



# Non-consolidated Financial Results for the Nine Months Ended December 31, 2024 (Under Japanese GAAP)

January 27, 2025

Company name: Nippon Pallet Pool Co., Ltd. Stock exchange listing: Tokyo  
Securities code: 4690 URL: <https://www.npp-web.co.jp>  
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Scheduled date of dividend payment commencement: –  
Preparation of supplementary materials on financial results: No  
Holding of financial results briefing: No

(Amounts less than one million yen are rounded down)

## 1. Financial results for the nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024)

### (1) Operating results (cumulative) (Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2024	5,248	-9.6	315	-51.8	403	-43.5	265	-54.4
Nine months ended December 31, 2023	5,805	4.7	654	-18.7	714	-19.9	581	-14.7

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2024	157.51	—
Nine months ended December 31, 2023	345.50	—

### (2) Financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2024	10,390	6,550	63.0
As of March 31, 2024	11,204	6,341	56.6

(Reference) Equity As of December 31, 2024 6,550million yen As of March 31, 2024 6,341million yen

## 2. Dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2024	—	0.00	—	40.00	40.00
Year ending March 31, 2025	—	0.00	—	—	—
Year ending March 31, 2025 (Forecast)	—	—	—	40.00	40.00

(Note) Revisions to the dividend forecast most recently announced: No

## 3. Forecast of financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	7,146	-5.8	525	-32.5	615	-29.7	406	-22.9	241.58

(Note) Revisions to the forecast of financial results most recently announced: No

## Notes

(1) Application of special accounting methods for preparing quarterly financial statements: No

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

- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: No
- (ii) Changes in accounting policies due to other reasons: No
- (iii) Changes in accounting estimates: No
- (iv) Restatement: No

(3) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)	As of December 31, 2024	1,700,000shares	As of March 31, 2024	1,700,000shares
(ii) Number of treasury shares at the end of the period	As of December 31, 2024	17,289shares	As of March 31, 2024	17,289shares
(iii) Average number of shares during the period (cumulative from the beginning of the fiscal year)	Nine months ended December 31, 2024	1,682,711shares	Nine months ended December 31, 2023	1,682,816shares

- \* Review of the Japanese-language originals of the attached quarterly financial statements by certified public accountants or an audit firm:

Yes (voluntary)

- \* Proper use of financial results forecasts, and other special matters

- The forward-looking statements, including financial results forecasts, contained in this material are based on information currently available to the Company and certain assumptions deemed reasonable. Actual results may differ significantly from these forecasts. For the conditions underlying the financial results forecasts and important points to note regarding their use, please refer to "1. Qualitative Information on the Quarterly Financial Results, (3) Explanation of Financial Results Forecast and Other Forward-Looking Information" on page 2 of the attached materials.

## Table of Contents of Attached Materials

1. Qualitative Information on the Quarterly Financial Results .....	2
(1) Explanation of Operating Results .....	2
(2) Explanation of Financial Position .....	2
(3) Explanation of Financial Results Forecast and Other Forward-Looking Information .....	2
2. Quarterly Financial Statements and Principal Notes .....	3
(1) Quarterly Balance Sheets .....	3
(2) Quarterly Statements of Income .....	5
(3) Notes to the Quarterly Financial Statements .....	6
(Notes on going concern assumption) .....	6
(Notes when there are significant changes in amounts of shareholders' equity) .....	6
(Application of special accounting methods for preparing quarterly financial statements) .....	6
(Changes in accounting policies) .....	6
(Changes in accounting estimates) .....	6
(Restatement) .....	6
(Notes on segment information, etc.) .....	6
(Notes on statements of cash flows) .....	6
3. Other .....	7
Significant Matters Related to the Going Concern Assumption .....	7
Independent Auditor's Interim Review Report on the Quarterly Financial Statements .....	8

## 1. Qualitative Information on the Quarterly Financial Results

### (1) Explanation of Operating Results

During the nine months ended December 31, 2024, the Japanese economy showed a moderate recovery trend, with economic activity normalizing due to the recovery of personal consumption and corporate earnings, and improvements in the employment and income environment. However, the outlook for the economy remains uncertain due to factors such as the deteriorating situation in the Middle East and Eastern Europe, the slowdown of the Chinese economy, the impact of exchange rates, and the soaring prices of energy and raw materials.

Under these business conditions, rentals to petrochemical resin-related companies, our main customers, decreased in transaction volume due to continued production adjustments and inventory reductions accompanying the decline in domestic demand for petrochemical products. Rentals to other general customers also experienced sluggish rental demand due to factors such as production cuts. As the total of sales revenue and others also fell below the results of the previous fiscal year, total net sales amounted to ¥5,248 million, a decrease of ¥557 million (9.6%) year on year.

Regarding expenses, while transportation costs and depot storage fees for the collection and return of pallets after the end of rental periods increased due to customers' continued shortening of rental periods as a result of inventory reduction and other initiatives, operating expenses amounted to ¥4,932 million, a decrease of ¥218 million (4.2%) year on year, as depreciation decreased due to the suppression of new pallet investment and efforts to effectively utilize existing assets.

As a result, operating profit was ¥315 million (a decrease of 51.8% year on year), ordinary profit was ¥403 million (a decrease of 43.5% year on year), and profit was ¥265 million (a decrease of 54.4% year on year).

### (2) Explanation of Financial Position

#### (i) Changes in Financial Position

Total assets as of December 31, 2024 were ¥10,390 million, a decrease of ¥813 million compared to the end of the previous fiscal year.

Current assets were ¥2,468 million, a decrease of ¥170 million compared to the end of the previous fiscal year, and non-current assets were ¥7,921 million, a decrease of ¥642 million compared to the end of the previous fiscal year.

The main reasons for the decrease in current assets were decreases in cash and deposits, accounts receivable - rental, and accounts receivable - trade.

The main reason for the decrease in non-current assets was a decrease in assets for rent, although there was an increase in own-used assets.

Current liabilities were ¥2,640 million, a decrease of ¥454 million compared to the end of the previous fiscal year, and non-current liabilities were ¥1,199 million, a decrease of ¥567 million compared to the end of the previous fiscal year.

The main reasons for the decrease in current liabilities were decreases in accounts payable - other, accrued consumption taxes (included in "Other"), income taxes payable, and current portion of long-term borrowings, although there was an increase in accounts payable - trade.

The main reasons for the decrease in non-current liabilities were decreases in long-term borrowings and long-term accounts payable - other.

Net assets as of December 31, 2024 were ¥6,550 million, an increase of ¥208 million compared to the end of the previous fiscal year. This was due to increases in retained earnings and valuation difference on available-for-sale securities.

### (3) Explanation of Financial Results Forecast and Other Forward-Looking Information

We have not made any revisions to the financial results forecast announced on October 25, 2024.

## 2. Quarterly Financial Statements and Principal Notes

### (1) Quarterly Balance Sheets

(Thousands of yen)

	As of March 31, 2024	As of December 31, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	1,611,678	1,477,136
Notes receivable - trade	34,960	19,507
Accounts receivable - rental	765,457	738,813
Accounts receivable - trade	161,406	137,551
Other	66,591	96,087
Allowance for doubtful accounts	-284	-259
<b>Total current assets</b>	<b>2,639,810</b>	<b>2,468,836</b>
Non-current assets		
Property, plant and equipment		
Assets for rent		
Equipment for rent, net	7,269,176	6,641,466
<b>Total assets for rent</b>	<b>7,269,176</b>	<b>6,641,466</b>
Own-used assets		
Buildings, net	295,358	284,313
Land	263,439	263,439
Other, net	152,846	214,462
<b>Total own-used assets</b>	<b>711,644</b>	<b>762,214</b>
<b>Total property, plant and equipment</b>	<b>7,980,820</b>	<b>7,403,680</b>
Intangible assets	120,807	83,536
Investments and other assets		
Investment securities	285,000	301,444
Other	177,929	133,283
Allowance for doubtful accounts	-	-197
<b>Total investments and other assets</b>	<b>462,930</b>	<b>434,530</b>
<b>Total non-current assets</b>	<b>8,564,558</b>	<b>7,921,747</b>
<b>Total assets</b>	<b>11,204,369</b>	<b>10,390,584</b>
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	453,257	593,107
Short-term borrowings	1,030,000	1,030,000
Current portion of long-term borrowings	663,364	548,370
Income taxes payable	129,270	10,199
Provisions	41,566	12,092
Other	778,510	447,222
<b>Total current liabilities</b>	<b>3,095,968</b>	<b>2,640,992</b>
Non-current liabilities		
Long-term borrowings	1,228,370	834,998
Provisions	22,102	22,974
Long-term accounts payable - other	463,112	290,027
Asset retirement obligations	53,231	51,401
<b>Total non-current liabilities</b>	<b>1,766,816</b>	<b>1,199,401</b>
<b>Total liabilities</b>	<b>4,862,784</b>	<b>3,840,393</b>

(Thousands of yen)

	As of March 31, 2024	As of December 31, 2024
Net assets		
Shareholders' equity		
Share capital	767,955	767,955
Capital surplus	486,455	486,455
Retained earnings	4,997,812	5,195,555
Treasury shares	-18,327	-18,327
Total shareholders' equity	6,233,895	6,431,637
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	107,689	118,552
Total valuation and translation adjustments	107,689	118,552
Total net assets	6,341,584	6,550,190
Total liabilities and net assets	11,204,369	10,390,584

## (2) Quarterly Statements of Income

Nine months ended December 31, 2024

(Thousands of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Net sales	5,805,834	5,248,381
Cost of sales	4,359,158	4,066,274
Gross profit	1,446,675	1,182,106
Selling, general and administrative expenses	792,189	866,393
Operating profit	654,486	315,712
Non-operating income		
Interest income	2	20
Dividend income	6,347	7,411
Compensation for loss	51,356	68,454
Waste disposal income	26,728	29,120
Other	2,531	7,115
Total non-operating income	86,966	112,122
Non-operating expenses		
Interest expenses	27,292	24,189
Total non-operating expenses	27,292	24,189
Ordinary profit	714,160	403,645
Extraordinary income		
Gain on sale of non-current assets	147,225	–
Total extraordinary income	147,225	–
Profit before income taxes	861,385	403,645
Income taxes - current	214,694	97,619
Income taxes - deferred	65,272	40,975
Total income taxes	279,966	138,594
Profit	581,419	265,051

### (3) Notes to the Quarterly Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes when there are significant changes in amounts of shareholders' equity)

Not applicable.

(Application of special accounting methods for preparing quarterly financial statements)

Not applicable.

(Changes in accounting policies)

Not applicable.

(Changes in accounting estimates)

Not applicable.

(Restatement)

Not applicable.

(Notes on segment information, etc.)

[Segment Information]

Nine months ended December 31, 2023 (from April 1, 2023 to December 31, 2023)

Our principal business is pallet rental. Sales and other income (income from freight forwarding services) are only incidental to the rental business and constitute a single, inseparable sales segment. Therefore, separate segment disclosure is omitted.

Nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024)

Our principal business is pallet rental. Sales and other income (income from freight forwarding services) are only incidental to the rental business and constitute a single, inseparable sales segment. Therefore, separate segment disclosure is omitted.

(Notes on statements of cash flows)

Quarterly statements of cash flows for the nine months ended December 31, 2024 have not been prepared.

Depreciation (including amortization related to intangible assets) for the nine months ended December 31, 2024 is as follows.

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Depreciation	1,808,650 thousand yen	1,620,439 thousand yen



### 3. Other

Significant Matters Related to the Going Concern Assumption

Not applicable.

# Independent Auditor's Interim Review Report on the Quarterly Financial Statements

January 24, 2025

To the Board of Directors of Nippon Pallet Pool Co., Ltd.

GYOSEI & CO.

Osaka Office

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

Our firm has performed an interim review of the quarterly financial statements of Nippon Pallet Pool Co., Ltd. (the "Company") listed in the "Attached Materials" of the Quarterly Financial Results for the third quarterly accounting period (from October 1, 2024 to December 31, 2024) and the third quarterly cumulative period (from April 1, 2024 to December 31, 2024) of the 53rd fiscal year from April 1, 2024 to March 31, 2025, namely the quarterly balance sheets, the quarterly statements of income, and the notes thereto.

In our interim review, nothing has come to our attention that causes us to believe that the aforementioned quarterly financial statements are not prepared, in all material respects, in accordance with Article 4, Paragraph 1 of the Standards for Preparation of Quarterly Financial Statements of the Tokyo Stock Exchange and accounting standards for quarterly financial statements that are generally accepted in Japan (provided, however, that the abridged disclosure stipulated in Article 4, Paragraph 2 of the Standards for Preparation of Quarterly Financial Statements is applied).

## Basis for Auditor's Conclusion

We conducted our interim review in accordance with interim review standards that are generally accepted in Japan. Our responsibility under the interim review standards is described in "Auditor's Responsibilities for the Interim Review of the Quarterly Financial Statements." We are independent of the Company in accordance with the provisions of professional ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that we have obtained the evidence that provides a basis for our conclusion.

## Responsibilities of Management, Corporate Auditors, and the Board of Corporate Auditors for the Quarterly Financial Statements

Management is responsible for the preparation of the quarterly financial statements in accordance with Article 4, Paragraph 1 of the Standards for Preparation of Quarterly Financial Statements of the Tokyo Stock Exchange and accounting standards for quarterly financial statements that are generally accepted in Japan (provided, however, that the abridged disclosure stipulated in Article 4, Paragraph 2 of the Standards for Preparation of Quarterly Financial Statements is applied). This includes establishing and operating the internal control that management deems necessary to enable the preparation of quarterly financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the quarterly financial statements, management is responsible for evaluating whether it is appropriate to prepare the quarterly financial statements based on the premise of a going concern and, if necessary, for disclosing matters related to going concern in accordance with Article 4, Paragraph 1 of the Standards for Preparation of Quarterly Financial Statements of the Tokyo Stock Exchange and accounting standards for quarterly financial statements that are generally accepted in Japan (provided, however, that the abridged disclosure stipulated in Article 4, Paragraph 2 of the Standards for Preparation of Quarterly Financial Statements is applied).

Corporate Auditors and the Board of Corporate Auditors are responsible for overseeing the execution of the Directors' duties in establishing and operating the financial reporting process.

#### Auditor's Responsibilities for the Interim Review of the Quarterly Financial Statements

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

In accordance with interim review standards generally accepted in Japan, the auditor exercises professional judgment and maintains professional skepticism throughout the interim review process. The auditor also:

- Performs inquiries, primarily of management and persons responsible for financial and accounting matters, analytical procedures, and other interim review procedures. Interim review procedures are substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in Japan for annual financial statements.
- If the auditor determines that there is a material uncertainty regarding events or conditions that may cast significant doubt on the Company's ability to continue as going concern, the auditor shall, based on the evidence obtained, conclude whether anything has come to the auditor's attention that causes the auditor to believe that the quarterly financial statements are not prepared in accordance with Article 4, Paragraph 1 of the Standards for Preparation of Quarterly Financial Statements of the Tokyo Stock Exchange and accounting standards for quarterly financial statements that are generally accepted in Japan (provided, however, that the abridged disclosure stipulated in Article 4, Paragraph 2 of the Standards for Preparation of Quarterly Financial Statements is applied). If a material uncertainty related to going concern is identified, the auditor is required to draw attention in the interim review report to the related disclosures in the quarterly financial statements or, if such disclosures are inadequate, to express a qualified conclusion or an adverse conclusion on the quarterly financial statements. The auditor's conclusion is based on the evidence obtained up to the date of the interim review report; however, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluates whether anything has come to the auditor's attention that causes the auditor to believe that the presentation and disclosures of the quarterly financial statements are not prepared in accordance with Article 4, Paragraph 1 of the Standards for Preparation of Quarterly Financial Statements of the Tokyo Stock Exchange and accounting standards for quarterly financial statements that are generally accepted in Japan (provided, however, that the abridged disclosure stipulated in Article 4, Paragraph 2 of the Standards for Preparation of Quarterly Financial Statements is applied).

The auditor reports to Corporate Auditors and the Board of Corporate Auditors on the planned scope and timing of the interim review and any significant findings from the interim review.

The auditor also reports to Corporate Auditors and the Board of Corporate Auditors on compliance with the provisions of professional ethics in Japan regarding independence and any matters that may reasonably be thought to bear on the auditor's independence, including any actions taken to eliminate threats to independence or safeguards applied to reduce them to an acceptable level.

#### Conflicts of Interest

There are no conflicts of interest between the Company and our firm or the engagement partners that are required to be disclosed pursuant to the provisions of the Certified Public Accountants Act.

End of Report

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(Notes) 1. The original of the above interim review report is kept separately by the Company (the company disclosing the quarterly financial results).

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