



November 13th 2018

Company Name	Nifco Inc.
Head Office	5-3 Hikarinooka, Yokosuka-shi, Kanagawa
Company Code	7988 (1 st Board TSE)
Rep. Director	President & Representative Director, Toshiyuki Yamamoto
Contact Person	Executive Managing officer, Chief Financial Officer, Junji Honda (TEL:03-5476-4853)

Notice Concerning Closure of Hong Kong Bed Manufacturing Factory

Nifco Inc. ("the Company") resolved the following details concerning the closure of its Hong Kong Bed Manufacturing Factory at a Board of Director's meeting on November 13, 2018.

1. Reason for the closure

The Company's subsidiary, Simmons Bedding & Furniture (HK) Ltd ("Simmons Hong Kong"), a bed and furniture manufacturer, began business operations in the region in 2016, however sales have remained slow due to the higher than anticipated negative perception in the Chinese market of goods "made in Hong Kong." For this reason the plant is being closed to maintain business efficiency and to integrate Japanese import goods and Suzhou factory goods for the Chinese market.

In addition Simmons Hong Kong is located within the Company's subsidiary building of Nifco (HK) Ltd. (Nifco Hong Kong). As such, Nifco Hong Kong will relocate to new premises with the closure of Simmons Hong Kong.

2. Details of the entity to close

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|----------------------|-----------------------------------------------------------------------------|
| (1) Name | Simmons Bedding & Furniture (HK) Ltd. |
| (2) Representative | Mr. Masafumi Ito, Director |
| (3) Address | Room 1402, 14/F, Caroline Centre, 28 Yun Ping Road, Causeway Bay, Hong Kong |
| (4) Line of business | Bed and furniture business |
| (5) Capital | HK\$10 million |

3. Reference : Details of building owner (Nifco Inc. subsidiary)

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|----------------------|-------------------------------------------------------------------------|
| (1) Name | Nifco (HK) Ltd. |
| (2) Representative | Mr. Eiji Suzuishi, President |
| (3) Address | No.5 Dai Wang Street, Tai Po Industrial Estate, Tai Po, N.T., Hong Kong |
| (4) Line of business | Synthetic resins business |
| (5) Capital | HK\$200 million |

4. Building details

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|-------------------------|---------------------------------------------------------------------------------|
| (1) Asset name | Nifco Building (HK) Ltd.(HQ) (Simmons Bedding & Furniture (HK) Ltd. HK Factory) |
| (2) Address | No.5 Dai Wang Street, Tai Po Industrial Estate, Tai Po, N.T., Hong Kong |
| (3) Bldg specifications | Land area: 3,056 m ² , Floor area: 7,424 m ² |
| (4) Closure date | End of December 2018 (planned) |
| (5) Future plan | Building sale (planned) |

5. Future business outlook

The above factory closure and building sale will be recorded as extraordinary profit and loss for the consolidated period ending March 2019. In addition, disclosures will be made promptly if, after careful examination, there is a need to disclose revisions to expected business results and outcomes for the period ending March 2019.

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