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Consolidated Financial Results for the First Six Months of the Fiscal Year Ending March 31, 2026 (FY2025)

New Medium-term Management Plan <JT-2028 Management Plan> (FY2026–FY2028: 3 Years)

Presentation Materials

November 4, 2025

Joshin Denki Co., Ltd.

Securities code: 8173

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- ■ **Earnings Summary for the First Six Months of the Fiscal Year Ending March 31, 2026 (FY2025)**
  Full-year Forecast for the Fiscal Year Ending March 31, 2026 (FY2025)

- ■ New Medium-term Management Plan <JT-2028 Management Plan> (FY2026–FY2028: 3 Years)

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Earnings Summary for the First Six Months of the Fiscal Year Ending March 31, 2026 (FY2025): 1

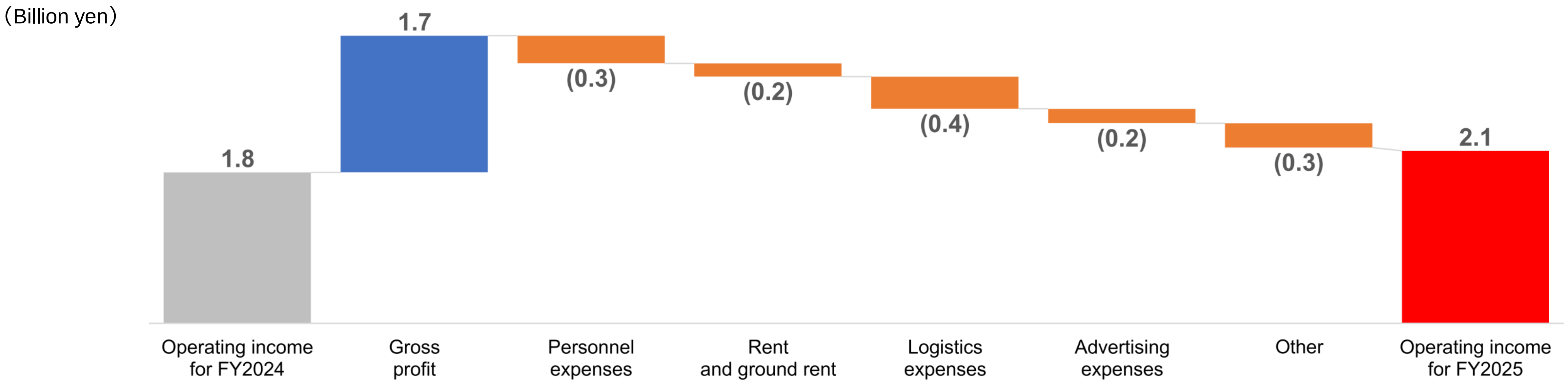
Consolidated Income Statement (Apr.-Sept.)

(Million yen)	First six months of FY2025 (Apr.-Sept.)						First six months of FY2024 (Apr.-Sept.)	
	Forecast	% of net sales	Actual results	% of net sales	YoY	Actual vs. forecast	Actual results	% of net sales
Net sales	196,000	100.0%	210,452	100.0%	+9.6%	+7.4%	191,986	100.0%
Of which, sales at stores	157,000	80.1%	172,618	82.0%	+9.3%	+9.9%	157,967	82.3%
Of which, sales in the EC business	36,500	18.6%	36,269	17.2%	+22.2%	(0.6%)	29,677	15.4%
Gross profit	52,000	26.5%	52,515	25.0%	+3.3%	+1.0%	50,852	26.5%
Selling, general and administrative expenses	50,000	25.5%	50,376	23.9%	+2.8%	+0.8%	49,013	25.5%
Of which, personnel expenses	–	–	20,836	9.9%	+1.6%	–	20,499	10.7%
Of which, rent and ground rent	–	–	6,930	3.3%	+2.4%	–	6,768	3.5%
Of which, logistics expenses	–	–	6,255	3.0%	+6.6%	–	5,865	3.1%
Of which, advertising expenses	–	–	3,933	1.9%	+4.7%	–	3,756	2.0%
Operating income	2,000	1.0%	2,138	1.0%	+16.3%	+6.9%	1,838	1.0%
Ordinary income	2,000	1.0%	2,004	1.0%	+12.8%	+0.2%	1,777	0.9%
Net income (*1)	1,600	0.8%	1,894	0.9%	(13.7%)	+18.4%	2,196	1.1%

*1 Profit attributable to owners of parent

Earnings Summary for the First Six Months of the Fiscal Year Ending March 31, 2026 (FY2025): 2

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



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.–Sept.	4.6	(2.0)	(0.3)	(0.3)	(0.1)	(0.1)	+0.1	**1.8**

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**

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Earnings Summary for the First Six Months of the Fiscal Year Ending March 31, 2026 (FY2025): 3

Consolidated Income Statement (Jul.-Sept.)

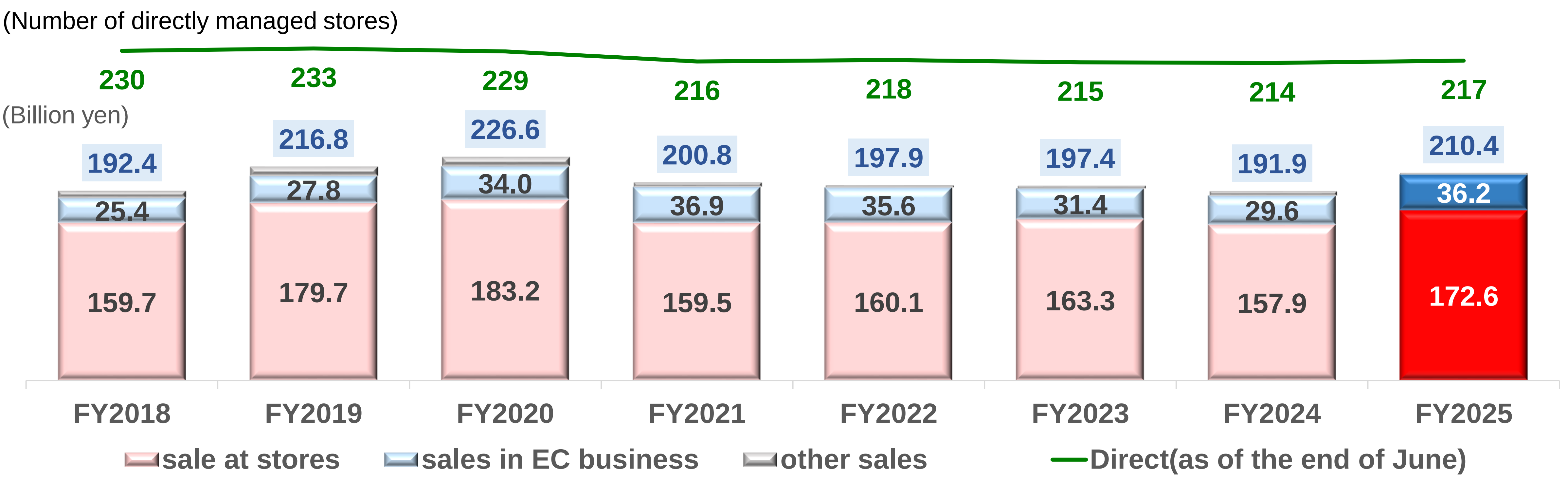
(Million yen)	1Q FY2025 (Apr.-Jun.)			1Q FY2024 (Apr.-Jun.)		2Q FY2025 (Jul.-Sept.)			2Q FY2024 (Jul.-Sept.)	
	Actual results	% of net sales	YoY	Actual results	% of net sales	**Actual results**	% of net sales	YoY	Actual results	% of net sales
Net sales	**99,738**	100.0%	+10.6%	90,195	100.0%	**110,714**	100.0%	+8.8%	101,791	100.0%
Of which, sales at stores	**80,271**	80.5%	+9.4%	73,399	81.4%	**92,346**	83.4%	+9.2%	84,568	83.1%
Of which, sales in the EC business	**18,014**	18.1%	+26.1%	14,290	15.8%	**18,255**	16.5%	+18.6%	15,386	15.1%
Gross profit	**25,575**	25.6%	+1.7%	25,137	27.9%	**26,940**	24.3%	+4.8%	25,714	25.3%
Selling, general and administrative expenses	**25,010**	25.1%	+3.2%	24,228	26.9%	**25,366**	22.9%	+2.3%	24,785	24.3%
Of which, personnel expenses	**10,446**	10.5%	+1.7%	10,271	11.4%	**10,390**	9.4%	+1.6%	10,228	10.0%
Of which, rent and ground rent	**3,468**	3.5%	+2.3%	3,390	3.8%	**3,462**	3.1%	+2.5%	3,378	3.3%
Of which, logistics expenses	**3,086**	3.1%	+9.0%	2,832	3.1%	**3,169**	2.9%	+4.5%	3,033	3.0%
Of which, advertising expenses	**1,856**	1.9%	(1.7%)	1,889	2.1%	**2,077**	1.9%	+11.2%	1,867	1.8%
Operating income	**564**	0.6%	(37.9%)	909	1.0%	**1,573**	1.4%	+69.4%	929	0.9%
Ordinary income	**481**	0.5%	(46.8%)	904	1.0%	**1,523**	1.4%	+74.5%	873	0.9%
Net income (*1)	**503**	0.5%	+7.6%	468	0.5%	**1,390**	1.3%	(19.5%)	1,728	1.7%

*1 Profit attributable to owners of parent

Earnings Summary for the First Six Months of the Fiscal Year Ending March 31, 2026 (FY2025): 4

Sales at the stores recovered to the 170-billion-yen level partly due to a sale celebrating the league title victory by the Hanshin Tigers. Sales in the EC business also secured the highest sales following FY2021.

Change in Sales at the Stores and in the EC business



(Billion yen)	FY2018 (Apr.–Sept.)	FY2019 (Apr.–Sept.)	FY2020 (Apr.–Sept.)	FY2021 (Apr.–Sept.)	FY2022 (Apr.–Sept.)	FY2023 (Apr.–Sept.)	FY2024 (Apr.–Sept.)	FY2025 (Apr.–Sept.)
Sales per store (*1)	0.694	0.771	0.800	0.738	0.734	0.759	0.737	0.795

*1 sales at stores ÷ number of directly managed stores

Earnings Summary for the First Six Months of Fiscal Year Ending March 31, 2026 (FY2025): 5

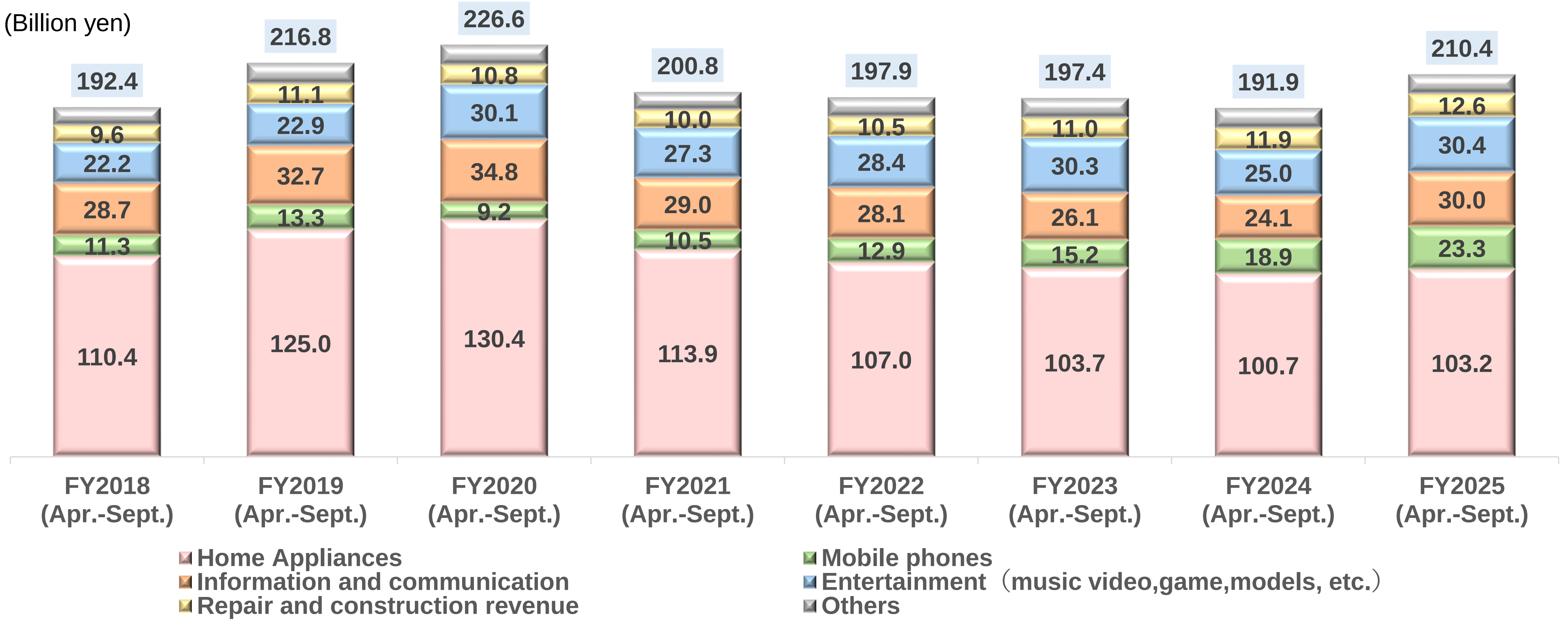
Sales by product (Apr.–Sept.)

(Million yen)	1Q FY2025 (Apr.–June)			1Q FY2024 (Apr.–June)		2Q FY2025 (July–Sept.)			2Q FY2024 (July–Sept.)		First six months of FY2025 (Apr.–Sept.)			First six months of FY2024 (Apr.–Sept.)	
	Actual results	% of net sales	YoY	Actual results	% of net sales	Actual results	% of net sales	YoY	Actual results	% of net sales	Actual results	% of net sales	YoY	Actual results	% of net sales
TVs	5,245	5.2%	(0.6%)	5,279	5.8%	6,756	6.1%	+3.8%	6,507	6.4%	12,001	5.7%	+1.8%	11,787	6.1%
Refrigerators	5,687	5.7%	(1.7%)	5,783	6.4%	7,270	6.6%	(0.0%)	7,271	7.1%	12,957	6.2%	(0.7%)	13,054	6.8%
Washing machines and vacuum cleaners	7,985	8.0%	+0.6%	7,936	8.8%	9,629	8.7%	+3.4%	9,310	9.1%	17,614	8.4%	+2.1%	17,247	9.0%
Microwave ovens and cookers	3,682	3.7%	+4.3%	3,531	3.9%	4,156	3.8%	+11.3%	3,734	3.7%	7,838	3.7%	+7.9%	7,266	3.8%
Air conditioners	15,226	15.3%	+16.1%	13,109	14.5%	16,442	14.9%	(1.5%)	16,699	16.4%	31,668	15.0%	+6.2%	29,809	15.5%
Personal computers	4,719	4.8%	+12.3%	4,202	4.7%	6,534	5.9%	+79.9%	3,631	3.6%	11,253	5.4%	+43.6%	7,834	4.1%
Mobile phones	11,487	11.5%	+28.9%	8,909	9.9%	11,838	10.7%	+18.1%	10,019	9.8%	23,325	11.1%	+23.2%	18,928	9.9%
Games, models, toys, musical instruments	13,565	13.6%	+24.5%	10,897	12.1%	14,493	13.1%	+20.5%	12,030	11.8%	28,058	13.3%	+22.4%	22,927	12.0%

Earnings Summary for the First Six Months of the Fiscal Year Ending March 31, 2026 (FY2025): 6

Since FY2021, home appliances, the main sales source, have been in decline, while mobile phone sales have been on the rise. Entertainment product sales also increased due to strong performance in game consoles.

Change in consolidated sales by product



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Earnings Summary for the First Six Months of Fiscal Year Ending March 31, 2026 (FY2025): 7

Balance sheet

(Million yen)	2025/09	2025/03	Change
Current assets	122,739	125,169	(2,430)
Tangible assets	73,081	72,968	+112
Intangible assets	4,013	3,612	+401
Investments, other assets	29,830	29,752	+77
Non-current assets	106,925	106,333	+591
Total assets	229,664	231,503	(1,838)
(Reference)			
Total interest-bearing liabilities	38,093	46,025	(7,932)

(Million yen)	2025/09	2025/03	Change
Current liabilities	79,144	80,555	(1,411)
Non-current liabilities	46,348	46,282	+66
Total liabilities	125,493	126,837	(1,344)
Total net assets	104,171	104,665	(494)
Total liabilities and net assets	229,664	231,503	(1,838)
Total net interest-bearing liabilities*	33,612	38,317	(4,705)

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

Cash flows

(Million yen)	2025/09	2024/09	Change
Cash flow from operating activities (a)	9,475	11,109	(1,633)
Cash flow from investing activities (b)	(1,771)	(1,457)	(314)
(Free cash flow (a) + (b))	7,703	9,651	(1,948)
Cash flow from financing activities	(10,930)	(9,891)	(1,039)
Cash and cash equivalents at end of period	4,481	3,652	+828

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Full-year Forecast FY2025 (ending March 31, 2026)

***Revision to the most recent earnings forecasts: None**

Consolidated Income Statement (Full-year forecast)

(Million yen)	Full-year FY2025 (Apr.–Mar.)			Full-year FY2024 (Apr.–Mar.)	
	forecast	% of net sales	YoY	Actual results	% of net sales
Net sales	404,000	100.0%	+0.2%	403,259	100.0%
Of which, sales at stores	324,000	80.2%	(0.3%)	325,001	80.6%
Of which, sales in EC business	75,000	18.6%	+8.4%	69,157	17.1%
Gross profit	109,000	27.0%	+6.6%	102,212	25.3%
Selling, general and administrative expenses	105,000	26.0%	+6.6%	98,524	24.4%
Operating income	4,000	1.0%	+8.5%	3,688	0.9%
Ordinary income	4,000	1.0%	+14.6%	3,491	0.9%
Net income*1	2,800	0.7%	(17.8%)	3,407	0.8%

*1 Profit attributable to owners of parent

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Full-year Forecast FY2025 (ending March 31, 2026) Forecast for second half

***Revision to the most recent earnings forecasts:Yes**

Consolidated Income Statement [Forecast for second half (Oct.-Mar.)]

(Million yen)	First six months of FY2025 (Apr.–Sept.)			First six months of FY2024 (Apr.–Sept.)		Second half of FY2025 (Oct.-Mar.)						Second half of FY2024 (Oct.-Mar.)	
	Actual results	% of net sales	YoY	Actual results	% of net sales	Previous forecast	% of net sales	New forecast	% of net sales	YoY	Previous Forecast Change	Actual results	% of net sales
Net sales	210,452	100.0%	+9.6%	191,986	100.0%	208,000	100.0%	193,547	100.0%	(8.4%)	(6.9%)	211,273	100.0%
Of which, sales at stores	172,618	82.0%	+9.3%	157,967	82.3%	167,000	80.3%	151,381	78.2%	(9.4%)	(9.4%)	167,033	79.1%
Of which, sales in EC business	36,269	17.2%	+22.2%	29,677	15.4%	38,500	18.5%	38,730	20.0%	(1.9%)	0.6%	39,480	18.7%
Gross profit	52,515	25.0%	+3.3%	50,852	26.5%	57,000	27.4%	56,484	29.2%	+10.0%	(0.9%)	51,360	24.3%
Selling, general and administrative expenses	50,376	23.9%	+2.8%	49,013	25.5%	55,000	26.4%	54,623	28.2%	+10.3%	(0.7%)	49,510	23.4%
Operating income	2,138	1.0%	+16.3%	1,838	1.0%	2,000	1.0%	1,861	1.0%	+0.6%	(6.9%)	1,849	0.9%
Ordinary income	2,004	1.0%	+12.8%	1,777	0.9%	2,000	1.0%	1,995	1.0%	+16.4%	(0.2%)	1,714	0.8%
Net income*1	1,894	0.9%	(13.7%)	2,196	1.1%	1,200	0.6%	905	0.5%	(25.3%)	(24.6%)	1,211	0.6%

*1 Profit attributable to owners of parent

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.

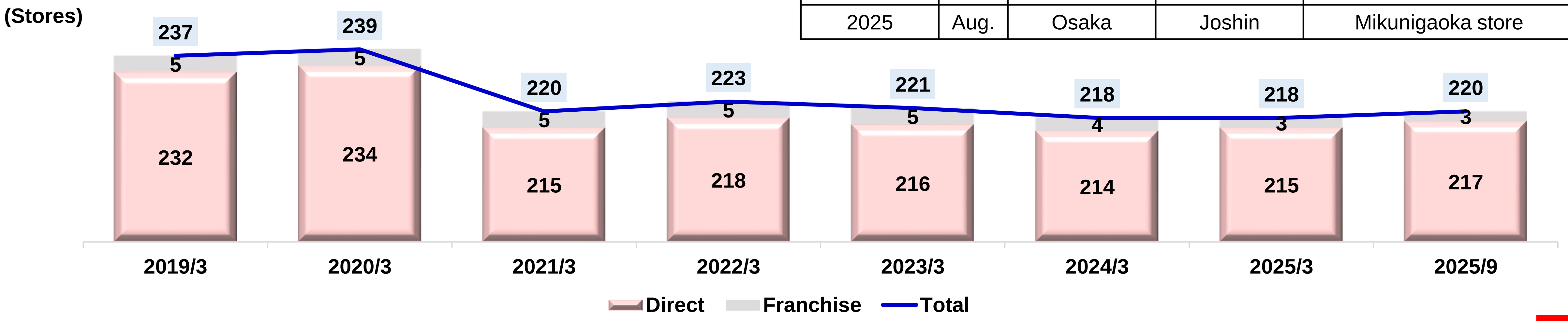
Breakdown of stores by region as of the end of September 2025

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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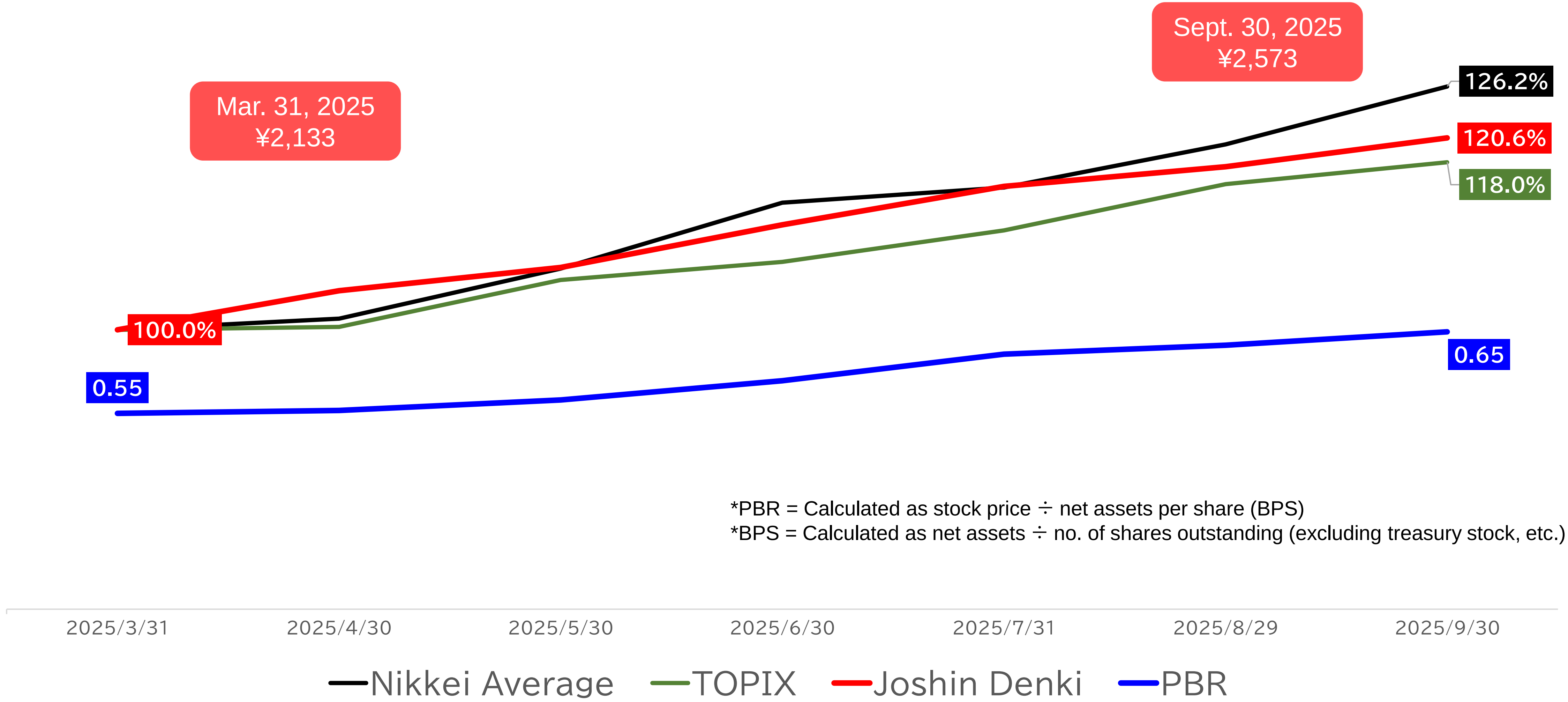
Trends in Joshin's Stock Price and PBR *As of Sep. 30, 2025

In the first half of FY2025, the share price increased more sharply than the TOPIX, and the PBR has also reached the 0.6 times range.

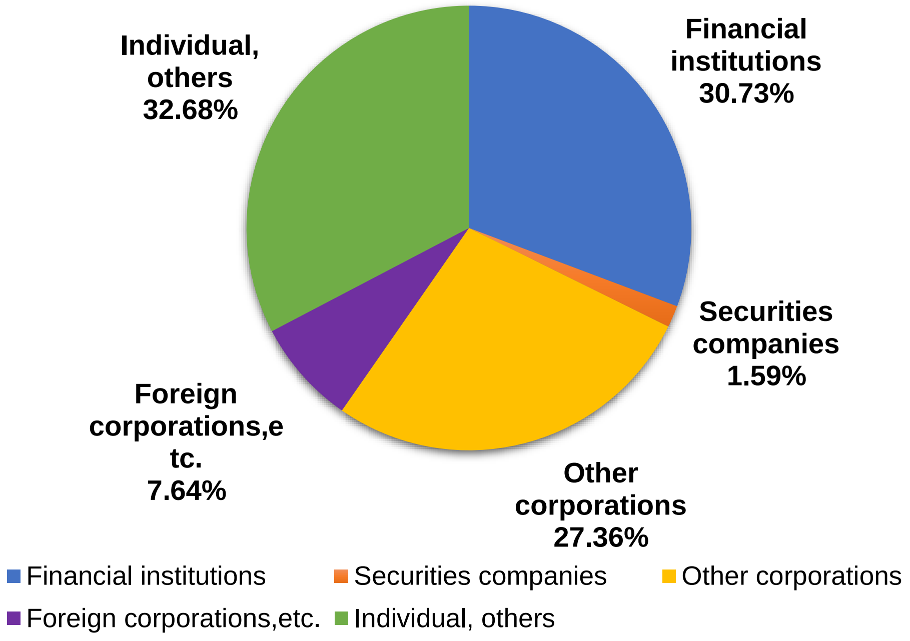


*PBR = Calculated as stock price ÷ net assets per share (BPS)
*BPS = Calculated as net assets ÷ no. of shares outstanding (excluding treasury stock, etc.)

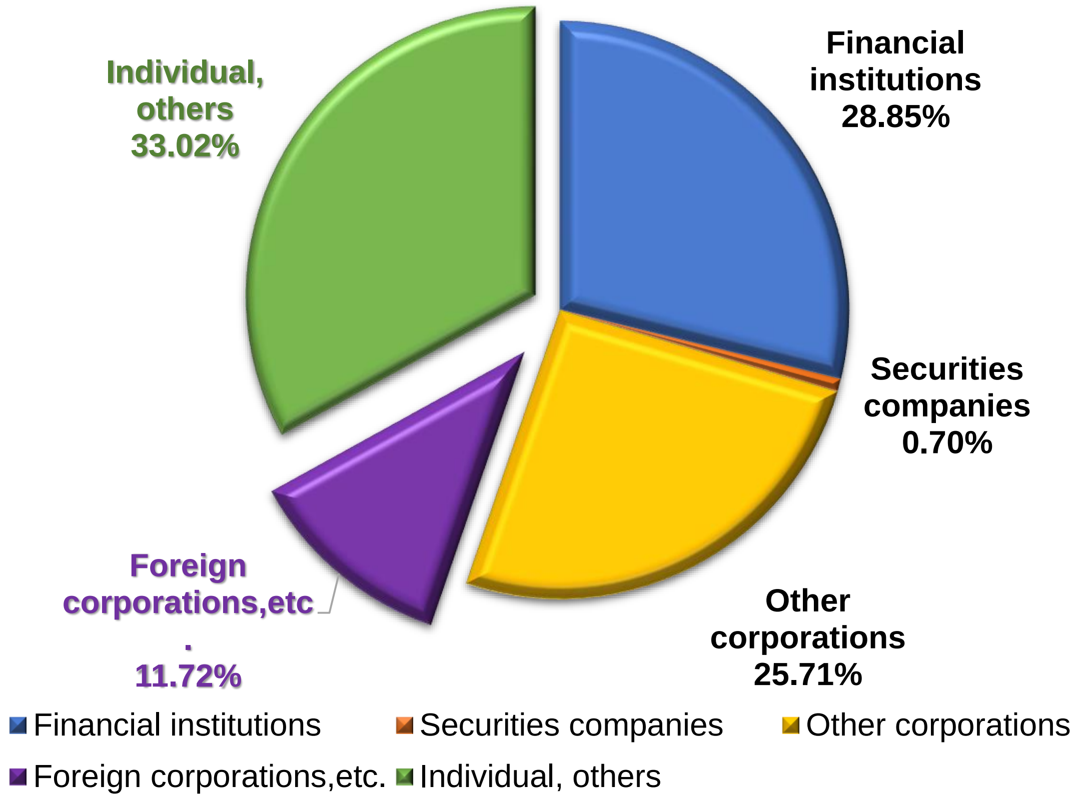
Changes in Shareholder Composition *As of September 30, 2025

The percentage of holdings by foreign corporations and others rises to the 11% level. Even after the change to the shareholder benefit program in May 2025, the percentage of holdings by “Individual, others” also increased.

As of March 31,2025



As of September 30, 2025



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

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New Medium-term Management Plan
<JT-2028 Management Plan>
(FY2026–FY2028 3 Years)
Presentation Materials

November 4, 2025

Joshin Denki Co., Ltd.

Securities code: 8173

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Message from the CEO

In our new Medium-term Management Plan, “JT-2028 Management Plan,” we will strengthen and deepen intangible assets, such as our human capital, organization, and customers, as a source of future value creation. Thus, we will enhance corporate value through sustainable growth toward our 100th anniversary.
The Japanese concept of *Shu Ha Ri* describes the stages of learning and mastery. If we apply *Shu Ha Ri* to our journey for future growth, ***Shu*** is our founding spirit and our origin in the home appliance business, ***Ha*** is our evolution into a new home appliance business format, and ***Ri*** is taking on challenges in new domains based on the home appliance business.

Under the JT-2028 Management Plan, we will realize growth from the ***Shu*** stage to the ***Ha*** stage and connect this growth to the future ***Ri*** stage. Specifically speaking, our target image in the ***Ha*** stage is the so-called local electronics store that is also a mass retailer. While offering an abundance of product lineups and leveraging our scale advantage as a mass retailer, we will provide customer-focused services and utilize agility as a local electronics store. By integrating all these strengths, we will deliver new value to our customers. We will also review the balance between tangible and intangible assets to achieve more efficient and streamlined operations, supporting our sustainable growth.

Additionally, we will change our trade name to Joshin Corporation from April 2026. We encapsulated our belief that change is the origin of all evolution in the decision to change our trade name. The change demonstrates our commitment to creating innovation in society by leveraging changes in the management environment as opportunities for growth and utilizing these changes as the driving force behind creating new value.

Representative Director, President and Chief Executive Officer 高橋徹也

Image of a Local Electronics Store Targeted by the New Joshin Group

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Review of the JT-2025 Management Plan

Due to sluggish net sales and inability to secure gross profit exceeding the sales of selling, general and administrative expenses, a significant shortfall in the targeted operating income is expected.

(100 million yen)	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025 Forecast	JT-2025 Management Plan FY2025 Plan	FY2030 Target
Net sales	4,038	4,156	4,491	4,095	4,084	4,036	4,032	4,040	4,200	Operating income ratio 4.0% level
Gross profit	981	1,006	1,121	984	1,038	1,051	1,022	1,090	–	
Selling, general and administrative expenses	871	916	956	895	954	967	985	1,050	–	
Operating income	109	89	165	88	83	83	36	40	110	
Operating income ratio	2.7%	2.2%	3.7%	2.2%	2.0%	2.1%	0.9%	1.0%	2.6%	

	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025 Forecast	JT-2025 Management Plan FY2025 Plan	FY2030 Target
ROE	7.6%	6.2%	9.4%	6.6%	5.0%	4.8%	3.3%		8.0% or higher	10.0% or higher
ROA	5.6%	4.4%	8.1%	4.4%	3.8%	3.6%	1.5%		5.0% or higher	7.0% or higher
ROIC*1	5.1%	4.3%	8.0%	4.2%	3.7%	3.4%	1.5%		5.0% or higher	7.0% or higher
Payout ratio	20.9%	24.6%	22.6%	31.4%	40.2%	48.4%	76.3%		40% or higher	Maintain 40% or higher
(Dividends)	(50 yen)	(50 yen)	(75 yen)	(75 yen)	(75 yen)	(90 yen)	(100 yen)	(100 yen)		

*1. ROIC (Return on invested capital) = (Operating income ×0.65) ÷ (Interest-bearing liabilities + equity) assuming an effective tax rate at 35%

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Review of the JT-2025 Management Plan

Sluggish net sales and inability to secure gross profit exceeding the sales of selling, general and administrative expenses are the reasons why a significant shortfall in the targeted operating income is expected.

Operating income target not achieved

ROE, ROA, and ROIC targets have not been achieved

Decrease of gross profit

- Net sales target not achieved
  - **Decline in the number of customers**
  - **Sluggish sales of home appliance products**
- Decrease in gross profit margin
  - **Sluggish sales of home appliance products**
  - **Increase in the sales percentage of non-home appliance products**

Rising selling, general and administrative expenses

- Rising logistics costs
  - **Increase in social cost**
- Rising personnel expenses
  - **Employee wage increases**
  - **Extension of the mandatory retirement age to 65 years old**
- Increase in utility costs
  - **Rising energy costs**

[Challenges toward Achievement of the Next Medium-term Management Plan]

- **Rebuilding the marketing function**
- **Enhancement of profitability by the full-scale launch of the private brand (PB) product business**

[Challenges toward Achievement of the Next Medium-term Management Plan]

- **Drastic rebuilding of the real store business**
- **Strengthening the profitability of the EC business**

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Recognition of the Management Environment Surrounding the Joshin Group

Global environment

- Acceleration of negotiations on reciprocal tariffs under the second Trump administration and expansion of concerns over the trade dispute. Agreement on 15% by Japan and the U.S. (including automobiles)
- Expansion and further prolonged conflicts across the world (Ukraine, the Middle East, etc.)
- Nationalism gaining power globally and acceleration of division between regions

Expected management environment

- Deterioration of the growth of Japanese companies, as well as increase of concerns over the worsening business performance of Japanese companies, and slowdown in the momentum of wage hikes
- Upward trend of energy prices in energy import-dependent Japan
- Price hikes of some import goods and increase in the risk of a shortage of goods
- Demand increases for the reuse business in response to the rising prices of new products

Environment in Japan

- Japan has a minority government since the ruling party was unable to secure a majority of seats in both the House of Representatives and the House of Councilors.
- Inbound travel became more popular partly due to Expo 2025 Osaka, Kansai, Japan.
- Extreme hot weather in summer has become the norm, leading to an increase in demand for air conditioners even in Hokkaido.
- The price of rice remains high and continues to rise.
- Acceleration of the falling birthrate and concerns over population decline, even in urban areas except for Tokyo.

Expected management environment

- National decision-making will stall, making it difficult to implement flexible policy decisions and initiatives.
- Inbound consumer trends will shift from goods to experiences.
- Air conditioners will not just be home appliances anymore, but a lifeline infrastructure to protect lives.
- Decline of disposable income since incomes will not rise faster than price hikes.
- EC value is reevaluated as a lifeline infrastructure, transitioning into the era of OMO (online merges offline) from O2O (online-to-offline).

Business environment

- Increase in the share of overseas manufacturers in the home appliance market
- Electronics manufacturers accelerate business model transformation (expanding designated price system products, strengthening direct sales through company websites).
- Acceleration of entry in the home appliance market by companies from different business categories with private brand products
- Increase in demand for popular hobby merchandise products supported by inbound tourists
- Demand for home renovations is strengthening due to the sharp rise in the prices of newly built houses and interest rate hikes
- Higher demand for used smartphones due to the skyrocketing prices of new smartphones

Expected management environment

- End of the rebate-dependent business model
- Further division in prices between high-value-added products by domestic brands and affordable private brand products, etc.
- The demand for popular hobby merchandise among inbound tourists will remain strong.
- Partly due to government subsidies for energy efficiency, the demand for home renovation is expected to expand, leading to fiercer competition among renovation business operators.

Risk management

Inclusion in the focus strategy in the JT-2028 Management Plan to minimize the impact of risk on management and convert risk into opportunities for growth

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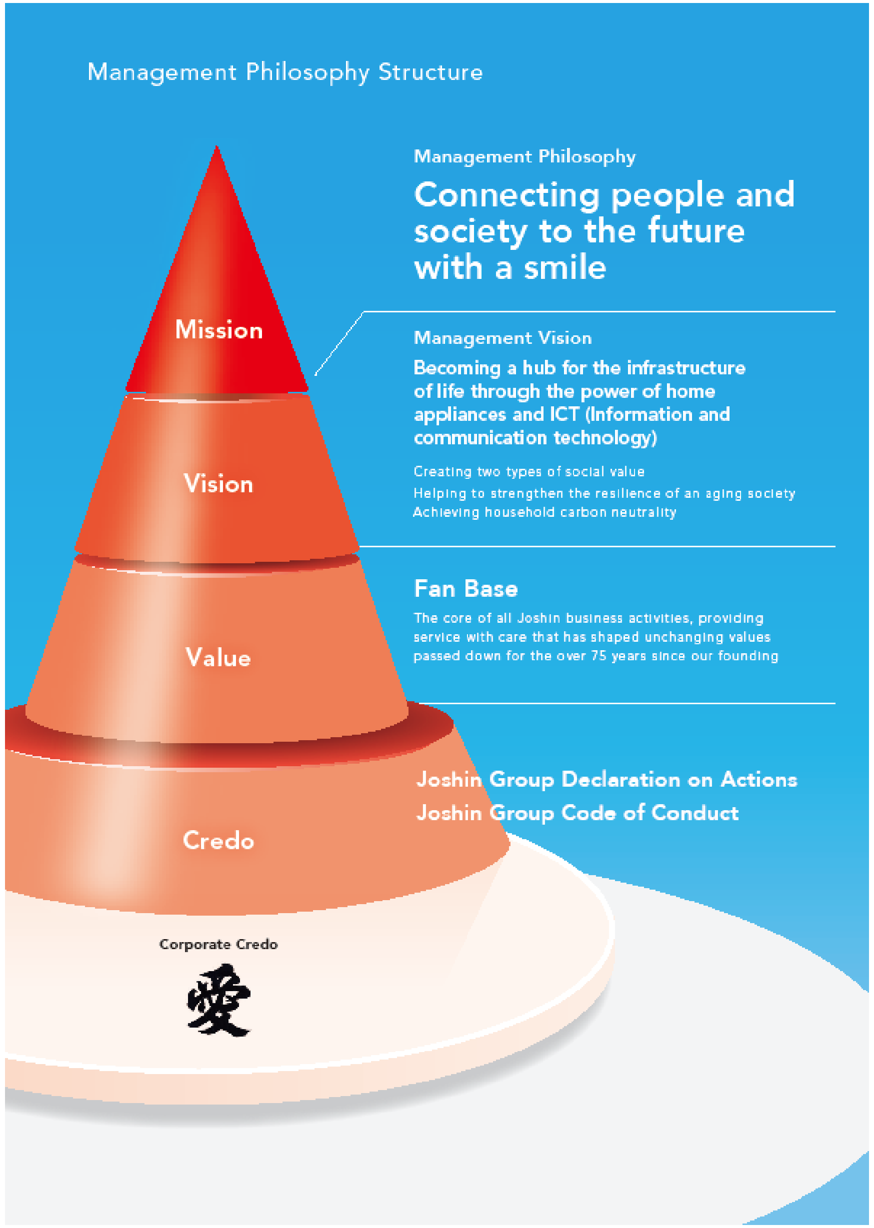
Management Philosophy Structure of the New Joshin Group



Mission	**Management Philosophy** **Connecting people and society to the future with a smile**	
	Mission	Reason (Why) for the Company's business and meaning of the Company's existence
Vision	**Management Vision** **Becoming an infrastructure hub for a better life through the power of home appliances and ICT⇒ Creation of Twin Social Values** **"Supporting and strengthening resilience in our aging society" and "Achieving carbon neutrality in the home"**	
	Vision	What the Company aims to be and what the Company targets.
Value	**Fan base** **The core of all our business activities and unswayed value developed through the practice of service with care that has been passed down over a lengthy period of 75 years since the Company's establishment**	
	Value	Approach (How) to the target and values of the Company
Credo	**Joshin Group Declaration on Actions** **Joshin Group Code of Conduct**	
	Credo	Action guidelines for all employees to embody the Company's management philosophy

Company name change

Joshin Denki Co., Ltd. ⇒ Joshin Corporation

- **The new trade name, "Joshin," encapsulates the friendliness all stakeholders have toward us, the voices of employees who want to take over and cherish our founding spirit and corporate culture, and our determination to transform ourselves into a management structure that will, while flexibly responding to ever-changing management conditions, convert the changes into the power to grow. With the new trade name, we will further expand our business and increase our corporate value.**

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

Aiming to become a 100-year company and shifting to a sustainable management structure with an eye on the future and beyond ⇒ Rebuilding of the business foundation

1948

Establishment

JT-2023 Management Plan

The Plan not achieved

JT-2025 Management Plan

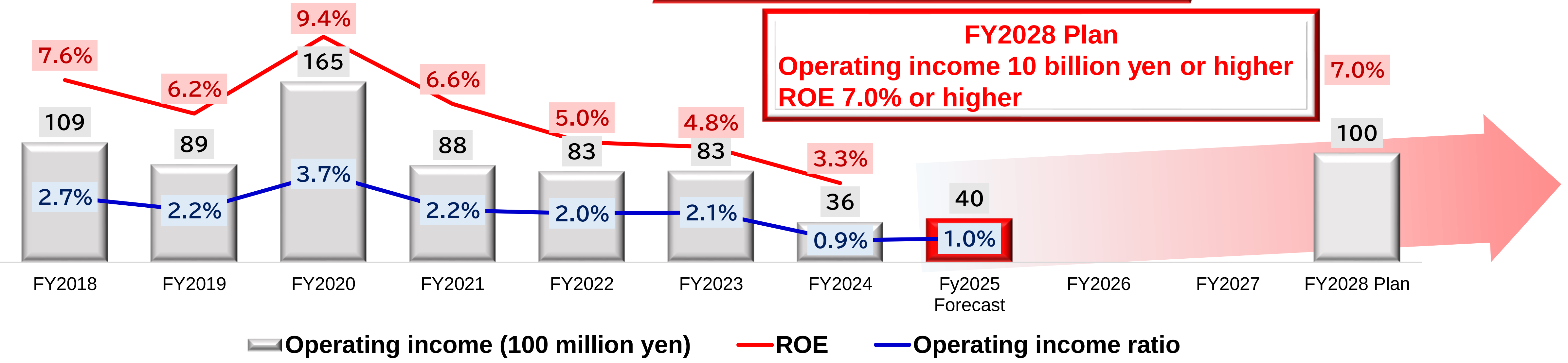
The Plan not achieved

JT-2028 Management Plan

Rebuilding of the business foundation to realize sustainable growth and enhancement of corporate value as the new Joshin Group
[Further attempt to strengthen profitability]

2048

100th anniversary



What the New Joshin Group Aspires to Be in the JT-2028 Management Plan

Ideal form of the Company in 2030
A company that supports the growth of local communities and contributes to the future of people and the environment

JT-2028 Management Plan
Transformation to a lifestyle support company

Joshin economic zone

Expansion of business domains

Revival of our core business

- **Home appliance:** Becoming a close partner of customers in the entire process from purchase, assistance, maintenance, and replacement.
- **Entertainment:** Pursuit of expertise

Development of a growth business

- **Renovation:** Expansion of business domains
- **Mobile communication:** Establishment of a multi-career support system

Pursuit of business development

- **Support business:** Enhancement of a support service menu

Taking on the challenge of entering new domains

- Full-scale entry in the PB product business
- Remote diagnosis
- Tailored renovation
- Smartphone maintenance
- Reuse business
- Security and monitoring system service
- Same-day servicing and delivery

Use of online and AI technologies

Real stores
EC

Service infrastructure
Delivery, installation, and construction work

Magokoro concierge

Customers

More diversified lifestyle

Business foundation	Marketing	Procurement and logistics	Human capital	Delivery, installation, and construction work	ICT

New Joshin Group's Dominant Strategy in the JT-2028 Management Plan

■ **Real store:** **Establishment of a solid brand position in the Kansai area to drive growth of the entire dominant strategy area**

■ **EC:** **Achievement of a 50% sales ratio on our website**
Increase in the sales percentage of home appliances

Solving customer issues and being helpful

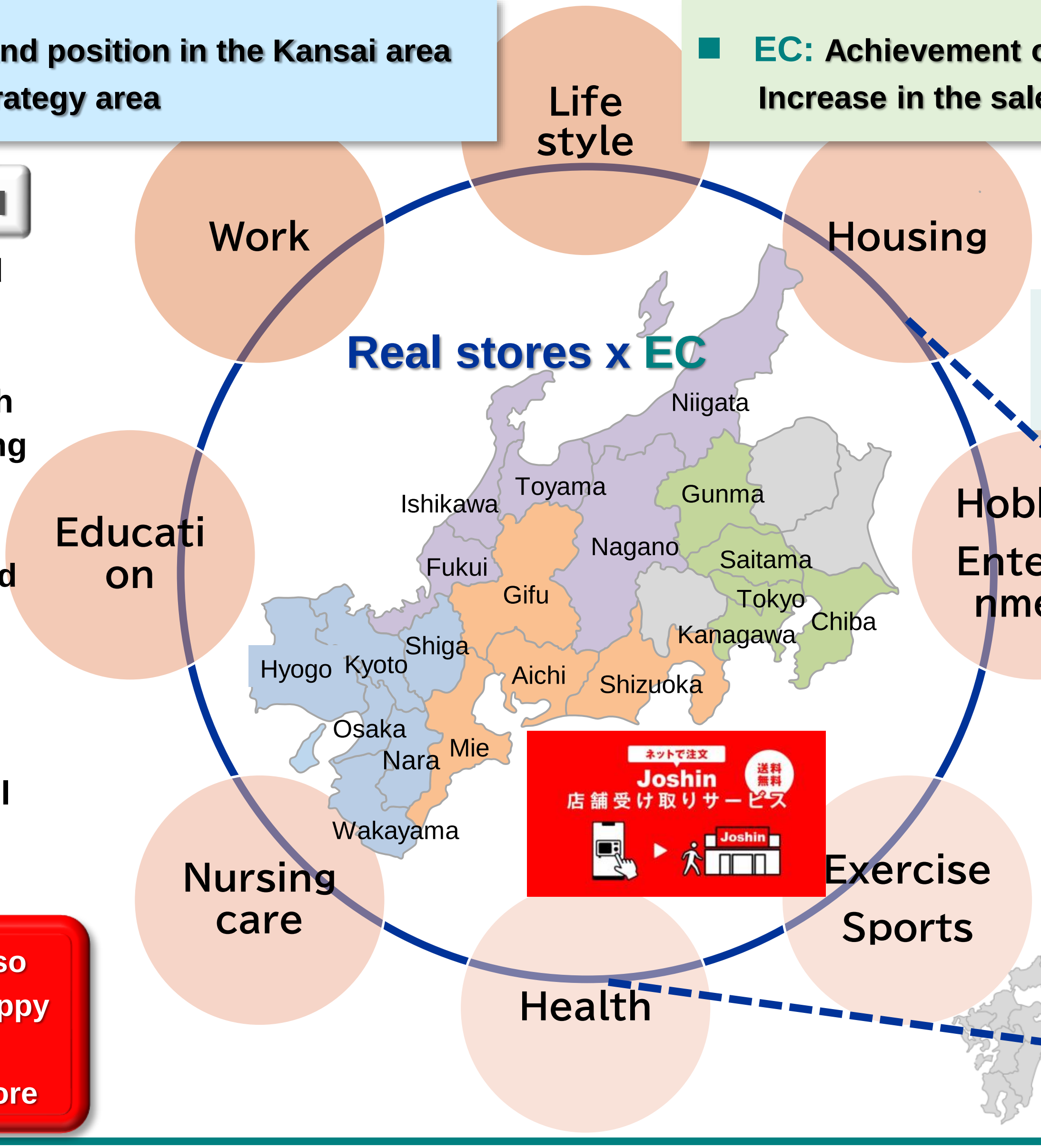
Deployment of a home appliance-centered solution business at real stores and in EC

Solving issues faced by customers through products and services with an understanding of the lifestyle of individual customers

Offering excitement, affluence, comfort, and ease of mind that exceed customer expectations

Establishment of a community-based, sustainable, and profitable business model with the creation of customers' lifetime values

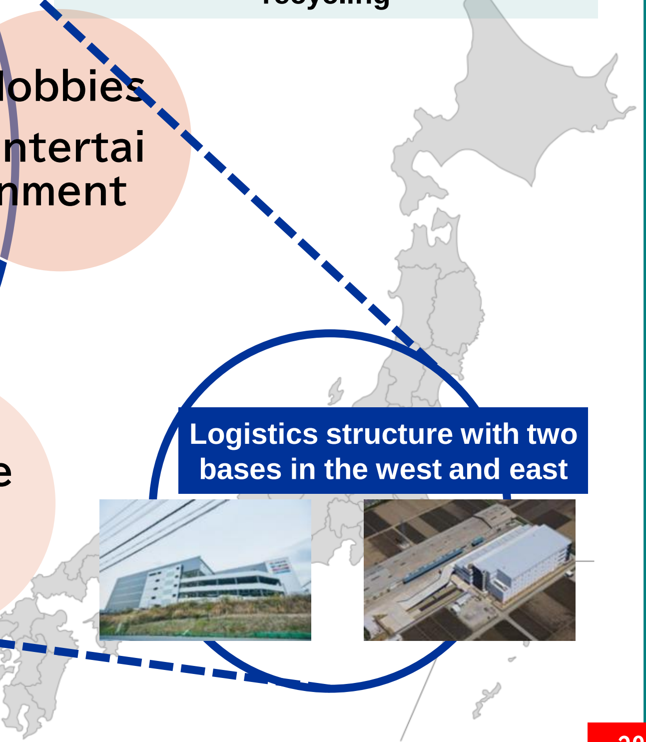
To be a store that customers feel close to, so Joshin is the first store they visit and feel happy with afterward
⇒ Chain expansion of a local electronics store



EC (Nationwide)

*Except for some islands and mountainous areas

Nationwide deployment of a delivery and installation service for large-size home appliances that also require recycling



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New Joshin Group's Focus Strategy in the JT-2028 Management Plan

Strengthening profitability of the real store business

Goal by FY2028:
Strong promotion of re-establishing the value of stores by strengthening the capability to generate profits with eye on also collaborating with other business domains

Environment surrounding store opening areas

- Market trend
- Regional characteristics
- Competitive environment

Real store types

- Freestanding stores
- Stores in malls
- Combination stores

Marketing by store type such as freestanding stores, stores in malls, and combination stores

✕

Environment surrounding stores such as market trends, regional characteristics, and competitive environment

⇩

Creation of non-uniform, diverse sales floors tailored to customer needs under the leadership of sales floors => Stores thoroughly highlighting Joshin's uniqueness

5 categories
- Home appliances
- Renovation
- Mobile communication
- Entertainment

- Support business

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New domain menu

Attraction of, collaboration and tie-ups with, and M&As of outside companies

- **Redefinition of the roles of real stores = Store deployment as a base to solve customer issues**
- **Offering different products according to the store type = Discontinuation of offering the same products at all stores**
- **Systematic store renovation for strengthening competitiveness and implementation of strengthening measures**
- **Proactive scrap and build**
- **Strategic closure of unprofitable stores and focusing resources on highly profitable stores**
- **Diversification of store formats**

Expanding the number of stores that can generate a profit

New Joshin Group's Focus Strategy in the JT-2028 Management Plan

Full-scale entry in the PB product business

Goal by FY2028:
Through the new development of PB products (500 SKUs or more), supported by customers and aiming for PB products to account for 10% of sales, strengthening the capability to generate a profit, and optimizing the merchandise turnover rate simultaneously.
*SKU is an abbreviation for stock keeping unit. Generally, SKU is a minimum management unit for order placement, order receiving, and inventory management.

FY2024

Launch of original models in computers and other home appliance products

Percentage of sales
- 3% or so in consolidated sales overall

JT-2028 Management Plan (until FY2028)

Expanding the target from small- to medium-sized home appliance products. In the future, the launch of PB products in home appliances overall, starting with air conditioners

FY2028 Plan
- **Percentage in consolidated sales: 10%**
- **PB product gross margin ratio: 5% improvement compared to FY2024**
- **PB product development target: New development of SKU 500 or more items**

Toward full-scale entry in the PB product business
- **New establishment of a dedicated division**
- **Mid-career employment of expert talent from the outside**
- **Establishment of product development and quality control systems within the Company**
- **Promotion of collaboration with OEM partners**

Sales increase of the home appliance business by expanding the PB product business

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New Joshin Group's Focus Strategy in the JT-2028 Management Plan

Rebuilding the marketing function

Goal by FY2028:
Creation of customers' lifetime values by leveraging the high credibility of the Joshin brand and promoting digital marketing
Realization of optimal customer balance by strengthening the approach to female and younger generation users, which is a challenge for the Joshin Group

Focus Strategy

■ **Profiling of Joshin fans and deepening 1-to-1 marketing by utilizing the Company's big data and outside network**

■ **Steady execution of the OMO strategy by using the Joshin Smile Program and stimulating the mutual use of real stores and Joshin Web Shop**

*Joshin Smile Program: A loyalty program where members can enjoy benefits according to their purchase history at each Joshin Group store and Joshin Web shop. The members are ranked based on their purchase history during the past two years (24 months).
*OMO strategy: OMO means Online Merges with Offline. The OMO strategy is a marketing strategy to improve the quality of the customer experience through the merger of online and offline

■ **Encouraging visits to real stores and Joshin Web Shop with original programs leveraging the advantages as an official Hanshin Tigers sponsor**

■ **Establishment of a workplace environment where diverse members are able to bring out their best, and utilization of diverse perspectives as a strength of the Company**

■ **Promotion of corporate branding internally and externally to increase recognition of the new Joshin Group**

Fan base

Magokoro concierge

Creation of customers' lifetime values by deepening customer engagement in the dominant strategy deployment area

FY2028 plan (vs. FY2024)
- **Number of active members: 1% increase in the annual rate**

*Active Members: Members purchasing a product or service at least once a year

Capital Policy in the JT-2028 Management Plan

Balance Sheet Management

Goal by FY2028:
Maintaining an optimal balance contributing to the realization of management with an awareness of capital cost and the stock price as well as an eye on revisions to Lease Accounting Standards
Promotion of improving the Cash Conversion Cycle (CCC) and the ratio of gross margin to inventory to contribute to an improvement of the FCF creation capability
*CCC= Days sales outstanding +Days inventory outstanding - Days payable outstanding/Ratio of gross margin to inventory (%) = Gross profit margin (%) x Merchandise turnover rate (times)

- Ensuring soundness by maintaining optimal inventory levels
- Increase of the inventory turnover rate
- Proper management of days sales outstanding
- Profit increase of each store
- Reduction of property, plant and equipment
- Reduction of cross-shareholdings

Assets	Liabilities and net assets
Current assets Cash Accounts receivable Inventory, etc.	Accounts payable Short-term loans payable, etc. **Non-current liabilities** Long-term loans payable, etc.
Non-current assets Land Buildings Investment securities, etc.	**Net assets** Capital Retained earnings, etc.

- Proper management of days payable outstanding
- Liability control to keep an optimal amount of liability at the appropriate time by combining long-term and short-term liabilities in an agile manner
- Eyeing financial leverage use by using the current equity ratio as a standard
- Steady execution of growth investment
- Continuous provision of stable dividends based on the shareholder return policy
- Securing retained earnings by improving business performance

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Capital Policy in the JT-2028 Management Plan

Cash allocation

Goal by FY2028:
Realization of aggressive investment in future growth businesses and shareholder returns based on cash flow from operating activities

Achievement of profit efficiency exceeding invested capital

Upfront investment for future business growth

Stable generation of cash	Cash inflow	Cash outflow	
Business activities **Enhancement of profitability by rebuilding the business foundation**	**Total operating cash flow for three years** FY2026–FY2028 **35 billion yen to 40 billion yen**	**Growth investment** Around 70% to 75%	• Investment in stores 18 billion yen • Investment in logistics 2 billion yen • Investment in business domain expansion 6 billion yen Items included in selling, general and administrative expenses • Investment (including leasing) in human resources and systems 20 billion yen
	Items included in selling, general and administrative expenses such as investment in human resources 20 billion yen	**Shareholder return** Around 15% to 20%	• Implementation based on the shareholder return policy • Payout ratio: 40% or higher/DOE: 2.5% or higher
		Reduction of interest bearing liabilities	

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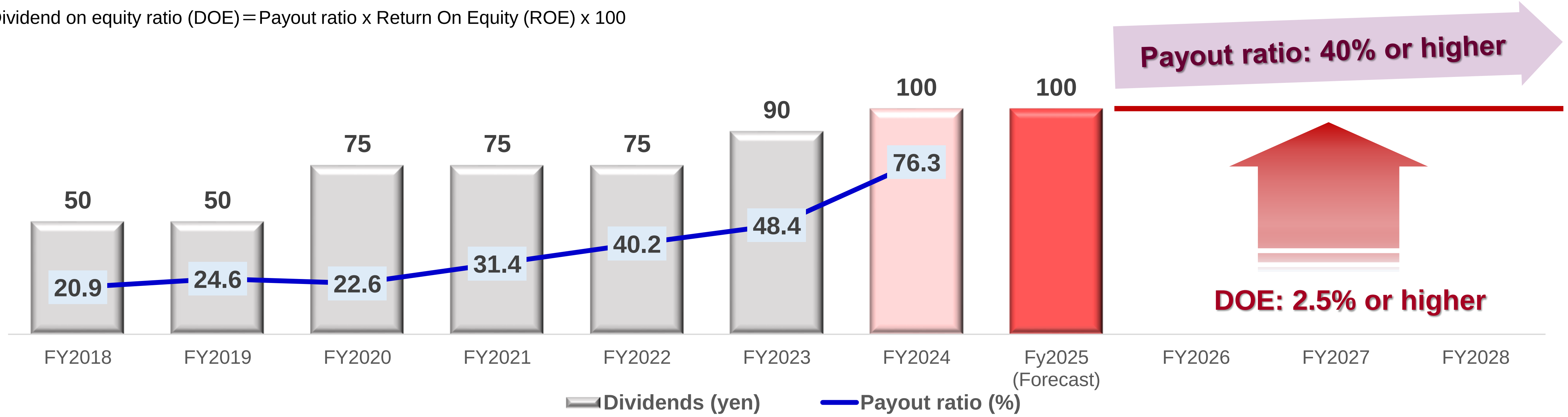
Capital Policy in the JT-2028 Management Plan

Shareholder return

Goal by FY2028:
Stable returns by using DOE without being affected by business performance in principle.
Aiming to increase dividends by enhancing business performance.

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

Dividend on equity ratio (DOE)＝Payout ratio x Return On Equity (ROE) x 100



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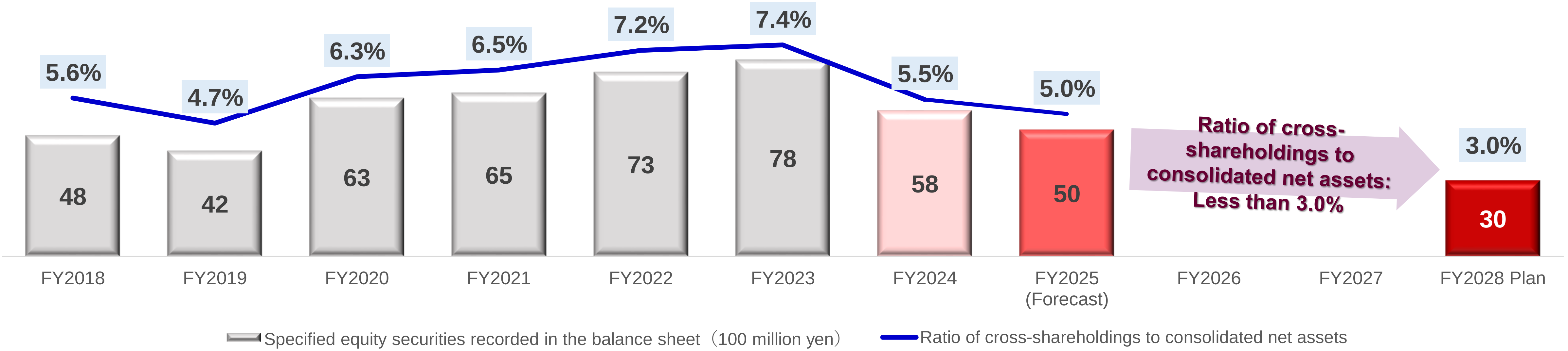
Capital Policy in the JT-2028 Management Plan

Cross-shareholdings	Goal by FY2028: Aiming for a further increase in capital efficiency by continuous reduction of the ratio of cross-shareholdings to net assets to less than 3.0%.

(100 million yen)	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2028 Plan
Specified equity securities recorded in the balance sheet	48	42	63	65	73	78	58	30
Net assets	861	891	993	986	1,007	1,046	1,047	Less than 3.0%
Ratio of cross-shareholdings to consolidated net assets	5.6%	4.7%	6.3%	6.5%	7.2%	7.4%	5.5%	

Maximum specified equity securities recorded in the balance sheet = Publication in the securities report. There are no deemed holdings of equity securities.



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Capital Policy in the JT-2028 Management Plan

Realization of management with an awareness of capital cost and the stock price

Goal by FY2028:
Improvement of PBR by restrengthening profitability realized by rebuilding the business foundation and steady execution of the optimal capital policy

PBR improvement

=

Achievement of PER (times) exceeding the sector average = $\dfrac{\text{Stock price}}{\text{Earnings per share}}$

The expectation for future growth tends to be reflected more easily in the stock prices of companies with higher profit growth. Therefore, PER can be raised by increasing net profit.

×

Achievement of ROE (%) exceeding cost of equity = $\dfrac{\text{Net income}}{\text{Equity}} \times 100$

Aiming for higher ROE by increasing net profit, which is the numerator

Cost of equity reduction

Business risk and opportunity control
- Integration of business strategy and sustainability
- Enhancement of financial and non-financial information disclosure
- Sophistication of the governance system, etc.

Acquisition of the expectation for future growth
- Achievement of KGIs in the Medium-term Management Plan
- Execution of growth investment contributing to future growth
- Strengthening corporate communication activity, including IR activity, etc.

Strengthening sustainable profitability
- **Establishment of a sustainable business model backed by originality and differentiation**
- **Creation of an optimal business portfolio**
- **Early development of new businesses, proactive collaboration and tie-ups with other companies and M&As**

Optimal capital composition
- Optimal cash allocation
- Stable dividends and dividend increases by better performance
- Reduction of cross-shareholdings, etc.

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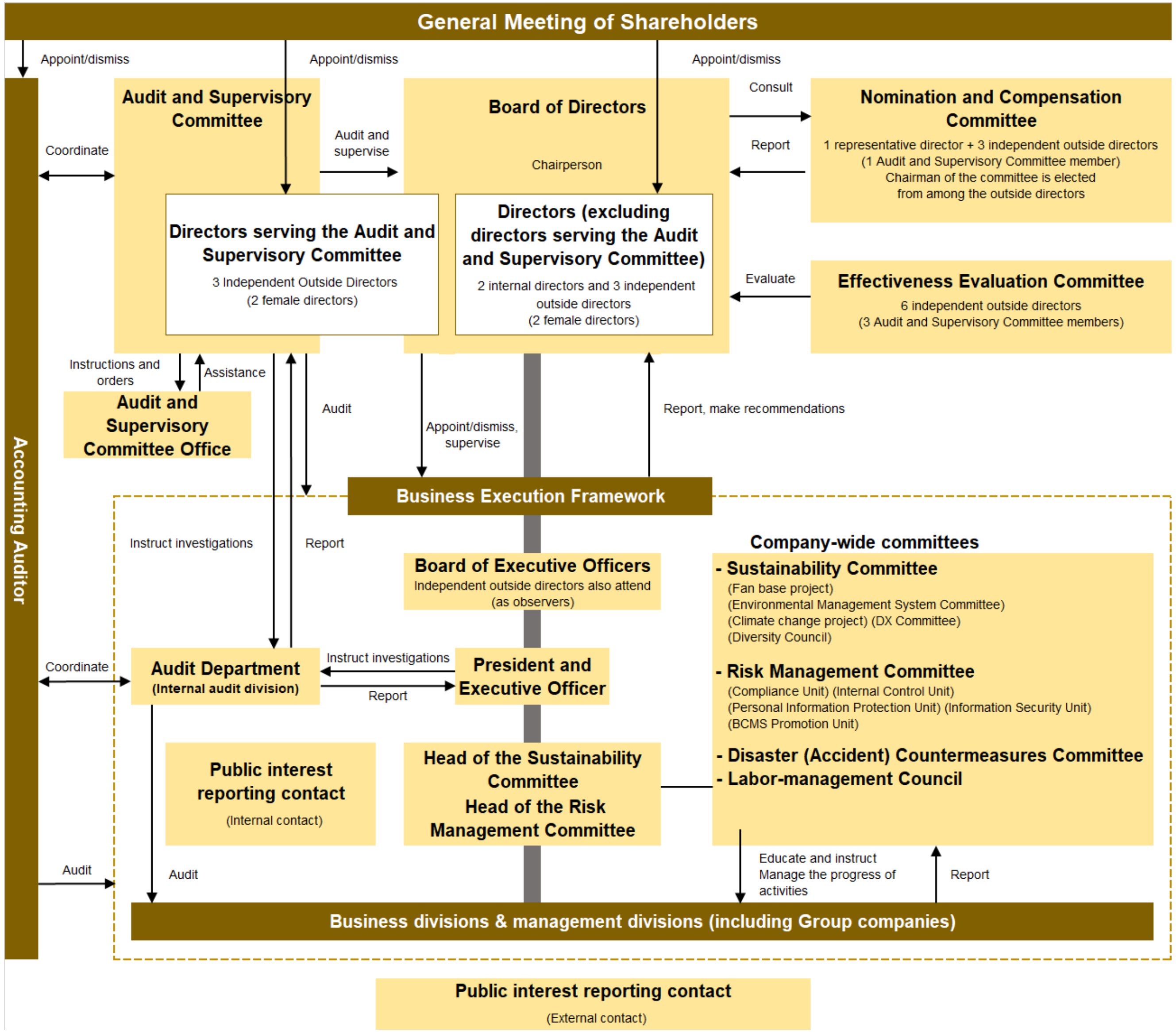
Corporate Governance System Following the Transition to a Company with an Audit and Supervisory Committee



Board of Directors Members

	Name	Gender	Title, etc.	Nomination and Compensation Committee	Effectiveness Evaluation Committee	Audit and Supervisory Committee
1	Ryuhei Kanatani	M	Representative Director, Chairman (Chairman of Board of Directors' Meetings)	Member		
2	Tetsuya Takahashi	M	Representative Director, President and Chief Executive Officer			
3	Keiko Yamahira	F	Outside Director (Independent)	Chairperson	Member	
4	Junko Kawano	F	Outside Director (Independent)	Member	Member	
5	Seiji Nishikawa	M	Outside Director (Independent)		Member	
6	Kinya Naito	M	Outside Director, Audit and Supervisory Committee Member (Independent)		Chairperson	Chairperson
7	Kazumi Yoshikawa	F	Outside Director, Audit and Supervisory Committee Member (Independent)	Member	Member	Member
8	Kazuko Otsuki	F	Outside Director, Audit and Supervisory Committee Member (Independent)		Member	Member

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Business Execution System Following the Transition to a Company with an Audit and Supervisory Committee and Initiatives for the Capital Market

Board of Directors: Highest decision-making body for company management
Eight members (75% are outside directors, 50% are female directors)

Under direct management of the President

Management Planning Department

Sustainability Promotion Office

IR Promotion Office

Board of Executive Officers

Tetsuya Takahashi	**Representative Director, President and Chief Executive Officer**		
Koichi Yokoyama	Managing Executive Officer, in charge of Infrastructure Strategy	Koji Tanaka	Managing Executive Officer, in charge of Governance Strategy
Suguru Oshiro	Managing Executive Officer, in charge of Financial Strategy	Kensuke Motoi	Executive Officer, in charge of Merchandise Policy and Logistics
Tatsuo Sakai	Executive Officer, in charge of Sales Management and Fan Base Strategy	Koji Abe	Executive Officer, in charge of the Solution Business
Kazuhiko Hashimoto	Executive Officer, in charge of CRM and MA	Nobuhiro Eriguchi	Executive Officer, in charge of the Store Business (Kansai/Hokushinetu)
Tatsuhiro Kihara	Executive Officer, in charge of ICT and DX	Kazuya Hatashima	Executive Officer, in charge of support services
Hajime Arauchi	Executive Officer, in charge of the EC store business	Kiminori Nishio	Executive Officer, in charge of human resources and general affairs
Katsutoshi Takagi	Executive Officer, in charge of Smart Life	Hiroyuki Soeda	Executive Officer, in charge of the Store Business (Tokai/Tokyo)

- The Board of Executive Officers, composed of Executive Directors and Executive Officers, meets biweekly in principle and serves as the central organization for business execution.
- The purpose of the establishment includes enhancing the management strategy planning and supervisory functions of the Board of Directors, as well as accelerating the decision-making speed.
- Leveraging the transition to a company with an Audit and Supervisory Committee in June 2025, authority over decision-making on business execution of the Board of Directors was significantly transferred to the Board of Executive Officers for even faster decision-making.
- Participation of independent outside directors as observers contributes to the evaluation and development of the CEO and Board of Director candidates

Initiatives for shareholder and investor engagement		
	Simultaneous release of Japanese and English versions of financial statements and the Medium-term Management Plan	Holding individual IR meetings by the CEO and Executive Officers
	Holding financial results briefings for the mass media and investors (Full-year, six months)	Participation in IR conferences jointly hosted by the Tokyo Stock Exchange and securities companies
	Release of videos and scripts of financial results briefings (Japanese and English) and publication on the Company website	Meetings with the Institutional Investors Collective Engagement Forum
	Participation in information sessions for individual investors hosted by securities companies (full-year, six months)	Information distribution by using IR support companies (logmi Finance, FISCO)

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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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