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Consolidated Financial Results for the Six Months Ended September 30, 2025 [Japanese GAAP]

November 12, 2025

Company name: NICHIREKI GROUP CO., LTD.
Stock exchange listing: Tokyo Stock Exchange (Prime Market)
Code number: 5011
URL: https://www.nichireki.co.jp/english/
Representative: Manabu Obata, President and Representative Director
Contact: Takeshi Goto, Senior Executive Officer and General Manager of Financial Control and Accounting Department
Phone: +81-3-3265-1511
Scheduled date of filing semi-annual securities report: November 14, 2025
Scheduled date of commencing dividend payments: December 2, 2025
Availability of supplementary briefing material on financial results: Available
Schedule of financial results briefing session: Scheduled (for institutional investors and analysts)

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Six Months Ended September 30, 2025 (April 1, 2025 to September 30, 2025)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of the parent company	
Six months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
September 30, 2025	32,211	0.6	1,225	(7.8)	1,336	(7.1)	1,030	15.8
September 30, 2024	32,012	(0.8)	1,329	(30.7)	1,438	(38.8)	890	(37.8)

(Note) Comprehensive income: Six months ended September 30, 2025: ¥1,950 million [428.7%]
Six months ended September 30, 2024: ¥368 million [(85.4)%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2025	35.68	-
September 30, 2024	30.28	-

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of September 30, 2025	108,852	75,839	69.7
As of March 31, 2025	112,368	77,320	68.8

(Reference) Equity: As of September 30, 2025: ¥75,819 million
As of March 31, 2025: ¥77,320 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	-	35.00	-	40.00	75.00
Fiscal year ending March 31, 2026	-	40.00			
Fiscal year ending March 31, 2026 (Forecast)			-	40.00	80.00

(Note) Revision to the dividends forecast announced most recently: No

3. Forecasts of Consolidated Financial Results for the Fiscal Year Ending March 31, 2026 (April 1, 2025 to March 31, 2026)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of the parent company		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	80,000	5.6	7,000	11.7	7,300	3.6	4,900	1.1	169.58

(Note) Revision to the financial results forecast announced most recently: No

***Notes:**

(1) Significant changes in the scope of consolidation during the period: No

(2) Accounting policies adopted specially for the preparation of semi-annual consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates, and restatement
1) Changes in accounting policies due to the revision of accounting standards: No
2) Changes in accounting policies other than 1) above: No
3) Changes in accounting estimates: No
4) Restatement: No

(4) Total number of issued shares (common shares)
1) Total number of issued shares at the end of the period (including treasury shares):
As of September 30, 2025: 31,685,955 shares
As of March 31, 2025: 31,685,955 shares

2) Total number of treasury shares at the end of the period:
As of September 30, 2025: 3,219,038 shares
As of March 31, 2025: 2,357,417 shares

3) Average number of shares during the period (cumulative from the beginning of the fiscal year):
Six months ended September 30, 2025: 28,894,374 shares
Six months ended September 30, 2024: 29,400,278 shares

*Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

*Explanation of the proper use of financial results forecast and other notes

The earnings forecasts and other forward-looking statements herein are based on information currently available to the Company and certain assumptions deemed reasonable as of the date of publication of this document. Actual results may differ significantly from these forecasts due to a wide range of factors.

For assumptions of the forecasts of the financial results and precautions in using the forecasts, please refer to "(3) Explanation of Consolidated Financial Results Forecast and Other Forward-Looking Information" in "1. Qualitative Information on Semi-annual Financial Results for the Period under Review" on page 3 of these semi-annual consolidated financial results (Appendix).

(How to obtain the supplementary briefing material on financial results)

The Company will hold the annual financial results briefing session for institutional investors and analysts on Friday, November 28, 2025. Materials for the briefing session will be posted on the Company's website after the briefing session.

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1. Qualitative Information on Semi-annual Financial Results for the Period Under Review

(1) Explanation of Operating Results

In the six months ended September 30, 2025, the Japanese economy experienced a gradual recovery trend due to improvements in corporate earnings, and employment and income environment. Meanwhile, downside risk to growth remained due to such factors as the impact of price rises on consumer sentiment and the impact of U.S. trade policies on corporate earnings.

With regard to the business environment surrounding the Nichireki Group (hereinafter referred to as the "Group"), levels of public investment were steady as a whole against the backdrop of promotion of rehabilitation and reconstruction from natural disasters, prevention and mitigation of disasters, national resilience measures, etc. However, the business environment was harsh mainly due to construction material prices remaining high, labor shortage, and an increase in labor costs. Though there have been signs of easing in some areas, geopolitical risks associated with the conflicts in Ukraine and the Middle East, as well as U.S.-China rivalry, remain unresolved, requiring continued close watch on trends in crude oil prices and foreign exchange rates, etc.

In this business environment, the Group has implemented various measures, aiming to grow into a sustainable corporate group with the entire organization working as one under quick and accurate decision-making in the final year of the Medium-term Management Plan "Resilience 2025 (Shinayaka 2025)."

In the six months ended September 30, 2025, the Group posted net sales of ¥32,211 million (up 0.6% year on year), operating profit of ¥1,225 million (down 7.8% year on year), and ordinary profit of ¥1,336 million (down 7.1% year on year). Profit attributable to owners of the parent company increased by 15.8% year on year to ¥1,030 million.

Results by business segment were as follows.

Applied and Processed Asphalt Products Business

In the Applied and Processed Asphalt Products Business, we have coped with raw material prices that remained in the high range and worked to increase sales by further strengthening design and marketing activities for high value-added products aiming for "longer life and higher performance of paved roads" and "reduction of environmental load."

Net sales for the segment were ¥11,706 million (down 3.7% year on year) and segment profit was ¥1,559 million (down 24.2% year on year) in the six months ended September 30, 2025.

Road Paving Business

In the Road Paving Business, we have worked on marketing activities by providing proposals on construction methods related to preventing and mitigating disasters and national resilience measures and the steady execution of construction work, as well as appropriate price transfer to construction prices.

Net sales for the segment were ¥20,356 million (up 3.4% year on year) and segment profit was ¥1,126 million (up 6.7% year on year) in the six months ended September 30, 2025.

Other Business

In the Other Business, net sales for the segment were ¥148 million (down 11.0% year on year) and segment profit was ¥210 million (up 75.4% year on year) mainly due to real estate lease revenue.

(2) Explanation of Financial Position

Total assets decreased by ¥3,515 million from the end of the previous fiscal year to ¥108,852 million. This is attributable mainly to decreases respectively in cash and deposits of ¥4,479 million and notes and accounts receivable - trade, and contract assets of ¥2,040 million, despite increases respectively in construction in progress of ¥2,103 million and investment securities of ¥1,648 million.

Liabilities decreased by ¥2,035 million from the end of the previous fiscal year to ¥33,012 million. This is attributable mainly to decreases respectively in income taxes payable of ¥1,223 million and long-term borrowings of ¥905 million.

Net assets decreased by ¥1,480 million from the end of the previous fiscal year to ¥75,839 million. This is attributable mainly to an increase in treasury shares of ¥2,310 million, despite an increase in valuation difference on available-for-sale securities of ¥1,089 million.

(3) Explanation of Consolidated Financial Results Forecast and Other Forward-Looking Information

With regard to the forecast for the fiscal year ending March 31, 2026, no change has been made to the consolidated financial results forecast, which was announced on May 12, 2025.

2. Semi-annual Consolidated Financial Statements and Primary Notes

(1) Semi-annual Consolidated Balance Sheets

(Million yen)

	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	31,621	27,142
Notes and accounts receivable - trade, and contract assets	16,118	14,078
Electronically recorded monetary claims - operating	1,757	1,971
Merchandise and finished goods	1,230	1,216
Costs on construction contracts in progress	153	577
Raw materials and supplies	1,164	1,312
Other	4,033	2,239
Allowance for doubtful accounts	(4)	(3)
Total current assets	56,076	48,534
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,485	8,236
Machinery, equipment and vehicles, net	4,396	4,617
Land	11,207	11,289
Leased assets, net	211	578
Construction in progress	10,666	12,770
Other, net	848	855
Total property, plant and equipment	35,815	38,347
Intangible assets		
Other	1,204	1,121
Total intangible assets	1,204	1,121
Investments and other assets		
Investment securities	9,252	10,901
Investments in capital of subsidiaries and associates	1,438	1,289
Retirement benefit asset	3,462	3,535
Deferred tax assets	58	69
Long-term time deposits	4,420	4,420
Other	700	690
Allowance for doubtful accounts	(61)	(59)
Total investments and other assets	19,272	20,849
Total non-current assets	56,292	60,318
Total assets	112,368	108,852

(Million yen)

	As of March 31, 2025	As of September 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,810	4,440
Electronically recorded obligations - operating	1,087	1,098
Short-term borrowings	1,718	2,000
Current portion of long-term borrowings	1,814	1,800
Accounts payable - other	1,362	1,115
Income taxes payable	1,656	433
Contract liabilities	500	522
Provision for bonuses	928	936
Other provisions	141	56
Other	2,139	1,761
Total current liabilities	16,160	14,166
Non-current liabilities		
Long-term borrowings	16,205	15,300
Long-term accounts payable - other	12	1
Lease liabilities	157	499
Long-term deposits received	48	48
Deferred tax liabilities	2,253	2,783
Retirement benefit liability	75	78
Asset retirement obligations	135	135
Total non-current liabilities	18,887	18,846
Total liabilities	35,047	33,012
Net assets		
Shareholders’ equity		
Share capital	2,919	2,919
Capital surplus	4,054	4,090
Retained earnings	68,991	68,848
Treasury shares	(3,174)	(5,484)
Total shareholders’ equity	72,790	70,374
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,290	4,380
Foreign currency translation adjustment	322	194
Remeasurements of defined benefit plans	915	869
Total accumulated other comprehensive income	4,529	5,444
Non-controlling interests	-	20
Total net assets	77,320	75,839
Total liabilities and net assets	112,368	108,852

(2) Semi-annual Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income for the Six-Month Period

(Million yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Net sales	32,012	32,211
Cost of sales	25,187	25,059
Gross profit	6,824	7,151
Selling, general and administrative expenses	5,495	5,926
Operating profit	1,329	1,225
Non-operating income		
Interest income	10	34
Dividend income	131	154
Foreign exchange gains	47	97
Other	22	13
Total non-operating income	212	300
Non-operating expenses		
Interest expenses	3	131
Share of loss of entities accounted for using equity method	96	26
Other	3	31
Total non-operating expenses	103	189
Ordinary profit	1,438	1,336
Extraordinary income		
Gain on sale of non-current assets	36	24
Gain on sale of investment securities	-	126
Insurance claim income	14	2
Other	-	2
Total extraordinary income	50	154
Extraordinary losses		
Loss on retirement of non-current assets	5	18
Loss on disaster	10	-
Other	6	0
Total extraordinary losses	22	18
Profit before income taxes	1,466	1,473
Income taxes - current	381	402
Income taxes - deferred	194	33
Total income taxes	576	436
Profit	890	1,036
Profit attributable to non-controlling interests	-	5
Profit attributable to owners of the parent company	890	1,030

Consolidated Statements of Comprehensive Income for the Six-Month Period

(Million yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Profit	890	1,036
Other comprehensive income		
Valuation difference on available-for-sale securities	(594)	1,089
Foreign currency translation adjustment	38	(31)
Remeasurements of defined benefit plans, net of tax	(53)	(45)
Share of other comprehensive income of entities accounted for using equity method	88	(97)
Total other comprehensive income	(521)	914
Comprehensive income	368	1,950
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent company	368	1,946
Comprehensive income attributable to non-controlling interests	-	4

(3) Semi-annual Consolidated Statements of Cash Flows

(Million yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Cash flows from operating activities		
Profit before income taxes	1,466	1,473
Depreciation	1,237	1,277
Share-based payment expenses	12	37
Increase (decrease) in allowance for doubtful accounts	(53)	(2)
Increase (decrease) in provision for bonuses	(132)	8
Increase (decrease) in retirement benefit liability	(361)	(139)
Increase (decrease) in other provisions	(121)	(84)
Interest and dividend income	(142)	(189)
Interest expenses	3	131
Foreign exchange losses (gains)	3	(2)
Loss (gain) on sale of non-current assets	(32)	(24)
Loss on retirement of non-current assets	5	18
Decrease (increase) in trade receivables	2,987	1,833
Decrease (increase) in inventories	(319)	(564)
Decrease (increase) in other current assets	(338)	(330)
Decrease (increase) in other non-current assets	54	(0)
Increase (decrease) in trade payables	(2,323)	(2,679)
Increase (decrease) in other current liabilities	61	232
Increase (decrease) in accrued consumption taxes	(89)	(697)
Share of loss (profit) of entities accounted for using equity method	96	26
Other, net	5	(123)
Subtotal	2,020	200
Interest and dividends received	142	215
Interest paid	(3)	(109)
Income taxes paid	(1,148)	(1,637)
Other, net	3	(2)
Net cash provided by (used in) operating activities	1,014	(1,332)
Cash flows from investing activities		
Payments into time deposits	(6)	(6)
Proceeds from withdrawal of time deposits	6	6
Purchase of property, plant and equipment	(6,389)	(1,499)
Proceeds from sale of property, plant and equipment	50	113

Payments for retirement of property, plant and equipment	(33)	(2)
Purchase of intangible assets	(301)	(116)
Purchase of investment securities	(100)	(71)
Proceeds from sale of investment securities	100	143
Loan advances	(6)	(1)
Proceeds from collection of loans receivable	6	3
Other, net	(0)	57
Net cash provided by (used in) investing activities	(6,674)	(1,372)

(Million yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Cash flows from financing activities		
Proceeds from short-term borrowings	1,800	2,300
Repayments of short-term borrowings	(1,800)	(2,038)
Repayments of long-term borrowings	(56)	(900)
Repayments of lease liabilities	(50)	(103)
Purchase of treasury shares	-	(2,274)
Decrease (increase) in deposits for purchase of treasury shares	-	2,364
Dividends paid	(1,020)	(1,131)
Proceeds from share issuance to non-controlling shareholders	-	16
Other, net	-	(2)
Net cash provided by (used in) financing activities	(1,127)	(1,767)
Effect of exchange rate change on cash and cash equivalents	12	(5)
Net increase (decrease) in cash and cash equivalents	(6,775)	(4,479)
Cash and cash equivalents at beginning of period	25,445	31,611
Cash and cash equivalents at end of period	18,669	27,132

(4) Notes to the Semi-annual Consolidated Financial Statements

(Notes on Going Concern Assumption)

There is no relevant information.

(Notes in the Case of Significant Changes in Shareholders’ Equity)

There is no relevant information.

(Additional Information)

(Application of group tax sharing system)

The Company and its domestic consolidated subsidiaries have transitioned from the single-entity tax payment system to the group tax sharing system from the first half of the current fiscal year. Accordingly, the accounting treatment and disclosure of corporate tax, local corporate tax, and tax effect accounting are prepared in accordance with the “Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System” (Practical Solution No. 42 dated August 12, 2021).

(Notes to Segment Information, etc.)

For the six months ended September 30, 2024 (From April 1, 2024 to September 30, 2024)

Information on net sales and profit (loss) by reportable segment

(Million yen)

	Reportable segment			Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded in Semi-annual Consolidated Statements of Income (Note 3)
	Applied and Processed Asphalt Products Business	Road Paving Business	Total				
Net sales							
Net sales to outside customers	12,156	19,689	31,845	166	32,012	-	32,012
Inter-segment net sales or transfers	4,155	-	4,155	44	4,200	(4,200)	-
Total	16,311	19,689	36,001	211	36,212	(4,200)	32,012
Segment profit	2,055	1,056	3,112	120	3,232	(1,902)	1,329

(Notes) 1. The “Other” category incorporates business segments not included in reportable segments, such as the real estate lease business and the non-life insurance agency business.

2. Segment profit adjustment of ¥(1,902) million includes elimination of inter-segment transactions of ¥(43) million and corporate expenses of ¥(1,859) million that are not allocated to reportable segments. Corporate expenses are comprised primarily of expenses related to the administrative divisions not allocated to reportable segments, such as expenses related to the general affairs division of the Company’s head office.

3. Segment profit is adjusted to the operating profit in the semi-annual consolidated statements of income.

For the six months ended September 30, 2025 (From April 1, 2025 to September 30, 2025)

Information on net sales and profit (loss) by reportable segment

(Million yen)

	Reportable segment			Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded in Semi-annual Consolidated Statements of Income (Note 3)
	Applied and Processed Asphalt Products Business	Road Paving Business	Total				
Net sales							
Net sales to outside customers	11,706	20,356	32,062	148	32,211	-	32,211
Inter-segment net sales or transfers	3,948	-	3,948	335	4,284	(4,284)	-
Total	15,655	20,356	36,011	484	36,495	(4,284)	32,211
Segment profit	1,559	1,126	2,686	210	2,897	(1,671)	1,225

(Notes) 1. The “Other” category incorporates business segments not included in reportable segments, such as the real estate lease business and the non-life insurance agency business.

2. Segment profit adjustment of ¥(1,671) million includes elimination of inter-segment transactions of ¥(43) million and corporate expenses of ¥(1,646) million that are not allocated to reportable segments. Corporate expenses are comprised primarily of expenses related to the administrative divisions not allocated to reportable segments, such as expenses related to the general affairs division of the Company’s head office.

3. Segment profit is adjusted to the operating profit in the semi-annual consolidated statements of income.

(Revenue Recognition)

Information on analyses of revenue that occurs from contracts with customers

For the six months ended September 30, 2024 (From April 1, 2024 to September 30, 2024)

(Million yen)

	Reportable segment	Other	Total

	Applied and Processed Asphalt Products Business	Road Paving Business	Total	(Note)	
Goods to be transferred at one point of time	12,156	-	12,156	12	12,168
Goods to be transferred over a certain period	-	19,689	19,689	-	19,689
Revenue from contracts with customers	12,156	19,689	31,845	12	31,857
Other revenue	-	-	-	154	154
Net sales to outside customers	12,156	19,689	31,845	166	32,012

(Note) The "Other" category incorporates business segments not included in reportable segments, such as the real estate lease business and the non-life insurance agency business.

For the six months ended September 30, 2025 (From April 1, 2025 to September 30, 2025)

(Million yen)

	Reportable segment			Other (Note)	Total
	Applied and Processed Asphalt Products Business	Road Paving Business	Total		
Goods to be transferred at one point of time	11,706	-	11,706	9	11,716
Goods to be transferred over a certain period	-	20,356	20,356	-	20,356
Revenue from contracts with customers	11,706	20,356	32,062	9	32,072
Other revenue	-	-	-	138	138
Net sales to outside customers	11,706	20,356	32,062	148	32,211

(Note) The "Other" category incorporates business segments not included in reportable segments, such as the real estate lease business and the non-life insurance agency business.