

To Whom It May Concern

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 Representative: Yasunori Ishiguro, president and CEO
 (Securities code: 3050, TSE Prime Market)
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Announcement of Medium-Term Management Plan (FY2026-FY2028)

DCM Holdings Co., Ltd. announced the Fourth Medium-Term Management Plan covering FY2026–FY2028.

1. Basic Policy

The long-term vision of the DCM Group is to transform into a *Comprehensive Company for Comfortable Living*. This vision is grounded in the DCM company creed, *Serving, Creation, Unity*; management philosophy, *Do Create Mystyle: Giving Shape to Your Dreams for Life*; and code of conduct, *Demand Chain Management for Customer*.

The Fourth Medium-Term Management Plan sets the next three years as a period to accelerate transformation into the DCM customers choose, driven entirely by a customer-focused mindset. The DCM Group will strive to expand business domains by pursuing five strategies under this plan: customer, merchandise, store, renovation, and digital transformation. Alongside these strategies, the Group aims to become an indispensable presence in society through strengthened human capital management, active sustainability measures, and management focused on PBR.

2. Performance Targets

	FY2025 (FYE February 2026) Results	FY2028 (FYE February 2029) Plan
Net Sales	533,107 million yen	650,000 million yen
Operating Profit	31,014 million yen	42,300 million yen
Operating Profit Ratio	5.8%	6.5%
Ordinary Profit	29,158 million yen	40,500 million yen
Net Profit	17,310 million yen	26,500 million yen
ROE	6.2%	8.0%

3. Other

Refer to the attached document, *Medium-Term Management Plan (FY2026-FY2028)*, for more details.

This document is based on currently available information. Actual results and the execution of planned strategies may differ due to various factors.

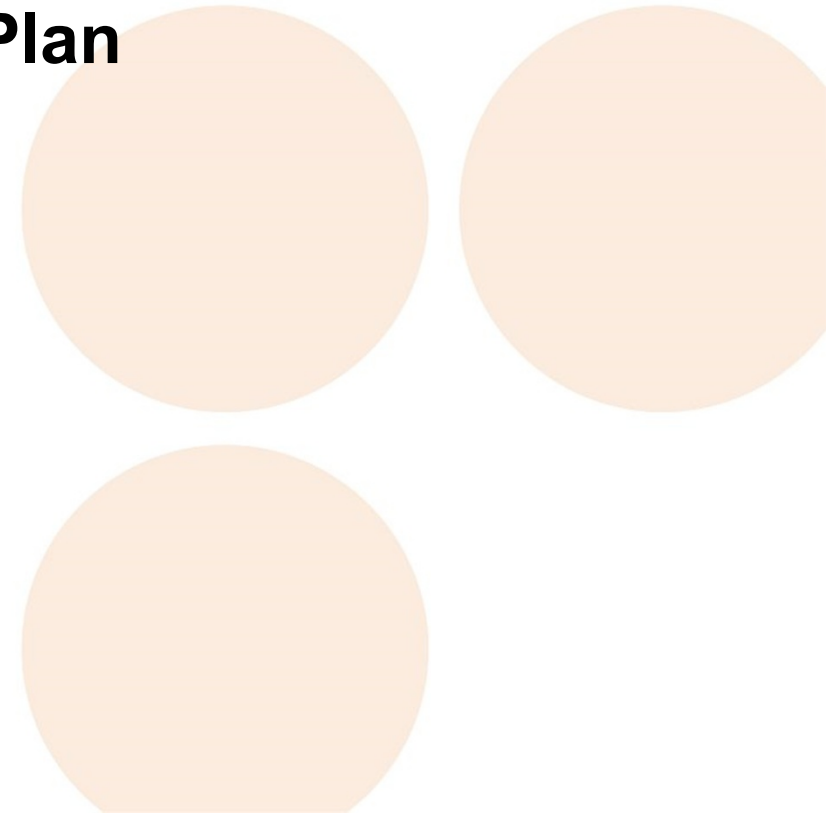
Medium-Term Management Plan (FY2026-FY2028)

April 14, 2026

DCM HOLDINGS CO., LTD. (Securities Code: 3050)

Yasunori Ishiguro, President and CEO

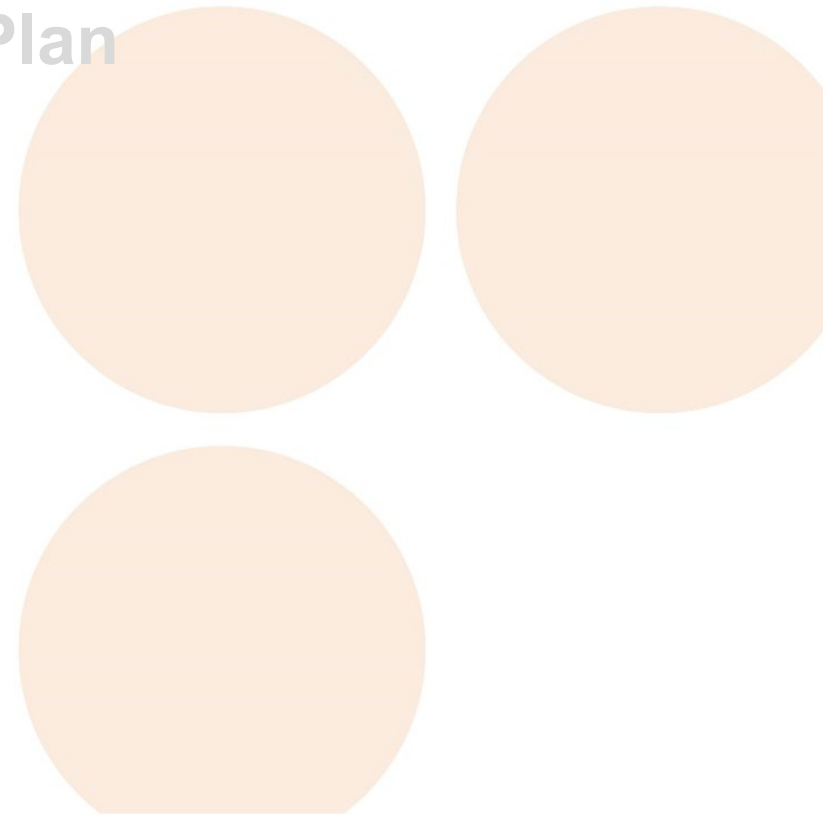
- 1. Review of the Third Medium-Term Management Plan**
- 2. Fourth Medium-Term Management Plan**
- 3. FY2026 Initiatives**



1. Review of the Third Medium-Term Management Plan

2. Fourth Medium-Term Management Plan

3. FY2026 Initiatives



Assessment of Business Performance

Expanded sales through M&A and strengthened private brand sales, improving gross profit margin
Opened new, cost-efficient stores and improved operational efficiency through digital transformation; however, results fell short of the target in part due to foreign exchange impacts

(Millions of yen)

	FY2022 Results	FY2025 Targets	FY2025 Results	Variance vs. Target	Variance vs. FY2022	Assess ment
Net Sales	469,782	545,000	533,107	97.8%	113.5%	○
Gross Profit Margin	33.3%	34.5%	34.3%	-0.2 pp	+1.0 pp	○
Operating Profit	30,068	35,000	31,014	88.6%	103.1%	○
Operating Profit Ratio	6.4%	6.4%	5.8%	-0.6 pp	-0.6 pp	△
Ordinary Profit	29,555	33,600	29,158	86.8%	98.7%	△
Net Profit	18,135	19,600	17,310	88.3%	95.5%	△
ROE	7.5%	7.5%	6.2%	-1.3 pp	-1.3 pp	△

Initiative Outcomes

Expanded business scale while managing rising construction costs by increasing store numbers through M&A and opening stores in second-generation retail spaces
The expansion of BOPIS*¹ and sales of MAXZEN private brand (PB) home appliances contributed to earnings growth

Third Medium-Term Management Plan Group-Wide Policy

Taking on the challenge of creating a new generation of home improvement retailers
-Revitalizing stores and expanding the areas in which we do business-

Store Strategy

- Open stores efficiently by reducing cost and risk through scrap and rebuild and use of second-generation retail spaces
- Facilitate renovations by introducing new resources
- Build store formats based on store size

FY2023 to FY2025 Results

**Opened 243 new stores
and renovated 88 stores**

Merchandise Strategy

- Accelerate merchandise development and expand sales of MAXZEN simple home appliances
- Utilize QR codes for user manuals and how-to videos
- Improve efficiency through joint delivery and use of return shipments

FY2025 Results

Private Brand Net Sales Ratio: 28.8%*²

*1 BOPIS: Buy Online, Pick Up In Store

*2 Private brand net sales ratio is based on results from DCM Co., Ltd. directly operated stores



Initiative Outcomes

BOPIS*1 Strategy

- Offered product lineups comparable to specialty stores, even in small-format locations
- Sales in curtain and bicycle categories performed well
- Generated additional purchases at pickup, with approximately 30% purchased together

As of the end of FY2025

770 eligible stores, 48% usage rate

Human Capital Management

- Introduced the My City system and a rehiring program
- Implemented a two-year senior management development program for upcoming management leaders

Senior Management Development Program

No. of participants who completed the program: 67 (total of 3 classes)

M&A Strategy

- Jan. 2024 Integrated Keiyo Co., Ltd. into the Group
- Sep. 2025 Integrated ENCHO Co., Ltd. into the Group
- Dec. 2025 Integrated HOME TECH Inc. into the Group

Total of three companies integrated into the Group over the most recent three years

Combined sales: 132.5 billion yen*2

Sustainability

- Carry out environmental conservation, tree planting, and volunteer cleanup activities
- Conduct disaster preparedness drills, training, and events
- Support local communities in disaster preparedness efforts

New Ready Support Team*3

Operating in Matsuyama City and Sapporo City

*1 BOPIS: Buy Online, Pick Up In Store

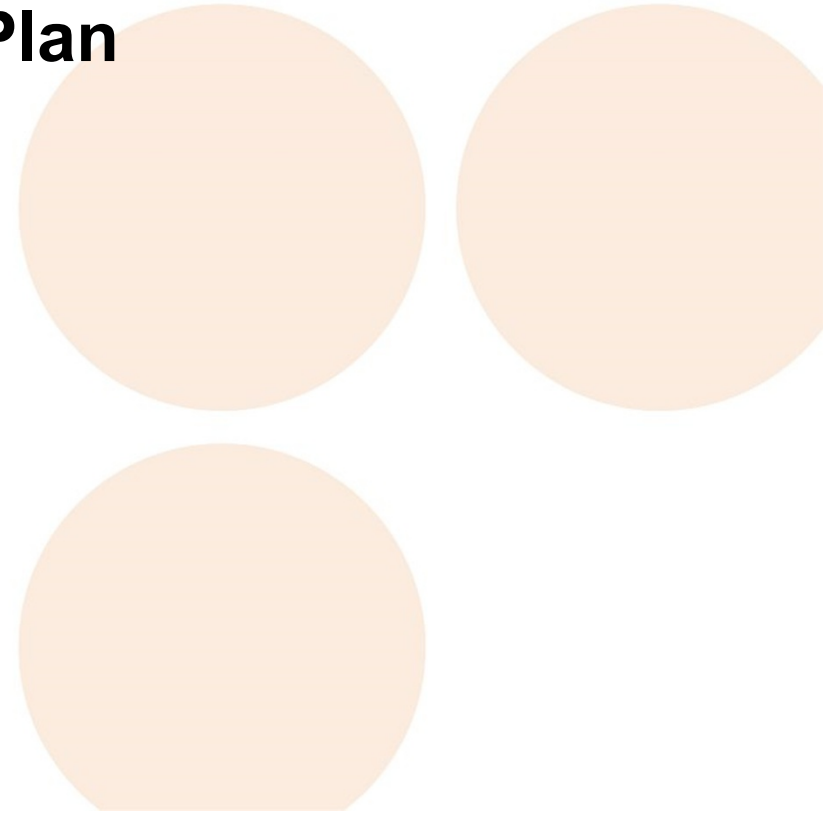
*2 Combined sales represent the simple sum of the most recent annual sales of the acquired companies at the time of each M&A transaction

*3 New Ready Support Team: A volunteer program that visits households that have difficulty implementing disaster preparedness measures on their own and provides free support for in-home evacuation readiness, including measures to prevent furniture from tipping over

1. Review of the Third Medium-Term Management Plan

2. Fourth Medium-Term Management Plan

3. FY2026 Initiatives



Strategic Role of the Plan

Basic Policy of the Fourth Medium-Term Management Plan

Set the next three years as a period to accelerate transformation into the DCM customers choose

-Driven entirely by a customer-focused mindset-

Targets

Net sales **900** billion yen
Operating profit **63** billion yen
Operating profit ratio **7.0%**

Results

Net sales **533.1** billion yen
Operating profit **31** billion yen
Operating profit ratio **5.8%**

Targets

Net sales **650** billion yen
Operating profit **42.3** billion yen
Operating profit ratio **6.5%**

Long-Term Business Vision
→ 2030

Fourth Medium-Term Management Plan
→ 2028

Third Medium-Term Management Plan
→ 2025

Basic Policy of the Third Medium-Term Management Plan
Taking on the challenge of creating a new generation of home improvement retailers

-Revitalizing stores and expanding the areas in which we do business-

Transform into a *Integrated Business That Comprehensively Makes People's Lives More Comfortable*

-Move from a company that sells products to a company that comprehensively provides fulfilling lifestyles-

Basic Policy and Strategy

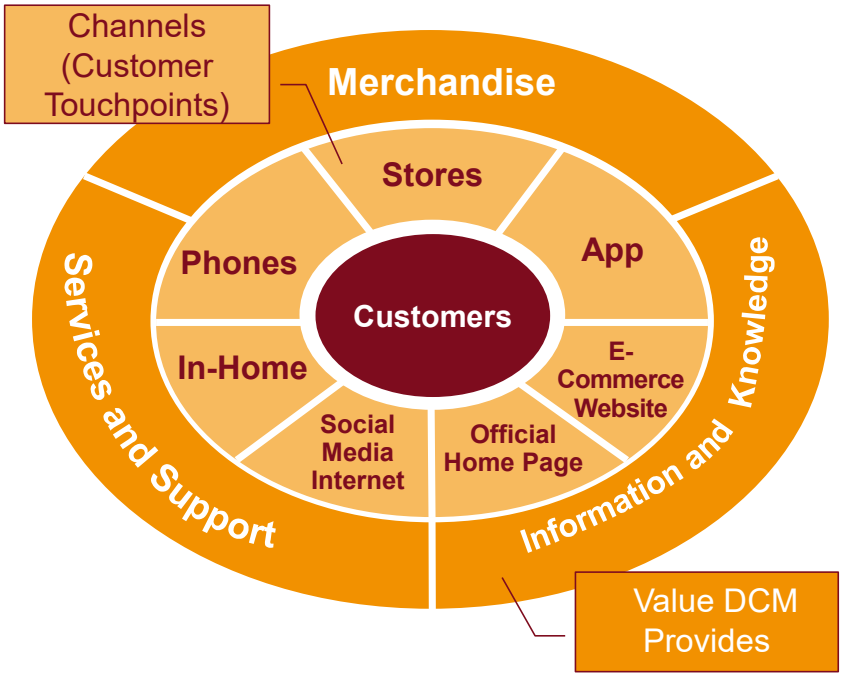
<p>Fourth Medium-Term Management Plan Basic Policy</p>	<p>Set the next three years as a period to accelerate transformation into the DCM customers choose -Driven entirely by a customer-focused mindset-</p>	
<p>Business Strategies</p>	<p>(1) Customer Strategy</p>	<ul style="list-style-type: none"> • Deliver convenient and satisfying customer experiences across multiple channels
	<p>(2) Merchandise Strategy</p>	<ul style="list-style-type: none"> • Develop customer-oriented merchandise and offer merchandise unique to DCM
	<p>(3) Store Strategy</p>	<ul style="list-style-type: none"> • Maximize Group management resources through store format transformation, the effective use of idle assets, etc.
	<p>(4) Renovation Strategy</p>	<ul style="list-style-type: none"> • Increase orders for large-scale renovation and strengthen simple construction and minor work
	<p>(5) Digital Transformation Strategy</p>	<ul style="list-style-type: none"> • Implement digital transformation to enhance sales and expand profits
<p>Financial Strategy</p>	<p>PBR-Conscious Management</p>	<ul style="list-style-type: none"> • Balance growth investments with shareholder returns and continue increasing dividends
<p>Non-Financial Strategies</p>	<p>Human Capital Management</p>	<ul style="list-style-type: none"> • Develop human resources in a way that unlocks the potential of each employee
	<p>Sustainability Initiatives</p>	<ul style="list-style-type: none"> • Build management that embodies sustainability and earns stakeholder trust

Business Strategies: Customer Strategy

Connect stores, e-commerce, and apps seamlessly across multiple channels to offer merchandise and services
 Deliver convenient and satisfying customer experiences through the DCM app, both in store and at home

Create an additional sales channel to complement stores

Indicators
 No. of DCM app members: 6 million
 +2.7 million vs. FY2025 (up 80%)



Offer DCM merchandise, expertise, and services to customers across all channels

Build New E-Commerce Website

Examples of planned features

- Offer over twice the selection of physical stores
- AI-powered search for a smooth user experience
- Automatically suggest related products, including replacement parts
- Integrate with store services and enhance in-store pickup

Customer Service Uses
 Equip employee handheld devices with these features to enhance product knowledge and proposal capabilities

Enhance DCM App Features and Appeal

Examples of measures

- Run campaigns
- Issue in-app coupons
- Enhance app functions

DCM スマホがマイボ会員証に!
DCMアプリ
 ポイントもお得情報もひとつのアプリで手軽にチェック

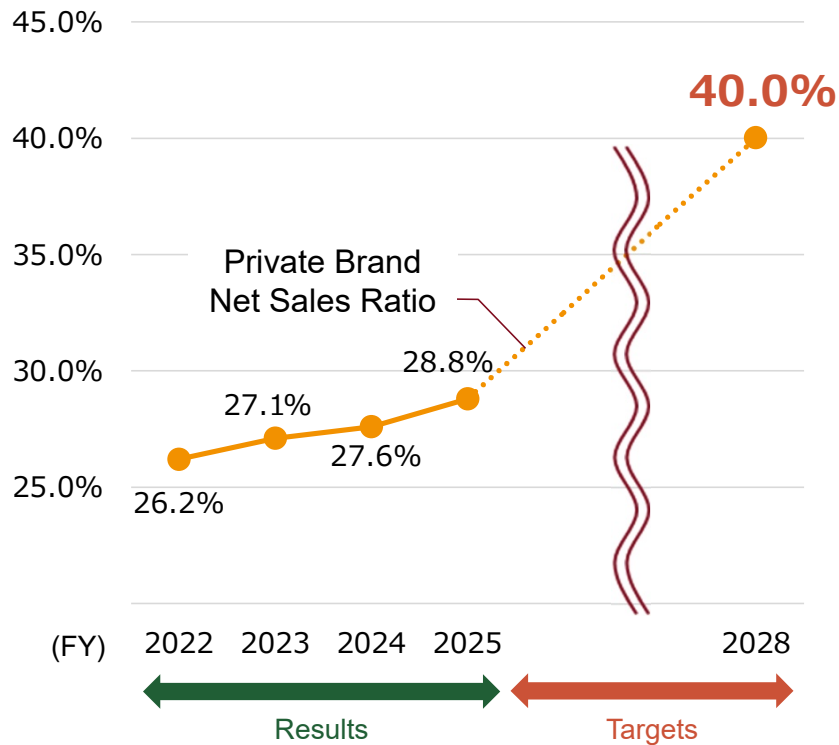
- NEW!** 購入履歴: 店舗やDCMオンラインの購入を確認できる
- NEW! キャンペーン: アプリだけのお得なキャンペーンが盛り!
- NEW! 店舗・チラシ情報: 店舗検索やチラシ情報がみられる
- NEW! ポイント詳細: 獲得・利用ポイントを確かめる

Business Strategies: Merchandise Strategy

Develop customer-focused products through the systematic collection of feedback from customers and employees

Enhance the value of DCM private brands and exclusive products to drive store visits

Indicators
 Private Brand Net Sales Ratio: 40%
 +11.2 pp vs. FY2025



Strengthen Sales of Private Brands and Exclusive Products

- Develop products based on customer feedback, including reviews and word of mouth
- Develop products by high-interest categories rather than by department
- Establish promotion methods using social media, including short-form and how-to videos



- Strengthen sales of DCM exclusive products

Transform Logistics (Improve Sustainability and Service Level of Store Deliveries)

- Reorganize and optimize stores managed by distribution centers and improve management system efficiency
- Reduce logistics costs by reviewing inventory allocation and reducing the number of external warehouses

* Private brand net sales ratio is based on total sales at DCM Co., Ltd. directly operated stores

Business Strategies: Store Strategy

Carry out store renovations as well as transform store formats, launch new businesses, and strategically deploy Group resources across stores
 Maximize the use of management resources to drive sustainable growth and strengthen the earnings structure

Indicators

Existing store customer growth rate: +4.0% vs. FY2025 (FY2025 rate: -5.7%)

Enhance Appeal of Employees

Improve employee awareness of customer service

- Conduct customer surveys
- Make customer ratings visible by store
- Highlight praise and appreciation from customers
- Tie results to performance evaluations

Improve employee customer service skills

- Expand training video content
- Provide training to standardize customer service skills

Enhance Appeal of Stores

Enhance information collection

- Collect information on local conditions and environmental changes

Adapt sales floors to local conditions

- Provide what customers want, when they want it
- Develop sales floors that offer hands-on experiences

Disaster preparedness sales floor



Disaster preparedness product demonstrations



Optimize Store Formats

- Introduce new store formats and specialized businesses
- Improve sales floor efficiency based on store size



Business Strategies: Renovation Strategy

Expand orders for large-scale renovation, centered on HOME TECH Inc.

Expand in-house installation staff and diversify services in the Smile Helper business to address a wide range of everyday customer needs

Indicators

Renovation sales: 50 billion yen
(380.1% of FY2025)

Made HOME TECH Co., Ltd., which operates a renovation business in Tokyo, Kanagawa, and Saitama, a subsidiary on December 1, 2025

Appliance installation, light work, and other simple services

- Actively hire skilled workers and experienced DIYers, and strengthen in-house construction
- Expand services for the elderly and task support services
- Strengthen consultation-based business through collaboration with local governments, etc.



*Renovation Price (HOME TECH) Fuchu Showroom



Exterior construction and medium-scale renovation

- Establish new renovation locations and strengthen the sales structure
- Launch a dedicated renovation website
- Increase the frequency of flyer placements

Large-scale renovations

- Open locations within DCM stores
- Expand customer touchpoints
- Partner with renovation companies outside the Kanto region

Business Strategies: Digital Transformation Strategy

Digital transformation initiatives have streamlined operations over the past few years
Build on these improvements by driving sales growth and profit expansion through active use of AI and digital transformation

Streamline Operations

- Use digital tools for store operations and customer management
- Manage internal knowledge and expertise digitally
- Improve head office efficiency, etc.



Increase Sales

- Use AI and digital transformation to develop products and improve sales floor efficiency
- Maximize sales through AI search and related product recommendations



Expand Profits

- Establish a system that integrates development, logistics, and inventory management
- Build a profitable structure by pursuing overall optimization



Business Strategies: Digital Transformation Strategy



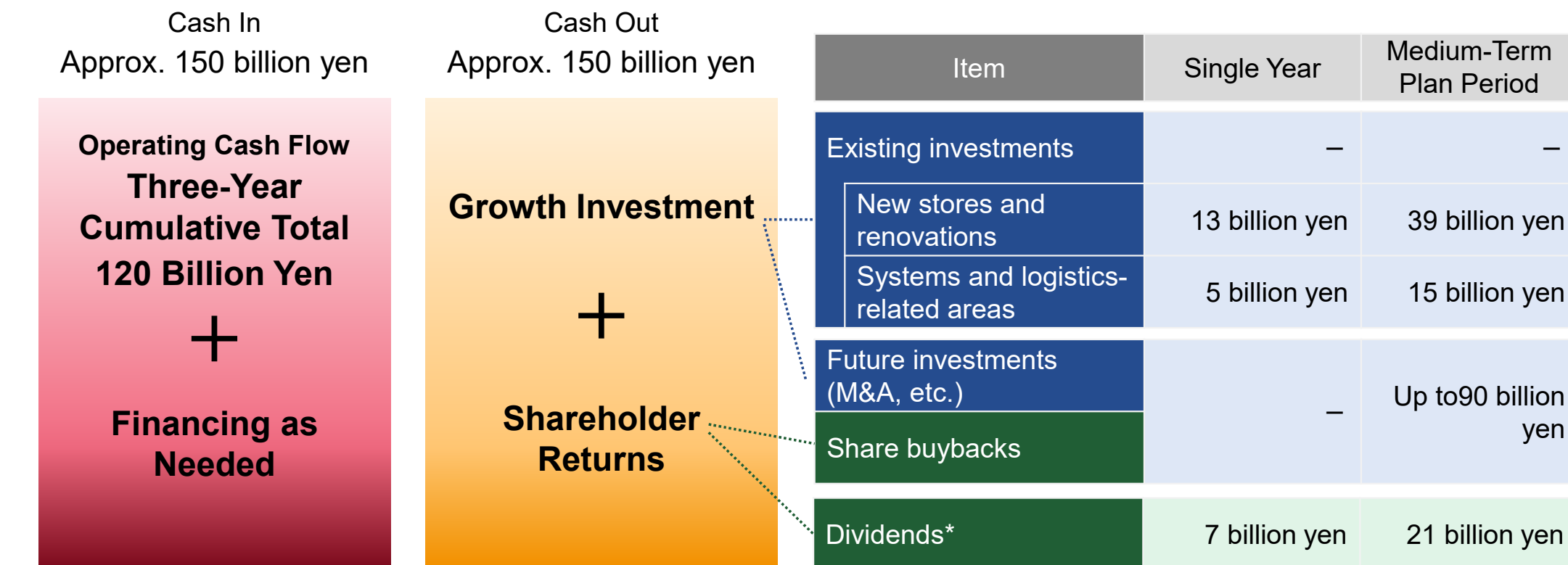
Operational Streamlining Case Study: Order Management System for Plants

Introduced a three-party system that benefits stores, headquarters, and suppliers, improving work efficiency and product quality



Financial Strategy: Cash Allocation

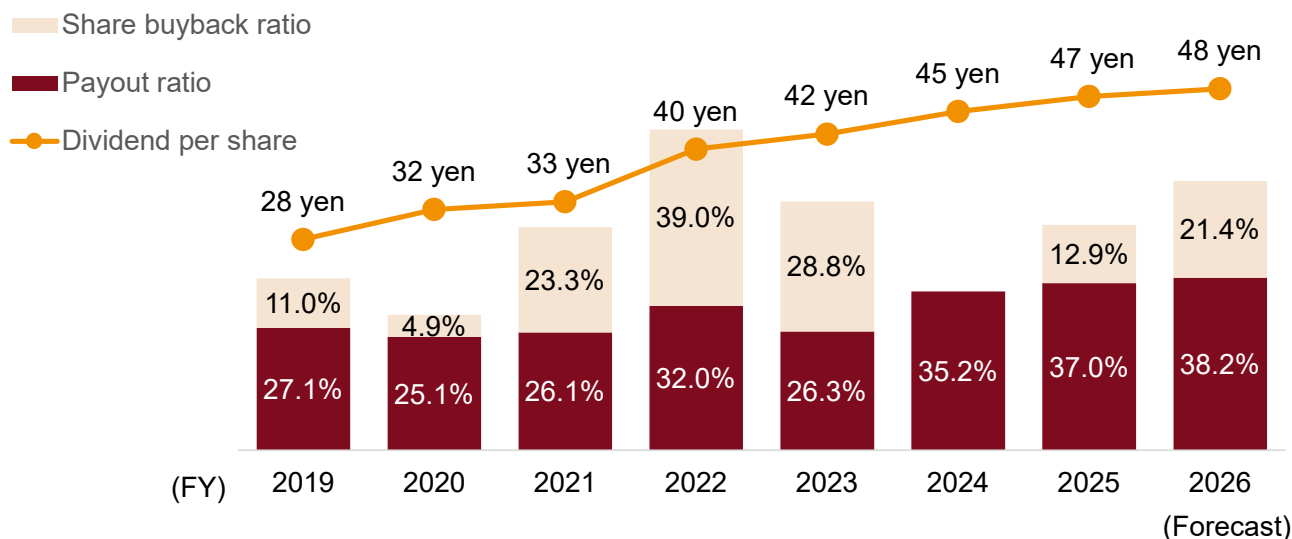
In principle, we allocate operating cash flow to growth investments, distribute funds with consideration for the balance between investment and dividends, and pursue both growth investment and shareholder returns



*Dividend figures show the minimum amount, assuming the Company maintains the final-year level of the Third Medium-Term Management Plan.

Financial Strategy: Shareholder Return Policy

Consider opportunistic share buybacks to maintain and improve capital efficiency while ensuring financial soundness for sustainable growth. Also target a total shareholder return ratio of 70%.



Dividend per share (yen)	28	32	33	40	42	45	47	48
Payout ratio	27.1%	25.1%	26.1%	32.0%	26.3%	35.2%	37.0%	38.2%
Share buyback ratio	11.0%	4.9%	23.3%	39.0%	28.8%	0.0%	12.9%	21.4%
Total return ratio	38.1%	30.0%	49.4%	71.0%	55.1%	35.2%	49.9%	59.6%

Dividend Policy

- Annual dividends set with a target payout ratio of 40%
- Dividends per share increased for 11 consecutive terms

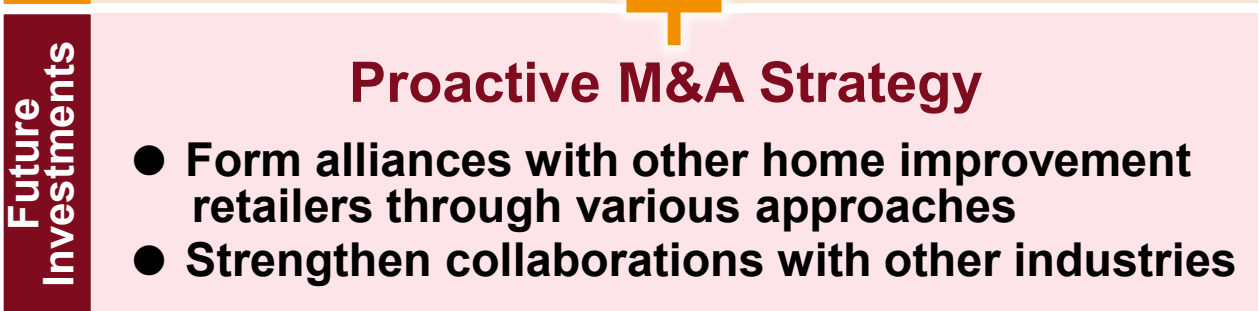
Share Buyback Policy

- Maintain a policy of opportunistic share buybacks with a focus on enhancing capital efficiency
- Retain approximately 5% of total shares outstanding and retire any excess treasury shares (Considering the use of shares for M&A and other purposes)

2. Fourth Medium-Term Management Plan

Financial Strategy: Achieving Management Focused on Capital Costs and Share Price

Strive to enhance corporate value and achieve a PBR of 1.0x or higher



ROE Target: 8.0% or higher

- **Net income ratio (FY2025: 3.2%)** ↑
 - Improve gross profit margin by strengthening private brands
 - Improve operating profit ratio by strengthening Group strategy
- **Total asset turnover (FY2025: 1.3 times)** ↑
 - Improve efficiency of held assets, including idle land and underperforming stores
 - Reduce shareholdings
- **Financial leverage (FY2025: 2.2x)** ↑
 - Shareholder returns (dividends and share buybacks)
 - Achieve ROE above cost of capital (approx. 5%)

PER Target: 10x to 15x

- **Future business strategy**
 - Execute the Fourth Medium-Term Management Plan
- **Enhancement of IR activities**

	FY2025 Results	Targets
PBR	0.79x	1.0x or higher
ROE	6.2%	8.0% or higher
PER	13.4x	10x-15x

Human Capital Management



Create environments that allow each employee to take on challenges and grow, enhance engagement, and maximize productivity

Develop the Next Generation of Senior Management

Develop human resources by unlocking individual potential through the structured development of management talent and proactive leadership appointments

<p>Diamond Class</p> <p>Target employees: Assistant managers and supervisors Course content: Management fundamentals and leadership</p>	<p style="writing-mode: vertical-rl; transform: rotate(180deg);">First term: 67 participants completed</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Second term: 73 participants scheduled</p>
<p>Core Professional Class</p> <p>Target employees: Department managers, section managers, managers, and store managers Course content: Management strategies and comprehensive management skills</p>	
<p>Master Class</p> <p>Target employees: Block managers and department managers Course content: Innovation, business planning, and individual growth</p>	
<p>Prep Class</p> <p>Target employees: Supervisors and chiefs</p>	

Establish new class for younger employees

Create Workplaces Where Everyone Can Thrive and Take on Challenges

Build a system that enables all employees to propose improvements and fosters a culture of challenge

- Conventional proposals: Product development and merchandising**
- New proposals: Operational improvement and new business proposals**

Objective

- (1) Establish a system that leverages frontline employee input
- (2) Develop independent thinkers
- (3) Foster a stronger sense of participation in management
- (4) Cultivate an organizational culture that develops talent

Sustainability Initiatives

Assess initiatives along two axes: company growth and contribution to a sustainable society
Establish DCM as a trusted company among the environment, society, and investors by practicing management that embodies sustainability

Environment

Decarbonization and Circular Business Initiatives

- Reduce packaging materials for private brands
- Collect unwanted items at stores
- Reduce CO₂ emissions by streamlining logistics
- Introduce solar power and renewable energy



Solar panels installed at the DCM Yachimata store

Social

Value Creation in Local Housing

- Train skilled workers to address labor shortages
- Support experiential learning for elementary and junior high school students
- Host and participate in disaster preparedness events
- Provide disaster preparedness support for elderly households



Visiting households in need of assistance
(New Ready Support Team)

Governance

Sound Management Foundation

- Execute medium-term management plan
- Manage company risks
- Develop management talent
- Disclose and share information



DCM Mizushima store

Group Company Growth Strategies (1)



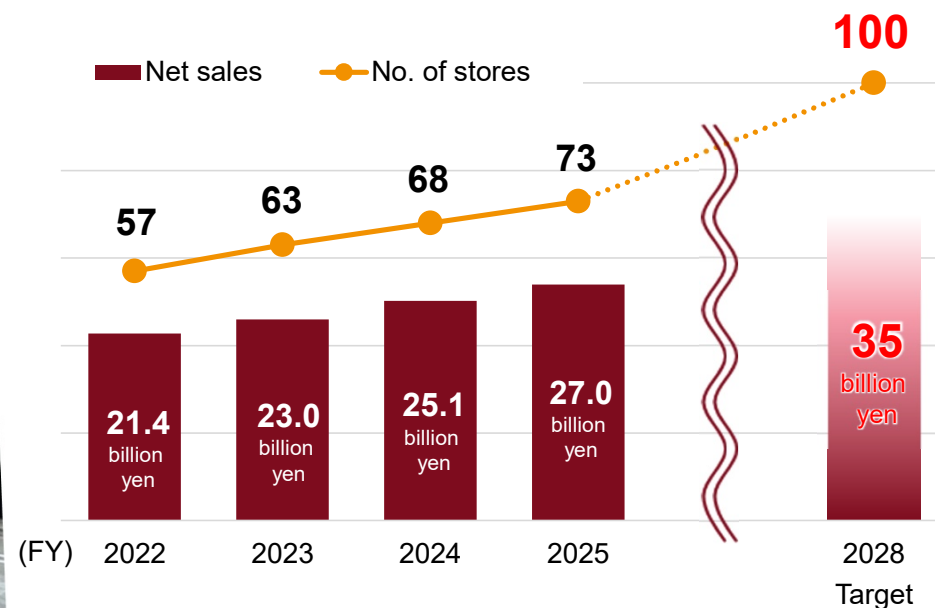
Hodaka Kochi store

Hodaka Co., Ltd.

Experiencing growth in both sales and store count, aiming to expand store openings proactively

Key Initiatives

- Strengthen store expansion through store format changes
- Enhance e-commerce website



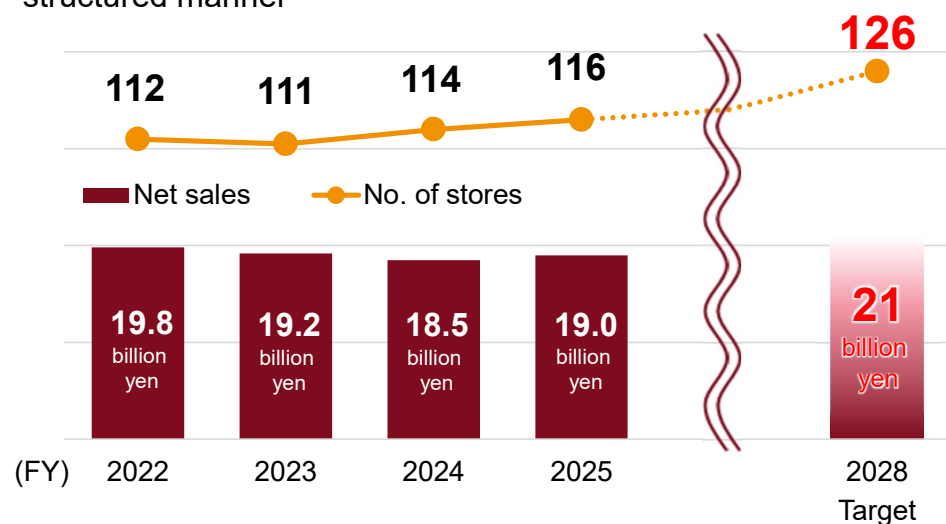
Group Company Growth Strategies (2)

DCM Nicot Co., Ltd.

Strong presence in small local trade areas, aiming to achieve long-term regional revitalization in collaboration with local communities

Key Initiatives

- Introduce food products across all stores and revamp merchandise concepts
- Strengthen collaboration with local governments, including disaster preparedness agreements
- Integrate store and headquarters operations through new frameworks and roles
- Proactively open new stores and revitalize existing stores in a structured manner



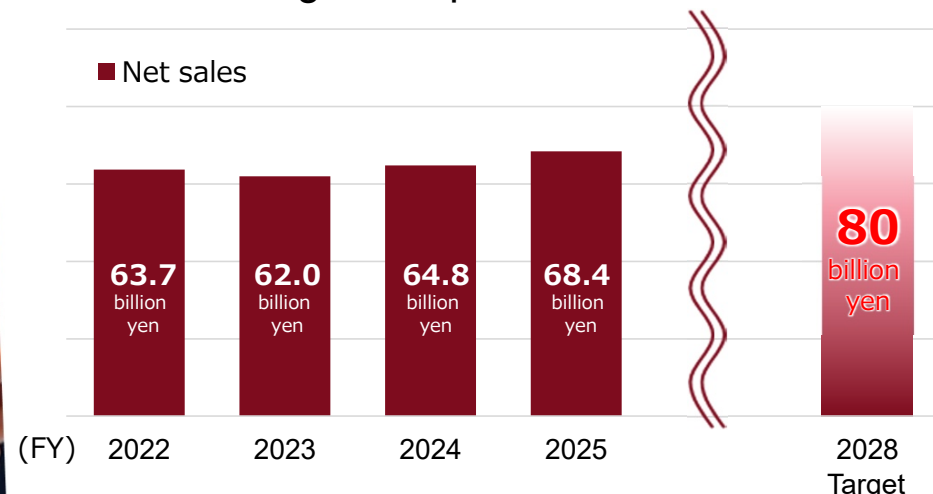
Group Company Growth Strategies (3)



XPRICE Inc.
Building a business foundation, aiming to achieve growth and improve productivity toward an e-commerce infrastructure that evolves alongside everyday life

Key Initiatives

- Strengthen sales of the private brand MAXZEN
- Improve profit margins for overall merchandise
- Establish new core revenue categories alongside air conditioners
- Streamline logistics operations



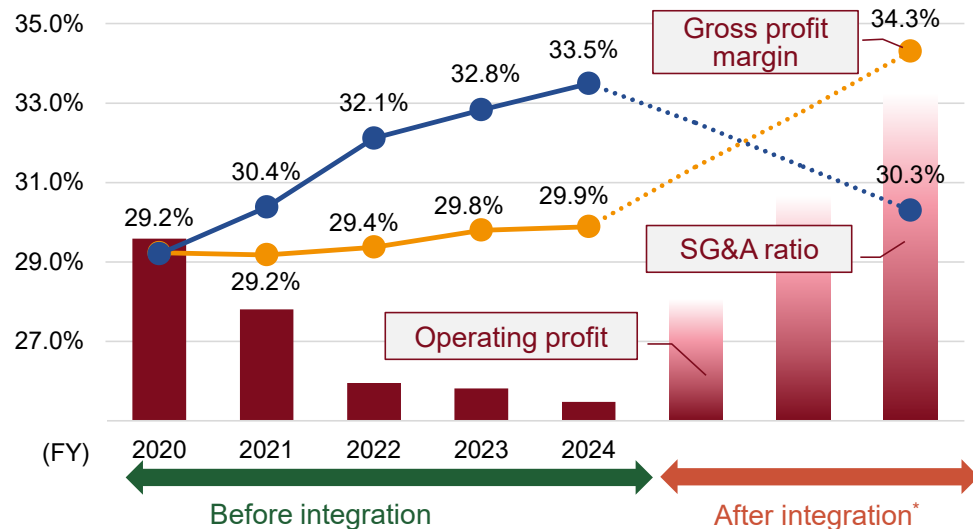
Group Company Growth Strategies (4)

ENCHO Co., Ltd.

Aiming to improve business performance over a short period by leveraging DCM expertise

Key Initiatives

- Introduce DCM brand merchandise
- Improve margins by aligning product lineup across stores
- Adopt DCM standardized planograms
- Share expertise through personnel exchanges
- Streamline logistics
- Improve efficiency of head office operations
- Enhance efficiency of store operations
- Improve efficiency through system integration



*Figures after integration are estimates based on the consolidated results of DCM Holdings for the fiscal year ended February 2026



Jumbo Encho Shizuoka store

Group Company Growth Strategies (5)



HOME TECH Inc.

Strengthen large-scale renovations with HOME TECH as a key driver

Key Initiatives

- Open locations in DCM stores
- Expand in-store service counters at DCM stores
- Reduce the procurement costs of merchandise through joint purchasing of housing equipment, renovation materials, and construction materials

In-store location concept (DCM stores)



Financial Targets



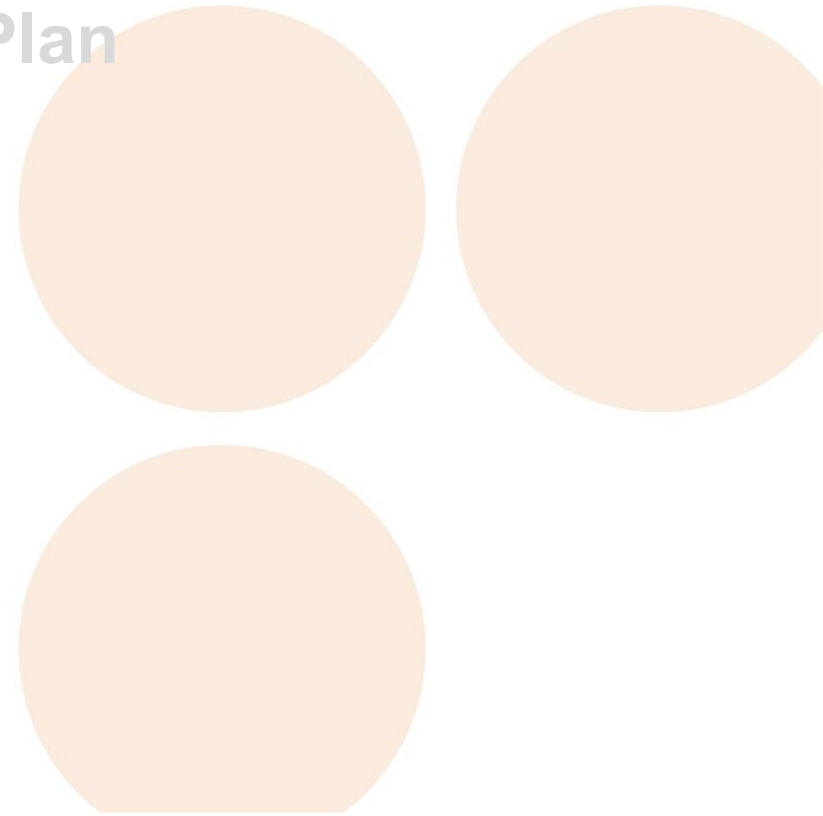
(Millions of yen)

	FY2025 Results	FY2028 Targets	Growth Rate
Net Sales	533,107	650,000	+6.8% per year
Gross Profit Margin	34.3%	35.9%	+0.5pp per year
Operating Profit	31,014	42,300	+10.9% per year
Operating Profit Ratio	5.8%	6.5%	+0.2pp per year
Ordinary Profit	29,158	40,500	+11.6% per year
Net Profit	17,310	26,500	+15.3% per year
ROE	6.2%	8.0%	+0.6pp per year

1. Review of the Third Medium-Term Management Plan

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Key Initiatives by Strategy

Fourth Medium-Term
Management Plan
Basic Policy

Set the next three years as a period to accelerate transformation into the DCM customers choose

-Driven entirely by a customer-focused mindset-

Business Strategies

(1) Customer Strategy

- Introduce customer questionnaires and provide visibility into customer ratings (feedback)

(2) Merchandise Strategy

- Develop customer-oriented merchandise, aiming for private brand net sales ratio of 34%

(3) Store Strategy

- Develop store formats by scale and secure earnings through effective use of idle assets

(4) Renovation Strategy

- Expand service offerings, increase workforce capacity, and open HOME TECH locations within DCM stores

(5) Digital Transformation Strategy

- Release various systems to streamline operations

Financial Strategy

PBR-Conscious Management

- Execute the medium-term management plan and form alliances with home improvement retailers and other industries

Non-Financial
Strategies

Human Capital Management

- Commence the second term of the Senior Management Development Program

Sustainability Initiatives

- Disclose information (establish organizational structure and prepare for disclosure in accordance with SSBJ standards)

Earnings Forecast



(Millions of yen)

	FY2025 Results	FY2026 Forecast	YoY
Net Sales	533,107	576,500	106.5%
Gross Profit Margin	34.3%	34.6%	+0.3pp
Operating Profit	31,014	31,200	100.6%
Operating Profit Ratio	5.8%	5.5%	-0.3pp
Ordinary Profit	29,158	29,400	100.8%
Net Profit	17,310	17,400	100.5%
ROE	6.2%	6.2%	±0.0pp

FY2026 Forecast (*Excluding Encho)	YoY
537,500	103.2%
34.8%	+0.5pp
33,000	104.3%
6.1%	+0.3pp
31,400	105.1%
19,400	106.3%
—	—



Do Create Mystyle
くらしの夢をカタチに