



Summary of Financial Accounts for the 1st Quarter of the Fiscal Year Ending March 2021 [Japanese Standards] (Non-Consolidated)

August 6th, 2020

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 August 12th, 2020 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 1st Quarter of the Fiscal Year Ending March 2021 (April 1st, 2020 - June 30th, 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 Q1	1,719	2.8	199	226.5	251	159.7	170	188.5
FY Ending March 2020 Q1	1,672	3.3	61	22.2	96	53.3	59	53.5

	Quarterly Net Profit per Share	Diluted Quarterly Net Profit per Share
FY Ending March 2021 Q1	yen sen 202.92	yen sen —
FY Ending March 2020 Q1	70.32	—

(2) Financial Status

	Total Assets	Net Assets	Capital Adequacy Ratio
FY Ending March 2021 Q1	million yen 10,341	million yen 4,589	% 44.4
FY Ending March 2020	10,338	4,475	43.3

(Reference) Owned Capital FY Ending March 2021 Q1 4,589 million yen FY Ending March 2020 4,475 million yen

2. Dividend Status

	Annual Dividend				
	Q1 End	Q2 End	Q3 End	FY End	Total
FY Ending March 2020	yen sen —	yen sen 0.00	yen sen —	yen sen 70.00	yen sen 70.00
FY Ending March 2021	—				
FY Ending March 2021 (Forecast)		0.00	—	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	7,127	1.6	471	Δ8.8	530	Δ20.6	334	Δ23.3	397.04

(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)	FY Ending March 2021 Q1	850,000 shares	FY Ending March 2020 Q1	850,000 shares
② FY end treasury shares	FY Ending March 2021 Q1	8,520 shares	FY Ending March 2020 Q1	8,520 shares
③ FY end average shares (QTD)	FY Ending March 2021 Q1	841,480 shares	FY Ending March 2020 Q1	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
 - Although 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, the impact of the spread of novel coronavirus infections is not factored into expected results, given that it is difficult to reasonably forecast this impact at present. Therefore, there is a possibility that the actual results differ significantly from the expected figures. 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 1st quarter period to date, the slowdown of the domestic economy in Japan due to the stagnation of consumer spending and corporate activity caused by the spread of initiatives to stay-at-home as a result of the declaration of a state of emergency in response to the rapid spread of novel coronavirus infections was prominent. The prospects are very uncertain, as the expectation is that time will be needed for economic activity to normalize.

Under these 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 on the client side, resulting in a slight increase in sales compared to the same quarter of the previous fiscal year. On the other hand, we continued to increase income from general clients due to increases in product inventory on the client side, resulting in an overall increase in rental sales. In addition, the total for other sales also outperformed the results from the same quarter of the previous fiscal year, as total sales during this 1st quarter period to date increased by 46 million yen (2.8%) from the same quarter of the previous fiscal year for a value of 1.719 billion yen.

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 improvement of the rental availability rates of pallets and other products, resulted in operating expenses of 1.519 billion yen (down 5.7% from the same quarter of the previous fiscal year).

As a result, operating profit was 199 million yen (up 226.5% from the same quarter of the previous fiscal year), ordinary profit was 251 million yen (up 159.7% from the same quarter of the previous fiscal year), and quarterly net profit was 170 million yen (up 188.5% from the same quarter of the previous fiscal year).

To add, the impact of novel coronavirus infections on the operating results of this 1st 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 10.341 billion yen, up 2 million yen from the previous fiscal year.

Current assets were 1.578 billion yen, down 83 million yen and 5.0% from the end of the previous fiscal year. Fixed assets were 8.763 billion yen, up 86 million yen and 1.0% from the end of the previous fiscal year.

The main cause for the decrease in current assets was the decrease in rental accounts receivable and cash and deposits.

The main cause for the increase in fixed assets was the increase in assets lent, intangible fixed assets, and corporate assets.

Current liabilities were 3.157 billion yen, down 230 million yen and 6.8% from the end of the previous fiscal year. Fixed liabilities were 2.594 billion yen, up 119 million yen and 4.8% 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 accounts payable (included in “Other”), despite the increase in long-term debt to be paid within 1 year.

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

Net assets at the end of this 1st quarter accounting term were 4.589 million yen, up 113 million yen and 2.5% 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 first 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 May 8th, 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 Q1 Accounting Term (June 30 th , 2020)
Assets		
Current Assets		
Cash and Deposits	737,669	701,835
Notes Receivable	17,749	16,420
Rental Accounts Receivable	763,565	725,913
Accounts Receivable	100,409	85,441
Other	47,403	53,051
Bad Debt Allowance	Δ4,336	Δ4,052
Total Current Assets	1,662,460	1,578,609
Fixed Assets		
Tangible Fixed Assets		
Assets Lent		
Equipment Lent (Net)	7,633,103	7,677,902
Total Assets Lent	7,633,103	7,677,902
Corporate Assets		
Building (Net)	156,515	162,458
Land	483,126	483,126
Other (Net)	111,706	122,139
Total Corporate Assets	751,348	767,725
Total Tangible Fixed Assets	8,384,452	8,445,628
Intangible Fixed Assets	16,583	47,314
Investments and Other Assets		
Investment in Securities	178,431	181,346
Other	110,276	99,180
Bad Debt Allowance	Δ13,221	Δ10,312
Total Investments and Other Assets	275,486	270,214
Total Fixed Assets	8,676,522	8,763,156
Total Assets	10,338,983	10,341,765
Liabilities		
Current Liabilities		
Accounts Payable	691,236	651,109
Short-Term Debt	1,030,000	1,030,000
Long-Term Debt to Be Paid Within 1 Year	998,172	1,038,116
Unpaid Corporate Taxes, Etc.	177,606	79,481
Reserve	48,863	51,311
Other	442,484	307,764
Total Current Liabilities	3,388,363	3,157,781
Fixed Liabilities		
Long-Term Debt	1,891,680	2,060,026
Reserve	19,321	20,233
Long-Term Accounts Payable	532,019	482,193
Asset Retirement Obligation	32,245	32,246
Total Fixed Liabilities	2,475,266	2,594,698
Total Liabilities	5,863,629	5,752,480

(Units: 1,000 yen)

	Previous FY (March 31 st , 2020)	Current Q1 Accounting Term (June 30 th , 2020)
Net Assets		
Shareholders' Equity		
Capital	767,955	767,955
Capital Surplus	486,455	486,455
Earned Surplus	3,230,691	3,342,541
Own Shares	Δ17,822	Δ17,822
Total Shareholders' Equity	4,467,279	4,579,129
Valuation or Translation Differences, Etc.		
Other Securities Valuation Differences	8,074	10,156
Total Valuation or Translation Differences, Etc.	8,074	10,156
Total Net Assets	4,475,353	4,589,285
Total Liabilities and Net Assets	10,338,983	10,341,765

(2) Quarterly Profit and Loss Statement

1st Quarter Period to Date

(Units: 1,000 yen)

	Previous Q1 period to date (From April 1 st , 2019 to June 30 th , 2019)	Current Q1 period to date (From April 1 st , 2020 to June 30 th , 2020)
Sales	1,672,836	1,719,372
Cost of Sales	1,373,692	1,297,591
Gross Profit	299,143	421,780
Transferred Unrealized Profit from Installment Sales	1,110	699
Reversed Unrealized Profit from Installment Sales	1,938	1,605
Gross Profit Differential	299,971	422,687
Selling and General Administrative Costs	238,754	222,803
Operating Profit	61,216	199,884
Non-Operating Income		
Interest Income	3	3
Dividend Income	2,265	2,176
Loss Compensation	33,491	47,263
Waste Disposal Income	8,018	6,190
Other	114	3,353
Total Non-Operating Income	43,893	58,987
Non-Operating Expenses		
Interest Expense	8,249	7,297
Total Non-Operating Expenses	8,249	7,297
Ordinary Profit	96,860	251,573
Pre-Tax Quarterly Net Profit	96,860	251,573
Corporate Tax, Resident Tax, and Business Tax	39,844	73,371
Corporate Tax, Etc. Adjustment	Δ2,162	7,448
Total Corporate Tax	37,681	80,820
Quarterly Net Profit	59,178	170,753

(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.