



January 10, 2013

Summary of Financial Results for the First 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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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 Three Months Ended November 30, 2012 (September 1, 2012 through November 30, 2012)

(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	%
3 months ended November 30, 2012	452	-79.3	-431	-	-331	-	-335	-
3 months ended November 30, 2011	2,186	-47.3	-321	-	-368	-	-233	-

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
3 months ended November 30, 2012	-15.22		-	
3 months ended November 30, 2011	-12.57		-	

(2) Consolidated financial position

	Total assets		Net assets		Equity ratio	
	Million yen		Million yen		%	
As of November 30, 2012	12,934		6,212		48.0	
As of August 31, 2012	13,460		6,622		49.2	

[Reference] Shareholders' equity (million yen): November 30, 2012: 6,212 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 ended August 31, 2013	-				
Year ending August 31, 2013 (forecast)		-	-	-	-

[Note] The amount of dividend in 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	10,493	11.1	147	-	92	-	274	-	12.45

[Note] The business forecast for the first half is not to be disclosed. This is because the size of each order received in the core

photovoltaic business is getting larger and the timing of sales booking for these orders are influenced fully by many uncertain external factors. Therefore, the Group does not disclose its business forecast in a short span.

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 policies, accounting estimates, and retrospective restatement

1) Changes due to amendment of accounting standards: Yes

(Change in depreciation method for property and equipment)

In accordance with the amendment of the Corporation Tax Law, effective from the first quarter of fiscal year ending August 31, 2013, the Group has changed its depreciation method for those property, plant and equipment acquired on or after September 1, 2012. This change does not have material impact on the business results of the Group.

2) 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

November 30, 2012 22,052,426 shares

August 31, 2012: 22,052,426 shares

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

November 30, 2012: 395 shares

August 31, 2012: 395 shares

3) Average number of shares during the period

Three months ended November 30, 2012: 22,052,031 shares

Three months ended November 30, 2011: 18,584,974 shares

* Indication of the implementation status of the quarterly review procedure

The Financial Results for the First Quarter of Fiscal Year Ending August 31, 2013 is exempt from the auditing procedure stipulated in the Financial Instruments and Exchange Act. The auditing procedure for the 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. 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.

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1. Qualitative Information Concerning Financial Results for the First Quarter Ended November 30, 2012

(1) Qualitative information about consolidated results of operations

During the three months ended November 30, 2012, the Japanese economy was placed in uncertain situation. This was mainly due to the influence of lingering financial instability in Europe, the issue of the US “fiscal cliff”, and concerns towards slow-down of economic growth in China.

In the photovoltaic industry, to which the NPC Group, hereinafter referred to as “the Group”, belongs, the installation of photovoltaic systems has begun to spread globally. However, the capital expenditure of the photovoltaic module manufacturers, who are the Group’s main customers, remained flat. This is mainly due to the negative impacts from the economic slowdown in Europe, traditionally the largest market, and the sharp drop of photovoltaic module prices. Consequently, the Group’s orders received remained at a low level during the first quarter. At the same time, sales were also weak since certain orders which had been planned to be booked as sales during the first quarter, have been shifted to the second quarter onward due to customer schedule delay and an accident during transportation of a large order.

In the meanwhile, the Group successfully reduced SG&A expenses by 35% compared to some period of the previous fiscal year as a result of the streamlining which was implemented last fiscal year. Therefore, the profit remained still despite the weak sales.

As a result of the above activities, consolidated net sales were 452 million yen, 20.7% of the same period of the previous fiscal year. Operating loss was 431 million yen, compared with an operating loss of 321 million yen in the same period of the previous fiscal year. Ordinary loss was 331 million yen, compared with an ordinary loss of 368 million yen in the same period of the previous fiscal year. Net loss was 335 million yen, compared with a net loss of 233 million yen in the same period of the previous fiscal year.

(2) Qualitative information about consolidated earnings forecast

In the fiscal year ending August 31, 2013, analyzing the trend of the inquiries received, the Group expects an upturn in the capital expenditure of the photovoltaic module manufacturers, which will contribute to the improvement in the Group’s order situation. In Japan, photovoltaic projects of 3,300 MW have been approved for electricity purchase until November, 2012 under the feed-in tariff system started in July 2012, and most of these projects will be installed in 2013 onward. Furthermore, the photovoltaic market is expected to expand to regions outside Europe, and the non-European regions are expected to grow around 30% year-on-year in 2013, encouraging the global expansion of the photovoltaic market.

In the meanwhile, the Group is aiming to raise sales and profits by several actions. First is the active promotion of the Group’s newly released products, especially the laser inspection machines. The Group is currently striving to achieve global standardization of its unique and accurate inspection method. Second is aggressive promotion of the 2 new businesses which started in this fiscal year; “the contract assembly service of photovoltaic modules” and “sales and production of automation systems”.

As a result of the above activities, the consolidated business forecast for the fiscal year 2013 is as follows. Sales will increase to 10,493 million yen, 111.1% of the previous fiscal year. Operating income will be 147 million yen, compared with an operating loss of 945 million yen in the previous fiscal year. Ordinary income will be 92 million yen, compared with an ordinary loss of 1,194 million yen in the previous fiscal year. Net income will be 274 million yen, compared with a net loss of 1,806 million yen.

[Note] This is the same as the forecast in the “Summary of Financial Results for the Fiscal Year Ended August 31, 2012” released on October 10, 2012. Also, the business forecast for the first half of fiscal year 2013 is not to be disclosed. This is because the size of each order in the photovoltaic business is getting larger, and the timing of sales booking of orders are influenced by many uncertain factors. Therefore, the Group has decided not to disclose the Group’s business forecast in a short span.

2. Consolidated Financial Statements for the First Quarter Ended November 30, 2012**(September 1, 2012 through November 30, 2012)**

(1) Consolidated balance sheet

	(Thousand yen)	
	As of August 31, 2012	As of November 30, 2012
Assets		
Current assets		
Cash and deposits	1,223,386	819,122
Notes and accounts receivable-trade	1,396,781	1,207,801
Merchandise and finished goods	49,716	51,062
Work in progress	3,875,320	3,875,205
Raw materials and supplies	749,120	725,178
Deferred tax assets	49,301	50,307
Other	85,401	103,484
Allowance for doubtful accounts	(45,213)	(59,971)
Total current assets	7,383,815	6,772,191
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	4,297,050	4,297,420
Accumulated depreciation	(574,783)	(623,232)
Building and structures, net	3,722,266	3,674,188
Land	2,063,794	2,063,794
Construction in progress	-	171,068
Other	404,044	411,047
Accumulated depreciation	(275,874)	(290,266)
Other, net	128,170	120,780
Total property, plant and equipment	5,914,231	6,029,832
Intangible assets		
Other	139,079	130,552
Total intangible assets	139,079	130,552
Investments and other assets		
Deferred tax assets	2,278	-
Other	23,150	25,400
Allowance for doubtful accounts	(2,493)	(23,554)
Total investments and other assets	22,936	1,846
Total noncurrent assets	6,076,247	6,162,231
Total assets	13,460,062	12,934,423

[Note] The numbers parenthesized represents minus figures.

(Thousand yen)

	As of August 31, 2012	As of November 30, 2012
Liabilities		
Current liabilities		
Notes and accounts payable-trade	503,532	348,935
Short-term loans payable	3,000,000	3,000,000
Current portion of long-term loans payable	704,725	705,149
Income taxes payable	20,124	16,874
Advances received	444,827	713,209
Provision for loss on order received	34,319	28,952
Other	529,094	486,501
Total current liabilities	5,236,623	5,299,623
Noncurrent liabilities		
Long-term loans payable	1,577,798	1,401,705
Deferred tax liabilities	22,812	20,798
Total noncurrent liabilities	1,600,610	1,422,503
Total liabilities	6,837,234	6,722,126
Net assets		
Shareholders' equity		
Capital stock	2,812,461	2,812,461
Capital surplus	2,734,875	2,734,875
Retained earnings	1,187,289	851,598
Treasury stock	(418)	(418)
Total shareholders' equity	6,734,208	6,398,517
Accumulated other comprehensive income		
Foreign currency translation adjustment	(111,380)	(186,220)
Total accumulated other comprehensive income	(111,380)	(186,220)
Total net assets	6,622,827	6,212,296
Total liabilities and net assets	13,460,062	12,934,423

[Note] The numbers parenthesized represents minus figures.

(2) Consolidated statement of income

(Thousand yen)

	Three months ended November 30, 2011	Three months ended November 30, 2012
Net sales	2,186,906	452,829
Cost of sales	1,789,264	418,584
Gross profit	397,642	34,244
Selling, general and administrative expenses	719,371	465,870
Operating income (loss)	(321,729)	(431,626)
Non-operating income		
Interest income	40	12
Insurance premiums refunded cancellation	53,094	-
Foreign exchange gains	-	120,866
Gain on valuation of derivatives	614	-
Other	27,770	5,759
Total non-operating income	81,520	126,638
Non-operating expenses		
Interest expenses	16,825	14,869
Commission fee	1,641	11,083
Foreign exchange losses	94,695	-
Other	15,594	805
Total non-operating expenses	128,756	26,758
Ordinary income (loss)	(368,966)	(331,746)
Loss before income taxes and minority interests	(368,966)	(331,746)
Income taxes-current	10,589	4,624
Income taxes-deferred	(145,882)	(679)
Total income taxes	(135,292)	3,945
Loss before minority interests	(233,673)	(335,691)
Net income (loss)	(233,673)	(335,691)

[Note] The numbers parenthesized represents minus figures.

(3) Consolidated statement of cash flows

(Thousand yen)

	Three months ended November 30, 2011	Three months ended November 30, 2012
Net cash provided by (used in) operating activities		
Loss before income taxes and minority interests	(368,966)	(331,746)
Depreciation and amortization	99,230	74,229
Amortization of goodwill	14,581	-
Increase (decrease) in allowance for doubtful accounts	(10,756)	33,666
Increase (decrease) in provision for loss on order received	2,577	(6,593)
Interest and dividends income	(40)	(12)
Interest expenses	16,825	14,869
Loss (gain) on cancellation of insurance contract	(53,094)	-
Foreign exchange losses (gains)	-	(99,799)
Decrease (increase) in notes and accounts receivable-trade	1,622,057	212,981
Decrease (increase) in inventories	(957,999)	(94,804)
Increase (decrease) in notes and accounts payable-trade	(1,454,258)	(169,456)
Increase (decrease) in advances received	(69,236)	242,817
Other, net	522,245	(95,894)
Subtotal	(636,832)	(219,740)
Interest and dividends income received	40	12
Proceeds from insurance income	53,094	-
Interest expenses paid	(16,968)	(14,469)
Income taxes paid	(28,124)	(6,470)
Net cash provided by (used in) operating activities	(628,791)	(240,668)
Net cash provided by (used in) investing activities		
Payments into time deposits	-	(4,220)
Purchase of property, plant and equipment	(37,281)	(2,780)
Purchase of intangible assets	(362)	(859)
Proceeds from sales of investment securities	827	-
Other, net	127,946	(1,607)
Net cash provided by (used in) investing activities	91,130	(9,468)
Net cash provided by (used in) financing activities		
Repayment of long-term loans payable	(176,193)	(176,251)
Cash dividends paid	(56,512)	(79)
Net cash provided by (used in) financing activities	(232,705)	(176,330)
Effect of exchange rate change on cash and cash equivalents	(3,163)	17,982
Net increase (decrease) in cash and cash equivalents	(773,529)	(408,484)
Cash and cash equivalents at beginning of period	2,635,120	1,223,386
Cash and cash equivalents at end of period	1,861,590	814,902

[Note] The numbers parenthesized represents minus figures.

3. Other Information

(1) Production, Orders and Sales

1) Production

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

(Thousand yen)

Segment	Three months ended November 30, 2012	Year-on-year changes (%)
Photovoltaic business	462,063	13.8

[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 photovoltaic 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 (%)
Photovoltaic business	560,130	100.4	4,690,307	54.8

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

3) Sales

Sales of the photovoltaic business, the single segment of the Group, during the period are as follows.

(Thousand yen)

Segment	Three months ended November 30, 2012	Year-on-year ratio (%)
Photovoltaic business	452,829	20.7

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