November 28, 2019

To all persons concerned:

NPC Incorporated
1-7-5 Higashi-ueno, Taito-ku
Tokyo 110-0015, Japan

Announcement of Disposition of Treasury Stock as Restricted Stock Remuneration

NPC Incorporated ("the Company") hereby announces that the Company has resolved to dispose of its treasury stock as restricted stock remuneration at the Director's Board of Meeting held today. Details are as follows:

Descriptions

1. Summary of Disposition

(1) Date of disposition	December 20, 2019
(2) Class and number of shares to be disposed of	Common stock of the Company 27,399 shares
(3) Disposition price	354 Yen per share
(4) Total disposition value	9,699,246 Yen
(5) Recipients of the shares, the number thereof, and shares to be disposed of	3 Directors of the Company (excluding outside directors) ## shares
(6) Other	The Company has submitted a written notice of securities in accordance with the Financial Instruments and Exchange Act on this disposition

2. Purposes and reasons for disposition

The Company has resolved to introduce the restricted stock remuneration plan ("the Plan") for the Company's Directors excluding outside directors ("Eligible Directors") in order to provide incentives to continuously improve the corporate value of the Company and to promote sharing value with our shareholders at the Directors' Board of Meeting held on October 9, 2019.

At the 27th general meeting of shareholders held on November 28, 2019, it was approved that monetary remuneration claims not exceeding 40 million yen per year (not including the employee salary for a Director serving concurrently as an employee), separate from the existing remuneration, should be granted to Eligible Directors as property contributed in-kind, that the total amount of common stock to be issued or disposed of should be within 150,000 shares per year, and that the transfer restriction period should be determined at the Directors' Board of Meeting within 30 years from the issuance or disposition date, etc.

At the Directors' Board of Meeting held today, the Company has resolved to allocate 27,399 shares of the common stock of the Company as restricted stock to the 3 Eligible Directors, by granting a total amount of

9,699,246 yen in monetary compensation claims after comprehensive consideration of the purpose of this Plan, business results of the Company, the range of responsibility of each Eligible Director and other various factors. The Eligible Directors will make in-kind contribution of all monetary compensation claims to the Company according to the Compensation Plan, and will receive disposed shares of common stock of the Company.
The transfer restriction period should be 30 years, for the purpose of providing the Eligible Directors with incentive to improve the mid- to long-term corporate value.

3. Outline of restricted stock allocation contract

The Company will conclude a restricted stock allocation agreement with Eligible Directors respectively. The outline of the agreement is as follows:

(1) Transfer restriction period

From December 20, 2019 until December 19,2049, the Eligible Directors shall not transfer, arrange security interests, or otherwise dispose of any of the shares allocated to them.

(2) Condition of removal of transfer restriction period

The Company shall remove the transfer restriction of all the allocated shares when the transfer restriction period expires on condition that the Eligible Directors continuously served as Directors during the transfer restriction period. However, when an Eligible Director leaves the position due to death, expiry of term of office, reaching retirement age or any other reasons deemed justifiable by the Board of Directors, during the transfer restriction period, the number of shares obtained by multiplying the number of allocated shares held by an Eligible Director by the value obtained as a result of dividing the period of service of the Eligible Director during the transfer restriction period (on a monthly basis) by 12 (if the value is above 1, then 1 shall apply) (provided, however, that, any fraction less than one share as a result of the calculation shall be rounded off) shall be removed.

(3) Acquisition by the Company without cost

The Company shall acquire free of charge the shares allocated of which transfer restriction has not been removed, upon expiry or removal of the transfer restriction period as stated (2) above.

(4) Management of shares

The allocated shares will be managed in the dedicated account opened by Eligible Directors at Okasan Securities, Co., Ltd. in order to ensure it is impossible to transfer, arrange security interests, or otherwise dispose of any of the shares allocated to them during the transfer restriction period.

(5) Treatment of the allocated shares at the organizational restructuring, etc.

In case organizational restructuring, such as a merger contract whereby the Company will be the non-surviving party to the merger, or a share exchange agreement or share transfer agreement whereby the Company will be a wholly-owned subsidiary to the other party, will be approved at the General Meeting of Shareholders (or by the Company’s Board of Directors if such organizational restructuring, etc. does not require the approval at the General Meeting of Shareholders), the number of shares obtained by multiplying the number of allocated shares held by an Eligible Director by the value obtained as a result of dividing commencement month of the transfer restriction period to the month including the date of the approval of

reorganization by 12 (if the value is above 1, then 1 shall apply) (provided, however, that, any fraction less than one share as a result of the calculation shall be rounded off) shall be removed as of the time immediately before the business day prior to the effective date of organizational restructuring, etc.

4. Basis of calculation and specific details of the amount to be paid

The disposition of the treasury stock will be performed based on the monetary compensation claims paid to the Eligible Directors according to the Plan. The award amount per share will be based on 354 yen, the closing price of the Company's common stock at the Tokyo Stock Exchange on November 27, 2019 to exclude arbitrariness. As this amount is the market share value on the business day just before the date of resolution of the Directors' Board of Meeting, the Company believes that the amount is reasonable, reflecting the Company's corporate value appropriately and is not particularly advantageous to the Eligible Directors, in the circumstances where no special reasons exist showing that this share price cannot be based on.

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