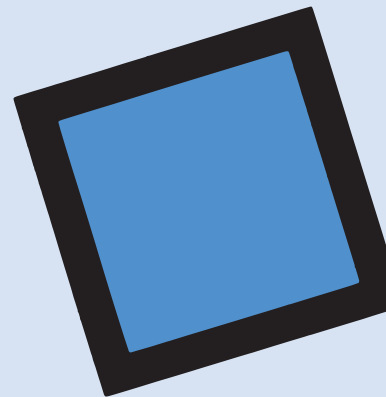


KING JIM DATA FILE



Company Overview (as of June 20, 2019)

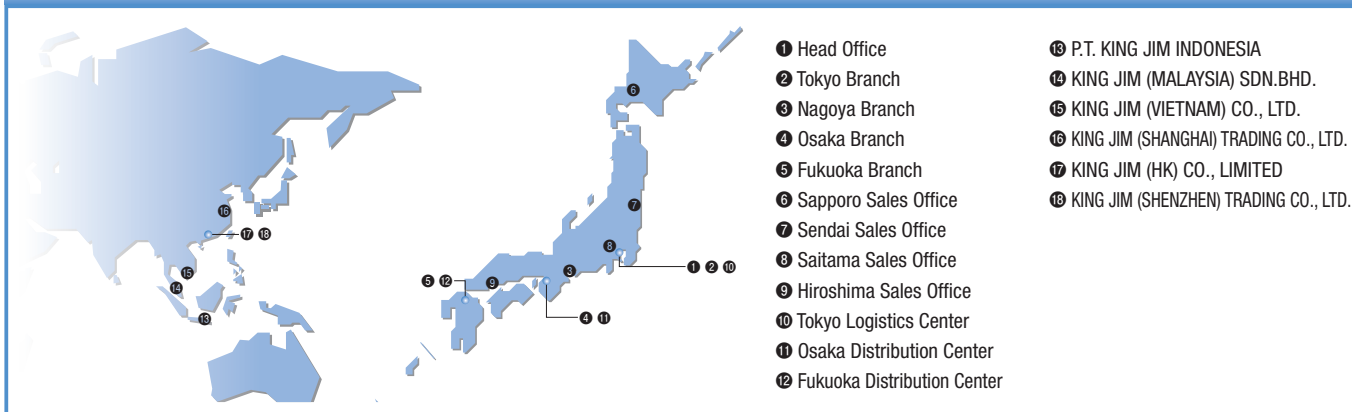
Trade name:	KING JIM CO., LTD.
President & CEO:	Akira Miyamoto
Start of business:	April 1927
Date of incorporation:	August 1948
Capital stock:	¥1,978.69 million
Exchange listing:	Tokyo Stock Exchange, 1st Section Securities code 7962
Number of shares issued:	32,459,692
Number of employees (Consolidated):	2,307
Location of head office:	2-10-18, Higashi-Kanda, Chiyoda-ku, Tokyo
Number of offices:	8 sales offices 3 distribution centers
Consolidated subsidiaries:	LADONNA CO., LTD. ASCA CO., LTD. BON FURNITURE CO., LTD. P.T. 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.

Corporate Officers (as of Sep.19, 2019)

President	Akira Miyamoto
Senior Managing Director	Naomichi Hagita
*Managing Director	Shinichi Harada
*Managing Director	Takanobu Kameda
*Executive Director	Makoto Takano
*Executive Director	Yasuhiro Furuno
*Executive Director	Takeshi Iwata
*Executive Director	Takuto Inoue
External Director	Naoto Onzo
External Director	Akiko Takagi
External Director	Keiko Kakiuchi
External Director	Katsuya Hirokawa
Standing Auditor	Kazuto Shimizu
External Auditor	Mina Ota
External Auditor	Takeshi Niwa
Executive Officer	Eishun Kaneko
Executive Officer	Tsukasa Kanzaki
Executive Officer	Ko Kawamura
Executive Officer	Junya Tamura
Executive Officer	Takashi Tateishi

* Indicates directors who also serve as executive officers.

Worldwide Network (as of June 20, 2019)



Contact Information

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 URL: <https://www.kingjim.co.jp/>

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 21DE, No.728 Xi Zang Rd(M), Shanghai, China, 200001
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Jakarta Sales Office
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KING JIM (MALAYSIA) SDN.BHD.

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KING JIM (VIETNAM) CO., LTD.

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 URL: <https://www.kingjim.com.vn/>

Ho Chi Minh City Representative Office

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 District 1, HCMC., Vietnam
 Tel: +84-28-3939-3922 Fax: +84-28-3939-3923

Consolidated Balance Sheets

KING JIM CO., LTD. and Subsidiaries
June 20, 2018 and 2019

	Thousands of yen		Thousands of US dollars
	2018	2019	2019
Assets			
Current assets			
Cash and deposits	¥4,702,798	¥4,658,771	\$43,220
Notes and accounts receivable—trade	4,839,842	4,752,922	44,094
Inventories	7,389,140	7,798,447	72,348
Other	461,395	391,501	3,632
Allowance for doubtful accounts	(2,517)	(5,076)	(47)
Total current assets	17,390,659	17,596,567	163,248
Non-current assets			
Property, plant and equipment	4,819,637	4,529,671	42,023
Intangible assets	355,703	335,504	3,112
Investments and other assets			
Investment securities	2,663,327	2,123,494	19,700
Retirement benefit asset	1,094,760	991,211	9,195
Deferred tax assets	197,939	145,417	1,349
Other	465,966	414,610	3,846
Allowance for doubtful accounts	(8,297)	(3,813)	(35)
Total investments and other assets	4,413,696	3,670,920	34,056
Total non-current assets	9,589,037	8,536,097	79,191
Total assets	26,979,696	26,132,664	242,440
Liabilities			
Current liabilities			
Notes and accounts payable—trade	1,983,097	1,745,822	16,196
Current portion of long-term loans borrowings	16,000	—	—
Income taxes payable	363,042	400,219	3,712
Accounts payable—other	803,673	660,889	6,131
Other	820,775	870,834	8,078
Total current liabilities	3,986,589	3,677,765	34,119
Non-current liabilities			
Deferred tax liabilities	677,454	457,168	4,241
Retirement benefit liability	363,252	364,270	3,379
Asset retirement obligations	20,937	21,283	197
Other	272,359	277,657	2,575
Total non-current liabilities	1,334,004	1,120,380	10,394
Total liabilities	5,320,593	4,798,146	44,513
Net assets			
Shareholders' equity			
Share capital			
Authorized: 100,000,000 shares			
Issued: 32,459,692 shares	1,978,690	1,978,690	18,356
Capital surplus	2,507,159	2,383,666	22,113
Retained earnings	20,027,025	20,506,886	190,248
Treasury shares	(3,567,808)	(3,567,808)	(33,099)
Total shareholders' equity	20,945,067	21,301,434	197,619
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	899,770	522,505	4,847
Deferred gains or losses on hedges	435	(2,826)	(26)
Foreign currency translation adjustment	(390,540)	(409,096)	(3,795)
Remeasurements of defined benefit plans	(140,628)	(167,068)	(1,549)
Total accumulated other comprehensive income	369,037	(56,485)	(524)
Share acquisition rights	70,847	89,569	830
Non-controlling interests	274,150	—	—
Total net assets	21,659,102	21,334,518	197,926
Total liabilities and net assets	¥26,979,696	¥26,132,664	\$242,440

Consolidated Statements of Income

KING JIM CO., LTD. and Subsidiaries
Years ended June 20, 2018 and 2019

	Thousands of yen		Thousands of US dollars
	2018	2019	2019
Net sales	¥34,788,058	¥34,329,544	\$318,485
Operating cost and expenses			
Cost of sales	21,198,620	21,146,112	196,178
Selling, general and administrative expenses	11,676,825	11,788,389	109,364
Operating profit	1,912,612	1,395,042	12,942
Other income			
Interest income	10,975	12,249	113
Dividend income	45,868	52,057	482
Foreign exchange gains	—	26,758	248
Rental income	156,024	158,307	1,468
Other	35,066	54,487	505
Total other income	247,934	303,861	2,819
Other expenses			
Interest expenses	7,805	4,928	45
Foreign exchange losses	6,562	—	—
Rental cost	46,977	47,865	444
Impairment loss	106,984	67,462	625
Other	17,481	23,740	220
Total other expenses	185,810	143,997	1,335
Profit before income taxes	1,974,736	1,554,905	14,425
Total income taxes	561,380	576,596	5,349
Profit	1,413,355	978,309	9,076
Profit attributable to non-controlling interests	10,508	15,267	141
Profit attributable to owners of parent	¥1,402,847	¥963,042	\$8,934

Consolidated Statement of Changes in Equity

KING JIM CO., LTD. and Subsidiaries
Year ended June 20, 2019

	Shareholders' equity					Thousands of yen		
	Capital stock	Capital surplus	Retained earnings	Treasury shares		Total shareholders' equity		
Balance at June 20, 2018	¥1,978,690	¥2,507,159	¥20,027,025	¥(3,567,808)		¥20,945,067		
Changes of items during period								
Dividends of surplus			(483,181)			(483,181)		
Profit attributable to owners of parent			963,042			963,042		
Purchase of treasury shares								
Purchase of shares of consolidated subsidiaries		(123,493)				(123,493)		
Net changes of items other than shareholders' equity								
Total changes in items during period	—	(123,493)	479,860	—		356,367		
Balance at June 20, 2019	¥1,978,690	¥2,383,666	¥20,506,886	¥(3,567,808)		¥21,301,434		

	Accumulated other comprehensive income						Thousands of yen	
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Subscription rights to shares	Non-controlling interests	Total net assets
Balance at June 20, 2018	¥899,770	¥435	¥(390,540)	¥(140,628)	¥369,037	¥70,847	¥274,150	¥21,659,102
Changes of items during period								
Dividends of surplus								(483,181)
Profit attributable to owners of parent								963,042
Purchase of treasury shares								
Purchase of shares of consolidated subsidiaries								(123,493)
Net changes of items other than shareholders' equity	(377,265)	(3,261)	(18,556)	(26,440)	(425,523)	18,722	(274,150)	(680,951)
Total changes of items during period	(377,265)	(3,261)	(18,556)	(26,440)	(425,523)	18,722	(274,150)	(324,584)
Balance at June 20, 2019	¥522,505	¥(2,826)	¥(409,096)	¥(167,068)	¥(56,485)	¥89,569	¥0	¥21,334,518

Consolidated Statements of Cash Flows

KING JIM CO., LTD. and Subsidiaries
Years ended June 20, 2018 and 2019

	Thousands of yen		Thousands of US dollars
	2018	2019	2019
Cash flows from operating activities	¥1,518,810	¥1,323,642	\$12,279
Cash flows from investing activities	(487,894)	(504,578)	(4,681)
Cash flows from financing activities	(1,574,842)	(900,012)	(8,349)
Effect of exchange rate change on cash and cash equivalents	¥2,861	(17,151)	(159)
Net increase (decrease) in cash and cash equivalents	(541,064)	(98,098)	(910)
Cash and cash equivalents at beginning of period	5,007,383	4,466,318	41,435
Cash and cash equivalents at end of period	¥4,466,318	¥4,368,219	\$40,525

Notes to Consolidated Financial Statements

KING JIM CO., LTD. and Subsidiaries
For the year ended June 20, 2019

1. Basis of Presenting Financial Statements

- (a) The accompanying financial statements are presented in accordance with the provisions set forth in the Japanese Companies Act and the Financial Instruments and Exchange Act of Japan and in conformity with accounting principles and practices generally accepted in Japan.
- (b) Under the Japanese Companies Act, reported amounts of less than one thousand yen have been omitted. As a result, the totals in yen and U.S. dollars shown in the consolidated financial statements do not necessarily agree with the sum of the individual amounts.
- (c) The Company, a Japanese corporation, maintains its records and prepares its financial statements in yen. In preparing the consolidated financial statements, certain reclassifications have been made to the consolidated financial statements.
- (d) The accompanying U.S. dollar financial statements have been translated from yen for convenience, and as a matter of arithmetical computation only, at the rate of ¥107.79 = US\$1, the exchange rate prevailing at June 20, 2019.
- (e) Items for which there is no applicable amount are indicated by “—”.

2. Significant Accounting Policies

- (a) Accounting policy for measuring significant assets

i) Securities

Other securities

Securities with fair market value

- Securities are stated at fair value as of the balance sheet date. Unrealized holding gains or losses on these securities are reported, as a separate component of net assets. Costs of securities sold are calculated by the moving average method.

Securities with no-available fair market value

- Securities with no-available fair market value are stated at cost determined by the moving average method.

ii) Derivatives

Derivatives are stated at fair value

iii) Inventories

Merchandise, finished goods and work in process

- Merchandise, finished goods and work in process are stated at cost determined by the periodic average method. (Figures on the balance sheet are calculated based on the method of reducing the book value in accordance with a decline in profitability.)

Raw materials and supplies

- Raw materials and supplies are stated at cost determined by the moving average method. (Figures on the balance sheet are calculated based on the method of reducing the book value in accordance with a decline in profitability.)

(b) Accounting policy for depreciation of significant assets

i) Property, plant, and equipment (excluding leased assets)

Property, plant, and equipment acquired on or before March 31, 2007

Depreciation is primarily calculated by the former declining balance method.

However, as for the Company and its domestic consolidated subsidiaries, the depreciation of buildings (excluding facilities attached to buildings) acquired on and after April 1, 1998 is calculated by the former straight-line method.

Property, plant, and equipment acquired on and after April 1, 2007

Depreciation is primarily calculated by the declining balance method.

However, as for the Company and its domestic consolidated subsidiaries, the depreciation of buildings (excluding facilities attached to buildings) as well as facilities attached to buildings and structures acquired on and after April 1, 2016 is calculated by the straight-line method.

The estimated useful lives of depreciable assets are as follows:

Buildings and structures: 10 to 50 years

Machinery, equipment and vehicles: 4 to 16 years

ii) Intangible assets (excluding software and leased assets)

Amortization of intangible assets is calculated by the straight-line method.

iii) Software for internal use (excluding leased assets)

Amortization of software for internal use is calculated by the straight-line method over expected available period (5 years).

iv) Leased assets

With respect to leased assets relating to finance lease transactions which do not transfer ownership of the leased assets to the lessee, the Company has adopted the straight-line method on the assumption that the lease period is the useful life of the assets and the residual value is zero.

v) Long-term prepaid expenses

Amortization of long-term prepaid expenses is calculated by the straight-line method.

(c) Accounting policy for significant provisions

i) Allowance for doubtful accounts

To reserve for loss on doubtful account, the Company and some of its consolidated subsidiaries provide general allowances using the actual percentage of collection losses and also specific allowances are provided for the estimated amount considered to be uncollectible after reviewing individual collectability of certain doubtful account.

ii) Provision for directors' bonuses

To reserve for the payments of bonuses to directors and corporate auditors, the Company and its domestic consolidated subsidiaries record the amount to be payable at the end of current fiscal period as an provision for directors' bonuses based on the estimated annual amount of payment.

(d) Accounting for employee retirement benefits

i) Method for estimating the amount of retirement benefits for the fiscal year

The amount of projected retirement benefits to be paid by the end of the fiscal year is based on the benefit formula basis for the calculation of the retirement benefit obligations.

ii) Method for treating actuarial difference expenses

Actuarial differences are amortized by the straight-line method over a period within the average remaining service period of employees from the fiscal year when the actuarial difference was incurred (5 years), and allocated proportionally from the fiscal year following each respective incurrence.

Unrecognized actuarial differences are recorded in remeasurements of defined benefit plans of accumulated other comprehensive income under net assets, after tax effects have been adjusted.

iii) Adoption of simplified accounting methods by small subsidiaries

Some of the Company's consolidated subsidiaries have adopted simplified accounting for calculating expenses and liabilities related to retirement benefits, and treating the amount of benefits needed for a voluntary retirement of all employees at the fiscal year-end as retirement benefit obligations.

(e) Important hedge accounting methods

i) Hedge accounting method

The Company applies deferred hedge accounting.

ii) Hedging instruments and hedged items

Forward exchange contracts are used as hedging instruments.

Foreign-currency-denominated transactions are subject to hedging.

iii) Hedging policy

The Company carries out forward exchange contracts for the purpose of reducing the impact of fluctuating costs resulting from changes in future exchange rates on forecast profits, and does not conduct hedging for speculative purposes.

iv) Method of assessing the effectiveness of hedges

The Company assesses the effectiveness of hedges based on a comparison between the amount of change in the fair value of futures contracts and the amount of change in the fair value of spot contracts.

(f) Amortization of goodwill

Goodwill is amortized evenly over a period of no more than 20 years during which the effect of the investment is expressed.

However, a small amount of goodwill is amortized as it arises.

(g) Scope of cash and cash equivalents included in the consolidated statement of cash flows

Cash and cash equivalents stated in the consolidated statement of cash flows consist of cash on hand, demand deposits with banks, and short-term investment instruments due within 3 months from the acquisition date that bear only a low risk of price fluctuations, and which are readily convertible into cash.

(h) Accounting for consumption tax and local consumption tax

Accounting for consumption tax and local consumption tax is based on tax exclusion method.

3. Notes to Consolidated Balance Sheets

(a) Accumulated depreciation of property, plant and equipment

2018 (thousands of yen)

7,972,660

2019 (thousands of yen)

8,279,042

(b) Net income per share

2018 (yen)

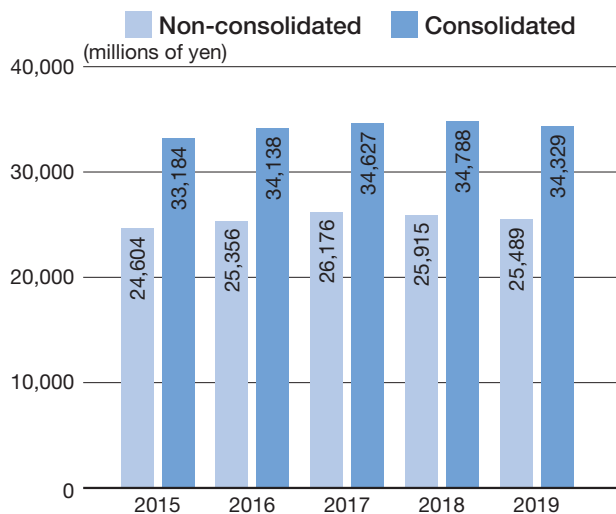
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2019 (yen)

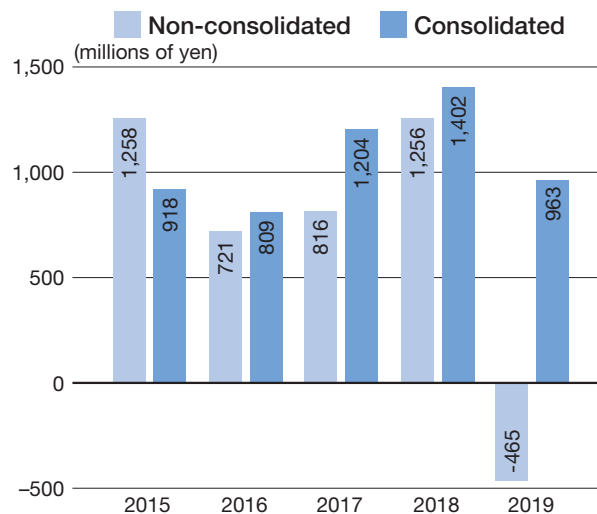
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Key Financial Indicators and Sales by Segment

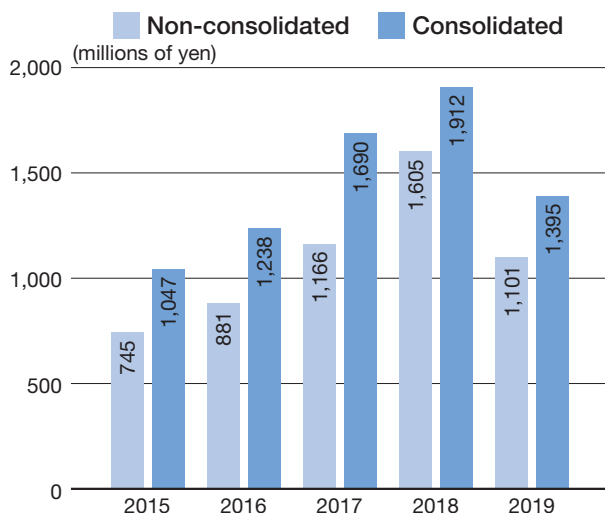
Net sales



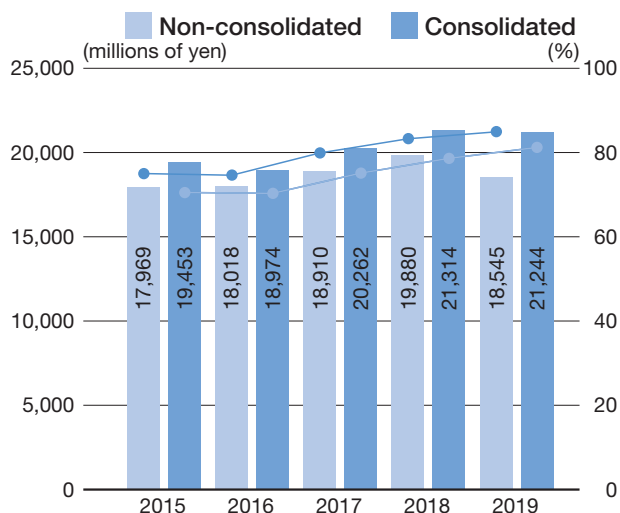
Profit attributable to owners of parent



Operating income



Shareholders' equity and Shareholders' equity ratio



Consolidated sales by segment

Interior lifestyle
(General merchandise and furniture)
22%

Stationery and office supply
(Stationery)
45%

Stationery and office supply
(Electronic product)
33%

