

Joshin Corporation

8173

Tokyo Stock Exchange Prime Market

6-Jul.-2026

FISCO Ltd. Analyst

Takuma Yoshibayashi



FISCO Ltd.

<https://www.fisco.co.jp>

■ Contents

■ Summary	01
1. Overview of FY3/26 results	01
2. FY3/27 forecasts	01
3. Medium-term Management Plan: JT-2028 Management Plan	02
■ Company profile	03
1. Company profile	03
2. Business description, market trends, competitor analysis	05
■ Results trends	12
1. Overview of FY3/26 results	12
2. Financial condition and management indicators	13
■ Outlook	15
1. FY3/27 forecasts	15
2. Medium-term Management Plan: JT-2028 Management Plan	16
3. Industry trends	19
■ Shareholder return policy	20

■ Summary

For FY3/27, both higher sales and profits are expected, and attention will be focused on the progress under the new medium-term management plan

Joshin Corporation <8173> (hereafter, also “the Company”) is one of Japan’s major large-scale home appliances retailers. The Company primarily sells home appliances, information communications equipment, entertainment products, housing equipment, and related products. Furthermore, its operations involve not only product sales, but also cover incidental businesses and the repair, delivery, and maintenance of products. Beyond sales, the Company stands out for its strengths in offering a wide range of high-quality value-added services.

1. Overview of FY3/26 results

In the FY3/26 consolidated results, net sales were ¥436,650mn, an increase of 8.3% year on year (YoY), operating income was ¥5,422mn, an increase of 47.0%, ordinary income was ¥5,113mn, an increase of 46.5%, and profit attributable to owners of parent was ¥3,280mn, a decrease of 3.7%. Net sales increased for both in-store sales and e-commerce sales, growing 9.2% for in-store sales and 14.2% for e-commerce, by sales channel. Strong sales in personal computers (PCs), mobile phones, games, models, toys, and musical instruments contributed to sales growth, as did a boost in air conditioner sales due to the scorching summer and the league championship sale for the Hanshin Tigers professional baseball team. By product category, PCs increased 21.7% due to replacement demand arising from the end of support for Windows 10, mobile phones increased 13.8% due to growth in sales volume, and games, models, toys, and musical instruments expanded 22.5% due to strong demand for Nintendo Switch 2-related products. On the profit side, although personnel costs, logistics costs, and rent and ground rent costs increased, a rise in gross profit driven by higher net sales led to a significant increase in operating income.

2. FY3/27 forecasts

For FY3/27 consolidated results, net sales are projected to increase 0.3% YoY to ¥438,000mn, operating income to rise 10.7% to ¥6,000mn, ordinary income to grow 7.6% to ¥5,500mn, and profit attributable to owners of parent to increase 6.7% to ¥3,500mn, reflecting a positive outlook for both sales and profits. While a backlash in demand for game-related products, which surged in the previous fiscal year, is anticipated, a recovery in home appliances sales is expected to support earnings. Specifically for air conditioners, in addition to replacement demand amid ongoing extreme heat, new energy-saving standards for household air conditioners will launch in April 2027, spurring last-minute demand and a shift to higher-value products. On the profit side, as demand for Nintendo Switch 2-related products runs its course and the sales mix for game-related goods drops, the share of relatively higher gross profit margin home appliances sales is expected to rise, contributing to improved profitability. Additionally, the performance contribution from Joshin Reform Kinki Co., Ltd., which became a subsidiary in February 2026, is also expected. The earnings forecast appears to be based on conservative assumptions reflecting uncertainty in the consumer and competitive environments, but there is upside potential when considering air conditioner demand, product mix improvements, expansion of private brands (PB), and growth in the renovation business.

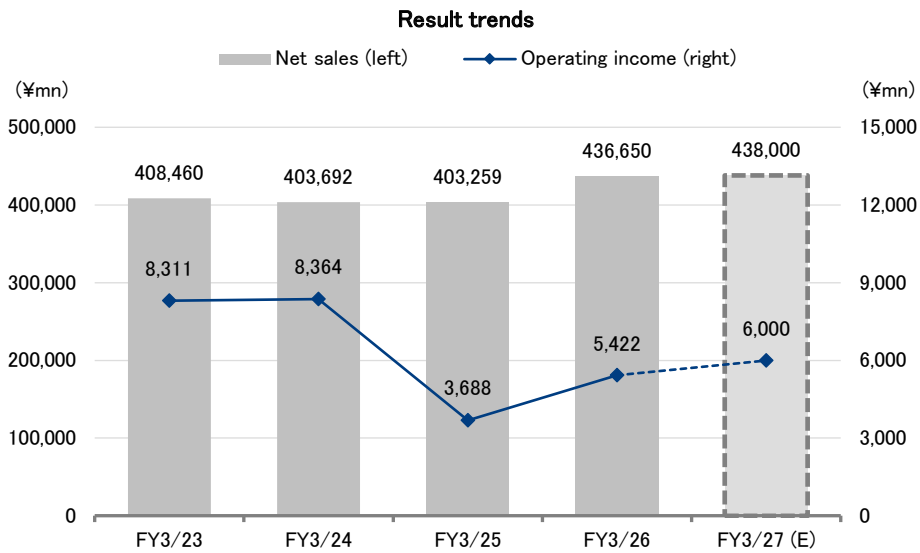
Summary

3. Medium-term Management Plan: JT-2028 Management Plan

The Company formulated the JT-2028 Management Plan, a new medium-term management plan ending in FY3/29, under which it aims for sustainable growth as it approaches its 100th anniversary and enhanced corporate value. Positioning intangible assets at the core of value creation, the Company will deepen customer touchpoints through a new model that combines mass retailers with local electronics stores. The Company prioritizes profitability and capital efficiency over sales growth, targeting operating income of ¥10.0bn or higher and ROE of 7.0% or higher. The core strategies are strengthening store profitability, full-scale rollout of PB products, data-driven marketing, and expanding the scope of the renovation business. LTV enhancement will be pursued by raising the ratio of sales through its own website and deepening the dominant strategy. Capital policies promote inventory optimization, reduction of cross-shareholdings, and balancing growth investment with shareholder returns. Overall, the plan represents a shift from defensive management to an offensive approach and rebuilding, with the fortunes of the plan hinging on progress in PB products, sales through its own website, renovation, and inventory efficiency.

Key Points

- In FY3/26, PCs, mobile phones, and game-related categories drove results, finishing above the initial forecast with higher sales and profits
- FY3/27 is also expected to deliver growth in sales and profits, with profit improvement driven by growing air conditioner demand and product mix changes
- The new medium-term management plan aims for operating income of ¥10.0bn or higher and ROE of 7.0% or higher by rebuilding earnings power



Source: Prepared by FISCO from the Company's financial results

■ Company profile

Creating value-added propositions as a “Concierge” that supports customer lifestyles

1. Company profile

The Company is a major Japanese large-scale home appliances retailer with 220 stores as of the end of March 2026 and is also known as an official sponsor of the Hanshin Tigers. Its store network comprises 210 directly operated stores, 3 franchised stores, and 7 stores operated by Group companies. (The Company acts as a franchisee of BOOKOFF and TSUTAYA, and it also operates specialty stores that rent music and video software and sell pre-owned books and related items.) The majority of its business is conducted through directly operated stores rather than franchised stores. Its operations involve not only the sale of home appliances, but also cover incidental businesses and the repair, delivery and maintenance of products. Beyond sales, the Company stands out for its strengths in offering a wide range of high-quality value-added services.

Founded in Osaka in 1948, the Company changed its name to Joshin Denki Co., Ltd. in 1958 and to Joshin Corporation in April 2026. The new company name reflects the long-cherished “Joshin” brand and aligns with the Company’s direction of expanding from its foundation of home appliances into renovation, entertainment, and service areas without being bound by the “Denki” (electronics) domain. The Company has worked to build long-term trusted relationships with customers and differentiate itself from other large-scale home appliances retailers by providing sophisticated services that make the most of its regional advantages and close community ties in its hometown of Osaka, as highlighted by “Sincere Service” as its sales slogan. The Company is also notable for its innovation and has constantly sought to get the most out of cutting-edge media technologies. It was the first company in the industry to offer TV shopping in 1974, and it opened an online store in 2000.

The Company has defined its ideal form in 2030 as “A company that supports growth of local communities and contributes to the future of people and the environment.” It seeks to be a concierge to customers, drawing close to their daily lives and lifestyles. The Company aims to establish a sustainable business model in which it creates lifetime value for customers while securing profits. To do so, the Company will solve issues faced by customers through its products and services to realize value that goes beyond customers’ expectations. The excessive price competition that had previously existed in the large-scale home appliances retail industry has subsided. Meanwhile, the competition to acquire customers among retailers has grown increasingly fierce in anticipation of a medium- to long-term market contraction. This market contraction has been driven by growth in the share of e-commerce focused retailers as customers shift away from real stores, the expansion of sales channels beyond electronics retailers, and concerns over contraction in the home appliances market due to decreases in the number of households and population in Japan. The Company has enhanced services with the goal of increasing customer touchpoints and the frequency of visits to real stores, such as the opening of eSPORTS Arena KOBE Sannomiya in February 2020. Another advantage of the Company over comparable companies is that it has a high share of sales of entertainment products, including games, models, toys, and musical instruments, as part of its non-home appliances products. Along with creating Kids Land sections in stores, it has established Super Kids Land as specialty stores: the main store in Nipponbashi, Osaka and the Osu store in Nagoya, Aichi Prefecture. Super Kids Land offers a diverse range of models such as trains and plastic figures and strives to create synergies with home appliances sales.

Joshin Corporation | 6-Jul.-2026
 8173 Tokyo Stock Exchange Prime Market | <https://www.joshin.co.jp/en/ir.html>

Company profile

History

Date	Main events
May 1948	Joshin Denki Shokai is founded at 33 Nipponbashi-suji 4-chome, Naniwa-ku, Osaka City
February 1950	Incorporated itself as Joshin Denki Sangyo
December 1954	Switched its business from a home appliance parts store to a home appliances and appliance store format
August 1956	Set up a service department, the first in the industry
April 1958	Changed the company name to Joshin Denki Co., Ltd.
May 1963	Opened Ibaraki Store in Ibaraki City of Osaka Prefecture as the first store in the satellite cities of Osaka
December 1964	Opened Neyagawa Store in Negayawa City of Osaka Prefecture as the first store of the home appliances and appliance store chain
September 1965	Introduced service cars equipped with a radiotelephone
September 1972	Listed its stock on the Second Section of Osaka Stock Exchange
November 1973	Established a delivery department (current Joshin Service Co., Ltd.)
July 1974	Pioneered an interest-free credit payment service (Rakuraku Credit) ahead of the industry
November 1974	Pioneered TV shopping service ahead of the industry
March 1976	Became the largest retailer in annual sales of air conditioners in Japan
August 1976	Joshin Denki Labor Union is formed
November 1976	Established Nipponbashi Main Store (current Super Kids Land Main Store), the Company's first large-scale store
October 1979	Established Nipponbashi Ichibankan Store, a large-scale store with a multistory parking lot (current Nipponbashi Store)
August 1980	Listed its stock on the First Section of the Osaka Stock Exchange
October 1981	Opened a large-scale personal computer shop, J&P Technoland (current Joshin Nipponbashi Store)
November 1981	Opened Mitaka Store in Mitaka City of Tokyo as the Company's first store in the Kanto region
April 1984	Spun off the service division to establish Joshin Service
December 1985	Listed the Company's stock on the First Section of the Tokyo Stock Exchange
October 1986	Opened DISC-PIER, a music software store
June 1988	Opened Kids Land, a hobby shop, in Koriyama Interchange Store (current Koriyama Store) in Nara Prefecture
November 1988	Opened Sannomiya Ichibankan Store, a large-scale store in Sannomiya, Kobe
May 1989	Opened J&P Osu Store (current Super Kids Land Osu Store) in Nagoya City as the Company's first store in the Tokai region
June 1989	Issued the Joshin Membership Card mainly to improve the Company's customer management by utilizing the POS system
February 1990	Merged Joshin Logistics Co., Ltd. and Joshin Service to establish Joshin Service
January 1992	Opened Yaizu Interchange Store in Yaizu City as the Company's first store in Shizuoka Prefecture
March 1995	Opened the drugstore Mother-Pier
April 1995	Launched the audio-visual software rental service under a franchise agreement with Culture Convenience Club Co., Ltd.
May 1995	Established Joshin TEC Co., Ltd., which specializes in insurance services
February 1999	Launched the Kansai Ibaraki Logistics Center as a logistics service hub
March 2000	The head office building acquires a certification for ISO 14001, the international standard for environment management systems
May 2000	The Company's repair service department acquires a certification for ISO 9002, the international standard (current ISO 9001)
October 2000	Launched the online store "Joshin web"
September 2001	Established a new company, J.E. Next Co., Ltd.
December 2001	Opened BOOKOFF Shiga Minakuchi Store, the first store operated by J.E. Next Co., Ltd.
February 2003	Signed a sponsorship agreement for helmets with the Hanshin Tigers
April 2005	Acquired the Privacy Mark Certification for the first time among major electronics retailers
November 2008	Won the METI Minister's Award (Gold Award) of the Product Safety Awards (Large Retailers Category)
February 2010	The Joshin Kakogawa Store won the Energy Conservation Center, Japan (ECCJ) Chairman's Award as an excellent store to promote the spread of energy-saving products in the category of excellent store promoting energy-efficient products
November 2010	Won the METI Minister's Award of the Product Safety Awards for the second straight year (Large Retailers Category) and became the first two-consecutive-year recipient
April 2011	The Joshin Yamatotakada Store won the Energy Conservation Center, Japan (ECCJ) Chairman's Award as an excellent store to promote the spread of energy-saving products
September 2011	Received the "Heartful Company Vocational Education Contribution Award" of Osaka Prefecture
April 2012	Started the full-scale operation of the "Home Maintenance Service" business. Acquired a patent for a goods transportation training house structure for "Joshin Training House"
November 2012	Won the METI Minister's Award of the Product Safety Awards for the third straight year (Large Retailers Category) and became the first three-consecutive-year recipient
January 2013	Became the first official sponsor of the Hanshin Tigers
February 2014	Commenced the full-scale operation of the "Wholehearted Renovation" business
June 2014	Won the Gold Award, a newly created award of the Product Safety Awards organized by the Ministry of Economy, Trade and Industry of Japan

Important disclosures and disclaimers appear at the back of this document.

Joshin Corporation | 6-Jul.-2026
 8173 Tokyo Stock Exchange Prime Market | <https://www.joshin.co.jp/en/ir.html>

Company profile

Date	Main events
September 2015	Became the first household appliance retailer to form a partnership with Rakuten, Inc. (now Rakuten Group, Inc.) regarding the common R-Point Card service of Rakuten Super Points
May 2016	Signed a franchise agreement with NTT DOCOMO, INC. for the common point program "d POINT program"
January 2017	Became the first major retailer in Japan to acquire a certification for ISO 22301, the international standard for business continuity management systems (BCMS)
February 2019	Signed a comprehensive collaboration agreement with Osaka Prefecture in seven areas, including children/welfare, employment promotion, and the environment
August 2019	Received a Dark-blue Ribbon Medal (Certificate of Merit) in recognition of its efforts for regional reconstruction support
February 2022	Launched the Kansai Ibaraki Logistics Center to redevelop the logistics system in light of business continuity including the improvement of operational efficiency, such as the integration of logistics and the expansion of e-commerce business
April 2022	Moved from the First Section to the Prime Market of the Tokyo Stock Exchange due to the change in the exchange's market segmentation
November 2022	Opened the Nipponbashi Store, the Company's new flagship store, in Nipponbashi, the location where the Company was founded, by integrating Nipponbashi Ichibankan Store, a home appliances and appliance store; J&P, a personal computer and office appliance store; and DISC-PIER, an audio and visual software store
May 2023	75th anniversary of establishment
June 2025	Transitioned from a company with a board of auditors to a company with an audit and supervisory committee
February 2026	Made Joshin Reform Kinki Co., Ltd. (formerly DOREFORM) a subsidiary
April 2026	Changed company name to Joshin Corporation

Source: Prepared by FISCO from the Company's website

2. Business description, market trends, competitor analysis

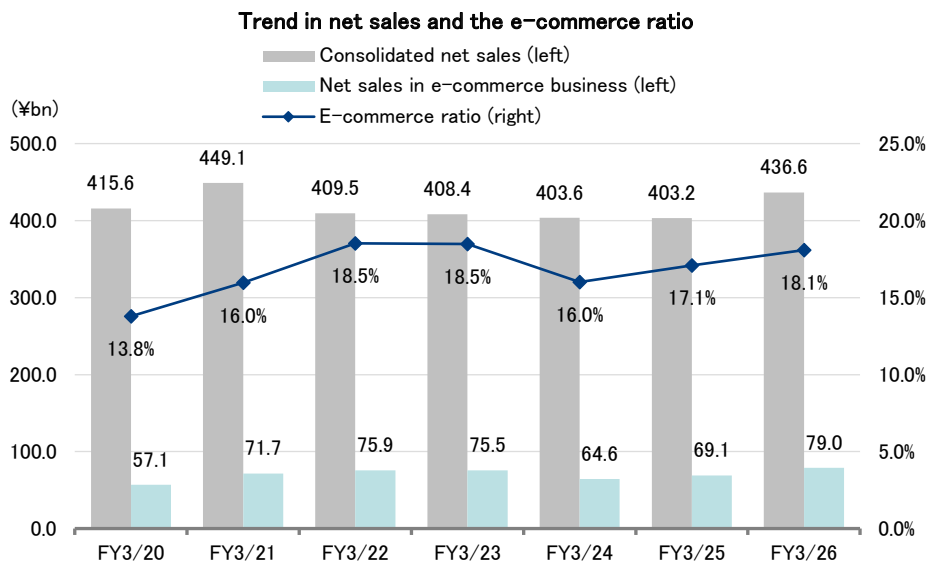
The Company operates in a single business segment: retailing of home appliances and other related items, as well as other incidental businesses. The following section explores the differences between the Company's net sales by sales channel, net sales by product category, and store opening strategy and those of other major large-scale home appliances retailers.

(1) Sales channels (addressing the home appliances e-commerce market)

Looking at the Company's net sales composition ratios by sales channel for FY3/26, sales at stores represented 81.3% of net sales, followed by 18.1% for sales in the e-commerce business and 0.6% for other sales. The Company launched the online store "Joshin web" in October 2000 and has been actively involved in e-commerce sales from an early stage, even when compared to its competitors. In terms of the trend in the Company's sales in the e-commerce business (e-commerce ratio), the e-commerce ratio relative to net sales increased dramatically to 18.5% from FY3/22 to FY3/23, when customer visits to stores stagnated during the COVID-19 pandemic. In FY3/24, the e-commerce ratio fell modestly to 16.0% due partly to customers returning to real stores as the pandemic subsided. In FY3/25, it began rising again to 17.1% due to the company's efforts to boost sales both on its own website and through third-party platforms. The e-commerce ratio rose to 18.1% in FY3/26, with e-commerce net sales reaching ¥79,004mn—a record high. Sales at stores also amounted to ¥354,911mn, resulting in growth for both real stores and e-commerce. From a strategic perspective, efforts are underway to enhance the Company's two-base logistics system in eastern and western Japan, expand the product lineup on the Joshin web shop, strengthen app functions, and upgrade sales promotions. Members who use both real stores and e-commerce purchase more frequently and spend more annually than those who use only one channel, so the Online Merges with Offline (OMO) strategy, a marketing strategy to improve the quality of the customer experience through the merger of online and offline, is being advanced to grow both real stores and the Company's own e-commerce site.

Company profile

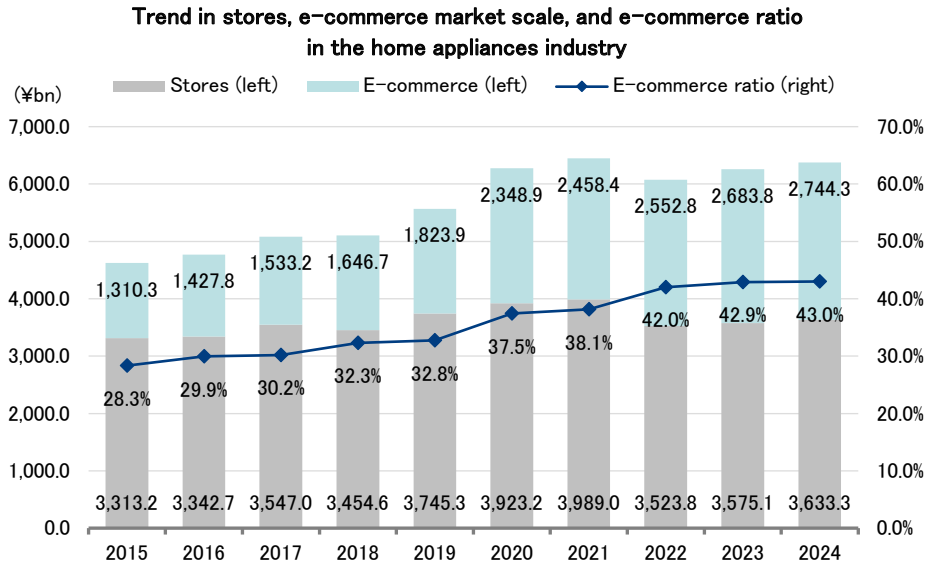
Regarding numbers, the previous medium-term management plan set a target of raising the e-commerce ratio to 25% by FY3/31. However, because high-value-added products are difficult to sell via e-commerce and a higher e-commerce ratio leads to a lower gross profit ratio, the Company has shifted to a policy of not setting specific e-commerce ratio targets. Because home appliances have a high price point per product, consumers tend to carefully consider the price by going back and forth between real stores and e-commerce. Consumers may also easily compare products using product model numbers and other standardized parameters. The Company believes that it is crucial for large-scale home appliances retailers to seek to lock in customers by providing customer touchpoints in both real stores and e-commerce. While concentrating the most on enhancing and expanding high-value-added services in real stores, where it excels, the Company intends to expand sales that leverage the high level of convenience provided by e-commerce, and work to further integrate real stores and e-commerce in the future.



Source: Prepared by FISCO from the Company's financial results

Meanwhile, according to data released by the Ministry of Economy, Trade and Industry on August 26, 2025, in 2024, the e-commerce market for home appliances was worth around ¥2.7tn, with an e-commerce ratio of 43.0% (Source: FY2024 E-Commerce Market Survey, Ministry of Economy, Trade and Industry (METI)). These findings include sales channels other than large-scale home appliances retailers, making it difficult to compare them directly with the e-commerce business of large-scale home appliances retailers. It can be estimated that Amazon and other such companies are the primary drivers of growth in the e-commerce market. Furthermore, given that the e-commerce ratio for the retail industry as a whole is only 9.8%, it can be said that e-commerce adoption is highly advanced in the home appliances industry, where the e-commerce ratio is above 40%. Furthermore, the e-commerce ratio is increasing year by year.

Company profile



Source: Prepared by FISCO from press materials of the Ministry of Economy, Trade and Industry (METI)

Looking at the e-commerce initiatives of competitors in the large-scale home appliances retail industry, there are many companies with e-commerce ratios of 10% or less of net sales. This is mostly because these companies were late to enter the e-commerce business, making it difficult for them to build e-commerce sites that could beat the early entrants, and they did not devote significant resources to e-commerce because real stores were the foundation of their business. On the other hand, Yodobashi Camera Co., Ltd.'s e-commerce ratio seems to have reached nearly 40%, although precise data is unavailable due to its status as an unlisted company. This seems to have been accomplished by developing a business model in which real stores are viewed as showrooms where sales staff provide customer service such as product explanations, and users have the option of purchasing at either real stores or the official Yodobashi Camera e-commerce site, as well as by increasing the carrying of products such as food, books, and daily merchandise, to a level comparable with Amazon. The Company is one of the listed large-scale home appliances retailers putting the most effort into e-commerce. Notably, the Company's recent e-commerce ratio of 18.1% surpasses that of peers such as Bic Camera, Inc. <3048> and YAMADA HOLDINGS CO., LTD. <9831>. Meanwhile, even in recent years, home appliances retailers with lower e-commerce ratios, such as YAMADA HOLDINGS and K'S HOLDINGS CORPORATION <8282>, have not shown any clear signs of falling behind large-scale home appliances retailers with higher e-commerce ratios, such as the Company, in terms of sales growth. That is why it is important to remember that effective sales growth initiatives do not rely solely on e-commerce. It is also crucial to enhance service capabilities at real stores. FISCO believes that it will become increasingly important for large-scale home appliances retailers, including the Company, to address the needs of consumers who want to buy products after hearing product explanations from salespeople, along with having customer touchpoints in both stores and e-commerce, and striving to lock in customers. This is because the future trend of growth in the e-commerce ratio cannot be avoided as the number of e-commerce users increases following the COVID-19 pandemic, and IoT-based home appliances will become even more sophisticated and powerful as generative AI is widely adopted.

Company profile

Comparison of products offered at e-commerce sites of major large-scale home appliances retailers

	Joshin Corporation	Yodobashi Camera	Bic Camera	YAMADA HOLDINGS	Kojima	K'S HOLDINGS	EDION
Home appliances	○	○	○	○	○	○	○
Food, beverages, and alcohol	○	○	○	○	×	×	○
Baby, toys and hobbies	○	○	○	○	○	×	○
PCs and tablets	○	○	○	○	○	○	○
Home, kitchen and pets	○	○	○	○	○	○	○
Health and beauty	○	○	○	○	○	○	○
Outdoor and sports equipment	○	○	○	○	○	○	○
Books	×	○	○	×	×	×	×
E-books	×	○	×	×	×	×	×
Audio-visual equipment	○	○	○	○	○	○	○
Games	○	○	○	○	○	×	○
Stationery and office supplies	○	○	○	○	○	○	○
Mobile phones and smartphones	○	○	○	○	○	○	○
Cameras	○	○	○	○	○	○	○
DIY and tools	○	○	○	○	○	○	○
Watches and jewelry	○	○	○	○	○	○	○
Fashion and bags	○	○	○	×	○	×	○
Automotive and motorcycle accessories	○	○	○	○	×	○	○
Bicycles and personal mobility	○	○	○	○	○	×	○
Pharmaceuticals	○	○	○	○	○	×	○
Home equipment and renovation	○	×	○	×	×	×	×

Source: Prepared by FISCO from various companies' e-commerce sites

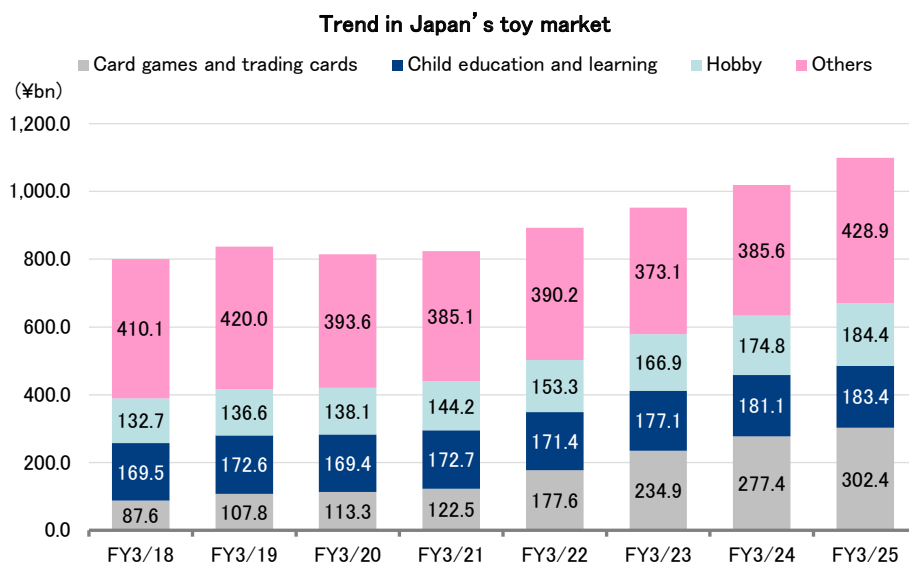
Meanwhile, two phenomena have emerged as a result of the development and expansion of e-commerce. The first is the “showrooming phenomenon.” Consumers receive explanations about products and so forth from salespeople at real stores, but do not buy the products on the spot. Instead, they buy the products through e-commerce sites offering lower prices. The second is known as the “webrooming phenomenon.” In contrast to showrooming, consumers first browse websites and then go to real stores. There, they confirm the products of interest, and then buy them. In particular, home appliances have a good affinity with e-commerce and consumers tend to look at the actual product before buying it. For this reason, home appliances have a higher incidence of showrooming and webrooming even when compared with other highly priced products such as furniture. Therefore, a crucial priority for management strategy is to address showrooming, in which consumers confirm products in real stores, but then end up buying them on the e-commerce sites of other companies. In this regard, in the United States, Walmart has been advancing digital technology investments, including expanding the scale of Walmart Global Tech, its digital arm, and Best Buy, a major large-scale consumer electronics and home appliances retailer, has worked to boost sales by, for example, utilizing dynamic pricing in e-commerce sales. It is notable that Best Buy introduced electronic shelf labeling* in 2017. Currently, almost all large-scale home appliances retailers in Japan have introduced electronic shelf labeling following the Company's introduction of the industry's first such system in 2018.

* Electronic shelf labels enable centralized pricing data updates from the core system and POS, as well as the display of inventory data. The traditionally time-consuming and personnel-intensive work of paper-based shelf labeling can now be managed in a unified manner.

Company profile

(2) Net sales by product category

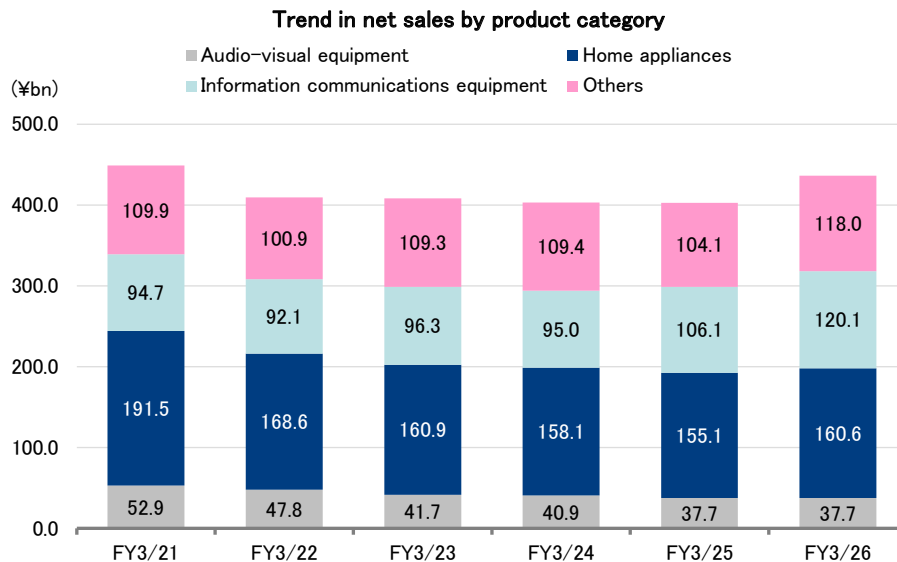
The Company's net sales composition ratios by product category for FY3/26 were as follows. Audiovisual equipment, such as TVs and audio devices, accounted for 8.7% of net sales, followed by 36.8% for home appliances, primarily white appliances such as air conditioners and refrigerators, 27.5% for information communications equipment, such as personal computers and peripherals and smartphones, and 27.0% for others. Games, models, toys, and musical instruments constituted the largest component of others. Net sales for this category in FY3/26 grew 22.5% YoY to ¥69,066mn, with a sales ratio of 15.8%, spurred by strong sales of Nintendo Switch 2. It is difficult to expect substantial medium- to long-term growth in the home appliances market due to factors such as population decline. In this environment, each company is taking steps to expand beyond the specialist home appliances retail business. YAMADA HOLDINGS, the largest retailer, has expanded its business into items such as furniture and the housing market. EDION Corporation <2730> has formed a capital and business alliance with Nitori Holdings Co., Ltd. <9843>. Nitori-brand furniture and interior goods are now available at EDION stores. In contrast to these competitors, who are pursuing a business strategy with a strong affinity with the daily living field, the Company has been proactively striving to develop non-home appliances fields related to home renovation and entertainment over the medium to long term. In the entertainment field, the Company has set up a sales area for toys, game consoles, and board games, rather than one for smartphones and digital home appliances, near the entrance to its flagship store in Nipponbashi, Osaka. Super Kids Land is one of Japan's largest specialty model stores, offering a comprehensive array of plastic models such as Gundam and train models along with model cars, and has salespeople who are experts on models. Consumer recognition is also improving in the field of game consoles, as consumers can purchase a variety of products by visiting the Company's e-commerce site. Even as the population of children declines, the market continues to expand, with the Japan Toy Association reporting that the domestic toy market for FY3/25 grew 107.9% YoY to a record-high ¥1,099.2bn. Among these, card games and trading cards expanded to around ¥300bn, making up 27.5% of the market. The Company also handles trading cards, which—along with game consoles and models—have become flagship products in the entertainment field.



Source: Prepared by FISCO from the Japan Toy Association's "Toy Market Size Data"

Company profile

FISCO believes that strengthening the handling of entertainment products and implementing decisive store management that is unrivaled by other large-scale home appliances retailers, as the Company has done at the Nipponbashi, Osaka store, is extremely important in terms of creating customer loyalty. With the traditional business model of simply purchasing and selling home appliances, it is expected that the Company will struggle to differentiate itself because it will have to compete on price with e-commerce. Against this backdrop, the Company can take steps to improve long-term customer loyalty, such as encouraging customers to visit stores by creating sales areas for not only home appliances but also entertainment products, and creating fans who visit the Company's stores regularly and request specific salespeople by holding a variety of community-related events, including experiential programs. Furthermore, the establishment of a high-quality after-sales service structure that cannot be replicated by other large-scale home appliances retailers will allow for the creation of value-added propositions as an intangible asset. However, it is currently difficult to lead consumers of entertainment products to purchase home appliances. Therefore, FISCO hopes that the Company can develop a system that can guide customers who become fans of the Company in the entertainment field to home appliances sales, as well as externally disclose targets and progress in this area as key performance indicators (KPIs).



Source: Prepared by FISCO from the Company's financial results

(3) Store opening strategy

The Company considers Kansai, Tokai, Kanto, and Hokushinetsu to be priority areas and has been pursuing a dominant strategy in these areas. This strategy does not focus on increasing the number of stores through new openings, but rather aims to create an economic zone that maximizes synergies with the e-commerce business and service infrastructure, in addition to strengthening sales capabilities at each store, including a “scrap and build” approach to existing stores. The Company is ranked seventh in the industry, with a roughly 7.9% market share in Japan and roughly 20% share in the Kansai area, where it generates most of its net sales. At the end of FY3/26, the Company operated 220 stores: 210 directly operated by Joshin, 3 franchise stores, 6 BOOK OFF stores, and 1 TSUTAYA store. By region: Kansai, 140 stores; Tokai, 35; Hokushinetsu, 25; Kanto, 18; Shikoku, 2, with continued expansion beyond the Kansai base.

Joshin Corporation | 6-Jul.-2026
 8173 Tokyo Stock Exchange Prime Market | <https://www.joshin.co.jp/en/ir.html>

Company profile

As of the end of FY3/26, the eight large-scale home appliances retailers together had 2,630 stores in total. Of these: 210 for the Company, 45 for Bic Camera, 139 for Kojima <7513>, 22 for Sofmap Co., Ltd., 248 for Nojima <7419>, 453 for EDION, 957 directly operated by YAMADA HOLDINGS, and 556 for K'S HOLDINGS. EDION has maintained a large store network including franchise locations, while YAMADA HOLDINGS is boosting its LIFE SELECT-focused format. Although the number of directly operated stores of YAMADA HOLDINGS is decreasing, its total sales floor area continues to grow. K'S HOLDINGS ended FY3/26 with the same number of stores as the previous fiscal year, after opening and closing five directly operated stores each.

Although most of the Company's stores are directly operated, the number of these stores has remained roughly flat since FY3/22. This is primarily because even if the Company blindly increases the number of stores, unless it can hire staff amid a declining population, customer service quality will deteriorate, making it difficult to secure returns on invested capital. Under the JT-2028 Management Plan, a medium-term management plan, the Company focuses on strengthening profitability of real stores, reorganizing up to 15 unprofitable stores, and reinvesting resulting human capital. The aim is to increase the number of profitable stores by expanding a local electronics store chain that is not dependent on the total number of stores. Net sales per directly operated store at real stores (excluding e-commerce sales) have been only gradually increasing, with the exception of FY3/21 when demand for white appliances surged during the COVID-19 pandemic. This gradual growth appears to have been made possible by the Company's focus on strengthening customer service capabilities at existing stores rather than pursuing an unreasonable store opening strategy.

**Trend in the number of directly operated stores (excluding franchised stores)
of eight large-scale home appliances retailers**

(Unit: stores)

	FY3/19	FY3/20	FY3/21	FY3/22	FY3/23	FY3/24	FY3/25	FY3/26
Joshin Corporation	232	234	215	218	216	214	208	210
Bic Camera	40	43	45	45	45	43	43	45
Kojima	141	142	143	140	141	141	139	139
Sofmap	22	25	29	29	24	24	24	22
Nojima	205	210	215	226	233	239	248	241
EDION	436	433	437	449	450	454	454	453
YAMADA HOLDINGS	955	968	982	978	996	975	949	957
K'S HOLDINGS	494	500	515	529	546	552	552	556
Total	2,525	2,555	2,581	2,614	2,651	2,642	2,617	2,630

Note: Data for February was used for Bic Camera and Kojima

Source: Prepared by FISCO from each company's results briefing materials and website

Results trends

Higher sales and profits driven by PCs, mobile phones, and game-related categories. Results exceeded initial forecast

1. Overview of FY3/26 results

In the FY3/26 consolidated results, net sales were ¥436,650mn, an increase of 8.3% YoY, operating income was ¥5,422mn, an increase of 47.0%, ordinary income was ¥5,113mn, an increase of 46.5%, and profit attributable to owners of parent was ¥3,280mn, a decrease of 3.7%. The results finished above the initial forecast (net sales: ¥404,000mn, operating income: ¥4,000mn).

In net sales, in-store sales increased 9.2% YoY and e-commerce sales rose 14.2%, both demonstrating growth. Solid performance in PCs, mobile phones, and games and toys, growth in air conditioner sales due to the scorching summer, and the league championship sale for the Hanshin Tigers also contributed to higher sales. Looking at the change in sales by product category, PCs increased 21.7% due to replacement demand arising from the end of support for Windows 10, mobile phones increased 13.8% due to steady growth in sales volume, and games, models, toys, and musical instruments expanded 22.5% due to strong sales of game consoles and related products following the launch of Nintendo Switch 2. In home appliances, air conditioner sales grew 10.9%.

On the profit front, looking at factors for changes in operating income, personnel costs increased ¥1.8bn, rent and ground rent rose ¥0.4bn, logistics costs ¥0.4bn, advertising expenses ¥0.1bn, and other costs ¥1.1bn due to investment in human capital and expenditure of store management-related costs, but higher net sales led to a ¥5.5bn rise in gross profit, driving higher operating income. Profit attributable to owners of parent decreased 3.7% YoY, reflecting a reactionary decline from gains on sales of investment securities and fixed assets booked in the previous fiscal year.

Outline of FY3/26 consolidated results

	FY3/25		Initial forecast	FY3/26		YoY change	(¥mn)
	Result	% of sales		Result	% of sales		
Net sales	403,259	-	404,000	436,650	-	8.3%	
Cost of sales	301,047	74.7%	-	328,863	75.3%	9.2%	
Gross profit	102,212	25.3%	-	107,787	24.7%	5.5%	
SG&A expenses	98,524	24.4%	-	102,365	23.4%	3.9%	
Operating income	3,688	0.9%	4,000	5,422	1.2%	47.0%	
Ordinary income	3,491	0.9%	4,000	5,113	1.2%	46.5%	
Profit attributable to owners of parent	3,407	0.8%	2,800	3,280	0.8%	-3.7%	

Source: Prepared by FISCO from the Company's financial results

Financial soundness remains strong, with improved inventory efficiency and reduced interest-bearing debt

2. Financial condition and management indicators

Looking at the Company's financial condition as of the end of FY3/26, total assets decreased ¥2,690mn YoY to ¥228,813mn. Total current assets shrank ¥3,968mn, mainly due to decreases in cash and deposits and inventories. Total non-current assets increased ¥1,278mn, mainly due to rises in intangible assets and investments and other assets. Total liabilities decreased ¥3,389mn to ¥123,448mn. Total current liabilities fell ¥2,414mn, mainly reflecting a decrease in commercial paper. Total non-current liabilities declined ¥974mn, mainly due to reduced long-term borrowings. Total net assets grew ¥699mn to ¥105,364mn, as accumulated other comprehensive income increased although dividends paid reduced shareholders' equity.

Looking at the main management indicators for FY3/26, the Company's financial standing remains strong, and its balance sheet is still sound. The equity ratio stood at 46.0%, up from 45.2% at the previous fiscal year-end, maintaining a robust level. Net debt, calculated by subtracting cash and deposits from interest-bearing debt, decreased ¥4,915mn versus the end of FY3/25, alleviating financial burden thanks to lower interest-bearing debt. Debt repayment capacity has improved. Additionally, inventory turnover (days), a measure of inventory management efficiency, decreased 5.2 days from the end of FY3/25, suggesting inventory management initiatives using the Kansai Ibaraki Logistics Center and outlet stores are contributing to the improvement in inventory liquidity. Enhanced inventory management accuracy is also helping restrain working capital burdens. Maintaining a sound financial base, the Company is also improving asset efficiency and optimizing interest-bearing debt, and its management stance of enhancing corporate value over the medium and long term is reflected in its financial performance.

Results trends

Consolidated balance sheets and management indicators

	(¥mn)				
	End-FY3/23	End-FY3/24	End-FY3/25	End-FY3/26	YoY change from the end of FY3/25
Current assets	114,560	124,006	125,169	121,201	-3,968
Cash and deposits	2,769	3,891	7,708	4,529	-3,179
Accounts receivable-trade	17,708	20,115	25,390	25,633	243
Inventories	76,229	78,369	70,298	69,867	-431
Non-current assets	108,657	108,769	106,333	107,611	1,278
Property, plant and equipment	75,085	74,902	72,968	70,701	-2,267
Intangible assets	2,471	2,545	3,612	4,987	1,375
Investments and other assets	31,100	31,322	29,752	31,922	2,170
Total assets	223,218	232,775	231,503	228,813	-2,690
Current liabilities	84,376	84,571	80,555	78,140	-2,414
Notes and accounts payable-trade	28,152	24,520	29,227	28,725	-502
Interest-bearing debt	28,356	30,100	20,952	15,526	-5,426
Contract liabilities	9,151	8,946	9,466	10,576	1,110
Non-current liabilities	38,143	43,590	46,282	45,307	-974
Long-term borrowings	17,608	23,003	25,072	22,404	-2,668
Total liabilities	122,520	128,162	126,837	123,448	-3,389
Interest-bearing debt	45,964	53,103	46,024	37,930	-8,095
Total net assets	100,698	104,613	104,665	105,364	699
Total shareholders' equity	98,760	100,677	100,587	99,970	-617
Accumulated other comprehensive income	1,937	3,935	4,077	5,393	1,316
Total liabilities and net assets	223,218	232,775	231,503	228,813	-2,690

	FY3/23	FY3/24	FY3/25	FY3/26	YoY change
Equity ratio	45.1%	44.9%	45.2%	46.0%	0.8pp
Current ratio	135.8%	146.6%	155.4%	155.1%	-0.3pp
Net debt	43,195	49,212	38,316	33,401	-4,915
Inventory turnover (days)	68.1	70.9	63.6	58.4	-5.2

Source: Prepared by FISCO from the Company's financial results

Consolidated statement of cash flows

	(¥mn)			
	FY3/23	FY3/24	FY3/25	FY3/26
Cash flow from operating activities (a)	7,119	2,278	16,374	13,085
Depreciation	5,572	5,763	5,825	5,792
Cash flow from investment activities (b)	-9,070	-4,806	-1,815	-3,505
Free cash flow (a) + (b)	-1,951	-2,528	14,559	9,580
Cash flow from financing activities	2,360	3,649	-10,741	-12,758
Change in cash and cash equivalents	409	1,122	3,816	-3,178
Cash and cash equivalents at end of period	2,769	3,891	7,708	4,529

Source: Prepared by FISCO from the Company's financial results

■ Outlook

For FY3/27, both higher sales and profits are expected, with improved profits anticipated from factors such as changes in the product mix

1. FY3/27 forecasts

For FY3/27 consolidated results, net sales are projected to increase 0.3% YoY to ¥438,000mn, operating income to rise 10.7% to ¥6,000mn, ordinary income to grow 7.6% to ¥5,500mn, and profit attributable to owners of parent to increase 6.7% to ¥3,500mn, reflecting a positive outlook for both sales and profits.

In FY3/26, strong air conditioner sales due to the heat wave, replacement demand for mobile phones and PCs, and sales growth in games, models, toys, and musical instruments through new product launches drove business performance upward. In FY3/27, a recoil from the significant increase in game-related demand recorded in the previous fiscal year is expected; however, a recovery in home appliances sales is also anticipated. Especially for air conditioners, replacement demand is expected to continue amid ongoing heat waves. Furthermore, with new household air conditioner energy-saving standards starting from April 2027, last-minute demand and a shift toward high value-added products could be factors for outperformance.

On the profit side, changes in product composition are a crucial point. In FY3/26, games, models, toys, and musical instruments saw a substantial YoY increase of 22.5%, and their sales ratio rose to 15.8%. On the other hand, in FY3/27, as demand for Nintendo Switch 2-related products runs its course, the sales ratio of this category is expected to decrease, while the sales ratio of home appliances is likely to rise in relative terms. Because home appliances have a higher gross profit margin than game-related products, this is considered to have a positive impact on profits.

In addition, if the implementation of PB products, which is set as a key strategy under the JT-2028 Management Plan, moves into full swing, it is anticipated to contribute to both the expansion of differentiated products and the improvement of gross profit margin. The business contribution of Joshin Reform Kinki, which became a subsidiary in February 2026, is also expected. Given that the Company's performance plan is based on cautious assumptions that factor in uncertainty in the consumption environment and competitive environment, there remains upside potential considering air conditioner demand, improved product mix, expanded PB products, and the contribution from the renovation business.

FY3/27 consolidated results outlook

	FY3/26		FY3/27		
	Result	% of sales	Initial forecast	% of sales	YoY change
Net sales	436,650	-	438,000	-	0.3%
Operating income	5,422	1.2%	6,000	1.4%	10.7%
Ordinary income	5,113	1.2%	5,500	1.3%	7.6%
Profit attributable to owners of parent	3,280	0.8%	3,500	0.8%	6.7%

Source: Prepared by FISCO from the Company's financial results

Outlook

2. Medium-term Management Plan: JT-2028 Management Plan

In November 2025, the Company formulated the JT-2028 Management Plan, a new three-year medium-term management plan ending in FY3/29. The Company aims to achieve sustainable growth as it approaches its 100th anniversary and steadily enhance its corporate value. The medium-term management plan is not merely a measure to improve business performance. It is centered on “evolution and transformation” based on structural changes in the home appliances retail industry. Its aim is to build a new growth foundation that does not rely on the existing home appliances retail model. While the net sales target was achieved under the previous JT-2025 Management Plan, targets for operating income, ROE, and other capital efficiency indicators were not, so initiatives aimed at strengthening profitability and rebuilding the business foundation have been updated accordingly.

(1) View of Tetsuya Takahashi, Representative Director, President and Chief Executive Officer on the medium-term management plan

Tetsuya Takahashi has positioned the JT-2028 Management Plan as an important milestone toward the Company's 100th anniversary, and stated that intangible assets such as human capital, organization, and customers are the true source of future value creation. He has positioned the strategic strengthening and deepening of these intangible assets, as well as the realization of sustainable growth, as the core themes of the medium-term management plan.

If the Japanese concept of “Shu Ha Ri” is applied to the Company's journey, “Shu” is its founding spirit and origin in the home appliances business, “Ha” is its evolution into a new home appliances business format, and “Ri” is taking on challenges in new domains based on the home appliances business. The current medium-term management plan is positioned as a phase to lay the groundwork for the future “Ri” stage upon the Company's transition from “Shu” to “Ha.” The image of “Ha” envisioned by President Takahashi is a so-called local electronics store that is also a mass retailer. The Company aims to provide comprehensive value rooted in local community living by fusing the product lineups and scale advantage of a mass retailer with the meticulous customer service and after-sales support capabilities of local electronics stores. The purpose in doing so is to create a new model that combines mass retailers with local electronics stores, thereby deepening connections with customers. The Company has also announced a policy to review the balance between tangible and intangible assets to promote more efficient and streamlined operations. The intention behind this is not to simply cut costs, but rather to conduct a rebuilding for redirecting capital toward growth investments. This could be called a reflection of the Company's intention to shift its management focus from efficiency to value creation.

(2) Numerical targets

The Company has set two numerical targets for earnings: operating income of ¥10.0bn or higher and ROE of 7.0% or higher. The Company places greater emphasis on improving profitability and capital efficiency than on expanding sales volume, and is demonstrating a commitment to directly addressing the challenge of rebuilding its earnings power, which has been an issue to date. As the home appliances retail market enters a mature phase, the Company is shifting its orientation from quantitative growth to qualitative growth. Operating income of ¥10.0bn or more represents a recovery to a level close to the Company's record-high profit. The ROE target of 7.0% or higher is also set with the intention of exceeding the cost of shareholders' equity. As of FY3/26, the Company calculated its cost of shareholders' equity at 8.47% and its weighted average cost of capital at 4.25%. The ROE target is an important indicator for driving management conscious of capital cost.

Outlook

(3) Positioning of Joshin Reborn Action 2026

The Company has launched Joshin Reborn Action 2026 as a company-wide action plan to achieve its new medium-term management plan swiftly, enhance its evaluation in the capital market, and realize a PBR of 1.0 times or higher as soon as possible. The core of this action plan is the redesign of management resources. Fiscal years from FY3/27 to FY3/28 are positioned as the transformation phase, and FY3/29 as the leap phase. The Company will streamline tangible assets through the withdrawal of unprofitable stores and scrap-and-build initiatives. Meanwhile, staff at stores slated for withdrawal will be reskilled and redeployed to growth areas such as renovation and mobile communications. The Company's policy is to shift to a profit structure that does not rely on the number of stores, while expanding intangible assets and advancing balance sheet management.

(4) Dominant strategy

Under Joshin Reborn Action 2026, the Company's dominant strategy is being reorganized as a measure to strengthen profitability in the real store business. The Kansai area is the core region for the real store business, accounting for over 60% of both net sales and store count. Starting in Kansai, its founding region, the Company plans to refine the local electronics store chain model and then expand to Tokai, Kanto, and Hokushinetsu. In Tokai, it will focus on strengthening brand awareness and market competitiveness; in Kanto, it will increase recognition by leveraging compatibility with e-commerce; and in Hokushinetsu, it will optimize store layout according to trading zone characteristics.

In the real store business, up to around 15 unprofitable stores will be consolidated, and scrap-and-build initiatives will proceed as well. The plan is to complete this process within two years, by FY3/28, as an advanced measure toward achieving the profit target for FY3/29. Although temporary losses may arise from store withdrawals, the main focus is to reinvest human capital in growth areas and improve the productivity of remaining stores.

As of the end of March 2026, the Company directly operates 217 stores. The Company has set out a policy to compete through quality over quantity, making the rebuilding of store value a priority. For example, the Company will introduce type-based marketing tailored to stores' location characteristics and customer base, and will promote the creation of sales floors aligned with regional characteristics. Additionally, the Company's plan is to advance the redesign of its store spaces with a view to collaboration with companies in other industries as well in order to redefine real stores not merely as sales bases but as community lifestyle proposal centers. By strengthening mutual linkages between real stores and its own e-commerce site, enhancing in-house service structures for delivery, installation, construction, and repair, and integrating analog and digital, the Company aims to evolve into a lifestyle support company.

(5) Key strategies in Joshin Reborn Action 2026**1) Full-scale entry in the PB product business**

PB products are a key strategy directly linked to strengthening earnings power within Joshin Reborn Action 2026. In FY3/26, the Company established a dedicated department within the product division and developed multiple OEM suppliers. For FY3/27, the plan is to sequentially launch 150 items, focusing on small and medium-sized home appliances. Target products include batteries, light bulbs, handheld vacuums, microwave ovens, rice cookers, and electric kettles, and in the future, this will expand to all home appliances including air conditioners. In FY3/29, the Company aims for PB product sales ratio of 10%, development of over 500 PB items, and a 5% point improvement in PB gross margin versus FY3/25. Strengthening PB means launching unique products with an emphasis on price/performance balance, enabling both improved profit margins and differentiation from competitors.

Outlook

2) E-commerce/OMO strategy

The e-commerce/OMO strategy sets a goal of raising own-site sales composition from 44% to 46% in FY3/27, and reaching 50% in FY3/29. In FY3/27, the Company aims for a 15% YoY increase in the number of members actively using both real stores and its own e-commerce site, a 7% increase in active users of its own site, and a 2% rise in home appliances sales. Members who use both real stores and e-commerce sites have higher numbers of purchases and purchase amounts, and the Company regards these dual-channel users as core fans. By expanding app functions and service menus and boosting customer traffic between real stores and e-commerce, the Company seeks to increase customer lifetime value.

A shift from the preexisting sales promotion-driven approach to a customer-centric, data-driven model is an important measure. In particular, the Company aims to strengthen its reach to female and younger customers and optimize the balance of its customer base. Targeting an annual increase of 1% in the number of active members, it will further advance 1-to-1 marketing by utilizing its big data and outside network. The Company is also promoting an OMO strategy that spans stores and e-commerce by utilizing the Joshin Smile Program, which enables customers to use benefits based on their usage status in both real stores and e-commerce.

3) Expanding the renovation business domain

For the renovation business, including Joshin Reform Kinki, net sales are planned to expand from ¥16.5bn in FY3/26 to ¥19.0bn in FY3/27, and to a scale of about ¥20.0bn in FY3/29. In addition to conventional packaged renovation, to enter the more specialized order-made renovation segment, the Company acquired all shares of DOREFORM in February 2026 and renamed it Joshin Reform Kinki. The Company will first expand its coverage within Kansai and establish an order intake system at Joshin stores and its own e-commerce site. It also plans to broaden its earnings base in the lifestyle support field through collaboration with external companies and M&A.

4) Outlet strategy and improvement of capital efficiency

The outlet strategy is a measure to improve inventory efficiency and enhance the profitability of the real store business. The Company is converting some underperforming stores to outlet formats and, leveraging a two-base logistics system across eastern and western Japan, is advancing large-scale inventory reduction and inventory turnover improvement. The outlet format initiative is a means to review unprofitable stores and optimize inventory in parallel, and forms part of the store portfolio reconstruction under Joshin Reborn Action 2026. This approach will expand profit opportunities while utilizing existing assets, thereby increasing the efficiency of store operations.

(6) Capital policy

The core of the Company's capital policy is balancing efficiency and growth. Its policy will be to push forward with the optimization of its balance sheet while also keeping its eye on revisions to Lease Accounting Standards in 2027. The Company will thoroughly implement management with an awareness of capital cost and the stock price and promote the improvement of the cash conversion cycle (CCC) and ratio of gross margin to inventory (calculated by multiplying the gross profit margin by the merchandise turnover rate). The above mentioned outlet strategy and review of the store portfolio are part of this concrete policy, and from a capital policy perspective, are positioned as efforts to optimize working capital and fixed assets. Above all, the Company regards proper management of overall assets including inventory, store assets, and receivables as the highest priority, and aims to increase free cash flow generation through improved inventory turnover. In addition, maintaining appropriate inventory levels in line with interest-bearing debt, inventory management based on monthly sales, effective use and disposal of owned assets, and leveraging card receivables are issues being considered.

Outlook

It aims to achieve total operating cash flow of ¥35.0bn to ¥40.0bn over the three years of the medium-term management plan. The Company's policy will be to allocate 70% to 75% of its cash outflow to growth investment as a whole and 15% to 20% to shareholder returns. Its plans for investment break down into ¥18.0bn in investment in stores, ¥2.0bn in investment in logistics, and ¥6.0bn in investment in business domain expansion. For shareholder returns, the Company is targeting a payout ratio of 40% or higher and a DOE of 2.5% or higher, and will provide stable, sustainable dividends. In addition, the Company will further improve capital efficiency by reducing the ratio of cross-shareholdings to net assets to less than 3.0%.

(7) Thoughts

The JT-2028 Management Plan is designed to reestablish profitability and capital efficiency while making the most of the Company's existing store network and customer bases. In particular, the plan places redesign of management resources at the forefront, combining measures such as streamlining unprofitable stores, redeploying human capital, full-scale rollout of PB products, OMO strategies, and expanding the renovation business. The approach of major large-scale home appliances retailers shifting away from uniform store operations and toward flexible value provision tailored to regional characteristics is rational for addressing Japan's declining birthrate and aging population as well as diversifying needs for lifestyle support.

At the same time, progress management will be crucial during the implementation phase. To correct the profitability gap among existing stores, raising the level of onsite capability is imperative. A successful rollout of PB products would depend on the early establishment of a development structure and the assurance of quality. In the rebuilding of marketing as well, the speed of data utilization and human capital development will determine competitive advantage. Furthermore, in the renovation business, how quickly PMI integration, collaboration with stores and e-commerce, and exchanges among personnel can be achieved will be key determinants of whether net sales can grow to the ¥20.0bn level. For the overall plan, particular attention should be paid to the consistency between financial targets and capital policy. Setting out both payout ratio and DOE as indicators and summarizing the shareholder return policy in numerical terms is also beneficial for dialogue with investors. Going forward, it will be necessary to consistently monitor operating margin improvement, PB product sales composition, own e-commerce sales ratio, the number of dual-channel members, renovation business net sales, inventory turnover days, and the status of cross-shareholding reductions.

The JT-2028 Management Plan is an action plan for the Company to evolve from a local electronics store that is also a mass retailer to a lifestyle support company, and if profitability improves as planned, it could enhance the uniqueness of its community-based model within the home appliances retail industry. Whether the Company can solidify its earnings base during the transformation phase from FY3/27 to FY3/28 and link this to the leap phase from FY3/29 onward will be key for enhancing corporate value.

3. Industry trends

In June 2026, YAMADA HOLDINGS and EDION announced a basic agreement toward business integration. The two companies plan to establish a joint holding company by around October 2027, under which both companies will be grouped. If their consolidated net sales for FY3/26 are simply combined, the scale will reach around ¥2.5tn, creating one of the largest corporate groups in the Japanese large-scale home appliances retail sector.

Outlook

If this integration is realized, cost optimization and increased profitability could be achieved by improving procurement capability through joint purchase, standardizing logistics networks and systems, reviewing store networks, and reinforcing the development of PB products. Amid continued population decline, intensifying competition with e-commerce, and rising labor and logistics costs, greater scale confers a certain competitive advantage. Especially in terms of purchase conditions, delivery efficiency, advertising and publicity, and IT investment, the integrated group is expected to further strengthen its presence in the industry.

On the other hand, the benefits of integration may not materialize in a short period of time. YAMADA HOLDINGS has developed a broad business covering not only home appliances but also housing, furniture, and renovation. Meanwhile, EDION's strengths have been its community-based store operations and renovation business, especially in western Japan. Their store locations, customer bases, sales approaches, and organizational cultures are not necessarily identical, so the integration process is expected to take some time. In some regions there are overlapping stores, so consolidation of stores, staff allocation, and brand management will be issues to address.

Therefore, while industry restructuring will bring changes to the competitive environment for the Company, FISCO thinks it will not cause an immediate decline in its competitiveness. The Company has a solid customer base primarily in the Kansai region, and is pursuing a community-based business model that combines real stores, e-commerce, and services. Furthermore, the Company's focus on post-purchase services such as repair, installation, and renovation, and its approach to customer contact points that do not rely solely on price competition, are distinctive features. Looking ahead, there is ample room for the Company to counter large-scale restructuring by enhancing operational efficiency within its regional presence, leveraging its membership base, integrating e-commerce and real stores, and expanding service domains through dominant approach. Rather than simply seeking scale expansion, improving profitability and customer satisfaction as a large-scale home appliances retailer of choice in the region will be key to the Company's medium- to long-term growth.

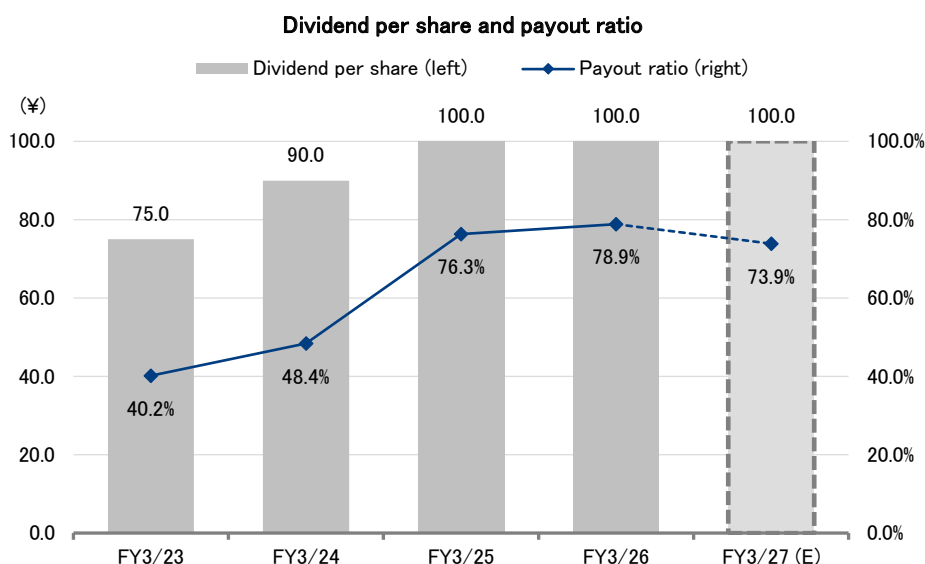
■ Shareholder return policy

Aiming for stable dividends and increased dividends with a target of a dividend payout ratio of 40% or higher and DOE of 2.5% or higher

The Company positions returning profits to shareholders as a key management priority. Its basic policy is to provide stable and continuous shareholder returns taking into consideration the level of internal reserves and operating conditions while enhancing its profitability and developing its business foundation. The JT-2028 Management Plan sets a dividend payout ratio of 40% or higher and a DOE of 2.5% or higher as shareholder return targets. The basic policy prioritizes stable shareholder returns that are less susceptible to business fluctuations, while aiming to increase dividends as performance improves. With shareholder returns positioned at around 15 to 20% in cash allocation under the plan, and total three-year cumulative dividends set at ¥8.0bn, the Company is striving to balance growth investments and shareholder returns. The annual dividend for FY3/26 was ¥100.0, and the payout ratio was 78.9%. For FY3/27 as well, the Company plans to maintain a steady dividend, with the annual dividend per share scheduled at ¥100.0.

Shareholder return policy

In addition, the Company has introduced a shareholder benefits program. Previously, shareholding as of the end of March and September each year entitled shareholders to receive paper-based shopping vouchers worth ¥200 each, based on the number of shares held and whether they were held continuously for at least two years. However, on May 26, 2026, a partial revision was made to the program. Going forward, the Company will present electronic shareholder shopping voucher card instead of paper certificates. The benefit criteria remain unchanged: shareholders holding at least 100 but fewer than 500 shares as of the end of March each year receive benefits worth ¥2,200, 500 or more but fewer than 2,500 shares receive ¥12,000, 2,500 or more but fewer than 5,000 receive ¥24,000, and 5,000 shares or more receive ¥36,000. Furthermore, shareholders who own 500 shares or more are eligible for additional bonuses based on holding their shares continuously for two years or more. As shareholders with at least 100 shares as of the end of September are also granted ¥10,000, for instance, holding the standard trading unit of 100 shares throughout the year results in annual benefits worth ¥12,200. The shareholder shopping voucher card is available for purchases of ¥2,000 (tax included) or more per transaction, and can be used to redeem ¥200 for every ¥2,000 spent. With the shift to electronic format, checkout times at stores are expected to be reduced and mailing procedures for the Joshin web shop will no longer be required; use of the system will become available on the Joshin web shop starting July 1, 2026.



Source: Prepared by FISCO from the Company's financial results



Disclaimer

FISCO Ltd. ("FISCO") offers stock price and index information for use under the approval of the Tokyo Stock Exchange, the Osaka Exchange, and Nikkei Inc.

This report is provided solely for the purpose of offering information and is not a solicitation of investment nor any other act or action.

FISCO has prepared and published this report based on information it deems reliable. However, FISCO does not warrant the accuracy, completeness, certainty, nor reliability of the contents of this report or the said information.

The issuers' securities, currencies, commodities, and other financial instruments mentioned in this report may increase or decrease in value or lose their value due to influence from corporate activities, economic policies, world affairs, and other factors. This report does not make any promises regarding any future outcomes. If you use this report or any information mentioned herein, regardless of the purpose therefor, such use shall be based on your judgment and responsibility, and FISCO shall not be liable for any damage incurred by you as a result of such use, irrespective of the reason.

This report was prepared at the request of the subject company, with information provided by the company through telephone interviews and other means, and with compensation from the company. Hypotheses, conclusions and all other content contained in this report are based on FISCO's analysis. The contents of this report are current as of the date of preparation and are subject to change without notice. FISCO is not obligated to update this report.

The intellectual property rights, including the copyrights to the main text, data, and the like, belong to FISCO, and any revision, reprocessing, reproduction, transmission, distribution or the like of this report and any duplicate hereof without the permission of FISCO is strictly prohibited.

FISCO and its affiliated companies, as well as the directors, officers, and employees thereof, may currently or in the future trade or hold the financial instruments or the securities of issuers that are mentioned in this report.

Please use the information in this report with an understanding and acceptance of the above points.

■ For inquiries, please contact: ■

FISCO Ltd.

5-13-3 Minami Aoyama, Minato-ku, Tokyo, Japan 107-0062

Phone: 03-5774-2443 (IR Consulting Business Division)

Email: support@fisco.co.jp