

7<sup>th</sup> July, 2008

To whom it may concern

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Kanagawa Pref., Japan  
Comp. Code no. 7988 (1st Board TSE)  
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**Notice concerning establishment of numerical targets for the mid-term business plan, ANS III**

On 6<sup>th</sup> November, 2007, the Nifco Group announced a mid-term business plan for the fiscal years 2008 - 2012. However, as there is one change to be announced and, further, the targets for returns to shareholders (dividend policy, share repurchase policy) have been fixed, this information is given below.

1. Numerical business targets

A numerical figure of 14% was set as the target for ROE but this has been changed to 15% as we believe that a higher target will stimulate the spirit of challenge in our employees. As a result, the numerical targets for the business results in the fiscal year 2012 are:

Sales	¥200 billion
Operating profit	¥24 billion
Operating profit ratio	12%
Net profit	¥15 billion
ROE	15%

2. Numerical targets for the return to shareholders

- (1) Up to the present, the Company has set the pay-out ratio for dividends as 50% of the unconsolidated net profits of the Company. However, from the 57th fiscal period of the company (ending March 2009), this will be changed to a target of one-third (33%) of the consolidated net profits of the Group. (This change was announced in the flash business report for the period ending March 2008 issued on 8<sup>th</sup> May, 2008.)
- (2) The policy of the Company repurchasing its own shares has been actively pursued in previous years but in the period covered by ANS III (5 years), a target for the company to re-purchase shares to a total value of ¥15 billion has been established.  
nb. This target for the re-purchase of the Company's shares is for the total 5-year period and there is a possibility that the actual repurchase costs will differ from this target due to movements in the business results of the Group or requirements for purchases of plant and equipment, etc. Further, as the periods and sums to be used are not fixed, these terms will be announced on each occasion that a resolution of the board of directors is made in this respect.