

October 9, 2013

NPC Incorporated
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Tokyo 116-0003, Japan

Continuation of Countermeasures (Takeover Defense) Against Large-scale Purchases

The Board of Directors of NPC Incorporated, hereinafter referred to as “the Company”, approved a resolution today to continue the countermeasures against large-scale purchases, hereinafter referred to as “the Plan”, that were adopted in November 2007. Before making the decision, the Board of Directors of the Company reviewed the Plan and made amendments in the information items to be provided with the Company and the conditions of exercising the countermeasures to include the involvement with anti-social forces. Except for these amendments, there is no major change in the Plan. The continuation will be contingent on receiving the approval of shareholders at the General Meeting of Shareholders to be held on 28 November, 2013.

1. Purpose of the Plan

The Plan was established for the purpose of preserving and increasing the Company’s corporate value and the common interests of shareholders. The Plan has clearly defined rules that are to be followed by a party, hereinafter referred to as “the Large-scale purchaser”, that attempts to purchase 20% or more of the Company’s voting rights. The Plan gives shareholders the necessary and sufficient amount of information and time for reaching a proper decision. The Plan also ensures that there is an opportunity for the shareholders to hold negotiations with the Large-scale purchaser.

2. Summary of rules of the Plan

Before proceeding with the Large-scale purchase, the Large-scale purchaser is asked to submit a written pledge concerning compliance with the Plan’s rules and a statement of intent that includes items specified by the Company. Within 10 business days after the receipt of the statement of intent, the Board of Directors of the Company will send the Large-scale purchaser an information list containing the information that will be required for the Company’s shareholders and its Board of Directors to form an opinion. Once the Large-scale purchaser has provided sufficient information in accordance with the information list, the Company’s Board of Directors will begin to study this information. During the evaluation period* of the Board of Directors, the directors will assess and examine the information provided and then announce their opinion. If necessary, negotiations will be held with the Large-scale purchaser concerning the terms and methods of the Large-scale purchase. In addition, the Board of Directors may decide to submit an alternative proposal to shareholders.

To prevent arbitrary decisions by the Company’s Board of Directors, an “Independent Committee” has been established that serves as an advisory body to the Board of Directors. The “Independent Committee” reaches decisions and submits recommendations from an objective

standpoint concerning the operation of the Plan, including the decision to exercise the countermeasures.

*A maximum of 60 days for a takeover bid to purchase all the Company's shares in yen and a maximum of 90 days for all other actions.

3. Response to a Large-scale Purchase

In principle, the countermeasures will be exercised if the Large-scale purchaser does not comply with the rules and will not be exercised if the Large-scale purchaser complies with the rules. However, even when the Large-scale purchaser complies with the rules, the countermeasures can be exercised if the decision has been made that the Large-scale purchase would be harmful* to corporate value and the common interests of shareholders. In addition, a general meeting of shareholders may be held for the purpose of confirming the wishes of shareholders if necessary.

*A Large-scale purchaser involving greenmail, a scorched earth policy, a mandatory second-stage acquisition, or any other improper objective, or anti-social forces

4. Description of the countermeasures

Gratis allocation of new share subscription rights with a term concerning the discriminatory exercise of the rights and other terms.

5. Expiration and termination of the Plan

If shareholders approve the Plan at the November 28, 2013 General Meeting of Shareholders, the Plan will expire at the close of the General Meeting of Shareholders to take place in November, 2016. However, the Plan can be terminated immediately by a resolution of the Company's General Meeting of Shareholders or the Board of Directors prior to the expiration date.

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