

April 6, 2016

To whom it may concern:

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

**Announcement on the Differences between Business Forecasts and Results
for the First Half Ended February 29, 2016 and Revision of Business Forecasts**

NPC Incorporated (“the Company”) hereby notifies the differences between the consolidated and non-consolidated business forecasts announced on October 7, 2015 and the results for the first half of the fiscal year 2016. The Company also notifies revision of the business forecasts for the fiscal year 2016 announced on January 8, 2016.

Description

1. Differences between business forecasts and results for the first half ended February 29, 2016

Differences between consolidated business forecasts and results for the first half ended February 29, 2016
(September 1, 2015 through February 29, 2016)

(Million yen)

	Sales	Operating income (loss)	Ordinary income (loss)	Net income (loss) attributable to the parent	Net income (loss) per share (yen)
Previous forecasts (A)	1,017	(219)	(323)	(234)	(10.64)
Results (B)	687	(301)	(350)	(259)	(11.78)
Amount of increase/decrease (B-A)	(330)	(82)	(27)	(25)	
Change (%)	(32.4)	-	-	-	
[Reference] First half of FY2015	6,302	451	379	523	23.74

Differences between non-consolidated business forecasts and results for the first half ended February 29, 2016
(September 1, 2015 through February 29, 2016)

(Million yen)

	Sales	Operating income (loss)	Ordinary income (loss)	Net income (loss) attributable to the parent	Net income (loss) per share (yen)
Previous forecasts (A)	999	(232)	(336)	(243)	(11.03)
Results (B)	659	(301)	(356)	(262)	(11.89)
Amount of increase/decrease (B-A)	(340)	(69)	(20)	(19)	
Change (%)	(34.0)	-	-	-	
[Reference] First half of FY2015	6,253	410	348	493	22.37

[Reasons for the differences]

The consolidated sales of the Company were below the announced forecast due to sales booking delay in some business deals in the equipment related business, order delay in the panel inspection business, etc.

The consolidated profits also fell below the announced forecasts due to the decline in sales. However, 43

million yen of reversal of provision for loss on liquidation of subsidiaries and affiliates was booked as non-operating income in the second quarter, which reduced ordinary loss and net loss.

The reasons for the differences of the non-consolidated business forecasts for the first half are the same as those for the consolidated forecasts.

2. Revision of the forecasts for the full year of fiscal year 2016

Revision of consolidated business forecasts for the full year (September 1, 2015 through August 31, 2016)

(Million yen)

	Sales	Operating income (loss)	Ordinary income (loss)	Net income (loss) attributable to the parent	Net income (loss) per share (yen)
Previous forecasts (A)	5,701	284	228	305	13.87
Revised forecasts (B)	5,225	158	92	175	7.98
Amount of increase/decrease (B-A)	(476)	(126)	(136)	(130)	
Change (%)	(8.3)	(44.3)	(59.6)	(42.6)	
[Reference] Full year of FY2015	9,349	519	422	561	25.47

Revision of non-consolidated business forecasts for the full year (September 1, 2015 through August 31, 2016)

(Million yen)

	Sales	Operating income (loss)	Ordinary income (loss)	Net income (loss) attributable to the parent	Net income (loss) per share (yen)
Previous forecasts (A)	5,659	266	215	306	13.88
Revised forecasts (B)	5,191	158	95	187	8.48
Amount of increase/decrease (B-A)	(468)	(108)	(120)	(119)	
Change (%)	(8.3)	(40.6)	(55.8)	(38.9)	
[Reference] Full year of FY2015	9,245	428	352	513	23.27

[Reasons for the Revision]

There is no change in the forecast that the sales of the Company are expected to be booked mainly in the second half from the large-scale lines in the equipment related business and the production start of a new contract in the contract module assembly business in the fourth quarter of this fiscal year.

However, the expected contract with one of the two new companies with whom the Company had been negotiating in the contract module assembly business became difficult to be included in the business forecast for this fiscal year. Accordingly, the sales are expected to be lower than the forecast.

The profits are expected to decline due to the decrease in the sales forecast.

The reasons for the revision of the non-consolidated business forecast for the full year are the same as those for the consolidated forecast.

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

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