

October 12, 2022

To all persons concerned:

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

Announcement on Mid-term Management Plan

NPC Incorporated (“the Company”) hereby announces its mid-term management plan for three years from FY2023 to FY2025.

Description

1. The background of the disclosure

The Company has been globally deploying the Machinery Business, including PV module manufacturing equipment, automation machines, and the Environmental Business, including inspection service for solar power plants, reuse and recycling of solar panels, solar panel disassembly equipment, and plant factory business. However, the PV-related businesses, the Company’s main business domain, have been difficult to predict the outlook because the PV industry has been greatly influenced by policies in each country. For that reason, it has been difficult for the Company to disclose mid-term business goals.

With the growing global demands for renewable energy, now the Company is able to anticipate stable mid-term to long-term growth of the PV market. Also, the Company has been making effort to diversify its business and reached to a point where it is able to foresee the growth of each business. Based on these forecasts of mid-term performance, the Company announces its mid-term management plan.

2. The basic policy of the mid-term management plan

A long-term growth is expected for the US PV market backed by an increasing demand for renewable energy and political support. Also, a continuous capital expenditure is expected for the Japanese electronic parts industry based on the growing demands. The Company will continue to supply equipment for these industries as its core business and optimize its business balance for steady growth by expanding its business domain. Specifically, the Company will supply solar panel disassembly equipment for which demand is expected to rise, with further customer acquisition for automation machines; it will also accumulate business with recurring revenue such as solar panel inspection service, reuse and recycling, and plant factory business in addition to launching new products and services for the industrial waste treatment companies. To deal with the increasing demand in abovementioned industries, the Company will enhance production system of Matsuyama Factory.

On the other hand, the Company will continue its efforts to reduce the impact of longer delivery time and price increase of parts through negotiations with suppliers and customers to secure profits.

3. Performance targets (consolidated)

(Million yen)

	FY2022 (results)	FY2023 (plan)	FY2024 (plan)	FY2025(plan)
Sales	4,379	9,034	9,300	9,700
Machinery Business	4,090	8,409	8,500	8,600
Environmental Business	288	624	800	1,100
Operating income	620	342	750	1,000

These targets are based on the expected mid-term capital expenditure by the main customers in the US PV industry and the Japanese electronic parts industry, as well as increase in sales of solar panel disassembly equipment.

For FY2023 and FY2024, weak profit rates are expected because of the impact of longer delivery time and price increase of parts.

*Forward-looking statements in this report such as financial results forecasts are based on the information available to NPC Incorporated at the time when this report is prepared and the assumption that the forecasts are reasonable. The actual results may significantly differ from the forecast due to various factors.

4. Other

Please refer to the “Presentation material for the financial results for the fiscal year 2022” as well, which is to be disclosed on October 14, 2022, for more details.

END