

May 12, 2025

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Notice Regarding the Revision of Numerical Targets in the Medium-Term Management Plan

At the meeting of the Board of Directors held today, NICHIREKI GROUP CO., LTD. (hereinafter, “the Group”) resolved to revise the numerical targets stated in the Medium-Term Management Plan “Resilience 2025 (Shinayaka 2025)”, which was previously amended on May 10, 2022 and ends in the fiscal year ending March 2026, in light of recent business performance trends, as outlined below.

1. Revision of numerical targets for the final year (fiscal year ending March 2026)

	Before Revision	After Revision
Consolidated net sales	JPY 86.0 billion	JPY 80.0 billion
Consolidated operating income	JPY 10.0 billion	JPY 7.0 billion
Consolidated ordinary income	JPY 10.2 billion	JPY 7.3 billion
ROIC (Return on Invested Capital)	8.0% or higher	approximately 5.2%
ROA (Return on Assets)	6.0% or higher	approximately 4.3%

2. Reasons for the revision

To grow into a sustainable corporate group, the Group is working together as one to flexibly respond to rapid and large-scale environmental changes through swift and accurate decision-making. The Group is promoting various initiatives under our Medium-Term Management Plan, “Shinayaka 2025 – Aiming to be a company with strong organizational resilience.”

However, although public investment has remained generally firm, supported by efforts such as recovery and reconstruction from natural disasters, disaster prevention and mitigation, and the promotion of national resilience, the volume of construction work on a real basis has shown a declining trend due to soaring and persistently high construction material prices and rising labor unit costs, which have pushed up overall project costs. As a result, the business environment has been more challenging than initially anticipated.

In light of these conditions, and taking into account the recent inflationary pressures, workstyle reforms, and responses to labor shortages including strengthened human capital investment such as significant wage increases, we have decided to revise the numerical targets for the final year of the plan.

Note: The management targets stated above are based on information available as of the date of this announcement and certain assumptions deemed reasonable at that time. Actual results may differ materially from these targets due to various factors.