



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



July 31, 2025

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

Stock Exchange: Prime Market; Code Number: 7988

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Dividend disbursement to be started on: —

Preparation of supplementary reference materials for financial results: Yes

Holding financial results briefing: None

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

1. Consolidated Financial Results for Three Months of FY2025 (April 1 to June 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 Qtr. FY2025	85,541	(0.7)	12,999	9.3	12,593	(11.0)
First Qtr. FY2024	86,139	(2.1)	11,889	17.2	14,145	5.5

Note: Comprehensive income: 1,655 million yen in First Qtr. FY2025 [(89.6)%], 15,975 million yen in First Qtr. FY2024 [42.1%]

	Profit attributable to owners of parent		Basic earning per share	Diluted earning per share
	Million yen	%	Yen	Yen
First Qtr. FY2025	9,831	11.2	103.28	—
First Qtr. FY2024	8,842	(9.1)	89.97	88.87

Note: Diluted profit attributable to owners of parent per share of First Qtr. FY2025 is not shown in the above table, as there is 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 Qtr. FY2025	356,209	275,095	76.5	2,860.77
FY2024	379,816	278,725	72.4	2,888.37

Reference: Equity capital: 272,340 million yen in First Qtr. 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	—				
FY2025 (forecast)		40.00	—	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”)

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|--|------|
| 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)

1Q of FY2025	100,257,053	FY2024	100,257,053
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- 2) Number of treasury stocks at end of the period

1Q of FY2025	5,058,904	FY2024	5,058,850
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- 3) Average number of shares outstanding during the period

1Q of FY2025	95,198,165	1Q of FY2024	98,284,209
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*Quarterly review conducted by certificated public accountants or an audit corporation of the attached quarterly consolidated financial statements: None

* 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. Quarterly Consolidated Financial Statements and Main Notes

(i) Explanation of operating results

For the first three months ended June 30, 2025, the Japanese economy experienced gradual recovery overall with large corporations benefiting from solid orders in areas such as construction and logistics. In terms of Japan's exports, while exports to Asia were resilient, exports to the U.S. are on a downward trend as the rush demand before tariff imposition has run its course. Looking overseas, in the Chinese economy, the effect of government stimulus measures has driven more consumers to upgrade to newer models of consumer durables, including automobiles, and this has led to a recovery of its domestic demand. Chinese exports increased, primarily for those bound to the U.S. due to a rush to beat the increase in U.S. tariffs. In the European economy, although the manufacturing sector's business confidence has improved due to demand generated by the anticipation of U.S. tariffs, the UK is experiencing a sluggish manufacturing sector and economic stagnation. The U.S. economy saw negative GDP growth for the first time in three years with domestic production of certain products declining, despite a sudden increase in imports related to the rush in demand before tariff increases. Moreover, intellectual property investment, including software, expanded as part of activity aimed at beating the imposition of tariffs. In this way, while the global economy is showing resilience and recovery, there remain significant uncertainties, such as those concerning trade stagnation and financial market turmoil stemming from the Trump Administration's tariff rate increases, slowing economic growth rates, and inflation risks, leaving the outlook still unclear.

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

As a result, the Group's net sales for the first three months ended June 30, 2025 amounted to 85,541 million yen, down 0.7% year on year.

In terms of profits, operating profit increased 9.3% year on year to 12,999 million yen, mainly due to initiatives to reduce controllable expenses. Ordinary profit decreased 11.0% year on year to 12,593 million yen, mainly due to recording of foreign exchange losses resulting from yen appreciation. Profit attributable to owners of parent increased 11.2% year on year to 9,831 million yen, contributed by gain on sale of non-current assets and other factors.

Results by 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 as automobile production activities began to recover. Overseas, rush demand before the U.S. tariff increases occurred globally, leading to increased net sales in the U.S. and China. On the other hand, in Europe, while there was also an impact from the demand before the imposition of tariffs, the manufacturing industry in the UK remained sluggish, resulting in decreased net sales. As a result, net sales for industrial plastic parts & components decreased. In terms of profits, 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 three months ended June 30, 2025 decreased 0.4% year on year to 76,748 million yen. Segment profit increased 8.3% year on year to 13,032 million yen.

(2) Bedding & furniture

Domestically, while demand for hotels is increasing, sales to retailers are struggling. Overseas, in China, the continuation of consumption promotion measures announced by the central government in August 2024 led to strong performance in wholesale and retail. However, in Hong Kong, the significant reaction to last year's special hotel demand due to the implementation of waste charging led to a substantial decrease in sales to hotels, resulting in decreased net sales and profit.

As a result, net sales in the bedding & furniture business for the first three months ended June 30, 2025 decreased 3.0% year on year to 8,792 million yen. Segment profit decreased 6.5% year on year to 1,360 million yen.

(ii) Explanation of financial position

Assets as of June 30, 2025 stood at 356,209 million yen, a decrease of 23,606 million yen from the end of the previous fiscal year. The main factors for the decrease were decreases of 19,393 million yen in cash and deposits and 1,506 million in land.

Liabilities as of June 30, 2025 stood at 81,113 million yen, a decrease of 19,976 million yen from the end of the previous fiscal year. The main factors for the decrease were decreases of 10,000 million yen in current portion of bonds payable and 2,058 million yen in provision for bonuses. In addition, notes and accounts payable - trade decreased by 4,702 million yen.

Net assets as of June 30, 2025 stood at 275,095 million yen, a decrease of 3,629 million yen from the end of the previous fiscal year. The decrease in net assets was mainly due to a decrease of 8,372 million yen in foreign currency translation adjustment resulting from yen appreciation, despite an increase of 5,645 million yen in retained earnings.

(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. Quarterly Consolidated Financial Statements and Main Notes

(i) Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	146,232	126,839
Notes receivable - trade	1,129	1,290
Electronically recorded monetary claims - operating	6,807	6,515
Accounts receivable - trade	52,214	51,818
Contract assets	477	463
Securities	1,349	1,988
Merchandise and finished goods	26,204	26,296
Work in process	2,983	2,986
Raw materials and supplies	10,039	9,471
Other	12,405	11,144
Allowance for doubtful accounts	(279)	(246)
Total current assets	259,565	238,568
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	45,169	45,169
Machinery, equipment and vehicles, net	18,128	18,064
Tools, furniture and fixtures, net	3,860	3,884
Molds, net	4,468	4,036
Land	20,808	19,302
Leased assets, net	38	32
Construction in progress	11,766	11,014
Other	3,445	3,417
Total property, plant and equipment	107,685	104,921
Intangible assets	2,194	2,148
Investments and other assets		
Investment securities	684	666
Deferred tax assets	3,332	3,462
Retirement benefit asset	3,470	3,490
Other	2,883	2,951
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	10,370	10,570
Total non-current assets	120,250	117,640
Total assets	379,816	356,209

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	26,284	21,581
Current portion of bonds payable	10,000	—
Short-term borrowings	199	—
Current portion of long-term borrowings	60	60
Accounts payable - other	6,053	6,038
Income taxes payable	3,439	3,263
Contract liabilities	5,035	4,568
Provision for bonuses	3,531	1,473
Other	12,620	10,895
Total current liabilities	67,223	47,881
Non-current liabilities		
Bonds payable	25,000	25,000
Long-term borrowings	225	210
Deferred tax liabilities	3,669	3,244
Retirement benefit liability	1,760	1,772
Other	3,211	3,005
Total non-current liabilities	33,867	33,232
Total liabilities	101,090	81,113
Net assets		
Shareholders' equity		
Share capital	7,290	7,290
Capital surplus	—	—
Retained earnings	253,466	259,111
Treasury shares	(18,588)	(18,588)
Total shareholders' equity	242,168	247,813
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6	7
Deferred gains or losses on hedges	(7)	(4)
Foreign currency translation adjustment	32,886	24,513
Remeasurements of defined benefit plans	(85)	10
Total accumulated other comprehensive income	32,799	24,526
Non-controlling interests	3,757	2,755
Total net assets	278,725	275,095
Total liabilities and net assets	379,816	356,209

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

(Millions of yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Net sales	86,139	85,541
Cost of sales	60,272	58,290
Gross profit	25,867	27,251
Selling, general and administrative expenses	13,978	14,252
Operating profit	11,889	12,999
Non-operating income		
Interest income	326	293
Gain on valuation of investment securities	33	—
Foreign exchange gains	1,701	—
Other	309	221
Total non-operating income	2,371	515
Non-operating expenses		
Interest expenses	67	72
Foreign exchange losses	—	714
Other	47	134
Total non-operating expenses	114	921
Ordinary profit	14,145	12,593
Extraordinary income		
Gain on sale of non-current assets	3	1,143
Total extraordinary income	3	1,143
Extraordinary losses		
Loss on sale and retirement of non-current assets	13	56
Total extraordinary losses	13	56
Profit before income taxes	14,136	13,680
Income taxes	5,057	3,576
Profit	9,078	10,103
Profit attributable to		
Profit attributable to owners of parent	8,842	9,831
Profit attributable to non-controlling interests	235	271
Other comprehensive income		
Valuation difference on available-for-sale securities	(338)	1
Deferred gains or losses on hedges	5	2
Foreign currency translation adjustment	7,194	(8,548)
Remeasurements of defined benefit plans, net of tax	35	96
Total other comprehensive income	6,896	(8,448)
Comprehensive income	15,975	1,655
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	15,636	1,559
Comprehensive income attributable to non-controlling interests	338	95

(iii) 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 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 three months ended June 30, 2025, and multiplying profit before income taxes by the estimated effective tax rate.

- Additional information

Disposal of treasury stock by third-party allotment

At the meeting of the Board of Directors held on May 19, 2025, the Company passed a resolution to introduce an incentive plan that grants common shares issued by the Company as a special incentive contribution to the members of the Nifco Employees Stock Ownership Association with the intention of improving motivation of employees to enhance the Company's medium- and long-term shareholder value. The Company conducted a disposal of treasury shares through third-party allotment in which the Nifco Employees Stock Ownership Association was the disposal recipient on July 25, 2025.

Overview of disposal of treasury shares

(1)Date of disposal	July 25, 2025
(2)Class of shares to be disposed of	The Company's common stock
(3)Number of shares to be disposed of	98,250 shares
(4)Disposal value	3,419 yen per share
(5)Total value of disposal	335,916,750 yen
(6)Method of disposal	Third-party allotment
(7)Allottee	Nifco Employee Stock Ownership Association

- 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

Not applicable.

- Notes in relation to the quarterly consolidated statement of cash flows

The Company has not prepared the quarterly consolidated statement of cash flows for the first three months ended June 30, 2025. Depreciation (including amortization related to intangible assets) for the first three months ended June 30, 2025 is as follows.

(Unit: Millions of yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Depreciation	3,226	3,130

- Segment Information, etc.

[Business segment information]

- For the First Quarter of FY2024 (April 1 to June 30, 2024)

	Reportable segments			Elimination & corporate expenses	Consolidated figures
	Industrial plastic parts & components	Bedding & furniture	Total		
Net sales and segment profit (loss)					
Net sales					
(1) Sales to customers	77,072	9,067	86,139	-	86,139
(2) Inter-segment sales	-	-	-	-	-
Total	77,072	9,067	86,139	-	86,139
Segment profit (loss)	12,028	1,455	13,484	(1,595)	11,889

(Unit: Millions of yen)

- (Notes) 1. Adjustment of segment profit (loss) of (1,595) million yen represents corporate expenses. Corporate expenses are 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 Quarter of FY2025 (April 1 to June 30, 2025)

	Reportable segments			Elimination & corporate expenses	Consolidated figures
	Industrial plastic parts & components	Bedding & furniture	Total		
Net sales and segment profit (loss)					
Net sales					
(1) Sales to customers	76,748	8,792	85,541	-	85,541
(2) Inter-segment sales	-	-	-	-	-
Total	76,748	8,792	85,541	-	85,541
Segment profit (loss)	13,032	1,360	14,393	(1,394)	12,999

(Unit: Millions of yen)

- (Notes) 1. Adjustment of segment profit (loss) of (1,394) million yen represents corporate expenses. Corporate expenses are 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.

- Notes Significant Events After Reporting Period Consolidated Financial Statements

Not applicable.