

**1H FY03/26**

# **Institutional Investor Meeting**

**Consolidated Financial Results for the Six Months Ended September 30, 2025  
(Under Japanese GAAP)**

EDION Corporation

November 6, 2025

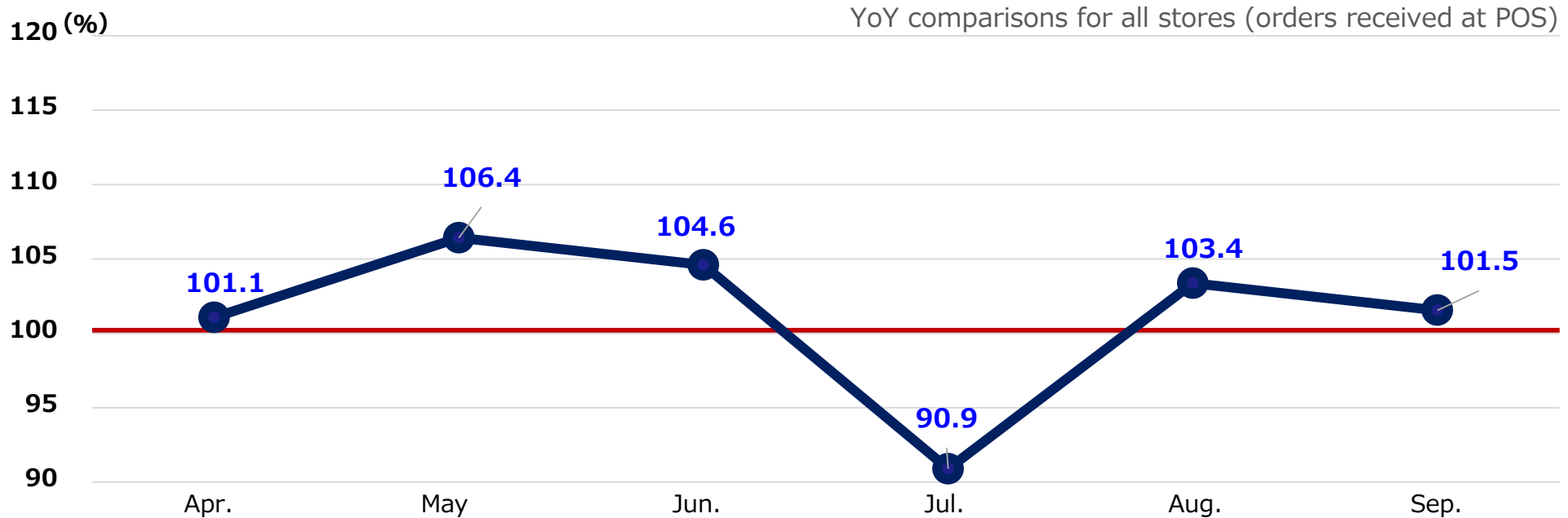
**1. 1H FY03/26 Results**

**2. FY03/26 Earning Forecast**

**3. Key Topics**

# 1. 1H FY03/26 Results

# Review of 1H FY03/26



## 1H YoY 100.8% (existing store sales 100.9%)

- Overall sales were generally strong throughout July, despite some difficulties in meeting the hurdles of the previous year.
- Demand continued to flow into electronics retailers, and sales of mobile phones remained strong.
- In addition, demand for replacement PCs due to the end of support for Windows10 rose early and grew steadily throughout the half year.

## Q1 YoY 104.1% (Same stores: 104.0%)

- Since April, the temperature rise was long-time nationwide, and sales of seasonal products were strong.
- has moved to
- the launch of new game consoles in June, and replacement of mobile phones and PCs
- Overall sales were strong due to demand.

## Q2 YoY 98.1% (98.2% at existing stores)

- Customers are purchasing seasonal products ahead of the summer season. Although sales remained at a high level, sales in July decreased year-on-year.
- Due to continued strong sales of PCs and mobile phones, sales in August and September cleared year-on-year levels.
- However sales were unable to make up for the shortfall in July, resulting in a year-on-year decrease in the second quarter.

# Consolidated Statements of Income (1H FY03/26)



Million yen, %	Q1 FY03/25			Q1 FY03/26			
	% of Sales	Results	% of FY2024	% of Sales	Results	% of FY2025	YoY Change
<b>Net Sales</b>		<b>380,500</b>	<b>107.9</b>		<b>385,668</b>	<b>101.4</b>	<b>5,168</b>
<b>Gross Profit</b>	<b>30.17</b>	<b>114,779</b>	<b>107.7</b>	29.89	<b>115,287</b>	100.4	508
<b>SG&amp;A Expenses</b>	<b>26.4</b>	<b>100,281</b>	<b>104.7</b>	<b>26.3</b>	<b>101,500</b>	<b>101.2</b>	<b>1,219</b>
Advertising and Selling Expenses	6.5	24,773	105.9	6.5	24,971	100.8	198
Personnel Expenses	10.7	40,700	103.0	10.8	41,491	101.9	790
Equipment Costs and Administrative Expenses	7.7	29,194	105.2	7.6	29,268	100.3	79
Depreciation	1.5	5,612	110.0	1.5	5,769	102.8	156
<b>Operating Profit</b>	<b>3.8</b>	<b>14,498</b>	<b>134.5</b>	<b>3.6</b>	<b>13,787</b>	<b>95.1</b>	<b>-711</b>
Non-Operating Income	0.2	822	96.4	0.3	1,052	128.0	230
Non-Operating Expenses	0.1	293	50.6	0.1	486	165.6	192
<b>Ordinary Profit</b>	<b>3.9</b>	<b>15,027</b>	<b>136.0</b>	<b>3.7</b>	<b>14,353</b>	<b>95.5</b>	<b>-673</b>
Extraordinary Income	0.0	74	53.0	0.1	222	296.8	147
Extraordinary Losses	0.1	259	65.5	0.1	515	198.8	256
<b>Profit before Income Taxes</b>	<b>3.9</b>	<b>14,842</b>	<b>137.5</b>	<b>3.6</b>	<b>14,060</b>	<b>94.7</b>	<b>-782</b>
Total Income Taxes	1.3	4,760	132.9	1.2	4,669	98.1	-91
Profit attributable to non-controlling interests	0.0	50	0.0	0.0	54	108.6	4
<b>Profit Attributable to Owners of the Parent</b>	<b>2.6</b>	<b>10,031</b>	<b>139.0</b>	<b>2.4</b>	<b>9,336</b>	<b>93.1</b>	<b>-695</b>

## Summary

### Net Sales

Sales were strong in the first quarter, primarily due to seasonal products. In the second quarter, PCs, mobile phones, and game consoles performed well, resulting in an increase in cumulative sales.

- Store openings: 2, Store closures: 2

### Gross Profit

Profits increased due to the release of new game console models and increased demand for PC replacements. However, due to fluctuations in the gross profit margin, the gross profit margin decreased by 0.27 percentage points compared to the previous year.

### SG & A Expenses

In addition to an increase in variable costs due to increased sales, selling, general and administrative expenses increased due to an increase in subsidiaries and base pay increases, etc. The selling, general and administrative expense ratio improved by 0.04pt.

### Extraordinary Income

Compensation for withdrawal from the free paper business: approximately ¥200 million

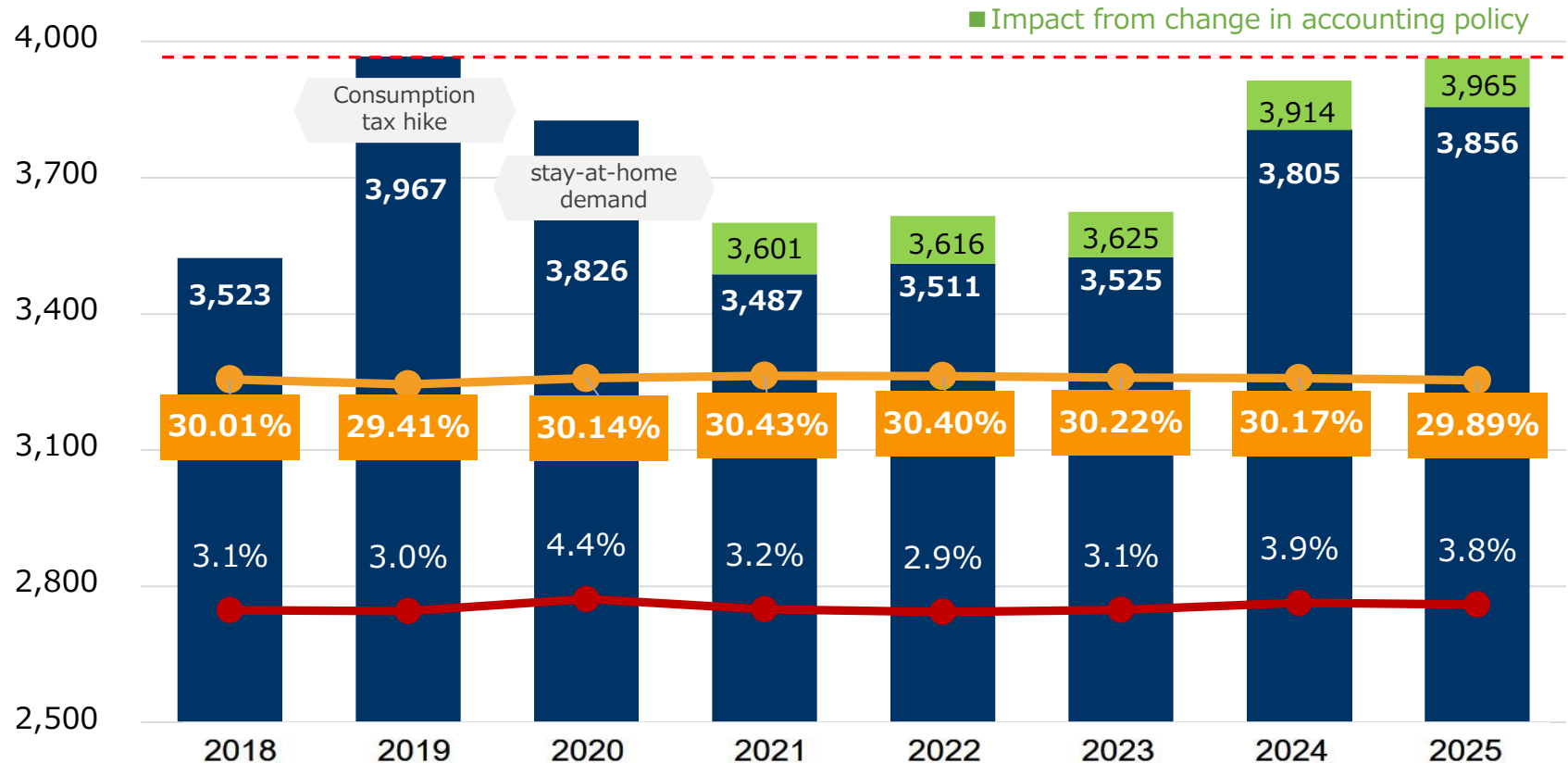
### Extraordinary Losses (Major Breakdown)

Asset Retirement Expenses: +¥116 million (store closures, renovations, etc.)  
Loss on disposal of fixed assets: +¥86 million (renovations, etc.)

# Results (1H FY03/26)

(0.1 billions of JPY)

**Net Sales**   **GPM**   **OPM**

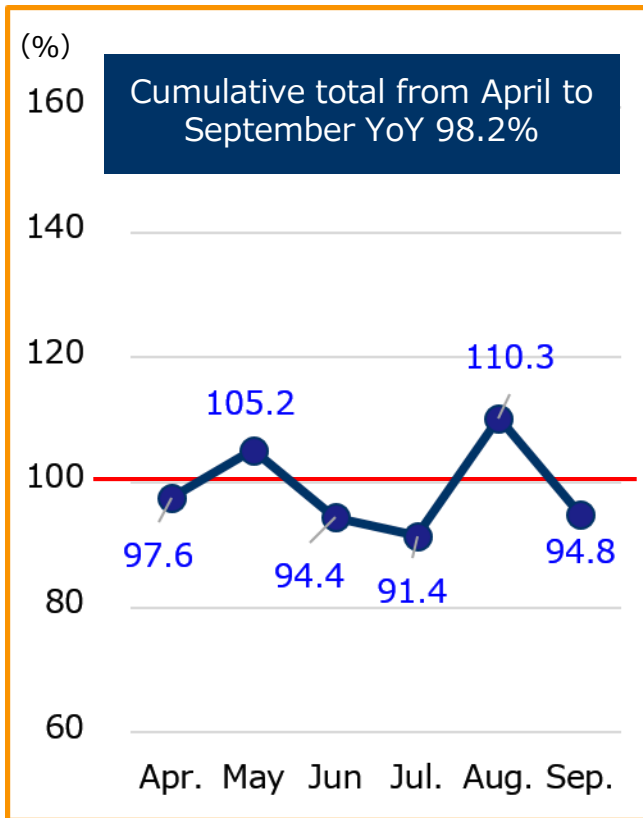


- Net sales (before accounting policy change) reached the highest level since fiscal 2019, when there was a rush of demand ahead of the consumption tax increase.
- Gross profit margin: 29.89% (previous fiscal year) - down 0.27 points (impact of game consoles and mobile phones, etc.)
- Sales Management Expense Ratio; 1H FY03/2026 result: 3.8%, 1H FY03/2025 result: 3.9% (0.04 point improvement) / Operating profit margin was 3.7%.

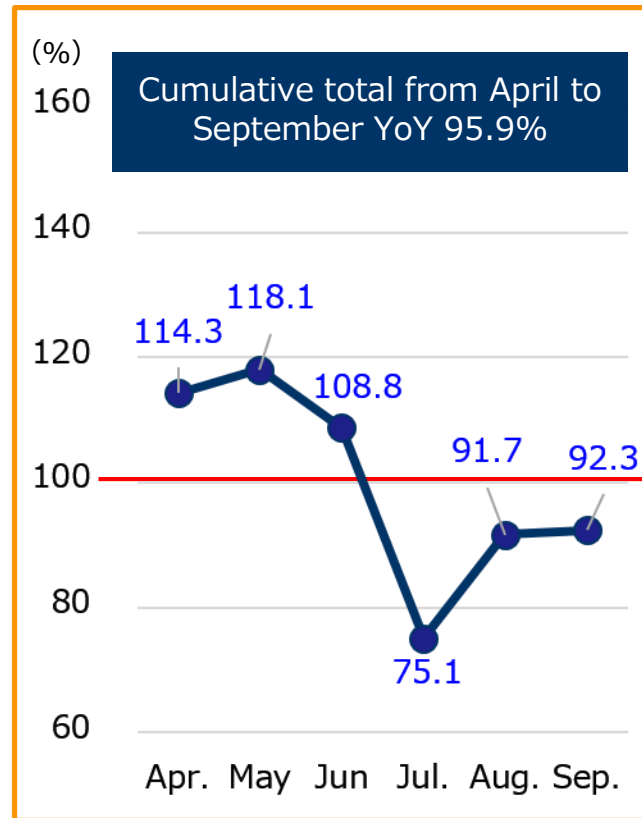
# Comparison of Orders by Product

YoY (Orders acquired at POS)

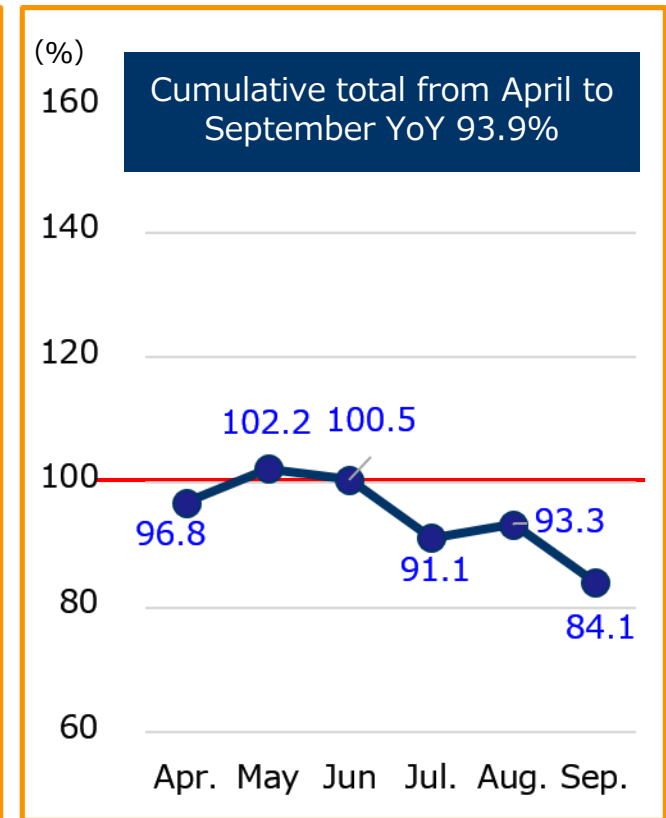
## TVs



## Air Conditioners



## Refrigerators



# Comparison of Orders by Product

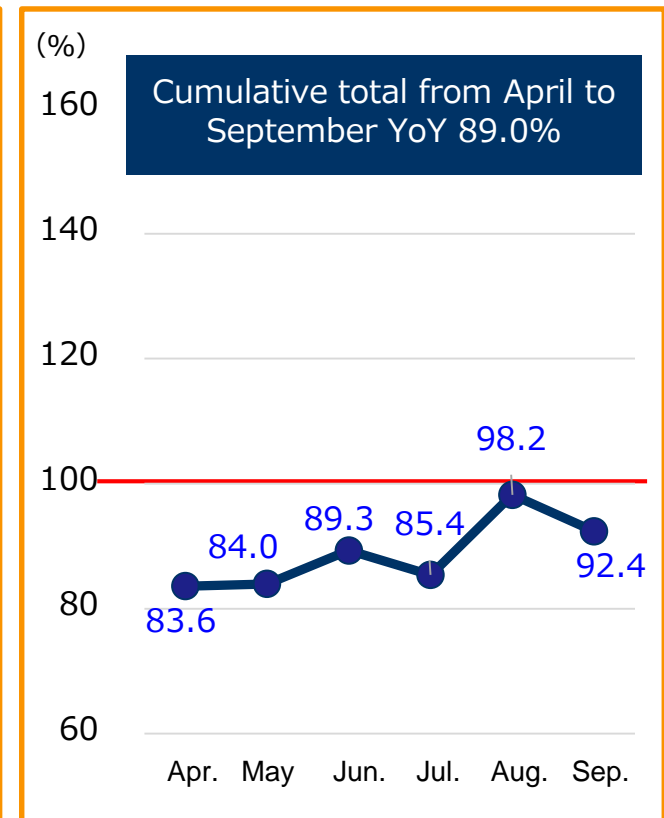
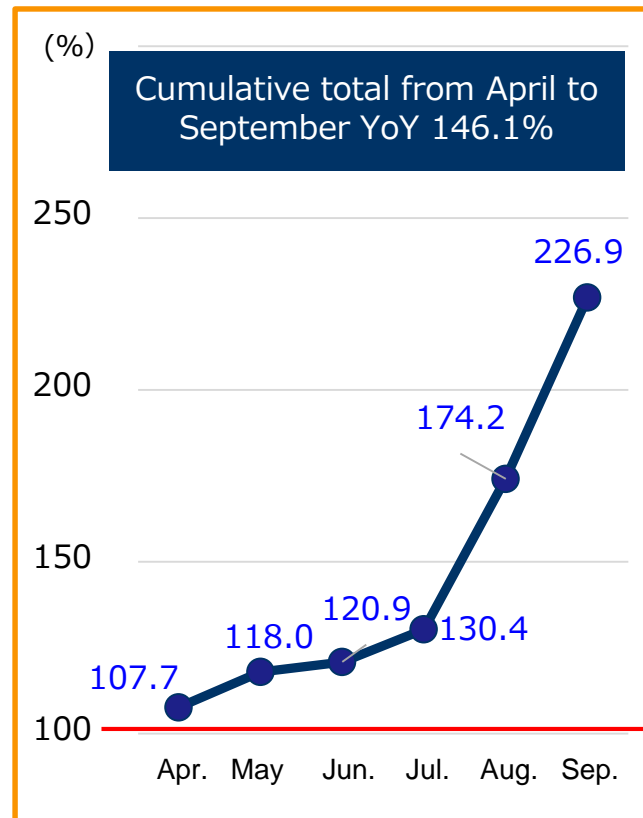
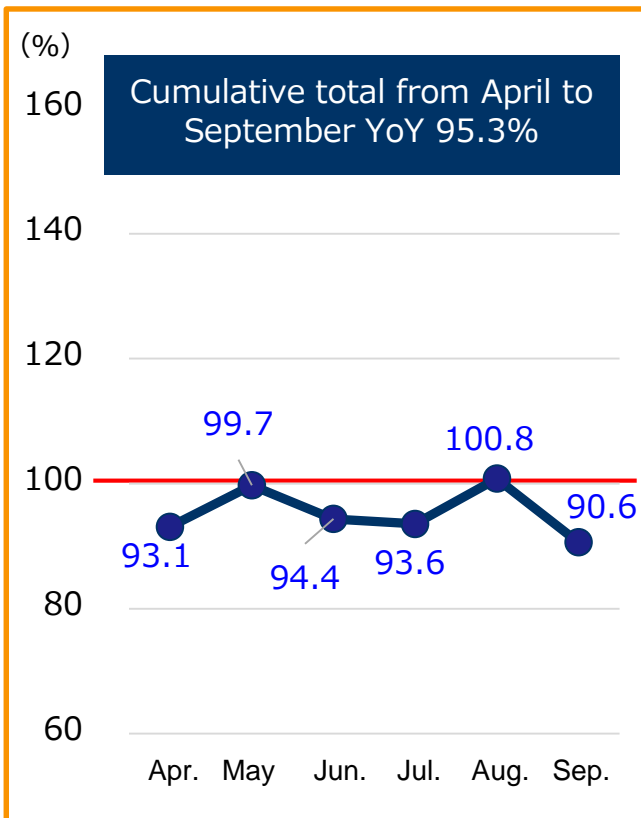
YoY (Orders acquired at POS)

## Washing Machines

## PCs

## ELS Business

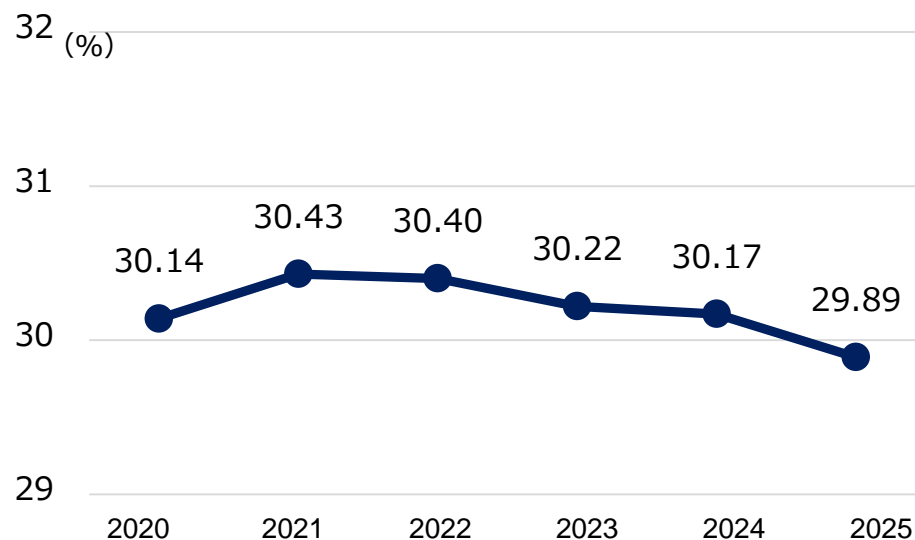
(Renovation)



Sales of mobile phones (Year-on-year unit volume) were also strong, with cumulative sales from April to September reaching YoY 116.6%.  
 1Q 03/26: YoY 119.9%, 2Q FY03/26: YoY 113.5%

# Gross Profit Margin and SG&A Ratio

## ■ Gross Profit Margin



● **Gross profit margin: 29.89% in 1H FY03/2026, 30.17% in 1H FY03/2025, YoY Change -0.27%**

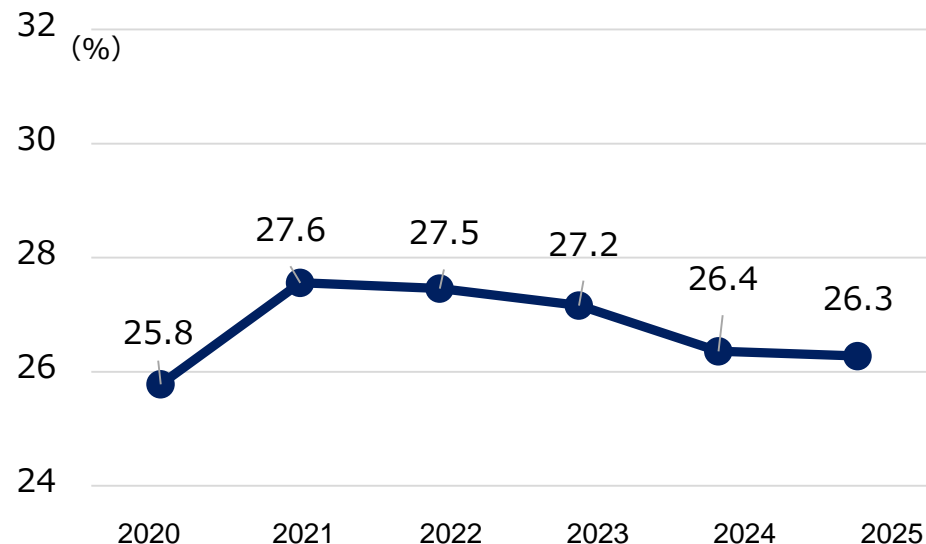
(Major Factors)

- Gross profit mix declined due to an increase in the composition of PCs, game consoles, etc.

→ PCs: 0.13% downward impact

→ Game toys: 0.17% downward impact

## ■ SG&A-to-sales Ratio



● **SG&A-to-sales Ratio : 26.3% in 1H FY03/2026, 26.4% in 1H FY03/2025, Improved by +0.04 points compared to the previous year (including two decimal places)**

● **SG&A Expenses :**

1H FY03/2026: JPY101.5 bn. (YoY change of JPY1.21 bn.)

(Major factors for the increase)

Advertising and sales expenses (mainly due to changes in sales) increased by JPY0.19 bn. Labor costs increased by JPY0.79 bn. due to increases in base salaries, etc. Facility management expenses increased by 70 million yen, and depreciation expenses associated with new store openings, etc. increased by 150 million yen.

# Consolidated Balance Sheet

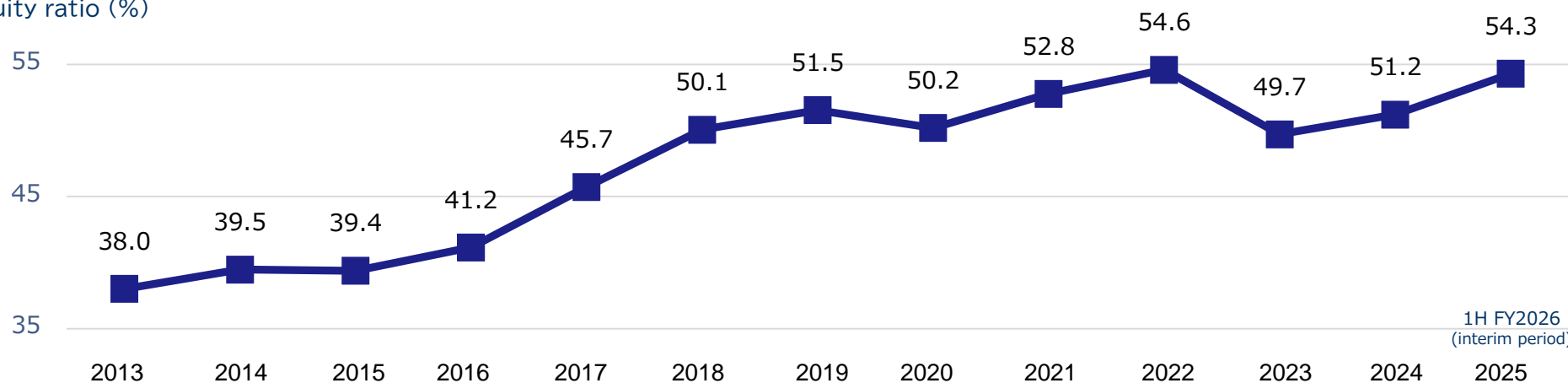
(millions of yen)

Assets	2025 End of March	2025 End of September	Change
Cash and deposits	8,834	9,060	225
Merchandise and finished goods	120,087	119,795	△291
Other	62,251	49,642	△12,608
<b>Current assets</b>	<b>191,173</b>	<b>178,497</b>	<b>△12,675</b>
Property, plant and equipment	175,690	175,036	△654
Intangible assets	11,934	11,201	△732
Investments and other assets	56,032	57,514	1,482
<b>Non-current assets</b>	<b>243,657</b>	<b>243,752</b>	<b>94</b>
<b>Total assets</b>	<b>434,830</b>	<b>422,250</b>	<b>△12,580</b>

Liabilities and Net Assets	2025 End of March	2025 End of September	Change
Short-term borrowings	31,255	25,254	△6,000
Current portion of long-term debt	3,470	9,290	5,820
Current portion of bonds	2,510	—	△2,510
<b>Current liabilities</b>	<b>144,220</b>	<b>132,322</b>	<b>△11,898</b>
Long-term borrowings	40,667	32,817	△7,849
<b>Non-current liabilities</b>	<b>67,664</b>	<b>60,002</b>	<b>△7,662</b>
<b>Total liabilities</b>	<b>211,884</b>	<b>192,324</b>	<b>△19,560</b>
<b>Net assets</b>	<b>222,946</b>	<b>229,925</b>	<b>6,979</b>
<b>Total liabilities and net assets</b>	<b>434,830</b>	<b>422,250</b>	<b>△12,580</b>

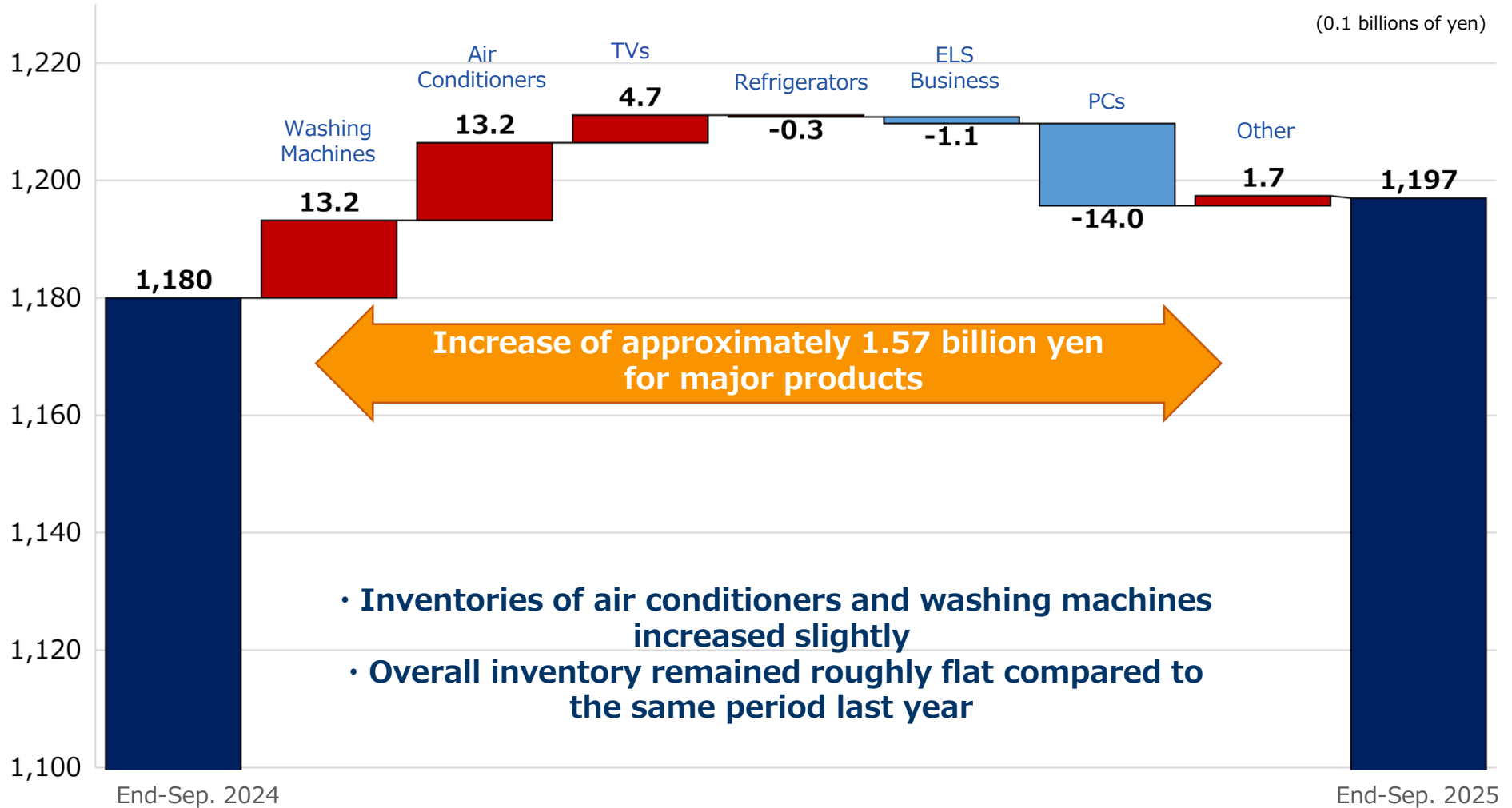
Some items in the accompanying financial statements have been summarized to preserve simplicity. Such changes are unaudited

## Equity ratio (%)



# Inventory Status

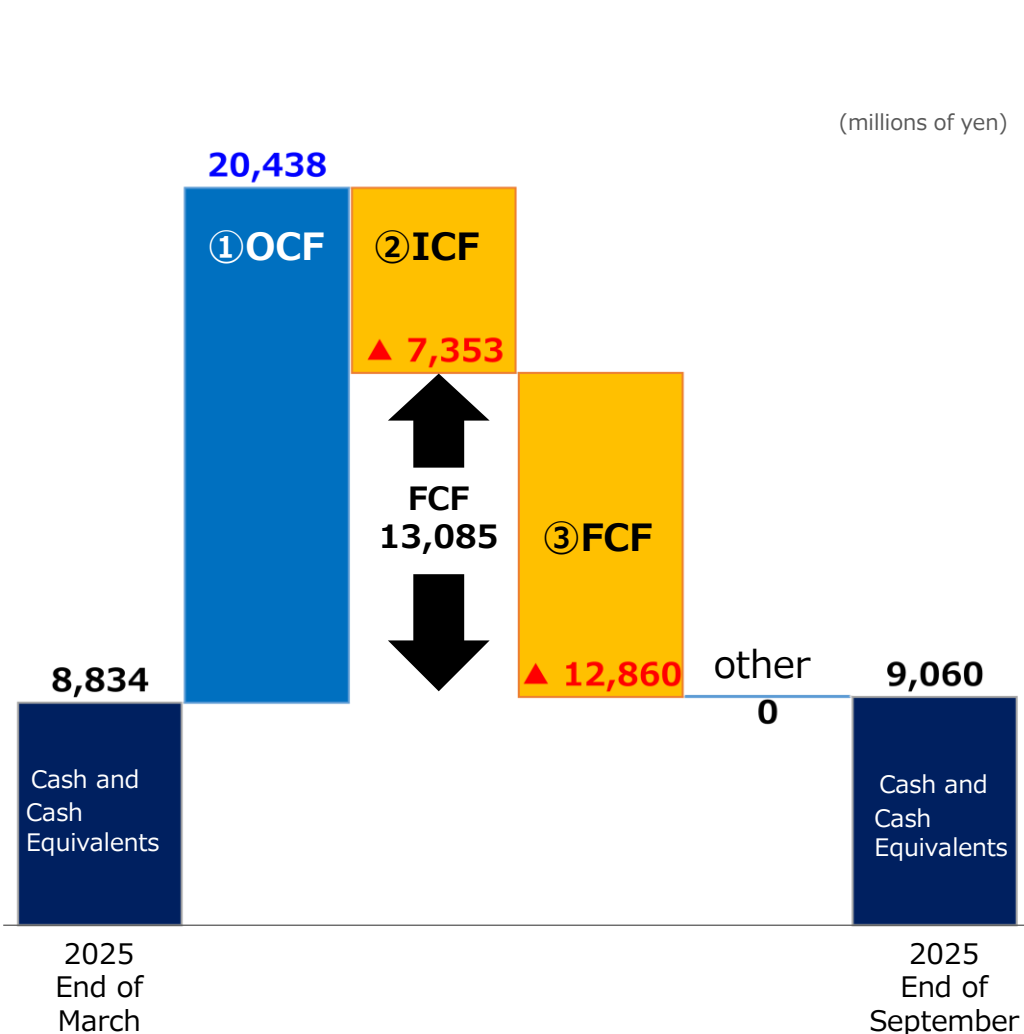
## Cumulative year-on-year comparison from April to September



\*Figures in the slide are rounded down to the nearest 100 million yen

# Consolidated Statements of Cash Flows

- Operating cash flow was at a high level of ¥20.4 billion due to a decrease in notes and accounts receivable as well as net income.
- Cash flow from investing activities was unchanged from the previous fiscal year, and free cash flow was ¥13 billion.



	2024 End of September	2025 End of September
Income before income taxes	14,842	14,060
Provision for bonuses	501	69
Trade receivables (increase)	5,707	8,659
Change in inventories (increase)	△274	234
Others	10,306	2,872
Subtotal	31,083	25,897
Income taxes	△2,636	△5,225
Other	△145	△233
<b>① Operating CF</b>	<b>28,301</b>	<b>20,438</b>
Acquisition of property, plant and equipment	△5,172	△4,575
Other	△2,115	△2,778
<b>② Investment activities CF</b>	<b>△7,287</b>	<b>△7,353</b>
<b>① + (2) Free cash flow</b>	<b>21,013</b>	<b>13,085</b>
Short-term borrowings	△18,547	△6,000
Long-term borrowings	△395	△2,016
Repurchase of treasury stock	△1,997	△2,016
Dividend payment	△2,225	△2,330
Other	△509	△497
<b>③ Financial activities CF</b>	<b>△23,675</b>	<b>△12,860</b>
<b>① (2) (3) Change in cash and cash equivalents</b>	<b>△2,661</b>	<b>224</b>

## **2. Earnings Forecasts and Store Opening Plans**

# Consolidated Earnings Forecast

million yen, %	1H		2H			FY March 2026				
	Results	% of FY03/25	Original Plan	Forecast	% of FY03/25	Original Plan	% of Sales	Forecast	% of FY03/25	YoY Change
<b>Net Sales</b>	385,668	101.4	<b>400,000</b>	↑ <b>404,331</b>	<b>104.3</b>	<b>790,000</b>		<b>790,000</b>	<b>102.8</b>	<b>21,870</b>
<b>Gross Profit</b>	115,287	100.4	112,000	113,213	104.7	230,000	28.92	228,500	102.5	5,634
<b>SG&amp;A Expenses</b>	101,500	101.2	102,000	102,000	102.8	205,000	25.8	203,500	102.0	4,029
Advertising and Selling Expenses	24,971	100.8	24,467	24,467	103.4	49,790	6.3	49,438	102.1	995
Personnel Expenses	41,491	101.9	41,604	41,604	101.6	83,100	10.5	83,095	101.8	1,434
Equipment Costs and Administrative Expenses	29,268	100.3	29,949	29,949	105.5	60,450	7.5	59,218	102.8	1,639
Depreciation	5,769	102.8	5,978	5,978	96.8	11,660	1.5	11,748	98.7	-40
<b>Operating Profit</b>	13,787	95.1	<b>10,000</b>	↑ <b>11,213</b>	<b>126.0</b>	<b>25,000</b>	<b>3.2</b>	<b>25,000</b>	<b>106.9</b>	<b>1,605</b>
<b>Ordinary Profit</b>	14,353	95.5	<b>10,000</b>	↑ <b>11,646</b>	<b>124.9</b>	<b>26,000</b>	<b>3.3</b>	<b>26,000</b>	<b>106.8</b>	<b>1,649</b>
<b>Profit Attributable to Owners of the Parent</b>	9,336	93.1	<b>4,300</b>	↑ <b>5,163</b>	<b>126.3</b>	<b>14,500</b>	<b>1.8</b>	<b>14,500</b>	<b>102.7</b>	<b>381</b>

**Shortfall in the first half will be adjusted in the second half, with no change to the full-year forecast**

- **Net Sales** ; 1H Results:100.9%, 2H Forecast:103.9%, and 102.5% for the Full Year (vs. FY03/25)
- **Gross Profit Margin** ; Taking into account the impact of the first half of the fiscal year ending March 2026, the figure is expected to be 28.92% (Initial forecast: 29.11%, previous year's actual result: 29.01%)
- **SG&A Expenses** ; The main reason for the increase was an increase in sales fluctuations (advertising costs and new store sales costs)  
 Increase in personnel costs due to increases in salary base, etc.  
 Facilities and administrative expenses will increase due to higher rents for new stores.  
 (Will be one-time expenses such as store relocation and remodeling costs in this fiscal year)

# Store Openings, Relocations, and Closings (Actual and Planned)

			New Openings	Relocations and Renovations	Closures	YoY Change	End-of-Period Store Count
FY03/2025	<b>Actual</b>	Full-year	7	1	7	±0	454
FY03/2026	<b>Planned</b>	Full-year	3	5	-	+3	457
	<b>Actual</b>	1Q	2	2	1	+1	455
		2Q	<b>0</b>	<b>1</b> *	<b>1</b>	<b>-1</b>	<b>454</b>

\*Non-Home Electrical Appliance Stores: Mobile phone specialty stores, etc.



October 2025 Opened S&B at Iida-Interchange Store (Nagano Prefecture)

## EDION Group

# 1,183

 stores

As of end-September 2025

- EDION-owned stores 454
- Franchise stores 729

## 3. Key Topics

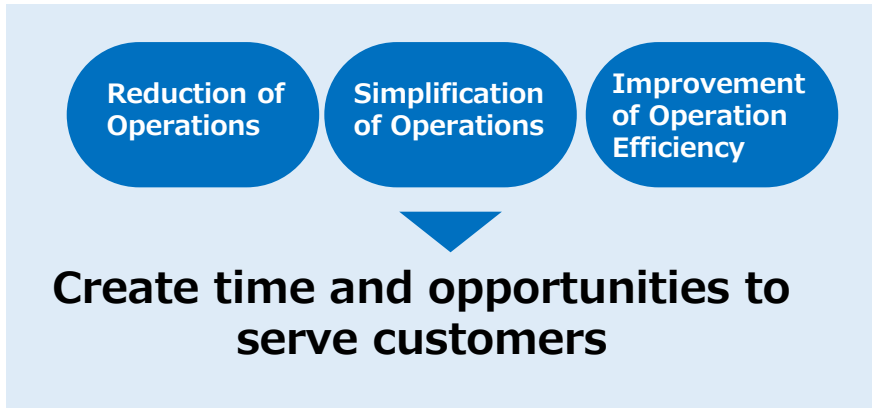
# (Reference) Recent Trends in Air Conditioner Sales

12-month moving average graph of air conditioner sales at our EDION Store



# Efforts to Improve Productivity

## ■ Standardization of Operations



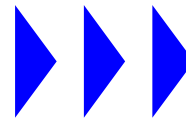
## ■ Develop Product Lineup and Services Tailored to Regional Characteristics

- ⇒ Create attractive stores by emphasizing the individuality of each store

## ■ Review of Sales Floor Layout Will Also be Implemented

(Implemented at 8 stores in the first half of 2025)

- ⇒ Reduced product maintenance time
- ⇒ Easy-to-select product layout



**Review Operations at the Individual Store Level and Focus on Improving Productivity Per Employee**

## NEW LIVING FROM A New Angle.

A unique, out-of-the-box approach to home appliances.  
They are created by reexamining our daily lives.



Automatic detergent and fabric softener dispensers and smart app compatible (smart home appliances)



Add to the variety. Just the right size

- Check out the latest product lineup on the e-angle website (Japanese domestic specifications)

<https://www.edion.com/eangle> \*(Published in Japanese)

# Strengthening the Service Menu



■ **Cleaning service**  
 → Thorough cleaning with professional skills



■ **PCs support**  
 → Reliable pack price  
 Support for various digital support services



■ **Repair support**  
 → Automatic reception for on-site repair on the web  
 "Number 119 of home appliances"



■ **Electrical work**  
 → Air conditioners, antennas, etc.  
 Our expert staff will handle all types of work.

The TV commercial has also been updated !



■ **ELS Menu Consultations and Support**  
 →  
 • Original Pack Reform  
 • Solar power generation system and power conditioner replacement  
 (Power conditioner lifespan is approximately 10 years)  
 • EV, PHEV, and battery consultations



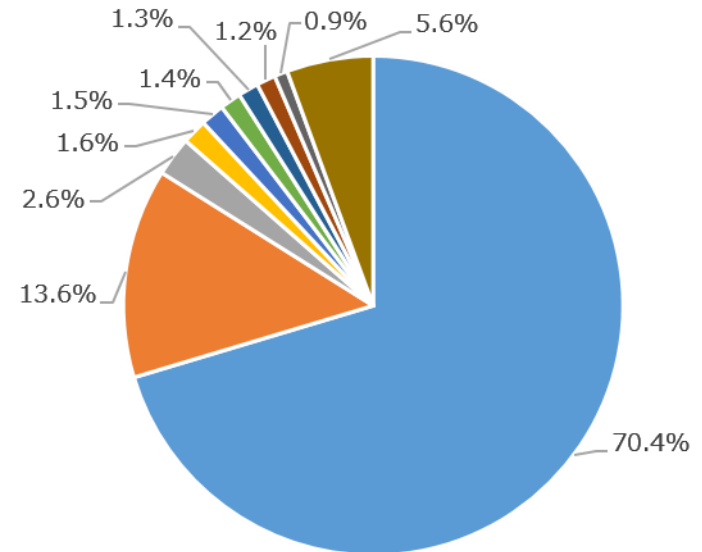
For details, please visit the EDION service website \*

\* Services for Japan (Website in Japanese) >> <https://service-info.edion.jp/service/>

## Limited-time Pop-up Store



Limited-time shop at Kansai International Airport:  
Inbound sales (sales breakdown by country)



- CHN
- TWN
- HKG
- USA
- KOR
- MYS
- AUS
- etc.
- SGP
- THA

Due to popular demand, our Inbound Shop, which opened on Saturday, August 9, 2025, will be extending its opening hours for the time being !

**EXPO 2025 Osaka/Kansai Expo Period**  
Available for international visitors from 53 countries using Kansai International Airport (duty-free sales)

# Sports Contribution Activities

## EDION女子陸上競技部

<b>Mikuni Yada</b>	The 109 th Japan Track and Field	Women's 10,000 m	2nd place	
<b>Mikuni Yada</b>	26 Asian Championships	Women's 10,000 m	3rd place	
<b>Kana Mizumoto</b>	109 Japan Track and Field	Women's 5000 m	3rd	
<b>Ai Hosoda</b>	Sydney Marathon 2025	Marathon	6 <sup>th</sup>	Japanese Top
<b>Mikuni Yada</b>	Tokyo 2025 World Championships – Track and Field	Women's 10,000 m	20	
<b>Nanako Fujii</b>	Tokyo 2025 World Championships	Women's 20 km Race Walk	3rd	Japan New record Japan Women First medal



Fujii Nanako sets new national record at the National Championships

## We Revitalize the Local Community Through Sports

## EDIONアーチェリー部

### World Archery Championships (2025/Gwangju, South Korea)



<b>Yuki Kawada &amp; Tetsuya Aoshima</b>	3rd place in men's team recurve			
<b>Yuki Kawada</b>	Mixed Team	3rd		Japan New record



Yuki Kawada

Tetsuya Aoshima

## Audit & Supervisory Committee Member Roundtable Discussion



Published on official website >>>  
<https://www.edion.co.jp/en/ir/library/integration>

# ESG Sustainability Initiatives



## Environment

- CO2 emissions reduction targets:  
FY 2030 target 46% reduction compared to FY 2013 FY 2050 target carbon neutral
- Promotion of energy-saving stores:  
2 stores with Nearly ZEB certification
- Number of photovoltaic power generation systems installed: 87  
Promotion of PPA model



- Formulation and Disclosure of CO2 Reduction Roadmap (Annual Securities Report)



## Social

- Promotion of work style reform:  
Efforts to achieve 0 overtime, retirement age extension and re-employment
- Excellent health management corporations (large corporations):  
Acquired for 6 consecutive years
- Community contribution activities:
  - Support for the independence of people with disabilities (Paralym Art)
  - Community contribution through sports (Athletics, archery, soccer)



- Realizing our Corporate Philosophy. Achieving Long-Lasting Customer Satisfaction Through Outstanding Products and Reliable Service



## Governance

- Sustainability Management
  - Establishment of Sustainability Promotion Committee (June, 2022)
  - Establishment of Sustainability Policy (May, 2023)
- Enhancement of Transparency and Enhancement of the Board of Directors.
  - Percentage of Outside Directors 50.0% (8)
  - Percentage of Female Directors 12.5% Nomination and
- Compensation Committee
  - Percentage of Independent Outside Directors 75%

- Transition to a company with an audit board and supervisory committee. Improved flexibility and speed of decision-making in business execution (June 2024)

For the latest ESG/sustainability information, please visit the following website ( <https://www.edion.co.jp/en/sustainability> ). The website uses machine translation.

# Dividends and Share Prices

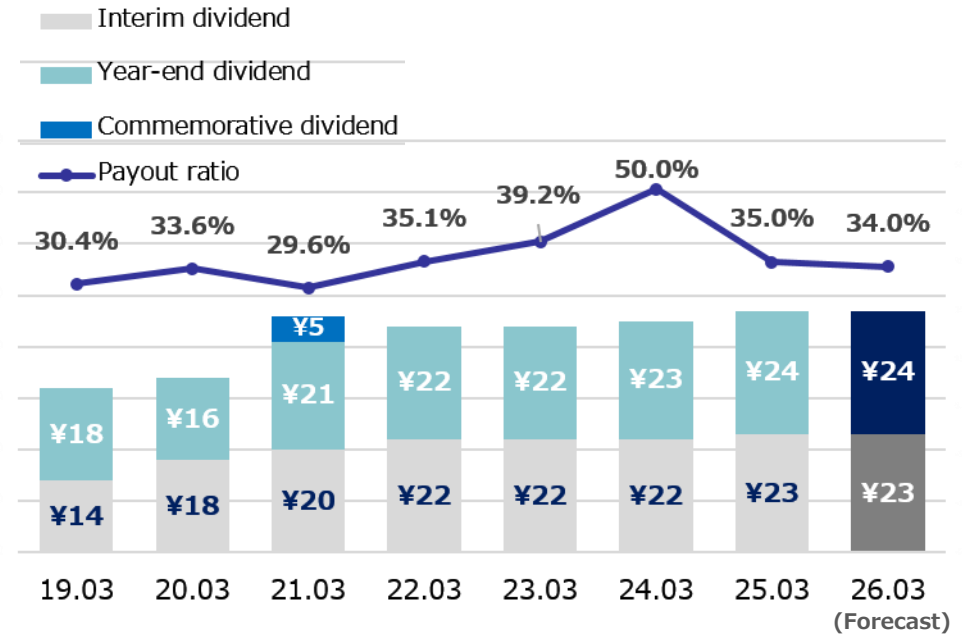
While striving to improve capital efficiency, as measured through ROIC growth, we will focus on maintaining a sound and stable balance sheet.

## 1. Dividend Policy

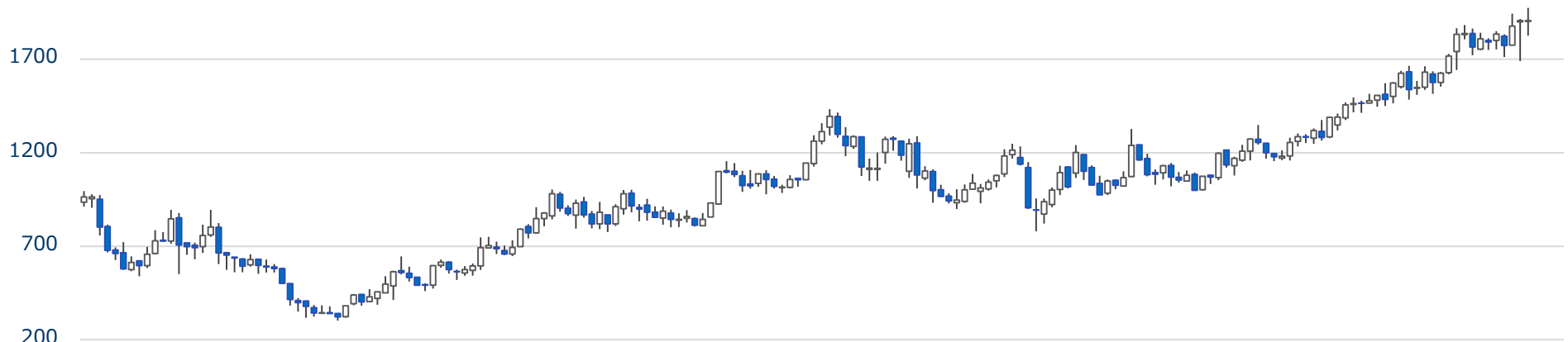
EDION recognizes the return of profits to shareholders as an important management issue. Accordingly, we maintain a basic dividend policy of providing stable dividends with a payout ratio of at least 30% while comprehensively considering relevant factors such as business performance and our operating environment.

## 2. Share Buybacks

Based on the assumption that shareholder return measures contribute to the improvement in capital efficiency, we will flexibly implement these measures while comprehensively considering factors such as business performance, our operating environment, and various elements related to our market environment, including investments and stock prices.



## ■ Stock Price Trends (Ticker TYO:2730)



\*Recent stock price trends since 2010

## Disclaimer

The financial forecasts and other forward-looking statements in these materials are based on judgment made under normally foreseeable conditions, in accordance with information reasonably available to the Company as of the date these materials were produced.

The forward-looking statements in these materials are subject to various risks and uncertainties, and no guarantees or assurances are provided concerning their accuracy or completeness. Consequently, they are subject to change without prior notice.

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EDION Corporation

November 6, 2025