

**Financial Results for the Fiscal Year Ended March 31, 2024**  
**[Japanese GAAP]**  
**(Consolidated)**



May 14, 2024

Company name: KPP GROUP HOLDINGS CO., LTD

Stock exchange listing: Tokyo Stock Exchange

Code number: 9274

URL: <https://www.kpp-gr.com/>

Representative: Madoka Tanabe, Representative Director of the Board Chairman & Chief Executive Officer

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Scheduled date of Ordinary General Meeting of Shareholders: June 27, 2024

Scheduled date of commencing dividend payments: June 28, 2024

Scheduled date of filing the securities report: June 27, 2024

Availability of supplementary explanatory materials on financial results: Yes

Schedule of financial results briefing session: Yes (For institutional investors and analysts)

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

**1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (From April 1, 2023 to March 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	%
Fiscal year ended March 31, 2024	644,435	(2.3)	15,819	(22.5)	12,475	(32.2)	10,613	(32.5)
Fiscal year ended March 31, 2023	659,656	17.1	20,401	117.5	18,404	108.1	15,722	109.7

(Note) Comprehensive income: Fiscal year ended March 31, 2024: ¥17,709million [36.1%]  
Fiscal year ended March 31, 2023: ¥13,012million [(6.4)%]

	Profit per share	Profit per share - diluted	Profit to shareholders' equity	Total assets Ordinary profit margin	Net sales Operating profit margin
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2024	149.24	—	14.2	3.7	2.5
Fiscal year ended March 31, 2023	219.09	—	25.4	5.9	3.1

(Reference) Share of profit/loss of entities accounted for using equity method

Fiscal year ended March 31, 2024: ¥37 million

Fiscal year ended March 31, 2023: ¥48 million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2024	344,562	81,900	23.7	1,188.92
As of March 31, 2023	330,662	67,808	20.5	944.75

(Reference) Equity: As of March 31, 2024: ¥81,811 million  
As of March 31, 2023: ¥67,730 million

### (3) Consolidated Cash Flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended March 31, 2024	19,817	(5,508)	(22,375)	26,244
Fiscal year ended March 31, 2023	10,308	(8,530)	4,205	30,699

### 2. Dividends

	Annual dividends					Total amount of annual dividends	Dividend payout ratio (consoli- dated)	Ratio of dividends to net assets (consoli- dated)
	1st quarter- end	2nd quarter- end	3rd quarter- end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended March 31, 2023	–	9.00	–	11.00	20.00	1,464	9.1	2.3
Fiscal year ended March 31, 2024	–	11.00	–	11.00	22.00	1,578	14.7	2.1
Fiscal year ending March 31, 2025 (Forecast)	–	16.00	–	12.00	28.00		18.1	

(Note) Breakdown of 2nd quarter-end dividends for the year to 31 March 2023 Regular dividend: ¥7.00

Commemorative dividend: ¥2.00

Breakdown of 2nd quarter-end dividends for the year to 31 March 2025(Forecast) Regular dividend: ¥11.00

Commemorative dividend: ¥5.00

### 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025(April 1, 2024 - 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	655,000	1.6	16,500	4.3	13,500	8.2	11,000	3.6	154.67

#### \* Notes:

(1) Changes in significant subsidiaries during the fiscal year

(Changes in specified subsidiaries resulting in changes in scope of consolidation): Yes

Excluded 1 company (Antalis Participations)

\*Antalis Participations was dissolved in an absorption-type merger with Antalis S.A.S., a consolidated subsidiary of the Company, as the surviving company, and is therefore excluded from the scope of consolidation from the second quarter of the current consolidated fiscal year.

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

1) Changes in accounting policies due to the revision of accounting standards: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: Yes

4) Retrospective restatement: None

(3) 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 March 31, 2024:	73,244,408 shares
As of March 31, 2023:	73,244,408 shares

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

As of March 31, 2024:	4,432,455 shares
As of March 31, 2023:	1,552,732 shares

3) Average number of shares during the period:

Fiscal year ended March 31, 2024:	71,117,151 shares
Fiscal year ended March 31, 2023:	71,762,323 shares

**(Reference) Summary of Non-Consolidated Financial Results**

1. Non-Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (From April 1, 2023 to March 31, 2024)

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

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2024	3,348	(97.6)	268	(81.8)	585	(66.1)	1,074	(43.8)
Fiscal year ended March 31, 2023	136,695	(47.0)	1,474	(23.4)	1,728	(46.8)	1,911	7.3

	Profit per share	Profit per share - diluted
	Yen	Yen
Fiscal year ended March 31, 2024	15.11	—
Fiscal year ended March 31, 2023	26.64	—

(note)

In accordance with the transition to a holding company structure, the Company implemented an absorption-type company split on October 1, 2022, whereby the Company's paper pulp and other wholesale business was transferred to the successor company (wholly owned subsidiary), Kokusai Pulp & Paper Trading Company Split Preparation Co.(October 1, 2022 Change of trade name to " Kokusai Pulp & Paper Co., Ltd.).

As a result, there is a difference between the actual results for the previous fiscal year and the actual results for the current fiscal year.

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2024	89,612	46,211	51.6	671.57
As of March 31, 2023	79,388	45,008	56.7	627.81

(Reference) Equity: As of March 31, 2024: ¥46,211 million

As of March 31, 2023: ¥45,008 million

\* These financial results are outside the scope of audits by certified public accountants or auditing firms.

\* 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.

(How to obtain supplementary explanatory materials for financial results)

The Company plans to hold a briefing for institutional investors and analysts on Friday, May 31, 2024. The explanatory materials for financial results distributed at the briefing will be posted on the Company's website as soon as it is held.

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## 2. Consolidated Financial Statements

### (1) Consolidated Balance Sheets

(Million yen)

	Previous fiscal year (March 31, 2023)	Current fiscal year (March 31, 2024)
<b>Assets</b>		
Current assets		
Cash and deposits	30,731	26,286
Notes and accounts receivable - trade	113,384	112,571
Electronically recorded monetary claims - operating	19,489	28,869
Merchandise and finished goods	72,237	66,126
Other	14,655	14,653
Allowance for doubtful accounts	(6,901)	(5,819)
<b>Total current assets</b>	<b>243,596</b>	<b>242,689</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,163	7,942
Machinery, equipment and vehicles, net	1,721	2,203
Tools, furniture and fixtures, net	1,642	2,130
Land	9,189	9,072
Leased assets, net	239	318
Right-of-use assets, net	15,706	19,878
Construction in progress	402	146
<b>Total property, plant and equipment</b>	<b>37,063</b>	<b>41,692</b>
Intangible assets		
Goodwill	5,330	6,958
Software	6,139	7,676
Customer related assets	2,277	3,746
Other	148	288
<b>Total intangible assets</b>	<b>13,896</b>	<b>18,670</b>
Investments and other assets		
Investment securities	17,971	23,139
Long-term loans receivable	16	4
Deferred tax assets	5,378	5,977
Retirement benefit asset	9,554	10,461
Other	13,594	9,850
Allowance for doubtful accounts	(10,411)	(7,922)
<b>Total investments and other assets</b>	<b>36,104</b>	<b>41,510</b>
<b>Total non-current assets</b>	<b>87,065</b>	<b>101,872</b>
<b>Total assets</b>	<b>330,662</b>	<b>344,562</b>

	Previous fiscal year (March 31, 2023)	Current fiscal year (March 31, 2024)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	93,570	95,368
Electronically recorded obligations - operating	3,848	5,284
Short-term borrowings	52,884	38,862
Commercial papers	10,000	12,000
Lease obligations	5,347	6,395
Income taxes payable	4,034	3,822
Provision for bonuses	4,324	4,275
Provision for bonuses for directors (and other officers)	220	140
Provision for point card certificates	21	17
Provision for product warranties	30	30
Provision for loss on business liquidation	1,010	921
Provision for risk costs	362	168
Other	32,291	30,948
Total current liabilities	207,947	198,235
Non-current liabilities		
Corporate bonds	10,000	20,000
Long-term borrowings	21,425	15,167
Lease obligations	12,593	15,838
Deferred tax liabilities	5,346	6,372
Provision for retirement benefits for directors (and other officers)	1	2
Provision for share awards for directors (and other officers)	271	297
Provision for risk costs	432	1,086
Retirement benefit liability	2,111	2,300
Asset retirement obligations	438	441
Other	2,283	2,918
Total non-current liabilities	54,905	64,426
Total liabilities	262,853	262,662
Net assets		
Shareholders' equity		
Capital stock	4,723	4,723
Capital surplus	7,292	7,292
Retained earnings	52,629	61,631
Treasury shares	(788)	(2,799)
Total shareholders' equity	63,857	70,848
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,056	7,902
Deferred gains or losses on hedges	33	(98)
Foreign currency translation adjustment	1,405	6,638
Remeasurements of defined benefit plans	(1,623)	(3,478)
Total accumulated other comprehensive income	3,872	10,963

	Previous fiscal year (March 31, 2023)	Current fiscal year (March 31, 2024)
Non-controlling interests	77	88
Total net assets	67,808	81,900
Total liabilities and net assets	330,662	344,562

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statement of Income

(Million yen)

	Previous fiscal year (From April 1, 2022 to March 31, 2023)	Current fiscal year (From April 1, 2023 to March 31, 2024)
Net sales	659,656	644,435
Cost of sales	539,072	524,436
Gross profit	120,584	119,899
Selling, general and administrative expenses		
Selling expenses	18,104	18,519
Employees' salaries and allowances	34,818	37,782
Provision for bonuses	4,235	4,167
Provision for bonuses for directors (and other officers)	218	138
Retirement benefit expenses	648	726
Provision of allowance for doubtful accounts	1,591	876
Provision for retirement benefits for directors (and other officers)	—	0
Provision for share awards for directors (and other officers)	208	86
Other	40,358	41,781
Total selling, general and administrative expenses	100,182	104,079
Operating profit	20,401	15,819
Non-operating income		
Interest income	53	248
Dividend income	444	470
Share of profit of entities accounted for using equity method	48	37
Foreign exchange gains	—	458
Reversal of allowance for doubtful accounts	1,160	210
Other	622	561
Total non-operating income	2,328	1,987
Non-operating expenses		
Interest expenses	1,634	2,114
Loss on sale of trade receivables	835	1,348
Foreign exchange loss	675	895
Insurance expenses	543	489
Other	637	483
Total non-operating expenses	4,325	5,332
Ordinary profit	18,404	12,475



	Previous fiscal year (From April 1, 2022 to March 31, 2023)	Current fiscal year (From April 1, 2023 to March 31, 2024)
Extraordinary income		
Gain on sale of non-current assets	922	1,429
Gain on sale of investment securities	48	836
Other	—	0
Total extraordinary income	971	2,267
Extraordinary losses		
Loss on sale of fixed assets	14	2
Loss on retirement of non-current assets	31	12
Impairment loss	—	1,009
Reversal of foreign currency translation adjustments	19	8
Loss on valuation of investment securities	—	11
Other	0	0
Total extraordinary losses	66	1,044
Profit before income taxes	19,309	13,697
Income taxes - current	4,568	4,673
Income taxes - deferred	(984)	(1,594)
Total income taxes	3,583	3,078
Profit	15,725	10,619
Profit attributable to non-controlling interests	3	5
Profit attributable to owners of parent	15,722	10,613

## Consolidated Statement of Comprehensive Income

(Million yen)

	Previous fiscal year (From April 1, 2022 to March 31, 2023)	Current fiscal year (From April 1, 2023 to March 31, 2024)
Profit	15,725	10,619
Other comprehensive income		
Valuation difference on available-for-sale securities	575	3,845
Deferred gains or losses on hedges	146	(132)
Foreign currency translation adjustments	2,147	5,192
Remeasurements of defined benefit plans, net of tax	(5,624)	(1,855)
Share of other comprehensive income of entities accounted for using equity method	40	40
Total other comprehensive income	(2,713)	7,090
Comprehensive income	13,012	17,709
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	13,009	17,704
Comprehensive income attributable to non-controlling interests	3	5

## (3) Consolidated Statement of Changes in Equity

Previous fiscal year (From April 1, 2022 to March 31, 2023)

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,723	7,292	38,225	(535)	49,705
Changes during period					
Dividends of surplus			(1,318)		(1,318)
Profit attributable to owners of parent			15,722		15,722
Cancellation of treasury shares				(354)	(354)
Disposal of treasury shares				102	102
Changes in parent interest in transactions with non-controlling shareholders		(0)			(0)
Net changes in items other than shareholders' equity					
Total changes during period	—	(0)	14,403	(252)	14,151
Balance at end of period	4,723	7,292	52,629	(788)	63,857

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans		
Balance at beginning of period	3,480	(112)	(782)	4,000	82	56,374
Changes during period						
Dividends of surplus						(1,318)
Profit attributable to owners of parent						15,722
Cancellation of treasury shares						(354)
Disposal of treasury shares						102
Changes in parent interest in transactions with non-controlling shareholders						(0)
Net changes in items other than shareholders' equity	575	146	2,188	(5,624)	(4)	(2,717)
Total changes during period	575	146	2,188	(5,624)	(4)	11,433
Balance at end of period	4,056	33	1,405	(1,623)	77	67,808

Current fiscal year (From April 1, 2023 to March 31, 2024)

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,723	7,292	52,629	(788)	63,857
Changes during period					
Dividends of surplus			(1,611)		(1,611)
Profit attributable to owners of parent			10,613		10,613
Cancellation of treasury shares				(2,072)	(2,072)
Disposal of treasury shares				61	61
Net changes in items other than shareholders' equity					
Total changes during period	—	—	9,002	(2,011)	6,990
Balance at end of period	4,723	7,292	61,631	(2,799)	70,848

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans		
Balance at beginning of period	4,056	33	1,405	(1,623)	77	67,808
Changes during period						
Dividends of surplus						(1,611)
Profit attributable to owners of parent						10,613
Cancellation of treasury shares						(2,072)
Disposal of treasury shares						61
Net changes in items other than shareholders' equity	3,845	(132)	5,232	(1,855)	10	7,101
Total changes during period	3,845	(132)	5,232	(1,855)	10	14,091
Balance at end of period	7,902	(98)	6,638	(3,478)	88	81,900

## (4) Consolidated Statement of Cash Flows

(Million yen)

	Previous fiscal year (From April 1, 2022 to March 31, 2023)	Current fiscal year (From April 1, 2023 to March 31, 2024)
Cash flows from operating activities		
Profit before income taxes	19,309	13,697
Depreciation	7,706	9,057
Impairment loss	—	1,009
Amortization of goodwill	1,227	1,163
Share of loss (profit) of entities accounted for using equity method	(48)	(37)
Loss (gain) on valuation of investment securities	—	11
Increase (decrease) in retirement benefit liability	(803)	(1,379)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(16)	0
Increase (decrease) in provision for share awards for directors (and other officers)	105	25
Increase (decrease) in provision for bonuses	815	(397)
Increase (decrease) in provision for bonuses for directors (and other officers)	30	(87)
Increase (decrease) in allowance for doubtful accounts	179	(4,747)
Increase (decrease) in provision for point card certificates	(1)	(4)
Interest and dividend income	(497)	(718)
Interest expenses	1,634	2,114
Loss (gain) on sale and retirement of non-current assets	(876)	(1,414)
Loss (gain) on sale of investment securities	(48)	(836)
Reversal of foreign currency translation adjustments	19	8
Decrease (increase) in trade receivables	(769)	559
Decrease (increase) in inventories	(16,374)	13,321
Decrease (increase) in other assets	(603)	1,142
Increase (decrease) in trade payables	(272)	(955)
Increase (decrease) in other liabilities	2,457	(3,720)
Other	100	(1,062)
Subtotal	13,273	26,748
Interest and dividends received	516	738
Interest paid	(1,752)	(2,082)
Income taxes paid	(1,728)	(5,586)
Net cash provided by (used in) operating activities	10,308	19,817
Cash flows from investing activities		
Payments into time deposits	(28)	(437)
Proceeds from withdrawal of time deposits	—	429
Purchase of property, plant and equipment and intangible assets	(5,957)	(4,147)
Proceeds from sale of property, plant and equipment and intangible assets	2,617	1,926
Purchase of investment securities	(112)	(219)
Proceeds from sale of investment securities	103	1,396
Payments for acquisition of businesses	(345)	(1,100)
Loan advances	(44)	0
Proceeds from collection of loans receivable	18	302

	Previous fiscal year (From April 1, 2022 to March 31, 2023)	Current fiscal year (From April 1, 2023 to March 31, 2024)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(4,682)	(3,663)
Other	(99)	5
Net cash provided by (used in) investing activities	(8,530)	(5,508)

(Million yen)

	Previous fiscal year (From April 1, 2022 to March 31, 2023)	Current fiscal year (From April 1, 2023 to March 31, 2024)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	1,475	(6,103)
Net increase (decrease) in commercial papers	(1,000)	2,000
Proceeds from long-term borrowings	2,050	7,614
Repayments of long-term borrowings	(1,565)	(26,687)
Proceeds from issue of bonds	10,000	10,000
Repayments of lease obligations	(5,427)	(5,515)
Purchase of treasury shares	(0)	(2,072)
Dividends paid	(1,326)	(1,611)
Net cash provided by (used in) financing activities	4,205	(22,375)
Effect of exchange rate change on cash and cash equivalents	2,085	3,610
Net increase (decrease) in cash and cash equivalents	8,068	(4,455)
Cash and cash equivalents at beginning of period	22,631	30,699
Cash and cash equivalents at end of period	30,699	26,244