Financial Results for the Three Months Ended June 30, 2026
[J-GAAP]
(Consolidated)

August 7, 2026

Company name: KPP GROUP HOLDINGS CO., LTD.
Stock exchange listing: Tokyo Stock Exchange
Code number: 9274
URL: https://www.kpp-gr.com/
Representative: Yasuyuki Sakata, Representative Director of the Board, President & CEO
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Scheduled date of commencing dividend payments: -
Preparation of supplementary explanatory materials for financial results: Yes
Schedule of financial results briefing session: No

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

1. Consolidated Financial Results for the Three Months Ended June 30, 2026 (April 1, 2026 to June 30, 2026)

(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	%
Three months ended June 30, 2026	170,705	7.1	1,591	(6.8)	1,568	65.2	1,012	(21.5)
Three months ended June 30, 2025	159,324	(1.9)	1,707	(42.8)	949	(57.8)	1,289	(21.8)

(Note) Comprehensive income: Three months ended June 30, 2026: 1,762 million yen (-%)
Three months ended June 30, 2025: (1,313) million yen (-%)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2026	16.25	-
Three months ended June 30, 2025	19.58	-

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of June 30, 2026	402,410	90,070	22.4
As of March 31, 2026	374,708	89,454	23.9

(Reference) Equity: As of June 30, 2026: 90,056 million yen
As of March 31, 2026: 89,437 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, 2026	-	18.00	-	18.00	36.00
Fiscal year ending March 31, 2027	-				
Fiscal year ending March 31, 2027 (Forecast)		20.00	-	20.00	40.00

(Note) Revision to the forecast for dividends announced most recently: No

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2027 (April 1, 2026 to March 31, 2027)

(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	710,000	9.2	11,000	9.2	6,500	5.3	5,000	(11.0)	77.82

(Note) Revision to the earnings forecast announced most recently: No

***Notes:**

(1) Significant changes in the scope of consolidation during the quarter: No
Newly included: - (Company Name), Excluded: - (Company Name)

(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: No
2) Changes in accounting policies other than 1) above: No
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 June 30, 2026	67,244,284 shares
As of March 31, 2026	67,244,284 shares

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

As of June 30, 2026	4,906,398 shares
As of March 31, 2026	4,922,351 shares

3) Average number of shares during the period:

Three months ended June 30, 2026	62,325,921 shares
Three months ended June 30, 2025	65,831,791 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 do not constitute 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 Three Months Ended June 30, 2026

(a) Status of Operating Results

During the three months ended June 30, 2026, escalating tensions in the Middle East led to higher crude oil and other prices and supply chain disruptions, weighing on economies across regions. Concerns also grew over additional interest rate hikes and renewed inflationary pressures in various countries, and economic conditions generally lacked momentum, particularly in personal consumption. Amid this environment, the Company raised sales prices for various products in each regional segment and advanced the transformation of its business portfolio, an initiative under the current Medium-Term Business Plan, by increasing the proportion of the visual communications business and packaging business. In addition, the weaker yen compared with the previous fiscal year contributed to increases in net sales and gross profit. On the other hand, operating profit decreased due to an increase in selling, general and administrative (SG&A) expenses, including higher personnel and logistics (fuel) costs. Ordinary profit increased due to an increase in non-operating income, but profit decreased due to the recording of one-time business restructuring expenses as extraordinary losses.

As a result, net sales were 170,705 million yen (up 7.1% year on year), operating profit was 1,591 million yen (down 6.8% year on year), ordinary profit was 1,568 million yen (up 65.2% year on year), and profit attributable to owners of parent was 1,012 million yen (down 21.5% year on year).

(b) Overview by Segment

Results for the three months ended June 30, 2026 by business are as follows.

<Northeast Asia>

In the domestic paper business, demand for graphic paper continued to decline, resulting in lower net sales and gross profit. On the other hand, in the paperboard business, net sales and gross profit increased due to strong demand for packaging in Japan and firm demand for high-quality paperboard for trading cards. In the pulp and waste paper business, sales volume remained weak due to sluggish demand in Japan, resulting in lower net sales and gross profit. In the chemicals business, net sales and gross profit significantly exceeded the previous year, reflecting higher crude oil and naphtha prices amid developments in the Middle East, as well as some demand being brought forward for plastic film used in food packaging and other applications. In China, despite continued weak demand for paper, strong demand for paperboard led to higher net sales and gross profit.

In terms of expenses, SG&A expenses increased mainly due to an increase in personnel costs resulting from a review of the compensation structure in Japan.

As a result, net sales of the Northeast Asia segment were 72,583 million yen (up 0.3% year on year), and operating profit came to 655 million yen (up 1.3% year on year) for the three months ended June 30, 2026.

<Europe/Americas>

In Europe, the visual communications business, which the Group has been strengthening through three M&A transactions since the fiscal year ended March 31, 2026, performed well, resulting in year-on-year increases in net sales and gross profit. In the packaging business, net sales and gross profit increased due to the acquisition of new customers, the rise in product prices reflecting the situation in the Middle East, and the impact of foreign exchange rates. In the paper business, although sales volume decreased year on year, both net sales and gross profit increased year on year due to the impact of foreign exchange rates.

On the other hand, the increase in SG&A expenses due mainly to the increase in logistics expenses against the backdrop of the increase in personnel expenses and the rise in fuel costs exceeded the increase in gross profit. As a result, net sales of the Europe/Americas segment were 80,264 million yen (up 12.7% year on year), and operating profit was 203 million yen (down 61.6% year on year) for the three months ended June 30, 2026.

<Asia Pacific>

In the packaging business, net sales and gross profit increased year on year due to the contribution of ABL Distribution, which joined the Group in the previous fiscal year, and growth in sales of packaging materials for retail use. In the visual communications business, net sales and gross profit increased year on year due to strong media sales and the impact of foreign exchange rates. In the paper business, sales volume, net sales, and gross profit all fell below the previous year's level due to weak demand for commercial printing paper and paperboard in Australia.

As a result, net sales of the Asia Pacific segment were 17,476 million yen (up 13.7% year on year), but operating profit was 496 million yen (down 3.4% year on year) due to an increase in SG&A expenses such as personnel expenses and logistics expenses for the three months ended June 30, 2026.

<Real Estate Leasing>

Rental revenue increased slightly from the same period of the previous fiscal year due to the contribution of rent revisions at the time of contract renewal for some properties. Profits increased due in part to a review of asset retirement obligations associated with the acquisition of the underlying land.

As a result, net sales of the Real Estate Leasing segment were 382 million yen (up 1.9% year on year), and operating profit came to 415 million yen (up 158.6% year on year) for the three months ended June 30, 2026.

(2) Overview of Financial Position for the Three Months Ended June 30, 2026

Total assets at the end of the first quarter ended June 30, 2026 were 402,410 million yen, up 27,702 million yen from the end of the previous fiscal year. This was due mainly to an increase in trade receivables and land.

Liabilities were 312,340 million yen, up 27,086 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 90,070 million yen, up 615 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 decreased by 1.5 percentage points from the end of the previous fiscal year to 22.4%.

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

The Company's performance tends to be stronger in the second half of the year due to the seasonal nature of customer demand. As a result, profits tend to be disproportionately concentrated in the second half of the year, and business plans for the fiscal year are formulated based on this. There is no change to the full-year consolidated earnings forecast because the Company expects the effects of price revisions to permeate and the companies acquired through M&A transactions to contribute to earnings.

2. Quarterly Consolidated Financial Statements and Key Notes

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	Previous Fiscal Year (March 31, 2026)	First Quarter of Current Fiscal Year (June 30, 2026)
Assets		
Current assets		
Cash and deposits	12,633	12,793
Notes and accounts receivable - trade	109,873	114,792
Electronically recorded monetary claims - operating	24,432	27,940
Merchandise and finished goods	77,230	77,211
Other	17,930	18,376
Allowance for doubtful accounts	(6,064)	(5,382)
Total current assets	236,036	245,732
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,893	7,908
Land	10,754	31,025
Other, net	44,543	43,553
Total property, plant and equipment	63,191	82,486
Intangible assets		
Goodwill	14,917	15,137
Customer-related assets	8,021	8,063
Other	14,216	13,888
Total intangible assets	37,155	37,089
Investments and other assets		
Investment securities	19,293	18,368
Retirement benefit asset	11,664	11,719
Other	15,736	15,457
Allowance for doubtful accounts	(8,369)	(8,443)
Total investments and other assets	38,325	37,102
Total non-current assets	138,672	156,678
Total assets	374,708	402,410

(Million yen)

	Previous Fiscal Year (March 31, 2026)	First Quarter of Current Fiscal Year (June 30, 2026)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	92,036	97,741
Electronically recorded obligations - operating	1,750	1,537
Short-term borrowings	56,443	79,192
Commercial paper	13,000	12,000
Income taxes payable	2,538	2,103
Provision for bonuses	3,202	3,432
Provisions	1,166	1,259
Other	40,007	41,729
Total current liabilities	210,145	238,995
Non-current liabilities		
Bonds payable	20,000	20,000
Long-term borrowings	7,298	7,197
Retirement benefit liability	2,464	2,427
Provisions	1,396	1,406
Other	43,948	42,312
Total non-current liabilities	75,107	73,344
Total liabilities	285,253	312,340
Net assets		
Shareholders’ equity		
Capital stock	4,723	4,723
Capital surplus	3,148	3,148
Retained earnings	70,954	70,810
Treasury shares	(3,575)	(3,565)
Total shareholders’ equity	75,250	75,116
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,331	5,975
Deferred gains or losses on hedges	(26)	(27)
Foreign currency translation adjustment	15,437	16,373
Remeasurements of defined benefit plans	(7,556)	(7,381)
Total accumulated other comprehensive income	14,187	14,939
Non-controlling interests	16	13
Total net assets	89,454	90,070
Total liabilities and net assets	374,708	402,410

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

Three Months Ended June 30

(Million yen)

	Three Months of the Previous Fiscal Year (From April 1, 2025 to June 30, 2025)	Three Months of the Current Fiscal Year (From April 1, 2026 to June 30, 2026)
Net sales	159,324	170,705
Cost of sales	128,412	135,470
Gross profit	30,911	35,235
Selling, general and administrative expenses	29,204	33,643
Operating profit	1,707	1,591
Non-operating income		
Interest income	76	61
Dividend income	213	239
Share of profit of entities accounted for using equity method	40	29
Foreign exchange gains	-	56
Reversal of allowance for doubtful accounts	97	783
Other	115	112
Total non-operating income	543	1,282
Non-operating expenses		
Interest expense	746	808
Loss on sale of trade receivables	219	228
Foreign exchange losses	126	-
Other	209	268
Total non-operating expenses	1,301	1,305
Ordinary profit	949	1,568
Extraordinary income		
Gain on sale of non-current assets	6	12
Gain on sale of investment securities	144	711
Gain on bargain purchase	113	-
Settlement income	800	-
Other	0	-
Total extraordinary income	1,064	724
Extraordinary losses		
Business restructuring expenses	-	429
Loss on retirement of non-current assets	0	5
Loss on sale of non-current assets	3	-
Other	-	0
Total extraordinary losses	3	435
Profit before income taxes	2,011	1,857
Income taxes	718	848
Profit	1,292	1,009
Profit (loss) attributable to non-controlling interests	3	(3)
Profit attributable to owners of parent	1,289	1,012

Quarterly Consolidated Statements of Comprehensive Income

Three Months Ended June 30

(Million yen)

	Three Months of the Previous Fiscal Year (From April 1, 2025 to June 30, 2025)	Three Months of the Current Fiscal Year (From April 1, 2026 to June 30, 2026)
Profit	1,292	1,009
Other comprehensive income		
Valuation difference on available-for-sale securities	347	(356)
Deferred gains or losses on hedges	(11)	(1)
Foreign currency translation adjustment	(3,014)	901
Remeasurements of defined benefit plans, net of tax	120	175
Share of other comprehensive income of entities accounted for using equity method	(48)	33
Total other comprehensive income	(2,606)	752
Comprehensive income	(1,313)	1,762
Comprehensive income attributable to		
Owners of parent	(1,317)	1,765
Non-controlling interests	3	(3)

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not applicable.

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

Not applicable.

(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 first quarter ended June 30, 2026, 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.)

I Three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

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/Americas	Asia Pacific	Real Estate Leasing	Total		
Net sales							
Net sales to external customers	72,368	71,212	15,368	375	159,324	-	159,324
Intersegment net sales or transfers	477	5	16	119	619	(619)	-
Total	72,846	71,218	15,384	494	159,943	(619)	159,324
Segment profit	647	529	514	160	1,851	(144)	1,707

(Note) 1. The adjustment to segment profit of (144) million yen consists of intersegment eliminations of 216 million yen and corporate expenses of (360) 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 reconciled with operating profit in the Quarterly Consolidated Statements of Income.

II Three months ended June 30, 2026 (from April 1, 2026 to June 30, 2026)

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/Americas	Asia Pacific	Real Estate Leasing	Total		
Net sales							
Net sales to external customers	72,583	80,264	17,476	382	170,705	-	170,705
Intersegment net sales or transfers	928	12	34	116	1,091	(1,091)	-
Total	73,511	80,276	17,510	498	171,797	(1,091)	170,705
Segment profit	655	203	496	415	1,771	(179)	1,591

(Note) 1. The adjustment to segment profit of (179) million yen consists of intersegment eliminations of 196 million yen and corporate expenses of (375) 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 reconciled with operating profit in the Quarterly Consolidated Statements of Income.

(Notes to Cash Flow Statement)

The Company has not prepared a quarterly consolidated cash flow statement for the first quarter ended June 30, 2026. Depreciation (including amortization of intangible assets excluding goodwill) and amortization of goodwill for the first quarter of the fiscal year are as follows.

	Three Months of the Previous Fiscal Year (From April 1, 2025 to June 30, 2025)	Three Months of the Current Fiscal Year (From April 1, 2026 to June 30, 2026)
Depreciation	2,939 million yen	3,542 million yen
Amortization of goodwill	346	450

(Significant Subsequent Events)

(Purchase of treasury shares)

At its Board of Directors meeting held on July 21, 2026, the Company resolved to increase the upper limit on the acquisition of its own shares, which had been approved at the Board of Directors meeting held on June 18, 2026, pursuant to Article 156 of the Companies Act, as applied by replacing certain terms pursuant to Article 165, Paragraph 3 of the same Act.

(1) Reason for purchase of treasury shares

The Company intends to acquire treasury shares in order to enhance shareholder returns and improve capital efficiency, as well as to enable the implementation of flexible capital policies in response to changes in the business environment.

(2) Details of resolutions regarding the acquisition of treasury shares at the Board of Directors meetings held on June 18, 2026 and July 21, 2026

a) Type of shares to be acquired	Common stock of the Company
b) Total number of shares to be acquired	Up to 6,000,000 shares
c) Total acquisition cost	Up to 7,200 million yen
d) Acquisition period	From July 1, 2026 to March 31, 2027
e) Method of acquisition	Market purchases on the Tokyo Stock Exchange

(Business combination through share acquisition)

Acquisition of shares of CHUGAI PHOTO & CHEMICAL CO., LTD.

At its Board of Directors meeting held on June 18, 2026, the Company resolved that its consolidated subsidiary, Kokusai Pulp & Paper Co., Ltd. (Chuo-ku, Tokyo), would acquire all shares of CHUGAI PHOTO & CHEMICAL CO., LTD. (Sumida-ku, Tokyo; hereinafter “CHUGAI PHOTO & CHEMICAL”), which sells printing media and related materials and operates a photo-related business as part of the visual communications business. A share transfer agreement was subsequently executed on July 24, 2026.

(1) Overview of business combination

a) Name of the acquired company and details of its business

Name of the acquired company	CHUGAI PHOTO & CHEMICAL CO., LTD.
Details of business	Sale of printing media and related materials and operation of a photo-related business

b) Reason for the business combination

The Company is transforming its business portfolio as part of the business strategy under its Fourth Medium-Term Business Plan, which ends in the fiscal year ending March 31, 2028. CHUGAI PHOTO & CHEMICAL and its subsidiaries sell visual communications-related materials in Japan, including inkjet media, hardware such as printers, and ink. In its photo-related business, in addition to manufacturing photographic chemicals and selling photo products, CHUGAI PHOTO & CHEMICAL holds a 50% stake in ILFORD Imaging Europe GmbH, which owns the trademark rights to “ILFORD,” one of the world’s leading photography brands with a history of nearly 150 years. It sells fine art paper, photographic film and other products under the ILFORD brand in Asia, including Japan, and Europe.

This share acquisition is based on the Company’s strategy of expanding its business domains and is intended to accelerate the full-scale development of the visual communications business in the Northeast Asia segment (Japan). By combining the Group’s customer base and global network with CHUGAI PHOTO & CHEMICAL’s product lineup in the visual communications business, the Group aims to expand business opportunities with untapped customers, enhance profitability through the provision of high value-added products and services, and strengthen global procurement synergies.

The Company has positioned the visual communications business as a new source of earnings in the Northeast Asia segment and will actively expand this business to enhance its corporate value over the medium to long term.

c) Date of business combination

Late August 2026 (scheduled)

d) Legal form of business combination

Acquisition of shares for cash consideration

e) Name of the combined entity

No change.

(f) Percentage of voting rights to be acquired

100%

g) Main rationale for determining the acquirer

The Company’s consolidated subsidiary is to acquire shares in exchange for cash.

(2) Cost for acquisition of the acquired company and type of consideration

Consideration for acquisition: Cash 5,200 million yen

Acquisition cost: 5,200 million yen

(3) Details of contingent consideration and accounting treatment going forward

Under the share transfer agreement, the final acquisition cost will be adjusted if certain conditions arise. If the acquisition cost changes, the amount of goodwill and goodwill amortization expense will be adjusted accordingly.

(4) Amount of goodwill arising, reason for recognition of goodwill, method of amortization, and amortization period

Goodwill has not yet been determined.