

Financial Results for the Fiscal Year Ended March 31, 2025 [JGAAP] (Consolidated)



May 14, 2025

Company name: KPP GROUP HOLDINGS CO., LTD.

Stock exchange listing: Tokyo Stock Exchange

Code number: 9274

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

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Scheduled date of Ordinary General Meeting of Shareholders: June 27, 2025

Scheduled date of commencing dividend payments: June 30, 2025

Scheduled date of filing the securities report: June 25, 2025

Preparation of supplementary explanatory materials for financial results: Yes

Convening financial results briefing: 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, 2025 (April 1, 2024, to March 31, 2025)

(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, 2025	670,042	4.0	13,544	(14.4)	9,712	(22.1)	7,986	(24.8)
Fiscal year ended March 31, 2024	644,435	(2.3)	15,819	(22.5)	12,475	(32.2)	10,613	(32.5)

(Note) Comprehensive income: Fiscal year ended March 31, 2025: 8,122 million yen (-54.1)%
Fiscal year ended March 31, 2024: 17,709 million yen (36.1)%

	Basic earnings per share	Diluted earnings per share	Profit to shareholders' equity	Total assets Ordinary profit margin	Net sales Operating profit margin
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2025	118.00	-	9.5	2.8	2.0
Fiscal year ended March 31, 2024	149.24	-	14.2	3.7	2.5

(Reference) Equity in net income of affiliates: Fiscal year ended March 31, 2025: 71 million yen
Fiscal year ended March 31, 2024: 37 million yen

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
Fiscal year ended March 31, 2025	352,035	86,216	24.5	1,305.61
Fiscal year ended March 31, 2024	344,562	81,900	23.7	1,188.92

(Reference) Equity: As of March 31, 2025: 86,122 million yen
As of March 31, 2024: 81,811 million yen

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended March 31, 2025	11,169	(16,644)	(11,190)	11,316
Fiscal year ended March 31, 2024	19,817	(5,508)	(22,375)	26,244

2. Dividends

	Annual dividends					Total amount of annual dividends	Dividend payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended March 31, 2024	-	11.00	-	11.00	22.00	1,578	14.7	2.1
Fiscal year ended March 31, 2025	-	16.00	-	18.00	34.00	2,321	28.8	2.7
Fiscal year ending March 31, 2026 (forecast)	-	18.00	-	18.00	36.00		30.5	

(Note) Breakdown of interim dividend for the fiscal year ended March 31, 2025: Ordinary dividend: 11.00 yen
Commemorative dividend: 5.00 yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2026 (April 1, 2025, to March 31, 2026)

(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	675,000	0.7	13,500	(0.3)	9,500	(2.2)	8,000	0.2	118.20

*Notes:

(1) Significant changes in the scope of consolidation during the period: Yes

Newly included: 7 companies (Tecnopríma S.r.l.; 100 METROS - SOLUCOES DE EMBALAGEM, UNIPessoal, LDA; Signet Pty Ltd.; SIA PAKELLA; UAB PAKELLA; PAKELLA OU; Planchas Aislamientos y Embalajes S.L.)

Excluded: -

(2) 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: No

3) Changes in accounting estimates: Yes

4) Retrospective restatement: No

(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):

Fiscal year ended March 31, 2025 67,244,284 shares

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

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

Fiscal year ended March 31, 2025 1,281,174 shares

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

3) Average number of shares during the period:

Fiscal year ended March 31, 2025 67,684,097 shares

Fiscal year ended March 31, 2024 71,117,151 shares

(Reference) Summary of Non-Consolidated Financial Results

1. Non-Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (April 1, 2024, to March 31, 2025)

(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, 2025	8,234	145.9	5,368	-	5,667	868.3	6,948	546.6
Fiscal year ended March 31, 2024	3,348	(97.6)	268	(81.8)	585	(66.1)	1,074	(43.8)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Fiscal year ended March 31, 2025	102.66	-
Fiscal year ended March 31, 2024	15.11	-

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
Fiscal year ended March 31, 2025	95,458	47,434	49.7	719.11
Fiscal year ended March 31, 2024	89,612	46,211	51.6	671.57

(Reference) Equity: As of March 31, 2025: 47,434 million yen

As of March 31, 2024: 46,211 million yen

* These consolidated 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. For assumptions for the results forecast and points to consider in utilizing them, please see “(4) Future Outlook” in “1. Overview of Operating Results, Etc.” of the attachments.

(How to obtain supplementary explanatory materials for financial results)

The Company plans to hold a briefing for institutional investors and analysts on Tuesday, May 27, 2025. The explanatory materials for financial results distributed at the briefing will be posted on the Company’s website quickly on the day.

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1. Overview of Operating Results. Etc.

(1) Overview of Operating Results for the Current Fiscal Year

(a) Status of Operating Results

The Group's consolidated net sales for the fiscal year under review were 670,042 million yen (up 4.0% year-on-year). Operating profit came to 13,544 million yen (down 14.4% year-on-year), ordinary profit posted 9,712 million yen (down 22.1% year-on-year), and profit attributable to owners of parent was 7,986 million yen (down 24.8% year-on-year).

Results for the fiscal year ended March 31, 2025 by business are as follows.

(b) Overview by Segment

Results for the fiscal year ended March 31, 2025 by business are as follows.

<Northeast Asia>

In the domestic paper segment, the sales volume was below the previous year's level due to a decline in demand for graphic paper, resulting in a decline in sales and profits.

In the paperboard segment, demand for containerboard for beverages remained steady, and sales volume, net sales, and profits exceeded the previous year's level. As for boxboards, the expected inbound demand from foreign visitors to Japan lacked momentum, and both sales volume and net sales as a whole were below the previous year's level. Profits, however, were higher than in the previous year as market conditions were maintained. In the high-end paperboard segment, sales and profits declined for trading card games.

In the paper raw materials segment, sales volume for waste paper was unchanged from the previous year. Both net sales and profits were higher than the previous year due to stable market prices. On the other hand, sales of commercial pulp recorded a loss due to a significant market decline and the impact of foreign exchange rates.

There was no full-scale recovery in China, as the decline in demand for paper did not show any recovery by the end of the year, and there was no significant improvement in the balance between paper supply and demand.

As a result, net sales of the Northeast Asia business were 303,649 million yen (down 0.3% year-on-year), and segment profit came to 2,895 million yen (down 15.4% year-on-year).

<Europe/Americas>

The European economy was still in a lackluster state, and consumer sentiment cooled due to political concerns. In this environment, net sales and profits in the paper business declined from the previous year due to rather lower paper prices despite our raising them due to sluggish demand and intensified price competition.

In the packaging business, despite sluggish performance in the manufacturing and retail industries due to the economic recession mainly in Germany, the business performance was boosted by the three companies newly acquired in the fiscal year under review, resulting in higher net sales and profits than the previous year.

In the visual communications business, both net sales and profits were higher than the previous year due to strong demand and the contribution of two companies acquired in the previous and current fiscal years.

On the other hand, in the Americas, including South America, the economy remained firm and packaging sales were strong, resulting in higher sales and profits than the previous year.

As a result, net sales of the Europe/Americas business were 298,460 million yen (up 4.5% year-on-year), and segment profit came to 7,757 million yen (down 25.9% year-on-year).

<Asia Pacific>

In the paper business, both net sales and profits were lower than the previous year as commercial printing and the paperboard market in the Oceania region was sluggish despite the strong office and digital segments.

In the packaging business, both net sales and profits were significantly higher than the previous year due to the strong performance of Signet Pty Ltd., which was acquired in April.

In the visual communication business, both net sales and profits were higher than the previous year, thanks to the hardware and roll media sales that continued.

The trading business performed well in Southeast Asia and South Asia, and both net sales and profits increased from the previous year.

As a result, net sales of the Asia Pacific business were 66,428 million yen (up 26.3% year-on-year), and segment profit posted 3,000 million yen (up 39.5% year-on-year).

<Real Estate Leasing>

Demand for office space is on the rise due to strong corporate performance and heated competition for human resources. New supplies have also been rapidly absorbed and the same trend is expected to continue going forward.

Under these circumstances, profits were up due to a decrease in repair costs, although rent revenue fell slightly due to vacancies in some properties, while rent for some properties increased with the contribution of rent revisions.

As a result, net sales of the Real Estate Leasing business were 1,504 million yen (down 1.1% year-on-year), and segment profit posted 602 million yen (up 4.0% year-on-year).

(2) Overview of Financial Position for the Current Fiscal Year

Total assets at the end of the fiscal year under review were 352,035 million yen, up 7,473 million yen from the end of the previous fiscal year. This was mainly due to increases in merchandise and finished goods and property, plant and equipment.

Liabilities were 265,818 million yen, up 3,156 million yen from the end of the previous fiscal year. This was due mainly to an increase in lease obligations and commercial papers.

Net assets came to 86,216 million yen, up 4,316 million yen from the end of the previous fiscal year. This was due mainly to recording of profit attributable to owners of parent and foreign currency translation adjustment. As a result, the equity ratio rose 0.8 points to 24.5% from the end of the previous fiscal year.

(3) Overview of Cash Flows for the Current Fiscal Year

Cash and cash equivalents at the end of the fiscal year under review (hereinafter referred to as “funds”) were 11,316 million yen, down 14,928 million yen from the end of the previous fiscal year. This was a result of appropriating funds provided by mainly profit before income taxes, a decrease in trade receivables and an increase in short-term borrowings to acquire shares of subsidiaries and repay long-term borrowings.

Funds provided by operating activities totaled 11,169 million yen (funds provided by operating activities of 19,817 million yen for the previous fiscal year). This was mainly due to the acquisition of profit before income taxes and a decrease in trade receivables.

Funds used in investing activities totaled 16,644 million yen (funds used in investing activities of 5,508 million yen for the previous fiscal year). This was mainly due to purchases of shares of subsidiaries and non-current assets.

Funds used in financing activities totaled 11,190 million yen (funds used in financing activities of 22,375 million yen for the previous fiscal year). This was mainly due to the repayment of long-term borrowings and lease obligations.

(4) Future Outlook

The forecast for the fiscal year ending March 2026 is as follows.

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
	Million yen	Million yen	Million yen	Million yen
Results forecast for the fiscal year ending March 31, 2026	675,000	13,500	9,500	8,000
Operating results for the fiscal year ended March 31, 2025	670,042	13,544	9,712	7,986
Changes	4,957	(44)	(212)	13

In the paper business, we expect a decline in demand for graphic paper in each segment region, but we assume that a certain level of profit will be secured by maintaining sales prices. In the packaging and visual communications businesses in Europe, the Americas, and Oceania, the contribution of the operating companies acquired through M&A and new demand is projected to offset the decline in the paper business.

*Notes on forward-looking information

The results forecast and other forward-looking statements contained herein are based on information currently available to the Company and certain assumptions deemed to be reasonable. Actual results may differ substantially due to various factors, and the forecast and other forward-looking statements are not intended as a guarantee that the Company will achieve them.

2. Basic Approach to the Selection of Accounting Standards

For the time being, the Group has a policy to prepare consolidated financial statements in accordance with Japan GAAP, taking into account the comparability of consolidated financial statements over time and among entities.

Regarding the adoption of the International Financial Reporting Standards (IFRS), the Group will respond appropriately in consideration of various domestic and international situations.

3. Consolidated Financial Statements and Key Notes

(1) Consolidated Balance Sheets

(Million yen)

	Previous Fiscal Year (March 31, 2024)	Current Fiscal Year (March 31, 2025)
Assets		
Current assets		
Cash and deposits	26,286	11,319
Notes receivable–trade	7,723	5,429
Accounts receivable–trade	104,848	109,733
Electronically recorded monetary claims - operating	28,869	21,906
Merchandise and finished goods	66,126	72,493
Other	14,653	16,426
Allowance for doubtful accounts	(5,819)	(5,997)
Total current assets	242,689	231,312
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,942	7,793
Machinery, equipment and vehicles, net	2,203	3,192
Tools, furniture and fixtures, net	2,130	2,608
Land	9,072	8,999
Leased assets, net	318	315
Right-of-use assets, net	19,878	29,684
Construction in progress	146	58
Total property, plant and equipment	41,692	52,651
Intangible assets		
Goodwill	6,958	11,374
Software	7,676	9,954
Customer-related assets	3,746	5,750
Other	288	2,791
Total intangible assets	18,670	29,870
Investments and other assets		
Investment securities	23,139	19,603
Long-term loans receivable	4	2
Deferred tax assets	5,977	5,582
Retirement benefit asset	10,461	11,310
Other	9,850	10,246
Allowance for doubtful accounts	(7,922)	(8,544)
Total investments and other assets	41,510	38,201
Total non-current assets	101,872	120,723
Total assets	344,562	352,035

	(Million yen)	
	Previous Fiscal Year (March 31, 2024)	Current Fiscal Year (March 31, 2025)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	95,368	91,881
Electronically recorded obligations - operating	5,284	3,518
Short-term borrowings	38,862	40,086
Commercial papers	12,000	14,000
Advances received	2,529	2,468
Lease obligations	6,395	7,496
Income taxes payable	3,822	1,859
Provision for bonuses	4,275	3,457
Provision for bonuses for directors (and other officers)	140	103
Provision for point card certificates	17	17
Provision for product warranties	30	38
Provision for loss on business liquidation	921	1,016
Reserve for shareholder benefits	-	61
Provision for risk costs	168	165
Other	28,419	27,959
Total current liabilities	198,235	194,130
Non-current liabilities		
Bonds payable	20,000	20,000
Long-term borrowings	15,167	12,701
Lease obligations	15,838	24,750
Deferred tax liabilities	6,372	7,525
Provision for retirement benefits for directors (and other officers)	2	3
Provision for share awards for directors (and other officers)	297	280
Provision for risk costs	1,086	994
Retirement benefit liability	2,300	2,117
Asset retirement obligations	441	445
Other	2,918	2,870
Total non-current liabilities	64,426	71,688
Total liabilities	262,662	265,818
Net assets		
Shareholders' equity		
Capital stock	4,723	4,723
Capital surplus	7,292	3,221
Retained earnings	61,631	67,733
Treasury shares	(2,799)	(650)
Total shareholders' equity	70,848	75,028
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,902	5,951
Deferred gains or losses on hedges	(98)	9
Foreign currency translation adjustment	6,638	10,139
Remeasurements of defined benefit plans	(3,478)	(5,007)
Total accumulated other comprehensive income	10,963	11,093
Non-controlling interests	88	94
Total net assets	81,900	86,216
Total liabilities and net assets	344,562	352,035

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

	(Million yen)	
	Previous Fiscal Year (April 1, 2023, to March 31, 2024)	Current Fiscal Year (April 1, 2024, to March 31, 2025)
Net sales	644,435	670,042
Cost of sales	524,536	540,925
Gross profit	119,899	129,116
Selling, general and administrative expenses		
Selling expenses	18,519	20,186
Employees' salaries and allowances	37,782	43,890
Provision for bonuses	4,167	3,419
Provision for bonuses for directors (and other officers)	138	103
Retirement benefit expenses	726	1,138
Provision of allowance for doubtful accounts	876	223
Provision for retirement benefits for directors (and other officers)	0	0
Provision for share awards for directors (and other officers)	86	60
Provision for shareholder benefit program	-	61
Other	41,781	46,488
Total selling, general and administrative expenses	104,079	115,572
Operating profit	15,819	13,544
Non-operating income		
Interest income	248	292
Dividend income	470	497
Share of profit of entities accounted for using equity method	37	71
Gain on valuation of derivatives	458	-
Reversal of allowance for doubtful accounts	210	376
Other	561	423
Total non-operating income	1,987	1,661
Non-operating expenses		
Interest expenses	2,114	2,711
Loss on sale of trade receivables	1,348	1,587
Foreign exchange losses	895	172
Insurance expenses	489	519
Other	483	502
Total non-operating expenses	5,332	5,492
Ordinary profit	12,475	9,712

	(Million yen)	
	Previous Fiscal Year (April 1, 2023, to March 31, 2024)	Current Fiscal Year (April 1, 2024, to March 31, 2025)
Extraordinary income		
Gain on sale of non-current assets	1,429	175
Gain on sale of investment securities	836	1,816
Other	0	0
Total extraordinary income	2,267	1,993
Extraordinary losses		
Loss on sale of non-current assets	2	9
Loss on retirement of non-current assets	12	70
Impairment loss	1,009	35
Reversal of foreign currency translation adjustment	8	-
Loss on valuation of investment securities	11	124
Other	0	0
Total extraordinary losses	1,044	239
Profit before income taxes	13,697	11,466
Income taxes—current	4,673	3,561
Income taxes—deferred	(1,594)	(87)
Total income taxes	3,078	3,474
Profit	10,619	7,992
Profit attributable to non-controlling interests	5	5
Profit attributable to owners of parent	10,613	7,986

Consolidated Statements of Comprehensive Income

(Million yen)

	Previous Fiscal Year (April 1, 2023, to March 31, 2024)	Current Fiscal Year (April 1, 2024, to March 31, 2025)
Profit	10,619	7,992
Other comprehensive income		
Valuation difference on available-for-sale securities	3,845	(1,950)
Deferred gains or losses on hedges	(132)	107
Foreign currency translation adjustment	5,192	3,422
Remeasurements of defined benefit plans, net of tax	(1,855)	(1,528)
Share of other comprehensive income of entities accounted for using equity method	40	78
Total other comprehensive income	7,090	129
Comprehensive income:	17,709	8,122
Comprehensive income attributable to		
Owners of parent	17,704	8,116
Non-controlling interests	5	5

(3) Consolidated Statements of Changes in Equity

Previous fiscal year (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
Purchase 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
Purchase 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

Current fiscal year (April 1, 2024, to March 31, 2025)

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,723	7,292	61,631	(2,799)	70,848
Changes during period					
Dividends of surplus			(1,883)		(1,883)
Profit attributable to owners of parent			7,986		7,986
Purchase of treasury shares				(1,998)	(1,998)
Cancellation of treasury shares		(4,071)		4,071	-
Disposal of treasury shares				76	76
Net changes in items other than shareholders' equity					
Total changes during period	-	(4,071)	6,102	2,149	4,180
Balance at end of period	4,723	3,221	67,733	(650)	75,028

	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	7,902	(98)	6,638	(3,478)	88	81,900
Changes during period						
Dividends of surplus						(1,883)
Profit attributable to owners of parent						7,986
Purchase of treasury shares						(1,998)
Cancellation of treasury shares						-
Disposal of treasury shares						76
Net changes in items other than shareholders' equity	(1,950)	107	3,501	(1,528)	5	135
Total changes during period	(1,950)	107	3,501	(1,528)	5	4,316
Balance at end of period	5,951	9	10,139	(5,007)	94	86,216

(4) Consolidated Statements of Cash Flows

(Million yen)

	Previous Fiscal Year (April 1, 2023, to March 31, 2024)	Current Fiscal Year (April 1, 2024, to March 31, 2025)
Cash flows from operating activities		
Profit before income taxes	13,697	11,466
Depreciation	9,057	11,298
Impairment loss	1,009	35
Amortization of goodwill	1,163	1,433
Share of loss (profit) of entities accounted for using equity method	(37)	(71)
Loss (gain) on valuation of investment securities	11	124
Increase (decrease) in retirement benefit liability	(1,379)	(1,470)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	0	0
Increase (decrease) in provision for share awards for directors (and other officers)	25	(16)
Increase (decrease) in provision for bonuses	(397)	(971)
Increase (decrease) in provision for bonuses for directors (and other officers)	(87)	(40)
Increase (decrease) in allowance for doubtful accounts	(4,747)	(573)
Increase (decrease) in provision for point card certificates	(4)	(0)
Interest and dividend income	(718)	(790)
Interest expenses	2,114	2,711
Loss (gain) on sale and retirement of non-current assets	(1,414)	(95)
Loss (gain) on sale of investment securities	(836)	(1,816)
Reversal of foreign currency translation adjustment	8	-
Decrease (increase) in trade receivables	559	9,785
Decrease (increase) in inventories	13,321	(1,082)
Decrease (increase) in other assets	1,142	(1,106)
Increase (decrease) in trade payables	(955)	(8,201)
Increase (decrease) in other liabilities	(3,720)	(2,959)
Other	(1,062)	(154)
Subtotal	26,748	17,505
Interest and dividend income	738	821
Interest expenses	(2,082)	(2,574)
Income taxes paid	(5,586)	(4,582)
Cash flows from operating activities	19,817	11,169
Cash flows from investing activities		
Payments into time deposits	(437)	(256)
Proceeds from withdrawal of time deposits	429	295
Purchase of property, plant and equipment and intangible assets	(4,147)	(4,773)
Proceeds from sale of property, plant and equipment and intangible assets	1,926	378
Purchase of investment securities	(219)	(283)
Proceeds from sale of investment securities	1,396	2,949
Payments for acquisition of businesses	(1,100)	(1,738)
Loan advances	(0)	(3)
Proceeds from collection of loans receivable	302	23
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(3,663)	(13,236)
Other	5	2

	(Million yen)	
	Previous Fiscal Year (April 1, 2023, to March 31, 2024)	Current Fiscal Year (April 1, 2024, to March 31, 2025)
Cash flows from investing activities	(5,508)	(16,644)

	(Million yen)	
	Previous Fiscal Year (April 1, 2023, to March 31, 2024)	Current Fiscal Year (April 1, 2024, to March 31, 2025)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(6,103)	6,474
Net increase (decrease) in commercial papers	2,000	2,000
Proceeds from long-term borrowings	7,614	6,216
Repayments of long-term borrowings	(26,687)	(14,957)
Proceeds from issuance of bonds	10,000	-
Repayments of lease obligations	(5,515)	(7,041)
Purchase of treasury shares	(2,072)	(1,998)
Dividends paid	(1,611)	(1,883)
Cash flows from financing activities	(22,375)	(11,190)
Effect of exchange rate change on cash and cash equivalents	3,610	1,737
Net increase (decrease) in cash and cash equivalents	(4,455)	(14,928)
Cash and cash equivalents at beginning of period	30,699	26,244
Cash and cash equivalents at end of period	26,244	11,316

(5) Notes to Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not applicable.

(Significant changes in the scope of consolidation during the period)

Tecnoprímaf S.r.l. (former Tpf Srl) has been included in the scope of consolidation from the fiscal year under review since all of its shares were acquired by Antalis S.A.S. 100 METROS - SOLUÇÕES DE EMBALAGEM, UNIPESSOAL, LDA has been included in the scope of consolidation from the fiscal year under review since all of its shares were acquired by ANTALIS PORTUGAL, S.A., an operating company of Antalis S.A.S. SIA PAKELLA and its subsidiaries, UAB PAKELLA and PAKELLA OU, have been included in the scope of consolidation from the fiscal year under review since all of the shares of SIA PAKELLA were acquired by AS Antalis, an operating company of Antalis S.A.S. Signet Pty Ltd. has been included in the scope of consolidation from the fiscal year under review since all of its shares were acquired by DAIEI AUSTRALASIA PTY LTD., an operating company of Spicers Limited. Planchas Aislamientos y Embalajes S.L. has been included in the scope of consolidation from the fiscal year under review since all of its shares were acquired by Antalis Iberia S.A., an operating company of Antalis S.A.S.

(Changes in Accounting Policies)

(Adoption of Accounting Standard for Current Income Taxes, etc.)

The Company has adopted the Accounting Standard for Current Income Taxes (ASBJ Statement No. 27, October 28, 2022, hereinafter referred to as the “Revised Accounting Standard of 2022”) and relevant ASBJ regulations effective as of the beginning of the fiscal year under review. Revisions related to the accounting classification of income taxes (taxation on other comprehensive income) are in accordance with the transitional treatment set forth in the proviso to paragraph 20-3 of the Revised Accounting Standard of 2022 and the transitional treatment set forth in the proviso to paragraph 65-2 (2) of the Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022). This change has no effect on the consolidated financial statements.

(Adoption of Accounting for and Disclosure of Current Taxes Related to the Global Minimum Tax Rules)

The Company has adopted the Accounting for and Disclosure of Current Taxes Related to the Global Minimum Tax Rules (ASBJ Practical Solution No. 46, March 22, 2024) effective as of the beginning of the fiscal year under review. This adoption has a minimal effect on the consolidated financial statements.

(Changes in Accounting Estimates)

Change in the number of years of amortizing actuarial gains and losses at foreign consolidated subsidiaries

Regarding the number of years of amortizing actuarial gains and losses on the accounting treatment method related to retirement benefits, some of the foreign consolidated subsidiaries of the Company amortized them over 11 years as the average remaining years of service of eligible employees. However, they have been changed to 10 years in light of changes to the average remaining years of service at the end of the previous consolidated fiscal year. With respect to the portion corresponding to the extension of the amortization period, the amortization period based on the average remaining service period before the change continues to be applied. There is no impact of this change on consolidated earnings for the current fiscal year.

(Segment Information, Etc.)

[Segment Information]

1. Outline of Reportable Segments

The Company's reportable segments are components of the Group for which separate financial information is available and which are subject to periodic review by the Board of Directors in determining the allocation of management resources and in assessing performance.

The Group is developing business globally, mainly in the paper business, the packaging business and the visual communication business. Under the umbrella of the three core operating companies of Kokusai Pulp & Paper Co., Ltd., Antalis S.A.S., and Spicers, each business plans a comprehensive strategy, etc. and operates in each region.

Accordingly, the Group consists of regional segments, and has set up four reportable segments; "Northeast Asia," "Europe/Americas," "Asia Pacific" and "Real Estate Leasing."

Details of business and major countries or regions of each reportable segment are as follows:

- Northeast Asia

Paper, paperboard, pulp, waste paper, and other paper-related materials are sold in Japan, China, Taiwan, Hong Kong, South Korea, and other countries.

- Europe/Americas

Paper, paperboard, and other paper-related materials are sold in France, the United Kingdom, Germany, Switzerland, Canada, Chile, and other countries.

- Asia Pacific

Paper, paperboard, pulp, waste paper, and other paper-related materials are sold in Australia, New Zealand, Singapore, and other countries.

- Real Estate Leasing

Real estate is leased in Japan.

2. Method Used to Calculate Net Sales, Profit or Loss, Assets, Liabilities, and Other Items by Reportable Segment

The method of accounting for reportable business segments is generally the same as the one employed for preparing consolidated financial statements.

Profit in the reportable segments is based on operating profit.

Intersegment revenues and transfers are based on prevailing market prices.

3. Information on Net Sales, Profit or Loss, Assets, Liabilities, and Other Items by Reportable Segment

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

(Million yen)

	Reportable segment					Adjustment (Note 1)	Amount recorded in consolidated financial statements (Note 2)
	Northeast Asia	Europe/Americas	Asia Pacific	Real Estate Leasing	Total		
Net sales							
Net sales to external customers	304,594	285,726	52,593	1,521	644,435	-	644,435
Intersegment net sales or transfers	2,059	-	38	436	2,534	(2,534)	-
Total	306,654	285,726	52,631	1,957	646,970	(2,534)	644,435
Segment profit	3,421	10,474	2,151	579	16,626	(807)	15,819
Segment assets	148,564	118,857	43,682	13,290	324,395	20,167	344,562
Other items							
Depreciation	558	7,114	1,158	220	9,051	6	9,057
Amortization of goodwill	11	327	824	-	1,163	-	1,163
Investment in entities accounted for using equity method	1,548	-	-	-	1,548	-	1,548
Increase in property, plant and equipment and intangible assets	1,212	6,578	425	80	8,296	65	8,362

(Note) 1. Details of the adjustment are as follows.

- (1) The adjustment to segment profit of (807) million yen consists of intersegment eliminations of 894 million yen and corporate expenses of (1,701) million yen. Corporate expenses are mainly general and administrative expenses at administrative divisions of the head office that are not attributable to any reportable segment.
- (2) The adjustment to segment assets of 20,167 million yen consists of intersegment eliminations of (59,011) million yen and corporate assets of 79,179 million yen. Corporate assets are mainly surplus operating funds, long-term investment funds and assets related to administrative divisions of the head office that are not attributable to any reportable segment.
2. Segment profit is adjusted with operating profit in consolidated financial statements.
3. The increase in property, plant and equipment and intangible fixed assets does not include the amount of leased assets under IFRS 16 "Leases."

Current fiscal year (April 1, 2024, to March 31, 2025)

(Million yen)

	Reportable segment					Adjustment (Note 1)	Amount recorded in consolidated financial statements (Note 2)
	Northeast Asia	Europe/Americas	Asia Pacific	Real Estate Leasing	Total		
Net sales							
Net sales to external customers	303,649	298,460	66,428	1,504	670,042	-	670,042
Intersegment net sales or transfers	2,252	24	135	470	2,883	(2,883)	-
Total	305,902	298,484	66,563	1,975	672,925	(2,883)	670,042
Segment profit	2,895	7,757	3,000	602	14,255	(711)	13,544
Segment assets	138,007	129,994	54,010	13,330	335,343	16,691	352,035
Other items							
Depreciation	798	8,670	1,636	188	11,294	4	11,298
Amortization of goodwill	11	595	827	-	1,433	-	1,433
Investment in entities accounted for using equity method	1,667	-	-	-	1,667	-	1,667
Increase in property, plant and equipment and intangible assets	873	10,440	7,491	207	19,012	176	19,189

(Note) 1. Details of the adjustment are as follows.

- (1) The adjustment to segment profit of (711) million yen consists of intersegment eliminations of 782 million yen and corporate expenses of (1,493) million yen. Corporate expenses are mainly general and administrative expenses at administrative divisions of the head office that are not attributable to any reportable segment.
- (2) The adjustment to segment assets of 16,691 million yen consists of intersegment eliminations of (68,364) million yen and corporate assets of 85,056 million yen. Corporate assets are mainly surplus operating funds, long-term investment funds and assets related to administrative divisions of the head office that are not attributable to any reportable segment.
2. Segment profit is adjusted with operating profit in consolidated financial statements.
3. The increase in property, plant and equipment and intangible fixed assets does not include the amount of leased assets under IFRS 16 "Leases."

(Per-share Information)

	Previous Fiscal Year (April 1, 2023, to March 31, 2024)	Current Fiscal Year (April 1, 2024, to March 31, 2025)
Net assets per share	1,188.92 yen	1,305.61 yen
Basic earnings per share	149.24 yen	118.00 yen
Diluted earnings per share	-	-

- (Notes)
1. Diluted earnings per share is not stated as there are no dilutive shares that have a dilutive effect.
 2. In calculating “net assets per share,” the Company’s shares owned by the executive compensation BIP trust are included in treasury shares to be deducted from the total number of outstanding shares at the end of the fiscal year (1,432,000 shares in the previous fiscal year, and 1,281,000 shares in the fiscal year under review).
In calculating “basic earnings per share,” the Company’s shares owned by the executive compensation BIP trust are included in treasury shares to be deducted in the calculation of average number of shares during the fiscal year (1,466,000 shares in the previous fiscal year, and 1,324,000 shares in the fiscal year under review).
 3. The basis for calculating the amount of net assets per share is as follows.

	End of the Previous Fiscal Year (March 31, 2024)	End of the Current Fiscal Year (March 31, 2025)
Total net assets (million yen)	81,900	86,216
Amount to be deducted from total net assets (million yen)	88	94
(Non-controlling interests (million yen))	(88)	(94)
Net assets at the end of the fiscal year related to common shares (million yen)	81,811	86,122
Number of common shares at the end of the fiscal year used for calculation of net assets per share (thousand shares)	68,811	65,963

4. The basis for calculating earnings per share is as follows.

	Previous Fiscal Year (April 1, 2023, to March 31, 2024)	Current Fiscal Year (April 1, 2024, to March 31, 2025)
Basic earnings per share		
Profit attributable to owners of parent (million yen)	10,613	7,986
Amount not attributable to common shareholders (million yen)	-	-
Profit attributable to owners of parent related to common shares (million yen)	10,613	7,986
Average number of common shares during the fiscal year (thousand shares)	71,117	67,684
Outline of dilutive shares not included in the calculation of diluted earnings per share because they have no dilutive effect	-	-

(Significant Subsequent Events)

(Purchase of treasury shares)

At a meeting of the Board of Directors held on May 13, 2025, the Company passed a resolution regarding matters related to purchase of treasury shares pursuant to Article 156 of the Companies Act of Japan, as applied pursuant to Article 165, Paragraph 3 of the same Act.

1. Reasons for purchase of treasury shares

The Company intends to purchase treasury shares in order to enhance shareholder returns and improve capital efficiency, as well as to enable the implementation of flexible capital policies in response to changes in the business environment.

2. Details of the resolution of the Board of Directors concerning the purchase of treasury shares

- | | |
|---|---|
| (1) Type of shares to be acquired | Common shares of the Company |
| (2) Total number of shares to be acquired | 3,000,000 (maximum) |
| (3) Total value of shares acquired | 3,000 million yen (maximum) |
| (4) Period for purchase | From May 15, 2025, to March 31, 2026 |
| (5) Method of acquisition | Market purchase on the Tokyo Stock Exchange |