Message from the President

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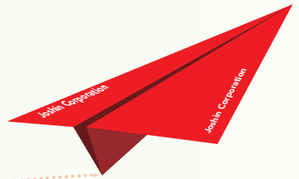
With every employee committed to being an "electronics store that never says 'no,'" we will remain closely connected to our customers as we evolve into a "local electronics store that is also a mass retailer," aiming to become a company that all our stakeholders see as their first choice: "It has to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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

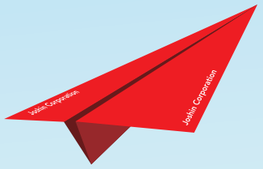
The third is our OMO strategy. We will forge even stronger links between our physical stores and our EC site, Joshin Web Shop. Dual-channel customers make significantly more purchases and spend considerably more each year than those who rely on only one service. We position these dual-channel customers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

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

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

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

A Foundation for Transformation: Building a Self-Directed Organization



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

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

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

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

Our 80th Anniversary and the Road to 100

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

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

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