



May 9, 2023

For immediate release

Company name: Joshin Denki Co., Ltd.
Representative: Ryuhei Kanatani,
Representative Director and President
and Executive Officer
(Securities code: 8173, Tokyo Stock
Exchange, Prime Market)
Contact: Koji Tanaka, Director and Managing
Executive Officer in charge of
Management Planning and Human
Resources Strategy
(Phone: +81-6-6631-1221)

Notice Concerning Formulation of Medium-term Management Plan
“JT-2025 Management Plan”

Joshin Denki Co., Ltd. (hereinafter, “the Company”) hereby announces that it has formulated the Medium-term Management Plan “JT-2025 Management Plan” for the three years from fiscal 2023 to fiscal 2025. See the attached material for the details of the plan.

*The forward-looking statements in this document concerning the future including forecasts for financial results are based on currently available information and certain assumptions that the Joshin Group considers reasonable. Actual results may vary significantly from such forecasts due to a variety of factors.

Joshin

New Medium-term Management Plan <JT-2025 Management Plan> (FY2023–FY2025 3 Years)

**Joshin Denki Co., Ltd.
(Securities code: 8173)**

May 9, 2023

**Ryuhei Kanatani
Representative Director, President
and Executive Officer**

[Table of Contents]

■ Review of the Previous Medium-term Management Plan “JT-2023”

■ Recognition of External Environment

■ New Medium-term Management Plan “JT-2025”

(FY2023–FY2025 3 Years)

1. Positioning and Policy
2. Fan Base Strategy
3. Management Indices
4. Business Strategy
5. Sustainability-related Initiatives



Review of the Previous Medium-term Management Plan “JT-2023”: 1. Quantitative Goals

(Million yen)	FY2019 ※Final year of the former mid-term plan	Targets for the final fiscal year (FY2022)							
		% of net sales	(1) Initial plan	(2) Revised plan	(3) Latest plan	Actual results	% of net sales	% of FY2019	% of latest plan
Net sales	415,643	100.0%	435,000	450,000	420,000	408,460	100.0%	(1.7%)	(2.7%)
Of which, sales in EC business	57,134	13.7%	70,000	80,000	80,000	75,552	18.5%	+ 32.2%	(5.6%)
Gross profit	100,604	24.2%	—	—	—	103,802	25.4%	+ 3.2%	-
Selling, general and administrative expenses	91,624	22.0%	—	—	—	95,491	23.4%	+ 4.2%	-
Operating income	8,979	2.2%	11,500	16,500	10,000	8,311	2.0%	(7.4%)	(16.9%)
Ordinary income	8,900	2.1%	11,500	16,500	10,000	8,317	2.0%	(6.6%)	(16.8%)
Net income (*1)	5,418	1.3%	—	—	—	4,972	1.2%	(8.2%)	(29.0%)
*1 Profit attributable to owners of parent									
Equity ratio	45.2%	—	45.0% or higher	45.0% or higher	45.0% or higher	45.1%	—	(0.1pt)	+ 0.1pt
ROE	6.2%	—	7.0% or higher	9.0% or higher	7.0% or higher	5.0%	—	(1.2pt)	(2.0pt)
ROA	4.4%	—	5.0% or higher	7.0% or higher	5.0% or higher	3.8%	—	(0.6pt)	(1.2pt)
ROIC	4.3%	—	5.0% or higher	7.0% or higher	5.0% or higher	3.7%	—	(0.6pt)	(1.3pt)
Payout ratio	24.6%	—	Around 30.0%	Around 30.0%	Around 30.0%	40.2%	—	+ 15.6pt	+ 10.2pt

* (1) Initial plan released on Aug.7, 2020; (2) Revised plan released on May 7, 2021; (3) Latest plan released on May 6, 2022

(Million yen)	Total for the three years (FY2020–FY2022)	
	Initial plan	Actual results
Total operating CF	40.0–45.0 billion yen	343

Review of the Previous Medium-term Management Plan “JT-2023”: 2. Key Measures

Key measures	Outcome	Tasks
<ul style="list-style-type: none"> ➤ Consolidated the two logistics centers in the Kansai region into the Kansai Ibaraki Logistics Center ➤ It is located inland, which is superior in terms of business continuity when a major disaster occurs, and is ideal for wide coverage of western Japan ➤ Improvement of inventory efficiency anticipating expansion of the EC business ● Stocked items: Up 20% ● EC shipment capacity: Up 100% ● Total inventory amount: Down 10% ● Transport vehicles: Down 10% 	<ul style="list-style-type: none"> ➤ Started full-scale operation as a highly efficient logistics center that integrates the supply function, inventory stockpiling function, and EC shipment function for sales and delivery bases ➤ While the premises changed due to changes in external environment such as semiconductor shortage caused by the Covid-19 pandemic and increases in product prices resulting from the yen's depreciation and soaring resource and material costs, improvement in business continuity, operational efficiency, and EC shipment capacity 	<ul style="list-style-type: none"> ➤ Further enhancement of logistic function assuming expansion in shipment volume of EC
<ul style="list-style-type: none"> ➤ Target of a 20% decline in expenses through reduction of paper-based sales promotion (flyers, DM) and advancement of digital sales promotion 	<ul style="list-style-type: none"> ➤ Reduced advertising expenses by about 30% through digitization (vs. FY2019) 	<ul style="list-style-type: none"> ➤ Improvement in corporate brand recognition assuming expansion in shipment volume of EC ➤ Implementation of one-to-one marketing through deepening of marketing automation
<ul style="list-style-type: none"> ➤ Improve functions of the Joshin app, diversification of settlement methods, active introduction of new common points, etc. to strengthen customer convenience 	<ul style="list-style-type: none"> ➤ Introduced Kids Members (a Joshin app system for children) ➤ Launched a lottery-based sales function for popular products and a function for checking how crowded a store is ➤ Introduced the Ponta (P) point program Enhanced convenience along with Rakuten (R) and Docomo (d) 	<ul style="list-style-type: none"> ➤ Strengthening of customer convenience going beyond the boundary between stores and EC
<ul style="list-style-type: none"> ➤ Marketing through sharing of customer data and O2O*1 cross marketing <p>*1 Abbreviation of “online (offline) to offline (online)”</p>	<ul style="list-style-type: none"> ➤ Implemented the O2O campaign with Rakuten ➤ Opened a virtual renovation shop 	<ul style="list-style-type: none"> ➤ Deepening from O2O to OMO <p>*2 Abbreviation of “online merges with offline”</p>

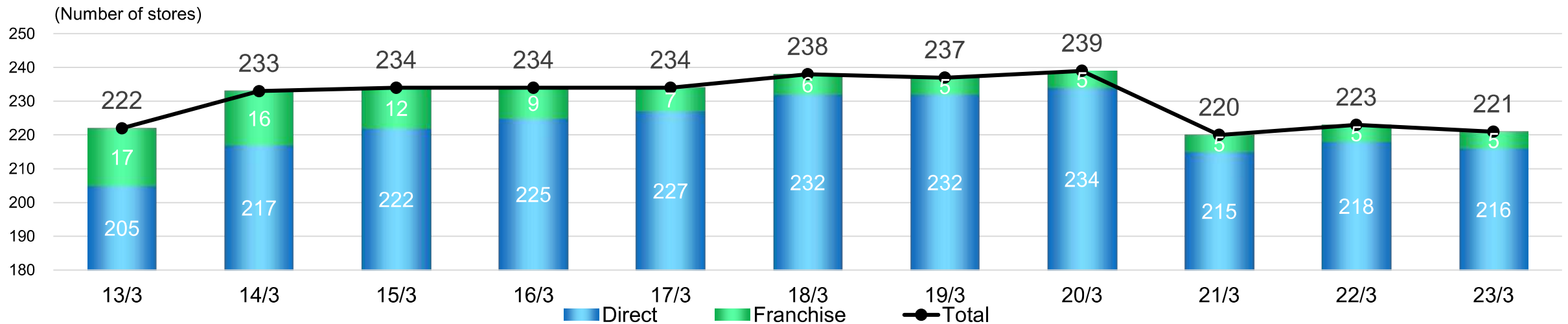
Review of the Previous Medium-term Management Plan “JT-2023”: 3. Key Measures

Key measures	Outcome	Tasks
<ul style="list-style-type: none"> ➤ Focus on vitalization of store networks and become dominant in Kansai, Tokai, Kanto, and Hokushinetsu areas ➤ Active renovation of existing stores, scrap and build, promotion of seamless operation with the EC business, enhance service infrastructure of delivery, installation, repair, etc. 	<ul style="list-style-type: none"> ➤ “Consolidated 234 directly managed stores into 216 through scrap and build including BCP measures and integration of store brands” ➤ Newly opened stores: 8 ➤ Newly opened stores involving relocation: 11 ➤ Vitalization of existing stores through renovation: 134 	<ul style="list-style-type: none"> ➤ “Strengthening of store network assuming synergy with EC”

Changes in the number of stores during the “JT-2023” period

	FY2020	FY2021	FY2022	JT-2023 period
Newly opened stores	Up 2	Up 5	Up 1	Up 8
Newly opened stores involving relocation	Up 4	Up 3	Up 4	Up 11
Withdrawal	*Down 25	Down 5	Down 7	Down 37
Change in total number of stores	Down 19	Up 3	Down 2	Down 18

*Including business transfer of 6 drugstore-format stores



Review of the Previous Medium-term Management Plan “JT-2023”: 4. Sustainability-related Initiatives

Key measures	Outcome	Tasks
<ul style="list-style-type: none"> ➤ Strengthen proposals of energy-generating, energy-storing, and energy-saving products and services ➤ Introduce shopping bags made of a new material ➤ Review power source mix by promoting introduction of photovoltaic systems ➤ Greening of store parking lots ➤ Promote introduction of electric vehicle charging systems 	<ul style="list-style-type: none"> ➤ Number of stores that have introduced photovoltaic systems: 60 business sites ➤ GHG emission reduction vs. FY2013: down 63.4% ➤ Calculated Scope 3 emissions to grasp overall picture ➤ Received third-party assurances for Scope 1 and 2 emissions ➤ Sales target for environmentally friendly products: achieved 41.5% against the target of 40% or more of sales ➤ Implemented the Task Force on Climate-related Financial Disclosures (TCFD) scenario analysis ➤ Received B rating in CDP Climate Change Program ➤ Established Sustainability Promotion Office 	<ul style="list-style-type: none"> ➤ Formulation of transition plan based on TCFD recommendations ➤ Initiatives for acquisition of SBTi certification and setting goals ➤ Initiatives for improving rating in the CDP Climate Change Program ➤ Responses to Taskforce on Nature-related Financial Disclosures (TNFD)
<ul style="list-style-type: none"> ➤ Promote smart work and health and productivity management through workstyle reform and utilization of IT ➤ Improve productivity and boost job satisfaction through maximization of organizational performance 	<ul style="list-style-type: none"> ➤ Endorsed UN Global Compact ➤ Formulated the Joshin Group Human Rights Policy ➤ Established Diversity Promotion Office and Health and Productivity Management Promotion Office ➤ Transition to retirement age of 65 (raising retirement age by one year every year until 2025) ➤ Increased <i>ikumen</i> (child-rearing men) leave (paid leave for child-rearing purposes) to 28 days ➤ Raised the age limit of children for utilizing shorter working hours for child care (till the child graduates from junior high school) ➤ Started introducing self-checkout system ➤ Strengthened installation of digital signages 	<ul style="list-style-type: none"> ➤ Enhancement of employee engagement ➤ Initiatives to strengthen hiring of employees and ensuring diversity (age, gender, mid-career hiring, foreigners, etc.) ➤ Development of education program for improving business specialization of employees

Renewable energy conversion ratio

Target	Conversion ratio *as of Mar. 31, 2023	Carbon neutrality goals
All business sites including tenants	59.4%	100% by 2040
Of which, business sites for which the Company has signed contracts directly with power suppliers	97.4%	100% by 2023

[Table of Contents]

- Review of the Previous Medium-term Management Plan “JT-2023”
- **Recognition of External Environment**
- New Medium-term Management Plan “JT-2025”
(FY2023–FY2025 3 Years)
 1. Positioning and Policy
 2. Fan Base Strategy
 3. Management Indices
 4. Business Strategy
 5. Sustainability-related Initiatives



Recognition of External Environment

**People's lifestyles changed drastically because of COVID-19
Diversification of values gathered pace suddenly**

Global changes

- Emergence of country risks
- Surging energy price, supply instability
- Foreign exchange fluctuations, soaring consumer prices
- Increase in natural disasters as global warming accelerates
- Rising sustainability awareness

Social changes

- Rapid increase in non-contact and remote services
- Employment mobility, diversification of workstyle
- Declining birthrate and aging society, increase in single-person households
- Shrinking workforce
- Urban concentration of population and declining population in rural areas

Changes surrounding the industry

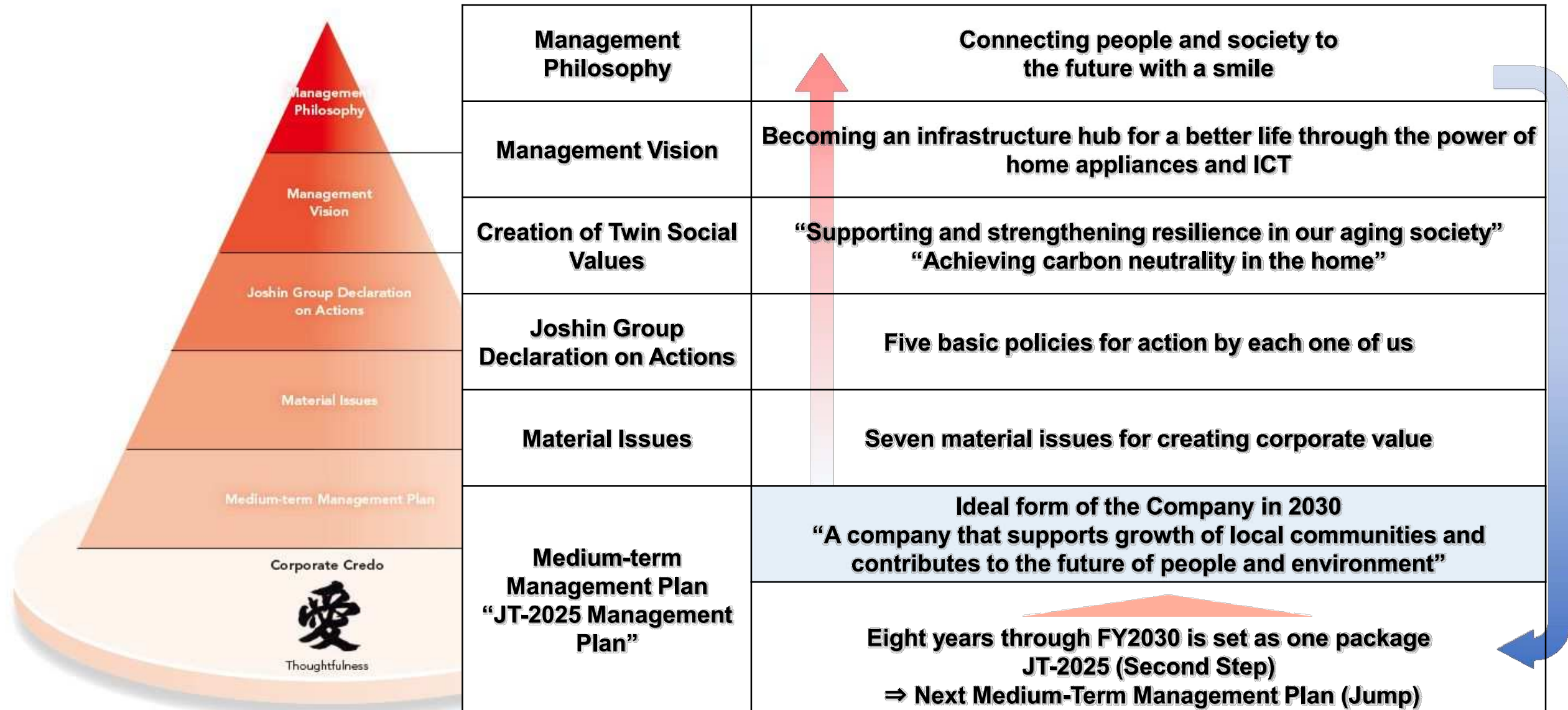
- Accelerated EC demand and digital consumption
- Diversification of borderless competitive environment
- Transformation of business model of home appliance manufacturers
- Diversification of consumer spending patterns
- Holding of worldwide sports events
2023: Rugby World Cup
2024: Paris Olympic and Paralympic Games
Global popularization of e-sports

[Table of Contents]

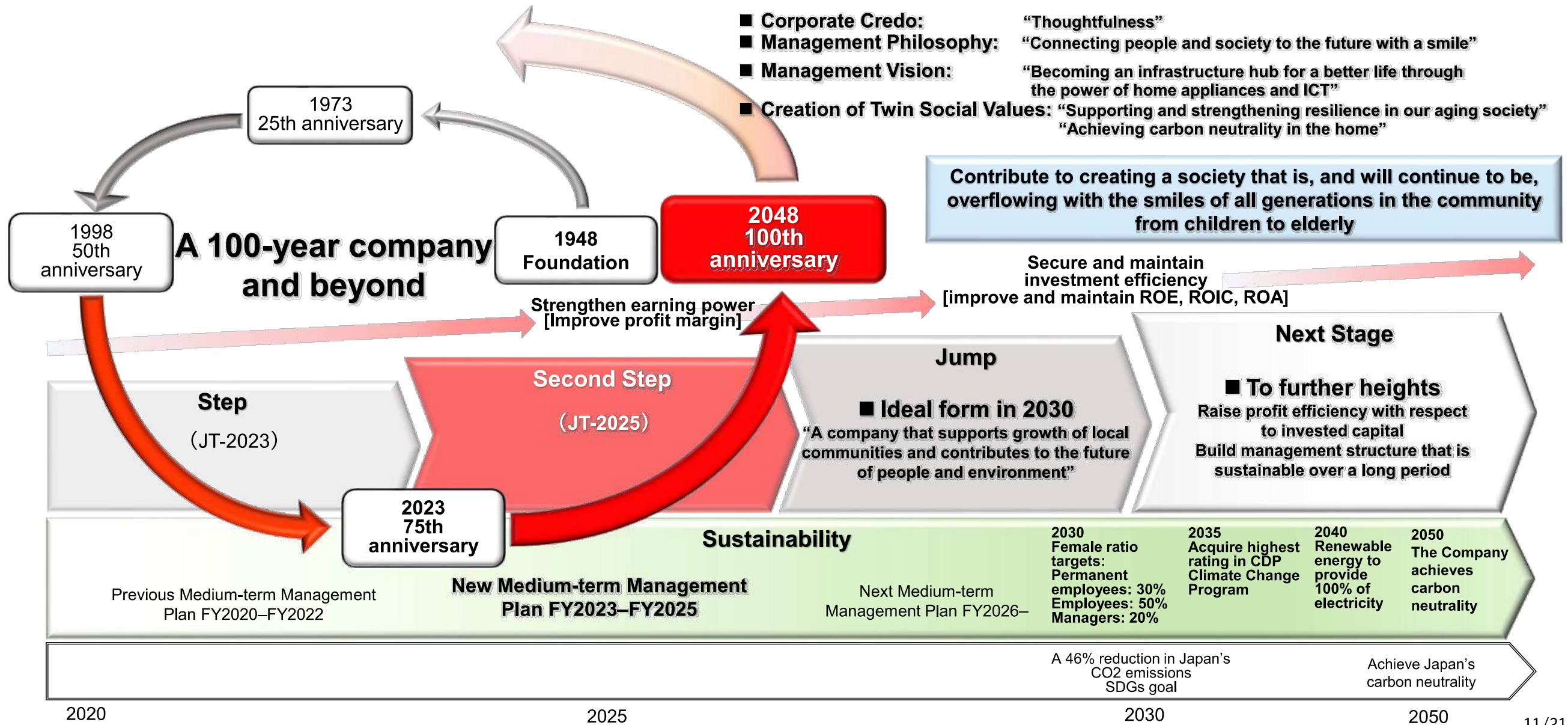
- Review of the Previous Medium-term Management Plan “JT-2023”
- Recognition of External Environment
- **New Medium-term Management Plan “JT-2025”**
(FY2023–FY2025 3 Years)
 1. Positioning and Policy
 2. Fan Base Strategy
 3. Management Indices
 4. Business Strategy
 5. Sustainability-related Initiatives



Positioning in Management Policy Structure



Medium- to Long-term Growth Scenario (for 100th Anniversary to 2050)



What Joshin Group Aspires to Be

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

Medium-term Management Plan “JT-2025”

To be a concierge to customers, drawing close to their daily lives

A sustainable business model in which we create lifetime values for customers while securing profits as we solve issues faced by customers through products and services by drawing close to their individual lifestyles to realize values that go beyond the customers’ expectations

Solve customers’ issues and be of help → Creation of customers’ lifetime values

Implement “fan base strategy” (Make customers fans and core fans)

- Develop a solution business starting from stores and EC and centered on home appliances
- Offer excitement, affluence, comfort, and ease of mind by drawing close to customers’ lifestyles and supporting them

Joshin economic zone

Aggregation of business and services of the entire group

Real store business **EC business**

Business foundation: Branding, infrastructure (procurement, logistics, delivery, installation, construction), information systems (ICT)

Joshin Group's Fan Base Strategy

Fan Base Strategy

Joshin's own strategy from the customer perspective aimed at turning our customers into fans and our fans into core fans to create a chain reaction of value by spreading the bonds rooted in trust and confidence nurtured through practice of service with care based on the Corporate Credo of Thoughtfulness.

Corporate Credo "Thoughtfulness"

It is the core of the Company's management philosophy structure and means "to always think and act in consideration of the other's perspective"

Service with care

Joshin's unchanging basic business attitude to build an unwavering relationship of trust with customers by grasping their needs and proposing optimal products and services in the basic spirit of its Corporate Credo of Thoughtfulness, helping customers make their lifestyles richer and more comfortable.

Fans and core fans have high loyalty and affection to Joshin, actively recommend Joshin to others, and play a role in marketing. Increasing fans and core fans is expected to improve long-term brand value and earning power.

To promote the Fan Base Strategy

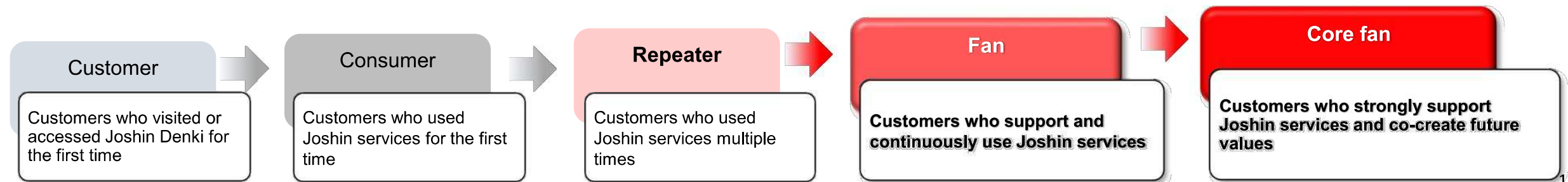
Offer affluent lifestyle with "physical values (offering of tangible and intangible goods)" + "experience values"

Propose lifestyles, as a multi-vendor, from the customers' perspective

Grow, expand, and strengthen businesses in the fields where we can leverage our strengths

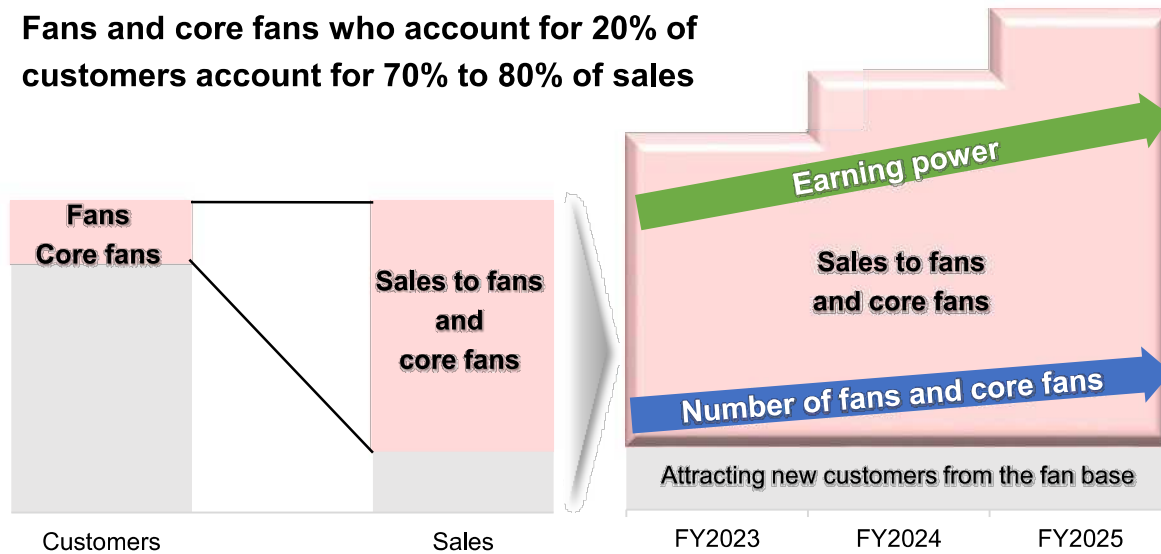
Enhance employee engagement based on human resource strategy for improving customer service

Build a solid partnership through the offering of values we create to expand fans and core fans

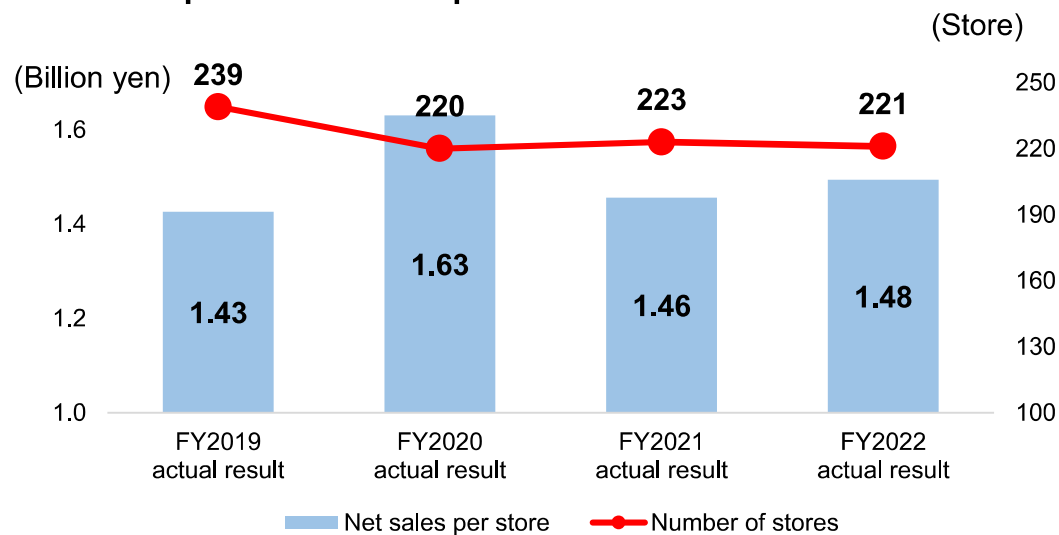


Joshin Group's Fan Base Strategy

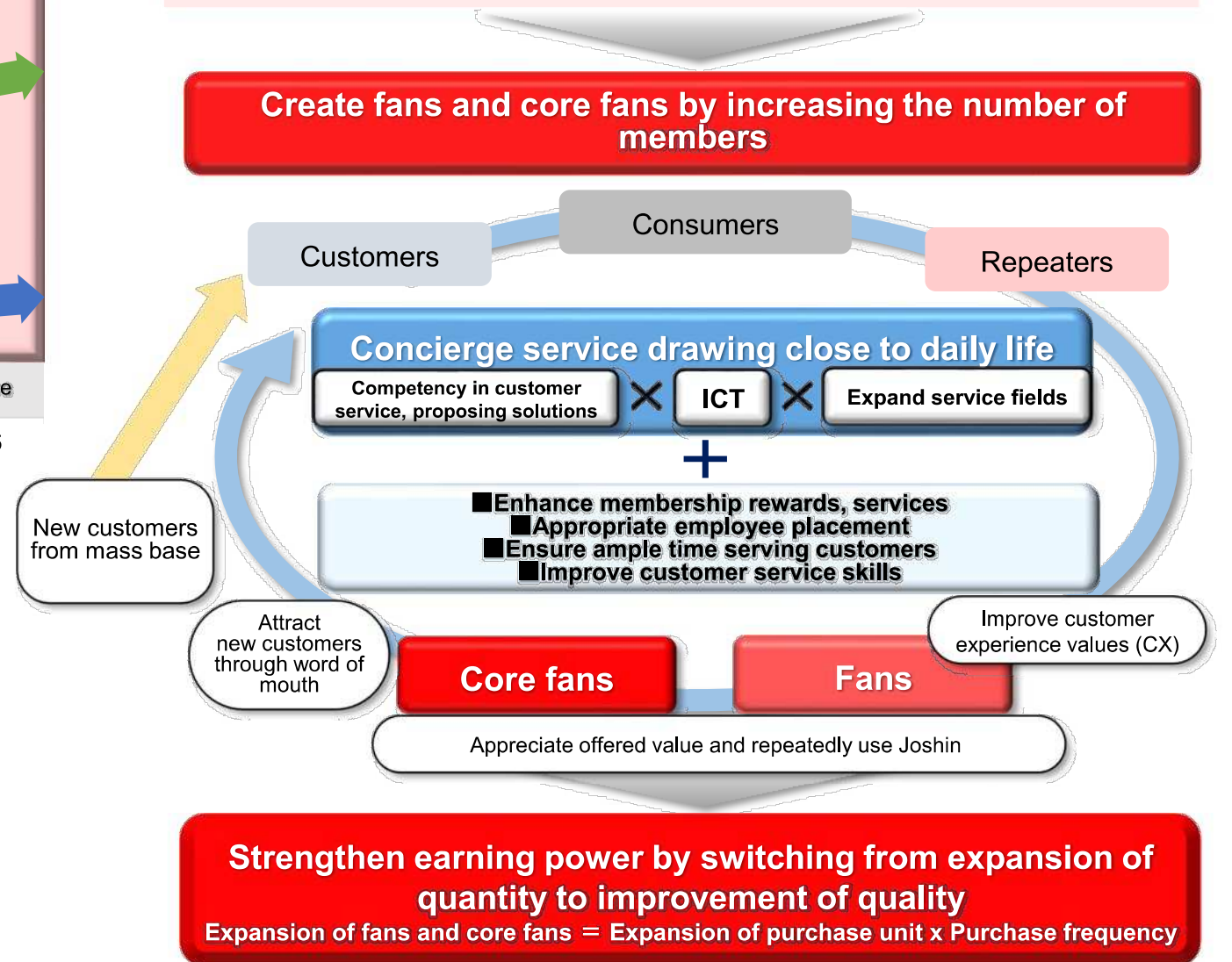
Fans and core fans who account for 20% of customers account for 70% to 80% of sales



Net sales per store have expanded



We position fans and core fans as customers who appreciate our products and services and repeatedly visit and use our stores

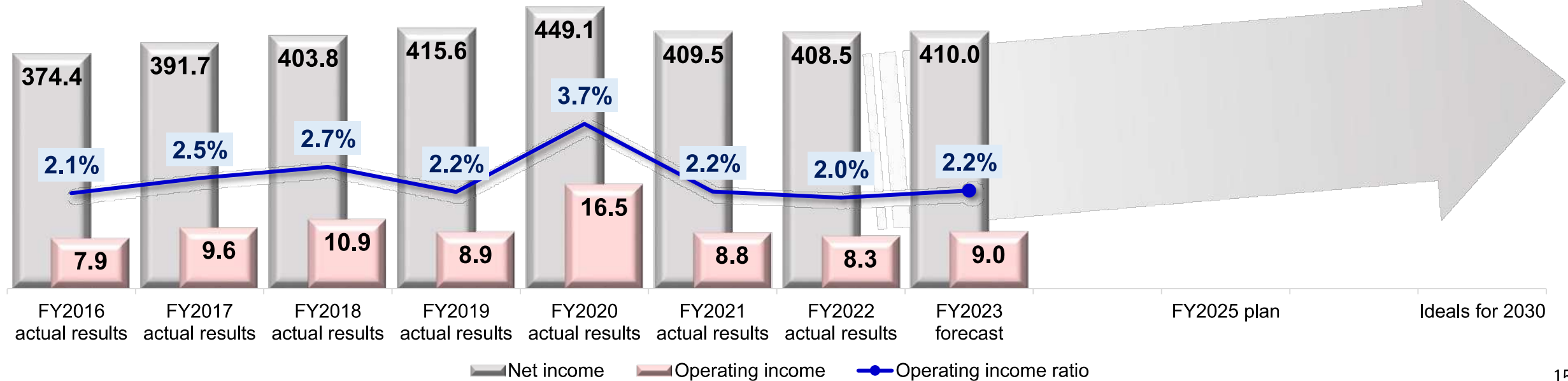


Consolidated Management Indices

Raise operating income ratio by strengthening earning power with focus on profit efficiency to build a foundation for improving and maintaining investment efficiency.

(Billion yen)	FY2022 actual result	FY2023 forecast	FY2025 plan	Ideal form in FY2030
Net sales	408.5	410.0	420.0	
Operating income ratio	2.0%	2.2%	2.6%	Operating profit margin Aim for 4.0% level
Operating income	8.3	9.0	11.0	

(Billion yen)

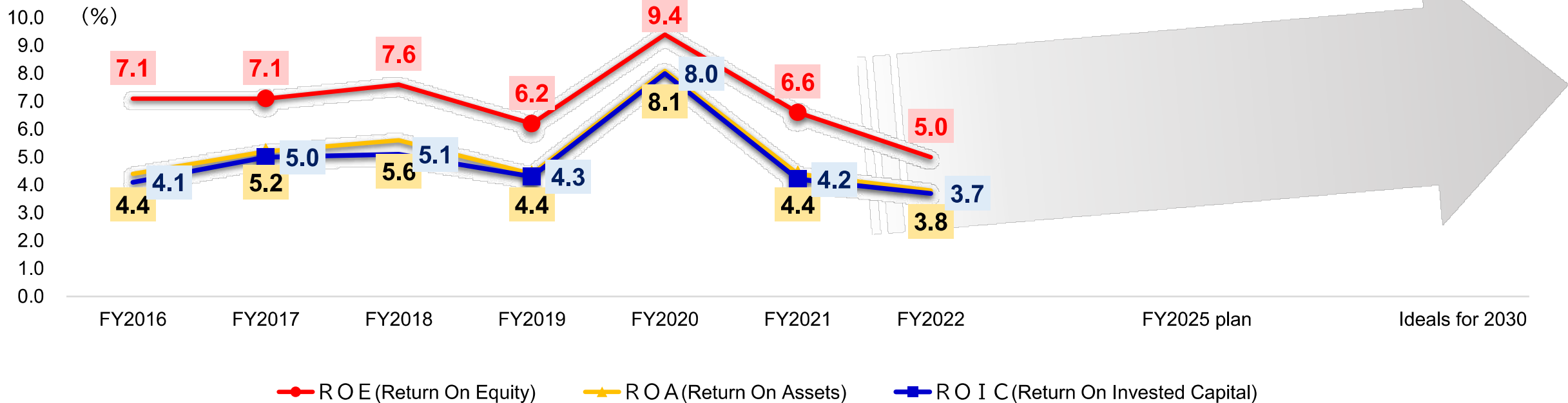


Capital Efficiency Indices

We aim to improve corporate value by ensuring ROE exceeding cost of equity and ROIC exceeding weighted average cost of capital and by maintaining them long term

	FY2022 actual results	FY2025 plan	Ideal form in FY2030
ROE	5.0%	8.0% or higher	Aim for 10.0% or more
ROA	3.8%	5.0% or higher	Aim for 7.0% or more
ROIC ^{*1}	3.7%	5.0% or higher	Aim for 7.0% or more

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



Cost of Equity and Weighted Average Cost of Capital at Joshin Group

We aim to continuously improve ROE and ROIC assuming increases in cost of equity and weighted average cost of capital in the future.

Cost of equity (%)

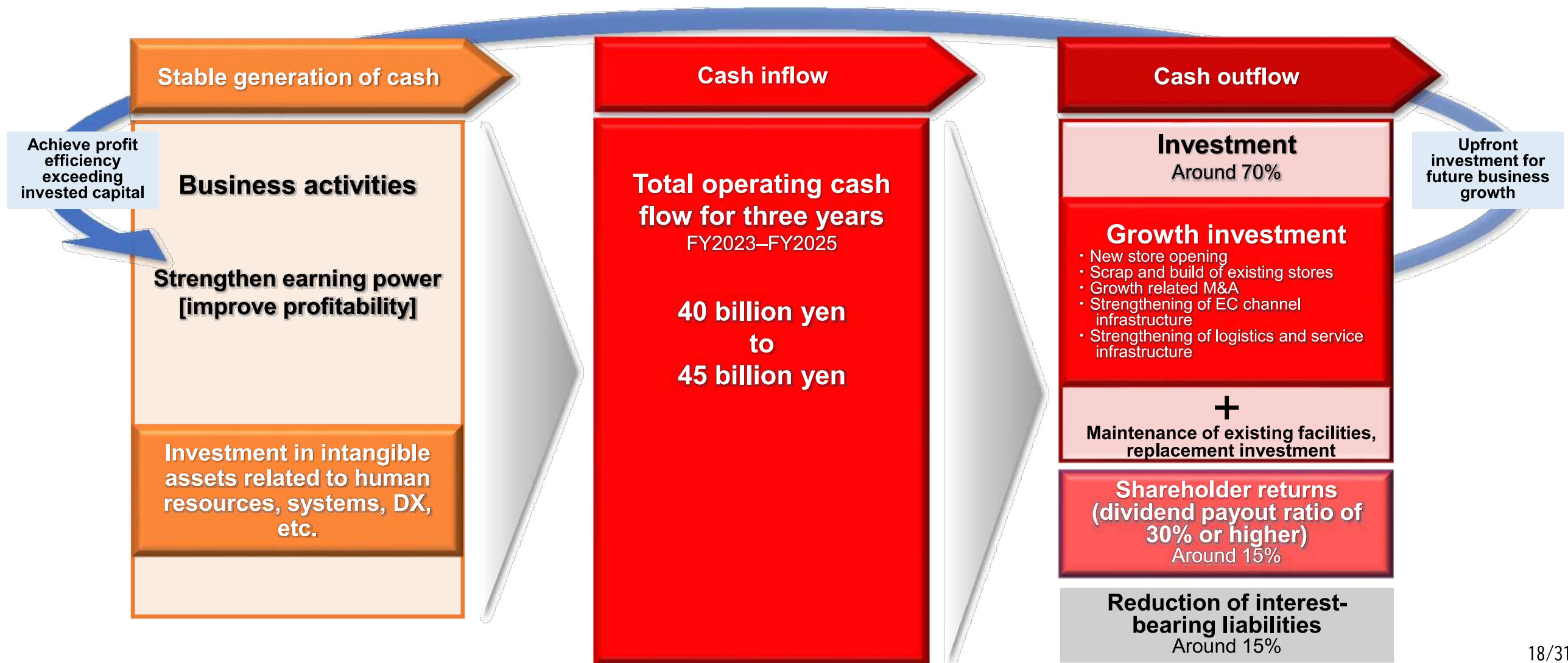
Risk free rate	Beta (β) exposure	Risk premium	Cost of equity CAPM
0.50%	0.95	6.00%	6.20%
+	×	=	
Safe assets, risk-free rate	Risk unique to Joshin	Excess return expected from equity investment	
*Set based on the yield of 10-year government bond	*Set by calculating adjusted β for 5, 10, and 15 years of calculation terms for TOPIX β value (incl. dividends) Adjusted β = 1 × 1/3 + 2/3 × β	*Set based on the equity market return in the past	*CAPM (capital asset pricing model) is a theory for calculating the cost of shareholders' equity.

Weighted average cost of capital (%)

Cost of equity CAPM	Equity ratio	Interest rate on debt	1 – Equity ratio	Weighted average cost of capital WACC
6.20%	0.45	0.35%	0.55	2.99%
(×)	+	(
	×)	×)
				=
	*FY2022 45.1%	*Set based on average interest rate for FY2022		

Capital Allocation Plan

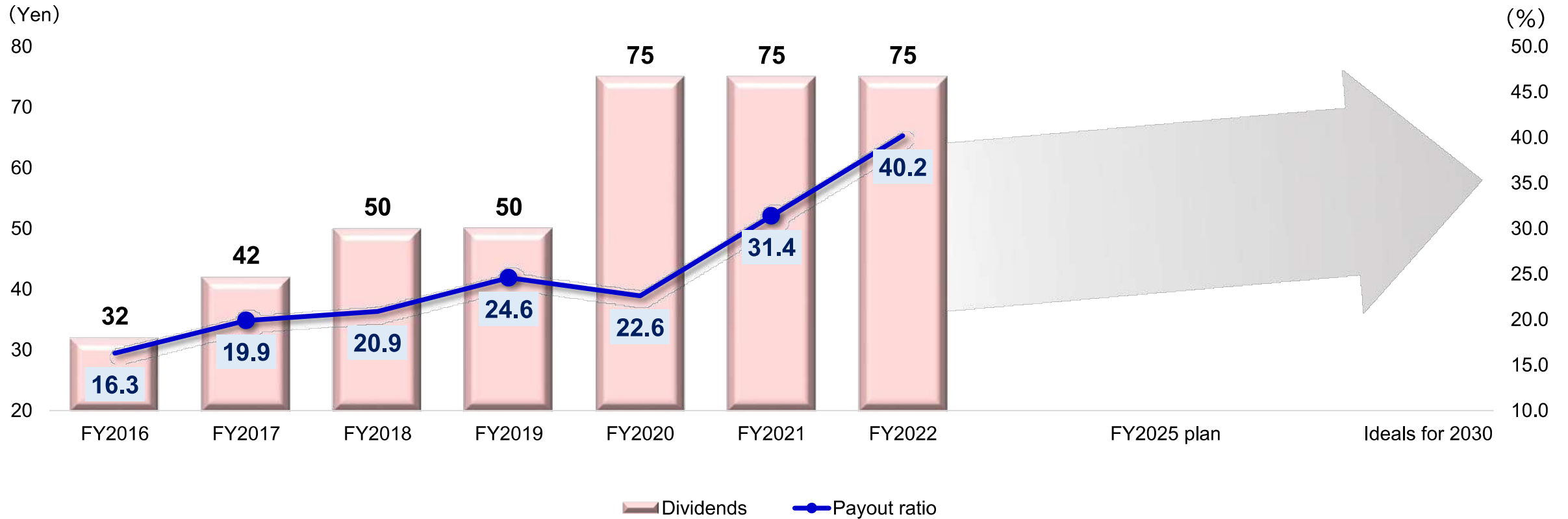
We allocate cash in a balanced manner to shareholder returns and reduction of interest-bearing liabilities with focus on growth investment for the future to optimize capital efficiency



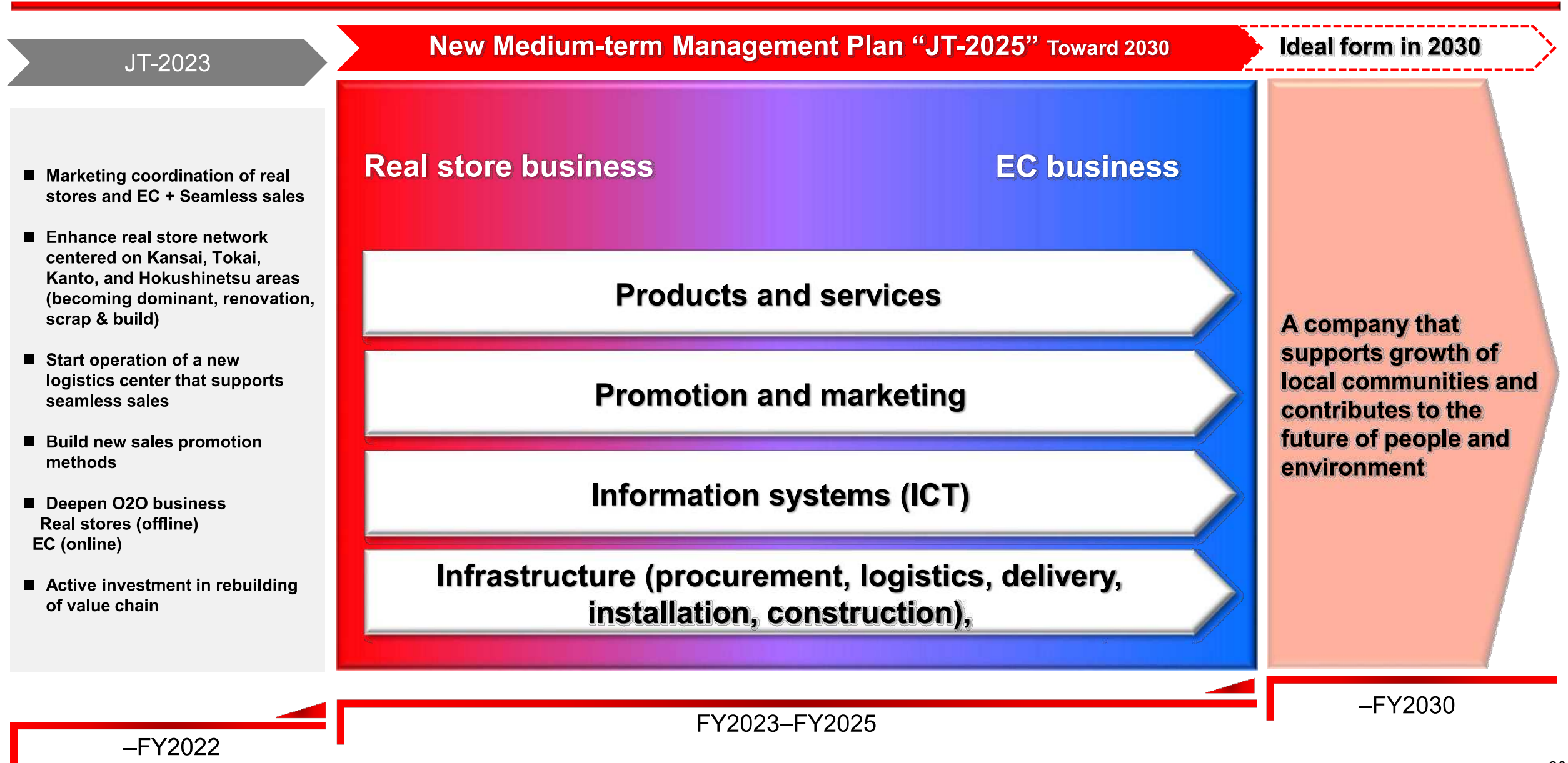
Shareholder Returns

We will ensure stable and continuous returns by setting a dividend payout ratio of roughly 30% or higher

	FY2022 actual result	FY2025 plan	Ideal form in FY2030
Payout ratio	40.2%	30.0% or higher	Maintain 30% or more



Business Strategy Framework



Individual Strategy

Real Stores

- **Open new stores and strengthen existing stores with focus on synergies between EC stores and real stores**
- **Create new fans and core fans and expand customer lifetime value per member through introduction of New Loyalty Program^{*1} based on the fan base strategy.**
*1 New program being introduced with the aim of promoting cross marketing between real stores and EC by lining up benefits corresponding to the purchase status
- **Offer high quality service and support based our strength of work inside the customers' homes in the last 1 (mile) and last 1 (meter)**
- **Improve customer satisfaction through realization of highly efficient, high quality management leveraging ICT**
(Touch panel product selection, online customer service, self-checkout system, customer service support system, electronic POP, digital signage, etc.)
- **Strengthen employees' marketing/sales skills, proposal skills, and ability to serve customers with in-house education system in addition to acquisition of professional certifications**
(Home appliance advisor, home appliance engineer, Smart Masters, welfare and living environment coordinator, etc.)
- **Strengthen renovation and mobile products initiatives as the third pillar following home appliances and entertainment products**

Individual Strategy

EC Business

- **Improve customer satisfaction (CS) through the introduction of the New Stage Program*¹ to be established under the New Loyalty Program based on the fan base strategy**
*¹ Newly establish top-most Core Fan Layer Stage in the New Loyalty Program
- **Strengthen products that support customers**
(Further enhance the support menu that supports customers' lifestyle)
- **Strengthen EC business operation structure by securing and nurturing in-house DX human resources**
(Develop education system to nurture DX human resources, promote in-house development)
- **Strengthen system to handle inquiries from customers, strengthen staff's education to improve their product skills and ability to respond**
(Improve convenience, support direct purchase, and use skilled employees in anticipation of the super-aging society for improving customer satisfaction)
- **Grow to an attractive website that wins the approval of the customers**
(Not preoccupied with just increasing the number of items)
(Procure carefully selected items and develop attractive original products by strengthening MD capability*²)
*² Merchandising: Activities to strategically set the marketing method and price of the company's products and services
- **Improve customer convenience with measures such as store pick-up*³ of products purchased in EC**
*³ Except some products posted on the Joshin web shop, enable all products to be available for pick-up at selected stores

Individual Strategy

Product Support Business

- **Strengthen sales of environmentally friendly products (energy-saving products)*¹ for achieving household carbon neutrality**
*¹ FY2023 uniform energy-saving label: Target products are color TVs with 4 stars or higher, air conditioners and refrigerators with 3 stars or higher, and warm water washing toilet seats (tankless type)
- **Establish firm branding by further strengthening entertainment products, which are maintaining high market share**
- **Enhance support menu that would help in solving customers' issues**
- **Make proposals tailored to requirements of mobile terminal and network-related customers**
- **Build new business that include subscription and recurring revenue**
- **Realize circular economy by strengthening reuse business**

Individual Strategy

Renovation

- Initiatives related to products that contribute to achieving carbon neutrality in households (V2H, stationary storage batteries, aperture insulation, high efficiency water heater)
- Initiatives related to renovation products for “stock recycling” and “improving QOL*1 by increasing efficiency” of housing (Water conservation, reducing household burden, upgrading childcare support, highly functional bathroom, nursing care-related, etc.)
*1 QOL = Short for “quality of life”
- Response to renovation related to nursing care needs to support enhancing the resilience of the aging society

Promotion Marketing

Introduce “New Loyalty Program” to promote the fan base strategy

- Strengthen information dissemination through operation of retail media “Joshin ads” and promote monetization
- Enhance points of contact with customers by utilizing Joshin app and digital media

Individual Strategy

Information Systems (ICT)

- Establish data flow foundation that will contribute to creating new customer satisfaction, employee workstyle reforms (sales activities leveraging ICT), and prompt management decisions
- Realize optimum approach through one-to-one marketing with further sophistication of CDP*1 and marketing automation (MA)
*1 CDP = Short for customer data platform
Data platform that collects, integrates, and analyzes the attribute and behavior data of each and every customer
- Establish data infrastructure that supports the fan base strategy such as building “New Loyalty Program”
- Further enhance membership services that are based on the Joshin app platform (Electronic receipts and reservation for customer representative, use of biometric authentication technology, consultation for repairs, purchased home appliances management list, etc.)

Individual Strategy

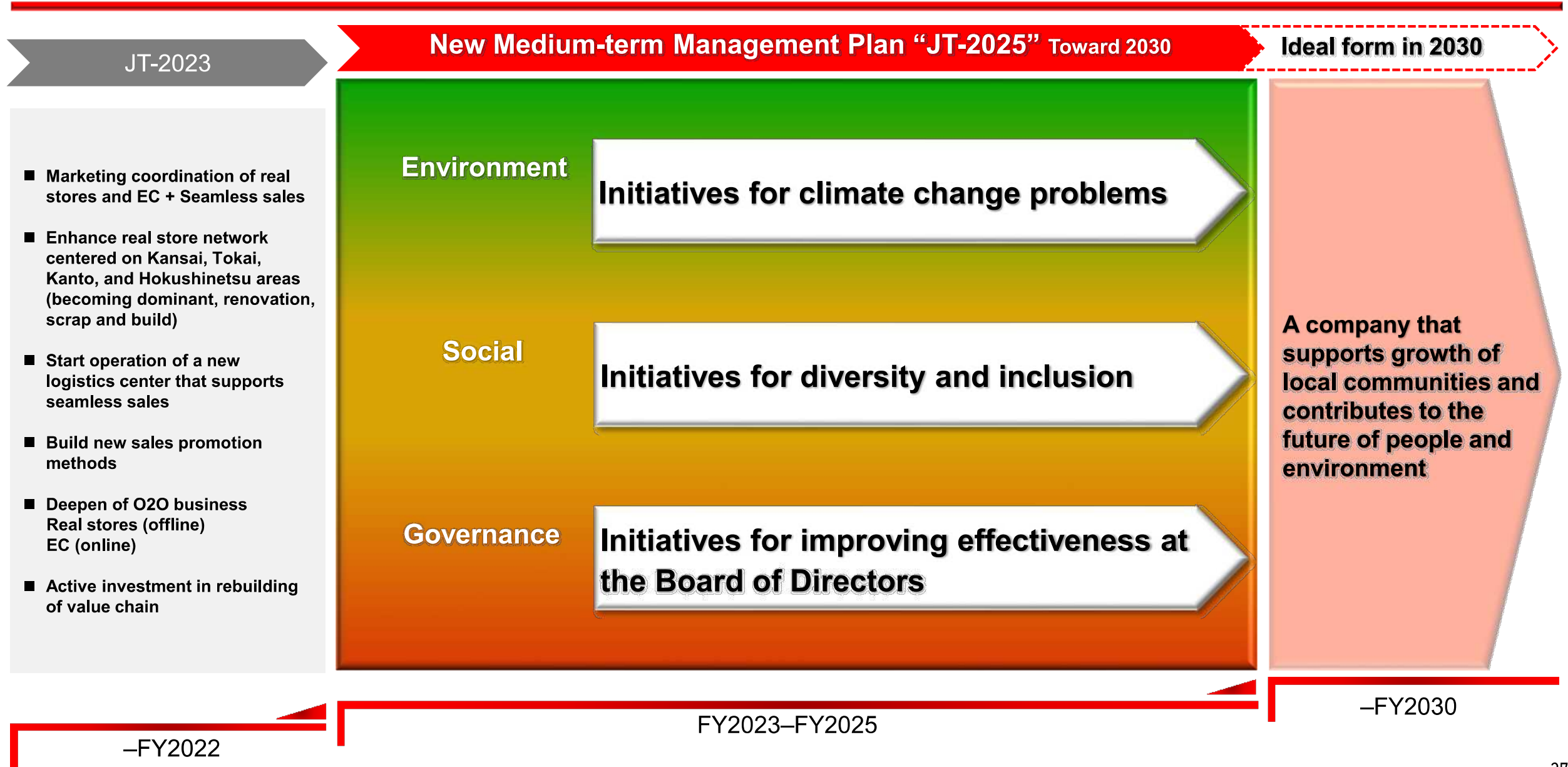
Logistics

- **Expand the logistics structure covering the Kanto area**
(Establish logistics structure with two bases in the west and east and the Kansai Ibaraki Logistics Center at the core)
- **Respond to implementation of the Act on the Arrangement of Related Acts to Promote Work Style Reform^{*1} in the transportation and logistics industry**
(Strengthen collaboration with vendors led by partner companies) ^{*1} To be enacted in 2024
- **Promote store pick-up of products purchased in EC and establish highly efficient logistics structure through labor saving**
- **Expand delivery area utilizing external delivery network**

Delivery, Installation, Construction

- **Promote hiring and education of diverse human resources in preparation for aging of employees**
(Enhance service menu through reskilling)
- **Build technical support system for service personnel (onsite repair)**
- **Expand the area where the Joshin Group provides service and improve capability**
- **Strengthen hybrid structure made up of the Joshin Group and contractors for securing stable capacity (delivery and installation) and improving quality**
- **Establish a new repair consultation desk utilizing ICT (realize online diagnosis)**

Sustainability-related Initiatives



Environment

Initiatives for climate change problems

- **Raise renewable energy conversion ratio at business sites**
 - Business sites for which the Company has signed contracts directly with power suppliers: To achieve 100% in FY2023
 - All business sites including tenants: To achieve 100% by 2040
- **Improve off-grid power generation ratio through introduction of photovoltaic systems**
 - All business offices where it can be installed: To achieve 100% within FY2023
 - Promote active introduction of off-site corporate PPA
- **Build environmentally friendly business model**
 - Ensure sales ratio of 35% or more of environmentally friendly products*¹ at Joshin Group
 - Enhance lineup of products in the housing equipment field, which contributes to realization of carbon neutrality at households

*¹ FY2023 uniform energy-saving label: 4 stars or higher for color TVs; 3 stars or higher for air-conditioners and refrigerators; electric bidet toilet seats(tankless type)
- **Initiatives for reducing Scope 3 GHG emissions**
 - Reduce emissions throughout the supply chain through communication with business partners
 - Obtain third-party assurance for Scope 3*² emissions: FY2023

*² We received a third-party assurance for Scope 1 and 2 emissions in FY2022
- **Initiatives for realization of circular economy**

Society

Initiatives for diversity and inclusion

- **Enhance employee engagement**
 - Strengthen activities of the diversity council and introduce engagement survey
 - Promote health and productivity management, enhance childcare support system, extend retirement age, enhance talent management
- **Strengthen hiring of employees**
 - Strengthen hiring of new graduates and mid-career hiring aimed at rectifying the age composition of full-time employees
 - Support career advancement of part-time workers (boost their promotion to full-time employees)
- **Ensure diversity of employees (age, gender, skills, nationality, etc.)**
 - FY2030 female promotion plan: 30% among full-time employees; 50% among all employees*1, 20% among managerial staff
 - FY2030 target of hiring people with disability: 3.0%

*1 Including non-regular employees
- **Improve diverse expertise of employees**
 - Support employees to acquire a wide range of specialized qualifications for strengthening the core businesses
 - Active mid-career hiring of specialized human resources who will support expansion of the business portfolio
- **Support autonomous growth of employees**
 - Promote DX education for improving IT literacy
 - Improve new knowledge and skills through reskilling and cultivate the spirit of taking on challenges

Governance

Initiatives for improving effectiveness of the Board of Directors

- **Improve PBR through efficient management conscious of capital cost**
 - Grasp our capital cost and profitability and analyze the trend of market evaluation as needed
 - The new Medium-term Management Plan is positioned as a plan to realize improvement in profitability of capital
 - Monitor the progress of the new Medium-term Management Plan and provide timely and appropriate advice
 - Make active disclosures of the progress in the new Medium-term Management Plan and have dialogue with the capital markets
- **Reinforce link between the medium- to long-term management strategies and directors' compensation**
 - Expand the portion of stock compensation in directors' compensation (20% → 30%)
 - Link stock compensation with financial indices and ESG indices (ROE, CDP score, employee engagement score)
- **Establish director succession plan based on skill matrix**

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.

The logo for Joshin, featuring the word "Joshin" in a bold, red, sans-serif font.

— Inquiries —

Joshin Denki Co., Ltd. Management Planning Dept.
Head Office: 6-5, Nipponbashi-nishi 1-chome, Naniwa-ku, Osaka City
Telephone: +81-6-6631-1122
Company's website: <https://www.joshin.co.jp/>

