

April 12, 2021

To all persons concerned:

NPC Incorporated
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**Announcement on the Differences between Business Forecasts and Results
for the First Half and Revision of Business Forecasts Both for FY2021**

NPC Incorporated (“the Company”) hereby notifies the differences between the consolidated and non-consolidated business forecasts announced on October 12, 2020, and the results for the first half of the fiscal year 2021. The Company also notifies revision of the business forecasts for the fiscal year 2021 announced on October 12, 2020.

Description

1. Differences between business forecasts and results for the first half ended February 28, 2021

Differences between consolidated business forecasts and results for the first half ended February 28, 2021
(September 1, 2020 through February 28, 2021)

(Million yen)

	Sales	Operating income	Ordinary income	Net income attributable to owners of the parent	Net income per share (yen)
Previous forecasts (A)	3,441	260	241	215	9.82
Results (B)	2,714	417	400	273	12.50
Amount of increase/decrease (B-A)	(727)	157	159	58	-
Change (%)	(21.1)	60.4	66.0	27.0	-
[Reference] First half of FY2020	2,194	164	156	140	6.38

Differences between non-consolidated business forecasts and results for the first half ended February 28, 2021
(September 1, 2020 through February 28, 2021)

(Million yen)

	Sales	Operating income	Ordinary income	Net income	Net income per share (yen)
Previous forecasts (A)	3,411	250	232	213	9.71
Results (B)	2,685	397	379	262	11.97
Amount of increase/decrease (B-A)	(726)	147	147	49	-
Change (%)	(21.3)	58.8	63.4	23.0	-
[Reference] First half of FY2020	2,157	140	135	132	6.03

[Reasons for the differences]

In the machinery business, sales were lower than the initial forecast as sales booking timing of some machines sold to a US PV manufacturer, the Company's main customer, shifted to the 2nd half. Operating income and ordinary income exceeded the initial forecast significantly due to improvement of work efficiency, cost reduction such as material cost, decrease in selling, general and administrative expenses such as research and development expenses, tax and dues, and travel and transportation expenses. Although the Company booked federal tax and dues which was not included in the initial plan, net income attributable to owners of the parent surpassed the initial forecast.

The reasons for the revision of non-consolidated business forecasts are the same as those for the consolidated business forecasts.

2. Revision of the forecasts for the full year of fiscal year 2021

Revision of consolidated business forecasts for the full year (September 1, 2020 through August 31, 2021)

(Million yen)

	Sales	Operating income	Ordinary income	Net income attributable to owners of the parent	Net income per share (yen)
Previous forecasts (A)	5,849	327	303	277	12.66
Revised forecasts (B)	5,539	515	492	328	15.01
Amount of increase/decrease (B-A)	(310)	188	189	51	-
Change (%)	(5.3)	57.5	62.4	18.4	-
[Reference] Full year of FY2020	7,938	879	884	749	34.10

Revision of non-consolidated business forecasts for the full year (September 1, 2020 through August 31, 2021)

(Million yen)

	Sales	Operating income	Ordinary income	Net income	Net income per share (yen)
Previous forecasts (A)	5,788	339	316	294	13.39
Revised forecasts (B)	5,468	500	477	322	14.71
Amount of increase/decrease (B-A)	(320)	161	161	28	-
Change (%)	(5.5)	47.5	50.9	9.5	-
[Reference] Full year of FY2020	7,877	815	804	684	31.17

[Reasons for the differences]

Full-year sales are expected to be generally in line with the initial forecast as the sales that shifted from the 1st half will be booked in the 2nd half. However, a slight decrease from the initial forecast is expected due to delay on the customer side in some projects.

Operating income and ordinary income are expected to exceed the initial forecast. This is because full-year incomes are expected to increase due to cost reduction in the 1st half and a decrease in selling, general, and administrative expenses such as travel and transportation expenses, and research and development expenses. Net income attributable to owners is also expected to surpass the initial forecast despite the federal tax and dues booked in the 1st half, which was not included in the initial plan.

The reasons for the revision of non-consolidated business forecasts are the same as those for the consolidated business forecasts.

[Note] The numerical values described in this notification were based on the information available as of today and are subject to change as a result of various factors that might arise in the future.

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