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October 31, 2024

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(Code No.: 8141, Tokyo Stock
Exchange Prime Market)
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Notice Concerning Formulation of Medium-Term Management Plan

Shinko Shoji Co., Ltd. (the “Company”) hereby announces that, at a meeting of the Board of Directors held today, it passed a resolution on a medium-term management plan for the three year period from the fiscal year ending March 31, 2026 to the fiscal year ending March 31, 2028, an overview of which is provided below.

1. Formulation of medium-term management plan

As previously announced, the termination of the Company’s distribution agreement with Renesas Electronics Corporation on September 30, 2024 has caused a drastic change in the Company’s business environment. Accordingly, on May 15, 2024, the Company withdrew its medium-term management plan that was due to end in the fiscal year ending March 31, 2026, and is currently promoting the establishment of a new business model through a drastic review of its cost structure, the expansion of its solution business through the use of the Group’s technological capabilities, and building a new business model by creating and enlarging new core merchandises.

The Company has formulated a new three-year medium-term management plan that is based on the verification of the Group’s unique business environment, in addition to growth investments and M&A, and co-creation synergies with strategic partner companies.

2. Period of the plan

Fiscal year ending March 31, 2026 to fiscal year ending March 31, 2028 (for three years)

3. Management philosophy

As an electronic parts trading company group

Contributing to the realization of a sustainable society

4. Management policy

In this era of change, we aim to provide a wide range of electronics products and services.

Increase the value of our existence,

Realizing an evolving electronic parts trading company group

5. Management strategies (priority measures for growth)

- (1) Rebuilding of business portfolio (including co-creation with strategic partners)
- (2) Creation and enlargement of new core merchandise and further expansion of merchandise procured from existing excellent suppliers
- (3) Area strategy, growth investments aimed at the exploration and creation of new business domains, and M&As
- (4) Actions for management that is conscious of capital cost and share price (toward PBR of 1 or higher)
- (5) Investment in human capital (recruitment of diverse talent, investment in education and training, improvement of employee engagement)
- (6) Environmental initiatives (toward carbon neutrality by 2050)

6. Important management indicators

	Fiscal year ending March 31, 2028
Net sales	170.0 billion yen
Profit	4.5 billion yen
ROE	8.0% or higher

7. Shareholder return policy

The Company's basic policy is to distribute dividends to shareholders with a target consolidated payout ratio of 50% in consideration of the balance between stable and continuous distribution of dividends to shareholders and investment in the growth strategy.

The Company will consider flexible acquisition of treasury stock with comprehensive consideration of the market environment, financial situation, etc.

Further details will be published on the Company's website at a later date.