

Summary of Financial Results for the Second 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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Listing: Growth of TSE

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Supplementary materials prepared for quarterly financial results: Yes

Financial results meeting for institutional investors and securities analysts: Yes

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

1. Consolidated Financial Results for the Six Months Ended February 28, 2025 (September 1, 2024 through February 28, 2025)

(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	%
6 months ended February 28, 2025	3,121	(11.0)	656	(0.0)	646	(2.5)	479	(1.0)
6 months ended February 29, 2024	3,506	(17.3)	656	192.3	662	187.4	484	165.9

	Earnings per share	Diluted earnings per share
	Yen	Yen
6 months ended February 28, 2025	22.22	-
6 months ended February 29, 2024	22.51	-

[Note] The numbers parenthesized represent minus figures.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of February 28, 2025	13,471	10,003	74.3
As of August 31, 2024	15,436	9,684	62.7

[Reference] Shareholders' equity (million yen): February 28, 2025: 10,003 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	-	0.00			
Year ending August 31, 2025 (forecast)			-	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
Full year of FY2025	9,294	(13.9)	1,904	(21.8)	1,896	(21.8)	1,195	(28.7)	55.35

[Notes] Revision of consolidated forecast for FY2025 from the latest disclosure: Yes

For the revision of consolidated forecast, please refer to “Announcement on Revision of Business Forecast for Fiscal Year 2025” dated April 10, 2025.

The numbers parenthesized represent minus figures.

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: Yes
- 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

February 28, 2025: 22,052,426 shares

August 31, 2024: 22,052,426 shares

2) Number of treasury stock at the end of the period

February 28, 2025: 426,820 shares

August 31, 2024: 496,648 shares

3) Average number of shares during the period

Six months ended February 28, 2025: 21,580,056 shares

Six months ended February 29, 2024: 21,537,195 shares

*This quarterly financial report is exempt from the quarterly review.

*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.

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1. Qualitative Information Concerning Financial Results for the Second Quarter Ended February 28, 2025

(1) Description of operating results

In the six months ended February 28, 2025, 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, US trade policy trends, etc.

Regarding the US photovoltaic (PV) industry, which is our primary target, the installation of solar panels remained firm with the help of the political support of the federal and the local government. Meanwhile, in the Japanese PV industry, Japanese companies are starting to announce detailed plans about mass production of the perovskite PV module, a next generation PV module, and the Japanese government has also announced about providing support from several aspects such as development, production, and installation, and large scale subsidies have been decided. These are 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. In Japan, the strategy is becoming more specific, such as consideration of institutionalizing mandatory recycling of solar panels being mentioned in Plan for Global Warming Countermeasures. As for the overseas market, there is an increasing awareness about 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 is in place. 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 R&D equipment for perovskite PV module, additional equipment for existing factories, and 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 by 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 mainly booked sales of the machines of major Japanese customer in the electronic components industry. As for the solar panel disassembly equipment, the Group booked sales of one frame & J-Box separator for a Japanese company, and two frame & J-box separators for two overseas companies. As regards the environmental services, the Group mainly booked sales of solar panel inspection service and plant factory business. On the other hand, there were delays in shipping arrangements by overseas customers of the automation machines and solar panel disassembly equipment, and delayed acceptance preparation by Japanese customer of the solar panel disassembly equipment. Those equipment units will be sold in the second half of this fiscal year.

Given the above, the consolidated net sales were 3,121 million yen, 384 million yen decrease year on year. As for the profits, the operating income was 656 million yen, no increase or decrease year on year. The ordinary income was 646 million yen, 16 million yen decrease year on year. The net income attributable to the owners of the parent was 479 million yen, a 5 million yen decrease year on year. The profits were higher than we anticipated, because while operating expenses increased due to foreign exchange losses caused by accrued overseas taxes, the profit margin of expendables and spare parts exceeded our expectation, and successful cost reduction such as reduction of material costs continued.

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 full year are the same as the forecasts in the “Announcement on Revision of Business Forecast for Fiscal Year 2025” released on April 10, 2025. In addition, the Group is planning to record the sales of a large project for a new plant of a major US customer in the fourth quarter.

2. Consolidated Financial Statements for the Second Quarter Ended February 28, 2025 (September 1, 2024 through February 28, 2025)

(1) Consolidated balance sheets

(Thousand yen)

	As of August 31, 2024	As of February 28, 2025
Assets		
Current assets		
Cash and deposits	5,237,825	6,003,588
Notes and accounts receivable-trade and contract assets	2,787,929	535,179
Electronically recorded monetary claims-operating	5,325	4,477
Work in process	3,759,722	3,444,214
Raw materials and supplies	17,050	12,091
Other	150,776	126,831
Total current assets	11,958,629	10,126,382
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	3,872,687	3,872,687
Accumulated depreciation	(2,358,456)	(2,437,375)
Accumulated impairment loss	(41,215)	(41,215)
Building and structures, net	1,473,015	1,394,097
Machinery and equipment	253,042	253,042
Accumulated depreciation	(145,110)	(147,854)
Accumulated impairment loss	(69,799)	(69,799)
Machinery and equipment, net	38,132	35,389
Land	1,548,050	1,548,050
Other	404,249	408,577
Accumulated depreciation	(250,585)	(271,023)
Accumulated impairment loss	(53,768)	(53,768)
Other, net	99,894	83,784
Total property, plant and equipment	3,159,092	3,061,321
Intangible assets		
Other	48,396	35,705
Total intangible assets	48,396	35,705
Investments and other assets		
Distressed receivables	31	31
Deferred tax assets	245,187	195,625
Other	24,708	52,176
Allowance for doubtful accounts	(31)	(31)
Total investments and other assets	269,895	247,801
Total noncurrent assets	3,477,384	3,344,827
Total assets	15,436,013	13,471,210

[Note] The numbers parenthesized represent minus figures.

(Thousand yen)

	As of August 31, 2024	As of February 28, 2025
Liabilities		
Current liabilities		
Accounts payable-trade	245,412	171,071
Electronically recorded obligations-operating	2,294,927	543,172
Income taxes payable	672,784	112,172
Advances received	1,976,987	2,252,309
Provision for bonuses	151,823	101,982
Provision for product warranties	39,567	31,627
Provision for loss on order received	1,847	4,790
Other	287,310	159,027
Total current liabilities	5,670,661	3,376,153
Noncurrent liabilities		
Net defined benefit liability	80,277	90,919
Other	555	254
Total noncurrent liabilities	80,832	91,173
Total liabilities	5,751,493	3,467,327
Net assets		
Shareholders' equity		
Capital stock	2,812,461	2,812,461
Capital surplus	2,738,335	2,754,504
Retained earnings	4,286,752	4,550,809
Treasury stock	(306,177)	(263,151)
Total shareholders' equity	9,531,371	9,854,624
Accumulated other comprehensive income		
Foreign currency translation adjustment	153,148	149,258
Total accumulated other comprehensive income	153,148	149,258
Total net assets	9,684,520	10,003,883
Total liabilities and net assets	15,436,013	13,471,210

[Note] The numbers parenthesized represent minus figures.

(2) Consolidated statement of income
(Consolidated statement of income)

(Thousand yen)

	Six months ended February 29, 2024	Six months ended February 28, 2025
Net sales	3,506,515	3,121,680
Cost of sales	2,333,476	1,902,491
Gross profit	1,173,038	1,219,189
Selling, general and administrative expenses	516,855	563,065
Operating income	656,182	656,124
Non-operating income		
Interest income	67	2,376
Foreign exchange gains	6,634	—
Subsidy Income	900	1,499
Gain on sales of scraps	400	567
Interest on tax refund	35	22
Subsidies for employment adjustment	216	348
Other	280	710
Total non-operating income	8,533	5,526
Non-operating expenses		
Foreign exchange losses	—	13,338
Commission fee	1,678	1,747
Other	136	5
Total non-operating expenses	1,814	15,090
Ordinary income	662,901	646,559
Income before income taxes	662,901	646,559
Income taxes-current	178,886	117,321
Income taxes-deferred	(689)	49,622
Total income taxes	178,196	166,943
Income	484,704	479,615
Net income attributable to owners of the parent	484,704	479,615

[Note] The numbers parenthesized represent minus figures.

(Consolidated statement of comprehensive income)

(Thousand yen)

	Six months ended February 29, 2024	Six months ended February 28, 2025
Income	484,704	479,615
Other comprehensive income		
Foreign currency translation adjustment	17,503	(3,889)
Total other comprehensive income	17,503	(3,889)
Comprehensive income	502,208	475,725
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	502,208	475,725
Comprehensive income attributable to non-controlling interests	-	-

[Note] The numbers parenthesized represent minus figures.

(3) Consolidated statement of cash flows

(Thousand yen)

	Six months ended February 29, 2024	Six months ended February 28, 2025
Cash flows from operating activities		
Profit (loss) before income taxes	662,901	646,559
Depreciation	105,244	112,103
Increase (decrease) in provision for bonuses	(1,319)	(49,840)
Increase (decrease) in provision for product warranties	(5,429)	(7,939)
Increase (decrease) in provision for loss on orders received	(712)	2,942
Increase (decrease) in provision for retirement benefits	8,544	10,641
Interest and dividend income	(67)	(2,376)
Decrease (increase) in trade receivables	107,073	2,258,916
Decrease (increase) in inventories	(886,708)	320,597
Increase (decrease) in trade payables	(651,203)	(1,830,261)
Increase (decrease) in advances received	830,689	273,596
Others	(78,217)	(83,462)
Subtotal	90,795	1,651,476
Interest and dividends received	67	2,376
Income taxes refund (paid)	(170,324)	(670,149)
Cash flows from operating activities	(79,461)	983,703
Cash flows from investing activities		
Purchase of property, plant and equipment	(13,468)	(7,800)
Purchase of intangible assets	(7,454)	—
Others	167	—
Cash flows from investing activities	(20,755)	(7,800)
Cash flows from financing activities		
Dividends paid	(128,594)	(214,073)
Others	(2,913)	(3,030)
Cash flows from financing activities	(131,507)	(217,104)
Effect of exchange rate change on cash and cash equivalents	13,875	6,964
Net increase (decrease) in cash and cash equivalents	(217,849)	765,763
Cash and cash equivalents at beginning of period	4,880,191	5,237,825
Cash and cash equivalents at end of period	4,662,342	6,003,588

[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	Six Months Ended February 28, 2025	Year-on-year change (%)
Machinery business	2,619,280	54.7

[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	1,059,805	14.9	6,017,342	43.4

[Reference] Orders received between September 2024 and March 2025

(Thousand yen)

Segment	Orders received	Year-on-year change (%)	Order backlog	Year-on-year change (%)
Machinery business	5,870,142	-	10,720,729	-

[Note] 1. The status of orders received between September 2024 and March 2025 is released as a reference since there was a receipt of large-scale project after the end of second quarter of this fiscal year.

2. The Group received orders of 4,810,336 thousand yen in March 2025, including the perovskite PV module related domestic project that was initially planned to receive order in the second quarter of this fiscal year.

3. Year-on-year change for the period between September 2024 and March 2025 is not mentioned since it is practically difficult to trace back necessary financial information.

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)

Segment	Six Months Ended February 28, 2025	Year-on-year change (%)
PV module manufacturing equipment	1,820,352	-
Automation machines	646,808	-
Solar panel disassembly equipment	52,180	-
Parts	546,519	-
Environmental services	55,820	-
Total	3,121,680	89.0

[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 six months ended February 29, 2024 is used for the comparison to that for the six months ended February 28, 2025.