

Consolidated Financial Statements for the Fiscal Year Ended March 2024 [Japanese Standards] (Unconsolidated Subsidiary)



May 8, 2024
Tokyo

Listed Company Name: Nippon Palette Pool Co., Ltd.

Listed Stock Exchange:

Stock Code: 4690

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

Representative: (Title) President and Representative Director (Name) Kazutoshi Hamashima

Contact Person: (Title) Executive Managing Director, Director (Name) Takashi Yamanishi (Phone) 06 (6373) 3231

Scheduled Regular Shareholders' Meeting Date: June 26, 2024 Scheduled Dividend Payment Start Date: June 27, 2024

Scheduled Submission Date of Securities Report: June 27, 2024

Supplementary Explanation Material for the Financial Results: None

Holding of Financial Results Briefing : None

(Rounded to millions of yen)

1. Performance for the fiscal year ended March 2024 (April 1, 2023 – March 31, 2024)

(1) Financial Results (Percentage figures represent year-on-year changes)

	Sales Revenue		Operating Profit		Ordinary Profit		Net Profit	
	(million yen)	%	(million yen)	%	(million yen)	%	(million yen)	%
Fiscal Year March 2024	7,582	2.5	778	-20.9	874	-21.7	527	-36.7
Fiscal Year March 2023	7,394	4.2	984	114.0	1,117	72.4	833	205.4

	Net Profit Per Share	Net Profit Per Share (Adjusted for Dilution)	Return on Equity	Return on Assets	Operating Profit Margin
	Yen	Yen	%	%	%
Fiscal Year March 2024	313.46	—	8.7	7.5	10.3
Fiscal Year March 2023	495.15	—	15.3	9.9	13.3

Investment gains and
(Reference) losses based on Fiscal Year March 2024 — (million yen) Fiscal Year March 2023 — (million yen)
equity method

(2) Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets Per Share
	(million yen)	(million yen)	%	Yen
Fiscal Year March 2024	11,204	6,341	56.6	3,768.67
Fiscal Year March 2023	12,102	5,836	48.2	3,468.35

(Reference) Equity Capital. Fiscal Year March 2024 6,341 (million yen) Fiscal Year March 2023 5,836 (million yen)

(3) Cash Flow Situation

	Operating Cash Flow	Cash Flow From Investing	Cash Flow From Financing Activities	Cash and Cash Equivalents Balance at End of Period
	(million yen)	(million yen)	(million yen)	(million yen)
Fiscal Year March 2024	3,212	-1,419	-1,079	1,462
Fiscal Year March 2023	3,165	-3,612	446	748

2. Dividends

	Annual Dividend					Total Dividend Amount	Dividend Payout Ratio	Net Asset Dividend Ratio
	At the end of Q1	At the end of Q2	At the end of Q3	Fiscal year end	Total			
	Yen Sen	Yen Sen	Yen Sen	Yen Sen	Yen Sen	(million yen)	%	%
Fiscal Year March 2023	—	0.00	—	40.00	40.00	67	8.1	1.2
Fiscal Year March 2024	—	0.00	—	40.00	40.00	67	12.8	1.1
Fiscal Year March 2025 (Forecast)	—	0.00	—	40.00	40.00		7.9	

3. Performance for the fiscal year ending March 2025 (April 1, 2024 – March 31, 2025)

(Percentage figures represent year-on-year changes)

	Sales		Operating Profit		Ordinary Profit		Net Profit for Current Period		Net Profit Per Share
	(million yen)	%	(million yen)	%	(million yen)	%	(million yen)	%	Yen Sen
Full Business Year	7,650	0.9	1,050	34.8	1,150	31.5	850	61.1	505.11

*Notes:

(1) Changes in Accounting Policies, Estimates, and Restatements:

- ① Changes in accounting policies due to revisions of accounting standards : None
- ② Changes in accounting policies other than those in ① : None
- ③ Changes in accounting estimates : None
- ④ Restatements : None

(2) Issued Shares (Common Stock)

- ① End-of-period issued shares (including treasury stock)
- ② End-of-period treasury stock
- ③ Average number of shares

Fiscal Year March 2024	1,700,000Shares	Fiscal Year March 2023	1,700,000Shares
Fiscal Year March 2024	17,289Shares	Fiscal Year March 2023	17,105Shares
Fiscal Year March 2024	1,682,792Shares	Fiscal Year March 2023	1,682,915Shares

*These consolidated financial statements are not subject to audit by certified public accountants or audit firms.

*Notes on the appropriate use of performance forecasts and other special notes:

- Forward-looking performance forecasts and similar statements contained in this document are based on certain assumptions deemed reasonable by the company based on information currently available to it. Actual performance may vary significantly due to various factors. Please refer to "1. Overview of Business Performance (4) Future Outlook" in Page 2 of the Attachments for the conditions underlying performance forecasts and cautionary notes regarding the use of performance forecasts.

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1. Overview of Business Performance

(1) Summary of Business Performance in the Current Period

In the current period, Japan's domestic economy experienced a gradual recovery as restrictions related to the COVID-19 pandemic were lifted, leading to the normalization of economic activities. However, uncertainties persist regarding the future economic outlook due to factors such as the prolonged conflict in Ukraine, which has led to increases in energy and raw material prices, depreciation of the yen, and inflation.

Against this backdrop, we responded to demands for improvement in labor conditions in logistics operations and successfully maintained robust rental volumes of pallets and equipment for general customers. However, inventory adjustments progressed among major clients in the petrochemical and resin-related industries. As a result, total rental volumes for the fiscal year decreased, particularly in the latter half of the current period, by ¥6 million (0.1%) to ¥6.8088 billion compared to the previous period. Nevertheless, due to significant growth in sales revenue compared to the previous period, total revenue for the fiscal year increased by ¥188 million (2.5%) to ¥7.582 billion compared to the previous period.

On the expense side, operating expenses increased by ¥393 million (6.1%) to ¥6.83 billion compared to the previous period. This increase was attributed to higher depreciation expenses resulting from increased pallet purchases and higher purchase prices in the previous fiscal year as well as the increase in costs related to inventory storage, maintenance, and other expenses due to the higher number of returned pallets at the end of rentals.

As a result, operating profit decreased by 20.9% to ¥778 million and ordinary profit decreased by 21.7% to ¥874 million. Furthermore, net profit for the period decreased by 36.7% to ¥527 million, primarily due to impairment losses on fixed assets related to our FukLOW business.

Sales Breakdown Statement

By Type			Previous Fiscal Year (From April 1, 2022 To March 31, 2023)		Current Fiscal Year (From April 1, 2023 To March 31, 2024)		Year-on-Year Comparison	
			Amount (Thousand Yen)	Compositi on Ratio (%)	Amount (Thousand Yen)	Compositi on Ratio (%)	Amount (Thousand Yen)	Ratio (%)
Rentals	Rental	Pallets	6,184,094	83.6	6,090,814	80.3	-93,280	-1.5
		Other Logistics Equipment	710,951	9.6	797,558	10.5	86,606	12.2
	Total		6,895,046	93.2	6,888,373	90.8	-6,673	-0.1
Sales	Hire-purchase		630	0.0	92,215	1.2	91,585	14,537.4
	Products		173,343	2.3	304,839	4.0	131,495	75.9
	Refurbished Products		125,452	1.7	99,480	1.3	-25,972	-20.7
	Total		299,426	4.0	496,535	6.5	197,109	65.8
Consigned Freight Income			173,036	2.3	169,850	2.2	-3,186	-1.8
Ancillary Business Income			26,694	0.4	27,854	0.4	1,160	4.3
Total			7,394,204	100.0	7,582,613	100.0	188,408	2.5

(2) Summary of Financial Position in the Current Period

① Analysis of Financial Position

(Current Assets)

The balance of current assets at the end of the current period amounted to ¥2.6039 billion, an increase of ¥605.9 million compared to the previous period.

This increase is primarily due to a rise in cash and deposits, which increased by ¥701.4 million compared to the previous period.

(Fixed Assets)

The balance of fixed assets at the end of the current period amounted to ¥8.5064 billion, a decrease of ¥1.5057 billion compared to the previous period.

This decrease is mainly attributed to a reduction in loans and receivables, which decreased by ¥1.5044 billion compared to the previous period.

(Current Liabilities)

The balance of current liabilities at the end of the current period amounted to ¥3.0095 billion, a decrease of ¥607.1 million compared to the previous period.

This decrease is mainly attributed to an increase in unpaid consumption taxes (up ¥206.6 million YoY) and decreases in accounts payable (down ¥304.7 million YoY), accrued expenses (down ¥202.4 million YoY), short-term borrowings repayable within one year (down ¥202.3 million YoY), and unpaid corporate taxes (down ¥101.4 million YoY).

(Long-term Liabilities)

The balance of long-term liabilities at the end of the current period amounted to ¥1.7066 billion, a decrease of ¥703.1 million compared to the previous period.

This decrease is mainly attributed to reductions in long-term borrowings (down ¥401 million YoY) and long-term accrued expenses (down ¥302 million YoY).

(Net Assets)

The balance of net assets at the end of the current period amounted to ¥6.3041 billion, an increase of ¥504 million compared to the previous period.

This increase is primarily due to an increase in retained earnings, which increased by ¥406 million compared to the previous period.

(3) Summary of Cash Flow in the Current Period

The cash and cash equivalents for the current period amounted to ¥1.4062 billion, representing an increase of ¥701.4 million.

Cash flow from operating activities amounted to ¥3.2012 billion, an increase of 1.5% compared to the previous period, mainly driven by a net income before tax of ¥708.9 million and depreciation expenses of ¥2.403 billion.

Cash flow from investing activities amounted to an expenditure of ¥1.4019 billion, representing a decrease of 60.7% compared to the previous period, primarily due to investments in tangible fixed assets.

Cash flow from financing activities amounted to an expenditure of ¥1.0079 billion (in the previous period, it was a profit of ¥404.6 million), primarily due to income from repayments of long-term borrowings (¥300 million) falling short of expenses in repayments of installment debts (¥903.3 million).

The trend of cash flow indicators is as follows:

	Term 48 (Fiscal Year March 2020)	Term 49 (Fiscal Year March 2021)	Term 50 (Fiscal Year March 2022)	Term 51 (Fiscal Year March 2023)	Term 52 (Fiscal Year March 2024)
Equity Ratio (%)	43.3	48.0	48.9	48.2	56.6
Market Value-based Equity Ratio (%)	19.7	28.6	17.2	32.7	39.6
Debt Repayment Period	1.5	1.4	1.5	1.5	1.1
Interest Coverage Ratio	97.6	101.7	110.7	112.4	91.9

*Equity Ratio: Equity / Total Assets

*Market Value-based Equity Ratio: Market Capitalization of Shares / Total Assets

*Debt Repayment Period: Interest-bearing Debt / Operating Cash Flow

*Interest Coverage Ratio: Operating Cash Flow / Interest Payments

(Note) 1. Each indicator is calculated based on financial figures.

2. Market capitalization of shares is calculated by multiplying the closing price of shares at the end of the period by the total number of issued shares (after deducting treasury stock).

3. Operating cash flow is derived from the cash flow statement, and interest-bearing debt includes all liabilities on the balance sheet that incur interest payments.

(4) Future Outlook

Regarding Japan's domestic economy, while there is a recovery trend in sentiment due to improvements

in the employment and income department driven by favorable corporate earnings and expanding investments in facilities with an eye toward the future, challenges such as worsening labor shortages and increased logistics costs are exerting strong upward pressure on prices, making it difficult to foresee a full-fledged economic recovery.

In such circumstances, our company, under the corporate philosophy of "Contributing to logistics through pallet pooling systems" and "Becoming a company trusted by customers and society," will strive to enhance corporate value by:

- ① Expanding solution-based businesses tailored to the diverse needs of customers and society.
- ② Exploring new business areas through the utilization of the pallet location management system "FukuLOW."
- ③ Strengthening pallet repair and cleaning functions and improving operational efficiency through the establishment of new depots (service bases) and the introduction of large-scale machinery.
- ④ Promoting the development of new businesses through alliances.

We will continue to bolster our business foundation through these initiatives.

Looking ahead, while there is a trend of shrinking rental demand from major clients in the petrochemical industry due to production adjustments amid a sluggish market for petrochemical products, we anticipate an increase in rental demand from general customers due to the effectiveness of pallets in reducing cargo handling time amid the so-called '2024 problem', leading to a trend of increased revenue.

Additionally, we will strive to explore new rental demand by setting up depots at JR Freight station premises and offering pallet rental and return services, or more conveniently named "Station Pallet". We will also expand our product lineup, including the sale of power-assist suits, aiming to increase sales revenue.

On the expenditure side, while costs have increase for the recovery and storage of pallets whose lease have ended from the latter half of the previous period, we will focus on low-cost operations mainly at high-performance depots to secure revenue.

Based on the above, our performance forecast for the fiscal year ending March 2025 is as follows: Sales revenue of ¥7.6050 billion (an increase of 0.9% YoY), operating income of ¥1.0050 billion (an increase of 34.8% YoY), ordinary income of ¥1.1050 billion (an increase of 31.5% YoY), and net income of ¥805 million (an increase of 61.1% YoY).

(5) Significant Notes on Going Concern Assumptions

No significant notes.

2. Fundamental Principles Regarding Accounting Standards Selection

Currently, as our operations are limited to Japan, we plan to use the Japanese accounting standards for the time being. However, we will continue to monitor the adoption trends of the International Financial Reporting Standards (IFRS) by other domestic companies and consider the application of IFRS in the future.

3. Financial Statements and Major Notes

(1) Balance Sheet

(In thousands of yen)

	Previous Fiscal Year (March 31, 2023)	Current Fiscal Year (March 31, 2024)
Assets		
Current Assets		
Cash and Deposits	897,486	1,611,678
Notes Receivable	20,198	34,960
Outstanding Rental Payments	782,060	765,457
Accounts Receivable	78,389	161,406
Stock	7,774	10,174
Prepaid Expenses	21,152	23,362
Unearned Revenue	46,615	30,915
Other	128,906	2,139
Allowance for Doubtful Accounts	-2,722	-282
Total Current Assets	1,979,860	2,639,810
Fixed Assets		
Tangible Fixed Assets		
Leased Assets		
Rental Equipment	20,741,580	19,531,621
Accumulated Depreciation	-11,927,813	-12,262,445
Rental Equipment (Net Value)	8,813,766	7,269,176
Total Leased Assets	8,813,766	7,269,176
Internal-Use Assets		
Buildings	339,507	458,252
Accumulated Depreciation	-224,910	-162,893
Buildings (Net Value)	114,597	295,358
Structures	108,050	117,992
Accumulated Depreciation	-99,238	-96,337
Structures (Net Value)	8,811	21,654
Machinery and Equipment	150,154	231,811
Accumulated Depreciation	-90,345	-118,443
Machinery and Equipment (Net Value)	59,809	113,368
Vehicles	16,685	10,915
Accumulated Depreciation	-15,715	-10,637
Vehicles (Net Value)	969	277
Tools, Equipment, and Fixtures	253,184	253,794
Accumulated Depreciation	-225,872	-236,247
Tools, Equipment, and Fixtures (Net Value)	27,312	17,546
Land	303,805	263,439
Construction in Progress Account	222,690	—
Total Internal-Use Assets	737,995	711,644
Total Tangible Fixed Assets	9,551,762	7,980,820

(In thousands of yen)

	Previous Fiscal Year (March 31, 2023)	Current Fiscal Year (March 31, 2024)
Intangible Fixed Assets		
Software	165,046	117,077
Other	3,729	3,729
Total Intangible Fixed Assets	168,776	120,807
Investments and Other Assets		
Investment Securities	192,855	285,000
Long-term Prepaid Expenses	28,326	456
Deferred Tax Assets	105,167	101,380
Guarantee Deposits	75,421	76,092
Total Investments and Other Assets	401,771	462,930
Total Fixed Assets	10,122,309	8,564,558
Total Assets	12,102,170	11,204,369

(In thousands of yen)

	Previous Fiscal Year (March 31, 2023)	Current Fiscal Year (March 31, 2024)
(Liabilities)		
Current Liabilities		
Accounts Payable	801,123	453,257
Short-term borrowings	1,030,000	1,030,000
Short-term borrowings repayable within one year	886,736	663,364
Accrued Expenses	620,530	395,883
Corporate Tax Payable	243,733	129,270
Consumption Tax Payable	—	266,683
Contract Liability	142,093	113,973
Deposits Received	1,429	1,970
Accrued Bonuses	41,607	41,566
Total Current Liabilities	3,767,254	3,095,968
Long-term Liabilities		
Long-term Borrowings	1,638,394	1,228,370
Pension Liability	18,342	22,102
Long-term Accounts Payable	783,756	463,112
Asset Disposal	57,551	53,231
Total Long-term Liabilities	2,498,044	1,766,816
Total Liabilities	6,265,299	4,862,784
Net Assets		
Shareholders' Equity		
Capital	767,955	767,955
Capital Surplus		
Capital Reserve	486,455	486,455
Total Capital Surplus	486,455	486,455
Retained Earnings		
Earned Surplus Reserve	96,342	96,342
Other Retained Earnings		
Special Reserve Fund	1,499,500	1,499,500
Retained Earnings Carried Forward	2,941,798	3,401,969
Total Retained Earnings	4,537,640	4,997,812
Treasury Stock	-17,915	-18,327
Total Shareholders' Equity	5,774,135	6,233,895
Valuation and Translation Adjustments		
Valuation difference on available-for-sale securities	62,735	107,689
Total Valuation and Translation Adjustments	62,735	107,689
Total Equity	5,836,871	6,341,584
Total Liabilities and Equity	12,102,170	11,204,369

(2) Consolidated Income Statement

(In thousands of yen)

	Previous Fiscal Year (From April 1, 2022 To March 31, 2023)	Current Fiscal Year (From April 1, 2023 To March 31, 2024)
Sales		
Rental Income	6,895,046	6,888,373
Sales Income	299,426	496,535
Other	199,731	197,704
Total Income	7,394,204	7,582,613
Cost of Goods Sold		
Cost of Rentals	4,977,841	5,212,236
Cost of Sales	192,142	362,870
Other	155,422	150,488
Total Revenue Costs	5,325,406	5,725,595
Gross Profit	2,068,798	1,857,017
Selling and General Administrative Expenses		
Advertising Expenses	13,661	9,564
Directors' Compensation	90,981	74,808
Employees' Salary and Bonuses	445,655	479,753
Bonus Allowance Carried Forward	41,607	41,566
Provision for Pension Liability	5,188	6,454
Welfare Benefits Expenses	56,409	56,384
Travel & Transportation Expenses	22,176	26,066
Rental Expenses	76,879	81,326
Depreciation Expenses	67,544	71,515
Taxes and Public Dues	34,052	33,839
Provision of Allowance for Doubtful Accounts	-4,641	-2,438
Other	235,170	199,361
Total Selling and General Administrative Expenses	1,084,685	1,078,200
Operating Profit	984,113	778,816
Non-operating Income		
Interest Earned	3	3
Dividend Income	7,510	7,397
Compensation for Lost Items	120,638	73,130
Waste Disposal Income	34,275	37,012
Other	580	13,775
Total Non-operating Income	163,008	131,319
Non-operating Expenses		
Interest Cost	29,908	35,596
Total Non-operating Expenses	29,908	35,596
Ordinary Income	1,117,212	874,540
Extraordinary Income		
Gains From Sale of Fixed Assets	18,811	147,225
Total Extraordinary Income	18,811	147,225
Extraordinary Losses		
Impairment Loss	—	232,049
Loss From Sale of Fixed Assets	6,389	—
Total Extraordinary Losses	6,389	232,049
Net Profit Before Tax	1,129,633	789,715

(In thousands of yen)		
	Previous Fiscal Year (From April 1, 2022 To March 31, 2023)	Current Fiscal Year (From April 1, 2023 To March 31, 2024)
Corporate, Inhabitant, and Enterprise Taxes	318,126	274,305
Deferred Income Tax	-21,782	-12,077
Total Income Taxes	296,343	262,228
Net Profit for Current Period	833,290	527,487

(3) Statement of Changes in Shareholders' Equity

Previous Fiscal Year (From April 1, 2022, to March 31, 2023)

(In thousands of yen)

	Shareholders' Equity						
	Capital	Capital Surplus		Earned Surplus Reserve	Retained Earnings		
		Capital Reserve	Total Capital Surplus		Other Retained Earnings		Total Retained Earnings
				Special Reserve Fund	Retained Earnings Carried Forward		
Opening Balance	767,955	486,455	486,455	96,342	1,499,500	2,175,826	3,771,669
Changes During Period							
Dividend of Surplus						-67,318	-67,318
Net Profit for Current Period						833,290	833,290
Reacquired Stock							
Net Change in Items Other Than Shareholders' Equity (Net Amount)							
Total Change During Period	—	—	—	—	—	765,971	765,971
Closing Balance	767,955	486,455	486,455	96,342	1,499,500	2,941,798	4,537,640

	Shareholders' Equity		Valuation and Translation Adjustments		Total Equity
	Treasury Stock	Total Shareholders' Equity	Valuation difference on available-for-sale securities	Total Valuation and Translation Adjustments	
Opening Balance	-17,822	5,008,256	55,527	55,527	5,063,784
Changes During Period					
Dividend of Surplus		-67,318			-67,318
Net Profit for Current Period		833,290			833,290
Reacquired Stock	-92	-92			-92
Net Change in Items Other Than Shareholders' Equity (Net Amount)			7,207	7,207	7,207
Total Change During Period	-92	765,879	7,207	7,207	773,087
Closing Balance	-17,915	5,774,135	62,735	62,735	5,836,871

Current Fiscal Year (From April 1, 2023, to March 31, 2024)

(In thousands of yen)

	Shareholders' Equity						
	Capital	Capital Surplus		Retained Earnings			
		Capital Reserve	Total Capital Surplus	Earned Surplus Reserve	Other Retained Earnings		Total Retained Earnings
				Special Reserve Fund	Retained Earnings Carried Forward		
Opening Balance	767,955	486,455	486,455	96,342	1,499,500	2,941,798	4,537,640
Changes During Period							
Dividend of Surplus						-67,315	-67,315
Net Profit for Current Period						527,487	527,487
Reacquired Stock							
Net Change in Items Other Than Shareholders' Equity (Net Amount)							
Total Change During Period	—	—	—	—	—	460,171	460,171
Closing Balance	767,955	486,455	486,455	96,342	1,499,500	3,401,969	4,997,812

	Shareholders' Equity		Valuation and Translation Adjustments		Total Equity
	Treasury Stock	Total Shareholders' Equity	Valuation difference on available-for-sale securities	Total Valuation and Translation Adjustments	
Opening Balance	-17,915	5,774,135	62,735	62,735	5,836,871
Changes During Period					
Dividend of Surplus		-67,315			-67,315
Net Profit for Current Period		527,487			527,487
Reacquired Stock	-412	-412			-412
Net Change in Items Other Than Shareholders' Equity (Net Amount)			44,953	44,953	44,953
Total Change During Period	-412	459,759	44,953	44,953	504,713
Closing Balance	-18,327	6,233,895	107,689	107,689	6,341,584

(4) Cash Flow Statement

(In thousands of yen)

	Previous Fiscal Year (From April 1, 2022 To March 31, 2023)	Current Fiscal Year (From April 1, 2023 To March 31, 2024)
Operating Cash Flow		
Net Profit Before Tax	1,129,633	789,715
Depreciation Expenses	2,203,920	2,403,521
Impairment Loss	—	232,049
Change in Accrued Bonuses (Negative value means decrease)	2,567	-41
Change in Pension Liability (Negative value means decrease)	1,932	3,760
Change in Allowance for Doubtful Accounts (Negative value means decrease)	-7,860	-2,438
Interest & Dividend Income Earned	-7,513	-7,400
Interest Cost	29,908	35,596
Loss From Disposal of Fixed Assets	49,392	35,817
Gain/Loss From Sale of Fixed Assets (Negative value means loss)	-12,421	-147,225
Change in Accounts Receivable (Negative value means increase)	32,484	-109,296
Change in Inventory Assets (Negative value means increase)	12	-2,399
Change in Accounts Payables (Negative value means decrease)	-10,764	-24,339
Change in Accrued & Unpaid Consumption Tax (Negative value means decrease)	-106,559	371,189
Other	32,328	46,856
Subtotal	3,337,062	3,625,365
Interest & Dividend Income Received	7,513	7,400
Interest Payment Amount	-28,160	-34,976
Corporate & Other Taxes Paid	-151,237	-385,203
Operating Cash Flow	3,165,178	3,212,586
Cash Flow From Investing		
Expense from Payments into Time Deposit	-188,916	-148,913
Proceeds from Withdrawal of Time Deposit	188,915	148,912
Expense from Purchase of Securities	-1,308	-31,327
Expense from Purchase of Tangible Fixed Assets	-3,639,486	-1,583,145
Revenue from Sales of Tangible Fixed Assets	50,940	210,470
Expense from Purchase of Intangible Fixed Assets	-12,397	-5,554
Other	-10,562	-9,527
Cash Flow From Investing	-3,612,815	-1,419,085
Cash Flow From Financing Activities		
Proceeds from Long-term Borrowings	1,400,000	300,000
Expenses from Repayments of Long-term Loans	-985,086	-933,396
Proceeds from Sales and Leaseback Transactions	513,468	—
Expenses from Installment Payments	-414,688	-378,184
Dividend Payment Amount	-67,318	-67,315
Expense from Reacquiring Stock	-92	-412
Cash Flow From Financing Activities	446,282	-1,079,308
Valuation and Translation Adjustments for Cash and Cash Equivalents	—	—
Change in Cash and Cash Equivalents (Negative value means decrease)	-1,353	714,191
Cash and Cash Equivalents Initial Balance	749,927	748,573
Cash and Cash Equivalents Balance at End of Period	748,573	1,462,765

(5) Notes to Financial Statements

(Notes on Going Concern Assumptions)

No applicable notes.

(Changes in Accounting Policies)

No changes in accounting policies to note.

(Changes in Accounting Estimates)

No changes in accounting estimates to note.

(Restatements)

No restatements to note.

(Segment Information, etc.)

(Segment Information)

Our company primarily operates in the pallet rental business. Sales and other income (income related to the transportation and ancillary businesses) are solely conducted in connection with the rental business and constitute an indivisible sales format within a single business segment, hence not separately disclosed.

(Gains and losses based on equity method, etc.)

No changes in accounting policies to note.

(Per Share Data)

Items	Previous Fiscal Year (From April 1, 2022 To March 31, 2023)	Current Fiscal Year (From April 1, 2023 To March 31, 2024)
Book-value Per Share	¥3,468.35	¥3,768.67
Earnings Per Share	¥495.15	¥313.46

(Note) The earnings per share after adjustment for potential shares are not provided as there are no potential shares.

3. The basis for calculating earnings per share for the current period is as follows.

Items	Previous Fiscal Year (From April 1, 2022 To March 31, 2023)	Current Fiscal Year (From April 1, 2023 To March 31, 2024)
Net Income (in thousands of yen)	833,290	527,487
Amounts not attributable to common shareholders (in thousands of yen)	—	—
Net income attributable to common stock (in thousands of yen)	833,290	527,487
Average number of shares outstanding during the period (thousands of stocks)	1,682	1,682

(Significant Subsequent Events)

No significant events to note.