



Financial Results Brief for the Third Quarter of the Fiscal Year Ending March 2024 [Japanese Standards] (Non-Consolidated)

January 25th, 2024

Listed Company Name	NIPPON PALLET POOL Co., Ltd.	Stock Exchange Listing	Tokyo
Stock Code	4690	URL	https://www.npp-web.co.jp
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Quarterly Report Filing Date	February 9th, 2024	Dividend Payment Start Date	—
Production of Supplementary Quarterly Financial Information: None			
Quarterly Results Briefing: None			

(Rounded to the nearest million yen)

1. Financial Performance for the Third Quarter of the Fiscal Year Ending March 2024 (From April 1st, 2023, to December 31st, 2023)

(1) Operational Performance (Cumulative) (% figures indicate the year-over-year change)

	Sales		Operating Income		Ordinary Income		Net Income for the Quarter	
	mils. yen	%	mils. yen	%	mils. yen	%	mils. yen	%
FY Ending March 2024, Q3	5,805	4.7	654	-18.7	714	-19.9	581	-14.7
FY Ending March 2023, Q3	5,546	6.4	805	165.5	891	108.2	681	138.6

	Earnings Per Share		Diluted Earnings Per Share	
	yen	sen	yen	sen
FY Ending March 2024, Q3	345.50	—	—	—
FY Ending March 2023, Q3	404.95	—	—	—

(2) Financial Condition

	Total Assets	Net Assets	Capital-to-Asset Ratio
	mils. yen	mils. yen	%
FY Ending March 2024, Q3	11,346	6,371	56.2
FY Ending March 2023	12,102	5,836	48.2

(Reference) Net Worth FY Ending March 2024, Q3 6,371 mil. yen FY Ending March 2023 5,836 mil. yen

2. Dividend Status

	Annual Dividend Payout				
	End of Q1	End of Q2	End of Q3	Year End	Total
	yen	yen	yen	yen	yen
FY Ending March 2023	—	0.00	—	40.00	40.00
FY Ending March 2024	—	0.00	—		
FY Ending March 2024 (Forecast)				40.00	40.00

(Note) Changes from the most recently announced dividend forecast: None

3. Performance Forecast for the Fiscal Year Ending March 2024 (April 1st, 2023, to March 31st, 2024)

(% figures indicate the year-over-year change)

	Sales		Operating Income		Ordinary Income		Net Income		Earnings Per Share
	mils. yen	%	mils. yen	%	mils. yen	%	mils. yen	%	yen sen
Full Year	7,550	2.1	900	-8.5	1,000	-10.5	700	-16.0	415.95

(Note) Changes from the previously published performance forecast: None

* Notes

(1) Special accounting procedures specific to quarterly financial statement : None

(2) Changes in accounting policies, adjustments in accounting estimates and retrospective restatements

(i) Changes in accounting policies due to revised accounting standards : None

(ii) Changes in accounting policies not covered by (i) : None

(iii) Adjustments in accounting estimates : None

(iv) Retrospective restatements : None

(3) Outstanding shares (common shares)

(i) Total outstanding shares at quarter-end
(including treasury shares)

FY March 2024 Q3	1,700,000 shares	FY March 2023	1,700,000 shares
FY March 2024 Q3	17,266 shares	FY March 2023	17,105 shares
FY March 2024 Q3	1,682,816 shares	FY March 2023 Q3	1,682,922 shares

(ii) Treasury shares at quarter-end

(iii) Average number of shares for quarter (cumulative)

* Quarterly financial results briefs are not subject to quarterly reviews by a certified public accountant or audit firm.

* Guidance on Proper Use of Performance Projections and Other Matters of Special Note

- The forward-looking statements about performance outlooks in this document are based on information currently available to our company and assumptions that are considered reasonable. However, actual results may differ significantly from these forecasts. For information on the assumptions behind these performance forecasts and cautionary notes on their use, please see the following section on page 2 of the accompanying document: "1. Qualitative Information Regarding This Quarter's Financial Statements (3) Statement on Earnings Forecasts and Other Forward-Looking Information."

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1. Qualitative Information Regarding This Quarter's Financial Statements

(1) Discussion of Operational Performance

In the cumulative period leading up to the end of the third quarter, Japan's domestic economy continued to face uncertainties. While the lifting of COVID-19 restrictions allowed socioeconomic activities to normalize, challenges remained. High energy and raw material costs, fueled by geopolitical tensions such as the Ukraine crisis, persisted. Furthermore, the continued depreciation of the yen led to soaring import prices.

In these business conditions, we have seen an uptick in demand for logistics efficiency through palletization, driven by cargo-owning companies grappling with the economic recovery and the challenges of the "2024 Problem." Our rental revenues for storage and transportation solutions increased by ¥68 million (1.3%) year-over-year, reflecting solid growth. Additionally, sales of pallets and equipment have been strong, recording an increase of ¥190 million (81.9%) over the previous year's quarter. Consequently, total sales revenue reached ¥5.805 billion, up by ¥259 million (4.7%) compared to the same quarter last year.

On the expense side, while transportation costs were reduced through efficient utilization of our existing lease assets, depreciation expenses rose due to the acquisition of new pallets in the previous term. This led to an increase in operating expenses, which amounted to ¥5.151 billion, up by ¥410 million (8.6%) year-over-year. Consequently, our operating profit stood at ¥654 million (a decrease of 18.7% from the same period last year), with an ordinary profit of ¥714 million (down 19.9%) and a net profit for the quarter of ¥581 million (a decrease of 14.7%).

(2) Discussion of Financial Condition

(i) Fluctuations in Financial Status

At the close of our third quarterly accounting period, our total assets were recorded at ¥11.346 billion, marking a decrease of ¥755 million from the previous fiscal year.

Current Assets increased to ¥2.270 billion, up by ¥290 million or 14.7% from the previous year's end. In contrast, Fixed Assets decreased to ¥9.076 billion, down by ¥1.046 billion or 10.3%.

This increase in Current Assets was mainly due to a rise in Cash and Deposits and Trade Accounts Receivable, despite a reduction in consumption taxes receivable and other receivables (included in the "Other" category).

The decrease in Fixed Assets was mainly due to a decline in Leased Assets, despite an increase in Investment Securities.

Current Liabilities decreased to ¥2.958 billion, a reduction of ¥808 million or 21.5%, and Fixed Liabilities were down to ¥2.015 billion, a decrease of ¥482 million or 19.3% from the end of the previous fiscal year.

The decrease in Current Liabilities was mainly due to a decrease in Trade Accounts Payable, other payables (included in the "Other" category), and Income Tax Payable, despite a rise in consumption tax payable (included in the "Other" category).

The reduction in Fixed Liabilities was mainly due to a decrease in Long-Term Loans Payable and Long-Term Accounts Payable.

At the close of the third quarterly accounting period, our Total Equity stood at ¥6.371 billion, reflecting an increase of ¥534 million or 9.2% from the end of the previous fiscal year. This increase was predominantly a result of an increase in Retained Earnings.

(3) Statement on Earnings Forecasts and Other Forward-Looking Information

We have not made any amendments to the performance forecast previously published on May 8th, 2023.

2. Quarterly Financial Statements and Principal Notes

(1) Quarterly Balance Sheet

(Unit: 1,000s of yen)

	Previous Fiscal Year (March 31st, 2023)	Current Q3 Accounting Period (December 31st, 2023)
Assets		
Current Assets		
Cash and Deposits	897,486	1,232,621
Notes Receivable	20,198	26,468
Rental Income Receivable	782,060	781,550
Trade Accounts Receivable	78,389	188,956
Other	204,448	43,672
Allowance for Doubtful Accounts	-2,722	-2,949
Total Current Assets	1,979,860	2,270,319
Fixed Assets		
Tangible Fixed Assets		
Leased Assets		
Rental Equipment (Net)	8,813,766	7,838,466
Total Leased Assets	8,813,766	7,838,466
Corporate Assets		
Buildings (Net)	114,597	300,135
Land	303,805	263,439
Other (Net)	319,592	163,708
Total Corporate Assets	737,995	727,282
Total Tangible Fixed Assets	9,551,762	8,565,749
Intangible Fixed Assets	168,776	128,752
Investments and Other Assets		
Investment Securities	192,855	252,893
Other	208,915	128,631
Total Investments and Other Assets	401,771	381,524
Total Fixed Assets	10,122,309	9,076,026
Total Assets	12,102,170	11,346,345
Liabilities		
Current Liabilities		
Trade Accounts Payable	801,123	446,233
Short-Term Loans Payable	1,030,000	1,030,000
Current Portion of Long-Term Debt	886,736	728,362
Income Tax Payable	243,733	63,002
Provisions	41,607	15,621
Other	764,053	675,769
Total Current Liabilities	3,767,254	2,958,988
Fixed Liabilities		
Long-Term Loans Payable	1,638,394	1,383,368
Provisions	18,342	21,439
Long-Term Accounts Payable	783,756	556,311
Asset Retirement Obligations	57,551	54,543
Total Fixed Liabilities	2,498,044	2,015,662
Total Liabilities	6,265,299	4,974,650

(Unit: 1,000s of yen)

	Previous Fiscal Year (March 31st, 2023)	Current Q3 Accounting Period (December 31st, 2023)
Equity		
Shareholder's Equity		
Capital Stock	767,955	767,955
Capital Surplus	486,455	486,455
Retained Earnings	4,537,640	5,051,744
Treasury Stock	-17,915	-18,271
Total Shareholder's Equity	5,774,135	6,287,882
Valuation and Translation Adjustments		
Net Unrealized Gains on Securities	62,735	83,812
Total Valuation and Translation Adjustments	62,735	83,812
Total Equity	5,836,871	6,371,694
Total Liabilities and Equity	12,102,170	11,346,345

(2) Quarterly Profit and Loss Statement

For the cumulative period up to the third quarter

(Unit: 1,000s of yen)

	Previous Q3 Cumulative Period (from April 1st, 2022, to December 31st, 2022)	Current Q3 Cumulative Period (from April 1st, 2023, to December 31st, 2023)
Sales Revenue	5,546,453	5,805,834
Cost of Goods Sold	3,976,932	4,359,158
Gross Profit	1,569,521	1,446,675
Selling, General and Administrative Expenses	764,336	792,189
Operating Income	805,184	654,486
Non-operating Income		
Interest Income	2	2
Dividend Income	6,460	6,347
Compensation for Losses	77,273	51,356
Income from Disposal of Waste	23,426	26,728
Other	537	2,531
Total Non-operating Income	107,699	86,966
Non-operating Expenses		
Interest Expenses	21,325	27,292
Total Non-operating Expenses	21,325	27,292
Ordinary Income	891,559	714,160
Extraordinary Gains		
Gain on Sales of Fixed Assets	18,071	147,225
Total Extraordinary Gains	18,071	147,225
Extraordinary Losses		
Loss on Sales of Fixed Assets	6,389	—
Total Extraordinary Losses	6,389	—
Income Before Taxes	903,241	861,385
Corporate, Inhabitant and Enterprise Taxes	214,948	214,694
Tax Adjustments	6,796	65,272
Total Taxes	221,744	279,966
Net Income for the Quarter	681,496	581,419

(3) Notes to the Quarterly Financial Statements

Note on the Assumption of a Going Concern:

No relevant matters.

Note on Significant Changes in Shareholders' Equity:

No relevant matters.

Specific Accounting Treatments Adopted for Quarterly Financial Statements:

No relevant matters.

Changes in Accounting Policies:

No relevant matters.

Changes in Accounting Estimates:

No relevant matters.

Retrospective Restatements:

No relevant matters.

3. Other

Significant Matters Relating to the Assumption of a Going Concern:

No relevant matters.