



May 13, 2025

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Notice Concerning Recognition of Extraordinary Losses and Reassessment of Collectability of Deferred Tax Assets

NIPPO, LTD. ("the Company") announces that it has posted extraordinary losses and reassessed the collectability of deferred tax assets in its consolidated financial statements for the fiscal year ended March 31, 2025.

1. Recognition of extraordinary loss

As a result of evaluating the future recoverability of business assets such as the Thailand-based Korat Factory (NK MECHATRONICS CO., LTD.) etc., the Company recorded an extraordinary loss (impairment loss) of 444 million yen.

In addition, the Company recorded an extraordinary loss (loss on withdrawal from business) of 86 million yen associated with the closure of the Company's Mexico branch (FNA MECHATRONICS MEXICO S.A.de C.V.), on December 31, 2024.

2. Reassessment of collectability of deferred tax assets

Based on a careful review of the collectability of deferred tax assets in light of the future financial outlook, the Company recorded -372 million yen under income taxes (where "-" denotes a gain).

3. Impact on Financial Results

The impact on the Company's consolidated financial results for the fiscal year ending March 31, 2025 is reflected in the "Consolidated Financial Results for the Year Ended March 31, 2025 [Japanese GAAP]" announced today.

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