

Mid-Term Management Plan 2029 (FY2027/3 – FY2029/3)

Toward the Long-Term Vision 2036

Kyosha Co., Ltd.

Stock Code: 6837

May 22, 2026

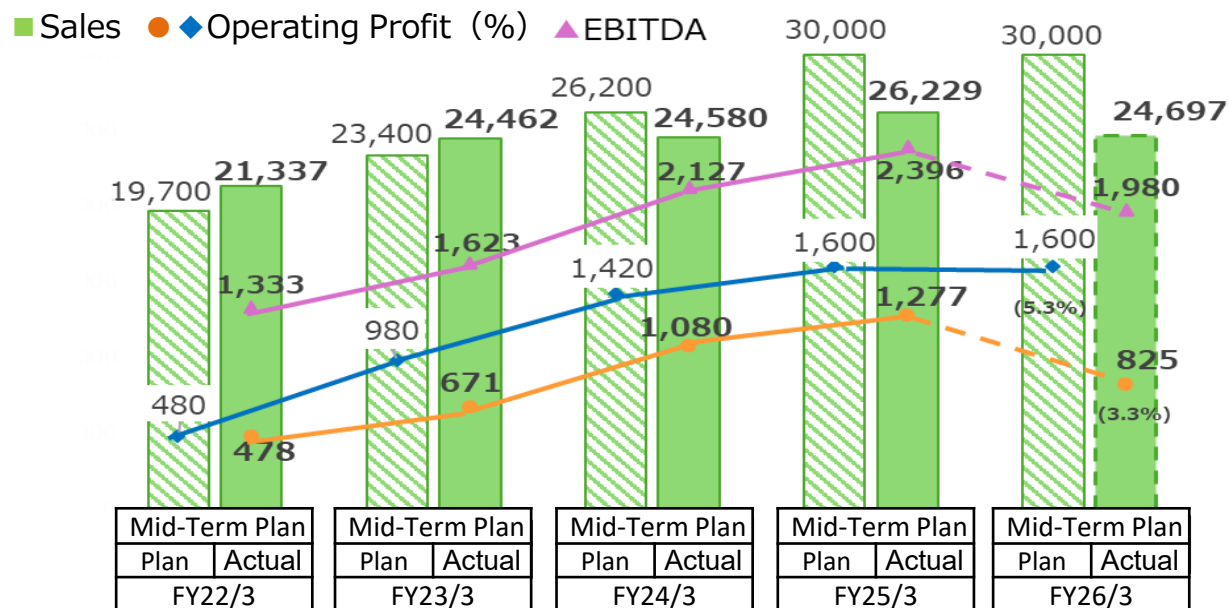
Review of the Previous Mid-Term Management Plan

▶ **Plan:** Sales of 30 billion yen, operating profit of 1.6 billion yen... Progress was steady through the fourth year of Fiscal Year2025

▶ **Results:** Sales of 24.6 billion yen and operating profit of 825 million yen—targets not met

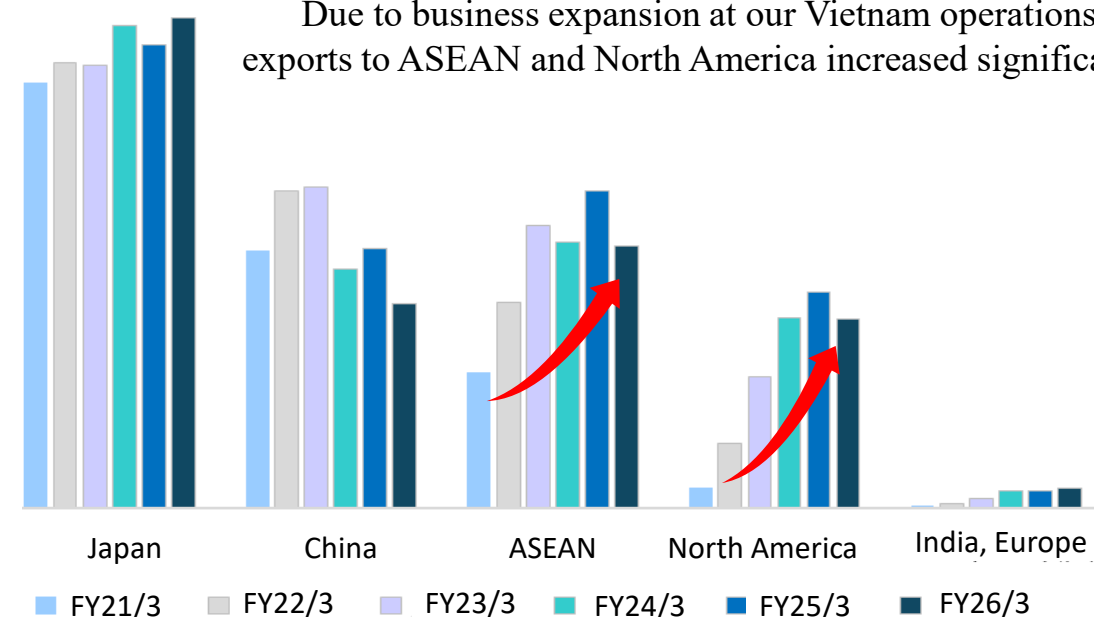
Back ground	In addition to the impact of U.S. tariff policies and China's economic slowdown, the business environment remained unstable due to factors such as sharp exchange rate fluctuations and geopolitical risks, which kept raw material and energy prices high
Factors	In addition to a decrease in sales due to the slump in the automotive industry both domestically and internationally, costs for raw materials and manufacturing expenses soared. Furthermore, the launch of metal substrate production in Japan, increased costs for installing equipment to expand production in Indonesia, and intensifying competition in Vietnam both sales and profits fell short of targets

[Trends in Consolidated Sales and Operating Profit] (Unit: million yen)



[Sales Trends by Region]

Due to business expansion at our Vietnam operations, exports to ASEAN and North America increased significantly



Long-Term Vision 2036

(FY2036/3)

Leveraging our strengths in printing and thermal management technologies, we will continue to challenge ourselves to create new value, working closely with customers from the product development stage.

- Leveraging Kyosha's core competencies in printing technology, we will advance **Printed Electronics (PE)** to develop electronic devices, accelerate new product development, and meet market demands for lower environmental impact and reduced costs.
- Leveraging our expertise in **thermal management**, we will address the growing demand for heat dissipation in AI servers, EVs, and power semiconductor applications.
- In the fields of printed circuit boards, jigs, and assembly, we will strengthen **product design, development, and recycling** to provide optimal solutions.
- Through these initiatives, we will help address societal challenges and contribute to the realization of a sustainable society.

Mid- to Long-Term Management Goals

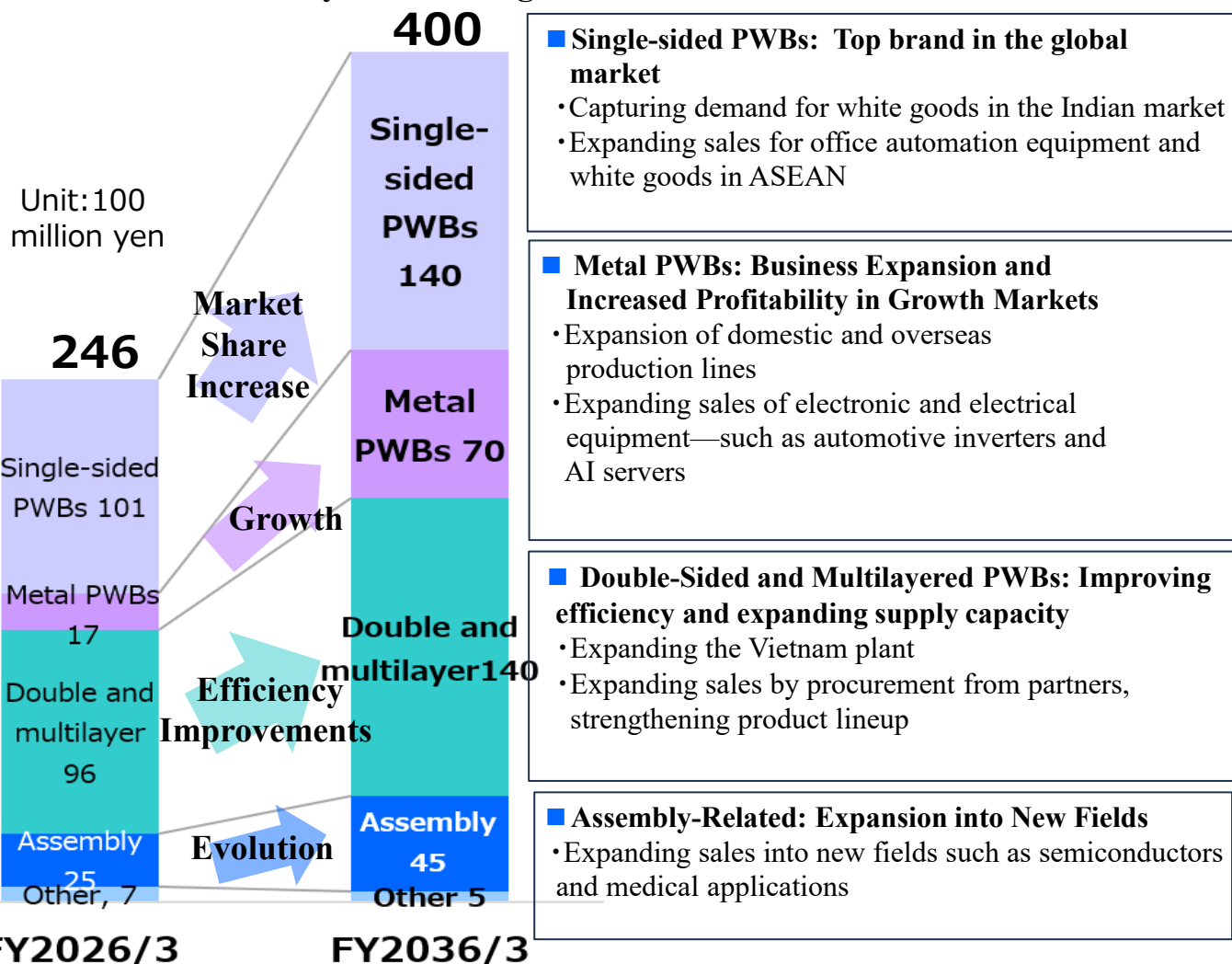


Long-Term Management Strategy



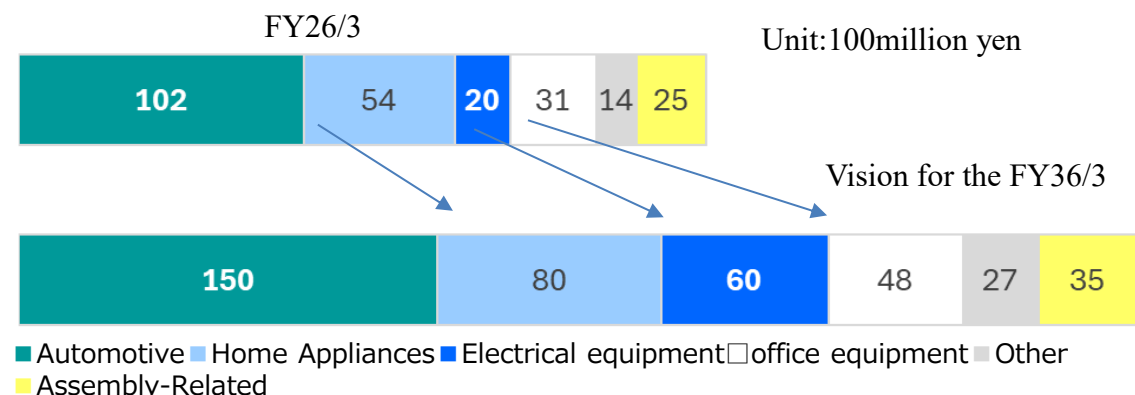
■ Meeting market needs in growth sectors of the global market through printing and thermal management technologies

Sales Vision by Business Segment



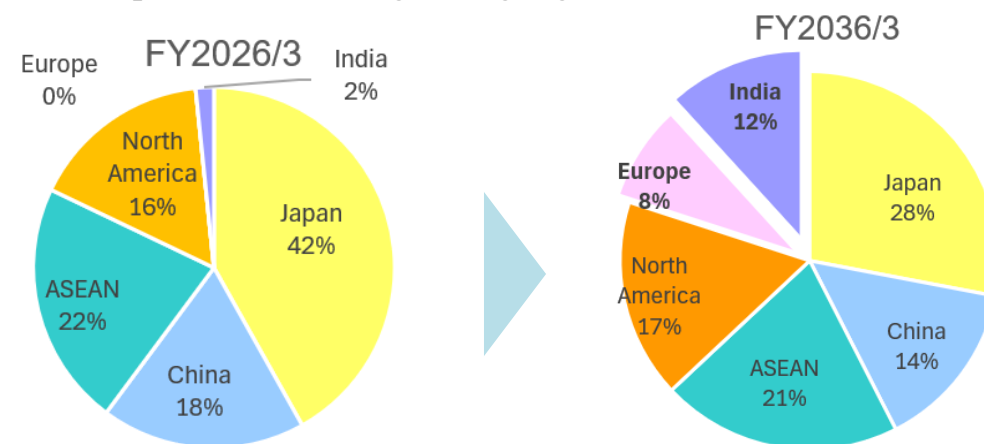
Sales Vision by Application

• Expand sales for the automotive, home appliances, electronic components and electrical equipment sectors



Sales Vision by Region

• Expand sales in the growing regions of India and Europe



Mid-Term Management Plan 2029

(FY2027/3 – FY2029/3)

Background

Reasons for Failure to Meet Targets in the Previous Mid-Term Plan

(Japan)

Double-sided: Decline in domestic production and intensifying price competition due to the influx of low-cost products from overseas

Metals: In the process of launching mass production

Fixtures: Changes in the electronic component assembly market; decrease in sales of existing products

(Overseas)

Indonesia: Costs associated with introducing equipment to expand production to meet demand shifting away from China

Vietnam: Decrease in sales and profits due to intensifying price competition with Chinese companies

(Common) Soaring costs of raw materials and overhead; delays in passing on price increases

Growth Opportunities

(Market) Increasing demand for heat dissipation and high-current applications, such as power semiconductors and AI servers

(Region) Continued high growth driven by expanding domestic demand in India

Expanding market for metal substrates in Europe

Building a sustainable organizational structure

- Advancements in DX, IT, and generative AI technologies
- Initiatives to improve labor productivity
- Creating an environment where every individual can demonstrate their abilities

Key Priorities

■ **Strengthening Our Business Foundation and Implementing Structural Reforms**

■ **Taking on Challenges in Fields That Will Support Future Growth**

■ **Strengthening Systems to Support Sustainable Growth**

Strengthening Profitability and Taking on New Challenges in New Business Areas Establishing a Business Foundation for Further Growth

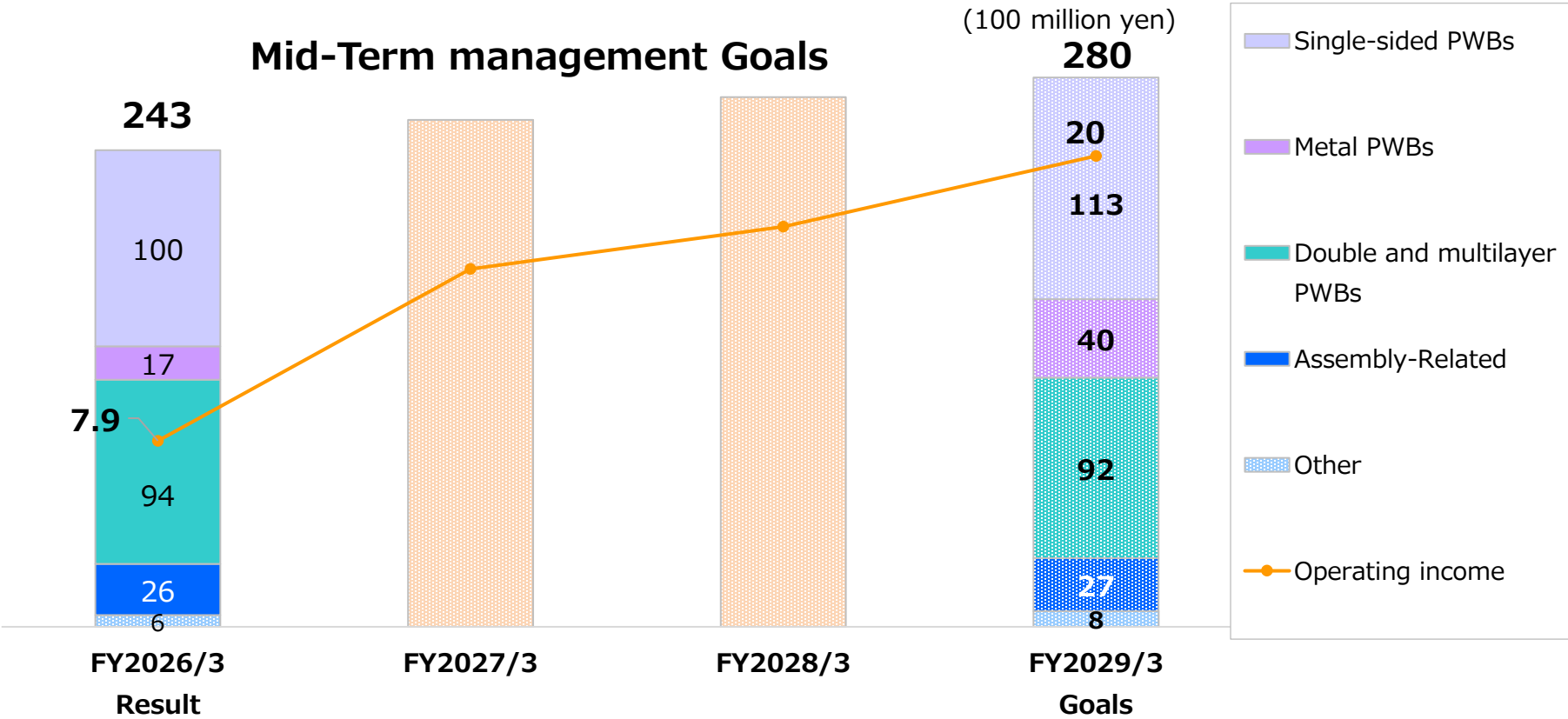
Over the next three years, we will complete our structural reforms while pursuing growth opportunities, including expansion into new markets and the development of high-value-added products. By actively leveraging digital transformation (DX) and artificial intelligence (AI), we will improve productivity and establish a strong foundation for further growth.

	Business		Strategy	KPI (Key Performance Indicators)	
				Item	Target for FY29/3
Foundation Trengthening	Existing Business	Single-sided PWBs	Maximizing Profits Through Market Leadership ➡ Developing new markets and pursuing further advancements in production technology	India, ASEAN Average Annual Sales Growth Rate	10%
		Assembly-related	Establishing the brand through development for specific markets and applications ➡ Providing solutions through partner collaboration and development-oriented sales	New Applications for Jigs Revenue	300 million yen/year
Structure Reform		Double-sided PWBs	Rebuilding the revenue base through structural reform ➡ Consolidation of production sites in Japan ; narrowing down target markets and applications	Transfer Progress Rate	100%
Growth Investment	New Business	Metals and Thick Copper PWBs	Expanding Growth Businesses Through Technological Development ➡ Production technology capabilities (printing, processing), collaboration with materials manufacturers	Average Annual Sales Growth Rate	30%
Strengthening the Management Foundation				Per Employee Productivity	+15% vs. FY26/3
•Promotion of Digital Transformation (DX) •ESG Management (Environmental Initiatives, Strengthening Human Resource Development, Strengthening Governance and Compliance)					

FY2029/3 Goals

Sales	Operating Income	Operating Profit Margin	ROE	Dividend Payout Ratio
JPY 28.0 billion	JPY 2.0 billion	7%	10%	30%

(Exchange rate: 1 US\$ = 150 yen)

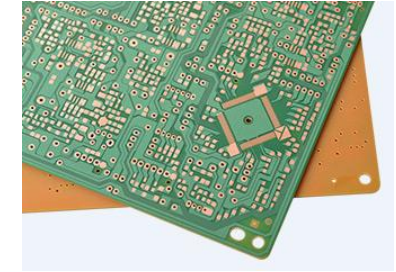


Single-sided PWBs Business Strategy-FY2029/3

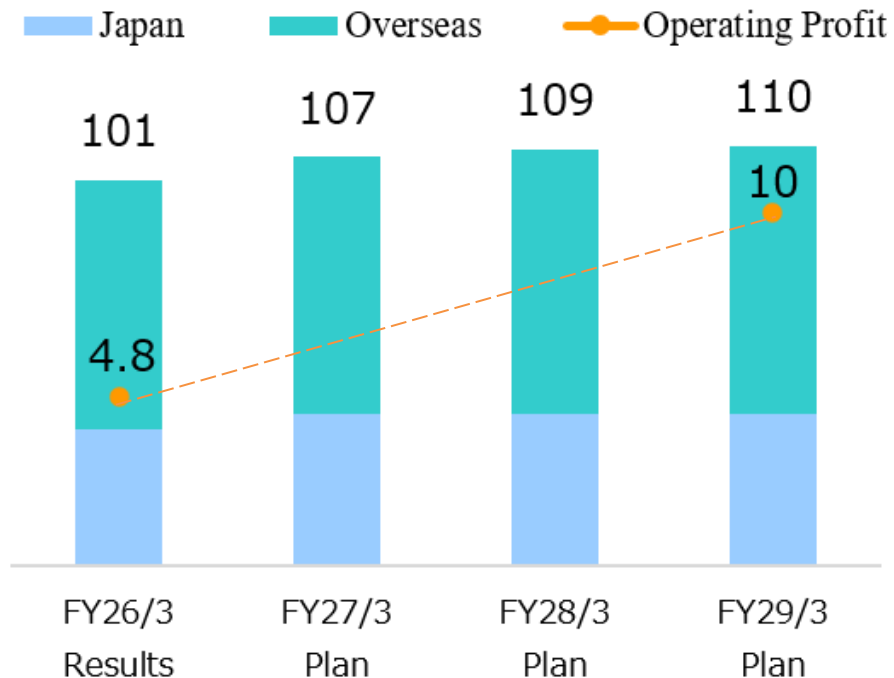
Business Strategy: Maximize profits by securing the top market share

Sales Target: 11.0 billion yen (Japan : 4.0 billion yen; Overseas : 7.0 billion yen)

Profit Target: 1.0 billion yen



Single-sided PWBs Sales and Operating Profit Targets
(100 million yen)



Sales
Strategy

- Boosting sales by reliably capturing demand from Japanese companies worldwide
- Capturing demand for the switch to LED lighting following the phase-out of fluorescent lamps in Japan
- Capturing demand in the Indian market and from the shift away from China toward ASEAN (Office Automation and White Goods Markets)
- Renewed efforts to develop non-Japanese customers (Indian, Chinese, and European)

Manufacturing
Strategy

- Improving productivity through expansion investments at the Kyushu Plant
- Horizontal deployment of production technologies from the China Plant to all plants
- Establishing partnerships with materials manufacturers

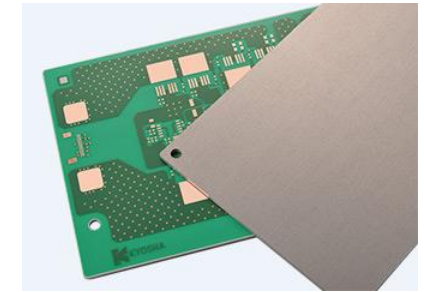
Technology
Strategy

- Establishing technology for single-sided multilayer PCBs and developing the market for functional PCBs

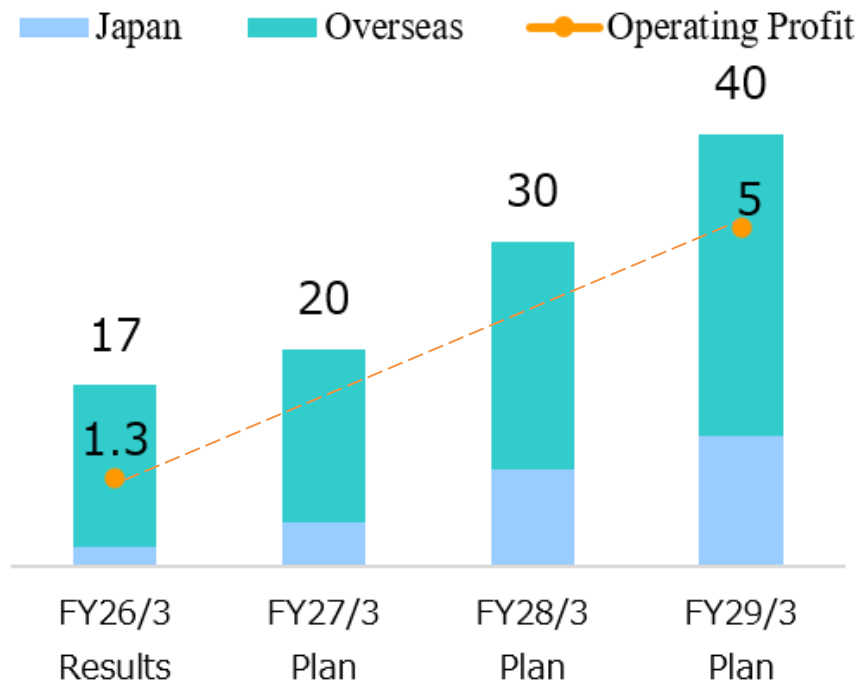
Business Strategy: Expanding Growth Businesses Through Technological Development

Sales Target: 4.0 billion yen (Japan : 1.2 billion yen; Overseas : 2.8 billion yen)

Profit Target: 0.5 billion yen



Metal PWBs Sales and Operating Profit Targets
(100 million yen)



Sales Strategy

- Heat dissipation applications: Capturing increased demand for metal substrates for LED headlights and lighting
- High-current applications: Expand sales of thick-copper substrates for EV power units, power semiconductors and AI server power supplies as the expansion of the automotive electrification market
- Expanding sales of automotive metal substrates to non-Japanese automakers in Europe
- Developing new markets through collaboration with leading materials manufacturers

Manufacturing Strategy

- Introduction of a dedicated aluminum substrate production line through expansion investment at the Kyushu Plant
- Introduction of a thick-copper substrate production line at the Kyoto Plant and establishment of a mass production system

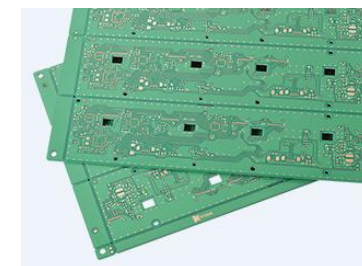
Technology Strategy

- Differentiation through improvements in production technology (manufacturing methods, press processing)

Business Strategy: Rebuilding the Profit Base Through Structural Reform

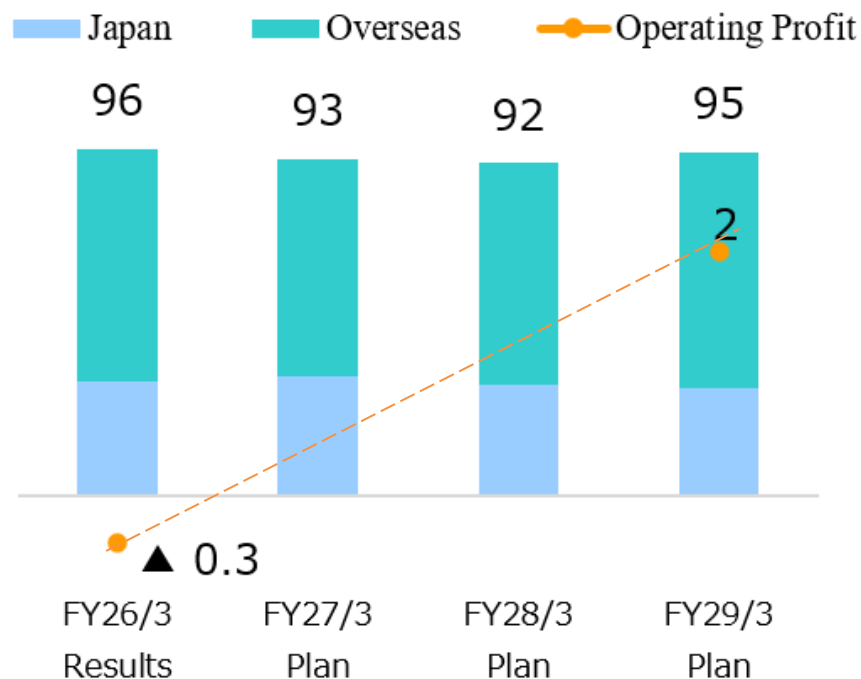
Sales Target: 9.5 billion yen (Japan : 3.0 billion yen; Overseas: 6.5 billion yen)

Profit Target: 0.2 billion yen



Double-sided PWBs Sales and Operating Profit Targets

(100 million yen)



Sales Strategy

- Further penetration of the automotive and home appliance markets through plant optimization
- Increase sales by entering untapped markets (medical, entertainment, etc.)
- Creating sales opportunities by restructuring overseas partnerships
- Developing automotive demand in India and Europe

Manufacturing Strategy

- Consolidate the two domestic mass-production plants into the Niigata Plant
- Focus on technical products, prototyping, small-lot, high-variety production, and jigs and fixtures at the Kyoto Plant
- Strengthen competitiveness at the Vietnam plant by introducing new production technologies

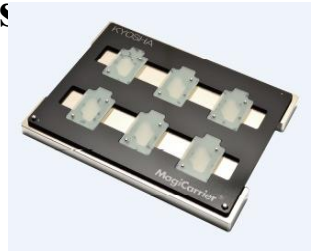
Technology Strategy

- Introduction of a resource recycling system (Vietnam)
- Establish technology for double-sided multilayer printed circuit boards and develop the market for functional printed circuit boards

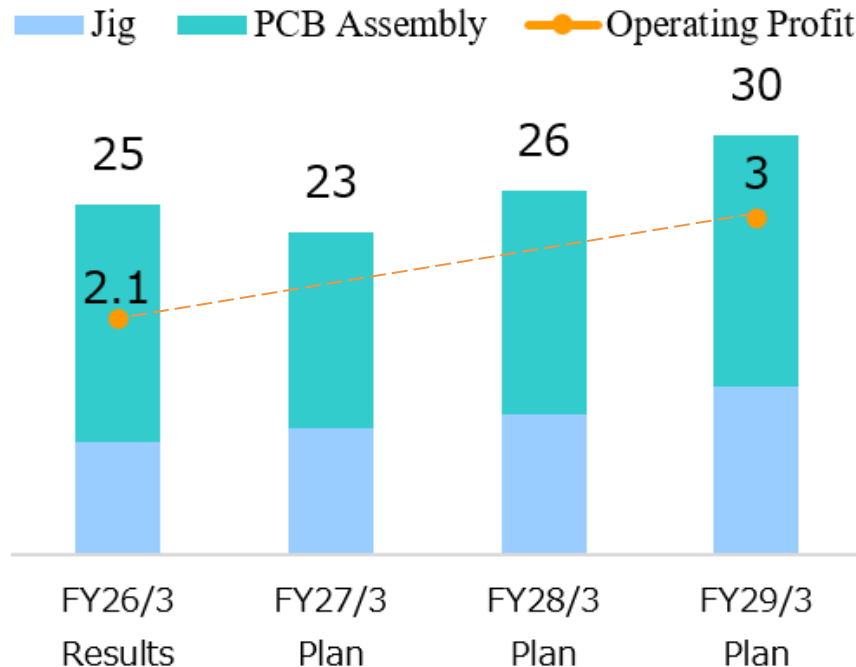
Business Strategy: Establishing the Brand Through Development in Specific Markets and Applications

Sales Target: Japan: 3.0 billion yen (Jig : 1.2 billion yen; PCB Assembly : 1.8 billion yen)

Profit Target: 0.3 billion yen



Assembly-Related Sales and Operating Profit Targets
(100 million yen)



Sales Strategy

- Development of new applications, such as for semiconductors and the medical field
Expanding sales through a strengthened jig lineup (machining, adhesive)
- Expanding sales by proposing solutions starting from the product development stage
Expanding sales through a one-stop system (Design, Substrates, Jigs, Assembly) enabled by strengthened collaboration with the Kyosha Group and partner companies

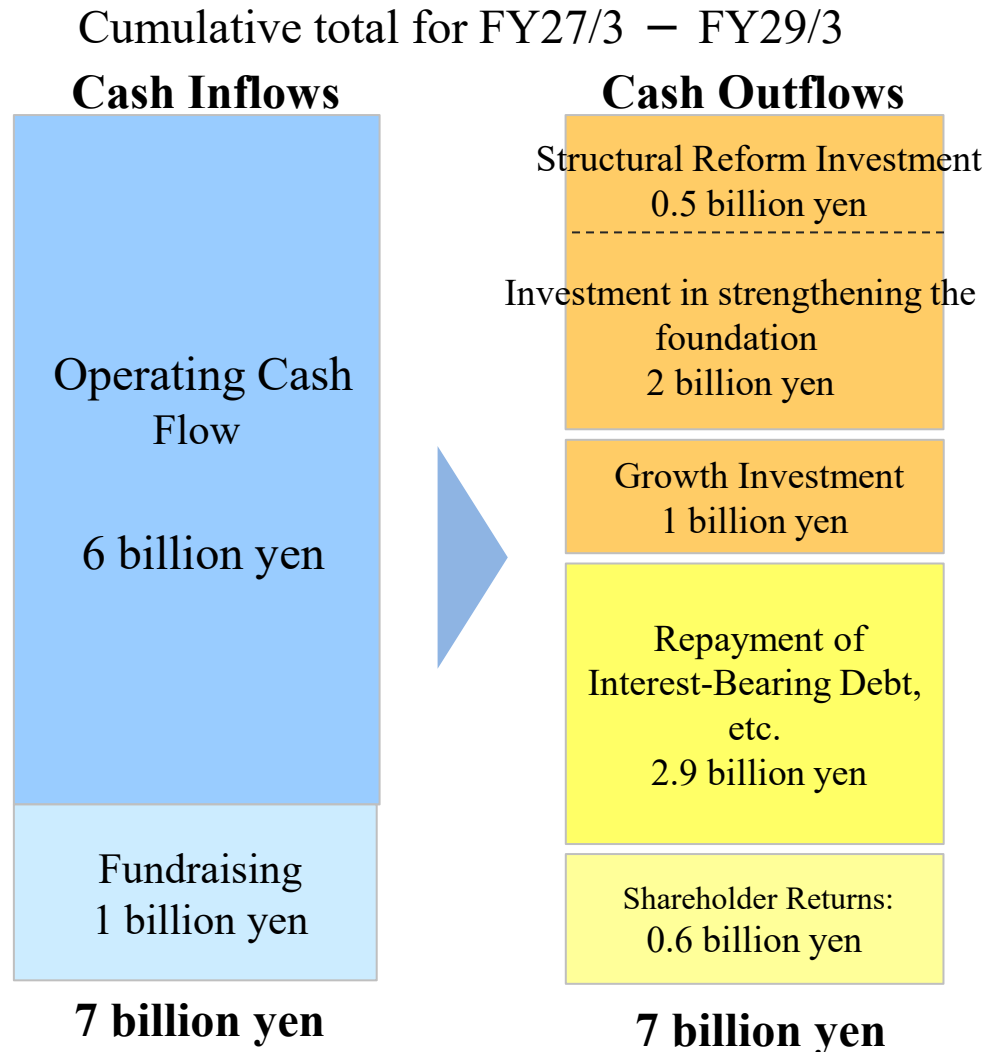
Manufacturing Strategy

- Transition to smart factories utilizing AI
- Establishment of product design capabilities

Technology Strategy

- Pursuit of metal processing technologies

- **Prioritize the allocation of operating cash flow to structural reforms, strengthening the business foundation, and growth investments, while implementing stable shareholder returns**



■ Investments in structural reforms: 0.5 billion yen

- Japan: Restructuring of the double-sided panel business; investment in jig production

■ Investments in Strengthening the Foundation: 2 billion yen

- Japan: Investment in automation for the single-sided panel and assembly jig businesses
- China/Indonesia: Investment in productivity improvements and automation
- Vietnam: Investment in new manufacturing methods, automation, and copper waste liquid recycling

■ Growth Investment: 1 billion yen

- Japan: Establishment of mass production systems for metal and thick copper PCBs Strengthening product design and development

■ Reduction of Interest-Bearing Debt

- Repayment of interest-bearing debt through steady cash flow generation
- Streamlining cash flow through group restructuring

■ Stable and Sustainable Shareholder Returns

- Target dividend payout ratio of 30%
- Systematically implement growth investments while providing stable and consistent shareholder returns

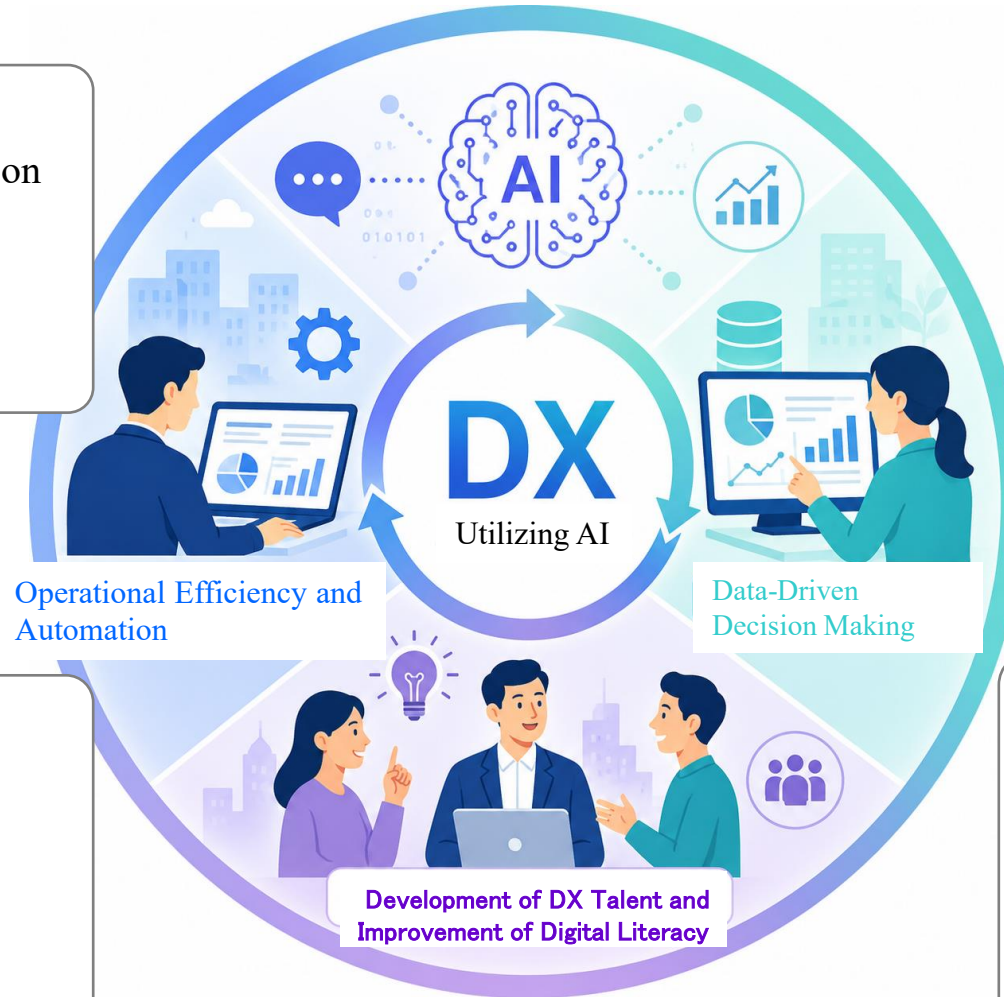
■ Improving Operational Efficiency, Enhancing Competitiveness, and Strengthening the Management Foundation Through the Promotion of DX and AI

■ Improving Productivity

- Implementation of a manufacturing execution system
- Real-time production management
- Standard cost management by product type

■ Initiatives to Improve Operational Efficiency

- Automation of administrative processes through AI and DX
- Streamlining approval processes through digitization



■ Supply Chain Optimization

- Digitization of procurement price information and to determine fair prices earlier
- Database marketing
- Internet Marketing

■ Accelerating Management Decision-Making

- Real-time visualization of management information
- Accelerating consolidated financial statement preparation and performance visualization for all group companies

Strengthening the Management Foundation: ESG Management



■ Sustainability Policy : The Kyosha Group conducts its business activities in accordance with its management philosophy, basic management policies, and code of conduct. By building relationships of trust with all stakeholders—including customers, shareholders, investors, and employees—we aim to enhance corporate value and realize a sustainable society.

	ESG Management Initiatives	Management Items	FY26/3 : Baseline Values	FY29/3 : Target KPIs
E Enviro nment	•Reduction of greenhouse gas emissions	•CO ₂ Emissions (Group) *Scope 1 and 2	26,000 metric tons/year (FY2025/3)	3% annual reduction Japan: 50% reduction by FY2030 vs. FY2013
	•Sales of energy-saving products	•Achieving sales volume targets for metal substrates (Group)	48,000 m ² /year	170,000 m ² /year
S Social	•Strengthening of the Occupational Safety and Health Management System	•Activities to obtain “Health and Productivity Management Organization” certification	—	Obtaining Certification
	•Promotion of Diversity	•Employment Rate of People with Disabilities •Percentage of Women in Supervisory Roles	2.0% 11.0%	3.0% or more 15.0%
	•Creating a Rewarding Workplace	•Continuation of “Eruboshi” Certification	Maintaining 3-Star Certification	Maintain 3-Star Certification
G Gover nance	•Thorough Implementation of Corporate Ethics and Legal Compliance	•Promoting activities by the Compliance Committee	Zero Serious Violations	Zero Serious Violations
	•Establishment of a risk management framework	•Strengthening the BCP management framework Strengthening	Recognition and Response to Business Risks	Continuous Improvement of the BCP Management System through the PDCA Cycle

This document contains forward-looking statements regarding the Group's future plans, strategies, and business performance. These statements are not historical facts but are projections based on assumptions and beliefs derived from information currently available to the Company.

They also involve a significant degree of risk and uncertainty related to economic trends, market demand, exchange rates, tax systems, and various other regulations. Accordingly, actual results may differ materially from those projected or anticipated herein.

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