



**Six Months Ended December 20, 2022**

**(75th fiscal year)**

**Financial Results**

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**February 21, 2023**

**President & CEO Akira Miyamoto**

**KING JIM CO., LTD.**

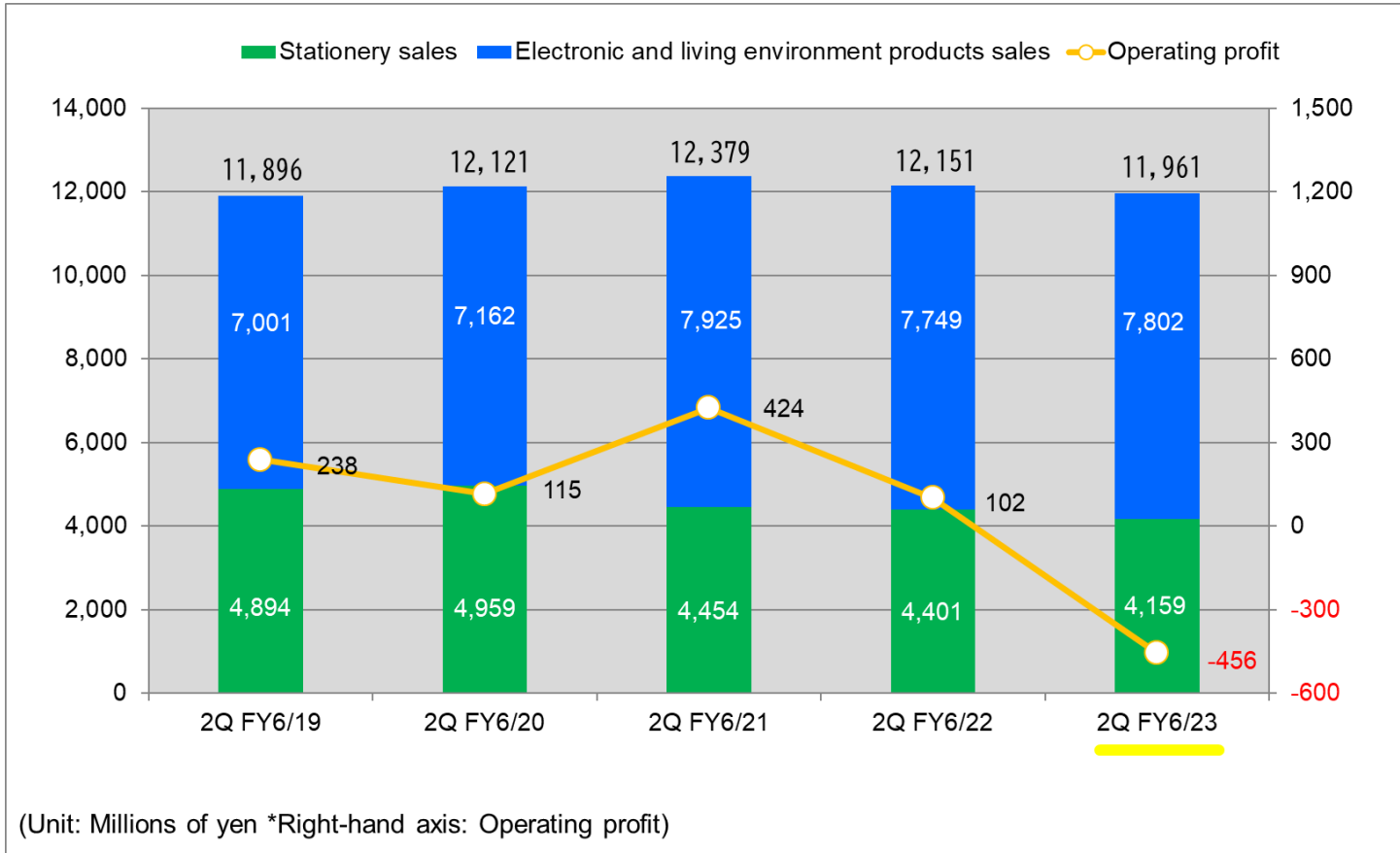
## Consolidated Operating Results

(Unit: Millions of yen)

	2Q FY6/22	2Q FY6/23	Difference		
Net sales	16,302	18,582	+ 2,280		+14.0%
Operating profit	483	-274	-758		—
Ordinary profit	626	-109	-736		—
Profit attributable to owners of parent	368	-197	-566		—

**Increase in sales,**  
**decrease in profit**

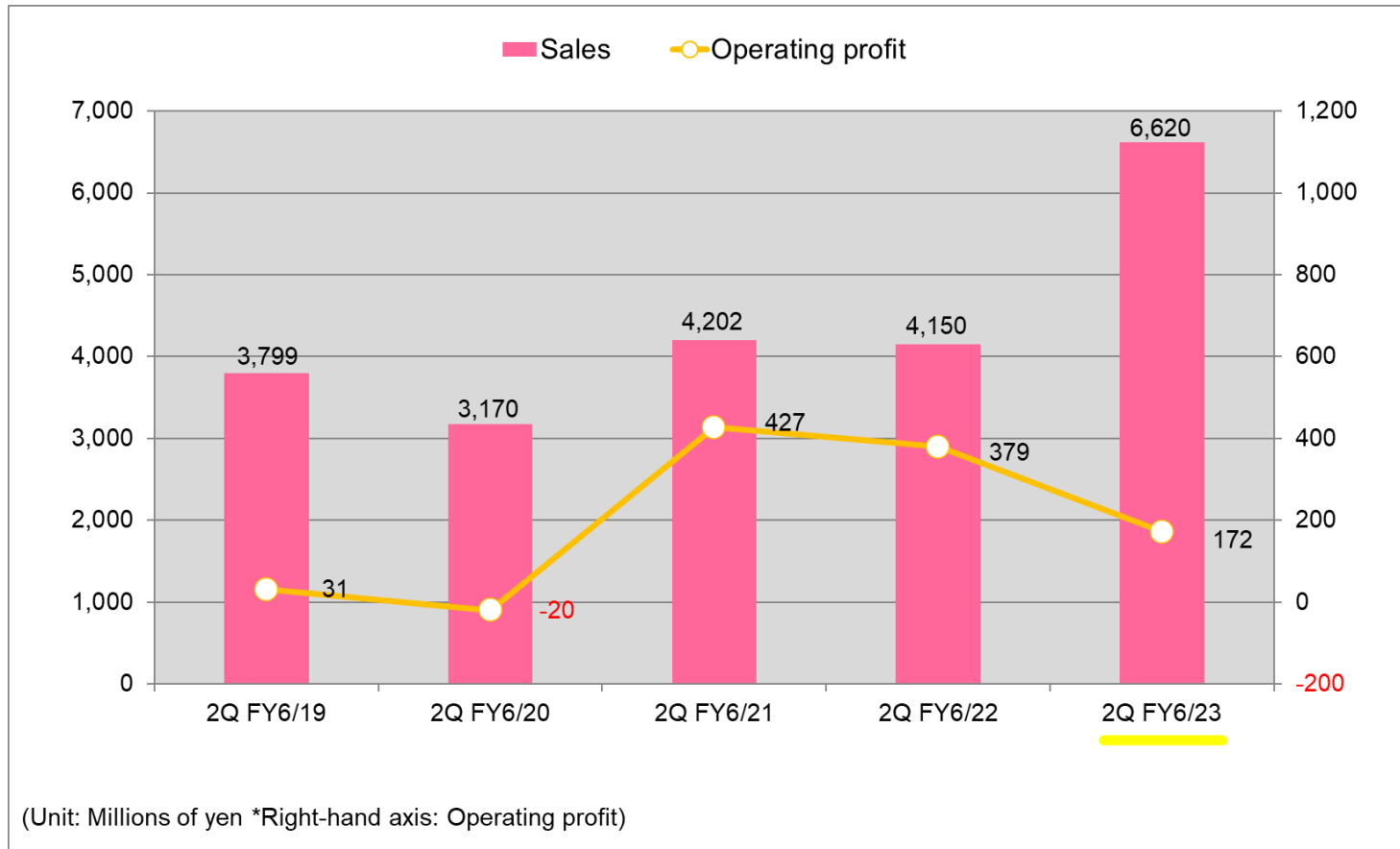
## ■ Segment Sales & Operating Profit: Stationery and Office Supply





**Sales:** Net sales decreased due to the shortage of TEPRAs products, the reactionary decline of “tette,” a hand sanitizer dispenser that recorded strong performance in the previous fiscal year, and a sales decrease in KING FILE ↴

**Operating loss:** Posted operating loss due to sharp yen depreciation, soaring distribution costs, and persistently high raw material prices ↴

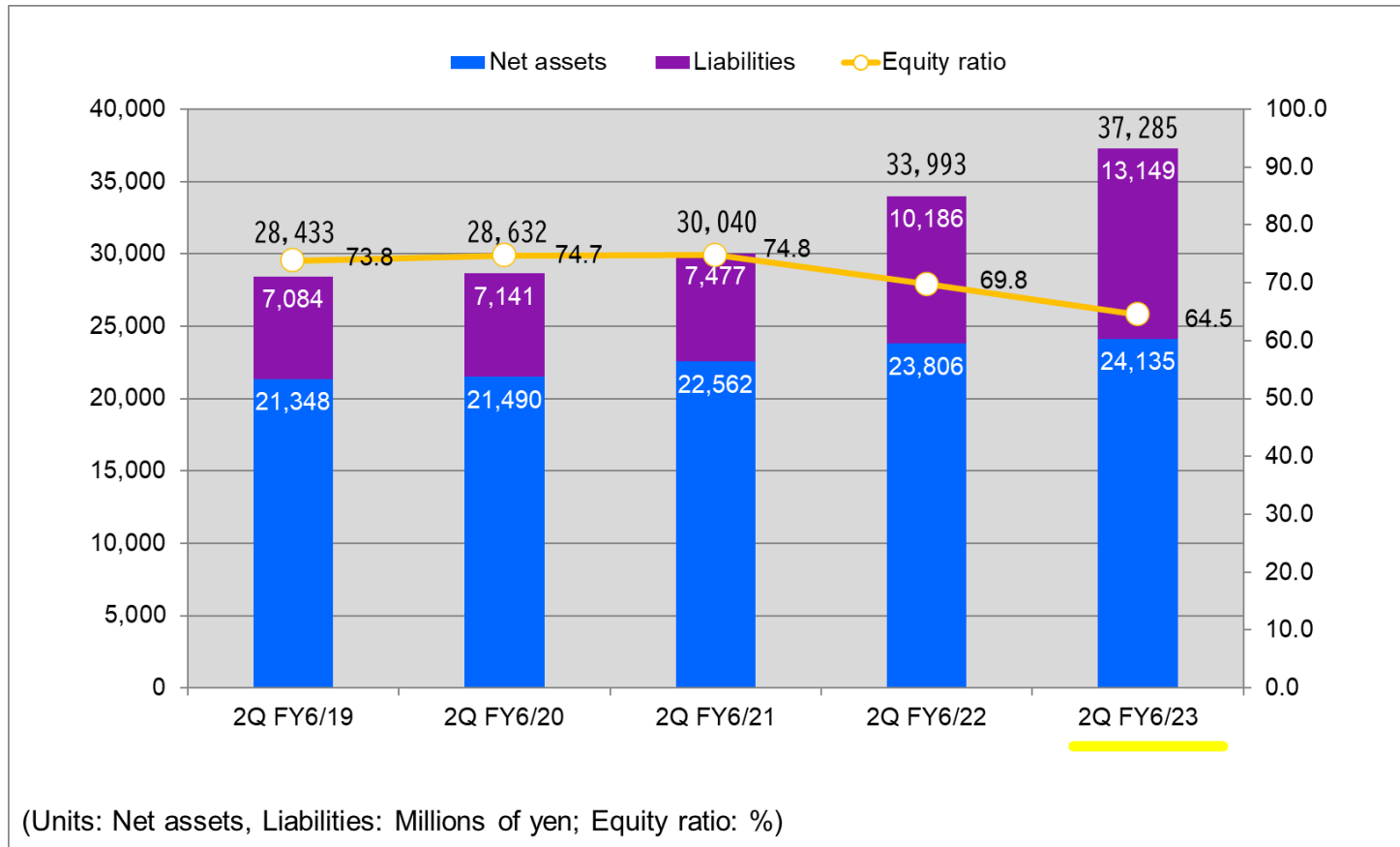
## ■ Segment Sales & Operating Profit: Interior Lifestyle





**Sales:** Net sales increased thanks to robust sales at BON FURNITURE and ASCA, as well as the addition of Life on Products, which became a subsidiary of the Group in November 2021 

**Operating profit:** Profits fell due to an increase in the cost of sales ratio, which was caused by sharp yen depreciation, and amortization of goodwill at Life on Products 

## Consolidated Balance Sheets and Equity Ratio



Total assets: Up approximately ¥3.3 billion year on year on increases in inventories of merchandise and shares of subsidiaries and associates due to M&A with HIM 

Liabilities: Increased approximately ¥3.0 billion year on year on the back of rise in borrowings partly due to working capital needs 

Equity ratio: Down to 64.5% 

## Consolidated Cash Flows

(Unit: Millions of yen)

	2Q FY6/19	2Q FY6/20	2Q FY6/21	2Q FY6/22	2Q FY6/23
Cash flows from operating activities	-428	-13	489	-1,414	-1,821
Cash flows from investing activities	-175	-183	-270	-3,355	-1,260
Cash flows from financing activities	930	1,016	95	3,827	2,837
Effect of exchange rate change on cash and cash equivalents	28	-0	-12	52	141
Net increase (decrease) in cash and cash equivalents	353	819	302	-891	-102
Increase in cash and cash equivalents from inclusion of subsidiaries in consolidation	—	—	314	—	—
Cash and cash equivalents at end of quarter	4,820	5,187	6,027	6,141	5,534

- **Cash flows from operating activities...** Increase in inventory assets; payment of corporate taxes
- **Cash flows from investing activities...** Payment for acquisition of subsidiary
- **Cash flows from financing activities...** Increase in borrowings

## ■ Impact of semiconductor shortage

Products were badly hurt by tight semiconductor supply worldwide

### • Main electronic product: TEPRAs

Continued shortages of some models, mainly in the higher price range

⇒ Opportunity loss

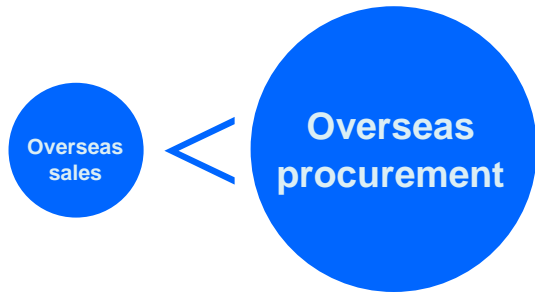
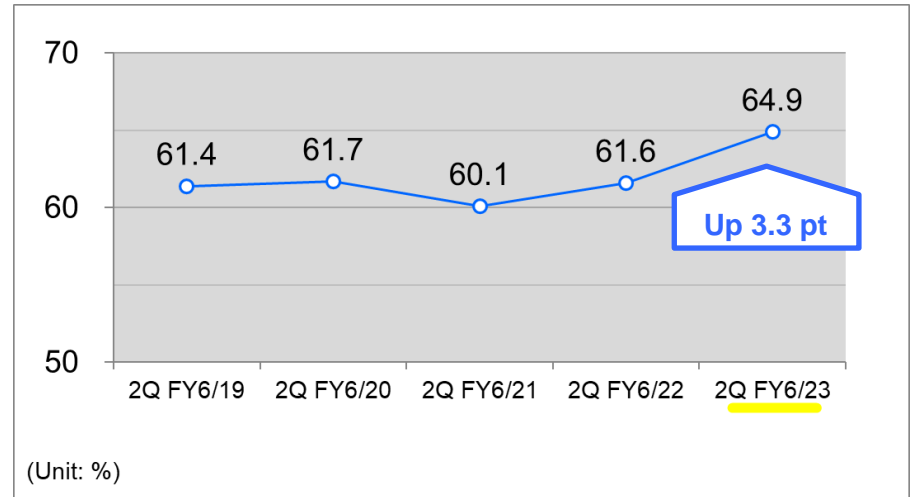


## ■ Increase in cost of sales ratio

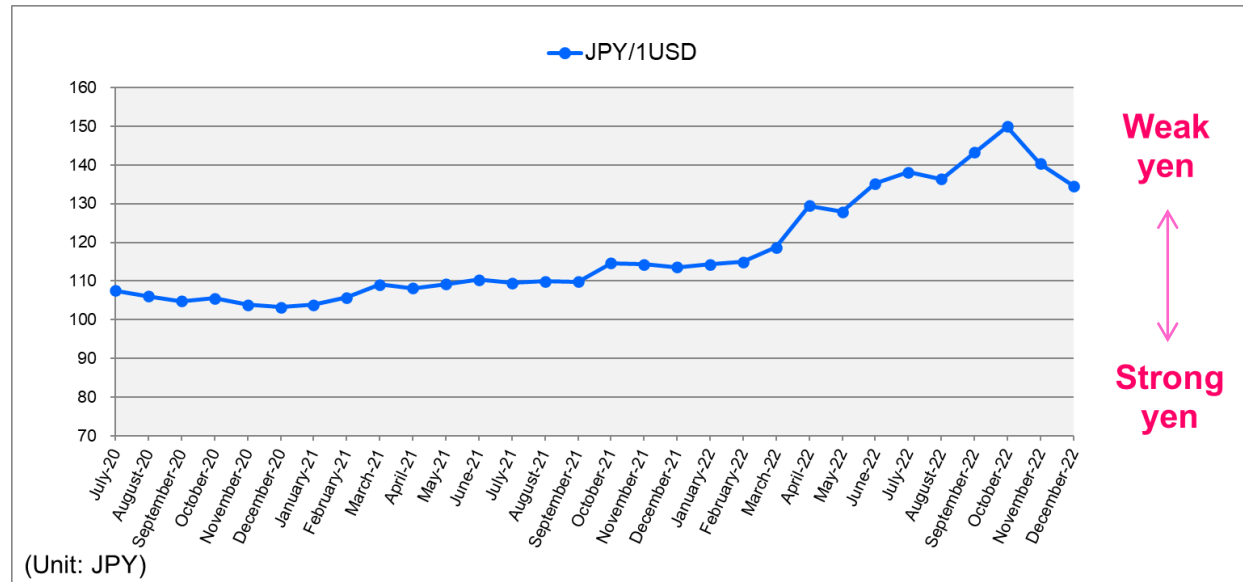
- **Rising procurement costs**
- **Impact of yen depreciation**

**A decline in the yen hurts profits group-wide.**

<Cost of sales ratio>



<FX>





## ■ Impact of semiconductor shortage

- Currently, the semiconductor procurement situation is improving, and supply is expected to gradually increase.
- Shortages are projected to be eliminated by the end of June 2023.



■ Increase in cost of sales ratio

We have worked to maintain our prices via cost cuts and productivity gains, but this is no longer possible through our efforts alone.



<Price revisions>





		<Price hike>
12/21/2021	KING FILE	Average 5%
6/21/2022	TEPRA PRO and various options	Average 13%
9/21/2022	Almost all items, including PP files	Average 13%
12/21/2022	KING FILE and all TEPRA tape cartridges	Average 7%

**Working to realize price revisions to improve profitability**

## ■ Fiscal Year Ending June 20, 2023 (75th fiscal year) Full-Year Earnings Forecast

Earnings forecast revised on November 1, 2022

(Unit: Millions of yen)

	FY6/22 actual	FY6/23 forecast	Difference		
Net sales	36,636	42,000	+ 5,363		+14.6%
Operating profit	1,007	1,120	+ 112		+11.2%
Ordinary profit	1,338	1,350	+ 11		+0.9%
Profit attributable to owners of parent	788	930	+ 141		+17.9%

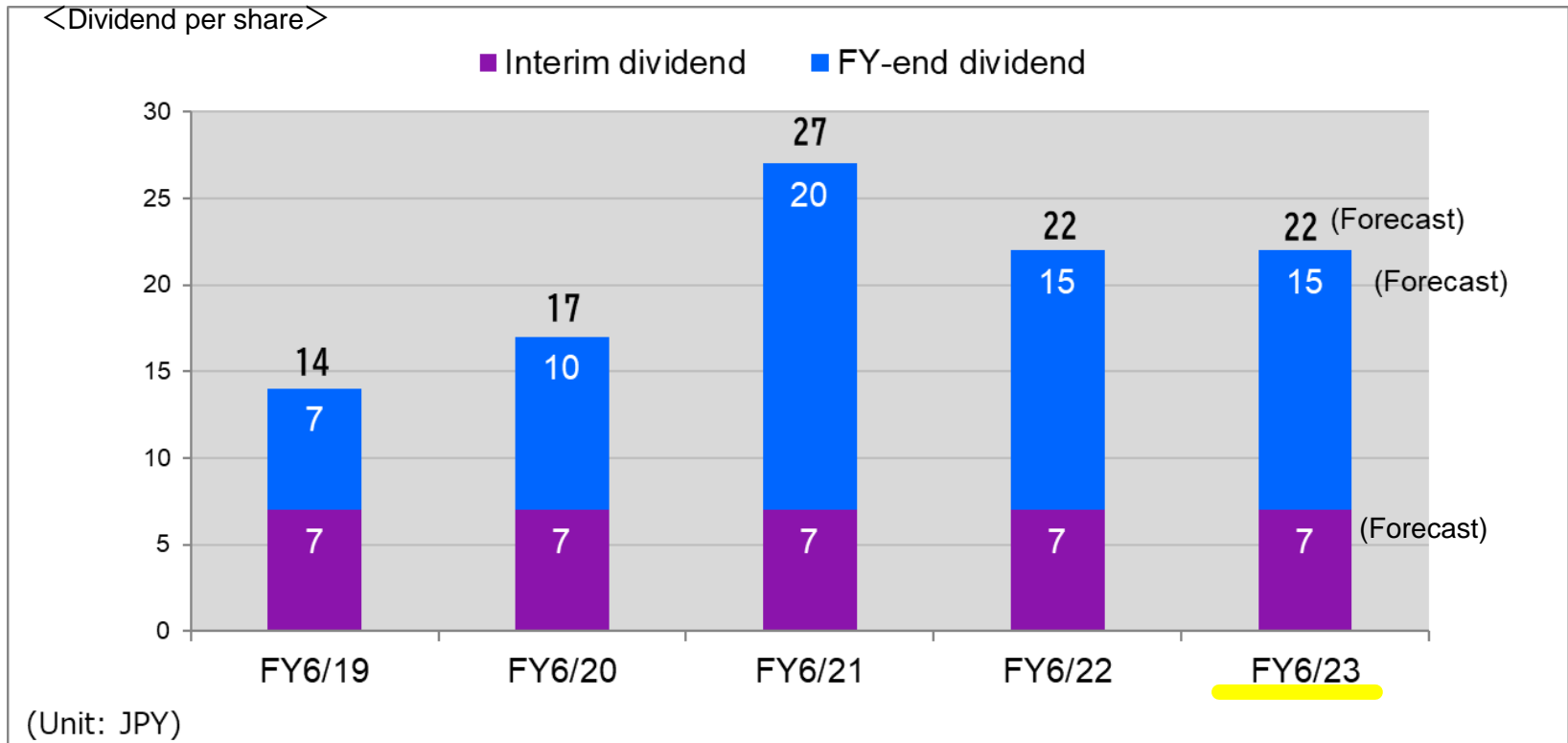
Full-year contribution from Life on Products

**Sales should exceed ¥40.0 billion, reaching a record high**

**Growth in both sales and profit**

## ■ Dividend Policy

Target payout ratio is 40%, aiming for stable dividends



<Payout ratio>

	FY6/19	FY6/20	FY6/21	FY6/22	FY6/23
Payout ratio	41.3%	44.7%	39.1%	79.5%	67.4% (Forecast)

## TEPRA



▲ Palm-sized “TEPRA” dedicated for use with smartphones comes in a cute “Sumikkogurashi” design

**Label printer TEPRA Lite LR30SG**

## Digital stationery



Improved usability with USB Type-C compatibility, increased battery capacity, and enhanced linkage with smartphones

▲ First new model launch in 4 years  
**Digital memo “pomera” DM250**

## Stationery



▲ **“Document Sorting File”** enables neat document organization

## Hygiene and health products



- ▲ **Droplet Catcher** absorbs the droplets generated by talking

## Office and living environment products



- ▲ **Alcohol Checker** allows users to self-check their sobriety by simply blowing on it

## Bag and storage products



- ▲ **TEX-POUCH** is a multi-purpose silicone pouch that stands up well to water and dirt

## Subsidiaries' products

LADONNA



- ▲ Our popular electric hot sandwich maker, which can make half hot sandwiches by folding over a single slice of bread, is now available with detachable plates

**Toffy HALF HOT SANDWICH MAKER with detachable plates**

## ■ 10th Medium-term Management Plan: Business Targets

FY6/24	
Net sales	¥48.0 billion
Ordinary profit	¥3.4 billion
Ordinary profit ratio	7%
ROE	9%

### <Policies>

Focus on growth fields and further strengthen core businesses

Build a foundation for a post-COVID-19 world

1

### Expand the business domain

- Develop products for new lifestyles and ways of working.
- Shift from paper storage to stuff storage. Expand sundry and household goods.
- Further develop the Group through mergers and acquisitions.

2

### Enhance the competitiveness of three overseas factories

- Bring in production technologies for products other than stationery.
- Expand the variety of production items.

3

### Sustainability initiatives

- Contribute to society through products that make life and business convenient and comfortable.
- Environmentally conscious procurement, design, and development. Respond to climate change.
- Promote diversity and realize diverse working styles.

## M&A

November  
2021

### Life on Products, Inc.

Planning and sales of household appliances and sundries  
Strengths include a diverse lineup of fragrances and seasonal appliances



September  
2022

### HIM Co., Ltd.

Planning and online selling of kitchenware and everyday sundries  
(Dissolved in an absorption-type merger and managed under the Company's E-commerce Department since February 2023)



⇒ Accelerate M&As, pursue sustainable growth in the Group



Enhance the competitiveness of three overseas factories



## KING JIM (VIETNAM) Co., Ltd.



Manufacturing and sales of KING FILE and other items

Expand the variety of production items

**Kitchenware and other interior sundries**

## KING JIM (MALAYSIA) SDN.BHD.



Manufacturing of metal binder mechanisms for KING FILE and other products

**Large-sized game machines (crane games, etc.)**

## P.T.KING JIM INDONESIA



Production of PP (polypropylene) products such as clear files

**Woodwork products such as knockdown furniture**

September  
2021

**Sustainability Committee** established

March  
2022

- **Basic Sustainability Policy of the KING JIM Group** formulated
- **Materiality** identified
- Switched from our Corporate Charter of the Environment to **Environmental Policy**

November  
2022

**Sustainability Website** newly established

<Sustainability Website URL>

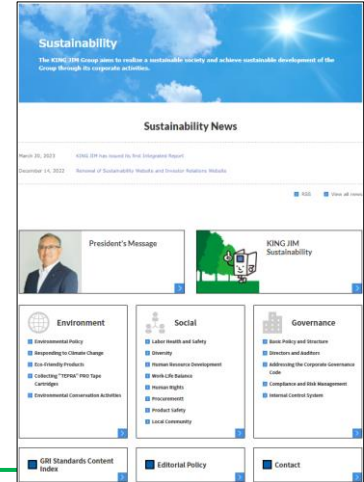
<https://www.kingjim.co.jp/english/sustainability/>

December  
2022

First **Integrated Report** of the  
KING JIM Group issued

<Integrated Report 2022 URL>

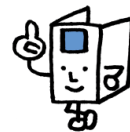
[https://www.kingjim.co.jp/english/ir/library/integrated\\_report.html](https://www.kingjim.co.jp/english/ir/library/integrated_report.html)



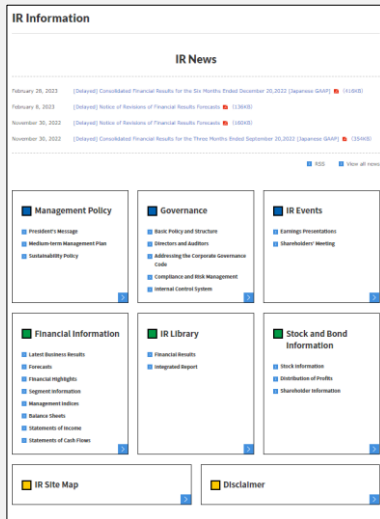
Please see our official website for details on our sustainability initiatives.

<Sustainability Website URL>

<https://www.kingjim.co.jp/english/sustainability/>



## ○ IR website renewal



<IR website URL>

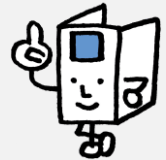
<https://www.kingjim.co.jp/english/ir/>

As an important tool to communicate with shareholders and investors, **we proactively disclose information and will continue to strive to enhance contents.**

## ○ Corporate briefing video for individual investors (available in Japanese only)

<Corporate briefing video for individual investors URL>

<https://www.kingjim.co.jp/ir/event/kojin.html>



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**We “KING JIM”**

**will be enhancing your work and personal life,  
and focusing on the originality.**

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Disclaimer: The earnings forecasts in this presentation are based on the information available to the Company at the time of preparing the document. The actual performance may differ from these figures due to a variety of factors in the future.