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Consolidated Financial Results for the Three Months Ended September 20, 2025 [Under Japanese GAAP]

October 31, 2025

Company name: KING JIM CO., LTD.

Listing: Tokyo Stock Exchange

Securities code: 7962

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

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President & CEO

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Scheduled date to commence dividend payments: -

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 Three Months Ended September 20, 2025 (June 21, 2025 to September 20, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended September 20, 2025	8,251	(6.1)	(213)	-	(135)	-	(298)	-
September 20, 2024	8,785	7.9	(252)	-	(75)	-	(218)	-

(Note) Comprehensive income: Three months ended September 20, 2025: ¥ 174 million [-%]
Three months ended September 20, 2024: ¥ (389) million [-%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended September 20, 2025	(10.63)	-
September 20, 2024	(7.76)	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 20, 2025	36,375	24,029	65.8	851.27
June 20, 2025	35,513	24,052	67.5	852.06

(Reference) Equity: As of September 20, 2025: ¥ 23,942 million
As of June 20, 2025: ¥ 23,965 million

2. Dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended June 20, 2025	-	7.00	-	7.00	14.00
Fiscal year ending June 20, 2026	-				
Fiscal year ending June 20, 2026 (Forecast)		7.00	-	7.00	14.00

(Note) Revision to the forecast for dividends announced most recently: None

3. Consolidated Financial Result Forecasts 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
First half	18,600	0.4	220	-	370	104.4	110	-	3.91
Full year	42,000	6.0	1,500	179.0	1,600	91.3	1,000	135.3	35.55

(Note) Revisions to the financial results forecast announced most recently : Yes

* Notes

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

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

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

1)Changes in accounting policies due to revisions to accounting standards and other regulations: None

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

3)Changes in accounting estimates: None

4)Restatement: None

(4) Number of issued shares (common shares)

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

September 20, 2025: 31,459,692 shares

June 20, 2025: 31,459,692 shares

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

September 20, 2025: 3,333,516 shares

June 20, 2025: 3,333,516 shares

3)Average number of shares outstanding during the period:

Three months ended September 20, 2025: 28,126,176 shares

Three months ended September 20, 2024: 28,093,898 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* 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. (3) Explanation of Consolidated Financial Results Forecasts and Other Forward-looking Statements” on page 4.

- Supplementary briefing materials for the financial results will be posted on the Company’s website today.

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

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1. Overview of Business Results, etc.

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

During the three months ended September 20, 2025, the Japanese economy experienced a continued growth in domestic demand against the backdrop of improved employment and wage situations and an increase in inbound demand, in addition to the continuous moderate recovery trend mainly among export-related companies on the back of a weak yen. However, the outlook remained uncertain due to the ongoing upward trend in consumer prices led by soaring raw materials and labor costs.

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 will carry 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 three months ended September 20, 2025, net sales amounted to ¥8,251.47 million (down 6.1% year on year). In terms of profit, although losses narrowed due to an improvement in gross profit margin (up 2.0 percentage points year on year) and decline in selling, general and administrative expenses, operating loss amounted to ¥213.78 million (loss of ¥252.75 million in the same period of the previous fiscal year), and ordinary loss was ¥135.26 million (loss of ¥75.03 million in the same period of the previous fiscal year) as a result of an increase in non-operating expenses due to the posting of foreign exchange losses and other factors. In addition, loss attributable to owners of parent was ¥298.94 million (loss of ¥218.07 million in the same period of the previous fiscal year), as a result of corporate income taxes recorded by overseas manufacturing subsidiaries for prior fiscal years and other factors.

A. Stationery and office supplies business

Sales of TEPRA and other electric products declined, which, along with a fall in sales of disaster preparedness products after a spike in demand in the same period of the previous fiscal year due to extraordinary factors, resulted in net sales of ¥4,922.83 million (down 5.0% year on year). In terms of profit, the decline in net sales and an increase in selling, general and administrative expenses resulted in an operating loss of ¥338.17 million (loss of ¥297.30 million in the same period of the previous fiscal year).

The main details for each domain are as follows.

In “TEPRA,” we launched TEPRA PRO SR-R5600P, a new model designed exclusively for PCs and smartphones that offers an enhanced convenience for use in offices and manufacturing sites. It was developed based on TEPRA PRO SR5500P, a long-standing product that has remained popular for over a decade since its launch, as a renewed model that is easier to use and caters to the needs at sites of use. The product is operable by dry cell batteries and can be used cordless at manufacturing sites, warehouses, and other places where power sources are not readily available. We will work to broaden the use of labels by expanding the lineup of TEPRA series and proactively present new value and capabilities of TEPRA.

In living environment products, in response to the growing risk of earthquakes, torrential rains, and other natural disasters in recent years, we released “KOKOBO,” a new disaster preparedness brand that proposes a “disaster preparation that’s nothing special” but a part of daily life as a “first step” in disaster preparation. The Company commenced the sales of disaster preparedness products in 2008 and has since been seeing steady growth in the category, which registered an approximately 600% growth in sales between fiscal years 2020 and 2025. In September 2025, we exhibited at 23rd OFFICE DISASTER PREVENTION EXPO AUTUMN, where we displayed the disaster preparedness kit series and some pre-launch items and introduced them to the visitors. We will continue expanding the lineup of items that blend into people’s life based on the concept of Phase Free, i.e., items that can be used both in daily life and in times of emergency, through which we aim to propose a “new style of disaster preparedness” from the viewpoint of customers.

In stationery, we achieved a collaboration with the Standard Products brand of Daiso Industries Co., Ltd. for the first time. A total of 13 multifunctional and user-friendly items jointly developed by the two companies including files, magnetic storage cases, and clipboards went on sale at Standard Products stores.

In style stationery, we released the second wave lineup of KORI JIRUSHI, a clear stamp made entirely of transparent materials, giving it an ice-like appearance, along with the KORI JIRUSHI Stamp Pad, under the Company's stationery brand HITOTOKI. KORI JIRUSHI is highly praised for its functionality and design and well-received by a large number of users. The first lineup of KORI JIRUSHI was commended with awards such as the GOOD DESIGN AWARD 2024 and the Stationery Shop Award 2025 (Idea Award). In addition, we took part in Kami-Haku (Paper Expo) in Tokyo vol. 11 in September 2025 and sold new and limited-edition products of HITOTOKI brand.

In the EC business, sales at our own direct sales EC site showed growth driven by the acceptance of reservation orders for new products and active addition of products specially prepared for the EC site. Meanwhile, the "Latuna" business experienced a decline in sales of some of the main products due to increasing competition with rival products at each mall. As a result, sales for the EC business as a whole fell slightly below those of the previous year. We will continue working to increase sales by expanding products that are exclusively available at our direct sales sites and actively adding new merchandize for the Latuna brand.

In the overseas business, sales for the business as a whole rose significantly. In China, sales have been strong for the Chinese original stationery brand KELITA series that mainly targets working women in their 20s to 40s, and a stationery brand HITOTOKI. "BAOMe," a series of miscellaneous goods that incorporate the trends in China, and "& TENNIS," a stationery series, are increasingly attracting attention for their design-oriented products. In Vietnam, with the progress in cultivating B-to-B distribution channels, sales of TEPPA 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 have grown steadily on "pomera" DM250US, the localized model of a digital typewriter "pomera" that has been widely used in Japan.

B. Lifestyle products business

Net sales for the lifestyle products business were ¥3,328.63 million (down 7.6% year on year) owing to the weak performance of BON FURNITURE CO., LTD. and Life on Products, Inc., despite the strong sales of LADONNA CO., LTD. In terms of profit, operating profit amounted to ¥120.25 million (up 188.9% year on year), on account of an improvement in cost of sales ratio and a decline in selling, general and administrative expenses.

The main details for each subsidiary company are as follows.

At BON FURNITURE CO., LTD., sales declined owing to the impact of selling price increases to secure profitability, as well as increased competition with rivals, despite the strong sales of PUTUPUTU, a series of Korean style furniture targeting the youth demographic. Profit declined due to lower sales, despite an improvement in gross profit margin resulting from price increases and the cost reductions achieved through optimization of sales promotion and advertising. Going forward, we will work to turn around sales and profit by reviewing pricing and optimizing advertising management using funds made available by lowering purchasing costs.

At Life on Products, Inc., sales declined due to a delay in the delivery of winter goods, despite the strong sales of summer products. Profit rose due to an improvement in gross profit margin owing to foreign exchange factors, as well as the curbing of selling, general and administrative expenses. Products for preventing heat stroke through direct contact with the body, such as Handy Fans equipped with Peltier plate and "Ice Slurry Maker" for preparing sherbet-style drinks, drew much attention and contributed to sales. Going forward, we will accelerate the introduction of winter products to further boost sales.

At LADONNA CO., LTD., sales increased thanks to the contribution of its mainstay kitchen goods category, including the strong sales of microwave cooking appliances, and robust sales of Handy Fans and other summer products on the back of extreme heat. Profit also grew due to an improvement in gross profit margin, curbing of selling, general and administrative expenses. Going forward, we will pour our efforts towards recovery of business performance by working aggressively to introduce new products for the fall/winter season and bolster growth channels, including online sales channels that are showing strength.

ASCA COMPANY, LTD. saw an increase in sales brought on by continued favorable performance of flower materials and foliage plants, which are staple products, in each region, although the sales of interior decoration material "Green Foam" dropped in comparison to the large sales in the previous year. Profit decreased due to a planned increase in selling, general and administrative expenses aimed at sales expansion, despite an improvement in gross profit margin due to foreign exchange factors. Going forward, we will add more to sales with the second wave of &DECOR original products, the second wave of premium collection lineup, as well as new products, and make a debut at Japan Home Show & Building Show to make Asca's products

better known and to develop new business opportunities.

WINCESS CORPORATION saw year-on-year increase in sales, but was faced with weakness in electronics industry, its main customer base. Profit increased as a result of an improvement in the cost of sales ratio due to foreign exchange and other factors. Going forward, we aim to continue expanding customer base in existing fields while developing new fields.

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

Total assets as of September 20, 2025 increased by ¥862.15 million from the end of the previous fiscal year to ¥36,375.31 million. This is mainly attributable to increases in merchandise and finished goods and investment securities, despite a decrease in accounts receivable - trade.

Total liabilities increased by ¥884.51 million from the end of the previous fiscal year to ¥12,345.39 million. This is mainly attributable to an increase in short-term borrowings due to working capital needs.

Total net assets decreased by ¥22.36 million from the end of the previous fiscal year to ¥24,029.92 million. This is mainly attributable to a decrease in retained earnings due to the payment of year-end dividends for the 77th fiscal year and the posting of loss attributable to owners of parent, despite an increase in valuation difference on available-for-sale securities.

(3) Explanation of Consolidated Financial Results Forecasts and Other Forward-looking Statements

We have revised the consolidated financial results forecasts for the first half of the fiscal year ending June 20, 2026, announced on July 31, 2025. For details, please refer to the “Notice of Revisions of Financial Results Forecasts” released today.

2.Quarterly Consolidated Financial Statements and Primary Notes

(1)Quarterly Consolidated Balance Sheets

(Thousands of yen)

	As of June 20, 2025	As of September 20, 2025
Assets		
Current assets		
Cash and deposits	6,831,528	6,747,841
Notes receivable - trade	226,669	208,178
Accounts receivable - trade	5,159,478	4,140,375
Merchandise and finished goods	9,700,866	10,804,902
Work in process	301,213	340,121
Raw materials and supplies	1,190,668	1,323,877
Other	653,503	765,160
Allowance for doubtful accounts	(484)	(835)
Total current assets	24,063,443	24,329,621
Non-current assets		
Property, plant and equipment		
Buildings and structures	6,196,545	6,211,898
Accumulated depreciation	(4,306,709)	(4,350,422)
Buildings and structures, net	1,889,836	1,861,476
Machinery, equipment and vehicles	3,517,938	3,574,549
Accumulated depreciation	(3,221,779)	(3,294,394)
Machinery, equipment and vehicles, net	296,158	280,154
Land	1,570,022	1,570,022
Construction in progress	56,104	90,261
Other	3,172,541	3,187,509
Accumulated depreciation	(2,873,047)	(2,885,692)
Other, net	299,493	301,816
Total property, plant and equipment	4,111,615	4,103,731
Intangible assets		
Goodwill	739,574	698,487
Other	1,084,655	1,079,441
Total intangible assets	1,824,230	1,777,928
Investments and other assets		
Investment securities	2,977,800	3,600,556
Retirement benefit asset	1,866,257	1,898,529
Deferred tax assets	183,265	187,225
Other	487,753	479,555
Allowance for doubtful accounts	(1,199)	(1,831)
Total investments and other assets	5,513,877	6,164,035
Total non-current assets	11,449,723	12,045,696
Total assets	35,513,167	36,375,317

(Thousands of yen)

	As of June 20, 2025	As of September 20, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,140,419	1,376,193
Short-term borrowings	4,540,000	5,270,000
Current portion of long-term borrowings	437,806	599,233
Income taxes payable	254,476	89,389
Accounts payable - other	759,464	723,082
Contract liabilities	31,342	24,356
Provision for bonuses for directors (and other officers)	6,222	1,000
Provision for shareholder benefit program	37,532	37,532
Other	1,003,193	1,035,100
Total current liabilities	8,210,456	9,155,888
Non-current liabilities		
Long-term borrowings	1,300,482	1,083,889
Deferred tax liabilities	948,343	1,081,124
Retirement benefit liability	515,723	531,528
Asset retirement obligations	41,353	41,983
Other	444,518	450,982
Total non-current liabilities	3,250,422	3,189,507
Total liabilities	11,460,879	12,345,396
Net assets		
Shareholders' equity		
Share capital	1,978,690	1,978,690
Capital surplus	1,717,975	1,717,975
Retained earnings	21,593,605	21,097,779
Treasury shares	(2,947,298)	(2,947,298)
Total shareholders' equity	22,342,973	21,847,147
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,085,534	1,511,881
Deferred gains or losses on hedges	921	(1,370)
Foreign currency translation adjustment	420,742	483,678
Remeasurements of defined benefit plans	115,027	101,495
Total accumulated other comprehensive income	1,622,226	2,095,685
Share acquisition rights	87,088	87,088
Total net assets	24,052,288	24,029,921
Total liabilities and net assets	35,513,167	36,375,317

(2)Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statement of Income(For the three months)

(Thousands of yen)

	For the three months ended September 20, 2024	For the three months ended September 20, 2025
Net sales	8,785,176	8,251,473
Cost of sales	5,537,849	5,035,836
Gross profit	3,247,326	3,215,636
Selling, general and administrative expenses	3,500,086	3,429,424
Operating loss	(252,759)	(213,787)
Non-operating income		
Interest income	6,257	3,175
Dividend income	54,754	68,798
Foreign exchange gains	84,321	-
Rental income	37,094	37,254
Other	19,783	27,031
Total non-operating income	202,210	136,259
Non-operating expenses		
Interest expenses	11,930	18,455
Foreign exchange losses	-	26,084
Rental costs	11,748	12,607
Other	804	593
Total non-operating expenses	24,483	57,741
Ordinary loss	(75,032)	(135,269)
Extraordinary losses		
Loss on sale of non-current assets	-	139
Loss on retirement of non-current assets	103	90
Extra retirement payments	-	20,102
Total extraordinary losses	103	20,332
Loss before income taxes	(75,135)	(155,602)
Income taxes - current	89,089	98,641
Income taxes - deferred	53,854	(60,958)
Income taxes for prior periods	-	105,657
Total income taxes	142,943	143,340
Loss	(218,078)	(298,942)
Loss attributable to owners of parent	(218,078)	(298,942)

Quarterly Consolidated Statement of Comprehensive Income (For the three months)

(Thousands of yen)

	For the three months ended September 20, 2024	For the three months ended September 20, 2025
Loss	(218,078)	(298,942)
Other comprehensive income		
Valuation difference on available-for-sale securities	(21,408)	426,347
Deferred gains or losses on hedges	(16,354)	(2,292)
Foreign currency translation adjustment	(117,328)	62,936
Remeasurements of defined benefit plans, net of tax	(15,865)	(13,532)
Total other comprehensive income	(170,956)	473,459
Comprehensive income	(389,035)	174,516
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(389,035)	174,516

(3) Notes to the Quarterly Consolidated Financial Statements

(Notes on going concern assumption)

There is no relevant information.

(Notes in case of significant changes in shareholders' equity)

There is no relevant information.

(Notes on segment information, etc.)

Segment information

1. For the three months ended September 20, 2024 (June 21, 2024 to September 20, 2024)

Information on net sales and profit (loss) by reportable segment

(Thousands of yen)

	Reportable segment			Adjustment (Note 1)	Amount recorded in the quarterly consolidated statements of income (Note 2)
	Stationery and office supplies	Lifestyle products	Total		
Sales					
Sales to outside customers	5,183,236	3,601,940	8,785,176	—	8,785,176
Inter-segment net sales or transfers	23,281	60,857	84,138	(84,138)	—
Total	5,206,517	3,662,797	8,869,315	(84,138)	8,785,176
Segment profit (loss)	(297,306)	41,631	(255,674)	2,915	(252,759)

(Notes) 1. Adjustment of segment profit (loss) of ¥2,915 thousand is an adjustment, etc., associated with elimination of inter-segment transactions.

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

2. For the three months ended September 20, 2025 (June 21, 2025 to September 20, 2025)

Information on net sales and profit (loss) by reportable segment

(Thousands of yen)

	Reportable segment			Adjustment (Note 1)	Amount recorded in the quarterly consolidated statements of income (Note 2)
	Stationery and office supplies	Lifestyle products	Total		
Sales					
Sales to outside customers	4,922,836	3,328,637	8,251,473	—	8,251,473
Inter-segment net sales or transfers	63,093	24,424	87,518	(87,518)	—
Total	4,985,930	3,353,061	8,338,991	(87,518)	8,251,473
Segment profit (loss)	(338,173)	120,255	(217,918)	4,130	(213,787)

(Notes) 1. Adjustment of segment profit (loss) of ¥4,130 thousand is an adjustment, etc., associated with elimination of inter-segment transactions.

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

(Notes on statements of cash flows)

Quarterly consolidated statements of cash flows have not been prepared for the three months ended September 20, 2025. Depreciation (including amortization related to intangible assets excluding goodwill) and amortization of goodwill for the three months ended September 20 are as follows.

(Thousands of yen)

	For the three months ended September 20, 2024	For the three months ended September 20, 2025
Depreciation	151,075	151,345
Amortization of goodwill	50,014	41,087