April 9, 2013

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

NPC Incorporated, hereinafter referred to as "the Company", hereby notifies that the business forecast which was originally announced on October 10, 2012 has been revised in view of recent business trends. Details are as follows.

Description

Revision of consolidated business forecast for the full year. (September 1, 2012 through August 31, 2013)

(Million yen)

	Sales	Operating income / loss	Ordinary income / loss	Net income / loss	Net income per share (yen)
Previous forecast (A)	10,493	147	92	274	12.45
Revised forecast (B)	8,220	-533	-212	4	0.19
Amount of increase/decrease (B-A)	-2,273	-680	-304	-270	
Change (%)	-21.7	-	-	-98.5	
[Reference] Full year of FY2012	9,446	-945	-1,194	-1,806	-90.79

Revision of non-consolidated business forecast for the full year. (September 1, 2012 through August 31, 2013)

(Million yen)

	Sales	Operating income / loss	Ordinary income / loss	Net income / loss	Net income per share (yen)
Previous forecast (A)	9,116	236	223	420	19.07
Revised forecast (B)	7,000	-318	41	258	11.72
Amount of increase/decrease (B-A)	-2,116	-554	-182	-162	
Change (%)	-23.2	-	-81.6	-38.6	
[Reference] Full year of FY2012	8,138	-454	-635	-1,542	-77.56

[Reasons for the Revisions]

The consolidated business forecast for the fiscal year 2013 has been revised for the following reasons.

In the photovoltaic, hereinafter referred to as “PV”, industry to which the Company belongs, restructuring and consolidation of PV module manufacturers caused by difference in competitiveness of technologies or costs have continued. Although there were intensions towards capital investments to be prepared with the re-expansion of the PV market seen mainly in several key module manufacturers, such movements did not result in the actual placement of orders for the Group. This is because inventory reduction of Chinese module manufacturers took more time than expected and the prolonged severe market condition led to PV module manufacturers’ continuous cautious stance towards new capital investments.

On the other hand, the Company implemented three measures which are focused on the promotion of laser inspection machine, contract assembly service of PV modules, and production and sales of automation systems. The contribution of these new measures to the Company’s sales and profits for this fiscal year had been expected to be minimal at the beginning. However, the Company received positive inquiry levels for these measures during the period. Thus these new measures are expected to contribute to the Company’s sales and profit, offsetting the lower order level of the manufacturing equipment business. In February, 2013, the Group had successfully concluded a long-term contract with one of the Japanese manufacturers on the contract module assembly service.

However, since all the above three measures are new businesses, the Group took time and carefully prepared them in order to successfully start them up. Consequently, the timing of the full contribution of these measures to the Company’s sales and profits was shifted to the next fiscal year onward.

Under such circumstances, consolidated sales of the Company are expected to be 8,220 million yen, a decrease of 2,273 million yen from the previous forecast announced on October 10, 2012. On the other hand, the gross profit margin is expected to improve as planned, due to the Company’s effort towards reducing expenses under the business streamlining last fiscal year and the lowered manufacturing cost caused by factory utilization increase. As sales are expected to be below the target, operating income of 147 million yen which was originally targeted is expected to turn into operating loss of 533 million yen. Ordinary loss is expected to be 212 million yen compared with the previous forecast of ordinary income of 92 million yen. The loss is to be narrowed due to the 335 million yen foreign exchange gains booked in the non-operating profits during the first half ended supported by the weakening yen.

The Company expects a net income of 4 million yen, because of extraordinary profits. This is a 270 million yen decrease from the original forecast.

The reasons for the revision of the non-consolidated business forecast for the fiscal year 2013 is the same as the consolidated forecast.

[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.

END