April 7, 2015

Summary of Financial Results for the Second Quarter of Fiscal Year Ending August 31, 2015

(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: https://www.npcgroup.net/eng/
Representative: Masafumi Ito, President & CEO
Contact: Research and Planning Department
Tel: +81-(0)3-6240-1206

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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, 2015 (September 1, 2014 through February 28, 2015)

(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	%
6 months ended February 28, 2015	6,302	(13.2)	451	230.6	379	98.0	523	-
6 months ended February 28, 2014	7,264	273.3	136	-	191	-	(160)	-

	Earnings per share	Diluted earnings per share
	Yen	Yen
6 months ended February 28, 2015	23.74	-
6 months ended February 28, 2014	(7.26)	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of February 28, 2015	10,268	5,227	50.9
As of August 31, 2014	12,419	4,669	37.6

[Reference] Shareholders' equity (million yen): February 28, 2015: 5,227 August 31, 2014: 4,669

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended August 31, 2014	-	0.00	-	0.00	0.00
Year ending August 31, 2015	-	0.00			
Year ending August 31, 2015 (forecast)			-	0.00	0.00

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

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
Full year of FY2015	9,550	(39.2)	577	23.4	412	(7.0)	537	331.7	24.38

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

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, 2015: 22,052,426 shares
August 31, 2014: 22,052,426 shares

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

February 28, 2015: 435 shares
August 31, 2014: 435 shares

3) Average number of shares during the period

Three months ended February 28, 2015: 22,051,991 shares
Three months ended February 28, 2014: 22,051,991 shares

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1. Qualitative Information Concerning Financial Results for the Second Quarter Ended February 28, 2015

(1) Qualitative information about consolidated results of operations

During the quarter ended on February 28, 2015, a tendency of gradual recovery in the Japanese economy was seen due to the improvement in profitability and employment environment under the effects of various policies. However, slow personal consumption along with the price hike 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, demand for PV system installation has been expanding not only in Japan but also throughout the world. Therefore, PV manufacturers, who are the customers of the Group, have been increasing capital expenditure on new equipment as well as production capacities improvement by upgrading existing equipment, with the utilization ratio of their factories further improving. Also, since more attention has been focused on long-term reliability of PV systems, importance of maintenance of PV systems has been further recognized in the market.

Under such circumstances, the sales of the Group were almost on track due to the sales booked mainly from order backlog under the stable production structure. The inspection equipment for PV systems, the new products of the Group, and equipment parts also contributed to the sales. Profitability exceeded the forecast due to reduction in costs and expenses and sales of equipment parts. The Group successfully collected part of the claim written off as allowance for doubtful accounts booked in the fiscal years 2013 and 2014, thus the reduction in SG&A also contributed to the profitability.

As a result of the above factors, consolidated net sales were 6,302 million yen, 86.8% of that of the same period of the previous year. Operating income was 451 million yen, 330.6% of that of the same period of the previous year. Ordinary income was 379 million yen, 198.0% of that of the same period of the previous year. Net income was 523 million yen, compared with the net loss of 160 million yen in the same period of the previous year.

The financial results by business segment are as follows:

1) Equipment Related Business

Sales of equipment related business were 1,414 million yen, 99.6% of that of the previous year, mainly booked from the order backlog. Sales of equipment parts, PV system related equipment, and maintenance service also contributed to the business results. As for profits, the Group maintained the gross profit margin at a high level due to reduction in costs and increase in sales of equipment parts. The Group also successfully collected the claim written off as allowance for doubtful accounts after the persistent negotiations as stated above. The operating income was 410 million yen, 370.2% of that of the same period of the previous year.

2) Contract Module Assembly Business

The quantities agreed in the contracts with the customers were constantly booked as sales even though the quantity was changed in the contract period. The Group also strived to decrease the defect rate through proper maintenance of manufacturing equipment and improvement in operating efficiency. As a result, sales of contract module assembly business were 4,888 million yen, 83.6% of that of the same period of the previous year and operating income was 225 million yen, 104.6% of that of the same period of the previous year.

(2) Qualitative information about consolidated earnings forecast

The business forecast for the full year is the same as the forecast in the "Announcement on Differences between Business Forecasts and Results for the First Half Ended February 28, 2015 and Revision of Business Forecast" released on April 7, 2015.

2. Consolidated Financial Statements for the Second Quarter Ended February 28, 2015 (September 1, 2014 through February 28, 2015)

(1) Consolidated balance sheets

(Thousand yen)

	As of August 31, 2014	As of February 28, 2015
Assets		
Current assets		
Cash and deposits	2,399,381	2,136,747
Notes and accounts receivable-trade	1,946,397	712,315
Merchandise and finished goods	66,092	11,214
Work in progress	1,378,091	1,141,377
Raw materials and supplies	620,362	470,012
Other	102,847	64,457
Allowance for doubtful accounts	(87,751)	(44,551)
Total current assets	6,425,421	4,491,573
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	4,231,287	4,231,287
Accumulated depreciation	(912,295)	(1,003,012)
Building and structures, net	3,318,991	3,228,275
Machinery and equipment	591,172	587,695
Accumulated depreciation	(88,564)	(91,997)
Accumulated impairment loss	(422,352)	(422,352)
Machinery and equipment, net	80,255	73,345
Land	2,043,719	2,043,719
Lease assets	763,520	763,520
Accumulated depreciation	(292,549)	(438,823)
Lease assets, net	470,970	324,696
Construction in progress	4,409	4,247
Other	249,983	256,211
Accumulated depreciation	(222,489)	(224,613)
Other, net	27,494	31,597
Total property, plant and equipment	5,945,841	5,705,882
Intangible assets		
Other	20,379	25,187
Total intangible assets	20,379	25,187
Investments and other assets		
Other	196,848	46,471
Allowance for doubtful accounts	(169,022)	(1,090)
Total investments and other assets	27,826	45,381
Total noncurrent assets	5,994,047	5,776,452
Total assets	12,419,468	10,268,025

[Note] The numbers parenthesized represent minus figures.

(Thousand yen)

	As of August 31, 2014	As of February 28, 2015
Liabilities		
Current liabilities		
Notes and accounts payable-trade	2,631,136	630,302
Short-term loans payable	3,000,000	3,000,000
Current portion of long-term loans payable	652,000	487,285
Lease obligations	208,264	82,641
Income taxes payable	50,693	27,732
Advances received	250,290	125,751
Provision for loss on liquidation of subsidiaries and affiliates	115,410	115,410
Provision for loss on order received	-	12,565
Other	302,476	213,584
Total current liabilities	7,210,271	4,695,273
Noncurrent liabilities		
Long-term loans payable	161,285	-
Lease obligations	327,836	299,278
Deferred tax liabilities	16,712	15,414
Other	33,552	30,196
Total noncurrent liabilities	539,386	344,890
Total liabilities	7,749,658	5,040,163
Net assets		
Shareholders' equity		
Capital stock	2,812,461	2,812,461
Capital surplus	2,734,875	2,734,875
Retained earnings	(912,135)	(388,627)
Treasury stock	(431)	(431)
Total shareholders' equity	4,634,770	5,158,278
Accumulated other comprehensive income		
Foreign currency translation adjustment	35,039	69,583
Total accumulated other comprehensive income	35,039	69,583
Total net assets	4,669,809	5,227,861
Total liabilities and net assets	12,419,468	10,268,025

[Note] The numbers parenthesized represent minus figures.

(2) Consolidated statement of income

(Thousand yen)

	Six months ended February 28, 2014	Six months ended February 28, 2015
Net sales	7,264,064	6,302,542
Cost of sales	6,512,645	5,541,788
Gross profit	751,419	760,754
Selling, general and administrative expenses	614,890	309,451
Operating income	136,528	451,303
Non-operating income		
Interest income	213	275
Foreign exchange gains	164,749	-
Other	114,088	1,182
Total non-operating income	279,052	1,458
Non-operating expenses		
Interest expenses	55,974	40,005
Provision of allowance for doubtful accounts	149,802	-
Commission fee	15,699	25,493
Foreign exchange loss	-	4,374
Other	2,677	3,868
Total non-operating expenses	224,154	73,741
Ordinary income	191,426	379,019
Extraordinary income		
Subsidy	134,184	-
Compensation income	-	160,141
Total extraordinary income	134,184	160,141
Extraordinary loss		
Reversal of foreign currency translation adjustment	483,306	-
Total extraordinary loss	483,306	-
Income (Loss) before income taxes and minority interests	(157,696)	539,160
Income taxes-current	3,443	16,950
Income taxes-deferred	(1,083)	(1,298)
Total income taxes	2,360	15,652
Income (Loss) before minority interests	(160,056)	523,508
Net income (loss)	(160,056)	523,508

[Note] The numbers parenthesized represent minus figures.

(3) Consolidated statement of cash flows

(Thousand yen)

	Six months ended February 28, 2014	Six months ended February 28, 2015
Net cash provided by (used in) operating activities		
Loss (Income) before income taxes and minority interests	(157,696)	539,160
Depreciation and amortization	241,912	199,125
Increase (decrease) in allowance for doubtful accounts	100,404	(212,054)
Increase (decrease) in provision for loss on order received	49,471	12,565
Interest and dividends income	(213)	(275)
Interest expenses	55,974	40,005
Foreign exchange losses (gains)	(141,245)	-
Subsidy income	(134,184)	-
Reversal on foreign currency translation adjustment	483,306	-
Decrease (increase) in notes and accounts receivable-trade	(533,126)	1,244,877
Decrease (increase) in inventories	36,391	444,947
Increase (decrease) in notes and accounts payable-trade	1,032,035	(2,004,967)
Increase (decrease) in advances received	(178,939)	(127,337)
Other, net	48,986	175,930
Subtotal	903,076	151,836
Interest and dividends income received	213	278
Interest expenses paid	(56,541)	(41,293)
Income taxes gain (paid)	20,983	(39,405)
Net cash provided by (used in) operating activities	867,732	231,557
Net cash provided by (used in) investing activities		
Payments into time deposits	(12,484)	(49,365)
Proceeds from withdrawal of time deposits	-	117,469
Purchase of property, plant and equipment	(348,490)	(12,713)
Sale of property, plant and equipment	-	876
Purchase of intangible assets	-	(12,550)
Other, net	8,766	(16,539)
Net cash provided by (used in) investing activities	(352,207)	27,178
Net cash provided by (used in) financing activities		
Repayment of long-term loans payable	(350,000)	(326,000)
Repayments of finance lease obligations	(142,205)	(154,181)
Proceeds from sales and leaseback	801,696	-
Cash dividends paid	(510)	(12)
Net cash provided by (used in) financing activities	308,979	(480,193)
Effect of exchange rate change on cash and cash equivalents	7,351	26,927
Net increase (decrease) in cash and cash equivalents	831,855	(194,529)
Cash and cash equivalents at beginning of period	972,691	2,228,291
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(93,816)	-
Cash and cash equivalents at end of period	1,710,730	2,033,761

4. Other Information

(1) Production, Orders, and Sales

1) Production

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

(Thousand yen)

Segment	Six months ended February 28, 2015	Year-on-year ratio (%)
Equipment related business	1,208,251	99.7
Contract module assembly business	4,722,277	79.2
Total	5,930,529	82.7

[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 business 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	1,866,760	113.1	1,402,575	42.3
Contract module assembly business	(1,911,696)	-	1,026,016	7.5
Total	(44,936)	-	2,428,591	14.3

[Notes] 1. The above amounts are exclusive of consumption taxes.
2. Orders received for contract module assembly business are negative due to change in quantity during the contracted period and 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 business segment in the period are as follows.

(Thousand yen)

Segment	Six months ended February 28, 2015	Year-on-year ratio (%)
Equipment related business	1,414,181	99.6
Contract module assembly business	4,888,361	83.6
Total	6,302,542	86.8

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