



In the period to 2027, we aim to achieve further growth as a group by accelerating our business transformation and organizational restructuring.

Miyoko Kimura
Representative Director, President

From a return to profitability to a new growth phase

In the first year of the 11th Medium-Term Management Plan, which covers the fiscal years ended June 20, 2025 through June 20, 2027, we achieved a return to profitability thanks to growth in both revenues and profits resulting from steady sales growth in the lifestyle products business and improved profit margins. These results are evidence that restructuring and improvements to our management systems are producing tangible benefits, and that our management structures and organization have been steadily strengthened by the implementation of key measures in line with our plans.

In addition to this improvement in our financial position, we are also seeing clear signs of positive changes in the overall morale of our organization, including the willingness of individual

employees to take on new challenges. Our employees have started to recognize that by achieving personal growth through day-to-day work activities or the proposal of new businesses, they also contribute to the company's growth. This has been reflected in a steady rise in creativity and a growing sense of ownership. These changes are also accelerating improvements in our business processes and the creation of new businesses, while also building the foundations that will need to cope with a rapidly changing market environment.

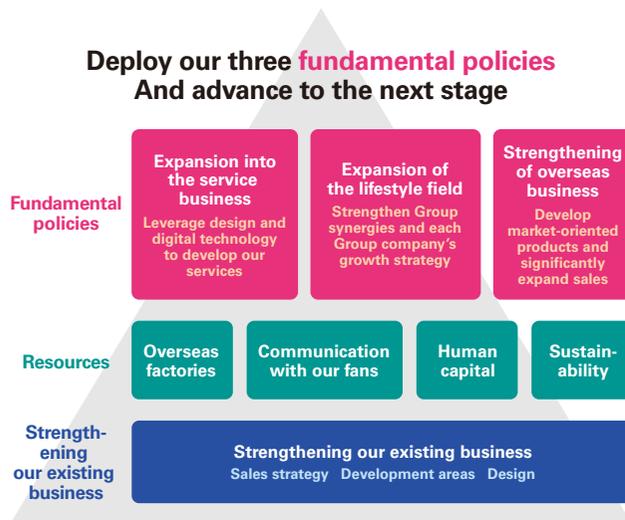
Our business environment is affected by a mixture of both positive and negative factors, including rapid advances in AI and other digital technologies, the impact of climate change, geopolitical risks, and an unstable global economy. We are also seeing a major decline in the number of

Message from the President

working-age people, especially in Japan. Shrinking demand is a particular challenge for King Jim because of our heavy reliance on the B-to-B market. However, advances in AI and sustainability are generating new value creation opportunities, and there is emerging demand for new solutions for issues in such areas as office systems, healthcare, construction, and manufacturing. There is also significant scope to take our products and services into China and ASEAN markets, as well as expanding growth opportunities in global markets. While there are risks in this business environment, there are also major opportunities. That is why we are committed to responding to each change positively, quickly, and flexibly.

While we have returned to profitability, we still need to improve our growth performance. By pursuing the fundamental

11th Medium-Term Management Plan: fundamental policies and strategies



policies and Group strategy defined in the Medium-Term Management Plan, we have made steady progress towards establishing the foundations needed for growth, including enhancements to our organizational structure, investment in human capital, and further strengthening of customer relationships. In the fiscal year ending June 20, 2026 and beyond, we will build on this foundation as we work to expand our operating profit and take King Jim into a new phase of solid growth. In this new growth phase, we will target not only improvements in our numerical results, but also progress from the three perspectives of employee growth, business diversification, and market valuation.

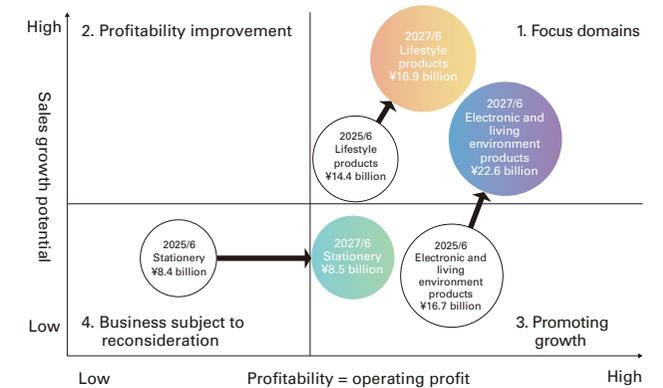
Building our presence in workplace-and lifestyle-related markets

We are expanding beyond King Jim's traditional role as a manufacturer of stationery and office supplies by targeting neighboring areas with high growth potential. We aim to create new value by proactively incorporating a diverse range of knowledge and technology through co-creation projects with companies in other industries, as well as universities.

In the stationery and office supplies business, we will expand the scope of our business while enhancing profitability by expanding our range of workplace support products and labeling services, as well as our traditional stationery lineup. In the lifestyle products business, which involves five Group companies, we are expanding both sales and profitability by flexibly introducing new products in response to changes in lifestyles and consumer behavior. This ability to target both workplace- and lifestyle-related markets gives King Jim a unique advantage. Another key element of King Jim's appeal is our ability to spread risk while creating an environment in which employees can take on new challenges from a broad range of perspectives.

There has been an upsurge of co-creation activities across multiple segments of the King Jim organization, and

Business portfolio



the perception of development as an urgent priority is gradually taking root. I continually tell our employees that new challenges provide the fuel for personal growth. The second year of our Medium-Term Management Plan will be a time for "stepping on the gas" and accelerating the pace at which we take on new challenges. We are also building a workplace culture in which employees are encouraged to exchange ideas actively and take on new challenges without fear of failure. I have been very pleased to see an increase in opportunities for the emergence of new ideas.

To support these initiatives, we have established the King Jim Creative Commons—known as "Meets" —as a new communication space in our headquarters. We use this space as a marketing hub designed to facilitate interaction within and beyond the company, and to share information about King Jim's diverse products and services. We intend to develop this space into an innovation nexus by encouraging the open exchange of ideas between employees, as well as collaboration with external partners.

Message from the President



King Jim Creative Commons ("Meets")

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Transforming our corporate culture with a focus on frontline perspectives

Corporate culture transformation has been a priority focus for the past year. By thoroughly and accurately disseminating King Jim's management policies through various channels, including company-wide policy briefings, we are ensuring that our employees have a healthy sense of urgency and ownership. I personally share my priorities and thoughts every day through internal chats and company-wide morning meetings. I also prioritize the reflection of feedback from frontline workers in management decisions. In addition, my visits to overseas sites and group companies and my direct dialogue with frontline employees have given me a renewed appreciation of the importance of *sangen shugi* (the "three reals" principle), which combines *genchi*, *genbutsu*, and *genba-ryoku* ("real locations," "real things," and "real frontline capabilities").

We will continue our efforts to cultivate an environment in which people are encouraged to take on new challenges and learn new things, and to build an organization capable of self-driven value creation.

Deepening existing businesses, taking up new challenges in new domains

Through our existing businesses, we are responding to social change and workstyle diversification by creating products that meet workplace and consumer needs. For example, we launched the "Portable Spot Cooler without Hot Exhaust Air," which is designed to protect workers from hot environments. This lightweight device also has a small environmental footprint. We are also prioritizing the creation of products that combine operating efficiency with convenience, such as the TEPPA PRO SR-R560, which features highly readable universal design fonts and dictionaries covering both healthcare and construction terminology. In addition, we are streaming promotional videos about our TEPPA products and using digital media to expand customer contact points.

We have established a dedicated unit specializing in disaster preparedness products, and in August 2025 we launched the KOKOBO disaster preparedness brand. King Jim offers a diverse range of unique disaster preparedness products, including the Disaster Preparedness Kit, which is the same A4 size as our mainstay KING FILE products. We are leveraging our strength in B-to-B channels to market these products, which have received positive reviews from business corporations, local governments, schools, and other users. In addition to contributing to disaster preparedness, which is a social priority, these products have also become a new source of earnings for King Jim.

Another goal is expansion into service businesses. We plan to launch a new labeling-related service in 2026 by leveraging our capabilities in the areas of design and digital technologies. We also aim to establish a new creative center under my direct administration as President. We aim to raise our corporate value by developing unique design capabilities based on collaboration among creative people within and beyond the King Jim organization.

Initiatives toward the expansion of our lifestyle field

include the establishment of a Group Management Committee made up of top executives and next-generation leadership candidates from group companies. We have also launched the Group Synergy Promotion Project with the goal of enhancing group-wide synergies while also accelerating the development of new products and sales channels.

We are also working to strengthen our overseas business. We have identified China and ASEAN as our most important markets, and we are working alongside local hit makers and designers with a deep knowledge of trends in these markets to develop market-focused products. Another focus is the planning and design of localized products for overseas markets. We launched many such products in Shanghai in the fiscal year ended June 20, 2025. Going forward, we will also explore the possibility of strategic M&A activities as a way of expanding our sales channels.

Strengthening our human capital, deepening communication with King Jim fans

The most important driving force for sustainable growth is the potential of each individual employee. In the fiscal year



Message from the President

ended June 20, 2025, we worked to build an organization capable of delivering continuous growth for both our employees and King Jim. We invested in human capital on various levels, including the expansion of our training programs, the promotion of diversity, equity, and inclusion (DE&I), and system reforms designed to raise our engagement score. Through these initiatives, we have created an environment in which employees can develop their skills while also contributing to the combined pool of knowledge, skills, and experience shared across our entire organization.

We are also continuing our efforts to reflect user feedback in our product designs by capitalizing on our major advantages in the areas of social media and e-commerce. In June 2025, we held our first-ever King Jim Fan Meeting at our head office. By engaging in direct dialogue with attendees at this popular event, we were able to gather valuable feedback about the usability of our products and aspects requiring further improvement. This experience gave us a renewed awareness of the level of affection and trust inspired by the King Jim brand. Events such as this are valuable not only as public relations initiatives, but also as a way to help our employees approach their work from the perspective of King Jim fans.



Going forward, we plan to use the “Meets” communication space mentioned earlier in this report to host regular events where we can engage with King Jim fans, with the goal of gathering further feedback that can be applied to our product development activities. We also aim to enhance our brand value by deepening our interactions with King Jim fans, both in Japan and overseas, through a variety of channels.

Improving the quality of our management activities through better governance

Since becoming President of King Jim, I have worked constantly to enhance our governance structure as a foundation for sustainable growth. We have raised the quality of our decision-making processes by shifting the focus of Board meetings toward medium- to long-term strategies and growth potential, rather than just short-term management matters. In addition, we actively provide our External Directors with opportunities to observe frontline operations at our logistics centers, customer service units, and other locations, and to engage in discussions with employees. I believe that these efforts have deepened the level of mutual understanding between the company’s management personnel and its External Directors, leading to improvements in the transparency of our decision-making process and the quality of our discussions.

By including External Directors in our management meetings and company-wide policy briefings, we have enabled them to engage in meaningful discussions that reflect frontline situations. We will continue to pursue improvements in this area, with the aim of further enhancing the effectiveness of the Board of Directors, while also raising the quality of our strategic decision-making and risk management activities.

Earning long-term support

We prioritize transparency and clarity in our communications with all of our stakeholders, including shareholders and

investors. In addition to providing accurate information in a timely manner, we also strive to explain our management philosophy and vision, our commitment to business transformation, and the passion and pride of our employees. We hope to build understanding and empathy by not simply reporting on our business performance, but by also offering concrete information about the factors that drive us to take up new challenges, the significance of our initiatives, and our vision for the future.

Going forward, we will communicate the aspirations of our management team and employees more proactively, so that people will continue to see King Jim as an exciting company that is serious about achieving business transformation and is worthy of their long-term support. To achieve these goals, we will actively share information about our internal and external initiatives and achievements, while accumulating narratives through which our employees can communicate the positive energy that imbues the entire company. I believe that we can earn the trust and confidence of our stakeholders by thinking independently, taking on new challenges, and delivering results.

King Jim will strive to develop products and services that directly address the issues faced by its customers, while also working to ensure steady improvements in profitability. We will work relentlessly under our management philosophy of “Developing Original Products and Creating a New Culture to Contribute to Society” to promote new growth by following a new strategy inspired by a new direction. We will strive to achieve sustainable growth by expanding into new markets in both the workplace and lifestyle businesses.

Management Philosophy: Developing Original Products and Creating a New Culture to Contribute to Society

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

Mission

Materiality

Social contribution via the development of original products	Environmental consideration	Promotion of diverse human resources	Enhancement of governance
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Input



Intellectual capital



Flexible product development structure



Patents, designs, trademarks
1,380



Human capital



Consolidated number of employees
1,738



Percentage of female managers
13.8%



Manufacturing capital



In-house production factories that realize high quality



Extensive procurement capabilities



Social capital



Extensive sales channels



Total number of followers on social media
860,000



Financial capital



Equity ratio
67.5%



Total assets
¥35.5 billion

Value Creation Process

Output



Stationery and office supplies business

With files and TEPPA as core products, King Jim offers a wide array of products including office and living environment products and disaster preparedness products.

Synergies between the two businesses

Lifestyle products business

The five domestic group companies acquired through M&A sell everyday goods, household appliances, furniture, artificial flowers, gloves, and more.



Outcome

11th Medium-Term Management Plan

Net sales	Ordinary profit	Ordinary profit ratio	ROE
¥ 52.0 billion	¥ 2.8 billion	5.4%	8.0%

Vision

Vision

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