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Notice Regarding Mid-term Business Plan “Value Creation 2020”

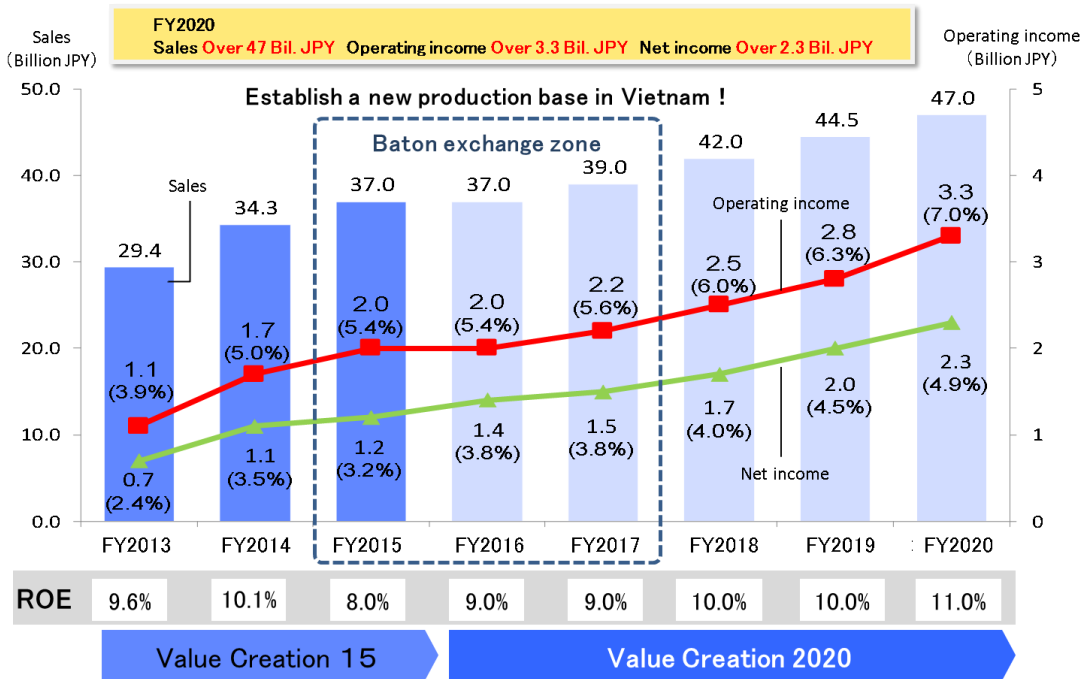
Punch Industry Co., Ltd. (hereinafter referred as “Punch”) announces its new mid-term business plan titled “Value Creation 2020” covering a 5-year period from the fiscal year 2016 to the fiscal year 2020.

Toward the realization of the company vision, Punch Group has promoted its current mid-term business plan “Value Creation 15” ending the fiscal year 2015. Under the plan, Punch established three priority initiatives: globalization, expansion of new markets and conversion to a high profitability business model. Specifically, Punch Group is devoting full effort to expanding sales in Southeast Asia, India, Europe and the Americas, stepping up cultivation of new businesses in Japan, China and elsewhere and reducing manufacturing costs.

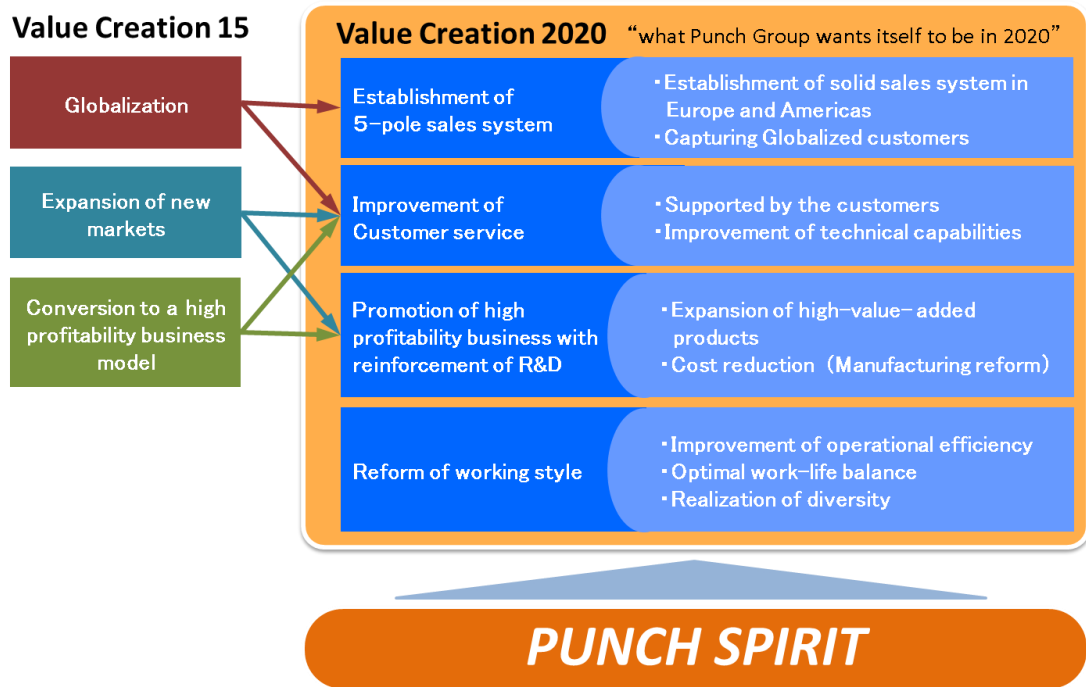
Under the new mid-term business plan “Value Creation 2020”, although the business environment surrounding Punch Group is expected, as a whole, to continue to grow moderately, it should be noted about the monetary policy of each country, the unpredictable economy of emerging Asian countries including China, the effects of downfall in crude oil price, the geopolitical risks and the like. The mold and die components industry, where Punch Group runs its business, is faced with the uncertainty about global economic situation and prospects: Japan is still burdened with low growth and China’s economy shows a moderate shift from high growth to stable while India and Southeast Asian countries are poised for accelerated economic growth.

Based on the recognition as above, in order to quickly and timely respond to the change of the business environment and to ensure its solid growth, Punch devised its mid-term business plan “Value Creation 2020” covering a five-year period from the fiscal year 2016 to the fiscal year 2020.

1. Management target (Consolidated Business Performance)



2. Priority initiatives



Under “Value Creation 2020”, Punch further develops and deepens its former three priority initiatives: globalization, expansion of new markets and conversion to a high profitability business model, sets four new priority initiatives as the ideal image showing “what Punch Group wants itself to be in 2020”: establishment of 5-pole sales system, improvement of customer service, promotion of high profitability business with reinforcement of R&D and reform of working style, and will strive to focus on them.

In these days of uncertainty, based on the thought that Punch Group should be aware of the passion and persistence of the founder, Punch sets the new concepts titled “PUNCH SPIRIT”, which consists of three keywords: “Challenge”, “Imaginative & Innovative” and “Open & Honest”, and will strive to instill them in the whole Group.

Besides, ahead of the start of “Value Creation 2020”, Punch established a new subsidiary in Vietnam and started preparations for the commencement of the operation in October in this year. And in Japan, Punch is scheduled to move its head office and sales base to new sites in late March in this year. This is meant to begin the reform of working style toward its employees’ happiness including the improvement of the job efficiency, the optimization of work-life balance and the realization of diversity and to promote the measures for digging up new customers’ needs.

Punch will also change its management system on April 1, 2016 to realize “what Punch Group wants itself to be in 2020” and to reinforce its corporate governance.

Moving forward steadily, Punch aims for sustained growth and improvement of the medium-and-long term corporate value by contributing to “global craftsmanship” in the field of the mold and die components industry.

We show the details in our homepage.

URL: http://www.punch.co.jp/ir/med_management.html

(Notes)

The forecasts above are based on the information available at the time of publication and assumptions that are deemed rational. The actual results may differ from the figures presented above due to a variety of factors.

(Disclaimer)

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