

# 11th Medium-Term Management Plan

From the fiscal year ended June 20, 2025 to  
the fiscal year ending June 20, 2027

August 1, 2024 KING JIM CO., LTD.

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## Summary

**What we need is a growth strategy with a big vision,  
and not simply to carry on with business as usual**

### **Failed to achieve the targets of the 10th Medium-Term Management Plan**

As sales of our main products declined, price revisions aimed at boosting profitability failed to secure sufficient profits

Due to paperless movement,  
**the demand for files is plummeting**

Dependent on strong demand for file title creation,  
**TEPRA sales show little growth**

Rapid evolution of  
technology

Widespread  
awareness of  
sustainability

Decline in the  
working-age  
population

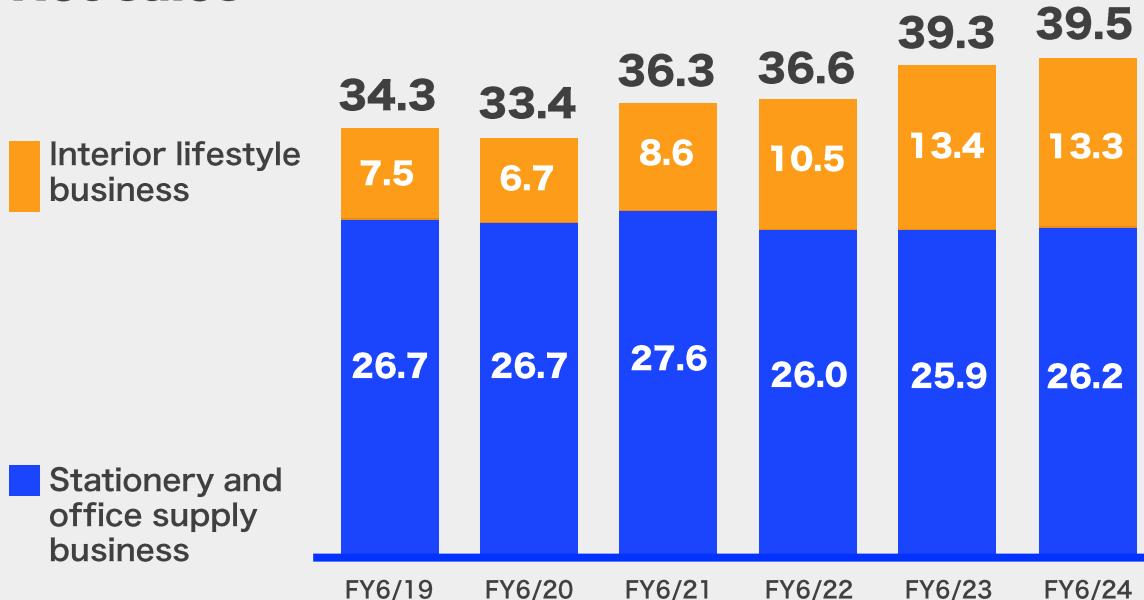
Shrinking domestic  
market for stationery  
and office supplies

## Looking Back on the 10th Medium-Term Management Plan

# At ¥39.5 billion, FY6/24 net sales failed to reach initial targets (82.4% of the target)

- File sales slumped due to the promotion of paperless operations and digital transformation (DX)
- Dependent on robust demand for file title creation, sales of TEPRA were similarly sluggish
- With demand from people staying at home during the COVID-19 pandemic tapering off, many of the Group companies have failed to reach targets

### Net sales



	Initial Targets	Results	Difference
Stationery and office supply business	30.5	25.0	-5.5
Interior lifestyle business	12.5	9.0	-3.5
M&A	5.0	5.5	+0.5
<b>Total</b>	<b>48.0</b>	<b>39.5</b>	<b>-8.5</b>

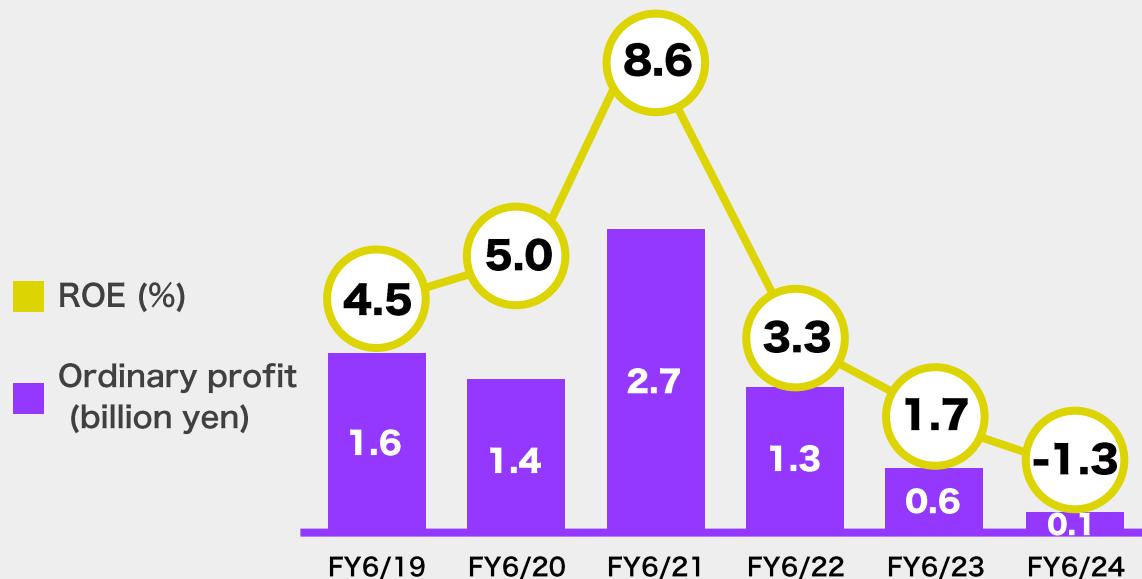
\*For FY6/24, M&A net sales have been included in the net sales for the interior lifestyle business and the stationery and office supply business.

## Looking Back on the 10th Medium-Term Management Plan

**At ¥0.13 billion, ordinary profit missed its FY6/24 target by a wide margin  
(3.8% of the target); ROE -1.3%**

- Missed the target by a wide margin due to the depreciation of the yen and soaring costs for raw materials and logistics
- Although prices were revised to improve profitability, profit targets were not achieved

### Ordinary profit and ROE



	Initial Targets	Results	Difference
Ordinary profit	3.4 billion yen	0.13 billion yen	-3.2 billion yen
ROE	9.0 %	-1.3 %	-10.3 points



**Developing Original products  
and Creating a new culture  
to contribute to society**

## Management Philosophy

1927



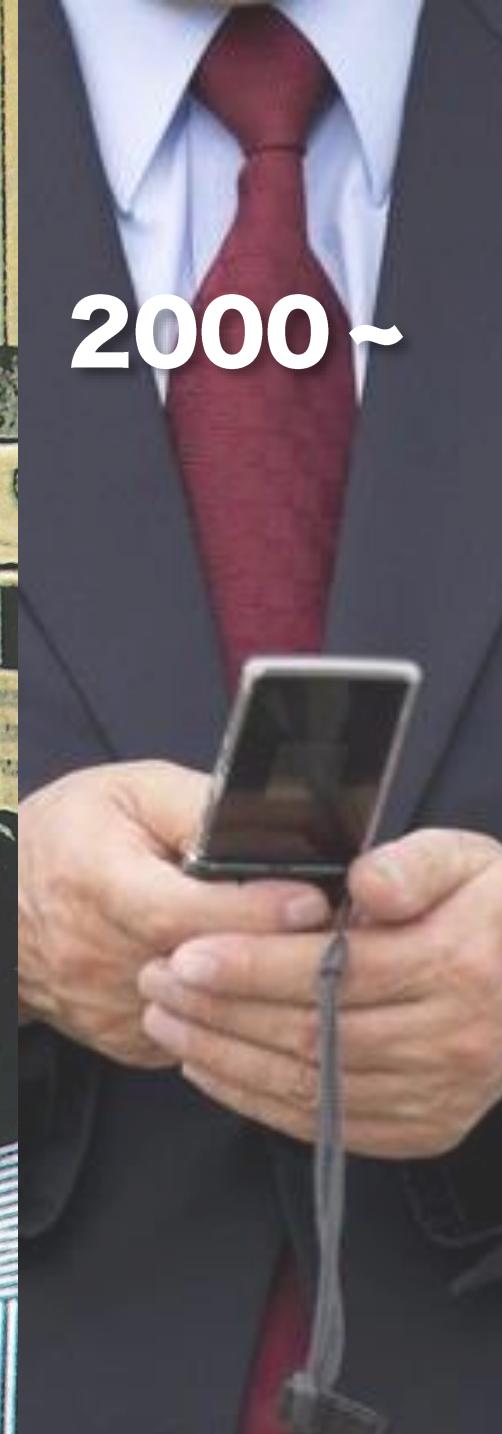
1960~



1980~



2000~



2020~



# Management Philosophy

KING JIM: Continuously changing and innovating to adapt to the times



1964

PROJECT KX2027



1988



2008



2016



2019

# We need **bold reforms** to adapt to a changing society

## The domestic market

Shrinking working-age population due to the declining birthrate and aging population

## Changing ways of working

Flexible working environments and streamlined operations

## The domestic stationery and office supply market

Promotion of paperless operations due to accelerating DX

## Sustainability

Solving social issues, ESG management

# Taking the wave of social change as an opportunity to move toward new growth

## Customer-driven



Connect to customers with technology

## Into “neighboring areas”



Accelerate entry into markets in areas we know

## A global marketplace



Rebuild overseas market expansion

# Fundamental Policies and Strategy of the 11th Medium-Term Management Plan

## Deploy our three **fundamental policies** and advance to the next stage

### Fundamental Policies

Expansion into the service business

Leverage design and digital technology to develop our services

Expansion of the lifestyle field

Strengthen Group synergies and each Group company's growth strategy

Strengthening of overseas business

Develop market-oriented products and significantly expand sales

### Resources

Overseas factories

Communication with our fans

Human capital

Sustainability

### Strengthening Our Existing Businesses

Strengthening our existing businesses  
Sales strategy, development areas, design

# **Strengthening Our Existing Businesses**

- **Sales strategy**
- **Development areas**
- **Design**

# Stationery and office supply business



TEPRA



Digital stationery



Office and living environment products



Stationery



Bags and storage products



Style stationery

## Sales strategy

# Sales channels to match the unique properties of customers and products

NEW

next  
stage

### Creating demand chain

Establish a new department with the two functions of sales and development  
Develop sales channels and market-oriented products in parallel to offer new value

#### E-commerce and mail-order channels

Leverage the office mail order framework and offer products through catalogs and the e-commerce site

#### Mass retail channel

Offer products through the physical stores and e-commerce sites of sales partners with large numbers of stores nationwide

#### Stationery and office supply channel

Offer stationery and office supply products from the wholesaler through distributors, stationery shops, and e-commerce sites

TEPRA

Digital  
stationery

Office and living  
environment products

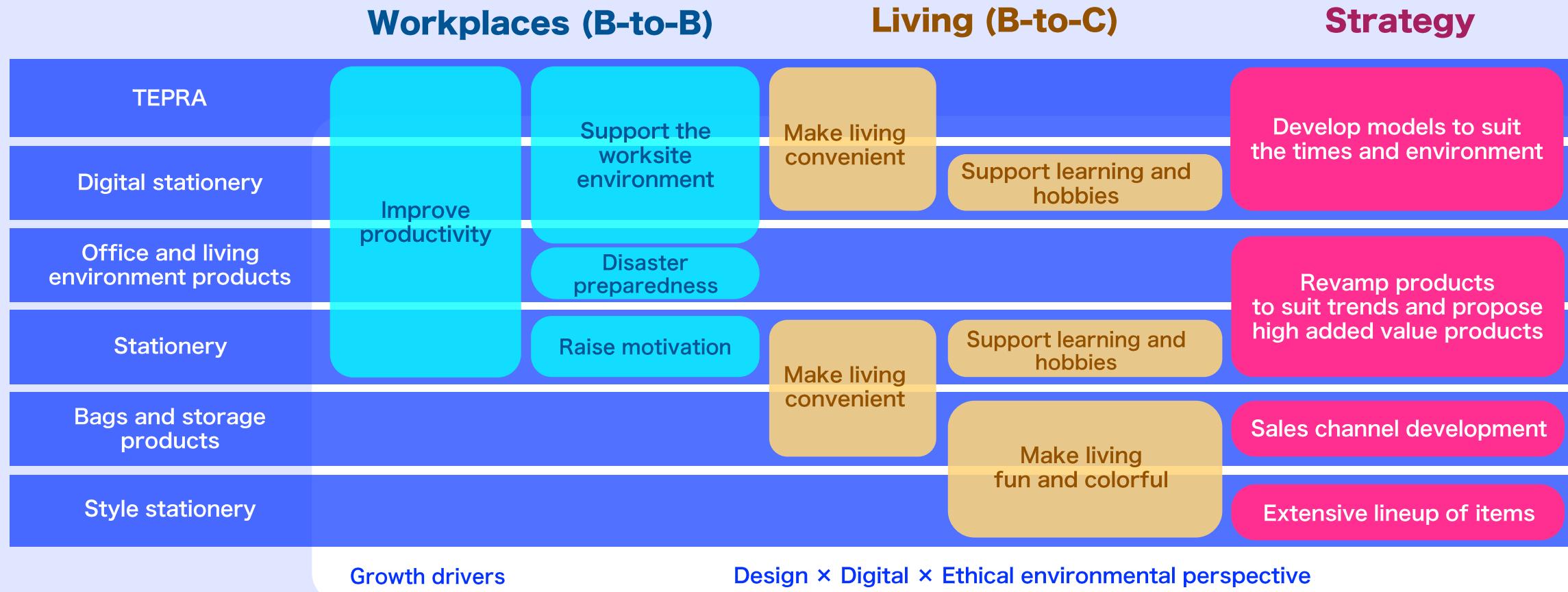
Stationery

Bags and storage  
products

Style stationery

## Development areas

# Meet the needs of workplaces and living in response to social changes



## Design

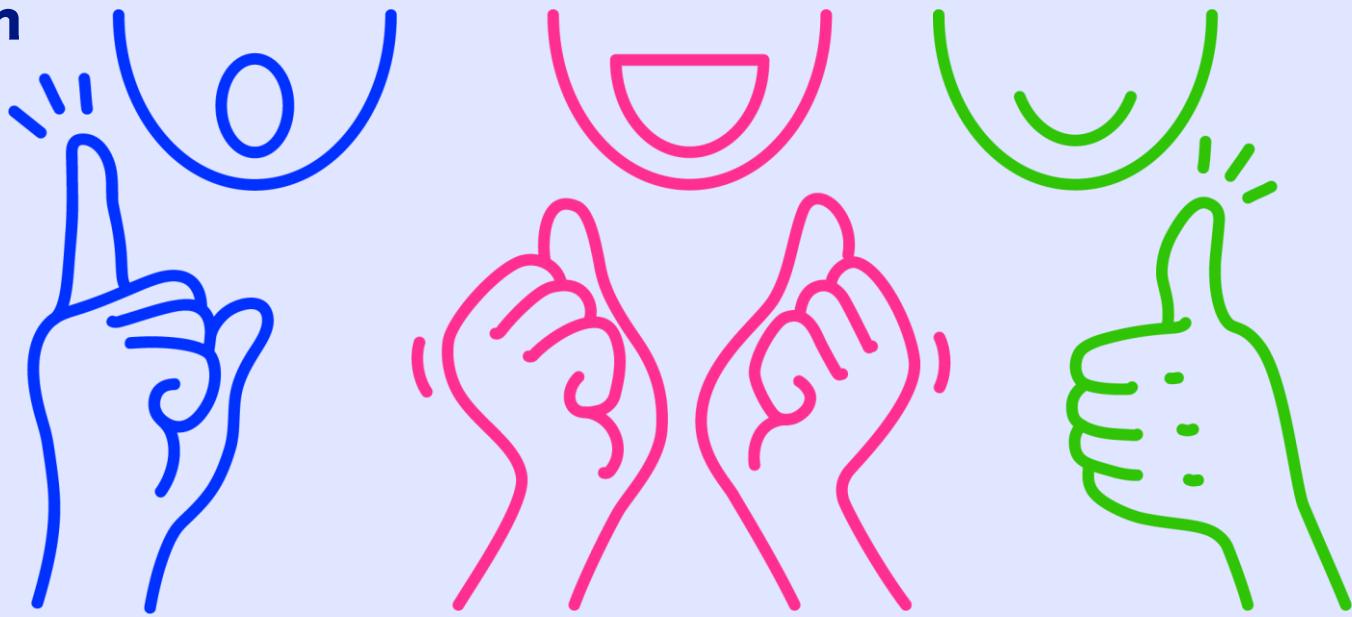
# Ideas and design that create fans

## Enhancing corporate value with design

Improve brand engagement internally and externally by designing the entire lineup of products and services with a consistent philosophy based on three guiding principles that demonstrate what “KING JIM-ness” is all about.

## Functional beauty + Emotional value

Respond to diversifying user needs and products while respecting the emotional value of shared impressions and values and establishing a KING JIM style that is appropriate for the times.



Innovative / Original  
Design

Emotional / Inspiring  
Design

Intuitive / Bold  
Design

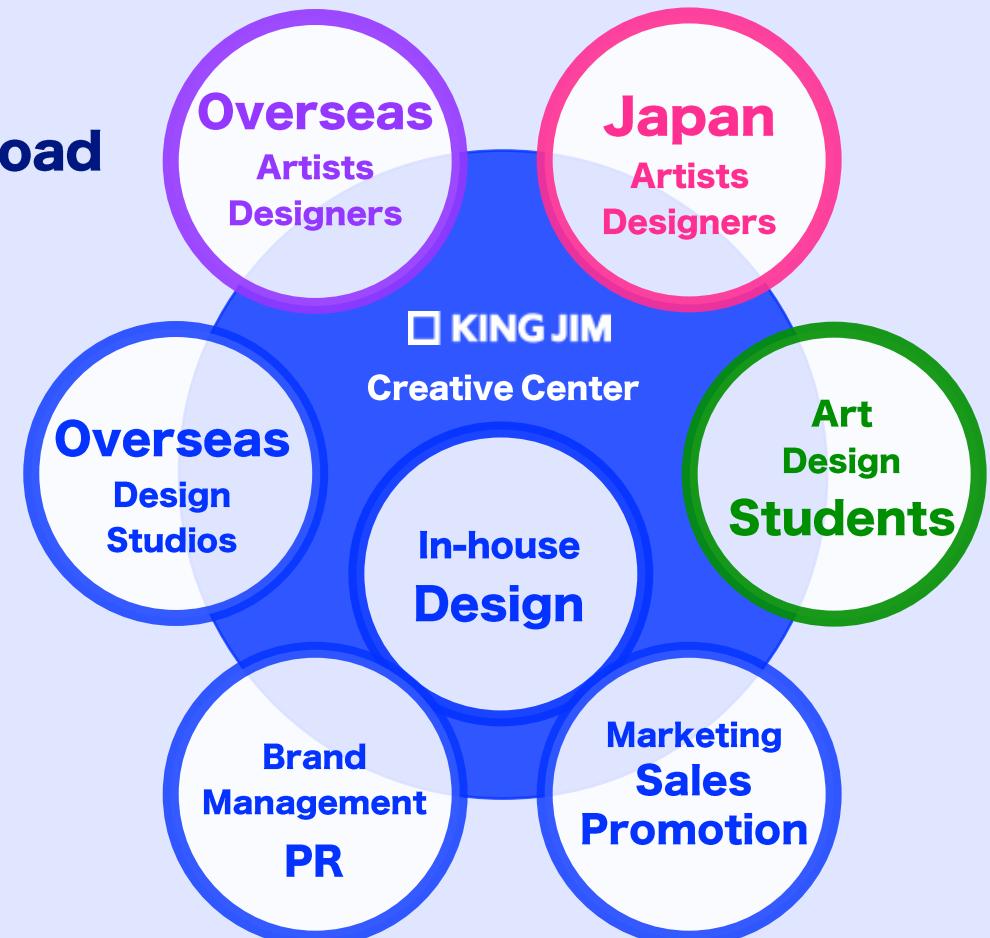
## Design

# Design and brand committee concept

**Involve artists and designers from Japan and abroad  
to comprehensively produce KING JIM design**

KING JIM design seeks to develop a design platform that not only relies on in-house designs but also involves creators in Japan and overseas, working in collaboration with PR and sales promotion departments.

Eventually, we will comprehensively produce creation and communication for the KING JIM Group, including overseas bases and affiliated companies.



# Fundamental Policies

- **Expansion into the service business**
- **Expansion of the lifestyle field**
- **Strengthening of overseas business**

## Expansion into the service business

New services that leverage  
design × digital technology

### Build a digital design platform

From the KING JIM known for TEPRA to the KING JIM known for visual communications

Launch a business linking customers' need to display to business

Build a platform that enables a wide range of creators to participate in  
providing services.

### Leverage AI in services

Proactively incorporate AI technology into services

Analyze customer needs for displays and create new value.



## Expansion of the lifestyle field

# Enhancing the growth and synergies of Group companies

### Cultivating “neighboring areas” that we know

Further expand the lifestyle products business  
Expand the genre through M&A.

### Each Group company’s growth strategy

Expand sales channels for corporate  
clients and direct-selling routes to consumers.



\*As of FY6/25, the interior lifestyle business has changed its name to the lifestyle products business

## Expansion of the lifestyle field

# Establish a Group Management Committee

To enable Group companies to aim for growth while balancing centrifugal and centripetal forces

Increase Group synergies within the lifestyle field and expand both sales and profits

Group company presidents and key personnel gather regularly for debriefings and training sessions to share internal and external knowledge on best practices, strengths, and challenges.

Promote joint ventures and projects when necessary.



## Strengthening of overseas business

### Develop market-oriented products for overseas markets

#### Create an end-to-end model for customers, products, channels, and production

Designate **China**, where we have a base, and **the ASEAN countries** centered on Vietnam, as our most important region

Build a structure to respond to customer needs, carry out **planning and design locally**, and deploy products localized for their respective regions.

#### Expand the ratio of overseas sales from 4% today to 10% by FY6/27

\*The basis for the composition ratio is the consolidated net sales for the fiscal year ended June 20, 2024.

#### Considering strategic M&A to enhance overseas sales channels

# Resources

- Utilizing overseas factories
- Developing communication with our fans
- Human capital management
- Sustainability

## Utilizing overseas factories

# Becoming file & lifestyle products factories

Promoting the production not only of files, but also of products in new categories, while taking advantage of the unique strengths of each production factory

**Collaborate with Group companies to formulate development plans that match prevailing trends**

**Search for new sales partners**

**KING JIM (VIETNAM) CO., LTD.** (factory in Vietnam)

Develop and produce **kitchen sundries** in collaboration with the Group company LADONNA, which has strengths in lifestyle products.

**P.T. KING JIM INDONESIA** (factory in Indonesia)

Produce **wooden knockdown furniture** in collaboration with the Group company BON FURNITURE, which has strengths in online furniture sales.



## Developing communication with our fans

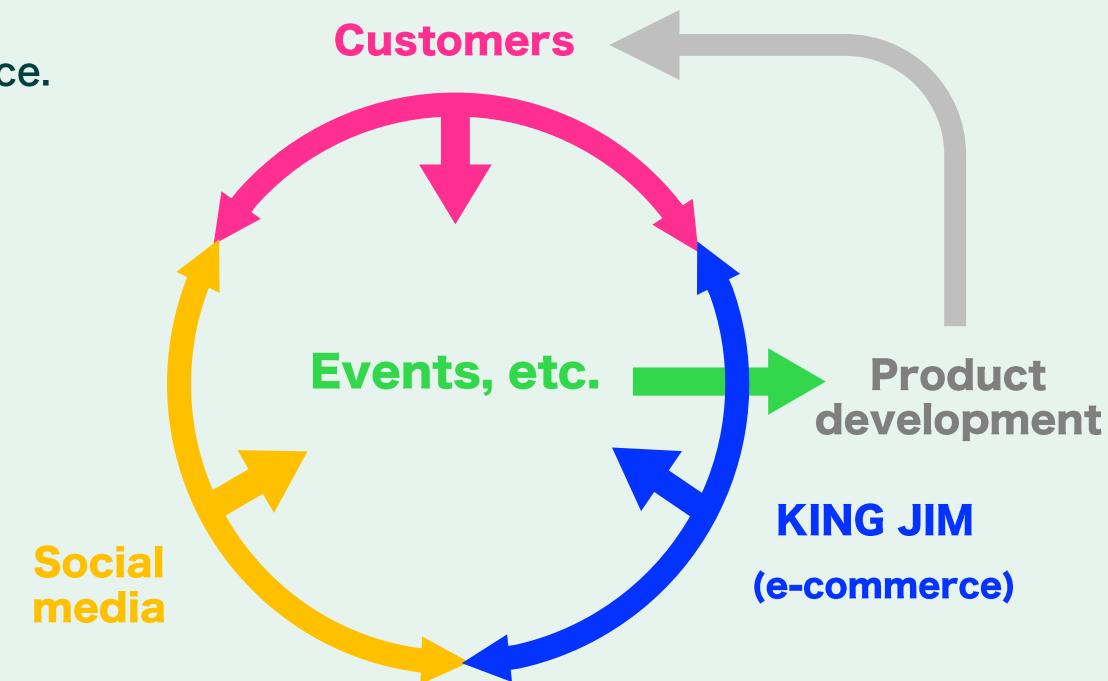
# Customer engagement that creates new value

Promote customer-centered branding and product creation by combining our strengths in social media and e-commerce

### Develop needs analysis and fan marketing

- Mutual linkages between customers, social media and e-commerce.
- Conduct test marketing by introducing original products, etc.
- Directly incorporate customer feedback through events, etc.
- Use the results obtained in product development and return them to existing businesses.

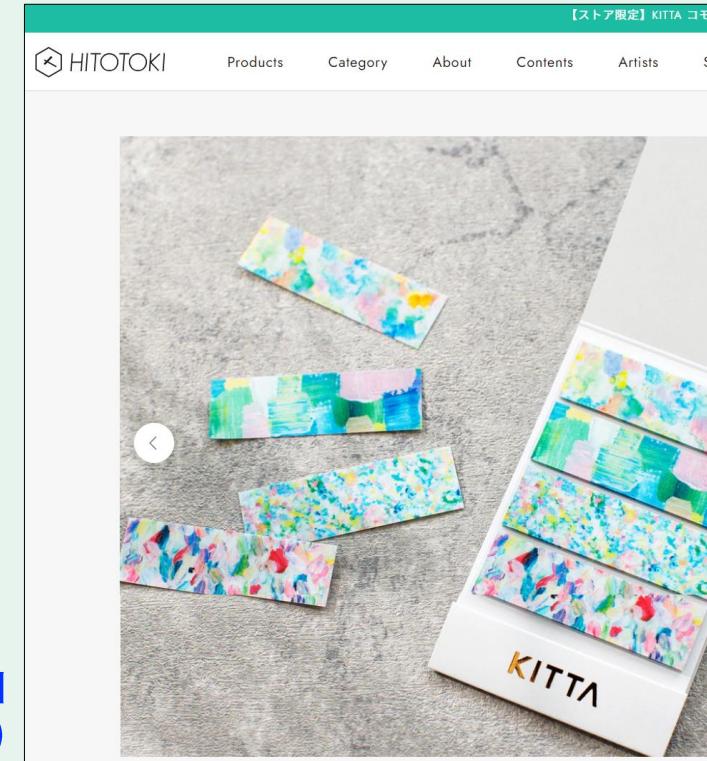
### Create new value by circulating the activities



## Developing communication with our fans

# Customer engagement that creates new value

Case studies using social media and e-commerce

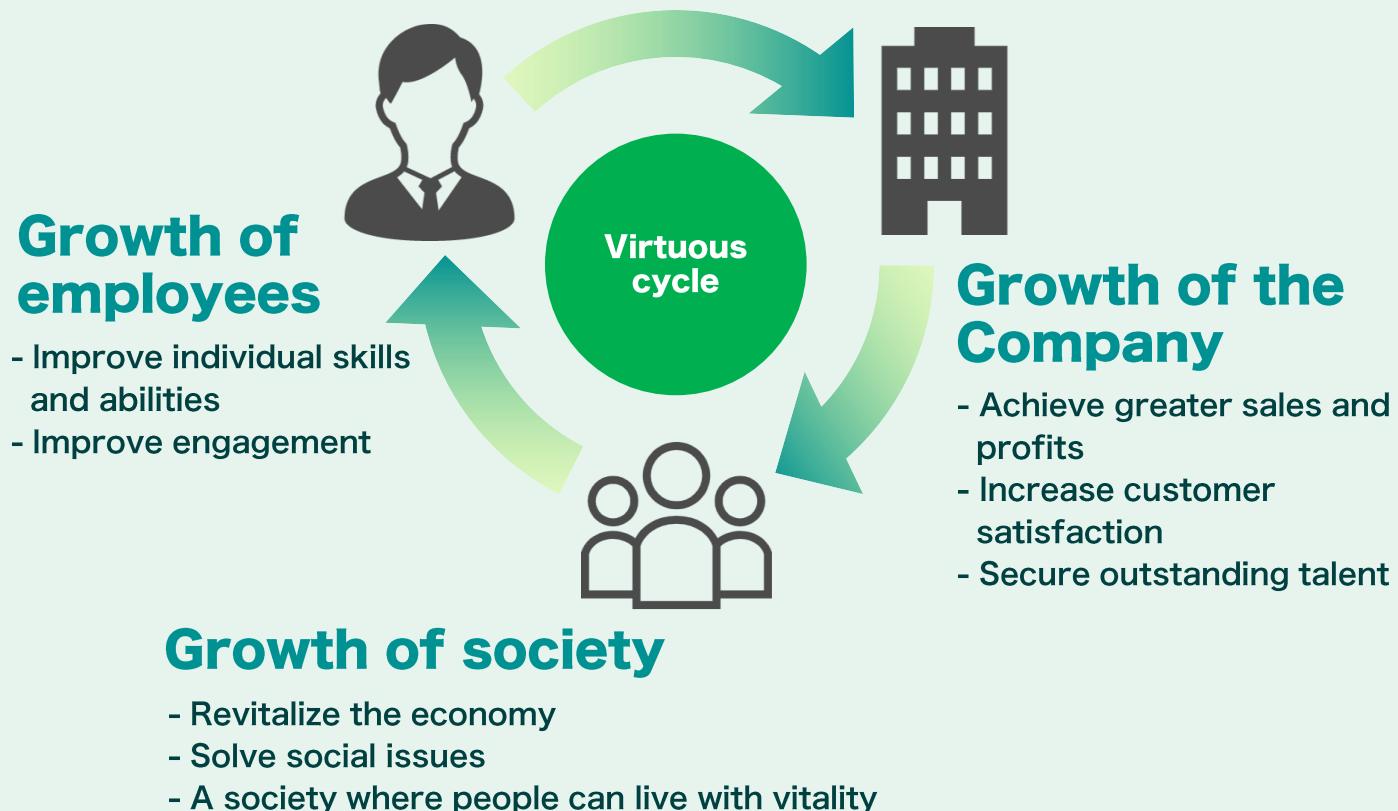


## Human capital management

**An organization in which KING JIM and its employees can grow together and keep taking on challenges**

We aspire to become a company where each and every employee can take pride and satisfaction in their work and fully demonstrate their abilities

- Expand investments in human capital
- Develop training scheme
- Review HR system
- Promote DE&I
- Introduce new profit sharing schemes



## Sustainability

# Work with society for sustainable development

Initiatives to solve materiality (priority issues)

Materiality	Initiative
<b>Social contribution via the development of original products</b> 	<b>Providing environmentally friendly and energy-saving products and services</b> <b>Using substitute materials to reduce the use of plastics</b>
<b>Environmental consideration</b> 	<b>Responding to climate change, recycling resources, promoting ethical consumption</b>
<b>Promotion of diverse human resource</b> 	<b>Building an environment that encourages innovation</b> <b>Promoting initiatives that respect the human rights of all people involved with our business activities</b>
<b>Enhancement of governance</b> 	<b>Practicing full compliance</b> <b>Reinforcing the risk management system</b>

# **Allocation of Management Resources**

## **Active Investment to Achieve the 11th Medium-Term Management Plan**

### **Investment**

#### **Expanding strategic investments in growth fields**

- Expand business domains, overseas areas and sales channels through aggressive M&A: ¥3.5 billion
- Invest in the development of new products and production facilities: ¥2.0 billion
- Launch and promote new service businesses: ¥1.0 billion
- Human resource investments in growth fields such as businesses overseas or at subsidiaries, as well as for DX promotion
- Investments in human resource development

#### **DX investments to improve efficiency**

- Renewal of all internal systems ¥1.2 billion

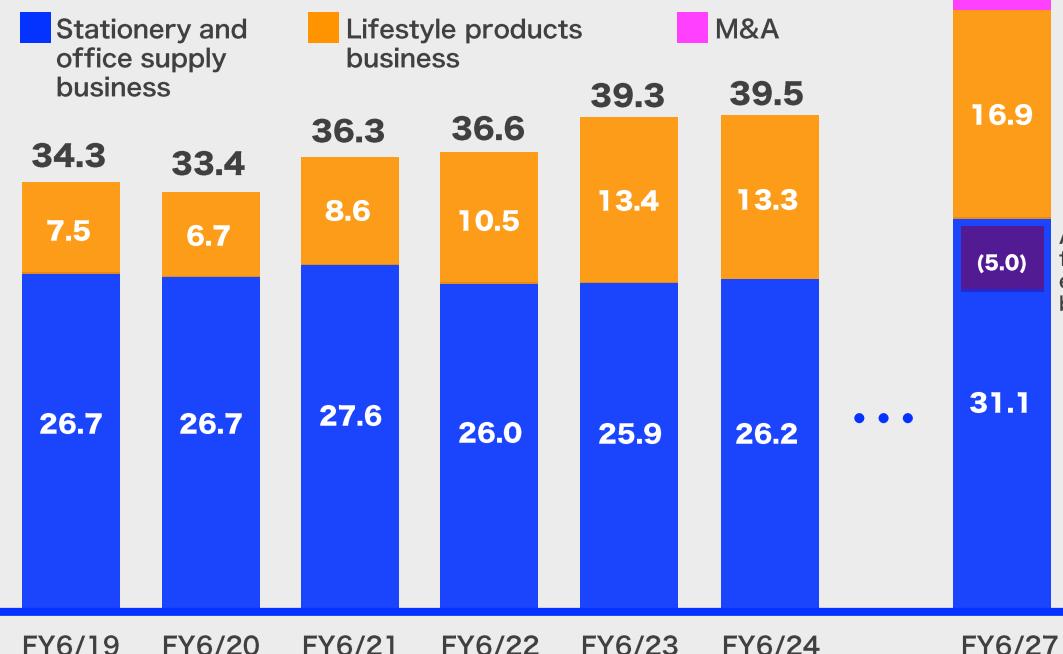
### **Shareholder returns**

#### **Enhance corporate value and maintain 40% dividend payout ratio**

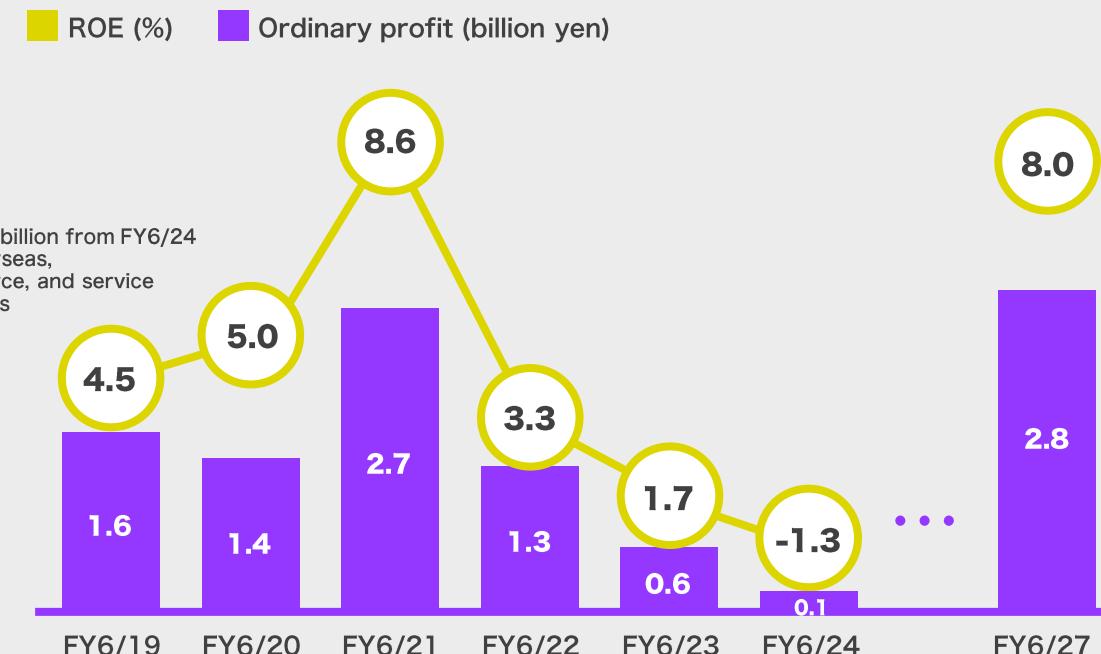
# Management Targets for the Fiscal Year Ending June 20, 2027

**Net sales** **¥52.0 billion**    **Ordinary profit** **¥2.8 billion**    **Ordinary profit margin** **5.4%**    **ROE** **8.0%**

## Net sales (Unit: Billion yen)



## Ordinary profit and ROE



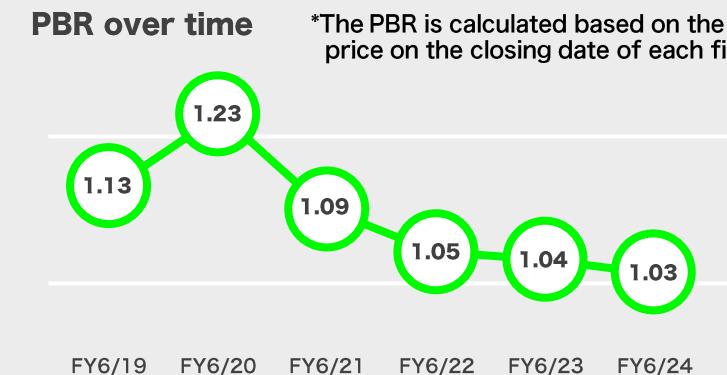
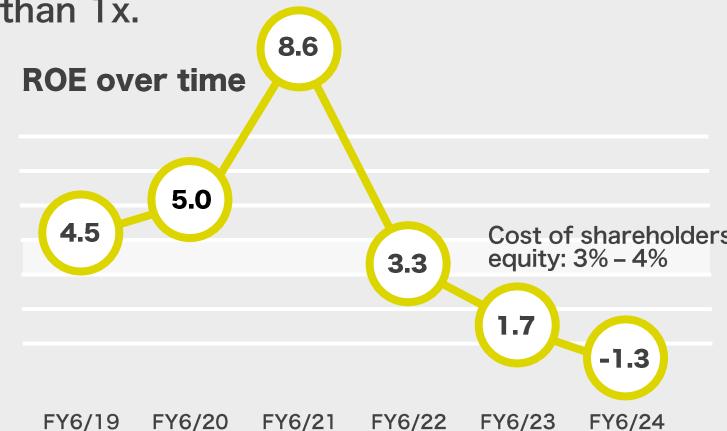
\*As of FY6/25, the interior lifestyle business has changed its name to the lifestyle products business.

\*The Company's consolidated subsidiary WINCESS CORPORATION, which had hitherto been included within the stationery and office supply business, has changed its category and now is included within the lifestyle products business.

# Action to Implement Management that is Conscious of Cost of Capital and Stock Price

## Analysis and issues

- Assuming a cost of shareholders' equity of 3% – 4%.
- ROE set a record high of over 8% in the fiscal year ended June 20, 2021, but in the last two fiscal years it has failed to surpass the cost of shareholders' equity. The decline of profitability is thus an issue.
- Efforts are underway to improve profitability through price revisions, but the paperless movement has depressed demand, and the yen has depreciated more than anticipated.
- The PBR is higher than 1x.



## Initiative policies

### 1. Improving profitability by implementing the 11th Medium-Term Management Plan

Strengthen our existing businesses while carrying out the three fundamental policies of “expansion into the service business,” “expansion of the lifestyle field,” and “strengthening of overseas business,” with a target ROE of 8% for the fiscal year ending June 20, 2027

### 2. Strategic investment

Invest in growth fields (new products, new service business, M&A, human resources, etc.) and invest to improve productivity

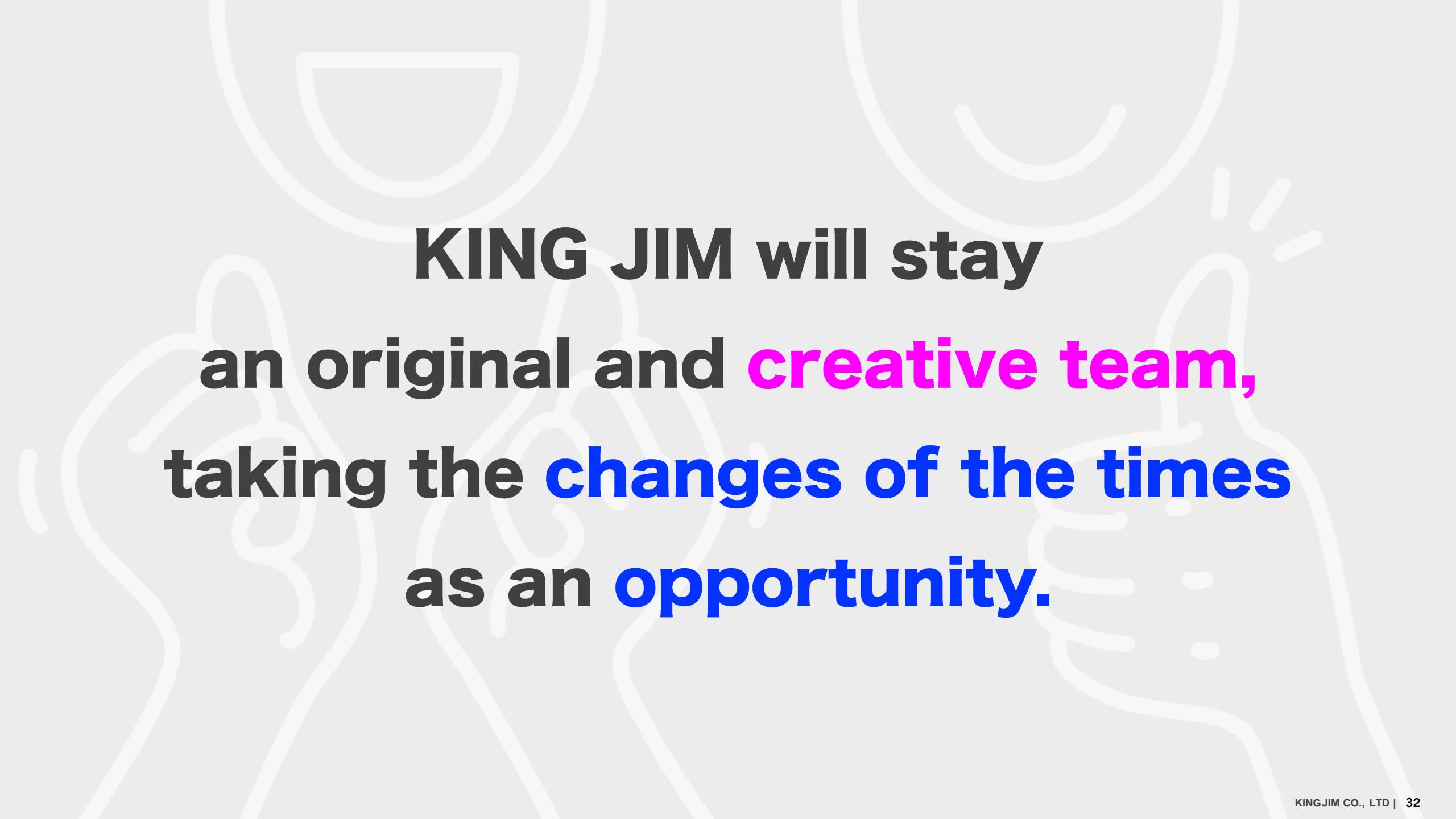
### 3. Shareholder returns and IR promotion

Aim for stable dividends with a standard dividend payout ratio of 40%, and enhance the content of the IR website and materials

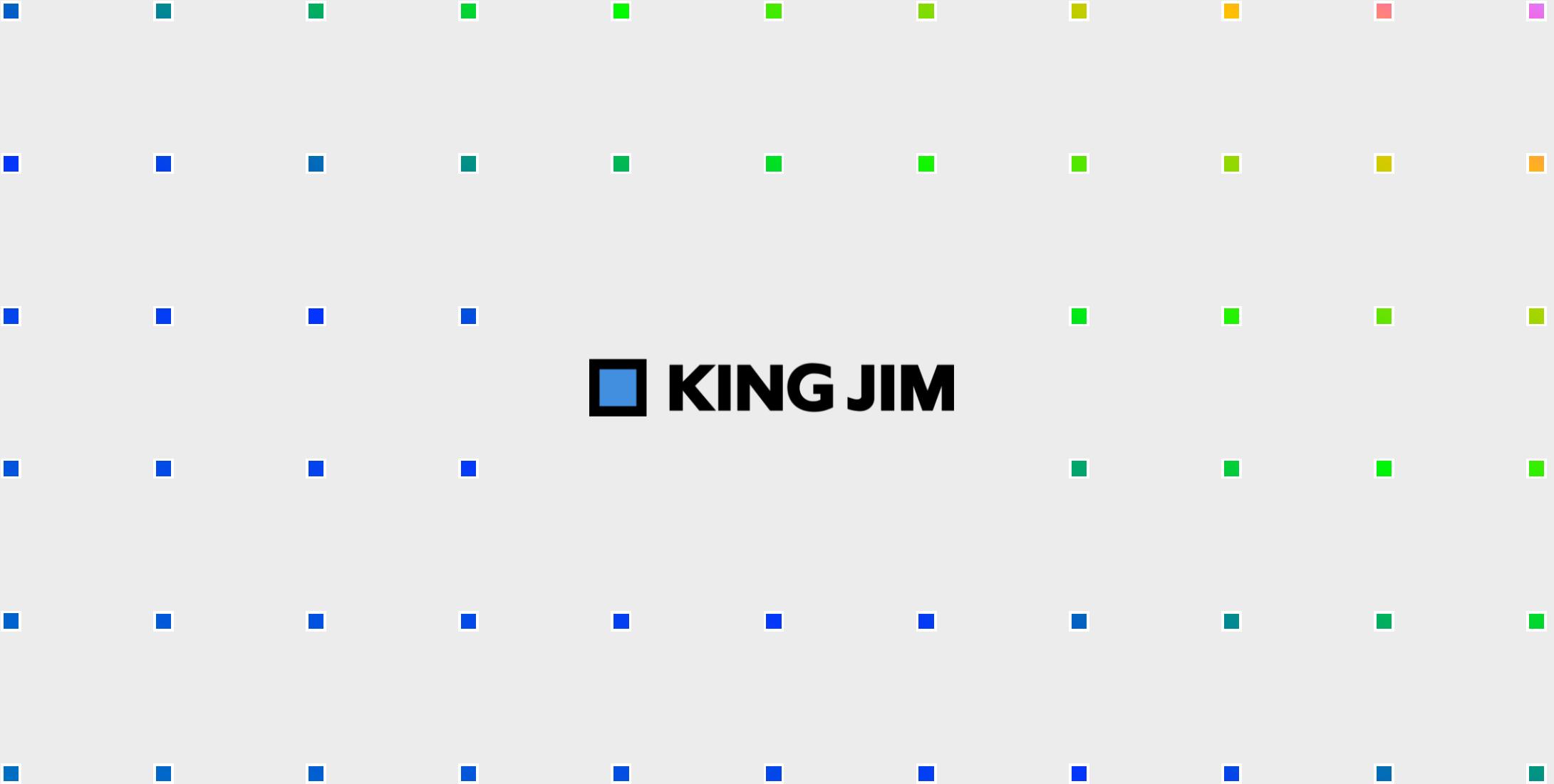
## Measures

# Roadmap

	1st stage	2nd stage		
Fundamental Policies	Expansion into the service business Expansion of the lifestyle field Strengthening of overseas business	Plan new businesses that utilize the digital design platform Establish a Group Management Committee Expand sales channels for corporate clients and direct-selling routes to consumers Focus efforts in China and the ASEAN countries Develop local planning and design structures	Launch new businesses Strategic M&A Strategic M&A	Expand new businesses Evolve into visual communication Expand sales in the lifestyles field Expand in areas outside China and the ASEAN countries
Resources	Overseas factories Communication with our fans Human capital Sustainability	Develop and produce products in new fields Cultivate new sales partners Link social media and e-commerce Customer-centered branding and product creation Expand investments in human capital Develop training scheme and HR system Promote DE&I	Expand production items Become file & lifestyle products factories Expand e-commerce businesses Return to existing businesses Introduce new profit sharing	Become file & lifestyle products factories Return to existing businesses Achieve growth of employees, companies and society Develop sustainably together with society
Strengthening Our Existing Businesses	Strengthening our existing businesses	Offer new value through demand creation and the optimization of sales channels Introduce new products through Design × Digital × Ethical environmental perspective Establish design and brand committee	Product development to match the changing times	Develop existing businesses
	2025	2026	2027	2028 -



**KING JIM will stay  
an original and creative team,  
taking the changes of the times  
as an opportunity.**



\*The contents and product photos are up to date as of the time of publication. Please note that the information may differ from the latest information (e.g., due to sales discontinuation, specification changes, etc.).