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May 12, 2025

Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (Under Japanese GAAP)

Company name: Nifco Inc.
 Listing: Tokyo Stock Exchange
 Securities code: 7988
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 Scheduled date of ordinary general meeting of shareholders: June 24, 2025
 Scheduled date to commence dividend payments: June 25, 2025
 Scheduled date to file annual securities report: June 23, 2025
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | |
|-------------------|-----------------|-------|------------------|------|-----------------|------|---|--------|
| Fiscal year ended | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| March 31, 2025 | 353,038 | (5.0) | 49,200 | 12.0 | 52,147 | 5.0 | 44,767 | 145.3 |
| March 31, 2024 | 371,639 | 15.5 | 43,925 | 27.5 | 49,665 | 31.1 | 18,252 | (13.8) |

Note: Comprehensive income For the fiscal year ended March 31, 2025: ¥54,199 million [77.8%]
 For the fiscal year ended March 31, 2024: ¥30,491 million [(9.1)%]

| | Basic earnings per share | Diluted earnings per share | Return on equity | Ratio of ordinary profit to total assets | Ratio of operating profit to net sales |
|-------------------|--------------------------|----------------------------|------------------|--|--|
| Fiscal year ended | Yen | Yen | % | % | % |
| March 31, 2025 | 461.95 | — | 17.3 | 13.7 | 13.9 |
| March 31, 2024 | 183.26 | — | 7.8 | 13.4 | 11.8 |

Note: Diluted profit attributable to owners of parent per share of the fiscal years ended March 31, 2025 and March 31, 2024 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 | Equity-to-asset ratio | Net assets per share |
|----------------|-----------------|-----------------|-----------------------|----------------------|
| As of | Millions of yen | Millions of yen | % | Yen |
| March 31, 2025 | 379,816 | 278,725 | 72.4 | 2,888.37 |
| March 31, 2024 | 380,405 | 247,052 | 64.1 | 2,455.97 |

Reference: Equity
 As of March 31, 2025: ¥274,967 million
 As of March 31, 2024: ¥243,695 million

(3) Consolidated cash flows

| | Cash flows from operating activities | Cash flows from investing activities | Cash flows from financing activities | Cash and cash equivalents at end of period |
|-------------------|--------------------------------------|--------------------------------------|--------------------------------------|--|
| Fiscal year ended | Millions of yen | Millions of yen | Millions of yen | Millions of yen |
| March 31, 2025 | 54,217 | (23,891) | (35,154) | 141,097 |
| March 31, 2024 | 47,257 | (8,135) | (26,024) | 142,024 |

2. Cash dividends

| | Annual dividends per share | | | | | Total cash dividends (Total) | Payout ratio (Consolidated) | Ratio of dividends to net assets (Consolidated) |
|--|----------------------------|--------------------|-------------------|-----------------|-------|------------------------------|-----------------------------|---|
| | First quarter-end | Second quarter-end | Third quarter-end | Fiscal year-end | Total | | | |
| | Yen | Yen | Yen | Yen | Yen | Millions of yen | % | % |
| Fiscal year ended March 31, 2024 | — | 32.00 | — | 32.00 | 64.00 | 6,388 | 34.9 | 2.7 |
| Fiscal year ended March 31, 2025 | — | 35.00 | — | 40.00 | 75.00 | 7,211 | 16.2 | 2.8 |
| Fiscal year ending March 31, 2026 (Forecast) | — | 40.00 | — | 40.00 | 80.00 | | 25.3 | |

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | | Basic earnings per share |
|-----------------------------------|-----------------|-------|------------------|-----|-----------------|-------|---|--------|--------------------------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Yen |
| Fiscal year ending March 31, 2026 | 348,000 | (1.4) | 49,500 | 0.6 | 49,500 | (5.1) | 30,600 | (31.6) | 315.76 |

Note: As the Company practices performance management on an annual basis, we have omitted the consolidated earnings forecasts for the second quarter (cumulative).

*** Notes**

- (1) Significant changes in the scope of consolidation during the period: Yes

Newly included: – company

Excluded: 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) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

- (3) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

| | |
|----------------------|--------------------|
| As of March 31, 2025 | 100,257,053 shares |
| As of March 31, 2024 | 100,257,053 shares |

- (ii) Number of treasury shares at the end of the period

| | |
|----------------------|------------------|
| As of March 31, 2025 | 5,058,850 shares |
| As of March 31, 2024 | 1,031,017 shares |

- (iii) Average number of shares outstanding during the period

| | |
|----------------------------------|-------------------|
| Fiscal year ended March 31, 2025 | 96,910,332 shares |
| Fiscal year ended March 31, 2024 | 99,599,221 shares |

- * Financial results reports are exempt from audit conducted by certified 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 "1. Overview of Operating Results, etc., (4) Future Outlook." on page 5 of the Attached Materials.

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1. Overview of Operating Results, Etc.

(1) Overview of Operating Results During the Period

During the fiscal year under review (hereinafter “the period”), the Japanese economy continued its moderate recovery, backed by solid corporate performance and improvements in real house income toward overcoming deflation. In the manufacturing sector, although the economy experienced a downturn following the suspension of production and shipment by some automobile manufacturers due to the certification test irregularities, it has been steadily recovering as those constraints have been gradually lifted. Looking overseas, in the Chinese economy, the government has implemented economic stimulus measures in response to the economic slowdown, but their effects have not been fully realized. Moreover, the economic impact of the ongoing conflict with the U.S. remains a significant concern. Going forward, it is important to pay attention to the impact of the policies to be outlined at the National People’s Congress on the Chinese economy. In the European economy, the Eurozone and the UK have experienced a moderate recovery, with increasing personal consumption following the easing of inflationary pressure. Along with this, business conditions in the service sector have also recovered, thereby driving the economy. On the other hand, in the manufacturing sector, the European manufacturing industry has been in a prolonged stall, worsened by rising resource prices and the economic slowdown in China, a major export destination, deepening the slump in German manufacturing production. The U.S. economy remained solid, supported by strong domestic demand, against a backdrop of growth in consumer spending driven by favorable employment and income conditions, as well as increased investment in manufacturing industries of high-tech products, including AI. However, in the manufacturing sector of the automobile and other industries, stagnation has persisted due to factors such as high interest rates. In this way, the global economy has been recovering recently, thanks to improvement in consumer spending driven by the easing of inflationary pressures and progress in digitalization, leading to strong performance in the service sector worldwide. Meanwhile, the manufacturing sector has become polarized, with struggling advanced economies experiencing production cuts and growing emerging economies continuing to expand production. In addition, the outlook remains uncertain, as concerns have emerged about the global impact of the new U.S. administration’s policies in the future.

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 fiscal year under review. In overseas markets, both production volume and sales volume slightly increased year on year in China and India, while in Europe, sales volume increased but production volume decreased. In the U.S. and other global markets, both production and sales volume decreased.

As a result, the Group’s consolidated earnings were as follows. Net sales for the period amounted to 353,038 million yen, down 5.0% year on year. In terms of profits, operating profit increased 12.0% year on year to 49,200 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, as well as improvement in variable costs including raw material costs and initiatives to reduce controllable expenses. Ordinary profit increased 5.0% year on year to 52,147 million yen. In addition, 955 million yen was recorded as extraordinary losses, mainly due to the recording of settlement payment related to the lawsuit, but 3,133 million yen was recorded as extraordinary income, mainly due to gain on sale of investment securities associated with the sale of cross-shareholdings. As a result, profit attributable to owners of parent increased 145.3% year on year to 44,767 million yen.

Recognition, analysis and discussion of operating results by segment are as follows.

Net sales in each segment are to external customers.

(i) Industrial plastic parts & components

[For the domestic automobile industry]

For automotive production in Japan, the Company’s sales declined, affected by a series of production cuts due in part to newly discovered certification test irregularities by some automobile manufacturers

and a shift to a quality-oriented production system as a countermeasure, along with supply chain disruptions caused by natural disasters and accidents. However, the full-year sales total exceeded the plan due to factors such as contributions from mold sales associated with the launch of new vehicles, compensation for electric power charges, and price pass-through on material and labor cost increases.

[For the overseas automobile industry]

Overseas, business for Korean OEMs remained strong due to factors such as increased production by customers, and both net sales and profits exceeded the plan and increased year on year in North America. For Japanese OEMs, net sales and profits increased overall supported by strong sales by customers in the U.S., where sales and profits increased, and also firm performance mainly in India and Indonesia. However, in China, Japanese OEMs struggled due to sluggish sales, resulting in an overall decrease in net sales and profit year on year, while securing net sales and profit exceeded the plan through the execution of optimization. Furthermore, in Europe, the sale of the German OEM business was completed and the loss-making businesses were purged. As a result, net sales declined while profit increased overall. We aim to further boost profitability by improving our business portfolio through the strengthening of capital investment in the strong Korean OEM business and the Japanese OEM business in North America and India.

[For other industries]

In the housing and living sector, despite continued decline in the number of new housing starts in Japan, net sales increased year on year due to new orders for housing equipment components. In the sports and outdoor sector, net sales and profit substantially exceeded the plan and increased year on year, due to aggressive sales activities to foreign brands made in Europe, the U.S., China, and other countries.

As a result of the above, net sales in the industrial plastic parts & components business decreased 5.6% from the previous fiscal year to 315,942 million yen. Segment profit increased 14.4% year on year to 49,016 million yen.

(ii) Bedding & furniture

In the bedding & furniture business, despite rising cost for raw materials, etc. resulting from yen depreciation and an increase in sales promotion expenses in conjunction with the sales of commemorative products marking the 60th anniversary, both net sales and profits increased due to a steady growth in sales to retailers and hotels in Japan. On the other hand, overseas, despite growth in sales to the retail and hotel sectors in Hong Kong and Taiwan, wholesale and retail sales dropped, affected by a slowdown in the economy stemming from real estate recession in China, as well as the limited effectiveness of the consumption stimulation measures introduced by the central government in August 2024. Along with this, effects of launching costs for the establishment of a factory in Thailand in January 2024 also led to a decline in sales and profit. As a result, net sales in the bedding & furniture business increased 0.5% year on year to 37,096 million yen. Segment profit decreased 8.8% year on year to 5,967 million yen.

(2) Overview of Financial Position During the Period

(Millions of yen)

| | As of March 31, 2024 | As of March 31, 2025 | Change |
|----------------|-------------------------|-------------------------|--------|
| Total assets | 380,405 | 379,816 | (589) |
| Equity capital | 243,695 | 274,967 | 31,272 |
| Equity ratio | 64.1% | 72.4% | 8.3p |

Assets as of March 31, 2025 stood at 379,816 million yen, a decrease of 589 million yen from the end of the previous fiscal year. The main factors for the decrease were a 4,079 million yen decrease in investment securities, a 5,195 million yen decrease in accounts receivable - trade, and a 3,552 million yen decrease in cash and deposits, despite a 10,731 million yen increase in property, plant and equipment.

Liabilities as of March 31, 2025 stood at 101,090 million yen, a decrease of 32,263 million yen from the end of the previous fiscal year. The main factors for the decrease were decreases of 15,405 million yen in borrowings, 10,068 million yen in allowance for losses on business transfer, and 2,675 million yen in deferred tax liabilities.

Net assets as of March 31, 2025 stood at 278,725 million yen, an increase of 31,673 million yen from the end of the previous fiscal year. The main factors for the increase were increases of 38,164 million yen in retained earnings and 9,866 million yen in foreign currency translation adjustment due to yen depreciation. As a result, equity ratio was 72.4% and net assets per share was 2,888.37 yen.

(3) Overview of Cash Flows During the Period

(Cash flows from operating activities)

Net cash provided by operating activities during the period totaled 54,217 million yen, an increase of 6,960 million yen from 47,257 million yen provided in the previous year. This was mainly due to an increase in profit before income taxes and an increase in trade receivables changing from a decrease to an increase.

(Cash flows from investing activities)

Net cash used in investing activities totaled 23,891 million yen, a decrease of 15,756 million yen from 8,135 million yen used in the previous year. This was mainly due to payments for sale of shares of subsidiaries resulting in the changes in the scope of consolidation.

(Cash flows from financing activities)

Net cash used in financing activities totaled 35,154 million yen, a decrease of 9,130 million yen from 26,024 million yen used in the previous year. This was mainly due to purchase of treasury shares.

As a result, cash and cash equivalents as of March 31, 2025 decreased 926 million yen from the end of the previous period to 141,097 million yen.

| | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|--|--------|--------|--------|--------|--------|
| Equity ratio (%) | 57.5 | 59.5 | 62.2 | 64.1 | 72.4 |
| Equity ratio on market value basis (%) | 133.4 | 83.9 | 104.3 | 100.7 | 89.8 |
| Ratio of interest-bearing debt to cash flows (years) | 1.8 | 2.2 | 1.7 | 1.1 | 0.7 |
| Interest coverage ratio (times) | 72.6 | 66.9 | 75.2 | 59.1 | 199.5 |

Notes: Equity ratio: Equity capital / Total assets

Equity ratio on market value basis: Market capitalization / Total assets

Ratio of interest-bearing debt to cash flows: Interest-bearing debt / Cash flows

Interest coverage ratio: Cash flows / Interest payments

* All indicators are calculated based on consolidated financial figures.

* Market capitalization is calculated by multiplying the closing share price at the end of the period by the number of issued shares (less treasury shares) at the end of the period.

* Cash flows from operating activities in the consolidated statements of cash flows are used for cash flows. Interest-bearing debt includes all liabilities on the consolidated balance sheets for which interest is paid. For interest payments, interest paid in the consolidated statements of cash flows is used.

(4) Future Outlook

It is difficult to forecast future automobile production as geopolitical risks, high raw material and logistics costs, inflation, rising wage costs, and other such factors are putting earnings under pressure. Additionally, uncertain situations such as China's economic slowdown and foreign policies accompanying the inauguration of the new U.S. administration are also causing an impact. Regarding the impact of U.S. tariff policies in particular, we are unable to make adequate estimates at this time, and as such, estimates are not reflected in the earnings forecast.

Despite this challenging environment, the Company will strive to improve profits through rigorous management of fixed costs and production improvement activities. Based on the above, financial results for the fiscal year ending March 31, 2026, are forecast to be as follows: net sales of 348.0 billion yen, operating profit of 49.5 billion yen, ordinary profit of 49.5 billion yen, and profit attributable to owners of parent of 30.6 billion yen.

The foreign exchange rates assumed in this performance outlook are 1 USD = ¥145.

*Notes regarding the use of earnings forecasts

Forward-looking statements are based on assumptions and beliefs by the Company's management in light of the information currently available to it and involve potential risks and uncertainties. Actual results may differ greatly from these forward-looking statements due to changes in various factors.

(5) Basic Policy on Profit Distribution and Dividends for the Current and Next Periods

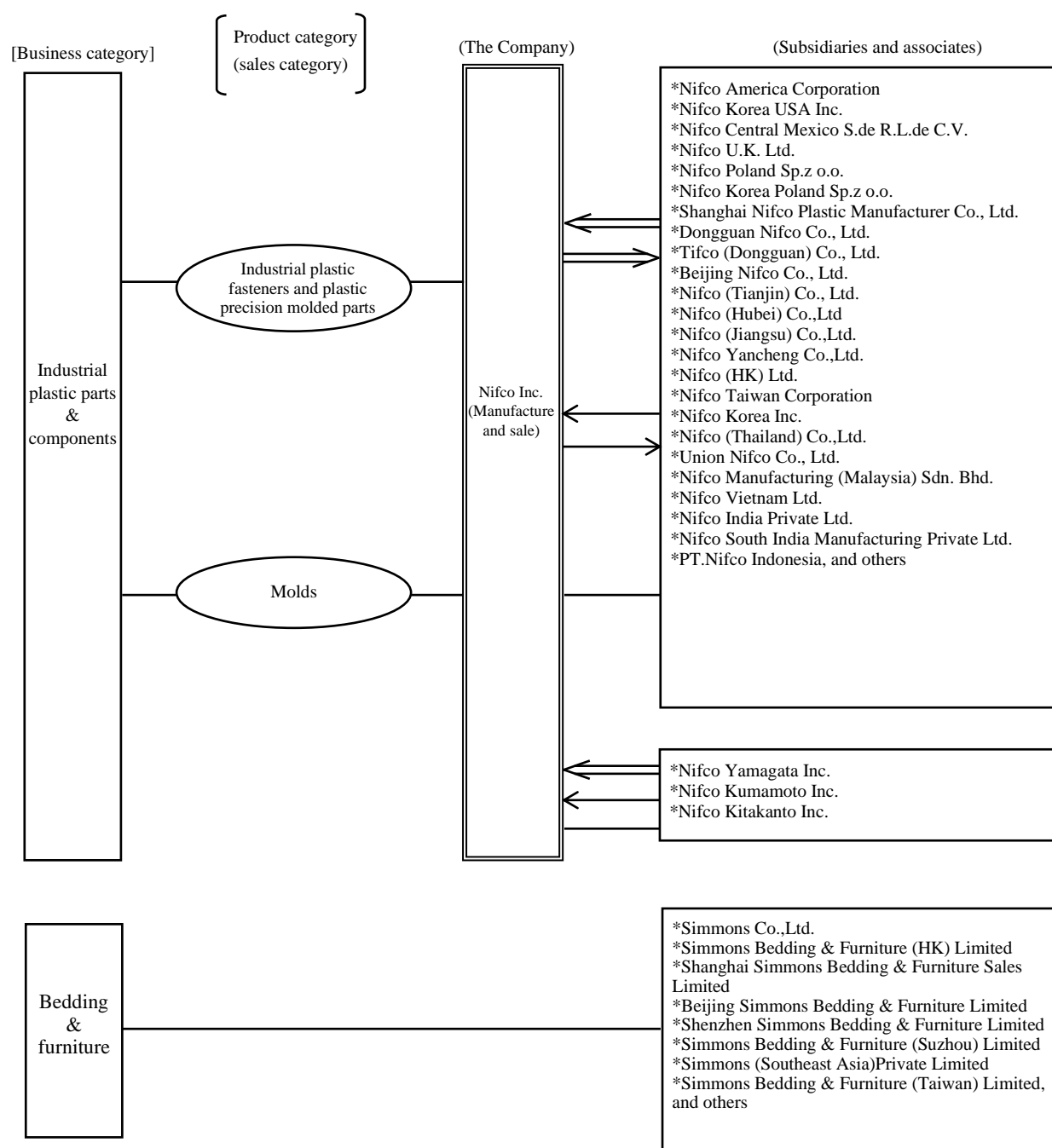
The Company strives to promote a dividend policy linked to business performance while maintaining a basic policy of continuous stable dividends.

The Company plans to maintain the original dividend of 40 yen per share at the end of the current fiscal year. As a result, together with the interim dividend of 35 yen per share paid on November 25, 2024, the annual dividend per share will be 75 yen per share.

For the fiscal year ending March 31, 2026, based on the current earnings forecast, we plan to pay an annual dividend of 80 yen per share, an increase of 5 yen per share.

2. Corporate Group

The following is a schematic diagram of the Company's businesses.
The following are consolidated subsidiaries.



(Note) *consolidated subsidiaries

\Rightarrow Product \rightarrow Molds

3. Basic Stance Toward the Selection of Accounting Standards

The Group has adopted Japanese generally accepted accounting principles (GAAP) for the purpose of comparability of consolidated financial statements among enterprises. However, the Group is currently studying the establishment of a system to prepare for the future application of IFRS, as well as the accounting policy and timing of its application.

4. Consolidated Financial Statements and Main Notes

(1) Consolidated Balance Sheet

(Millions of yen)

| | As of March 31, 2024 | As of March 31, 2025 |
|---|----------------------|----------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 149,784 | 146,232 |
| Notes receivable - trade | 1,750 | 1,129 |
| Electronically recorded monetary claims-operating | 8,114 | 6,807 |
| Accounts receivable - trade | 57,410 | 52,214 |
| Contract assets | 1,171 | 477 |
| Securities | 1,144 | 1,349 |
| Merchandise and finished goods | 27,414 | 26,204 |
| Work in process | 3,173 | 2,983 |
| Raw materials and supplies | 10,289 | 10,039 |
| Other | 9,844 | 12,405 |
| Allowance for doubtful accounts | (292) | (279) |
| Total current assets | 269,806 | 259,565 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures | 80,570 | 80,447 |
| Accumulated depreciation | (34,952) | (35,278) |
| Buildings and structures, net | 45,618 | 45,169 |
| Machinery, equipment and vehicles | 85,901 | 80,835 |
| Accumulated depreciation | (68,225) | (62,707) |
| Machinery, equipment and vehicles, net | 17,675 | 18,128 |
| Tools, furniture and fixtures | 29,422 | 28,267 |
| Accumulated depreciation | (25,456) | (24,406) |
| Tools, furniture and fixtures, net | 3,966 | 3,860 |
| Molds | 86,835 | 89,700 |
| Accumulated depreciation | (82,221) | (85,231) |
| Molds, net | 4,614 | 4,468 |
| Land | 18,973 | 20,808 |
| Leased assets | 98 | 93 |
| Accumulated depreciation | (51) | (55) |
| Leased assets, net | 46 | 38 |
| Construction in progress | 2,851 | 11,766 |
| Other | 3,207 | 3,445 |
| Total property, plant and equipment | 96,953 | 107,685 |
| Intangible assets | 1,407 | 2,194 |
| Investments and other assets | | |
| Investment securities | 4,764 | 684 |
| Deferred tax assets | 1,847 | 3,332 |
| Retirement benefit asset | 2,829 | 3,470 |
| Other | 2,797 | 2,883 |
| Allowance for doubtful accounts | (0) | (0) |
| Total investments and other assets | 12,238 | 10,370 |
| Total non-current assets | 110,599 | 120,250 |
| Total assets | 380,405 | 379,816 |

(Millions of yen)

| | As of March 31, 2024 | As of March 31, 2025 |
|---|----------------------|----------------------|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 26,601 | 26,284 |
| Current portion of bonds payable | – | 10,000 |
| Short-term borrowings | 5,529 | 199 |
| Current portion of long-term borrowings | 10,075 | 60 |
| Accounts payable - other | 6,543 | 6,053 |
| Income taxes payable | 5,523 | 3,439 |
| Contract liabilities | 4,899 | 5,035 |
| Provision for bonuses | 2,924 | 3,531 |
| Allowance for losses on business transfer | 10,068 | – |
| Other | 11,924 | 12,620 |
| Total current liabilities | 84,091 | 67,223 |
| Non-current liabilities | | |
| Bonds payable | 35,000 | 25,000 |
| Long-term borrowings | 285 | 225 |
| Deferred tax liabilities | 6,344 | 3,669 |
| Retirement benefit liability | 1,886 | 1,760 |
| Other | 5,746 | 3,211 |
| Total non-current liabilities | 49,262 | 33,867 |
| Total liabilities | 133,353 | 101,090 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 7,290 | 7,290 |
| Capital surplus | – | – |
| Retained earnings | 215,302 | 253,466 |
| Treasury shares | (3,608) | (18,588) |
| Total shareholders' equity | 218,983 | 242,168 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 2,028 | 6 |
| Deferred gains or losses on hedges | (21) | (7) |
| Revaluation reserve for land | 6 | – |
| Foreign currency translation adjustment | 23,019 | 32,886 |
| Remeasurements of defined benefit plans | (320) | (85) |
| Total accumulated other comprehensive income | 24,712 | 32,799 |
| Non-controlling interests | 3,356 | 3,757 |
| Total net assets | 247,052 | 278,725 |
| Total liabilities and net assets | 380,405 | 379,816 |

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

(Millions of yen)

| | Fiscal year ended March 31, 2024 | Fiscal year ended March 31, 2025 |
|--|-------------------------------------|-------------------------------------|
| Net sales | 371,639 | 353,038 |
| Cost of sales | 269,936 | 245,838 |
| Gross profit | 101,703 | 107,200 |
| Selling, general and administrative expenses | | |
| Packing and transportation costs | 11,131 | 10,127 |
| Advertising expenses | 1,721 | 1,696 |
| Remuneration, salaries and allowances | 15,123 | 15,681 |
| Employees' bonuses | 1,804 | 2,793 |
| Provision for bonuses | 2,288 | 1,633 |
| Retirement benefit expenses | 1,007 | 1,020 |
| Other personnel expenses | 5,114 | 5,643 |
| Rent expenses | 2,356 | 2,209 |
| Travel and transportation expenses | 1,190 | 1,192 |
| Depreciation | 3,017 | 3,012 |
| Research and development expenses | 1,930 | 2,008 |
| Amortization of goodwill | 354 | – |
| Other | 10,737 | 10,981 |
| Total selling, general and administrative expenses | 57,777 | 58,000 |
| Operating profit | 43,925 | 49,200 |
| Non-operating income | | |
| Interest income | 1,369 | 1,900 |
| Gain on valuation of investment securities | 61 | 116 |
| Foreign exchange gains | 4,383 | 745 |
| Other | 1,023 | 879 |
| Total non-operating income | 6,838 | 3,642 |
| Non-operating expenses | | |
| Interest expenses | 720 | 262 |
| Prior period customs duty | – | 103 |
| Business restructuring expenses | – | 92 |
| Other | 378 | 237 |
| Total non-operating expenses | 1,098 | 695 |
| Ordinary profit | 49,665 | 52,147 |

(Millions of yen)

| | Fiscal year ended March 31, 2024 | Fiscal year ended March 31, 2025 |
|--|-------------------------------------|-------------------------------------|
| Extraordinary income | | |
| Gain on sale of non-current assets | 76 | 26 |
| Gain on sale of investment securities | — | 1,729 |
| Insurance claim income | — | *1 878 |
| Reversal of allowance for losses on business transfer | — | *2 498 |
| Total extraordinary income | 76 | 3,133 |
| Extraordinary losses | | |
| Impairment losses | 8,531 | — |
| Loss on sale and retirement of non-current assets | 165 | 159 |
| Loss on valuation of investment securities | — | 10 |
| Allowance for losses on business transfer | *3 10,068 | — |
| Settlement payments | — | *4 621 |
| Loss on reversal of foreign currency translation adjustment | — | *5 164 |
| Total extraordinary losses | 18,765 | 955 |
| Profit before income taxes | 30,975 | 54,324 |
| Income taxes - current | 13,901 | 11,834 |
| Income taxes - deferred | (2,212) | (3,318) |
| Total income taxes | 11,689 | 8,516 |
| Profit | 19,286 | 45,808 |
| Profit attributable to | | |
| Profit attributable to owners of parent | 18,252 | 44,767 |
| Profit attributable to non-controlling interests | 1,033 | 1,040 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 1,291 | (2,022) |
| Deferred gains or losses on hedges | 42 | 14 |
| Foreign currency translation adjustment | 10,096 | 10,167 |
| Remeasurements of defined benefit plans, net of tax | (224) | 231 |
| Total other comprehensive income | 11,205 | 8,391 |
| Comprehensive income | 30,491 | 54,199 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 29,379 | 52,861 |
| Comprehensive income attributable to non-controlling interests | 1,112 | 1,338 |

(3) Consolidated Statement of Changes in Equity

Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(Millions of yen)

| | Shareholders' equity | | | | |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
| | Share capital | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period | 7,290 | 13,908 | 208,459 | (19,691) | 209,966 |
| Changes during period | | | | | |
| Dividends of surplus | | | (6,520) | | (6,520) |
| Profit attributable to owners of parent | | | 18,252 | | 18,252 |
| Reversal of revaluation reserve for land | | | | | — |
| Purchase of treasury shares | | | | (3,037) | (3,037) |
| Disposal of treasury shares | | 67 | | 256 | 323 |
| Cancellation of treasury shares | | (18,864) | | 18,864 | — |
| Transfer from retained earnings to capital surplus | | 4,889 | (4,889) | | — |
| Net changes in items other than shareholders' equity | | | | | — |
| Total changes during period | — | (13,908) | 6,842 | 16,083 | 9,017 |
| Balance at end of period | 7,290 | — | 215,302 | (3,608) | 218,983 |

| | Accumulated other comprehensive income | | | | | | Non-controlling interests | Total net assets |
|--|---|------------------------------------|------------------------------|---|---|--|---------------------------|------------------|
| | Valuation difference on available-for-sale securities | Deferred gains or losses on hedges | Revaluation reserve for land | Foreign currency translation adjustment | Remeasurements of defined benefit plans | Total accumulated other comprehensive income | | |
| Balance at beginning of period | 737 | (63) | 6 | 13,002 | (96) | 13,585 | 2,576 | 226,127 |
| Changes during period | | | | | | | | |
| Dividends of surplus | | | | | | | | (6,520) |
| Profit attributable to owners of parent | | | | | | | | 18,252 |
| Reversal of revaluation reserve for land | | | | | | | | — |
| Purchase of treasury shares | | | | | | | | (3,037) |
| Disposal of treasury shares | | | | | | | | 323 |
| Cancellation of treasury shares | | | | | | | | — |
| Transfer from retained earnings to capital surplus | | | | | | | | — |
| Net changes in items other than shareholders' equity | 1,291 | 42 | | 10,017 | (223) | 11,127 | 780 | 11,907 |
| Total changes during period | 1,291 | 42 | — | 10,017 | (223) | 11,127 | 780 | 20,924 |
| Balance at end of period | 2,028 | (21) | 6 | 23,019 | (320) | 24,712 | 3,356 | 247,052 |

Fiscal year ended March 31, 2025 (April 1, 2024 to March 31, 2025)

(Millions of yen)

| | Shareholders' equity | | | | |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
| | Share capital | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period | 7,290 | — | 215,302 | (3,608) | 218,983 |
| Changes during period | | | | | |
| Dividends of surplus | | | (6,598) | | (6,598) |
| Profit attributable to owners of parent | | | 44,767 | | 44,767 |
| Reversal of revaluation reserve for land | | | 6 | | 6 |
| Purchase of treasury shares | | | | (16,632) | (16,632) |
| Disposal of treasury shares | | (10) | | 1,652 | 1,641 |
| Cancellation of treasury shares | | | | | — |
| Transfer from retained earnings to capital surplus | | 10 | (10) | | — |
| Net changes in items other than shareholders' equity | | | | | — |
| Total changes during period | — | — | 38,164 | (14,979) | 23,184 |
| Balance at end of period | 7,290 | — | 253,466 | (18,588) | 242,168 |

| | Accumulated other comprehensive income | | | | | | Non-controlling interests | Total net assets |
|--|---|------------------------------------|------------------------------|---|---|--|---------------------------|------------------|
| | Valuation difference on available-for-sale securities | Deferred gains or losses on hedges | Revaluation reserve for land | Foreign currency translation adjustment | Remeasurements of defined benefit plans | Total accumulated other comprehensive income | | |
| Balance at beginning of period | 2,028 | (21) | 6 | 23,019 | (320) | 24,712 | 3,356 | 247,052 |
| Changes during period | | | | | | | | |
| Dividends of surplus | | | | | | | | (6,598) |
| Profit attributable to owners of parent | | | | | | | | 44,767 |
| Reversal of revaluation reserve for land | | | (6) | | | (6) | | — |
| Purchase of treasury shares | | | | | | | | (16,632) |
| Disposal of treasury shares | | | | | | | | 1,641 |
| Cancellation of treasury shares | | | | | | | | — |
| Transfer from retained earnings to capital surplus | | | | | | | | — |
| Net changes in items other than shareholders' equity | (2,022) | 14 | | 9,866 | 234 | 8,093 | 401 | 8,494 |
| Total changes during period | (2,022) | 14 | (6) | 9,866 | 234 | 8,087 | 401 | 31,673 |
| Balance at end of period | 6 | (7) | — | 32,886 | (85) | 32,799 | 3,757 | 278,725 |

(4) Consolidated Statement of Cash Flows

(Millions of yen)

| | Fiscal year ended March 31, 2024 | Fiscal year ended March 31, 2025 |
|---|-------------------------------------|-------------------------------------|
| Cash flows from operating activities | | |
| Profit before income taxes | 30,975 | 54,324 |
| Impairment losses | 8,531 | – |
| Depreciation | 14,256 | 13,007 |
| Amortization of goodwill | 354 | – |
| Insurance claim income | – | (878) |
| Settlement payments | – | 621 |
| Increase (decrease) in allowance for doubtful accounts | 14 | (21) |
| Increase (decrease) in provision for bonuses | 371 | 562 |
| Increase (decrease) in retirement benefit liability | (106) | 189 |
| Decrease (increase) in retirement benefit asset | (1,126) | (654) |
| Increase (decrease) in allowance for losses on business transfer | 10,068 | (498) |
| Interest and dividend income | (1,453) | (2,014) |
| Interest expenses | 720 | 262 |
| Foreign exchange losses (gains) | (3,662) | 49 |
| Loss (gain) on sale and retirement of non-current assets | 89 | 133 |
| Loss (gain) on sale of investment securities | – | (1,729) |
| Loss (gain) on valuation of investment securities | (61) | (106) |
| Loss on reversal of foreign currency translation adjustment | – | 164 |
| Decrease (increase) in trade receivables | (2,608) | 6,569 |
| Decrease (increase) in inventories | 2,688 | (1,999) |
| Decrease (increase) in other assets | (1) | 784 |
| Increase (decrease) in trade payables | 14 | (117) |
| Increase/decrease in consumption taxes payable/consumption taxes refund receivable | 927 | (2,300) |
| Increase (decrease) in other liabilities | 1,226 | (176) |
| Other, net | (519) | 757 |
| Subtotal | 60,700 | 66,927 |
| Interest and dividends received | 1,468 | 2,060 |
| Interest paid | (799) | (271) |
| Proceeds from insurance income | – | 878 |
| Income taxes refund (paid) | (14,112) | (15,376) |
| Net cash provided by (used in) operating activities | 47,257 | 54,217 |
| Cash flows from investing activities | | |
| Payments into time deposits | (17,063) | (13,403) |
| Proceeds from withdrawal of time deposits | 16,834 | 15,748 |
| Proceeds from sale and redemption of securities | 12 | 0 |
| Purchase of non-current assets | (8,799) | (18,185) |
| Proceeds from sale of non-current assets | 345 | 76 |
| Purchase of investment securities | (13) | (159) |
| Proceeds from sale of investment securities | 581 | 3,239 |
| Payments for sale of shares of subsidiaries resulting in change in scope of consolidation | – | (11,128) |
| Other, net | (32) | (78) |
| Net cash provided by (used in) investing activities | (8,135) | (23,891) |

(Millions of yen)

| | Fiscal year ended March 31, 2024 | Fiscal year ended March 31, 2025 |
|---|-------------------------------------|-------------------------------------|
| Cash flows from financing activities | | |
| Proceeds from short-term borrowings | 0 | – |
| Repayments of short-term borrowings | (4,106) | (281) |
| Repayments of lease liabilities | (2,199) | (1,841) |
| Repayments of long-term borrowings | (10,203) | (10,075) |
| Proceeds from sale of treasury shares | 323 | 1,026 |
| Purchase of treasury shares | (3,037) | (16,632) |
| Dividends paid | (6,519) | (6,597) |
| Dividends paid to non-controlling interests | (280) | (754) |
| Net cash provided by (used in) financing activities | (26,024) | (35,154) |
| Effect of exchange rate change on cash and cash equivalents | 6,692 | 3,902 |
| Net increase (decrease) in cash and cash equivalents | 19,790 | (926) |
| Cash and cash equivalents at beginning of period | 122,233 | 142,024 |
| Cash and cash equivalents at end of period | 142,024 | 141,097 |

(5) Notes in Relation to the Consolidated Financial Statements**- Notes regarding the going concern assumption**

Not applicable.

- Notes on changes in accounting policies

Application of the “Accounting Standard for Current Income Taxes,” Etc.

The Company has applied the “Accounting Standard for Current Income Taxes” (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022; the “Revised Accounting Standard of 2022”), etc. from the beginning of the current fiscal year.

Revisions to categories for recording current income taxes (taxation on other comprehensive income) conform to the transitional treatment in the proviso of paragraph 20-3 of the Revised Accounting Standard of 2022 and to the transitional treatment in the proviso of paragraph 65-2(2) of the “Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022; the “Revised Guidance of 2022”). This change in accounting policies has no impact on the consolidated financial statements.

In addition, for changes related to the revised treatment in consolidated financial statements when a gain or loss on sale arising from the sale of shares of subsidiaries, etc. among consolidated companies is deferred for tax purposes, the Revised Guidance of 2022 has been applied from the beginning of the current fiscal year. This change in accounting policies has been applied retrospectively, and is reflected in the consolidated financial statements for the previous fiscal year. This change in accounting policies has no impact on the consolidated financial statements for the previous fiscal year.

Application of the “Practical Solution on the Accounting for and Disclosure of Current Taxes Related to the Global Minimum Tax Rules”

The Company has applied the “Practical Solution on the Accounting for and Disclosure of Current Taxes Related to the Global Minimum Tax Rules” (ASBJ Practical Solution No. 46, March 22, 2024) from the beginning of the current fiscal year.

- Changes in presentation

Not applicable.

- Notes on consolidated balance sheet**1. 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.

- Notes on consolidated statements of income and comprehensive income***1 Insurance claim income**

It is proceeds from insurance income for the fire accident that occurred in September 2014 at Nifco Korea Poland Sp.z o.o., an overseas consolidated subsidiary.

***2 Reversal of allowance for losses on business transfer**

The business transfer of the Company's consolidated subsidiaries, including Nifco Germany GmbH and Nifco KTW America Corporation, was completed on April 15, 2024.

The related costs expected to arise from the business transfer had been estimated and recorded as allowance for losses on business transfer. Upon finalization of the actual costs, the difference was recorded as reversal of allowance for losses on business transfer.

***3 Allowance for losses on business transfer**

On March 12, 2024, the Company concluded an agreement with AEQUITA SE & Co. KGaA, headquartered in Munich, Germany, to transfer Nifco Germany GmbH, a consolidated subsidiary, and its subsidiary Nifco KTW America Corporation. The amount of loss expected to be incurred as a result of this transfer was recorded as an allowance for losses on business transfer.

***4 Settlement payments**

During the second quarter of the current fiscal year, with respect the lawsuit in which a consolidated subsidiary and a customer were defendants, 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.

After reaching a settlement with the plaintiff on February 26, 2025, the loss amount was finalized, and recorded as a settlement payment.

***5 Loss on reversal of foreign currency translation adjustment**

This was a result of the reversal of foreign currency translation adjustment due to the completion of liquidation of the overseas subsidiary in Mexico that was a consolidated subsidiary.

- Notes on consolidated statement of cash flows

*1. The following is a reconciliation of cash and cash equivalents at end of period and the amount recorded in the consolidated balance sheet.

(Millions of yen)

| | Fiscal year ended March 31, 2024 | Fiscal year ended March 31, 2025 |
|--|----------------------------------|----------------------------------|
| Cash and deposits | 149,784 | 146,232 |
| Time deposits with maturities of more than three months | (8,883) | (6,476) |
| Short-term marketable securities with maturities of three months or less | 1,122 | 1,340 |
| Cash and cash equivalents | 142,024 | 141,097 |

*2. The following is a major breakdown of assets and liabilities of companies that were deconsolidated following the sale of shares during the period.

Nifco Germany GmbH

| | |
|-------------------------|---------------------|
| Current assets | 14,986 million yen |
| Non-current assets | 33 million yen |
| Current liabilities | (5,169) million yen |
| Non-current liabilities | (2,325) million yen |

Nifco KTW America Corporation

| | |
|-------------------------|----------------------|
| Current assets | 7,133 million yen |
| Non-current assets | 11 million yen |
| Current liabilities | (15,428) million yen |
| Non-current liabilities | (787) million yen |

The amount of 11,128 million yen is presented as “payments for sale of shares of subsidiaries resulting in change in scope of consolidation,” taking into account the increase or decrease in cash and cash equivalents related to sale of shares from cash and cash equivalents included in the above current assets.

- Notes on segment Information, etc.*[Business segment information]***1. Description of Reportable Segments**

The Company's reportable segments are those components of the Company for which separate financial information is available and are subject to periodic review by the Board of Directors to determine the allocation of management resources and evaluate their performance.

The Company has two reportable segments based on the type and nature of its products: the industrial plastic parts & components segment and the bedding & furniture segment.

Major products and services in each reportable segment are as follows.

(1) Industrial plastic parts & components: Industrial plastic fasteners and precision molded plastic products

(2) Bedding & furniture: Various beds, reclining chairs

2. Explanation of Measurements of Sales, Profit (Loss), Assets, Liabilities, and Other Items for Each Reportable Segment

Accounting methods for reported business segments are generally the same as those described in "Notes - Significant accounting policies for preparation of consolidated financial statements."

The profit or loss of each reportable segment is its operating profit or loss.

Intersegment revenues are based on prevailing market prices.

3. Disclosure of Sales, Profit (Loss), Assets, Liabilities, and Other Items for Each Reportable Segment

Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)

| | Reportable segments | | | Adjustment (Note 1) (Note 3) (Note 4) | Amount reported in consolidated financial statements (Note 2) |
|---|---|------------------------|---------|--|--|
| | Industrial plastic parts & components | Bedding & furniture | Total | | |
| Net sales | | | | | |
| (1) Net sales to external customers | 334,729 | 36,910 | 371,639 | — | 371,639 |
| (2) Intersegment sales or transfers | — | 0 | 0 | (0) | — |
| Total | 334,729 | 36,910 | 371,639 | (0) | 371,639 |
| Segment profit (loss) | 42,840 | 6,544 | 49,385 | (5,459) | 43,925 |
| Segment assets | 263,565 | 44,525 | 308,091 | 72,314 | 380,405 |
| Other items | | | | | |
| Depreciation | 12,264 | 1,877 | 14,142 | 113 | 14,256 |
| Increase in property, plant and equipment and intangible assets | 9,706 | 251 | 9,957 | 60 | 10,018 |

- Notes: 1. Adjustment of segment profit (loss) of (5,459) 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.
3. The adjustment of 72,314 million yen for segment assets includes 72,427 million yen in corporate assets not allocated to each reportable segment and (112) million yen in eliminated intersegment transactions.
4. The adjustment of 60 million yen for increase in property, plant and equipment and intangible assets represents capital investment in corporate assets that are not allocated to each reportable segment.

Fiscal year ended March 31, 2025 (April 1, 2024 to March 31, 2025)

(Millions of yen)

| | Reportable segments | | | Adjustment (Note 1) (Note 3) (Note 4) | Amount reported in consolidated financial statements (Note 2) |
|---|---|------------------------|---------|--|--|
| | Industrial plastic parts & components | Bedding & furniture | Total | | |
| Net sales | | | | | |
| (1) Net sales to external customers | 315,942 | 37,096 | 353,038 | — | 353,038 |
| (2) Intersegment sales or transfers | — | — | — | — | — |
| Total | 315,942 | 37,096 | 353,038 | — | 353,038 |
| Segment profit (loss) | 49,016 | 5,967 | 54,984 | (5,783) | 49,200 |
| Segment assets | 260,920 | 46,705 | 307,626 | 72,189 | 379,816 |
| Other items | | | | | |
| Depreciation | 11,068 | 1,872 | 12,940 | 66 | 13,007 |
| Increase in property, plant and equipment and intangible assets | 18,811 | 706 | 19,517 | 216 | 19,734 |

- Notes: 1. Adjustment of segment profit (loss) of (5,783) 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.
3. The adjustment of 72,189 million yen for segment assets includes 72,271 million yen in corporate assets not allocated to each reportable segment and (81) million yen in eliminated intersegment transactions.
4. The adjustment of 216 million yen for increase in property, plant and equipment and intangible assets represents capital investment in corporate assets that are not allocated to each reportable segment.

4. Disclosure of Impairment Losses on Non-current Assets for Each Reportable Segment

Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(Millions of yen)

| | Industrial plastic parts & components | Bedding & furniture | Elimination or corporate | Total |
|-------------------|---|------------------------|-----------------------------|-------|
| Impairment losses | 8,531 | — | — | 8,531 |

Fiscal year ended March 31, 2025 (April 1, 2024 to March 31, 2025)

Not applicable.

- Notes on per-share information

(Yen)

| | Fiscal year ended March 31, 2024 | Fiscal year ended March 31, 2025 |
|--------------------------|-------------------------------------|-------------------------------------|
| Net assets per share | 2,455.97 yen | 2,888.37 yen |
| Basic earnings per share | 183.26 yen | 461.95 yen |

Notes: 1. Diluted earnings per share is not noted because there are no potential shares.

2. The basis for calculation of basic earnings per share is as follows.

| | Fiscal year ended March 31, 2024 | Fiscal year ended March 31, 2025 |
|--|-------------------------------------|-------------------------------------|
| Basic earnings per share | | |
| Profit attributable to owners of parent (millions of yen) | 18,252 | 44,767 |
| Amount not attributable to common shareholders (millions of yen) | — | — |
| Profit attributable to owners of parent available to common shares (millions of yen) | 18,252 | 44,767 |
| Average number of shares during the period (thousand shares) | 99,599 | 96,910 |

Notes: 3. The Company's shares remaining in trust, which are recorded as treasury shares in shareholders' equity, are included in the treasury shares deducted from the average number of shares during the period for the calculation of basic earnings per share, and are also included in the number of treasury shares deducted from the total number of issued shares at the end of the period for the calculation of net assets per share.

Average number of shares of treasury stock during the period deducted in the calculation of basic earnings per share

Fiscal year ended March 31, 2024: 437,621 shares;

Fiscal year ended March 31, 2025: 331,817 shares

Number of said shares of treasury stock at the end of the period deducted in the calculation of net assets per share

Fiscal year ended March 31, 2024: 427,549 shares;

Fiscal year ended March 31, 2025: 354,132 shares

- Significant events after reporting period

Not applicable.

- Omission of disclosure

Disclosure of notes other than the above has been omitted because the necessity of disclosure in the summary of financial statements is not considered significant.