

2026/3~2030/3 Mid-Term Management Plan

YAMADA HOLDINGS CO., LTD.

November 8, 2024



- 1. Reflection on previous mid-term management plan
(2023/3 ~ 2025/3)**
- 2. 2026/3 ~ 2030/3 Mid-term management plan**
 - (1) Overall policy
 - (2) Individual strategies
 - (3) Targets for financial indicators, cash allocation
 - (4) Yamada economy area, data utilization and retail media
 - (5) Human capital management and ESG activities



Plans and results

- "Connected management" was implemented with continued emphasis on profit over the period of the mid-term management plan
- On the other hand, progress was delayed due to the impact of social circumstances and changes in the environment of the home appliances retail industry, and a downward revision of the mid-term management plan targets was announced

■ <<Mid-term management plan>>Performance during the plan period

November 4, 2021: Publication

(Unit: billion yen / %)	(1)			(3)
	FY2023	FY2024	FY2025	3-Year cumulative amount
Net sales	1,760	1,870	2,000	5,630
Ordinary profit	102	114	130	346
Ordinary profit margin	5.8	6.1	6.5	—

May 8, 2024: Downward Revision

	(2)			(4)	(2)÷(1)	(4)÷(3)
	FY2023	FY2024	FY2025 (Plan)	3-Year cumulative amount (values in final year are plans)	Final fiscal year of mid-term business plan revision rate	Cumulative mid-term business plan achievement rate
Net sales	1,600	1,592	1,665	4,857	83.3	86.3
Ordinary profit	50	47	53	150	40.9	43.4
Ordinary profit margin	3.1	3.0	3.2	—	—	—

Analysis of factors behind deviation from targets

- Progress in growth strategies and structural reforms implemented was delayed, resulting in lingering issues with maximizing group synergies and improving profitability
- However, we will continue to maintain the direction of the five priority measures (such as aggressive promotion of "Store Development"), as a growth strategy, and continue to work on them in order to realize the "Total-Living" strategy

External factors		<ul style="list-style-type: none"> • At the time the plan was formulated, the home appliance market as a whole was experiencing significant growth due to the special Stay At Home demand due to the COVID-19 pandemic. However, the market as a whole has since experienced • Decrease in actual income due to soaring energy prices and commodity price hikes caused by the weak yen
Internal factors	Consumer Electronics Segment	<ul style="list-style-type: none"> • While we focused on opening large LIFE SELECT stores, the impact of scrap and build to improve the efficiency of the store network in the area caused the annual sales floor space increase to fall short by 5% and store sales to fall short of the plan • Sales and profits for "lifestyle" products (renovations, furniture, etc.) are growing
	Housing Segment	<ul style="list-style-type: none"> • Achievement of group synergies in the "Total-Living" strategy took longer than expected and fell short of the plan



1. Reflection on previous mid-term management plan
(2023/3 ~ 2025/3)

2. **2026/3 ~ 2030/3 Mid-term management plan**
 - (1) Overall policy
 - (2) Individual strategies
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 - (4) Yamada economy area, data utilization and retail media
 - (5) Human capital management and ESG activities



HLDGS.

(1) Overall policy

Key management indicators to be achieved in the new mid-term management plan

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Maximizing group synergies with LIFE SELECT and "Housing" at the core

PL items

(Actual results)

(Plan)

* Average annual growth rate
(CAGR)

(Unit: billion yen / %)	FY2024	FY2025
Net sales	1,592	1,665
Ordinary profit	47	53
Ordinary profit margin	3.0	3.2
Operating cash flow (5-year cumulative)	—	—
ROE	3.9	4.5

FY2030	FY2026→FY2030
2,200	+5.7%/year*
100	+13.5%/year*
4.5	+1.3P
330	—
8.5	+4.0P

Key growth areas for net sales

(Actual results)

(Plan)

(Unit: billion yen / %)	FY2024	FY2025
LIFE SELECT stores	200	215
Sales related to "housing"	—	—
Core of "Total-Living" (sub-total)	200	215
SPA*1	74	82
Renovations*1	60	73
Furniture & Interior*1	39	41
EC*2	85	100
Overseas	30	35
Products and Other Segments (sub-total)	288	331

FY2030	(Reference pages in this document)
500.0	(p10)
62.5	(p10)
562.5	—
300	(p13)
145	(p14)
90	(p14)
190	(p15)
100	(p16)
825	—

*1: Includes results from LIFE SELECT stores *2: Sales from e-commerce business + TV shopping business



HLDGS.

(1) Overall policy

New mid-term management plan policy:
Overall completion of "Total-Living" strategy

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Digital

- Digitization of customer contact points (Advertising, apps)
- E-commerce, points, payment

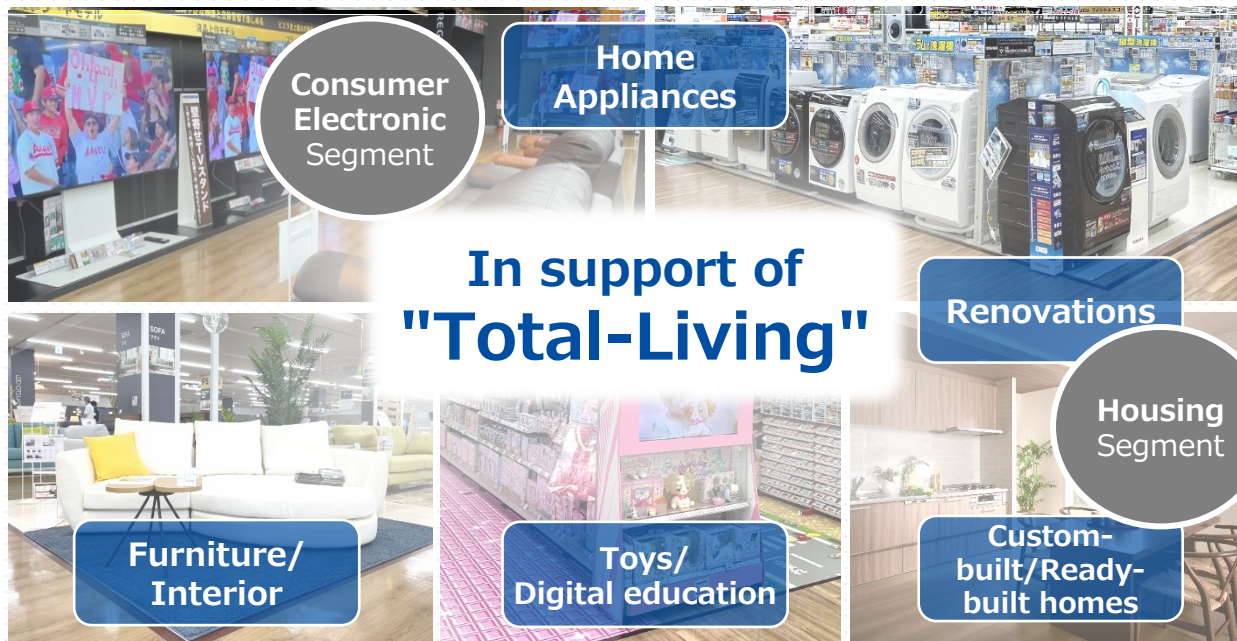
Data utilization

- CRM
- Retail media
- Customer data integration
- Maximization of LTV

AI

- Generative AI robotics
- Introduction of AI in call centers

LIFE SELECT



**In support of
"Total-Living"**

**Lifelong customer relations from children to seniors;
realization of a sales floor that can be enjoyed by people of all ages**

**Finance
Segment**

- Lifestyle loans
- Mortgages

**Environment
Segment**

- Reuse
- Circular economy



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(1) Overall policy

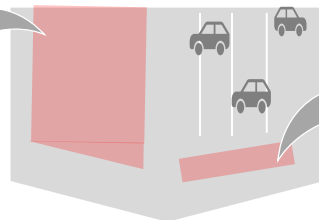
Development of business format “LIFE SELECT stores” to realize the “Total-Living” feature

YAMADA HLDGS.

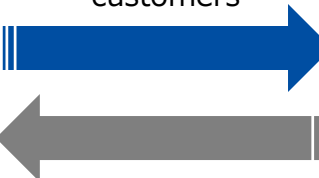


LIFE SELECT
Maebashi Yoshioka Store

Expansion of model house on store premises



Sending customers



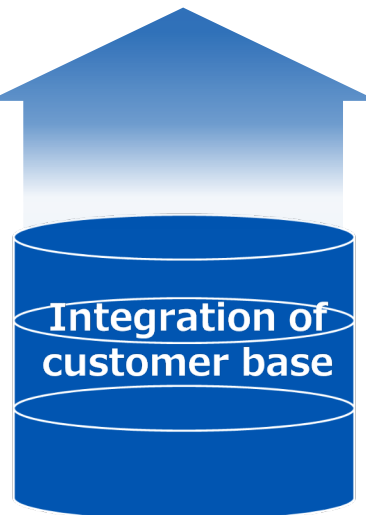
Maebashi Housing Exhibition Center



Home appliances/Furniture and interior/Renovations



▲ (In-Store) Housing Consultation Counter



Solar power generation



EV



Storage battery

Funds required to purchase home appliances, furniture, EVs, and V2H equipment can also be incorporated into the mortgage

(Example)



+



=

**YAMADA
NEOBANK
Home Loan**

▲ Yamada Financial Services



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(1) Overall policy

Company-wide strategy implementation system for transition to a "Total-Living" company

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Significant organizational reforms

[Conventional]

YAMADA HOLDINGS Group

Consumer
Electronics

Housing

Finance

Environment

Low awareness about synergies

LIFE SELECT

Consumer
Electronics
Segment

Housing
Segment

Finance
Segment

Environment
Segment

Standardization

Stores and touch-points/Customer base/Products

Integrated management

(Advertising, IT systems/DX, administrative departments (HR, accounting, etc.))

Maximizing "Total-Living" synergy

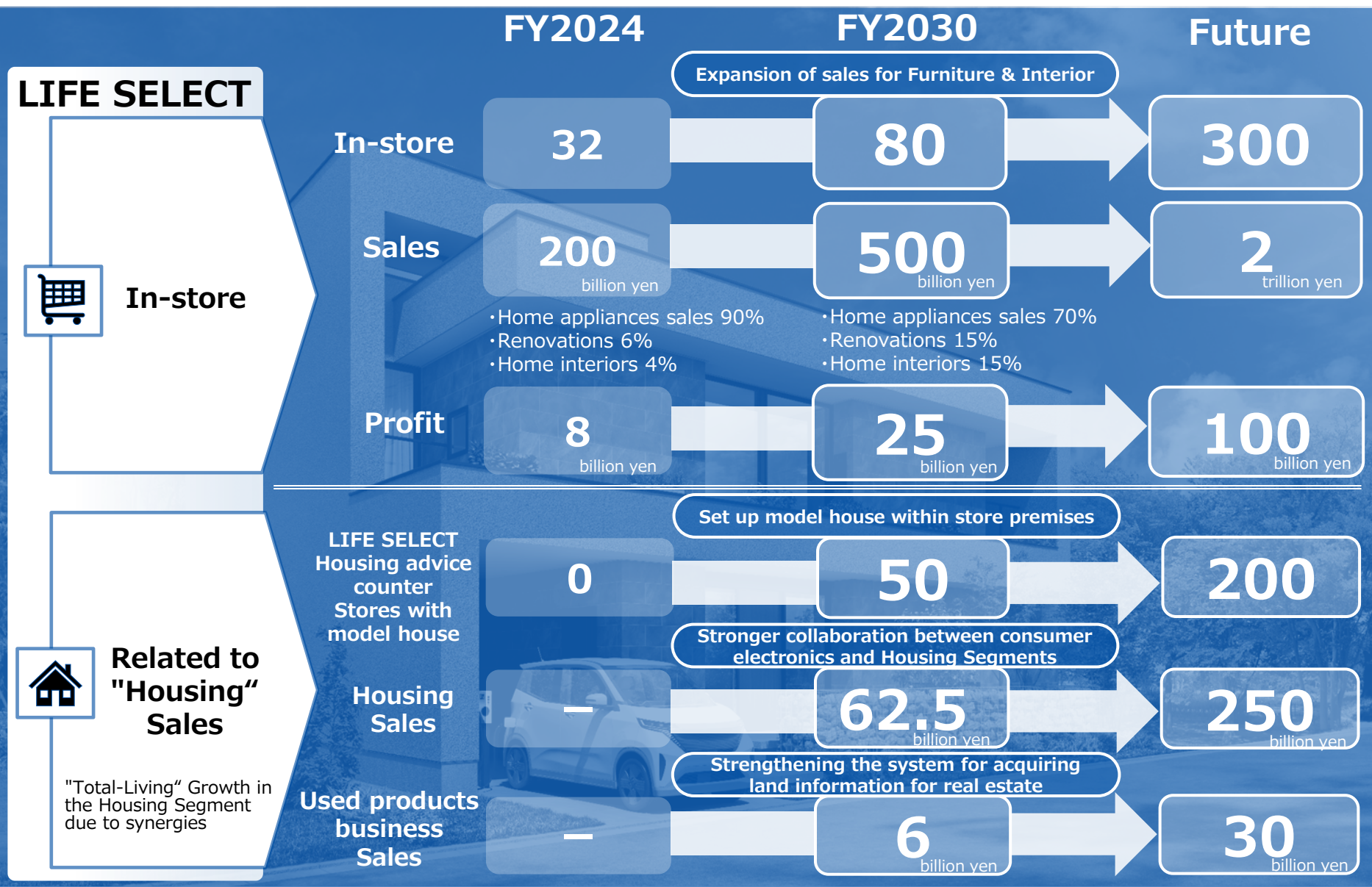


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(2) Individual strategies

Objectives of LIFE SELECT and Homes,
the core of the "Total-Living" strategy

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Model case of LIFE SELECT sales structure

Strengthening the profit structure of LIFE SELECT through promotion of the "Total-Living" strategy

PL items

(Unit: billion yen / %)	FY2024		FY2030
Net sales per store	5		7
Renovations (component ratio)	0.3 (6%)		1 (15%)
Furniture & Interior (component ratio)	0.2 (4%)		1 (15%)

[Synergy with housing sales]

- ✓ Construction of a model house on the store premises
- ✓ Smart house proposal
- ✓ Appeal of EV, PV, and V2H



	Growth strategies	Expected results
Sales Floor and Trade Area	<ul style="list-style-type: none"> A 10,000 to 13,000 square meters of sales floor to create a pleasant sales space with a rich lineup of products to support customers' "Total-Living" from home appliances to furniture, toys, and other items 	<ul style="list-style-type: none"> Increased ability to attract customers from a wide area Increase in number of items purchased and unit price Increase in appeal of LIFE SELECT
Renovations Furniture & Interior	<ul style="list-style-type: none"> Increase in dedicated staff Strengthening of sales support system through new product development and DX Awareness and spread of "Yamada's Renovation and Furniture" in conjunction with opening of more LIFE SELECT stores 	<ul style="list-style-type: none"> Increase in regional coverage Increase in number of projects Improvement in sales and profit Increase in the number of visits and the ability to attract customers



The "Total-Living" strategy: Sales for "Housing" at LIFE SELECT stores



▲ (In-Store)
Housing Consultation Counter

[Model Case]

Place certified real estate agents at the Housing Advice Counter in LIFE SELECT stores
Provide comprehensive real estate transaction services within the store,
including home sales and purchases

1st year

2nd year

3rd year

Per agent



Number of
Homes sold

3 homes

6 homes

10 homes

Sales

(Units: 25 million yen)

75 million yen

150 million yen

250 million yen

Per store

(assuming five real estate agents)



Sales

375 million yen

750 million yen

1,250 million yen



- Product development showing Yamada's strengths to connect with “Total-Living” including renovation and housing
- We aim to improve sales composition ratio and gross profit composition ratio by expanding SPA+PB product development, including domestic and OEM products in addition to overseas manufacturers

Expansion and development of SPA + PB products

Business
scale

FY24

74
billion yen

FY30

300
billion yen

Sales
composition
ratio

5.8%

15.0%

Gross profit
ratio

12.1%

30.0%



Renovation, Furniture and Interior Field

- Creating sales floors that maximize synergy with home appliances
- Proposals using store infrastructure and digital transformation (DX)

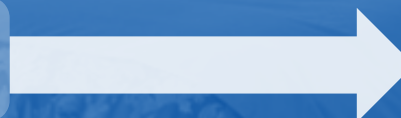
Renovation/Furniture and Interior

FY24**FY30**

Developing new products and focusing on sales promotion
Development and implementation of a sales support DX System

Renovations
Sales

60
billion yen

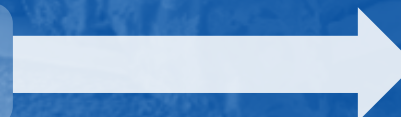


145
billion yen

Expanding handling of Furniture and Interior
by opening LIFE SELECT stores

Furniture &
Interior Sales

39
billion yen



90
billion yen



Strengthening and promoting e-commerce

Establishment of large-scale shipping base
and increased investment in shipping infrastructure and advertising

E-commerce

FY24

FY30

Increasing number of customers
on the Yamada's web shopping site
by strengthening digital advertising

Sales

85

billion yen

190

billion yen

Number of
products
listed

0.3

million items

3

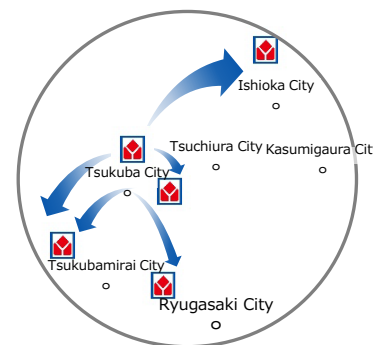
million items

■ Converting web.com stores into "warehouse stores"**web.com store**Integrating stores and the Internet to provide
services that cover the last mile

Issue

Product inventory and shipping management system
for integrating storefronts and online services**Converting into a warehouse store
(large-scale shipping base)**

- Reducing sales floor
- Greatly enhancing shipping functions



◀ YAMADA web.com Tsukuba store
converted to warehouse store,
but the commercial area is secured
by other stores in the vicinity

■ Increasing investment in digital advertising

- Increasing number of customers on the Yamada's web shopping site
- Improving investment efficiency by measuring the return on investment for advertising (unit economics)



HLDGS.

(2) Individual strategies

Overseas expansion strategy

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Expanding business overseas and into Southeast Asia,
the Yamada's second fastest growing market after Japan

Overseas store expansion

FY24

FY30

Improving profitability by building local
shopping centers and expanding markets

Stores

30

90

Strengthening digital strategy
by deploying a points system

Sales

30

billion yen

100

billion yen



Accelerating store openings in Indonesia

[1990s in Japan]

As the middle class emerges, the home appliances
retail industry is expanding and growing exponentially



[Currently in Indonesia]

Population expansion and GDP growth are remarkable, and
the country is in a transitional period of economic growth

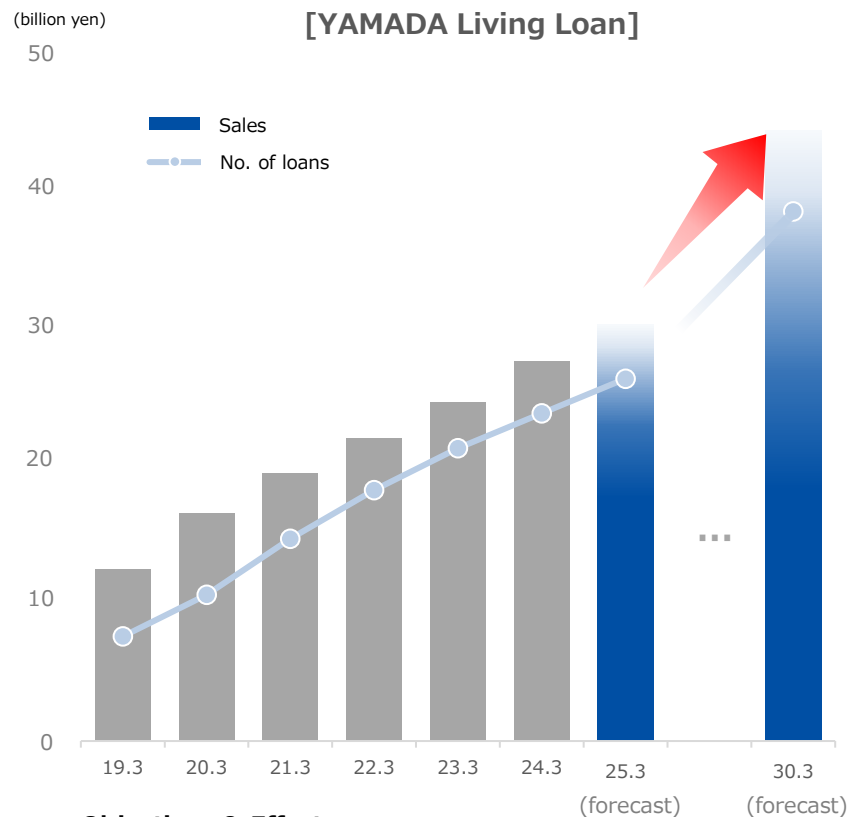
[Specific measures]

- Expanding store openings, especially in Indonesia
- Developing corporate business
- Developing and introducing DX infrastructure for stores, such as electronic display price tags
- Expanding services for members and retaining customers by developing a points system and acquiring application members



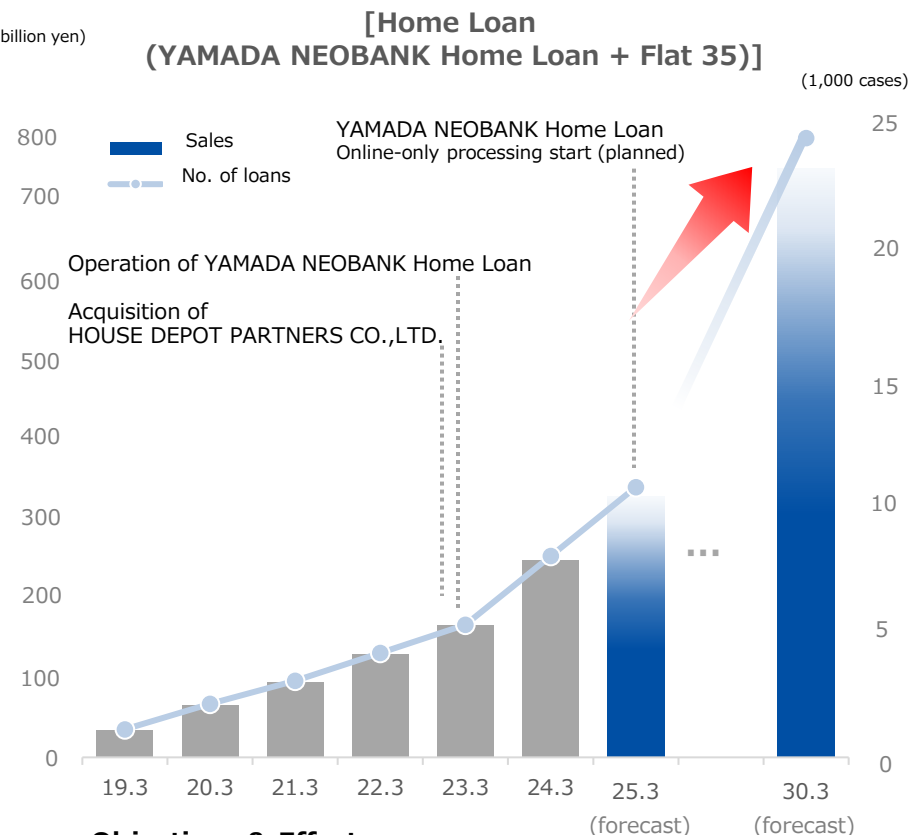
Growth in the Finance Segment supporting "Total-Living"

Leveraging the "Total-Living" strategy, loan amounts for the Consumer Electronics and Housing Segments are steadily increasing



<Objectives & Effects>

1. Offering low-interest and interest-free loans
Utilizes as an effective tool for retaining renovation clients and increasing unit prices
2. Minimal cost burden on a consolidated basis despite interest-free promotions



<Objectives & Effects>

1. Support "Total-Living" with distinctive home loan options
 - (1) Allows combining payments of home appliances, furniture, EVs, V2H, batteries, solar panels, etc.
 - (2) Building long-term customer relationships with options like 50-year loans
 - (3) Assisting with financial planning for refinancing & renovations, batteries, EVs, etc.
2. Starting in fiscal 2025, we aim to expand the market by starting online-only processing model for general customers.



HLDGS.

(2) Individual strategies

Manufacturing reused home appliances as part of the Environment Segment business that supports total-living

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YAMADA DENKI

Tecc LIFE SELECT Shonan Hiratsuka store

<<Yamada's reused home appliances>>

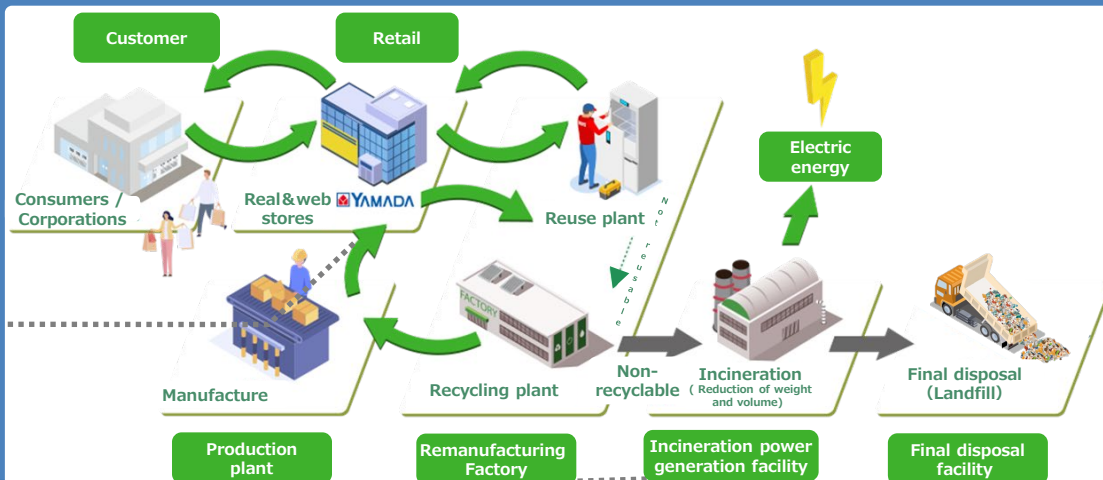
Used home appliances purchased from customers are disassembled, cleaned, repaired, and inspected, and then re-manufactured and put on sale in stores



Azuma Metal

2nd plant in Gunma (Advanced Recycling Plant)

<<A complete resource recycling system within the group>>



⇒ Completing product life cycle within the Yamada group

Building a resource recycling system

- ✓ Home appliances recycling plant
- ✓ Home appliances reuse center
- ✓ Waste-to-energy plant
- ✓ Logistics: Already available nationwide
- ✓ Sales locations: YAMADA DENKI stores nationwide



Achieving high profits largely exceeding investment costs and expenses
Significantly contributing to improved profitability for the Consumer Electronics Segment and the Group



HLDGS.

(3) Targets for financial indicators, cash allocation
Changes in financial indicators due to the implementation of the mid-term management plan

* Average annual growth rate
(CAGR)

(Unit: billion yen / %)	FY2025	FY2030	FY2026→FY2030
Net sales	1,665	2,200	+5.7%/year*
Gross profit ratio	28.6	29.0	+0.4P
Ordinary profit	53	100	+13.5%/year*
Ordinary profit margin	3.2	4.5	+1.3P
EBITDA	750	130	+11.6%/year*
Operating cash flow* (5-year cumulative)	—	330	—
Equity ratio	48.9	46.2	△2.7P
Interest-bearing debt	300	320	+20 billion yen
ROE	4.5	8.5	+4.0P
ROIC	3.2	6.0	+2.8P

* Operating CF: Calculated simply as "Current net income + Depreciation, etc."



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(3) Targets for financial indicators, cash allocation

Shareholder returns and cash allocation

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Implementing strategic growth investments and shareholder returns

Achieving PBR of over 1.00 for March 2030

FY26 to FY30 Cash-in

Operating
CF
330
billion yen

Inventory
Reduction
+
Surplus cash
130
billion yen

FY26 to FY30 Cash-out

Growth
investment
270
billion yen

Shareholder
Returns
190
billion yen

Consumer Electronics Segment
-New store opening costs, etc.
225 billion yen

Housing Segment
-Model houses, etc.
15 billion yen

Environment Segment
-Construction of incineration power plants, etc.
30 billion yen
Others

Payout Ratio Target 40%
(Dividend paid: 90 billion yen)

Treasury stock 100 billion yen
(Target)

FY30 Major KPIs

ROE 8.5%

(Calculation after acquisition of treasury stock)



PBR
0.8 to 1.3x

PER
10 to 15x



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Change of inventory strategy

Optimization of inventory level

FY24

FY30

Inventory

340

billion yen

210

billion yen

Inventory
Number of
turnover days

100 days

50 days

Cash
equivalent

—

+130

billion yen

Improvement of product appeal

Lineup of products that always meet consumer needs

Present issues

Higher inventory levels compared to urban store-centered peers



Reducing inventory levels

- (1) Increase in inventory turnover rate
 - ⇒ Improvement in stock gross margin ratio
- (2) Increase in cash equivalent

[Specific measures]

- Coordination and DX with logistics measures
 - Change of format of goods delivery
 - Review of the product composition
 - Expand handling of PB products
 - Development of SPA products
- Increase in PB product lineup with Yamada-exclusive products with domestic manufacturers
 - Launching products equipped with features that meet consumer needs on the market



In addition to maximizing group synergies in each segment, we aim to create a future Yamada economy area by practicing "connected management" between stores and regions and between business and digital domain

Direction we are aiming for

- Strengthening point collaboration across the Yamada Group, combining store networks by business conditions, and business and digital domain to create a **"Yamada economy area that supports the local community"**
- Under the strategy of "Total-Living", **the Group enhance its value as a social infrastructure and attract fans and customers across generations**

Major initiatives

Providing products, that enrich people's lives

- Strengthening "total-living" proposals with home appliances at the core
- Development and deployment of all kinds of products and services related to life
Achieve further group synergies with "life" at the core
- Promoting store development in line with local needs and trade areas
Creating a base that serves as the core of each region's living areas
- Building a digital infrastructure for daily life by acquiring application members and expanding data utilization



Building a growth story as a tech company

In order to achieve sustainable corporate growth in the future, **we propose that we, as a tech company, take initiatives beyond the realm of retailing**

→ Develop a business growth story that is unique to our company, which has a tech business, by demonstrating synergies with M&A and alliance partner companies

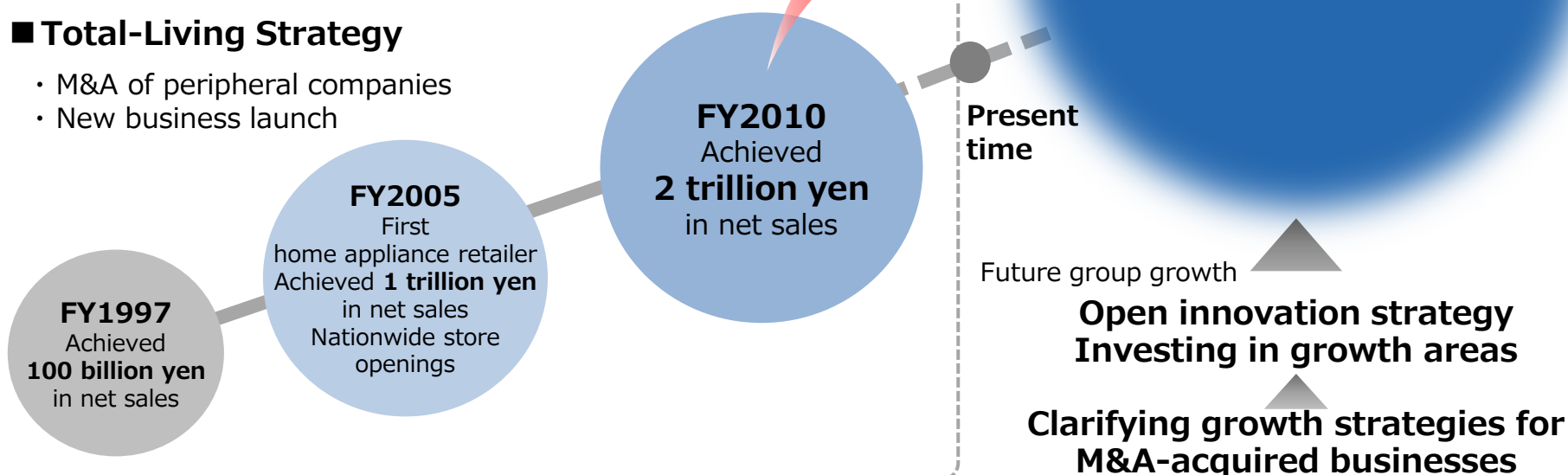
<<Group growth strategy to date>>

■ Expansion of store network/M&A of competitors (~around 2010)

In order to establish an overwhelming share in the industry, we will actively implement M&A while promoting nationwide expansion

■ Total-Living Strategy

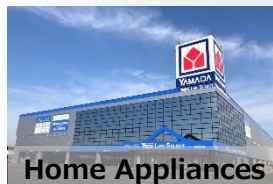
- M&A of peripheral companies
- New business launch





Building a growth story as a tech company

➤ Promoting retail media strategy by maximizing group synergies



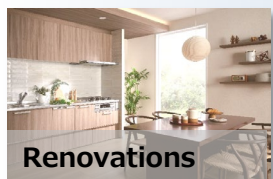
Home Appliances



Housing



Furniture & Interior



Renovations



Insurance & Finance

Sales channels

11,151 stores

Domestic and foreign
sales network

+

361 housing exhibition sites
in Japan

+

EC sites, TV shopping, etc.

Number of customers

Approximately

60million

Number of Yamada members

[Group-wide members' big data]

- Application member data
- Procurement data
- Market share
- Store performance data
- Product data
- Each database

*As of the end of March 2024



Retail media Strategic promotion Target value

Annual sales **16** billion yen

Gross profit **4.8** billion yen

Retail media
Proportion of sales

1~5%*

* Potential proportion of advertising
sales making up for the total sales of
retail companies
(Source: BCG Report,
[https://www.bcg.com/publications/
2022/how-media-is-shaping-retail](https://www.bcg.com/publications/2022/how-media-is-shaping-retail))



HLDGS.

(5) Human capital management and ESG activities

Human capital management - Improvement of productivity by data application

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avatarin (avatarin)

ANA Holdings Startup

(Business partnership from May 2024)

- Providing a remote customer service with AI robotics technology
- Digitization of customer service skills

YAMADA HOLDINGS Group

- Promoting the "Total-Living" strategy
- Aiming for increase in customer service contact points and quality improvement

We support people who support "Total-Living."

Maximizing "human power" by having humans and robots help each other

Image of customer service using the AI robot "newme" ▶

Maximization of an individual

Improvement of productivity

Maximization of an organization

Maximization of the business world

Collaboration of people and robots

- Zero operation loss and zero opportunity loss
- Utilizing and promoting human resources across multiple stores

Area management x Retail media

- Optimal arrangement of people and robots by visualization of customer trends after visiting the store
- Increasing job satisfaction through visualization of customer service and evaluation of customer service
- Adaptation through data and robots

Product data x Member data x Inventory data

- Support AI for remote customer service
- Information media presentation according to visitors
- Retail media according to real data
- AI for Q&A



HLDGS.

ESG activities

The YAMADA HOLDINGS Group identified priorities towards achieving the SDGs (material issues) in 2019 and has been addressing them through a continuous PDCA cycle. This fiscal year, we are reviewing our material issues in line with ESG principles and plan to finalize and disclose our goals, including action objectives, by April 2025.

E

Environment

Tackling Climate Change and Practicing a Circular Society

We are committed to reducing environmental impact through initiatives such as addressing climate change, reducing energy consumption, and promoting resource recycling and waste reduction within the Group.

Material Issues	Objective		Target Year	(For reference) FY2024 Results
Tackling Climate Change	Reduction of Scope 1 and 2 CO₂ emissions	Down 42% (based on FY2021)	FY2031	Down 11.1%
	CO₂ emissions from electricity use per floor area	Down 10.2% YoY	Every year	Down 1.1% YoY
	Percentage of renewable energy out of total power consumption	Increase on previous fiscal year	Every year	3.74% (Up 1.59 points YoY)
	ZEH supply rate	50%	FY2031	41%
	Solar panels shipped	50,000 panels	FY2031	33,054 panels
Promotion of Sales of Eco-friendly Products	Percentage of home appliances (TVs, refrigerators, and air conditioners) sold that meet the 100% energy-saving standard under the energy-efficiency labeling system			42.8% (Up 2.0 points YoY)
	Sales of YAMADA GREEN certified products	Increase on previous fiscal year	Every year	Up 3.0% YoY
	Sales of disaster prevention products (such as disaster prevention goods and portable power supplies)			Up 29.6% YoY
Resource Recycling and Reduce Waste	Reuse of 4 household appliances (TVs, refrigerators, washing machines and air conditioners)	300,000 units	FY2026	119,727 units
	Reuse of computers	422,300 units	FY2025	405,025 units



HLDGS.

ESG activities

S

Social

Promoting Diverse Human Resources and Achieving Well-Being

We strive to create an environment where diverse individuals can grow and thrive by promoting talent development and establishing Diversity, Equity & Inclusion (DE&I) initiatives, as well as enhancing employee health and work-life balance.

Material Issues	Objective		Target Year	(For reference) FY2024 Results
Strengthening Human Resource Development	Average hours of training per employee	30 hours or more/year	FY2031	25 hours/year
Promotion of DE&I and Well-Being	Ratio of female managers	10% or more	FY2031	3.6%
	Frequency rate of accidents that require time off work	0.50 or less At YAMADA DENKI	FY2031	0.98
	Percentage of paid leave taken	80%	FY2031	64.0%
	Controls on long working hours	Percentage of companies that reduce overtime hours Increase on previous fiscal year	Every year	70.4% (Up 10.4 points YoY)
	Percentage of female and male employees taking childcare leave	Maintain 100% for women, 80% or more for men At YAMADA HOLDINGS and YAMADA DENKI	FY2029	100% for women and 32.5% for men
	Percentage of health checkups taken	100%	FY2031	95.9%
	Percentage of stress tests taken	100%	FY2031	96.1%
	Employee satisfaction survey (Seven ratings of S, A, B+, B, B-, C, and D)	Overall rating of 「A」	FY2031	Overall rating of B



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