October 8, 2014

Summary of Financial Results for the Fiscal Year Ended August 31, 2014

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

Company name: NPC Incorporated — Listing: Mothers of TSE
Stock code: 6255 — URL: http://www.npcgroup.net/eng/
Representative: Masafumi Ito, President & CEO
Contact: Research and Planning Department
Tel: +81-(0)3-5615-5069

General meeting of shareholders: November 27, 2014
Filing date of securities report: November 28, 2014
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, 2014 (September 1, 2013 through August 31, 2014)

(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, 2014	15,696	246.5	467	-	443	-	124	-
Year ended August 31, 2013	4,530	(52.0)	(1,573)	-	(1,169)	-	(2,282)	-

	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, 2014	5.65	-	2.8	3.8	3.0
Year ended August 31, 2013	(103.51)	-	(42.4)	(9.5)	(34.7)

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of August 31, 2014	12,419	4,669	37.6	211.76
As of August 31, 2013	11,139	4,148	37.2	188.12

[Reference] Shareholders' equity (million yen): August 31, 2014: 4,669 August 31, 2013: 4,148

(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, 2014	1,916	(347)	(226)	2,228
As of August 31, 2013	749	(333)	(711)	972

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, 2013	-	0.00	-	0.00	0.00	-	-	-
Year ended August 31, 2014	-	0.00	-	0.00	0.00	-	-	-
Year ending August 31, 2015 (forecast)	-	0.00	-	0.00	0.00		-	

3. Consolidated Forecast for the Fiscal Year Ending August 31, 2015 (September 1, 2014 through August 31, 2015)

(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
1st half ending February 28, 2015	7,895	8.7	166	21.9	106	(44.5)	92	-	4.18
Year ending August 31, 2015	11,357	(27.6)	255	(45.4)	141	(68.1)	124	0.1	5.66

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: None

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, 2014: 22,052,426 shares

August 31, 2013: 22,052,426 shares

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

August 31, 2014: 435 shares

August 31, 2013: 435 shares

3) Average number of shares during the period

Fiscal year ended August 31, 2014: 22,051,991 shares

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

[Reference]

1. Non-Consolidated Financial Results for the Year Ended August 31, 2014 (September 1, 2013 through August 31, 2014)

(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, 2014	15,573	335.4	379	-	310	-	478	-
Year ended August 31, 2013	3,576	(56.1)	(1,052)	-	(633)	-	(3,405)	-

	Earnings per share	Diluted earnings per share
	Yen	Yen
Year ended August 31, 2014	21.70	-
Year ended August 31, 2013	(154.44)	-

(2) Non-Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of August 31, 2014	12,212	4,491	36.8	203.68
As of August 31, 2013	10,766	4,012	37.3	181.98

[Reference] Shareholders' equity (million yen): August 31, 2014: 4,491 August 31, 2013: 4,012

2. Non-Consolidated Forecast for the Year Ending August 31, 2015 (September 1, 2014 through August 31, 2015)

	Sales		Operating income		Ordinary income		Net income		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
1st half ending February 28, 2015	7,885	10.0	163	116.3	103	22.9	89	(58.8)	4.05
Year ending August 31, 2015	11,338	(27.2)	249	(34.3)	135	(56.3)	118	(75.2)	5.38

* Indication of the implementation status of the quarterly review procedure

The Financial Results for the Fiscal Year Ended August 31, 2014 is exempt from the auditing procedure stipulated in the Financial Instruments and Exchange Act. The auditing procedure for the 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, 2014: (2) Qualitative information about consolidated earnings forecast" for details.

1. Qualitative Information Concerning Financial Results for the Fiscal Year Ended August 31, 2014 2
(1) Qualitative information about consolidated results of operations 2
(2) Qualitative information about consolidated earnings forecast 2
(3) Basic policy on profit allocation and dividends in the current and next fiscal years 3
2. Notes on Going Concern Assumption 3
3. Consolidated Financial Statements for the Fiscal Year Ended August 31, 2014 4
(1) Consolidated balance sheets 4
(2) Consolidated statement of income 6
(3) Consolidated statement of cash flows 7
4. Other Information 8
(1) Production, Orders, and Sales 8
1) Production 8
2) Orders 8
3) Sales 8

1. Qualitative Information Concerning Financial Results for the Fiscal Year Ended August 31, 2014

(1) Qualitative information about consolidated results of operations

During the fiscal year ended on August 31, 2014, a tendency of gradual recovery in Japanese economy was seen while weakening yen and various political strategies such as improving employment environment have taken effects. However, backlash against last-minute demand before tax hike and uncertainties of overseas economy 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 steadily with the background of feed-in-tariff system for renewable energy. Globally, markets of USA, China, etc. have seen demand increase and competitive PV manufacturers have been clarified. As a result, demand and supply balance has been steady. Under such circumstances, module manufacturers, who are the Group's main customers, have enhanced production efficiencies and capacities by improving operating rates or upgrading existing equipment while they have secured production quantities by OEM as needed.

The sales of the Group were on track with its plan despite some sales booking delay in equipment related business. The Group booked sales mainly from upgrading equipment and continued steady production in contract module assembly business. It also secured profits almost as its plan due to cost and expenses reduction such as around 46% reduction in SG&A, operating rate maintained at a high level, etc.

As a result of the above activities, the consolidated net sales were 15,696 million yen, 346.5% of the previous fiscal year. Operating income was 467 million yen compared with operating loss of 1,573 million yen in the previous fiscal year. Ordinary income was 443 million yen compared with ordinary loss of 1,169 million yen in the previous fiscal year. Net income was 124 million yen compared with net loss of 2.282 million yen in the previous fiscal year.

Financial results by segment are as follows:

a) Equipment related business

Sales were 3,239 million yen due to sales booking mainly from order backlog in the previous fiscal year and upgrading despite sales booking delay in some orders. Operating income was 334 million yen due to improvement of gross profit by cost reduction through increase in operating rate, etc.

b) Contract module assembly business

The Group sold the contracted quantities steadily and improved loss rate by appropriate maintenance of the assembly lines and improvement of working efficiencies. As a result, sales were 12,457 million yen and operating income was 506 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 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

(2) Qualitative information about consolidated earnings forecast

In the fiscal year ending August 31, 2015, the Group assumes that the sales of module manufacturing equipment will be at the same level as that of the fiscal year 2014 due to the global prevalence of photovoltaic modules. As for the contract module assembly business, the Group assumes steady sales in the first half according to the existing contracts whilst contracts in the second half are under negotiation with plural customers and yet to be decided. Therefore, the Group forecasts the sales based only on the order backlog fixed at the end of August, 2014. The Group expects the profitable fiscal year even if the sales of the contract module assembly business will be generated by this order backlog only. This is because the Group has already established profitable business structure by its efforts so far such as cost improvement, expenses reduction, etc.

As a result of the above activities, the consolidated business forecast for the fiscal year 2015 will be: sales at 11,357 million yen, 72.4% of the previous fiscal year; operating income at 255 million yen, 54.6% of the previous fiscal year; ordinary income at 141 million yen, 31.9% of the previous fiscal year; net income at 124 million yen, 100.1% of the previous fiscal year.

(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 negative retained earnings during the fiscal year ended August 31, 2014 and regrets to say that there will be no year-end dividend. The Group forecasts that dividend will be paid when the retained earnings turn positive and that there will be no dividend payment for the fiscal year 2015 accordingly**.**

The Group adopts interim dividend which complies with the paragraph 5 of the article 454 of the Companies Act.

2. Notes on Going Concern Assumption

None

3. Consolidated Financial Statements for the Fiscal Year Ended August 31, 2014 (September 1, 2013 through August 31, 2014)

(1) Consolidated balance sheets

(Thousand yen)

	As of August 31, 2013	As of August 31, 2014
Assets		
Current assets		
Cash and deposits	972,691	2,399,381
Notes and accounts receivable-trade	1,357,544	1,946,397
Merchandise and finished goods	56,236	66,092
Work in progress	1,686,018	1,378,091
Raw materials and supplies	626,143	620,362
Other	194,366	102,847
Allowance for doubtful accounts	(236,052)	(87,751)
Total current assets	4,656,949	6,425,421
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	4,307,085	4,231,287
Accumulated depreciation	(767,363)	(912,295)
Building and structures, net	3,539,722	3,318,991
Machinery and equipment	550,004	591,172
Accumulated depreciation	(73,141)	(88,564)
Accumulated impairment loss	(438,474)	(422,352)
Machinery and equipment, net	38,388	80,255
Land	2,063,794	2,043,719
Lease assets	-	763,520
Accumulated depreciation	-	(292,549)
Lease assets, net	-	470,970
Construction in progress	671,012	4,409
Other	318,534	249,983
Accumulated depreciation	(278,552)	(222,489)
Other, net	39,981	27,494
Total property, plant and equipment	6,352,900	5,945,841
Intangible assets		
Other	35,240	20,379
Total intangible assets	35,240	20,379
Investments and other assets		
Other	157,076	196,848
Allowance for doubtful accounts	(62,282)	(169,022)
Total investments and other assets	94,793	27,826
Total noncurrent assets	6,482,934	5,994,047
Total assets	11,139,884	12,419,468

[Note] The numbers parenthesized represent minus figures.

(Thousand yen)

	As of August 31, 2013	As of August 31, 2014
Liabilities		
Current liabilities		
Notes and accounts payable-trade	1,236,688	2,631,136
Short-term loans payable	3,000,000	3,000,000
Current portion of long-term loans payable	700,000	652,000
Lease obligation	-	208,264
Income taxes payable	24,009	50,693
Advances received	442,948	250,290
Provision for loss on liquidation of subsidiaries and affiliates	205,814	115,410
Other	487,292	302,476
Total current liabilities	6,096,752	7,210,271
Noncurrent liabilities		
Long-term loans payable	875,000	161,285
Lease obligation	-	327,836
Deferred tax liabilities	19,667	16,712
Other	-	33,552
Total noncurrent liabilities	894,667	539,386
Total liabilities	6,991,420	7,749,658
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)	(912,135)
Treasury stock	(431)	(431)
Total shareholders' equity	4,478,984	4,634,770
Accumulated other comprehensive income		
Foreign currency translation adjustment	(330,520)	35,039
Total accumulated other comprehensive income	(330,520)	35,039
Total net assets	4,148,464	4,669,809
Total liabilities and net assets	11,139,884	12,419,468

[Note] The numbers parenthesized represent minus figures.

(2) Consolidated statement of income

(Thousand yen)

	Year ended August 31, 2013	Year ended August 31, 2014
Net sales	4,530,750	15,696,798
Cost of sales	4,095,378	14,145,383
Gross profit	435,372	1,551,415
Selling, general and administrative expenses	2,008,668	1,083,751
Operating income (loss)	(1,573,296)	467,664
Non-operating income		
Interest income	914	462
Foreign exchange gain	446,202	117,336
Refunded consumption taxes	-	37,059
Reversal of provision for loss on liquidation of subsidiaries and affiliates	-	41,257
Other	83,601	39,615
Total non-operating income	530,719	235,731
Non-operating expenses		
Interest expenses	57,833	104,753
Bad debts written off	-	101,298
Commission fee	49,416	33,205
Other	19,543	20,641
Total non-operating expenses	126,794	259,899
Ordinary income (loss)	(1,169,370)	443,496
Extraordinary income		
Gain on sales of noncurrent assets	-	59,401
Subsidy	226,975	134,184
Other	5,018	-
Total extraordinary income	231,993	193,585
Extraordinary loss		
Reversal of foreign currency translation adjustment	-	483,306
Impairment loss	438,474	-
Loss on liquidation of subsidiaries and affiliates	867,861	-
Total extraordinary losses	1,306,335	483,306
Income (Loss) before income taxes and minority interests	(2,243,712)	153,775
Income taxes-current	9,243	31,861
Refund of income taxes	(19,665)	-
Income taxes-deferred	49,265	(2,647)
Total income taxes	38,842	29,214
Income (Loss) before minority interests	(2,282,555)	124,561
Net income (loss)	(2,282,555)	124,561

[Note] The numbers parenthesized represent minus figures.

(3) Consolidated statement of cash flows

(Thousand yen)

	Year ended August 31, 2013	Year ended August 31, 2014
Net cash provided by (used in) operating activities		
Loss before income taxes and minority interests	(2,243,712)	153,775
Depreciation and amortization	321,772	484,464
Impairment loss	438,474	-
Increase (decrease) in allowance for doubtful accounts	240,435	122,238
Increase (decrease) in provision for loss on order received	(39,966)	-
Interest and dividends income	(914)	(462)
Interest expenses	57,833	104,753
Loss (gain) on foreign exchange	(459,721)	(96,235)
Loss (gain) on sales of tangible assets	-	(59,401)
Subsidy income	(226,975)	(134,184)
Reversal of foreign currency translation adjustment	-	483,306
Losses on liquidation of subsidies and affiliates	867,861	-
Decrease (increase) in notes and accounts receivable-trade	150,133	(799,253)
Decrease (increase) in inventories	1,203,882	304,804
Increase (decrease) in notes and accounts payable-trade	663,140	1,648,664
Increase (decrease) in advances received	(121,859)	(107,458)
Other, net	(256,138)	(241,020)
Subtotal	594,245	1,863,991
Interest and dividends income received	914	450
Interest expenses paid	(57,934)	(101,971)
Proceeds from subsidy	226,975	134,184
Payments for special retirement expenses	(3,780)	-
Income taxes (paid) refund	(11,057)	19,831
Net cash provided by (used in) operating activities	749,364	1,916,486
Net cash provided by (used in) investing activities		
Payments into time deposits	(4,220)	(199,492)
Proceeds from withdrawal of time deposits	4,220	28,402
Purchase of property, plant and equipment and intangible assets	(342,276)	(357,917)
Proceeds from sales of property, plant and equipment	10,508	124,690
Other, net	(1,321)	56,388
Net cash provided by (used in) investing activities	(333,089)	(347,929)
Net cash provided by (used in) financing activities		
Repayment of long-term loans payable	(710,205)	(761,715)
Repayments for lease obligations	-	(265,594)
Proceeds from sale and leaseback	-	801,696
Purchase of treasury stock	(13)	-
Cash dividends paid	(819)	(524)
Net cash provided by (used in) financing activities	(711,038)	(226,138)
Effect of exchange rate change on cash and cash equivalents	102,490	6,996
Net increase (decrease) in cash and cash equivalents	(192,273)	1,349,415
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	(58,420)	(93,816)
Cash and cash equivalents at end of period	972,691	2,228,291

[Note] The numbers parenthesized represent minus figures.

4. Other Information

(1) Production, Orders, and Sales

1) Production

Production amounts by segment in the period are as follows:

(Thousand yen)

Segment	Year ended August 31, 2014	Year-on-year ratio (%)
Equipment related business	2,616,641	-
Contract module assembly business	12,567,341	-
Total	15,183,983	683.6

[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	1,104,783	-	949,997	-
Contract module assembly business	566,538	-	7,826,073	-
Total	1,671,321	7.3	8,776,071	38.5

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

3) Sales

Sales by segment in the period are as follows:

(Thousand yen)

Segment	Year ended August 31, 2014	Year-on-year ratio (%)
Equipment related business	3,239,665	-
Contract module assembly business	12,457,133	-
Total	15,696,798	346.5

[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