



October 7, 2015

Summary of Financial Results for the Fiscal Year Ended August 31, 2015

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

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Listing: Mothers of TSE

General meeting of shareholders: November 26, 2015

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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, 2015

(September 1, 2014 through August 31, 2015)

(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, 2015	9,349	(40.4)	519	11.1	422	(4.7)	561	350.8
Year ended August 31, 2014	15,696	246.5	467	-	443	-	124	-

	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, 2015	25.47	-	11.3	3.8	5.6
Year ended August 31, 2014	5.65	-	2.8	3.8	3.0

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of August 31, 2015	10,084	5,281	52.4	239.52
As of August 31, 2014	12,419	4,669	37.6	211.76

[Reference] Shareholders' equity (million yen): August 31, 2015: 5,281 August 31, 2014: 4,669

(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, 2015	958	(29)	(860)	2,334
As of August 31, 2014	1,916	(347)	(226)	2,228

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, 2014	-	0.00	-	0.00	0.00	-	-	-
Year ended August 31, 2015	-	0.00	-	0.00	0.00	-	-	-
Year ending August 31, 2016 (forecast)	-	0.00	-	-	-		-	

[Note] Year-end dividend is yet to be decided and is to be announced shortly after decided.

3. Consolidated Forecast for the Fiscal Year Ending August 31, 2016
(September 1, 2015 through August 31, 2016)

(Percentages represent year-on-year changes)

	Sales		Operating income		Ordinary income		Net income attributable to owners of the parent		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
1 st half ending February 28, 2016	1,017	(83.9)	(219)	-	(323)	-	(234)	-	(10.64)
Year ending August 31, 2016	10,861	16.2	447	(13.8)	404	(4.3)	472	(15.8)	21.44

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, 2015: 22,052,426 shares

August 31, 2014: 22,052,426 shares

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

August 31, 2015: 435 shares

August 31, 2014: 435 shares

3) Average number of shares during the period

Fiscal year ended August 31, 2015: 22,051,991 shares

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

[Reference]

1. Non-Consolidated Financial Results for the Year Ended August 31, 2015 **(September 1, 2014 through August 31, 2015)**

(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, 2015	9,245	(40.6)	428	13.0	352	13.6	513	7.2
Year ended August 31, 2014	15,573	335.4	379	-	310	-	478	-

	Earnings per share	Diluted earnings per share
	Yen	Yen
Year ended August 31, 2015	23.27	-
Year ended August 31, 2014	21.70	-

(2) Non-Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of August 31, 2015	9,772	5,004	51.2	226.95
As of August 31, 2014	12,212	4,491	36.8	203.68

[Reference] Shareholders' equity (million yen): August 31, 2015: 5,004 August 31, 2014: 4,491

2. Non-Consolidated Forecast for the Year Ending August 31, 2016 **(September 1, 2015 through August 31, 2016)**

	Sales		Operating income		Ordinary income		Net income attributable to owners of the parent		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
1 st half ending February 28, 2016	999	(84.0)	(232)	-	(336)	-	(243)	-	(11.03)
Year ending August 31, 2016	10,829	17.1	384	(10.3)	341	(3.1)	431	(15.9)	19.57

* Indication of the implementation status of the quarterly review procedure

The Financial Results for the Fiscal Year Ended August 31, 2015 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, 2015: (2) Qualitative information about consolidated earnings forecast" for details.

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1. Qualitative Information Concerning Financial Results for the Fiscal Year Ended August 31, 2015

(1) Qualitative information about consolidated results of operations

During the fiscal year ended on August 31, 2015, a tendency of gradual recovery in Japanese economy continued while companies' profits and employment environment improved under effects of various political strategies. However, unstable financial markets due to uncertainties and anxiety of overseas economy or financial turmoil 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 photovoltaic, hereinafter referred to as "PV", global as well as domestic demand has been expanding steadily. Therefore, module manufacturers, who are the Group's main customers, have enhanced production capacities by upgrading existing equipment as well as launched for capital expenditure as the operating ratio has been rising. With the increase in focus on improvement of long-term reliability of PV panels, there has been growing recognition of importance of maintenance of PV systems.

Under such circumstances, the sales of the Group were almost on track with its plan because the sales of module manufacturing equipment and contract module assembly business turned out as the plan under steady production structure. The sales of parts, which the Group enhanced, and of upgrading equipment also contributed to the business results. On the other hand, the sales of the panel inspection business were behind the forecast. Due to high profitability secured in both the inspection equipment and inspection service, however, the profits were almost as the plan.

As a result of the above activities, the consolidated net sales were 9,349 million yen, 59.6% of the previous fiscal year. Operating income was 519 million yen, 111.1% of the previous fiscal year. Ordinary income was 422 million, 95.3% of the previous fiscal year. Net income was 561 million yen, 450.8% of the previous fiscal year.

Financial results by segment are as follows:

a) Equipment related business

In addition to the sales of new equipment such as pilot lines of a large-scale transaction, those of parts and upgrading contributed to the results. In panel inspection business, the sales were below the forecast, however, high profitability was secured in both inspection equipment and inspection service. As a result, sales were 3,561 million yen, 109.9% of the previous fiscal year. Operating income was 668 million yen, 199.7% of the previous fiscal year, because the Group maintained gross profit at a high level by reduction of costs and increase in component sales.

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 5,787 million yen, 46.5% of the previous fiscal year, and operating income was 253 million yen, 50.1% of the previous fiscal year.

(2) Qualitative information about consolidated earnings forecast

In the fiscal year ending August 31, 2016, the Group assumes steady order and sales of module manufacturing equipment due to the continuous global prevalence of photovoltaic modules. It forecasts sales of panel inspection business will triple year on year. Therefore, the sales are expected to increase compared to the previous fiscal year in the manufacturing module equipment business. As for the sales booking timing, the Group expects sales of large-scale lines in the second half. The Group is also under negotiation with new customers in the contract module assembly business and plans full production in the second half. Accordingly, the sales are expected to be mainly booked in the second half.

The Group expects it will maintain the similar profitability as the previous fiscal year because the actions for reduction in costs and expenditures have been taking effects.

As a result of the above activities, the consolidated business forecast for the fiscal year 2016 will be: sales at 10,861 million yen, 116.2% of the previous fiscal year; operating income at 447 million yen, 86.2% of the previous fiscal year; ordinary income at 404 million yen, 95.7% of the previous fiscal year; net income attributable to owners of the parent at 472 million yen, 84.2% 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 profits 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.

Taking into account the business results and the financial positions during the fiscal year ended August 31, 2015, the Group regrets to say that there will be no year-end dividend. The dividend for the fiscal year 2016 is yet to be decided and will be disclosed immediately after a decision is made.

The Group adopts interim dividend which complies with the paragraph 5 of the article 454 of the Companies Act. The decision-making body of the dividend of earnings retained is the General Shareholders' Meeting for the year-end dividend and the Board of Directors for the interim dividend.

2. Consolidated Financial Statements for the Fiscal Year Ended August 31, 2015**(September 1, 2014 through August 31, 2015)****(1) Consolidated balance sheets**

(Thousand yen)

	As of August 31, 2014	As of August 31, 2015
Assets		
Current assets		
Cash and deposits	2,399,381	2,441,149
Notes and accounts receivable-trade	1,946,397	801,337
Merchandise and finished goods	66,092	15,184
Work in progress	1,378,091	617,997
Raw materials and supplies	620,362	385,840
Deferred tax assets	-	48,340
Other	102,847	100,439
Allowance for doubtful accounts	(87,751)	(34,828)
Total current assets	6,425,421	4,375,461
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	4,231,287	4,244,149
Accumulated depreciation	(912,295)	(1,094,481)
Building and structures, net	3,318,991	3,149,668
Machinery and equipment	591,172	658,112
Accumulated depreciation	(88,564)	(99,927)
Accumulated impairment loss	(422,352)	(466,759)
Machinery and equipment, net	80,255	91,425
Land	2,043,719	2,043,719
Lease assets	763,520	763,520
Accumulated depreciation	(292,549)	(468,341)
Lease assets, net	470,970	295,178
Construction in progress	4,409	-
Other	249,983	254,652
Accumulated depreciation	(222,489)	(198,918)
Other, net	27,494	55,734
Total property, plant and equipment	5,945,841	5,635,726
Intangible assets		
Other	20,379	21,580
Total intangible assets	20,379	21,580
Investments and other assets		
Deferred tax assets	-	5,965
Other	196,848	46,671
Allowance for doubtful accounts	(169,022)	(1,082)
Total investments and other assets	27,826	51,555
Total noncurrent assets	5,994,047	5,708,861
Total assets	12,419,468	10,084,323

[Note] The numbers parenthesized represent minus figures.

(Thousand yen)

	As of August 31, 2014	As of August 31, 2015
Liabilities		
Current liabilities		
Notes and accounts payable-trade	2,631,136	792,288
Short-term loans payable	3,000,000	3,000,000
Current portion of long-term loans payable	652,000	161,285
Lease obligation	208,264	57,980
Income taxes payable	50,693	20,979
Advances received	250,290	126,062
Provision for bonuses	-	12,583
Provision for loss on liquidation of subsidiaries and affiliates	115,410	43,000
Other	302,476	291,588
Total current liabilities	7,210,271	4,505,768
Noncurrent liabilities		
Long-term loans payable	161,285	-
Lease obligation	327,836	269,855
Deferred tax liabilities	16,712	-
Other	33,552	26,841
Total noncurrent liabilities	539,386	296,697
Total liabilities	7,749,658	4,802,465
Net assets		
Shareholders' equity		
Capital stock	2,812,461	2,812,461
Capital surplus	2,734,875	2,734,875
Retained earnings	(912,135)	(350,565)
Treasury stock	(431)	(431)
Total shareholders' equity	4,634,770	5,196,340
Accumulated other comprehensive income		
Foreign currency translation adjustment	35,039	85,516
Total accumulated other comprehensive income	35,039	85,516
Total net assets	4,669,809	5,281,857
Total liabilities and net assets	12,419,468	10,084,323

[Note] The numbers parenthesized represent minus figures.

(2) Consolidated statement of income

(Thousand yen)

	Year ended August 31, 2014	Year ended August 31, 2015
Net sales	15,696,798	9,349,317
Cost of sales	14,145,383	8,029,345
Gross profit	1,551,415	1,319,971
Selling, general and administrative expenses	1,083,751	800,567
Operating income (loss)	467,664	519,404
Non-operating income		
Interest income	462	609
Foreign exchange gain	117,336	-
Refunded consumption taxes	37,059	-
Reversal of provision for loss on liquidation of subsidiaries and affiliates	41,257	72,410
Other	39,615	2,194
Total non-operating income	235,731	75,214
Non-operating expenses		
Interest expenses	104,753	69,209
Foreign exchange losses	-	18,618
Depreciation	2,259	38,130
Bad debts written off	101,298	-
Commission fee	33,205	32,141
Other	18,382	13,712
Total non-operating expenses	259,899	171,813
Ordinary income (loss)	443,496	422,805
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	-
Impairment loss	-	44,407
Total extraordinary losses	483,306	44,407
Income (Loss) before income taxes and minority interests	153,775	538,539
Income taxes-current	31,861	47,987
Income taxes-deferred	(2,647)	(71,018)
Total income taxes	29,214	(23,031)
Income (Loss) before minority interests	124,561	561,570
Net income (loss)	124,561	561,570

[Note] The numbers parenthesized represent minus figures.

(3) Consolidated statement of cash flows

(Thousand yen)

	Year ended August 31, 2014	Year ended August 31, 2015
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	153,775	538,539
Depreciation and amortization	484,464	341,893
Impairment loss	-	44,407
Increase (decrease) in allowance for doubtful accounts	122,238	(222,133)
Increase (decrease) in provision for bonuses	-	12,583
Increase (decrease) in provision for loss on business of subsidiaries and associates	(41,257)	(72,410)
Interest and dividends income	(462)	(609)
Interest expenses	104,753	69,209
Loss (gain) on sales of tangible assets	(59,401)	-
Subsidy income	(134,184)	-
Reversal of foreign currency translation adjustment	483,306	-
Decrease (increase) in notes and accounts receivable-trade	(799,253)	1,160,111
Decrease (increase) in inventories	304,804	1,049,760
Increase (decrease) in notes and accounts payable-trade	1,648,664	(1,844,827)
Increase (decrease) in advances received	(107,458)	(154,605)
Other, net	(295,999)	185,866
Subtotal	1,863,991	1,107,783
Interest and dividends income received	450	612
Interest expenses paid	(101,971)	(72,558)
Proceeds from subsidy	134,184	-
Income taxes (paid) refund	19,831	(77,178)
Net cash provided by (used in) operating activities	1,916,486	958,659
Net cash provided by (used in) investing activities		
Payments into time deposits	(199,492)	(79,948)
Proceeds from withdrawal of time deposits	28,402	144,813
Purchase of property, plant and equipment and intangible assets	(357,917)	(105,325)
Proceeds from sales of property, plant and equipment	124,690	27,720
Other, net	56,388	(16,638)
Net cash provided by (used in) investing activities	(347,929)	(29,377)
Net cash provided by (used in) financing activities		
Repayment of long-term loans payable	(761,715)	(652,000)
Repayments for lease obligations	(265,594)	(208,264)
Proceeds from sale and leaseback	801,696	-
Cash dividends paid	(524)	(12)
Net cash provided by (used in) financing activities	(226,138)	(860,277)
Effect of exchange rate change on cash and cash equivalents	6,996	37,628
Net increase (decrease) in cash and cash equivalents	1,349,415	106,633
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	2,228,291	2,334,924

[Note] The numbers parenthesized represent minus figures.

3. 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, 2015	Year-on-year ratio (%)
Equipment related business	2,650,372	101.3
Contract module assembly business	5,631,703	44.8
Total	8,282,076	54.5

[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	5,847,921	529.3	3,236,120	340.6
Contract module assembly business	(2,038,553)	-	-	-
Total	3,809,367	227.9	3,236,120	36.9

[Notes] 1. The above amounts are calculated based on selling prices.
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	Year ended August 31, 2015	Year-on-year ratio (%)
Equipment related business	3,561,797	109.9
Contract module assembly business	5,787,519	46.5
Total	9,349,317	59.6

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