

Financial Results for the 2nd Quarter of FY3/24



November 29, 2023
NICHIREKI CO., LTD.
(TSE Prime, Stock Code: 5011)

A leading company in creating 'roads'
which contributes to the society through creating 'roads'

“Sow the Seeds”



“Sow the Seeds”

“Let us advance forward by sowing the good seeds”.

This is the motto of the Nichireki Group.

Let us sow the strong seeds that will not die even if a severe drought strikes.

By the sweat of our brow,
let us spread fertilizer.

Then the plants will grow up to bear good fruit.

Even if we do not harvest the fruits ourselves,
I believe this:

If we do not sow the seeds and
spread fertilizer,
but only aim to gain the fruits,
we will never enjoy true prosperity.

Eiichi Ikeda (Founder of the Nichireki Group)

Corporate philosophy



Corporate philosophy of Nichireki Group

Basic philosophy (Spirit of sowing the seeds)

Sowing the seeds, giving them water, letting them flower,
Continuously creating new business through the accumulation of unceasing effort

Management philosophy

To ensure the Nichireki Group contributes to the society through creating roads:

- ① **We will supply road paving materials and their corresponding construction methods to satisfy requirements for outstanding functionality and cost.**
- ② **We will offer advanced consulting that watches vigilantly over roads, which are the common assets of the people.**
- ③ **We will implement construction technology that is trusted by customers.**

By completely unifying these elements, the Nichireki Group considers its management philosophy as the aim of remaining a highly profitable corporate group that spearheads the creation of roads worthy of the trust of its stockholders and a wide range of customers. We also strive to ensure that every employee in the Group can exercise his or her abilities to the fullest through meaningful work.

Contents



- I . Corporate Profile
- II . Summary of Financial Results for the 2nd Quarter of FY3/24
- III . Full-Year Business Forecasts for FY3/24

I . Corporate Profile

Corporate Profile



Name	NICHIREKI CO., LTD.
Head office location	4-3-29 Kudan-kita, Chiyoda-ku, Tokyo
Founded	October 1943 (Established in September 1949)
Capital	2,919 million yen
Representative	Manabu Obata, President and Representative Director
No. of employees	972 employees (Consolidated, as of March 31, 2023)
Business description	<ul style="list-style-type: none">▪ Manufacturing and sales of applied and processes asphalt products▪ Manufacturing, processing and sales of construction and civil engineering materials▪ Contracting for road paving, waterproofing, water and sewage and other civil engineering work, including relevant survey and diagnosis, design and administration processes

History of Our Group



1943	Eiichi Ikeda founded Nihon Rekisei Kagaku Kogyosho to engage in construction waterproofing works using asphalt.
1949	Founded a company
1950	Established a Tokyo Plant and Laboratory in Arakawa-ku, Tokyo; started production of asphalt emulsion
1954	Changed the corporate name to Nichireki Kagaku Kogyo Co., Ltd. due to company split and merger, etc.
1968	Built a new head office building in Kudan, Chiyoda-ku, Tokyo (to present)
1974	Listed on the First Section of both Tokyo Stock Exchange and Osaka Securities Exchange.
1977	Opened a technical research center in Oyama Plant in Tochigi Prefecture
1994	Changed the corporate name to NICHIREKI CO., LTD.
2002	Started overseas business by establishing Beijing Luxin Dacheng Exquisite Paving Co., Ltd. in Beijing, a joint venture between Japan and China
2007	Conducted its first M&A, making ASAHI INDUSTRIES CO., LTD. in Oita City, Oita Prefecture a wholly owned subsidiary.
2010	Established a subsidiary NICHIREKI SHANGHAI CO., LTD. in Shanghai, China
2014	Made consolidated subsidiaries into wholly owned subsidiaries
2017-2019	Conducted M&A to make Linephalt Industry Co.,Ltd., Shinwa Kakoh Co., Ltd., and Heat Rock Industry Co., Ltd. wholly owned subsidiaries.
2020	Acquired a large parcel of land in Tsukubamirai City to construct a new production and logistics base (Tsukuba Big Ship)
2022	Selected and shifted to "Prime Market" in accordance with the market reorganization of the Tokyo Stock Exchange
2023	Marked the 80th anniversary on October 26



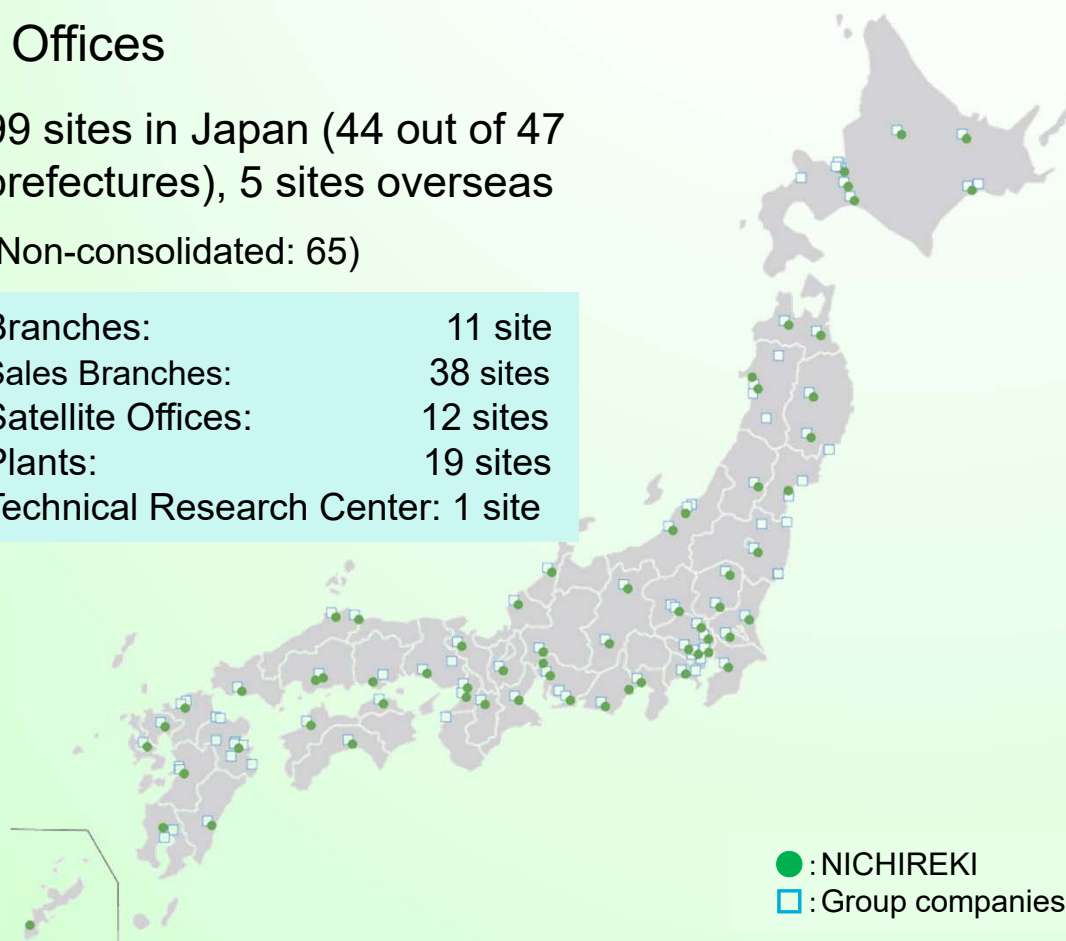
Offices and Group Companies (as of September 30, 2023)



◆ Offices

99 sites in Japan (44 out of 47 prefectures), 5 sites overseas
(Non-consolidated: 65)

Branches:	11 site
Sales Branches:	38 sites
Satellite Offices:	12 sites
Plants:	19 sites
Technical Research Center:	1 site



◆ Group companies (Consolidated subsidiaries)

34 companies including

HOKKAIDO NICHIREKI CONSTRUCTION CO., LTD.
TOHOKU NICHIREKI CONSTRUCTION CO., LTD.
NICHIREKI ROAD CO., LTD.
NICHIREKI SPECIAL CONSTRUCTION CO., LTD.
CHUBU NICHIREKI CONSTRUCTION CO., LTD.
KINKI NICHIREKI CONSTRUCTION CO., LTD.
CHUGOKU NICHIREKI CONSTRUCTION CO., LTD.
SHIKOKU NICHIREKI CONSTRUCTION CO., LTD.
ASAHI KOGYO CO., LTD.
KYUSHU NICHIREKI CONSTRUCTION CO., LTD.
LINEPHALT INDUSTRY CO., LTD.
HEAT ROCK INDUSTRY CO., LTD.

Business Overview



The Nichireki Group develops business activities that offer a wide variety of products, technologies, works, and so forth mainly related to road paving.

● Applied and Processed Asphalt Products Business

Manufacturing and sales of applied and processed asphalt products including asphalt emulsions, modified asphalt, bridge deck slab waterproofing materials, road surface repairing materials, crack repairing materials, landscape paving materials and industrial products, as well as manufacturing, processing, and sales of construction and civil engineering materials

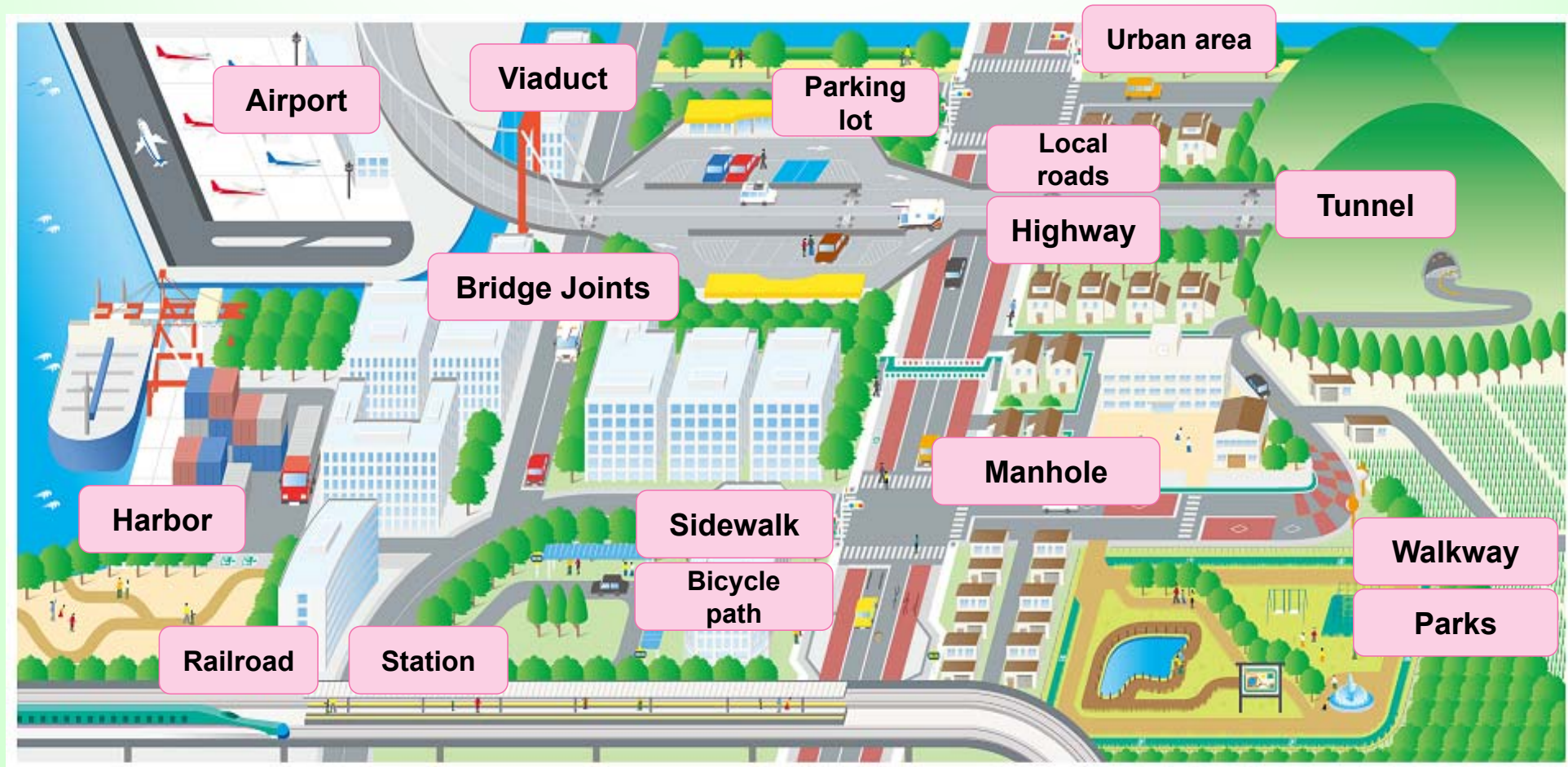


● Road Paving Business

Contracting for road paving, bridge deck slab waterproofing, water and sewage and other civil engineering work, including relevant survey and diagnosis, design and administration processes



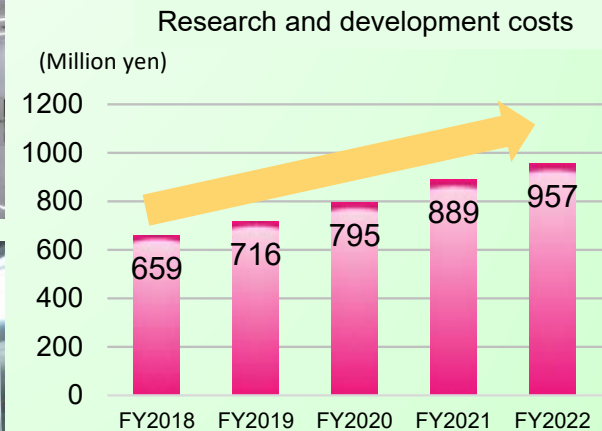
Business Domain



Advantages in Research and Development

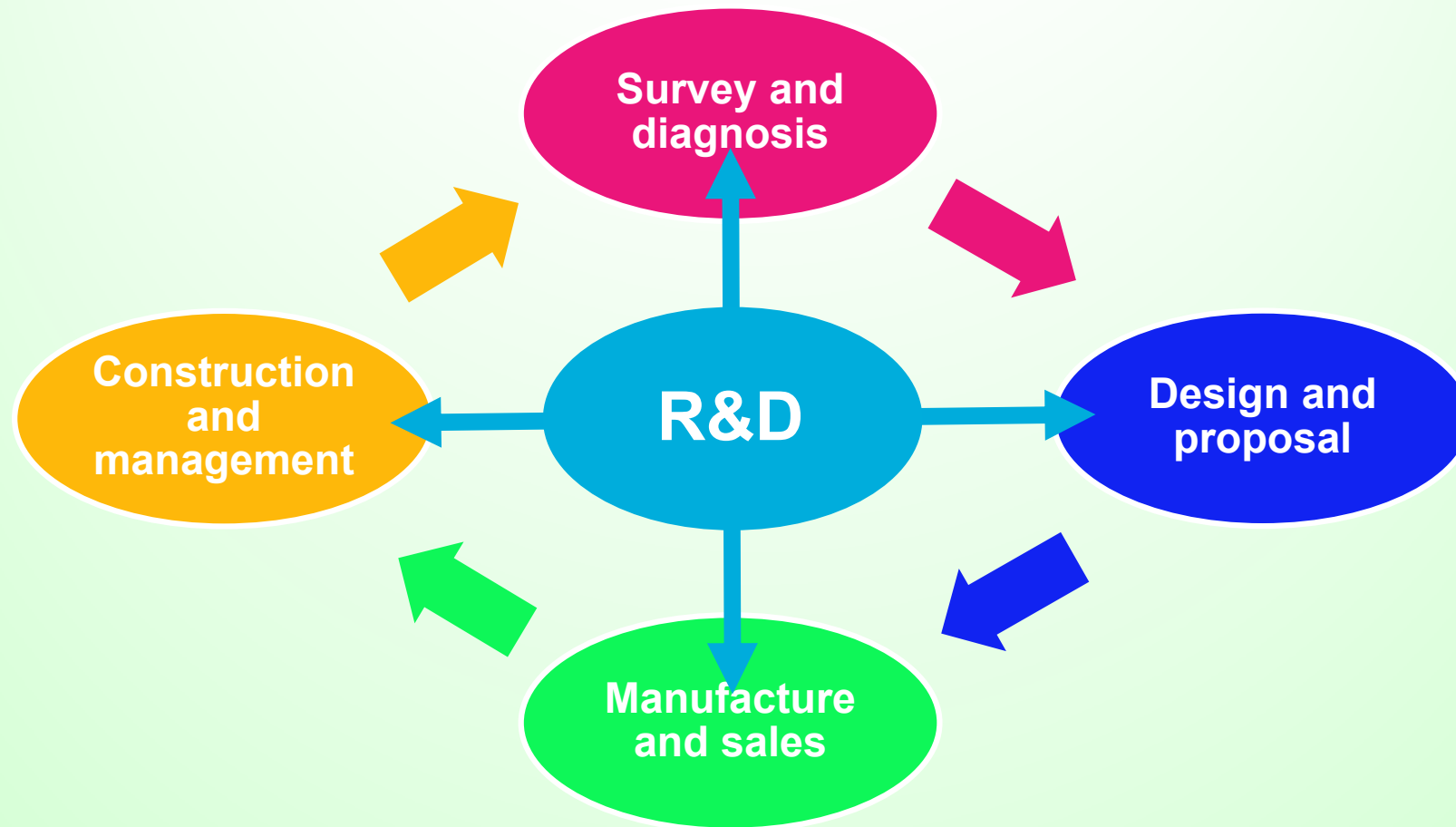


- ◆ About 10 percent (about 40 employees) of the NICHIREKI employees belong to the technical research center and about JPY 1 billion is being invested in research and development
- ◆ Installed performance evaluation testing machines and promoted R&D of eco-friendly products and construction methods in response to the demands of the era of social infrastructure maintenance, such as making roads last longer and making large-scale renewals



(*) The above R&D costs include software-related development costs, etc.

Strengths in the Business Model



Response to Climate Change



The NICHIREKI Group regards the impact of climate change on its business as an important management issue and actively implements measures to address climate change.

■ Endorsement of the Task Force on Climate Related Financial Disclosures (TCFD)

Goals

*Disclosures based on TCFD recommendations are made in the Integrated Report 2023.

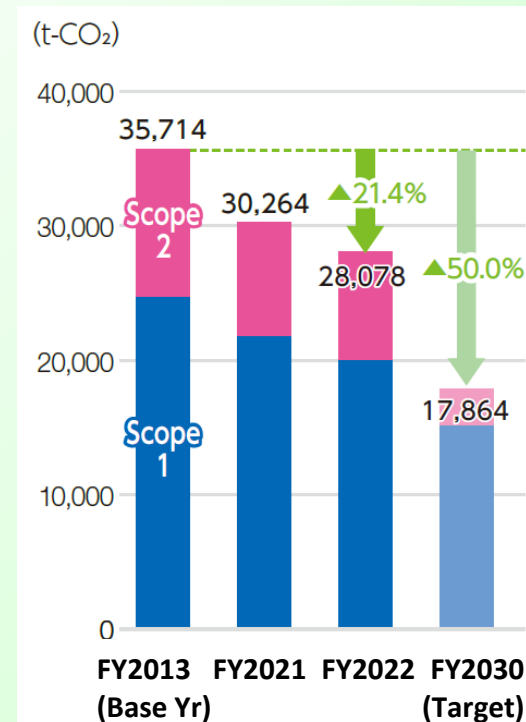
- Reduce greenhouse gas emissions in Scope 1+2 by 50% from FY2013 by FY2030
- Reduce greenhouse gas emissions of the entire value chain to net zero by 2050

Measures



- Reform manufacturing methods, purchase green electricity, promote installation of solar panels, etc.
- Expand sales of environmentally friendly products such as long-life and warm mix modified asphalt
- Promote development of low-carbon, cold-laid pavement materials and construction technology

<CO₂ emission reduction targets>



NICHIREKI's "Tastainability"



The NICHIREKI Group responds to the CO₂ emissions reduction needs of our stakeholders with environmentally friendly products and construction methods.

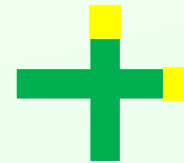
Asphalt emulsion

Modified asphalt

Bridge deck slab
waterproofing

Pavement for
landscaping

etc...



Warm mix



Recycling



Low carbon



Long life



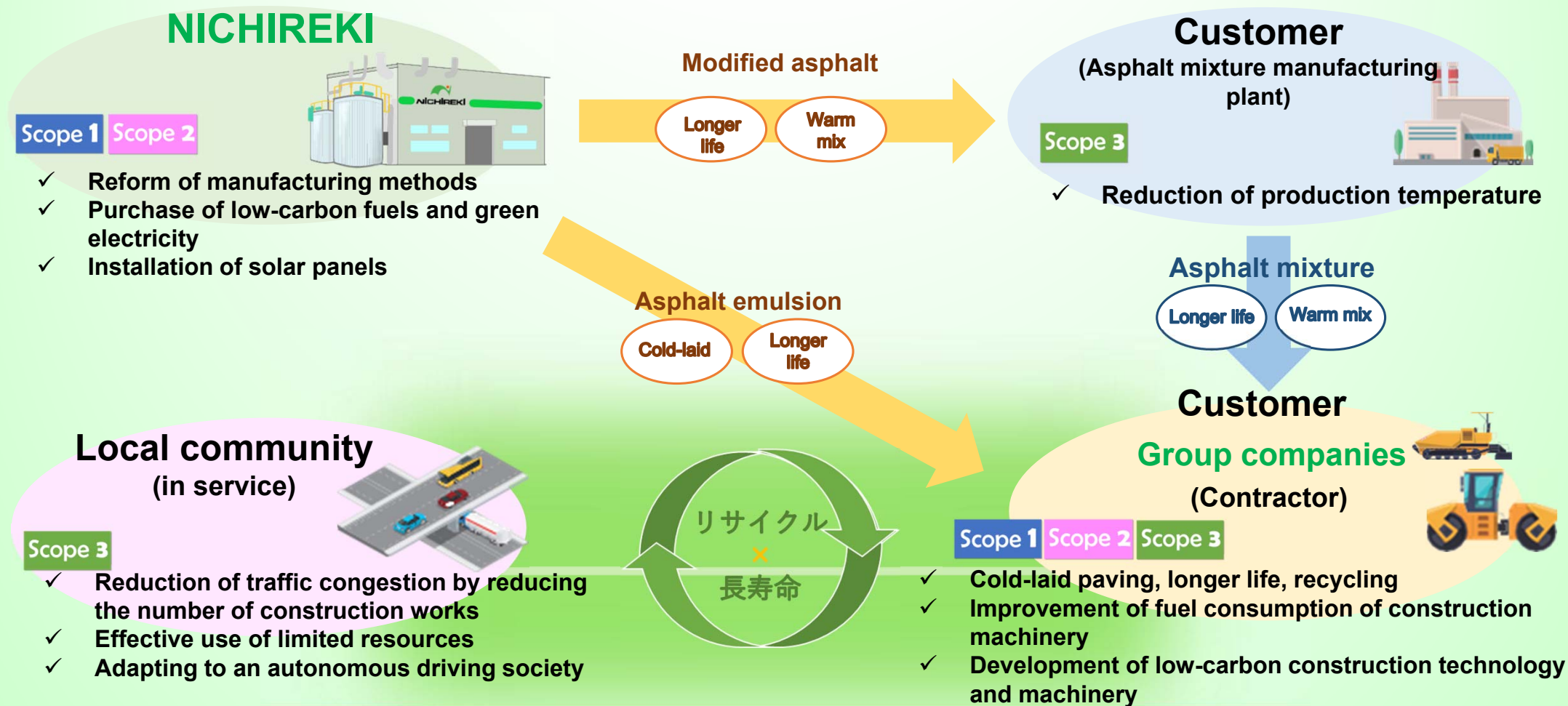
Normal
temperature



Safe and Secure

We contribute to the creation of sustainable roads by "adding" further performance and functions such as longer life, recycling, etc., in other words, "Tastainability". *"Tasu" means "plus" in Japanese. "Tastainability" means plus sustainable feature.

Image of CO₂ Reduction through NICHIREKI's Products and Construction Methods



Super Containerphalt



Reduce **CO₂ emissions** from asphalt mixture production by approx. **13%**

- ◆ A special modified asphalt with extremely high plastic deformation resistance, suitable for heavy-duty applications such as **airports and harbors**.
- ◆ Compared to the conventional our product, Containerphalt S, the manufacturing temperature of the mixture is reduced by approximately **30°C**, from 185°C to 155°C.



足可テコビリテヤ®



Contributes to the **long lifespan** of pavement, reducing the frequency of repairs and contributing to the reduction of CO₂ emissions caused by construction work and traffic congestion.

Super SHINAYAKAPHALT



Reduce **CO₂ emissions** from asphalt mixture production by approx. **22%**

- ◆ Specially modified asphalt that is flexible enough to be bent by hand and tough enough to withstand traffic loads.
- ◆ Compared to the former SHINAYAKAPHALT, the mixture manufacturing temperature is reduced by **50°C** from 180°C to 130°C.



足立コンクリート®



Contributes to a **longer pavement** life and a reduction in the number of construction works to about one-half, thereby reducing CO₂ emissions due to construction work and traffic congestion.

Super Containerphalt + Super SHINAYAKAPHALT



足可テコビリテヤ®



Reduce **CO₂ emissions** by approximately **48%**
by combining long-life and warm mix asphalt products

- ◆ Combination of the Super Containerphalt and the Super SHINAYAKAPHALT, long-life asphalt mixtures, provides unprecedented long-life pavement.
- ◆ This reduces CO₂ emissions by about 48% over the life cycle of 50 road pavements.

Adopted in the Ministry of Land, Infrastructure, Transport and Tourism's "R4 New No. 4 National Road Furukawa Area Paving Construction"

Test construction is conducted to ensure good performance under appropriate construction management.



STABI-CEMENT RC Construction Method



Reduce **CO₂ emissions** by **approx. 22%**
through reusing existing pavement materials

- ◆ Recycling damaged existing pavement in place and constructing new pavement **reduces pavement waste** generated from the site by **approximately 80%**.



足可テオビリテヤ®



Contributes to further reduction of CO₂ emissions by shortening the construction period and reducing associated traffic congestion, etc.

*Comparison with the “construction method of reconstructing full layers”
(Typical local level, design CBR=4, heavy traffic N5)

Super SHINAYAKAPHALT + STABI-CEMENT RC Construction Method



Reduce **CO₂ emissions** by **approx. 49%**
through long-life products and recycling

- ◆ Paving with Super SHINAYAKAPHALT on foundations constructed using the STABI-CEMENT RC Construction Method achieves an unprecedented **extension of pavement lifespan**.
- ◆ This reduces CO₂ emissions by approximately 49% over the 50-year life cycle of the pavement.

足すコビリティ[®]



High-durability Waterproof Methods for Bridge Decks



足すテクノロジー®

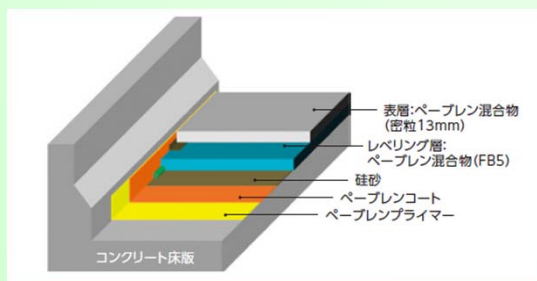


Reduces **CO₂ emissions** by **approx. 50-75%** over the 50-year life cycle of the pavement through long-life products

- ◆ Bridges are important lifelines that connect people, traffic, and the economy, and need to last long. Therefore, highly durable floor slab waterproofing is required to prevent water from seeping into the concrete slabs that support the pavement.
- ◆ NICHIREKI proposes an appropriate high-durability bridge waterproofing method from a variety of menus according to the site.

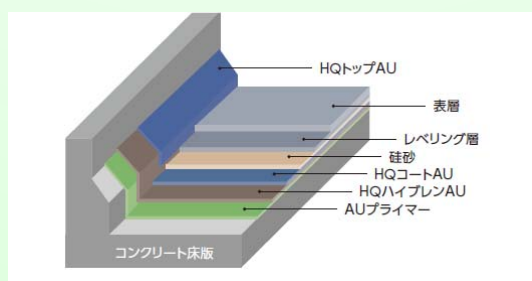
Reduce CO₂ by 75%

Waterproof pavement method
HQ PAVERANE construction method



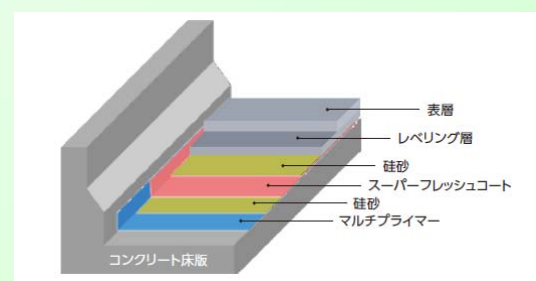
Reduce CO₂ by 75%

High-performance waterproof methods for bridge decks
HQ HIBRANE AU construction method



Reduce CO₂ by 50%

High-penetration composite waterproof method
MULTI FRESH construction method

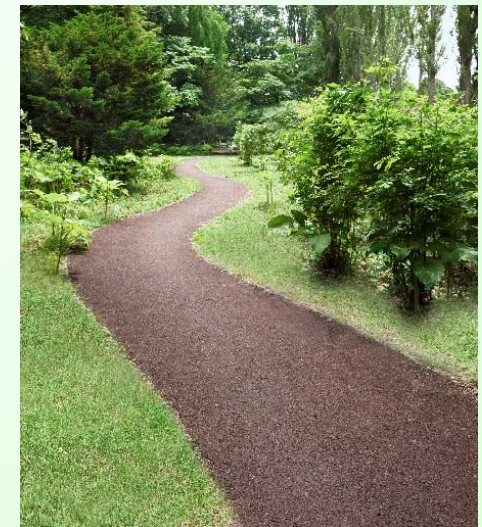


ASWOOD Paving



Reduce **CO₂ emissions** by approx. **34%** compared to conventional heated pavement

- ◆ Woodchip pavement constructed by cold-laid paving
- ◆ Excellent water permeability and soft texture, blend with the natural surroundings, and consider the **landscape**



足立木材株式会社[®]



By using **thinned wood** without burning it, CO₂ is fixed without emitted to the atmosphere.



For example, if 1,000 square meters of 4cm thick are constructed with ASWOOD paving, the amount of CO₂ that can be fixed is equivalent to the amount absorbed by about **1,300 cedar trees annually**.

Consideration for Roadside Conditions



We provide stakeholders with safety and peace of mind by improving roadside conditions through the use of “Tastainability” products/construction methods.

SUPER ROMENPATCH

Reduction of noise
and vibration



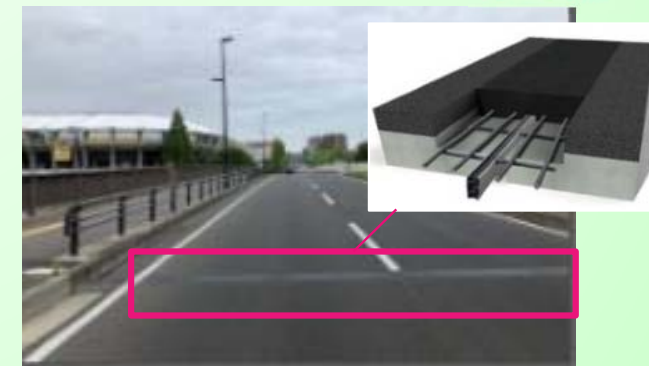
CHEMIPHALT MX

Traffic safety/ Noise
reduction



SEAMLESS JOINT

Reduction of noise
and vibration



II . Summary of Financial Results for the 2nd Quarter of FY3/24

Financial Highlights I (Business environment)



Business Environment Surrounding Our Group

◆ Public investment remained steady

Measures to prevent disasters, mitigate disasters, and strengthen national land, etc. continue.

◆ Raw material prices remain high

The situation will continue to require close monitoring of trends in crude oil prices, foreign exchange rates, and other factors.

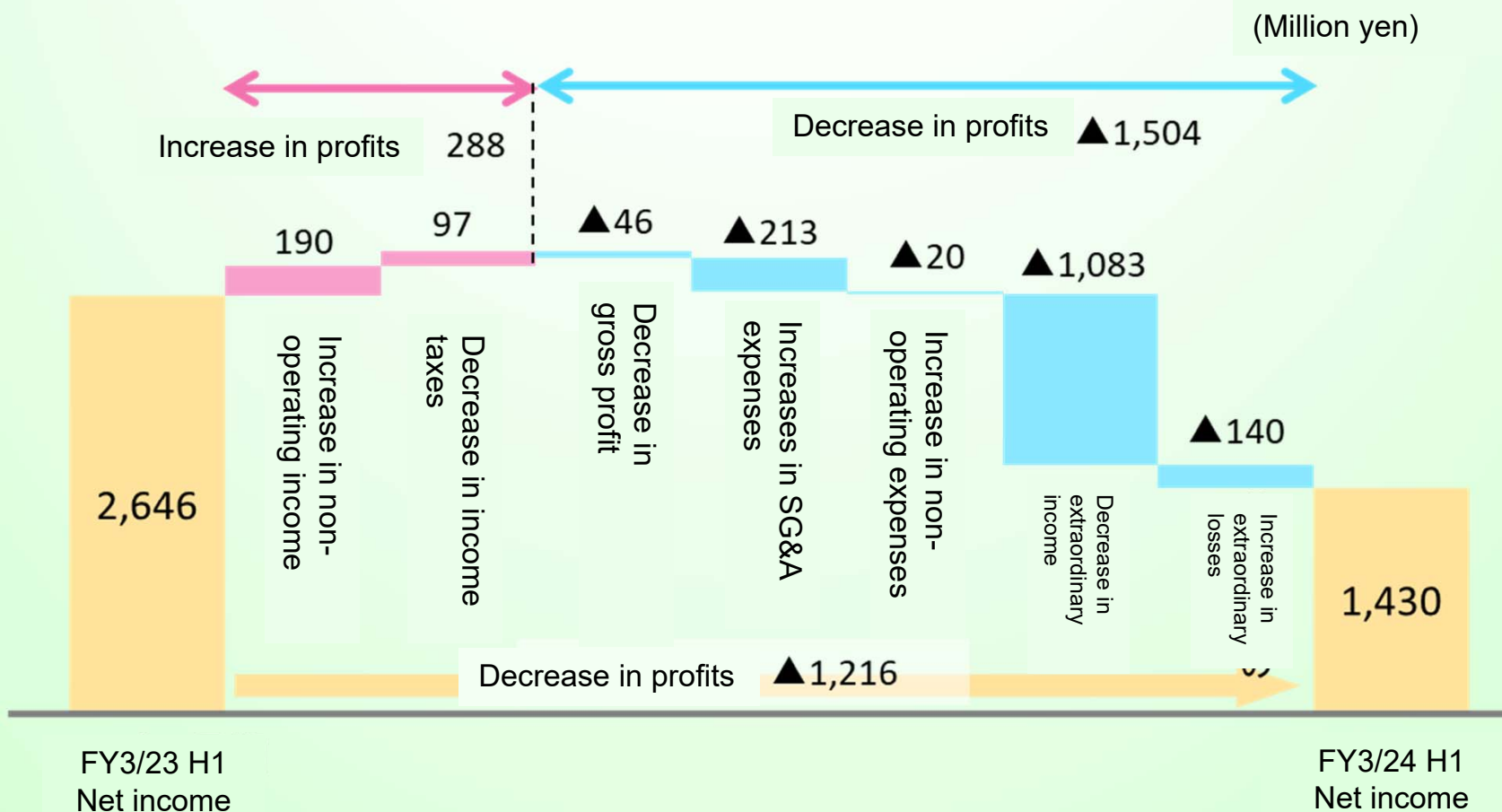
Financial Highlights II (Consolidated Business Results)



(Million yen)

	1H FY3/23	1H FY3/24	YoY change (%)
Net sales	33,677	32,285	▲4.1% ↑
Gross profit	7,170	7,123	▲0.7% ↓
SG&A expenses	4,992	5,205	4.3% ↑
Operating income	2,178	1,918	▲11.9% ↓
Ordinary income	2,441	2,351	▲3.7% ↓
Net income attributable to owners of parent	2,646	1,430	▲46.0% ↓

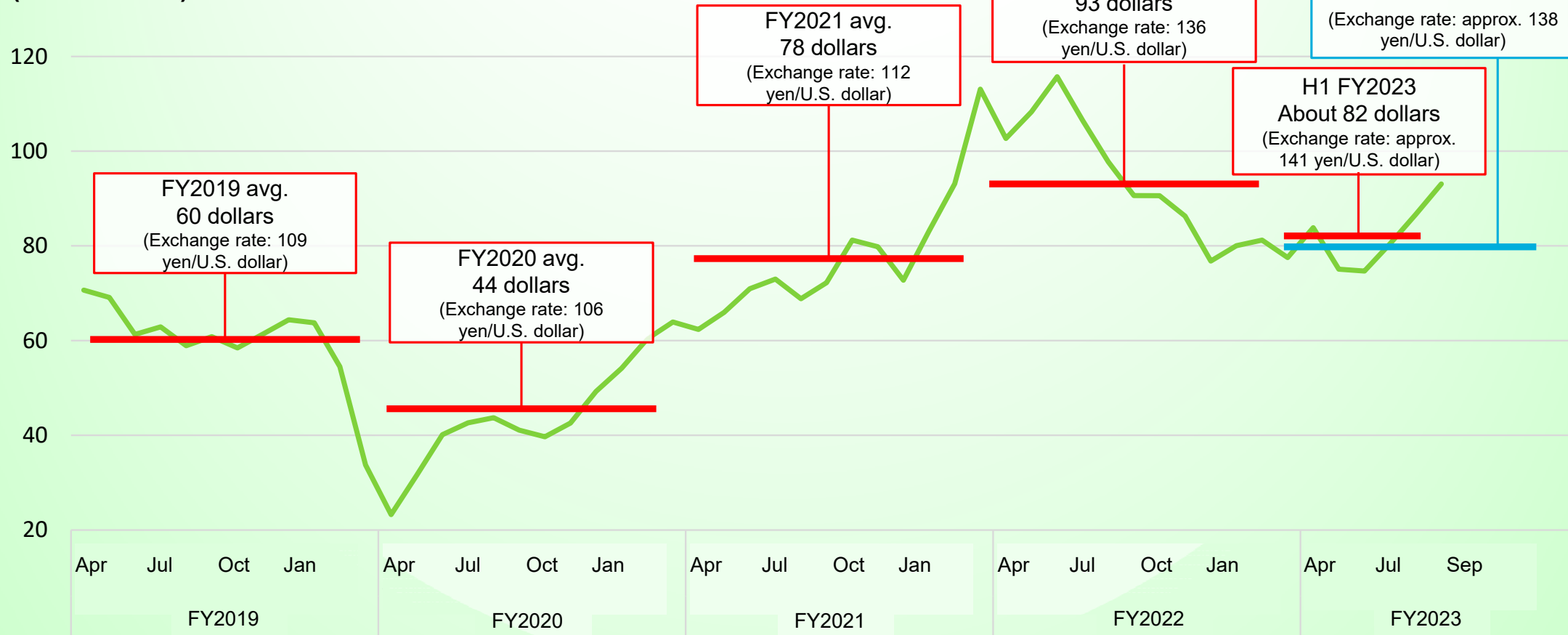
Analysis on Changes in Net income



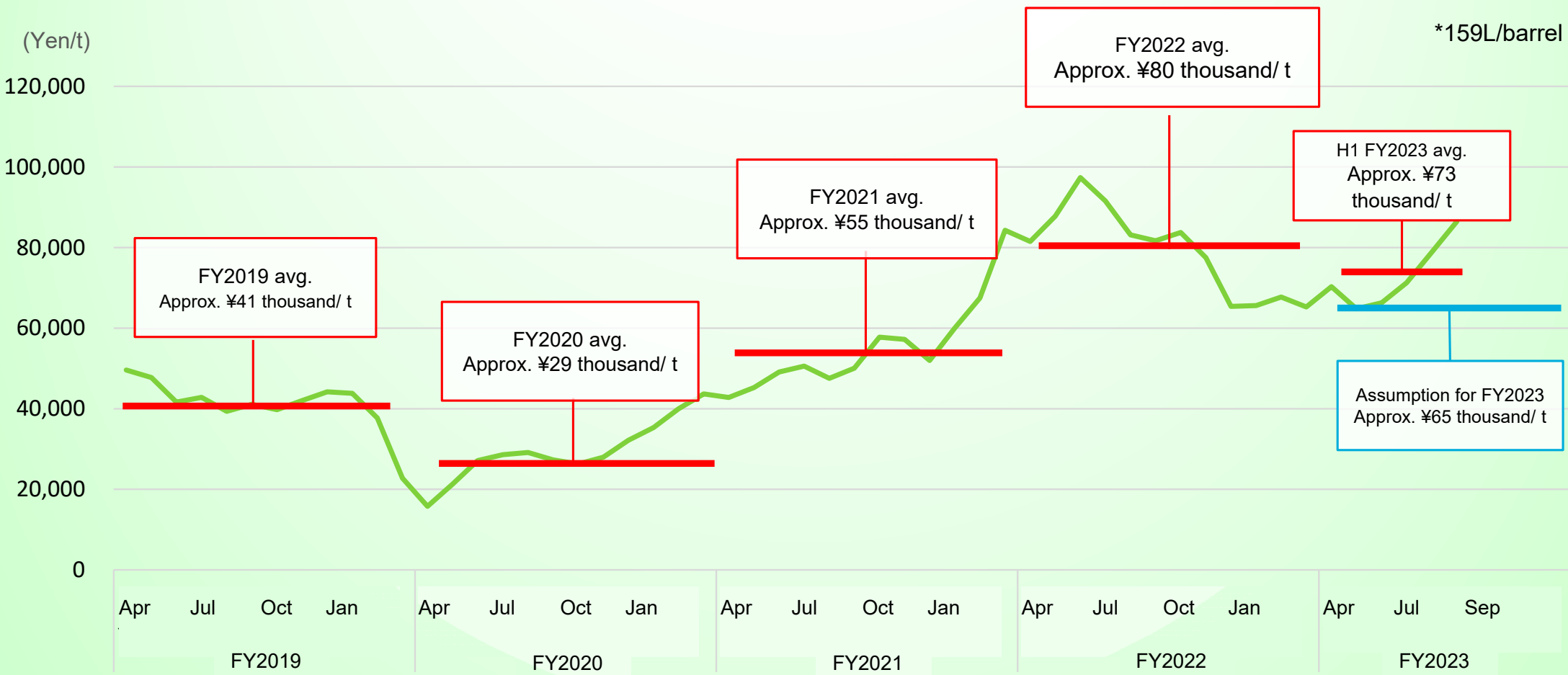
Reference: Dubai Crude Oil Prices (Dollar/barrel)



(Dollar/barrel)



Reference: Dubai Crude Oil Prices (Yen/t)



Financial Highlights Ⅲ (by Segment)



Applied and Processed Asphalt Products Business

- ◆ Respond to raw material prices that continue to remain high
- ◆ Further strengthen activities to design and receive orders for high value-added products with longer life, higher performance, and reduced environmental impact

Road Paving Business

- ◆ Propose construction methods related to disaster prevention, mitigation, and national land resilience to increase the number of orders
- ◆ Steady execution of the construction

Financial Highlights IV (by Segment)



(Million yen)

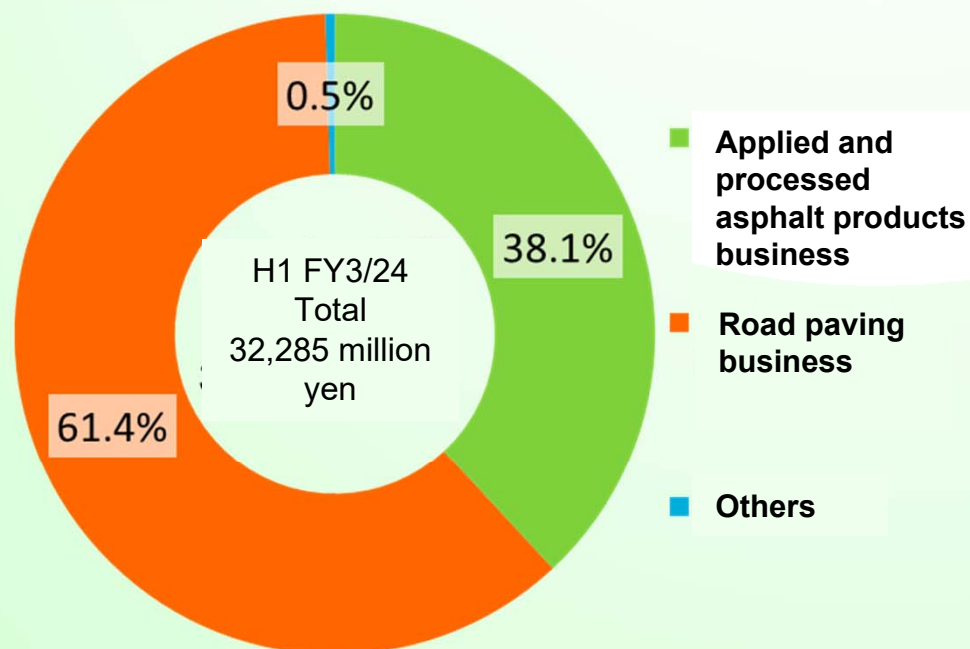
	Applied and Processed Asphalt Products Business			Road Paving Business		
	H1 FY3/23	H1 FY3/24	YoY change	H1 FY3/23	H1 FY3/24	YoY change
Segment sales	12,760	12,296	▲3.6% ↓	20,763	19,834	▲4.5% ↓
Segment profit	2,785	2,387	▲14.3% ↓	972	1,265	30.2% ↑
Segment profit margin	21.8%	19.4%	▲2.4pt ↓	4.7%	6.4%	1.7pt ↑

*Segment sales in the Applied and Processed Asphalt Products Business refer to sales to external customers.

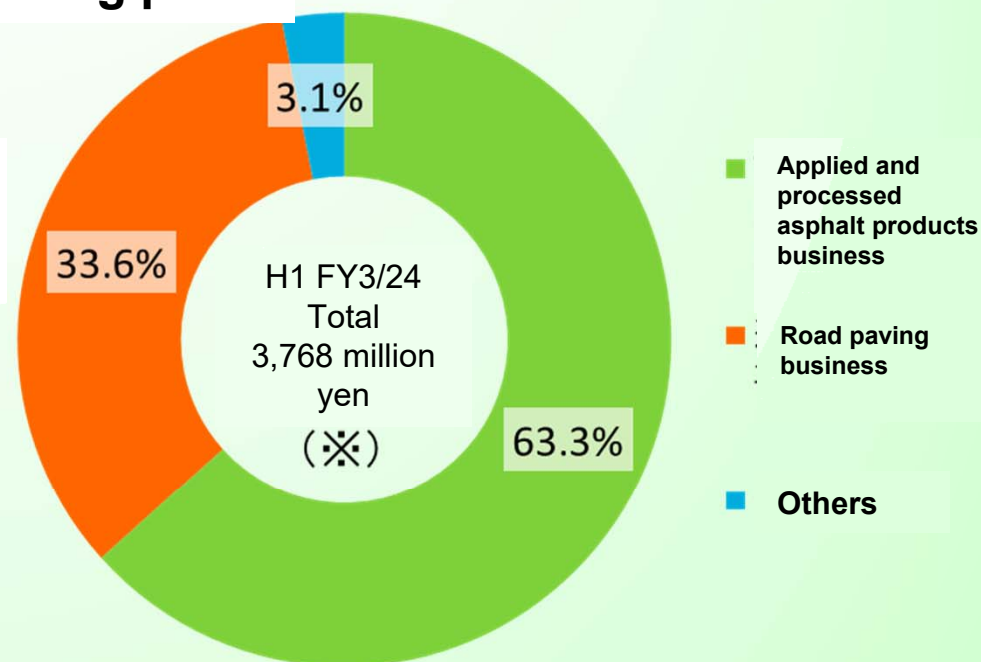
*Segment profit is the amount before eliminating inter-segment transactions and adjusting for company-wide expenses.

Ratios of Operating Results by Segment

Net Sales



Operating profit

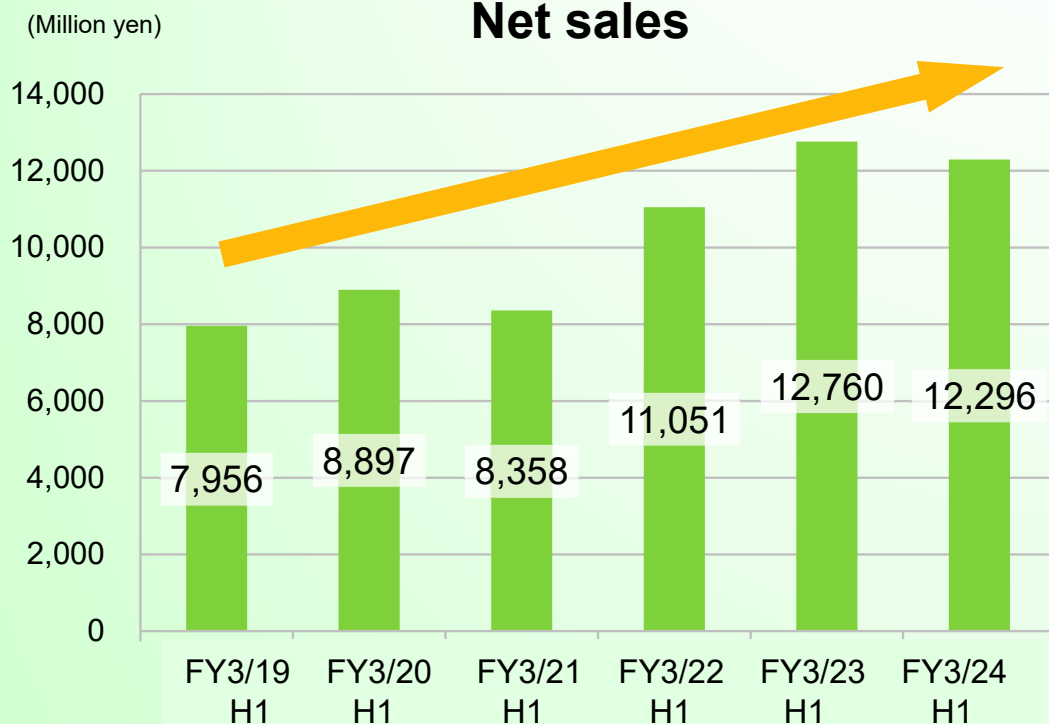


※: Amount before adjustment of 1,850 million yen, which includes elimination of inter-segment transactions and corporate expense

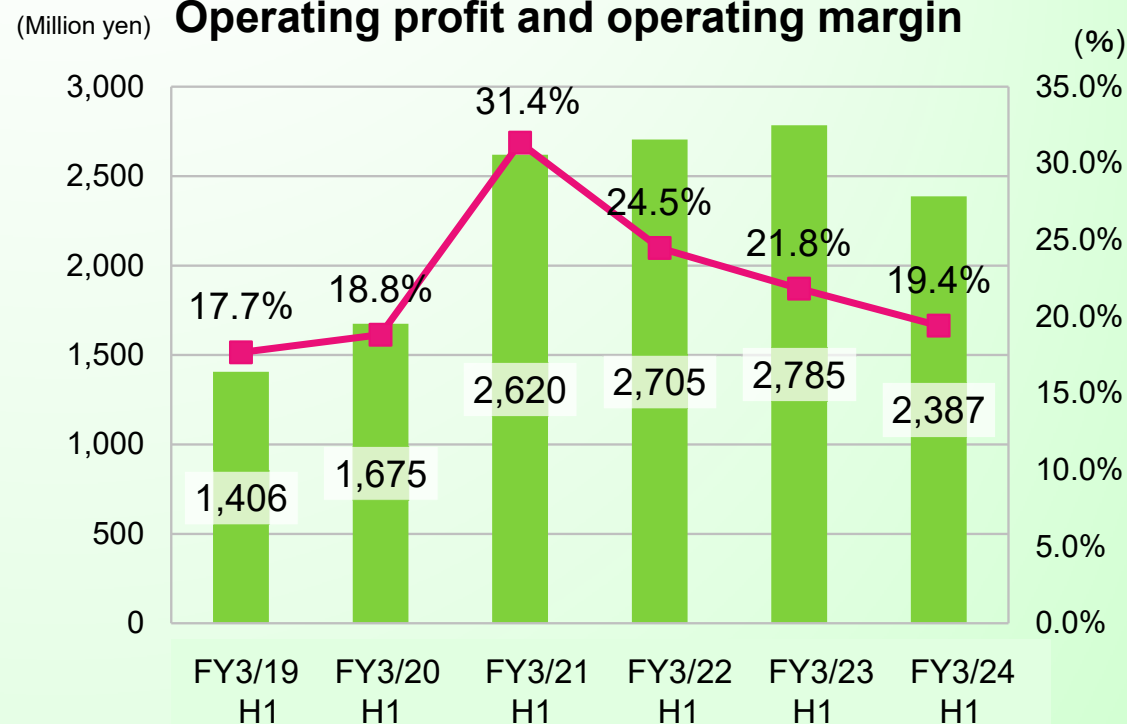
Changes in Operating Results by Segment (Applied and Processed Asphalt Products Business) [H1]



Net sales

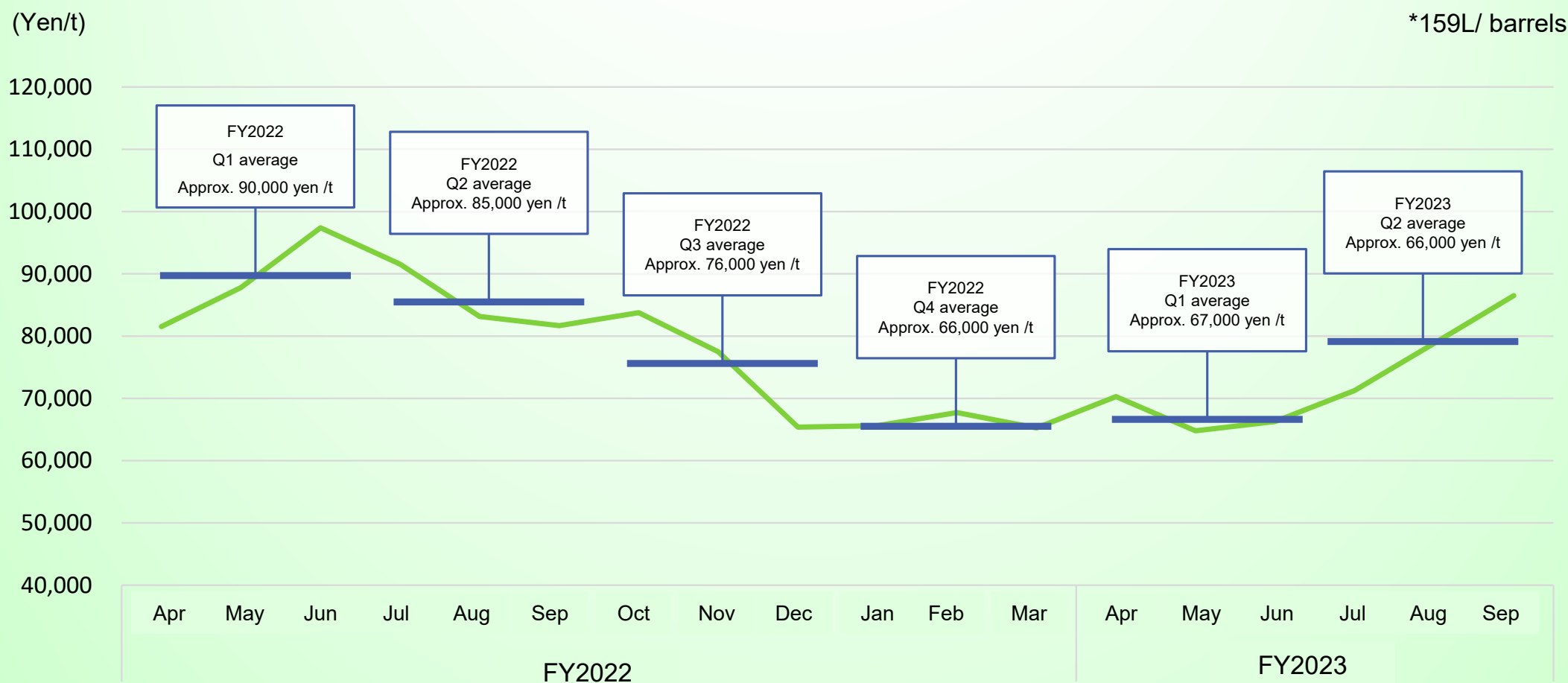


Operating profit and operating margin

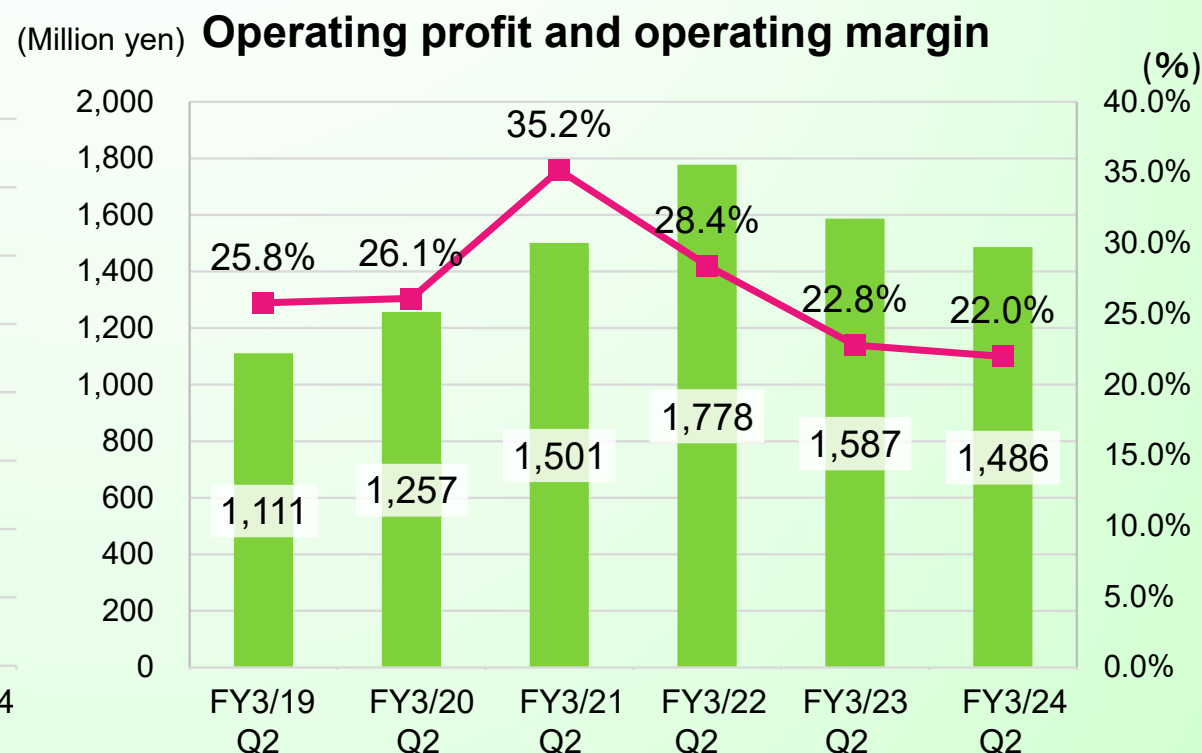
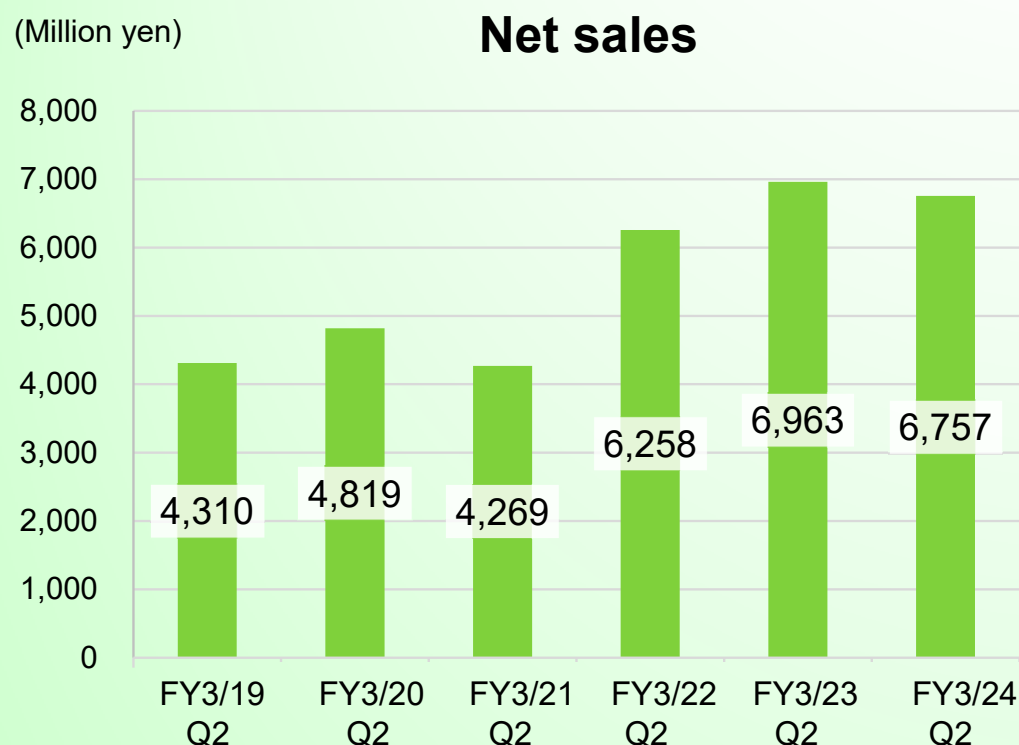


*Segment sales are sales to external customers only. Segment profit is the amount before eliminating inter-segment transactions and adjusting for company-wide expenses.

Reference: Dubai Crude Oil Prices (Yen /t)



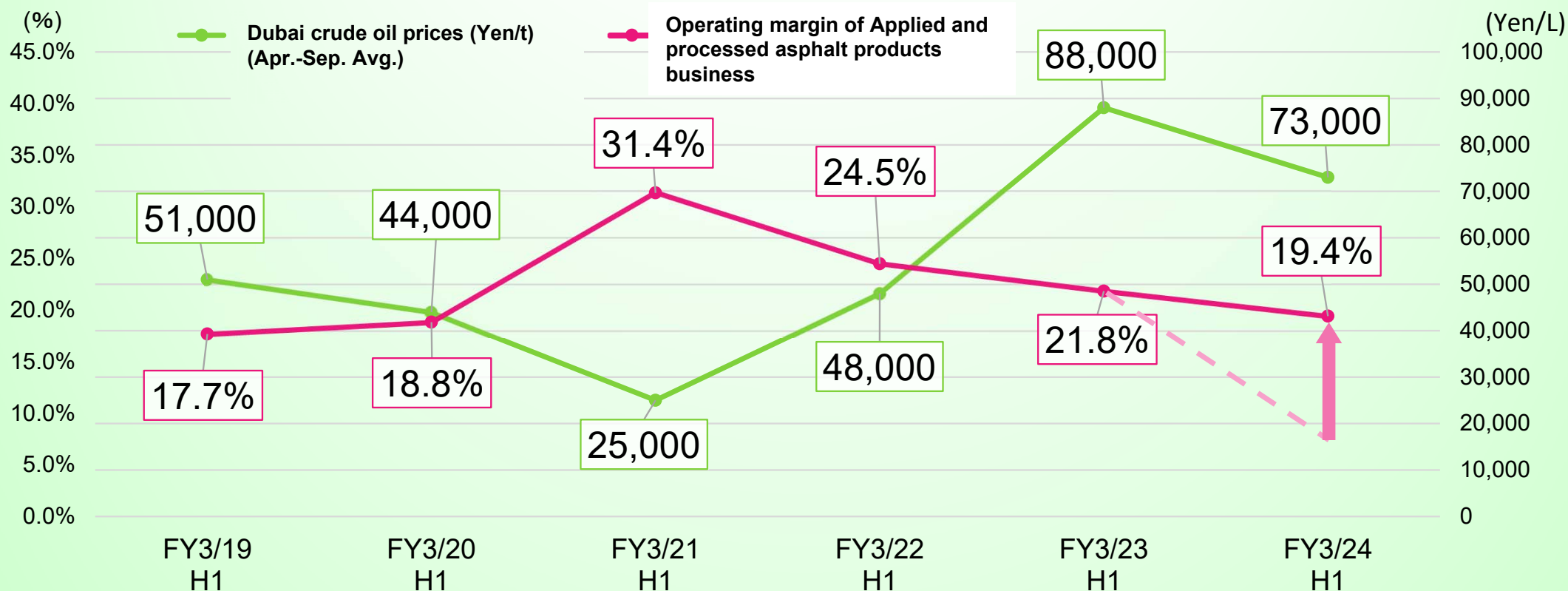
Changes in Operating Results by Segment (Applied and Processed Asphalt Products Business) [Q2 Alone]



*Segment sales are sales to external customers only. Segment profit is the amount before eliminating inter-segment transactions and adjusting for company-wide expenses.

Changes in Operating Margin and Dubai Crude Oil Prices (Avg.)

◆ Considering the impact of exchange rates

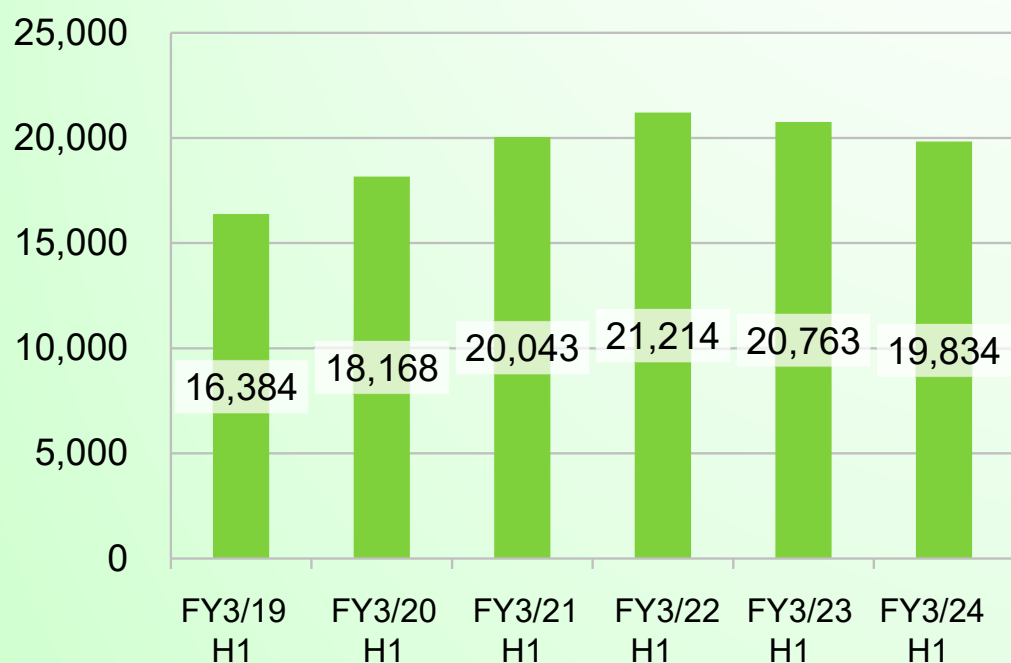


Changes in Operating Results by Segment (Road Paving Business) [H1]



Net sales

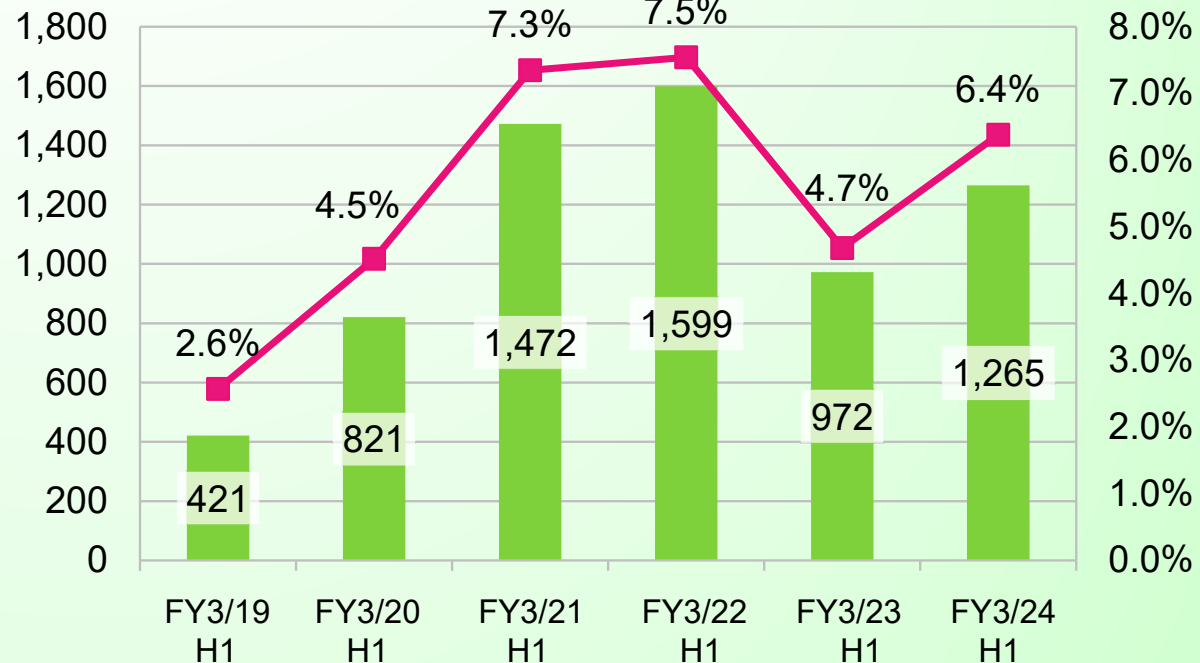
(Million yen)



Operating profit and operating margin

(Million yen)

(%)

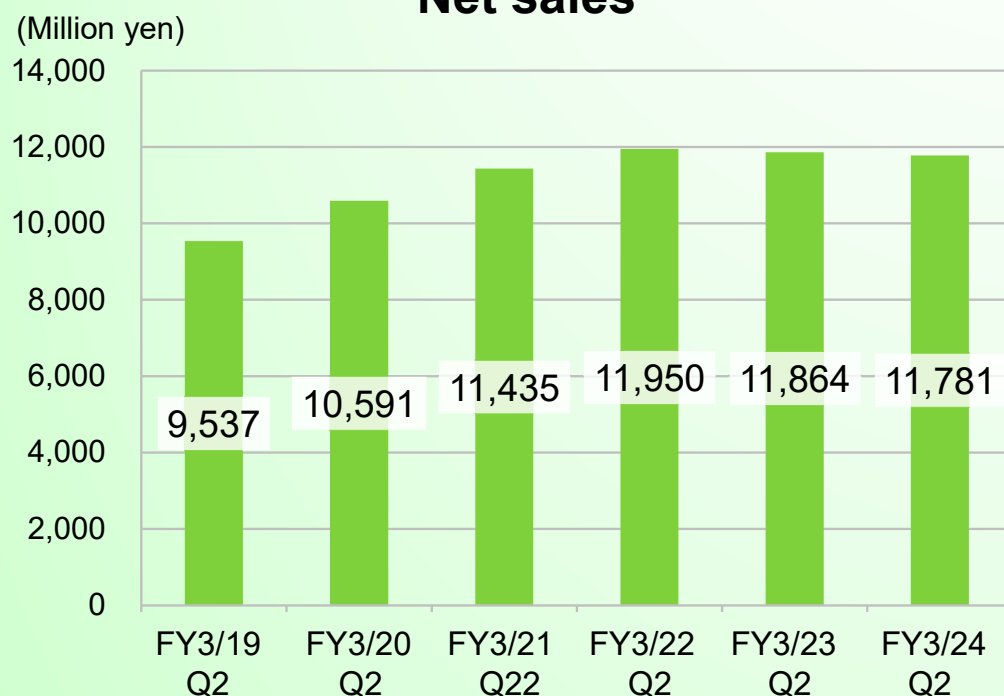


*Segment sales are sales to external customers only. Segment profit is the amount before eliminating inter-segment transactions and adjusting for company-wide expenses.

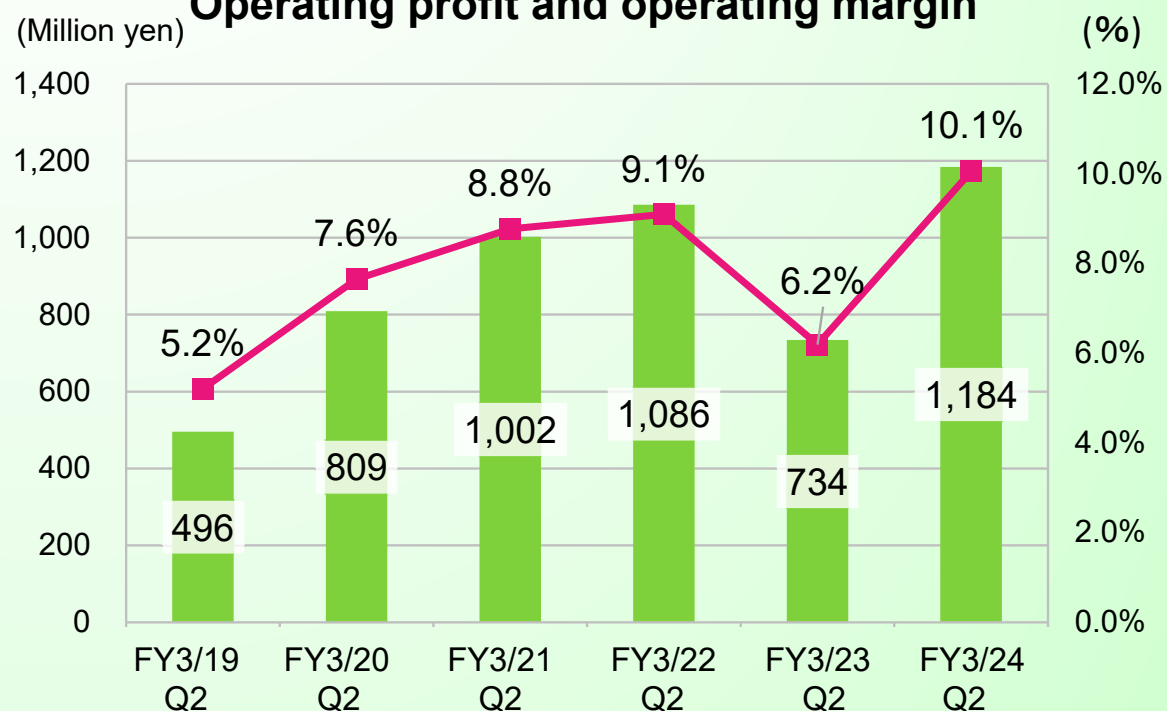
Changes in Operating Results by Segment (Road Paving Business) [Q2 Alone]



Net sales



Operating profit and operating margin



*Segment sales are sales to external customers only. Segment profit is the amount before eliminating inter-segment transactions and adjusting for company-wide expenses.

Balance Sheet (September 30, 2023)



*: figures in brackets indicate increase/decrease for end-FY3/23

(Unit: Million yen)

Assets	Current assets 47,795 (-7,071)	Current liabilities 15,784 (-1,865)	Liabilities 17,702 (-1,301)
		Fixed liabilities 1,918 (+564)	
	Fixed assets 40,847 (+4,240)	Net assets 70,940 (-1,529)	
88,643 (-2,830)			

Topics (1)



Apr

Established Joint Development Division at Tohoku University Graduate School

Registration of "GLOCAL-EYEZ" in the Ministry of Land, Infrastructure, Transport and Tourism catalog

Established NICHIREKI Osaka Sales Office, KINKI NICHIREKI CONSTRUCTION Minami-Osaka Branch, LINEPHALT Head Office

May

Appeared on the radio program "Souba-no-Fukunokami" (" God of Fortune in the Stock Market ") by Radio NIKKEI

July

The interview was published in Tohoku Journal

Established NICHIREKI Nasu Sales Office and NICHIREKI ROAD Nasu Sales Office

Advertisement in Nihon Keizai Shimbun (1)

Aug

Advertisement in Nihon Keizai Shimbun (2)

Topics (2)



Sep

IR briefings for individual investors

Issued Integrated Report 2023 (Japanese version)

GLOCAL-EYEZ passed the performance verification test

Nov

Won the Paper Award at the 35th Japan Road Conference

Won the Special Award at the Infrastructure DX Competition

Exhibition at Highway Techno Fair 2023

Oct

Article published in Nikkan Kogyo Shimbun

Participation in the 27th World Road Congress

Capital and business alliance with ITOCHU ENEX CO.,LTD.

Won the Grand Prize at the 72nd Nikkei Advertising Awards

Demonstration experiment with Tohoku University Graduate School IMC

Issued Integrated Report 2023 (English version)

Establishment of Joint Research Division at Tohoku University Graduate School



- ◆ In April 2023, in collaboration with the Center for Infrastructure Management (IMC), Graduate School of Engineering, Tohoku University, the Infrastructure Management "Tastainability" Joint Research Division was established.



Demonstration Experiment in Yamagata Prefecture



◆ October 2023

The "Infrastructure Management Sustainability Joint Research Department" conducted a demonstration experiment of pavement repair work with the participation of local residents in Kaminoyama City, Yamagata Prefecture.

The construction was carried out by two kinds of surface treatment methods, i.e. the existing SURFTREAT Construction Method and the new method experimentally manufactured for the community road.

This method does not require large-scale construction machinery and can be constructed at normal temperature, so that local residents and local staff members could easily repair it. The durability will be analyzed to improve the prototype.



GLOCAL-EYEZ Passed the Performance Verification Test



◆ September 2023

GLOCAL-EYEZ, a smartphone-based road inspection DX system jointly developed with the Smart City Research Institute, Inc., passed the 2023 Performance Verification Test for Automated Road Property Measurement Equipment (Vehicle-equipped Equipment Type) conducted by the Civil Engineering Research Center. (2023-degree test items: cracks, rutting, flatness)



Featured in Newspapers



◆ October 3, 2023

Nikkan Kogyo Shimbun (The Daily Industrial News)'s "17 Case Study Goals & 169 Targets" features Nichireki's SDG initiatives.

Our Super SHINAYAKAPHALT, the STABI-CEMENT RC Construction Method, and other examples of contributions to the reduction of CO₂ emissions through pavement materials were presented.



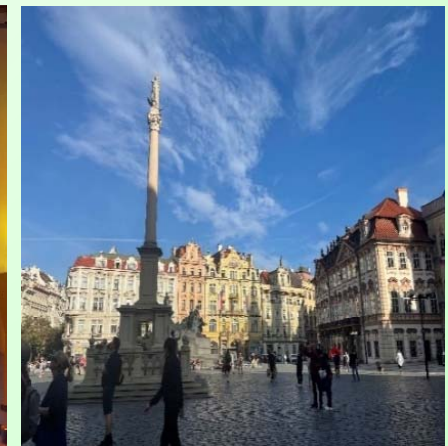
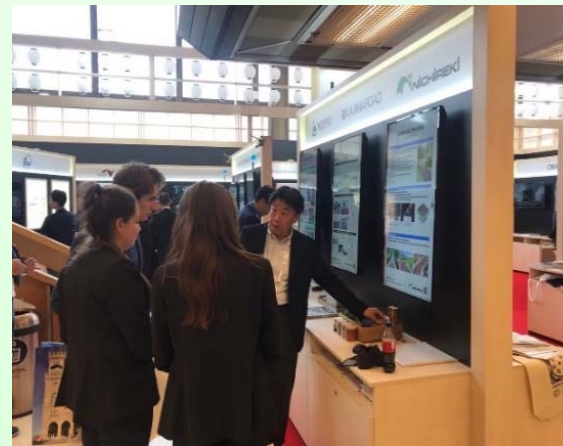
Exhibited at the 27th World Road Congress at Prague



◆ October 2-6, 2023

We exhibited at the 27th World Road Congress held by the World Road Association (PIARC) in Prague, Czech Republic.

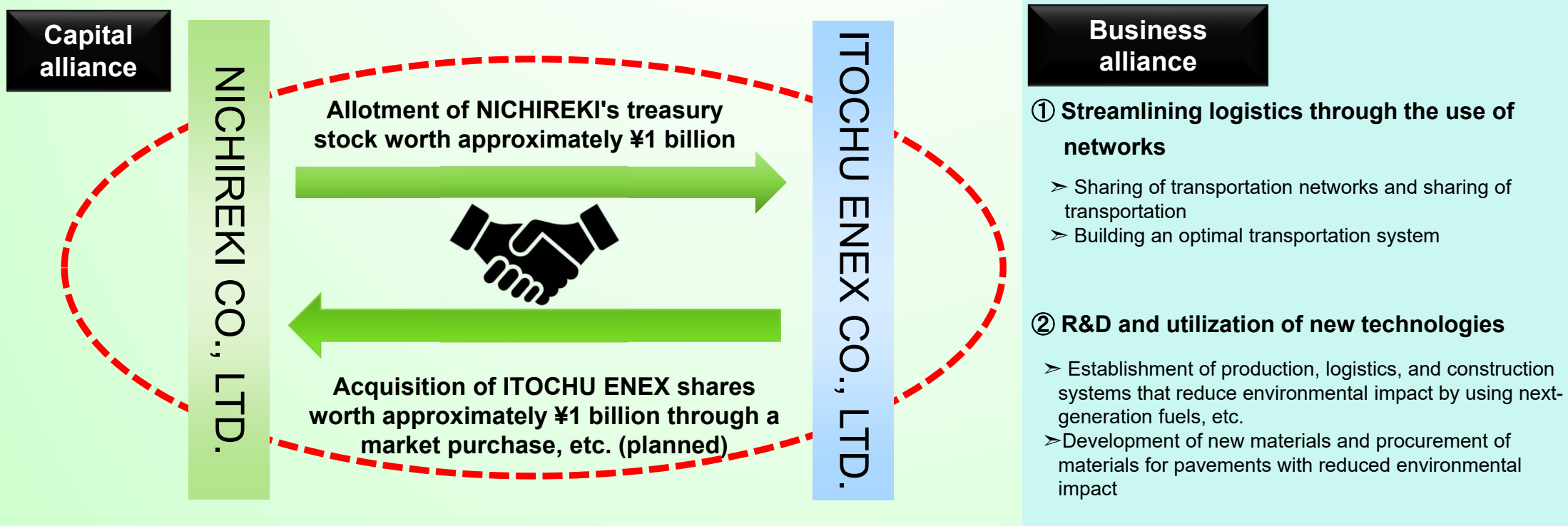
◆ In the technology exhibition, NICHIREKI products and construction methods were introduced in Japan Pavilion by the Japan Road Association. In particular, NICHIREKI's environmentally friendly products and construction methods, including ASWOOD Paving, attracted attention from participants in countries around the world.



Capital and Business Alliance with ITOCHU ENEX CO.,LTD.



Build a long-term partnership by further developing and strengthening the relationship between the two companies in such areas as logistics, research and development, and the utilization of new technologies.



Won the Grand Prize at the 72nd Nikkei Advertising Awards



- ◆ July 25 and August 3, 2023: A series of ads ran for two consecutive weeks in the morning edition of the Nihon Keizai Shimbun (Nikkei Newspaper).
- ◆ NICHIREKI's attitude of contributing to society by protecting infrastructure, copy that intertwines literary works and the Bible, and powerful expressions using high-impact photographs were highly evaluated and won the "Grand Prize," the top prize out of approximately 8,000 entries.



Won the Excellent Paper Award at the 35th Japan Road Conference



◆ November 1-2, 2023

At the 35th Japan Road Conference sponsored by the Japan Road Association, 2 papers on our technology received awards.

① Pavement Division General Paper, Oral Presentation, Award of Excellence

"Development of Polymer-Modified Asphalt Contributing to Long-Life and Low-Carbon Paving": [Super SHINAYAKAPHALT](#)

② Pavement Division General Paper, Oral Presentation, Award of Excellence

"Development of Road Surface Rutting Evaluation Technology Using Cameras Installed in Vehicles": [GLOCAL-EYEZ](#)

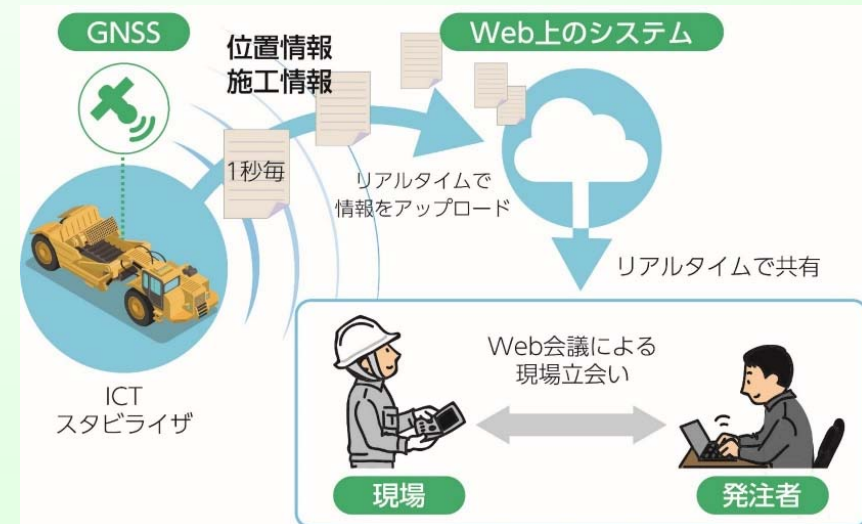


Won the Special Award at the Infrastructure DX Competition



◆ November 1, 2023

At the Infrastructure DX Competition held at the Construction Technology Expo 2023 Kinki region, he presented his work on roadbed rehabilitation using ICT technology and received the Jury's Special Award.

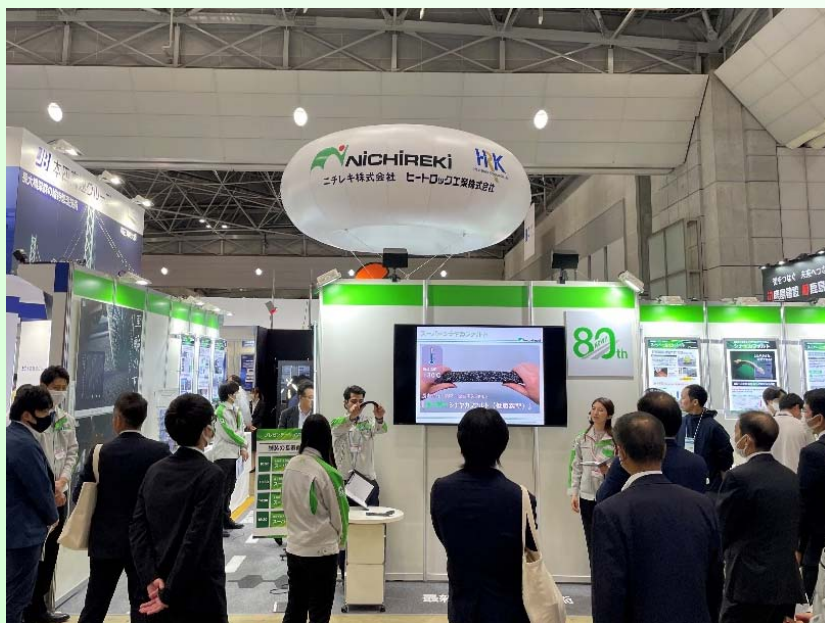


Exhibition at Highway Techno Fair 2023



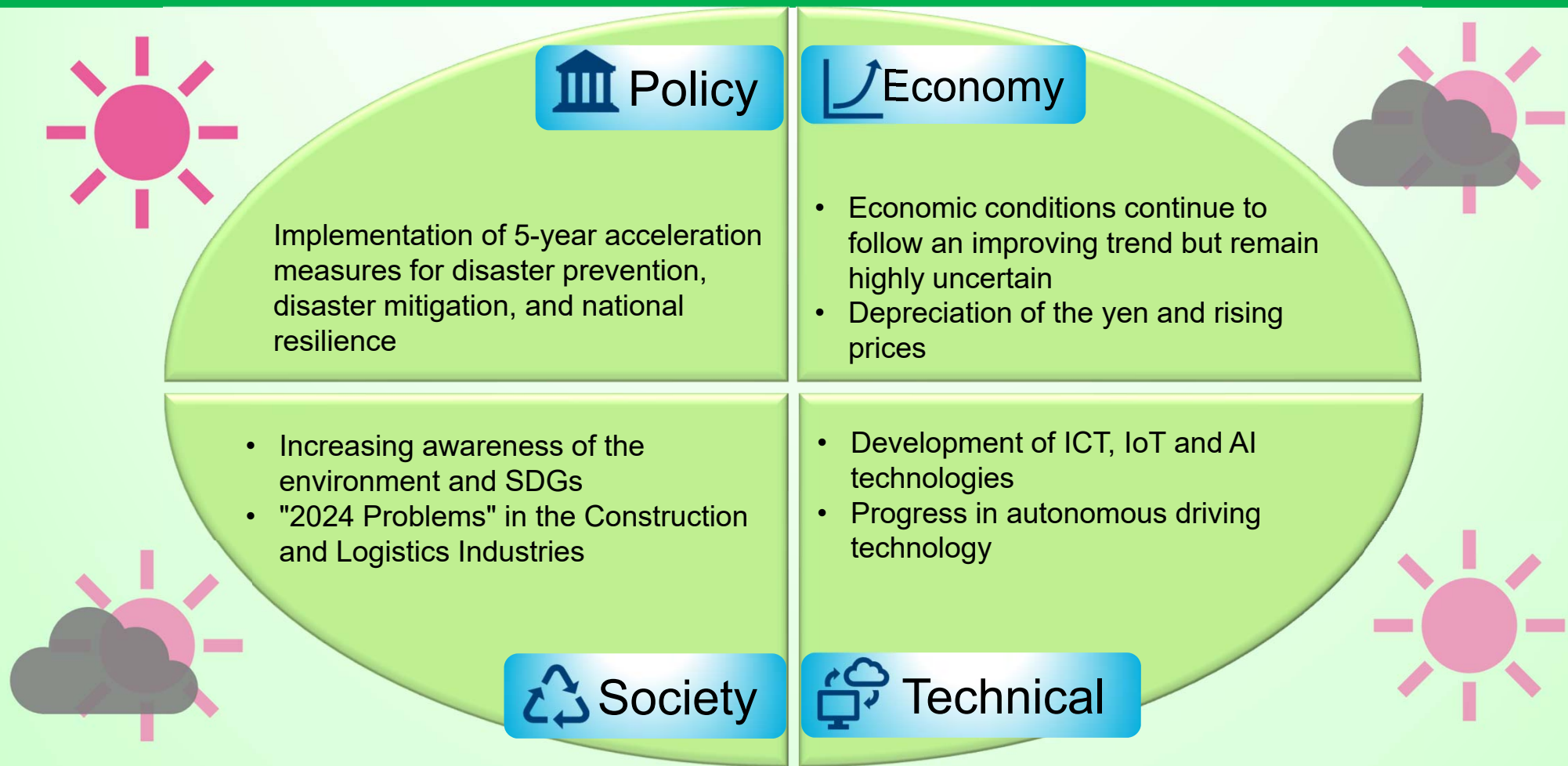
◆ November 9-10, 2023

Jointly exhibited with Heat Rock Industry Co., Ltd. at an exhibition sponsored by the Expressway Survey Association. This exhibition introduces the pavement technology on the life extension of the expressway.



Ⅲ. Full-Year Business Forecasts for FY3/24

Expansion of Acquisition Limit of Treasury Stock



Full-Year Business Forecasts (Consolidated)

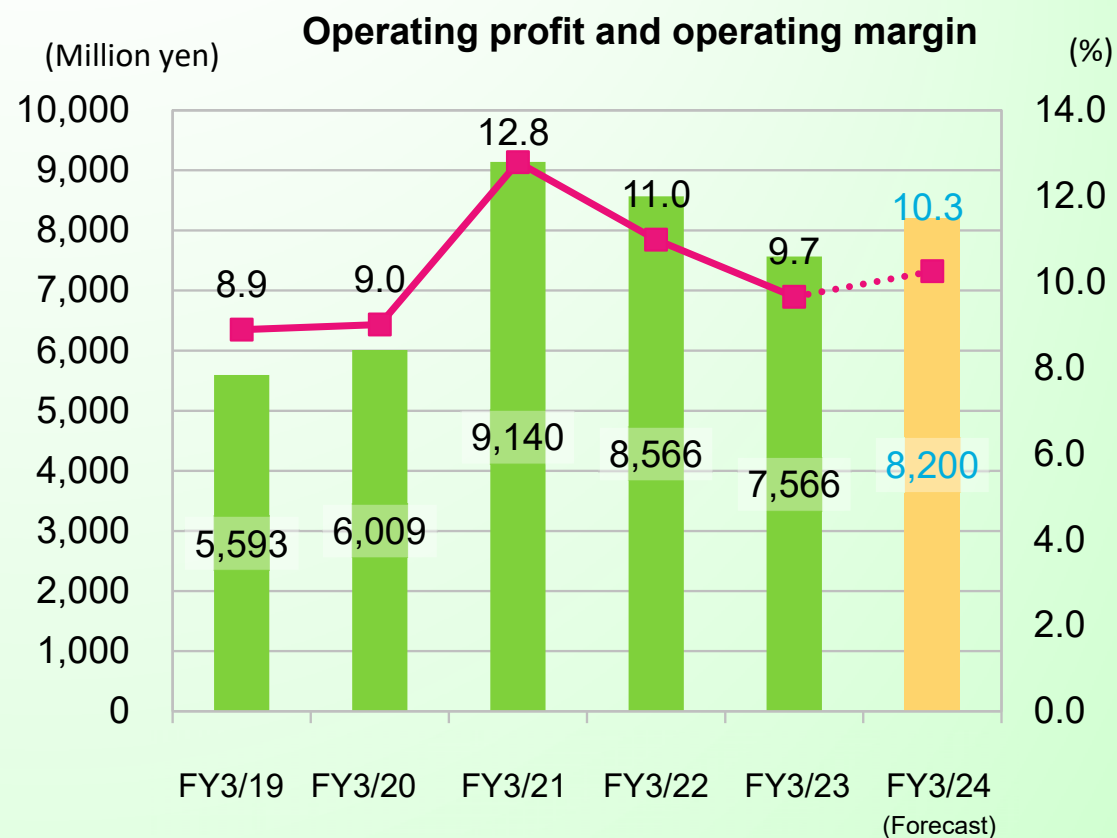
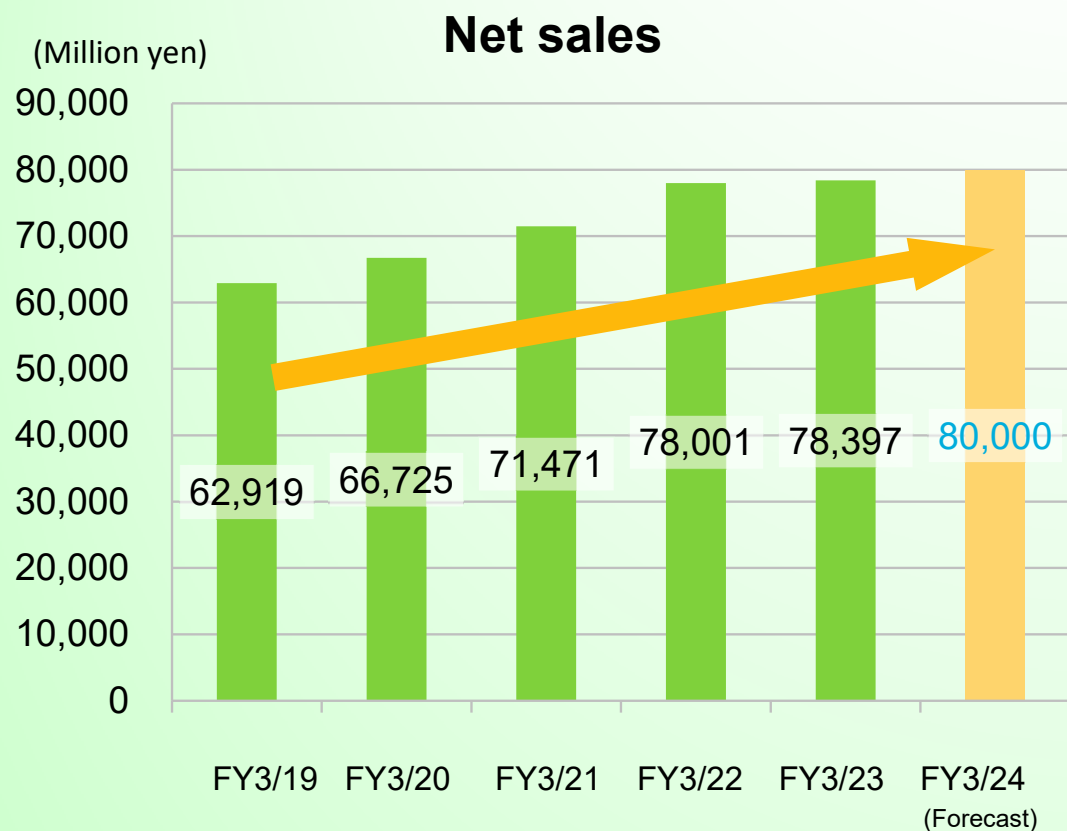


(Unit: Million yen)

	FY3/23 Result	FY3/24 (forecast)	YoY pct. change
Net sales	78,397	80,000	2.0%
Operating profit	7,566	8,200	8.4%
Ordinary profit	8,104	8,400	3.6%
Net income attributable to owners of parent	6,284	5,500	-12.5%

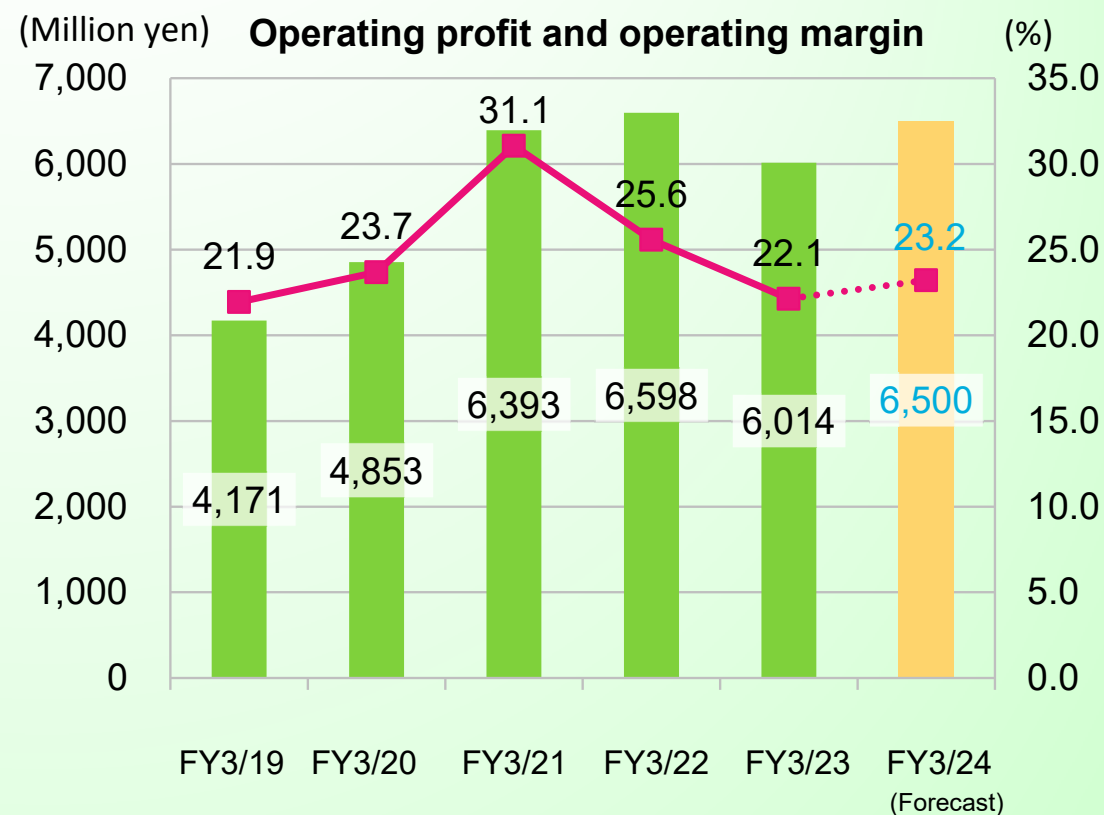
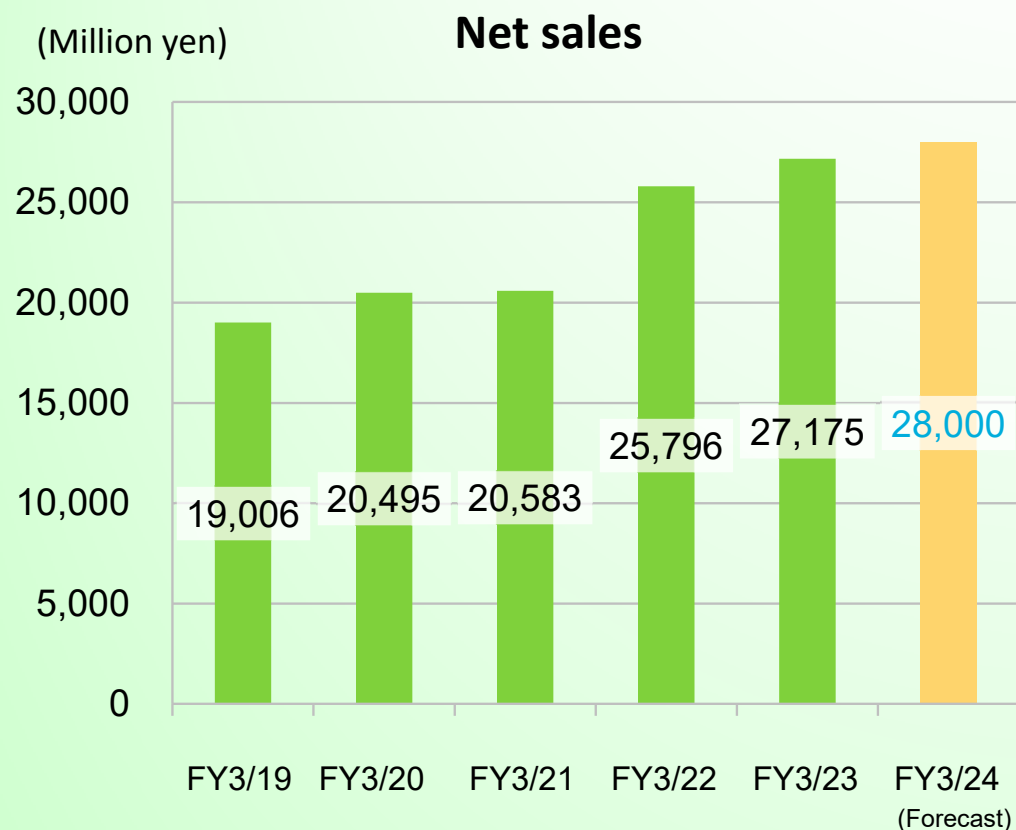
*Assumed crude oil price: \$80 per barrel, exchange rate: 130 yen per dollar

Full-Year Business Forecasts (Changes)

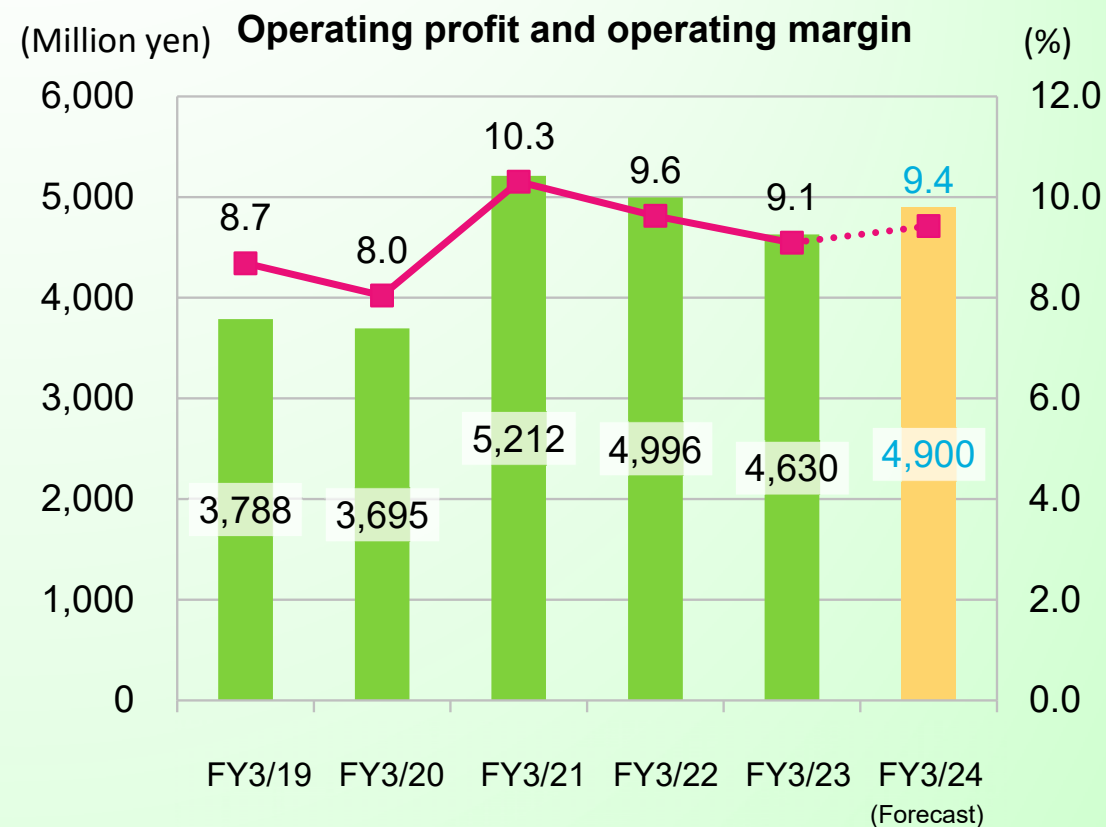
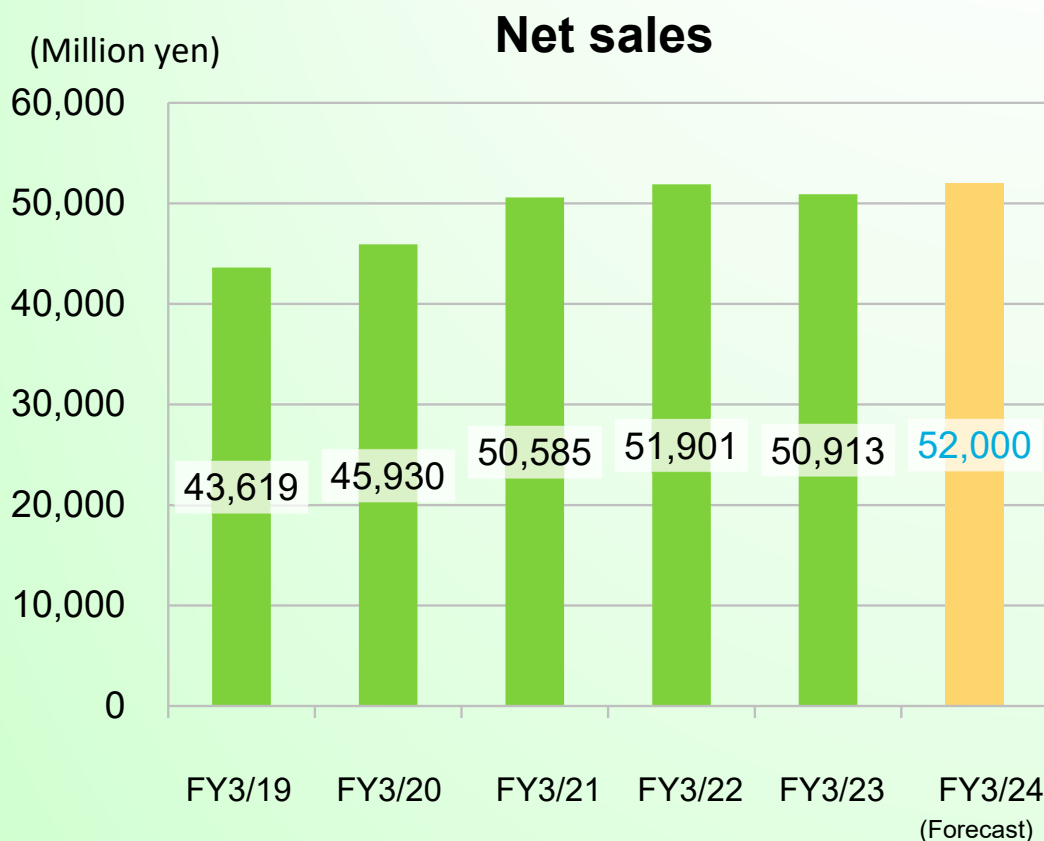


Business Forecasts by Segment

(Applied and Processed Asphalt Products Business)



Changes in Operating Results by Segment (Road Paving Business)



Acquisition of Treasury Stock



Items	Acquisition limit (Announced on May 10, 2023)	Progress (As of October 31, 2023)	Progress rate
Total number of shares	1,700,000 shares <small>(maximum)</small>	1,673,100 shares	98%
Total acquisition cost	3.0 billion yen <small>(maximum)</small>	2,999,944,756 yen (approx. 3 billion yen)	100%
Period of acquisition	March 1, 2023 - February 29, 2024	March 1, 2023 – October 31, 2023	
Type of shares to be acquired	Common shares of our company		
Method of acquisition	Market purchases on the Tokyo Stock Exchange		

Started considering the transition to a holding company structure



At a meeting of the Board of Directors held on October 30, 2023, we resolved to begin deliberations on the transition to a holding company structure.

1. Purpose of the transition to a holding company structure

- Responding to changes in the business environment on a large scale and at a fast pace, we aim to achieve sustainable growth for our group based on the optimal division of organizational functions.
- Holding company: Specialize in group management functions to formulate group strategies and optimize allocation of management resources.
- Operating companies: Focus on each business and develop businesses with a sense of speed in response to changes in the environment.

2. Time and Method of Transition to a Holding Company Structure

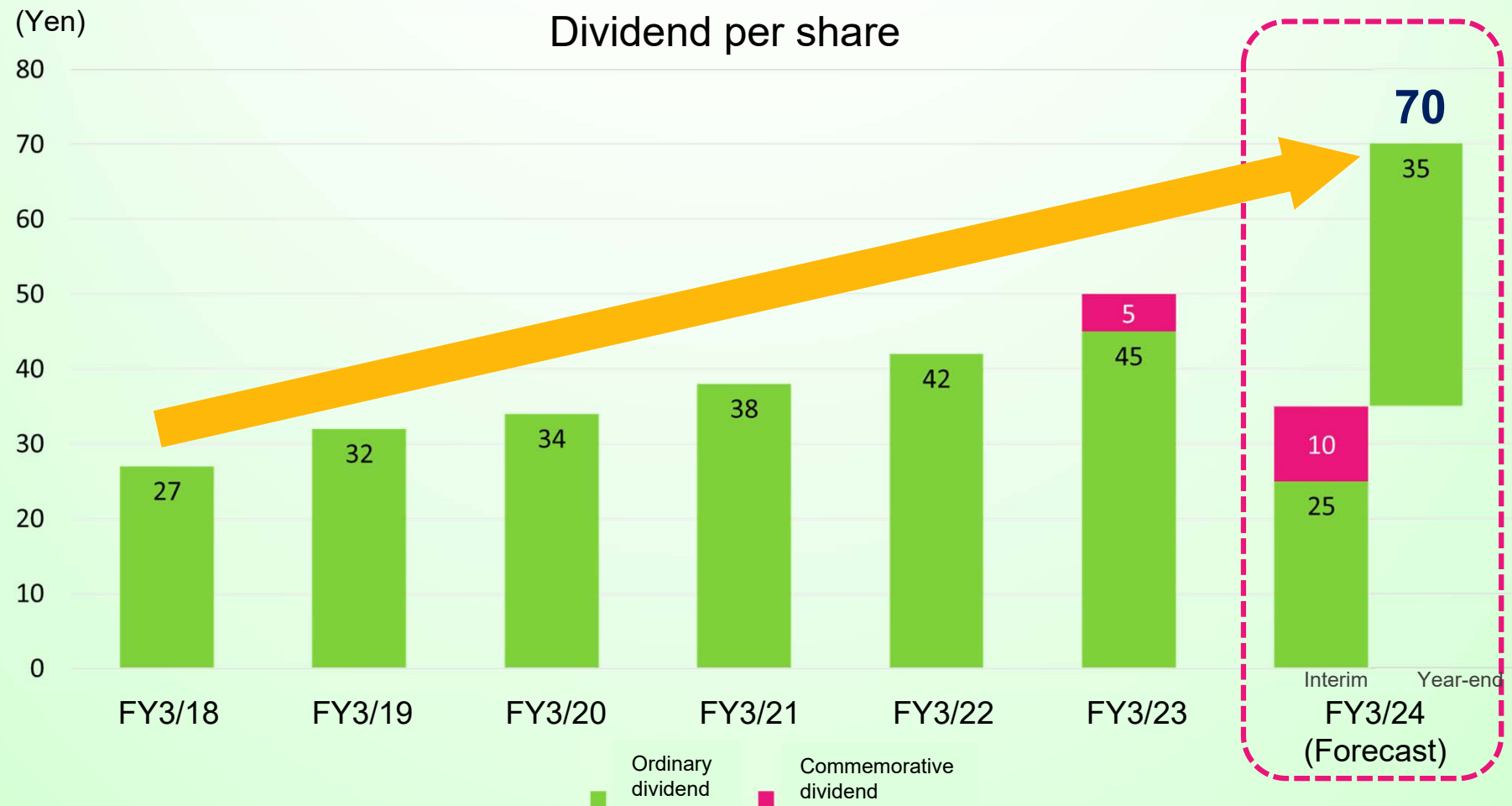
- The basic policy is to implement the transition by October 2024.
- In order not to cause any economic disadvantage to our shareholders, the shares of the holding company that will be held by our shareholders will be implemented in such a way that the shares will remain listed.

Forecast of Dividend from Retained Earnings for FY3/24



	Interim dividend		
	End-Q2	Year-end	Total
FY3/23	—	50 yen (Ordinary dividend: 45 yen) (Commemorative dividend: 5 yen)	50 yen (Ordinary dividend: 45 yen) (Commemorative dividend: 5 yen)
FY3/24 (Forecast)	35 yen (Ordinary dividend: 25 yen) (Commemorative dividend: 10 yen)	35 yen (Ordinary dividend: 35 yen)	70 yen (Ordinary dividend: 60 yen) (Commemorative dividend: 10 yen)

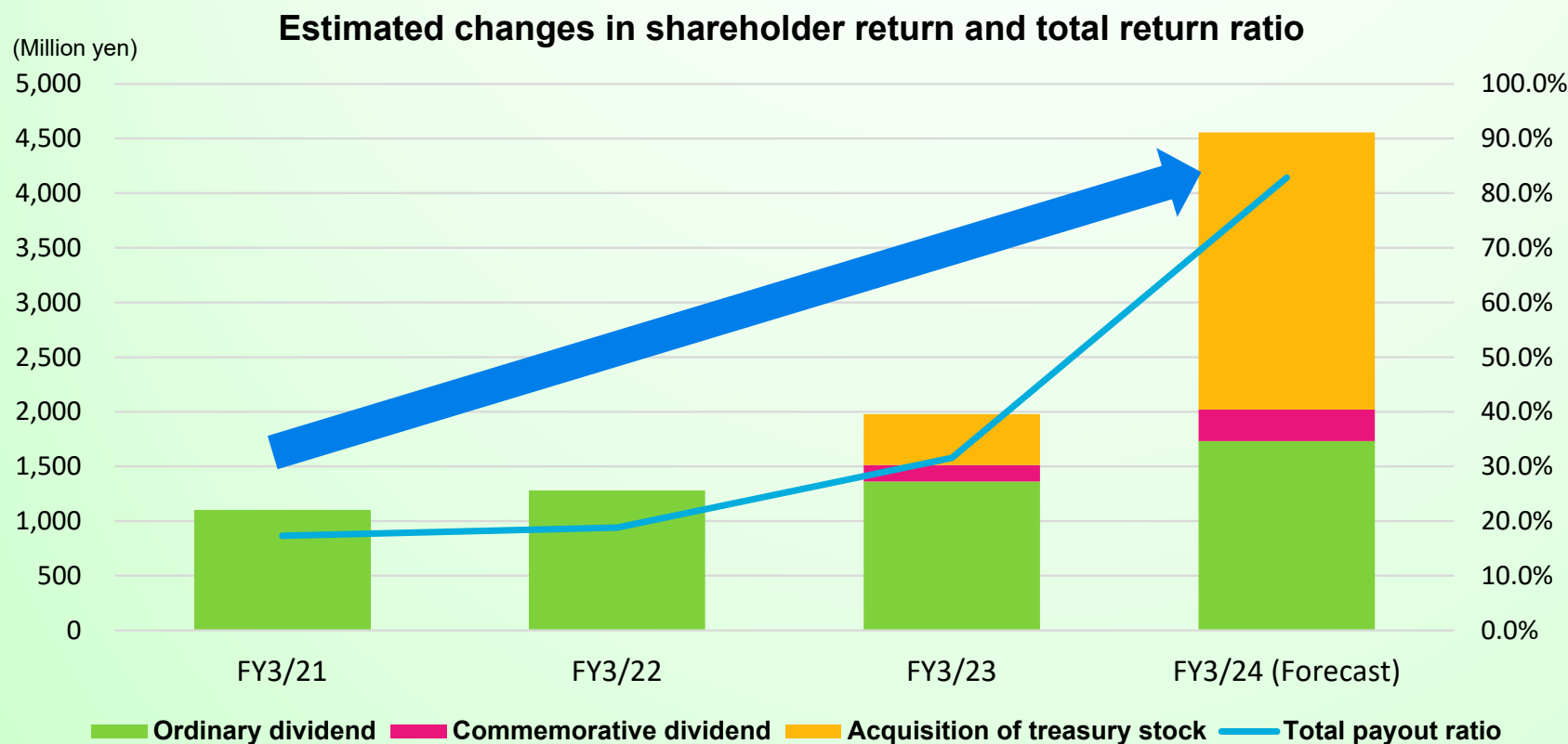
Changes in Dividends from Retained Earnings



Shareholder Returns: Image of Total Amount of Dividends



- ◆ We will expand shareholder returns by investing for the future and steadily increasing the total payout ratio.

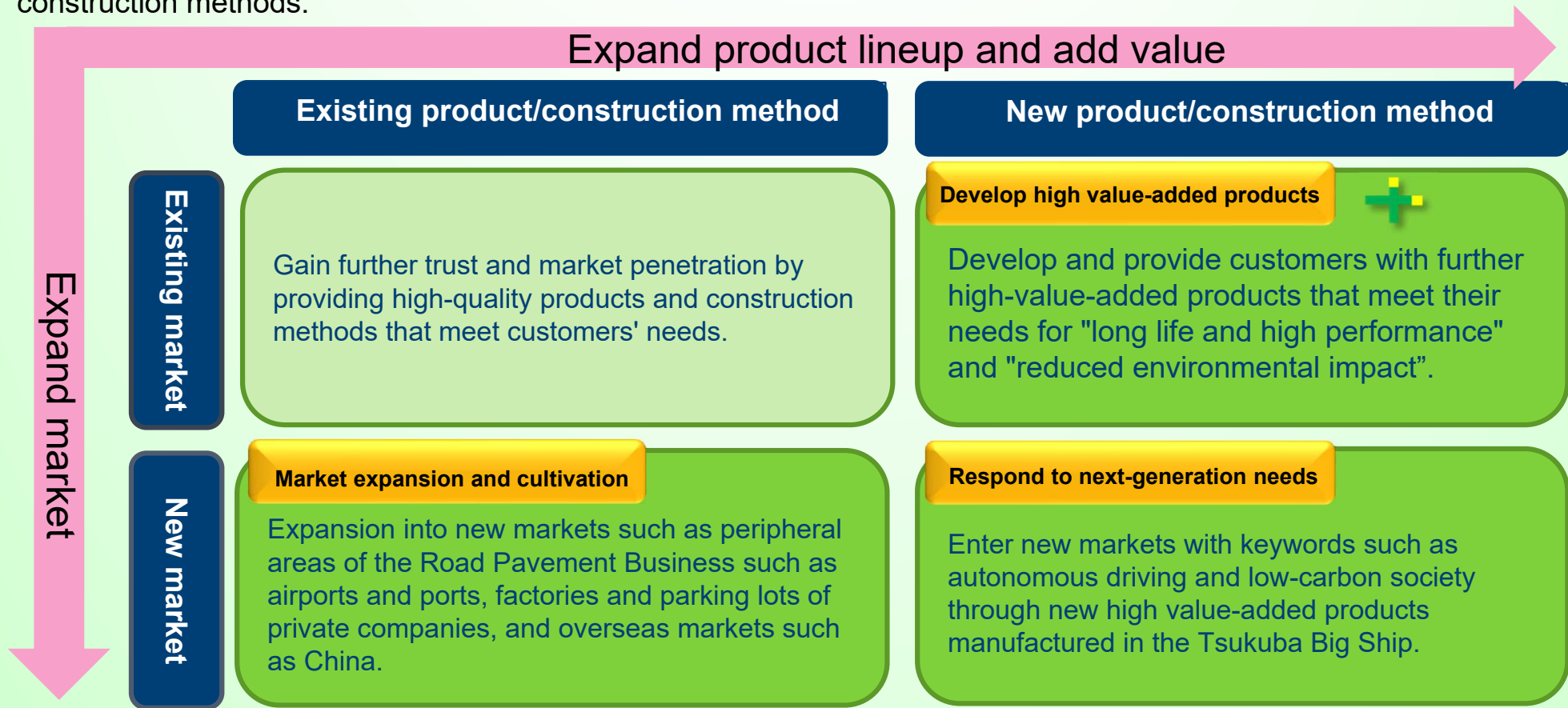


Estimated changes based on the Company's full-year business forecast and dividend forecast. The acquisition of treasury stock is based on the assumption that the Company will acquire up to the maximum total amount (3 billion yen) during the subject period.

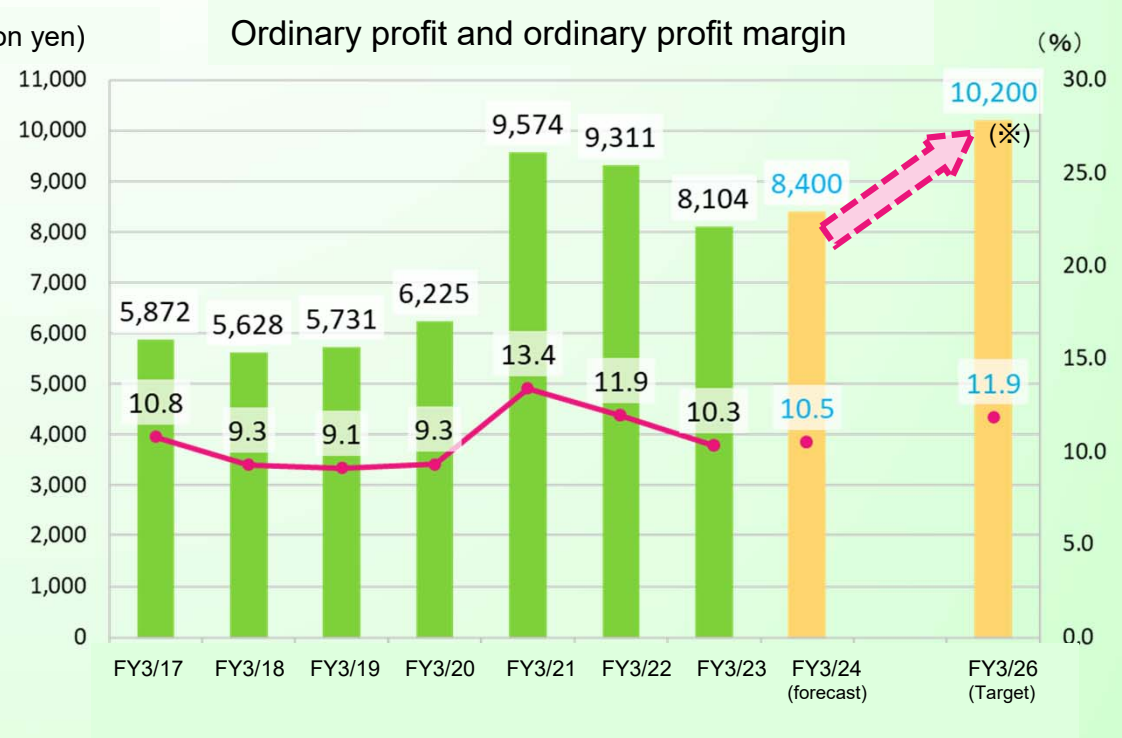
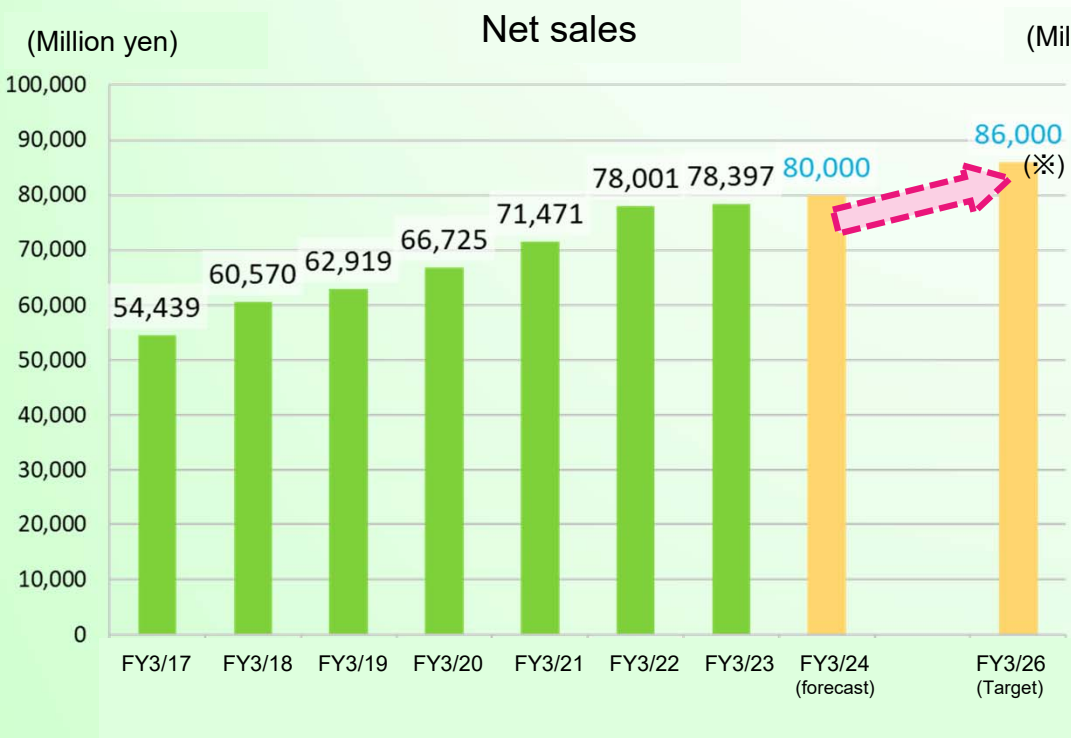
Growth Strategy of NICHIREKI Group



Aim for further growth by leveraging R&D capabilities to expand markets and develop high value-added products and construction methods.



Business Performance Targets



* Targets for FY3/26 are revised targets after timely disclosure on May 10, 2022.
Assuming a crude oil price of \$110/barrel and an exchange rate of ¥130/\$.

About the Tsukuba Big Ship Project



- ◆ We aim to start the construction of the "Tsukuba Big Ship" project, which has been postponed, in the current fiscal year.



Improve production capacity

Manufacture high value-added products

Function as a "construction center" in the Tokyo metropolitan area

Realize environmentally friendly production and logistics

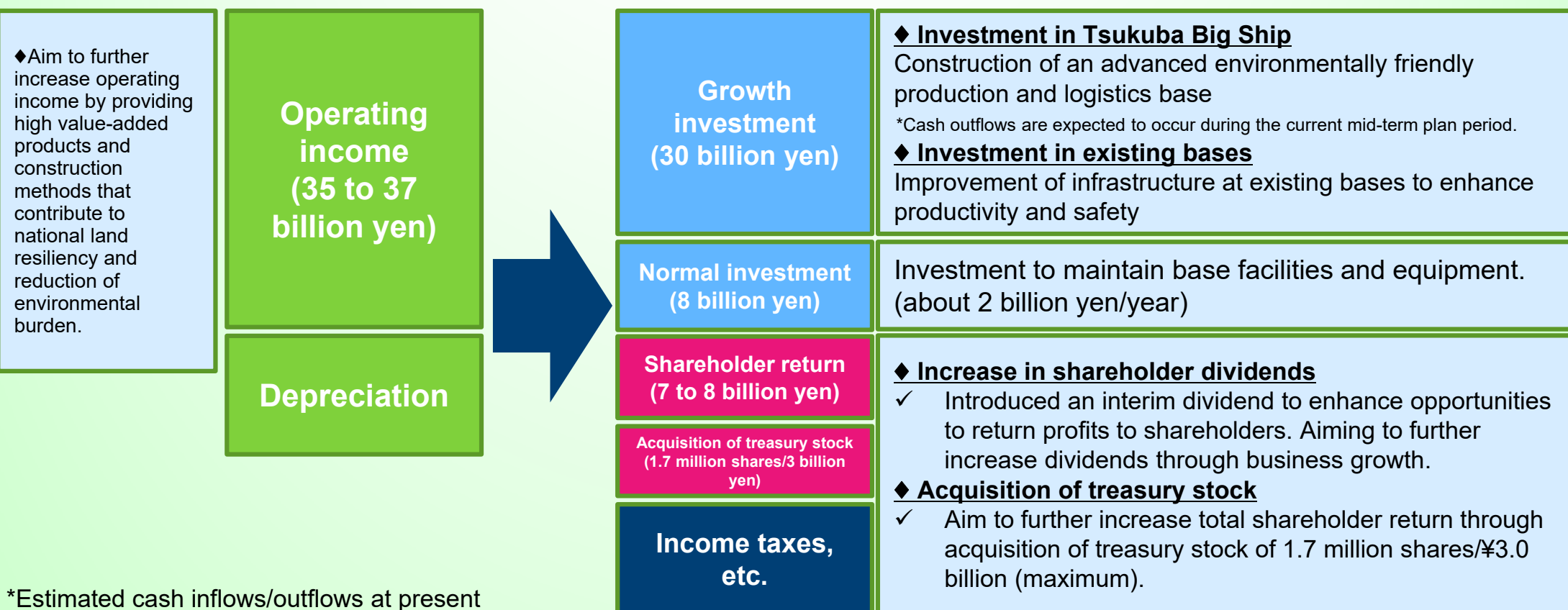
Improve efficiency of logistics management

Strengthen BCP (Business Continuity Plan) functions

Financial Policy - Cash Allocation (4 years from FY2022 to FY2025)



Use cash flow generated from business growth to invest in growth for the next generation and provide more generous shareholder returns.



◆ Precautions

Forward-looking statements, including business forecasts, contained in this material is based on information available at the time of preparation of the material and on our Company's judgement and assumption. Actual results may deviate from current forecasts due to future changes in economic conditions and business environment, etc.

◆ Contact Information

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TEL: 03-3265-1513(8:30-17:30, except for Saturdays, Sundays and holidays)

Website: <https://www.nichireki.co.jp/inquiry/>