

## Summary of Consolidated Financial Results for First Half of Fiscal Year Ending March 31, 2025

(These figures are rounded down to the nearest million yen.)

### 1. Consolidated Financial Results for First Half of FY2024 (April 1 to September 30, 2024)

#### (1) Consolidated financial results

(The percentages denote year-on-year change.)

	Net sales		Operating profit		Ordinary profit	
	Million yen	%	Million yen	%	Million yen	%
First Half FY2024	176,198	(1.5)	25,132	21.5	25,151	0.5
First Half FY2023	178,835	20.5	20,682	35.9	25,027	23.0

Note: Comprehensive income: 30,245 million yen in First Half FY2024 (1.2%), 29,895 million yen in First Half FY2023 (1.9%)

	Profit attributable to owners of parent		Basic earning per share	Diluted earning per share
	Million yen	%	Yen	Yen
First Half FY2024	15,396	(11.2)	157.22	—
First Half FY2023	17,335	25.3	173.71	—

Note: Diluted earning per share of First Half FY2024 and First Half FY2023 are not shown in the above table, as there are no potential common shares with dilution effect.

#### (2) Consolidated financial position

	Total assets	Net assets	Net assets ratio	Net assets per share
	Million yen	Million yen	%	Yen
First Half FY2024	377,924	265,767	69.5	2,699.18
FY2023	380,405	247,052	64.1	2,455.97

Reference: Equity capital: 262,472 million yen in First Half FY2024, 243,695 million yen in FY2023

### 2. Dividends

	Dividend per share				
	At end of first quarter	At end of second quarter	At end of third quarter	At end of FY	FY
	Yen	Yen	Yen	Yen	Yen
FY2023	—	32.00	—	32.00	64.00
FY2024	—	35.00	—	—	—
FY2024 (forecast)	—	—	—	35.00	70.00

Note: Revision of the latest forecasts: None

### 3. Forecasts for FY2024 (April 1, 2024 to March 31, 2025)

(The percentages denote year-on-year change.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earning per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
FY2024	340,000	(8.5)	45,000	2.4	44,200	(11.0)	26,100	43.0	262.05

Note: Revision of the latest forecasts: None

#### 4. Others

(1) Changes in principal subsidiaries during the fiscal year (changes in specific subsidiaries, which involve changes in the scope of consolidation): Yes

New consolidation: – company (company name): – Exclusion: 2 companies (company name): Nifco Germany GmbH, Nifco KTW America Corporation

The company's specific subsidiaries Nifco Germany GmbH and Nifco KTW America Corporation were omitted from specific subsidiaries due to the completion of business transfers in April 2024.

(2) Adoption of specific accounting policies for quarterly consolidated financial statement: Yes

(3) Changes in the principles and procedures of accounting concerning the preparation of consolidated financial statements and in the methods of presentation, etc. (stated in "Changes in Significant Accounting Policies for Preparing Consolidated Financial Statements")

1) Changes following the revision of accounting standards, etc.: None

2) Changes other than 1): None

3) Changes in accounting estimates: None

4) Retrospective restatement: None

(4) Number of shares outstanding (common stocks)

1) Number of shares outstanding at end of the period (including treasury stocks)

2Q of FY2024	100,257,053	FY2023	100,257,053
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2) Number of treasury stocks at end of the period

2Q of FY2024	3,015,415	FY2023	1,031,017
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3) Average number of shares outstanding during the period

2Q of FY2024	97,930,692	2Q of FY2023	99,797,364
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\*Quarterly financial results reports are exempt from quarterly review conducted by certificated public accountants or an audit corporation.

\* Proper use of earnings forecasts and other special matters

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. For assumptions used for earnings forecasts and notes on the use of earnings forecasts, etc., please refer to "I. Quarterly Consolidated Financial Statements and Main Notes, (iii) Information regarding consolidated earnings forecasts and other forward-looking statements" on page 5 of the Attached Materials.

## Contents of Attachment

I. Quarterly Consolidated Financial Statements and Main Notes .....	- 4 -
(i) Explanation of operating results .....	- 4 -
(ii) Explanation of financial position .....	- 5 -
(iii) Information regarding consolidated earnings forecasts and other forward-looking statements .....	- 5 -
II. Quarterly Consolidated Financial Statements and Main Notes .....	- 6 -
(i) Consolidated Balance Sheet.....	- 6 -
(ii) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income (cumulative).....	- 8 -
(iii) Consolidated statement of cash flows.....	- 9 -
(iv) Notes in Relation to the Consolidated Financial Statements.....	- 11 -
- Notes regarding the going concern assumption.....	- 11 -
- Notes on significant changes in the amount of shareholders' equity.....	- 11 -
- Adoption of specific accounting policies for quarterly consolidated financial statement.....	- 11 -
- Consolidated statements of balance sheet .....	- 11 -
- Consolidated statements of income and comprehensive income.....	- 11 -
- Segment Information, etc. ....	- 12 -

## I. Quarterly Consolidated Financial Statements and Main Notes

### (i) Explanation of operating results

For the first six months ended September 30, 2024, in Japan's manufacturing sector, although production decreased in the automobile and other industries, affected by non-operation of certain plants due to large typhoons and other factors, business confidence remained strong with a wide-range of industries switching to increased production. In the non-manufacturing sector, business confidence was also good mainly on the back of inbound demand and consumer spending being on a recovery trend as well as the progress in passing on price hikes to consumers and digitalization. Looking overseas, in the Chinese economy, domestic demand was sluggish due to a slump in the real estate market. In addition, despite an increase in exports of automobiles centered on EVs and others, overproduction of EVs, etc. was considered problematic, and countermeasures, such as tariff hikes, were taken against it. A slowdown in exports in the future was indicated, and business conditions were at a standstill. In the European economy, consumer spending was on the increase in response to an improvement in real income and easing of monetary tightening, and financial support in each country and investment assistance by the Recovery and Resilience Facility also underpinned capital investment, resulting in a pickup in the economy. Furthermore, the U.S. economy showed a steady move mainly in domestic demand as well. While net export and inventory investment put downward pressure on the entire economy, consumer spending and capital investment increased due to a continued rise in nominal wages in excess of price increases, spending of excessive savings, and policies such as the CHIPS for America Act. To sum up, the economy expanded. Thus, though there was a standstill in certain regions, the global economy picked up. The economy continued to expand in the U.S. and Asia, and the European and U.S. economies were on a recovery trend as well. On the other hand, in China, the outlook remained uncertain, as the economy was at a standstill due to deficient domestic demand and the countermeasures against the overproduction.

With regard to automobile manufacturers, which are the main customers of Nifco Inc. (the "Company") and its consolidated subsidiaries (collectively, the "Group"), in the Japanese market, both production volume and sales volume decreased year on year in the first six months ended September 30, 2024. In overseas markets, production volume and sales volume decreased in the U.S., while in Europe, sales volume increased but production volume decreased, both year on year in the first six months ended September 30, 2024. In China and India, both production and sales volumes increased year on year.

As a result, the Group's net sales for the first six months ended September 30, 2024 amounted to 176,198 million yen, down 1.5% year on year.

In terms of profits, operating profit increased 21.5% year on year to 25,132 million yen, due to the transfer of the businesses of Nifco Germany GmbH and Nifco KTW America Corporation, which experienced increasing hardship in the German OEM business, and reductions in selling, general and administrative expenses through initiatives to reduce controllable expenses. Ordinary profit increased 0.5% year on year to 25,151 million yen. In addition, 807 million yen was recorded as extraordinary losses mainly due to the recording of provision for loss on litigation, and profit attributable to owners of parent decreased 11.2% year on year to 15,396 million yen.

The operating results of each segment are as follows.

Net sales in each segment are to external customers.

#### (1) Industrial plastic parts & components

In the industrial plastic parts & components business, net sales in Japan decreased due to a lull in automobile production activities. Overall net sales overseas decreased partly due to the transfer of the businesses of Nifco Germany GmbH and Nifco KTW America Corporation, which had conducted businesses for German customers, despite a recovery in automobile production activities in the U.S., China and India, among others, and foreign exchange effects of a weaker yen. As a result, net sales for industrial plastic parts & components decreased. In terms of profits, the transfer of the businesses of Nifco Germany GmbH and Nifco KTW America Corporation, which had conducted businesses for German customers, and reductions in selling, general and administrative expenses through initiatives to reduce controllable expenses led to increased profits.

As a result, net sales in the industrial plastic parts & components business for the first six months ended September 30, 2024 decreased 2.3% year on year to 158,059 million yen. Segment profit increased 24.4% year on year to 25,218 million yen.

(2) Bedding & furniture

In the bedding & furniture business, while, in addition to a steady growth in sales to retailers, sales to hotels were favorable in Japan, net sales increased and profits decreased due to rising cost for raw materials, etc. resulting from weaker yen and an increase in sales promotion expenses in conjunction with the sales of commemorative products marking the 60th anniversary. On the other hand, overseas, despite a significant growth in sales to hotels in Hong Kong, net sales increased and profits decreased due to a drop in wholesale and retail sales affected by a slowdown in the economy stemming from the real estate recession in China as well as effects of launching costs for the establishment of a factory in Thailand in January 2024.

As a result, net sales in the bedding & furniture business for the first six months ended September 30, 2024 increased 6.6% year on year to 18,139 million yen. Segment profit decreased 4.3% year on year to 2,724 million yen.

(ii) Explanation of financial position

(1) Assets, liabilities and net assets

Assets as of September 30, 2024 stood at 377,924 million yen, a decrease of 2,481 million yen from the end of the previous fiscal year. The main factors for the decrease were a 2,159 million yen decrease in merchandise and finished goods and a 1,880 million yen decrease in accounts receivable - trade. In addition, cash and deposits decreased by 3,729 million yen.

Liabilities as of September 30, 2024 stood at 112,157 million yen, a decrease of 21,196 million yen from the end of the previous fiscal year. The main factors for the decrease were decreases of 10,000 million yen in bonds payable, 8,658 million yen in allowance for losses on business transfer, and 5,325 million yen in short-term borrowings.

Net assets as of September 30, 2024 stood at 265,767 million yen, an increase of 18,715 million yen from the end of the previous fiscal year. The increase in net assets was mainly due to increases of 12,210 million yen in retained earnings, and 14,931 million yen in foreign currency translation adjustment resulting from yen depreciation, despite an increase of 7,555 million yen in treasury shares resulting from the acquisition of treasury shares. As a result, equity ratio was 69.5% and net assets per share were 2,699.18 yen.

(2) Cash flows

(Cash flows from operating activities)

Net cash provided by operating activities in the first six months ended September 30, 2024 was 25,469 million yen, an increase of 4,880 million yen from 20,588 million yen provided in the same period of the previous fiscal year. This was mainly due to trade receivables changing from an increase to a decrease.

(Cash flows from investing activities)

Net cash used in investing activities in the first six months ended September 30, 2024 was 15,032 million yen, a decrease of 13,078 million yen from 1,953 million yen used in the same period of the previous fiscal year. This was mainly due to payments for sales of shares of subsidiaries resulting in the change in scope of consolidation.

(Cash flows from financing activities)

Net cash used in financing activities in the first six months ended September 30, 2024 was 15,638 million yen, an increase of 3,184 million yen from 18,823 million yen used in the same period of the previous fiscal year. This was mainly due to repayments of short-term borrowings falling below those in the same period of the previous fiscal year.

In addition to the above, the effect of exchange rate change on cash and cash equivalents resulted in cash and cash equivalents at the end of the first six months ended September 30, 2024 decreasing 1,084 million yen from the end of the previous fiscal year to 140,939 million yen

(iii) Information regarding consolidated earnings forecasts and other forward-looking statements

No revisions have been made to the consolidated financial forecasts announced on May 13, 2024

## II. Quarterly Consolidated Financial Statements and Main Notes

### (i) Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	149,784	146,055
Notes receivable - trade	1,750	1,200
Electronically recorded monetary claims - operating	8,114	8,742
Accounts receivable - trade	57,410	55,530
Contract assets	1,171	519
Securities	1,144	664
Merchandise and finished goods	27,414	25,254
Work in process	3,173	2,747
Raw materials and supplies	10,289	9,899
Other	9,844	9,999
Allowance for doubtful accounts	(292)	(305)
Total current assets	269,806	260,307
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	45,618	47,049
Machinery, equipment and vehicles, net	17,675	17,983
Tools, furniture and fixtures, net	3,966	4,114
Molds, net	4,614	4,501
Land	18,973	20,985
Leased assets, net	46	32
Construction in progress	2,851	6,616
Other	3,207	2,959
Total property, plant and equipment	96,953	104,243
Intangible assets	1,407	1,752
Investments and other assets		
Investment securities	4,764	3,825
Deferred tax assets	1,847	2,029
Retirement benefit asset	2,829	2,881
Other	2,797	2,885
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	12,238	11,621
Total non-current assets	110,599	117,617
<b>Total assets</b>	<b>380,405</b>	<b>377,924</b>

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	26,601	26,116
Current portion of bonds payable	—	10,000
Short-term borrowings	5,529	203
Current portion of long-term borrowings	10,075	7,060
Accounts payable - other	6,543	5,546
Income taxes payable	5,523	4,329
Contract liabilities	4,899	5,513
Provision for bonuses	2,924	2,415
Allowance for losses on business transfer	10,068	1,410
Other	11,924	12,078
Total current liabilities	84,091	74,674
Non-current liabilities		
Bonds payable	35,000	25,000
Long-term borrowings	285	255
Deferred tax liabilities	6,344	6,901
Retirement benefit liability	1,886	1,869
Provision for loss on litigation	—	810
Other	5,746	2,646
Total non-current liabilities	49,262	37,482
Total liabilities	133,353	112,157
<b>Net assets</b>		
Shareholders' equity		
Share capital	7,290	7,290
Capital surplus	—	—
Retained earnings	215,302	227,512
Treasury shares	(3,608)	(11,163)
Total shareholders' equity	218,983	223,638
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,028	1,191
Deferred gains or losses on hedges	(21)	(13)
Revaluation reserve for land	6	6
Foreign currency translation adjustment	23,019	37,950
Remeasurements of defined benefit plans	(320)	(300)
Total accumulated other comprehensive income	24,712	38,833
Non-controlling interests	3,356	3,295
Total net assets	247,052	265,767
Total liabilities and net assets	380,405	377,924

## (ii) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income (cumulative)

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Net sales	178,835	176,198
Cost of sales	130,347	122,736
Gross profit	48,487	53,462
Selling, general and administrative expenses	27,804	28,330
Operating profit	20,682	25,132
Non-operating income		
Interest income	574	893
Gain on valuation of investment securities	56	83
Foreign exchange gains	3,847	—
Other	339	437
Total non-operating income	4,817	1,414
Non-operating expenses		
Interest expenses	337	139
Foreign exchange losses	—	1,012
Loss on valuation of derivatives	13	—
Other	122	243
Total non-operating expenses	473	1,395
Ordinary profit	25,027	25,151
Extraordinary income		
Gain on sale of non-current assets	110	9
Total extraordinary income	110	9
Extraordinary losses		
Loss on sale and retirement of non-current assets	82	40
Provision for loss on litigation	—	※ 1 766
Total extraordinary losses	82	807
Profit before income taxes	25,055	24,353
Income taxes	7,282	8,481
Profit	17,772	15,872
Profit attributable to		
Profit attributable to owners of parent	17,335	15,396
Profit attributable to non-controlling interests	436	475
Other comprehensive income		
Valuation difference on available-for-sale securities	621	(836)
Deferred gains or losses on hedges	37	7
Foreign currency translation adjustment	11,508	15,183
Remeasurements of defined benefit plans, net of tax	(45)	18
Total other comprehensive income	12,122	14,373
Comprehensive income	29,895	30,245
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	29,394	29,518
Comprehensive income attributable to non-controlling interests	500	726



## (iii) Consolidated statement of cash flows

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
<b>Cash flows from operating activities</b>		
Profit before income taxes	25,055	24,353
Depreciation	6,871	6,508
Amortization of goodwill	170	—
Increase (decrease) in allowance for doubtful accounts	23	(6)
Increase (decrease) in provision for bonuses	(108)	(555)
Increase (decrease) in retirement benefit liability	(29)	(49)
Decrease (increase) in retirement benefit asset	(114)	(11)
Increase (decrease) in provision for loss on litigation	—	766
Interest and dividend income	(616)	(955)
Interest expenses	337	139
Foreign exchange losses (gains)	(3,607)	1,492
Loss (gain) on sale of non-current assets	(96)	0
Loss (gain) on disposal of non-current assets	68	31
Loss (gain) on valuation of investment securities	(56)	(83)
Decrease (increase) in trade receivables	(3,629)	2,897
Decrease (increase) in inventories	2,655	324
Decrease (increase) in other assets	(1,353)	(71)
Increase (decrease) in trade payables	1,522	(808)
Increase/decrease in consumption taxes payable/consumption taxes refund receivable	433	(1,207)
Increase (decrease) in other liabilities	729	132
Other, net	(553)	(258)
<b>Subtotal</b>	<b>27,701</b>	<b>32,640</b>
Interest and dividends received	674	1,022
Interest paid	(397)	(154)
Income taxes refund (paid)	(7,388)	(8,039)
<b>Net cash provided by (used in) operating activities</b>	<b>20,588</b>	<b>25,469</b>
<b>Cash flows from investing activities</b>		
Payments into time deposits	(84)	(5,166)
Proceeds from withdrawal of time deposits	1,654	8,468
Purchase of securities	(286)	—
Proceeds from sale and redemption of securities	12	0
Purchase of non-current assets	(3,775)	(7,864)
Proceeds from sale of non-current assets	109	39
Purchase of investment securities	(7)	(156)
Proceeds from sale of investment securities	487	64
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	—	(10,480)
Other, net	(62)	63
<b>Net cash provided by (used in) investing activities</b>	<b>(1,953)</b>	<b>(15,032)</b>

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Cash flows from financing activities		
Proceeds from short-term borrowings	19	—
Repayments of short-term borrowings	(3,308)	(281)
Repayments of lease liabilities	(1,032)	(966)
Repayments of long-term borrowings	(10,182)	(3,045)
Proceeds from sale of treasury shares	323	1,024
Purchase of treasury shares	(759)	(8,577)
Dividends paid	(3,312)	(3,188)
Dividends paid to non-controlling interests	(570)	(604)
Net cash provided by (used in) financing activities	(18,823)	(15,638)
Effect of exchange rate change on cash and cash equivalents	7,316	4,116
Net increase (decrease) in cash and cash equivalents	7,128	(1,084)
Cash and cash equivalents at beginning of period	122,233	142,024
Cash and cash equivalents at end of period	129,362	140,939

(iv) Notes in Relation to the Consolidated Financial Statements

- Notes regarding the going concern assumption

Not applicable.

- Notes on significant changes in the amount of shareholders' equity

Not applicable.

- Adoption of specific accounting policies for quarterly consolidated financial statement

Calculation of tax expenses

Tax expenses are calculated by reasonably estimating the effective tax rate after applying tax effect accounting to profit before income taxes for the current fiscal year, including the first six months ended September 30, 2024, and multiplying profit before income taxes by the estimated effective tax rate.

- Consolidated statements of balance sheet

Contingent liability

On-site investigation by Korea Fair Trade Commission

Our Korean consolidated subsidiary was subject to an on-site investigation by the Korea Fair Trade Commission (South Korea) on July 5, 2023 (local time), on suspicion of violating the Monopoly Regulation and Fair Trade Act in relation to trade in industrial plastic parts & components products.

Although the investigation is still ongoing, the results may have an impact on the Group's business results and financial position.

- Consolidated statements of income and comprehensive income

※ 1 Provision for loss on litigation

As for a currently pending lawsuit, although we are preparing to appeal the interlocutory judgment in the first trial delivered on October 4, 2024, the estimated amount of losses based on the status of the progress, etc. was recorded as provision for loss on litigation.

- Segment Information, etc.

[Business segment information]

- For the First Half of FY2023 (April 1 to September 30, 2023)

(Unit: Millions of yen)

	Reportable segments			Adjustment	Amount reported in consolidated financial statements
	Industrial plastic parts & components	Bedding & furniture	Total		
Net sales and segment profit (loss)					
Net sales					
(1) Net sales to external customers	161,820	17,015	178,835	-	178,835
(2) Intersegment sales or transfers	-	-	-	-	-
Total	161,820	17,015	178,835	-	178,835
Segment profit (loss)	20,277	2,845	23,122	(2,440)	20,682

- (Notes) 1. Adjustment of segment profit (loss) of (2,440) million yen represents corporate expenses. Corporate expenses are mainly general and administrative expenses not attributable to reportable segments.
2. Segment profit (loss) is adjusted for operating profit in the consolidated statement of income and statement of comprehensive income.

- For the First Half of FY2024 (April 1 to September 30, 2024)

(Unit: Millions of yen)

	Reportable segments			Adjustment	Amount reported in consolidated financial statements
	Industrial plastic parts & components	Bedding & furniture	Total		
Net sales and segment profit (loss)					
Net sales					
(1) Net sales to external customers	158,059	18,139	176,198	-	176,198
(2) Intersegment sales or transfers	-	-	-	-	-
Total	158,059	18,139	176,198	-	176,198
Segment profit (loss)	25,218	2,724	27,943	(2,810)	25,132

- (Notes) 1. Adjustment of segment profit (loss) of (2,810) million yen represents corporate expenses. Corporate expenses are mainly general and administrative expenses not attributable to reportable segments.
2. Segment profit (loss) is adjusted for operating profit in the consolidated statement of income and statement of comprehensive income.