

We support you living a delightful life. Entirely.

 **YAMADA** HLDGS.

YAMADA HOLDINGS Group

INTEGRATED REPORT

2025



3 Points We Wish to Convey to Our Investors & Shareholders

The YAMADA HOLDINGS Group publishes the YAMADA HOLDINGS Group Integrated Report, which provides an integrated report of financial and non-financial information to provide a deeper understanding of the corporate value of the Group.

In the Integrated Report 2025, we focus on three points in response to questions from shareholders, investors, and other stakeholders.

We hope that this integrated report will help stakeholders understand how YAMADA HOLDINGS will achieve sustainable growth over the medium- to long-term and how it will increase its earning power, positioning its corporate DNA, which it has valued since its founding, its unique business model, and competitive advantages as the driving forces behind its growth.

01 Q. Will Yamada, the largest home appliance mass merchandiser, continue to be a pioneer?

A. We are currently utilizing the “Total-Living” strategy that covers all home-related services, as opposed to our previous business strategy of selling home appliances. Continuing to be a pioneer that stays ahead of other companies is the source of our competitive advantage and earning power, and we will continue to be a first mover (pioneer).

> [CEO Message P.8-13](#)

> [COO Message P.14-16](#)

02 Q. How can we realize the “Total-Living” strategy?

A. We are expanding our LIFE SELECT large-scale stores with sales floor area of 10,000 to 14,000 m² nationwide, which have an overwhelming product lineup and are expected to generate large profits. We will build a trade area of 500,000 people, nearly double the current size, and create a YAMADA Economy across the country.

> [Special Feature—“Total-Living” Strategy—Mechanisms of Earning Power P.26-33](#)

03 Q. How can we specifically increase our earning power?

A. We aim to improve our earning power, that is, our ROE and PBR, by opening more large, highly profitable LIFE SELECT stores, expanding our private brand (PB) and Yamada original products manufactured by way of an SPA business strategy, and improving total asset turnover by increasing product and store turnover.

> [CEO Message P.8-13](#)

> [The “Total-Living” Strategy’s Business Model and Strengths P.20-21](#)





The Thoughts Behind Yamada's Company Logo

Our company logo is a stylized combination of the letters Y, A, M, and D of "YAMADA." It also represents the love we have for our products, including home appliances, as we support and develop them with care. Furthermore, our logo also expresses our management philosophy that our customers, shareholders, business partners, and employees cooperatively support our businesses through relationships of trust, and they pursue the development and happiness of each party.

Management
Philosophy

Creation and Challenge

With Appreciation and Trust, YAMADA HOLDINGS aims to be a strong company, to increase corporate value on a company-wide scale for the sake of contributing to society.

MISSION

In Support of "Total-Living"

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Growth Trajectory

YAMADA HOLDINGS started with a single store called Yamada Denka Service. With the Consumer Electronics Segment at its core, the Company has expanded its business domain to five fields, including the environment, finance, and housing segments, as well as other segments. In the future, we aim to achieve further growth by enhancing the synergies between each segment, in order to realize "Total-Living."

1973

From a small electrical store to a nationwide chain of stores

2000

Pushing forward as Japan's number one home appliance mass merchandiser in terms of net sales

2010

Striving to move from just home appliances into new areas

1997
Established CIC

Environment Segment

2001
Started home appliance reuse business with CIC for TVs, refrigerators, and washing machines
2007
Started PC reuse and recycling business with INVERSENET



2018
Started small home appliance recycling business with Azuma Metal

Finance Segment

2006
Established Yamada Financial
Started the Yamada LABI Card business

2016
Established YAMADA FINANCE SERVICE

2018
Made YAMADA SMALL AMOUNT SHORT TERM INSURANCE a subsidiary

Consumer Electronics Segment

2000
Listed on First Section of TSE



1978
5 stores and annual sales of ¥600 million

1983
Established YAMADA DENKI

1989
Went public
FY1997
Net sales of ¥100 billion

2001
Issued the first Yamada Point Cards



2004
Established the YAMADA DENKI Women's Track & Field Team



Established employee training center "Soseljuku"



FY2005
Net sales of ¥1 trillion
2007
Established CSR Office

FY2010
Net sales of ¥2 trillion
2010
Released the YAMADA app for smartphones
2012
Made BEST DENKI a subsidiary
Made Azuma Metal a subsidiary



2013
Launched official online store, Yamada web.com
2018
Launched the "Total-Living" strategy
2019
Made Otsuka Kagu a subsidiary

2011
Acquired SxL
2018
Established YAMADA HOMES

Housing Segment

Other segments

1973 Founded

The founding thought behind "Home Appliance Consultant"

When we were first established in 1973, the sign read "Home Appliance Consultant." Our desire to not only sell home appliances, but also to support our customers' "Total-Living" has continued from our founding to the present day.

From a privately owned small electronics store to the largest in the industry

Net sales (million yen)

2,500,000 —
2,000,000 —
1,500,000 —
1,000,000 —
500,000 —
0

1973

2000

2005

2010

Change in net sales (million yen)

Change in sales floor area (m²)

YAMADA HOLDINGS HISTORY

2020

Developing the “Total-Living” strategy

2020
Established YAMADA Environmental Resources Development Holdings
Established to strengthen environment-related fields and expand business in the reuse and recycling of products and equipment.

2022
Expanded YAMADA East Japan Reuse Center Gunma Plant
Expanded the YAMADA East Japan Reuse Center Gunma Plant in Fujioka City, Gunma Prefecture, with the aim of building a system for increasing production of reused home appliances.



2025
Built YAMADA West Japan Reuse Center Yamaguchi Plant

FY2025

Net sales

¥1,629.0 billion

Sales floor area

(directly operated consumer electronics stores in Japan)

2,872 thousand m²

Number of directly operated consumer electronics stores in Japan and overseas

978

Number of digital app members

27.69 million

2021
Launched YAMADA NEOBANK
Entered into the home loan business on a full-scale basis

2023
Made House Depot Partners a subsidiary

2025
Established YAMADA FINANCE HOLDINGS

2020
Moved to a holding company structure

2021
Drew up the YAMADA HLDGS 2025 Mid-term Business Plan

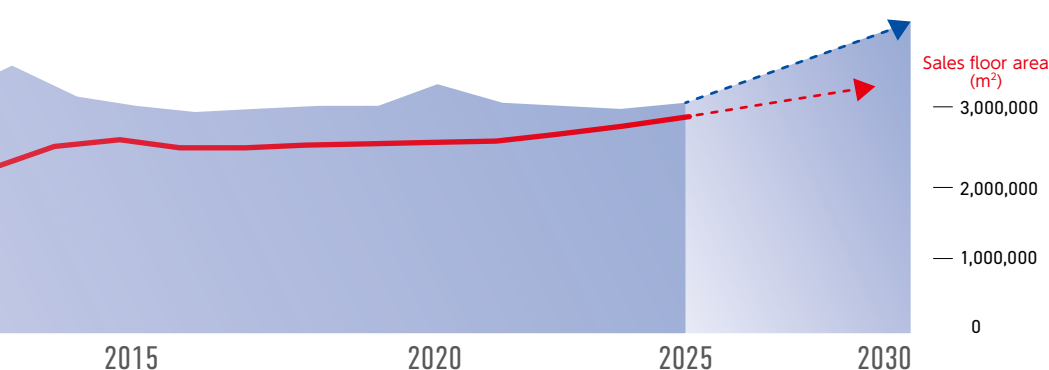
2023
50th anniversary

2025
Drew up the Mid-Term Business Plan (2026/3–2030/3)

2021
Integrated consumer electronics businesses into YAMADA DENKI
Merger combining seven consumer electronics retailers including BEST DENKI

2020
Made the Hinokiya Group a subsidiary

2021
Established YAMADA JUKEN HOLDINGS
Established as part of efforts to strengthen the housing sector since the early 2010s.

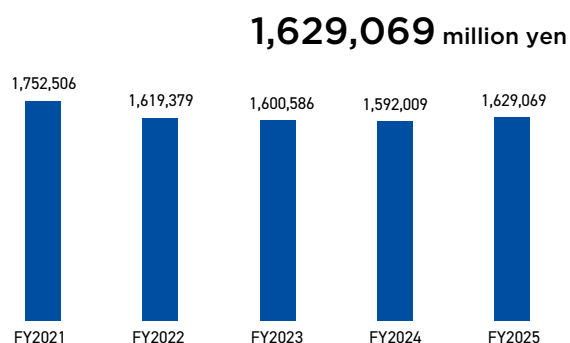


YAMADA HOLDINGS will expand the YAMADA Economy with its large, experience-oriented store LIFE SELECT as its base. It will enhance synergy between segments and build a more solid management foundation (image shows Tecc LIFE SELECT Shonan Hiratsuka store).

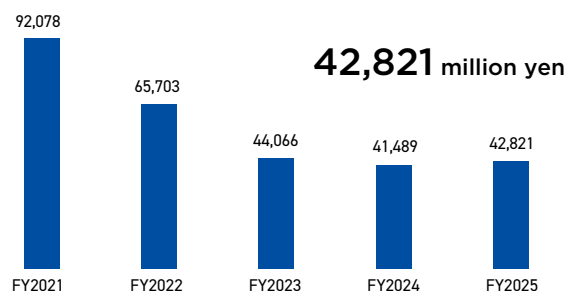
Management Capital of the YAMADA HOLDINGS Group

Financial capital

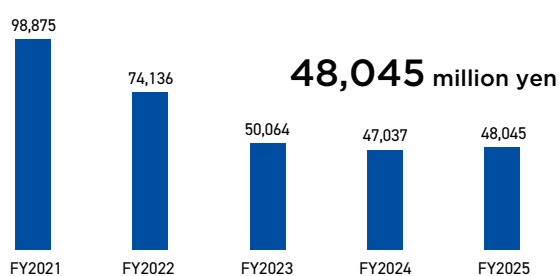
Net sales (million yen)



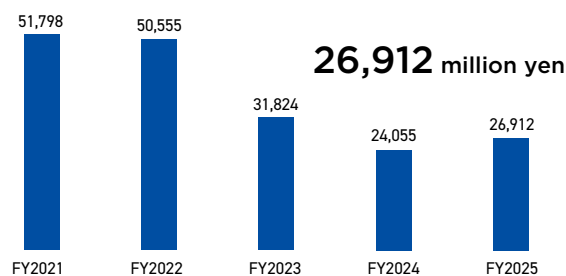
Operating profit (million yen)



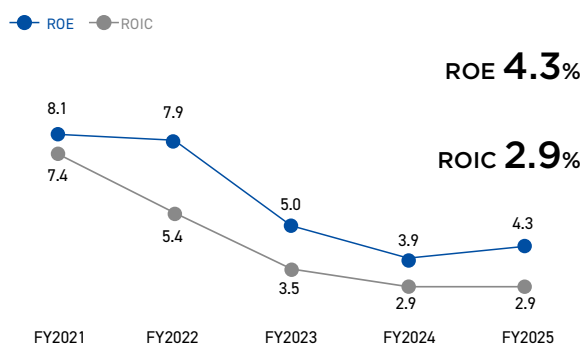
Ordinary profit (million yen)



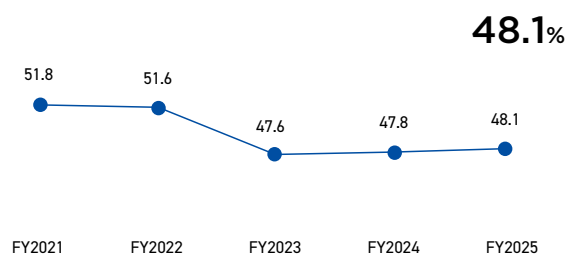
Profit attributable to owners of parent (million yen)



ROE/ROIC (%)



Equity ratio (%)



Since FY2021, the YAMADA HOLDINGS Group has faced changes in the external environment, such as a rebound decline in stay-at-home demand due to the COVID-19 pandemic and a stagnant consumer environment. Even under these circumstances, the Group promoted its "Total-Living" strategy, focusing on growth and expanding synergies in each segment, including the housing, finance, and environmental businesses, with home appliances at its core. These multifaceted

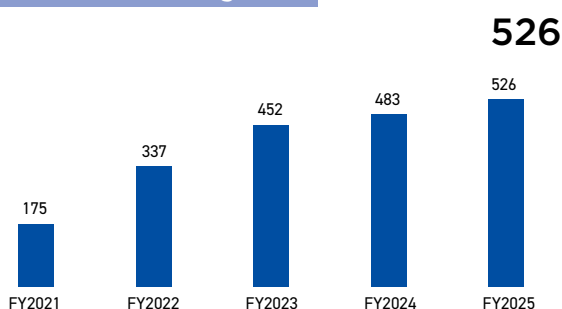
initiatives and strengthened collaboration across the Group have been successful, resulting in an increase in net sales and operating profit in FY2025. This is the outcome of strengthening our ability to propose "Total-Living" solutions that meet the diverse needs of our customers and of our management strategy that maximizes synergies between our businesses. We will continue to promote this growth strategy to further improve our corporate value.

The Group is using the management capital it has cultivated since its founding as a source of value creation, promoting its “Total-Living” strategy and building our own circular resource system that completes the product life cycle within the Group.

Our achievements over the past five years demonstrate our progress in strengthening our management foundation, including investments and human resource development to meet the diverse needs of our customers and contribute to solving social issues, as well as initiatives to reduce our environmental impact.

Human capital

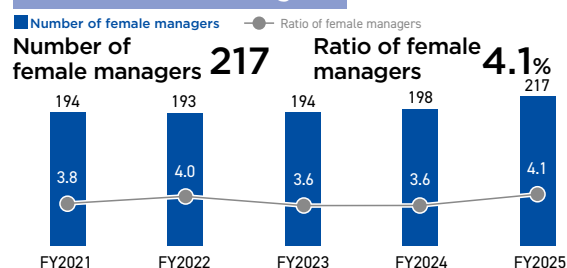
Number of Sales Engineers



As of FY2025, there are 526 Sales Engineers working at our company. This number is increasing every year due to increased recruitment and reassignments. Our Sales Engineers strive to make our customers' lives more comfortable by making proposals tailored to their needs, from sales of home appliances, furniture and interior goods, and renovations to delivery and installation, and after-sales service.

Number of female managers

Ratio of female managers (%)

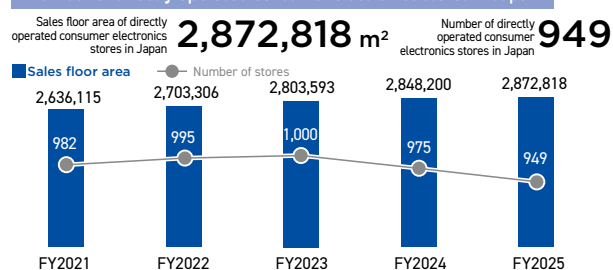


In FY2025, we saw a slight increase in both the number and ratio of female managers compared to the previous year. We are promoting various initiatives with the target of increasing the ratio of female managers to 10% or more by FY2031.

Manufacturing capital

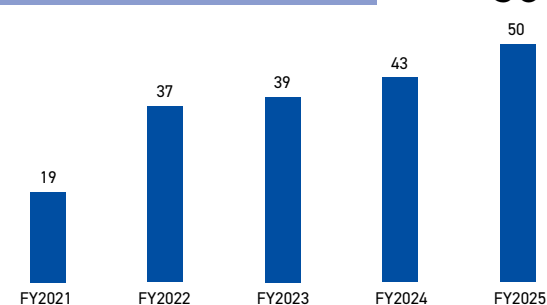
Sales floor area of directly operated consumer electronics stores in Japan (m²)

Number of directly operated consumer electronics stores in Japan (stores)



As LIFE SELECT stores expand, we are optimizing store development by scrapping and rebuilding nearby stores and closing unprofitable stores. The number of stores is decreasing, but the sales floor area is increasing every year.

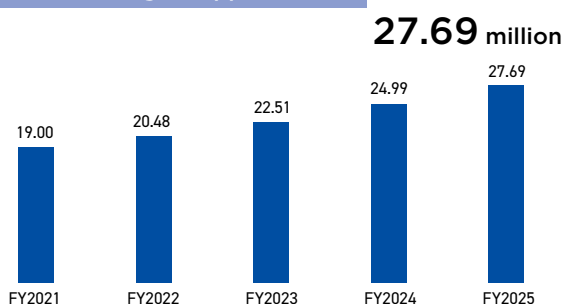
Contract manufacturer of SPA products (companies)



YAMADA DENKI is developing products that leverage the strengths of the Group, with the goal of our private brand (PB) and Yamada original products, which are manufactured by way of an SPA business strategy, achieving ¥300 billion in product sales by FY2030. Going forward, we will continue to focus on expanding our PB and SPA products that only Yamada can provide, and that fit the lifestyles of our customers.

Social capital

Number of digital app members (million)

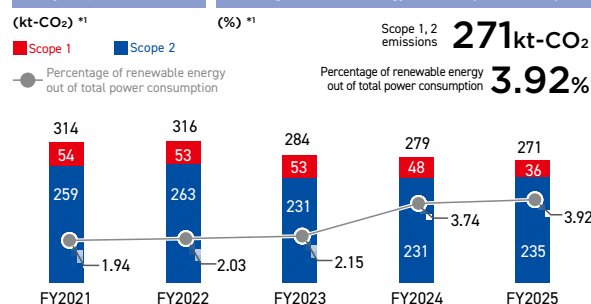


The number of digital app members is increasing every year reaching 27.69 million in FY2025. We will continue to work to gain more fans by conducting effective store development and developing attractive products, and building the YAMADA Economy.

Natural capital

Scope 1, 2 emissions

Percentage of renewable energy out of total power consumption



Scope 1 and 2 emissions for FY2025 decreased by 2.8% overall compared to the previous year. The renewable energy ratio increased year-on-year to 3.92%. Additionally, with FY2021 as the base year, we aim to reduce emissions by 42% by FY2031 following a 13.6% reduction in FY2025. We will continue initiatives that work toward achieving our reduction targets.

*1 <Scope of data> FY2021–FY2024: Consolidated and non-consolidated, FY2025: Consolidated

A portrait of an elderly man with white hair and glasses, wearing a dark blue suit, white shirt, and a patterned tie. He is standing against a solid pink background. A small, colorful circular pin is visible on his left lapel.

**From home appliance mass merchandiser
to lifestyle provider company.
With the formation of the YAMADA
Economy as we broaden our market from
individual to household demand, we are
taking on the challenge of a new growth
strategy as a first mover (pioneer).**

CEO MESSAGE

Noboru Yamada

Representative Director,
Chairperson and CEO

Dramatic Changes in the Business Environment and the Need for the “Total-Living” Strategy

A company can only exist by keeping up with the trends of the day. It has been some 50 years since the YAMADA HOLDINGS Group was founded, and we have always changed our own “shape” to carve out new eras.

Right now, the Japanese home appliance distribution industry and home appliance industry are facing a structural turning point. As an industry pioneer, the Company has been driving the market, being among the first to pick up on the major changes in the business environment and working from an early stage to rebuild a business model that goes beyond the boundaries of a home appliance mass merchandiser. This is clearly summarized by the “Total-Living” strategy. I am certain that this is the only way to make the most of the YAMADA HOLDINGS strengths and enable us to achieve the targets of the new mid-term business plan, which will proceed over five years beginning this year.

Since the Company was founded, we have always been carving out new eras as a first mover (pioneer), and we will be saying goodbye to the conventional type of home appliance mass merchandise business and moving ahead to the next stage. We could even say that the “Total-Living” strategy is our declaration of this intention.

Behind the fact that our Group is taking on this challenge are the structural changes in the Japanese market. The pace at which Japan’s birthrate is declining and its population both aging and decreasing is accelerating, and, since home appliances are durable consumer goods, replacement demand is falling and the shrinking of the domestic market is inevitable. Indeed, if we look at the statistics in this industry, the scale of the market has actually shrunk by 27% from 9,500 billion yen in 2010 to 6,900 billion yen in 2024. Having opened stores in almost all the attractive shopping areas, continuing to open stores as usual will cause internal competition, and we expect that productivity will fall in stores throughout the Group. Our strategy for opening stores will have to be reviewed in due course.

In addition, we cannot overlook the fact that the structure of the home appliance manufacturing industry changed drastically in recent years. For many years, Japanese electrical appliance manufacturers have dominated the world’s home appliance market. In the end, home appliance mass merchandisers in Japan all handle products from the same Japanese manufacturers, and it is difficult to differentiate between them on anything other than price. Moreover, due to Japan’s unique business practices, just because large-scale retail stores like YAMADA DENKI have both large numbers of stores and large amounts of procurement, it doesn’t mean that cost prices are low and volume discounts are common, and the structure makes it difficult to leverage economies of scale in price competition. However, emergent overseas manufacturers from countries such as China are rising to take the place of Japanese manufacturers, and they are redrawing the map of power. I see this as a good opportunity, and it is crucial that we appropriately review the home appliances distribution business model that we have built.

We have laid out the “Total-Living” strategy in order to overcome these changes in the business environment and embark on a new growth trajectory. We aim to shift to a new business model, centered on home appliances sales, one of our Group’s core businesses, seamlessly providing the household needs—furniture and interior goods, home renovations, housing construction, financial services, and even reuse—that are related to home.

CEO MESSAGE

The Uniqueness of LIFE SELECT Stores and a Growth Model That Doesn't Rely on Price Competition

The fact is, many stakeholders, including investors, asked why a home appliance mass merchandiser was getting involved in the housing business and assumed that we proceeded with our conglomerate activities just to expand the scale of the Company. We strongly reflected on the fact that the information we had sent out had not been sufficient to accurately convey our philosophy and our vision. The “Total-Living” strategy is completely different from business diversification and conglomerate activities, which are aimed at simply expanding sources of revenue. It is an initiative to leverage the contact points and bonds of trust we have established with customers as a home appliance mass merchandiser to redefine Yamada as a “lifestyle provider company” that is a familiar part of their daily lives with comprehensive support for long life.

Our LIFE SELECT concept stores are putting this endeavor into practice, having the largest sales floor space in the region, ranging from about 10,000 to 14,000 m². These combined stores, where customers can experience home appliances, furniture and interior goods, toys, show homes, and so on, are the source of non-price competitiveness, and their ability to attract customers and make proposals enables customers to differentiate them from the competition.

To put it another way, the aim of the “Total-Living” strategy is to create exciting stores that all generations of the family can enjoy. While the conventional home appliance mass merchandise business has aimed mainly at the individual customer, with the “Total-Living” strategy we are targeting the family. Our Group provides services related to the lifestyles and homes that are essential for people to live their lives. The Group has been a part of people’s happy lives for many years, so we know that, as both the nature of

society and people’s values are changing, it is all the more important for us to create bonds with families across generations. I am certain that we are the only company who can support this.

I also anticipate a platform strategy that makes further use of our customer base beyond the sales floor. The idea is to aim for the formation of the YAMADA Economy, which will seamlessly link the various services within the Group and bring convenience to our customers.

In the consolidated performance for FY2025, which is the most recent, net sales were up 2.3% compared with the same period in the previous year at 1,629,069 million yen. As for profits, operating profit was also up by the same 3.2% at 42,821 million yen, and ordinary profit was up 2.1% at 48,045 million yen. In comparison with FY2024, in which these recorded losses compared with the same period in the previous year, they all switched to gains.

With the COVID-19 pandemic, for several years, the store development that is the foundation of the “Total-Living” strategy did not progress and, in the short term, reform and performance did not dovetail. It is true that this is why we ended up not meeting the target values of the previous mid-term business plan, and as a manager, I humbly accept responsibility for that.

However, the results of the strategy are steadily becoming apparent. When we verified the efficiency of LIFE SELECT stores, compared with Tecc. Land, the per-Yamada member unit purchase price was 1.4 times higher, the sales efficiency per 3.3 m² was 1.5 times higher, gross profit was 1.5 times higher, the number of items purchased was up by 1.9 items, and we can once again feel the effect of the “Total-Living” strategy. I anticipate that the opening of LIFE SELECT stores in the future will enable us to acquire 50% of the market share in trade areas with populations of 500,000.



Developing Unique Products That Capture Customer Needs and Improving Profitability

As stated in the new mid-term business plan, we are working to maximize group synergy, with LIFE SELECT and housing at the core. The starting point is LIFE SELECT. The results of repeated verifications have shown that what we need to increase customer contact points while meeting the needs of a variety of generations, from children to seniors, and to fully bring out the group synergies of the consumer electronics, housing, finance, and environment segments using those contact points, are stores of that size.

Above all, with the power map of home appliance manufactures changing so drastically, the fact that Yamada has one of the largest store networks and customer bases in Japan will be an extremely powerful tool in negotiations with overseas manufacturers, particularly those from China. We will be able to offer volume discounts that our competitors cannot match, leading to stronger profitability. Of course, we are not focused solely on opening new stores, and we will continue to consolidate and remodel our existing small-scale stores. We will also be developing our e-commerce business so as to integrate it with our brick and mortar stores, and promoting our digital transformation (DX) strategies by maximizing the use of Group infrastructure. This will allow Yamada to streamline resources such as inventory, distribution, and personnel while expanding our trade area.

The reason that our Group is doubling down on opening large stores now is that we want leverage our customer-centric creativity to bring new added value to home appliances. Having direct points of contact with customers who use home appliances, our Group gathers and accumulates more detailed information than the manufacturers about what our customers need in their appliances, from functions to value and uses. Furthermore,

with one of the largest store networks in Japan, YAMADA DENKI takes care of planning and development, and, if they sell a product, we estimate an appropriate sales volume, allowing us to attract Chinese manufacturers to collaborate with us on manufacturing. As a result, through partnerships with manufacturers, we deliberately narrow down the required functions and are able to produce high-quality, low-priced home appliances.

One example of this is the highly functional, low-priced front-loading washer-dryer with a slanted drum RORO, which was launched in April 2025. Since RORO is a Yamada original product, which is produced directly with the manufacturer by way of an SPA business strategy, there is also the advantage for us of expecting high profitability even though the price is low. Going forward, we will expand product development of private brand (PB) and SPA products not only with overseas manufacturers but also including domestic OEMs, aiming to improve sales composition ratio and gross profit composition ratio.



CEO MESSAGE

Forming the YAMADA Economy through Collaboration with Leading Companies in Other Industries

Our Group is aiming to create a future YAMADA Economy by practicing connected management, which brings together stores and regions and the business and digital domains, and of course to maximize group synergies in each segment. We are working to enhance the linking of Yamada Points throughout the Group, develop store networks by business type, and integrate the business and digital domains to create a new economy that supports the local community.

There are some aspects of the further expansion of our trade area that are challenging for Yamada to do alone. In recent years, therefore, we have been accelerating the joint opening of stores with companies in other industries who develop large-scale commercial facilities such as shopping malls. We anticipate that this will enable us to proceed more quickly and efficiently in developing land and opening stores in the future. Yamada's excellent ability to attract customers and our rich customer base are also attractive to partner companies, generating synergies with which we send customers to each other. In this way, we will also be actively using the customer base we have acquired in our DX strategies in the future.

Creating Added Value for the Group Centered around the Housing Business

As our "Total-Living" strategy advances, the Company is also striving to improve profitability in the Housing Segment. Yamada's full-scale entry into the housing business began with our 2011 acquisition of SxL. At that time, there were comments about why an electronics store would get into housing, but if we look at it from a long-term perspective, homes are at the hearts of people's lives, and the strengths of the

Group, such as home appliances, furniture, and renovations, are naturally incorporated into its structure. In our LIFE SELECT stores, we are establishing a system that can respond to inquiries about real estate, such as selling a home or what to do with a vacant house. We are aiming to improve group synergies by working consistently with everything from purchasing a home to renovations and resale.

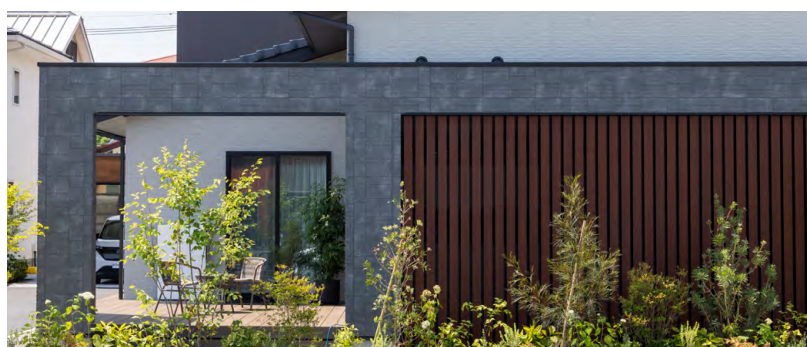
Furthermore, we have also been working on resource circulation, such as recycling and reusing home appliances and using waste as a heat source. Building houses produces waste, but we are currently investing approximately 20 billion yen to build a plant in order to use that waste and convert it into energy. This kind of initiative is attracting attention from the energy industry and the finance area, and we expect to develop it further as a circular business model in the future.

In this way, we will need to provide services with extremely high added value at LIFE SELECT stores, which will be the starting point going forward. The key to this will be human resources. That means that we want to strengthen our investment in human resource development as much as possible.

Cash Allocation That Emphasizes a Balance between Growth Investment and Shareholder Returns

From conception to implementation of the "Total-Living" strategy, we have steadily been making preparations over 14 long years. The results that you can see are not produced overnight. The acquisition of land and the construction for the LIFE SELECT stores in particular requires many years. I believe that all our shareholders and investors surely want to view the Company's growth from a long-term outlook, not a short-term perspective.

There was a time when growth investment stalled temporarily due to the impact of the COVID-19



pandemic, but the business environment is now improving and proactive investments have resumed. While the home appliance market in Japan is shrinking, we are continuing to invest proactively based on the concept of the “Total-Living” strategy I have been talking about, and we are steadily progressing toward the achievement of the targets of the new mid-term business plan.

Both financial soundness and capital efficiency are essential in order to sustainably increase corporate value. That is why we promote cash allocation that emphasizes a balance between growth investment and shareholder returns. As the KPIs of our financial strategy, we are aiming to achieve a PBR of more than 1.0 times and ROE of 8.5% in FY2030. To reach this goal, I emphasize total asset turnover in particular. I recognize that higher inventory levels compared to urban store-centered peers is a significant challenge for YAMADA DENKI. Therefore, in coordination with logistics measures, we are proactively reviewing our product composition by promoting DX and enhancing private brand and SPA products, and we will continue to improve inventory turnover. By opening more LIFE SELECT stores, we are also working to raise the productivity of each individual and the sales efficiency of each store, improving store turnover. I believe that improving inventory turnover and store turnover will lead to improved total asset turnover, and that increasing profit will lead to steady improvements in ROE.

As for payout ratio, the Company is aiming for 40%. Among other companies, there seems to be a trend of being overly concerned with short-term high payout ratios, but at Yamada we are focused on long-term corporate growth, and we are pursuing an optimal balance of growth investment and shareholder returns. I believe that it is steady growth in particular that will lead to improved shareholder returns in the future.

From the time Yamada was founded until its stock exchange listing and right up to the present day, I have

always valued our relationship with the capital market and paid careful attention to the feedback of shareholders and investors in matters pertaining to the managing of the Company, which I have carried out based on my own experience and knowledge while placing importance on corporate governance. The investors are tough but helpful advisors for us. We will continue to strive to gain a deeper understanding of the intrinsic meaning of the “Total-Living” strategy, as well as financial strategies and shareholder return policies, through dialogue with the shareholders and investors.

“Creation and Challenge” —The Ideas Since Our Founding and the Reawakening of Our Daring DNA

The Company originated in 1973, when it was founded as Yamada Denka Service, a small electronics store in Maebashi City, Gunma Prefecture. At that time, the store’s sign said “Home Appliance Consultant.” As you can see from the words “service” and “consultant,” which were still new in Japanese at that time, my intention was to have a business that didn’t just sell products, but offered proposals and became a familiar part of customers’ lives. And when I founded Yamada, I clearly stated the management philosophy of “Creation and Challenge,” and set it as the foundation of corporate activities. After that, the Company’s business expanded steadily and net sales grew to reach 2 trillion yen, but our goal was never the scaling-up itself. Our idea is to meet customers’ expectations no matter what it takes, so the repetition of “Creation and Challenge” must continue. The present form of our Group is the result of persistently maintaining this approach. This approach has remained unchanged from the Company’s founding until today.

Please keep your eye on YAMADA HOLDINGS Group as we take on the challenges on the way toward a stage of further growth.



Carry on Our Customer-First Culture While Aiming to Transform the Industry with Our Group Synergies

COO MESSAGE

Yoshinori Ueno

Representative Director,
President and COO



I became President and COO of YAMADA HOLDINGS in April 2025. I would like to share some of the future prospects we anticipate from the core initiatives of our mid-term business plan, our plan to maximize group synergies, and our sustainability management approach.

Q.1

What did you resolve to accomplish or focus on when you were appointed President and COO?

My first and foremost mission as President is to accomplish our Mid-Term Business Plan (2026/3–2030/3). The Japanese home appliance mass merchandiser industry is facing a period of great change. For us to achieve sustainable growth, we must transform ourselves into a corporate group that creates the future of the industry through the new initiatives laid out in our new mid-term business plan, and we must continue to earn the trust of customers, shareholders, and investors.

Carrying on the customer-first Yamada culture that Chairperson Yamada built is also an important aim. From the time he opened his first small electronics

store, Chairperson Yamada carefully kept a handwritten customer ledger, where he recorded information he learned in his conversations with customers, from how old their air conditioner was to their family members' birthdays. I also kept a customer ledger and have experienced building bonds of trust with customers by making a practice of asking if there is anything that they need help with.

Our Group has managed to grow into the large corporate group it is today not because we pursued scale, but because we have made it our mission to treat each customer in good faith. Even as we adapt to the changes of the times, I want to emphasize this management philosophy and corporate stance to our employees and all of our stakeholders. I will lead our Group so that the Group companies newly joining us are also glad that they have become a member of Yamada.

→Commentary: Yamada's "Total-Living" P.22

Q.2 What initiatives are you undertaking to strengthen cross-group collaboration and generate group synergies?

Going forward, we intend to maximize group synergies with LIFE SELECT and housing at the core. Supporting this foundation is our strategy of opening LIFE SELECT stores. We aim to operate a total of 80 stores nationwide in the next five years, mainly in markets with a population of around 500,000. We are not focusing solely on expansion, however. We are consolidating and closing some existing stores at the same time to increase store and capital efficiencies. We are also accelerating opening stores developed in collaboration with cross-industry partners that operate large shopping centers, such as AEON Group, with the goal of reducing opening costs and being able to attract more customers.

Information obtained in the process of home appliance purchases can lead to home and furniture sales. This then also connects to home loan and other financial services as well as recycling and reuse businesses for used home appliances. Additionally, we are offering cross-use of points and integrating sales promotion strategies to capture more customers across our Groups. Our plan is to increase the markets where we operate and establish the YAMADA Economy nationwide. We will continue to build on these initiatives with the aim of achieving net sales of 2,200 billion yen in FY2030.

→Housing Segment P.42

Q.3 What are your thoughts about the Housing Segment?

Our Housing Segment operates in the area of custom- and ready-built homes and renovations, and is key to our plans to maximize our group synergies. We have set up Housing Consultation Counters in YAMADA DENKI stores to provide opportunities for customers to ask us housing-related questions while they go about their daily shopping. Purchasing or renovating a home is a huge decision for most customers, and comes with its own set of worries. Customers being able to come to their neighborhood YAMADA DENKI that has earned trust as a home appliance mass merchandiser can help alleviate much of this worry.

We have several companies in our Group that are involved in building and selling homes and offer a wide

range of options to meet customers' needs, from finding land to custom- and ready-built homes as well as renovations. By tapping into our home appliance mass merchandiser strengths, we are also uniquely positioned to be able to offer both furniture and home appliances as a set with homes. Our Group's competitive advantage is the ability to offer customers the home environment that best suits them all in one place. We are currently increasing our LIFE SELECT stores that also have a show home on site. In addition, some of these stores also have a counter staffed full-time by a real estate notary to provide more detailed and targeted services to meet customers' needs. We plan to expand this initiative in the years ahead as well.

→PB+SPA Strategy P.46

Q.4 How will the PB+SPA Strategy contribute to growth?

It will be difficult to differentiate ourselves from other industry players if we only sell products made by home appliance manufacturers. This is why we are focusing especially on our private brand (PB) and Yamada original products produced by way of an SPA business strategy, where we are closer to the production creation process.

Through our home appliance sales, we are in a position that is closest to consumers. This is why we are confident that we have the most detailed knowledge of what consumers want and need. The biggest difference between us and the home appliance PB and SPA businesses of companies in other industries is that Yamada is a group of home appliance professionals.

Front-loading washer-dryer with a slanted drum RORO that we launched in April 2025 epitomizes our strengths and what we are aiming to achieve with this strategy. It's an original product that we developed together with an overseas manufacturer, based on customer feedback. While many customers would like to own a drum washer-dryer, they typically cost around 200,000 yen, and some people are hesitant to buy one at that high price. Using our store network and customer contact points, we have collected requests from customers all over Japan, for example about what dimensions they want the unit to have and how a wider door opening would be more user-friendly. We narrowed down the required features based on these needs to keep the cost down and created the strategic product RORO, which has made a splash and become a big seller. We have also been able to attract new customers by offering the RORO in the 100,000-yen price range.

YAMADA DENKI has one of the largest store networks in Japan, and we can anticipate large-scale sales volume for our SPA products. For this reason, overseas manufacturers have been eager to collaborate with us on manufacturing. Because we work directly with them and do not go through middlemen, our profit margin is 1.5 times higher, both from higher customer unit price and higher profitability. Yamada's proximity to customers has led to the launch of home appliances that offer the best in both functionality and price. This is something that no one else is able to do.

Net sales in the PB+SPA business segment for FY2025 reached 77.7 billion yen, or approximately 6% of our total sales. We are targeting growth to reach a 15% sales composition ratio and a gross profit ratio of 30% five years from now. This target is our starting line, and we are looking at a sales composition ratio topping 20% in the future.

Q.5 What is your vision for expanding business in the growth market of Southeast Asia?

We are expanding our business operations in Southeast Asia, which is our second-fastest growing market after Japan. One major factor behind our current success in building a footing for overseas business development is our merger with BEST DENKI, which has experience in entering Southeast Asian markets, and effectively deploying its assets and expertise. We are operating a total of 29 stores in Singapore, Malaysia, and Indonesia.

Singapore has a population of roughly 6.04 million^{*1}, which is small for a market, but has a high average annual income that is about twice that of Japan. Its market is already saturated, however, so being able to maintain and strengthen our position amid the local competition is going to be a key factor to our success. Malaysia's population is around 34.2 million^{*2}, or five times that of Singapore's, and its market still has plenty of growth potential. While the average income is not very high, its middle class is expected to expand, and our Group is looking to continue opening stores in Malaysia, with at least one already scheduled for opening in 2026.

Indonesia is where we feel a lot of future potential. With a population of some 284.43 million^{*3} and a relatively young average age of 30, Indonesia is a growth market with high potential. The average annual income is 500,000 yen at present and arguably not quite as high as it could be yet, and tariffs and other inward-looking economic policies also pose barriers. While closely monitoring the local conditions, we will continue building our foundation in areas such as logistics and education to prepare for a future expansion phase.

^{*1} Total population of Singapore as of June 30, 2024, from the Singapore Department of Statistics

^{*2} Total population of Malaysia as of July 31, 2025, from the Department of Statistics Malaysia

^{*3} Total population of Indonesia as of June 30, 2025, from BPS-Statistics Indonesia

Q.6 Could you talk about the reused home appliance business?

Our Group is ramping up our initiatives in sustainability management based around reuse. In addition to our reuse plants in Gunma and Shiga prefectures, on June 1, 2025, we opened the new YAMADA West Japan Reuse Center Yamaguchi Plant as a production base for reused home appliances in West Japan. This allows us to produce reused home appliances on a scale of 200,000 units annually. We have seen increased building in the economic zones centered around LIFE SELECT stores in recent years. Looking ahead, we plan to add a selection of reused home appliances to our product lineups in LIFE SELECT stores. These reused products meet needs for people who want a second appliance aside from what they use daily, such as farmers who need a washing machine specifically for washing dirty work clothes and people in fishing areas who need a large refrigerator for storing fish. These products also keep costs down for students and working people getting ready to start a new chapter in their lives, and meet needs for people who want products with advanced functionality but only need them for a short period of time. We buy previously owned home appliances, fix them up so they can be resold, and put them back on the market. Home appliances that cannot be resold are disassembled into their individual materials at the recycling plants in our Group and then recycled. We are also moving ahead with our plan to convert waste into energy at a new waste-to-energy plant planned for construction. We are proud of these sustainability management initiatives that are distinctively our own.



Creating a Company That Employees Feel Truly Happy to Have Joined: An HR Strategy That Supports the “Total-Living” Strategy

CHRO MESSAGE

Megumi Kogure

Representative Director,
Vice President,
Executive Officer and CHRO



The YAMADA HOLDINGS Group has set a net sales target of 2,200 billion yen in FY2030. It is employees who hold the key to reaching that goal. We identified “Promoting Diverse Human Resources and Achieving Well-Being” as one of the themes in the material issues we disclosed this year, and we are working on personnel system reforms to maximize the power of our employees.

The consolidated Group has grown to the point where we have over 25,000 full-time employees. However, there are still parts of our remuneration structure and personnel system with out-of-date frameworks. In order to increase group synergies and achieve more flexible personnel placement, we are working to speed up the creation of the new personnel system, ensuring its preparation is completed in time for its launch in the spring of 2026 at YAMADA DENKI and the spring of 2027 at the other operating companies.

Ongoing workplace initiatives to improve productivity

The YAMADA HOLDINGS Group recognizes that improving employees’ productivity is a major issue. In recent years, because employees are offering not only home appliances but also home interiors and home renovations as part of the “Total-Living” strategy, the proposals have tended to require more time. Under these circumstances, we are working to improve the efficiency of work operations in order to reduce on-site workloads. In addition to simplifying cash register input and reviewing the customer service tablets, we are promoting the collaboration of people and AI and the

use of our accumulated data. Furthermore, reducing on-site workloads and generating more leeway in terms of personnel will allow us to relocate and use them in growth areas within the Group, leading to the optimization of our human resources portfolio, which we expect will further increase productivity.

In addition to revamping our personnel system, it is also important for us to increase the engagement of each and every employee. As a KPI of the new material issues theme “Promoting Diverse Human Resources and Achieving Well-Being,” we have replaced the old employee satisfaction surveys with engagement surveys. These surveys provided data showing that employees who deeply identify with the Company’s philosophy and value proposition and have a high level of engagement are also highly productive. In addition to continuing, as always, to maintain a work environment that is comfortable for everyone, we are putting even more focus on measures to promote our philosophy and increase engagement.

Personally, since joining the Company, I built my career while devoting myself to customer service as an in-store sales staff. Back then, the first time I met Chairperson Yamada in person, I told him, “I am truly happy to have joined this company.” That feeling remains in my heart unchanged even now.

As an individual who knows the workplace and is now in the position of managing human resources, I believe it is my mission to do everything I can to create a company where all employees truly feel happy that they work here. Building a sustainable personnel system that we can rely on for a long time should lead to peace of mind for our future colleagues and the families of our employees as well.

Process of Enhancing Corporate Value

YAMADA HOLDINGS is building a lifestyle infrastructure that is chosen by people of all generations through its “Total-Living” strategy and group synergy.

We support people’s lives by utilizing diverse capital and creating YAMADA Economy.

INPUT

▶ P.79, P.80

Human capital

526 Sales Engineers
616 real estate notaries
9,337 Home Appliance Advisors
1,271 Smart Masters

Manufacturing capital

36 LIFE SELECT stores
978 directly operated consumer electronics stores, including **29** overseas stores
50 contract manufacturers of SPA products
6 housing plants
354 show home locations
10 reuse & recycling plants

Social capital

27.69 million digital app members
3 commercial facility partners
35 consolidated subsidiaries
7 major unconsolidated subsidiaries

Intellectual capital

Our own qualification test system
 Digital app and member database platform

Natural capital

Scope 1 and 2 **271** kt-CO₂
 Scope 3 **20.4** Mt-CO₂

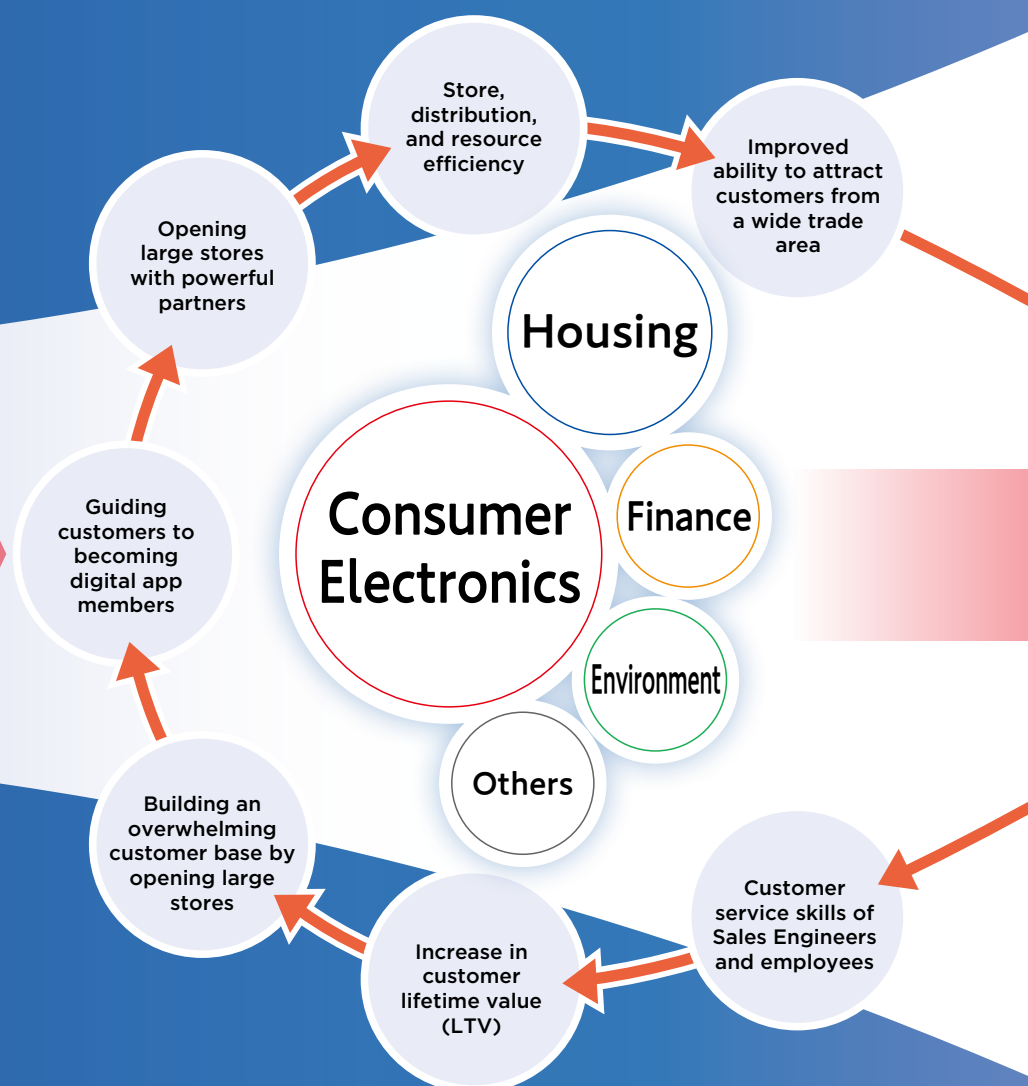
Financial capital

Growth investment **¥270** billion (cumulative total from FY2026 to FY2030)
 Net assets **¥645.2** billion
 Equity ratio **48.1%**
 Total asset turnover **1.23** times

BUSINESS MODEL

▶ P.20

The “Total-Living” Strategy



Material issues

-Tackling climate change and practicing a circular economy
 -Promoting diverse human resources and achieving well-being

▶ P.47–P.59

Corporate governance aimed at maximizing shareholder value

Code of Conduct/Code of CSR Ethics

Management philosophy

“Creation and Challenge” and “Appreciation and Trust”

In Support of “Total-Living”

OUTCOME

The YAMADA Economy

▶ P.24

Enhancing its value as social infrastructure and attracting fans and customers across generations

OUTPUT

From Individuals to Households

LIFE SELECT's appeal is its ability to support families across communities and generations



▶ P.26

Home appliances

Furniture & Interior

Toys

Finance & Insurance

Housing & Real estate

Renovations

Repair & Support

Reused home appliances

Recycling and reuse of resources

Maximizing group synergy with LIFE SELECT and housing at the core

Impact on the YAMADA HOLDINGS Group

Mid-Term Business Plan (2026/3-2030/3)

Further increase and strengthen LIFE SELECT's profits and earning power

FY2030

Net sales
¥2,200 billion

Ordinary profit
¥100 billion

Ordinary profit margin
4.5%

ROE
8.5%

PBR
0.8 to 1.3 times

▶ P.35

Impact on family life in Japan

Promoting family communication and increasing happiness through in-store shopping experiences and products

In local communities facing a declining birthrate and aging population, the YAMADA Economy contributes to the development of the region and the creation of a safe and secure town

Creating a position where we can advise each and every customer

Realizing resilient and sustainable lifestyles that respond to social changes and needs

Expansion of overseas business, especially in Asia, our second-fastest growing market

90 overseas stores Overseas sales ¥100 billion

Targets for FY2030

Changes in the external environment and society

- Aging population with increasing nursing care needs and a declining birthrate
- Labor shortage
- Diversified needs due to lifestyle changes
- Expansion of online sales
- Creating eco-friendly, comfortable living
- Dealing with an increasingly complex IT society
- Climate change

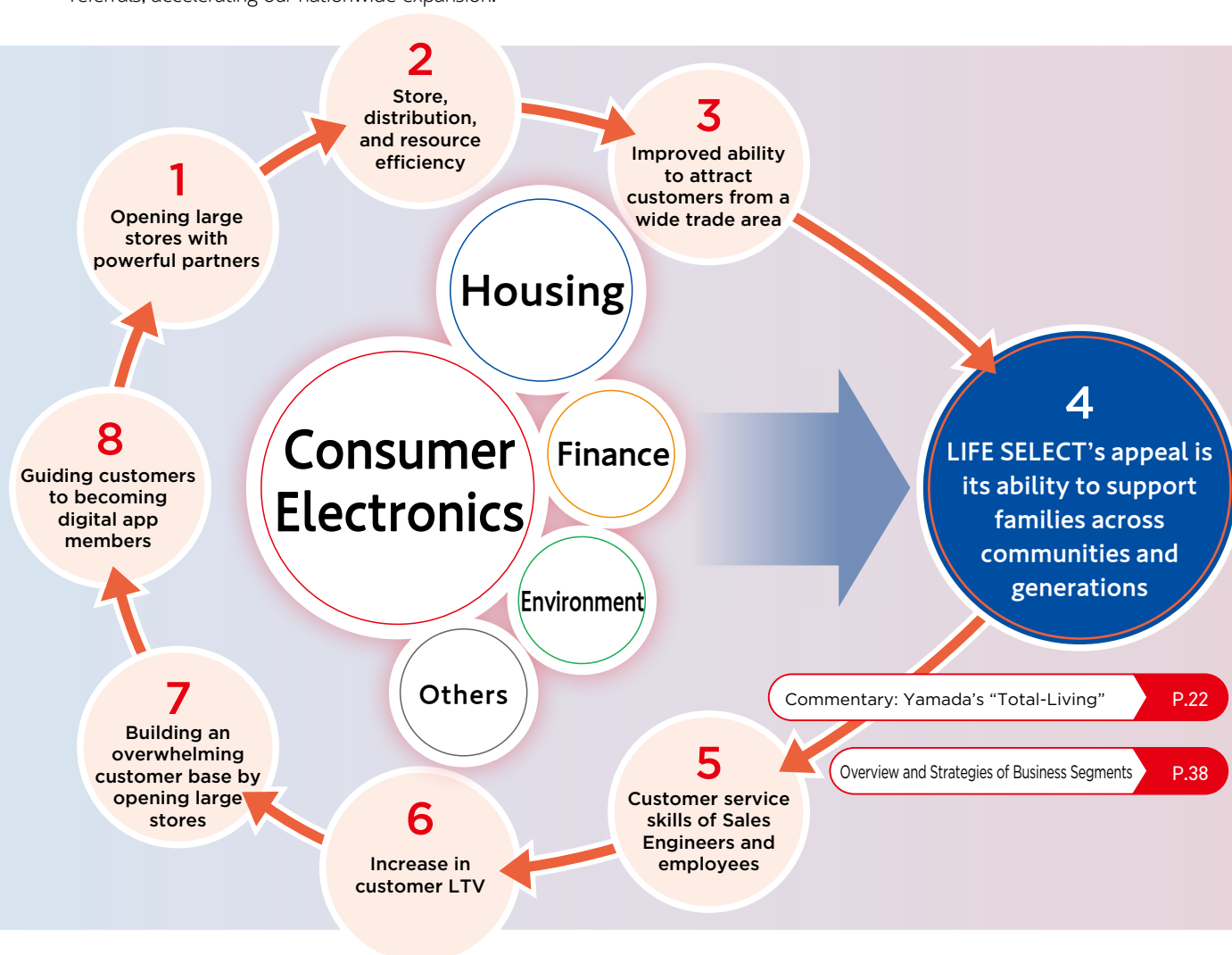
The “Total-Living” Strategy’s Business Model and Strengths

1 Opening large stores with powerful partners

We have been able to obtain prime locations that would be challenging to secure otherwise by building stores jointly with partners from other industries who own large commercial facilities such as AEON. We are building cooperative relationships that reduce store opening costs and improve customer attraction through mutual customer referrals, accelerating our nationwide expansion.

2 Store, distribution, and resource efficiency

By centering on LIFE SELECT and consolidating and closing unprofitable stores, we are able to efficiently allocate management resources such as human resources, distribution, and inventory. We have increased profitability by simultaneously improving sales and profits per store and reducing fixed costs.



5 Customer service skills of Sales Engineers and employees

We train Sales Engineers to use their understanding of customer needs and expertise as home appliance professionals to create the best proposals. Our founding principles of “Creation and Challenge” and “Appreciation and Trust” are the source of our customers’ trust.

6 Increase in customer lifetime value (LTV)

Starting with the purchase of home appliances, we can make proposals tailored to each customer’s stage in life, including housing, renovations, furniture, and financial services. Through the development of long-term relationships, our own business model optimizes the lifetime value gained from each customer.

The “Total-living” strategy covers everything from home appliance sales to housing, finance, and the environment.

YAMADA HOLDINGS has a competitive advantage thanks to its unique business model, which has also made sustained growth possible.

3

Improved ability to attract customers from a wide trade area

While conventional home appliance mass merchandisers target trade areas of 250,000 people, LIFE SELECT opens stores in wider trade areas with populations of around 500,000. Compared to existing stores, we have achieved improvements in unit purchase price, number of items purchased, and gross profit.

4

LIFE SELECT’s appeal is its ability to support families across communities and generations

This large store, with an area of approximately 10,000 to 14,000 m², is based on the concept of “Total-Living” and stocks everything from home appliances, furniture and interior goods, toys, renovations, and real estate counter, and also has an adjacent show home. We operate stores that offer hands-on experiences that can be enjoyed by people of all ages.

Competitive advantage created by the positive cycle of the “Total-Living” strategy

Special Feature—“Total-Living” Strategy—Mechanisms of Earning Power

P.26

By collaborating with powerful partners to open large stores, we can expand our trade area and customer base beyond what we could accomplish on our own.

Expanding customer contact points and building long-term relationships through business collaboration between consumer electronics, housing, finance, and the environment.

By centering on LIFE SELECT stores, we will streamline management resources such as human resources, distribution, and inventory, and realize a highly profitable model.

New Mid-Term Business Plan (FY2026 to FY2030)

P.35

Yamada’s Economy: Deciphered in Numbers

P.24

The YAMADA Economy

7

Building an overwhelming customer base by opening large stores

With LIFE SELECT at the center, we aim to have 80 stores nationwide by FY2030, and will establish a trade area in each community. By linking these together on a nationwide scale, we will form the YAMADA Economy and win customers across generations.

8

Guiding customers to becoming digital app members

The Company is promoting digital app membership and is leveraging this customer base to expand cross-selling sales in areas such as housing and renovations. We are strengthening customer attraction within the Group through the cross-use of points and integration of sales promotion strategies.

“Total-Living”

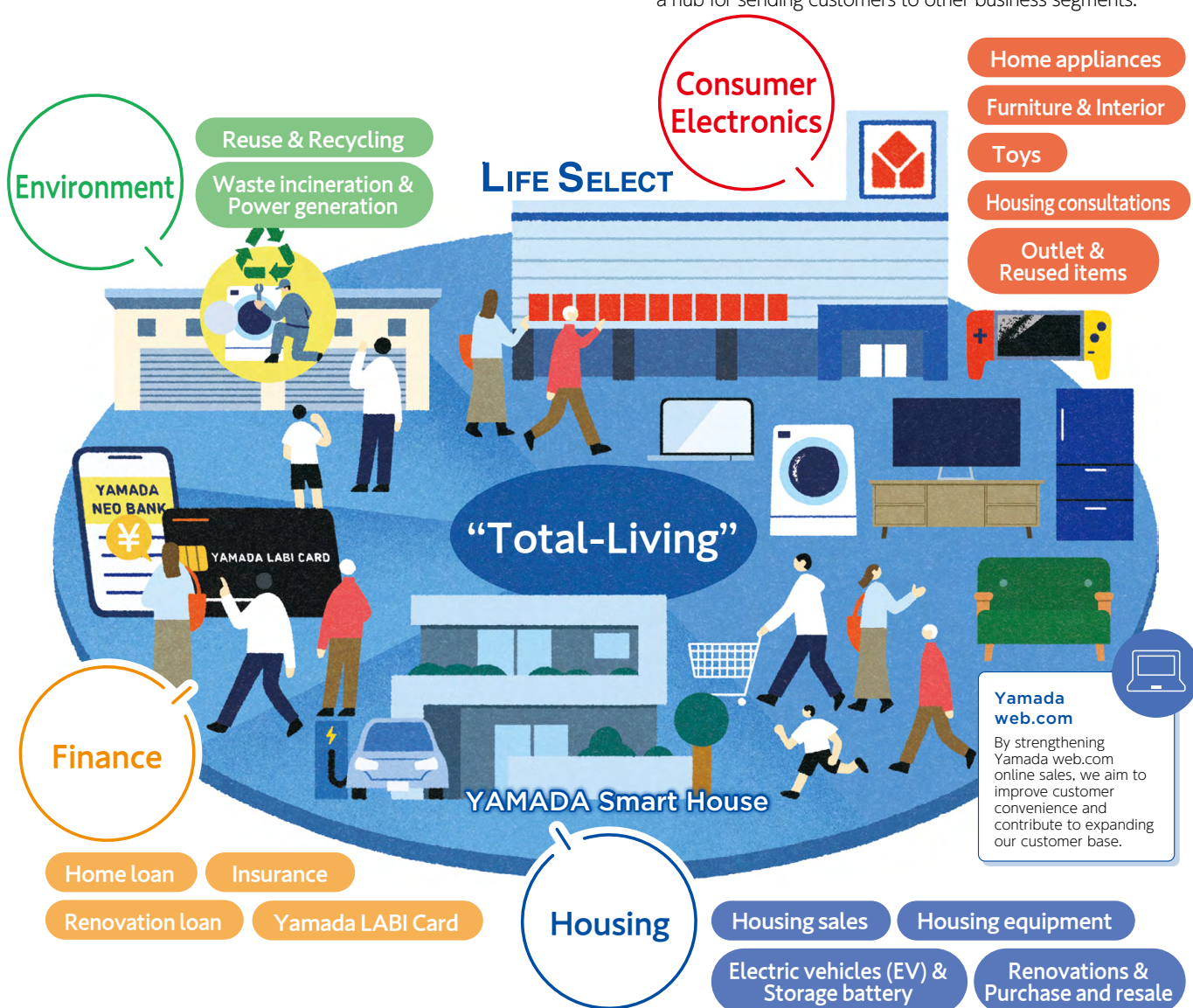
The “Total-Living” strategy starts with home appliance sales and links our housing, finance, and environmental businesses to provide total support for our customers’ lifestyles. Through synergies between each business, we can achieve sustainable growth while expanding our customer base.

Environment A business base that balances the environment and profits

We have built a self-contained circular resource system, and purchase and restore home appliances to resell them in over 300 stores. We are able to contribute to the SDGs while also generating profits. In an era of rising prices, we offer our customers affordable options.

Consumer Electronics Interactive stores expand the circle of contact points

We create customer contact points through a store network centered around the large-scale, interactive store LIFE SELECT. We have secured a wide trade area by offering a wide range of products, including home appliances, furniture, toys, renovations, and housing consultations. LIFE SELECT serves as a hub for sending customers to other business segments.



Finance Maximizing LTV with purchase support

Purchase support holds the key to increasing customer lifetime value (LTV) in the “Total-Living” strategy. Promoting the sale of home appliances and housing through financial means such as the YAMADA NEOBANK Home Loan. This lowers the barriers for customers to make large purchases and contributes to improving profitability across the entire Group.

Housing Proposal for homes that integrate home appliances

Leveraging our customer base in home appliance sales, we cover the entire housing life cycle, including new housing construction, renovations, purchases, and the restoration of used homes. By proposing earthquake resistance, energy efficiency, and IoT functionality, we will enhance compatibility with home appliances and build long-term customer relationships.

Latest “Total-Living” Topics

From Purchasing to Living, “Total-Living” Is Customer-Centric

Consumer Electronics

Original products created through the PB+SPA strategy



Our highly functional and reasonably priced private brand (PB) original products, which are manufactured by way of an SPA business strategy, are developed based on customer feedback and are very popular, such as the front-loading washer-dryer with a slanted drum RORO. We aim to expand our product lineup in the future.

Consumer Electronics

Qualified Sales Engineers are on the job



There are currently 526 Sales Engineers working in each store, and this is skilled employee role calls for both technical and customer service abilities. More than 70% have obtained the Second Class Electric Works Specialist qualification. We are responsible for a wide range of proposals, from home appliances and furniture to renovations, as well as delivery, installation, and after-sales service.

Finance

Supporting customers in purchasing a home with various home loans



住宅ローン
ハウス・デポ
【フラット35】

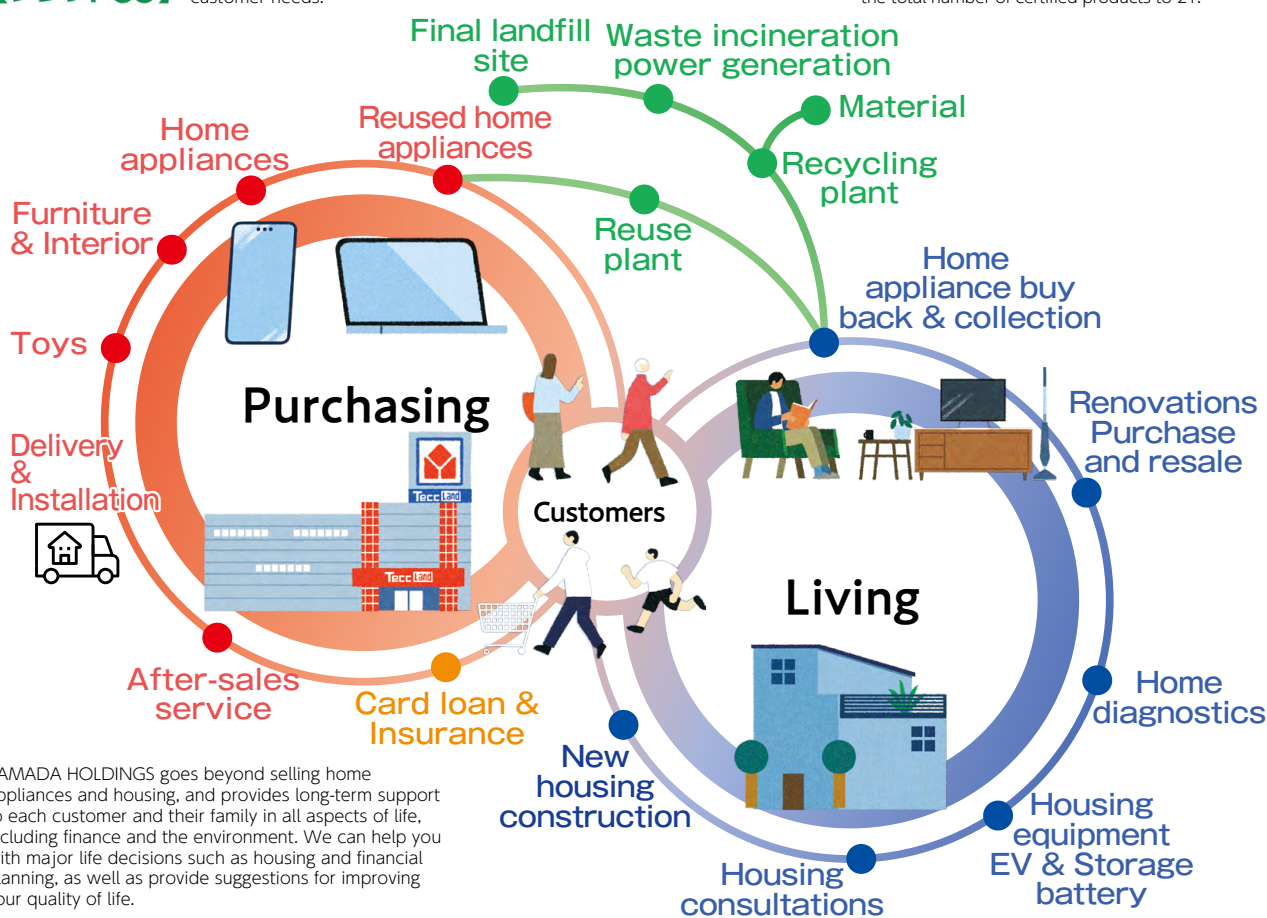
We offer two products: the variable interest rate YAMADA NEOBANK Home Loan and the fixed interest rate House Depot (Flat 35) (applications are accepted online from June 2025). We respond to a wide range of customer needs.

Environment

Expanding YAMADA GREEN-certified products



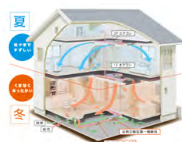
We certify eco-friendly products that meet our own standards as YAMADA GREEN, contributing to a circular economy and promoting sustainable consumption behavior. Seven new products were added in the FY2025, bringing the total number of certified products to 21.



YAMADA HOLDINGS goes beyond selling home appliances and housing, and provides long-term support to each customer and their family in all aspects of life, including finance and the environment. We can help you with major life decisions such as housing and financial planning, as well as provide suggestions for improving your quality of life.

Housing

The total number of central air-conditioning systems, Zekkucho, surpasses 30,000



The central air-conditioning system Zekkucho developed by the Hinokiya Group has now been installed in over 30,000 buildings. Zekkucho is a groundbreaking system that creates a healthy and comfortable indoor environment 24/7 while keeping installation costs and electricity bills low, and is sold to construction companies nationwide, including YAMADA HOMES.

Consumer Electronics

Housing consultation service



At YAMADA DENKI, we have created an environment where customers can ask us housing-related questions as an extension of their shopping experience. Some stores have real estate notaries and can handle everything from finding land to custom-built homes and renovations.

Finance

Total-Living Insurance —peace of mind for your digital devices



Total-Living Insurance is a repair cost compensation insurance that covers up to five devices owned by the policyholder or their family members living together. Nine types of digital devices can be covered, including computers, smartphones, and game consoles. YAMADA SMALL AMOUNT SHORT TERM INSURANCE began offering the service in April 2025.

Environment

Yamaguchi Plant begins operations, expanding reuse of home appliances



In June 2025, the YAMADA West Japan Reuse Center Yamaguchi Plant was built in Yamaguchi Prefecture. As a reused home appliance production base in western Japan, the plant is responding to increased production and growing demand for reused home appliances.

Yamada's Economy: Deciphered in Numbers

YAMADA HOLDINGS envisions the YAMADA Economy. We will reveal the Group's strengths and future in a quantitative manner.

Number of large new business category LIFE SELECT stores opened

36 → **80**

As of the end of March 2025

Plan for FY2030

LIFE SELECT allows you to experience home appliances, furniture and interior goods, toys, and even show homes. The plan is to increase the number of stores from the current 36 to 80 by FY2030. We will establish bases that bring together Yamada's strengths throughout the country as part of community infrastructure.

Directly operated consumer electronics stores in Japan

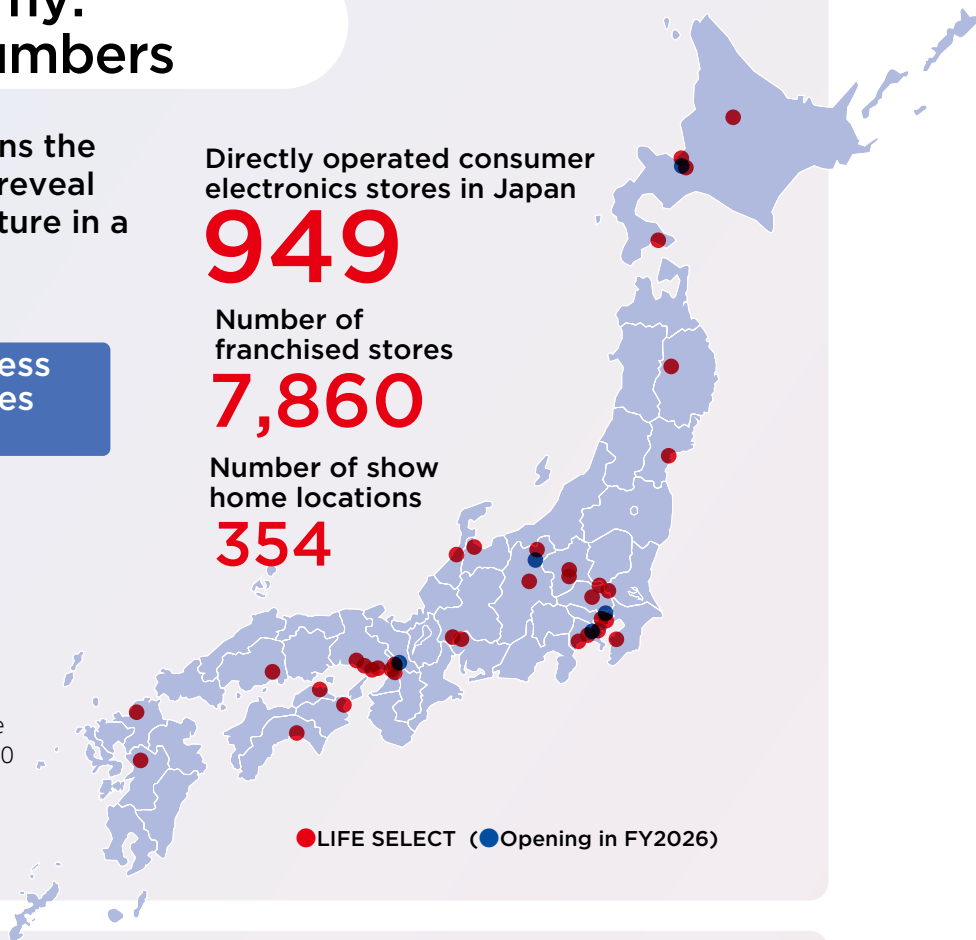
949

Number of franchised stores

7,860

Number of show home locations

354



● LIFE SELECT (● Opening in FY2026)

Expansion of trade area due to housing needs

From individuals to households



Purchase amount per person at LIFE SELECT stores (compared to Tecc. Land)

1.4 times

250,000 people

500,000 people

Extending the trade area to a radius of 10-15 km

LIFE SELECT, which can offer comprehensive proposals for "Total-Living," creates an incentive for the whole family to visit the store, attracting customers from a wider range than before. The trade area of the conventional home appliance mass merchandiser has expanded from 250,000 to 500,000 people. The trade radius has also expanded from 10 km to 15 km.

LIFE SELECT store market share target within the trade area

The aim of LIFE SELECT is not just to increase the number of stores, but also to increase the area's trade share. The goal is to achieve a 50% share of all YAMADA DENKI stores within the store opening area (10-15 km radius, population of 500,000). This is significantly higher than the average of approximately 25% for existing stores, and will establish us as the best store in the local area.

A store of 10,000 to 14,000 m² with a trade area of 500,000 people

Market share target of **50** % or more

Number of large commercial facilities (powerful partners) with which we have trade area partnerships

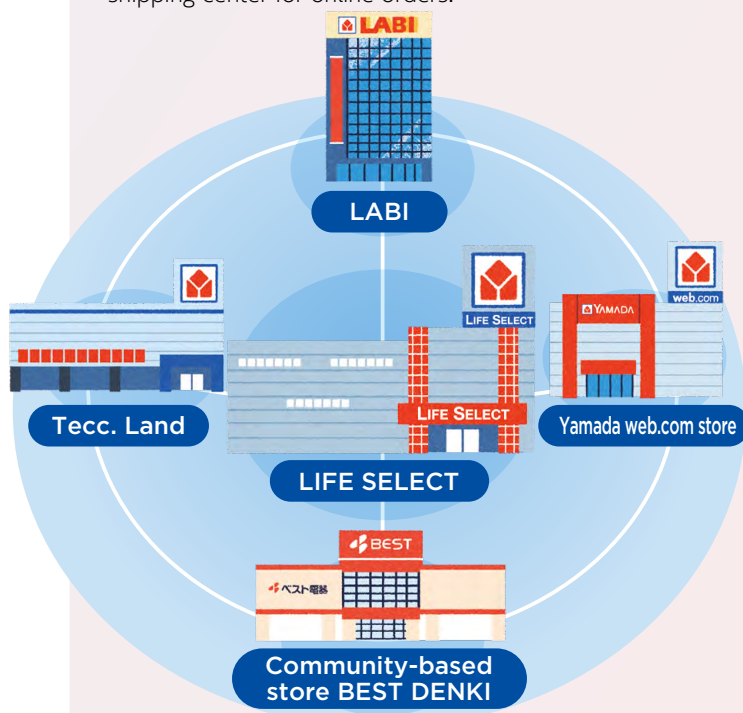
By collaborating with powerful partners who operate large commercial facilities such as supermarkets like AEON and home improvement stores like VIVA HOME, we are able to open stores efficiently and attract a large number of customers. We send each other customers and contribute to expanding each other's trade areas.

Number of large commercial facilities with which LIFE SELECT has a cooperative relationship

10 stores across **3** companies

Multi-tiered store format development

With a diverse network of 949 stores in 12 business categories nationwide, we develop sales channels that match local characteristics and meet customer needs. With LIFE SELECT at its center, the Company is promoting a strategy in which each store format complements the others within the area, including the urban LABI, the suburban Tecc. Land specializing in home appliances, and Yamada web.com store, a shipping center for online orders.



949 in **12**
stores business categories

tailored to the characteristics of the commercial area

LIFE SELECT Stores offering "Total-Living" products and services centered on home appliances	36
LABI Consumer electronics store located in urban areas	13
Yamada web.com store Consumer electronics store and hub for shipping online orders	28
Tecc. Land Suburban consumer electronics store	547
Kaden Sumairu Kan Suburban store centered on sales and service geared toward home appliances and renovation projects	12
Outlet & Reuse stores Stores handling old and reused products	45
In-shop stores Stores located in shopping malls and other commercial facilities	25
Tecc. Land (small commercial area) Stores tailored to the characteristics of a small trade area population	73
Community-based BEST DENKI and other community-based consumer electronics stores	147
PC specialist store PC retailer focusing on TSUKUMO original computers	7
Furniture Store Otsuka Kagu	15
Drugstore Drugstore Kimuraya	1

Creating the YAMADA Economy with stores and online shopping

Utilizing our overwhelming membership base, we seamlessly integrate stores and online shopping. We aim to maximize customer lifetime value (LTV) through integrated analysis of customer data and proposals. We are promoting the expansion and deepening of the YAMADA Economy from both the real and digital perspectives.

Membership base

Approx. **60** million

Digital app members

27.69 million

Expansion of overseas network

The Company plans to accelerate its overseas expansion in Southeast Asia and expand its directly operated consumer electronics stores to 90 by FY2030. We will localize our "Total-Living" know-how we have cultivated in Japan to suit the culture and business practices of each country, and work to spread the Yamada brand.

8 stores in Malaysia
12 stores in Singapore
9 stores in Indonesia

Southeast Asia directly operated consumer electronics stores target for FY2030

90

Part 1

Yamada’s Strategic Location That Attracts Family Members from All Generations

—YAMADA DENKI Tecc LIFE SELECT Shonan Hiratsuka store

From home appliances to housing, the Tecc LIFE SELECT Shonan Hiratsuka store embodies our “Total-Living” philosophy.

Here’s a report on our newest large store, attracting family members from all generations.



A large store offering proposals that integrate lifestyle and housing

LIFE SELECT stores feature a diverse product lineup that everyone in the family can enjoy. Our inspections have confirmed that, compared with our existing Tecc. Land stores, the per-Yamada member unit purchase price is 1.4 times higher, the number of items purchased is up by 1.9 items, and there is an impact on customers’ willingness to buy.

YAMADA DENKI’s Tecc LIFE SELECT Shonan Hiratsuka store came to life in Arc Square Shonan Hiratsuka, a large commercial facility, in October 2024. Covering almost 11,600 m², its large sales floor brings together the latest home appliances, furniture and interior goods, renovations, and more, as well as a Housing Consultation Counter, creating a store that embodies “Total-Living.”



Consumer Electronics

Plenty of furniture and toys to try out

There are many displays where customers can actually touch and try out furniture from brands such as Karimoku and Simmons. Our play areas are becoming popular, providing spaces for children to actually play with age-appropriate games and have fun choosing products.



Housing

Housing professionals provide support at the consultation counter



The expert staff at our Housing Consultation Counter are qualified as real estate notaries, handling real estate, purchases of custom-built or used homes, and even providing sales consultations. Customers can also easily get in-store advice about renovations, including kitchens and bathrooms.



Environment

The consumer base for reused home appliances is expanding

At our Group companies, used home appliances are serviced for reuse and sold with a safety warranty. We provide a comparison for customers considering buying a new product, and are also helping to open new markets among customers such as singles and students.



Consumer Electronics

Changing the shopping experience with smartphones



Yamada's digital member app offers good deals and useful benefits, such as discounts and point coupons. The app allows customers to easily check prices and inventory by holding their phones over electronic shelf labels, providing a smart shopping experience.

Close up

From product proposal to installation: Expanding relationships of trust with customers through integrated support by Sales Engineers

With the opening of the new Tecc LIFE SELECT Shonan Hiratsuka store, I took on a new position as a Sales Engineer. I'm responsible for the whole process of making proposals on home appliances, furniture and interior goods, arranging delivery and installation, explaining how to use the products, and so on, which means that I make deeper connections with customers, and I feel satisfied that I am doing something worthwhile.

The other day, an elderly customer was looking for a telephone, however, she said she couldn't decide without discussing

the matter with her husband first, but that it was difficult for him to come to the store because of the distance. So I gave her my business card and offered to visit their home on another day. They were very grateful that I supported them with the sale and installation at their home. Since then, they have ordered a computer and a printer as well. Going forward, I am aiming to get qualified as an Electric Works Specialist, and I want to improve my product knowledge and my skills in providing information so I'll be able to provide service that brings customer satisfaction to more people.



Ikumi Ozawa
Sales Engineer
Tecc LIFE SELECT Shonan
Hiratsuka store

Housing

Part 2

Yamada's Next-Generation Smart House That Excels in Energy Creation, Energy Storage, and Energy Saving

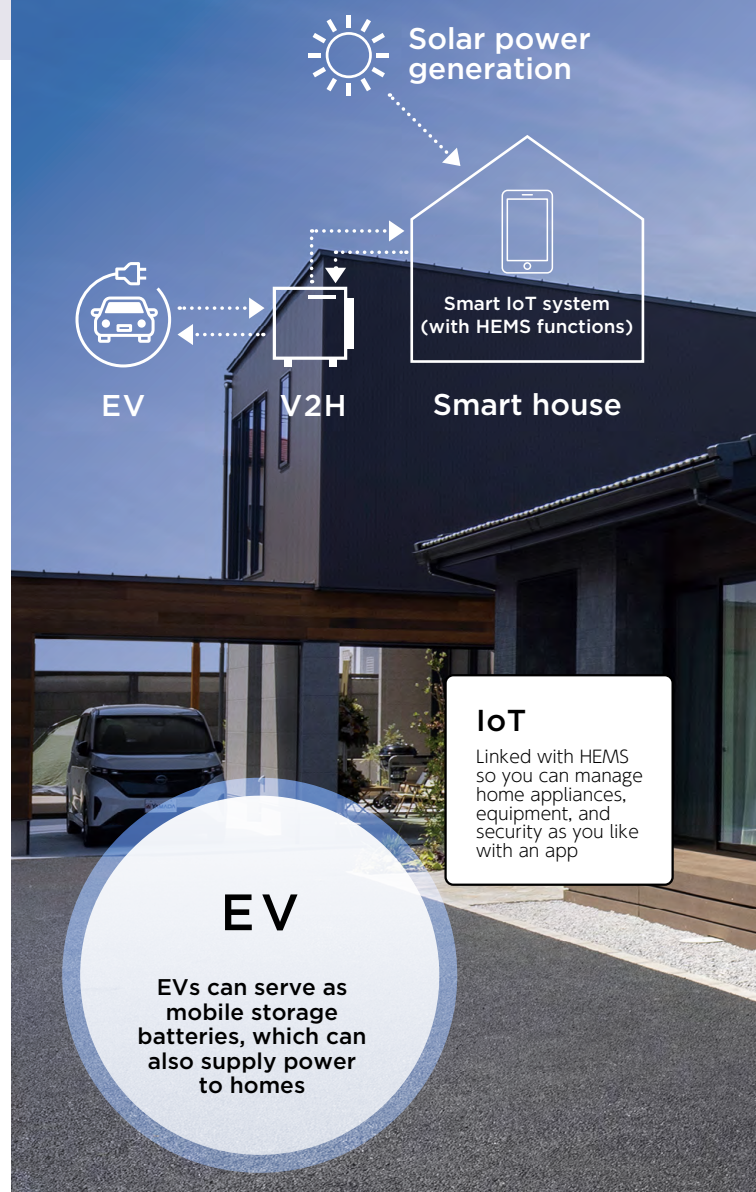
— Arc Square Shonan Hiratsuka Show Home

Here we present our next-generation smart house, where solar power generation, storage batteries, and IoT technology come standard for a comfortable and eco-friendly life.

Energy self-sufficient homes linked to advanced IoT

Beginning in 2030, the standard will be for new homes built in Japan to fulfill net zero energy house (ZEH) criteria (including high insulation, high efficiency, solar power generation, etc.). From April 2025, it has become mandatory for new homes built in Tokyo to come with solar power generation. The growth of Japan's smart house market is driven by factors that include increasing awareness of energy efficiency and natural disaster resistance, advances in IoT technology, and government subsidy measures.

YAMADA Smart House seamlessly links energy creation through solar power generation, energy storage with high-performance storage batteries and electric vehicles (EV) integration, and appropriate energy saving through optimal energy use to achieve energy self-sufficient housing. With the home energy management system (HEMS) as a standard feature, energy can be intuitively managed from a smartphone. Leveraging our strengths as the largest home appliance mass merchandiser in our industry, the YAMADA Smart House comes equipped with IoT home appliance integration and security features. These next-generation homes are supported by the Group's services, including finance and insurance.



IoT

Linked with HEMS so you can manage home appliances, equipment, and security as you like with an app

EV

EVs can serve as mobile storage batteries, which can also supply power to homes

Key highlights of the standard features of the YAMADA Smart House

Energy self-sufficiency



Electricity generated by solar power is circulated in the home, greatly reducing electricity bills. Energy bills may be effectively zero.

A power supply source during emergencies



A large-capacity storage battery system for peace of mind even in a power outage. Lined with an EV, it can even be a power supply source in an emergency.

Smart power controls



Visualizes energy consumption within the home and enables home appliance control and energy-saving operations with a monitor or smartphone.

Convenient lifestyle functions with IoT



Remotely operate the home appliances and equipment in your home, such as lighting, air-conditioning, the bathtub, the front door, curtains, etc., using a single smartphone.

A reliable security system



Sensors to detect intrusions and fire are standard features. Allows you to monitor your home by camera when you're away.



Energy creation

High-efficiency solar panels generate power from the entire roof for energy self-sufficiency

Energy saving

High insulation, highly airtight design, and HEMS controls cut wasteful consumption

Energy storage

EV and home storage batteries save up surplus energy and supply electricity at night and during power outages

The expansion of resilient homes

The YAMADA HOLDINGS Group has been focusing on popularizing resilient homes, which combine solar power systems and storage batteries. By storing solar-generated power in the home, you can live normally for a certain period of time even when the external power supply is interrupted because resilient homes can supply electricity within your home not only in normal times, but also in the event that a power outage or disaster does occur. We are proactively recommending the installation of solar panels during renovations as well as in new builds in preparation for severe natural disasters, the kinds of which have been observed in recent years. Using the monitor (HEMS) installed in the home to visualize the amount of power generated and consumed in real time also leads to using the electricity created without waste and improves awareness of energy saving. Our goal is to ship 50,000 solar panels by FY2031.

In the future, we will continue to propose cutting-edge energy-saving and resilient homes, such as the YAMADA Smart House, which is a disaster-resistant and safe home, and the Energy Revolution Z, which combines the Hinokiya Group's solar systems and vehicle-to-home (V2H) equipment.

PICK UP

Finance



Supporting your home and your lifestyle with YAMADA NEOBANK Home Loans

YAMADA NEOBANK Home Loans are not only for the purchase cost of your home, but can also include the costs for purchasing furniture and home appliances as well as solar panels. In addition, the cost of EVs and V2H equipment purchased at our Group is also eligible. You can choose a repayment period of up to 50 years, enabling parents and children to divide and repay the loan between the two generations.

Part 3

Group Member Round Table Discussion

Significantly Changing On-Site Awareness. Envisioning a “Total-Living” Strategy



ITDX Division
YAMADA HOLDINGS CO., LTD.

Sho Emura

Housing Segment
YAMADA HOMES CO., LTD.

Ami Nonaka

Consumer Electronics Segment
YAMADA DENKI CO., LTD.

Tomomi Wada

Implementation and response to “Total-Living” strategy

Nonaka: I’m in charge of custom-built home sales at YAMADA HOMES. When I joined the company five years ago, few people had even heard of YAMADA HOMES. Now, though, the housing segment of Yamada is widely recognized. We provide total support with proposals for housing and financing, and ideas for appliances and interiors that match individual lifestyles. And satisfaction is high with customers often expressing their gratitude with statements like “The people at YAMADA HOMES went out of their way to turn our dream into reality.”

Customers are also often surprised that they can obtain financing through our Group. The response to our “Total-Living” strategy has really been great.

Higuchi: I’m in charge of loans at YAMADA FINANCE SERVICE. Recently, electric vehicles and vehicle-to-home equipment have become part of housing planning as we move toward a decarbonized society. And new financial services such as 50-year loans, which help young people realize their dream of becoming homeowners, have drawn attention. We are responding to diversifying lifestyles with support for “Total-Living” through financing that takes into account situations and events that may follow in the wake of buying a home.

“Total-Living” strategy providing a wide variety of services for living. Group company employees provide support the strategy. Staff from five departments tasked with creating proposals that support consumer lives and lifestyles got together to talk about their day-to-day work, cooperation, and future vision.



Environment Segment
CIC Corporation

Hirofumi Kurosawa



Finance Segment
YAMADA FINANCE SERVICE Co., Ltd.

Miho Higuchi

Kurosawa: YAMADA DENKI purchases used home appliances from customers and refurbishes them at the CIC plant where I work before being offered for resale at YAMADA DENKI. Chairperson Yamada once said in an interview that “home appliances are resources.” This concept impressed me greatly. The final stage of product life is recycling, which is required by law, but we also try to generate new value in the process through reuse, which is the product life stage before recycling. This reduces CO₂ emissions, waste, and environmental load, which is much more eco-friendly than replacing the appliance with a new one would be. This is an important business area for our Group in promoting a circular resource business model centering on home appliances.

Emura: I analyze and utilize tremendous amounts of data accumulated and owned by YAMADA DENKI at the ITDX Division of the headquarters. The most important factor in implementing the “Total-Living” strategy is to truly understand what individual customers are looking for. To accomplish this, we are establishing a group-wide framework that allows us to understand and effectively use each customer’s attributes, purchase history, inquiries, and interests to ensure the highest degree of customer satisfaction.

Total proposals through DX

Wada: I work at LIFE SELECT, which provides total support for home appliances, furniture and interior, toys, and renovations. I was assigned to home appliances and computers for two years until about six months ago, when I became a renovation advisor. Many people are unaware that Yamada handles interiors. Just the other day, a student came in looking for home appliances for a new apartment. They mentioned that they needed to find a furniture store too. When I told them that we had furniture on the floor below, they happily said, “It’s a big help to be able to find everything I need in one place.” Hearing this, I felt that LIFE SELECT really made a difference.

Higuchi: The other day, I visited the YAMADA HOMES show home next to LIFE SELECT. I looked at the most advanced smart house at the venue, and I could easily understand the meaning of each expense included in the financial plan for home loans. Building a house is a major life event for a family, and “Total-Living” includes all the processes from making a decision as a family and loan agreement to the actual everyday life in the house. I’m very proud to be a part of the process and support our customers’ lives.

Nonaka: When I meet with a customer for the first time, I explain that Yamada’s “Total-Living” proposals include home appliances, furniture, exteriors, renovations, and home loans.

Consumer Electronics Segment

Making total proposals for home appliances and interiors through renovation consultations

Tomomi Wada

Renovation advisor
LABI 1 LIFE SELECT Takasaki
YAMADA DENKI CO., LTD.

Housing Segment

Satisfied with work capable of making “Total-Living” proposals

Ami Nonaka

Sales Section, Gakkentoshi-hibikino,
Northern Kyushu Branch,
YAMADA HOMES CO., LTD.

YAMADA HOLDINGS

Understanding each customer from data and making proposals for the best lifestyle

Sho Emura

System Strategy Section,
Strategy Planning Department, ITDX Division,
YAMADA HOLDINGS CO., LTD.

Higuchi: Making proposals for home loans that include home appliances and interiors is our strength, right?

Nonaka: Yes. We make one-stop service proposals that other companies simply can't. We discuss financial plans with the customers during our second meeting, during which we listen very carefully to the type of home appliances the customer is looking for. The budget plan includes the purchase of home appliances and furniture. Visualization of the costs can eliminate anxiety and increase the joy customers experience when planning their home. When handing over the home to the customer, we visit YAMADA DENKI with the customer to provide advice for purchasing home appliances and interior. We introduce the store manager to the customer to create a good environment for continual consultations even after moving into the new home.

Wada: This collaboration is unique, something that Yamada really excels at. I've gotten feedback from customers who have purchased appliances from us that tell me that they'd also like us to help them plan their home.

Nonaka: Our greatest strength is that customers who have had homes built by us continue to have contact with Yamada over time. However, I believe that there is still room for improvement in the way how home appliance sales staff communicate with customers. For example, simply acknowledging that a customer is the owner of a Yamada Home can leave a great impression on them.

Emura: That's right. Being able to check each customer's attributes via the app makes it possible to smoothly help them with product prices and other important items. One of my priority goals as someone in charge of digital transformation (DX) is helping sales staff to take prompt and effective approaches to each customer. In order to further accelerate “Total-Living” strategy, it is necessary to develop a data utilization system that operates beyond the boundaries of our business segments.

Kurosawa: For example, having a database of sold home appliances classified by item and years of use would enhance our reuse business. In order to learn about other segments, a dedicated intranet online inventory or search function for in-house information would be very convenient.

Higuchi: Along with the promotion of DX, it is necessary to encourage a change in employees' mindset. My department holds weekly study meetings at which we share actual business cases and read manuals together. I am planning to use the study meetings as a place to share information from individual segments.

Changing attitudes about work by making customer's concern my concern

Kurosawa: At the beginning, we feared that the reuse business would prove to be an obstacle to new-product market growth. However, people from more than 200 companies, including manufacturers, have visited our reuse plants during the past three years. More and more companies in a wide variety of industries have approached us to collaborate under a new business model based on the business concept of home appliance reuse. Real sustainability isn't realized by only seeking our own profits, but also by achieving good results for the environment, customers, and companies. I also gradually shifted my viewpoint to spreading reuse with people around me to change society.

Nonaka: Upgrading skills and having advanced technologies and knowledge are of course very important, but I've also come to think that raising each employees' awareness of the value of "Total-Living" approaches is even more important. I could definitely feel the value through my work. Since then, I have realized that my job is not simply selling houses to customers, but working to make their lives and lifestyles more comfortable and helping them to make their dreams come true. This significantly increased my motivation at work.

Wada: I felt that service was basically considering the customer's perspective, but now I feel that real service is making the customer's concerns my concerns. I now ask myself if the ideas I plan to suggest to a customer are what I would want in a home, or if they would lead to a style that would make me comfortable. If I like the plans and I would like to have a home like that, I know that I can satisfy the customer.

Creating peace of mind and smiles

Higuchi: Listening to all of your ideas, I realized that "Total-Living" is not simply a one-stop service, but that it is designing a future filled with smiles. Because I don't have much experience, I continue learning every day. But I am trying my best to be able to build such a future for customers through financial services.

Emura: While talking with everyone here, I recognized the importance of utilizing and sharing data. I am now developing a map to visualize customer distributions in the area, but I feel that it is also necessary to develop new measures regarding points awarded to customers. For example, we need to consider giving points for the replacement of home appliances, and offering information about points regarding renovations to customers who are thinking about purchasing

furniture. From our significant database of customer information and purchase history, a database made possible by Yamada's nationwide network of locations, I will develop a system to provide plans that match individual customers' life stage utilizing cutting-edge AI and IoT technologies.

Wada: After I was assigned to renovations, I felt Yamada's strengths. There are many small businesses in the renovation industry, and it takes time and effort to build trusting relationships with customers. But the name Yamada holds great significance and can make people feel safe and secure. Since Yamada has continued building trusting relationships with customers over the years, the "Total-Living" strategy can be accomplished. I will continue using this strength to offer proposals and help put smiles on all of our customers' faces.

Finance Segment



Designing a future filled with smiles
with Yamada financial services

Miho
Higuchi

Loan Business Department,
YAMADA FINANCE SERVICE Co., Ltd.

Environment Segment



Working to realize a circular economy
through the effective reuse of home
appliances

Hirofumi
Kurosawa

CCSR Promotion Office,
General Affairs Department,
CIC Corporation

Review of the YAMADA HLDGS 2025 Mid-term Business Plan with FY2025 as the Final Year

The YAMADA HLDGS 2025 Mid-term Business Plan, formulated in 2021, reached its final period in FY2025. Progress on the growth strategy and structural reforms implemented in response to changes in social conditions have been delayed, leaving us with challenges in maximizing group synergies and improving profitability. However, we are maintaining and continuing to work on the direction of the five key measures aimed at realizing the “Total-Living” strategy as our growth strategy.

Furthermore, in light of the current state of the home appliance market and industry, which is at a significant turning point, as well as the achievements and issues of the YAMADA HLDGS 2025 Mid-term Business Plan, we have restructured our business strategy for sustainable corporate growth, which we have already begun work on.

Five key measures

- 01 Active promotion of **store development**
- 02 Strengthening our **e-commerce**
- 03 Active development of **SPA products**
- 04 A complete “Total-Living” proposal with the **YAMADA Smart House**
- 05 Achieving targets by **setting goals for issues** for each operating company

YAMADA HLDGS 2025 Mid-term Business Plan actual results for the planned period

Announced on November 4, 2021

(billion yen/%)	FY2023 (Plan)	FY2024 (Plan)	FY2025* (revised plan)	3-year cumulative amount
Net sales	1,760.0	1,870.0	1,665.0	5,295.0
Ordinary profit	102.0	114.0	53.2	269.2
Ordinary profit margin	5.8	6.1	3.2	—

* May 8, 2024

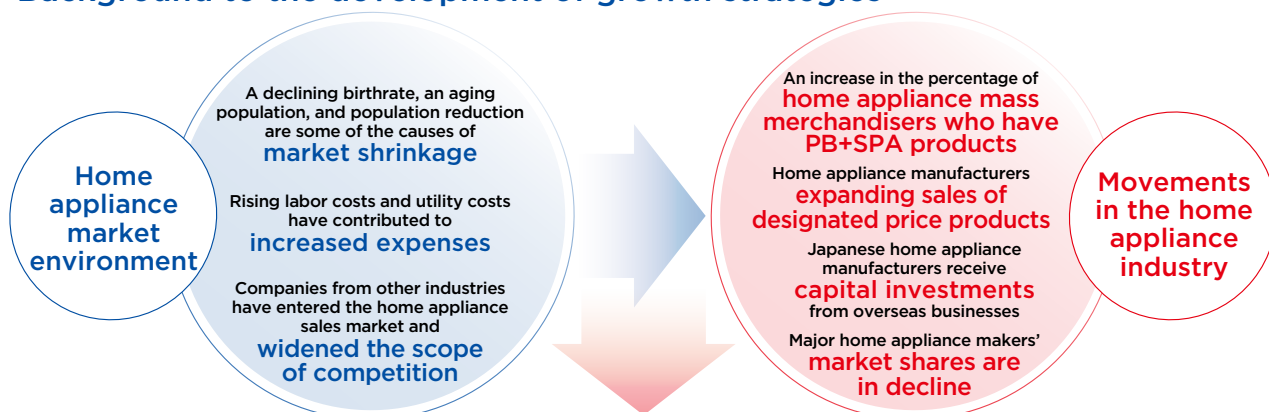
Financial results disclosed on May 8, 2025

(billion yen/%)	FY2023	FY2024	FY2025	3-year cumulative amount	Cumulative achievement rate over the mid-term business plan period
Net sales	1,600.5	1,592.0	1,629.0	4,821.5	91.1
Ordinary profit	50.0	47.0	48.0	145.0	53.9
Ordinary profit margin	3.1	3.0	2.9	3.0	—

Factor analysis of target deviation

Our goal was to increase sales and market share by proactively promoting store development, including LIFE SELECT, however, the impact of restrictions on movement due to the COVID-19 pandemic has delayed the progress of store development, resulting in a 5% annual increase in sales floor area and sales not being achieved. Even during this time, we have steadily implemented our “Total-Living” strategy, including opening LIFE SELECT stores, renovating, strengthening our furniture and interior development, and creating synergies between each segment.

Background to the development of growth strategies



By strengthening the business strategies we are already implementing,
we will ensure the **advantages of the Company and products.**

Expanding the market share

Actively promoting store development by business type centered on LIFE SELECT

Expanding sales channels

Strengthening and promoting e-commerce

Ensuring profit margins

Active development of Yamada's private brand (PB) and original products manufactured by way of an SPA business strategy, changing the product lineup to focus on YAMADA Originals

Differentiation from other companies

Creating stores that attract customers like no other company can match through the “Total-Living” strategy

New Mid-Term Business Plan (FY2026 to FY2030)

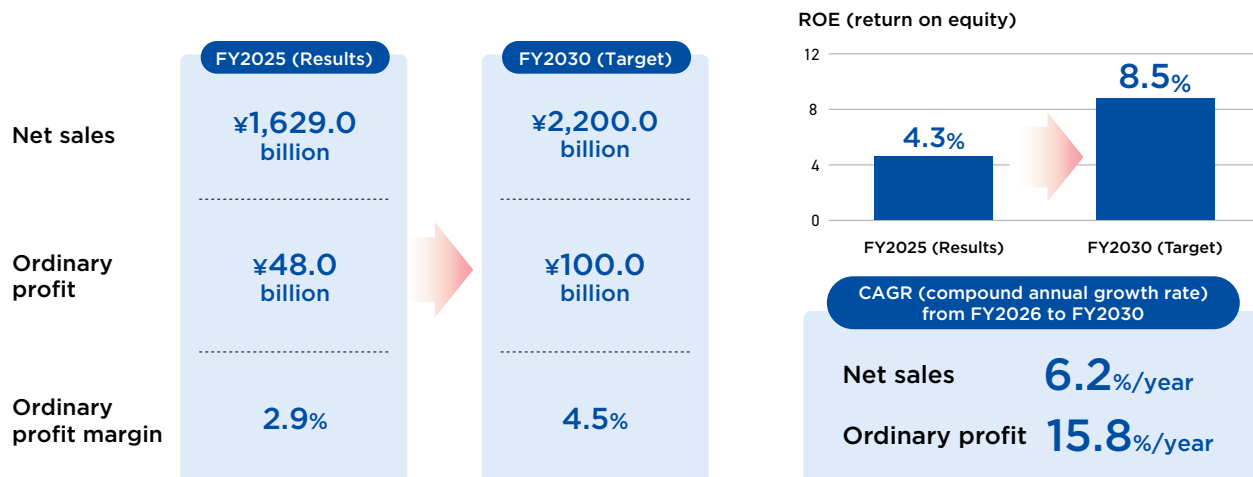
The Group has formulated the Mid-Term Business Plan (2026/3–2030/3) to achieve longer-term growth, with an eye on where we want to be in 2030. With LIFE SELECT, an experience-based store, at the center of our “Total-Living” strategy, we will promote market share expansion through active area store development, and in the Consumer Electronics Segment, we will actively develop PB and SPA products, shift sales promotion to digital, and improve our profit structure through the use of digital

transformation (DX).

We will also aim to grow our Housing Segment, which will capture customer housing needs and handle sales of custom- and ready-built homes, by setting up Housing Consultation Counters in LIFE SELECT stores, etc. We will strengthen collaboration among each business segment, including the finance and environment segments, and build a system for sustainable corporate growth by maximizing group synergies.

- 01** Actively promote LIFE SELECT store openings
- 02** Active development of PB+SPA products
P.46 PB+SPA Strategy
- 03** Maximizing group synergies through collaboration among segments

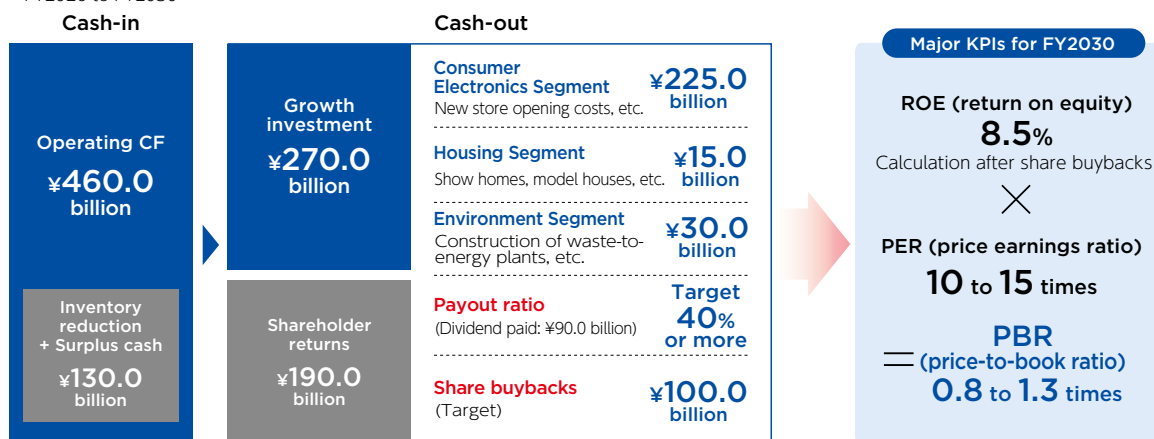
Key management indicators and targets of the mid-term business plan



Shareholder returns and cash allocation

We will return profits to shareholders through strategic growth investments, aiming to achieve a PBR of over 1.00 times by FY2030.

FY2026 to FY2030



Changing inventory strategies to improve product appeal

We are making steady progress in inventory reduction and structural reforms by reviewing constants, reducing non-moving inventory, and coordinating with manufacturers. Going forward, we will continue to actively collaborate with distribution, adopt DX, and review our product lineup (developing and expanding our selection of PB and SPA products, etc.) to not only increase product turnover by reducing inventory levels, but also improve product appeal and gross margins and increase cash and cash equivalents.

Optimizing inventory levels (inventory reduction target: YAMADA DENKI)

	FY2025 (Results)	FY2030 (Plan)
Inventory (POS basis)	¥310.7 billion	¥210.0 billion
Inventory turnover days	90 days	50 days

Objectives of LIFE SELECT and homes, the core of the “Total-Living” strategy

We are steadily increasing the number of new stores by actively developing area stores by business type with LIFE SELECT at the center, such as by promoting joint store openings and collaborations with other industries and store consolidation and closures. We will continue to actively promote new store openings,

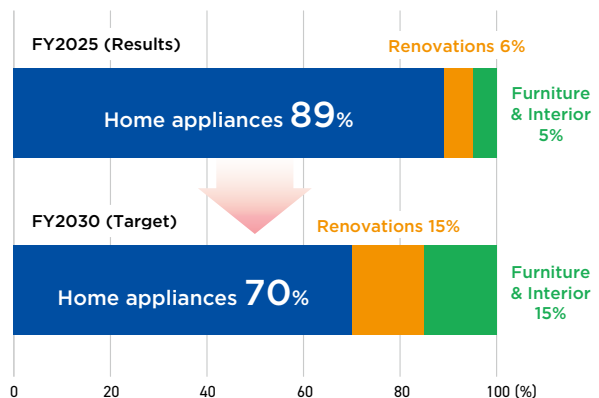
and aim to increase sales of home-related products and services under our “Total-Living” strategy, and strengthen our system to further demonstrate group synergies by growing our Housing Segment while focusing on our mainstay Consumer Electronics Segment.

Expansion of LIFE SELECT stores

FY2025 (Results)		
Number of stores	Store sales	Profit
36	¥220.0 billion	¥8.0 billion
↓		
FY2030 (Target)		
Number of stores	Store sales	Profit
80	¥500.0 billion	¥25.0 billion

LIFE SELECT revenue structure reform

Increase the proportion of renovations and furniture and interior goods to improve overall store profits



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

LIFE SELECT creates a fun sales area with a wide selection of products to support customers’ “Total-Living” in a sales floor of 10,000 to 14,000 m², aiming to attract customers from a wide area and increase the number of items purchased and the unit price. In addition, we will improve our profit structure through synergies with home sales by building model homes on store premises, proposing smart houses, and increasing the number of dedicated staff, including real estate notaries.

Strengthening the renovation, furniture and interior fields

In the renovation, furniture and interior sector, we will increase awareness of Yamada’s renovation and furniture in line with the expansion of LIFE SELECT stores by creating sales areas that maximize synergies with home appliances, developing and focusing on sales promotion of new products, and strengthening our sales support system by making full use of DX. We will also increase the number of renovation projects and improve sales and profits in the furniture and interior sector by making proposals that meet customer needs.

Renovation, furniture and interior

	FY2025 (Results)	FY2030 (Plan)
Renovations sales	¥66.0 billion	¥145.0 billion
Furniture & interior sales	¥38.0 billion	¥90.0 billion

Strengthening and promoting e-commerce

We will increase investment in digital advertising to attract more customers to our website, while also improving investment efficiency by measuring return on investment. We will also transition our Yamada web.com store into a warehouse store to significantly enhance our shipping capabilities, and provide a service that covers the last mile in collaboration with other stores across the country.

E-commerce (online & TV shopping)

	FY2025 (Results)	FY2030 (Plan)
Sales	¥101.8 billion	¥190.0 billion

Business growth in the Finance Segment

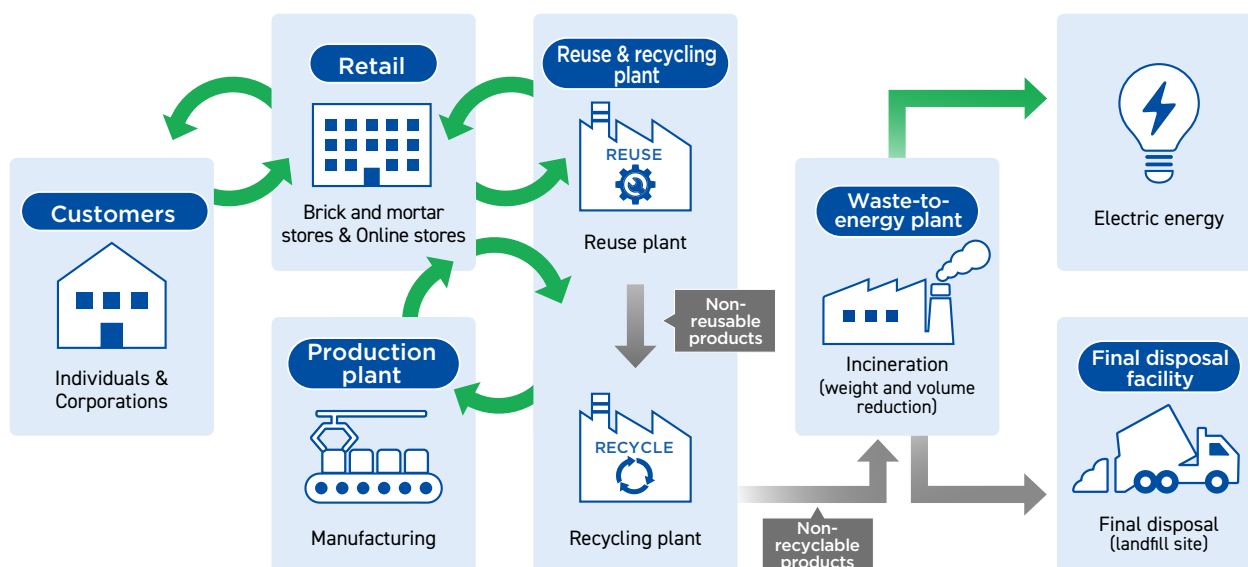
With 50-year home loans that can combine payments of home appliances, furniture, electric vehicles, vehicle-to-home equipment, storage batteries, solar panels, etc., we are able to build long-term relationships with customers. By utilizing our “Total-Living” strategy, loan performance in the Consumer Electronics Segment and Housing Segment has improved every year. We are also developing financial services that are uniquely Yamada, such as repair cost compensation for digital devices.

Reusable home appliance manufacturing in the Environment Segment

Our Group purchases used home appliances from customers and reconditions them by disassembling, cleaning, repairing, inspecting, etc. By completing the product life cycle within the Group, we realize high profits that far exceed investment costs and expenses, making a significant contribution to improving the profitability of the Consumer Electronics Segment and the entire Group.

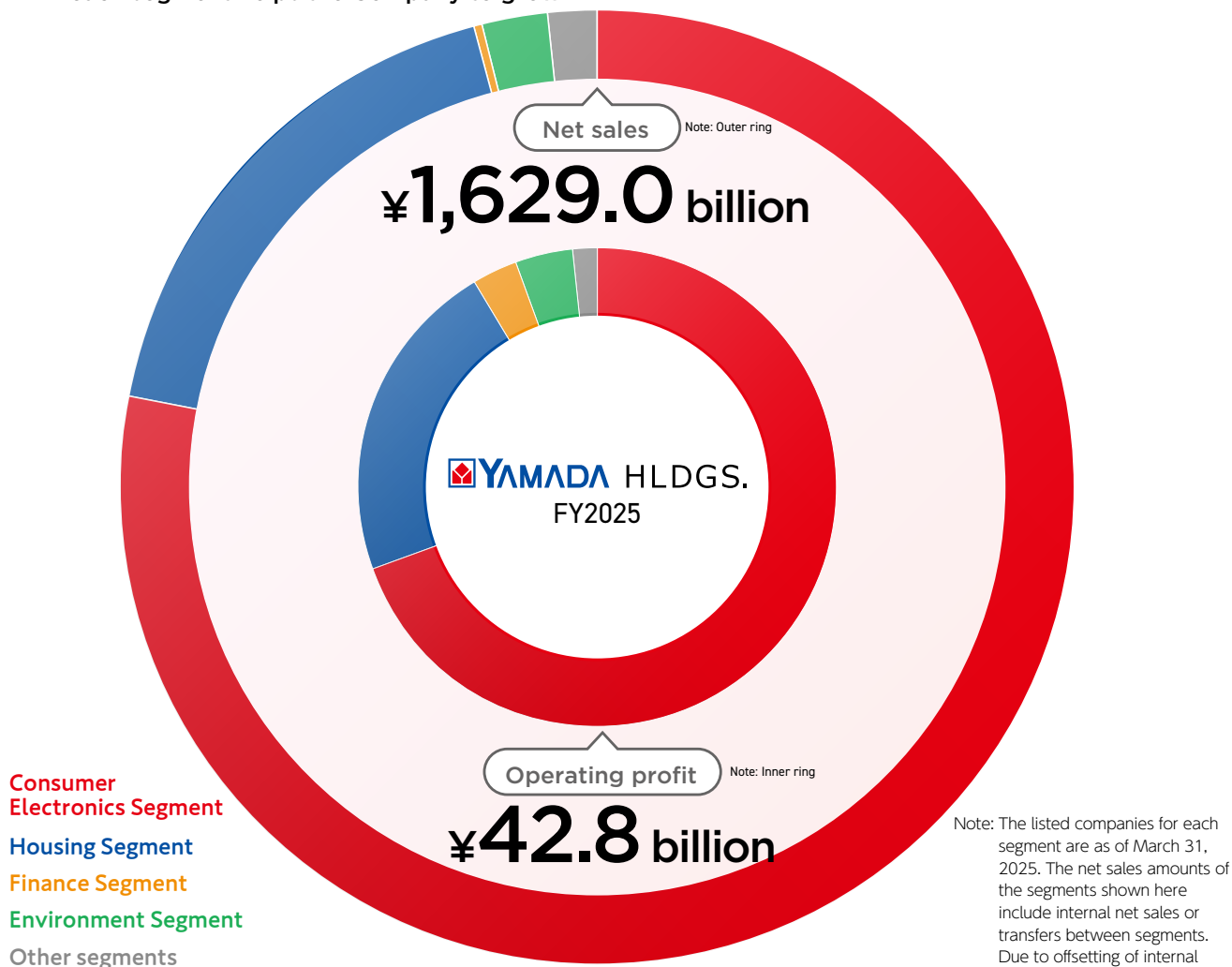


A Group-complete circular resource system



Overview and Strategies of Business Segments

The goals of the YAMADA HOLDINGS Group are centered on the “Total-Living” strategy. We aim to develop diverse businesses, from consumer electronics to housing, finance, and the environment, and, through collaboration within the Group, help our customers to live a better life and create value throughout the entire Group. In addition to forging the Group’s competitive edge, strategies such as YAMADA Smart House and building a circular resource system also contribute to solving social issues. Keep watching us to see how each segment helps the Company to grow.



Consumer Electronics Segment



FY2025

Net sales

¥1,308.9 billion

Net sales composition ratio 80.3%

Operating profit

¥29.6 billion

Operating profit composition ratio 69.3%

Contact point for the “Total-Living” strategy

We have rolled out a network of home appliance mass merchandisers, such as urban and suburban stores, as well as some more locally-based stores, with differing concepts in relation to the size of their respective markets. As a social infrastructure rooted in the community, the segment handles not only sales of home appliances, furniture and interior goods, etc., but is also engaged in the business of private brand (PB) product development and SPA business strategies in connection with the manufacture and sales of Yamada original products.

(Major consolidated subsidiaries)

- YAMADA DENKI CO., LTD.
- BEST DENKI MALAYSIA SDN. BHD.

- BEST DENKI (SINGAPORE) PTE. LTD.
- PT. BEST ELECTRIC INDONESIA

Housing Segment



FY2025

Net sales

¥297.2 billion

Net sales composition ratio 18.2%

Operating profit

¥9.3 billion

Operating profit composition ratio 21.9%

Lifelong relationships with our customers

We are aiming to realize an eco-friendly society by providing the YAMADA Smart House and homes with excellent earthquake resistance and energy-saving performance. As well as newly-built and rebuilt homes, and sales of second-hand houses under YAMADA JUKEN HOLDINGS, an intermediate holding company, this segment covers the complete spectrum in terms of renovations, from housing quality inspection and maintenance, the manufacture and sale of housing equipment, through to kitchens and bathrooms as well as interior and exterior products, supporting the creation of enjoyable homes for everyone.

(Major consolidated subsidiaries)

- YAMADA JUKEN HOLDINGS Co., LTD.
- YAMADA HOMES CO., LTD.
- Shuken Co. Ltd.
- HOKUSHINHOUSE CO., LTD.
- SEKIHOME Co., Ltd.
- Hinokiya Group Co., Ltd.
- Nippon Aqua Co., Ltd.

◦ Housetec Inc.

- Nikka Maintenance Co., Ltd.
- Chubu Nikka Service Co., Ltd.

(Major unconsolidated subsidiaries)

- Y-JUST Co., Ltd.
- IEMAMORI CO., LTD.

Finance Segment



FY2025

Net sales

¥4.4 billion

Net sales composition ratio 0.3%

Operating profit

¥1.3 billion

Operating profit composition ratio 3.1%

Developing Yamada's own financial services

Under YAMADA FINANCE HOLDINGS, we are developing a range of financial products, such as various loans for new builds and renovations, payment services such as the LABI Card, and small amount short term insurance as part of our "Total-Living" service package. We have launched our own financial services, including YAMADA NEOBANK and the renovation industry's first credit plans, aiming to be a partner to make customer dreams come true through proposal-based sales that meet a wide range of financial needs linked to the business of the YAMADA HOLDINGS Group.

(Major consolidated subsidiaries)

- YAMADA FINANCE HOLDINGS CO., LTD.*¹
- YAMADA FINANCE SERVICE Co., Ltd.
- Yamada Financial Co., Ltd.*²
- House Depot Partners Co., Ltd.
- YAMADA SMALL AMOUNT SHORT TERM INSURANCE CO., LTD.

*1 YAMADA FINANCE HOLDINGS

CO., LTD. was established on April 1, 2025.

*2 The trade name of Yamada Financial Co., Ltd. was changed to YAMADA LABI CARD CO., LTD. on April 1, 2025.

Environment Segment



FY2025

Net sales

¥36.1 billion

Net sales composition ratio 2.2%

Operating profit

¥1.6 billion

Operating profit composition ratio 3.8%

Contributing to improved Group profits

Under YAMADA Environmental Resources Development Holdings, we are developing the reuse, recycling, and resource recovery business of products with a focus on home appliances and personal computers, helping to reduce our impact on the environment by embarking on circular economy schemes including the collection, transportation, and reuse of waste.

(Major consolidated subsidiaries)

- YAMADA Environmental Resources Development Holdings Co., Ltd.
- CIC Corporation
- INVERSENET INC.

(Major unconsolidated subsidiaries)

- Azuma Metal Co., Ltd.
- SANKYU Corporation
- Aizu Dust Center corporation

Other segments



FY2025

Net sales

¥24.6 billion

Net sales composition ratio 1.5%

Operating profit

¥0.6 billion

Operating profit composition ratio 1.6%

Expanding the range of the "Total-Living" strategy

Within the other segments, there are various Group companies, such as trading businesses, those in the travel industry, and those involved in the delivery and installation of home appliances, that develop a range of services to open up possibilities for the Group's "Total-Living" strategy. We are also developing businesses that go beyond conventional boundaries, such as a temporary staffing business and a printing company that aims to actively employ people with severe disabilities through a third-sector approach.

(Major consolidated subsidiaries)

- Cosmos Berry's Co., Ltd.
- J Staff Co., Ltd.
- BPC Co., Ltd.
- Yamada Trading Co., Ltd.*

* Yamada Trading Co., Ltd. was merged into YAMADA DENKI CO., LTD. on June 1, 2025.

(Major unconsolidated subsidiaries)

- NIHON TOURIST CLUB CO., LTD
- Yamada Technical Service, INC
- AKITA MOKKO, LTD.

Consumer Electronics Segment

80 LIFE SELECT stores in 5 years

Takahiro Sano

Representative Director and President
YAMADA DENKI CO., LTD.



Toward our Mid-Term Business Plan (2026/3–2030/3), YAMADA DENKI CO., LTD., based on six customer-oriented business strategies, is strongly promoting transformation while applying the PDCA cycle.

LIFE SELECT is at the center of these strategies. At the stores where it will be the linchpin of the “Total-Living” strategy, it will be essential to form the YAMADA Economy based on an in-depth area strategy and build close relationships with customers over their lifetimes. We will continue to expand LIFE SELECT, aiming to have 80 stores in five years, FY2030.

We will further strengthen the services integrating online and offline sales, and are accelerating the expansion of our private brand (PB) and original products manufactured by way of an SPA business strategy through joint development with our collaborating manufacturers and suppliers. We attentively respond to customers’ needs and comprehensively offer them optimal peace of mind and comfort. Furthermore, through collaboration between all companies and the Group, we will continue to create synergies and establish an overwhelming number-one position in the consumer electronics retail industry.

With FY2026 as the first year in the overall completion of the “Total-Living” strategy, we will be at the stage where we will see some results. YAMADA DENKI will contribute to sustainable growth and increasing corporate value.

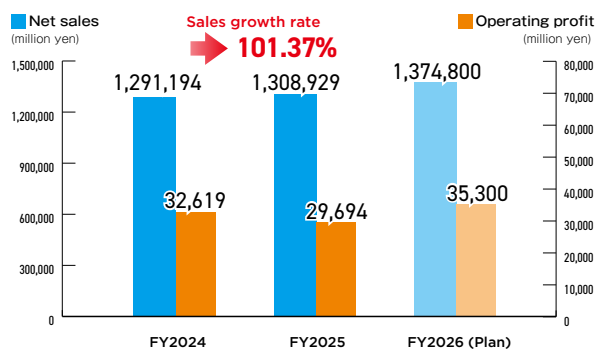
Risks

- Decrease in consumer purchasing power due to rising prices and yen depreciation
- Increased costs due to rising logistics costs, and increased labor costs due to shortage of labor

Opportunities

- Active development of various in-store formats
- Larger sales floor areas
- Responding to growing demand for e-commerce
- Store and product development in response to growing environmental awareness

FY2025 Net sales/Operating profit



Note: Due to offsetting of internal transactions, etc., the consolidated results differ from the sum of the results for each segment.

Review and prospects of the “Total-Living” strategy

Major initiatives and results in FY2025

“Reforming stores with area store development centered around LIFE SELECT and strengthening overseas business” is one of the six business strategies based on the new mid-term business plan, and LIFE SELECT is the store format at the core of our efforts toward achieving that plan. We are focusing on creating stores that are always evolving, with sales promotion activities and strategies, including holding events, in addition to our extensive product lineup, so that customers will enjoy their visits more and want to come back. We are also actively developing our PB and SPA products and expanding product development with both overseas and domestic manufacturers. Each product category will have high-end, mid-range, and low-end items, priced accordingly, and our goal is to achieve a sales composition ratio of 15% and a gross profit composition ratio of 30% in five years.

Business strategies based on the Mid-Term Business Plan (2026/3-2030/3)

- Reforming stores with area store development centered around LIFE SELECT and strengthening overseas business
- E-commerce: Strengthening overall service systems by integrating online and offline sales
- PB and SPA: Actively developing Yamada original products
- Expanding synergies by integrating each operating company
- Promoting the optimization of management resources by reducing inventory and reviewing product composition
- Working to strengthen human resource development and improve productivity on the actual site with actual products and actual data

Challenges and prospects for FY2026

The forecast for FY2026 is harsh, with the home appliance market expected to remain flat, which is to say sluggish. These are the circumstances in which, based on the “Total-Living” strategy, Yamada will be offering various services to our customers. In the Consumer Electronics Segment, we offer a lineup centered on home appliances, with a variety of lifestyle-related products, such as furniture and interior goods, renovations, and toys. This is something only Yamada can do. With FY2026 as the first year in the overall completion of “Total-Living” strategy, I think we will be at the stage where we will see some results.

TOPIC

YAMADA DENKI LIFE SELECT: Creating new value that connects all generations of the family

LIFE SELECT offers hands-on experiences that all generations of the family can enjoy together with the goal of improving both the frequency of store visits and the unit price per customer. At these stores, parents bring children, children bring parents, grandparents bring grandchildren, and grandchildren bring grandparents, creating customer contact points across the generations. Going beyond the mere consumption of goods, LIFE SELECT stores will use toys to offer customer experiences, enhancing their incentive to visit, and areas for them to play together will become places where family memories are made, nurturing fans and contributing to sustainable growth.



Housing Segment

Turning the new tides of our industry to our advantage

Tatsuo Kobayashi

Representative Director and President
YAMADA JUKEN HOLDINGS Co., LTD.



YAMADA JUKEN HOLDINGS plays a crucial role in managing and supervising the business strategies of each company in the Housing Segment, which is central to the “Total-Living” strategy, as well as being involved in the development of strategies and systems aimed at risk avoidance.

Nowadays, lifestyles are diversifying with changes in the social environment, and for the Group, there seems to be a tendency to view these trends as business opportunities.

For example, the demand for ready-built homes is getting higher, especially among the younger generation, who value using both their time and their money effectively. Compared with custom-built homes, ready-built homes are more moderately priced and are also ready to move into sooner, making it easier for even younger customers to own their own homes. Another attraction is being able to actually verify and preview homes that have already been built, so they can envision living comfortably there.

In addition, we offer safety inspection maintenance and renovations so people can safely use their homes for a long time and, for owners whose homes no longer suit their lifestyles due to changes in the structure of their families, we are accelerating our used purchase and resale business initiatives. This also helps with tackling climate change and practicing a circular economy, which YAMADA HOLDINGS is promoting.

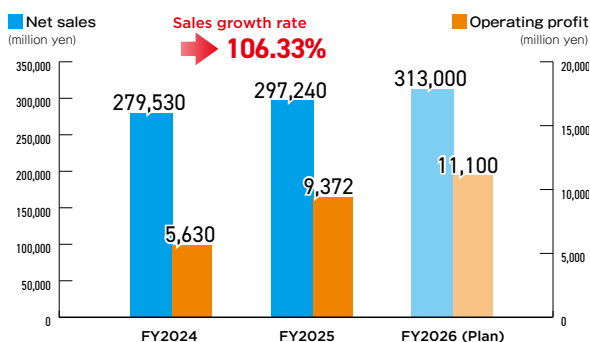
Risks

- Shrinking market due to declining population in Japan
- Cost increases due to a shortage of skilled workers
- Less desire to buy homes due to rising long-term interest rates

Opportunities

- Diversification in homebuilding due to the diversification of lifestyles
- Increasing demand for high-quality, safe, and secure housing
- Growing demand for highly airtight, highly insulated, and energy-efficient homes driven by a decarbonization mindset
- Expansion of the used housing, remodeling, and renovation market

FY2025 Net sales/Operating profit



Note: Due to offsetting of internal transactions, etc., the consolidated results differ from the sum of the results for each segment.

Review and prospects of the “Total-Living” strategy

Major initiatives and results in FY2025

While the aging population, the rising cost of materials, and rising interest rates are challenging, social and environmental changes have diversified lifestyles and increased opportunities to reconsider housing needs. Against the backdrop of climate change and severe natural disasters such as major earthquakes, there is a growing demand for high-quality, safe, and secure housing with high added value. As the move toward achieving a decarbonized society accelerates, ethical demand has also spread to the housing industry, and providing high-quality housing that can be lived in for a long time has become a critical point. This is why we view these new trends as business opportunities and have been promoting the provision of homes with excellent concepts.

Business strategies based on the Mid-Term Business Plan (2026/3-2030/3)

- Expanding sales based on organization and human resource development
- Further enhancement of branding
- Visualizing management and improving productivity through system integration
- Improved owner satisfaction and an ability to make proposals that exceed expectations
- Full-scale introduction of construction digital transformation (DX) in the context of a shortage in construction personnel and the rising cost of materials

Challenges and prospects for FY2026

DX will lead to improved operational efficiency, shorten the period until contracts, construction starts, and delivery, and drive cost reductions, ensuring stable profits. We are also working to increase newsworthiness and expand sales by developing new products that meet customers' needs, such as YAMADA HOMES' RASIO (custom-built homes) and Feelwell (ready-built homes) series and the Hinokiya Group's The Elite One, as well as a variety of sales promotions. Using the Housing Consultation Counters in LIFE SELECT stores, we will promote our used purchase and resale business, where we anticipate further increases in demand going forward and can foresee profitability above a certain level, and will delight customers by proposing a diverse selection of home loans through synergies with the Finance Segment.

TOPIC

Actor Ken Watanabe appointed as ambassador

The “Ken Watanabe: Smart Living” TV commercial released on May 23, 2025, shows actor Ken Watanabe saying “Shouldn’t Japanese homes be updated too?” and then looking out over the challenges YAMADA HOMES takes on. YAMADA HOMES has taken the first step in bringing our customers “Total Smart Living.”



Finance Segment

Uniquely Yamada services that shrug off interest rate increases

Kenichi Koyano

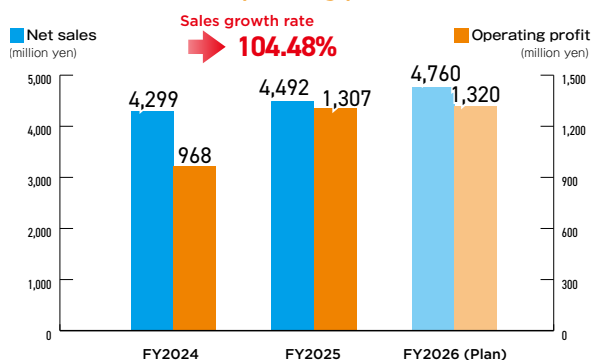
Representative Director and President
YAMADA FINANCE HOLDINGS CO., LTD.



Boosted by monetary easing, the balance for home loans has increased to 221 trillion yen, about double what it was in the bubble years. However, rising interest rates and the rising cost of materials, the plateauing of actual income, and the continued decline of the birthrate and aging of the population mean that new housing starts have fallen even more. In our main business of home loans, I think that the following initiatives are important. First, maintaining the superiority of the home loan products (especially YAMADA NEOBANK Home Loans) that differentiate us from other companies. Next, our unique financial schemes for the renovation business, which we assume will expand, and improvements in our ability to make proposals. Finally, the revision of various financial products whose interest rates are assumed to rise in the future while maintaining our advantages over other companies.

We are thinking about how to establish lifelong relationships with our customers by offering uniquely Yamada home loans and will be putting our ideas into practice.

FY2025 Net sales/Operating profit



Note: Due to offsetting of internal transactions, etc., the consolidated results differ from the sum of the results for each segment.

Risks

- Market interest rate increases on various fixed rate denominated loans

Opportunities

- Yamada's unique home loan offerings
- Promotion and adoption of open banking
- Proposing unique financial schemes related to the renovation business

Business strategies based on the Mid-Term Business Plan (2026/3-2030/3)

- Establishing an administrative system for loans
- Developing products with uniquely Yamada appeal

Review and prospects of the "Total-Living" strategy

We are promoting the following initiatives to triple the balance of our home loan initiative in five years. First, establishing an administrative system for loans. Application forms have been paper-based until now, but we are switching to a completely online system. We are also aiming to expand the market by making YAMADA NEOBANK Home Loans available to general customers as well. Next, further revising home loan products with uniquely Yamada appeal. In addition to the current features that allow combining payments of home appliances, furniture, electric vehicles, vehicle-to-home equipment, storage batteries, solar panels, etc., we are working to develop loan products utilizing the home appliances produced through our collaboration projects and Yamada's infrastructure.

Environment Segment

Significantly contributing to improved Group profits with a long-term perspective

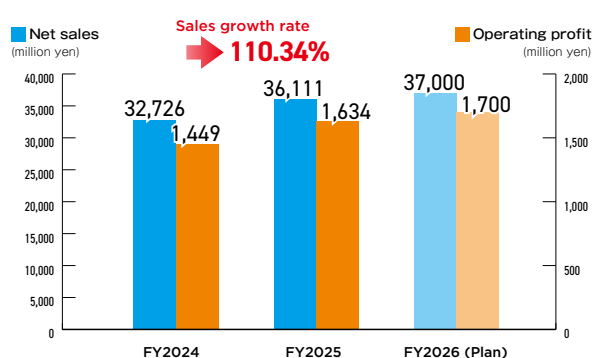
Mitsumasa Kuwano

Representative Director and President
YAMADA Environmental Resources Development Holdings Co., Ltd.



Within the Environment Segment, we develop our business based on the Mid-Term Business Plan (2026/3-2030/3) and five more years after that, which is to say a ten-year plan. This is because the nature of the waste industry is such that it takes an extremely long period of time to obtain permits, licenses, and so on, so we always engage in our business with a medium- to long-term perspective. Going forward, we are spreading the reuse and recycle system centered on reuse plants, which we have been aiming to complete to some extent in the Kanto region, throughout Japan, and we are aiming to expand their size. We are also considering the expansion of the Group, focusing basically on M&A. Our goal is for the Environment Segment to reach 100 billion yen in sales and 10 billion yen in operating profit in ten years. We are constantly working on environmental projects as a business, and we will be building a sustainable circular resource system. That will lead the creation of value throughout the entire Group.

FY2025 Net sales/Operating profit



Note: Due to offsetting of internal transactions, etc., the consolidated results differ from the sum of the results for each segment.

Risks

- Intensifying purchasing competition due to booming reuse/recycling market

Opportunities

- Expansion of stores that handle outlet & reuse items
- Operation of waste-to-energy plant (scheduled in FY2027)

Business strategies based on the Mid-Term Business Plan (2026/3-2030/3)

- Strengthening B-to-B purchasing to achieve a capacity of 300,000 reused household appliances
- Building new reuse plants and recycling plants
- M&A

Review and prospects of the "Total-Living" strategy

With the completion of the YAMADA West Japan Reuse Center Yamaguchi Plant, which will be used for reusing home appliances, in May 2025, and having the new Tochigi Plant (scheduled to be transferred in the autumn) and other sites, which conduct production such as PC reuse, FY2026 is the first year of creating the foundations of the new mid-term business plan. Meanwhile, because of the start of construction of an incineration and power generation plant in the city of Ota in Gunma Prefecture, Azuma Metal's Gunma No. 1 Plant was demolished in FY2025 and the land was left vacant, so, as a supplementary measure for those sales and to avoid losing customers until the start of operations in 2027, we will take good care of our suppliers, such as introducing other plants.

PB+SPA Strategy

Developing unique products that bring high profit margins

At YAMADA HOLDINGS, we support “Total-Living,” and that is why we are able to develop so many original products. In addition to handling a wide variety of products and linking product appeal with the needs customers share with us directly, Yamada’s private brand (PB) and original products manufactured by way of an SPA business strategy are working to differentiate us from other companies and capture market share by using the technology we have accumulated and our relationships with each manufacturer to offer high-performance products at reasonable prices.

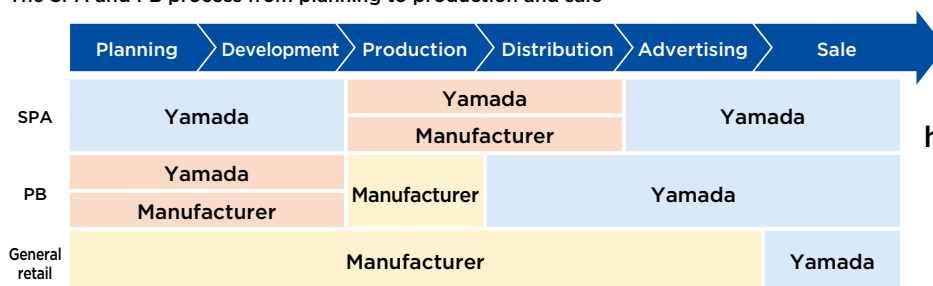
These days, the retail industry is in the midst of a major shift from price competitiveness to service competitiveness. By strengthening our efforts to speed up joint development with competitive manufacturers and

refine new sales channel and distribution network initiatives, and using a PB+SPA strategy to expand the range of products that are only available at Yamada, we will improve the sales composition ratio and achieve high profit margins.

Expansion and development of PB+SPA products

	FY2025 (Results)	FY2030 (Target)
Business scale	¥77.7 billion	¥300 billion
Sales composition ratio	5.9%	15.0%
Gross profit composition ratio	12.4%	30.0%

The SPA and PB process from planning to production and sale



A wide range of high-performance and reasonably-priced products that are **only available at Yamada**

Until now, the SPA products we have been developing from planning through to production and sale have mainly been entry-level models, but going forward, we will be strengthening the development of mid-range models. Through joint development with both overseas and domestic manufacturers, we are working to improve profits by developing mid-range and flagship models of our PB products.

High efficiency and reasonably priced: The PB+SPA Product Lineup



YWM-YV90N

Front-loading washer-dryer with a slanted drum

RORO

A compact machine loaded with the features you need, including triple-automated cleaning functions, a filterless dryer, four water-temperature settings and ten programs to match the type of clothing and how dirty it is.



YRZ-F36MW

YAMADA original refrigerator

REFAGE Series

A 360-liter refrigerator that comes with the power of ions to disinfect and deodorize the inside of the refrigerator and keep it clean and a Select-Chilled Room you can switch from regular chilling to light freezing (-3°C), plus it can make ice in as little as 90 minutes.



YHAMV40R2

YAMADA original air conditioner

RIAIR Series

RIAIR's range of cleaning functions includes automatic filter cleaning, Freeze-Cleaning that freezes the heat exchanger to loosen dirt that is then washed away with a sudden blast of heat, and a smooth hydrophilic coating on the fins of the outdoor unit that makes it hard for odors to stick to the surface.



JL-43YX10

YAMADA original TV

JVC Smart TVs with Fire TV

These Fire TV-equipped smart TVs display everything from online videos to the TV shows that are on right now. Convenient user-friendly functions include remote control voice recognition, dual-screen display, and game mode.

Basic Approach

YAMADA HOLDINGS strives for the continual improvement of corporate and stakeholder value by promoting the clarification of management responsibilities and prompt decision-making as well as increasing management transparency and conducting fair corporate activities.

Outside Director's Message

Fulfilling a Responsibility to Lead Regrowth of Home Appliances Distribution Industry

Tsukasa Tokuhira
Outside Director



As an expert in the field of distribution, I have provided a wide range of advice and proposals at the Board of Directors meetings since June 2014. Distribution businesses engage in extremely frequent contact with customers, and I've always been more concerned about receiving good evaluations from customers than I have been about evaluations from other stakeholders. When opening a new store, I've always tried to visit the location as much as possible. I've listened to sales staff and store managers directly in order that I might share their opinions at the Board of Directors meetings with the goal of having their ideas reflected in business operations. I've also made active proposals for the introduction of products with potential for growth into YAMADA DENKI stores as quickly as possible. The Board of Directors has successfully developed an atmosphere that enables Chairperson Yamada, President Ueno, and the other members of the board to listen to and accept the voices of on-site staff and other external viewpoints. Our Board of Directors has the great advantage of being able to exchange opinions interactively.

Foresight in the "Total-Living" strategy

As the domestic home appliance market has remained unchanged for a few years, it is difficult to expect significant growth. With this in mind, YAMADA HOLDINGS has established its "Total-Living" strategy to enhance its capability to provide a wide range of services that support customer lifestyles by offering everything needed for a comfortable life. This strategy keeps pace with medium- to long-term structural changes taking place in the industry. Up to this point, the distribution industry has been focused on the ability to flexibly respond to changes over time. Today, however, we need to evolve into an industry capable of responding to new technologies. YAMADA HOLDINGS has remained ahead of the times by implementing new technologies such as AI and IoT for

home appliances, robotics, housing digitalization, and next-generation solar power generation and storage batteries. The "Total-Living" strategy will prove its value as structural changes actually occur.

However, according to the market and investor evaluations, the significant room for potential growth and the vision we have established have not yet been sufficiently disseminated. It is necessary for us to make our message available to a wider public to better express our proposals to stakeholders.

Omnichannel strategy by integrating online and offline sales

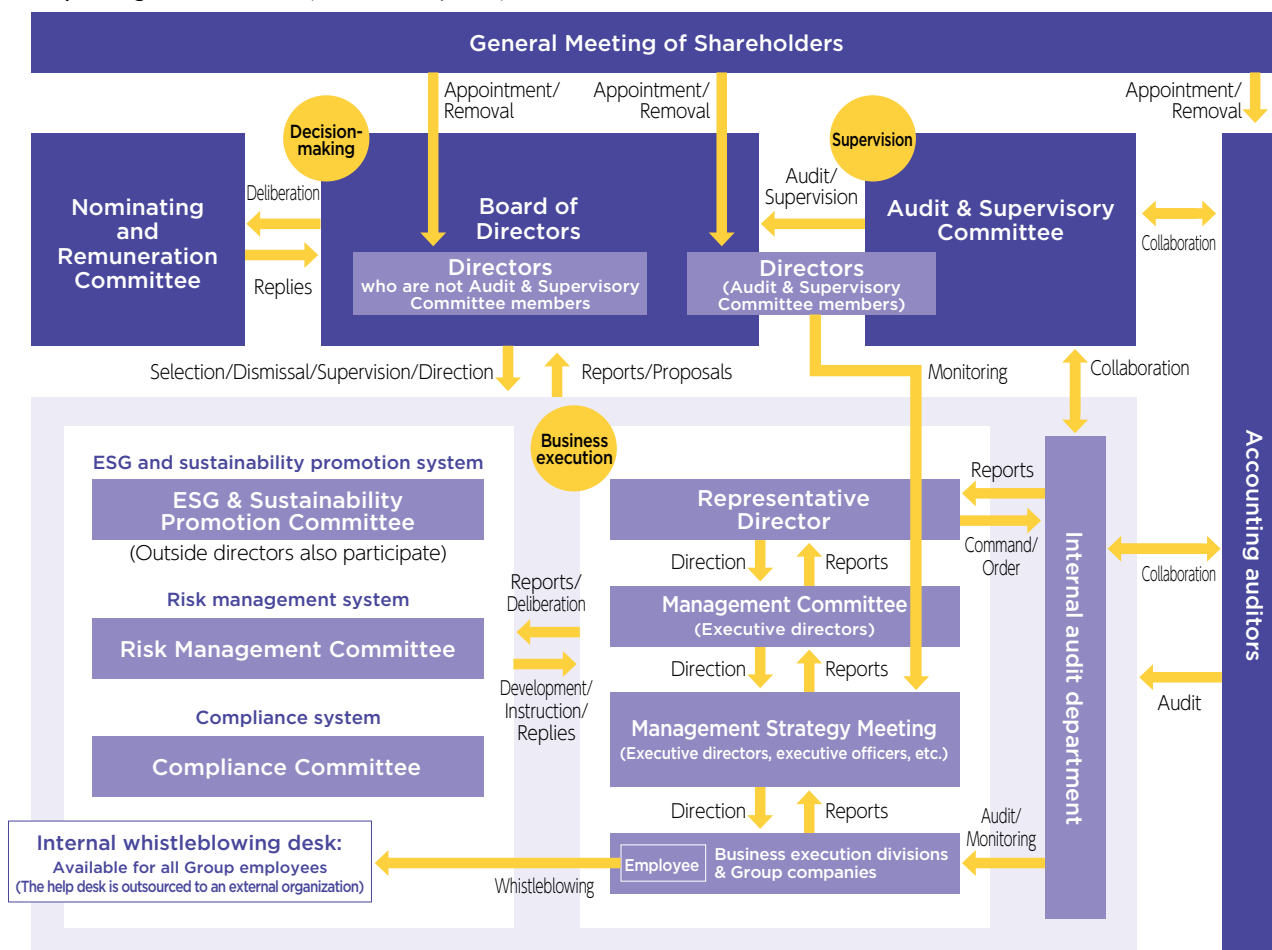
YAMADA DENKI has a firm business infrastructure with approximately 1,000 stores nationwide. With the increasing popularity of e-commerce, some think that having brick and mortar stores is out-of-date. However, this is not the case. E-commerce sales entail significant costs for promotion and distribution, and return rates are also high, meaning that profitability is an issue. YAMADA DENKI began work toward the integration of online and offline sales at an early stage, and established a framework for combined use. E-commerce sales have steadily achieved good results with total sales reaching an impressive 100 billion yen. More effective use of the sales network through both physical locations and e-commerce routes will be an important key for growth.

As an outside director, I strive to provide appropriate advice and proposals based on effective supervision over the progress of the new mid-term business plan. Since YAMADA HOLDINGS is a leading company in the domestic home appliances distribution industry, we are responsible not only for enhancing our business performance, but also for leading the entire industry toward its return to growth. Therefore, I will continue providing advice to help advance sustainability and other initiatives.

Corporate Governance

Our company transitioned from a company with an Audit & Supervisory Board to a company with an Audit & Supervisory Committee on June 27, 2024. Under a governance structure consisting of the Board of Directors and Audit & Supervisory Committee, we have clearly separated the management functions of decision-making, supervision, and business execution. In order to be able to respond quickly to changes in the business environment surrounding the Group, we have introduced a business execution system consisting of executive directors and executive officers, and have put in place a system that clarifies management responsibilities. In addition, to ensure the objectivity and transparency in matters carried out by the Board of Directors in relation to the determining of executive personnel and the processes by which remuneration is decided, a Nominating and Remuneration Committee has been established as an optional deliberation body.

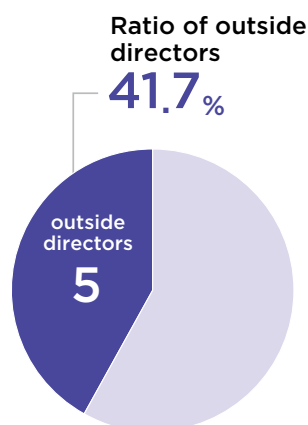
Corporate governance chart (as of June 27, 2025)



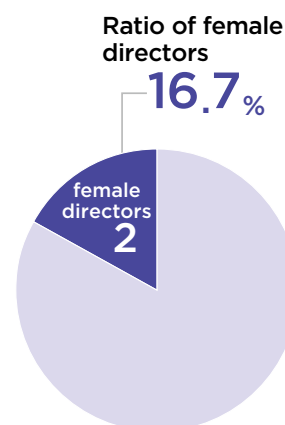
Corporate governance system overview (as of June 27, 2025)

Main items	Description
Type of organization	Company with an Audit & Supervisory Committee
Chairperson of the Board of Directors	Representative Director
Number of directors	12 (of which 2 female)
Number of outside directors	5 (all independent)
Number of directors who are not Audit & Supervisory Committee members	7 (of which 2 female)
Number of outside directors	2 (both independent)
Number of directors who are Audit & Supervisory Committee members	5
Number of outside directors	3 (all independent)
Number of executive officers	14
Term of office of directors who are not Audit & Supervisory Committee members	1 year
Term of office of directors who are Audit & Supervisory Committee members	2 years

Status of outside directors



Status of female directors



directors All 12

Board of Directors

The Board of Directors consists of 12 directors in total (with five outside directors accounting for 41.7% of the total), including five directors who are Audit & Supervisory Committee members and seven directors who are not, and is chaired by the Representative Director. Regular Board of Directors meetings are held once a month in principle, with extraordinary meetings also held as necessary. All important matters are submitted to the Board of Directors, and progress in business performance is also discussed, with measures being taken promptly.

Main items discussed at the Board of Directors meetings (FY2025)

- Matters related to the General Meeting of Shareholders
- Matters related to stock and corporate restructuring
- Approval and resolution of financial statements, reports, and dividends
- Matters related to treatment and appointment of directors
- Approval of basic management policies
- Approval of business plans, budgets, and expenditures
- Asset management
- Procurement and management of funds
- Sustainability-related considerations
- Matters related to execution of duties
- Approval of revision and enactment of regulations

Nominating and Remuneration Committee

The Nomination and Remuneration Committee is composed of eight directors (including five outside directors, accounting for 62.5%) and is chaired by the Representative Director, ensuring objectivity and transparency in the process of determining executive appointments and remuneration. Remuneration for the Company's directors (excluding directors who are Audit & Supervisory Committee members and outside directors) is determined within the total amount of remuneration approved at the General Meeting of Shareholders in accordance with the regulations, taking into consideration factors such as the degree of contribution, financial situation, and economic climate. A draft proposal is submitted to the Nomination and Remuneration Committee, it is then deliberated upon and reported to the Board of Directors, at which time a final decision is reached based on the resolution of the Board.

Audit & Supervisory Committee

The Audit & Supervisory Committee consists of five directors who are Audit & Supervisory Committee members (including three outside directors who are also Audit & Supervisory Committee members; the ratio of outside directors is 60%) and meets once a month in principle. The directors audit and monitor the execution of duties by directors in accordance with the

audit standards established by the Audit & Supervisory Committee, by attending not only Board of Directors meetings but also important meetings such as the Management Strategy Meeting, and various committees and subcommittees hosted by business execution divisions, and by investigating the status of assets, etc.

Board of Directors' commitment to diversity and goals

To achieve medium- to long-term growth, we are working to diversify our Board of Directors in order to adapt to ever-changing market needs and improve the quality of management decisions. To achieve this, we will strive to meet our goal of increasing the ratio of female directors to 30% or more by 2030.

Assessment of Board's effectiveness

Our company conducts surveys of directors to analyze and evaluate the effectiveness of the Board of Directors. In FY2025, the Board of Directors was evaluated from a new perspective following the transition to a company with an Audit & Supervisory Committee and the reelection of officers. As a result, the score was lower than the previous year, but the overall evaluation remained high. The effectiveness of our Board of Directors was assessed as being ensured, as an environment in which free and open discussions are maintained, including the chairperson's management of proceedings in which each and every one of the directors are offered a chance to voice their opinions.

We will continue to improve the effectiveness of the Board of Directors by comparing it with the past and checking the status of improvements.

Details of Board effectiveness assessment for FY2025

Assessment method

The Board Secretariat determines the items to be assessed, and conducts a questionnaire survey directed at all 12 directors (seven internal directors and five outside directors) between January and March. The responses received from all directors were then analyzed and evaluated.

Assessment item

- Role and function
- Size and structure
- Operation
- Internal control and auditing body
- Relationship with outside directors
- Relationship with shareholders and investors

Overview of assessment results and future actions

The overall evaluation remained high (3.25 out of a maximum of 4). However, we recognized the need to further strengthen our governance system and expand opportunities to enhance insight into the business, and have therefore set out the priority tasks and policies that the Board of Directors should take on in the future, as shown on the next page, "Priority tasks and policy."

Priority tasks and policy

01 Strengthening the governance system

In order to strengthen governance and risk management across the Group, we have established an appropriate management framework that includes identifying issues and potential risks in each committee and sharing information.

02 Appropriate provision of training opportunities [ongoing issue]

To further enhance the roles expected of officers, we will create an environment in which they can deepen their understanding of the overall management by planning opportunities for dialogue and information sharing between outside directors and Audit & Supervisory Committee members and onsite inspections.

03 Development of support systems [ongoing issue]

The content of materials presented to the Board of Directors will be improved and enhanced, and these will be shared in advance at an early stage, in order to enhance operations and enable more constructive discussions at the Board of Directors meetings.

Executive remuneration

The remuneration of directors (excluding directors who are Audit & Supervisory Committee members and outside directors; hereinafter referred to as "Eligible Directors") is determined within the total amount of remuneration approved at the General Meeting of Shareholders in accordance with the regulations, taking into consideration factors such as the degree of contribution, financial situation, and economic climate. A draft proposal is submitted to the Nomination and Remuneration Committee, it is then deliberated upon and reported to the Board of Directors, at which time a final decision is reached based on the resolution of the Board.

The remuneration for Eligible Directors consists of basic remuneration and bonuses as short-term incentives, medium-term restricted stock remuneration as a medium-term incentive, and long-term restricted stock remuneration as a long-term incentive.

Basic remuneration will be determined after comprehensively taking into consideration position, job duties, responsibilities, company performance, etc. As for bonuses, no specific conditions for achievement have been set, but the allocation amount will be

determined after comprehensively taking into consideration company success and performance appraisals of fulfilling responsibilities, etc. Remuneration for directors that are Audit & Supervisory Committee members and outside directors is fixed in order to maintain proper and effective management supervision.

Currently, we are also discussing and considering linking ESG performance to performance-linked remuneration.

Persons with authority to decide on remuneration, etc.

Remuneration amount for directors* (excluding directors who are Audit & Supervisory Committee members)	▶ Board of Directors
Remuneration amount for directors who are Audit & Supervisory Committee members	▶ Audit & Supervisory Committee

*Does not include employee salaries for directors who also serve as employees

Internal control system

Based on the Internal Control System Basic Policy, we are continuously strengthening our initiatives in compliance, information management, and risk management, and operating an effective governance system. The Risk Management Committee and Compliance Committee also fully share important matters to members of each department and each operating company by way of the Compliance Subcommittee, thereby making an effort to strengthen the management system to improve the effectiveness of internal control.



Internal Control System Basic Policy

https://www.yamada-holdings.jp/lang-en/policy_internalcontrol.html

IR activity

We hold financial results briefings for analysts and institutional investors. At the briefing sessions, senior management directly explain YAMADA HOLDINGS' management philosophy and policies, current performance, and future business strategies to give the attendees an opportunity to gain a deeper understanding of the Group.

Number of meetings with investors, etc.

FY2023	FY2024	FY2025
204	223	216

P.59 Stakeholder Engagement

Total remuneration for each executive class, total by type of remuneration, and the number of executives that are eligible (FY2025)

Executive class	Total amount of remuneration (million yen)	Total by type of remuneration (million yen)					Number of executives that are eligible
		Fixed remuneration	Performance-linked remuneration	Restricted stock remuneration	Stock options	Of the items listed on the left, non-monetary rewards, etc.	
Directors (excluding Audit & Supervisory Committee members and outside directors)	650	297	82	210	59	270	8
Directors (Audit & Supervisory Committee members) (excluding outside directors)	30	30	—	—	—	—	2
Audit & Supervisory Board members (excluding outside Audit & Supervisory Board member)	12	12	—	—	—	—	2
Outside directors	30	30	—	—	—	—	5

Notes: 1. The Company transitioned from a company with an Audit & Supervisory Board to a company with an Audit & Supervisory Committee as of June 27, 2024.
2. The total amount of non-monetary rewards paid to directors (excluding Audit & Supervisory Committee members and outside directors) consisted of restricted stock remuneration of 210 million yen and stock options of 59 million yen.

Director skills matrix and attendance

To realize the Group's management philosophy, promote the "Total-Living" strategy, and strengthen governance, we have selected and indicated with a "●" mark in the table below fields of skills (knowledge and experience) we hold in particularly high regard from among those possessed and used by Company's directors to fulfill both their roles and responsibilities as well as appropriately exercise their decision-making and management oversight functions.

Skill matrix (as of June 27, 2025)

Name		Position	Years in office	Fields of skills									Attendance (FY2025)		
				Corporate management/ Organizational operation	Internal control (including legal affairs and risk management)	Store development	Marketing	Logistics/ Services	IT/DX	Human resources/ Human resource development	Finance/ Accounting	ESG/ Sustainability	Board of Directors meetings (held 17 times)	Audit & Supervisory Committee ^{*1} (held 10 times)	Nominating and Remuneration Committee ^{*2} (held 5 times)
Directors	Noboru Yamada		42 years	●	●	●	●	●				●	17/17 100%	—	5/5 100%
	Yoshinori Ueno		1 year	●	●	●	●	●					13/13 100% ^{*3}	—	5/5 100%
	Megumi Kogure		7 years	●	●					●		●	17/17 100%	—	5/5 100%
	Kenichi Koyano		1 year	●	●						●	●	12/13 92% ^{*3}	—	—
	Tsuyoshi Nagano		1 year	●	●			●	●				13/13 100% ^{*3}	—	—
	Tsukasa Tokuhira	Independent/ Outside	11 years				●			●			17/17 100%	—	5/5 100%
	Miki Mitsunari	Independent/ Outside	5 years			●			●			●	17/17 100%	—	5/5 100%
Directors (Audit & Supervisory Committee members)	Makoto Igarashi		11 years	●	●						●		17/17 100%	10/10 100%	—
	Kenji Yamazaki		1 year	●	●				●				13/13 100% ^{*3}	10/10 100%	—
	Somuku Iimura	Independent/ Outside	9 years		●								17/17 100%	10/10 100%	5/5 100%
	Kunimitsu Yoshinaga	Independent/ Outside	3 years								●		17/17 100%	10/10 100%	5/5 100%
	Hirohisa Ishii	Independent/ Outside	2 years								●		17/17 100%	10/10 100%	5/5 100%

*1 The number of Audit & Supervisory Committee meetings is the number of meetings held after the transition to a company with an Audit & Supervisory Committee on June 27, 2024.

*2 The number of Nomination and Remuneration Committee meetings is the number of meetings held after its establishment on June 27, 2024.

*3 The attendance of Representative Director, President and COO Yoshinori Ueno, Director Kenichi Koyano, Director Tsuyoshi Nagano, and Director Kenji Yamazaki covers the period from their inauguration on June 27, 2024 onwards.

Overview of each skill field

Fields of skills	Skills that directors are particularly expected to demonstrate
Corporate management/ Organizational operation	Embodiment of the management philosophy of "Creation and Challenge," "Appreciation and Trust," and respond to the diversification of the market environment and values, while promoting the "Total-Living" strategy across the five segments of the Company. Skills to make management decisions and to organize and execute management plans and strategies to ensure the sustainable growth, development, and enhancement of corporate value of the Group.
Internal control (including legal affairs and risk management)	Skills to identify various risks associated with business activities, continuously enhance compliance, information management, risk management, and other initiatives, operate an effective governance structure, and strengthen and promote management systems to improve the effectiveness of internal controls.
Store development	Skills to promote "Total-Living" strategy, including active development of LIFE SELECT stores, opening new stores in areas where we have not yet opened stores, promoting scrap and build, and improving existing store strength through remodeling, in order to increase market share across the region by building a store network and to optimize and maximize store efficiency in the area.
Marketing	In addition to basic marketing skills such as possessing a sensibility that enables them to consider matters from the customer's perspective, which facilitates precise and flexible responses to market changes and each trade area, skills to push the "Total-Living" strategy by furthering a digital shift in sales promotions using the big data of members in marketing strategies, developing digital sales promotions using the Company's own apps, and heightening awareness of store digital transformation (DX) using new technologies.
Logistics/Services	Skills to promote the "Total-Living" strategy by addressing the 2024 logistics problem in Japan, as well as delivery, installation, and service systems in promoting overseas business strategies.
IT/DX	Skills to promote the "Total-Living" strategy by transforming business through the use of digital information and data across the Group, including the creation of new value at real customer contact points, promotion of data utilization across the Group, and going through a digital shift of marketing initiatives.
Human resources/ Human resource development	Viewing employees as an indispensable management resource for the sustainable development of the Company, the Group is working to develop and improve the abilities of its employees through securing and nurturing human resources and through appraisals. Skills that help to actively promote securing a safe, healthy, and comfortable working environment that respects diversity and individuality.
Finance/Accounting	Skills for compiling and appropriately reporting financial and accounting information, improving capital efficiency through group cash management, and promoting loans, various types of insurance, and the development of new financial products, in order to support the "Total-Living" strategy from the financial side.
ESG/Sustainability	Skills to identify sustainability risks and opportunities and promote group-wide efforts to build a sustainable society and solve social issues through our own business.

Directors and Officers



42 years in office

Noboru Yamada

Representative Director,
Chairperson and CEO

Born on February 11, 1943

Reason for selection

Pioneering management expertise with many years of experience, innovative and broad knowledge, and the ability to take a broad view of the entire Group and demonstrate rational decision-making skills to solve problems are essential.

1983 Sep. Representative Director and President
2008 Jun. Representative Director, Chairperson and CEO
2013 Jun. Representative Director, President and CEO
2016 Apr. Representative Director, Chairperson and Chairperson of the Board of Directors
2019 Jun. Representative Director and Chairperson
2021 Apr. Representative Director, Chairperson and CEO
2021 Sep. Representative Director, Chairperson and President CEO
2025 Apr. Representative Director, Chairperson and CEO (present post)



1 year in office

Yoshinori Ueno

Representative Director,
President and COO

Born on December 2, 1971

Reason for selection

As Representative Director and President of YAMADA DENKI, he contributed greatly to the recovery and improvement of operation by implementing efficient organizational reform and management, and by cultivating human resources to lead the Consumer Electronics Segment.

2014 Apr. Joined the Company as Head of Sales Strategy Office, Sales and Marketing Division
2016 Jun. Director and Senior Executive Officer, General Manager of Sales Strategy Division and Head of Housing Collaboration Sales Strategy Office
2018 Apr. Director and Managing Executive Officer, General Manager of Merchandise Division
2020 Jun. Director and Senior Managing Executive Officer, General Manager of Sales and Merchandise Division
2020 Oct. Director and Senior Managing Executive Officer, General Manager of Sales and Merchandise Division, YAMADA DENKI CO., LTD.
2022 Apr. Representative Director and President of YAMADA DENKI CO., LTD.
2024 Jun. Representative Director, Vice President and Executive Officer
2025 Apr. Representative Director, President and COO (present post)



7 years in office

Megumi Kogure

Representative Director, Vice President,
Executive Officer and CHRO

Born on October 18, 1976

Reason for selection

Views human capital management through business, primarily in ESG management, as one growth strategy, and promotes and contributes to management reform through proactive investment in human capital.

2017 May Junior Executive Officer, Head of Secretary Office
2018 Jun. Director and Senior Executive Officer, Head of Secretary Office and Head of Human Resources Development Office
2019 Apr. Director and Senior Executive Officer, Head of Secretary Office and General Manager of Human Resources and General Affairs Division
2020 Jun. Director and Managing Executive Officer, General Manager of Human Resources and General Affairs Division
2021 Apr. Director and Executive Officer in charge of Human Resources and General Affairs Division
2022 Apr. Representative Director and Senior Managing Executive Officer in Charge of Human Resources and General Affairs Division
2024 Jun. Representative Director, Vice President and Executive Officer in Charge of Human Resources and General Affairs Division
2025 Apr. Representative Director, Vice President, Executive Officer and CHRO (present post)



1 year in office

Kenichi Koyano

Director, Senior Managing
Executive Officer and CFO

Born on January 28, 1961

Reason for selection

Launched various financial businesses in the Finance Segment and led the base building process. He contributed greatly to improving business performance by acquiring large-scale development properties that made maximum use of the Group's financial strength.

2009 Jun. Managing Executive Officer, Deputy General Manager of Administration Division of the Company
2012 Jun. Director and Managing Executive Officer, Head of Finance Office, Administration Division, and Manager of Affiliates Profitability Management Department
2013 Jun. Director and Senior Executive Officer, Head of Finance Office, Administration Division and Head of Management Office for Affiliated Companies and Manager of Affiliates Profitability Management Department
2015 Mar. Director and Senior Executive Officer, General Manager of Administration Division, and Head of Management Office for Affiliated Companies
2016 Apr. Director and Senior Executive Officer, and General Manager of Administration Division
2016 May Representative Director and President of YAMADA FINANCE SERVICE CO., Ltd.
2024 Jun. Director and Senior Managing Executive Officer
2025 Apr. Director, Senior Managing Executive Officer and CFO, General Manager of Administration Division (present post)
2025 Apr. Representative Director and President of YAMADA FINANCE HOLDINGS CO., LTD. (present post)



1 year in office

Tsuyoshi Nagano

Director and Executive Officer

Born on January 20, 1967

Reason for selection

Oversees various departments, including corporate planning, business strategy, and public relations. Promotes the Group's growth strategies, including operational efficiency between each segment, M&A, and capital and business alliances.

2015 May Representative Director and President of SBI Wealth Partners Co., Ltd.
2017 Mar. Managing Director of Sharaku Partners Co., Ltd.
2018 Dec. Representative Director and President of Social Mobility, Inc.
2020 Nov. Joined the Company as in Charge of Special Assignment in the Chairperson's Office
2021 Apr. Outside Director of FOMM Corporation
2022 May Secretary General of The Japan Major Consumer Electronics Appliance Distributor Association
2024 Jun. Director and Executive Officer, Head of Integrated Corporate Planning Office (present post)



11 years in office

Independent/Outside

Tsukasa Tokuhira*

Director

Born on May 3, 1954

Reason for selection

Provides guidance, advice, and support for consulting and e-commerce businesses that combine online and offline sales, based on demand forecasts derived from research and investigation of sales sites and market environments.

1977 Apr. Joined Hanbai Noritsu Zoshin Honbu Co., Ltd.
1984 Apr. Manager of Guidance Division at Hanbai Noritsu Zoshin Honbu Co., Ltd.
1987 Feb. Representative Director and President of Fic Limited (present post)
2007 Jul. Representative Director and President of Cross Co., Ltd. (present post)
2014 Jun. Outside Director of the Company (present post)

*Independent officer under the listing rules of the Tokyo Stock Exchange (As of June 27, 2025)



5 years in office Independent/Outside

Miki Mitsunari*

Director

Born on February 29, 1972

Reason for selection

Provides advice on climate change and personnel system reform, as well as information and guidance on large-scale investment projects in Japan and overseas and other issues, based on analysis using digital information.

1994 Apr. Joined TOKYU LAND CORPORATION
2001 Feb. Joined FUJI RESEARCH INSTITUTE CORPORATION (now Mizuho Research & Technologies, Ltd.)
2011 Sep. Representative Director of FINEV Inc. (present post)
2020 Mar. Outside Director at Funai Soken Holdings Inc.
2020 Jun. Director at Japan Accreditation Board (present post)
2020 Jun. Outside Director of the Company (present post)
2022 Jun. Outside Director at Solasto Corporation (present post)
2023 Jun. Outside Director at YUASA TRADING CO., LTD. (present post)



11 years in office

Makoto Igarashi

Director (Audit & Supervisory Committee Member)

Born on August 4, 1964

Reason for selection

Has extensive experience and specialized knowledge, and his appropriate guidance and advice, backed by a policy that emphasizes the workplace, strengthens the audit system of the Group.

1999 Jun. Director, Manager of Accounting Department of the Company
2001 Apr. Managing Director, Deputy General Manager of Merchandise Management Division
2003 May Senior Managing Director, General Manager of Administration Division
2005 Jan. Director and Senior Managing Executive Officer, General Manager of the Sales and Marketing Division
2008 Jun. Director and Senior Managing Executive Officer, Head of Overseas Business Strategy Office
2013 Jun. Director, Managing Executive Officer and CFO, General Manager of Administration Division
2014 Jun. Audit & Supervisory Board Member
2024 Jun. Director (Audit & Supervisory Committee Member) (present post)



1 year in office

Kenji Yamazaki

Director (Audit & Supervisory Committee Member)

Born on January 28, 1968

Reason for selection

Made significant contributions to strengthening the organization of the Group's internal audit department, improving and standardizing audit capabilities through human resource development, and building and operating an audit system.

1999 May Manager of Information System Department
2000 Jul. Head of the Internal Audit Office, Administration Division
2002 Jan. Head of the Internal Audit Office and General Manager of Management Department, Administration Division
2009 Apr. Executive Officer, Head of the Internal Audit Office
2012 Apr. Senior Executive Officer, Head of the Internal Audit Office
2021 Apr. Executive Officer, Head of the Audit Office, General Manager of Audit Department No.1
2021 Jun. Audit & Supervisory Board Member of YAMADA DENKI CO., LTD. (present post)
2024 Jun. Director (Audit & Supervisory Committee Member) (present post)



9 years in office Independent/Outside

Somuku Iimura*

Director (Audit & Supervisory Committee Member)

Born on April 14, 1953

Reason for selection

In addition to providing beneficial guidance and advice on management from a third-party perspective, he fulfills his responsibilities as an independent Audit and Supervisory Committee member in terms of legal matters and strengthening corporate governance.

1986 Apr. Registered as a lawyer and joined Masuda & Ejiri Law Firm
2014 Jun. Outside Director at Maruha Nichiro Corporation
2016 Jun. Outside Audit & Supervisory Board Member of the Company
2017 Feb. Outside Audit & Supervisory Board Member at Nachi-Fujikoshi Corporation
2019 Jan. Joined Nishimura & Asahi Law Firm
2020 Jan. Joined Natori Law Office (now ITN Partners) as a Senior Partner
2020 May Outside Audit & Supervisory Board Member at SANYO SHOKAI LTD. (present post)
2020 Jun. Outside Director at The Furukawa Battery Co., Ltd. (present post)
2020 Dec. Executive Partner of ITN Partners (present post)
2024 Jun. Outside Director (Audit & Supervisory Committee Member) (present post)
2024 Jul. Outside Director at Japan Aircraft Industrial Enhancement Co. Ltd. (present post)



3 years in office Independent/Outside

Kunimitsu Yoshinaga*

Director (Audit & Supervisory Committee Member)

Born on November 20, 1945

Reason for selection

Served at the Ministry of Finance and THE TOWA BANK, LTD. as president. He promoted YAMADA NEOBANK launched by the Finance Segment and provided guidance and advice to the departments related to financial institutions, primarily the Administration Division.

1969 Jun. Joined the Bank of Japan
1970 Oct. Joined the Ministry of Finance
2005 Jun. Joined THE TOWA BANK, LTD. as Senior Managing Director
2007 May Representative Director and President of THE TOWA BANK, LTD.
2020 Jun. Representative Director, Chairperson of THE TOWA BANK, LTD.
2021 Jun. Corporate Advisor of THE TOWA BANK, LTD.
2022 Jun. Corporate Honorary Advisor of THE TOWA BANK, LTD.
2022 Jun. Outside Director of the Company
2024 Jun. Outside Director (Audit & Supervisory Committee Member) (present post)



2 years in office Independent/Outside

Hirohisa Ishii*

Director (Audit & Supervisory Committee Member)

Born on September 19, 1958

Reason for selection

Held key positions at financial institutions, and in the Group, provides guidance and advice based on his experience in the execution of operations in indirect departments such as finance and accounting, as well as his investment experience.

1982 Apr. Joined The Dai-ichi Kangyo Bank, Limited (now Mizuho Bank, Ltd.)
2010 Apr. Executive Officer, Mizuho Corporate Bank, Ltd. (now Mizuho Bank, Ltd.)
2013 Jun. Director Deputy President, Mizuho Asset Management Co., Ltd. (now Asset Management One Co., Ltd.)
2016 Oct. Managing Director at Mizuho Bank, Ltd.
2018 Jun. Representative Director and President of Heart Agency Co., Ltd.
2020 Jun. Outside Director (and Audit & Supervisory Committee Member) of TOTOKU ELECTRIC Co., Ltd. (now TOTOKU INC.)
2023 Jun. Outside Audit & Supervisory Board Member of the Company
2024 Jun. Outside Director (Audit & Supervisory Committee Member) (present post)
2024 Jul. Corporate Advisor of Seiwa Building Co., Ltd. (present post)

Compliance

The YAMADA HOLDINGS Group positions compliance as one of the most important management issues, and recognizes that, as a corporate citizen, not only legal compliance, but also compliance with social norms is essential. By practicing the YAMADA HOLDINGS Group Code of Conduct which serves as an action guideline for realizing the Group's management philosophy, we are making all of our employees more aware about the issue of compliance and we are working to establish and thoroughly ensure compliance is carried out.

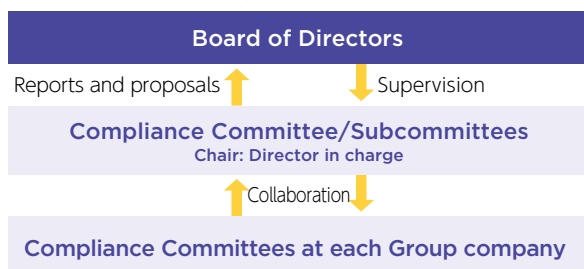


YAMADA HOLDINGS Group Code of Conduct
https://www.yamada-holdings.jp/lang-en/policy_code-of-conduct.html

Promotion system

YAMADA HOLDINGS established a Compliance Committee, chaired by the director in charge, to ensure thorough compliance throughout the Group. At the monthly Compliance Committee meeting, the status of compliance management at each Group company is confirmed to identify any problems and discuss improvement measures. The Group is also striving to improve its compliance system through various subcommittee topics. Meetings of Compliance Committees are also held once a month at Group companies to exchange opinions and to hold study sessions on issues arising from each Group company. Content from all committee discussions is reported to the Board of Directors as required with information shared and any appropriate measures taken.

Compliance promotion system



Compliance training

Our company holds compliance training to further promote understanding of topics under discussion. Every year, the Legal Affairs Office selects topics that are strongly related to the work of the Group and those that are based on recent legal reforms. Our training in FY2025 was designed to improve more specific knowledge by collaborating with related departments such as the Sustainability Promotion Department. In addition, we used online learning tools to support voluntary training by employees, and held study sessions for compliance officers of Group companies.

Initiatives on anticorruption and on the Antimonopoly Act and Subcontracting Act

The Group strives to ensure fair and transparent transactions and to comply with the laws and regulations of each country based on its Trading Policy, which is a code of ethics for all employees, and its Antimonopoly Act Compliance Manual, as well as its Anti-Corruption and Anti-Bribery Regulations, which were formulated in 2023. The Anti-Corruption and Anti-Bribery Regulations prohibit all corrupt acts, including inappropriate entertainment and gifts that deviate from sound business practices, other acts, such as bribery and embezzlement, that provide benefits, the obstruction of justice, and insider trading. In FY2025, there were zero serious violations related to corrupt acts or the Antimonopoly Act or the Subcontractor Act.



Trading Policy
https://www.yamada-holdings.jp/lang-en/policy_trading-policy.html

Antisocial forces

The YAMADA HOLDINGS Group established its Basic Policy on Elimination of Antisocial Forces and is developing a system in collaboration with external specialist agencies and police authorities to deal with antisocial forces.



Basic Policy on Elimination of Antisocial Forces
https://www.yamada-holdings.jp/lang-en/policy_antisocial.html

Internal whistleblowing system

In order to prevent compliance violations, including on matters related to harassment, discrimination, bribery, corruption, and human rights, the YAMADA HOLDINGS Group operates an internal whistleblowing system by setting up a point of contact as a means to receive reports from all Group employees. To protect whistleblowers, we formulated the Rules on the Internal Whistleblowing System, which ensures that any person is able to come forward anonymously. In March 2024, the whistleblower contact point was changed from internal to outsourced in order to strengthen the protection of whistleblowers. The Board of Directors regularly reports on the number of reports received, case summaries, results of responses to the reports, and the progress of those reports not yet fully addressed. A total of 391 whistleblowing reports were received in FY2025, which were properly dealt with.



Flow of the internal whistleblowing system
<https://www.yamada-holdings.jp/lang-en/csr502.html>

Risk Management

As well as identifying various risks related to its business activities and implementing appropriate countermeasures, the YAMADA HOLDINGS Group shares necessary information to mitigate and prevent any risks from materializing.

Promotion system

Every month YAMADA HOLDINGS holds meetings of the Risk Management Committee, chaired by the Director in Charge of the Human Resources and General Affairs Division, to build a risk management system that includes every Group company. The content of discussions from these meetings is also reported back to the Board of Directors. The Risk Management Basic Rules were established to put in place a framework for the risk prevention system as well as to also address any risks that may arise. Each division operates in accordance with these rules. In terms of information security, a personal information protection policy and an information security basic policy have been formulated in order to properly manage customers' personal information. The Security Committee, which holds a meeting once a month, chaired by the General Manager of ITDX Division, works to thoroughly manage the security of internal and external information by identifying risks and formulating countermeasures, as well as reporting progress.

Risk management system



Major risks and countermeasures

Items	Risk	Countermeasure	Impact level
Risks related to earthquakes and natural disasters	Damage to store facilities or power outages caused by typhoons, earthquakes, or torrential rain may lead to business interruptions or hinder product procurement, resulting in a significant decline in net sales and a significant impact on business results.	- Construct safety management system centered on emergency management HQ - Regular review and update to the disaster response manual - Training for employees - Establish a stockpile of emergency supplies (YAMADA HOLDINGS and all YAMADA DENKI stores and business sites)	High
Risks related to the supply of original brand products	In the event of a disaster or other reason, there may be insufficient or no supply of our original products, which may have an impact on business performance and financial position.	- Build system to mitigate disaster risks for manufacturing contractors - Develop business relationships with new contractors and employ their services in a decentralized manner	Medium
Risks related to information security	In the event of any tampering or leaking of information due to natural disasters, computer viruses, unauthorized access, etc., any such customer data breach may negatively impact the Group's reputation and corporate image, which may affect its business performance and financial position.	- Thorough compliance with information security and privacy policies - Hold study sessions to raise awareness among employees on information security - Obtain international standard ISO/IEC 27001 certification (Takasaki Headquarters)	High
Risks related to product purchasing and inventory	With disruption to the distribution network due to natural disasters, changes in relationships with suppliers, a global shortage of resources, or a collapse of the supply chain, etc., it may be difficult to purchase products and secure inventories as planned, which may have an impact on business results.	- Employ the services of suppliers in each product category in a decentralized manner - Hold regular purchasing and inventory meetings with purchasing managers in each category	Medium
Risks associated with large-scale epidemics	Due to the impact on management resources owing to major outbreaks of infectious diseases such as influenza, the stable supply of products and services may become difficult, which may have an impact on business performance and financial position.	- Rigorous infection control measures that put the health and safety of customers, shareholders, business partners, employees, etc. first - Ascertain employee safety during emergencies and put in place steps to return to work - Implement measures in line with the guidelines of the Japan Major Consumer Electronics Appliance Distributor Association	Medium
Risks related to housing quality assurance	Although housing quality is thoroughly controlled, if a serious quality-related problem arises due to unforeseen circumstances, it may have a significant impact on business performance and financial position.	- Use of materials that comply with laws and regulations, development of proper construction systems - Training to raise employee awareness of quality assurance - Quality assessments and analysis of demands through customer surveys, etc. - Quality inspections by third-party agencies	High
Overseas expansion	In store development centered on Southeast Asia, changes in the internal political situation in each country, national conflicts, demonstrations, and other events could cause closures or make it difficult to continue operations, which could affect the Group's business performance and financial position.	- Close communication with business partners and suppliers familiar with the local economy, environment, customs, etc. - Establish a system to make timely and appropriate business decisions	Medium

Responding to major risks in business activities

The YAMADA HOLDINGS Group has set out the risks that may have a significant impact on its business results and financial position, and measures to mitigate these risks.

Risk identification and assessment

In risk identification, we comprehensively bring to light the conceivable risks, and in risk analysis and assessment, we evaluate the frequency of occurrence and the degree of impact of these risks and decide on a policy.

Emergency BCP measures Supply chain management

YAMADA HOLDINGS established business continuity plan (BCP) management rules in preparation for large-scale disasters, etc., and regularly reviews and revises these rules. A system has been established to minimize damage in the event of an emergency, with for example, setting up an emergency management HQ at headquarters and appointing people to share information at each business site. Moreover, YAMADA HOLDINGS and YAMADA DENKI carry out disaster prevention drills and manual-based training at the headquarters and at each store, to ensure an appropriate initial response while securing the safety of its customers in the event of an emergency, such as an earthquake or fire. In December 2024, we introduced a safety check app exclusively for employees of the Group.

Sustainability Management

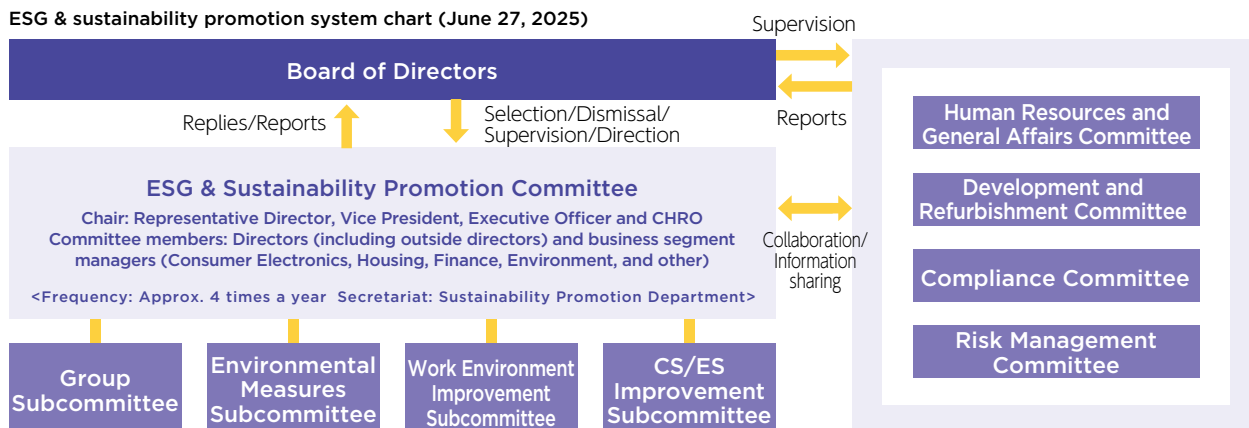
With the aim of being a corporate group that continues to grow with society, the YAMADA HOLDINGS Group is promoting sustainability activities based on appreciation and trust with respect to its stakeholders in accordance with its specific action guideline, the Code of CSR Ethics. In order for the Group to continue to be a company that contributes to solving social issues and improves corporate value, it recognizes that consideration of environmental, social, and governance (ESG) factors is essential. By actively working both inside and outside the company, the Group will contribute to the realization of a sustainable society. In addition, we recognize the importance of sustainability challenges and engage in business activities to address them in order to fulfill our mission of “Total-Living.” Our Group identifies and evaluates sustainability-related risks and opportunities to prioritize key issues, integrating them into our business activities while aiming to establish sustainability management.



Code of CSR Ethics

https://www.yamada-holdings.jp/lang-en/policy_csr-ethics.html

ESG & sustainability promotion system chart (June 27, 2025)



Overview of sustainability-related subcommittee activities

Subcommittees	Frequency	Role
Group Subcommittee	4 times a year	Oversees the progress of ESG and sustainability initiatives in Group companies
Environmental Measures Subcommittee	4 times a year	Checks the progress of tackling climate change, promotion of sales of eco-friendly products, and initiatives for resource circulation and waste reduction
Work Environment Improvement Subcommittee	Monthly	Discussions, verifications, and inspections on the topic of work environments
CS/ES Improvement Subcommittee	4 times a year	Discussions, verifications, and inspections on human resource development, responding to labor shortages, securing human resources, customer satisfaction, diversity, equity & inclusion, and well-being

Governance

The Group has established the ESG & Sustainability Promotion Committee, with the Representative Director, Vice President, Executive Officer and CHRO as Chair, as a place to deliberate policies and measures on environmental and social issues and to confirm the progress of its targets. The committee makes decisions on all the important matters related to ESG and sustainability.

In addition, the four subcommittees under the Committee, namely the Group Subcommittee, the Environmental Measures Subcommittee, the Work Environment Improvement Subcommittee, and the CS/ES Improvement Subcommittee, discuss the content of individual activities and confirm targets and progress of ongoing activities. Furthermore, a system for coordinating and sharing information has been established with each of the Human Resources and

General Affairs Committee, the Development and Refurbishment Committee, the Compliance Committee, and the Risk Management Committee.

Risk management

Our Group recognizes that sustainability-related risks pose a serious threat to business sustainability. Therefore, sustainability-related risks are incorporated into the company-wide risk management framework, and the Risk Management Committee regularly reviews and evaluates these risks and opportunities to identify the ones that require priority attention. For high-priority risks, measures are considered by each subcommittee, implemented by relevant departments, and monitored to manage the risks effectively.

P.55 Risk Management

P.63 Disclosures in Line with TCFD and TNFD Recommendations

Sustainability training & education

The YAMADA HOLDINGS Group regularly conducts training on sustainability to promote activities across all companies in the Group. In FY2025 and in continuation from the previous year, videos about the sustainability issues that employees should be concerned about in their daily work and how to address these issues were shared to all employees, including those at Group

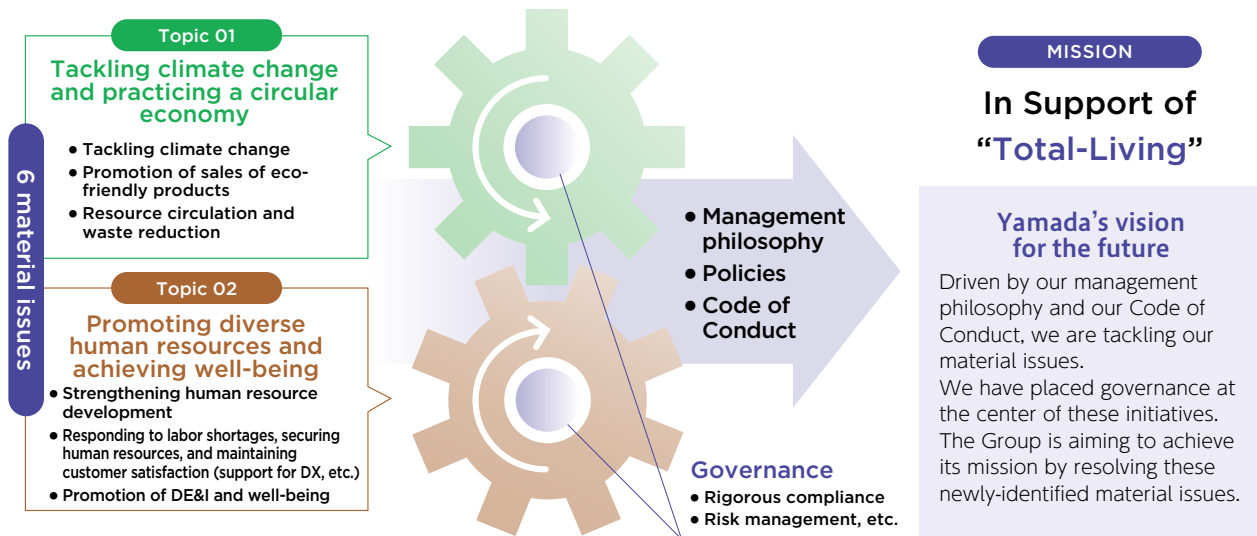
companies, on the Group's dedicated learning site, My Learning.

We have also established the SDGs Meister System, an internal certification system, as an educational system to help the Group face its material issues, and as of March 31, 2025, there were 932 certified employees in the program.

Strategy

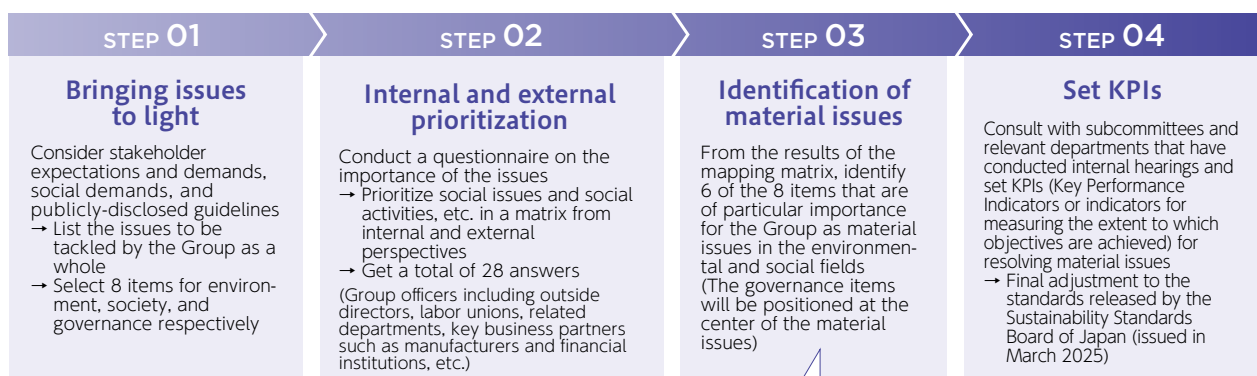
Newly-identified material issues

With the ever-increasing importance of ESG and global sustainability, we believe it is essential to further maximize group synergies, and in May 2025, we reviewed and re-identified our material issues and KPIs. We will continue to regularly review risks and opportunities and to engage in business activities that help to solve these challenges.



Review and identification process

We have considered the importance of environmental and social issues from the perspectives of both the Company and the stakeholders.



Using mapping to identify material issues

Of the eight items of particularly high importance to the Company and the stakeholders respectively, we identified the two items falling under governance (compliance and risk management) as the center of our material issue resolution initiatives, and the remaining six items as material issues.



Metrics and targets: material issues and KPIs

Material issues	Reason for selection	Specific initiatives (KPI)	Target year	Target	FY2025 results
Tackling climate change	In recent years, frequent natural disasters, which are growing ever more severe in the light of climate change, are devastating the lives of many. It is common knowledge that there is a movement throughout our society to reduce the greenhouse gas emissions that cause climate change, and our Group recognizes that it must also actively reduce emissions through its business activities.	Reduction of Scope 1 and 2 CO ₂ emissions	FY2031 (compared to FY2021)	Down 42%	Down 13.6%
		Reduction of CO ₂ emissions from electricity use per floor area		Down 53%	Down 13.2%
		Percentage of renewable energy out of total power consumption		38%	3.92%
Promotion of sales of eco-friendly products	With eco-friendly consumption preferences growing stronger, the Group is providing eco-friendly products and services in every segment and increasing the numbers of those products and services every year. We also consider the environmental impact at the stage when our products and services are used, and our Group recognizes that continuing to provide opportunities for all people to consider the environment and encouraging them to make that choice is one of its responsibilities in selling.	Percentage of home appliances (TVs, refrigerators, and air conditioners) sold that meet the 100% energy-saving standard under the energy-efficiency labeling system	FY2031	60%	44.8%
		Sales of YAMADA GREEN-certified products	Every year	Increase on previous fiscal year	Sales ¥10,587 million Up 175.4% YoY
		Sales of disaster preparedness products (emergency supplies and portable power supplies, etc.)			Sales ¥2,542 million Up 27.8% YoY
		ZEH supply rate	FY2031	50%	45%
		Solar panels shipped		50,000 panels	32,941 panels
Resource circulation and waste reduction	The Group views home appliances as resources as well, and it has established and is running a Group-complete circular resource system. Going forward, the Group will continue to strengthen and promote its reuse, recycling, and waste reduction initiatives, and recognizes that contributing to the formation of a circular economy is one of its missions.	Reuse of 4 household appliances (TVs, refrigerators, washing machines, and air conditioners)	FY2030	300,000 units	156,899 units
		Reuse & recycle of computers	FY2026	344,300 units	335,482 units
		Number of small home appliances recycled	FY2030	1,000,000 units	843,128 units
Strengthening human resource development	The Group has stated that the theme of its human capital management initiative is "development and training for self-starting human resources and a self-starting organization," and is conducting development and training at every level, from new recruits to management. We recognize that this is needed at each level and is necessary for corporate growth.	Average hours of training per employee	FY2031	30 hours or more/year	21 hours/year
Responding to labor shortages, securing human resources, and maintaining customer satisfaction (support for DX, etc.)	As labor shortages become more serious, we need to improve operational efficiency and labor productivity by promoting DX in order to continue providing more convenient and comfortable services. We also recognize the importance of creating a comfortable working environment with the aim of improving employee retention rates and proactively promoting business improvements, as well as the importance of increasing employee engagement.	Sales per person	FY2030	¥71 million/year	¥54.72 million/year
		Sales from e-commerce and TV shopping		¥190 billion	¥101.8 billion
		Full-time employee turnover rate	FY2031	4.5%	4.4%
Promotion of DE&I and well-being	Amid the decline in the birthrate, the aging of the population, and the diversification of values, it is important to create a comfortable working environment that is respectful of diversity in order to strengthen corporate competitiveness. We recognize that having a workplace that makes the most of multiple viewpoints and promoting employee health improves organizational vitality and enables us to offer innovative product and services, which will meet the diverse needs of our customers, leading to satisfaction for all parties.	Controls on long working hours	Every year	Percentage of companies that reduce overtime hours: YoY increase	Percentage of companies achieving YoY control of overtime hours: 53.8% Down 16.6 points YoY
		Percentage of paid leave taken	FY2031	80%	58.1%
		Ratio of female managers		10% or more	4.1%
		Percentage of health checkups taken		100%	95.6%
		Percentage of stress tests taken		100%	96.5%
		Engagement survey		Overall rating of A	Overall rating of B
		Frequency rate of accidents that require time off work		0.50 or less	1.14
		Percentage of female and male employees taking childcare leave	FY2029	Female: Maintain 100% Male: 80% or more	Female: 100% Male: 36.2%

Stakeholder Engagement

The YAMADA HOLDINGS Group is working to increase corporate value by building relationships of mutual appreciation and trust through a healthy dialogue with all its various stakeholders, including its customers, all its shareholders and investors, all its suppliers and business partners, and its employees and local communities.



Stakeholder engagement
<https://www.yamada-holdings.jp/lang-en/csr103.html>

Stakeholder	Responsibility to fulfill	Targets to achieve	Means of dialogue
Customers	The YAMADA HOLDINGS Group is promoting a customer-first approach in its business operations. The Group strives to continuously improve services through customer feedback and employee training so that we can achieve customer satisfaction throughout the organization.	• Development of services to support our customers' "Total-Living" • Optimal product proposals • High customer service and proposal skills	• Customer service at all Group stores • Customer help desk • Customer questionnaires (Store manager direct survey) • Information on the website • All types of social media
Shareholders and investors	The YAMADA HOLDINGS Group aims to maintain sustainable growth and increase corporate value in order to meet the trust and expectations of its shareholders. The Group also makes efforts to ensure active communication by disclosing information in an appropriate, timely, and fair manner.	• Constructive dialogue • Timely and accurate disclosure • Reflecting the opinions of shareholders in management • Transparent disclosure	• General Meeting of Shareholders • Integrated report <For domestic investors and analysts> • Quarterly briefings • Financial results briefings • Individual visits • Investor meetings (including online) • Monthly preliminary report <For overseas institutional investors> • Investor meetings (including online) • Participation in conferences for overseas institutional investors
Suppliers and business partners	The YAMADA HOLDINGS Group strives to maintain a sound, fair, and equitable relationship with its manufacturers and other business partners, aiming for coexistence and co-prosperity based on a long-term relationship of trust.	• Fair and equitable trading • Achieving a sustainable supply chain • Building sound partnerships	• Business partner questionnaire surveys • Shoeikai (Dialogue with business partners) • Business talks and training for delivery and installation companies
Employees	The YAMADA HOLDINGS Group believes that people are the most important element of its operations. As such the Group provides a system that enables employees to feel satisfied in their work and promotes fair and proper performance appraisals. At the same time, the Group is working to develop employee skills and improve the working environment.	• Human resource development • Comfortable working environment • Diversity, Equity & Inclusion • Health and safety at work • Fair and impartial evaluations	• Training and seminars • System to propose improvements • Internal whistleblowing desk • Health and Safety Committee • Engagement survey • Career-Up Sheet, a system for talking directly with the human resources director • In-house intranet • Company newsletter "Harmony" • Labor-management consultations
Local communities	The YAMADA HOLDINGS Group has a close relationship with many local communities through its nationwide store network, and it can say that the local community is the very foundation of the Group. As a good corporate citizen, the YAMADA HOLDINGS Group strives to live in harmony with said local communities and deepen its relationship of trust.	• Building trust • Solving social issues through the nationwide network of stores	• Regional revitalization efforts • Donations and fundraising activities • Volunteering • Athletics classes • Yamada Noboru Memorial Foundation activities • Reuse and recycling plant tours
Government and administrative authorities	The YAMADA HOLDINGS Group maintains appropriate relationships with the government, relevant ministries and agencies, and local government, to facilitate the running of its business.	• Compliance with laws and regulations • Proposals to industry associations and government policy	• Exchange of information with the Japan Major Consumer Electronics Appliance Distributor Association and the SEIDANREN (The federation of industry for national life and consumer's association) • Tax office (putting up blue tax return posters) • Police station (attending traffic safety meetings, helping to prevent bank transfer fraud, etc.) • Ministry of Economy, Trade and Industry, and Ministry of Finance (various surveys)

Basic Approach

Environmental issues are significant challenges common to humanity and directly impact customers' lives. Based on our Environmental Policy, our Group supports the lives of our customers from the perspective of solving environmental issues by focusing on reuse and recycling in the Consumer Electronics Segment, providing eco-friendly housing and services in the Housing Segment, and actively engaging in initiatives for a circular economy through resource circulation in the Environment Segment.



Environmental Policy
https://www.yamada-holdings.jp/lang-en/policy_environmental.html

Risks and Opportunities

As natural disasters intensify with climate change, violations of environmental laws and regulations can lead to a loss of social trust and consequently pose challenges to the continuity of business activities. On the other hand, adequately responding to demands for climate change measures through business activities and establishing systems for resources circulation can enhance corporate value.

Our Response to These Risks

Following an environmental management system and applying the PDCA cycle, we strive to reduce our environmental impact. In response to climate change, we have set CO₂ reduction targets for the entire Group and are working to reduce emissions throughout our business activities, including introducing renewable energy. We are also focusing on building a unique circular system to promote the reuse and recycling of home appliances.

Environmental management and the environmental management system

At our company, the ESG & Sustainability Promotion Committee takes the lead in decision-making to promote environmental management across segments. All the headquarters of YAMADA HOLDINGS, YAMADA DENKI, CIC, as well as Azuma Metal, YAMADA HOMES, Housetec, and Aizu Dust Center have obtained ISO 14001 certification and carry out environmental management activities.



ISO 14001 initiatives
<https://www.yamada-holdings.jp/info/policy/iso14001.html>
 (in Japanese only)

P.56 Sustainability Management

Environmental education

Our Group conducts company-wide environmental education to raise employees' awareness of reducing environmental impact. We disseminate environmental information through company newsletters and intranet, and support employees in obtaining certifications as Home Appliance Advisor and Smart Master recognized

by the Association for Electric Home Appliances. At our company and YAMADA DENKI headquarters, we conduct department-specific environmental education in line with ISO 14001, including study sessions with reading materials, to stimulate engagement in environmental issues.

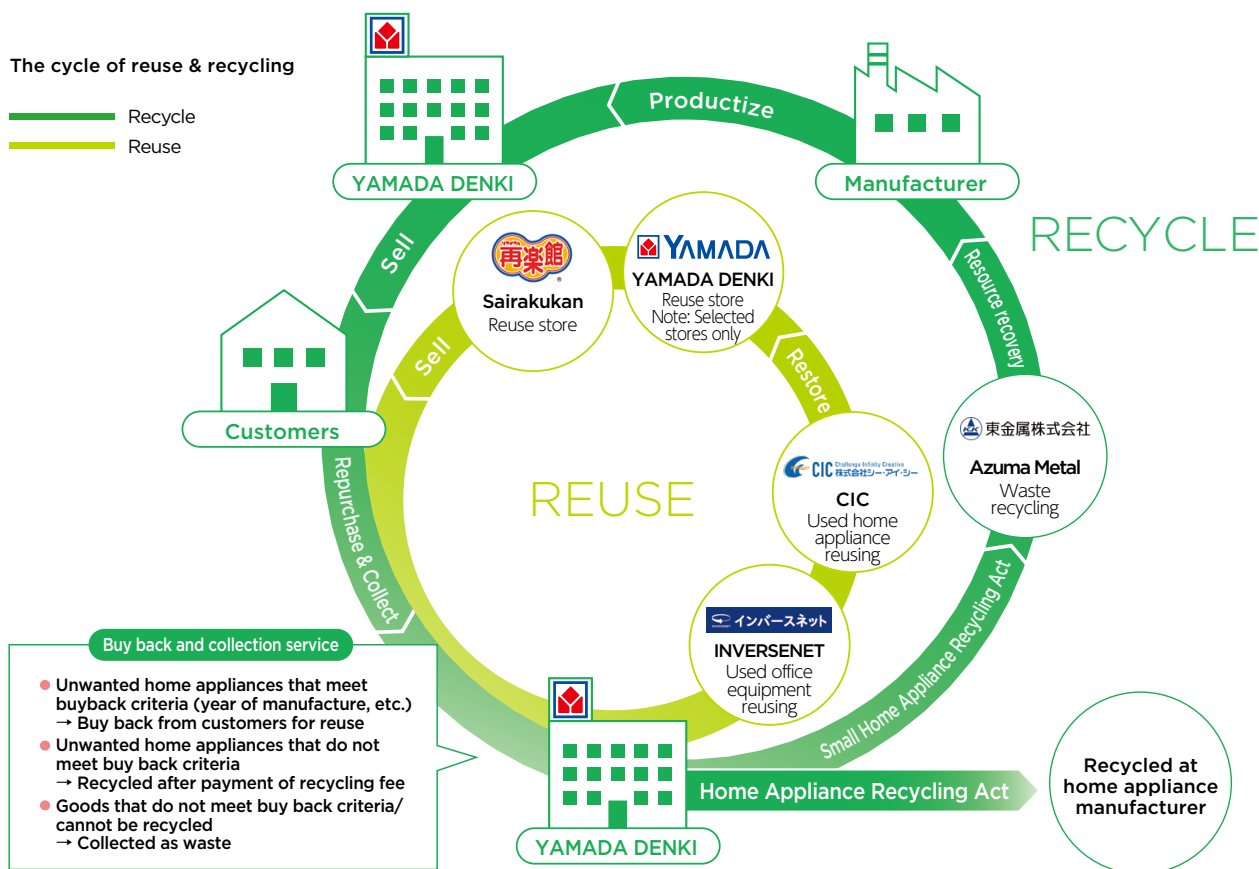
P.57 Sustainability training & education

P.71 Improving customer service

P.72 Gaining external qualifications

Addressing Resource Circulation and a Circular Economy

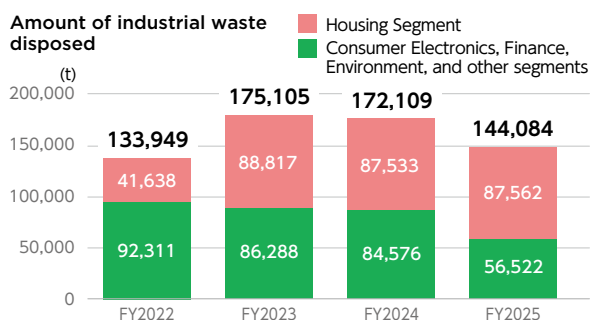
Our Group has constructed a system for the reuse and recycling of used home appliances collected from customers in accordance with our Environmental Policy, contributing to the reduction of environmental impact in society as a whole by completing the product life cycle within the Group.



Initiatives to reduce waste

At YAMADA DENKI, in addition to the waste material generated from its stores, discarded home appliances from customers not covered by the Home Appliance Recycling Act are categorized into three groups: reuse, recycling, and disposal, in accordance with relevant laws, and are processed in a manner that supports waste reduction. The business of reuse, reducing waste and its proper disposal (recycling), and the utilization of resource recovery materials with a focus on home appliances is conducted under YAMADA Environmental Resources Development Holdings. The Company efficiently collects used products and reuses them wherever possible to resell and deliver on to customers.

Additionally, in the Housing Segment, wood is pre-processed at factories for more efficient use of resources, and some of the packaging materials and waste generated from construction sites and demolition work are recycled, contributing to the reduction of industrial waste.



Notes: 1. The Hinokiya Group (Housing Segment) has been added to scope from FY2023.
2. <Scope of data> FY2022-FY2024: Consolidated and non-consolidated, FY2025: Consolidated

Reuse

Our Group is building a complete distribution network for the reuse of home appliances, from the repurchase of quality products through to recycling and sales, centered on CIC which develops environmental resources. Our reuse centers provide a service that allows customers to purchase reused home appliances with peace of mind by giving every product we buy back in our stores a thorough functional check, cleaning, and repair, as well as a warranty of up to 24 months from the day the product is purchased. As for the reuse of computers, INVERSENET recovers second-hand computers for resale.

In May 2022, the YAMADA East Japan Reuse Center Gunma Plant was expanded with the aim of increasing production of reused products. The Gunma Plant has introduced automated warehouses that store various used home appliances sent from all over the country, as well as an automatic washer for washing machine drums, strengthening its initiatives.

In addition, the newly-built Yamaguchi Plant began operations in June 2025 with the goal of increasing production and reducing CO₂ in western Japan by shortening product transportation distances to the Chugoku, Shikoku, and Kyushu regions. Toward the production of 300,000 units for FY2030, we will continue to leverage our advanced technological capabilities to promote the establishment of a circular resource system and aim to expand the productivity of reused products.



The new YAMADA West Japan Reuse Center Yamaguchi Plant



Reuse of 4 household appliances (TVs, refrigerators, washing machines, and air conditioners)

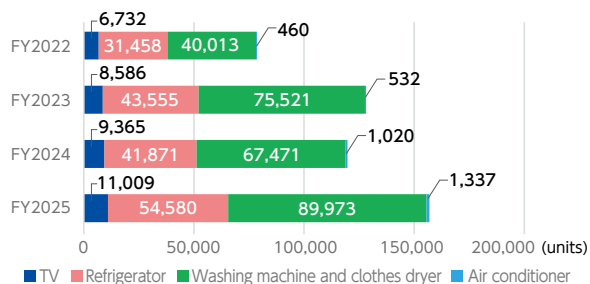
Target FY2030	FY2025 Results
300,000 units	156,899 units



Reuse & recycle of computers

Target FY2026	FY2025 Results
344,300 units	335,482 units

Reuse of 4 household appliances (TVs, refrigerators, washing machines, and air conditioners)



Reducing waste and proper disposal of waste (recycling)

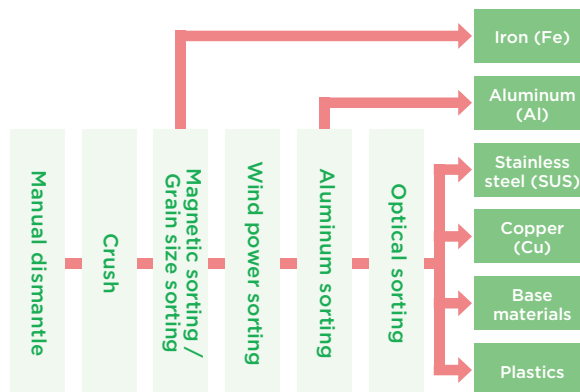
We collect used small home appliances that don't meet the reuse criteria but can be recycled at our YAMADA DENKI stores based on the Act on Promotion of Recycling of Small Waste Electrical and Electronic Equipment (Small Home Appliance Recycling Act*).

Collected small home appliances are meticulously sorted at the recycling plant within the Group (Azuma Metal) and separated into component materials such as iron, aluminum, stainless steel, and plastics, which are then reused as raw materials in various products.

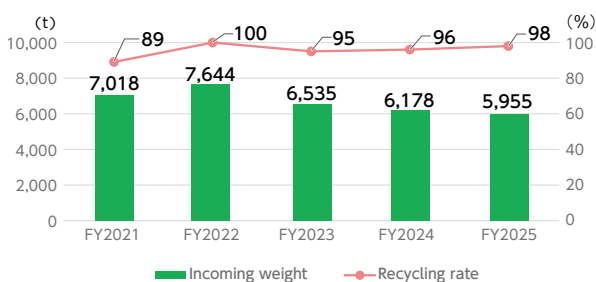
Going forward, we will further increase the number of products that can be recycled by building systems and using machines with advanced sorting functions, leading to a reduction in waste.

* A law that encourages the formation of a circular economy whereby a government-certified business operator collects and processes electrical machinery and appliances, excluding the four categories of home appliances subject to the Home Appliance Recycling Act (TVs, air conditioners, refrigerators and freezers, and washing machines and clothes dryers).

Recycle flow of used small home appliances



Incoming weight and recycling rate of small home appliances



Number of small home appliances recycled

Target FY2030	FY2025 Results
1,000,000 units	843,128 units

Utilization of resource recovery materials

We also develop and sell eco-friendly products utilizing resource recovery materials from recyclable items. Recycled plastics are utilized in pallets for reuse plants, shopping baskets in stores, and carry handles for small home appliances, contributing to sustainable initiatives. In the future, the Group will aim to develop and sell products in various fields such as housing.



Pallets at the Reuse Fujioka Plant

Addressing Climate Change and Biodiversity (Disclosures in Line with TCFD and TNFD Recommendations)

Our Group is striving to reduce its impact on the environment by monitoring and managing the amount of energy use in business activities, as well as CO₂ and waste emissions. We handle a wide variety of home appliances, housing equipment, and furniture and interior goods that support customers' lifestyle based on the "Total-Living" concept. These products are manufactured and processed not only in Japan but also in other parts of the world, using various resources from each region. For this reason, we believe that tackling climate change and preserving the natural environment are important themes for the sustainable growth of the Group.

In preparation for disclosures based on the Task Force on Climate-related Financial Disclosures (TCFD) and the Task Force on Nature-related Financial Disclosures (TNFD), the Group is examining the current state of the whole Group, developing a governance system, and reviewing strategies, risk management, metrics, and targets. Going forward, we will continue to appropriately manage the risks related to climate change and environmental issues, including natural environments and resource circulation, while viewing various changes toward the conservation of natural environments and a decarbonized society as business opportunities that will lead to sustainable growth, and we are actively advancing our environmental initiatives.

Governance

Our Group is promoting sustainability activities based on appreciation and trust with respect to its stakeholders. For our Group to achieve sustainable corporate value enhancement, consideration for governance is essential.

At our company, the Board of Directors discusses important management and business strategies, makes policy decisions, and supervises the ESG & Sustainability Promotion Committee. The ESG & Sustainability Promotion Committee makes decisions on important matters, and subcommittees thereunder discuss the details of individual activities and confirm the progress of activities and targets. In addition to the climate change risks and opportunities identified from scenario analysis, important issues such as risks and opportunities in the natural environment and resource circulation are examined by the committee, which regularly reports to the Board of Directors on the status of addressing these risks, so that the Board of Directors can fully exercise its supervisory function.

Strategy

<TCFD>

Based on the TCFD recommendations, the Group has established the target businesses, timelines, and scenarios to analyze and assess the climate change risks and opportunities.

Scenario analysis assumptions (FY2025)

Scenarios	Global temperatures up by 1.5°C and 4.0°C
Businesses	Consumer electronics business, housing business, environmental business (Directly operated YAMADA DENKI stores in Japan that account for the highest percentage of net sales in the Group as a whole and businesses most affected by climate change)
Period	Impact from 2030 to 2050

1.5°C scenario (High transition risk, low physical risk)

This scenario sees the tightening of regulations and policies for decarbonization, with measures against climate change progressing and a temperature rise from pre-industrial levels at around 1.5 to 2.0°C. As customers' preferences for products and services change and companies are more strongly required to tackle climate change, it is likely that transition risks, including fewer customers and greater reputational risk, will increase if the companies fail to do so. Conversely, it is assumed that the physical risks would be relatively low compared to the 4.0°C scenario, with, for example, more extreme and prevalent disasters caused by climate change being suppressed to some extent. (Reference: The International Energy Agency's Net Zero Emissions by 2050 Scenario)

4.0°C scenario (Low transition risk, high physical risk)

A scenario in which sufficient measures against climate change are not taken and the temperature rises around 4.0°C from pre-industrial levels. It is assumed that physical risks would increase, with, for example, more extreme natural disasters, rising sea levels, and an increase in abnormal weather events. As a result, it is thought that climate change-resilient products and services in terms of good business continuity plan (BCP) will become more competitive. Conversely, it is assumed that transition risks would be low, with, for example, the government's lack of tighter regulations. (Reference: The Intergovernmental Panel on Climate Change's RCP8.5 Scenario)

Physical risks

Using the Company's database on hazard maps, we have identified 36 stores, out of our 1,057 stores and offices in the Consumer Electronics Segment nationwide, that require priority attention for flood risk. (The percentage of net sales of the priority locations identified is 3%)

<TNFD>

Based on the TNFD recommendations, the Group has analyzed and assessed the dependence on and impact of natural capital in its business activities.

We have adopted the LEAP approach suggested by the TNFD recommendations and adjusted business activities in our direct operations and value chain (upstream and downstream) in the Consumer Electronics Segment (Japan only). We have evaluated our dependencies and impact on natural capital using ENCORE, which is one of the tools suggested by the TNFD, for the scope of our own direct operations and for our major business partners.

From the results of the evaluation of our dependencies and impact on natural capital in our business activities, we identified water-related risks as one of the key issues in the scope of our Consumer Electronics Segment operations. We therefore used Aqeduct tools, which are provided by the World Resources Institute (WRI), to assess water stress in the scope of our Consumer Electronics Segment operations, and we identified the stores that require priority attention based on the results. As a result, we verified the water stress levels of 70 stores, prioritized based on net sales by store and sales floor areas, and, while there were none with levels of high or above, we identified 34 stores requiring priority attention due to medium-high levels of water stress.

Based on an analysis of the dependencies and impact on natural capital that are related to our business, we also assessed the natural capital-related risks and opportunities and identified the ones that are important. Going forward, we will work even harder to intensify initiatives that are based on the TNFD recommendations aimed at managing risks and creating opportunities related to natural capital.

P.69 Water Resource Conservation

Management of risks and opportunities

We consider risks related to climate change, environmental issues including natural environments and resource circulation, as one of the most significant risks impacting our Group's business and integrate them into our overall risk management process. For long-term risk and opportunity assessments, approximately every three years, the Sustainability Promotion Department conducts a detailed analysis of external environmental changes such as political, economic, social, and competitive changes due to the transition to a decarbonized society and physical

changes due to the progression of global warming. We analyze the probability that various changes may occur and the financial impact if these risks materialize to identify risks and opportunities. For risks and opportunities with a financial impact on revenue exceeding 50 million yen, they are reviewed by the Risk Management Committee and evaluated as significant risks and opportunities for the Group. Based on the risks and opportunities assessed by said committee, we revise our Environmental Policy and reflect these in identifying and evaluating key issues, major initiatives, and goal setting.

Meanwhile, for short- to medium-term risk and opportunity identification and evaluation, we gather information on external environmental changes and physical changes throughout the fiscal year. In light of the response status of each department and Group company, we analyze the validity and achievement of targets and reevaluate significance. If significant revisions arise, they are discussed, identified, and evaluated at the ESG & Sustainability Promotion Committee. The discussions held by the ESG & Sustainability Promotion Committee are reported to the Board of Directors.

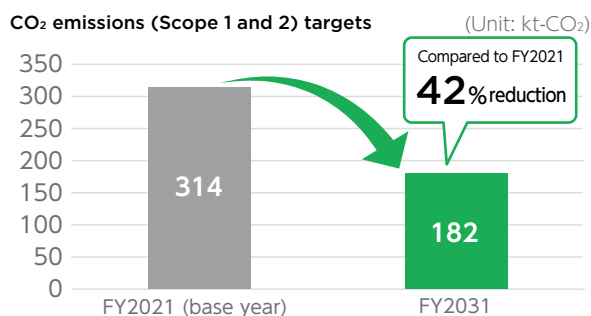
Metrics and targets

The Group has set a goal of reducing CO₂ emissions in Scope 1 and 2 by 42% by FY2031, compared to FY2021. We are focusing on reducing electricity usage at YAMADA DENKI stores, which account for the majority of our Scope 1 and 2 emissions, and we are promoting further energy conservation at our stores. In addition, we are setting targets for each Scope 3 item and working to reduce those emissions as well.

P.68 Promoting the use of energy-efficient appliances

P.68 Sales of disaster preparedness products

P.68 Sale of YAMADA GREEN-certified products



Third-party guarantee

We have obtained limited assurance (based on International Standard on Assurance Engagements 3000 and 3410) for consolidated Group CO₂ emissions in Japan in FY2025 for Scope 1 and 2 (market-based) and Scope 3 (the total of categories 1, 2, 3, 4, 5, 6, 7, 11, 12, and 14).

Analysis of climate change and biodiversity* risks and opportunities

Transition risks

Category	Subcategory	Items	Time scope	Effect on business	Impact level	Response	Business impact
Policy and regulation	Climate change and natural capital	Strengthening regulations in the supply chain	Short- to medium-term	• Increase in procurement costs due to tighter regulations in the supply chain	Medium	• Actively supporting suppliers' natural environment protection activities, responding to the risk of rising procurement costs • A questionnaire is conducted once a year targeting major business partners, and if any companies are deemed to be high risk, hearings or requests for improvement are carried out.	—
	Natural capital	Waste and recycle regulations	Short- to medium-term	• Increased costs in waste treatment and recycling processes	Medium	• Promotion of the reduction of industrial waste and the proper recycling of waste • Reduction regulatory compliance costs by moving waste treatment and recycling processes in-house • At the waste-to-energy plant, heat from incinerated waste will be used to generate electrical energy (scheduled to start operations in March 2027).	—
	Climate change	Carbon tax/ Carbon pricing	Short- to medium-term	• Increased electricity consumption costs throughout the company due to carbon pricing (carbon tax, etc.)	High	• Managing power-on/off for lighting, air-conditioning, and exhibits at YAMADA DENKI stores • Switching to energy-saving equipment at YAMADA DENKI stores • Promoting the installation of self-consumption solar panels at YAMADA DENKI stores	Estimated carbon tax payable in 2030: ¥3.6 bn
				• Need for developing price competitiveness including carbon pricing, low-carbon materials and construction technology	High	• Addressing the risk of rising procurement costs by supporting decarbonization activities at suppliers and streamlining manufacturing lines and manufacturing technologies • Carrying out more joint procurement with Group companies • Promoting development of low-carbon products by implementing an eco-friendly design assessment during product design	Minimum -¥15.3 bn Maximum -¥65.5 bn
	Climate change	Energy-saving regulations	Short-term	• Tightened regulations such as energy-saving standards	High	• Providing opportunities to learn about relevant laws and regulations by supporting the acquisition of external qualifications such as Home Appliance Advisor and Smart Master • Encouraging all employees to understand and acquire knowledge about energy-saving through the in-house SDGs Meister System qualification so they can provide explanations to consumers and encourage them to switch to more energy-efficient products that will contribute to a decarbonized/low-carbon society • Promoting widespread use of energy-saving home appliances through active participation in local government subsidies to replace products for energy-saving home appliances • Responding to the risk of rising procurement costs by further streamlining procurement and delivery • Actively supporting suppliers' decarbonization activities, responding to the risk of rising procurement costs	One-year increase in unit sales -9% Amount -¥35.4 bn
				• Increased store/office operating costs due to rising energy costs	High	• Carefully managing power-on/off for lighting, air-conditioning, and exhibits at YAMADA DENKI stores • Switching to energy-saving equipment at YAMADA DENKI stores	Average closing cost per store: ¥15 m
	Market	Climate change	Changes in customer behavior	Short-term	• Longer replacement cycles for durable consumer goods (mainly home appliances and furniture), leading to drop in net sales	High	• Encouraging all employees to understand and acquire knowledge about energy-saving through the in-house SDGs Meister System qualification so they can provide explanations to consumers and encourage them to switch to more energy-efficient products that will contribute to a decarbonized/low-carbon society • Promoting widespread use of energy-saving home appliances through active participation in local government subsidies to replace products for energy-saving home appliances • Responding to the risk of rising procurement costs by further streamlining procurement and delivery • Promoting widespread use of products that contribute to building a low-carbon society
Reputation	Climate change and natural capital	Decrease in sales due to inadequate response to climate change and nature-positive initiatives	Short- to medium-term	• Recognized by consumers as not eco-friendly enough, resulting in drop in net sales	Medium	• Appropriate communication with consumers • Paying close attention to consumers' environmental awareness • Strengthening responsiveness by expanding the segments subject to TNFD compliance	—
	Climate change and natural capital	Fewer customers visiting stores due to declining quality and safety of products	Short- to medium-term	• Decrease in customers visiting stores due to declining quality and safety of the products we handle	High	• Establishing a monitoring system for product manufacturing • Mainly selects ISO 9001-certified companies as manufacturers for SPA products	—
	Climate change and natural capital	Stronger demands for disclosure	Short- to medium-term	• Disclosure of initiatives for climate change and nature-related issues rated insufficient by stakeholders, resulting in a fall in stock prices	Medium	• Appropriate disclosure in line with TCFD and TNFD frameworks	—

Physical risks

Category	Subcategory	Items	Time scope	Effect on business	Impact level	Response	Business impact
Acute	Climate change and natural capital	Business suspension due to climate change	Short-term	- Stores affected by extreme weather and opportunities lost due to closures - Store closures and fewer customers visiting stores due to natural disasters (torrential rain, bigger typhoons, etc.) caused by climate change	High	- Sharing knowledge about natural disaster responses - Stockpiling disaster supplies in stores - Regular review and revision of the business continuity plan (BCP) management rules in preparation for large-scale disasters - Implementation of fire drills and manual-based training at the headquarters and each store	—
	Climate change and natural capital	Damage to our locations due to extreme weather	Short-term	Increased capital investment for recovery from damage due to typhoons, torrential rain, etc.	High	- Sharing knowledge about natural disaster responses - Appropriate insurance coverage	—
	Climate change and natural capital	More extreme weather	Short-term	Damage or suspension of business due to natural disasters at stores, sales offices, or plants, and disrupted distribution and transportation networks, resulting in drop in net sales	High	- Considering location and layout of new stores and show homes on the basis of possible flood damage - Strengthening measures against water risks at stores and show homes based on results of water risk assessment - Created recovery manuals in the event that stores/sales offices/plants stop functioning - Formulating BCP for procurement and distribution systems - Use of IT in operations and business negotiations - Increasing product inventories	1 day suspension of business: -¥0.9 bn
Chronic	Climate change and natural capital	Changes in precipitation/ weather patterns	Short-term	Damage or suspension of business due to heavy rain at stores, sales offices, or plants, and disrupted distribution and transportation networks, resulting in drop in net sales	High	- Considering location and layout of new stores and show homes on the basis of possible flood damage - Strengthening measures against water risks at stores and show homes based on results of water risk assessment - To respond to more extreme natural disasters, assessing the degree of danger at locations using hazard maps and other means, formulating BCP in readiness for disasters	1 day suspension of business: -¥0.9 bn
	Climate change and natural capital	Changes in precipitation/ weather patterns	Short-term	Changes in vegetation and timber procurement areas lead to increased timber procurement costs	High	Securing timber suppliers in readiness for forest protection	Maximum +¥4.7 bn
	Climate change	Rise in average temperatures	Long-term	Customers less likely to go out, refraining from purchasing in store	High	- Strengthening sales channels with e-commerce - Use of IT for online consultations and business negotiations	Extreme heat for 20 days: -¥0.4 bn

Opportunities

Category	Subcategory	Items	Time scope	Effect on business	Impact level	Response	Business impact
Resource efficiency	Climate change	Cost reduction through the introduction of renewable energy	Short- to medium-term	Decrease in energy costs by actively implementing various climate change-related incentives to introduce renewable-energy and energy-saving equipment	High	- Introduction of solar power systems utilizing store rooftops (contributing to the reduction of environmental impact through the sale of electricity) - Introduction of self-consumption solar power systems utilizing store rooftops (reducing electricity usage)	Electricity sales results: Approx. 50,000 MWh Annual fees for electricity usage: -¥0.15 bn
	Natural capital	Efficient use of water resources	Short- to medium-term	Reduced water costs by introducing water-saving equipment	Medium	Introduction of water-saving equipment in stores	—
	Natural capital	Effective use of reuse and recycling	Short- to medium-term	Increased net sales due to the recycling of customers' home appliances	High	Further promotion of the building of a circular economy by expanding reuse and recycling plants	Sales volume: +300,000 units Net sales: +¥5.5 bn
Products and services	Climate change	Rollout of low-carbon and decarbonized products and services	Short-term	Increased net sales due to promotion of energy-saving home appliances	High	- Sale of home appliances (TVs, refrigerators, and air conditioners) that meet the 100% energy-saving standard under the energy-efficiency labeling system - Providing more economic support through financial services such as flat-rate systems	Increased customer traffic and sales
	Climate change and natural capital	Changes in consumer preferences	Short-term	Increased sales due to increased demand for eco-friendly products and services	High	- Strengthening the handling of eco-friendly products and services in all business segments - Sales of YAMADA GREEN-certified products aimed at realizing a circular economy and building a sustainable society	Net sales: +¥10.5 bn
	Climate change and natural capital	Changes in consumer preferences	Short-term	Increased sales due to changing consumer demand caused by rising average temperatures	High	- Developing Sales Engineers and promoting the acquisition of external qualifications - Enhancing information-gathering activities pertaining to consumer needs	—
	Climate change and natural capital	Increased demand for natural disaster preparedness products	Short-term	Increased sales due to growing demand for natural disaster preparedness products (storage batteries, flashlights, lanterns, etc.)	Medium	Expanding handling of disaster preparedness products	Net sales: +¥2.5 bn
	Climate change and natural capital	Responding to more severe viruses and biohazards	Short- to medium-term	Increased demand for reducing the risk of new viral infections and exterminating harmful organisms	Medium	- Building systems that enable prompt responses - Strengthening information-gathering and the promotion of related products	—
Reputation	Climate change and natural capital	Ensuring business continuity during disasters	Short-term	Improved reputation by establishing resilient business that is prepared for natural disasters	Medium	- Regular review and revision of the BCP management rules in preparation for large-scale disasters - Investigation of disaster risks when opening new locations - Implementation of fire drills and manual-based training at the headquarters and each store	—

*Target: Consumer Electronics Segment (stores in Japan)

Reduction of CO₂ Emissions (Scope 1, 2)

CO₂ emissions (Scope 1, 2)

The total volume of Scope 1 and 2 emissions in our Group for FY2025 decreased by 13.6% compared to FY2021.

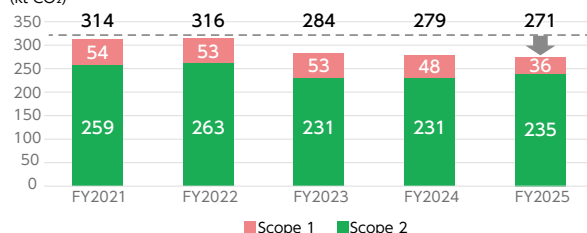


Reduction of CO₂ emissions in Scope 1 and 2

Target
42% reduction
by the end of FY2031
(compared to FY2021)

FY2025 Results
Compared to FY2021
Down 13.6%

CO₂ emissions (Scope 1, 2) (kt-CO₂)

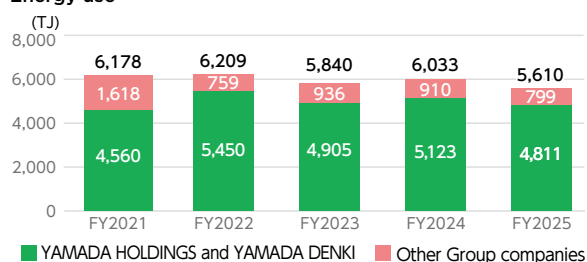


<Scope of data> FY2021-FY2024: Consolidated and non-consolidated, FY2025: Consolidated

Efforts to reduce energy use

Our Group is continually and proactively working on initiatives to reduce CO₂ emissions associated with its business activities. YAMADA DENKI is implementing energy-saving activities, such as switching to LED lighting in its offices and stores, and working to visualize its electricity usage amounts through the use of an app that analyzes electricity consumption in relation to equipment and time by using demand controllers. When developing new stores, we build single-story structures without installing escalators or elevators, improving thermal insulation by reducing the number of windows, and reducing energy use by replacing mercury lamps with LEDs for exterior lighting. Comparing the electricity usage per 3.3 m² between stores that were built 23 years ago on average and those built 8 years ago on average, the stores with an average age of 8 years showed a reduction in electricity usage of about 15% (as of March 2023). Moreover, since June 2022, we have been working to save power in our YAMADA DENKI stores in response to the government's request to cut down on electricity.

Energy use



<Scope of data> FY2021-FY2024: Consolidated and non-consolidated, FY2025: Consolidated



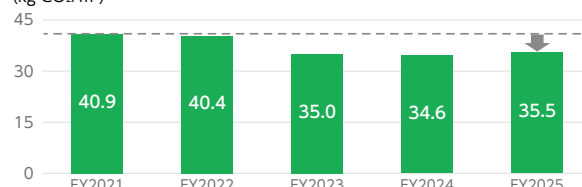
Reduction of CO₂ emissions from electricity use per floor area

Target
53% reduction
by the end of FY2031
(compared to FY2021)

FY2025 Results
Compared to FY2021
Down 13.2%

CO₂ emissions from electricity use per floor area

(kg-CO₂/m²)



<Scope of data> FY2021-FY2024: Consolidated and non-consolidated, FY2025: Consolidated

Expanding the use of renewable energy

In order to reduce CO₂ emissions from electricity use, 3.92% of all electricity comes from renewable energy sources. Since FY2009, YAMADA HOLDINGS has been using green power, and 100% of the power used at the headquarters building in Takasaki City is green power.

In June 2023, solar panels were installed at the YAMADA East Japan Reuse Center Gunma Plant to provide approximately 55% of the electricity used in plant operations.

In addition, our Solar Panel Project has been installing self-consumption solar panels on the roofs of our stores since December 2024. In FY2026, we plan to invest 1 billion yen and install the panels at 27 stores, and we expect to see a reduction in CO₂ emissions of about 3,200t a year. We will be installing the panels at more stores from the following fiscal year.



YAMADA East Japan Reuse Center Gunma Plant



Percentage of renewable energy out of total power consumption

Target

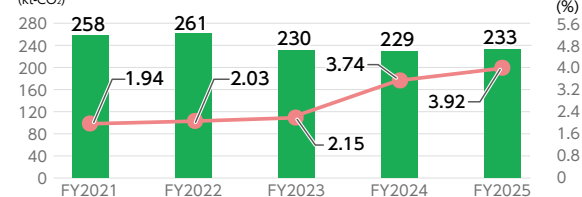
FY2031
38%

FY2025 Results

3.92%

CO₂ emissions from electricity use and renewable energy rate

(kt-CO₂)



■ CO₂ emissions from electricity use ● Renewable energy rate

<Scope of data> FY2021-FY2024: Consolidated and non-consolidated, FY2025: Consolidated

Reduction of Scope 3

CO₂ emissions (Scope 3)

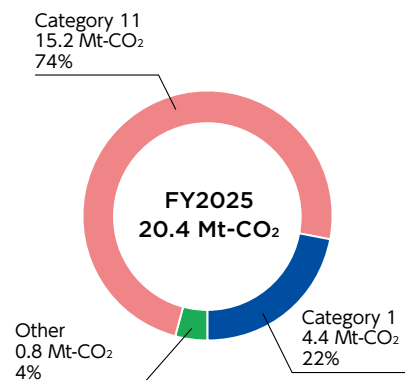
Our Group calculates CO₂ emissions for the entire supply chain in order to reduce the environmental impact in all its business activities. Of the Scope 3 emissions for FY2025, use of sold products (Category 11) accounted for the largest share at 74% of the total, followed by purchased goods and services (Category 1) at 22%. We will continue to monitor and reduce CO₂ emissions throughout the supply chain.

CO₂ emissions (Scope 3)

Scope 3	Associated activity	FY2025 emissions
Category 1	Purchased goods and services	Procurement of raw materials
Category 2	Capital goods	Expansion of capital goods and production facilities
Category 3	Fuel- and energy-related activities not included in Scope 1 or 2	Fuel- and energy-related activities
Category 4	Upstream transportation and distribution	Procurement distribution/Contracted distribution where Yamada is shipper
Category 5	Waste generated in operations	Waste generated from operations
Category 6	Business travel	Employee business travel
Category 7	Employee commuting	Workers commuting
Category 11	Use of sold products	Use of products by consumers
Category 12	End-of-life treatment of sold products	Disposal of products by end user
Category 14	Franchises	Scope 1 and 2 emissions of franchisees
Total		20.4 Mt-CO₂

<Scope of data> FY2025: Consolidated

Breakdown of Scope 3 emissions



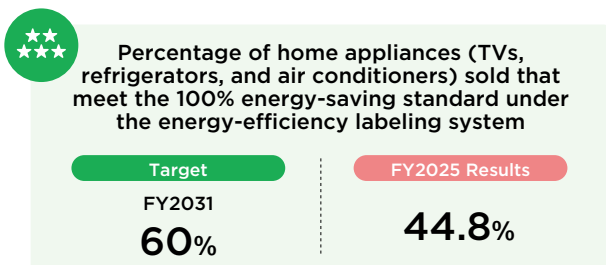
Business initiatives

P.22 Commentary: Yamada's "Total-Living"

P.28 Yamada's Next-Generation Smart House That Excels in Energy Creation, Energy Storage, and Energy Saving

Promoting the use of energy-efficient appliances

At YAMADA DENKI, employees and Sales Engineers with extensive product knowledge recommend replacing home appliances with energy-efficient ones when serving customers. Additionally, "unified energy-saving labels" are posted near the relevant products so customers can easily find energy-saving home appliances.

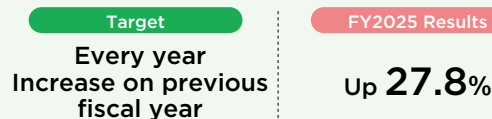


Sales of disaster preparedness products

The Group sees the promotion of disaster preparedness products as an opportunity to address climate change while responding to risks such as natural disasters. Sales for FY2025 totaled ¥2,542 million, resulting in a year-on-year increase.



Sales of disaster preparedness products (emergency supplies and portable power supplies, etc.)



Sale of YAMADA GREEN-certified products

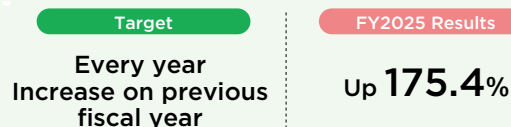
In July 2021, our Group created the YAMADA GREEN logo as a symbol of our further contributions and initiatives toward realizing a circular economy and building a sustainable society. We have established the YAMADA GREEN Certification System, which allows the display of the logo on products, initiatives, and reused products that meet our own environmental standards (not applicable to energy-saving home appliances). For FY2025, the sales of YAMADA GREEN-certified products amounted to ¥10,587 million, significantly exceeding the previous period.



Information about YAMADA GREEN
<https://www.yamada-holdings.jp/csr/green.html>
 (in Japanese only)

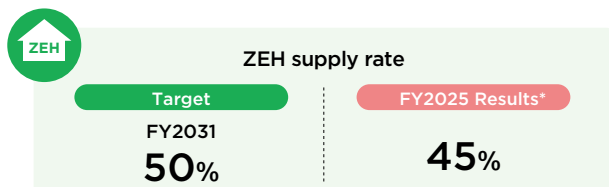


Sales of YAMADA GREEN-certified products



Promotion of improving the ZEH rate

YAMADA HOMES is striving to provide eco-friendly housing and services to promote the widespread adoption of net zero energy houses (ZEH), while also aiming to protect the global environment and realize a comfortable and prosperous life for customers by promoting a lifestyle that does not waste energy.



ZEH rate of homes sold by YAMADA HOMES*

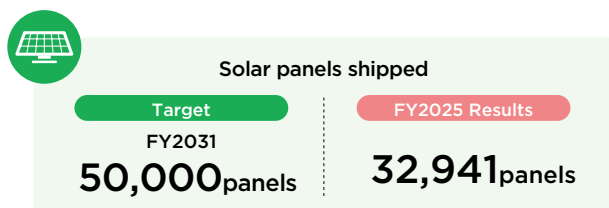
Feb. 2020	Feb. 2021	Feb. 2022	Feb. 2023	Feb. 2024	Feb. 2025
13%	17%	25%	27%	41%	45%

* Results are aggregated from March 1 to February 28 of the following year in accordance with YAMADA HOMES' fiscal year.

Providing resilient homes equipped with solar power

Our Group aims to popularize resilient homes equipped with solar power systems and storage batteries, and actively promotes the installation of solar panels not only in new homes but also in renovation proposals. By visualizing the output of the solar power system and electricity usage with the home energy management system (HEMS) monitor, it is also expected to raise awareness about saving energy without wasting the energy created.

Moving forward, we will further contribute to building a safe and secure society through proposals such as YAMADA HOMES' YAMADA Smart House and our Energy Revolution Z, which combines the Hinokiya Group's solar systems, vehicle-to-home equipment, and high-performance storage batteries.



Promotion of energy conservation in distribution

In YAMADA DENKI's logistics operations, we request subcontractors and partner companies to cooperate with turning off vehicles when stopped. We are maintaining a high implementation rate of over 98% for FY2025. We are also promoting eco-friendly logistics by reducing the number of vehicles used by devising load capacity, shortening vehicle mileage in product delivery by utilizing an efficiency system for inter-store transfers, and testing the effectiveness of five electric vehicles in stores on a trial basis.

Water Resource Conservation

Our Group manages water treatment properly during the reuse process in environmental projects, striving to conserve water resources by reducing water usage through recycling and other means. Our reuse production plants consume approximately 30,000 m³ of water annually. Our automatic washing tub cleaners adopt a recycling system that filters and reuses hot water without using detergents. Hypochlorous acid water is used for refrigerator disinfection, aiming to reduce environmental impact. We will continue to focus on water resources initiatives, working to maintain and manage the natural environment to preserve biodiversity.

Development, distribution and maintenance of eco-friendly septic tanks that meet social demands

Housetec, which has housing and environmental equipment as one of its core businesses, is engaged in the water environment business and is focusing on the development and sale of septic tanks.

The installation of septic tanks for new home builds is stipulated in law in Japan (excluding planned sewerage treatment areas). As such, single-type septic tanks that handle only wastewater from toilets, and combined-type septic tanks that treat all domestic wastewater, including from the kitchen and bathroom, have become widely used.

The revised Johkasou (septic tank) Act that came into effect in 2020 encourages existing single-type septic tanks to be converted into combined-type. The combined-type septic tank developed by Housetec is designed to replace single-type septic tanks, achieving space efficiency. In addition to its energy-efficient design, it uses lightweight and highly durable DCPD* resin, providing strong resistance to disasters such as earthquakes, with a proven track record of installation in various locations.

Our Group companies Nikka Maintenance and Chubu Nikka Service are involved in the maintenance, inspection, and installation of septic tanks, supporting our customers' living environments. We will continue to focus on the development, dissemination, and maintenance of eco-friendly septic tanks, aiming to further improve water environments and promote biodiversity through water conservation efforts.

* DCPD: Dicyclopentadiene



Combined treatment septic tank
Haibakki KRS type

KRS structural diagram

Basic Approach

We believe that human capital is the most important management resource for the sustainable development of our Group's business. In order to maximize the potential of our people, we have appointed a CHRO to recruit diverse human resources, systematically develop them, and establish a system to support these efforts. As well as creating working environments that enable employees to fully demonstrate their individuality and abilities at operating companies with a wide range of possibilities, we encourage future growth by presenting appealing career paths.



Human Resource Development Policy
https://www.yamada-holdings.jp/lang-en/policy_human-resource.html



Company Environment Improvement Policy
https://www.yamada-holdings.jp/lang-en/policy_environment-improve.html

Risks and Opportunities

In terms of human resources strategy, the Board of Directors and the Human Resources and General Affairs Committee, chaired by the General Manager of the Human Resources and General Affairs Committee, review and resolve specific issues and measures raised by each subcommittee, and monitor progress. In addition, we aim to resolve issues across the entire Group by sharing the details of discussions at the Human Resources Committees and subcommittees of each affiliated operating company in Japan and overseas.

Our Response to These Risks

In order to achieve our medium-term business plan, we are working to improve the productivity of each employee by enhancing systems to strengthen expertise in each business field, and we are also focusing on developing Yamada's own specialist Sales Engineers.

Engagement Survey

We have been conducting employee satisfaction surveys since FY2022, and have set goals and implemented measures based on the survey results, with the aim of improving employee job satisfaction and productivity. In FY2025, we changed the survey to an engagement survey focused on measuring employee engagement, and expanded the scope to the entire Group. We aim to take appropriate measures after gaining a more precise understanding of issues based on the results of the engagement survey and stress check, and to effectively promote improvements to the company environment.



Engagement survey

Target

FY2031

Overall rating of
A

FY2025 Results

Overall rating of
B

(Seven-point rating system: S, A, B+, B, B-, C, D)

Targets: YAMADA HOLDINGS, YAMADA DENKI, YAMADA FINANCE SERVICE, CIC, INVERSENET, YAMADA HOMES, Hinokiya Group, Housetec, Chubu Nikka Service, and Nikka Maintenance

Human Resource Development

On its path toward the "Total-Living" strategy, our Group is striving to secure human resources capable of responding to a wide range of customer needs based on a broader spectrum of products and services as well as future expansion into other business areas. In terms of human resource development and rebuilding the training system to suit the current times when it is difficult to predict the future, the Group is focusing on human resource development under the theme of "development and training for self-starting human resources and a self-starting organization."

In addition to traditional technical skills, we provide education tailored to each management skill acquisition stage, including human skills and conceptual skills, in order to revitalize the organization and put our vision for the future into practice, creating an educational environment in which each individual can demonstrate their abilities. In June 2024, we launched the Next-Generation Executive Academy, a three-year training program for employees who will be responsible for the next generation of management. Under the theme of "learn about ideal business management," all participants will discuss what the ideal form of management should be for creating new value and growing the Group.

Improving our ability to make proposals

In addition to gaining product knowledge, various measures are being taken to accurately understand the needs of customers in order to recommend the best products to them. To develop more specific proposal skills, we conduct group training at stores with outside instructors, and 1,410 employees participated in this training in FY2025.

Strengthening proposals for renovations

YAMADA DENKI is working to strengthen its proposals for renovations to improve the comfort and convenience of customers' lives. "Total-Living" proposals are made not only for home appliances but also for kitchens and bathrooms, interiors and exteriors, as well as for furniture. By training up various advisors, employees at YAMADA DENKI can give more detailed advice with regard to customers' homes. Moreover, skilled employees give craft tailored proposals to meet the needs of customers looking to extend or make improvements to their homes.

Improving customer service

In order to improve customer service skills, YAMADA DENKI provides practical training with a focus on on-the-job training (OJT), as well as systematic training via online training and e-learning programs. Moreover, to improve the quality and accuracy of services, customer surveys are conducted in stores, on deliveries, and during after-sales services, as well as via various social media channels, with the results used for employee training purposes. Furthermore, as part of strengthening renovation proposals in order to augment "Total-Living" services for the living environment, initiatives are being carried out to provide job-specific training, including training manuals and interior study sessions for employees.

Enhanced learning support tools

To give consistent sales services, YAMADA DENKI has been rolling out its own learning site, called My Learning, to employees on product knowledge and sales techniques. We also share videos centered on demonstrations and roleplaying.

Tiered training

YAMADA HOLDINGS and YAMADA DENKI are giving tiered training under the banner of "cultivating human resources who can think and act on their own—upgrading our basic OS of awareness and mind."



Average hours of training per employee

Target

FY2031

30 hours or more/year

FY2025 Results

21 hours/year

Tiered training system

Tier	Part-time employee	General employee	Skilled employee	Section Manager	Manager
Skills required	- A fresh perspective - Ability to make proposals - Communication skills - Career design - Making good habits - Self-reliance, self-responsibility - Business etiquette	- Business etiquette - Communication skills - Listening skills - Ability to ask questions - Time management - Mental toughness - Open mind - Independence - Professionalism	- Work efficiency - Problem-solving skills - Mentoring skills - Leadership - Team building - Motivation management - Teaching - Coaching - Followership - Self management	- Ability to make contributions - Ability to make proposals - Ability to instruct subordinates - Problem-solving skills - Leadership - Team building - Motivation management - Teaching - Coaching - Followership	- Business management - Training management - Ability to shape future plans - Analysis methods - Giving direction - Decision-making skills - Management literacy - Financial management skills
Training	- Training for mid-career hires - Online product study sessions - Product e-learning	- Training for new employees - Training for young employees - Online product study sessions - Product e-learning	- Training for mid-level employees - Training for lower-level managers - Study sessions for mentors of new employees - Harassment education - Online product study sessions - Product e-learning	- Training for lower-level managers - Training for mid-level managers - Yamada Leadership Academy - Harassment education	- Training for executives and senior managers - Training for next-generation executives - Yamada Leadership Academy - Harassment education
Conceptual skills					
Human skills					
Technical skills					
Specialized programs	Training for new store managers and employees Sales Engineer training Sustainability & SDGs education Compliance training				
Self-development	Learning content for self-development				
In-house tests	In-house qualification tests (conducted twice a year)				
External qualifications	External qualification follow-up training (recommended qualification), Home Appliance Advisor, Smart Master, Sleep Advisor, etc.				
Internal qualifications	Meister education, various Meisters (TV, air conditioner, smart speaker, digital camera, etc.)				

Training for new employees

New recruits learn the skills needed to be a member of the Group through online study sessions, the distribution of educational content, and the acquisition of basic knowledge using actual products. In 2025, an online lecture about Yamada was conducted for all recruits of the entire Group the day after they joined the Group. After lectures from executives, etiquette training from external instructors, and learning the basics of being a member of society, new employees undergo a period of new employee training at their assigned workplace before becoming fully-fledged employees. We have established a system where new employees can continue to learn, with follow-up training being conducted six months and one year after joining the Company.

Developing next-generation leaders

The YAMADA HOLDINGS Group is working to develop next-generation leaders in all tiers for its sustainable growth. Employees participate in cross-industry exchange training to learn the principles of management and improve their leadership. Content learned is shared with the employee's manager who checks the progress of their efforts. We are also helping to improve the skills of each and every employee by appointing senior employees to be in charge of training recruits. These more experienced employees learn training techniques and ways to improve motivation without having to fall back on intuition or experience, and play a vital role in promoting the growth of junior employees.

Yamada Leadership Academy

The YAMADA HOLDINGS Group conducts tiered-based middle and top management training at the Soseijuku employee training center for employees at the section manager level or above, for sales managers and store managers, and for employees at operating companies at the manager level or above. Under the theme of developing self-starting human resources and a self-starting organization, external instructors are invited to provide mind training and strengthen team building and management skills. There is also a focus on cross-border training through group discussions with other departments and other operating companies. The purpose of this training is also to educate top management who will lead the next generation of the Group, including the acquisition of managerial perspectives, and as such, the YAMADA HOLDINGS Group will continue to enhance and expand its training programs. The training is a two-year plan, and in FY2025, 118 participants joined, bringing the total to 611.

Developing Sales Engineers

YAMADA DENKI presently has 526 Sales Engineers (as of the end of FY2025) and its aim is to make customers' lives more comfortable by developing Sales Engineers into technicians and advisors who can recommend a wide range of products and services from home appliances and furniture to interiors and home renovations at times when there are an increased number of deliveries and installations such as during the summer, New Year holidays, and fiscal year-end.

As part of the training of Sales Engineers, who are responsible for all aspects of product sales, delivery, and installation, the program focuses on practical training to acquire skills in the installation of air conditioners and other equipment. We are also working to raise the professional competence level of all Sales Engineers and promote the acquisition of qualifications. Based on an annual training plan, more than 70% of our Sales Engineers have obtained the national certification of Second Class Electric Works Specialist's license through regular lectures given by specialized instructors.

In terms of recruitment, we are focusing on training Sales Engineers regardless of nationality or gender, as well as on further recruitment from industrial high schools.

Gaining external qualifications

When customers purchase home appliances, employees need to have the relevant expertise in order to provide appropriate advice on such things as how the product works, what it can do, how frequently it should or can be used, where to install it, and other installation preferences. At YAMADA DENKI, many employees have acquired qualifications, primarily Home Appliance Advisors*1 or Smart Masters*2, and are utilizing the knowledge they have gained through these qualifications in their daily work.

Skills required for furniture and renovation proposals include external qualifications such as certified seller, architect, and interior stylist, and including these, a total of 16,583 employees (total number of people) hold external qualifications. The acquisition of external qualifications is not only for improved customer satisfaction, but also leads to maintaining and improving employee job satisfaction and motivation, which is why the entire Group is working on this.



Number of qualified employees (as of March 31 each year)
https://www.yamada-holdings.jp/lang-en/report_esg_en.html

*1 A qualification for professionals in sales and customer service of home appliances, giving accurate advice for customers on product selection, use, and troubleshooting.

*2 A qualification related to smart houses, giving a wide understanding of homes, home appliances, housing equipment, and energy management, to support the construction of smart houses that meet customers' needs.

Human Resources and Performance Appraisals

YAMADA DENKI emphasizes a merit system not based on seniority, and as such is building a fair, impartial, and transparent performance appraisal system, reviewing evaluation standards as necessary. In the employee evaluations held twice a year, individual targets are set in accordance with assessment indicators from each department and evaluated on a multi-level basis. Feedback is then given to each employee, and goals for the next year are set.

Annual employee commendation program

Each year, YAMADA HOLDINGS commends top performers in the Consumer Electronics Segment in terms of the stores and corporate sales offices which have made large sales in relation to their size, and individuals with the highest annual sales, etc. For FY2025, the scope was expanded to include overseas stores, and 67 people were awarded across nine stores and three sales offices, including the Best Sales Award.

Diversity, Equity & Inclusion and Well-Being

We believe that considering a work-life balance is important for creating a comfortable working environment, and have put in place a comprehensive work-life balance system for childcare, nursing care, and other matters. Positioning diversity, equity, and inclusion at the core of the Group's growth strategy, we will promote the realization of an environment where diverse human resources can play an active role. The Group will keep growing with our stakeholders while all employees continue learning from each other and creating valuable products and services.

Supporting the success of women in the workplace

The YAMADA HOLDINGS Group recognizes that creating a work environment in which all female employees can pursue their private lives while simultaneously advancing their careers based on their own intentions and desires is the foundation for further corporate growth. In November 2024, we launched career training for female managers. Through dialogue with female managers from other companies, we aim to develop human resources who can proactively consider their own careers and envision their careers from a long-term perspective. From September 2025, we began career design training for female employees other than managers, with a goal of creating role models for the next generation.



Ratio of female managers

Target	FY2025 Results
FY2031 10% or more	4.1%

Fostering understanding of LGBTQ+ issues

To promote understanding of LGBTQ+ issues, YAMADA HOLDINGS has created training videos on everything from basic knowledge about sexual minorities to how to interact with them in the workplace, and has made them available on its own dedicated learning site, My Learning. YAMADA HOLDINGS promotes acceptance and respect for diversity among its employees.

Employing people with disabilities

The stores, offices and headquarters at YAMADA HOLDINGS are accessible throughout for people with disabilities. The Company is therefore striving to create an environment where all employees with disabilities can work with peace of mind. When deciding on assignments, we interview the individual to determine the type of work they can perform, taking into consideration the characteristics of each individual. The employment rate of people with disabilities for FY2025 was 2.5%.

Appointing foreign employees

The YAMADA HOLDINGS Group recruits without setting standards for nationality in order to strengthen its response to diverse customers. We support non-Japanese employees in acquiring Japanese language certification. In addition, since 2023, we have endorsed the Basic Guidelines for Accepting Foreign Nationals set forth by the SEIDANREN (The federation of industry for national life and consumer's association).

Reemployment system for retirees

The retirement age for employees at YAMADA HOLDINGS is 65 years old but the Company has introduced a reemployment system that allows employees to work up to the age of 75. Senior talents with advanced skills and knowledge are playing an active role in helping other employees.

Introduction of area-specific employment system

YAMADA DENKI is running an area-specific employment system so that employees do not have to relocate. The system enables employees to choose a working style in line with their own life plan or family situation whether for childbirth or looking after children or elderly parents. In FY2025, 12.5% of employees used the system.

Reducing long work hours

YAMADA DENKI has introduced a Work Interval System to ensure a break between the end of one's workday and the start of the next workday to improve work efficiency and reduce overtime work, in addition to complying with labor-related laws.



Controls on long working hours: Percentage of companies that reduced overtime hours YoY change

Target	FY2025 Results
Every year Increase on previous fiscal year	YoY Down 16.6 points

Responding to workplace reforms in the logistics industry

YAMADA DENKI's distribution centers have a two-day weekend system, adjust delivery dates to stores according to the volume of goods, and use basket carts and folding containers to shorten delivery times per store. The company is also promoting digital transformation (DX) of distribution for the future.

Promoting more use of annual paid leave

The YAMADA HOLDINGS Group strives to promote the use of paid leave as part of its efforts to provide a comfortable working environment for all employees. In addition to allowing employees to take paid holidays in half-day increments, we are working to improve the take-up rate through a system that includes stretches of seven consecutive holidays including planned holidays and public holidays.



Percentage of paid leave taken (full-time and non-full-time employees)

Target	FY2025 Results
FY2031 80%	58.1%

Childcare and nursing care system

Regardless of gender, YAMADA HOLDINGS encourages employees to take childcare and nursing care leave so

that they can work flexibly. We are creating an environment that makes it easier for men to take childcare leave by providing examples of men taking childcare leave in our company newsletter and working to raise employee awareness. From September 2025, we plan to grant five days of leave to men who are eligible for childcare leave.



Percentage of female and male employees taking childcare leave

Target	FY2025 Results
FY2029 Maintain 100% for female 80% or more for male	Female 100% Male 36.2%

Responding to labor shortages and securing human resources

As labor shortages become more serious, we need to improve operational efficiency and labor productivity by promoting DX in order to continue providing useful and quality services. We also recognize the importance of creating a comfortable working environment to enhance employee retention rates and promote performance improvements, and are working to make improvements.



Sales from e-commerce and TV shopping*

Target	FY2025 Results
FY2030 ¥190.0 billion	¥101.8 billion

*Target: Consumer Electronics Segment



Full-time employee turnover rate

Target	FY2025 Results
FY2031 4.5%	4.4%



Sales per person at YAMADA DENKI

Target	FY2025 Results
FY2030 ¥71 million/year	¥54.72 million/year

YAMADA HOLDINGS' main support systems (as of April 2025)

Items	System	Description
Childcare	Maternity leave	8 weeks before birth (14 weeks for multiple births), 8 weeks after birth (6 weeks before birth and 8 weeks after birth by law)
	Childcare leave at birth (postpartum childcare leave for fathers)	Available for up to 4 weeks within 8 weeks after the child is born
	Childcare leave	Available until the child reaches the age of 3 (until the age of 1 by law)
	Shorter working hours for childcare	Available until the child graduates from elementary school (up to 3 years old by law)
	Time off for sick/injured child care, etc.	Available until the child graduates from elementary school (up to the third grade of elementary school by law)
Nursing care	Nursing care leave	Up to 184 days leave may be taken to care for a family member (up to 93 days by law)
	Time off for nursing care	5 days leave may be taken per year to care for a family member (10 days for 2 or more family members)
	Shorter working hours for nursing care	Up to 3 years of shorter working hours may be taken to care for a family member

Other support systems

- Long break shift system
- Menstrual leave
- Accumulation of expired annual paid leave
- Hometown employees
- Consecutive leave
- Reemployment system
- Special leave for female workers to receive health guidance or medical checkups in accordance with the Maternal and Child Health Act



Developing and Encouraging Diverse Human Resources
<https://www.yamada-holdings.jp/lang-en/csr401.html>

Health and Safety at Work

Based on the idea that maintaining and improving a healthy and safe work environment and promoting health for all employees forms the basis of the company's survival, the Group works to ensure health and safety at work, creates a comfortable work environment, facilitates job performance and improved productivity, and manages employee health.



Health and Safety Policy

https://www.yamada-holdings.jp/lang-en/policy_health-safety.html

System to promote health and safety at work

The Company promotes occupational health and safety under the supervision of the Board of Directors, and the number of occupational accidents and countermeasures are reported monthly to the Working Environment Improvement Subcommittee under the ESG & Sustainability Promotion Committee. In addition, the Company and YAMADA DENKI have established a Health and Safety Committee chaired by managers and hold meetings once a month at all business sites. The committee sets a theme for the year (based on important matters and matters for consultation). Activities and discussions take place around the theme with the results submitted to and managed by the Labor Section at headquarters.

Main initiatives to prevent accidents at work

The Company and YAMADA DENKI have determined priority issues to reduce the number of accidents in the workplace, and are taking various measures, including monitoring and managing work-related accidents. In order to eliminate risks that lead to serious injury, etc., the Company and YAMADA DENKI have been working to prevent recurrences by preparing unsafe incident reports and examining individual cases. We implemented a system in all stores in FY2025 that sounds an alarm when danger is detected as part of the heatstroke prevention measures that came into effect in June 2025. In the event of an accident at work, the Group is obliged to put measures in place at the store concerned and with all relevant parties to prevent the accident from ever happening again. In addition, YAMADA HOMES conducts safety patrols and provides training, including for subcontractors. YAMADA HOLDINGS will continue striving to improve levels of safety management throughout the Group.



Frequency rate of accidents that require time off work

Target
FY2031
0.50 or less

FY2025 Results
1.14

Health management and mental health

YAMADA HOLDINGS and YAMADA DENKI provide awareness and guidance on health management and mental health so that employees can make the most of their abilities and engage in their jobs. In terms of physical health, the Group carries out regular health checkups for the purpose of preventing lifestyle-related diseases, and the Company and YAMADA DENKI carry out specific health guidance based on the results. Starting in May 2025, every Thursday and Friday are designated as non-smoking days in all stores to promote health.

With regard to mental health, the Group conducts stress tests based on laws and regulations, and works to reduce the risk of mental illness by raising awareness of employees' own levels of stress. YAMADA DENKI invites occupational health physicians to conduct mental health training twice a year for store managers. Moreover, YAMADA DENKI has established a consultation desk (toll-free number) in cooperation with a medical institution so that employees can talk to someone if they need to. Furthermore, in order to gain the right knowledge about mental health and how to handle any issues in case of emergency, life-care training is being provided to employees in managerial roles from occupational health physicians.

Percentage of stress tests and health checkups taken (%)

	FY2023	FY2024	FY2025
Percentage of health checkups taken	97.9	95.9	95.6
Percentage of stress tests taken	93.2	96.1	96.5



Percentage of health checkups taken

Target
FY2031
100%

FY2025 Results
95.6%



Percentage of stress tests taken

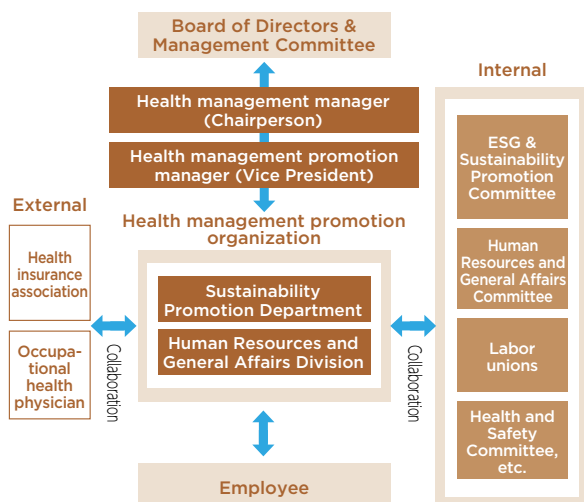
Target
FY2031
100%

FY2025 Results
96.5%

Health management promotion system

The Chairperson acts as the person responsible for promoting health management. The Human Resources and General Affairs Division and the Sustainability Promotion Department serve as the promotional departments, while the Vice President is in charge of marketing the program. Furthermore, the initiative involves collaboration with external health insurance associations and occupational health physicians, as well as related internal organizations and labor unions.

Health management promotion system chart



Certified as a Health & Productivity Management Outstanding Organization



The Company and YAMADA DENKI have been recognized for the first time as a Certified Health & Productivity Management Outstanding Organization (Large Enterprise Category) promoted by the Ministry of Economy, Trade and Industry. Based on the idea that maintaining and improving a healthy and safe work environment and promoting health for all employees forms the foundations of the company's survival, the Company made the Health Management Announcement in September 2024, which led to this recognition.

In addition, Yamada Technical Service and Cosmos Berry's have been certified as Health & Productivity Management Outstanding Organizations 2025 (Small and Medium-Sized Enterprise Category).

Health Management Announcement

The YAMADA HOLDINGS Group's management philosophy is "Creation and Challenge" and "Appreciation and Trust." The Group is engaged in various businesses and initiatives for its own growth and development of society. The YAMADA HOLDINGS Group believes that "human resources" is the most important aspect of management for its own growth and development of society in order to realize our management philosophy. We will promote health and productivity management based on the idea that maintaining and improving the occupational safety and health environment in which all employees can work with peace of mind, and promoting their physical and mental health are the foundations of our company's survival, so that employees can maximize their capabilities.

Noboru Yamada
YAMADA HOLDINGS CO., LTD.
Representative Director, Chairperson and CEO

Supply Chain Management and Human Rights

To ensure fair and transparent transactions, the Group is working to strengthen its supply chain management by ensuring compliance with the Trading Policy (available in Japanese and English) for Group companies and suppliers. The Group deals with various suppliers in Japan, including major consumer electronics and furniture manufacturers, household product manufacturers and wholesalers. Many of the manufacturers that the Group deals with are companies making exceptional efforts. The Group aims to build sound partnerships with its business partners by utilizing knowledge and sharing information on the social responsibilities mutual to both parties in the trading relationship.

Based on the content of its respect for human rights in its Code of CSR Ethics, the YAMADA HOLDINGS Group has established a human rights policy which sets out the Group's due diligence on human rights, the remedies and corrective measures to be taken in the face of human rights abuses, and education on human rights. All officers and employees support international norms regarding human rights, promote efforts to respect each other's character and individuality, eliminate discrimination based on race, nationality, sex, religion, etc., and respect the character and individuality of individuals. We also promote respect for the human rights of each employee by providing a safe and healthy working environment, freedom of association, and prohibiting child labor, forced labor, and inhumane activities.



Trading Policy

https://www.yamada-holdings.jp/lang-en/policy_trading-policy.html



Human Rights Policy

https://www.yamada-holdings.jp/lang-en/policy_human-rights.html

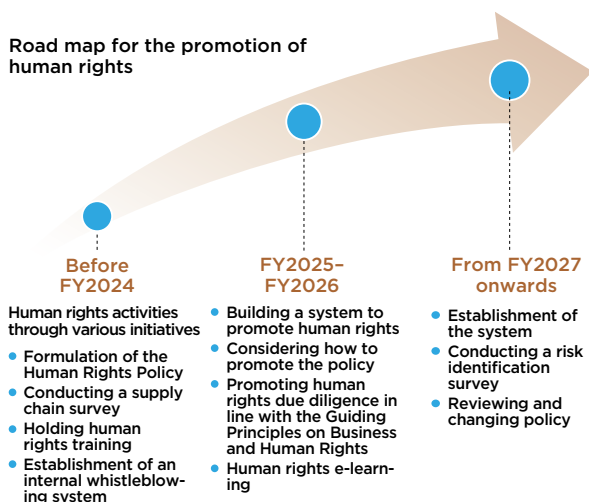
Human rights promotion structure



Human rights due diligence and training

In order to respect the human rights of all stakeholders involved in our business activities, the YAMADA HOLDINGS Group will continue to develop our system to implement human rights due diligence to identify and mitigate impacts on human rights, based on the United Nations Guiding Principles on Business and Human Rights and the Japanese government's Guidelines for Respecting Human Rights in Responsible Supply Chains. With the aim of raising awareness of human rights and building a culture of respect for human rights, we are carrying out various initiatives, such as providing human rights training for all Group employees and officers, including videos to help them understand our Human Rights Policy. YAMADA DENKI has established the Policy for Countermeasures Against Customer Harassment and created a response manual to ensure the safety and security of employees. We have also provided video training on anger management for officers and managers. We will continue to provide training for employees.

Road map for the promotion of human rights



Business partner questionnaire surveys

As part of its emphasis on corporate social responsibility throughout the entire value chain, the YAMADA HOLDINGS Group promotes compliance in areas such as the environment, society, and ethics based on its Code of CSR Ethics. Since the Group's products and services are provided to customers via a number of domestic and foreign corporations, the Group believes that all relevant laws and regulations should be complied with at every stage to ensure products and services are provided in an environmentally, socially, and ethically acceptable way. For this reason, a questionnaire survey is conducted once a year targeting major suppliers and business partners to check their compliance with trading policies and their efforts toward ESG issues. The results from the responses are collated and analyzed, and hearings or requests for improvement are carried out if any companies are deemed to be high risk.

Business partner questionnaire survey results for FY2025

From FY2022, YAMADA HOLDINGS has been using the CSR Procurement Self-Assessment Questionnaire published by the Global Compact Network Japan (GCNJ) to conduct a self-assessment questionnaire with a total of 114 questions, including human rights, the environment, and the supply chain. In FY2025, we conducted a company questionnaire that narrowed the number of questions to 30, with the aim of receiving responses from as many business partners as possible. As well as identifying business partners with low scores in a comparative analysis with the previous fiscal year to get an understanding of the situation through dialogue, plans for improvement are put forward and corrective measures are taken as necessary.

Information on the business partner questionnaires

Business partners	Items	FY2023	FY2024	FY2025
YAMADA HOLDINGS' business partners	Number of companies	280	289	297
	Response rate (%)	56.1	49.1	58.9
Group company business partners	Number of companies	247	220	228
	Response rate (%)	67.6	71.8	74.1
YAMADA DENKI main business partners	Number of companies	75	74	73
	Response rate (%)	62.7	63.5	75.3
Contract manufacturer of SPA products	Number of companies	39	43	50
	Response rate (%)	100	100	100
Total	Number of companies	641	626	648
	Response rate (%)	64.0	62.3	69.3

Identifying human rights issues

Surveys of our business partners allow us to understand the working environment and identify human rights issues. In FY2025, we conducted a human rights risk questionnaire of our company and YAMADA DENKI officers, and identified important human rights risks. Based on the survey results, we will continue to address human rights issues.

Human rights risk questionnaire results

Significant human rights risks

- Excessive and unreasonable working hours
- Freedom to move one's residence
- Consumer safety and the right to know
- Information security
- Intellectual property rights

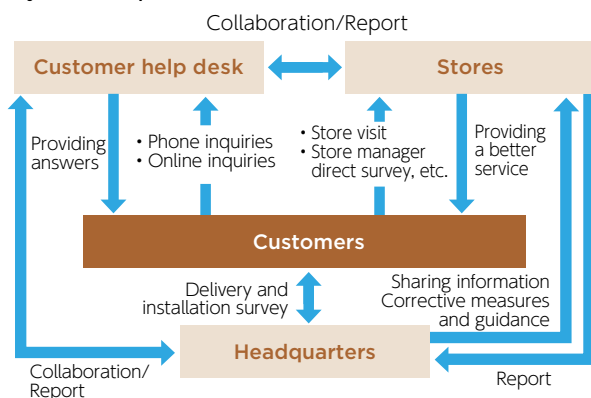
Selection of contract manufacturers of SPA products

We select contract manufacturers of SPA products primarily from companies that have obtained ISO 9001 certification. We also conduct quality audits of some of our manufacturers initially, before mass production, regularly (every three years), and at random, and the status of their ISO 14001 certification is verified every year to strengthen our response to environmental risks.

Customer Satisfaction Initiatives

YAMADA DENKI is seeking to offer a wide range of products, all at reasonable prices, with a kind and courteous customer service. The Company is working hard to satisfy customers not only at the time of purchase, but also right up to and beyond the time customers start using its products, including delivery, installation, repair, support, and the aftersales services of product. The Company carefully listens to feedback from the sales floor and customers to make improvements.

System to improve customer satisfaction



Setup customer help desk and call center

To make the most of customer feedback, YAMADA DENKI has set up a customer help desk at the headquarters where a system has been created to listen to customer feedback and respond promptly in collaboration between relevant departments. Based on the feedback received, specific improvement plans are formulated and implemented at monthly meetings, and the status of initiatives is reported to executives. Information is also shared with each department at in-house company manager meetings.

A call center has also been set up dedicated to repairs and various other services, where we strive to improve services by answering questions while checking the verification equipment. At the call center, we hold customer service training for receptionists. They are evaluated based on audio recordings of interactions with customers, using a checklist that incorporate evaluation items to improve response quality. We improve the quality of customer service through feedback of the evaluation results. Going forward, the Company will continue to strive to provide a customer-oriented service by responding to, collecting, and analyzing customer feedback.

Customer feedback

(Number of cases)

	FY2023	FY2024	FY2025
Complimentary feedback	616	590	556
Suggestions for improvement	545	462	474

Providing a comfortable shopping time

YAMADA DENKI regularly holds a Quiet Hour at some of its stores to ensure that all customers can enjoy shopping in a comfortable environment. The Quiet Hour is an initiative to adjust the in-store environment to temporarily alleviate sound overlap and light stimulation by lowering the volume of in-store background music and broadcasts and reducing lighting, in consideration of those with sensory sensitivity to sound and light. The program was implemented regularly at the Tecc. Land Sagamiara store in 2023, and as of June 2025, it is in effect at 17 stores*1 in Kanagawa Prefecture, with the scope of implementation continuing to expand. In addition, we have installed sanitary boxes in private men's restrooms for customers and employees at YAMADA DENKI stores*2 nationwide. We focused on the problem of where to dispose of pads and adult diapers for people who are undergoing treatment for prostate cancer, bladder cancer, or due to aging, and have trouble finding a place to dispose of used sanitary products.

*1 LABI, excluding in-shop stores

*2 Excluding some in-shop stores

Information Security

The Group obtains a large amount of private data, and our headquarters handles a variety of confidential information related to management. As a company that handles these information assets, we have acquired ISO 27001 (ISMS) certification and are implementing a wide range of measures and investments to raise the security level of the entire Group.

To protect private data, we have established a personal information protection policy and implemented safety management measures. In 2025, the ITDX Division took the lead in creating privacy policies tailored to the business formats of each Group company. In recent years, we have expanded our overseas store openings, and are establishing systems to comply with General Data Protection Regulation (GDPR) and other personal information protection regulations in each country. To thoroughly protect confidential information, we have established a basic information security policy and are building and maintaining the latest security measures, including ongoing vulnerability assessments of our core systems. We also regularly hold study sessions for employees. As a result of these efforts, we have achieved zero serious incidents in the five years up to FY2025.



Protecting Personal Information Policy

<https://www.yamada-holdings.jp/info/policy/privacy.html>
(in Japanese only)



ISO 27001 certification

<https://www.yamada-holdings.jp/info/policy/isms.html>
(in Japanese only)

ESG Data



ESG Data

https://www.yamada-holdings.jp/lang-en/report_esg_en.html

Symbol notation for scope of data
A: YAMADA HOLDINGS
B: YAMADA DENKI
C: YAMADA HOLDINGS and its major operating companies (consolidated)

Environment

	Items		Scope of data	Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Waste reduction and resource circulation	Amount of waste	Amount of industrial waste disposed	C ^{*1} C ^{*2}	t	60,980 ^{*3}	133,949	175,105	172,109	144,084
	Reuse & recycling	Reuse of 4 household appliances (TVs, refrigerators, washing machines, and air conditioners)	B	Units	56,937	78,663	128,194	119,727	156,899
		Number of small home appliances recycled	B	Units	802,478	958,417	830,227	839,103	843,128
Tackling climate change	CO ₂ emissions	Scope 1	C ^{*2}	kt-CO ₂	54	53 [✓]	53 [✓]	48 [✓]	36 [✓]
		Scope 2			259	263 [✓]	231 [✓]	231 [✓]	235 [✓]
		Scope 3			26,371	23,376 [✓]	21,491 [✓]	21,335 [✓]	20,423 [✓]
		CO ₂ emissions from electricity use per floor area	C ^{*2}	kg-CO ₂ /m ²	40.9	40.4	35.0	34.6	35.5
	Introduction of renewable energy	Percentage of renewable energy out of total power consumption	C ^{*2}	%	1.94	2.03	2.15	3.74	3.92

Social

	Items		Scope of data	Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Employee data	Number of full-time employees	Male	C	—	19,126	18,323	19,912	20,096	20,276
		Female			5,174	4,628	5,372	5,430	5,400
		Total			24,300	22,951	25,284	25,526	25,676
	Turnover rate ^{*1}	Total of male and female	C ^{*2}	%	5.3	6.1	6.4	6.0	4.4
Human resource development	Average hours of training per employee		C ^{*1}	Hours	-	-	19	25	21
	Number of Sales Engineers		B	—	175	337	452	483	526
Customer satisfaction initiatives	Customer feedback	Complimentary feedback	B	Cases	638	625	616	590	556
		Suggestions for improvement			632	615	545	462	474
Diversity, Equity & Inclusion	Ratio of female employees	Managers	C ^{*2}	%	3.8	4.0	3.6	3.6	4.1
		Full-time employees	C		21.3	20.2	21.2	21.3	21.0
	Number of foreign employees ^{*1}	Total of male and female	C ^{*3}	—	301	178	213	205	307
Promoting a good work-life balance	Percentage of paid leave taken	Full-time employees	C ^{*3}	%	45.8	46.2	51.0	59.4	53.6
		Full-time employees + non-full-time employees	C		-	-	56.9	64.0	58.1
	Childcare leave acquisition rate ^{*4}	Male	C ^{*5}	%	-	-	14.3	32.5	36.2
		Female			-	-	119.2	100	100
	Engagement survey ^{*6}		C	-	-	-	B ^{*7}	B ^{*8}	B
Health and safety at work	Frequency rate of accidents that require time off work		C ^{*9}	-	-	-	0.69	0.98	1.14
	Percentage of health checkups taken		C ^{*2}	%	93.0	93.8	97.9	95.9	95.6
	Percentage of stress tests taken		C ^{*2}	%	92.3	92.7	93.2	96.1	96.5

Governance

	Items		Scope of data	Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Corporate governance	Director ^{*1}	Number of directors	A	—	-	-	-	12	12
		Ratio of female directors		%	-	-	-	16.7	16.7
		Number of outside directors (of which independent)		—	-	-	-	5 (5)	5 (5)
		Ratio of outside directors		%	-	-	-	41.7	41.7
	IR activity		A	Times	247	208	204	223	216
Compliance	Number of whistleblowing reports		C ^{*2}	Cases	133	151	173	165	391
Supply chain management	Business partner questionnaire results	Number of target companies	C	Companies	105	552	641	626	648
		Response rate		%	86.6	54.0	64.0	62.3	69.3

Environment	*1 The Hinokiya Group (Housing Segment) has been added to scope from FY2023. *2 Includes unconsolidated subsidiaries until FY2024. *3 Figures are only for YAMADA DENKI. ✓ indicates figures that have been third-party guaranteed.								
Social	*1 Full-time employees only *2 Includes unconsolidated subsidiaries until FY2022. *3 Includes unconsolidated subsidiaries until FY2023. *4 Because childcare leave can be taken up until the child turns three years old, the acquisition rate may exceed 100%. *5 The figures for FY2023 to FY2024 are for YAMADA HOLDINGS and YAMADA DENKI. *6 Engagement survey uses a seven-point rating system: S, A, B+, B, B-, C, D. Includes the results of employee satisfaction surveys until FY2024. *7 YAMADA HOLDINGS and YAMADA DENKI *8 YAMADA HOLDINGS, YAMADA DENKI, YAMADA FINANCE SERVICE, CIC, INVERSENET, YAMADA HOMES, Hinokiya Group, Housetec, Chubu Nikka Service, and Nikka Maintenance *9 The figures for FY2023 to FY2024 are for YAMADA DENKI.								
Governance	*1 This data is from after the transition to a company with an Audit & Supervisory Committee on June 27, 2024. For data before the transition, please refer to past ESG data. *2 Includes unconsolidated subsidiaries.								

Major Financial Data for 10 Years (Consolidated)

	39th FY2016	40th FY2017	41st FY2018	42nd FY2019
Profit and Loss				
Net sales	1,612,735	1,563,056	1,573,873	1,600,583
Gross profit	459,501	455,199	438,114	440,990
Operating profit	58,158	57,895	38,763	27,864
Ordinary profit	62,734	66,040	47,335	36,889
Profit attributable to owners of parent	30,395	34,528	29,779	14,692
EBITDA*2	79,941	77,355	58,384	46,790
Assets				
Net assets	557,722	585,547	588,740	591,593
Total assets	1,146,722	1,159,456	1,175,568	1,184,042
Interest-bearing debt	346,321	334,874	331,281	315,245
Cash Flow				
Cash flows from operating activities	△ 23	43,855	61,689	36,023
Cash flows from investing activities	△ 13,437	△ 15,279	△ 12,668	△ 8,469
Cash flows from financing activities	4,732	△ 24,382	△ 32,920	△ 27,461
Cash and cash equivalents at end of year	30,664	34,981	51,326	51,175
Financial Indicators				
Equity ratio (%)	46.6	48.4	49.8	49.7
Price earnings ratio (times)	13.92	12.91	17.35	30.02
ROA (%)	2.7	3.0	2.6	1.2
ROE (%)	6.0	6.3	5.2	2.5
ROIC (%)	4.4	4.2	3.0	1.9
Total asset turnover (times)	1.40	1.34	1.33	1.35
Payout ratio (%)	31.4	30.2	35.3	71.5
Share Information				
Net assets per share (yen)	666.03	697.46	731.57	723.55
Basic earnings per share (yen)	38.22	43.00	36.77	18.18
Diluted earnings per share (yen)	38.16	42.89	36.65	18.07

(million yen)

43rd FY2020	44th FY2021	45th*1 FY2022	46th FY2023	47th FY2024	48th FY2025
1,611,538	1,752,506	1,619,379	1,600,586	1,592,009	1,629,069
460,652	521,036	464,960	448,771	454,217	457,360
38,326	92,078	65,703	44,066	41,489	42,821
46,074	98,875	74,136	50,064	47,037	48,045
24,605	51,798	50,555	31,824	24,055	26,912
59,045	113,549	89,389	68,687	67,065	69,277
645,166	672,545	676,277	611,775	624,174	645,275
1,163,494	1,252,599	1,271,668	1,271,181	1,288,994	1,324,980
247,119	235,255	238,141	319,541	315,837	325,553
62,433	122,281	21,084	43,740	54,559	51,566
△ 8,234	△ 14,777	△ 22,265	△ 25,209	△ 21,911	△ 35,143
△ 58,091	△ 82,837	△ 16,647	△ 29,453	△ 25,592	△ 4,060
48,397	73,760	56,470	46,486	54,350	67,553
54.6	51.8	51.6	47.6	47.8	48.1
15.19	9.50	6.23	11.33	12.68	11.07
2.1	4.3	4.0	2.5	1.9	2.1
4.0	8.1	7.9	5.0	3.9	4.3
2.8	7.4	5.4	3.5	2.9	2.9
1.38	1.39	1.27	1.25	1.23	1.23
35.2	28.6	29.5	29.8	37.4	33.4
721.37	792.26	785.50	853.67	892.39	919.90
28.38	62.82	60.96	40.25	34.78	38.90
27.01	62.53	60.67	40.02	34.53	38.60

*1 The Accounting Standards for Revenue Recognition (ASBJ Statement No.29, March 31, 2020) have been applied since the beginning of the 45th business year (fiscal 2022). As such, all figures for the 45th business year and thereafter are the figures after these accounting standards have been applied.

*2 EBITDA is calculated as operating profit + depreciation expense.

Corporate Information (As of March 31, 2025)

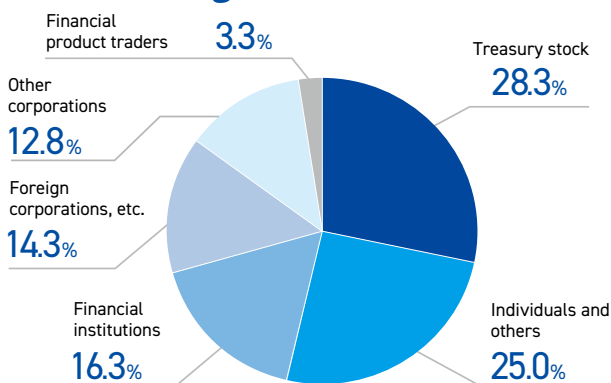
Corporate Profile

Company name:	YAMADA HOLDINGS CO., LTD.
Headquarters address:	1-1 Sakae-cho, Takasaki-shi, Gunma 370-0841, Japan
Founded:	April 1973
Established:	September 1983
Common stock:	¥71.1 billion
Total assets:	¥1,324.9 billion (consolidated)
Equity ratio:	48.1% (consolidated)
Number of employees:	25,676 (consolidated)

Stock Information

Total number of authorized shares:	2,000,000,000
Total number of issued shares:	966,863,199
Number of shareholders:	445,938
Listed stock exchange:	Tokyo Stock Exchange
Shareholder register administrator:	Mizuho Trust & Banking Co., Ltd.

Shareholding Ratio



Major Shareholders

Shareholder name	Number of shares held (thousand shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	79,576	11.48
TECC PLANNING Co., Ltd.	65,327	9.43
Noboru Yamada	31,903	4.60
Custody Bank of Japan, Ltd. (Trust Account)	27,864	4.02
SoftBank Corp.	24,200	3.49
JPMorgan Securities Japan Co., Ltd.	14,896	2.15
The Gunma Bank, Ltd.	12,000	1.73
State Street Bank and Trust Company 505001 (Standing agent: Mizuho Bank, Ltd. Settlement & Clearing Services Department)	10,087	1.46
JPMorgan Chase Bank 385781 (Standing agent: Mizuho Bank, Ltd. Settlement & Clearing Services Department)	8,134	1.17
NORTHERN TRUST GLOBAL SERVICES SE, LUXEMBOURG RE LUDU RE: UCITS CLIENTS 15.315 PCT NON TREATY ACCOUNT (Standing agent: The Hongkong & Shanghai Banking Corporation Limited, Tokyo Branch, Custody Services Department)	7,856	1.13

Notes: 1. YAMADA HOLDINGS holds 273,794 thousand shares of treasury stock but is excluded from the above major shareholders.
2. The 505 thousand shares of the Company's stock held by the YAMADA HOLDINGS Employee Shareholding Association Exclusive Trust Account are not included in treasury stock.
3. Shareholding ratio is calculated excluding treasury stock.

External Evaluation



YAMADA HOLDINGS received a rating of "B" in "Climate Change 2024" published by CDP.



**FTSE Blossom
Japan Sector
Relative Index**

The FTSE Blossom Japan Sector Relative Index is an index that selects Japanese companies that demonstrate excellent ESG practices, and the Company has been selected as a part of this index since 2022.

**2025 CONSTITUENT MSCI JAPAN
ESG Select Leaders Index**

**2025 CONSTITUENT MSCI NIHONKABU
ESG Select Leaders Index**

**2025 CONSTITUENT MSCI JAPAN
Empowering Women Index (WIN)**

The MSCI Japan ESG Select Leaders Index is an index that selects Japanese companies with high ESG ratings, and the Company has been selected as a part of this index since 2020. From 2024, the Company has also been selected as a part of the MSCI Japan Nihonkabu Select Leaders Index. In addition, the MSCI Japan Empowering Women Index (WIN) is an index that selects Japanese companies with high gender diversity scores that promote women's activities, and the Company has been selected as a part of this index since 2020.



The Company has been recognized for the first time as a 2025 Certified Health & Productivity Management Outstanding Organization (Large Enterprise Category) promoted by the Ministry of Economy, Trade and Industry.

Editorial Policy

The YAMADA HOLDINGS Group publishes the YAMADA HOLDINGS Group Integrated Report, providing an integrated report of financial and non-financial information in order to provide a deeper understanding of the Group's corporate value for the benefit of all its stakeholders, including shareholders and investors. This report highlights the latest ESG activities and progress of the YAMADA HOLDINGS Group through its business activities aimed at realizing sustainable growth and improved corporate value, based on the material issues identified in May 2025.

● Scope of activities covered by the report

This report covers the activities and performance of the YAMADA HOLDINGS Group. Instances of "YAMADA HOLDINGS Group" or "the Group" throughout this report purport to YAMADA HOLDINGS CO., LTD. and its affiliated operating companies.

● Period covered by the report

April 1, 2024–March 31, 2025 (FY2025)
(Some activities in the fiscal year ending March 2026 are also included.)

● Published

November 2025 (Previous issue: November 2024, next issue scheduled: November 2026)

● Guidelines referred to

- The IFRS Foundation's Integrated Reporting Framework
- The Ministry of Economy, Trade and Industry's Guidance for Integrated Corporate Disclosure and Company-Investor Dialogue for Collaborative Value Creation
- The Global Reporting Initiative's Sustainability Reporting Standards
- Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)
- Recommendations of the Task Force on Nature-related Financial Disclosures (TNFD)

● Disclaimer

Information in this report is based on various assumptions and suppositions made by YAMADA HOLDINGS. Such information involves uncertainties and risks and may significantly deviate from actual outcomes, or the information itself may be objectively incorrect. No assurance can be given that stated future plans, targets, or measures will be met. Actual performance may differ from planned figures due to various unforeseen circumstances such as changes in the future business environment. The content of this report is for the purpose of providing information and is not for the purpose of soliciting investment. Officers and employees of YAMADA HOLDINGS and of its Group companies assume no responsibility for any direct, indirect, or secondary damage or loss resulting from the use of this report or arising from the content thereof.

Information Disclosure Media

YAMADA HOLDINGS discloses information on its website and in various reports so that all stakeholders can understand the Group's initiatives.



Website

Corporate websites

Financial information		Non-Financial information	
Shareholders & investors information https://www.yamada-holdings.jp/lang-en/irdata.html	Financial reports, consolidated financial results, financial results briefing materials, etc.	Sustainability https://www.yamada-holdings.jp/lang-en/csr_index.html	ESG initiatives, sustainability news and topics, ESG Data, etc.



Publications

YAMADA HOLDINGS Group Integrated Report

YAMADA HOLDINGS Group Integrated Report 2025 Questionnaire

Thank you for reading the YAMADA HOLDINGS Group Integrated Report 2025. To help us improve our corporate activities and the content of this report in the future, we would like to hear your comments and suggestions.



YAMADA HOLDINGS Group Integrated Report 2025 Questionnaire

https://www.yamada-holdings.jp/contact/yamada-hd_en_survey.html





YAMADA HOLDINGS CO., LTD.

1-1 Sakae-cho, Takasaki-shi, Gunma 370-0841, Japan

Inquiries: Sustainability Promotion Department

email: ymd@tecc.co.jp

