

## Summary of Financial Results for the First Quarter of Fiscal Year Ending August 31, 2024

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

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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, 2023 (September 1, 2023 through November 30, 2023)

#### (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, 2023	646	(19.1)	41	-	40	-	30	-
3 months ended November 30, 2022	798	14.7	(80)	-	(85)	-	(81)	-

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
3 months ended November 30, 2023	1.43		-	
3 months ended November 30, 2022	(3.78)		-	

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of November 30, 2023	13,670	8,001	58.5
As of August 31, 2023	13,611	8,074	59.3

[Reference] Shareholders' equity (million yen): November 30, 2023: 8,001 August 31, 2023: 8,074

### 2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended August 31, 2023	-	0.00	-	6.00	6.00
Year ending August 31, 2024	-				
Year ending August 31, 2024 (forecast)		0.00	-	7.00	7.00

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

**3. Consolidated Forecast for the Fiscal Year ending August 31, 2024  
(September 1, 2023 through August 31, 2024)**

(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 FY2024	3,329	(21.5)	363	62.0	363	57.5	250	37.7	11.66
Full year of FY2024	10,384	11.4	1,584	62.2	1,584	64.5	1,081	8.9	50.27

[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, 2023: 22,052,426 shares

August 31, 2023: 22,052,426 shares

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

November 30, 2023: 519,813 shares

August 31, 2023: 519,813 shares

3) Average number of shares during the period

Three months ended November 30, 2023: 21,532,613 shares

Three months ended November 30, 2022: 21,493,541 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 First Quarter Ended November 30, 2023

### (1) Description of operating results

In the first three months ended November 30, 2023, 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 concerns about an economic recession due to the monetary policy tightening, conflicts in the Middle East, etc.

Concerning the US solar photovoltaic (PV) industry, which is the primary target market of the Machinery Business of NPC Group (“the Group”), long-term growth is expected backed by political supports that have activated capital expenditures for capacity expansion and R&D at US PV manufacturers. Meanwhile, in the Japanese PV industry, various manufacturers are conducting R&D for next-generation PV modules, such as perovskite PV, for which the Japanese government has announced political supports.

As for the solar industry in Japan, to which the Environmental Business of the Group belongs, large-scale solar projects and projects for self-consumption by companies and local governments have been continuously installed. Also, inspection has become obligated to small-scale solar systems. Therefore, a stable market is formed for the Group’s inspection service. The Japanese government and local communities are discussing establishment of solar panel reuse and recycling system in preparation for future decommissioning of solar panels. As for solar panel recycling, recycling technologies are being introduced in Japan and overseas, with continued support provided through subsidies. Especially in Europe, where awareness for recycling is generally high, an increasing number of companies are considering entering solar panel recycling business.

Under such circumstances, the consolidated net sales were 646 million yen, 152 million yen decrease year on year. As for the profits, the operating income was 41 million yen, compared with the operating loss of 80 million yen in the same period of the previous fiscal year. The ordinary income was 40 million yen compared with the ordinary loss of 85 million yen in the same period of the previous fiscal year. The net income attributable to the owners of the parent was 30 million yen, compared with the net loss attributable to the owners of the parent of 81 million yen in the same period of the previous fiscal year.

Financial results by segment are as follows:

#### 1) Machinery Business

In the Machinery Business, the sales were 552 million yen, 188 million yen decrease year on year, slightly higher than the forecast as some upgrading projects were finished ahead of schedule, and parts sales increased. The operating income was 176 million yen, 121 million yen increase year on year, which exceeded the forecast due to the increase in parts sales.

#### 2) Environmental Business

In the Environmental Business, the Group steadily booked the sales of inspection service of solar power plants, reuse and recycling of solar panels, plant factory business, and solar panel disassembly equipment (a frame separator) for domestic market as scheduled. As a result, the sales were 93 million yen, 36 million yen increase year on year. The operating income was 7 million yen, 4 million yen increase year on year.

### (2) Description of outlook, including consolidated earnings forecast

During the fiscal year ending August 2024 (September 1, 2023 through August 31, 2024), the sales of large-scale projects for the US primary customer are to be booked in the second and the fourth quarter.

Although parts sales have been performing well, initial forecast does not change significantly at present. Therefore, the business forecasts for the second half and the full year are the same as the forecasts in the “Summary of Financial Results for the Fiscal Year Ended August 31, 2023”, announced on October 11, 2023.

## 2. Consolidated Financial Statements for the First Quarter Ended November 30, 2023 (September 1, 2023 through November 30, 2023)

### (1) Consolidated balance sheets

(Thousand yen)

	As of August 31, 2023	As of November 30, 2023
Assets		
Current assets		
Cash and deposits	4,880,191	4,626,390
Notes and accounts receivable-trade and contract assets	1,248,946	458,876
Electronically recorded monetary claims-operating	13,251	19,103
Work in process	3,578,120	4,693,126
Raw materials and supplies	11,194	11,370
Other	232,123	259,349
Total current assets	9,963,828	10,068,218
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	3,872,687	3,872,687
Accumulated depreciation	(2,200,474)	(2,239,970)
Accumulated impairment loss	(41,215)	(41,215)
Building and structures, net	1,630,997	1,591,502
Machinery and equipment	252,592	252,592
Accumulated depreciation	(138,696)	(140,293)
Accumulated impairment loss	(69,799)	(69,799)
Machinery and equipment, net	44,096	42,500
Land	1,548,050	1,548,050
Other	346,603	347,706
Accumulated depreciation	(234,387)	(240,403)
Accumulated impairment loss	(53,768)	(53,768)
Other, net	58,447	53,533
Total property, plant and equipment	3,281,591	3,235,586
Intangible assets		
Other	68,360	68,565
Total intangible assets	68,360	68,565
Investments and other assets		
Distressed receivables	31	31
Deferred tax assets	272,935	273,277
Other	24,923	24,886
Allowance for doubtful accounts	(31)	(31)
Total investments and other assets	297,859	298,164
Total noncurrent assets	3,647,811	3,602,316
Total assets	13,611,640	13,670,535

[Note] The numbers parenthesized represent minus figures.

(Thousand yen)

	As of August 31, 2023	As of November 30, 2023
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable-trade	469,326	273,354
Electronically recorded obligations-operating	1,976,626	1,506,967
Income taxes payable	203,581	15,058
Advances received	2,474,854	3,400,023
Provision for bonuses	143,542	24,022
Provision for product warranties	10,887	6,277
Provision for loss on order received	712	-
Other	184,348	365,660
<b>Total current liabilities</b>	<b>5,463,881</b>	<b>5,591,363</b>
<b>Noncurrent liabilities</b>		
Net defined benefit liability	68,967	74,401
Other	4,395	3,199
<b>Total noncurrent liabilities</b>	<b>73,362</b>	<b>77,600</b>
<b>Total liabilities</b>	<b>5,537,244</b>	<b>5,668,964</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	2,812,461	2,812,461
Capital surplus	2,734,911	2,734,911
Retained earnings	2,739,499	2,640,993
Treasury stock	(320,451)	(320,451)
<b>Total shareholders' equity</b>	<b>7,966,421</b>	<b>7,867,914</b>
<b>Accumulated other comprehensive income</b>		
Foreign currency translation adjustment	107,974	133,655
<b>Total accumulated other comprehensive income</b>	<b>107,974</b>	<b>133,655</b>
<b>Total net assets</b>	<b>8,074,396</b>	<b>8,001,570</b>
<b>Total liabilities and net assets</b>	<b>13,611,640</b>	<b>13,670,535</b>

[Note] The numbers parenthesized represent minus figures.

## (2) Consolidated statement of income

(Thousand yen)

	Three months ended November 30, 2022	Three months ended November 30, 2023
Net sales	798,413	646,120
Cost of sales	655,181	388,725
Gross profit	143,232	257,394
Selling, general and administrative expenses	224,035	215,786
Operating income (loss)	(80,802)	41,608
Non-operating income		
Interest income	38	24
Gain on sales of scraps	14	88
Interest on tax refund	164	35
Subsidies for employment adjustment	486	216
Other	83	126
Total non-operating income	786	492
Non-operating expenses		
Commission fee	489	533
Foreign exchange losses	5,132	989
Total non-operating expenses	5,621	1,522
Ordinary income (loss)	(85,637)	40,577
Income (Loss) before income taxes and minority interests	(85,637)	40,577
Income taxes-current	1,429	10,168
Income taxes-deferred	(5,815)	(280)
Total income taxes	(4,385)	9,888
Income (Loss) before minority interests	(81,251)	30,689
Net income (loss) attributable to owners of the parent	(81,251)	30,689

[Note] The numbers parenthesized represent minus figures.

### 3. Other Information

#### (1) Production, Orders, and Sales

##### 1) Production

Production amounts by business segment in the period are as follows:

(Thousand yen)

Segment	Three Months Ended November 30, 2023	Year-on-year change (%)
Machinery business	2,357,577	197.5
Environmental business	103,638	69.2
Total	2,461,215	183.2

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

##### 2) Orders

Orders received by business segment in the period are as follows:

(Thousand yen)

Segment	Orders received	Year-on-year change (%)	Order backlog	Year-on-year change (%)
Machinery business	5,772,540	85.7	15,172,624	108.9
Environmental business	84,868	163.1	313,656	65.3
Total	5,857,409	86.3	15,486,281	107.4

##### 3) Sales

Sales by business segment in the period are as follows:

(Thousand yen)

Segment	Three Months Ended November 30, 2023	Year-on-year change (%)
Machinery business	552,782	74.6
Environmental business	93,337	163.0
Total	646,120	80.9