

Financial Results for the Nine Months Ended December 31, 2024

[Japanese GAAP] (Consolidated)



February 14, 2025

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 Nine Months Ended December 31, 2024 (April 1, 2024–December 31, 2024)

(1) Consolidated Operating Results

(Percentages represent year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Nine months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
December 31, 2024	500,823	3.7	8,754	(11.0)	5,947	(22.8)	4,951	(14.7)
December 31, 2023	483,181	(2.0)	9,832	(43.1)	7,700	(52.2)	5,806	(55.6)

(Note) Comprehensive income: Nine months ended December 31, 2024: ¥ 4,626 million [(60.5%)]

Nine months ended December 31, 2023: ¥ 11,725 million [(21.4%)]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2024	72.60	—
December 31, 2023	81.07	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
Nine months ended	Million yen	Million yen	%
December 31, 2024	364,147	83,077	22.8
Fiscal year ended March 31, 2024	344,562	81,900	23.7

(Reference) Equity: Nine months ended December 31, 2024: ¥ 82,983 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
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	—	11.00	—	11.00	22.00
Fiscal year ended March 31, 2025	—	16.00			
Fiscal year ending March 31, 2025 (Forecast)			—	18.00	34.00

(Note) Revision to the forecast for dividends announced most recently: Yes

(Note) Breakdown of 2nd quarter-end dividends for the year to 31 March 2025 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	670,000	4.0	13,000	(17.8)	9,300	(25.5)	7,700 (27.5)	113.76

(Note) Revision to the earnings forecast announced most recently: Yes

* Notes:

(1) Changes in significant subsidiaries during the period

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

Newly included 6 companies

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(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):

Nine months ended December 31, 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:

Nine months ended December 31, 2024: 6,732,298 shares

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

3) Average number of shares during the period:

Nine months ended December 31, 2024:	68,200,393 shares
Nine months ended December 31, 2023:	71,624,960 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.

- Table of Contents of Attachments

1. Quarterly Consolidated Financial Statements.....	2
(1) Quarterly Consolidated Balance Sheets.....	2
(2) Quarterly Consolidated Statements of Income and Comprehensive Income.....	5

1. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	Previous Fiscal Year (March 31, 2024)	Third Quarter of Current Fiscal Year (December 31, 2024)
Assets		
Current assets		
Cash and deposits	26,286	15,551
Notes and accounts receivable - trade	112,572	121,662
Electronically recorded monetary claims - operating	28,869	30,406
Merchandise and finished goods	66,126	74,501
Other	14,653	14,061
Allowance for doubtful accounts	(5,819)	(5,842)
Total current assets	242,689	250,342
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,942	7,737
Land	9,072	8,982
Other, net	24,678	28,786
Total property, plant and equipment	41,692	45,506
Intangible assets		
Goodwill	6,958	14,179
Customer related assets	3,746	3,429
Other	7,964	9,581
Total intangible assets	18,670	27,190
Investments and other assets		
Investment securities	23,139	20,518
Retirement benefit asset	10,461	12,300
Other	15,831	16,079
Allowance for doubtful accounts	(7,922)	(7,789)
Total investments and other assets	41,510	41,109
Total non-current assets	101,872	113,805
Total assets	344,562	364,147

(Million yen)

	Previous Fiscal Year (March 31, 2024)	Third Quarter of Current Fiscal Year (December 31, 2024)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	95,368	105,192
Electronically recorded obligations - operating	5,284	5,156
Short-term borrowings	38,862	46,462
Commercial papers	12,000	15,000
Income taxes payable	3,822	2,014
Provision for bonuses	4,275	2,992
Provisions	1,278	759
Other	37,343	38,729
Total current liabilities	198,235	216,306
Non-current liabilities		
Bonds payable	20,000	20,000
Long-term borrowings	15,167	13,059
Retirement benefit liability	2,300	2,390
Provisions	1,386	1,424
Other	25,571	27,889
Total non-current liabilities	64,426	64,764
Total liabilities	262,662	281,070
Net assets		
Shareholders' equity		
Share capital	4,723	4,723
Capital surplus	7,292	7,292
Retained earnings	61,631	64,698
Treasury shares	(2,799)	(4,365)
Total shareholders' equity	70,848	72,349
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,902	6,471
Deferred gains or losses on hedges	(98)	(123)
Foreign currency translation adjustment	6,638	7,545
Remeasurements of defined benefit plans	(3,478)	(3,259)
Total accumulated other comprehensive income	10,963	10,633
Non-controlling interests	88	93
Total net assets	81,900	83,077

Total liabilities and net assets	344,562	364,147
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(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

Nine months Ended December 31, 2024

	(Million yen)	
	Cumulative Third Quarter of the Previous Fiscal Year (From April 1, 2023 to December 31, 2023)	Cumulative Third Quarter of the Current Fiscal Year (From April 1, 2024 to December 31, 2024)
Net sales	483,181	500,823
Cost of sales	395,931	405,475
Gross profit	87,250	95,348
Selling, general and administrative expenses	77,417	86,593
Operating profit	9,832	8,754
Non-operating income		
Interest income	110	221
Dividend income	425	448
Share of profit of entities accounted for using equity method	21	100
Gain on valuation of derivatives	458	—
Reversal of allowance for doubtful accounts	206	327
Other	440	240
Total non-operating income	1,663	1,337
Non-operating expenses		
Interest expenses	1,502	1,932
Loss on sale of trade receivables	959	1,257
Foreign exchange losses	684	216
Other	649	737
Total non-operating expenses	3,796	4,144
Ordinary profit	7,700	5,947
Extraordinary income		
Gain on sale of non-current assets	21	185
Gain on sale of investment securities	328	1,391
Other	0	0
Total extraordinary income	350	1,578

	Cumulative Third Quarter of the Previous Fiscal Year (From April 1, 2023 to December 31, 2023)	Cumulative Third Quarter of the Current Fiscal Year (From April 1, 2024 to December 31, 2024)
Extraordinary losses		
Loss on retirement of non-current assets	3	43
Loss on sale of non-current assets	3	7
Loss on sales of investment securities	0	—
Other	0	0
Total extraordinary losses	7	51
Profit before income taxes	8,044	7,474
Income taxes	2,232	2,517
Profit	5,812	4,956
Profit attributable to non-controlling interests	5	5
Profit attributable to owners of parent	5,806	4,951

Quarterly Consolidated Statements of Comprehensive Income
Nine months Ended December 31, 2024

(Million yen)

	Cumulative Third Quarter of the Previous Fiscal Year (From April 1, 2023 to December 31, 2023)	Cumulative Third Quarter of the Current Fiscal Year (From April 1, 2024 to December 31, 2024)
Profit	5,812	4,956
Other comprehensive income		
Valuation difference on available-for-sale securities	2,636	(1,430)
Deferred gains or losses on hedges	(10)	(25)
Foreign currency translation adjustment	5,545	882
Remeasurements of defined benefit plans, net of tax	(2,321)	219
Share of other comprehensive income of entities accounted for using equity method	63	24
Total other comprehensive income	5,912	(329)
Comprehensive income	11,725	4,626
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	11,719	4,621
Comprehensive income attributable to non-controlling interests	5	5