

Exciting Discovery In One Network



The Future We Envisage

EDION envisions rich, abundant lives —

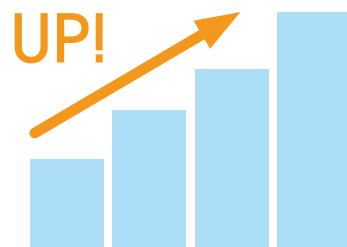
Lives for which every day is exciting thanks to new discoveries and encounters, and a world where the richness of individuals envelops and enriches society as a whole. At EDION, we will consider the needs of each and every customer as we continue to take on the challenge of ensuring a rich future for Japan.



The EDION Group at a Glance (as of March 31, 2024)

Net Sales (consolidated)

¥721.0_{bn}



Number of Employees
(consolidated)

15,947

Number of EDION Group
Companies (consolidated)

14

Number of ELS (Eco-Living & Solar)
Construction Projects

Around **140,000**
projects per year

Number of EDION Card
(with a credit card function) Members

4.83_{mn}

We provide enhanced services that include holding sales for our members and offering long-term repair warranties.

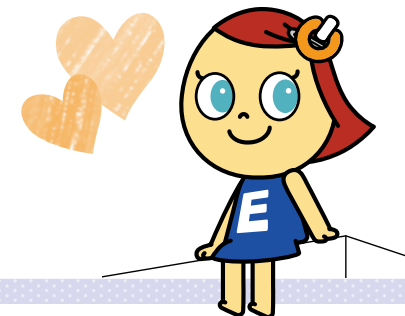
E-commerce Site Sales Growth Rate

Around **460%**
(Achievement rate in 2018 = 100%)

We have expanded the areas to which EDION Net Shop, our e-commerce site, can deliver to include all of Japan.

Customer Satisfaction

90% or more



Recovery of Small Home
Electronics for Recycling

Approx. **6,977**_t



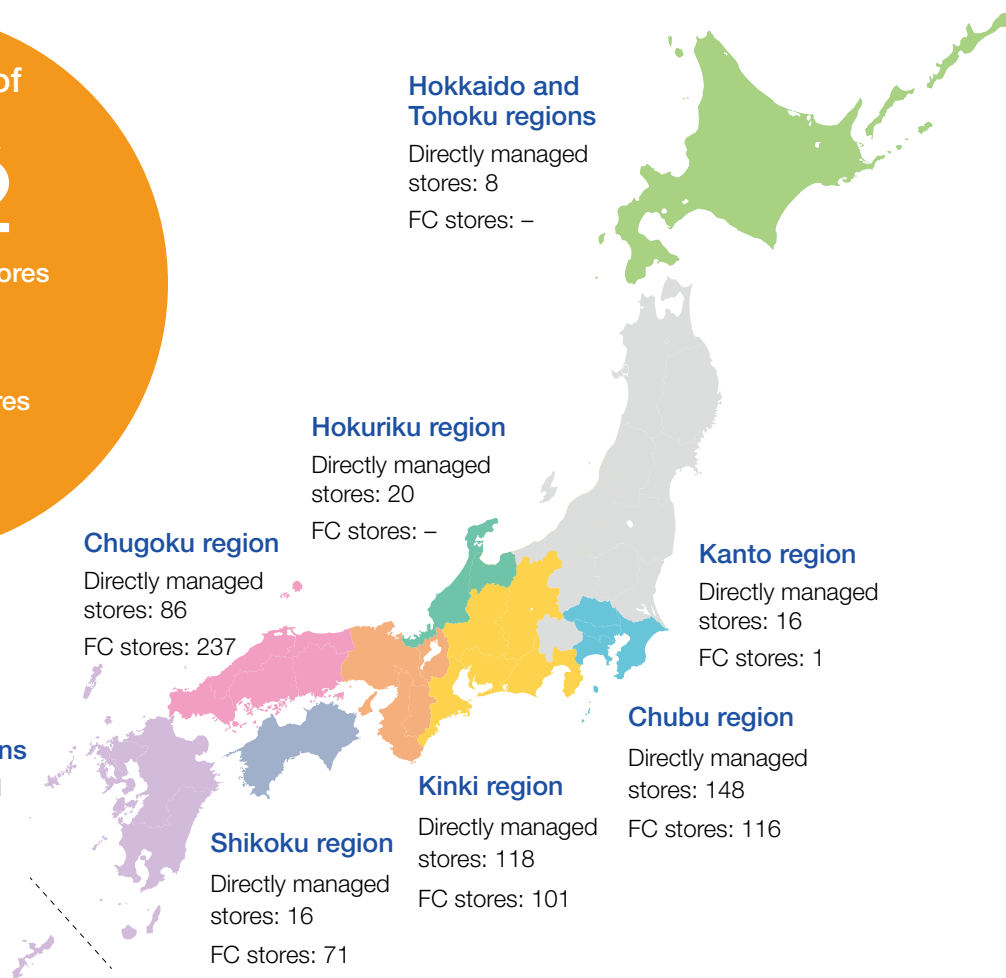
PB Product Sales Percentage

 angle

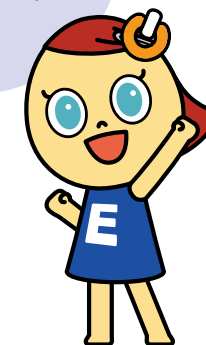
29%

Store Network

The EDION Group utilizes its nationwide network of more than 1,200 stores to facilitate more comfortable lives for its customers.



EDION's Official Mascot:
iina-chan
Our mascot conveys both what customers consider good and what EDION considers good



No. of Service Centers (logistics)

73



No. of Solar Power Systems Installed

80



No. of Programming Classes

163

Corporate Philosophy

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

Outstanding Products with High Utility

We do not simply sell products. Through the sales of products, we provide our customers with value and satisfaction in addition to pleasure, richness, and convenience.

Reliable Service

We provide all possible service to ensure that our customers can use their purchases in optimal condition over a long period of time.

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.

The EDION Group 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

The EDION Group issues integrated reports to ensure that all of our stakeholders understand our strategies for continuously increasing our corporate value as well as our efforts related to ESG (environmental, social, and governance) issues. Our FY2024 report contains a detailed discussion of the EDION Group's activities aimed at achieving our Medium-Term Management Vision and is organized based on messages from our CEO, COO, and CFO.

Target Period

April 1, 2023, to March 31, 2024

* Some information from outside of the target period is included.

Target Organizations

This report covers 14 companies: specifically EDION Corporation and its consolidated subsidiaries. In this report, "EDION" refers to EDION Corporation, while the "EDION Group" refers to EDION Corporation and its consolidated subsidiaries.

Issuance Date

September 2024

Reference Guidelines

- The IFRS Foundation's "International Integrated Reporting Framework"
- The Ministry of Economy, Trade and Industry's "Guidance for Collaborative Value Creation 2.0"
- The Global Reporting Initiative's (GRI's) "Sustainability Reporting Standards"
- The recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)

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 EDION has neither an obligation nor a policy of keeping such information up to date. The figures in this report are based on Japanese GAAP.

01

Section 01

EDION's Value Creation



**Faced with the Changing
Times, EDION Is Boldly
Advancing into the Future**

Masataka Kubo
Chairman and CEO

Masataka Kubo



CEO MESSAGE

> CEO's Message

The Time Has Come for EDION to Advance

In FY2023, the world was at last freed from the restrictions imposed by the long-fought battle with COVID-19, and both daily life and society started moving in a more positive direction. On a more personal note, I was extremely pleased to have the opportunity to visit and observe stores throughout Japan, where I was able to meet with our employees face-to-face. We have truly transitioned to a post-COVID-19 era. I feel like the time has come for the EDION Group to boldly advance into the future as well.

Customer values and lifestyles have also dramatically changed, and Japanese consumption trends are shifting from stay-at-home consumption to consumption related to going out. In terms of home electronics demand, although it was weak due to the increased cost of living and the reactionary decline in stay-at-home demand, inbound demand has also clearly started to recover as a result of the ban on travel to Japan from around the world being lifted. A

lot of foreign tourists have also been visiting EDION's urban stores, which is significantly increasing our sales, so I believe we need to take advantage of this golden opportunity by increasing human resources capable of speaking foreign languages and taking other relevant action.

At the same time, to respond to changes in our post-COVID-19 world, we have taken steps to rapidly develop products in line with customer opinions, needs, proposals, and other information. The jointly developed products with Nitori Holdings Co., Ltd., with whom we concluded a capital tie-up in April 2022, are off to a smooth start. The first result of this tie-up was to start selling three items—an electric drip kettle, temperature-adjustable electric kettle, and steam oven toaster—at our EDION Yokohama-Nishiguchi main store, a flagship store in the Kanto region, when it opened in December of 2023. Our future plan is to release around one hundred items per year.

Our Strength in Terms of Service-Based Retail and Decarbonization Proposals

EDION advocates *service-based retail business*, and we possess unrivalled strength as a company in terms of our ability to propose home improvement business and services based on home electronics sales to our customers. I believe that one of EDION's core duties is to provide customers with good products that they can use for years to come. For example, in the air-conditioner cleaning industry, we are the second most successful company in Japan, cleaning around 250,000 air conditioners per year, and we are first place in terms of cleaning air conditioners in homes. In addition, our service and logistics network covers almost the entire country, which also has significantly increased our e-commerce sales of large home electronics that include refrigerators and washing machines—and come with installation service—and this has contributed to our profits as well.

And another thing, society as a whole is making significant strides towards achieving carbon neutrality. EDION has traditionally been involved in the smart energy

It is EDION's responsibility and privilege to provide customers with high-quality products they can use for a long time without any need to worry



> CEO's Message

business—specifically the installation and sales of solar power systems, and, even as many other companies withdraw from the solar-power-system selling business, we have continued to handle such sales. This has proven quite worthwhile for us, as our share of the solar power system market is one of the largest in the industry, and we have established a business model that helps to reduce household CO₂ emissions while also contributing to EDION's business performance.

In FY2023, there was an increased awareness of the importance of reducing utility costs due to the COVID-19 pandemic, and EDION's ELS business did extremely well, including a 1.5 times increase in the sales of solar batteries in particular. I have personally been involved in activities aimed at spreading the awareness of the importance of environmental protection throughout society—specifically by attending environmental conferences in Hiroshima Prefecture and the Chugoku region for around the last 35 years—and, to take on the challenges posed by environmental problems and climate change risks, I think the most important thing is for each individual to take action based on an accurate understanding of the situation. One of EDION's missions is to deliver products that offer high energy efficiency and low greenhouse gas emissions as well as products that eliminate greenhouse gas emissions by utilizing renewable energy to the world. We intend to continue accelerating the expansion of our businesses related to energy-efficient home electronics, smart energy, and home improvement.

Continuing to Protect Management That Places a High Value on People

Ever since EDION was established in 2002, our corporate philosophy has called for us to Achieve Long-Lasting Customer Satisfaction Through Outstanding Products and Reliable Service. This is in fact the fundamental approach of the EDION Group inherited from the times of Daiichi

Sangyou Corporation, one of our predecessors.

After the founding of Daiichi Sangyou in 1947 and a subsequent period of growth in home electronics demand, the economy cooled off for a while, during which our figures did not increase. Our former president and I felt that we needed to do something, so we participated in sales meetings. Our staff members talked about how to go about effectively selling profitable products to our customers, which made us have significant concerns. As a result, we decided that our approach back then was practically rude to customers and that our problems went far beyond business. More specifically, we felt a need to change the way our employees thought on a fundamental level. Therefore, we stopped distributing flyers and instead launched our *oil heater Z Service* in an effort to provide something that would definitely make our customers happy. This service was for cleaning oil heaters, which were popular as home heating equipment back then, and the Z in the name referred to the fact that we look after the products we sell all the way to the end. Every year, households put their oil heaters away in the off season, so we accepted such heaters from our customers, fired them up while they were empty to remove the oil, cleaned the wick, bagged the heaters, and then returned them to our customers. In other words, all of our employees started providing maintenance services to our customers, thereby enabling them to use their oil heaters for up to ten or even fifteen years. This is where our *reliable service* approach got its start. Although some people naturally expressed the opinion that replacement demand for our products would never increase if customers could use the products they bought for too long, we believed that—if we continuously provided reliable service—our customers would trust us, and they would eventually buy new products from our stores. Our experiences back then make up the foundation of our current corporate philosophy.

In addition, shortly after I became a manager, I was taught something by a certain high-ranking monk: a pawn will eventually become a gold general (in Shogi, a Japanese

chess game.) *Training others is how you achieve your targets. As a result, it dawned on me that training others is another responsibility of a manager.*

We have naturally implemented various initiatives to train human resources in the past, but, in FY2023, we opened the EDION Academy as part of our new plan to train next-generation company executives. This is still a small-scale operation, but we expect it to help us discover the talent that will be critical to EDION's future, and I am focusing on this plan as one of my responsibilities as a manager to facilitate our future growth.



Z Service announcement (1961)

To Our Stakeholders

We are aware of the fact that—when it comes to the EDION Group achieving sustainable growth—our shareholders and investors are vital stakeholders. Nowadays, there are sophisticated management requirements in place, including the need to pay attention to strengthening corporate governance and capital efficiency in terms of listed companies. Regarding the management of the EDION Group as well, we therefore believe it is important to actively pursue growth investments, M&A, etc. as we strive to return increased benefits to shareholders and distribute our resources in a balanced fashion. We look forward to your ongoing guidance as we continue to contribute to the resolution of social issues through our business, respond to the expectations of our shareholders and investors, and endeavor to increase our corporate value.

History of Value Creation

We at EDION have been transforming ourselves and growing while responding to the trends of the times and changes in society.

Going forward, we will continue to leverage the strengths we have built up over our long history to contribute to the development of the economy and society, and our customers in particular.



2007
 • Home improvements started up as a new business at the subsidiary SANKYU



2010
 • Expanded FC member store contracts (Kansai area)



> History of Value Creation



2012
Store Brands Unified as "EDION"



- 2018
- Start of "e angle" brand sales
 - Start of education business



- 2019
- Namba Main Store opens Specialized in amusement



- 2021
- Kyoto Shijo Kawaramachi Store opens
 - Support for TCFD recommendations



- 2023
- EDION Yokohama-Nishiguchi main store opens, the first flagship store in Kanto
 - The Gifu Masaki Store and Katano Hoshida Store acquire Nearly ZEB certification

2012
E.R.JAPAN established

2013
Capital tie-up with LIXIL
(Changed to business tie-up in April 2022)

2017
Forest acquired as a subsidiary

2018
e-Logi established

2019
Youmemiru acquired as a subsidiary
Jtop acquired as a subsidiary

2022
Capital tie-up with Nitori Holdings

2023
Sanfrece Hiroshima FC acquired as a subsidiary

2024
Azabu acquired as a subsidiary

This is a specialized truck with special specs for diagnosing problems in home electronics, which we launched in 1984. It's the only one of its kind in Japan. The current third-generation Himawari travels all around Japan, mainly to support new store openings and other events.

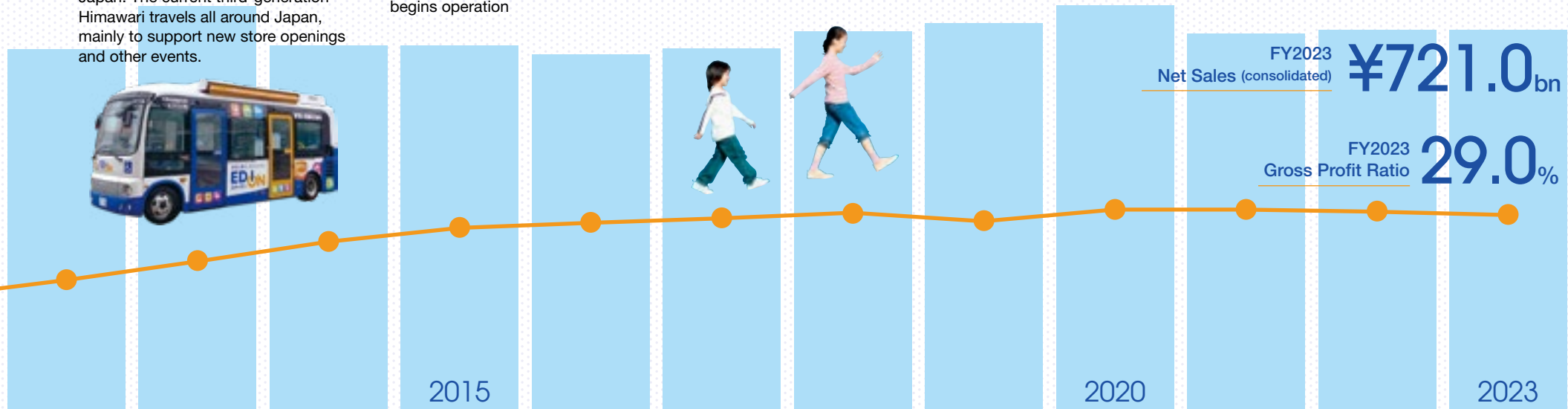


- 2015
- Start of EDION Support Chain (ESC)
 - EDION Housing (real estate broker) established
 - 3rd generation Himawari begins operation

- 2017
- New EDION Net Shop opens
 - Launch of new "EDION App"

- 2022
- Rollout of stores with Nitori collaboration booths begins

- 2024
- Sanfrece Hiroshima FC home ground relocated
 - Acquired naming rights for the new soccer stadium, EDION Peace Wing Hiroshima



Expansion of Value Creation Areas

In order to maintain and enhance its market competitiveness, EDION is challenging itself to open up new markets and targets with store operation at the core to expand its business.



PB Products

Based on the concept of "lifestyles from a new angle," we are developing and selling original products which incorporate customer comments.

Delivery, Construction, and Repair Services

We provide a wide range of services, including same-day/timed delivery and construction, on-site repairs, and recycling of small home electronics.

Net Shop

We offer points equivalent to those for purchases at physical stores and worry-free, long-term repair warranties. This online website deals with a wide variety of products, including home electronics and also daily necessities, stationery, and foodstuffs.

Home Improvement/Housing

We are providing total support for the lives of our customers with plumbing products such as kitchens, baths, and toilets, and also facility-related products and home electronics.

Programming Classes

Based on the policy of "enriching future lives through education," we are aiming to rear children who can learn and practice on their own initiative.



EDION's Strengths

We will work to continuously increase corporate value and resolve social issues by deepening the strengths we have cultivated since our founding.

We Will Use EDION's Strengths to Systematically Increase Corporate Value

Strengths

1

Customer Service and Proposal Capabilities

We are actively working on the acquisition of certifications by our employees and their manpower training, and we provide customer service and proposals based on their abundant product knowledge.

- Number receiving Electric Home Appliance Advisor certification **4,620 people**
- Enhanced training systems



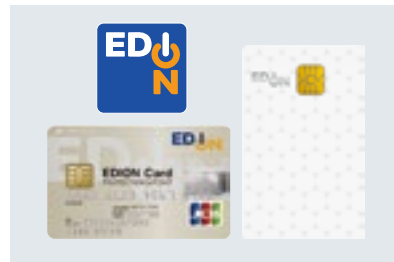
Strengths

2

Connections with Customers

We take care to respond quickly and appropriately to the customer comments we receive in a variety of situations and share them with the relevant departments to utilize in the development and improvement of our products and services.

- Number of EDION Card (Credit Card) members **4.83 mn**
- Number of EDION Original-Warranty Card (Anshin Hosho Card) members **8.66 mn**
- Number of app downloads **10.80 mn downloads**



Strengths

3

Enhanced Services

In our home electronics network of more than 1,200 stores nationwide, we have an enhanced after-sales service structure for post-purchase support. We deliver peace of mind to our customers.

- Air-conditioner cleanings **250,000 units** (+9.2% YoY)
- Completion of a nationwide logistics network in FY2024



Strengths

4

The Industry's Best Warranty and Repair Systems

Based on our Corporate Message "Reassuring Feelings and Lasting Satisfaction," we provide long-term guarantees and repair support so that our customers can shop with peace of mind.

- Guaranteed products **More than 100 types**
- Receipt of **bulk repairs** at the call center
- Number of service center (logistics) locations **73 locations**



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.

Materiality	Main Measures	Activities
Helping Customers Realize Lives of Convenience and Affluence	<ul style="list-style-type: none"> • Providing Attractive Products at Affordable Prices • Rapid Response to Changing Lifestyles • Provide Outstanding Service • Provide Peace of Mind 	<ul style="list-style-type: none"> • Easy-to-understand price displays and development of original products • Secure online app users • Put in place structures to increase customer satisfaction • Convenient and environmentally friendly store design
Contributing to a Decarbonized Society in Harmony with the Environment	<ul style="list-style-type: none"> • Undertake Environmentally Friendly Product Sales, Logistics, and Services • Rollout of Environmentally Friendly Stores • Contribute to a Recycling-Oriented Society • Environmental Protection Activities 	<ul style="list-style-type: none"> • Sell products that meet energy conservation standards • Introduction of LED lighting at all stores and installation of solar power systems • Promote the "Recycle and Reuse" business • Participate in afforestation activities
Organizations that Offer Work Satisfaction and Diverse Manpower Training	<ul style="list-style-type: none"> • Health Management Promotion • Promoting Optimum Work Safety (and Sanitation) • Promoting Work/Life Balance • Promoting Employment of Persons with Disabilities • Creating Comfortable Workplaces • Manpower Training and Career Development 	<ul style="list-style-type: none"> • Maintain a workplace environment where employees can continue to work in good health • Promote the creation of attractive workplaces where employees can enjoy safety and peace of mind • Reduce overtime by improving work efficiency • Promote the recruitment of diverse talent • Promote diversity, equity & inclusion • Training systems that lead to diverse careers
Actively Contributing to the Community	<ul style="list-style-type: none"> • Promoting Sports • Fostering the Next Generation • Disaster Support Activities • Contributing to the Community 	<ul style="list-style-type: none"> • Operate sports divisions and sponsor sports teams and events • Support education through the robot programming business • Put in place structures to continue store operations even in the event of a disaster • Nationwide Simultaneous Cleanup Activities
Building Strong Relationships with Business Partners and Shareholders	<ul style="list-style-type: none"> • Strengthening Governance • Sustainable Logistics • Enhanced Stakeholder Communications • Fair and Impartial Transactions with Business Partners 	<ul style="list-style-type: none"> • Build management monitoring structures • "White Logistics" initiatives • Disclose appropriate corporate information at appropriate times • Establish a code of ethics and formulate procurement policies
Establishing a Business Platform That Supports Sustainability	<ul style="list-style-type: none"> • Continuous Business Activities • Promote Sustainability Management 	<ul style="list-style-type: none"> • Continue stable business operations • Establish sustainability policies

Process for Identifying Priority Issues

The EDION Group identifies its priority issues by broadly ascertaining and organizing social issues, evaluating their importance from the perspective of their impact on the company and its stakeholders, and discussing them at Board of Directors meetings. Going forward, we will revise the priority issues as appropriate in response to changes in the social environment.

STEP1 Recognize Social Issues

STEP2 Evaluate Importance

STEP3 Confirm Appropriateness

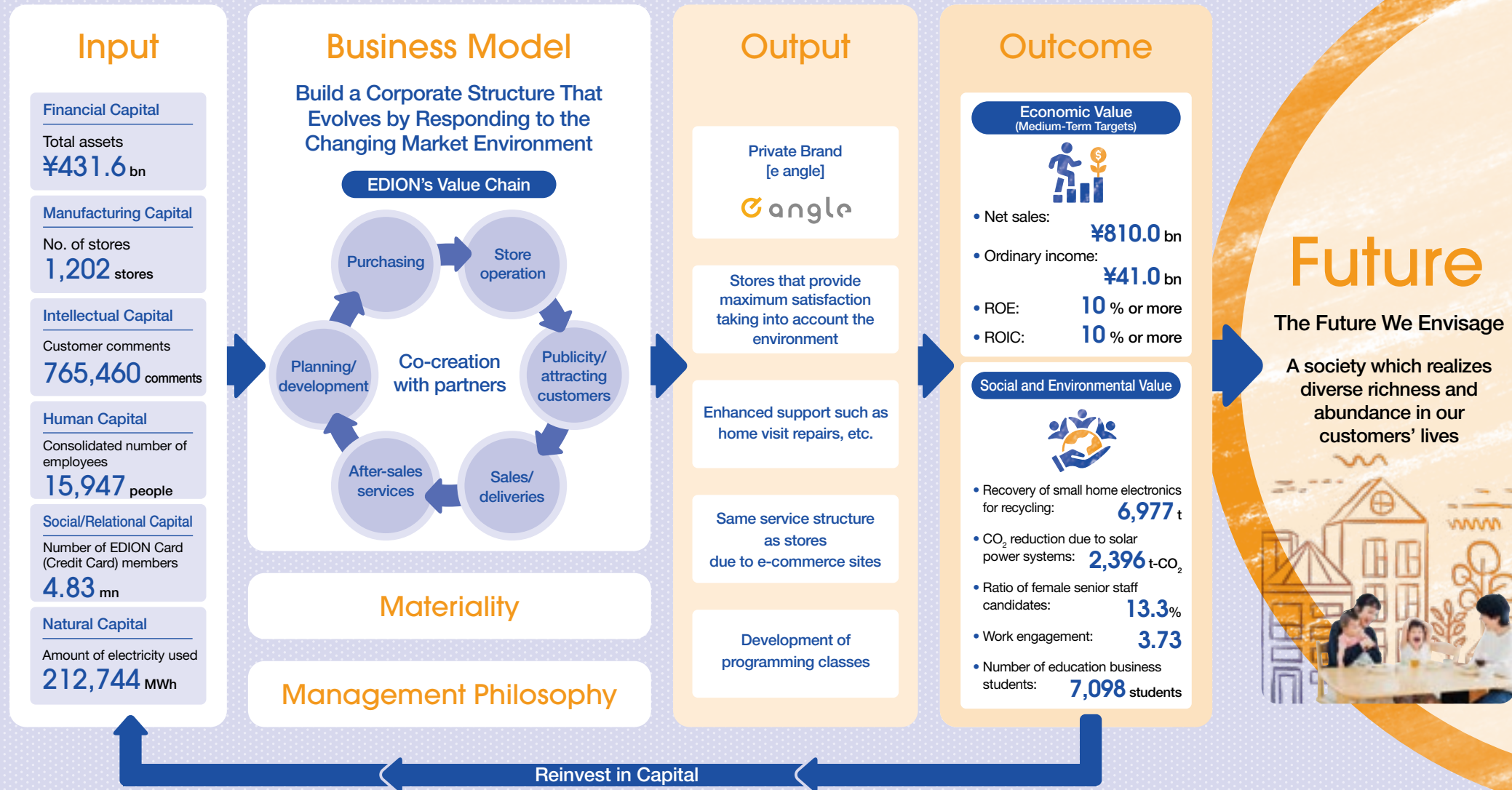
Identify Priority Issues

Value Creation Process

EDION achieves value creation by undertaking business activities that leverage the strength of its Corporate Philosophy throughout the Group and by continuously and flexibly meeting society's needs.

Society's Needs

- Realization of digital solutions
- Correction of regional disparities caused by declining population
- Response to diversifying values
- Measures against climate change risks



02

Section 02

Vision and Growth Strategy





“ Making Our Customers Smile ”
Creating an Innovative Organization

Kozo Takahashi
President and COO

Kozo Takahashi

COO MESSAGE

> COO's Message

Statement of Beliefs

My name is Kozo Takahashi, and I have been appointed president. "In the current difficult business environment, I want you to come up with and implement a forward-looking vision," Mr. Kubo (Chairman and CEO) said, giving me specific instructions and passing the baton of executive leadership to me.

Based on a look back at the FY2023 business environment, COVID-19 was categorized as a Category 5 illness in May, and we saw customer traffic begin to recover, but there was also a reactionary decline in stay-at-home demand. Customer consumption trends have changed dramatically in our new post-COVID-19 world, and there has been a sort of polarization between people purchasing expensive products as rewards for themselves and on special occasions even as they try to save on daily necessities. In terms of our future sales strategy, it will be important to take steps to stimulate demand in line with consumer needs, and it is therefore essential for us to further flesh out our product lineup.

At the same time, although the channels available to customers—including online sales, discount stores, and the entry of other industries into the home electronics retail business—are increasing, I feel like people continue to demand the expertise and reliability of volume home electronics retailers. My hope is that we will be able to even more fully leverage EDION's unique strengths as a service-based retail business to prevail even in the face of fierce competition.

I also believe it will continue to be essential to implement our corporate philosophy to effectively respond to the dramatic changes that will keep transforming the market in FY2024. As we aim to realize our corporate philosophy of Achieving Long-Lasting Customer Satisfaction Through Outstanding Products and Reliable Service, I think it will be important for all of our employees to independently think about how they can make customers smile and take proactive action accordingly. The times are changing, and

it's time to strap ourselves in for the ride.

A Look Back at Our Business Performance in FY2023

Every company in our industry saw decreased customer visits, and it turned out to be a rough year in terms of both sales and profits. In spite of this challenging situation, EDION is to be commended for taking advantage of its unique ability to anticipate customer needs and conduct suitable activities in response. As an example, growth in air conditioner business was expected in FY2023 due to record-high heat waves, but—as a result of soaring raw material and labor costs—the number of companies that had to separately list construction costs also increased. Meanwhile, EDION was careful to include construction costs in its displayed prices, and we therefore earned the support of customers who found this approach easy to understand. In addition, in response to an increased awareness of the need for lifestyle protection, we highlighted the needs to review communication costs, ultimately increasing our mobile-phone performance year on year. Furthermore, in response to stagnant home electronics sales resulting from a reaction to stay-at-home demand, we redoubled our efforts to propose value-added products aimed at saving power and money and achieving time effectiveness as well as to propose home improvement options in combination with home electronics sales, and this went quite well for us.

In terms of online sales, we strengthened our efforts related to products that have a low e-commerce rate—such as large products that include installation work—and achieved double-digit growth as a result. Due to such initiatives, we managed to achieve increased revenues for two years in a row in spite of suffering a decline in customer visits.

In December of 2023, we also opened the EDION Yokohama-Nishiguchi main store, one of EDION's largest stores. EDION's sales region is primarily based in western Japan, and, given that we are still not very well-recognized in the Kanto region, we opened this flagship store there to

gain the attention of young local customers. There are in fact an extremely large number of young people and members of the parenting generation in Yokohama, and I believe it is important to show such customers that *the EDION brand equals excitement*. It always takes a certain amount of time for one of our urban stores to gain recognition, so I hope we can continuously communicate new topics and strengthen our presence.

Progress on Our Medium-Term Management Vision (FY2022 to FY2025)

Under our Medium-Term Management Vision, we are aiming to strengthen our three key platforms: our *infrastructure platform*, *business platform*, and *customer platform*.

To strengthen our *infrastructure platform*, we are working on exploiting the power of DX to review our business processes, thereby improving the productivity of our stores. We also established a new Logistics Service Department in October of 2023, through which we are promoting activities aimed at further strengthening our infrastructure platform.

Moving on, the key to strengthening our *business platform* is PB (private brand) product and ELS business growth. We have therefore gotten started on releasing products jointly developed with Nitori Holdings, which began successfully. In terms of EDION's original *e angle* products, we also plan to release a *volume series*, *color design series*, and *value-added series* as new product families intended to respond to current changes in the consumption behavior and needs of our customers, and we will also actively market these through e-commerce channels. Meanwhile, our ELS business is our second most important pillar behind home electronics, and, under our current catchphrase—*EDION: your home improvement professionals*—we are working on expanding our business by taking advantage of our unique strengths as a volume home electronics retailer, including the ability to propose solutions that offer peace of mind, a good deal, and savings. Through proposals that offer energy efficiency and power saving, we are using our

> COO's Message

ability to contribute to both utility-cost reduction and the environment as a selling point.

Finally, in terms of strengthening our *customer platform*, we are striving to increase the convenience we provide by strengthening our efforts to open dominant stores as we take steps to enhance our points of contact with customers, including promoting a digital approach through the utilization of social media and the EDION App. We are also considering the possibility of launching new services in anticipation of Japan's aging society and declining birthrate.

I also think that *enhancing e-commerce*, which is an issue common to all three of our platforms, will be a major key in terms of our future growth strategy. Regarding our e-commerce strategy—for which our website is of central importance—we are currently working on reviewing our lineup, which includes our brands, and we are aiming to increase the convenience we provide by developing our nationwide delivery network. The percentage of business EDION handles through e-commerce is still low compared to the rest of the industry, and there is room for growth, so I hope that we can employ a flexible approach that aligns with the diversifying purchasing channels of our customers.

I believe that it is the mission of our top management to not only take reliable steps to achieve our Medium-Term Management Vision but also to hammer out a clear, forward-looking vision of what lies beyond. Given that even more dramatic changes in our environment are expected, I am holding discussions with both our Board of Directors and management on how to effectively handle our home electronics and other business, including new customer service, and started to formulate a long-term vision that will carry us to 2030 as well.

Activities to Achieve Sustainability

As the world makes progress on climate change countermeasures, EDION has positioned activities aimed at achieving carbon neutrality as one of its social responsibilities. In FY2023, we obtained Nearly ZEB

certification for two stores: our Gifu Masaki Store and our Katano Hoshida Store. I hope that we can continue working on achieving carbon-free store operations.

In addition, EDION's corporate message—Reassuring Feelings and Lasting Satisfaction—conveys our commitment to providing better products that can be used longer. By proposing products that offer high energy efficiency and low greenhouse gas emissions as well as by providing our proprietary long-term warranty system and repair service system to ensure the use of our products over a longer period of time, I hope that we can work with our customers to contribute to a reduced environmental impact.

Moving on, there is no doubt in my mind that the source of EDION's growth potential is its people. We live in a world that demands that we prevail in the face of global competition, and there is no way for us to survive just by doing what we always do and following the conventional growth strategies. It is also necessary for us to provide reliable backup as a company to help enable each and every employee to think for themselves, take on new challenges, and grow. To accomplish this, we have set up an evaluation system that enables employees to track their growth, we implement reassignment in line with career-related desires and skills, and we have launched a new skill certification system. In FY2023, our activities were mainly focused on the sales skills of store staff members, but we would like to expand our efforts to encompass our head office staff members and service divisions, thereby revitalizing our company as a whole.

We are also focusing on the need to Build Strong Relationships with Business Partners and Shareholders, one of our priority issues. In February of 2024, it was found that we were performing inappropriate tax-exemption procedures at a tax investigation conducted by a regional taxation bureau, and we were ordered to pay additional taxes. In response to this, we have already submitted an amended tax return and paid the full amount we owed, and we have implemented countermeasures that include holding workshops for employees aimed at preventing recurrence by

teaching them to be stricter when handling tax-exemption processing. We are also preparing to use our systems to introduce recurrence prevention measures at our stores.

To Our Stakeholders

Although Japan's economy is on a gradual recovery trend, the environment remains as unpredictable as ever due to the striking yen depreciation and increasing cost of living. However, I also believe this environment makes it uniquely possible for all of our employees to come up with clever ways to innovate and transform these challenges into opportunities. The greatest strengths of the EDION Group are our abilities to *listen to frontline feedback* and *take on new challenges based on the perspective of our customers* and we will carry out this to the fullest extent.

We will continue to conduct responsible, transparent corporate activities to maintain good relationships with our shareholders and business partners, ensure that we are trusted by our stakeholders, and remain indispensable to society. I look forward to your ongoing support.



Medium-Term Management Vision

We have formulated a Medium-Term Management Vision with FY2022 to FY2025 as the plan period and we clarified the directions and targets for which EDION Corporation should aim before advancing specific measures.

Our vision for what we would like to become in the Medium-Term Management Vision

Build a Corporate Structure That Evolves by Responding to the Changing Market Environment

In the Medium-Term Management Vision, we have set “Build a Corporate Structure That Evolves by Responding to the Changing Market Environment” as the basic policy. We have set the targets of ROE above 10% and ROIC above 10% through not only the growth of net sales but also the strengthening of expenses control and enhancement of capital efficiency, and we are working on strengthening the three platforms, namely the Infrastructure Platform,

the Business Platform, and the Customer Platform. Furthermore, we have positioned “Strengthening e-commerce” as a goal related to the three platforms and “Strengthen Sustainability Management” as a goal supporting the sustainable growth of EDION and the development of our stakeholders, and we are working on these goals.

Strengthening the Three Platforms

Infrastructure Platform

We are striving to strengthen the platforms which support our business, including flexible core systems which can respond to a diversifying environment, efficient logistics networks, and the human resource management systems which lead to continuous corporate growth.

Business Platform

In the Home Electronics Sales Business, the major business of the EDION Group, ELS (Eco-Living & Solar) Business, Logistics Service Business, and Education Business, we are striving to further improve profitability and to optimize sales efficiency.

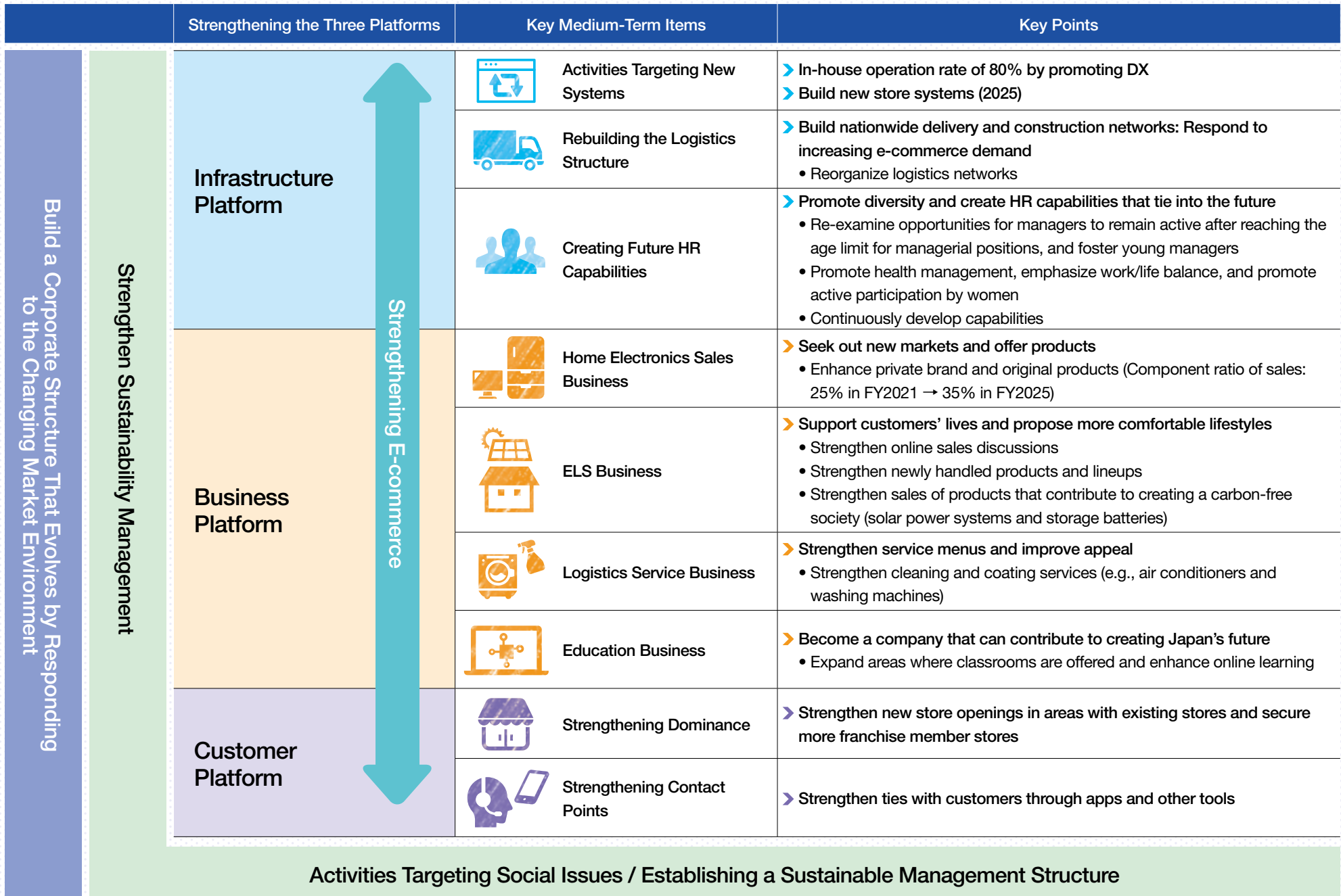
Customer Platform

We are striving to build a virtuous-cycle type of business model which will be continuously supported, by increasing our regional market share through the strengthening of our dominance and by strengthening our customer contact points through the strengthening of our marketing and information communication capabilities.

Strengthening E-commerce

Strengthen Sustainability Management

In order to aim for sustainable growth and the development of all of our stakeholders, we will discuss our response to climate change, the identification of business risks and measures to mitigate them, and other issues, across the entire company, and then stipulate and execute our policies.



CFO's Message

Realization of Change-Resistant Corporate Management with Awareness of Cost of Capital and Stock Price

Senior Executive Officer
General Manager of Corporate
Planning Department
Tsugunori Ishida

Main Financing Activities in FY2023

In FY2023, consumption trends changed due to COVID-19 being categorized as a Category 5 illness. More specifically, there was a shift from stay-at-home demand, which was strong up through FY2022, to demand related to going out, there was an increase in consumption related to eating out, traveling, etc., and this ultimately resulted in the EDION Group's performance shifting in a somewhat challenging direction. In addition, the awareness of the importance of lifestyle protection increased due to factors that included the soaring price of products due to increased raw material prices, and the sales of durable consumer goods were sluggish as a result. We saw a lot of growth in air conditioner sales—which was part of our summer sales strategy in response to the record-high heat waves—but the following warm winter also caused our seasonal products to struggle overall.

To deal with this, we invested in the acquisition of two subsidiaries in line with EDION's Medium-Term Management Vision strategy. The first of these was Sanfrecce Hiroshima FC Co., Ltd. in September of 2023. EDION has supported this soccer club as a sponsor ever since it was established, and we hope to achieve further growth and development of this club alongside leading companies and fans in Hiroshima Prefecture. In February of 2024, EDION Peace Wing Hiroshima—an urban soccer stadium—was completed in central Hiroshima City, and EDION donated 3 billion yen to help pay the costs of the stadium's construction.

We also acquired Azabu Co., Ltd. as a consolidated subsidiary in March of 2024. This company has 38 offices throughout Japan and conducts home improvement business, with a focus on exterior painting. Our ELS* business, which is focused on home improvement, has been EDION's second most important pillar behind home electronics for a long time, and we hope to further strengthen this business by taking full advantage of Azabu's painting skills, craftsman-based network, and high-level sales capabilities.

We are also simultaneously promoting Group-internal restructuring to suitably redistribute our management resources and increase our corporate value. In particular, we are working on expanding our business in the logistics and service field—which has seen a lot of restructuring progress—but we are also focusing on investing in systems

to not only improve our business efficiency but also provide new value. As part of our efforts to invest in human capital, we reformed our HR system in FY2023. In addition, as part of our activities starting in FY2024, we have decided to absorb SANKYU Co., Ltd., a wholly-owned subsidiary of EDION, effective April 1, 2025. SANKYU is an especially unique volume home electronics retailer that handles the Hyakuman Volt store brand in Hokuriku and Hokkaido in particular. We have been integrating our systems, standardizing our business, and taking similar steps since 2015, and I hope that this merger will further increase our efficiency and help us to grow. We also acquired a logistics company as a new subsidiary in August of 2024. Our goal in doing this is to hopefully resolve the so-called logistics problem of 2024 and increase our business value.

In terms of our financial status, in 2023, we acquired the building and land for our Namba Main Store. This resulted in a year-on-year increase in our assets and liabilities, but it also had an expense-reducing effect and improved our single-year cash flows. Moving forward, we will strive to increase our capital efficiency to generate even better cash flows.

*ELS (Eco Living Solar): A general term that refers to renovations involving residential solar power facilities and other solar power systems

Investment and Financial Strategies Under Our FY2022 to FY2025 Medium-Term Management Vision (Four Years)

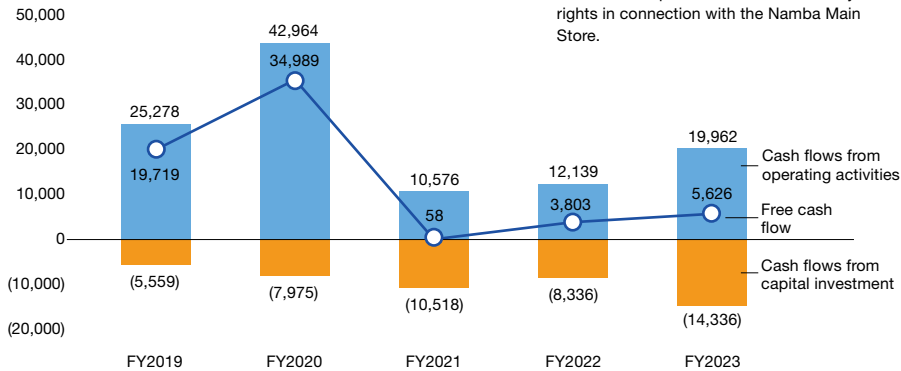
Under our Medium-Term Management Vision for FY2022 to FY2025, we are working on strengthening our three platforms: our infrastructure platform, business platform, and customer platform. In addition, our basic investment policy is to make investments within the scale of our cash flows from operating activities as a guideline. This year, our cash flows based on our profits minus depreciation amounted to approximately 20 billion yen, and we plan to use this money to return benefits to our shareholders and pursue investment in growth and capital.

Under our Medium-Term Management Vision, we are focusing on investing in new stores and systems such as strengthening our e-commerce business. In terms of opening stores in FY2023, we specifically opened nine new stores and relocated or rebuilt six stores. As mentioned above, we have strengthened our activities related to our ELS business—which is the EDION Group's second most

> CFO's Message

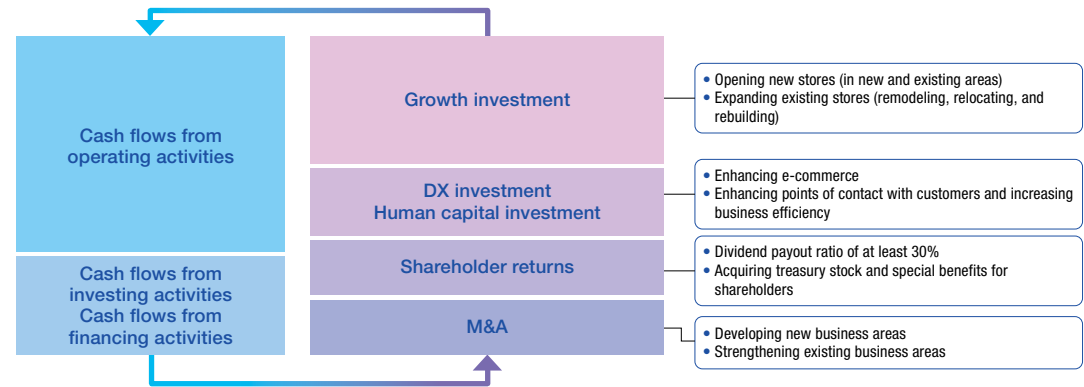
Changes in Our Free Cash Flow

(million yen)



* Our FY2023 cash flows from capital investment do not include cash outflow due to the acquisition of trust beneficiary rights in connection with the Namba Main Store.

Capital Allocation (Overview)



important pillar. We are considering M&A and other kinds of investment aimed at this ELS business, or new businesses such as mobile-phone business and brand-new retail B-to-C business.

To measure the effectiveness of our investment, one of the main things we do is examine our investments in new stores every month and every fiscal year and hold discussions and make decisions related to opening and closing stores. Regarding system investments, although it is difficult in some ways to quantitatively measure the effectiveness in the short and medium term, we do indirectly evaluate the related results, such as by noting the fact that overtime hours have decreased considerably.

Achieving Management Based on an Awareness of the Cost of Capital and Stock Prices

One of EDION's management targets has always been to improve its ROE and ROIC to increase the Group's financial soundness and return on capital. EDION's current cost of shareholder's equity is estimated to be approximately 5%, and the ROE has consistently been higher than the cost of shareholder's equity in the past, but its level still seems low. In addition, the average PBR for the volume home

electronics retailer industry is 0.7 to 0.8 times—with a median value of 0.6 to 0.7 times—but EDION's level, which has ranged from 0.5 times to 0.8 times most recently, seems somewhat weak compared to the industry average. I feel that this low PBR level shows that investors' expectations surrounding EDION are comparatively low. The market has judged that the growth potential of the already mature industry as a whole is not strong—which is due to changes in Japan's demand structure stemming from its declining birthrate, aging population, and population decreases, among other factors. In addition, I also see the reason for this lies in the fact that our ROE is still low. To improve our PBR, I hope that we can strengthen our earning power, improve our return on capital, enhance our efforts to invest in our growth strategy and explain such investments, improve our capital efficiency by returning more benefits to our shareholders, and implement management based on an awareness of our cost of capital and stock prices more than ever.

I am also aware of the fact that, to accomplish the above, our medium- and long-term business strategies are important. In the volume home electronics retail sector, in spite of the fact that there has been a negative outlook for over fifteen years—including the beliefs that *the demand*

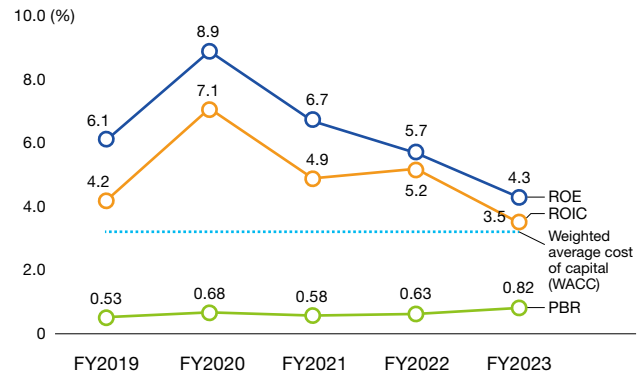
for televisions and thus the number of volume home electronics retailers would decrease due to the spread of digital terrestrial television and that all physical stores would be replaced with online shopping—the performance of the industry, including the profit level, has improved. This seems to be a result of companies in our industry timely devising management strategies in line with social and environmental changes and then taking the necessary steps to implement them and ensure solid performance.

We are following suit at EDION under our current Medium-Term Management Vision by working on building an evolved corporate structure in line with the changing market environment. Our targets for FY2025 include not only the achievement of sales growth but also enhanced expense control and improved capital efficiency aimed at achieving ROE and ROIC of at least 10%. We are also making solid progress on expanding the areas for our ELS business aimed at evolving our business platform, as well as widening the coverage of areas for our logistics service business. Our air-conditioner cleaning, maintenance, and other service business continued to grow in FY2023, but I hope that we will be able to further enhance our follow-up service system and customer contact point capabilities—both of which are unique EDION strengths—to solidify a positive-

> CFO's Message

cycle business model that continues to be supported by our customers. We will also aim to further increase the sophistication of our management by striving to enhance our sustainability management and corporate governance system. It is also important to actively make stakeholders aware of EDION's stance. More specifically, I hope we can take steps to help stakeholders understand EDION's current situation and business strategies by communicating even more information via integrated reports and the web and by promoting dialogues with our investors.

Trends in ROE, ROIC, WACC, and PBR



Education Business That Contributes to Future Human Resource Training

In 2018, we launched our education business as a set of activities aimed at *creating core EDION fans*, and, by allowing children to come into contact with EDION's business from an early age, and to feel a sense of familiarity, I hope we can generate synergy that will serve as a trigger that brings these people to our stores in the future as customers. We have made Youmemiru Inc.—which operates Robo-Done, a nationwide robot programming class for children—an EDION subsidiary, and we are currently promoting the holding of these classes inside EDION stores.

Nowadays, programming is being introduced as a mandatory subject at elementary, middle, and high schools, so programming is becoming an increasingly familiar

concept to children. Programming classes are also starting to increase in the form of regional private tutoring schools (cram schools), but EDION holds classes in the distinctive field of robot programming. In Robo-Done classes, children pair up, think about how things need to move, and assemble parts as they write programs to achieve specific objectives. I suspect that there are various good educational approaches for teaching individuals programming skills, but—when children work on robot programming in pairs—they also develop the ability to think like system engineers, solve problems, and communicate more effectively. One student who was a member of the first graduating Robo-Done class went on to study robotics in college and is doing quite well in the robotics world. In addition to having a high enrollment rate and good reputation, these classes are extremely valuable as our business contributes to training the human resources of the future. We plan to open more stores to hold these classes, with a goal of expanding to forty-five classrooms throughout Japan and a total of 3,000 students by FY2025.

We also dream of children who learn in Robo-Done classes ultimately working and succeeding at EDION. One of EDION's targets under its Medium-Term Management Vision is to handle at least 80% of its systems in house, and we are therefore currently working on reforming the systems of our logistics, sales, management, and other divisions, but we are suffering from an extreme shortage of human resources. There are not nearly enough digital human resources in Japan to effectively respond to society's system demand, and I believe this is one reason that EDION's education business is so important.

Activities Targeting Human Capital Management

We are a company that has integrated business operations of several companies amidst the massive wave of restructuring in the volume home electronics retail industry, but I believe that EDION is extremely kind to its human resources. However, we are behind in terms of spelling out and demonstrating our success in this regard. In addition, our ratio of female managers remains low, and I suspect that it does not look like we have done enough when people

outside our company look at us. I think it is important to further refine our human-resource-friendly culture, incorporate this into our HR and training systems, and take steps to ensure that our approach penetrates our entire organization. The source of our competitiveness in terms of achieving EDION's corporate philosophy—Achieving Long-Lasting Customer Satisfaction Through Outstanding Products and Reliable Service—is none other than our human resources, who engage with our customers on a daily basis. Therefore, we will aim to create an environment that enables each one of our human resources to fully demonstrate their skills by actively investing in our human capital, including an increase of their base salaries and expansion of systems related to annual holidays, etc.

Shareholder Returns

In terms of our shareholder returns in FY2023, we achieved annual dividends of 45 yen and a converted dividend payout ratio of 50.0%. Shareholder returns are a priority issue for our management, and we comprehensively consider our performance, management environment, and other relevant factors as we pursue a basic policy aimed at achieving stable dividends with a dividend payout ratio of at least 30%. We also flexibly handle the acquisition of treasury stock based on the comprehensive consideration of our performance, our management environment, and the market environment—including investments and stock prices—assuming the implementation of shareholder-return measures that help to improve our capital efficiency.

Message to Stakeholders

Although we find ourselves in an environment that is difficult to predict, the EDION Group will continue advancing to increase its corporate value based on unique management strategies. As far as future IR activities are concerned, I hope to actively increase our opportunities for dialogues with not only institutional investors but also individual investors as we take advantage of the opinions of our stakeholders to increase the EDION Group's corporate value. I look forward to your continued support.

Business Strategies

Strengthening E-commerce

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.



Haruyoshi Jogu
Executive Director
General Manager of
E-Commerce Department

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.

Business Strategies and Policies

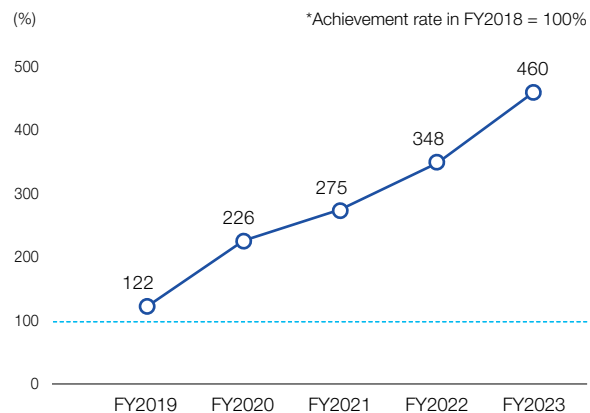
EDION sees the Net Shop not as an independent sales channel, but as a channel that shares mutual support with brick-and-mortar stores. E-commerce sales performance is increasing even in areas with few real stores, and so is having a positive impact on dominance strategies for the future.

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 service by having the product reserved from in-store inventory.

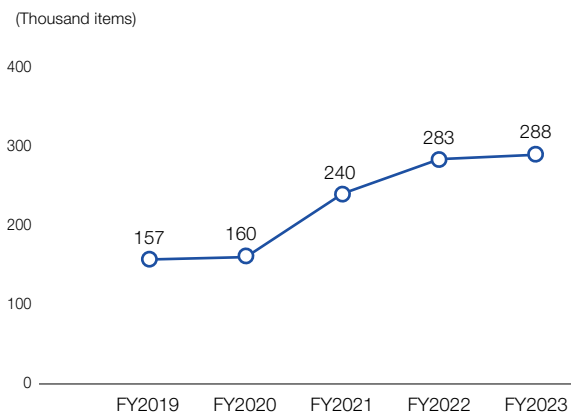
Strengths

- The same delivery, installation, and construction services as stores can be received when purchasing large home electronics
- Rapid customer service using various media, including customer contact centers and social media
- Accommodates common point programs and diverse electronic payment services
- Shareholder benefit electronic gift cards are available in the EDION Net Shop

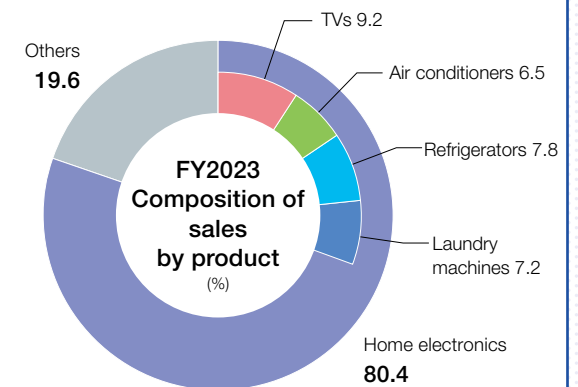
Net Sales Growth Rate Trend (EDION electronic commerce)



No. of Items Handled



Composition of Sales



> Business Strategies



Home Electronics Retail Business

In the Home Electronics Retail Business, our core business, we are rolling out stores tailored to the sales region scale and engaging in community-based business activities everywhere from Hokkaido to Kyushu and Okinawa. Furthermore, we are focusing our efforts on operation of the e-commerce site EDION Net Shop and the development and sale of “e angle” PB products.



Toshiro Inoue
Senior Executive Officer
General Manager of
Sales Department

FY2023 Activities and Results

The EDION Group has developed 1,202 stores nationwide (as of March 31, 2024), and their strength is that they have stronger connections to their local communities than other volume home electronics stores. In our store operations, we are focusing our efforts on sales of high added value products and private brand (PB) products, both of which have good profit ratios, while increasing customer satisfaction through long-term repair warranties and other high-quality after-sales services.

In FY2023, we newly opened the EDION Yokohama-Nishiguchi main store, one of EDION’s largest stores, inside the CeeU Yokohama commercial complex in Nishi-ku, Yokohama City in December. Our policy is to use this store as a base for opening more stores in the Kanto area and strengthening our brand penetration activities.

Furthermore, we commenced sales of products jointly developed with Nitori Holdings, the Electric Drip Kettle, the Temperature-Adjustable Electric Kettle, and the Steam Oven Toaster, in the EDION Net Shop and in physical EDION stores in December 2023. Going forward, we plan to increase the number of items, including the jointly-developed products, so we will aim for stabilization of the gross profit ratio with the target of a PB product ratio of 35% of net sales.

Main Risks and Opportunities

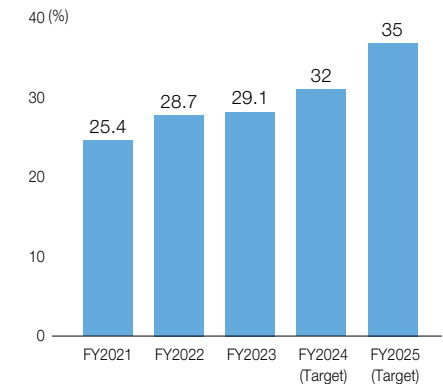
Risks

- Reduction of domestic market scale due to the declining population and number of households
- Difficulty in securing and loss of outstanding manpower due to the declining working population
- Suspension of operations due to the occurrence of large-scale natural disasters

Opportunities

- Recovery of the flow of people and consumption activities due to the transition to the post-COVID-19 era
- Expansion of sales opportunities due to the diversification of customer needs
- Increasing brand value as a company tackling sustainability

Trend in the PB product sales percentage



TOPICS Launch of a new dishwasher/dryer with an automatic detergent dispenser function

Under our private brand [e angle], we launched a dishwasher with an automatic detergent dispenser function, a first in Japan* for the free-standing type, in December 2023. It is a product born from user comments such as “I gave up using the product because I live in a rental property so I couldn’t get the necessary plumbing work done” and “I want a convenient, free-standing dishwasher that can automatically dispense detergent.” No installation work is required and it can be used from the day of purchase. It has an environmentally friendly product design that helps prevent overuse of detergent and saves water. * As of December 7, 2023 (EDION research)

> Business Strategies



For EDION, which operates in the business domain of home electronics sales, the education business contributes to creating core fans. Since we entered this market in 2018, under the basic policy of “enriching future lives through education,” we are developing programming classes, and currently we have expanded to 163 classes* nationwide.

*As of March 31, 2024



FY2023 Activities and Results

At EDION, we operate the “Robo-Done” robot programming classroom for third-year nursery school students and elementary school students nationwide. Robo-Done has its own unique curriculum, incorporating elements of math and science and a “pair learning” program that emphasizes communication, where two students learn together using one robot. The program’s serious learning content, which includes aiming to learn Python, a programming language used in fields such as AI and machine learning, has been praised and the program has received numerous awards and high praise in programming education.

In FY2023, we introduced the Programming Skills Certification Test (Puroken)* to our curriculum to quantitatively evaluate the programming proficiency of children, thereby promoting independent learning and further accelerating their growth. We are providing an environment which cultivates programming skills through both “learning” and “evaluation.”

Moving forward, based on a policy of expanding business mainly by opening new classrooms in EDION stores, Robo-Done is planning to have 48 schools in FY2026, with 3,000 students. Furthermore, we are putting effort into the development of instructors to accommodate the increase in the number of students.

Main Risks and Opportunities

Risks

- Reduction of market scale due to the declining birthrate
- New entry of leading educational institutions, IT companies, etc.
- Lack of IT talent possessing specialist knowledge

Opportunities

- Rise of interest in programming due to technology development such as AI
- The trend of introducing programming subjects in university entrance exams
- Creation of new value through innovation with municipalities and educational institutions

TOPICS Holding of hands-on learning events

EDION’s Education Business regularly holds hands-on learning events for local children with the intention of getting the students to not only master knowledge and skills but also develop the ability to independently learn and apply creative thinking. In FY2023, in cooperation with Panasonic Corporation, we implemented a hands-on event for learning the mechanisms of home electronics products and producing original dry cells in the Fukuyama Main Store, and 33 local children participated. The children’s curiosity was stimulated by this first-time experience.

TOPICS Holding of STREAM FEST.2023

On December 28, 2023, STREAM FEST.2023, a hands-on event for elementary and junior high school students on the theme of STREAM education* hosted by EDION, was held in Mydome Osaka. In addition to workshops such as programming challenge experiences and smartphone AI experiences, a robot competition was held for Robo-Done students. The venue was packed with approximately 2,000 people and the event was a huge success. Moving forward, we are planning many events which enable the participants to feel familiar with programming.

*STREAM education: an acronym which adds robotics to STEAM education, a created word taking the initials of the educational fields which should be learned going forward (Science, Technology, Engineering, Arts, and Mathematics)

* The Programming Skills Certification Test (Puroken) is a Japanese programming qualification (certification exam) administered by Programming Research Institute, Ltd.

> Business Strategies



ELS Business (Home Improvement)

EDION has been developing its home improvement business since 2007, including home improvement, all-electric homes, solar power systems, etc. We propose “home electronics x home improvement” utilizing the strengths of our home electronics sales and in addition we are providing high added value services which are close to our customers’ lives, such as reduction of utility costs, consultations on barrier-free home improvement, etc., so this business has become the largest pillar of profits next to home electronics sales.



Norikazu Kojima
Senior Executive Officer
ELS Supervising Manager

FY2023 Activities and Results

EDION has more than 300 home improvement locations nationwide, Japan’s largest number of locations, and is developing its community-based home improvement business. There is a dedicated home improvement advisor on the staff at each location, and we are chosen by customers because we propose the products of all of the manufacturers, such as baths, kitchens, toilets, etc. for easy-to-understand package prices which include the installation work. We are aiming to enhance our services. For example, we commenced sales of home improvement products on the e-commerce site this year.

Furthermore, in recent years, in addition to the “energy conservation performance” and “safety and peace of mind” of homes, we are placing importance on “extending the lifespan of houses” through enhanced performance of buildings. Specifically, we deploy dedicated staff to each of the following areas: smart energy related to solar power, storage batteries, and electric vehicles (EVs); plumbing home improvement; and exterior painting to protect houses. We make proposals for home electronics x home improvement close to our customers’ lives. We also deploy approximately 200 of our own employees as construction managers engaged in home improvement work, and we are striving to enhance the quality of our construction.

Main Risks and Opportunities

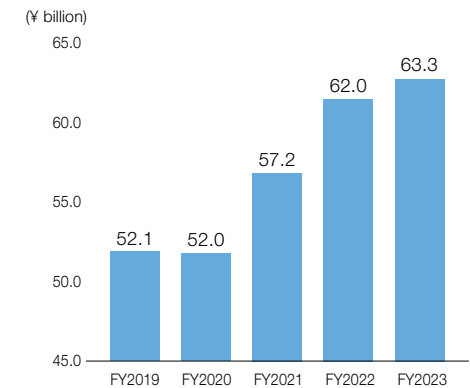
Risks

- Price rises for construction materials used in home improvement and a shortage of materials
- Labor shortage due to decreasing birthrate and increasing senior population, and stricter working hours regulations (construction business)
- Damage to the brand value due to rumors on the Internet and social media

Opportunities

- Expansion of the need for performance-enhancing home improvement as a consequence of the transition to an aging society
- Increased demand for switching to smart energy due to rising electricity prices and growing environmental awareness
- Increasing number of house renovations as a consequence of the increase in vacant houses

Trend in home improvement net sales



* We changed the calculation method from FY2023

TOPICS Strengthening of competitiveness through M&As

In March 2024, we acquired all shares in Azabu Co., Ltd. (Kasugai City, Aichi Prefecture), which is developing a home improvement business. This company has strengths in exterior painting technology and its network with tradesmen, and has established 38 sales offices nationwide. Going forward, we will expand our service content to include large-scale home improvement such as exterior wall and roof renovations, building a structure which can provide total support for customers’ lifestyles and expanding the ELS Business fields.

> Business Strategies



EDION's Logistics Service Business covers a full range of integrated services, from procurement logistics to delivery, construction, and repairs, to meet the needs of the expansion of not only stores but also the e-commerce business. The before-sales services provided before the product is purchased by the customer and the after-sales services offered after the purchase are EDION's strengths, and we are aiming to strengthen their structures and expand the areas which can offer these services.



Yuji Ikehata
Senior Executive Officer
General Manager of
Logistics Service
Department

FY2023 Activities and Results

Against the backdrop of growing e-commerce demand, EDION is working on strengthening and building its logistics structure so that it can provide high-quality services in all regions nationwide. In October 2023, Jtop Co., Ltd., a consolidated subsidiary, underwent a merger to absorb e-Logi Corporation, which was a consolidated subsidiary. Due to the merger of these two companies responsible for logistics and delivery services, optimization of the nationwide logistics structure is accelerating.

In eastern Japan, where we don't have so many stores, we opened a service center in Sendai City, Miyagi Prefecture in October 2023, the first in Tohoku, enabling scheduled deliveries. In May 2024, we newly opened the Yamanashi Depot and the Niigata Depot, completing the nationwide logistics network.

Recently, there has been concern about the risk of logistics and supply chains collapsing due to a serious driver shortage, known as the "2024 problem." In EDION, we are striving to minimize the impact of this, including by streamlining our work with the use of AI and IoT technologies.

Main Risks and Opportunities

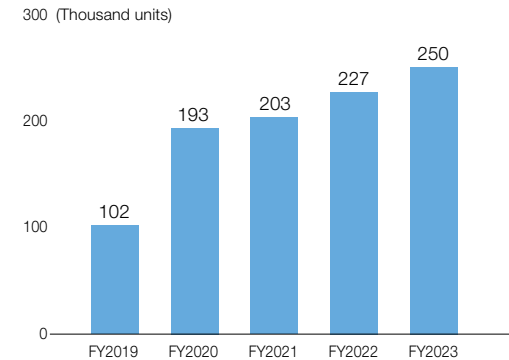
Risks

- Labor shortage in the logistics industry
- Disruption of the logistics network by a large-scale disaster
- Leakage of customer information due to cyberattacks, etc.

Opportunities

- Expansion of the number of people using Internet shopping
- Establishment of a competitive advantage through the realization of efficient deliveries
- Responding to changing consumer needs (from selling things to selling experiences)

Trends in the performance of air-conditioner cleaning services



TOPICS Unification of the home visit repairs contact points

EDION unified the home visit repairs contact points for large home electronics from the second half of FY2023 as a part of its measures to strengthen the reception structure. This has reduced the amount of reception work at stores, improved telephone call acceptance rates, and sped up the time from reception to service provision. Furthermore, we are enhancing reception methods other than the telephone, including the use of chat on smartphones and personal computers and reception using online forms, etc., thereby enhancing convenience for our customers.

Special Feature **01**

The Largest Flagship Store in the Greater Tokyo Area

Opening the EDION Yokohama-Nishiguchi Main Store

On December 15, 2023, we opened the EDION Yokohama-Nishiguchi main store, which boasts one of the largest sales floor areas of any EDION store, on the second to seventh floors of CeeU Yokohama, a commercial facility located a five-minute walk from the west exit of Yokohama Station. EDION has positioned the EDION Yokohama-Nishiguchi main store as the flagship store for the Kanto area, and is aiming for brand penetration and expansion of its market share in the Greater Tokyo Area with this store at the core.

Overview of the EDION Yokohama-Nishiguchi Main Store

Location: 2-16-1 Minamisaiwai, Nishi-ku, Yokohama City, Kanagawa Prefecture 220-0005 (inside CeeU Yokohama)

Sales floor area: Approximately 12,000m²

Floors: 2F Mobile Devices floor	3F Health & Beauty floor
4F Lifestyle floor	5F Digital Life floor
6F Amusement floor	7F Toys, Plastic Models, and Figurines floor

▶ 11 stores in Kanagawa Prefecture



A Theater-Style Amusement Store Which Stimulates the Five Senses and Generates Excitement

The concept of the EDION Yokohama-Nishiguchi main store is “Let’s go shopping for something exciting. — A new experience of home appliances and play that will stimulate your shopping spirit!” Breaking away from the conventional style of volume home electronics stores, in this store, entertaining content and product experience booths, etc. are scattered around each floor, making it a theater-style amusement store which generates excitement, such as the joy of going out to buy what you’ve been wanting and the elation of discovering new products that you want. One of its appeals is the overwhelming range of products. It handles products from a wide range of genres, including not only home electronics but also games, toys, and beauty and health products.

Furthermore, the EDION Yokohama-Nishiguchi main store features many new design ideas which are a first for EDION. For example, there are the FemTech Section offering consultations on female-specific health issues and worries (third floor), the THANKO Interesting Idea Home Electronics



The open store interior with a vaulted ceiling



An enormous LED wall creates the realistic sensations of the games!

Section in collaboration with Thanko, Inc., which is known for its unique home electronics (fourth floor), the Octagon Gaming Battlefield equipped with a total of 10 gaming computers (sixth floor), the Mini 4-Wheel-Drive, 5-Lane Plastic Course, which is rare even nationwide (seventh floor), and others.

The quality of the games and hobbies on the sixth and seventh floors stands out from the pack in particular, with lots of highly creative presentations which make the store seem like a theme park. It has become a hot topic mainly on social media, etc. among customers who are tourists from overseas, and it is also expected to develop into a new base for communicating Cool Japan.

**Thinking with the Local Children
“Future Home Electronics” Project**

Ahead of the December 2023 opening, the EDION Yokohama-Nishiguchi main store collaborated with the

children, teachers, and guardians of Yokohama Municipal Miyagaya Elementary School, a local elementary school, and the local people, to hold an event titled “I Would Like to Have These! Future Exciting Home Electronics Project.” This event has the theme of “future home electronics” and children are asked to use their imaginations to think of and draw the home electronics products they would like to have and to explain their drawings. All of the store staff were greatly stimulated by the ideas for future home electronics which the children drew with their rich imaginations. The completed works are displayed as wall art on the fifth, sixth, and seventh floors.

EDION’s strength is community-based store operations. The stance with respect to regional contributions has not changed in the metropolitan area stores either. Going forward, our plan is to continue to actively engage in collaboration with the artists, organizations, etc. active locally.



Wall panels presenting the “future home electronics” drawn by local elementary school students

3F Health & Beauty Floor

FemTech Section, Providing Close Support for Female-Specific Health Issues and Worries

FemTech is an invented word combining Female and Technology. It refers to the full range of products and services which use technology to solve female-specific health issues which arise at each life stage, such as adolescence, sexual maturity, menopause, and old age. It is gaining increasing attention as a means of preventing unwanted job losses caused by life events and promoting female participation in the workplace.

The EDION Yokohama-Nishiguchi main store has a broad lineup of FemTech with a particular focus on safety aspects, which includes smart warming goods and beauty care products, etc. which can be used with peace of mind.



We propose total coordination in collaboration with Nitori brand



5F Digital Life Floor

Wireless Earphone Section, Where Customers Can Test the Listening Experience Entirely by Themselves

Customers can experience and feel the latest digital devices, including televisions, personal computers, audio equipment, watches, etc. At the wireless earphone section, customers can connect to their own smartphone and freely try out various companies' products, testing the wearing comfort and sound quality before choosing the one item that suits them best. The television section offers a wide range of products, including even large 100-inch televisions, and in addition we have collaborated with Nitori to recreate a living room, so that our customers can consider the size of the screen as if they were actually in a living room.



Customers can now listen to the latest models from each manufacturer entirely by themselves!



4F Lifestyle Floor

A Showroom-Type Home Improvement Section, One of the Largest in the Region

This floor has white goods such as refrigerators, laundry machines, air conditioners, etc., lifestyle electronics such as kitchen appliances, lighting, etc., and a home improvement section, meaning that it offers one of the largest product lineups in the region. Furthermore, there is a line of showroom-like booths on which Nitori and four manufacturers (LIXIL, Cleanup, TOTO, and Toclas) collaborated, so customers can actually experience the products while choosing them. We will also meet needs such as energy-conservation proposals, an area in which EDION has excelled, and propose "home electronics x home improvement" close to our customers' lives.



Has a lineup of popular total body care products





Equipped with a duel space with approximately 130 seats



6F Amusement Floor

TreCapital, One of the Largest Card Shops in the Region

TreCapital is a trading card specialty store operated by EDION and it boasts a product lineup of approximately 10,000 items, one of the largest lineups in the region. We have also installed trading card search machines which customers can use to search for stock and prices and even place orders. Use of the duel space where customers can freely play against each other is free. It was designed with a view to hosting various official tournaments, and heated battles are waged here day after day.

7F Toys, Plastic Models, and Figurines Floor

EDION Build Base Plastic Model Production Space

It has an enhanced product lineup which everyone from children to adults can enjoy. There are abundant genres of plastic models, and all of the production processes can be carried out in the attached dedicated atelier, EDION Build Base. It offers craft desks, painting desks, and photography desks, so customers can enjoy creating whatever they like.

Furthermore, we have opened the Robo-Done robot programming classroom on the same floor. The academic aspect which stimulates intellectual curiosity also contributes to enhancing our brand image.



Customers can easily challenge themselves to try serious painting!



VOICE

We are fulfilling the role of firmly establishing our brand image in the Kanto region

EDION has a sales region centered on western Japan, but over the last few years we have accelerated the opening of stores in the Kanto region centered on Kanagawa Prefecture, and the EDION Yokohama-Nishiguchi main store has an important role in our management strategy as a flagship store.

Since it opened, a wide range of customers have come to the store, including young people, families, foreign nationals, and many others, and the number of visitors to the store is steadily growing. We are aiming for four million visitors to the store annually, and firm establishment of EDION's brand image will be essential in order to achieve this target.

Going forward, we intend to work together with all of the store staff to brainstorm ideas so that we can not only sell products but also increase our presence as a central location for events and information communication.

Tokuya Sumita
Executive Officer
Store Manager of EDION
Yokohama-Nishiguchi
Main Store



Special Feature

02

Towards Convenient and Environmentally Friendly Store Design

Obtaining Nearly ZEB Certification

In September 2023, the EDION Group acquired Nearly ZEB certification for the first time as a consequence of the new opening of the Gifu Masaki Store (Gifu Prefecture). The Katano Hoshida Store (Osaka Prefecture), which opened in October the same year, has also acquired Nearly ZEB certification. These activities are a large step towards combining global environmental protection with increasing corporate value.

Photograph: rooftop of the Katano Hoshida Store



Katano Hoshida Store



Gifu Masaki Store

What is ZEB?

This is an abbreviation for Zero-Energy Building, which refers to a building that has the purpose of efficiently using energy and reducing annual primary energy consumption to zero. It is categorized into four stages based on the status of achievement of this goal.

ZEB A building which reduces primary energy consumption to 0% or less through energy conservation + energy creation

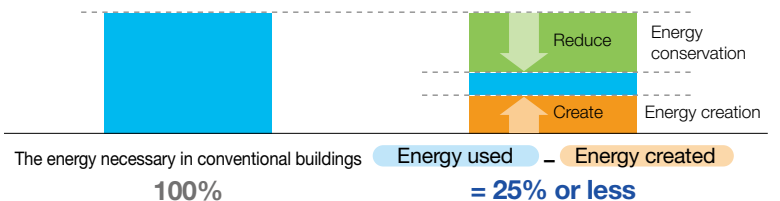
Nearly ZEB A building which reduces primary energy consumption by at least 75% through energy conservation + energy creation

ZEB Ready A building which reduces primary energy consumption by at least 50% through energy conservation

ZEB Oriented A category newly established for large-scale buildings for which switching to ZEB is difficult

Nearly ZEB

Reduction by at least 75% through energy conservation + energy creation



The Reasons That EDION Is Working on Switching to ZEB

Global warming has now become an urgent issue that the entire world must address. In October 2020, the Japanese government declared that it would aim to be “carbon neutral” by reducing overall greenhouse gas emissions to zero by 2050. Companies are also being called upon more than ever to strengthen their activities for decarbonization.

The EDION Group, which has a network of approximately 1,200 stores nationwide and has developed a wide range of businesses, is no exception. Since its establishment in 2002, EDION has been engaging in various activities for

environmental protection, including small home electronics recycling, Nationwide Simultaneous Cleanup Activities, tree-planting activities to protect the forests of the region, etc. Regarding activities for decarbonization, in 2021, we set “reducing total Scope 1 and Scope 2 CO₂ emissions by 46% compared to FY2013 by FY2030” as our target, and we have decided several measures from a medium- to long-term perspective for achieving that target. One of those measures is “promote the switch to ZEB in newly opened stores.”

A Challenge in an Unprecedented Context

Volume home electronics stores consume more energy than other types of stores. The majority of energy consumption is electricity, as electricity is necessary not only for operating the stores but also for running the home electronics products displayed inside the store. Furthermore, a lot of energy is necessary for air conditioning to keep the inside of the large stores comfortable. Until now, we have taken individual measures such as switching to LED lighting and energy-conserving devices, but we were aware of the issue that it would be difficult to achieve our decarbonization goals unless we tackled energy conservation across the entire building.

Initially, there were almost no volume home electronics stores which had acquired ZEB certification, so we had to start by finding the way forward with limited information. Nevertheless, we advanced our research into ZEB certification while drawing on the knowledge of external parties, including power companies and air conditioner manufacturers. A lot of spending on capital investments is required in order to advance the switch to ZEB, including for solar panels and energy-conserving devices, etc. We

carefully verified the cost-effectiveness and, as a result, became convinced that although the hurdles to ZEB were too high, we would be able to acquire Nearly ZEB certification within our budget. Moreover, we had decided to newly open the Gifu Masaki Store and Katano Hoshida Store at that time, so we proceeded in the direction of designing those stores for the acquisition of Nearly ZEB certification.

Generally, the larger the scale of the building, the more difficult it is to achieve ZEB. This is because energy consumption and the necessary facilities increase. The Gifu Masaki Store and the Katano Hoshida Store are by no means small-scale stores. However, recognizing that this was an essential activity for the realization of sustainable store operations, we pressed ahead with the plan and succeeded in reducing annual primary energy consumption by at least net 75% through energy conservation + energy creation. The fact that both stores were able to acquire the certification is a result that is a large step towards achievement of the goal of the EDION Group.

Related SDGs

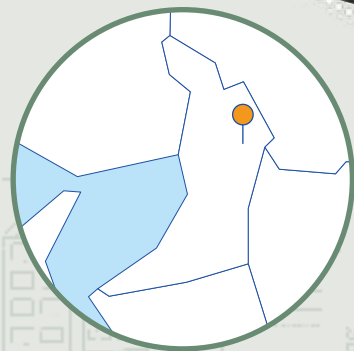


Global warming is directly related to Goal 7 “affordable and clean energy” and Goal 13 “climate action” in the SDGs. However, the impact of global warming will have ripple effects on a variety of areas of our lives, causing new problems. Activities for decarbonization are understood to be one of the most important approaches essential to the achievement of the SDGs.

Kinya Kamiya

General Manager of the Store Construction Department, Store Development Department





EDION Katano Hoshida Store

Location:
6-25-26 Hoshidakita, Katano
City, Osaka Prefecture
Sales floor area: 2,287m²
Number of parking spaces:
approximately 100
Business hours: 10:00 to 20:00

CASE EDION Katano Hoshida Store

On October 20, 2023, we newly opened the EDION Katano Hoshida Store in Katano City, Osaka Prefecture. This store is conveniently located approximately a 7-minute walk from JR Hoshida Station on the Gakkentoshi Line, facing the Higashi-Koya Kaido road, and is a directly managed store, our 47th store in Osaka Prefecture. We started the planning for this store at the time when we were executing company-wide activities for our decarbonizing goals.

The Key Points Regarding the Switch to ZEB in the Katano Hoshida Store

Three pillars are important for realizing the switch to ZEB: “passive technologies,” “active technologies,” and “renewable energy electricity.” At the Katano Hoshida Store, passive technologies have been implemented to improve the insulation of the building’s exterior walls, while active technologies include a Building Energy Management System (BEMS), high-efficiency air conditioning, and dimmable LED lighting, etc. Moreover, we are introducing solar power generators and CO₂-free electricity¹ using the PPA² model as renewable energy electricity.

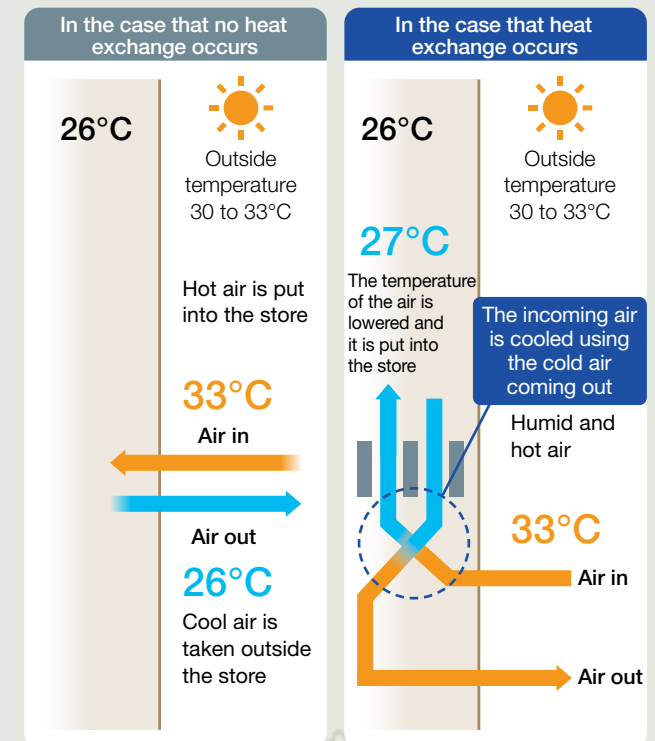
For example, a Building Energy Management System (BEMS) reduces electricity consumption by measuring the amount of electricity used by time and place, analyzing the visualized data, and making adjustments. Furthermore, high-efficiency air conditioning uses total heat exchangers to streamline energy use. This is an energy conservation system which reuses the warm and cold air that would otherwise be discharged during ventilation by passing it through a total heat exchanger. The dimmable LED lighting is designed to allow adjustments of brightness depending on the sales floor and time of day.

As a result of these activities, the Katano Hoshida Store reduced its primary energy consumption rate by 86%. The building was evaluated as being as close as possible to a ZEB and was able to acquire the Nearly ZEB certification.

¹ CO₂-free electricity: electricity derived from essentially non-fossil sources which do not use fossil fuels, etc. and do not emit CO₂. This may include renewable energy such as hydroelectric, wind, and solar power, as well as nuclear power.

² PPA: Power Purchase Agreement. A mechanism under which facility owners, such as companies, etc., rent out space on the sites, roofs, etc. they provide, electricity companies install solar power systems, and the facility owners use and pay for the generated electricity.

Mechanism of the total heat exchanger



The Various Advantages from Switching to ZEB

There are many advantages to switching to ZEB in addition to the contribution to decarbonizing.

The first is the economic effect. With the recent rise in fuel prices, electricity bills are also rising more and more, but realizing the switch to ZEB would enable us to reduce running costs. The initial cost required for capital investment is by no means small, but when balanced with the running costs it becomes possible to achieve both economic and environmental goals.

The second is enhancing our brand image. The Katano Hoshida Store is located in a section of the public-private joint mixed-use development area Smart Eco-Town Hoshida, and highly environmentally-aware people reside in this neighborhood. Enhancing our image as a company which tackles environmental protection is likely to make a major contribution to our performance.

The third is improvement of the quality of the space. Generally, energy conservation and electricity saving tend to be thought of as something that has to be endured, but switching to ZEB reduces air conditioning noise and stabilizes temperature and humidity. It will enable customers to enjoy shopping in a comfortable space and can be expected to make it easier for store staff to work and improve their productivity.

Aiming to Develop Stores Nationwide

EDION will continue to build stores which combine environmental protection with ease of shopping for our customers. Going forward, when opening a new store, we will actively carry out activities aimed at switching it to a ZEB, and for existing stores, we will implement planned energy conservation, such as utilizing our expertise to update our facilities, etc.

Furthermore, from the perspective of regional contributions as well, it is necessary to aim to build stores

The fourth is BCP* measures for times of emergency. Even in the case that a natural disaster cuts off the external electricity supply, stores that have reduced energy consumption through activities to switch to ZEB will be able to continue their business activities for a certain period of time using only renewable energy generated by solar power.

Initially, this was an activity to switch to ZEB in order to achieve the goal of decarbonization, but it has also produced various advantages and led to increased corporate value.

* BCP: Business Continuity Plan

Advantages from the switch to ZEB

- 1 Economic effect
- 2 Brand image enhancement
- 3 Improvement of the quality of the space
- 4 BCP measures

which can respond in the event of a disaster. Looking at this in more detail, we intend to consider a wide range of options from the perspective of our users, such as allowing them to charge their smartphones in our stores and utilizing solar power generators as an emergency power source, etc. in the event of a disaster. In the future, we intend to aim to become a “store which can contribute to the region,” with one eye towards functioning as a temporary evacuation site in the event of a disaster.



A green curtain installed on the exterior wall of a store



Solar panels installed on the roof



Use of dimmable LED lighting to adjust the brightness for each sales floor



Visualization of energy consumption using a monitor

Special Feature

03

Increasing the Value of Human Resources and Improving Corporate Value

Promoting Human Capital Management

For the EDION Group, human resources are the most important form of management capital in achieving continuous growth. To achieve our Medium-Term Management Vision and continue to grow beyond that, it is essential that we make qualitative improvements through continuous investment and build a structure that enables each individual to demonstrate their capabilities to the maximum extent. Based on the idea that “increasing the value of diverse manpower to the maximum extent leads to increasing corporate value,” we are promoting “human capital management” linked to our management strategy and manpower strategy.



Tomoya Katayama
Executive Officer
HR Supervising
Manager

EDION's Thinking with Respect to Manpower

Approximately 16,000 employees are currently working at the EDION Group. Of those, approximately 90% are working in the stores and logistics centers nationwide, the so-called “front line.” Although we refer to the workplace as one thing, work environments vary widely, so we believe it is our responsibility to understand each situation, build better

environments and systems, and increase work engagement.

In the Medium-Term Management Vision, we have set the goal of strengthening the three platforms, namely the Infrastructure Platform, the Business Platform, and the Customer Platform, in order to respond to the changing market environment. Regarding the Infrastructure Platform,

for our policy concerning manpower, we have made “Create Robust Human Resources for the Future” a priority goal. In order for a company to survive the competition and continue to grow in times when the outlook is uncertain and the future is difficult to predict, the ability of its manpower to accurately judge situations and respond flexibly is essential. Therefore, we are developing various measures to acquire and develop manpower which can independently put into practice our corporate philosophy of “Achieving Long-Lasting Customer Satisfaction Through Outstanding Products and Reliable Service.”

Manpower Strategy KPIs

EDION has established manpower KPIs in order to promote its manpower strategy integrated with its management strategy. These KPIs are used to quantitatively measure the effects and progress of human resources measures while also strengthening and reviewing the activities.

In particular, regarding the turnover rate, young people quitting work early has become a social issue recently, but EDION has maintained its turnover rate at a low level compared to the turnover rate of the retail industry overall, even though our turnover rate has been in a slight upward trend due to the rebound from the COVID-19 pandemic period. Going forward, we

intend to continue to strive to foster employee-friendly policies and corporate culture in order to maintain our turnover rate at its current level.

Work engagement continues to be at about the same level, but we intend to aim to achieve our goal by enhancing opportunities for each individual employee to demonstrate their capabilities, for example by redeploying them to the work location, department, or job type of their choice.

Manpower Development and Training Policy

In manpower development, we are placing our focus on deepening understanding of the “Outstanding Products with High Utility” and “Reliable Service” in the corporate philosophy. Moreover, we set manpower development goals based on our management strategy for each fiscal year and translate them into specific measures. In FY2023, we made “increasing corporate value through streamlining” our basic policy, and engaged in activities to reduce overtime and make operational productivity improvements. In FY2024, we have set the basic policy of “strengthening our ability to respond to change.”

For example, at EDION, we are focusing our efforts on the home improvement business, as our second pillar next to home electronics. Various products are handled in home improvement, including kitchens, baths, toilets,

exterior painting, etc., and they require advanced knowledge and customer service skills. Looking at employees three years after joining the company, almost all of them have customer service skills for white goods, but only about one in five have acquired customer service skills for home improvement. Therefore, we have introduced an educational curriculum aimed at quickly turning young employees into effective workers and specialists, and are working on job rotation. From FY2025, we plan to further enhance the training options by classifying customer service skills into six categories and enabling employees to master all six categories to a certain level or above by the end of three years.

Implementation of Base Salary Increase

In FY2024, EDION implemented a base salary increase (approximately 4.5%) for the second consecutive year, following the base salary increase (4%) in FY2023. This had the purpose of providing livelihood support to employees in response to the increased cost of living recently and of securing outstanding manpower for the future and is the largest base salary increase we have ever implemented. Going forward, as part of our strategy of investment in human capital, we will work to continuously increase compensation levels in line with company performance.

Main manpower KPIs

Manpower Strategy	Priority Fields	Indicators	FY2021 Performance	FY2022 Performance	FY2023 Performance	FY2025 Target
Create Robust Human Resources for the Future	Improvement of the personnel expenses ratio	Personnel expenses ratio (consolidated)	11.2%	11.0%	11.0%	9.0%
	Promoting participation by women	Female employee ratio (non-consolidated, regular employees)	14.1%	14.4%	14.6%	20.0%
		Ratio of female managers (non-consolidated)	2.1%	2.2%	2.4%	5.0%
	Placing importance on work/life balance	Turnover rate (non-consolidated)	2.67%	3.32%	4.61%	—
		Ratio of employees using paid leave (non-consolidated)	52.8%	60.1%	69.1%	75.0%
Increasing employee satisfaction	Work engagement (non-consolidated)	3.74	3.73	3.73	3.80	

Diversity, Equity & Inclusion (DE&I)

Promoting Participation by Women

We aim to reflect diverse values and perspectives in all of our business activities by promoting the active participation of women, one of the attributes of diversity. Furthermore,

we think that it is important to put in place an environment in which women can actively participate without losing their careers due to changes in their lifestyles, so we are implementing Women's Career Vision Training. In this training, for female employees who have been with the company for up to six years, the women learn about the company's human resources and support systems and

how to approach their work with a long-term career vision. In this training, for female employees with over 10 years of leadership experience, the women learn how to demonstrate leadership while making the most of their femininity and how to become human resources who can encourage their junior colleagues to tackle their work in a positive manner.

VOICE: Comments from Active Female Employees



(Left) Store Manager Sachiko Tokunaga (Shimonakano Store, Okayama Prefecture)
(Right) Deputy Store Manager Shiho Tatsuma (Soja Store, Okayama Prefecture)

Tokunaga: This is my 15th year as store manager. Even though I am the person responsible for the store, I still go out on to the sales floor to serve customers and to exchange commemorative gifts in sales, etc. This is because I think that the people doing the evaluating have to know the situation on the front line.

I was appointed the first female store manager at EDION, so I constantly felt pressure, worrying that "if I fail, no more female store managers will be trained." However, after being a store manager for many years, I became able to see things from a higher perspective, along with thinking and taking action on how to achieve sales and profit targets. This personal growth is what makes my job motivating. Being able to closely watch Ms. Tatsuma and my other subordinates grow makes me feel motivated as a store manager, and I feel really glad I've been able to continue in the job this long.

When I became the store manager, systems such as childcare leave for men were not widely accepted in society, but things have changed a lot now, and at the Shimonakano Store, three men are taking advantage of the childcare leave system, which I think is much better than it was in the past. On the other hand, when thinking about women's career advancement, I feel that there are still many female employees who worry, "Will I cause trouble for the store if I use the system?" or "Am I really worthy of being promoted?" I think there are probably still difficulties in returning to the same work duties after getting married or having a child, and working reduced hours while maintaining the same aspirations. I think that in order to resolve these worries, it is important to have as many role models as possible. I hope I can be of some help in that way, even if just a little.

Tatsuma: I am currently working as a Deputy Store Manager, but I didn't always have the ambition to improve myself, and there was a time when I had given up on career advancement. That was because when I expressed my desire to remain a member of the senior staff in my job interviews, all the store managers told me that I could do better, and those words themselves put me under pressure and scared me. I worked in that kind of mental state for five years.

What prompted me to aim for career advancement was something a store manager said to me. I remember feeling relieved when the store manager told me, "It is OK

to just fulfill your current work duties as a member of senior staff responsibly." After that, I came to terms with it and told them that I wanted to try hard to move up the ladder, and they replied, "You'll have to be transferred, but there is a store where you can grow to the next step." That was the Kurashiki Minami Store, where (then) Store Manager Tokunaga worked.

At that time, I was given a lot of tasks, but Store Manager Tokunaga was a person who made me think, "If this person asks me to do it, I want to complete it." Even now that I have left that workplace, I feel extremely grateful to have had an environment where I could consult with others if I had any worries.

I think the biggest hurdle for women is moving from leader to the senior staff. Job responsibilities increase, and worries about overtime and transfers arise, so I think that even if they are capable, they end up holding back due to strong family ties. There has been an increase in female senior staff recently, and I would like to see more opportunities for them to interact with female store managers. The reality is that most store managers are still male, so this would surely be a good stimulus.

I myself would like to become a store manager who can put into practice the philosophy that Store Manager Tokunaga often talks about: "Work should be fun but also strict." I believe that becoming a store manager would be the best way to repay the people who have helped me up until now, so I intend to do my best.

(Interview date: June 14, 2024)

Support for Men to Take Childcare Leave

In order for employees to be able to continue working a long time with peace of mind, it is important that they have options other than retirement at times of childbirth, childcare, or long-term care. We distribute an in-house newsletter to explain the system to managers and to help other employees understand the system, and strive to ensure a shared awareness among employees. In particular, in our activities to encourage the taking of childcare leave, we are actively conducting educational activities through the display of educational posters and in-house notifications, etc., creating an environment in which employees can easily use the system, and engaging in activities to deepen understanding among employees in the workplace.

Furthermore, for the purpose of encouraging male employees to take childcare leave, in April 2024, we increased the time off for childcare from two days to five days. Going forward, we will continue to work on developing an employment environment in which everyone can work comfortably, both in terms of systems and the environment.

Receipt of the “Kurumin” certification mark as a company that offers support for childcare

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. Under this system, companies which have formulated a general employer action plan based on the Act on Advancement of Measures to Support Raising Next-Generation Children, have achieved the targets stipulated in the plan, and have met the specified standards, can make an application to be certified as a company that offers support for childcare by the Minister of Health, Labour and Welfare.



Promotion of the Participation of Senior Manpower

As the decline in the working population due to the decreasing birthrate and increasing senior population becomes more serious, expectations are being placed on the participation of senior manpower with a willingness to work. At EDION, we re-employ people who are willing to work after retirement and have raised the upper age limit from the current 65 to 70 years old.

Furthermore, we are working to create an environment in which manpower that has reached the age limit for managerial positions can utilize its practical skills and knowledge and continue working with a high level of motivation. The operations assigned to employees are reviewed taking into consideration their abilities, aptitude, operational experience, etc., and their treatment is commensurate with their results and level of contribution rather than their age.

Employment of People with Disabilities

We are making efforts to create a workplace environment in which employees, regardless of whether they have a disability or not, can work together and demonstrate the abilities they have. Currently, employees with disabilities are participating on various front lines, such as home electronics sales stores, logistics service locations, and small home electronics recycling facilities, etc. In FY2023, the employment ratio of persons with disabilities within the EDION Group was 2.52%.

Going forward, we will continue to expand the applicable work duties and operations, increase the work that employees with disabilities can perform with confidence, and provide guidance to help them grow as people, in order to develop an environment in which they can work willingly with cheerfulness, enjoyment, and work satisfaction.

Manpower Training

Manpower System

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.

Education and Training Structure

At EDION, we respect the diversity of each individual, support their growth, aim to develop an environment where employees can always take on new challenges, and train our manpower so that they can contribute to our customers and society.

In addition to “level-specific education” based on employment year/month and job responsibilities, the training systems consist of “selective education” such as next-generation manager training, “purpose-specific education” such as Women’s Career Vision Training, etc., “job-specific education” to master specialized knowledge by division and job type, and local education through on-the-job training (OJT) in each division.

To provide opportunities for self-improvement, we have developed a learning environment that includes e-learning and support systems for obtaining certifications, etc. and have put in place a structure to help each individual improve their skills.

EDION Academy

In April 2023, we opened the EDION Academy for the purpose of discovering manpower that will lead the future of EDION and training employees who have specialized skills. At the EDION Academy, there are the Store Manager Training Course and Head Office Specialized Positions Training Course tailored to the careers of the employees' choice, and training to master business skills and training tailored to the career plans that employees themselves envision are implemented at an external business school.

In FY2023, we recruited people who wished to take the Head Office Specialized Positions Training Course and seven people in the company were selected to take it. They studied together with people from different industries at an external business school for nine months in order to acquire advanced management skills and broaden their perspectives. After completing their learning, the employees gained operational experience in the Head Office division of their choice and proposed operational reforms and improvement measures to the management. Furthermore, the Academy employs a mechanism for the employees to register their information as a candidate for the division of their choice, enabling efficient deployment of manpower equipped with willingness and skills. These activities also have in mind promoting job rotation between the front line and the Head Office, and we expect that they will lead to the training of specialist employees who have experienced both.

In FY2024, we newly established the Fast Track Course for Front Line Managers for the purpose of early training of front line store managers. We aim to train front line



EDION Academy graduates (the seven people in the back row)

managers who not only have practical knowledge, but also a broad perspective and expertise, and who can respond to changes in society.

Next-Generation Manager Training

In FY2023, we newly established one-on-one training and harassment prevention training in order to enhance the content of our training. Furthermore, we have switched from our traditional store manager training to next-generation manager training. The next-generation manager training is a forum where front line employees can directly propose to the management and exchange opinions on operational reforms and improvement measures, thereby participating in company management.

One example of how this training has led to operational improvements is the automation of the discount system. Previously, employees operated the cash register to offer different discounts for each sale or event. In response to opinions regarding errors in work by people and the inefficiency of operations, we revamped the system to an automated discount system. Through the formulation of these kinds of operational reforms and improvement measures, we strive to improve our employees' problem-solving abilities and train the manpower which will lead the future.

Certification Acquisition System

We have introduced a Certification Acquisition System as one system for increasing opportunities for employee skill development and for supporting their career development. We actively support employees in obtaining certifications, such as by providing subsidies when they pass based on the certification acquisition criteria.

The number of employees with certifications related to our business, such as the Electric Home Appliance Advisor, which certifies home electronics sales professionals, has been increasing year by year, reaching 11,559 in FY2023. In FY2024, we will actively support the acquisition of certifications with the target of reaching 12,000 employees with certifications.

Reassignment and Training Through In-House Calls for Applicants

We actively carry out in-house calls for applicants so that they can utilize their individual certifications, experience, and abilities in specialized ways, including opening new stores, starting new businesses, and handling specialized products. We implement the selection strictly while also respecting 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 and so can demonstrate their full potential.

In addition, we have introduced the Mikiwame Aptitude Test in order to streamline the operations by optimizing personnel deployment. The resulting assessments are fed back to employees, allowing them to objectively grasp their own personality traits, understand their positive and negative aspects, and utilize them in their work. Incorporating personality assessments into self-reporting and grasping suitability for the workplace in detail enables us to further optimize personnel deployment and training plans.



Mikiwame Aptitude Test

Building a Comfortable Workplace

System enhancement implemented in FY2024

Increase in annual holidays

Change from 113 days → 114 days

Increase of the time off for childcare

Change from a maximum of 2 days → 5 days
(made mandatory)

Extension of period of short working hours for long-term care

Maximum 3 years → until the long-term care ends

Revision of the employment extension system

Extended until a maximum of 70 years old

Improving Work/Life Balance

At EDION, we are focusing our efforts on building a structure that enables employees to achieve work/life balance, increases the productivity of each and every employee, and enables “both men and women to advance their careers while engaging in childcare or long-term care.”

Regarding childcare leave, in April 2024, we increased the time off for childcare from two days to five days. Regarding long-term care leave, we have extended the period of short working hours for long-term care and have made the period indefinite until the long-term care ends.

Moreover, we have made the elimination of long working hours a major theme of our workstyle reforms and are working to shorten working hours. In FY2023, we advanced activities to shorten the business hours from 10 hours to nine hours in some of the stores. We had expanded this to 200 stores as of the end of March 2024. EDION stores and service centers with business hours exceeding 10 hours a day utilize a shift system to ensure that employees are not working excessive overtime hours.

Furthermore, starting from FY2023, we have commenced the introduction of a consecutive leave system which allows employees to take four or more consecutive days of leave once in each half of the year. We encourage employees to

take annual paid leave giving priority to special occasions, such as anniversaries for themselves or their families.

(Some of the) indicators and targets related to work/life balance

	FY2021 performance	FY2022 performance	FY2023 performance	FY2024 target
Monthly average overtime (Hours)	12.9	13.0	8.0	6.5
Ratio of employees taking leave under the consecutive leave system (system commenced in FY2023) (%)	—	—	90.7	100.0

A Mechanism Which Enables Employees to Feel Motivation

In order to create an organization and culture enabling employees to think for themselves and take on challenges, EDION backs up employees’ career development and skill development in many ways, aiming for an organizational culture where the company and the individual employees can actually experience the joy of growth together.

For example, we are implementing self-reporting for all of our employees every year. Each and every employee can communicate directly to the HR Department without

going through their direct superior regarding their thoughts about their career and work going forward, their proposals and requests for the company, other divisions and their own division, any transfer requests, the health status of the employee and their family and family situation, their aptitude for and interest in their work duties, and their overall satisfaction with their work duties and workplace, including their communication with superiors and colleagues, etc.

Region-Specific Employee System

We have established a region-specific employee system in order to promote the diversification of workstyles. This is a system for providing opportunities to employees who find it difficult to transfer due to their childcare or long-term care responsibilities and to talented individuals who have constraints on the hours they can work but wish to advance their careers as store managers or supervisors in regular employee positions. The system also meets the needs of people who want to contribute to their region and those who want to take on the challenge of solving social issues from the perspective of local area revitalization.

Furthermore, we have established a system which allows employees who have selected the general course (which includes nationwide transfers) to temporarily switch to the area-specific course (region-specific) in the case that they find it difficult to relocate due to their childcare or long-term care responsibilities.

VOICE: Happiness Comes from Working at a Company That Is Loved in the City I Love, Where I Was Born and Raised



This year is my third year at the company, and I am working as an employee in charge of kitchen appliances. When I was thinking about where to find work after graduating from high school, the most important thing to me was that I wanted to work for a company that was loved by the local people and needed by the community. When I first joined the company, there were many things that made me anxious every day, but I was supported by the senior colleagues working with me and by the local customers, and now I enjoy my work. On my holidays, I enjoy my private time by hanging out with friends and going on trips. Going forward, I would like to continue working in my beloved hometown and do my best to become an employee who is loved by the local customers.

Independent Outside Director Roundtable Discussion

We recently held a roundtable discussion involving four independent outside directors. They candidly talked about what the EDION Group needs to do to achieve its Medium-Term Management Vision as well as what they expect in order to strengthen the Group's governance system and improve its corporate value.



Shozo Ishibashi

Independent Outside
Director
Chairman of the Nomination
and Compensation Committee
(Term of office: 10 yrs.)

Naoko Mayumi

Independent Outside
Director
(Term of office: 5 yrs.)

Tadatsugu Mori

Independent Outside
Director
(Term of office: 2 yrs.)

Yoshikiyo Sakai

Independent Outside
Director
Nomination and Compensation
Committee Member
(Term of office: 1 yr.)

> Independent Outside Director Roundtable Discussion

Business Environment Surrounding the EDION Group

Mr. Ishibashi: To put it bluntly, the current business environment is tough. One major cause of this is the serious effects of Japan's declining birthrate, aging population, and the resulting population decline on the overall market. Another cause is the way consumer needs are changing. During the high growth period, everyone was content just to buy the same stuff as everyone else, but things are different now . . . I feel like the current prevailing consumer mindset emphasizes individuality—or rather the desire to buy things that are a bit different than other people—and this seems to be having an effect.

Mr. Mori: In terms of home electronics products in particular, it seems unlikely that we will see any more new products that everyone just kind of buys. I suspect that mobile phones were in fact that last kind of home electronics product that everyone buys. Nowadays, everything is about replacements instead, and it feels like the industrial structure has naturally changed in line with that situation.

Mr. Sakai: I can also think of some other changes in the business environment that we should focus on other than the population decline resulting from our declining birthrate and aging population. Some examples include yen depreciation and the increasing cost of living. I suspect that these factors will apply a lot of pressure in terms of restraining buying, but we can also expect to see a recovery in inbound demand, so it feels like the trend we currently face differs a bit from the past. At the same time, the utilization of generative AI is currently a hot topic due to the effects of workstyle reforms and the labor shortage. Within five years, I am fairly certain that we will see all kinds of new products and services in the market.

Ms. Mayumi: Due to the world experiencing the COVID-19 pandemic, various problems have emerged, including the increased diversity and complexity of consumer needs, and

I think the management is well aware of the fact that we are no longer in a growth industry. That said, one of EDION's recent defining characteristics is that we are trying to respond to this situation by doing everything in our power to take on new challenges. As we continue working to survive in the field of home electronics sales—our main business—diversify to provide something extra to our customers, and engage in programming education business and other pursuits, I hope that we will be able to discover future potential for success.

Mr. Sakai: With regard to home electronics sales, although we are working hard on various initiatives, including increasing the efficiency of our stores and transitioning to e-commerce, I feel like we need to increase our speed a bit. I'm no systems expert, but I have the sense that our in-house systems are incredibly important. For example, the way our systems are built directly determines how we do our work while also adding new dimensions to efficiency improvements. I also believe our systems affect our company's competitiveness and even brand power. I therefore expect our future activities to focus on making our in-house systems better and easier to use.

Mr. Mori: Speaking of systems, cybersecurity is also crucial. Nowadays, there are all kinds of cybersecurity incidents going on out there, and they are capable of shutting down corporate activities.

Mr. Ishibashi: True, but system development involves the payment of up-front costs, and it is often necessary to wait a while to see any real results. At the same time, even though expectations run high when a lot of money is spent on such systems, there are cases of no appreciable results. It therefore seems necessary for top-level management to fully commit themselves to such efforts, refuse to give up along the way, and provide support until the desired results are achieved. Of course, it also seems essential for us to regularly check the progress.

Evaluating the Effectiveness of the Board of Directors

Mr. Sakai: I think EDION's Board of Directors has struck a fine balance of members, given that it is about half outside and half in-house directors. I also feel like the ideas we have communicated have been fully incorporated and that our discussions have been constructive and effective. Starting in FY2024, EDION will have an Audit & Supervisory Committee, but—given that auditors have actively participated in past discussions as well—I feel like, even though our systems will change, we have also done a decent job of communicating up until now.

Mr. Mori: Yes, it does feel like our environment enables everyone to say what needs to be said. From the standpoint of diversity, our members have various backgrounds, so they offer opinions based on a wide range of perspectives. Every now and then, someone says something that misses the point, but I actually think that kind of communication is important, too. After all, ideas that are a little off sometimes hide the seeds of discovery. That's really what diversity is all about. After all, when it comes to efficiency, a uniform approach is more convenient.

Ms. Mayumi: I feel like our Board of Directors is open and highly transparent. It also seems like its organization has changed quite a bit . . . Before, all the directors worked for EDION, but many of them come from other companies now.

Mr. Ishibashi: EDION also has a history of introducing executive officers from outside the company, and our human



Shozo Ishibashi

Independent Outside Director

Chairman of the Nomination and Compensation Committee
(Term of office: 10 yrs.)

> Independent Outside Director Roundtable Discussion

resources include people from the financial world as well as people who used to work for manufacturers, which I think makes them rather diverse. There are certainly people at EDION who have not been fully assimilated into our corporate culture, and I feel like such people provide vital stimulation. Basically, I think EDION should be commended for bringing in people from outside the company.

Mr. Mori: Perhaps, but there are still not enough women in general. For example, I feel like the percentage of female store managers in particular is too low. Of course, I think this particular issue is not limited to EDION but rather affects Japanese companies as a whole.

Ms. Mayumi: Given that this is a human resource issue, I know that we are pursuing various human resource initiatives—including setting targets and offering training programs—but some of the results of such efforts are not necessarily apparent to us.

Mr. Ishibashi: This likely has to do with what was expected of store managers in our past male-dominated society. As long as we continue to impose the past culture surrounding store managers on everyone, the number of women in such positions is unlikely to increase, so I think we have to start by changing that. That said, I suspect doing so will take time.

Mr. Sakai: We probably need to start by increasing the target population.

Mr. Ishibashi: In *Saraba, Dansei Seiji* (literally: *Farewell, Men's Politics*), a book by Dr. Mari Miura, she argues that,



Naoko Mayumi

Independent Outside Director
(Term of office: 5 yrs.)

instead of simply trying to choose qualified candidates from among women, we need to decide that a certain percentage of the people chosen will be women right off the bat, and I suspect that our current situation really does warrant such an active approach.

Progress and Evaluation of the Medium-Term Management Vision

Ms. Mayumi: We are continuing to strengthen our three platforms: specifically, our *infrastructure platform*, *business platform*, and *customer platform*. At the same time, our Board of Directors has been discussing related issues for quite some time, including focusing on e-commerce and strengthening our sustainability management. In that sense, our future course seems clear, and we are starting to take the necessary steps. As an example, in terms of our infrastructure platform, I think we are making a lot of progress, including strengthening our logistics system.

Mr. Sakai: EDION's basic sales base is currently in western Japan, and our base in the region stretching from Kanto to Tohoku is weak. We are steadily working on establishing a logistics network there as well. Given that we lack stores in the region, we are trying to cover the east side with e-commerce, and we seem to be doing a decent job of achieving steady growth. Our tie-up with Nitori Holdings has also done a great deal to motivate us, and it feels like a good thing. Nitori Holdings initially started their business in Hokkaido and was weak on the west side of Japan, so this tie-up seems like it is extremely beneficial to both of us.

Mr. Mori: As you said, EDION's steady progress in terms of developing its logistics network and systems seems commendable. However, we live in an era of uncertainty, and no one really knows what the future holds. So, what we are actually doing is continuing to try various things as we strive to figure out what EDION will look like in the future.

Mr. Ishibashi: I think EDION has done an especially great



Tadatsugu Mori

Independent Outside Director
(Term of office: 2 yrs.)

job in terms of sustainability management. I believe that the key reason for this is that EDION's founding philosophy—Achieving Long-Lasting Customer Satisfaction Through Outstanding Products and Reliable Service—is all about sustainability. It seems impressive that EDION's founders anticipated the modern-day concept of sustainability.

Mr. Sakai: I completely agree. Our basic philosophy of providing Outstanding Products with High Utility and Reliable Service really did anticipate the importance of sustainability. After all, the key point underlying this philosophy is to have customers value our products and use them for a long time.

Ms. Mayumi: And we naturally strive to respond to the demand to replace or upgrade such products as well. This idea is also inherent in the modern-day concept of a circular economy.

Mr. Mori: And EDION is the only company that offers a comprehensive ten-year long-term repair warranty.

Ms. Mayumi: I think another one of EDION's strengths is our ability to provide service that people can't really see, or rather our focus on interpersonal dialogues. Our service-staff approach is extremely important, and we make sure to provide thorough education and training for our staff. It really seems like a waste that this particular strength is so difficult to convey to investors.

Mr. Sakai: It has only been about a year since I was appointed, and I have not had much on-site involvement, so I would be grateful for more opportunities to get involved.

Ms. Mayumi: I have observed a number of stores, and one

> Independent Outside Director Roundtable Discussion

thing that I've noticed is the high level of loyalty. There are all kinds of people at EDION's stores, and there is plenty of company support. It seems like we have the right kind of environment to enable our human resources to develop and thrive, and we are also focusing on hiring people from outside the Group. I imagine that the human resources at our stores will only become more diverse.

Mr. Ishibashi: At the same time, I feel like our people might be a little *too* well-behaved. It would be nice if we had people who were a little better at thinking outside of the box. I realize that their main job is to provide customer service, so this might be a bit much to ask, but I would like to see more of an interest in taking on new challenges. In that sense, one thing I think we could do right now is provide suitable manager training. If we give our human resources the opportunity to gather together and exchange their opinions, I think the way we do things might change a bit.

Mr. Sakai: It's true that we don't see too many unconventional people here. At the moment, I really only know the people at the head office, but they always do a neat and tidy job on preparing materials, and I do get the sense that they are very much like well-behaved model students.

Ms. Mayumi: Another thing that's important is to have systems that permit various kinds of human resources and approaches.

Mr. Mori: Yes, and when people like that show up, it's crucial to enable them to fully demonstrate their unique capabilities. We have to take care not to exclude them and to view them as the unique individuals they are.

Mr. Sakai: Without unconventional kinds of people, it's practically impossible to think of new products and services. Speaking of which, the EDION Yokohama-Nishiguchi main store, which was opened in December of 2023, struck me as edgy, interesting, and just a bit different than run-of-the-mill volume home electronics retailers.

Mr. Ishibashi: There are quite a few unique, fun things being sold at that store. Walking into a store like that gives you a sense of anticipation about the possibility of discovering something new or enjoyable, and that's the kind of excitement I want our stores to create.

Mr. Mori: Up until now, we have mainly opened stores in the suburbs, and we have little experience opening stores in city centers, so we will just have to see how it goes. Of course, in addition to a sense of excitement, I hope everyone will take steps to make sure we can turn a profit.

What Is Expected of the EDION Group

Ms. Mayumi: I hope everyone can find ways to utilize AI and DX to advance our business. In a way, we are starting to see limits to how much we can increase our sales simply by opening new stores, so we need to consider how to best utilize our systems on a case-by-case basis, including whether large or urban stores are better as well as where they should be opened. In various ways, the harmony between system operations and people, or rather balance, seems like it will become increasingly important.

Mr. Mori: Compared to the days of our predecessors—DEODEO, MIDORI, and EIDEN—I think our organizational culture has seen significant changes, and we have evolved. There is no way the home electronics industry will stay the way it is. Sooner or later, our industry will reach a turning point. I want the EDION Group to act as a pioneer or rather a leader when that time comes.

Mr. Sakai: You know, maybe I'm looking at this from the customer's perspective, but home electronics seem to be absolutely essential to lead a convenient, comfortable life. Without home electronics, daily life as we know would not be possible, and I believe you could actually think of such products as household infrastructure. In terms of EDION's role given this context, I think it would be good if we could

communicate our customer-first approach, which is to provide Outstanding Products with High Utility and Reliable Service, to our customers, and I hope everyone at EDION will help us to accomplish this.

Mr. Ishibashi: Right now, people in the stock market are asking whether Japan's home electronics industry has any growth potential, and people seem to think that such brands are not worth buying in terms of their PER (P/E ratio). That said, there are many attractive products in the world that customers would want, and—if we can accurately provide them—I actually think our industry boasts unlimited potential. It is important for us to do whatever it takes to unlock that potential, and I think EDION is uniquely qualified to create a new concept of what it means to be a volume home electronics retailer. If we can accomplish that, I bet we can reach a PER level unlike any we have seen.

Ms. Mayumi: I also think we can expect a lot from Mr. Takahashi's new systems.

After all, the baton has been passed, and we have undergone a generational change in the best possible way.

Mr. Ishibashi: EDION was built on the shoulders of its founding family, and Mr. Kubo served as its president for many years, but as for me, I find it particularly interesting now that the new president is not a member of the founding family. I believe it is essential for us not only to support the new president's efforts from a new perspective but also to accurately evaluate those efforts from the standpoint of EDION's stakeholders.



Yoshikiyo Sakai

Independent Outside Director

Nomination and Compensation Committee Member

(Term of office: 1 yr.)

Section 03

Foundation for Continued Growth

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Sustainability Management

The EDION Group’s goal is to be “a company that continually endeavors to support richness and abundance in our customers’ lives,” and, based on this goal, we are putting in place a structure for strategically promoting sustainability activities.

Basic Approach to 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 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 while increasing corporate value for the company.

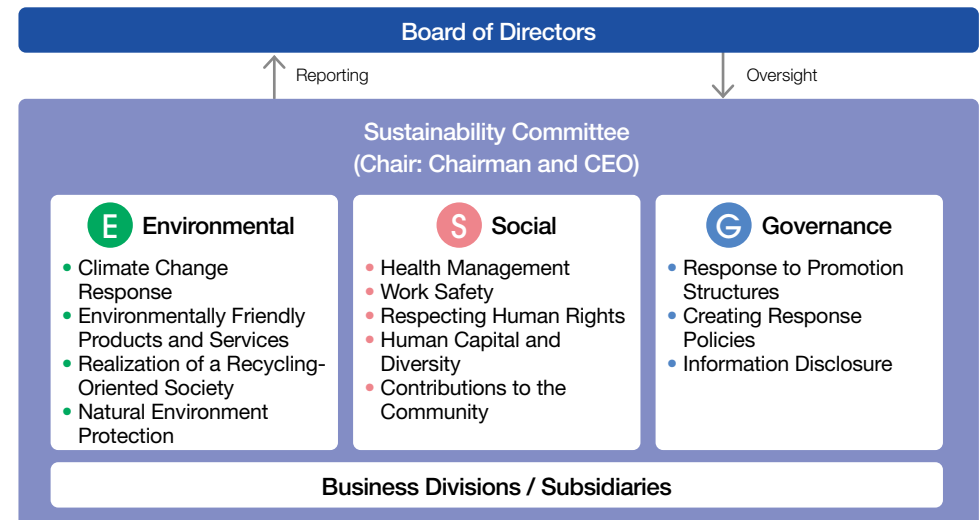
1. **Resolving social issues and contributing to the community**
Work to resolve social issues through business activities and strive to collaborate and interact with the community, playing an active role in revitalizing the region and building a rich lifestyle environment.
2. **Working to resolve environmental 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 training**
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 employees 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 sustainability 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 the Chairman and CEO, deliberates on important policies, initiatives, and activities related to promoting sustainability and reports appropriately to the Board of Directors. Upon receiving reports regarding the items discussed by the Sustainability Committee, the Board of Directors undertakes management and supervision, for example, by discussing important items at meetings of the Board of Directors as deemed necessary. In FY2023, these were held twice.

Main content of the discussions in the Sustainability Committee

- 1st (March 27, 2023)
 - Overview of the committee (purpose of establishment, role, etc.)
 - Trends concerning sustainability management and issues faced by EDION Corporation
- 2nd (September 21, 2023)
 - Sustainability Policy
 - Disclosure of sustainability information in the securities report (CO₂ emissions reduction performance status, human capital, etc.)
 - Other external evaluations (results of the KENKO Investment for Health Survey, etc.)
 - Activities of each municipality for realization of a decarbonized society, etc.



Dialogues with Stakeholders

The EDION Group is developing a community-based business built on the peace of mind and trust provided by our diverse stakeholders. We ascertain the needs and expectations from each stakeholder and then organize the priority issues and advance our activities.

Stakeholders	Expectations with Respect to the EDION Group	Main Methods of Dialogue
Customers	<ul style="list-style-type: none"> • Provision of high-quality products and services which give satisfaction • Stores which are comfortable and easy to spend time in • Provision of a long-term warranty service which gives peace of mind • Appropriate management of personal information 	<ul style="list-style-type: none"> • Customer service and events in each store • EDION Net Shop • Online home improvement consultations • Customer Consultation Office • Customer questionnaires • Information communication through the EDION App and social media
Shareholders and investors	<ul style="list-style-type: none"> • Timely and appropriate disclosure of corporate information • Proper return of profits • Improvement of corporate value in the medium to long term • Shareholder Special Benefit System 	<ul style="list-style-type: none"> • General Meeting of Shareholders • IR meetings • Integrated Report • Newsletters for shareholders • IR meetings for institutional investors • IR site
Business partners and member stores	<ul style="list-style-type: none"> • Maintenance of fair and impartial business relationships • Smooth information sharing • Procurement activities taking into consideration human rights, safety, and the environment, etc. 	<ul style="list-style-type: none"> • Regular store visits • Etiquette training • Consultation contact point
Employees	<ul style="list-style-type: none"> • Fair and impartial evaluations and treatment • A healthy and comfortable workplace environment • Personal growth and work satisfaction • Respect for work/life balance 	<ul style="list-style-type: none"> • Training systems for employees • Communication through the Intranet • Smile Shine Meetings • Information provision using the in-house newsletter • In-house notification structure and consultation contact point • EDION LABOR UNION
The community	<ul style="list-style-type: none"> • Respect for the culture and customs of the region and conservation of the environment • Sports promotion and development • Support in the event of a disaster in the surrounding region • Participation in regional contribution activities 	<ul style="list-style-type: none"> • Holding of events by the robot programming classroom • Sports classes by affiliated players • Utilization of EDION Peace Wing Hiroshima as an evacuation site • Sponsorship of arts and cultural activities • Participation by employees in regional activities
Government and municipalities	<ul style="list-style-type: none"> • Obey laws and pay taxes • Contribution to regional economic development 	<ul style="list-style-type: none"> • Notifications and replies to surveys and questionnaires • Dialogue through industrial groups

Communications with Shareholders and Investors

EDION ensures the appropriate management of insider information, maintaining dialogues 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 the gathered comments and opinions, and attempt to 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 2024 has been archived for distribution.



General Meeting of Shareholders

Board of Directors and Auditors

Directors (As of June 27, 2024) *Number of shares held as of April 31, 2024



Career Highlights

- April 1992 Representative Director and President, Daiichi Corporation (currently EDION Corporation)
- March 2002 Representative Director and Chairman, EDION Corporation
- July 2003 Representative Director and President, EDION Corporation
- October 2004 Representative Director and Vice President, Fureai Channel Co., Ltd. (currently CHUJICOM CORP.)
- June 2012 Representative Director, Chairman and CEO, EDION Corporation
- February 2015 Chairman and Representative Director, Sanfrece Hiroshima FC Co., Ltd. (current)
- April 2018 Chairman and CEO, SANKYU Co., Ltd. (current)
- June 2018 Representative Director, Chairman and CEO, EDION Corporation
- June 2024 Representative Director, Chairman and CEO, EDION Corporation (current)

Masataka Kubo

**Representative Director,
Chairman and CEO
(Nomination and
Compensation Committee
Member)**

Born February 18, 1950
Number of shares held: 2,239,815
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
- June 2014 Senior Managing Director, EDION Corporation
- June 2018 Senior Executive Director, EDION Corporation
- June 2021 Vice President, EDION Corporation
- June 2024 Representative Director and Vice Chairman, EDION Corporation (current)

Norio Yamasaki

**Representative Director
and Vice Chairman**

Born January 15, 1957
Number of shares held: 74,152
Board of Directors attendance:
100%



Career Highlights

- February 2014 Executive Officer, EDION Corporation
- February 2014 General Manager of Chugoku/Shikoku Sales Department, EDION Corporation
- April 2015 General Manager of Kinki Sales Department, EDION Corporation
- February 2018 General Manager of Sales Division, EDION Corporation
- July 2018 Senior Executive Officer, EDION Corporation
- October 2020 General Manager of Product Division, EDION Corporation
- February 2021 Deputy General Manager of Business Department and General Manager of Product Division, EDION Corporation
- June 2021 Executive Director, EDION Corporation
- October 2021 General Manager of Sales Department and General Manager of Product Division, EDION Corporation
- February 2022 General Manager of Sales Department and General Manager of Sales Division, EDION Corporation
- October 2022 General Manager of Sales Department and General Manager of Sales Division, EDION Corporation
- April 2023 General Manager of Sales Department, EDION Corporation
- June 2023 Senior Executive Director, EDION Corporation
- June 2024 Representative Director, President and COO, EDION Corporation (current)

Koza Takahashi

**Representative Director,
President and COO**

Born September 12, 1961
Number of shares held: 37,400
Board of Directors attendance:
100%



Career Highlights

- October 2013 President, Loudmouth Japan Co., Ltd. (current)
- January 2014 Chief Strategy Officer & Managing Director, Loudmouth Golf LLC
- June 2016 Group Manager, Oracle Corporation
- June 2018 Independent Outside Director, EDION Corporation
- February 2019 Senior Executive Director and General Manager of Logistics IT Service Department, EDION Corporation
- June 2019 President, e-Logi Corporation
- February 2021 General Manager of Business Department, EDION Corporation
- June 2021 Vice President, EDION Corporation (current)
- October 2022 General Manager of Solution Service Department, EDION Corporation
- October 2022 President, EDION X Ventures Corporation (current)
- October 2023 In charge of IT Strategy Department, EDION Corporation (current)

Satoshi Kaneko

**Executive Director;
Vice President
In charge of IT Strategy
Department**

Born August 1, 1972
Number of shares held: 55,920
Board of Directors attendance: 100%



Career Highlights

- July 2018 Executive Officer, EDION Corporation
- July 2018 General Manager of Corporate Sales Division, EDION Corporation
- April 2019 General Manager of E-Commerce/Business Division, 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 President, e-Logi Corporation
- June 2021 Executive Director, EDION Corporation
- October 2021 General Manager of Logistics Service Department, EDION Corporation
- May 2022 President, Jtop Co., Ltd.
- October 2022 Deputy General Manager of Solutions Service Department and General Manager of Logistics Service Division, EDION Corporation
- June 2023 Senior Executive Director, EDION Corporation (current)
- June 2024 General Manager of E-Commerce Department, EDION Corporation (current)

Haruyoshi Jogu

**Senior Executive Director
General Manager of
E-Commerce Department**

Born March 9, 1957
Number of shares held: 19,900
Board of Directors attendance:
100%



Career Highlights

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

Tsugunori Ishida

**Senior Executive Officer
General Manager of
Corporate Planning
Department**

Born August 21, 1972
Number of shares held: 12,017
Board of Directors attendance: 100%

Board of Directors and Auditors



Toshiro Inoue
Senior Executive Officer
General Manager of
Sales Department

Born December 24, 1970
Number of shares held: 5,100
Board of Directors attendance: —

Career Highlights

October 2018 General Manager of Mobile Network Sales Department, EDION Corporation
February 2020 General Manager of Mobile Network Products Department, EDION Corporation
April 2021 General Manager of Communications Products Department, EDION Corporation
February 2022 General Manager of Information and Communications Sales Department, EDION Corporation
October 2022 General Manager of Information and Communications Operations Department, EDION Corporation
April 2023 General Manager of Mobile Networks Division, EDION Corporation
October 2023 Executive Officer, EDION Corporation
February 2024 Senior Executive Officer, EDION Corporation
General Manager of Digital Home Appliances Division, EDION Corporation
June 2024 Senior Executive Officer, EDION Corporation (current)
General Manager of Sales Department, EDION Corporation (current)



Shozo Ishibashi
Independent Outside
Director
(Chairman of the Nomination
and Compensation Committee)

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, Ritssho 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 Outside Director, EDION Corporation (current)
March 2017 Outside Director, Minkabu Inc. (currently MINKABU THE INFONOID, Inc.) (current)



Shimon Takagi
Independent Outside
Director
(Nomination and Compensation
Committee Member)

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

Career Highlights

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



Naoko Mayumi
Independent Outside
Director

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

Career Highlights

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 Outside Director, EDION Corporation (current)



Yoshihiko Fukushima
Independent Outside
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 Outside Director, EDION Corporation (current)



Tadatsugu Mori
Independent Outside
Director

Born September 22, 1963
Number of shares held: 1,000
Board of Directors attendance:
100%

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 Management Planning Office Manager, in Charge of the System Planning Office
March 2012 Executive Director, H2O Retailing Corporation
December 2012 Outside Director, UMENOHANA Co., Ltd.
April 2014 Executive Director, H2O Retailing Corporation, in Charge of the Finance Office
November 2020 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 Outside Director, EDION Corporation (current)
March 2023 Independent Director, Silver Egg Technology Co., Ltd. (current)

Board of Directors and Auditors



Yoshie Yamane
Director
Audit & Supervisory
Committee Member
(full-time)

Born August 5, 1966
 Number of shares held: 2,561
 Board of Directors attendance: —

Career Highlights

April 2013 General Manager of General Affairs Department, EDION Corporation
 April 2016 General Manager of Operations Improvement Promotion Department, EDION Corporation
 January 2017 General Manager of Information Security Department, EDION Corporation
 October 2017 General Manager of Management Department, EDION HOUSE SYSTEM Corporation
 April 2018 General Manager of Management Department, SANKYU Co., Ltd.
 April 2020 Executive Officer, SANKYU Co., Ltd.
 April 2023 Deputy General Manager of Management Department and General Manager of Management Division, SANKYU Co., Ltd.
 July 2023 Senior Executive Officer, EDION Corporation
 General Manager of Sustainability Department, EDION Corporation
 June 2024 Director Audit and Supervisory Committee Member (full-time), EDION Corporation (current)



Yuki Fukuda
Independent Outside
Director
Audit & Supervisory
Committee Member

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
 Opened Fukuda CPA and Tax Accountant Office (to present)
 April 2016 Expert Advisor, Osaka District Court and High Court (current)
 June 2017 Independent Auditor, EDION Corporation
 November 2017 Auditor, SEIKOU Co., Ltd. (current)
 June 2024 Independent Outside Director Audit and Supervisory Committee Member, EDION Corporation (current)

*Independent Outside Director Mr. Yuki Fukuda was appointed to and took up the position of director in the 23rd Ordinary General Meeting of Shareholders held on June 27, 2024, but in the fiscal year under report he was in the position of an independent auditor, so his attendance as an independent auditor is stated.

Executive Officers (as of August 1, 2024)

Senior Executive Officers

General Manager of Logistics Service Department	Yuji Ikehata
General Manager of Store Development Department	Hirokazu Fujiwara
General Manager of ELS Division	Norikazu Kojima
General Manager of Finance and Accounting Division	Yasuhiro Asanoma
General Manager of Internal Audit Office	Eiji Yamada
Vice President of EDION X Ventures Corporation	Atsushi Murakami
General Manager of General Affairs and HR Department	Masayuki Okajima
General Manager of Sales Supervision Division	Eijiro Monze
General Manager of Sales Planning Division	Mitsuyoshi Nagasaki
General Manager of Marketing Division	Tsuyoshi Hasegawa
Store Manager of Hiroshima Main Store	Kazuo Kitagawa
General Manager of IT Strategy Department	Ken Yamamoto

Executive Officers

General Manager of Franchise Division	Shinichi Watanabe
General Manager of E-Commerce Division	Kei Tsunoda
General Manager of HR Division	Tomoya Katayama
Store Manager of Namba Main Store	Tomohiro Kinoshita
General Manager of Product Division	Tsuyoshi Hyodo
General Manager of Product Planning Division	Hiroshi Abe
Deputy General Manager of ELS Division	Takeshi Tsuchihashi
General Manager of Logistics Service Division	Takahiro Morita
General Manager of Sustainability Department	Mariko Mukaida
Store Manager of EDION Yokohama-Nishiguchi Main Store	Tokuya Sumita



Yoshikiyo Sakai
Independent Outside
Director
Audit & Supervisory
Committee Member
(Audit & Supervisory Committee
Chairperson)
(Nomination and Compensation
Committee Member)

Born October 10, 1956
 Number of shares held: 0
 Board of Directors attendance: 100%

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 Outside Director, EDION Corporation
 June 2024 Independent Outside Director Audit and Supervisory Committee Member, EDION Corporation (current)



Hideaki Shimizu
Independent Outside
Director
Audit & Supervisory
Committee Member

Born July 15, 1958
 Number of shares held: 0
 Board of Directors attendance: —

Career Highlights

April 1990 Registered as a lawyer
 Worked at Tadashi Yamada Law Firm
 April 2000 Opened Shimizu Hideaki Law Office
 December 2011 Opened Uehara Shimizu Law Office
 December 2012 Opened Shimizu Hideaki Law Office (to present)
 June 2024 Independent Outside Director Audit and Supervisory Committee Member, EDION Corporation (current)

EDION's ESG

G Corporate Governance

The EDION Group is working to strengthen its governance structure in order to ensure sound and transparent management and to enhance corporate value over the medium to long term.

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.

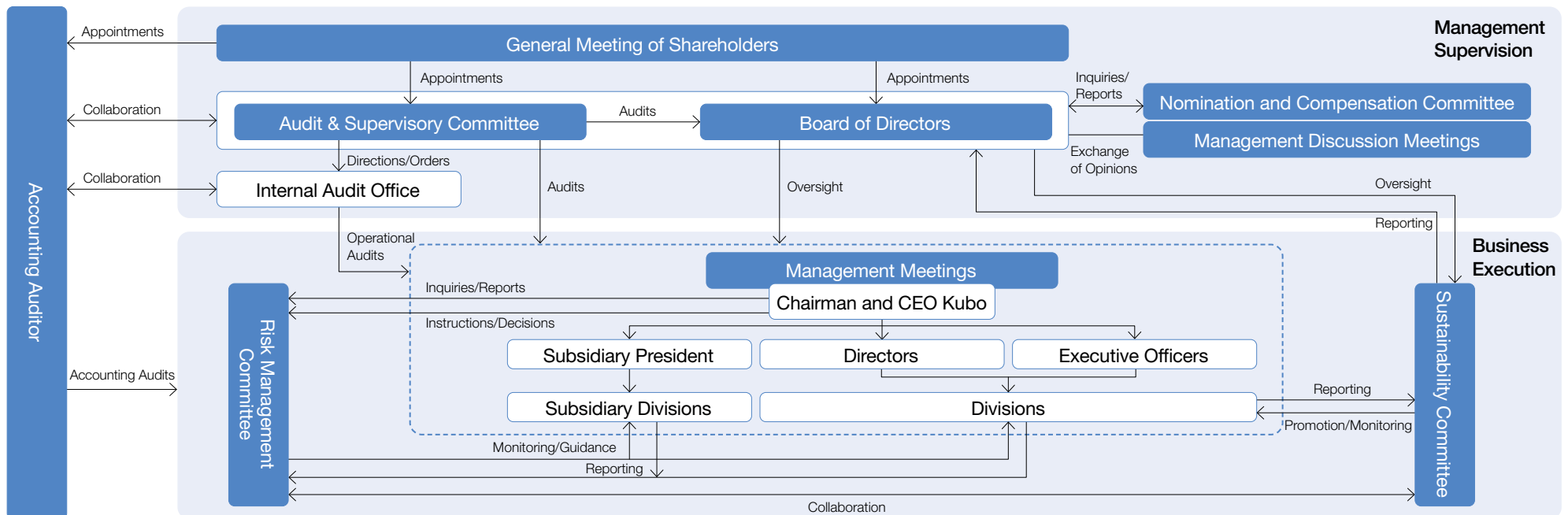
First, we will carry out business activities based on corporate social responsibility (CSR) as a good member of the local community, as well as ensuring directors, executive officers, and employees comply with all laws and regulations.

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.

Governance Structure



> Corporate Governance

Overview of the Corporate Governance System

EDION has appointed eight independent outside directors.

At the Board of Directors, which supervises management decision-making and business execution, we believe that the eight independent outside directors will contribute to improving governance by giving opinions and advice from an impartial standpoint based on their own experience and knowledge.

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 outside directors and independent auditors, to ensure transparency in decision-making processes.

Audit & Supervisory Board: 10 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.

Audit & Supervisory Committee

The EDION Group is working to strengthen corporate governance aimed at improving corporate value in order to respond flexibly to the rapidly changing business environment and further strengthen its management structure.

As part of this, we transitioned to a company with an Audit & Supervisory Committee through a resolution at the 23rd Ordinary General Meeting of Shareholders held on June 27, 2024. We will strive to further strengthen and enhance corporate governance by prioritizing discussions such as policy and strategy formulation at Board of Directors meetings and strengthening the supervisory function over business execution. We will also strive to further enhance corporate value by enabling the Board of Directors to flexibly delegate authority for business execution to directors and by improving the mobility and speed of decision-making in business execution.

Nomination and Compensation Committee: 10 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 response policies in the event of an emergency (BCP, etc.) and compliance, and also study and monitor countermeasures, providing comprehensive management of risks that impact Group companies.

Ratio of Independent Directors

(As of June 27, 2024)



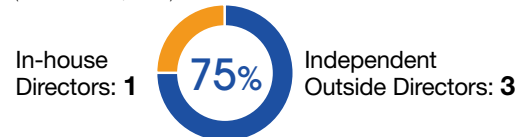
Ratio of Female Directors

(As of June 27, 2024)



Ratio of Independent Directors on the Nomination and Compensation Committee

(As of June 27, 2024)



> Corporate Governance

Skill Matrix for Directors

Name	Position	Main Skills and Experience, and Expected Roles									
		Corporate Management Strategy	Financial Accounting Taxes	Sales Marketing	Store Development	IT / DX	Logistics	Human Resources Manpower Training	Legal Affairs Risk Management	Internal Controls Governance	Sustainability
Masataka Kubo	Representative Director, Chairman and CEO (Nomination and Compensation Committee Member)	●		●	●			●	●	●	●
Norio Yamasaki	Representative Director and Vice Chairman	●	●		●			●	●	●	●
Kozo Takahashi	Representative Director, President and COO	●		●	●			●			●
Satoshi Kaneko	Vice President	●		●		●	●				
Haruyoshi Jogu	Senior Executive Director	●		●	●		●				
Tsugunori Ishida	Senior Executive Officer	●	●		●	●	●			●	●
Toshiro Inoue	Senior Executive Officer	●		●							
Shozo Ishibashi	Independent Outside Director (Chairman of the Nomination and Compensation Committee)	●	●			●				●	
Shimon Takagi	Independent Outside Director (Nomination and Compensation Committee Member)	●	●						●	●	
Naoko Mayumi	Independent Outside Director	●	●							●	●
Yoshihiko Fukushima	Independent Outside Director	●		●				●		●	●
Tadatsugu Mori	Independent Outside Director	●	●		●	●				●	
Yoshie Yamane	Director Audit and Supervisory Committee Member (full-time)	●						●	●	●	●
Yuki Fukuda	Independent Outside Director Audit and Supervisory Committee Member		●						●	●	
Yoshikiyo Sakai	Independent Outside Director Audit and Supervisory Committee Member (Nomination and Compensation Committee Member)	●	●	●		●				●	
Hideaki Shimizu	Independent Outside Director Audit and Supervisory Committee Member								●	●	

› Corporate Governance

Policy for Nominating Directors and Appointing and Dismissing Executives

The following three items are taken into consideration when deciding on members of the management team (executive officers) or candidates for the role of director: possession of insight and ability, with a track record of achievements; possession of strong ethical integrity; and an ability to act towards the realization of the Group's corporate philosophy. The following will also be considered with regard to independent outside directors: 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" is considered grounds for dismissal.

Evaluating the Effectiveness of the Board of Directors

In April of 2024, the Board of Directors conducted a "survey to evaluate the Board of Directors" targeting all 12 directors and all 3 auditors. The goal of the survey was to analyze and evaluate the effectiveness of the Board of Directors as a whole during FY2023, 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 generally 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 on improving corporate value over the medium to long term with a focus on sustainability, and there were high evaluations of deliberations from a multifaceted perspective that take into account consistency with management strategies and policies, and of the verification of business execution results.

However, the results indicated that while a certain level of consideration was given to discussions that take into account management indicators such as ROE and ROIC, as well as the cost of capital, these discussions needed to be enhanced further. Based on the results of this evaluation, we will continue to strive for further effectiveness and improved functions in the Board of Directors.

Policies for the Training of Officers

The policy is to undertake training such that directors appropriately fulfill their expected roles and responsibilities, increase corporate value, and ensure thorough compliance. Specifically, directors 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.

Executive Compensation System

1. Basic Policies

Executive compensation is determined based on the following basic policies.

- Function as an incentive for improving corporate value
- Contribution to sustainable growth by fostering a management mindset that is grounded in the perspective of shareholders
- Appropriate level for the business scale and results
- Assurance of transparency and fairness in the process of evaluating directors and determining their compensation

2. Compensation Structure and Ratio

Executive compensation consists of monetary compensation consisting of a base portion and a performance-linked portion, and compensation for the granting of restricted shares (stock compensation). The total amount of each is paid within the limits resolved at the General Meeting of Shareholders.

The ratio of each compensation is based on 60% for the base portion and 40% for the total of the monetary performance-linked portion and stock compensation. It is determined according to the evaluation procedures described below.

3. Policy for Determining Details of Individual Compensation, etc. for Directors

The details of individual compensation, etc. for directors are determined by the Board of Directors after deliberation by the Nomination and Compensation Committee, which is an advisory body to the Board of Directors and is chaired by an independent director, in order to ensure fairness and transparency.

- Base portion: A fixed compensation amount is determined each year by evaluating each director based on the director's position, term of office, and degree of contribution to the company.
- Performance-linked portion: A compensation amount is determined by evaluating each director based on the degree to which performance targets are achieved during the fiscal year in question (profit attributable to owners of parent).
- Stock compensation: Restricted shares are allocated in accordance with a compensation amount determined by evaluating each director based on the director's position and degree of contribution to the company.

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 four 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

> Corporate Governance

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.

EDION's **E S G**

G Compliance and Risk Management

The EDION Group has established a system to appropriately respond to changes in laws and regulations due to changes in the business environment and to diversify risks.

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 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.

> Compliance 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 establishes 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.

Basic Approach to Compliance and Risk Management

The EDION Group’s 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.

Anti-corruption Activities

In the EDION Group’s Code of Ethics, which sets forth the standards of conduct to be observed by all officers and employees, the EDION Group declares that it will comply with all laws, regulations, and business practices related to commercial transactions. Under this policy, we have established prevention regulations that prohibit bribery of public officials and other parties and prevent corrupt practices through our agents, as well as guidelines stipulating check procedures that serve as preventive measures. In accordance with these regulations and guidelines, we have established a system that enables early detection and correction of problematic behavior. In the unlikely event that any of our officers should commit an act that constitutes corrupt behavior, we will promptly take action and correct the situation, and, if necessary, review the content of our activities to prevent recurrence.

In FY2023, there were no violations of laws and regulations, fines, or penalties related to corruption.

Tax Governance

The EDION Group believes that proper tax reporting and payment is a social responsibility that companies must fulfill. We follow tax laws, regulations, and rules and do not engage in tax planning for the purpose of tax avoidance. We enhance tax knowledge within the Group through training and other means to maintain tax governance so that we can carry out appropriate tax procedures.

We also respond to inquiries from tax authorities in a timely and appropriate manner, maintain fair relationships, and build relationships of trust. Should a difference of opinion arise with tax authorities, we will work with them to resolve the issue. We will continue to contribute to the development of communities by paying taxes appropriately.

Compliance Training

The EDION Group implements compliance education by job level in order to foster a corporate culture in which each and every employee respects ethics and compliance.

Training Results in FY2023

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

Intellectual Property Management

Brands, trademarks, copyrighted works, and other intellectual property nurtured through business activities are important assets for the EDION Group. We strive to create intellectual property and will further enhance its value by attending to tasks such as managing it based on the recognition that it must be managed and utilized appropriately. We also respect the intellectual property of third parties to the greatest extent possible.

› Compliance and Risk Management

Identifying and Responding to Key Risks

The EDION Group holds Risk Management Committee meetings four times a year to discuss the identification of risks and the formulation of response plans. Risks that are determined to require a company-wide response are reported to the Board of Directors as key risks and their response status is monitored. The following are the key risks recognized by the EDION Group in FY2023.

Risks related to seasonal factors: Some of the products we sell have sales that are affected by seasonal factors. Long periods of rain in the summer, cool summers, and warm winters could affect the results and financial status of the Group.

Risks related to competition: In regions where the Group has stores, there are many stores of other companies that handle similar products. Competition between companies may intensify due to the opening of new stores in the future and other factors, which could affect the results and financial status of the Group.

Risks related to natural disasters and accidents, etc.: If a store is damaged by a large-scale natural disaster, such as an earthquake or typhoon, or a fire, said store may have to suspend operations and be liable for damages to those affected, which could affect the results and financial status of the Group.

Risks related to information security: If there is a data leak or other incident due to cyberattacks or other unforeseen circumstances, the trust in the Group may decline, which could affect the results and financial status, such as a decrease in sales.

Risk related to impairment accounting for fixed assets: If the book value of a store or other facility is not expected to be recovered due to a decline in profitability, or there is a change in “Accounting Standard for Impairment of Fixed Assets” or other standards, an impairment loss may be recorded for said store or facility, which could affect the results and financial status of the Group.

Risks related to store development: If there are less properties that meet the Group’s store opening criteria than the number of planned store openings, the results and financial status of the Group may be affected.

Risks related to external contractors: If external contractors violate laws or guidelines that they must comply with when carrying out their work, the results of the Group may be affected.

Risks related to legal regulations, etc.: Plans for store openings and business execution may be affected by legal regulations, changes in regulations, and other similar factors.

Information Security

The EDION Group handles a lot of personal information, such as cardholder information and customer purchase history data. We also possess a large amount of confidential information related to the technology, sales, and other activities of each Group company. This information is strictly managed in accordance with the EDION Group Information Security Management Regulations.

Given the constant risk of cyberattacks in recent years, we are strengthening our monitoring of unauthorized access to the EDION Group and are also focusing on education for our employees on how to handle information.

Business Continuity Plan (BCP) Activities

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 plans (BCP) to promote business continuity management (BCM) initiatives.

EDION's ESG

E Environmental Management

The EDION Group recognizes reductions in environmental impact as an important issue and is systematically and continuously developing environmental conservation activities in line with the EDION Group Environmental Policy.

Formulation of Environmental Policy

In March 2024, we formulated the new EDION Group Environmental Policy. This policy clearly states the stance that all employees of the EDION Group should have as a basis for their business activities. Going forward, we will thoroughly disseminate our environmental policy and raise awareness of environmental conservation.

Environmental Management System

The EDION Group has established its own environmental management system based on the ISO 14001 international standard and is promoting environmental improvement activities as a Group. We will gradually expand the scope of application going forward.

EDION Group Environmental Policy

The EDION Group correctly recognizes the impact of its business activities on the environment and actively works to address environmental issues in order to protect nature and resources and pass on a rich living environment to the next generation.

1. Provision of Environmentally Friendly Products and Services

We aim to create a society that addresses environmental issues together with our customers through the provision of environmentally friendly products and services.

2. Activities for a Recycling-Oriented Society

We strive to reduce waste through recycling and environmentally friendly procurement activities to contribute to the realization of a sustainable, recycling-oriented society.

3. Activities for a Decarbonized Society

We strive to reduce greenhouse gas emissions by improving resource and energy efficiency in our business activities to contribute to the realization of a decarbonized society.

4. Environmental Protection

We promote local nature conservation activities such as forest conservation as well as work to conserve a rich natural environment that nurtures biodiversity and water and soil environments.

5. Awareness and Education

We spread awareness of this policy to everyone involved in our business activities, including our officers and employees, as well as customers and business partners. In doing so, we aim to reduce our environmental impact through partnerships throughout the supply chain.

6. Compliance with Environmental Laws and Regulations and Information Disclosure

We work to prevent environmental pollution by complying with international norms, laws, and regulations related to the environment. We also strive to disclose appropriate environmental information in line with international standards and to communicate with stakeholders.

7. Environment Promotion Structure

We strive to establish and operate an environmental management system and to make continuous improvements in order to promote effective activities at all times.

Created on March 27, 2024

EDION's ESG

E Contributing to a Decarbonized Society in Harmony with the Environment

The EDION Group recognizes that responding to climate change is an important management issue, strives to reduce the environmental impact of business activities, and promotes initiatives to achieve carbon neutrality.

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.

Governance

At EDION, 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.

The Sustainability Committee's activities include inventorying information disclosure items and increasing the visibility of greenhouse gas emissions in keeping with TCFD recommendations, as well as 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 bears responsibility for all decision-making, including those involving problems related to climate change.

Strategies

The EDION Group conducts scenario analyses to study the risks and opportunities for the Group presented by climate change and the financial impact of those risks, as well as the resilience of strategies assuming global conditions in 2030.

As a result of the scenario analysis, under the 1.5°C/2°C scenario where a fundamental system transition is achieved, demand for products with high energy efficiency and low greenhouse gas emissions will increase. This will be an opportunity for the EDION Group, as we develop energy-saving home electronics and renovation businesses. On the other hand, under the 4°C scenario where no effective climate change measures are introduced, demand for energy-efficient air conditioning is expected to increase.

We therefore confirmed that by building a business strategy that can respond quickly under either the 1.5°C/2°C or the 4°C scenario, it is possible to turn risks into opportunities.

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 Sustainability Committee evaluates and manages risks and opportunities related to climate change (e.g., CO₂ emission regulations) and reports them 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.

Indexes and Targets

We have set Scopes 1, 2, and 3 CO₂ emissions as indicators for managing climate-related risks and opportunities. We are targeting a 46% reduction in total Scopes 1 and 2 emissions compared to FY2013 by FY2030. We expect to reduce total Scopes 1 and 2 emissions by 39% compared to FY2013 in FY2023. We will consider Scope 3 reduction targets in the future.

Scope 1/2/3 GHG Emissions and Forecasts

(Unit: t-CO₂e)

	FY2023 Quick Estimate	Reduction (vs. FY2013)	Reduction (vs. FY2022)
Scope 1	18,980	66% (-34%)	—
Scope 2	100,242	60% (-40%)	—
Scope 3	10,565,795	—	99% (-1%)

*Scope 1: Direct in-house emissions (e.g., gas, gasoline, and 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

› Contributing 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°C/2°C Scenario		4°C Scenario		
				Timeline	Impact on Business/Finances	Timeline	Impact on Business/Finances	
Risks	Transition Risks	Policies, Laws, and Regulations	<ul style="list-style-type: none"> Introduction of carbon taxes and strengthened regulations related to energy conservation Strengthened regulations related to product lifecycles (procurement, products, usage, and disposal) Violations of obligations related to policies, laws, and regulations, and failure to meet the needs of stakeholders 	<ul style="list-style-type: none"> Increased tax payments Increased energy costs Increased capex costs related to energy conservation and renewable energy Increased procurement costs resulting from increased cost of supply chain operations Restrictions and reductions in business activities 	Medium-term	High	N/A	
		Technologies	<ul style="list-style-type: none"> Delays or failures in preparing products and services for customers to contribute to alleviating or adapting to climate change 	<ul style="list-style-type: none"> Increased costs for building new supply chains Declining sales and pulling out of businesses due to declining demand for products and services Damage to reputation due to lack of response, and decline in market capitalization Suspension of operations and decline in sales due to violations of obligations Costs arising in relation to lawsuits resulting from violations of obligations 	Long-term	High	N/A	
		Markets	<ul style="list-style-type: none"> Failure to identify changes in consumer lifestyles resulting from climate change 	<ul style="list-style-type: none"> Lost customers and decline in sales due to failures in development and inability to keep up with competitors 	Short-term	High	Short-term	High
	Reputation	<ul style="list-style-type: none"> Damage to reputation among the outside stakeholders due to insufficient response to climate change 	<ul style="list-style-type: none"> Decline in sales and lost opportunities to expand earnings due to development of products that differ from consumer tastes 	Medium-term	High	Medium-term	High	
	Acute	<ul style="list-style-type: none"> Increase in abnormal weather events such as typhoons and floods 	<ul style="list-style-type: none"> Decline in sales resulting from damage to reputation Decline in market capitalization due to decreased stock prices Increased costs of capital procurement resulting from damage to trust Impact on growth due to difficulty in securing human resources 	Short-term	High	Short-term	High	
	Chronic	<ul style="list-style-type: none"> Changes in precipitation patterns and increased average temperatures 	<ul style="list-style-type: none"> Decline in sales resulting from store closings, reduced business hours, and decline in customer visits Increased costs resulting from damage to the company's inventory, stores, and facilities Product procurement failures and decline in sales resulting from damages suffered by companies in the supply chain Decline in sales resulting from areas where deliveries are not possible Additional costs arising from storage of goods and re-deliveries 	Medium-term	Low	Medium-term	High	
Opportunities	Products and Services	<ul style="list-style-type: none"> Expand products and services for customers to contribute to alleviating or adapting to climate change, and respond to changes in consumer tastes 	<ul style="list-style-type: none"> Increased electric power costs due to increased energy consumption for air conditioning to maintain work environments at stores, offices, logistics centers, and plants Decline in sales of products with high sensitivity to temperatures Increased costs for heatstroke risk countermeasures Increased insurance premiums resulting from frequent disasters Increased procurement costs, e.g., resulting from the need to secure separate suppliers Increased costs resulting from the replacement of store facilities 	Medium-term	Low	Medium-term	High	
		<ul style="list-style-type: none"> 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		

EDION's ESG

E Resource Recycling and Biodiversity

At EDION, we recognize the importance of corporate activities and environmental issues. We are therefore working to protect nature and resources and pass on a rich living environment to future generations.

Promotion of Recycling of Small Home Electronics

In collaboration with E.R.JAPAN Corporation, a certified operator and EDION Group company, we actively collect used small home electronics at directly managed EDION and Hyakuman Volt stores.

E.R.JAPAN collects used mobile phones, PCs, DVD players, and other small home electronics, as well as precious metals, such as gold and silver, and rare metals. In FY2023, 6,977 tons of small home electronics were collected for recycling. The collected resources are sold to metal trading companies, smelting plants, and other businesses, thereby supporting the domestic recycling of resources.

We promote safe and reliable recycling by building a collection system that makes use of our nationwide Group network.



Collected home electronics

Volume Reduction and Recycling of Polystyrene Foam

We have introduced volume reduction equipment at nine sites that generate a large amount of polystyrene foam waste from home electronics packaging and other sources, and are working to recycle it. In FY2023, 324 tons of polystyrene foam were processed into recycled resources. In addition, by melting and reducing the volume of polystyrene foam during processing, the number of trucks used for transportation is reduced to 1/20 of the usual number, which also reduces CO₂ emissions.



Recycled polystyrene foam

Approach to Biodiversity Conservation

We have more than 1,200 stores nationwide, and our business activities therefore have a significant impact on biodiversity. In accordance with the EDION Group Environmental Policy, we are working on nature conservation, including precious forests, water resources, and soil. We have started considering information disclosure while referencing recommendations such as the Taskforce on Nature-related Financial Disclosures (TNFD), a disclosure framework for risks and opportunities related to natural capital.

Forest Maintenance Activities

Yoshino (Nara Prefecture) is a famous cherry blossom viewing spot filled with beautiful Japanese cedars and Japanese cypresses and has been registered as a World Heritage Site. However, there have been concerns in recent years about the impact of scattered wastelands and neglected forests on the scenery as well as on erosion control. In light of this, Nara Prefecture, towns, companies, and other entities have joined forces to carry out Yoshino Forest Maintenance Activities, which we have participated in since 2008.

Employees participated again in FY2023, working together with local residents on nature conservation.



Forest maintenance activities

EDION's ESG

S Increasing Customer Satisfaction

The starting point of EDION's business is long-lasting customer satisfaction. We believe that our customers are our best consultants, and we are working to improve our services and develop and enhance original products that reflect customer comments in order to satisfy as many customers as possible.

Activities to Respond to Customer Comments

The EDION Group has established a Customer Consultation Office as part of its efforts to improve customer satisfaction. We have established a system to quickly resolve any issues or requests from our customers in cooperation with retail stores and service centers. We also gather comments and impressions from customers through survey postcards distributed along with deliveries and installations. The praise, requests, and complaints we receive are sent back to our retail stores and service centers as feedback on a daily basis. Our Customer Consultation Office and the various business divisions work together as one to improve services based on the comments gathered from customers.

CS Improvement Project Report Meetings for Top Management

This is the tenth year in which we have held CS Improvement Project Report Meetings, which report the current status of CS to top management. 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.

Customer Service Utilizing Expert Knowledge and Expertise

We believe it is essential to improve the skills of our sales staff to ensure that our customers are satisfied with their shopping experience. EDION is working to improve the quality of customer service by actively encouraging staff to obtain qualifications and develop their skills in order to provide customer service based on a wealth of product knowledge. These staff include Electric Home Appliance Advisors, professionals in electric home appliance sales and customer service; Electric Home Appliance Engineers, professionals in appliance installation and troubleshooting; Smart Masters, specialists in housing and living; and Photo Masters, specialists who are skilled and knowledgeable in photography and cameras. We will continue to work to improve customer satisfaction by improving the skills of our employees.

Number Receiving Certification

- Electric Home Appliance Advisor: 4,620
- Electric Home Appliance Engineer: 261
- Smart Master: 685
- Photo Master (total number): 1,041

*EDION Corporation and SANKYU Co., Ltd., as of the end of March 2024

Product Performance Testing Laboratory

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 product operability. 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

EDION's ESG

S Work Safety, Sanitation, and Health Management

The EDION Group positions the safety and health of its employees as its top priority in conducting business activities and is promoting the creation of attractive workplaces where employees can enjoy safety and peace of mind.

Safety and Health Committee

Safety and health activities at all companies, such as measures to prevent employee health problems caused by long working hours as well as health management, are led by the Safety and Health Committee. The Safety and Health Committee reports and deliberates on safety and health activities, decides on improvement measures, performs checks on matters such as the status of health checkups and stress check results, and works to promote and disseminate safety and health education through workplace safety and health officers.

Main Activities of the Safety and Health Committee

- Measures to prevent health problems caused by long working hours
- Inspection of facilities, equipment, etc. and confirmation of usage status
- Measures for health checkups and health promotion
- Investigation of the causes of workplace accidents and measures to prevent recurrence
- Compilation of safety and health information and statistics on workplace accidents, illness, lost work time, etc.

(Number of workplace accidents in FY2023: 22)

*Only those resulting in absence from work. Frequency rate: 0.78; Severity rate: 0.03

Health Management Declaration

Since employees form EDION's management base, the health of employees and their families is essential to achieving EDION's corporate 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 2024 Certified KENKO Investment for Health Outstanding Organization

EDION has been certified for five consecutive years by the Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi to be recognized in the 2024 Certified KENKO Investment for Health Outstanding Organizations (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.



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.

Setting Health Management Guidelines

EDION set guidelines to further promote health management. Performance and targets are shown below (partial excerpt).

Target Item	FY2022 Performance	FY2023 Performance	FY2024 Target
Ratio of employees receiving regular health checkups (including those seconded to other companies)	95.0%	97.5% ^{*5}	100%
Ratio of employees with lifestyle-related disease risks	27.0%	30.2%	25.0%
Ratio of employees who smoke	23.8%	24.4%	23.0%
Ratio of employees getting stress checks	92.2%	92.9%	100.0%
Ratio of employees with high stress rates	6.4%	5.5%	5.0%
Presenteeism ^{*1} (average loss ratio)	21.9%	20.9%	20.0%
Absenteeism ^{*2}	0.78 days	0.45 days	0.70 days
Work engagement (original in-house measurements ^{*3})	3.73	3.73	3.80
Work engagement (vitality/enthusiasm ^{*4})	2.63	2.61	2.70
Ratio of employees using annual paid leave	60.1%	69.1%	75.0%

*1 Presenteeism: A condition in which individuals still go to work despite being ill or experiencing symptoms of illness, with a negative impact on business execution and productivity. (Measured using the University of Tokyo "Single-Item Presenteeism Question")

*2 Absenteeism: Absence from work due to illness or poor health (Conducted employee survey on work attendance over the past four weeks)

*3 Measured using an original in-house method based on an employee survey (5-pt. scale)

*4 Measured items related to vitality and enthusiasm in a simple survey of work-related stress (shortened 80-item version, 4-pt. Scale)

*5 Actual figures have been corrected due to an error in the tabulation

EDION's ESG

S Respecting Human Rights

The EDION Group respects the human rights of all stakeholders and strives to prevent human rights violations by appropriately responding to the impact and risks of its business activities on human rights towards the realization of a society with respect for the dignity of all people.

Formulation of Human Rights Policy

In March 2024, the EDION Group formulated the new EDION Group Human Rights Policy to ensure that all directors and employees understand, share, and put the concept of respect for human rights into practice. Going forward, we will continue to promote internal education and work to establish an effective human rights due diligence system based on this policy.

EDION Group Human Rights Policy

The EDION Group recognizes that realizing a society in which the human rights of all people are respected is a social responsibility of companies and has established this policy as a basic action guideline for fulfilling that responsibility.

1. Policy Positioning and Scope of Application

The EDION Group's goal is to be "a company that continually endeavors to support richness and abundance in our customers' lives." This policy supplements the EDION Group's Code of Ethics as a code of conduct for realizing this corporate stance. It applies to all officers and employees of each company in the EDION Group.

We also ask that all stakeholders involved in the business activities of the EDION Group understand and respect the code of conduct set out in this policy, and expect that they implement activities aimed at respecting human rights.

2. Respect for International Norms

The EDION Group respects human rights as recognized in international norms such as the International Bill of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work. We also promote activities to respect human rights through our business activities in accordance with international principles and standards, such as the United Nations Guiding Principles on Business and Human Rights.

3. Compliance with Laws and Regulations

The EDION Group complies with all applicable laws, regulations, and social norms in its business activities. In addition, when the laws, regulations, and social norms of any country or region conflict with international norms regarding human rights, we pursue ways to respect human rights to the greatest extent possible.

4. Identification of Key Issues

The EDION Group recognizes the following human rights issues as particularly important in its business activities and is focused on addressing them.

- ① Prohibition of all forms of discrimination based on factors such as race, ethnicity, nationality, creed, religion, gender, gender identity, sexual orientation, social status and family origin, disability, occupation, and employment status
- ② Protection of child laborers, forced laborers, and young workers, and elimination of other inhumane working environments
- ③ Respect for freedom of association, the right to collective bargaining, and other workers' rights

- ④ Creation of a comfortable working environment through measures such as ensuring safety and health, providing appropriate health management for workers, and prohibiting harassment
- ⑤ Proper management of working hours, elimination of improper overtime work, and payment of appropriate wages
- ⑥ Procurement and provision of safe products and services that do not infringe on human life, bodies, property, etc.
- ⑦ Prohibition of expressions that lead to discrimination or harassment in advertising and marketing activities
- ⑧ Reduction in environmental impact throughout the supply chain to help solve environmental problems that have a negative impact on human rights

5. Implementation of Human Rights Due Diligence

The EDION Group conducts human rights due diligence to identify and assess any negative impacts on human rights that may arise from its business activities and to take measures to prevent and mitigate them.

6. Relief

In the unlikely event that the business activities of the EDION Group are discovered to have a negative impact on human rights, we will take prompt and appropriate action through appropriate procedures to correct and rectify the situation.

7. Education and Dialogue

The EDION Group provides all officers and employees with appropriate education and raises awareness in order to resolve human rights issues in accordance with this policy. We also disclose this policy to all stakeholders to promote understanding and dissemination, and strive to build strong relationships of trust through ongoing dialogue in order to accurately grasp human rights issues and improve activities.

8. Information Disclosure

The EDION Group discloses appropriate information on the implementation status of activities to address human rights issues based on this policy through its corporate website and other channels.

Created on March 27, 2024

In-House Notification Structure

The EDION Group has established a contact point for in-house notifications. We also work with labor unions and law offices to ensure the confidentiality and anonymity of notifiers and create an environment that makes it easier to report. In addition, we have set up a contact point for notifications at an external third-party law office to receive a wide range of complaints and reports of human rights violations from all stakeholders and are implementing risk reduction measures.

EDION's ESG

S Supply Chain Management

The EDION Group not only provides safe and satisfying products and services but also contributes to the realization of a sustainable society throughout the supply chain, including procurement activities.

Formulation of Procurement Policy

In March 2024, we formulated the EDION Group Procurement Policy. Under this policy, we practice fair, equitable, and transparent transactions, set out our basic stance on procurement activities that comply with laws, regulations, and ethics, and take human rights and the environment into consideration. Going forward, we will use this policy as a basis for strengthening our partnerships with business partners.

EDION Group Procurement Policy

The EDION Group recognizes that contributing to the realization of a sustainable society by working to resolve various social issues through its business activities is a social responsibility of companies. In addition to factors such as quality, price, delivery time, stable supply, business stability, and technological development capabilities, we select suppliers based on a comprehensive consideration of various circumstances, such as efforts to fulfill their corporate social responsibilities including fair and highly transparent information disclosure, compliance with laws, regulations, and social norms, respect for human rights, elimination of unfair discrimination, elimination of child labor and forced labor, and environmental conservation activities. In doing so, we engage in sustainable procurement activities that aim for mutual prosperity and survival by building a good and healthy partnership with business partners towards the continuous development of the overall supply chain.

1. Compliance with Laws and Regulations

We comply with all laws, regulations, and international norms that apply to procurement activities.

2. Ensuring the Quality and Safety of Products and Services

- ① We strive to maintain and improve the quality and safety of our products and services in cooperation with our business partners.
- ② In the unlikely event that a defect or accident is discovered in a product or service, we will promptly implement appropriate responses in compliance with laws and regulations, including appropriate information disclosure, reporting to administrative agencies, and product recalls, and we will establish the systems that are necessary to do so.
- ③ We do not handle products that violate laws and regulations regarding quality and safety, nor do we handle products that infringe on the intellectual property rights of third parties.

3. Respect for Human Rights

- ① In accordance with the EDION Group Human Rights Policy, we respect the human rights of all people involved in procurement activities, and we will eliminate all forms of discrimination based on factors such as race, ethnicity, nationality, creed, religion, gender, gender identity, sexual orientation, social status and family origin, disability, occupation, and employment status.
- ② We conduct human rights due diligence and strive to identify and assess any negative impacts on human rights associated with our procurement activities and to prevent and mitigate such impact. In the unlikely event of a human rights violation, we will work to promptly correct and rectify the situation.

4. Improvement of the Working Environment

- ① We work to eliminate inhumane working environments, including the prohibition of child labor and forced labor, and the protection of young workers.
- ② We respect freedom of association, the right to collective bargaining, and other workers' rights.
- ③ We comply with labor-related laws and regulations, and strive to create a comfortable working environment through measures such as ensuring safety and health, providing appropriate health management for workers, and prohibiting harassment.
- ④ We properly manage working hours and work to eliminate improper overtime work.
- ⑤ We strive to ensure equal opportunities in terms of employment, promotions, and compensation and to provide fair and equitable treatment and skill development for workers.

5. Consideration for the Environment

- ① In accordance with the EDION Group Environmental Policy, we comply with environmental laws and regulations and aim to reduce environmental impact through partnerships throughout the supply chain.
- ② We strive to reduce waste through recycling and environmentally friendly procurement activities to contribute to the realization of a sustainable, recycling-oriented society.

- ③ We strive to reduce greenhouse gas emissions through the efficient procurement of resources and energy to contribute to the realization of a decarbonized society.
- ④ We recognize the impact of procurement activities on nature and ecosystems, and we are working to conserve the water and soil environments, biodiversity, and other aspects of the environment.
- ⑤ We have established and operate an environmental management system in order to promote effective activities at all times.

6. Fair and Equitable Business Transactions

- ① We comply with laws and regulations related to business transactions and sound business practices. We also treat all of our business partners fairly and equitably and engage in free competition and transparent business transactions.
- ② We do not associate with or provide favors to antisocial forces, nor do we have any involvement with them.
- ③ We maintain healthy and appropriate relationships with politics and government and thoroughly work to prevent corruption, bribery, and all such practices.

7. Information Management

- ① We comply with information-related laws and regulations as well as the EDION Group's Personal Information Protection Policy and appropriately manage personal and confidential information.
- ② We have established an information security system and work to prevent the leakage or loss of information due to unauthorized access from inside or outside the company. We also continuously implement employee education and training.

8. Business Continuity

We will work to establish a system that allows us to continue our business to the greatest extent possible, even in the event of a natural disaster or other crisis, by maintaining a supply chain that can provide essential disaster prevention supplies and other products.

9. Coexistence with Society

We strive to maintain healthy relationships and interactions with the community and carry out activities that contribute to society at large together with our business partners.

10. Information Disclosure and Dialogue

We build relationships of trust with all stakeholders through appropriate information disclosure and communication. We also strive to accurately grasp issues in the supply chain and resolve them.

11. Scope of Application

This policy applies to all business partners.

> Supply Chain Management

Promoting Fair Business Transactions

As we observe laws, regulations, and sound business practices related to commercial transactions and strive for mutual development under transparent conditions while maintaining good relationships, we also strictly screen potential collaborators to ensure compliance with “Outsourcing Management Regulations” and all other regulations pertaining to 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.

Human Rights Considerations throughout the Supply Chain

We have established an organizational structure to manage risks and respond appropriately regarding human rights throughout the supply chain, from procurement to product sale/service provision, disposal, and recycling, that is not limited to human rights violations within the EDION Group. In addition, we ask our business partners to understand and cooperate on the EDION Group Human Rights Policy and the EDION Group Procurement Policy in order to prevent and mitigate the occurrence of various negative impacts on human rights, such as labor issues in the supply chain.

“White Logistics” Movement: Voluntary Action Declaration Towards 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 improve logistics 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

EDION's ESG

S Contributing to the Community

The EDION Group contributes to the development of local communities not only through its business activities, but also through sports promotion, cultural promotion, and social contribution activities.

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

The EDION Women’s Track and Field Club continues to be active in a variety of events, with nine athletes in the long-distance block and five in the regular event block (as of March 2024). These athletes have won medals at competitions around the world as representatives of Japan. Since the club was formed in 1989, members have participated 30 times in the All-Japan Women’s Corporate Ekiden Championship, which determines Japan’s top long-distance relay race runners.



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

Main Highlights in FY2023

107th Japan Championships in Athletics, 10,000m and Paris 2024 Olympic Games Qualification Tournament for the Japanese National Team	10,000m	8th Place	Mikuni Yada
EDION Distance Challenge in Osaka 2023	5,000m Team 1	3rd Place	Kyoka Kudo
	5,000m Team 2	8th Place	Misaki Eguchi
		20th Place	Miho Hiraoka
	5,000m Team 4	1st Place	Kana Mizumoto
		9th Place	Saya Nakajima

EDION Archery Club

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

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



Main Highlights in FY2023

58th Hiroshima Prefecture Archery Championships	Men’s Recurve	1st Place	Yuki Kawata
		2nd Place	Ayumu Iwata
	Women’s Recurve	1st Place	Risa Horiguchi
		2nd Place	Yuri Tarumoto

Professional soccer teams, Sanfrecce Hiroshima FC and Sanfrecce Hiroshima Regina

EDION, including the period when it was known as Deodeo, has been supporting Sanfrecce as a sponsor since the team’s establishment in 1992. In September 2023, we made Sanfrecce Hiroshima FC Co., Ltd., the company that operates Sanfrecce Hiroshima FC, a consolidated subsidiary. We will work more closely than ever with local businesses and fans to support the club’s growth and development going forward.



©2024 S.FC
Victory at WE League Cup

TOPICS

Opening of EDION Peace Wing Hiroshima soccer stadium

The new home of Sanfrecce Hiroshima FC, EDION Peace Wing Hiroshima, opened in February 2024. The new stadium, which was built in the center of Hiroshima City, was designed with the concept of “bringing cheers and relaxation to the city.” It is an open-air stadium with a roof that evokes the image of wings, equipped with a 32m x 9m scoreboard, moving lights that can be used for a variety of productions, and state-of-the-art audio equipment. It is also a new landmark for the city of Hiroshima, a city of international peace, where people of all ages will want to visit on a daily basis to relax in the lush greenery.



Stadium monument



©2024 S.FC
Sanfrecce Hiroshima

> Contributing to the Community

Professional E-Sports Team “DetonatioN FocusMe (DFM)”

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



Community Contributions by the EDION Women’s Track and Field Club

We started holding EDION Sports Classes to give local children the chance to experience the joy of physical activity and the importance of exercise through interaction with top athletes. Classes were held for the second time on November 12, 2023, at the Hiroshima Prefectural Sports Ground. The EDION Women’s Track and Field Club and players from the Sanfrece Hiroshima Regina team served as instructors, and 81 students from 4th to 6th grade had the opportunity to try out track and field and soccer.



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. In FY2023, the activity was held on February 14, and employees from approximately 480 locations nationwide participated.



Support for Paralympic Art

Paralympic Art is an initiative led by the SHOUGAISHA JIRITSU SUISHIN KIKOU ASSOCIATION to “create a world where people with disabilities can fulfill their dreams through art.” It promotes the social participation and economic independence of people with disabilities. EDION has provided support for Paralympic Art as an official partner since September 2021.

On December 28, 2023, EDION and Paralympic Art collaborated to hold a Paralympic Art exhibition at “STREAM FEST. 2023,” an interactive event for elementary and junior high school students held at Mydome Osaka. Booth visitors could try making their own badge as part of a workshop, and a portion of the proceeds from badge sales was donated to the Paralympic Art project.



Exhibition of Paralympic Art paintings

Support Activities for the Noto Peninsula Earthquake

On January 26, 2024, Group company SANKYU Co., Ltd. donated 10 million yen to aid those affected by the 2024 Noto Peninsula Earthquake, which occurred on January 1, and to help with the recovery of the affected areas. SANKYU Co., Ltd. also provided discounts for customers affected by the disaster to purchase products at designated stores, and carried out fundraising activities with players from Sanfrece Hiroshima Regina. We express our deepest respect to those who are working hard to support the recovery efforts and sincerely hope for the safety of the victims and a speedy recovery.



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11-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	3/2024
											(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	721,085
Operating Income	13,720	10,745	17,050	15,273	15,378	17,842	12,284	26,785	18,796	19,186	16,929
Ordinary Income	14,883	11,118	17,275	16,005	16,167	18,889	13,365	27,811	21,589	19,248	17,339
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	9,021
Financial Status											
Total Assets	385,799	367,338	360,307	368,161	369,448	355,947	350,024	386,425	377,970	369,365	431,694
Net Assets	146,756	145,086	141,986	151,512	169,005	178,172	180,400	193,841	199,480	201,656	214,921
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	19,962
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)	(68,717)
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)	47,531
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	12,011
											(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	90.07
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	81.35
Dividend	22.00	20.00	22.00	26.00	28.00	32.00	34.00	46.00	44.00	44.00	45.00
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	2,042.40
											(%)
Indicators											
Equity Ratio	38.0	39.5	39.4	41.2	45.7	50.1	51.5	50.2	52.8	54.6	49.7
Return on Equity (ROE)	3.6	3.4	4.2	8.9	5.6	6.7	6.1	8.9	6.7	5.7	4.3
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	2.3
P/E Ratio (times)	11.88	19.75	14.22	7.69	13.63	9.17	8.81	7.98	9.05	11.41	17.19
P/B Ratio (times)	0.43	0.65	0.59	0.66	0.81	0.60	0.53	0.68	0.58	0.63	0.76
Return on Invested Capital (ROIC) *Including Convertible Bonds	3.2	2.5 ¹	4.1 ¹	4.0 ¹	4.2	5.0	4.2	7.0	4.9	5.2	3.5
D/E Ratio (times) *Including Convertible Bonds	0.7	0.8	0.7	0.6	0.4	0.4	0.3	0.3	0.3	0.2	0.4
Dividend Payout Ratio	45.4	43.7	36.6	19.5	30.8	30.4	33.6	29.6	35.1	39.2	50.0

*1 Excludes special factors for reversal and addition of deferred tax assets due to changes in tax rates, etc.

› 11-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	3/2024
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	15,947
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	9,170
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	6,777
Ratio of Female Employees, Including Temporary Employees (Non-consolidated)	—	—	35.6%	35.5%	35.4%	36.1%	36.3%	36.6%	37.2%	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%	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	1,202
Total Sales Floor Area (1,000m ²) *Excluding Franchise Stores	1,053	1,030	1,024	1,019	1,020	1,039	1,055	1,058	1,086	1,087	1,121
EDION Card Members (10,000 persons)	456	465	469	475	482	489	490	486	485	485	483
Anshin Hoshō (Assured-warranty) Card Members (10,000 persons)	341	502	640	720	775	798	809	829	838	854	866
Emissions Due to Industrial Waste (t)	—	—	38,794	41,302	49,036	45,811	49,610	49,241	47,294	52,154	41,174
Recovery of Small Home Electronics for Recycling (t)	—	2,915	6,346	6,928	7,619	7,760	9,073	8,853	8,135	8,718	6,977
CO ₂ Emissions (t-CO ₂) ¹	—	—	151,306	138,773	126,736	111,327	112,809	110,994	—	—	—
Scope 1	28,961	—	—	—	—	—	—	—	21,108	20,273	18,980
Scope 2	166,542	—	—	—	—	—	—	—	93,705	85,470	100,242
Scope 3	61,780 ²	—	—	—	—	—	—	—	36,976 ²	10,624,918 ³	10,565,795
Number of Solar Power Systems Installed	1	4	26	53	65	72	72	72	70	69	68
Number of Solar Power Systems Installed (Self-Consumption)	—	—	—	—	—	—	—	—	—	—	5
Number of Installation Bases with Power Purchase Agreement (PPA)	—	—	—	—	—	—	—	—	—	1	7
Power Generation Capacity of Solar Power Systems (1,000 kWh)	—	—	—	2,338	3,334	4,622	4,524	4,608	4,197	4,918	5,471
CO ₂ Reduction Due to Solar Power Systems (t-CO ₂) ³	—	—	—	1,372	1,727	2,293	2,090	2,051	1,817	2,134	2,396

*1 We stipulated Scopes 1, 2, and 3 CO₂ emissions as indexes and changed calculation methods based on TCFD recommendations from FY2021.

*2 Only some categories of Scope 3 are calculated.

*3 Figures have been amended to reflect changes in tabulation methods in FY2023.

Company Information (As of March 31, 2024)

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	15,947 (9,170 full-time employees, 6,777 temporary employees)

Stock Information (As of March 31, 2024)

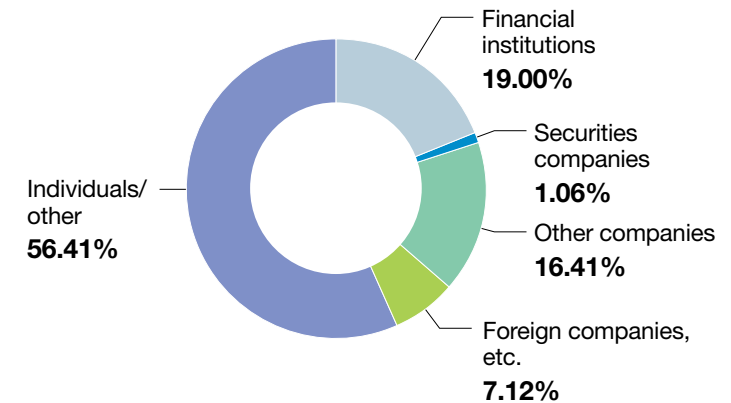
Stock Listing	Tokyo Stock Exchange Prime Market
Securities Code	2730
Number of Shares Issuable	300,000,000
Number of Shares Outstanding	112,005,636
Number of Shareholders	151,523
Stock Agent	Mitsubishi UFJ Trust and Banking Corporation
Minimum Trading	Unit 100
Name of the Auditing Firm	EY Japan (Ernst & Young ShinNihon LLC)

Top 10 Major Shareholders

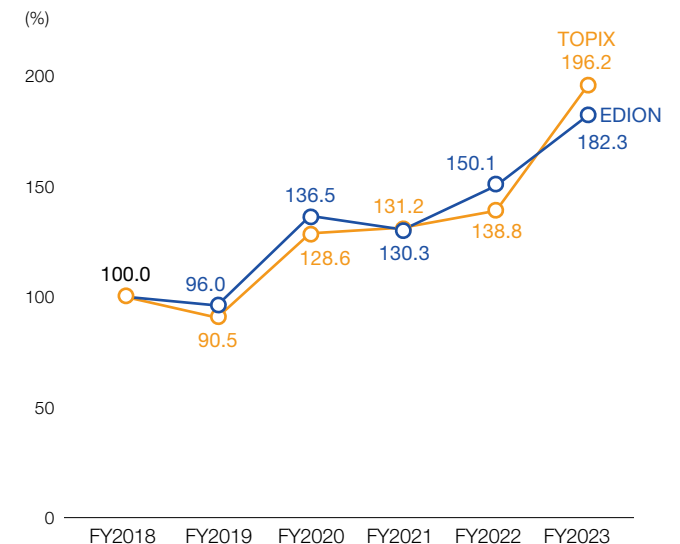
Name	Shares Held (Thousands)	% of Outstanding Shares (Excluding Treasury Shares)
Nitori Holdings Co., Ltd.	10,225	9.73
EDION Group Employee Stock Ownership Plan	7,870	7.49
The Master Trust Bank of Japan, Ltd. (Trust account)	7,561	7.20
Daiichi Co., Ltd.	3,449	3.28
Masataka Kubo	2,236	2.13
Custody Bank of Japan, Ltd. (Trust account)	1,977	1.88
NOMURA AYA	1,910	1.82
The Dai-ichi Life Insurance Company, Ltd.	1,811	1.72
MUFG Bank, Ltd.	1,692	1.61
EDION Group Client Stock Ownership	1,687	1.61

Notes: 1. "Shares held" is rounded down to the nearest thousand shares
 2. EDION Corporation holds 6,929,139 shares of treasury stock, which is excluded from the above major shareholders
 3. Treasury stock does not factor into the shareholding ratio calculation

Distribution of Shares by Owner



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



External Evaluations

MSCI Japan ESG Select Leaders Index

We have been selected as a component stock of the MSCI Japan ESG Select Leaders Index, which is used for ESG investment by the Government Pension Investment Fund (GPIF), the world's largest pension fund.

SOMPO Sustainability Index



We were selected as a component stock of the SOMPO Sustainability Index in FY2024. This index is made up of approximately 300 stocks that excel in ESG initiatives. It is used by multiple pension funds and institutional investors for sustainable investment.

2024 Certified KENKO Investment for Health Outstanding Organizations (Large Enterprise Category)



EDION has been certified by the Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi to be recognized in the 2024 Certified KENKO Investment for Health Outstanding Organizations (Large Enterprise Category) for excellence in strategically implementing health management initiatives from the perspective of managing employee health. This is the fifth consecutive year that EDION has been certified.

EDION Group Companies (As of August 1, 2024)

Name	Location	Capital (Million yen)	Main Business Activities	Shareholding 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
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 transport business, home electronics sales and installation business, electrical work business, etc.	100.00
E.R.JAPAN Corporation	Naka-ku, Hiroshima-shi	100	Operation of reuse and recycle businesses	100.00
PRIME STATION Corporation	Shinagawa-ku, Tokyo	41	Planning / printing business	100.00
Youmemiru Inc.	Kita-ku, Sakai-shi	10	Operation of programming classes, etc.	100.00
EdBank Corporation	Shinagawa-ku, Tokyo	10	Operation of programming classes, etc.	100.00
Azabu Co., Ltd.	Kasugai-shi, Aichi	10	Roof, exterior wall painting, and renovation	100.00
Muroyama Logistics Co., Ltd.	Kurashiki-shi, Okayama	20	General freight motor transport business	100.00
Sanfrece Hiroshima FC Co., Ltd.	Naka-ku, Hiroshima-shi	2,099	Operation of professional soccer team	76.10

Other: 1 company

- Notes: 1. A cash management system (CMS) has been introduced at major consolidated subsidiaries, and the lending of funds and the acceptance of surplus funds are centrally managed.
 2. Sanfrece Hiroshima FC Co., Ltd. is a specified subsidiary company.
 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. At a Board of Directors meeting held on March 27, 2024, EDION resolved to merge its wholly owned subsidiary, SANKYU Co., Ltd. into the company effective April 1, 2025.
 5. On July 1, 2024, Forest Co., Ltd. and Forest Shuhan Co., Ltd., both consolidated subsidiaries, underwent a merger (by absorption), with Forest Co., Ltd. as the surviving company.



EDION Corporation

<https://www.edion.com>

Osaka Mitsui Bussan Building, 2-3-33 Nakanoshima, Kita-ku, Osaka-shi, Osaka