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July 31, 2025

Non-consolidated Financial Results for the Three Months Ended June 30, 2025 (Under Japanese GAAP)

Company name: Nippon Pallet Pool Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 4690
 URL: <https://www.npp-web.co.jp>
 Representative: Kazutoshi Hamashima, President and CEO
 Inquiries: Mitsunori Suwa, Executive Officer
 Telephone: +81-6-6373-3231
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on financial results: None
 Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Non-consolidated financial results for the three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

(1) Non-consolidated 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	%
Three months ended								
June 30, 2025	1,737	-0.6	92	1.1	109	10.5	71	11.1
June 30, 2024	1,748	-5.9	91	-58.1	99	-59.4	64	-75.2

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended		
June 30, 2025	45.28	-
June 30, 2024	38.34	-

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
June 30, 2025	9,885	6,448	65.2
March 31, 2025	10,156	6,459	63.6

Reference: Equity

As of June 30, 2025: ¥ 6,448 million
 As of March 31, 2025: ¥ 6,459 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	-	0.00	-	59.00	59.00
Fiscal year ending March 31, 2026	-				
Fiscal year ending March 31, 2026 (Forecast)		0.00	-	93.00	93.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Forecast of non-consolidated financial results for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(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	7,400	6.7	620	68.1	730	54.7	488	57.4	291.6

Note: Revisions to the forecast of cash dividends most recently announced: None

Please state here any information that would be considered useful for investors regarding forecasts of financial results for the full fiscal year.
(If forecasts were revised, please state the revised forecast values together with the reasons for revision.)

*** Notes**

(1) Adoption of accounting treatment specific to the preparation of quarterly non-consolidated financial statements: None

(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: None
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

(3) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of June 30, 2025	1,620,000 shares
As of March 31, 2025	1,620,000 shares

(ii) Number of treasury shares at the end of the period

As of June 30, 2025	37,289 shares
As of March 31, 2025	37,289 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2025	1,582,711 shares
Three months ended June 30, 2024	1,682,711 shares

* Review of the Japanese-language originals of the attached quarterly non-consolidated financial statements by certified public accountants or an audit firm: Yes (voluntary)

* Please select the same option as in the Japanese-language summary information.

* Proper use of earnings 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.

* Please state here if the English-language quarterly financial statements have been reviewed by certified public accountants or an audit firm.

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1. Qualitative Information on the Quarterly Financial Results

(1) Explanation of Operating Results

During the three months ended June 30, 2025, the Japanese economy showed a moderate recovery trend due to improved employment and earning conditions as well as the growth of demand from inbound tourism; however, persistent price hikes have led to frugal household spending, with a prominent decline in consumer spending. Furthermore, the outlook for the economy remains uncertain amid rising concerns regarding a global economic recession due to the US tariff policies and the outbreak of international conflicts.

In this business environment, rentals to integrated chemical manufacturers, our main customers, increased from the previous year as the trend of declining transaction volume came to a halt. Meanwhile, rentals to other general customers experienced sluggish demand due to the impact of factors such as restrained personal consumption caused by rising prices, and as the total of sales revenue and others also fell below the previous year results, total net sales amounted to ¥1,737 million, a decrease of ¥10 million (0.6%) year on year.

Regarding expenses, transportation costs and depot storage fees for the collection and return of pallets increased due to higher unit prices paid caused by rising labor and fuel prices, etc. However, since depreciation decreased as a result of curbing investment in new pallet production and effectively utilizing existing assets, operating expenses were down ¥11 million (0.7%) year on year, to ¥1,645 million.

As a result, operating profit was ¥92 million (an increase of 1.1% year on year), ordinary profit was ¥109 million (an increase of 10.5% year on year), and profit was ¥71 million (an increase of 11.1% year on year).

(2) Explanation of Financial Position

Changes in Financial Position

Total assets as of June 30, 2025 were ¥9,885 million, a decrease of ¥270 million compared to the end of the previous fiscal year.

Current assets were ¥2,153 million, a decrease of ¥90 million compared to the end of the previous fiscal year, and non-current assets were ¥7,732 million, a decrease of ¥180 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, consumption taxes refund receivable (included in “Other”), and accounts receivable - rental.

The main reasons for the decrease in non-current assets were decreases in assets for rent, deferred tax assets (included in “Other”), and intangible assets.

Current liabilities were ¥2,588 million, a decrease of ¥93 million compared to the end of the previous fiscal year, and non-current liabilities were ¥848 million, a decrease of ¥166 million compared to the end of the previous fiscal year.

The main reasons for the decrease in current liabilities were decreases in accounts payable - trade, accounts payable - other (included in “Other”), and provision for bonuses.

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 June 30, 2025 were ¥6,484 million, a decrease of ¥10 million compared to the end of the previous fiscal year.

This was mainly due to a decrease in retained earnings.

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

We have not made any revisions to the financial results forecast announced on May 8, 2025.

2. Quarterly Financial Statements and Principal Notes

(1) Quarterly Balance Sheets

(Thousands of yen)

	As of March 31, 2025	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	1,295,569	1,245,092
Notes receivable - trade	16,859	14,842
Accounts receivable - rental	697,730	687,357
Accounts receivable - trade	138,069	136,747
Income taxes refund receivable	16,297	16,598
Other	79,175	52,900
Allowance for doubtful accounts	-101	-100
Total current assets	2,243,600	2,153,438
Non-current assets		
Property, plant and equipment		
Assets for rent		
Equipment for rent, net	6,621,017	6,418,464
Total assets for rent	6,621,017	6,418,464
Own-used assets		
Buildings, net	279,553	274,806
Land	263,439	263,439
Other, net	204,784	244,041
Total own-used assets	747,777	782,286
Total property, plant and equipment	7,368,795	7,200,751
Intangible assets	87,700	76,321
Investments and other assets		
Investment securities	322,318	336,233
Distressed receivables	235	235
Allowance for doubtful accounts	-235	-235
Other	133,599	118,840
Total investments and other assets	455,917	455,074
Total non-current assets	7,912,413	7,732,147
Total assets	10,156,013	9,885,585
Liabilities		
Current liabilities		
Accounts payable - trade	646,059	570,244
Short-term borrowings	1,030,000	1,030,000
Current portion of long-term borrowings	523,372	500,040
Income taxes payable	16,161	31,084
Provisions	37,781	12,574
Other	428,529	444,950
Total current liabilities	2,681,903	2,588,893
Non-current liabilities		
Long-term borrowings	704,998	579,958
Provisions	22,985	29,037
Long-term accounts payable - other	236,654	190,125
Asset retirement obligations	50,422	49,339
Total non-current liabilities	1,015,060	848,460
Total liabilities	3,696,964	3,437,354

(Thousands of yen)

	As of March 31, 2025	As of June 30, 2025
Net assets		
Shareholders' equity		
Share capital	767,955	767,955
Capital surplus	486,455	486,455
Retained earnings	5,125,161	5,103,447
Treasury shares	-53,769	-53,769
Total shareholders' equity	6,325,801	6,304,088
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	133,247	144,143
Total valuation and translation adjustments	133,247	144,143
Total net assets	6,459,049	6,448,231
Total liabilities and net assets	10,156,013	9,885,585

(2) Quarterly Statements of Income

Three months ended June 30, 2025

(Thousands of yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Net sales	1,748,124	1,737,913
Cost of sales	1,366,160	1,356,026
Gross profit	381,963	381,887
Selling, general and administrative expenses	290,538	289,433
Operating profit	91,425	92,453
Non-operating income		
Interest income	0	51
Dividend income	2,606	4,153
Compensation for loss	3,319	8,799
Waste disposal income	9,504	11,573
Other	663	735
Total non-operating income	16,095	25,312
Non-operating expenses		
Interest expenses	8,205	8,044
Total non-operating expenses	8,205	8,044
Ordinary profit	99,315	109,721
Profit before income taxes	99,315	109,721
Income taxes - current	19,276	25,421
Income taxes - deferred	15,521	12,633
Total income taxes	34,797	38,054
Profit	64,517	71,666

(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]

Three months ended June 30, 2024 (from April 1, 2024 to June 30, 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.

Three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

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 three months ended June 30, 2025 have not been prepared. Depreciation (including amortization related to intangible assets) for the three months ended June 30, 2025 is as follows.

	Three months ended June 30, 2024	Three months ended June 30, 2025
Depreciation	560,440 thousand yen	515,738 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

July 30, 2025

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

GYOSEI & CO.

Osaka Office

Designated Engagement Partner	Certified Public Accountant	Seigo Ko
Designated Engagement Partner	Certified Public Accountant	Hironori Inazumi

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 first quarterly accounting period (from April 1, 2025 to June 30, 2025) and the first quarterly cumulative period (from April 1, 2025 to June 30, 2025) of the 54th fiscal year from April 1, 2025 to March 31, 2026, 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 (including provisions applicable to audits of financial statements of entities with high social impact), 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

(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.