



Financial Results Briefing for the Fiscal Year Ended June 20, 2025

July 31, 2025 KING JIM CO., LTD.

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Executive summary

Achieved increase in sales and profit and returned to profitability for the fiscal year ended June 20, 2025

Measures in the 1st year of the Medium-Term Management Plan roughly progressed as planned, building a base for the 2nd year

Full-year actual results for the fiscal year ended June 20, 2025

- ✓ Net sales **increased** driven by growth in the lifestyle products business.
The stationery and office supplies business **fell short of the plan** due to declined sales of thick filing tools, etc., despite growth in TEPPA and disaster preparedness products.
- ✓ Operating profit and ordinary profit **increased and achieved the plan** owing to improvement of gross profit margin and the ratio of selling, general and administrative expenses. Operating profit **returned to profitability**.
- ✓ Profit fell short of the plan partly due to impairment loss on goodwill related to Latuna business, but **returned to profitability**.
- ✓ A stable dividend of ¥14 per share is planned.

Earnings forecast for the fiscal year ending June 20, 2026

- ✓ **Aim for increase in sales and profit** with net sales of ¥42,000 million, operating profit of ¥1,500 million, ordinary profit of ¥1,600 million and profit of ¥1,000 million.
- ✓ **Accelerate growth in sales** of the strong lifestyle products business, while **increasing sales** by strengthening electric and living environment products in the stationery and office supplies business.
- ✓ Expect **increase in profit** by increased sales and ensuring price revisions to increase gross profit, as well as by reducing fixed costs.
- ✓ With improvement in profitability, expect ROE of approx. 4%.

Progress of the 11th Medium-Term Management Plan

- ✓ Measures in the 1st year roughly progressed as planned, building a base for the 2nd year.
- ✓ In addition to strengthening the core business, established internal systems for promoting each growth field and made active investments.
- ✓ Link and strengthen knowhow accumulated in each business, leverage management resources to create synergies and increase corporate value.

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01 Full-year actual results for the fiscal year ended June 20, 2025

Consolidated Operating Results

Increase in sales and profit for the fiscal year ended June 20, 2025

Gross profit margin +1.3 pt SG&A expense ratio -0.7 pt

(Unit: Millions of yen)

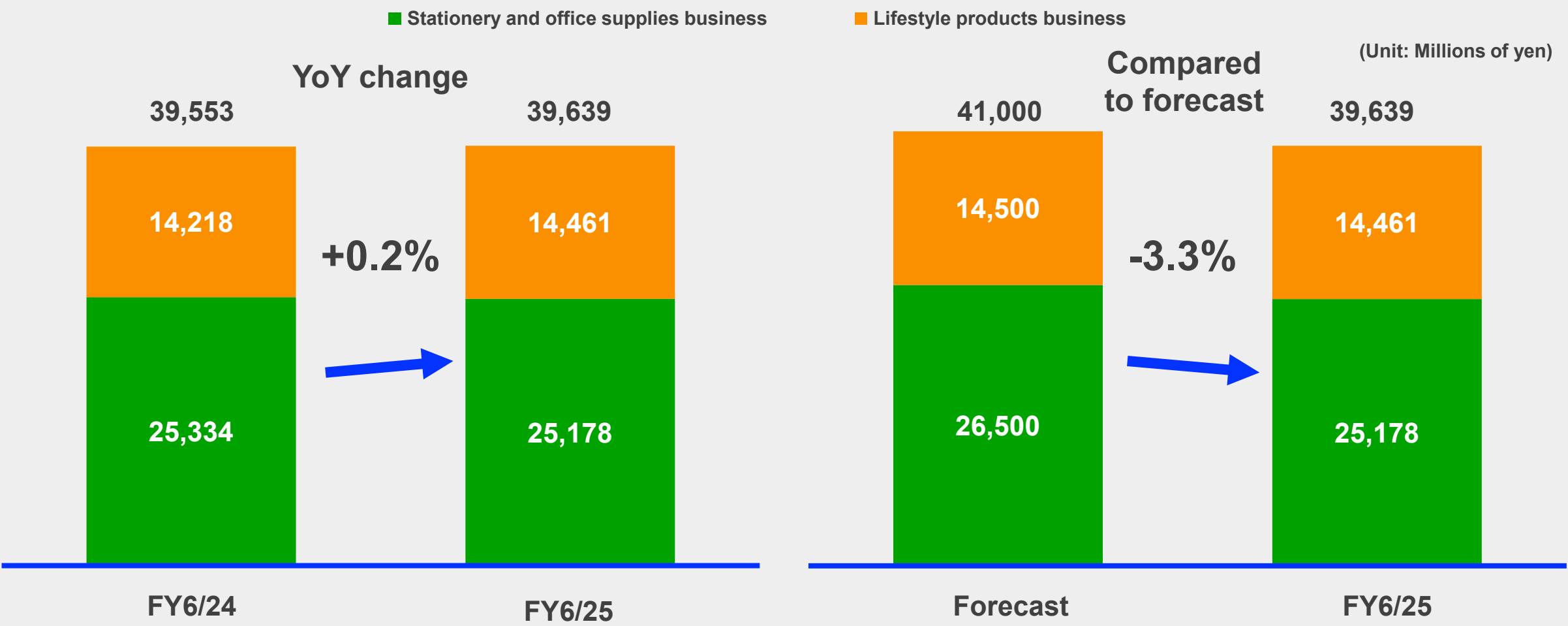
	FY6/24		FY6/25		YoY change		Compared to forecast ^{*1}	
	Actual	Percentage	Actual	Percentage	Increase/decrease	Change	Increase/decrease	Change
Net sales	39,553	100.0%	39,639	100.0%	+86	+0.2%	-1,360	-3.3%
Gross profit	14,316	36.2%	14,865	37.5%	+548	+3.8%		
Selling, general and administrative expenses	14,558	36.8%	14,327	36.1%	-230	-1.6%		
Operating profit	-241	-0.6%	537	1.4%	+779	—	+7	+1.5%
Ordinary profit	130	0.3%	836	2.1%	+705	+541.9%	+136	+19.5%
Profit attributable to owners of parent	-318	-0.8%	424 ^{*2}	1.1%	+743	—	-65	-13.3%

*1) “Forecast” refers to the financial results forecast for FY6/25 of net sales of ¥41,000 million, operating profit of ¥530 million, ordinary profit of ¥700 million, and profit of ¥490 million

*2) Posted gain on sale of investment securities under extraordinary income following the sale of cross-held shares, and impairment losses on goodwill related to Latuna business under extraordinary losses

Consolidated Net Sales

Sales increased due to growth in the lifestyle products business



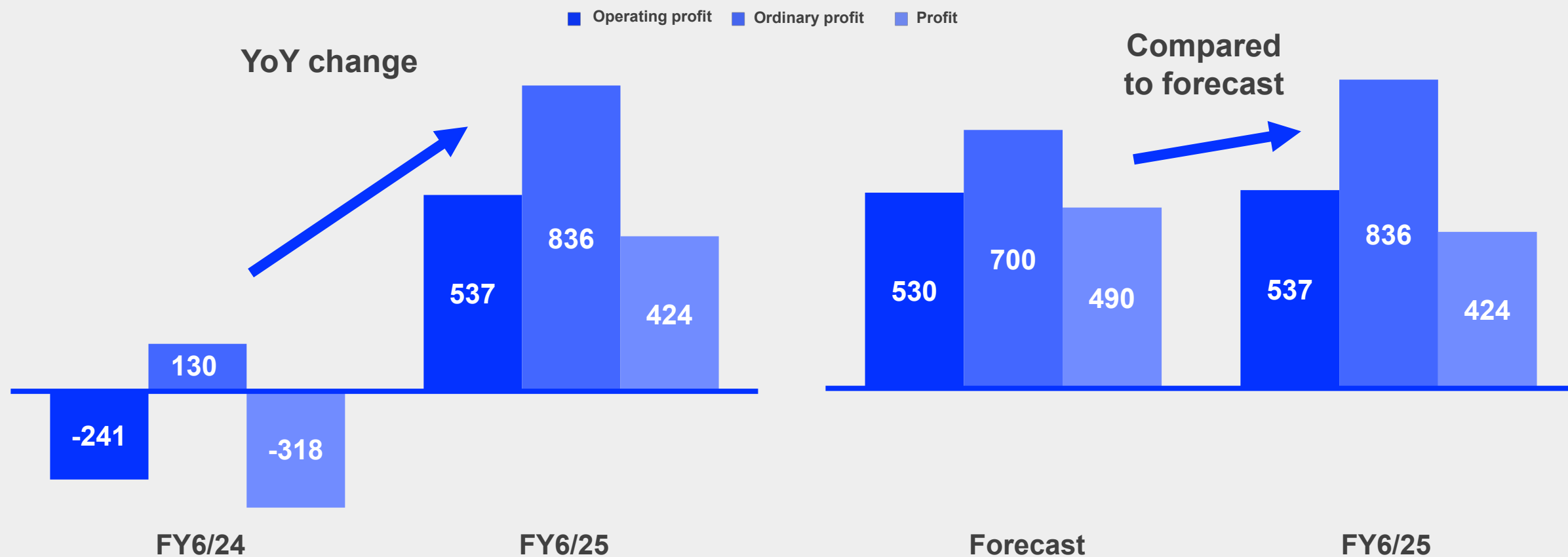
Consolidated Profits

Profit increased and returned to profitability

due to improvements in the gross profit margin and SGA ratio

(Gross profit margin up 1.3pt due to price revisions and a decrease in devaluation)

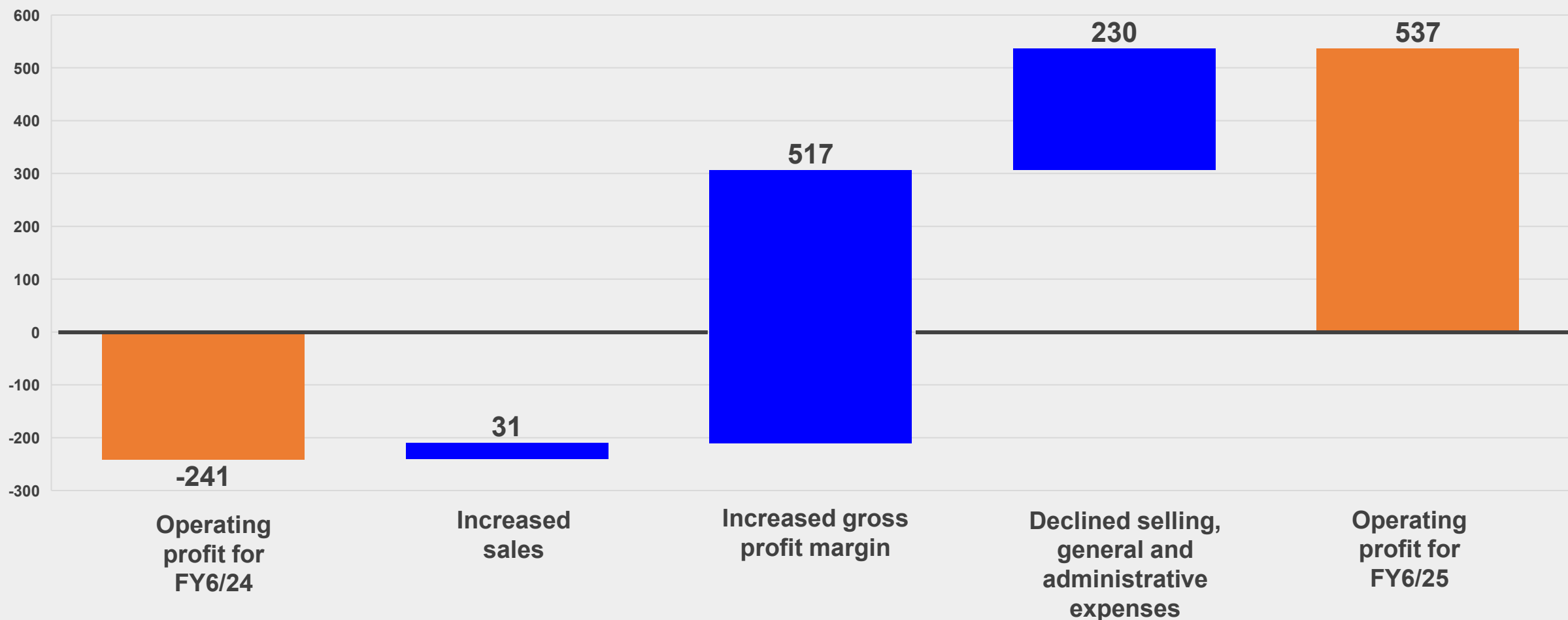
(Unit: Millions of yen)



Factors Affecting Consolidated Operating Profit

Returned to profitability due to an increase in the gross profit margin and a decrease in selling, general and administrative expenses

(Unit: Millions of yen)



Segment Sales & Operating Profit

Stationery and Office Supply Business

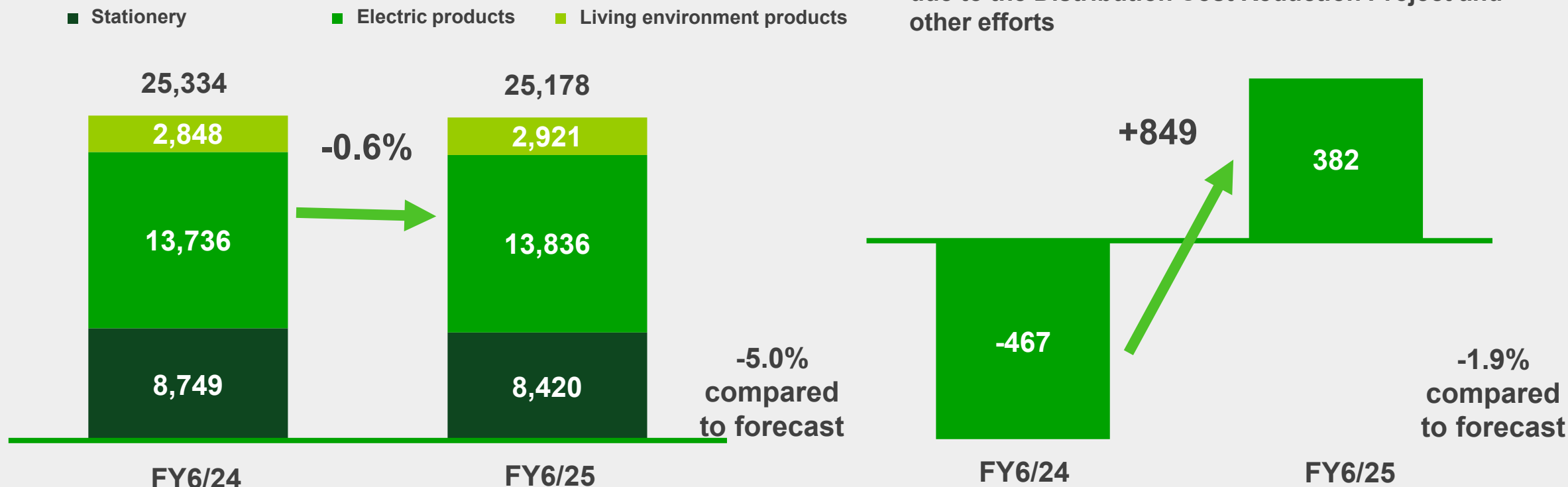
(Unit: Millions of yen)

Net sales: ¥25,178 million

- Higher sales of TEPPRA and disaster preparedness products
- Lower sales of stationery

Operating profit: ¥382 million

- Gross profit margin improved due to price revisions and a decrease in devaluation
- Selling, general and administrative expenses decreased due to the Distribution Cost Reduction Project and other efforts



* In FY6/25, the interior lifestyle business changed its name to the lifestyle products business.

Moreover, the Company's consolidated subsidiary WINCESS CORPORATION, which had hitherto been included within the stationery and office supply business, has changed its category and now is included within the lifestyle products business. Figures in this document are calculated based on the new classification.

Segment Sales & Operating Profit

Lifestyle Products Business

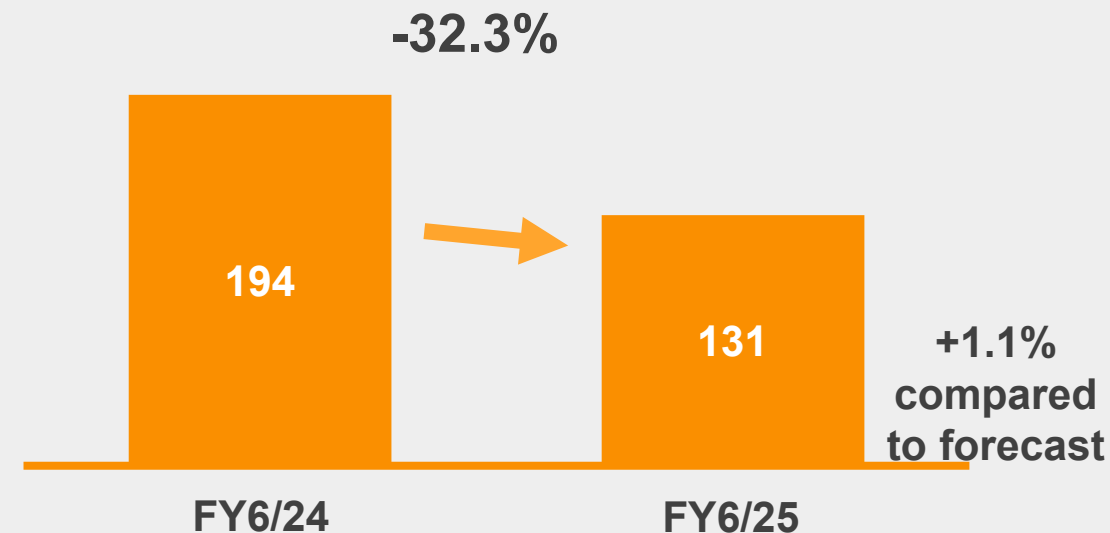
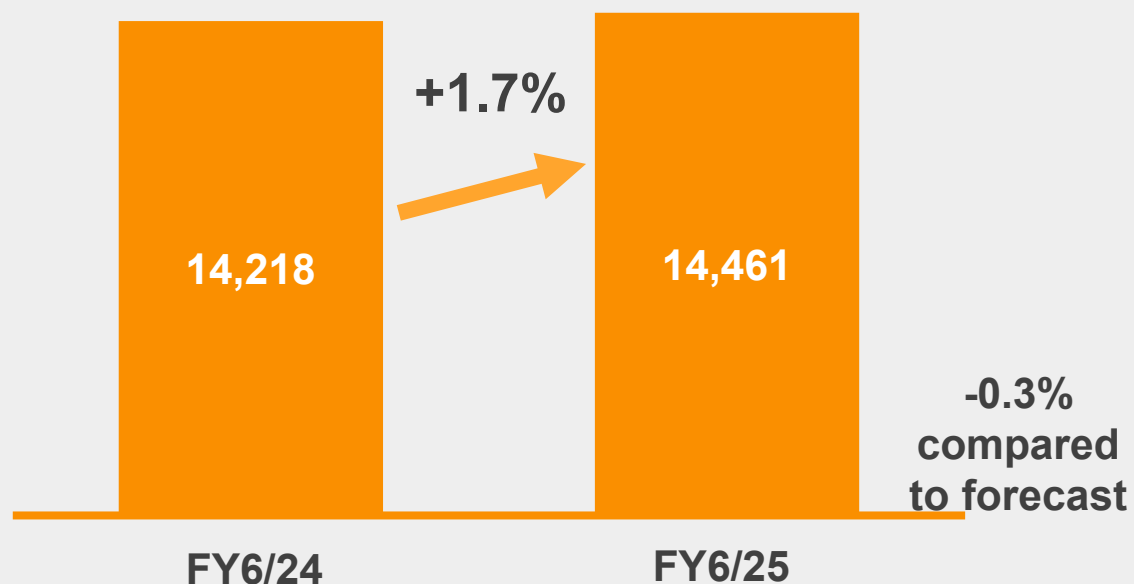
(Unit: Millions of yen)

Net sales: ¥14,461 million

- Life on Products, Inc. and Asca Co., Ltd. performed favorably
- Ladonna Co., Ltd. saw increased sales due to introduction of a new collection to Toffy brand and seasonal appliances

Operating profit: ¥131 million

- Gross profit margin declined due depreciation of the yen and soaring raw material prices
- Profit decreased due to increased selling, general and administrative expenses at Bon Furniture Co., Ltd.



* In FY6/25, the interior lifestyle business changed its name to the lifestyle products business.

Moreover, the Company's consolidated subsidiary WINCESS CORPORATION, which had hitherto been included within the stationery and office supply business, has changed its category and now is included within the lifestyle products business. Figures in this document are calculated based on the new classification.

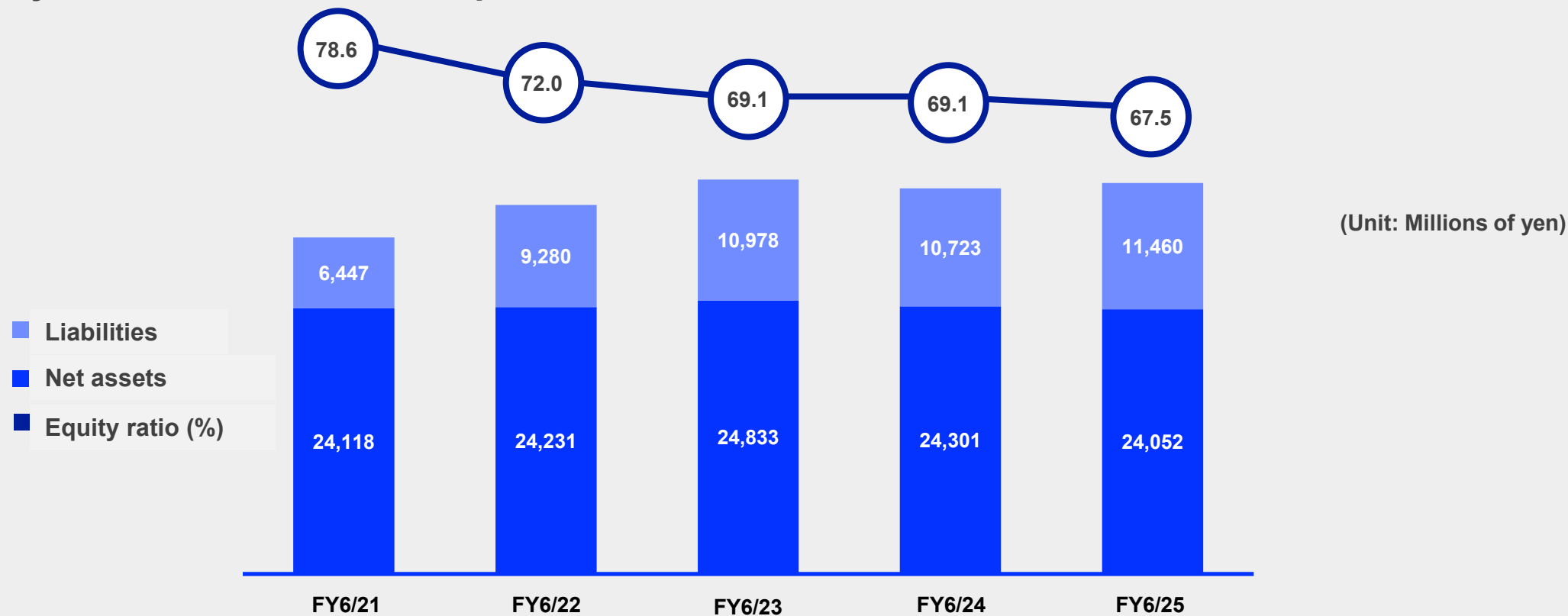
Consolidated Balance Sheets and Equity Ratio

Total assets: Up ¥488 million YoY due to an increase in cash and deposits

Liabilities: Up ¥737 million YoY due to increases in borrowings and accounts payable - trade

Net assets: Down ¥249 million YoY due to decreases in foreign currency translation adjustment and remeasurements of defined benefit plans

Equity ratio: 67.5%, down 1.6 pt YoY



Consolidated Cash Flows

[Main Content]

Cash flows from operating activities: Profit before income taxes, depreciation, etc.

Cash flows from investing activities: Purchase of property, plant and equipment and intangible assets, etc.

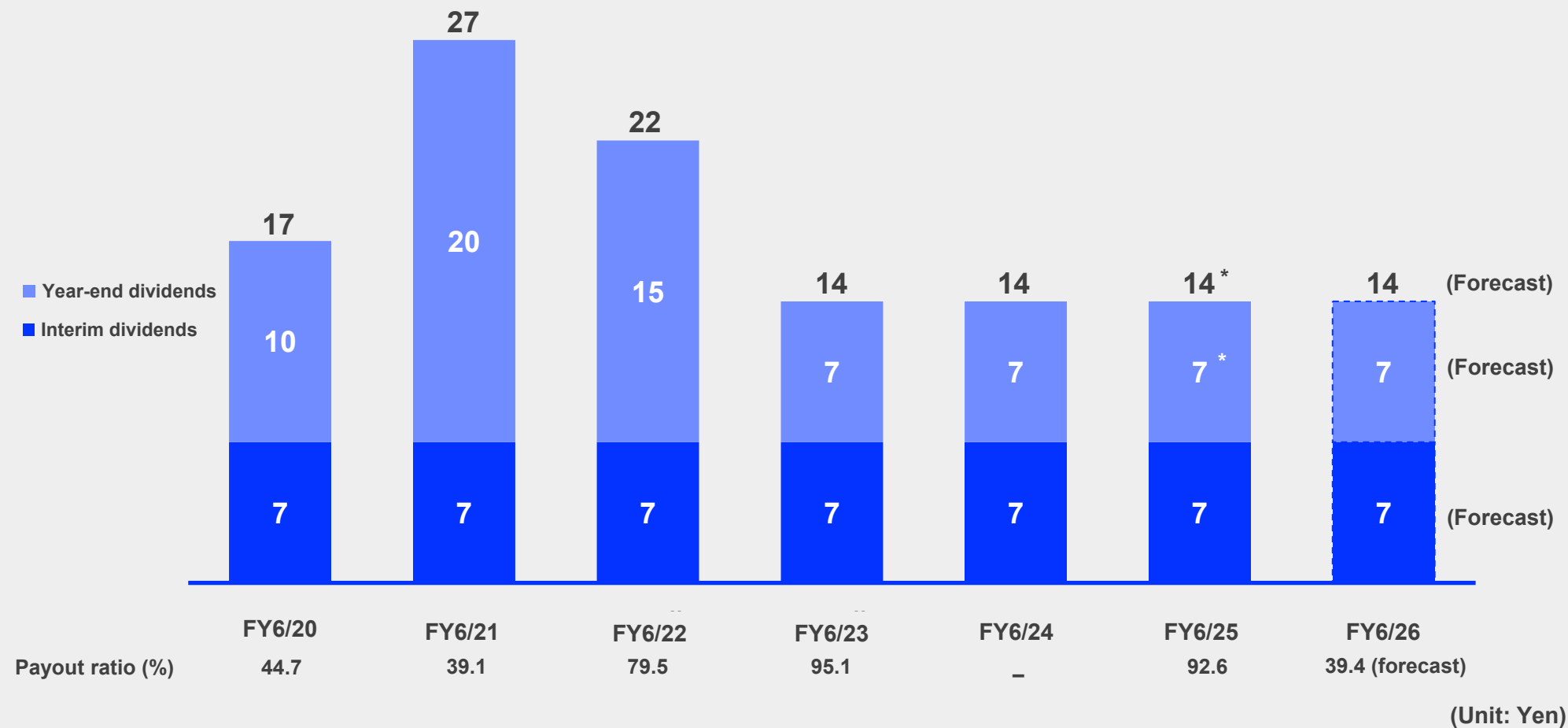
Cash flows from financing activities: Increase (decrease) in borrowings, etc.

(Unit: Millions of yen)

	FY6/21	FY6/22	FY6/23	FY6/24	FY6/25
Cash flows from operating activities	3,108	-1,278	166	1,047	1,468
Cash flows from investing activities	-492	-3,578	-1,234	-444	-825
Cash flows from financing activities	-1,382	3,206	1,065	-1,071	175
Effect of exchange rate change on cash and cash equivalents	74	254	135	234	-108
Net increase (decrease) in cash and cash equivalents	1,308	-1,395	132	-234	709
Increase in cash and cash equivalents from inclusion of subsidiaries in consolidation	314	—	—	—	—
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	—	—	153	—	—
Cash and cash equivalents at end of period	7,032	5,637	5,923	5,689	6,399

Shareholder Returns

Dividend policy: Target payout ratio is 40%, aiming for stable dividends



* Regarding a year-end dividend for FY6/25, we plan to propose an ordinary dividend of ¥7 per share to the Annual General Meeting of Shareholders to be held on September 18, 2025.

02 Earnings forecast for the fiscal year ending June 20, 2026

Fiscal Year Ending June 20, 2026 Full-Year Consolidated Earnings Forecast

Full-year consolidated earnings forecast

(Unit: Millions of yen)

	FY6/25		FY6/26		YoY change	
	Actual	Percentage	Forecast	Percentage	Increase/decrease	Change
Net sales	39,639	100.0%	42,000	100.0%	+2,360	+6.0%
Operating profit	537	1.4%	1,500	3.6%	+962	+179.0%
Ordinary profit	836	2.1%	1,600	3.8%	+763	+91.3%
Profit attributable to owners of parent	424	1.1%	1,000	2.4%	+575	+135.3%

Full-year earnings forecast by segment

	FY6/25		FY6/26		YoY change	
	Actual	Percentage	Forecast	Percentage	Increase/decrease	Change
Net sales	39,639	100.0%	42,000	100.0%	+2,360	+6.0%
Stationery and office supplies	25,178	63.5%	26,300	62.6%	+1,121	+4.5%
Electric products	13,836	34.9%	14,400	34.3%	+563	+4.1%
Living environment products	2,921	7.4%	3,400	8.1%	+478	+16.4%
Stationery	8,420	21.2%	8,500	20.2%	+79	+0.9%
Lifestyle products	14,461	36.5%	15,700	37.4%	+1,238	+8.6%
Segment profit*	537	1.4%	1,500	3.6%	+962	+179.0%
Stationery and office supplies	382	1.0%	870	2.1%	+487	+127.4%
Lifestyle products	131	0.3%	620	1.5%	+488	+371.9%

*Regarding segment profit, each business shows figures before adjusting inter-segment transactions and the total shows figures after adjusting inter-segment transactions (operating profits).

Fiscal Year Ending June 20, 2026 First-Half Consolidated Earnings Forecast

First-half consolidated earnings forecast

(Unit: Millions of yen)

	2Q FY6/25		2Q FY6/26		YoY change	
	Actual	Percentage	Forecast	Percentage	Increase/decrease	Change
Net sales	18,520	100.0%	19,300	100.0%	+779	+4.2%
Operating profit	18	0.1%	260	1.3%	+241	+1304.3%
Ordinary profit	180	1.0%	400	2.1%	+219	+121.0%
Profit attributable to owners of parent	-75	-0.4%	260	1.3%	+335	—

First-half earnings forecast by segment

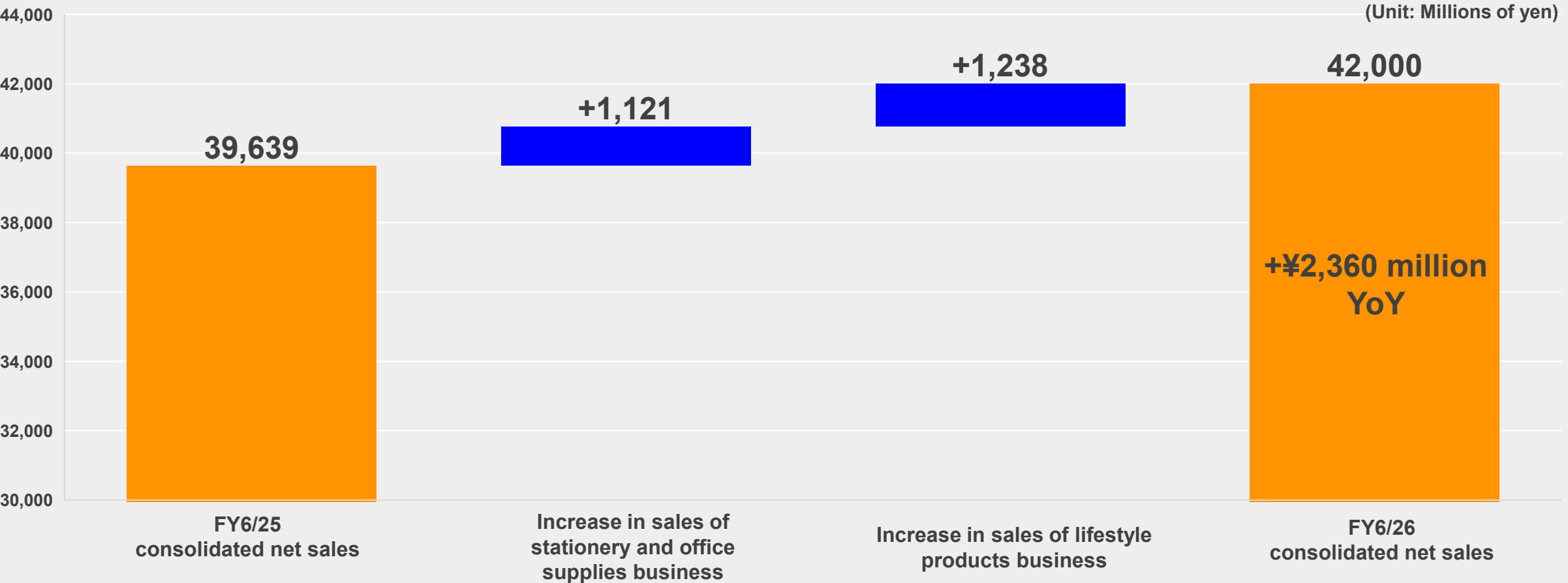
	2Q FY6/25		2Q FY6/26		YoY change	
	Actual	Percentage	Forecast	Percentage	Increase/decrease	Change
Net sales	18,520	100.0%	19,300	100.0%	+779	+4.2%
Stationery and office supplies	11,372	61.4%	11,600	60.1%	+227	+2.0%
Electric products	6,185	33.4%	6,400	33.2%	+214	+3.5%
Living environment products	1,388	7.5%	1,500	7.8%	+111	+8.1%
Stationery	3,799	20.5%	3,700	19.2%	-99	-2.6%
Lifestyle products	7,147	38.6%	7,700	39.9%	+552	+7.7%
Segment profit*	18	0.1%	260	1.3%	+241	+1304.3%
Stationery and office supplies	-140	-0.8%	-80	-0.4%	+60	—
Lifestyle products	152	0.8%	340	1.8%	+187	+122.2%

*Regarding segment profit, each business shows figures before adjusting inter-segment transactions and the total shows figures after adjusting inter-segment transactions (operating profits).

Fiscal Year Ending June 20, 2026 Forecasted Changes in Consolidated Net Sales (YoY)

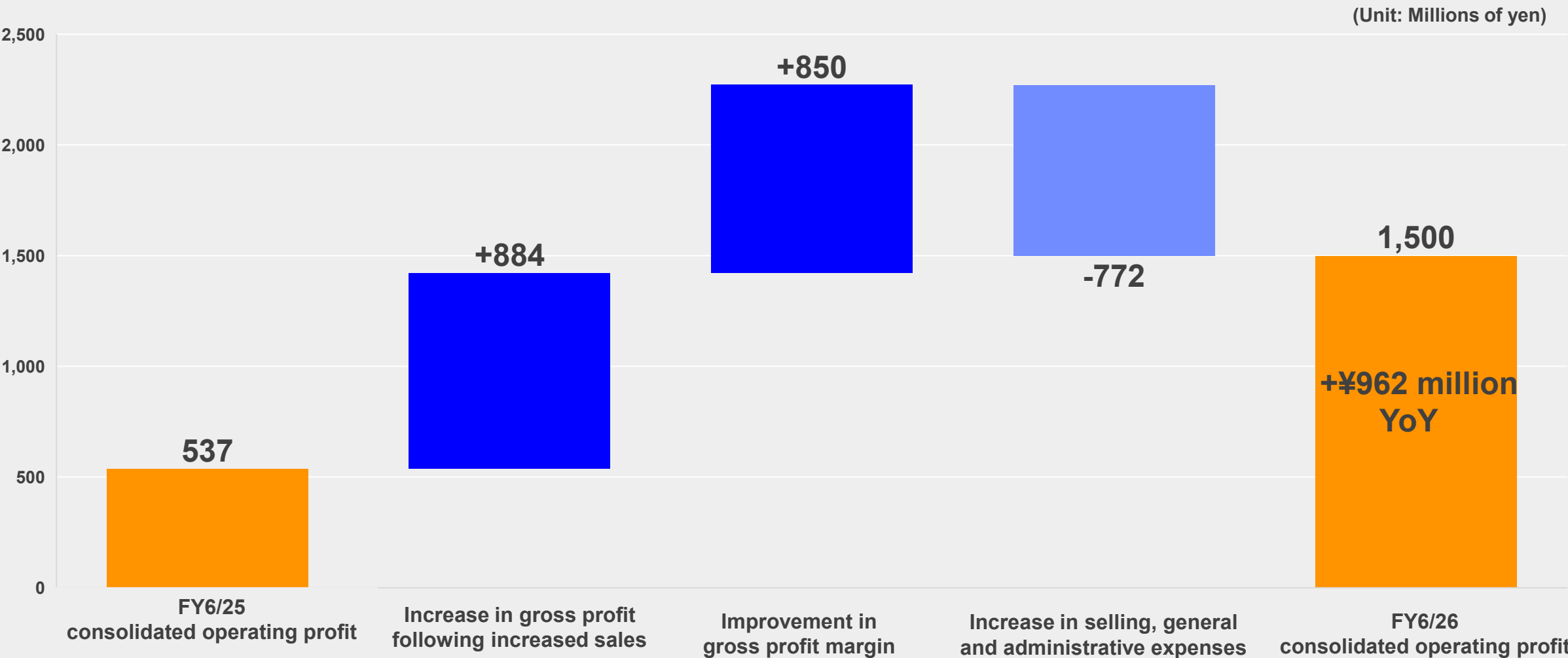
Stationery and office supplies business:
We expect increase in sales, as we introduce new products, strengthen e-commerce business, and promote sales of the main product TEPPA in Japan, while overseas, introduce market-oriented products

Lifestyle products business:
We expect increase in sales, as we develop sales channels and roll out seasonal products for kitchen sundries, which have seen strong results, and have each Group company introduce new products and develop new sales channels



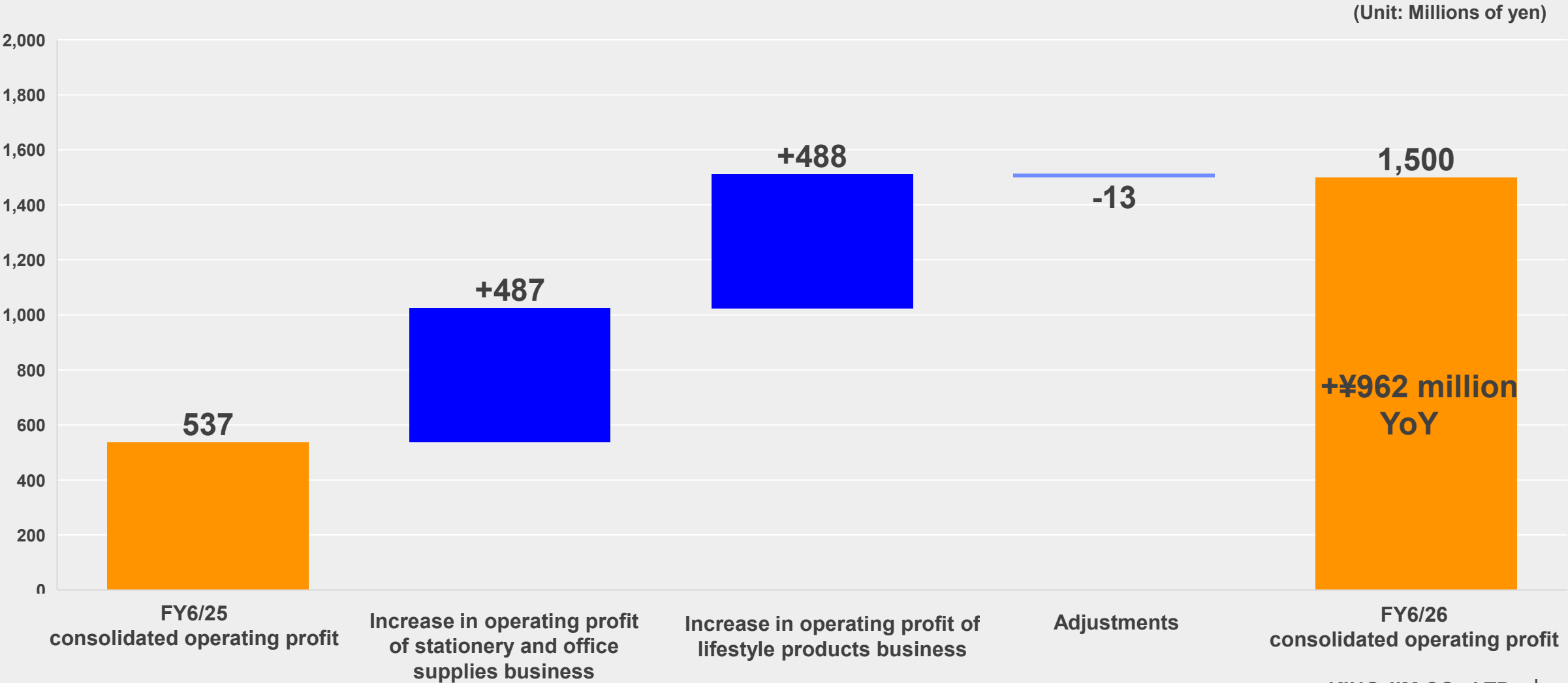
Fiscal Year Ending June 20, 2026 Forecasted Changes in Consolidated Operating Profit (YoY)

We expect increase in profit by increased sales and ensuring price revisions to increase gross profit
Continue reducing fixed costs, although selling, general and administrative expenses are projected to increase



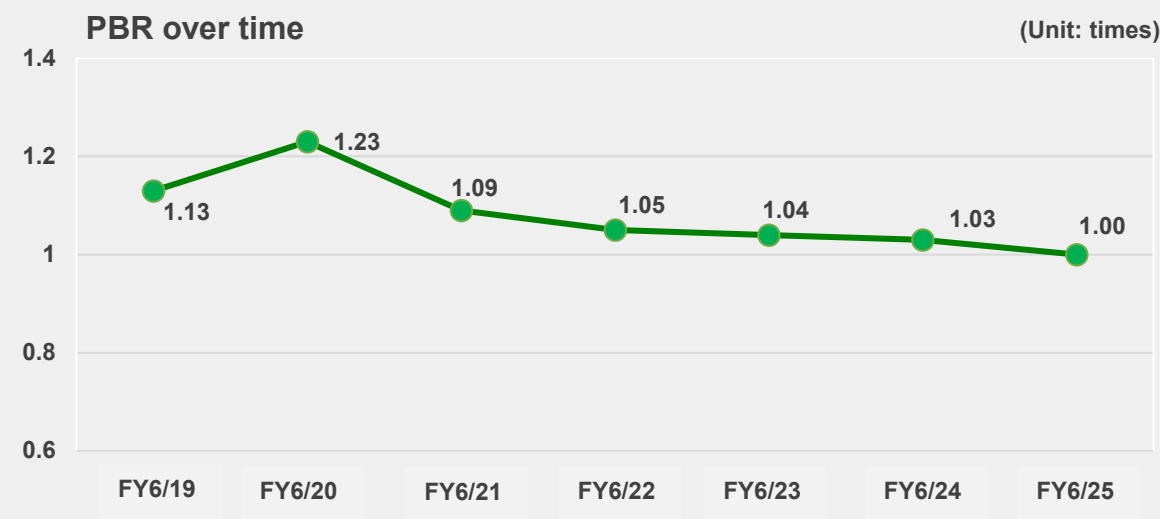
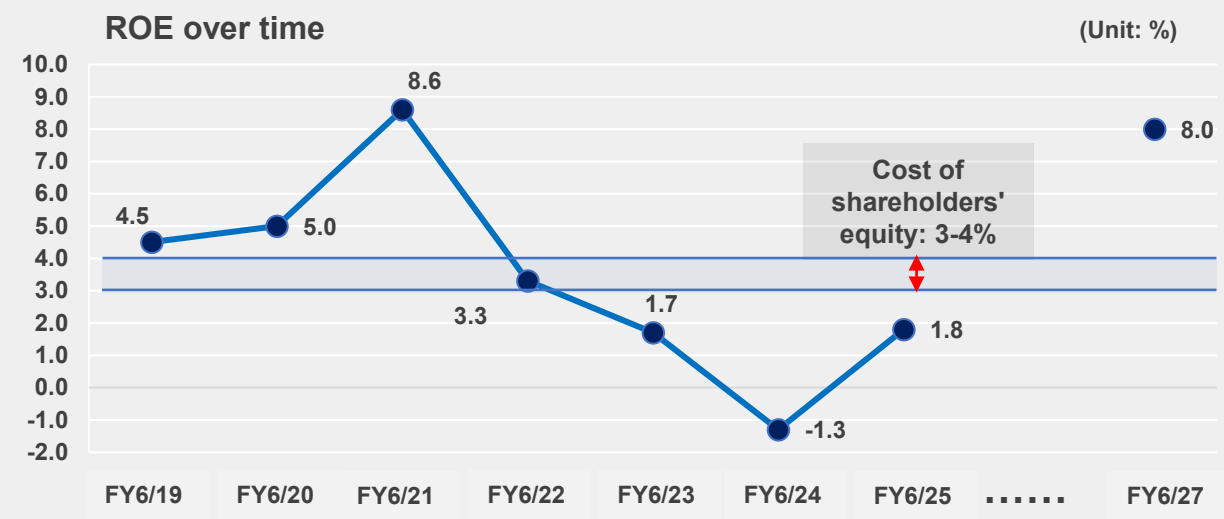
Fiscal Year Ending June 20, 2026 Forecasted Changes in Operating Profit by Segment (YoY)

We expect increase in profit in both the stationery and office supplies business and the lifestyle products business, due to implementation of various measures to increase sales and improvement in profitability



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

- Assuming a cost of shareholders' equity of 3 to 4%. ROE declined due to the overall deficit in the fiscal year ended June 20, 2024, but recovered in the fiscal year ended June 20, 2025 as we returned to profitability. However, ROE is still below the level surpassing the cost of shareholders' equity. Profitability improvement thus remains an issue.
- Affected by depressed demand due to the progress in paperless operations and continued yen depreciation.
- The PBR remains at 1x.



*The PBR is calculated based on the stock closing price on the closing date of each fiscal year.

Initiative policies

1. Improving profitability by implementing the 11th Medium-Term Management Plan
2. Strategic investment
3. Shareholder returns and IR promotion
- 4 Enhancing capital efficiency



Measures

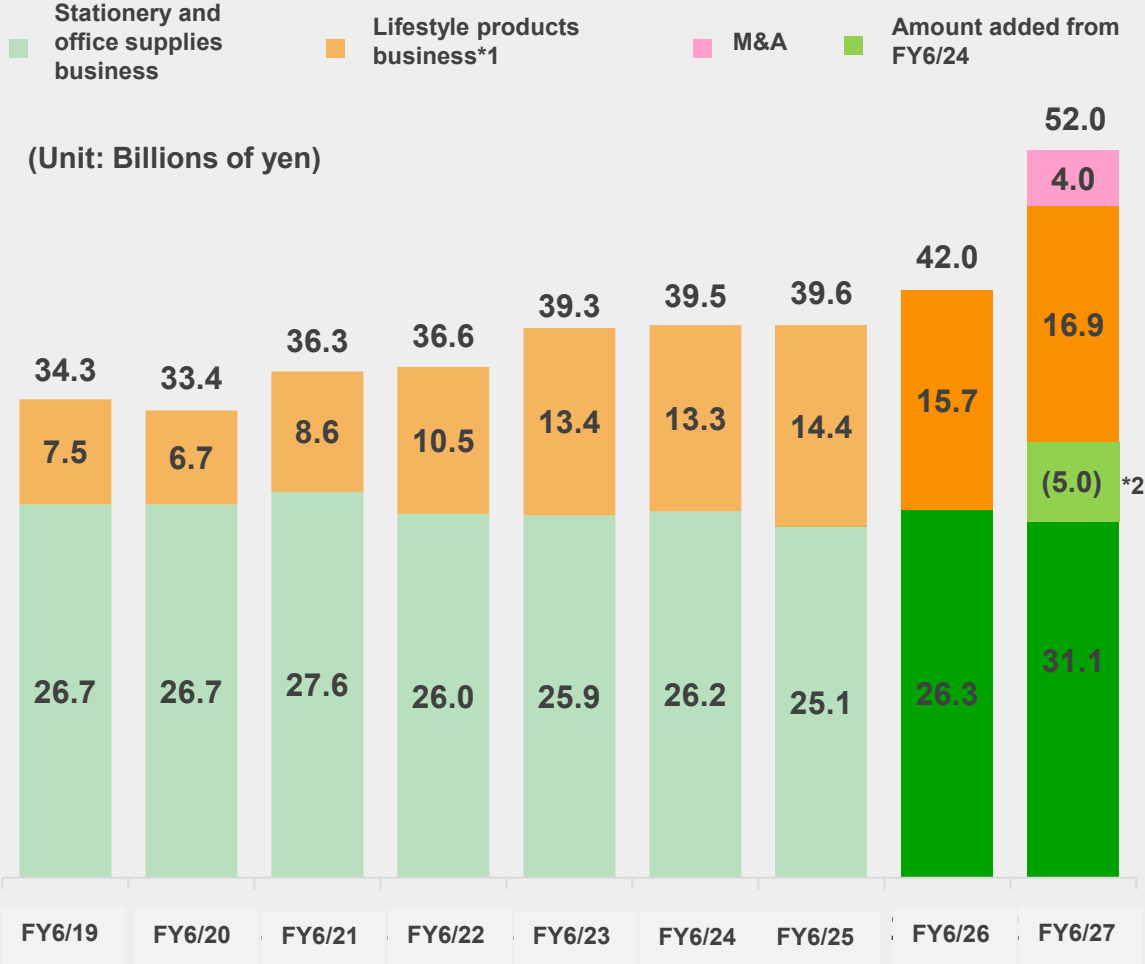
- Strengthen our existing businesses while carrying out the three fundamental policies of "expansion into the service business," "expansion of the lifestyle field," and "strengthening of overseas business," with a target ROE of 8% for the fiscal year ending June 20, 2027
To strengthen profitability, implement various measures, such as DX promotion for improving operational efficiency
- Invest in growth fields (new products, new service business, M&A, human resources, etc.) and invest to improve productivity
- Aim for stable dividends with a standard dividend payout ratio of 40%, and enhance the content of the IR website and materials
- To improve balance sheet soundness, continue reducing inventories, among other efforts

03 Progress of the 11th Medium-Term Management Plan

The 11th Medium-Term Management Plan: Management Targets

	2025 Plan	2025 Actual	2026 Plan	2027 Plan
Net sales	¥41.0 billion	¥39.6 billion	¥42.0 billion	¥52.0 billion
Ordinary profit	¥0.7 billion	¥0.8 billion	¥1.6 billion	¥2.8 billion
Ordinary profit margin	1.7%	2.1%	3.8%	5.4%

ROE8.0%



*1) In FY6/25, the interior lifestyle business changed its name to the lifestyle products business.
Moreover, the Company's consolidated subsidiary WINCESS CORPORATION, which had hitherto been included within the stationery and office supply business, has changed its category and now is included within the lifestyle products business.

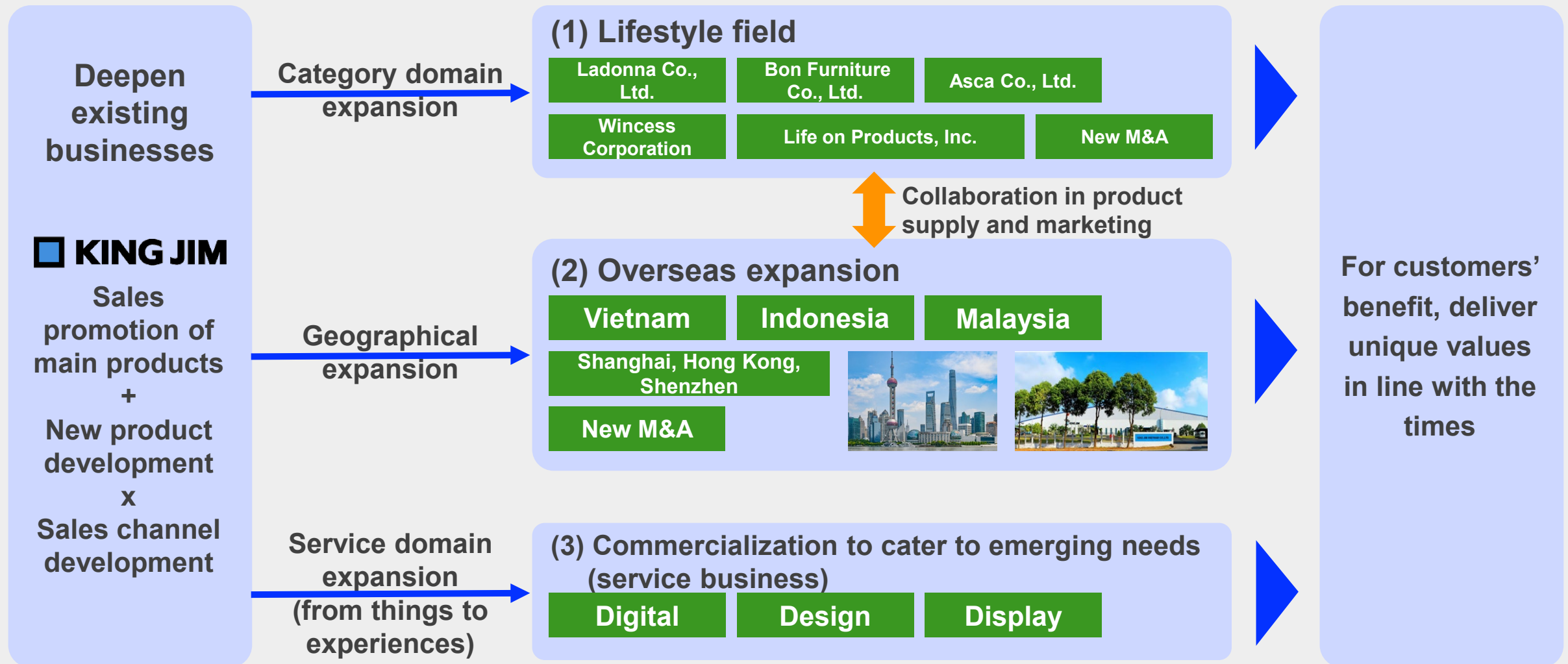
*2) We added ¥5.0 billion to net sales target in the stationery and office supplies business for FY6/27 compared to the figure set in FY6/24, when we formulated the 11th Medium-Term Management Plan. The breakdown will be ¥2.5 billion from overseas business, ¥1.0 billion from e-commerce business, and ¥1.5 billion from service business.

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



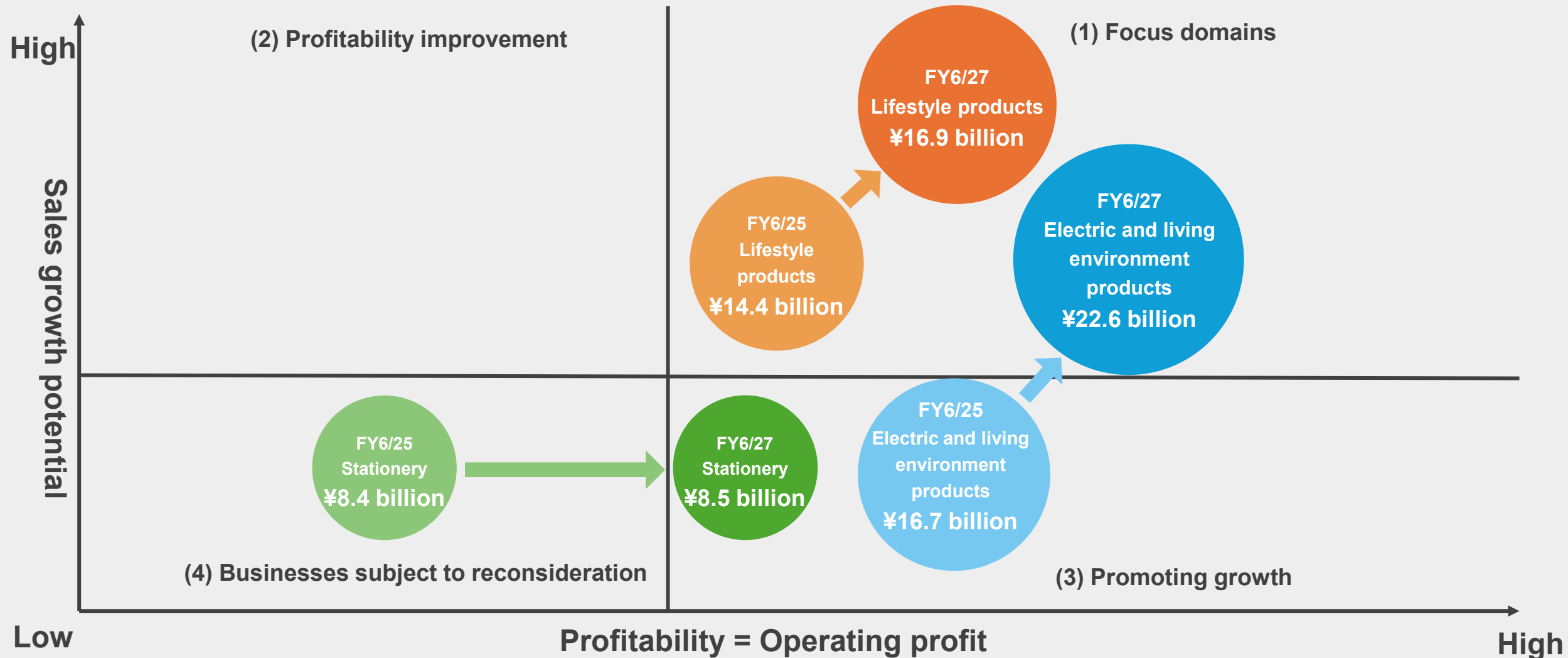
Progress of Measures to Achieve the 11th Medium-Term Management Plan

Deepening our base and three growth strategies



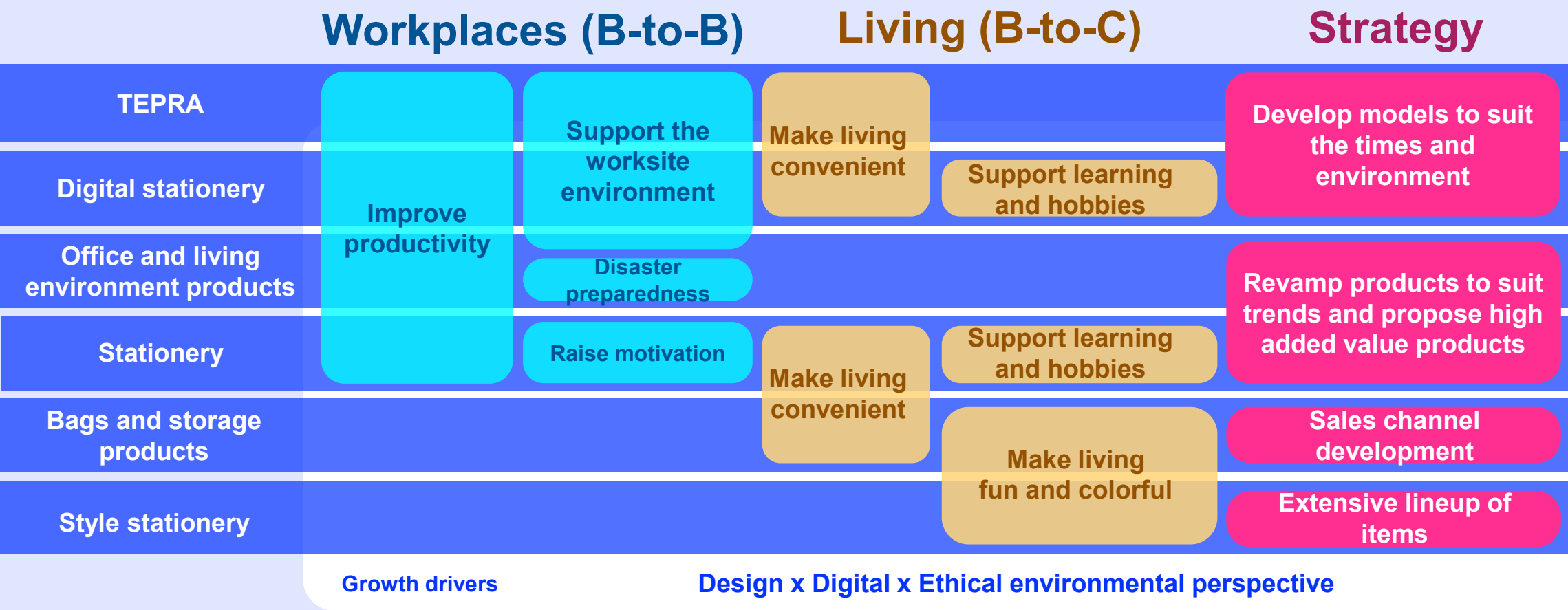
Business portfolio

Clarify growth policy for each business and pursue sustainable growth



Development areas

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



Development areas

“Strengthen our existing businesses” based on a product development strategy of “meeting the needs of workplaces and living in response to social changes”

Introduce items in the development areas of Workplaces (B-to-B) and Living (B-to-C), as well as items to support “workers” and “living”

Development area: Workplaces (B-to-B)

Improve productivity Support the worksite environment
Disaster preparedness and safety



Productivity

TEPRA PRO SR-R560 with the installed universal design fonts and Character Conversion Dictionary for Architecture, Civil Engineering, and Medical Fields



Disaster preparedness

Disaster preparedness products are in diverse lineups to meet various needs, such as Replaceable disaster preparedness kit (Stay and Return Home)



Heat

Portable Spot Cooler without Hot Exhaust Air, a heat countermeasure to protect workers



Safety

Door Notification Light to alert the user that someone is on the other side of the door for ensuring worker safety

Development area: Living (B-to-C)

Make living convenient
Support learning and hobbies



HOSSO, an A4 half-fold slim clear file



KAKIKO Sheet Music Folder allowing for writing in documents and musical scores without taking them out

Make living fun and colorful



HITOTOKI NOTE series that can be used as datebooks



KING MINI series of miniature stationery

Design

Established the Creative Center for the purpose of “enhancing corporate value with design.”
In cooperation with external designers, we are practicing new activities, from building systems for product design and branding through holding in-house seminars.

Design and brand committee concept

Established the Creative Center



Established the Creative Center staffed by in-house members engaged on creative jobs and external designers.

The center is working to align in-house awareness about design through sharing in-house creative activities, accepting consultation about the activities, and researching and incorporating external design trends.
The center aims to comprehensively produce creation and communication for the King Jim Group.

Hold seminars on trends



To increase awareness about creativity, invite external lecturers and hold company-wide seminars on trend information.

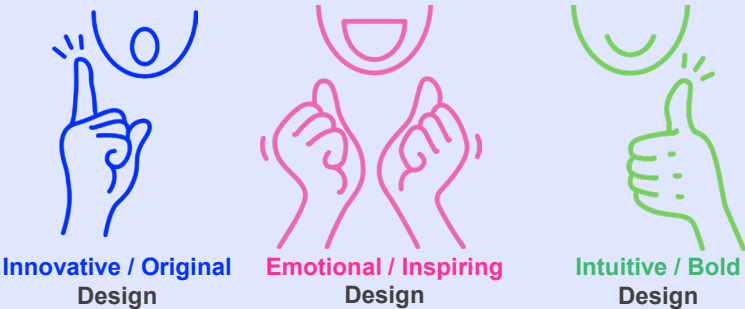
Ideas and design that create fans

Received GOOD DESIGN AWARD



Our three products, LASENO, KORI JIRUSHI, and Visual Bar Timer, received GOOD DESIGN AWARD 2024.

Verify Design Philosophy



Give feedbacks about product designs from the perspective of our Design Philosophy “Ideas and design that create fans” and verify assessment systems.

Sales strategy

Sales channels to match the unique properties of customers and products



Sales strategy (sales promotion of mainstay products)

Running a large-scale sales promotion of TEPRA for a period of three years to expand industries with user workplaces and to propose new applications

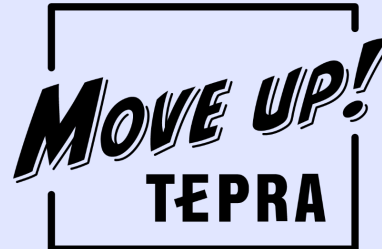
Wake Up! TEPRA

(Jul. 2023 to Jun. 2024)



Move Up! TEPRA

(Jul. 2024 to Jun. 2025)



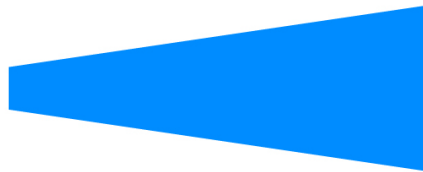
Look Up! TEPRA

(Jul. 2025-)



“#askTEPRA,” an online commercial series ran as part of Move Up! TEPRA promotion, was awarded as a highly recommended program in the commercial category at the 62nd Galaxy Award

職場の悩みに、テプラで挑め。



#おねがいテプラ



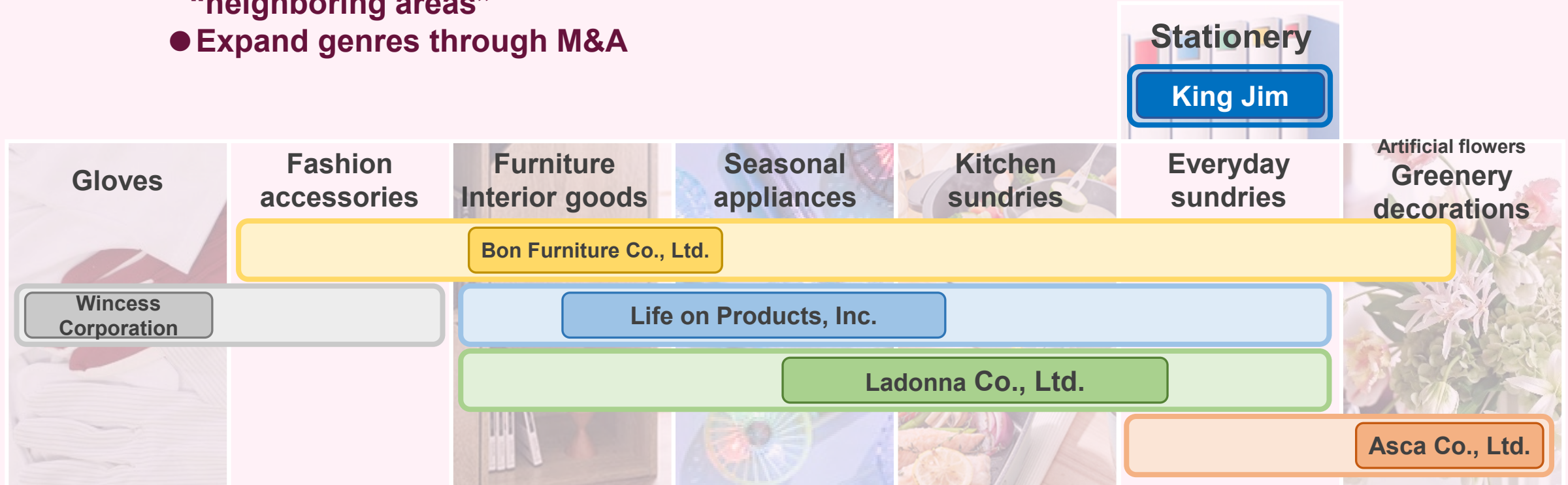
Award ceremony of the 62nd Galaxy Award© by
ASSOCIATION OF BROADCAST CRITICS

Expansion of the lifestyle field

Enhancing the growth and synergies of Group companies

Expanding from stationery, cultivating “neighboring areas” that we know

- Group Management Committee shares each company’s knowhow to explore “neighboring areas”
- Expand genres through M&A



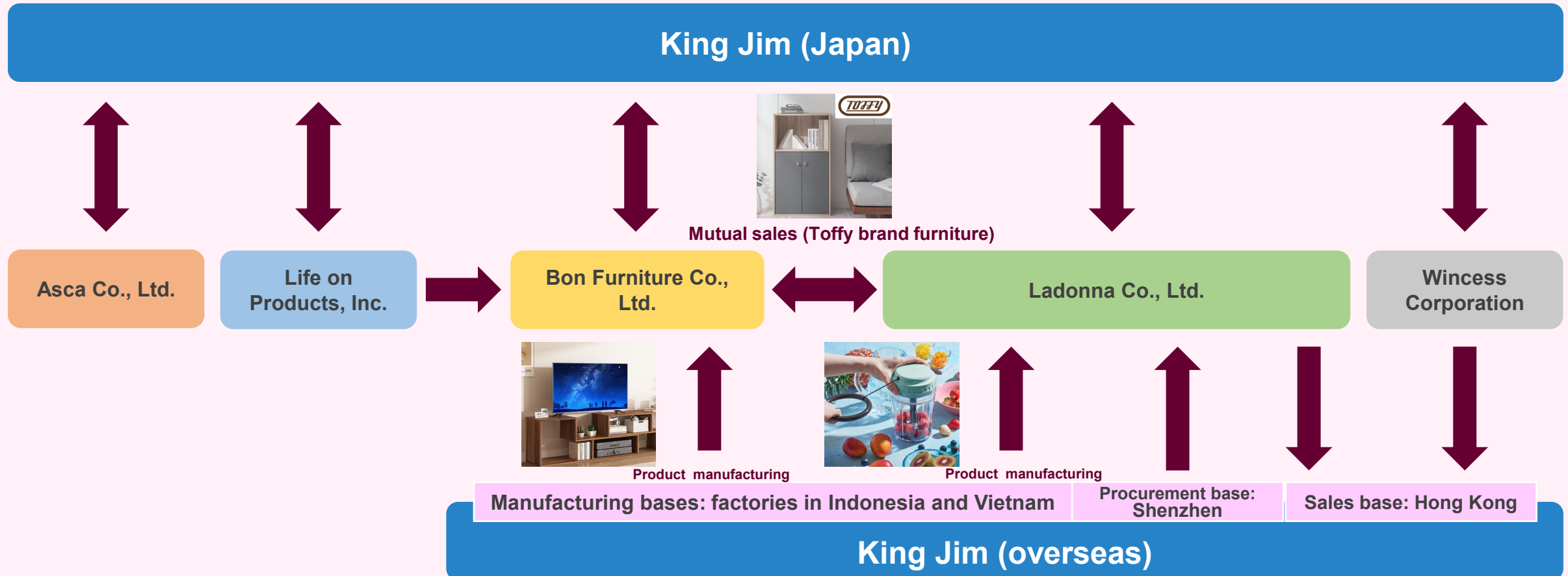
Market size Approx. ¥100.0 billion Approx. ¥8,000.0 billion Approx. ¥3,000.0 billion Approx. ¥3,000.0 billion Approx. ¥2,000.0 billion Approx. ¥300.0 billion

* Darker shades of colors indicate each company’s current operating areas. Those in lighter colors are areas to be explored.
Market size is based on our own research.

Expansion of the lifestyle field

Enhancing the growth and synergies of Group companies

Kicked off a Group Synergy Promotion Project, aiming for cost reduction, man-hour saving, and product and sales channel development through the Group synergies



Strengthening of overseas business

Develop market-oriented products

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

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

Designate China, where we have a base, and the ASEAN countries centered on Vietnam, as our most important region. Build a structure to respond to customer needs, carry out planning and design locally, and deploy products localized for their respective regions.

[China]

- Established the Product Development Department at King Jim Shanghai in July 2024
- Leverage external consultants to analyze big data and deploy lineups of B-to-C products that can be introduced to the Chinese market
- Clarify a marketing persona to propose style stationery and functional files

[Vietnam]

- Developing B-to-B products by utilizing our own factory, based on market analysis

Considering strategic M&A to enhance overseas sales channels

Strengthening of overseas business

Develop market-oriented products

China (Shanghai)

Offer in styles

PREPPY STYLE



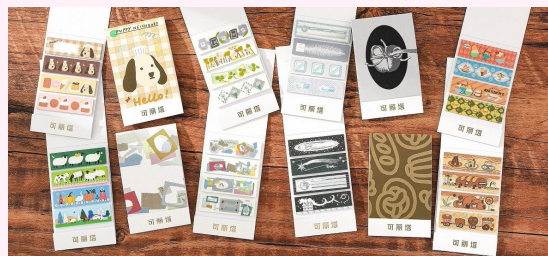
Released in Dec. 2024
A stationery series of functional items popular in Japan, updated to designs in a PREPPY style, a fashion trend in China

&TENNIS series

Released in Jun. 2025
With “Tennis Core,” a style inspired by tennis as a keyword, a unique stationery series using rubber bands to resemble tennis court lines

Offer in local trends

KELITA brand



Released in Oct. 2024
Pre-cut washi tape available only in China, made in collaboration with local popular creators to match datebooks trending in China

BAOMe series



Released in Jun. 2025
A stuffed animal pouch series to provide healing, developed in light of China’s new consumption trend that emphasizes spiritual satisfaction

Vietnam

Cooling Jacket



Wincess gloves



U.S.

“pomera” DM250US for the U.S.



Released in Apr. 2025
The U.S. model of a digital typewriter “pomera”

Expansion into the service business

New services that leverage design x digital technology

Ideal service to offer

From the King Jim known for TEPRA to the King Jim known for visual communications

Analyze customer needs for displays and create new value

Proactively incorporate AI technology into services

Start business development

Select specific targets and start prototype production

Repeat hypothesis verification based on user interviews, aiming to start the business in 2026



Utilizing overseas factories

Becoming file & lifestyle products factories

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

Pt. King Jim Indonesia (factory in Indonesia)

Producing **wooden knockdown furniture** leveraging the strength of Indonesia that is rich in wood resources, and selling in cooperation with Bon Furniture, an online furniture store



Production site



TV table



Desk side chest

King Jim (Vietnam) Co., Ltd. (factory in Vietnam)

Producing **kitchen sundries and paper storage boxes** applying its techniques for making file front covers and molding. Ladonna sells these products. Also started manufacturing new products other than files of King Jim.



Handy Chopper Slim



Magic Box
Toffy Happy Collection



HITOTOKI NOTE
Spiral Notebook

In collaboration with Group companies, planning and practicing **new product development** taking advantage of respective strengths

Developing communication with our fans

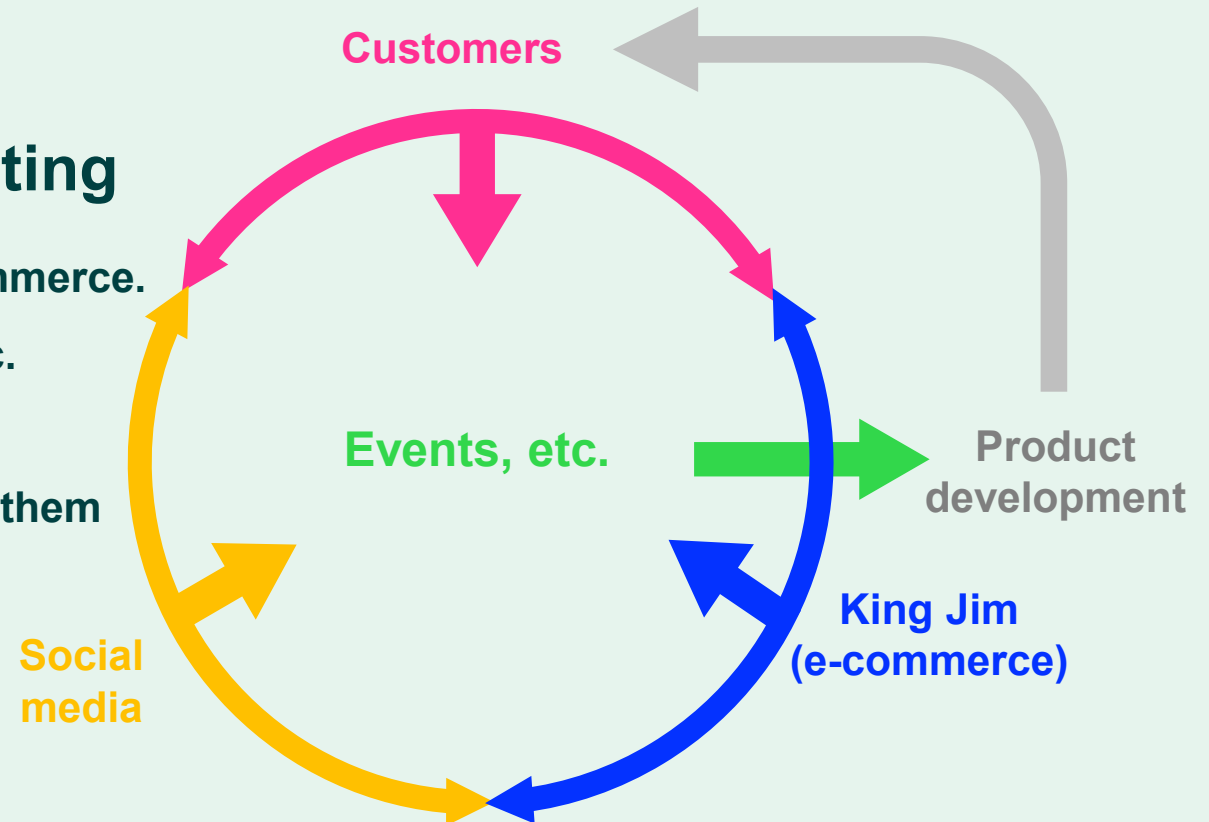
Customer engagement that creates new value

Using social media and e-commerce, promote branding and product development applying the fans' perspective

Develop needs analysis and fan marketing

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

Create new value by circulating the activities



Developing communication with our fans

Using social media and e-commerce, promote branding and product development applying the fans' perspective

King Jim Fan Meeting 2025



Jun. 6, 2025 at Head office of KING JIM CO., LTD.

BUNGU JOSHI HAKU



Jun. 26-29, 2025 at Ariake GYM-EX

Human capital management

An organization in which King Jim and its employees can grow together and keep taking on challenges

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

To achieve human capital management, implemented the following measures in the 1st year of the 11th Medium-Term Management Plan

<Develop human resources pioneering new eras>

- Management training for newly appointed managers
- Preparation and sharing of Section Manager Manual
- Management training focused on strengths
- Meeting to foster next-generation management personnel
- Recruitment of mid-career technical personnel

<Promote DE&I>

- Next leaders meeting
- E-learning (DE&I, unconscious bias)
- Financial and economic education seminar (rational asset management, retirement planning)
- Established a new Demand Chain Creation Department that combines a part of sales and development functions

<Enhance employee engagement>

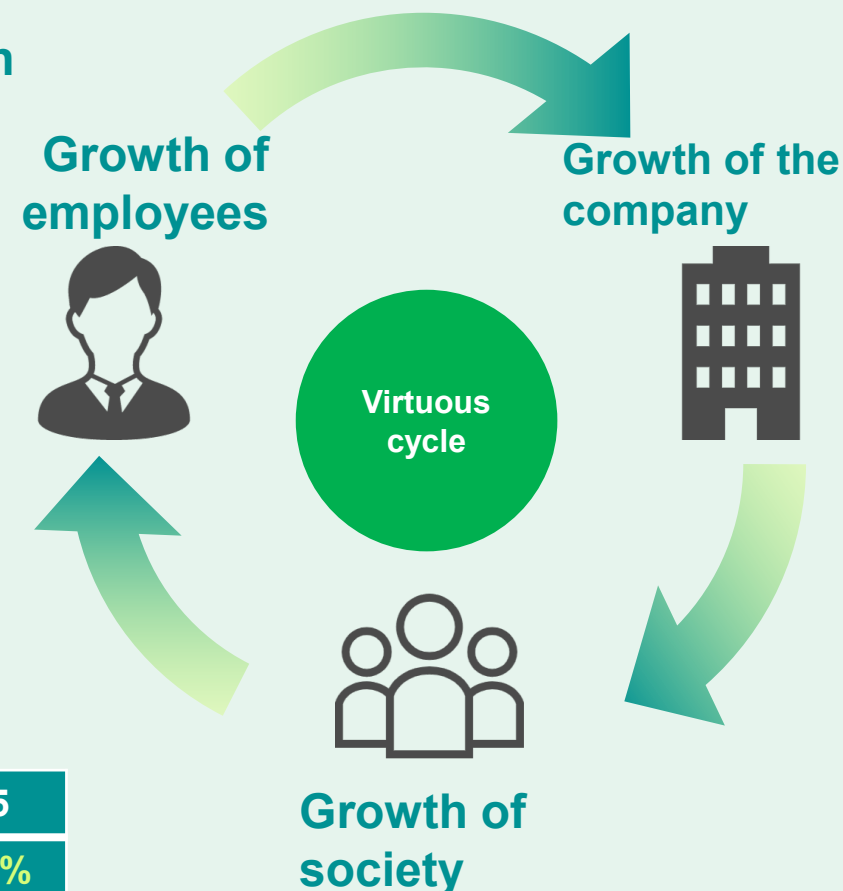
- Review meeting to improve engagement score
- Formulate company-wide action plans (engagement improvement measures addressed by the entire company)
- Introduction of one-on-one meetings
- Revision of personnel system regulations (review of requirements for promotion)
- Introduction of annual leave on an hourly basis
- Establishment of a care-giving leave for work-life balance
- Selective acquisition of summer vacation
- Company-wide morning assembly
- Distribution of executive meeting minutes
- Development of work environment (co-creation space)

Percentage of female managers

2022	2023	2024	2025
5.48%	8.00%	10.00%	13.80%

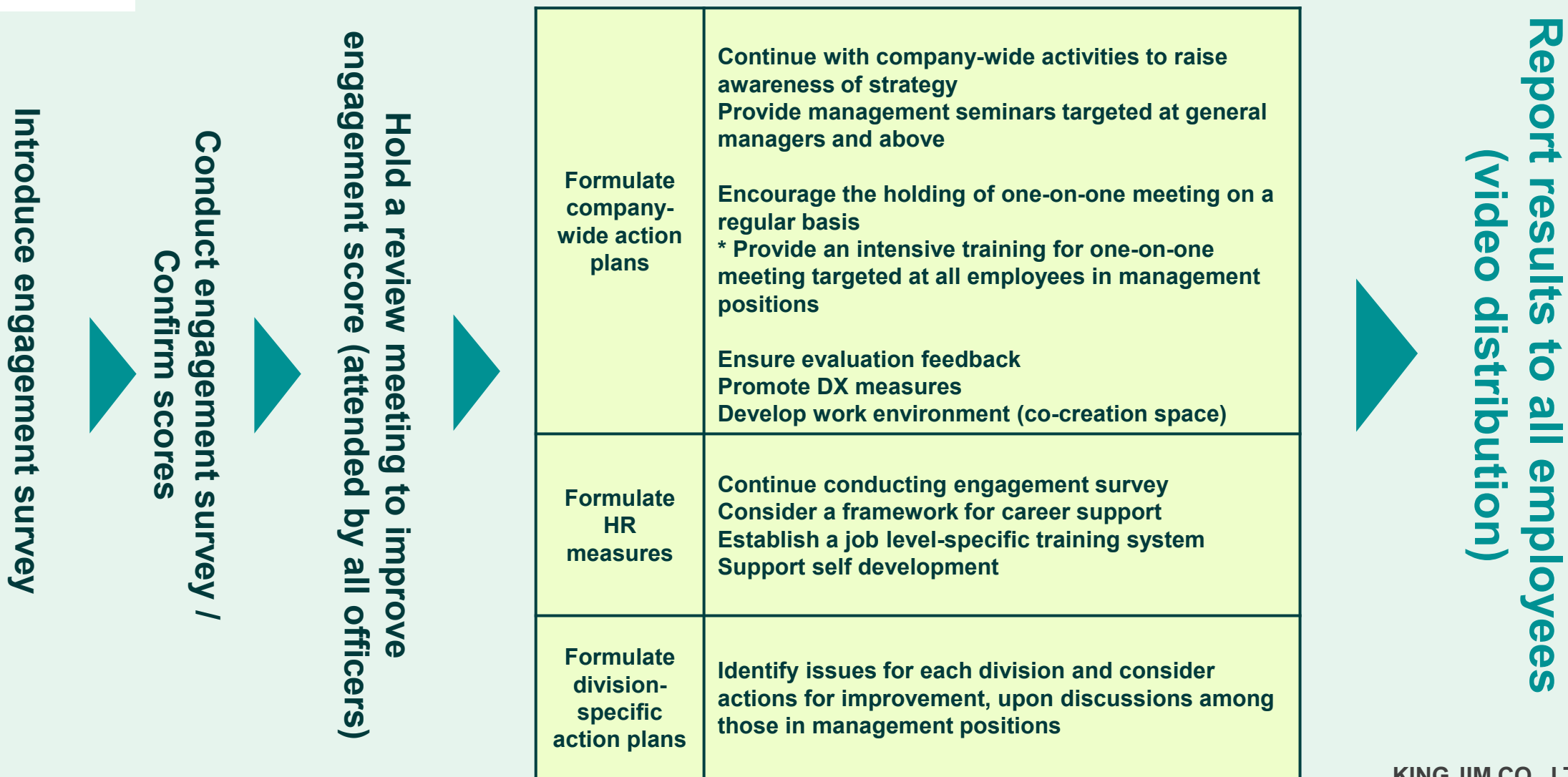
Percentage of people with disabilities in employment: 2.96%

As of Jun. 20, 2025



Enhance employee engagement





Build an environment where our people can feel satisfaction in their work



Sustainability

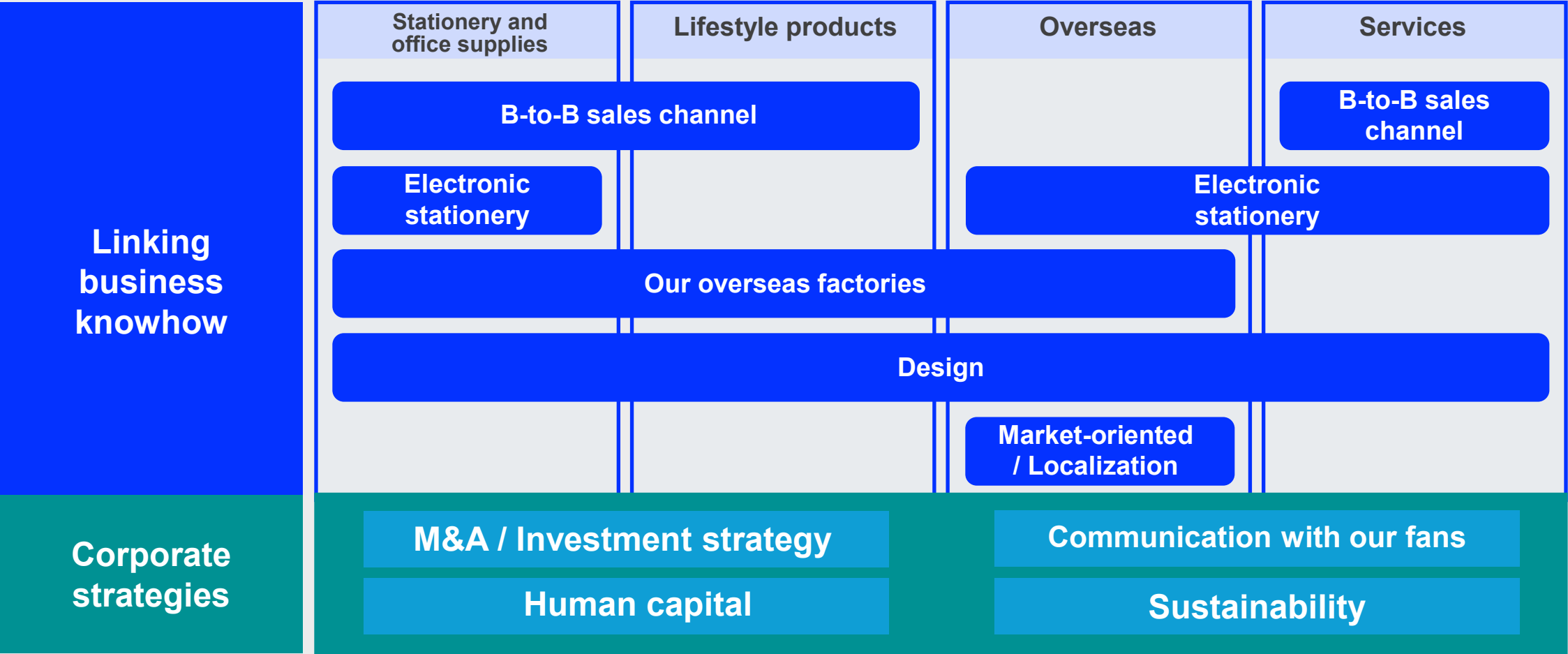
Work with society for sustainable development

Initiatives to solve materiality (priority issues)

Materiality	Initiative	FY6/25 Result
Social contribution via the development of original products 	<ul style="list-style-type: none"> • Providing environmentally friendly and energy-saving products and services • Using substitute materials to reduce the use of plastics 	<ul style="list-style-type: none"> • Started a new, sustainable business “heat-shielding paint service for commercial air conditioner outdoor units” for corporate customers to help them reduce CO₂ emissions and electricity charge • Used recycled plastics for TEPRA units
Environmental consideration 	<ul style="list-style-type: none"> • Responding to climate change • Recycling resources • Promoting ethical consumption 	<ul style="list-style-type: none"> • Completed calculation of Scope 3 emissions on a consolidated basis, and planning disclosure (calculated and disclosed on a non-consolidated basis for King Jim until the previous year) • Continued collection, reuse and recycling of used TEPRA tape cartridges
Promotion of diverse human resource 	<ul style="list-style-type: none"> • Building an environment that encourages innovation • Promoting initiatives that respect the human rights of all people involved with our business activities 	<p>As presented in “Human capital management” page</p>
Enhancement of governance 	<ul style="list-style-type: none"> • Practicing full compliance • Reinforcing the risk management system 	<ul style="list-style-type: none"> • Changed the operation of the Board of Directors (securing time for discussions on important reports, etc.) • Enhanced regulations on customer harassment and provided in-house education • Revised “Business Risks” section in Securities Report and established the Product Liability Measures Regulations

Initiatives for enhancing corporate value by linking business knowhow

Link and strengthen knowhow accumulated in each business
Leverage management resources to generate synergies and enhance corporate value



Investment strategy

	FY6/27 targets	FY6/25 progress
Expanding strategic investments in growth fields	M&A ¥3.5 billion	<ul style="list-style-type: none"> • Searched for opportunities with a focus on “neighboring areas” to expand the lifestyle products business • Considering with a focus on companies strong in overseas sales channels
	Invest in the development of new products and production facilities: ¥2.0 billion	<ul style="list-style-type: none"> • Introduced new products to the market, emphasizing functionality and easy of use, such as Potara and LASENO • Introduced machinery and equipment to production factories to enable manufacturing of products in new genres
	Launch and promote new service businesses: ¥1.0 billion	<ul style="list-style-type: none"> • Decided on directions of new businesses at the Board of Directors with a target of operation start in 2026. Commenced prototype production
	Human resource investments in growth fields (overseas, subsidiaries), as well as for DX promotion	<ul style="list-style-type: none"> • Dispatched development staff to Shanghai and Vietnam, our most important regions, and established local development systems • Allocated DX promotion staff at each department to provide IT literacy trainings (generative AI, RPA) • For active DX promotion, transferred IT specialists as appropriate • Recruited mid-career technical personnel
DX investments to improve efficiency	Renewal of all internal systems: ¥1.2 billion	<ul style="list-style-type: none"> • Renewed the sales and logistics core systems as planned and improved the infrastructure. Currently in the shakedown phase

Strategic themes for M&A

Create synergies through actively expanding into “neighboring areas,” overseas sales channels and new genres

Pursue expansion of business domains and sustainable development as a company

Enhancing corporate value of the King Jim Group

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graph TD; A[Enhancing corporate value of the King Jim Group] --> B[Strengthen overseas sales channels]; A --> C[Expand businesses]; A --> D[Expand into new genres]; B --- B_desc[Companies seeking opportunities for business growth in ASEAN countries centered on Vietnam]; C --- C_desc[Companies falling under our “neighboring areas” to help us expand the lifestyle products business]; D --- D_desc[Companies active in business domains different from ours, such as services and AI];
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Strengthen overseas sales channels

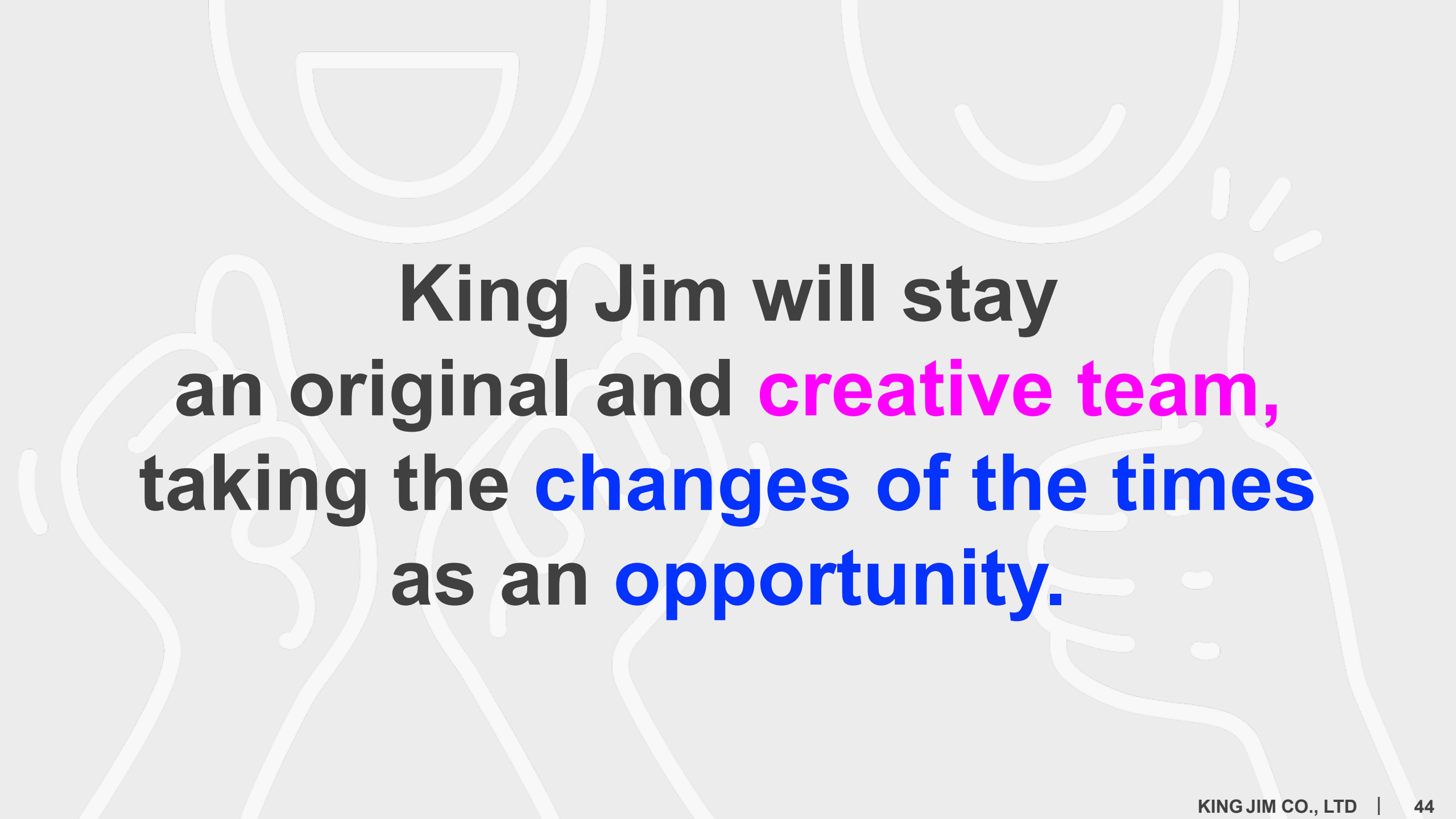
Companies seeking opportunities for business growth in ASEAN countries centered on Vietnam

Expand businesses

Companies falling under our “neighboring areas” to help us expand the lifestyle products business

Expand into new genres

Companies active in business domains different from ours, such as services and AI



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

About Segments

Comprising the Company and its 12 subsidiaries, the King Jim Group operates two businesses: the stationery and office supplies business, which involves the planning, manufacturing and sale of stationery, electric products, living environment products, etc., as well as ancillary business activities, and the lifestyle products business, which involves the planning and sale of furniture, everyday goods, clocks, artificial flowers, home appliances, room fragrances, etc.

Stationery and Office Supplies Business	Lifestyle Products Business
King Jim Co., Ltd. PT. King Jim Indonesia King Jim (Malaysia) Sdn. Bhd. King Jim (Vietnam) Co., Ltd. King Jim (Shanghai) Trading Co., Ltd. King Jim (HK) Co., Limited King Jim (Shenzhen) Trading Co., Ltd.	Ladonna Co., Ltd. Asca Co., Ltd. Bon Furniture Co., Ltd. Wincess Corporation Life on Products, Inc.

Disclaimer

- The earnings forecasts and other forward-looking statements herein are based on information currently available to the Company and certain assumptions deemed reasonable as of the date of publication of this document, and are not intended as a guarantee by the Company that they will be achieved.
- Actual results may differ significantly from these forecasts due to a wide range of factors.
- No certified public accountants or audit firms were involved in the preparation of this document.

