

April 12, 2023

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 FY2023**

NPC Incorporated (“the Company”) hereby notifies the differences between the consolidated and non-consolidated business forecasts announced on October 12, 2022, and the results for the first half of the fiscal year 2023. The Company also notifies revision of the business forecasts for the fiscal year 2023 announced on October 12, 2022.

Description

1. Differences between business forecasts and results for the first half ended February 28, 2023

Differences between consolidated business forecasts and results for the first half ended February 28, 2023
(September 1, 2022 through February 28, 2023)

(Million yen)

	Sales	Operating income	Ordinary income	Net income attributable to owners of the parent	Net income per share (yen)
Previous forecasts (A)	4,549	87	87	70	3.28
Results (B)	4,241	224	230	182	8.48
Amount of increase/decrease (B-A)	(308)	137	143	112	-
Change (%)	(6.8)	157.5	164.4	160.0	-
[Reference] First half of FY2022	1,592	1	21	(75)	(3.51)

Differences between non-consolidated business forecasts and results for the first half ended February 28, 2023
(September 1, 2022 through February 28, 2023)

(Million yen)

	Sales	Operating income	Ordinary income	Net income	Net income per share (yen)
Previous forecasts (A)	4,505	71	71	59	2.77
Results (B)	4,219	197	196	154	7.21
Amount of increase/decrease (B-A)	(286)	126	125	95	-
Change (%)	(6.3)	177.5	176.1	161.0	-
[Reference] First half of FY2022	1,556	(10)	11	(85)	(3.97)

[Reasons for the differences]

The sales were lower than the forecast because sales booking of some projects of factory automation equipment for the Japanese electronic parts industry was shifted to the second half of the fiscal year. As for the Group's profits, profit margin increased due to reduction of procurement costs, manufacturing costs, and costs for on-site work. An increase in parts sales also contributed to the profit margin improvement. In addition to the foregoing, SG&A expenses such as R&D expenses, commission fee, and depreciation decreased, which led to an increase in the operating income, ordinary income, and net income attributable to owners of the parent.

The reasons for the differences between the non-consolidated business forecasts and results are the same as those for the difference between the consolidated business forecasts and results.

2. Revision of the forecasts for the full year of fiscal year 2023

Revision of consolidated business forecasts for the full year (September 1, 2022 through August 31, 2023)

(Million yen)

	Sales	Operating income	Ordinary income	Net income attributable to owners of the parent	Net income per share (yen)
Previous forecasts (A)	9,034	342	342	283	13.17
Revised forecasts (B)	9,125	658	664	533	24.81
Amount of increase/decrease (B-A)	91	316	322	250	-
Change (%)	1.0	92.4	94.2	88.3	-
[Reference] Full year of FY2022	4,379	620	617	379	17.60

Revision of non-consolidated business forecasts for the full year (September 1, 2022 through August 31, 2023)

(Million yen)

	Sales	Operating income	Ordinary income	Net income	Net income per share (yen)
Previous forecasts (A)	8,977	324	324	271	12.59
Revised forecasts (B)	9,059	641	640	520	24.20
Amount of increase/decrease (B-A)	82	317	316	249	-
Change (%)	0.9	97.8	97.5	91.9	-
[Reference] Full year of FY2022	4,277	626	643	397	18.45

[Reasons for the revision]

While the sales of machines for the Group's US major customer's new factories of and the Japanese electronic parts industry are expected to be booked as scheduled, parts sales is expected to remain strong in the second half which will contribute to the increase in sales. Although SG&A expenses are expected to augment due to income tax and travel and transportation expenses, improvement of profit margin achieved by cost reduction in major projects and strong parts sales will lead to an increase in profits.

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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