Governance

In order to achieve sustainable growth and enhance corporate value based on relationships with employees, customers, business partners, local communities, shareholders, and capital markets, Joshin will build the optimal corporate governance structure that can provide both great leadership from top management and a good partnership between executive and supervisory functions. Furthermore, through business portfolio management, proper allocation of capital and management resources, and other strategic actions as well as disclosing the results thereof, we will live up to the expectations of all stakeholders.

Basic Concept

Under our management philosophy of "Connecting people and society to the future with a smile" and our management vision of "Becoming a hub for the infrastructure of life through the power of home appliances and ICT," Joshin is developing a system of management that contributes to building a sustainable society through the creation of two types of social value: helping to strengthen the resilience of an aging society and achieving household carbon neutrality.

Joshin examined the changes in our business environment from the viewpoint of their risks and opportunities, while incorporating them into our management strategies and business portfolio. We intend to continue improving our corporate governance system to better manage the value creation process that feeds the social and economic value created through the use of capital back into a further virtuous cycle of capital.

History of Enhancing Corporate Governance

To improve the effectiveness of the Board of Directors, Joshin has worked to improve our corporate governance framework by ensuring diversity through increasing the number of independent outside directors and appointing female directors; introducing the executive officer system; establishing a Nomination and Compensation Committee and a Board of Directors Evaluation Committee made up of a majority of outside directors; and implementing a performance-linked stock compensation plan.

In order to enhance these initiatives, Joshin transitioned from being a company with a Board of Auditors to a company with an Audit and Supervisory Committee in June 2025. This will further accelerate decision-making by largely transferring the Board of Directors' authority over business execution decisions to the business execution side of the Company, while also improving the effectiveness of the Board of Directors through focused discussion at the Board of Directors of medium- to long-term management strategy, capital policy, and other items that contribute to improving corporate value. Additionally, the Audit and Supervisory Committee, comprised exclusively of independent outside directors, will be responsible for auditing and supervising the legality and appropriateness of business execution, with the aim of further bolstering Joshin's corporate governance systems and achieving more transparent management.

(FY)

	2021	2022	2023	2024	2025	2026
Ensuring diversity of the Board of Directors						
Skills matrix	• Developed the skills matrix	• Revised the skills matrix	• Revised the skills matrix and utilization policy	• Disclosed the reason for skill set selection	• Partially revised the skills matrix	
Succession plan	2020 • Formulated the succession plan				• Revised the succession plan (Established three (3) new human resource pools of Ready, Next, and Potential candidates)	
Appointment of outside directors	• Increased to four (4) members (44.4% composition) (gradual increase from FY2014)				• Increased to six (6) members (75.0% composition)	
Appointment of female directors	• Increased to two (2) members (22.2% composition) (gradual increase from FY2019)				• Increased to four (4) members (50.0% composition)	
Improving effectiveness of the Board of Directors						
Corporate governance structure	2016 • Company with a Board of Auditors (Two (2) independent outside auditors, 50% composition)		• Three (3) independent outside auditors (75% composition), including one (1) female	• Three (3) independent outside auditors (75% composition), including two (2) females	• Transitioned to a company with an Audit and Supervisory Committee Six (6) independent outside directors (75% composition) Three (3) directors who are Audit and Supervisory Committee members (100% comprised of independent outside directors) Assigned dedicated staff to support Audit and Supervisory Committee members	
Nomination and Compensation Committee	2018 • Established the Nomination and Compensation Committee (Appointed independent outside directors to be the Chairperson of the Nomination and Compensation Committee and the majority of the committee members)				• Appointed one (1) director who is an Audit and Supervisory Committee member to be a committee member	
Performance-linked stock compensation plan	2017 • Introduced performance-linked Board benefit trust scheme		• Revised performance-linked stock compensation plan (Added capital efficiency indicators and ESG indicators to criteria used to calculate compensation)		• Announced the outline of our Malus clause	
Individual performance-linked compensation	2019 • Introduced individual performance-linked compensation (Changed to assessment criteria that emphasize the monitoring function)				• Changed the indicators used for calculations to the degree of achievement of operating income targets, based on the new medium-term management plan	
Training for officers	• Held six (6) times a year	• Began practical training for management skills				
Evaluation of effectiveness of the Board of Directors	2016 • Established the Board of Directors Evaluation Committee / Held once a year					
Executive officer system	2016 • Introduced the executive officer system	• Transitioned to a delegation-type executive officer system	• Introduced performance-linked stock compensation plan		• Changed some of the indicators used to calculate performance-linked stock compensation to the degree of achievement of ROE targets	
Management strategies / Management plan			• Disclosed cost of capital (CAPM/WACC)		• Announced plan to reduce cross-shareholdings (to a ratio of less than 3% of cross-shareholdings to FY2028 consolidated net assets)	

Corporate Governance Promotion System

Board of Directors
Percentage of outside directors

FY2026

Percentage of female outside directors

FY2026

Audit and Supervisory Committee
Percentage of outside directors

FY2026

Nomination and Compensation Committee
Percentage of outside directors

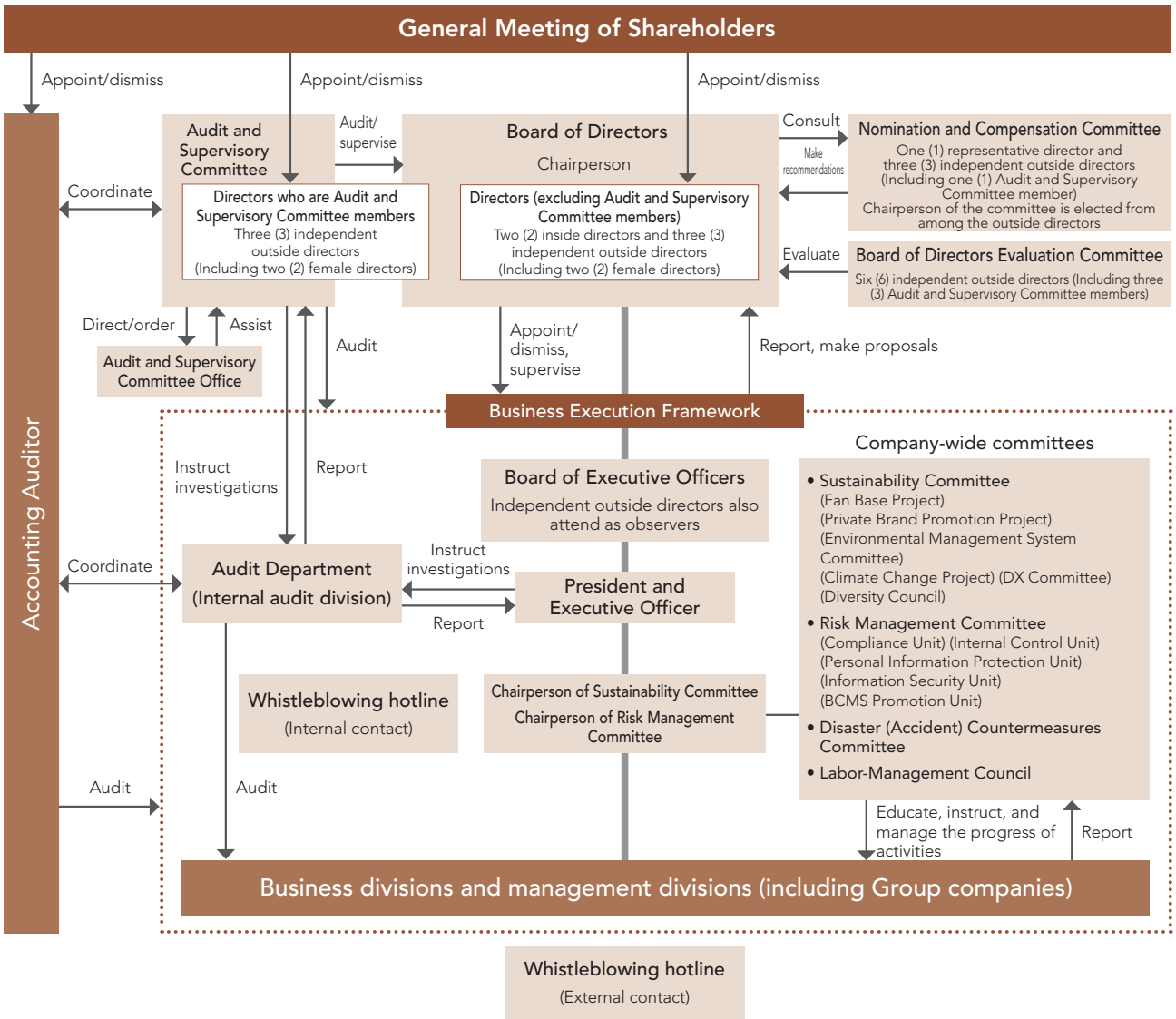
FY2026

Board of Directors Evaluation Committee
Percentage of outside directors

FY2026

Note: All committee chairpersons are outside directors.

Corporate governance system



Board of Directors

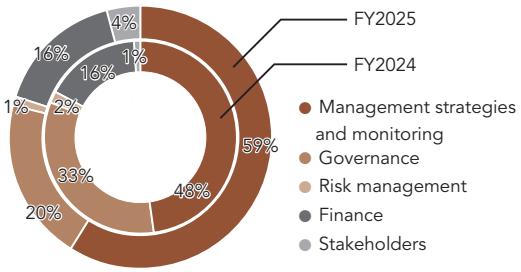
▶ Roles and purpose of the governing body

As the highest decision-making management body, the Board of Directors makes decisions on important management issues, such as the medium- to long-term management policies and business strategies, that help create social value and corporate value. Additionally, the Board supervises the performance of duties by directors and executive officers selected by the Board of Directors.

▶ Structure of the governing body

Of the eight directors, six are independent outside directors (75%) and four are female directors (50%). There are three directors who are Audit and Supervisory Committee members, all three of them being independent outside directors (100%), and two being women (66.7%). (See p. 84 for more on skill diversity.)

Allocation of discussion time



▶ Major discussion details in FY2025

- Changing the company name to Joshin Corporation
- Transitioning to a company with an Audit and Supervisory Committee
- Revising the director appointment/dismissal standards and procedures
- Revising the succession plan
- Policies toward achieving management that is conscious of cost of capital and stock price
- Formulation of the new medium-term management plan (JT-2028 Management Plan)
  - Business strategy • Human resources strategy
  - Business foundation/DX strategy • Financial strategy/capital policy
- Effectiveness of the Board of Directors

Audit and Supervisory Committee

The Audit and Supervisory Committee is comprised of three members who are independent outside directors. A certified public accountant and an attorney have been appointed as outside directors who are Audit and Supervisory Committee members to bolster the Committee's auditing and supervisory functions. The outside directors who are Audit and Supervisory Committee members share information and exchange opinions on the directors' performance of their duties, in addition to timely monitoring of actual management status by reviewing important approval documents and other materials. They also monitor the decision-making process by exchanging information with the Audit Department (internal audit division) and Accounting Auditors, and audit the directors' execution of their duties.

Nomination and Compensation Committee

The Nomination and Compensation Committee was established to strengthen corporate governance by ensuring the independence, objectivity, and transparency of the Board of Directors. This committee is comprised of three independent outside directors and the Chairman and Representative Director. Outside directors comprise three-fourths of the committee and one of them serves as its chair. This committee discusses HR issues including the appointment and dismissal of the representative director and other directors as well as CEO succession planning. It also discusses director (excluding Audit and Supervisory Committee members) remuneration system design and individual compensation amounts. These discussions produce recommendations that are then submitted to the Board of Directors for a decision.

Board of Directors Evaluation Committee

A Board of Directors Evaluation Committee comprised of six independent outside directors was established as part of initiatives to strengthen corporate governance, while aiming to achieve sustainable growth and increase medium- to long-term corporate value. Through the activities of this Committee that aim to continuously improve the functioning of the Board of Directors by analyzing and evaluating the overall effectiveness of the Board, we have established a framework in which the independent outside directors provide appropriate advice to the Board of Directors from a variety of angles.

Board of Executive Officers

The Board of Executive Officers is the central body for business execution, consisting of executive directors and executive officers. It was established for purposes such as enhancing the Board of Directors' formulation of management strategies and its supervisory functions, and speeding up decision-making for business execution. Independent outside directors also participate as observers, thereby contributing to the training and evaluation of candidates for CEO and director positions.

Sustainability Committee

Chaired by the Director, President and Executive Officer, the Sustainability Committee is comprised of executive directors, executive officers, and heads of departments. This Committee works to achieve our management philosophy and our management vision by managing the progress of division-spanning internal projects. The Committee manages, in an integrated manner, financial and non-financial information such as our business strategies and our ESG policy. We have incorporated the contribution that we make to addressing sustainability-related social issues into our management strategy and set up an integrated framework to monitor them. These issues include demographic changes caused by the declining birthrate and the arrival of a super-aged society, climate change, lifestyle changes due to diversification of values and ICT advancements, and D&I.

Risk Management Committee

Chaired by the Director, President and Executive Officer, the Risk Management Committee is comprised of executive directors, executive officers, heads of departments, and labor union representatives. The committee analyzes and manages various risks that threaten the Company's efforts to maintain and continue business management, and supports stable management. Special units established within the Risk Management Committee include the Compliance Unit, Internal Control Unit, Personal Information Protection Unit, Information Security Unit, and BCMS Promotion Unit, which develops and promotes the business continuity management system. The Risk Management Committee acts through those units to support stable management of the larger business group.

Labor-Management Council

The Labor-Management Council is the highest council meeting held jointly by labor and management that is attended by executive officers of the Company and the central officers of the labor union representing the employees. The council is a cooperative organization that aims to continuously improve the labor conditions and labor environment of the employees and promote work style reforms and reforms for job satisfaction. The sharing of employee feedback and information about workplace health and safety between labor and management helps improve the working environment for employees and enhance overall working conditions. This initiative heightens employees' awareness of participating in management and leads ultimately to higher customer satisfaction.

Message from the Chair of the Board of Directors

To be a Board that supports implementation of the JT-2028 Management Plan, we aim to enhance the corporate value of the new Joshin through effective oversight.

Ryuhei Kanatani

Chairman and Representative Director

Ever since the Corporate Governance Code was published, Joshin has continuously worked to bolster our governance structure for the sustainable enhancement of corporate value. At the Annual General Meeting of Shareholders in June 2025, the Company transitioned to being a company with an Audit and Supervisory Committee structure, and the Board of Directors was also reborn as a diverse and independent body in which outside directors account for 75.0% and female directors for 50.0%. These reforms are not limited to institutional changes, but are rather positioned as building the foundations for further enhancing strategic discussions and oversight at the Board of Directors as we steadily implement the JT-2028 Management Plan (our new medium-term management plan) to sustainably increase growth and corporate value as the new Joshin.

Our current position after transitioning to a company with an Audit and Supervisory Committee

One year has passed since this transition, and we have started full-scale operation of the new structure that both speeds up executive actions and improves the supervisory function of the Board of Directors by largely delegating decision-making authority over business execution to the Board of Executive Officers. At the Board of Directors, a foundation is steadily being laid for deeper discussions on medium- to long-term strategies, capital policies, and management resource allocation, drawing on the diverse expertise of our outside directors. However, since this was the first year after our transition, it became obvious that issues remain for further improvement. These include the division of supervisory and executive roles; the presentation of strategic significance, investment effects, and risk assessments in proposals; the implementation of PDCA in alignment with our KPIs; and the provision of a mechanism that reflects feedback from the market back into management. We recognize that the transition to being a company with an Audit and Supervisory Committee is not the end point of our governance reforms, but rather the starting line for efforts to further raise the effectiveness of the Board of Directors.

Toward improving the effectiveness of the Board of Directors

In the future, instead of making decisions about individual business actions, the Board of Directors will concentrate on holding deeper discussions about the important themes that will contribute to increasing medium- to long-term corporate value. Specifically, we will focus on checking medium- to long-term strategies, capital efficiency, management resource allocation, and the appropriateness of risk-taking as we seek to create an environment that supports swift and decisive decision-making by executives. We are also making improvements to reference materials used in discussions, organizing strategic significance, investment effects, and risk assessments from both quantitative and qualitative perspectives. This helps the Board of Directors to make decisions from a big-picture viewpoint. Furthermore, input gained from discussions with shareholders and investors is fed back appropriately to the Board and leveraged to improve capital policies, growth investments, and information disclosures so that constructive dialogue with capital markets will lead to enhanced corporate value.

Oversight to increase the likelihood of successful execution of the JT-2028 Management Plan

FY2026 is the year in which the JT-2028 Management Plan is launched in earnest. The key themes of the JT-2028 Management Plan are renewing growth in the home appliances business, enhancing points of contact with customers through stores, e-commerce, and the use of data, and expanding into growth areas from the starting point of home appliances. The Board of Directors will review whether these strategies are contributing to the realization of the new Joshin's vision of becoming a "local electronics store that is also a mass retailer," while continuously monitoring KPI progress, investment effectiveness, capital efficiency, and the appropriateness of management resource allocation. If any delays or issues occur in the plan, we will check the cause and urge the necessary course corrections to increase the likelihood of successfully implementing the JT-2028 Management Plan.

Commitment to sustainably enhance corporate value

In my role as Chair of the Board of Directors, I am committed to achieving both fast business execution and effective oversight by the Board, as we seek to leverage the endeavors of the new Joshin into a sustainable increase in corporate value. To meet the expectations of all our stakeholders, we will steadily implement governance reforms that will help raise corporate value through the further advancement of the Board of Directors and the building of a highly transparent management structure.

The Role of the Board of Directors in Supporting Joshin's Reinvention

Rebirth as the new Joshin is reflected in the corporate name change

Incorporating young employees' recommendations into management to clarify our goals and values to protect

Naito: Changing our corporate name was not simply a change of words, but rather an important decision that was made to express the kind of company that we want to become in the future as the new Joshin. Particularly symbolic were the proposals generated from the project, which was mostly made up of young employees. These future leaders of Joshin gave deep thought to the future of their own company going forward and made recommendations to management. The fact that the Board of Directors accepted these proposals and carried them through to a decision is itself very significant.

Kawano: I also have a high regard for that process. When studying the corporate name change, rather than deciding on the conclusion in advance and presenting it, a framework was created in which young employees could think for themselves. Joshin's most valuable asset is the deep relationship with customers that we have cultivated over the years. While protecting this value, we will make changes that will transcend conventional business and organizational boundaries. Changing the corporate name was an important milestone in sharing this purpose across the entire organization and clarifying our goals as the new Joshin.

Takahashi: The momentum for the name change grew within the company, and the final corporate name change was the culmination of discussions among the project team made up of young members. As my colleagues have both mentioned, management and employees showed strong determination to drive transformation as the new Joshin, each from their own distinct standpoints. While we need to let go of the things that are no longer suited to the times and change the things that need to be changed, we must also be steadfast in protecting the value of Joshin that has been passed down to us. We need to protect the trust and confidence that we have earned from our customers, and the Wholehearted Customer Service that we deliver based on our corporate motto of "Thoughtfulness." We must continue unwaveringly along this path, going beyond conventional appliance sales to evolve into a "local electronics store that is also a mass retailer" that supports every aspect of our customers' lives.

Changing the Board of Directors to support reinvention

Clarifying executive and supervisory roles to enhance capabilities to execute reforms

Naito: To achieve our goal of becoming a "local electronics store," it's essential to have a system where the business execution side makes decisions for themselves and then the Board of Directors supervises them appropriately. In 2025, we transitioned into being a company with an Audit and Supervisory Committee, and we delegated most of the decision-making authority over business execution to individual Directors or the Board of Executive Officers. However, it did not function as originally designed right from the start. Even after delegating authority, the business execution side tried to find out what the President or Board members thought, and the Board of Directors

sometimes asked for excessively detailed reports. There needs to be a better common understanding of the boundaries between monitoring and intervening in business execution.

Takahashi: The last year has been one of trial and error for the business execution side as well. They were unsure of what to report, to what extent, and in what way, sometimes focusing solely on activity reports, while in other cases narrowing down the key points too much and failing to communicate information required for decisions. Nevertheless, the Board of Directors and the business execution side have gradually reached a shared understanding over the year of the targets of confirmation by the Board and the scope of actions that the execution side should decide for themselves. As our direction is further clarified, the Board of Executive Officers will decide for itself how to achieve our goals, and the Board of Directors will oversee the progress and risks. I believe that each of these roles starting to work in tandem has been one factor behind the recent improvement in our results.

Kawano: I feel that discussions at the Board of Executive Officers have also changed in obvious ways. Each member has become able to describe in their own words the issues within their areas of responsibility and the actions that should be taken next. The metrics that should be checked by the Board of Directors have also been expanded beyond just net sales and profit margins to encompass leading indicators such as the number of active members* and the trends of customers who use both physical stores and e-commerce. Execution and supervision are not in opposition to each other. As we work toward implementing our shared goals, a relationship is taking shape in which each side contributes with a sense of speed from its own standpoint.

* Active members: Customers who have purchased products or services from Joshin at least once in the past year

Developing management talent and an organization to drive reform

Developing diverse human resources and an autonomous organization by transforming frontline capabilities into managerial skills

Naito: To enable the Board of Executive Officers to think and make decisions for itself, the management talent responsible for this must also change. Many of the current members of the Board of Executive Officers are professionals who come from store management. Even though this is a major strength, to reform existing business models there is a need to bring in outside perspectives and to develop the ability to make decisions from the standpoints of capital efficiency and company-wide optimization. In the area of store investments too, discussions are becoming even more conscious of capital efficiency and investment payback than before. Instead of intervening in decisions about opening or closing individual stores, the role of the Board of Directors is to check whether the judgment criteria and yardsticks of the business execution side are clear.

Kawano: Experiences cultivated in store management should be incorporated into management decisions from a company-wide perspective. To do this, we must develop our current human resources while also appointing other people with a diverse range of experiences to be managers, including personnel from corporate administrative functions, mid-career hires, and women. Similarly, the Nomination and Compensation Committee is discussing succession planning and how to select and develop the next generation of management talent. That said, reform is not something that happens at the managerial level only. It's important that we transform into an organization where the frontline employees who know local customers the best can identify issues for themselves and propose new services.

Takahashi: The development of management personnel is an urgent issue. We started an initiative at Joshin that selects the next generation of candidates in different stages and develops them while specifying their expected roles. Key themes going forward will be to provide opportunities for these candidates to gain experience that fosters their growth, while also developing a manager's perspective by increasing their contact points with the Board of Directors. In parallel with developing the next generation in this way, it's also essential to convert the frontline capabilities of the current executive officers into managerial skills and combine diverse insights from both inside and outside the Company. We need to deepen the pool of next-generation talent while also improving the capability of the current system to execute reforms. I believe that keeping both of these wheels turning is precisely what will give Joshin the foundation for sustainable growth.

Future of Joshin forged as a "local electronics store"

Solving issues in daily life and society from the starting point of customer trust and confidence

Naito: Instead of competing by doing the same things as the major players in the industry, Joshin should take on the challenge of generating its own unique value. Becoming a "local electronics store" is one of our key concepts as we seek to do this. The Board of Directors should not put a stop to taking on challenges because certain risks are present, but rather encourage appropriate risk-taking by the management team. Even so, the Board must monitor and verify whether the policies are producing the expected benefits based on the KPIs and capital efficiency. It's also important to increase dialogue with our investors and leverage outside perspectives, including capital efficiency, in our discussions at the Board of Directors.

Kawano: If we can become a "local electronics store," then I believe that Joshin will deliver significant social value. As the number of elderly people living alone increases, daily life presents many difficulties, such as changing lightbulbs, using home appliances, having someone check in on them, and making use of digital devices. Joshin has earned the trust of customers to visit their homes through deliveries and installation work. These contact points do not need to end with the delivery of the product, but can be taken a further step by asking customers if they are facing any other problems, which greatly expands the value that we provide. By expanding such initiatives, we can bring about peace of mind for living in a super-aged society and help achieve carbon neutrality in the household, while also supporting the active participation of senior human resources.

Takahashi: After listening to you both speak, I feel anew that we must make the "local electronics store" a reality. Rather than focusing solely on selling products, we must become a company that fully engages with customers' problems and solves them. We will combine our real-world resources (personnel, stores, and delivery/installation capabilities) with digital technologies to confront the challenges that our competitors avoid or cannot take on. Through such actions, we will build the trust and confidence that make people contact Joshin if there is anything they need, further strengthening our relationship with customers. Based on the foundations arising from these efforts, we will drive sustainable growth and increase medium- to long-term corporate value, while also making sure that we fully communicate our goals and progress to shareholders and investors. With the business execution side and Board of Directors aligned in the same direction, we will steadily implement our transformation into the new Joshin.

Messages from Outside Directors

Norihiro Itano
Outside Director

Supporting sustainable growth in changing times through frontline capabilities and an enterprising spirit

Up to now, I've been involved in production technology and promoting IT/DX at the front line of a B2B business of a Japanese materials manufacturer. I hold the deepest respect for the efforts of employees in the distribution and home appliance industries who spend every day alongside customers providing value on the front lines.

My duty is to provide appropriate oversight of management from my independent, outside standpoint, while also encouraging the Company to leverage its strengths and to address its management issues from a medium- to long-term perspective. As the business environment undergoes seismic changes due to the rapid evolution of AI, digitalization, and increased geopolitical risks, I will help make governance more robust and transparent to achieve sustainable growth and increase corporate value.

It's the insights and enthusiasm of each of our employees working in both stores and back offices that will be the power forging the future of Joshin. While valuing the viewpoints of our shareholders and customers, I will also listen sincerely to feedback from employees as I put all my efforts into realizing a better vision of what the Company should be.

Michiko Funamoto
Outside Director

Aiming for sustainable growth and increased corporate value by capturing changes in the market

Our industry's environment is changing as uncertainties are rising around the world and Japan faces the issues of higher inflation, population decline, and labor shortages, as well as the digitalization of consumer behavior. For Joshin to grow sustainably, it's important for us to be an organization that treats stores, e-commerce, delivery, and after-sales service as an integrated whole, translates customer needs into enhanced products and services and improved operations, leverages frontline knowledge in management decisions, and can execute management policies.

Through my involvement in the management of a retail company, I have placed importance on making investment decisions based on numerical data after understanding changes in lifestyles and purchasing behavior, and on allocating resources to support competitiveness over the medium to long term.

I will use my experience of confronting management issues from both financial and business development perspectives in diverse business domains in Japan and overseas to support Joshin in increasing customer value and profitability, while also balancing growth investment with financial discipline.

Additionally, I will incorporate into management the insights gained from market trends, the capital markets' assessment of the Company, and dialogue with stakeholders to improve the quality of decision-making from the independent standpoint of an outside director, thereby contributing to the sustainable enhancement of Joshin's corporate value.

Kazumi Yoshikawa
Outside Director, Audit and Supervisory Committee Member

Monitoring and governance to support managerial decision-making

As the market environment changes significantly, the Board of Directors plays a critical role in enhancing corporate value by making swift and appropriate management decisions. To do this, it's essential to monitor the information that forms the basis of management decisions in a timely and appropriate manner to identify the signs of change at an early stage.

With this in mind, I've drawn on my knowledge and experience as a certified public accountant at many companies during their transition into a company with an Audit and Supervisory Committee to improve the transparency and appropriateness of management decisions at the Board of Directors from financial, accounting, and internal control perspectives. I verify from multiple viewpoints the information required for management decisions while taking into account changes in the industry environment, and I continuously check data such as profits and losses by category, channel, and store through reports from the management team. For the implementation of Joshin Reborn Action 2026 as well, I make recommendations to facilitate managerial decision-making based on appropriate information sharing. Furthermore, my work to enhance the succession plan as a member of the Nomination and Compensation Committee will help form a Board of Directors that supports a sustainable increase in corporate value.

Kazuko Otsuki
Outside Director, Audit and Supervisory Committee Member

Pursuit of capital efficiency and culmination of Joshin's uniqueness

We launched the new JT-2028 Management Plan (hereafter, the "New Medium-Term Plan") after falling short of our targets for profitability and capital efficiency indicators under the JT-2025 Management Plan (previous Medium-Term Plan). Under the new plan, Joshin Reborn Action 2026 in particular sets out a clear direction of streamlining assets and expanding intangible assets by closing unprofitable stores and reinvesting in human capital. As an outside director who is a certified public accountant, I particularly want to direct my energy to the rebuilding of the business foundation in the transformation phase, and the reduction of property, plant and equipment, focusing on whether these are leading to a solid increase in corporate value.

In the area of finance and accounting, I closely monitor risk management for the temporary losses arising from the closure of unprofitable stores, strict inventory assessments, and improvements in turnover rates, and in the area of capital policy, I closely monitor further improvements in ROE and the steady implementation of the reduction in cross-shareholdings. From the standpoint of governance, by conducting appropriate ROI monitoring of growth investments such as human capital, private-brand products, and tailored renovations, and effectively overseeing the optimal allocation of management resources and risk management, I aim to provide an impetus for a further increase in PBR and sustainable growth.

Even as we undergo a period of transformation in the home appliance retail industry, I want to hold on to the uniqueness of Joshin, sharing with all stakeholders our brand slogan of "Bringing smiles to people and communities," while conducting careful oversight to ensure the successful implementation of the New Medium-Term Plan.

Evaluation of the Effectiveness of the Board of Directors

To strengthen corporate governance, the Board of Directors Evaluation Committee, comprised only of outside directors, takes the lead in analyzing and evaluating the effectiveness of the Board of Directors and related matters each fiscal year, and the Company takes continual action to improve effectiveness based on that.

(1) Evaluation Process

Anonymous questionnaires to each director → Interviews with executive directors by outside directors → Compiling and analyzing results by the Board of Directors Evaluation Committee, and then submitting reports to the Board → Identifying challenges and determining measures for improvement and enhancement at the Board of Directors meetings

(2) FY2025 Issues

1. Deepening medium- to long-term growth strategies and promoting more efficient management with a focus on cost of capital
2. Enhancing the Board of Directors' monitoring functions and ability to respond flexibly and quickly

(3) Initiatives Tackling FY2025 Issues

Advice from outside directors	Measures taken by the business-executing departments
• Formulating medium- to long-term growth strategies that leverage the Company's strengths • Improving profit margins by setting appropriate KPIs • Promoting investments to support expansion of growth businesses • Promoting improvements to capital efficiency • Reviewing the succession plan for the CEO and other personnel	• Formulating the next medium-term management plan (JT-2028 Management Plan) • Understanding business results in real time and establishing a PDCA cycle based on KPIs • Conducting M&A in the renovation business, which is positioned as a growth business • Promoting the reduction of cross-shareholdings and reviewing planning for capital profitability indicators • Proposals for revising the appointment/dismissal standards and restructuring the succession plans for the directors and CEO

(4) Results of FY2025 Initiatives and Remaining Issues

Result 1: Deepening medium- to long-term management strategies

- Formulated and disclosed the medium-term management plan (JT-2028 Management Plan) ahead of schedule to facilitate dialogue with shareholders and investors
- Conducted M&A to expand and strengthen the renovation business, which is positioned as a growth business

▶ **After spending time to achieve the recent recovery in business results, refining growth strategies in greater detail remains an ongoing issue**

Result 2: Promoting more efficient management with a focus on cost of capital

▶ **After reconsideration, revised downward the ROE target values and positioned the bolstering of earning power as the highest-priority issue**

- Strengthened the PDCA function by setting important KPIs for improving the gross profit margin and operating income ratio
- Introduced approval standards focused on ROI for investments in newly establishing, renovating, or changing the business format of stores
- Promoted improved inventory efficiency and greater freshness on the sales floor by leveraging outlet sales
- Promoted continued reduction of cross-shareholdings
- Introduced ROE as an indicator used to calculate the performance-linked stock-based compensation of executive officers, with application from FY2026

Result 3: Enhancing the Board of Directors' monitoring functions and ability to respond flexibly and quickly

- As a result of delegating authority to the business-executing departments following the transition to a company with an Audit and Supervisory Committee, established a system where the Board of Directors can concentrate on big-picture discussions, such as medium- to long-term growth strategies and financial and capital policies
- Set the annual agenda for the Board of Directors in advance and created a dashboard for important KPIs
- Revised the appointment/dismissal standards for the directors and CEO
- As a result of revising the succession plan, established three new human resource pools—candidates for the next directors, candidates for the next executive officers, and candidates for future senior management—started development programs for them

▶ **Bolstering communication between the supervision side and the business execution side (eliminating asymmetry of information) is an issue**

(5) Overview of the Evaluation Results for the Effectiveness of the Board of Directors

1. Points rated as highly effective
   - Following the transition to a company with an Audit and Supervisory Committee, the foundations of a monitoring framework have been built, and timely and accurate business results monitoring has started to function.
   - The Board hosts an active exchange of opinions, drawing on the diverse expertise of the outside directors.
2. Points where improvement and enhancement initiatives are expected
   - The intended form of the partnership between supervision and execution (that is, the respective division of roles) was partly unclear.
   - There is room for improvement in expressing big-picture perspectives such as strategic significance, investment effects, and risk assessments for the proposals submitted by the business-executing divisions to the Board of Directors.
   - Management strategies must be further refined through dialogue with stakeholders (IR activities).
3. Result of the evaluation of the effectiveness of the Board of Directors
   It was determined that the effectiveness of the Board of Directors is generally being upheld.

(6) FY2026 Initiatives to Improve the Effectiveness of the Board of Directors

1. Deepening medium- to long-term growth strategies and promoting more efficient management with a focus on cost of capital
2. Strengthening coordination between the Board of Directors and the Board of Executive Officers and enhancing monitoring functions

Using the Skills Matrix to Improve the Effectiveness of the Board of Directors

Based on the belief that the diversity of directors determines the Board of Directors' effectiveness and has a major impact on sustainable growth and on increasing the Company's corporate value over the medium to long term, the Company compiled the skills that the Board of Directors as a whole should possess in order to realize its management strategies into the skills matrix (see p. 84), and uses the matrix as a basis for selecting director candidates. In appointing directors, including Audit and Supervisory Committee members, candidates are selected based on these criteria and appointed at the General Meeting of Shareholders.

The skills matrix is also utilized in the succession plan as a benchmark for evaluating and developing future CEO candidates and other key personnel. Continuous training is provided for directors, executive officers, and other senior management. Executive officers are helped to acquire a broad range of skills by having them lead the Board of Executive Officers, which is the core of the Company's business execution framework, and the cross-company committees that support it. Through this process, sufficient time is taken to evaluate and develop them as future candidates for director positions.

Director Skill Sets

Management skills						
Corporate management	Finance, accounting, and capital policy	Legal affairs and governance	Management planning and business strategies	HR, labor relations, and diversity	ICT/DX	Environment and energy

Skills related to business specialization			
Home appliance retail business	Housing environment business	Marketing	Logistics

Reasons for skill set selection:
https://www.joshin.co.jp/en/csr/governance/corporate/skills.html

Purposes of the Skills Matrix

1. **Identification of the necessary skills for the Board of Directors in light of the management strategy**
2. **Understanding the gap between the ideal composition of the Board of Directors and the current situation**
3. **Appointment of human resources with skills that the directors lack**
4. **Enhancement of director training on the skills that are lacking**
5. **Use in succession plans for directors**
6. **Use in succession plans for executive officers and other senior management**

Training for Officers

In FY2025, we continued our initiatives for improving officer skills based on the skills matrix. Training through outside courses was carried out, focusing on obtaining up-to-date knowledge and building up skills that are lacking in individual directors, Audit & Supervisory Board members, and executive officers among the "management skills" and "skills related to business specialization" listed in the skills matrix (p. 84).
As one part of the succession plans, the system was made so that directors and executive officers are appointed as chief officers responsible for sustainability and risk management, and practical training is also carried out for the acquisition and updating of the skills required for management through actual work.

Management skills	Number of training courses taken
Corporate management	15
Finance, accounting, and capital policy	8
Legal affairs and governance	15
Management planning and business strategies	7
HR, labor relations, and diversity	5
ICT/DX	1
Environment and energy	1
Total	52

Specialized skills	Number of training courses taken
Home appliance retail business	2
Housing environment business	0
Marketing	4
Logistics	0
Total	6

Notes: Transitioned to a company with an Audit and Supervisory Committee in June 2025
Each director, Audit & Supervisory Board member, and executive officer took two courses.

Directors

Ryuhei Kanatani

Chairman and Representative Director

March 1979	Joined the Company
July 1993	Manager of General Affairs Department
June 1998	Director, Manager of General Affairs Department
March 2002	Director, General Manager of Sales Planning Division
June 2002	Managing Director, General Manager of Sales Division
April 2006	Managing Director, General Manager of Management Planning Division
October 2006	Senior Managing Director, General Manager of Management Planning Division
July 2008	Representative Director, Senior Managing Director, General Manager of Management Planning Division
June 2011	Representative Director, Vice President, General Manager of Management Planning Division
June 2016	Representative Director, Vice President and Executive Officer, General Manager of Business Administration Headquarters and Manager of Management Planning Department
June 2019	Representative Director, President and Executive Officer
June 2025	Chairman and Representative Director (to present)

Tetsuya Takahashi

Representative Director, President and CEO

March 1986	Joined the Company
June 2013	Manager of Tokyo & Tokai Sales Department
June 2016	Executive Officer, Assistant General Manager in charge of Store Sales of Sales Division and Assistant General Manager of Local Sales Support Division
October 2016	Executive Officer, General Manager of Sales Division and Manager of Kansai Sales Department
June 2017	Director and Executive Officer, General Manager of Sales Division
June 2019	Director and Managing Executive Officer, General Manager of Sales Division
March 2020	Director and Managing Executive Officer, General Manager of Sales Division and Manager of Internet Sales Department
April 2021	Director and Senior Managing Executive Officer, in charge of Sales Strategy
June 2021	Representative Director and Senior Managing Executive Officer, in charge of Sales Strategy
April 2023	Representative Director, Vice President and Executive Officer, in charge of Sales Strategy
June 2025	Representative Director, President and CEO (to present)

Junko Kawano

Outside Director
Independent

April 1986	Joined Recruit Co., Ltd.
January 1997	Chief Editor of Travail, Recruit Co., Ltd.
July 2008	Joined Sumitomo Corporation
February 2013	Director, Institute of Global Human Capital Strategies Co., Ltd.
March 2018	Established Kawano Junko Office (to present); Executive Officer and Chief Marketing Officer, Life Shift Japan Co., Ltd.
September 2019	Director, Tokyo International Progressive School (to present)
April 2020	Senior Researcher, Keio Research Institute at SFC (to present)
June 2021	Outside Director of the Company (to present)
December 2021	Director and Chief Marketing Officer, Life Shift Japan Co., Ltd. (to present)
April 2022	Outside Director, DyDo Group Holdings, Inc. (to present)

Norihiro Itano

Outside Director
Independent

April 1989	Joined Mitsubishi Kasei Corporation (currently Mitsubishi Chemical Corporation)
October 2012	General Manager of Information Systems Department, Mitsubishi Chemical Corporation; Director (part-time), Ryoka Systems Inc.; General Manager of Group Infrastructure Strengthening Office, Mitsubishi Chemical Holdings Corporation (currently Mitsubishi Chemical Group Corporation) (concurrent position)
April 2015	Head of Information Systems Department, Mitsubishi Chemical Holdings Corporation (currently Mitsubishi Chemical Group Corporation)
October 2018	Manager of Information Systems Department, Mitsubishi Chemical Corporation
April 2021	Chief Information Officer (CIO) and General Manager of Systems Strategy, Mitsubishi Materials Corporation Director (part-time), MBS Corporation (currently Mitsubishi Materials IT Solutions Co., Ltd.) (concurrent position)
April 2024	Chief Information Officer (CIO) and General Manager of Systems Strategy, Mitsubishi Materials Corporation; President and Representative Director, Mitsubishi Materials IT Solutions Co., Ltd. (concurrent position) (to present)
June 2026	Outside Director of the Company (to present)

Michiko Funamoto

Outside Director
Independent

April 1989	Joined Nippon Telegraph and Telephone Corporation (currently NTT, Inc.)
November 2006	Director, CFO & CIO, Tower Records Japan Inc.
July 2008	ITS General Manager, Ubiquitous Services Department, NTT DOCOMO, INC.
July 2013	Chairman of the Board, DoCoMo interTouch Pte. Ltd.; President and Representative Director, InterTouch Japan Co., Ltd.
July 2014	General Manager, Dimension Data Holdings Ltd.
July 2015	IR Department Manager, NTT Urban Development Corporation
October 2017	Chief Researcher, InfoCom Research, Inc. (to present)
June 2026	Outside Director of the Company (to present)

Kinya Naito

Outside Director
Audit and Supervisory Committee Member
Independent

April 1986	Admitted to the bar
June 2003	Outside Auditor, Ikko Corporation (currently J Trust Co., Ltd.)
February 2004	Established Mizuho Partners Law Office
April 2012	Vice President, Osaka Bar Association; Executive Governor, Kinki Federation of Bar Associations
April 2014	Part-Time Auditor, National University Corporation Osaka University
June 2016	Outside Auditor of the Company; Outside Director, FALCO HOLDINGS Co., Ltd.
April 2017	Established Naito Law Office
June 2017	Outside Director of the Company
April 2019	Member, Osaka Prefecture Personnel Inspection Commission
January 2020	Chairman, Development Investigation Committee, Osaka City
June 2025	Outside Director (Audit and Supervisory Committee Member) of the Company (to present)
March 2026	Joined The Mitsuboshi Law Firm

Kazumi Yoshikawa

Outside Director
Audit and Supervisory Committee Member
Independent

December 1995	Joined Chuo Audit Corporation
May 1999	Registered as a certified public accountant
April 2002	Registered as a tax accountant
August 2007	Joined Tohmatsu & Co. (currently Deloitte Touche Tohmatsu LLC)
December 2019	Established Yoshikawa Kazumi Certified Public Accountant Office (to present)
September 2020	Director, SAKA NO TOCHU Co., Ltd.
June 2022	Outside Auditor, VALTES CO., LTD. (currently VALTES HOLDINGS CO., LTD.)
September 2022	Outside Auditor, Ubie, Inc.
June 2023	Outside Director (Audit and Supervisory Committee Member), VALTES CO., LTD. (currently VALTES HOLDINGS CO., LTD.) (to present)
June 2023	Outside Auditor of the Company
June 2025	Outside Director (Audit and Supervisory Committee Member) of the Company (to present)

Kazuko Otsuki

Outside Director
Audit and Supervisory Committee Member
Independent

October 1996	Joined Tohmatsu & Co. (currently Deloitte Touche Tohmatsu LLC)
May 2000	Registered as a certified public accountant
December 2015	Left Deloitte Touche Tohmatsu LLC
January 2016	Joined Imaoka Certified Public Accountant and Certified Public Tax Accountant Office (to present)
September 2021	Auditor, Osaka Research Institute of Industrial Science and Technology
March 2023	Outside Director, Sakata INX Corporation (to present)
June 2023	Outside Director, Ishihara Chemical Co., Ltd. (Audit and Supervisory Committee Member) (to present)
June 2024	Outside Auditor of the Company
June 2025	Outside Director (Audit and Supervisory Committee Member) of the Company (to present)

							Areas of experience/skills										
			Committee membership		Attendance at meetings of the Board of Directors and Board of Auditors		Management skills							Skills related to business specialization			
	Tenure	Number of Company shares held	Nomination and Compensation Committee	Board of Directors Evaluation Committee	During term of office in FY2024	During term of office in FY2025	Corporate management	Finance, accounting, and capital policy	Legal affairs and governance	Management planning and business strategies	HR, labor relations, and diversity	ICT/DX	Environment and energy	Home appliance retail business	Housing environment business	Marketing	Logistics
Ryuhei Kanatani	28 years	73,158 shares (34,958 shares*)	○		18/18	17/17	○	○	○	○	○		○	○		○	
Tetsuya Takahashi	9 years	36,787 shares (25,987 shares*)			18/18	17/17	○		○	○		○	○	○	○	○	○
Junko Kawano	5 years	—	○ (Chairperson)	○	18/18	17/17	○			○	○					○	
Norihiro Itano	—	—	○	○	—	—	○			○	○	○					
Michiko Funamoto	—	—		○	—	—	○	○		○	○	○					
Kinya Naito	9 years	4,000 shares		○ (Chairperson)	18/18	Board of Directors 17/17 Audit and Supervisory Committee 11/11	○		○		○						
Kazumi Yoshikawa	3 years	201 shares	○	○	Board of Directors 18/18 Board of Auditors 14/14	Board of Directors 17/17 Board of Auditors 3/3 Audit and Supervisory Committee 11/11	○	○	○		○						
Kazuko Otsuki	2 years	—		○	Board of Directors 14/14 Board of Auditors 11/11	Board of Directors 17/17 Board of Auditors 3/3 Audit and Supervisory Committee 11/11	○	○	○		○						

* The number of shares to be delivered under the stock-based compensation plan

Compensation to Officers

▶ Our approach to the compensation of officers

In order to maximize the performance of duties in line with the management strategies and management goals, compensation for officers of the Company is based on job position and contribution to performance. With the aim of sharing profits and risks with shareholders, the compensation system provides incentives to manage the Company from the perspective of shareholders. With the start of the medium-term management plan (JT-2028 Management Plan), we revised the compensation system to clarify management responsibility and to aim for improved corporate value over the medium to long term.

For outside directors who are independent from business execution, variable compensation such as performance-linked compensation is not necessarily appropriate. Therefore, outside directors are paid fixed compensation only.

▶ Process of determining compensation to officers

The total amount of compensation for directors is set by resolution at the General Meeting of Shareholders, and monetary compensation is set within the range of ¥240 million per year, and stock-based compensation is set within the range of 50,000 points per fiscal year (1 point = 1 share). The Nomination and Compensation Committee, in which independent outside directors account for the majority of members with one of them serving as chairperson, deliberates on the allocation of compensation to individual directors based on the Regulation on Compensation for Directors in response to a consultation from the Board of Directors, and the Board of Directors then makes the decision based on the Committee's report.

▶ Composition of directors' compensation

Composition and purpose of the compensation system for directors

1. Clarify management responsibilities by setting the component ratio of performance-linked compensation to 50%.
2. Provide incentives for management aimed at improving corporate value from the perspective of the shareholders, with the component ratio of stock-based compensation set to 30%.
3. Promote sustainability management from a medium- to long-term perspective, with the component ratio of compensation based on ESG indicators set to 20%.

<table>
<tr><td>Fixed compensation (50%)</td><td colspan="4">Variable compensation (50%)</td></tr>
<tr><td rowspan="2">Fixed compensation (50%)</td><td colspan="2">Financial indicator-linked compensation (30%)</td><td colspan="2">Sustainability indicator-linked compensation (20%)</td></tr>
<tr><td>Operating income results-linked compensation (20%)</td><td>ROE-linked compensation (10%)</td><td>Environmental management indicator-linked compensation (10%)</td><td>Employee engagement indicator-linked compensation (10%)</td></tr>
<tr><td colspan="2">Monetary compensation (70%)
Short term</td><td colspan="3">Stock-based compensation (30%)
Long term</td></tr>
</table>

Note: The table above assumes that the level of achievement of performance targets is 100%. The composition of directors' compensation is common to all executive directors.

▶ Directors' compensation by position

Compensation for directors is based on "Director and Executive Officer" compensation, and the standard monthly compensation is set at no more than 300% of the maximum monthly salary as set forth in the employee salary system. For individual allocations, a compensation multiplier is set according to the position.

▶ Calculation of performance-linked compensation

Monetary compensation paid as short-term incentive compensation

❶ Financial indicator-linked monetary compensation (20%)

To encourage labor and management to work together to improve business performance, this type of compensation is determined based on the degree of achievement of the operating income plan, the same as year-end bonuses for employees. The amount paid will vary between 0% and 150%, with 100% indicating achievement of the targets.

Stock-based compensation paid as long-term incentive compensation (30%)

Directors are awarded points for each position once a year, calculated by multiplying the base points for each position by the performance-based coefficient based on the performance of the immediately preceding fiscal year (one ordinary share of the Company per one point), and each director receives ordinary shares of the Company (some are converted to cash) upon their retirement. Stock-based compensation varies between 0% and 150%, with 100% indicating achievement of the targets, based on the achievement rate against targets for financial and sustainability indicators.

❶ Financial indicator-linked stock-based compensation (10%)

To reflect in the compensation the degree of improvement in capital profitability, shares are awarded as compensation based on the degree of achievement of ROE targets in the medium-term management plan.

❷ Stock-based compensation based on environmental management indicator (10%)

The Company has introduced this incentive to encourage directors to be actively involved in incorporating the environmental issues caused by climate change into the management strategies from the perspectives of risk and opportunity, and in linking the creation of a positive impact on society to the Company's sustainable growth. This incentive is awarded as shares for compensation based on an environmental management indicator (the CDP climate change score).

❸ Stock-based compensation based on employee engagement indicator (10%)

The creation of an internal environment where diverse human resources can play an energetic, active role as well as investments in human resource development that improve employee engagement should improve customer satisfaction, or CS (by creating new social value). In order to link this to the Company's sustainable growth, the Company continually measures engagement to monitor the progress as an engagement score and reflects this in directors' compensation.

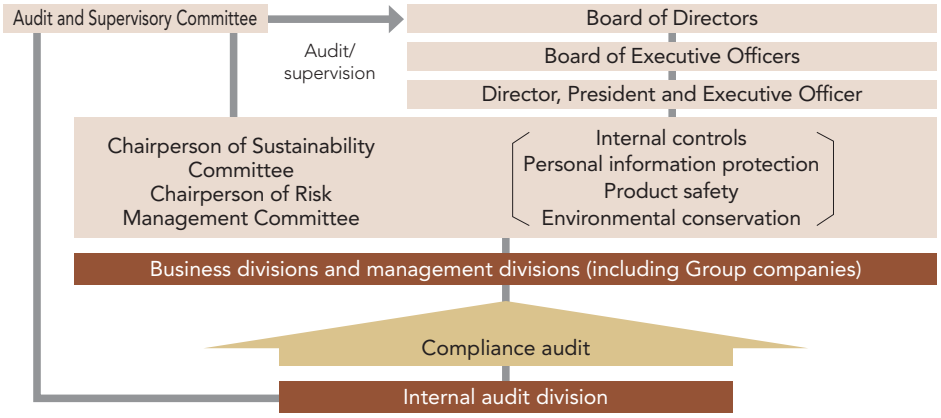
Note: A Malus clause has been added to the performance-linked stock-based compensation plan to establish a system whereby, by resolution of the Board of Directors, all or part of the shares already awarded are forfeited and no further shares are awarded in the case of any director who is dismissed or resigns as a result of having caused damage to the Company, or who has otherwise committed acts detrimental or prejudicial to the Company.

Compliance Systems

Compliance Promotion System

Changing the company name in April 2026 was an important milestone, and the Group took this opportunity to further promote compliance awareness by redistributing the Credo (Joshin Group Declaration on Actions and Joshin Group Code of Conduct) to all Group employees. The new Joshin Group Declaration on Actions includes a "Commitment to Society" to act honestly by observing laws and adhering to high ethical standards, and a "Commitment to Business Partners" to build relationships of trust through fair and sound transactions. We believe that deeply instilling in all employees the values underlying our corporate motto and the Joshin Group Declaration on Actions is the foundation of compliance management. Starting from this initiative, we will resolutely drive forward efforts to "Conduct compliance training at Group subsidiaries and cooperating companies [Continuing initiative]," which is one of the main goals within Joshin's material issues, thereby strengthening compliance not only at our own Company, but throughout the entire supply chain.

Compliance promotion system



Whistleblowing System

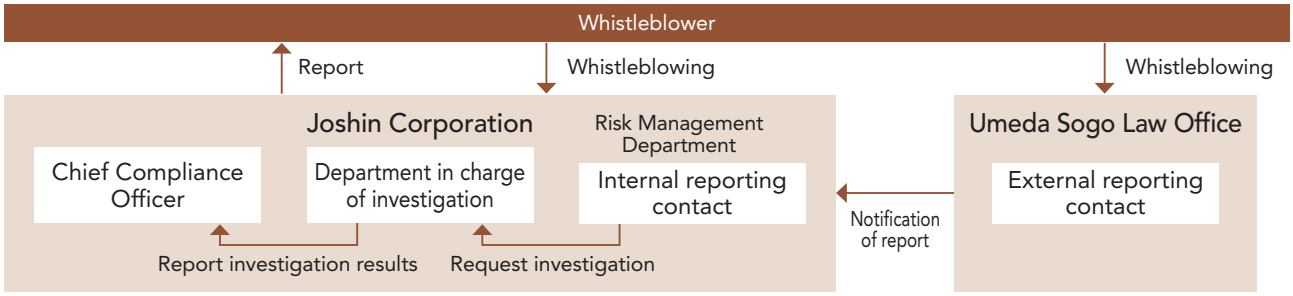
To prevent and promptly correct illegal and inappropriate acts, and to improve the capability of the organization to take its own remedial action, the Group has established a highly effective internal whistleblowing system. In addition to an internal reporting contact (Risk Management Department), we also provide an external reporting contact (Umeda Sogo Law Office) to make the system available not only to the employees of the Group and franchisees, but also to business partners, the staff of contractors, and specific contracted work operators (freelancers), as well as former employees who fulfill the legal requirements.

The system is operated to strictly protect whistleblowers by accepting anonymous reports, and taking measures to prevent disadvantage to whistleblowers, such as dismissal or contract cancellation. Furthermore, obstructions to reporting (such as agreements not to report) are explicitly prohibited.

This fiscal year, we also revised our Whistleblower System Operating Standards in anticipation of the amended Whistleblower Protection Act, which takes effect in December 2026. In order to update the rules in alignment with the new law, revisions have been applied to the Code of Conduct, and regulations and procedures have been established and put into operation. The importance of confidentiality obligations to prevent information leaks and the prohibition of disadvantageous treatment of whistleblowers is thoroughly communicated and subjected to periodic training across the entire Group to further strengthen the transparency and trustworthiness of the whistleblowing system.

[Number of whistleblowing reports (FY2025)]
114 (16 harassment cases, 3 legal violations, and 95 others)

Joshin Group whistleblowing system



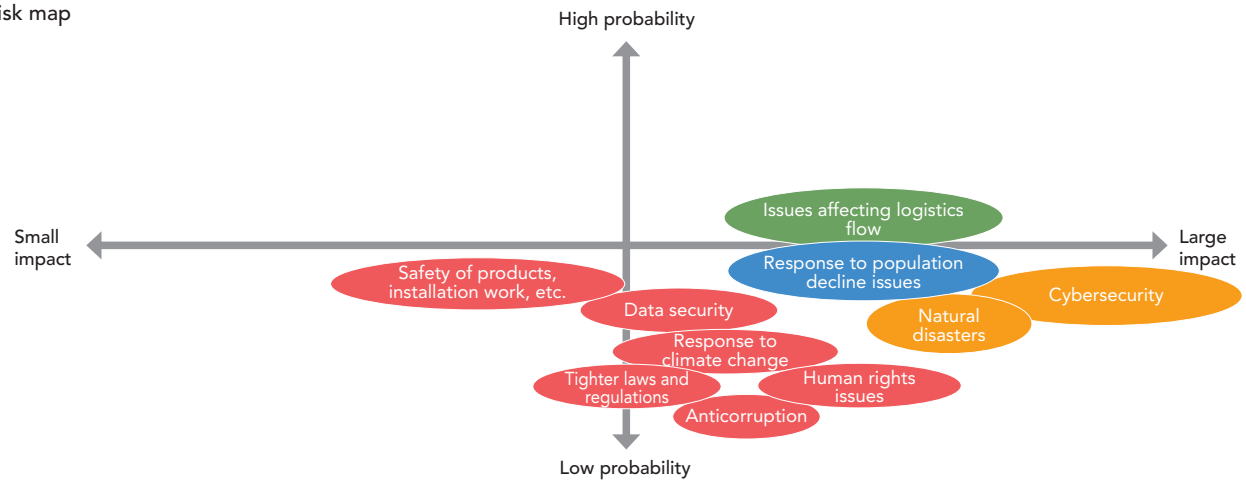
Risk Management

Risk Management System

To identify, evaluate, and manage the various risks surrounding the Group in an integrated manner, the Company has established the Risk Management Committee and built an enterprise-wide risk management (ERM) system. Once a year, this Committee identifies and assesses risks that may interfere with achievement of the targets in the new JT-2028 Management Plan (medium-term management plan) and other risks that could impact the Group, and continuously monitors the status of our response to high-priority risks. Chaired by the Director, President and Executive Officer, the Risk Management Committee is comprised of executive directors, executive officers, directors who are full-time members of the Audit and Supervisory Committee, heads of divisions (including officers at subsidiary companies), and labor union representatives. The Committee comprehensively analyzes and manages hazard risks, operational risks, and business risks that threaten the Company's efforts to maintain and continue business management, and it plays a central role in providing a strong underpinning to our stable management foundations.

Risk management structure

Risk map



Critical risk issues and status of our response

Classification	Risk issues (content)	Countermeasure
Hazard risks	Natural disasters, epidemics, and fires in important facilities	• Formulation of basic business continuity policy and its communication to all employees throughout the Group • Acquisition of ISO 22301 certification, the international standard for business continuity management systems • Review of business continuity plans (BCPs) and disaster countermeasure manuals, as necessary • Continuing drills and training based on BCPs and disaster countermeasure manuals
	Increased importance of cybersecurity	• Prevention of network attacks and intrusions using firewalls and other means • Constant EDR/MDR monitoring of all business terminals and servers, including those in remote work environments • Ongoing targeted email attack training for all Group employees • Ongoing maintenance of website safety based on results of website vulnerability evaluations
Operational risks	Issues affecting logistics flow	• Promotion of automation and labor savings using IT systems • Rapid response to laws related to work-style reform and other legislation in coordination with contractors and the supply chain
Business risks	Response to population decline issues	• Promotion of streamlining, automation, and labor savings for store operations by proactively using ICT

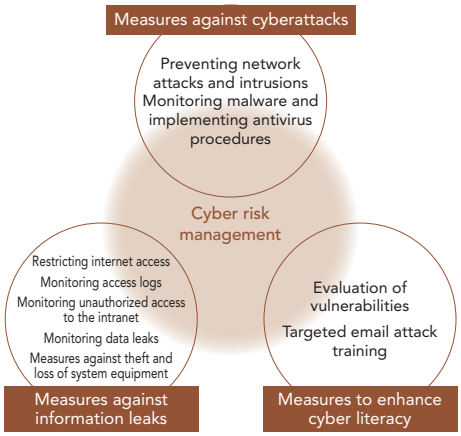
Data Security

Cyber Risk Management Promotion System

In order to protect POS data, online shopping purchase information, and other valuable customer information, we have enacted a variety of measures for information security.

In addition to defense systems, such as firewalls, as countermeasures against cyberattacks, the Company operates a system that constantly monitors all business terminals and servers through EDR/MDR, in order to eliminate threats by immediately detecting the intrusion of malware and other unauthorized programs, then isolating the affected terminals, among other measures. External public servers are monitored 24 hours a day, 365 days a year by specialized security companies. Each year we also receive a vulnerability evaluation and immediately enact countermeasures against any vulnerabilities.

Overview of cyber risk management initiatives



Promotion of Personal Information Protection

The personal information of members and others who use our services, along with information used within the Company, is managed using an information system based on high security standards. For personal information protection, since the Company became the first major retailer to acquire Privacy Mark certification in 2005, we have built and maintained an operational framework that meets the strict compliance criteria, providing an environment in which both our physical stores and our EC stores can be used with peace of mind.

Personal Information Protection Policy
https://www.joshin.co.jp/en/privacy.html

Data security and personal information protection promotion system

Initiatives for Strengthening Security

As initiatives for strengthening security in sales operations, we are carrying out a paperless transition in store operations such as accepting member card applications and issuing receipts. In addition to simplifying our operations, this has reduced incidents involving information leakage or loss. In our office operations, we are strengthening security measures for sending and receiving email. We are also enacting security measures for business terminals, such as introducing data-free PCs that do not save data to the local disk and disabling connections to external devices.

Education and Training

The Group conducts education on information management and education on preventing personal information incidents once each year (textbook learning and a test of understanding). In order to prevent incidents and raise the level of knowledge related to external threats, we conduct response training for targeted email attacks several times each year.