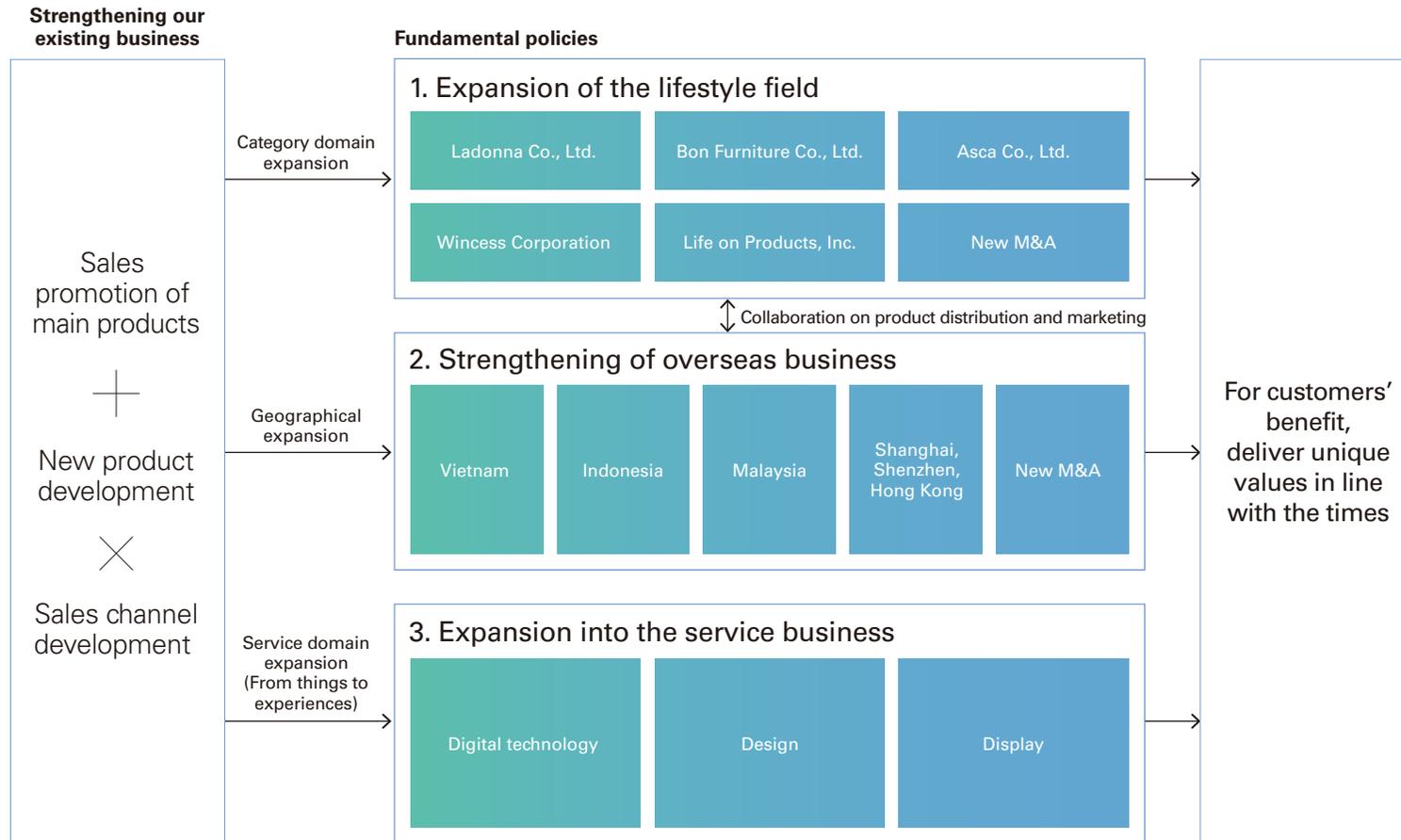


Progress under the 11th Medium-Term Management Plan

The theme for the King Jim Group’s current Medium-Term Management Plan, which will cover the period to June 20, 2027, is “taking the wave of social change as an opportunity to move toward new growth.” During the first year of this plan, which was the fiscal year ended June 20, 2025, progress on the initiatives outlined in the plan continued largely according to schedule, resulting in the steady creation of foundations for growth in the second year of the plan and beyond.

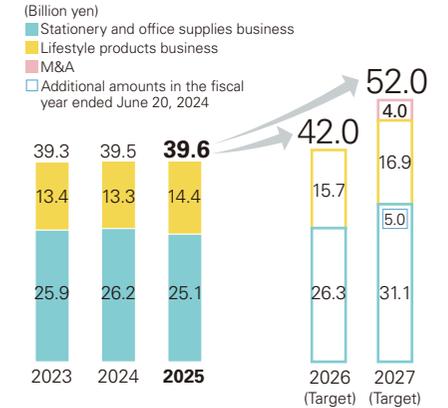
Strengthening our foundations, pursuing three growth strategies



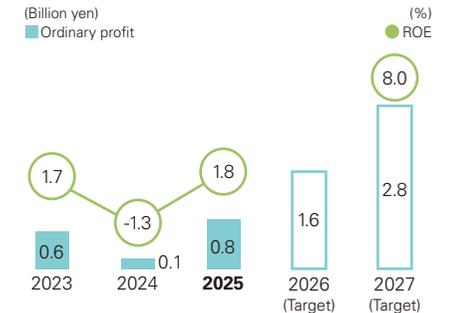
We have pursued various initiatives based on our three fundamental policies, which are the expansion of the lifestyle field, strengthening our overseas business, and expansion into the service business. Initiatives targeted toward expanding the lifestyle field include the establishment of the Group Synergy Promotion Project, through which we are working to reduce costs and labor requirements, expand our product development capabilities and sales channels, and strengthen growth and synergies among Group companies. To strengthen our overseas business, we have pursued a market-oriented approach to product development and proactively introduced products that align with local styles and trends. Progress toward expansion into the service business includes the finalization of our selection of targets for a new service that will combine our design and digital capabilities. We are now developing prototype systems in preparation for a business launch in 2026.

Management Targets

Net sales



Ordinary profit and ROE



Our net sales target for the fiscal year ending June 20, 2027, which will be the final year of the current Medium-Term Management Plan, is ¥52 billion. This figure anticipates a ¥5 billion increase in net sales from the stationery and office supplies business resulting from initiatives relating to our overseas, e-commerce, and service businesses. This figure breaks down into ¥2.5 billion from our overseas business, ¥1 billion from our e-commerce business, and ¥1.5 billion from our service business.

Strategy by Business Segment: Stationery and Office Supplies Business

With the highly recognized brands KING FILE and label printer TEPPA as core offerings, King Jim supplies products that transcend the conventional stationery and office supplies domain, encompassing office, living environment and storage products.

Financial results for the fiscal year ended June 20, 2025

Net sales: **¥25.1** billion (down 0.6% year-on-year)

Operating profit: **¥380** million
(operating loss of ¥460 million in the previous fiscal year)

| Achievements |

Progress toward profit structure enhancement and core business growth

After recording a loss in the previous fiscal year, King Jim returned to a positive operating profit in the current fiscal year thanks to an improved gross profit margin and reduced logistics costs. There were improvements in every segment. For example, initiatives targeting corporate customers were reflected in higher sales of our flagship TEPPA brand, while the launch of new disaster preparedness and crime prevention products also brought significant growth. Sales initiatives and the roll-out of original products meanwhile contributed to the expansion of our e-commerce business, especially through our official website. Our overseas business benefited from export growth, as well as healthy trends in sales of new products and sales through new partners.

| Challenge | Adapting to changes in demand patterns

Net sales were marginally lower year on year. This was primarily attributable to a decline in stationery sales, especially files, due to the ongoing trend towards paperless systems. In addition, while our e-commerce business performed strongly, sales of existing products slowed due to escalating price competition among malls. Despite export growth, our overseas business was affected by slower sales in some locations. We will respond to these trends by taking steps to adapt to a changing demand structure, including the enhancement of our marketing structures, and the optimization of our product lineup.

Strategy for the fiscal year ending June 20, 2026

In the stationery category, we aim to maintain our profitability despite slower demand by updating our product range to match current trends and offering high-added-value items. Growth is accelerating in the electronic and lifestyle products segments. We aim to drive growth in both sales and profits by introducing new models that reflect changes in trends in the environment, and by expanding our sales channels.

Having completed the prototype verification phase for our new service business, we are now moving into the full-scale development phase. Our goal is to move forward steadily with development in preparation for a launch in 2026.

In the e-commerce business, we will leverage our ability to partner with social media to enhance our ability to strengthen structures built on two-way links between consumers and the company. We also plan to conduct test marketing, including the roll-out of original products. At the same time, we will target sales growth by launching new products created through product development activities based on the insights gained.

In our overseas business, we will continue to develop market-focused products in China with the aim of building a sales base. We are strengthening our business base in the ASEAN countries, especially Vietnam, through the expansion of our B-to-B channels, the cultivation of potential users, and the acquisition of new business partners. In addition, we will explore the possibility of using strategic M&A to expand our overseas sales channels. Through these initiatives, we aim to achieve sustainable growth while also reaching our numerical targets.

Message

Evolving toward a new type of stationery and office supplies business, creating value

Sotaro Takahashi
Senior Executive Officer
General Manager,
Corporate Planning
Department



Workstyle diversification and the shift to paperless operations have brought the stationery market to a major turning point. We see these changes not as a threat, but as an opportunity for evolution from a stationery manufacturer into a company that creates value by enhancing the quality of working environments and lifestyles. We are leveraging our trusted brands, such as TEPPA and KING FILE, to accelerate our expansion into growth areas, such as electronic products and lifestyle environment products. We have also started to take significant steps toward the development of our new service business. In addition, we plan to deepen our relationships with customers via our social media and e-commerce business, while also expanding our presence in overseas markets. We will continue to leverage our creativity and flexibility to create new value in an era defined by rapid change. We are determined to achieve sustainable growth and improve our corporate value by responding to the needs of working people and society.

Strategy by Business Segment: Stationery and Office Supplies Business

Development Policy

Development of workplace and lifestyle products

In product development, we will focus on two areas: workplace solutions (B-to-B) and lifestyle products (B-to-C). In terms of workplaces, in addition to offices, our forte, we will also conduct thorough, detailed analyses of non-office working environments, including manufacturing facilities, medical institutions, and educational facilities, and introduce products to the market that are suited to each industry. For lifestyle products, our planning is customer centric and aimed at delivering exciting products that solve minor day-to-day frustrations and enhance the quality of life.

Workplaces

Improving productivity and supporting the worksite environment



The TEPRA PRO SR-R560 has a highly-readable universal design font and character conversion dictionary for workplace use.

Disaster preparedness and safety



This portable spot cooler with non-hot exhaust protects workers from heat.

Living

Making living convenient and supporting learning and hobbies



HOSSO brand slim files are half the width of A4 files.

Make living fun and colorful



The HITOTOKI NOTE ring notebook can be used as a diary.



Takashi Tateishi
Executive Officer
General Manager,
R&D Division

Message

Creating the future from a customer-centric perspective

The mission of the R&D Division is the continual creation of products that reflect changing workplace and lifestyle needs. We also aim to find solutions to social issues through development activities focused on the IoT and environmental measures. By using AI to shorten development lead times, and by incorporating diverse perspectives and concepts and accurately monitoring market trends and customer feedback, our development staff are able to plan and develop products that match real needs. We will continue to build frameworks to support the creation of products that will be enduringly popular with users.

Ensuring quality through the Engineering Board

The Engineering Board is a technical team established in June 2024 to support the development of reliable products that exceed user expectations. Made up of staff from multiple development units, it optimizes product quality and prevents product defects through design reviews and standard compliance checks starting at the design stage. The Engineering Board also helps to improve development capabilities and train next-generation development staff through regular training sessions focused on specialist skills.

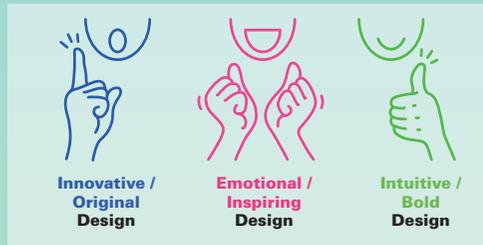


Strategy by Business Segment: Stationery and Office Supplies Business

Development Policy

Design Philosophy: Building Our Fan Base with Ideas and Designs

We will improve brand engagement internally and externally by designing the entire lineup of products and services with a consistent philosophy based on three guiding principles that demonstrate what King Jim-ness is all about; namely, Innovative / Original Design, Emotional / Inspiring Design, Intuitive / Bold Design.



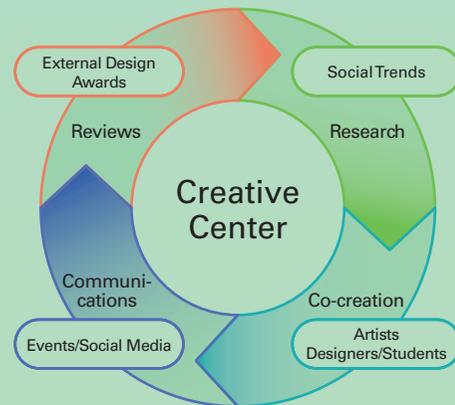
Creative Center activities

We established the Creative Center as a hub for collaboration between in-house creative staff and outside designers. Participants build a shared design perspective through information sharing and discussions about creative matters, and by exploring and absorbing current trends. The Creative Center also helps to build a shared mindset within the company through activities that include company-wide seminars and group-level branding studies.



In addition, we are building a framework for the statistical assessment of product designs in relation to our design philosophy, which is to build our fan base with ideas and designs. By creating a fair evaluation system that will provide feedback to developers, we aim to establish a cycle leading to the enhancement of the development of future products.

Through these initiatives, we will build an integrated approach to creation and information sharing across the entire King Jim Group.



The HITOTOKI stationery brand was launched in 2017 with the desire to provide stationery that creates special moments making everyday life more enjoyable. All of the products in the HITOTOKI lineup have been developed based on the concept of stationery that helps people craft better days simply adding a little something special. Our active collaboration with a diverse range of artists has so far resulted in the development of new products with over 50 creators. We will continue to expand our co-creation activities with artists as part of our commitment to the development of high-added-value products.

Artists



Nodoka Miyashita
Illustrator



Heisuke Kitazawa
Illustrator



smanim
Painting/Embroidery



oyaMADE
Pastry shop



Hikari Shimamura
Illustrator



Keina Higashide
Art Director/Illustrator

Strategy by Business Segment: Stationery and Office Supplies Business

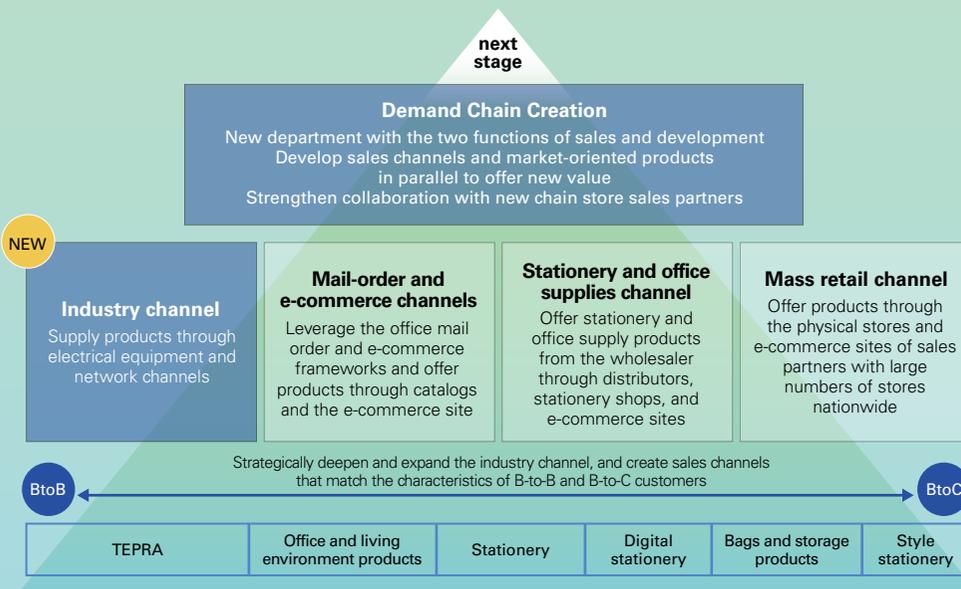
Sales Strategy

For details, please visit our corporate website. [#askTEPRA site](#)

Sales channels best suited to the unique properties of customers and products

We are adapting to change in the social environment and the resulting diversification of spending behavior by expanding and enhancing our sales channels to create optimal pathways for delivering our products to users. In the fiscal year ended June 20, 2025, we established the Demand Chain Creation Department, which combines marketing and development functions. Its mission is to ensure accurate monitoring of user needs so that we can deliver products precisely attuned to those needs. This new unit facilitates customer-centric product development by creating new sales channels, developing sales spaces in existing sales channels, and establishing marketing approaches for new genres. In its first year of operation, the Demand Chain Creation Department succeeded in creating new sales channels for industries selected primarily on the basis of market scale and growth potential. We will continue to pursue market expansion and growth by actively applying our accumulated knowledge.

In the fiscal year ending June 20, 2026, we have also established a new team specializing in industrial markets. This team is working to accelerate sales of corporate products, especially TEPRA and lifestyle environment products, through electrical equipment and network sales channels. We will work to strengthen collaboration with our sales partners through existing sales channels, including mass retailers and stationery and office supplies channels, mail order, and e-commerce, while also actively developing new sales channels in industrial markets.



Sales promotion for TEPRA

We are implementing a large-scale sales promotion campaign with the aim of expanding the use of our mainstay TEPRA range in the corporate market. In the fiscal year ended June 20, 2025, we implemented the #askTEPRA project, which introduced novel ways to use TEPRA products. The campaign focused on the use of TEPRA products to solve problems in various workplaces, including offices, construction sites, childcare centers, factories, and medical and welfare facilities, through videos showing the verification, testing, and trialing of these solutions. Through this initiative, we informed users that TEPRA products, which are familiar as organizational tools, can also help achieve various workplace priorities, such as the improvement of communication and safety awareness. We will continue our efforts to offer new ideas that add value to the TEPRA range, based on feedback from working environments.

Using TEPRA



Customer Appreciation Labels

We wanted to share customer feedback with our frontline workers, so we used TEPRA to create labels showing expressions of gratitude from customers and posted them in places where they would be readily visible to employees.



I felt a heightened sense of motivation thanks to this initiative.



Multilingual Helmet Labels

To integrate our foreign employees more fully into our teams, we used TEPRA's multilingual translation functionality to create labels with conversation starters and attached them to helmets.



I was impressed. We'd never have thought of using TEPRA products that way.

Strategy by Business Segment: Stationery and Office Supplies Business

Fan-focused Product Development and Branding through Social Media and E-Commerce

We are leveraging our social media and e-commerce expertise to pursue user-centric branding and product development. User feedback gathered directly through events and other channels will continue to guide our product development activities.



King Jim Fan Meeting 2025

In June 2025, we held our first-ever fan meeting at the King Jim head office building. Approximately 20 users, who were selected by lottery from among our social media followers, took part in the event. The meeting was arranged as an opportunity to interact directly with loyal users and hear their input, while helping them to gain a better understanding of King Jim and its products. Our development staff were able to engage in face-to-face communication with users through quizzes, insider anecdotes, and product workshops.

Comments from participants

I found it amazing that the entire company put so much effort into this event. Even the Board Chairman and CEO were there! I've become an even bigger King Jim fan.

I was deeply impressed by the attendees' love for King Jim products and the enthusiasm of King Jim employees. (Laughs) I think this love will drive the company's growth for many years.

I felt very privileged to hear insider stories about development activities and learn about things that I would not otherwise have known. The workshop was also great. It allowed me to try out many of the products that I'd been wondering about. I like King Jim even more now.



BUNGU JYOSHI HAKU

In June 2025, King Jim participated in Bungu Joshi Haku Tokyo, Japan's largest stationery fair, which was held this year at the Ariake GYM-EX venue. We offered visitors various experiences, including advance sales exclusive e-commerce items, and the opportunity to customize their notebooks. During the fair, members of our development, domestic sales, and overseas sales teams ran the booth, which gave them opportunities to communicate directly with users and gain valuable insights and feedback. This information will be reflected in our future product development and sales promotion activities.

Comments from staff

Development staff rarely have opportunities to speak directly with users, so this was a valuable opportunity to hear unfiltered input about the kinds of products that people want.

I was able to talk directly with users about their reactions to our new products, and any questions they had about our products. I will apply this experience to my marketing activities as a sales representative.

This event was our first opportunity to market items previously limited to the Shanghai market to customers in Japan. I gained some useful insights for future promotional activities.

Strategy by Business Segment: Stationery and Office Supplies Business

Strategy for Overseas Markets

Development strategy

We have identified China, where we have an office, and the ASEAN countries, especially Vietnam, as the most important markets for our overseas business. We have established local development capabilities in these markets, and we are now planning and developing localized products. In China, we are developing new products that reflect local styles and trends. We have received positive reviews for products such as the &TENNIS series, which combines the highly functional stationery designs popular in Japan with fashionable local designs, and the BAOMe range of stuffed animal pouches, which reflects an emerging consumer trend focused on psychological satisfaction. In Vietnam, we are employing our own production facilities to develop B-to-B products tailored to local needs. We have also started marketing the POMERA digital memo system in overseas markets, for which we have received numerous requests, and we are already selling this product in the United States. Through these initiatives, we will continue to take on the challenge of further developing our overseas business.



&TENNIS Series



BAOMe Series

Excitement as the key to bringing the King Jim brand to the world

Our development policy in Shanghai focuses on the creation of excitement. We aim to create products and events that reflect staff and customer feedback while also reflecting the local culture and lifestyle. We remain committed to the King Jim style, but we are also aware of the importance of adapting flexibly to local requirements and designs, rather than limiting ourselves to past experiences and feelings. We will continue our efforts to raise our brand profile and expand our fan base in the Chinese market, while also developing new products that can be introduced in other overseas locations, as well as in Japan.



Mr. Toda and Ms. Yokoyama
King Jim (Shanghai) Trading
Co., Ltd.

Sales strategy

In the past, our approach to overseas markets has centered primarily on office supply products, such as the KING FILE range. However, in recent years our B-to-C products, such as the HITOTOKI brand, have also proven extremely popular. In China, we are focusing our efforts on sales promotion activities linked to social media platforms. In ASEAN markets, we are developing new business partners and deepening our existing relationships in collaboration with the Overseas Business Division. In other overseas markets, we are using various methods, including active participation in fairs and events, information sharing through social media, and the operation of our global e-commerce store to raise brand recognition and expand sales. In addition to selling our own products, we also assist our partners by acting as a sales agent for high-end fountain pens, diaries, and other products. In addition, we are realizing Group-level synergies by marketing Toffy brand kitchen appliances. We are also considering strategic overseas M&A as a way to strengthen our competitiveness in global markets.

Expanding our presence in overseas outlets

Our B-to-C products, including the HITOTOKI brand, have prompted an increasing number of approaches from leading overseas retailers about pop-up events. Such events provide valuable opportunities to interact with local King Jim fans, leading to the continuous roll-out of our products in stores. Our ongoing communication with local partners plays a key role in these activities. Although the locations are geographically remote, we are still able to discuss developments and issues through visits and online meetings, leading to the collaborative creation of attractive sales spaces. Instead of simply supplying our products, we are enhancing the value of our brand by developing sales displays that reflect local input and delight users.



Strategy by Business Segment: Lifestyle Products Business

Five King Jim Group companies—Ladonna Co., Ltd., Asca Co., Ltd., Bon Furniture Co., Ltd., Wincest Corporation, and Life on Products, Inc.—plan and sell a range of products, including kitchen sundries, seasonal appliances, knock-down furniture, artificial flowers, and gloves.

Financial results for the fiscal year ended June 20, 2025

Net sales: ¥14.4 billion (up 1.7% year-on-year)

Operating profit: ¥130 million
(down 32.3% year-on-year)

| Achievements |

Revenue growth driven by strategic product launches

Net sales were higher year on year. This result was largely attributable to increased sales and profits at Life on Products, which dynamically launched new seasonal appliances, especially handheld fans, while also expanding its media exposure. At the same time, Asca achieved strong sales of artificial office greenery and launched a premium collection of items designed to enhance its brand value, leading to an increase in sales. Ladonna recorded sales growth that can be attributed to strong sales of microwave cookware and the launch of seasonal appliances.

| Challenge | Income structure stabilization

Profit was lower year on year. Our gross profit margin fell due to a weaker yen and rising raw material costs. Bon Furniture's sales declined due to intensifying competition, while its profits came under pressure from higher inventory storage costs and advertising expenses.

We are now reviewing our pricing strategies and product portfolios, while also working to enhance the efficiency of our inventory management and advertising operations. We will continue to pursue steady improvements with the aim of building an earnings structure that will reliably deliver profits.

Strategy for the fiscal year ending June 20, 2026

We will target further enhancement of Group-level synergies through the expansion of collaborative marketing among Group companies, including King Jim. At the same time, we will focus on the development of efficient supply structures based on the use of our overseas production subsidiaries, thereby creating systems that fully leverage the resources of our Group companies.

Individual Group companies will also pursue various initiatives to improve profit performance. Bon Furniture plans to utilize funds saved through purchasing cost reductions to review its pricing strategies and optimize its advertising activities. Ladonna will target sales growth by expanding its lineup of non-electrical goods, especially microwave cookware, while also marketing new products under its flagship Toffy brand and expanding its range of seasonal home appliances. While prioritizing growth in existing areas, Asca will also work to attract new customer profiles by developing products that enhance its brand value. Wincest will continue to develop areas in which it can leverage its strengths and cultivate markets where demand growth is likely. Faced with escalating competition in its core area of seasonal goods, Life on Products plans to enhance the added value of its products and to achieve differentiation from its competitors by quickly adding new fragrances and home appliances to its lineup.

In addition to these initiatives by individual Group companies, we also plan to achieve sustainable and reliable growth by further strengthening Group-level synergies.

Message

Company-wide focus on the lifestyle products business

Junya Tamura

Executive Officer
Deputy General Manager,
Corporate Planning Department
& In Charge of Domestic
Subsidiaries Coordination
Department



In the fiscal year ended June 20, 2025, extremely high summer temperatures resulted in strong sales of seasonal appliances and green office decor products. However, consumer spending continued to stagnate across the board due to heightened cost-consciousness in response to inflation, including price adjustments necessitated by higher raw material costs due to the weakness of the yen. We responded to this challenging business environment by incorporating the Domestic Subsidiaries Coordination Department into the Corporate Planning Department, and by identifying the growth of the lifestyle products business as a group-level priority. With a core focus on measures to strengthen our business base in existing areas, we aim to expand into new areas and accelerate growth by further strengthening synergies across the Group. One benefit of this approach has been an upsurge of group-level interaction and knowledge sharing through the Group Management Committee, which was established in January 2025. We will also continue to strengthen group-level synergies in collaboration through the ongoing Group Synergy Promotion Project.

Strategy by Business Segment: Lifestyle Products Business

Enhancing Group Synergies

We are targeting both the growth of individual Group companies and the expansion of group-level synergies. By sharing know-how and further expanding the scope of activities through M&A, we aim to use each company's existing business domains as stepping stones for diversification into neighboring business areas with which we are already familiar.



The mission of the Group Management Committee, which was established in January 2025, is to maximize group-level synergies. Its monthly meetings are opportunities for the presidents and other key executives of Group companies in Japan, including King Jim, to share success stories, strengths, and issues. We have also launched the Group Synergy Promotion Project with the aim of reducing costs and labor requirements, developing new products, and cultivating new sales channels. Through this project, we are now pursuing manufacturing and cross-selling initiatives that leverage the unique strengths of our manufacturing facilities and Group companies. We will continue to extend this approach across the entire Group.



Aligning Group Company Strengths toward Growth through Synergies



Ken Kijiya
President
Ladonna Co., Ltd.

The activities of the Group Management Committee have further enhanced mutual understanding and collaboration. We see the expansion of the Toffy brand as a key pillar of Ladonna's business strategy, and we will continue working to focus the strengths of individual companies toward the expansion of synergies and further improvement of competitiveness and corporate value.



Koji Inada
President
Asca Co., Ltd.

We have applied what we have learned about the strengths and weaknesses of other companies to Asca. Going forward, we aim to expand sales through the reciprocal use of other companies' resources to target sales channels that we would not be able to develop solely through our own efforts.



Ryuta Muto
President
Bon Furniture Co., Ltd.

We have gained a deeper understanding of the profit structures and strengths of Group companies. We believe there is major potential for further growth in our lifestyle products business if we can leverage our strengths in the area of e-commerce.



Katsuyuki Hashimoto
President
Winess Corporation

Through our research and learning activities, we have gained an understanding of the strengths and customer profiles of Group companies, while also clarifying our own position and strategic direction. While maintaining our focus on the B-to-B segment, we will also continue to develop products with the aim of moving into B-to-C markets.



Yuichi Ikeda
President
Life on Products, Inc.

Strategic discussions about short- and long-term policies have given us a better understanding of our own role and strategic direction. We previously had little contact with other Group companies, but we now interact regularly. As a result, we have discovered areas in which we can complement each other's strengths and expand synergies.

Strategy by Business Segment: Lifestyle Products Business

Initiatives by Group Companies

Ladonna Co., Ltd.



Business Activities

Ladonna plans and sells various lifestyle products, including kitchen appliances, household appliances, and interior goods, primarily under the Toffy brand.

Competitive Advantages

Ladonna's main strength is its ability to respond to consumer demand for gift products by combining affordable prices with strong design appeal. It has carved out a unique market position by leveraging its comprehensive product planning capabilities across categories ranging from household goods to home appliances.

Recent Initiatives

Ladonna recently launched its new Toffy Happy Collection of vibrantly colored products. It aims to raise brand recognition and widely promote the appeal of these products through experience-based promotional activities, such as pop-up events. Ladonna is also working with social media and e-commerce sites to build its brand profile and attract new fans.



Bon Furniture Co., Ltd



Business Activities

Bon Furniture plans, manufactures and markets lifestyle products, primarily furniture and interior goods, through e-commerce activities.

Competitive Advantages

Bon Furniture has played a pioneering role in the development of e-commerce in the area of furniture and interior goods. Its greatest advantage is its ability to offer a wide range of products based on expertise accumulated over many years. In addition to providing knock-down furniture products, the company also offers a service based on the delivery of items assembled at its own product facilities. This service has been very popular with elderly customers and families with young children.

Recent Initiatives

Bon Furniture is working to improve its product lineup in the lighting category. Popular products include fan-mounted ceiling lights.



Utilizing overseas factories

At our overseas factories, which have traditionally specialized in the production of files, we are using the decline in demand for such items as an opportunity to promote the manufacture of products in new fields that take advantage of their respective features.

PT. King Jim Indonesia (Indonesia factory)

Our factory in Indonesia, which previously specialized mainly in the production of plastic files, is now applying production management and quality control know-how accumulated over many years to the manufacture of furniture using Indonesia's abundant timber resources. Furniture from the factory is sold in collaboration with Bon Furniture.



TV stand



Side chest

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

Our factory in Vietnam produces a wide variety of files and stationery products, especially our mainstay KING FILE range. Recently it has started to use molding and lamination technology developed for files in the production of kitchen accessories and laminated storage boxes. These products are sold through Ladonna.



Handy Chopper Slim



Magic Boxes

Strategy by Business Segment: Lifestyle Products Business

Initiatives by Group Companies

Asca Co., Ltd.



Business Activities

Asca imports and sells artificial flowers, Christmas decorations, and ornamental plants.

Competitive Advantages

Asca supplies a wide range of high-quality products for various applications, ranging from items used in flower arranging classes to decorative and display items. The company also has an advantage in the area of OEM sales, where it can leverage its proposal and procurement capabilities to meet customer requirements.

Recent Initiatives

In addition to its traditional product lineup, Asca recently launched a premium collection of products with enhanced color and design features in response to demand for wedding-related and display items. As part of its SDGs commitment, the company is expanding the use of recycled plastics in its products.



Wincess Corporation



Business Activities

Wincess supplies products to manufacturers in Japan and overseas. Its primary focus is industrial products, such as cleanroom gloves, which it manufactures in-house or at overseas partner plants or sources on an OEM basis.

Competitive Advantages

The company's strengths are built on its production systems, which can handle small lots and short delivery lead-times, and its ability to offer fine-tuned OEM solutions. It has also earned the trust of manufacturers in Japan through excellent quality management and after-sales support provided through its own production facilities, as well as a reliable distribution system based on relationships of trust with distributors.

Recent Initiatives

Wincess is currently developing work gloves that meet the latest food industry safety standards. It is also expanding its range of gloves to include products made from high-performance materials and wool for sale to general consumers as handcare items.



Life on Products, Inc.

Life on Products, Inc.

Business Activities

Life on Products plans and sells lifestyle products that enhance the lives of users, such as seasonal and designer home appliances, room fragrances, and ceiling fans.

Competitive Advantages

Life on Products has strong planning capabilities that enable it to create products designed to enhance the comfort and fun of life and overcome inconveniences. It is able to develop products quickly thanks to an integrated in-house system that encompasses all stages from planning through to design, quality control, photography, and editing.

Recent Initiatives

In March 2025, Life on Products launched the Cool Fan for Lunch Box, which can cool freshly-cooked rice in just five minutes. This product has been promoted on television and other media as a convenient time-saving tool for busy mornings, resulting in strong sales.



Message from the CFO

We will accelerate our growth by stabilizing our earnings structure and investing proactively.



Shinichi Harada

Director and Senior Managing Executive Officer
 General Manager, Administration Division, CFO, and
 General Manager, Overseas Division, In charge of
 Overseas Sales Subsidiaries

Summary

- In the fiscal year ended June 20, 2025, we recorded increased sales and profit for the first time in four fiscal years.
- We maintained a strong financial position with a 67.5% equity ratio, while also continuing to invest in M&A, new business ventures, and digital transformation initiatives.
- We continued to provide stable dividends with a 40% payout ratio as the benchmark. We also improved shareholder returns by expanding our shareholder benefit program.

Results for the fiscal year ended June 20, 2025, future outlook

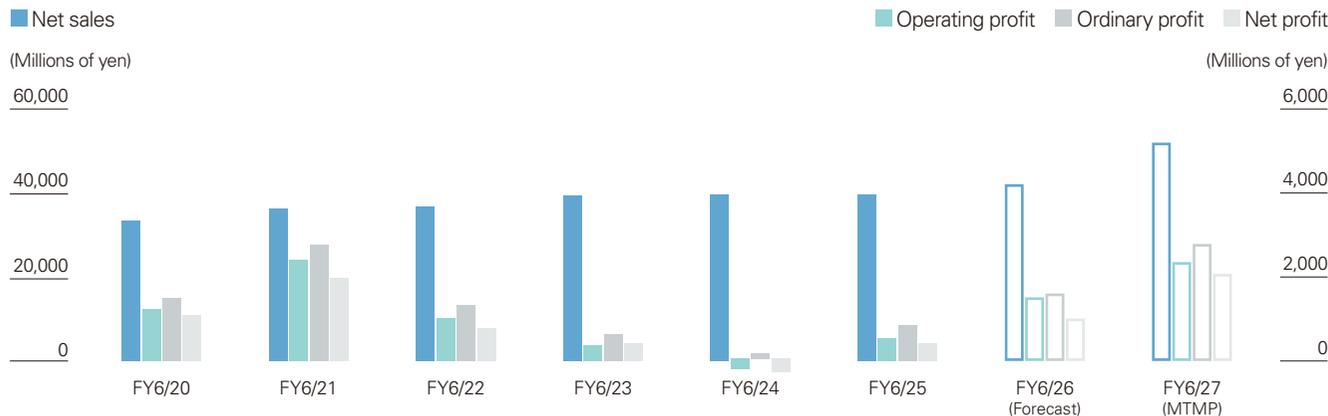
We moved forward steadily with various initiatives during the fiscal year ended June 20, 2025, which was the first year of our 11th Medium-Term Management Plan. In addition to strengthening our existing businesses, we also pursued three fundamental policies: expansion into the service business, expansion of the lifestyle field, and strengthening our overseas business. Through these initiatives, we are building foundations for growth across the entire King Jim Group. Despite a decline in stationery sales due to the contraction of

the Japanese market, we recorded increases in both sales and profits for the first time in the four years since the fiscal year ended June 20, 2021. This result can be attributed to higher sales of our mainstay TEPPRA brand and disaster preparedness product, as well as a strong performance in the lifestyle products business, which centers on our Group companies, Life on Products, Inc. and Asca Co., Ltd.

Our targets for the fiscal year ending June 20, 2026 are net sales of ¥42 billion, operating profit of ¥1.5 billion, ordinary profit of ¥1.6 billion, and net profit attributable to owners of parent of ¥1 billion. In the stationery and office

supplies business, we are predicting ¥1.121 billion revenue growth thanks to new product launches, improvements to our e-commerce business, sales promotion activities for the TEPPRA brand, and the development of market-driven products for overseas markets. In the lifestyle products business, we anticipate a ¥1.238 billion increase in revenue due to higher sales of kitchen sundries and seasonal products, as well as new product launches and the development of additional sales channels by Group companies. We are also planning to launch our new service business, which means that the coming year will be a vital period for our growth phase. We will continue to build upon and accelerate the measures implemented in the first year of our current Medium-Term Management Plan, with the aim of realizing further growth in both sales and profits.

Trends in Net Sales, Operating Profit, Ordinary Profit, and Net Profit



Strengthening our financial base and investing in growth

To realize the policies in our Medium-Term Management Plan, we are working to reform our accounting systems through the elimination of processes reliant on cash, paper, and personal seals, and the increased use of digital technology. In addition, we are building systems designed to support M&A and new business ventures from an accounting perspective. We have also made progress toward the normalization of our fixed asset tax assessments.

Further reinforcement of our financial base is essential to the realization of our growth strategy. We set a new net profit

record in the fiscal year ended June 20, 2021, but our profitability subsequently declined due to a weaker yen and increases in raw material and distribution costs. Both sales and profit rose in the fiscal year ended June 20, 2025, but we still need to raise our profit level further. Exchange rate fluctuations have a particularly significant impact on our earnings, since every one-yen fall in the value of the yen against the dollar causes our costs to increase by approximately ¥70 million on a consolidated basis, or around ¥34 million at the non-consolidated level. While we have been able to mitigate the effects of the rapid depreciation of the yen by using forward exchange contracts to hedge approximately half of our foreign currency purchases, we will need to improve our overseas sales ratio, which is currently around 4%, in order to achieve a fundamental transformation of our business structure. We aim to raise our overseas sales ratio to 10% as quickly as possible. By working steadily toward that goal, we aim to create an earnings structure that will be less vulnerable to external factors.

We are also working to enhance our financial efficiency, including the introduction of cash pooling to centralize cash management within the Group. Domestic group companies active in the lifestyle products business are currently experiencing increased demand for working capital, with the result that King Jim is currently a net lender to these companies. However, we are recovering funds from overseas Group companies, and in the fiscal year ended June 20, 2025, we received dividends amounting to ¥300 million from King Jim (Vietnam) Co., Ltd. and ¥230 million from King Jim (Malaysia) Sdn. Bhd. We will continue our efforts to maximize financial efficiency throughout the Group and further reduce debt.

We are also reviewing strategic shareholdings. Any shareholdings for which there is no longer a rationale for retention are being sold.

Our equity ratio fell from approximately 80% in the fiscal year ended June 20, 2021 to 67.5% in the fiscal year ended June 20, 2025 due to investment relating to M&A activities. However, our debt-to-equity ratio has remained at 0.26 times, indicating that we are maintaining a sound financial position. We are leveraging this stable financial base to make strategic investments that will lead to accelerated growth. Specifically,

we have formulated and are now implementing plans to allocate ¥3.5 billion to M&A activities, ¥2 billion to new product development and the improvement of production systems, ¥1 billion to the launch of new service businesses, and ¥1.2 billion to digital transformation initiatives. Our M&A initiatives will focus on companies that operate in areas adjacent to our existing businesses, such as stationery and office supply manufacturers and distributors in Asia, as well as companies in Japan with a high level of overseas sales. Through these initiatives, we aim to expand our lifestyle products business and strengthen our overseas business.

In August 2025, we held our first-ever company-wide policy briefing for employees. We sought to improve the financial literacy of our employees by outlining our financial results. In particular, we emphasized that our initiatives during the second year of the Medium-Term Management Plan would be key to the achievement of our targets under the plan.

Increasing corporate value by combining capital efficiency with good shareholder returns

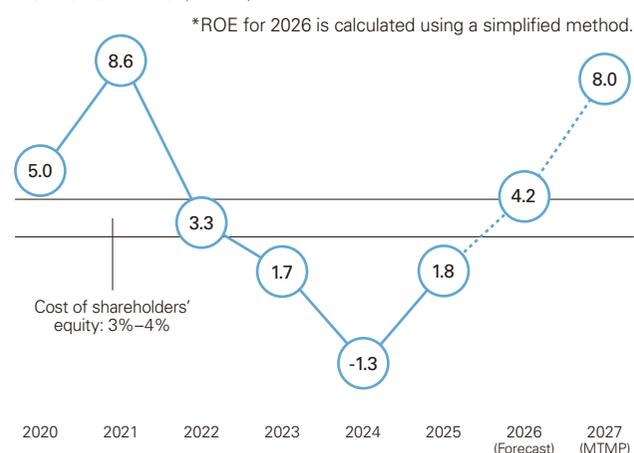
Our goal is to meet the expectations of our shareholders, investors, and other stakeholders, and to achieve sustainable growth in our corporate value. To maintain a price-to-book ratio (PBR) of 1x or higher, we are working to achieve a return

on equity (ROE) that consistently exceeds the cost of shareholders' equity, while also improving our price-to-earnings ratio (PER) by strengthening our capital policy, improving shareholder returns, and expanding investor relations activities. We aim to achieve ROE of 8% by the fiscal year ending June 20, 2027, which is the final year of our current Medium-Term Management Plan.

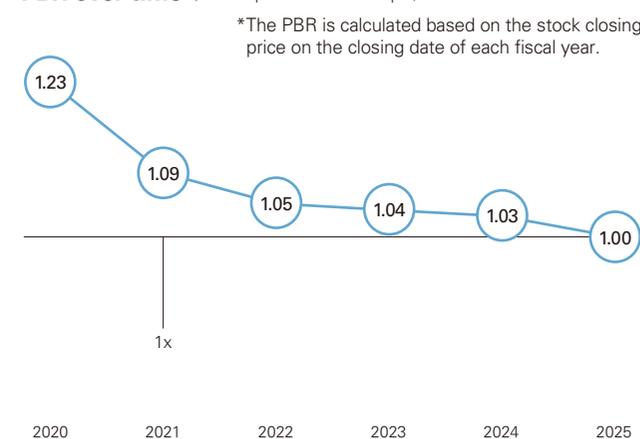
Our basic policy on shareholder returns is to provide reliable dividends, with a payout ratio of 40% as our benchmark. The payout ratio temporarily rose to 92.6% in the fiscal year ended June 20, 2025, but our priority is dividend stability, and we have therefore set the annual dividend at ¥14 per share. In March 2025, we expanded our shareholder benefits program. We added December 20 as a record date in addition to June 20 and revised the program to include the distribution of gift coupons for our official online store. These changes are helping to strengthen our relationships with shareholders and enhance the appeal of our shares to investors.

Going forward, we will continue to aim for steady growth while maintaining a balance between offense and defense, and engaging in dialogue with all of our stakeholders. As such, we ask for your continued support and hopeful expectations as we move forward.

ROE over time (Unit: %)



PBR over time (Unit: expressed as a multiple)



Roundtable Discussion

Next-generation employees talk about what shapes the King Jim style.

What is the King Jim style?

What will we need to do going forward to enhance King Jim's brand value and achieve sustainable growth?

These were the topics discussed at a recent gathering of young and mid-level employees working in various business segments.

**Ms. Sasaki**

Lifestyle Goods R&D Department

Ms. Sasaki joined the company in 2022. Her work relates to all aspects of stationary product planning and development, including the release of new products.

Mr. Ichiki

Sales and Marketing Section Manager
Demand Chain Creation Department

Mr. Ichiki joined the company in 2013. He leverages his extensive sales experience to manage the development of new sales channels and domestic marketing strategies for new product genres.

Ms. Hayakawa

Customer Satisfaction Department

Ms. Hayakawa joined the company in 2023. She initially worked in the Customer Service Center and is now involved in the planning of digital transformation initiatives in the area of customer service.

Ms. Ibe

Public Relations &
Investor Relations Department

Ms. Ibe joined the company in 2019. Her work encompasses all aspects of public relations activities, including both media interactions and administration of the company's official social media accounts and websites.

Mr. Konno

Human Resources Department

Mr. Konno joined the company in 2020. He is primarily involved in HR management, including support for new employees, HR system updates, and the enhancement of engagement.

Roundtable Discussion

What did you first notice about the King Jim style when you joined the company?

Ibe: Before joining King Jim, I had assumed that a company with so many unique and edgy products would have many individualistic and edgy employees. However, my impression after actually joining the company was that there were many easy-going and friendly people among my senior colleagues. They were certainly not reserved, and they seemed to harbor an inner sense of passion.

Konno: My experience was much the same. Many of the people working at King Jim are easy-going but also passionate, with a strong awareness of the challenges that they face. I also got



the impression that there was a strong emphasis on prioritizing efforts toward areas where immediate improvements could be achieved.

Ichiki: Another feature of King Jim is the fact that even in your first year at the company, you are given a lot of discretion. When I worked in sales, I was trusted with significant responsibilities, including working alongside customers to create sales plans, and collaborating closely with them to achieve goals. I think that enabling people to work autonomously from an early stage is a key element of the King Jim style.

Hayakawa: When I joined King Jim, I was first assigned to the Customer Service Center. Within just a few months, I was trusted to answer the phone alongside veteran employees. Engaging with customers on behalf of the company is an extremely responsible task. I was very happy to be entrusted with this role during my first year with the company.

Sasaki: It's the same in product development. Even new employees are frequently asked to provide feedback and ideas. I was involved in product development as soon as I joined King Jim, and just a year later a product that I

had worked on was launched onto the market. The speed with which employees become involved in product development sets us apart from other companies.

What do all King Jim products have in common?

Ibe: The appeal of King Jim's products is that they "scratch an itch." Because our development staff focus on developing products that they themselves would want to use, the resulting products resonate with customers who have the same "itch." That is how we create hit products.

Sasaki: I agree. As development staff, we need to discover inconveniences in our daily lives. By focusing our passion on this task, we are able to refine functionality and design from a customer-centric perspective. Our priority is to create products that meet real needs, even if they do not have universal appeal. This stance, including our ability to offer products that reflect customer perspectives, is what makes King Jim unique.

Hayakawa: Perhaps that explains why we encounter so many passionate King Jim fans when answering telephone calls from customers. Many people tell us



about how they use our products and about their love for King Jim items that they have used for many years. We sometimes receive inquiries about products that were made over 20 years ago. It's really encouraging to hear how much users rely on King Jim products.

Sasaki: We are constantly aware that nothing is gained by simply following in the footsteps of other companies. The King Jim style is to pursue original projects that result in the creation of new markets. For example, the idea for the development of the KAKIKO Jabara Series of folders, which have accordion-style linked pockets, resulted from my personal experience as a pianist. I wanted a file that would eliminate the need for book-binding and allow me to

Passion and resonance

Roundtable Discussion

scan sheet music while playing. I enjoy seeing how our customers come up with new and unexpected ways to use new products like these.

Ibe: The KAKIKO Jabara Series attracted intense interest on social media. Since we began using social media, it has become easier to monitor the reactions of King Jim fans, and this has become an important source of ideas for PR activities and product development. We've found that our social media accounts garner more attention when we post raw information that relates closely to day-to-day life, rather than highly polished photographic content. Sharing unadorned "life-sized" information is part of the King Jim style.

Ichiki: From a sales perspective, I believe that we can leverage our strengths as a



leading manufacturer of office supplies to launch new product genres in ways that will appeal to users. For example, the Disaster Preparedness Kit, which is part of our KOKOBO disaster preparedness brand, is the same A4 size as our KING FILE products, making it ideal for storage in an office. I'm convinced that corporate users have responded positively to our products, even in new genres, because we have used our knowledge of office supplies to envision all of the ways in which our products will be used.

Konno: At the heart of our product development activities is a culture that prioritizes originality. From a human resource perspective, I believe that an open environment in which there is respect for those who take on

unprecedented challenges has enabled us to create products that people trust.

What steps are needed to enhance brand value?

Ichiki: I work in the Demand Chain Creation Department. In addition to our traditional approach of focusing on products, we are also stepping up our customer-centric approach to the development of market-oriented products and sales channels. We believe that we can strengthen our brand by responding to customer needs and price expectations, while also maintaining the functionality for which King Jim is famous.

Ibe: We develop product promotion ideas through brainstorming among development, sales, design, and public relations staff, while placing particular importance on remaining faithful to the product concept. We also recognize the need to ensure consistency between the tone of descriptions provided at sales locations and the information released through public relations activities.

Sasaki: I'm determined to strengthen our collaboration with other units. Since King Jim releases new products every month,



we need to create relationships that facilitate day-to-day consultations among those involved, including public relations and sales staff. I think that we can further enhance King Jim's business performance and brand value by encouraging all employees to see themselves as involved in product development.

Hayakawa: The Customer Satisfaction Department collects customer inquiries and feedback with the aim of finding ideas that will help to improve existing products or inspire new ones. We share this data with product development, public relations, and sales staff. This is an obvious approach for any manufacturer, and I see it as an essential part of our efforts to maintain and enhance our corporate brand value.



Clear File KAKIKO Jabara

Roundtable Discussion

Capturing Trends

Konno: We're now seeing a shift towards increased cross-organizational collaboration across the entire company, rather than just between product development and sales promotion staff. This will help employees to think proactively about their future career paths.

How can King Jim maintain its growth while leveraging its unique identity?

Hayakawa: With the continuing advancement of technology in recent years, it seems to have become increasingly difficult to develop completely novel products. That is precisely why there is demand for products created by applying King Jim's unique ideas to existing product genres. To maintain growth, we need products that will be seen as new and exciting.

Sasaki: The ability to anticipate trends and consumer preferences from a broad perspective is essential for product development. As suggested by Ms. Hayakawa, I want to create cutting-edge products that incorporate new added value while also reflecting our unique identity.

Ibe: King Jim has always been associated



with the TEPRA and KING FILE brands, but we will have achieved a major public relations success if we can create a new common image for the company. To achieve that, we must first collect a variety of information within and beyond the company in order to define the source of King Jim's value. We obtained many ideas from feedback at our first fan meeting. We should all work to create a compelling corporate image that will inspire people to go from being fans of particular products to being King Jim fans.

Hayakawa: From a customer communication viewpoint, many people find it difficult to submit inquiries during work hours on weekdays. We are therefore exploring the possibility of using digital transformation (DX) technology, including

AI, to update our inquiry response systems to meet current needs. However, we have also received glowing feedback about King Jim staff based on day-to-day telephone interactions, so we will also strive to maintain this positive image.

Ichiki: Our sales partners often comment about the uniqueness of King Jim products. I believe that we will have proof that we have reached a new stage if, in the near future, people start to comment about King Jim's ability to identify trends. We should continue to expand our range of products that reflect customer feedback and market trends, while also developing exciting and edgy products based on the King Jim style.

Konno: Ultimately the company's growth is driven by people. Competition for human resources is intensifying, and we will need to create working environments in which people will be motivated to stay with King Jim for many years. The Human Resources Department uses engagement surveys to identify issues and implement measures to develop our working environments. In recent years, we have been actively reforming our existing systems, including the introduction of paid leave in hourly units. Going forward, we aim to support King Jim's growth by responding flexibly in areas that require change, while maintaining the unique King Jim style.

