



Financial Results Briefing for the Six Months Ended December 20, 2024

February 14, 2025

KING JIM CO., LTD.

Summary

Net sales increased. Operating profit and ordinary profit returned to profitability, although loss was recorded overall.

Actual results for the six months ended December 20, 2024

Net sales: Sales increased due to higher sales of TEPPRA and disaster preparedness products, as well as growth in each Group company.

Profits: Operating profit and ordinary profit returned to profitability due to improvements in the gross profit margin and SG&A expense ratio. A loss was recorded due to increased income taxes.

		YoY Change		Compared to forecast	
Net sales:	¥18.5 billion	+3.5%	↑	-1.5%	↓
Operating profit:	¥0.01 billion	+¥0.79 billion	↑	+¥0.14 billion	↑
Ordinary profit:	¥0.18 billion	+¥0.68 billion	↑	+¥0.18 billion	↑
Profit:	-¥0.07 billion	+¥0.35 billion	↑	-¥0.07 billion	↓

FY6/25 Full-year earnings forecast

- ✓ Measures for the 1st year of the 11th Medium-Term Management Plan progressing as planned
- ✓ The forecasts announced on August 1, 2024 remain unchanged
- ✓ ¥41.0 billion in net sales, ¥0.53 billion in operating profit, ¥0.7 billion in ordinary profit, and ¥0.49 billion in profit

Consolidated Operating Results

During the six months ended December 20, 2024, sales increased, and both operating profit and ordinary profit returned to profitability

Gross profit margin +1.8 pt SG&A expense ratio -2.7 pt

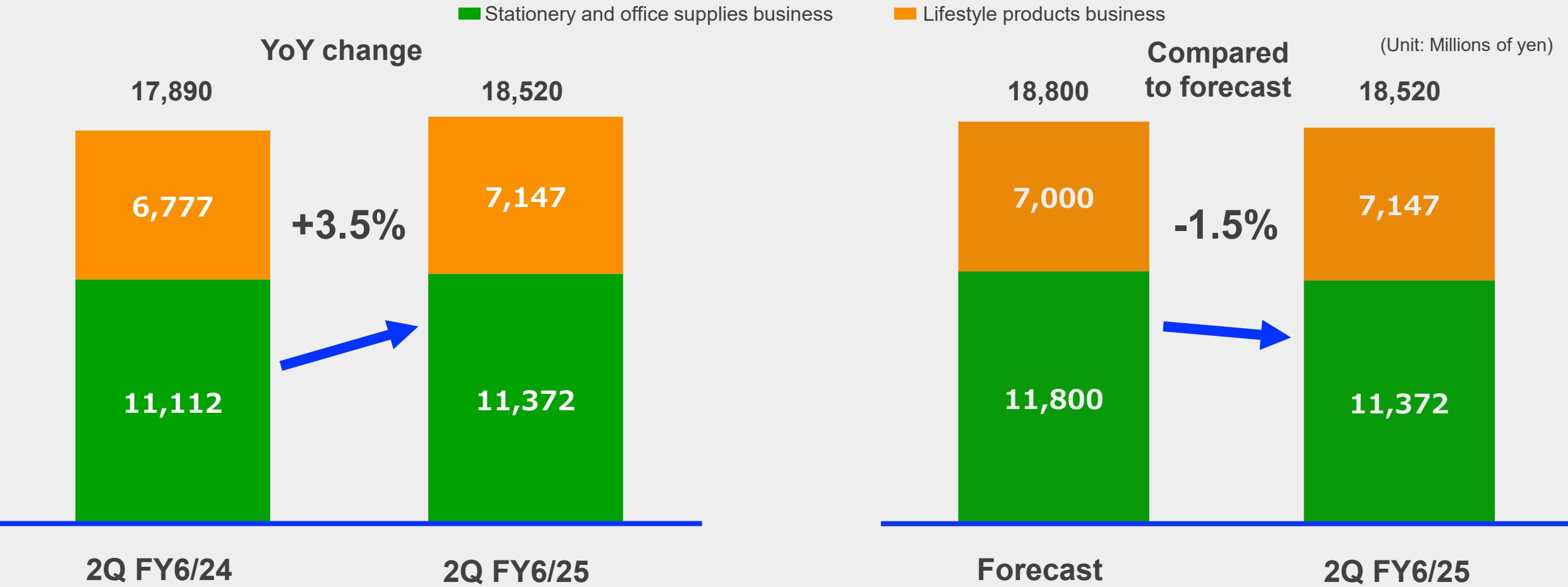
(Unit: Millions of yen)

	2Q FY6/24		2Q FY6/25		YoY change		Compared to forecast	
	Actual	Percentage	Actual	Percentage	Increase/decrease	Change	Increase/decrease	Change
Net sales	17,890	100.0%	18,520	100.0%	+629	+3.5%	-279	-1.5%
Gross profit	6,438	36.0%	7,008	37.8%	+570	+8.9%		
Selling, general and administrative expenses	7,219	40.4%	6,990	37.7%	-228	-3.2%		
Operating profit	-780	-4.4%	18	0.1%	+799	—	+148	—
Ordinary profit	-505	-2.8%	180	1.0%	+686	—	+180	—
Profit attributable to owners of parent	-425	-2.4%	-75	-0.4%	+350	—	-75	—

*“Forecast” refers to the financial results forecast for 2Q FY6/25 of net sales of ¥18,800 million, operating loss of ¥130 million, ordinary profit of ¥0 million and profit of ¥0 million.

Consolidated Net Sales

Sales increased due to higher sales of TEPRA and disaster preparedness products, as well as growth in each Group company

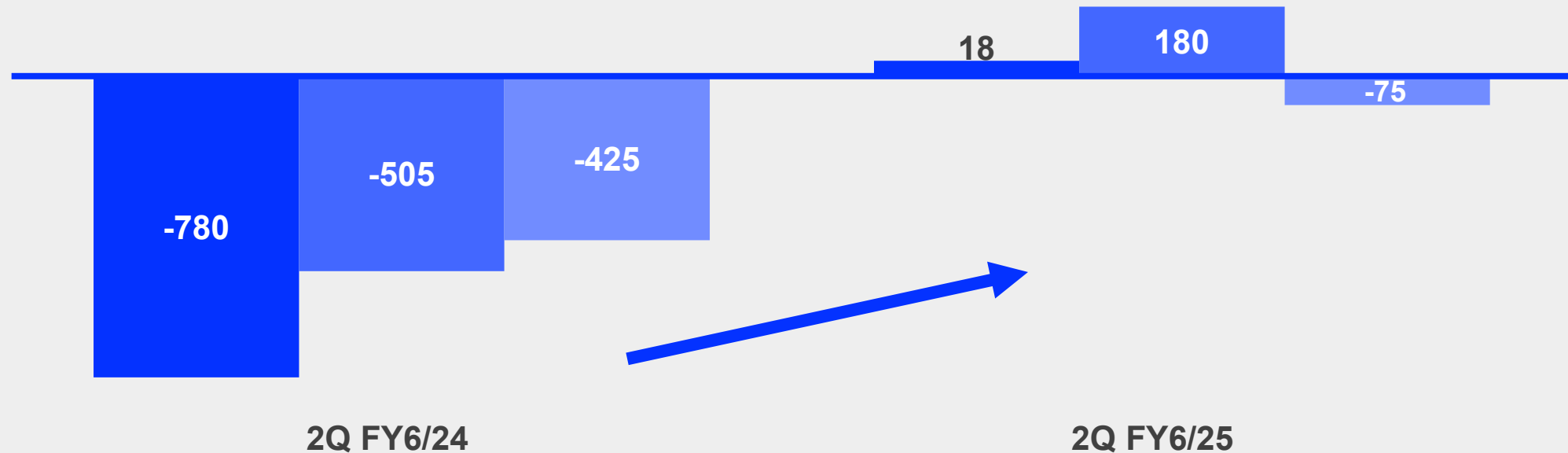


Consolidated Profits

Operating and ordinary profits have returned to profitability due to improvements in the gross profit margin and SG&A expense ratio
(Gross profit margin up 1.8 pt due to price revisions and a decrease in devaluation)
A loss was recorded due to increased income taxes

YoY
change

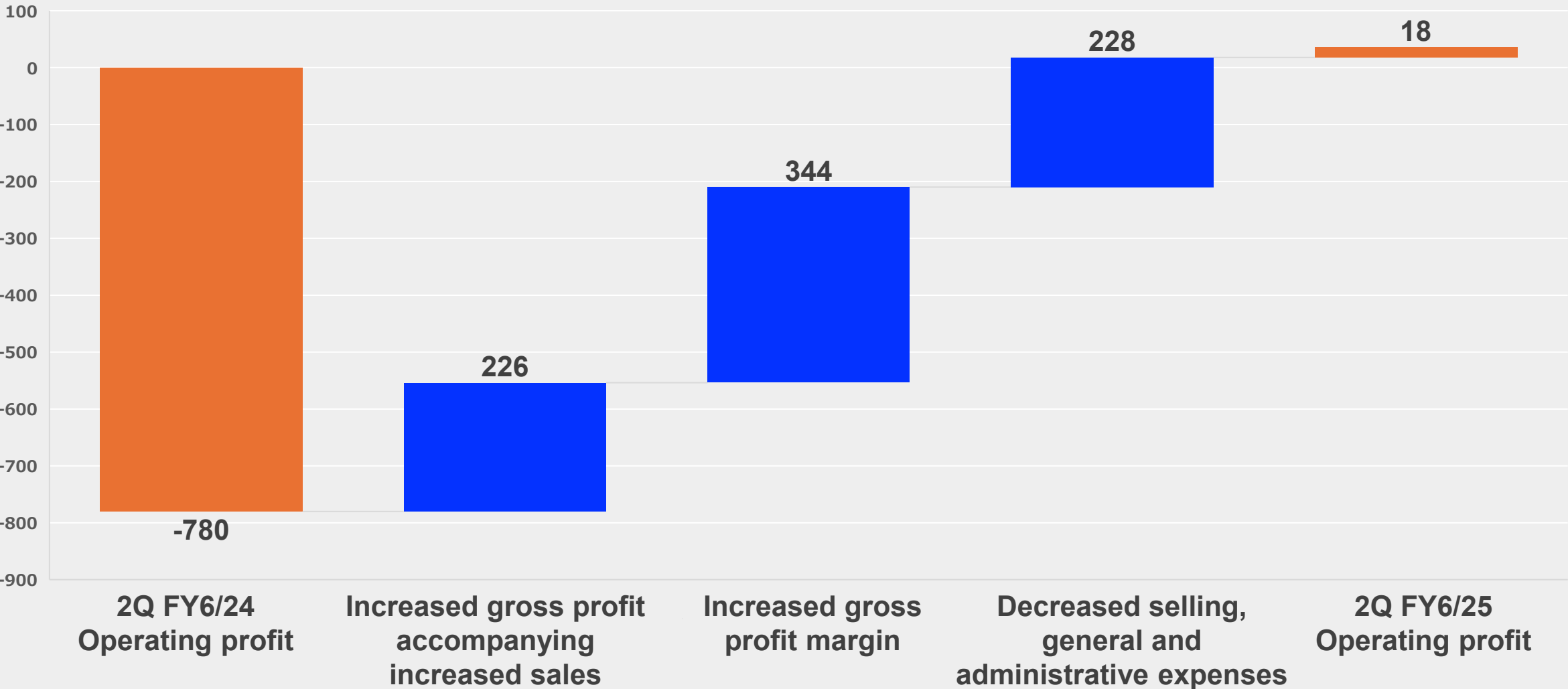
■ Operating Profit ■ Ordinary profit ■ Profit (Unit: Millions of yen)



Factors Affecting Consolidated Operating Profit

(Unit: Millions of yen)

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



Segment Sales & Operating Profit

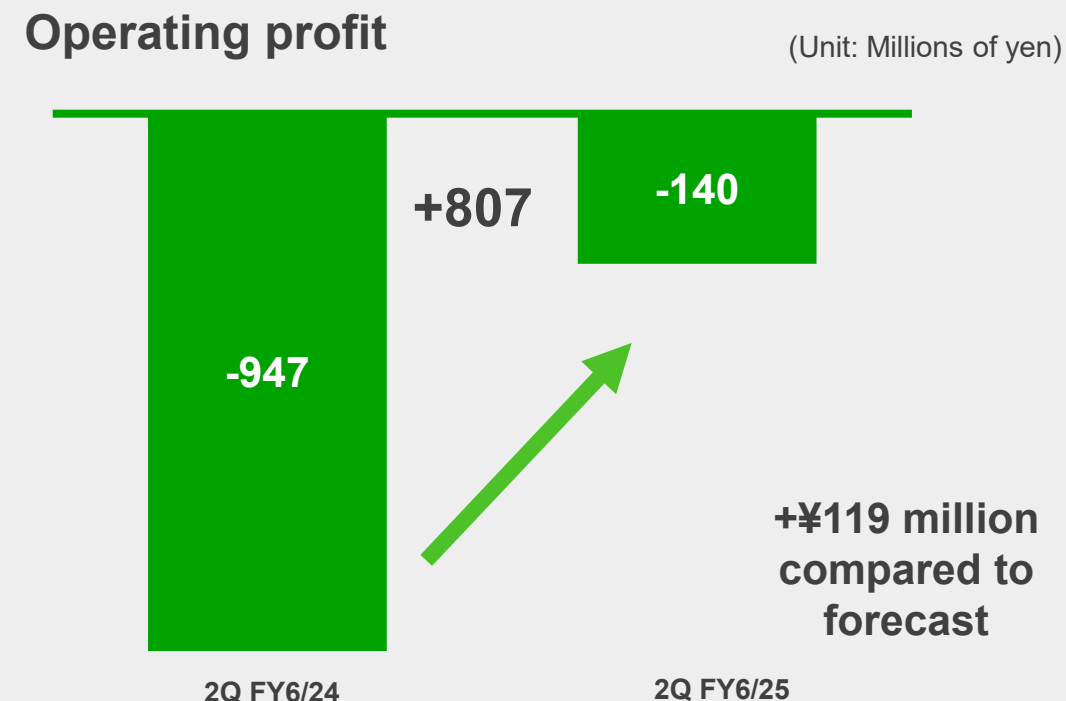
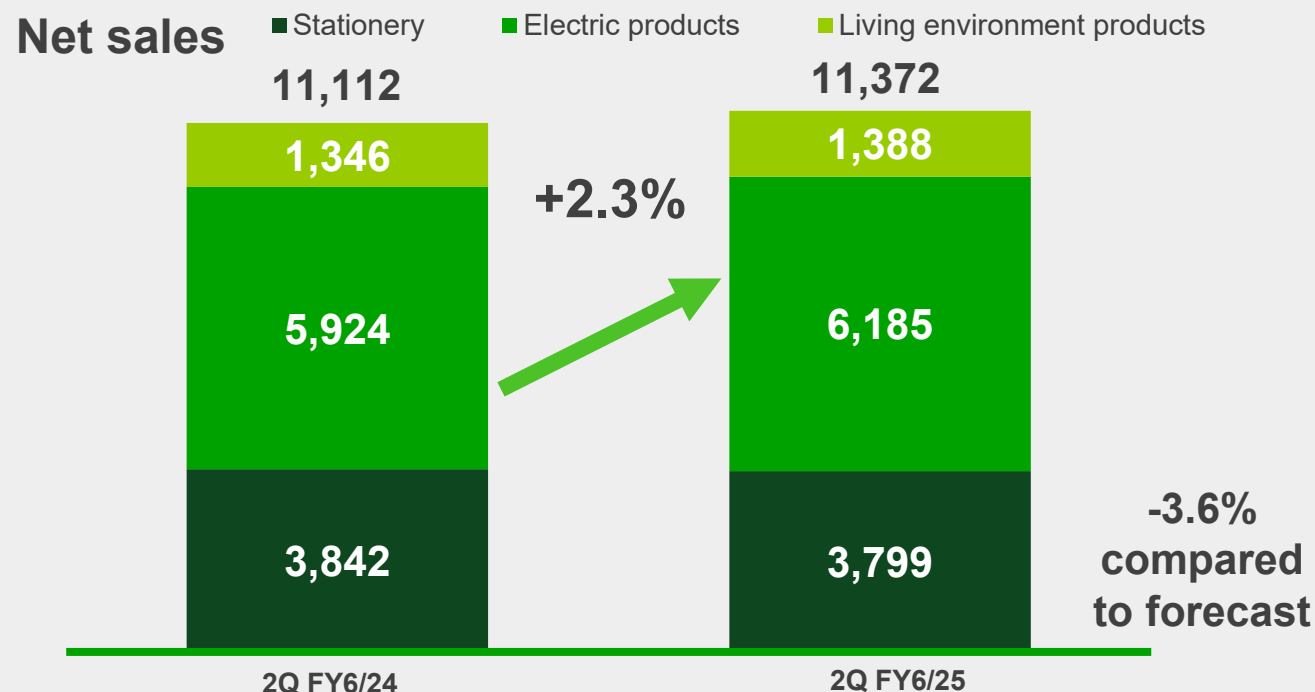
Stationery and Office Supplies Business

Net sales: ¥11,372 million

- Higher sales of TEPRAs and disaster preparedness products
- Lower sales of KING FILE

Operating loss: ¥140 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 supplies business, has changed its category and now is included within the lifestyle products business. The calculations within this document are based on the new categorization.

Segment Sales & Operating Profit

Lifestyle Products Business

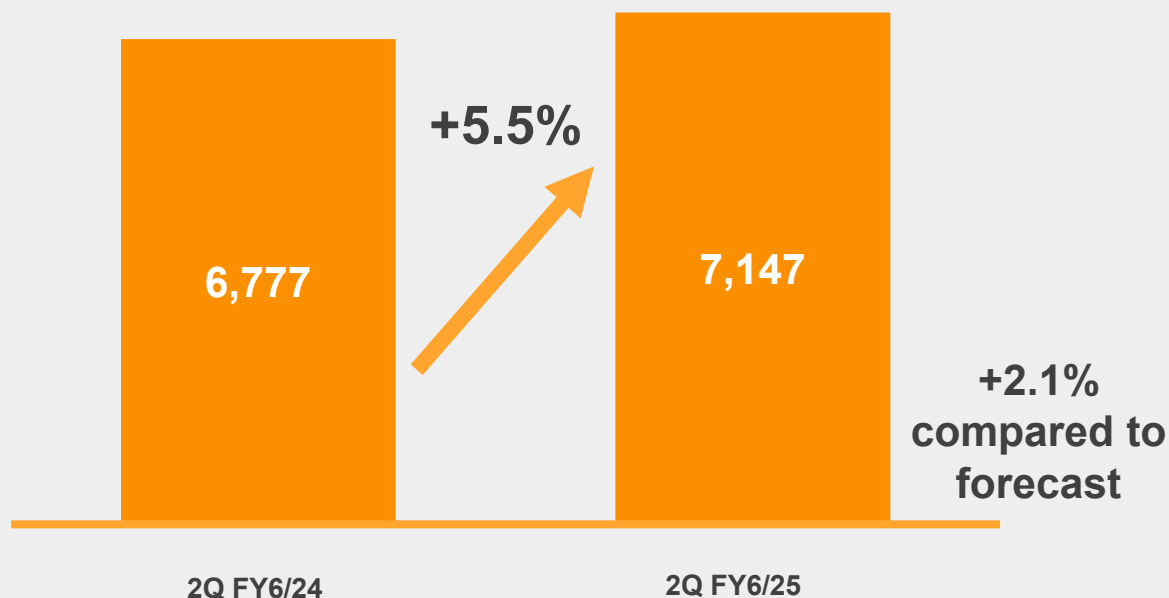
Net sales: ¥7,147 million

- Life on Products, Inc. and Asca Co., Ltd. performed favorably

Operating profit: ¥152 million

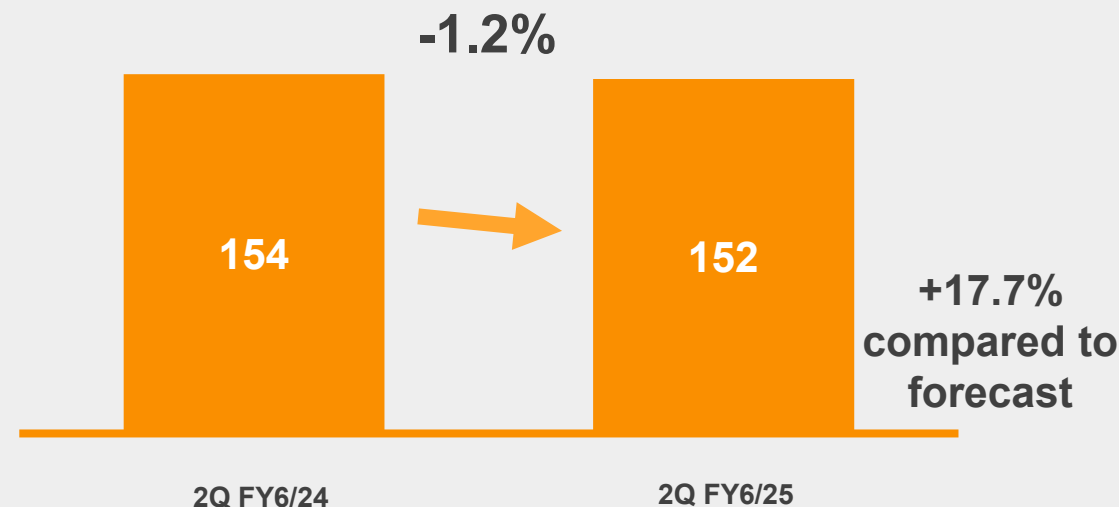
- Operating profit was down due to a decline in gross profit margin caused by the depreciation of the yen and soaring raw material prices

Net sales



Operating Profit

(Unit: Millions of yen)



*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 supplies business, has changed its category and now is included within the lifestyle products business. The calculations within this document are based on the new categorization.

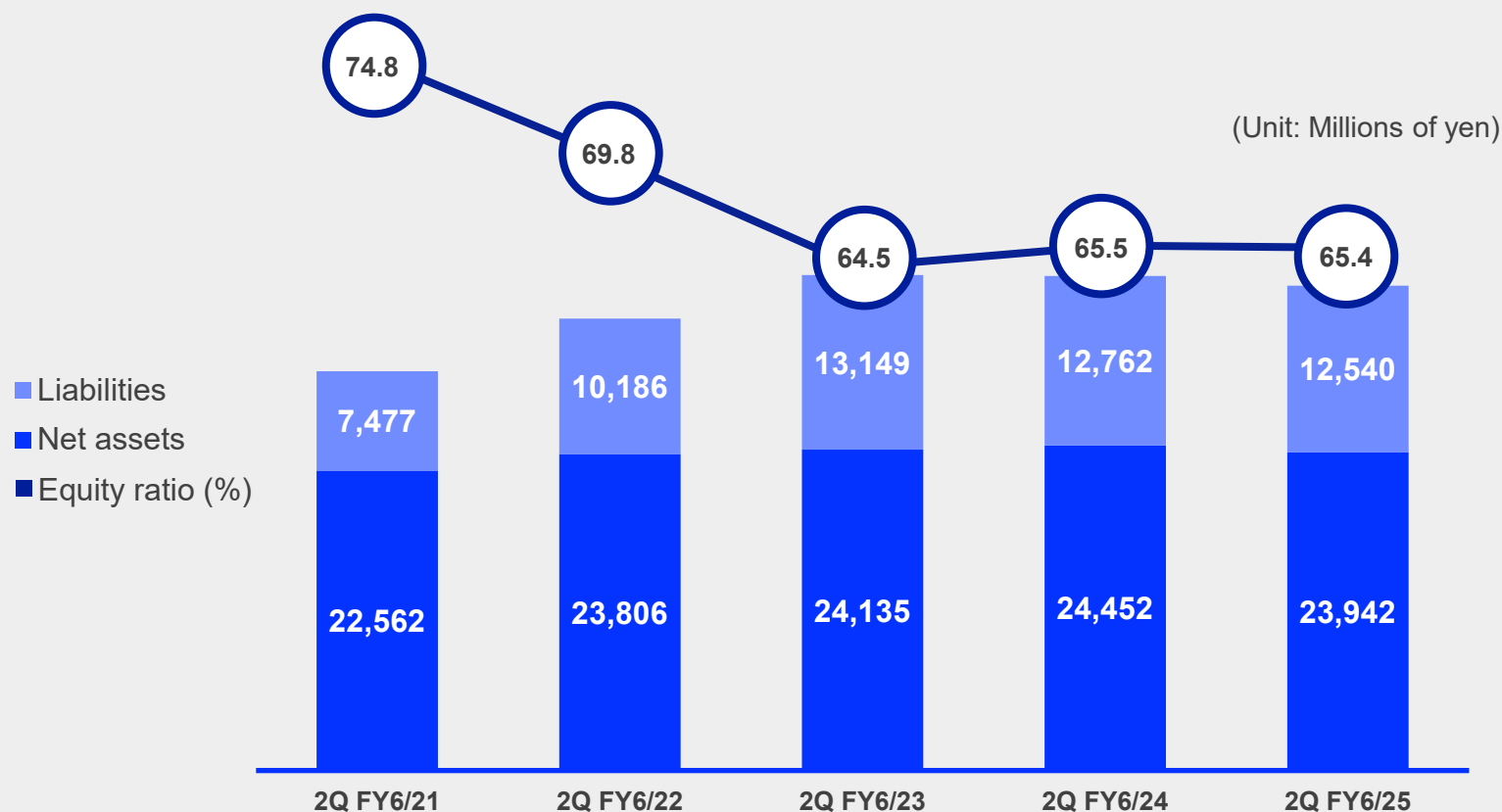
Consolidated Balance Sheets and Equity Ratio

Total assets: Down ¥731 million YoY due to decreases in merchandise and finished goods, and goodwill

Liabilities: Down ¥221 million YoY due to a decrease in long-term borrowings

Net assets: Down ¥509 million YoY due to an increase in treasury shares and a decrease in retained earnings

Equity ratio: Almost unchanged at 65.4%



Consolidated Cash Flows

[Main Content]

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

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

Cash flows from financing activities: Repayments of long-term borrowings and dividends paid, and net increase in short-term borrowings, etc.

(Unit: Millions of yen)

	2Q FY6/21	2Q FY6/22	2Q FY6/23	2Q FY6/24	2Q FY6/25
Cash flows from operating activities	489	-1,414	-1,821	-958	-351
Cash flows from investing activities	-270	-3,355	-1,260	-204	-406
Cash flows from financing activities	95	3,827	2,837	1,086	1,163
Effect of exchange rate change on cash and cash equivalents	-12	52	141	110	-39
Net increase (decrease) in cash and cash equivalents	302	-891	-102	34	366
Increase in cash and cash equivalents from inclusion of subsidiaries in consolidation	314	—	—	—	—
Cash and cash equivalents at end of period	6,027	6,141	5,534	5,957	6,055

Fiscal Year Ending June 20, 2025 Full-Year Consolidated Earnings Forecast

Full-year consolidated earnings forecast

(Unit: Millions of yen)

	FY6/24		FY6/25		YoY change	
	Actual	Percentage	Forecast	Percentage	Increase/decrease	Change
Net sales	39,553	100.0%	41,000	100.0%	+1,446	+3.7%
Operating profit	-241	-0.6%	530	1.3%	+771	—
Ordinary profit	130	0.3%	700	1.7%	+569	+437.3%
Profit attributable to owners of parent	-318	-0.8%	490	1.2%	+808	—

Full-year earnings forecast by segment

	FY6/24		FY6/25		YoY change	
	Actual	Percentage	Forecast	Percentage	Increase/decrease	Change
Net sales	39,553	100.0%	41,000	100.0%	+1,446	+3.7%
Stationery and office supplies	25,334	64.1%	26,500	64.6%	+1,165	+4.6%
Electric products (*2)	13,736	34.8%	14,400	35.1%	+663	+4.8%
Living environment products (*2)	2,848	7.2%	3,100	7.6%	+251	+8.8%
Stationery	8,749	22.1%	9,000	21.9%	+250	+2.9%
Lifestyle products (*1)	14,218	35.9%	14,500	35.4%	+281	+2.0%
Segment profit (*3)	-241	-0.6%	530	1.3%	+771	—
Stationery and office supplies	-467	-1.2%	240	0.6%	+707	—
Lifestyle products	194	0.5%	280	0.7%	+85	+44.3%

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

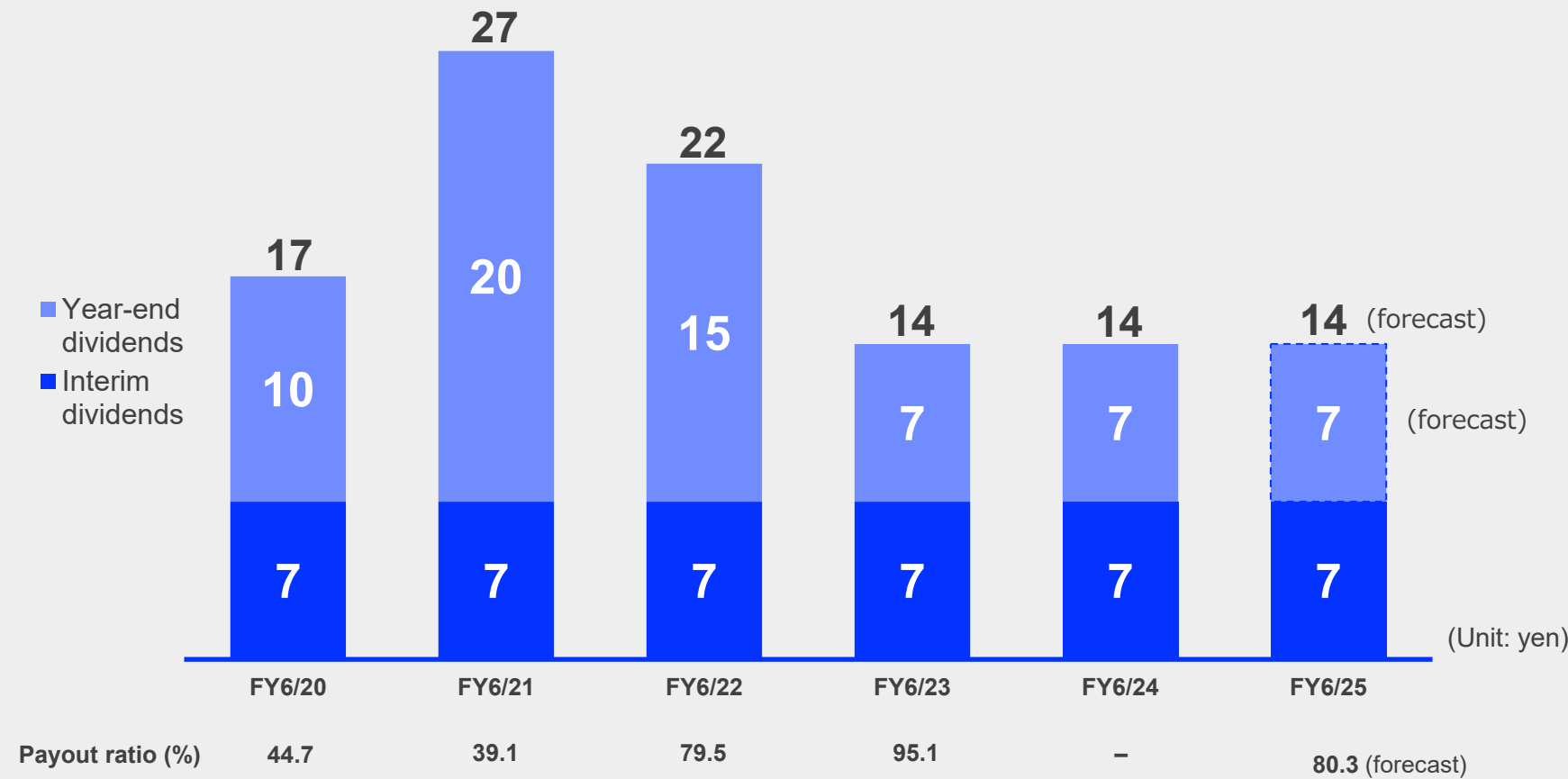
Moreover, the Company's consolidated subsidiary Wincest Corporation, which had hitherto been included within the stationery and office supplies business, has changed its category and now is included within the lifestyle products business. The actual results given for FY6/24 are based on the new categorization.

(*2) In FY6/25, electric and living environment products in the stationery and office supplies business have changed to electric products and living environment products. The actual results given for FY6/24 are based on the categorization after the change was made.

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

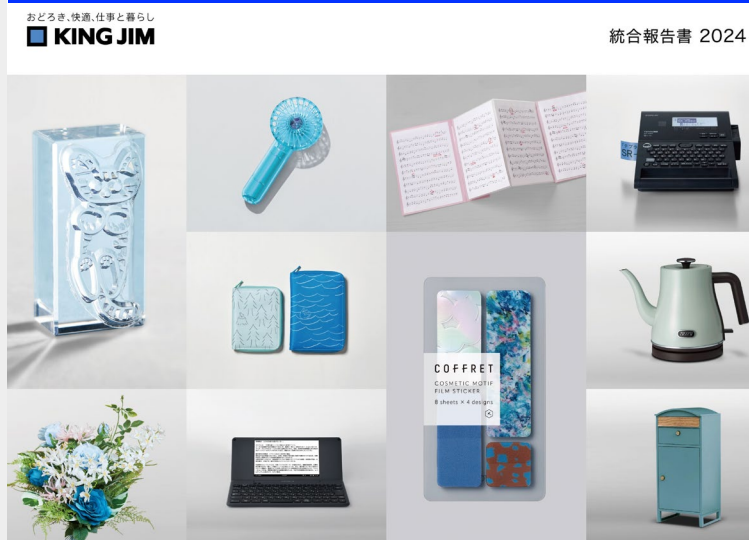
Shareholder Returns

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



Topics

Issued Integrated Report 2024



Issued Integrated Report 2024 to inform shareholders, investors and other stakeholders about the King Jim Group's growth potential from a variety of perspectives, centered on the initiatives of the 11th Medium-Term Management Plan.

60th anniversary of the KING FILE, surpassed 600 million in total units sold



The KING FILE, which holds the No.1 share of heavy-duty binders in Japan*, celebrated its 60th anniversary and has surpassed total sales of 600 million units to date. Takarajimasha, Inc. released a mook and held a gift campaign via social media.

*According to in-house research

KING JIM Fair 2024

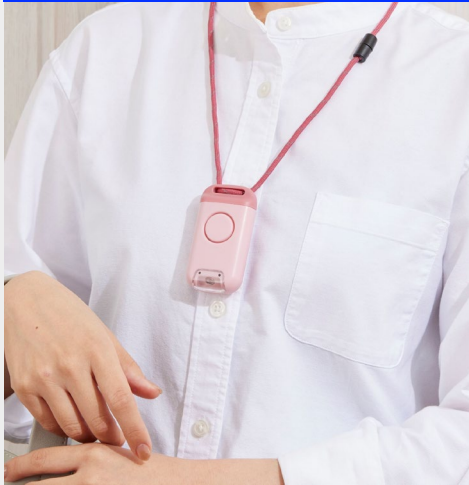


Held the KING JIM Fair 2024 in November 2024 in Bellesalle Akihabara. The six companies of the King Jim Group gathered together to exhibit and sell their products, as well as to organize hands-on experience areas and prize draws.

New Product Information

KING JIM

Potara



Released in Jul. 2024

A portable light with a built-in security alarm, to be worn around the neck. A certified phase-free product that can be used for a variety of purposes, from everyday use such as going for a walk to emergency situations.

KAKIKO Zig Zag Folder



Released in Sep. 2024

New product specially designed for sheet music from the KAKIKO series that allows you to write without taking the documents out of the file. Easily bind your sheet music by trimming it to the desired number of pages.

LASENO



Released in Oct. 2024

Spiral notebook featuring the newly developed “flexible spirals” that allow you to swap out or add loose-leaf sheets. Winner of the GOOD DESIGN AWARD 2024.

Life on Products, Inc.

Share Hand Warmer usable with both hands with mobile battery function



Released in Aug. 2024

Rechargeable hand warmer separable into two. As warm as a standard disposable hand warmer and can also be used as a mobile battery.

LADONNA

Toffy Happy Collection



Released in Nov. 2024

A bright and colorful series of kitchen appliances with a look inspired by a European port town. Available at a reasonable price. Aims to create a new trend.

Taking the wave of social change as an opportunity to move toward new growth

Customer-driven



Connect to customers with
technology

Into “neighboring areas”



Accelerate entry into markets in
areas we know

A global marketplace



Rebuild overseas market
expansion

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

Fundamental Policies

Expansion into the service business
Leverage design and digital technology to develop our services

Expansion of the lifestyle field
Strengthen Group synergies and each Group company's growth strategy

Strengthening of overseas business
Develop market-oriented products and significantly expand sales

Resources

Overseas factories

Communication with our fans

Human capital

Sustainability

Strengthening Our Existing Businesses

Strengthening our existing businesses
Sales strategy, development areas, design

Sales strategy



Exploring demand for TEPRA labeling

Releasing online commercials for the **#askTEPRA** campaign starting in January 2025.

Videos suggesting how TEPRA can be used to solve problems in a variety of workplace settings, including construction, childcare, factories, healthcare and welfare. Until now, TEPRA had mainly been used to organize things. The aim is to expand demand by showing how useful it can be in solving problems across a broad range of scenarios.



https://www.kingjim.co.jp/sp/tepra_onegai/

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

Collaborate with Group companies to formulate development plans that match prevailing trends

Search for new sales partners

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

Develop and produce **kitchen sundries** in collaboration with the Group company Ladonna Co., Ltd., which has strengths in lifestyle products.

PT. King Jim Indonesia (factory in Indonesia)

Produce **wooden knockdown furniture** in collaboration with the Group company Bon Furniture Co., Ltd., which has strengths in online furniture sales. Commence sales at Bon Furniture Co., Ltd.



Expansion of the lifestyle field

Enhancing the growth and synergies of Group companies

Cultivating “neighboring areas” that we know

Further expand the lifestyle products business
Expand the genre through M&A

Each Group company’s growth strategy

Expand sales channels for corporate clients and direct-selling routes to consumers



*As of FY6/25, the interior lifestyle business has changed its name to the lifestyle products business

Expansion of the lifestyle field

Establish a Group Management Committee

To enable Group companies to aim for growth while **balancing centrifugal and centripetal forces**

Increase **Group synergies** within the lifestyle field and expand both sales and profits

Group company presidents and key personnel gather regularly for debriefings and training sessions to share internal and external knowledge on best practices, strengths, and challenges.
Promote joint ventures and projects when necessary.

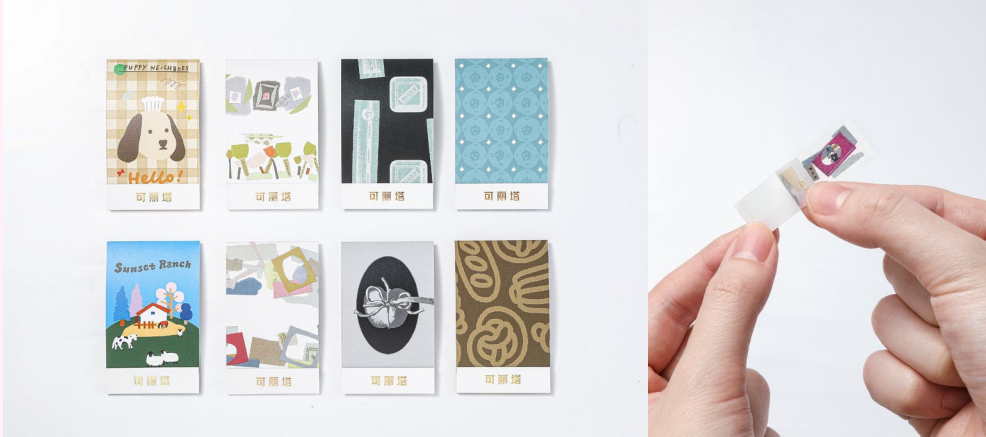


Strengthening of overseas business

Began developing market-oriented products for overseas markets

KING JIM — 锦 宫 —

KELITA washi tape



Released in October 2024

Masking tape that draws on experience cultivated with previous products and is released exclusively in China. This product series features pre-cut washi tape with backing paper in a card-sized booklet, developed in collaboration with four popular Chinese creators, with designs reflecting local trends and sensibilities.

PREPPY STYLE



Released in December 2024

An original stationery series for the Chinese market based on high-performance clear files and other popular products in Japan. The designs follow the “student style” that is currently in vogue in China. The aim is to capture new user segments and further expand sales.

Management Targets for the Fiscal Year Ending June 20, 2027

Net sales

¥52.0 billion

Ordinary profit

¥2.8 billion

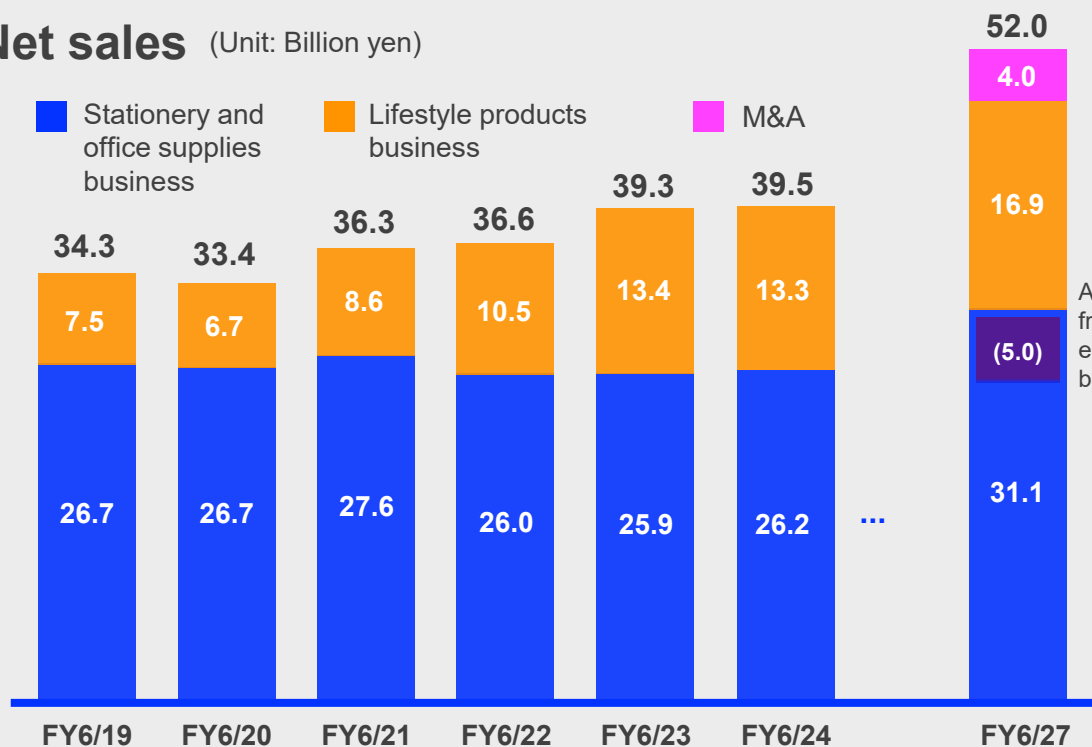
Ordinary profit margin

5.4%

ROE

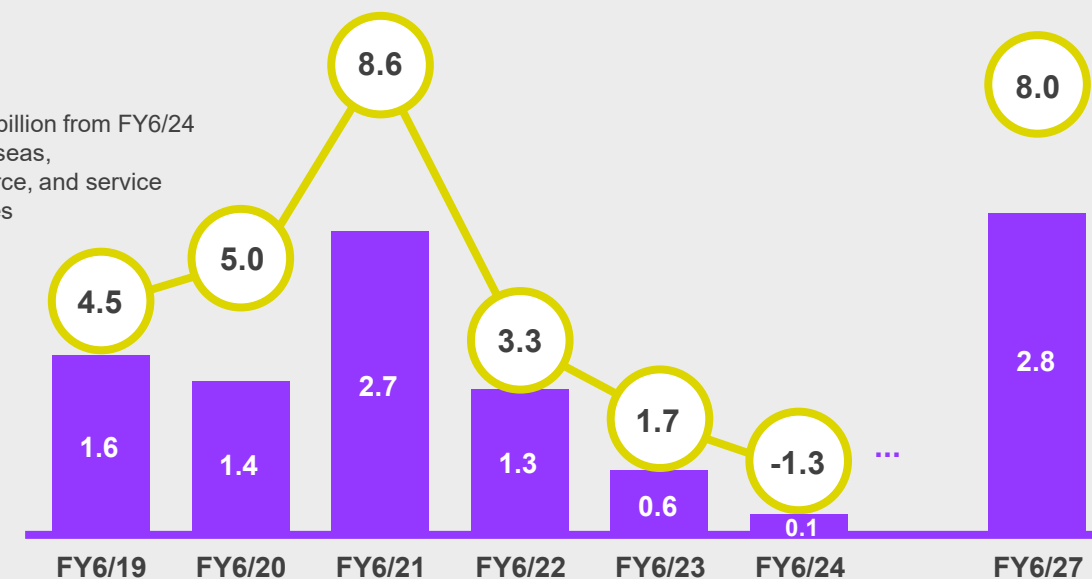
8.0%

Net sales (Unit: Billion yen)



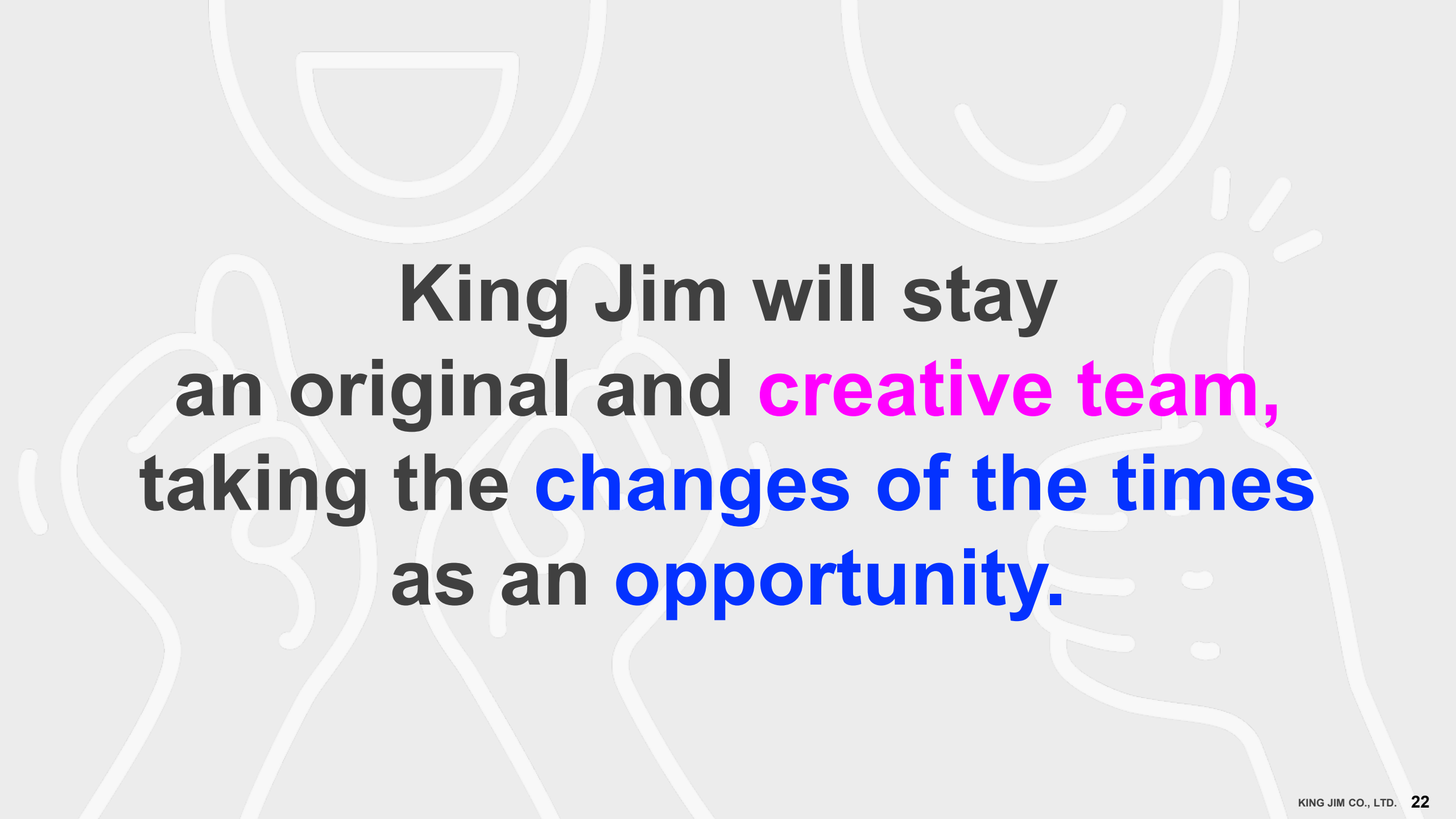
Ordinary profit and ROE

ROE (%) Ordinary profit (billion yen)



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**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.

