

August 30, 2023

To all persons concerned:

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

**Announcement on Revision of Business Forecast and
Dividend Forecast (Dividend Increase) Both for FY2023**

As a result of the close examination of current business situation, NPC Incorporated (“the Company”) hereby notifies revision of the business forecast announced on April 12, 2023, and the dividend forecast announced on October 12, 2022, both for the fiscal year 2023 (September 1, 2022, through August 31, 2023).

Description

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

Consolidated business forecast

(Million yen)

	Sales	Operating income	Ordinary income	Net income attributable to owners of the parent	Net income per share (yen)
Previous forecasts (A)	9,125	658	664	533	24.81
Revised forecasts (B)	9,376	941	919	952	44.26
Amount of increase/decrease (B-A)	251	283	255	419	-
Change (%)	2.8	43.0	38.4	78.6	-
[Reference] Full year FY2022	4,379	620	617	379	17.60

Non-consolidated business forecasts

(Million yen)

	Sales	Operating income	Ordinary income	Net income	Net income per share (yen)
Previous forecasts (A)	9,059	641	640	520	24.20
Revised forecasts (B)	9,228	876	872	919	42.76
Amount of increase/decrease (B-A)	169	235	232	399	-
Change (%)	1.9	36.7	36.3	76.7	-
[Reference] Full year FY2022	4,277	626	643	397	18.45

[Reasons for the revision]

While the Company booked the sales of planned projects largely as scheduled, the sales will surpass the forecast due to strong parts sales. As for profits, profit margin is expected to be higher than the forecast announced on April 12, 2023 due to continued reduction of procurement costs, manufacturing costs, and costs for on-site work, as well as the parts sales that has remained strong throughout the fiscal year. SG&A expenses are expected to remain at the same level. As a result, operating income and ordinary income will significantly exceed the forecast. Net

income will also significantly exceed the forecast due to decrease in income tax deferred (consolidated: -215 million yen, non-consolidated: -222 million yen) resulted from increase in deferred tax assets based on the profit plan for the fiscal year 2024, which is currently under scrutiny.

The reasons for revision of consolidated and non-consolidated business forecasts are the same.

2. Revision of the dividend forecast

	Annual dividend (yen)		
	End of second quarter	End of fiscal year	Total
Previous forecast		2.00	2.00
Revised forecast		6.00	6.00
Actual results for the current fiscal year	0.00	—	—
Previous results (FY2022)	0.00	2.00	2.00

[Reasons for the revision]

The Company strives to strengthen its financial standings and increase a profit in a long term by utilizing internal reserves for R&D and capital expenditure, and at the same time ensure a stable profit return to shareholders. It is, therefore, the Company's basic policy to pay out dividends in accordance with the Company's business performance and financial conditions.

Based on this basic policy, the year-end dividend for the fiscal year 2023 will be revised from 2.0 yen to 6.0 yen per share since the profits of the fiscal year 2023 are expected to significantly exceed the previous forecast announced on April 12, 2023, as described in the above "1. Revision of business forecasts for the fiscal year 2023 (September 1, 2022, through August 31, 2023)".

[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.

END