Disclaimer: This document is an English translation of the original document in Japanese and has been prepared solely for reference purposes. In the event of any discrepancy between this English translation and the original in Japanese, the original shall prevail in all respects.

May 14, 2025

For immediate Release

Company name:	Synchro Food Co., Ltd
Representative:	Shinichi Fujishiro, President and CEO and Chief of Operating for the Business Department
Code number:	3963
Contact:	Masaki Morita, Director & Chief of Operating for the Administrative Department
Phone:	+81-3-5768-9522

Notice Concerning Formulation of the Medium-Term Management Plan

A Medium-Term Management Plan (FY2025-FY2027) has been resolved. For details, please refer to the attached document.

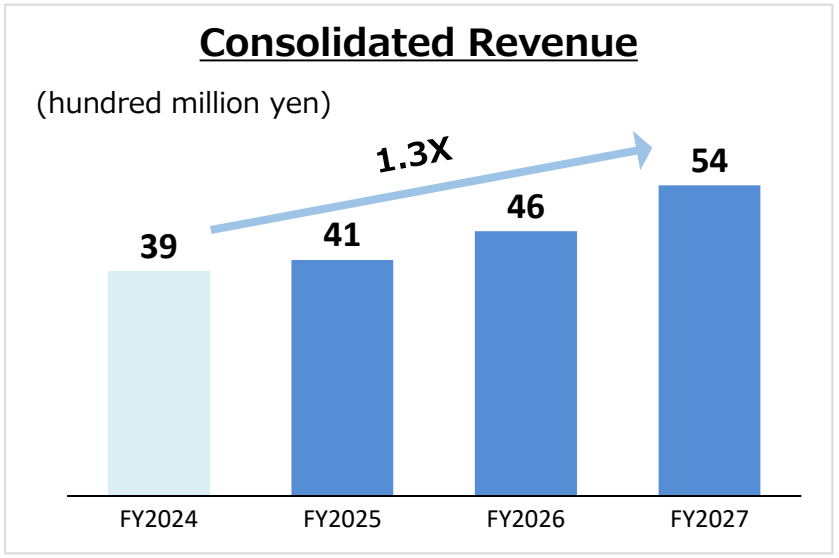
Medium-Term Management Plan (FY2025～FY2027)

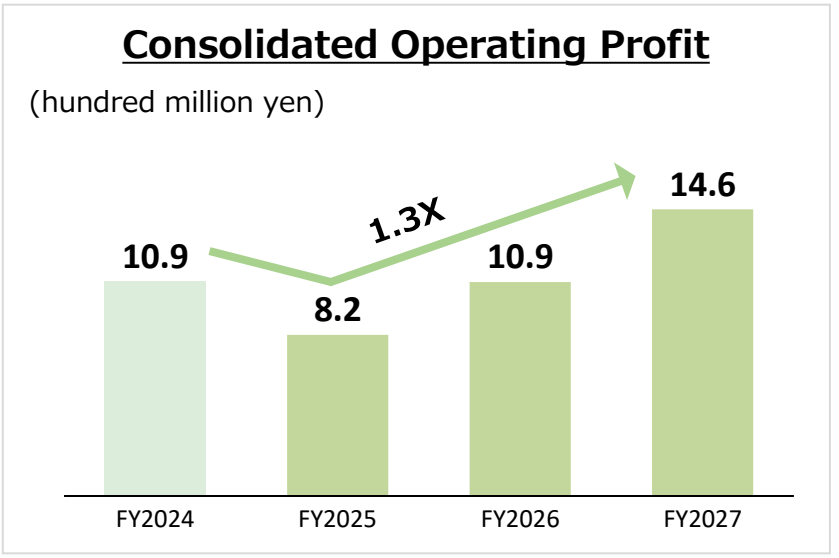
May 14, 2025

Synchro Food Co., Ltd. <3963>

Executive Summary

- During the three years of the previous medium-term management plan, although market conditions forced a slight slowdown in the third year, we were generally able to implement the measures we needed to take to build a foundation for future growth, including investments in human and business capital.
- On the other hand, the business environment has changed dramatically over the past three years, and new challenges have become clear.
  - ✓ Acceleration of AI utilization (Increase Productivity, Develop new businesses and services)
  - ✓ Strengthening Resilience to Changing Market Conditions （Promote introduction of contingency fee and pay-as-you-go business models, Strengthen the business portfolio)
- In the new medium-term management plan, the first two years (Phase 1: Growth Preparation Phase, Phase 2: Growth Transition Phase) are positioned as an investment period to address the above new challenges with a view to sustainable growth in the future.
- In the third year (Phase 3. Growth acceleration phase), achieve both top-line growth and productivity improvement, and steadily promote the business toward 10 billion yen in revenue and 3 billion yen in operating profit in FY2029, while adding discontinuous growth through M&A.

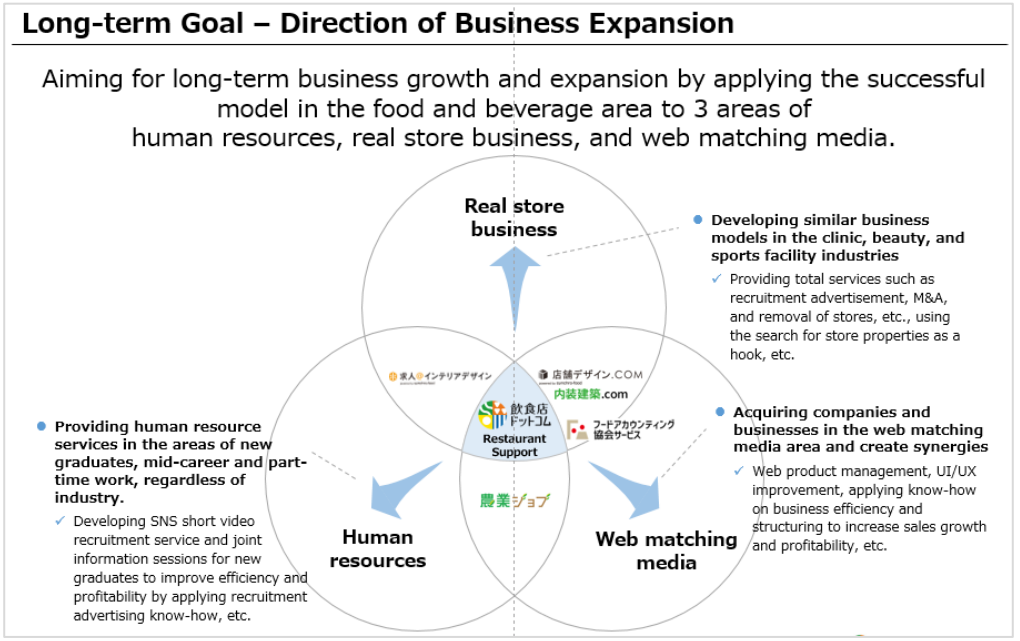




Synchro Food

Strategic Framework

- Utilize AI to overwhelmingly improve productivity throughout the company and create new added value, while ensuring stable growth of existing businesses and accelerating the speed of growth by concentrating investment in new business growth areas
- Realize also discontinuous growth in the three areas of “human resources, real store business, and web matching media” including the restaurant support area, by expanding areas from existing businesses and through M&As



*Source: FY2023 Financial Results Briefing Materials (announced May 15, 2024)

Strategic Framework

(1) Unparalleled productivity improvement and value-added creation through the use of AI

(2) Achieve continuity and stable growth in existing businesses

(3) Strengthen investments in new businesses and accelerate the pace of growth

+

Execute M&A in line with the direction of business expansion

Strategy (1)

- Review all operations and integrate AI into operations to achieve overwhelming operational efficiency and reform the sales structure, while making all employees AI-native
- Develop new businesses and services using AI to contribute to the company's overall profitability

	Specific initiatives	Major 3-year investment plan	Expected effects for FY2027
(1) Unparalleled productivity improvement and value-added creation through the use of AI	● Business efficiency ✓ Thoroughly review business and service delivery processes based on AI utilization and integrate AI into operations ● Sales structure reform ✓ Minimize human resources in the restaurant sales organization, including AI replacement, and optimally reorganize the sales organization for major clients and the retail sales organization ● AI-fluent ✓ Create an environment where all employees utilize AI in their daily tasks ● Value-added creation ✓ Develop new businesses and services by leveraging AI to create originality that drives revenue growth and differentiation	**200 million yen** • AI tool expenses • Development • Outsourcing expenses	Company-wide labor hours **30% reduction** Contribution to earnings from new businesses and services

Strategy (2) (3)

- While improving productivity in existing businesses to achieve stable annual revenue growth of 5-15%, allocate sufficient resources to new businesses to drive rapid annual growth of 30-100%

	Segment	Service	Specific initiatives	Major 3-year investment plan	Revenue for FY2027 (plan)
(2) Achieve continuity and stable growth in existing businesses	**Media platform**	**HR recruitment advertising**	• Optimize sales organizations through structural reform • Develop products for major clients and expand sales through direct sales and agencies	**600 million yen** • Development (Apps/ Automated matching systems etc.) • Advertising expenses (Apps promotion etc.) • Labor cost (personnel increase) • Launch a employment agency business	**3,200 million yen +15% in 3 years**
		Other than HR	• Accelerate a shift from posting-based to incentive fee models to enhance profitability • Unify the management of TENPODESIGN and Naisoh-kenchiku		**850 million yen +56% in 3 years**
	M&A services	**M&A services Fully-furnished asset transfers/ Food Accounting**	• Drive the acquisition of small-sized M&A deals through inside sales and improve the closing rate • Acquire large deals with specialized teams		**350 million yen +7% in 3 years**
(3) Strengthen investments in new businesses and accelerate the pace of growth	**Media platform**	**gourmet_ baito_chan**	• Develop premium products and expand sales via agency channels in three major metropolitan areas • Retain job seekers by application development		**1,000 million yen** **3.3 times in 3 years**
		HR employment agency	• Re-launch the business in line with one-time payment trends • Maximize the value of the existing customer base and achieve significant operational efficiency through AI		
		Mobimaru (Mobility)	• Promote partnership development and further expansion of subscription service • Develop automated matching systems		

Financial Policy

- We will strike a balance between growth investment and shareholder returns, aiming for an ROE of 25% over the medium to long term

Mid- to long-term ROE target

ROE 25%

Growth investment

- **Make proactive investments in growth**
  - ✓ **Investment to expand existing businesses**
  - ✓ **Investment to study/promote new businesses**
  - ✓ **Investment in M&A and business alliance**

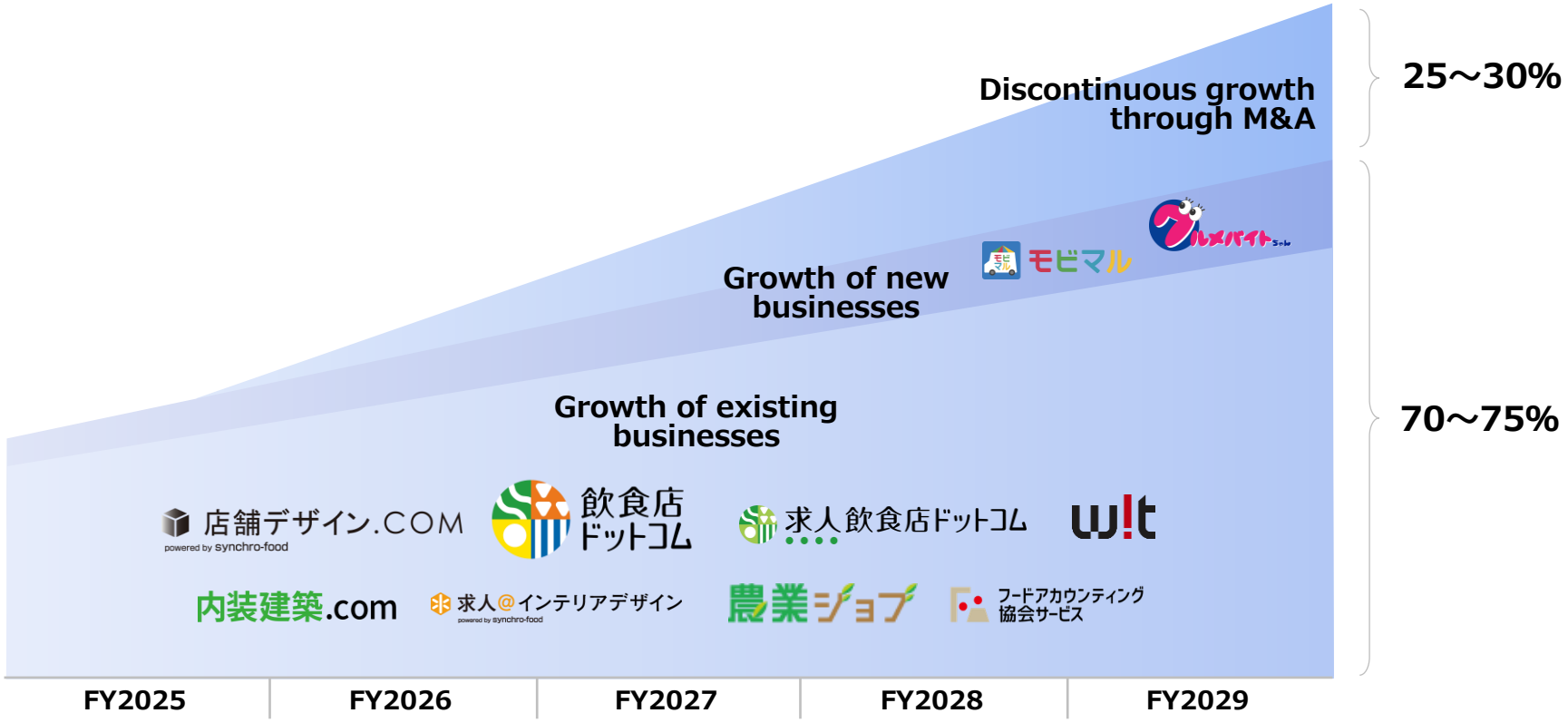
Shareholder returns

- **Dividends**
  - ✓ **Continue to pay**
- **Acquisition of treasury shares**
  - ✓ **Implement flexibly**

Set the total return ratio at 50% or more

Business Growth Vision

- In addition to existing and new businesses, we aim to achieve consolidated revenue of 10 billion yen by incorporating discontinuous growth through M&A



Performance Target (Details)

- By integrating AI into operations and reforming sales structures, we will dramatically improve productivity and return to a high-profit base with an operating profit ratio of 27% in FY2027
- We will enter FY2028 and FY2029 with the organization and operational structures of the enhanced productivity

(Million yen)	FY2025	YoY	FY2026	YoY	FY2027	YoY
Revenue	**4,100**	**+3.8%**	**4,600**	**+12.2%**	**5,400**	**+17.4%**
Operating profit	**820**	**(25.3)%**	**1,090**	**+32.9%**	**1,460**	**+33.9%**
Operating profit ratio	**20.0%**	**(7.8)pt**	**23.7%**	**+3.7pt**	**27.0%**	**+3.3pt**
Recurring profit	**820**	**(24.5)%**	**1,090**	**+32.9%**	**1,460**	**+33.9%**
Net income attributable to owners of parent	**574**	**(12.9)%**	**763**	**+32.9%**	**1,022**	**+33.9%**

Important Notice

The information provided in this document is based on assumptions with current expectations, forecasts ,and risks based on macroeconomic trends, the market environment, and related industry trends of the Company.

Other Internal and external factors may vary.

Therefore, the results may differ from the description of future prospects described in this material.

When there is new information, events etc. in the future we will not update this document.
We are not obliged to update or modify the information provided.