Message from the Officer in Charge of Infrastructure Strategy



Our environmental mission is one of the strengths of the Group, and we intend to convincingly communicate this to our customers and all other stakeholders to ensure that it makes a large contribution to business (profit-making business).

灰山 之一 **Koichi Yokoyama** Director and Managing Executive Officer in Charge of Infrastructure Strategy

O Initiatives for Environmental Issues and Their Significance

The Group established the Environmental Principles as part of its environmental initiatives in 1998. We acquired ISO 14001 certification for our Head Office building in 2000, and have been working continually to reduce our environmental impact and improve our environmental performance by establishing and operating an environment management system. Addressing climate change as we work for decarbonization is an important initiative for the Group. This initiative closely aligns with the achievement of one of our seven material issues: "contributing to the creation of an enriching society that is in harmony with the global environment."

We recognize that people's growing concern regarding the environment in the future represents a large business opportunity for the Group, as we have been at the forefront of environmental initiatives. In addition to reinforcing sales of environmentally friendly products, we will expand our EV-related business, and explore the feasibility of a future renewable energy agency business for households. Through these environmental initiatives, we will create the social value of "achieving household carbon neutrality," which we believe will in turn enhance our corporate value. Initiatives for transitioning the energy used at each business site to renewable energy will make a large contribution to reducing the corporate financial burden, which will depend on the amount of greenhouse gas emissions when Japan introduces carbon pricing in the future.

Amidst the need to reduce GHG emissions throughout the supply chain as we aim to achieve carbon neutrality by 2050, we believe that an active approach to visualization and reduction of

GHG emissions based on their correct calculation, and the knowledge gained from such initiatives, are essential requirements for the Group to maintain sustainable business relationships with home appliance manufacturers and other suppliers.

As will be described in more detail later in this document, we have also participated in a variety of international initiatives and external initiatives, and taken other steps to steadily take action and produce results in the areas in which the Group operates.

As a result, when we take an overall look at the environmental initiatives of the Group, we are confident that we are among the leading environmental corporations, remaining a step ahead both within our industry and within the retail industry as a whole.

The Prime Market where the Joshin Group is listed is positioned as a market for listing corporations that are targets for investment by international investors. This requires corporate governance with English document disclosure with greater quantity and quality, and that disclosure needs to be based on the TCFD and other frameworks.

Under these conditions, our leading initiatives in addressing climate change have raised the social evaluation of the Group among investors and all other stakeholders. We will continue to work to improve the image of the Group and strengthen our branding in order to generate the desire to buy among consumers.

In the near future, our previous and current actions for mitigating climate change will likely become the norm for businesses, underscoring the significance of being proactive and ahead of the curve on this issue.

O Fiscal 2023 Initiatives and Results

The Joshin Group is a retail business and we do not have plants as businesses in the manufacturing industry do. When we consider what the Group can do as a retail business to achieve decarbonization, we see that the majority of the Group's GHG

emissions are produced by the use of power at our stores (business sites). For this reason, we have prioritized the use of renewable energy for the power used at business sites, and have steadily carried out this change.

The achievement of 100% renewable energy at business sites that contract directly with power suppliers, and the completion of solar power generating systems at 100% of our business sites where such installation is possible, are parts of the action plan that we worked to achieve in fiscal 2023 in the roadmap for environmental issues announced by the Group. We were successful in achieving both of these goals as planned during fiscal 2023.

In the future, we will continue to tenaciously negotiate with tenants regarding the introduction of renewable energy, aiming to achieve 100% renewable energy at all business sites including tenants by 2040. Regarding the installation of solar power generating systems, since there will be no space left to install solar panels at our business sites, we are actively working to introduce corporate power purchase agreements (PPA) where solar panels are installed at locations separate from our business sites. Our goals are to achieve a 25% in-house consumption rate by 2030 for total power consumed by business sites that contract directly with power suppliers, and a 50% rate by 2050.

As one of our international strategies, we obtained SBT certification, which we had previously applied for, of our science-based targets for reduction of GHG emissions by 2030 that are consistent with the levels required by the Paris Agreement.

The largest topic for fiscal 2023 was our acquiring an A score, the highest CDP rating, for our information disclosure under the CDP Climate Change Program that we began responding to in fiscal 2021. We received a score of C in the first

year of our response in 2021, and moved up one rank to B in fiscal 2022. In fiscal 2023, the third year, we moved up two ranks and were able to achieve a score of A.

In fiscal 2023, 1,985 Japanese corporations responded to the CDP questionnaire. Among them, just 112 Japanese corporations (including the Company) received an A score. We believe that this shows how the Group's initiatives to mitigate climate change and promote information disclosure have been highly evaluated internationally. Beginning from fiscal 2024, we will improve the quality and accuracy of our disclosed information to maintain our A score.

In 2023, we were selected for the second consecutive year as a component stock in the FTSE Blossom Japan Index stock price index for Japanese corporations that are actively working for ESG (Environment, Society, and Governance) initiatives. We were also selected for the third consecutive year for the FTSE Blossom Japan Sector Relative Index that evaluates the quality of action related to risks and opportunities involved in transitioning to a low-carbon economy. Both of these indexes are used as standards for ESG investment decisions by the Japanese Government Pension Investment Fund (GPIF), which is one of the largest pension funds in the world.

In the future, we will continue to engage with our partners to reduce GHG emissions, working towards achieving the SBT targets. At the same time, through initiatives for achieving carbon neutrality, we will reinforce the relationship between our ESG initiatives and the Group's business and connect it to new environmental business.

O Issues for the Future

While it is also an issue that we are presently working on, our environmental mission is one of the strengths of the Group, and we intend to convincingly communicate this to our customers and all other stakeholders to ensure that it makes a large contribution to business (profit-making business).

As part of efforts to reinforce this branding, we will strongly promote our A score for CDP initiatives, achievement of 100% renewable energy at business sites that contract directly with power suppliers, and other accomplishments through signage at business sites and our homepage.

In order to prevent problems such as a loss of sales strength for environmentally friendly products resulting from insufficient environmental education of employees, we are also proceeding with creation of a skills improvement plan system focusing on environmental education.

This will further reinforce sales of environmentally friendly products and renovations, products that have long been a focus of our sales and contribute to household carbon neutrality, and will promote wider use of products with high energy generation, energy storage, and energy conservation performance. We will also strengthen our proposal ability and promote sales of home EV charging equipment and other EV-related products in order to strengthen our earning power.

In regards to initiatives for biodiversity, we recognize that climate change is a major causes contributing to the loss of biodiversity and that we require a nature-positive approach based on the dual goals of carbon neutrality and getting back on course to prevent loss of biodiversity. In September 2023, the Taskforce on Nature-related Financial Disclosures (TNFD), an information framework related to natural capital, was released. We believed that through this disclosure of nature-related information, corporate initiatives to preserve biodiversity will accelerate rapidly, and that disclosure based on the TNFD framework will become necessary in the future, just as it has for TCFD.

The Joshin Group has positioned preservation of biodiversity as one of its material issues to be addressed. We have begun with a LEAP approach for identifying and analyzing how we engage with natural resources as part of the retail industry, including store construction, product procurement, delivery and installation, and scrapping and recycling of used products, in other words our dependence on, impacts on, and risks and opportunities involved with nature. We first intend to advance to a level where we are capable of simplified TNFD disclosure. We will also clearly connect these initiatives related to biodiversity to the branding of our environmental mission.

The Environment

Environmental Policy

Joshin Group Environmental Principles

The Joshin Group recognizes that conservation of the global environment based on the spirit of our Corporate Credo of "Thoughtfulness" is of extreme importance for people and all other life on earth. We intend to work hard as a responsible corporation with the social mission of creating an environment where people can live in peace, comfort, and good health, while also considering biodiversity.

Revised December 21, 2021

Joshin Group Basic Environmental Policy (excerpt)

Based on our management philosophy of "Connecting people and society to the future with a smile," the Joshin Group conducts all business activities while focused on making prosperous living proposals that anticipate lifestyle changes, and on providing safe and secure products and services. Through these activities, we will contribute to a prosperous society in harmony with the global environment.

- 1. Implementing a responsible management system
- 2. Ensuring compliance
- Engagement with stakeholders
- **4.** Raising environmental awareness
- 5. Disclosure of environmental information
- **6.** Conservation of biodiversity and ecosystems

Joshin Group Environmental Action Guidelines (excerpt)

1. Initiatives to counteract climate change

Climate change is one of the most important issues facing humanity, and we intend to realize a carbon-neutral society as a countermeasure to climate change.

2. Initiatives to create a recycling-based society through the effective use of resources

We intend to realize a sustainable, recycling-based society by efficiently using limited resources, minimizing waste, and through recycling.

Enacted December 2021

Joshin Green Smile Challenge 2050 (excerpt)

The Joshin Group aims to achieve sustainable growth by "contributing to a prosperous society in harmony with the global environment," and has set the following targets for environmental issues, to be achieved by 2050.

- Raise the percentage of renewable energy sources to 100% (at all business sites, including those that are rented out) by 2040
- Raise the percentage of off-grid power to 50% at business sites where the Company contracts directly with power suppliers by promoting off-grid power generation and consumption
- Cut 100% of GHG emissions in all Scope 3 categories
- Establish the business model of a circular economy, through value co-creation with business partners

Please refer to our website for details. https://www.joshin.co.jp/en/csr/environment/policy.html

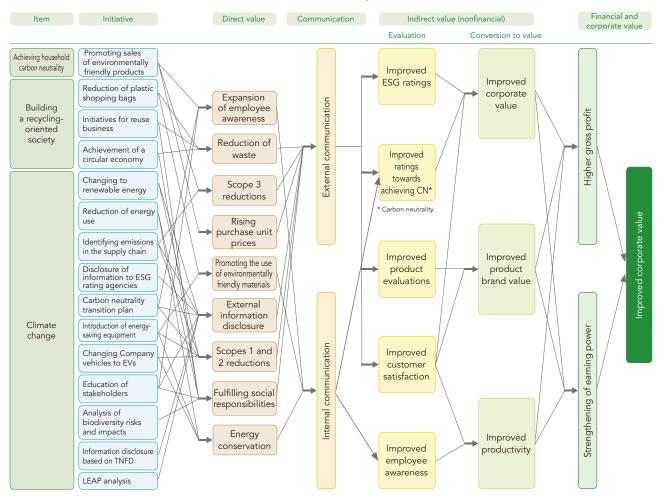
Environmental Management System

Fiscal 2024 Environmental Management System (EMS) (Initiatives for climate change and biodiversity preservation)



Environmental Value Correlation Chart

In order to show how initiatives related to the environment in the Group have final effects from the perspective of financial value, we have assessed the correlation among direct value, communication, and financial value, and the eventual improvement in corporate value as shown in the diagram below. We will continue to verify this correlation in the future as we work to improve financial value and corporate value.



O Receiving Numerous Evaluations from External ESG Rating Agencies

CLIMATE

Obtaining Our First Ever CDP Climate Change Program "A" Score

The CDP climate change program investigates corporate environmental information based on requests from institutional investors and other organizations engaged in ESG investment. It requires comprehensive information disclosure, recognition and management of environmental risks, and setting of ambitious and meaningful targets. The CDP score is widely used for investment and purchasing decisions aimed at a sustainable and resilient net-zero economy. We believe that the fiscal

net-zero economy. We believe that the fiscal 2023 environmental initiatives of the Group led to our selection as a "Climate Change A List" company.

Selection for the "FTSE Blossom Japan Index"

The Joshin Group has been selected* as a component stock for both the "FTSE Blossom Japan Index" and "FTSE Blossom Japan Sector Relative Index," which are top indexes for ESG investment. They are used as one standard for investment decisions by the Japanese Government

Pension Investment Fund (GPIF), which is actively carrying out ESG investment, and are widely used by investors worldwide as an important standard for investment decisions. Fiscal 2024 marks the second consecutive year when the Joshin Group was selected for both indexes.

* FTSE Blossom Japan Index Series: This is designed to measure the performance of Japanese corporations with high ESG (Environment, Society, and Governance) ratings, and is composed of two indexes: the "FTSE Blossom Japan Index" and the "FTSE Blossom Sector Relative Index".





FTSE Blossom Japan Sector Relative Index

S&P/JPX Carbon Efficient Index

of this index.

This is an index whose universe is the component stocks of the Tokyo Stock Exchange stock price index (TOPIX), a representative stock price index showing trends in the Japanese market, and weights the component stocks based on the conditions of environmental information disclosure and level of carbon efficiency. The Joshin Group is included as a component stock

Climate Change (TCFD)

The Group will disclose a transition plan in line with business plans from the previous fiscal year, in addition to disclosure of the impact and resilience of climate change within the TCFD framework. The transition plan is one of the business factors

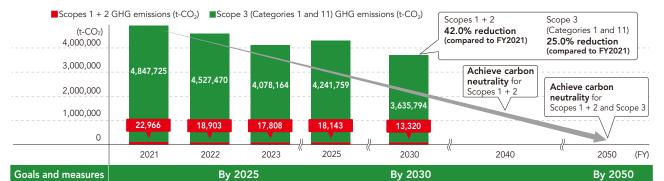
(including reducing GHG emissions), that sets out a series of targets and actions supporting the transition to a low-carbon economy. We intend to improve the accuracy of quantitative reduction targets for emissions and investments.

TCFD requirements		Description of the transition plan					
Governance		We discuss general environmental actions, including the transition plan, in the Climate Change Project, and hold discussions and submit regular reports at Sustainability Committee meetings. This committee manages the progress of high-priority financial and nonfinancial issues, then informs the Board of Executive Officers and the Board of Directors.					
		Risk/opportunity classification		Organization of Company risks and opportunities (1.5°C scenario)			
	Major classification	Minor classification	Overview	Transition plan			
	Opportunities	Products and services	Increasing net sales through environmentally friendly products and services	In order to enable the setting of medium- to long-term targets, set a level of avoided emissions for environmentally friendly products and energy-saving equipment. V2H result target: Aiming for 400 million yen in FY 2030			
			Improving income through initiatives for a household renewable energy agency and EV-related business	 Conduct studies for a renewable energy plan agency for consumers, aiming for introduction in FY 2025. Target quantity for annual sales related to EV (FY 2030) EV charging equipment: 2,000 sets, V2H units: 400, household storage batteries: 110 			
		Energy sources	Reducing power costs by introducing renewable energy and energy-saving equipment	Achieve off-grid power consumption of 25% [FY 2030] and 50% [FY 2050] at business sites where the Company contracts directly with power suppliers Introduce commercial storage batteries at 60 business sites by FY 2040 (installation cost approximately 200 million yen). Achieve renewable energy ratio targets of 80% [FY 2030] and 100% [FY 2050] at all business sites			
Strategy		Resource efficiency	Reduction of expenses through increasing energy efficiency in logistics, deliveries, etc.	 Further implement comprehensive measures to reduce driver work and improve delivery efficiency. 1) Improve efficiency and load efficiency by reviewing store delivery routes and numbers of deliveries. 2) Begin an initiative for relay transport centered on the Chubu Regional Conduct a program to reduce driver work hours by introducing a liminagement system. 			
S		Markets	Reduction of packaging and other expenses by addressing the risk of rising raw material costs	 Aim to achieve zero plastic material content through measures such as changing from plastic shopping bags to paper bags (trial calculation of investment cost for introduction of paper bags: approximately 200 million yen by FY 2030). 			
	Transition risk	Policies and legal regulations	Increase in costs resulting from introduction of carbon pricing (hereafter, "CP")	To prepare for product price increases resulting from the introduction of government regulations such as CP, set Company internal CP (target FY 2025) before the national CP, and avoid risk through sales of environmentally friendly products.			
		Technologies	Increase in costs related to introduction of low-carbon, energy-saving equipment	 Operate Company vehicles efficiently, and complete the change to EVs by FY 2040. Change approximately 40% of Company vehicles at Joshin Service Co., Ltd. to EVs by FY 2030. 			
		Markets	Rising renewable energy prices	Aim for introduction of off-site PPA for low voltage at 50 sites by FY 2030. Introduce commercial storage batteries at 60 business sites by FY 2040 (installation cost approximately 200 million yen).			
			Reduction in consumer demand shift toward environmentally friendly products	Set a level of avoided emissions for environmentally friendly products and energy-saving equipment. Ratio of renovation-related target sales (FY 2025)* Eco Cute: 80%, gas-powered water heaters: 85%, warm water washing toilet seats: 50% *Products achieving 100% or more of the standard for hot water heaters/Eco Cute [target year FY 2025], products achieving 150% or more of the standard for warm water washing toilet seats [target year FY 2012]			
	sk Jement	In our Company-wide risk management system for responding to climate change, including the transition plan, we established the Risk Management Committee and Sustainability Committee to identify, assess, and manage risks for the entire Group, as well as evaluate and implement countermeasures for mitigating the impact on business. Further, we established an environmental management system for departments at our Head Office based on ISO 14001 certification.					
Metrics and targets		For addressing climate issues, we have set indicators for GHG emissions, the percentage of renewable energy at business sites, and the percentage of off-grid power from solar power generation. As a medium- to long-term target, we have set "expanding sales of environmentally friendly products through the introduction of internal CP, and promoting the introduction of zero-carbon equipment based on funding through means such as sustainability bonds." As short-term targets, we have set "achievement of SBT targets" and "resolution of material issues." We will monitor these indicators while managing the progress of strategies and risks.					

Please see our website for scenario analyses based on TCFD recommendations for the 1.5 to 2°C and 4°C higher surface temperatures (than preindustrial levels). https://www.joshin.co.jp/en/csr/environment/climate_change.html

FY2024 Roadmap for Major Action Plans Related to Environmental Issues

Changes in the Decarbonization Transition Plan



Early realization of 100% renewable energy power sources at all business sites

- 80% renewable energy ratio at all business sites including those that are rented out (leased)
- 42.0% reduction of Scopes 1 and 2 GHG emissions compared to fiscal 2021 levels
- Raise the percentage of renewable energy sources to 100% at all business sites. 2040

Initiatives to increase the percentage of off-grid power consumption at business sites where the Company contracts directly with power suppliers

- Achieve 25% off-grid power consumption at business sites where the Company contracts directly with power suppliers * See p. 54
- Promote the introduction of storage batteries as a BCP measure, and plan for introduction at 40 business sites.
- Carry out ZEB (net zero energy building)* measures centered on new stores, and aim to acquire ZEB certification (2025) * See p. 54
- 42.0% reduction in Scopes 1 and 2 GHG emissions compared to fiscal 2021 levels by promoting the change to electric Company vehicles
- 25.0% reduction compared with fiscal 2021 levels for Scope 3 categories 1 and 11
- Improve the calculation accuracy for GHG emissions in logistics, and formulate a category 4 reduction plan (2025
- Expand off-grid power consumption to 50% at business sites where the Company contracts directly with power suppliers

GHG emissions throughout our supply chain

Manage and reduce

and improve ratings

from ESG rating

agencies

- Actively disclose information to acquire international Devise measures for reducing GHG emissions for SBT-based reduction initiative 2025 certification related to climate change
 - Maintain the "A" score for the CDP climate change program and aim to acquire a "double-A" score for water security in addition to climate change
 - Complete analysis of dependence and impacts on nature consistent with the TNFD LEAP approach for biodiversity 2025
 - Carry out action for Scope 3 reductions in collaboration with suppliers
- In addition to CDP, aim to

Collaborate with suppliers to

Scope 3 categories

achieve carbon neutrality in all

- acquire the top rank in the MSCI "ESG Rating Score" and 2035 other indexes. (Promote the effective introduction of zero-carbon
- equipment based on funding through means such as carbon pricing and sustainability bonds. 2040

Initiatives to Reduce GHG Emissions

Identifying GHG Emissions in the Supply Chain

For indirect GHG emissions (Scope 3) in the supply chain throughout the Joshin Group, carry out initiatives for acquiring primary data with suppliers in order to satisfy IFRS S2, which was developed in order to provide a global baseline for system disclosure based on the primary voluntary disclosure that was previously used for sustainability disclosure.

Scope 3 category		Fiscal 2023 calculation results			Coope 2 cotogoni	Fiscal 2023 calculation results	
		CO ₂ calculation results (t-CO ₂)	Percentage (%)		Scope 3 category	CO2 calculation results (t-CO2) Percentage (%)	
1	Purchased products and services	900,994	21.7%	9	Transportation and delivery (downstream)	Not applicable because con Category 4	solidated with
2	Capital goods	23,852	0.6%	10	Processing of products sold	Not applicable because the Company does not process sold products	
3	Fuel	2,706	0.1%	11	Use of products sold	3,177,170	76.5%
4	Transportation and delivery (upstream)	23,396	0.6%	12	Disposal of products sold	6,788	0.2%
5	Waste generated from operations	10,407	0.3%	13	Leased assets (downstream)	3,555	0.1%
6	Business travel	116	0.0%	14	Franchises	100	0.0%
7	Employer commuting	1,712	0.0%	15	Investment	457	0.0%
8	Leased assets (upstream)	Not applicable because the calculated in Scopes			Total	4,151,253	100.0%

Totals do not add up to 100% because figures are rounded off to the nearest whole number.

We Have Received Third-party Assurances of Numeric Values

In fiscal 2024, the Group received third-party assurances from Japan Audit and Certification Organization for Environment and Quality (JACO) for Scope 1, Scope 2, and Scope 3 categories 1, 4, and 11. These account for 98.8% of total emissions from the entire Group.

- Information subject to assurance: Energy consumption, GHG emissions (Scopes 1 and 2 and Scope 3 categories 1, 4, and 11)
- Range of assurance: Japan (Joshin Denki Co., Ltd. and subsidiaries in Japan; stores, logistics sites, etc.)
- For the third-party assurance reports, please refer to our website. https://www.joshin.co.jp/en/csr/environment/guarantee.html

Biodiversity Conservation Response

The Joshin Group has positioned preservation of biodiversity as a material issue to be resolved, and it is incorporated into the Joshin Group Basic Environmental Policy and the Joshin Group Procurement Policy and Procurement Guidelines.

In addition, in our role as a corporation, we endeavor to preserve biodiversity and protect the natural environment based on our impacts on natural capital. The Group endeavors to avoid and minimize negative impacts on the natural environment and human rights through our business activities, and contributes to the preservation and regeneration of the natural environment (nature positive).

Please refer to our website for the Joshin Group Environmental Principles, Basic Policy, Action Guidelines, and the Joshin Green Smile Challenge 2050. https://www.joshin.co.jp/en/csr/environment/policy.html

Please refer to our website for the Joshin Group Procurement Policy and Procurement Guidelines. https://www.joshin.co.jp/en/csr/policy/list/procurement/main/0/link/Procurement.pdf

O Governance

Within the Joshin Group, the Board of Directors maintains supervisory functions through regular reports (three reports in fiscal 2023) concerning the implementation of initiatives related to climate change and biodiversity. A basic policy for this implementation is formulated by the Sustainability Committee, which is chaired by the Representative Director, President and Executive Officer. This committee also sets important

targets and conducts progress management, and discusses and decides policies in response to issues. The Climate Change Project, led by the person in charge of Environmental Management, discusses individual issues and reports to the Sustainability Committee before consulting with the Board of Executive Officers and Board of Directors.

O Analysis of Risks and Opportunities Related to Biodiversity in the Value Chain of the Joshin Group

We have analyzed risks and opportunities related to biodiversity arising from the business activities of our Group. Opportunities include initiatives for resource recycling, reduction of environmental impacts by reducing and reusing waste, contributing to GHG emission reductions through sales of environmentally friendly products, thereby helping to combat climate change. Risk factors include a decline in natural resources resulting from use of energy resources, and the

effects on climate change and environmental impacts resulting from emissions into the atmosphere and water bodies. In this way, we understand that our business has various effects on biodiversity. These have been collected into the following relationship map. In line with the TNFD LEAP approach, we will analyze dependence, impacts, risks, and opportunities in the future

in business activities

Biodiversity Relationship Map of Joshin Group Business Activities **GHG** emissions oduct procurement natural resources, semical substances) Climate change Energy, water, and land • Climate change • Resource depletion • Resource depletion Energy Habitat loss Habitat loss Reduction in GHG emissions • Invasive species Construction and resulting from introduction of opening of stores Procurement of reused renewable energy products as one aspect of Introduction of energy-saving resource recycling **Product procurement** equipment Initiatives for environmentally friendly products with low environmental impacts Recycling and scrapping of used products loshin **Product sales** Energy Energy, water, and land • Reduction in GHG emissions **Product** resulting from waste reduction • Climate change Recycling of waste • Habitat loss delivery and Reduction in GHG emissions construction Climate change related to sales of environmentally • Habitat loss friendly products, and contribution to long-term storage of organic vegetables, rice, and other foods Energy Reduction in GHG emissions Input to business activities • Climate change resulting from introduction Habitat loss Output from business activities of new energy vehicles Invasive species Improving delivery efficiency Relationship with biodiversity (risk) • Initiatives to reduce Contributions (opportunities) environmental impacts

Carbon Neutrality Initiatives

We began working for carbon neutrality at Group business sites from an early stage, and have actively introduced solar power generating systems through onsite and off-site PPA.

In the future, we aim to further increase our percentage of off-grid power consumption by introducing storage batteries, and will prepare for the risk of high renewable energy power prices.

Active introduction of renewable energy

▶ At the end of fiscal 2023. we achieved 100% introduction of renewable energy at 150 business sites where the Company contracts directly with power suppliers.



Ibaraki Store

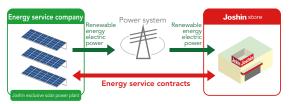
Results from renewable energy generation and off-grid energy consumption following introduction of off-site solar power generating systems (including off-site PPA)

▶ For the solar power generating systems that we have been installing since fiscal 2012, installation was completed at 73 business sites where such installation is possible at the end of 2023.

Amount of renewable energy generated: 14,465 MWh (including FIT)

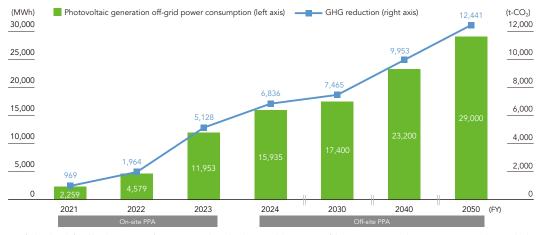
Off-grid renewable energy consumption results following introduction of off-site solar power generating systems (PPA)

- ▶ Introduction of off-site PPA in cooperation with Daigas Energy Co., Ltd. in November 2023 Off-grid renewable energy consumption (expected): 2,129 MWh
- Introduction of off-site PPA in cooperation with The Kansai Electric Power Co., Inc. in April 2024 Off-grid renewable energy consumption (expected): 2,156 MWh





Off-grid Solar Power Consumption (MWh per Year) and GHG Emissions Reduction (t-CO₂ per Year)



Default value defined by the Ministry of Economy, Trade and Industry and the Ministry of the Environment Ordinance No. 3 is 0.429 kg-CO₂/kWh (announced in December 2023)

Installation of EV charging systems

- Installed at a total of 82 stores by the end of fiscal 2023 Installation at 20 stores in fiscal 2024 (total installed: 102 stores)
 - 1. Charging stands (details) Rapid charging: 3 stores, normal charging: 99 stores
 - 2. Rapid charging will be installed as soon as preparation of the necessary infrastructure is completed.

Introduction of storage batteries

Introduction of lithium-ion batteries linked with solar power, serving also as a BCP measure Introduced at 32 business sites as of the end of fiscal 2023.

Note: 3 kW internal power conditioner type (Can sustain continuous power usage of approx. 900 W for 12 hours.)

Introduction of BEMS

▶ We are introducing demand control devices, and using automatic air conditioner control to reduce energy consumption and perform energy management. Introduced at 70 business sites (as of March 2024)

Acquisition of ZEB* (net zero energy building) certification

▶ At present, we are acquiring ZEB certification for new stores that are at the planning stage. We are also studying whether acquisition of Nearly ZEB certification is possible at existing stores.

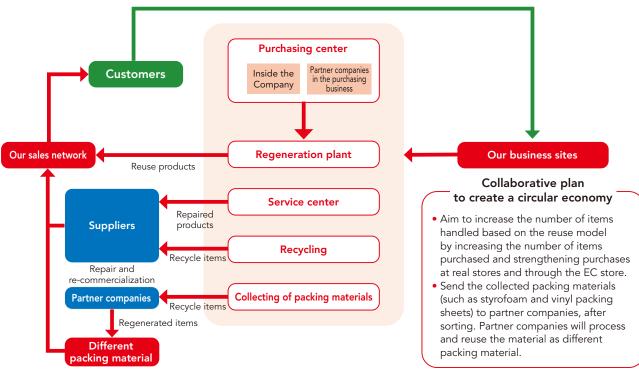
Reduction to 0% with energy generation + energy savings Nearly ZEB Reduction to 25% or less with energy generation + energy savings

ZEB Ready Reduction to 50% or less with energy savings

^{*} ZEB: Buildings that utilize advanced architectural designs to reduce energy burdens, actively utilize natural energy, and introduce high-efficiency equipment to achieve large energy savings while maintaining the quality of the interior environment. Renewable energy is then added to increase energy independence as much as possible and reduce the annual primary energy consumption budget to zero.

O Initiatives to Move Toward a Circular Economy

The Group's initiatives for creating a circular economy



Please see our website for information on the Group's initiatives for developing a resource recycling-oriented society. https://www.joshin.co.jp/en/csr/environment/recycling2.html

Roadmap for Major Action Plans Related to Construction of a Recycling-oriented Society

Goals and measures	By 2025	By 2030			
	Target Construct a circular economy model through engagement with outside parties.				
Rebuilding the resource circulation cycle that includes reuse and resale	 Main initiatives Achieve a 65% collection rate for the four products Joshin Denki + Joshin Service). Strengthen the web purchasing system with conside buy-back campaigns on the web). As the target for fiscal 2025, we are aiming to doub 2023, and are aiming for 3,000 cases in fiscal 2030. 	eration for external alliances (actively promote			
Initiatives for collecting used paper and reusing cardboard through alliances	 Main initiatives At present, in cooperation with an agent that collects used paper and cardboard, we are establishing and will implement a plan for recycling of collected used paper for regeneration and reuse as different packing material, toilet paper, printer paper, or for other purposes. 				
	Target Achieve a 90% reduction in the plastics used for shopping bags (compared with FY2019)	Stop using shopping bags made with plastic materials			
Reducing the use of plastics by	► Main initiatives				
no longer offering disposable shopping bags and taking other related actions	Initiatives to improve the rate of refusal for plastic bags while introducing LIMEX material plastic bags Consider the introduction of replacement bags that do not use plastics.	Introduce shopping bags that do not contain plastic, and eliminate the use of conventional shopping bags.			

O Initiatives for Environmentally Friendly Products

The Group is continuing to work for sales of environmentally friendly products. However in fiscal 2023, energy-saving label standards for color televisions were reviewed, and there was a trend toward increasing screen sizes that conflicted with energy savings, producing a decline in the number of three-star or higher products. As a result, a deviation from our product policy occurred, and it was decided to exclude these products from the category of environmentally friendly products beginning from fiscal 2024.

Starting from fiscal 2024, in addition to three-star or higher refrigerators, air conditioners, and instant water heating

type warm water washing toilet seats, drum-type washer/dryers were newly added to the list of environmentally friendly products. Drum-type washer/dryers are products that are not subject to the energy-saving labeling system, however they provide energy saving effects due to the faster washing and drying times compared with conventional top-loaded washer/dryers, as well as water saving effects due to the smaller amount of water used.

The target sales ratios for environmentally friendly products in fiscal 2024 are shown below, and we will continue to address them actively.

FY2023 Results and FY2024 Targets for Sales of Environmentally Friendly Products

Environmental	FY2023		FY2024	Department in	
conservation items	Target	Result	Target	charge	
Sales promotions for environmentally friendly products	Sales ratio of 35%	25.6%	Sales ratio of 30%	Merchandise Department	

Note: Subject categories and target sales ratios: 45% or higher ratio of three-star or higher refrigerators, 20% or higher ratio of three-star or higher air conditioners, 25% or higher ratio of drum-type washer/dryers, 75% or higher ratio of instant water heating type warm water washing toilet seats

O Avoided Emissions through Environmentally Friendly Products

For home appliances adopting the uniform energy-saving label, we set a replacement cycle guideline using refrigerators, air conditioners, and warm water washing toilet seats made in fiscal 2013 as the base models. For average GHG emissions per product in fiscal 2013, an approximate emissions guideline was extracted for each category from *Energy-Saving Replacement Navigation: Shinkyusan* issued by the Ministry of the Environment. For fiscal 2021 to 2023, the amount of reduction

was calculated based on the number of environmentally friendly products (subject categories were reviewed due to a change in the energy-saving labeling system for air conditioners in fiscal 2023) sold and the difference in emissions from when the same number of base model products were sold. (The approach to targets for fiscal 2025 and 2030 involves calculations assuming there is no change in the achievement rate of energy-saving standards under the Top Runner Program.)

Unit (t-CO₂/year)

Category for avoided emissions	Reduc	ction in GHG emi	ssions	Avoided GHG emissions		
(Energy-saving level: three to five stars)	FY2021	FY2022	FY2023	FY2025 target	FY2030 target	
Environmentally friendly air conditioners total	4,590	3,256	7,948	8,000	8,500	
Environmentally friendly refrigerators total	5,501	4,596	6,714	7,000	8,000	
Instant water heating type warm water washing toilet seats total	288	188	371	400	500	
Environmentally friendly categories total	10,379	8,040	15,032	15,400	17,000	

Note: Comparison of GHG reductions assuming the same sales ratio as fiscal 2013 in each fiscal year

Sales Promotion of Environmentally Friendly Products in Cooperation with Local Governments < Initiative for Improving Awareness and Changing Behavior for Decarbonization with Osaka Prefecture and Sakai City>

Aiming to achieve materially zero GHG emissions in 2050, in order to improve awareness and change behavior for decarbonization among the citizens of Osaka Prefecture we have been utilizing a Joshin point system as part of our participation in the "Decarbonization Point Awarding System Promotion Project for Promoting Environmentally Friendly Consumption" since fiscal 2022. This project grants "decarbonization points" for subject energy-saving air conditioners, thereby promoting sales of environmentally friendly products.

In the Eco Life Point Project that we have participated in since fiscal 2023, a special smartphone app is used by

the citizens of Sakai City to enter a prize drawing after buying an environmentally friendly product or to collect original Sakai City "Eco Life Points." Through these sales of

environmentally friendly products in cooperation with local governments, we will continue to support initiatives aimed at decarbonization of customer households.



