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For immediate release

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Notice of Transition to a Company with an Audit and Supervisory Committee

Joshin Denki Co., Ltd. (hereinafter, the “Company”) hereby announces that its Board of Directors at its meeting held today resolved that the Company will transition from the current company with a board of auditors to a company with an audit and supervisory committee, subject to approval of the 77th Annual General Meeting of Shareholders to be held in late June 2025.

1. Purpose of the transition

The Company has been striving to enhance its corporate governance system to grow sustainably and raise its corporate value for the medium to long term. For example, we have secured the diversity of the Board of Directors by increasing the number of independent outside directors and appointing female directors. We have also introduced the executive officer system, setting up the Nomination and Compensation Committee, whose majority are outside directors, and the Effectiveness Evaluation Committee, and introducing the performance-linked stock compensation system.

Amid ever and rapidly changing operating conditions, we will take the opportunity of the transition to a company with an audit and supervisory committee to make decision-making even faster by transferring significant portions of the Board of Directors’ authority to make business execution decisions, while increasing the effectiveness of the Board of Directors by focusing its deliberations on medium- to long-term management strategies, capital policy, and other matters that will help raise our corporate value.

In addition, we will make our management more transparent with a stronger corporate governance system under which the Audit and Supervisory Committee consisting of only independent outside directors will audit and oversee the legality and appropriateness of business execution.

2. Transition schedule

We will transition to a company with an audit and supervisory committee after obtaining approval to amend the Articles of Incorporation at the 77th Annual General Meeting of Shareholders, which will be held in late June 2025.

3. Other

- (1) For a new structure following the transition to a company with an audit and supervisory committee, please see the Notice of Officer Personnel Changes disclosed today.
- (2) The details of changes to the Articles of Incorporation associated with the transition will be notified as soon as they are decided.