

Financial Results for the Six Months Ended September 30, 2025

[JGAAP]

(Consolidated)



November 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 filing semi-annual securities report:

November 14, 2025

Scheduled date of commencing dividend payments:

December 2, 2025

Preparation of supplementary explanatory materials for financial results: Yes

Schedule of financial results briefing session:

No

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

1. Consolidated Financial Results for the Six Months Ended September 30, 2025 (April 1, 2025, to September 30, 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	%
Six months ended September 30, 2025	319,186	(4.4)	3,881	(41.0)	1,976	(55.7)	2,247	(30.9)
Six months ended September 30, 2024	333,943	4.1	6,578	(7.8)	4,459	(25.8)	3,251	(31.0)

(Notes) Comprehensive income:

Six months ended September 30, 2025: 1,096 million yen (-89.2%)

Six months ended September 30, 2024: 10,140 million yen (-10.6%)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2025	34.42	-
Six months ended September 30, 2024	47.32	-

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of September 30, 2025	355,003	84,442	23.8
As of March 31, 2025	352,035	86,216	24.5

(Reference) Equity:

As of September 30, 2025: 84,424 million yen

As of March 31, 2025: 86,122 million yen

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, 2025	-	16.00	-	18.00	34.00
Fiscal year ending March 31, 2026	-	18.00			
Fiscal year ending March 31, 2026 (forecast)			-	18.00	36.00

(Notes) Revision to the forecast for dividends announced most recently: No

(Notes) 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	640,000	(4.5)	10,000	(26.2)	5,500	(43.4)	5,000	(37.4)
								77,43

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

*Notes:

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

Newly included: 7 companies (Fortuna Digital Holding, Fortuna Digital Austria, Fortuna Digital BIH, Fortuna Digital Croatia, Fortuna Digital Hungary, Fortuna Digital Serbia, Fortuna Digital Slovenia)

Excluded: -

(Note) For details, please see “(3) Notes to Semi-Annual Consolidated Financial Statements (Changes in Scope of Consolidation or Scope of Application of Equity Method)” in “2. Semi-Annual Consolidated Financial Statements and Key Notes” of the attachments.

(2) Accounting methods adopted particularly for the preparation of semi-annual 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: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(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):

As of September 30, 2025 67,244,284 shares

As of March 31, 2025 67,244,284 shares

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

As of September 30, 2025 3,201,551 shares

As of March 31, 2025 1,281,174 shares

3) Average number of shares during the period (Six months ended September 30, 2025)

Six months ended September 30, 2025 65,317,852 shares

Six months ended September 30, 2024 68,712,228 shares

- * These semi-annual consolidated financial results are outside the scope of 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. For assumptions for the results forecast and points to consider in utilizing them, please see “(3) Explanation of consolidated financial results forecast and other forward-looking information” in “1. Overview of Operating Results, Etc.” of the attachments.

(Method to obtain supplementary explanatory materials for financial results)

A financial results briefing video will be distributed on our official website in early December 2025. Financial results materials will be posted on our official website on Friday, November 28.

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1. Overview of Operating Results, Etc.

(1) Overview of Operating Results, etc. for the Six Months Ended September 30, 2025

(a) Status of Operating Results

During the six months ended September 30, 2025, demand for paper decreased due to the sluggish economy in Europe, including Germany and the United Kingdom, the slowdown of Chinese economic growth and the downturn in consumer confidence because of the impact of the Trump tariffs, and net sales declined to 319,186 million yen (down 4.4% year-on-year).

With respect to profits, operating profit came to 3,881 million yen (down 41.0% year-on-year). This was due to temporarily increased selling, general and administrative expenses, which were the costs of the restructuring implemented in the United Kingdom and some regions and countries as mentioned above. Meanwhile, in sectors other than the paper business, profits increased due to the contribution of each company included in the Group through M&A to business performance. Ordinary profit was 1,976 million yen (down 55.7% year-on-year) due to factors such as the influence of the interest rate increase. Profit attributable to owners of parent was 2,247 million yen (down 30.9% year-on-year) due to the recording of extraordinary income such as from sale of cross-shareholdings.

(b) Overview by Segment

Results for the six months ended September 30, 2025, by business are as follows.

<Northeast Asia>

In the domestic paper segment, sales volume fell below the previous year's level due to a decline in demand for graphic paper, and both net sales and profits were lower than the previous year.

In the paperboard segment, demand for containerboard for beverages remained steady and exports increased, resulting in a higher sales volume than in the previous year. Yet, net sales and profits were unchanged from the previous year due to softening market conditions. As for boxboards, both sales volume and net sales were higher than those of the previous year partially due to inbound demand. But profits were lower than the previous year due to the product mix.

In the paper raw materials segment, sales volume and net sales for waste paper were above the previous year's level, yet profits were lower than the previous year due to purchase prices that remained high. Both net sales and profits of commercial pulp were lower than the previous year due to the impact of the market downturn.

In China, net sales declined from the previous year due to softening market conditions, but profits were higher than the previous year due to lower selling, general and administrative expenses.

As a result, net sales for the six months ended September 30, 2025, were 143,126 million yen (down 5.5% year-on-year), and operating profit came to 1,195 million yen (down 34.1% year-on-year).

<Europe/Americas>

While the European economy remains stagnant, both net sales and profits of the paper business fell below the previous year due to sluggish demand and a decline in unit sales prices, despite the contribution of the Xerox paper business, which was acquired last year, to business performance.

In the packaging business, both net sales and profits were higher than the previous year, due to the contribution of companies included in the Group through M&A to business performance.

In the visual communications business, both net sales and profits were higher than the previous year due to strong hardware sales and the contribution of companies, such as SAS Poitoo Adhésifs acquired last year and Fortuna Digital Holding purchased this year, to business performance.

As a result, net sales for the six months ended September 30, 2025, were 144,887 million yen (down 4.1% year-on-year), and operating profit came to 1,923 million yen (down 47.2% year-on-year).

<Asia Pacific>

In the paper business, the weak demand for commercial printing and paperboard led to lower net sales and profits than the previous year.

In the packaging business, both net sales and profits increased significantly year-on-year due to the contribution of Signet Pty Ltd. and Leightons Packaging Solutions Limited and Paper Direct Limited, which were acquired in the previous year.

In the visual communication business, both net sales and profits were up from the previous year thanks to strong sales of hardware, etc.

In the trading business, both net sales and profits fell below the previous year's level due to the low demand in Malaysia and India.

As a result, net sales for the six months ended September 30, 2025, were 30,416 million yen (down 1.1% year-on-year), and operating profit came to 1,003 million yen (down 12.8% year-on-year).

<Real Estate Leasing>

In the domestic office market, vacancy rates are on the decline, while rents continue to rise nationwide. Demand is also increasing.

As the backdrop, there are factors such as the improvement of the employment environment, a focus on securing human resources, and business expansion in line with the recovery of companies' performance. For a while, the trend is expected to last.

For this entire segment, both net sales and profits were unchanged year-on-year although an improvement in rent revenue for some properties was observed due to revised rents.

As a result, net sales for the six months ended September 30, 2025, were 755 million yen (up 0.7% year-on-year), and operating profit came to 300 million yen (up 0.4% year-on-year).

(2) Overview of Financial Position for the Six Months Ended September 30, 2025

Total assets at the end of the six months ended September 30, 2025, were 355,003 million yen, up 2,967 million yen from the end of the previous fiscal year. This was due mainly to an increase in inventory assets and electronically recorded monetary claims - operating.

Liabilities were 270,561 million yen, up 4,742 million yen from the end of the previous fiscal year. This was due mainly to an increase in short-term borrowings.

Net assets came to 84,442 million yen, down 1,774 million yen from the end of the previous fiscal year.

This was due mainly to recording of foreign currency translation adjustment. As a result, the equity ratio dropped 0.7 points from the end of the previous fiscal year to 23.8%.

(3) Explanation of consolidated financial results forecast and other forward-looking information

In light of recent business performance, the consolidated financial forecasts for the fiscal year ending March 31, 2026, were changed from those announced on May 14, 2025. For more details, please refer to "Notice on the amendment of the consolidated financial forecasts for the fiscal year ending March 31, 2026," which was announced today (November 14, 2025).

2. Semi-Annual Consolidated Financial Statements and Key Notes

(1) Semi-Annual Consolidated Balance Sheets

		(Million yen)
	Previous Fiscal Year (March 31, 2025)	Semi-annual consolidated accounting period of the current fiscal year (September 30, 2025)
Assets		
Current assets		
Cash and deposits	11,319	9,266
Notes and accounts receivable - trade	115,163	115,113
Electronically recorded monetary claims – operating	21,906	23,609
Merchandise and finished goods	72,493	74,572
Other	16,426	15,497
Allowance for doubtful accounts	(5,997)	(5,635)
Total current assets	231,312	232,424
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,793	7,600
Land	8,999	9,787
Other, net	35,859	34,808
Total property, plant and equipment	52,651	52,195
Intangible assets		
Goodwill	11,374	11,456
Customer-related assets	5,750	6,357
Other	12,745	13,437
Total intangible assets	29,870	31,251
Investments and other assets		
Investment securities	19,603	20,178
Retirement benefit asset	11,310	11,833
Other	15,831	14,823
Allowance for doubtful accounts	(8,544)	(7,705)
Total investments and other assets	38,201	39,130
Total non-current assets	120,723	122,578
Total assets	352,035	355,003

	(Million yen)	
	Previous Fiscal Year (March 31, 2025)	Semi-annual consolidated accounting period of the current fiscal year (September 30, 2025)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	91,881	96,123
Electronically recorded obligations - operating	3,518	3,341
Short-term borrowings	40,086	53,703
Commercial papers	14,000	5,000
Income taxes payable	1,859	1,894
Provision for bonuses	3,457	2,706
Provisions	1,402	1,178
Other	37,923	39,761
Total current liabilities	194,130	203,709
Non-current liabilities		
Bonds payable	20,000	20,000
Long-term borrowings	12,701	7,820
Retirement benefit liability	2,117	2,117
Provisions	1,278	1,493
Other	35,591	35,420
Total non-current liabilities	71,688	66,851
Total liabilities	265,818	270,561
Net assets		
Shareholders' equity		
Capital stock	4,723	4,723
Capital surplus	3,221	3,148
Retained earnings	67,733	68,771
Treasury shares	(650)	(2,156)
Total shareholders' equity	75,028	74,487
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,951	6,601
Deferred gains or losses on hedges	9	129
Foreign currency translation adjustment	10,139	8,637
Remeasurements of defined benefit plans	(5,007)	(5,431)
Total accumulated other comprehensive income	11,093	9,937
Non-controlling interests	94	17
Total net assets	86,216	84,442
Total liabilities and net assets	352,035	355,003

(2) Semi-Annual Consolidated Statements of Income and Comprehensive Income
Semi-Annual Consolidated Statements of Income

	(Million yen)	
	Semi-annual consolidated accounting period of the previous fiscal year (From April 1, 2024, to September 30, 2024)	Semi-annual consolidated accounting period of the current fiscal year (From April 1, 2025, to September 30, 2025)
Net sales	333,943	319,186
Cost of sales	269,115	256,837
Gross profit	64,827	62,348
Selling, general and administrative expenses	58,249	58,467
Operating profit	6,578	3,881
Non-operating income		
Interest income	155	141
Dividend income	275	288
Share of profit of entities accounted for using equity method	40	51
Reversal of allowance for doubtful accounts	3	132
Other	156	200
Total non-operating income	630	815
Non-operating expenses		
Interest expenses	1,249	1,487
Loss on sale of trade receivables	852	467
Foreign exchange losses	159	269
Other	486	496
Total non-operating expenses	2,749	2,720
Ordinary profit	4,459	1,976
Extraordinary income		
Gain on sale of non-current assets	179	14
Gain on sale of investment securities	557	545
Gain on bargain purchase	-	113
Settlement income	-	800
Other	0	0
Total extraordinary income	738	1,473
Extraordinary losses		
Loss on retirement of non-current assets	37	0
Loss on sale of non-current assets	1	3
Other	0	8
Total extraordinary losses	38	12
Profit before income taxes	5,159	3,438
Income taxes	1,904	1,185
Profit	3,255	2,252
Profit attributable to non-controlling interests	3	4
Profit attributable to owners of parent	3,251	2,247

Semi-Annual Consolidated Statement of Comprehensive Income

(Million yen)

	Semi-annual consolidated accounting period of the previous fiscal year (From April 1, 2024, to September 30, 2024)	Semi-annual consolidated accounting period of the current fiscal year (From April 1, 2025, to September 30, 2025)
Profit	3,255	2,252
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,066)	650
Deferred gains or losses on hedges	223	120
Foreign currency translation adjustment	7,853	(1,436)
Remeasurements of defined benefit plans, net of tax	(221)	(423)
Share of other comprehensive income of entities accounted for using equity method	96	(66)
Total other comprehensive income	6,885	(1,156)
Comprehensive income	10,140	1,096
Comprehensive income attributable to		
Owners of parent	10,136	1,091
Non-controlling interests	3	4

(3) Notes to Semi-Annual Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not applicable.

(Notes on Significant Changes in the Amount of Shareholders' Equity)

The Company repurchased 1,279,200 shares of its common stock based on the resolution at the Board of Directors meeting held on May 13, 2025. Due mainly to this, treasury shares at the end of the six months ended September 30, 2025, amounted to 2,156 million yen, up 1,505 million yen during the period.

(Changes in Scope of Consolidation or Scope of Application of Equity Method)

Fortuna Digital Holding and its subsidiaries—Fortuna Digital Austria, Fortuna Digital BIH, Fortuna Digital Croatia, Fortuna Digital Hungary, Fortuna Digital Serbia and Fortuna Digital Slovenia—have been included in the scope of consolidation from the six months ended September 30, 2025, since all of the shares of Fortuna Digital Holding (former Fortuna Komers d.o.o) were acquired by Antalis S.A.S.

(Accounting Methods Adopted Particularly for the Preparation of Semi-Annual Consolidated Financial Statements)

(Calculation of Tax Expenses)

Tax expenses are calculated by reasonably estimating the effective tax rate after applying tax effect accounting to profit before income taxes for the fiscal year that includes the first six months ended September 30, 2025, and multiplying profit before income taxes by the estimated effective tax rate. However, if calculating tax expenses using the estimated effective tax rate is deemed highly unreasonable, the statutory effective tax rate will be used instead.

Deferred income taxes are included in income taxes.

(Notes to Segment Information, Etc.)

I Six months ended September 30, 2024 (from April 1, 2024, to September 30, 2024)

1. Information on net sales and profit (loss) by reportable segment

(Million yen)

	Reportable segment					Adjustment (Note 1)	Amount recorded in Semi-Annual Consolidated Statements of Income (Note 2)
	Northeast Asia	Europe/ Americas	Asia Pacific	Real Estate Leasing	Total		
Net sales							
Net sales to external customers	151,407	151,031	30,753	750	333,943	-	333,943
Intersegment net sales or transfers	1,283	12	52	235	1,583	(1,583)	-
Total	152,691	151,043	30,805	986	335,526	(1,583)	333,943
Segment profit	1,812	3,640	1,150	299	6,903	(325)	6,578

- (Notes) 1. The adjustment to segment profit of (325) million yen consists of intersegment eliminations of 412 million yen and corporate expenses of (738) 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. Segment profit is adjusted with operating profit in the Semi-Annual Consolidated Statements of Income.

2. Information on impairment loss on non-current assets and goodwill by reportable segment

(Significant Changes in Amount of Goodwill)

In the Europe/Americas segment, Tecnoprimal S.r.l. (former Tpf Srl) has been included in the scope of consolidation, since all of its shares were acquired by Antalis S.A.S., a consolidated subsidiary of our company, as of January 31, 2024. The amount of goodwill recorded due to the event was 2,701 million yen for the six months ended September 30, 2024. Also in the Asia Pacific segment, Signet Pty Ltd. has been included in the scope of consolidation, since all of its shares were acquired by DAIEI AUSTRALASIA PTY LTD., an operating company of Spicers Limited that is a consolidated subsidiary of our company, as of April 2, 2024. The amount of goodwill recorded due to the event was 4,320 million yen for the six months ended September 30, 2024.

II Six months ended September 30, 2025 (from April 1, 2025, to September 30, 2025)

1. Information on net sales and profit (loss) by reportable segment

(Million yen)

	Reportable segment					Adjustment (Note 1)	Amount recorded in Semi-Annual Consolidated Statements of Income (Note 2)
	Northeast Asia	Europe/ Americas	Asia Pacific	Real Estate Leasing	Total		
Net sales							
Net sales to external customers	143,126	144,887	30,416	755	319,186	-	319,186
Intersegment net sales or transfers	894	12	44	235	1,187	(1,187)	-
Total	144,020	144,900	30,460	991	320,373	(1,187)	319,186
Segment profit	1,195	1,923	1,003	300	4,423	(541)	3,881

- (Notes) 1. The adjustment to segment profit of (541) million yen consists of intersegment eliminations of 247 million yen and corporate expenses of (789) 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. Segment profit is adjusted with operating profit in the Semi-Annual Consolidated Statements of Income.