January 10, 2025

Summary of Financial Results for the First Quarter of Fiscal Year Ending August 31, 2025

(All financial information has been prepared in accordance with the Generally Accepted Accounting Principles in Japan)

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Payment date of cash dividends: -
Supplementary materials prepared for quarterly financial results: None
Financial results meeting for institutional investors and securities analysts: None

(All amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Three Months Ended November 30, 2024 (September 1, 2024 through November 30, 2024)

(1) Consolidated results of operations (Percentages represent year-on-year changes)

	Sales		Operating income (loss)		Ordinary income (loss)		Net income (loss) attributable to owners of the parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
3 months ended November 30, 2024	1,588	145.8	373	797.1	355	777.1	254	727.7
3 months ended November 30, 2023	646	(19.1)	41	-	40	-	30	-

	Earnings per share	Diluted earnings per share
	Yen	Yen
3 months ended November 30, 2024	11.78	-
3 months ended November 30, 2023	1.43	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of November 30, 2024	14,092	9,740	69.1
As of August 31, 2024	15,436	9,684	62.7

[Reference] Shareholders' equity (million yen): November 30, 2024: 9,740 August 31, 2024: 9,684

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended August 31, 2024	-	0.00	-	10.00	10.00
Year ending August 31, 2025	-				
Year ending August 31, 2025 (forecast)		0.00	-	10.00	10.00

[Note] Revision of dividend forecast during the period: None

3. Consolidated Forecast for the Fiscal Year ending August 31, 2025 (September 1, 2024 through August 31, 2025)

(Percentages represent year-on-year changes)

	Sales		Operating income		Ordinary income		Net income attributable to owners of the parent		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half of FY2025	3,276	(6.6)	536	(18.2)	536	(19.1)	413	(14.7)	19.17
Full year of FY2025	10,925	1.2	2,069	(15.0)	2,069	(14.7)	1,549	(7.6)	71.88

[Notes] Revision of consolidated forecast during the period: None

4. Others

(1) Changes in significant subsidiaries during the period: None

(2) Adoption of accounting methods specific to preparation of quarterly consolidated financial statements: None

(3) Changes in accounting principles, procedures and presentation methods

1) Changes in accounting policies arising from revision of accounting standards: None
2) Other changes: None
3) Changes in accounting estimates: None
4) Restatement: None

(4) Number of shares outstanding (common shares)

1) Number of shares outstanding (including treasury stock) at the end of the period
November 30, 2024: 22,052,426 shares
August 31, 2024: 22,052,426 shares
2) Number of treasury stock at the end of the period
November 30, 2024: 472,843 shares
August 31, 2024: 496,648 shares
3) Average number of shares during the period
Three months ended November 30, 2024: 21,562,317shares
Three months ended November 30, 2023: 21,532,613 shares

*Review of the attached quarterly financial statements by certified public accountants or auditing firms: None

*Appropriate use of the forecast of financial results and other matters:
Forward-looking statements in this report such as financial results forecasts are based on the information available to NPC Incorporated ("the Company") at the time when this report is prepared and the assumption that the forecasts are reasonable. The actual results may significantly differ from the forecast due to various factors. Please refer to the 1. (2) Description of outlook, including consolidated earnings forecast on page 2 for conditions of assumptions for the forecast and notes concerning appropriate use of the forecast.

*In this quarterly financial report, unless expressly stated or the context otherwise requires, the terms "the Group," "we," and "our" refer to NPC Incorporated and its consolidated subsidiaries.

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1. Qualitative Information Concerning Financial Results for the First Quarter Ended November 30, 2024

(1) Description of operating results

During the first three months ended November 30, 2024, the Japanese economy experienced a gradual recovery despite signs of slowdown seen in some areas. However, the future outlook remained uncertain because of various factors, such as inflation and continued high interest rate levels in the US and Europe, concerns regarding the Chinese economy, conflicts in the Middle East, concerns over future US policy trends, etc.

Regarding the US photovoltaic (PV) industry, which is our primary target, installation of solar panels remained firm with help of the political support of the federal and the local government. Meanwhile, in the Japanese PV industry, the Japanese government is planning to provide support for the perovskite PV module, a next generation PV module, from several aspects such as development, production, and installation to prepare for the mass production. This is reinforcing Japanese companies to be more active in this field.

Efforts to deal with end-of-life solar panels are also underway both in Japan and abroad. As part of that, the Japanese government is considering mandatory recycling of the solar panels. As for the overseas market, there is an increasing awareness of recycling of solar panels mainly in Europe and Australia, where environmental awareness is high. In those countries, government support such as subsidies for installation of recycling equipment or the recycling cost itself are considered. Under these circumstances, the number of companies considering starting recycling business is increasing both in Japan and overseas.

Within these business environments, as for the PV module manufacturing equipment, the Group mainly booked sales of upgrading of the equipment of the US PV module manufacturer, which is our primary customer. Additionally, the continuing high level of the plant working rate and increase in number of equipment installed at the US PV manufacturer being a contributing factor, sales of the expendables and spare parts were favorable. The Group also booked sales of perovskite PV module R&D equipment for Japanese companies as well. In terms of automation machines other than for the PV industry, the Group booked sales of the machines of major Japanese customer in the electronic components industry. As for the solar panel disassembly equipment, we booked sales of two equipment for two overseas companies. As regards the environmental services, sales of some additional projects were booked in businesses such as solar power plant inspection service and solar panel recycling.

Given the above, the consolidated net sales were 1,588 million yen, 942 million yen increase year on year. As for the profits, the operating income was 373 million yen, 331 million yen increase year on year. The ordinary income was 355 million yen, 315 million yen increase year on year. The net income attributable to the owners of the parent was 254 million yen, 233 million yen increase year on year. The profits were higher than we anticipated due to favorable sales of expendables and spare parts, and successful cost reduction. The reduced costs were mainly material costs, which was achieved through purchasing efforts, and man-hours in the manufacturing process, which was enabled by by the improved efficiency of on-site operations.

It should be noted that as of September 1, 2024, Environmental business was integrated into Machinery business due to an organizational change. Therefore, there is a single reporting business segment starting this first quarter.

(2) Description of outlook, including consolidated earnings forecast

The business forecasts for the first half and the full year are the same as the forecasts in the “Summary of Financial Results for the Fiscal Year Ended August 31, 2024”, announced on October 15, 2024. Note that the sales of large-scale project for the US primary customer is to be booked in the fourth quarter.

2. Consolidated Financial Statements for the First Quarter Ended November 30, 2024 (September 1, 2024 through November 30, 2024)

(1) Consolidated balance sheets

(Thousand yen)

	As of August 31, 2024	As of November 30, 2024
Assets		
Current assets		
Cash and deposits	5,237,825	6,002,077
Notes and accounts receivable-trade and contract assets	2,787,929	877,111
Electronically recorded monetary claims-operating	5,325	7,469
Work in process	3,759,722	3,652,927
Raw materials and supplies	17,050	16,267
Other	150,776	125,991
Total current assets	11,958,629	10,681,844
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	3,872,687	3,872,687
Accumulated depreciation	(2,358,456)	(2,397,915)
Accumulated impairment loss	(41,215)	(41,215)
Building and structures, net	1,473,015	1,433,556
Machinery and equipment	253,042	253,042
Accumulated depreciation	(145,110)	(146,482)
Accumulated impairment loss	(69,799)	(69,799)
Machinery and equipment, net	38,132	36,760
Land	1,548,050	1,548,050
Other	404,249	404,399
Accumulated depreciation	(250,585)	(260,802)
Accumulated impairment loss	(53,768)	(53,768)
Other, net	99,894	89,827
Total property, plant and equipment	3,159,092	3,108,194
Intangible assets		
Other	48,396	42,050
Total intangible assets	48,396	42,050
Investments and other assets		
Distressed receivables	31	31
Deferred tax assets	245,187	221,190
Other	24,708	39,338
Allowance for doubtful accounts	(31)	(31)
Total investments and other assets	269,895	260,529
Total noncurrent assets	3,477,384	3,410,774
Total assets	15,436,013	14,092,619

[Note] The numbers parenthesized represent minus figures.

(Thousand yen)

	As of August 31, 2024	As of November 30, 2024
Liabilities		
Current liabilities		
Accounts payable-trade	245,412	204,565
Electronically recorded obligations-operating	2,294,927	1,208,001
Income taxes payable	672,784	454,268
Advances received	1,976,987	1,984,445
Provision for bonuses	151,823	25,692
Provision for product warranties	39,567	39,708
Provision for loss on order received	1,847	-
Other	287,310	347,374
Total current liabilities	5,670,661	4,264,055
Noncurrent liabilities		
Net defined benefit liability	80,277	87,778
Other	555	406
Total noncurrent liabilities	80,832	88,185
Total liabilities	5,751,493	4,352,241
Net assets		
Shareholders' equity		
Capital stock	2,812,461	2,812,461
Capital surplus	2,738,335	2,744,663
Retained earnings	4,286,752	4,325,211
Treasury stock	(306,177)	(291,509)
Total shareholders' equity	9,531,371	9,590,826
Accumulated other comprehensive income		
Foreign currency translation adjustment	153,148	149,550
Total accumulated other comprehensive income	153,148	149,550
Total net assets	9,684,520	9,740,377
Total liabilities and net assets	15,436,013	14,092,619

[Note] The numbers parenthesized represent minus figures.

(2) Consolidated statement of income and consolidated statement of comprehensive income

(Consolidated statement of income)

(Thousand yen)

	Three months ended November 30, 2023	Three months ended November 30, 2024
Net sales	646,120	1,588,368
Cost of sales	388,725	956,637
Gross profit	257,394	631,731
Selling, general and administrative expenses	215,786	258,476
Operating income	41,608	373,254
Non-operating income		
Interest income	24	195
Gain on sales of scraps	88	-
Interest on tax refund	35	22
Subsidies for employment adjustment	216	348
Other	126	63
Total non-operating income	492	629
Non-operating expenses		
Commission expenses	533	667
Foreign exchange losses	989	17,321
Other	-	0
Total non-operating expenses	1,522	17,989
Ordinary income	40,577	355,895
Income before income taxes and minority interests	40,577	355,895
Income taxes-current	10,168	77,845
Income taxes-deferred	(280)	24,033
Total income taxes	9,888	101,878
Income before minority interests	30,689	254,016
Net income attributable to owners of the parent	30,689	254,016

[Note] The numbers parenthesized represent minus figures.

(Consolidated statement of comprehensive income)

(Thousand yen)

	Three months ended November 30, 2023	Three months ended November 30, 2024
Income before minority interests	30,689	254,016
Other comprehensive income		
Foreign currency translation adjustment	25,680	(3,597)
Total other comprehensive income	25,680	(3,597)
Comprehensive income	56,369	250,419
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	56,369	250,419
Comprehensive income attributable to non-controlling interests	-	-

[Note] The numbers parenthesized represent minus figures.

3. Other Information

(1) Production, Orders, and Sales

1) Production

The Group operates in a single segment of Machinery business, and production amounts in the period are as follows:

(Thousand yen)

Segment	Three Months Ended November 30, 2024	Year-on-year change (%)
Machinery business	1,416,340	57.5

[Note] The above amounts are calculated based on selling prices.

2) Orders

The Group operates in a single segment of Machinery business, and orders received in the period are as follows:

(Thousand yen)

Segment	Orders received	Year-on-year change (%)	Order backlog	Year-on-year change (%)
Machinery business	535,932	9.1	7,026,782	45.4

3) Sales

The Group operates in a single segment of Machinery business, and sales by business segment in the period are as follows:

(Thousand yen)

Product Categories	Three Months Ended November 30, 2024	Year-on-year change (%)
PV module manufacturing equipment	751,542	-
Automation machines	491,213	-
Solar panel disassembly equipment	38,230	-
Parts	276,863	-
Environmental services	30,518	-
Total	1,588,368	245.8

[Note] New product categories have been classified from the fiscal year ending August 31, 2025, and since it is practically difficult to trace back necessary financial information, only totals are shown for the year-on-year change.

As of September 1, 2024, Environmental business was integrated into Machinery business due to an organizational change. Therefore, there is a single reporting business segment starting this first quarter.

As for the year-on-year change, segment total of each information for the first quarter ended November 30, 2023 is used for the comparison to that for the first quarter ended November 30, 2024.