



EDION Corporation

<https://www.edion.com>

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Integrated Report 2023

Year ended March 31, 2023

Corporate Philosophy

Achieving Long-Lasting Customer Satisfaction
Through Outstanding Products and Reliable Service



Corporate Message

Reassuring Feelings and Lasting Satisfaction

We strive to be a company that continually endeavors to support richness and abundance in our customers’ lives. We have a large selection of attractive products that provide utility for our customers. We place an emphasis on taking responsibility for helping customers continue to use the products they have purchased from us in the best possible condition over a long period of time. We additionally offer a variety of services tailored to customers’ life-styles with the aim of having our customers continue to live in comfort for as long as possible.

EDION strives to build stronger relationships of trust with customers by ensuring that each and every employee maintains a sense of gratitude for customers and treats them with the utmost care and respect.

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Editorial Policy

EDION and the EDION Group publish information on its CSR activities on EDION's website and in print so that its stakeholders can comprehend the Group's approach to CSR and environmental activities.

This integrated report has been prepared with reference to the framework presented by the International Integrated Reporting Council (IIRC), to serve as an annual report and guide to the company.

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Cautionary Notice Regarding Forward-Looking Statements
Forecasts, plans, and outlooks regarding future business performance contained in this integrated report are based on information currently available to EDION and the EDION Group. Actual results may differ from these forecasts due to changes in various factors including economic conditions and product demand in core markets, and changes in rules and regulations and accounting standards and practices in Japan and overseas.

Please note that the statements regarding future information in this report are current as of the time this report was issued, and the Company has neither an obligation nor a policy of keeping such information up to date. The figures in this report are based on Japanese GAAP.

CEO's Message

Identify Turning Points Achieve Evolution



Masataka Kubo
Chairman and CEO

Masataka Kubo

EDION's corporate philosophy is "Achieving Long-Lasting Customer Satisfaction Through Outstanding Products and Reliable Service." This is a fundamental and unchanging approach for EDION.

In recent years, retail sales styles have changed dramatically, and there have also been major changes in the way volume home electronics retailers operate. For some time, I have spoken to our executive officers about the value of continuity and the importance of change. There is a concept of a mixture of constancy and openness to new changes in Basho-style haiku. I believe that we must always be aware of new changes in business as well. We must place value on the fundamental nature of things, but at the same time identify changes, so that our company can evolve as it should. Customers' values and lifestyles have changed even more dramatically, in part due to the impact of the coronavirus pandemic. According to the Ministry of Economy, Trade and Industry's Current Survey of Commerce, revenues from large home electronics retail stores in FY2022 were ¥4,666.4 billion, remaining steady over the past few years, but the composition of these revenues is changing. Around 5 million TVs are shipped each year, but the functions requested are changing; for example, TVs without tuners account for an increasing ratio of sales. Structural changes are also expected, as evidenced by the declining population, decreasing birthrate, and increasing senior population in Japan, and this will no doubt have a significant impact on the future business environment.

EDION is also facing various issues, but I see these as new opportunities. This is because I have learned from my own experience that a company grows by actively taking on new challenges, and pressing through to a successful conclusion. Last year, we put forward our Medium-Term Management Vision. As we strive to achieve our goals for FY2025, we will work to resolve a variety of issues.

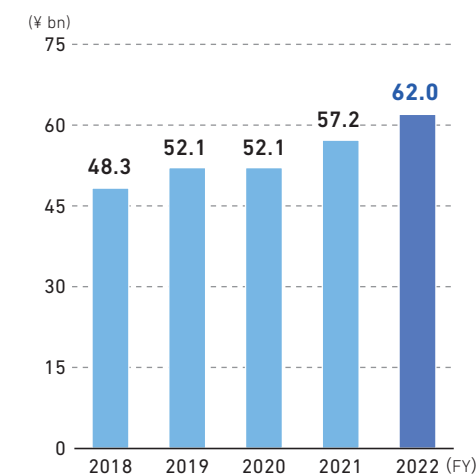
Issues in Achieving the Medium-Term Management Vision

In addition to strengthening three platforms to achieve our Medium-Term Management Vision—the infrastructure platform, the business platform, and the customer platform—we will also strengthen e-commerce as a common platform for all aspects of the company's activities. Digital home electronics such as AV devices and PCs and lifestyle electronics such as cleaners and beauty products are expanding in the e-commerce market, and in this backdrop, e-commerce accounts for steadily increasing ratio of sales for EDION as well. Strengthening e-commerce is a key aspect of our future growth strategies, and we are reviewing our e-commerce strategies with a particular focus on the EDION website. We are constantly making improvements to the system, so the customers can efficiently find the products they are looking for, and complete their purchases easily. We are also strengthening links with the mobile app, and working to build an environment in which customers can experience the best aspects of EDION, including information that is not just about shopping. EDION mainly operates stores in western Japan, but the EDION website has had more users than we expected in the Kanto region (around Tokyo), so we are investing efforts in rebuilding our logistics system in the Kanto area to improve customer convenience and strengthen our after-sale service structure. In February 2023, we opened five new service centers in the Kanto region, as well as five depots to support those service centers. In this way, we are now able to provide the same services as we do in existing areas in western Japan, like deliveries with specified times and same-day visits for installations and other services. We can also respond to a wide range of e-commerce demand from customers. The ratio of e-commerce for home electronics products is increasing year by year throughout the market as a whole, but the ratio of e-commerce for products that require construction and installation, like air conditioners and refrigerators, is not as

high as one might expect. EDION, however, has established a sense of trust by focusing efforts on logistics networks and service capabilities through the development of dominant areas, and this has contributed to a year-by-year increase in the number of users even for products requiring installations, like large refrigerators and washing machines. Moving forward, by increasing our name recognition outside of existing areas while expanding our logistics network nationwide, we will achieve 100% population coverage by FY2025, and further increase the ratio of e-commerce compared to sales overall.

In the Eco/Living/Solar (ELS) business as well, which is growing steadily as the largest pillar of profits next to home electronics, we will continue to strengthen activities focusing on energy efficiency and home improvements. Our goal is to enhance the lineup and increase quality while at the same time expanding profits. For example, it has been said that the popularization of electric vehicles (EVs) will be one solution to environmental problems given the reduction in

Sales in the ELS Business



CEO's Message

CO₂ emissions, but the ratio of condominiums in large cities equipped with EV recharging facilities remains low, at just a few percent, and the environments to support the proliferation of EV have been slow to be put in place. In response, EDION is focusing efforts on securing orders for EV charger installations, with a view toward the rollout of EV-related business in the future.

Also, in order to further increase the quality of home improvements, in addition to technical training for construction staff, we provide guidance and training that combines sales and construction targeting sales staff at five training centers nationwide. If we are going to offer installation services throughout Japan, we will also need to increase installations staff and other related staff in the future.

The education business is growing steadily; at the end of March 2023, we had 155 programming schools and 6,632 students, with both figures increasing year by year. My own personal experience served as the trigger for EDION entering the education market, where in the past our business

domain focused on face-to-face sales of home electronics products. A few years ago, when I visited IFA, an international consumer electronics tradeshow held in Germany, the number of booths related to robotics had clearly increased compared to the previous event. When I asked for the reason why, I learned that this trend had been spurred on by positions and policies in various countries aimed at "offering education through robots to foster the next generation of talent in the sciences." It has been said that Japan has fallen behind the rest of the world in fostering IT talent. If that was the case, I wanted EDION to work on fostering this talent, and to contribute to the lifestyles of people in the future. We started up the education business in 2018. Moving forward, we will be opening up many schools at EDION stores. In-store classrooms make it easy for parents to enroll their children, given the accessible locations and the availability of parking, and we have seen the results of compatibility in a variety of ways. By demonstrating synergy through the community, we will promote the growth of the education business as one of the Group's core businesses.

Activities Targeting Human Capital

Every month, we hold training sessions for store managers, which I also attend, to foster the next generation of the company executives, and in FY2023, we opened the EDION Academy as part of our new training plan. It's still a small operation but I expect that this Academy will help us to discover the talent that will be critical to the company's future. One of my responsibilities as a manager is to invest efforts into fostering candidates for executive positions to ensure EDION's future growth.

I also think that as a company, we need to foster talent who can participate in management with a broad perspective, by gaining diverse experience. EDION also strives to put in place comfortable work environments. To ensure that many people can grow through varied personal experience,

we conduct job rotations about once every three years, and we plan to hold new overseas training sessions as well. I hope that these prospective managers will grow as they use these experiences in their future work activities. We also put out in-house calls for candidates when we undertake new business, so I would like to see employees actively step up to take on new challenges.

Up to now, in the retail industry, it was just considered a given that stores in a competitive society would operate 365 days a year, and expand their business hours. Amid drastic changes in the business environment, however, we have taken on the challenge of regularly closing stores for one day a week, and reducing operating hours to nine hours a day. As a result, it became clear that these new schedules had no significant negative impact on the stores. In fact, improving employees' work-life balance had a positive impact, as motivation improved, and productivity per employee increased as well.

For this reason, as part of workstyle reforms, we have put forward a policy of reviewing regular store holidays and reducing operating hours by shifting closing times from 8pm to 7pm. During FY2023, we are planning on increasing the total number of stores with these shorter hours to 200. I believe that these types of reforms are only possible because of the trust and peace of mind among customers that we have earned through our efforts over many years. We have good relationships with both customers and employees, and this makes it possible for EDION to take on new challenges in the future as well.

Progress of Tie-up with Nitori Holdings Co.,Ltd.

Since completing a capital tie-up agreement with Nitori Holdings Co.,Ltd. (Nitori Holdigs) in April 2022, we have held meetings of top executives about once each month, to confirm mutual collaborations. A number of projects are currently ongoing, one of which is the development of

private brand (PB) products. Being able to develop products based on the opinions, requests, and suggestions received from customers guarantees the superiority of PB products, and also contributes dramatically to future growth. We are working to develop products even more quickly than ever, and several products are already approaching the implementation stage.

You can look forward to the release of new and attractive products both this year and next year. We have also begun the rollout of new interior sundries that we have never handled before, including kitchen goods and TV stands that are highly compatible with home electronics. Customers who are shopping for home electronics are extremely happy when we suggest that "something extra." We have undertaken the activities in our home improvement business as well; for example, we have begun handling NITORI's system kitchens. In the future, we are planning to open new stores together with Nitori Holdings, so that we can propose electronics and related products as a total package for day-to-day lifestyle scenarios, like cooking or doing the laundry. Our goal is to collaborate with NITORI in creating stores that meet the needs of increasingly diverse customer lifestyles, emphasizing product value such as "comfort" and "convenience," which are harder to recognize when the product is purchased as a one-off item.

Resolving Social Issues

In September 2022, we introduced solar power generators at the Takabarihara Store in Aichi Prefecture, as part of the company's first power purchase agreement (PPA) model. A PPA vendor installed the solar panels, and EDION purchases the power generated. As a result, we expect to see a reduction of about 62 tons per year in CO₂ emissions. We believe that it is important for activities targeting environmental issues to be continuous rather than temporary. In June 2023, we introduced the PPA model at the Toyota Shigo Store as well. We will continue to focus our efforts on creating environment-friendly stores, while also strengthening activities aimed at achieving a carbon free society in harmony with the environment, and contributing to preventing global warming and reducing environmental impact.

EDION is also strengthening the sales and installation of solar power systems as part of our smart energy business, thus contributing to reductions in household CO₂ emissions and to improvements in EDION business performance. EDION has continued the sales of solar power systems even as many of our competitors have pulled out of this business. In part as a result of this trend, EDION's solar power systems now boast a leading share of sales in this industry. We expect that solar power systems will change dramatically in the future. Just as TVs shifted from cathode ray tubes to energy-efficient flat screen LED units, I believe that in just a few years, the current large solar panels installed on roofs will evolve into products that can be attached easily to walls



EDION Takabarihara Store

or windows. When that happens, the proliferation rate will no doubt increase rapidly. EDION has developed its expertise in this field over many years, so this will help us to expand our business and will also contribute dramatically to reducing greenhouse gases.

The EDION Group has also been involved in the used small home electronics recycling and reuse business since 2012. This business continues to grow as a new pillar of profits for the company. In addition to realizing a recycling-oriented society through our original technologies and networks, we will contribute to resolving social issues, for example by actively promoting the employment of persons with disabilities, encouraging workstyle reforms, and revitalizing regional societies.

We will continue our efforts to resolve a variety of social issues, to meet the expectations of our stakeholders. I look forward to your continued support.



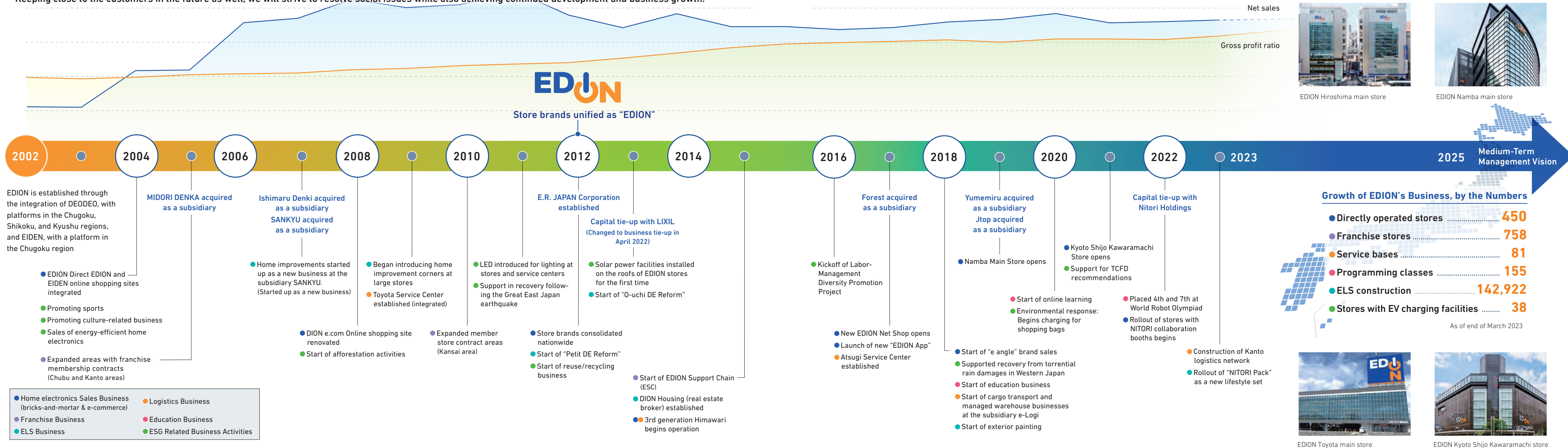
EDION Kurashiki Main Store



Expanding EDION's Business

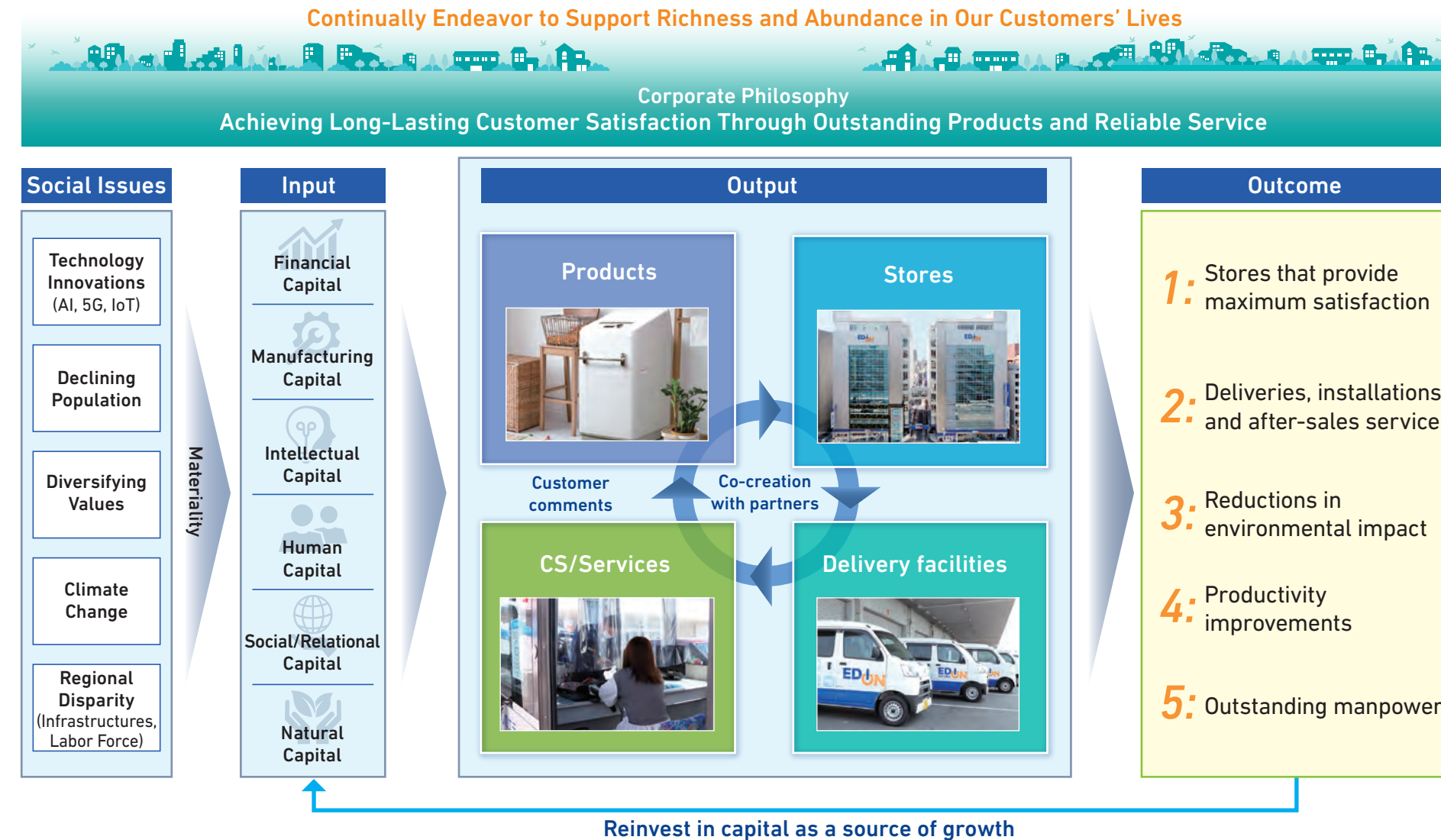
In an era of diversification, EDION Corporation has continued on its path with regional customers for 21 years, based on its mission of supporting customers' lifestyles. Keeping close to the customers in the future as well, we will strive to resolve social issues while also achieving continued development and business growth.

through business activities.



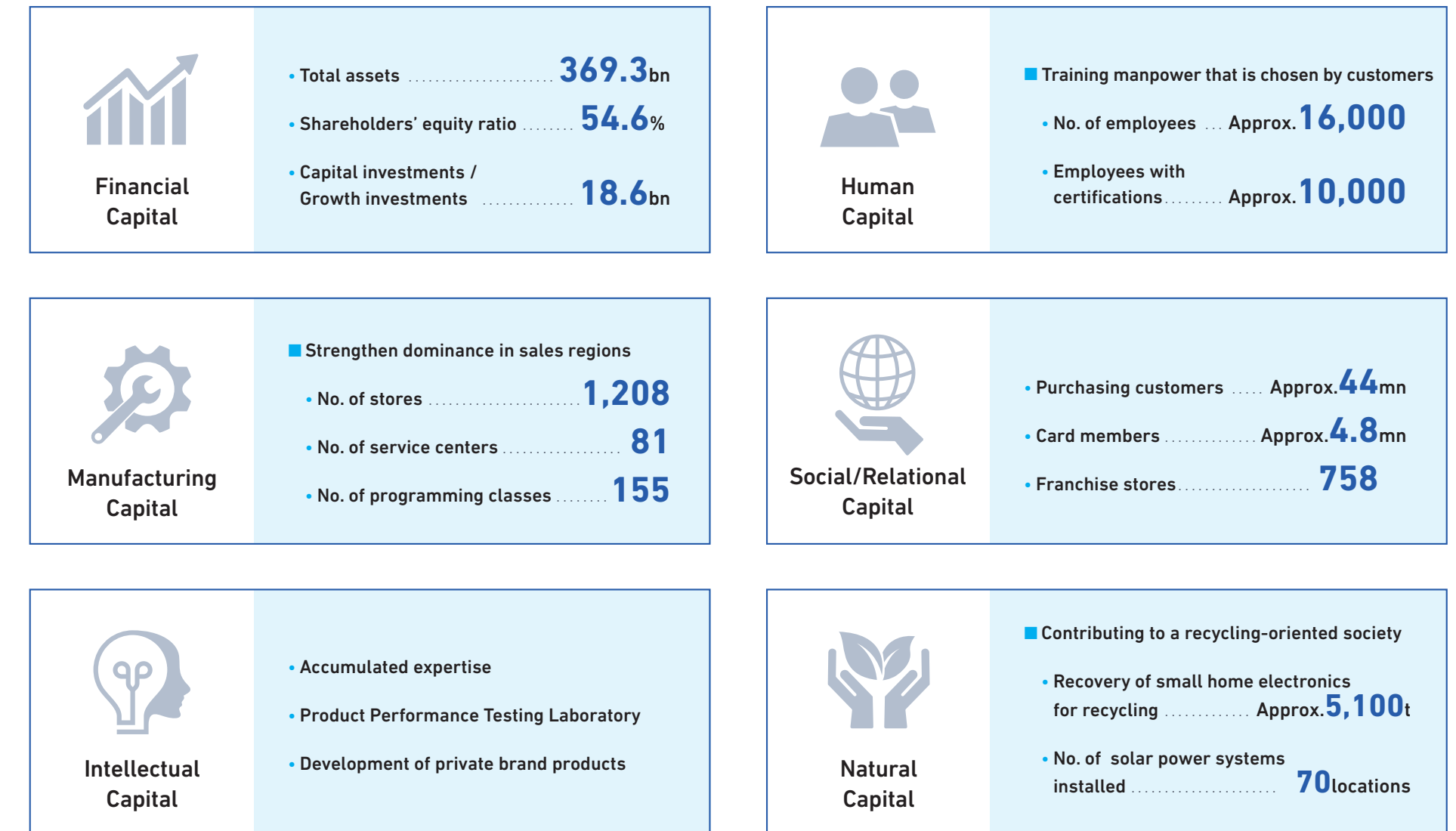
Value Creation Process

EDION achieves value creation by undertaking business activities that leverage the strength of its management philosophy throughout the Group, and by continuously meeting society's needs on many levels.



Source of Growth (Input)

Capital that has been accumulated through diverse business with a focus on home electronics sales is the foundation for EDION's continued growth, and will be a source of growth in the future as well. We will continue to further enhance our business, and strive to embody EDION's management philosophy.



CFO's Message

Working to Increase Corporate Value with an Awareness of Capital Efficiency

Norio Yamasaki

Executive Vice President; Chief Corporate Planning Officer

Achieving the Medium-Term Management Vision

In May 2022, EDION announced its Medium-Term Management Vision, including medium-term targets for FY2025. It refers to strengthening three platforms: the infrastructure platform, the business platform, and the customer platform.

The birthrate in Japan in 2022 was the lowest in the country's history. This declining birthrate, as well as the growing senior population, are expected to accelerate even further in the future. The environment surrounding our industry is changing in ways that we could never have imagined just a generation ago; for example, with the increase in single person households, the diversification of sales channels, and products from overseas manufacturers appearing on store shelves where they had never been seen before. What changes will we see over the next 10 years? I cannot give you an accurate prediction, but we urgently need to build structures while focusing on the things that are most important. The Medium-Term Management Vision will serve as one step in EDION's growth toward the coming era.

EDION operates stores mainly in western Japan, and has adopted a strategy of gradually expanding store operations into new areas along with the logistics network. If we tried to expand these areas all at once, we would no doubt expand our scale temporarily, but ultimately, this would not lead to the execution of our management philosophy; it would only be about selling individual products. This would probably not contribute to the company's sustainable growth. Based on our Medium-Term Management Vision, we are planning to emphasize our "dominance strategy" as we open up stores in new areas. In addition to promoting digital transformations (DX), we will promote e-commerce and logistics reforms, strengthening contact points with customers not only in existing areas, but throughout Japan.

Increasing name recognition in regions where we have no stores will make it easier to do business, generating a positive cycle that will tie into the next new stores. Rather than designing stores based on existing formats, we must aim for more efficient stores. We will strive for stores with efficient environments from a sustainability management perspective as well, reducing greenhouse gases to the greatest extent possible. We have also been focusing efforts on marketing strategies and improving operating efficiency, but the most important thing moving forward will be to invest in systems.

We plan to build systems that are more attractive and convenient for customers. We expect to see an increase in sales efficiency, as well as improvements to in-house operating efficiency. I believe that ultimately, these activities will tie into increased customer satisfaction and more comfortable working conditions for employees, and will also lead to increased human capital and corporate value.

Regarding stock prices, the price book-value ratio at the end of March 2023 was 0.7x, as stocks continue to be undervalued by the market. The same can be said of the volume home electronics retail industry as a whole, but one reason for this could be that volume home electronics retailers are being weeded out in the United States and other countries, raising concerns that similar trends could arise in Japan as well.

In this backdrop, in terms of stock price countermeasures, I believe that it is extremely important to increase ROE and ROIC in the short term. With the achievement of our Medium-Term Management Vision, both ROE and ROIC will approach 10%. We will monitor market conditions as we make judgments about the acquisition of treasury shares and other matters.

In the medium to long term, it will be important for investors to understand how EDION will change its business fields, and how we will grow the company.

In the future, it is highly likely that demand for home electronics will decrease along with the decline in the Japanese population, and with this in mind, we have positioned the home improvement business, which EDION entered in 2009, as the second pillar of profits next to the home electronics sales business. The home improvement business has been growing; in FY2022, this segment accounted for 8.6% of the company's total sales. Leveraging the experience that we have cultivated through home electronics, we will continue to take on challenges outside of the home electronics field. I believe that clearly demonstrating this growth process will lead to a stable, long-term increase in stock prices.

Results and Issues in FY2022

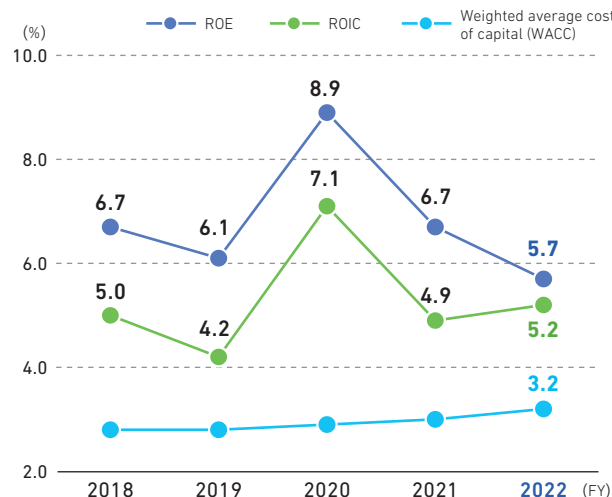
Business performance in the fiscal year ended March 2023 showed increases in both revenues and profits, with sales at ¥720.6 billion (101.0% YOY) and operating income at ¥19.2 billion (102.1% YOY). In the first half, there was some confusion in the supply chains due to the effects of conditions in Ukraine and the lockdown in China, but EDION did not experience any serious impact, in part because we conducted business discussions and took other measures at an early stage. Even so, some issues remained with regard to summer sales strategies, for example due to continued inclement weather in July. In the second half, profits were for the most part in accordance with plans. We also undertook new activities, including the rollout of NITORI products on EDION sales floors. There are issues in terms of expenses, including a rapid increase in utility costs, but looking at the results, I believe it could have been worse.

CFO's Message

I get the impression that demand is becoming harder to forecast with each passing year. There are many elements that we simply cannot see until the settlements of accounts are complete, and I think this in itself is an issue. This is because there are many measures that we could take if only we had accurate forecasts on hand. If there are elements that remain unclear, then forecasts tend to be more conservative, and management judgments will be on the conservative side as well. Of course, intuition and experience are also important, but I am painfully aware that analytical capabilities and the data to back up that intuition are increasingly important in overcoming this era of diversification. At EDION, we will promote reforms that will enable us to increase the accuracy of sales figures and demand forecasts, and to respond more quickly.

In terms of financial indexes, the shareholders' equity ratio was 54.6%. ROE was 5.7% and ROIC was 5.2%, with both figures exceeding the 3.2% weighted average cost of capital (WACC). Of course, these levels are a long way from "high," and as indicated in the Medium-Term Management Vision, we must work to bring both ROE and ROIC up above 10%.

ROE, ROIC, and WACC



To achieve these goals, we are working to increase operating efficiency in a variety of areas. First, having re-examined store operating hours, we reduced daily operating time to nine hours at selected stores during FY2023. We plan to expand this initiative to 200 stores by the end of this fiscal year. We decided that this will be extremely effective in reducing unnecessary overtime and utilities costs, and also in cutting CO₂ emissions. At the same time, we increased

employees' base salaries by ¥10,000 across the board, in response to the increased cost of living. This will increase operating efficiency and reduce unnecessary costs, and by returning benefits to employees, we can also increase engagement. In that sense, I believe that these initiatives will be extremely effective.

Now that restrictions due to the COVID-19 have been removed, we can once again see travelers from overseas visiting EDION stores. Large stores in metropolitan areas, including the Namba Main Store and the Kyoto Shijo Kawaramachi Store, were unable to demonstrate their true potential due to the effects of the pandemic, but customer traffic is finally approaching levels shown in the investment plan, so we expect these stores to make substantial contributions from this point onward.

Cash Allocation

EDION's investment standards are stipulated as being within the scope of Cash Flows from Operating Activities, so we make investments in new stores and systems accordingly. In the retail industry, inventory turnover has a huge impact on cash flow. In our case, inventory assets at the end of March 2023 were ¥116.0 billion, which represents a ¥10 billion increase YOY. This level is as indicated in the management plan, but the increase is tied into a rise in purchasing costs, which in turn resulted from ballooning costs of raw materials. Finding ways of reducing these costs is an important issue for the future.

In the context of the Medium-Term Management Vision, we are planning to place an emphasis on investments in new stores and systems. New stores are scheduled to open at a pace of about ten stores per year, including large stores. In terms of systems, we are in the process of conceptualizing a new POS system. This system will enable us to strengthen contact points with customers even more than

in the past, and also to offer new purchasing experiences. Leveraging the strengths that EDION has cultivated up to now, we will build a flexible system that can respond to the changing consumption environment.

Returning Benefits to Shareholders

EDION places an emphasis on returning benefits to shareholders. Our basic policy is to offer stable dividends with a payout ratio of 30% or more, making comprehensive judgments based on business performance and the management environment. Moving forward, we will consider the flexible acquisition of treasury stock as part of efforts to return benefits to shareholders, although this will depend

on factors such as business performance, investment plans, and the market environment.

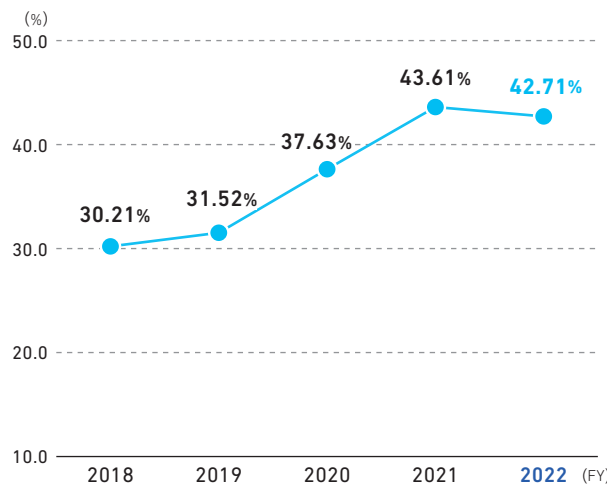
In 2020, we made a change from complementary tickets for shareholders to a gift card type system. This change has been extremely well-received, and the ratio of individual shareholders has increased to about 40% of the total. I believe that this increase in individual shareholders is a very good sign from the perspective of a company in the retail industry. We are always happy to receive support from EDION fans. We plan to invest even more effort into IR activities than ever before, so that people can gain a deeper understanding of our company.

Message to Shareholders

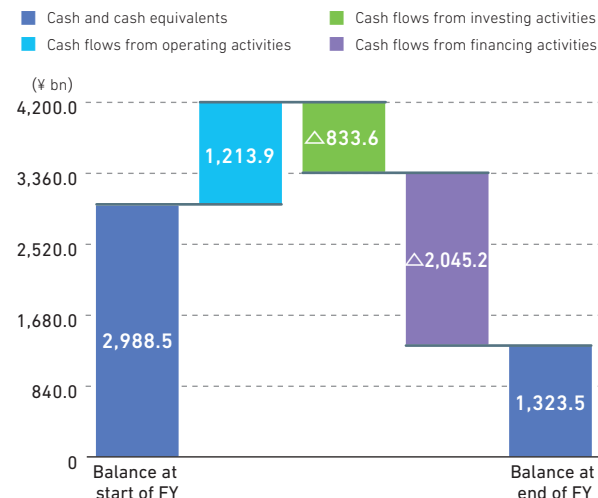
We are facing a variety of management issues, but I believe that maintaining and improving good relationships with all of our stakeholders, including customers, business partners, employees, and shareholders, will lead to sustainable growth for the company. In the context of IR activities, I plan to actively engage in dialogues with both institutional investors and individual investors, as we strive to increase stock prices and corporate value.

I look forward to your continued support in the days and years to come.

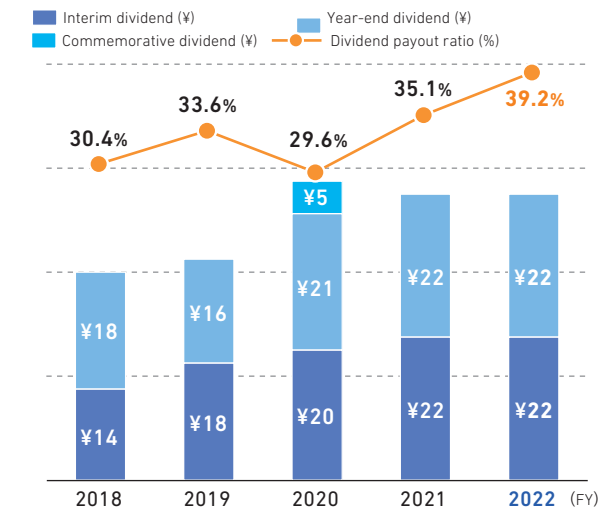
Individual Shareholder Ratio



Cash Flow (FY2022)



Movement in Dividends












Medium-Term Management Vision

We have created a Medium-Term Management Vision that covers the period up to FY2025. As the world around us changes and resolving social issues becomes increasingly important, we will strive for continuous growth by steadily executing the activities outlined below.



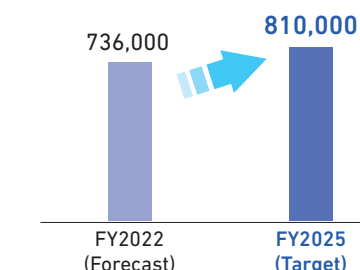
Medium-Term Management Vision, Strengthening the Three Platforms, and Key Medium-Term Items

Key Points

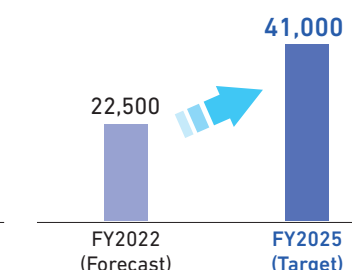
Build a Corporate Structure that Evolves by Responding to the Changing Market Environment	Strengthen Sustainability Management	Infrastructure Platform	Strengthening e-commerce	Activities Targeting New Systems 	<ul style="list-style-type: none">• In-house operation rate of 80% by promoting DX• Build new store systems (2025)
				Rebuilding the Logistics Structure 	<ul style="list-style-type: none">• Build nationwide delivery and construction networks: Respond to increasing e-commerce demand<ul style="list-style-type: none">+ Reorganize logistics networks in the Kanto area
				Creating Future HR Capabilities 	<ul style="list-style-type: none">• Promote diversity and create HR capabilities that tie into the future<ul style="list-style-type: none">+ Re-examine opportunities for managers to be active after retirement, and foster young managers+ Promote health management, emphasize work/life balance, and promote active participation by women+ Continuously develop capabilities
		Home Electronics Sales Business 		<ul style="list-style-type: none">• Seek out new markets and offer products<ul style="list-style-type: none">+ Enhance private brand and original products (Component ratio of sales: 25% in FY2021 → 35% in FY2025)	
		ELS Business 		<ul style="list-style-type: none">• Support customers' lives, and propose more comfortable lifestyles<ul style="list-style-type: none">+ Strengthen online sales discussions+ Strengthen newly handled products and lineups (FY2022: Exterior products)+ Strengthen sales of products that contribute to creating a carbon-free society (solar power systems, storage batteries)	
		Logistics Service Business 		<ul style="list-style-type: none">• Strengthen service menus and improve appeal<ul style="list-style-type: none">+ Strengthen cleaning and coating services (e.g., air conditioners and washing machines)	
		Education Business 		<ul style="list-style-type: none">• Become a company that can contribute to creating Japan's future<ul style="list-style-type: none">+ Expand areas where classrooms are offered, and enhance online learning	
		Strengthening Dominance 		<ul style="list-style-type: none">• Strengthen new store openings in areas with existing stores, and secure more franchise member stores	
		Strengthening Contact Points 		<ul style="list-style-type: none">• Strengthen ties with customers through apps and other tools	
		Activities Targeting Social Issues /			

Medium-Term Targets

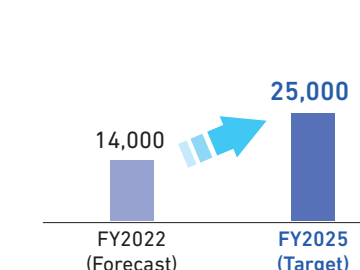
Net Sales (Million yen)



Ordinary Income (Million yen)

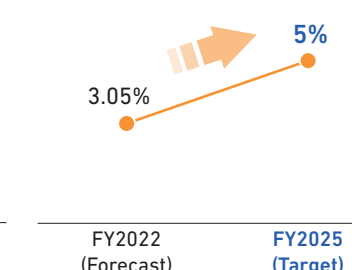


Net Income* (Million yen)

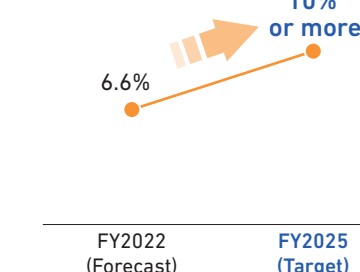


*Profit attributable to owners of parent

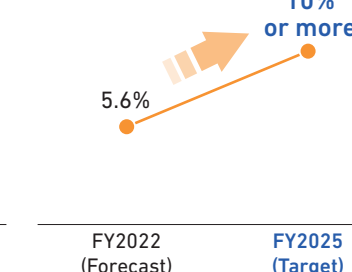
Ordinary Income Margin



ROE



ROIC



Special Feature **1**

Strengthening E-commerce

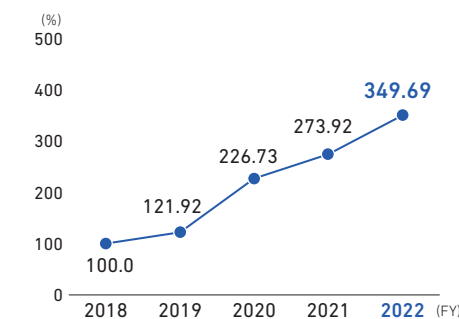
Enhancing the E-commerce Business and Current Performance

The company operates the EDION Net Shop website to respond to the growing e-commerce market. It supports stores as a sales channel, and continues to demonstrate a high rate of growth as the area offering deliveries expands.

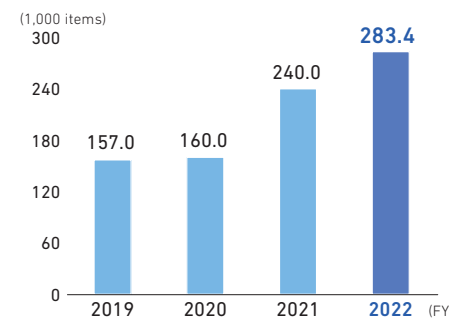
In addition to an abundant lineup of home electronics products, the website handles a broad range of products including games, toys, household goods, and foods. When customers make a purchase, the website provides the same delivery and installation services as stores, and there has been a substantial increase in sales for large home electronics products requiring installation and construction.

In FY2022, EDION began handling NITORI products, with each company introducing customers to the other's e-commerce site.

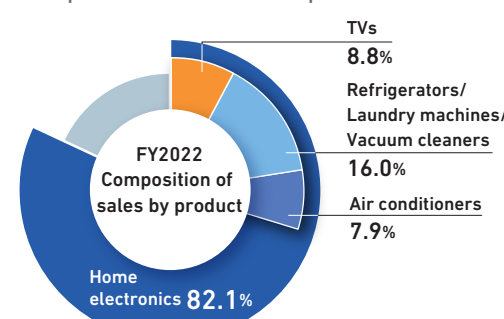
Sales Growth Rates *Achievement rate in 2018 = 100



No. of Items Handled



Composition of EDION Net Shop Sales



Unique Characteristics of EDION Net Shop

Product introduction pages are updated on a day-to-day basis with a focus on "experiences," so that customers can envision the same types of experiences via the website that they would at a brick-and-mortar store.

Home electronics that strike a chord with consumers are gathered into a single category according to seasons or events; for example, hay fever countermeasures in the spring, or heatstroke countermeasures in the summer. In addition to

introducing the products themselves, the site also offers explanations about why these products are needed, so that users feel as though a store staff is actually taking care of them.

Customers can also apply for a variety of cleaning services through EDION Net Shop. We receive many requests before each season starts, for example to clean air conditioners or range hoods, and the response from customers has been outstanding.



Business Strategies

Strengths

- Strengths in e-commerce sales structures for large home electronics, with the same delivery, installation, and construction services as stores
- Rapid customer response using various media, including customer contact centers and LINE
- Accommodates common point programs and various electronic payment services
- Shareholder benefit gift cards can be used entirely online

Opportunities

- Extensive warranty services and high name recognition in areas with existing stores
- Customers can choose from multiple methods for receiving products
- Abundant customer contact points are created through links with mobile apps
- Customers can also use app coupons

Business Strategies and Policies

EDION sees the Net Shop not as an independent sales channel, but as a channel that shares mutual support with brick-and-mortar stores. E-commerce sales performance is increasing even in areas with few real stores, and so is having a positive impact on dominance strategies for the future.

When a store has no inventory for a given product, if inventory is available in an e-commerce warehouse, the product can be delivered the same day. When the product is not available through the e-commerce warehouse, the system speeds up customer response by having the product reserved from in-store inventory.

Strengthening the Logistics Network

In FY2022, the Kanto logistics network was completed, enabling 100% coverage for customers in the Kanto region. We are currently considering the establishment of bases in areas where stores have not yet been targeting the completion of a nationwide logistics network in FY2025. We are also planning to strengthen structures in existing areas.

FY2025
Nationwide Rollout
Complete

Same Service Structure as Stores

When a customer purchases a large home electronics product, they receive a notification from the contact center to confirm cautions when the product is delivered.

To maximize convenience, customers can use a variety of electronic payment services or shareholder benefit gift cards. In addition, EDION points and common point programs can be used for the purchase or added to the customer's account.



App Related

EDION distributes coupons that can be used both at stores and via the Net Shop. The app and EDION Net Shop are linked so that customers can quickly view product explanations by reading the electronic price tag at the store using near-field communication (NFC).

Products purchased via e-commerce are stored in the customer's purchase history, so customers can use the app to check the purchase date or whether they have a warranty.



Special Feature 2

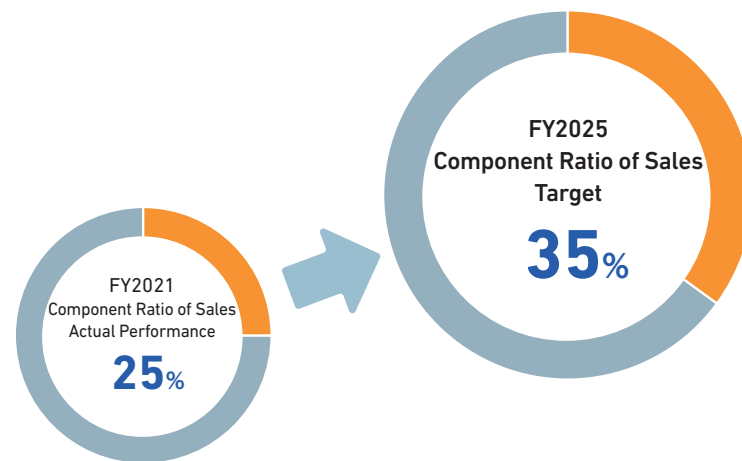
Product Development at EDION

Product Development that Incorporates Customer Comments

EDION places a high value on comments from customers, and we always put these comments to use in service improvements and product development. We pick up on the customers' requests, and seek out new demand that incorporates original, innovative ideas.

The starting point for original EDION products developed from customer comments was in 1991, when an outdoor unit for an air conditioner broke down due to salt damage from a typhoon. The employee handling this case thought, "We should create an air conditioner that customers can use for a long time, with peace of mind," and proposed the production of an original air conditioner with an outdoor unit featuring salt damage resistant specs.

By picking up on comments from employees who come in contact with customers at retail stores nationwide every day, we will continue to create new products one after another that make customers' lives more comfortable.



Excerpt from Medium-Term Management Vision

Activities Aimed at Providing Safer Products

In 1987, EDION opened the Product Performance Testing Laboratory to ensure that customers can use our products with peace of mind. This facility conducts independent tests of safety, durability, practicality, and ease of operation, mainly for new and imported products.

In addition to standards required by law, the laboratory checks items like product safety, basic performance, and component wear. In addition, the Environmental Laboratory tests durability in various environments across the Japanese archipelago, including high and low temperatures and high humidity, and tests product effectiveness and economy based on independent in-house standards. We also conduct a variety of tests from the customer's perspective, including comparisons of performance and power consumption under similar conditions.



Testing at the Product Performance Testing Laboratory

Private Brand Home Electronics that EDION Handles from Manufacturing to Sales

In November 2018, EDION began sales of "e angle," a private brand of home electronics that the company handles from planning through the manufacturing and sales, a first in the home electronics retail industry.

One of the roles of a retailer is to have manufacturers create good products based on requests from customers. Because of the many and varied conditions involved, however, it is difficult for manufacturers to create individual small home electronics products.

We started up this private brand out of a desire to develop products that directly reflect our customers' voices.

The "e" in "e angle" has numerous meanings, including "EDION" and "electronics," as well as "excellent!" The brand concept is "lifestyles from a new angle." We develop these products with a view toward functionality as well as factors such as design and attractive colors.

Private Brand Home Electronics that EDION Handles from Manufacturing to Sales



e angle "ANG-MO-C5" A designer microwave oven that is simple and "just right"



Equipped with an infrared sensor and inverter, this simple microwave oven features "Worry-free defrosting" as well as "Worry-free heating" that heats foods to just the right temperature. The automatic cooking menu includes dedicated buttons for frequently used functions like "bento boxes" and "milk," and there is an easy-to-understand dial to adjust cooking time and the finished product with a simple setting.

The spacious 20L cabinet has a flat table that is easy to clean. This product features an outstanding design with half-mirror glass on the front panel that blends in with any kitchen.

e angle "ANG-WM-C70-W" A laundry machine that features automatic addition of detergents and softeners, with remote operations via a smartphone app.

The first 7kg laundry machine with Wi-Fi connectivity, this model offers remote operations via a dedicated smart phone app for a variety of settings, including finishing time. Choose from among 11 laundry types. This model automatically measures and adds detergent and softener according to the laundry weight. It minimizes the water used, and is designed with a large opening and a low front to make it easier to get the laundry in and out.

You can set the time when the cycle is finished so that it will be done when you get home, or receive "push" notifications when the wash, rinse, and spin cycles are complete. This model supports easy and efficient washing to suit each user's personal lifestyle.



Helping Customers Realize Lives of Convenience and Affluence

Activities Aimed at Increasing Customer Satisfaction

As part of activities aimed at increasing customer satisfaction, the EDION Group has established a Customer Consultation Office and has put in place structures to quickly resolve customer issues and requests in collaboration with stores and service centers.

We also gather comments and impressions from customers through survey postcards distributed along with deliveries and installations. The words of praise, requests, and complaints received from customers are fed back to retail stores and service centers on a day-to-day basis. In this way, we are able to create an environment where customers can enjoy shopping in greater comfort. In FY2022, we received a total of 765,460 responses via postcards and the Internet, and the customer satisfaction rate was 90.8%.

Our Customer Consultation Office and the various business divisions work together as one to improve services based on the comments gathered from customers. This is the ninth year in which we have held CEO's Briefing

Sessions on Customer Satisfaction Improvement Projects, to report directly to the CEO on status. The Human Resources Development Division also participates, to quickly reflect the reported material in front-line education, and is building a structure to clarify issues and continuously provide good services.

When the project first began, the customer satisfaction rate was in the 70–79% range, but we have been working on a variety of improvements each year; for example, we introduced an installation check sheet to ensure that there are no omissions in communications to workers handling deliveries and installations regarding promises to the customers and other confirmation items. As a result, customer satisfaction now exceeds 90%. We will continue to respond to the customers who visit our stores with the spirit of Omotenashi, and strive to create stores that customers will use long into the future.

Strengthening Remote Customer Service

Online home improvement consultations begin

We began an "Online Home Improvement Consultation" service that enables easy, face-to-face consultations with a specialized home-improvement advisor via teleconference.

With the concurrent use of a "simple photo quotation service," through which we offer quotations based on photos taken by customers, those customers can complete the entire process at home, from consultations through to quotations and installation work.



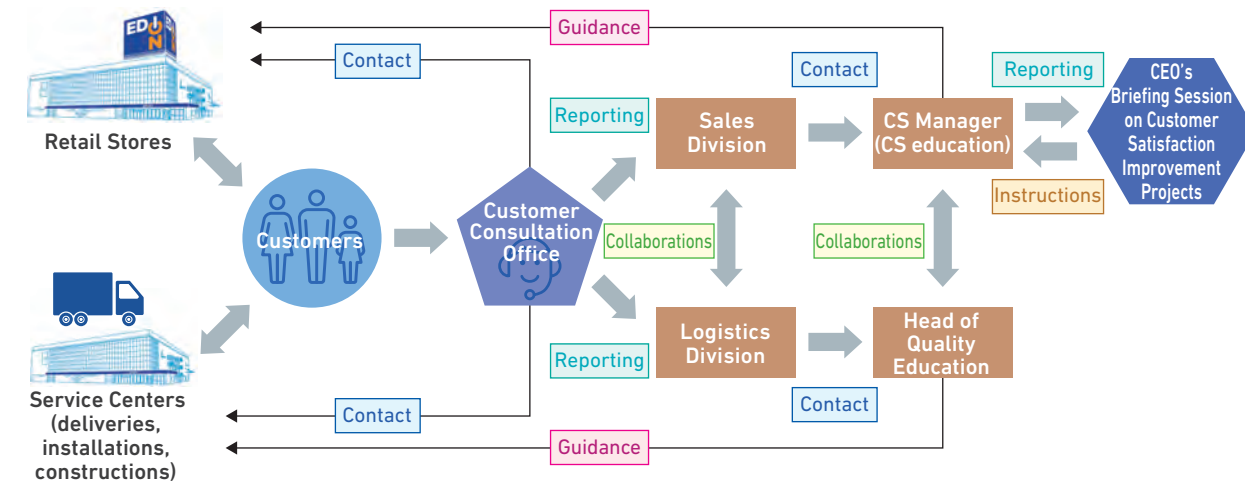
Distribution of the EDION App

Enables users to check purchase history and repair requests via an app

We distribute an "EDION App," which was developed in-house. The app contains many convenient and economical functions, including checks of flyers and money-saving products, issuing of discount coupons, and membership points for logging in. Users can also check product data and word-of-mouth information just by waving their phone over the electronic price tag at the store. By linking the app with their membership card, they can also check their purchase history or the validity of a long-term repair warranty any time, or request a home visit repair.

The app has been downloaded a total of more than 8.9 million times (as of the end of March 2023). Convenience improves all the time, through regular updates.

Mechanisms for Tying Customer Feedback into Improvements



Leveraging Customer Experiences

The strength of real stores is that customers can experience the products' various functions and what it feels like to use them.

For example, in the case of kitchen appliances, they can compare the taste of rice prepared using different rice cookers or taste fresh-brewed coffee to check their own preferences that they would not know by just reading a catalog.

In the TV sales corner that combines high quality, large screen TVs with the latest audio systems, they can experience sights and sounds overflowing with realism. Other stores offer simulators that use gaming computers that everyone is talking about, or booths where they can experience video capture. Our goal is to create stores with outstanding entertainment value, by filling our stores with spaces that stimulate all five senses.

Free Wi-Fi networks are provided at all stores. Customers can experience the latest in IoT home electronics, and through the EDION App, they can check product explanations through the electronic price tag, or directly access the e-commerce site. This enables us to respond quickly to customer needs that change with the times.

In May 2022, the home improvement corner at the EDION Hiroshima Main Store began displaying actual barrier free home improvement products, a first for volume retailers, including home centers. These products offer important learnings for all customers who visit the store, such as kitchens and bathroom counters that take into account height and ease of use.

We will continue to respond sensitively to customer needs and societal trends, and to communicate the attractiveness of real stores that demonstrate diverse proposal capabilities.



High-Pressure Cleaner Demo Corner

This hands-on display demonstrates a variety of actual applications and functions, so that users can experience how the products feel in the real world before they make their purchase.



Racing Simulator

Racing simulators using high-performance gaming computers are installed in some stores.



Barrier-Free Home Improvement Corner

Actual products are on display, because we believe it is important for customers to experience the products' ease of use.



Video Capture Booths

Dedicated booths offer suggestions for video streaming using 4K video cameras and high-performance microphones.

EDION’s Sustainability

The EDION Group has long worked to resolve environmental problems and social issues. We created a Sustainability Policy amid major changes in the environment surrounding the company, so that we could contribute to a sustainable society by resolving social issues, while at the same time continually increasing corporate value. This policy describes the EDION Group’s basic approach to sustainability management. Based on this policy, each and every employee strives to achieve a sustainable society and to continually increase corporate value.

The EDION Group's Sustainability Policy

Created on May 24, 2023

The EDION Group’s goal is to be “a company that continually endeavors to support richness and abundance in our customers’ lives.” Through business activities based on a corporate philosophy and code of ethics, we respect dialogues with all stakeholders, and strive to contribute to a sustainable society and to achieve sustainable growth and increase corporate value for the company.

1. Resolving social issues and contributing to the community

Work to resolve social issues through business activities, and strive to collaborate and interact with the community, playing an active role in revitalizing the region and building a rich lifestyle environment.

2. Working to resolve environmental problems

Recognizing that reducing environmental impact is an important issue, strive to create a rich and smooth-running social environment by protecting the natural environment and biodiversity, while working to achieve a recycling oriented and carbon free society.

3. Respecting human rights

Respect the human rights of all stakeholders, regardless of gender, nationality, or other individual attributes, and contribute to achieving a society that respects the rights of all people by responding appropriately to risks and impacts on human rights arising through business activities, and by preventing violations of human rights before they occur.

4. Manpower trainings

Respect the diversity of employees, which are an important management resource, being the source of new value creation, put in place a work environment where each and every employee can enjoy motivation as well as both physical and mental health and safety, and strive to treat employ-ees fairly and develop their skills.

5. Compliance with laws and regulations, and fair trade

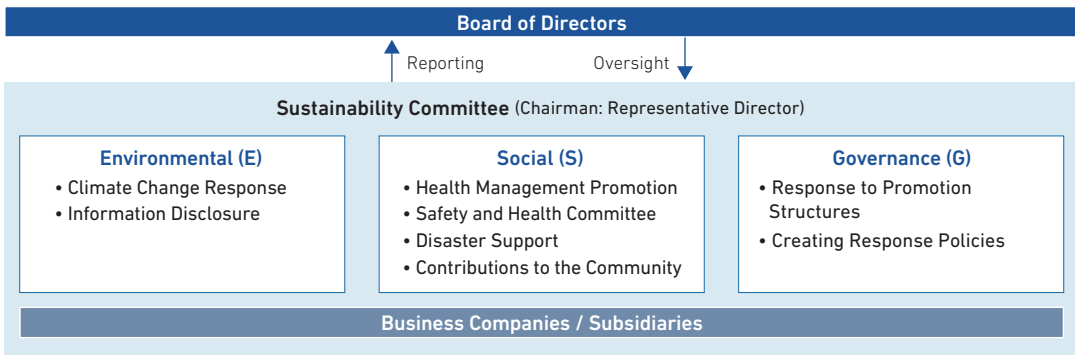
Comply with all laws, regulations, and social codes, and conduct fair business activities throughout the entire supply chain, for example by undertaking procurement activities in collaboration with business partners and demonstrating responsibility to society.

6. Information disclosure

Build strong trust relationships through collaborations and dialogue with stakeholders, and strive to actively disclose information and to ensure fair and highly transparent management.

Sustainability Structure

We established the Sustainability Committee in June 2022 to promote sus-tainability management throughout the Group as a whole, not only in the context of business activities, but with a focus on environmental protection and social contributions as well. This committee, chaired by Chairman and CEO Kubo, deliberates on important policies, initiatives, and activities related to sustainability, and reports appropriately to the Board of Directors. Upon receiving reports regarding the items discussed by the Sustainability Com-mittee, the Board of Directors undertakes management and supervision, for example by discussing important items at meetings of the Board of Directors as deemed necessary.



Priority Issues

In order to increase corporate value in the medium and long term in keeping with the EDION Group’s basic approach to sustainability, EDION has inventoried changes in the social environment that have an impact and the role that the company should play in society through its activities, as a means of identifying important priority issues.

STEP1 Recognize Social Issues	STEP2 Evaluate Importance	STEP3 Confirm Appropriateness	Identify Priority Issues
Priority Issues	Initiatives	Activities	Page
Helping Customers Realize Lives of Convenience and Affluence	Providing Attractive Products at Affordable Prices	Easy-to-understand price displays, and development of original products	P.18
	Rapid Response to Changing Lifestyles	Securing users of online apps	P.20
	Provide Outstanding Service	Put in place structures to increase customer satisfaction	P.20
	Provide Peace of Mind	Convenient and environment friendly store design	P.28
Contribute to a Decarbonized Society in Harmony with the Environment	Undertake Environment Friendly Product Sales, Logistics, and Services	Sell products that meet energy conservation standards	P.29
	Rollout of Environment Friendly Stores	Introduction of LED lighting at all stores, and installation of solar power systems	P.28
	Contribute to a Recycling-Oriented Society	Promote the "Recycle and Reuse" business	P.29
	Environmental Protection Activities	Participate in afforestation activities	P.29
Organizations that Offer Work Satisfaction, and Diverse Manpower Training	Health Management	Maintain a workplace environment where employees can continue to work in good health	P.37
	Promoting Optimum Work Safety (and Sanitation)	Promote the creation of attractive workplaces where employees can enjoy safety and peace of mind	P.37
	Promoting Work/Life Balance	Reduce overtime by improving work efficiency	P.38
	Promoting Employment of Persons with Disabilities	Promote the recruitment of diverse talent	P.39
	Building Comfortable Workplaces	Promote diversity & inclusion	P.39
	Manpower Training and Career Development	Training systems that lead to diverse careers	P.34
Actively Contributing to the Community	Promoting Sports	Operate sports divisions and sponsor sports teams and events	P.40
	Fostering the Next Generation	Support education through the robot programming business	P.30
	Disaster Support Activities	Put in place structures to continue store operations even in the event of a disaster	P.55
	Contributing to the Community	"Nationwide simultaneous cleanup" activities	P.41
Building Good Relationships with Business Partners and Shareholders	Strengthening Governance	Build management monitoring structures	P.48
	Sustainable Logistics	"White Logistics" initiatives	P.42
	Enhanced Stakeholder Communications	Disclose appropriate corporate information at the appropriate times	P.43
	Fair and Impartial Transactions with Business Partners	Establish a code of ethics, Declaration of Partnership Building	P.54
Establishing a Business Platform that Supports Sustainability	Continuous Business Activities	Continue stable business operations	P.59
	Promote Sustainability Management	Establish sustainability policies	P.22

Contribute to a Decarbonized Society in Harmony with the Environment

EDION recognizes that responding to climate change is an important management issue. In July 2021, we declared our support for TCFD* recommendations, and we will strive to enhance information disclosure based on TCFD. We will analyze the risks and opportunities for EDION's business presented by climate change and reflect these in corporate strategies and risk management, appropriately disclose progress, and contribute to decarbonization throughout society as a whole, as we strive for further growth.

Responding to TCFD Recommendations

EDION organizes activities related to the risks and opportunities involved in climate change according to the four disclosure items recommended by TCFD: Governance, Strategy, Risk Management, and Metrics & Targets. We will continue to disclose information related to climate change in accordance with the TCFD framework and strive to enhance these activities, to fulfill our responsibility for accountability to stakeholders.



*The Task Force on Climate-related Financial Disclosures (TCFD) was established by the Financial Stability Board (FSB) at the request of the G20, to study the disclosure of climate-related information and financial institutions' responses to climate change. In June 2017, it published recommendations calling for the disclosure of climate change impact in the financial reports of financial institutions and other companies and organizations.

1. Governance

EDION recognizes that the risks and opportunities accompanying climate change have a significant impact on business strategies and financial plans, and we established the Sustainability Committee in June 2022 to promote sustainability management throughout the Group as a whole. As an entity responsible for climate related issues, the Chairman and CEO fulfills his responsibility as the chairman of the Sustainability Committee, which acts under the supervision of the Board of Directors, making decisions as a key member of the Board of

Directors, and bearing responsibility for directing the execution of operations as the company's representative.

The Sustainability Committee's activities include inventorying information disclosure items and increasing the visibility of greenhouse gas emissions in keeping with TCFD recommendations, and establishing response methods and sustainability policies, while also discussing the progress of targets and initiatives, and reporting to the Board of Directors, which is the supervising body. Upon receiving reports

regarding the items discussed by the Sustainability Committee, the Board of Directors makes decisions following deliberations conducted as deemed necessary.

The Board of Directors is the body that makes final decisions for the company, and bears responsibility for all decision-making, including those involving problems related to climate change.

2. Strategies

[Scenario Analysis]

EDION recognizes that the increase in climate related damages from intensifying typhoons and torrential rains, and worldwide activities aimed at alleviating the effects of climate change (e.g., decarbonization), are important issues that have a significant impact on management and business as a whole. EDION conducts scenarios and scenario analyses to identify the risks for the Group presented by climate change and the impact of those risks, and to study the resilience of strategies and the need for additional measures assuming global conditions in 2030. As a result, we determined that the key issues are tracking changes in consumer lifestyles; mitigating and adapting to climate change; and responding to strengthened laws and regulations related to decarbonization and energy conservation.

In scenario analyses, referring to multiple existing scenarios published by the International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC), we envisioned two scenarios: the "1.5°C/2°C scenario," the goal of the Paris Accords, which assumes "holding the increase in the global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels," and the "4°C scenario," which assumes that the global average temperature will increase by 4°C if greenhouse gases continue to be emitted at the current pace.

IAE NZE2050 (International Energy Agency Net Zero Emissions by 2050) was adopted for the 1.5°C/2°C scenario, which brings to light transition risks such as strengthening regulations related to climate change, changes in markets, and consumer preferences, while the Intergovernmental Panel on Climate Change SSP5-8.5 and RCP8.5 were adopted for the 4°C scenario, which exposes physical risks such as natural disasters. The trends for risks and opportunities are the same in both the 1.5°C and 2°C scenarios, but we

are aware of the need to strengthen the level of activities and the speed of response to climate change more for the 1.5°C scenario than for the 2°C scenario. Based on these two scenarios, we identified climate related risks and opportunities in keeping with TCFD recommendations. Having done this, we identified transition risks (policies/laws and regulations, technologies, markets, and reputation), physical risks (acute and chronic), and opportunities (products and services) brought about by climate change.

[Results of Scenario Analyses]

As a result of the scenario analysis, we determined that in both the 1.5°C/2°C scenario and the 4°C scenario, the greatest risks for the EDION Group are a failure to keep up with changes in consumer lifestyles, and damage to the Group's reputation due to delays in alleviating or adapting to climate change. On the other hand, it would be possible to transform risks into opportunities by conducting continued scenario analyses and building business strategies that can respond quickly to global conditions under the 1.5°C/2°C and 4°C scenarios ahead of the competition.

For example, in the 1.5°C/2°C scenario, carbon taxes and strengthened regulations related to energy conservation are expected, and these will result in increased costs for EDION. In 2023, the risk that will have the greatest impact on finances is the introduction of carbon taxes, and in monetary terms, this impact is expected to be about ¥1.7 billion.

Meanwhile, as regulations are put in place regarding energy conservation and net zero energy buildings (ZEB) to achieve decarbonization, and as greenhouse gas emission regulations are strengthened, this will also lead to a change in social awareness. In that backdrop, demand for highly energy-efficient products with low greenhouse gas emissions will increase, and this also represents an opportunity for the

Reference Scenario	● 1.5°C/2°C scenario: IEA NZE2050 ● 4°C scenario: IPCC SSP5-8.5, RCP8.5
Scope of Businesses Covered	8 Group companies in the home electronics, home improvement, and logistics businesses
Target Year	Impact in 2030
Timeline	Given that the impact of climate change could manifest over a long period of time, the short-, medium-, and long-term timelines are defined as follows. ● Short term: Present ~ 1 yr. ● Medium term: 1 yr. ~ 5 yrs. ● Long term: 5 yr. ~

EDION Group, which is involved in the home electronics and home improvement businesses.

Meanwhile, in the 4°C scenario, as a result of increasingly severe natural disasters, damages from those disasters will be an issue, and sales opportunities are expected to be lost due to delays in deliveries resulting from interruptions in the supply chain. As average temperatures increase, there will be an increase in energy consumption for air conditioning to maintain temperatures and humidity at EDION workplaces, leading to increased costs for air conditioning. The resulting demand for highly energy-efficient air conditioners also presents an opportunity for EDION. Through these scenario analyses, we recognize the impact of climate-related risks and study appropriate responses. In this way, we strive to reduce the risks to business and gain opportunities to create value, so that we can secure sustainable stable earnings in the long term.

Contribute to a Decarbonized Society in Harmony with the Environment

Main Risks and Opportunities for EDION Resulting from Climate Change

Types of Risks and Opportunities		Risk/Opportunity Factors	Description of Main Risks and Opportunities, and Impact on the EDION Group	1.5/2°C Scenario		4°C Scenario	
				Timeline	Impact on Business/Finances	Timeline	Impact on Business/Finances
Risks	Transition Risks	Policies, Laws, and Regulations	Introduction of carbon taxes, and strengthened regulations related to energy conservation	Medium-term	High	N/A	
			Strengthened regulations related to product lifecycles (procurement, products, usage, disposal)			N/A	
			Violations of obligations related to policies, laws, and regulations, and failure to meet the needs of stakeholders	Short-term	High	Short-term	High
		Technologies	Delays or failures in preparing products and services for customers to contribute to alleviating or adapting to climate change	Medium-term	High	Medium-term	High
		Markets	Failure to identify changes in consumer lifestyles resulting from climate change	Medium-term	High	Medium-term	High
		Reputation	Damage to reputation among the outside stakeholders due to insufficient response to climate change	Short-term	High	Short-term	High
	Physical Risks	Acute	Increase in abnormal weather events such as typhoons and floods	Medium-term	Low	Medium-term	High
		Chronic	Changes in precipitation patterns and increased average temperatures	Medium-term	Low	Medium-term	High
Opportunities	Products and Services	Expand products and services for customers to contribute to alleviating or adapting to climate change, and respond to changes in consumer tastes	Increased sales resulting from increased demand for products and services that suit consumers' tastes and contribute to alleviating or adapting to climate change	Medium-term	High	Medium-term	High

3. Risk Management

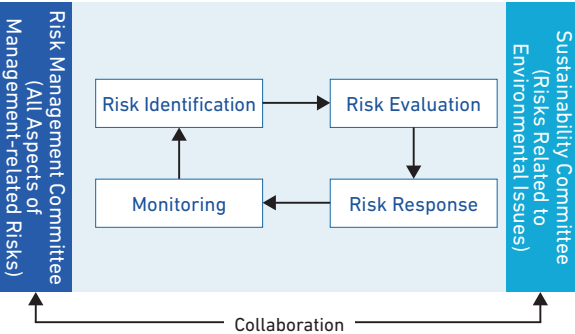
EDION has stipulated risk management regulations governing basic policies and management structures for risk management throughout the Group as a whole. We have established a Risk Management Committee based on these regulations, to comprehensively manage the risks surrounding Group companies.

The Risk Management Committee identifies risks that could adversely impact EDION's business, and evaluates the degree of impact and the possibility that the risks will be manifested, to verify the importance of those risks.

Management targets and specific countermeasures are decided for the expected risks, and the status of progress is constantly monitored. Reports on the status of risk management are submitted to the Board of Directors.

The Sustainability Committee evaluates and manages risks and opportunities related to climate change (e.g., CO2 emission regulations). It manages companywide climate change risks and opportunities, discusses and decides on methods for identifying, evaluating, and managing those risks and opportunities, and reports to the Board of Directors. The climate change risks identified are categorized into "transition risks" and "physical risks," the financial impact of the risks and opportunities is evaluated, and after important risks and opportunities are identified, they are discussed with the Risk Management Committee, and countermeasures are studied.

Risk Management Process



4. Indexes and Targets

EDION strives for operations that reduce greenhouse gas emissions, by introducing LED lighting fixtures and other energy-efficient facilities as well as clean energy facilities. By providing energy-efficient products and services, we help customers to understand the importance of these efforts. In this way, we actively contribute to achieving a carbon-free society.

● Indexes and Targets

We stipulated Scope 1, 2, and 3 CO2 emissions as indexes to manage climate related risks and opportunities, and set greenhouse gas reduction targets. We set the target of reducing Groupwide CO2 emissions 46% compared to FY2013 by FY2030, and we estimate that actual CO2 emissions in FY2022 were down 48% compared to FY2013.

● Greenhouse Gas Emissions (Scope 1/2/3)

EDION calculates greenhouse gas emissions generated through the entire Group's business activities. We estimate that Scope 1 and 2 greenhouse gas emissions in FY2022 were approximately 90,444t-CO2, and that Scope 3 emissions that year were approximately 33,682t-CO2. Scope 1 and 2 CO2 emissions are as shown in the chart on the right. We are conducting studies for the calculation of Scope 3 emissions (indirect emissions other than Scope 1 and 2), and we will disclose this information as it becomes available.

Scope 1/2/3 GHG Emissions and Forecasts

(Unit: t-CO2)				
	FY2013	FY2021	FY2022 Quick estimate	FY2022~ vs. FY2013 (reduction rate)
Scope 1	27,153	18,281	17,388	64% (-36%)
Scope 2	148,892	78,861	73,056	49% (-51%)
Scope 3 (partial)	61,780	36,976	33,682	55% (-45%)
Total	237,825	134,118	124,126	52% (-48%)

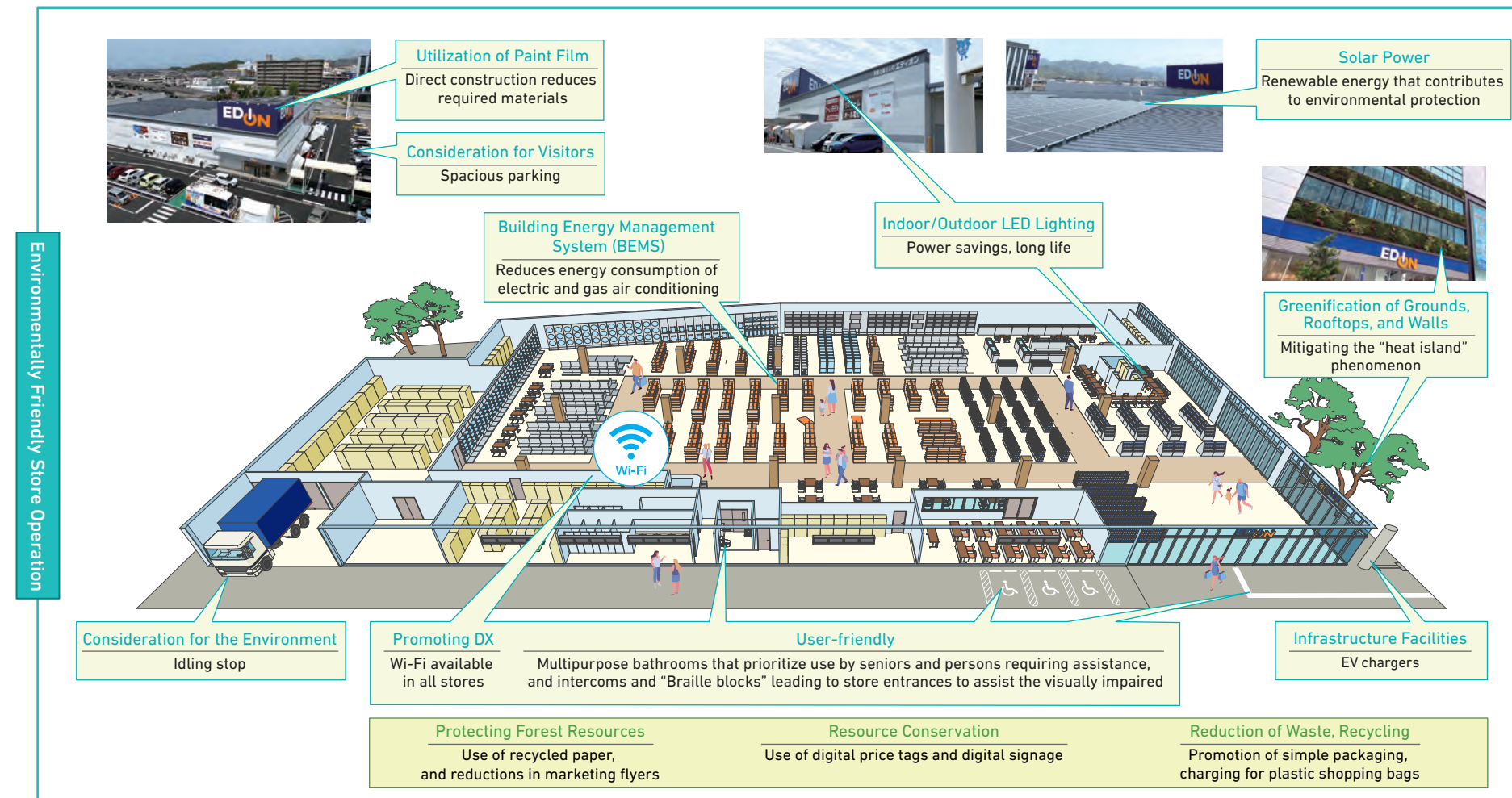
Scope 1 Direct in-house emissions (e.g., gas, gasoline, kerosene)
Scope 2 Indirect emissions generated by supplier companies (e.g., electricity)
Scope 3 Indirect emissions other than Scope 1/2, including upstream and downstream activities in the organization's value chain (Categories 1, 3, and 5)

For details, please refer to <https://www.edion.co.jp/Sustainability/tcdf>

Contribute to a Decarbonized Society in Harmony with the Environment

Convenient and Environment Friendly Store Design

The EDION Group's directly operated stores undertake energy-efficient operations, for example by appropriately setting temperatures for in-store air conditioning devices, regularly cleaning air conditioner filters, quickly turning out indoor lighting when business hours end, and turning off power sources for some displays when they are not needed when they are not in use. Outdoor signage, rooftop signage, and lighting for wall signs are also turned off as the situation allows.



Promoting Sales of Energy-efficient Home Electronics

EDION stores actively sell products that contribute to protecting the environment. In addition to selling energy-efficient home electronics, we promote an understanding of the importance of environmental protection by proposing energy-efficient products and services through our home improvement business, for example in the form of "all-electric" homes, storage batteries, water conserving toilets, and outer wall coverings with highly efficient heat insulation.

The subsidiary EDION HOUSE SYSTEM works to achieve a carbon-free society through large-scale energy generation and

energy-efficient installations, for example by installing industrial solar power systems and electric vehicle charging systems for business owners.

Forest Maintenance Activities

EDION participates in the "Hiroshima Forest Afforestation Activities in Takehara." These activities are conducted to prevent global warming and recover ecosystems, and also to regenerate mountain forests that are resistant to natural disasters.

Recently, EDION participated in afforestation activities to assist regions where trees had been washed away in torrential rains that occurred in July of 2018.

We conduct regional contribution activities while maintaining good relationships with the residents of those regions.

Himawari (Sunflower) Home Electronics Diagnostic Truck

This is a truck with special specs for diagnosing problems in home electronics. It's the only one of its kind in Japan. Now in its third generation, the current Himawari travels all around Japan, mainly to support new store openings and participate in other events.

It is equipped with various antennas, testers, and tools that allow dedicated staff to provide free diagnoses of problems in home electronics products brought in by customers. If any problems are discovered, they are repaired.

In the event of earthquakes, torrential rains, or other natural disasters, Himawari travels to affected areas and provides support by playing a role as a base for receiving home electronics repair requests. In July 2020, it was dispatched to Hitoyoshi City in Kumamoto Prefecture, which had suffered severe damage from torrential rains, to repair various home electronics.



3rd-generation Himawari

Reducing Waste Materials

In 2012, we established the subsidiary E.R. JAPAN Corporation. This company undertakes the recycling and reuse business, and works with the Group as a whole to achieve a recycling-oriented society that uses resources effectively.

The recycling business supports the domestic recycling of resources, by collecting useful materials such as plastics, aluminum, steel, and mixed metals comprising gold, silver, copper, and other rare metals, and selling these materials to metals trading companies and refining plants. IT devices are carefully sorted and disassembled by individual employees through manual operations, enabling recycling down to the level of a single small bolt. In the reuse business, individual employees carefully delete data from PCs, mobile phones, and other devices bought back from customers one by one, and repair external casings and other components so that the products can be re-sold.



Emissions from Industrial Waste

(FY2022)



52,154t

To contribute to a recycling-oriented society, EDION promotes the appropriate recovery, reuse, and recycling of industrial waste and used home electronics.

Recycling Volumes

(FY2022)



9,100t

By putting in place a recovery system that unifies the entire Group, we have achieved safe and reliable recycling that promotes the formation of a recycling-oriented society.

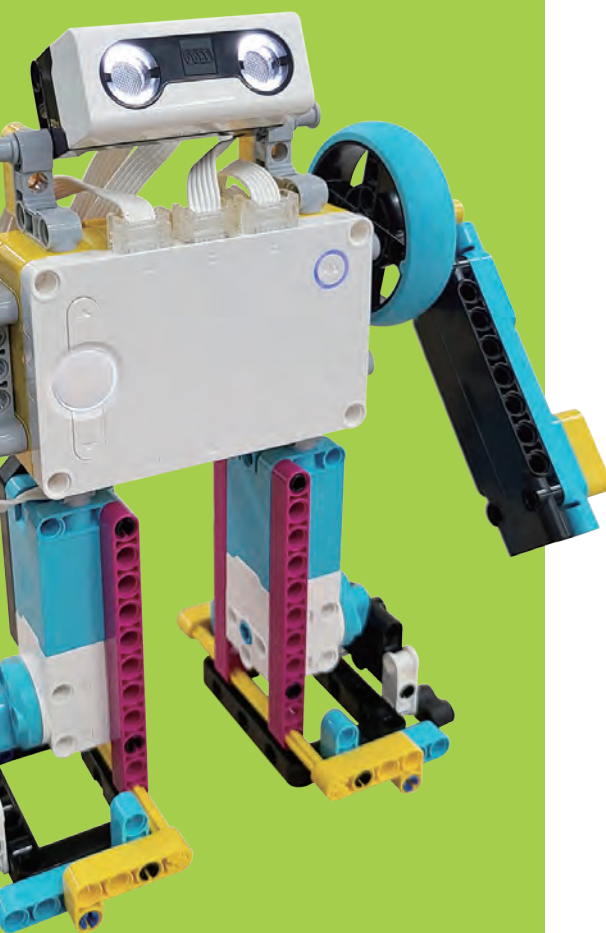
Number of Solar Power Systems Installed, and CO₂ Reductions

(FY2022)

70 locations
More than 1,600t/yr.

EDION has installed solar power systems at 70 stores and service centers nationwide, contributing to CO₂ reductions of more than 1,600t/yr.

Special Feature 3



EDION's Education Business

Our Goal is to Provide High-quality Education to Even More Children



From left: Robo-Done; Sales Division General Manager, Shinya Otsu
Youmemiru Inc.; President, Akinori Shigemi

EDION started the education business in 2018 based on a belief that “Home electronics enrich people’s current lives, and education enriches people’s future lives.” In 2019, we made Youmemiru Inc. —which operates Robo-Done, a robot programming class for children with 104 locations nationwide—an EDION subsidiary. Classes are currently held in EDION stores in addition to existing Robo-Done schools. Based on the concept of “Turn liking into learning, and connect with society,” the goal of Robo-Done is to foster in children “The ability to follow through, the ability to think, and the ability to relate with others.” For this reason, “pair work” is an essential element of the lessons, as Robo-Done classes adopt a unique framework that encourages children to achieve their mission through teamwork and communication.

Role of the Education Business and Future Business Rollout

Creating Core EDION Fans and Securing a Broad Range of Talent

For EDION, which operates in the business domain of home electronics sales, the education business contributes to creating core EDION fans. By allowing children to come in contact with EDION’s business from an early age, and to feel a sense of familiarity, we can generate synergy that will serve as a trigger which brings these people to the stores in the future as customers. Moving forward, based on a policy of expanding business mainly by opening new in-store classrooms, Robo-Done is planning to have 45 classrooms in EDION stores nationwide in FY2025, with 3,000 students.

The number of Robo-Done students is increasing steadily; as of the end of March 2023, there were 5,603 students in total. We believe that one reason for this growing popularity is that programming education has begun in elementary schools, and in 2025, “information”—including programming—will be introduced as a fundamental subject on standardized university entrance exams. As such, there will be an increasing need among families to have children attend programming classes at an early stage. Most of the students are in Grade 2 or 3 of elementary school, and children can begin lessons from age 5. The curriculum uses robots as teaching materials for education, but when students enter their fourth year, in addition to using apps as teaching materials, the students are able to learn programming using “the Python” language, acquiring skills that can be put to use in the real world. We have heard that most of the students attending Robo-Done also attend multiple other afterschool lessons, but this is just an indication of the high level of interest, as programming education comes to be accepted as an appropriate lesson for young children. Up to now, programming classes have mainly been held in metropolitan areas, but in the future, by holding classes nationwide using stores

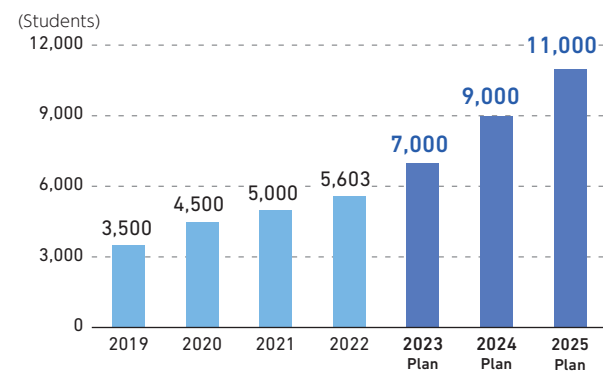
in outlying areas as well, we hope to offer high-quality education to even more children.

At the same time, we are aware that securing instructors is an issue if we are to expand this business, so we have put out a call for new people to come and join us. This may be due in part to an increased recognition of the education business within the company, but we are happy to see that in interviews of employees conducted by EDION, an increasing number of employees have expressed a desire to go into the education business as a career. In fact, many of EDION’s employees already have a teaching license, and I think they see this as a new career stage in which they can apply their own skills.

In terms of promoting active involvement by seniors as well, we would like to see employees with management experience, like store managers and deputy managers who are approaching retirement, take on a second career as a classroom manager or classroom owners. I believe that this could be an attractive new life stage for them as well.

By increasing the awareness of EDION’s programming education business among the general population as well, if we can draw the interest of people who might not have considered EDION as an employer in the past, then we can open up a path to securing an even broader range of talent, and I think that this will also tie in to strengthening the structures for expanding business in the future.

Number of Robo-Done Students



Hosting Japan’s Largest Programming Contest

“Venues for Announcing Students’ Achievements” and “Increasing Corporate Value”

Every year, we hold the “Done Cup” as a venue for announcing students’ achievements. The fifth Done Cup, which was held last year, was the largest ever, with 2,113 participants. This event has become the largest programming contest to be held by a private sector programming school in Japan. As a venue for demonstrating the skills and strengths that they have learned in the classroom, this contest provides an opportunity for the children to see the results of their day-to-day efforts, and for parents to see how much their children have grown. The next Done Cup event is scheduled to be held in December 2023. Starting from this year, the scale of the venue will be expanded to enable the general public to attend the event as well.

We are also planning to hold other collaboration events with companies that support this initiative. By opening up this event, which was accessible only to registered students in the past, to participation by the general public, we will not only expand the scale of the event, but also transcend the boundaries of a conventional programming contest, creating new contact points with customers as part of CSR activities, and also increasing corporate value for EDION and other participating companies.

In 2022, three teams from Robo-Done*1 won in Japanese competitions to earn a place at the World Robot Olympiad (WRO), an international robotics competition. In the final results, two of these teams took 4th and 7th place, a first for Japanese participants. In 2023, we are preparing to increase the level of education, so that we can achieve even better results.

*1: About 1,500 teams participated in the Japanese competition, and 13 teams went on to compete in the international contest. Three of those 13 teams were from Robo-Done.



Organizations that Offer Work Satisfaction and Diverse Manpower Training

HR Supervising Manager Interview



Human resources are the most important form of management capital in achieving continuous growth for the company. I believe that if each and every employee can refine his or her skills, maintain a high level of motivation, and demonstrate their full potential, both the employees and the company will grow as a result. I undertake activities with an awareness that the company's role is to provide a variety of opportunities to achieve that goal.

Since I joined the company in 1996, starting out in customer service at the stores and working my way up to store manager and area manager, I have been involved in sales planning, sales promotions, and store development at the Head Office. In 2021, I was assigned to the HR Department, which is a management division, but until I actually became involved in the work, I didn't have a clear image of what the work entailed. But when I saw how the staff of the various divisions, including the HR Department and the Human Resources Development Department that I was in charge of, worked very hard every day with a positive attitude in their respective areas of specialization, I felt more at ease. I also felt a strong and renewed sense of mission; namely, that I needed to contribute to increasing EDION's corporate value from the perspective of human resources.

E-commerce sales of home electronics products have been increasing as a component of sales with each passing year, but EDION is a retailer, and our business model focuses on face-to-face sales to customers at brick-and-mortar stores. This means that for EDION, human resources are the most important form of management capital.

In order to achieve growth moving forward, we need to increase quality through continuous investments, and to build structures that enable all employees to demonstrate their full potential through appropriate placement. To do this, as the head of the division that leads HR, I need to find ways of increasing engagement and building environments and frameworks that enable front-line employees to work with a positive attitude. I see this as the most important aspect of my work.

Manpower Training Programs

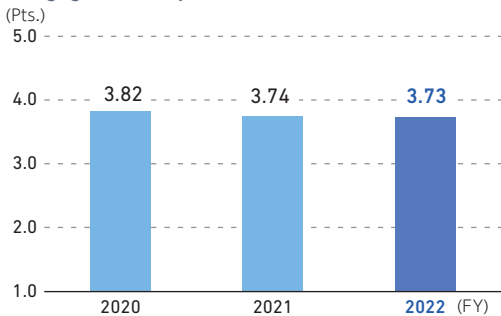
(FY2022)



201
Approx. 46hrs.

In fields that were not effectively covered through in-house training in the past, manpower education programs have been expanded; e.g., by increasing external training.

Work Engagement (5-pt. scale)



Medium-Term Management Vision “Create Robust Human Resources for the Future”

In order to respond to the changing market environment, we have set a goal of building – by FY2025 – a corporate structure with a firm foundation based on the infrastructure platform, the business platform, and the customer platform. In terms of HR strategies as well, we are conducting a variety of activities that are tied into the Medium-Term Management Vision.

This year, to increase productivity, we increased annual holidays by one day, and reduced regular working hours, and also increased employees' base salaries by ¥10,000 across the board. We also put in place a system that enables all employees to take four or more consecutive days off once every six months. Average overtime has declined to less than half of what it was five years ago, but we are working on making additional corrections here, while further increasing operating efficiency.

With regard to in-house infrastructures used in operations, we use systems from predecessor companies before integration, and multiple systems were operating in tandem within the HR Department as well. Being aware of the need to quickly make improvements in terms of both efficiency and costs, we introduced an HR system that can be managed centrally. As a result of the decision to introduce this new system, employee skills and experience are effectively managed and visualized, making it possible to operate a more efficient HR management system. In addition to supporting talent management and relocation of skilled employees, we are now able to efficiently control shifts and overtime in the stores. In terms of costs as well, by unifying

these systems, we are able to control running costs required for maintenance and operations.

EDION's manpower training programs focus on fostering employees who can respond to an era of rapid changes. During COVID-19, we enhanced our training with a focus on online contents, and also expanded the programs themselves, for example by increasing outside training in addition to the in-house training used in the past. In April 2023, we established the EDION Academy as a means of providing employees with training and practical experience in keeping with the career plans that they have created themselves, and to reflect these experiences in future staff placements. In this first year of the Academy's operations, we have created courses targeting specialized positions at the Head Office, and we have begun training for employees aged up to around 40 as candidates for future executive positions. We will continue to create a variety of new courses, strengthening activities aimed at “creating robust human resources for the future,” as put forward in the Medium-Term Management Vision.

Ideal Form for theFuture

Each year, we conduct employee surveys regarding the details of current duties, self-evaluation, and preferred work locations. The goal of these surveys is to analyze engagement from a variety of perspectives – for example, at individual stores – and to increase employee satisfaction. We also conduct surveys regarding the employees' desired divisions for placement and confirmations of future career visions. One example of these activities is in calls for HR transfers. We put out calls for relocation to EDION stores, but also staff handling new products and new business, as

in the case of the “Robo-Done” robot programming classroom and product planning for the private brand “e angle.” We want to actively provide opportunities for employees to demonstrate their skills in the divisions where they want to work or the fields where they want to gain experience.

When you are continually growing a company, you will undoubtedly face challenges. The major difference compared to past approaches is that EDION sees “human resources” as the source of future growth. We will resolve issues for employees by effectively investing in human resources and promoting a variety of activities with an awareness of what these employees are capable of.



Organizations that Offer Work Satisfaction and Diverse Manpower Training

Manpower Training

Manpower Training

As part of the evaluation system, we have introduced performance evaluations tied into management targets and behavior evaluations based on organizational behavior standards. Practicing behaviors that tie into results, using this evaluation system as an index, will also lead to the growth of each individual. In addition to evaluation results, we use various manpower training systems, including accreditations, self-development, and online training, which in turn increases employee motivation and promotes skills development.

Development of the Learning Environment

We have implemented training that combines face-to-face and online training depending on the goals. Knowledge acquisition and self-development are achieved with training videos, while customer service and collaborative skills are acquired through face-to-face group training or online training. Using videos to pick up basic knowledge and key points in advance allows more time to be allocated to collaborative learning, group work, and role-playing at real training venues.



Online Training Screen

Implementation of Various Training Programmes

Through training in customer service dialogue and etiquette, employees learn how to interact with customers sincerely. To ensure that employees can train efficiently as they work, we have enhanced the training program at the “EDION Movie Academy,” an original e-learning platform, along with training using an online conference system.

<Training Policy>

- Manpower training based on the corporate philosophy
- Training programs constructed in keeping with corporate policies
- The goal of training is to increase customer satisfaction and employee satisfaction

Goal-specific Training

Name of Training	Target
Coacher Training [Sales] (Online Training Video)	Coachers
Coacher Training [Logistics S]	Coachers
Women's Career Vision Training	Regular employees (female)
Training for Selected Female Senior Staff	Senior staff (female)
Career Training	Retirees
Basic Knowledge Training for the Business World	New recruits (before starting employment)
Partner Training Support (Training by CS Training Staff)	Contract employees/partners
e-learning “Schoo”	Head Office division employees

In addition to learning specialized knowledge, employees receive a variety of training to cultivate a sense of “Omotenashi.”



Coacher Training



New Employee Training

Number Receiving Certification

Name of Certification	# certified
Comprehensive Home Electronics Product Advisor	3,075
Photomaster Exam (Grade 2 and above)	806
Smart Master	484
(National) Type II Health Supervisor	543
(National) Type II Electrician	539
(National) Grade A Fire Marshall	1,275
(National) Operating Chief for Asbestos Work	782
No. of Employees with Certifications (Total in FY2022)	10,037

We actively support employees obtaining certifications to improve customer satisfaction by promoting increased employee skills.

Reassignment through In-house Calls for Applicants

We actively put out in-house calls for positions including new stores, new business, and the handling of specialized products, so that individual employees can utilize their specialized skills, experience, and qualifications. There is a strict selection process, even as we respect the ideas and approaches of individual applicants, and the final decision is made based on the judgment that the individual can handle the duties in question, so can demonstrate his or her full potential.

In the education business, applicants will be recruited mainly through in-house calls for applicants. We believe that the most appropriate staff are those with a desire to contribute to society through education.

Once each year, EDION provides all employees with an opportunity to apply for their desired careers, and the number of employees who want to be involved in the education business is increasing every year.

Many of EDION's employees have obtained teaching licenses, and the education business is an optimum venue for making good use of those skills. If they have a passion for being involved in education, and if they successfully complete the selection process, then they can change jobs to become a programming teacher for children.

People who undergo training with a high degree of personal motivation and then are assigned to the new position tend to

learn autonomously and pick up on things through the course of their day-to-day work activities. I believe that this also ties into their future career development. In the spring of 2023, when we wanted to fill the position of classroom manager at the newly opened EDION Fukuyama Main Store school and the Kurashiki Main Store school, we put out an in-house call for applicants, selected candidates, and conducted interviews. These classroom managers maintain a high level of motivation for the next step, handling not only the classes, but a broad range of other activities as well, including classroom operations.

We will continue to recruit staff in this business through in-house calls for applicants so that we can recruit people with a passion for the children's growth and for the development of the education business.



Naoyuki Ishigaki
Robo-Done Sales Division Manager

Comments from an Employee Who Responded to the In-house call



Tetsuya Okano
Classroom manager; Fukuyama Main Store School

I was appointed Robo-Done Classroom Manager through the in-house call for applicants. When I was in university, I originally wanted to be a teacher, so I got my teaching license. I responded to the call for applications right away, because it allowed me to get involved in the work I was interested in when I was a student without having to change jobs, and because I could start in a completely different business while still working in a volume home electronics store.

After I was accepted, I participated in a six-week training course at one of the directly operated schools. When I actually dove in on the front lines, it was the first time that I ever taught programming to children, so at first, everything was completely new to me. I felt a little lost in the beginning, but

even though it is a classroom for studying, the children were having fun learning together, and the atmosphere at Robo-Done was just as I imagined it, so I felt much more at ease.

I heard that the home electronics sales business supports the current lifestyles of customers, but the education business supports their future lifestyles. The programming classrooms are still mainly located in metropolitan areas, so there are many undeveloped regions. In my career plan for the future, I would like to be involved not just in the classrooms, but in the growth of the business itself.

Organizations that Offer Work Satisfaction and Diverse Manpower Training

Creating Comfortable Workplaces

We implement a variety of initiatives and support in keeping with the respective lifestyles of individual employees. These include promoting work-life balance, a support system for workers with dependents (childcare/long-term care support), benefits that support diverse workstyles, and thorough health and safety measures. The Business Improvement and Cost Reduction Committee members play a central role in gathering ideas on day-to-day operational improvements and workstyle reforms, and in promoting the creation of workplaces where employees can work in comfort.

Number of Employees

Scope	Category	FY2018	FY2019	FY2020	FY2021	FY2022
Non-consolidated	Full-time employees	7,834	7,830	7,918	8,037	8,087
	Male	6,846	6,798	6,866	6,905	6,921
	Female	988	1,032	1,052	1,132	1,166
	Temporary employees	6,127	6,273	6,377	6,426	6,098
	Total	13,961	14,103	14,295	14,463	14,185
Group	Full-time employees	8,761	8,778	9,007	9,158	9,258
	Temporary employees	6,827	7,111	7,202	7,276	6,907
	Total	15,588	15,889	16,209	16,434	16,165

Avg. Employee Age (Non-consolidated)

Category	FY2020	FY2021	FY2022
Overall	41 yrs. 6 mon.	41 yrs. 10 mon.	42 yrs. 6 mon.
Male	43 yrs. 0 mon.	43 yrs. 1 mon.	43 yrs. 10 mon.
Female	34 yrs. 0 mon.	34 yrs. 0 mon.	34 yrs. 5 mon.

Avg. Years of Employment (Non-consolidated)

Category	FY2020	FY2021	FY2022
Overall	16 yrs. 8 mon.	16 yrs. 10 mon.	17 yrs. 7 mon.
Male	18 yrs. 1 mon.	18 yrs. 1 mon.	18 yrs. 11 mon.
Female	10 yrs. 0 mon.	9 yrs. 0 mon.	9 yrs. 7 mon.

Turnover Rate (%) Note: Does not Include People Who Retire at the End of March

Category	FY2020	FY2021	FY2022
Overall	3.04	2.67	3.32
Male	2.53	2.26	2.64
Female	6.27	5.12	7.18

Ratio of Hires by Gender (employees)

Category	FY2020 (Started in April 2021)	FY2021 (Started in April 2022)	FY2022 (Started in April 2023)
Male	259	210	191
Female	131	129	64
Ratio of female employees	33.6%	38.1%	25.1%



Ratio of Male Employees Taking Childcare Leave, and Difference in Wages by Gender (Non-consolidated)

FY2022			
Ratio of male employees taking childcare leave (%)*2	Difference in wages by gender (%) *1, 3		
	All employees	Full-time employees	Part-time/ contract employees
76.1	42.7	69.8	68.2

^{*1}1. Calculated based on the stipulations of "Act on the Promotion of Women's Active Engagement in Professional Life" (Act No. 64; 2015)
^{*2}2. The ratio of employees taking childcare leave and time off for childcare as defined in Article 71-4, Paragraph 2 of the "Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members" (Ordinance of the Ministry of Labor No. 25; 1991) is calculated based on the stipulations of the "Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members" (Act No. 76; 1991).
^{*3}3. One of the main reasons for the difference in wages is that the average age of female employees and the average period of employment for female employees fall below male employees by 9 yrs. 5 mon. / 9 yrs. 4 mon. respectively.



Health Management

EDION places an emphasis on maintaining and improving the health of employees and their families. We encourage regular health checkups and promote preventative measures to ensure that employees can enjoy long and healthy careers with EDION.

Health Management Declaration

Since employees form EDION's management base, the health of employees and their families is essential to achieving EDION's management philosophy of "Achieving long-lasting customer satisfaction through outstanding products and reliable service."
EDION gives top priority to the physical and mental health of employees and their families, and declares that it will strive to maintain or improve employee health and promote health management so that employees can work at the peak of their abilities.

Recognized as a Health & Productivity Management Organization in 2023

EDION has been certified for four consecutive years by the Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi to be recognized in the 2023 Certified Health & Productivity Management Award (Large Enterprise Category) for excellence in strategically implementing health management initiatives from the perspective of managing employee health. Going forward, we will continue to strive to maintain and improve the health of our employees.

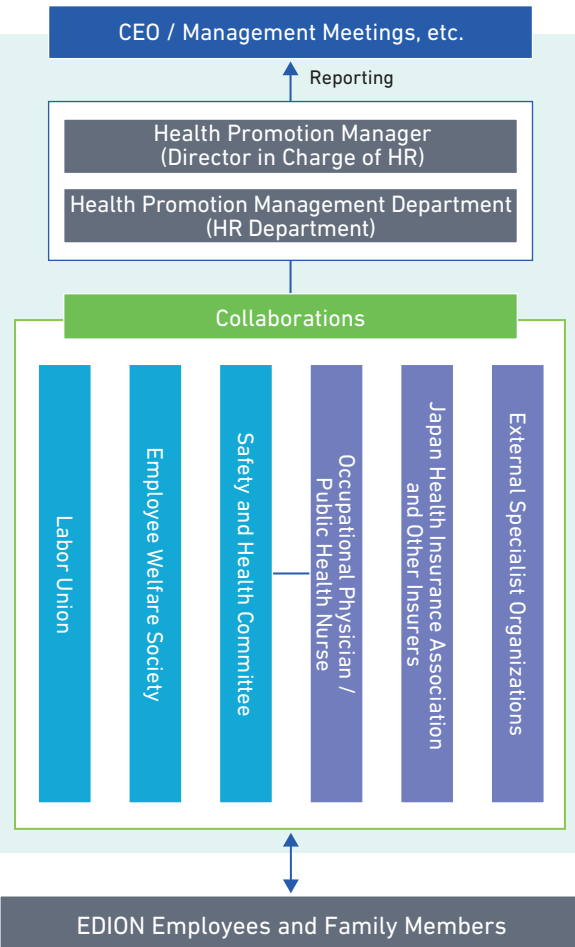
● Setting Health Management Guidelines

EDION set guidelines to further promote health management. Performance and targets are shown below.

Target item		FY2022 Performance	FY2023 Target
Achieve 100% ratio of employees getting health checkups		95.0%	100.0%
Reduce employees with lifestyle related disease risk		27.0%	26.8%
Increase ratio of employees getting stress checks		92.2%	93.0%
Reduce stress rates		6.4%	5.2%
Promote use of paid leave		10.4days	10.5days
Reduce employees who smoke		23.8%	23.0%
Reduce presenteeism*1 (losses)		21.9%	20.0%
Reduce absenteeism*2		0.78days	0.75days
Increase work engagement	Original in-house measurements *3	3.73pts.	3.90pts.
	Vitality/enthusiasm *4	2.63pts.	3.00pts.

^{*1}1 Presenteeism: A condition in which individuals still go to work despite being ill or experiencing symptoms of illness, with negative impact on business execution and productivity. (Measured using the University of Tokyo "Single-Item Presenteeism Question")
^{*2}2 Absenteeism: Absence from work due to illness or poor health (Conducted employee survey on work attendance over the past four weeks)
^{*3}3 Measured using an original in-house method based on an employee survey (5-pt. Scale)
^{*4}4 Measured items related to vitality and enthusiasm in a simple survey of work-related stress (shortened 80 item version)

Mechanisms to Promote and Improve Health



Organizations that Offer Work Satisfaction and Diverse Manpower Training

Improving Work/Life Balance

We are enhancing activities aimed at achieving reforms in autonomous approaches to work and vacations as a means of maintaining motivation and positive energy in the workplace. We believe that maintaining employee health and increasing workplace motivation enables employees to perform at their peak capacity and contributes to increased productivity.

● Reduction of Business Hours

We have reduced the business hours of some stores to nine hours. First, 78 stores will reduce the business hours, which will be expanded to a total of 200 stores by the end of March 2024.

By reducing the business hours, we will reduce CO₂ emissions and promote a better work-life balance for our employees.

● Introduction of a “Work Interval System”

EDION ensures that employees have a sufficient break between the end of one shift and the start of the next shift, to get enough sleep and enjoy personal time as well. We have implemented an attendance management system with a visual display to ensure that all employees have an 11-hour rest interval between shifts.

● Reducing Working Hours

Most EDION stores and service centers operate for more than 10 hours a day, but a shift system ensures that employees are not working excessive overtime hours.

● Improving Communications

EDION promotes company-wide recreational activities to improve workplace communications. The labor union newsletter “Harmony” is issued regularly to keep employees apprised of various workplace initiatives and labor/management projects.

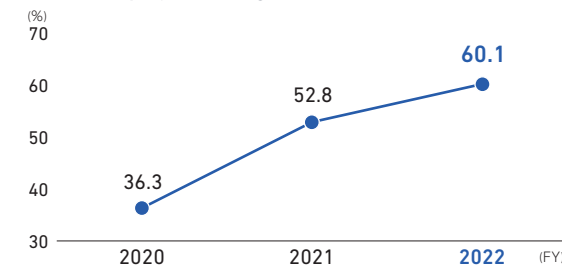
Mental Health Initiatives

As part of mental health measures, stress checks are conducted annually at all workplaces, rather than only workplaces with 50 employees or more as stipulated in the Industrial Safety and Health Act. Based on the results of these checks, public health nurses and other professionals visit workplaces where many employees are under stress, while occupational physicians provide consultations for employees experiencing high levels of stress.

Encouraging the Use of Systems

To promote the use of in-house systems, EDION provides manager-level training to ensure that managers are aware of and understand systems put in place to support employees in balancing work with responsibilities such as childbirth, childrearing, and caring for elderly family members.

Ratio of Employees Using Paid Leave



Number of Employees Taking Long-Term Care Leave / Number Returning to Work

		FY2020	FY2021	FY2022
Male	Number taking leave	3	3	3
	Number returning to work	3	1	3
Female	Number taking leave	9	8	12
	Number returning to work	8	5	11

Number of Employees Taking Childcare Leave / Number Returning to Work

		FY2020	FY2021	FY2022
Male	Number taking leave	2	9	21
	Number returning to work	2	5	15
Female	Number taking leave	109	95	95
	Number returning to work	80	91	97

* The ratio of employees taking childcare leave and time off for childcare as defined in Article 71, Paragraph 4-2 of the “Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members” (Ordinance of the Ministry of Labor No. 25; 1991) is calculated based on the stipulations of the “Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members” (Act No. 76; 1991).

Accommodating Second Jobs

In keeping with changes in society and workstyles, EDION allows employees to work at a second job to acquire knowledge and skills that could not be obtained only within the company, in order to improve the employee’s future career and promote manpower development that contributes to the company.

Healthy Labor/Management Relationships

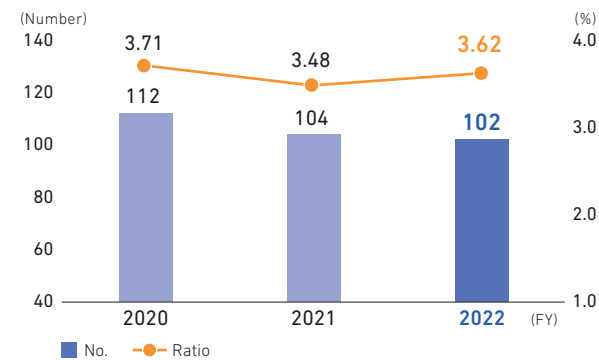
EDION conducts discussions and exchanges of information to build healthy relationships between labor and management. It holds regular meetings of the Management Council, the Joint Labor/Management Conference, and the Time Management Conference to discuss matters such as wage disputes and bonus negotiations and to create guidelines for disaster response, and quickly communicates the results of those discussions via the in-house portal site and other media.

Diversity and Inclusion

Promoting Participation by Women

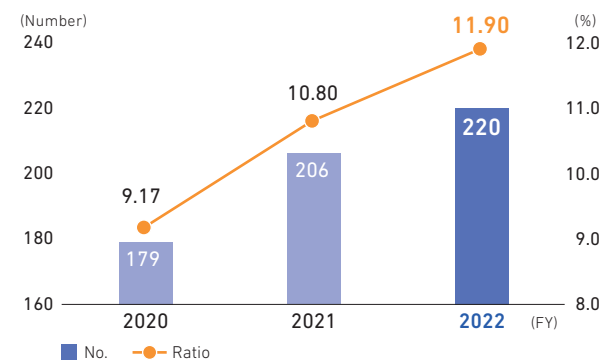
As noted earlier, part of the EDION Group’s code of ethics states: “We strive to create a comfortable workplace, and one in which employees are treated fairly and equitably, and have equal opportunities for skill development.” With this in mind, we coordinate with labor unions to promote active participation by female employees.

Ratio of Female Senior Staff* (Non-consolidated)



*Ratio of female senior staff = No. of female senior staff / No. of senior staff

Ratio of Female Senior Staff Candidates* (Non-consolidated)



* Ratio of female senior staff candidates = No. of female senior staff candidates / No. of senior staff candidates

Support for Employees with Children

EDION has received “Kurumin” certification from the Ministry of Health, Labour and Welfare as a company that offers support for childcare. The Kurumin system, which is based on the Act on Advancement of Measures to Support Raising Next-Generation Children, applies to companies that meet specified standards.

EDION has implemented a number of original systems to support employees who are raising children; for example, male employees can take two days of special paid holiday when their spouse gives birth. We are working on various activities, including the production of a training video aimed at encouraging employees to take maternity and childcare leave.

The fourth plan (March 2021 to February 2023) was created with a focus on educating male employees regarding childcare leave, and encouraging them to use the system. Information is provided to all employees through the in-house portal site and the labor union newsletter, resulting in an increase in the number of employees applying for childcare leave.

No. of Employees Taking Special Paid Paternity Leave

	FY2020	FY2021	FY2022
Number taking leave	117	86	96

● Short Working Hour System for Childcare and Long-Term Care

A system has been introduced to allow short working hours to accommodate time for raising children, mainly for employees returning to work after taking childcare leave. A similar system of short working hours has also been introduced for employees caring for elderly family members. Employees can choose to work for five, six, or seven hours per day, to ensure an optimum work/life balance.

Promoting Employment of People with Disabilities

Our goal is to be a company in which anyone can work with peace of mind, for example by putting in place comfortable workplace environments and providing thorough guidance throughout the Group as a whole. The subsidiary E.R. JAPAN Corporation maintains an environment where it is easy for people with disabilities to work. In FY2022, the employment ratio for persons with disabilities was 2.39%. Since May 2019, we have been assisting people with disabilities in participating in society through a new program that supports work in farming and other areas of agriculture.

Use of Senior Manpower

EDION has put in place a re-employment system for retirees. Since 2020, the company is investing effort into creating an environment in which seniors can continue to work if they wish to do so. For example, the retirement age, which was 60 in the past, is being extended by one year at a time, and from 2029 onward, the retirement age will be increased to 65s.

Labor-Management Diversity Promotion Project

EDION has implemented the Labor-Management Diversity Promotion Project so that individual employees can choose flexibly from a wide range of work styles in keeping with their own life stage, regardless of their gender or situation. Labor and management work together to discuss and propose solutions to a variety of issues. The company also conducts educational activities, for example by creating guidebooks.

Actively Contributing to the Community

Promoting Sports

EDION contributes to the promotion and development of sports, mainly through the "EDION Women's Track and Field Club" (established in 1989) and the "EDION Archery Club" (established in 1990).

EDION Women's Track and Field Club

<https://www.edion.co.jp/athlete/>

The EDION Women's Track and Field Club continues to be active in a variety of events, with eight athletes in the long-distance block and three in the regular event block (as of March 2023). These athletes have won medals at competitions around the world, as representatives of Japan. Since the Club was formed in 1989, members have participated 89 times in the All-Japan Women's Corporate Ekiden Championship, which determines Japan's top long-distance relay race runners.

•Community Contributions by the Women's Track and Field Club

The Club holds track and field classes for regional elementary and junior high school students, providing children with easy to understand instruction in the basics of running and how to use their bodies. By communicating the joy of track and field through these interactions with local children, the team members actively contribute not only to promoting sports, but to the community as a whole.



EDION Archery Club

<https://www.edion.co.jp/csr/community/archery>

Established in 1990; members have won first place in numerous national competitions, and have participated in international competitions as well.



EDION Women's Track and Field Club

2020	103rd Japan Championships in Athletics Cross Country Running	Senior Women's 8km	1st Place	Yukari Ishizawa
	44th All Japan Race Walk - Nomi	20km Walking	1st Place	Nanako Fujii
2021	104th Japan Championships in Athletics	20km Walking	1st Place	Nanako Fujii
	104th Japan Championships in Athletics Cross Country Running	Senior Women's 8km	1st Place	Kaede Hagitani
	36th Shizuoka International Athletics Meet	800m	1st Place	Yume Kitamura
	32nd Olympic Games (Tokyo, Japan)	100mH	Competed	Ayako Kimura
2022	29th World Athletics Race Walking Team Championships (Muscat, Oman)	5,000m	Competed	Kaede Hagitani
		20km Walking	13th Place	Nanako Fujii
	106th Japan Championships in Athletics	20km Walking	5th Place	Nanako Fujii
		Running High Jump	2nd Place	Reina Takeyama
	18th World Athletics Championships (Oregon, USA)	5,000m	Competed	Kaede Hagitani
		20km Walking	6th Place	Nanako Fujii

2022	70th All Japan Inter-Corporate Track & Field Championships	20km Walking	1st Place	Nanako Fujii
	London Marathon	Marathon	9th Place	Ai Hosoda
	Queen's Ekiden in Miyagi 42nd All-Japan Women's Corporate Ekiden Championships	Ekiden (long-distance relay race)	4th Place	Team

EDION Archery Club

2020	Hiroshima Chairman's Cup	Recurve Men's team	New Japanese record	Hideki Kikuchi / Ayumi Iwata / Yuki Kawata
	68th All Japan Industrial Archery Championships	Men's Recurve	1st Place	Yuki Kawata
2021	32nd Olympic Games (Tokyo, Japan)	Men's Individual	Competed	Yuki Kawata
		Men's team	Bronze Medal	Yuki Kawata
2022	70th All Japan Industrial Archery Championships	Men's Recurve	1st Place	Yuki Kawata

SANFRECCE HIROSHIMA

EDION has been contributing to the promotion and development of regional sports as a top club partner since 1997.

In the 2022 season, Sanfrecce Hiroshima won the J. League YBC Levain Cup for the first time since the club's inception.



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Sanfrecce Hiroshima Regina

EDION is a member club partner for Japan's first women's professional soccer league (WE League), which was established in 2020.



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Professional Baseball Sponsorship Activities

We have signed a sponsorship agreement with the Chunichi Dragons, Hiroshima Toyo Carp, and Fukuoka SoftBank HAWKS. Sales and other events held in support of these teams have a positive impact on both the teams and the stores.

Our subsidiary SANKYU Co., Ltd. also supports the professional baseball team Hokkaido Nippon-Ham Fighters.

Acquisition of Naming Rights

As a member of the local community, we have acquired naming rights for various facilities in the spirit of contributing to the development of local sports and culture. These include the EDION Stadium Hiroshima (the Hiroshima Regional Park Main Stadium), which serves as a home stadium for the J. League club Sanfrecce Hiroshima, as well as EDION Arena Osaka (the Osaka Prefectural Gymnasium) and EDION Hisaya Plaza (Hisaya Odori Park) in Nagoya.



EDION Arena Osaka

Detonation Gaming (Professional Esports Team)

Based on a sponsorship agreement completed in 2018, EDION actively holds in-store events featuring the Detonation Gaming team. The company also contributes to the promotion and development of e-sports, for example by setting up related booths and product proposal corners.



Promoting Culture and Contributing to Society

Nationwide Simultaneous Cleanup Activities

Since 2007, EDION has conducted "Nationwide simultaneous cleanup" activities, not only around Head Office workplaces, directly operated stores, and service centers, but in public areas such as roadways and parks as well. Each year, some 10,000 employees from about 480 bases nationwide participate in these activities.



Support for Paralympic Art®

EDION has provided support for Paralympic Art® as an official partner since September 2021. Through these collaborations, we will strive for greater harmony with the regional community, and contribute to achieving a sustainable society.



Support for Ukrainian Refugees

In response to a request from the cities of Osaka, Kobe, and Hiroshima, which received Ukrainian refugees, we donated home electronics products that are essential to people's lives.

Building Strong Relationships with Business Partners and Shareholders

Involvement with Business Partners

The EDION Group's code of ethics states that we will "Conduct transparent business with our partners and strive for mutual development," and "Strictly handle personal information and corporate confidentiality of customers and business partners." We deal fairly and impartially with our suppliers, affiliate companies, and other business partners, and during business transactions, we strictly abide by laws and regulations related to commercial transactions as well as healthy business practices, and maintain clear transaction conditions and good relationships, to promote the mutual growth of all parties involved.

Promoting Fair Business Transactions

As we observe laws and sound business practices related to commercial transactions, and strive for mutual development under transparent conditions and while maintaining good relationships, we also strictly screen potential collaborators to ensure compliance with all regulations pertaining to outsourcing and information management. We have established "Action Guidelines for Compliance with Antitrust Law," and we created an "Antitrust Law Compliance Manual," which is distributed to all EDION Group entities to promote strengthened awareness of compliance throughout the Group.

<Action Guidelines for Compliance with Antitrust Law>

The EDION Group will comply with antitrust law, other related laws, and sound business practices, and will conduct business activities based on the principle of free and fair competition.

Our business partners are partners with whom we have an equal relationship. The EDION Group seeks to establish long-term, reliable relationships of trust with our business partners.

"White Logistics" Movement — Voluntary Action Declaration Toward Realizing Sustainable Logistics —

We have declared our commitment to the following initiatives in support of the aims of the Ministry of Land, Infrastructure, Transport and Tourism's "White Logistics" Movement.

●Policy

We recognize continuously and reliably securing the logistics capabilities required for business activities as a management issue. As such, with the mutual understanding and cooperation of business partners, logistics companies, and other relevant parties, we will endeavor to achieve highly efficient logistics and realize workstyle reforms.

●Legal Compliance

We give due consideration in ensuring that our logistics company partners comply with labor-related laws and road freight business-related laws, for example by appropriately handling revisions in contracts and transportation details whenever there is a risk of legal violations.

●Clarification of Contract Details and Compliance with Contracts

We strive to clarify the details of all contracts, including those for shipping and non-shipping-related work such as handling and inspection, and endeavor to comply with those contracts in cooperation with related parties such as business partners and logistics companies.

Initiatives to Improve the Quality of Logistics Services

We are striving to improve quality not only through the efforts of our employees, but also by cooperating with collaborators. Specifically, collaborators in logistics conduct biannual etiquette training seminars to maintain and improve etiquette quality. We also focus on creating a system that can provide more comfortable services by sharing complaints and positive feedback, and working to prevent accidents and reoccurrences of issues when delivering services.

Etiquette Training in the Classroom



Technical Training

Activities with Shareholders

We will strive to continue growing sustainably, improve corporate value in the medium to long term, and fulfill our obligation to make social contributions. We will disclose important information regarding the management of the company to shareholders, investors, and other stakeholders both inside and outside the company in a timely and appropriate manner and actively communicate with those stakeholders.

Communications with Shareholders and Investors

EDION ensures the appropriate management of insider information, maintaining dialogs through various venues including IR meetings for institutional investors and individual explanations at securities companies for individual investors, in keeping with the rules of fair disclosure. We report regularly to the management team on comments and opinions from shareholders, and apply this information in future management. We disclose information appropriately based on Tokyo Stock Exchange regulations, and actively disclose items expected to contribute to shareholders' investment decisions on our company website.

Ordinary General Meetings of Shareholders are held in June of each year. When new measures are proposed, we send notices of convocation quickly and post the relevant information on our corporate website so that each proposal can be fully considered. We also have a system in place to enable shareholders to exercise voting rights in writing or online to improve convenience. The Ordinary General Meeting of Shareholders held in June 2023 has been archived for distribution.



Ordinary General Meeting of Shareholders

Basic Policy on Profit Distribution

In addition to ensuring a stable management platform, we feel that returning benefits to shareholders is an important management issue. Our basic policy is to determine dividends with attention to stable dividends for shareholders, business performance, and retained earnings to strengthen the management platform. EDION pays dividends from surplus twice a year: an interim dividend and a year-end dividend.

Dividend Per Share and Dividend Payout Ratio* (Unit: Yen)

	FY2019	FY 2020	FY 2021	FY 2022	FY 2023 Forecast*
Interim Dividend	18.00	20.00	22.00	22.00	22.00
Year-end Dividend	16.00	26.00	22.00	22.00	22.00
Annual Dividend	34.00	46.00	44.00	44.00	44.00
Dividend Payout Ratio (Consolidated)	33.6%	29.6%	35.1%	39.2%	37.7%

*At the time of disclosure on June 29, 2023

Shareholder Special Benefit System

We have introduced a shareholder special benefit system with the aim of attracting more medium- and long-term shareholders. Through this system, we offer gift cards that can be used at EDION and Hyakuman Volt stores (including franchise stores), and through the EDION Net Shop (<https://www.edion.com>). We have also introduced an additional gift

as an expression of gratitude to shareholders who have held our shares for one year or longer (shareholders listed in the shareholder registry as of March 31 two or more times using the same shareholder number).

Overview of the Shareholder Special Benefit System	
Target	Shareholders listed in the shareholder registry as of March 31 every year with one unit (100 shares) or more
Period of validity	To June 30, 2024 (one year)



Number of Shares Held	Special Gift Payout	Additional Benefits for Long-term Shareholders
100–499 Shares	¥3,000 gift card	+ ¥1,000
500–999 Shares	¥10,000 gift card	
1,000–1,999 Shares	¥15,000 gift card	+ ¥2,000
2,000–4,999 Shares	¥20,000 gift card	
5,000–9,999 Shares	¥25,000 gift card	
10,000 Shares or more	¥50,000 gift card	

Corporate Governance

Three auditors held a discussion in July 2023.



Fujio Yamada
Auditor (Full-time)
(Term of office: 6 yrs.)

Yuuki Fukuda
Independent auditor
(Term of office: 6 yrs.)

Takashi Okinaka
Independent auditor
(Appointed in July 2022)

Q. What do auditors emphasize the most?

Yamada The primary role of auditors is to audit the execution of directors' duties and to create audit reports. This is the role required by the Companies Act. In order to carry out this role in earnest, this year, we created auditing standards and the Board of Auditors' Regulations. Both of these were created making reference to templates from the Japan Audit & Supervisory Board Members Association, while also adding some elements that were lacking, and making changes to make the language easier to understand.

Given that EDION is a listed company, our stakeholders expect that we will increase corporate value in the medium to long term through healthy and continuous growth, and that we will enhance the return of benefits to shareholders in the form of increased stock prices and dividends. A lot of this has to do with the success of operation policies and product initiatives on the execution side, so as auditors, our goal is to eliminate concerns about substantial losses that the company might suffer, by auditing elements such as decision-making at meetings of the Board of Directors, the rationality of management judgments, and the accuracy of risk analyses.

Okinaka As a tax accountant, I am often involved with other large corporations and SMEs, so I'm able to make comparisons with other companies based on a broad and objective view of the whole, and to confirm detailed elements as well. If I notice anything in the materials distributed in advance, I can check with the Board of Directors, and then share that information with all of the directors, including the independent directors. In fact, with the large volumes of materials, we understand that our capacity to check these materials is limited, but I think it's important to emphasize how the directors view corporate operations, and to point things out from an external perspective.

Fukuda I, too, think that the perspective of risk management is most important for an auditor, but I also want to emphasize opportunities for growth. Our primary role is to audit the execution of the directors' duties, but as a company striving for further growth, if we just keep repeating the easy stuff every day, then we will be on a path to decay. When things like M&As or opening new stores are discussed at meetings of the Board of Directors, I'm especially aware of the overview of risks, including potential risks, and whether maximum awareness of the degree of those risks has been achieved. I also think it's importance to have a stance of moving forward from the larger perspective of increasing corporate value, while maintaining a balance of risks and opportunities in management judgments made by the directors. For example, when we open a new store, it could be a Metropolitan style store or a suburban store. Rather than just looking at it from the perspective of how many years it will take to recover investment costs, we try to see things from multiple angles with an awareness of recognizing whether that new store is needed, based on different strategies and needs, and whether that new opening is really in line with our dominance strategies. In some cases, we receive additional materials to check; for example, on the performance of other stores in the same area, or the status of competitors.

Okinaka I'm especially cautious about opening up new stores. It goes without saying that all directors have a shared awareness of the need to study new stores from a multifaceted perspective. First of all, we carefully check profits/losses and the status of cash flow at each store. We double check the status of stores posting Impairment losses and stores that have closed, and promote reflection and reviews. In this way, we can check whether studies have tied into the later opening of new stores.

Fukuda When M&A's are discussed at the Board of Directors meetings, because EDION is involved in multiple businesses – including the home improvement business, which has an extremely high degree of affinity with the home electronics sales business, as well as the education business – I check with the Board of Directors of factors such as the positioning of the M&A in the context of EDION's strategies, the types of risks and opportunities involved, and the granularity of studies, including hidden potential.

Yamada In terms of collaborations between auditors and the Internal Audit Office, we conduct on-site visiting audits accompanying the store auditing team from the Internal Audit Office at stores and logistics bases across Japan. We mainly conduct individual interviews with store managers, to ask about issues at their stores and requests to be passed on to the headquarters. The mission of the store manager is to achieve goals for the store's sales and operating profits, so we ask that they create many EDION fans who will make repeat purchases, and also reliably foster talent that can take over for that manager in the future.

Q. What are the themes of sustainability management?

Yamada Achieving a carbon free society in harmony with the environment is a major theme for EDION. As an auditor, I will be monitoring medium and long-term target values for the KPIs that we have disclosed. We also plan to monitor whether risk management processes are functioning correctly, and whether cycles for resolving any problems that arise are operating properly.

Fukuda Regarding diversity and inclusion, I believe that basically, it doesn't matter whether a man or woman is doing a given job, even if some jobs might be more or less suited to each individual at some minimal level. I believe that when deciding on an assignment, we should look at the responsibilities required of that position, and make a decision based on whether the individual has the required know-how, training, and experience, and whether they are able to effectively carry out the role. We need evaluation standards that are clear and logical, though by no means uniform, and as a result, in some cases a woman will be appointed, and in other cases it will be a man.

Okinaka In terms of women's participation, an increasing number of new products from various manufacturers are being developed from a female perspective, and I think that this is a field where more women will be able to participate in the future. At EDION, male employees have worked for an average of 18 years and 11 months, while the average time for female employees is nine years and seven months. I am aware that we need to build environments that will enable women to work longer. We have already put in place a childcare leave system, but I would like to see efforts to

improve the situation even more; for example, through reduced working hours or systems that enable women to return to the workplace after being absent for several years.

Yamada When I visit the stores for inspections, I make a point of looking at the diversity of the store staff. There are many female managers and female staff working at stores selling mobile phones, and there are many non-Japanese staff at stores offering duty-free sales for foreign visitors. Let me give you some of the figures included under "Human capital management activities" in the securities report that we submitted recently. In EDION's action plan for the Act on the Promotion of Women's Active Engagement in Professional Life, EDION has set goals of increasing the ratio of female recruits for full time positions from the current 25.1% to 35% or more in FY2027, increasing the ratio of women in full-time positions from 14.4% to 20% or more as a medium-term goal, and increasing the ratio of women in management positions from 2.2% to 5% or more. We expect to achieve the goal for the ratio of women in full-time positions



"As an auditor, I will monitor the degree to which KPIs have been achieved."

Corporate Governance



“I would like to have more extensive discussions about where we should focus our efforts when we appeal to the capital market.”

by increasing the ratio of female recruits, so we will be monitoring this KPI each fiscal year, and we will also conduct interviews with managers in the HR Division if the numbers are not increasing as expected. The current ratio of female managers is 2.2%, and I am aware that this is extremely low. Even the medium-term goal of 5% still seems very low, so I would like to see this target achieved quickly; then we can move on and set even higher goals in this regard.

Okinaka If we steadily achieve these KPIs, and if female employees begin working for longer periods of time, then they will be able to gain more experience, and more of these women will become managers, so the ratio of female managers will increase as a result. The ratio of male employees taking childcare leave is also well below 100%, so there is still plenty of room for improvement here as well.

Fukuda We also need to put in place education and training structures to foster female managers.

Yamada In terms of fostering female managers, when women joined the company, we determine their unique attributes and aptitudes through training and decide their positions accordingly, but I think that there is room for improvement in terms of whether we are presenting female employees with options for future career paths.

Q. *What are the most significant risks in the context of the expansion and diversification of business fields?*

Yamada In home electronics sales, which is EDION's core business, there is always demand for replacements in daily necessities, so this market is not going to drop off all of a sudden. On the other hand, there is no question that Japan's current population is declining, and the senior population is increasing, so it may become more difficult to maintain stores in outlying regions in the future. There is also a possibility that some markets, or demand for some products, could shrink dramatically due to the rapid evolution of IT and AI. This is why we need to aggressively promote the diversification of business.

Fukuda I also believe that brick-and-mortar stores will never disappear completely. The main difference between brick-and-mortar and online stores is whether or not the consumer has already decided what they want to buy. Basically, when a customer shops online, in many cases they have already decided what they are going to buy, so price is the key purchasing factor. In stores, customers can experience new functions in home electronics products in real life, and this brings out hidden expectations and needs when

they say, “I didn't know it could do that!” This stimulates their desire to make the purchase, so there will always be a need for brick-and-mortar stores. As for whether stores in outlying regions can continue as they have in the past, based on the logic of capital, there are cases where we will just have to meet customer needs through e-commerce.

Yamada In the current home improvement business, we handle a wide range of products that are essential to lifestyle scenarios, like baths, kitchens, and toilets. Through this business, we are able to propose products like laundry machines or refrigerators to the customers at the same time, so there is an outstanding synergy with home electronics sales. We recognize that this business is generating positive profits, and is expanding steadily. In the home improvement business, when the customer is satisfied with the finished work, we are able to serve them for a long time and build trust relationships, but unfortunately, there are cases where we receive complaints. We must continue to focus our efforts on selecting appropriate vendors and building training structures for on-site managers so that customers will be satisfied in the end even if they had a complaint at some point.

Okinaka I believe that relationships with outside associates and other partner companies are extremely important. In the logistics business, which includes home improvements and home electronics installations, we are involved in many collaborations with partner companies. The home improvements offered by volume home electronics retailers are extremely reasonable, and the cost of logistics is included in the product price. Recently, the price of goods is increasing rapidly, so in the home improvement and logistics businesses, we will need to think about coexistence with these partner companies, and rebuild initiatives that will protect relationships with these companies throughout the

Group as a whole. The labor shortage is a far more significant issue for SMEs than it is for large corporations, so I think that relationships with partner companies will be a very important issue moving forward.

Fukuda The e-commerce business is expected to continue growing in the future, so we will need to maintain logistics structures to accommodate that growth. If a product is ordered and arrives a week later, it puts customers off, so EDION will put all of its efforts into maintaining the logistics network. In eastern Japan in particular, we don't have so many stores, so when we think about online sales activities as one tool in our toolkit, we have to think about these sales activities as a set with logistics as well. In the logistics industry, people are talking about the “2024 problem,” which refers to the expected shortage of truck drivers that will result when overtime hours are capped in 2024. We will be looking closely at measures aimed at minimizing the impact of this problem.

Yamada In FY2022, we achieved positive single year profits in the education business for the first time. In the beginning, this business gave the impression of being a kind of social contribution, but now we can see that the business is on a growth track. One issue for the future will be to find ways of securing new students assuming that the declining birthrate in Japan continues. In addition to refining our current education programs, it will be important to further enhance developing courses, and to increase the number of years that a given student stays with the school. In this way, the schools will be able to fulfill their role in creating EDION fans for the future, so we can expect business to grow.

Q. *What about activities and issues for the future?*

Yamada One issue for the future will be finding ways of increasing recognition for the EDION brand. Our name recognition is still quite low in eastern Japan in particular, and increasing recognition in this area will tie into the opening of new stores and the growth of the e-commerce business. We are putting money into these activities, for example with TV commercials, flyers delivered with newspapers, and direct mail, but this does not seem to have had much of an effect. We need to keep moving forward with these activities, and verify the effects as we go.

Fukuda When stock prices are appropriately evaluated and are seen to compare favorably with net assets, then we feel that our own investment, or the company where we are working, has been appropriately evaluated by society. This is true not only for shareholders, but for any stakeholder. When institutional investors or analysts evaluate stock prices, they use criteria such as capital efficiency and productivity. For example, EDION's ROE has not reached the target of 8%, but it does hover between 5% and 8%, and it does exceed the level of capital costs. Theoretically, corporate value should also be on the plus side, but the price-to-book ratio (PBR) remains low. What does this suggest? There are many things that we could do, like ensuring a detailed understanding of capital market theory, or ensuring that information is communicated accurately. As an independent auditor, I would like to have more extensive discussions about where we should focus our efforts, and at what point we should make a logical appeal to the capital market.

Okinaka EDION is facing major issues in terms of systems, in part because this is an integrated company. In the past, a lot of money was spent on systems, and right now, there is a tendency to do things in-house. I would like to see more efforts that will contribute to the company's growth, and as an auditor, I will do whatever I can to make that happen.

Increased performance will promote an increase in stock prices, and this in turn will lead to higher evaluations from our stakeholders. To that end, many proposals are discussed at meetings of the Board of Directors. We will continue to audit the actions of the board members, and carry out our duties as auditors to further increase EDION's corporate value.



“As an independent auditor, it's important to point out detailed items from an external perspective.”

Corporate Governance

Basic Approach to Corporate Governance

We develop a community-based business built on the peace of mind and trust of our shareholders, customers, local communities, business partners, employees, and other stakeholders. As a service-based retailer, in order to be accepted by the local community and gain the patronage of a wide range of customers, we position the following three principles as basic guidelines for business management.

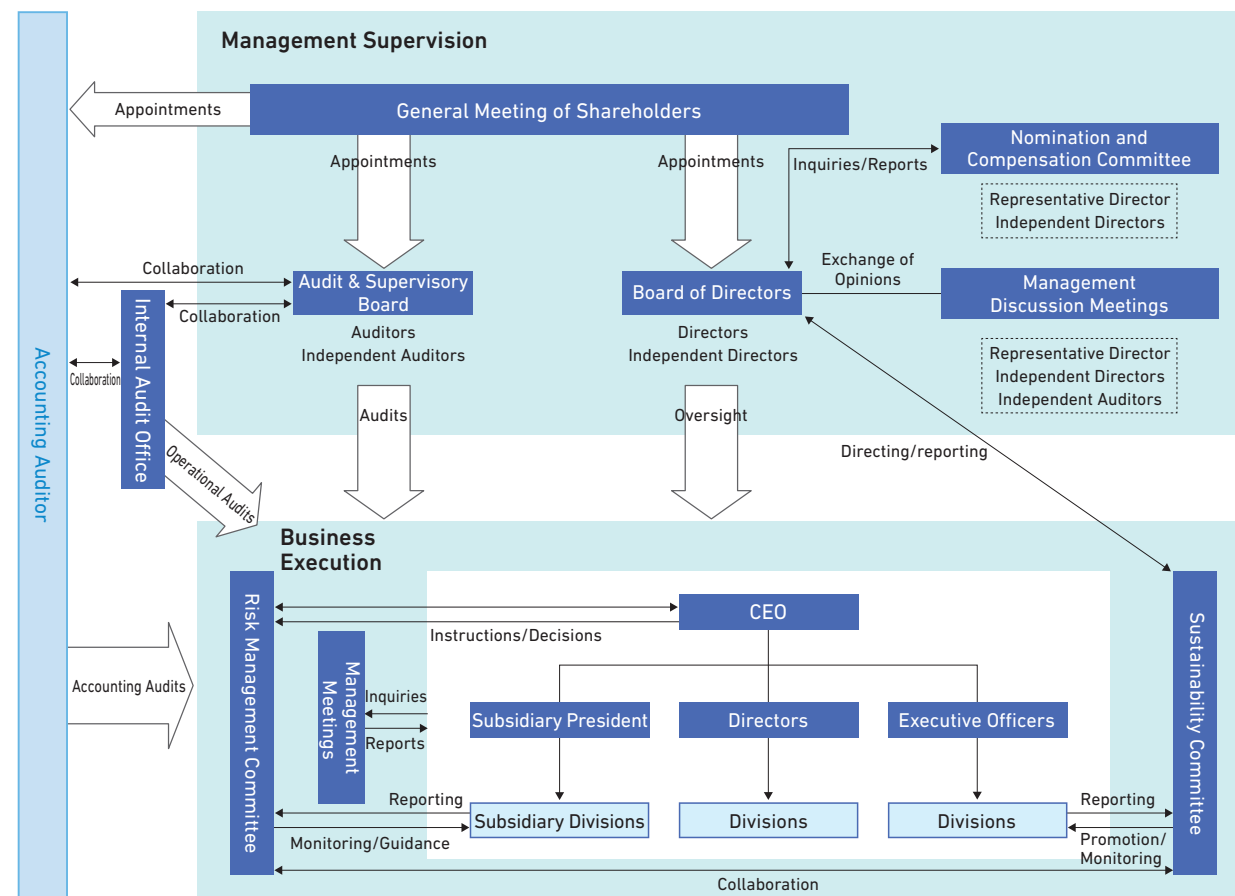
First, we will carry out business activities based on corporate social responsibility (CSR) as a good member of the local community, as well as ensuring directors, executive officers, and employees comply with all laws and regulations.

Second, we will ensure the rationality and acceptability of management measures from the perspective of stakeholders (especially shareholders), as well as the transparency of the decision-making process, while delivering accountability to stakeholders.

Third, we will strive to achieve a top management structure that enables swift and accurate decision-making and thorough business execution, and to improve internal communication such that on-site information and the opinions and requests of stakeholders reach top management in a timely manner.

The Group recognizes the establishment of a management monitoring system to ensure these principles are realized as a corporate governance issue.

Internal Control and Risk Management Systems



Overview of the Corporate Governance System

EDION has appointed six independent directors and two independent auditors.

At the Board of Directors, which supervises management decision-making and business execution, we believe that the six independent directors will contribute to improving governance by giving opinions and advice from an impartial standpoint based on their own experience and knowledge. We are strengthening management oversight functions by appointing independent auditors who are well-versed in taxation, accounting, and finance as two of the three auditors.

Through the operation of an internal control system, we strive to strengthen group-wide governance, achieve continuous growth in the company, and increase corporate value in the medium to long term.

• Board of Directors: 17 Meetings

In addition to resolving statutory items and reporting on the status of execution for directors' duties, meetings of the Board of Directors serve as a venue for reviewing and deciding items that are important to management, such as items related to the EDION Group's management policies and strategies. These reviews and decisions are deliberated based on opinions and advice from independent directors and independent auditors, to ensure transparency in decision-making processes.

• Audit & Supervisory Board: 9 Meetings

The Audit & Supervisory Board rigorously audits decision-making and execution of duties at the Board of Directors, and shares information at meetings with the internal audit department and through other means.

• Nomination and Compensation Committee: 12 Meetings

As an advisory body for the Board of Directors, the Nomination and Compensation Committee studies items related to the appointment and dismissal of directors and executive officers at EDION and its subsidiaries, as well as succession plans and compensation.

• Management Discussion Meetings: 5 Meetings since Establishment in 2016

This meeting serves as a venue for exchanges of opinion between the representative director and independent directors; e.g., advice from the perspective of an independent director on issues deemed important to management.

• Management Meetings: 12 Meetings

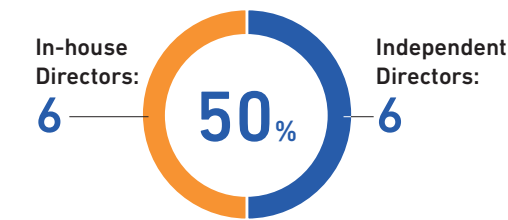
Management meetings serve as a venue for discussions that enable the rapid execution of top management duties; e.g., reviews and decisions on items related to the execution of individual tasks based on the EDION Group's management strategies, and reporting on conditions in the various divisions.

• Risk Management Committee: 4 Meetings

Members identify, evaluate, and analyze serious risks, for example regarding compliance and response policies in the event of an emergency (BCP, etc.), and also study and monitor countermeasures, providing comprehensive management of risks that impact Group companies.

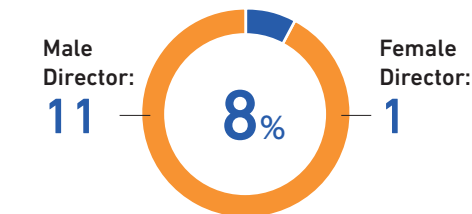
Ratio of Independent Directors

(As of June 29, 2023)



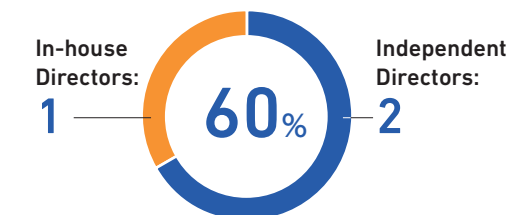
Ratio of Female Directors

(As of June 29, 2023)



Ratio of Independent Directors on the Nomination and Compensation Committee

(As of June 29, 2023)



Corporate Governance

Evaluating the Effectiveness of the Board of Directors

Following are the roles expected of EDION's independent directors, as laid out in the Corporate Governance Code.

1. Provide advice on management policies and improvements to management based on one's own knowledge from the perspective of promoting the sustainable growth of the company and improving corporate value over the medium to long term
2. Oversee management through appointment and dismissal of executives and other important decisions of the Board of Directors
3. Oversee conflicts of interest between the company and management/ controlling shareholders
4. See that the Board of Directors appropriately reflects the opinions of stakeholders, including minority shareholders, from a position of independence from management/controlling shareholders

EDION's six independent directors are experienced managers and experts in their respective fields. They each fulfill the company's expectations for the role of independent director based on their specialized knowledge and abundant experience, overseeing the execution of the directors' duties and giving advice on management policies and plans from an independent and objective perspective.

Name	Current Position	Expertise	Reason for Appointment
Shozo Ishibashi	Independent Director Chairman of the Nomination and Compensation Committee	Corporate management	Mr. Ishibashi has abundant experience and knowledge in corporate management and finance. Through activities based on this experience and knowledge, such as making remarks at meetings of the Board of Directors and in other settings, and serving as the chairman of the Nomination and Compensation Committee (an advisory body to the Board of Directors), he is contributing to improving the transparency of management and strengthening the supervisory functions of the Board of Directors.
Shimon Takagi	Independent Director Nomination and Compensation Committee Member	Law	As a lawyer, Mr. Takagi has experience and specialized knowledge in corporate legal affairs. Through activities based on this experience and knowledge, such as making remarks at meetings of the Board of Directors and in other settings, and serving as a member of the Nomination and Compensation Committee (an advisory body to the Board of Directors), he is contributing to improving the transparency of management and strengthening the supervisory functions of the Board of Directors.
Naoko Mayumi	Independent Director	Finance	Ms. Mayumi is contributing to improving the transparency of management and strengthening the supervisory functions of the Board of Directors by giving advice based on her abundant experience in finance and securities, and in other ways.
Yoshihiko Fukushima	Independent Director	Economy/ Management	Mr. Fukushima is contributing to strengthening the supervisory functions of the Board of Directors by giving advice based on his knowledge as a scholar of economics and management, and in other ways.
Tadatsugu Mori	Independent Director	Corporate Management	Mr. Mori is contributing to strengthening the supervisory functions of the Board of Directors by providing advice and suggestions based on abundant knowledge and experience as an executive director at a retail company.
Yoshikiyo Sakai	Independent Director	Corporate Management	Mr. Sakai contributes to strengthening the Board of Directors' supervisory functions through activities based on his own knowledge and experience; e.g., provides advice by applying his extensive knowledge and experience as Financial Accounting Division Manager and Executive Director of Operations at the company involved in the communication network business.

Skill Matrix for Directors and Auditors

Name	Position	Main Skills and Experience, and Expected Roles								
		Corporate Management Management Strategy	Financial Accounting Taxes	Sales Marketing	Store Development	IT / DX	Logistics	Human Resources Manpower Training	Legal Affairs Risk Management	Internal Controls Governance
Masataka Kubo	Chairman and CEO	●		●	●			●	●	●
Norio Yamasaki	Executive Director; Vice President	●	●		●			●	●	●
Satoshi Kaneko	Executive Director; Vice President	●		●		●	●			
Kozo Takahashi	Executive Director	●		●	●					
Haruyoshi Jogu	Executive Director	●		●	●		●			
Tsugunori Ishida	Senior Executive Officer	●	●			●	●			●
Shozo Ishibashi	Independent Director	●	●			●				●
Shimon Takagi	Independent Director	●							●	●
Naoko Mayumi	Independent Director	●	●							●
Yoshihiko Fukushima	Independent Director	●		●				●		●
Tadatsugu Mori	Independent Director	●	●		●	●				●
Yoshikiyo Sakai	Independent Director	●	●	●		●				●
Fujio Yamada	Auditor (Full-time)		●						●	●
Yuki Fukuda	Independent Auditor		●							●
Takashi Okinaka	Independent Auditor		●							●

The main skills, experience, and expected roles of each director and auditor are indicated with a ● mark.

Corporate Governance

Policy for Nominating Directors and Auditors and Appointing and Executives

The following three items are taken into consideration when deciding on members of the management team (executive officers) or candidates for the roles of director or auditor: possession of insight and ability, with a track record of achievements; possession of strong ethical integrity; and an ability to act toward the realization of the Group's corporate philosophy. The following will also be considered with regard to independent directors and independent auditors: possession of specialized knowledge and abundant experience; and an ability to oversee the execution of directors' duties and to give advice on management policies and plans from an independent and objective perspective.

Among other items stipulated by the company, "the violation of laws or regulations, the Articles of Incorporation, or other rules of the Group in such a way as to cause a significant loss for the Group or hinder its business activities" are considered grounds for dismissal.

Policies for the Training of Officers

The policy is to undertake training such that directors and auditors appropriately fulfill their expected roles and responsibilities, increase corporate value, and ensure thorough compliance. Specifically, directors and auditors are provided with opportunities to acquire the knowledge needed to execute their duties; e.g., by receiving outside education and training, and by observing workplaces at EDION's stores, logistics bases, subsidiaries, and other entities.

Succession Planning

Fostering the Next Generation of Management

EDION has established a Nomination and Compensation Committee with an independent director acting as chairman. The Nomination and Compensation Committee comprises three or more directors, more than half of whom are independent directors. It conducts studies of candidates and succession plans for the EDION Group's directors and executive officers, and also studies items related to compensation for directors and executive officers. It deliberates on the qualities and skills required of the next generation of management, and makes choices based on a balance of skills and other qualities in the Board of Directors. The Board of Directors then makes a decision following a review of the deliberations by the Nomination and Compensation Committee. Amid dramatic changes in the market environment surrounding EDION, in order to achieve continued growth, it is important for all employees to have a manager's awareness, to think about and understand how their own actions impact management, and to act based on that understanding. At management meetings and other venues, mainly section managers at the executive officer level and above conduct discussions aimed at resolving business issues, and strive to share awareness and improve skills throughout the company. EDION is also working to create an environment for fostering management talent in the long term, for example by invigorating day-to-day deliberations regardless of the organization, proposing plans with a bottom-up approach, and cultivating a culture where it is easy to make suggestions regardless of gender or age. It is essential to undertake activities that enable sustainable management for the group as a whole, by fostering many individuals who will be responsible for the next era, and the era after that.

Evaluating the Effectiveness of the Board of Directors

In March and April of 2023, the Board of Directors conducted a "Survey to evaluate the Board of Directors" targeting all directors (10) and all auditors (3). The goal of the survey was to analyze and evaluate the effectiveness of the Board of Directors as a whole during FY2022, including the structure of the Board of Directors, deliberation and decision-making processes, and supervision of status in the execution of duties. The results confirmed that EDION's Board of Directors is functioning appropriately, for example in terms of the makeup of the Board and its decision-making processes, and that the effectiveness of the Board has been secured. Notably, evaluations improved with regard to discussions being conducted with an awareness of management indexes such as ROE and ROIC, and there were high evaluations of discussions on management strategies from a multifaceted perspective and deliberations taking into account conformance in those strategies and management policies. On the other hand, evaluations suggested a need to further enhance discussions aimed at increasing corporate value in the medium and long term with an awareness of sustainability. Based on the results of this evaluation, we will continue to strive for further effectiveness and improved functions in the Board of Directors.

Overview of the Executive Compensation System

1. Basic Policies EDION pays executive compensation to provide an incentive to improve corporate value while aiming for sustainable growth and fostering management awareness from the perspective of shareholders. Executive compensation comprises basic monetary compensation, performance-based compensation, and stock compensation (awarding of restricted shares). The total of monetary compensation and stock compensation is within the scope of the limits decided at the respective General Meetings of Shareholders; the standard is 65% for basic stock compensation; 20% for performance-based compensation; and 15% for stock compensation.	2. Method for Deciding Compensation Amounts To determine the amount of each type of compensation, a voluntary Nomination and Compensation Committee chaired by an independent director, as an advisory body to the Board of Directors, conducts an investigation and a decision is made by the Board of Directors. (1) Basic Compensation Basic compensation is a fixed amount determined each year based on the director's position, term of office, and degree of contribution to the Company. (2) Performance-Based Compensation Performance-based compensation is determined based on the degree to which performance targets are achieved during the	fiscal year in question (Profit attributable to parent company shareholders). (3) Stock Compensation Stock compensation is determined and restricted shares are allocated based on the director's position and degree of contribution to the Company. Independent directors are responsible for overseeing management of the Company and the Group as a whole, as well as giving advice from an objective standpoint. Similarly, auditors are responsible for auditing the execution of business by directors from an objective standpoint. Only basic (fixed) compensation is paid to independent directors and auditors.
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Total Compensation and Other Information for People Whose Total Compensation Exceeds ¥100 Million

Name	Officer Category	Company Category	Amount of Compensation, by Type (¥ million)				Total Amount of Compensation, etc. (¥ million)
			Basic Compensation	Performance-Based Compensation	Bonus	Non-Financial Compensation	
Masataka Kubo	Director	Submitting Company	186	—	42	38	267
Satoshi Kaneko	Director	Submitting Company	110	—	6	9	126

(Note) 1. The "Non-Financial Compensation" under "Amount of Compensation, by Type" paid to Masataka Kubo is ¥38 million in restricted share compensation.
2. The "Non-Financial Compensation" under "Amount of Compensation, by Type" paid to Satoshi Kaneko is ¥9 million in restricted share compensation.

Compliance, Risk Management and BCP

The EDION Group's Code of Ethics

EDION created the “EDION Group's Code of Ethics” to ensure that all executive officers and employees are aware of their social responsibilities, comply with laws and healthy social norms, and act based on strong ethical values and common sense, to gain the customers' trust and peace of mind.

1. Provide customers with optimum satisfaction and peace of mind

- ① We will always act from the customers' perspective and based on their requests, providing products and services that offer satisfaction.
- ② We will interact sincerely with all customers, providing honest explanations regarding the quality and functions of the products and services they purchase.
- ③ We will respond quickly and sincerely to questions, problems, and complaints raised by customers regarding the products and services purchased, and strive to maintain the customers' safety, peace of mind, and trust.

2. Engage in fair competition for the good of the customers

We will engage in free and fair competition with our competitors, to provide customers with better products at appropriate prices.

3. Engage in transparent transactions with business partners for mutual growth

We will deal fairly and impartially with our suppliers, affiliate companies, and other business partners, and during business transactions, we will strictly abide by laws and regulations related to commercial transactions as well as healthy business practices, and maintain clear transaction conditions and good relationships, to promote the mutual growth of all parties involved.

4. Correctly handle personal information and confidential information of customers and business partners

- ① We will correctly handle customers' personal information based on laws and in-house regulations related to the protection of personal information.
- ② We will correctly handle the confidential information of companies and business partners acquired through business operations in accordance with laws and in-house regulations related to internal information management and insider trading.

5. Maintain healthy and normal relationships with political and government entities

We will maintain healthy relationships with political and government entities, and strive to develop the industry and improve services for customers.

6. Disclose appropriate corporate information at the appropriate times

We will disclose important information regarding the management of the company to shareholders and other parties inside the company, as well as to outside stakeholders, in a timely and appropriate manner.

7. Actively work to resolve environmental problems

Based on an awareness of the importance of environmental issues, we will take active measures including the effective use of resources, recycling, and energy conservation, striving to protect the environment and resources, and to pass on a rich living environment to the next generation.

8. Strive for harmony with the regional community as a good corporate citizen

- ① As a good corporate citizen, we will cooperate and interact with the regional community, and undertake business showing respect for the culture and practices of the regional community.
- ② We will contribute broadly to society through cooperation in healthy regional activities.

9. No involvement with antisocial forces

We will not provide aid or support to, or interact with, antisocial forces that could have a negative impact on social order or the healthy activities of companies or citizens.

10. Strive to create a comfortable workplace, in which employees are treated fairly and equitably, and have equal opportunities for skill development

- ① We will strive to cultivate a healthy organizational culture with no inappropriate discrimination or sexual harassment, where employees respect one another's human rights and give attention to good health.
- ② We will implement hiring, transfers, raises, and promotions based on fair and equitable procedures, using only the individual's performance, motivation, and skills as criteria.
- ③ We will strive to always maintain open communications, consulting with and assisting one another, and improving through friendly rivalry.

Basic Approach to Compliance and Risk Management

The EDION Group Code of Ethics was created as part of corporate governance initiatives. The Code of Ethics is also included in the employee handbook, so that employees can refer to it at any time. We also create and update compliance manuals. We conduct educational activities through new employee training and other training venues, to ensure that all employees have a clear understanding of corporate ethics and risk management.

<Risk Management Policies>

EDION holds regular meetings of the Risk Management Committee, to share information and conduct studies regarding issues that affect Group companies. If there are concerns about a possible compliance violation, or if any serious problems arise, the problem is studied, and a decision is made on how to respond.

The Risk Management Committee also coordinates with related divisions to promote risk management functions in the event of a natural disaster, social change, accident, or incident.

<Compliance Policies>

- Text laid out in the labor regulations and service regulations states that compliance violations are not acceptable, and also provides employees with knowledge and understanding as to the reasons and background that might lead to such violations.
- In addition to providing employees with knowledge and understanding about compliance violations and background factors through in-house notifications and posters, EDION also offers employee training to increase awareness of compliance in general.
- The company has established a contact point for in-house notifications as well as a notification structure to actively encourage consultations.
- If there are concerns about a possible compliance violation, or if any serious problems arise, the facts are quickly checked and countermeasures are discussed, with all these activities reported to the Risk Management Committee.

Compliance Training

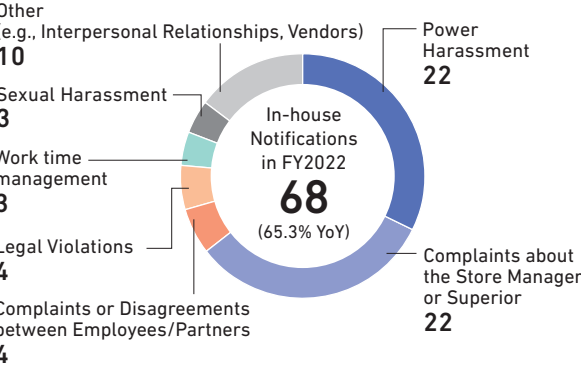
Status of Training in FY2022

New employee training	Once each year (April)
Joint training for store manager, office manager, mobile manager, and head office manager candidates	Twice each year (August / February)
Joint training for deputy store manager, ELS manager, and deputy office manager candidates	Twice each year (August / February)
Training for senior service staff candidates	Twice each year (August / February)
Store manager training	Six times each year
Office manager training	Once each year

In-house Notification Structure

EDION has established contact points for in-house notifications, and as an external contact point, has put in place a hotline structure to facilitate employee consultations, in collaboration with labor unions and law offices. Incidents reported are investigated and verified by the related divisions, and the parties involved are provided with guidance on improvements.

Number of In-house Notifications (FY2022)



Information Security Structure

To ensure compliance with the Act on the Protection of Personal Information, we have established a policy on the protection of personal information and basic rules for the management of personal information, and have put in place a personal information management system under the supervision of the General Affairs Department.

For our policy on the protection of personal information, please visit: <https://www.edion.co.jp/en/privacy>

Business Continuity Plan (BCP)

The EDION Group's goal is to be a company that continually endeavors to support richness and abundance in our customers' lives.

Based on this approach, in order to ensure the safety and security of all stakeholders, including customers, even in the event of a crisis that results in serious damage, we have formulated a business continuity plan (BCP), which is implemented as part of efforts to continue essential operations and achieve rapid business recovery.

<BCP Basic Policy>

1. We give top priority to ensuring life, safety, and health.
2. We will strive to fulfill our social responsibilities by continuing essential operations such as product sales and aiding early recovery.
3. We will cooperate in an effort to ensure the safety of local communities
4. We will strive to prepare during normal times, including through education and training, and will continuously review and improve business continuity planning (BCP) to promote business continuity management (BCM) initiatives.

Board of Directors and Auditors

Directors (as of June 29, 2023)



Masataka Kubo

Chairman and CEO

Born February 18, 1950
Number of shares held: 2,212,386
Board of Directors attendance: 100%

Career Highlights

April 1992 Representative Director and President, Daiichi Corporation (currently EDION Corporation)
March 2002 Chairman and Representative Director, EDION Corporation
July 2003 President and Representative Director, EDION Corporation
October 2004 Representative Director and Vice President, Fureai Channel Co., Ltd. (currently CHUPICOM CORP.)
June 2012 Chairman and CEO, and Representative Director, EDION Corporation
February 2015 Chairman and Representative Director, Sanfrece Hiroshima FC Co., Ltd. (current)
April 2018 Chairman and CEO, 3Q Co., Ltd. (current)
June 2018 Chairman and CEO, EDION Corporation (current)



Norio Yamasaki

Executive Director; Vice President

Born January 15, 1957
Number of shares held: 67,036
Board of Directors attendance: 100%

Career Highlights

June 2009 Director, EDION Corporation
April 2012 General Manager of Corporate Planning Department and General Manager of Public Relations Department, EDION Corporation
June 2012 Managing Director, EDION Corporation
October 2012 General Manager of Corporate Planning Department, General Manager of Corporate Planning Department, and General Manager of Public Relations Department, EDION Corporation
February 2014 General Manager of Corporate Planning Department, EDION Corporation (current)
June 2014 Senior Managing Director, EDION Corporation
June 2018 Senior Executive Director, EDION Corporation
June 2021 Vice President, EDION Corporation (current)



Satoshi Kaneko

Executive Director; Vice President

Born August 1, 1972
Number of shares held: 46,546
Board of Directors attendance: 100%

Career Highlights

October 2013 President, Loudmouth Japan Co., Ltd. (current)
January 2014 Loudmouth Golf LLC, Chief Strategy Officer & Managing Director
June 2016 Oracle Corporation, Group Manager
June 2018 Independent Director, EDION Corporation
June 2019 Senior Executive Director, EDION Corporation General Manager of Logistics IT Service Department
June 2019 President and Representative Director, e-Logi Corporation
February 2021 General Manager of Business Department, EDION Corporation (current)
June 2021 Vice President, EDION Corporation (current)
October 2022 Solution Service General Manager, EDION Corporation (current)
October 2022 President, EDION X Ventures Corporation (current)



Shozo Ishibashi

Independent Director

Born July 5, 1949
Number of shares held: 0
Board of Directors attendance: 100%

Career Highlights

January 1995 General Manager of Management Development Department, Nomura Research Institute, Ltd.
April 1997 General Manager of Management Research Department, Financial Research Institute, Nomura Securities Co., Ltd.
June 1998 Deputy General Manager of Financial Research Institute and General Manager of Corporate Research Department, Nomura Securities Co., Ltd.
May 2000 Managing Director, Lehman Brothers Japan Inc.
September 2003 Representative Director, The Ishibashi Tanzan Memorial Foundation (current)
April 2004 Director, Tokyo Medical and Dental University
April 2005 Auditor, Ritsso University
June 2007 Outside Auditor, Minkabu Inc. (currently MINKABU THE INFONOID, Inc.)
April 2008 Director, Kurimoto Educational Institution (Nagoya University of Commerce & Business) (current)
June 2014 Independent Director, EDION Corporation (current)
March 2017 Outside Director, Minkabu Inc. (currently MINKABU THE INFONOID, Inc.) (current)

Career Highlights

April 1990 Joined Salomon Brothers Asia Securities Co., Ltd. (currently Citigroup Global Markets Co., Ltd.)
July 1995 Lecturer (Economics), KTH Royal Institute of Technology in Stockholm (Sweden)
April 2003 Associate Professor, Faculty of General Business Administration, Nagoya University of Commerce & Business
July 2006 Professor, Faculty of General Business Administration, Nagoya University of Commerce & Business
April 2007 Professor, Faculty of Political Science and Economics, Waseda University (current)
April 2010 CSR Research Institute Director, Waseda University
June 2019 Independent Director, EDION Corporation (current)



Shimon Takagi

Independent Director

Born December 23, 1962
Number of shares held: 0
Board of Directors attendance: 94%

Career Highlights

April 1990 Registered as a lawyer, Joined Blakemore & Mitsuiki
October 1992 Joined Adachi Henderson Miyatake & Fujita
August 1999 Partner, Tokyo Aoyama Aoki Koma Law Office
August 2002 Partner, White & Case LLP
March 2014 Opened Takagi Law Office (to present)
June 2015 Independent Director, EDION Corporation (current)



Naoko Mayumi

Independent Director

Born October 29, 1955
Number of shares held: 0
Board of Directors attendance: 100%

Career Highlights

April 1977 Joined Okasan Securities Co., Ltd.
July 1993 Pension Sales Department Group Leader, Zurich Scudder Investments Japan (currently Deutsche Asset Management Japan Limited)
May 2002 Managing Executive Officer and Head of Pension Client Services Department, Zurich Scudder Investments Japan (currently Deutsch Asset Management Japan Limited)
July 2002 Managing Director and Head of Pension Sales Department, UBS Global Asset Management Co., Ltd. (currently UBS Asset Management)
August 2005 Marketing and Client Services Department Director and Head of Pension Team, Lazard Japan Asset Management LLC
June 2019 Independent Director, EDION Corporation (current)



Kozo Takahashi

Executive Director

Born September 12, 1961
Number of shares held: 31,889
Board of Directors attendance: 100%

Career Highlights

February 2014 Executive Officer, EDION Corporation
February 2014 Manager of Chugoku/Shikoku Sales Department, EDION Corporation
April 2015 Kinki Sales Manager, EDION Corporation
February 2018 Sales Supervising Manager, EDION Corporation
July 2018 Senior Executive Officer, EDION Corporation
October 2020 Product Supervising Manager, EDION Corporation
February 2021 Deputy General Manager of Business Department and Product Supervising Manager, EDION Corporation
June 2021 Executive Director, EDION Corporation (current)
October 2021 Sales Department Manager and Product Supervising Manager, EDION Corporation
February 2022 Sales Department Manager and Sales Supervising Manager, EDION Corporation (current)
October 2022 Sales General Manager and Sales Supervising Manager, EDION Corporation
April 2023 Sales General Manager, EDION Corporation (current)
June 2023 Senior Executive Director, EDION Corporation (current)



Haruyoshi Jogu

Executive Director

Born March 9, 1957
Number of shares held: 15,200
Board of Directors attendance: 100%

Career Highlights

July 2018 Executive Officer, EDION Corporation
July 2018 Corporate Sales Supervising Manager, EDION Corporation
April 2019 E-Commerce/Business Supervising Manager, EDION Corporation
June 2019 President and Representative Director, Forest Co., Ltd.
July 2019 Senior Executive Officer, EDION Corporation
February 2021 General Manager of Logistics Service Department, EDION Corporation
February 2021 CEO, e-Logi Corporation (current)
June 2021 Executive Director, EDION Corporation (current)
October 2021 Logistics Service Business Division Manager, EDION Corporation (current)
May 2022 President, Jtop Co., Ltd. (current)
October 2022 Solutions Service Division Deputy General Manager and Logistics Service Supervising Manager, EDION Corporation (current)
June 2023 Senior Executive Director, EDION Corporation (current)



Tsugunori Ishida

Senior Executive Officer

Born August 21, 1972
Number of shares held: 8,213
Board of Directors attendance: —

Career Highlights

January 2016 Corporate Planning Department Manager, EDION Corporation
February 2020 Executive Officer, EDION Corporation
February 2020 Corporate Planning Supervising Department Manager and Corporate Planning Department Manager, EDION Corporation
July 2021 Corporate Planning Supervising Department Manager and General Manager of IR/Public Relations Department, EDION Corporation
June 2022 Senior Executive Officer, EDION Corporation
October 2022 Deputy General Manager of Corporate Planning Department, Supervising Manager of Corporate Planning Department and General Manager of IR/Public Relations Department, EDION Corporation
June 2023 Senior Executive Officer, EDION Corporation (current)

Note: Number of shares held as of March 31, 2023



Yoshihiko Fukushima

Independent Director

Born October 30, 1963
Number of shares held: 0
Board of Directors attendance: 100%

Career Highlights

April 1990 Joined Salomon Brothers Asia Securities Co., Ltd. (currently Citigroup Global Markets Co., Ltd.)
July 1995 Lecturer (Economics), KTH Royal Institute of Technology in Stockholm (Sweden)
April 2003 Associate Professor, Faculty of General Business Administration, Nagoya University of Commerce & Business
July 2006 Professor, Faculty of General Business Administration, Nagoya University of Commerce & Business
April 2007 Professor, Faculty of Political Science and Economics, Waseda University (current)
April 2010 CSR Research Institute Director, Waseda University
June 2019 Independent Director, EDION Corporation (current)



Tadatsugu Mori

Independent Director

Born September 22, 1963
Number of shares held: 1,000
Board of Directors attendance: —

Career Highlights

April 2004 Management Policy Office Manager, Hankyu Department Stores, Inc.
June 2006 Director and Executive Officer, Hankyu Department Stores, Inc.
October 2007 Director and Executive Officer, H2O Retailing Corporation
March 2012 Executive Director, H2O Retailing Corporation
December 2012 Outside Director, UMENOHANA Co., Ltd.
April 2014 Executive Director, H2O Retailing Corporation
November 2020 In Charge of the Finance Office Outside Director, HITO-Communications Holdings Inc. (current)
June 2021 Director, Kansai Super Market Ltd.
December 2021 Advisor, Kansai Super Market Ltd. (current)
June 2022 Independent Director, EDION Corporation (current)
March 2023 Independent Director, Silver Egg Technology Co., Ltd. (current)



Yoshikiyo Sakai

Independent Director

Born October 10, 1956
Number of shares held: 0
Board of Directors attendance: —

Career Highlights

August 1994 General Manager of Finance Office, Accounting Department, NTT Mobile Communications Network, Inc. (currently NTT DOCOMO, INC.)
July 1999 Head of Accounting Section, Accounts and Finance Department, Nippon Telegraph & Telephone East Corp.
July 2002 Head of Accounting Section, Accounts and Finance Department, NTT Docomo, Inc.
June 2005 General Manager of IR Department, NTT Docomo, Inc.
July 2008 General Manager of PR Department, NTT Docomo, Inc.
June 2009 Executive Officer and General Manager of PR Department, NTT Docomo, Inc.
June 2012 Director, Head of Finance and Accounting Department, Nippon Telegraph and Telephone Corp.
June 2014 Senior Vice President and Representative Director, NTT Docomo, Inc.
July 2015 Senior Executive Vice President and Representative Director, General Manager of Sales and Marketing Division, NTT Docomo, Inc.
June 2016 President and Representative Director, NTT Finance Corp.
June 2021 Advisor, NTT Finance Corp. (current)
June 2023 Independent Director, EDION Corporation (current)

Note: Number of shares held as of March 31, 2023

Board of Directors and Auditors

Auditors (as of June 29, 2023)



Fujio Yamada
Auditor (Full-time)
Born August 29, 1959
Number of shares held: 4,337
Board of Directors attendance: 95%

Career Highlights
March 1982 Joined Eidsensha Co., Ltd. (currently EDION Corporation)
April 2010 General Manager of Finance Department, EDION Corporation
April 2013 Executive Officer, EDION Corporation Administrative Division, General Manager of Finance and Accounting Department and General Manager of Finance Department, EDION Corporation
April 2015 Administrative Division, General Manager of Finance and Accounting Department and General Manager of Management Department, EDION Corporation
April 2017 Administrative Division, General Manager of Finance and Accounting Department, EDION Corporation
June 2017 Auditor, EDION Corporation (current)
Auditor, 3Q Co., Ltd. (current)
Auditor, NWORK Corporation (current)
Auditor, EDION HOUSE SYSTEM Corporation (current)
Auditor, E.R. JAPAN Corporation (current)
March 2018 Auditor, e-Logi Corporation (current)
November 2019 Auditor, Jtop Co., Ltd. (current)
May 2023 Auditor, Youmemiru Inc. (current)



Yuki Fukuda
Independent Auditor
Born July 30, 1963
Number of shares held: 0
Board of Directors attendance: 100%

Career Highlights
January 1997 Joined Century Audit Corporation (currently Ernst & Young ShinNihon LLC)
April 1997 Registered as a Certified Public Accountant
August 2000 Registered as a tax accountant
April 2016 Opened Fukuda CPA and Tax Accountant Office (to present)
June 2017 Expert Advisor, Osaka District Court and High Court (current)
November 2017 Independent Auditor, EDION Corporation (current)
Auditor, SEIKOU Co., Ltd. (current)



Takashi Okinaka
Independent Auditor
Born February 25, 1963
Number of shares held: 0
Board of Directors attendance: —

Career Highlights
April 1985 Joined Yoichi Nakatani CPA / Tax Accountant Office
May 1991 Transferred to Nakatani Accounting Group Yoshihiro Yagyu Tax Accountant Office
July 2000 Opened Nakatani Accounting Group Takashi Okinaka Tax Accountant Office (to present)
May 2004 Auditor, MIDORI DENKA Co., Ltd. (currently EDION Corporation)
April 2005 Independent Auditor, EDION Corporation
June 2021 Substitute Auditor, EDION Corporation
July 2022 Independent Auditor, EDION Corporation (current)

Note: Number of shares held as of March 31, 2023

Executive Officers (as of July 1, 2023)

Senior Executive Officers

Project Promotion Office Manager
Store Development Supervising Manager
ELS Supervising Manager
General Manager of Finance and Accounting Department
Sales Deputy General Manager and Product Supervising Manager
IT Solutions Supervising Manager
Sales Deputy General Manager and Product Supervising Manager
Sustainability Manager

Yuji Ikehata
Hirokazu Fujiwara
Norikazu Kojima
Yasuhiro Asanoma
Eiji Yamada
Atsushi Murakami
Masayuki Okajima
Yoshie Yamane

Executive Officers

Takahiro Kato
Kazuo Kitagawa
Eijiro Monze
Shinichi Watanabe
Mitsuyoshi Nagasaki
Tsuyoshi Hasegawa
Ken Yamamoto
Tatsuto Kagawa

Takahiro Nishida
Kei Tsunoda
Tomoya Katayama
Tomohiro Kinoshita

Financial Status

Financial Status and Operating Results

The Japanese economy in the current consolidated fiscal year continues to be unpredictable, for example due to the conflict involving Russia and Ukraine, increasing cost of goods resulting from rapid increases in raw material and energy prices, and the effects of rapidly fluctuating exchange rates.

Nevertheless, as restrictions on activities due to the coronavirus pandemic are gradually being relaxed, social activities are returning to normal and private-sector consumption has seen a slow but steady recovery.

Amid these conditions, sales in the EDION Group have increased year-over-year.

By product category, air conditioners and other seasonal home electronics products enjoyed strong sales, for example due to record-high temperatures from late June through early July and bitter cold temperatures in late December.

Sales for home improvements and other residential facilities, as well as for games and toys, grew as product supply conditions stabilized.

In April 2022, EDION completed a capital tie-up agreement with Nitori Holdings Co., Ltd. Through the mutual use of the two groups' management assets and expertise, we will expand the business of both groups. For example, all directly operated EDION Group stores (EDION and 100-Man Volt stores) have begun handling some of Nitori's furniture and interior products.

Regarding activities related to sustainability in the current consolidated fiscal year, the Sustainability Committee was established in June 2022. We are currently building structures to actively resolve a variety of social and environmental issues, with climate change as a central theme. Our goal is to create a rich and smooth-running social environment by protecting the natural environment and working toward achieving a carbon free, recycling oriented society. This includes the introduction of solar power generators

based on the power purchase agreement (PPA) model as part of efforts to reduce CO₂ emissions at the EDION Takabarihara Store in Aichi Prefecture in September 2022, as well as "Nationwide simultaneous cleanup" activities and forest protection activities in various regions.

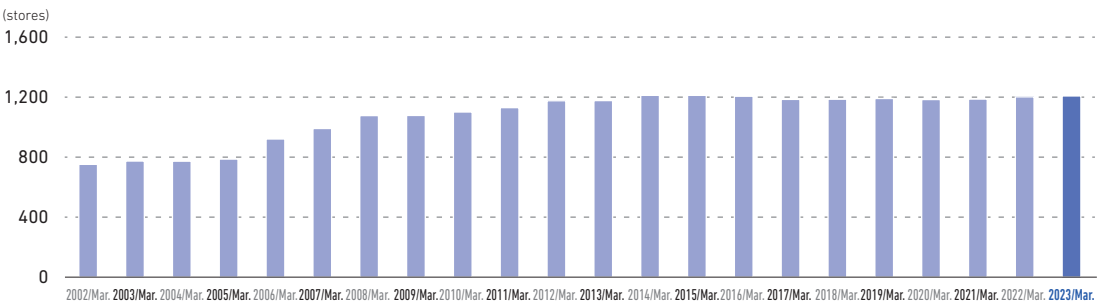
In terms of store development, as indicated below, five directly operated home electronics stores were newly opened,

while two were relocated, one rebuilt, and one closed. Three directly operated non-home electronics stores closed, and there was a net increase of five franchise stores. As a result, at the end of FY03/23, there were a total of 1,208 stores, including 758 franchise stores.

Opening/Closing of Directly Operated EDION Group Stores

Year/Month	Store name	Prefecture	Category
2022	Apr.	EDION HOME'S Kawasaki Daishi Store	Kanagawa Pref. Newly opened
		EDION OASIS Town Suita SST Store	Osaka Pref. Newly opened
		EDION Dynacity Odawara Store	Kanagawa Pref. Newly opened
		EDION Luvit Town Kariya Store	Aichi Pref. Newly opened
	May	100-Man Volt Kanazawa Takayanagi Store	Ishikawa Pref. Rebuilt
		au Shop AEON Mall Suzuka Store (non-home electronics)	Mie Pref. Closed
	June	EDION Tokiwa Beppu Store	Oita Pref. Relocated
		EDION Across Plaza Mihara Store	Hiroshima Pref. Relocated
	Dec.	EDION Seya Store	Kanagawa Pref. Newly opened
2023	March	EDION Higashiura Store	Aichi Pref. Closed
		Docomo Shop Sakae Oasis 21 Store (non-home electronics)	Aichi Pref. Closed
		Docomo Shop Hondori Nishi Store (non-home electronics)	Hiroshima Pref. Closed

Total Number of Stores



Financial Status

<Consolidated Sales>

Consolidated sales in FY03/23 were ¥720.6bn (101.0% versus FY03/22). This was in part because air conditioners and other seasonal home electronics products enjoyed strong sales, and because sales for home improvements and other residential facilities, as well as for games and toys, grew as product supply conditions stabilized.

<Operating Income>

Operating income in FY03/23 was ¥19.2bn (102.1% versus FY03/22). This was mainly due to an increase in consolidated sales.

<Ordinary Income>

Ordinary income in FY03/23 was ¥19.2bn (89.2% versus FY03/22).This was mainly due to a decrease of ¥2.380bn in subsidy income, which was ¥2.429bn in FY03/22 as compared to ¥48mn in FY03/23.

<Profit Attributable to Owners of Parent>

Profit attributable to owners of parent in FY03/23 was ¥11.4bn (86.9% versus FY03/22). This was due mainly to the decline in ordinary income, but also to an impairment loss of ¥2.4bn, among other factors.

Consolidated Financial Status

Total assets were ¥369.4bn, down ¥8.6bn compared to the end of FY03/22. Merchandise and products increased by ¥10.0bn to quickly secure inventory for summer sales strategies, but this increase was offset by a decline of ¥4.9bn in current assets resulting in part from a decline of ¥16.6bn in cash and cash equivalents due to the repayment of long-term loans, and a decline of ¥3.747bn in non-current assets resulting in part from a decline of ¥3.663bn in buildings and structures following depreciation and selloffs.

Liabilities were ¥167.7bn, down ¥10.8bn compared to the end of FY03/22. Income taxes payable were up ¥3.6bn, but current liabilities were down ¥1.2bn, in part because of a decline of ¥5.6bn in notes and accounts payable. Furthermore, non-current liabilities were down ¥9.6bn due in part

to a decline of ¥11.0bn that resulted from a repayment of long-term loans, among other factors.

Net assets were ¥201.7bn, up ¥2.2bn compared to the end of FY03/22. Net assets declined by ¥4.9bn due to payment of ¥4.5bn in dividends from surplus and the acquisition of treasury stock, but increased by ¥11.4bn due to profit attributable to owners of parent.

As a result of the above, the shareholders' equity ratio increased from 52.8% at the end of FY03/22 to 54.6% at the end of FY03/23.

Status of Cash Flow

Consolidated cash and cash equivalents at the end of FY03/23 were ¥13.2bn (44.3% versus FY03/22), down ¥16.6bn compared to the end of FY03/22. The status of cash flows and related factors in FY03/23 are as follows.

(Cash Flows from Operating Activities)

Capital obtained from operating activities was ¥12.1bn (¥10.6bn obtained in FY03/22). This includes: Profit before income taxes: ¥16.9bn, depreciation: ¥10.6bn; impairment loss: ¥2.4bn; reduction in capital due to increase in inventory assets: ¥10.1bn, decrease in capital due to decrease in accounts payable: ¥5.6bn, and payment of income taxes: ¥2.4bn.

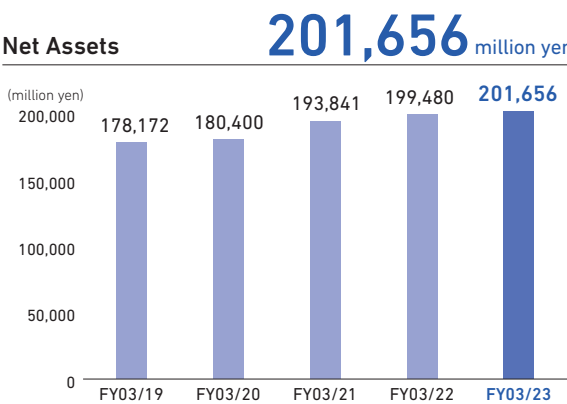
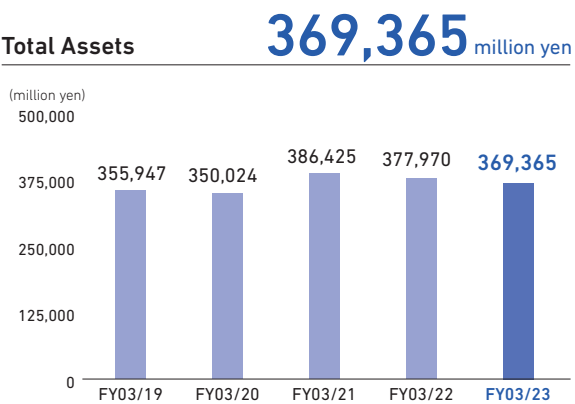
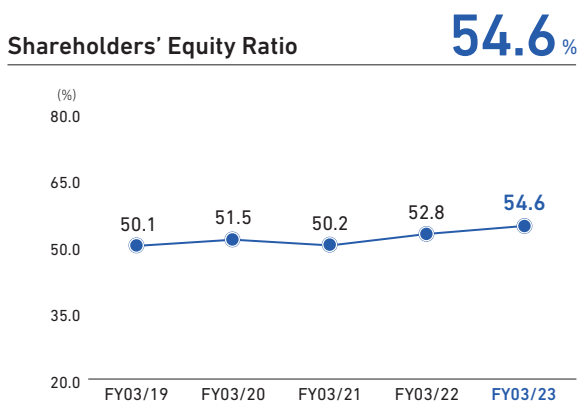
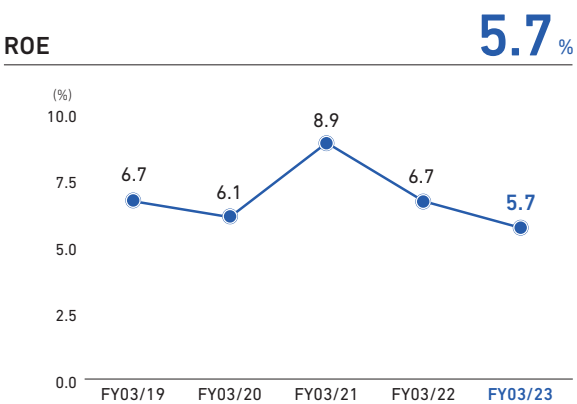
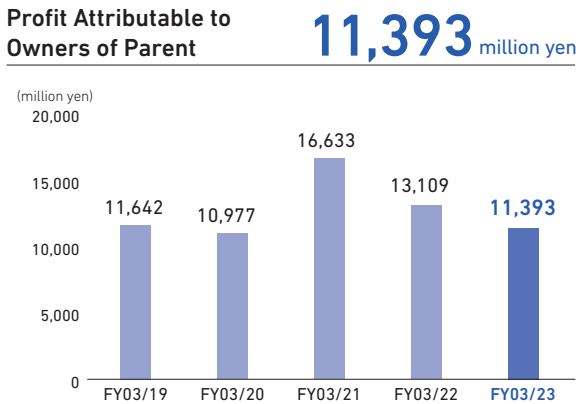
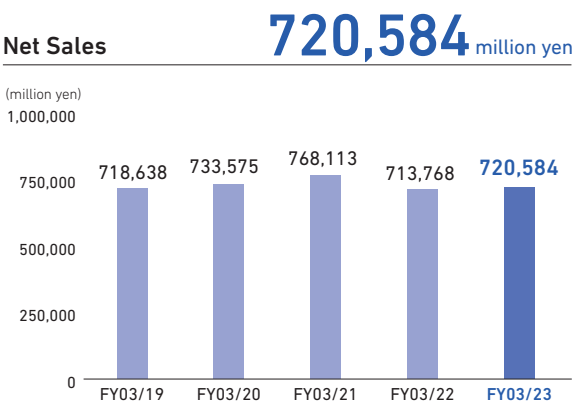
(CashFlows from Investing Activities)

Capital used as a result of investing activities was ¥8.3bn (¥10.5bn used in FY03/22). This included: ¥5.4bn from obtaining property and equipment, at cost; ¥952mn in income from the sale of property and equipment; ¥2.3bn in expenditures to obtain intangible assets; ¥750mn in expenditures to obtain investment securities; and ¥1.1bn in expenditures for guarantee deposits.

(Cash Flows from Financing Activities)

Capital used as a result of financial activities was ¥20.5bn (¥13.2bn used in FY03/22). This included: ¥10.4bn in expenditures for the repayment of long-term loans; ¥5.0bn in expenditures for acquiring treasury shares; and ¥4.1bn for the payment of dividends.

*For details, please refer to the FY03/23 securities report.



10-Year Financial/Non-Financial Summary (Consolidated)

	3/2014	3/2015	3/2016	3/2017	3/2018	3/2019	3/2020	3/2021	3/2022	3/2023
	Million yen									
Results										
Net Sales	766,699	691,216	692,087	674,426	686,284	718,638	733,575	768,113	713,768	720,584
Operating Income	13,720	10,745	17,050	15,273	15,378	17,842	12,284	26,785	18,796	19,186
Ordinary Income	14,883	11,118	17,275	16,005	16,167	18,889	13,365	27,811	21,589	19,248
Profit Attributable to Owners of Parent	5,149	4,929	6,022	13,118	8,944	11,642	10,977	16,633	13,109	11,393
Financial Status										
Total Assets	385,799	367,338	360,307	368,161	369,448	355,947	350,024	386,425	377,970	369,365
Net Assets	146,756	145,086	141,986	151,512	169,005	178,172	180,400	193,841	199,480	201,656
Cash Flow										
Cash Flows from Operating Activities	45,741	(17,215)	37,154	19,333	21,553	28,304	25,278	42,964	10,576	12,139
Cash Flows from Investing Activities	(13,154)	(3,774)	(9,753)	(13,484)	(8,944)	(12,419)	(5,559)	(7,975)	(10,518)	(8,336)
Cash Flows from Financing Activities	(22,259)	9,697	(24,156)	(8,168)	(14,308)	(15,077)	(12,780)	(7,891)	(13,245)	(20,452)
Cash and Cash Equivalents at End of Period	20,293	9,001	12,246	9,927	8,227	9,035	15,974	43,072	29,885	13,235
	Yen									
Per Share Information										
Net Income	48.42	45.77	60.04	133.04	90.84	105.34	101.33	155.34	125.41	112.36
Diluted Earnings Per Share (EPS)	48.33	42.69	47.66	102.89	71.90	93.78	90.49	139.79	112.60	100.32
Dividend	22.00	20.00	22.00	26.00	28.00	32.00	34.00	46.00	44.00	44.00
Net Assets	1,325.29	1,389.43	1,437.65	1,558.86	1,535.84	1,601.53	1,685.50	1,809.68	1,950.13	2,048.30
	%									
Indicators										
Equity Ratio	38.0	39.5	39.4	41.2	45.7	50.1	51.5	50.2	52.8	54.6
Return on Equity (ROE)	3.6	3.4	4.2	8.9	5.6	6.7	6.1	8.9	6.7	5.7
Sales-to-operating Income Ratio	1.8	1.6	2.5	2.3	2.2	2.5	1.7	3.5	2.6	2.7
P/E Ratio (times)	11.88	19.75	14.22	7.69	13.63	9.17	8.81	7.98	9.05	11.41
P/B Ratio (times)	0.43	0.65	0.59	0.66	0.81	0.60	0.53	0.68	0.58	0.63
Return on Invested Capital (ROIC)	3.2	2.5*1	4.1*1	4.0*1	4.2	5.0	4.2	7.0	4.9	5.2
*Including Convertible Bonds										
D/E Ratio (times)	0.7	0.8	0.7	0.6	0.4	0.4	0.3	0.3	0.3	0.2
*Including Convertible Bonds										
Dividend Payout Ratio	45.4	43.7	36.6	19.5	30.8	30.4	33.6	29.6	35.1	39.2

	3/2014	3/2015	3/2016	3/2017	3/2018	3/2019	3/2020	3/2021	3/2022	3/2023
Non-Financial Information										
Total Number of Employees	16,002	15,537	15,645	15,227	15,496	15,535	15,889	16,209	16,434	16,165
Number of Full-time Employees	9,109	8,788	8,663	8,551	8,653	8,761	8,778	9,007	9,158	9,258
Number of Temporary Employees (*Converted to 8 hr. days)	6,893	6,749	6,982	6,676	6,843	6,827	7,111	7,202	7,276	6,907
Ratio of Female of Employees, Including Temporary Employees (Non-consolidated)	—	—	35.6%	35.5%	35.4%	36.1%	36.3%	36.6%	37.1%	37.1%
Ratio of Independent Directors (%)	9.1%	15.4%	16.7%	14.3%	40.0%	44.4%	44.4%	50.0%	50.0%	50.0%
Total Number of Stores	1,212	1,212	1,206	1,185	1,186	1,191	1,184	1,187	1,202	1,208
Total Sales Floor Area (1,000 m²) *Excluding Franchise Stores	1,053	1,030	1,024	1,019	1,020	1,039	1,055	1,058	1,086	1,087
EDION Card Members (10,000 persons)	456	465	469	475	482	489	490	486	485	485
Anshin Hoshō (Assured-warranty) Card Members (10,000 persons)	341	502	640	720	775	798	809	829	838	854
Emissions Due to Industrial Waste (t)	—	—	38,794	41,302	49,036	45,811	49,610	49,241	47,294	52,154
Emissions Due to Recycling Small Home Electronics (t) *2	—	—	4,922	5,130	5,193	5,158	5,481	6,207	5,634	5,118
*EDION / 3Q (Excluding Hokkaido)										
Emissions Due to Recycling Small Home Electronics (t)*2*3	—	—	5,914	6,511	6,787	7,370	8,286	8,244	7,995	7,252
CO ₂ Emissions (t)	—	—	151,306	138,773	126,736	111,327	112,809	110,994	—	—
Scope1	27,153	—	—	—	—	—	—	—	18,281	17,388
Scope2	148,892	—	—	—	—	—	—	—	78,861	73,056
Scope 3 (partial)	61,780	—	—	—	—	—	—	—	36,976	33,682
Number of Solar Power Systems Installed	1	4	26	53	65	72	72	72	70	69
Number of Installation Bases with Power Purchase Agreement (PPA)	—	—	—	—	—	—	—	—	—	1
Power Generation Capacity of Solar Power Systems (1,000 kWh)	—	—	—	2,338	3,334	4,622	4,524	4,608	4,197	4,918
CO ₂ Reduction Due to Solar Power Systems (t)	—	—	—	792	1,130	1,566	1,534	1,561	1,422	1,667

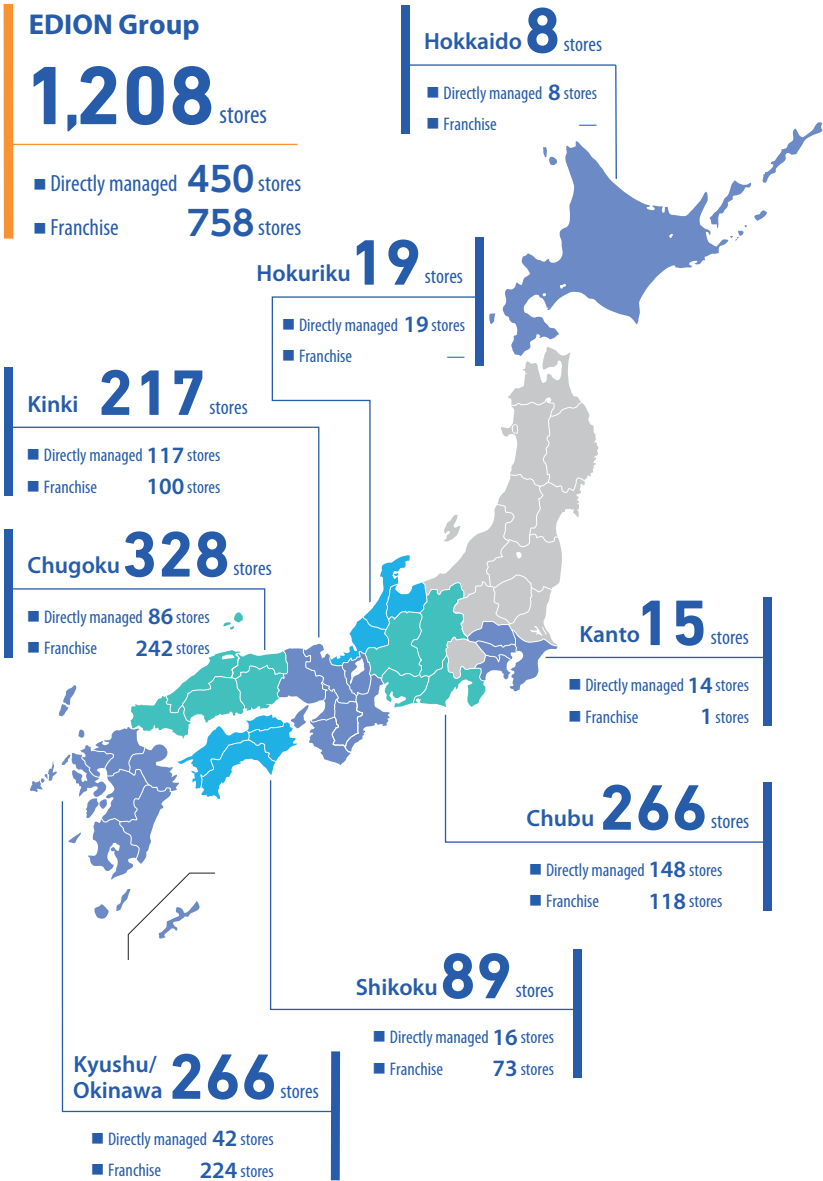
*1 Excludes special factors for reversal and addition of deferred tax assets due to changes in tax rates, etc..
*2 Some figures have been amended to reflect changes in tabulation methods from 2022.
*3 EDION Group emissions, corporate buy-backs, and processing volumes following recovery from municipalities.
*4 We stipulated Scope 1, 2, and 3 CO₂ emissions as indexes and changed calculation methods based on TCFD recommendations from FY2021.

EDION Group Companies (As of March 31, 2023)

Name	Location	Capital (Million yen)	Main Business Activities	Sharehold- ing of Voting Shares (%)
Consolidated Subsidiaries				
SANKYU Co., Ltd.	Fukui-shi, Fukui	10	Sales of home electronics and other products	100.00
Forest Co., Ltd.	Omiya-ku, Saitama-shi	90	Online sales of stationery, office supplies and equipment, and daily necessities	100.00
Forest Shuhan Co., Ltd.	Omiya-ku, Saitama-shi	12	Sales of alcohol and other products	100.00
EDION X Ventures Corporation	Chikusa-ku, Nagoya-shi	30	Operation and development of information systems	100.00
EDION HOUSE SYSTEM Corporation	Naka-ku, Hiroshima-shi	20	Sales and installation of home improvement projects and solar power systems	100.00
Jtop Co., Ltd.	Nakamura-ku, Nagoya-shi	94	General freight delivery of free newspapers, job magazines, and other magazines	100.00
E.R.JAPAN Corporation	Naka-ku, Hiroshima-shi	100	Operation of reuse and recycle businesses	100.00
e-Logi Corporation	Naka-ku, Hiroshima-shi	50	Freight delivery, warehouse management, etc.	100.00
PRIME STATION Corporation	Shinagawa-ku, Tokyo	41	Planning / printing business	100.00
Youmemiru Inc.	Kita-ku, Sakai-shi	10	Provision of programming education	100.00
EdBank Corporation	Shinagawa-ku, Tokyo	10	Operation of programming classes, etc.	100.00
Equity Method Affiliates				
Sanfrecce Hiroshima FC Co., Ltd.	Naka-ku, Hiroshima-shi	220	Operation of professional soccer team	46.96

Note: *1 On August 1, 2022, EDION acquired all shares in Prime Station Co., Ltd., Hampstead Co., Ltd., and EdBank Co., Ltd., making these companies 100% subsidiaries.
*2 On October 1, 2022, Hampstead Co., Ltd. and NWORK Corporation, both consolidated subsidiaries, underwent a merger (by absorption), with NWORK Corporation as the surviving company, and the company name was changed to EDION X Ventures Corporation.
*3 On October 1, 2023, Jtop Co., Ltd. and e-Logi Corporation, both consolidated subsidiaries, underwent a merger (by absorption), with Jtop Co., Ltd. as the surviving company.
*4 EDION received 500,000 of the 626,387 ordinary shares issued by Sanfrecce Hiroshima FC Co., Ltd. as a capital increase through third-party allocation, with September 10, 2023, as the final payment deadline. Based on this transaction, the voting right ownership ratio increased to 76.1%, and Sanfrecce Hiroshima FC Co., Ltd. became a consolidated subsidiary.

Store Network (As of March 31, 2023)



Company Information (As of March 31, 2023)

Company Name	EDION Corporation
URL	https://www.edion.com
Headquarters	2-1-18 Kamiyacho, Naka-ku, Hiroshima-shi, Hiroshima
Head Office	Osaka Mitsui Bussan Building, 2-3-33 Nakanoshima, Kita-ku, Osaka-shi, Osaka TEL: 06-6202-6011 (Main representative)
Date of Establishment	March 29, 2002
Capital Stock	¥11,940 million
Fiscal Year end	March 31
Number of Employees	16,165 (9,258 full-time employees, 6,907 temporary employees)

Major Shareholders

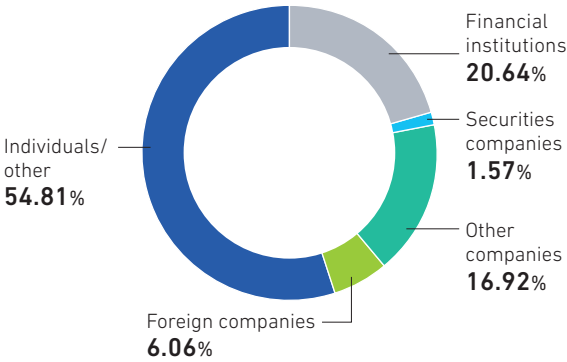
Name	Shares Held (Thousands)	% of Outstanding Shares (Excluding Treasury Shares)
Nitori Holdings Co.,Ltd.	10,225	10.39
The Master Trust Bank of Japan, Ltd. (Trust account)	9,055	9.20
EDION Group Employee Stock Ownership Plan	8,242	8.37
Daiichi Co., Ltd.	3,449	3.50
Masataka Kubo	2,211	2.25
Custody Bank of Japan, Ltd. (Trust account)	2,137	2.17
The Dai-ichi Life Insurance Company, Ltd.	1,811	1.84
MUFG Bank, Ltd.	1,692	1.72
EDION Group Client Stock Ownership	1,684	1.71
Sumitomo Life Insurance Company	1,624	1.65

(Note) 1. "Shares held" is rounded down to the nearest thousand shares.
2. EDION Corporation holds 9,714,361 shares of treasury stock, which is excluded from the above major shareholders.
3. Treasury stock does not factor into the shareholding ratio calculation.

Stock Information (As of March 31, 2023)

Stock Listing	Tokyo Stock Exchange Prime Market
Securities Code	2730
Number of Shares Issuable	300,000,000
Number of Shares Outstanding	112,005,636
Number of Shareholders	113,250
Stock Agent	Mitsubishi UFJ Trust and Banking Corporation
Minimum Trading	Unit 100
Name of the Auditing Firm	EY Japan (Ernst & Young ShinNihon LLC)

Distribution of Shares by Owner



Total Shareholder Yield

(Comparison Index Including Dividends: TOPIX [Tokyo Stock Price Index])

