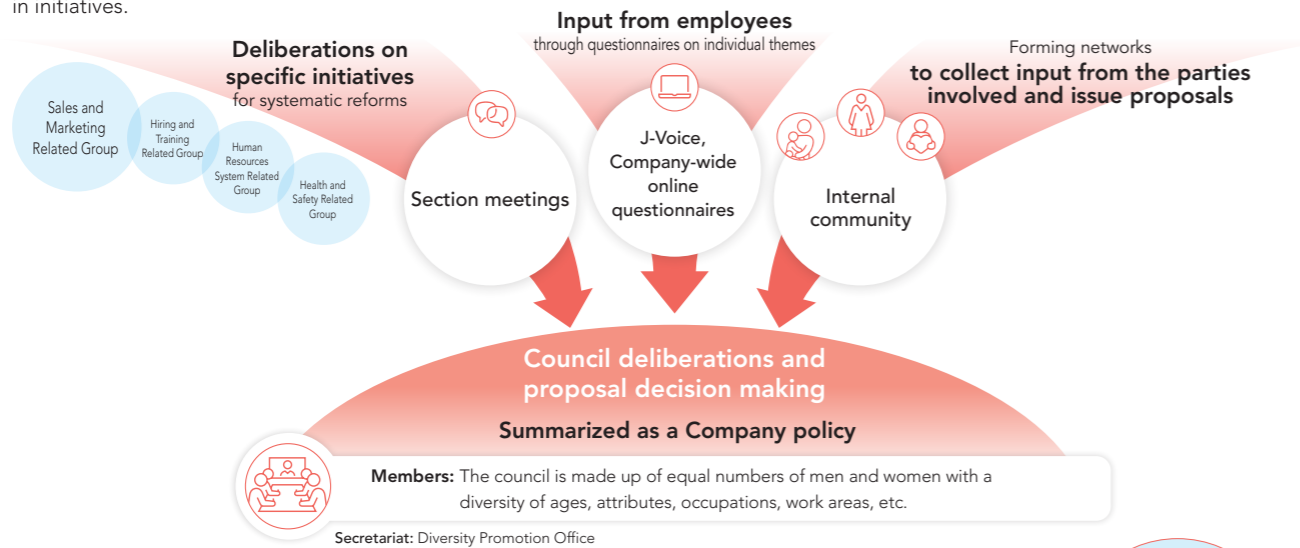
<https://www.joshin.co.jp/en/csr/policy/list/di.html>

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 FY2024

The council holds discussions aimed at achieving job satisfaction and improved work environments using monthly one-hour online meetings and group chats.

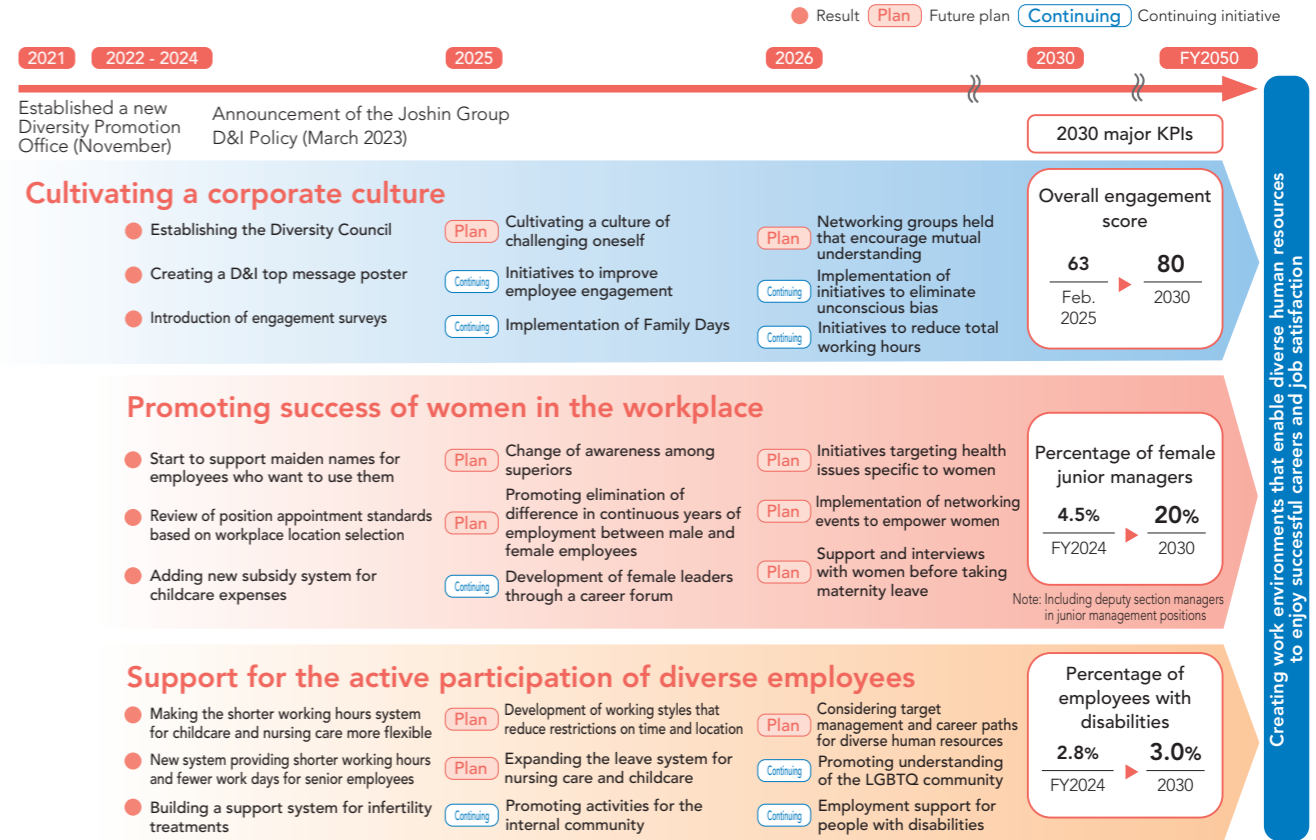
- 1 Implementation of Family Days at Head Office
- 2 Expanded the internal community
Added success of women in the workplace, nursing care, mid-career hires, and veteran personnel communities
- 3 Built support system for infertility treatments
- 4 Established systems that contribute to veteran employee job satisfaction

Council Activities

Sachi Awano
NC Agency Operations Group
Section Manager

Throughout the year of work, I looked forward to seeing my feedback reach the Company and be reflected in policy, which I found satisfying. I think gathering personnel with a diverse array of expertise and experience to engage in frank, open discussion helped bring the Company's key issues into focus, creating a vigorous venue for discussion that encourages member growth and stimulates teams.

Joshin Group D&I Promotion Roadmap



Diverse Perspective 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 are creating 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

- Review 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 directors participating as observers
- Gender-agnostic childcare support and encouraging men to take paternity leave
- Extension of mandatory Ikumen (men rearing their children) leave to 28 days

Creation of job satisfaction for veteran employees

- Career interviews that aim to clarify people's roles
- New system providing shorter working hours and fewer work days for senior employees

Employment support for people with disabilities

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

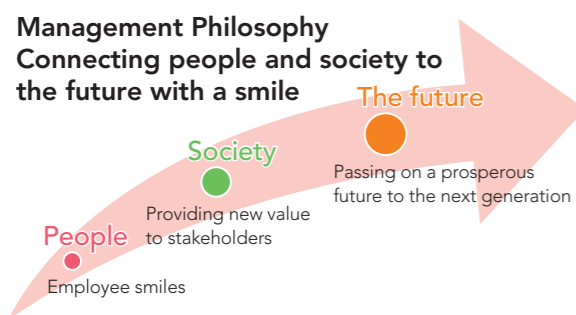
Promoting understanding of the LGBTQ community

- Carrying out video-based training and sharing information about allies in order to deepen understanding of diverse sexuality

● Securing Human Resources

Basic Concept

The smiling faces of our employees are the driving force behind continual 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.



● 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 employees 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 everyone to express their opinion, and

▶ Education supporting specialization for core business segments

- Proportion of Home Appliance Advisor certification holders: 85.5% (permanent employees)
- Proportion of Smart Master certification holders: 58.2% (permanent employees)

Certifications and Number of Holders

Title	Type	Holders (including persons holding multiple certifications)
Home appliance advisor	All sorts	6,894
Home appliance engineer	All sorts	403
Smart Masters	-	2,590
Qualified electrician	All sorts	324
Installation technician	All sorts	291
Health supervisor	All sorts	236
Photo master	1st-3rd grade	1,835

* Number of certifications held by officers, permanent employees, junior employees, temporary employees, and part-time employees of the Joshin Group

▶ Hiring of recent graduates

Through ongoing hiring, we are achieving a balanced age configuration among personnel.

▶ Employee retention initiatives

- Eliminating the gender gap in the turnover rate
Turnover rate of female employees: 5.2% in FY2023 to 3.7% in FY2024
Reason for improvement: We believe that infrastructural changes providing career support, job satisfaction, and more comfortable work environments all contributed to the lower turnover rates.

▶ Securing human resources equipped with expertise

We are working at acquiring human resources in strategic fields, increasing our percentage of mid-career hires and mid-career hires in management positions.*

* FY2024 Percentage of mid-career hires: 39.2%
Percentage of mid-career hires in management positions: 29.1%

- Strengthening direct recruiting
We are already using direct recruiting for hiring women. Moving forward, we plan to use it in the following specialized fields.



their opinions are reflected in our policies. Then every employee feels a bond with the Joshin brand and voluntarily demonstrates their abilities, resulting in the desire 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.

Training Hours and Cost

Item	Result
Frequency	296
Total hours	61,454 ¹
Total no. of trainees	79,234 ²
Cost of training (yen)	70,075,000

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

▶ Develop autonomous human resources

- Conduct management reviews
- Well-placed employees (self-reporting)

▶ Nurture next-generation leaders

- Conduct executive training [FY2024 Training]
 - Themes: Thinking skills, marketing, finance and accounting
 - Affected personnel: 49
 - Training participation rate: 85.7%

▶ Initiatives to promote DX

- DX training targeting all personnel was launched in FY2022, with a total of 4,097 participants through FY2024

Examples of Human Resource Development in Growth Businesses

“Taking on the challenge of training high-performance personnel”

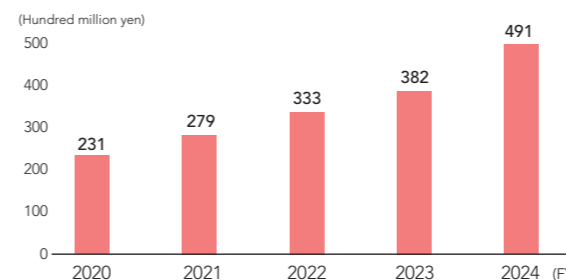
Aiming to expand the mobile communications business and the support business, we launched a project in the Sustainability Committee in 2022 through which we developed a support services menu and formulated a roadmap through 2030.

We redefined the human resource development plan focused on cultivating an ideal sort of leader, and by producing personnel who are highly objective- and role-conscious, we continue to engage in taking on positive, future-oriented challenges.

Since performance is solid in both businesses, we are considering incorporating these initiatives into our company-wide human resource development program as we take a new form of approach to personnel development.

▶ Mobile Communications Business

Mobile Communications sales trends



▶ Support Business

- Stores offering home appliance rentals
Primarily the Kansai region with plans to expand to all stores in the future
- Number of used smartphones purchased
16,680 (Compared to last fiscal year: 132.9%)
- Stores carrying reused smartphones
Expanded to 52 stores
- Expanded the home maintenance service menu
Ex.) Air conditioner cleaning, compared to last fiscal year: 110%

▶ Human Resource Development Focused on an Ideal Image of a Leader

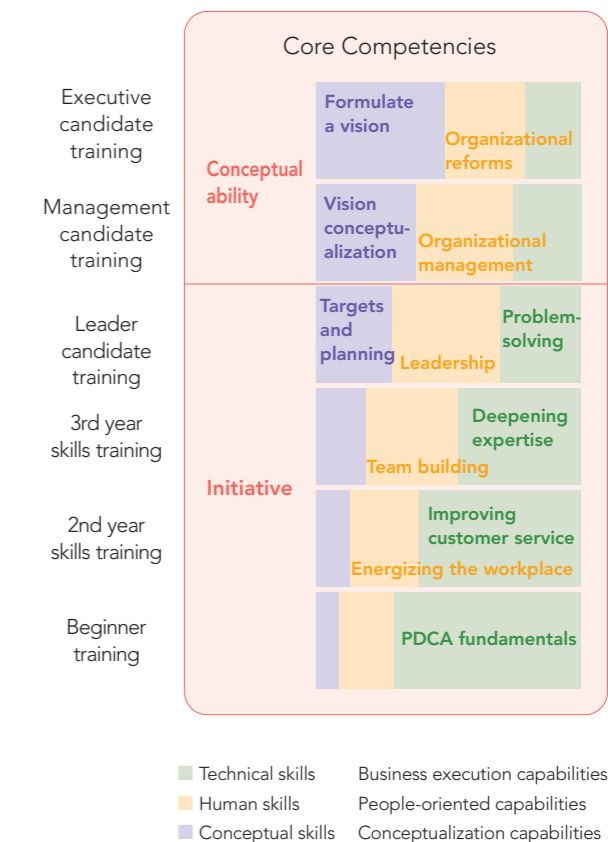
In this highly volatile market environment, we provide training rooted in an ideal image of a leader that can create value from nothing and point the way forward for the organization.

In our training plan based around core competencies (foundational human skills), we focus on a self-driven approach up through leadership candidate training that turns “1 into 10, then 10 into 100.” For management and executives, we aim to develop the conceptual ability to generate “something from nothing.” Additionally, in order to ensure that employees work to grow businesses in the same general direction, we post job descriptions that clearly define responsibilities and roles by grade and position.

While cultivating leaders with management perspectives rooted in core competencies, we also aim to boost the general level of each personnel tier, striving to develop human resources who can achieve high performance in growth businesses.

Mobile communications / Support business - Human capital Rol
FY2024: 14.8 * Overall human capital Rol: 8.4 - See p. 63

Training plans focused on core competencies



Building a Responsible Value Chain

Promote 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 management's visions and policies, and other details, 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: 93.0%)

Executive Officer's Message

At the Joshin Group, we regard people as the source of our corporate value. That is why we refer to people as "human resources." We believe that the success of our human resources is what drives sustainable growth, and we are working to establish a foundation where all employees can thrive.

Securing human resources

Through new hiring and extending the retirement age, we aim to maintain the total number of permanent employees who will support the future of our businesses while keeping a balanced age structure. At the same time, we are strengthening mid-career recruitment of experienced professionals with specialized knowledge and skills. We are also enhancing our personnel systems and career support to improve employee retention to foster workplaces where employees can have peace of mind. This fiscal year, we began career interviews for employees reaching mandatory retirement age for managerial positions to help clarify their roles and we introduced "reduced work hours and work days for senior employees" to foster job satisfaction among veteran staff. Going forward, we will secure and develop talent based on a dynamic workforce plan aligned with our management strategy.



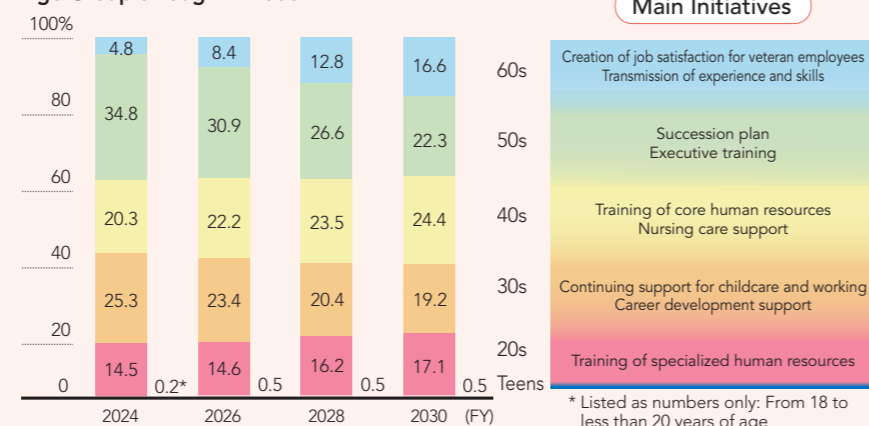
Kiminori Nishio
Executive Officer in Charge of
Human Resources and General
Affairs

Human resource development

The Joshin Group's strength lies in its ability to propose lifestyle-enhancing solutions that meet customer needs. To develop professional expertise, we encourage employees to obtain recommended certifications. We also provide DX training for all employees to cultivate a business transformation mindset and offer a systematic program to nurture advanced expertise among those working in our growth businesses such as mobile communications and home renovation. Furthermore, we introduced a performance-linked stock incentive system to encourage each and every employee to participate in management and strive to create economic value from the same perspective as the Company. This helps to enhance employees' sense of belonging and desire to participate in management, fostering a medium- to long-term perspective and boosting corporate value.

Moving forward, we will continue to create an environment where diverse human resources can succeed and provide support to maximize each individual's potential. By enhancing employee engagement and growth, we aim to generate new customer satisfaction and increase corporate value, thereby realizing our management philosophy of "Connecting people and society to the future with a smile."

Projected Changes in Employee Structure by Age Group through FY2030



Promotion of Safe and Secure Procurement Based on the Joshin Group Procurement Policy and Procurement Guidelines

Responding to social demand for environmental protection and human rights is no longer just a Group responsibility but that of the entire supply chain.

The Joshin Group identified "building a responsible value chain" as a material issue in 2019, then we created our Procurement Policy and Procurement Guidelines in 2021.

In 2024, based on the results of a procurement questionnaire conducted the previous year, we partially revised

Please see our website for details of the Procurement Policy and Procurement Guidelines.
<https://www.joshin.co.jp/en/csr/policy/list/procurement.html>

the Procurement Guidelines to further promote initiatives with suppliers concerning environmental protection and respect for human rights. In addition, we amended our master agreements with suppliers to explicitly require compliance with the Procurement Policy and Procurement Guidelines as a contractual condition and we newly established a clause on respect for human rights.

Promoting Supply Chain Management

We conduct a procurement questionnaire as an assessment of whether or not our suppliers are engaged in the Ten Principles of the UN Global Compact that is the foundation of our Human Rights Policy, Procurement Policy, Anticorruption Policy, Environmental Policy, and other policies, including protection of human rights, elimination of unfair labor, and addressing environmental problems.

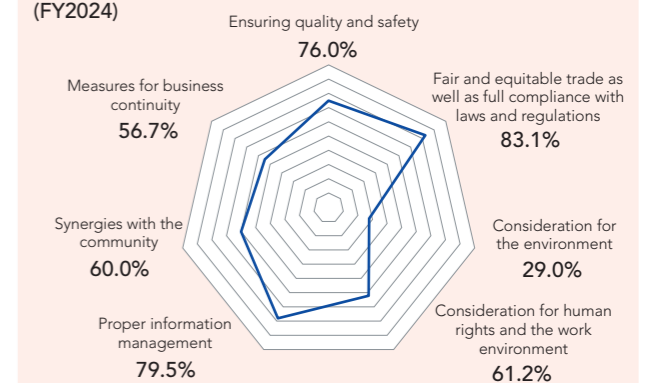
In conducting the survey, we require all participants to watch a video explaining our Group's ESG initiatives as well as the purpose of our Procurement Policy and Procurement Guidelines, and we also exchange opinions through the questionnaire system. In addition, the Group holds briefings and individual 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 terms of KPIs, we have set a target to raise the sustainable procurement rate (defined as procurement from suppliers responding to the questionnaire divided by total company procurement) to 80% by 2030. The result in FY2024 was 78.7%.

The results of the questionnaire showed that many suppliers have constructed internal systems for implementing sustainable initiatives and enacted measures for "ensuring safety and quality," "fair and equitable trade as well as full compliance with laws and regulations," and "proper information management." On the other hand, a significant number of suppliers are still facing challenges in calculating GHG emissions and setting reduction targets. We are engaging in dialogue with suppliers to support them in addressing these issues collaboratively.

In addition, in FY2024 we also conducted an assessment of downstream supply chain partners (delivery service partners) (See p. 65 "Respect for Human Rights" for more information). By expanding the scope of assessments beyond upstream suppliers to include downstream partners as well, we aim to reduce risk across the entire supply chain and contribute to resolving broader social issues.

Supply chain procurement questionnaire response results (FY2024)



Note: For all questions, the ratio of the highest response is indicated as a percentage, and the average value for each question item is shown.

Target companies	298 companies (selected from highest procurement sources and companies with highest consumables procurement value)
Responding companies	210 companies (response rate 70.4%)
Sustainable procurement rate	78.7% (Procurement from suppliers responding to the questionnaire / Total Company procurement)*

Note: The 249 companies included as top procurement sources were selected for FY2024 (2nd round) based on companies that did not respond in FY2023 (1st round). Figures are calculated based on the total number of responding companies across both years.

In the CDP Supplier Engagement Assessment (an assessment that evaluates companies based on their efforts to actively collaborate with suppliers in addressing climate change issues, with reference to their responses to the CDP Climate Change Questionnaire), the Joshin Group was given the highest rating of Supplier Engagement Leader for the first time in 2024.



Providing Safe and Secure Products and Services

● Approach to Product Safety and Voluntary Action Guidelines

Since the Joshin 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 always use them with peace of mind," with the consistent offering of safe and secure products and services to our customers as a key question.

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

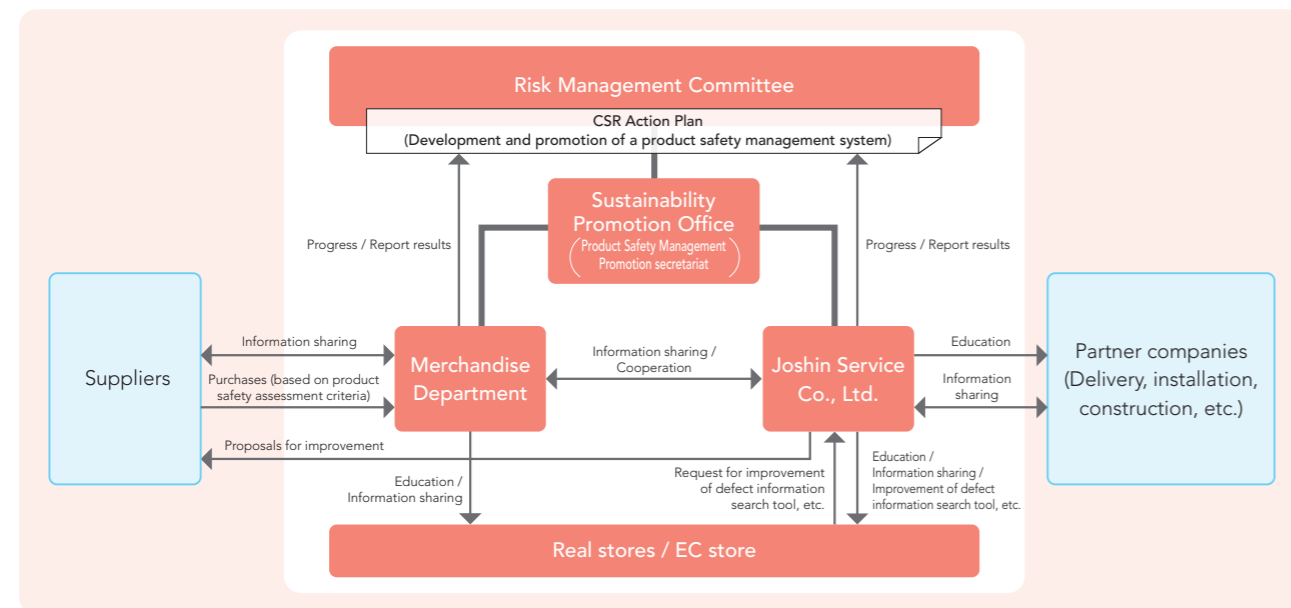
We formulated the "Voluntary Action Guidelines for Product Safety of Joshin Group" in 2007 to further embody this idea, and have developed a product safety promotion system in cooperation with the Group, so that our customers can always select and use the products we sell with peace of mind.

● 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 Risk Management Committee regularly reviews the CSR Action Plan, and has established a system to direct departments to make required improvements.

Diagram of the product safety management promotion system



● Development and Implementation of 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 Co., Ltd. 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, and construction suitable for various house structures to prevent product accidents due to installation defects.

In FY2024, we worked to further enhance service quality by developing product-specific delivery and installation manuals and updating air conditioner installation work specifications.

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

Result of training for employees (including training on product safety)

Targets of the training	Frequency
Management candidates	At least 10 times a year
Service technology	At least 100 times a year
Solar power & home renovation	At least 10 times a year
Product installation demonstration (store staff)	A few times a year
New employee	Once a year

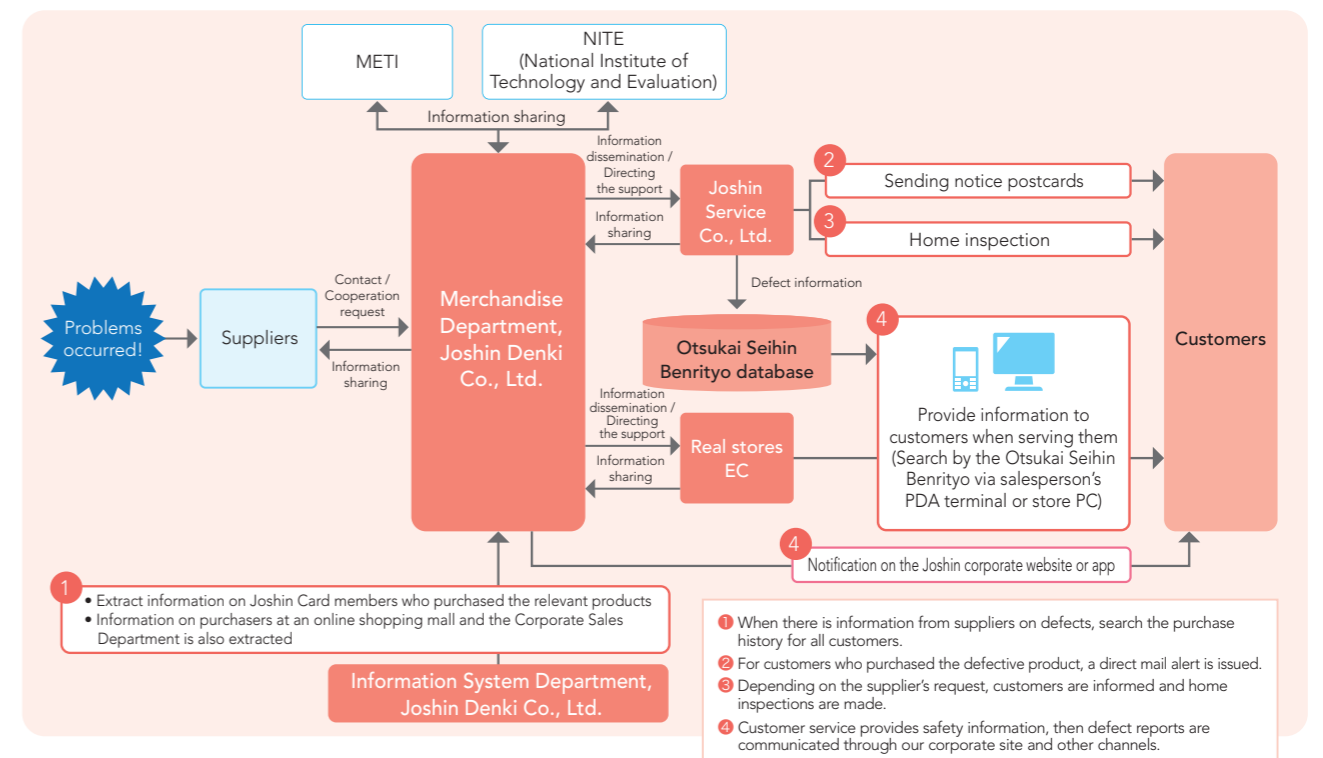
Result of training for external companies (including training on product safety)

Targets of the training	Frequency
Delivery & Construction (partner companies)	At least 70 times a year

● Flow When a Defect Occurs (Joshin's Response)

In the event that a defective or faulty product is reported, the Company 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 problem 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

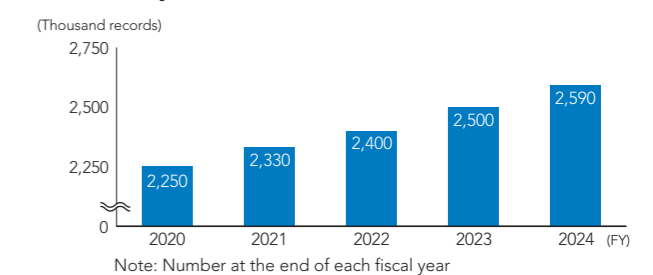
Information on defects is stored in the *Otsukai Seihin Benrityo* database. The database stores approx. 2.59 million items (as of March 31, 2025) of product information and related information, and is Joshin's proprietary system that allows employees to easily retrieve related information such as consumables 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.

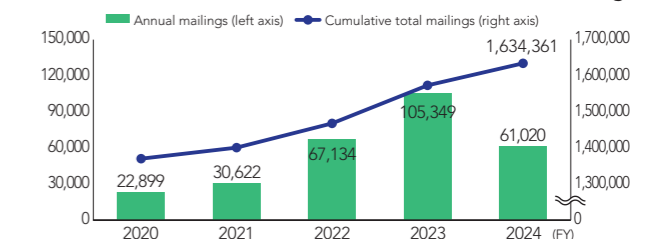
● Direct Mailing for Product Recalls

When we receive a recall report from a supplier, we request an in-person meeting whenever possible for a detailed explanation regarding the degree of risk, urgency, and response measures. Depending on the nature of the defect, we also discuss whether Joshin should handle the response directly. Based on these discussions, we hold several meetings regarding the direct mailing to be sent to customers (approximately 20 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

Quantity of product information registered in the Otsukai Seihin Benrityo database



Recall (serious manufacturer-related incident) direct mailings



● Suggestions for Product Improvements Using Data on Repairs

The Group currently receives about 400,000 repair requests annually through stores, service centers, and call centers.

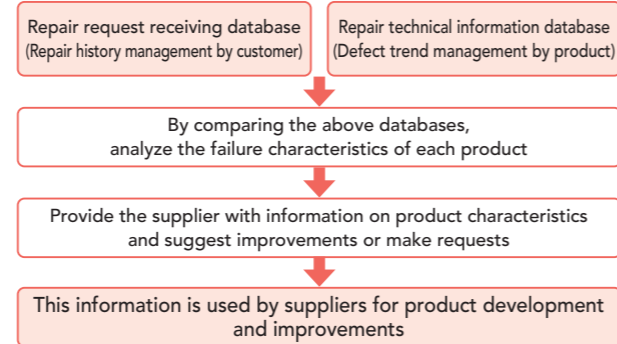
The information received during repair requests and the technical information obtained during repairs are compiled into a database to analyze the failure characteristics of each product.

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.

We also collect feedback from delivery and installation workers and propose ideas to suppliers to prevent accidents during delivery and installation.

In this way, the Group, from the standpoint of being close to customers, contributes to improving the safety of home appliances and other products.

Information flow on product characteristics based on repair history



● External Evaluations (Product Safety Awards)

The Product Safety Awards commend advanced product safety initiatives by companies, aiming to establish product safety as an essential value in business operations and consumers' lives, and to ensure the safety of products throughout society. Joshin was certified as the first Gold Medal Winning Company* in the Product Safety Awards in FY2014.

In the "follow-up reviews" conducted every five years after certification, Joshin's continued and expanded efforts since the initial certification, and our proactive initiatives to achieve an even higher level of product safety since, were highly praised. As a result, after the 2019 follow-up review, we achieved our

second consecutive certification renewal in 2024. Joshin is the first to receive two consecutive renewals under this system.

* 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.



● Engagement with Government Agencies and Local Communities

The Product Safety Community is a forum for discussing advanced product safety initiatives and cultivating a culture of product safety through collaboration among Product Safety Awards-winning companies, and with experts, such as judging committee members, the Ministry of Economy, Trade and Industry, and the National Institute of Technology and Evaluation (NITE). The goal is to deepen public understanding of product safety as well as to create and expand a product safety market in which consumers preferentially select products and services that consider product safety.

Joshin plays a central role as a core company in the Product Safety Community, actively distributing information to consumers. We also cooperated in creating product safety

inspection videos on the website of the Ministry of Economy, Trade and Industry.

In FY2024, through industry-academia collaboration with high schools, we set the theme of exploring what can be done from the perspective of a retailer to prevent product accidents caused by misuse or aging deterioration, and held discussions on activities such as on-site inspections and public awareness initiatives.

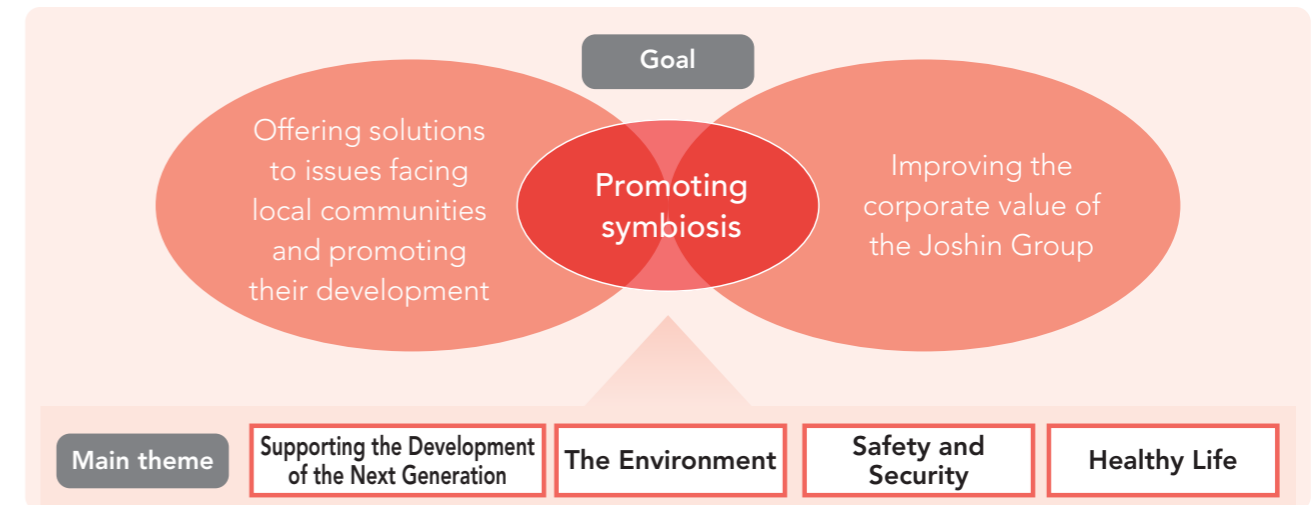
The Company has also concluded a Comprehensive Cooperation Agreement with the government of Osaka Prefecture, and conducts visiting after-school children's classes on the subject of product safety at elementary schools administered by the Osaka government.

For more information on "Confirmation of safety in purchasing goods," please see our website. <https://www.joshin.co.jp/en/csr/social/safety.html>

Promoting Synergies with Local Communities

The Joshin Group believes that our brand value increases when we successfully develop a good relationship with local communities as part of our business operations, and by offering solutions to issues facing local communities while promoting their development through our business activities. These efforts

toward symbioses 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.



● Collaboration with Izumisano City, Osaka: Aiming to Contribute to the Future and Community Revitalization

Since FY2023, the Joshin Group has supported Izumisano City's E-Sports MICE Content Verification Project and has been engaged in initiatives to promote e-sports. On February 14, 2025, we signed a comprehensive partnership agreement covering six areas, including promotion of e-sports, child and welfare initiatives, and environmental initiatives, aimed at addressing social issues through public-private collaboration. As part of this effort, we donated 693 air purifiers to all elementary and junior high schools as well as nursery schools in the city. We are contributing to the creation of a sustainable society by supporting the growth of local residents and children who represent the future.

This highly public-spirited initiative was recognized with the Medal with Dark Blue Ribbon, awarded on March 26, 2025.



● Supporting the Development of the Next Generation at the Joshin Group

The Joshin Group conducts outreach classes at elementary and junior high schools including career talks, career education, and product safety lectures, and also welcomes student groups on school trips by utilizing our stores for project-based learning. In FY2024, we also held a quiz event on global warming and energy conservation at the SDGs Children's Festa in a shopping mall.

Through these educational and community activities, we aim to support learning for the next generation and contribute to the development of local communities.



Career talk at a junior high school (Sakai City, Osaka: "Company Learning Support Program")

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