



Message

Fostering a sense of ownership amongst all employees toward the realization of a sustainable society.

The environment surrounding us is changing rapidly, and the resolution of various social issues, such as climate change and human rights issues, has become increasingly important. Under these circumstances, the KING JIM Group has undertaken its activities and initiatives, always conscious of materiality (priority issues) in order to realize a sustainable society.

In response to climate change, we announced our endorsement of the Task Force on Climate-related Financial Disclosures (TCFD) recommendations in June 2023 and disclosed information. In addition, we have formulated and announced a Procurement Policy to practice sustainable procurement that takes the environment and society into consideration, as well as a Policy for Human Resource Development and Enhancing the Internal Work Environment to enhance human capital. These initiatives were established based on contents of discussions by the Sustainability Committee, a cross-departmental organization. This committee, which includes a variety of members from young employees to executives, has generated many ideas, including initiatives to raise awareness of sustainability and company-wide initiatives to reduce CO₂ emissions. I believe that this has been made possible because we deeply recognize that each of us is a member of society and each and every employee has a deep-rooted sense of ownership in how he/she can contribute to society.

From the perspective of environment, society, and governance (ESG), the KING JIM Group will continue to work as one to improve corporate value and promote activities that contribute to society.



Naomichi Hagita
Director and Senior Managing Executive Officer
Corporate Planning Department Special Assignment (In Charge of Sustainability and M&A), In Charge of Sales Division

Comments from Execution Members of the Sustainability Committee

Impressions before joining the committee

The committee was a hot topic amongst employees, as there were many interesting projects in place, such as original comics and posters for in-house enlightenment, as well as participatory campaigns. We felt that the way in which the committee worked sincerely on sustainability and SDGs while also trying to get employees involved in creative ways was very much in the KING JIM style.



Saki Aoyagi
Human Resources Department
Nami Norimoto
Public Relations & Advertising Section

After joining the committee

First and foremost, we were surprised at the wide variety of topics being discussed and tasks being undertaken. As execution members, we feel that we need to learn more. From the viewpoint of "What direction should the KING JIM Group take in the future?" all committee members, from young employees to executives, engage in open discussion regardless of position and new initiatives are generated as a result. Even in our daily lives, whenever we see or hear words like "sustainability" or "SDGs," we find ourselves thinking, "Is there something I can gain from this?"

Future activities for the committee

We would like to involve members from the Human Resources Department and Public Relations & Advertising Section, to which we belong, and utilize the knowledge of each department in our activities. We would also like to actively propose initiatives that employees can take an interest in and have fun participating in, and we hope that this will improve the awareness of each and every employee.

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. We have 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, we have appointed an executive in charge of sustainability and established an inter-departmental organization called the Sustainability Committee, thereby building a management system. We have also 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 That Lead to the Improvement of Sustainability

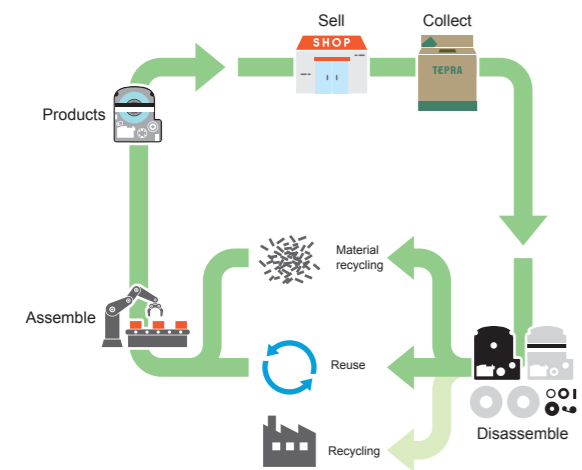


Products for Achieving SDGs

Collecting used products*

We collect used "TEPRA" tape cartridges and recycle or reuse them to reduce waste.

*In Japan only



Development of filing tools with reusable "covers" and "bindings"

A product that provides easy removal of file covers and bindings to enable various materials to be separately disposed of. Old covers can also be replaced to reuse bindings.



Development of an electronic memo pad that enables written communication without using paper*

A simple electronic notepad that can be written on and erased as required, which is useful for written communication and practicing mathematics.

*Sold in Japan only



Development of products that can spray disinfectant without touching

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



Development of products with simplified packaging instead of individual boxes to reduce waste

Jumbo packs for customers that consume a large quantity of "TEPRA" tape cartridges, which reduce the number of individual boxes.



Efforts to Improve Employee Awareness

Original comic "Sustainya Press"

To deepen employees' understanding of our sustainability activities and promote active and voluntary participation in those activities, we publish an original comic series "Sustainya Press," in which original characters introduce sustainability terminology and the sustainability initiatives of KING JIM and other companies.



SDGs campaign

We carry on an "SDGs campaign" to raise awareness of sustainability issues and familiarize employees more with SDGs. From the five activities that can be practiced easily in daily life, employees choose and declare to the Company the one they will focus on, and carry it out in their own lives.

Five activities

- "Temaedori" (Take food products displayed in the front)
- Choose means of transport with lower CO₂ emissions
- Choose locally produced food
- Use of refillable products
- Use flea markets

Walk-home drill "Let's walk home!"

About 50 participants including the President and executives walked to a major terminal station as part of a disaster drill to return home on foot in the event of a disaster, which was intended also to promote employee health.



Posters

We have put up posters about sustainability at various places in the Company to increase employee awareness and knowledge.



Efforts to Contribute to Local Communities

Participating in the "Tokyo Ethical" as a partner

"Tokyo Ethical" is a project implemented as part of the Tokyo Metropolitan Government's "Future Tokyo" strategy, which aims to build a network of partner companies and organizations committed to ethical consumption. The project aims to create a social movement to make ethical consumption a part of everyday life and to create an environment that makes it easier to practice ethical consumption.

As part of our contribution to addressing social challenges, we will support the "TOKYO Ethical" activities by providing information on products that promote ethical consumption, promoting and raising awareness of ethical consumption.



Registration as a "Barrier-Free Mind" Support Company by the Tokyo Metropolitan Government

To promote the creation of communities where everyone, including the elderly, those with disabilities, and people with infants and toddlers, can move around smoothly and enjoy various activities, it is important not only to develop accessible facilities but also to ensure "Barrier-free Mind" where we think about a society and environment where all people can participate equally and continue to take necessary action.

To foster social awareness of the need for this thinking, the Tokyo Metropolitan Government registers companies and organizations involved in awareness-raising activities as "Tokyo Barrier-free Mind Support Company," and KING JIM has also been registered as a Support Corporation.

We remain committed to developing products that make life more convenient for all people and creating a comfortable workplace environment as part of efforts to promote "Barrier-Free Mind".



Donations

As part of our community service activities, we donate our products to social welfare corporations and nursing care facilities.

- Donated clear files to social welfare corporations in Tokyo through the Central Community Chest of Japan
- Donated automatic hand sanitizer dispensers "tette" to social welfare corporations in Tokyo through the Tokyo Goodwill Bank as a countermeasure against viral infections such as COVID-19.

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.

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, 2023 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



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].

Reduce :
"Reduce" waste

We work to decrease waste by planning, developing, and designing products that can be used for a long time and can be refillable with reducing, minimizing, and lessening waste as our priority.

Reuse :
"Reuse" products.

Our product development and design are focused on creating products that are not single-use but can be used repeatedly. We make products that allow customers to easily replace individual components and continue to use the product repeatedly.

Recycle :
"Recycle" once more as source material.

We promote recycling by developing products that use recycled materials or can be easily separated for appropriate disposal after use.



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.

Converting waste to RPF

We turn part of the waste emitted from Matsudo Office into RPF.

* Refuse-derived paper and plastics densified fuel (RPF) is a high-grade, low-cost, safe, and easy-to-handle solid fuel alternative to fossil fuels, made mainly from used paper and waste plastics, which are difficult to recycle as materials. RPF can help the reduction of CO2 emissions and effective use of waste plastics.

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 CO., LTD. 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.

Environmental Conservation Activities

The KING JIM Group actively supports organizations that strive for nature conservation activities and engages in environmental conservation activities as a member of society itself.

WWF Japan

In July 2023, KINGJIM made a contribution of 200,000 yen in support of WWF Japan.

Wild Bird Society of Japan

We have been a sponsor since 1992 and a corporate member since 2001.

Endorsement of TCFD Recommendations and Disclosure of Information

The KING JIM Group regards addressing climate change, which is an environmental issue, as one of the critical issues to be addressed by management. Climate change caused by global warming is a risk that threatens the sustainability of our Group and our planet's environment and affects our business, customers, and supply chain.

In June 2023, we announced our endorsement of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), and based on the TCFD framework, we disclose the information regarding our response to climate change as follows.

*Task Force on Climate-related Financial Disclosures (TCFD): The TCFD was established by the Financial Stability Board (FSB) at the request of the G20 to examine how companies and others should make climate-related disclosures and financial institution responses. The TCFD recommends that companies and others disclose climate change-related risks and opportunities.



Governance

Concerning sustainability initiatives, including addressing climate change, under Basic Sustainability Policy of the KING JIM Group, the Sustainability Committee, chaired by the executive in charge of sustainability, establishes various policies and detailed targets to resolve issues and determines the structure and specific measures to put them into practice. The important matters considered and decided by the Sustainability Committee are discussed and reported to the Board of Directors after prior deliberation by the management conferences as necessary. Thereby we establish a system for appropriate management decision-making and supervision over the status of initiatives.

Strategy

In order to understand the medium- and long-term impacts of the risks and opportunities posed by climate change on our business and to study countermeasures, we conducted a scenario analysis by referring to reports of the Intergovernmental Panel on Climate Change (IPCC) and the International Energy Agency (IEA) for our stationery and office supply business, which accounts for a high percentage of our net sales.

Scenarios Considered by the Company

Scenario	Overview
Below 2°C	<p>The scenario where the average global temperature increase by 2100 is less than two degrees Celsius above pre-industrial levels</p> <ul style="list-style-type: none"> Strengthening of policies and rules in each country, such as the introduction of carbon taxes and other carbon pricing measures and the shift to renewable energy sources The risks of transitioning to a decarbonized society will become apparent
4°C	<p>The scenario where the average global temperature increase by 2100 is four or more degrees Celsius above pre-industrial levels</p> <ul style="list-style-type: none"> Climate change will cause extreme weather events to become more severe and frequent, resulting in physical risks such as difficulty in procuring raw materials and reduced productivity, which will significantly negatively impact business activities No new policies or regulations implemented, and CO2 emissions will continue to increase as the transition to a decarbonized society remains stagnant

The scenario analysis revealed that transition risks due to tighter policies and regulations and physical risks due to more extreme and frequent chronic weather events significantly impact business and finances while simultaneously indicating that business expansion opportunities also exist.

By implementing these measures, we will reduce the risks associated with climate change and proactively take advantage of growth opportunities.

Business Risks and Opportunities in Climate Change, Assessment of Business/Financial Impact and Its Countermeasures

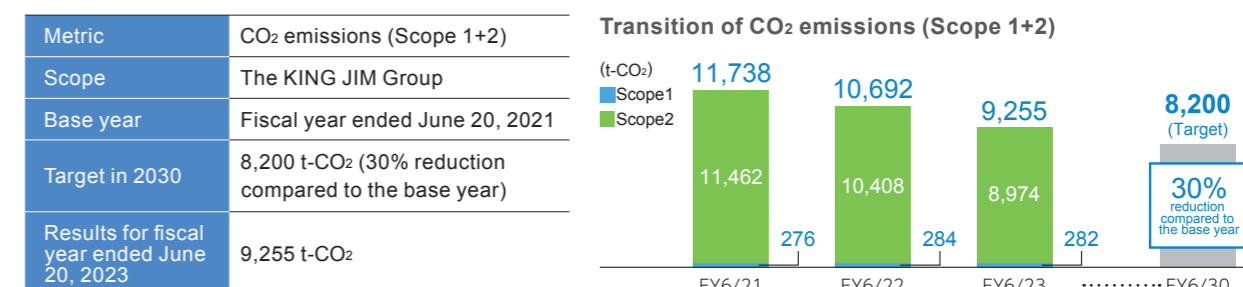
Category	Type	Factor	Content of Impact	Business/Financial Impact		Countermeasures	
				2°C	4°C		
Risks	Transition risks	Policy and legal	Product cost increases due to compliance with the Act on Promotion of Resource Circulation for Plastics	high	middle	<ul style="list-style-type: none"> Switching to alternative raw materials Study of the resource cycle system 	
			Increase in various costs due to introducing the carbon tax, etc.	middle	low	<ul style="list-style-type: none"> Establishment of CO2 emission reduction targets and implementation of measures to reduce CO2 emissions 	
		Technology	Increased cost of raw materials for environmentally friendly products	high	low	<ul style="list-style-type: none"> Review of suppliers and raw materials Strengthening relationships with raw material manufacturers 	
		Market	Decline in sales of files due to paperless operations and digitalization	high	middle	<ul style="list-style-type: none"> Expand product lineups that are not affected by paperless operations and digitalization 	
	Reputation		Decrease in sales of PP products due to the growing shift to plastic-free products	high	middle	<ul style="list-style-type: none"> Consider the development of products using recycled plastics Proposal of alternative products 	
			Decline in reputation among consumers, investors, and suppliers due to delays in addressing climate change and loss of opportunities to attract personnel	high	low	<ul style="list-style-type: none"> Planning, announcement, and implementation of climate change countermeasures Participation in climate change initiatives 	
	Physical risks	Acute		Loss of sales opportunities due to production and logistics delays and disruptions	middle	high	<ul style="list-style-type: none"> Monitoring of disaster risk at each operating site Strengthening relationships with partner factories Decentralization of production and distribution bases
				Reduction in the labor force due to the damage caused by disasters to employees	middle	high	
Chronic			Increased raw material costs due to difficulty in procuring fossil fuels	middle	high	<ul style="list-style-type: none"> Monitoring of raw material market trends Consider alternative raw materials Diversification of suppliers 	
			Decreased productivity due to increased heat stress and infectious diseases	middle	high	<ul style="list-style-type: none"> Implementation of disease prevention measures Improvement of a workplace environment in response to temperature changes 	
Opportunities	Products/Services		Increased sales opportunities for environmentally friendly products, etc.	high	middle	<ul style="list-style-type: none"> Maintain sales ratio of environmentally friendly products at 80% or higher 	
			Increased sales opportunities for disaster preparedness goods, hygiene and health products, etc.	middle	high	<ul style="list-style-type: none"> Strengthen sales structure 	
	Market		Generate sales in new markets and businesses in the fight against climate change	high	high	<ul style="list-style-type: none"> Continue new business creation activities Strengthen development and sales structure 	

Risk Management

The Sustainability Committee is responsible for identifying and evaluating risks related to climate change and other environmental issues that the KING JIM Group should pay attention to and deciding on countermeasures to address them. Countermeasures are deployed to each department and group companies, and the Sustainability Committee monitors the status of risks. Should an event that could have a significant impact on management occur, it is immediately reported to the Risk Management Committee, chaired by the President & CEO, through the executive in charge of sustainability. Upon receipt of the report, the Risk Management Committee will consider the response.

Metrics and Targets

To address climate change, we are working to execute "Reducing of CO2 emissions," an important theme in Materiality (priority issues) "Environmental Consideration" identified by the Group, by setting the reduction targets for the following CO2 emissions (Scope 1+2) as a metric and working to achieve the reduction targets.





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 have established the Policy for Human Resource Development and Enhancing the Internal Work Environment.

Policy for Human Resource Development and Enhancing the Internal Work Environment

The KING JIM Group regards its employees as its most valuable asset and a driving force for growth. As such, we develop innovative human resources who are motivated to take on the challenge of creating new value. We also make an internal work environment in which employees can each exert their abilities to the maximum and be active just the way they are.

■ Fair and equitable recruitment

- We conduct fair and equitable selection and hiring procedures from the perspective of innovation, company growth, and diversity.

■ Encouraging a willingness to embrace the challenge

- We encourage employees to take on new challenges in pursuit of innovation, motivating them to achieve personal growth.
- We place a high value on a mindset that embraces challenges without fear of failure. Learning from failure leads to growth.
- Creating an atmosphere of healthy competition and emphasizing personal growth and contribution to the company boost employee engagement.

■ Providing opportunities for learning and on the job practical application

- We support autonomous learning and offer opportunities for employees to nurture their creative thinking abilities and cultivate a global mindset.

■ Fair personnel evaluation

- We make commendations and compensation decisions to appropriately reward employees' performance based on fair evaluation.

■ Healthy workplace environment

- We make every effort to assure the safety of our employees and promote their physical and mental health.
- We foster an open and healthy workplace environment to promote vibrant communication among employees.

■ Promoting diversity

- We create a dynamic workplace environment where all individuals, regardless of age, gender, ethnicity, nationality, presence of disabilities, and other aspects, can actively participate and contribute.

■ Improving work-life balance

- In order to maximize motivation and foster innovative thinking among our employees, we introduce systems that respect the unique lifestyles of each individual. Through this approach, we aim to create a healthy work-life balance for our employees.

Human Rights

The King Jim Group upholds fundamental human rights, respects people as human beings, and does not conduct acts that degrade individual dignity. That is clearly stipulated in our Compliance Program, which is made known to those within the Group using the internal network, e-mails, and files for internal viewing.

Respecting each other's fundamental human rights is our obligation, regardless of whether it concerns internal or external company matters or whether one is another person's superior or subordinate. We notify all members of the Group of this obligation to ensure that acts of unjust, discriminatory treatment and those that will degrade the dignity of others are not conducted.

Preventing Harassment

The King Jim Group prohibits insulting attitudes toward other employees, harassment, verbal or physical violence, and other acts that may harm others physically or mentally, in addition to actions such as those above that indirectly bring about disadvantageous working conditions for other employees or may worsen the workplace environment.

Having consultation desks for harassment-related issues, we strive to take the appropriate measures to solve such problems in line with the Company regulations.

Human Resource Development and Career Support

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.

Support for employees' self-development

We provide partial financial support for employees to learn subjects related to their current or future work as part of our self-development support program, including course-related fees (e.g., admission and tuition).

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.



Training at subsidiaries in Japan

In this training program, selected young employees are sent to our Group companies in Japan as trainees for one year. The program is intended to broaden their perspective and network while allowing them to learn sales techniques from different industries and utilize the knowledge in their future work.



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.

Programs to support employee health

Healthy Walking	We hold a walking event twice a year, 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 as participation prizes.
Lectures by industrial physicians	We regularly hold educational sessions on health and safety topics for employees by industrial physicians.
"Let's walk home!"	This is an event intended to promote employee health as well as to be a drill to return home on foot in the event of a disaster, where participants walk in groups of several members to a major terminal station. The first event was held only in the Headquarters area, but we consider planning similar events also at other locations in Japan.

Society

Promotion of Diverse Human Resources



Promoting Diversity

Promotion of 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 8.0%. 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.

Efforts to promote the active participation by women

Life event handbook	We distribute handbooks that summarize the internal systems and procedures that can be used when an employee experiences major life events.
Iku-boss Manual	We distribute a manual to direct supervisors of departments that will welcome pregnant employees and employees returning to work after taking childbirth/childcare leave.
Support for employees taking childbirth or childcare leave	We interview employees taking childbirth or childcare leave before and after their leave. We also send monthly company information e-mails to employees on childbirth/childcare leave.

Employment of persons with disabilities

We are actively working to employ people with disabilities. We have established a satellite office in Kawagoe City, Saitama Prefecture, and Yokohama City Kanagawa Prefecture, which provides full support for employees with disabilities. We respect the individuality and abilities of each employee with disabilities in our operations.



Self-reports

Under this system, once a year, the KING JIM Group asks all 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.

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.



Increasing the number of days of annual paid leave taken

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, 2024, our target is for every employee to take at least eight 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.

Average days of paid leave taken: 11.8 days

(fiscal year ended June 20, 2023)

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

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 overtime 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 overtime work are restricted.

Return and retention rates of employees after childcare leave: 80%

* Includes results for male employees

Systems and Efforts to Provide Support for Employees' Work and Home Life Balance

Transferred spouse accompaniment system	In the event an employee's spouse is transferred, this system allows an employee to accompany their spouse for a maximum of three years per assignment.
Transferred spouse accompaniment leave system	In the event an employee's spouse is transferred, this system allows an employee to take a leave of absence in order to accompany their spouse for a maximum period of three years.
Job return system	This system is designed to enable employees who were compelled to resign from our company due to reasons including a spouse's transfer, childcare, caregiving, etc., to have an opportunity to return and actively contribute to our company once again.
Staggered working shifts Telework	Employees may change their working hours for such reasons as work-related circumstances, injury or illness, childcare or nursing care, and infection control, to work in more flexible styles. Employees working from home more than a certain number of days a month receive an at-home work allowance.

Message from the General Manager of the Human Resources Department

Working toward the active participation of diverse human resources.

Based on the belief that employees are the Company's most important assets and the driving force behind our growth, we have formulated the Policy for Human Resource Development and Enhancing the Internal Work Environment. We will provide a variety of educational opportunities to our employees in order to develop innovative human resources who take on the challenge of creating new value by bringing out knowledge and abilities that individuals have to the maximum extent.

Seeing as it is also important to improve the IT literacy of our employees, we will promote digital transformation and increase our business competitiveness by improving the ICT environment, supporting the acquisition of IT-related qualifications, offering in-house training, providing information, and more.

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 will flexibly change our internal systems so as to support our employees.



Yusuke Kojima
Senior Executive Officer

General Manager, HR & DX Division,
CHRO, CIO, and General Manager,
Human Resources Department

Corporate Governance Structure

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.

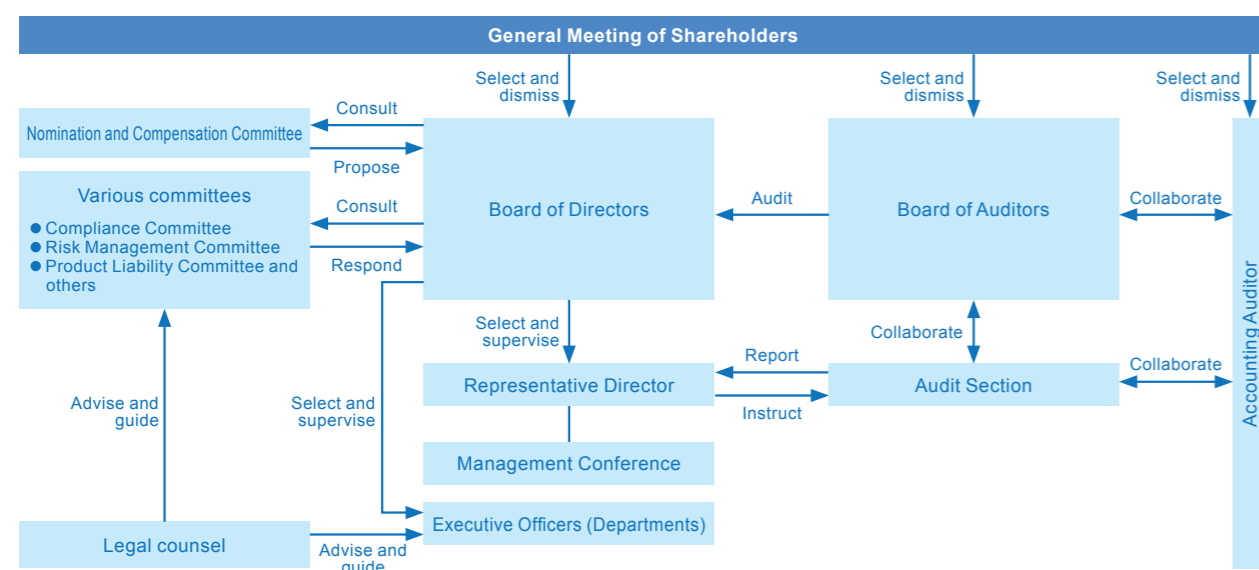
The Company has chosen the structure of a company with a board of auditors and has appointed 11 Directors (5 of whom are External Directors) and 3 Auditors (2 of whom are External Auditors). To clarify the Directors' management responsibilities further, the terms of Directors have been set at one year.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

Changes in the Corporate Governance Structure

		FY6/15	FY6/16	FY6/17	FY6/18	FY6/19	FY6/20	FY6/21	FY6/22	FY6/23	FY6/24	
Composition of the Board of Directors	Directors	Internal	8	6	8	8	8	4	5	6	6	
		External	1	2	2	2	2	4	4	4	5	5
	Auditors	Full-time	1	1	1	1	1	1	1	1	1	1
		External	3	3	3	3	3	2	2	2	2	2

The number of Directors	FY ended June 20, 2006 from 3 or more to 9	From 9 to 10	From 10 to 12
Terms of Directors	From 2 years to 1		
History of governance reforms	Executive Officer system	Introduced in FY ended June 20, 2003	Revised the system
	Nomination and Compensation Committee		
	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 (13 meetings held in the fiscal year ended June 20, 2023)

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.

Major topics discussed at the Board of Directors meetings in the fiscal year ended June 20, 2023

- Matters related to the settlement of accounts of the Company
- Matters related to the General Meeting of Shareholders
- Matters related to business plans including the Medium-Term Management Plan
- Decisions on details of business transfers, acquisitions, etc.
- Matters related to mergers
- Matters related to the sale of important assets
- Matters related to the remuneration and bonuses to Directors
- Matters related to organizational changes and personnel matters concerning officers and key employees
- Matters related to basic policies about internal control systems
- Matters related to the sale of shares held for cross-shareholding purposes
- Matters related to sustainability
- Matters related to the effectiveness of the Board of Directors

Board of Auditors (12 meetings held in the fiscal year ended June 20, 2023)

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.

Major audit items in the fiscal year ended June 20, 2023

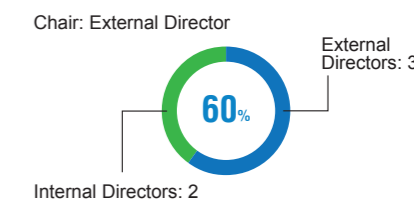
- Establishment and operation of internal control systems
- Status of compliance with the system for reporting on internal control over financial reporting
- Status of compliance ● Status of response to SDGs ● Compliance with the Corporate Governance Code

Major audit activities

- Auditors monitor the systems of control over Group companies by obtaining monthly reports from domestic and overseas subsidiaries to the parent company, attend meetings of the boards of directors of five domestic subsidiaries, and conduct audits of financial statements either onsite or online.
- While cooperating with the audit firm by having frequent meetings, they check the status of audits by inspecting stocktaking and other means. All auditors receive reports on audit results directly from the audit firm and confirm the appropriateness of audit methods and results.

Nomination and Compensation Committee (5 meetings held in the fiscal year ended June 20, 2023)

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 Directors and Auditors, 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.



Policies and procedures for the nomination of Director and Auditor candidates

When nominating Director candidates, people with excellent personal character and knowledge who have accomplished results in their duties, who are well versed in corporate management, and who have a high degree of specialization, are selected as candidates. When nominating Auditor candidates, those with excellent character and knowledge who have a high degree of specialization are selected as candidates. Furthermore, the Company will dismiss Directors and Auditors who engage in misconduct, serious violations of laws and regulations, or breaches of the Articles of Incorporation while performing their duties. The Nomination and Compensation Committee, which is an advisory body to the Board of Directors, considers the candidates for election and dismissal of the Company's Directors, Auditors and Executive Officers, and then proposes such candidates to the Board of Directors. After they have been discussed and approved by resolution of the Board of Directors, the candidates for election or dismissal of Directors and Auditors are ultimately put forward to the General Meeting of Shareholders as a proposal and determined. When electing Auditor candidates, the Company obtains the consent of the Board of Auditors.

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)	Total amount of remuneration by category (Thousands of yen)			Number of eligible officers (people)
		Base remuneration (Thousands of yen)	Performance-linked remuneration (Thousands of yen)	Non-monetary remuneration (Thousands of yen)	
Directors (excluding External Directors)	170,870	124,050	23,936	22,884	6
Auditors (excluding External Auditors)	17,220	17,220	—	—	1
External Directors and Auditors	32,460	32,460	—	—	8

Note: ROE of 3.3% 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

The Company conducts a questionnaire on the effectiveness of the Board of Directors covering all participating members of the Board of Directors, to enhance the functions of the Board of Directors as a whole. The questionnaire has been conducted 8 times (every June) 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 2023:

- We should discuss the direction of the Group as a whole at the time of formulating the next medium-term management plan.
- It would be good to have summary materials when reporting the medium-term management plan.
- Themes, such as short-term operating results, measures, and progress on priority issues, should be determined and discussed.

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 provided External Directors and External Auditors with opportunities to learn about a wide range of operations by, for example, attending internal meetings and visiting overseas and domestic subsidiaries. In addition, the Company has held study sessions taught by newly appointed external officers. It 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.

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.

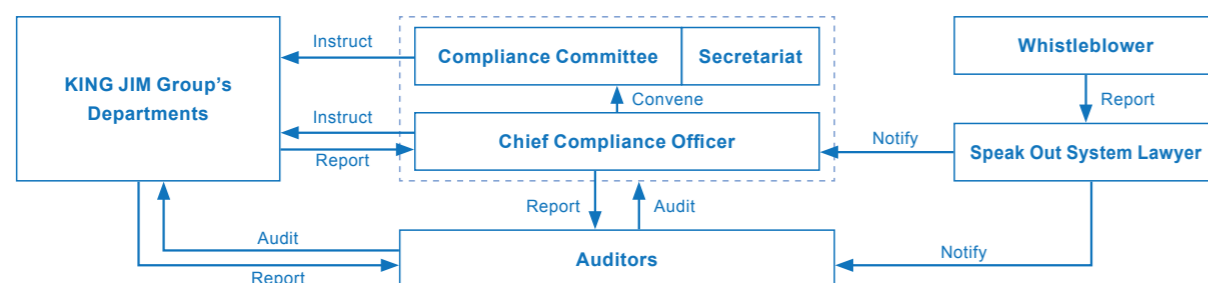
KING JIM Group Compliance Program

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."

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 Speak Out System Operation Regulations, 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, 2022–June 20, 2023)

We conduct a variety of training and awareness-building activities to strengthen and penetrate compliance.

- Implementation of an e-learning program on the protection of personal information
- Awareness about workplace harassment prevention
- Revision of the Compliance Program and informing employees about the program
- Implementation of compliance training for new employees
- Awareness about prevention of insider trading
- Informing employees about the Speak Out System
- Holding study sessions on the Subcontract Act

2) Questionnaire on compliance

At the end of each fiscal year, we conduct 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, we will hold hearings and take corrective measures with the department or subsidiary. The results of the questionnaire are reported to the Board of Directors.

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

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

* 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, 2023, the Risk Management Committee met four times.
- The Risk Management Committee's Foreign Exchange Tax Subcommittee holds meetings to appropriately deal with sudden fluctuations in foreign exchange rates. Two meetings were held in the fiscal year ended June 20, 2023.
- 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 serves as an e-mail communication network, ensuring that we have an emergency communication system in place in addition to conventional telephone communication networks. To familiarize employees with how to use the system, e-mail response drills are conducted periodically.
- As an information security measure, we conduct targeted attack e-mail training every year. We also distribute an e-mail newsletter on information security to all employees.
- We established a telework environment and system to prevent the spread of COVID-19.
- To clarify what to do in the event of leakage of electronic data containing confidential information or loss of a mobile terminal, we revised the Confidentiality Management Regulations and the Detailed Regulations on Mobile Terminal Management and informed employees about the revisions.
- A questionnaire on business risks and other risks is administered to the heads of departments managing risks, and a risk awareness survey is administered to the heads of departments and subsidiaries at the end of each fiscal year. The results of the questionnaire are reported to the Board of Directors.

Governance

Conversation between Director and Managing Executive Officer and an External Director



KING JIM is Striving to Be a Company Involved in the Creation of Next-Generation Culture

The Group invites external officers with a wide range of experience and extensive knowledge to engage in lively discussions at Board of Directors meetings. We held a conversation between Director Kameda, who has been involved in the development of products and services that have never before existed in response to the needs of the times, and External Director Hirokawa, who has extensive insight and track record in the financial field and takes the lead in new business development.



Takanobu Kameda

Director and Managing Executive Officer
In Charge of Corporate Planning Department, E-commerce
Department, Public Relations & Advertising Section

April 1985
Joined the Company
November 2006
General Manager, Electronic Stationery Business
Promotion Department, the Company
June 2011
Executive Officer, the Company
September 2014
Director, General Manager, R&D Division, In Charge of
Public Relations & Advertising Section, the Company
September 2016
Managing Director, the Company
September 2020
Director and Managing Executive Officer, the Company
(current position)

Katsuya Hirokawa

External Director and Independent Officer

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
July 2017
Fund Manager, SFC Forum Fund (current position)
April 2018
External Director, ShuR Co., Ltd.
September 2019
External Director, the Company (current position)
April 2023
Secretary General in charge of general management,
General Foundation SFC Forum (current position)

Commitment to Creative Product Development and Quality Improvement

Kameda ♦ I joined the Company in April 1985. At the time, thick files were one of the Company's main products, and we were feeling a sense of crisis wherein we worried that the spread of office automation would lead to a shift toward paperless operations. Amongst young employees at the time, including myself, there was a rising belief that we could not carry on like this. Therefore, a new team was established to develop products in new fields other than files, and I served as a member of that team, which eventually created what would become one of KING JIM's main products, the label printer TEPRA.

Hirokawa ♦ I have served as an External Director since September 2019, and I have had an impression that KING JIM has developed original and innovative products. And now I understand that it is because of such turning points.

Kameda ♦ Exactly. The Company then went on to actively develop electronic stationery while also focusing on the quality of products.

Hirokawa ♦ It's true that discussions about product quality management and safety often come up at Board of Directors meetings.

Kameda ♦ We have been committed to quality since the days when files were one of our main products. In the past, when we received reports that our binding fasteners were unable to withstand the weight of documents and had come loose from the covers of our files, we immediately made improvements by increasing the number of metal fittings (rivets) that secure the binding fasteners. In the unlikely event that a malfunction or fault is reported, we take action before it becomes a major incident and disseminate information regarding product recalls and voluntary recalls as necessary. I am proud to say that this attitude of responding sincerely and quickly is a tradition at KING JIM.

An Open and Free Board of Directors

Hirokawa ♦ The agendas for our Board of Directors meetings are made available to officers about a week in advance. I am always impressed that the meeting materials contain just the right amount of information needed for each discussion, and are well-organized and easy to understand.

Kameda ♦ We have been working on improving the

materials for a long time now, and I think they have certainly become easy to read and understand.

Hirokawa ♦ The various requests made by External Directors, including myself, such as requests to add specific data or change certain aspects to make comparison easier, are fully reflected in the next meeting's materials.

Kameda ♦ At our Board of Directors meetings, External Directors participate in discussions from their own professional perspectives. In order to enrich these discussions, it is important to update materials so that the Group's actual situation can be properly understood. I am very grateful for the points raised by External Directors, as they often point out things that we fail to notice from within the Company.

Hirokawa ♦ The Board of Directors of the Company has an open atmosphere where everyone can speak freely, including External Directors like me. This reflects KING JIM's belief that active discussion is necessary for accurate decision-making by the Board of Directors.

Confronting Drastic Changes in the Business Environment Based on a Stable Financial Foundation

Hirokawa ♦ The fiscal year ended June 20, 2023 was a difficult year.

Kameda ♦ Indeed, it was. At the beginning of the COVID-19 pandemic, we were worried about what would happen, but we were able to improve our business performance due to growth in hygiene and health products and demand from people staying at home. However, we subsequently suffered from the sharp depreciation of the yen and soaring raw materials prices and logistics prices. The Group's business model is to produce products overseas and sell them in Japan, so profits decreased significantly.

Hirokawa ♦ With the prices of various products in the world rising, the Group carefully revised prices in accordance with the management philosophy and business model that we have cultivated over the years, taking into consideration discussions by the Board of Directors.

Kameda ♦ Indeed. Nevertheless, the exchange rate of the yen depreciated to an extent that we could not have anticipated, and it was a very difficult time. In the end, we had to revise the figures planned in the Medium-Term Management Plan.

Hirokawa ♦ However, we have a high equity ratio as well as an ability to raise cash due to our trusting

Governance

Conversation between Director and Managing Executive Officer and an External Director



relationship with banks, so I believe that we are fairly well balanced in the medium- to long-term. In addition, we are actively working to reduce fixed costs. I believe that we should view this adversity as an opportunity.

Kameda◆ Indeed. TEPPRA, which has become one of our main products, was born out of the need to respond to changes in the business environment caused by the shift to office automation. Although the current situation is difficult, we are steadily moving forward with the development of products with new concepts similar to TEPPRA, as well as new measures to grow as a Group. Moreover, I believe that the price revisions we have made thus far will lead to improved profit ratios.

Focusing on Activities to Spread the Appeal of Our Products

Kameda◆ You mentioned earlier that you have an impression that the Group has developed original and innovative products.

Hirokawa◆ Yes. Actually, I had always thought that KING JIM seemed like an interesting company, even before I was appointed as an External Director. I still remember seeing KING JIM products and being impressed that there was a company making products like this.

Kameda◆ When our digital memo POMERA, which is representative of our products with new concepts, was launched, we held a presentation meeting and gifted one product to each member of the media who attended. Since POMERA is an electronic stationery product with an edgy concept that is specialized only

for text input, we believed that journalists who often write would become our core target audience. As a result, POMERA was featured in many media outlets, and our connections with the media expanded. Making use of this network, our Public Relations & Advertising Section now also supports some of the PR activities of our Group companies.

Hirokawa◆ Social media is also being skillfully used. I read a book written by someone on X (formerly Twitter) called “Close to followers: Methods of Connection I Learned after Operating Twitter at KING JIM for 10 Years.” After reading the book, I can understand why the Company’s account has over 400,000 followers.

Kameda◆ Some of our products with new concepts are quite edgy, and I think these products and the content posted on our social media go well together.

Many of our products are expected to continue to grow in the future. However, it can be difficult to convey a product’s appeal just by placing it on a store shelf, especially when it comes to products with new concepts. It is important to determine how to approach the market based on each product’s unique characteristics. We will focus on activities to develop new sales channels and spread the appeal of our products.

Promoting M&As and New Businesses Unique to KING JIM

Hirokawa◆ M&As are one of the Group’s growth strategies.

Kameda◆ In the fiscal year ended June 20, 2023, we made HIM Co., Ltd., a company in the E-commerce field that was mainly planning, developing, and selling daily necessities with a small number of people and steadily producing results, into a Group company through an M&A, and later absorbed and merged it with the Company.

Hirokawa◆ The progress of M&As are also discussed at Board of Directors meetings. I myself have asked specific questions regarding several projects.

Kameda◆ Indeed. Generally, we should not encounter any problems as due diligence is completed by responsible departments and external experts, but personally, the more excellent a deal is, the more I find myself wondering, “Why are they selling?” I sometimes feel wary that there might be negative factors that we aren’t aware of.

Hirokawa◆ I think that sense of caution is necessary. Qualitative evaluations, such as impressions received



during a meeting between top management of both parties, are also important.

Kameda◆ We have attempted to launch new businesses—which are another one of our growth strategies—many times in the past, but this time we are putting particular effort into it. The “entrepreneurship development seminar” that you held is one of our efforts toward this.

Hirokawa◆ Yes. I conducted in-house training based on my experience supporting venture companies at the Ministry of International Trade and Industry (currently the Ministry of Economy, Trade and Industry), where I was seconded as a banker, and my experience supporting university-originating ventures at a university. The training was mainly attended by young to mid-level employees from various departments who will be responsible for the next generation of KING JIM. I feel that interest in and understanding of new businesses has deepened at a company-wide level.

Kameda◆ You also provide advice to the new business team newly established within the Corporate Planning Department, don’t you?

Hirokawa◆ Yes, I do. Through various opportunities, I provide information to the new business team on the obstacles they must overcome and the mindset they must maintain when promoting new businesses within the Company. I’m really looking forward to seeing what kind of proposals they come up with going forward.

Striving to Develop the Foundations to Achieve Our Ideal State

Kameda◆ Our overseas business and E-commerce business, which both represent growth opportunities for the Company, are often discussed at the Management Conference, which is made up of Internal Directors and others. Sales are increasing, but they are still “healthy loss-making departments” that are in no position to stand on their own. We will steadily develop these businesses toward profitability.

Hirokawa◆ Yes, let’s make them profitable. To that end, I believe it is also important to strengthen governance, as well as to invest in growth. While the Group has a spirit of taking on new challenges, KING JIM is also a company with a strong sense of vigilance and danger regarding risks. When retiring officers are succeeded by their successors, risk awareness is fully passed on. Thus, I am confident that issues with governance are unlikely to occur. However, the

risks surrounding companies are diversifying, and the importance of risk management is increasing.

Kameda◆ As part of our risk management system, we have established a Risk Management Committee. This committee discusses and approves important themes related to the promotion of company-wide risk management or countermeasures in the event that issues arise. In recent years, we have also introduced a safety confirmation system in the event of a disaster and regularly conduct targeted attack e-mail training as part of our efforts to address risks.

Moreover, in order to strengthen Group governance in conjunction with M&As, we have established a Domestic Subsidiaries Coordination Department within the Company to provide institutional support to subsidiaries. In addition, the internal audit department conducts audits of our subsidiaries and checks compliance.

Hirokawa◆ The KING JIM Group is truly making progress toward developing the foundations to achieve its ideal state.

To Our Stakeholders

Hirokawa◆ With my wide range of experience, I currently provide advice concerning the Group’s new businesses. The Group is looking for partners to launch new businesses with and develop products with new concepts that will create next-generation culture. If you are a stakeholder who would like to choose the KING JIM Group as a partner, please let us know.

Kameda◆ The KING JIM Group operates businesses that make the work and life of consumers more comfortable. I am confident that the stakeholders reading this Integrated Report are not only investors who watch over the Group, but also users who directly use the Group’s products. With our conviction that we should “make original items” firmly in mind, we will pursue new value that will open a new epoch.

Governance

Directors and Auditors

(As of September 14, 2023)

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), In Charge of Overseas Sales Subsidiaries (Born May 25, 1960)

March 1983 Joined 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 Senior Managing Executive Officer
General Manager, Administration Division & CFO & General Manager, Overseas Division & In Charge of Overseas Sales Subsidiaries (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 Director, the Company
September 2015 Managing Director, the Company
September 2020 Director and Managing Executive Officer, the Company
September 2023 Director and Senior 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 (Born January 24, 1963)

April 1985 Joined 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 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
September 2014 Director, 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 & CMO (Born June 12, 1964)

April 1988 Joined ASKUL 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
June 2021 Outside Director, Asahi Holdings, Inc. (currently ARE Holdings, Inc.) (current position)
September 2022 Director and Managing Executive Officer, the Company (current position)
June 2023 Outside Director, JAPAN POST HOLDINGS Co., Ltd. (current position)



Keiko Kakiuchi
External Director

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
July 2017 Fund Manager, SFC Forum Fund (current position)
April 2018 External Director, ShuR Co., Ltd.
September 2019 External Director, the Company (current position)
April 2023 Secretary General in charge of general management, General Foundation SFC Forum (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 Solco 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
September 2022 External Director, the Company (current position)
June 2023 Chairman, S.T. CORPORATION (current position)



Ikumi Hiraki
External Director
(Born April 4, 1975)

April 1998 Joined The Long-Term Credit Bank of Japan, Limited (currently SBI 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)



Katsuhiko Imabori
External Auditor
(Born January 10, 1973)

April 1997 Joined FANUC CORPORATION
April 2002 Joined IP Firm SHUWA
April 2012 Director, Shuwa Chizai Inc. (currently IA Beacon Inc.)
October 2020 President, Senior Partner, Patent Corporation IP Firm SHUWA (current position)
March 2023 COO, IA Beacon Inc. (current position)
September 2023 External Auditor, the Company (current position)



Yoko Hayashi
External Auditor
(Born May 21, 1970)

April 1991 Joined The Dai-ichi Kangyo Bank, Ltd. (currently Mizuho Bank, Ltd.)
September 1995 Joined the Adachi Mitsuzo Certified Public Accountant Office (currently Shin-Ei Certified Public Tax Accountant Office)
August 2001 Joined the Toma Certified Public Accountant Office (currently TOMA Certified Public Tax Accountants Corporation)
February 2005 Joined TACT Consulting Co., Ltd. (current position)
March 2005 Registered as a Certified Public Tax Accountant
September 2023 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 Senior 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				●				●	●
Katsuhiko Imabori	External Auditor		●						●	●
Yoko Hayashi	External Auditor								●	●

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