

October 11, 2023

To all persons concerned:

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

Announcement on Medium-term Management Plan

NPC Incorporated (“the Company”) has announced its medium-term management plan for three years from FY2023 to FY2025 on October 12, 2022. The Company hereby announces its new medium-term management plan for three years from FY2024 to FY2026.

Description

1. Background

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. It has announced its first medium-term management plan on October 12, 2022.

The Company has decided to revise the management plan based on the recent progress of its businesses. As for PV module manufacturing equipment, capital expenditure of our main customer, a US PV manufacturer, is in steady progress and demand for equipment is expected to continue in the future for capacity expansion. Also, next generation PV modules such as perovskite and organic thin-film, etc. are under development in Japan and overseas. As for solar panel recycling machine, a steady increase in sales is expected in the overseas market such as Europe, and in the Japanese market. Parts sales and inspection service for solar power plants are expected to be stabilized as recurring-revenue business. Meanwhile, conversion of chicken manure and food waste into fertilizer, the Company’s new business that will contribute to SDGs, will be commercialized.

As for profits, the Company has been successful in cost reduction such as procurement and manufacturing costs. A new medium-term management plan is formulated under such circumstances.

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

The Company will, as its core business, continue to provide equipment for the industries such as US PV industry, for which a long-term growth is expected due to political support, and Japanese electronic parts industry. Meanwhile, it aims to 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 and acquire new customers of 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, it will launch new products and services that contribute to realization of circular economy. At the same time, the Company will enhance production capacity by securing human resources to deal with the increasing demand.

3. Performance targets (consolidated)

(Million yen)

	FY2023 (results)	FY2024 (plan)	FY2025 (plan)	FY2026(plan)
Sales	9,320	10,384	11,000	12,000
Machinery Business	8,689	9,865	10,200	10,800
Environmental Business	631	519	800	1,200
Operating income	976	1,584	1,700	1,900

*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 2023” as well, which is to be disclosed on October 13, 2023, for more details.

END