

April 14, 2026

For immediate release

Company name: Joshin Corporation  
 Head Office: 6-5, Nipponbashi-nishi 1-chome, Naniwa-ku, Osaka City  
 Representative: Tetsuya Takahashi,  
 Representative Director, President and Chief Executive Officer,  
 (Securities code: 8173)  
 Contact: Koji Tanaka,  
 Managing Executive Officer, in charge of Governance Strategy  
 (Phone: +81-6-6631-1122)

## **Summary of the Evaluation Results Regarding the Effectiveness of the Board of Directors**

As part of overall initiatives to strengthen corporate governance in an aim to achieve sustainable growth and improve medium-to long-term corporate value, we analyze and evaluate the effectiveness, etc. of the Board of Directors as a whole each fiscal year, and take continual action to improve the effectiveness.

We recently conducted an evaluation of the effectiveness of the Board of Directors for fiscal 2025 (fiscal year ended March 2026), and are pleased to announce a summary of the results.

### 1. Evaluation Process

We established the “Board of Directors Effectiveness Evaluation Committee” consisting of outside directors, including those serving as Audit and Supervisory Committee members, as a voluntary advisory body to the Board of Directors. The Evaluation Committee took the initiative in conducting a survey on the effectiveness of the Board of Directors. Based on its report on the survey tally and analysis, the Board of Directors evaluated the effectiveness and other aspects of the Board and determined measures for improvement.

### 2. Evaluation Method

#### (1) Questionnaires

Questionnaires consisting of multiple items for each of the following evaluation categories were distributed to directors who are members of the Board of Directors, and responses were obtained.

Subject	Directors (six outside directors and two executive directors)
Response method	Anonymous
Evaluation categories	<ol style="list-style-type: none"> <li>1. Composition of the Board of Directors (number of members and diversity)</li> <li>2. Qualifications, expertise, and skills of the Board and directors</li> <li>3. Roles and responsibilities of the Board and directors</li> <li>4. Operation and deliberation of the Board of Directors (medium- to long-term management strategies, sustainability, etc.)</li> <li>5. Supervision of the Board of Directors (nomination, compensation, succession planning, KPIs, capital cost, etc.)</li> <li>6. System to support appropriate risk-taking by directors</li> </ol>

	<p>7. Roles of and expectations for outside directors and support system</p> <p>8. Communication between outside directors and executive directors, executive officers</p> <p>9. Status of improvement of issues identified as challenges for fiscal 2025</p>
--	---

(2) Discussion at the Board of Directors and determination of measures for improvement

The Board of Directors Effectiveness Evaluation Committee analyzed the survey results, summarized areas in which the operation of the Board of Directors was evaluated as highly effective and areas that require measures for improvement and enhancement, and reported its findings to the Board of Directors. As fiscal 2025 saw the share of outside directors on the Board reach 75% with our transition to a company with an Audit and Supervisory Committee, we did not interview inside directors as we did in previous years. The Board of Directors deliberated based on the report by the Board of Directors Effectiveness Evaluation Committee and determined initiatives to further enhance the Board's functions and improve its effectiveness.

3. Initiatives to Address the Challenges for Fiscal 2025 and the Results

The Board of Directors took the following initiatives to address the challenges for fiscal 2025.

(1) Challenges for fiscal 2025

<p>1. Deepening medium- to long-term growth strategies and promoting more efficient management with a focus on capital costs (ongoing initiative)</p> <p>2. Exerting the agility of the Board of Directors and strengthening its monitoring function (new initiative)</p>
---

(2) Responses to challenges for fiscal 2025

a. Recommendations from outside directors

- Developing medium- to long-term growth strategies that leverage our strength
- Improving profit margins by setting appropriate key performance indicators (KPIs)
- Promoting investment to support growth businesses
- Driving capital efficiency improvement
- Reviewing succession planning for the CEO and other positions

b. Responses from the executive divisions (coordination between executive directors and executive officers)

- Formulating the next medium-term management plan (JT-2028 Management Plan)
- Capturing performance in real time based on KPIs and establishing PDCA cycles
- Executing M&A in the renovation business, which we position as a growth business
- Promoting reductions in cross-shareholdings and reviewing target indicators for capital profitability
- Proposing revisions to the appointment and dismissal criteria for directors and the CEO, and redeveloping succession plans

(3) Results of initiatives for fiscal 2025

Result 1) Deepening medium- to long-term growth strategies

- a. Started early developing the next medium-term management plan (JT-2028 Management Plan) as

a milestone of our medium- to long-term management strategies, and released its outline in the third quarter of the final year of the period covered by the current medium-term management plan (JT-2025 Management Plan), using it as a foothold for dialogue with shareholders/investors.

- b. Executed an M&A for our renovation business, which we position as a growth business in the medium-term management plan, aiming to strengthen large-scale and custom renovations.
- c. On the other hand, discussions on growth strategies for higher medium- and long-term corporate value were only halfway through, as a result of allocating substantial time for discussions on near-term earnings recovery to achieve the current medium-term management plan. Accordingly, increasing strategic clarity remains a challenge.

#### Result 2) Promoting more efficient management with a focus on capital costs

- a. Reevaluated the validity of target figures in the current medium-term management plan based on the current business performance and revised downward the ROE numbers in the next medium-term management plan. Strengthening earnings power to increase ROE and improve PBR is management's urgent, top-priority issue.
- b. Set KPIs for improving gross profit margin and operating margin in a dashboard, using them as a starting point of PDCA cycles for real-time capture of progress, speedy cause analysis, and countermeasure development.
- c. Introduced ROE as a capital profitability indicator in the calculation of performance-linked stock compensation for executive officers, revising the system to take effect from the fiscal year ending March 2027.
- d. Revised the approval criteria for new store openings and for refurbishing/changing types of existing stores to take capital cost (WACC) into account and put greater emphasis on individual stores' return on investment, while maintaining the basic approach of securing market share by building our store network.
- e. Promoted improvement in inventory efficiency and sales-floor freshness by expanding outlet store operations in physical stores and offering outlet sales on e-commerce sites.
- f. Drove reductions in cross-shareholdings on an ongoing basis.

#### Result 3) Exerting the agility of the Board of Directors and strengthening its monitoring function

- a. Delegated significant authority to the executive divisions with the transition to a company with an Audit and Supervisory Committee, establishing a systematic framework (monitoring board) for the Board of Directors to concentrate on big-picture discussions.  
Set an annual agenda themed mainly on medium- to long-term growth strategies and financial and capital policy to focus on discussions that contribute to sustainable growth and higher corporate value. In addition, we set management KPIs in a dashboard to serve as a shared language between supervision and execution sides.
- b. Revised appointment and dismissal criteria for directors and the CEO with the transition to a company with an Audit and Supervisory Committee.
- c. Revised succession plans, establishing three talent pools—next director candidates (Ready), next executive officer candidates (Next), and future executive candidates (Potential), and launched development programs.
- d. In the first fiscal year after transition to a company with an Audit and Supervisory Committee, information provided to the Board of Directors for its big-picture decision-making was not sufficient in terms of agenda items submitted to the Board. This gave rise to a challenge as to how the supervision and execution sides should communicate with each other.

#### 4. Summary of Evaluation Results for fiscal 2025

As a result of deliberations at the Board of Directors based on the report of the Board of Directors

Effectiveness Evaluation Committee, the Board of Directors concluded that the effectiveness of the Board of Directors has been generally maintained. This is because the foundation of the monitoring system has been established with the transition to a company with an Audit and Supervisory Committee, timely and appropriate performance monitoring has begun functioning, and lively exchanges of views, leveraging the diverse expertise of outside directors, are taking place.

On the other hand, as this was the first fiscal year of the new governance system with delegated authority, challenges remained regarding the ideal supervision-execution partnership (the division of roles). Furthermore, the Board of Directors shared the understanding that there is still room for improvement in clearly presenting big-picture viewpoints, such as strategic significance, investment impact, and risk evaluation, in agenda items submitted to the Board of Directors by executive divisions.

There were also constructive opinions that the Board should refine itself by further cementing PDCA cycles to solve management challenges identified, and by reflecting market voices gained through dialogue with stakeholders (investor relations activities) into management strategies.

#### 5. Initiatives to Improve the Effectiveness of the Board of Directors for Fiscal 2026

Based on the above evaluation results, we will promote the following initiatives in fiscal 2026.

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

Through these initiatives, we will enrich discussions at the Board of Directors and further improve its effectiveness, thereby realizing our medium- to long-term management strategies and improving corporate value.

- End of Document