July 9, 2015

Summary of Financial Results for the Third 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

Filing date of securities report: July 15, 2015
Payment date of cash dividends: -
Supplementary materials prepared for quarterly financial results: None
Financial results meeting for institutional investors and securities analysts: None

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

1. Consolidated Financial Results for the Nine Months Ended May 31, 2015 (September 1, 2014 through May 31, 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	%
Nine months ended May 31, 2015	7,213	(34.8)	431	55.7	316	7.6	471	-
Nine months ended May 31, 2014	11,057	247.2	276	-	294	-	(4)	-

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended May 31, 2015	21.38	-
Nine months ended May 31, 2014	(0.20)	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of May 31, 2015	10,933	5,177	47.4
As of August 31, 2014	12,419	4,669	37.6

[Reference] Shareholders' equity (million yen): May 31, 2015: 5,177 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
Year ending August 31, 2015	9,550	(39.2)	577	23.4	412	(7.0)	537	331.7	24.38

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

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

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

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

May 31, 2015:	435 shares
August 31, 2014:	435 shares

3) Average number of shares during the period

Nine months ended May 31, 2015:	22,051,991 shares
Nine months ended May 31, 2014:	22,051,991 shares

* Indication of the implementation status of the quarterly review procedure

The Financial Results for the Third Quarter of Fiscal Year Ending August 31, 2015 is exempt from the quarterly review procedure stipulated in the Financial Instruments and Exchange Act. The quarterly review procedure for the Quarterly 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 and do not guarantee the realization of the future performance stated in these materials. Actual results may differ significantly from these forecasts for a number of factors. Please refer to section 1 on page 2 “(2) Qualitative information about consolidated earnings forecast” for details on the above forecasts.

Table of Contents of Attached Materials

1. Qualitative Information Concerning Financial Results for the Third Quarter Ended May 31, 2015 2
(1) Qualitative information about consolidated results of operations 2
(2) Qualitative information about consolidated earnings forecast 2
2. Significant Subsequent Events 2
[Transfer of noncurrent assets] 2
3. Consolidated Financial Statements for the Third Quarter Ended May 31, 2015 4
(1) Consolidated balance sheets 4
(2) Consolidated statement of income 6
4. Other Information 7
(1) Production, Orders, and Sales 7
1) Production 7
2) Orders 7
3) Sales 7

1. Qualitative Information Concerning Financial Results for the Third Quarter Ended May 31, 2015

(1) Qualitative information about consolidated results of operations

During the quarter ended on May 31, 2015, a tendency of moderate recovery in Japanese economy continued as corporate profits and employment environment improved under the effects of various policies and oil prices decline. However, anxiety for slowdown of overseas economy and weak personal consumption along with price hike due to yen depreciation were the risk pushing down Japanese economy.

In the photovoltaic (hereinafter referred to as "PV") industry, to which the NPC Group, hereinafter referred to as "the Group", belongs, demand of PV system installation has been steadily expanding not only internally but also globally, which resulted in further increase in utilization ratios of PV manufacturers, who are the Group's customers. Accordingly, the moves were seen toward capital expenditure on new manufacturing equipment as well as raising production efficiency by upgrading their existing equipment. Also, consciousness of maintenance in the PV industry has further increased in accordance with the increasing attention to importance of long-term reliability.

Under such circumstances, sales of the Group were slightly lower than the forecast due to sales booking delay in some transactions, despite sales booked mainly from order backlog under the stable production structure and contribution of the sales of inspection equipment for PV systems, the new products of the Group, and equipment parts. Profitability, however, was almost on track 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 activities, consolidated net sales were 7,123 million yen, 65.2% of the same period of the previous fiscal year. Operating income was 431 million yen, 155.7% of the same period of the previous fiscal year. Ordinary income was 316 million yen, 107.6% of the same period of the previous fiscal year. Net income was 471 million yen, compared with net loss of 4 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 1,868 million yen, 98.5% 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, however, sales booking delay of some transactions affected the 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 493 million yen, 243.0% of that of the same period of the previous year.

2) Contract Module Assembly Business

Although the quantities agreed in the contracts with the customers were constantly booked as sales, one of the contracts expired and its production ended as of December 31, 2014. As a result, sales of contract module assembly business were 5,345 million yen, 58.4% of that of the same period of the previous year. The Group strived to decrease the defect rate through proper maintenance of manufacturing equipment and improvement in operating efficiency for profitability, however, depreciation of manufacturing equipment negatively affected. As a result, operating income was 217 million yen, 61.7% 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. Significant Subsequent Events

[Transfer of noncurrent assets]

NPC Incorporated, hereinafter referred to as "the Company," concluded a sales contract of noncurrent assets as of June 10, 2015 following the resolution at the Board of Directors' meeting held on May 29, 2015.

(1) Reasons for transfer

The Company relocated the headquarters due to the aging and deteriorating conditions of the previous building, and to increase operational efficiency for expansion of the business. Along with this relocation, the Company decided to transfer the land and building of the previous headquarters to effectively utilize management resources.

(2) Details of the transferred assets

Location:	1-36-5 Minami-senju, Arakawa-ku, Tokyo, Japan
Land:	475.10 m^2
Gross floor area:	867.31 m^2
Purpose of use before transfer:	headquarters office

(3) Outline of transferee

Name:	Riberesute Corporation
Relationship with the Company:	There is no capital, personal, or business relationship between the Company and the transferee. Nor the transferee is a related party to the Company.

(4) Schedule of transfer

Resolution at the Board of Directors' meeting:	May 29, 2015
Contract date:	June 10, 2015
Transfer date:	September 11, 2015

(5) Transfer price

265 million yen

(6) Impact on financial results

The Company expects extraordinary income of approximately 96 million yen of gain from sales of noncurrent assets in the fiscal year 2016.

3. Consolidated Financial Statements for the Third Quarter Ended May 31, 2015

(September 1, 2014 through May 31, 2015)

(1) Consolidated balance sheets

(Thousand yen)

	As of August 31, 2014	As of May 31, 2015
Assets		
Current assets		
Cash and deposits	2,399,381	2,682,139
Notes and accounts receivable-trade	1,946,397	439,143
Merchandise and finished goods	66,092	12,942
Work in progress	1,378,091	1,489,783
Raw materials and supplies	620,362	446,043
Other	102,847	132,508
Allowance for doubtful accounts	(87,751)	(36,963)
Total current assets	6,425,421	5,165,597
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	4,231,287	4,241,369
Accumulated depreciation	(912,295)	(1,048,733)
Building and structures, net	3,318,991	3,192,635
Machinery and equipment	591,172	587,695
Accumulated depreciation	(88,564)	(95,616)
Accumulated impairment loss	(422,352)	(422,352)
Machinery and equipment, net	80,255	69,726
Land	2,043,719	2,043,719
Lease assets	763,520	763,520
Accumulated depreciation	(292,549)	(453,582)
Lease assets, net	470,970	309,937
Construction in progress	4,409	36,729
Other	249,983	253,067
Accumulated depreciation	(222,489)	(207,448)
Other, net	27,494	45,618
Total property, plant and equipment	5,945,841	5,698,367
Intangible assets		
Other	20,379	24,592
Total intangible assets	20,379	24,592
Investments and other assets		
Other	196,848	46,499
Allowance for doubtful accounts	(169,022)	(1,090)
Total investments and other assets	27,826	45,408
Total noncurrent assets	5,994,047	5,768,368
Total assets	12,419,468	10,933,966

(Thousand yen)

	As of August 31, 2014	As of May 31, 2015
Liabilities		
Current liabilities		
Notes and accounts payable-trade	2,631,136	910,029
Short-term loans payable	3,000,000	3,000,000
Current portion of long-term loans payable	652,000	324,285
Lease obligations	208,264	61,730
Income taxes payable	50,693	464
Advances received	250,290	815,305
Provision for loss on liquidation of subsidiaries and affiliates	115,410	115,410
Other	302,476	202,499
Total current liabilities	7,210,271	5,429,724
Noncurrent liabilities		
Long-term loans payable	161,285	-
Lease obligations	327,836	284,676
Deferred tax liabilities	16,712	13,467
Other	33,552	28,519
Total noncurrent liabilities	539,386	326,663
Total liabilities	7,749,658	5,756,388
Net assets		
Shareholders' equity		
Capital stock	2,812,461	2,812,461
Capital surplus	2,734,875	2,734,875
Retained earnings	(912,135)	(440,765)
Treasury stock	(431)	(431)
Total shareholders' equity	4,634,770	5,106,140
Accumulated other comprehensive income		
Foreign currency translation adjustment	35,039	71,436
Total accumulated other comprehensive income	35,039	71,436
Total net assets	4,669,809	5,177,577
Total liabilities and net assets	12,419,468	10,933,966

(2) Consolidated statement of income

(Thousand yen)

	Nine months ended May 31, 2014	Nine months ended May 31, 2015
Net sales	11,057,272	7,213,877
Cost of sales	9,968,962	6,265,247
Gross profit	1,088,309	948,629
Selling, general and administrative expenses	811,448	517,579
Operating income (loss)	276,861	431,050
Non-operating income		
Interest income	244	319
Foreign exchange gains	142,492	-
Other	115,510	2,081
Total non-operating income	258,247	2,401
Non-operating expenses		
Interest expenses	81,456	54,919
Provision of allowance for doubtful accounts	126,767	-
Commission fee	18,064	26,379
Foreign exchange losses	-	5,913
Other	14,387	29,382
Total non-operating expenses	240,674	116,594
Ordinary income (loss)	294,434	316,857
Extraordinary income		
Gain on sales of noncurrent assets	59,401	-
Subsidy	134,184	-
Compensation income	-	160,141
Total extraordinary income	193,585	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	4,713	476,998
Income taxes-current	11,012	8,873
Income taxes-deferred	(1,952)	(3,245)
Total income taxes	9,060	5,627
Loss before minority interests	(4,346)	471,370
Net income (loss)	(4,346)	471,370

4. Other Information

(1) Production, Orders, and Sales

1) Production

Production amounts by segment in the period are as follows:

(Thousand yen)

Segment	Nine months ended May 31, 2015	Year-on-year ratio (%)
Equipment related business	2,198,917	108.3
Contract module assembly business	5,183,526	55.9
Total	7,382,444	65.3

[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 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	2,434,281	104.4	1,515,427	43.1
Contract module assembly business	(1,988,473)	-	492,574	4.7
Total	445,807	20.8	2,008,001	14.5

[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 segment in the period are as follows:

(Thousand yen)

Segment	Nine months ended May 31, 2015	Year-on-year ratio (%)
Equipment related business	1,868,851	98.5
Contract module assembly business	5,345,025	58.4
Total	7,213,877	65.2

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