

May 24, 2016

To whom it may concern:

NPC Incorporated
1-7-15 Higashi-ueno, Taito-ku
Tokyo 110-0015, Japan

Announcement on Joint Venture Establishment

NPC Incorporated (“the Company”) hereby notifies that at the meeting held today, its Board of Directors resolved to establish a joint venture with HAMADA Co., Ltd. (Headquarters: Osaka; President: Tokusuke Hamada; “HAMADA”) for recycle and reuse of photovoltaic (PV) panels as follows:

Descriptions

1. Purpose of the establishment

Since the introduction of RPS in 2003 and Feed-in Tariff Scheme for Renewable Energy in 2012, PV system installation has been rapidly increasing in Japan. It is forecast that massive amount of PV panels will be discarded as end-of-life or low-quality panels in the future. Therefore, the Japanese government has started taking measures such as a guideline issuance by Ministry of Environment for promoting PV equipment recycle, and consignment of research and development on low-cost disassembling technology and removing, collecting, separating technology to the private sector by Ministry of Economy, Trade and Industry.

Thus, while the technology of recycling PV panels is now essential needs of the society, the Company has been proceeding with research and development of PV panel disassembling equipment technology, in addition to providing manufacturing equipment, OEM, inspection products and services of PV panels. On the other hand, HAMADA has accumulated expertise on industrial waste processing and recycling for over 40 years and established the nationwide network. The Company believes the joint venture will provide solutions to the massive panel discarding problem by interactively leveraging the strengths of both companies and quickly establishing recycle and reuse technology.

HAMADA and the Company joined together the “PV recycling technology development project” by New Energy and Industrial Technology Development Organization in 2015 to proceed with research and development on PV panel recycling technology.

2. Outline of the joint venture

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|--------------------------------|-------------------------------------------|
| (1) Company name | : PV Techno Cycle Co., Ltd. |
| (2) Head office | : Keihin-jima 2-7-5, Ota-ku, Tokyo, Japan |
| (3) Representative | : Masafumi Ito (NPC Incorporated) |
| (4) Main business | : Recycle and reuse of PV panels |
| (5) Capital | : 9 million yen |
| (6) Date of establishment | : August 1, 2016 (planned) |
| (7) Fiscal year end | : July 31 |
| (8) Capital contribution ratio | : NPC: 50%, Hamada: 50% |

3. Outline of HAMADA

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|-----|-----------------------|----------------------------------------------------|-------------------------------|
| (1) | Company name | : HAMADA Co., Ltd. | |
| (2) | Head office | : Akutagawa-cho 2-24-5, Takatuki-shi, Osaka, Japan | |
| (3) | Representative | : President, Tokusuke Hamada | |
| (4) | Main business | : Industrial waste treatment | |
| (5) | Capital | : 31 million yen | |
| (6) | Date of establishment | : November 8, 1969 | |
| (7) | Fiscal year end | : July 31 | |
| (8) | Relationship with NPC | : Capital | No applicable relationship |
| | | Personnel | No applicable relationship |
| | | Trading | No applicable relationship |
| | | Status of related parties | No applicable related parties |

4. Schedule

Resolution at Board of directors meeting	May 24, 2016
Contracted date	May 24, 2016
Business start date	Late August (planned)

5. Impact on forecasts

Effects of this joint venture onto the business results of this fiscal year will be minimal, however, it is expected that the new venture will contribute to the business performance of the Company group in a medium to long term due to the rapid expansion of the market. The Company will disclose immediately when material impact onto the consolidated business performance becomes clear to occur.

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