# Social



## 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.

Specifically, we implemented a new core system and integrated it with various operational systems during FY2024. This initiative advanced the digitalization of conventional paper-based application and approval processes and established a system that enables employees at worksites to submit daily reports and other data directly from mobile devices.

For labor management, we use an online attendance system that enables managers to accurately track employees' working hours, overtime, and night or holiday shifts on a daily basis. This allows us to review task assignments and develop support systems when needed, ensuring that no department or individual bears an excessive workload. Looking ahead, we will further improve operational efficiency and reduce overtime by leveraging RPA (Robotic Process Automation) for routine tasks and enhancing the accuracy of AI-based dispatch functions in our cloud logistics management system. We encourage employees to take time off, not only during extended holiday periods such as Golden Week, summer, and year-end, but also by using paid leave for family events. Through these initiatives, we support employees in maintaining their physical and mental well-being.

The Nichireki Group will continue to further promote diverse and flexible work styles, aiming to develop a work environment where every employee can keep growing and deliver their full potential.

| | FY2023 results (consolidated) | FY2024 results (consolidated) |
|---|---|---|
| **Average monthly overtime** | 18.6 hours | **16.7 hours** |
| **Average annual overtime** | 223.5 hours | **200.9 hours** |
| **Rate of paid leave taken** | 77.8% | **74.1%** |
| **Average number of days of annual paid leave taken** | 13.8 days | **13.3 days** |

#### Medium- to long-term targets

| Item | FY2022 results | FY2023 results | FY2024 results | FY2025 | FY2043 | SDGs mapping |
|---|---|---|---|---|---|---|
| **Annual overtime*1** | 640 hours or less<br>89.9% | 640 hours or less<br>93.5% | 640 hours or less<br>97.3% | 640 hours or less<br>100% | 360 hours or less<br>100% |  |
| **Number of days of annual paid leave taken*2** | 50% or more of number of days granted<br>69.1% | 50% or more of number of days granted<br>80.0% | 50% or more of number of days granted<br>78.0% | 50% or more of number of days granted<br>100% | 90% or more of number of days granted<br>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 innovative ideas and create new work, thereby becoming a company that continuously adapts to changes in the business environment.

For example, we continuously recruit foreign nationals, including international students. As a result, the number of foreign nationals contributing to R&D and overseas business activities has been increasing every year. We expect to generate new synergies by strengthening our workforce with talent from diverse nationals.

As part of our childcare initiatives, we encourage employees to take parental leave so that they can raise their children with peace of mind. Specifically, 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. In line with the revisions to the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members effective from April 2025, we revised our internal regulations. Specifically, to further promote the balance between childcare and work, we extended the eligibility period for measures such as reduced working hours for childcare, restrictions on overtime hours (exemptions from overtime), childcare leave for nursing sick children, and restrictions on overtime and night work to “until the start of a child’s junior high school education,” which is longer than the period under the revised act. In addition to expanding these programs to support flexible work after parental leave, we also encourage remote working and other options tailored to individual circumstances, creating a system that helps employees balance childcare and work.

| | FY2023 results (consolidated) | FY2024 results (consolidated) |
|---|---|---|
| Number of female engineers (Technical Research Center) | 5 out of 47 (10.6%) | **4 out of 46 (8.7%)** |
| Number of female employees | 86 out of 977 (8.8%) | **234 out of 1,386*3 (16.9%)** |
| Number of employees who took parental leave | 10 (6 men and 4 women) | **18 (8 men and 10 women)** |
| Number of employees who returned to work after taking parental leave | 5 (Return to work rate: 100%) | **9 (Return to work rate: 100%)** |

*3: Revisions to the personnel system

The data of three diversity metrics based on the Act on the Promotion of Women’s Active Engagement in Professional Life, etc. for FY2024 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

| FY2024 results (non-consolidated) | | | | |
|---|---|---|---|---|
| Percentage of female workers in management positions*4 | Rate of male workers taking parental leave*5 | Difference in wages between male and female workers*3 | | |
| | | All workers | Regularly employed workers | Part-time and fixed-time workers |
| 3.8% | 75.0% | 62.63% | 62.63% | - |

*4: 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).
*5: The percentage of workers taking parental leave stipulated in Article 71-6, 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

To address rising consumer prices driven by higher resource costs and a weaker yen, boost employee motivation, and attract top talent, the Group implemented a significant base salary increase starting in April 2024.

We also enhanced 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.

We will continue to create an environment where employees can keep working with peace of mind.

## Training programs for talent development

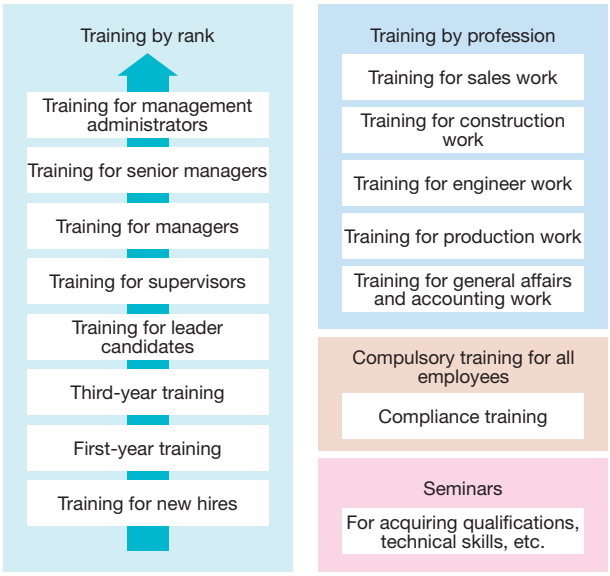
The Nichireki Group has put its efforts into training for employees at each stage of their careers from entry and thereafter so that they can deliver their full individual potential.

For younger employees, 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.

For managers, we provide trainings for senior managers and management administrators to develop future leadership. Through group discussions and practical exercises, participants learn strategic planning skills and explore key points for organizational transformation.

Furthermore, we provide training by rank and profession so that employees can not only extend their expertise beyond their current job experience, 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 senior managers


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 provide full physical examinations for those reaching a certain age, in addition to regular medical check-ups for all employees, as well as influenza vaccinations.

# Taking on Human Rights Initiatives

## Human rights policy

Respect for human rights is not only a cornerstone of compliance management but also the foundation of all our business activities. The Nichireki Group has established the “Nichireki Group Human Rights Policy” to clarify our corporate responsibility for respecting human rights and to strengthen employee awareness.

### Nichireki Group Human Rights Policy

The Nichireki Group has set the 2043 “Vision for the 100th Anniversary of Our Foundation” to “deliver peace of mind to all stakeholders by creating roads.” To achieve this vision, our officers and employees act with full respect for the human rights of stakeholders—customers, employees, suppliers, shareholders, investors, and local communities—throughout our business processes, thereby fulfilling our corporate responsibility to uphold human rights.

To this end, we support international human rights standards including the International Bill of Human Rights (the Universal Declaration of Human Rights and the International Covenants on Human Rights: the International Covenant on Economic, Social and Cultural Rights and the International Covenant on Civil and Political Rights), as well as the ILO Declaration on Fundamental Principles and Rights at Work, which establishes the ILO Core Labor Standards. Based on these principles, we commit to implementing the following actions.

**1. Prohibition of discrimination**
We prohibit discrimination based on individual attributes such as gender, age, nationality, race, ethnicity, beliefs, religion, social status, sexual orientation, gender identity, or disability, and foster a corporate culture that respects diversity.

**2. Prevention of harassment**
We prohibit all forms of verbal, physical, and psychological harassment that cause harm to others, and strive to create a comfortable workplace where individuals respect one another.

**3. Prohibition of child labor and forced labor**
We prohibit all forms of child labor and forced labor.

**4. Improvement of occupational health and safety standards**
Following the Nichireki Group’s Health and Safety Management Policy, we comply with all relevant laws, regulations, and internal rules, work to eliminate accidents and workplace injuries, and strive to create a safe and comfortable work environment.

**5. Compliance with laws and regulations on working hours and wages**
We comply with all laws and regulations on working hours and wages, actively limit excessive overtime, improve working conditions, and promote a better work-life balance.

**6. Respect for workers’ rights**
We respect employees’ rights to organize and collective bargaining, and work to build favorable relationships between employees and management.

**7. Harmony with local communities**
We respect the rights of people living in the communities where we operate and work to harmonize with local societies.

The Nichireki Group regularly identifies and assesses potential human rights impacts involving its officers and employees, and actively works to prevent and mitigate them. We provide a reporting channel for employees whose human rights have been violated. When reported, we ensure prompt and appropriate resolution while protecting individual privacy. This system provides remedies, corrects issues, and prevents recurrence in the event of the human rights violations.

Furthermore, we position this policy at the core of our business activities and provide all officers and employees with appropriate education and training on respecting human rights. We also engage with our business partners and all stakeholders across the supply chain to ensure they understand this policy and to promote collaborative efforts in respecting human rights.

We will disclose the status of our human rights initiatives appropriately through our website, integrated reports, and so forth.

This policy was established with the approval of the Nichireki Group Board of Directors on July 24, 2025.

July 24, 2025
Manabu Obata, Representative, Nichireki Group

# Implementing Initiatives for Occupational Health and Safety

## Policy and management system 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 Safety, Quality and Environment Management Department of Nichireki Group, the Group establishes a heal and safety section at each branch and office of the group companies.

### Health and Safety Management Policy

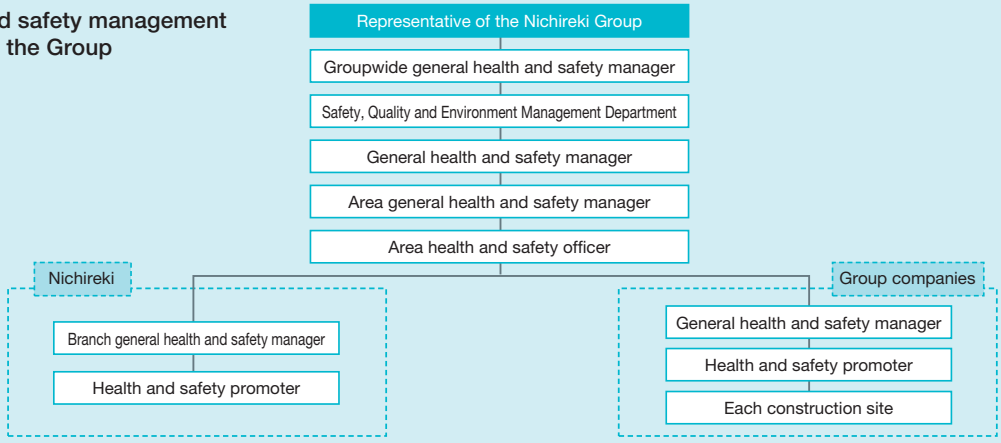
We will diligently manage the occupational health and safety management system, eliminate disasters and accidents, and create a safe and comfortable work environment.

April 1, 2025
Manabu Obata, Representative, Nichireki Group

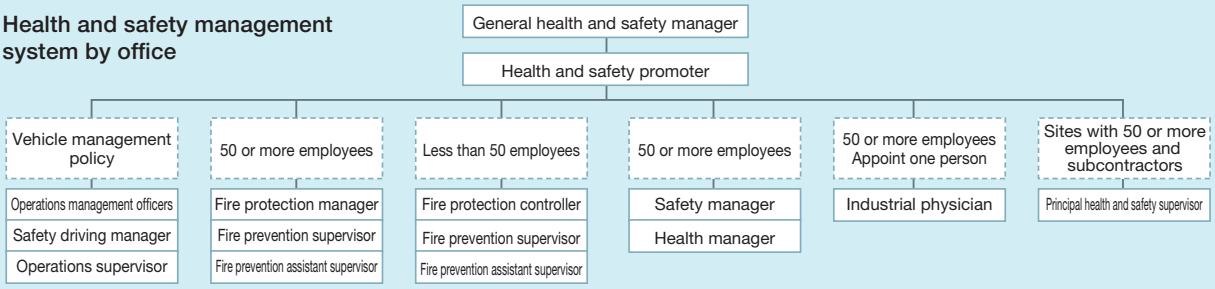
**Initiatives for health and safety management**

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 of the Group**




**Health and safety management system by office**



## Initiatives in FY2024

At the Nichireki Group, employees and subcontractors make concerted efforts to eliminate accidents. Specific initiatives in FY2024 are as follows:

**Eliminate equipment-related accidents and car accidents**

We conducted briefing sessions on the Health and Safety Management Rule Book for all offices at the start of the fiscal year. We highlighted key revisions and emphasized the priority initiatives for FY2024.

Additionally, we regularly monitored on-site work using wearable cameras and shared best practices—such as proper attire and finger pointing and calling—nationwide through our Wearable Camera Newsletter, reinforcing correct work procedures and further raising safety awareness.

**Eliminate accidents involving damage to the public**

Analysis of past accidents involving damage to the public revealed that some accidents resulted from work methods that deviated from procedure manuals. To eliminate such incidents, we conducted regular safety patrols and reinforced strict adherence to procedure manuals.

**Strengthen safety enlightenment activities**

Aligned with the four annual operational health and safety awareness campaigns led by the Ministry of Health, Labour and Welfare and the Japan Industrial Safety and Health Association, the Safety, Quality and Environment Management Department conducted safety patrols. During FY2024, we provided improvement guidance to 25 offices of NICHIREKI CO., LTD. and 17 other group companies. In addition, the Safety, Quality and Environment Management Department participated in health and safety conferences at six sites, conducting safety enlightenment activities through presentations and lectures.

**Improve health and safety management level**

During web-based safety patrols, we emphasized a “point out on the spot, correct on the spot” approach. When we identified work that deviated from procedure manuals, we immediately contacted the site and instructed corrective actions to improve both work methods and safety awareness.

Furthermore, in response to an accident caused by blind spots around heavy machinery, we urgently conducted a nationwide training session to prevent similar incidents from recurring.

As part of other initiatives, we introduced web-based safety video training materials in June 2024. This allows all sites nationwide to access a variety of video materials for various work tasks in a timely manner, enhancing the overall standard of safety activities. We actively use these materials at health and safety conferences and accident prevention councils across all our offices nationwide.

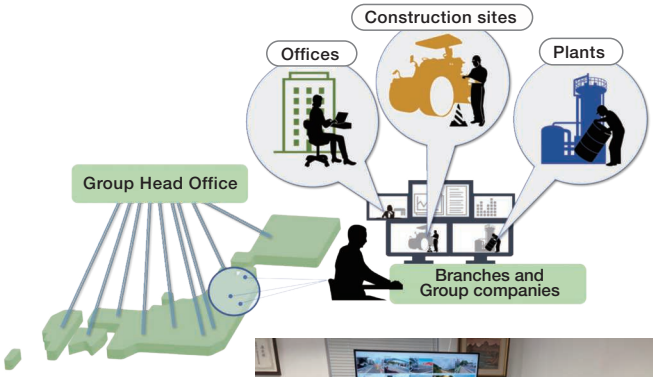
In addition, we established a system to visualize and share the costs incurred for each incident until resolution, enabling clear understanding of losses from the incidents and driving heightened awareness and stronger measures for accident prevention.

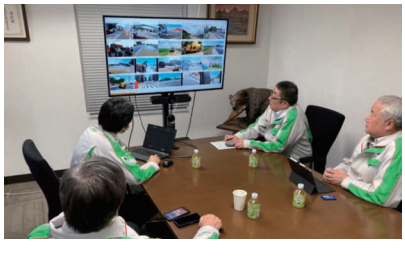


On-site work monitoring



Online group-wide health and safety meeting



Online safety patrol using a wearable camera

## Trend in the number of accidents

As a result of these initiatives, the total number of accidents fell by seven to 20 year on year; however, traffic accidents during travel between offices and worksites increased year on year. In FY2024, accidents caused by equipment reversing operations were frequent, and we believe that many other incidents could be prevented through appropriate measures.

### Number of accidents

| | FY2018 | FY2019 | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|---|---|---|---|---|---|---|---|
| Accidents involving damage to the public | 15 | 13 | 15 | 10 | 3 | 9 | **3** |
| Equipment-related accidents | 5 | 4 | 5 | 3 | 4 | 13 | **12** |
| Car accidents*1 | 0 | 2 | 5 | 5 | 3 | 0 | **2** |
| Workplace injuries*2 | 2 | 3 | 5 | 6 | 6 | 5 | **3** |
| Total number of accidents | 22 | 22 | 30 | 24 | 16 | 27 | **20** |

*1: Work accidents resulting in injury
*2: Injuries resulting in four or more lost workdays

## Future improvement initiatives

The Nichireki Group will continue the following improvement activities to further strengthen safety awareness and eliminate accidents.

**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 during reversing operations**
In response to an increase in accidents caused by reversing operations, we are retraining on proper vehicle parking methods and enforcing strict use of finger pointing and calling, aiming to eliminate similar accidents.

**Strengthen safety enlightenment activities**
We will participate in various safety enlightenment activities 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 through streamed video materials.

**Strengthen heat stroke prevention measures**
In response to the June 2024 revisions to the Industrial Safety and Health Act, we are enhancing our heat stroke prevention measures. In addition to existing practices such as regular hydration, salt intake, and wearing cooling workwear, we are piloting wearable devices, including heat alert bands, to improve employees' work environment and safeguard their health. We also revised the Health and Safety Management Rule Book to update procedures and communication protocols for responding to heat stroke incidents.

# Enhancing the Supply Chain Management

## Policy for ensuring quality

Under the following quality policy, the 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, 2025
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)

## Supplier engagement

The Group has been carrying out ESG-focused procurement activities with an aim to keep supply chain stable so as to grow into a sustainable corporate group over the medium to long term.

For the procurement of items that have an impact on product quality of raw materials such as asphalt, we always conduct evaluations when initiating new transactions with suppliers, and register and certificate them based on the results. These supplier evaluations take ESG perspectives into consideration, including their environmental initiatives, information disclosure status, safety information of supplied materials, compliance with relevant laws and regulations. In addition, we make sure to update evaluations of existing suppliers at least once a year based on the latest status. When some room for improvement has been identified as a result of the evaluation, we share issues to be addressed and discuss solutions with suppliers. We also carry out 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.

パートナーシップ構築宣言

Our efforts have gained a reputation externally, as we earned a place on CDP’s Supplier Engagement Leader, the highest recognition attainable from the Supplier Engagement Assessment (SEA) in 2024. The SEA assesses each company in terms of $CO_2$ emission reduction targets, value chain engagements, $CO_2$ emissions in Scope 3, risk management, and governance, based on a company’s response to CDP questionnaire (climate change section) ▶ P.28.

Supplier Engagement Leader CDP 2024

### Medium- to long-term targets

| Item | FY2022 results | FY2023 results | FY2024 results | FY2025 | FY2043 | SDGs mapping |
|---|---|---|---|---|---|---|
| Percentage of suppliers evaluated | 100% | 100% | 100% | 100% | 100% | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 17 PARTNERSHIPS FOR THE GOALS |

## Projects commended

### Received the Excellent Construction Work Award and the Engineer Award from the Tokyo Metropolitan Government Bureau of Port and Harbor

Project name: Paving and Repair Construction Work of Oi Traversing Road (Container Truck Lane) in 2023
Construction period: April 3 to October 3, 2023

NICHIREKI ROAD CO., LTD. received the Excellent Construction Work Award and the Engineer Award from the Director of the Tokyo Metropolitan Government Bureau of Port and Harbor for the paving and repair construction at the site of 2-chome Yashio, Shinagawa-Ku, in Tokyo.

This project was conducted on the container truck lanes of Oi Traversing Road / Tokyo metropolitan road 316. We coordinated with relevant parties including Tokyo Port Terminal Corporation and parties concerned of the berth of the Oi Wharf to smoothly guide vehicles on standby. Additionally, we changed the paving material from semi-flexible polymer-modified type H to “the CONTAINERPHALT SUPER, ” a polymer modified asphalt (heavy duty, high permanent deformation resistance) that has advantages in durability, workability, recyclability, ease of maintenance, and cost. We also endeavored to save labor by using ICT construction technology in road surface cutting. These efforts were recognized and resulted in the receipt of the Excellent Construction Work Award and the Engineer Award.


賞状

日渥道路株式会社 殿

貴社は右の工事を困難な条件のなかで終始熱意と努力をもって施行し優良な成績で完成させ局事業の進行に貢献されましたのでここにこれを賞します

令和六年八月二日

東京都港湾局長 松川桂子

Testimonial for the Excellent Construction Work Award


賞状

[redacted] 様

貴方は右の工事を困難な条件のなかで終始熱意と努力をもって施行し優良な成績で完成させ局事業の進行に貢献されましたのでここにこれを賞します

令和六年八月二日

東京都港湾局長 松川桂子

Testimonial for the Engineer Award



After construction

### Received the Excellent Construction Work Award from the 6th Construction Office of the Tokyo Metropolitan Government Bureau of Construction

Project name: Road Surface Repair Project (4-6-11, heat-blocking paving work)
Construction period: April 3 to November 8, 2023

NICHIREKI ROAD CO., LTD. received the Excellent Construction Work Award from the Director of the 6th Construction Office of the Tokyo Metropolitan Government Bureau of Construction for the road surface repair construction from 3-chome Nishiasakusa, Taito-Ku to 2-chome Asakusa, Taito-Ku, and other one site in Tokyo.

This project included the improvement work on the Kokusai-Dori and other one route of the special Tokyo metropolitan road Kuramae Minowa Line (Route 462), using mainly milling and overlay construction method and the heat-blocking paving construction method. The site is located near Senso-ji and Kaminari-mon Gate, which are crowded with a large number of tourists and are filled with many shopping stores and accommodations. Given this, we made sure to fully inform local residents about the construction schedule to ensure smooth progress of the project. During the construction, we used ICT construction technology for surveying and implemented the HTT Zero Emission Advanced Construction* promoted by the Tokyo Metropolitan Government, as an effort to reduce greenhouse gas emissions. We also worked to prevent accidents during construction at heavily trafficked pedestrian crossings by providing multilingual signs and audio guides to help foreign pedestrians understand. These efforts were recognized, and we received the Excellent Construction Work Award.


賞状

日渥道路株式会社 殿

貴社は右の工事を困難な条件のなかで終始熱意と努力をもって施行し優良な成績で完成させ当事務所事業の進行に貢献されましたのでここにこれを賞します

令和六年十一月吉日

第六建設事務所長 國尾 学

Testimonial



After construction

Details of the HTT Zero Emission Advanced Construction

| Description | Actual $CO_2$ Reduction |
|---|---|
| Use of temporary signs (sign lights) equipped with solar panels with built-in chargers | 1,040kg-$CO_2$ |
| Use of floodlight projectors with LED lamps powered by lithium-ion batteries | 166kg-$CO_2$ |
| Use of hybrid LED lights with a fuel saving system | 163kg-$CO_2$ |

* A construction that works on low-carbon measures and “HTT” efforts (reduce [H], generate [T], and store [T] electricity) promoted by the Tokyo Metropolitan Government, with eyes to achieve the “Carbon Half” goal of 50% reduction of greenhouse gas emissions by 2030 (compared to 2000) and ensure stable energy supply for the medium- to long-term.

## Technology commended

### Received the Minister of Defense Prize at the 8th Infrastructure Maintenance Award (Maintenance Support Activities Category)

Technology name: Paving Technology with Enhanced Flow Resistance (Case of Apron Repair)

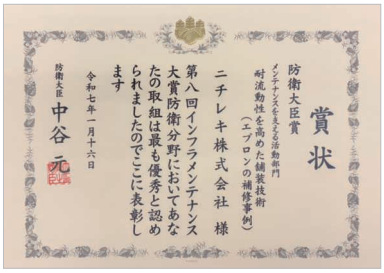
Our “paving technology with enhanced flow resistance (case of apron repair)” won the Minister of Defense Prize (Maintenance Support Activities Section) at the 8th Infrastructure Maintenance Award.

The Infrastructure Maintenance Award recognizes outstanding initiatives and technological developments related to facilities under the jurisdiction of the Ministry of Land, Infrastructure, Transport and Tourism, the Ministry of Internal Affairs and Communications, the Ministry of Education, Culture, Sports, Science and Technology Japan, the Ministry of Health, Labour and Welfare, the Ministry of Agriculture, Forestry and Fisheries, the Ministry of Economy, Trade and Industry, the Ministry of the Environment, and the Ministry of Defense.

Some aircraft of the Japan Self-Defense Forces have a contact pressure approximately three times that of large vehicles (trucks). As these aircraft move at slow speed, the asphalt pavement shows significant flows (rutting). We developed special modified asphalt with enhanced flow resistance for this initiative and applied asphalt mixtures using the modified asphalt to the aprons of facilities of the Self-Defense Forces.

The special modified asphalt used in the initiative meets the following performance requirements: (1) more than twice flow resistance of conventional products (modified II type and III type), (2) crack resistance equal to that of modified II type, and (3) the same construction method as standard asphalt mixtures. At the actual site, the special modified asphalt showed more than ten times flow resistance effect compared to modified III type. This confirmed it could contribute to longer service life and the reduction of life cycle costs.

Furthermore, the special asphalt was found to be superior to concrete pavement not only in terms of its workability but also the period to the start of operation after construction. These features make the special modified asphalt applicable to areas other than airfields, including cargo handling areas at harbors and material storage areas. These advantages were recognized as highly valuable for the Self-Defense Forces facilities that are required to reduce risks of impacts on unit operations.


賞状

防衛大臣賞

メンテナンスを支える活動部門

耐流動性を高めた舗装技術

（エプロンの補修事例）

ニチレキ株式会社 様

第八回インフラメンテナンス大賞防衛分野においてあなたの取組は最も優秀と認められましたのでここに表彰します

令和七年一月十六日

防衛大臣 中谷 元

Testimonial

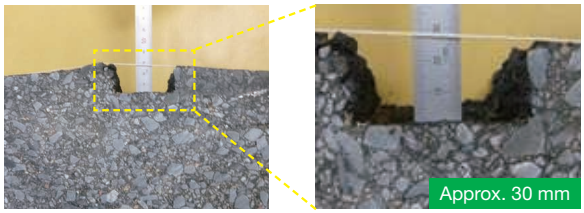


Award ceremony

#### Examples of indoor test results of a modified asphalt mixture with high permanent deformation resistance (wheel tracking test)

Test conditions: (1) loading contact pressure: 0.63 MPa; (2) running speed: 10.5 cycles/mm; (3) test temperature: 70°C

Modified II type asphalt mixture



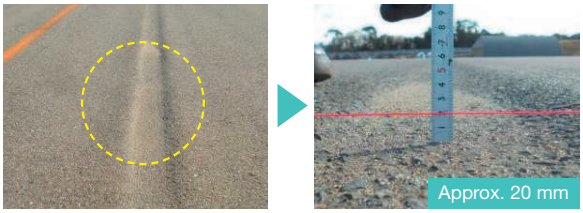

Modified asphalt mixture with high permanent deformation resistance




#### Status at Self-Defense Forces facilities (apron)

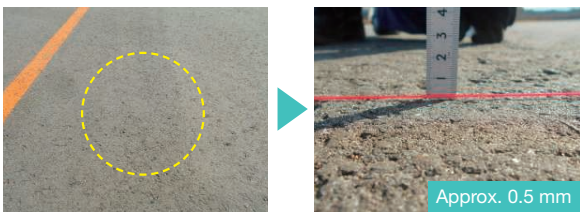
Modified III type asphalt mixture

After approx. four years (three summers)




Modified asphalt mixture with high permanent deformation resistance

After approx. two years (two summers)



# 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 $CO_2$ 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.

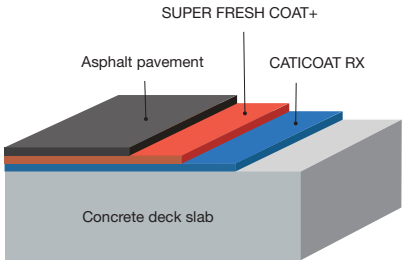
In FY2024, we launched two new eco-friendly products as described below.

### SUPER FRESH COAT+

The fatigue resistance of a concrete deck slab under the pavement of a road bridge declines due to rainwater infiltrating through the bridge surface pavement. This means waterproof layers play a particularly important role. The asphalt membrane-type waterproofing method, one of the deck waterproofing methods, has a large number of usage records because of its high convenience in construction. Conventional asphalt membrane-type waterproofing materials penetrate into the bottom part of the binder course mixtures to form waterproofing layers. This, however, leads to a decrease in the deformation resistance of binder course mixtures.

To solve this problem, we developed "SUPER FRESH COAT+," a membrane-type waterproofing material. This waterproofing material offers excellent performance, because it not only suppresses a decrease in the deformation resistance of binder course mixtures, but also contributes to low-carbonization as it reduces construction temperature by 50°C compared to conventional materials. Additionally, our material offers a construction advantage, as it does not adhere to the tires of construction vehicles and therefore eliminates the need to apply anti-adhesive sand before paving.

Construction cross section example

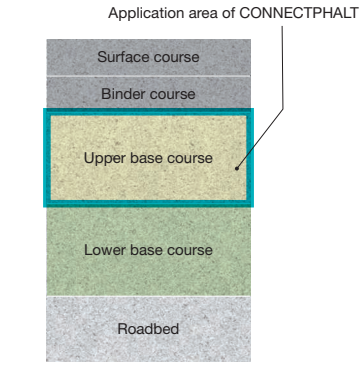



### CONNECTPHALT

On highways, the damage of base course has become apparent over long-term use, particularly crumbling due to rainwater infiltration and damages caused by fatigue cracking. In spite of such situation, frequent repairs are difficult to deeper layers of pavement including upper and lower base courses because of repair costs and limitations in traffic restrictions.

To address this issue, the East Nippon Expressway Co., Ltd., the West Nippon Expressway Company Limited, and the Central Nippon Services Company Limited (the three NEXCO companies) have applied a high-modulus asphalt mixture for upper base (HiMA) aiming to extend service life by ensuring that the functions intended for upper base courses are performed. We developed CONNECTPHALT, a modified asphalt used for HiMA, which has outstanding stiffness, water resistance, fatigue resistance, and deformation resistance. Usage of this asphalt contributes to extending pavement service life, leading to a reduction in $CO_2$ emissions by reducing the frequency of repairs.

Basic pavement structure




### Medium- to long-term targets

| Item | FY2022 results | FY2023 results | FY2024 results | FY2025 | FY2043 | SDGs mapping |
|---|---|---|---|---|---|---|
| Number of newly developed (or improved) products and construction methods launched* | 4 | 6 | 8 | 10 or more | 40 or more | |

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

## Cooperation with external partners

### HIGH-DURABILITY ULTRA-LOW NOISE PAVEMENT

The “high-durability ultra-low noise pavement” (subtitle: damage-resistant type small-particle size porous asphalt mixture), which was jointly developed by Metropolitan Expressway Co., Ltd. and Nichireki Group, won the Excellence Award for the 26th National Land Technology Development Award.

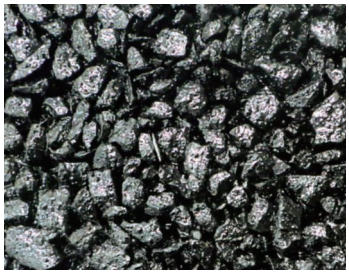
The high-durability ultra-low noise pavement (branded as *Eco-safe pavement*) is a pavement applying small-particle size porous asphalt mixture (5) to surface course. This mixture uses high-durability binder that we developed so as to improve aggregate scattering resistance significantly. The high-durability ultra-low noise pavement has several outstanding features: *porous performance*, which controls water splashing and hydroplaning in the same manner as conventional porous pavement; *ultra-low noise performance*, which reduces noise caused at the contact area of road and tires by 7.8 dB compared to conventional low-noise pavement; *fuel efficiency*, which improves the average fuel consumption of vehicles running on it by 4.5%; and *high-durability*, which allows long-term use thanks to its excellent aggregate scattering resistance.

The purpose of the development was to solve several problems related to conventional porous pavement. Such problems include potholes caused by aggregate scattering, noise and vibration, and reduced fuel efficiency of vehicles due to an increase in the rolling resistance of tires.

The high-durability ultra-low noise pavement has already been introduced to approximately one-third of the Metropolitan Expressway and is expected to be aggressively adopted except for roads inside tunnels.



Small-particle size porous asphalt mixture (5)

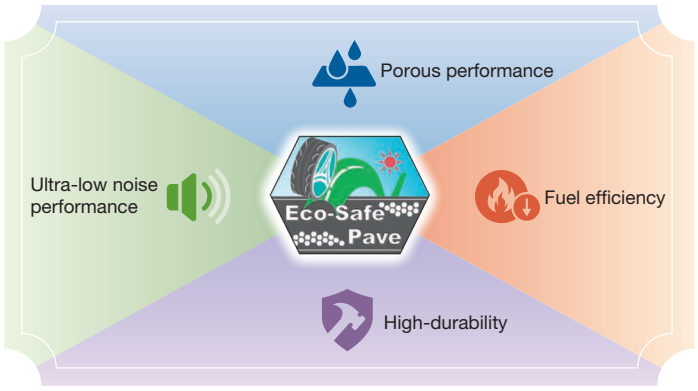


Porous asphalt mixture (13)




Testimonial

Four features







Award ceremony

## Medium- to long-term targets

| Item | FY2022 results | FY2023 results | FY2024 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 Group proactively participates in activities to solve social problems including 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.

### Hokuriku Branch, NICHIREKI CO., LTD.

The branch was engaged in scattering of asphalt emulsion in the Noto Airport Emergent Construction after the Noto Peninsula Earthquake occurred in January 2024. The branch received an appreciation letter from the Kanazawa Port and Airport Office of the Hokuriku Regional Development Bureau.


感謝状

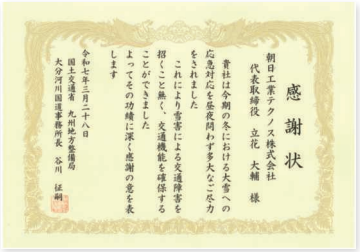
ニチレキ 株式会社 様

貴社は令和六年一月の能登半島地震における災害支援にあたり 呼吸器系疾患にも配慮しつつ迅速な対応にご尽力されました その功績は誠に顕著でありここに深く感謝の意を表します

令和六年十二月二十五日
国土交通省 北陸地方整備局
金沢港湾・空港整備事務所長
舟川 幸治

### AK TECHNOS CO., LTD.

The company contributed to securing road traffic by clearing snow using snow graders during heavy snowfalls in February and March 2025. The company received an appreciation letter from the Oita River and National Highway Office of the Kyushu Regional Development Bureau.


感謝状

朝日工業テクノス株式会社
代表取締役 立花 大輔 様

貴社は今期の冬における大雪への応急対応を昼夜問わず多大なご尽力をされました これにより雪害による交通障害を招くことも無く、交通機能を確保することができました よってその功績に深く感謝の意を表します

令和七年三月二十八日
国土交通省 九州地方整備局
大分河川国道事務所長 谷川 征嗣

### KINKI NICHIREKI CONSTRUCTION CO., LTD.

The company provided an experience session of color paving on a sidewalk to high school students at an engineering work tour organized by the Shin-onsen Public Works Office in Hyogo Prefecture.




### SAITAMA NICHIREKI CO., LTD.

As a participant of Sainokuni Road Support Program in Saitama Prefecture, the company implements cleaning activity of sidewalks twice a year along the Sunahara–Kita-Okuwa Route of the Prefectural Highway 346.




### FUKUSHIMA NICHIREKI CO., LTD.

The company concluded a naming rights sponsor contract with Koriyama City, Fukushima Prefecture and named the Koharada Pedestrian Bridge the *Fukushima Nichireki Koharada Pedestrian Bridge*.



### Higashi-Kanto Branch, NICHIREKI CO., LTD.

The branch supports hosting the MIRAI Marathon as a member of the Fukuoka Industrial Park Council of Tsukubamirai City, Ibaraki Prefecture.



## Pushing forward 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.

Currently construction is in progress with a plan to complete the office and factory buildings by the first half of FY2026 and start operations at the new factory in FY2027. We expect the total investment of approximately ¥30,000 million.

After its completion, the Tsukuba Big Ship will serve a variety of functions such as manufacturing high value-added products that meet the needs of the next generations, including eco-friendly products, controlling nationwide logistics, and a construction center for the Tokyo metropolitan area. In this way, we will further accelerate our efforts to address aging infrastructure and promote carbon neutrality. Particularly, we will further increase efficiency in manufacturing and logistics management by leveraging DX.



Illustration of the completed project

### Investment effects of the Tsukuba Big Ship

| Item | Description | Major effect |
|---|---|---|
| Increased production capacity | Reinforce the manufacturing capability of pavement materials including high-performance asphalt emulsion and high-performance modified asphalt | · Increase in net sales |
| | Establish a system capable of quick response to changes in demand and requests for short delivery times | |
| | Optimize and reduce invested resources (manpower, man-hours, energy, etc.) through improvements in manufacturing efficiency by leveraging DX | · Reduction of manufacturing costs |
| Manufacture of high value-added products | Develop and sell new high value-added products focusing on eco-friendliness, durability, earthquake resistance, etc. | · Increase in net sales<br>· Increase in gross margin |
| | Enter large and high-profit businesses by using cutting-edge equipment to manufacture high value-added products, and expand sales of high value-added products in existing markets | |
| | Improve quality control accuracy through real-time tracking of production activities and centralized monitoring using the latest technology | |
| Streamlining of logistics management | Streamline logistics and reduce costs by centrally managing order-taking, transport vehicle inspections, and operational status checks by leveraging DX | · Reduction of manufacturing costs and SG&A |
| Realization of eco-friendly production and logistics | Realize advanced environmental initiatives and reduce $CO_2$ emissions by using natural energy, renewable energy, etc. | · Reduction of energy related costs<br>· Reduction of working capital (increase in cash flows) |
| | Reduce inventory by streamlining of logistics | |
| Reinforcement of the function to promote BCP | Diversify key production bases | · Reduction of business risks |
| | Reduce disaster risks by building it at an industrial park situated on elevated ground in the northern part of Tsukubamirai City, which is resistant to disaster and located near the Tokyo metropolitan area | |
| Functioning as a “construction center” for the Tokyo metropolitan area | Expand business and strengthen business foundation in the Tokyo metropolitan area by managing vehicle and equipment data centrally and incorporating base functions to optimize maintenance and operational efficiency | · Increase in net sales<br>· Reduction of manufacturing costs and SG&A |

## Honored as gold prize newspaper ad in the Japan BtoB Advertising Awards 2025

We won the gold award in the newspaper category of the 46th Japan BtoB Advertising Awards for our series of advertisements placed on the Nikkei (morning edition) twice on July 30 and August 7, 2024. The gold award is the highest in each of the 15 categories. This is the third time that we won the Japan BtoB Advertising Awards, following in 2022 and 2023.

The advertisements featured our products and construction methods that intended to protect hometowns and people by providing proper preventive maintenance on the pavement and extending its service life. They expressed bright and healthy images through pictures of hometown scenery and its elderly residents, linking them to the importance of maintaining pavement soundness.

The advertisement on August 7 received a comment from the chairperson of the judging committee that its copy, “Resilience withstanding earthquake,” resonates with the picture of a cheerful elderly man who has lived vigorously, which makes it highly persuasive.




Advertisement placed on July 30, 2024



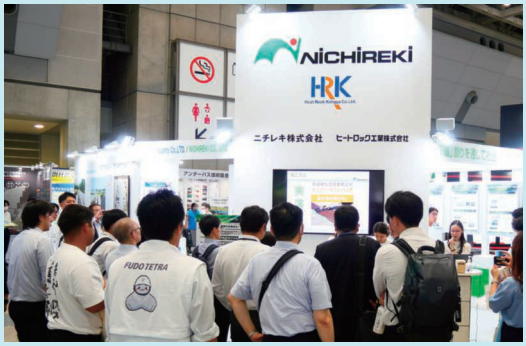

Advertisement placed on August 7, 2024

## Attended the Highway Techno Fair 2024 and the Social Infrastructure Tech 2024

Nichireki Group and its Group company HEAT ROCK INDUSTRY jointly attended the Highway Techno Fair 2024 held at Tokyo Big Sight on September 26 and 27, 2024, which was organized by the Express Highway Research Foundation of Japan, a public interest incorporated foundation.

We introduced information related to the Nichireki Group’s latest technologies with a focus on products, construction methods, and the digital road inspection system that contribute to longer life of highways and bridges. Our presentations on SUPER SHINAYAKAPHALT ▶ P.34 and SUPER ROMEN PATCH ▶ P.40, which included demonstrations, attracted particular attention.

We also attended the Social Infrastructure Tech 2024, a trade show organized by the National Council for Infrastructure Maintenance, Nikkei Inc., and Nikkei Business Publications, Inc., held at Tokyo Big Sight from December 4 to 6, 2024. This trade show is an exhibition on the theme of SDGs for the prevention and maintenance of aging social infrastructure, and we introduced our digital road inspection system including GLOCAL-EYEZ ▶ P.43.




Highway Techno Fair 2024




Social Infrastructure Tech 2024

## Participating in the high-speed railway project in India

Nichireki Group participates in the high-speed railway project in India, where demand for transportation infrastructure such as railways and roads is rising amid a remarkable economic growth in recent years.

In 2009, it was announced that the project would include the construction of seven lines. In 2015, the adoption of Japan's Shinkansen system was agreed at the Japan–India summit meeting. Currently the construction of railway between Mumbai and Ahmedabad (508 km) has been underway as the first step of the project.

On March 6, 2025, we concluded a joint venture agreement with OG Corporation, a trading company that specializes in chemicals and has been operating in India for many years. On April 19, 2025 we established a joint venture (NICHIREKI OG INTERNATIONAL Private Limited) in Vadodara, State of Gujarat in India. Going forward, we will manufacture and sell shock-absorbing materials for Shinkansen track (asphalt emulsion for slab track CA mortar) and offer consulting services. Through these efforts, we aim to build our business foundation in India and contribute to the development of the country's transportation infrastructure.




Planned railway map



During construction

## Sponsorship activities for Utsunomiya Brex

Nichireki Group has been an official sponsor of Utsunomiya Brex of the B. LEAGUE, the men's professional basketball league, since July 2022 as part of our community contribution activities. The team is based in Utsunomiya City, Tochigi Prefecture, where we have the Oyama Manufacturing Plant and the Technical Research Center in Shimotsuke City.

During the 2024–2025 season, Utsunomiya Brex won its third title in the Resona Group B.LEAGUE Championship 2024–2025 that competes for the national annual championship. The third championship is the most in the league. In addition, the team won its first championship in the Basketball Champions League Asia (BCL Asia) 2025, which determines the No.1 team in Asia. By this championship, Utsunomiya Brex earned a qualification for the FIBA Intercontinental Cup (held in Singapore in September 2025), where champion teams from each continent compete.




Winning in the B.LEAGUE Championship 2024–2025




Championship in the BCL Asia 2025