October 9, 2013

Summary of Financial Results for the Fiscal Year Ended August 31, 2013

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

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General meeting of shareholders: November 28, 2013
Filing date of securities report: November 29, 2013
Payment date of cash dividends: -
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 Fiscal Year Ended August 31, 2013 (September 1, 2012 through August 31, 2013)

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

	Sales		Operating income (loss)		Ordinary income (loss)		Net income (loss)	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ended August 31, 2013	4,530	(52.0)	(1,538)	-	(1,134)	-	(2,248)	-
Year ended August 31, 2012	9,446	(43.0)	(945)	-	(1,194)	-	(1,806)	-

	Earnings per share	Diluted earnings per share	Return on shareholders' equity	Ordinary income-to-equity ratio	Operating income-to-net sales ratio
	Yen	Yen	%	%	%
Year ended August 31, 2013	(101.95)	-	(41.6)	(9.2)	(34.0)
Year ended August 31, 2012	(90.79)	-	(26.0)	(6.8)	(10.0)

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of August 31, 2013	11,174	4,182	37.4	189.68
As of August 31, 2012	13,460	6,622	49.2	300.33

[Reference] Shareholders' equity (million yen): August 31, 2013: 4,182 August 31, 2012: 6,622

(3) Consolidated cash flow position

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the period end
	Million yen	Million yen	Million yen	Million yen
As of August 31, 2013	749	(333)	(711)	972
As of August 31, 2012	(1,771)	138	236	1,223

2. Dividends

	Dividend per share					Dividend in total (full year)	Dividend payout ratio (consolidated)	Dividends on net assets (consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Annual			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Year ended August 31, 2012	-	0.00	-	0.00	0.00	-	-	-
Year ended August 31, 2013	-	0.00	-	0.00	0.00	-	-	-
Year ending August 31, 2014 (forecast)	-	-	-	-	-		-	

[Note] The amount of dividend in the fiscal year 2014 is not determined.

3. Consolidated Forecast for the Fiscal Year Ending August 31, 2014 (September 1, 2013 through August 31, 2014)

(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
Year ending August 31, 2014	17,443	285.0	419	-	286	-	38	-	1.73

[Note] The business forecast for the first half is not to be disclosed. This is because the size of each order received in the photovoltaic business is getting larger and the timing of sales booking for these orders are influenced fully by many uncertain external factors. Therefore, the Group does not disclose its business forecast in a short span.

4. Others

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

(2) 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

(3) Number of shares outstanding (common shares)

1) Number of shares outstanding (including treasury stock) at the end of the period

August 31, 2013: 22,052,426 shares

August 31, 2012: 22,052,426 shares

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

August 31, 2013: 435 shares

August 31, 2012: 395 shares

3) Average number of shares during the period

Fiscal year ended August 31, 2013: 22,052,006 shares

Fiscal year ended August 31, 2012: 19,892,399 shares

[Reference]

1. Non-Consolidated Financial Results for the Year Ended August 31, 2013 (September 1, 2012 through August 31, 2013)

(1) Non-Consolidated results of operations

	Sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ended August 31, 2013	3,576	(56.1)	(1,052)	-	(633)	-	(3,405)	-
Year ended August 31, 2012	8,138	(48.6)	(454)	-	(635)	-	(1,542)	-

	Earnings per share	Diluted earnings per share
	Yen	Yen
Year ended August 31, 2013	(154.44)	-
Year ended August 31, 2012	(77.56)	-

(2) Non-Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of August 31, 2013	10,766	4,012	37.3	181.98
As of August 31, 2012	13,647	7,418	54.4	336.41

[Reference] Shareholders' equity (million yen): August 31, 2013: 4,012 August 31, 2012: 7,418

2. Non-Consolidated Forecast for the Year Ending August 31, 2014 (September 1, 2013 through August 31, 2014)

	Sales		Operating income		Ordinary income		Net income		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Year ending August 31, 2014	17,297	383.6	408	-	275	-	378	-	17.16

* Indication of the implementation status of the quarterly review procedure

The Financial Results for the Fiscal Year Ended August 31, 2013 is exempt from the auditing procedure stipulated in the Financial Instruments and Exchange Act. The auditing procedure for the Consolidated Financial Statement is in process at the time of disclosure.

* Cautionary statement with respect to forward-looking statements

Forecasts of future performance in these materials are based on assumptions judged to be valid and information currently available to NPC Incorporated. Actual results may differ significantly from these forecasts for a number of factors. Please refer to page 2, "1. Qualitative Information Concerning Financial Results for the Fiscal Year Ended August 31, 2013: (2) Qualitative information about consolidated earnings forecast" for details.

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1. Qualitative Information Concerning Financial Results for the Fiscal Year Ended August 31, 2013

(1) Qualitative information about consolidated results of operations

During the fiscal year ended on August 31, 2013, a tendency of recovery in Japanese economy was seen in the environment surrounding especially exporting companies due to weakening yen. However, uncertainties of overseas economy such as a resurgence of financial instability in Europe, slowdown of economy of emerging countries like China, India, etc. remained as the risk pushing down the Japanese economy.

In the photovoltaic industry, to which the NPC Group, hereinafter referred to as "the Group", belongs, the Japanese market has been expanding rapidly with the background of feed-in-tariff system for renewable energy. The Group successfully concluded large and long-term contracts in the contract module assembly business. In the module manufacturing equipment business, although module manufacturers, who are the Group's main customers, increased operating rates of existing equipment, they maintained the cautious stance toward capital expenditures, which resulted in limited recovery of the Group's business.

Consequently, the Group's sales remained at a low level during the fiscal year 2013. In the meanwhile, the Group started restructuring of overseas subsidiaries including personnel reduction to substantially reduce total expenses (manufacturing cost and SG&A). However, the Group booked an operating loss, due to the steep sales decline, the booking of loss from valuation of inventories and accounts receivables, etc. in accordance with the sluggish photovoltaic market.

In addition, the Group booked an extraordinary loss of 1,306 million yen due to costs and allowances related to the subsidiaries' restructuring described above and impairment loss of some of the manufacturing equipment for contract module assembly.

As a result of the above activities, consolidated net sales were 4,530 million yen, 48.0% of the previous fiscal year. Operating loss was 1,538 million yen, compared with that of 945 million yen in the previous fiscal year. Ordinary loss was 1,134 million yen, compared with that of 1,194 million yen in the previous fiscal year. Net loss was 2,248 million yen, compared with that of 1,806 million yen in the previous fiscal year.

(2) Qualitative information about consolidated earnings forecast

In the fiscal year ending August 31, 2014, the Group assumes that the sales of module manufacturing equipment will recover in a moderate pace according to the global expansion of photovoltaic modules and the steady monthly sales booking from the contract module assembly business, whose orders were placed in the previous fiscal year. Also the Group expects to turn profitable as the cost reduction effect from subsidiaries restructuring including personnel reduction will contribute to the Group's business and cost reduction resulting from operating rate improvement has been proceeding as scheduled.

As a result of the above activities, the consolidated business forecast for the fiscal year 2014 will be as follows. Sales will increase to 17,443 million yen, 385.1% of the previous fiscal year. Operating income will be 419 million yen, compared with an operating loss of 1,538 million yen in the previous fiscal year. Ordinary income will be 286 million yen, compared with an ordinary loss of 1,134 million yen in the previous fiscal year. Reversal of foreign currency translation adjustment related to the Company's capitalizing NPC-Meier GmbH will be booked as an extraordinary loss of 350 million yen, however, extraordinary income is expected from the subsidies of 134 million yen from Ehime prefecture. As a result, net income will be 38 million yen, compared with a net loss of 2,248 million yen.

[Note] The business forecast for the first half of fiscal year 2014 is not to be disclosed. This is because the size of each order in the photovoltaic manufacturing equipment business is getting larger, and the timing of sales booking of orders are influenced by many uncertain factors. Also, the contract module assembly business is at the full launching stage. Therefore, the Group has decided not to disclose the Group's business forecast in a short span.

(3) Basic policy on profit allocation and dividends in the current and next fiscal years

The Group strives to strengthen its financial standings and increase a profit in a long term by utilizing internal reserves for R&D and capital expenditures, and at the same time ensure a stable profit return to the shareholders. It is therefore the Group's basic policy to pay out dividends in accordance with the Group's business performance and financial conditions.

The Group takes into account the financial performance during the fiscal year ended August 31, 2013 and has reluctantly determined not to distribute the year-end dividend. The dividend payment for the current fiscal year is under consideration for the time being, and the detail will be disclosed as soon as the decision is made**.** The Group adopts interim dividend which complies with the paragraph 5 of the article 454 of the Companies Act.

2. Going Concern Assumption

The Group's sales were 4,530 million yen, 48.0% of the sales for the same period of the previous fiscal year. Operating loss was booked in three consecutive years from fiscal year 2011. The amount of cash and deposits declined to 972 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 reduction corresponding to the market environment. In addition, the Group had started implementing the following measures to resolve these phenomena or conditions.

1) Putting contract module assembly business on track

The Group started the contract module assembly business in order to support production adjustment of its customers following the Japanese photovoltaic, hereinafter referred to as "PV", market boom. The Group had successfully signed two large and long-term contracts in February and April, 2013 and started booking sales in June and September, 2013 respectively. Through this business, the Group aims to secure steady sales by implementing about 150MW per year 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 in the module manufacturing equipment business.

2) Strengthening products through R & D and increasing added values of inventory assets

The Group has been supplying new products meeting the demands of PV manufacturers through R&D, aiming to enhance the superior competitiveness in the module manufacturing equipment business and has created replacement and remodeling demands for incorporating new technologies into the already-delivered machines. The Group also has been increasing added values matching the customers needs on inventory for sales promotion and inventory reduction.

3) Entering new sectors

Aiming to expand business domain in the PV industry, the Group started preparation for entry into PV systems, peripheral devices, and maintenance businesses for installed PV systems, anticipating the systems including utility scale systems to prevail and expand in Japanese market.

Also, for the purpose of establishing business portfolio that would not be easily affected by factors of the PV industry, the Group started sales of automation systems to other markets. The Group had delivered automation systems to automobile, building materials and home appliance industries by making the most of the technologies, knowhow, and global maintenance network obtained through PV module manufacturing equipment business.

4) Further restructuring of organizations

The Group dissolved NPC Taiwan Co., Ltd. (Taiwan) and NPC Korea Co., Ltd. (Korea) in charge of sales support and maintenance service in Asia as of August 31, 2013. The Group also dissolved NPC-Meier GmbH (Germany) in charge of designing, manufacturing, sales and maintenance service of the PV module manufacturing equipment mainly for European customers as of September 30, 2013. Through the restructuring, the Group reduced fixed costs to improve the Group's profitability by utilizing management resources effectively and efficiently and reinforcing the management base.

5) Strengthening financial structure

The Group had been striving to improve cash collection by widening application of inventories for manufacturing equipment. The Group had also been striving to collect advances aiming to securely collect cash and had improved management system of cash collecting schedule. Furthermore, the Group had established the timely and accurate monitoring system of balance sheet and cash flow.

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 Fiscal Year Ended August 31, 2013 (September 1, 2012 through August 31, 2013)

(1) Consolidated balance sheets

(Thousand yen)

	As of August 31, 2012	As of August 31, 2013
Assets		
Current assets		
Cash and deposits	1,223,386	972,691
Notes and accounts receivable-trade	1,396,781	1,357,544
Merchandise and finished goods	49,716	69,241
Work in progress	3,875,320	1,686,015
Raw materials and supplies	749,120	647,598
Deferred tax assets	49,301	-
Other	85,401	194,366
Allowance for doubtful accounts	(45,213)	(236,052)
Total current assets	7,383,815	4,691,407
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	4,297,050	4,307,085
Accumulated depreciation	(574,783)	(767,363)
Building and structures, net	3,722,266	3,539,722
Machinery and equipment	86,756	550,004
Accumulated depreciation	(46,538)	(73,141)
Accumulated impairment loss	-	(438,474)
Machinery and equipment, net	40,217	38,388
Land	2,063,794	2,063,794
Construction in progress	-	671,012
Other	317,288	318,534
Accumulated depreciation	(229,335)	(278,552)
Other, net	87,952	39,981
Total property, plant and equipment	5,914,231	6,352,900
Intangible assets		
Other	139,079	35,240
Total intangible assets	139,079	35,240
Investments and other assets		
Deferred tax assets	2,278	-
Other	23,150	157,076
Allowance for doubtful accounts	(2,493)	(62,282)
Total investments and other assets	22,936	94,793
Total noncurrent assets	6,076,247	6,482,934
Total assets	13,460,062	11,174,342

[Note] The numbers parenthesized represent minus figures.

(Thousand yen)

	As of August 31, 2012	As of August 31, 2013
Liabilities		
Current liabilities		
Notes and accounts payable-trade	503,532	1,236,688
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	24,009
Advances received	444,827	442,948
Provision for loss on liquidation of subsidiaries and affiliates	-	205,814
Provision for loss on order received	34,319	-
Other	529,094	487,292
Total current liabilities	5,236,623	6,096,752
Noncurrent liabilities		
Long-term loans payable	1,577,798	875,000
Deferred tax liabilities	22,812	19,667
Total noncurrent liabilities	1,600,610	894,667
Total liabilities	6,837,234	6,991,420
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	(1,033,463)
Treasury stock	(418)	(431)
Total shareholders' equity	6,734,208	4,513,441
Accumulated other comprehensive income		
Foreign currency translation adjustment	(111,380)	(330,520)
Total accumulated other comprehensive income	(111,380)	(330,520)
Total net assets	6,622,827	4,182,921
Total liabilities and net assets	13,460,062	11,174,342

[Note] The numbers parenthesized represent minus figures.

(2) Consolidated statement of income

(Thousand yen)

	Year ended August 31, 2012	Year ended August 31, 2013
Net sales	9,446,749	4,530,750
Cost of sales	8,205,181	4,060,920
Gross profit	1,241,567	469,830
Selling, general and administrative expenses	2,187,287	2,008,668
Operating loss	(945,720)	(1,538,838)
Non-operating income		
Interest income	725	914
Foreign exchange gain	-	446,202
Insurance premiums refunded cancellation	53,054	-
Other	63,105	83,601
Total non-operating income	116,884	530,719
Non-operating expenses		
Interest expenses	57,353	57,833
Commission fee	40,822	49,416
Foreign exchange losses	191,735	-
Other	75,603	19,543
Total non-operating expenses	365,514	126,794
Ordinary loss	(1,194,350)	(1,134,912)
Extraordinary income		
Subsidy	190,100	226,975
Other	-	5,018
Total extraordinary income	190,100	231,993
Extraordinary loss		
Impairment loss	331,941	438,474
Loss on liquidation of subsidiaries and affiliates	-	867,861
Special retirement expenses	151,508	-
Other	55,817	-
Total extraordinary losses	539,268	1,306,335
Loss before income taxes and minority interests	(1,543,518)	(2,209,254)
Income taxes-current	36,743	9,243
Refund of income taxes	-	(19,665)
Income taxes-deferred	225,806	49,265
Total income taxes	262,550	38,842
Loss before minority interests	(1,806,068)	(2,248,097)
Net loss	(1,806,068)	(2,248,097)

[Note] The numbers parenthesized represent minus figures.

(3) Consolidated statement of cash flows

(Thousand yen)

	Year ended August 31, 2012	Year ended August 31, 2013
Net cash provided by (used in) operating activities		
Loss before income taxes and minority interests	(1,543,518)	(2,209,254)
Depreciation and amortization	366,949	321,772
Impairment loss	331,941	438,474
Amortization of goodwill	25,484	-
Increase (decrease) in allowance for doubtful accounts	19,640	240,435
Increase (decrease) in provision for loss on order received	(35,104)	(39,966)
Interest and dividends income	(725)	(914)
Interest expenses	57,353	57,833
Loss (gain) on foreign exchange	173,306	(459,721)
Loss (gain) on cancellation of insurance contract	(53,054)	-
Subsidy income	(190,100)	(226,975)
Losses on liquidation of subsidies and affiliates	-	867,861
Special retirement expenses	151,508	-
Decrease (increase) in notes and accounts receivable-trade	2,006,991	150,133
Decrease (increase) in inventories	2,268,049	1,169,424
Increase (decrease) in notes and accounts payable-trade	(4,661,044)	663,140
Increase (decrease) in advances received	(1,282,183)	(121,859)
Other, net	401,077	(256,138)
Subtotal	(1,963,427)	594,245
Interest and dividends income received	727	914
Interest expenses paid	(57,734)	(57,934)
Proceeds from insurance income	53,054	-
Proceeds from subsidy	190,100	226,975
Payments for special retirement expenses	(147,728)	(3,780)
Income taxes (paid) refund	153,418	(11,057)
Net cash provided by (used in) operating activities	(1,771,590)	749,364
Net cash provided by (used in) investing activities		
Payments into time deposits	-	(4,220)
Proceeds from withdrawal of time deposits	-	4,200
Purchase of property, plant and equipment and intangible assets	(66,344)	(342,276)
Proceeds from sales of property, plant and equipment	68,163	10,508
Proceeds from sales of investment securities	10,475	-
Other, net	126,676	(1,321)
Net cash provided by (used in) investing activities	138,970	(333,089)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(252,317)	-
Repayment of long-term loans payable	(704,515)	(710,205)
Proceeds from issuance of bonds	1,491,850	-
Redemption of bonds	(225,000)	-
Purchase of treasury stock	(97)	(13)
Cash dividends paid	(73,720)	(819)
Net cash provided by (used in) financing activities	236,200	(711,038)
Effect of exchange rate change on cash and cash equivalents	(15,314)	102,490
Net increase (decrease) in cash and cash equivalents	(1,411,734)	(192,273)
Cash and cash equivalents at beginning of period	2,635,120	1,223,386

Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	-	(58,420)
Cash and cash equivalents at end of period	1,223,386	972,691

[Note] The numbers parenthesized represent minus figures.

4. Other Information

(1) Production, Orders and Sales

1) Production

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

(Thousand yen)

Segment	Year ended August 31, 2013	Year on year ratio (%)
Photovoltaic business	2,234,341	32.4

[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 photovoltaic 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 (%)
Photovoltaic business	22,749,292	591.6	22,801,548	497.5

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

3) Sales

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

(Thousand yen)

Segment	Year ended August 31, 2013	Year on year ratio (%)
Photovoltaic business	4,530,750	48.0

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