

March 28, 2024

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KPP GROUP HOLDINGS CO., LTD

(Securities code: 9274 JPX Prime Market)

(For inquiries)

General Affairs Division

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Regarding the Cease and Desist Order and Surcharge Payment Order issued by the Japan Fair Trade Commission

Kokusai Pulp & Paper CO., LTD. (hereinafter referred to as "KPP"), a consolidated subsidiary of KPP Group Holdings Co., LTD. (hereinafter referred to as "KPPGH"), received an on-site inspection by the Japan Fair Trade Commission (hereinafter referred to as the "JFTC") on April 11, 2023 for alleged violation of the Antimonopoly Act in connection with a bid for the Official Gazette Paper (hereinafter referred to as the "OGP") ordered by the National Printing Bureau. Since then, we have fully cooperated with a series of investigation by the JFTC. On March 14, 2024, the JFTC issued a cease and desist order for KPP and a surcharge payment order for KPPGH respectively, based on the Antimonopoly Act.

We sincerely apologize to our shareholders, business partners, and all other concerned parties for any inconvenience and concern this matter may cause.

1. Outline of the Cease and Desist Order

(1) Ordered to

KPP

(2) Outline of the Order

With regard to bidding for OGP ordered by the National Printing Bureau, KPP was ordered to confirm that such acts of violation are no longer being committed and to take necessary measures, including preventing the recurrence of a similar violation in the future, on the ground of the breach of Article 3 (prohibition of unreasonable restraint of trade) of the Antimonopoly Act.

2. Outline of the Surcharge Payment Order

Ordered to: KPPGH

Amount of surcharge to be paid: 7.84 million yen

Payment due: October 15, 2024

KPPGH and KPP applied with the JFTC to adapt the leniency system. As a result, the surcharge has been reduced by 30%.

3. Future Actions

KPPGH will take this order solemnly and seriously and will strive to restore confidence by further strengthening its compliance system and thoroughly implementing measures to prevent the recurrence of such a situation.

4. Impact on Business Outcome

With regard to the above surcharge, a provision for losses related to the Antimonopoly Act has been recorded for the third quarter of the consolidated fiscal year ending March 31, 2024. The impact of this matter on our business forecast is negligible.