



March 12, 2024

To whom it may concern

Company Name: Nifco Inc.
Head Office: 5-3 Hikarinooka, Yokosuka City, Kanagawa Prefecture
Company Code: 7988 (TSE Prime Market)
Rep. Director: Masaharu Shibao Representative Director, President & CEO
Contact Person: Toshiki Yauchi Director, Senior Executive Managing Officer & CFO
(TEL 03-5476-4850)

(Progress of Disclosure Matters) Notice Regarding the Conclusion of Transfer Agreement
for subsidiaries which conduct German OEM business

As announced in the "Notice regarding preliminary agreement on possible sale of our subsidiaries which conduct German OEM business" on January 4, 2024, Nifco Inc. had been in discussions with AEQUITA SE & Co. KGaA, Munich-based family office, to sign the definitive agreement for the transfer of our consolidated subsidiaries, Nifco Germany GmbH and Nifco KTW America Cooperation.

The Board of Directors on March 12, 2024 resolved to conclude a definitive contract effective March 14, 2024 (local time).

1. Reason for transfer

Although we have been working to improve profitability in our German business in order to respond to changes in the market environment and customer needs of the automotive industry in Europe, we have not achieved the expected results, and the business environment has become severer. Under these circumstances, considering the sustainable growth of the businesses and employees of the two subsidiaries in scope, we decided to transfer these subsidiaries to AEQUITA SE & Co. KGaA, which would contribute to the enhancement of shareholder value of Nifco group.

2. Profile of Subsidiaries to be sold

Nifco Germany GmbH

① Representative	Managing Director, Karsten Schmidt
② Location	Weissenburg, Germany
③ Business	Sales and manufacturing of plastic molding parts
④ Fiscal Year End	December
⑤ Number of employees	711
⑥ Capital	EUR 25k
⑦ Sales	EUR 116.3M(FY2022)
⑧ Ownership %	100%

Nifco KTW America Cooperation

① Representative	President, Reinert Thomas
② Location	Georgia, U.S.A.
③ Business	Sales and manufacturing of plastic molding parts
④ Fiscal Year End	December
⑤ Number of employees	411
⑥ Capital	US\$ 1k
⑦ Sales	US\$ 88.9M(FY2022)
⑧ Ownership %	100%

3. Outline of the transferee

AEQUITA SE & Co. KGaA

- | | |
|---|---------------------|
| ① Representative | Christoph Himmel |
| ② Location | Munich, Germany |
| ③ Business | Investment Business |
| ④ Relationship between the Company and the Transferee Company | |

Capital relationship	There is no capital relationship of note between the Company and the Transferee Company. There is also no capital relationship between the related parties and affiliates of the Company and the related parties and affiliates of the Transferee Company.
Personnel relationship	There is no personal relationship of note between the Company and the Transferee Company. There is also no personal relationship between the related parties and affiliates of the Company and the related parties and affiliates of the Transferee Company.
Business relationship	There is no business relationship of note between the Company and the Transferee Company. There is also no business relationship between the related parties and affiliates of the Company and the related parties and affiliates of the Transferee Company.

4. Status of Transferred Equity and Ownership Interest before and after Transfer

(1) Percentage of equity before transfer	Nifco Germany GmbH	100%
	Nifco KTW America Cooperation	100%
(2) Percentage of equity to be transferred	Nifco Germany GmbH	100%
	Nifco KTW America Cooperation	100%
(3) Equity after transfer	Nifco Germany GmbH	—%
	Nifco KTW America Cooperation	—%

* The transfer price is not disclosed by agreement with the transferee company.

5. Schedule

(1) Date of resolution of the Board of Directors	March 12, 2024
(2) Date of conclusion of the contract	March 14, 2024
(3) Date of transfer of equity (planned)	March 28, 2024

6. One-time loss associated with the transfer

15.2 billion yen

7. Impact on business results

This one-time loss associated with the above transfer is supposed to be recorded as an extraordinary loss in the fiscal year ending March 31, 2024. For the consolidated earnings forecast for the fiscal year ending March 31, 2024, please refer to the "Notice of Revision of Consolidated Earnings Forecast for the Full Year and Differences in Non-Consolidated Financial Results from the Actual Figures for the Previous Fiscal Year" announced today.

The one-time loss associated with the above transfer is based on information available as of the date of announcement and may change depending on the financial condition of these subsidiaries and the business at the time of completion of the transaction.

Contact person

Kumi Sano, Executive officer Head of administration 03-5476-4850