



Enhancing the Human Capital Management

Workstyle reforms

The Nichireki Group is working to improve employees' work-life balance by increasing operational efficiency so as to establish a system where employees can choose to work in diverse and flexible ways depending on their own circumstances.

During FY2023 in particular, we advanced the systemization of each business operation to address the 2024 problem. For construction work, we introduced a "construction support system." The person in charge in the field promptly uploads various data to the cloud server, including photos taken at the construction site, while employees in the office prepare construction documents. This allows the persons in charge in the field to better focus on their work on site, and also helps reduce overtime as they can go straight home from the site without the need to return to the office for paperwork.

For logistics of products, we have introduced a new system that enables the centralized, cloud-based management of relevant information, from order receipt to vehicle dispatch, vehicle inspections, monitoring of operational status, operator attendance, and preparation of daily reports. By enabling smooth performance of duties by sales and logistics staff and vehicle operators, and timely information sharing between offices, this new initiative is expected to streamline operations and reduce overtime work.

In addition, we have been working to create a system that enables smooth day-to-day operations from any location at any time, by proactively introducing electronic approval procedures. We will further improve efficiency by expanding the areas of work covered by electronic approval.

We encourage employees to take more days of paid leave than legally required in a planned manner by having them set dates on which they plan to take paid leave in advance at the beginning of each fiscal year. In particular, we encourage employees to take long vacations during the year-end and New Year season and summer season to improve their work-life balance. Furthermore, as part of the initiative to offer more options of work styles, we utilize mobile devices to enable employees to select a place to work that best suits their circumstances.

We will continue to promote the development of a work environment where every employee can keep growing and deliver their full potential.

Item	FY2022 results		FY2023 results	
	Consolidated	Non-consolidated	Consolidated	Non-consolidated
Average monthly overtime	21.6 hours	13.6 hours	18.6 hours	10.6 hours
Average annual overtime	259.5 hours	162.8 hours	223.5 hours	127.2 hours
Rate of paid leave taken	68.3%	69.3%	77.8%	78.3%
Average number of days of annual paid leave taken	11.9 days	12.1 days	13.8 days	13.8 days

Medium- to long-term targets

Item	FY2021 results	FY2022 results	FY2023 results	FY2025	FY2043	SDGs mapping
Annual overtime*1	640 hours or less 87.2%	640 hours or less 89.9%	640 hours or less 93.5%	640 hours or less 100%	360 hours or less 100%	
Number of days of annual paid leave taken*2	50% or more of number of days granted 56.4%	50% or more of number of days granted 69.1%	50% or more of number of days granted 80.0%	50% or more of number of days granted 100%	90% or more of number of days granted 100%	

*1: Covers all Group employees.

*2: Covers employees who are granted 10 or more days of annual paid leave.

Promotion of diversity and inclusion

Under the Medium-term Management Plan “Resilience 2025 (Shinayaka 2025),” we aim to grow into a corporate group with high organizational resilience that can respond “with resilience” to changes in the environment. To achieve this, we believe it is essential to incorporate the opinions of people with a variety of attributes and to embrace diversity.

Therefore, the Nichireki Group has been striving to create an environment where diverse talents with different nationalities, generations, and genders can fully deliver their potentials. Through the exchange of various opinions of diverse human resources, we aim to generate new ideas and create new work, thereby becoming a company resistant to changes in the business environment.

As part of our initiatives to respect diversity, we encourage employees to take parental leave so that they can raise their children with peace of mind. We explain how the parental leave system works and its follow-up system to each and every eligible employee separately, regardless of the gender, to eliminate their anxiety over taking the leave. While employees are on parental leave, we provide them with support as a company, and also give consideration to their colleagues in the same workplace, by reviewing the personnel allocation and work assignments not to increase their workload. Furthermore, a system is in place to help employees balance work and childcare even after the end of the leave period, by utilizing shorter working hours and remote working systems depending on individual circumstances.

In addition, we continuously recruit international students and foreign nationals, and hire talented individuals regardless of nationality. As a result, the number of foreign nationals engaging in R&D and on-site work has been increasing every year.

Item	FY2022 results	FY2023 results
	Consolidated	
Number of female engineers (Technical Research Center)	7 out of 38 (18.4%)	5 out of 47 (10.6%)
Number of female employees	87 out of 972 (9.0%)	86 out of 977 (8.8%)
Number of employees who took parental leave	7 (2 men and 5 women)	10 (6 men and 4 women)
Number of employees who returned to work after taking parental leave	5 (Return to work rate: 100% [two remain on parental leave])	5 (Return to work rate: 100%)

The data of three diversity metrics based on the Act on the Promotion of Women's Active Engagement in Professional Life, etc. for FY2023 are as follows.

Percentage of female workers in management positions, rate of male workers taking parental leave, and difference in wages between male and female workers

FY2023 results				
Percentage of female workers in management positions*3	Rate of male workers taking parental leave*4	Difference in wages between male and female workers*3		
		All workers	Regularly employed workers	Part-time and fixed-time workers
1.1%	100.0%	49.3%	55.4%	54.2%

*3 : The percentage is calculated in accordance with the provisions of the Act on the Promotion of Women's Active Engagement in Professional Life (Act No. 64 of 2015).

*4 : The percentage of workers taking parental leave stipulated in Article 71-4, Item 1 of the Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Ordinance of the Ministry of Labor No. 25 of 1991) is calculated in accordance with the provisions of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Act No. 76 of 1991).

Revision of the wage system

With prices continuing to rise in Japan due to factors such as the rising raw material prices on the international market and the increased cost of imports resulting from the depreciation of the yen, we have strived to create an environment where employees can work with peace of mind. As part of our efforts, we increased base salaries substantially from April 2024, and also reviewed various allowances. For example, on a nationwide basis, we started providing uniform allowances for meals as measures against rising prices and for health promotion, and allowances based on job type and skills as measures to address the 2024 problem and to attract talents.

Having laid the foundations for more proactive recruitment of new hires and cross-regional allocation of personnel, we have established a system that will further promote the strengthening of the organic, area-based structure that has been our priority in “Resilience 2025 (Shinayaka 2025).”

■ Training programs for talent development

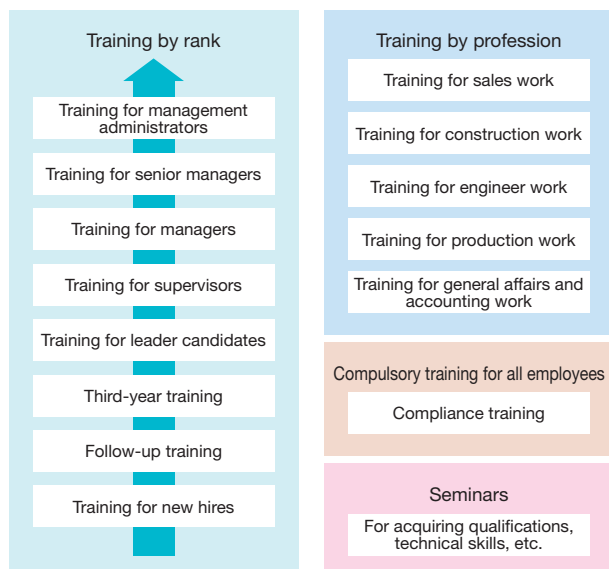
The Nichireki Group has put its efforts into training for employees at each stage of their careers from entry and thereafter so that they can deliver their full individual potential.

For example, we consistently provide training every year from the entry to the fourth year (training for new hires → first-year training → training by profession → third-year training). This helps deepen understanding of the businesses we operate and plan ahead for future career paths, while also providing an opportunity to build bonds with fellow employees and encourage friendly competition.

We are also placing emphasis on compliance training from the perspective of strengthening governance, with the aim of making the Group's management base more resilient. Through the continuous training, we update the awareness of the latest trends in laws and regulations and the social environment, etc. We also clarify the points that employees need to understand according to their role by implementing the training by job rank.

Furthermore, we provide training by rank and profession so that employees can not only extend their existing knowledge but also learn new areas of knowledge. Besides that, we encourage employees to actively attend internal and external seminars to promote and support the acquisition of official qualifications.

■ Group training programs



Training for new hires



Third-year training



Training for management administrators



Training by profession

■ Initiatives for mental and physical health management

We have carried out an annual stress check for all employees for the purposes of preventing mental disorders and making the workplace more comfortable and healthier.

We make efforts to diminish employees' stress by assessing the stress factors at work based on the aggregation and analysis of the stress check results and using them to improve the work environment.

To promote the health of employees, we encourage those reaching a certain age to take a full physical examination, in addition to regular medical check-ups for all employees, and also subsidize the cost of influenza vaccinations.

Implementing Initiatives for Occupational Health and Safety

Policy on operational health and safety

Under the Health and Safety Management Policy, the Nichireki Group has systematically organized its occupational health and safety management system in the Health and Safety Management Rule Book, to eliminate accidents and workplace injuries and prevent incidents caused by a third party, ensuring strict compliance with the rules in the day-to-day operations.

To further promote occupational health and safety initiatives under the leadership of its Head Office's Safety, Quality and Environment Management Department, the Nichireki Group has established the Health and Safety Section in each branch as a separate organization.

Health and Safety Management Policy

We will diligently manage the occupational health and safety management system, eliminate disasters and accidents, and create a safe and comfortable work environment..

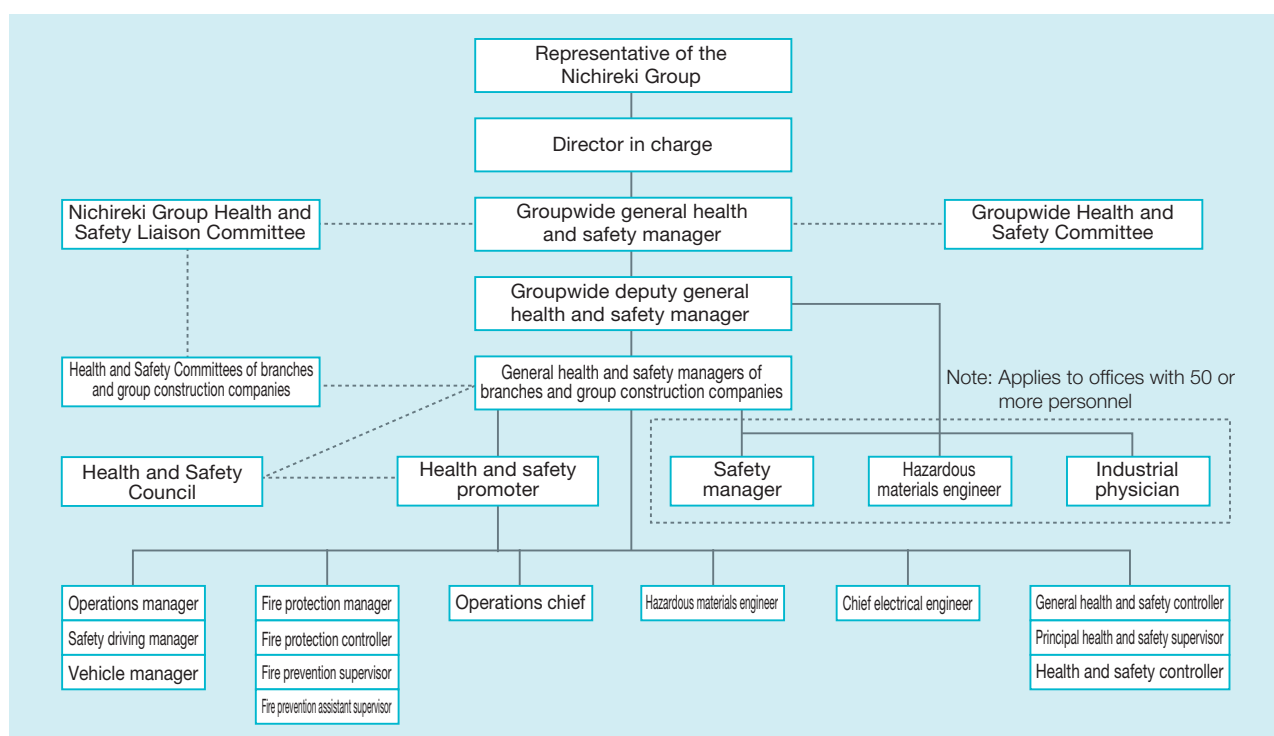
April 1, 2024

Manabu Obata, Representative, Nichireki Group

Initiatives for health and safety management

1. We will comply with laws, regulations, ordinances, and internal rules on occupational health and safety.
2. We will improve the effectiveness of the Health and Safety Management Rule Book, and establish safety behavior.
3. We will strengthen health and safety patrols to raise awareness of safety and promote safety behavior.
4. We will improve Kiken Yochi (hazard prediction; "KY") activity incorporating risk assessment to prevent hazards and improve safety.
5. We will ensure that workers use finger pointing and calling and wheel chocks to prevent human errors.
6. We will promote the 5S practice (Seiri, Seiton, Seiso, Seiketsu, and Shitsuke in Japanese or Sort, Set in order, Shine, Standardize, and Sustain in English).

Health and safety management system



■ Initiatives in FY2023

At the Nichireki Group, employees and subcontractors make concerted efforts to eliminate accidents. Specific initiatives in FY2023 are as follows:

Implement the Health and Safety Management Rule Book

We have worked to make sure that the Group's employees comply with the prescribed work procedures and perform basic practices such as finger pointing and calling in accordance with the Health and Safety Management Rule Book that systematically organizes safety rules they must comply with.

① Measures to eliminate car accidents

We have promoted the active use of AI-powered dashboard cameras installed onto asphalt emulsion distributors, tank lorries and road surface measuring vehicles. The device records and analyzes the driving situation in front and inside of the vehicle and warns the driver with an alert sound of anticipated dangers.

② Measures to eliminate injuries involving the public

We have worked to eradicate damage to third parties along driving routes and around construction sites by ensuring the performance of basic practices, including hazard prediction activity, compliance with work procedures, and appropriate allocation of guides and lookouts.

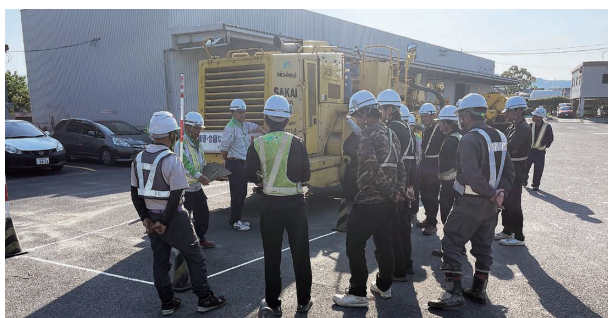
③ Compliance with revisions to relevant laws and regulations

We promptly collected information on revisions to laws and regulations related to occupational health and safety, and conducted special education and awareness-raising activities as needed for all of our offices in Japan. We also made sure to take the additional measures required by the revisions to the law, such as the acquisition of qualifications and the renovation of equipment and facilities.

Strengthen safety enlightenment activities

We ensured to conduct nationwide safety patrols by the Safety, Quality and Environment Management Department of the Group Head Office and safety patrols at our offices nationwide in accordance with the Health and Safety Management Plan. By incorporating online safety patrols using wearable cameras in consideration of factors such as geographical accessibility, we achieved sufficient frequency and quality of patrols. In addition, by using the web-based emergency patrols in the event of a major disaster, we are now able to point out problems in a timely manner.

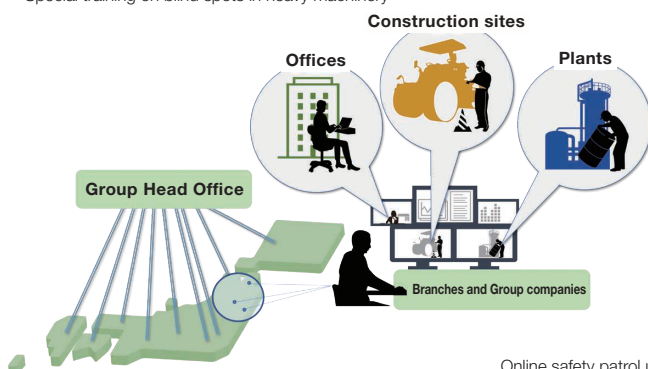
Based on the sites with potential dangers identified by the patrols, we have instructed to implement various improvement measures to realize a safe and comfortable work environment in the field and at the office, and also checked the results of the implementation.



Special training on blind spots in heavy machinery



Online group-wide health and safety meeting



Online safety patrol using a wearable camera

■ Outcome of the initiatives in FY2023

Despite the aforementioned initiatives, the total number of accidents during FY2023 was 27, an increase of 11 from FY2022. This was mainly due to inadequate observance of basic and elementary safety rules and a lack of safety awareness, such as insufficient safety checks and negligence.

■ Number of accidents

	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Accidents involving damage to the public	15	13	15	10	3	9
Equipment-related accidents	5	4	5	3	4	13
Car accidents*1	0	2	5	5	3	0
Workplace injuries*2	2	3	5	6	6	5
Total number of accidents	22	22	30	24	16	27

*1 : Work accidents resulting in injury

*2 : Injuries resulting in four or more lost workdays

■ Future initiatives

In response to the increase in the number of accidents, the Nichireki Group will step up its efforts to eliminate accidents by making continuous improvements through the following activities.

Eliminate equipment-related accidents and car accidents

According to the revised Health and Safety Management Rule Book, we will further increase employees' awareness to make sure that they comply with the prescribed procedures and perform basic practices, such as finger pointing and calling, and also wear the appropriate clothing for the work to be performed, so that they follow safety rules from the basics without fail.

Eliminate accidents involving damage to the public

We will ensure that all employees follow the work procedures provided in the Health and Safety Management Rule Book. For example, to prevent accidents caused by the scattering of asphalt emulsion during work on site, we will set guidelines based on wind speed for deciding whether the work can be carried out, and strive to comply with these guidelines.

Strengthen safety enlightenment activities

We will participate in various campaigns such as National Safety Week, National Occupational Health Week, Year-end and New Year Construction Accident Prevention Period, and Fiscal Year-end Construction Accident Prevention Month. We will also continue to conduct safety patrols by the Safety, Quality and Environment Management Department at all offices to raise awareness of safety.

Improve health and safety management level

We will continue to make efforts to increase safety awareness and prevent the occurrence of similar accidents by thoroughly implementing safety measures such as online safety patrols using wearable cameras and safety education on site.

Enhancing the Supply Chain Management

Policy for ensuring quality

Under the following quality policy, the Nichireki Group constantly pursues the creation and supply of products and construction methods that meet the needs of customers as efforts in compliance with ISO 9001.

Quality Policy

Based on its spirit of sowing the seeds embodied by “sowing the seeds, giving them water, letting them flower, and reaping the fruits,” the Nichireki Group is constantly creating and supplying products and construction methods that gain customer satisfaction and trust in order to contribute to society by creating roads.

April 1, 2024

Manabu Obata, Representative, Nichireki Group

Efforts in compliance with ISO 9001

1. We will create new customers by supplying competitive products and construction methods.
2. We will meet customers' demands by developing attractive products and construction methods.
3. We will develop and utilize survey technologies tailored to customers and markets.

ISO Certificate of Registration
(Union of Japanese Scientists and Engineers
ISO Registration Center)

Cooperation with suppliers in procurement

The Nichireki Group has been carrying out ESG-oriented procurement activities, while keeping the entire supply chain in mind, in cooperation with suppliers so as to grow into a sustainable corporate group over the medium to long term.

We make sure to conduct a supplier evaluation for registration and certification at least once a year for the procurement of items that have an impact on product quality. As a result of the evaluation, we share issues to be addressed with suppliers for which some room for improvement has been identified, and discuss solutions. We also carry out two-way communication activities on an ongoing basis to deepen our relationships of trust with suppliers.

In addition, we have announced our “Declaration of Partnership Building” outlining our commitment to the co-existence and co-prosperity of the entire supply chain and compliance with preferred business practices, as we work to further develop our positive relationships with suppliers.



Medium- to long-term targets

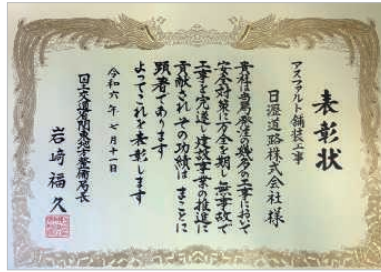
Item	FY2021 results	FY2022 results	FY2023 results	FY2025	FY2043	SDGs mapping
Percentage of suppliers evaluated	100%	100%	100%	100%	100%	

Projects commended

Received an award for constructors with excellent safety management system and a certification for companies with outstanding construction performance from the Kanto Regional Development Bureau, MLIT

NICHIREKI ROAD CO., LTD. of the Nichireki Group received an award for constructors with excellent safety management system for FY2023 from the Director-General of the Kanto Regional Development Bureau, the Ministry of Land, Infrastructure, Transport and Tourism ("MLIT") in recognition of its achievement of zero accidents in the past three fiscal years.

The company also received a certification for companies with outstanding construction performance for FY2024 from the Director-General of the Kanto Regional Development Bureau as one of the companies that achieved the average evaluation score of 80 points or higher for construction projects completed in the past two fiscal years under the Bureau and those appropriate to be certified for outstanding construction performance. Both awards were granted for the second consecutive year since the previous fiscal year.



Testimonial for the award for constructors with excellent safety management system



Certification for companies with outstanding construction performance

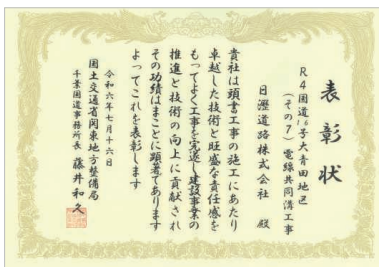
Received the Excellent Construction Work Award and the Quality Performance Award for Challenging Project from Chiba National Highway Office, the Kanto Regional Development Bureau, MLIT

Project name: Common-Use Cable Tunnel Construction Work #7 Under National Route 16 in Oaota District, 2022
Construction period: October 1, 2022 to May 31, 2023

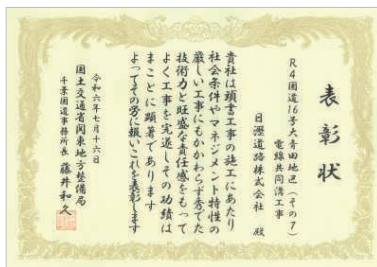
NICHIREKI ROAD CO., LTD. was awarded for the construction work of a common-use cable tunnel* in Kashiwa City, Chiba Prefecture and received the Excellent Construction Work Award and the Quality Performance Award for Challenging Project from the director of Chiba National Highway Office, the Kanto Regional Development Bureau, MLIT.

This project was to construct a common-use cable tunnel under the general National Route 16 in Oaota district, Kashiwa City in Chiba Prefecture. A land readjustment project of Kashiwa City was underway in the area adjacent to our construction site, resulting in congestion of construction work in the neighboring sites. We therefore carefully planned the procedures and processes of construction to ensure the smooth progress of our work.

We were also commended for our efforts during the construction to reduce the number of days of road-side works by creatively selecting materials and arranging construction machinery, and to save labor by using ICT construction technology in road surface cutting.



Testimonial for the Excellent Construction Work Award



Testimonial for the Challenging Project



After construction

* A facility to put power and communication cables above or higher off the ground into an underground space. The facility is designed to secure a comfortable pedestrian space and improve the landscape by housing infrastructure underground.

Projects commended

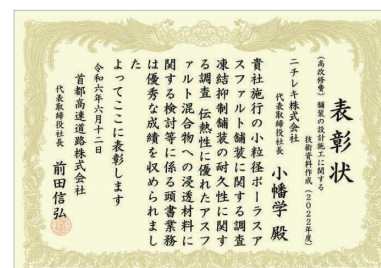
Received the Excellent Survey & Design Work Award from Metropolitan Expressway Co., Ltd.

Project name: Technical documentation for the design and construction of (high-repair cost) pavement (FY2022)
Construction period: December 28, 2022 to March 21, 2024

NICHIREKI CO., LTD. received the Excellent Survey & Design Work Award from the President of Metropolitan Expressway Co., Ltd. for the technical documentation for the design and construction of pavement that was ordered by Metropolitan Expressway.

The project involved survey and reviews to improve various issues related to pavement, and the compilation of revised materials for the "Guidelines for Pavement Design and Construction" published by Metropolitan Expressway Co., Ltd. The project was ordered through a proposal-based bidding process, and we proceeded with the work spanning over one year while holding detailed discussions and consultations. As a result, we were highly evaluated for our strong proposal-making and high-quality execution capabilities.

Metropolitan Expressway Co., Ltd. uses small-particle size porous asphalt mixture (5) in the surface layers of the roads, which are more durable, low-noise and more fuel-efficient than conventional porous asphalt pavements. As part of the project, we verified the serviceability and effectiveness of the pavement, as well as making presentations and announcements externally with the relevant department of Metropolitan Expressway Co. Ltd., to spread the use of small-particle size porous asphalt mixtures (5) outside the Metropolitan Expressway.



Testimonial



Pavement using small-particle size porous asphalt mixture (5)

Received the Excellent Construction Operator Award for Project Contracted by Public Works Department, Sapporo Construction Bureau

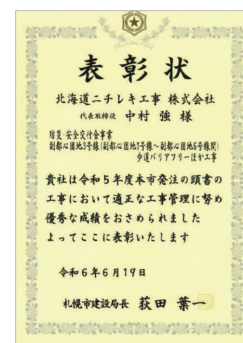
Project name: Disaster prevention and safety grant project - Sidewalk renovation for improved accessibility, etc. of Sub-center Commercial District Route 3 (between Route 7 and Route 6)
Construction period: April 1 to October 27, 2023

HOKKAIDO NICHIREKI CONSTRUCTION CO., LTD., a Nichireki Group company, received an award for Excellent Construction Operator for project contracted by the Public Works Department, Sapporo Construction Bureau, for the sidewalk renovation for improved accessibility, etc. in City of Sapporo.

As a shuttle bus stop for the ES CON Field Hokkaido, home of professional baseball team the Hokkaido Nippon Ham Fighters, is located on the construction site, it was difficult to conduct work at night when night games were being held. By changing the traffic control patterns according to the operation status of the shuttle bus, we were able to complete the work on the site quickly without delaying the progress of the construction, while ensuring the safety of the bus and pedestrians.

We also asked the area's Liaison Center about the needs of the area and donated chairs for bus stops, to contribute to the local community.

Additionally, as part of our efforts to improve quality through innovative ideas in construction, we used high-performance Nichireki products (such as SUPER TACKZOL, SUPER ROMENPATCH, and L-seal tape). We also introduced solar-powered LED lighting for construction signage and site offices as our efforts to reduce the environmental impact.



Testimonial



After construction

Taking on Initiatives as an R&D-oriented Company

■ Development of new products and construction methods

R&D is the foundation of the Nichireki Group's business model, which consists of a cycle of "survey/diagnosis → design/proposal → manufacturing/sales → construction/management," and is the source of sustainable growth.

Meanwhile, given the current social situations, companies are required to practice more eco-friendly and sustainable business activities as the global climate change problems require solutions. To achieve the long-term goal of "net zero greenhouse gas emissions across the entire value chain by 2050," the Nichireki Group is pursuing the development and improvement of "*Tastainability*®" products and construction methods to contribute to environmental conservation at a higher level, including further reductions of CO₂ emissions, by adding performance and functionality such as long life, recycling, and warm mix, in addition to conventional products and construction methods that can be handled at normal temperature.

In FY2023, we launched two new products and construction methods as described below. Both have been improved from the conventional types, with a focus on environmental considerations.

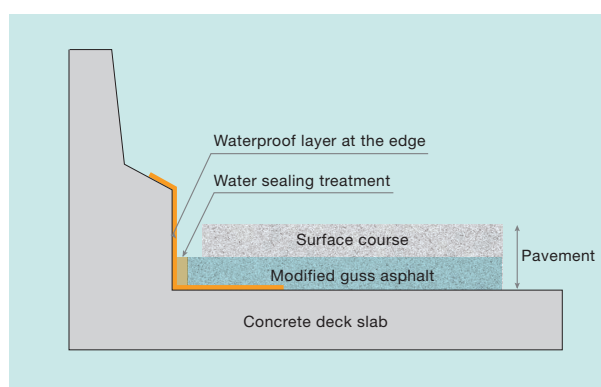
MG PHALT

To extend the service life of road bridge concrete decks, high-performance bridge deck waterproofing methods (Grade II) are required on expressways, designed to be usable for 30 years. However, it is difficult to continuously restrict traffic for long periods of time for repair work on highways. As an alternative to highly durable bridge deck waterproofing method ▶ P.39, construction is performed using "modified guss asphalt mixture for bridge leveling layer (BLG)," which gives Grade II-equivalent waterproofing properties to the bridge leveling layer.

We have improved this BLG, which uses specially modified asphalt, to "MG PHALT," which can contribute to a further reduction of environmental impact.



During construction



Construction cross sections

SUPER SURFTREAT S construction method

Asphalt pavement deteriorates gradually due to ultraviolet rays, rainwater, heat, etc., becoming less flexible and more brittle. Parts close to the pavement surface are particularly susceptible to these effects. Aggregate scattering causes a rough surface and cracks to develop from the pavement surface, eventually leading to damage that requires repair.

As a preventative maintenance measure to seal and protect the pavement surface before such major damage develops, we had offered the "SUPER SURFTREAT construction method," an ultra-thin layer normal temperature pavement method. It has now been improved to the "SUPER SURFTREAT S construction method," with increased wear resistance.

▶ P.36

■ Medium- to long-term targets

Item	FY2021 results	FY2022 results	FY2023 results	FY2025	FY2043	SDGs mapping
Number of newly developed (or improved) products and construction methods launched*	1	4	6	10 or more	40 or more	

* The cumulative number of newly developed (or improved) products and construction methods launched in FY2021 or later.

Collaborative initiatives with external partners

GLOCAL-EYEZ

Using “GLOCAL-EYEZ,” smartphone-based road inspection system developed in 2021 [▶ P.31](#), we have developed a new AI model in collaboration with Aomori Prefecture in FY2023 that predicts areas at risk of developing potholes by analyzing the causes of road surface potholes during the winter in snowy and cold regions. We used the inspection results before and after the occurrence of potholes collected through daily patrols as training data, analyzed the damage that could lead to potholes, and had the AI learn the data.

Through this initiative, we have established a preventive maintenance-type pavement maintenance cycle that integrates inspection, diagnosis, construction and management, which is different from the conventional approach focusing on remedial maintenance. In recognition of this, we, together with Aomori Prefecture, were awarded the 2023 Infrastructure Maintenance Challenge Award* from the Japan Society of Civil Engineers.

Given the shortage of civil engineering professionals nationwide, we will continue to promote solutions using GLOCAL-EYEZ, which allow us to constantly keep track of the latest road surface conditions efficiently and at low cost without relying on manpower.

* An award created in 2021 with the aim of increasing the incentives of people involved in infrastructure maintenance, by evaluating and sharing outstanding projects (businesses), individuals and organizations (engineers, operators, managers, etc.), independent elemental technologies (inspection/diagnosis, construction methods, materials, etc.) and papers (practical research) specializing in the field of infrastructure maintenance.

Joint initiative with Aomori Prefecture



Medium- to long-term targets

Item	FY2021 results	FY2022 results	FY2023 results	FY2025	FY2043	SDGs mapping
Number of products from joint research and development rolled out*	1	1	1	2 or more	10 or more	

* The cumulative number of developed products launched in FY2021 or later as a result of joint R&D projects.

Communicating with Society

Social contribution activities

The Nichireki Group proactively participates in disaster recovery activities and community contribution activities through many of its locations across the country to fulfil the social responsibility as a group of companies engaged in public works.

NICHIREKI ROAD CO., LTD.

The company cleared snow from the Metropolitan Expressway (Route 5 Ikebukuro Line), which was closed to traffic due to heavy snowfall in February 2024. The company received testimonials from the Kanto Regional Development Bureau and Metropolitan Expressway Co., Ltd.



AOMORI NICHIREKI CO., LTD.

The company participated in community volunteer activities of Towada City Construction Association to clean up the Kanchogai-dori Street.



Kanto Branch/NICHIREKI ROAD CO., LTD.

The branch and the company held a course on road paving for 29 second-year students of the Construction Engineering Department at Nasu Seiho High School in Tochigi Prefecture. The students visited our Technical Research Center and had hands-on experience with pavement construction.



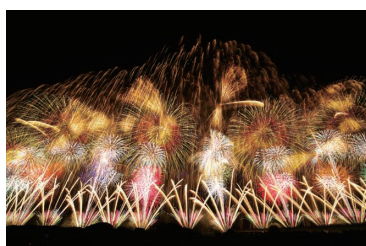
SHIKOKU NICHIREKI CONSTRUCTION CO., LTD.

As part of the Hane Elementary School Smile Project, a model project for greening school environments at Hane Elementary School in Muroto City, Kochi Prefecture, the company laid ASWOOD paving around the playground together with the sixth-grade students ▶ P.35 .



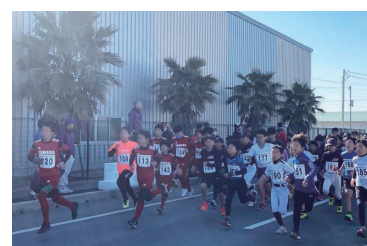
Hokuriku Branch/NICHIREKI ROAD CO., LTD.

The branch and the company have been a long-time sponsors of the Nagaoka Festival Grand Fireworks Show organized by the Nagaoka Fireworks Foundation, in support of the spirit of "Nagaoka fireworks praying for the souls of the deceased, restoration and peace."



Higashi-Kanto Branch

The branch supports hosting the MIRAI Marathon held in Tsukubamirai City, Ibaraki Prefecture as the Fukuoka Industrial Park Council.



Topics

We started construction of the Tsukuba Big Ship Project

In May 2024, we started construction on the Tsukuba Big Ship, a new eco-friendly production and distribution site in Tsukubamirai City, Ibaraki Prefecture, which had been postponed due to a shortage of semiconductors for manufacturing equipment and difficulties in procuring materials.

For Tsukuba Big Ship, we will take progressive steps toward decarbonization through manufacturing new high value-added products geared toward next generation needs and enhancing logistics efficiency, toward the start of operations in FY2026.



Illustration of the completed project

Increased production capacity

Improving production capacity for products by using the most advanced facilities and promoting digitalization, etc., thereby increasing earning power

Manufacture of high value-added products

Manufacturing high value-added products that meet the needs of the next generations

Functioning as a "construction center" for the Tokyo metropolitan area

Reinforcing our capacity to undertake construction work as a "construction center" of the Tokyo metropolitan area

Realization of eco-friendly production and logistics

Enhancing medium- to long-term sustainability by building an eco-friendly production and logistics system

Streamlining of logistics management

Establishing an efficient production and transportation system as the control center for the Nichireki Group's logistics

Reinforcement of Business Continuity Plan (BCP)

Fulfilling our responsibility to supply products in the event of a disaster by running multiple plants in the Tokyo metropolitan area

Basic concept

We won the Grand Prix of the 72nd Nikkei Advertising Awards and the Minister of Economy, Trade, and Industry Award of the 45th Japan BtoB Advertising Award 2024

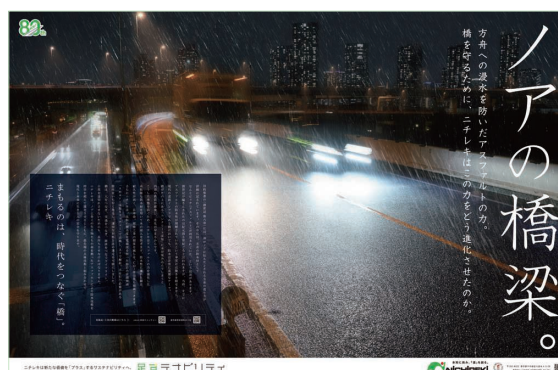
Our series of advertisements placed on the Nikkei (morning edition) over two weeks, on July 25 and August 2, 2023, received the Grand Prix in the 72nd Nikkei Advertising Awards hosted by Nikkei Inc. The Grand Prix is the highest award of the approximately 8,000 entries. With this award, Nichireki won the Nikkei Advertising Award for the fourth consecutive year since 2020, when we were awarded the Environment Minister's Award/Grand Award in the Environment Category.

We also won the Minister of Economy, Trade, and Industry Award, which is the highest prize of the 45th Japan BtoB Advertising Award 2024 hosted by BtoB Association Japan.

The advertisements were highly evaluated for communicating our commitment to solving problems as an R&D-oriented company addressing the aging of transportation infrastructure, as well as the straightforward and impressive expression of our messages, with references to Beneath the Wheel, a novel by Hermann Hesse and Noah's ark, a bible story of the Old Testament.



Advertisement placed on July 25, 2023



Advertisement placed on August 2, 2023

We attended the Highway Techno Fair 2023 and the Social Infrastructure Tech 2023

Nichireki and its Group company HEAT ROCK INDUSTRY jointly attended the Highway Techno Fair 2023, a trade show organized by the Express Highway Research Foundation of Japan, held at Tokyo Big Sight on November 9 and 10, 2023.

We introduced the Group's pavement technologies with a focus on products, construction methods, and digital road inspection system that contribute to longer life of highways and bridges, as well as the catchphrase "Tastainability®".

We also attended the Social Infrastructure Tech 2023, a trade show organized by Nikkei Inc., the National Council for Infrastructure Maintenance, and Nikkei Business Publications, Inc., held at Tokyo Big Sight from December 6 to 8, 2023.

This trade show is an exhibition on the theme of SDGs for the prevention and maintenance of aging social infrastructure, and we introduced solutions utilizing Nichireki's digital road inspection system.



Highway Techno Fair 2023



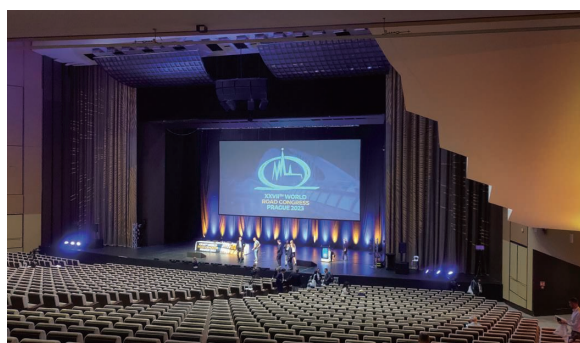
Social Infrastructure Tech 2023

We attended the 27th World Road Congress (Prague 2023)

We attended the 27th World Road Congress (Prague 2023) organized by the World Road Association (PIARC) held in Prague, Czech Republic from October 2 to 6, 2023.

PIARC is the oldest non-profit international organization in the field of road transport, which aims to promote and develop international cooperation in the field. The Congress was attended by around 6,000 concerned parties from some 120 countries around the world, including transport ministers from 40 countries.

At the technology exhibition, we showcased Nichireki's products and construction methods at a booth in the Japan Pavilion organized by the Japan Road Association, and also delivered a presentation. In particular, environmentally friendly products and construction methods, such as ASWOOD paving ▶P.35 drew attention from participants from around the world.



Venue of the PIARC



Presentation at the booth