



Fiscal year ending Second quarter (Interim period) Financial Results Summary
March 31st, 2025 [Japanese Standards] (Non-consolidated)

Listed company name NIPPON PALLET POOL CO., LTD. Stock exchange listing Tokyo Stock Exchange

October 25th, 2024

Securities code 4690 URL <https://www.npp-web.co.jp>

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Scheduled date of submission November 11th, 2024 Scheduled commencement date of dividend payments —
of semi-annual report

Availability of supplementary materials : Not available
on financial results

Holding of financial results briefing : To be held (For analysts)

(Millions of yen; amounts less than one million yen are truncated)

1. Financial Results for the Second Quarter of the Fiscal Year Ending March 31st, 2025 (Interim Period)
(April 1st, 2024 to September 30th, 2024)

(1) Operating Results (Cumulative) (% figures represent year-on-year change compared to the same period of the previous fiscal year)

	Net Sales		Operating Income		Ordinary Income		Profit for the Interim Period	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
Second Quarter of the Fiscal Year Ending March 31st, 2025	3,500	-7.3	206	-51.4	273	-41.4	180	-56.6
Second Quarter of the Fiscal Year Ended March 31st, 2024	3,776	4.4	424	-17.1	467	-19.5	415	-12.7

	Profit per Share for the Interim Period	Diluted Profit per Share for the Interim Period
	Yen and Sen	Yen and Sen
Second Quarter of the Fiscal Year Ending March 31st, 2025	107.17	—
Second Quarter of the Fiscal Year Ended March 31st, 2024	247.04	—

(2) Financial Condition

	Total Assets	Net Assets	Equity Ratio
	Millions of Yen	Millions of Yen	%
Second Quarter of the Fiscal Year Ending March 31st, 2025	10,615	6,449	60.8
Fiscal Year Ended March 31st, 2024	11,204	6,341	56.6

(Reference)	Shareholders' Equity	Second Quarter of the Fiscal Year Ending March 31st, 2025	¥6,449 million	Fiscal Year Ended March 31st, 2024	¥6,341 million
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2. Dividend Information

	Annual Dividends				
	End of the First Quarter	End of the Second Quarter	End of the Third Quarter	End of Fiscal Year	Total
Fiscal Year Ended March 31st, 2024	Yen and Sen —	Yen and Sen 0.00	Yen and Sen —	Yen and Sen 40.00	Yen and Sen 40.00
Fiscal Year Ending March 31st, 2025	—	0.00			
Fiscal Year Ending March 31st, 2025 (Forecast)			—	40.00	40.00

(Note) Whether there has been a revision from the most recently announced dividend forecast: No

3. Earnings Forecast for the Fiscal Year Ending March 31st, 2025 (April 1st, 2024 to March 31st, 2025)

(% figures represent year-on-year change compared to the previous fiscal year)

	Net Sales		Operating Income		Ordinary Income		Profit		Profit per Share
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen and Sen
Fiscal Year	7,146	-5.8	525	-32.5	615	-29.7	406	-22.9	241.58

(Note) Whether there has been a revision from the most recently announced earnings forecast: Yes

* Notes

(1) Application of accounting methods specific to the preparation of interim financial statements : None

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

(1) Changes in accounting policies due to revisions to accounting standards, etc. : None

(2) Changes in accounting policies other than those mentioned in (i) above : None

(3) Changes in accounting estimates : None

(4) Restatements : None

(3) Number of Issued Shares (Common Stock)

(1) Number of issued shares at the end of the period (including treasury stock)	Second Quarter of the Fiscal Year Ending March 31st, 2025	1,700,000 shares	Fiscal Year Ended March 31st, 2024	1,700,000 shares
(2) Number of treasury stock at the end of the period	Second Quarter of the Fiscal Year Ending March 31st, 2025	17,289 shares	Fiscal Year Ended March 31st, 2024	17,289 shares
(3) Average number of shares during the period (interim period)	Second Quarter of the Fiscal Year Ending March 31st, 2025	1,682,711 shares	Second Quarter of the Fiscal Year Ending March 31st, 2024	1,682,835 shares

* The second quarter (interim) financial results briefings are not subject to review by a certified public accountant or audit firm.

* Explanation of appropriate use of earnings forecasts and other important information

- Forward-looking statements, such as the earnings forecasts contained in this document, are based on certain assumptions that we believe are reasonable based on the information currently available to us. Actual results may differ materially from projected figures. For the conditions underlying our earnings forecasts and precautions for using earnings forecasts, please refer to "1. Qualitative Information on the Current Quarter Financial Results (3) Explanation of Earnings Forecasts and Other Forward-Looking Information" on page 2 of the Attached Materials.

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1. Qualitative Information on the Current Interim Financial Results

(1) Explanation of Operating Results

The domestic economy showed a moderate recovery trend during the current interim accounting period. This was driven by factors such as improved income conditions (resulting from wage increases and government tax reduction measures), increased inbound tourism, and strong performance among export-oriented companies. However, the economic outlook remains uncertain due to global monetary tightening, a slowdown in the Chinese economy, and the impact of rising prices amid the yen's depreciation.

In this economic climate, we experienced challenges. Rentals to our main customers in the petrochemical resin industry decreased due to their ongoing efforts to adjust production and reduce inventories. Rental demand from other general customers also stagnated due to production cuts and other factors. Furthermore, sales and other revenues fell short of the previous fiscal year's results. As a result, total net sales decreased by ¥275 million (7.3%) year-on-year to ¥3.5 billion.

On the expense side, we faced increased transportation costs and depot storage fees for collecting and returning pallets after rental periods ended. This was due to the continued trend of shorter rental periods driven by customer inventory reduction efforts. However, we were able to reduce depreciation costs by limiting investment in new pallets and maximizing the use of existing assets. Overall, operating expenses decreased by ¥57 million (1.7%) year-on-year to ¥3,293 million.

Consequently, operating income was ¥206 million (down 51.4% year-on-year), ordinary income was ¥273 million (down 41.4% year-on-year), and profit for the interim period was ¥180 million (down 56.6% year-on-year).

(2) Explanation of Financial Condition

1. Changes in Financial Condition

Total assets at the end of the current interim accounting period were ¥10,615 million, a decrease of ¥588 million compared to the previous fiscal year-end.

Current assets were ¥2,544 million, down ¥95 million, or 3.6%, from the previous fiscal year-end. Non-current assets were ¥8,071 million, down ¥493 million, or 5.8%, from the previous fiscal year-end.

The primary reason for the decrease in current assets was a decline in accounts receivable for rentals, notes receivable, and uncollected revenues (included in "other").

The primary reason for the decrease in non-current assets was a decline in leased assets and intangible fixed assets.

Current liabilities were ¥2,805 million, down ¥290 million, or 9.4%, from the previous fiscal year-end. Non-current liabilities were ¥1,361 million, down ¥405 million, or 22.9%, from the previous fiscal year-end.

The primary reason for the decrease in current liabilities was a decline in accounts payable (included in "other"), long-term loans payable within one year, and accrued expenses (included in "other"), despite an increase in accounts payable.

The primary reason for the decrease in non-current liabilities was a decline in long-term loans payable and long-term accrued expenses.

Net assets at the end of the current interim accounting period were ¥6,449 million, an increase of ¥107 million, or 1.7%, compared to the previous fiscal year-end. This increase was due to an increase in retained earnings.

2. Cash Flow Status

Net cash provided by operating activities was ¥1,106 million (down 31.5% year-on-year), mainly due to profit before income taxes of ¥273 million and depreciation and amortization of ¥1,095 million.

Net cash used in investing activities was ¥487 million (down 52.0% year-on-year), mainly due to the acquisition of property, plant and equipment.

Net cash used in financing activities was ¥690 million (up 35.9% year-on-year), mainly due to repayment

of long-term loans of ¥363 million and repayment of installment obligations of ¥178 million.

(3) Explanation of Earnings Forecasts and Other Forward-Looking Information

Based on the recent progress of our business results, we have revised our full-year earnings forecast and have made adjustments to the full-year earnings forecast for the fiscal year ending March 31st, 2025, which was announced on July 25th, 2024.

For details, please refer to the "Notice Concerning Revision of Earnings Forecast" announced on October 25th, 2024.

2. Interim Financial Statements and Major Notes

(1) Interim Balance Sheet

(Unit: Thousands of yen)

	Previous Fiscal Year (March 31st, 2024)	Current Interim Accounting Period (September 30th, 2024)
Assets		
Current assets		
Cash and cash equivalents	1,611,678	1,620,365
Notes receivable	34,960	17,449
Accounts receivable - rental	765,457	693,312
Accounts receivable - trade	161,406	146,300
Other	66,591	67,015
Allowance for doubtful accounts	-284	-246
Total current assets	2,639,810	2,544,195
Non-current Assets		
Property, plant and equipment		
Leased assets		
Rental equipment (net)	7,269,176	6,790,583
Total leased assets	7,269,176	6,790,583
Assets in use		
Buildings (net)	295,358	288,197
Land	263,439	263,439
Construction in progress	—	20,900
Other (net)	152,846	165,179
Total assets in use	711,644	737,716
Total property, plant and equipment	7,980,820	7,528,299
Intangible assets	120,807	97,126
Investments and other assets		
Investment securities	285,000	278,778
Other	177,929	167,301
Allowance for doubtful accounts	—	-197
Total investments and other assets	462,930	445,882
Total non-current assets	8,564,558	8,071,308
Total assets	11,204,369	10,615,503
Liabilities		
Current liabilities		
Accounts payable	453,257	576,645
Short-term borrowings	1,030,000	1,030,000
Current portion of long-term debt	663,364	573,368
Income taxes payable	129,270	94,993
Provisions	41,566	43,395
Other	778,510	486,599
Total current liabilities	3,095,968	2,805,001
Non-current Liabilities		
Long-term borrowings	1,228,370	954,998
Provisions	22,102	22,339
Long-term accrued expenses	463,112	331,981
Asset retirement obligations	53,231	52,060
Total non-current liabilities	1,766,816	1,361,379
Total liabilities	4,862,784	4,166,380

(Unit: Thousands of yen)

	Previous Fiscal Year (March 31st, 2024)	Current Interim Accounting Period (September 30th, 2024)
Net assets		
Shareholders' equity		
Capital stock	767,955	767,955
Capital surplus	486,455	486,455
Retained earnings	4,997,812	5,110,847
Treasury stock	-18,327	-18,327
Total shareholders' equity	6,233,895	6,346,930
Valuation and translation adjustments		
Valuation difference on other securities	107,689	102,192
Total valuation and translation adjustments	107,689	102,192
Total net assets	6,341,584	6,449,123
Total liabilities and net assets	11,204,369	10,615,503

(2) Interim Statement of Income

(Unit: Thousands of yen)

	Previous Interim Accounting Period (From April 1st, 2023 to September 30th, 2023)	Current Interim Accounting Period (From April 1st, 2024 to September 30th, 2024)
Net sales	3,776,263	3,500,383
Cost of sales	2,817,605	2,701,925
Gross profit	958,658	798,457
Selling, general and administrative expenses	533,962	591,991
Operating income	424,696	206,465
Non-operating income		
Interest income	1	6
Dividend income	3,689	3,961
Compensation for loss	36,017	55,196
Waste disposal income	19,592	18,027
Other	2,085	6,502
Total non-operating income	61,386	83,693
Non-operating expenses		
Interest expense	18,454	16,337
Total non-operating expenses	18,454	16,337
Ordinary income	467,627	273,821
Extraordinary profit		
Gain on sales of non-current assets	147,225	—
Total extraordinary profit	147,225	—
Profit before income taxes	614,852	273,821
Corporation tax, inhabitant tax and business tax	144,080	80,733
Adjustments of corporation tax, etc.	55,050	12,744
Total income taxes	199,131	93,477
Profit for the interim period	415,721	180,343

(3) Interim Statement of Cash Flows

(Unit: Thousands of yen)

	Previous Interim Accounting Period (From April 1st, 2023 to September 30th, 2023)	Current Interim Accounting Period (From April 1st, 2024 to September 30th, 2024)
Cash flows from operating activities		
Profit before income taxes	614,852	273,821
Depreciation and amortization	1,209,973	1,095,324
Changes in provision for bonuses (- indicates a decrease)	-2,297	1,829
Changes in provision for retirement benefits (- indicates a decrease)	1,371	236
Changes in allowance for doubtful accounts (- indicates a decrease)	124	160
Interest and dividends received	-3,691	-3,967
Interest paid	18,454	16,337
Loss on disposal of non-current assets	15,698	51,078
Gain or loss on sales of non-current assets (- indicates a gain)	-147,225	—
Changes in accounts receivable - trade (- indicates an increase)	-106,324	102,252
Changes in inventories (- indicates an increase)	-4,004	-5,350
Changes in accounts payable - trade (- indicates a decrease)	-1,446	-46,127
Changes in consumption taxes receivable or payable (- indicates a decrease)	220,388	-242,975
Other	39,312	-8,694
Subtotal	1,855,186	1,233,924
Interest and dividends received	3,690	3,962
Interest paid	-18,050	-16,463
Income taxes paid	-226,274	-115,420
Net cash provided by (used in) operating activities	1,614,552	1,106,003
Cash flows from investing activities		
Payments for time deposits	-50,004	-50,004
Proceeds from withdrawals of time deposits	50,003	50,004
Payments for acquisition of investment securities	-30,656	-676
Payments for acquisition of property, plant and equipment	-1,190,531	-478,113
Proceeds from sales of property, plant and equipment	210,470	—
Payments for acquisition of intangible assets	—	-3,850
Other	-5,015	-5,293
Net cash provided by (used in) investing activities	-1,015,734	-487,933
Cash flows from financing activities		
Proceeds from long-term borrowings	300,000	—
Repayments of long-term borrowings	-483,404	-363,368
Repayments of installment obligations	-197,462	-178,707
Dividends paid	-67,315	-67,308
Changes in treasury stock (- indicates an increase)	-176	—
Net cash provided by (used in) financing activities	-448,358	-609,384
Effect of exchange rate changes on cash and cash equivalents	—	—
Net increase (decrease) in cash and cash equivalents (- indicates a decrease)	150,459	8,685
Cash and cash equivalents at beginning of period	748,573	1,462,765
Cash and cash equivalents at end of period	899,032	1,471,450

(4) Notes to the Interim Financial Statements

(Going Concern Assumption)

Nothing to report.

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

Nothing to report.

(Application of Accounting Methods Specific to the Preparation of Interim Financial Statements)

Nothing to report.

(Changes in Accounting Policies)

Nothing to report.

(Changes in Accounting Estimates)

Nothing to report.

(Restatements)

Nothing to report.

(Notes on Segment Information, etc.)

[Segment Information]

Previous Interim Accounting Period (From April 1st, 2023 to September 30th, 2023)

Our main business is pallet rental. Sales and other income (from transportation services) are incidental to the rental business and form a single, inseparable segment, so we have omitted their disclosure.

Current Interim Accounting Period (From April 1st, 2024 to September 30th, 2024)

Our main business is pallet rental. Sales and other income (from transportation services) are incidental to the rental business and form a single, inseparable segment, so we have omitted their disclosure.

3. Others

Material Events Regarding Going Concern Assumption

Nothing to report.