July 9, 2013

Summary of Financial Results for the Third Quarter of Fiscal Year Ending August 31, 2013

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

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

1. Consolidated Financial Results for the Nine Months Ended May 31, 2013 (September 1, 2012 through May 31, 2013)

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

	Sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended May 31, 2013	3,184	(55.7)	(1,048)	-	(607)	-	(530)	-
Nine months ended May 31, 2012	7,187	(43.3)	(497)	-	(705)	-	(1,247)	-

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended May 31, 2013	(24.08)	-
Nine months ended May 31, 2012	(65.07)	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of May 31, 2013	12,159	5,844	48.1
As of August 31, 2012	13,460	6,622	49.2

[Reference] Shareholders' equity (million yen): May 31, 2013: 5,844 August 31, 2012: 6,622

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended August 31, 2012	-	0.00	-	0.00	0.00
Fiscal year ending August 31, 2013	-	0.00	-		
Fiscal year ending August 31, 2013 (forecast)				-	-

[Note] 1. Revision of dividend forecast during the period: None

2. The amount of year-end dividends for the fiscal year 2013 is yet to be determined.

3. Consolidated Forecast for the Year Ending August 31, 2013 (September 1, 2012 through August 31, 2013)

(Percentages represent year-on-year changes)

	Sales		Operating income		Ordinary income		Net income		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	4,998	(47.1)	(1,872)	-	(1,717)	-	(2,192)	-	(99.40)

[Note] Revision of consolidated forecast during the period: Yes

Table of Contents of Attached Materials

1. Qualitative Information Concerning Financial Results for the Third Quarter Ended May 31, 2013 2
(1) Qualitative information about consolidated results of operations 2
(2) Qualitative information about consolidated earnings forecast 2
2. Going concern assumption 2
3. Consolidated Financial Statements for the Third Quarter Ended May 31, 2013 4
(1) Consolidated balance sheet 4
(2) Consolidated statement of income 6
(3) Consolidated statement of cash flows 7
4. Significant Subsequent Event 8
5. Other Information 9
Production, Orders and Sales 9
(1) Production 9
(2) Orders 9
(3) Sales 9

1. Qualitative Information Concerning Financial Results for the Third Quarter Ended May 31, 2013

(1) Qualitative information about consolidated results of operations

Japanese economy in the third quarter of this fiscal year saw improvement in business environment especially for exporting companies mainly due to weakening yen. However, unpredictable economic climate overseas such as persistent economic uncertainties in Europe or concerns about economic slowdown of emerging countries including China and India had been the ongoing risks depressing Japanese economy.

In the photovoltaic, hereinafter referred to as "PV," industry, to which the NPC Group, hereinafter referred to as "the Group," belongs, Japanese market has been expanding rapidly supported by the feed-in-tariff system of renewable energy. The Group successfully concluded another large and long-term contract on the contract assembly service of PV modules following the contract concluded in the second quarter. In the PV module manufacturing equipment business, the expanding demands for PV system installation in Japan, North America, and China had improved the utilization ratio of the PV module manufacturers, who are the Group's customers. However, since PV module manufacturers maintained careful stance to make capital investments, the full-scale recovery for the equipment orders was yet to be seen.

Due to the above reasons, the Group's sales remained at low levels. As for profits, cost reduction had been almost on track with the initial plan through the business streamlining implemented last fiscal year, the improving factory utilization, etc. As the "Notice on Dissolution and Liquidation of Subsidiary" dated July 9, 2013, due to the severe business environment surrounding NPC-Meier GmbH, expenses such as allowance for doubtful debts are expected to widen the operating loss. On the other hand, foreign exchange gains had increased in non-operating income and subsidy from Ehime prefecture was booked in extraordinary income.

As a result, the consolidated net sales of the third quarter were 3,184 million yen, 44.3% of the same period of the previous fiscal year. Operating loss was 1,048 million yen, compared with operating loss of 497 million yen in the same period of the previous fiscal year. Ordinary loss was 607 million yen, improved from ordinary loss of 705 million yen in the same period of the previous fiscal year. Net loss was 530 million yen, improved from net loss of 1,247 million yen in the same period of the previous fiscal year.

(2) Qualitative information about consolidated earnings forecast

The consolidated earnings forecast for the full year is the same as the forecast in the "Announcement on the Revision of Business Forecast and Extraordinary Loss" announced on July 9, 2013.

2. Going Concern Assumption

The Group's sales were 3,184 million yen, 44.3% compared with the sales of the same period of the previous fiscal year. Operating loss was booked in two consecutive years in fiscal years 2011/2012 and in the third quarter of this fiscal year. The amount of loss in the third quarter of this fiscal year had increased from the second quarter of this fiscal year. The amount of cash and deposits declined to 1,057 million yen from 1,223 million yen at the end of the previous fiscal year. Therefore, there exist phenomena or conditions which might raise uncertainties about the Group being an assumed going concern.

The Group had continuously taken actions to reduce fixed costs including consolidation of domestic and overseas bases and personnel cut corresponding to the market environment. In addition, the Group had started implementing the following measures to resolve these phenomena or conditions.

1) Commencing contract module assembly business

The Group started the contract module assembly business in order to support production adjustment of its customers following the Japanese PV market boom. The Group had successfully signed a large and long-term contract in February, 2013 and started booking sales in June. The Group signed a new, large and long-term contract with another customer in April as well, having expanded the business scale. Through this business, the Group aims to secure steady sales by implementing about 150MW contract module assembly service and to mitigate the impact on cash flow by procuring the required equipment partly by the lease agreement. Utilization of the expertise and experience acquired through this new business is expected to enhance the Group's competitiveness.

2) Strengthening products through R & D

The Group has been supplying new products meeting the demands of PV manufacturers through R&D,

aiming to enhance the superior competitiveness in PV module manufacturing equipment and has created replacement and remodeling demands for incorporating new technologies into the existing machines.

3) Entering new sectors

For the purpose of establishing the system that would not be easily affected by outer factors, the Group started sales of automation systems to other markets. The Group had delivered automation systems to automobile, building materials or home appliance industries by making the most of the technologies, knowhow and global maintenance network obtained through PV module manufacturing equipment business. In the PV sector, the Group started marketing for entry into PV systems or peripheral devices and maintenance businesses, preparing for commencing the new businesses in the next fiscal year.

4) Further restructuring of organizations

The Group will start procedures for dissolving NPC-Meier GmbH (Germany) in charge of designing, manufacturing, sales and maintenance service of PV module manufacturing equipment mainly for European customers. The Group will also dissolve NPC Taiwan Co., Ltd. (Taiwan) and NPC Korea Co., Ltd. (Korea) in charge of sales support and maintenance service in Asia. Through these restructuring, the Group had started reinforcing management base utilizing effectively and efficiently management resources and reducing fixed costs to improve the Group's profitability.

5) Strengthening financial structure

The Group had been striving to improve cash collection by widening application of inventories for replacement and remodeling demands. The Group had also improved management system of conditions and schedule of collecting advances and receivables and had established the monitoring system of balance sheet and cash flow aiming to securely collect cash.

The Group will continuously implement these action measures and maintain the stable business relationship with financial institutes, with the credit facility agreement already extended. Therefore the Group concluded there is no material uncertainty that may cast significant doubt about its ability to continue as a going concern.

3. Consolidated Financial Statements for the Third Quarter Ended May 31, 2013 (September 1, 2012 through May 31, 2013)

(1) Consolidated balance sheet

(Thousand yen)

	As of August 31, 2012	As of May 31, 2013
Assets		
Current assets		
Cash and deposits	1,223,386	1,057,652
Notes and accounts receivable-trade	1,396,781	1,336,694
Merchandise and finished goods	49,716	40,371
Work in progress	3,875,320	2,558,008
Raw materials and supplies	749,120	671,342
Deferred tax assets	49,301	56,951
Other	85,401	188,166
Allowance for doubtful accounts	(45,213)	(148,191)
Total current assets	7,383,815	5,760,995
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	4,297,050	4,304,842
Accumulated depreciation	(574,783)	(719,749)
Building and structures, net	3,722,266	3,585,092
Land	2,063,794	2,063,794
Construction in progress	-	555,872
Other	404,044	420,924
Accumulated depreciation	(275,874)	(322,838)
Other, net	128,170	98,085
Total property, plant and equipment	5,914,231	6,302,846
Intangible assets		
Other	139,079	41,650
Total intangible assets	139,079	41,650
Investments and other assets		
Deferred tax assets	2,278	22,670
Other	23,150	59,924
Allowance for doubtful accounts	(2,493)	(29,075)
Total investments and other assets	22,936	53,519
Total noncurrent assets	6,076,247	6,398,016
Total assets	13,460,062	12,159,012

[Note] The numbers parenthesized represents minus figures.

(Thousand yen)

	As of August 31, 2012	As of May 31, 2013
Liabilities		
Current liabilities		
Notes and accounts payable-trade	503,532	507,401
Short-term loans payable	3,000,000	3,000,000
Current portion of long-term loans payable	704,725	700,000
Income taxes payable	20,124	49,051
Advances received	444,827	461,014
Provision for loss on order received	34,319	15,234
Other	529,094	512,006
Total current liabilities	5,236,623	5,244,707
Noncurrent liabilities		
Long-term loans payable	1,577,798	1,050,000
Deferred tax liabilities	22,812	20,135
Total noncurrent liabilities	1,600,610	1,070,135
Total liabilities	6,837,234	6,314,843
Net assets		
Shareholders' equity		
Capital stock	2,812,461	2,812,461
Capital surplus	2,734,875	2,734,875
Retained earnings	1,187,289	656,347
Treasury stock	(418)	(431)
Total shareholders' equity	6,734,208	6,203,253
Accumulated other comprehensive income		
Foreign currency translation adjustment	(111,380)	(359,085)
Total accumulated other comprehensive income	(111,380)	(359,085)
Total net assets	6,622,827	5,844,168
Total liabilities and net assets	13,460,062	12,159,012

[Note] The numbers parenthesized represent minus figures.

(2) Consolidated statement of income

(Thousand yen)

	Nine months ended May 31, 2012	Nine months ended May 31, 2013
Net sales	7,187,999	3,184,444
Cost of sales	5,902,746	2,732,686
Gross profit (loss)	1,285,252	451,758
Selling, general and administrative expenses	1,782,465	1,499,896
Operating income (loss)	(497,212)	(1,048,138)
Non-operating income		
Interest income	539	702
Gain on valuation of derivatives	345	-
Insurance premiums refunded cancellation	53,053	-
Foreign exchange gains	-	478,982
Other	42,534	54,565
Total non-operating income	96,473	534,250
Non-operating expenses		
Interest expenses	47,104	44,219
Commission fee	23,068	33,775
Foreign exchange losses	213,548	-
Other	20,615	15,423
Total non-operating expenses	304,336	93,419
Ordinary income (loss)	(705,075)	(607,307)
Extraordinary income		
Subsidy	72,035	200,000
Total extraordinary income	72,035	200,000
Extraordinary losses		
Impairment loss	371,308	-
Loss on liquidation of subsidiaries and affiliates	-	122,034
Total extraordinary losses	371,308	122,034
Income (Loss) before income taxes and minority interests	(1,004,349)	(529,341)
Income taxes-current	30,229	31,495
Income taxes-deferred	212,598	(29,895)
Total income taxes	242,827	1,600
Income (Loss) before minority interests	(1,247,177)	(530,941)
Net income (loss)	(1,247,177)	(530,941)

[Note] The numbers parenthesized represents minus figures.

(3) Consolidated statement of cash flows

(Thousand yen)

	Nine months ended May 31, 2012	Nine months ended May 31, 2013
Net cash provided by (used in) operating activities		
Income (Loss) before income taxes	(1,004,349)	(529,341)
Depreciation and amortization	287,909	223,011
Impairment loss	371,308	-
Amortization of goodwill	28,507	-
Increase (decrease) in allowance for doubtful accounts	(6,296)	119,890
Increase (decrease) in provision for loss on order received	(15,717)	(24,423)
Interest and dividends income	(539)	(702)
Interest expenses	47,104	44,219
Foreign exchange losses (gains)	40,670	(434,569)
Loss (gain) on cancellation of insurance contract	(53,053)	-
Subsidy income	(72,035)	(200,000)
Loss on liquidation of subsidiaries and affiliates	-	122,034
Decrease (increase) in notes and accounts receivable-trade	1,712,136	171,516
Decrease (increase) in inventories	950,762	1,091,198
Increase (decrease) in notes and accounts payable-trade	(4,526,671)	(62,277)
Increase (decrease) in advances received	(118,845)	(97,706)
Other, net	594,125	(249,166)
Subtotal	(1,764,983)	173,683
Interest and dividends income received	541	702
Interest expenses paid	(47,342)	(43,941)
Proceeds from insurance income	53,053	-
Proceeds from subsidy	72,035	200,000
Income taxes (paid) refund	152,191	(7,249)
Net cash provided by (used in) operating activities	(1,534,504)	323,194
Net cash provided by (used in) investing activities		
Payments into time deposits	-	(4,220)
Purchase of property, plant and equipment	(62,989)	(58,202)
Proceeds from sales of property, plant and equipment	807	10,113
Purchase of intangible assets	(3,551)	(1,069)
Proceeds from sales of investment securities	10,475	-
Other, net	129,132	(4,311)
Net cash provided by (used in) investing activities	73,875	(57,690)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(235,201)	-
Repayment of long-term loans payable	(528,766)	(535,059)
Proceeds from issuance of bonds	1,491,850	-
Purchase of treasury stock	(84)	(13)
Cash dividends paid	(73,606)	(782)
Net cash provided by (used in) financing activities	654,191	(535,854)
Effect of exchange rate change on cash and cash equivalents	(869)	100,395
Net increase (decrease) in cash and cash equivalents	(807,306)	(169,954)
Cash and cash equivalents at beginning of period	2,635,120	1,223,386
Cash and cash equivalents at end of period	1,827,814	1,053,431

[Note] The numbers parenthesized represents minus figures.

4. Significant Subsequent Event

NPC Incorporated, hereinafter referred to as "The Company," decided in the Board of Directors Meeting held on July 9, 2013, to start procedures for dissolution and liquidation of its consolidated subsidiaries, NPC-Meier GmbH, hereinafter referred to as "NMG," NPC Taiwan Co., Ltd., and NPC Korea Co., Ltd.

1) Reason for starting procedures for dissolution and liquidation

NMG, in charge of designing, manufacturing, sales and maintenance service of PV module manufacturing equipment mainly for European customers, had been struggling with low order and sales levels since its major customers had withdrawn from the market continuously due to sluggish European market. The Company forecasts that the uncertainties will remain in the future market trend and that there is a possibility for the tough business environment to last. Therefore, the Company decided to start procedures for dissolution and liquidation of NMG as a result of the thorough review of mid- and long-term foresight. The Company also decided to dissolve NPC Taiwan Co., Ltd. and NPC Korea Co., Ltd., both in charge of sales support and maintenance service mainly in Asia region, for the similar reasons.

2) Outline of the subsidiaries

Name	NPC-Meier GmbH	NPC Taiwan Co., Ltd.	NPC Korea Co., Ltd.
Address	Cologne, Germany	Hsin-Chu, Taiwan	Suwon-si, Korea
Representative	Junichi Akita Florian von Gropper	Hirofumi Takahashi	Ryosuke Miyabayashi
Business	- R&D, manufacturing, sales and maintenance service of PV module manufacturing equipment - Sales support and maintenance service of the Company's PV module manufacturing equipment	Sales support and maintenance service of the Company's PV module manufacturing equipment	Sales support and maintenance service of the Company's PV module manufacturing equipment
Capital	EUR 25,000	NTD 19 million	KRW 400 million
Establishment	April 30, 2012	March 16, 2011	September 2, 2011
Equity stake ratio	NPC Incorporated: 100%	NPC Incorporated: 100%	NPC Incorporated: 100%
Financial statement (As of July 31, 2012) (Thousand yen)	Net assets: (833,474) Total assets: 1,141,774 Sales: 1,734,329 Operating loss: 430,874 Ordinary loss: 459,917 Net loss: 864,424	Net assets: 42,505 Total assets: 45,193 Sales: 31,595 Operating income: 676 Ordinary income: 1,157 Net income: 960	Net assets: 14,606 Total assets: 16,220 Sales: 11,234 Operating loss: 9,562 Ordinary loss: 9,393 Net loss: 9,393

[Note] The numbers parenthesized represents minus figures.

3) Schedule of dissolution

The Company will start procedures for dissolution in July, 2013 and will complete them in compliance with local laws.

4) Expected losses due to the dissolution and liquidation

On the assumption that the dissolution and liquidation procedures will complete, 238 million yen for allowances for retirement expenses, legal fees, cancellation of rent contracts, etc. and 330 million yen for foreign currency translation adjustment related to the Company's investment into NMG are to be posted as extraordinary loss in the consolidated financial results of this fiscal year. The figures above were converted at 129 yen to a EUR, 3.31 yen to a NTD, and 0.09 yen to a KRW.

5. Other Information

Production, Orders and Sales

(1) Production

Production amounts of the PV business, the single segment of the Group, during the period are as follows.

(Thousand yen)

Segment	Nine months ended May 31, 2013	Year on year changes (%)
PV business	1,648,965	26.3

[Notes]: 1. The above amounts are calculated based on selling prices.
2. The above amounts are exclusive of consumption taxes.

(2) Orders

Orders received by the PV business, the single segment of the Group, during the period are as follows.

(Thousand yen)

Segment	Orders received	Year on year ratio (%)	Order backlog	Year on year ratio (%)
PV business	20,060,356	614.5	21,458,918	342.7

[Note] The above amounts are exclusive of consumption taxes.

(3) Sales

Sales of the PV business, the single segment of the Group, during the period are as follows.

(Thousand yen)

Segment	Nine months ended May 31, 2013	Year on year ratio (%)
PV business	3,184,444	44.3

[Note] The above amounts are exclusive of consumption taxes.