October 7, 2026

NPC Incorporated
(Securities code: 6255;
Listing: Growth of TSE)
1-7-15 Higashi-ueno, Taito-ku,
Tokyo 110-0015, Japan

Notice Concerning Formulation of Medium-term Management Plan

NPC Incorporated ("the Company") hereby announces that it has formulated the medium-term management plan covering the five-year period from FY 2027 to FY 2031.

1. Background

   As the business environment surrounding the Company has improved and now that there is greater visibility of the medium-term business performance, the Company has formulated the medium-term management plan. By achieving both stability of business performance and sustainable growth, the Company will aim to gain appropriate recognition from the stock market, as well as to actively invest and to pursue stable shareholder returns.

2. Period

   Fiscal year ending August 31, 2027, to fiscal year ending August 31, 2031

3. Details

   Please refer to the attached document for details.

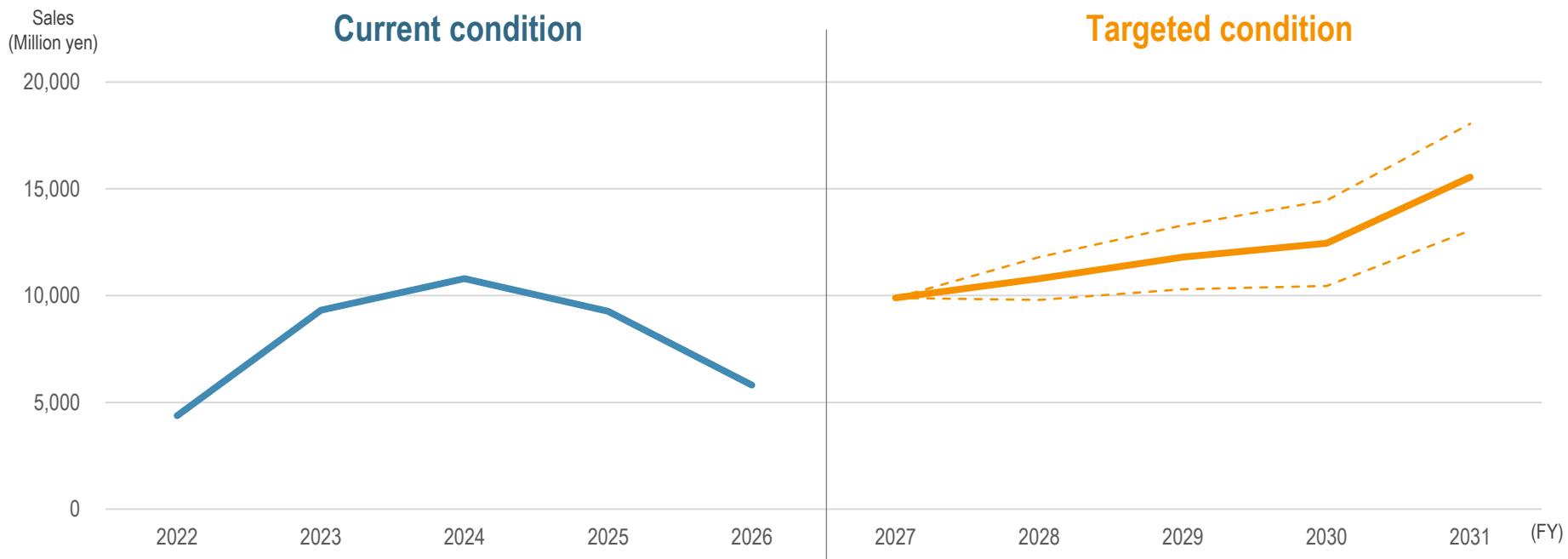
Medium-term Management Plan
(FY 2027-2031)

Medium-term Management Plan – Our Visions

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Strategies

Stabilize the business performance, and establish a business foundation for sustainable growth



Wide fluctuations in sales

- Difficult to foresee sales in short term
- Affects Cost of Equity negatively
- Difficult to proceed with investments and to increase returns to shareholders

Balancing stability of sales and sustainable growth

- Reduction of Cost of Equity
- Gain appropriate recognition from the stock market
- Active investments and stable shareholder returns

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Medium-term Management Plan – Visions

Issues and KPIs

Current Issues	Themes / Initiatives	KPI / Targets
Fluctuations in sales and profit	Business expansion in growing markets (stable growth): Accelerate initiatives in perovskite solar cells and solar panel recycling	Sales growth rate: Annual avg. of 10% or above
	Diversification of the customer base: Diversify customer and market portfolio	Share of sales from customers other than FS: over 60%
	Stabilization of profitability: Enhance sales of standardized equipment and recurring-revenue businesses	Gross profit margin: Maintain approx. 30%
Cash Allocations	Expansion of investment scale: Improve production capacity and technological capabilities while strengthening the management foundation	Investment amount : 40 million yen in 5 years
	Improvement of shareholder value： Stabilize and enhance returns to shareholders	Dividend Payout Ratio 25% (lower limit : DOE 2%)

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Medium-term Management Plan – Initiatives

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Business initiatives

Business Expansion in Growing Markets

NPC's Technology and Experience

- Accumulated technical strength with thin-film PV module manufacturing equipment through extensive experience
- Unique technologies of solar panel recycling equipment
- Engineering and production capabilities that enables designing and manufacturing of various specifications

+

Growing Markets

- Providing manufacturing equipment for perovskite to First Solar as well as domestic PV module manufacturers
- Sales of PV module manufacturing equipment



Perovskite solar cell manufacturing equipment



Solar panel recycling machines

Diversification of Customer and Market Portfolio

Business expansion beyond our core business (PV industry)

- Capturing opportunities in the strong market of electronic components and semiconductor industry
- Expanding business in the automobile industry
- Providing labor-saving / automation equipment to the waste management industry

Sales Expansion of Standardized Equipment

Expansion of product lineup
+
Enhancement of product competitiveness



Vacuum laminator



Solar panel recycling machine



Automation machine for industrial waste

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Medium-term Management Plan – Targets

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Medium-term financial outlook for the next five years

(Million Yen)

	FY2027 E	FY2028 E	FY2029 E	FY2030 E	FY2031 E	Total	Average
Sales	**9,895**	**10,800**	**11,800**	**12,450**	**15,550**	**60,495**	**12,099**
PV module manufacturing equipment	5,837	4,700	6,000	8,000	9,800	34,337	6,867
Solar panel recycling machine	831	1,500	2,000	2,400	3,000	9,731	1,946
Automation machine	2,384	3,800	3,000	1,200	1,700	12,084	2,417
Parts	717	600	600	650	850	3,417	683
Environmental services	125	200	200	200	200	925	185
Gross profit	**27.4%**	**28.6%**	**29.1%**	**31.0%**	**31.0%**	**29.6%**	**29.6%**
SG&A	1,329	1,380	1,420	1,480	1,530	7,139	1,428
Operating profit	**1,380**	**1,714**	**2,009**	**2,385**	**3,295**	**10,783**	**2,156**
Net profit	**826**	**1,183**	**1,386**	**1,646**	**2,274**	**7,315**	**1,463**
ROE	**7.5%**	**10.0%**	**10.8%**	**11.7%**	**14.5%**		**10.9%**

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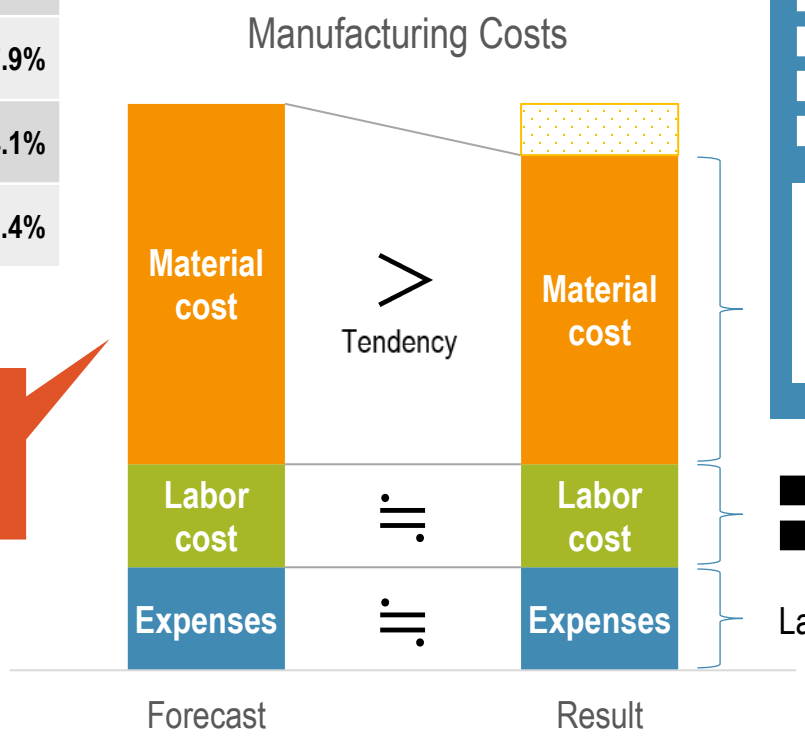
Medium-term Management Plan – Targets

Factors behind forecast-to-actual profit variances

(Ref.) Comparison of Planned and Actual Gross Profit Margin

	Forecast	Result	Difference
FY2023	14.3%	20.9%	**6.6%**
FY2024	25.2%	33.1%	**7.9%**
FY2025	29.3%	33.4%	**4.1%**
FY2026	24.4%	34.8%	**10.4%**

Reasonable Estimate
(including prices before negotiation and rough estimation)



Cost reduction during the FY

- price negotiation
- volume discount
- overseas procurement
- acquisition of new suppliers

Material cost	Gross profit margin
5% decrease	→ 2% increase
10% decrease	→ 4% increase

- Efficiency Improvement
- Skill Enhancement

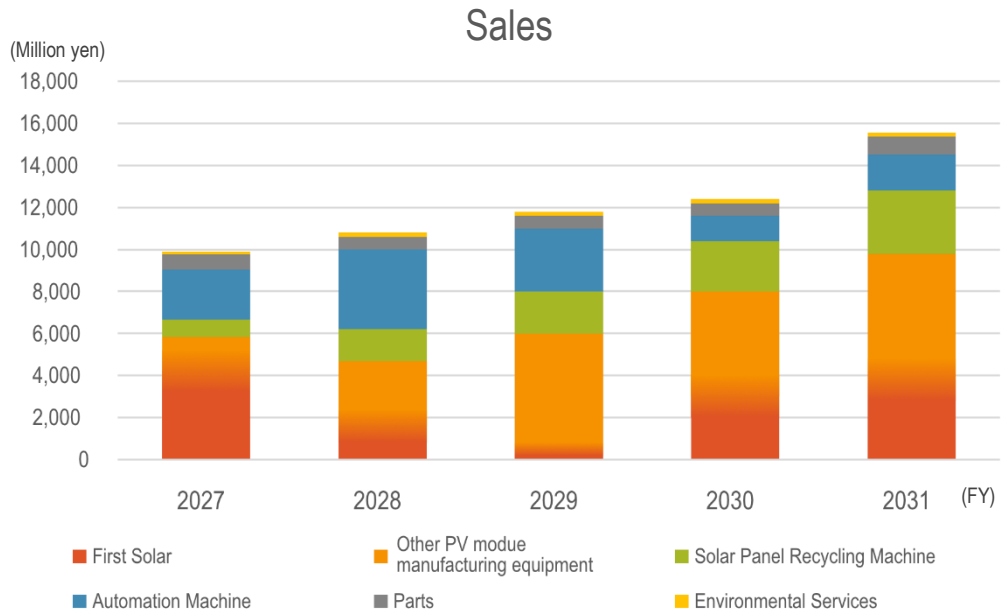
Largely unchanged

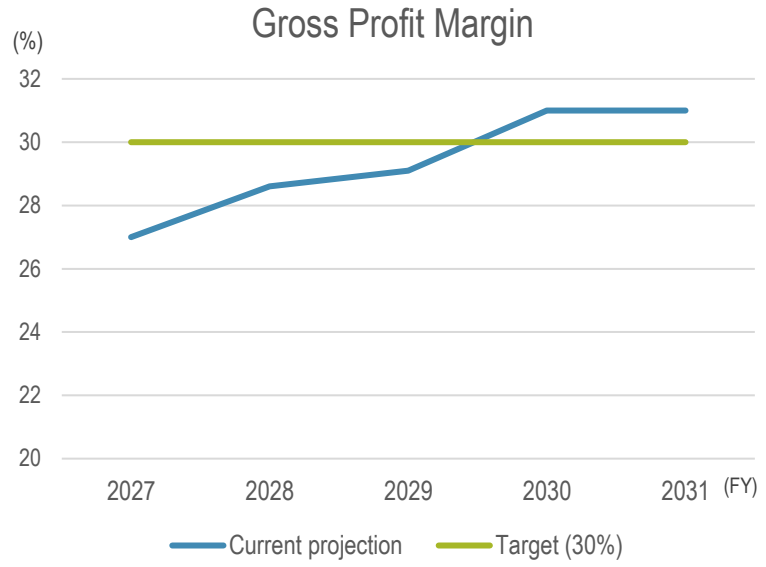
Gross profit margin tends to exceed forecasts, therefore continuous approaches will be made this FY as well to reduce costs

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Medium-term Management Plan – Targets

Current projection for KPI Targets and Financial Indicators





Annual average sales growth rate

Target: over 10%
Current projection: 12.0%

Share of sales from customers other than FS

Target: over 60%
Current projection: 70〜75%

Gross profit margin

Target: maintain approx. 30%
Current projection: avg. 29.6%

Expected financial indicators from achieving KPI targets

- ✓ 5-year cumulative operating cash flow: ¥7.3 billion
- ✓ 5-year average ROE: 10.9%
- ✓ Record-high operating profit in year 5 (¥3.0 billion+)

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Medium-term Management Plan – PV module manufacturing equipment

Current Status of First Solar

2025 2027



Manufacture of existing products

Rollout of the same equipment across all facilities

NPC: provided new equipment and equipment upgrades

R&D of next generation product (Perovskite related product)

Acquisition of a perovskite solar cell manufacturer, patent license agreement with Oxford PV, etc.

NPC: provided R&D equipment and equipment for pilot production

Mass production of the new product

Commercialization once the development is sufficiently advanced

NPC: Provision of new equipment (including front-end process) and equipment upgrades
Opportunity for NPC to acquire a large-scale project

Satellite PV Module Market

- Acquired repeat order of satellite PV module manufacturing equipment from an existing customer in FY2026
- The existing customer products PV modules that requires custom-made manufacturing equipment **(area of our strength)**
- Our customer provides PV modules to western satellite manufacturers
- The market is expected to grow further primarily in Europe and America, therefore the market conditions for order intake remain favorable

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Medium-term Management Plan – PV module manufacturing equipment

Domestic market of perovskite manufacturing equipment

- Many businesses are utilizing subsidies provided by METI-related (e.g., NEDO) organizations
- While progress varies across companies, many are actively investing in R&D.

Stage toward mass production	Sekisui Solar Film, Panasonic
R&D phase	Toshiba / AISIN / Sharp / Choshu Industry / Kaneka / Ricoh / Toyota Motor / EneCoat Technologies etc.

Indicative Scale of Future Domestic Mass Production

Japanese gov. production capacity target (in 2030)	Sum of capacity targets announced by companies (NPC estimate)
1GW	Approx. 3GW **Potential needs for our products**

*Haven't reached mass production yet, but demand for our products is expected to grow

Sales expectation for the next 5 years Japan ¥1.6 billion Overseas ¥11.0 billion

Our achievements and initiatives

Front-end（Inkjet Printing Equipment）

- Growing interest in inkjet technique as an alternative to vapor deposition and spin coating
- Providing high-precision equipment of our capital alliance partner, Gosan Tech （already received orders of approx. ¥350 million in total）
- Ongoing negotiations of R&D equipment with multiple domestic companies

Back-end (Equipment for assembly, handling, inspection, etc.)

- Proven track record in thin-film PV module back-end process
- Receiving inquiries from most of domestic companies, and have provided equipment to multiple of them
- Large-scale project executed in FY 2026

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Medium-term Management Plan – Solar Panel Recycling Machine

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Estimated sales derived from market size

Business of solar panel recycling machine is an “essential demand”, unlikely to be affected by economic fluctuations or individual customer trends
Maximizing our strength, NPC will be a leading company of the market

One of a Kind Patented Technology

- Patent related to Hot Knife Separation Method / Brush Scraping Method
- NPC’s technology enabled horizontal recycling of cover glass

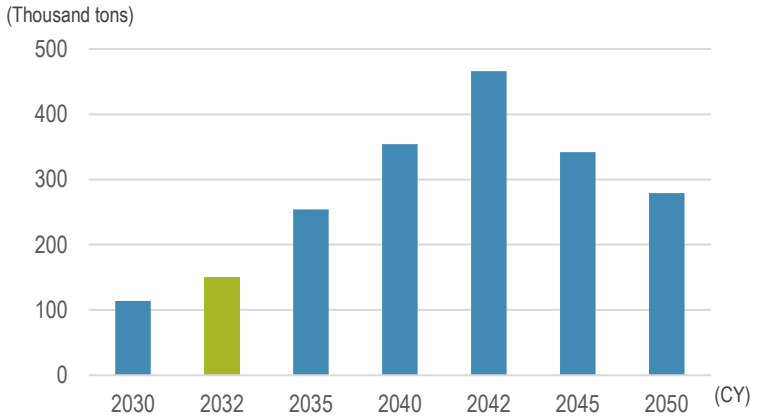
→ with our technology, recyclers can obtain certification under the Act Concerning Sophistication of Recycling Business, etc. to Promote Resource Circulation

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Essential Demand of solar panel recycling

- Legalization of solar panel (implementation by the end of 2027)
- Disposal of solar panels due to repowering (replacement to the panels with higher performance)
- Increase in number of discarded panels leading up to the end of FIT

Expected volume of end-of-life panel in Japan



(Source: Prepared by the Company based on METI, “Promoting Solar Panel Recycling” (July 15, 2026))

Key Inputs for Sales Projections

External Factors
- Discarded panels in 2032 (approx. 150 thousand tons)
- Rate of solar panel subject to recycling
- Equipment utilization rate, etc.

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Internal Factors
- Processing capacity
- Market share
- Selling price of equipment, etc.

Sales expectation for the next 5 years ⟫ Japan ¥8.5 billion Overseas ¥1.5 billion

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Medium-term Management Plan – Solar Panel Recycling Machine

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Machine Lineup and Secured Recycling Channels with Strategic Partnerships

Establishing upstream collection channels with solar power plant

Frame & J-Box Separator

Glass Separator
Hot Knife Separation Method

EVA Scraper
Brush Scraping Method



Solar panels





Glass/cells/EVA sheet



Related patents acquired



Cover glass



Related patent acquired

Expand machine sales through developing a downstream channel (recycling glass and metals)

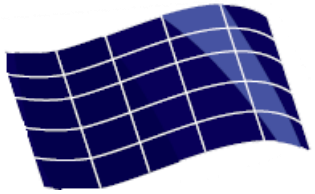


Junction box



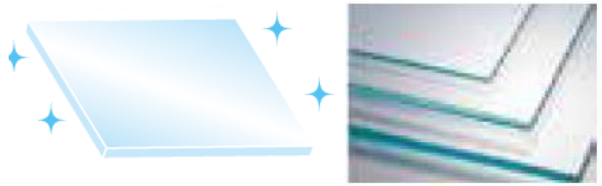
Aluminum frame

High-valued recycling at
Shinko Shouji



Cells/EVA sheet

As there is no glass residues, high-efficiency recycling is available at **DOWA**



Glass after EVA removal

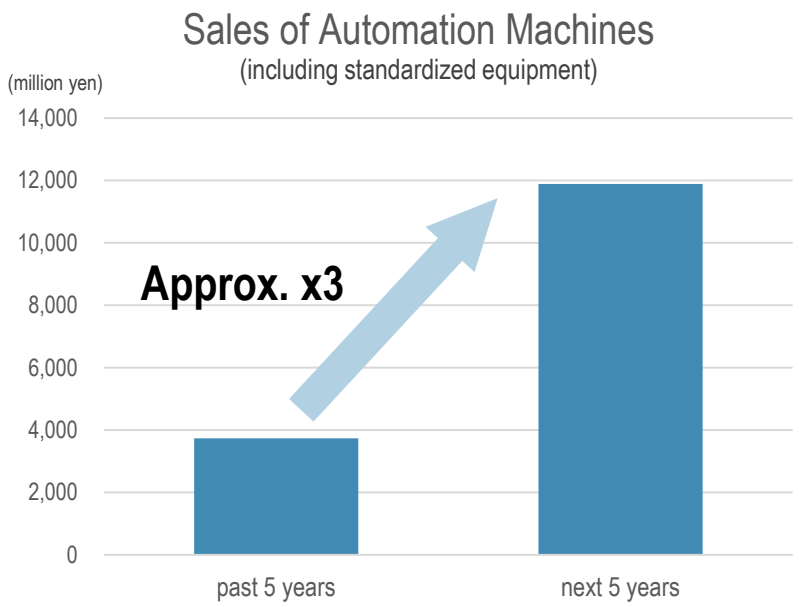
Horizontal recycling to architectural glass at
AGC, Central Glass

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Medium-term Management Plan – Automation Machines

Custom-made automation machine

- Resumption of capital investment by existing customer which is a domestic electronic component manufacturers.
- Expecting sustained investment demand driven by AI and growth of semiconductor market
  (secured an order of part of the project in FY2026)
- Oue track record is growing in automobile industry
  Inquires are increasing, expecting further growth



Standardized equipment

Expand lineup and enhance sales of standardized equipment

Vacuum laminator



- Used for R&D across a wide range of industries, including perovskite

Automation machine for industrial waste



(Image above:
bottle sorting machine)

- Successfully provided AI Robotic Sorter for industrial waste
- Strong automation and labor-saving demand in the waste management industry
- Competitive advantage through lower implementation costs
- Going forward, expand into waste management automation equipment other than sorting equipment

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Medium-term Management Plan – Parts / Environmental Services

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Parts

- Component sales for First Solar are expected to remain flat (due to changes in inventory management resulting from production consolidation in the US)
- Supported by increase sales of solar panel recycling machine, the sales of consumables (i.e. blades) are expected to increase.
- Domestic companies usually procure parts on their own and do not purchase from equipment manufacturers, therefore, limited upside

Environmental services

Maintain the current level overall, while growing recycling of solar panels (intermediate treatment at Matsuyama factory)

- Solar power plant inspection service: decrease
  →The business is likely to contract due to the anticipated decline in the number of completion tests
- Reuse of solar panels: decrease
  →Given the availability of low-cost new Chinese-made panels, the business is expected to contract
- Recycling of solar panels (intermediate treatment): increase
  →Driven by factors such as mandatory recycling plan submissions for large-scale power plants and an increase in repowering projects, volume of discarded solar panels is expected to increase
  Therefore, increase the number of intermediate treatment at Matsuyama factory
- Plant factory business: slight increase
  →Raise prices in response to inflation and increase production volumes
  Leverage for increased corporate awareness and recruitment as well

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Medium-term Management Plan – Cash Allocation

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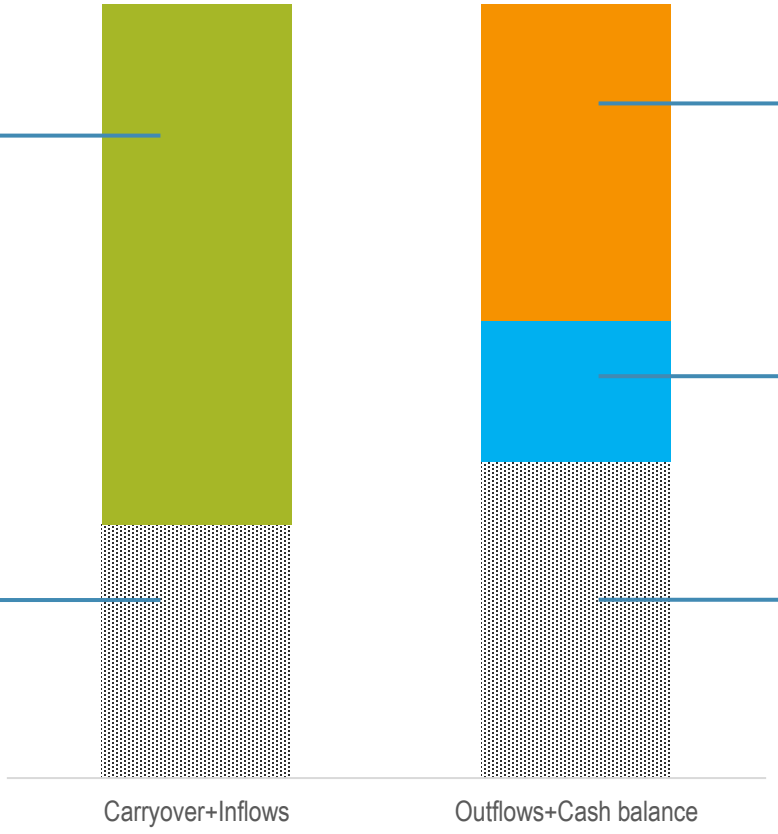
Cash allocation of the next 5 years

Proactive investment for sustainable growth and enhancement of shareholder returns

Cash flows from operating activities (approx. ¥7.3 billion)

Total cash flows from operating activities expected to be gained over the next 5 years

Cash amount at FY2026 year-end (approx. ¥3.6 billion)



Investment (approx. ¥4.0 billion)

Proactively invest to achieve our strategic objectives

Shareholder return (approx. ¥2.0 billion)

Distribute dividends based on clear guidelines

Cash reserves (approx. ¥4.9 billion)

Adjusted according to the expected sales in FY2031 based on the maximum decline from the peak in historical cumulative monthly cash flow

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Medium-term Management Plan – Cash Allocation

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Investments

Strengthen future sales, supply capacity, and management foundation by distributing the capital into three areas

1

Maintain profit margin and increase the sales

- R & D (enhancement of product competitiveness, development of standardized equipment, and in-house manufacturing of core equipment)
- Strengthen marketing
- Optimization and global expansion of procurement supply chain
- Strategic investment to untapped markets and M&A

Investment amount
¥1.0~1.5 billion

2

Increase production and supply capacity

- M&A of the automation machine manufacturers and metalworking companies
- Strengthen the network with contract manufacturers which we could outsource the assembly of equipment
- Capital investment at Matsuyama factory

Investment amount
¥2.0~2.5 billion

3

Strengthen the business foundation to support growth

- Investment to human resource
- Improve infrastructure and IT

Investment amount
¥0.5~1.0 billion

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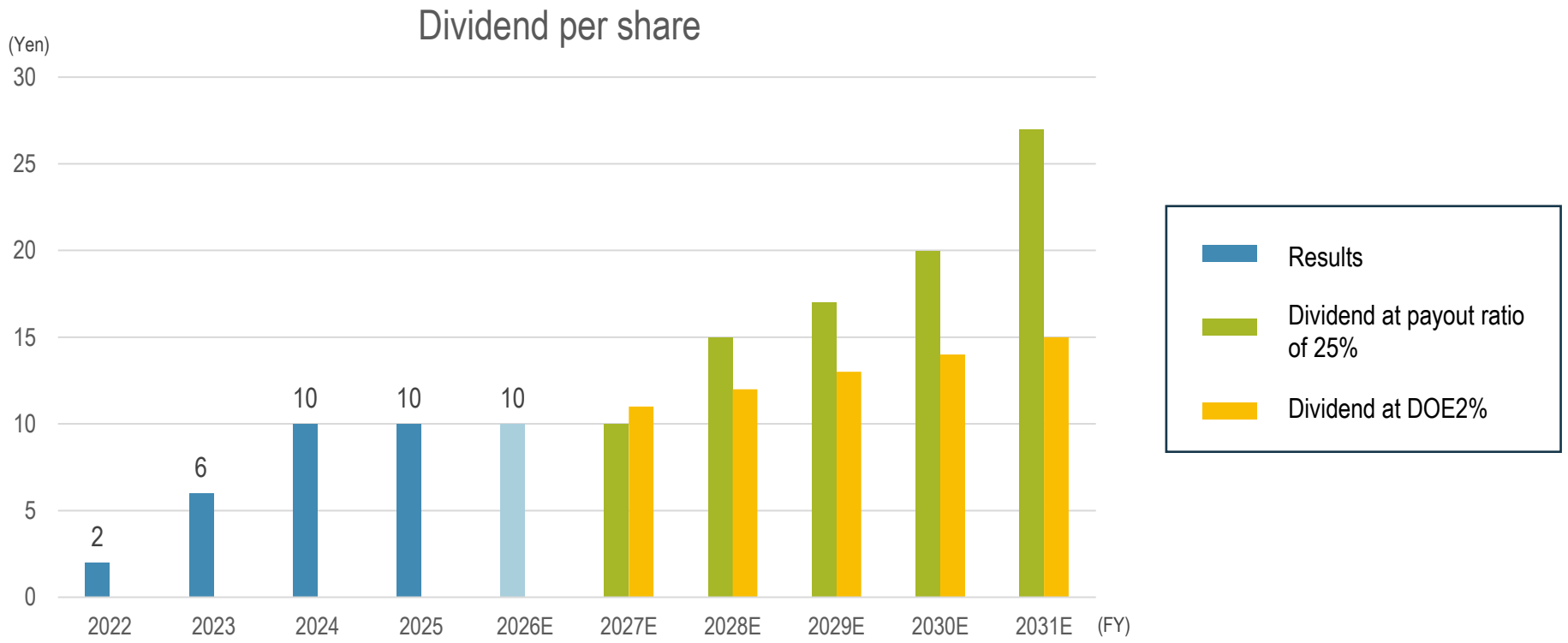
Medium-term Management Plan – Cash Allocation

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Return to investors

Shareholder return that links to the performance while maintaining stability

Set a dividend payout ratio of 25% as a basic policy, with a minimum threshold of DOE 2%



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