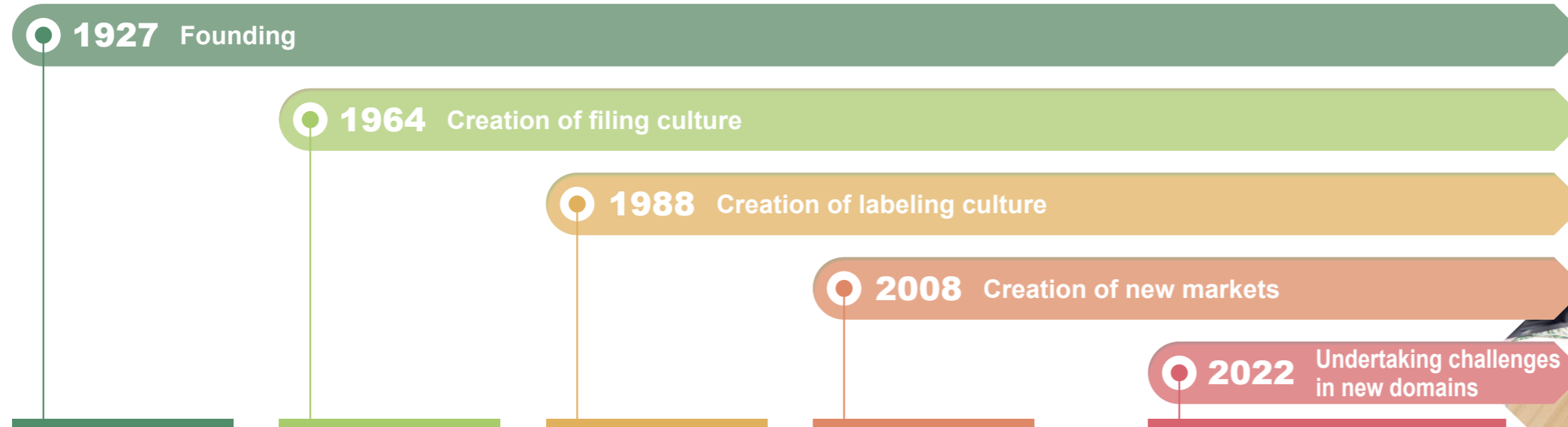


History of Value Creation

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.



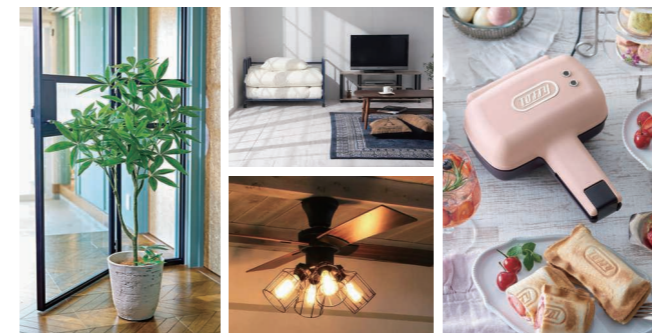
Label printer TEPRA
The era when offices were cluttered
 We developed the label printer TEPR A in response to people saying they want to display the title of files on bookshelves neatly. It created a culture of labeling files and displaying information.



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 POMER A, 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”

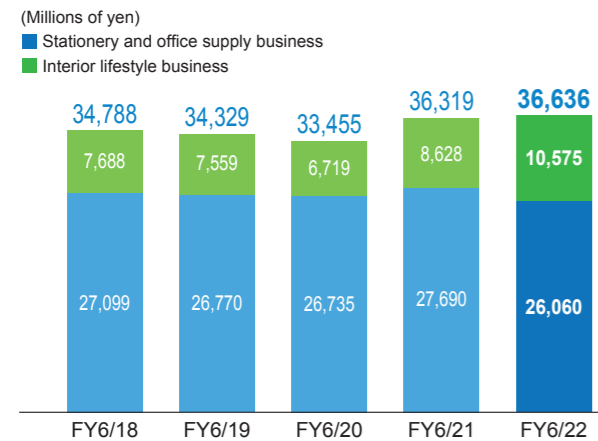
Main companies that joined the Group through M&As

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

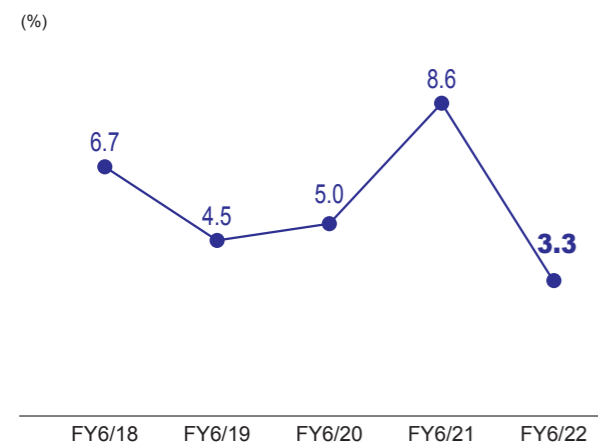
Financial Highlights

Net Sales



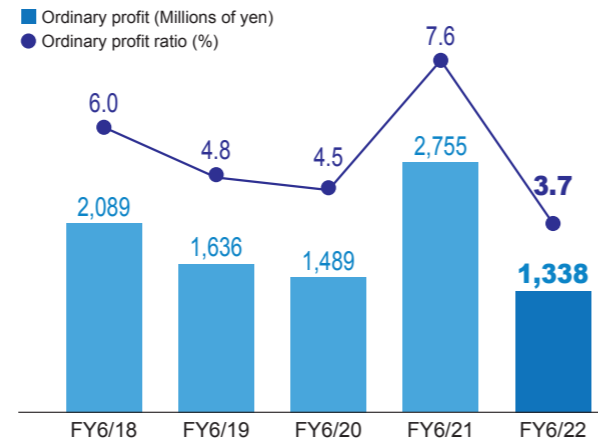
In our stationery and office supply business, net sales decreased by 5.9% resulting from opportunity losses caused by running out of stock of mainstay products due to semiconductor shortages and lockdowns in countries where those products are manufactured. On the other hand, in our interior lifestyle 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



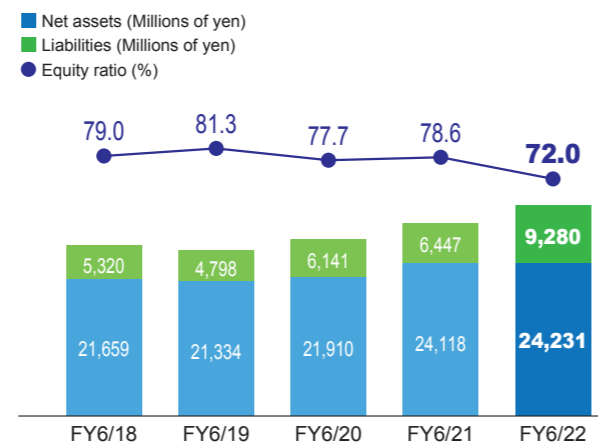
Profit attributable to owners of parent decreased by 59.8%, a significant drop from the previous fiscal year when it had achieved a record high, which resulted in ROE down 5.3 percentage points from the previous fiscal year.

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.

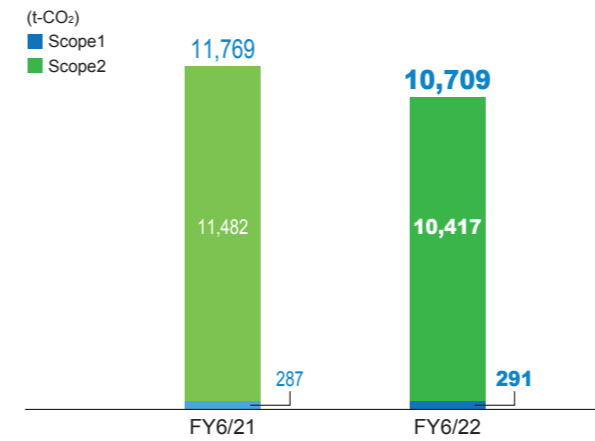
Net Assets/Liabilities and Equity Ratio



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

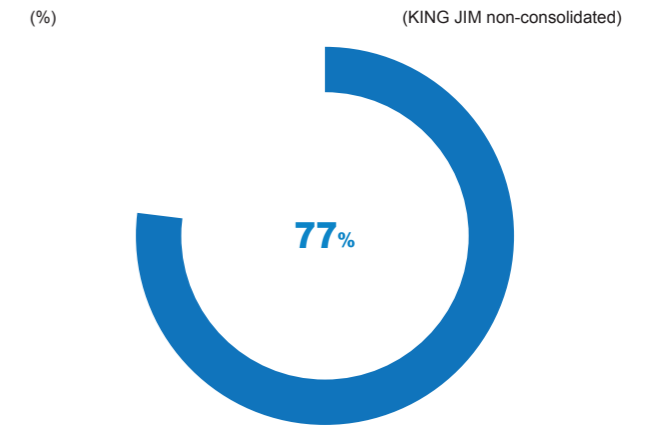
CO₂ Emissions (Scope 1+2)



We will continue to reduce CO₂ emissions by promoting energy-saving measures and other initiatives.

* We started to calculate these data from the fiscal year ended June 20, 2021. CO₂ emission factors are based on the adjusted emission factors of individual power companies.

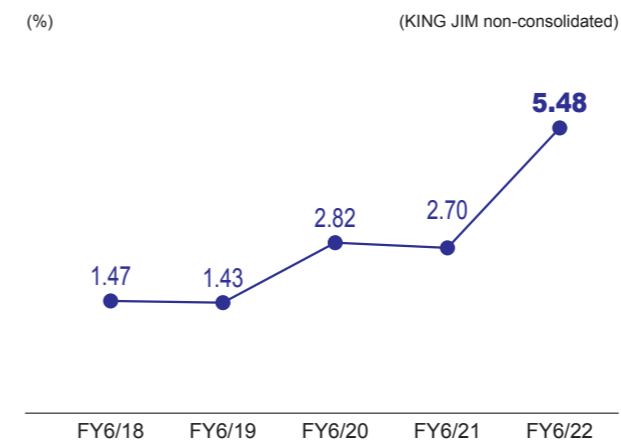
Percentage of Net Sales of Eco-Friendly Products



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.

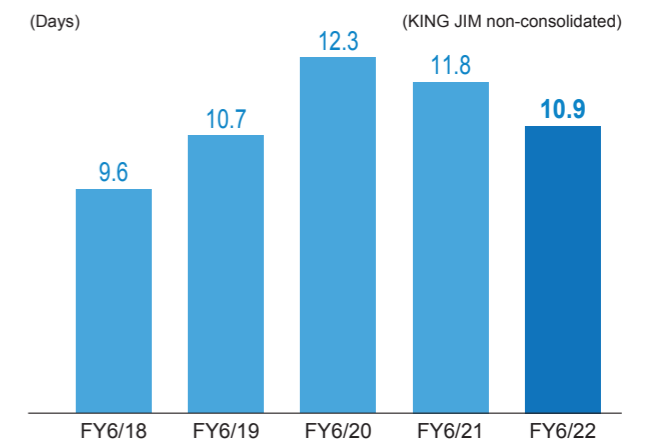
* Environmental labels certified by third-party organizations such as Eco Mark or the "Environmental Mark" based on our company-internal standards

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

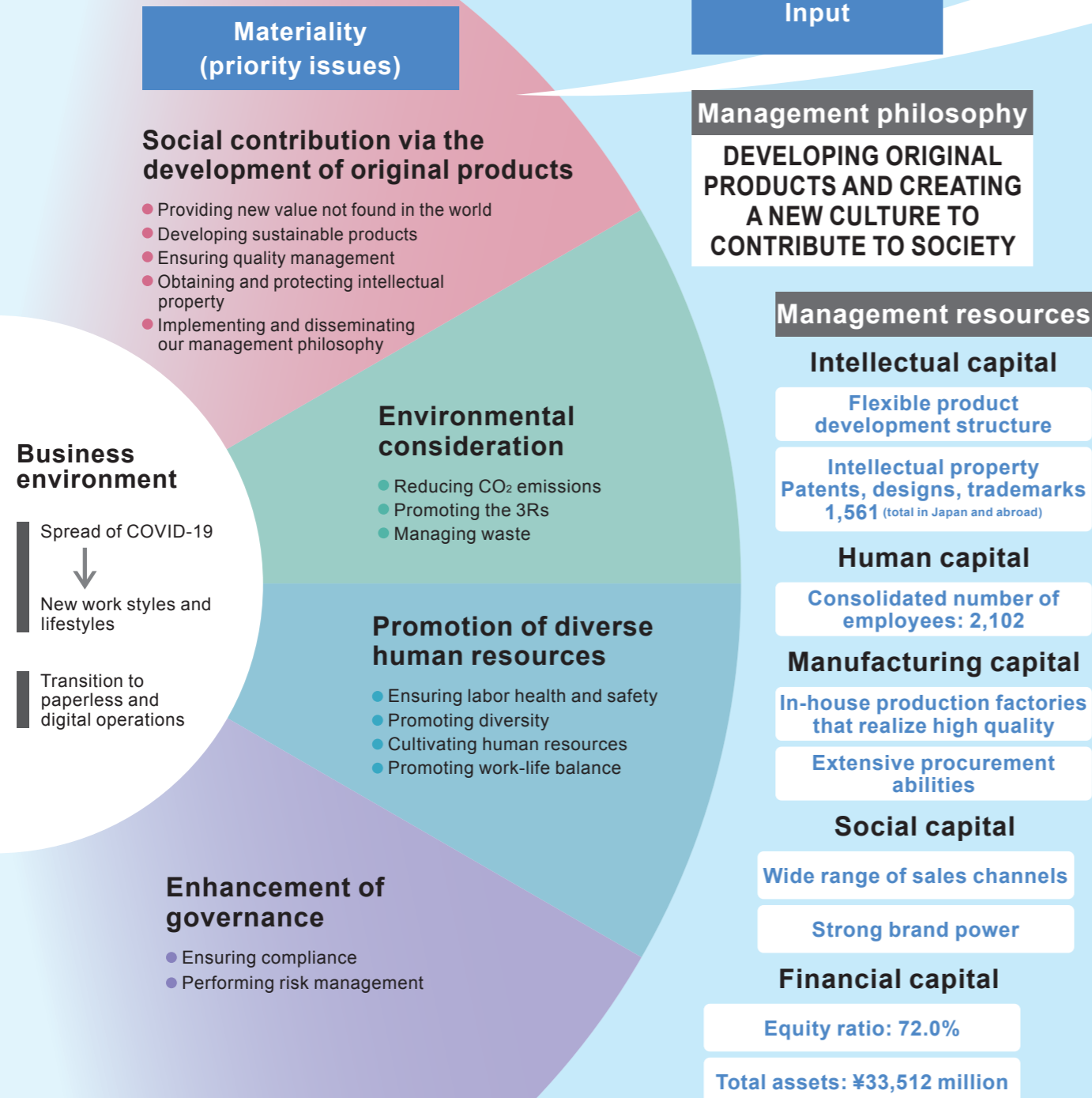


We encourage our employees to take annual paid leave by setting a target for the number of days of paid leave that should be taken and notifying employees of this target. In the fiscal year ending June 20, 2023, our target is at least seven days of leave. The average number of days of paid leave taken 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.



Outcome

Realization of a sustainable society

Contributing to the achievement of SDGs

Sustainable development of the KING JIM Group

Corporate Message

Surprise, Comfort, Work and Life

10th Medium-Term Management Plan

Net sales
¥48.0 billion

Ordinary profit
¥3.4 billion

Ordinary profit ratio
7.0%

ROE
9.0%



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

Extensive Sales Channels

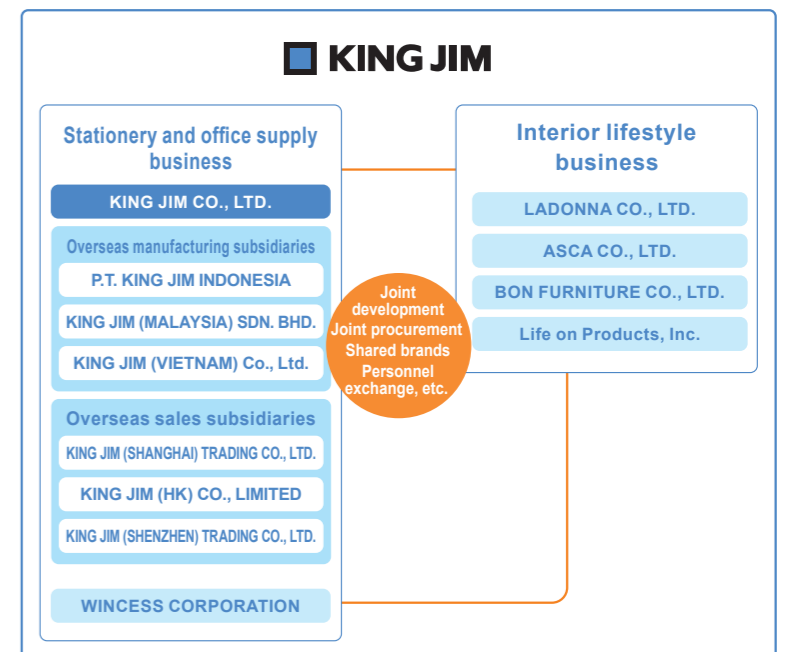
Customers’ buying behavior has become more diverse due to changes in the market environment, including the rise of E-commerce. KING JIM covers extensive sales channels so that customers can buy our products anywhere, including nationwide stationery stores, mass retailers, general stores, and mail-order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

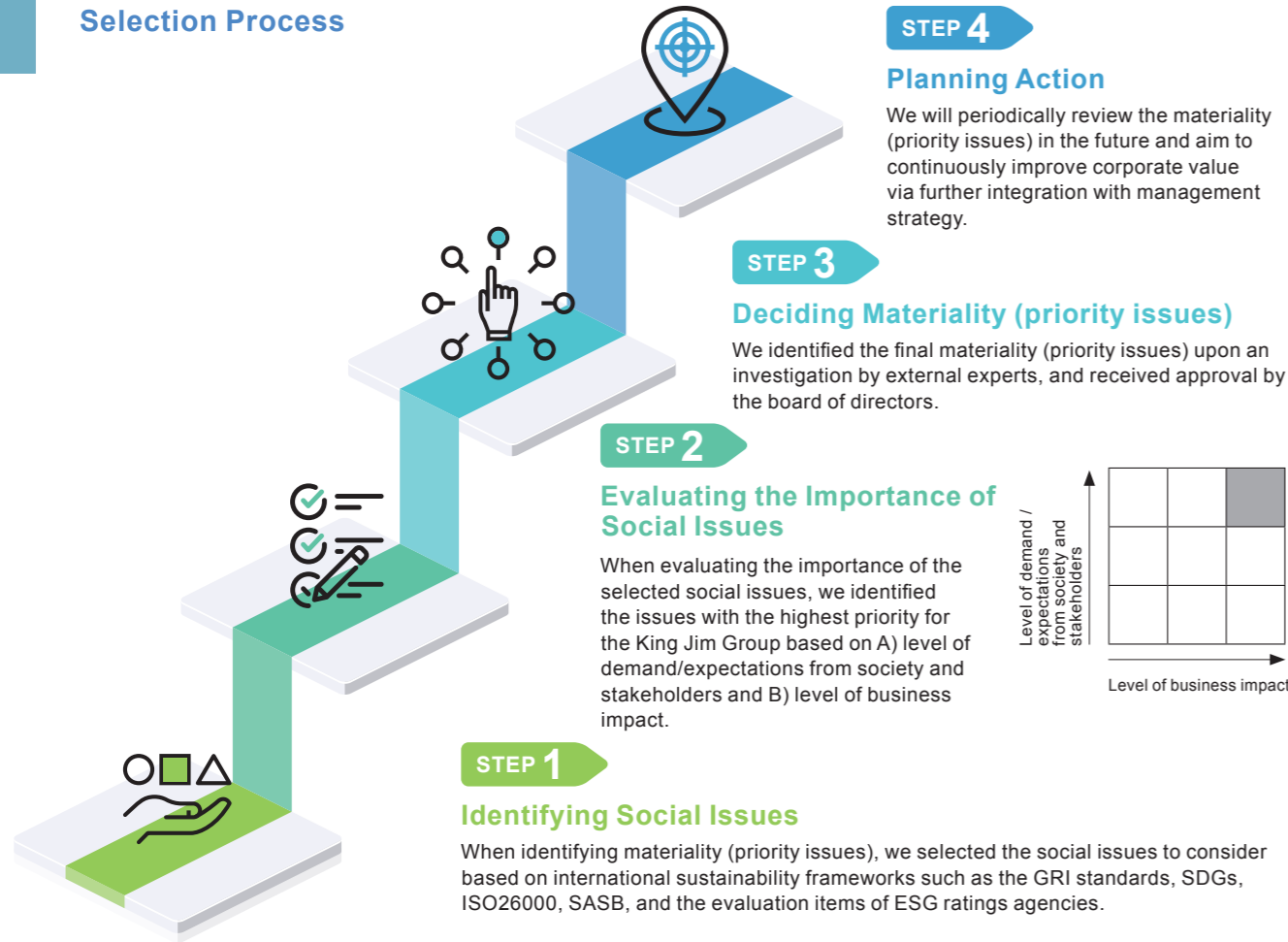
KING JIM’s official social media accounts

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

Selection Process



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."

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.

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).

