



Summary of First Quarter Financial Results for Fiscal Year Ending March 2025 (Japanese GAAP) (non-consolidated)

July 25th, 2024

Listed company name: Nippon Pallet Pool Co., Ltd.

Listed exchange:

Tokyo

Code number: 4690

URL: <https://www.npp-web.co.jp>

Representative: (Title) President and Representative Director (Name) Kazutoshi Hamashima

Contact person: (Title) Executive Officer (Name) Mitsunori Suwa (Phone) 06(6373)3231

Scheduled start date of dividend payments -

Whether supplemental financial materials will be prepared : No

Whether financial results briefing will be held : No

(Rounded down to millions of yen)

1. Performance for first quarter of fiscal year ending March 2025 (April 1st, 2024 - June 30th, 2024)

(1) Operating Results (cumulative)

(Percentages indicate year-over-year quarterly changes)

	Sales		Operating Profit		Ordinary Profit		Quarterly Net Profit	
	(Million yen)	%	(Million yen)	%	(Million yen)	%	(Million yen)	%
Q1 FY March 2025	1,748	-5.9	91	-58.1	99	-59.4	64	-75.2
Q1 FY March 2024	1,857	2.6	218	-10.5	244	-15.3	259	-2.7
	Quarterly Net Profit Per Share		Diluted Quarterly Net Profit Per Share					
	Yen		Yen					
Q1 FY March 2025	38.34		-					
Q1 FY March 2024	154.42		-					

(2) Financial Position

	Total Assets	Net Assets	Equity Ratio
	(Million yen)	(Million yen)	%
Q1 FY March 2025	10,560	6,349	60.1
FY March 2024	11,204	6,341	56.6

(Reference) Equity Q1 FY March 2025: 6,349(million yen) FY March 2024 6,341(million yen)

2. Dividends

	Annual Dividends				
	End of Q1	End of Q2	End of Q3	End of FY	Total
	Yen	Yen	Yen	Yen	Yen
FY March 2024	-	0.00	-	40.00	40.00
FY March 2025	-				
FY March 2025 (forecast)		0.00	-	40.00	40.00

(Note) Revisions to most recently announced dividend forecast : None

3. Performance forecast for fiscal year ending March 2025 (April 1st, 2024 - March 31st, 2025)

(Percentages indicate period-over-period changes)

	Sales		Operating Profit		Ordinary Profit		Net Profit for Current Period		Net Profit Per Share for Current Period
	(Million yen)	%	(Million yen)	%	(Million yen)	%	(Million yen)	%	Yen
Full year	7,650	0.9	1,050	34.8	1,150	31.5	850	61.1	505.11

(Note) Revisions to most recently announced performance forecast : None

* Notes

(1) Application of accounting procedures specific to the preparation of quarterly financial statements : None

(2) Changes in accounting policies, changes in accounting estimates, retrospective restatements

- ① Changes due to amendments to accounting standards, etc. : None
- ② Changes in accounting policies not included in ① : None
- ③ Changes in accounting estimates : None
- ④ Retrospective restatements : None

(3) Issued shares (common stock)

- ① End-of-period issued shares (including treasury stock)
- ② End-of-period treasury stock
- ③ Average shares during period (cumulative quarter)

Q1 FY March 2025	1,700,000shares	FY March 2024	1,700,000shares
Q1 FY March 2025	17,289shares	FY March 2024	17,289shares
Q1 FY March 2025	1,682,711shares	Q1 FY March 2024	1,682,854shares

* Review of attached quarterly financial statements by certified public accountant or auditing firm : Yes (optional)

* Explanation on appropriate use of performance forecasts, other special notes

- Performance outlooks and other statements about the future contained in this document are based on information currently available to us and certain assumptions that we deem reasonable, and actual performance may differ significantly from forecast figures. For more information on the conditions underlying performance forecasts and cautionary notes about the use of performance forecasts, please see “1. Qualitative Information on Current Quarterly Financial Results (3) Explanation of Performance Forecasts and other Forward-Looking Information” on page 2 of the Attached Documents.

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1. Qualitative Information on Current Quarterly Financial Results

(1) Explanation of Operating Results

During the first quarter of the current fiscal year, the domestic economy has been on a gradual recovery trend because of an increase in inbound demand and improvements in the employment and income environment resulting from revived economic activity. However, the economic outlook remains uncertain due to the effects of continuing high resource and energy costs and rising prices as well as concerns about the depreciation of the yen.

In such an economic climate, the volume of rentals to our major customers in the petrochemicals and plastics industries decreased, impacted by production adjustments and inventory reductions by customers, and rental demand by other general customers also stagnated due to factors such as reduced output. Total sales and other revenue items exceeded the results of the previous fiscal year, but aggregate sales was 1,748 million yen, down 109 million yen (5.9%) from the same quarter last year.

With regard to expenses, we reduced depreciation expenses by curtailing investment in new pallets and making effective use of existing assets, but the trend toward shorter rental periods due to inventory reductions and other moves by customers continued, and there was an increase in expenses such as transportation costs and depot storage fees in relation to collection and forwarding of pallets after rental, resulting in operating expenses of 1,656 million yen, up 17 million yen (1.1%) from the same quarter last year.

Consequently, operating profit was 91 million yen (down 58.1% from the same quarter last year), ordinary profit was 99 million yen (down 59.4% from the same quarter last year), and quarterly net profit was 64 million yen (down 75.2% from the same quarter last year).

(2) Explanation of Financial Position

① Changes in financial position

Total assets at the end of the first quarter accounting period of the current fiscal year were 10,560 million yen, down 643 million yen from the end of the previous fiscal year.

Current assets were 2,452 million yen, down 187 million yen from the end of the previous fiscal year, and fixed assets were 8,108 million yen, down 456 million yen from the end of the previous fiscal year.

The main reason for the decrease in current assets was a decrease in cash and deposits, rental receivables, and accounts receivable (included in "Other").

The main reason for the decrease in fixed assets was a decrease in leasable assets, deferred tax assets (included in "Other"), and intangible fixed assets.

Current liabilities were 2,657 million yen, down 438 million yen from the end of the previous fiscal year, and fixed liabilities were 1,554 million yen, down 212 million yen from the end of the previous fiscal year.

The main reason for the decrease in current liabilities was a decrease in unpaid consumption taxes, etc. (included in "Other"); unpaid corporate taxes, etc.; and accounts payable (included in "Other").

The main reason for the decrease in fixed liabilities was a decrease in long-term debt and long-term accounts payable.

Net assets at the end of the first quarter accounting period of the current fiscal year were 6,349 million yen, up 7 million yen from the end of the previous fiscal year. This was due to an increase in the valuation difference on available-for-sale securities.

(3) Explanation of Performance Forecasts and other Forward-Looking Information

There have been no revisions to the performance forecast that we announced on May 8th, 2024.

2. Quarterly Financial Statements and Important Notes

(1) Quarterly Balance Sheet

(Unit: Thousand yen)

	Previous Fiscal Year (March 31st, 2024)	Q1 Accounting Period Current FY (June 30th, 2024)
Assets		
Current assets		
Cash and deposits	1,611,678	1,481,992
Notes receivable	34,960	23,388
Rental receivables	765,457	733,431
Accounts receivable	161,406	159,004
Other	66,591	54,910
Allowance for doubtful accounts	-284	-263
Total current assets	2,639,810	2,452,464
Fixed assets		
Tangible fixed assets		
Leasable assets		
Rental equipment (net value)	7,269,176	6,823,043
Total leasable assets	7,269,176	6,823,043
Assets for corporate use		
Buildings (net value)	295,358	290,629
Land	263,439	263,439
Construction in progress	-	20,900
Other (net value)	152,846	144,920
Total assets for corporate use	711,644	719,889
Total tangible fixed assets	7,980,820	7,542,933
Intangible fixed assets	120,807	107,216
Investments and other assets		
Investments in securities	285,000	298,843
Other	177,929	159,400
Total investments and other assets	462,930	458,243
Total fixed assets	8,564,558	8,108,394
Total assets	11,204,369	10,560,859
Liabilities		
Current liabilities		
Accounts payable	453,257	426,012
Short-term debt	1,030,000	1,030,000
Long-term debt due within one year	663,364	613,366
Unpaid corporate taxes, etc.	129,270	26,308
Provisions	41,566	16,130
Other	778,510	545,565
Total current liabilities	3,095,968	2,657,384
Fixed liabilities		
Long-term debt	1,228,370	1,079,998
Provisions	22,102	24,223
Long-term accounts payable	463,112	397,916
Asset retirement obligations	53,231	52,147
Total fixed liabilities	1,766,816	1,554,285
Total liabilities	4,862,784	4,211,670

(Unit: Thousand yen)

	Previous Fiscal Year (March 31st, 2024)	Q1 Accounting Period Current FY (June 30th, 2024)
Net assets		
Shareholders' equity		
Capital	767,955	767,955
Capital surplus	486,455	486,455
Retained earnings	4,997,812	4,995,021
Treasury stock	-18,327	-18,327
Total shareholders' equity	6,233,895	6,231,104
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	107,689	118,084
Total valuation and translation adjustments	107,689	118,084
Total net assets	6,341,584	6,349,188
Total liabilities and net assets	11,204,369	10,560,859

(2) Quarterly Income Statement

Cumulative First Quarter

(Unit: Thousand yen)

	Cumulative Q1 of Previous FY (From April 1st, 2023 to June 30th, 2023)	Cumulative Q1 of Current FY (From April 1st, 2024 to June 30th, 2024)
Sales	1,857,698	1,748,124
Cost of goods sold	1,377,798	1,366,160
Gross profit	479,899	381,963
Selling, general, and administrative expenses	261,471	290,538
Operating profit	218,428	91,425
Non-operating income		
Interest income	0	0
Dividend income	2,357	2,606
Loss compensation	21,259	3,319
Waste disposal income	10,472	9,504
Other	1,124	663
Total non-operating income	35,215	16,095
Non-operating expenses		
Interest paid	9,238	8,205
Total non-operating expenses	9,238	8,205
Ordinary profit	244,404	99,315
Extraordinary profit		
Gain on sale of fixed assets	147,225	-
Total extraordinary profit	147,225	-
Quarterly net profit before taxes	391,629	99,315
Corporate, inhabitant, and enterprise taxes	60,358	19,276
Adjustments to corporate taxes, etc.	71,402	15,521
Total corporate taxes, etc.	131,760	34,797
Quarterly net profit	259,869	64,517

(3) Notes on Quarterly Financial Statements

(Notes on Going Concern Assumption)

No applicable notes.

(Notes in Case of Significant Change in Shareholders' Equity)

No applicable notes.

(Application of Accounting Procedures Specific to Preparation of Quarterly Financial Statements)

No applicable notes.

(Changes in Accounting Policies)

No applicable notes.

(Changes in Accounting Estimates)

No applicable notes.

(Retrospective Restatements)

No applicable notes.

(Notes on Segment Information, etc.)

(Segment Information)

Cumulative first quarter of previous fiscal year (from April 1st, 2023 to June 30th, 2023)

Our primary operations are in the pallet rental business. Sales and other income (income from the consigned transportation business) are only incidental to our rental business, forming a single segment with integrated sales, so description is omitted.

Cumulative first quarter of current fiscal year (from April 1st, 2024 to June 30th, 2024)

Our primary operations are in the pallet rental business. Sales and other income (income from the consigned transportation business) are only incidental to our rental business, forming a single segment with integrated sales, so description is omitted.

(Notes on Cash Flow Statement)

We have not prepared a quarterly cash flow statement for the cumulative first quarter of the current fiscal year. Depreciation and amortization (including amortization of intangible fixed assets) for the cumulative first quarter are as follows.

Cumulative Q1 of Previous Fiscal Year (From April 1st, 2023 to June 30th, 2023)		Cumulative Q1 of Current Fiscal Year (From April 1st, 2024 to June 30th, 2024)	
Depreciation and amortization	599,639 thousand yen		560,440 thousand yen

3. Other

Significant Matters Related to Going Concern Assumption

No applicable notes.

Independent Auditor's Interim Review Report on Quarterly Financial Statements

July 24th, 2024

Nippon Pallet Pool Co., Ltd.

To the Board of Directors

Gyosei & Co.

Osaka Office

Designated Managing Partner	Partner	Certified Accountant	Public Seigo Ko
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Designated Managing Partner	Partner	Certified Accountant	Public Hironori Inazumi
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Auditor's Conclusion

We have conducted an interim review of the quarterly financial statements, namely, the Quarterly Balance Sheet, Quarterly Income Statement, and notes, for the first quarter accounting period (April 1st, 2024 to June 30th, 2024) and cumulative first quarter (April 1st, 2024 to June 30th, 2024) of the 53rd fiscal year from April 1st, 2024 to March 31st, 2025 of Nippon Pallet Pool Co., Ltd., which are listed in the "Attached Documents" of the summary of quarterly financial results.

In the interim review that we conducted, we found no instances that would lead us to believe that the above quarterly financial statements were not prepared in all material respects in accordance with Article 4, Paragraph 1 of the Tokyo Stock Exchange's Standards for Preparation of Quarterly Financial Statements and accounting standards for quarterly financial statements that are generally accepted in Japan (however, omissions set forth in Article 4, Paragraph 2 of the Standards for Preparation of Quarterly Financial Statements apply).

Basis for Auditor's Conclusion

We conducted our interim review in accordance with the interim review standards that are generally accepted in Japan. Our responsibilities under the interim review standards are described in "Auditor's Responsibilities in Interim Review of Quarterly Financial Statements." Pursuant to the rules on professional ethics in Japan, we are independent from the company, and we have fulfilled our other ethical responsibilities as an auditor. We believe that we have obtained the evidence to form a basis for our conclusion.

Responsibilities of Management, Audit & Supervisory Board Members, and Audit & Supervisory Boards with Respect to Quarterly Financial Statements

The responsibility of management is to prepare quarterly financial statements in accordance with Article 4, Paragraph 1 of the Tokyo Stock Exchange's Standards for Preparation of Quarterly Financial Statements and accounting standards for quarterly financial statements that are generally accepted in Japan (however, omissions set forth in Article 4, Paragraph 2 of the Standards for Preparation of Quarterly Financial Statements apply). This includes establishing and applying internal controls that management deems necessary to prepare quarterly financial statements free of material misstatements due to fraud or error.

In preparing quarterly financial statements, management is responsible for evaluating whether it is appropriate to prepare quarterly financial statements based on the going concern assumption, and for disclosing going concern-related matters if required based on Article 4, Paragraph 1 of the Tokyo Stock Exchange's Standards for Preparation of Quarterly Financial Statements and accounting standards for quarterly financial statements that are generally accepted in Japan (however, omissions set forth in Article 4, Paragraph 2 of the Standards for Preparation of Quarterly Financial Statements apply).

The responsibility of the Audit & Supervisory Board members and Audit & Supervisory Board is to monitor the directors in the performance of their duties with regard to establishing and managing the financial reporting process.

Auditor's Responsibilities in Interim Review of Quarterly Financial Statements

The auditor's responsibility is to express a conclusion with respect to the quarterly financial statements from an independent standpoint in an interim review report based on the interim review conducted by the auditor.

The auditor shall exercise professional judgment and maintain professional skepticism throughout the interim review process, in accordance with interim review standards generally accepted in Japan, and perform the following activities:

- Primarily, make inquiries of management, persons responsible for financial and accounting matters, and others, and perform

analytical procedures and other interim review procedures. Interim review procedures are limited relative to audits of annual financial statements conducted in accordance with auditing standards generally accepted in Japan.

- If it is determined that there is material uncertainty regarding events or circumstances that would raise substantial doubts about factors relating to the going concern assumption, the auditor shall conclude, based on the evidence obtained, whether there are any factors that lead the auditor to believe that the quarterly financial statements have not been prepared in accordance with Article 4, Paragraph 1 of the Tokyo Stock Exchange's Standards for Preparation of Quarterly Financial Statements and the accounting standards for quarterly financial statements that are generally accepted in Japan (however, omissions set forth in Article 4, Paragraph 2 of the Standards for Preparation of Quarterly Financial Statements apply). Moreover, if there is material uncertainty regarding the going concern assumption, the auditor is required to call attention to the notes to the quarterly financial statements in the interim review report, or to express a qualified or negative conclusion on the quarterly financial statements if the notes to the quarterly financial statements regarding material uncertainty are not adequate. The auditor's conclusion is based on evidence obtained up to the date of the interim review report, but future events or circumstances may prevent the company from continuing as a going concern.
- Evaluate whether there are any matters that lead the auditor to believe that the presentation and notes of the quarterly financial statements have not been prepared in accordance with Article 4, Paragraph 1 of the Tokyo Stock Exchange's Standards for Preparation of Quarterly Financial Statements and accounting standards for quarterly financial statements generally accepted in Japan (however, omissions set out in Article 4, Paragraph 2 of the Standards for Preparation of Quarterly Financial Statements apply). The auditor shall report to the Audit & Supervisory Board members and Audit & Supervisory Board on the planned scope of the interim review, its timing, and any significant findings from the interim review.

The auditor shall report to the Audit & Supervisory Board members and Audit & Supervisory Board on compliance with rules of professional ethics in Japan regarding independence, as well as on any matters that are reasonably considered to affect the auditor's independence, and, if measures have been taken to remove impediments, or safeguards have been adopted to reduce impediments to an acceptable level, the details of such measures.

Conflicts of interest

There are no conflicts of interest between the company and our audit firm or managing partners to be disclosed pursuant to the provisions of the Certified Public Accountants Act.

End

(Notes) 1. The original copy of the above interim review report is maintained separately by our company (company disclosing summary of quarterly financial results).

2. XBRL and HTML data are not included in the interim review.