



Summary of Financial Accounts for the 3rd Quarter of the Fiscal Year Ending March 2021 [Japanese Standards] (Non-Consolidated)

February 8th, 2021

Listed Company Name Nippon Pallet Pool Co., Ltd. Exchange Tokyo
 Code Number 4690 URL <https://www.npp-web.co.jp>
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 Scheduled Quarterly Report Submission Date February 12th, 2021 Scheduled Dividend Payment Start Date —
 Existence of additional explanatory documents for the quarterly report: No
 Existence of an explanatory meeting for the quarterly report: No

(Rounded down to the nearest million yen)

1. Performance During the 3rd Quarter of the Fiscal Year Ending March 2021

(April 1st, 2020 - December 31st, 2020)

(1) Operating Results (To Date) (% change from the same quarter of the previous year)

	Sales		Operating Profit		Ordinary Profit		Quarterly Net Profit	
	million yen	%	million yen	%	million yen	%	million yen	%
FY Ending March 2021 Q3	5,260	—	539	36.2	637	22.5	417	23.4
FY Ending March 2020 Q3	5,261	6.6	396	215.8	520	166.1	338	205.6

	Quarterly Net Profit per Share	Diluted Quarterly Net Profit per Share
	yen sen	yen sen
FY Ending March 2021 Q3	496.48	—
FY Ending March 2020 Q3	402.32	—

(2) Financial Status

	Total Assets	Net Assets	Capital Adequacy Ratio
	million yen	million yen	%
FY Ending March 2021 Q3	10,237	4,856	47.4
FY Ending March 2020	10,338	4,475	43.3

(Reference) Owned Capital FY Ending March 2021 Q3 4,856 million yen FY Ending March 2020 4,475 million yen

2. Dividend Status

	Annual Dividend				
	Q1 End	Q2 End	Q3 End	FY End	Total
	yen sen	yen sen	yen sen	yen sen	yen sen
FY Ending March 2020	—	0.00	—	70.00	70.00
FY Ending March 2021	—	0.00	—		
FY Ending March 2021 (Forecast)				70.00	70.00

(Note) Existence of revisions from the most recently published dividend forecast: No

3. Expected Results for the Fiscal Year Ending March 2021

(April 1st, 2020 - March 31st, 2021)

(% change from the previous year)

	Sales		Operating Profit		Ordinary Profit		Fiscal Year Net Profit		FY Net Profit per Share
	million yen	%	million yen	%	million yen	%	million yen	%	yen sen
Whole FY	7,013	—	604	16.9	708	6.0	439	0.8	521.78

(Note) Existence of revisions from the most recently published expected results: No

***Notes**

- (1) Application of special accounting processes to create the quarterly financial statements : No
- (2) Accounting policy change, accounting estimate change, or restatement
 - ① Accounting policy change in accordance with revisions to accounting standards, etc : No
 - ② Accounting policy change other than ① : No
 - ③ Accounting estimate change : No
 - ④ Restatement : No

(3) Shares Issued (Common Shares)

- ① FY end shares issued (including treasury shares)
- ② FY end treasury shares
- ③ FY end average shares (QTD)

FY Ending March 2021 Q3	850,000 shares	FY Ending March 2020 Q3	850,000 shares
FY Ending March 2021 Q3	8,520 shares	FY Ending March 2020 Q3	8,520 shares
FY Ending March 2021 Q3	841,480 shares	FY Ending March 2020 Q3	841,535 shares

- * The quarterly summary of financial accounts is not subject to quarterly reviews by a certified public accountant or auditor
- * Explanation related to the appropriate use of expected results and other items of note
 - Descriptions in this document related to the future, such as earnings estimates, are based on information that our company has obtained at present and certain assumptions that are deemed reasonable. In terms of the impact of the spread of novel coronavirus infections, the number of pallets rented out was increasing during the first half of the fiscal year due to key clients adjusting their production and increasing inventory, but sales are trending down in the second half of the fiscal year due to an increase in the number of pallets being returned due to the reduction in inventory for key clients. Furthermore, costs to recall and store returned pallets have increased, reducing profit. Although this difficult business environment is expected to continue in this 4th quarter, we will aim to meet the expected results that were published on November 6th, 2020 by proactively developing sales activities and reducing costs by further optimizing operations. For conditions that serve as the assumptions for the expected results and precautions related to the use of the expected results, please refer to “1. Qualitative Information Related to This Quarterly Statement (3) Explanation Regarding Expected Results and Future Projections” on the second page of the attached document.

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1. Qualitative Information Related to This Quarterly Statement

(1) Explanation Regarding Operating Results

During this 3rd quarter period to date, the domestic economy in Japan entered very tough circumstances due to the stagnation of consumer spending and corporate activity caused by novel coronavirus infections. Although signs of an economic recovery can be seen following the cancellation of the declaration of a state of emergency in May as a result of various policies to stimulate demand, prospects remain uncertain due to the long-term spread of infections inside Japan and overseas.

Under this business environment, the quantity of units rented out was sluggish in the field of rentals for companies involved with petrochemical resins, which are the main client for “intermodal palletization,” as a result of production cutbacks and inventory reductions on the client side, resulting in a decrease in performance compared to the same quarter of the previous fiscal year. Although rental demand grew steadily for general clients due to increases in product inventory on the client side, there was an overall decrease in rental sales. The total for other sales outperformed the results from the same quarter of the previous fiscal year, but total sales during this 3rd quarter period to date was 5.260 billion yen (compared to 5.261 billion yen through the same quarter of the previous fiscal year).

In terms of costs, the promotion of efficiency in the utilization and operations of current lent assets by enhancing the recall of pallets, as well as reducing pallet shipping costs, resulted in operating expenses of 4.721 billion yen (down 3.0% from the same quarter of the previous fiscal year).

As a result, operating profit was 539 million yen (up 36.2% from the same quarter of the previous fiscal year), ordinary profit was 637 million yen (up 22.5% from the same quarter of the previous fiscal year), and quarterly net profit was 417 million yen (up 23.4% from the same quarter of the previous fiscal year).

To add, the impact of novel coronavirus infections on the operating results of this 3rd quarter period to date has been insignificant.

(2) Explanation Regarding the Financial Status

① State of Flux for the Financial Status

Total assets at the end of this 1st quarter accounting period were 10.237 billion yen, down 101 million yen and 1.0% from the end of the previous fiscal year.

Current assets were 1.756 billion yen, up 93 million yen and 5.6% from the end of the previous fiscal year. Fixed assets were 8.480 billion yen, down 195 million yen and 2.3% from the end of the previous fiscal year.

The main cause for the increase in current assets was the increase in accrued revenue (included in “Other”) and accounts receivable, despite the decrease in rental accounts receivable.

The main cause for the decrease in fixed assets was the decrease in assets lent, despite the increase in intangible fixed assets.

Current liabilities were 3.047 billion yen, down 340 million yen and 10.0% from the end of the previous fiscal year. Fixed liabilities were 2.332 billion yen, down 142 million yen and 5.8% from the end of the previous fiscal year.

The main cause for the decrease in current liabilities was the decrease in accounts payable, unpaid corporate taxes, and unpaid consumption taxes (included in “Other”).

The main cause for the decrease in fixed liabilities was the decrease in long-term debt, despite the increase in long-term accounts payable.

Net assets at the end of this 3rd quarter accounting term were 4.856 billion yen, up 381 million yen and 8.5% from the end of the previous fiscal year. This is due to the increase in earned surplus.

To add, the impact of novel coronavirus infections on the financial status of this 3rd quarter period to date has been insignificant.

(3) Explanation Regarding Expected Results and Future Projections

There have been no revisions applied to the expected results that were published on November 6th, 2020.

2. Quarterly Financial Statements and Main Points of Note

(1) Quarterly Balance Sheet

(Units: 1,000 yen)

	Previous FY (March 31 st , 2020)	Current Q3 Accounting Term (December 31 st , 2020)
Assets		
Current Assets		
Cash and Deposits	737,669	734,027
Notes Receivable	17,749	17,919
Rental Accounts Receivable	763,565	737,000
Accounts Receivable	100,409	113,097
Other	47,403	158,577
Bad Debt Allowance	Δ4,336	Δ4,297
Total Current Assets	1,662,460	1,756,324
Fixed Assets		
Tangible Fixed Assets		
Assets Lent		
Equipment Lent (Net)	7,633,103	7,392,388
Total Assets Lent	7,633,103	7,392,388
Corporate Assets		
Building (Net)	156,515	156,445
Land	483,126	483,126
Other (Net)	111,706	101,216
Total Corporate Assets	751,348	740,788
Total Tangible Fixed Assets	8,384,452	8,133,177
Intangible Fixed Assets	16,583	78,246
Investments and Other Assets		
Investment in Securities	178,431	196,362
Other	110,276	84,583
Bad Debt Allowance	Δ13,221	Δ11,642
Total Investments and Other Assets	275,486	269,303
Total Fixed Assets	8,676,522	8,480,727
Total Assets	10,338,983	10,237,052
Liabilities		
Current Liabilities		
Accounts Payable	691,236	524,116
Short-Term Debt	1,030,000	1,030,000
Long-Term Debt to Be Paid Within 1 Year	998,172	979,818
Unpaid Corporate Taxes, Etc.	177,606	97,364
Reserve	48,863	17,166
Other	442,484	399,484
Total Current Liabilities	3,388,363	3,047,949
Fixed Liabilities		
Long-Term Debt	1,891,680	1,580,196
Reserve	19,321	18,004
Long-Term Accounts Payable	532,019	701,764
Asset Retirement Obligation	32,245	32,381
Total Fixed Liabilities	2,475,266	2,332,346
Total Liabilities	5,863,629	5,380,295

	(Units: 1,000 yen)	
	Previous FY (March 31 st , 2020)	Current Q3 Accounting Term (December 31 st , 2020)
Net Assets		
Shareholders' Equity		
Capital	767,955	767,955
Capital Surplus	486,455	486,455
Earned Surplus	3,230,691	3,589,566
Own Shares	Δ17,822	Δ17,822
Total Shareholders' Equity	4,467,279	4,826,154
Valuation or Translation Differences, Etc.		
Other Securities Valuation Differences	8,074	30,602
Total Valuation or Translation Differences, Etc.	8,074	30,602
Total Net Assets	4,475,353	4,856,756
Total Liabilities and Net Assets	10,338,983	10,237,052

(2) Quarterly Profit and Loss Statement

3rd Quarter Period to Date

(Units: 1,000 yen)

	Previous Q3 period to date (From April 1 st , 2019 to December 31 st , 2019)	Current Q3 period to date (From April 1 st , 2020 to December 31 st , 2020)
Sales	5,261,340	5,260,755
Cost of Sales	4,173,196	4,042,537
Gross Profit	1,088,144	1,218,218
Transferred Unrealized Profit from Installment Sales	2,067	699
Reversed Unrealized Profit from Installment Sales	6,016	4,452
Gross Profit Differential	1,092,092	1,221,971
Selling and General Administrative Costs	695,732	682,222
Operating Profit	396,360	539,749
Non-Operating Income		
Interest Income	9	9
Dividend Income	4,885	4,764
Loss Compensation	118,351	92,160
Waste Disposal Income	24,769	22,986
Other	2,070	406
Total Non-Operating Income	150,086	120,328
Non-Operating Expenses		
Interest Expense	26,230	22,639
Total Non-Operating Expenses	26,230	22,639
Ordinary Profit	520,217	637,437
Extraordinary Profit		
Gains from Sales of Fixed Assets	1,400	—
Total Extraordinary Profit	1,400	—
Extraordinary Loss		
Valuation Loss of Investment Securities	5,527	11,281
Total Extraordinary Loss	5,527	11,281
Pre-Tax Quarterly Net Profit	516,090	626,156
Corporate Tax, Resident Tax, and Business Tax	168,773	195,867
Corporate Tax, Etc. Adjustment	8,746	12,510
Total Corporate Tax	177,520	208,378
Quarterly Net Profit	338,570	417,778

(3) Points of Note Regarding Quarterly Financial Statements

(Points of Note Regarding the Going Concern Assumption)

There are no corresponding items.

(Points of Note in Case of Significant Fluctuation in the Shareholders' Equity)

There are no corresponding items.

(Application of Special Accounting Processes to Create Quarterly Financial Statements)

There are no corresponding items.

(Accounting Policy Change)

There are no corresponding items.

(Accounting Estimate Change)

There are no corresponding items.

(Restatement)

There are no corresponding items.

3. Other

Important events , etc. related to the going concern assumption

There are no corresponding items.