January 8, 2015

To whom it may concern:

NPC Incorporated
1-1-20 Minami-senju, Arakawa-ku
Tokyo 116-0003, Japan

Announcement on the Revision of Business Forecast and Extraordinary Income

NPC Incorporated, hereinafter referred to as "the Company", hereby notifies that the business forecast which was originally announced on October 8, 2014 has been revised in view of recent business trends. The Company also notifies the extraordinary income is to occur. Details are as follows:

Description

Revision of consolidated business forecast for the first half (September 1, 2014 through February 28, 2015)

(Million yen)

	Sales	Operating income / loss	Ordinary income / loss	Net income / loss	Net income per share (yen)
Previous forecast (A)	7,895	166	106	92	4.18
Revised forecast (B)	6,265	324	259	381	17.32
Amount of increase/decrease (B-A)	(1,630)	158	153	289	
Change (%)	(20.6)	95.2	144.3	314.1	
[Reference] FY2014 first half	7,264	136	191	(160)	(7.26)

Revision of consolidated business forecast for the full year (September 1, 2014 through August 31, 2015)

(Million yen)

	Sales	Operating income / loss	Ordinary income / loss	Net income / loss	Net income per share (yen)
Previous forecast (A)	11,357	255	141	124	5.66
Revised forecast (B)	-	-	-	-	-
Amount of increase/decrease (B-A)	-	-	-	-	
Change (%)	-	-	-	-	
[Reference] FY2014 full year	15,696	467	443	124	5.65

Revision of non-consolidated business forecast for the first half (September 1, 2014 through February 28, 2015)

(Million yen)

	Sales	Operating income / loss	Ordinary income / loss	Net income / loss	Net income per share (yen)
Previous forecast (A)	7,885	163	103	89	4.05
Revised forecast (B)	6,229	293	234	356	16.18
Amount of increase/decrease (B-A)	(1,656)	130	131	267	
Change (%)	(21.0)	79.8	127.2	300.0	
[Reference] FY2014 first half	7,170	75	83	216	9.83

Revision of non-consolidated business forecast for the full year (September 1, 2014 through August 31, 2015)

(Million yen)

	Sales	Operating income / loss	Ordinary income / loss	Net income / loss	Net income per share (yen)
Previous forecast (A)	11,338	249	135	118	5.38
Revised forecast (B)	-	-	-	-	-
Amount of increase/decrease (B-A)	-	-	-	-	
Change (%)	-	-	-	-	
[Reference] FY2014 full year	15,573	379	310	478	21.70

[Reasons for the Revisions]

1) For revision of business forecast for the first half

In the contract module assembly business, the sales will decrease due to the change of the quantity at the customer's request in the contracted period. 150 million yen of loss compensation by the customer according to this change, however, is expected to be booked as extraordinary income. Thus the profit will not be influenced greatly.

On the other hand, profitability is expected to exceed the forecast due to the operating ratio maintained at a high level under the steady production structure and reduction in costs and expenses. Also, collection of part of the claim written off as allowance for doubtful accounts booked in the fiscal years 2013 and 2014 will contribute to profitability improvement.

2) For revision of business forecast for the full year

The business forecast for the full year is yet to be determined due to the difficulty in reasonable estimation as the negotiation has been proceeding in the contract module assembly business for the second half, which was not expected at the previous forecast announcement. The Company will announce the forecast by the end of this month.

[Note] Since the numerical values described in this notification were prepared based on the information available as of the day when this notification was prepared, the actual results may differ from the above-mentioned numerical values depending on various factors afterwards.

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