

Medium-term Management Plan 2027 (FY2025 – FY2027 Three-Year Plan)

Progress and Partial Update as of the end of FY2025

**Action to Implement Management that is
Conscious of Cost of Capital and Stock Price**

*FY2025(Apr. 1, 2024 – Mar. 31, 2025)
FY2027(Apr. 1, 2026 – Mar. 31, 2027)



K'S **K'S HOLDINGS CORPORATION**

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SECTION 1

Progress



1. Medium-term Management Plan 2027 - External Environment

Record highest profits

Medium-term Management Plan 2027 First year

		FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Events	Weather factors	Jul.: Prolonged rainy season Warm winter	Aug.: Heat wave	Summer: Unseasonable weather	Apr.: Record number of air-conditioners sold End June: Heat wave After Jul.: Unseasonable weather	Summer: Record-breaking heatwave	Q1: Record-breaking heatwave
	Tax systems/ Measures	Oct.: Consumption tax hike	May-Jul.: Special cash payments	Dec.: 100,000 yen benefit payments to those under 18 years old			June: A total of 40,000 yen flat tax reduction for income tax and inhabitant tax
	COVID-19	Feb.: Diamond Princess enters port (Start of outbreak in Japan)	Stay-at-home/ Work from home/ Suburban location is advantageous 1st to 3rd waves of COVID-19	Stay-at-home/ Work from home/ Suburban location is advantageous 4th to 6th waves of COVID-19 May: Start of COVID-19 vaccinations Apr. 25 - May 13: 39 stores temporary store closed	Easing of COVID-19 restrictions from H2 7th to 8th waves of COVID-19 Dec. - Jan.: Largest number of infected employees No movement restrictions during the Obon Festival and New Year periods for the first time in 3 years	May: COVID-19 reclassified as Class 5 infectious disease Recovery of travel demand	Almost no restrictions on economic activity due to COVID-19
	Other			End March: Shanghai COVID lockdown Feb.: Start of war in Russia - Ukraine Jul.: The Tokyo Olympics Aug.: Tokyo Paralympics H2: Shortage of semiconductors	Q1: Product supply is delayed Oct.: Japanese yen falls to its lowest level in 32 years Prolonged replacement cycle of home appliance/electronics		The reactionary decline from the preoccupation with COVID-19 demand is over, however inflation has become more pronounced. Awareness of the need to defend one's livelihood Increasingly thrifty

2. Medium-term Management Plan 2027 – Principles - Pillars

*Republished May 9, 2024

Principles of Medium-term Management Plan

Aim to lay the **foundations** for longer-term growth by **re-examining existing store efficiency** and **boosting their customer service**

Medium-term Management Plan pillars

1

Generate stable profits by specializing in home appliance/electronics

2

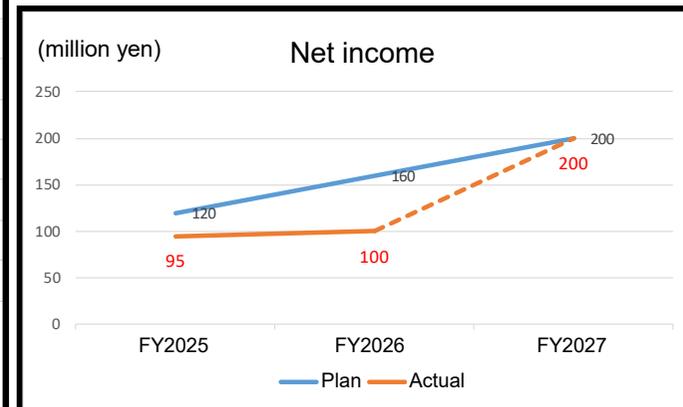
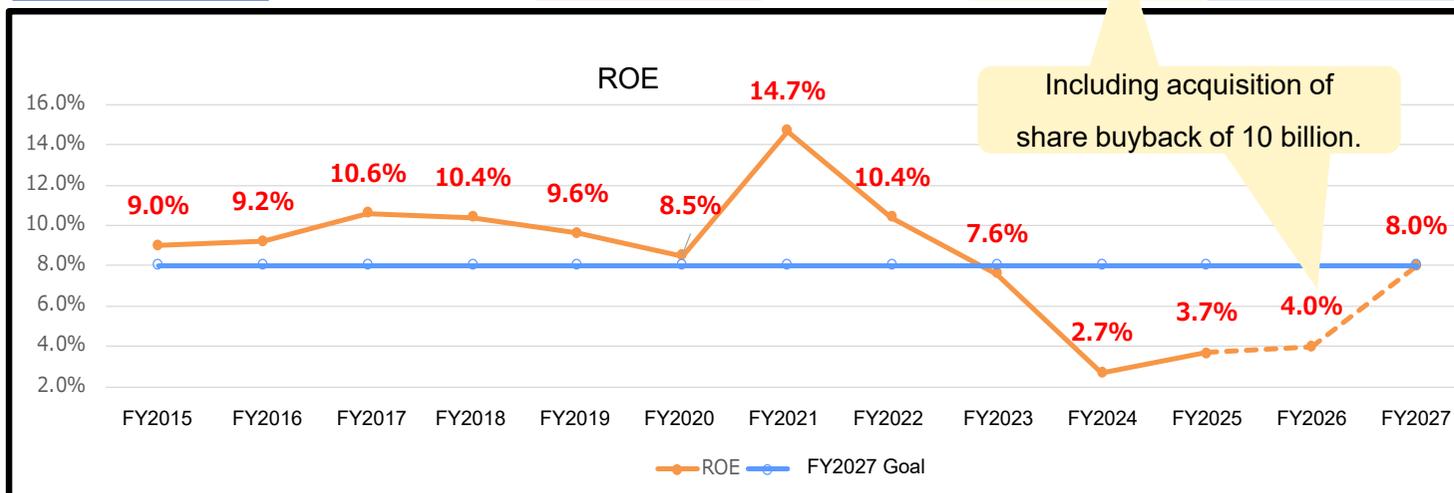
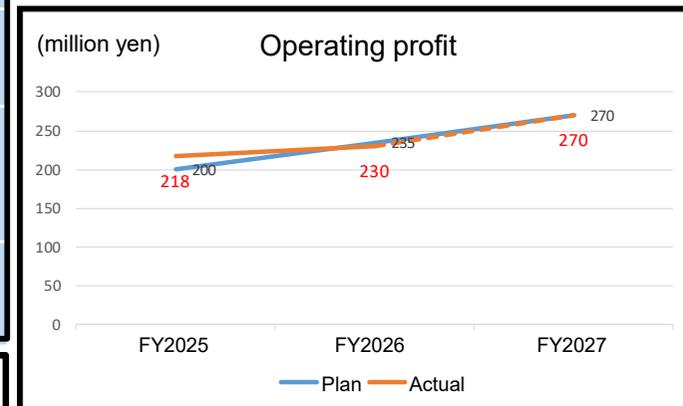
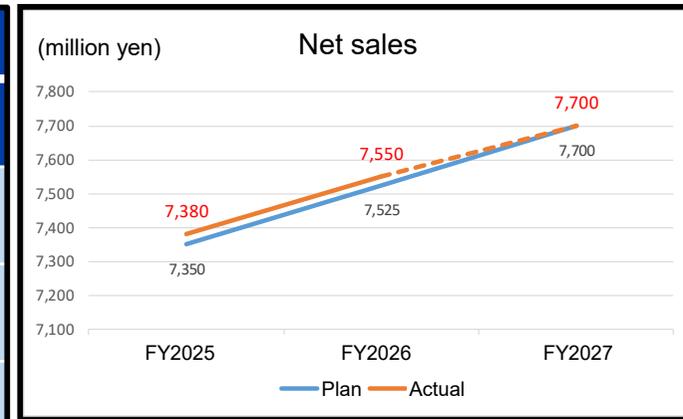
Streamline business processes and increase sales through DX

3

Increase corporation value through enhanced capital efficiency

3. Medium-term Management Plan – Progress of Goals and Indicators

		2025/3		2026/3	2027/3
	Medium-term Management Plan	Actual	+/-	Single year Forecast	Medium-term Management Plan
Net sales	735 billion yen	738 billion yen	+ 3 billion yen	755 billion yen	770 billion yen
Operating profit	20 billion yen	21.8 billion yen	+ 1.8 billion yen	23 billion yen	27 billion yen
Operating profit ratio	2.7%	3.0%	+ 0.3pt	2.8%	3.5%
Net income	12 billion yen	9.5 billion yen	(2.5) billion yen	10 billion yen	20 billion yen
Cash flows from operating activities		36.2 billion yen		30 billion yen	cumulative over 3 years 100 billion yen
ROE		3.7%		4.0%	8.0%



4. Medium-term Management Plan – Progress of Priorities of Pillar 1

Pillar 1 Generate stable profits by specializing in home appliance/electronics

Key Measure 1	Key Measure 2	Key Measure 3
<p>Improve the profitability of existing stores by re-examining efficiency and through refurbishment; aim to exert dominance with Scrap & Build</p> <ul style="list-style-type: none"> ● Re-examine personnel assignments and opening hours ● During the Medium-term Management Plan, develop a total of 30 new stores and refurbish 30 stores each year 	<p>Improve labor productivity by investing in human capital</p> <ul style="list-style-type: none"> ● Sell high-value-added products to improve per capita sales and profit ● Invest in human capital: Strive to enhance sales skills and expertise by strengthening online training and increasing the number of qualified Home Appliance Advisors 	<p>Limit the selling, general, and administrative expenses (SG&A) ratio</p> <ul style="list-style-type: none"> ● Use digital marketing (e.g., Anshin Passport app, LINE flyers, social media advertising) to limit the increase of advertising expenses ● Install solar power generation systems on the store roofs to provide a stable supply of electricity and reduce utility costs
<p>Progress of Key Measure 1</p>	<p>Progress of Key Measure 2</p>	<p>Progress of Key Measure 3</p>
<ul style="list-style-type: none"> ● Change opening hours as needed according to local situation <ul style="list-style-type: none"> - Stores with shifting opening hours: 3stores - Stores with reduced opening hours: 24stores - Stores with extended opening hours: 1stores ● Opening store: 8, Closing store: 8 ● Renovated store: 33 (YoY: +10) 	<ul style="list-style-type: none"> ● Sales composition ratio of Panasonic price-designated products YoY: +0.9pt ● Sales composition ratio of high value-added products YoY: +2.4pt (High value-added products defined independently by the Company) ● Number of employees qualified as Home Appliance Advisors: 5,171 (YoY: +221) ● Number of training sessions: 436 (total) 	<ul style="list-style-type: none"> ● Number of LINE-flyers registered: YoY 320% ● Advertising expenses were suppressed by YoY 95.4% thanks to the shift to digital sales promotions ● Stores with solar installations: 12 (YoY: +9) ● Revised warehouse stock to reduce costs and improve efficiency
<p>>Same-store profitability improving</p>		

5. Medium-term Management Plan – Progress of Priorities of Pillar 2

Pillar 2 Streamline business processes and increase sales through DX

Key Measure 1	Key Measure 2	Key Measure 3
<p>Improve the convenience and boost the sales of the online shop and Anshin Passport app</p> <ul style="list-style-type: none"> ● Improve the convenience of the user interface ● Strengthening in-store pickups ● Streamline by consolidating shipping hubs ● Strive to double online shop sales by the final fiscal year of the Medium-term Management Plan (compared with FY2024) ● Add functions to improve the convenience of the Anshin Passport app 	<p>Streamline work processes in stores</p> <ul style="list-style-type: none"> ● Use commercial devices to reduce employees' workloads and give them more time to devote to serving customers ● Reduce the cost of equipment by providing options between POS systems and commercial devices ● Simplify POS system operation to reduce workloads and human error 	<p>Update internal systems to strengthen our platforms and streamline Headquarters work processes</p> <ul style="list-style-type: none"> ● Establish highly dependable and continuous systems ● Update our EC system and strengthen platform ● Streamline back office operations at Headquarters

Progress of Key Measure 1	Progress of Key Measure 2	Progress of Key Measure 3
<ul style="list-style-type: none"> ● Interface design was improved ● Improvement of product search ● Reinforcement and review of price survey system ● Strengthening of digital advertising to attract customers ● The number of in-store pickups: YoY 106% ● Consolidation of shipping hubs: Testing in some areas ● Reorganization of Anshin Passport customer information 	<ul style="list-style-type: none"> ● Commercial devices have been deployed in all stores ● More items can be introduced on the devices, and more are being added as needed ● Reducing paper-based communication during business negotiations and moving to electronic communication ● Simplification of POS operations (e.g.) return processing ● Revise of network lines ● Revise of company mobile phones ● Revise of business PC equipment 	<ul style="list-style-type: none"> ● Data integration and linkage of head office management systems (Human Resources, General Affairs, Accounting, etc.) ● Moving to Paperless communication between head office and employees ● Replacement of the core system is underway as needed. ● Utilization of AI for generation of data ● Acceleration of cloud utilization ● Switching to in-house maintenance and operation of some servers ● Finding IT personnel, increasing the number of employees, and strengthening training
<p>➢ Overall online store sales YoY were only 100.9%, however the company's original online shop was 114.9%. Initiatives are being implemented to achieve the final year's goal.</p>	<p>➢ Implementing initiatives such as POS renovation, further functionality expansion of business terminals, etc.</p>	<p>➢ Continuing to implement initiatives</p>

6. Medium-term Management Plan – Progress of Priorities of Pillar 3

Pillar 3 Increase corporate value through enhanced capital efficiency

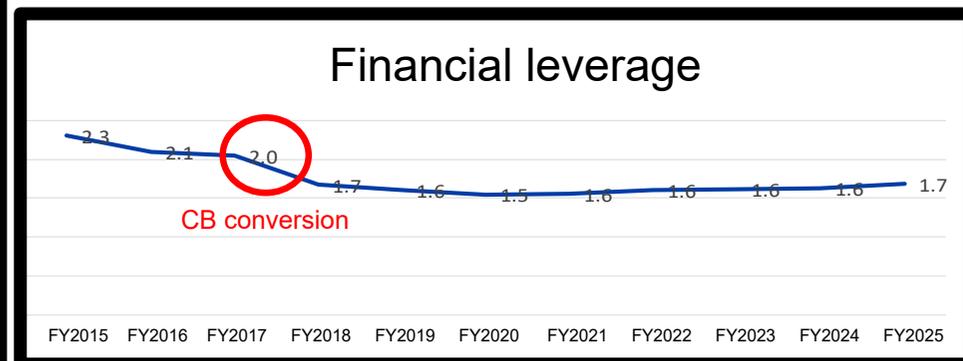
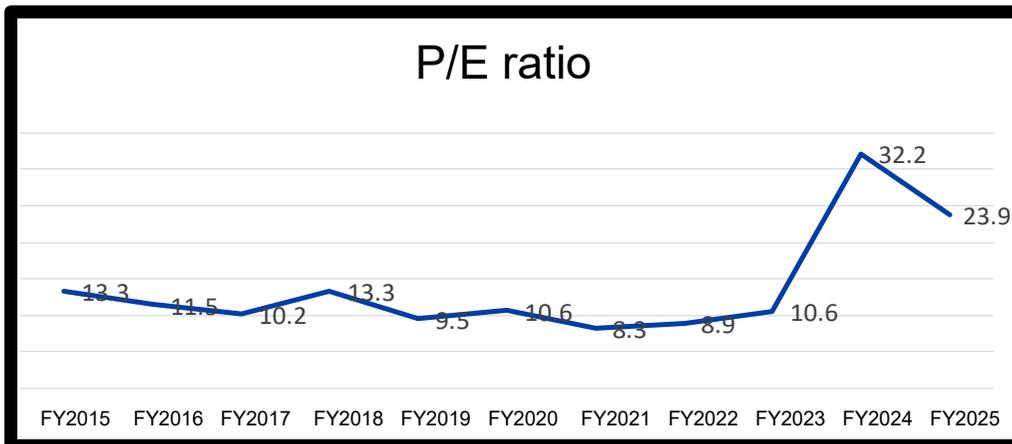
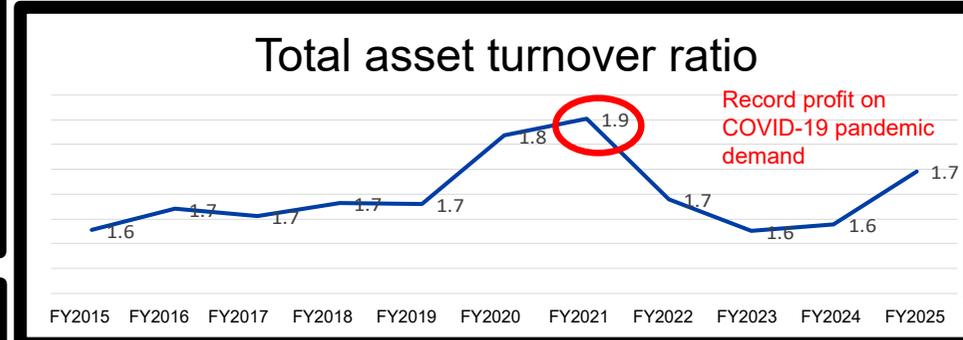
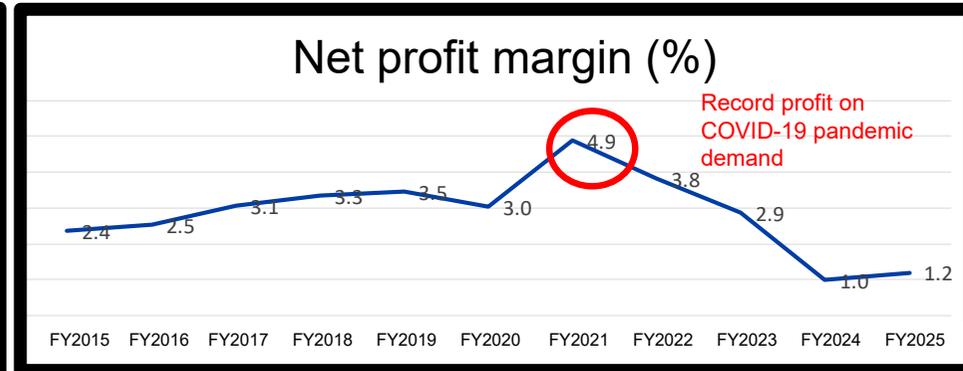
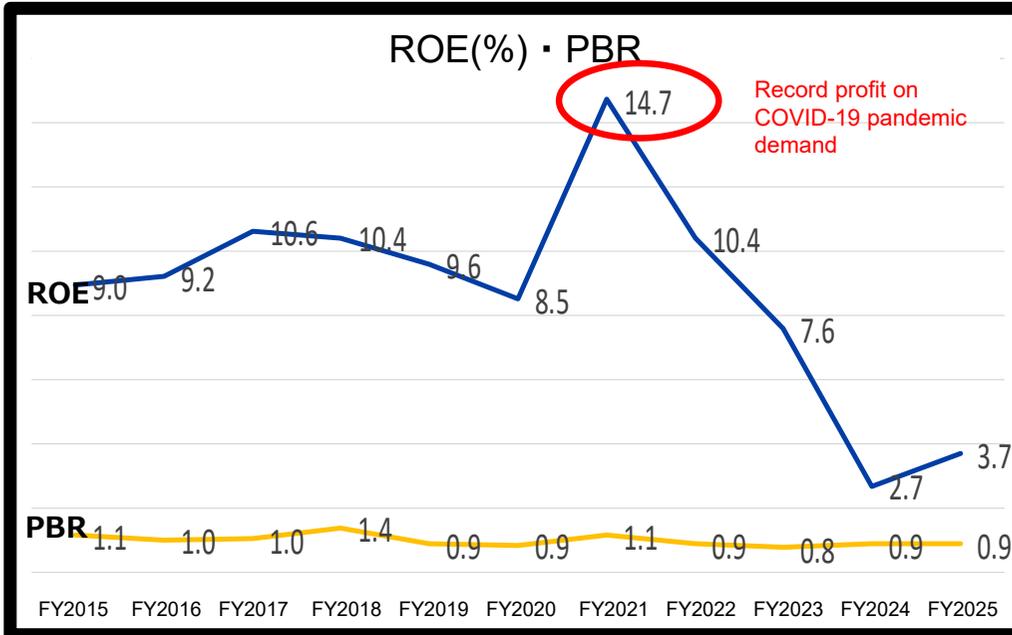
Key Measure 1	Key Measure 2	Key Measure 3
Strive to improve profit ratio and efficiency	Compress ownership capital	Reduce the cost of shareholder's equity
<ul style="list-style-type: none"> ● Improve profitability by implementing the first and second Pillars of the Medium-term Management Plan 	<ul style="list-style-type: none"> ● Improve financial leverage through flexible stock buy-backs and debt financing as necessary 	<ul style="list-style-type: none"> ● Further engagement with investors through more complete disclosures and IR ● Introduce evaluations of ESG initiatives as a part of officer remuneration and link them to enhancing non-financial disclosures and corporate value

Progress of Key Measure 1	Progress of Key Measure 2	Progress of Key Measure 3																						
Refer to page 6, 7	<ul style="list-style-type: none"> ● May 10, 2024 – Dec. 10, 2024 Implemented the acquisition of own shares of approximately 20 billion yen (Mar. 31, 2025 15,000,000 shares cancelled) ● Apr. 1, 2025 Syndicated commitment line 100 billion yen concluded 	<ul style="list-style-type: none"> ● Financial results briefing: 4 times ● Small & 1on1 meetings with investors: 138 times (FY2025) ● Reporting suggestions from meetings to the Board of Directors as appropriate ● Supply chain engagement survey underway with suppliers ● TNFD response plan in progress ● Newly disclosed targets to promote human capital management <p>[Integrated Report 2024 Nov. 25.2024]</p> <ul style="list-style-type: none"> • Three-year cumulative target for number of regular employees hired: 550 <ul style="list-style-type: none"> ▶ First year results: 271 • Female regular employees hired target: 30% or higher per year <ul style="list-style-type: none"> ▶ Results: 30.3% • Female managers target: 5% or more <ul style="list-style-type: none"> ▶ Results: 4.8% • Employees qualified as Home Appliance Advisor target: 33% <ul style="list-style-type: none"> ▶ Results: 32.3% • Paid leave taken target: 60% or more <ul style="list-style-type: none"> ▶ Results: 58.1% 																						
<p style="text-align: center;">Equity Ratio</p> <table border="1"> <caption>Equity Ratio Data</caption> <thead> <tr> <th>Fiscal Year</th> <th>Equity Ratio (%)</th> </tr> </thead> <tbody> <tr><td>FY2016</td><td>47.9%</td></tr> <tr><td>FY2017</td><td>48.9%</td></tr> <tr><td>FY2018</td><td>59.8%</td></tr> <tr><td>FY2019</td><td>62.1%</td></tr> <tr><td>FY2020</td><td>64.6%</td></tr> <tr><td>FY2021</td><td>64.2%</td></tr> <tr><td>FY2022</td><td>62.5%</td></tr> <tr><td>FY2023</td><td>61.7%</td></tr> <tr><td>FY2024</td><td>61.4%</td></tr> <tr><td>FY2025</td><td>59.4%</td></tr> </tbody> </table>			Fiscal Year	Equity Ratio (%)	FY2016	47.9%	FY2017	48.9%	FY2018	59.8%	FY2019	62.1%	FY2020	64.6%	FY2021	64.2%	FY2022	62.5%	FY2023	61.7%	FY2024	61.4%	FY2025	59.4%
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6. Medium-term Management Plan – Progress of Priorities of Pillar 3

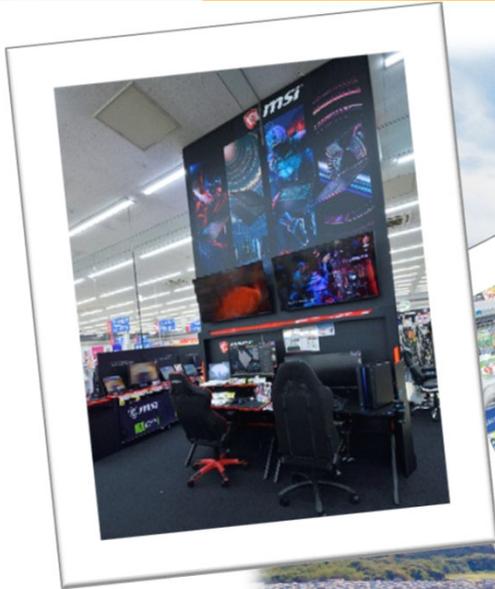
Pillar 3 Increase corporate value through enhanced capital efficiency

Situation analysis and evaluation



SECTION 2

Partial Update



1. Medium-term Management Plan 2027 - Partial Update of Priorities

Pillar 1 Generate stable profits by specializing in home appliance/electronics

Key Measure 1

Improve the profitability of existing stores by re-examining efficiency and through refurbishment;
aim to exert dominance with Scrap & Build

- Re-examine personnel assignments and opening hours
- During the Medium-term Management Plan, develop a total of 30 new stores and refurbish 30 stores each year



Partial Update

• Based on the high cost of store openings, we have decided to make store opening standards stricter than even before, Because of that the pace of store openings is expected to slow slightly.

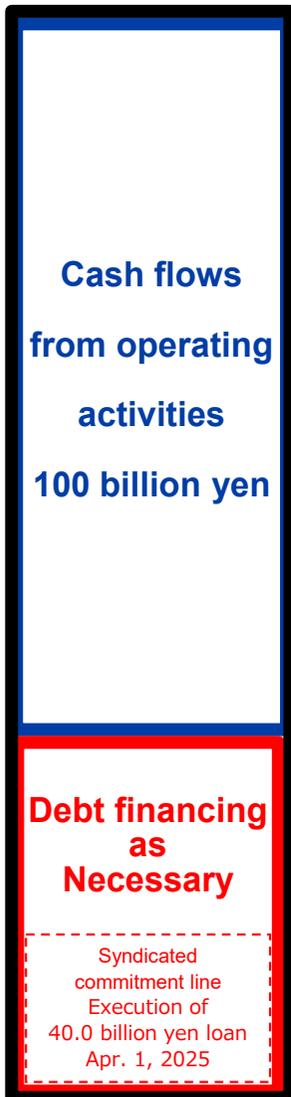
➤ Aim to develop a total of **20** new stores during the period of the Medium-term Management Plan 2027 and refurbish 30 stores each year

➤ Continue to improve profitability of Same-stores

2. Medium-term Management Plan – Partial Update of Cash Allocation

Cash in

Previously announced
(May.9.2024)

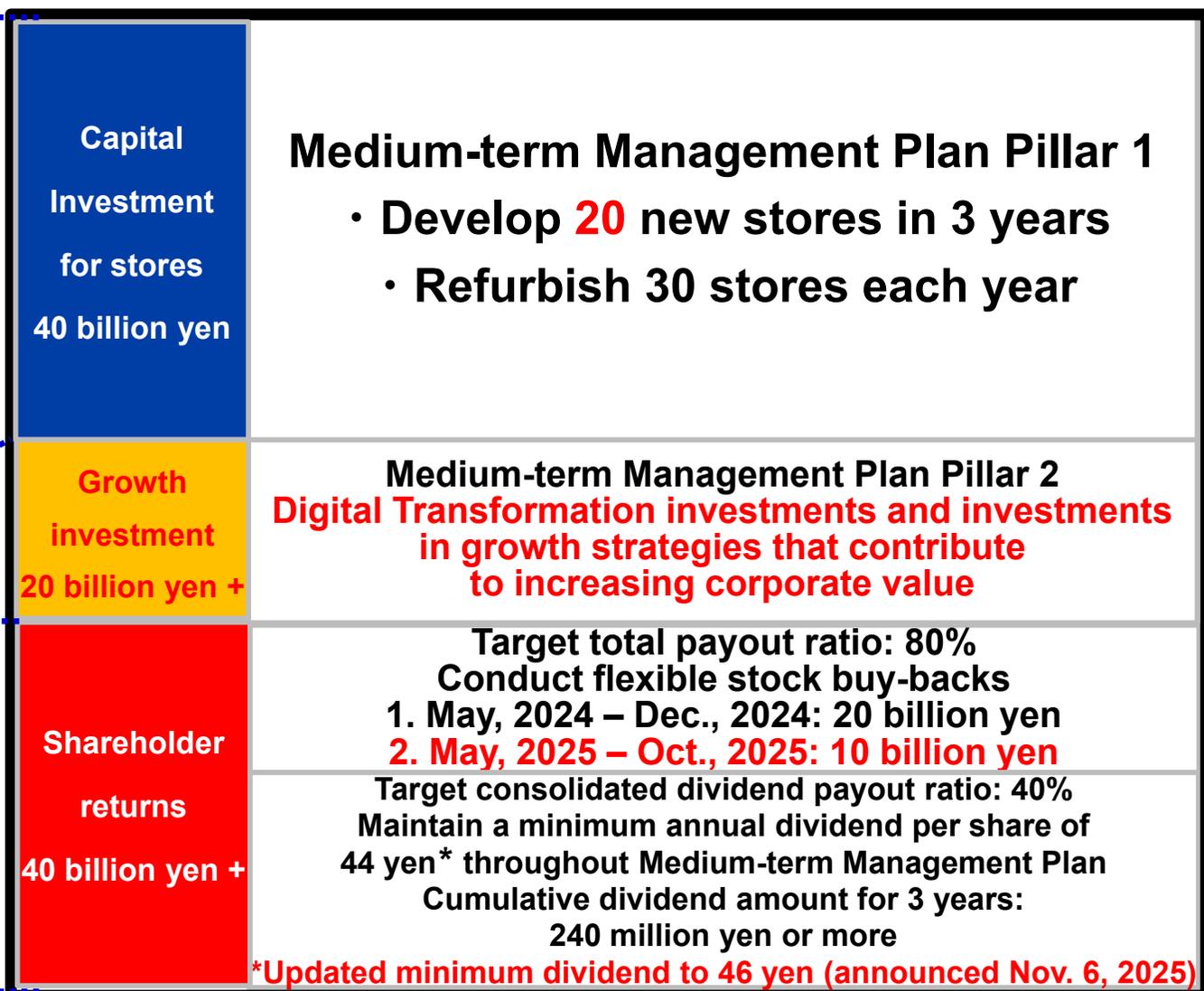


Cash out

Previously announced
(May.9.2024)



Partial Update (updated part: Red)



3. Medium-term Management Plan – Shareholder Return Policy

Based on the trend of basic profitability excluding extraordinary losses and the financial condition, operating profit can be generated well.

➤ Shareholder return policy will remain unchanged.

No changes

Target total payout ratio: 80%

Conduct flexible stock buy-backs

No changes

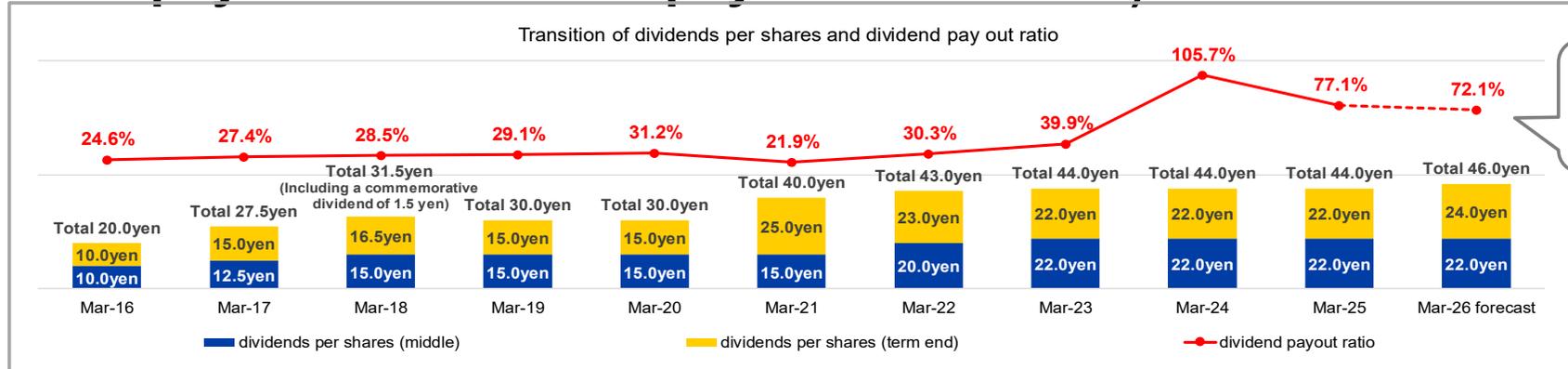
Target consolidated dividend payout ratio 40%

Maintain a minimum annual dividend per share of 44 yen *
throughout Medium-term Management Plan

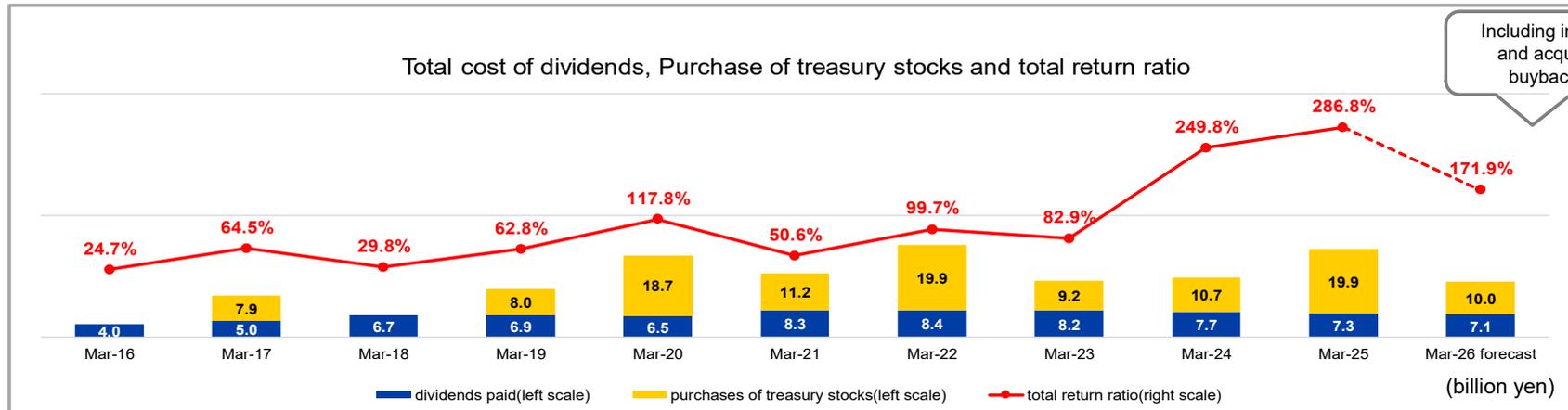
*Updated minimum dividend to 46 yen (announced Nov. 6, 2025)

4. Shareholder Return Results and Forecasts (Dividend pay out ratio · Total payout ratio · EPS)

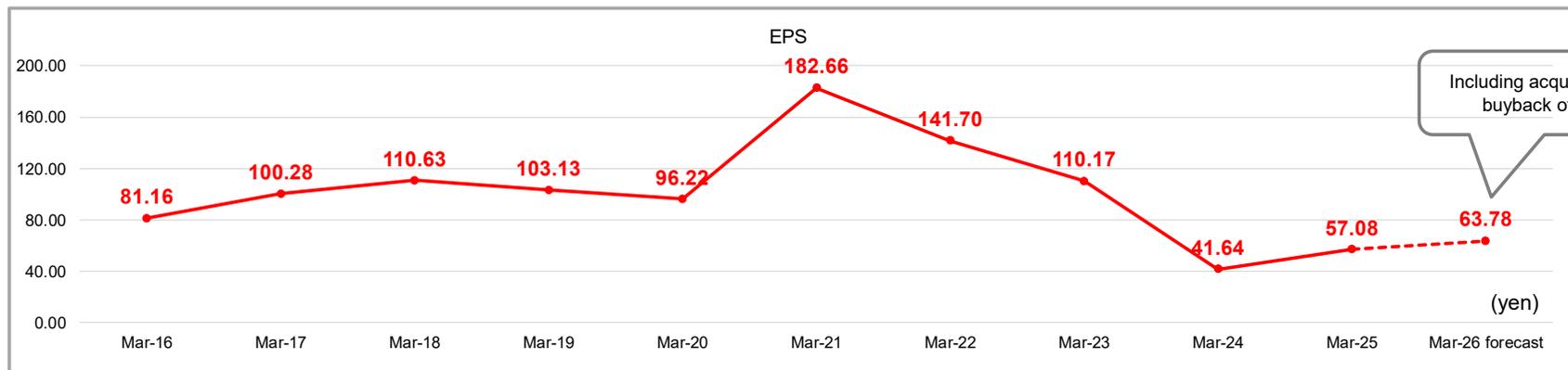
Forecast as of the end of March 2026



Including increase dividend, and acquisition of share buyback of 10 billion.



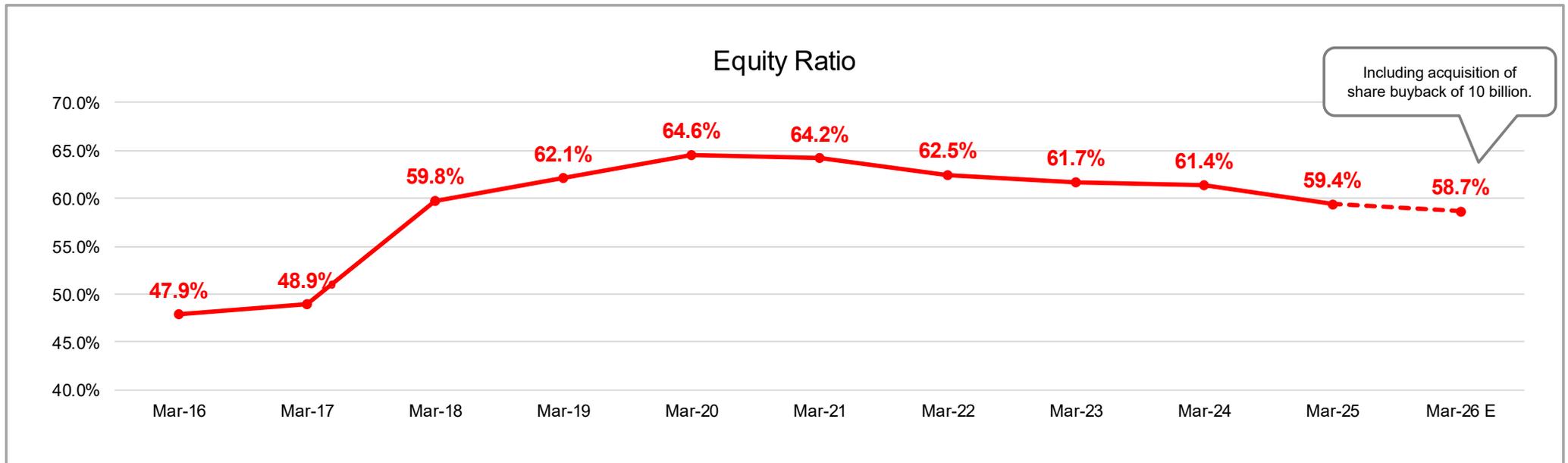
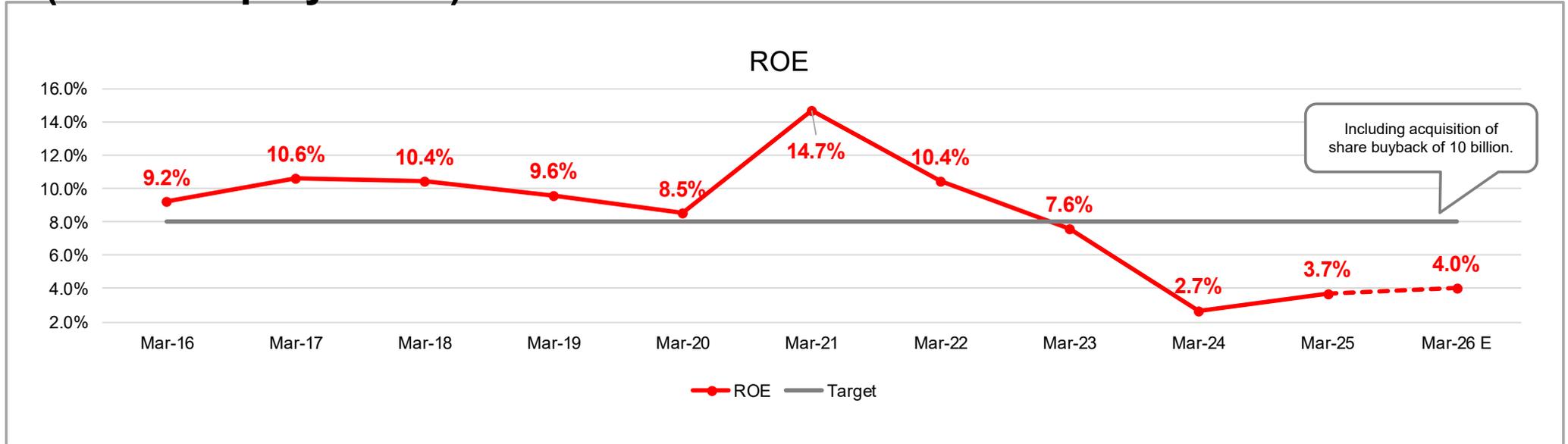
Including increase dividend, and acquisition of share buyback of 10 billion.



Including acquisition of share buyback of 10 billion.

4. Shareholder Return Results and Forecasts (ROE · Equity Ratio)

As of the end of Mar. 2025



4. Shareholder Return (Dividend Yield · Shareholder Yield)

As of the end of Mar. 2025

Dividend Yield Results

Dividend per share	Dividend yield
44yen	3.23%

Long-term holding not considered

Mar. 31, 2025 Closing price	1,361.5yen			
	Minimum Investment Amount	Face value of the coupon	Hospitality benefit yield	Dividend yield +Hospitality benefit yield
	yen	yen	%	%
100 shares or more	136,150	2,000	1.47%	4.70%
500 shares or more	680,750	6,000	0.88%	4.11%
1,000 shares or more	1,361,500	10,000	0.73%	3.97%
3,000 shares or more	4,084,500	20,000	0.49%	3.72%
6,000 shares or more	8,169,000	40,000	0.49%	3.72%
10,000 shares or more	13,615,000	60,000	0.44%	3.67%

Long-term holding (1 year or more) considered

Mar. 31, 2025 Closing price	1,361.5yen			
	Minimum Investment Amount	Face value of the coupon	Hospitality benefit yield	Dividend yield +Hospitality benefit yield
	yen	yen	%	%
100 shares or more	136,150	4,000	2.94%	6.17%
500 shares or more	680,750	8,000	1.18%	4.41%
1,000 shares or more	1,361,500	14,000	1.03%	4.26%
3,000 shares or more	4,084,500	24,000	0.59%	3.82%
6,000 shares or more	8,169,000	44,000	0.54%	3.77%
10,000 shares or more	13,615,000	64,000	0.47%	3.70%

Shareholder Yield Results

(JPY in million)

	(Total dividend (annual) + Amount of share buyback) ÷ Market capitalization =			Shareholder Yield
FY2019	6,932	8,018	223,569	6.7%
FY2020	6,566	18,780	217,584	11.6%
FY2021	8,341	11,219	313,438	6.2%
FY2022	8,454	19,999	240,491	11.8%
FY2023	8,227	9,286	212,786	8.2%
FY2024	7,723	10,713	234,015	7.9%
FY2025	7,237	19,999	219,420	12.4%

*Market capitalization (excluding treasury stock) is calculated based on the share price at the end of the fiscal year.

4. Shareholder Return Results and Forecasts (Dividend pay out ratio · Dividend Yield)

As of the end of Mar. 2025

FY	Dividend per stock *1	Dividend Ratio	Stock price *1	Dividend Yield	EPS *1	Stock split	Stock buyback		notes
	yen	%	yen	%	yen		×1,000 stock unit	yen in million	
Mar-00	5.00	15.5	633	0.79	32.21				
Mar-01	6.25	18.6	425	1.47	33.66				Share listed on the 2nd section of the TSE
Mar-02	5.00	14.5	324	1.54	34.45		299	405	Share listed on the 1st section of the TSE Share buyback resolution in February 2002
Mar-03	5.00	18.0	350	1.43	27.76	1:1.2			
Mar-04	5.00	13.4	703	0.71	37.36		240	345	Share buyback resolution in June 2003
Mar-05	5.00	12.3	691	0.72	40.78	1:1.2			Acquired GIGAS and KANSAI K'S as subsidiary
Mar-06	5.00	12.4	860	0.58	40.48	1:1.2			Acquired BIG·S as subsidiary
Mar-07	7.50	18.5	785	0.96	40.53				Acquired Hokuetsu K'S as subsidiary, Kyushu K'S founded
Mar-08	7.50	17.0	497	1.51	44.20		2,927	6,973	Acquired Denkodo as subsidiary Share buyback resolution in November 2007 and March 2008
Mar-09	7.50	13.8	330	2.27	54.53				
Mar-10	7.50	8.9	574	1.31	83.92	1:1.2			
Mar-11	11.25	10.7	600	1.88	104.99		3,827	8,894	Share buyback resolution in August 2010 and February 2011
Mar-12	15.00	13.7	667	2.25	109.32		1,500	4,208	1st interim dividend begins Share buyback resolution in February 2012
Mar-13	15.00	24.0	751	2.00	62.40		1,000	2,057	Share buyback resolution in November 2012
Mar-14	17.50	21.1	717	2.44	82.87		1,500	4,624	Share buyback resolution in October 2013
Mar-15	17.50	24.0	971	1.80	72.85		3,246	9,999	Share buyback resolution in December 2014
Mar-16	20.00	24.6	933	2.14	81.16				
Mar-17	27.50	27.4	1,021	2.69	100.28	1:2	3,881	7,999	June 2016 stock split implementation Share buyback resolution in November 2016 Disposal of 10 million shares on March 31, 2017
Mar-18	31.50	28.5	1,471	2.14	110.63	1:2			
Mar-19	30.00	29.1	982	3.05	103.13		7,000	8,018	Share buyback resolution in November 2018
Mar-20	30.00	31.2	1,023	2.93	96.22		15,711	18,780	Share buyback resolution in August 2019 and February 2020
Mar-21	40.00	21.9	1,521	2.63	182.66		8,095	11,219	Share buyback resolution in February 2020 and December 2020 Disposal of 10 million shares on March 31, 2021
Mar-22	43.00	30.3	1,263	3.40	141.70		16,520	19,999	Share buyback resolution in August 2021 and February 2022
Mar-23	44.00	39.9	1,163	3.78	110.17		7,832	9,286	Share buyback resolution in February 2023 Disposal of 25 million shares on March 31, 2023
Mar-24	44.00	105.7	1,340	3.28	41.64		8,320	10,713	Share buyback resolution in February 2023 and May 2023 Disposal of acquisitions on December 31, 2023
Mar-25	44.00	77.1	1,362	3.23	57.08		13,609	19,999	Share buyback resolution in May 2024 Disposal of acquisitions on March 31, 2025
Mar-26 E	44.00	70.9					10,000	10,000	Share buyback resolution in May 2025 Cancellation of all own shares acquired as above

* Dividend per stock, stock price and EPS are taking into consideration stock split in April 2018

Contact Us

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

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