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Consolidated Financial Results for the Year Ended June 20, 2025 [Japanese GAAP]

July 31, 2025

Company name: KING JIM CO., LTD.

Listing: Tokyo Stock Exchange

Securities code: 7962

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

Representative: Miyoko Kimura

President & CEO

Inquiries: Shinichi Harada

Director and Senior Managing Executive Officer, General Manager,
Administration Division & CFO

Telephone: +81-3-3864-5883

Scheduled date of annual general meeting of shareholders: September 18, 2025

Scheduled date to commence dividend payments: September 19, 2025

Scheduled date to file annual securities report: September 17, 2025

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated Financial Results for the Fiscal Year Ended June 20, 2025 (June 21, 2024 to June 20, 2025)

(1) Consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 20, 2025	39,639	0.2	537	-	836	541.9	424	-
June 20, 2024	39,553	0.4	(241)	-	130	(79.6)	(318)	-

(Note) Comprehensive income: Fiscal year ended June 20, 2025: ¥ 116 million [(54.3)%]

Fiscal year ended June 20, 2024: ¥ 255 million [(78.8)%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
Fiscal year ended	Yen	Yen	%	%	%
June 20, 2025	15.12	15.05	1.8	2.4	1.4
June 20, 2024	(11.16)	-	(1.3)	0.4	(0.6)

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended June 20, 2025: ¥ - million

Fiscal year ended June 20, 2024: ¥ - million

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
June 20, 2025	35,513	24,052	67.5	852.06
June 20, 2024	35,025	24,301	69.1	861.90

(Reference) Equity: As of June 20, 2025: ¥ 23,965 million

As of June 20, 2024: ¥ 24,214 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
June 20, 2025	1,468	(825)	175	6,399
June 20, 2024	1,047	(444)	(1,071)	5,689

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
June 20, 2024	-	7.00	-	7.00	14.00	396	-	1.6
June 20, 2025	-	7.00	-	7.00	14.00	393	92.6	1.6
Fiscal year ending June 20, 2026 (Forecast)	-	7.00	-	7.00	14.00		39.4	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending June 20, 2026 (June 21, 2025 to June 20, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending December 20, 2025	19,300	4.2	260	-	400	121.0	260	-	9.24
Full year	42,000	6.0	1,500	179.0	1,600	91.3	1,000	135.3	35.55

* Notes:

(1) Significant changes in the scope of consolidation during the period: None

(2) Changes in accounting policies, changes in accounting estimates, and restatement

1) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

2) Changes in accounting policies due to other reasons: None

3) Changes in accounting estimates: None

4) Restatement: None

(3) Number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

June 20, 2025: 31,459,692 shares

June 20, 2024: 31,459,692 shares

2) Number of treasury shares at the end of the period:

June 20, 2025: 3,333,516 shares

June 20, 2024: 3,365,785 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended June 20, 2025: 28,113,209 shares

Fiscal Year ended June 20, 2024: 28,513,444 shares

(Reference) Overview of Non-consolidated Financial Results

Non-consolidated Financial Results for the Fiscal Year Ended June 20, 2025 (June 21, 2024 to June 20, 2025)

(1) Non-consolidated Operating Results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 20, 2025	24,219	(0.0)	301	-	1,054	-	821	-
June 20, 2024	24,222	1.7	(491)	-	(272)	-	(369)	-

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
June 20, 2025	29.21	29.09
June 20, 2024	(12.95)	-

(2) Non-consolidated Financial Position

As of	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
June 20, 2025	28,914	19,161	66.0	678.19
June 20, 2024	28,066	18,787	66.6	665.63

(Reference) Equity: As of June 20, 2025: ¥ 19,074 million
As of June 20, 2024: ¥ 18,700 million

*These consolidated financial results are outside the scope of an audit by certified public accountants or audit firms.

* Explanation of the proper use of financial results forecast and other notes

-The earnings forecasts and other forward-looking statements herein are based on information currently available to the Company and certain assumptions deemed reasonable as of the date of publication of this document, and are not intended as a guarantee by the Company that they will be achieved. Actual results may differ significantly from these forecasts due to a wide range of factors. For assumptions underlying the financial results forecast and precautions regarding their use, please refer to “1. Overview of Business Results, etc. (4) Future Outlook” on page 5.

-Supplementary briefing materials for the financial results will be posted on the Company’s website today. In addition, a financial results briefing video will be distributed on the Company’s website at a later date.

Supplementary briefing material (Japanese only): <https://www.kingjim.co.jp/ir/library/tansin.html>

Financial results briefing video (Japanese only): <https://www.kingjim.co.jp/ir/event/presentation.html>

Table of Contents - Attachments

1. Overview of Business Results, etc.	2
(1) Overview of Business Results for the Period Under Review	2
(2) Overview of Financial Position for the Period Under Review	4
(3) Overview of Cash Flows for the Period Under Review	4
(4) Future Outlook	5
(5) Basic Policy Regarding Distribution of Profits and Dividends for the Current and Next Fiscal Years	6
2. Basic Stance Concerning Selection of Accounting Standards.....	6
3. Consolidated Financial Statements and Primary Notes	7
(1) Consolidated Balance Sheets	7
(2) Consolidated Statements of Income and Comprehensive Income	9
(3) Consolidated Statements of Changes in Equity	11
(4) Consolidated Statements of Cash Flows	13
(5) Notes to the Consolidated Financial Statements	15
(Notes on going concern assumption).....	15
(Notes on changes in accounting policies).....	15
(Segment information)	16
(Per share information)	19
(Significant subsequent events)	19

1. Overview of Business Results, etc.

(1) Overview of Business Results for the Period Under Review

During the fiscal year ended June 20, 2025, despite an increase in inbound demand and wage increases, the outlook for the Japanese economy remained uncertain, due to rising prices and volatile foreign exchange rates, as well as concerns about a downturn in the global economy stemming from the U.S. new administration's policy on tariff hikes. The environment in which the Company operates has been greatly affected by changes in work styles, such as a decline in the working-age population in the domestic market, flexible work environments, and increased operational efficiency.

Under these circumstances, King Jim Co., Ltd. (the "Company") implements measures to achieve the goals of its 11th Medium-Term Management Plan (fiscal year ended June 20, 2025 to fiscal year ending June 20, 2027), which is themed, "Taking the wave of social change as an opportunity to move toward new growth." While strengthening its existing businesses, the Company has carried out three fundamental policies, namely, expansion into the service business, expansion of the lifestyle field, and strengthening of overseas business.

As for the consolidated business results for the fiscal year ended June 20, 2025, growth in the lifestyle products business resulted in net sales amounting to ¥39,639.50 million (up 0.2% year on year). In terms of profit, owing to an improved gross profit margin (up 1.3 percentage points year on year), and improvement of the ratio of selling, general and administrative expenses (down 0.7 percentage points year on year), operating profit amounted to ¥537.71 million (loss of ¥241.88 million in the previous fiscal year) and ordinary profit was ¥836.24 million (up 541.9% year on year). Profit attributable to owners of parent was ¥424.94 million (loss of ¥318.06 million in the previous fiscal year) mainly due to the posting of gain on sale of investment securities under extraordinary income following the sale of cross-held shares, and impairment losses on goodwill related to Latuna business under extraordinary losses.

Business results by segment are as follows.

From the fiscal year ended June 20, 2025, the Company changed the name of what had been the "interior lifestyle business" to the "lifestyle products business." In line with this, we have reviewed business management classifications and have reclassified Wincess Corporation, a consolidated subsidiary of the Company which had been included in the stationery and office supplies business, into the lifestyle products business.

Comparisons with the previous fiscal year are based on the classification after the change.

A. Stationery and office supplies business

Sales of TEPPRA and disaster preparedness products increased, while a decline in stationery sales resulted in net sales of ¥25,178.09 million (down 0.6% year on year). In terms of profit, an improved gross profit margin, the Distribution Cost Reduction Project, and other efforts led to a reduction in selling, general and administrative expenses, which in turn resulted in operating profit of ¥382.66 million (loss of ¥467.58 million in the previous fiscal year).

The main details for each domain are as follows.

In the label writer "TEPPRA," we launched TEPPRA PRO SR-R560, the first in the TEPPRA PRO series with a unit that employs environmentally friendly recycled materials and with the installed universal design fonts. In addition, we released "#askTEPPRA" video that summarizes how to use TEPPRA at work sites, and ran a sales promotion in cooperation with sales partners to expand the application of TEPPRA tapes. To corporate customers considering TEPPRA introduction, we started offering a demo rental service in June 2025, for them to try the unit for two weeks at no charge. Using a TEPPRA utilization case study handbook compiled based on interviews with regular TEPPRA user companies, we worked to uncover new demand.

In living environment products, in response to the world's heightened awareness of disaster and crime prevention, we offer a disaster preparedness kit which can be placed on bookshelves or in drawers to be easily managed by individuals, and Potara, a portable light with a security buzzer that can also be used as a measure for disasters. These have been made available at a broad range of sales locations, and sales of disaster prevention

and crime prevention items have seen a significant expansion. In addition, due to global warming, the number of heatstroke cases at workplaces is rising year by year. To help resolve this serious issue, we released Portable spot cooler with no heat exhaust, a compact spot cooler that is convenient to carry and exhausts no hot air. Through offering new products that improve work environments, we seek to cultivate new markets.

In stationery, we launched LASENO, a loose-leaf notebook with a spiral shape, flexible rings and replaceable paper. We also released HOSSO, a file holder series that enables document organization in a compact format, approximately half the width of a standard A4 file. This product is targeted at those who focus on space efficiency, a concept that has been attracting attention in recent years, following cost-effectiveness and time-effectiveness.

In June 2025, we held KING JIM Fan Meeting 2025, a meet-and-greet with fans who have long been supporting King Jim. At the event, we let them learn more about the Company through the secret stories behind product development, quiz about King Jim, workshops, and others, while also receiving feedback about our products. In the same month, we participated in the Stationery Festival for the purposes of strengthening communication with our fans, creating a touch point with new customer segments, and increasing the brand value.

In the EC business, we operate a number of EC stores both on our own EC site and in EC malls. At our own EC site, sales grew on the back of increased demand for disaster preparedness products and higher sales of products that generated buzz on social media, in addition to the effects of a sale and acceptance of reservation orders for new products. The “Latuna” business experienced strong sales of new merchandise such as cutting boards and dining mats, while on the other hand, sales declined for existing merchandise due to price competition at each mall.

In the overseas business, even while the Company’s exports to overseas markets increased amid worldwide economic uncertainties, certain overseas locations are struggling with sales. The 11th Medium-Term Management Plan takes special note of China and the ASEAN countries, particularly Vietnam, as the most important regions for our overseas business strategy. In China, sales are favorable for the Chinese original brand KELITA series that mainly targets working women in their 20s to 40s, and a stationery brand HITOTOKI. In addition, PREPPY STYLE series in designs that incorporate China’s fashion trends has attracted attention for introducing trendy styles. In Vietnam, with the progress in cultivating B-to-B distribution channels, sales of TEPPRA and office use filing tools manufactured at King Jim (Vietnam) Co., Ltd., the Company’s factory, have seen a significant expansion. In the U.S., sales has grown steadily on “pomera” DM250US, the localized model of a digital typewriter “pomera” that has been widely used in Japan. In South Korea, we started transactions with new sales partners, which has been improving awareness of HITOTOKI and other products of the Company.

B. Life style products business

Net sales for the lifestyle products business were ¥14,461.40 million (up 1.7% year on year) owing to the favorable sales performance of Life on Products, Inc. and Asca Co., Ltd., and also due to a significant year-on-year increase in sales by Ladonna Co., Ltd. In terms of profit, operating profit amounted to ¥131.37 million (down 32.3% year on year), on account of a decline in gross profit margin caused by the depreciation of the yen and soaring raw material prices, as well as a substantial rise in selling, general and administrative expenses at Bon Furniture Co., Ltd.

The main details for each subsidiary company are as follows.

At Bon Furniture Co., Ltd., performance was favorable in the first half of the fiscal year, driven by sales on Amazon and as Pretend Cooking Set and lighting fixtures, our focus category, contributed to sales. However, some of its mainstay products struggled and sales decreased due to passing the rising costs on to selling prices, as well as changes in market environments, which resulted in decreased sales overall. Meanwhile, leveraging synergies within the Group, we began sales, which remained strong, of wooden multi-racks and other products manufactured at PT. King Jim Indonesia. In terms of profit, we posted decreased profit as a result of a declined profit margin caused by discount sale of discontinued products and higher inventory storage fees and advertising costs.

Life on Products, Inc. started selling summer products in March, which remained strong. In particular, Cool Fan for Lunch Box that met demand in the rainy season performed well, partly due to extensive coverage on TV

and in magazines. In terms of profit, a significant increase in sales through active introduction of new products led to increased profit, despite the lingering impact of yen depreciation.

At Ladonna Co., Ltd., its mainstay kitchen goods struggled in the first half of the fiscal year, as affected by the absence of special demand during the pandemic. Then, sales have made a V-shaped recovery, driven by the hit of microwave cooking appliances following the progress in cultivating sales channels, along with kitchen goods also following a recovery trend. Also contributing to sales were the introduction of a new collection to Toffy, its mainstay brand, and the performance of Handy Fans, the initial placement of which had progressed up to the fiscal year-end. Despite increased profit, however, the overall result is still on the way to recovery due to the lingering impact of past sluggish sales, such as an increase in mold amortization expenses and the recording of a decline in product valuation.

Asca Co., Ltd. experienced continued favorable performance of Greenery plants mainly for office interior decoration in the Kanto and Kinki regions. Foliage plants also far outpaced the year-earlier result in each region. By product, Premium Collection, a new endeavor offering meticulous attention to quality and detail, contributed to a sales increase. In terms of profit, however, we posted declined profit despite higher sales, due to the impact of yen depreciation and an increase in selling, general and administrative expenses.

At Winess Corporation, sales increased year on year driven by the electronics industry, as well as the automotive industry and others. Sales volume and amounts of gloves for the electronic components industry, a key market to us, slightly increased year on year. We also cultivated new sales routes mainly in the non-manufacturing industry. Overall, both sales and profit increased. Going forward, we aim to explore industries involving cleanrooms further, such as the food and pharmaceutical industries.

(2) Overview of Financial Position for the Period Under Review

Total assets as of June 20, 2025 increased by ¥488.13 million from the end of the previous fiscal year to ¥35,513.16 million. This is mainly attributable to an increase in cash and deposits, despite decreases in goodwill and investment securities.

Liabilities increased by ¥737.18 million from the end of the previous fiscal year to ¥11,460.87 million. This is mainly attributable to an increase in short-term borrowings, despite a decrease in long-term borrowings.

Total net assets decreased by ¥249.05 million from the end of the previous fiscal year to ¥24,052.28 million. This is mainly attributable to decreases in foreign currency translation adjustment and remeasurements of defined benefit plans.

(3) Overview of Cash Flows for the Period Under Review

Cash and cash equivalents (hereinafter referred to as “cash”) as of June 20, 2025 increased by ¥709.98 million from the end of the previous fiscal year to ¥6,399.45 million (up 12.5% year on year).

The status of each cash flow and their factors for the fiscal year ended June 20, 2025 are as follows.

(Cash flows from operating activities)

Net cash provided by operating activities increased by ¥421.78 million from the previous fiscal year to ¥1,468.98 million. This is mainly attributable to profit before income taxes of ¥820.56 million and depreciation of ¥744.88 million, despite income taxes paid of ¥366.88 million, and others.

(Cash flows from investing activities)

Net cash used in investing activities increased by ¥381.30 million from the previous fiscal year to ¥825.95 million. This is mainly attributable to purchase of intangible assets of ¥486.87 million, despite proceeds from sale of investment securities of ¥146.95 million, and others.

(Cash flows from financing activities)

Net cash provided by financing activities was ¥175.73 million (net cash used in financing activities of ¥1,071.72 million for the previous fiscal year). This is mainly attributable to net increase in short-term borrowings of ¥1,010.00 million, despite repayments of long-term borrowings of ¥437.80 million, dividends paid of ¥393.94 million, and others.

(Reference) Trends in cash flow-related indicators

	Fiscal year ended June 20, 2021	Fiscal year ended June 20, 2022	Fiscal year ended June 20, 2023	Fiscal year ended June 20, 2024	Fiscal year ended June 20, 2025
Equity ratio (%)	78.6	72.0	69.1	69.1	67.5
Equity ratio based on fair value (%)	85.9	75.5	72.2	71.1	67.3
Cash flow to interest-bearing debt ratio (years)	0.1	(3.5)	37.0	5.7	4.4
Interest coverage ratio (times)	455.0	(55.7)	3.9	22.6	23.4

Equity ratio: Shareholders' equity / Total assets

Equity ratio based on fair value: Total market value of shares / Total assets

Cash flow to interest-bearing debt ratio: Interest-bearing debts / Cash flow

Interest coverage ratio: Cash flow / Interest paid

* The indicators were calculated using consolidated financial figures.

* The total market value of shares was calculated based on the total number of shares issued (less treasury shares).

* Operating cash flow is used as cash flow.

* Interest-bearing debts include all liabilities recorded on the consolidated balance sheets for which interest is paid.

(4) Future Outlook

While the Japanese economy is showing signs of gradual recovery, uncertainties remain, such as the U.S. tariff policy and rising costs that affect personal consumption. The global economy is also surrounded in uncertainty about the economic outlook due to the U.S. tariff policy, as well as geopolitical risks such as the situations in the Middle East and Ukraine. The business environment surrounding the Company has been affected by changes in society, such as the paperless movement and changes in work styles driven by digital transformation by companies.

Amidst such economic and business environment, the Group sets the theme of "Taking the wave of social change as an opportunity to move toward new growth" in its 11th Medium-Term Management Plan, which will last through the fiscal year ending June 20, 2027. Under this theme, we will strive to strengthen our existing businesses while carrying out the three fundamental policies of "expansion into the service business," "expansion of the lifestyle field," and "strengthening of overseas business."

In the stationery and office supplies business, we advance sales strategy of building sales channels suited to the unique properties of customers and products, and product development that meet the needs of workplaces and living in response to social changes. For overseas markets, we will develop market-oriented products. In the lifestyle products business, we will enhance the growth and synergies of Group companies through activities in line with each Group company's growth strategy and with the involvement of the Management Committee.

For the next fiscal year, it is forecast that net sales will be ¥42,000 million (up 6.0% year on year), operating profit will be ¥1,500 million (up 179.0% year on year), ordinary profit will be ¥1,600 million (up 91.3% year on year), and profit attributable to owners of parent will be ¥1,000 million (up 135.3% year on year).

(5) Basic Policy Regarding Distribution of Profits and Dividends for the Current and Next Fiscal Years

The Company's dividend policy is to aim for stable dividends with a payout ratio of 40% based on profit attributable to owners of parent, taking into consideration the overall need for returns to shareholders and internal reserves for the execution of flexible management measures.

For the fiscal year ended June 20, 2025, the Company plans to propose a year-end ordinary dividend of ¥7 per share to the Annual General Meeting of Shareholders to be held on September 18, 2025. Since the Company paid an interim dividend of ¥7 per share for the fiscal year ended June 20, 2025, the total annual dividend is expected to be ¥14 per share.

For the next fiscal year, the Company plans to pay an interim dividend of ¥7 per share and a year-end dividend of ¥7 per share, for a total of ¥14 per share.

2. Basic Stance Concerning Selection of Accounting Standards

For the time being, the Group intends to prepare its consolidated financial statements in accordance with Japanese GAAP, taking into consideration the comparability of consolidated financial statements from period to period and the comparability among enterprises.

The Group intends to consider the application of international accounting standards in the future, taking into account trends in the ratio of foreign shareholders and the application of international accounting standards by other domestic companies in the same industry.

3. Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheet

(Thousands of yen)

	As of June 20, 2024	As of June 20, 2025
Assets		
Current assets		
Cash and deposits	6,081,388	6,831,528
Notes receivable - trade	228,134	226,669
Accounts receivable - trade	5,109,797	5,159,478
Merchandise and finished goods	9,692,136	9,700,866
Work in process	361,939	301,213
Raw materials and supplies	1,301,432	1,190,668
Other	581,215	653,503
Allowance for doubtful accounts	(463)	(484)
Total current assets	23,355,581	24,063,443
Non-current assets		
Property, plant and equipment		
Buildings and structures	6,203,924	6,196,545
Accumulated depreciation	(4,208,512)	(4,306,709)
Buildings and structures, net	1,995,412	1,889,836
Machinery, equipment and vehicles	3,594,239	3,517,938
Accumulated depreciation	(3,248,704)	(3,221,779)
Machinery, equipment and vehicles, net	345,535	296,158
Land	1,570,022	1,570,022
Construction in progress	51,955	56,104
Other	3,225,175	3,172,541
Accumulated depreciation	(2,896,175)	(2,873,047)
Other, net	329,000	299,493
Total property, plant and equipment	4,291,925	4,111,615
Intangible assets		
Goodwill	1,055,692	739,574
Other	801,511	1,084,655
Total intangible assets	1,857,203	1,824,230
Investments and other assets		
Investment securities	3,116,368	2,977,800
Retirement benefit asset	1,787,241	1,866,257
Deferred tax assets	146,151	183,265
Other	474,928	487,753
Allowance for doubtful accounts	(4,367)	(1,199)
Total investments and other assets	5,520,322	5,513,877
Total non-current assets	11,669,451	11,449,723
Total assets	35,025,032	35,513,167

(Thousands of yen)

	As of June 20, 2024	As of June 20, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	901,078	1,140,419
Short-term borrowings	3,530,000	4,540,000
Current portion of long-term borrowings	437,806	437,806
Income taxes payable	269,430	254,476
Accounts payable - other	808,057	759,464
Contract liabilities	38,730	31,342
Provision for bonuses for directors (and other officers)	11,387	6,222
Provision for shareholder benefit program	-	37,532
Other	1,137,192	1,003,193
Total current liabilities	7,133,682	8,210,456
Non-current liabilities		
Long-term borrowings	1,738,288	1,300,482
Deferred tax liabilities	913,146	948,343
Retirement benefit liability	500,213	515,723
Asset retirement obligations	30,270	41,353
Other	408,088	444,518
Total non-current liabilities	3,590,007	3,250,422
Total liabilities	10,723,690	11,460,879
Net assets		
Shareholders' equity		
Share capital	1,978,690	1,978,690
Capital surplus	1,718,919	1,717,975
Retained earnings	21,562,202	21,593,605
Treasury shares	(2,975,833)	(2,947,298)
Total shareholders' equity	22,283,979	22,342,973
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,165,269	1,085,534
Deferred gains or losses on hedges	2,677	921
Foreign currency translation adjustment	555,801	420,742
Remeasurements of defined benefit plans	206,525	115,027
Total accumulated other comprehensive income	1,930,274	1,622,226
Share acquisition rights	87,088	87,088
Total net assets	24,301,342	24,052,288
Total liabilities and net assets	35,025,032	35,513,167

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statement of Income

(Thousands of yen)

	For the fiscal year ended June 20, 2024	For the fiscal year ended June 20, 2025
Net sales	39,553,069	39,639,500
Cost of sales	25,236,820	24,774,360
Gross profit	14,316,248	14,865,140
Selling, general and administrative expenses	14,558,131	14,327,425
Operating profit (loss)	(241,883)	537,715
Non-operating income		
Interest income	22,568	23,082
Dividend income	104,980	99,790
Foreign exchange gains	141,766	8,844
Rental income	149,337	150,251
Compensation income	-	47,104
Other	45,775	84,045
Total non-operating income	464,428	413,118
Non-operating expenses		
Interest expenses	45,265	64,688
Rental costs	44,067	45,431
Other	2,933	4,471
Total non-operating expenses	92,266	114,591
Ordinary profit	130,278	836,242
Extraordinary income		
Gain on sale of non-current assets	137,905	69
Gain on sale of investment securities	-	103,087
Total extraordinary income	137,905	103,157
Extraordinary losses		
Loss on sale of non-current assets	7	-
Loss on retirement of non-current assets	4,148	2,175
Loss on valuation of investment securities	-	600
Impairment losses	172,125	116,057
Extra retirement payments	49,868	-
Total extraordinary losses	226,150	118,833
Profit before income taxes	42,033	820,566
Income taxes - current	314,883	340,534
Income taxes - deferred	44,612	50,158
Income taxes for prior periods	605	4,928
Total income taxes	360,101	395,621
Profit (loss)	(318,068)	424,944
Profit (loss) attributable to owners of parent	(318,068)	424,944

Consolidated Statement of Comprehensive Income

(Thousands of yen)

	For the fiscal year ended June 20, 2024	For the fiscal year ended June 20, 2025
Profit (loss)	(318,068)	424,944
Other comprehensive income		
Valuation difference on available-for-sale securities	116,731	(79,735)
Deferred gains or losses on hedges	(2,502)	(1,755)
Foreign currency translation adjustment	361,917	(135,059)
Remeasurements of defined benefit plans, net of tax	97,913	(91,498)
Total other comprehensive income	574,060	(308,048)
Comprehensive income	255,992	116,896
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	255,992	116,896

(3) Consolidated Statement of Changes in Equity

For the fiscal year ended June 20, 2024

(Thousands of yen)

	Shareholders' equity					Accumulated other comprehensive income	
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges
Balance at beginning of period	1,978,690	1,718,670	22,279,949	(2,587,278)	23,390,032	1,048,538	5,179
Changes during period							
Dividends of surplus			(399,679)		(399,679)		
Loss attributable to owners of parent			(318,068)		(318,068)		
Purchase of treasury shares				(416,136)	(416,136)		
Disposal of treasury shares		249		27,581	27,831		
Net changes in items other than shareholders' equity						116,731	(2,502)
Total changes during period	-	249	(717,747)	(388,554)	(1,106,052)	116,731	(2,502)
Balance at end of period	1,978,690	1,718,919	21,562,202	(2,975,833)	22,283,979	1,165,269	2,677

	Accumulated other comprehensive income			Share acquisition rights	Total net assets
	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	193,884	108,612	1,356,214	87,088	24,833,334
Changes during period					
Dividends of surplus					(399,679)
Loss attributable to owners of parent					(318,068)
Purchase of treasury shares					(416,136)
Disposal of treasury shares					27,831
Net changes in items other than shareholders' equity	361,917	97,913	574,060	-	574,060
Total changes during period	361,917	97,913	574,060	-	(531,991)
Balance at end of period	555,801	206,525	1,930,274	87,088	24,301,342

For the fiscal year ended June 20, 2025

(Thousands of yen)

	Shareholders' equity					Accumulated other comprehensive income	
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges
Balance at beginning of period	1,978,690	1,718,919	21,562,202	(2,975,833)	22,283,979	1,165,269	2,677
Changes during period							
Dividends of surplus			(393,541)		(393,541)		
Loss attributable to owners of parent			424,944		424,944		
Purchase of treasury shares				(244)	(244)		
Disposal of treasury shares		(944)		28,778	27,834		
Net changes in items other than shareholders' equity						(79,735)	(1,755)
Total changes during period	-	(944)	31,403	28,534	58,993	(79,735)	(1,755)
Balance at end of period	1,978,690	1,717,975	21,593,605	(2,947,298)	22,342,973	1,085,534	921

	Accumulated other comprehensive income			Share acquisition rights	Total net assets
	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	555,801	206,525	1,930,274	87,088	24,301,342
Changes during period					
Dividends of surplus					(393,541)
Loss attributable to owners of parent					424,944
Purchase of treasury shares					(244)
Disposal of treasury shares					27,834
Net changes in items other than shareholders' equity	(135,059)	(91,498)	(308,048)	-	(308,048)
Total changes during period	(135,059)	(91,498)	(308,048)	-	(249,054)
Balance at end of period	420,742	115,027	1,622,226	87,088	24,052,288

(4) Consolidated Statement of Cash Flows

(Thousands of yen)

	For the fiscal year ended June 20, 2024	For the fiscal year ended June 20, 2025
Cash flows from operating activities		
Profit before income taxes	42,033	820,566
Depreciation	655,669	744,881
Impairment losses	172,125	116,057
Amortization of goodwill	240,560	200,059
Increase (decrease) in allowance for doubtful accounts	2,310	(3,015)
Increase (decrease) in retirement benefit liability	(8,617)	37,775
Decrease (increase) in retirement benefit asset	(119,616)	(197,999)
Interest and dividend income	(127,549)	(122,873)
Interest expenses	45,265	64,688
Foreign exchange losses (gains)	(32,236)	8,673
Loss on retirement of non-current assets	4,148	2,175
Loss (gain) on sale of non-current assets	(137,898)	(69)
Loss (gain) on sale of investment securities	-	(103,087)
Extra retirement payments	49,868	-
Decrease (increase) in trade receivables	(244,471)	(59,756)
Decrease (increase) in inventories	584,109	129,288
Decrease (increase) in other assets	146,668	(32,779)
Increase (decrease) in trade payables	(444,454)	245,162
Decrease (increase) in consumption taxes refund receivable	84,516	(30,106)
Increase (decrease) in accrued consumption taxes	138,110	(115,283)
Increase (decrease) in other liabilities	91,604	15,643
Other, net	133,982	57,841
Subtotal	1,276,131	1,777,842
Interest and dividends received	127,255	120,899
Interest paid	(46,347)	(62,876)
Income taxes refund	22,427	-
Income taxes paid	(282,404)	(366,883)
Extra retirement payments	(49,868)	-
Net cash provided by (used in) operating activities	1,047,192	1,468,981

(Thousands of yen)

	For the fiscal year ended June 20, 2024	For the fiscal year ended June 20, 2025
Cash flows from investing activities		
Purchase of investment securities	(247)	(609)
Proceeds from sale of investment securities	-	146,959
Purchase of property, plant and equipment	(425,662)	(403,822)
Purchase of intangible assets	(191,599)	(486,874)
Proceeds from sale of property, plant and equipment	154,276	70
Payments of guarantee deposits	(15,093)	(7,853)
Proceeds from refund of guarantee deposits	4,353	7,104
Payments into time deposits	(519,500)	(468,258)
Proceeds from withdrawal of time deposits	594,504	432,020
Other, net	(45,674)	(44,685)
Net cash provided by (used in) investing activities	(444,642)	(825,950)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	340,000	1,010,000
Repayments of long-term borrowings	(594,837)	(437,806)
Purchase of treasury shares	(416,136)	(244)
Dividends paid	(399,794)	(393,948)
Other, net	(959)	(2,265)
Net cash provided by (used in) financing activities	(1,071,728)	175,735
Effect of exchange rate change on cash and cash equivalents	234,890	(108,777)
Net increase (decrease) in cash and cash equivalents	(234,286)	709,989
Cash and cash equivalents at beginning of period	5,923,753	5,689,466
Cash and cash equivalents at end of period	5,689,466	6,399,455

(5) Notes to the Consolidated Financial Statements

(Notes on going concern assumption)

There is no relevant information.

(Notes on changes in accounting policies)

(Application of “Accounting Standard for Current Income Taxes,” etc.)

The Company has applied the “Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27, October 28, 2022; hereafter referred to as the “Revised Accounting Standard of 2022”) and other relevant standards from the beginning of the current fiscal year.

With regard to revisions to categories for recording current income taxes (taxation on other comprehensive income), the Company complies with the transitional treatment stipulated in the proviso to paragraph 20-3 of the Revised Accounting Standard of 2022 and the transitional treatment stipulated in the proviso to paragraph 65-2 (2) of the “Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022; hereafter referred to as the “Revised Guidance of 2022”). These changes in the accounting policy do not affect the consolidated financial statements.

In addition, since the beginning of the current fiscal year, the Revised Guidance of 2022 has also been applied to the amendments related to the review of the treatment in consolidated financial statements when gains or losses arising from the sale of subsidiary shares, etc. between consolidated companies are deferred for tax purposes. These changes in the accounting policy have been applied retroactively, and the consolidated financial statements for the previous fiscal year reflect the changes that have been applied retroactively. These changes in the accounting policy do not affect the consolidated financial statements for the previous fiscal year.

(Segment information)

Segment information

1. Description of reportable segments

Reportable segments are components of the Group about which separate financial information is available that is evaluated regularly by the Board of Directors in deciding how to allocate management resources and in assessing performance.

The Group reports the financial statements of each of the Company and its consolidated subsidiaries to the Company's Board of Directors, which is the unit that makes up its business segments. Segments are aggregated based on similarities in products and sales markets of each segment, and the Group has two reportable segments: the stationery and office supplies business and the lifestyle products business.

Major companies engaged in the stationery and office supplies business are as follows: the Company, PT. King Jim Indonesia, King Jim (Malaysia) Sdn. Bhd., King Jim (Shanghai) Trading Co., Ltd., King Jim (Vietnam) Co., Ltd., King Jim (HK) Co., Limited, and its subsidiary King Jim (Shenzhen) Trading Co., Ltd. This business engages in the manufacture and sale of electric products (TEPRA, digital stationery, etc.), living environment products (office and living environment products such as disaster preparedness products, Latuna products, etc.), and stationery (filing tools, style stationery, etc.).

Major companies engaged in the lifestyle products business are as follows: Bon Furniture Co., Ltd., Ladonna Co., Ltd., Asca Co., Ltd., Wincess Corporation, and Life on Products, Inc. This business engages in the planning and sale of furniture, kitchen goods, photo frames, aroma-related products, clocks, artificial flowers, household electronics, miscellaneous goods, room fragrances, etc.

2. Method of measurement for the amounts of net sales, profit (loss), assets, liabilities, and other items by reportable segment

The accounting method used for reporting business segments is generally the same as that used for the preparation of Consolidated Financial Statements.

Segment profit (loss) figures are based on operating profit. Inter-segment sales and transfers are based on prevailing market prices.

3. Information on net sales, profit (loss), assets, liabilities, and other items by reportable segment

For the fiscal year ended June 20, 2024

(Thousands of yen)

	Reportable segment			Adjustment (Note 1)	Amount recorded in consolidated financial statements (Note 2)
	Stationery and office supplies	Lifestyle products	Total		
Sales					
Sales to outside customers	25,334,638	14,218,431	39,553,069	–	39,553,069
Inter-segment net sales or transfers	81,887	248,687	330,575	(330,575)	–
Total	25,416,526	14,467,119	39,883,645	(330,575)	39,553,069
Segment profit (loss)	(467,580)	194,051	(273,529)	31,646	(241,883)
Segment assets	24,255,236	11,444,012	35,699,248	(674,215)	35,025,032
Other items					
Depreciation	488,392	167,323	655,716	(46)	655,669
Amortization of goodwill	76,210	164,349	240,560	–	240,560
Impairment loss	172,125	–	172,125	–	172,125
Increase in property, plant and equipment and intangible assets	409,369	149,552	558,921	–	558,921

(Notes) 1. Adjustment of segment profit (loss) of ¥31,646 thousand and adjustment of segment assets of ¥(674,215) thousand are adjustments, etc., associated with the elimination of inter-segment transactions.

2. Segment profit (loss) is adjusted with operating loss in the consolidated statements of income.

For the fiscal year ended June 20, 2025

(Thousands of yen)

	Reportable segment			Adjustment (Note 1)	Amount recorded in consolidated financial statements (Note 2)
	Stationery and office supplies	Lifestyle products	Total		
Sales					
Sales to outside customers	25,178,093	14,461,407	39,639,500	–	39,639,500
Inter-segment net sales or transfers	98,565	312,610	411,176	(411,176)	–
Total	25,276,658	14,774,018	40,050,677	(411,176)	39,639,500
Segment profit	382,663	131,378	514,041	23,673	537,715
Segment assets	24,438,390	11,973,345	36,411,736	(898,569)	35,513,167
Other items					
Depreciation	544,757	200,170	744,928	(46)	744,881
Amortization of goodwill	35,709	164,349	200,059	–	200,059
Impairment loss	116,057	–	116,057	–	116,057
Increase in property, plant and equipment and intangible assets	670,321	197,692	868,013	–	868,013

(Notes) 1. Adjustment of segment profit of ¥23,673 thousand and adjustment of segment assets of ¥(898,569) thousand are adjustments, etc., associated with the elimination of inter-segment transactions.

2. Segment profit is adjusted with operating profit in the consolidated statements of income.

4. Matters relating to changes in reportable segments etc.

From the fiscal year ended June 20, 2025, the Company changed the name of what had been the “interior lifestyle business” to the “lifestyle products business.” In line with this, we have reviewed business management classifications and have reclassified Wincess Corporation, a consolidated subsidiary of the Company which had been included in the stationery and office supplies business, into the lifestyle products business.

Segment information for the fiscal year ended June 20, 2024 has been prepared based on the name and classification after the change.

5. Information concerning impairment loss on non-current assets or goodwill by reportable segment

(Significant impairment losses on non-current assets)

For the fiscal year ended June 20, 2024

In the stationery and office supplies business, an impairment loss of ¥172,125 thousand was recorded for goodwill related to the former HIM Co., Ltd. (Latuna business), as it is expected to fall below the initially projected earnings as a result of a revision of future business plans.

For the fiscal year ended June 20, 2025

In the stationery and office supplies business, an impairment loss of ¥116,057 thousand was recorded for goodwill related to the former HIM Co., Ltd. (Latuna business), as it is expected to fall below the initially projected earnings as a result of a revision of future business plans.

(Per share information)

	For the fiscal year ended June 20, 2024	For the fiscal year ended June 20, 2025
Net assets per share	¥861.90	¥852.06
Profit (loss) per share	¥(11.16)	¥15.12
Diluted earnings per share	¥—	¥15.05

(Notes) 1. The diluted earnings per share for the fiscal year ended June 20, 2024 are not listed since, while dilutive stock exists, there is a loss per share.

2. The basis for the calculation of profit per share and diluted earnings per share is as follows.

	For the fiscal year ended June 20, 2024	For the fiscal year ended June 20, 2025
Profit per share		
Profit (loss) attributable to owners of parent (Thousand yen)	(318,068)	424,944
Amount not attributable to common shareholders (Thousand yen)	—	—
Profit (loss) attributable to owners of parent relating to common shares (Thousand yen)	(318,068)	424,944
Average number of shares during the period (Shares)	28,513,444	28,113,209
Diluted earnings per share		
Adjustment of profit attributable to owners of parent (Thousand yen)	—	—
Increase in number of common shares (Shares)	—	116,294
(of which, share acquisition rights (Shares))	—	116,294
Overview of potential shares not included in the calculation of diluted earnings per share due to the absence of dilutive effects	—	—

(Significant subsequent events)

There is no relevant information.