

July 9, 2013

To whom it may concern:

NPC Incorporated
1-1-20 Minami-senju, Arakawa-ku
Tokyo 116-0003, Japan

**Announcement on Commencement of Procedures for
Dissolution and Liquidation of Consolidated Subsidiary**

NPC Incorporated, hereinafter referred to as “the Company,” hereby notifies that the commencement of procedures for dissolution and liquidation of its consolidated subsidiary, NPC-Meier GmbH, hereinafter referred to as “NMG” has been approved at the Board of Directors’ Meeting, held on July 9, 2013. The Company will start negotiations with NMG’s Works Council and other organizations accordingly. Details are as follows:

Descriptions

1. Reason for starting procedures for dissolution and liquidation

NMG, in charge of designing, manufacturing, sales and maintenance service of photovoltaic, hereinafter referred to as “PV,” module manufacturing equipment mainly for European customers, had been struggling with low order and sales level since its major customers had withdrawn from the market continuously due to sluggish market in Europe. The Company forecasts that the uncertainties will remain in the future market trend and that there is a possibility for tough business environment to last. Therefore, the Company decided to start procedures for dissolution and liquidation of NMG as a result of the consideration of mid- and long-term foresight.

2. Outline of the subsidy

(1) Name	NPC-Meier GmbH
(2) Address	Cologne, Germany
(3) Representative	Junichi Akita Florian von Gropper
(4) Business	- R&D, manufacturing, sales and maintenance service of PV module manufacturing equipment - Sales support and maintenance service of the Company’s PV module manufacturing equipment
(5) Capital	EUR 25,000
(6) Establishment	April 30, 2012
(7) Equity stake ratio	NPC Incorporated: 100%

(8) Relationship with the Company	Equity stake	100%
	Personnel relationship	Common director: 1 (Junichi Akita) Assigned employee: 1
	Transaction (As of May 31, 2013) (Thousand yen)	Loans, payment of commission fees for sales support and maintenance service of PV module manufacturing equipment, etc. NMG claims: 2,037,023 NMG obligations: 11,461
	Applicable to related parties	Yes (Consolidated subsidiary)
(9) Operation results and financial conditions (As of July 31, 2012) (Thousand yen)	Net assets:	(833,474)
	Total assets:	1,141,774
	Sales:	1,734,329
	Operating loss:	430,874
	Ordinary loss:	459,917
	Net loss:	864,424
	NMG is categorized as a limited liability company in Japan, therefore, nothing is applicable to book value per share, earnings per share, and dividends.	

3. Schedule of dissolution

The Company will start preparations for dissolution and liquidation in July, 2013. The Company first agrees with the Works Council according to the German law. After the agreement between the Council and the Company is reached, the Company will hold another Board of Directors' Meeting to formally resolve the dissolution and liquidation.

After the resolution, the dissolution will be completed as soon as the required procedures finish in compliance with the law.

4. Expected losses due to the dissolution and liquidation and future forecast

In the consolidated results for the third quarter of this fiscal year, loss on valuation of inventories and fixed assets of 122 million yen were booked.

As for the coming fourth quarter of this fiscal year, on the assumption that the dissolution and liquidation procedures will complete, 228 million yen of allowances for retirement expenses, legal fees, cancellation of rent contracts, etc. is expected to be booked as extraordinary loss. Also, foreign currency translation adjustment of 338 million yen related to the Company's investment into NMG is expected to be booked as extraordinary loss.

In the non-consolidated financial results for this fiscal year, allowance for doubtful debts of 1,595 million yen is to be booked as extraordinary loss. As for the business forecasts reflecting the losses related to the above event, please refer to the "Announcement on Revision of Business Forecast and Extraordinary Loss" dated July 9, 2013.

5. Other

The Company board has also resolved the dissolution and liquidation of NPC Taiwan Co., Ltd. and NPC Korea Co., Ltd., both in charge of sales support and maintenance service mainly in Asia region. The effect of this resolution to the Company's sales and profit is expected to be minimal. For more details, please refer to page 8, "3. Significant Subsequent Event", in the "Summary of Financial Results for the Third Quarter of Fiscal Year Ending August 31, 2013" announced on July 9, 2013.

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