

Note: This document has been translated from 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.



May 15, 2025

Company name: Kyodo Printing Co., Ltd.
Representative: Teruomi Ohashi, President
(Securities code: 7914; Tokyo Stock Exchange Prime Market)
Inquiries: Reiko Yamada, General Manager of Corporate Communication Division
(Telephone: +81-3-3817-2525)

Notice of Formulation of the Kyodo Printing Group Long-term Strategy and Medium-term Management Plan

With the awareness that strengthening profitability and clarifying a growth strategy are essential to achieving sustainable corporate growth, the Kyodo Printing Group (hereinafter, the “Group”) has systematically and comprehensively revised its Management Philosophy, Materiality, etc. At the Board of Directors meeting held today, it was resolved to establish a new philosophy system and to formulate a ten-year Long-term Strategy and a three-year Medium-term Management Plan that begins in fiscal 2025.

1. Management Philosophy and Long-term Vision

A new Management Philosophy was formulated, redefining the Group’s purpose and mission in society. To realize the philosophy, a long-term vision was established as an ideal state for ten years in the future (fiscal 2034).

- (1) Group Management Philosophy
“Generating New Value Through Creativity and Passion, Creating a Future for All”
- (2) Group Long-term Vision
“NexTOMOWEL 2034 Challenge Together, Exceed Together.”

2. Materiality

The following three materiality items for achieving the Management Philosophy were identified as a result of a review based on social issues and the business environment:

- Contribution to the Resolution of Social Issues through Innovation
- Human Capital Strategy as a Driver of Business Growth
- Risk Management Integrated with Business Strategy

*Please also refer to the “Notice of Revision of Materiality”

3. Long-term Strategy and Medium-term Management Plan

In order to strengthen profitability, we will actively conduct growth investments and structural reforms while taking capital efficiency into account, and promote business portfolio transformation through selection and concentration.

- (1) Long-term strategy
 - (i) Quantitative target
 - Consolidated operating profit of at least 12.0 billion yen in ten years (by fiscal 2034)

- (ii) Business strategy
 - Two pillars of our long-term strategy are “information-related businesses” and the “Living and Industrial Materials business”
 - Plans to invest a total of approximately 70.0 billion yen by fiscal 2034, realise a transformation of the business portfolio
 - For “information-related businesses,” maintain net sales volume while shifting its focus from printing to providing high-quality service centered on information processing
 - For the “Living and Industrial Materials business,” develop high-value-added products with technological capability at the core, and strengthen expansion into growing markets and business areas, including those overseas
- (2) Medium-term Management Plan (Fiscal 2025 – Fiscal 2027)
 - (i) Quantitative targets
 - In the final year (fiscal 2027), achieve consolidated operating profit of at least 4.5 billion yen and ROE of 8% or higher, and reduce cross-shareholdings to less than 15% of consolidated net assets by the same year.
 - For dividends, set the guideline at 3.5% DOE beginning in fiscal 2025 to prioritize improving corporate value and providing continuous returns to shareholders
 - (ii) Business strategy
 - As the first step of the long-term strategy, strengthen the foundation of existing businesses and lay the groundwork for the expansion of business scale in growth areas
 - For “information-related businesses,” increase revenue for information services by strengthening the development and sales of the information service function in BPO as well as original contents businesses utilizing manga (comics), while simultaneously reforming production
 - For the “Living and Industrial Materials business,” focus on expanding the manufacturing scale of packaging for food products and daily necessities while also promoting the development of overseas packaging, functional materials, and industrial packaging materials to generate early revenue

*Please also refer to the “Kyodo Printing Group Long-term Strategy and Medium-term Management Plan (Fiscal 2025 – Fiscal 2027)” materials.

(Note) The Group’s numerical management targets, business strategies, etc. contained in this document have been prepared at the Group’s discretion based on information currently available, and actual results may differ significantly due to various factors such as future changes in the market environment or the international state of affairs.

**Long-term Strategy and
Medium-term Management Plan
(FY 2025 – FY 2027)**

Kyodo Printing Co., Ltd.

May ,15, 2025

TOMOWEL
Future creation for all

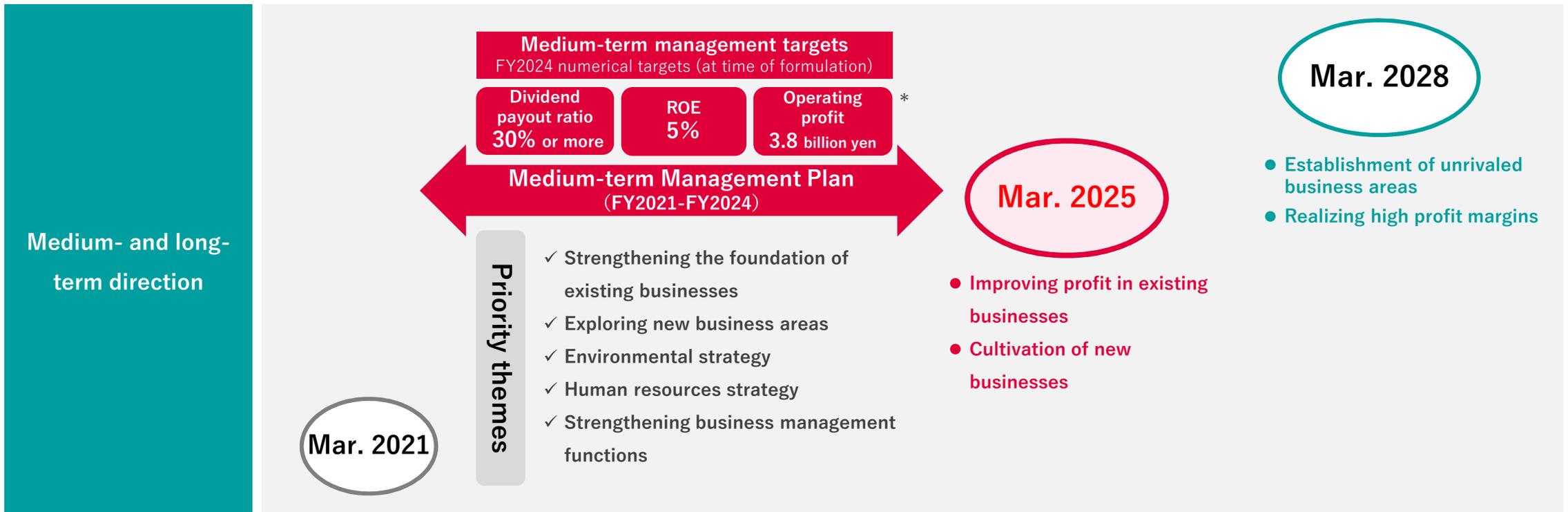
- 01 FY2021-FY2024 Review**
- 02 Kyodo Printing Group's Vision for the Future:
New Management Philosophy and
New Medium-term Management Plan**
- 03 Strengthening Our Management Foundation Based on ESG**

01

FY2021-FY2024 Review

Medium-term Management Plan (FY2021-FY2024) Management Policy

Group Management Philosophy	Using our core printing business to contribute to society in the spheres of lifestyle, culture and information industries
Management Vision	We aim to become a corporate group that continues to create new value by casting customers' aspirations into shape through honest communication and technical capabilities that lead the market.
Medium-term Management Policy	Taking on the challenge of future-driven change to create a prosperous society and new value



*Initial targets are shown (the operating profit target was revised from 3.8 billion yen to 3.1 billion yen on May 15, 2024)

	Target	Results
Operating profit	3.1 billion yen	2.3 billion yen
ROE	5 %	5.3 %
Payout ratio	30 % or more	30.4 %

ROE

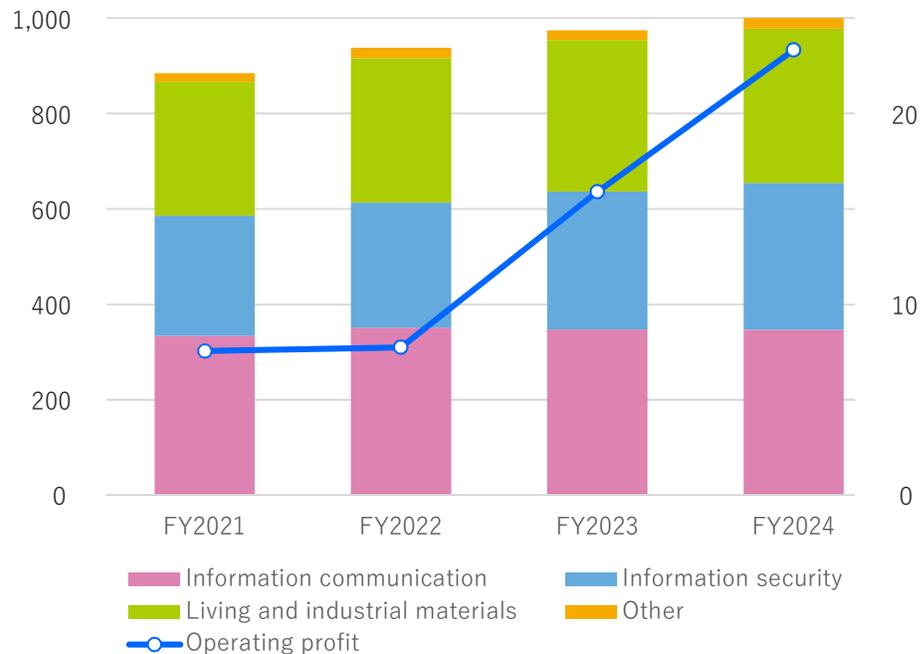
Reached 5% due to the reduction of strategic shareholdings

PBR

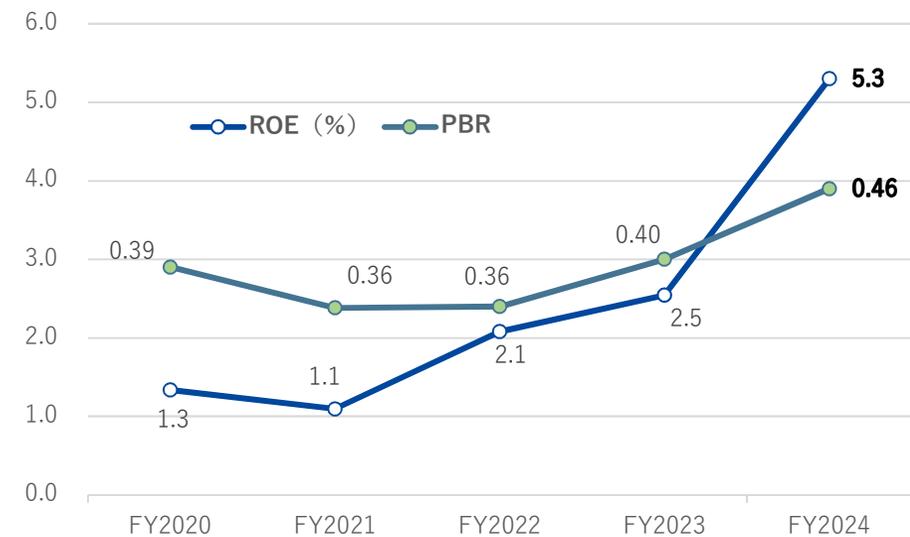
Remained under 0.5x due to low profit levels

Net Sales
(billion yen)

Operating profit
(billion yen)



ROE (%)



Results

Information communication

Began structural reforms such as integrating subsidiaries and consolidating production sites

Information security

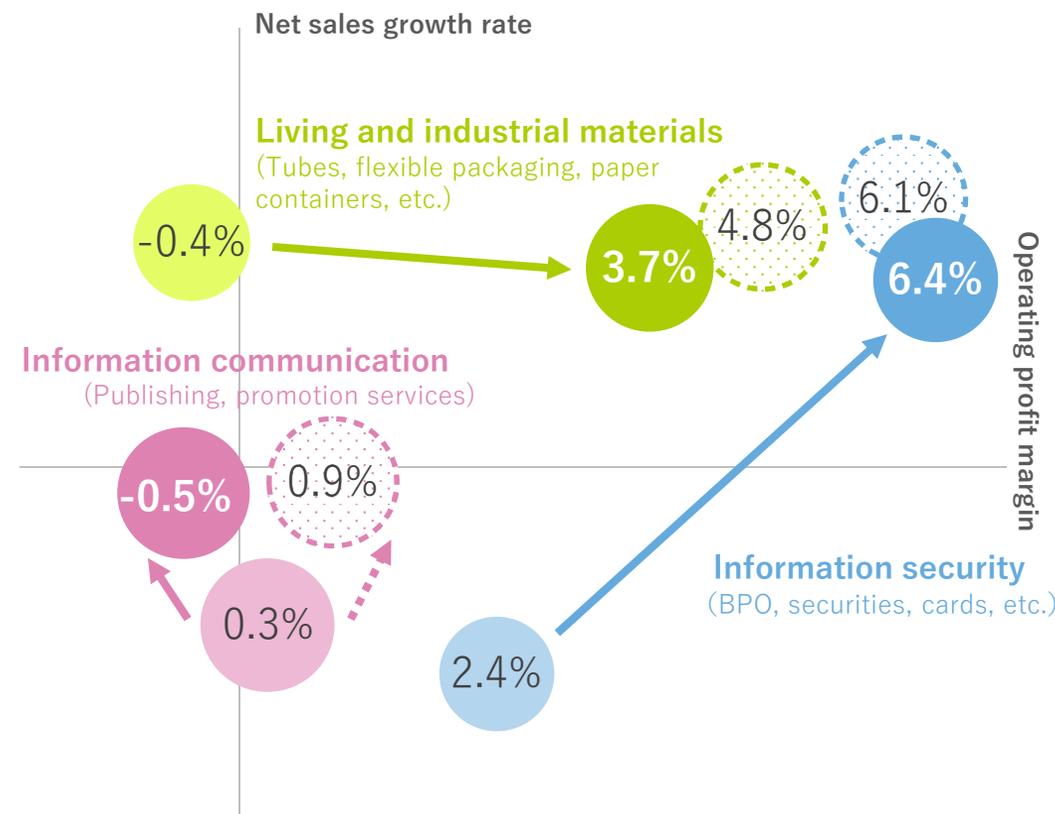
Operating profit margins increased in response to the rebound in demand after COVID-19

Living and industrial materials

Sales increased in each product category and profit margins increased due to progress in upward price adjustments

Issues

- ✓ Make concentrated investments in growth fields and growth markets selected for each segment
- ✓ Increase profitability by ensuring appropriate profits, increasing production efficiency with IT-driven solutions, etc.
- ✓ Reorganize manufacturing facilities of products and services belonging to markets expected to shrink, promote rationalization by reducing fixed expenses, etc.

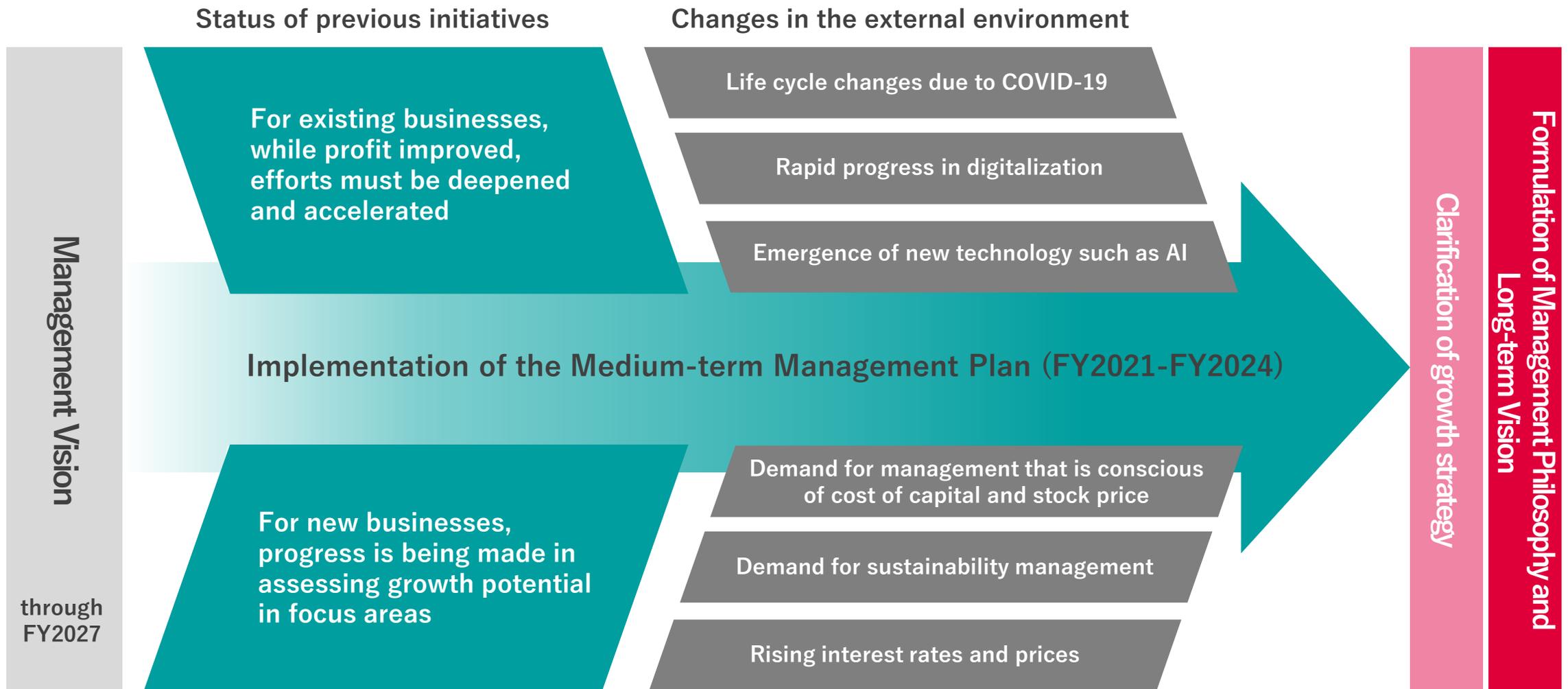


Light color: FY2020 results
 Dotted border: FY2024 plan (announced May 2024)
 Dark color: FY2024 results
 Size of circle: Net sales
 Number in circle: Operating profit margin

Aiming to achieve a stable earnings base in existing businesses and cultivate new businesses that will become core businesses for the Group, we are promoting initiatives with a focus on five priority themes.

Five priority themes	Major results	Other themes	Major results
Strengthening the foundation of existing businesses	<ul style="list-style-type: none"> ● Promoted production and business process efficiency through hub organization ● Consolidated group companies and production sites 	Sustainability management	<ul style="list-style-type: none"> ● Developed a sustainability management promotion system ● Identified materiality items and set priority initiative themes and KPIs ● Established the Group Human Rights Policy ● Established the Group Basic Procurement Policy and shifted to sustainable procurement ● Restructured the group-wide risk management system
Exploring new business areas	<ul style="list-style-type: none"> ● Strengthened “Learning” businesses, content that uses IP, and healthcare BPO services ● Promoted the development of high-performance materials 		Other
Environmental strategy	<ul style="list-style-type: none"> ● Put environmentally friendly products and services on the market ● Complied with the TCFD Recommendations ● Capital participation in R Plus Japan 	<div style="background-color: #009688; color: white; padding: 5px;">Issues for FY2025 and beyond</div> <ul style="list-style-type: none"> ✓ Secure and develop human resources suited to the portfolio we are aiming for ✓ Appropriate risk management and risk-taking ✓ New business creation that contributes to solving social issues through these initiatives 	
Human resources strategy	<ul style="list-style-type: none"> ● Developed infrastructure for realizing flexible work styles ● Conducted training to develop value-creating human resources ● Revised the human resources system 		
Strengthening business management functions	<ul style="list-style-type: none"> ● Introduced ROIC management by business segment ● Established a review body for investment projects 		

We revised everything from the Management Philosophy in light of recent changes in the external and internal environments, further clarified our growth strategy, and formulated a ten-year Long-term Vision starting in FY2025.

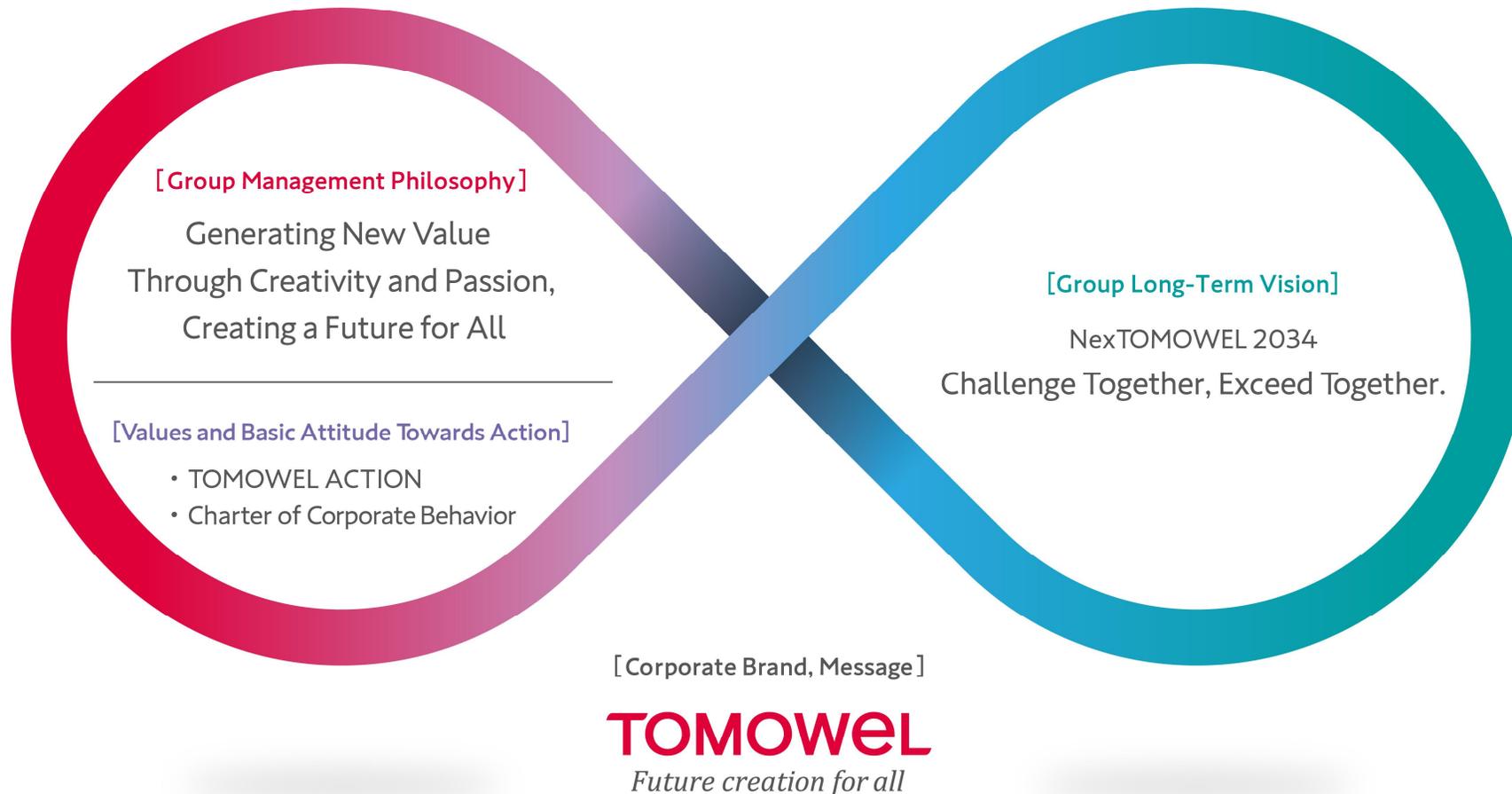


02

Kyodo Printing Group's Vision for the Future **New Management Philosophy and New Medium-term Management Plan**

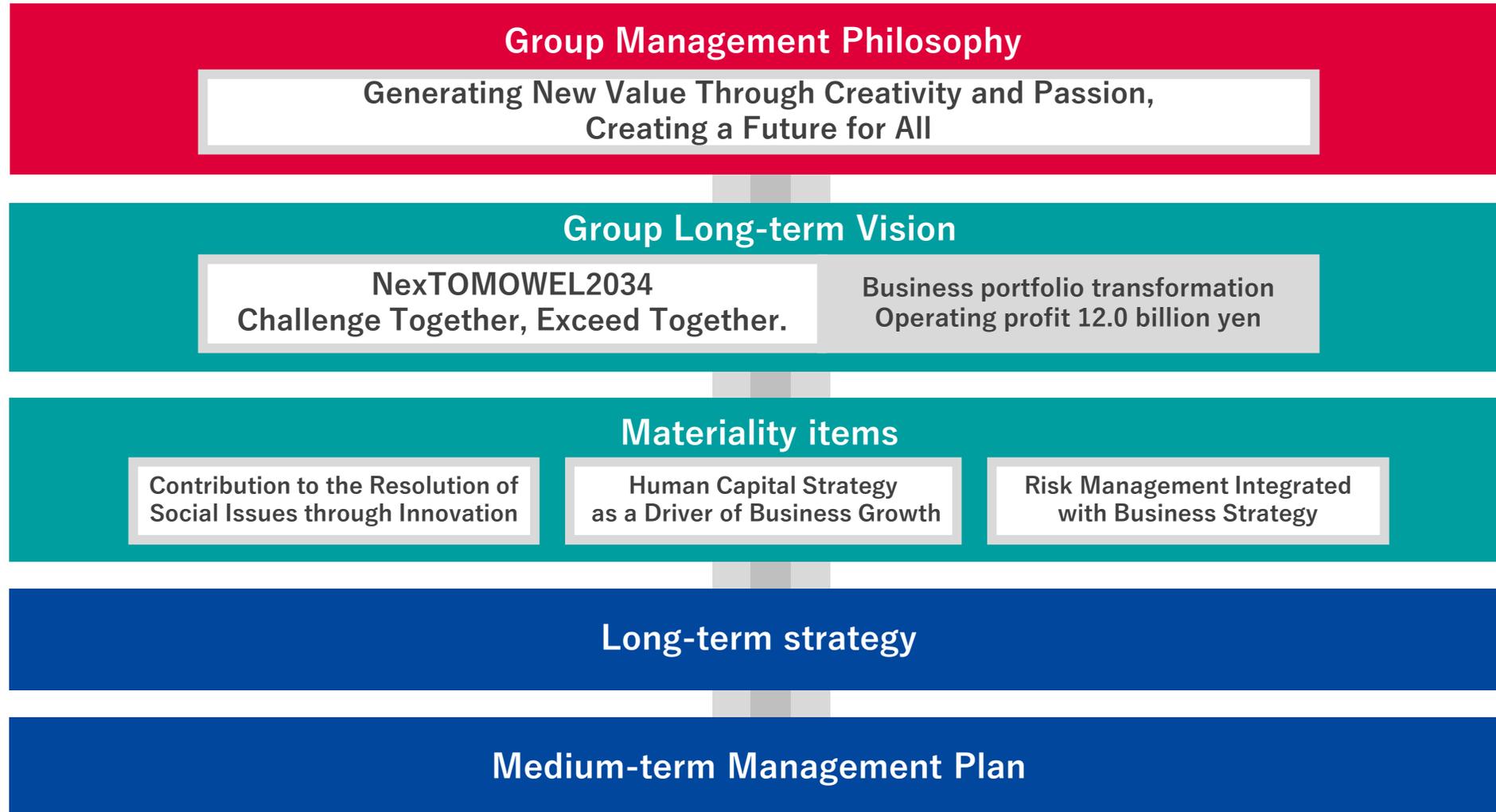
Kyodo Printing Group's Philosophy System

In order to meet stakeholder expectations and continue to grow sustainably, we restructured our philosophy system by systematically and comprehensively revising the Group's values, etc. We formulated a new Management Philosophy and Long-term Vision.



Big Picture of the Management Philosophy and Medium-term Management Plan

In order to achieve the Management Philosophy, we formulated a Long-term Vision that expresses our ideal state for ten years in the future, and we identified materiality items from the issues that must be addressed in order to achieve the targets set forth in the Long-term Vision. We formulated a Long-term Strategy to achieve them and a Medium-term Management Plan starting in FY 2025.



Three Materiality Items

We identified three materiality items as major issues that must be addressed in order to achieve the new Management Philosophy. By continuing to provide the value demanded by society, we aim to achieve sustainable growth for the Company and enhance corporate value over the medium to long term.

Contribution to the Resolution of Social Issues through Innovation

Priority themes

- Provision of products and services that contribute to a richer life for people
- Provision of products and services that contribute to achieving a sustainable global environment
- Strengthening intellectual capital to promote innovation

Innovation:

Creating new value for both the company and society through business model transformation, business process transformation, and corporate transformation

Human Capital Strategy as a Driver of Business Growth

Priority themes

- Strengthening human resource management based on talent portfolios
- Strengthening of institutional frameworks and organizational capabilities to maximize human potential

Risk Management Integrated with Business Strategy

Priority themes

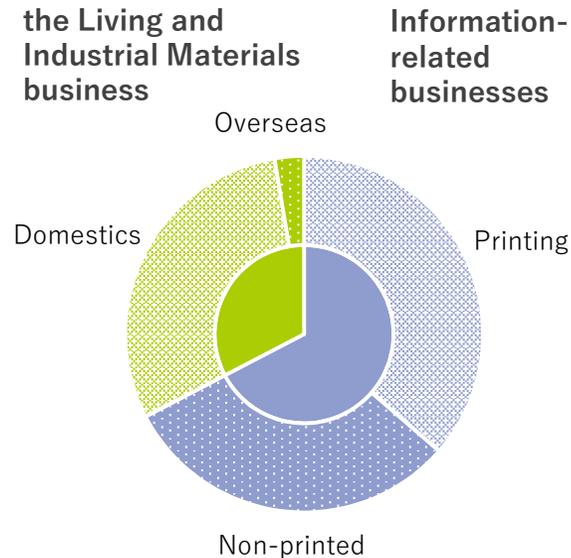
- Preservation of the global environment
- Corporate ethics and fair business practices
- Information security and privacy protection
- Respect for human rights
- Building a resilient supply chain
- Strengthening and enhancing the risk management system

Overview of Long-term Strategy (Ten-year Strategy Starting in FY2025)

In Information-related businesses, we will shift our focus from printing to providing high-quality service centered on information processing.

In the Living and Industrial Materials business, we will develop high-value-added products with technological capability at the core, and strengthen expansion into growing markets and fields, including those overseas.

FY2024
Net sales composition

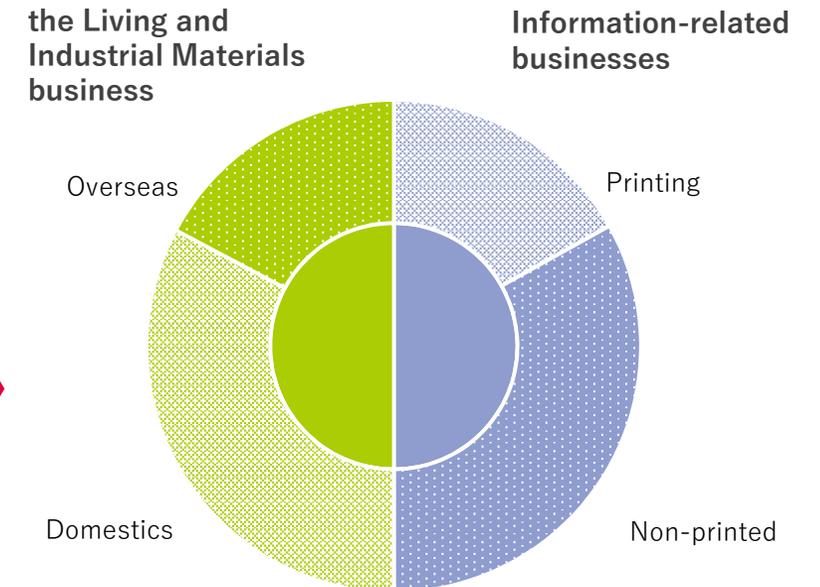


Operating profit
2.3 billion yen

Accelerate selection and concentration for our business portfolio in ten years



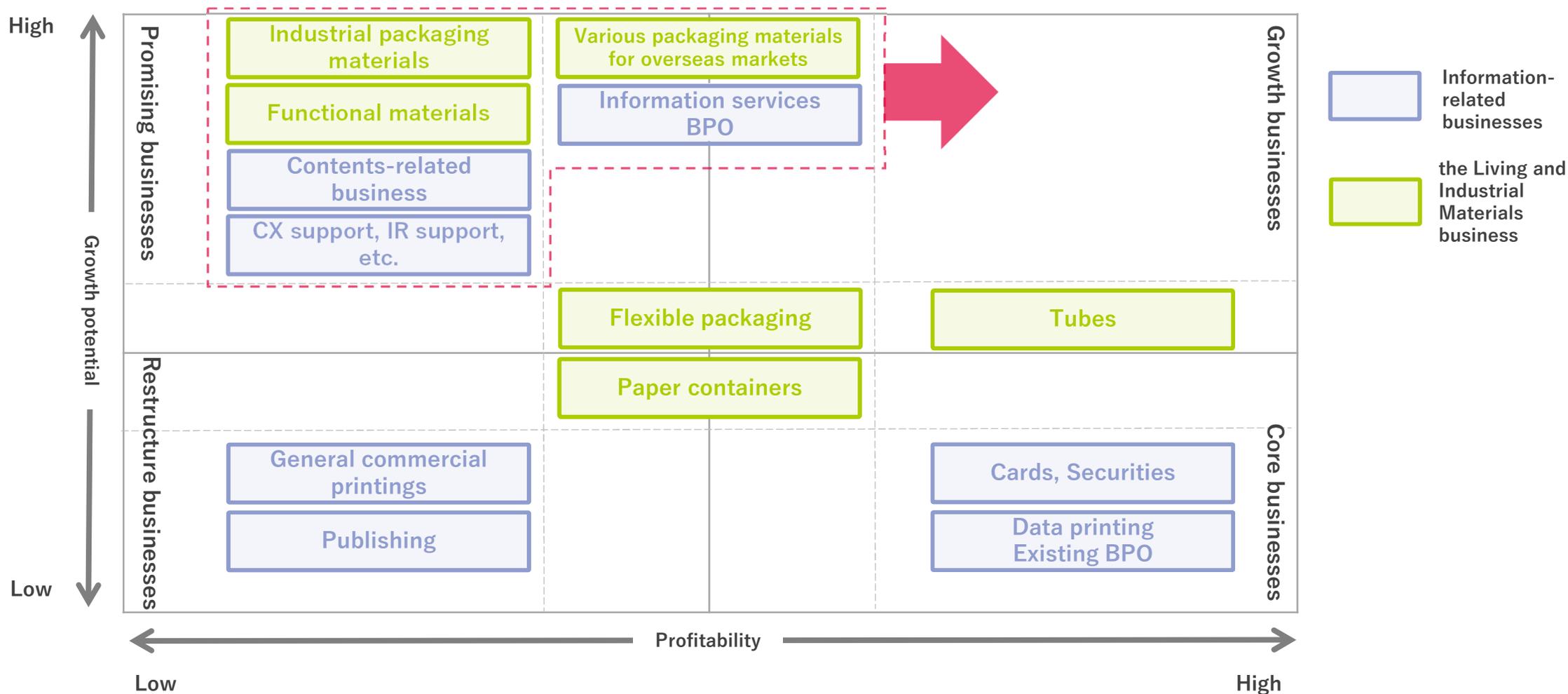
FY2034
Net sales composition



Operating profit
12.0 billion yen or more

Business Portfolio

We will pursue efficiency in **core businesses** and invest the acquired cash into **promising businesses** to develop them into **growth businesses**. For **restructure businesses**, we will assess profitability and implement structural reforms. By switching out business assets, we aim to increase ROIC.



Overview of Long-term Strategy (Ten-year Strategy Starting in FY2025)

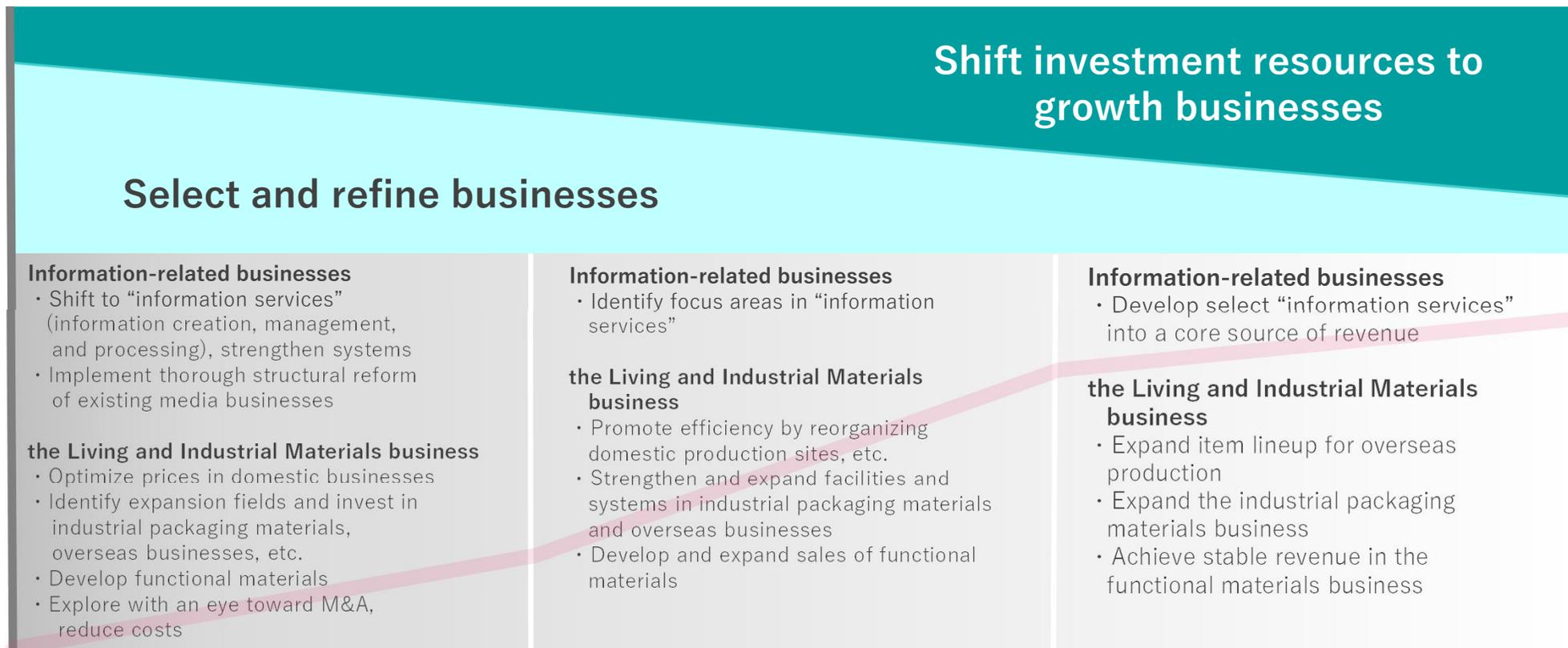
We will transform our business portfolio and achieve ROIC that exceeds WACC. We will appropriately revise the ROIC target, aiming for further improvement.

FY2024

FY2027

FY2030

FY2034



ROIC
1.6%

ROIC
8%

Overview of Investments

We plan to **invest a total of 70.0 billion yen in the ten-year period** through FY 2034.

Growth investments Approx. 43.0 billion yen	Capital investments	Strengthen production capacity in growth fields
	M&A	Investigate M&A mainly for expansion in new business areas and overseas
	Human resources investments	Develop human resources based on the business portfolio (including reskilling), increase personnel in focus business areas, secure human resources who will lead to innovation
	Research and development	Focus on developing products and services to generate new sales
Investments in existing businesses Approx. 27.0 billion yen	Improve efficiency by conducting aggressive DX investments and capital investments aimed at reducing labor and increasing productivity in existing businesses	

Six-year period from FY2025 to FY2030

Cash In

Cash Out

Operating CF
Approx. **45.0** billion yen

Strategic shareholding sales of Approx. **10.0** billion yen
+ Utilization of interest-bearing liabilities

Shareholders returns of at least **12.0** billion yen

Growth investments of approx. **24.0** billion yen

Structural reform and increased production efficiency in existing businesses

Investments

Strengthen the foundation of existing businesses while expanding the business scale in growth fields

- **Investments aimed at expanding growth fields**
 - Development investments to expand contents-related business and information service BPO
 - Investments with an eye toward M&A aimed at expanding various packaging materials for overseas markets and industrial packaging materials
 - Research and development aimed at creating new businesses such as functional materials
 - Human resources investments aimed at transforming the business portfolio (reskilling, personnel shift)
- **Investments aimed at strengthening the profitability of existing businesses**
 - Capital investments and DX investments aimed at reducing labor and increasing productivity
 - Investments in business structure reforms including reorganization of production sites

Strategic shareholding sales

Reduce to less than 15% of consolidated net assets (by FY2027)

Medium-term Management Plan Quantitative Targets (through FY2027)

- The three-year period starting with FY2025 is positioned as the first step of the Long-term Strategy. **This phase will lay the groundwork for portfolio transformation by strengthening the foundations of existing businesses and taking on bold challenges in growth fields.**
- We will also focus on implementing a **financial strategy** that supports business growth, **deepening sustainability management, and strengthening human capital.**

Operating profit

4.5 billion yen
or more

R O E

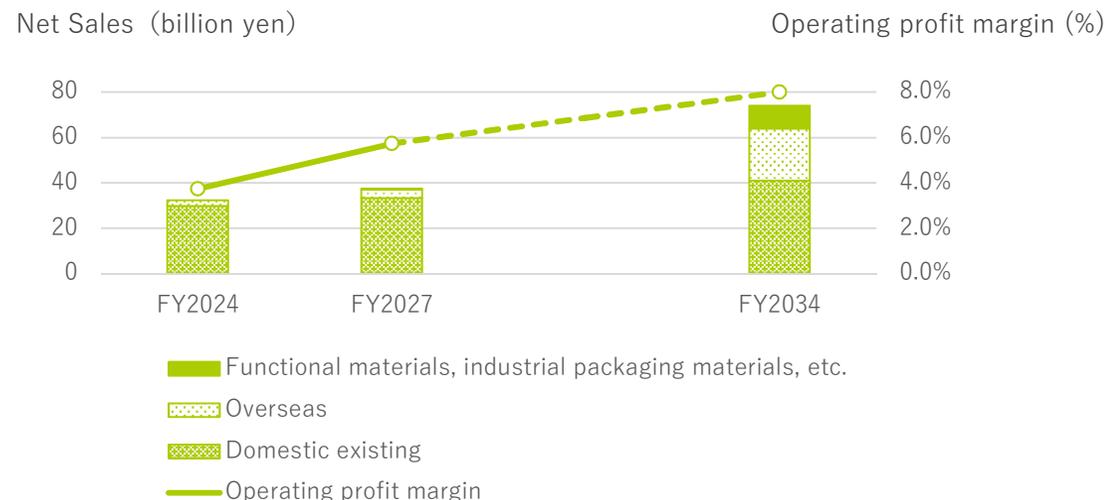
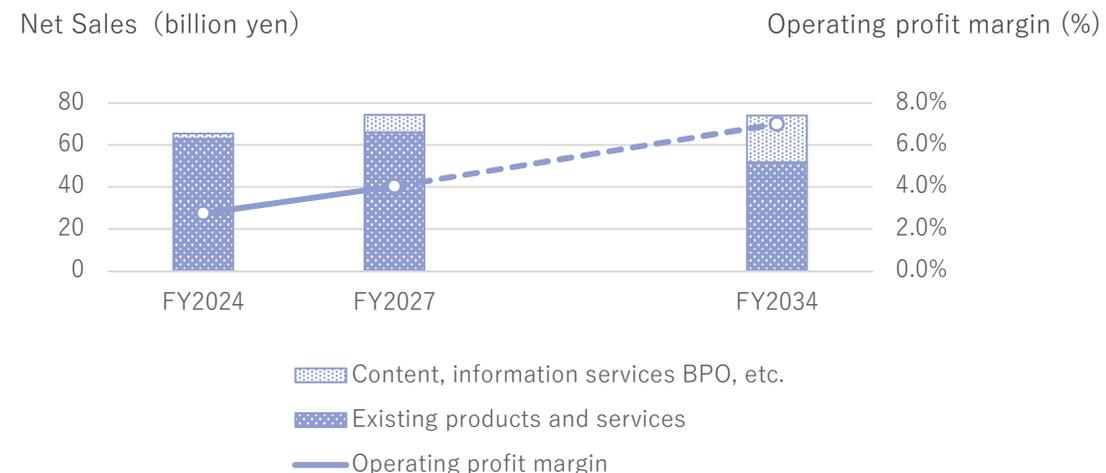
8 % or more

Information-related businesses

- **Development and expansion of growth businesses**
 - Focus on information services BPO in the healthcare field
 - Develop the contents-related business
- **Selection of existing media businesses**
 - Assess based on investment efficiency
 - Revise and optimize systems based on demand trends

The Living and Industrial Materials business

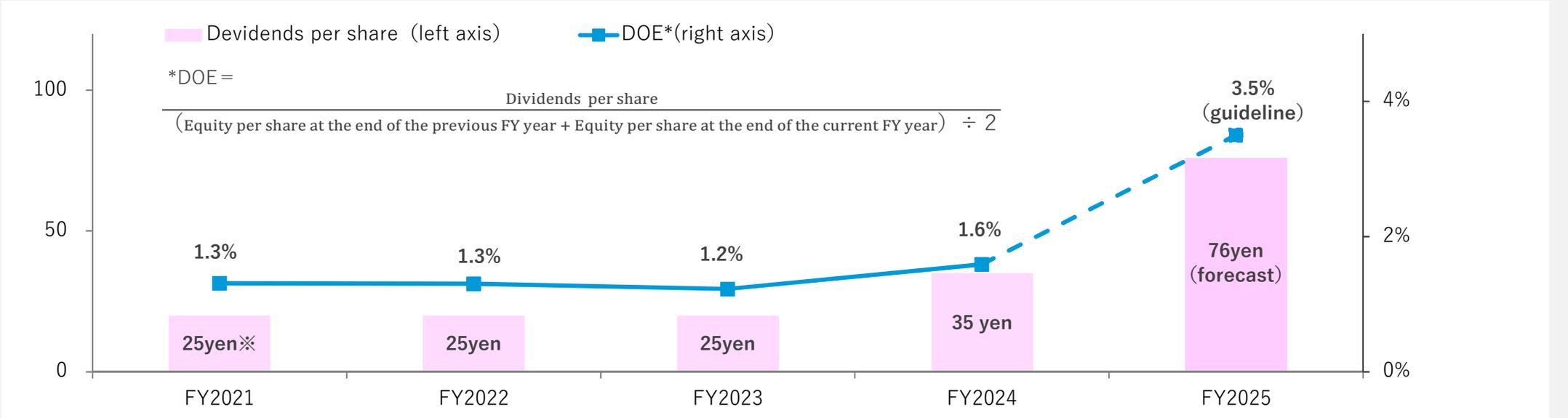
- **Increase profitability of domestic existing products**
 - Implement an appropriate pricing strategy
 - Switch to high-profit products such as tubes for cosmetics
- **Expand overseas businesses**
 - Expand existing products such as tubes with a focus on Indonesia
 - Make aggressive investments in line with business expansion
- **Enhance product lineup**
 - Develop functional materials and promote sales to expand their applications
 - Explore entry into the field of B2B industrial packaging materials where high growth and high profits are expected



With a view to further enhancing shareholder returns, the guideline for dividends will be set at 3.5% dividends on equity (DOE), aiming to enhance corporate value with a priority on the stable, continuous distribution of profit to shareholders.

Dividends based on 3.5% DOE

- At the beginning of the FY year, both interim and year-end dividends will be forecast based on a guideline of (Equity at the end of the previous FY year + Expected equity at the end of the current FY year) ÷ 2 × 1.75%
- While the dividend payout forecast at the beginning of the FY year will serve as the basis, dividends will be paid out so that the sum of interim dividends and year-end dividends does not fall far below 3.5% DOE, with consideration for changes in financial results and financial conditions, etc.



※ For reference, the ratio after the stock split is multiplied.

03

Strengthening Our Management Foundation Based on ESG

In order to clarify the direction of environmental activities that must be addressed over the long term, we revised our environmental policy and established the Group Environmental Vision 2050. We have identified the response to environmental issues as one of our priority themes in our materiality assessment, and will work to resolve them through our businesses.

Kyodo Printing Group Environmental Vision 2050

To ensure the sustainability of the global environment, the Kyodo Printing Group will actively fulfill its responsibilities to international society by contributing to conserving biodiversity and achieving a decarbonized and recycling-oriented society.

1. Contributing to a decarbonized society

- We will aim for net-zero greenhouse gas emissions at our sites.
- We will work to reduce greenhouse gas emissions within society as a whole through the development and provision of products and services.

2. Contributing to a recycling-oriented society

- We will contribute to the efficient and organic recycling of resources by conserving resources, reusing production materials, and reducing waste.

3. Conserving biodiversity

- We will promote biodiversity conservation activities while striving for harmony between business activities and the natural environment.

*The medium-term targets aimed at achieving the vision will be announced in the first half of FY 2025

Materiality items	Priority themes
Contribution to the Resolution of Social Issues through Innovation	Provision of products and services that contribute to achieving a sustainable global environment
Risk Management Integrated with Business Strategy	Preservation of the global environment

We have formulated a human resource strategy for the Group with a vision to “link human resources strategy with business strategy to boost business growth from a human resources perspective.”

We have identified a “Human Capital Strategy as a Driver of Business Growth” as a materiality item, and will aim to achieve our long-term strategy by strengthening its link with our business strategy.



We will strengthen our governance system to increase the Group’s competitiveness.

We will achieve governance reform that increases the quality of management, such as strengthening the roles and functions of the Board of Directors (“the Board”).

<p>Roles and functions of the Board</p>	<p>Promote diversity and strategic discussion to build a structure aimed at sustainable growth</p> <ul style="list-style-type: none"> • Reorganize the Board skills matrix taking long-term strategy targets into account (2025) • Achieve a 28% rate of female Board members (2 of 7 directors) (2025) • Continue to provide opportunities for intensive discussion by Board members; deepen discussions (2023 and onward)
<p>Utilization of Outside Directors</p>	<p>Strengthen functions of supervision by the Board and advisory to the Board</p> <ul style="list-style-type: none"> • Ensure independent Outside Directors compose 1/3 or more of the Board; make recommendations based on diverse insights from an independent perspective • Hold discussions within the Board based on recommendations from a committee consisting solely of independent directors • Enhance the quality of discussions through dialogues with experts on sustainability
<p>Nature of management team nomination and compensation</p>	<p>Strengthen transparency in the appointment and dismissal of officers and motivate them to improve financial results through remuneration system reform</p> <ul style="list-style-type: none"> • Develop guidelines concerning the appointment and dismissal of presidents (2023) • Enhance incentives by revising the performance-linked stock compensation system (BBT→BBT-RS) (2025) • Revise the Executive Officer Remuneration System; revise performance indicators and individual performance evaluation ratios to raise executive awareness of performance accountability
<p>Relationship with shareholders and investors</p>	<p>Enhance engagement with shareholders and investors with an emphasis on shareholder interests</p> <ul style="list-style-type: none"> • Place a greater emphasis on shareholder interests by using TSR as an evaluation indicator for performance-linked stock compensation (2025) • Enhance the quality of dialogue with shareholders and investors through Board discussions regarding IR activities

Corporate ethics and fair business practices

Development of a strong risk management system

These materials are intended to provide management and financial information to investors to help them better understand Kyodo Printing Co., Ltd.

Please use them with the understanding that the following points may apply.

- Financial results forecasts and other forward-looking information is based on the information available to the Company at the time of preparing the materials.
The impact of US tariffs has not been incorporated as it is difficult to reasonably calculate at this time.
- Please note that actual results may differ from the forecasts and other statements contained herein.
- All investment decisions should be made at the investor's own discretion.
- Although every effort has been made to ensure the accuracy of the information contained herein, information may be incorrect due to circumstances beyond our control.

【Inquiries】

KYODO PRINTING CO., LTD. Corporate Communication Division

E-mail : koho@kyodoprinting.co.jp

website : <https://www.kyodoprinting.co.jp/>