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Joshin

Fiscal Year Ended March 31, 2026 (FY2025) Consolidated Financial Results

May 8, 2026

Joshin Corporation

(Securities code: 8173)

[目次]


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新生Joshin
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Earnings Summary for the Fiscal Year Ended March 31, 2026 (FY2025): 1

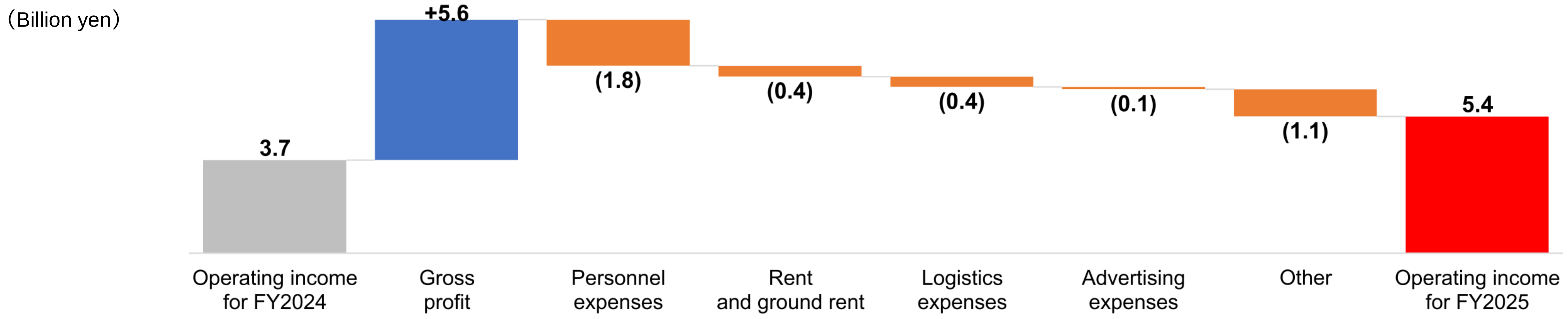
Consolidated Income Statement (Apr.–Mar.)

(Million yen)	Full-year FY2025 (Apr.–Mar.)						Full-year FY2024 (Apr.–Mar.)	
	Initial Forecast	% of net sales	Actual results	% of net sales	YoY	Vs. forecast	Actual results	% of net sales
Net sales	404,000	100.0%	**436,650**	100.0%	+8.3%	+8.1%	403,259	100.0%
Of which, sales at stores	324,000	80.2%	**354,911**	81.3%	+9.2%	+9.5%	325,001	80.6%
Of which, sales in EC business	75,000	18.6%	**79,004**	18.1%	+14.2%	+5.3%	69,157	17.1%
Gross profit	109,000	27.0%	**107,787**	24.7%	+5.5%	(1.1%)	102,212	25.3%
Selling, general and administrative expenses	105,000	26.0%	**102,365**	23.4%	+3.9%	(2.5%)	98,524	24.4%
Of which, personnel expenses	–	–	**39,295**	9.0%	+4.9%	–	37,459	9.3%
Of which, rent and ground rent	–	–	**11,767**	2.7%	+3.8%	–	11,340	2.8%
Of which, logistics expenses	–	–	**14,731**	3.4%	+2.9%	–	14,320	3.6%
Of which, advertising expenses	–	–	**6,985**	1.6%	+1.3%	–	6,893	1.7%
Operating income	4,000	1.0%	**5,422**	1.2%	+47.0%	+35.6%	3,688	0.9%
Ordinary income	4,000	1.0%	**5,113**	1.2%	+46.5%	+27.8%	3,491	0.9%
Net income (*1)	2,800	0.7%	**3,280**	0.8%	(3.7%)	+17.2%	3,407	0.8%

*1 Profit attributable to owners of parent

Earnings Summary for the Fiscal Year Ended March 31, 2026 (FY2025): 2

Factors for Changes in Operating Income (Apr.-Mar.): Vs. Previous Year



FY2024

(Billion yen)	Operating income for FY2023	Gross profit	Personnel expenses	Rent and ground rent	Logistics expenses	Advertising expenses	Other	Operating income for FY2024
Apr.–Mar.	8.4	(2.9)	(0.6)	(0.6)	(0.7)	+0.3	(0.2)	**3.7**

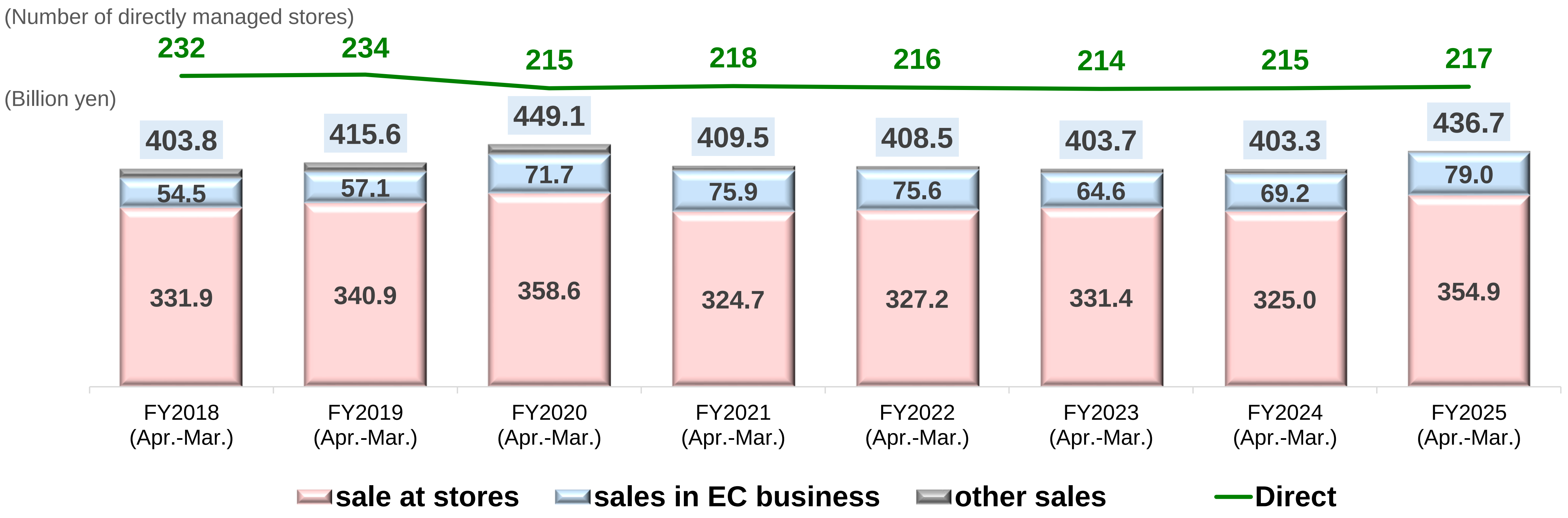
Factors for Changes in Operating Income (Quarterly): Vs. Previous Year

(Billion yen)	Operating income for FY2024	Gross profit	Personnel expenses	Rent and ground rent	Logistics expenses	Advertising expenses	Other	**Operating income for FY2025**
Apr.–June	0.9	+0.4	(0.2)	(0.1)	(0.3)	+0.0	(0.3)	**0.6**
July–Sept.	0.9	+1.2	(0.2)	(0.1)	(0.1)	(0.2)	+0.0	**1.6**
Oct.–Dec.	(0.4)	+2.1	(0.5)	(0.1)	(0.1)	(0.1)	(0.1)	**0.9**
Jan.-Mar.	2.2	1.8	(1.0)	(0.1)	+0.1	+0.1	(0.7)	**2.3**

Earnings Summary for the Fiscal Year Ended March 31, 2026 (FY2025): 3

Online sales reached a record high, while in-store sales also achieved the second-highest revenue since fiscal year 2020

Historical Sales at Stores and in EC Business



(Billion yen)	FY2018 (Apr.-Mar.)	FY2019 (Apr.-Mar.)	FY2020 (Apr.-Mar.)	FY2021 (Apr.-Mar.)	FY2022 (Apr.-Mar.)	FY2023 (Apr.-Mar.)	FY2024 (Apr.-Mar.)	**FY2025 (Apr.-Mar.)**
Sales per store (*1)	1.43	1.46	1.67	1.49	1.51	1.55	1.51	**1.64**

*1 sales at stores ÷ number of directly managed stores

Earnings Summary for the Fiscal Year Ended March 31, 2026 (FY2025): 4

Consolidated Income Statement (first/second half)

(Million yen)	First half FY2025 (Apr.-Sep.)			First half FY2024 (Apr.-Sep.)		Second half FY2025 (Oct.-Mar.)			Second half FY2024 (Oct.-Mar.)	
	Actual results	% of net sales	YoY	Actual results	% of net sales	Actual results	% of net sales	YoY	Actual results	% of net sales
Net sales	210,452	100.0%	+9.6%	191,986	100.0%	226,197	100.0%	+7.1%	211,273	100.0%
Of which, sales at stores	172,618	82.0%	+9.3%	157,967	82.3%	182,293	80.6%	+9.1%	167,033	79.1%
Of which, sales in the EC business	36,269	17.2%	+22.2%	29,677	15.4%	42,734	18.9%	+8.2%	39,480	18.7%
Gross profit	52,515	25.0%	+3.3%	50,852	26.5%	55,272	24.4%	+7.6%	51,360	24.3%
Selling, general and administrative expenses	50,376	23.9%	+2.8%	49,013	25.5%	51,988	23.0%	+5.0%	49,510	23.4%
Of which, personnel expenses	20,836	9.9%	+1.6%	20,499	10.7%	18,459	8.2%	+8.8%	16,960	8.0%
Of which, rent and ground rent	6,930	3.3%	+2.4%	6,768	3.5%	4,837	2.1%	+5.8%	4,572	2.2%
Of which, logistics expenses	6,255	3.0%	+6.6%	5,865	3.1%	8,476	3.7%	+0.2%	8,455	4.0%
Of which, advertising expenses	3,933	1.9%	+4.7%	3,756	2.0%	3,052	1.3%	(2.7%)	3,137	1.5%
Operating income	2,138	1.0%	+16.3%	1,838	1.0%	3,283	1.5%	+77.5%	1,849	0.9%
Ordinary income	2,004	1.0%	+12.8%	1,777	0.9%	3,109	1.4%	+81.4%	1,714	0.8%
Net income (*1)	1,894	0.9%	(13.7%)	2,196	1.1%	1,385	0.6%	+14.4%	1,211	0.6%

*1 Profit attributable to owners of parent

Earnings Summary for the Fiscal Year Ended March 31, 2026 (FY2025): 5

Consolidated Income Statement (Jan.–Mar.)

(Million yen)	1Q FY2025 (Apr.-Jun.)			2Q FY2025 (Jul.-Sept.)			3Q FY2025 (Oct.–Dec.)			4Q FY2025 (Jan.-Mar.)		
	Actual results	% of net sales	YoY	Actual results	% of net sales	YoY	Actual results	% of net sales	YoY	Actual results	% of net sales	YoY
Net sales	99,738	100.0%	+10.6%	110,714	100.0%	+8.8%	114,579	100.0%	+11.2%	111,617	100.0%	+3.1%
Of which, sales at stores	80,271	80.5%	+9.4%	92,346	83.4%	+9.2%	91,090	79.5%	+12.5%	91,202	81.7%	+6.0%
Of which, sales in the EC business	18,014	18.1%	+26.1%	18,255	16.5%	+18.6%	22,800	19.9%	+16.6%	19,933	17.9%	+0.1%
Gross profit	25,575	25.6%	+1.7%	26,940	24.3%	+4.8%	26,624	23.2%	+8.7%	28,647	25.7%	+6.6%
Selling, general and administrative expenses	25,010	25.1%	+3.2%	25,366	22.9%	+2.3%	25,681	22.4%	+3.3%	26,307	23.6%	+6.7%
Of which, personnel expenses	10,446	10.5%	+1.7%	10,390	9.4%	+1.6%	10,557	9.2%	+4.5%	7,902	7.1%	+15.2%
Of which, rent and ground rent	3,468	3.5%	+2.3%	3,462	3.1%	+2.5%	3,535	3.1%	+4.4%	1,302	1.2%	+9.9%
Of which, logistics expenses	3,086	3.1%	+9.0%	3,169	2.9%	+4.5%	3,355	2.9%	+2.8%	5,121	4.6%	(1.4%)
Of which, advertising expenses	1,856	1.9%	(1.7%)	2,077	1.9%	+11.2%	2,133	1.9%	+2.6%	919	0.8%	(13.2%)
Operating income	564	0.6%	(37.9%)	1,573	1.4%	+69.4%	943	0.8%	–	2,340	2.1%	+6.4%
Ordinary income	481	0.5%	(46.8%)	1,523	1.4%	+74.5%	864	0.8%	–	2,244	2.0%	+6.0%
Net income (*1)	503	0.5%	+7.6%	1,390	1.3%	(19.5%)	906	0.8%	+357.1%	478	0.4%	(52.7%)

*1 Profit attributable to owners of parent

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Earnings Summary for the Fiscal Year Ended March 31, 2026 (FY2025): 6

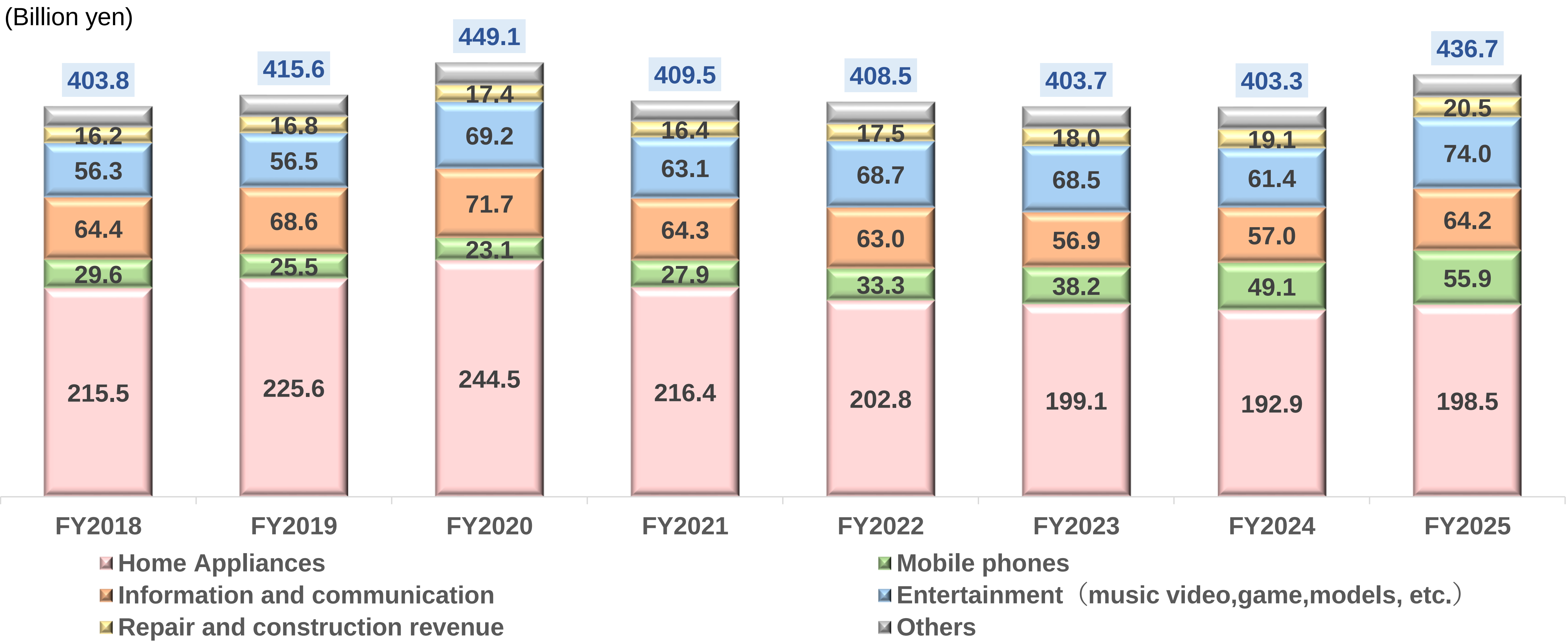
Sales by Product (Apr.-Mar.)

(Million yen)	1Q FY2025 (Apr.–Jun.)		2Q FY2025 (Jul.-Sep.)		3Q FY2025 (Oct.-Dec.)		4Q FY2025 (Jan.-Mar.)		**Full-year FY2025 (Apr.–Mar.)**			Full-year FY2024 (Apr.–Mar.)	
	Actual results	% of net sales	Actual results	% of net sales	Actual results	% of net sales	Actual results	% of net sales	**Actual results**	% of net sales	YoY	Actual results	% of net sales
TVs	5,245	5.2%	6,756	6.1%	7,212	6.3%	6,334	5.7%	**25,548**	5.8%	+1.6%	25,155	6.2%
Refrigerators	5,687	5.7%	7,270	6.6%	5,454	4.8%	5,497	4.9%	**23,909**	5.5%	(0.3%)	23,988	5.9%
Washing machines and vacuum cleaners	7,985	8.0%	9,629	8.7%	9,374	8.2%	9,233	8.3%	**36,222**	8.3%	+1.0%	35,847	8.9%
Microwave ovens and cookers	3,682	3.7%	4,156	3.8%	5,049	4.4%	5,446	4.9%	**18,334**	4.2%	+7.2%	17,096	4.2%
Air conditioners	15,226	15.3%	16,442	14.9%	6,624	5.8%	8,230	7.4%	**46,523**	10.7%	+10.9%	41,947	10.4%
Personal computers	4,719	4.8%	6,534	5.9%	5,786	5.1%	7,267	6.5%	**24,308**	5.6%	+21.7%	19,981	5.0%
Mobile phones	11,487	11.5%	11,838	10.7%	14,363	12.5%	18,216	16.3%	**55,904**	12.8%	+13.8%	49,110	12.2%
Games, models, toys, musical instruments	13,565	13.6%	14,493	13.1%	23,559	20.6%	17,448	15.6%	**69,066**	15.8%	+22.5%	56,387	14.0%

Earnings Summary for the Fiscal Year Ended March 31, 2026 (FY2025): 7

Entertainment and mobile phone sales hit record highs, while home appliance sales saw only a slight increase

Change in consolidated sales by product



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Earnings Summary for the Fiscal Year Ended March 31, 2026 (FY2025): 8

Balance sheet

(Million yen)	2026/03	2025/03	Change
Current assets	**121,201**	125,169	(3,968)
Tangible assets	**70,701**	72,968	(2,266)
Intangible assets	**4,987**	3,612	+1,375
Investments, other assets	**31,922**	29,752	+2,169
Non-current assets	**107,611**	106,333	+1,278
Total assets	**228,813**	231,503	(2,690)
(Reference)			
Total interest-bearing liabilities	**37,930**	46,025	(8,095)

(Million yen)	2026/03	2025/03	Change
Current liabilities	**78,140**	80,555	(2,414)
Non-current liabilities	**45,307**	46,282	(974)
Total liabilities	**123,448**	126,837	(3,389)
Total net assets	**105,364**	104,665	+699
Total liabilities and net assets	**228,813**	231,503	(2,690)
Total net interest-bearing liabilities*	**33,400**	38,317	(4,916)

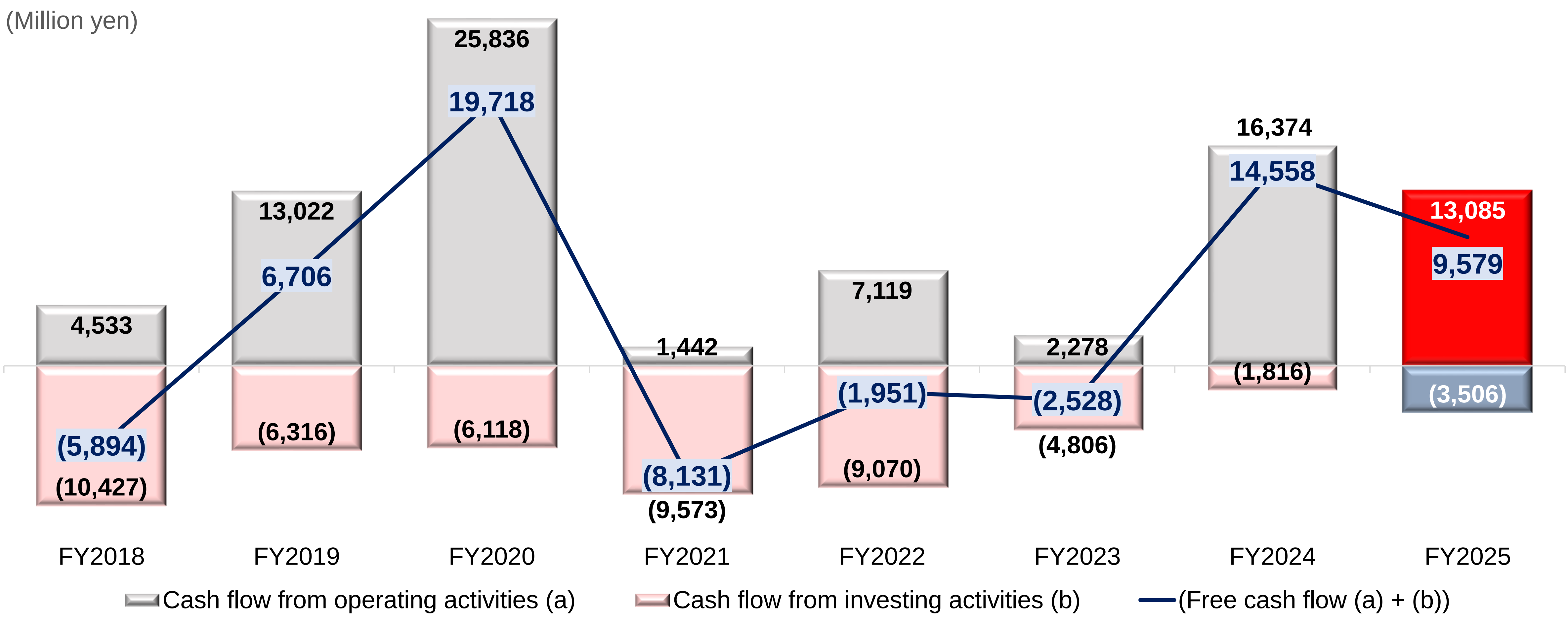
*Total net interest-bearing liabilities: interest-bearing liabilities less cash and deposits

Cash flows

(Million yen)	2026/03	2025/03	Change
Cash flow from operating activities (a)	**13,085**	16,374	(3,288)
Cash flow from investing activities (b)	**(3,505)**	(1,815)	(1,689)
(Free cash flow (a) + (b))	**9,579**	14,558	(4,978)
Cash flow from financing activities	**(12,758)**	(10,741)	(2,016)
Cash and cash equivalents at end of period	**4,529**	7,708	(3,178)

Cash Flows

By generating cash flow through stable business operations, the company has achieved positive free cash flow for two consecutive fiscal years.



Full-year Forecast for the Fiscal Year Ending March 31, 2027 (FY2026): 1

Consolidated Income Statement (Full-year Forecast)

(Million yen)	Full-year FY2026 (Apr.–Mar.)			Full-year FY2025 (Apr.–Mar.)	
	Forecast	% of net sales	YoY	Actual results	% of net sales
Net sales	**438,000**	100.0%	+0.3%	436,650	100.0%
Of which, sales at stores	**352,000**	80.4%	(0.8%)	354,911	81.3%
Of which, sales in EC business	**81,000**	18.5%	+2.5%	79,004	18.1%
Gross profit	**114,500**	26.1%	+6.2%	107,787	24.7%
Selling, general and administrative expenses	**108,500**	24.8%	+6.0%	102,365	23.4%
Operating income	**6,000**	1.4%	+10.7%	5,422	1.2%
Ordinary income	**5,500**	1.3%	+7.6%	5,113	1.2%
Net income (*1)	**3,500**	0.8%	+6.7%	3,280	0.8%

*1 Profit attributable to owners of parent

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Full-year Forecast for the Fiscal Year Ending March 31, 2027 (FY2026): 2

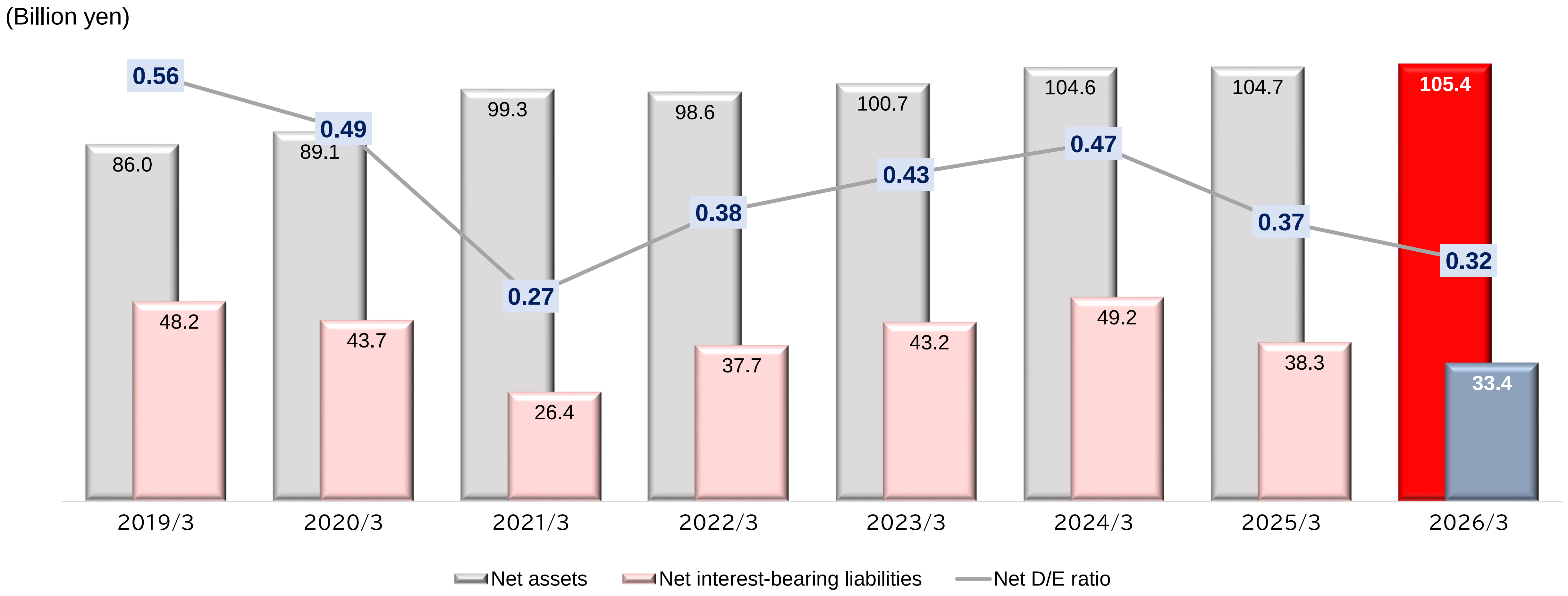
Consolidated Income Statement (Forecasts for 1H from Apr. to Sep. and 2H from Oct. to Mar.)

(Million yen)	First half FY2026(Apr.–Sept.)			First half FY2025(Apr.–Sept.)		Second half FY2026 (Oct.–Mar.)			Second half FY2025 (Oct.–Mar.)	
	Forecast	% of net sales	YoY	Actual results	% of net sales	Forecast	% of net sales	YoY	Actual results	% of net sales
Net sales	**211,000**	100.0%	+0.3%	210,452	100.0%	**227,000**	100.0%	+0.4%	226,197	100.0%
Of which, sales at stores	**170,000**	80.6%	(1.5%)	172,618	82.0%	**182,000**	80.2%	(0.2%)	182,293	80.6%
Of which, sales in EC business	**37,000**	17.5%	+2.0%	36,269	17.2%	**44,000**	19.4%	+3.0%	42,734	18.9%
Gross profit	**55,900**	26.5%	+6.4%	52,515	25.0%	**58,600**	25.8%	+6.0%	55,272	24.4%
Selling, general and administrative expenses	**53,400**	25.3%	+6.0%	50,376	23.9%	**55,100**	24.3%	+6.0%	51,988	23.0%
Operating income	**2,500**	1.2%	+16.9%	2,138	1.0%	**3,500**	1.5%	+6.6%	3,283	1.5%
Ordinary income	**2,300**	1.1%	+14.7%	2,004	1.0%	**3,200**	1.4%	+2.9%	3,109	1.4%
Net income (*1)	**1,900**	0.9%	+0.3%	1,894	0.9%	**1,600**	0.7%	+15.5%	1,385	0.6%

*1 Profit attributable to owners of parent

Trends of Financial Conditions and Net Interest-bearing Liabilities

The net debt-to-equity ratio fell to 0.32 as net interest-bearing debt decreased



Net interest-bearing liabilities: Interest-bearing liabilities – Cash and deposits
*Net D/E ratio: (Interest-bearing liabilities – Cash and deposits) / Net assets

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Change in the Number of Stores

To advance Joshin Group's dominant strategy, we opened new stores outside the Kansai region and strengthened "Joshin" brand stores.

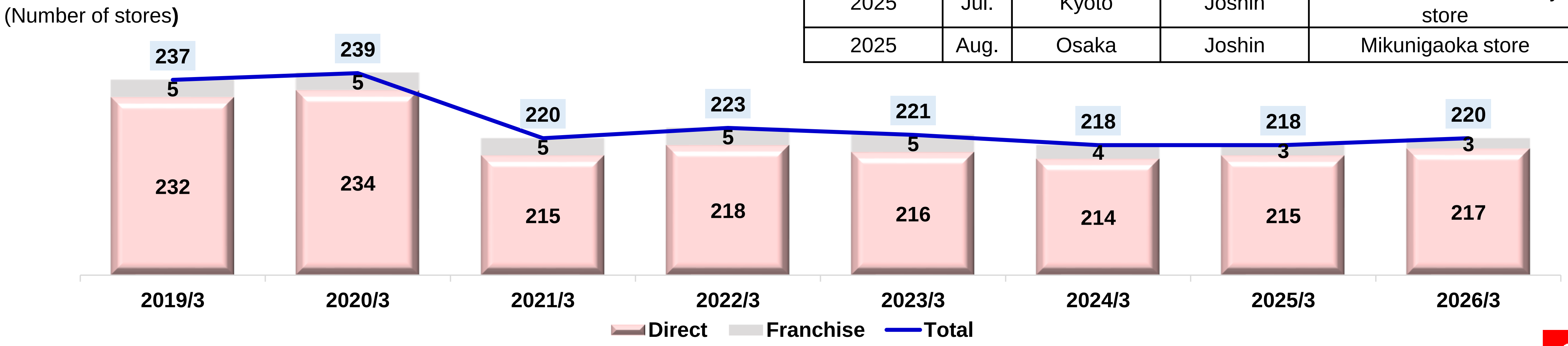
Breakdown of stores by region as of the end of March 2026

Region	Number of stores	Joshin		BOOK・OFF	TSUTAYA
		Direct	Franchise		
Kansai	140	133		6	1
Tokai	35	34	1		
Hokushinetsu	25	25			
Kanto	18	18			
Shikoku	2		2		
Total	220	210	3	6	1

Store openings and closures in FY2025

New opening		Prefecture	Store format	Store name
2025	Sept.	Tokyo	Joshin	MARK IS Katsushika Kanamachi store
2025	Sept.	Aichi	Joshin	LaLaport NAGOYA minato AQULS store
2025	Sept.	Aichi	Joshin	CiiNA CiiNA Owariasahi store
2025	Sept.	Nagano	Joshin	Suzaka AEON MALL store

Closure		Prefecture	Store format	Store name
2025	Jul.	Kyoto	Joshin	Kitano Hakubaicho Izumiya store
2025	Aug.	Osaka	Joshin	Mikunigaoka store



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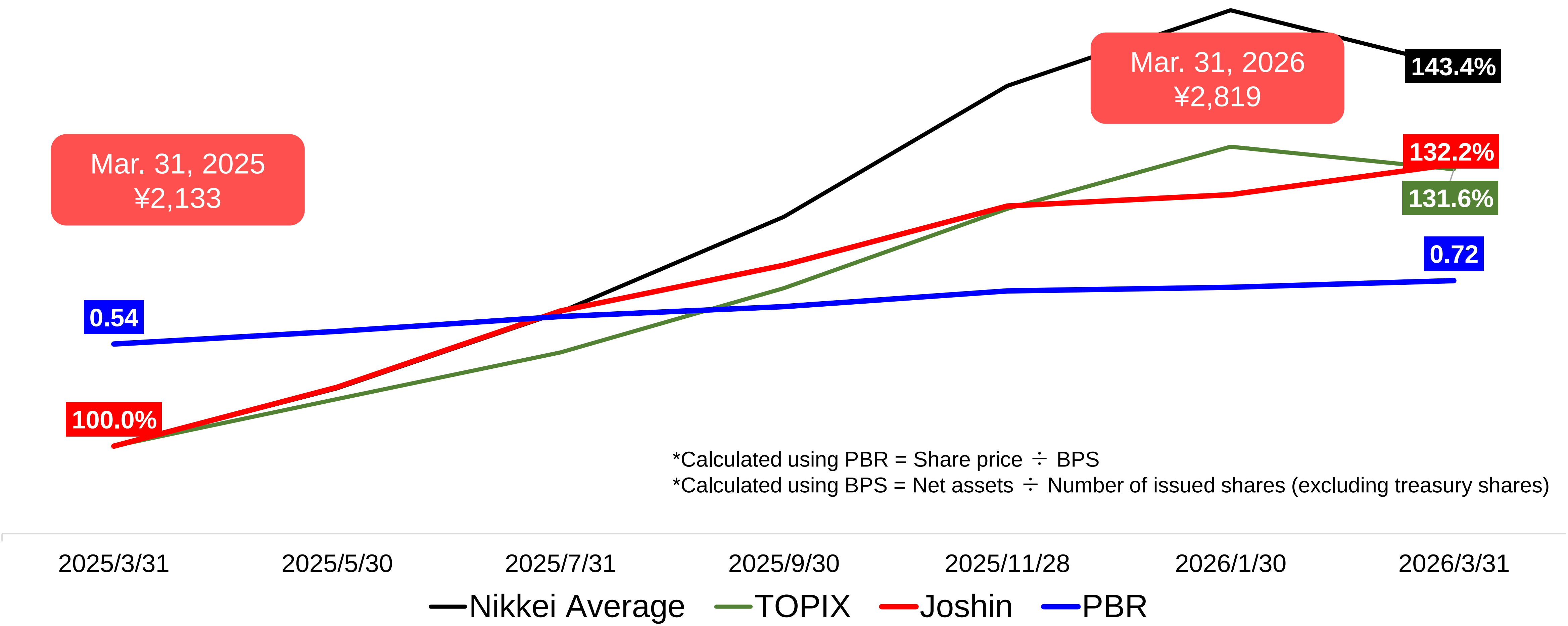
Trends in Joshin's Stock Price and PBR *As of Mar. 31, 2026

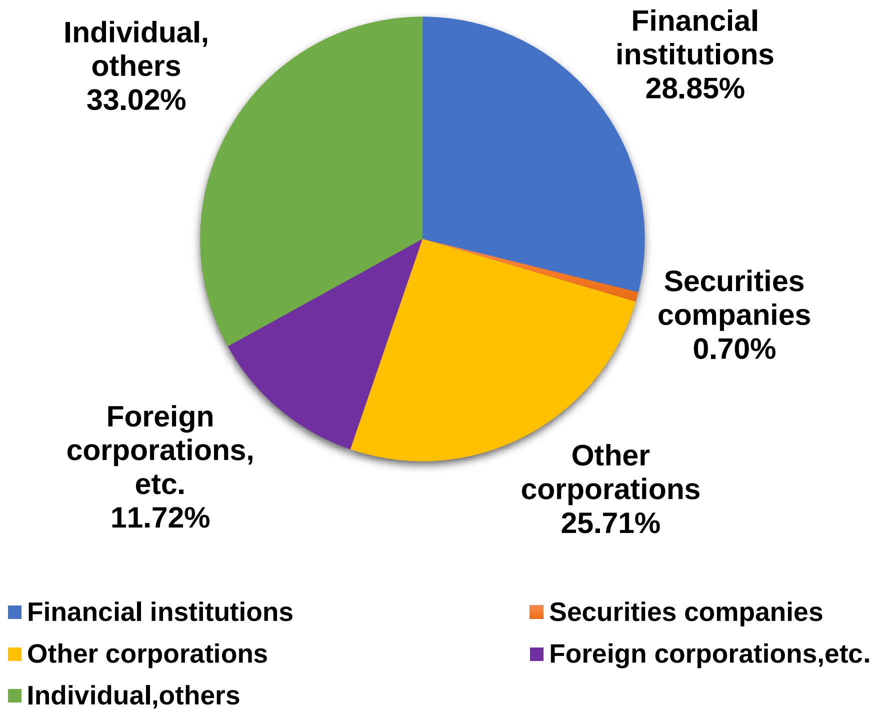
For the full FY2025, the stock price increased at a pace roughly in line with the TOPIX, and the PBR also reached the 0.7 times range.



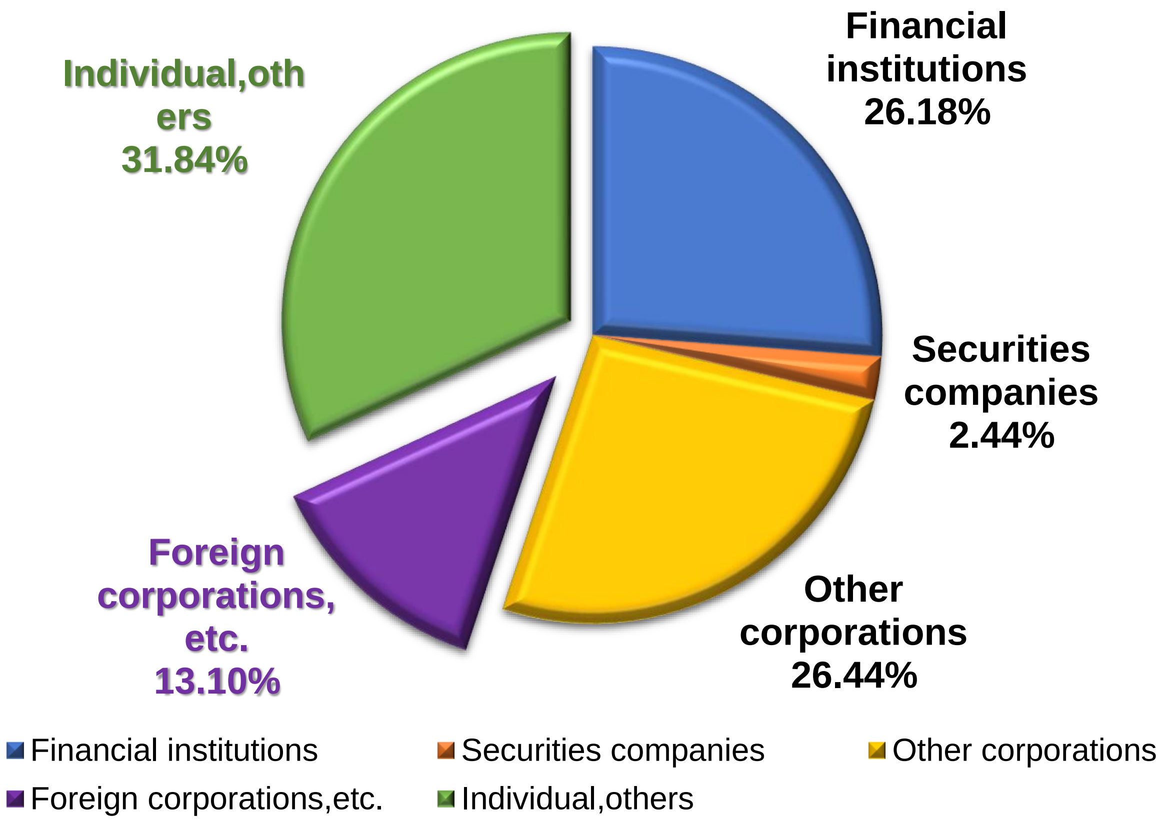
Changes in Shareholder Composition *As of Mar. 31, 2026

While the shareholding ratio of individuals and others declined slightly, the proportion held by foreign corporations, etc. rose to the 13% range.

As of September 30, 2025



As of March 31,2026



(Note) The shareholding ratios are calculated by excluding treasury stock.

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Review of the JT-2025 Management Plan

Although revenue exceeded projections, capital efficiency metrics—including operating profit (margin) and ROE—all fell short of targets.

(100 million yen)	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	JT-2025 FY2025 Plan	FY2026 Forecast	JT-2028 FY2028 Plan
Net sales	4,038	4,156	4,491	4,095	4,084	4,036	4,032	4,367	4,200	4,380	–
Gross profit	981	1,006	1,121	984	1,038	1,051	1,022	1,078	–	1,145	–
Selling, general and administrative (SG&A) expenses	871	916	956	895	954	967	985	1,023	–	1,085	–
Operating income	109	89	165	88	83	83	36	55	110	60	100
Operating profit margin	2.7%	2.2%	3.7%	2.2%	2.0%	2.1%	0.9%	1.2%	2.6%	1.4%	–
ROE	7.6%	6.2%	9.4%	6.6%	5.0%	4.8%	3.3%	3.1%	8.0% or higher	–	7.0% or higher
ROA	5.6%	4.4%	8.1%	4.4%	3.8%	3.6%	1.5%	2.2%	5.0% or higher	–	–
ROIC*1	5.1%	4.3%	8.0%	4.2%	3.7%	3.4%	1.5%	2.5%	5.0% or higher	–	–
Payout ratio	20.9%	24.6%	22.6%	31.4%	40.2%	48.4%	76.3%	78.9%	40% or higher	–	40% or higher
(Dividends)	(50 yen)	(50 yen)	(75 yen)	(75 yen)	(75 yen)	(90 yen)	(100 yen)	(100 yen)		(100 yen)	

*1. ROIC (Return on invested capital) = (operating income x 0.65) / (interest-bearing liabilities + equity). Calculated with an assumed effective tax rate of 35%

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Positioning of the JT-2028 Management Plan in Our Medium- to Long-Term Growth Scenario

Aiming to transition to a sustainable management model with a vision for the next 100 years and beyond: Rebuilding our business foundation

1948
Foundation

JT-2023
Management
Plan
Targets
missed

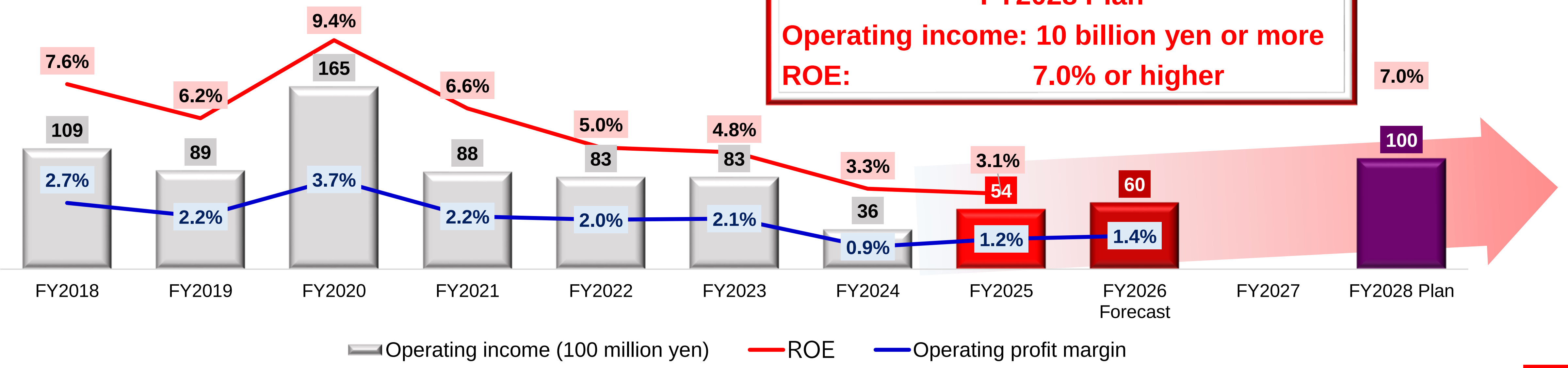
JT-2025
Management Plan
Net sales targets met
Operating income targets missed

JT-2028 Management Plan

Rebuilding our business foundation to enable sustainable growth and enhanced corporate value as the new Joshin Group [Renewed commitment to strengthening profitability]

2048
100th anniversary of founding

FY2028 Plan
Operating income: 10 billion yen or more
ROE: 7.0% or higher



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Joshin Group's Cost of Equity and Weighted Average Cost of Capital (WACC)

Higher interest rates have been pushing up the cost of equity and the weighted average cost of capital.

Cost of equity (%)

Bases of risk-free rates

10-year government bond yield for each region x composition rate
Based on the actual figures as of March 31, 2026

Composition rate	Yield
Japanese Government Bonds (50%)	2.36%
U.S. Treasury Bonds (30%)	4.31%
German Government Bonds (20%)	3.01%

*A benchmark for eurozone government bond yields

Total average yield	3.07%

Risk-free rate		Beta (β) sensitivity		Risk premium		Cost of equity CAPM
2.54⇒ 3.07%	+	0.95⇒ 0.90	x	6.00⇒ 6.00%	=	8.24 ⇒ 8.47%
Safe assets Risk-free interest rates		Relative to the TOPIX Risks specific to Joshin *Remain at roughly the same level as in FY2024.		Expected excess return on stock investment *Estimated based on historical stock market returns		*The Capital Asset Pricing Model (CAPM) is a theoretical framework to calculate the cost of equity.

Weighted average cost of capital (%)

	Cost of equity CAPM		Equity ratio		Interest rate on debt		1-equity ratio		1-corporate tax rate		Weighted average cost of capital WACC
(	8.24⇒ 8.47%	x	0.45⇒ 0.46	) + (	0.81⇒ 1.00%	x	0.55⇒ 0.54	x	(1-0.35)	) =	4.00 ⇒ 4.25%
			*FY2025 46.0%						*Taking into account the tax shield resulting from the tax deductibility of interest expenses.		

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Logic Trees to achieve the Targets Set Forth in the JT-2028 Management Plan

PL

Gross profit
- Net sales growth
- Higher gross profit margins

—

SG&A expenses
- Cost reduction

||

Operating income: 10 billion yen or more

Ordinary income
- Lower dividends
- Interest cost reduction
- Increased gains on the sale of fixed assets
  Increased gains on the sale of investment securities
- Lower impairment losses

Net income
Equity
- Reduction in equity

ROE: 7.0% higher

2 channels

Real stores
- Optimize our retail store network to increase asset efficiency
- Reinvest in human capital to improve our profitability

E-commerce (EC)
- Increase the percentage of EC sales through our proprietary site
- Promote our OMO strategy

5 categories

Home appliances
- Enhance PB products to improve profitability
- Strengthen the marketability of high-value-added products

Entertainment
- Create specialty sections
- Strategically cluster stores

Renovation
- Build groupwide synergies to expand business domains (collaboration with Joshin Reform Kinki)

Mobile communications
- Strengthen multi-carrier offerings
- Strive to broaden our mobile support capabilities

Customer support
- Create new service offerings to support customer's daily lives

BS

- Optimal inventory levels to ensure financial health
- A flexible mix of long- and short-term debt to ensure timely and optimal debt management
- Shorter inventory turnover periods

Assets | Liabilities | Net assets = Equity

- Steady implementation of growth investments
- Reduction of tangible fixed assets
- Stable and continuous dividend payments in line with our shareholder return policy
- Downsizing of cross-shareholdings

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Joshin Reborn Action 2026

Dividing the three years of the JT-2028 Management Plan into two phases

Transition phase	FY2026–27	Secure a foothold to ensure medium- to long-term success
Leap phase	FY2028–	Leap to the next stage toward our 100th anniverary of founding

By dynamically "redesigning our management resources," we will streamline tangible assets and expand intangible assets through a strategic reallocation that maximizes our strengths and generates new value, thereby realizing a "balance-sheet-driven management model."

(1) Redesigning management resources

- **Transitioning to a sustainable business model that does not rely on the number of real stores**
  [Closure of unprofitable stores and store replacement]
- **Reinvesting in human capital to maximize productivity**
  [Optimal allocation of resources to growth areas, including home renovation]
- **Optimizing the business portfolio to realize the vision of a "local electronics store"**
  [Expansion of service offerings tailored to customer needs]

(2) Full-scale entry into PB products

- Developing and selling original products tailored to our customers' lifestyles, with a focus on optimal value and functionality

(3) Establishing the OMO strategy

- Expanding the EC business by acquiring members who use both our proprietary EC site and real stores, which are our core strengths
- Expanding service coverage, enhancing product offerings, and expanding delivery, installation, construction work, and recycling outside our service area

(4) Strengthening the outlet strategy

- Strengthening regional competitiveness by converting some underperforming stores into outlet operations (existing stores + outlet stores)
- Achieving optimal inventory levels and improving the inventory turnover ratio by maximizing the use of our two-hub logistics network in eastern and western Japan

We will accelerate the "strengthening of profitability" by "redesigning management resources," aiming to fulfill the JT-2028 Management Plan targets early. ⇒ Early achievement of a PBR of 1 or higher.

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Key Strategies of the JT-2028 Management Plan: Real Store Business

Enhance the profitability of our real store business

Close up to 15 unprofitable stores and reallocate human capital to enhance management efficiency
⇒ Increase the number of profitable stores through a scale-independent network of community-centric appliance stores

Marketing strategies by real store type: Stand-alone store / Mall store / Hybrid store

Kansai area (133 stores)

Implement the decisive closure of unprofitable stores and drive a scrap-and-build strategy to optimize store allocation (at the prefectural and regional levels)
+
Reallocate human capital to leverage value creation capabilities
+
Design store sections tailored to the local environment, including partnerships with external partners
+
Drive integration between our real stores and EC site (promotion of OMO)
+
Strengthen our after-sales service capabilities, including delivery, installation, technical, and repair services
+
Expand the lineup of our product and service offerings
+
Integrate analog (human) and digital (networks)

Tokai area (34 stores)

Strengthen the store revitalization and hub sharing strategy for regions and stores with brand recognition and competitiveness comparable to those in Kansai to enhance market competitiveness

Kanto area (18 stores)

Leverage the existing infrastructure of our real stores and regions with higher EC sales ratios, alongside the Kanto Distribution Center, to build a competitive advantage and boost market recognition

Hokushinetsu area (25 stores)

Launch area-specific strategies for Hokuetsu and Hokuriku based on their distinctive competitive situations, and execute a scrap-and-build approach to optimize store allocation

Evolve into a lifestyle support company

⇒ Integrate all assets to create a new Joshin economic bloc

*The number of stores is that of Joshin's directly managed stores as of the end of March 2026

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Key Strategies of the JT-2028 Management Plan: Private-Label (PB) Products

Full-scale entry into PB products

Established the Product Development Office within the product department in October 2025 to identify and secure several OEM partners
Start to launch the sale of PB small and medium-sized appliances in FY2026

FY2026 Plan

Products to be launched in FY2026
Batteries, light bulbs, handheld vacuum cleaners, microwave ovens, rice cookers, electric kettles, etc.

FY2026 Plan
- Consolidated sales ratio: 4.6%
- PB product development target: SKU 150 items

JT-2028 Management Plan (–FY2028)

Expand the PB scope from small and medium-sized appliances to include air conditioners and other major household appliances

FY2028 Plan
- Consolidated sales ratio: 10%
- PB gross margin: up 5% from FY2024
- PB product development target: SKU 500 items or more

Toward full-scale entry into PB products
- Form a dedicated department
- Acquire external specialists for career positions
- Establish internal systems for product development and quality control
- Promote collaboration with OEM partners

Expand the PB business to boost overall home appliance sales

Key Strategies of the JT-2028 Management Plan: E-Commerce (EC)

■ EC: **Achieve a sales ratio of 50% via our proprietary site**
Raise the sales ratio of home appliances

FY2026 Plan

Steadily implementing the strategies:

- Drive increased traffic (the number of visitors) to our proprietary site
- Execute an OMO strategy to promote the integrated use of our real stores and EC site
- Execute a strategy to increase home appliance sales
- Execute a strategy to expand contract volume via our proprietary site

FY2026 Plan

- Sales ratio via our proprietary site: up from 44% to 46%
- Cross-channel membership: up 15% YoY
- Home appliance sales: up 2% YoY
- Proprietary site membership: up 7% YoY

EC (Nationwide)

*Except for some islands and mountainous areas

Nationwide delivery and installation of large appliances, including recycling services

A dual-hub East-West logistics network

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Key Strategies of the JT-2028 Management Plan: Renovation Business

Expanding renovation business domains	Evolve from packaged renovations to custom-made solutions (Leverage synergies with our new partner, Joshin Reform Kinki, to expand business domains)

FY2026 Plan

Building on our mass-retailer foundation, we will expand beyond packaged renovations into the specialized custom-made domain by accelerating our partnership with Joshin Reform Kinki.

FY2026 Plan (including Joshin Reform Kinki)

- Renovation sales
  From 16.5 billion yen in FY2025 to 19 billion yen in FY2026

- Promote PMI through the Joshin corporate department's full-scale involvement
- Strengthen collaboration with Joshin stores in the business regions of Joshin Reform Kinki (Kyoto and Nara Prefectures)
- Promote personnel exchanges with Joshin Reform Kinki to facilitate the absorption, accumulation, and penetration of business know-how across the entire Group

JT-2028 Management Plan (–FY2028)

FY2028 Plan (including Joshin Reform Kinki)
Renovation sales: steady growth to the 20-billion-yen level

Accelerate the early expansion of our custom-made renovation business in the Kansai area

- Expand Joshin Reform Kinki's business areas (beyond Kyoto and Nara Prefectures)
- Promote aggressive collaboration, partnerships and M&A activity with external partners
- Strengthen the renovation order-management system across Joshin stores and our proprietary EC site

Establish a robust foundation for our general renovation business in the Kansai area

Capital Policy of the JT-2028 Management Plan

Balance sheet management

Visions for FY2028
Maintain an optimal balance sheet to realize a management model focused on cost of capital and stock price, in light of the scheduled lease accounting revision
Strive to improve our cash conversion cycle (CCC) and cross ratio to enhance our free cash flow (FCF) generation capabilities

*CCC: accounts receivable turnover period + inventory turnover period - accounts payable turnover period   cross ratio (%): gross margin (%) x product turnover ratio (times)

Measures	Targets
- Maintain optimal inventory levels in line with our **interest-bearing debt** management	**Optimal inventory levels to ensure financial health**
- Ensure strict inventory management **on a monthly turnover basis** (rigorous product assessment)	**Shorter inventory turnover periods**
- Continuously consider how to **use accounts receivables**, such as liquidating credit card receivables	**Proper management of accounts receivable turnover periods**
- Propose **specific measures**, such as store types and collaboration schemes, in proportion to capital invested	**Improvement in profit and loss performance at individual stores**
- Actively pursue the divestiture of **idle properties** requiring management expenses and **identify underperforming stores**	**Reduction of tangible fixed assets**
- Focus on improving capital efficiency to **boost net profit**	**Downsizing of cross-shareholdings**

Assets

Current assets

Cash
Accounts receivable
Inventory and related assets

Non-current assets

Land
Building
Investment securities and related assets

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Capital Policy of the JT-2028 Management Plan

Balance sheet management

Visions for FY2028
Maintain an optimal balance sheet to realize a management model focused on cost of capital and stock price, in light of the scheduled lease accounting revision
Strive to improve our cash conversion cycle (CCC) and cross ratio to enhance our free cash flow (FCF) generation capabilities
*CCC: accounts receivable turnover period + inventory turnover period - accounts payable turnover period cross ratio (%): gross margin (%) x product turnover ratio (times)

Total liabilities and net assets Accounts payable Short-term borrowing and other loans	**Optimal management of accounts payable turnover periods**	- Maintaining **stable cash positions** reduces the need for **current working funds**
	A flexible mix of long- and short-term debt to ensure timely and optimal debt management	- Reducing working funds **in a higher interest phase** mitigates the debt burden
Non-current liabilities Long-term borrowing and other loans	**Opportunities for financial leverage based on our current equity ratio**	- Use financial leverage for **promising** growth investment projects
	Steady implementation of growth investments	- Store-related investments should remain within the limits of our **operating cash flow**.
Net assets Capital Retained earnings, etc.	**Stable and continuous dividend payments in line with our shareholder return policy**	- Aim for a DOE of **2.5%** alongside a payout ratio of **40%**
	Retained earnings secured through performance improvements	- Maintain certain levels of retained earnings to prepare for economic and environmental changes and preserve our **creditworthiness**

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Capital Policy of the JT-2028 Management Plan

Cash allocation

Visions for FY2028
Allocate operating cash flow for aggressive business growth investments and shareholder returns

Cash-out

Growth investments

Approx. 70–75%

- Store-related investments 18 billion yen
- Logistics-related investments 2 billion yen
- Business expansion investments 6 billion yen

- Expenses for store openings, closures, and renovations, including the introduction of new store formats (roughly **6 billion yen per year**)

- Establish a dual-hub East-West logistics network and enhance service infrastructure capabilities, including the introduction of material handling equipment (recorded **partially as logistics costs**)

- PB collaborations with external partners: 5 billion yen
- Business expansion collaborations with external partners: 1 billion yen

Items recognized as SG&A expenses

- Investments in human capital and systems (including leases) : 20 billion yen

- Wage increases and HR system revisions: 7 billion yen
- Entry-level and mid-career recruitment and training: 5 billion yen

- System investments to enhance customer convenience: 3 billion yen
- System investments to enhance employee productivity: 3 billion yen
- System investments to support management decision-making: 1 billion yen

Shareholder returns

Approx. 15–20%

- As set out in our shareholder return policy
- Payout ratio: 40% or higher / DOE: 2.5% or higher

- Three-year cumulative dividends: 8 billion yen

Reduction of interest-bearing debt

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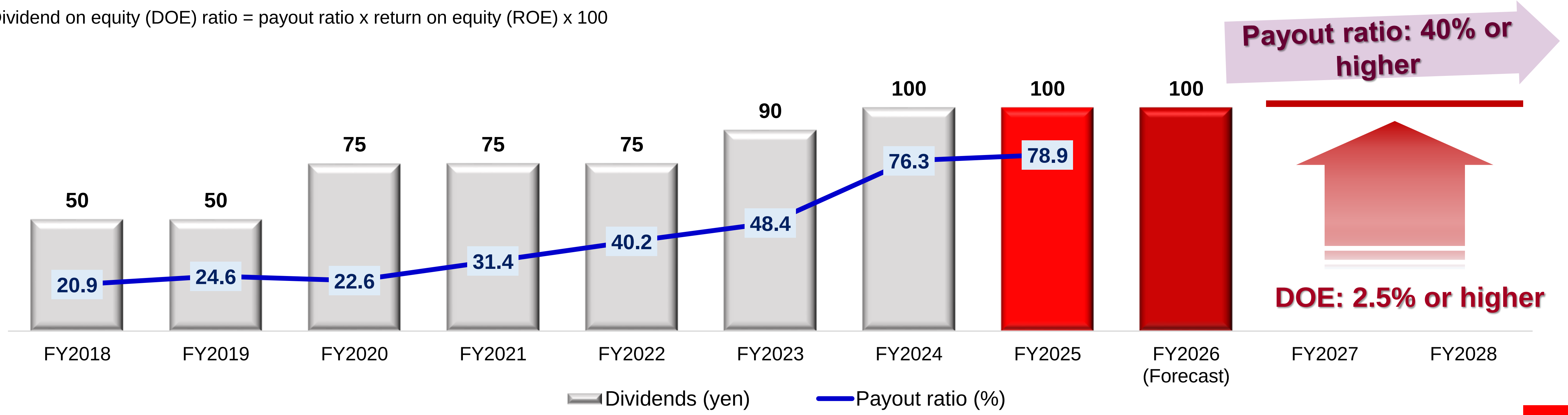
Capital Policy of the JT-2028 Management Plan

Shareholder returns

Visions for FY2028
Offer stable, DOE-based returns regardless of performance fluctuations and drive performance improvements to enable higher dividend payouts

	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2028 Plan
Payout ratio	20.9%	24.6%	22.6%	31.4%	40.2%	48.4%	76.3%	78.9%	40% or higher
ROE	7.6%	6.2%	9.4%	6.6%	5.0%	4.8%	3.3%	3.1%	7.0% or higher
DOE	1.6%	1.5%	2.1%	2.1%	2.0%	2.3%	2.5%	2.5%	2.5% or higher
Dividends	50 yen	50 yen	75 yen	75 yen	75 yen	90 yen	100 yen	100 yen	

Dividend on equity (DOE) ratio = payout ratio x return on equity (ROE) x 100



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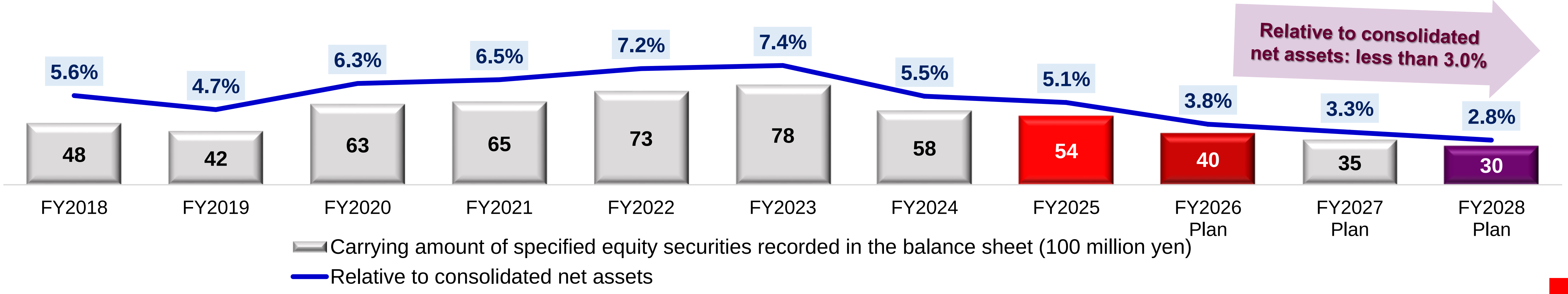
Capital Policy of the JT-2028 Management Plan

Cross-shareholdings

Visions for FY2028
Continue to reduce cross-shareholdings to less than 3.0% of net assets, further enhancing our capital efficiency

Unit in 100 million yen	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026 Plan	FY2027 Plan	FY2028 Plan
Investment securities held for purposes other than pure investment Carrying amount on the balance sheet	48	42	63	65	73	78	58	54	40	35	30
Net assets	861	891	993	986	1,007	1,046	1,047	1,054	1,060	1,070	1,080
Relative to consolidated net assets	5.6%	4.7%	6.3%	6.5%	7.2%	7.4%	5.5%	5.1%	3.8%	3.3%	2.8% (Less than 3.0%)

Investment securities held for purposes other than pure investment, recorded on the balance sheet, are as set out in our securities report. No deemed cross-shareholdings are recorded.



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Topics: Expanding Business Domains through M&A

Leverage synergies with Joshin Reform Kinki to expand our service offerings (from packaged renovations to custom-made services)

✓ DO Reform became a subsidiary of Joshin.
✓ Do Reform changed its company name to Joshin Reform Kinki Co., Ltd. and started considering collaboration with the HOUSE DO Group.

▼Reasons for the company name change

- The JT-2028 Management Plan targets our evolution into a lifestyle support company, with the renovation business positioned as a growth business.
- The company's name change, representing its integration into the prestigious Joshin brand, is designed to foster unity across the Group and leverage the brand's recognition and credibility to maximize synergies.
- The business possesses specialized large-scale renovation expertise that can be applied to Group customer assets as part of a strategic approach to capture demand for high-value-added renovations.
- Expanding into customized and other new renovation categories will allow us to swiftly capture demand from diversifying lifestyles, broaden our revenue base, and enhance medium- to long-term growth in the Group's corporate value.

Joshin Reform Kinki Co., Ltd. Representative Director Tatsuya Hattori

Joshin Corporation Representative Director, President and Chief Executive Officer Tetsuya Takahashi

Large-scale events at off-site facilities, such as hotels

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Topics: External Ratings for Our Stores

Our EC store received prestigious awards on Rakuten Ichiba and Yahoo! Auctions.
We will continue to evolve to ensure that Joshin remains our customers' preferred choice and brings them greater happiness and joy.

Highest rating

Rakuten Shop of the Year 2025

Received Grand Prix for the fourth time

✓ Selected as the **Overall Grand Prix** winner among all shops

▽**Key awards received**

- **Overall Grand Prix**
  Rakuten Shop of the Year 2016, Rakuten Shop of the Year 2020
  Rakuten Shop of the Year 2021, Rakuten Shop of the Year 2025
- **Home Appliance Genre Award**
  Rakuten Shop of the Year 2020, Rakuten Shop of the Year 2021
- **PC and Peripherals Genre Award**
  Rakuten Shop of the Year 2025

Rakuten Award Ceremony Venue

※ The Rakuten Shop of the Year is Rakuten Ichiba's annual award program to select the best shops of the year from over 50,000 Rakuten Ichiba shops. Winners are determined by customer votes, sales performance, sales growth rate, order volume, and customer service quality.

Yahoo! Auctions Best Store Awards 2025

Ranked first in the smartphone category

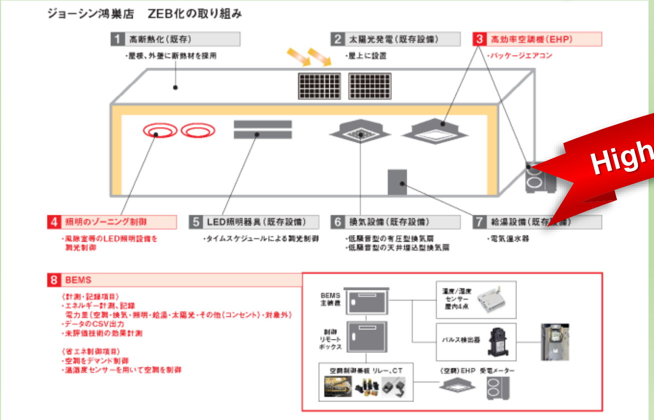
✓ Ranked first in the newly established smartphone category

※ The Yahoo! Auctions Best Store Awards is an annual award program that honors outstanding merchants from over 20,000 stores based on criteria such as customer ratings and sales performance.

Topics: Our Environmental Initiatives

Dedicated to various climate change initiatives, consecutively achieving top-tier international ratings

Joshin Handa Store
(Handa City, Aichi Prefecture)



Highest rating

Highest level

■ Joshin Handa and Izumi-Chuo Stores introduced our first-ever solar car ports under PPA arrangements. PPA: Power Purchase Agreement (a power sales model)	March 2026
■ Selected as an Environmentally Sustainable Company for two consecutive years in the Ministry of the Environment's 7th ESG Finance Awards Japan	February 2026
■ Selected as a CDP Climate Change A List company for three consecutive years, achieving the highest possible rating	December 2025
■ Our existing Joshin Kounosu Store was awarded the highest-level ZEB certification. Achieved the highest ZEB certification, the top of four levels, under the Building-Housing Energy-efficiency Labeling System (BELS) program, which evaluates the energy-saving performance of buildings The second store to achieve this certification, following the Joshin Nara Store	December 2025

Topics: Joshin's Something Red 2026

On April 1, 2026, all employees of the group took off together, carrying the renewed Joshin's first step forward on the wings of the "Red Paper Airplanes"!!

Disclaimer

1. Earnings forecasts and other forward-looking contents of this presentation are based on the Company's decision at the time of the preparation of this document. We cannot promise or guarantee that results will match forecasts.
2. This presentation contains unaudited approximations, which may change.

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