April 9, 2014

Summary of Financial Results for the Second Quarter of Fiscal Year Ending August 31, 2014

(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: 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, 2014 (September 1, 2013 through February 28, 2014)

(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	%
Six months ended February 28, 2014	7,264	273.3	136	-	191	-	(160)	-
Six months ended February 28, 2013	1,946	(54.0)	(660)	-	(355)	-	(372)	-

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended February 28, 2014	(7.26)	-
Six months ended February 28, 2013	(16.89)	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of February 28, 2014	12,218	4,386	35.9
As of August 31, 2013	11,139	4,148	37.2

[Reference] Shareholders' equity (million yen): February 28, 2014: 4,386 August 31, 2013: 4,148

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended August 31, 2013	-	0.00	-	0.00	0.00
Year ending August 31, 2014	-	0.00			
Year ending August 31, 2014 (forecast)			-	-	-

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

[Note] The amount of year-end dividends for 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	16,025	253.7	401	-	382	-	50	-	2.29

[Notes] 1. Revision of consolidated forecast during the period: Yes

2. 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. Also the contract module assembly business is at the full-scale launching stage. 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) Adoption of simplified accounting methods and special accounting methods: 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

February 28, 2014:	22,052,426 shares
August 31, 2013:	22,052,426 shares

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

February 28, 2014:	435 shares
August 31, 2013:	435 shares

3) Average number of shares during the period

Six months ended February 28, 2014:	22,051,991 shares
Six months ended February 28, 2013:	22,052,021 shares

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1. Qualitative Information Concerning Financial Results for the Second Quarter Ended February 28, 2014

(1) Qualitative information about consolidated results of operations

During the quarter ended on February 28, 2014, a tendency of gradual recovery in Japanese economy was seen. This is because personal consumption was increasing as a last-minute rush before consumption tax hike and because weak yen supported export recovery. However, uncertainties of overseas economy still remained as the risk pushing down the Japanese economy.

In the photovoltaic (hereinafter referred to as "PV") industry, to which the NPC Group, hereinafter referred to as "the Group", belongs, supply and demand balance has been stabilizing along with ongoing consolidation of PV manufacturers and global increase in demand of PV systems installation. Under such circumstances, PV manufacturers, who are its customers, improved production efficiency and strengthened production capacity primarily by raising utilization ratio or upgrading their existing equipment. As a result, capital expenditures on new equipment were very limited.

Thus, the Group's equipment related business was affected by delay sales booking or slow recovery in capital expenditures. On the other hand, sales of the entire Group have been on track due to the steady production in the contract module assembly business. SG&A reduction by around 37% compared to the previous year and maintaining the utilization ratio at a high level reduced costs and secured profit in line with the Group's plan.

The Group booked an extraordinary income of 134 million yen of subsidy from Ehime prefecture, which has been included in the Group's business forecast.

As a result of the above activities, consolidated net sales were 7,264 million yen, 373.3% of the same period of the previous fiscal year. Operating income was 136 million yen, compared with operating loss of 660 million yen in the same period of the previous fiscal year. Ordinary income was 191 million yen, compared with ordinary loss of 355 million yen in the same period of the previous fiscal year. Net loss was 160 million yen, compared with that of 372 million yen in the same period of the previous fiscal year.

The financial results by segment are as follows:

1) Equipment related business

Sales of equipment related business were 1,420 million yen, mainly booked from the order backlog at the end of the previous fiscal year. As for profits, operating income was 110 million yen as the Group had improved gross profit margin through its efforts to reduce costs, reduction of SG&A, etc.

2) Contract module assembly business

As for contract module assembly business, the quantities agreed in the contracts with the customers were steadily booked as sales. Also the Group strived to decrease the defect rate through proper maintenance of manufacturing equipment. As a result, sales of contract module assembly business were 5,843 million yen and operating income was 215 million yen.

[Note]

Year-on-year ratios by segment are not shown as the results by each segment are newly shown in the fiscal year 2014 and it is practically difficult to create them by tracing back the necessary financial information. As for respective segment, please refer to "4. Other Information."

(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" announced on April 9, 2014.

2. Going Concern Assumption

The Group's sales were 7,264 million yen, 373.3% of the sales for the same period of the previous fiscal year and the amount of cash and deposits increased to 1,723 million yen from 972 million yen at the end of the previous fiscal year. As for profits, the operating income was 136 million yen in the second quarter of this fiscal year, however, the operating loss had been booked for the three consecutive years until the fiscal year 2013. 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) Establishing profitable structure in equipment related business

In R&D, the Group has been striving to increase the added values of the existing machines in order to create products with high values and high profitability. In the second quarter of the fiscal year 2014, it introduced a tabbing & stringing machine with process speed doubling that of the conventional machine of the Group. In productivity, the Group has been tackling with increasing profitability through maintaining the factory utilization ratio at a high level by optimization of manufacturing departments and efficient outsourcing. In sales, the Group has been thriving to secure sales and profitability by in-taking demands of remodeling and relocating existing equipment and installing new equipment from major PV manufacturers or new customers, utilizing the Group's competitive edge of the world No.1 delivery records and deep relationship with main customers.

2) Stabilizing contract module assembly business

The Group has been thriving to stabilize productivity, which leads to securing stable profitability by utilizing knowhow and experience as a module equipment manufacturer. To be more concrete, the Group has been tackling with improvement of utilization ratio and yield ratio through elaborate maintenance of the equipment and improvement of production efficiency by remodeling the installed equipment for automatization. The Group also expects that utilizing knowledge and experience obtained through this business for improvement of manufacturing equipment and its sales will contribute to enhance the Group's competitiveness in equipment related business.

3) Establishing new business domain

Aiming to expand business domain in the PV industry and secure sales and profits, the Group has been developing business into PV systems process. To be more concrete, the Group has been providing maintenance service using the inspection machine "EPTiF" that performs quality inspection of already-installed PV systems on site for the first time in the industry and coating material that prevents degradation of power generation. The Group has also started providing environmental products such as power conditioners for industrial use, low-cost and large-capacity Li-ion batteries, etc.

4) Strengthening financial structure

The Group had been striving to improve cash collection by widening application of inventories for PV module manufacturing equipment. The Group had also been striving to collect advances received aiming to securely collect cash and had improved management system of cash collecting schedule for thorough collection of accounts receivable. 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 Second Quarter Ended February 28, 2014

(September 1, 2013 through February 28, 2014)

(1) Consolidated balance sheets

(Thousand yen)

	As of August 31, 2013	As of February 28, 2014
Assets		
Current assets		
Cash and deposits	972,691	1,723,214
Notes and accounts receivable-trade	1,357,544	1,680,770
Merchandise and finished goods	56,236	104,783
Work in progress	1,686,018	1,634,913
Raw materials and supplies	626,143	593,609
Other	194,366	182,905
Allowance for doubtful accounts	(236,052)	(61,212)
Total current assets	4,656,949	5,858,985
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	4,307,085	4,306,701
Accumulated depreciation	(767,363)	(854,668)
Building and structures, net	3,539,722	3,452,032
Machinery and equipment	550,004	591,172
Accumulated depreciation	(73,141)	(79,949)
Accumulated impairment loss	(438,474)	(422,352)
Machinery and equipment, net	38,388	88,870
Land	2,063,794	2,063,794
Lease assets	-	763,520
Accumulated depreciation	-	(146, 274)
Lease assets, net	-	617,245
Construction in progress	671,012	-
Other	318,534	261,413
Accumulated depreciation	(278,552)	(228,866)
Other, net	39,981	32,547
Total property, plant and equipment	6,352,900	6,254,490
Intangible assets		
Other	35,240	25,937
Total intangible assets	35,240	25,937
Investments and other assets		
Long-term loans receivable	-	1,991,437
Claims provable in bankruptcy, claims provable in rehabilitation and other	63,506	444,613
Other	93,570	79,107
Allowance for doubtful accounts	(62,282)	(2,436,050)
Total investments and other assets	94,793	79,107
Total noncurrent assets	6,482,934	6,359,535
Total assets	11,139,884	12,218,520

(Thousand yen)

	As of August 31, 2013	As of February 28, 2014
Liabilities		
Current liabilities		
Notes and accounts payable-trade	1,236,688	2,289,673
Short-term loans payable	3,000,000	3,000,000
Current portion of long-term loans payable	700,000	700,000
Lease obligations	-	277,570
Income taxes payable	24,009	20,521
Advances received	442,948	178,810
Provision for loss on liquidation of subsidiaries and affiliates	205,814	115,410
Provision for loss on order received	-	49,471
Other	487,292	238,275
Total current liabilities	6,096,752	6,869,732
Noncurrent liabilities		
Long-term loans payable	875,000	525,000
Lease obligations	-	381,919
Deferred tax liabilities	19,667	18,277
Other	-	36,907
Total noncurrent liabilities	894,667	962,104
Total liabilities	6,991,420	7,831,836
Net assets		
Shareholders' equity		
Capital stock	2,812,461	2,812,461
Capital surplus	2,734,875	2,734,875
Retained earnings	(1,067,921)	(1,196,753)
Treasury stock	(431)	(431)
Total shareholders' equity	4,478,984	4,350,152
Accumulated other comprehensive income		
Foreign currency translation adjustment	(330,520)	36,531
Total accumulated other comprehensive income	(330,520)	36,531
Total net assets	4,148,464	4,386,683
Total liabilities and net assets	11,139,884	12,218,520

(2) Consolidated statement of income

(Thousand yen)

	Six months ended February 28, 2013	Six months ended February 28, 2014
Net sales	1,946,102	7,264,064
Cost of sales	1,622,253	6,512,645
Gross profit	323,849	751,419
Selling, general and administrative expenses	984,191	614,890
Operating income (loss)	(660,341)	136,528
Non-operating income		
Interest income	382	213
Foreign exchange gains	335,206	164,749
Other	28,499	114,088
Total non-operating income	364,088	279,052
Non-operating expenses		
Interest expenses	29,625	55,974
Provision of allowance for doubtful accounts	-	149,802
Commission fee	27,561	15,699
Other	1,636	2,677
Total non-operating expenses	58,824	224,154
Ordinary income (loss)	(355,077)	191,426
Extraordinary income		
Subsidy	-	134,184
Total extraordinary income	-	134,184
Extraordinary loss		
Reversal of foreign currency translation adjustment	-	483,306
Total extraordinary loss	-	483,306
Loss before income taxes and minority interests	(355,077)	(157,696)
Income taxes-current	8,225	3,443
Income taxes-deferred	9,134	(1,083)
Total income taxes	17,359	2,360
Loss before minority interests	(372,437)	(160,056)
Net income (loss)	(372,437)	(160,056)

(3) Consolidated statement of cash flows

(Thousand yen)

	Six months ended February 28, 2013	Six months ended February 28, 2014
Net cash provided by (used in) operating activities		
Loss before income taxes and minority interests	(355,077)	(157,696)
Depreciation and amortization	151,219	241,912
Increase (decrease) in allowance for doubtful accounts	61,834	100,404
Increase (decrease) in provision for loss on order received	(28,281)	49,471
Interest and dividends income	(382)	(213)
Interest expenses	29,625	55,974
Foreign exchange losses (gains)	(374,179)	(141,245)
Subsidy income	-	(134,184)
Reversal on foreign currency translation adjustment	-	483,306
Decrease (increase) in notes and accounts receivable-trade	239,484	(533,126)
Decrease (increase) in inventories	628,676	36,391
Increase (decrease) in notes and accounts payable-trade	(178,707)	1,032,035
Increase (decrease) in advances received	(63,840)	(178,939)
Other, net	(40,499)	48,986
Subtotal	69,871	903,076
Interest and dividends income received	382	213
Interest expenses paid	(29,619)	(56,541)
Income taxes paid	(7,581)	20,983
Net cash provided by (used in) operating activities	33,051	867,732
Net cash provided by (used in) investing activities		
Payments into time deposits	(4,220)	(12,484)
Purchase of property, plant and equipment	(27,727)	(348,490)
Sale of property, plant and equipment	2,636	-
Purchase of intangible assets	(859)	-
Other, net	(2,945)	8,766
Net cash provided by (used in) investing activities	(33,117)	(352,207)
Net cash provided by (used in) financing activities		
Repayment of long-term loans payable	(353,013)	(350,000)
Repayments of finance lease obligations	-	(142,205)
Proceeds from sales and leaseback	-	801,696
Purchase of treasury stock	(13)	-
Cash dividends paid	(760)	(510)
Net cash provided by (used in) financing activities	(353,787)	308,979
Effect of exchange rate change on cash and cash equivalents	76,427	7,351
Net increase (decrease) in cash and cash equivalents	(277,426)	831,855
Cash and cash equivalents at beginning of period	1,223,386	972,691
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	-	(93,816)
Cash and cash equivalents at end of period	945,960	1,710,730

4. Other Information

(1) Production, Orders, and Sales

1) Production

Production amounts by segment in the period are as follows:

(Thousand yen)

Segment	Six months ended February 28, 2014	Year-on-year ratio (%)
Equipment related business	1,211,359	-
Contract module assembly business	5,959,264	-
Total	7,170,624	622.7

[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 segment in the period are as follows:

(Thousand yen)

Segment	Orders received	Year on year ratio (%)	Order backlog	Year-on-year ratio (%)
Equipment related business	1,650,431	-	3,315,231	-
Contract module assembly business	(254,163)	-	13,618,520	-
Total	1,396,267	32.8	16,933,751	245.6

[Notes] 1. The above amounts are exclusive of consumption taxes.
2. Orders received for contract module assembly business are negative due to unit price change resulting from changes in quantity and unit price of raw materials because of the customers' production schedule adjustment.

3) Sales

Sales by segment in the period are as follows:

(Thousand yen)

Segment	Six months ended February 28, 2014	Year-on-year ratio (%)
Equipment related business	1,420,079	-
Contract module assembly business	5,843,984	-
Total	7,264,064	373.3

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

※ Year-on-year ratios by segment are not shown as the results by each segment are newly shown in the fiscal year 2014 and it is practically difficult to create them by tracing back necessary financial information. The details of each segment are as follows:

Equipment related business – business related to R&D, production, and sales of PV module manufacturing equipment, vacuum packing machines, automation systems, etc.

Contract module assembly business – business related to contract module assembly business