

# Management Philosophy Structure



**Management  
Philosophy**

**Connecting the futures of people and  
society with smiles**

**Management  
Vision**

**Becoming an infrastructure hub for a better life  
through the power of home appliances and ICT  
(information and communications technology)**

**Joshin Group  
Declaration on Actions**

**Five basic policies for action  
by each one of us**

For details, please see the Group Declaration on Actions.  
<https://www.joshin.co.jp/ja/company/declaration.html> (Japanese only)

**Material Issues**

**Seven material issues  
for creating corporate value**

For details, please see  
Joshin Group's Material Issues on page 17.

**Ideal form  
of the Company in 2030**

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

**Medium-term Management Plan**

**JT-2025 Management Plan**

<https://www.joshin.co.jp/en/ir/management/medium-term/main/00/teaserItems1/0/linkList/04/link/JT-2025%20Management%20Plan%20E.pdf>

**Corporate Credo**



Thoughtfulness

# Corporate Information

## Corporate Profile (as of March 31, 2023)

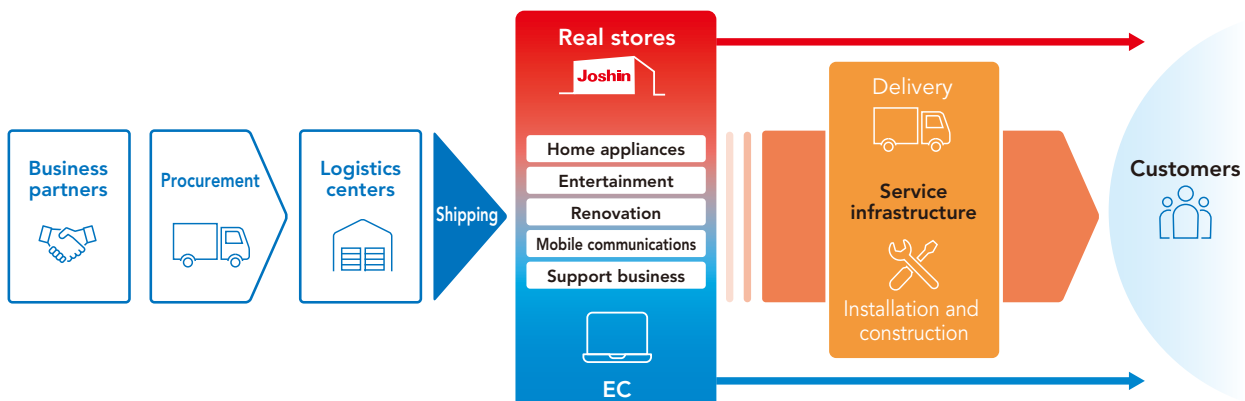
Company Name	Joshin Denki Co., Ltd.	Long-term Issuer Rating	A-
Head Office	6-5, Nipponbashi-nishi 1-chome, Naniwa-ku, Osaka City, 556-8550, Japan Phone +81-6-6631-1221	Rating Outlook	Stable
Founded	May 11, 1948	Domestic CP Rating	J-1
Established	February 2, 1950	Rating Agency	Japan Credit Rating Agency (JCR)
Net Sales	¥408.460 billion (consolidated) ¥406.502 billion (nonconsolidated)	Subsidiaries and Affiliates	Hyogo Kyoto Joshin Co., Ltd. Shiga Joshin Co., Ltd. Wakayama Joshin Co., Ltd. Tokai Joshin Co., Ltd. Kanto Joshin Co., Ltd. Hokushinetsu Joshin Co., Ltd. J.P.S Trading Co., Ltd. Joshin Service Co., Ltd. JAPRO Co., Ltd. Joshin TEC Co., Ltd. JSD Insurance Pte. Ltd. J.E. Next Co., Ltd.
Capital Stock	¥15.121 billion	Franchises	Toyota Co-op Mikawa CLE Co., Ltd. Asaka Denki Co., Ltd.
Stock Listing	Prime Market, Tokyo Stock Exchange (code: 8173)	Banks	Resona Bank, Limited MUFG Bank, Ltd. Sumitomo Mitsui Banking Corporation Mitsubishi UFJ Trust and Banking Corporation Sumitomo Mitsui Trust Bank, Limited The Bank of Nagoya, Ltd. and other
Number of Employees	8,906 Males: 5,651 Females: 3,255 (including temporary staff)	Corporate Website	<a href="https://www.joshin.co.jp/">https://www.joshin.co.jp/</a> (Japanese only)
Group Businesses	Sales of home appliances, information communications equipment, entertainment products, housing equipment, and related products, as well as incidental businesses; delivery, installation, and maintenance; product supply to subsidiaries and franchises; and long-term warranty repair operations.	Joshin Store Information	<a href="https://shop.joshin.co.jp/">https://shop.joshin.co.jp/</a> (Japanese only)
Number of Stores	221 (206 directly managed stores, 10 affiliates, 5 franchises)	Joshin Web	<a href="https://joshinweb.jp/">https://joshinweb.jp/</a> (Japanese only)
Service Infrastructure Bases	30		

## Overview of the Joshin Group

The Company operates businesses in five categories: home appliances, entertainment, renovation, mobile communications, and support business with a three-part structure through two channels, real stores and the EC (e-commerce) business, along with a service infrastructure. Rather than thinking about real stores and EC separately, we assign first priority to improving convenience for customers and aim to create a synergy through collaboration using the same contact points for customers.

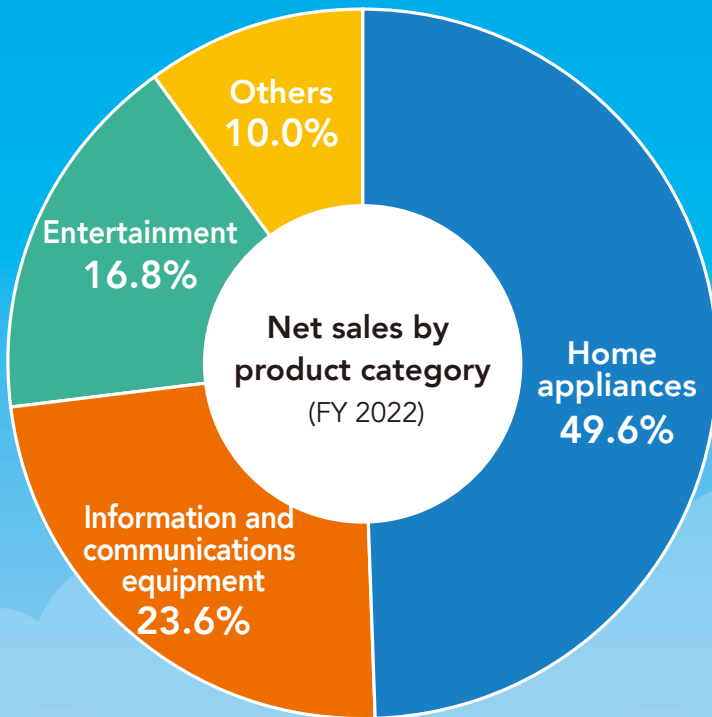
Delivery, installation, and service-related work from both the real stores and EC channel are handled by Joshin Service Co., Ltd.

The Company has a locally focused market dominant strategy, mainly in Kansai, Tokai, Kanto, and the Hokushinetsu areas. Looking ahead, we will open more real stores and strengthen our existing stores with an emphasis on the synergy with EC. As well, we will improve and grow our service infrastructure.



# At a Glance

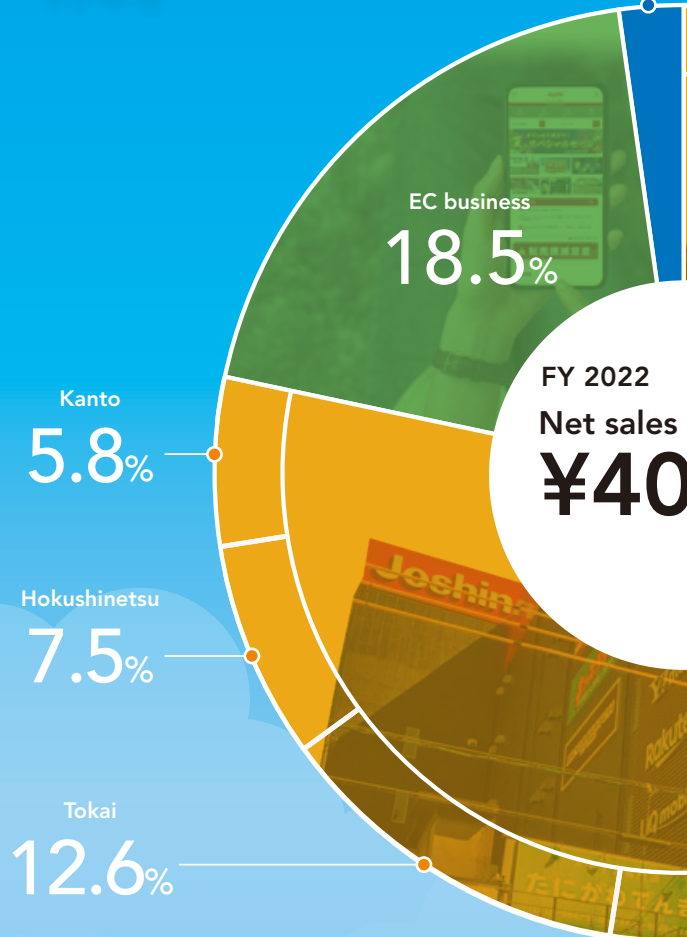
Net sales by product category



Net sales by business segment

Other business

1.4%



## Assessments by external organizations

2022 Oricon Customer Satisfaction® Survey

Standalone housing renovations  
**Awarded 1st place**  
for two consecutive years



2023 Certified Health and Productivity Management Outstanding Organization (Large Enterprise Category)

**Four consecutive years**



FTSE Blossom Japan Index  
FTSE Blossom Japan Sector Relative Index

**Adoption of constituent issues**



Gold Product Safety Company

Follow-up company  
**No.1**



Small Rechargeable Battery Recycling Campaign

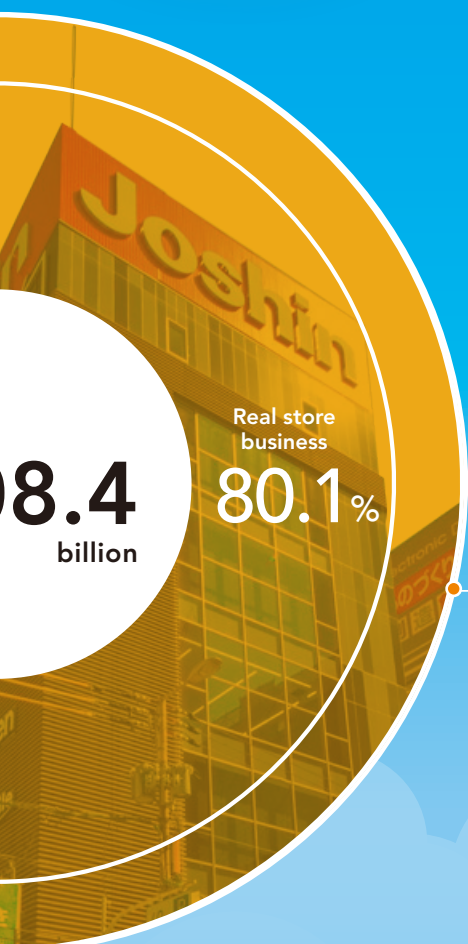
**Nine consecutive years**  
Awarded the Certificate of Appreciation for Outstanding Contribution

\* Organized by JBRC (Japan Portable Rechargeable Battery Recycling Center)

CDP Climate Change Report 2022

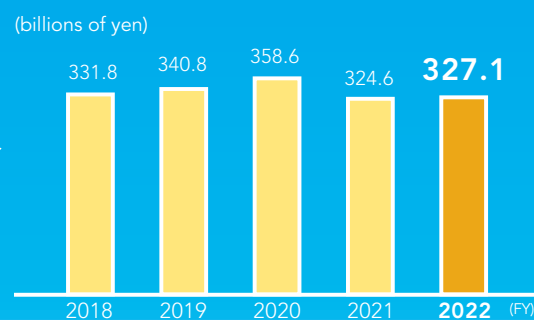
**B score**





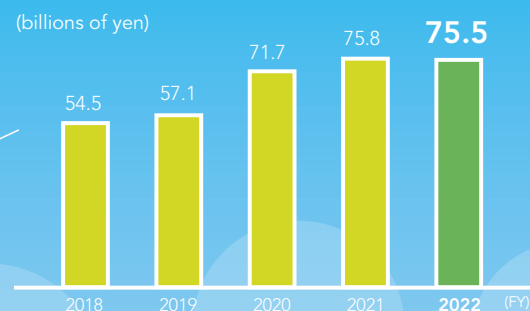
Number of real stores  
**221**

### Real store business net sales



Number of items sold at the EC business  
Approx.  
**680,000** items

### EC store business net sales



Kansai  
**54.2%**

## FY 2022 results

Founded

**1948**

Employees (consolidated)

**8,906**

(including temporary employees)

ROE

**5.0%**

Consolidated subsidiaries

**12** companies

Net sales

**¥408.4** billion

Operating income

**¥8.3** billion

Number of active members<sup>1</sup>

Approx.  
**5.2** million members

Member Purchase Amount<sup>2</sup>

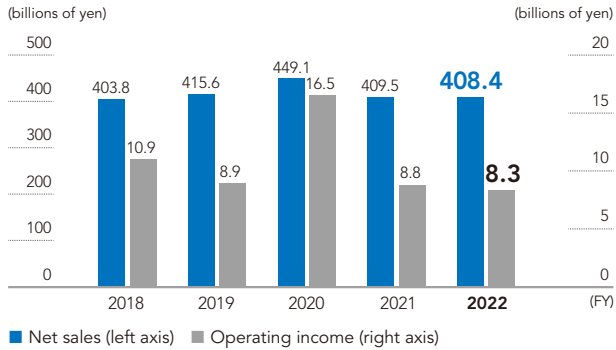
Approx.  
**¥62,000**

1. Customers who have purchased products or services from us at least once in FY 2022.  
2. Average unit price per active member purchased in a year

# Financial/Nonfinancial Highlights

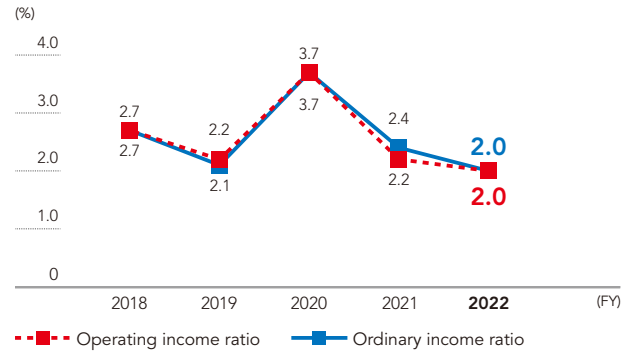
## Financial

### Net sales/operating income



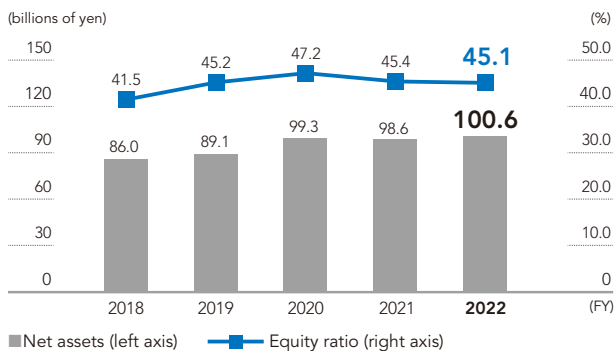
Both revenue and profit fell in fiscal 2022 due to a rebound to front-loaded demand prompted by the COVID-19 pandemic during fiscal 2020. Consumption slowed due to soaring prices and there was more leisure spending due to the easing of restrictions on going out.

### Operating income ratio/ordinary income ratio



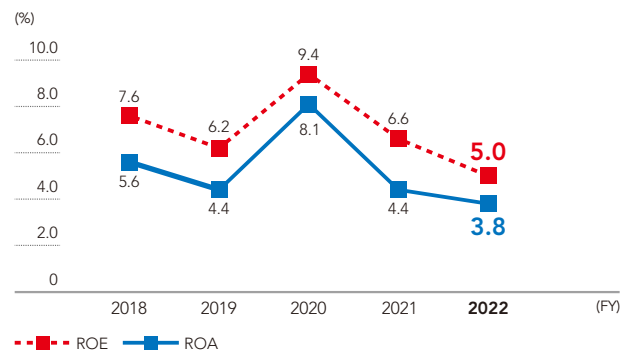
While gross profit increased, the profit margin fell due to higher selling, general and administrative expenses (SG&A).

### Equity ratio/net assets



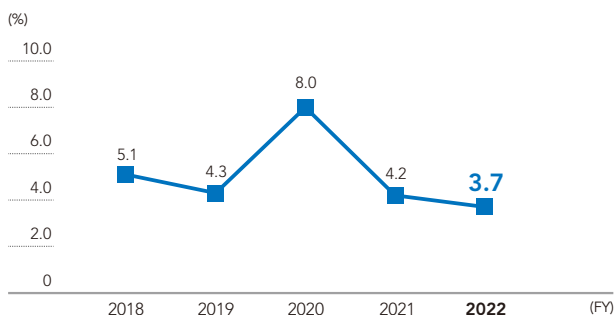
Stable earnings will lead to increases in net assets to total assets and a slower rise in interest-bearing liabilities, in this way, improving our financial stability.

### Return on equity (ROE) and return on assets (ROA)



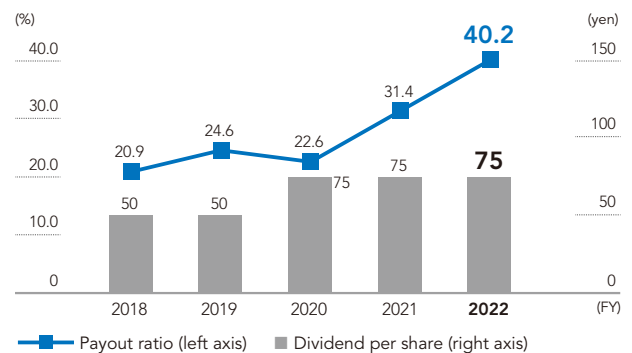
In the JT-2025 Management Plan, our goal by fiscal 2025 is an ROE of 8.0% or above and an ROA of 5.0% or above.

### Return on invested capital (ROIC)



In the JT-2025 Management Plan, our goal by fiscal 2025 is an ROIC of 5.0% or above.

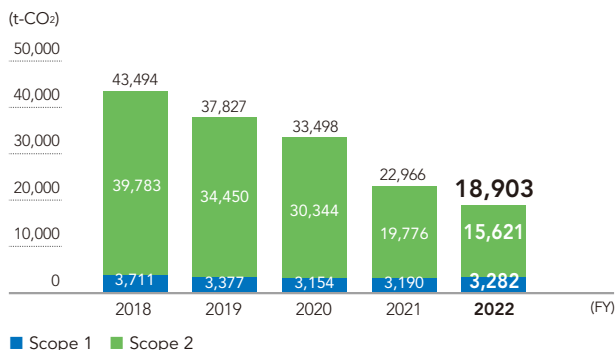
### Payout ratio/dividend per share



Although profit decreased, because the dividend amount remained unchanged, the dividend payout ratio exceeded 40%.

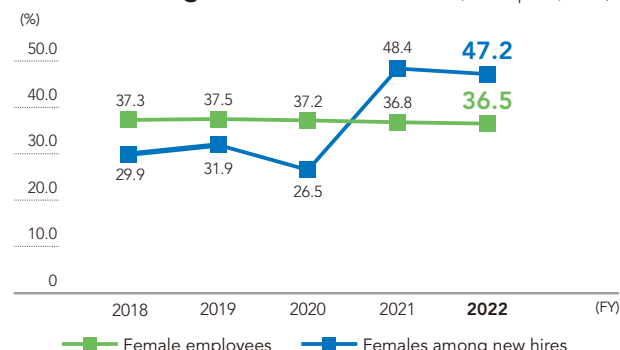
## Nonfinancial

### GHG (greenhouse gas) emissions (Scopes 1 and 2)



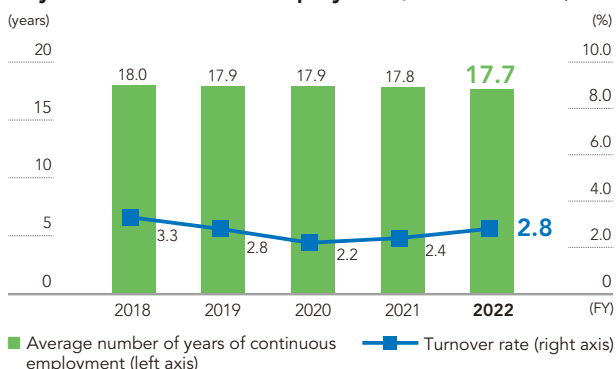
There was a steady decrease in emissions due to the introduction of power management systems, LED dimmers, and similar systems. To reduce emissions, the Company will continue proactive initiatives, such as adopting renewable energy.

### Percentage of female employees, percentage of females among new hires



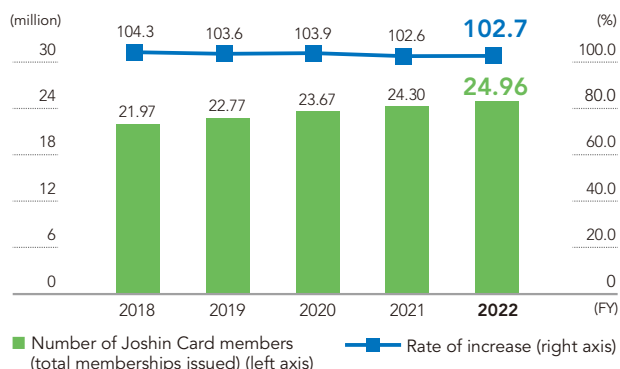
The Company aims to have 50% female employees and is strengthening support for hiring and career building. In fiscal 2022, 47.2% of all new hires were female.

### Rate of permanent employee retention (average number of years of continuous employment, turnover rate)



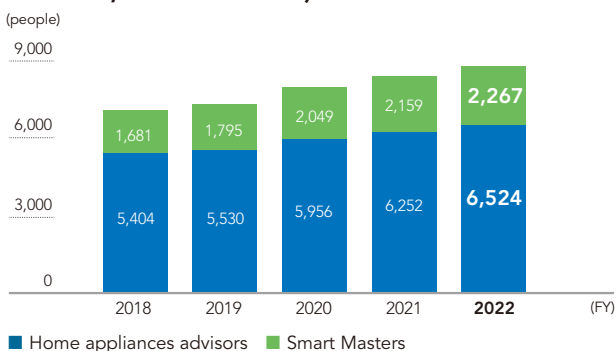
Our permanent employee retention rate is among the highest in the industry, an indication that this is a great place to work. The Company focuses on the improvement of employee engagement so that diverse employees will have job satisfaction.

### Number of Joshin Card members



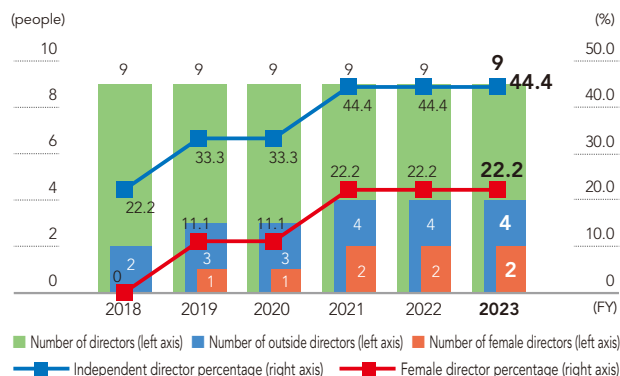
Since beginning this service in 1989, Joshin Card has been favored by customers. There are currently over 20 million members.

### Number of certification holders (home appliances advisors, Smart Masters)



Maintaining a high percentage of certification holders is a symbol of professionalism. The Company will propose a safe, secure, and comfortable lifestyle for customers and help to attain carbon neutrality in homes.

### Percentages of independent and female directors



The Company appointed two female directors in fiscal 2021 in an aim to improve independence, diversity, and the effectiveness of the Board of Directors. The percentage of independent (outside) directors reached 44.4%.