Note : This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

October 30,2026

To Whom It May Concern

Company Name	Nifco Inc.
Headquarters	5-3 Hikarinooka, Yokosuka-shi, Kanagawa
Code Number	7988 (TSE Prime Market)
Representative	President & Representative Director Masaharu Shibao
Person in charge	Executive Officer & CFO Minoru Narahara
	(TEL 03-5476-4853)

Notice Concerning Disposal of Treasury Stock for Stock Allocation through Stock Ownership Association

The Company announces that at the Board of Directors meeting held on October 30,2026, it resolved to dispose of its treasury stock by third-party allotment as follows.

1. Outline of Disposal

(1) Date of disposal	December 4,2026
(2) Class and number of shares to be disposed of	132,000 shares of common stock of the Company (Note)
(3) Disposal price	2384.5yen per share
(4) Total value of disposal	314,754,000 yen (Notes)
(5) Method of disposal	By way of third-party allotment
(6) Scheduled allottee	Nifco Employee Stock Ownership Association
(7) Others	The disposal of treasury stock is subject to effectuation of registration under the Financial Instruments and Exchange Act.

(Note) Following a resolution at its Board of Directors meeting to be held today, Nifco Employee Stock Ownership Association will hold a promotion for Employees with a sufficient notice period and invite prospective members to join the Stock Ownership Association. Accordingly, the number of shares to be disposed of (the number of shares to be offered) and the total value to be disposed of (the total value to be paid in) will be determined after the promotion ends. The number of shares to be disposed of (the number of shares to be offered) and the total value to be disposed of (the total value to be paid in) when the number of the target person is determined will be announced as soon as it is determined.

2. Purpose of and Reasons for the Disposal

On October 30, 2026, the Company decided to introduce an incentive plan (hereinafter the “Scheme”) with the aim of increasing the motivation of Employees to enhance the Company’s medium- to long-term shareholder value. Under the Scheme, the common shares issued by the Company (hereinafter the “Company’s Shares”) will be granted to members (hereinafter “Target Members”) of the Nifco Employee Stock Ownership Association (hereinafter the “Stock Ownership Association”) as a special incentive. For an outline of the Scheme, please refer to “Introduction of Special Incentive Scheme (Disposal of Treasury Stock)” dated today.

Under the Scheme, the Company grants a special incentive to Target Members and disposes of treasury stock to the Stock Ownership Association in exchange for contribution of said special incentive (hereinafter the “Treasury Stock Disposal”) by way of third-party allotment. As described in the note to “1. Outline of the Disposal”, the number of shares to be disposed of to the Stock Ownership Association will be determined at a later date but will be a maximum of 132,000 shares. The grant for special incentives to Target Members is a

grant of money, not a grant of a monetary claim.

Furthermore, target members will not make any monetary contributions other than the contribution of the special incentives granted to them.

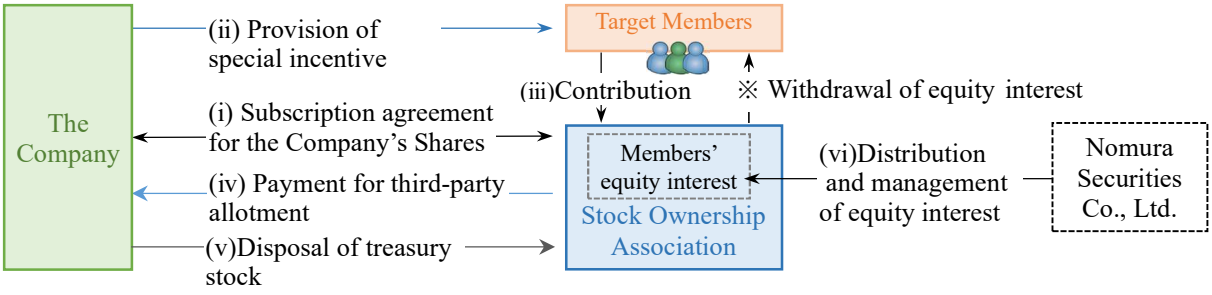
Note that the scale of dilution is as follows (both percentages are rounded off to two decimal places.

Number of shares issued (as of October 7, 2026) (Note 1)	180,856,000	0.07%
Total number of voting rights (as of September 30, 2026) (Note 2)	1,717,598	0.08%

Note 1: As announced in the "Notice Regarding Cancellation of Treasury Shares" dated September 29, 2026, the Company cancelled 19,609,228 treasury shares on October 7, 2026, pursuant to Article 178 of the Companies Act.

Note 2: The Company conducted a two-for-one stock split of its common shares, with September 30, 2026 as the record date and October 1, 2026 as the effective date, whereby each share of common stock held by shareholders recorded in the shareholder registry as of the close of business on September 30, 2026 was split into two shares. Accordingly, the total number of voting rights as of September 30, 2026 is calculated and presented on the basis of two shares for each share of common stock, and the dilution ratio has been calculated accordingly.

3. Structure of the scheme (description of subsidiaries is omitted.)



(i) The Company enters into a stock subscription agreement for disposal and subscription of treasury stock with the Stock Ownership Association.

(ii) The Company provides special incentives to Target Members for our equity grants.

(iii) Target Members will contribute the special incentive provided to them to the Stock Ownership Association.

(iv) The Stock Ownership Association collects the special incentive contributed by Target Members and pays for the third-party allotment of shares.

(v) The Company disposes of treasury stock to the Stock Ownership Association.

(vi) The Company's Shares allocated are distributed to and managed for Target Members' equity interest in the Stock Ownership Association by Nomura Securities Co., Ltd., to which the Stock Ownership Association entrusts the stock administration.

※ Target Members may withdraw the Company's Shares allotted arbitrarily to brokerage accounts in their individual names.

4. Basis of Calculation and Specific Details of the Disposal Price

The purpose of this treasury stock disposal is to introduce this scheme. The disposal price is 2,384.5 yen, the closing price of our shares on the TSE Prime Market on October 29, 2026 (the business day prior to Board of Directors resolution date). This is the market price immediately before the Board of Directors resolution date and is considered reasonable. The percentage deviation of the disposal price from the average closing price of our shares on the TSE Prime Market (rounded to the nearest third decimal place) is as follows.
The deviation rates have been calculated using share prices adjusted to reflect the stock split effective October 1, 2026.

Period	Average closing price (rounded down to the nearest yen)	Deviation rate
1 month（September 30,2026 to October 29,2026）	2,491yen	－4.28%
3 months（July 30,2026 to October 29,2026）	2,504yen	－4.77%
6 months（April 30,2026 to October 29,2026）	2,418yen	－1.39%

The Company’s Audit and Supervisory Committee (three members, two of whom are outside directors, are Audit and Supervisory Committee members) expresses its opinion that the disposal value of treasury stock does not fall under the disposal value that is particularly favorable to the allottee and is legal in light of the fact that the disposal of treasury stock is intended to introduce this scheme and that the disposal value is the closing price of our stock on the TSE Prime market on the business day before Board of Directors resolution date.

5. Procedures under the Corporate Code of Conduct

Since the Treasury Stock Disposal (1) has a dilution rate of less than 25% and (2) does not involve a change of the controlling shareholder, it is not necessary to obtain an opinion from an independent third party and to confirm the intention of shareholders as stipulated in Article 432 of the Securities Listing Regulations prescribed by the TSE.

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