PILOT CORPORATION
For Immediate Release
February 14, 2025

Notice of Formulation of 2025-2027 Medium-Term Management Plan

PILOT Corporation (the "Company") hereby announces that the Group has formulated the 2025-2027 Medium-Term Management Plan (FY2025 - FY2027) to realize the 2030 Vision. Details are as follows.

1. 2025-2027 Medium-Term Management Plan (FY2025 - FY2027)

(1) Positioning: "Ceaseless Evolution" ~ Reinforcing the Group's management foundation for adapting to changes ~

(2) Financial indicators (FY2027 targets)

Consolidated net sales	Operating margin ratio	ROE	Total payout ratio
145.0 billion yen	16% or more	11% or more	50% or more

2. Management tasks to focus our efforts on

(1) Review of the 2022-2024 Medium-Term Management Plan

The 2022-2024 Medium-Term Management Plan was positioned as a three-year period of "reform and challenge" to lay the foundations for achieving the 2030 Vision, which sets out the PILOT Group's aspiration for 2030. Through the implementation of initiatives for business expansion, the Group largely succeeded in achieving the plan.

Regarding KPIs, the Group achieved its consolidated net sales target but the operating margin ratio fell short of the target due to increased expenses, specifically personnel expenses and outsourcing expenses. This reflected greater investment in human capital and infrastructure development for the future, as well as changes in the market environment that exceeded expectations, such as rising material costs. Like the operating margin ratio, ROE also fell short of the target, despite efforts to improve capital efficiency, including the buyback and cancellation of treasury shares. The Company achieved its dividend payout ratio target, increasing dividends for a ninth consecutive fiscal year.

(2) Management tasks under the 2025-2027 Medium-Term Management Plan

The Group will continue striving for the 2030 Vision and aiming to achieve long-term growth and sustainable improvement in its corporate value, and has identified management tasks it should focus on as follows.

(i) Increasing the global market share of writing instrument business
(ii) Reinforcing the structure of non-writing instrument businesses
(iii) Finding new alliance partners
(iv) Driving sustainable management of the Group
1. Driving operational reforms from the viewpoint of total optimization
2. Reinforcing the Group management structure and driving human resource development
3. Reforming the global supply chain of writing instrument business

For further details of the 2025-2027 Medium-Term Management Plan, please refer to the Company's website.