

April 10, 2019

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 FY2019**

NPC Incorporated (“the Company”) hereby notifies the differences between the consolidated and non-consolidated business forecasts announced on October 9, 2018 and the results for the first half of the fiscal year 2019. The Company also notifies revision of the business forecasts for the fiscal year 2019 announced on October 9, 2018.

Description

1. Differences between business forecasts and results for the first half ended February 28, 2019

Differences between consolidated business forecasts and results for the first half ended February 28, 2019
(September 1, 2018 through February 28, 2019)

(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)	1,839	(17)	(46)	(51)	(2.35)
Results (B)	2,039	240	240	228	10.37
Amount of increase/decrease (B-A)	200	257	286	279	-
Change (%)	10.9	-	-	-	-
[Reference] First half of FY2018	3,409	411	380	346	15.72

Differences between non-consolidated business forecasts and results for the first half ended February 28, 2019
(September 1, 2018 through February 28, 2019)

(Million yen)

	Sales	Operating income (loss)	Ordinary income (loss)	Net income (loss)	Net income (loss) per share (yen)
Previous forecasts (A)	1,829	(17)	(46)	(48)	(2.21)
Results (B)	2,008	230	228	217	9.85
Amount of increase/decrease (B-A)	179	247	274	265	-
Change (%)	9.8	-	-	-	-
[Reference] First half of FY2018	3,404	527	369	334	15.18

[Reasons for the differences]

The consolidated sales of the Company were beyond the announced forecast resulted from the sales increase of PV module manufacturing equipment, etc. in the machinery business, surpassing the forecast.

The consolidated profits were estimated to be negative in the previous forecasts, however, they turned out to

exceed the previous forecasts significantly. The Company achieved profitability due to the increase in profits resulted from the sales increase of PV module manufacturing equipment, etc. and cost reduction.

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 2019

Revision of consolidated business forecasts for the full year (September 1, 2018 through August 31, 2019)

(Million yen)

	Sales	Operating income	Ordinary income	Net income attributable to the parent	Net income per share (yen)
Previous forecasts (A)	7,002	534	491	428	19.43
Revised forecasts (B)	6,762	621	592	542	24.59
Amount of increase/decrease (B-A)	(240)	87	101	114	-
Change (%)	(3.4)	16.3	20.6	26.6	-
[Reference] Full year of FY2018	6,444	506	458	410	18.62

Revision of non-consolidated business forecasts for the full year (September 1, 2018 through August 31, 2019)

(Million yen)

	Sales	Operating income (loss)	Ordinary income (loss)	Net income (loss)	Net income (loss) per share (yen)
Previous forecasts (A)	6,986	521	478	422	19.14
Revised forecasts (B)	6,724	597	567	521	23.64
Amount of increase/decrease (B-A)	(262)	76	89	99	-
Change (%)	(3.8)	14.6	18.6	23.5	-
[Reference] Full year of FY2018	6,433	478	435	392	17.81

[Reasons for the Revision]

The consolidated sales of the full year are expected to slightly decrease from the previous forecast as the progress of a large-scale project of our customer has been taking time related to automated/labor-saving machines in the machinery business.

The consolidated profits are expected to increase, despite the decrease according to sales decrease. This is because the sales of PV module manufacturing equipment, etc. will continue to be stable and offset the decreased profits.

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

[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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