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Company name KING JIM CO., LTD.
 Representative Akira Miyamoto, President & CEO
 (Code number: 7962, Tokyo Stock Exchange Prime Market)
 Contact Shinichi Harada, Director and Managing Executive Officer, General Manager, Administration Division
 (Phone: +81-3-3864-5883)

Notice of Revision of Numerical Targets in the Medium-Term Management Plan

KING JIM CO., LTD. (the “Company”) hereby announces that it has revised the numerical targets for the final year of its 10th Medium-Term Management Plan released on July 30, 2021 as follows. Please note that these revised figures align with the forecast for the fiscal year ending June 20, 2024, which was announced today in the financial results.

1. Revision of the Numerical Targets

	Fiscal year ended June 20, 2022	Fiscal year ended June 20, 2023	Fiscal year ending June 20, 2024	
	Actual results	Actual results	Initial plan	Revised plan
Net sales (Million yen)	36,636	39,393	48,000	42,000
(Of which)—Stationery and office supply business	26,060	25,933	30,500	28,100
— Interior lifestyle business	10,575	13,460	12,500	13,900
— M&A (*)			5,000	
Ordinary profit (Million yen)	1,338	637	3,400	900
Ordinary profit to net sales (%)	3.7	1.6	7.0	2.1
ROE (%)	3.3	1.7	9.0	2.4

*Net sales from M&A for each fiscal year (excluding the initial plan) have been added to each segment.

2. Reasons for the Revisions

The Group’s consolidated financial results for the fiscal year ended June 30, 2023, showed higher sales compared to the previous fiscal year, but lower profit due to a surge in raw materials, distribution costs and others, as well as the depreciation of the yen.

With regard to the progress of the Medium-Term Management Plan, in M&A, Life on Products, Inc. joined the Group in November 2021 and HIM Co., Ltd. was absorbed and merged with the Group in February 2023. In addition, amid changes in the business environment due to the ongoing shifts kicked off by the COVID-19 pandemic toward digitization and going paperless, we have been striving to expand our business domain by introducing various new products. However, due to changes in demand and fluctuations in exchange rates that were greater than expected, the Company has revised the numerical targets downward.

In the fiscal year ending June 30, 2024, the final year of the 10th Medium-Term Management Plan, the Company will continue to follow its principal strategies of “focus on growth fields” and “further strengthen core businesses.” Regarding the growth fields, we will proactively launch new products with a focus on office and living environment products and the interior lifestyle business. In terms of our core businesses, we will implement sales promotion and advertising measures in order to increase the level of recognition of and to propose applications of TEPRAs.

We plan to announce the 11th Medium-Term Management Plan (a three-year plan from the fiscal year ending June 20, 2025 to the fiscal year ending June 20, 2027) around August 2024.

(Note) The financial results forecasts contained in this document are prepared based on the information currently available to us. Actual results may differ significantly from these forecasts due to various factors in the future.