Value Creation Processes

The Joshin Group, employing a virtuous cycle for capital investment based on long-term management strategies, is committed to increasing corporate value while creating the social value that supports two social goals: helping to strengthen the resilience of an aging society and achieving household carbon neutrality.

Management Philosophy Connecting people a

Management Vision Becoming a hub for the infrastructure of life through the

Material Issues

Proposing enriched lives that anticipate lifestyle changes

Providing safe and secure products and services

Contributing to the creation of a better society that is in harmony with the global environment

External Surroundings

Risk/Opportunity **Analysis**

> Demographic change

> > Advances in ICT

> > > Climate change

Lifestyle changes

Diversification of values

Global supply chain disruptions

Input

Finance and Capital

Net assets

• JCR long-term issuer rating

Fixed Capital

- Number of real stores
- Number of items sold through the EC business Approx. 730,000 items
- Logistics center (Kansai) Approx. 102,186 m²
- Service infrastructure 31 bases (Kansai, Tokai, Kanto, and Hokushinetsu area)

Social and Related Capital

- Total number of Joshin Card memberships
- Approx. 256.0 million people • Number of members using the online app each year
- Approx. 4.81 million
- Number of active members each year

Approx. 5 million people

Human Capital

- Number of employees¹ 8,711 • Turnover rate 2.9%
- 6,676 Certified Home Appliance Advisers² 2,436
- Smart Masters²

Intellectual Capital

- Approx. 2.50 million • Product database
- Brands such as Joshin, J&P, and KIDS LAND

Natural Capital

- Solar power output (including the power generated under the FIT system)
 - Approx. 14,465 MWh
- Total number of appliances/electronics 13.24 million collected for recycling

(FY2008 - FY2023)

Ideal Form in 2030

A company that sup contributes to the fu

Medium-term Management Plan

JT-20

Business Model Renovation business FY2030 Business growth potential Growth FY2023 Main business

The Company provides value to customers in five categories products, including models, toys, video games, video, and n contribute to improving the value of our brand thanks to stro including the energy business (anticipated to be the third pil is continuing to grow; and the support business segment that cleaning, home maintenance, reuse, and rentals. (See page 3

FY2023

- 1. Including temporary employees
- 2. Home Appliance Advisers and Smart Masters are certified by the Association for Electric Home Appliances. Home Appliance Advisers are professionals in home appliance sales and customer service, and Smart Masters are specialists in everyday life and homes, which are being increasingly made "smart."

and society to the future with a smile

power of home appliances and ICT (Information and communication technology)

Diversity & Inclusion

Building a responsible value chain

Promoting synergies with local communities

Enhancing corporate governance

oorts growth of local communities and sture of people and environment

25 Management Plan





rofitability

: home appliances, our original and main business; entertainment nusic software, each of which have high market shares and ong support from hobbyists; followed by housing renovations, lar of future growth); then mobile communications, where demand it includes digital support, air conditioner cleaning and house 84-35 for details.)

Outcomes

Employees

Realization of workplaces where diverse human resources work with enthusiasm

Customers

Enjoyable and comfortable lives with a sense of safety and security

Business Partners

Sustainable supply chain achieved through sound and fair partnerships

Shareholders and Investors

Highly transparent corporate management and higher corporate value over the medium to long term

ROF

Target:

8.0%

Actual result:

4.8%

Dividends per share

Actual result:

¥90

aar roourti

Target: 40.0% or higher

Actual result: 48.4%

FY2023 actual results

Local Communities

Resilient society created in collaboration with local communities

Global Environment

Contributions to the creation of a society with net-zero carbon emissions and a recycling-based society

Social Value Creation

Helping to strengthen the resilience of an aging society































Achieving household carbon neutrality

