



 **KING JIM**

Integrated Report **2022**



Integrated Report 2022

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### Editorial Policy

This integrated report is published with the purpose of helping our shareholders, investors, and all other stakeholders of KING JIM CO., LTD. (the Company) to understand our initiatives to create value with a focus on the 10th Medium-Term Management Plan, as well as our activities for solving ESG challenges through our business. In the process of editing this report, we referred to, among other standards and guidelines, the "Guidance for Collaborative Value Creation" published by the Ministry of Economy, Trade and Industry (METI), and the "International Integrated Reporting Framework" published by the International Integrated Reporting Council (IIRC).



**Organizations Covered in the Report:** KING JIM CO., LTD. and its consolidated subsidiaries  
**Reporting Period:** Fiscal Year Ended June 20, 2022 (June 21, 2021 to June 20, 2022)

\* Some contents before and after the above period are also included.

### Disclaimer

The earnings forecasts and other forward-looking statements herein are based on information currently available to the Company and certain assumptions deemed reasonable as of the date of publication of this document, and are not intended as a guarantee by the Company that they will be achieved. Actual results may differ significantly from these forecasts due to a wide range of factors.



### Management Philosophy

## DEVELOPING ORIGINAL PRODUCTS AND CREATING A NEW CULTURE TO CONTRIBUTE TO SOCIETY

### Guidelines for Action

## Locate Markets, Rethink Customs and Find New Ways of Thinking

### Regarding Our Customers:

Our products and our services must fully satisfy our customers. We must develop new products through creative planning to open new markets. Product quality must be maintained consistent with the standards demanded by our customers and pricing must be appropriate.

### Regarding Our Employees:

A working environment must be maintained in which the capabilities of our employees are brought to life, abilities are developed while respecting the individuality of the employee, and proposals and ideas can be freely and frankly expressed. Treatment of our employees must be fair and appropriate, and must correspond to their skills and achievements.

### Regarding Our Shareholders:

Information must be disclosed in a positive fashion so that we may always gain the trust and understanding of our shareholders.

We must strive to expand the value of our company and return profits to our shareholders.

We must strengthen corporate governance and operate under management that demonstrates a high degree of fairness and transparency.

### Regarding Society:

Our products must be such that they can contribute to the advancement of culture. We must further develop our internal compliancesystem, and maintain our consciousness and morality as a member of society. Through our products and corporate activities, we must always strive to protect the environment and our resources.

We “KING JIM” will be enhancing your work and personal life, and focusing on the originality.



**Akira Miyamoto**

President & CEO

### “Surprise, Comfort, Work and Life”

KING JIM was founded in 1927 in the Higashi-Kanda district of Tokyo. The founder, Eitaro Miyamoto was a local inventor who liked to create things that are helpful to people. He invented a product called *Jinmeibo* (name directory) that cuts out the name and address portions of postcards, and organizes them as an address book. The idea of “developing products that have never before existed” has been part of KING JIM’s DNA since the time of its founding, all the way to the present day.

Following *Jinmeibo*, we expanded our product lineup to include stationery and office supplies such as notebooks, binders, and files. In 1961, the company name was changed from MEIKANDO CO., LTD. to KING JIM CO., LTD. In 1964, we launched our hit product KING FILE, which is still used in many offices to this day, and our sales grew steadily.

In the 1980s, office automation progressed in Japan, and society as a whole began to call for paperless operations. As a result, a sense of urgency began to emerge within the company. With the aim of creating a business that can respond to the new era, we launched an electronic product development project, known within the Company as the “E Project.” When the E Project team was developing electronic products for the first time, they wondered if it would be possible to make electronic stationery using their know-how regarding filing. They came up with the idea of “doing something to write titles on the spines of files,” and settled on the concept of making a product that can easily print text on a tape-like object. This led to a series of trial and error for the project members, who had never before worked on the development of an electronic product. However, they managed to overcome the myriad challenges that arose, in collaboration with another company that joined in the development of the product, and in 1988 we launched the label printer, TEPRAs. Like KING FILE, TEPRAs are still used by many people, and has grown into a core business that supports the Company.

The next major turning point for our company was the 2008 launch of the digital memo, POMERAs. POMERAs are an electronic device that is dedicated to text input. In an era when everyone has their own personal computer, there were debates at development meetings regarding whether a product that only allows text input would be in demand. Just when the mood seemed to indicate that the plan would be rejected, one person in attendance praised the idea, saying that POMERAs were just the product he had been waiting for. This person traveled a lot and had to write things down frequently. So, rather than a

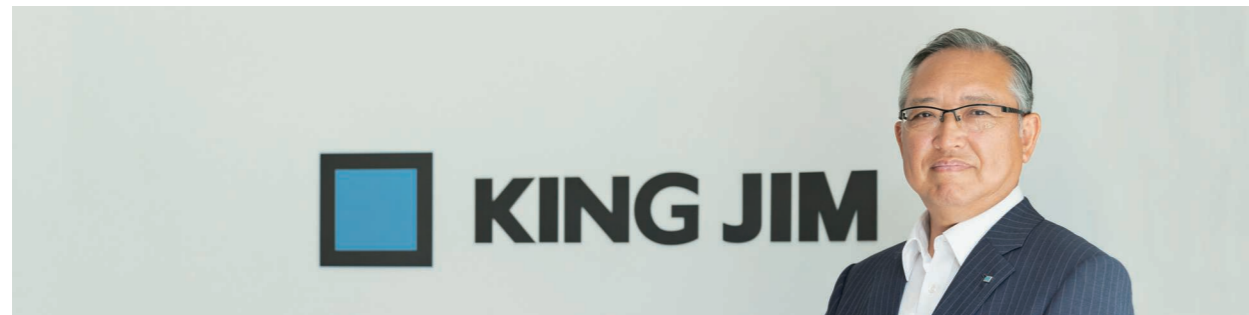
PC that had many functions, and was capable of connecting to the Internet and playing music, what he really wanted was a device that was specialized for text input, and which was light enough to carry and could be activated immediately when he needed to input text. POMERAs were successfully commercialized specifically because there was one such person who enthusiastically supported the idea. Immediately after the product was launched, it garnered a strong response on the Internet due to its focus on a single feature, and became widely known as a product in a new genre that had never previously existed. Many fans have been using this product for a long time since then, and it has been upgraded repeatedly, with the latest model launched in July 2022.

Looking back on the history of our company, we have definitely continued to embody our management philosophy of “DEVELOPING ORIGINAL PRODUCTS AND CREATING A NEW CULTURE TO CONTRIBUTE TO SOCIETY.” Our philosophy has taken root in all of our employees, and serves as the starting point for all of their actions. We will continue to pursue the KING JIM style under our management philosophy.

In July 2021, we established the corporate message, “Surprise, Comfort, Work and Life.” Our main business was originally making stationery and office supplies used in “work” settings, such as KING FILE and TEPRAs. However, the proportion of Group sales occupied by the interior lifestyle business developed by our Group companies is increasing, and our business domain is expanding. This represents our desire to provide more comfort than ever in “life” settings. The “surprise” part of our corporate message is the KING JIM style. We will continue to actively develop products that do not yet exist, and products that are based on brand new ideas.

### Fiscal Year Ended June 20, 2022: A Year of Great Adversity

The consolidated financial results for the fiscal year ended June 20, 2022 showed an increase in sales, but a decrease in profit. While there was a gradual return to normal from the contraction of economic activity caused by COVID-19, sales of the stationery and office supply business decreased due to shrinking demand for files caused by an accelerating shift to paperless operations. In our interior lifestyle business, there was a downward rebound from our especially strong performance in the fiscal year ended June 20, 2021, mainly due to stay-at-home demand during the COVID-19 pandemic. However, sales of the new Group member, Life on Products, Inc. contributed to an increase in sales. As a result, while the Group as a whole secured increased



sales, profits decreased due to major changes in the business environment.

The most critical factor behind the decrease in profits was a sharp rise in costs due to the precipitous depreciation of the yen combined with soaring raw materials prices. Because the ratio of the Group's purchases from overseas to its overall purchases is larger than the ratio of the Group's overseas sales to its overall sales, the structure of our business makes it such that our profits decrease when the yen is weak. It has become difficult to maintain prices through our own efforts alone, so we have revised the prices of some of our products.

In addition, TEPRAs have remained out of stock for a long time due to the semiconductor shortage. We are seeking countermeasures for this problem, such as making design changes. However, it seems that it will take time to achieve a stable supply.

In Vietnam and Malaysia, where KING FILE is manufactured, lockdowns have been enforced due to the spread of COVID-19. Due to delays in production, we ran out of stock during a period of high demand, which seriously inconvenienced our customers. Currently, the production situation has recovered, and inventory has also recovered to an adequate level.

The interior lifestyle business suffered a backlash from the decline of stay-at-home demand, but is currently in an upward trend. In November 2021, we welcomed Life on Products, Inc. into the Group. This company handles interior products such as household appliances, everyday goods, and room fragrances, and has established a solid position for itself in the market. We believe that the joint development and procurement of products, among other measures, will contribute greatly to growth in the performance of the interior lifestyle business and to the future development of the Group.

### Growth as a Group toward 10th Medium-Term Management Plan and Beyond

In July 2021, we announced the 10th Medium-Term Management Plan (from the fiscal year ended June 20, 2022 to the fiscal year ending June 20, 2024). In the final year of the plan, we aim to achieve net sales of ¥48.0 billion, and an ordinary profit of ¥3.4 billion.

The world has changed dramatically since 2020, due to the spread of COVID-19. Remote work has become widespread, and paperless operations and digitalization are progressing rapidly. People are being required to pursue new lifestyles, and values in daily life are changing. On the other hand, because people are spending more time at home, new business opportunities are also emerging, such as stay-at-home demand and an expansion of the E-commerce market.

In our 10th Medium-Term Management Plan, we have stated two policies: focus on growth fields and further strengthen core businesses. Through these policies, we aim to break away from a profit structure that relies on files and expand our business domains.

Our strength lies in our flexible development system based on freedom of ideas, which we have cultivated since the time of our founding. The Group has grown by developing new products that provide "surprise" and "comfort." With society changing at an unprecedented speed, we will continue to focus on developing products that meet the needs of the world, by quickly ascertaining these changes. In particular, the fields of hygiene and health products, office and living environment products, and interior lifestyles are growth fields where demand continues to be strong. Therefore, the entire Group will promote the planning and development of new products, and an expansion of sales.

In order to further strengthen core businesses, we will work to stimulate demand by proposing new uses and functions for, and promoting awareness of TEPRAs and stationery. In addition, we will work on the mutual utilization of a wide

range of sales channels within the Group and sales growth in the E-commerce business, for which the market is expected to grow.

We will also actively consider M&As as a means of expanding our business domains. By adding new business partners to the Group, we will be able to expand the scope of our business, which will lead to a stronger management structure in an era of uncertainty regarding the future. We will promote Group management by mutually utilizing management resources for sales, development, and procurement and creating synergies with companies that we have welcomed into the Group.

Furthermore, we anticipate medium- to long-term challenges due to the declining population of Japan, as well as the rapid progress of IT. As such, we aim to develop the entire Group by leveraging the strengths of each Group company, in order to mutually complement their management resources. The Group views changes as opportunities, and has overcome a variety of obstacles thus far, by developing new products that offer "surprise" and "comfort." We will continue to work together as a Group to build a solid management base.

### Initiatives to Improve Sustainability

We believe that solving social issues is an important mission, as part of our corporate activities. As stated in our management philosophy of "DEVELOPING ORIGINAL PRODUCTS AND CREATING A NEW CULTURE TO CONTRIBUTE TO SOCIETY," we have contributed to society by providing new value through our products. Based on this philosophy, we will continue our activities to realize a sustainable society.

In September 2021, we appointed an executive in charge of sustainability, established a Sustainability Committee, and put a promotion system in place to implement initiatives to improve sustainability. After discussions in meetings of the Sustainability Committee and the management conference, in March 2022, the Board of Directors formulated the "Basic Sustainability Policy of the KING JIM Group" and identified materiality (priority issues). In addition, we are also undertaking various initiatives to improve the sustainability awareness of our executives and employees.

### Environment

For more than 20 years, we have been collecting used TEPRAs tape cartridges. Collected tape cartridges are reborn through the process of recycling and reuse.

We also have a wide lineup of environmentally friendly products, including KING FILE, which allows users to easily remove the cover and

binding parts. We will continue to develop products that use materials and technologies which have a small environmental impact.

### Society

In order to enhance our human capital, we are focusing on creating a better working environment. We introduced telework in order to prevent the spread of COVID-19, and this work style has now taken root in the Company. By combining telework with staggered working shifts, employees can choose their own work styles.

We are also promoting diversity, and aiming to create an environment where all employees can work comfortably, regardless of gender, age, and other characteristics. We are actively promoting the appointment of female managers, and while the ratio is still low, everyone is active in their respective workplaces. As of September 2022, 5 of 11 Directors (including External Directors) are women, and 4 of 5 External Directors are women.

As part of our communication with employees, we started holding "Tea with the President" in 2021. Due to the COVID-19 pandemic, we are holding this event online with employees who wish to participate. These are friendly meetings, where participants are welcome to discuss work as well as other topics.

### Governance

Our Board of Directors aims to create an open environment, where lively discussions are held, and added stimulation is provided by the candid opinions of External Directors, from a third-party perspective. In addition, we regularly evaluate the effectiveness of the Board of Directors, provide feedback on the results, and strive to improve the way in which the Board of Directors operates, as needed.

### To Our Shareholders and Investors

Our motto for product development is to be the "first penguin." The "first penguin" is the penguin that leaves the group and dives into the ocean first to hunt for fish. It is risky to be the first to dive into an ocean where there may be natural predators. However, the penguin that is brave enough to do so may also be the first to catch a large fish. We will continue to boldly take on challenges without fear of risk, with the aim of being a pioneer, just like the first penguin.

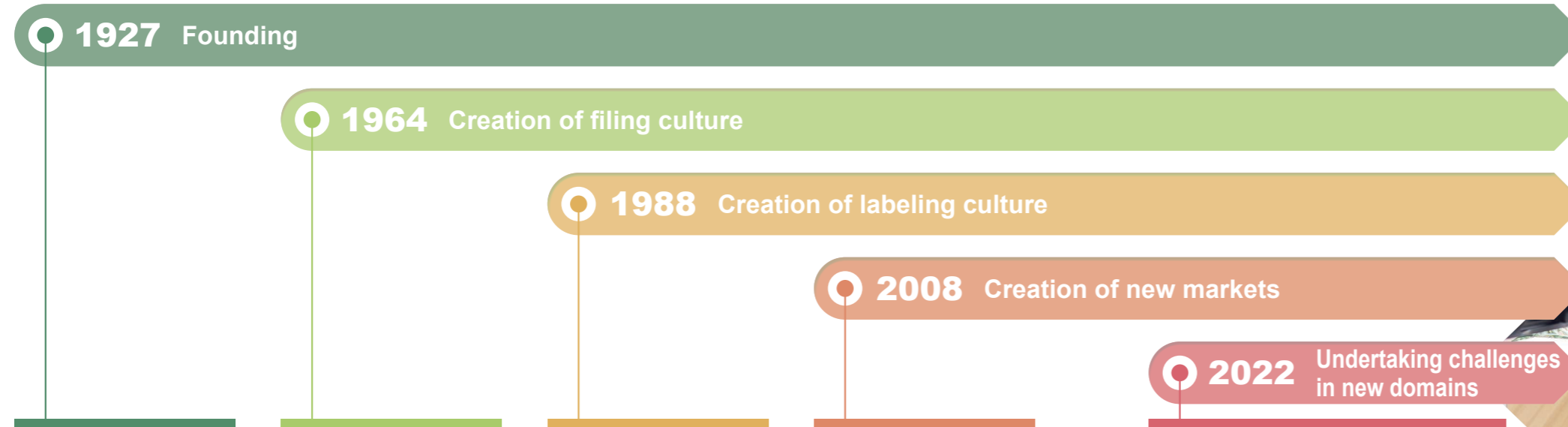
While valuing the "KING JIM style," the Group will strive to further improve our corporate value, so that we are able to meet the expectations of our shareholders, investors, customers, business partners, and other stakeholders of the Group.

Going forward, we humbly request your continued support.

# History of Value Creation

## Keep Pioneering the New Era

For 95 years since the founding of KING JIM in 1927, we have developed many products that respond to the changing times, based on our conviction that we should “make original items” and “not make mere imitations.” We will continue to propose new forms of value that go beyond stationery and office supplies, taking advantage of the experience we have accumulated over the course of our history.



**Jinmeibo**  
**The era before files**  
 Our founder Eitaro Miyamoto noticed that the address and name sections were nearly the same size on all postcards, so he developed the product *Jinmeibo* (name directory), which cuts out the address and name sections so they can be managed as a customer directory. This marked the beginning of the KING JIM spirit.



**KING FILE**  
**The era when documents were bound with string**  
 We developed the KING FILE, a product which is durable and stain-resistant, and created a culture of filing documents. Since this product was launched, it has been cherished by customers, and has become a fixture of workplaces.



**Label printer TEPPRA**  
**The era when offices were cluttered**  
 We developed the label printer TEPPRA in response to people saying they want to display the title of files on bookshelves neatly. It created a culture of labeling files and displaying information.

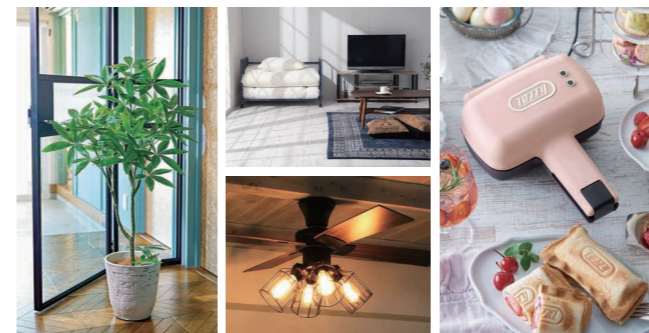


**Digital memo POMERA**  
**The era when people carried around heavy PCs**  
 One employee said that they did not want to carry a whole PC around just to type the minutes of meetings, so in response we developed the digital memo POMERA, which is specialized for text input. We created a new market with this concept for a new type of product.



**2022 Undertaking challenges in new domains**

With the aim of expanding our business domain, we have welcomed into the Group new companies that plan and develop lifestyle products into the Group. The Group is working together to undertake challenges in new domains beyond stationery and office supplies.



## 20XX- KING JIM's Future

We “KING JIM” will be enhancing your work and personal life, and focusing on the originality.

**Corporate Message**

“Surprise, Comfort, Work and Life”

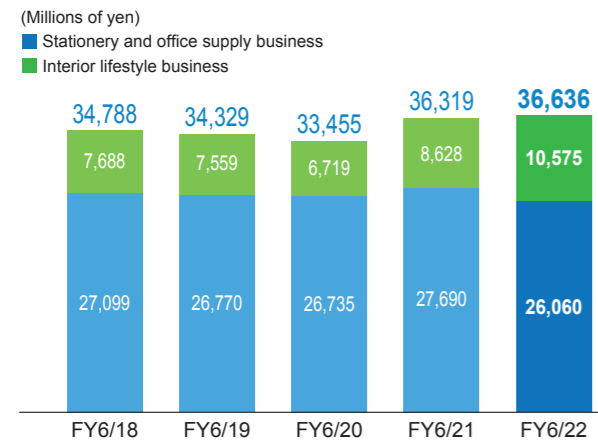
### Main companies that joined the Group through M&As

<p><b>2001</b>  <b>LADONNA CO., LTD.</b>                  Location                  Koto-ku, Tokyo                  Main business portfolio                  Planning and sale of interior decoration goods, kitchen goods, clocks</p>	<p><b>2008</b>  <b>ASCA CO., LTD.</b>                  Nagoya, Aichi                  Import, planning, and sale of artificial flowers and interior decoration goods</p>	<p><b>2014</b>  <b>BON FURNITURE CO., LTD.</b>                  Kainan, Wakayama                  E-commerce sale of furniture</p>	<p><b>2020</b>  <b>WINCESS CORPORATION</b>                  Takamatsu, Kagawa                  Manufacture and sale of work gloves, etc.</p>	<p><b>2021</b>  <b>Life on Products, Inc.</b>                  Osaka City, Osaka                  Planning and sale of home appliances, everyday goods, room fragrances, etc.</p>	<p><b>2022</b>  <b>HIM Co., Ltd.</b>                  Narashino, Chiba                  E-commerce sale of kitchenware and everyday goods</p>
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# KING JIM Highlights

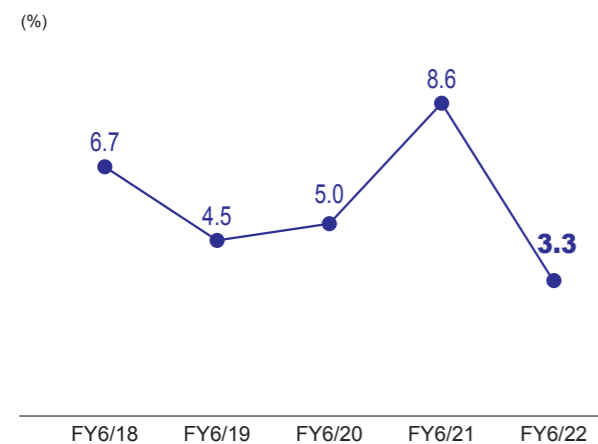
## Financial Highlights

### Net Sales



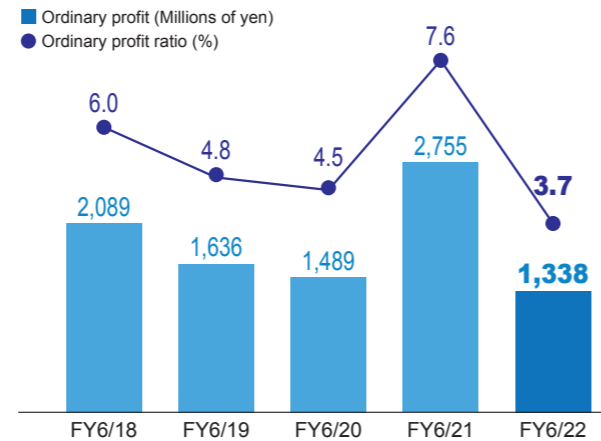
In our stationery and office supply business, net sales decreased by 5.9% resulting from opportunity losses caused by running out of stock of mainstay products due to semiconductor shortages and lockdowns in countries where those products are manufactured. On the other hand, in our interior lifestyle business, while there was a reactionary decline in stay-at-home demand, net sales increased by 22.6% mainly due to strong sales of the kitchen appliance Toffy brand and the contribution of Life on Products, Inc., which joined the Group in November 2021. As a result, overall net sales increased by 0.9%.

### ROE



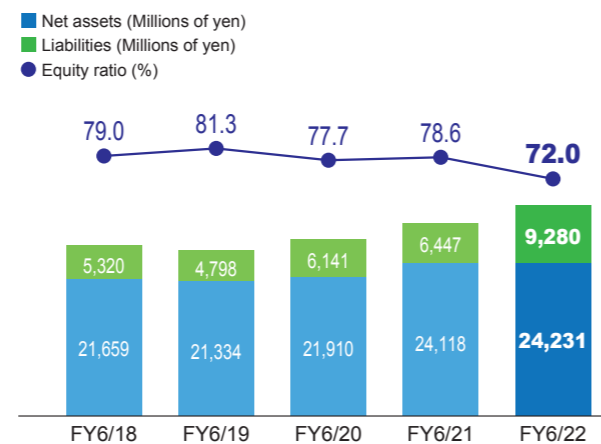
Profit attributable to owners of parent decreased by 59.8%, a significant drop from the previous fiscal year when it had achieved a record high, which resulted in ROE down 5.3 percentage points from the previous fiscal year.

### Ordinary Profit/Ordinary Profit Ratio



Ordinary profit decreased by 51.4%. While we secured the same level of sales as in the previous fiscal year, overall profits were greatly affected by factors such as the rising cost of sales ratio due to rapid yen depreciation and soaring raw material prices, soaring logistics prices, and increased selling, general and administrative expenses due to the cost of acquiring shares of Life on Products, Inc.

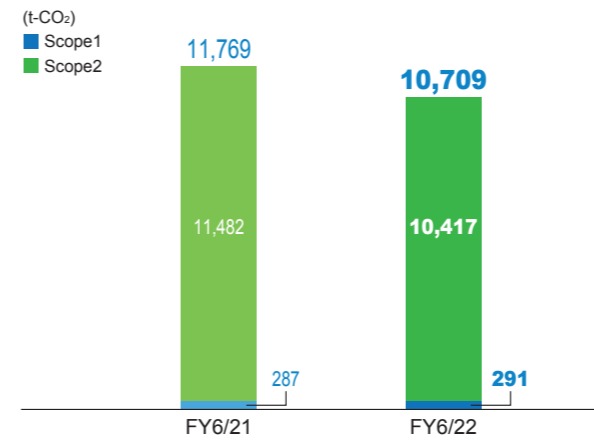
### Net Assets/Liabilities and Equity Ratio



Due to the acquisition of all shares of Life on Products, Inc. in November 2021, goodwill and borrowings for the acquisition of shares of Life on Product, Inc. increased, total assets increased by ¥2,946 million, and liabilities increased by ¥2,833 million. As a result of these factors, the equity ratio decreased by 6.6 percentage points, but remained at a stable, high level.

## Non-Financial Highlights

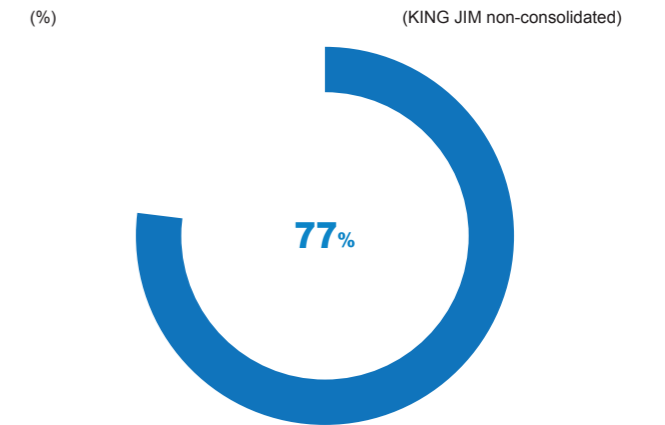
### CO<sub>2</sub> Emissions (Scope 1+2)



We will continue to reduce CO<sub>2</sub> emissions by promoting energy-saving measures and other initiatives.

\* We started to calculate these data from the fiscal year ended June 20, 2021. CO<sub>2</sub> emission factors are based on the adjusted emission factors of individual power companies.

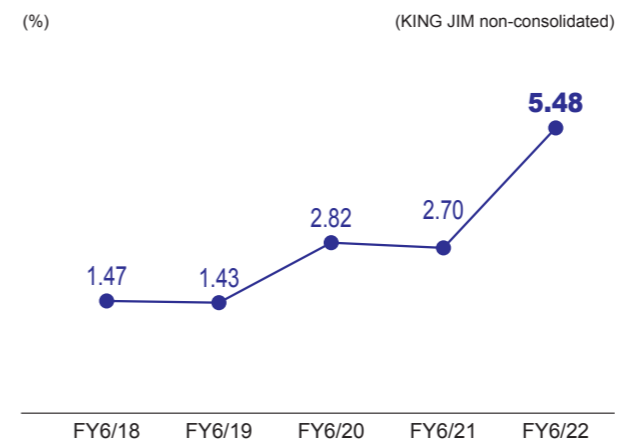
### Percentage of Net Sales of Eco-Friendly Products



We define eco-friendly products as products that comply with requirements for environmental labels\*, the Act on Promoting Green Procurement and other regulations. In the fiscal year ended June 20, 2022, the percentage of eco-friendly products to sales was 77%. We will continue to maintain this high net sales ratio of eco-friendly products.

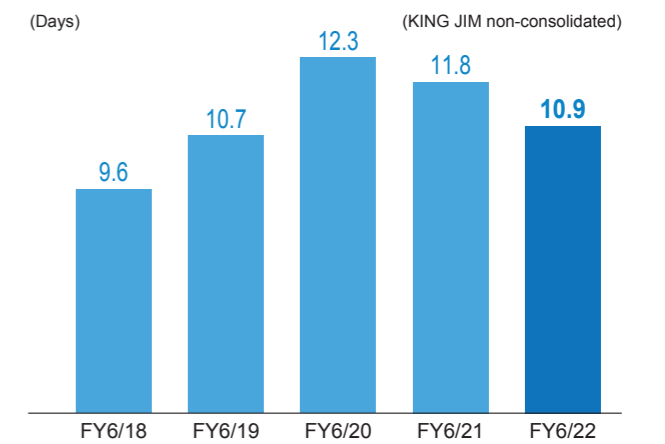
\* Environmental labels certified by third-party organizations such as Eco Mark or the "Environmental Mark" based on our company-internal standards

### Percentage of Female Managers



We have set a goal of increasing the percentage of female managers to 20% by 2030. When appointing women to managerial positions, we recognize differences in the average length of service between men and women due to resignation for marriage, childbirth, and childcare reasons. We have established an internal system to enhance work-life balance regardless of gender and seek to create environments where all employees can continue working throughout life's events. As a result of this effort, the percentage of female managers is rising, and we are actively appointing women to further improve that ratio.

### Average Days of Paid Leave Taken



We encourage our employees to take annual paid leave by setting a target for the number of days of paid leave that should be taken and notifying employees of this target. In the fiscal year ending June 20, 2023, our target is at least seven days of leave. The average number of days of paid leave taken has increased since 2017, and there are factors besides paid leave which affect the average number of days of leave taken since 2020. For example, there are more options for improving work-life balance, such as telework and staggered work shifts introduced or revised in 2020. We will continue to improve an environment in which all employees can take paid leave actively.

# Value Creation Process

## Maintaining the KING JIM Style

For the KING JIM Group, the unique management resources accumulated based on our management philosophy are our main source of value creation. We aim to provide value to society, realize a sustainable society, and achieve sustainable development for the Group by making maximum use of our management resources and creating a wide array of products.





## Strengths of KING JIM

### Flexible Product Development Structure

KING JIM aims to develop products that do not yet exist, in a wide range of product categories for work and daily life. Through creative thinking, our R&D division plans various products not restricted to specific fields, suited to the changing times and environments.

The member of the R&D division who comes up with a new idea becomes the leader of a new development project in cooperation with related departments, from determining product functions and specifications, to checking product design and production lines, and also creating packaging and instruction manuals. Employees can become leaders regardless of how long they have worked at the company, with some becoming leaders in their first year. In this way, we make the most of the enthusiasm and commitment of the originator, creating products with attention to the finest details.

### Wide Array of Original Products

“Making things that have never before existed”

KING JIM’s stance on product development is shown in our management philosophy of “DEVELOPING ORIGINAL PRODUCTS AND CREATING A NEW CULTURE TO CONTRIBUTE TO SOCIETY.” Valuing new ideas, we actively undertake development activities to bring about innovation in the market, and have continued to create a wide array of products.

#### ● Wide array of products that we have created

<p><b>KING FILE</b></p>	<p><b>Label printer TEPPA</b></p>	<p><b>Digital memo POMERA</b></p>
<p><b>Hand sanitizer dispenser tette</b></p>	<p><b>Warning lights for attachment to doors</b></p>	<p><b>SPOT</b></p>
<p><b>Masking tape KITTA</b></p>	<p><b>FLATTY</b></p>	<p><b>Disaster stockpile set</b></p>

### Extensive Sales Channels

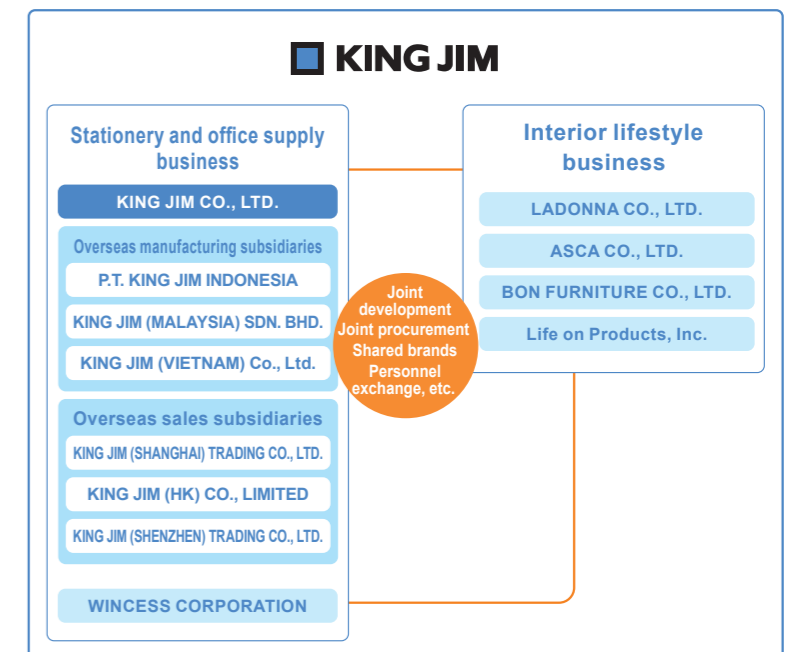
Customers’ buying behavior has become more diverse due to changes in the market environment, including the rise of E-commerce. KING JIM covers extensive sales channels so that customers can buy our products anywhere, including nationwide stationery stores, mass retailers, general stores, and mail-order companies.

We are also strengthening cooperation between our Group companies to mutually utilize the unique sales channels of each of our Group companies and deliver products to more customers.

### Business Domain Expansion and Group Management Promotion

KING JIM has welcomed new companies into the Group and worked to expand its business domain through the process of M&As. In November 2021, we acquired Life on Products, Inc. as a subsidiary, so that we now have five Group companies in Japan. Moving forward, we will earnestly consider M&A proposals, focusing on projects that can contribute to the Group’s growth strategy and projects that can be expected to produce synergies with the Company’s current businesses.

The KING JIM Group aims to achieve sustainable growth by promoting Group management that makes maximum use of our management resources, such as joint development and procurement, brand strategy development, and personnel exchanges, etc.



### Communication with Fans of KING JIM

We use our official website and various social media to announce our promotions and corporate activities. Worthy of particular attention is KING JIM’s official Twitter account, which has 440,000 followers (as of November 2022). Followers enjoy our daily tweets and interactions with other companies’ official accounts.

We value the bilateral relationship with our fans and will keep striving to enhance communication on a daily basis.

**KING JIM’s official social media accounts**

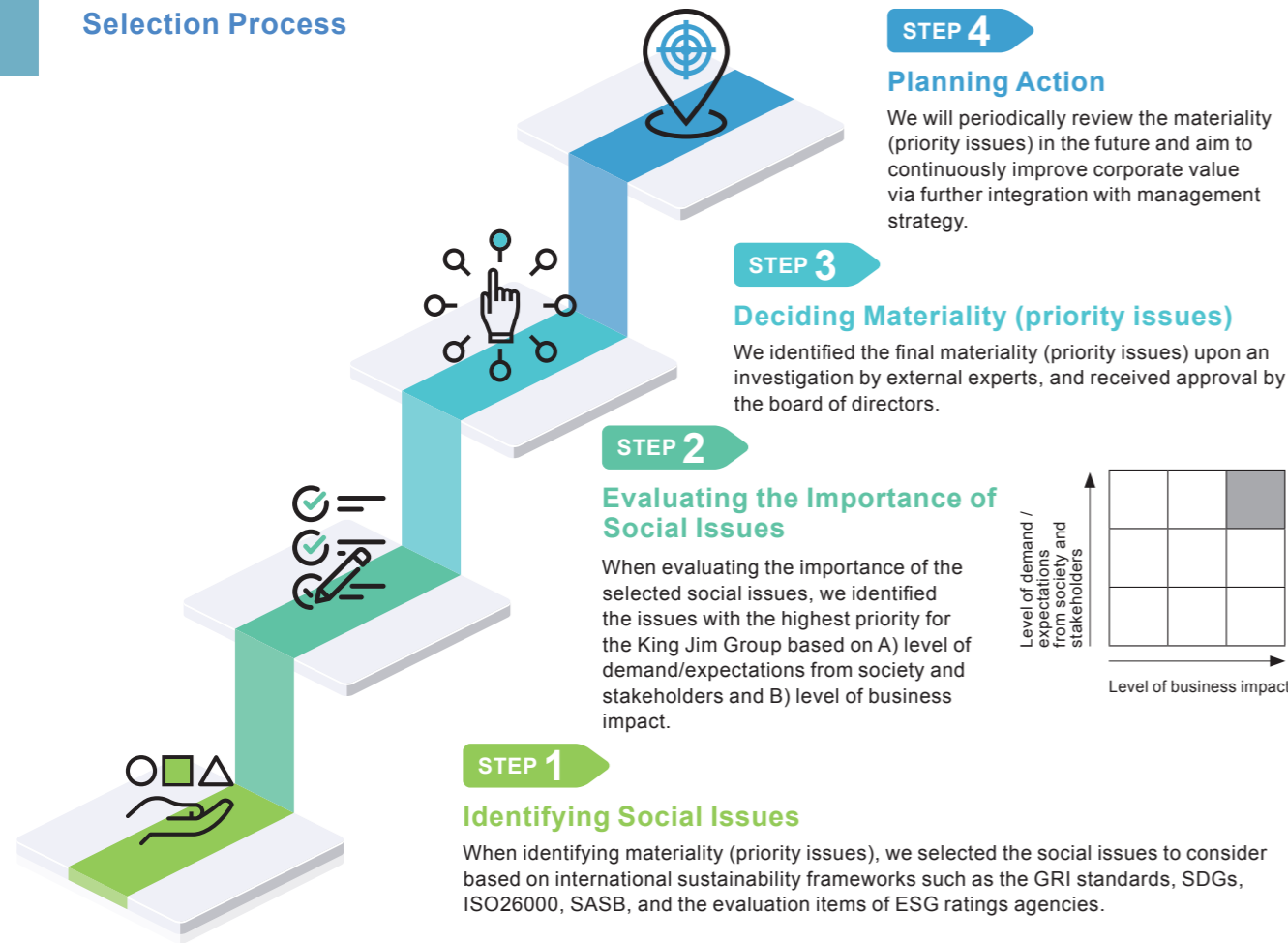
<p><b>Official Twitter account</b></p>	<p><b>Official Facebook account</b></p>	<p><b>Official Instagram account</b></p>	<p><b>Official YouTube channel</b></p>
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# Materiality (Priority Issues)

## Selection Process



**Comments from External Expert Mitsunobu Ando**  
Representative Director, Association for Sustainability Communication (ASC)

KING JIM's management philosophy of "DEVELOPING ORIGINAL PRODUCTS AND CREATING A NEW CULTURE TO CONTRIBUTE TO SOCIETY" has taken root as corporate culture. The company is also distinguished by the fact that its materiality includes items focused on the realization of its management philosophy of "social contribution via the development of original products." As the market is maturing, it is difficult to develop original products, but I expect that if you can create new products and services that do not exist in the world, you will be able to create great value. I participated in this fiscal year's materiality identification process as an external expert, and I felt that by applying this management philosophy to sustainability, we can expect contributions to stakeholders and the mitigation and resolution of social issues.

"Creation of business opportunities" is especially required of materiality these days. Conventional materiality has a strong risk management aspect, and it was often difficult to see what kind of positive impact the implementation of materiality would have on companies and stakeholders. However, "social contribution via the development of original products" in line with KING JIM's management philosophy can be expected to create more business opportunities. This is truly a contribution that only KING JIM can make out of all the companies in the world, so we can indeed call it a materiality. I look forward to the development of materiality that makes the most of the KING JIM style in the future.

Representative Director, Association for Sustainability Communication (ASC). Specialized in sustainability management and ESG information disclosure. Provides sustainability management support mainly for listed companies with the mission of "updating sustainability in Japan."

## Materiality (priority issues)

Based on our management philosophy "DEVELOPING ORIGINAL PRODUCTS AND CREATING A NEW CULTURE TO CONTRIBUTE TO SOCIETY" and the concept of sustainability, we identified in March 2022 issues where our business activities are highly relevant to social issues from the perspective of ESG (environment, society, governance). We then designated those issues as materiality (priority issues) and selected important themes to associate with them.

We associate specific materiality (priority issues) with SDGs and contribute to achieving SDGs via initiatives for resolving the materiality (priority issues).



## Progress of the 10th Medium-Term Management Plan

As new work styles and lifestyles are becoming common, and paperless and digitization is progressing, in July 2021, we formulated the 10th Medium-Term Management Plan (from the fiscal year ended June 20, 2022 to the fiscal year ending June 20, 2024), to break away from our file-dependent earnings structure. The Group has put up “focus on growth fields” and “further strengthen core businesses” as policies under its Medium-Term Management Plan, whereby we will aim to materialize sustainable growth while firming up its management basis in the post-COVID-19 era, by driving the Group-based management fully utilizing the Group’s management resources such as a flexible product development structure, a wide array of original products, and extensive sales channels. We will also promote ESG initiatives with realization of a sustainable society as a priority goal.

### Basic Policy

#### Focus on growth fields and further strengthen core businesses

- 1 Expand the business domain
- 2 Enhance the competitiveness of three overseas factories
- 3 Sustainability initiatives

### Strategy by Business

Business	Policy	Item	Measures
Stationery and office supply business	Focus on growth fields	Hygiene and health products	Actively engage in planning and development of products that adapt to the new lifestyle after drastic changes enforced through the COVID-19 epidemic.
		Office and living environment products	Provide new product line-up focused on telework and hours spent at home, taking advantage of our brand strength, selling power, and development/procurement capabilities.
		Digital stationery	Aim to acquire new users while creating new markets through adapting to changes in work style and enhancing new product range based on our original product concept.
	Further strengthen core businesses	Feminine stationery	Strengthen our appeal to the targeted user segments through more extensive range of products including general merchandise outside stationery.
Interior lifestyle business	Focus on growth fields	TEPRA	Develop new markets and distribution channels for acquiring the customer segments that have hitherto been stranger to TEPRA, by uncovering labeling-related demand.
		Stationery	Drive reinforcement of existing product categories and participation in new product categories in parallel. Introduce production technologies for merchandise other than stationery at overseas manufacturing subsidiaries to diversify product portfolio.
Common to both businesses	Focus on growth fields	Overseas business	Work still harder for developing business in the European and American markets in addition to the Asian markets. Drive global marketing of kitchen appliances supported by the Japanese quality standards as well as feminine stationery.
		E-commerce business	Aim to drastically expand sales through effective marketing and by enlarging scope of merchandise handled.
		M&A	Enhance business portfolio through active investment in this area as an essential means to expand our business domain.

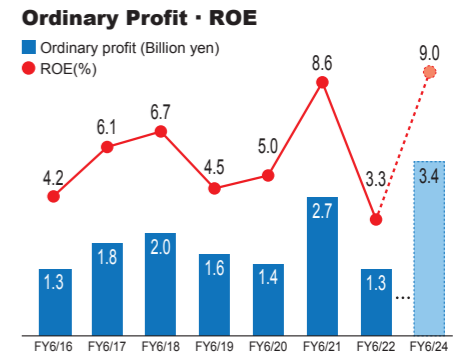
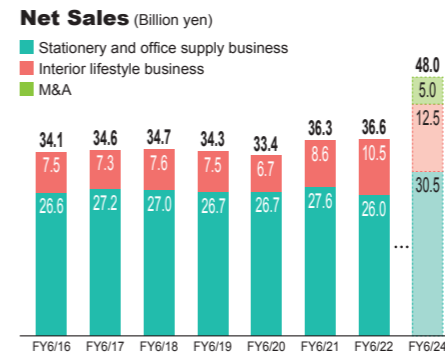
### Management Targets

Net Sales **¥48.0 billion**

Ordinary Profit **¥3.4 billion**

Ordinary Profit Ratio **7%**

ROE **9%**



### Initiative Status (Results of the First Year)

#### M&A

In November 2021, we acquired all shares of Life on Products, Inc. and made it a subsidiary. Life on Products, Inc. is engaged in the planning and sale of various products, including household appliances, everyday goods, and room fragrances. By adding it to the Group, we aim to realize a dramatic expansion of our interior lifestyle business.



#### New product launches

In the growth field of “office and living environment products,” we launched the “Microphone with Speaker,” a loudspeaker that combines a speaker and microphone, so it does not require audio equipment. It has been well received as equipment for schools and public facilities. In “hygiene and health products,” we launched the new CO<sub>2</sub> Monitor, which can display the CO<sub>2</sub> concentration in a room as a countermeasure against COVID-19 infection. In the “interior lifestyle business,” we achieved strong performance with our mainstay products, such as LADONNA CO., LTD.’s kitchen appliances and ASCA CO., LTD.’s artificial flowers. To further strengthen our core business, we launched the SR-R980, the new highest-end model of TEPRA.

### Priority Measures for the Future

#### New products

We will continue to develop products that meet the needs of society, while further expanding sales of products such as the alcohol detector Alcohol Checker in “office and living environment products,” and the new DM250 digital memo POMERA in “digital stationery.” In the “interior lifestyle business,” we will also develop new products for the core product lines of each Group company and expand the range of products we handle.



#### Price revisions

In response to soaring prices of raw materials and other materials, we have endeavored to maintain our prices by reducing costs and improving productivity. However, it has become extremely difficult to maintain the existing prices through our own efforts, so we will revise the prices of some products with the aim of improving profitability.

#### Group synergy

We will strive to create group synergies, including our new Group company Life on Products, Inc., by improving efficiency through joint product procurement and quality control among Group companies, as well as sales growth through mutual utilization of sales channels both in Japan and overseas.

#### M&A

As an essential means to expand our business domain, we will enhance our business portfolio by actively considering M&As that can be expected to create group synergy.

## Message from the CFO

Working from a stable financial base, we will promote growth investment, and aim to improve our performance with an “offensive” and “defensive” financial strategy.

### Shinichi Harada

Director and Managing Executive Officer, General Manager, Administration Division



### Expanding business performance driven by advancement in growth fields through M&As

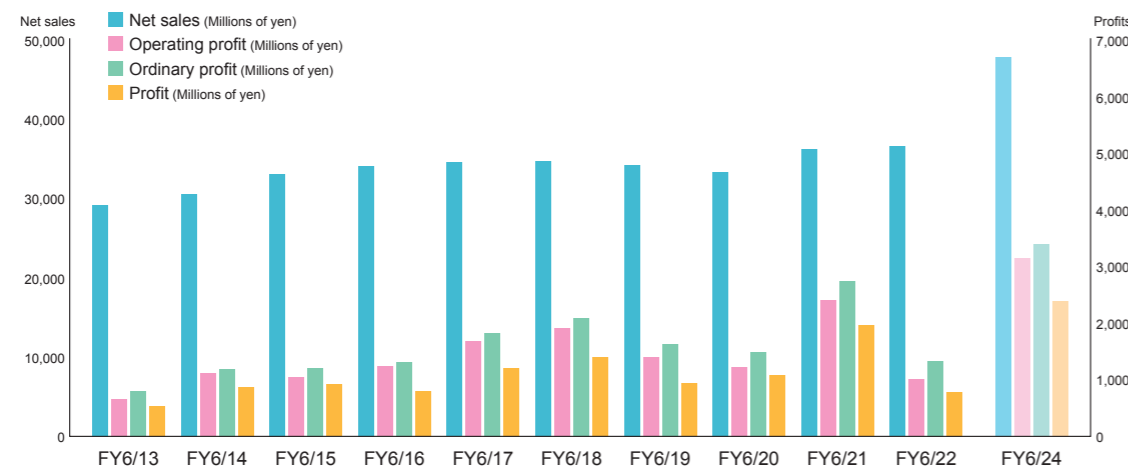
We are working to develop original products in our stationery and office supply business, which is our core business. Since the 2000s, we have been actively implementing growth investment, including M&As, and promoting the expansion of our business domains. After the January 2014 M&A of BON FURNITURE CO., LTD., which handles E-commerce sale of interior furniture and everyday goods, sales and ordinary profit increased for five consecutive years from 2014 to 2018, riding the upward trend brought about by expansion of the interior lifestyle business, which is positioned as a growth field.

In the fiscal year ended June 20, 2021, sales of hand sanitizer dispensers such as “tette” increased due to the COVID-19 pandemic. In addition, due to stay-at-home demand, Group companies that were engaged in the interior lifestyle business performed well. Profit reached a record high thanks

to the addition of WINCESS CORPORATION to the Group, as well as the effects of various cost reductions.

The consolidated results for the fiscal year ended June 20, 2022 were affected by TEPR A running out of stock due to the shortage of semiconductors, as well as files running out of stock due to lockdowns in producing countries. Despite a decrease in sales in the stationery and office supplies business, overall sales increased by 0.9% year-on-year, due to the sales contribution from Life on Products, Inc., which became a subsidiary in November 2021. Profits decreased due to the sudden depreciation of the yen and soaring raw material prices, distribution costs, and other factors.

In the fiscal year ending June 20, 2023, we anticipate a recovery in sales of some of our core products, which suffered supply shortages in the previous fiscal year. Life on Products, Inc. is expected to make a full-year contribution to our business performance, and the performance of each Group company is expected to remain strong. We are also revising the prices of some products, with the aim of improving profitability.



Results

Medium-Term Management Plan

## Our growth strategy and financial strategy are inextricably linked with each other Making active investments based on a strong financial base

As CFO (Chief Financial Officer), I believe that the growth strategy that is responsible for improving corporate value and the financial strategy that supports it should be inextricably linked with each other. Accordingly, we will continue to actively implement growth investment under the 10th Medium-Term Management Plan. We are planning strategic investment of ¥12.0 billion in growth fields, of which ¥2.0 billion will mainly be for new product development and production facilities investment to strengthen our competitiveness in existing businesses. We are investing ¥10.0 billion to expand our business domains including M&As, and have already acquired shares in Life on Products, Inc., and in HIM Co., Ltd. in September 2022. M&As have contributed to our performance, as one of the important growth drivers over the past 10 years. We will work to break away from the file-dependent earnings structure that is currently troubling us, and move beyond stationery and office supplies, to include manufacturers and E-commerce businesses that handle kitchen goods, home appliances, and daily necessities as important target sectors.

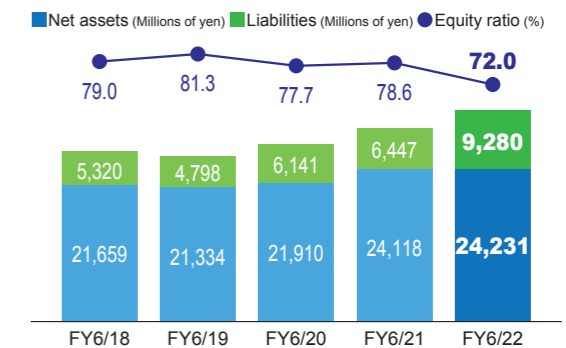
In order to buy time for growth through M&As and ensure the effects of integration, it is crucial for us to carefully scrutinize the transfer price, conduct detailed due diligence regarding financial, tax-related, and legal matters, and perform post merger integration (PMI) processes after companies join the Group. Based on the knowledge we have gained from many M&As, we are supporting the strengthening of their management system, as well as the establishment of settlement, internal control, internal regulations,

and information security, and aim to improve our performance by maximizing synergistic effects.

Maintaining a sound and strong financial base is a prerequisite for promoting an aggressive financial strategy that contributes to our performance. Our equity ratio has been around 80%. However, due to the acquisition of all shares of Life on Products, Inc., which joined our Group in November 2021, it stood at 72.0% as of the end of June 2022.

Even considering this development, the debt/equity ratio remains at 0.18. With regard to fund procurement, we will further strengthen our financial structure and improve the efficiency of funding while focusing on conventional bank loans. To that end, in addition to precisely controlling our inventories, we would like to consider various methods such as the introduction of a cash management system, syndicated loans, and securitization of receivables.

As for measures to strengthen our earnings structure, in addition to our ongoing cost reduction activities, we set a theme every few years, and organize cost reduction projects across departments and Group companies. We are striving to create excellent results by laterally deploying cost reduction measures.



### Broad dissemination of non-financial information, in addition to financial information

#### Holding deeper dialogue with stakeholders

By maintaining our strong financial base, we have positioned shareholder returns as one of our most important management issues, and aim to provide stable dividends, with a dividend payout ratio of 40% as our basis. For the fiscal year ending June 20, 2023, we plan to pay a dividend of ¥22 per share, which is the same amount as for the fiscal year ended June 20, 2022. Furthermore, we have reviewed the target and amount of shareholder benefits, and have improved the system so that shareholders can choose their favorite products as gifts for themselves from the KING JIM official online store.

With regard to the risk of yen depreciation, which has become a concern in recent years, we hedge roughly half of the actual demand for foreign currency purchases with forward exchange contracts. In the fiscal year ended June 20, 2022, we were able to reduce the extent of the decline to a certain degree, although we were affected by the

precipitous depreciation of the yen. Moving forward, we will proceed with appropriate risk hedging, while paying close attention to unpredictable exchange rate trends.

In order to facilitate an understanding of our management strategy and business activities, and improve our corporate value, it is essential that we improve engagement with all of our stakeholders, including shareholders and investors. Taking advantage of the transition to the Prime Market, we established the Investor Relations Committee in April 2022, and the Investor Relations Section in June of the same year. We are already working on new measures, such as renovating our IR website, posting videos of earnings presentations, and holding company briefings for individual investors.

Furthermore, we would like to promote company-wide initiatives for sustainability, which is a precondition for sustainable corporate growth. As CFO, I would like to broadly disseminate non-financial information, in addition to conventional financial information. Going forward, we will continue to focus on changes in the business environment and aim for steady growth, while maintaining a balance between offense and defense, and promoting dialogue with all of our stakeholders. As such, we ask for your continued understanding, support, and hopeful expectations.

# Sustainability Management



## Basic Sustainability Policy of the KING JIM Group

We have positioned sustainability as an important management issue in the 10th Medium-Term Management Plan, which will end in the fiscal year ending June 20, 2024. In March 2022, we formulated the Basic Sustainability Policy of the KING JIM Group to clearly state the basic direction of our initiatives to improve sustainability.

This policy consists of perspectives from ESG (environment, society, governance) as well as the social contributions we have worked on for many years, which are expressed in our management philosophy of "DEVELOPING ORIGINAL PRODUCTS AND CREATING A NEW CULTURE TO CONTRIBUTE TO SOCIETY."

### Basic Sustainability Policy of the KING JIM Group

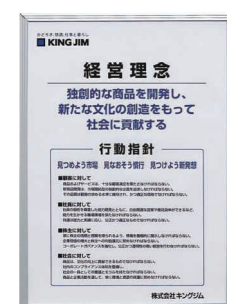
The KING JIM Group aims to realize a sustainable society and achieve sustainable development of the Group through its corporate activities.

- We will contribute to society by providing new value to the world, through developing products that make work and life convenient and comfortable.
- As a responsible member of society, we will actively make effective use of resources and strive to conserve the global environment in all aspects of our corporate activities.
- We will promote the creation of a workplace environment where a diverse group of human resources can each exert their abilities to the maximum and be active just the way they are.
- Through sound governance, we will conduct management that gains the trust of society, and aim to continuously increase corporate value.

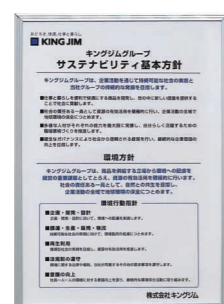
## Sustainability Promotion System

In order to promote initiatives for improved sustainability, in September 2021, we appointed an executive in charge of sustainability and established an inter-departmental organization called the Sustainability Committee, thereby building a management system. In the same period, we set up a Sustainability Promotion Section within the Corporate Planning Department, which is conducting activities as a leader in sustainability.

We have posted the management philosophy, Basic Sustainability Policy of the KING JIM Group, and Environmental Policy at all offices of Japanese and overseas Group companies, with the aim of inculcating these values among employees, so employees are conscious of them as they go about their day to day work.



Management philosophy



Basic Sustainability Policy of the KING JIM Group  
Environmental policy



## Initiatives to Raise Sustainability Awareness

### “SDGs campaign” in the company

A total of 750 employees, including all KING JIM employees and domestic Group company employees, participated in our “SDGs campaign,” which raised awareness of sustainability and made SDGs more familiar. Each employee chose one or more activities that they can easily do in their daily lives, declare them, and put them into practice.



### Initiatives

- 1) Using reusable bottles
- 2) Using reusable bags
- 3) Using the stairs
- 4) Turning off the lights diligently
- 5) Saving water use



### Awareness activities

We have put up posters about sustainability at various places in the company, and we hold study sessions for executives and employees. In the future, we plan to conduct E-learning and other education to further improve awareness inside the company.

### In-house original comic “Sustainya Press”

In order to have all members of the KING JIM Group get a deeper understanding of our sustainability activities and promote active and voluntary participation in those activities, we published an original comic “Sustainya Press,” which introduces sustainability terminology and the sustainability initiatives of KING JIM and other companies.

“Sustainya Press” is produced by in-house volunteers, and the characters appearing in the comic have become very popular within the company, helping to raise awareness of sustainability activities within the company.



### Distribution of “Pattan,” the KING JIM convenience store eco-bag, to employees

As one of the SDGs campaign’s initiatives “using reusable bags,” we are distributing “Pattan,” the KING JIM convenience store eco-bag, to all employees, to encourage them to use reusable bags when shopping.





## Materiality (Priority Issues) Social Contribution via the Development of Original Products

### Providing New Value Not Found in the World/ Implementing and Disseminating Our Management Philosophy

Following our management philosophy of “DEVELOPING ORIGINAL PRODUCTS AND CREATING A NEW CULTURE TO CONTRIBUTE TO SOCIETY,” we continue to create products not found in the world. As exemplified by KING FILE, TEPPA, and POMERA, we have developed new markets as a pioneer for each of the product categories. To meet the needs of the era and create original products from the perspective of “creating something that someone out there really wants,” there is something that we cherish in product development.

#### “First penguin”

Penguins exhibit the next behavior: when the first penguin in the flock dives into the ocean to hunt for food, the rest of the flock follows behind. This is a clever way to live, because the other penguins face less risk if they jump in after checking the waters and confirming that they look safe. The penguin that jumps in first takes the biggest risk, but it gets to eat the biggest, most delicious fish first. Similar to the marketing term “blue ocean strategy,” “first penguin” means “You must be brave enough to jump in the ocean first, in order to create products that do not yet exist in the world and create new markets.” “First penguin” is the concept of product development we aim to achieve.

#### No majority rule

At development meetings where we decide which products to commercialize, we do not decide by majority rule. Even if nine out of ten people do not want a product, if there is one person who really wants the product, we consider this to mean that there is demand in the market, and we approve the product for commercialization.

#### Aim to hit home runs without fear of failure

Some of our new products have sluggish sales, but if one out of ten becomes a hit, it is possible to make up for the failures of the remaining nine products. Rather than taking mediocre swings out of fear of failure, we aim for one-shot home runs with KING JIM style products.

### Ensuring Quality Management

KING JIM conducts tests of product usability, safety, and reliability to ensure that customers can use our products with confidence.

We design our products in compliance with Japanese Industrial Standards (JIS), the Electrical Appliances and Material Safety Law, VCCI<sup>1</sup>, Radio Law, RoHS Directive<sup>2</sup>, etc., as well as based on our design specifications standards document, which summarizes the quality requirements that products should meet, to create products that are safe for customers to use.

Even after products are launched, we conduct sampling inspections specified by JIS on products shipped from factories and manufacturers, as well as 100% inspections as required, to verify that the level of quality desired by KING JIM is maintained. We also conduct sampling inspections of product inventory to ensure that quality is maintained.

<sup>1</sup> VCCI: An abbreviation for the “Voluntary Control Council for Interference by Information Technology Equipment.” An industry organization that discusses regulations for radio waves emitted by information technology devices. Or standards defined by that council for electromagnetic interference emitted from electronic equipment.

<sup>2</sup> RoHS Directive: An abbreviation for the “Restriction of the use of certain Hazardous Substances in electrical and electronic equipment.” The RoHS Directive regulates the use of specified hazardous substances (10 substances) contained in electrical and electronic equipment used in the EU (European Union).

### Obtaining and Protecting Intellectual Property

In accordance with the KING JIM Group Compliance Program, we respect the intellectual property rights of the KING JIM Group (patent rights, utility model rights, design rights, copyrights, trademark rights, etc.) and respect the intellectual property rights of others as well.

The Product Development Regulations regulate the acquisition, management, and utilization of intellectual property. Our R&D department and intellectual property department research intellectual property rights at the planning and design stages to prevent infringement of intellectual property rights of third parties, and actively seek to acquire intellectual property rights related to our original products and brands.

We have also established an employee invention reward system as an internal regulation to encourage inventions that contribute to the growth of the Company.

#### Important Themes

- Providing new value not found in the world
- Developing sustainable products
- Ensuring quality management
- Obtaining and protecting intellectual property
- Implementing and disseminating our management philosophy



### Developing Sustainable Products

#### Eco-friendly products

Based on our Environmental Policy, KING JIM considers the environment throughout our product planning, development, and design. KING JIM has defined our standards for environmental consideration categories at each stage of production, use, and disposal of the products. Our comprehensive catalog uses Environmental Marks to designate products and make it easy to understand a product’s environmental information. We have internally defined “eco-friendly products” as products that comply with certifications from third-party organizations, such as the “Environmental Mark” and the Eco Mark, as well as the Act on Promoting Green Procurement.

In the fiscal year ended June 20, 2022 eco-friendly products made up 77% of net sales. We will continue to maintain this high net sales ratio of eco-friendly products.

Percentage of net sales of eco-friendly products  
**77%**

#### Environmental Mark



\* The mark shown is just one example.  
\* Environmental Mark is a registered trademark of KING JIM.

#### Eco Mark



\* This certification number is just one example.

#### Act on Promoting Green Procurement compliant product



#### Product development for achieving SDGs

We develop products for achieving SDGs, which are common goals of the international society for realizing a sustainable society.

#### Electronic Memo Pad “Boogie Board” \*Sold in Japan only

A simple electronic notepad that can be written on and erased as many times as necessary. It is useful for written communication and can be used as a learning tool to practice mathematics.



#### Hand Sanitizer Dispenser “tette”

A sensor detects human hands and automatically dispenses disinfectant, which helps prevent the spread of infectious disease.



#### Message from the Executive in Charge of R&D

### We create new value with “Surprise, Comfort, Work and Life.”

Since our founding, we have grown our business based on our management philosophy of “DEVELOPING ORIGINAL PRODUCTS AND CREATING A NEW CULTURE TO CONTRIBUTE TO SOCIETY.” We develop products with the desire to always be the first company to offer solutions for problems and provide new discoveries for customers.

So far, we have developed our business with a focus on stationery and office supplies, but we see the recent diversification of work styles as well as changes in the market environment and customer mindsets as opportunities for growth. With a focus on “new lifestyles,” we would like to develop products with original value that will please our customers, and strive to expand our business domains. In the future, we will develop sustainable products with even more consciousness of the environment and SDGs, as well as contribute to society while providing value to our customers.



**Miyoko Kimura**

Director and Managing Executive Officer, General Manager, R&D Division

Materiality (Priority Issues)  
Environmental Consideration

The KING JIM Group has established an Environmental Policy to act responsibly for the environment as a member of society.

The Group established Our Corporate Charter of the Environment to serve as a foundation for environmental activities in Group management. In response to societal demand to address environmental issues and the expansion of our business domains due to the increase in the number of Group companies, in March 2022, we revised the contents of Our Corporate Charter of the Environment and changed its name to Environmental Policy, so it can serve as a new policy on sustainability.

Environmental Policy

As a supplier of products, the King Jim Group views environmental considerations as an important management issue, and actively make effective use of resources. As a responsible member of society, we aim to live harmoniously with nature and strive to conserve the global environment in all aspects of our corporate activities.

Environmental Action Guidelines

■ Planning, development and design

We conduct the practice of giving consideration to the environment in the planning, development, and design stages.

■ Procurement, production, sales and logistics

We will strive to reduce our environmental impact in order to realize a sustainable society.

■ Recycling

We will promote effective use of resources with the aim of realizing a recycling-oriented society.

■ Compliance with laws and regulations

We will comply with environmental laws and regulations, as well as other requirements that we have agreed to.

■ Raising awareness

We will strive to raise the environmental awareness of each and every employee, and engage in continuous environmental conservation activities.

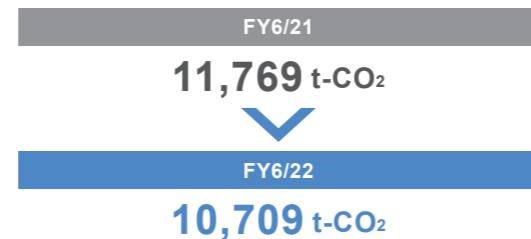
Reducing CO<sub>2</sub> Emissions

● Responding to climate change

Climate change due to global warming threatens the sustainability of us and the global environment, affecting our businesses, customers, and supply chain. It is our responsibility to do our part to address many issues caused by climate change.

Moving forward, we will disclose information based on the TCFD (Task Force on Climate-related Financial Disclosure) recommendations.

● KING JIM Group's CO<sub>2</sub> emissions (Scope 1+2)



Important Themes

- Reducing CO<sub>2</sub> emissions
- Promoting the 3Rs
- Managing waste



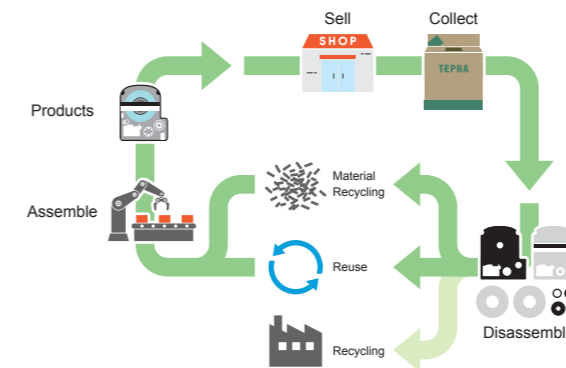
Promoting the 3Rs

The KING JIM Group works on creating products that further reduce the burden on the environment in terms of the product lifecycle, 3Rs [Reduce, Reuse, and Recycle].



● Collecting used "TEPRA" PRO tape cartridges \*In Japan only

"TEPRA" PRO tape cartridges have specifications that make them reusable. After cartridges are collected, we disassemble and recycle them in-house. We use recycling technology to recover resources from PRO tape cartridges collected from the market, in order to achieve zero waste.



● KING FILE Super Dotch DE

With this product, users can separate the cover and binder of old files, then attach them to the separately sold storage binder and replacement cover respectively for reuse.



Managing Waste

The amount of waste is continuing to increase globally. The Group is working to reduce and recycle waste by promoting the effective use of resources such as plastic and cardboard.

● Reuse of plastic scraps

At KING JIM Group's overseas factories, we are reusing plastic scraps generated during file production by dissolving these scraps and turning them into raw materials once again.

● Collection of Cardboard Boxes

When the online furniture retailer BON FURNITURE provides product assembly service and placement service, the transport company staff takes back all the packing materials, including the cardboard boxes. Some of the collected cardboard boxes are recycled and put to effective use.



## Materiality (Priority Issues) Promotion of Diverse Human Resources

As a pioneer of new markets at a time of fragmented individual tastes, the KING JIM Group continues its search for new business styles. We provide work environments that accommodate employees of differing backgrounds, diverse in gender, age, working styles, presence of disabilities, and other aspects. We believe that incorporating the ideas of these employees will lead to responses to changes in the business environment and the company's growth. With the aim of being a company where diverse human resources can be themselves and work while remaining highly motivated, we will continue to introduce systems and support employees in response to changes in the social environment.

### Promoting Diversity

#### Efforts to promote the active participation by women

KING JIM has set a goal of increasing the percentage of female managers to 20% by 2030, and the current percentage of female managers is 5.48%. When appointing women to managerial positions, we recognize differences in the average length of service between men and women due to resignation for marriage, childbirth, and childcare reasons. We have established an internal system to enhance work-life balance regardless of gender and seek to create environments where all employees can continue working throughout life's events.

#### <Example initiatives>

- Interviews before and after childbirth or childcare leave
- Sending company information emails to employees on childbirth/childcare leave
- Distributing life event handbooks that summarize the internal systems and procedures that can be used when an employee experiences major life events
- Distributing the Ikuboss Manual to direct supervisors of departments that will welcome pregnant employees and employees returning to work after taking childbirth/childcare leave.

#### Employment of persons with disabilities

KING JIM continuously hires persons with disabilities, achieving an employment rate for people with disabilities of 3.46% as of June 2022. We maintain an employment rate that surpasses the statutory employment rate (2.3%) and the effective employment rate among all private companies (2.20% in 2021). Our satellite office in Kawagoe, Saitama Prefecture, offers enhanced support for employees with disabilities.

#### Job rotation

At KING JIM, we rotate employees among two or three departments every ten years to enhance employees' skills by creating opportunities to gain various experiences and environments in which employees can maximize their potential.

#### Self-reports

Under this system, once a year, the KING JIM Group asks all employees (including temporary employees) to directly communicate and share their thoughts on any matters, including current job status, their future careers, relationships at work, and general management matters, to top management. The content is shared only with the President and a small number of executives and used for appropriate personnel allocation and work environment improvement.

### Cultivating Human Resources

#### Overseas training program

Our annual overseas training program aims to develop a global workforce by sending selected young employees to overseas affiliated companies as trainees for one year. Trainees benefit from the opportunity to work in a different culture and then apply their experiences to their work upon their return home.

#### E-learning/External group-training program/Distance learning

We offer e-learning courses and external training programs that employees can freely take, at no cost, from many subjects, including Business Skills, Languages, Management, Labor and Mental Health. We also offer correspondence courses on business skills and language proficiency for advancement requirements and self-development.

### Ensuring labor health and safety

The KING JIM Group considers employee safety paramount and is working hard to improve its labor health and safety. At the KING JIM Headquarters and Matsudo Office, a Health and Safety Committee has been established. Each site health and safety general manager directs safety supervisors, health supervisors, and other personnel to protect employees' safety and health.

#### Healthy Walking

We hold a walking event in which we recruit participants to walk 8,000 steps per day for a month and share the results within the company. Every time, we award original goods with designs featuring KING FILE-kun as participation prizes.

#### Important Themes

- Ensuring labor health and safety
- Promoting diversity
- Cultivating human resources
- Promoting work-life balance



### Promoting Work-Life Balance

#### Childcare support

We are implementing initiatives to support a balance between childcare and work, and we have received the Kurumin certification from the Minister of Health, Labour, and Welfare as a company that supports childcare.



#### Childcare and nursing care leave, etc.

We encourage employees to take childcare leave, of which five days are paid. In addition, we try to foster a company culture where it is easy to take childcare leave. For example, we individually reach out to employees who or whose spouses will be giving birth so that we can share their stories with the persons concerned inside and outside of the company. The criteria for restrictions on off-the-clock work, overtime work, and late-night work, as well as child nursing care leave and shortened working hours are raised above the statutory levels to the time children to complete the third grade of elementary school. Even when nursing care is involved, employees can use the system for shortened working hours in addition to nursing care leave. Moreover, off-the-clock work, overtime work, and late-night work are restricted.

**Return and retention rates of employees after childcare leave: 100%**  
\* Includes results for male employees

#### Reducing overtime work

KING JIM is undertaking the following initiatives to reduce overtime work.

- 1) Employees must leave the office by 20:05 at the latest.
- 2) Overtime work is not allowed on Wednesday every week.
- 3) The supervisors of employees whose overtime exceeds 45 hours a month are given warnings.

#### Increasing the number of days of annual paid leave taken

At KING JIM, we encourage our employees to take annual paid leave by setting a target for the number of days of leave that should be taken and notifying employees of this target. In the fiscal year ending June 20, 2023, our target is for every employee to take at least seven days of leave. We provide managers of each department with monthly updates on how much paid leave their subordinates have taken to help them keep track of the status to ensure that all employees can take paid leave actively and aim for further improvement.

We have introduced various other systems as well.

Tea with the President	Telework	Staggered working shifts
No overtime work day (every Wednesday)	Celebration leave	Refreshment leave
Carryover of paid leave	Volunteer leave	Other forms of special leave

\* Telework and staggered working shifts have progressed during the COVID-19 pandemic, and we will continue to recommend using these systems and pursue the work styles of the future.



#### Message from the General Manager of the Human Resources Department

An aggressive human resources strategy that responds to the changing times.



"Let's give it a try!"

This phrase is not just used for product development in the KING JIM Group, but for human resource strategies as well. It is essential that diverse human resources play an active role in order to respond to unprecedented situations such as the decline of the working population, the COVID-19 pandemic, and the rapid depreciation of the yen. To that end, we believe it is important to flexibly change our internal systems so as to support our employees. It is also important to avoid risks, but if we avoid all risks, we will not be able to achieve great results that may exist beyond those risks. Therefore, it is crucial to cultivate human resources who can solve problems while taking on new challenges.

We will continue to create a work environment where employees can demonstrate the full extent of their abilities.

**Yusuke Kojima**

Senior Executive Officer, Deputy General Manager, Administration Division, and General Manager, Human Resources Department

# Corporate Governance

## Basic Approach to Corporate Governance

The Company's basic approach to corporate governance is to conduct sound management that is highly fair and transparent, with a view to continuously increasing corporate value. To that end, the Company is working to enhance corporate governance.

## Corporate Governance Structure

The Company has chosen the structure of a company with a board of auditors and has appointed 11 Directors (5 of whom are External Directors) and 3 Auditors (2 of whom are External Auditors). To clarify the Directors' management responsibilities further, the terms of Directors have been set at one year. The Company has increased the ratio of External Directors in the Board of Directors, thereby strengthening the corporate governance structure.

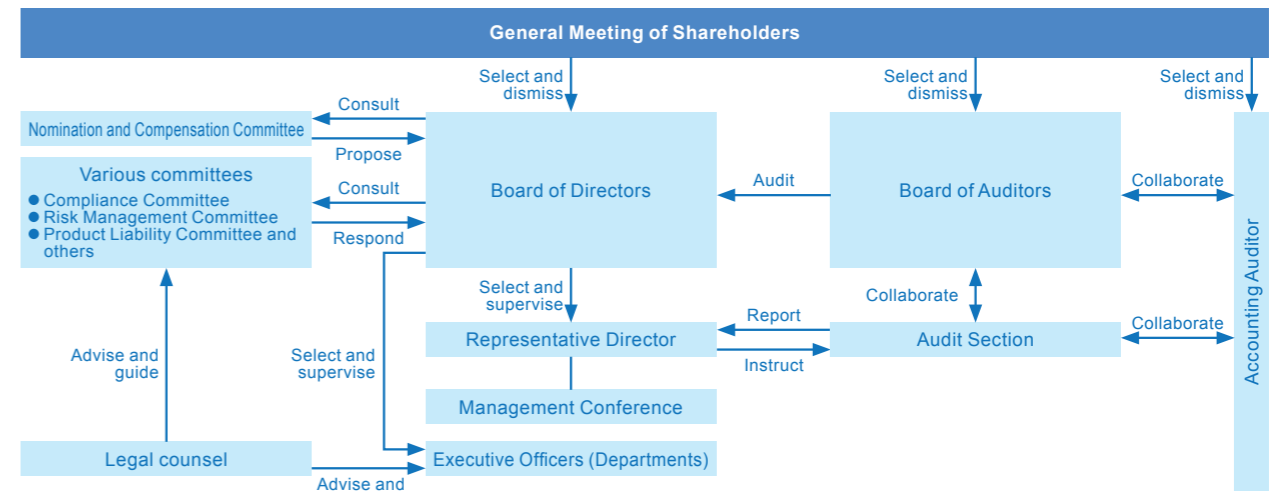
Quick Reference Table for Corporate Governance

Institutional design	Company with a Board of Auditors
Directors (of which, External Directors)	11 (5)
Auditors (of which, External Auditors)	3 (2)
Terms of Directors	1 year
Adoption of Executive Officer system	Yes
Number of Board of Directors meetings (Fiscal year ended June 2022)	13
Number of Board of Auditors meetings (Fiscal year ended June 2022)	10
Advisory body to the Board of Directors (voluntary committee)	Nomination and Compensation Committee
Remuneration structure for Directors and Auditors	① Basic remuneration (Fixed remuneration)
	② Performance-linked remuneration
	③ Non-monetary remuneration
Accounting Auditor	KPMG AZSA LLC

## Changes in the Corporate Governance Structure

	FY6/14	FY6/15	FY6/16	FY6/17	FY6/18	FY6/19	FY6/20	FY6/21	FY6/22	FY6/23		
Composition of the Board of Directors	Directors	Internal	6	8	6	8	8	8	8	4	5	6
		External	1	1	2	2	2	2	4	4	4	5
	Auditors	Full-time	1	1	1	1	1	1	1	1	1	1
External		3	3	3	3	3	3	2	2	2	2	
The number of Directors	FY ended June, 2006 from 3 or more to 9		From 9 to 10			From 10 to 12						
Terms of Directors							From 2 years to 1					
Executive Officer system	Introduced in FY ended June							Revised the system				
History of Governance Reforms	Nomination and Compensation Committee											
	Retirement benefit plan for Directors and other officers											
Remuneration of Directors and Auditors	Stock option plan										Restricted stock remuneration plan	
	Evaluations of the effectiveness of the Board of Directors											

## Corporate Governance Structure Diagram



## Board of Directors

The Board of Directors meets once a month, as a rule. Guided by the Company's management philosophy of "DEVELOPING ORIGINAL PRODUCTS AND CREATING A NEW CULTURE TO CONTRIBUTE TO SOCIETY," Directors deliberate on various matters at the Board of Directors meetings. They discuss the vision and feasibility, as well as risk avoidance and other aspects of various measures to improve shareholder value, such as management policies, business plans, organization, financial condition, and investment projects, along with agenda items based on the Board of Directors' Regulations. In order to improve Board of Directors meetings, the Management Conference, which consists of Internal Directors and additional members, is held once a month, as a rule, as a body that conducts deliberations prior to the Board of Directors meetings.

## Board of Auditors

The Board of Auditors meets once a month, as a rule. Since September 19, 2019, the Company has had 3 Auditors, specifically 1 Full-Time Auditor and 2 External Auditors. To monitor significant decision-making processes based on the Audit Plan, the Full-Time Auditor audits the status of execution of Directors' duties through activities such as surveying the business execution status of internal departments and subsidiaries, viewing important documents, and attending important meetings, and reports the audit details to the Board of Auditors.

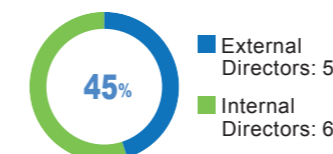
In addition, the Auditors attend the Board of Directors meetings and state their opinions, and also audit the methods of operation, resolutions, and deliberations of the Board of Directors, among other things.

## Nomination and Compensation Committee

The Company has established a Nomination and Compensation Committee as an advisory body to the Board of Directors, comprising five members, three of whom are External Directors and two of whom are Internal Directors. The committee was established to further increase the transparency of the decision-making process for the selection and dismissal of candidates for Director and Auditor, and for their remuneration. The Nomination and Compensation Committee considers matters related to the selection and dismissal of candidates for Director, Executive Officer and Auditor, as well as matters related to remuneration, and also determines the amounts of base remuneration and bonuses for each Director.

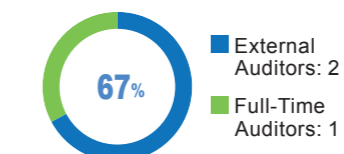
### Outline of the Board of Directors meetings

Chair: President & CEO  
Number of meetings: 13



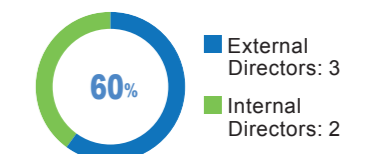
### Outline of the Board of Auditors meetings

Chair: Full-Time Auditor  
Number of meetings: 10



### Outline of the Nomination and Compensation Committee

Chair: External Director  
Number of meetings: 5





## Corporate Governance

### Remuneration for Directors and Auditors

#### Matters Concerning Policy on the Determination of the Amount of Remuneration of Directors and Auditors and Its Calculation Method

The remuneration of Directors (excluding External Directors) comprises base remuneration, which is fixed remuneration; bonuses, which are performance-linked remuneration; and stock remuneration. In light of their roles, External Directors and Auditors receive only base remuneration (fixed remuneration).

##### [Base remuneration (fixed remuneration)]

Base remuneration (fixed remuneration) is determined within the range set for each post of the Directors, considering the business environment and social trends.

##### [Performance-linked remuneration]

For bonuses, which are performance-linked remuneration, ROE has been adopted as a performance indicator to calculate the bonuses. ROE was chosen to provide further incentives for Directors to contribute to increasing corporate value and raising the stock price over the medium and long terms from the same perspective as shareholders. The amount of bonus for each Director is determined by reflecting an amount calculated by multiplying the base remuneration by a coefficient set according to ROE in each relevant year, while taking into consideration the results of Directors' mutual evaluation conducted at the fiscal year-end. The amount of bonus for each Director is then ultimately determined based on the President & CEO's evaluation.

##### [Non-monetary remuneration]

Stock remuneration, which is a type of non-monetary remuneration, is paid as restricted stock to Directors (excluding External Directors) at a certain time every year, in order to raise their awareness of the importance of increasing corporate value over the medium and long terms. The payment amount, which is the basis for calculating the number of restricted shares to be allotted, will be within the scope of the remuneration limit (¥40,000 thousand per year) approved by the General Meeting of Shareholders, and will be based on an amount determined by the new monthly remuneration of each eligible recipient approved by the Board of Directors after the General Meeting of Shareholders every year, multiplied by a coefficient for each post of officer.

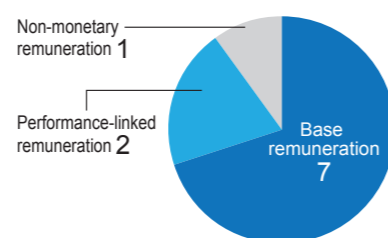
Individual remuneration is composed of around 70% base remuneration, 20% performance-linked remuneration, and 10% non-monetary remuneration.

Furthermore, by resolution of the Board of Directors, the Company has entrusted the Nomination and Compensation Committee with determining the amount of

base remuneration and bonuses for each Director from the standpoint of ensuring the objectivity and transparency of the determination process. The Nomination and Compensation Committee appropriately makes the determination based on its deliberations. The specific payment date, payment amount, and other aspects of restricted stock remuneration is determined in the Board of Directors meeting held every October. In addition, by resolution of the Board of Directors, the Company has entrusted President & CEO Akira Miyamoto with determining the specific allocation of restricted stock remuneration to the eligible recipients.

The Company has entrusted this authority based on the belief that it would be appropriate for the President & CEO, who oversees the Company's business execution, to determine the allocation, given that this remuneration is designed to provide incentive over the medium and long terms. The President & CEO determines the specific allocation to each eligible recipient appropriately in accordance with the Regulations on Restricted Stock Remuneration.

Furthermore, the Board of Directors has confirmed that the method of determining the details of remuneration, etc. and the approved remuneration, etc. for the individual remuneration of Directors in each fiscal year is consistent with the policy for determining remuneration approved by the Board of Directors, and that the responses from the Nomination and Compensation Committee are respected and are consistent with its policy on determining remuneration.



#### Total Amount of Remuneration, etc. by Type of Officer, Total Amount of Remuneration, etc. by Category, and the Number of Eligible Officers

Type of Officer	Total Amount of Remuneration (Thousands of yen)	Base remuneration (Thousands of yen)	Performance-linked remuneration (Thousands of yen)	Non-monetary remuneration (Thousands of yen)	Number of eligible officers (people)
Directors (excluding External Directors)	169,019	104,910	44,416	19,693	5
Auditors (excluding External Auditors)	16,800	16,800	—	—	1
External Directors and Auditors	28,500	28,500	—	—	7

Note: ROE of 8.6% was used as the performance indicator for the previous fiscal year to calculate the amount of performance-linked remuneration.

### Evaluation of the Effectiveness of the Board of Directors

#### Method of evaluation

In order to improve the functions of the Board of Directors as a whole, the Company has conducted a questionnaire once a year regarding the effectiveness of the Board of Directors since 2016.

#### Overview of evaluation results

Considering the following factors, it has been concluded that the Board of Directors' effectiveness is sufficiently secured.

- It has been determined that there are no problems with the level of management and supervision provided by the current Board of Directors, given that all respondents who were asked about the level of management and supervision by the Board of Directors offered positive comments.
- It has been determined that the Board of Directors is managed appropriately as a whole, given that the respondents offered positive comments in almost all items about questions on the Board of Directors' management decisions.

Furthermore, the following issues were raised by the questionnaire administered in 2022:

- Status of supervision for ensuring diversity in the promotion to core human resources in terms of gender, international character, career background, etc.
- Provision of educational opportunities such as external seminars and training programs to increase the knowledge of officers
- Detailed explanation of in-house circumstances to external officers
- Review of time allocation for agenda and reporting items

Efforts will be made to further enhance the Board of Directors' effectiveness and further bolster corporate governance by considering improvement actions for each issue and steadily implementing them.

### Training Policy

To ensure that Directors and Auditors can fully exercise their management supervision and auditing functions, the Company's policy is to provide opportunities for Directors and Auditors to obtain necessary knowledge through such means as attending lectures by external experts on management and compliance, or on specific fields, as needed. Furthermore, the Company has enabled External Directors and External Auditors to strive to learn about a wide range of operations by, for example, attending internal meetings and visiting overseas and domestic subsidiaries. Concurrently, the Company has enabled the External Directors and External Auditors' specialized knowledge to be shared within the Company.

When appointed, External Directors and External Auditors attend seminars taught by various in-house department managers to expand their knowledge of the Company's management strategy, business activities, and medium-term management plan, among other matters. In addition, the Company distributes and explains materials for Board of Directors meetings in advance, provides relevant information, and takes other steps to improve discussions in Board of Directors meetings.

### Cross-Shareholdings

The Company acquires and maintains cross-shareholdings only when they are judged to contribute to increasing its corporate value over the medium to long term, considering a comprehensive range of factors such as the need to maintain and strengthen relationships with business partners, the necessity from a business management standpoint, and the economic rationality.

In terms of the review methods, the Company has reviewed the economic rationality of cross-shareholdings by comparing the holding benefits (dividend income and profit from business transactions) and the Company's cost of capital for each individual stock issue. Concurrently, every year the Board of Directors judges the suitability of holding each individual stock issue by considering a comprehensive range of factors, such as the need to maintain and strengthen business relationships and the necessity from a business management standpoint.

The Company determines how it will exercise the voting rights attached to cross-shareholdings on a proposal-by-proposal basis, considering a comprehensive range of factors such as whether or not it can expect the corporate value of the Company and the investee company to increase in the medium to long term. The Company will not approve any proposal that will hurt shareholder value.

## Compliance

### Approach on Compliance

At the KING JIM Group, based on the management philosophy, Guidelines for Action, and the KING JIM Group Compliance Program, which is positioned as the Group's highest regulations, its officers and employees shall exercise self-discipline abide by laws and regulations and put corporate ethics into practice.

### KING JIM Group Compliance Program

All of the corporate activities of the KING JIM Group companies, (the "KING JIM Group"), must be grounded in "compliance."

- No individual member of our KING JIM Group may act in a manner contrary to corporate ethics or applicable laws. In the unlikely event that an employee becomes aware of any act contrary to corporate ethics or applicable law, or any suspicious act, such employee must take appropriate measures as set out in the compliance system.
- Each individual member of the KING JIM Group must act in accordance with all applicable laws and regulations, and with integrity.
- No individual member of the KING JIM Group may pursue profits in an improper way, in violation of the spirit of "compliance."

#### Guiding Principles for Compliance

##### ● Preservation of the Environment

Each member of the KING JIM Group should strive to integrate in a positive way activities from an environmental perspective and to reduce environmental burdens on a global scale.

##### ● Prohibition Against Accepting or Offering Bribes

Each member of the KING JIM Group should continue to maintain clean relationships with others outside the KING JIM Group and should not participate in any acts that might sully the KING JIM brand name, such as the acceptance or offering of bribes or the like.

##### ● Creating Good International Transactional Relationships

Each member of the KING JIM Group, in transacting with others domestically and abroad, should strictly observe all applicable laws and regulations, and should form good international transaction relationships by respecting the culture and customs of his or her transaction partners.

##### ● Countermeasures Against Anti-social Forces

No member of the KING JIM Group may have relations of any kind with anti-social forces or groups, such as organized criminal groups or the like, and may not respond in any fashion to illicit demands.

##### ● Strict Compliance with Antimonopoly Laws

Each member of the KING JIM Group should strictly observe all applicable antimonopoly and related laws and regulations and should compete in a fair, free and transparent manner.

##### ● Respect for Intellectual Property

Each member of the KING JIM Group should respect the intellectual property rights of the KING JIM Group, as well as the rights of others.

##### ● Prevention of Unfair Competition

Each member of the KING JIM Group should strictly observe all applicable laws relating to the prevention of unfair competition, and, in line with the spirit of such laws, each member of the KING JIM Group should strive to develop products that demonstrate originality, and should always continue to seek the highest reputation in the industry.

##### ● Respect for Fundamental Human Rights

Each member of the KING JIM Group should uphold fundamental human rights, have respect for others as people, and commit no acts that might injure the dignity of others.

##### ● Respect for Laws, Regulations and Internal Rules

Each member of the KING JIM Group should strictly observe all applicable laws, regulations and internal rules, and should strive to maintain and improve a happy, safe work environment.

##### ● Prohibition Against All Forms of Harassment

No member of the KING JIM Group may engage in sexual harassment, power harassment (i.e. abuse of authority, workplace bullying, etc.), or any other form of harassment whatsoever.

##### ● Prohibition Against Insider Trading

No member of the KING JIM Group may engage in insider trading.

##### ● Appropriate Handling of Confidential Information

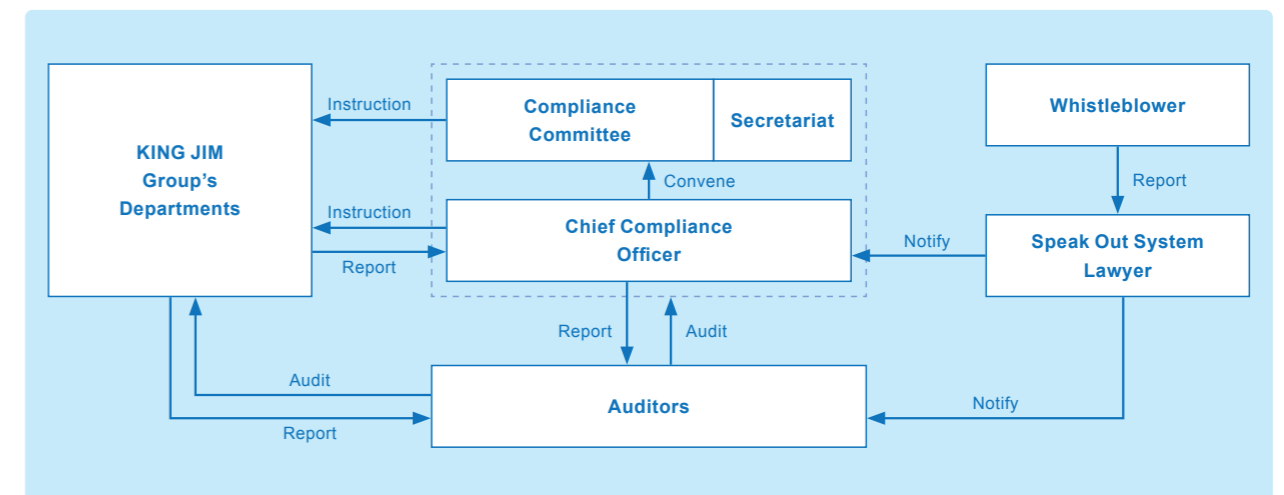
Each member of the KING JIM Group should manage in an appropriate way all confidential information, such as corporate secrets, know-how and personal information. No member of the KING JIM Group may improperly use any confidential information or leak the same to third parties.

### Compliance Promotion System

The Company has established the Compliance Committee as a body to provide surveys, advice, and decisions on any compliance problems of the Group. The Chief Compliance Officer, as the person in charge of all aspects of the Group's compliance, manages the KING JIM Group Compliance Program and monitors and supervises the status of compliance.

In addition, the Company has established the Speak Out System as a contact point for internal whistleblowing. If a person witnesses a questionable act in terms of compliance or an attempt to commit such an act, the Speak Out System enables the person to report it to the Speak Out System Lawyer. The whistleblower's anonymity is guaranteed. The whistleblower's legitimate actions are protected by the Work Regulations for Employees, and the whistleblower will not be treated unfavorably for reporting.

The Auditors audit the status of the Group's compliance as well as audit the management of the system by receiving notices from the Speak Out System Lawyer and reports from the Compliance Committee.



### Compliance Initiatives

#### 1) Compliance education (June 21, 2021 - June 20, 2022)

KING JIM conducts a variety of training and awareness-building activities to strengthen and penetrate compliance.

- Implementation of e-learning on information security
- Awareness about workplace harassment prevention
- Awareness about prevention of insider trading
- Awareness about measures against anti-social forces
- Implementation of compliance training for new employees
- Revision and dissemination of Regulations for Management of Personal Information
- Revision and dissemination of the "Basic Policy on Protection of Personal Information"
- Establishment and dissemination of the Speak Out System Operation Regulations

#### 2) Questionnaire on compliance

At the end of each fiscal year, KING JIM conducts a compliance questionnaire for the heads of each department and subsidiary. If the results of the questionnaire indicate that the department/subsidiary is not doing so well or that it is not doing well at all, the Company will hold hearings and take corrective measures with them. The results of the questionnaire are reported to the Board of Directors.

## Risk Management

### Risk Management System

The Company constantly manages risks by identifying risk factors that may affect the KING JIM Group's business activities and assigning relevant departments to each risk factor.

Each relevant department monitors the threat level of its assigned risks, and in cases where events deemed significant to management could occur, each relevant department immediately reports the matter to the Risk Management Committee via the officer in charge, while the Risk Management Committee discusses and approves response measures. Once a year, each relevant department reports to the Board of Directors on risk avoidance, countermeasures, management status and other matters. In addition, risk factors are revised in response to changes in the environment surrounding the KING JIM Group's business activities, as well as the magnitude of their impact, and the frequency of occurrence.

### Risk Factors

<b>Business strategy risk</b> Research and development investment Inventories M&A	<b>External environment risk</b> Price fluctuations in raw materials, etc. International situations Foreign exchange fluctuations	<b>Legal risk</b> Protection of intellectual property Product liability
<b>Natural disaster and related risk</b> Natural disasters COVID-19	<b>Infrastructure and related risk</b> Information security	

\* The risk categories are determined at the discretion of the Company.

### Risk Management Initiatives

- The KING JIM Group Crisis Management Regulations and the Detailed Regulations on Crisis Management have been established at each Group company, and efforts are being made to minimize losses throughout the entire Group.
- In the fiscal year ended June 20, 2022, the Risk Management Committee met five times.
- The Risk Management Committee's Foreign Exchange Tax Subcommittee holds meetings to appropriately deal with sudden fluctuations in foreign exchange rates. Seven meetings were held in the fiscal year ended June 20, 2022.
- We introduced a safety confirmation system in the event of a disaster. In the event of an earthquake with a seismic intensity of a lower 5 or greater, we have established a system in which a safety confirmation e-mail is automatically sent to all employees and the results are shared to managers in real-time. The system also functions as an e-mail communication network, and together with conventional telephone communication networks, an emergency communication system is established.
- As an information security measure, we conduct targeted attack e-mail training every year.
- We established a telework environment and system to prevent the spread of COVID-19.



### Message from an External Director

#### Governance Effectiveness and Transparency

KING JIM's Board of Directors can be summed up as a "Board of Directors with open communication." Board of Directors meetings are led by President Miyamoto, who is a decisive moderator, and external officers are also able to speak freely. Sometimes the lively and enthusiastic deliberations continue beyond the scheduled end time.

The Corporate Governance Code calls for ensuring diversity within the company, including promoting the active participation of women. Currently, KING JIM has 11 Directors, 5 of whom are Independent External Directors and 5 of whom are women (4 of the 5 are External Directors). Our External Directors are diverse, and include a fund manager, financial planner and social insurance labor consultant, university professor (in marketing theory), company executive, and lawyer. As a lawyer, I am sometimes asked to give my opinion on legal issues and compliance issues. However, I believe that there are generally no issues with KING JIM's compliance.

While currently canceled due to the COVID-19 pandemic, I believe that having external officers visit Group companies in Japan and overseas to gain a deeper knowledge of the KING JIM Group is also useful for holding concrete discussions that get closer to the core issues at Board of Directors meetings, among other opportunities.

#### KING JIM Group from an Outside Perspective

Although KING JIM's core business is in TEPRAs and KING FILES, in recent years, in anticipation of the progress of paperless operations and digitalization in offices, it has focused on developing a third pillar comparable to the mainstay products, including Group companies. However, in our 74th fiscal year (fiscal year ended June 20, 2022), due to the impact of the COVID-19 pandemic, paperless operations and digitalization progressed rapidly. In terms of profits, results were unfortunately poor due to factors such as TEPRAs running out of stock due to the semiconductor shortage and soaring raw material prices caused by the precipitous depreciation of the yen.

Including the period where I served as an External Auditor, I have watched the KING JIM Group from an outside perspective for a total of seven years. During this time, I have witnessed how each company in the KING JIM Group overcomes difficulties through new initiatives each time, even when they face difficult management situations for some reason. Even if we are in a difficult situation, it is precisely because of this that I would like to conduct thorough monitoring at Board of Directors meetings as an Independent External Director. In this manner, I would like to support future growth and development.

#### Expectations for KING JIM in the Future

KING JIM has many individual shareholders, as well as 440,000 followers of the Company's Twitter account. I think that there are many strongly passionate fans of KING JIM.

However, since KING JIM previously focused on stationery and office supplies, I also think that many of you may not have come into contact with KING JIM products on a daily basis. The addition of "life" to the corporate message, "Surprise, Comfort, Work and Life" is a manifestation of our determination to spread KING JIM products in situations outside of the office. We look forward to further expansion of the base of KING JIM fans.

In March 2022, we formulated the "Basic Sustainability Policy of the KING JIM Group," and decided on our materiality (priority issues) for enhancing sustainability. As one sustainability effort of KING JIM, we are collecting used PRO tape cartridges for TEPRAs. This initiative is easy for anyone to understand, and I believe it will be evaluated as a reliable first step in addressing environmental issues.

In the future, the KING JIM Group will aim for the growth and development of the entire Group, with KING JIM at its core. In line with our Basic Sustainability Policy, we will develop products that make work and life convenient and comfortable. I hope you can continue to see the charm that attracts KING JIM fans, such as products that win the hearts and minds of customers and names that make you smile spontaneously.

**Keiko Kakiuchi**  
External Director



# Directors and Auditors

(As of September 15, 2022)

## Directors



**Akira Miyamoto**  
President & CEO  
(Born August 11, 1954)

March 1977 Joined the Company  
September 1984 Managing Director and General Manager, General Planning Section, the Company  
September 1986 Senior Managing Director, the Company  
April 1992 President & CEO, the Company (current position)



**Naomichi Hagita**  
Director and Senior Managing Executive Officer  
Corporate Planning Department Special Assignment (In Charge of Sustainability and M&A)  
(Born May 25, 1960)

March 1983 Joined the Company  
May 2002 General Manager, Corporate Planning Section, the Company  
June 2006 Executive Officer, the Company  
September 2010 Director, the Company  
September 2012 Managing Director, the Company  
September 2018 Senior Managing Director, the Company  
September 2020 Director and Senior Managing Executive Officer, the Company (current position)



**Shinichi Harada**  
Director and Managing Executive Officer  
General Manager, Administration Division  
(Born September 19, 1961)

April 1984 Joined The Bank of Tokyo, Ltd. (currently MUFG Bank, Ltd.)  
April 2008 Deputy General Manager, Shanghai Branch, The Bank of Tokyo-Mitsubishi UFJ (China), Ltd. (currently MUFG Bank (China), Ltd.)  
April 2011 Regional Head for Germany and General Manager, Dusseldorf Branch, The Bank of Tokyo-Mitsubishi UFJ, Ltd. (currently MUFG Bank (Europe) N.V.)  
August 2014 Advisor, the Company  
September 2014 Executive Officer, the Company  
September 2014 Director, the Company  
September 2015 Managing Director, the Company  
September 2020 Director and Managing Executive Officer, the Company (current position)



**Takanobu Kameda**  
Director and Managing Executive Officer  
In Charge of Corporate Planning Department, E-commerce Department, Public Relations & Advertising Section and HIM Co., Ltd.  
(Born January 24, 1963)

April 1985 Joined the Company  
November 2006 General Manager, Electronic Stationery Business Promotion Department  
June 2011 Executive Officer, the Company  
September 2014 Director, the Company  
September 2016 Managing Director, the Company  
September 2020 Director and Managing Executive Officer, the Company (current position)



**Makoto Takano**  
Director and Managing Executive Officer  
General Manager, Procurement & Distribution Division, In Charge of Quality Management, Domestic Subsidiaries Coordination Department, and Overseas Manufacturing Subsidiaries  
(Born July 14, 1961)

March 1984 Joined the Company  
February 2006 President & CEO, P.T. KING JIM INDONESIA  
June 2011 Executive Officer, the Company  
September 2014 Director, the Company  
September 2020 Senior Executive Officer, the Company  
September 2021 Director and Managing Executive Officer, the Company (current position)



**Miyoko Kimura**  
Director and Managing Executive Officer  
General Manager, R&D Division  
(Born June 12, 1964)

April 1988 Joined PLUS CORPORATION  
May 1999 Joined ASKUL Corporation  
February 2010 President, ASMARU Corporation  
August 2017 Director, Chief Marketing Officer (CMO), Executive Officer, Executive Officer of Life Creation Unit and Value Creation Center Unit, B-to-C Company, ASKUL Corporation  
May 2021 Director, Supervisor of Branding, Design and Supplier-relations, ASKUL Corporation  
June 2021 Outside Director, Asahi Holdings, Inc. (current position)  
September 2022 Director and Managing Executive Officer, the Company (current position)



**Keiko Kakiuchi**  
External Director  
(Born January 25, 1962)

April 1998 Registered as attorney-at-law  
April 1998 Joined Miyahara, Suda, Ishikawa Law Office  
October 2003 Joined Kasahara Law Office  
August 2012 Established Ryowa Sogo Law Office (current position)  
September 2015 External Auditor, the Company  
June 2016 External Audit & Supervisory Board Member, Toppan Printing Co., Ltd. (current position)  
March 2018 Audit & Supervisory Board Member, Yano Research Institute Ltd. (current position)  
September 2019 External Director, the Company (current position)



**Katsuya Hirokawa**  
External Director  
(Born January 14, 1970)

April 1993 Joined The Sumitomo Bank, Ltd. (currently Sumitomo Mitsui Banking Corporation)  
December 2005 Incubation Manager, Keio Fujisawa Innovation Village, Keio University Shonan Fujisawa Campus  
April 2012 Secretary General, General Foundation SFC Forum (current position)  
July 2017 Fund Manager, SFC Forum Fund (current position)  
April 2018 External Director, ShuR Co., Ltd.  
September 2019 External Director, the Company (current position)



**Mizuho Iwaki**  
External Director  
(Born August 17, 1965)

April 1988 Joined Japan Broadcasting Corporation (NHK) Matsuyama Headquarters  
February 1991 Freelance announcer  
March 2007 Joined NTT Sotco Corporation (currently NTT Nexia Corporation)  
June 2008 Joined Sumitomo Life Insurance Company  
December 2009 Representative, OfficeBenefit (current position)  
July 2011 Certified as Certified Financial Planner (CFP)  
September 2019 Vice President, Fiduciary and Independent Wealth Advisors, NPO (current position)  
September 2021 External Director, the Company (current position)  
May 2022 Representative Director, MZ Benefit Consulting, Inc. (current position)  
August 2022 Registered as Labor and Social Security Attorney



**Takako Suzuki**  
External Director  
(Born March 5, 1962)

April 1984 Joined Nissan Motor Co., Ltd.  
August 2001 Joined LVJ Group Co., Ltd. (currently Louis Vuitton Japan Co., Ltd.)  
April 2009 Representative Director, Shaldan Co., Ltd.  
January 2010 Joined S.T. CORPORATION  
April 2013 Director, President & CEO, S.T. CORPORATION  
May 2013 Director, Shaldan Co., Ltd. (current position)  
March 2020 Outside Director, TRUSCO Nakayama Corporation (current position)  
June 2021 Chairman of the Board, President & CEO, S.T. CORPORATION (current position)  
September 2022 External Director, the Company (current position)



**Ikumi Hiraki**  
External Director  
(Born April 4, 1975)

April 1998 Joined The Long-Term Credit Bank of Japan, Limited (currently Shinsei Bank, Limited)  
April 2003 Research Associate, School of Commerce, Waseda University  
October 2009 Adjunct Researcher, Institute of Marketing Communication, Comprehensive Research Organization, Waseda University (current position)  
April 2012 Associate Professor, Business Economics Faculty, Tokyo International University  
April 2018 Visiting Professor, The Open University of Japan  
April 2018 Professor, Business Economics Faculty, Tokyo International University (current position)  
September 2018 Part-time Lecturer, Graduate School of Commerce, Waseda University (current position)  
September 2022 External Director, the Company (current position)

## Auditors



**Kazuto Shimizu**  
Standing Auditor  
(Born January 2, 1958)

April 1981 Joined The Sumitomo Bank, Ltd. (currently Sumitomo Mitsui Banking Corporation)  
April 2008 Principal Examiner, Audit Dept., Sumitomo Mitsui Banking Corporation  
September 2010 Advisor, the Company  
September 2010 Standing Auditor, the Company (current position)



**Mina Ota**  
External Auditor  
(Born May 6, 1972)

December 1999 Registered as a Certified Tax Accountant  
February 2004 Joined TACT Consulting Co., Ltd.  
September 2015 External Auditor, the Company (current position)  
July 2021 Representative, Mina Ota Certified Tax Accountant Office (current position)



**Takeshi Niwa**  
External Auditor  
(Born February 28, 1965)

April 1990 Joined Ajinomoto Co., Inc.  
September 2003 Joined SHUWA Patent Attorney Office (currently IP Firm SHUWA)  
December 2003 Registered as a patent attorney  
April 2009 Senior Partner, SHUWA Patent Attorney Office (current position)  
November 2009 Vice President, SHUWA Patent Attorney Office (currently IP Firm SHUWA)  
May 2015 Representative Director, SHUWA Intellectual Property Co., Ltd. (current position)  
September 2015 External Auditor, the Company (current position)

## Skills Matrix

Name	Position	Nomination and Compensation Committee	Skills, Experience, Knowledge, etc.							
			Management Experience	Industry Insight	International Experience	Sales & Marketing	Product Development and Production	Finance and Accounting	Legal	ESG
Akira Miyamoto	President & CEO	○	○	○						○
Naomichi Hagita	Director and Senior Managing Executive Officer		○	○			○			○
Shinichi Harada	Director and Managing Executive Officer	○	○		○				○	○
Takanobu Kameda	Director and Managing Executive Officer		○	○						○
Makoto Takano	Director and Managing Executive Officer		○		○					○
Miyoko Kimura	Director and Managing Executive Officer		○				○			○
Keiko Kakiuchi	External Director	○							○	○
Katsuya Hirokawa	External Director	○							○	○
Mizuho Iwaki	External Director	○							○	○
Takako Suzuki	External Director		○				○			○
Ikumi Hiraki	External Director						○			○
Kazuto Shimizu	Standing Auditor				○					○
Mina Ota	External Auditor		○						○	○
Takeshi Niwa	External Auditor		○		○					○

Notes: Up to four of the main skills, experience, knowledge, etc., possessed by each Director and Auditor are listed.

# 11-Year Summary

<KING JIM and consolidated subsidiaries>

	FY6/12	FY6/13	FY6/14	FY6/15
Net sales	29,953	29,284	30,684	33,184
Cost of sales	18,902	18,590	19,853	21,317
Gross profit	11,050	10,693	10,831	11,867
Selling, general and administrative expenses	10,039	10,032	9,717	10,819
Operating profit	1,010	661	1,113	1,047
Ordinary profit	1,003	800	1,194	1,212
<b>Financial results</b> Ordinary profit ratio (%)	3.3	2.7	3.9	3.7
Profit attributable to owners of parent	613	538	868	918
ROE [Return on equity] (%)	3.8	3.3	5.0	4.9
ROA [Return on assets] (%)	2.6	2.2	3.3	3.3
Cash flows from operating activities	1,918	764	1,705	1,250
Cash flows from investing activities	(218)	(827)	(1,421)	613
Cash flows from financing activities	(1,328)	(347)	777	(2,335)

	FY6/12	FY6/13	FY6/14	FY6/15
Total assets	23,962	24,381	28,268	27,608
Total liabilities	7,591	7,307	9,959	7,828
<b>Financial position</b> Net assets	16,371	17,074	18,308	19,780
Equity	16,160	16,816	18,033	19,453
Equity ratio (%)	67.4	69.0	63.8	70.5

Capital expenditures	656	753	457	484
Depreciation	708	662	642	661
Cash	3,384	3,114	4,169	3,818
<b>Other major financial and non-financial data</b> Earnings per share (yen)	22.17	19.45	31.07	32.35
Dividend per share (yen)	14	14	14	14
Payout ratio (%)	63.1	72.0	45.1	43.3
Number of employees (persons)	1,999	2,305	2,421	2,335

(Millions of yen)

FY6/16	FY6/17	FY6/18	FY6/19	FY6/20	FY6/21	FY6/22
34,138	34,627	34,788	34,329	33,455	36,319	36,636
21,583	21,653	21,198	21,146	20,554	21,880	23,159
12,554	12,974	13,589	13,183	12,901	14,438	13,477
11,316	11,283	11,676	11,788	11,668	12,021	12,469
1,238	1,690	1,912	1,395	1,232	2,416	1,007
1,313	1,828	2,089	1,636	1,489	2,755	1,338
3.8	5.3	6.0	4.8	4.5	7.6	3.7
809	1,204	1,402	963	1,081	1,963	788
4.2	6.1	6.7	4.5	5.0	8.6	3.3
3.0	4.5	5.2	3.6	4.0	6.7	2.5
460	3,916	1,518	1,323	1,989	3,108	(1,278)
(431)	(463)	(487)	(504)	(1,357)	(492)	(3,578)
314	(2,464)	(1,574)	(900)	456	(1,382)	3,206

26,993	26,971	26,979	26,132	28,051	30,565	33,512
7,745	6,406	5,320	4,798	6,141	6,447	9,280
19,247	20,564	21,659	21,334	21,910	24,118	24,231
18,974	20,262	21,314	21,244	21,794	24,022	24,135
70.3	75.1	79.0	81.3	77.7	78.6	72.0

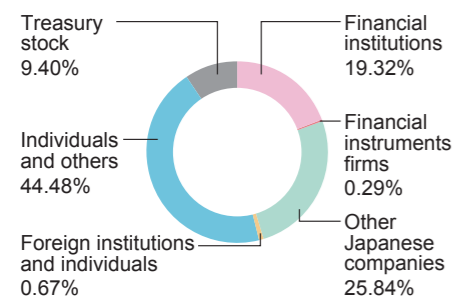
933	427	519	429	734	496	641
708	680	641	650	643	628	658
4,032	5,007	4,466	4,368	5,410	7,032	5,637
28.47	42.36	49.36	33.88	38.06	68.99	27.69
14	20	17	14	17	27	22
49.2	47.2	34.4	41.3	44.7	39.1	79.5
2,464	2,334	2,172	2,307	2,239	2,157	2,102

## Stock Information (As of June 20, 2022)

### Stock overview

<b>Total number of shares authorized</b>	100,000,000 shares
<b>Total number of shares outstanding</b>	31,459,692 shares
<b>Number of shareholders</b>	25,708 people

### Breakdown by type of shareholder



### Major shareholders

Name	Number of shares held (Thousand shares)	Ratio (%)
Tokyo Small and Medium Business Investment & Consultation Co., Ltd.	1,952	6.85
The Master Trust Bank of Japan, Ltd. (Trust Account)	1,403	4.92
Sumitomo Mitsui Banking Corporation	1,376	4.83
MUFG Bank, Ltd.	1,011	3.55
KING JIM Dai-ichi Kyoei Shareholding Association	960	3.37
Yodobashi Camera Co., Ltd.	944	3.31
Sumitomo Mitsui Trust Bank, Limited.	898	3.15
Mayfair Creation Corp.	853	2.99
Akira Miyamoto	830	2.91
MK JIM CO., LTD.	775	2.72

\* In addition to the above, there are 2,957,834 shares of treasury stock. Percentage of total shares issued is calculated after excluding treasury stock.

### Stock price and trading volume movements



## Corporate Profile (As of June 20, 2022)

### Corporate data

#### Trade name

KING JIM CO., LTD.

#### Start of business

April 1927

#### Date of establishment

August 1948

#### Capital

¥1,978 million

#### Number of employees

Consolidated: 2,102  
Non-consolidated: 395

#### Address of head office

2-10-18, Higashi-Kanda, Chiyoda-ku, Tokyo  
101-0031, Japan

#### Number of offices

Offices, branches, sales offices: 8  
Distribution centers: 3

#### Listed market

Tokyo Stock Exchange Prime Market  
(Securities code: 7962)

### Locations

#### Offices, Branches, Sales Offices

Matsudo Office	Matsudo, Chiba
Tokyo Branch	Chiyoda-ku, Tokyo
Nagoya Branch	Nagoya, Aichi
Osaka Branch	Osaka City, Osaka
Fukuoka Branch	Fukuoka City, Fukuoka
Sapporo Sales Office	Sapporo, Hokkaido
Sendai Sales Office	Sendai, Miyagi
Hiroshima Sales Office	Hiroshima City, Hiroshima

#### Distribution centers

Tokyo Logistics Center	Edogawa-ku, Tokyo
Osaka Distribution Center	Osaka City, Osaka
Fukuoka Distribution Center	Fukuoka City, Fukuoka

#### Domestic Group companies

LADONNA CO., LTD.	Koto-ku, Tokyo
ASCA CO., LTD.	Nagoya, Aichi
BON FURNITURE CO., LTD.	Kainan, Wakayama
WINCESS CORPORATION	Takamatsu, Kagawa
Life on Products, Inc.	Osaka City, Osaka

#### Overseas Group companies

P.T. KING JIM INDONESIA	East Java, Indonesia
KING JIM (MALAYSIA) SDN. BHD.	Kedah, Malaysia
KING JIM (SHANGHAI) TRADING CO., LTD.	Shanghai, China
KING JIM (VIETNAM) Co., Ltd.	Binh Duong, Vietnam
KING JIM (HK) CO., LIMITED	Hong Kong Special Administrative Region, China
KING JIM (SHENZHEN) TRADING CO., LTD.	Shenzhen, Guangdong, China

[KING JIM IR website](https://www.kingjim.co.jp/english/ir/)

[KING JIM Sustainability website](https://www.kingjim.co.jp/english/sustainability/)

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

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



### Editorial Note to the Integrated Report 2022

We thank you for reading our Integrated Report 2022.

This is the first integrated report of the KING JIM Group. It was prepared with the aim of presenting the Group's efforts in an easy-to-understand manner. We sincerely hope that this Integrate Report will help readers understand the "KING JIM style" of now and the future, and provide an opportunity to deepen their dialogue with us. We plan to further enrich the content of our report, and so we look forward to hearing your frank opinions and requests.

Lastly, we would like to express our gratitude to all those involved in the production of this Integrated Report. Thank you.

December 2022

**Naomichi Hagita**

Director and Senior Managing Executive Officer



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2-10-18, Higashi-Kanda, Chiyoda-ku, Tokyo 101-0031, Japan

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