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Joshin Corporation

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The status of the Company's corporate governance is as follows.

## I. Basic concept of corporate governance, capital structure, corporate attributes, and other basic information

### 1. Basic concept of corporate governance updated

Based on our management philosophy of “connecting people and society to the future with a smile,” the Company formulated a management vision of “becoming a hub for the infrastructure of life through the power of home appliances and ICT.” The Company promotes management that contributes to developing a sustainable society by creating two forms of social value: “helping to strengthen the resilience of an aging society” and “achieving household carbon neutrality.”

Amid the rapidly changing business environment surrounding the Company, building an organizational structure that responds quickly and flexibly to changes is an important management task for the Joshin Group's sustainable growth and higher corporate value. Under this understanding, the Company has worked on enhancing its corporate governance system. 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 an executive officer system and set up a Nomination and Compensation Committee and a Board of Directors Evaluation Committee, both of which comprise a majority of outside directors. Moreover, we adopted a performance-linked stock compensation system.

To further strengthen these initiatives, the Company transitioned from a company with a Board of Company Auditors to a company with an Audit and Supervisory Committee, as approved at the 77th Annual General Meeting of Shareholders held on June 24, 2025. We will take the opportunity of the transition to make decision-making even faster by delegating 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.

### [Reasons for not implementing individual principles of the Corporate Governance Code] updated

The information is based on the revised code as of June 2021.

[Supplementary Principle 2-4-(1): Ensuring diversity in appointing core personnel, etc.]

#### 1. Ensuring diversity

We believe that diverse talents playing active roles are essential to our organizational strength, enabling us to address risks posed by social change, capitalize on new business opportunities, and achieve sustainable growth. We actively recruit a wide range of talent throughout the year and promote them to management positions, focusing on increasing the ratio of female employees and hiring career professionals with immediate expertise across various fields.

### (1) Promotion of women to management positions

Women account for 36.8% of the Group's total workforce (including non-regular employees) and 16.1% of full-time long-term employees. The share of women in manager positions is 5.2%, and their share is only 4.7% in section chief and above positions. We, however, will increase the number of female employees by enhancing the recruitment of female employees (49.4% of new graduates hired in fiscal 2026) and actively encouraging non-regular female employees to become full-time, long-term employees. In addition, we are planning to increase the ratio of female managers to 20% by fiscal 2030 by promoting the creation of role models for appointment to executive positions and promotion to managerial positions (holding forums to foster career awareness of female employees).

	FY 2024 Actual	FY 2025 Actual	FY 2030 Plan	FY 2050 Plan
Ratio of female full-time employees	15.3%	16.1%	30.0%	50.0%
Ratio of female employees	36.7%	36.8%	50.0%	50.0%
Ratio of female managers	4.5%	5.2%	20.0%	50.0%
Incl. section chief and above	2.0%	4.7%	5.0%	

<Reference> New graduates hired

	FY 2024		FY 2025		FY 2026	
	Actual	As a percentage of all employees	Actual	As a percentage of all employees	Actual	As a percentage of all employees
Male	46	44.7%	46	53.5%	41	50.6%
Female	57	55.3%	40	46.5%	40	49.4%
Total	103	100.0%	86	100.0%	81	100.0%

### (2) Appointment of non-Japanese employees to management positions

We do not bind foreigners to their nationality, but rather classify each person as a human resource with rich overseas experience and a global perspective. Although we do not currently set a specific numerical target for the number of non-Japanese employees, we will continue to proactively hire non-Japanese employees and appoint them to executive positions in anticipation of a future increase in the number of international customers.

	FY 2024 Actual	FY 2025 Actual
Number of non-Japanese employees	20	22
As a percentage of all employees	0.23%	0.26%

\*As of the end of March

### (3) Appointment of mid-career hires to management positions

We believe that knowledge and experience in various fields are necessary to create diverse values and solve social issues. Accordingly, we plan to increase the percentage of mid-career hires (mid-career talent who can contribute immediately) to approximately 50% of planned new hires in each fiscal year.

	FY 2024 Actual	FY 2025 Actual
Mid-career hires as a percentage of all employees	39.2%	40.9%
Mid-career hires as a percentage of all management positions	29.1%	33.8%

\*As of the end of March

## 2. Human resources development policy and internal environment improvement policy to ensure diversity and the current situation

We believe that employee ownership leads to sustainable growth by improving CS (creation of new social value). To facilitate the advancement of employee engagement through ensuring diversity and inclusion, we are nurturing our human resources and building a work environment that enables diverse people to thrive and play active roles. We are implementing these in line with our human resources strategy, which is based on “respect for human rights” and “health and productivity management.”

The following documents are posted on our website to provide information on our human resource development policy and internal environmental improvement policy.

- Integrated Report <https://www.joshin.co.jp/en/ir/library/report.html>

[Disclosure based on the principles of the Corporate Governance Code]

updated

[Principle 1-4: Cross-shareholdings]

The Company currently maintains a policy of holding listed stocks to enhance the Company’s corporate value over the medium to long term, thereby strengthening business relationships and promoting smooth business operations. We are gradually reducing the number of cross-held stocks (20 stocks as of the end of March 2026) and, in principle, will not hold such stocks going forward.

Regarding the current shares that are strategically held by the Company, the Board of Directors conducts quarterly qualitative verification of the purpose of holding such shares, including the maintenance of smooth and good business relationships with business partners and the establishment of supply chains, as well as quantitative verification of the percentage of net assets, profits from business relationships, and dividends, etc. As for shares for which the significance of the holdings has been deemed to be diluted, we proceed to dispose of them as appropriate through dialogue and negotiation with the companies concerned. We will continue disposing of our cross-held shares in view of increasing capital efficiency.

Furthermore, regarding the exercise of voting rights, the Company shall exercise such rights in light of the purpose of holding such shares and by comprehensively considering the governance structure and business performance of the issuing company.

**Change in cross-shareholdings (Number of stocks)**

Fiscal year ended	March 2021	March 2022	March 2023	March 2024	March 2025	March 2026
Listed stocks	31 companies	30 companies	26 companies	25 companies	23 companies	20 companies

[Principle 1-7: Transactions with related parties]

Regarding all transactions that may cause conflicts of interest, such as transactions between related parties, the Company has established internal rules that require the Board of Directors to deliberate and pass resolutions on such transactions. In addition, the Company shall regularly confirm each year whether there are any transactions between the Company’s officers and their close relatives (including companies in which such people hold a majority of voting rights) and the Company. In addition, a whistleblowing system has been established as part of the system to monitor and ensure the appropriateness of business operations.

[Principle 2-6: Demonstrating our function as an asset owner of corporate pensions]

The Company appoints personnel with experience and expertise in asset management, and who have been involved in asset management for many years at organizations entrusted with the management of corporate pension assets, as internal consultants.

In asset management, our basic policy is “sound and stable asset development for the employees,” under which we avoid fixed investment in domestic/international stocks and corporate bonds, and flexibly reconfigure our portfolio and change the stocks of the institutions we entrust with asset management in response to changes in

the business environment. In addition, since fiscal 2019, we have been contributing to risk response premiums in preparation for a worsening business environment, thereby minimizing the potential impact on the Company's financial position as much as possible.

In addition, verification of investment results is carried out by the Asset Management Committee on a quarterly basis to continuously improve operations, and reports on the stewardship activities of institutions entrusted with asset management are requested as a monitoring system.

[Principle 3-1: Enhancement of information disclosure]

(i)

Our management philosophy and medium- to long-term management strategies are published in the Company's Integrated Report 2025, available on our website (<https://www.joshin.co.jp/en/ir/library/report.html>). In November 2025, we published the "JT-2028 Management Plan," a medium-term management plan covering the three-year period from April 2026 to March 2029, available on our website (<https://www.joshin.co.jp/en/ir/management/medium-term.html>).

(ii)

Basic views and guidelines on corporate governance based on each of the principles of the Corporate Governance Code are as described in "1. Basic concept of corporate governance" at the beginning of this report.

(iii)

The total remuneration of directors (excluding Audit and Supervisory Committee Members; the same applies hereinafter) is determined by the General Meeting of Shareholders, and monetary compensation is set at no more than 240 million yen per year. A stock compensation system has also been approved by the General Meeting of Shareholders. The Nomination and Compensation Committee, three-quarters of whose members are independent outside directors, one of whom chairs the committee, consults with the Board of Directors, deliberates on the allocation of compensation to individual directors based on the "Regulations on Compensation for Directors," and the Board of Directors makes decisions based on the committee's report.

The Company's executive compensation system links director compensation to management strategy as a functional enhancement of the Board of Directors, which is the driver of management strategy. The purpose of the Company's executive compensation system is to connect the achievement of the strategy to the Company's sustainable growth and enhancement of corporate value.

Compensation for each director is determined by the compensation multiplier based on the director's position and the Company's business performance. The amount of standard monthly compensation for Director and Executive Officer is up to 300% of the maximum monthly salary under the employee salary system, and the compensation multiplier is set at 1.0 for "Director and Executive Officer," 1.2 for "Director and Managing Executive Officer," 1.4 for "Director and Senior Managing Executive Officer," 1.7 for "Director and Executive Vice President," 2.0 for "Director and President," and 1.7 for "Director and Chairman."

An additional 0.3 is added to the compensation multiplier for the CEO, while an additional 0.2 is added to the compensation multiplier for representative directors.

Furthermore, the ratio of fixed compensation to performance-linked compensation in the total amount of director compensation is set at 50%:50%. The ratio of monetary compensation to stock compensation is 70%:30%. By setting these ratios, management responsibility was clarified, and the compensation system contributes to the medium- to long-term enhancement of corporate value by introducing ESG indicators in the calculation basis for stock compensation. For executive officers, we transitioned to a delegation-based executive officer structure in April 2022 and introduced a compensation system in April 2023, with a ratio of monetary compensation to performance-linked compensation of 80%:20%. The system is intended to further incentivize executive officers to contribute to the improvement of medium- and long-term business performance and enhancement of corporate value by clarifying the linkage with the compensation of directors and executive officers, and by enabling directors and executive officers to share the benefits and risks associated with stock price fluctuations with

shareholders.

Regarding performance-linked stock compensation, if a director or executive officer is dismissed or resigns due to causing damage to the Company, or if the acts of a director or executive officer are detrimental or harmful to the Company, the Board of Directors will, by resolution, invalidate all or part of the shares granted to that person up to that point and will not grant any further shares.

Compensation of outside directors and directors serving on the Audit and Supervisory Committee consists solely of fixed monetary compensation, the amount of which is determined on an individual basis, taking into consideration factors such as societal standards, career of the outside director concerned, and knowledge and experience in specialized fields.

(iv)

In selecting director candidates, the basic principle is the possession of knowledge, understanding, and experience primarily regarding our management policies, business activities, and challenges. In addition, the candidates must be able to contribute to enhancing the Company's corporate value over the medium to long term. The Nomination and Compensation Committee, a majority of whose members are independent outside directors, one of whom chairs the committee, consults with the Board of Directors and deliberates on the candidates, and the Board of Directors makes decisions based on the committee's report.

For directors serving on the Audit and Supervisory Committee, the Board of Directors will decide on the candidates after obtaining the Audit and Supervisory Committee's consent.

For outside director candidates, from the perspective of enhancing the supervisory function or appropriately checking directors' execution of duties, independence that does not create a conflict of interest with general shareholders is an important criterion in candidate selection. Moreover, the wealth of experience and high level of insight that such persons possess in their respective fields are also important factors.

In the dismissal of directors, the Nomination and Compensation Committee deliberates on dismissal after consultation with the Board of Directors in light of dismissal, selection, and independence standards. When it is deemed that dismissal standards apply, that selection standards have not been met significantly, or that the independence standards of outside directors have not been satisfied by far, based on the committee's report, the Board of Directors takes a similar procedure to the one for candidate nomination.

The Company transitioned 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 was held in June 2025. Consequently, the Board of Directors under the new Board of Directors structure is comprised of eight members (reduced by one from nine members) and six outside directors, which increased from four, (ratio of outside directors: 75%), and four female directors, which is an increase from two (ratio of female directors: 50%). At the 78th Annual General Meeting of Shareholders held in June 2026, two outside directors retired, and two new outside directors were appointed. As a result, the number of female directors is now four, and half of the directors are female.

(v)

The Company believes that the degree of diversity in directors determines the Board of Directors' effectiveness and has a significant impact on the Company's sustainable growth and on increasing its medium- to long-term corporate value. Based on this idea, the Board of Directors regularly deliberates on the balance and diversity of its makeup in terms of directors' knowledge, experience, and abilities. The Board of Directors identifies skills required of directors, summarizes them in a "Skills Matrix," and discloses them in the reference documents of the "Notice of the Annual General Meeting of Shareholders," together with the reasons for selecting the skill sets and methods of utilizing them.

[Supplementary Principle 3-1-(3): Initiatives for sustainability, etc.]

(1) Our approach to sustainability

The Company formulated its management philosophy of “Connecting the futures of people and society with smiles” toward 2050. We aim to achieve the ideal image of the Joshin Group by 2030, which is the intermediate point until 2050, described as a company that supports the growth of local communities and contributes to the future of people and the environment. In addition, by creating two forms of social value, “helping to strengthen resilience of an aging society” and “achieving household carbon neutrality,” we will link our contributions to developing a sustainable society to the Company’s sustainable growth and enhanced corporate value. For this end, the Company decided to change its trade name as of April 2026, with the aim of transitioning to a flexible organizational structure capable of going beyond the boundaries of electronic appliances.

To create the two forms of social value above, we defined our management vision as “becoming an infrastructure hub for a better life through the power of home appliances and ICT” and have been working to achieve it. As important issues to be addressed, we have identified seven material issues (major challenges) and 14 challenges, and we have formulated initiatives for the intermediate point of 2030 with a view to what kind of company we want to be in 2050.

(2) Investment in human capital, intellectual property, etc.

We believe that employee ownership leads to sustainable growth by improving CS (creation of new social value). We are working to create employee ownership by actively investing in the development of human resources, as well as in building a work environment that enables diverse people to thrive and play active roles, thereby facilitating the advancement of employee engagement through ensuring diversity and inclusion. We implement these in line with our human resources strategy, which is based on “respect for human rights” and “health and productivity management.”

Furthermore, since our founding, we have consistently built positive relationships with our customers by upholding our Corporate Credo of “Thoughtfulness,” which means always thinking and acting with consideration for other perspectives. Likewise, through repeated trial and error, we have accumulated expertise in store development and in operating brick-and-mortar stores and an e-commerce shop. We have also developed know-how in marketing and after-sales support based on customer data, while crafting a corporate brand image through collaborations with sponsor companies. Moreover, our tagline, “People, towns, smiles. Joshin,” functions as a tool for further building understanding of our management philosophy, “Connecting people and society to the future with a smile,” and our corporate brand image. All of the above are incredibly important intellectual property assets that are indispensable to our value-creation process. Going forward, we will continue active investments to increase our expertise and enhance our corporate brand image. The Joshin brand is an indispensable intellectual asset in our value-creation process, and we will continue to invest in it to build know-how and enhance our corporate brand image.

(3) Risks related to climate change and the impact of profit opportunities on the Company’s business activities and earnings

In addition to endorsing the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in July 2021 and announcing support for the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD) in December 2024, the Company discloses information related to climate change based on the recommendations. The Company also sees the full-fledged transition to a decarbonized society as an opportunity and is working to create social value in the form of “achieving household carbon neutrality” by promoting the use of home appliances with high performance in energy generation, energy storage, and energy saving.

- TCFD response by the Joshin Group

[https://www.joshin.co.jp/en/csr/environment/climate\\_change.html](https://www.joshin.co.jp/en/csr/environment/climate_change.html)

- TNFD response by the Joshin Group

<https://www.joshin.co.jp/en/csr/environment/biodiversity.html>

To achieve decarbonization in business, we are working to increase the ratio of renewable energy sources and

off-grid consumption by installing solar power generation systems and transitioning to CO2-free power sources. In March 2024, we achieved the renewable energy ratio of 100% for approximately 150 business places receiving electricity under power purchase agreements. The Company will continuously work toward carbon neutrality in all of its business sites, including leased business sites. On the other hand, to increase off-grid consumption, we are actively promoting the efficient use of solar power through on-site and off-site power purchase agreements (PPAs) and the installation of storage batteries at our business sites. We are also working towards Net-Zero Energy Building (ZEB) certification for stores and introducing solar carports to target business sites.

- Eco-friendly, energy-saving store

<https://www.joshin.co.jp/en/csr/environment/sale.html>

On the information disclosure front, we have established a transition plan to address the goal of limiting the average global temperature rise to 1.5°C. Going forward, we will work to raise the level of information disclosure to cover IFRS Sustainability Disclosure Standards S2 Climate-related Disclosures. As for greenhouse gas emissions, we assessed Scope 1, 2, and 3 emissions and obtained third-party verification to ensure the reliability of our figures for Scope 1, 2, and 3 (categories 1 and 11) emissions.

As a result of these efforts, we earned the highest rating of “A” in the climate change category of the CDP for fiscal year 2025, marking the third consecutive year with this rating since fiscal year 2023. Furthermore, we received an “AAA” rating in the MSCI ESG ratings.

We will continue to pursue sustainable management that creates “social values in harmony with the global environment” in fiscal 2026, in collaboration with all stakeholders.

The following documents are posted on the Company’s website to disclose the details of our response policies for (1), (2) and (3).

- Sustainability <https://www.joshin.co.jp/en/csr.html>

[Supplementary Principle 4-1-(1): Scope of delegation to management]

As the highest decision-making body, the Board of Directors holds meetings (at least once a month in principle) and makes decisions on important management matters, including medium- to long-term management policies and business strategies aimed at creating social value and enhancement of corporate value. In addition, the Board of Directors supervises the execution of duties by executive officers appointed by the directors and the Board of Directors, in accordance with the Board of Directors’ regulations.

Furthermore, the Company sets forth in the Articles of Incorporation (Article 26) that the Company may delegate decision making on the execution of important operations (excluding matters listed in Article 399-13, paragraph (5) of the Companies Act) to directors by resolution of the Board of Directors according to stipulations of Article 399-13, paragraph (6) of the said act. Accordingly, a significant portion of authority for business execution of the Board of Directors is delegated to the directors. Specifically, by clearly defining the scope of delegation in detail through the Board of Directors regulations, executive officer regulations, regulations for the division of duties, and rules for decision-making, the Company is striving to accelerate decision-making.

[Principle 4-9: Criteria to determine the degree of independence of independent outside directors and their qualifications]

Criteria for determining independence at the Company are based on meeting the requirements for outside officers under the Companies Act and the stock exchanges’ independence standards. On top of that, the Company selects appropriate personnel who can contribute to enhancing corporate value and shareholder interests for outside director candidates. Following approval of the General Meeting of Shareholders, outside directors are registered with the stock exchanges as independent officers. Criteria to determine independence are deliberated by the Nomination and Compensation Committee, in consultation with the Board of Directors as appropriate, and the Board of Directors decides on the criteria based on the report received. The independence of individual outside officers is disclosed in the Corporate Governance Report.

[Supplementary Principle 4-10-(1): Approach, authority, and role of the independence of the composition of committees]

The Company transitioned from a company with a Board of Company Auditors to a company with an Audit and Supervisory Committee, as resolved at the 77th Annual General Meeting of Shareholders held in June 2025. This transition is intended to further strengthen the Board of Directors' audit and supervisory functions and enhance governance, while also improving the fairness, transparency, and efficiency of management through swift decision-making and business execution enabled by the delegation of authority. Furthermore, taking advantage of the structural changes, we have increased the proportion of independent outside directors on our Board of Directors to 75% and the proportion of female directors to 50%, striving to ensure independence and diversity.

### (1) Nomination and Compensation Committee

The Company has established a Nomination and Compensation Committee, which consists of three independent outside directors and the Chairman and Representative Director. Three-quarters of the committee's members are independent outside directors, one of whom chairs the committee, to ensure the committee's independence. The committee deliberates on the appointment and dismissal of directors, succession planning, the design of the directors' compensation system (except for directors serving on the Audit and Supervisory Committee), and the amount of individual compensation for directors (except for directors serving on the Audit and Supervisory Committee). The Board of Directors makes decisions based on its report.

### (2) Board of Directors Evaluation Committee

The Company has established an Evaluation Committee for the Board of Directors, which consists only of six independent outside directors. Under the system, independent outside directors provide appropriate advice to the Board of Directors from various perspectives through the evaluation of the effectiveness of the Board of Directors.

[Supplementary Principle 4-11-(1): Concept regarding the balance of knowledge, experience and skills, diversity and size of the Board of Directors as a whole]

Based on the belief that the diversity of the directors comprising the Board of Directors affects its effectiveness and significantly impacts sustainable growth and the enhancement of corporate value over the medium to long term, the Company's Board of Directors has repeatedly deliberated on the balance and diversity of the composition of the Board of Directors, including the knowledge, experience, and abilities of the directors. As a result, to realize the medium- and long-term management strategy, the Company summarizes the optimal skills and related requirements for the Board of Directors in a "Skills Matrix" for director candidates. The Skills Matrix is published as reference information for the "Notice of the Annual General Meeting of Shareholders" together with policies and procedures for nominating directors.

The Company considers the skills matrix to be a tool to ensure diversity in the Board of Directors by recruiting a wide range of personnel with strengths in specific fields, and uses it to visualize the process to determine any excess or deficiency in skills among the directors and to balance such excess or deficiency through the appointment and dismissal of internal and outside directors.

In the "Notice of the 74th Annual General Meeting of Shareholders (held in June 2022)," we explained the rationale for how we use the skills matrix. In addition, we have considered the management strategies we formulated in fiscal 2021 and have redefined the skill sets that the Board of Directors deems necessary, including knowledge, experience, and capabilities. Items have also been organized into skills needed for corporate management and skills and experience required to achieve our business strategies or address our material issues. Furthermore, "ICT/DX" and "Environment & Energy," which were previously classified as skills related to business specialization, were redefined as management skills in light of recent trends, and we utilize this skills matrix as follows.

#### 1. Identification of the necessary skills for the Board of Directors in light of the business strategy

2. Understanding the gap between the ideal composition of the Board of Directors and the current situation
3. Appointment of people who have skills that directors lack to the Board of Directors
4. Enhanced director training for skills that directors lack
5. Utilization in succession plans for directors
6. Utilization in succession plans for executive officers and other senior management

In addition, we disclosed the reason for the selection of skill sets required for the Board of Directors, such as knowledge, experience, and abilities, in the “Notice of the 76th Annual General Meeting of Shareholders (held in June 2024).”

The skills matrix is disclosed on page 11 of the “Notice of the 78th Annual General Meeting of Shareholders.” (<https://www.joshin.co.jp/en/ir/meeting.html>)

[Supplementary Principle 4-11-(2): Directors holding concurrent positions at other listed companies]

When a proposal on candidates for directors in the General Meeting of Shareholders is submitted, the status of concurrently held positions is disclosed in the business reports and reference documents of the “Notice of the Annual General Meeting of Shareholders.” Some candidates may hold concurrent positions as outside officers of other listed companies, but this is not particularly considered to be an obstacle in their attendance at the meetings of the Board of Directors and the Audit and Supervisory Committee of the Company, and the number of concurrent positions remains within a reasonable range.

[Supplementary Principle 4-11-(3): Analysis and evaluation of the effectiveness of the Board of Directors as a whole]

The Company continuously promotes efforts to improve the effectiveness of the Board of Directors, which plays a central role in the efforts of the Company to enhance its corporate value and shareholder profits over the medium to long term. For the fiscal year ended March 2026, the Company established an Evaluation Committee for the Board of Directors (including outside directors who are members of the Audit and Supervisory Committee). Under the Committee’s initiative, the Company carried out a survey on the effectiveness of the Board of Directors. For the fiscal year ended March 2026, due to the transition to a Company with an Audit and Supervisory Committee, the proportion of outside directors increased to 75%. Therefore, the Company carried out an anonymous questionnaire and analyzed the results without conducting annual interviews with internal directors. Consequently, the Company identified and reported at the Board of Directors meeting on areas where board operations were evaluated as highly effective, as well as areas where improvements and enhancements are expected. The Board of Directors confirmed that it is functioning effectively based on the analysis of the survey results. The Board of Directors also identified constructive opinions and suggestions obtained in the course of the survey as issues that contribute to further improving the effectiveness of the Board of Directors and is formulating action plans to address them. A summary of the evaluation results of the effectiveness of the Board of Directors for the fiscal year ended March 2026 was disclosed on April 14, 2026.

(\*) “Summary of the Evaluation Results Regarding the Effectiveness of the Board of Directors” (Disclosure Date: April 14, 2026)

[https://www.joshin.co.jp/en/ir/news/auto\\_20260413502407/pdfFile.pdf](https://www.joshin.co.jp/en/ir/news/auto_20260413502407/pdfFile.pdf)

This information is also included in the business report in the “Notice of the Annual General Meeting of Shareholders” (pages 35 to 37 in the Japanese version only).

<https://www.joshin.co.jp/ja/ir/stock/meeting.html>

[Supplementary Principle 4-14-(2): Training policy for directors]

The Company provides opportunities for directors to improve their skills by acquiring the necessary knowledge and staying up to date, so they can properly fulfill their expected roles and responsibilities. For directors and executive officers, we provide ongoing training to supplement skill gaps against the skills matrix, such as “management skills” and “skills related to business specialization,” for their performance of duties, or to periodically update their knowledge. In addition, we provide practical training for executive officers to update

their knowledge of sustainability management and build practical experience by gradually assigning them responsibilities to oversee important meetings on issues such as compliance, internal controls, risk management, and environmental management.

At the same time, the system to obtain advice from lawyers, certified public accountants, tax accountants, and other specialists on a case-by-case basis has been enhanced. As many of our executive officers oversee various operations in the Company and engage in tasks that require a high level of judgment, we believe that overall training is indispensable to the execution of each operation.

[Principle 5-1: Policy for constructive dialogue with shareholders]

We believe that constructive dialogue with shareholders will lead to sustainable growth and medium- to long-term enhancement of corporate value. Based on the belief that positioning IR activity is an important task, we established the IR Promotion Office under the Management Planning Department in July 2024. At the Company, IR activity is carried out under the leadership of the President, who is also Chief Executive Officer and Representative Director, and in coordination with executive officers overseeing each division. Regarding specific activities related to IR, a forum for dialogue, such as financial results briefings, individual IR sessions for institutional investors, and IR seminars for individuals, is provided, and questions and requests received by phone or from the Company website are appropriately handled on a daily basis.

We also made our disclosure policy public in December 2022. Given how timely and appropriate disclosure of important information of the Company that may be useful to stakeholders leads to a deeper understanding of the Group, we will engage in IR activities that promote constructive dialogue.

### [Measures to realize management that is conscious of the cost of capital and the stock price]

Description	updated	Disclosure of initiatives (update)
English disclosure	updated	Yes
Date of update	updated	June 29, 2026
Supplementary explanation on corresponding matters		updated

In formulating and announcing the management strategy and management plan, the Company accurately grasps its cost of capital (cost of equity [CAPM] and the weighted average cost of capital [WACC]) with the aim of raising awareness of sustainable growth and medium- to long-term improvement of corporate value by referring to the opinions of external organizations. The Company then presents the basic policies of the earnings plan and capital policy, as well as the target ROE level, an indicator of target capital profitability. Aiming to improve the Price-to-Book Ratio (PBR) by achieving the ROE target, the Company reviews its business portfolio and discloses a plan for allocating management resources, including expansion of business domains, enhanced investment in human capital, and shareholder returns.

Based on the progress of our medium-term management plan (“JT-2025 Management Plan”), which concluded in the fiscal year ended March 2026, we have formulated a new three-year medium-term management plan, “JT-2028 Management Plan (FY2026-FY2028),” covering up to the fiscal year ending March 2029, to accelerate improvements in capital efficiency in order to improve our sluggish ROE and PBR. This plan was announced in November 2025. In this medium-term management plan, in order to realize management that is conscious of the cost of capital and the stock price, we have set “Improvement of PBR by re-strengthening profitability realized by rebuilding the business foundation and steady execution of the optimal capital policy” as a goal. Under this plan, we aim to achieve 10 billion yen or higher operating income, 7.0% or higher ROE, 40% or higher payout ratio, and 2.5% or higher DOE. To enhance the effectiveness of these plans, we have adopted achievement levels for the targeted consolidated operating income and ROE, respectively, as calculation standards for performance-linked monetary compensation and performance-linked stock compensation for directors. Details of these

policies, strategies, and plans are set out in the Integrated Report, the Medium-term Management Plan, and other reports.

■ Medium-term Management Plan, “JT-2028 Management Plan”

(<https://www.joshin.co.jp/en/ir/management/medium-term.html>)

■ Integrated Report 2025

Capital costs and cash allocation are described on pages 29 through 34.

(<https://www.joshin.co.jp/en/ir/library/report.html>)

We recalculated the cost of equity (CAPM) and weighted average cost of capital (WACC) at the end of March 2026 and posted the updated figures on page 21 of the “Fiscal Year Ended March 31, 2026 (FY2025) Consolidated Financial Results.”

## 2. Capital structure

Foreign Shareholding Ratio	updated	10% to less than 20%
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### [Status of major shareholders]

updated

Name and/or title	Number of shares owned (stock)	Percentage (%)
The Master Trust Bank of Japan, Ltd. (trust account)	1,964,000	7.39
Joshin Denki Employee Shareholding Association	1,799,287	6.77
Custody Bank of Japan, Ltd. (trust account)	1,046,352	3.94
Resona Bank, Ltd.	800,000	3.01
The Dai-ichi Life Insurance Company, Limited	675,000	2.54
Sharp Corporation	542,500	2.04
STATE STREET BANK AND TRUST COMPANY 505223	401,761	1.51
K's Management Co., Ltd.	370,000	1.39
Joshin Denki Business Partner Shareholding Association	356,000	1.34
BNYM SA/NV FOR BNYM FOR BNYGCM CLIENT ACCOUNTS M LSCBRD	342,294	1.28

Existence of controlling shareholders (excluding the parent company)	-
Parent company	No -

### Supplementary explanation

updated

1. “Status of major shareholders” is based on the shareholder registry as of March 31, 2026.
2. “Percentage (%)” in the above table is calculated after excluding treasury stock (1,453,872 shares).

**3. Corporate attributes**

Planned listing market segment	Prime Market
Fiscal year	March
Industry	Retail
Number of employees as of the end of the previous fiscal year (consolidated)	1,000 or more
Net sales for the previous fiscal year (consolidated)	100 billion yen or more and less than 1 trillion yen
Number of consolidated subsidiaries as of the end of the previous fiscal year	10 or more and less than 50

**4. Guidelines on measures to protect minority shareholders in transactions with controlling shareholders**

-

**5. Other special circumstances which may significantly affect corporate governance**

-

**II. Status of management control organizations and other corporate governance systems related to management decision-making, execution, and supervision**

**1. Matters related to organizational structure, organizational management, etc.**

Organizational structure	Company with an Audit and Supervisory Committee
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**[Directors]**

Number of directors as stipulated in the Articles of Incorporation	12 persons
Term of office of directors as stipulated in the Articles of Incorporation	1 year
Chairman of the Board of Directors	Chairman (unless he also serves as President)
Number of directors	8 persons
Appointment of outside directors	Nominated
Number of outside directors	6 persons
Number of outside directors who are designated as independent officers	6 persons

### Relationship with the Company (1)

updated

Name	Affiliation	Relationship with the Company (*1)											
		a	b	c	d	e	f	g	h	i	j	k	
Junko Kawano	From another company												Yes
Norihiro Itano	From another company												Yes
Michiko Funamoto	From another company												Yes
Kinya Naito	Attorney at law												Yes
Kazumi Yoshikawa	Certified public accountant												Yes
Kazuko Otsuki	Certified public accountant												Yes

\* Categories for “Relationship with the Company”

\*Use “○” when the director presently falls or has recently fallen under the category; “△” when the director fell under the category in the past; “●” when a close relative of the director presently falls or has recently fallen under the category; and “▲” when a close relative of the director fell under the category in the past.

- Person who executes business for the Company or a subsidiary
- Person who executes business for or a non-executive director of the Company’s parent company
- Person who executes business for a fellow subsidiary
- Person/entity for which the Company is a major client or a person who executes business for the said person/entity
- Major client of the Company or a person who executes business for the said client
- Consultant, accounting expert, or legal expert who receives large amounts of cash or other assets from the Company in addition to remuneration as a director/Audit and Supervisory Board Member
- Major shareholder of the Company (in cases where the shareholder is a corporation, a person who executes business for the corporation)
- Person who executes business for a client of the Company (excluding persons categorized as any of d, e, or f above) (applies to the director him/herself only)
- Person who executes business for another company that holds cross-directorships/cross-auditorships with the Company (applies to the director him/herself only)
- Person who executes business for an entity receiving donations from the Company (applies to the director him/herself only)
- Other

### Relationship with the Company (2)

updated

Name	Audit and Supervisory Committee member	Independent officer	Supplementary explanation on applicable items	Reason for appointment
Junko Kawano		Yes		Using her expertise and experience in

				<p>the fields of management consulting and in the promotion of participation by women, Junko Kawano can provide advice and recommendations on the marketing strategies of the Company and regarding diversity management from an objective, broad and sophisticated perspective. Furthermore, she was appointed as an independent director because there are no special stakes between her and the Company, and there is no reason for concern regarding conflicts of interest with general shareholders.</p>
Norihiro Itano		Yes		<p>Norihiro Itano has abundant experience and knowledge in the fields of global ICT and DX strategy promotion since he has played central roles, including Chief Information Officer (CIO), in a major manufacturing company. He has been judged as a person who can provide advice and recommendations on the corporate activities of the Company from an objective, broad, and sophisticated perspective. Furthermore, he was designated as an independent officer because there are no special interests between him and the Company, and there is no reason for concern regarding conflicts of interest with general shareholders.</p>
Michiko Funamoto		Yes		<p>Michiko Funamoto has abundant experience and knowledge in the fields of finance and investor relations (IR) since she played central roles, including Chief Financial Officer (CFO) and IR division manager, in multiple operating companies. She has been judged as a person who can provide advice and recommendations on the corporate activities of the Company from an objective, broad, and sophisticated perspective. Furthermore, she was designated as an independent officer because there are no special interests between her and the Company, and</p>

				there is no reason for concern regarding conflicts of interest with general shareholders.
Kinya Naito	Yes	Yes	Attorney at law (No business relationship with the Company)	Using his experience and expertise as a lawyer, Kinya Naito has been judged as a person who can provide advice and recommendations on the compliance management of the Company from an objective, broad, and sophisticated perspective. Furthermore, he was designated as an independent officer because there are no special interests between him and the Company, and there is no reason for concern regarding conflicts of interest with general shareholders.
Kazumi Yoshikawa	Yes	Yes		Kazumi Yoshikawa is experienced as a director and auditor at other companies in addition to her expertise and experience as a certified public accountant. The Company has judged that she is a person who can supervise Company directors from an impartial and neutral standpoint and provide advice and recommendations to ensure valid and appropriate decision making from the Board of Directors. Furthermore, she was designated as an independent officer because there are no special interests between her and the Company, and there is no reason for concern regarding conflicts of interest with general shareholders.
Kazuko Otsuki	Yes	Yes		Kazuko Otsuki is experienced as a director at other companies in addition to her expertise and experience as a certified public accountant. The Company has judged that she is a person who can supervise Company directors from an impartial and neutral standpoint and provide advice and recommendations to ensure valid and appropriate decision making from the Board of Directors. Furthermore, she was designated as an independent officer

# Corporate Governance Report

CORPORATE GOVERNANCE

				because there are no special interests between her and the Company, and there is no reason for concern regarding conflicts of interest with general shareholders.
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## [Audit and Supervisory Committee]

Composition of committee members and attributes of the committee chairman (chairperson)

	Committee members (Persons)	Full-time committee members (Persons)	Company directors (Persons)	Outside directors (Persons)	Committee chairman (Chairperson)
Audit and Supervisory Committee	3	0	0	3	Outside director

Directors and employees to assist with the duties of the Audit and Supervisory Committee

Yes

Matters Related to the Independence of Said Directors and/or Staff from Executive Directors

The Company assigns employees to assist with the duties of the Audit and Supervisory Committee. Such employees shall work solely for the Audit and Supervisory Committee and prioritize work for the Audit and Supervisory Committee even if they concurrently work for other departments. Specific personnel matters of such employees shall be determined by the Board of Directors with the consent of the Audit and Supervisory Committee. Performance evaluations of the said employees are conducted by the Audit and Supervisory Committee.

Coordination between the Audit and Supervisory Committee, the accounting auditor, and the internal audit department

The Auditor and Supervisory Committee shall receive reports from the accounting auditor regarding details of accounting audits, exchange information, and actively collaborate with the accounting auditor to raise the effectiveness of audits as needed. The Auditor and Supervisory Committee shall receive reports from the Audit Department on the details of internal audits of the Company and each subsidiary company, exchange information, and actively collaborate to raise the effectiveness of audits as needed. In the event that instructions and orders from the President and Executive Officer are different from those of the Auditor and Supervisory Committee, the instructions and orders from the Auditor and Supervisory Committee shall be prioritized.

## [Voluntary committee]

Existence of a voluntary committee corresponding to a nomination committee or compensation committee

Yes

Status of the establishment of a voluntary committee, composition of committee members, and attributes of the committee chairman (chairperson)

	Name of the committee	Committee members (Persons)	Full-time committee members (Persons)	Company directors (Persons)	Outside directors (Persons)	External experts (Persons)	Others (Persons)	Chairman (Chairperson)
Voluntary committee corresponding to a nomination committee	Nomination committees	4	0	1	3	0	0	Outside director
Voluntary committee corresponding to a compensation committee	Compensation Committee	4	0	1	3	0	0	Outside director

### Supplementary explanation

updated

The Company has established a Nomination and Compensation Committee, which consists of three independent outside directors and the Chairman and Representative Director. Three-quarters of the committee's members are independent outside directors, one of whom chairs the committee, in order to ensure the committee's independence. The committee deliberates the appointment and dismissal of directors, succession planning, the design of the directors' (except for Directors serving on the Audit and Supervisory Committee) compensation system, and the amount of individual compensation for directors (except for directors who are members of the Audit and Supervisory Committee). The Board of Directors makes decisions based on its report.

### [Independent officers]

Number of independent officers

6 persons

### Other matters concerning independent officers

The Company has designated all outside directors as independent officers based on the stipulations by the Tokyo Stock Exchange and reported to the Tokyo Stock Exchange.

### [Incentives]

Implementation status of policies regarding the granting of incentives to directors

Performance-linked compensation system introduced

### Supplementary explanation on corresponding matters

updated

#### ■ Basic policy

1. Encourage directors to perform their duties to the fullest in line with the management strategies and

management goals.

2. Provide advice on compensation to officers of the Company based on job position and contribution to performance.
3. Compensation shall be designed to share profits and risks with shareholders and to provide incentives to manage the Company from a shareholder perspective.
4. Transparency and objectivity are ensured by having compensation to officers considered by the Nomination and Compensation Committee, in which outside directors make up a majority of members.

Persons to whom stock options are granted

-

Supplementary explanation on corresponding matters

[Compensation for directors]

Status of disclosure (of individual director compensation)

Individual compensation is not disclosed

Supplementary explanation on corresponding matters

updated

The Company discloses information on the total amount of compensation for directors (except for directors who are members of the Audit and Supervisory Committee), directors (who are members of the Audit and Supervisory Committee), and auditors by type in the Securities Report and Notice of the Annual General Meeting of Shareholders.

The total amount of compensation to directors in the 78th fiscal year (April 1, 2025, to March 31, 2026) is as follows.

[Details of compensation to directors]

1. Amount of compensation for directors (except for directors who are members of the Audit and Supervisory Committee), directors (who are members of the Audit and Supervisory Committee), and auditors

Directors (except for directors who are members of the Audit and Supervisory Committee): 9 persons, 138 million yen

Directors (who are members of the Audit and Supervisory Committee): 3 persons, 19 million yen

Auditors: 4 persons, 8 million yen

Note: Of this amount, 50 million yen was paid to outside directors (10 persons) as remuneration, etc. The total amount of remuneration, etc., for directors (except for directors who are members of the Audit and Supervisory Committee) includes a provision of 38 million yen for stock compensation recorded in the current fiscal year.

2. Bonus allowance for the directors

No payment was made for the interim fiscal year.

Existence of a policy to determine the amount of compensation and the method of calculation

Yes

updated

Disclosed content on the policy to determine the amount of compensation and its method of calculation

### ■ Composition of compensation

(Fiscal year ended March 2026)

Compensation of directors (excluding directors serving on the Audit and Supervisory Committee) consists of fixed monetary compensation (50%), monetary compensation linked to individual performance (10%), monetary compensation linked to financial indicators (10%), stock compensation linked to financial indicators (10%), and as stock compensation linked to sustainability, compensation linked to the environmental management indicator (10%), and compensation linked to the employee engagement index (10%). Individual allocations are based on compensation multipliers set according to position and role.

The composition of officer compensation is summarized below.

Com position of compensation		Com position ratio	
Fixed m onetary compensation		50%	
Individual performance- linked m onetary compensation	Linked to monitoring evaluation	10%	Monetary compensation (70%)
Financial indicator- linked m onetary compensation	Linked to operating profit	10%	
Financial indicator- linked stock compensation	Linked to ROE	10%	Stock compensation (30%)
Sustainability indicator- linked stock compensation	Linked to the environmental management indicator	10%	
		Linked to employee engagement index	10%

<Director compensation by position>

The reference value of compensation for directors is defined as “Director and Executive Officer,” for which the standard monthly compensation is set at no more than 300% of the maximum monthly salary as set forth in the employee salary system. Compensation for each director is determined by the compensation multiplier based on the director’s position and the Company’s business performance. The compensation multipliers according to position are as follows.

Position	Compensation multiplier	Compensation multiplier for representative director	Compensation multiplier for CEO	Compensation multiplier (total)
Director and Chairman	1.7	0.2	-	1.9
Director, President and Executive Officer	2.0	0.2	0.3	2.5
Director, Vice President and Executive Officer	1.7	-	-	1.7
Director and Senior Managing Executive Officer	1.4	-	-	1.4
Director and Managing Executive Officer	1.2	-	-	1.2
Director and Executive Officer	1.0	-	-	1.0

<Summary of director compensation components>

[Monetary compensation (70%)]

- Fixed monetary compensation (50%)

The amount is determined according to the director's position and paid as fixed monthly compensation.

(Monetary compensation as short-term incentives)

- Individual performance-linked monetary compensation (10%)

Each fiscal year, the Nomination and Compensation Committee evaluates the results of the business execution of each director, and the amount paid varies between 50% and 150%, with 100% indicating achievement of the targets. This amount is added to the fixed monetary compensation and paid monthly as monetary compensation.

- Financial indicator-linked monetary compensation (10%)

To encourage both management and labor to work toward the improvement of business performance, this compensation is determined according to the achievement of the operating profit target, in the same way as year-end bonuses for employees. The amount paid varies between 0% and 150%, with 100% indicating achievement of the target.

[Stock compensation (30%)]

(Stock compensation as long-term incentives)

- Financial indicator-linked stock compensation (10%)

To reflect the improvement of the profitability of capital in compensation, we grant shares of stock as compensation based on the level of achievement of the ROE target in the medium-term management plan.

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

To embed environmental issues related to climate change into management strategy from the perspective of risks and opportunities, and connect our positive impacts on society to the sustainable growth of the Company, we have introduced this compensation as an incentive to encourage the active involvement of directors, and grant shares of stock as compensation based on an environmental management indicator (the CDP Climate Change score).

- Stock compensation based on the employee engagement index (10%)

In order to link the improvement of CS (creation of social value) through the advancement of employee engagement to the Company's sustainable growth by actively investing in the creation of an internal environment in which diverse human resources can thrive and in the development of human resources, based on the four themes of "securing human resources in response to environmental changes," "diversity & inclusion," "work-life balance," and "respect for human rights," we continuously measure the progress of these activities as an "engagement score," and grant shares of stock as compensation based on the engagement score.

Stock compensation is provided for the purpose of encouraging the sharing of value between the Company's directors and shareholders, and to raise directors' awareness of contributing to the improvement of medium- to long-term business performance and increasing corporate value. Once each year, directors are awarded points calculated by multiplying the number of basic points by position, which is the total of the number of position points set for each position plus the number of additional points set for each role, by a payment coefficient according to the level of achievement of the financial indicator and sustainability indicator targets. One point is equivalent to one share of the Company's common stock, and directors receive shares of the Company's common stock (a portion of which is sold and converted into cash) upon their retirement.

Position points are set as follows according to position.

Position	Position points
Director and Chairman	2,040 pts.
Director, President and Executive Officer	2,400 pts.
Director, Vice President and Executive Officer	2,040 pts.
Director and Senior Managing Executive Officer	1,680 pts.
Director and Managing Executive Officer	1,440 pts.
Director and Executive Officer	1,200 pts.

Additional points are set as follows according to role.

Role	Additional points
CEO	360 pts.
Right of representation	240 pts.

The payment coefficient is set according to the level of achievement of the financial indicator and sustainability indicator targets, varying between 0.00 and 1.50, with 1.00 as the coefficient when the target is reached.

Regarding stock compensation, if a director or executive officer is dismissed or resigns due to causing damage to the Company, or if the acts of a director or executive officer are detrimental or harmful to the Company, the Board of Directors will, by resolution, invalidate all or part of the shares (points) granted respectively to that person up to that point and will not grant any further shares.

Variable compensation, such as performance-linked compensation, is not necessarily appropriate for outside directors and directors serving on the Audit and Supervisory Committee, whose roles are independent from that

of business execution. Therefore, outside directors are paid fixed compensation only, which is determined on an individual basis, considering factors such as societal standards and the outside director's career background, and knowledge and experience in the field of expertise.

### ■ Decision-making procedure

The decision-making policy for compensation of directors is to determine compensation by resolution of the Board of Directors within the total amount approved in advance by the General Meeting of Shareholders. When resolutions on Board of Directors Compensation Rules, including the Basic Policy for Decisions on Executive Compensation of Directors, are adopted by the Board of Directors, the results of deliberations by the Nomination and Compensation Committee, an advisory body to the Board of Directors that has outside directors as a majority of its members and is chaired by an outside director, are submitted to the Board of Directors to increase transparency and make decisions through a fair process. In determining the specific details of compensation of individual directors, the Nomination and Compensation Committee conducts a multifaceted review of the draft proposal that includes consistency with the decision-making policy, and the Board of Directors basically respects the committee's report in the belief that it is in line with the decision-making policy.

Compensation of directors who are members of the Audit and Supervisory Committee is determined by discussion of directors who are members of the Audit and Supervisory Committee within the total amount approved in advance by the General Meeting of Shareholders.

Furthermore, at a Board of Directors meeting held on January 13, 2026, the Company resolved to make some changes to the structure of its compensation. As a result, the previous monetary compensation linked to individual performance was abolished, and the composition ratio of monetary compensation linked to a financial indicator (linked to operating profit) was revised to increase the transparency and objectivity of the compensation system. Before these resolutions were made by the Board of Directors, the Nomination and Compensation Committee was consulted in advance regarding the content of the resolutions and recommendations were received.

The compensation structure from April 1, 2026, is as follows:

Composition of compensation		Composition ratio	
Fixed monetary compensation		50%	Monetary compensation (70%)
Financial indicator-linked monetary compensation	Linked to operating profit	20%	
Financial indicator-linked stock compensation	Linked to ROE	10%	Stock compensation (30%)
Sustainability indicator-linked stock compensation	Linked to the environmental management indicator	10%	
	Linked to employee engagement index	10%	

<Summary of director compensation components>

[Monetary compensation (70%)]

- Fixed monetary compensation (50%)

The amount is determined according to the director's position and paid as fixed monthly compensation.

(Monetary compensation as short-term incentives)

- Financial indicator-linked monetary compensation (20%)

To encourage both management and labor to work toward improving business performance, this compensation

is determined by the achievement of the operating profit target, in the same way as year-end bonuses for employees. The amount paid ranges from 0% to 150%, with 100% indicating achievement of the target.

Aside from the compensation structure, there are no changes from the previous contents.

Note: Information on the compensation of directors is disclosed in the following documents posted on our website.

1. “Securities Report” (in Japanese only)
2. “Notice of the Annual General Meeting of Shareholders” (attached “Business Report” in Japanese only)
3. Integrated Report

### [Support system for outside directors]

The Company prepares annual agendas and notifies the Board of Directors in advance of the meeting date and the items to be discussed. In addition, the director in charge explains the key points as needed.

### [Statuses of Persons who have Retired as Representative Director and President, etc.]

updated

Names of advisors and consultants who are former representative directors and/or chief executive officers

updated

Name	Post/ Position	Business description	Work status and conditions (Full-time, part-time, remuneration, etc.)	Date of retirement from the President, etc.	Term
-	-	-	-	-	-

The total number of advisors and consultants who are former representative directors and chief executive officers

-

Other items

updated

The Company does not have a system in place that allows former representative directors or directors to assume the roles of advisor or consultant. Former representative directors or directors will not influence management decisions after their retirement.

### 2. Matters related to functions such as business execution, auditing and supervision, nomination, and determination of remuneration (overview of current corporate governance system)

updated

To further strengthen these initiatives, the Company transitioned from a company with a Board of Company Auditors to a company with an Audit and Supervisory Committee, as resolved at the 77th Annual General Meeting of Shareholders held on June 24, 2025. Consequently, Directors serving on the Audit and Supervisory Committee, who play the main role in auditing the job duties of directors, have become members of the Board of Directors. These directors will audit and oversee the legality and appropriateness of business execution. This enables the Company to strive for the enhancement of its corporate governance system. In addition, it will be possible to make decision-making even faster by transferring significant portions of the Board of Directors’ authority to make business execution decisions. As a result, the Board of Directors is able to focus on 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.

The Board of Directors is comprised of eight directors, including six independent outside directors. In addition to regular meetings held at least once a month, the Board of Directors holds extraordinary meetings to make decisions on medium- to long-term management policies and business strategies aimed at creating social value and enhancing corporate value, matters stipulated by law, and other important management matters, and for supervising the status of business operations by each director, as needed. The Company's Articles of Incorporation set forth that the Company may delegate decision-making on the execution of important operations to directors by resolution of the Board of Directors for faster decision-making.

Before transitioning to a company with an Audit and Supervisory Committee, the Board of Auditors meeting for fiscal 2024 established audit policies for auditors in accordance with laws and regulations and the Articles of Incorporation, based on the Board of Auditors' Rules. The Board also prepared audit reports that incorporated reports from each auditor. Auditors supervised and audited the decision-making process of the Board of Directors and the execution of duties by the directors by attending important meetings, including those of the Board of Directors, and by reviewing important documents.

Following the transition to a Company with an Audit and Supervisory Committee, directors serving on the Audit and Supervisory Committee will all be independent outside directors, and the Audit and Supervisory Committee will meet once a month in principle.

Outside directors who are members of the Audit and Supervisory Committee share information and exchange opinions regarding the execution of directors' duties and gain a timely understanding of the actual management situation by reviewing relevant documents. Furthermore, they understand the decision-making process and audit the execution of directors' duties through information exchange with the Auditing Department and the accounting auditor, who serves as the internal audit function. In addition, the Company has appointed certified public accountants and lawyers with advanced knowledge and experience in their respective fields, as outside directors serving on the Audit and Supervisory Committee, to strengthen the auditing and supervising functions of the committee.

In addition, the Company has established the Nomination and Compensation Committee as an advisory body to the Board of Directors in order to strengthen corporate governance by ensuring the independence, objectivity, and transparency of the functions of the Board of Directors concerning decisions on the nomination and compensation of representative directors and directors, etc., as well as personnel matters such as plans of succession for the CEO. The Nomination and Compensation Committee consists of independent outside directors, representative directors, and directors appointed by resolution of the Board of Directors, with three-quarters of the members being independent outside directors. The chairman of the committee is elected from among the independent outside directors.

The Audit Department, which serves as an internal audit function and reports directly to the President, who is also an Executive Officer, conducts regular internal audits of each department to monitor the status of business execution, prevent fraud and errors, and provide advice on business improvement. The results of internal audits are reported immediately after each audit to the President, who is also an Executive Officer, and to the Audit and Supervisory Committee. In addition, the Audit Department, in coordination with the accounting auditor, has established a system to check for any deficiencies in the maintenance and operation of internal control of financial reporting for all processes within the scope of evaluation.

The Sustainability Committee, which consists of executive directors, executive officers, directors serving on the Audit and Supervisory Committee full time, and department heads (including directors of subsidiaries), manages the progress of issues set by backcasting from long-term goals toward the realization of value creation for the Joshin Group, carries out activities of business divisions, and provides promotion, development, management, and guidance, etc. in cross-departmental projects.

The retirement benefit system for directors and auditors was also abolished at the General Meeting of

Shareholders held on June 24, 2005.

As stipulated in the Companies Act, Article 427, Paragraph 1, the Company has concluded contracts with all outside directors in order to limit compensation liability as stipulated in Article 423, Paragraph 1 of the same act. The limit on compensation liability under the said contracts is set to the minimum liability amount stipulated by the law.

The Company has concluded a liability insurance contract for officers, etc., with an insurance company as stipulated in the Companies Act, Article 430-3, Paragraph 1, and renewed the contract on July 1, 2025, with the same terms and conditions. Under the insurance contract, the Company will cover any damage that may occur for which an insured officer is held liable, which has occurred in the performance of his/her duties, or is subject to a claim pertaining to the pursuit of such responsibility. The insurance premiums are fully borne by the Company, including the special contract, so there is no substantial burden on the insured. The insurance policy is subject to certain exemptions, such as if the act was performed with due knowledge that such is in violation of laws and regulations.

The Company has also concluded an advisory contract with a law firm and can receive advice as needed. In addition, the accounting auditor, Ernst & Young ShinNihon LLC, conducts accounting audits and internal control audits from a fair and unbiased standpoint, and reports the details and results of audits to the Board of Auditors regarding settlement of accounts and quarterly financial results.

[Accounting auditor] (Fiscal year ended March 2026)

(1) Name of accounting auditor

Ernst & Young ShinNihon LLC

(2) Amount of remuneration payable to the accounting auditor

① Total remuneration and other amounts payable by the Company for services under Article 2, Paragraph 1 of the Certified Public Accountants Act of Japan: 54 million yen

② Total amount of cash and other financial benefits payable by the Company and its subsidiaries: 71 million yen

Notes:

1. In the audit contract between the Company and the accounting auditor, the remuneration paid for audits under the Companies Act of Japan and the Financial Instruments and Exchange Act of Japan is not clearly distinguished. Therefore, the amount in item 1 above includes the amount of remuneration paid for audits under the Financial Instruments and Exchange Act.
2. The Company's Board of Auditors has reviewed the contents of the audit plan prepared by the accounting auditor, the performance of duties, and the basis for calculation of the estimated amount of remuneration in the previous fiscal year by way of obtaining the necessary documents from the Board of Directors, relevant internal departments and the accounting auditor, and by listening to reports. As a result, it has been determined that the fees paid to the accounting auditor are in accordance with Article 399, Paragraph 1 of the Companies Act.

(3) Description of non-auditing services

The Company pays compensation to the accounting auditor for "climate change response support services," etc. as services other than the auditing services stipulated in Article 2, Paragraph 1 of the Certified Public Accountants Act (non-auditing services).

(4) Policy for decisions on the dismissal or non-reappointment of the accounting auditor

The Audit and Supervisory Committee will decide on the contents of the proposal to be submitted to the General Meeting of Shareholders regarding the dismissal or non-reappointment of the accounting auditor if the Audit and Supervisory Committee deems it necessary, such as when there is an

impediment to the accounting auditor's performance of duties.

Furthermore, if the accounting auditor is found to fall under any of the items specified in Article 340, Paragraph 1 of the Companies Act, the Audit and Supervisory Committee will dismiss the accounting auditor based on the consent of all members of the Audit and Supervisory Committee. In this case, a member of the Audit and Supervisory Committee, selected by the Audit and Supervisory Committee, reports on the dismissal of the accounting auditor and the reasons for the dismissal at the first General Meeting of Shareholders convened after the dismissal.

### 3. Reasons for selecting the current corporate governance system updated

Based on our management philosophy of “connecting people and society to the future with a smile,” the Company formulated a management vision of “becoming a hub for the infrastructure of life through the power of home appliances and ICT.” The Company promotes management that contributes to developing a sustainable society by creating two forms of social value: “helping to strengthen the resilience of an aging society” and “achieving household carbon neutrality.”

Amid the rapidly changing business environment surrounding the Company, building an organizational structure that responds quickly and flexibly to changes is an important management task for the Joshin Group's sustainable growth and higher corporate value. Under this understanding, the Company has worked on enhancing its corporate governance system. 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 an executive officer system and set up a Nomination and Compensation Committee and a Board of Directors Evaluation Committee, both of which comprise a majority of outside directors. Moreover, we adopted a performance-linked stock compensation system. To strengthen these measures further, the Company transitioned from a company with a board of company auditors to a company with an Audit and Supervisory Committee with approval at the 77th Annual General Meeting of Shareholders held on June 24, 2025. We will take the opportunity of the transition 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, the Audit and Supervisory Committee, consisting of only independent outside directors, audits and oversees the legality and appropriateness of business execution. Therefore, a strong management oversight system serves as the foundation for enhancing corporate value. In June 2026, two outside directors retired, and two new outside directors were appointed by resolution at the 78th Annual General Meeting of Shareholders. Consequently, as of the end of June 2026, 75% of our directors are independent outside directors, and half are female. We believe our current structure possesses sufficient independence and diversity. We will utilize the valuable opinions and suggestions provided by each independent outside director from a management perspective to further revitalize our management.

*III* Status of implementation of measures concerning shareholders and other concerned parties

1. Efforts to revitalize the General Meeting of Shareholders and to facilitate the exercise of voting rights

	Supplementary explanation
Early notification of convocation of General Meeting of Shareholders	The Company shall send these convocations approximately three weeks before the date of the General Meeting of Shareholders. The notice to convene the General Meeting of Shareholders shall be posted on TDnet and the Company's website ( <a href="https://www.joshin.co.jp/en/ir/meeting.html">https://www.joshin.co.jp/en/ir/meeting.html</a> ) prior to the sending date.
Scheduling the General Meeting of Shareholders to avoid dates on which there are many other shareholders' meetings	The Company shall strive, whenever possible, to avoid scheduling the General Meeting of Shareholders on dates that coincide with other shareholders' meetings, so that as many shareholders as possible can attend.
Exercising voting rights by electromagnetic methods	Electronic voting is also available.
Participation in electronic platforms for exercising voting rights and other efforts to improve the voting rights exercising environment for institutional investors	It is possible to participate in and use the electronic platform managed by the joint venture ICJ, Inc. established by the Tokyo Stock Exchange and other companies for exercising voting rights.
Providing notices (summaries) in English	The Company has been posting English translations of the notices on its website approximately three weeks before the date of the General Meeting of Shareholders.
Others	The Company posts notices to convene the General Meeting of Shareholders on its website, and after the meeting, various corporate information along with the notice of any resolutions, is sent to the shareholders in writing.

2. Status of activities related to investor relations (IR) updated

	Supplementary explanation	Explanation by the representative directly
Creation and announcement of disclosure policy	<p>The Joshin Group Disclosure Policy on information disclosure is available on our website.</p> <p><a href="https://www.joshin.co.jp/en/ir/policy.html">https://www.joshin.co.jp/en/ir/policy.html</a></p> <p>As a basic policy, with the aim of becoming a company that is trusted and supported by society, the Company thoroughly discloses information in a timely, accurate, and fair manner from the perspective of all stakeholders, including shareholders and investors, and works on proactive and straightforward disclosure of information.</p>	No
Holding regular briefings for individual investors	The Managing Executive Officer in charge of financial strategy periodically participates in online company briefings held by securities companies for individual investors, serving as the main speaker.	No
Conducting regular briefings for analysts and institutional investors	The Company holds live-streaming financial results briefings, with all executive officers, including representative directors, in attendance, twice a year after releasing interim and fiscal year-end financial results. Moreover, in response to requests from institutional investors, analysts, etc. the Company shall hold individual briefings in the form of meetings in a timely manner.	Yes
Holding regular briefings for overseas investors	No. We hold IR meetings individually if requested.	Yes
Posting IR materials on the website	<p>The Company posts brief notes on financial results, briefing data for financial results, securities reports, notices to convene the General Meeting of Shareholders, integrated reports, and other data to be timely disclosed on its website to enhance information distribution.</p> <p><a href="https://www.joshin.co.jp/en/ir/library.html">https://www.joshin.co.jp/en/ir/library.html</a></p>	
Establishment of an IR department (personnel)	The Company has established the IR Promotion Office within the Management Planning Department, which is responsible for IR.	
Others	The Company carries out IR activities mainly targeting individual investors by publishing information regarding the Company and shareholder benefit programs in IR-related magazines. The Company also holds briefing sessions via video streaming and teleconferencing on the financial results of the first six months and the full year, in order to explain the financial results, business conditions, and future business development in detail. Furthermore, the Company renewed the IR page on its website. In addition to newly created pages to introduce our businesses, we released corporate reports by FISCO	

and online financial statement content by logmi.

3. Status of efforts to respect the position of stakeholders updated

Supplementary explanation	
Regulations that respect the position of stakeholders through internal regulations, etc.	<p>The Company made a commitment to and signed the U.N. Global Compact in July 2022.</p> <p>As part of this initiative, we established and announced the Joshin Group Human Rights Policy in December 2022, the Joshin Group Procurement Policy and Procurement Guidelines in February 2023, the Joshin Group D&amp;I Policy and the Joshin Group Anti-Corruption Policy in March 2023, the Partnership Declaration in July 2024, and the Multi-stakeholder Policy in June 2025</p> <p>. The Joshin Group Declaration on Actions stipulates respect for the position of our stakeholders, including employees, customers, business partners, and shareholders. In addition, to ensure all Group employees comply with the Joshin Group Declaration on Actions, we have codified our action guidelines in the Joshin Group Code of Conduct.</p>
Implementation of environmental conservation activities, CSR activities, etc.	<p>We have set “contributing to the creation of an enriching society that is in harmony with the global environment” as one of our material issues (major challenges) and are promoting the establishment of a resource-recycling society and addressing climate change issues. Through these and other efforts to achieve a society with net-zero carbon emissions, we are working to create social value by achieving household carbon neutrality and to improve our corporate value. The Company’s efforts to address environmental issues have been organized and announced as the Joshin Group Environmental Principles, the Joshin Group Basic Environmental Policy, the Joshin Group Environmental Action Guidelines, and the Joshin Green Smile Challenge 2050.</p> <p>In practicing sustainability management, we disclose information based on TCFD recommendations. Furthermore, we also announced our support for TNFD recommendations and disclose information accordingly. In fiscal 2023, we established a transition plan to address the goal of limiting the average global temperature rise to 1.5°C. Furthermore, in fiscal 2024, we analyzed the impact of climate-related risks and opportunities on the organization's business, strategy, and financial plans. Going forward, we will work to raise the level of information disclosure to cover IFRS Sustainability Disclosure Standards S2 Climate-related Disclosures. For greenhouse gas (GHG) emissions, the Group began assessing Scope 1, 2, and 3 emissions in fiscal 2022. Moreover, we obtained third-party verification to ensure the reliability of our figures for Scope 1, 2, and 3 (categories 1, 4, and 11) emissions. We obtained third-party verification for 98.9% of our total GHG emissions in fiscal 2024. As a result of these efforts, we earned the highest rating of “A” in the climate change category of the CDP questionnaire for three consecutive years, starting in fiscal 2023.</p> <p>We have begun working toward the early achievement of carbon neutrality at our business sites. We are actively promoting the installation of photovoltaic systems under our on-site and off-site power purchase agreements (PPAs), with 76 sites already in operation as of March 2026. In addition, starting in fiscal 2024, we have been working on obtaining Net-Zero Energy Building (ZEB) certification, which targets net-zero</p>

annual primary energy consumption by reducing the energy load and utilizing renewable energy. Following our Nara store, our Konosu store has also obtained ZEB certification. Furthermore, we are promoting the installation of solar carports at target business sites. By combining these initiatives with the introduction of a virtual power purchase agreement (Virtual PPA) for wind power, which began operations in October 2025, the percentage of off-grid consumption among our business sites with PPAs reached 28.77% in fiscal 2025. The result brings us ahead of our 2030 target of 25% for the second consecutive year (The Company revised the fiscal 2030 target for the percentage of off-grid consumption to 30%). On the other hand, the rate of renewable energy conversion across all business sites, including tenants, is 62.2%, and we plan to achieve 100% conversion to renewable energy by around 2040.

The Company's head office building has acquired ISO 14001 certification, an international standard for environmental management systems. Furthermore, we installed electric vehicle chargers at all of our stores where such installations are possible in fiscal 2024. In addition, our social mission is to maintain and create an environment where people in the local community can live in safety, comfort, and good health. We carry out sales promotion activities for energy-saving home appliances, actively promote energy saving, energy generation, and energy storage, and conduct activities such as estimating the installation cost of household charging outlets for electric vehicles and selling household storage batteries.

The Company promotes compliance and formulates policies on the social responsibilities to be fulfilled by the Group through the operations of the Sustainability Committee and the Risk Management Committee. As part of this effort, coinciding with the major turning point of the trade name change in April 2026 (from Joshin Denki Co., Ltd. to Joshin Corporation), we have significantly revised the Joshin Group Declaration on Actions and the Joshin Group Code of Conduct to ensure consistency with our management philosophy system. These revisions reflect recent social demands, such as compliance with international human rights standards, reduction of environmental impact, D&I, and fair trade, and have been updated to make them easier for all employees to implement. Currently, we distribute Credo Cards to all members of the Group (including franchise stores) to ensure their thorough implementation and provide guidance on compliance. We will continue to review and revise our Code of Conduct and Declaration as needed in accordance with societal demands, striving to ensure widespread awareness and adherence. On the other hand, the Company has already enacted the Basic Policy on Information Security and the Personal Information Protection Policy, and has established an information security management system and a personal information protection management system. It is also expanding promotional activities for these across the entire Group to protect information assets, including customers' personal information. As a result, Joshin was certified by the Japan Information Processing Development Center (currently the Japan Institute for Promotion of Digital Economy and Community) with the "Privacy Mark" on April 25, 2005, the first for a large corporate retailer, and the mark has been used since May 13, 2005.

Furthermore, we have established systems and are promoting activities to fulfill our social responsibilities toward the stakeholders of the Group, including the enactment of the Basic Policy on the Construction of the Internal Control System in May 2006 (last revised on June 24, 2025) and the Product Safety Voluntary Action Guidelines in December 2007. As a result, we were the first to receive the METI Minister's Award for

	<p>Best Contributors to Product Safety in the large retailer category three consecutive times, in November 2008, November 2010, and November 2012. We were also the first recipient of METI's newly established Gold Product Safety Company mark in June 2014, and the first to receive an additional "★" certification mark indicating a higher level of achievement under the program's follow-up assessment in 2019. Furthermore, in 2024, Joshin was granted a "★★" certification mark, which was newly added that year. In January 2017, we became the first major retailer in Japan to acquire ISO 22301:2012 certification for our business continuity management system to prepare for significant risks and respond to negative impacts efficiently and effectively. In 2021, we were also certified in the transition to the new standard, ISO 22301:2019.</p> <p>These initiatives are disclosed in our integrated report.</p> <p>(<a href="https://www.joshin.co.jp/en/ir/library/report.html">https://www.joshin.co.jp/en/ir/library/report.html</a>)</p>
<p>Formulating policies for provision of information to stakeholders</p>	<p>The Company published the Joshin Group Disclosure Policy in December 2022. The Company stipulates a policy for disclosure of corporate information to stakeholders in the Joshin Group Code of Conduct and informs all employees of the Group. Based on these provisions, the Company has established an internal system to enable prompt, accurate, fair and timely disclosure to all stakeholders, including shareholders and investors, and provides information in a timely and appropriate manner through its website, briefings on six-month and full-year financial results, and IR seminars for individual investors.</p>
<p>Others</p>	

IV. Matters related to internal control systems, etc.

1. Basic concept on internal control system and the status of its maintenance updated

The Company has established the following basic policy regarding the creation of an internal control system. Based on this basic policy, the Company has created and operates a system to ensure the appropriateness of the Group's operations as stipulated in the Companies Act and the Regulations for Enforcement of the Companies Act, as well as internal control over financial reporting as stipulated in the Financial Instruments and Exchange Act.

- (1) System to ensure that the execution of duties by directors, executive officers, and employees are in compliance with laws and regulations and the Articles of Incorporation.
  - 1) The Sustainability Committee, chaired by the Representative Director, President and Executive Officer, shall oversee compliance in general in coordination with the Risk Management Committee.
  - 2) To promote compliance, we shall enact the Human Rights Policy, D&I Policy, Basic Environmental Policy, Procurement Policy and Procurement Guidelines, Anti-Corruption Policy, Disclosure Policy, Basic Policy on Information Security, Personal Information Protection Policy, Product Safety Voluntary Action Guidelines, Code of Conduct, and other Group-wide policies. We shall provide guidance through continuous training and other means to ensure that all officers and employees of the Company and its subsidiaries view compliance as an issue that concerns them and conduct their business operations accordingly.
  - 3) In the event that a compliance-related incident should occur, a system shall be established whereby the details of the incident and measures to handle it shall be reported to top management, the Board of Directors, the Board of Executive Officers, and the Audit and Supervisory Committee through the Chief Compliance Officer (the executive officer appointed under the sustainability promotion framework).

- 4) The Company shall establish Whistleblower System Operating Standards and establish a contact point for consultation and reporting on organizational and individual violations of laws and regulations, and introduce a whistleblower system that specifically stipulates that whistleblowers will not be treated unfavorably on the grounds that they have made a consultation or report.
- 5) The Company shall not have any connections with antisocial forces and groups which threaten the order and safety of civil society, and shall thoroughly educate all employees in accordance with the Basic Policy on Exclusion of Antisocial Forces and the Joshin Group Code of Conduct to resolutely respond to such forces and groups, and shall establish a system to deal with such forces and groups.
- (2) System for the storage and management of information related to the execution of duties by directors
  - 1) Information and documents related to the execution of duties by directors shall be stored and managed in accordance with the Company's internal regulations and related manuals, etc., and the status of operation shall be verified and the regulations, etc. shall be reviewed as needed.
  - 2) For information management, information security management standards and personal information management standards shall be established.
- (3) Regulations for managing the risk of loss and other systems
  - 1) As an organization for managing the risk of loss, a Risk Management Committee, chaired by the Representative Director, President and Executive Officer, shall be established and the development of a risk management system shall be promoted by identifying, analyzing, and evaluating various risks around the corporate group consisting of the Company and its subsidiaries, and implementing appropriate measures.
  - 2) The Risk Management Committee shall have a Compliance Unit that controls compliance overall, an Internal Control Unit which handles the internal control system, a Personal Information Protection Unit, an Information Security Unit, and a BCMS Promotion Unit that develops and promotes the Business Continuity Management System (BCMS) as a system for effective and functional business continuity even in the event of an emergency. In addition, the Company shall establish other committees for each individual business for risk management based on necessity. Through these activities, the Company shall manage the risks of the corporate group.
  - 3) In the event of an unforeseen event, the Disaster (Accident) Countermeasures Committee shall be convened in accordance with the Risk Management Rules to prevent the spread of damage.
  - 4) The Company shall establish an Audit Department, which reports directly to the President and Executive Officer, and the department shall be in charge of internal auditing of the Company and its subsidiaries. The Audit Department shall conduct internal audits on a regular basis according to the Internal Audit Regulations in coordination with the Audit and Supervisory Committee. The Audit Department shall periodically review the items and methods of audit implementation and operate with approval from the Audit and Supervisory Committee.
  - 5) The executive officer in charge of internal control shall report to the Board of Directors on the status of internal control operations in the Company and its subsidiaries on a quarterly basis.
- (4) System to ensure that the execution of duties by directors is carried out efficiently
  - 1) The Board of Directors shall hold regular meetings at least once a month to make decisions on important matters and to supervise the execution of duties by the directors and executive officers.
  - 2) Based on the Board of Directors regulations, executive officer regulations, regulations for division of duties, and rules for decision-making, the authority to make decisions on business execution shall be transferred to executive officers, and the monitoring functions of the Board of Directors shall be strengthened.
  - 3) Directors and executive officers shall report the status of their own duties that they execute to the Board

of Directors on a quarterly basis.

- 4) Independent outside directors shall be appointed to further vitalize deliberations by the Board of Directors and strengthen the management supervision function.
  - 5) The term of office of the directors shall be one year in order to promptly respond to a rapidly changing business environment.
  - 6) Management of the operation plan shall be based on the annual and medium-term management plans formulated each year in accordance with the management philosophy, and each business line shall work to achieve its goals. The Sustainability Committee shall manage the progress.
  - 7) Digitalization shall be promoted in order to improve operational efficiency.
- (5) System to ensure the appropriateness of business operations of the corporate group
- 1) Directors of subsidiaries shall be appointed from the executive officers and other senior management of the Company.
  - 2) Auditors of subsidiaries shall be appointed from the directors serving full-time on the Audit and Supervisory Committee of the Company. When there are no directors serving full time on the Audit and Supervisory Committee, those with experience in senior management of internal control departments or sales departments shall be appointed.
  - 3) The Company and each of its subsidiaries shall appoint a person in charge of compliance promotion, and the Chief Compliance Officer shall oversee and promote compliance of its subsidiaries.
  - 4) Regarding management of subsidiaries, the Company shall periodically request a report on their business activities and discuss important matters with them in advance, while respecting their autonomy.
  - 5) As a system to ensure efficient execution of duties by the directors, etc. of the subsidiaries, (4) 5) 6) 7) shall apply mutatis mutandis to the subsidiaries.
- (6) Matters concerning employees to assist with the Audit and Supervisory Committee's duties and independence of such employees from the directors (excluding directors serving on the Audit and Supervisory Committee)
- 1) The Company assigns employees to assist with the duties of the Audit and Supervisory Committee. Such employees shall work solely for the Audit and Supervisory Committee and prioritize the work for the Audit and Supervisory Committee even if they concurrently work for other departments.
  - 2) Specific personnel matters of such employees shall be determined by the Board of Directors with the consent of the Audit and Supervisory Committee. Performance evaluation of the said employees is conducted by the Audit and Supervisory Committee.
- (7) System for directors (excluding directors serving on the Audit and Supervisory Committee), executive officers, and other employees to report to the Audit and Supervisory Committee
- 1) If any director (excluding directors serving on the Audit and Supervisory Committee), executive officer, or other employee discovers a fact that may cause significant damage to the Company, he or she shall immediately report it to the Audit and Supervisory Committee in accordance with laws and regulations.
  - 2) Directors (excluding directors serving on the Audit and Supervisory Committee), executive officers, and other employees shall prepare the necessary reports and provide information in response to requests from the Audit and Supervisory Committee in accordance with the provisions of the Audit and Supervisory Committee.
  - 3) Directors, auditors, and employees of the Company's subsidiaries shall promptly prepare the appropriate reports when requested by the Audit and Supervisory Committee of the Company to report on matters related to the execution of business.

- 4) The Company shall prohibit any disadvantageous treatment of its directors (excluding directors serving on the Audit and Supervisory Committee), auditors, executive officers, and employees and those of the Company and its subsidiaries who have reported to the Audit and Supervisory Committee for making such reports, and shall inform all directors (excluding directors serving on the Audit and Supervisory Committee), auditors, executive officers, and employees of the Company and its subsidiaries to that effect.
- 5) The aforementioned 1) to 4) shall apply mutatis mutandis to outside directors in order for them to effectively perform their duties.
- (8) System to ensure that audits by the Audit and Supervisory Committee are carried out effectively
  - 1) Directors serving on the Audit and Supervisory Committee shall attend meetings of the Board of Directors and other important meetings, inspect major documents requiring managerial approval, and other important documents related to the execution of business, and request explanations from directors (except for directors serving on the Audit and Supervisory Committee), executive officers, and other employees as needed.
  - 2) The Audit and Supervisory Committee shall receive reports from the accounting auditor regarding details of the accounting audit, exchange information, and actively collaborate with the accounting auditor to raise the effectiveness of the audit as needed.
  - 3) The Audit and Supervisory Committee shall receive reports from the Audit Department on the details of internal audits of the Company and each subsidiary company and may provide instructions and give orders to raise the effectiveness of the audit as needed. In the event that instructions and orders from the President and Executive Officer, are different from the ones of the Auditor and Supervisory Committee, the instructions and orders from the Auditor and Supervisory Committee shall be prioritized.
  - 4) In the event that a director serving on the Audit and Supervisory Committee requests prepayment or reimbursement of expenses to the Company in connection with the execution of his or her duties, the Company shall promptly process such expenses or debts after deliberation by the department in charge, unless such expenses or debts related to such request are proven not to be necessary for the performance of the said director's duties.
  - 5) The aforementioned 1) to 4) shall apply mutatis mutandis to outside directors in order for them to effectively perform their duties.

## **2. Basic concept on the elimination of antisocial forces and the status of its maintenance**

The Company has established the following basic policy regarding the elimination of antisocial forces.

In accordance with the “Guidelines for Enterprises to Prevent Damage Caused by Antisocial Forces” (published by the Meeting of Cabinet Ministers for Anti-Crime Measures), the Company and its Group Companies will resolutely oppose and reject any intervention by antisocial forces that threaten social order and safety.

In addition, the Company shall adhere to the following basic principles to fulfill its social responsibility as a business enterprise and to be a company that is trusted by society.

- (1) Basic Principles to Prevent Damage Caused by Antisocial Forces
  - 1) Organizational measures
  - 2) Cooperation with external specialized agencies
  - 3) Severing relations, including business transactions
  - 4) Civil and criminal legal response in cases of emergency
  - 5) Prohibition of backdoor transactions and funding

- (2) Response based on basic principles
  - 1) Unreasonable demands by antisocial forces can cause anxiety and fear in a person’s mind, and if the manager or department in charge takes measures alone, they may be forced to comply with the demands. Therefore, the entire organization shall respond to the matter.
  - 2) The Company shall ensure the safety of employees who respond to unreasonable demands from antisocial forces.
  - 3) In preparation for unreasonable demands from antisocial forces, the Company shall establish close solidarity with external specialized agencies, such as the police, the Center for Elimination of Boryokudan, and lawyers.
  - 4) The Company shall not have any connection, including business relationships, with antisocial forces. The Company shall also reject unreasonable demands from antisocial forces.
  - 5) The Company will take legal action, both civil and criminal, against unreasonable demands from antisocial forces.
  - 6) The Company shall never engage in any backdoor dealings to conceal the facts, even if unreasonable demands from antisocial forces are made on the grounds of misconduct in the Company’s business activities or wrongdoing by its employees.
  - 7) The Company shall not provide funds to antisocial forces.

**V. Others**

**1. Introduction of takeover countermeasures**

Introduction of takeover countermeasures	No
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Supplementary explanation on corresponding matters

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**2. Other matters concerning the corporate governance system, etc.**

updated

Overview of the timely disclosure system

1. Basic policy of timely disclosure

As a listed Company that participates in the securities market, the Company recognizes that in order to build and maintain a relationship of trust with its shareholders and investors, the Company has the extremely important responsibility to provide prompt, accurate, fair, and timely disclosure of important facts and financial information that may affect investment decisions and the Company. The Company formulated the **Joshin Group Disclosure Policy** (released in December 2022) and works to provide information in accordance with it.

2. In-house system for timely disclosure

The Company’s internal system for timely disclosure is shown in the attachment.

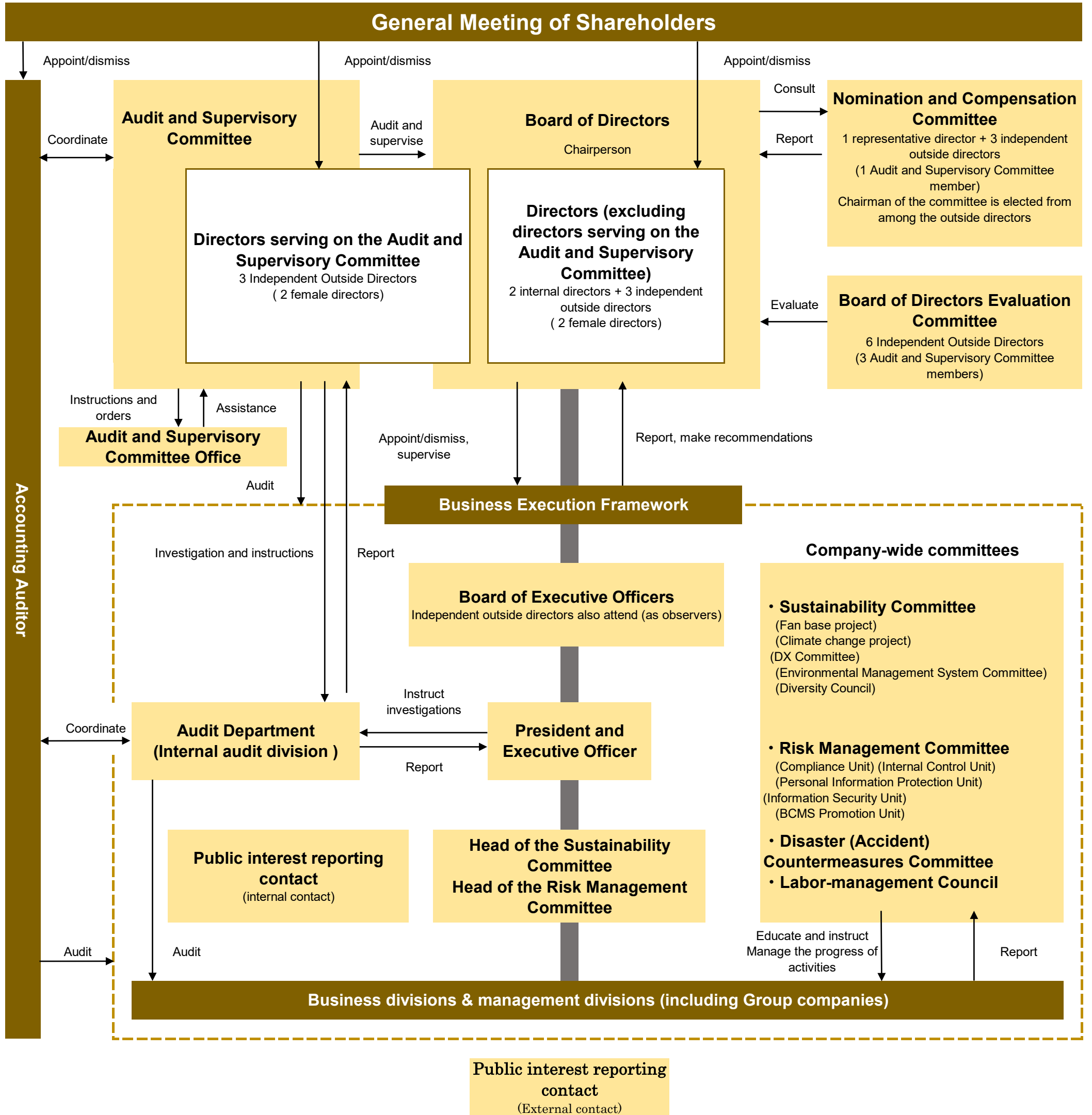
3. Method of timely disclosure

In principle, timely disclosure is made through the “Timely Disclosure Network (TDnet)” operated by the Japan Exchange Group. Resources are also posted to each press club. In addition, disclosure resources are promptly posted on the Company’s website.

[Outline diagram (reference data)]

[Overview of the timely disclosure system (outline diagram)]

○ Corporate governance system



**[Schematic diagram of timely disclosure system]**

