

# 2

## Value Creation Story

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PALTAC VISION 2027



## Chairman's Message

### Toward realizing our vision Pursuing to deepen the connection between our company and employees

Representative Director, Chairman

**Seiichi Kasutani**

In December 2023, our company marked 125 years since its founding. In this milestone year, we achieved record levels of sales, operating profit and ordinary profit. We appreciate for all the supports from our business partners, stakeholders, employees, predecessors and others who supported us. In our long history, upholding the baton passed from our predecessors, we pledge to fulfill our mission of making new history and realizing sustainable growth through continuing to pursue our aim “Creating people’s rich and comfortable daily lives through distribution”. To achieve this, we needed to transform our business, and transitioned the top management to the next generation at the General Meeting of Shareholders in June 2023. We also discussed many times about our future; looking about 10 years ahead and made our long-term vision “Creating the future of people and society through the power of connections”. We formulated our medium-term management plan, “PALTAC VISION 2027” using two approaches of backcasting methods based on the long-term vision and forecasting methods based on the current business environments. We have highly committed this plan and working in concerted efforts by all our employees.

In formulating our long-term vision, we have recognized again the environmental changes that will have a significant impact on our business, such as the decline in the Japanese population, including labor shortages, the falling birthrate and aging population and the diversification of people’s values. Therefore, we have made two points for our further growth based on these matters. The first point is the new challenge. We will deepen the “connections (networks)” of the supply chain by leveraging our strengths in logistics and the industry’s top-class quantity of information. Through these moves, we will aim to make new business additional to the growth in the existing business. As a result, we will take on the challenge of creating new value.



The second point is the drive for human capital management. In order to realize our vision, I place great emphasis on human capital and organization and their growth which execute our strategies. To encourage this growth, I am focusing on “improving employee engagement” as one of the key elements. Employee engagement reflects how the company builds the close and positive relations and maintain a solid relationship of trust with the employees. I think, there is the higher possibility of realizing strategy when building the deeper connection and greater mutual understanding between the employees and the company. In order to realize our long-term vision, it is essential not only to secure and develop human capital with exceptional skills, but also to build and maintain strong relationships of trust with such human capital.

We have been promoting a project aimed at “improving employee engagement” since the previous year, prior to the formulation of our long-term vision. As the first step in the project, we conducted an employee engagement survey. The results were below the average score of companies that conducted the same survey. Although I felt disappointed with the results, I quickly braced myself to work on improvements. Concretely, during the stage of formulating our long-term vision, we focused on having direct dialogues with our employees and understanding their thinking and feeling. Through these dialogues, we aimed to reflect the views of employees and increase their empathy with the vision. Switching analogies to family, I would like to describe the creation of those positive relationships. Family has a positive relationships in which it can understand and respect each other's honest opinions, goals and dreams, give awareness and advices each other, create empathy and motivate each other. I want to nurture those positive relationships with our employees.

I think that there still are a possibility in the growth of “the relationship between company and employees”. I am so excited to imagine the relationship between company and employees to be stronger and mutual development in a better way. I believe that “improving employee engagement” will be a key element in creating new value as advocated in our long-term vision and developing autonomous and spontaneous human capital. As Chairman of the Board, I will support greater employee engagement throughout the company.

In order to fulfil our aim of “Creating people's rich and comfortable daily lives”, first of all, we will work to ensure that all employees, including us directors, feel delighted and operate our business in the same direction. I hope that all our stakeholders will continue to watch over our growth from a long-term perspective. I also would like to ask for your continued understanding and support.



## President's Message



Representative Director, President

**Takuya Yoshida**

## To be a Company for “Creating the future of people and society through the power of connections”

One fulfilling year passed so quickly, since I assumed office in June 2023, every day was difficult, but they were fulfilling days for me. As is becoming a president the first item, I undertook was to perform the past medium-term management plan that would end in March 2024. Another item I tried hard was to deepen the understandings about the environment that surrounds us and the frontline situation through the active communication between our customers and employees.

We achieved all the numerical targets of the previous medium-term management plan, with net sales, operating profit, and ordinary profit reaching record highs. In terms of initiatives, we achieved many concrete results from the actions we worked on. In order to meet consumer needs which have become even more diversified due to COVID-19, we worked on “strengthening the handling of new products” and built new relationships with manufacturers whom we had not done business with before. We also expanded our shipping capacity by launching the “Tochigi distribution center”. In addition, we have prepared to build a new revenue base by establishing local subsidiaries in Vietnam and Indonesia. We would like to thank all of our stakeholders for their support.

On the other hand, as I deepen our communication both internal and external, I have come to strongly feel two points about “how our company should be”. The first point is our “role”. As an intermediate distributor, we have a social infrastructure role to distribute 3.5 billions of daily necessities for the required amount, when necessary, in one year. In the future, with the changes in business environments, including decline in working population, declining birthrate and aging population, diversification of values, climate change and so on, I think, it will be possible to see the new standards and new rules in various areas. Under the time of transformation, I strongly think



that we not only play an important role of distributing daily necessities as an intermediate distributor, but also could play another role and help to realize better future by fully leveraging our assets. This is one of the main reasons why we came up to make our long-term vision.

The second point is the “work-style”. I realized that there are many points we could improve on our employees' work-style. For example, sales representatives spend a lot of time preparing for business negotiations to gain the cooperation of retailers and manufacturers, and also, they invest time for wasteful work in operations such as documentation and analysis. I think it is necessary to make a structure allows employees to concentrate on their work for creating a better future through saving labor and lightening the burden by using the power of digital.



## Formulated our first long-term vision

There are two reasons for the formulation of our long-term vision. The first reason is to realize our vision of creating a better future by innovating our function of connecting distribution. We used to make our past medium-term management plan based on forecasting approach. However, in this way, we could not free ourselves from the conventional approaches and concepts and have difficulty to generating transformation. Therefore, we set our image what our company should be in about 10 years from now on, and considered the strategy based on backcasting. I considered we would like to make new value that are completely new and make ourselves grow rapidly.

The second reason is that “I want our employees to have a dream through work”. Sometimes intermediate distributors are seen as the behind-the-scenes players in the industry, but I believe this is not always the case. In order to create new value for society, we, as intermediate distributors, need to proactively involve the surrounding companies and take a leadership role. I hope that our employees will overlap their own growth with our company's vision and play a central roles, holding dreams and proud “we can create new values for the society”. Our vision of “The future in which sustainable well-being of people and society” includes not only consumers and our customers, but also our employees. I believe that working to realize the long-term vision would lead to our employees' happiness.

### Long-term vision Slogan

**“Creating the future of people and society through the power of connections”**

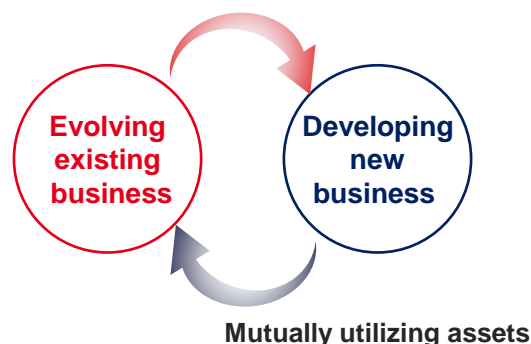
## What we want to achieve with our long-term vision

### Our growth story

We have been playing the role of “connection” between retailer and manufacturer for 125 years. In our function for “connection”, there are roles of “procurement, sales, logistics, finance, information provision and retail support”. In our long-term vision, we put our feeling that by innovating these function of “connection”, we will provide services and products lead to “The future in which sustainable well-being of people and society”. We will eliminate unreasonable, wasteful act and unevenness factors through newly developing data-driven system that has the capability of “connecting” information and build encounter of things and peoples. As a result, we will make people, society and the environment affluent. Also, through these value creations, we will aim to achieve “Sales of 2 trillion-yen, ROE of 9~10%”. In this vision, we have set a target of nearly double-digit sales growth compared with the previous fiscal year. By setting this challenging sales target, we aim to expand our perspectives and create new businesses with “new ideas that can be called as destruction and creation”. We will accumulate assets such as human capital and data

and utilize them to evolve value creation in our existing businesses and to develop new businesses in areas peripheral to our existing businesses. I believe that these figures are achievable if leveraging our assets and know-how.

Invest assets acquired in existing business into new business



## Achieving our long-term vision

### About materiality

To realize our long-term vision, we analyzed the issues of society, and our company based on environmental changes. As a result, we identified four materialities, based on two aspects: “securing new revenue opportunities” and “reduction of risks”.

The key issues that need to be resolved to realize our long-term vision

Securing new revenue opportunities	Creating new value through developing borderless supply chain network
	Developing a distribution network beyond the conventional approach through far and away the highest productivity
Reduction of risks	Coexisting and co-creation with the environment and society
	Cultivating a corporate culture that emphasizes autonomy and spontaneity and realizing a state where individual employees' growth leads to the growth of our company and society

The first materiality is “Creating new value through developing borderless supply chain network”. Today, we have ushered in an era where new value can be created by connecting everything, through the development of digital technology. I think this movement will continue to accelerate. We will create new value for the society by deepening the “connection” we have developed in intermediate distribution business through digital technologies and

data. We see the key to solve the issues in “connecting” unique information held by each of manufacturers, wholesalers and retailers supply chain through the state-of-the-art digital technologies. In this way, we optimize and streamline the flow of things and information in the supply chain and the associated activities. With standardizing and connecting information of inventory which held at each industry, it is possible to share information of distribution inventory in the supply chain. These initiatives will help to avoid out of stock, to reduce product return by lowering over-stocking and to undertake planned production with higher accuracy by a mixture of the sales trends. In terms of sales, by expanding the use of data, we can identify the cause-and-effect relationship between sales results and sales promotions and implement more effective sales promotions and propose more attractive products. The word “borderless” we used in the materiality also includes the meaning of expanding overseas businesses. As Japanese population declines, developing overseas markets is becoming increasingly important. Therefore, we will strengthen our overseas business rooted in local markets, with a view to collaborating with local companies and M&As. Also, by developing global network through our bases in each country as the hubs, we connect products and information that enrich people’s daily lives, beyond the border of both country and cultures.

The second materiality is “Developing a distribution network beyond the conventional approach through far and away the highest productivity”. “Logistics” is one of the important functions that constructs the supply chain, and this is included into the first materiality

“borderless supply chain”. However, we put this as one of the materialities this time because “logistics function” is our strength and the area of “logistics” have a large impact from both “decrease in the working populations” and “climate change”. The role of delivering daily necessities to those who need them, when they need them will continue for eternity. As values diversify, it is expected that “high-mix, low-volume production and sales” will increase responding to personalization of services and products. This means that logistics operations may become more complex amid labor shortage. To cope with these situations, the unprecedented improvements of productivity in distribution centers and deliveries will become necessary. Regarding the improvement of the productivity of our distribution center, we will develop a new logistics model that will have unprecedented productivity. In a society where “high-mix, low-volume production and sales” are growing, and the efficiency of piece-based logistics\* will become increasingly important. I believe that we need to create the piece-based logistics of the future by innovating the low-cost logistics that has supported our growth through using human capitals and digital technology. To improve productivity of delivery, we will expand the cooperation with other companies, such as promoting joint delivery that are was already underway at various locations. In addition, we will dramatically increase the productivity of each distribution center, which is the node of the network and by connecting the network with data, we believe we can build a “developing distribution network beyond the conventional approach” that

help manufacturers, retailers and delivery companies to mutually enhances productivity. It is easy to just say by words, but to make it come true, we must overcome many challenges, such as differences between industries, business practices, and competition. However, I believe that the more challenging, the greater the contribution to a sustainable society and the greater the fulfillment when we overcome them. We look forward to feel those excitement by playing a central role in the collaboration and promote building networks like how we dream to be.

The third materiality is “Coexisting and co-creation with the environment and society”. We take this as an important point with a view to working on both the first and second materialities. Both the first and second materialities are aimed at the creation of new systems for “optimization” and “streamlining” of the supply chain. I believe that this new system will contribute to the transition to a decarbonized and resource-recycling society and should enable people associated with the supply chain to work actively in safe and secured environment. By building this new system, we will create a distribution without unreasonable, wasteful act and unevenness factors, and realize a future in which we can “coexist and co-create new value” with all stakeholders, including the environment and society.

The fourth materiality is “Cultivating a corporate culture that emphasizes autonomy and spontaneity and realizing a state where individual employees’ growth leads to the growth of our company and society”. To realize our long-term vision, I believe

that transformation is the necessary factor, and that to realize this transformation, “each and every employees must think for themselves and open up their new paths”. First, we will work to “Cultivate a corporate culture that emphasizes autonomy and spontaneity” that encourages each and every employee to play an active role. To achieve this, we will create an environment which diverse human capital can work comfortably, a framework that supports the self-transformation and growth and a system that encourages interactive communication both internally and externally. Through pursuing challenges and realizing the transformation in businesses, we will aim to establish a close “connection”, among our employees, our company and society, enable them to coexist and co-create. In other words, we can proudly say that our company is the best place for our employees to exercise their full potential and feel satisfied with their work. I strongly desire, we would like to make our company that way.



\* Piece-based logistics : Logistics of products received in case units and shipped and delivered by the piece



## Position of medium-term management plan to achieve our long-term vision

In the new three-year medium-term management plan, we will work on “Constructing the foundation for transformation through structural reform” to realize our long-term vision. First, we will secure the “adequate capitals” for the transformation by increasing sales and profits in our existing businesses. Secondly, we will invest to gain our “competitive edge” in the areas of retail, global and logistics, including digitalization and enhancing the use of data, with a view to create new businesses and new value. We will also undertake decisive structural reform of our operations and acquire the “practical abilities” to carry out new challenges, including organizational capacity. Additional to these three points, by obtaining “cooperation” with our multi-stakeholders, we will build the foundations for transformation towards the realization of our long-term vision.

### 「PALTAC VISION 2027」

Constructing the foundation  
for transformation through structural reform

The essence of  
constructing the  
foundation for  
transformation



#### Four Key Strategies

Securing  
“adequate capitals”  
Gaining  
“competitive edge”  
Acquiring  
“practical abilities”  
Obtaining  
“cooperation”

- No.1 Improving profitability of existing business
- No.2 Taking on the challenge to create new value
- No.3 Improving sustainability
- No.4 Undertaking management to enhance capital efficiency

## Specific initiatives of the medium-term management plan

We will work on four strategies on the medium-term management plan.

First is “Improving profitability of existing business”. We aim to improve our gross profit margin and control delivery expenses. Gross profit margin tends to decrease due to the change in the environment like the price escalation. Delivery expenses are expected to increase in the future due to the 2024 problem in logistics and various other factors. To improve gross profit margin, we will work on enhancing the handling of new products. People’s values and lifestyles have changed significantly due to COVID-19. I think these changes will be even more significant due to declining birthrate and aging population and declining population and other factors. In this environment, we will strengthen our marketing sense and procurement capabilities to provide products that meet the consumer needs. By providing a high value-added products, we will increase the profit in all of our industry and improve our gross profit. To control delivery expenses, we will work on building a delivery network. Already, many issues related to the delivery have emerged, including the 2024 problem in logistics. In response, we will strengthen our delivery management capabilities by expanding delivery-related data. We will also take on the challenge of cooperation beyond the borders of competition and industry, such as joint delivery.

Second is “Taking on the challenge to create new

value”. We will take on the challenge of creating new value in three areas: retail, global and logistics. In the distribution today, there still are a lot of analog information and processes that have not yet been visualized. Digitizing these information and combining them with a substantial amount of data accumulated by us, which are holding one third market share in business of intermediate distribution. Especially in the retail area, by digitalizing distribution information we will develop a system that we can make better use of our existing solution of sales, store support, SCM. In the global area, we will promote to invest in our local subsidiaries in Vietnam and Indonesia, which will be hubs of the global network. Also, in the logistics area, we will proceed with the development of the new logistics model and aim to have a new logistics know-how by challenging food logistics that are inexperienced for us. Food logistics had already started from September 2024.





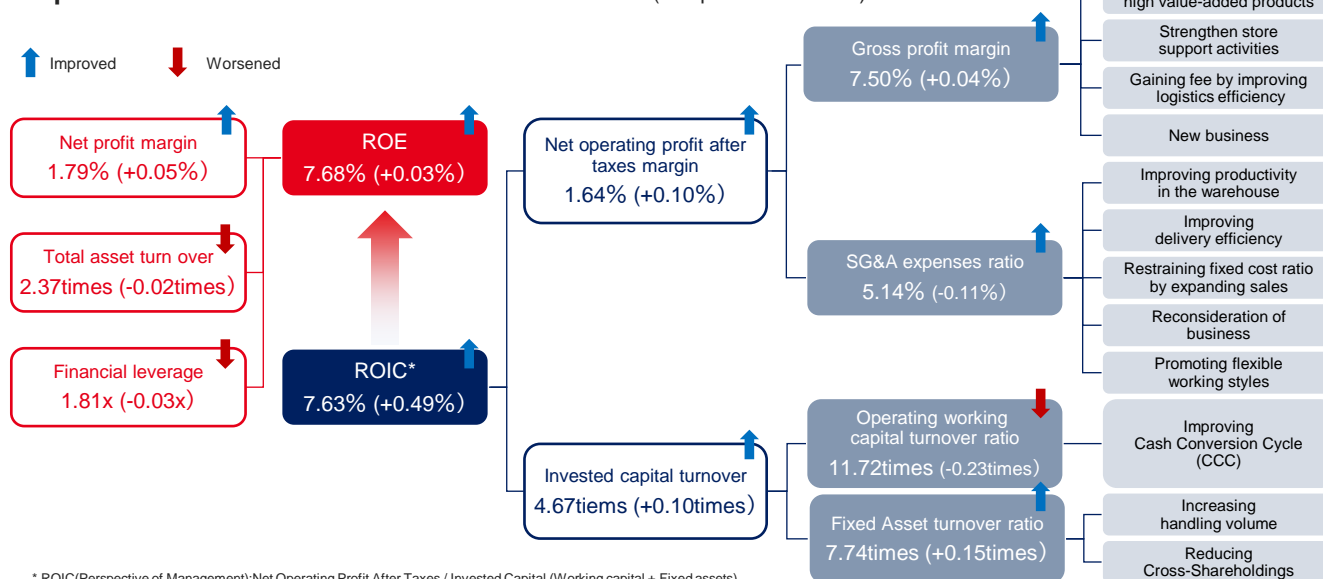
Third is “Improving sustainability”. To improve the “sustainability”, “connections” with the environment and society will become very important. Thus, it is the human capital that strengthens our connections with the environment and society. We will promote human capital management based on our belief that employees are our property. We can easily see that the working population are decreasing more in the future so we assume that the working market would become more fluid. In those environments, to establish a corporate structure with growth potential by improving profitability of existing business and creating new values, and to make this sustainable, management will first take the initiative in fostering corporate culture, which our employees want to work for our company. Also, I think there are relationships with DX and improving sustainability. Value creation through DX relates to the first and second of the key strategies. In terms of supporting value creation, enhancing the foundation for DX promotion relates to the third key strategy “improving sustainability”. To strengthen the foundation for DX promotion, we will develop digital literacy training for all our employees and establish professional human capital development programs to promote the autonomous improvement of employee capabilities. In addition, we will enhance information security as well as IT infrastructure. Furthermore, we will create organizational capacity through reforming our business processes by visualizing unreasonable, wasteful act and unevenness factors. Through this, we enhance the ability to realize transformation.

Fourth is “Undertaking management to enhance capital efficiency”. When making our long-term vision

and medium-term management plan, we identified issues for improving capital profitability, through comparisons with other companies and chronological order analysis of ROE based on DuPont-decomposition, and we also had discussed at the Board of Directors meetings. The issues to improving capital profitability are improving profit margins and reviewing the capital structure. While we have been working to improve our profit margins based on various indicators related to profit and loss, in the future, we will also focus on indicators related to the optimal capital structure. Regarding the cash allocation for the medium-term management plan period, we considered to provide into “investment for our business growth”, “shareholders returns”, “working capital to continue operating”. We considered cash flow during and after medium-term management plan because we plan to take a

large investment in “renewal of our obsolete distribution centers” after this plan. We will invest in the first through the third strategy. We will strengthen the shareholders returns based on our capital policy. In terms of dividends, we have increased our dividend for 14 consecutive years and intend to continue to do so in line with the expansion of our business. By increasing dividends in excess of profit growth, we will aim to achieve a dividend payout ratio of 35% or more in the final year of the medium-term management plan. In addition, we will enhance shareholder returns through flexible share buy-backs. We will aim to maintain ROE that is over the cost of capital during medium-term management plan and for the long-term ROE to be 9~10% by the increase of profit from growth of business and to optimize the contents of capital structure.

### Improvements in ROE and ROIC Actual results FY2024 (compared to FY2023)



## Long-term Vision

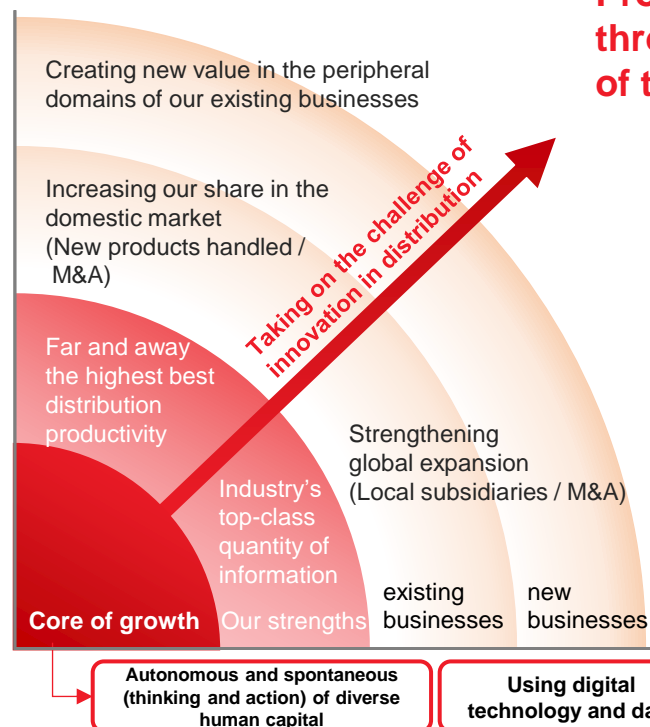
# Creating the future of people and society through the power of connections

Under the newly established long-term vision, we have adopted the slogan “Creating the future of people and society through the power of connections” and will strive to innovate supply chain through our steadily accumulated strength and new ideas. We will create new value for consumers and society through creating diverse connections among people, things and information and will fulfill our aim “Creating people’s rich and comfortable daily lives”.

### Growth story

Awareness of environment

The next decade should be a time of transformation towards a sustainable society  
(The standard and the fundamental nature will change across many different areas of society)



**Providing new value to society through creating diverse connection of the supply chain**

### Growth of existing businesses

We will expand our domestic market share by leveraging our strengths, despite the ongoing difficult environment, including a shrinking domestic market due to a declining population and labor shortages.

### Creating new businesses

We will develop the assets accumulated through evolving existing businesses into new business domains. Through this, we will improve profitability by creating new value on the periphery of existing business domains and by strengthening our global development.

### Long-term vision (approx. 10 years ahead)

Creating “the future” in which sustainable well-being of people and society

#### Numerical targets

Net Sales

ROE

¥2 tn

9% ~ 10%

#### Sustainability goals

Building organization in which diverse human capital play active roles with autonomous and spontaneous thinking












Developing a safe and secure supply chain

Contributing to the transition to a decarbonized society and circular economy

## Materiality (Material Issues)

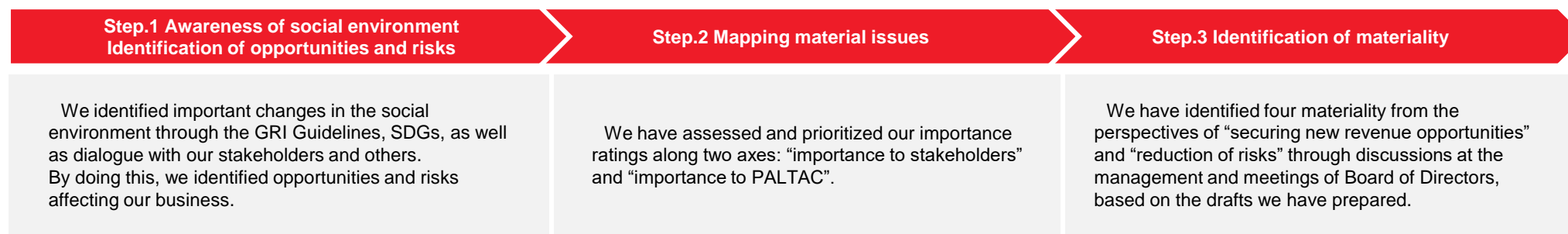
Towards the realization of our long-term vision, we have identified four material issues to be solved (materiality) that will lead to “securing new revenue opportunities” and “reduction of risks” and have drawn the future we are aiming for each issue. To create value by leveraging our strengths, we will work to solve material issues in the three areas of retail, logistics and global, and promote sustainable business practices that is capable of both solving social issues and increasing corporate value.

### Material issues to be resolved to realize our long-term vision (materiality)

Materiality (Material issues)	The future we aim for	Value creation areas	SDGs
Securing new revenue opportunities	Creating new value through developing borderless supply chain network	Retail 	 Eliminating overwork in supply chain Supporting people's rich and healthy lives  Building a diverse organization, including women's empowerment Ensuring respect for human rights in the supply chain  Contributing to the creation of renewable energy, such as installing solar panels
	Developing a distribution network beyond the conventional approach through far and away the highest productivity		
Reduction of risks	Coexisting and co-creation with the environment and society	Global 	 Building an organization in which diverse human capital can exercise their full potential in autonomy and spontaneity Realizing co-growth of individual employees, our company and society  Realizing unprecedented high productivity driven by cutting-edge technologies including AI, robotics system and more
	Cultivating a corporate culture that emphasizes autonomy and spontaneity and realizing a state where individual employees' growth leads to the growth of our company and society	Logistics 	 Creating a sustainable supply chain that makes daily necessities available "at any time" and "at affordable prices"  Contributing to the creation of a recycling-oriented society by reducing returned products and increasing ethical consumption  Reducing CO2 emissions and promoting recycling in sync with improvements in business operations

## Materiality (Material Issues)

### Identification of process



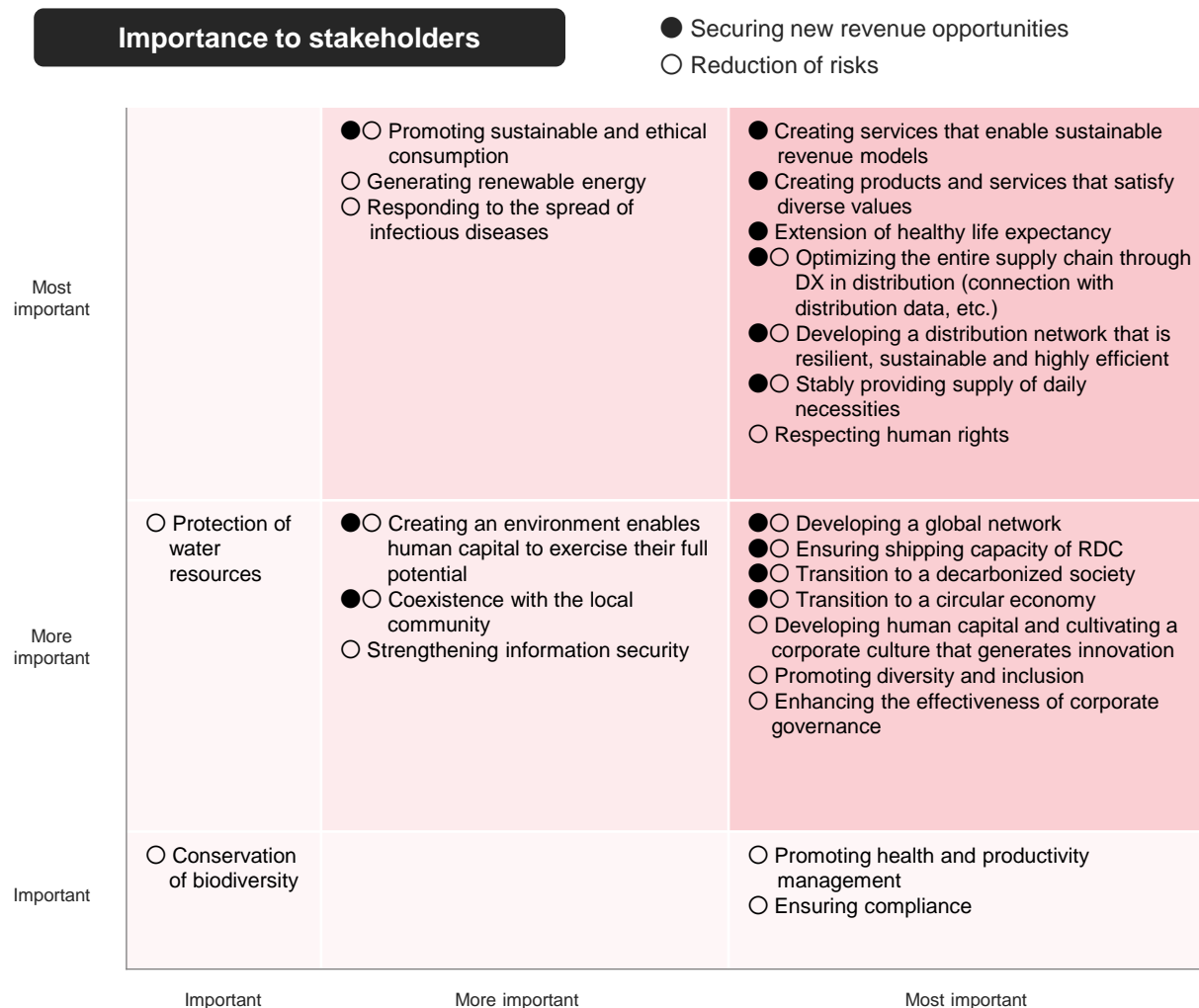
### Step.1 Awareness of social environment Identification of opportunities and risks

Significant changes in the social environment	Business As Usual (BAU) scenario		The impact on the PALTAC
Decrease in the working populations	<b>Growing difficulty in the development of a sustainable distribution network</b> <ul style="list-style-type: none"> <li>Reducing the transportation capacity of truck due to the driver shortage</li> <li>Increasing the workload in retail stores due to smaller market areas and an increase in the number of retail stores</li> </ul>	<div>Opportunities</div> <div>Risks</div>	<ul style="list-style-type: none"> <li>Growth of needs for high-efficient distribution</li> <li>Penetration of data distribution</li> <li>Growth of needs for health and sanitary</li> <li>Increase in demand for personalized products</li> <li>Increase in economic value of sustainable-businesses</li> </ul>
Declining birthrate and aging population	<b>Shrinking domestic market</b> <ul style="list-style-type: none"> <li>Increasing household burden in age groups with high consumption expenditure (social security contributions)</li> <li>Expanding composition of age groups (elderly) with lower consumption</li> </ul>		
Diversification of values	<b>Increasing in diverse needs in a wide range of situations</b> <ul style="list-style-type: none"> <li>Increasing importance of One to One marketing</li> <li>Penetrating of flexible and diverse work-styles</li> </ul>		
Climate change, Resource and energy scarcity	<b>Growing concerns for business continuity</b> <ul style="list-style-type: none"> <li>Increasing number of natural disasters due to more extreme weather events</li> <li>Soaring resource and energy prices</li> </ul>		<ul style="list-style-type: none"> <li>Decrease in profits due to the contraction of the domestic economy</li> <li>Decrease in profitability due to soaring business operating costs (higher energy and material prices, higher costs due to increased small-lot production and sales, etc.)</li> <li>Decrease in the competitiveness due to the outflow of human capital and difficulties in securing human capital</li> <li>The growing threat to sustainability of supply chain (Serious labor shortage, increase in severity of natural disasters)</li> </ul>



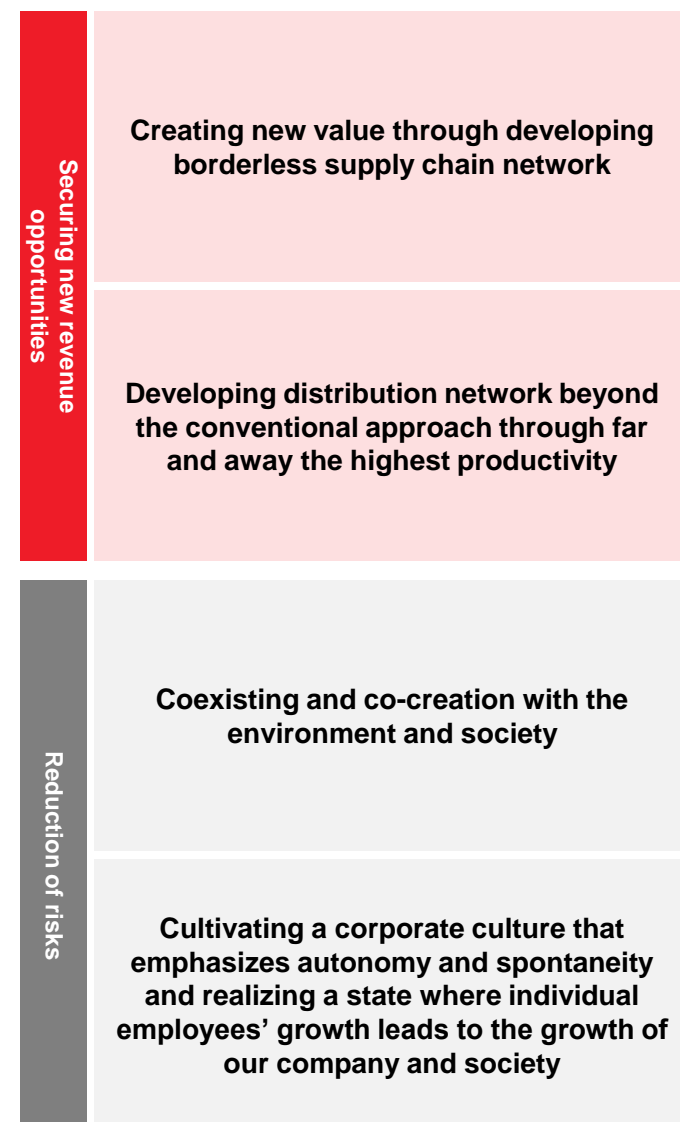
## Materiality (Material Issues)

### Step.2 Mapping material issues



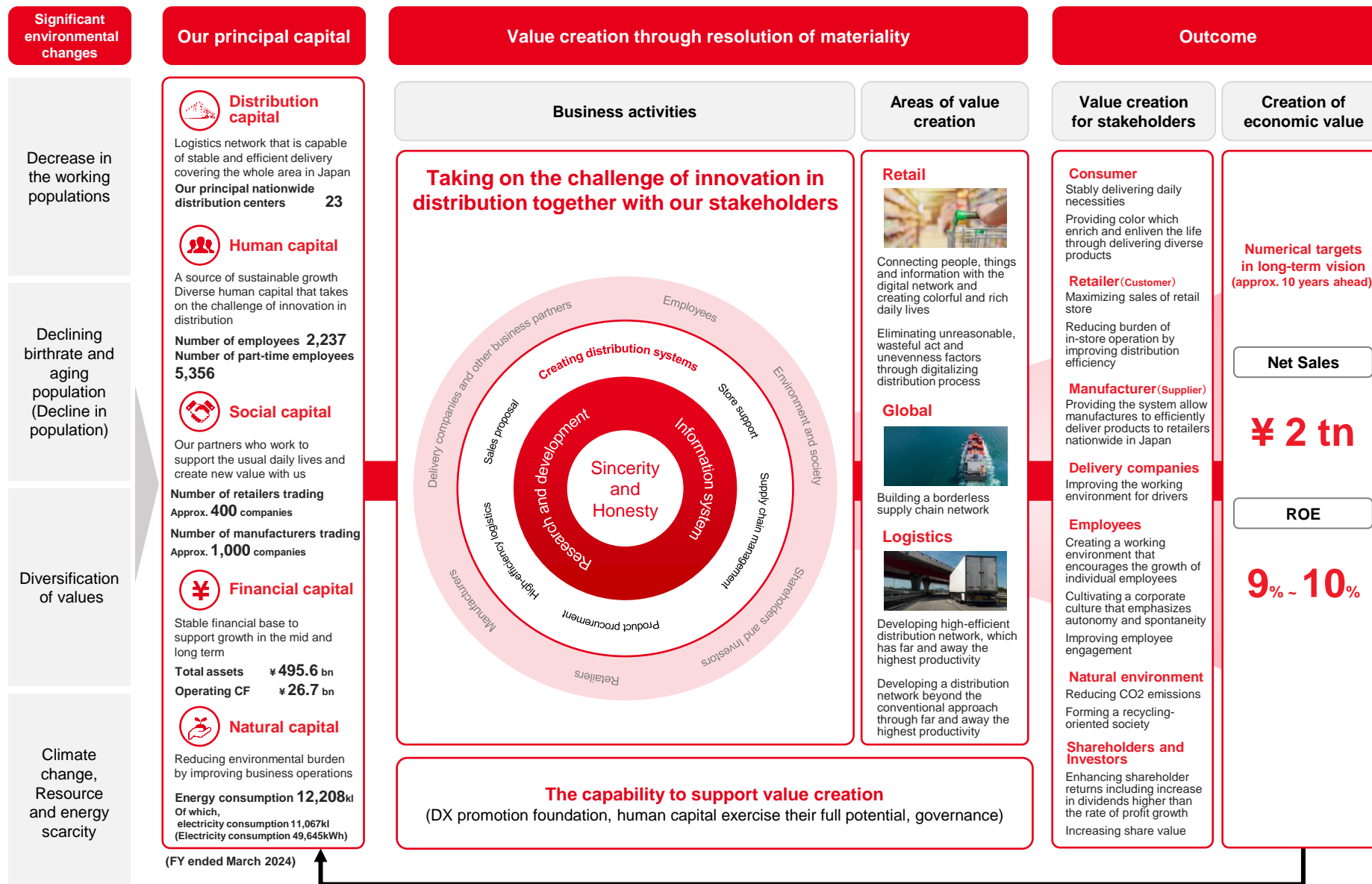
### Step.3

### Materiality towards realizing our long-term vision



# Value Creation Process

**Our long-term vision Slogan (approx. 10 years ahead)**  
**Creating the future of people and society through the power of connections**



Creating people's rich and comfortable daily lives

## Medium-term Management Plan PALTAC VISION 2027

### Towards the realization of our long-term vision, three years of “Constructing the foundation for transformation through structural reform”

In order to realize our long-term vision, we have formulated a three-year medium-term management plan, PALTAC VISION 2027, which runs until March 2027, based on both the long-term vision and the current situation at hand. The three-year period is positioned as a phase for “Constructing the foundation for transformation through structural reform” to realize our long-term vision. This will focus on improving profitability of existing business, taking on the challenge of create new value, improving sustainability and undertaking management to enhance capital efficiency.

#### The essence of constructing the foundation for transformation



##### Securing “adequate capitals”

Securing investment capacity for new value creation by increasing sales and profits in existing businesses



##### Gaining “competitive edge”

Enhancing our functions of distribution, sales and digital  
Accumulating valuable information  
Enhancing and building connection with our partners



##### Acquiring “practical abilities”

Increasing capacity of the organization (through business structural reforms)  
Improving utilization of digital and information  
Cultivating a corporate culture that emphasizes autonomy and spontaneity  
Strengthening governance system



##### Obtaining “cooperation”

Promoting cooperation with multi-stakeholders (contribution to the environment and society, the appropriate distribution of profits to employees and shareholders, etc.)

#### Long-term vision : Creating the future of people and society through the power of connections

##### PALTAC VISION 2027

#### Constructing the foundation for transformation to create new value

Key strategies

1. Improving profitability of existing business
2. Taking on the challenge to create new value
3. Improving sustainability
4. Undertaking management to enhance capital efficiency

Invest assets acquired in existing business into new business

New Business

Evolving existing business

Mutually utilizing assets

##### Long-term goals

##### Numerical targets

Net Sales

¥ 2 tn

ROE

9% ~ 10%

##### Sustainability goals

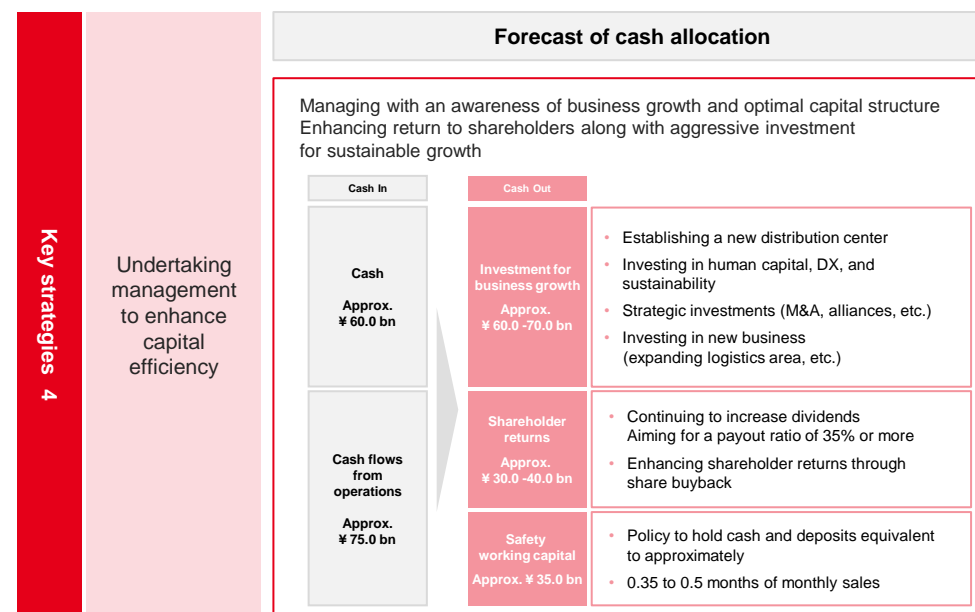
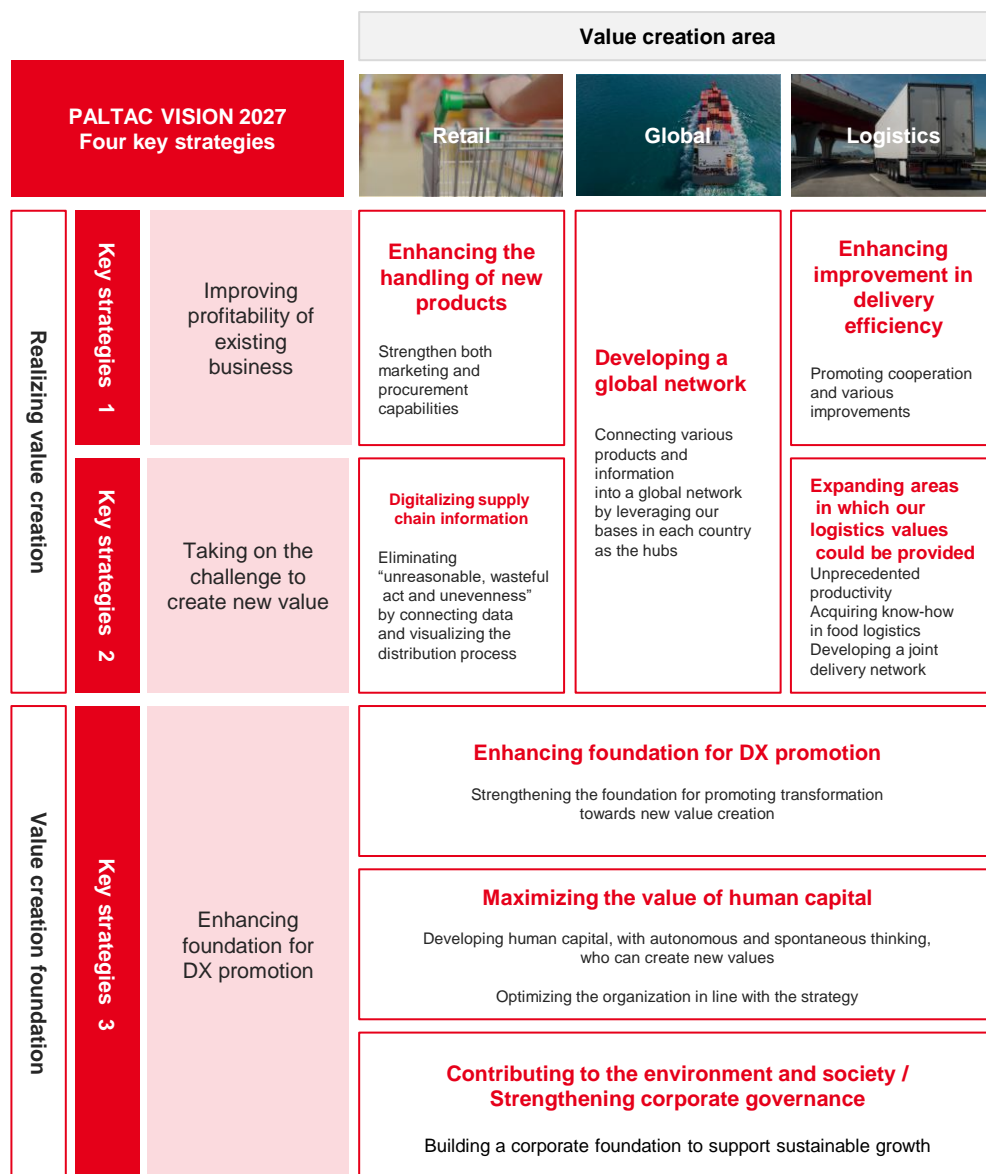
Building organization in which diverse human capital plays active roles with autonomous and spontaneous thinking

Developing a safe and secure supply chain

Contributing to the transition to a decarbonized society and circular economy

## Medium-term Management Plan PALTAC VISION 2027

# Four key strategies to “Constructing the foundation for transformation”



Numerical targets		FY2027	Vs. FY2024 Amount	Vs. FY2024 Rate
Financial	Net sales	¥ 1,270 bn	+ ¥ 118.0 bn	+ 10.2 %
	Operating Profit	¥ 30 bn	+ ¥ 2.8 bn	+10.4 %
	ROE	Increasing dividends higher than the rate of profit growth	-	-
	Payout ratio	Aiming for a payout ratio of 35% or more	-	-
Non-Financial	Ratio of CO2 emissions reduction <sup>*1</sup>	Reduction of 28%	+ 16 %	-
	Diversity	Percentage of female employees in management positions : 8.4% The percentage of male employees taking childcare leave : 60%	+ 1.7 % + 30 %	-
	Employee engagement score <sup>*2</sup>	55.0	+ 6.9	-

<sup>\*1</sup> Ratio of CO2 emissions reduction: Scope 1+2 (Vs. FY2021)  
<sup>\*2</sup> Employee engagement score: Measured by "Motivation Cloud" service of Link and Motivation Inc