

**Financial Results for the Nine Months Ended December 31, 2024**  
**[JGAAP]**  
**(Consolidated)**



February 14, 2025

Company name: KPP GROUP HOLDINGS CO., LTD.  
Stock exchange listing: Tokyo Stock Exchange  
Code number: 9274  
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Scheduled date of commencing dividend payments: -  
Preparation of supplementary explanatory materials for financial results: No  
Schedule of financial results briefing session: No

(Amounts of less than one million yen are rounded down.)

**1. Consolidated Financial Results for the Nine Months Ended December 31, 2024 (April 1, 2024 to December 31, 2024)**

(1) Consolidated Operating Results (Percentages represent year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended December 31, 2024	500,823	3.7	8,754	(11.0)	5,947	(22.8)	4,951	(14.7)
Nine months ended December 31, 2023	483,181	(2.0)	9,832	(43.1)	7,700	(52.2)	5,806	(55.6)

(Note) Comprehensive income: Nine months ended December 31, 2024 4,626 million yen (-60.5%)  
Nine months ended December 31, 2023 11,725 million yen (-21.4%)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2024	72.60	-
Nine months ended December 31, 2023	81.07	-

**(2) Consolidated Financial Position**

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of December 31, 2024	364,147	83,077	22.8
As of March 31, 2024	344,562	81,900	23.7

(Reference) Equity: As of December 31, 2024: 82,983 million yen  
As of March 31, 2024: 81,811 million yen

## 2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	-	11.00	-	11.00	22.00
Fiscal year ending March 31, 2025	-	16.00	-		
Fiscal year ending March 31, 2025 (forecast)				18.00	34.00

(Note) Revision to the forecast for dividends announced most recently: Yes

(Note) Breakdown of interim dividend for the fiscal year ending March 31, 2025: Ordinary dividend: 11.00 yen; Commemorative dividend: 5.00 yen

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)

(Percentages represent year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	Yen
Full year	670,000	4.0	13,000	(17.8)	9,300	(25.5)	7,700	(27.5)
								113.76

(Note) Revision to the earnings forecast announced most recently: Yes

### \*Notes:

(1) Significant changes in the scope of consolidation during the period: Yes

Newly included: 6 companies (Tecnoprímaf S.r.l.; 100 METROS - SOLUCOES DE EMBALAGEM, UNIPESSOAL, LDA; Signet Pty Ltd.; SIA PAKELLA; UAB PAKELLA; PAKELLA OU)

Excluded: -

(Note) For details, please see “(3) Notes to Quarterly Consolidated Financial Statements (Changes in Scope of Consolidation or Scope of Application of Equity Method)” in “2. Quarterly Consolidated Financial Statements and Key Notes” of the attachments.

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: Yes

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

1) Changes in accounting policies due to the revision of accounting standards: Yes

2) Changes in accounting policies other than 1) above: Yes

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(4) Total number of issued and outstanding shares (common shares)

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

As of December 31, 2024 73,244,408 shares

As of March 31, 2024 73,244,408 shares

2) Total number of treasury shares at the end of the period:

As of December 31, 2024 6,732,298 shares

As of March 31, 2024 4,432,455 shares

3) Average number of shares during the period:

Nine months ended December 31, 2024 68,200,393 shares

Nine months ended December 31, 2023 71,624,960 shares

- \* Review of the accompanying quarterly consolidated financial statements by a certified public accountant or an auditing firm: None
- \* Explanation of the proper use of financial results forecast and other notes

(Cautionary notes regarding forward-looking statements)

The results forecast and other forward-looking statements contained in this document are based on the information currently available to the Company and certain assumptions deemed to be reasonable, and are not intended as a guarantee that the Company will achieve them. Actual results may differ significantly due to various factors. For assumptions for the results forecast and points to consider in utilizing them, please see “(3) Explanation of consolidated financial results forecast and other forward-looking information” in “1. Overview of Operating Results, Etc.” of the attachments.

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## 1. Overview of Operating Results, Etc.

### (1) Overview of Operating Results for the Nine Months Ended December 31, 2024

#### (a) Status of Operating Results

Net sales for the nine months ended December 31, 2024, were 500,823 million yen (up 3.7% year on year). Operating profit was 8,754 million yen (down 11.0% year on year), ordinary profit came to 5,947 million yen (down 22.8% year on year), and profit attributable to owners of parent was 4,951 million yen (down 14.7% year on year).

Results for the nine months ended December 31, 2024 by segment are as follows.

Since the end of the previous fiscal year, the names of reportable segments have been changed. The year-on-year comparison and analysis is based on the new names. Details are provided in “(3) Notes to Quarterly Consolidated Financial Statements (Notes to Segment Information, Etc.)” in “2. Quarterly Consolidated Financial Statements and Key Notes.”

#### (b) Overview by Segment

Results for the nine months ended December 31, 2024 by business are as follows.

##### <Northeast Asia>

In the domestic paper segment, the sales volume was below the previous year's level due to a decline in demand for graphic paper, resulting in a decline in sales and profits. In the paperboard segment, demand for containerboard for beverages remained steady, and sales volume, net sales, and profits exceeded the previous year's level. The high-end paperboard sales remained strong, supported by demand for trading card games. As for boxboards, the expected inbound demand from foreign visitors to Japan lacked momentum, and both sales volume and net sales were below the previous year's level. Profits, however, were higher than in the previous year as market conditions were maintained.

In the paper raw materials segment, sales volume was unchanged from the previous year. Both net sales and profits were higher than the previous year due to stable market prices. On the other hand, sales of commercial pulp recorded a loss due to a significant market decline and the impact of foreign exchange rates.

For business in China, while sales volume exceeded the previous year's results amid lagging demand for paper and paperboard with an economic slowdown, net sales fell short of the previous year due to a weakened market.

As a result, net sales for the nine months ended December 31, 2024 were 229,980 million yen (down 0.7% year on year), and operating profit came to 2,094 million yen (down 15.0% year on year).

##### <Europe/Americas>

The European economy remained sluggish in the major countries of Germany, the UK, and Eastern European countries, with the paper and paperboard markets also being affected. In the paper business, low-priced campaigns from some competitors lead to a decline in market conditions, resulting in lower net sales and profits than the previous year. In the packaging business, net sales fell short due particularly to the impact of the weak German economy. However, three newly acquired companies pushed up overall performance, resulting in an increase in profit from the previous fiscal year.

The visual communication business continued to be strong, and both net sales and profits were higher than the previous year.

As a result, net sales for the nine months ended December 31, 2024 were 221,340 million yen (up 4.4% year on year), and operating profit came to 4,712 million yen (down 21.1% year on year).

##### <Asia Pacific>

In the paper business, both net sales and profits were lower than the previous year as the paperboard market in the Oceania region was sluggish despite the strong office segment. In the packaging business, both net

sales and profits were significantly higher than the previous year due to the strong performance of Signet Pty Ltd., which was acquired in April. In the visual communication business, net sales were higher than the previous year, thanks to the hardware and media sales that continued from the second quarter.

In the trading business, both net sales and profits were higher than the previous year as performance recovered.

As a result, net sales for the nine months ended December 31, 2024 were 48,374 million yen (up 25.3% year on year), and operating profit came to 2,088 million yen (up 35.8% year on year).

#### <Real Estate Leasing>

In this segment, rent revenue decreased slightly due to revisions such as rents, while profit increased from lower repair expenses and other costs.

As a result, net sales for the nine months ended December 31, 2024 were 1,127 million yen (down 1.0% year on year), and operating profit came to 454 million yen (up 4.4% year on year).

### (2) Overview of Financial Position for the Nine Months Ended December 31, 2024

Total assets at the end of the third quarter ended December 31, 2024 were 364,147 million yen, up 19,585 million yen from the end of the previous fiscal year. This was due mainly to an increase in trade receivables and inventories.

Liabilities were 281,070 million yen, up 18,408 million yen from the end of the previous fiscal year. This was due mainly to an increase in trade payables and short-term borrowings.

Net assets came to 83,077 million yen, up 1,176 million yen from the end of the previous fiscal year. This was due mainly to recording of profit attributable to owners of parent and foreign currency translation adjustment. As a result, the equity ratio was 22.8%, down 0.9 points from the end of the previous fiscal year.

### (3) Explanation of consolidated financial results forecast and other forward-looking information

Considering our recent business performance, we have revised the consolidated financial results forecast for the fiscal year ending March 31, 2025, announced on May 14, 2024. For details, please see “Notice on Revision to the Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025” announced today (February 14, 2025).

## 2. Quarterly Consolidated Financial Statements and Key Notes

### (1) Quarterly Consolidated Balance Sheets

	(Million yen)	
	Previous Fiscal Year (March 31, 2024)	Third Quarter of Current Fiscal Year (December 31, 2024)
<b>Assets</b>		
Current assets		
Cash and deposits	26,286	15,551
Notes and accounts receivable - trade	112,572	121,662
Electronically recorded monetary claims - operating	28,869	30,406
Merchandise and finished goods	66,126	74,501
Other	14,653	14,061
Allowance for doubtful accounts	(5,819)	(5,842)
Total current assets	242,689	250,342
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,942	7,737
Land	9,072	8,982
Other, net	24,678	28,786
Total property, plant and equipment	41,692	45,506
Intangible assets		
Goodwill	6,958	14,179
Customer-related assets	3,746	3,429
Other	7,964	9,581
Total intangible assets	18,670	27,190
Investments and other assets		
Investment securities	23,139	20,518
Retirement benefit asset	10,461	12,300
Other	15,831	16,079
Allowance for doubtful accounts	(7,922)	(7,789)
Total investments and other assets	41,510	41,109
Total non-current assets	101,872	113,805
Total assets	344,562	364,147

(Million yen)

	Previous Fiscal Year (March 31, 2024)	Third Quarter of Current Fiscal Year (December 31, 2024)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	95,368	105,192
Electronically recorded obligations - operating	5,284	5,156
Short-term borrowings	38,862	46,462
Commercial papers	12,000	15,000
Income taxes payable	3,822	2,014
Provision for bonuses	4,275	2,992
Provisions	1,278	759
Other	37,343	38,729
Total current liabilities	198,235	216,306
Non-current liabilities		
Bonds payable	20,000	20,000
Long-term borrowings	15,167	13,059
Retirement benefit liability	2,300	2,390
Provisions	1,386	1,424
Other	25,571	27,889
Total non-current liabilities	64,426	64,764
Total liabilities	262,662	281,070
<b>Net assets</b>		
Shareholders' equity		
Capital stock	4,723	4,723
Capital surplus	7,292	7,292
Retained earnings	61,631	64,698
Treasury shares	(2,799)	(4,365)
Total shareholders' equity	70,848	72,349
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,902	6,471
Deferred gains or losses on hedges	(98)	(123)
Foreign currency translation adjustment	6,638	7,545
Remeasurements of defined benefit plans	(3,478)	(3,259)
Total accumulated other comprehensive income	10,963	10,633
Non-controlling interests	88	93
Total net assets	81,900	83,077
Total liabilities and net assets	344,562	364,147



(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

Nine Months Ended December 31, 2024

(Million yen)

	Nine Months of the Previous Fiscal Year (From April 1, 2023 to December 31, 2023)	Nine Months of the Current Fiscal Year (From April 1, 2024 to December 31, 2024)
Net sales	483,181	500,823
Cost of sales	395,931	405,475
Gross profit	87,250	95,348
Selling, general and administrative expenses	77,417	86,593
Operating profit	9,832	8,754
Non-operating income		
Interest income	110	221
Dividend income	425	448
Share of profit of entities accounted for using equity method	21	100
Gain on valuation of derivatives	458	-
Reversal of allowance for doubtful accounts	206	327
Other	440	240
Total non-operating income	1,663	1,337
Non-operating expenses		
Interest expenses	1,502	1,932
Loss on sale of trade receivables	959	1,257
Foreign exchange losses	684	216
Other	649	737
Total non-operating expenses	3,796	4,144
Ordinary profit	7,700	5,947
Extraordinary income		
Gain on sale of non-current assets	21	185
Gain on sale of investment securities	328	1,391
Other	0	0
Total extraordinary income	350	1,578
Extraordinary losses		
Loss on retirement of non-current assets	3	43
Loss on sale of non-current assets	3	7
Loss on sale of investment securities	0	-
Other	0	0
Total extraordinary losses	7	51
Profit before income taxes	8,044	7,474
Income taxes	2,232	2,517
Profit	5,812	4,956
Profit attributable to non-controlling interests	5	5
Profit attributable to owners of parent	5,806	4,951

Quarterly Consolidated Statements of Comprehensive Income  
Nine Months Ended December 31, 2024

(Million yen)

	Nine Months of the Previous Fiscal Year (From April 1, 2023 to December 31, 2023)	Nine Months of the Current Fiscal Year (From April 1, 2024 to December 31, 2024)
Profit	5,812	4,956
Other comprehensive income		
Valuation difference on available-for-sale securities	2,636	(1,430)
Deferred gains or losses on hedges	(10)	(25)
Foreign currency translation adjustment	5,545	882
Remeasurements of defined benefit plans, net of tax	(2,321)	219
Share of other comprehensive income of entities accounted for using equity method	63	24
Total other comprehensive income	5,912	(329)
Comprehensive income	11,725	4,626
Comprehensive income attributable to		
Owners of parent	11,719	4,621
Non-controlling interests	5	5

### (3) Notes to Quarterly Consolidated Financial Statements

#### (Notes on Going Concern Assumption)

Not applicable.

#### (Notes on Significant Changes in the Amount of Shareholders' Equity)

The Company repurchased 2,451,000 shares of its common stock based on the resolution at the Board of Directors meeting held on August 8, 2024. Due mainly to this, treasury shares at the end of the nine months ended December 31, 2024, amounted to 4,365 million yen, up 1,566 million yen during the period.

#### (Changes in Scope of Consolidation or Scope of Application of Equity Method)

##### (Significant Changes in Scope of Consolidation)

Tecnoprímaf S.r.l. (former Tpf Srl) has been included in the scope of consolidation from the first quarter since all of its shares were acquired by Antalis S.A.S. 100 METROS - SOLUÇÕES DE EMBALAGEM, UNIPESSOAL, LDA has been included in the scope of consolidation from the first quarter since all of its shares were acquired by ANTALIS PORTUGAL, S.A., an operating company of Antalis S.A.S. SIA PAKELLA and its subsidiaries, UAB PAKELLA and PAKELLA OU, have been included in the scope of consolidation from the second quarter since all of the shares of SIA PAKELLA were acquired by AS Antalis, an operating company of Antalis S.A.S. Signet Pty Ltd. has been included in the scope of consolidation from the second quarter since all of its shares were acquired by DAIEI AUSTRALASIA PTY LTD., an operating company of Spicers Limited.

#### (Changes in Accounting Policies)

##### (Adoption of Accounting Standard for Current Income Taxes, etc.)

The Company has adopted the Accounting Standard for Current Income Taxes (ASBJ Statement No. 27, October 28, 2022, hereinafter referred to as the "Revised Accounting Standard of 2022") and relevant ASBJ regulations effective as of the beginning of the first quarter. Revisions related to the accounting classification of income taxes (taxation on other comprehensive income) are in accordance with the transitional treatment set forth in the proviso to paragraph 20-3 of the Revised Accounting Standard of 2022 and the transitional treatment set forth 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). This change has no effect on the quarterly consolidated financial statements.

##### (Adoption of Accounting for and Disclosure of Current Taxes Related to the Global Minimum Tax Rules)

The Company has adopted the Accounting for and Disclosure of Current Taxes Related to the Global Minimum Tax Rules (ASBJ Practical Solution No. 46, March 22, 2024) effective as of the beginning of the first quarter. Due to the adoption of paragraph 7 of Practical Solution No. 46, the consolidated financial statements for the third quarter ended December 31, 2024, do not include income taxes related to the global minimum tax rules.

#### (Changes in Tax Expense Calculation Method)

Effective from the first quarter, the Company and some of its consolidated subsidiaries have changed the calculation method for tax expenses, which were previously calculated using the principle method, as described in "(Adoption of Accounting Treatment Specific to the Preparation of Quarterly Consolidated Financial Statements)" for the purpose of prompt and efficient quarterly financial reporting. Since the impact of this change is minimal, it has not been retrospectively applied.

#### (Adoption of Accounting Treatment Specific to the Preparation of Quarterly Consolidated Financial Statements)

##### (Calculation of Tax Expenses)

Tax expenses are calculated by reasonably estimating the effective tax rate after applying tax effect accounting to profit before income taxes for the fiscal year that includes the third quarter ended December 31, 2024, and multiplying profit before income taxes by the estimated effective tax rate. However, if the calculation of tax expenses using the estimated effective tax rate is extremely unreasonable, the calculation is made using the statutory effective tax rate.

Deferred income taxes are included in income taxes.

(Notes to Segment Information, Etc.)

[Segment Information]

I Nine months ended December 31, 2023 (from April 1, 2023 to December 31, 2023)

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

(Million yen)

	Reportable segment					Adjustment (Note 1)	Amount recorded in Quarterly Consolidated Statements of Income (Note 2)
	Northeast Asia	Europe/Ameri cas	Asia Pacific	Real Estate Leasing	Total		
Net sales							
Net sales to external customers	231,515	211,911	38,615	1,139	483,181	-	483,181
Intersegment net sales or transfers	1,423	-	32	327	1,783	(1,783)	-
Total	232,938	211,911	38,648	1,467	484,965	(1,783)	483,181
Segment profit	2,464	5,975	1,537	435	10,413	(580)	9,832

- (Notes) 1. The adjustment to segment profit of (580) million yen consists of intersegment eliminations of 653 million yen and corporate expenses of (1,233) million yen. Corporate expenses are mainly general and administrative expenses at administrative divisions of the head office that are not attributable to any reportable segment.
2. Segment profit is adjusted with operating profit in the Quarterly Consolidated Statements of Income.

2. Information on impairment loss on non-current assets and goodwill by reportable segment

Not applicable.

II Nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024)

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

(Million yen)

	Reportable segment					Adjustment (Note 1)	Amount recorded in Quarterly Consolidated Statements of Income (Note 2)
	Northeast Asia	Europe/Ameri cas	Asia Pacific	Real Estate Leasing	Total		
Net sales							
Net sales to external customers	229,980	221,340	48,374	1,127	500,823	-	500,823
Intersegment net sales or transfers	1,793	18	78	353	2,245	(2,245)	-
Total	231,774	221,358	48,453	1,481	503,068	(2,245)	500,823
Segment profit	2,094	4,712	2,088	454	9,349	(594)	8,754

- (Notes) 1. The adjustment to segment profit of (594) million yen consists of intersegment eliminations of 583 million yen and corporate expenses of (1,178) million yen. Corporate expenses are mainly general and

administrative expenses at administrative divisions of the head office that are not attributable to any reportable segment.

2. Segment profit is adjusted with operating profit in the Quarterly Consolidated Statements of Income.

2. Information on impairment loss on non-current assets and goodwill by reportable segment  
Not applicable.

3. Matters regarding changes, etc. in reportable segments

(Renaming of Reporting Segments)

In the previous fiscal year, “Europe/South America” was renamed “Europe/Americas” in line with the expansion of the business management area from South America to North America. This change is only a name change for the reportable business segment and has no impact on segment information. Segment information for the third quarter of the previous fiscal year is also presented under the new name.

(Notes to Cash Flow Statement)

The Company has not prepared a quarterly consolidated cash flow statement for the third quarter ended December 31, 2024. Depreciation (including amortization of intangible assets excluding goodwill) and amortization of goodwill for the third quarter of the fiscal year are as follows.

	Nine Months of the Previous Fiscal Year (From April 1, 2023 to December 31, 2023)	Nine Months of the Current Fiscal Year (From April 1, 2024 to December 31, 2024)
Depreciation	6,541 million yen	8,229 million yen
Amortization of goodwill	892	1,143