

March 30, 2017

To all persons concerned:

NPC Incorporated
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Announcement on Revision of Business Forecasts

As a result of the close examination of current business situation, NPC Incorporated (“the Company”) hereby notifies the revision of the business forecasts for the first half and the fiscal year 2017, announced on October 11, 2016.

1. Revision of business forecasts for the first half

Consolidated business forecasts (September 1, 2016 through February 28, 2017)

	Sales	Operating Income	Ordinary Income	Net Income attributable to owners of parent	Net income per share (yen)
Previous forecasts (A)	1,305	(223)	(308)	(316)	(14.35)
Revised forecasts (B)	2,277	419	356	151	6.88
Amount of increase/decrease (B-A)	972	642	664	467	
Change (%)	74.5	—	—	—	
[Reference] 1 st half of FY2016	687	(301)	(350)	(259)	(11.78)

Non-consolidated business forecasts (September 1, 2016 through February 28, 2017)

	Sales	Operating Income	Ordinary Income	Net Income	Net income per share (yen)
Previous forecasts (A)	1,291	(228)	(313)	(316)	(14.36)
Revised forecasts (B)	2,266	424	362	157	7.16
Amount of increase/decrease (B-A)	975	652	675	473	
Change (%)	75.5	—	—	—	
[Reference] 1 st half of FY2016	659	(301)	(356)	(262)	(11.89)

[Reasons for the revision]

In the machinery business, the sales of the large-scale deal were partly booked in the second quarter, earlier than the scheduled second half. Accordingly, the consolidated sales are estimated to be 2,277 million yen, 972 million yen up from the previous forecast. As for profits, operating income is expected to be 419 million yen and ordinary income is expected to be 356 million yen, due to the sales of several upgrading deals with high profitability in the first half, cost reduction efforts, and sales efforts as well as increase from the sales increase described above. On the other hand, net income attributable to owners of the parent is expected to be 151 million yen, due to extraordinary loss from the fixed assets sales, which was separately released today. The reasons for the revision of non-consolidated business forecasts are

the same as those for the consolidated business forecasts.

2. Revision of business forecasts for the fiscal year 2017

Consolidated business forecasts (September 1, 2016 through August 31, 2017)

	Sales	Operating Income	Ordinary Income	Net Income attributable to owners of parent	Net income per share (yen)
Previous forecasts (A)	6,608	524	358	340	15.45
Revised forecasts (B)	5,261	477	343	128	5.85
Amount of increase/decrease (B-A)	(1,347)	(47)	(15)	(212)	
Change (%)	(20.4)	(9.0)	(4.2)	(62.4)	
[Reference] Full year of FY2016	3,996	116	81	(122)	(5.57)

Non-consolidated business forecasts (September 1, 2016 through August 31, 2017)

	Sales	Operating Income	Ordinary Income	Net Income	Net income per share (yen)
Previous forecasts (A)	6,572	499	333	327	14.86
Revised forecasts (B)	5,236	472	341	131	5.96
Amount of increase/decrease (B-A)	(1,336)	(27)	8	(196)	
Change (%)	(20.3)	(5.4)	2.4	(59.9)	
[Reference] Full year of FY2016	3,979	146	79	(131)	(5.97)

[Reasons for the revision]

In the machinery business, the sales for the consolidated business forecasts are expected to be 5,003 million yen, 1,265 million yen down from the previous forecast as a result of the revision in capital expenditure plans among our customers. In the environmental business, sales of inspection equipment have been weak while inspection service has been steady. As a result, the sales of the environmental business are expected to decrease to 257 million yen, 81 million yen down from the previous forecast. The consolidated sales are expected to be 5,261 million yen, 1,347 million yen down from the previous forecast.

As for profits, high profitability will be secured due to cost reduction efforts and sales efforts, both in the machinery business and environmental business. Besides, the sales of inspection services with increased inspection efficiency in the environmental business are expected to contribute to the profits. Thus, operating income is expected to be 477 million yen and ordinary income is expected to be 343 million yen, almost as planned. Net income attributable to the owners of the parent is expected to be 128 million yen due to the extraordinary loss as an impairment loss, which was separately released today. The reasons for the revision of non-consolidated business forecasts are the same as those for the consolidated business forecasts.

[Note] The above forecasts are based on the information available as of the release date of this announcement, and are subject to change as a result of various factors that might arise in the future.

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