



April 9, 2013

## Summary of Financial Results for the Second Quarter of Fiscal Year Ending August 31, 2013

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

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

### 1. Consolidated Financial Results for the Six Months Ended February 28, 2013 (September 1, 2012 through February 28, 2013)

(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, 2013	1,946	-54.0	-660	-	-355	-	-372	-
Six months ended February 29, 2012	4,227	-49.5	-672	-	-699	-	-503	-

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended February 28, 2013	-16.89		-	
Six months ended February 29, 2012	-27.09		-	

### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of February 28, 2013	12,477	6,110	49.0
As of August 31, 2012	13,460	6,622	49.2

[Reference] Shareholders' equity (million yen): February 28, 2013: 6,110 August 31, 2012: 6,622

### 2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended August 31, 2012	-	0.00	-	0.00	0.00
Year ending August 31, 2013	-	0.00			
Year ending August 31, 2013 (forecast)			-	-	-

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

[Note] The amount of year-end dividends for the fiscal year 2013 is not determined.

### 3. Consolidated Forecast for the Fiscal Year Ending August 31, 2013 (September 1, 2012 through August 31, 2013)

(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, 2013	8,220	-13.0	-533	-	-212	-	4	-	0.19

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

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## 1. Qualitative Information Concerning Financial Results for the Second Quarter Ended February 28, 2013

### (1) Qualitative information about consolidated results of operations

The Japanese economy during the 6 months ended February 28, 2013 saw a sign of recovery in the environments mainly for exporting companies supported by the weakening yen since the year end of 2012. However, it was still placed in an unforeseeable situation, due to uncertainties in the global economy such as the influence of lingering financial instability in Europe and economic slowdown in emerging countries like China and India.

In the photovoltaic, hereinafter referred to as “PV”, industry to which the NPC Group, hereinafter referred to as “the Group”, belongs, restructuring and consolidation of PV module manufacturers caused by difference in competitiveness of technologies or costs have continued. Although there were intensions towards capital investments to be fully prepared with the re-expansion of the PV market seen in several key module manufacturers, such movements did not result in the actual placement of orders for the Group. This is because inventory reduction of Chinese modules has taken more time than expected and thus PV module manufacturers remained cautious toward new capital investments. In Japan, however, the new feed-in-tariff system which started in July, 2012 is expected to boost the installation volume. Together with the weakening yen and the strong demand for high-quality PV modules, the Japanese module manufacturers are urged to immediately establish a steady supply system. While Japanese module manufacturers are under such favorable market conditions, the Group successfully concluded a long-term contract with one of the Japanese manufacturers on the contract module assembly service.

The sales booking of a particular order that had been delayed due to an accident during transportation were realized in the second quarter. However, overall sales had resulted in a lower level than our estimate at the beginning of the fiscal year affected by the delay of improvement in capacity investments of module manufacturers. On the other hand, the Group’s reduction of expenditure and the improvement in the gross profit margin have been progressing at a good pace as planned. This is due to the thorough business streamlining implemented last fiscal year. SG&A was reduced by 20% compared to the same period of the previous fiscal year and manufacturing cost was also reduced due to improving factory utilization rate.

As a result, consolidated net sales of the second quarter were 1,946 million yen, 46.0% of the same period of the previous fiscal year. Operating loss was 660 million yen, compared with an ordinary loss of 672 million yen in the same period of the previous fiscal year. Ordinary loss was 355 million yen, compared with an ordinary loss of 699 million yen in the same period of the previous fiscal year. Net loss was 372 million yen, compared with a net loss of 503 million yen in the same period of the previous fiscal year.

### (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, 2013.

### (3) Material events related to going concern assumptions

The Group’s sales were 1,946 million yen, 46.0% of the same period of the previous fiscal year. Operating loss was booked in two consecutive years in fiscal year 2011/2012 and in the first half of this fiscal year 2013. The amount in cash and deposits declined to 950 million yen at the end of February, 2013, compared with 1,223 million yen at the end of August last year. Therefore, there exist conditions which might raise uncertainties about the Group being an assumed going concern.

The Group had already taken actions such as consolidating domestic & overseas bases and reducing the fixed cost by taking cost cut measures including personnel cut, corresponding to the market environment.

In addition, the Group had already started implementing the action plans as follows to resolve this condition:

#### 1) Launching of contract module assembly business

The Group has launched the contract module assembly business aiming to support customers’ production adjustment following the Japanese PV market boom. The Group successfully agreed on a long-term PV module assembly contract in February, 2013 and expects further expansion of the business with the rapidly increasing market demand. The Group is determined to ensure stable sales and cash flow from this business. Another perspective is that this business is expected to further strengthen the Group’s competitive edge through expertise and experience expected to be obtained through module assembly, contributing to the improvement in the quality and the sales activity of the Group’s original PV manufacturing equipment business

2) Strengthening products through R&D

Aiming to maintain the sales by establishing competitiveness of our equipment, the Group has been providing new products matching the PV module manufacturers' needs and requirements via R&D, creating demands of replacement and modifications to build in the new technologies into the existing equipment. Also the Group has been forwarding global standardization of our unique technologies such as the laser inspection machines.

3) Entering new industries

For the purpose of establishing a business model that would be hardly affected by external factors such as PV industry trends or movements, the Group started the sales of automation systems to industries other than the PV industry. The Group has already delivered automation systems to industries of automotive, building materials, home appliances, etc. utilizing our technologies, expertise and global maintenance service systems established through the Group's original PV manufacturing equipment business.

4) Improving financial strength

The Group has been striving to improve cash collection by widening the application of inventory to the increasing demand for replacement and remodeling of PV module manufacturing equipment. The Group has also established a monitoring system for balance sheet and cash flow by thoroughly collecting receivables, receiving advances, and strengthening the management system of collection schedule.

The Group will continuously implement these measures and have already maintained steady relationship with the financial institutes with their support including the extension of the commitment line contract. Therefore, the Group has judged that there are no uncertainties regarding going concern.

## 2. Consolidated Financial Statements for the Second Quarter Ended February 28, 2013 (September 1, 2012 through February 28, 2013)

### (1) Consolidated balance sheet

	(Thousand yen)	
	As of August 31, 2012	As of February 28, 2013
Assets		
Current assets		
Cash and deposits	1,223,386	950,180
Notes and accounts receivable-trade	1,396,781	1,251,028
Merchandise and finished goods	49,716	51,701
Work in progress	3,875,320	3,112,945
Raw materials and supplies	749,120	711,380
Deferred tax assets	49,301	39,594
Other	85,401	120,238
Allowance for doubtful accounts	(45,213)	(90,389)
Total current assets	7,383,815	6,146,681
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	4,297,050	4,300,569
Accumulated depreciation	(574,783)	(672,167)
Building and structures, net	3,722,266	3,628,401
Land	2,063,794	2,063,794
Construction in progress	-	394,869
Other	404,044	422,693
Accumulated depreciation	(275,874)	(309,529)
Other, net	128,170	113,163
Total property, plant and equipment	5,914,231	6,200,229
Intangible assets		
Other	139,079	129,723
Total intangible assets	139,079	129,723
Investments and other assets		
Deferred tax assets	2,278	-
Other	23,150	28,746
Allowance for doubtful accounts	(2,493)	(27,387)
Total investments and other assets	22,936	1,359
Total noncurrent assets	6,076,247	6,331,312
Total assets	13,460,062	12,477,994

[Note] The numbers parenthesized represent minus figures.

(Thousand yen)

	As of August 31, 2012	As of February 28, 2013
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	503,532	381,341
Short-term loans payable	3,000,000	3,000,000
Current portion of long-term loans payable	704,725	706,236
Income taxes payable	20,124	25,061
Advances received	444,827	478,264
Provision for loss on order received	34,319	10,634
Other	529,094	521,140
<b>Total current liabilities</b>	<b>5,236,623</b>	<b>5,122,678</b>
<b>Noncurrent liabilities</b>		
Long-term loans payable	1,577,798	1,225,456
Deferred tax liabilities	22,812	19,421
<b>Total noncurrent liabilities</b>	<b>1,600,610</b>	<b>1,244,878</b>
<b>Total liabilities</b>	<b>6,837,234</b>	<b>6,367,556</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	2,812,461	2,812,461
Capital surplus	2,734,875	2,734,875
Retained earnings	1,187,289	814,852
Treasury stock	(418)	(431)
<b>Total shareholders' equity</b>	<b>6,734,208</b>	<b>6,361,757</b>
<b>Accumulated other comprehensive income</b>		
Foreign currency translation adjustment	(111,380)	(251,320)
<b>Total accumulated other comprehensive income</b>	<b>(111,380)</b>	<b>(251,320)</b>
<b>Total net assets</b>	<b>6,622,827</b>	<b>6,110,437</b>
<b>Total liabilities and net assets</b>	<b>13,460,062</b>	<b>12,477,994</b>

[Note] The numbers parenthesized represent minus figures.

## (2) Consolidated statement of income

	(Thousand yen)	
	Six months ended February 29, 2012	Six months ended February 28, 2013
Net sales	4,227,036	1,946,102
Cost of sales	3,672,430	1,622,253
Gross profit	554,605	323,849
Selling, general and administrative expenses	1,227,348	984,191
Operating income (loss)	(672,742)	(660,341)
Non-operating income		
Interest income	503	382
Insurance premiums refunded cancellation	53,047	-
Foreign exchange gains	-	335,206
Other	40,010	28,499
Total non-operating income	93,561	364,088
Non-operating expenses		
Interest expenses	32,419	29,625
Loss on valuation of derivatives	527	-
Commission fee	3,972	27,561
Foreign exchange losses	62,542	-
Other	20,519	1,636
Total non-operating expenses	119,980	58,824
Ordinary income (loss)	(699,161)	(355,077)
Loss before income taxes and minority interests	(699,161)	(355,077)
Income taxes-current	22,410	8,225
Income taxes-deferred	(217,925)	9,134
Total income taxes	(195,515)	17,359
Loss before minority interests	(503,646)	(372,437)
Net income (loss)	(503,646)	(372,437)

[Note] The numbers parenthesized represent minus figures.

## (3) Consolidated statement of cash flows

(Thousand yen)

	Six months ended February 29, 2012	Six months ended February 28, 2013
Net cash provided by (used in) operating activities		
Loss before income taxes and minority interests	(699,161)	(355,077)
Depreciation and amortization	196,550	151,219
Amortization of goodwill	26,712	-
Increase (decrease) in allowance for doubtful accounts	(11,270)	61,834
Increase (decrease) in provision for loss on order received	11,616	(28,281)
Interest and dividends income	(503)	(382)
Interest expenses	32,419	29,625
Loss (gain) on cancellation of insurance contract	(53,047)	-
Foreign exchange losses (gains)	-	(374,179)
Decrease (increase) in notes and accounts receivable-trade	1,655,613	239,484
Decrease (increase) in inventories	(128,349)	628,676
Increase (decrease) in notes and accounts payable-trade	(3,857,730)	(178,707)
Increase (decrease) in advances received	163,474	(63,840)
Other, net	596,288	(40,499)
Subtotal	(2,067,387)	69,871
Interest and dividends income received	505	382
Interest expenses paid	(32,705)	(29,619)
Proceeds from insurance income	53,047	-
Income taxes paid	159,393	(7,581)
Net cash provided by (used in) operating activities	(1,887,146)	33,051
Net cash provided by (used in) investing activities		
Payments into time deposits	-	(4,220)
Purchase of property, plant and equipment	(60,248)	(27,727)
Sale of property, plant and equipment	770	2,636
Purchase of intangible assets	(3,273)	(859)
Sale of investment securities	10,475	-
Other, net	128,493	(2,945)
Net cash provided by (used in) investing activities	76,217	(33,117)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(88,158)	-
Repayment of long-term loans payable	(352,339)	(353,013)
Proceeds from issuance of bonds	1,491,850	-
Purchase of treasury stock	-	(13)
Cash dividends paid	(73,429)	(760)
Net cash provided by (used in) financing activities	977,922	(353,787)
Effect of exchange rate change on cash and cash equivalents	(23,354)	76,427
Net increase (decrease) in cash and cash equivalents	(856,361)	(277,426)
Cash and cash equivalents at beginning of period	2,635,120	1,223,386
Cash and cash equivalents at end of period	1,788,759	945,960

[Note] The numbers parenthesized represent minus figures.

### 3. Other Information

#### (1) Production, Orders and Sales

##### 1) Production

Production amounts of the PV business, the single segment of the Group, during the period are as follows:

(Thousand yen)		
Segment	Six months ended February 28, 2013	Year-on-year changes (%)
PV business	1,151,595	26.0

[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 PV 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 (%)
PV business	4,257,494	217.0	6,894,398	87.1

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

##### 3) Sales

Sales of the PV business, the single segment of the Group, during the period are as follows:

(Thousand yen)		
Segment	Six months ended February 28, 2013	Year-on-year ratio (%)
PV business	1,946,102	46.0

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