Fiscal Year 2025

Financial Results Presentation

KPP GROUP HOLDINGS CO., LTD.

Tokyo Stock Exchange Prime Market 9274

May 20, 2026

KPPグループホールディングス株式会社
KPP GROUP HOLDINGS CO., LTD.

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01 Summary of Financial Results for the Fiscal Year 2025

Consolidated Financial Summary

- In the Paper business, global demand for graphic paper declined, with price erosion in some regions, resulting in decreases in net sales and gross profit.
- In the Packaging and Visual Communication businesses, contributions from M&A-acquired companies led to increases in both net sales and gross profit.
- Higher logistics costs, personnel expenses, and other SG&A increases resulted in reduced profit at every level.

(JPY million)	FY2024 Full-year Results	FY2025 Full-year Results	Year-on-Year		Revised Forecast Comparison (FY2025)	
Net sales	670,042	**650,368**	△19,674	△2.9%	+10,368	+1.6%
Gross profit	129,116	**130,042**	+925	+0.7%		
SG&A	115,572	**119,966**	+4,394	+3.8%		
Operating profit	13,544	**10,075**	△3,468	△25.6%	+75	+0.8%
Ordinary profit	9,712	**6,175**	△3,537	△36.4%	+675	+12.3%
Profit attributable to owners of parent	7,986	**5,618**	△2,368	△29.7%	+618	+12.4%
EBITDA	25,157	**23, 433**	△1,723	△6. 9%		

Note : EBITDA = Ordinary Profit + Depreciation + Amortization of Goodwill + Interest Expenses, etc.

Exchange Rate
(Period Average)
FY2025
EUR = JPY 169.53
AUD = JPY 96.62
FY2024
EUR = JPY 164.35
AUD = JPY 100.15

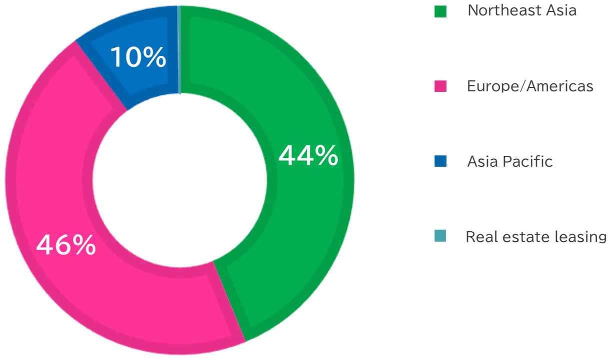
Results by Regional Segment

- Northeast Asia: Decline in the Paper business led to decreases in net sales and profit.
- Europe/Americas: Net sales increased driven by strong performance in the Visual Communication business, including M&A contributions. However, segment profit declined due to higher SG&A.
- Asia Pacific: Both Packaging and Visual Communication businesses grew (though net sales and profit declined on a JPY basis due to foreign exchange effects).

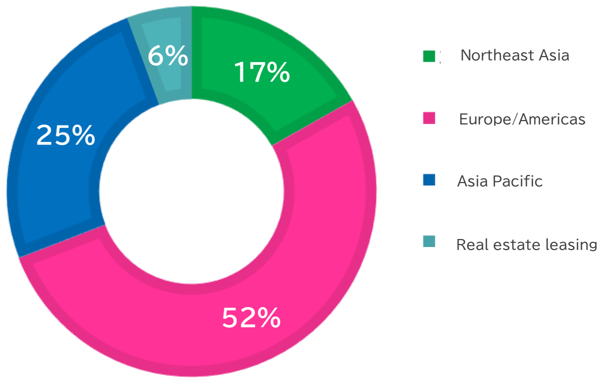
(JPY million)		FY2024 Full-year Results	FY2025 Full-year Results	Year-on-Year	
Northeast Asia	Net sales	303,649	**285,189**	△18,460	△6.1%
	Segment profit	2,895	**1,872**	△1,023	△35.3%
Europe/Americas	Net sales	298,460	**298,997**	+537	+0.2%
	Segment profit	7,757	**5,818**	△1,939	△25.0%
Asia Pacific	Net sales	66,428	**64,659**	△1,769	△2.7%
	Segment profit	3,000	**2,807**	△193	△6.5%
Real Estate Leasing	Net sales	1,504	**1,521**	+17	+1.2%
	Segment profit	602	**625**	+23	+3.8%
Total	Net sales	670,042	**650,368**	△19,674	△2.9%
	Segment profit (after adjustment of corporate expenses, etc.)	13, 544	**10,075**	△3,468	△25.6%

Note: Corporate expenses, etc. are general and administrative expenses at headquarters not allocated to reportable segments.

Sales Composition Ratio



Segment Profit Composition Ratio



Note: The composition ratio of consolidated operating profit is calculated based on consolidated operating profit before adjustments for corporate expenses, etc.

Results by Business Portfolio

- Business portfolio transformation progressed.
- The share of high-margin Packaging and Visual Communication businesses increased.
- In gross profit, the combined share of Packaging and Visual Communication businesses reached 46.4%, surpassing the Paper business at 43.1%.

(JPY million)		Net sales				Gross profit			
		FY2024 Full-year Results	Composition Ratio	FY2025 Full-year Results	Composition Ratio	FY2024 Full-year Results	Composition Ratio	FY2025 Full-year Results	Composition Ratio
Paper	Print	258,272	38.5%	**242,085**	**37.1%**	45,711	35.6%	**43,099**	**33.3%**
	Office	67,166	10.0%	**61,667**	**9.5%**	14,081	11.0%	**12,742**	**9.8%**
	Subtotal	325,438	48.5%	**303,753**	**46.6%**	59,792	46.5%	**55,842**	**43.1%**
Paperboard		71,637	10.7%	**72,911**	**11.2%**	4,468	3.5%	**4,466**	**3.4%**
Packaging		119,309	17.8%	**124,790**	**19.1%**	40,044	31.1%	**42,269**	**32.6%**
Visual Communication		51,325	7.6%	**58,069**	**8.9%**	15,823	12.3%	**17,919**	**13.8%**
Recovered paper and Pulp (Paper Raw Materials)		51,977	7.7%	**43,437**	**6.7%**	4,215	3.3%	**4,588**	**3.5%**
Chemical Products & Others		50,356	7.5%	**47,408**	**7.3%**	4,775	3.7%	**4,959**	**3.8%**
Total		670,042	100.0%	**650,368**	**100.0%**	129,116	100.0%	**130,042**	**100.0%**

* Approximate figures based on management accounting
* Real estate leasing segment figures included in Others

Results by Business Portfolio (Northeast Asia Segment)

Summary of Business

- Paper business: Net sales and gross profit both declined due to the continued decrease in graphic paper demand.
- Paperboard business: Both net sales and gross profit increased, driven by solid inbound demand and robust containerboard demand.
- Recovered paper and Pulp business: While net sales softened due to the continued market slump, gross profit increased as last year's one-off pulp write-down was reversed.

(JPY million)		Net sales			Gross profit		
		FY2024 Full-year Results	FY2025 Full-year Results	Year-on-Year	FY2024 Full-year Results	FY2025 Full-year Results	Year-on-Year
Paper	Print	122,319	**113,124**	△7.5%	9,148	**8,123**	△11.2%
	Office	19,175	**18,738**	△2.3%	1,729	**1,806**	+4.4%
	Subtotal	141,495	**131,863**	△6.8%	10,878	**9,928**	△8.7%
Paperboard		66,848	**67,248**	+0.6%	3,357	**3,444**	+2.6%
Recovered paper and Pulp (Paper Raw Materials)		51,832	**42,905**	△17.2%	4,196	**4,571**	+8.9%
Chemical Products & Others		43,473	**43,174**	△0.7%	3,843	**4,180**	+8.7%
Total		303,649	**285,189**	△6.1%	22,276	**22,123**	△0.7%

* Approximate figures based on management accounting

Results by Business Portfolio (Europe/Americas Segment)

Summary of Business (In local currency terms)

- Paper business: Both net sales and profit declined amid continued weak demand and falling prices.
- Packaging business: Despite demand weakness from manufacturing slowdown, gross profit remained flat, supported by contributions from acquired companies.
- Visual Communication business: Net sales and profit increased, driven by contributions from acquired companies and strong hardware sales.

upper row : JPY million lower row : EUR million		Net sales FY2024 Full-year Results	Net sales FY2025 Full-year Results	Net sales Year-on-Year	Gross profit FY2024 Full-year Results	Gross profit FY2025 Full-year Results	Gross profit Year-on-Year
Paper	Print	112,290 (683)	**107,972** **(637)**	△3.8% (△6.7%)	30,519 (185)	**29,662** **(175)**	△2.8% (△5.4%)
	Office	41,817 (254)	**37,574** **(222)**	△10.1% (△12.9%)	11,668 (71)	**10,356** **(61)**	△11.2% (△14.0%)
	Subtotal	154,107 (937)	**145,546** **(858)**	△5.6% (△8.6%)	42,188 (256)	**40,019** **(236)**	△5.1% (△7.8%)
Packaging		103,785 (631)	**105,818** **(624)**	+2.0% (△1.1%)	34,480 (209)	**35,340** **(208)**	+2.5% (△0.3%)
Visual Communication		40,566 (246)	**47,633** **(281)**	+17.4% (+13.9%)	12,589 (76)	**14,729** **(87)**	+17.0% (+14.3%)
Total		298,460 (1,816)	**298,997** **(1,763)**	+0.2% (△2.9%)	89,258 (543)	**90,088** **(531)**	+0.9% (△2.1%)

＊Approximate figures based on management accounting

Results by Business Portfolio (Asia Pacific Segment)

Summary of Business (In local currency terms)

- Paper business: Net sales and profit declined due to weak demand.
- Packaging business: Net sales and profit increased significantly, driven by strong performance of acquired companies.
- Visual Communication business: Sales of hardware and rigid substrate products (outdoor signage, etc.) remained solid, with growth in local currency terms.

upper row : JPY million lower row : AUD million		Net sales FY2024 Full-year Results	Net sales FY2025 Full-year Results	Net sales Year-on-Year	Gross profit FY2024 Full-year Results	Gross profit FY2025 Full-year Results	Gross profit Year-on-Year
Paper	Print	23,853 (238)	**20,350** **(212)**	△14.7% (△11.1%)	5,778 (57)	**5,150** **(53)**	△10.9% (△6.5%)
	Office	6,300 (62)	**5,321** **(55)**	△15.5% (△10.8%)	620 (6)	**531** **(6)**	△14.3% (△11.3%)
	Subtotal	30,153 (301)	**25,671** **(267)**	△14.9% (△11.4%)	6,399 (63)	**5,681** **(59)**	△11.2% (△7.0%)
Paperboard		4,892 (48)	**5,051** **(53)**	+3.3% (+9.4%)	1,091 (10)	**1,005** **(10)**	△7.9% (+4.0%)
Packaging		14,777 (147)	**18,397** **(191)**	+24.5% (+30.1%)	5,327 (53)	**6,705** **(69)**	+25.9% (+30.5%)
Visual Communication		10,843 (108)	**10,603** **(110)**	△2.2% (+2.0%)	3,164 (31)	**3,121** **(32)**	△1.4% (+4.2%)
Others		5,761 (57)	**4,936** **(51)**	△14.3% (△10.0%)	971 (9)	**821** **(9)**	△15.4% (△5.6%)
Total		66,428 (663)	**64,659** **(672)**	△2.7% (+1.4%)	16,955 (169)	**17,334** **(179)**	+2.2% (+6.0%)

* Approximate figures based on management accounting

Change in Balance Sheet (Compared to the End of the Previous Fiscal Year)

(JPY million)	End of March 2025	End of March 2026	Change from Previous Fiscal Year
Current assets	231,312	**236,036**	+4,723
Cash and cash equivalents	11,319	**12,633**	+1,314
Accounts receivable (Notes and accounts receivable, electronically recorded monetary claims)	137,069	**134,305**	△2,764
Merchandise and manufactured goods	72,493	**77,230**	+4,736
Tangible fixed assets	52,651	**63,191**	+10,540
Right-of-use assets, net	29,684	**37,493**	+7,809
Intangible fixed assets	29,870	**37,155**	+7,284
Goodwill and customer-related assets	11,374	**14,917**	+3,543
Investments and other assets	38,201	**38,325**	+123
Total assets	352,035	**374,708**	+22,672

(JPY million)	End of March 2025	End of March 2026	Change from Previous Fiscal Year
Current liabilities	194,130	**210,145**	+16,015
Accounts payable (Notes and accounts payable -trade, electronically recorded obligations operating)	95,399	**93,786**	△1,613
Short-term borrowings (including commercial paper)	54,086	**69,443**	+15,356
Fixed liabilities	71,688	**75,107**	+3,418
Long-term debt (Including bonds)	32,701	**27,298**	△5,403
Lease obligations	24,750	**31,745**	+6,995
Total liabilities	265,818	**285,253**	+19,434
Shareholders' equity	75,028	**75,250**	+221
Accumulated other comprehensive income	11,093	**14,187**	+3,093
Total net assets	86,216	**89,454**	+3,237
Total liabilities and net assets	352,035	**374,708**	+22,672

Main Factors for Changes

・【Merchandise and manufactured goods】Increased due to M&A and JPY depreciation against EUR.
・【Right-of-use assets, net 】Increased due to contract extensions and JPY depreciation against EUR.
・【【Goodwill and customer-related assets】Increased due to M&A.

・【Short-term borrowings】Increased due to M&A and JPY depreciation.
・【Long-term debt】Decreased due to reclassification to short-term.
・【Lease obligations】Increased due to contract extensions and JPY depreciation against EUR.
・【Accumulated other comprehensive income】Increased due to FX translation adjustments on overseas subsidiaries' net assets.

Financial strength and profitability indicators

- Net D/E ratio 0.9times - Equity ratio: 23.9%

Exchange Rate (Period-End)
FY2025
EUR = JPY 184.33
AUD = JPY 104.82
FY2024
EUR = JPY 164.92
AUD = JPY 98.50

Change in Cash Flows (Year-on-Year)

(JPY million)	FY2024 Full-year Results	FY2025 Full-year Results	Main breakdowns
Cash flows from operating activities	11,169	**19,814**	・Change in inventories +3,769 ・Change in other assets +2,871
Cash flows from investing activities	△16,644	**△11,109**	・Acquisition of tangible and intangible assets +1,230 ・Acquisition of subsidiaries +5,053
Cash flows from financing activities	△11,190	**△8,118**	- Net increase in short-term borrowings: +9,285
Translation difference for cash and cash equivalents	1,737	**728**	–
Increase (decrease) in cash and cash equivalents	△14, 928	**1, 314**	-
Cash and cash equivalents at the beginning of the period	26,244	**11,316**	—
Cash and cash equivalents at the end of the period	11, 316	**12,630**	—

02 Earnings Forecast for the Fiscal Year 2026

Consolidated Earnings Forecast

- In the Paper business, while continued decline in graphic paper demand and rising procurement prices are anticipated, profit will be secured through market share expansion.
- In the Packaging and Visual Communication businesses, contributions from M&A-acquired companies and an increasing share of e-commerce sales are expected to offset the decline in the Paper business.
- Profit attributable to owners of parent is expected to decline due to the absence of one-time extraordinary gains recorded in FY2025.
- The direct and indirect impacts of the Middle East situation remain uncertain.

(JPY million)	FY2025 Full-year Results	FY2026 Earnings Forecast	Year-on-Year	
Net sales	650,368	**710, 000**	+59, 632	+9.2%
Operating profit	10,075	**11,000**	+925	+9.2%
Ordinary profit	6,175	**6,500**	+325	+5.3%
Profit attributable to owners of parent	5,618	**5,000**	-618	△11.0%

Assumed Exchange Rate
EUR = JPY 180.00
AUD = JPY 99.00

Reference: FY2025 (Period Average Rate)
EUR = JPY 169.53
AUD = JPY 96.62

Forecast by Regional Segment

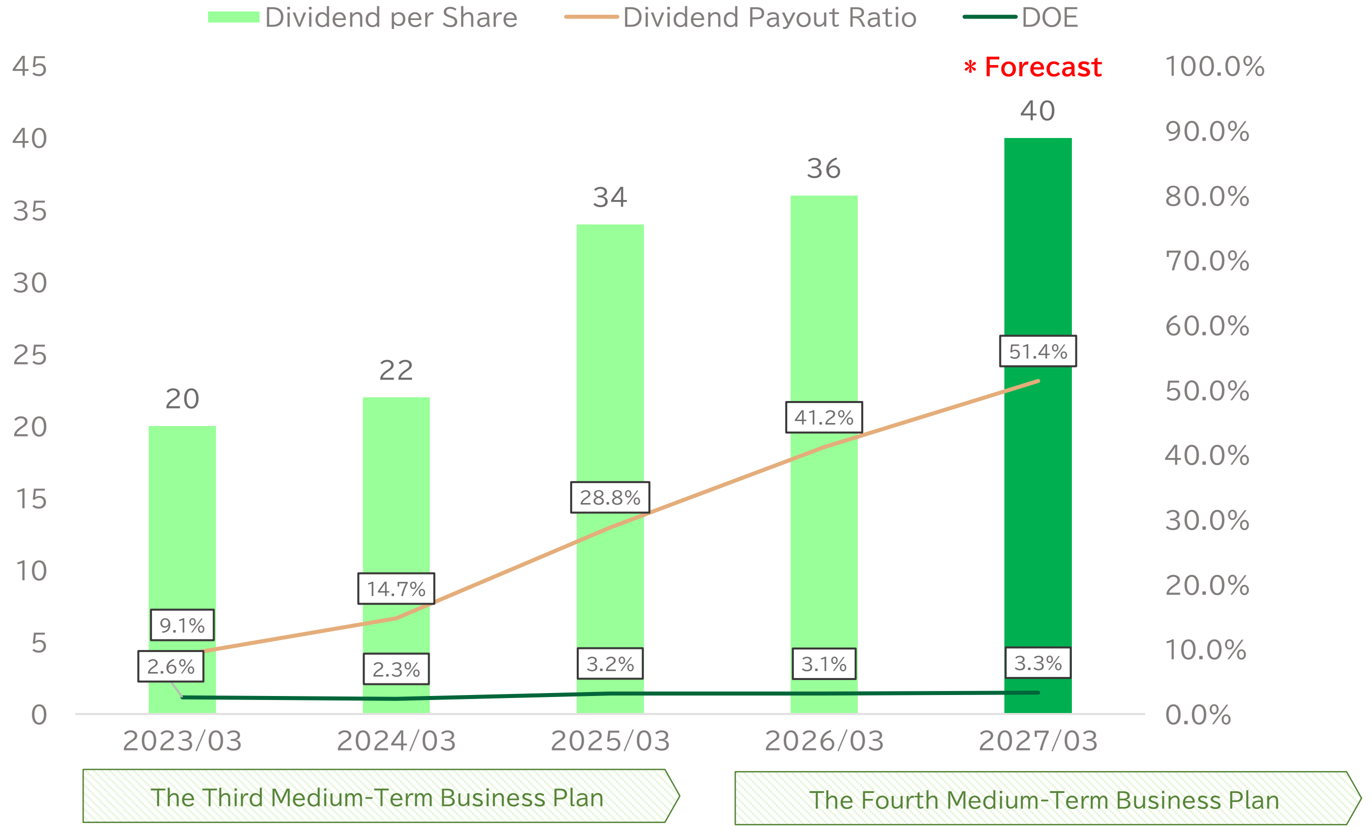
- While graphic paper demand is expected to continue declining in Northeast Asia, new customer acquisition and margin improvement are anticipated across all businesses.
- Europe/Americas expects earnings contributions from companies acquired in FY2025.
- Asia Pacific expects organic growth in existing businesses and earnings contributions from companies acquired in FY2025.

(JPY million)

		FY2025 Full-year Results	FY2026 Earnings Forecast	Year-on-Year	
Northeast Asia	Net sales	285,189	**303,500**	+18,311	+6.4%
	Segment profit	1,872	**2,700**	+828	+44.2%
Europe/Americas	Net sales	298,997	**335,000**	+36,003	+12.0%
	Segment profit	5,818	**5,870**	+52	+0.9%
Asia Pacific	Net sales	64,659	**70,000**	+5,341	+8.3%
	Segment profit	2,807	**2,850**	+43	+1.5%
Real Estate Leasing	Net sales	1,521	**1,500**	△21	△1.4%
	Segment profit	625	**750**	+125	+20.0%
Total	Net sales	650,368	**710,000**	+59,632	+9.2%
	Segment profit (after adjustment of corporate expenses, etc.)	10,075	**11,000**	+925	+9.2%

Shareholder Returns

- Considering stable performance and cash flows, as well as the contribution of dividend increases to improving capital efficiency (ROE), the dividend for FY2026 is planned at JPY 40 per share.
- With regard to share buybacks, the Company intends to use a portion of the proceeds from the sale of strategic shareholdings, and, in cases where surplus funds remain after allocating capital for growth investments, the equivalent amount will be allocated for share repurchases.



Dividend policy: Targeting a consolidated dividend payout ratio of approx. 30%, while setting a minimum threshold of 3.0% for the dividend on equity (DOE)

Share Buybacks

- Total shares acquired: 3,000,000 shares (upper limit) (4.5% of total issued shares excluding treasury stock)
- Total acquisition cost: JPY 2,398 million
- Acquisition period: May 15, 2025 - March 24, 2026

Shareholder Benefits

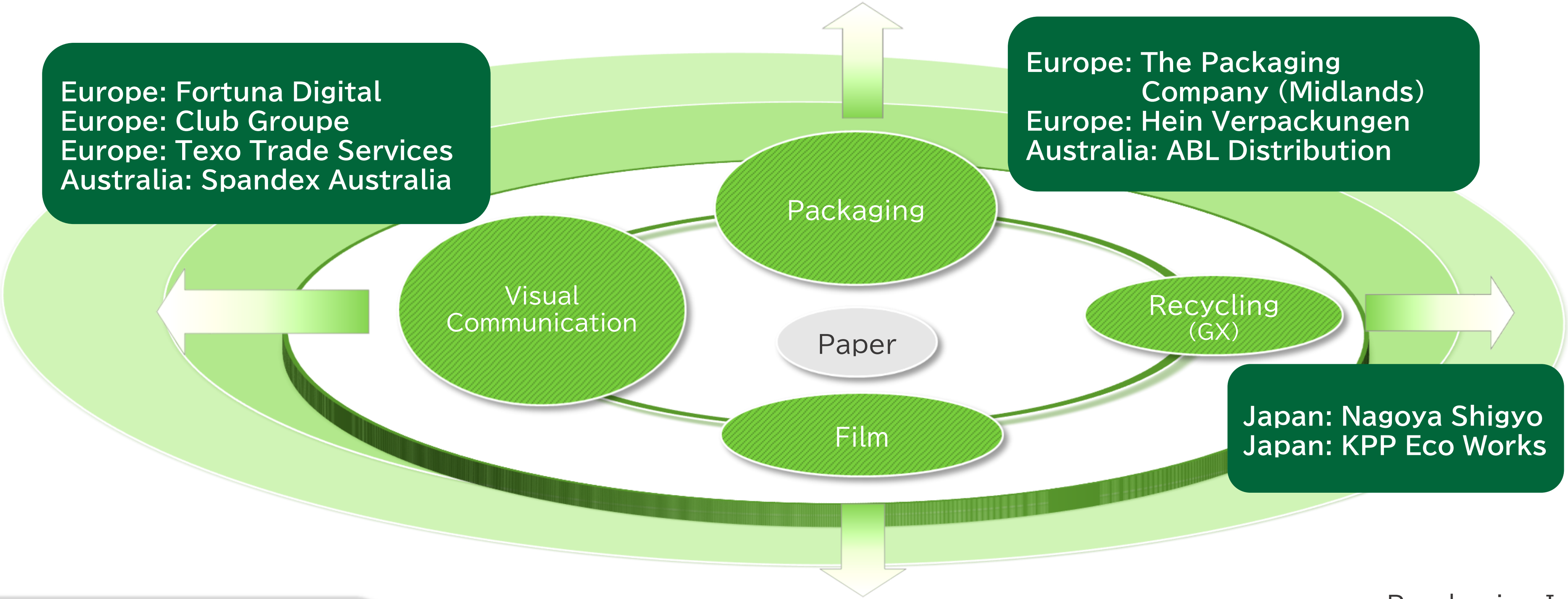
- Shareholders holding 100 or more shares as of the record date will receive a JPY 1,000 book gift card.

＊DOE (Dividend on Equity) = (Total annual dividends ÷ Consolidated shareholders' equity) x 100
Based on consolidated shareholders' equity excluding other comprehensive income that fluctuates due to stock market and foreign exchange movements

03 The Fourth Medium-Term Business Plan Progress (FY2025-FY2027)

FY2025 onward M&A: 9 companies

FY2026 Earnings Contribution (Expected): Net sales 23 billion yen, EBITDA: 2.3 billion yen



Business Portfolio Transformation
- Promotion of Bolt-on M&A
- Creation of New Businesses

Expansion of Business Domains
- New Products
- New Markets
- New Business Models

Pursuit of Global Synergies
- Purchasing Information
- Sales Information
- Marketing

E-Business Expansion & DX Promotion
- Enhancing business operations and systems through DX
- Expansion of the Web shop

※ Bolt-on M&A…M&A aimed at creating synergies with existing businesses.

ABL DISTRIBUTION

August 2025: Signet, a Spicers subsidiary, acquired the business of ABL Distribution (headquartered in Gold Coast). Contributing to Spicers' business portfolio transformation and performance enhancement.

ABL Distribution Overview

- A major independent distributor of industrial packaging materials.
- Offers industrial packaging materials, Personal Protective Equipment (PPE), Janitorial & Sanitation products (JanSan business), and more.
- Strengths include specialized product knowledge, customized packaging solutions, and one-stop service.

PMI Progress

- Post-acquisition integration with Brisbane-based Signet is well underway, and **strengthening our solid market position in Queensland.**
- **Significant expansion of customer base** in southeast Queensland and northern New South Wales.
- ABL's **safety products, JanSan products, and proprietary services (e.g., PPE fit testing) has strengthened complementarity with Spicers' packaging lineup and expanded cross-selling opportunities.**

【Expansion of Customer Base】

【Proprietary Services】

PPE fit testing

【Key Products】

Packaging materials

JanSan products

TTS printable textiles & transfer printing media

October 2025: Acquired shares of textile distributor, Texo Trade Services BV (TTS). Full-scale entry by Antalis into the high-growth textile Visual Communication (VC) segment.

TTS Overview

- An independent distributor with strong expertise and brand recognition in the VC field across Europe.
- Sells a wide range of VC-related products, centered on printable textiles, including heat-transfer media and papers for garment decoration, dye-sublimation papers, and protective papers.
- The proprietary "TTS" brand commands strong recognition across Europe within the VC segment.

PMI Progress

Launched projects to expand VC product offerings and extend sales regions:

- Transfer of TTS' s specialized expertise in fablics handling, procurement, and supply-chain operations.
- Mutual customer/supplier access and product–service integration driving **new business opportunities.**
- Setting priority regions and planning initiatives leveraging both companies' strengths.

【Examples of Textile Printing】

Flags

Wallpaper

Lightboxes

Interior

Sportswear

Towels & Blankets

March 2026: Acquisition of Shinanen Ecowork (now KPP Ecoworks), a wood-waste recycling and recycled fuel/raw-material supply company.
Full-scale entry into Japan’s growing waste-to-fuel and intermediate waste-treatment businesses.

KPP Eco Works overview

- A wood-waste recycling company operating two company-owned wood-waste recycling centers.
- Engages in industrial waste treatment for wood waste and in the sale of wood chips generated from this process as biomass fuel.

Purpose and Future Direction

- Expanding beyond traditional recovered paper and pulp recycling into the fuel sector for manufacturers outside the paper industry.
- Leveraging handling of metal scrap and waste plastics to secure new materials and channels and create additional business opportunities.

Recycling Center
Upper: Chiba, Chiba
Lower: Shiraoka, Saitama

Crushing process

Wood chips

Numerical Targets for the Final Year of the Fourth Medium-Term Business Plan (FY2027) and Results for FY2025 (initial year)

Profitability	Capital Efficiency	Financial Soundness / Shareholder Returns
Operating Profit JPY 20 billion	ROE 8.0% or higher	Equity Ratio within the range of 20% to 25%
EBITDA JPY 32 billion	ROIC ROIC > WACC	Consolidated Dividend Payout Ratio Target of 30% (with a minimum threshold of DOE 3.0%)

Note: EBITDA = Ordinary Profit + Depreciation + Amortization of Goodwill + Interest Expenses, etc.

- Operating profit for FY2025 was JPY 10.0 billion, and EBITDA was JPY 23.4 billion
- ROE was 6.4%, ROIC was roughly in line with WACC, and the equity ratio stood at 23.9%
- Continuing to execute business strategies including business portfolio transformation to achieve the targets for the final year 2027

Numerical Targets for the Final Year of the Fourth Medium-Term Business Plan (FY2027) and Results for FY2025 (Initial Year)

Cumulative Cash Inflows over Three Years

After Deducting Lease Repayment Outflows
Operating Cash Flow (*)
Approx. 40 billion yen

FY2025: Approx. 11 billion yen

Sale of Strategic Shareholdings
Approx. 5 billion yen

FY2025: Approx. 2.7 billion yen

Financing through Interest-Bearing Debt
(Maintaining an Equity Ratio within the 20%-25% Range)

FY2025: Approx. 5 billion yen
(Equity ratio: 23.9%)

Cumulative Cash Outflows over Three Years

Growth Investment

- M&A and Alliances
- Creation of New Businesses
- Investment in DX and Human Capital

Within the Range of 50 billion yen

FY2025: Approx. 14 billion yen

Shareholder Returns

Share Buybacks
In addition to a portion of the proceeds from the sale of strategic shareholdings, any surplus funds remaining after allocating resources for growth investments will be used to finance share buybacks.

FY2025: Approx. 2.4 billion yen

Consolidated Dividend Payout Ratio: 30%
(with a minimum threshold of DOE 3.0%)

FY2025: Approx. 2.3 billion yen
(DOE: 3.1%)

(*) Note: Operating Cash Flow after Deducting Lease Repayment Outflows (Financing Activities, Approx. ¥20.0 Billion)

Additional Information Executed a trust-beneficial-interest transfer agreement on March 31, 2026, to acquire the land of company-owned buildings in the Real Estate Leasing segment. Acquisition price: JPY 19,850 million; Transfer date: June 30, 2026.

Disclaimer

- This document contains forward-looking statements, including projections of future performance and business plans. These statements are based on information available to the Company and certain assumptions that it deems reasonable at the time of preparation. However, they involve risks and uncertainties, and actual results may differ materially from these projections due to various factors.
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紙でつなぐ、未来をつくる

Paper Innovation for a Connected Future