

Financial Results for the Three Months Ended June 30, 2024 [Japanese GAAP] (Consolidated)



August 9, 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 commencing dividend payments: -

Availability of supplementary explanatory materials on quarterly financial results: None

Schedule of quarterly financial results briefing session: None

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

1. Consolidated Financial Results for the Three Months Ended June 30, 2024 (April 1, 2024–June 30, 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	%
Three months ended June 30, 2024	162,452	1.1	2,986	(23.9)	2,248	(32.1)	1,649	(38.0)
June 30, 2023	160,710	3.8	3,922	(26.5)	3,310	(31.3)	2,660	(30.9)

(Note) Comprehensive income: Three months ended June 30, 2024: ¥ 2,038 million [(52.7)%]

Three months ended June 30, 2023: ¥ 4,309 million [(29.9)%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2024	23.97	—
June 30, 2023	37.10	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
Three months ended June 30, 2024	359,570	83,189	23.1
Fiscal year ended March 31, 2024	344,562	81,900	23.7

(Reference) Equity: Three months ended June 30, 2024: ¥ 83,096 million

Fiscal year ended March 31, 2024: ¥ 81,811 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended March 31, 2024	Yen –	Yen 11.00	Yen –	Yen 11.00	Yen 22.00
Fiscal year ended March 31, 2025	–				
Fiscal year ending March 31, 2025 (Forecast)		16.00	–	12.00	28.00

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

(Note) 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

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

* Notes:

(1) Changes in significant subsidiaries during the period

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

Newly included: 2 company

(Tecnoprimaf S.r.l., 100 METRO – SOLUCOES DE EMBALAGEM, UNIPESSOAL, LDA)

(2) Accounting methods adopted particularly for 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: None

4) Retrospective restatement: None

(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):

Three months ended June 30, 2024: 73,244,408 shares

Fiscal year ended March 31, 2024: 73,244,408 shares

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

Three months ended June 30, 2024: 4,386,998 shares

Fiscal year ended March 31, 2024: 4,432,455 shares

3) Average number of shares during the period:

Three months ended June 30, 2024: 68,823,317 shares

Three months ended June 30, 2023: 71,700,721 shares

* These quarterly consolidated financial results are outside the scope of quarterly review by certified public accountants or an audit firm.

* 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.

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1. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	Previous Fiscal Year (March 31, 2024)	First Quarter of Current Fiscal Year (June 30, 2024)
Assets		
Current assets		
Cash and deposits	26,286	24,841
Notes and accounts receivable - trade	112,572	118,594
Electronically recorded monetary claims - operating	28,869	28,394
Merchandise and finished goods	66,126	71,063
Other	14,653	15,805
Allowance for doubtful accounts	(5,819)	(6,053)
Total current assets	242,689	252,645
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,942	7,853
Land	9,072	9,081
Other, net	24,678	25,015
Total property, plant and equipment	41,692	41,950
Intangible assets		
Goodwill	6,958	10,735
Customer related assets	3,746	3,774
Other	7,964	9,131
Total intangible assets	18,670	23,640
Investments and other assets		
Investment securities	23,139	22,181
Retirement benefit asset	10,461	11,257
Other	15,831	16,318
Allowance for doubtful accounts	(7,922)	(8,422)
Total investments and other assets	41,510	41,333
Total non-current assets	101,872	106,925
Total assets	344,562	359,570

(Million yen)

	Previous Fiscal Year (March 31, 2024)	First Quarter of Current Fiscal Year (June 30, 2024)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	95,368	103,457
Electronically recorded obligations - operating	5,284	4,981
Short-term borrowings	38,862	53,119
Commercial papers	12,000	10,000
Income taxes payable	3,822	2,408
Provision for bonuses	4,275	3,992
Provisions	1,278	1,386
Other	37,343	38,539
Total current liabilities	198,235	217,886
Non-current liabilities		
Corporate bonds	20,000	20,000
Long-term borrowings	15,167	8,812
Retirement benefit liability	2,300	2,413
Provisions	1,386	1,431
Other	25,571	25,837
Total non-current liabilities	64,426	58,494
Total liabilities	262,662	276,380
Net assets		
Shareholders' equity		
Share capital	4,723	4,723
Capital surplus	7,292	7,292
Retained earnings	61,631	62,508
Treasury shares	(2,799)	(2,776)
Total shareholders' equity	70,848	71,748
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,902	7,211
Deferred gains or losses on hedges	(98)	(108)
Foreign currency translation adjustment	6,638	7,949
Remeasurements of defined benefit plans	(3,478)	(3,704)
Total accumulated other comprehensive income	10,963	11,348
Non-controlling interests	88	92
Total net assets	81,900	83,189
Total liabilities and net assets	344,562	359,570

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

Three Months Ended June 30

	(Million yen)	
	Cumulative First Quarter of the Previous Fiscal Year (From April 1, 2023 to June 30, 2023)	Cumulative First Quarter of the Current Fiscal Year (From April 1, 2024 to June 30, 2024)
Net sales	160,710	162,452
Cost of sales	131,576	131,192
Gross profit	29,134	31,260
Selling, general and administrative expenses	25,211	28,273
Operating profit	3,922	2,986
Non-operating income		
Interest income	9	86
Dividend income	205	208
Share of profit of entities accounted for using equity method	7	27
Foreign exchange gains	413	46
Reversal of allowance for doubtful accounts	1	0
Other	118	64
Total non-operating income	756	433
Non-operating expenses		
Interest expenses	477	585
Loss on sale of trade receivables	289	383
Loss on valuation of derivatives	390	—
Other	212	203
Total non-operating expenses	1,368	1,171
Ordinary profit	3,310	2,248
Extraordinary income		
Gain on sale of non-current assets	4	6
Gain on sale of investment securities	24	86
Other	0	0
Total extraordinary income	29	93

	Cumulative First Quarter of the Previous Fiscal Year (From April 1, 2023 to June 30, 2023)	Cumulative First Quarter of the Current Fiscal Year (From April 1, 2024 to June 30, 2024)
Extraordinary losses		
Loss on retirement of non-current assets	3	0
Loss on sale of non-current assets	0	—
Other	0	0
Total extraordinary losses	3	0
Profit before income taxes	3,336	2,342
Total income taxes	671	688
Profit	2,664	1,653
Profit attributable to non-controlling interests	4	4
Profit attributable to owners of parent	2,660	1,649

Quarterly Consolidated Statements of Comprehensive Income
Three Months Ended June 30

(Million yen)

	Cumulative First Quarter of the Previous Fiscal Year (From April 1, 2023 to June 30, 2023)	Cumulative First Quarter of the Current Fiscal Year (From April 1, 2024 to June 30, 2024)
Profit	2,664	1,653
Other comprehensive income		
Valuation difference on available-for-sale securities	931	(690)
Deferred gains or losses on hedges	(285)	(10)
Foreign currency translation adjustment	464	1,270
Remeasurements of defined benefit plans, net of tax	515	(225)
Share of other comprehensive income of entities accounted for using equity method	17	40
Total other comprehensive income	1,644	384
Comprehensive income	4,309	2,038
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,304	2,034
Comprehensive income attributable to non-controlling interests	4	4