FY2024 Financial Results

Agenda

1. FY2024 Summary of Consolidated Financial Results

2. FY2025 Full-Year Forecast

3. Mid-Term Management Plan (FY2025-FY2027)

Summary

FY2024 Financial Results Summary	• Despite the effect by the sale of subsidiaries engaged in business for German customers, OP margin remained at a high level of 13.9% and achieved a record high by controlling variable cost. • Net income is also at highest level in the past due to the temporary factors such as the sale of cross-shareholdings and tax effects.
FY2025 Full-Year Forecast	• **Profit is expected to increase despite of the assumption of strong yen (145 yen to the dollar).** • Aiming for operating profit ratio of over 14%. • The impact of tariffs is not included as it is difficult to calculate at the moment. • Dividends for FY2025 is expected to increase by 5 yen. (80 yen/per share)
Mid-Term Management Plan	• **Aiming for a stable growth through continuous improvement in installed value per vehicle, cost reduction, and fixed cost control.** - FY2027 Target : Sales – 369.0 billion yen, OP – 53.4 billion yen - ROE12~14%, ROIC18~20% - Total Payout Ratio – over 45%

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Agenda

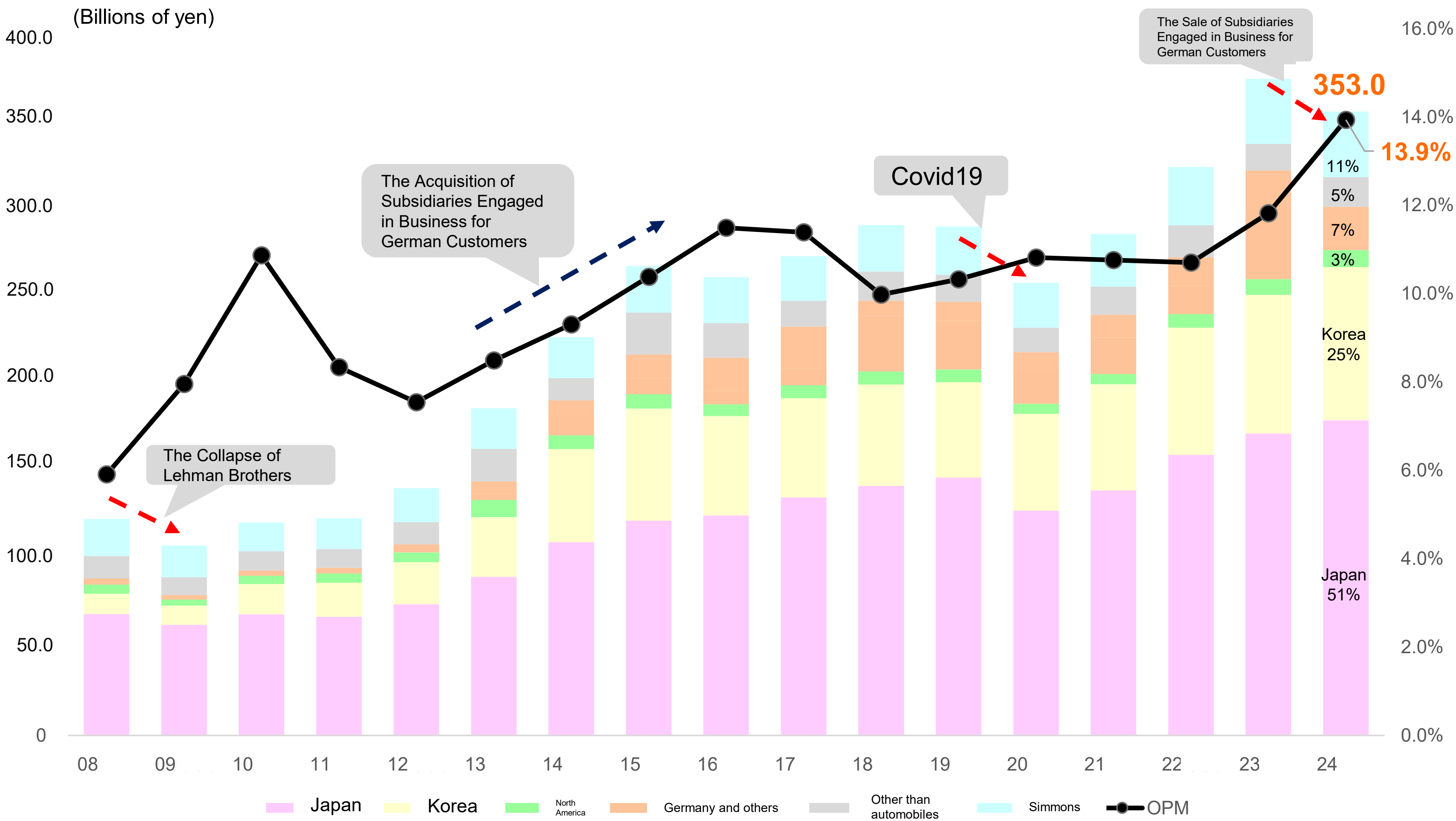
1. FY2024 Summary of Consolidated Financial Results

2. FY2025 Full-Year Forecast

3. Mid-Term Management Plan (FY2025-FY2027)

Historical Net Sales and Operating Profit Margin (4Q cumulative)

- OP margin remained at a high level of 13.9% because of transfer of subsidiaries engaged in business for German customers and operational improvements.



Highest level of sales, OP and OP Margin in the past year

- Despite temporary factors in the business of North America, OPM maintained the same level QoQ.
- Net income increased QoQ due to the loss on the sale of German subsidiaries being included as a tax expense.

	FY2023	FY2024				
(JPN)	4Q	1Q	2Q	3Q	**4Q**	YoY
Net Sales	97.9bn	86.1bn	90.1bn	87.8bn	**89.0bn**	-9.0%
Operating profit	12.4bn	11.8bn	13.2bn	12.7bn	**11.3bn**	-8.7%
OP margin	12.7%	13.8%	14.7%	14.5%	**12.7%**	+0.1%pts
Net income[1)]	-5.1bn	8.8bn	6.6bn	12.5bn	**16.8bn**	-
EPS	-51.91yen	88.87yen	67.24yen	129.87yen	**176.61yen**	-
FX rates	1USD=JPY140.7 1EUR=JPY152.1	1USD=JPY148.6 1EUR=JPY161.3	1USD=JPY152.3 1EUR=JPY164.7	1USD=JPY151.4 1EUR=JPY164.6	**1USD=JPY151.7** **1EUR=JPY164.0**	1USD=JPY+11.0 1EUR=JPY+11.9

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1) Net income is net income attributable to parent company

Achieved YoY Increase in Revenue and OP Margin Resulted in the Level of 13.9%.

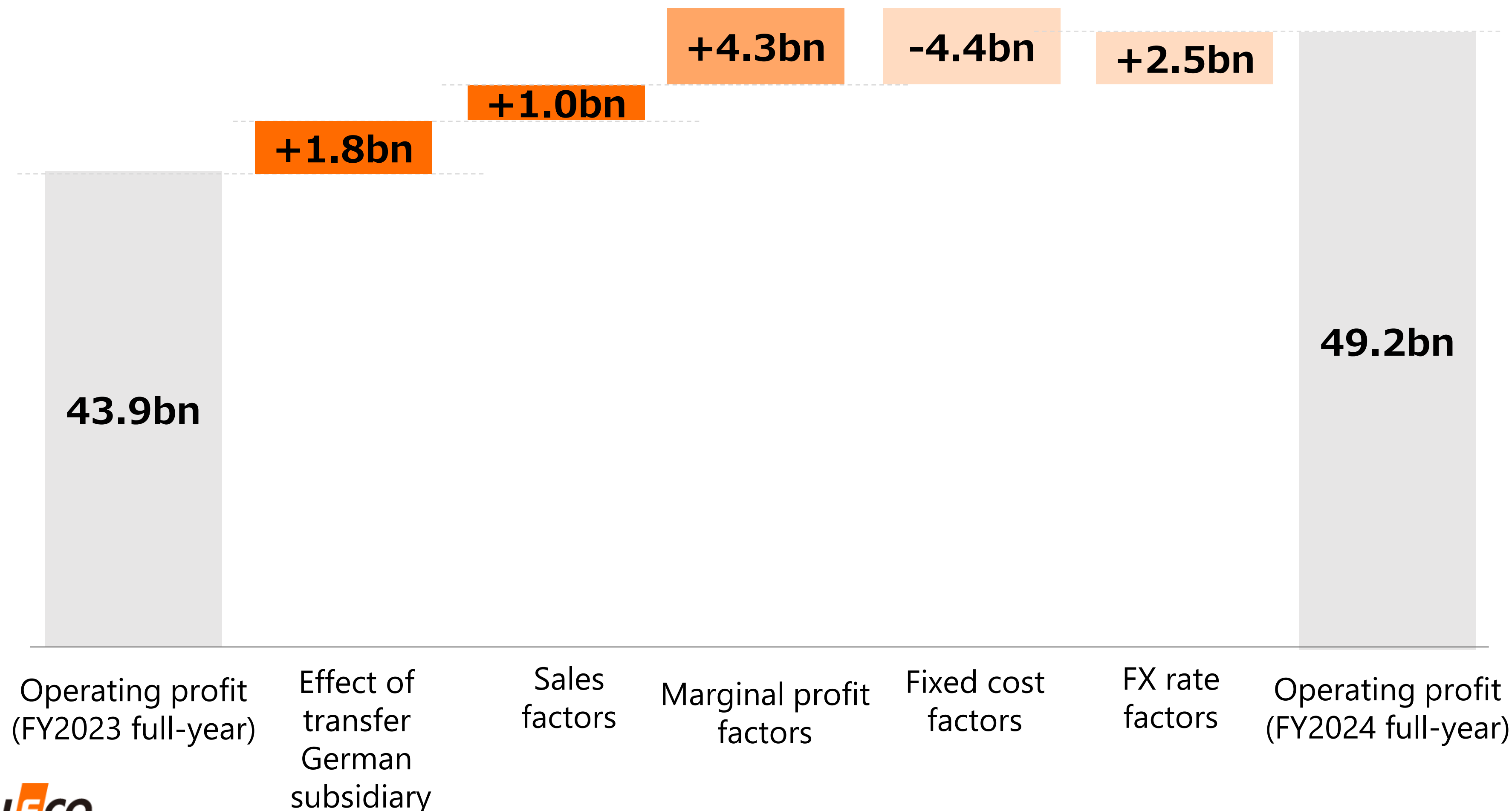
- Although sales decreased due to the transfer of subsidiaries engaged in business for German customers, profits increased YoY due to yen depreciation and steady progress in North America.
- OP margin remained high at 13.9%.

	FY2022	FY2023	FY2024	
(JPN)	4Q cumulative	4Q cumulative	4Q cumulative	YoY
Net Sales	321.7bn	371.6bn	**353.0bn**	-5.0%
Operating profit	34.4bn	43.9bn	**49.2bn**	+12.0%
OP margin	10.7%	11.8%	**13.9%**	+2.1%pts
Net income[1)]	21.1bn	18.2bn	**44.7bn**	+145.3%
EPS	211.28yen	183.26yen	**461.95yen**	+152.1%
FX rates	1USD=JPY131.6 1EUR=JPY138.1	1USD=JPY140.7 1EUR=JPY152.1	**1USD=JPY151.7** **1EUR=JPY164.0**	1USD=JPY+11.0 1EUR=JPY+11.9

1) Net income is net income attributable to parent company

Operating Profit Analysis (YoY)

- Marginal profit ratio increase was driven by the improve of variable cost such as material cost.
- Fixed cost increase was mainly due to the labor cost increase.

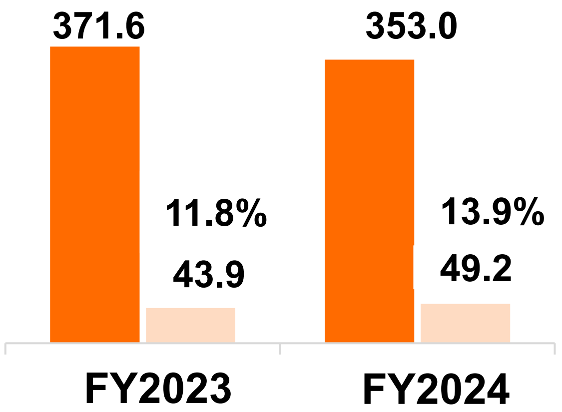


FY2024 4Q Sales and Operating Profit

(Billions of yen)

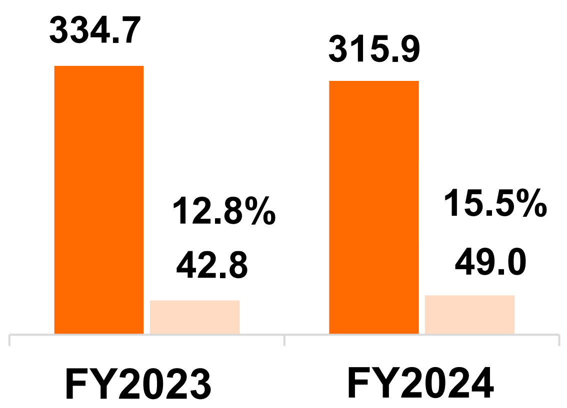
Consolidated

YoY : Sales -5% OP +12%



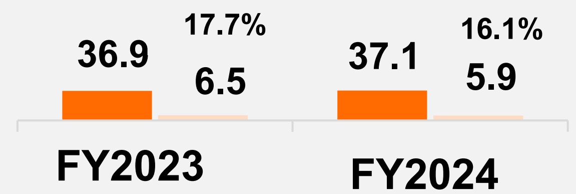
Plastics

YoY : Sales -5.6% OP +14.7%



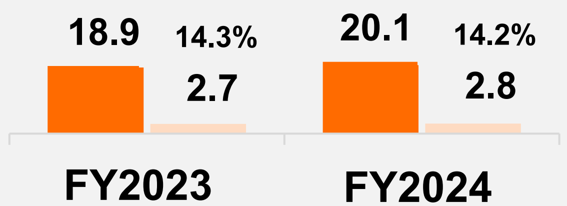
Bed

YoY : Sales +0.5% OP -8.4%



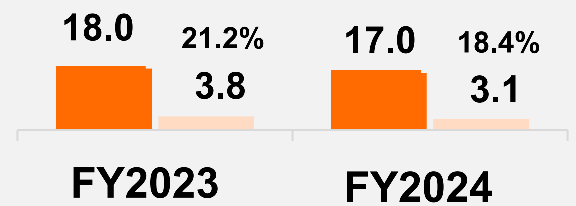
Bed : Japan

Recovered in other sales channels as well in addition to the favorable situation for hotels



Bed: Asia

No recovery in the business for China



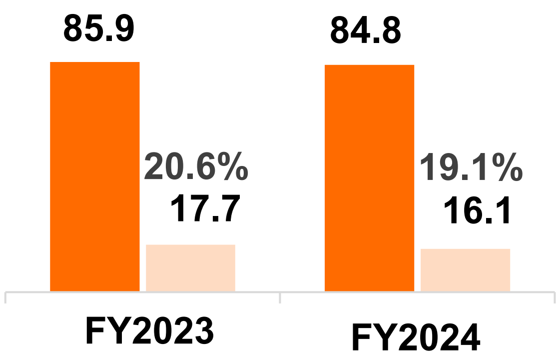
1) Overseas: January – December 2024, Japan: April 2024 – March 2025

FY2024 4Q Sales and Operating Profit

(Billions of yen)

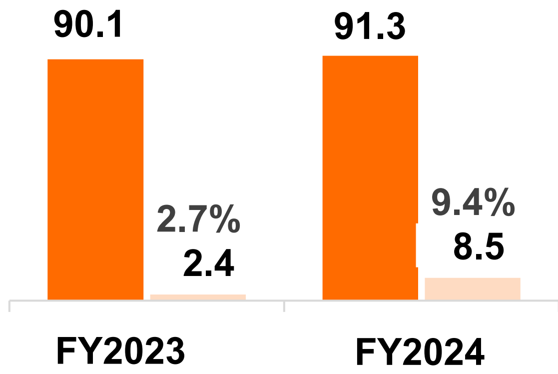
Japan

Sales and OP decreased because of the decrease in sales volume



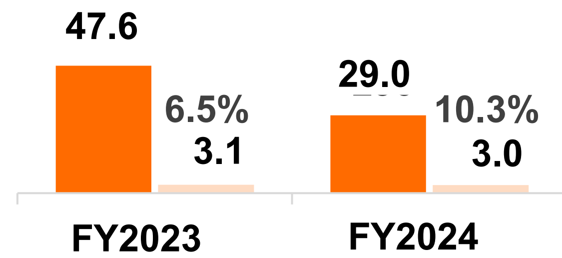
North America

OP increased by improving actions



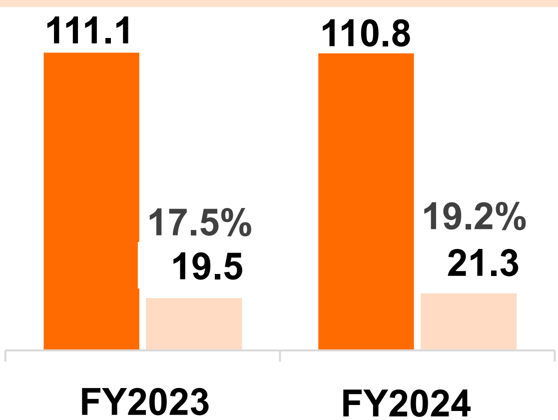
Europe

Improved because of the sale of subsidiaries engaged in business for German customers



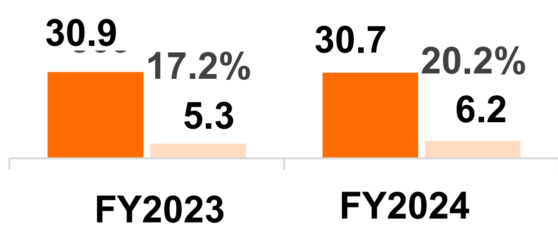
Asia(including China and India)

OP decreased because of the decrease in sales volume



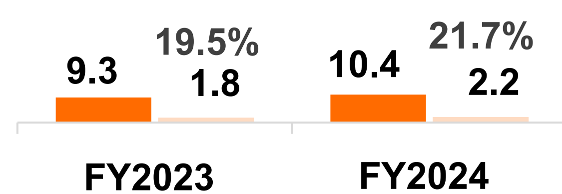
China

Despite the decrease in sales, OP increased by improving actions



India

The impact of new factory starts from next fiscal year



1) Overseas: January – December 2024, Japan: April 2024 – March 2025

Allocate funds with emphasis on cashflow-oriented management

- Free CF exceeded the plan because of yen depreciation and steady performance in North America.
- Ending cash equivalent decreased slightly. Bonds will be redeemed from cash on hand during FY2025.

(JPN)	FY2023(Full-Year)	FY2024(Full-Year)	Change	Plan(FY2024)
CAPEX	10.0bn	**19.7bn**	+9.7bn	**23.2bn**
Depreciation	14.2bn	**13.0bn**	-1.2bn	**12.8bn**
R&D	4.0bn	**4.4bn**	+0.4bn	**4.0bn**
Operating CF	47.2bn	**54.2bn**	+7.0bn	**42.6bn**
Investment CF	-8.1bn	**-23.8bn**	-15.7bn	**-23.0bn**
Free CF	39.1bn	**30.4bn**	-8.7bn	**19.6bn**
Financial CF	-26.0bn	**-35.1bn**	-9.1bn	**-29.5bn**
Cash equivalent balance	142.0bn	**141.0bn**	-1.0bn	**121.4bn**

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DPS is 75 yen, Consider Buybacks Assertively

- DPS is 75 yen, increased by 5 yen (increased by 11 yen from FY2023)
- After 16.0-billion-yen buybacks, stay flexible in considering buybacks.

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Dividend (full year)	62 yen/share	53 yen/share	62 yen/share	64 yen/share	64 yen/share	**75 yen/share (Plan)**
Share buy-back	790k shares (1.4bn yen)	710k shares (1.4bn yen)	1.38mn shares (4.8bn yen)	360k shares (1.2bn yen)	800k shares (3.0bn yen)	**4.35mn shares (16.0bn yen)**

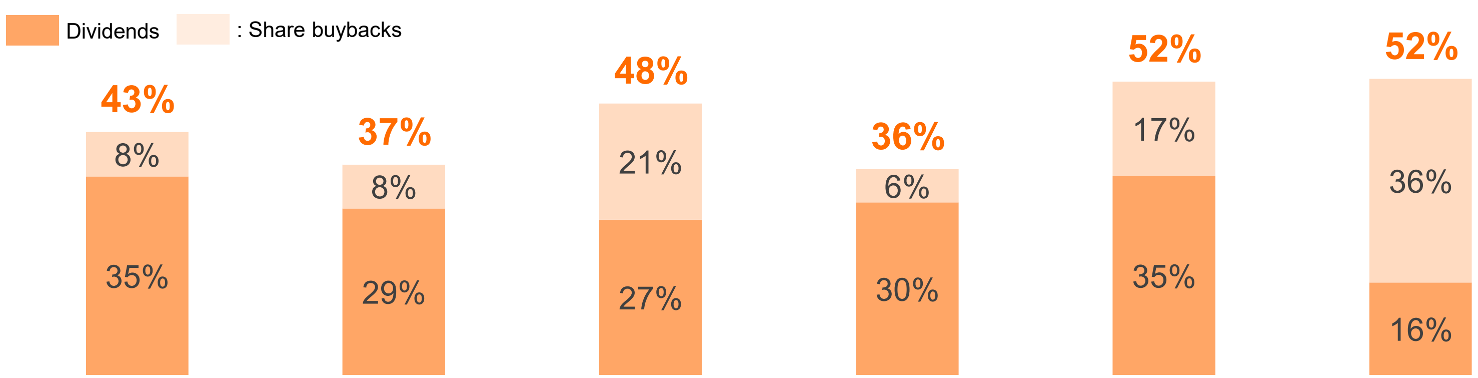
Shareholder return

Target (payout ratio)

Dividend payout ratio ： 30%

Total payout ratio More than 45%

Actual



Agenda

1. FY2024 Summary of Consolidated Financial Results

2. **FY2025 Full-Year Forecast**

3. Mid-Term Management Plan (FY2025-FY2027)

Aim for record-high OP and 14% OP ratio

Though the foreign exchange assumption is set more towards appreciation of the yen (1USD = 145 yen), aim for an increase of OP by the improvement of installed value per vehicle, and thorough cost management.

	FY2023	FY2024	FY2025	
	4Q cumulative	4Q cumulative	**4Q cumulative**	YoY
Net Sales	371.6bn	353.0bn	**348.0bn**	-1.4%
Operating profit (OP margin)	43.9bn (11.8%)	49.2bn (13.9%)	**49.5bn (14.2%)**	+0.6% (+0.3%pts)
Net income[1)]	18.2bn	44.7bn	**30.6bn**	-31.5%
EPS	183.26yen	461.95yen	**315.76yen**	-31.6%
ROE	7.8%	17.3%	**12.0%**	-5.3%pts
ROIC	17%	18.8%	**18.0%**	-0.8%pts
FX rates	1USD=JPY 140.7	1USD=JPY 151.7	**1USD=JPY 145**	1USD=JPY -6.7

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1) Net income is net income attributable to parent company

Allocate funds with emphasis on cashflow-oriented management

- Plan to make meaningful capital investments in a timely manner.
- Ending cash equivalent will be decreased due to capital investments and bonds redemption.

	FY2024(Actual)	FY2025(Plan)	YoY
CAPEX	19.7bn	21.0bn	+1.3bn
Depreciation	13.0bn	13.5bn	+0.5bn
R&D	4.4bn	4.8bn	+0.4bn
Operating CF	54.2bn	46.0bn	-8.2bn
Investment CF	-23.8bn	-23.0bn	+0.8bn
Free CF	30.4bn	23.0bn	-7.4bn
Financial CF	-35.1bn	-27.0bn	+8.1bn
Cash equivalent balance	141.0bn	137.0bn	-4.0bn

DPS is 80 yen, Consider Buybacks Assertively

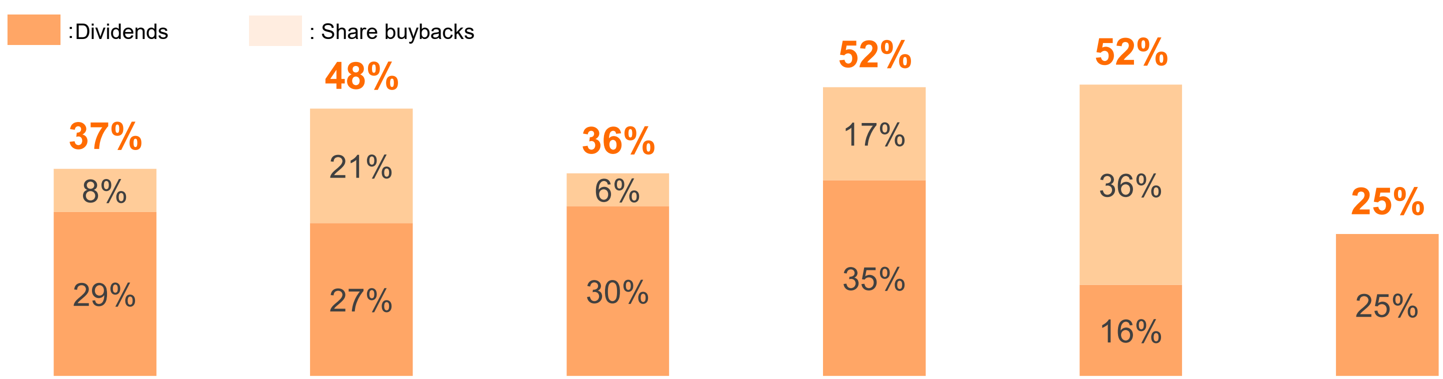
- DPS is 80 yen, increased by 5 yen from FY2024.
- Stay flexible in considering buybacks and aim for total payout ratio more than 45%.

	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025e
Dividend (full-year)	53 yen/share	62 yen/share	64 yen/share	64 yen/share	75 yen/share	**80 yen/share (plan)**
Share Buy-back	710k shares (1.4bn)	1.38mn shares (4.8bn)	360k shares (1.2bn)	800k shares (3.0bn)	4.35mn shares (16.0bn)	–

Return to Shareholders

	FY2020–FY2024	FY2025e
Target	Dividend payout ratio ： 30%	**Total payout ratio More than 45%**

Actual



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3. Mid-Term Management Plan (FY2025-FY2027)

12. Priorities Measures of Mid-Term Management Plan (1)

1	Growth through existing business	Further strengthening existing business model (rapid development and market expand of "Environment・Safety・Comfort" products) ・Ensuring growth in all directions (ICE, HV, PHV, FCV, EV)
2	Growth through new channels	Acquire business from superior Chinese OEMs ・Including businesses via global Tier 1
3	Invest resources in growing markets and increase earnings	Actively invest resources in the Indian market and achieve solid results
4	Bed business in Asian Market	Strengthen business in China and Asia as a new growth market
5	Exploring and building new businesses	Utilize M&A and alliances instead of sticking to our own knowledge and asset

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13. Priorities Measures of Mid-Term Management Plan (2)

6	Penetration of "Nifco" brand inside and outside the company	・Brand improvement for each region ・Brand improvement for HR recruitment ・Brand improvement for customer
7	Promote HR development	・Promoting investment in human resources ・Promoting diversity /strengthening training ・Revitalizing the organization by improved engagement
8	Strengthen digitalization and IT	・Human resource development of digital talent and digital professionals ・Building and utilizing a platform that supports the use of information
9	Strengthen corporate governance system to continuously improve corporate value	・Strengthen the Board of Directors function under the new organization ・Strengthen various committee functions ・Strengthen ESG management

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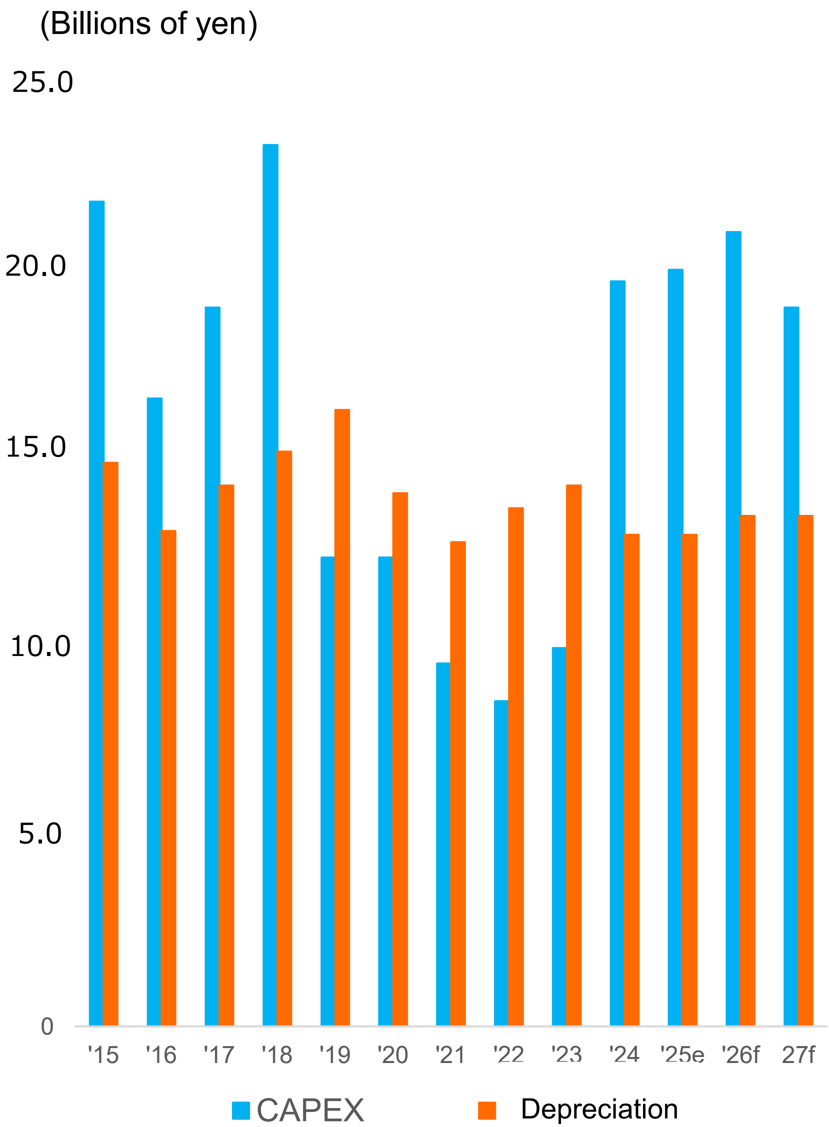
14. Targets of Mid-Term Management Plan

bn yen	FY2024 Actual	FY2025 Budget	FY2027 Target	FY2027 Compare with FY2025
Sales	353.0	348.0	**369.0**	**+6%**
Operating profit	49.2	49.5	**53.4**	**+8%**
OP margin	13.9%	14.2%	**More than 14%**	**-**
Net income	44.7	30.6	**35.0**	**+14.4%**
ROE	17.3%	12%	**12~14%**	**-**
ROIC	18.8%	18.0%	**18~20%**	**-**
FX	1USD=JPY151.7	1USD=JPY145	1USD=JPY145	

15. Generating Cash Flow



(Billions of yen)

	FY2022~FY2024 Actual	FY2025~FY2027 Estimate
EBT	121.0	153.0
Depreciation	41.0	40.0
Operating CF	138.7	144.0
CAPEX	38.6	60.0
Investing CF	-43.5	-100.0
Free CF	95.1	44.0
Shareholder returns	38.6	55.0
Cash balance	141.1	120.0

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16. Thorough Management Focused on Cash Flow to Maximize Corporate Value

Strengthen ROIC management (Improve capital efficiency)

Optimize Fixed Cost (Appropriate B/S)

Improve profitability (Improve profit ratio)

Meaningful investment plan (Appropriate risk and return)

Maximize Cash Flow

Strengthen Management Structure
- IT and digitalization
- Human resource development
- Strengthen governance

Investment for Further Growth
- Strengthen existing business
- Exploration of new business
- M&A and alliance

Return to Stockholders
- Over 45% total payout ratio (Stable dividends and flexible stock buybacks)

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Forward-looking statements or projections included in this document, including earnings projections, are based on currently available information and certain premises that are judged to be rational at the time of this writing. Actual results may differ greatly from the forecast figures depending on various factors.