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Summary of Consolidated Financial Results for First Half of Fiscal Year Ending March 31, 2026



October 31, 2025

Corporate Name: Nifco Inc. (URL: <https://www.nifco.com/en/>)

Stock Exchange: Prime Market; Code Number: 7988

President & CEO: Masaharu Shibao

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Semi-Annual Report to be submitted on: November 12, 2025

Dividend disbursement to be started on: November 28, 2025

Preparation of supplementary reference materials for financial results: Yes

Holding financial results briefing: Yes

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

1. Consolidated Financial Results for First Half of FY2025 (April 1 to September 30, 2025)

(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 FY2025	173,113	(1.8)	25,134	0.0	25,219	0.3
First Half FY2024	176,198	(1.5)	25,132	21.5	25,151	0.5

Note: Comprehensive income: 11,283 million yen in First Half FY2025 [(62.7)%], 30,245 million yen in First Half FY2024 [1.2%]

	Profit attributable to owners of parent		Basic earning per share	Diluted earning per share
	Million yen	%	Yen	Yen
First Half FY2025	18,486	20.1	194.52	—
First Half FY2024	15,396	(11.2)	157.22	—

Note: Diluted profit attributable to owners of parent per share of First Half FY2025 and First Half FY2024 are not shown in the above table, as there are no potential common share 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 FY2025	365,589	281,674	76.3	2,950.59
FY2024	379,816	278,725	72.4	2,888.37

Reference: Equity capital: 278,880 million yen in First Half FY2025, 274,967 million yen in FY2024

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
FY2024	—	35.00	—	40.00	75.00
FY2025	—	40.00			
FY2025 (forecast)			—	40.00	80.00

Note: Revision of the latest forecast of cash dividends: None

3. Forecasts for FY2025 (April 1, 2025 to March 31, 2026)

(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
FY2025	348,000	(1.4)	49,500	0.6	49,500	(5.1)	30,600	(31.6)	315.76

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): None

New consolidation: –company (company name): – Exclusion: –company (company name): –

(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)

First Half of FY2025	100,257,053	FY2024	100,257,053
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2) Number of treasury stocks at end of the period

First Half of FY2025	5,740,486	FY2024	5,058,850
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3) Average number of shares outstanding during the period

First Half of FY2025	95,037,141	First Half of FY2024	97,930,692
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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.

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I. Semi-annual Consolidated Financial Statements and Main Notes

(i) Explanation of operating results

For the first six months ended September 30, 2025, the Japanese economy saw steady trends in machinery and construction investments, supported by the maintenance and renewal of existing facilities. Additionally, following an agreement regarding U.S. tariffs, pessimistic views have receded, leading to an improvement in the overall business sentiment, particularly in machinery-related industries. Looking overseas, in the Chinese economy, subsidies for upgrading consumer durables have been effective, leading to strong trends in personal consumption within domestic demand. In terms of external demand, although exports to the U.S. saw a significant decline, demand from ASEAN countries provided support, resulting in an overall increase in exports. Regarding the European economy, since the imposition of U.S. tariffs, there has been a substantial decrease in exports of chemical products, such as pharmaceuticals, and automobiles, leading to a slowdown in the overall economy of the Eurozone. In the UK, the decrease in exports due to U.S. tariff policies and the slowdown in personal consumption are exerting downward pressure on the economy. Additionally, in the U.S. economy, the decline in energy prices has led to restrained investment in oil and natural gas-related facilities, resulting in a decrease in capital investment in structures. Furthermore, the economy is on a slowing trend due to the sluggish consumption of durables, which are significantly affected by tariffs, leading to a slowdown in personal consumption. In this way, although some regions are showing signs of recovery, the global economy remains in an uncertain state. This is due to the pressure of economic slowdown initiated by U.S. tariff policies, the accompanying decline in consumer sentiment, and concerns over deteriorating relations between the U.S. and various countries around the world due to trade frictions, which could potentially alter the situation.

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, production volume decreased year on year while sales volume increased in the first six months ended September 30, 2025. In overseas markets, both production volume and sales volume decreased year on year in Europe and the U.S., while both production volume and sales volume increased year on year in China in the first six months ended September 30, 2025. In addition, in India, while production volume increased, sales volume decreased.

As a result, the Group’s net sales for the first six months ended September 30, 2025 amounted to 173,113 million yen, down 1.8% year on year.

In terms of profits, operating profit increased 0.0% year on year to 25,134 million yen, and ordinary profit increased 0.3% year on year to 25,219 million yen, mainly due to initiatives to reduce controllable expenses. Profit attributable to owners of parent increased 20.1% year on year to 18,486 million yen, contributed by gain on sale of non-current assets and other factors.

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 increased supported by the improved business sentiment across domestic companies and large-scale mold sales. Overseas, production volume and sales volume of automobiles have significantly decreased year-on-year in many countries, and despite the increase in production volume in China and India, net sales decreased. As a result, net sales for industrial plastic parts & components decreased. In terms of profits, the impacts of global decline in exports caused by U.S. tariffs and rising prices and labor costs led to decreased profits, despite active initiatives to reduce controllable expenses.

As a result, net sales in the industrial plastic parts & components business for the first six months ended September 30, 2025 decreased 1.6% year on year to 155,543 million yen. Segment profit decreased 0.3% year on year to 25,152 million yen.

(2) Bedding & furniture

Domestically, although sales to hotels increased, sales to retailers struggled, resulting in decreased net sales. But operating profit was maintained at the previous year’s level due to cost-saving measures and other factors. On the other hand, overseas, in China, the continuation of consumption promotion measures announced by the central government in August 2024 in some regions led to strong performance in wholesale and retail. However, in Hong Kong and Singapore, weak sales to hotels resulted in decreased net sales and profit.

As a result, net sales in the bedding & furniture business for the first six months ended September 30, 2025 decreased 3.1% year on year to 17,569 million yen. Segment profit decreased 6.9% year on year to 2,537 million yen.

(ii) Explanation of financial position

(1) Assets, liabilities and net assets

Assets as of September 30, 2025 stood at 365,589 million yen, a decrease of 14,226 million yen from the end of the previous fiscal year. The main factors for the decrease were a 4,595 million yen decrease in construction in progress merchandise and a 1,524 million yen decrease in accounts receivable - trade. In addition, cash and deposits decreased by 13,461 million yen.

Liabilities as of September 30, 2025 stood at 83,914 million yen, a decrease of 17,176 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, 5,553 million yen in notes and accounts payable - trade, and 822 million yen in contract liabilities.

Net assets as of September 30, 2025 stood at 281,674 million yen, an increase of 2,949 million yen from the end of the previous fiscal year. The increase in net assets was mainly due to increases of 14,272 million yen in retained earnings, and 7,658 million yen in foreign currency translation adjustment resulting from yen appreciation, despite an increase of 2,846 million yen in treasury shares. As a result, equity ratio was 76.3% and net assets per share were 2,950.59 yen.

(2) Cash flows

(Cash flows from operating activities)

Net cash provided by operating activities in the first six months ended September 30, 2025 was 17,454 million yen, a decrease of 8,014 million yen from 25,469 million yen provided in the same period of the previous fiscal year. This was mainly due to trade receivables changing from a decrease to an increase and a decrease in trade payables.

(Cash flows from investing activities)

Net cash used in investing activities in the first six months ended September 30, 2025 was 4,993 million yen, an increase of 10,038 million yen from 15,032 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 in the same period of the previous fiscal year.

(Cash flows from financing activities)

Net cash used in financing activities in the first six months ended September 30, 2025 was 19,407 million yen, a decrease of 3,769 million yen from 15,638 million yen used in the same period of the previous fiscal year. This was mainly due to the redemption of bonds.

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, 2025 decreasing 10,593 million yen from the end of the previous fiscal year to 130,504 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 12, 2025.

II. Semi-annual Consolidated Financial Statements and Main Notes

(i) Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	146,232	132,771
Notes receivable - trade	1,129	1,040
Electronically recorded monetary claims - operating	6,807	6,846
Accounts receivable - trade	52,214	50,690
Contract assets	477	466
Securities	1,349	1,956
Merchandise and finished goods	26,204	26,839
Work in process	2,983	3,135
Raw materials and supplies	10,039	9,103
Other	12,405	12,485
Allowance for doubtful accounts	(279)	(224)
Total current assets	259,565	245,112
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	45,169	50,812
Machinery, equipment and vehicles, net	18,128	18,925
Tools, furniture and fixtures, net	3,860	3,909
Molds, net	4,468	3,856
Land	20,808	19,512
Leased assets, net	38	32
Construction in progress	11,766	7,170
Other	3,445	3,396
Total property, plant and equipment	107,685	107,616
Intangible assets	2,194	2,302
Investments and other assets		
Investment securities	684	648
Deferred tax assets	3,332	3,314
Retirement benefit asset	3,470	3,428
Other	2,883	3,166
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	10,370	10,557
Total non-current assets	120,250	120,476
Total assets	379,816	365,589

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	26,284	20,730
Current portion of bonds payable	10,000	—
Short-term borrowings	199	—
Current portion of long-term borrowings	60	60
Accounts payable - other	6,053	5,815
Income taxes payable	3,439	4,588
Contract liabilities	5,035	4,213
Provision for bonuses	3,531	2,964
Other	12,620	12,423
Total current liabilities	67,223	50,797
Non-current liabilities		
Bonds payable	25,000	25,000
Long-term borrowings	225	195
Deferred tax liabilities	3,669	3,211
Retirement benefit liability	1,760	1,788
Other	3,211	2,922
Total non-current liabilities	33,867	33,117
Total liabilities	101,090	83,914
Net assets		
Shareholders' equity		
Share capital	7,290	7,290
Capital surplus	—	—
Retained earnings	253,466	267,739
Treasury shares	(18,588)	(21,434)
Total shareholders' equity	242,168	253,594
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6	5
Deferred gains or losses on hedges	(7)	(1)
Foreign currency translation adjustment	32,886	25,227
Remeasurements of defined benefit plans	(85)	53
Total accumulated other comprehensive income	32,799	25,285
Non-controlling interests	3,757	2,794
Total net assets	278,725	281,674
Total liabilities and net assets	379,816	365,589

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

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Net sales	176,198	173,113
Cost of sales	122,736	119,447
Gross profit	53,462	53,666
Selling, general and administrative expenses	28,330	28,531
Operating profit	25,132	25,134
Non-operating income		
Interest income	893	783
Gain on valuation of investment securities	83	—
Other	437	367
Total non-operating income	1,414	1,150
Non-operating expenses		
Interest expenses	139	134
Foreign exchange losses	1,012	673
Other	243	257
Total non-operating expenses	1,395	1,066
Ordinary profit	25,151	25,219
Extraordinary income		
Gain on sale of non-current assets	9	1,178
Total extraordinary income	9	1,178
Extraordinary losses		
Loss on sale and retirement of non-current assets	40	121
Provision for loss on litigation	※ 1 766	—
Total extraordinary losses	807	121
Profit before income taxes	24,353	26,276
Income taxes	8,481	7,249
Profit	15,872	19,026
Profit attributable to		
Profit attributable to owners of parent	15,396	18,486
Profit attributable to non-controlling interests	475	539
Other comprehensive income		
Valuation difference on available-for-sale securities	(836)	(0)
Deferred gains or losses on hedges	7	5
Foreign currency translation adjustment	15,183	(7,887)
Remeasurements of defined benefit plans, net of tax	18	139
Total other comprehensive income	14,373	(7,742)
Comprehensive income	30,245	11,283
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	29,518	10,973
Comprehensive income attributable to non-controlling interests	726	310

(iii) Consolidated statement of cash flows

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Cash flows from operating activities		
Profit before income taxes	24,353	26,276
Depreciation	6,508	6,224
Increase (decrease) in allowance for doubtful accounts	(6)	(42)
Increase (decrease) in provision for bonuses	(555)	(551)
Increase (decrease) in retirement benefit liability	(49)	257
Decrease (increase) in retirement benefit asset	(11)	34
Increase (decrease) in provision for loss on litigation	766	—
Interest and dividend income	(955)	(785)
Interest expenses	139	134
Foreign exchange losses (gains)	1,492	255
Loss (gain) on sale of non-current assets	0	(1,153)
Loss (gain) on disposal of non-current assets	31	96
Loss (gain) on valuation of investment securities	(83)	—
Decrease (increase) in trade receivables	2,897	(618)
Decrease (increase) in inventories	324	(1,473)
Decrease (increase) in other assets	(71)	(1,691)
Increase (decrease) in trade payables	(808)	(4,399)
Increase/decrease in consumption taxes payable/consumption taxes refund receivable	(1,207)	285
Increase (decrease) in other liabilities	132	(1,045)
Other, net	(258)	257
Subtotal	32,640	22,061
Interest and dividends received	1,022	826
Interest paid	(154)	(137)
Income taxes refund (paid)	(8,039)	(5,294)
Net cash provided by (used in) operating activities	25,469	17,454
Cash flows from investing activities		
Payments into time deposits	(5,166)	(3,979)
Proceeds from withdrawal of time deposits	8,468	7,588
Purchase of securities	—	(1,502)
Proceeds from sale and redemption of securities	0	—
Purchase of non-current assets	(7,864)	(8,904)
Proceeds from sale of non-current assets	39	2,261
Purchase of investment securities	(156)	(1)
Proceeds from sale of investment securities	64	0
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	(10,480)	—
Other, net	63	(456)
Net cash provided by (used in) investing activities	(15,032)	(4,993)

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Cash flows from financing activities		
Repayments of short-term borrowings	(281)	(192)
Repayments of lease liabilities	(966)	(875)
Repayments of long-term borrowings	(3,045)	(30)
Redemption of bonds	—	(10,000)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	—	(400)
Proceeds from sale of treasury shares	1,024	357
Purchase of treasury shares	(8,577)	(3,384)
Purchase of treasury shares of subsidiaries	—	(363)
Dividends paid	(3,188)	(3,820)
Dividends paid to non-controlling interests	(604)	(699)
Net cash provided by (used in) financing activities	(15,638)	(19,407)
Effect of exchange rate change on cash and cash equivalents	4,116	(3,646)
Net increase (decrease) in cash and cash equivalents	(1,084)	(10,593)
Cash and cash equivalents at beginning of period	142,024	141,097
Cash and cash equivalents at end of period	140,939	130,504

(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.

- Notes on specific accounting policies for semi-annual 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, 2025, 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 lawsuit which was pending in the first six months ended September 30, 2024, the estimated amount of losses based on the status of the progress, etc. was recorded as provision for loss on litigation, following the interlocutory judgment in the first trial delivered on October 4, 2024.

- Segment Information, etc.

[Business segment information]

- 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.

- For the First Half of FY2025 (April 1 to September 30, 2025)

(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	155,543	17,569	173,113	-	173,113
(2) Intersegment sales or transfers	-	-	-	-	-
Total	155,543	17,569	173,113	-	173,113
Segment profit (loss)	25,152	2,537	27,689	(2,555)	25,134

- (Notes) 1. Adjustment of segment profit (loss) of (2,555) 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.