

Medium-Term Management Plan
“NIFCO GROUP GLOCAL STRATEGY” (NGS2029)

April 2026 – March 2029

“ 価値共創 ”
Co-Creation

1. Review of the Previous Plan

Challenge is to accelerate investment for future growth

	Key Initiatives of Previous Mid-Term Plan	Review	Evaluation
1 Growth through existing business	<ul style="list-style-type: none"> Further strengthening existing business model (rapid development and market expand of "Environment·Safety·Comfort" products) Ensuring growth in all directions (ICE, HV, PHV, FCV, EV) 	Achieved financial targets through sustainable growth of existing businesses	Achieved
2 Growth through new channels	<ul style="list-style-type: none"> Acquire business from superior Chinese OEMs (Including businesses via global Tier 1) 	Secured business with Chinese OEMs (direct and via Tier 1)	Achieved
3 Invest resources in growing markets and increase earnings	<ul style="list-style-type: none"> Actively invest resources in the Indian market and achieve solid results 	Proactive allocation of resources to growth markets India: Started operations at NSI's* new plant China: Establishment of a China regional holding company	Achieved
4 Bed business in Asia market	<ul style="list-style-type: none"> Expansion of Sales in China and Asia (particularly Southeast Asia) 	Strong performance in Japan, but weaker results in Hong Kong and Singapore	Achieved
5 Exploring and building new businesses	<ul style="list-style-type: none"> Rather than relying solely on in-house development, leverage M&A and strategic alliances. 	Promoted advanced automotive maintenance and connected business, with challenges in M&A	In Progress
6 Penetration of "Nifco" brand	<ul style="list-style-type: none"> Enhancement of regional brand value Enhancement of recruitment branding Enhancement of customer brand value 	Promoted internal and external branding initiatives Internal: Redefinition of the corporate philosophy framework External: Official sponsor of the Pacific League	Achieved
7 Strengthening of human capital	<ul style="list-style-type: none"> Promotion of proactive human capital investment Promotion of diversity and strengthen talent development Revitalization of the organization via enhanced employee engagement 	Global engagement scores were improved	Achieved
8 Promotion of digital management	<ul style="list-style-type: none"> Human resource development of digital talent and digital professionals Building and utilizing a platform that supports the use of information 	Increased digital talent (70 employees) Implemented and utilized generative AI, and introduced PLM	Achieved
9 Strengthen corporate governance system to continuously improve corporate value	<ul style="list-style-type: none"> Strengthen the Board of Directors function under the new organization Strengthen various committee functions Strengthen ESG initiatives through business activities 	Revised the governance structure following changes in the board of directors	Achieved

*Nifco South India Manufacturing Private Limited

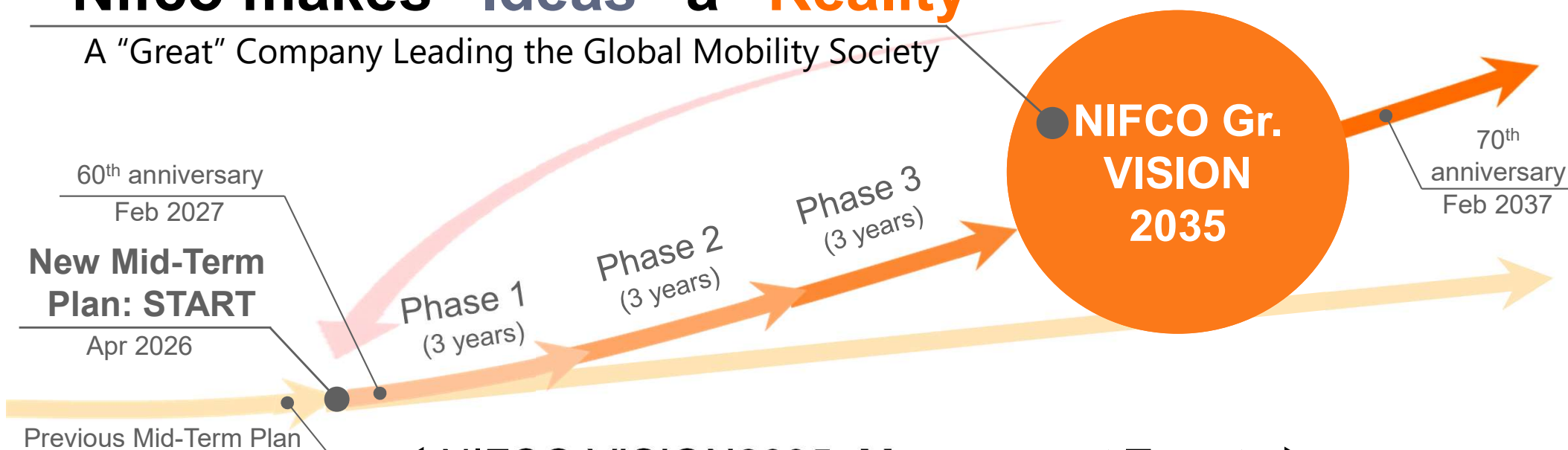
2. NIFCO GROUP VISION 2035

Sparking Innovation by fastening small insights
with technology **for a better world**

NIFCO Gr.
PURPOSE

Nifco makes “Ideas” a “Reality”

A “Great” Company Leading the Global Mobility Society



< NIFCO VISION2035: Management Targets >

Sales JPY 500 billion	OP Margin 15%	Net Income* JPY 50 billion	ROE 16%	Total Payout Ratio 50% or higher	Employee Engagement** (Global) +5Pt*** (89%) <small>Favorable responses to sustainable engagement</small>	CO2 Emissions**** 50% reduction
Sales CAGR 4~6% <small>(Base year: Mar 2026)</small>	OP JPY 75 billion					Waste Plastic Reduction*** 70% reduction

*Net income attributable to the parent company

**WTW Employee Engagement Survey

***Baseline: FY2025/03 results

****Compared to FY2021/03

3. Mid-Term Plan (Targets)

Sparking Innovation by fastening small insights with technology for a better world



Unit: billion JPY

	FY2026/03	Co-Creation Mid-Term Plan 2029 Phase 1		Phase 2 3 years	Phase 3 3 years
	Actual	Plan	Plan		Target
	FY2026/03	FY2027/03	FY2029/03		FY2035/03
Sales	352.7	367.0	400.0		500.0
OP (OP margin)	48.1 (13.6%)	50.8 (13.8%)	58.0 (14.5%)		75.0 (15.0%)
ROE	12.0%	12.5%	13.0%		16%
Net Income*	34.0	34.0	40.0		50.0
Employee Engagement** (Global)	84% (FY2025/03 result)	-	+3Pt (87%)		+5Pt (89%)

Exchange Rate USD1=JPY149.6

JPY153

JPY153

JPY135

*Net income attributable to the parent company

**Favorable responses to sustainable engagement

4. Growth Strategy (Summary: Phase 1)

“Good” → “Great” Company

Nifco makes “Ideas” a “Reality”

Growth Strategy

Development of a business portfolio

Further **expansion** of the existing mobility business

Expansion of the business in China and with Chinese OEMs

Establishment of a speed-focused, locally led structure

Maximization of Gentani* for Japanese and Korean OEMs

Capturing additional global gentani

*Product installation amount per vehicle

Strengthening of the Indian market business

Enhancing production capabilities and local responsiveness

Further **expansion** of existing non-mobility business

Expansion of Bed Business

Expansion of Buckle Business

Advancement of existing businesses to create the future: New Businesses

Promotion of AutoNEXT Business**

**Next generation advanced automotive maintenance

Promotion of Connected Business***

***ICT business

Capital Policy

Return to Shareholders

Surplus funds after investments will be actively distributed as dividends.

Investment for Growth

Practicing facility renewal and business investments to improve productivity

Investment in Business Infrastructure

Further investment in human capital and digitalization

Strengthening Business Infrastructure

E Practicing environmentally responsible management

- Promotion of CN/CE initiatives
- Development and adoption of environmentally friendly materials

S Strengthening engineering capabilities

- Deepening core technologies through analysis, evaluation, and testing
- Proposing optimization solutions using AI

S Promoting digitalization to support transformation

- Development and utilization of digital talent
- Promoting the universalization of tacit knowledge

S Building resilient and sustainable monozukuri

- Strategic restructuring of manufacturing system
- Promotion of manufacturing innovation function

G Enhancing corporate governance to support sustainable growth

- Enhancing the effectiveness of the board of directors
- Strengthening risk management

Practicing human capital management based on “Job Satisfaction” and “Ease of Work”

Revitalizing the organization through global talent development aligned with management strategy, enhanced employee engagement, and the promotion of diversity

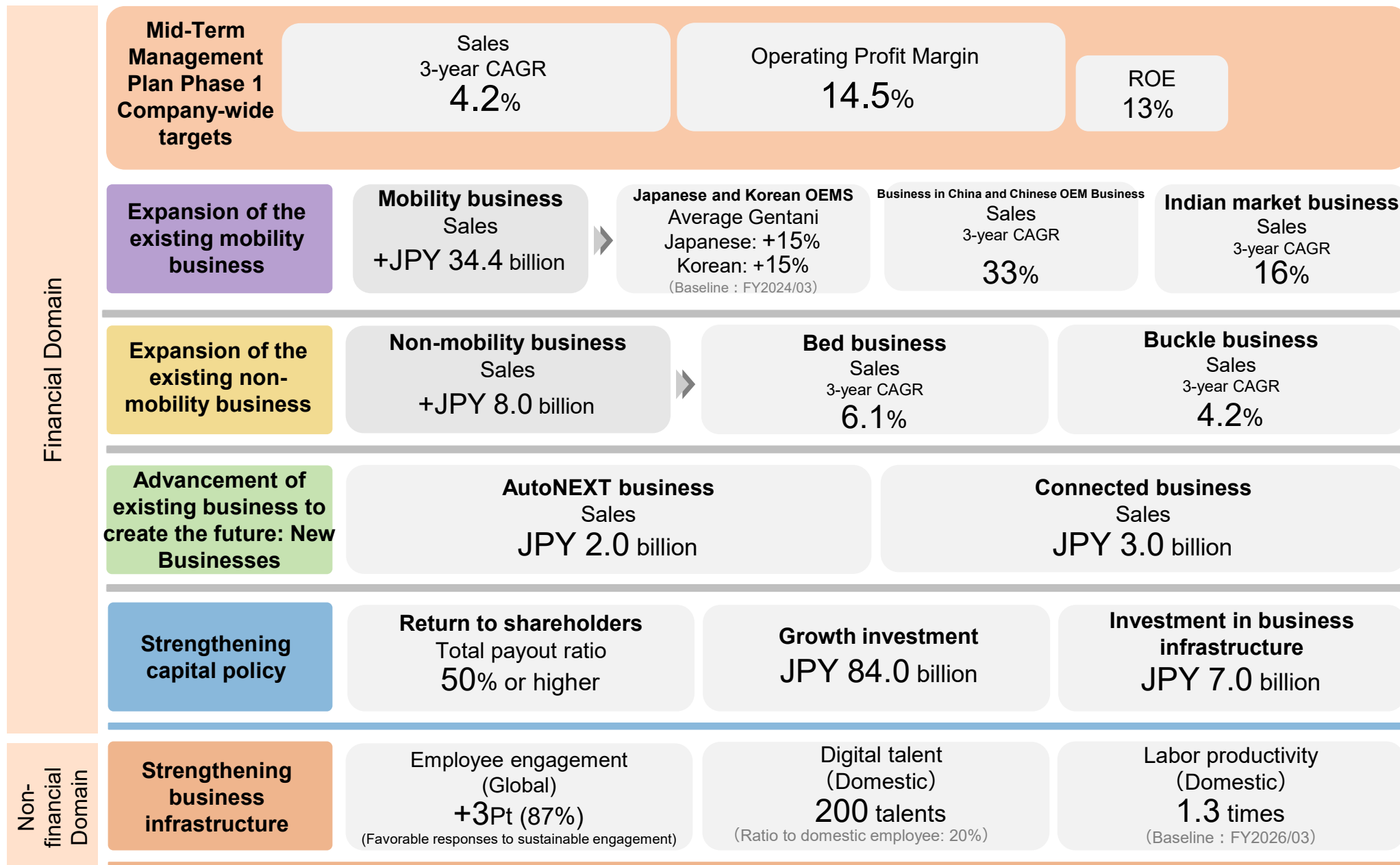
“Good” → “Great” Company

Company employees’ families can be proud of

Financial Domain

Non-financial Domain

4. Growth Strategy (Quantitative targets: Phase 1)



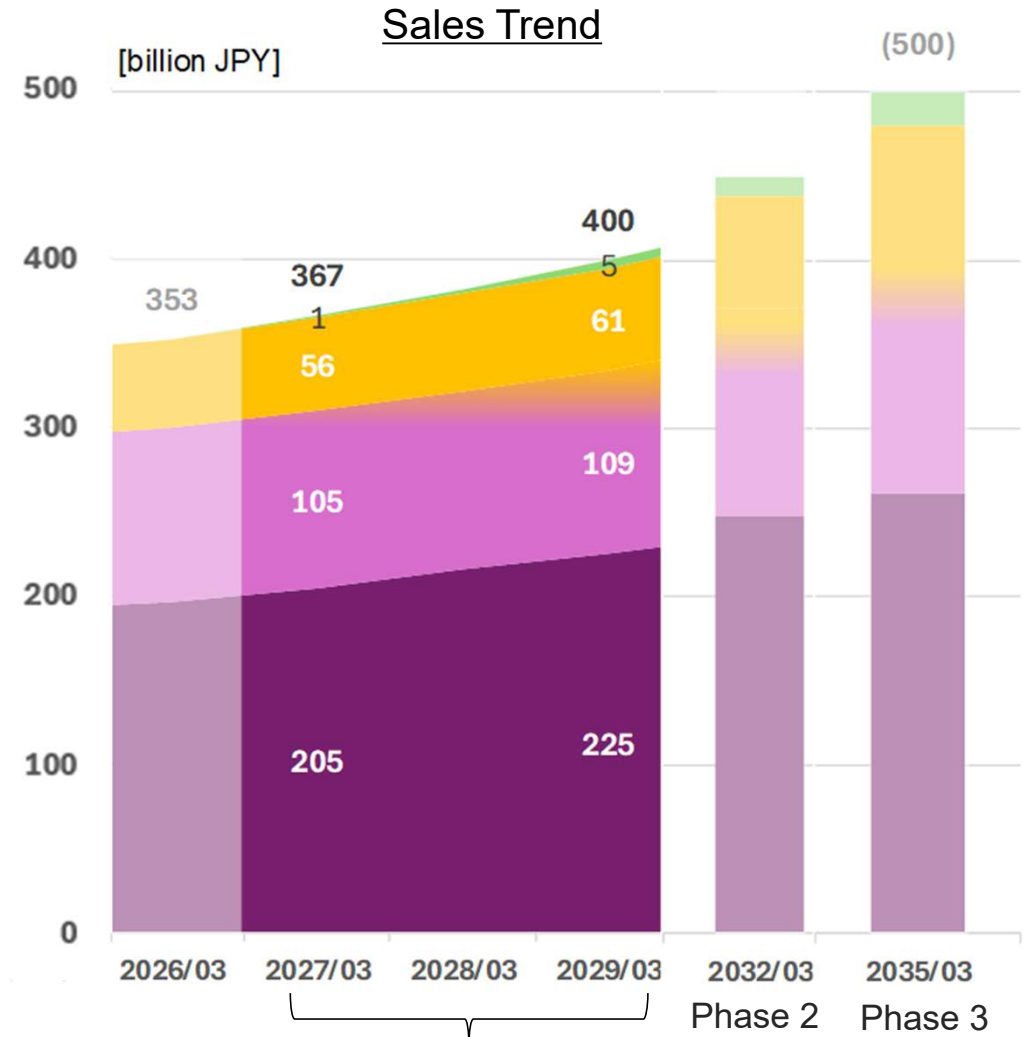
4. Growth Strategy (Quantitative Target)

Growth strategy centered on further expansion of existing business

Growth Strategy
Capital Policy
Business Infrastructure

Mid-Term Management Plan Phase 1 Quantitative Targets

Existing Mobility Business	<ul style="list-style-type: none"> ■ Automotive Business ■ 4 business units* 	Sales +JPY 34.4 billion
Existing Non-mobility Business	Bed Business Buckle Business	Sales +JPY 8.0 billion
New Business	AutoNEXT Business Connected Business	Sales +JPY 5.0 billion (Combined results of two businesses)



Mid-Term Management Plan Phase 1



*4 business units (includes business units below)
Fastener BU, Platform BU, MCD Control Department**,
Motorcycle Business Control Department

**Motion Control Device Control Department

5. Capital Policy

Financial Policy

While maintaining a strong financial foundation, balance growth investments with return to shareholder.

New Mid-Term Management Plan Phase 1 (~2029/03)

NIFCO VISION 2035 (~2035/03)

Growth
Sales growth accompanied by profitability

- Investments to strengthen the China and Chinese OEM business, as well as the Indian market business
- Investment of JPY 20 billion in M&A and strategic partnerships to build further competitive advantages
- Renewal of production facilities to further enhance productivity
- Introduction of an incentive system linked to corporate value

Sales Growth through Strategic Investments
Sales CAGR : 4%–6%

Efficiency
Capital efficiency

- Maintain an ROE of 13% or higher under a sustainable capital structure
- Efficient business operations with a strong focus on ROIC

Sustainable Capital Efficiency
ROE: 16%

Soundness
Financial foundation

- Maintain a financial foundation that supports sustainable growth and is resilient to changes in the business environment
- The required cash level is set at no more than three months of monthly sales (4.8 months as of March 2026)

Financial Soundness
Equity Ratio: 55%–65%
Cash level: equivalent to two months of monthly sales

5. Capital Policy

Capital Allocation

Mid-Term Management Plan Phase 1 (Three-year period: through 2029/03)

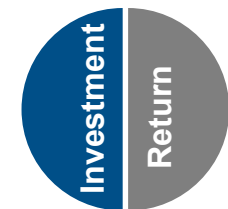
■ Mobility
 ■ Non-mobility
■ New Business
 ■ Infrastructure

IN	OUT	
Reduction of Cash JPY 33.0 billion	Bond Redemption JPY 10.0 billion	Enhancement of Financial Soundness <ul style="list-style-type: none"> ■ The required cash level is set at less than three months of monthly sales
Operating CF JPY 148.0 billion	Investment in Business Infrastructure JPY 7.0 billion	Investment in Human Capital (JPY 1.0 billion) <ul style="list-style-type: none"> ■ Introduction of an incentive scheme ■ Human capital and branding investments supporting corporate value enhancement ■ Promotion of digitalization aimed at improving value-added labor productivity
	Investment for Growth JPY 84.0 billion	Investment in Digital and IT (JPY 6.0 billion) <ul style="list-style-type: none"> ■ Promotion of digitalization to accelerate management decision-making
	Investment in Facilities (JPY 64.0 billion)	Productivity Improvement (JPY 24.0 billion) <ul style="list-style-type: none"> ■ Establishment of a holding company in China aimed at building a speed-focused, locally driven operating structure ■ Establishment of a China R&D center to enable the rapid materialization of local market needs ■ Expansion of manufacturing facilities and equipment in India to comprehensively cover the Indian market
	Equipment Renewal (JPY 40.0 billion)	Equipment Renewal (JPY 40.0 billion) <ul style="list-style-type: none"> ■ Expansion of manufacturing facilities in China to support the growth of the buckle business ■ Investments in manufacturing innovation that redefine conventional manufacturing practices ■ Equipment renewal to further enhance productivity
	M&A and Alliances (JPY 20.0 billion)	<ul style="list-style-type: none"> ■ Acquisition of China-based local companies to accelerate the growth of the China business ■ Acquisition of India-based local companies to accelerate the expansion of the Indian market business ■ Partnerships and acquisitions related to existing and new businesses to accelerate growth
	Return to Shareholders JPY 80.0 billion	

Shareholder Return Policy

Phase1 (three-year period) :
Surplus cash after investments will be returned to shareholders rather than retained as internal reserves.
Single-year targets:

- Total payout ratio: 50% or higher
- Dividend payout ratio: 30% or higher



Image

6. Key Initiatives (Mobility Business)

Mobility Business

Growth Strategy
Capital Policy
Business Infrastructure

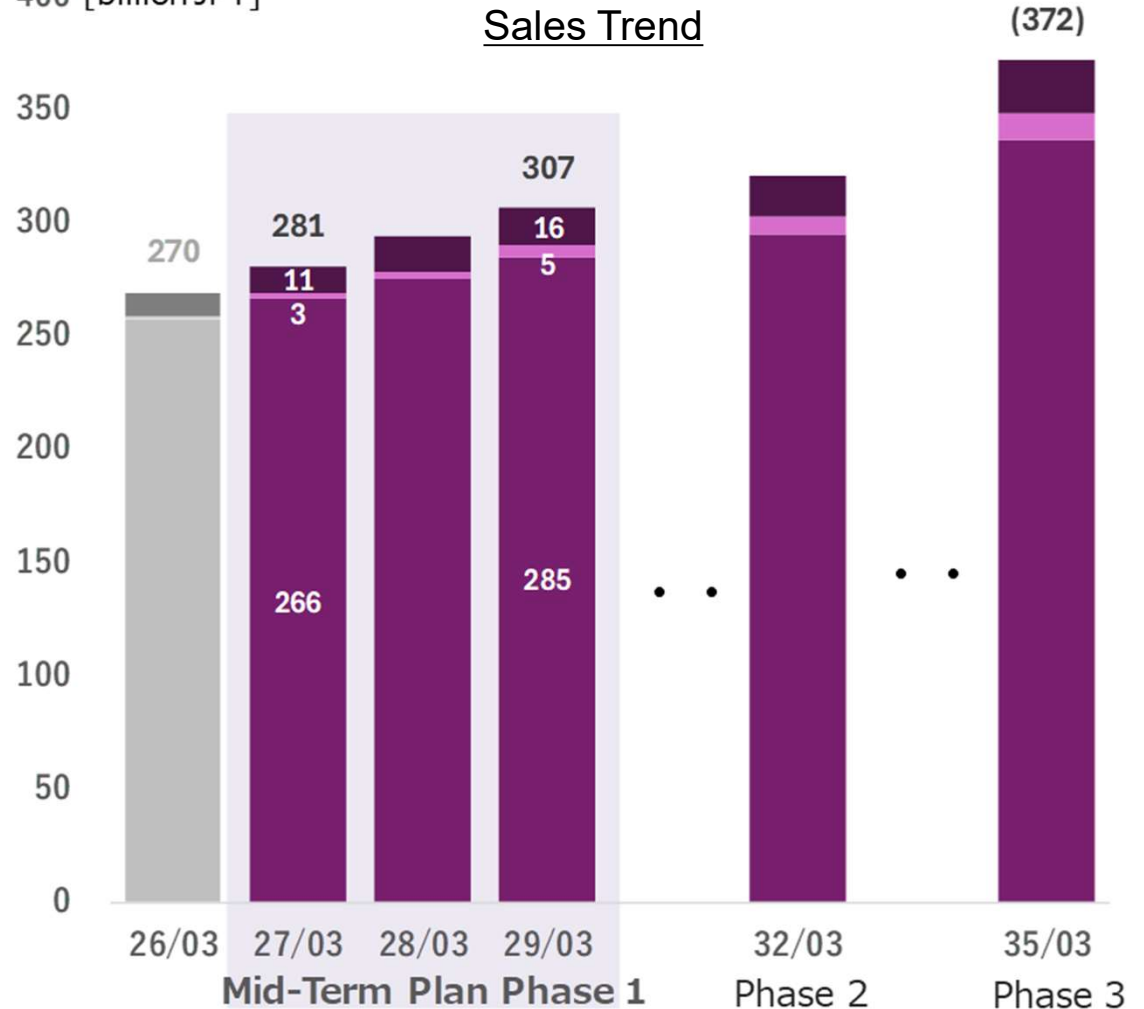
Further Expansion of the Existing Mobility Business

Mid-Term Management Plan

Phase 1 400 [billion JPY]
Quantitative Targets

Expansion of installed products	Maximization of Gentani for Japanese and Korean OEMs*	Sales JPY +33.0 billion
Customer Expansion	Expansion of business in China and with Chinese OEMs	Sales 3-year CAGR 33%
Market Expansion	Expansion of Indian market business	Sales 3-year CAGR 16%

*Includes sales from Japanese and Korean OEMs in the Indian market



6. Key Initiatives (Mobility Business)

Mobility Business

Growth Strategy
Capital Policy
Business Infrastructure

➤ Maximization of global gentani for Japanese and Korean OEMs

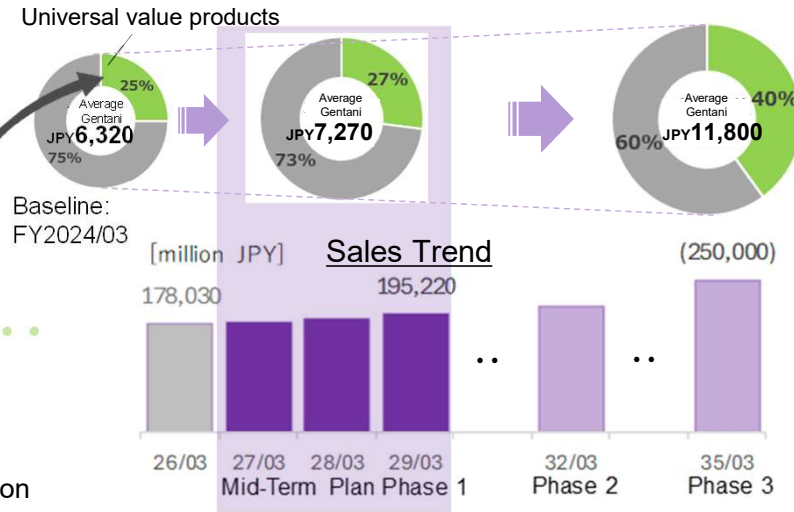
■ Initiatives 1

[Japanese]

- Rapid development and market rollout of universal value products**



**Universal value products: products that embody universal value, centered on safety, environment, and comfort.

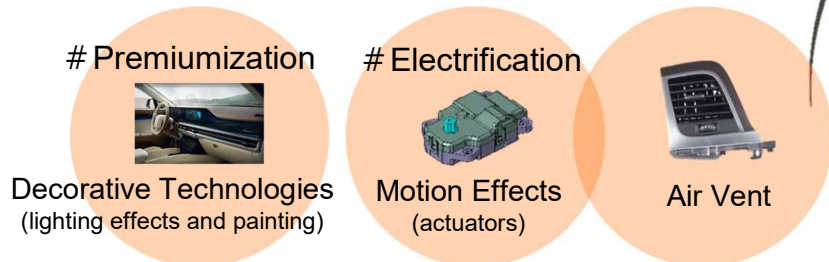


Quantitative Targets (Phase 1)

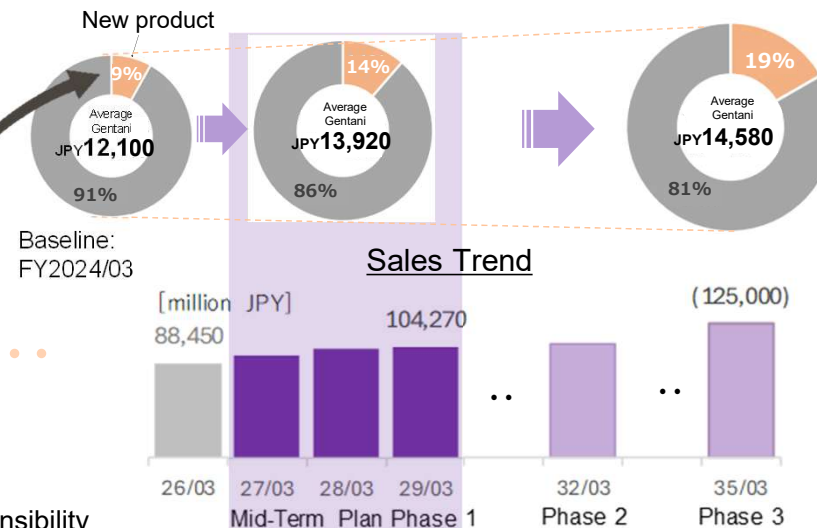
- Average gentani +15%
- Sales +JPY17.2 billion

[Korean]

- Expanding new product sales contribution by adding electrification and other functions to sensibility value products***



***Sensibility value products: Products that deliver enhanced sensibility value through premiumization and electrification.



Quantitative Targets (Phase 1)

- Average gentani +15%
- Sales +JPY15.8 billion

6. Key Initiatives (Mobility Business)

Mobility Business

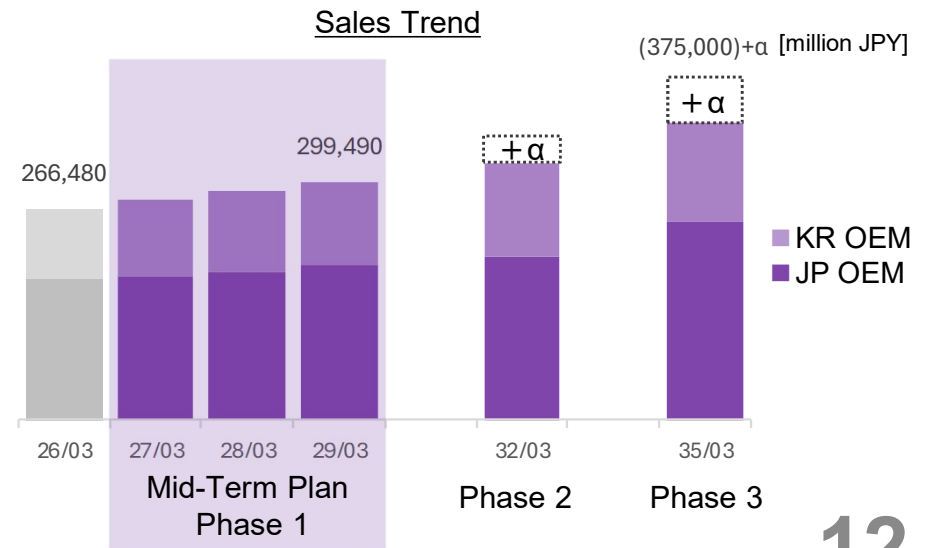
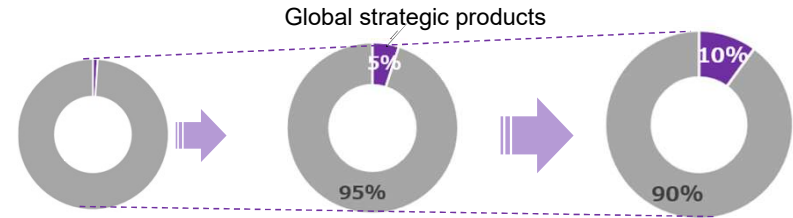
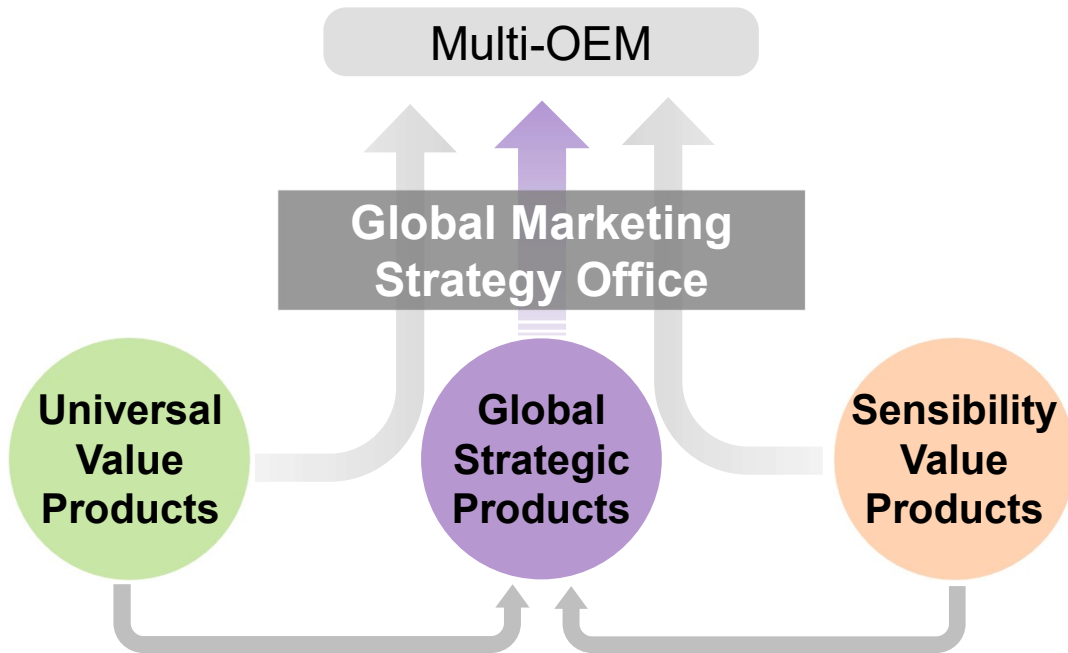
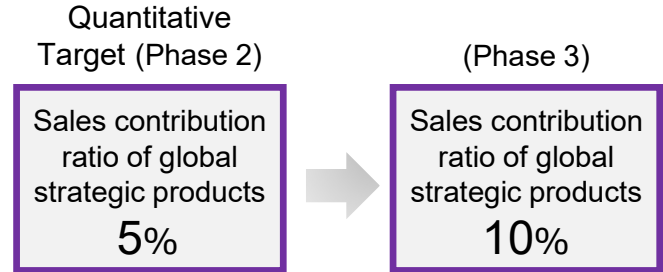
Growth Strategy
Capital Policy
Business Infrastructure

➤ Maximization of global gentani for Japanese and Korean OEMs

■ Initiatives 2

<Global>

- Create global strategic products through products for Japanese OEMs, products for Korean OEMs, and Japan–Korea co-creation
- Establish a Global Marketing Strategy Office in Korea and strongly drive the multi-OEM deployment of global strategic products



6. Key Initiatives (Mobility Business)

Mobility Business

Growth Strategy
Capital Policy
Business Infrastructure

Transforming growth markets into profitable growth platforms

Expansion of business in China and with Chinese OEMs

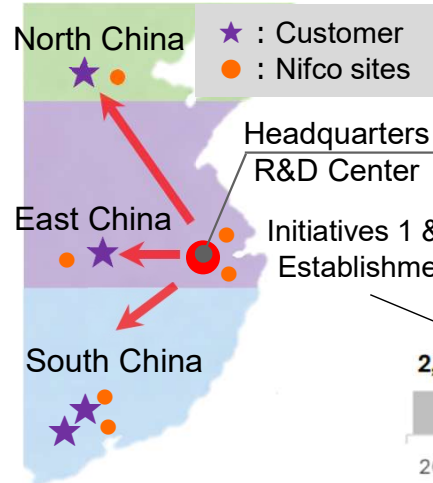
Shift to a speed-driven, China and Chinese OEM-focused, self-contained China model

Initiative 1: Rapid issue resolution proposals through the establishment of a China R&D Center

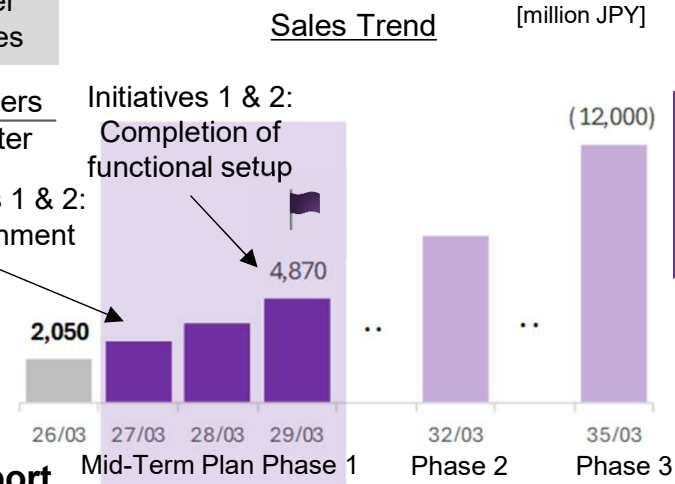
- Cover the global Chinese OEM business

Initiative 2: Improving sales efficiency through the establishment of a China holding company

- Establishing a rapid decision-making framework for Chinese OEMs



Provide maximum support to customers



Quantitative Targets (Phase 1)
Sales 3-year CAGR 33%

Strengthening of the Indian market business

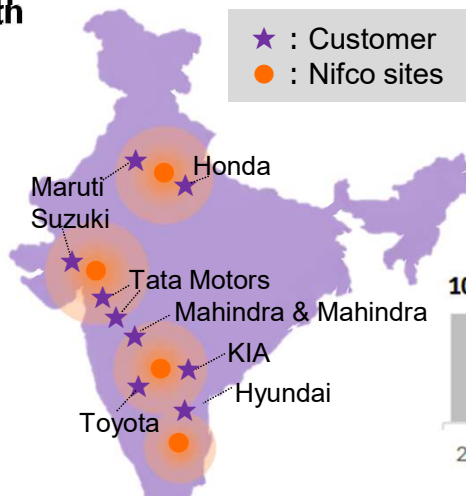
Capturing one of the world's largest growth opportunities to become a further growth engine

Initiative 1: Strengthening the production system through capital investment

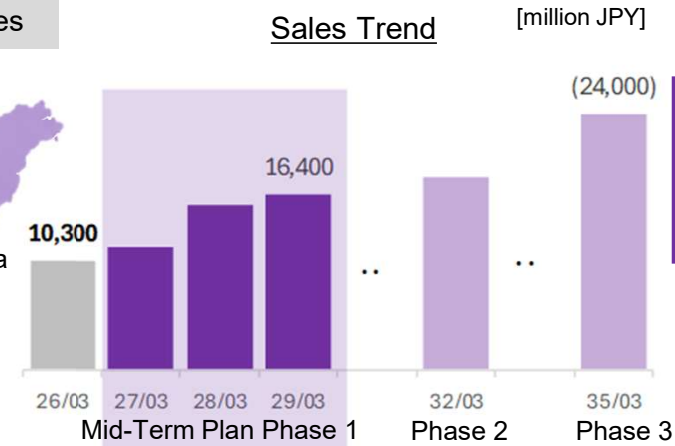
- Enhancing production capacity at the India plant in line with demand outlook

Initiative 2: Deployment of high value-added products

- Growth through the supply of premium sensibility value products aimed at expanding niche business in the Indian luxury SUV market



Build an organization to comprehensively cover the Indian market



Quantitative Targets (Phase 1)
Sales 3-year CAGR 16%

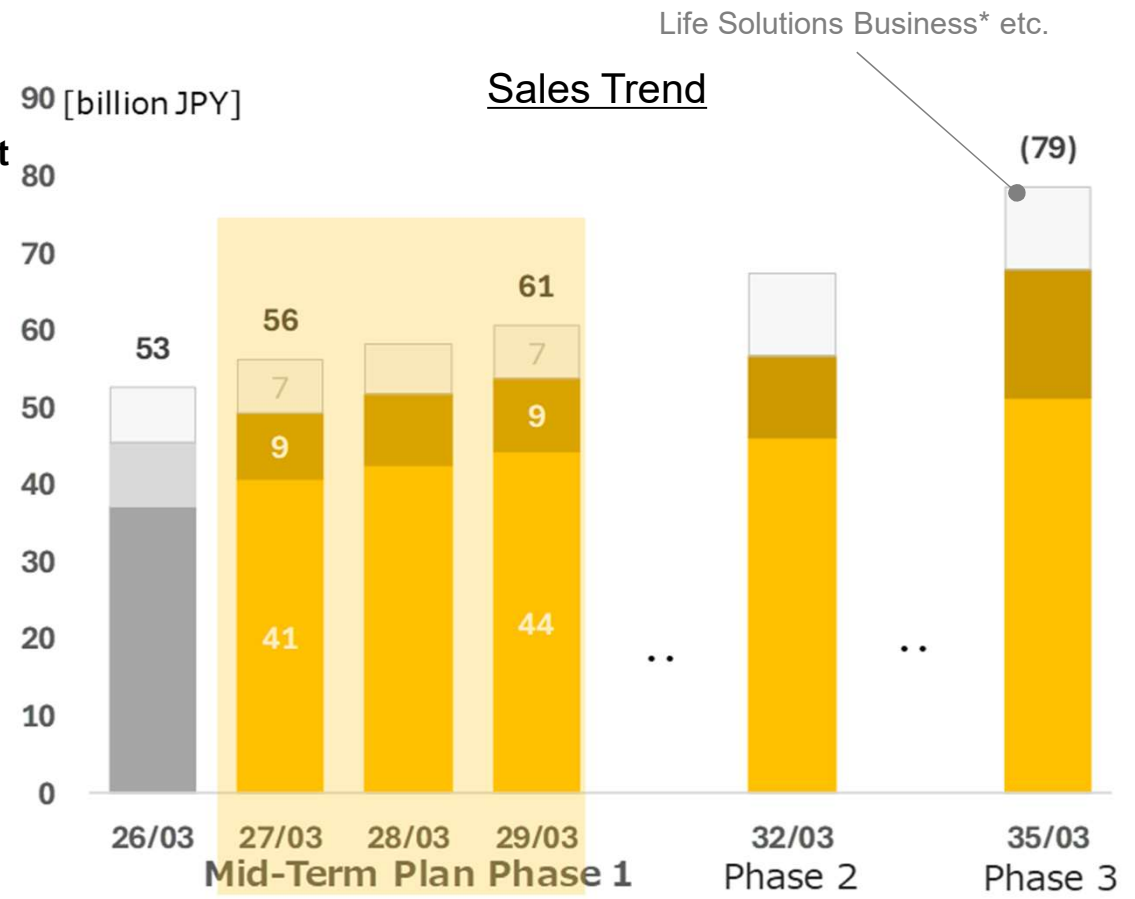
6. Key Initiatives (Non-mobility Business)

Non-mobility Business

Growth Strategy
Capital Policy
Business Infrastructure

Further Expansion of Existing Non-mobility Businesses

Mid-Term Management Plan Phase 1 Quantitative Targets		
Bed Business	Expansion of business in Asia Strengthening the high-end product lineup	Sales 3-year CAGR 6.1%
Buckle Business	Expansion of business in the footwear and apparel segment	Sales 3-year CAGR 4.2%



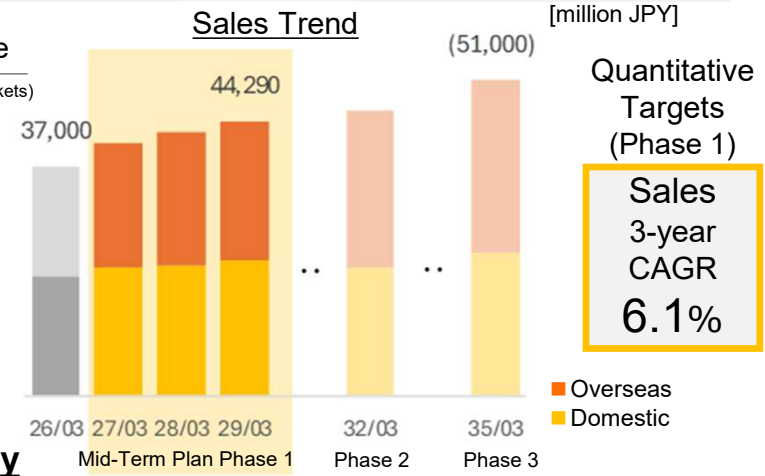
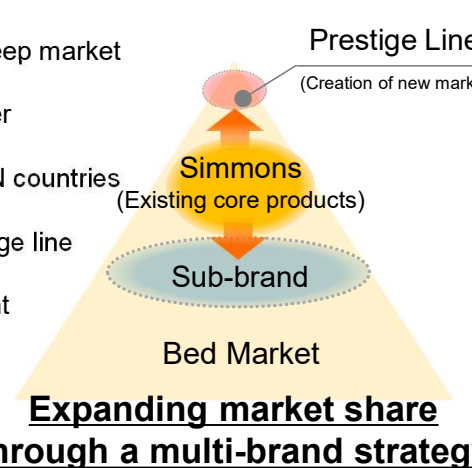
6. Key Initiatives (Non-mobility Business)

Growth Strategy
Capital Policy
Business Infrastructure

Bed Business (Simmons Co., Ltd.)

➤ Driving business growth and profitability through brand value enhancement

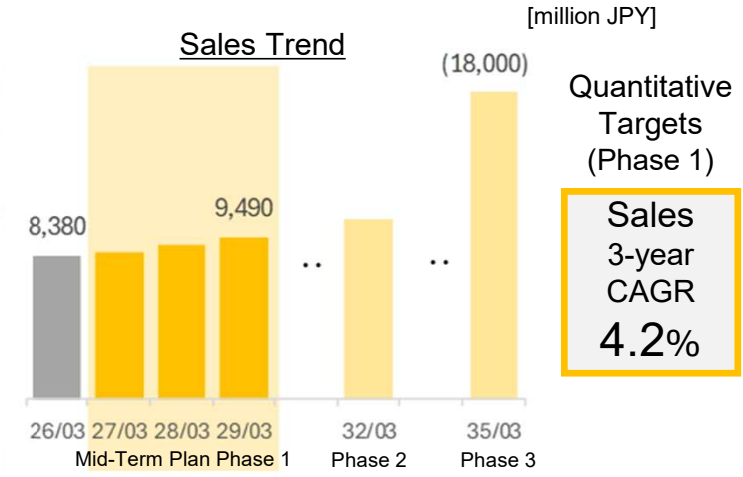
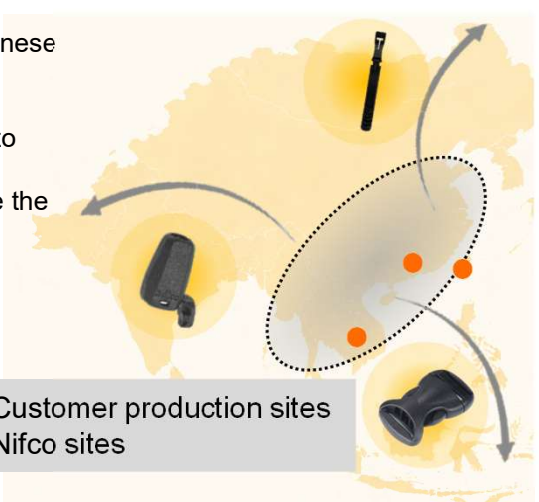
- Initiative
Becoming a global company and brand that leads the Asian sleep market [Overseas]
 - China: Capturing affluent consumers and expanding customer touchpoints through new product offerings
 - Southeast Asia: Expanding market share in emerging ASEAN countries [Domestic]
- Creating new markets through the rollout of a high-end prestige line
- Expanding sales through the electric beds
- Expanding the product lineup through sub-brand development
- Expanding sleep tech technologies



Buckle Business

➤ Strengthening profitability through enhanced sales capabilities and module development

- Initiative
Strengthen the sales structure targeting Western and Chinese top-tier brands
- Expanding sales in the footwear and apparel markets
- Evolve products from individual components to modules to increase value per unit
- Expand profitability in the Vietnam market and reorganize the organization to support this growth



SPLC



(Shoelaces and plastic fastener components)

Strengthening the sales structure for top-tier brands

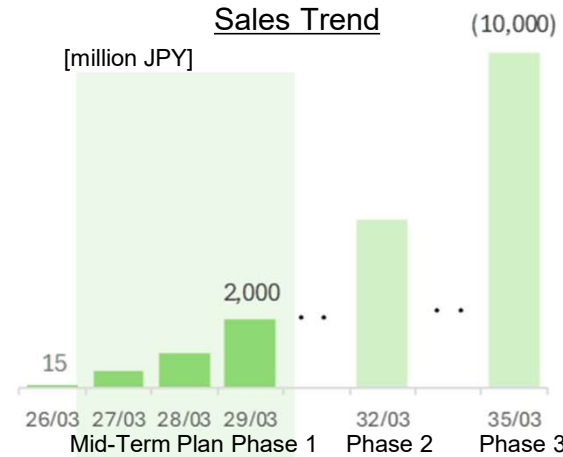
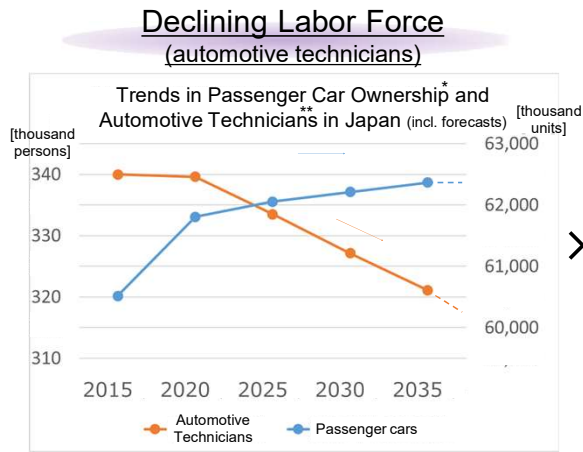
6. Key Initiatives (Advancement of existing businesses: new business development)

“Connecting small insights with technology to ease the burden on working people”
 Bringing the enduring spirit forged through industrial fasteners to solving new societal challenges.

Growth Strategy
 Capital Policy
 Business Infrastructure

AutoNEXT Business (advanced automotive maintenance business)

Contributing to the advancement of automotive maintenance and addressing chronic labor shortages as advanced safety vehicles become more widespread

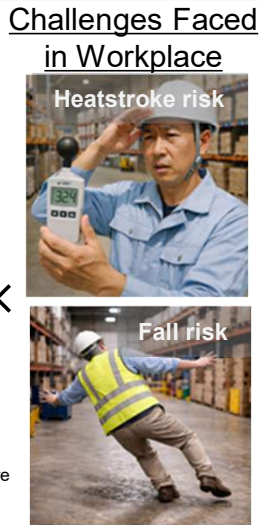
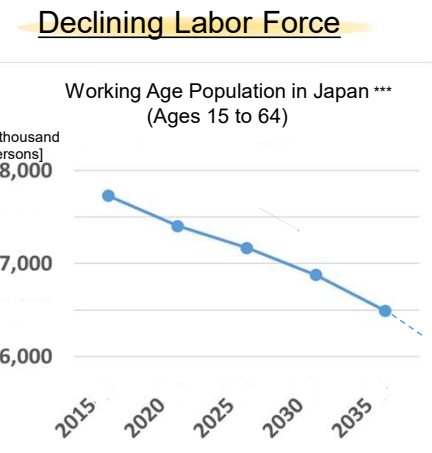


Quantitative Targets (Phase 1)

Sales JPY 2.0 billion

Connected / Wellness Business (ICT business designed to support working people)

Expansion of the “Health × ICT” Platform Business Addressing Social Challenges



Quantitative Targets (Phase 1)

Sales JPY 3.0 billion



Source: Ministry of Health, Labour and Welfare

HAJICHECK (Foot grip strength measurement)

Creating solutions that ease the burden on working people

6. Key Initiatives (Advancement of existing businesses: new business development)

Development of Existing Businesses Driving the Future: Next-Generation Infrastructure Market(Platform Business Division)

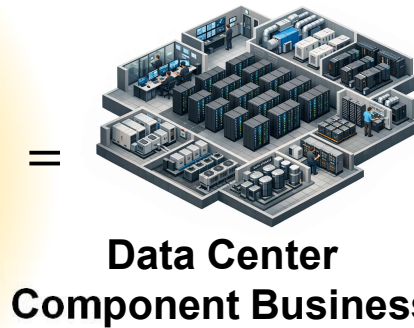
Growth Strategy
Capital Policy
Business Infrastructure

Solving challenges in next-generation infrastructure markets using core technologies cultivated through the mobility business

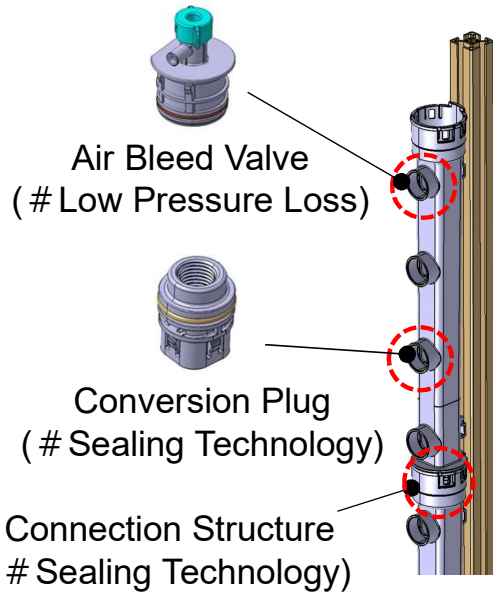
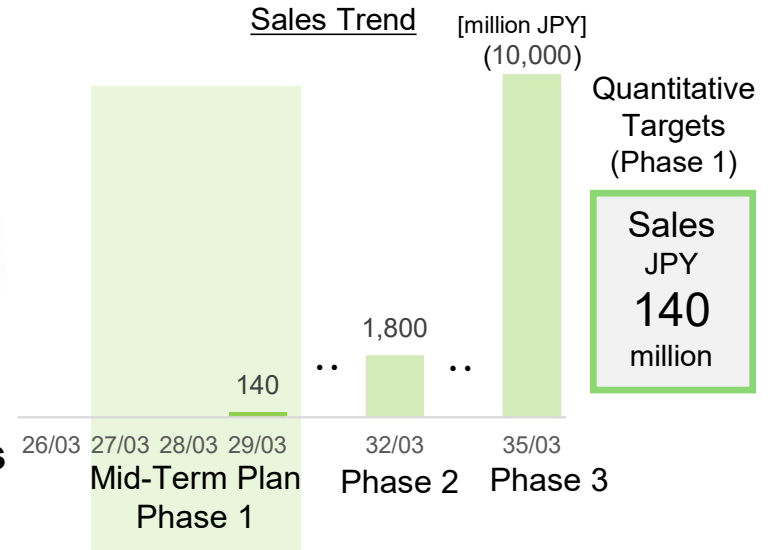
Mobility Business Technologies

- # Fluid Control
 - Fuel Valves
- # Sealing
 - Capless
- # Low Pressure Loss
 - Piping Components

Non-mobility domain



Data Center Component Business



Water-Cooling Resin Manifold Assembly

Features

- Lightweight
- Reduced heat transfer
- Cost reduction
- Ease of installation
- Flexible

Data Center Rack



Installation image

Features

- Temperature detection
- Power-free
- Space saving

Fire Suppression Device

6. Key Initiatives (Strengthening Business Infrastructure)

Monozukuri

➤ Evolution of monozukuri toward enhancing corporate value

Innovative evolution of existing manufacturing thinking (profitability)

■ Initiative

Optimization of the production structure

- Reorganize domestic in-house plants, domestic subsidiaries, and more than 70 partner factories

Building capabilities aimed at maximizing global profitability

- Evolution of the “monozukuri model” that serves as a benchmark for global sites
- Rolling out the “monozukuri model” horizontally across global operations

Improving productivity (implementation of digital and AI technologies)

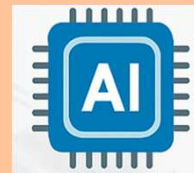
- Fast and end-to-end manufacturing operations
- Highly productive office operations



Optimization of the production structure



Building capabilities aimed at maximizing global profitability



Improving productivity (implementation of digital and AI technologies)

Quantitative Targets
(Phase 1)

Labor productivity
(domestic)
1.3 times

OP margin contribution
of monozukuri
+1.0 Pt

(Phase 3)

Labor
productivity
2 times



6. Key Initiatives (Strengthening Business Infrastructure)

Human Capital

➤ Further strengthening the organization through enhanced engagement (S)

■ Initiatives

1. Talent development

Providing opportunities for employees to learn proactively

- Providing opportunities such as Globis Unlimited and the utilization of IT, DX, and AI

Next-generation development

- Strengthening a sustainable organization through cross- and intra-generational exchanges a global basis

2. Enhancing engagement

- Introducing incentive schemes that link corporate value creation with employee engagement (work fulfillment)
- Continuously implementing branding activities that contribute to higher employee engagement (work fulfillment)

3. Promoting diversity

- Fostering an organizational culture in which diverse talent (in terms of nationality, attributes, age, gender, etc.) can work comfortably

Quantitative Targets (Phase 1)

Employee engagement* (global)
+3Pt
(87%)

Employee talent management index (domestic)
+6Pt
(58%)

*Favorable responses to sustainable engagement

Female manager ratio (domestic)
8.6%

Digital Promotion

➤ Accelerating business growth and ensuring continuity through the use of IT

■ Vision for 2035



Human-driven digitalization



Human-AI coexisting

■ Initiative

IT strategy with offensive and defensive initiatives to accelerate business growth and ensure continuity

1. Building a cloud platform

- Leveraging a data lake and modernizing legacy systems

2. Building and leveraging an AI platform

- Implementing generative AI to improve labor productivity

3. Human resource development

- Developing digital talent

Quantitative Targets (Phase 1)

Digital talent (domestic)
200

Implementation and utilization of generative AI
600 users

Generative AI implementation rate within the data lake
80%

6. Key Initiatives (Strengthening Business Infrastructure)

Corporate Governance

Strengthening the governance framework (G)

Initiatives

- Enhancing the effectiveness of the board of directors (strengthening collaboration with outside directors)
- Strengthening global governance functions (reinforcing the regional management structure)
- Strengthening ROE and ROIC management (Enhancing capital efficiency)

Quantitative Targets (Phase 1)

Outside director ratio 50% or higher	ROE 13%
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Sustainability

Promoting sustainability to enhance business value

Vision for 2035

Establishing a position as a clean-tech development and manufacturing company that balances environmental value, functional value, and economic efficiency

Initiative

Climate change mitigation

Reducing CO₂ emissions in Scope 1 and Scope 2* (compared to FY2020)

- Phased electrification of company-owned vehicles (vs. FY2021) – Scope 1
- Reduction of energy losses in production processes
- Maximizing the adoption of renewable energy (vs. FY2020) – Scope 2
- Scope 3: Promoting the digitalization of physical data (DX-enabled)

Plastic waste reduction (vs. FY2020)

- Reducing waste plastics and strengthening sorting and segregation (vs. FY2020)

*GHG Protocol: Scope 1 and Scope 2

Addressing regulations through the use of recycled plastics

- Establishing technologies for effective use of recycled plastics
- Promotion of product development utilizing recycled plastics
- Preparing for compliance with ELV regulations (designated vehicle models scheduled for launch in FY2029)

Quantitative Targets (Phase 1)

CO ₂ emissions** (vs. FY2020) 20% reduction
--

Renewable energy adoption ratio** (vs. FY2020) 10% or higher
--

Waste plastic reduction*** (vs. FY2020) 55% reduction

** Scope : Domestic standalone and subsidiaries

***Scope : Domestic standalone and subsidiaries (excluding Simmons)



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.