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# Consolidated Financial Results for the Three Months Ended June 30, 2025 [Japanese GAAP]



August 8, 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 commencing dividend payments: -  
Availability of supplementary briefing material on financial results: Not available  
Schedule of financial results briefing session: Not scheduled

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

## 1. Consolidated Financial Results for the Three Months Ended June 30, 2025 (April 1, 2025 to June 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	
Three months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
June 30, 2025	13,700	1.3	(317)	-	(114)	-	3	(94.3)
June 30, 2024	13,527	(1.0)	76	(34.3)	164	(69.2)	54	(81.0)

(Note) Comprehensive income: Three months ended June 30, 2025: ¥112 million [-%]

Three months ended June 30, 2024: ¥(112) million [-%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2025	0.11	-
June 30, 2024	1.87	-

## (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of June 30, 2025	107,917	75,432	69.9
As of March 31, 2025	112,368	77,320	68.8

(Reference) Equity: As of June 30, 2025: ¥75,417 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
Fiscal year ended March 31, 2025	Yen -	Yen 35.00	Yen -	Yen 40.00	Yen 75.00
Fiscal year ending March 31, 2026	-				
Fiscal year ending March 31, 2026 (Forecast)		40.00	-	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
First half	33,000	3.1	1,400	5.3	1,500	4.3	1,000	34.36
Full year	80,000	5.6	7,000	11.7	7,300	3.6	4,900	168.35

(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 quarterly 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 June 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 June 30, 2025: 2,711,247 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):
    - Three months ended June 30, 2025: 29,106,853 shares
    - Three months ended June 30, 2024: 29,392,297 shares

\*Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: Yes (voluntary)

\*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. Overview of Business Results, etc.” on page 3 of these consolidated financial results (Appendix).

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## 1. Overview of Business Results, etc.

### (1) Overview of Business Results for the Current Quarter under Review

In the three months ended June 30, 2025, the Japanese economy experienced a gradual recovery trend due to improvements in corporate earnings, and employment and income environment. Meanwhile, downward pressure on growth remains as risk of growth underperforming expectations has increased due to the impact from U.S. trade policies and continued price rises dampened consumer sentiment and restrained consumer spending.

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. In addition, with continuing geopolitical risks such as growing tension in the Middle East, the prolonged situation in Ukraine, and other factors, as well as increasing uncertainty over trends in U.S. policies, including tariff measures, a close watch is continuously required 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 as we enter the final year of the Medium-term Management Plan “Resilience 2025 (Shinayaka 2025).”

In the three months ended June 30, 2025, the Group posted net sales of ¥13,700 million (up 1.3% year on year), operating loss of ¥317 million (vs. operating profit of ¥76 million in the year earlier period), and ordinary loss of ¥114 million (vs. ordinary profit of ¥164 million in the year-earlier period). Profit attributable to owners of the parent company decreased by 94.3% year on year to ¥3 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 ¥5,260 million (down 3.9% year on year) and segment profit was ¥383 million (down 54.4% year on year) in the three months ended June 30, 2025.

#### **Road Paving Business**

In the Road Paving Business, we 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 ¥8,369 million (up 5.0% year on year) and segment profit was ¥192 million (up 50.6% year on year) in the three months ended June 30, 2025.

#### **Other Business**

In the Other Business, net sales for the segment were ¥71 million (down 12.3% year on year) and segment profit was ¥74 million (up 26.0% year on year) mainly due to real estate lease revenue.

(2) Overview of Financial Position for the Current Quarter under Review

Total assets decreased by ¥4,450 million from the end of the previous fiscal year to ¥107,917 million. This is attributable mainly to a decrease in notes and accounts receivable - trade, and contract assets of ¥4,992 million, despite an increase in construction in progress of ¥1,942 million.

Liabilities decreased by ¥2,563 million from the end of the previous fiscal year to ¥32,484 million. This is attributable mainly to a decrease in income taxes payable of ¥1,621 million, despite an increase in lease liabilities of ¥378 million.

Net assets decreased by ¥1,887 million from the end of the previous fiscal year to ¥75,432 million. This is attributable mainly to a decrease in retained earnings of ¥1,169 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. Quarterly Consolidated Financial Statements and Primary Notes

### (1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31, 2025	As of June 30, 2025
<b>Assets</b>		
Current assets		
Cash and deposits	31,621	29,218
Notes and accounts receivable - trade, and contract assets	16,118	11,126
Electronically recorded monetary claims - operating	1,757	1,515
Merchandise and finished goods	1,230	1,266
Costs on construction contracts in progress	153	630
Raw materials and supplies	1,164	1,201
Other	4,033	4,171
Allowance for doubtful accounts	(4)	(3)
Total current assets	56,076	49,125
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,485	8,366
Machinery, equipment and vehicles, net	4,396	4,328
Land	11,207	11,215
Leased assets, net	211	591
Construction in progress	10,666	12,608
Other, net	848	863
Total property, plant and equipment	35,815	37,973
Intangible assets		
Other	1,204	1,132
Total intangible assets	1,204	1,132
Investments and other assets		
Investment securities	9,252	9,621
Investments in capital of subsidiaries and associates	1,438	1,407
Retirement benefit asset	3,462	3,517
Deferred tax assets	58	70
Long-term time deposits	4,420	4,420
Other	700	709
Allowance for doubtful accounts	(61)	(61)
Total investments and other assets	19,272	19,685
Total non-current assets	56,292	58,791
Total assets	112,368	107,917

(Million yen)

	As of March 31, 2025	As of June 30, 2025
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	4,810	4,554
Electronically recorded obligations - operating	1,087	939
Short-term borrowings	1,718	2,000
Current portion of long-term borrowings	1,814	1,800
Accounts payable - other	1,362	867
Income taxes payable	1,656	34
Contract liabilities	500	258
Provision for bonuses	928	474
Other provisions	141	57
Other	2,139	2,165
Total current liabilities	16,160	13,152
Non-current liabilities		
Long-term borrowings	16,205	16,200
Long-term accounts payable - other	12	1
Lease liabilities	157	535
Long-term deposits received	48	48
Deferred tax liabilities	2,253	2,333
Retirement benefit liability	75	77
Asset retirement obligations	135	135
Total non-current liabilities	18,887	19,331
Total liabilities	35,047	32,484
<b>Net assets</b>		
Shareholders' equity		
Share capital	2,919	2,919
Capital surplus	4,054	4,054
Retained earnings	68,991	67,821
Treasury shares	(3,174)	(4,017)
Total shareholders' equity	72,790	70,777
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,290	3,519
Foreign currency translation adjustment	322	228
Remeasurements of defined benefit plans	915	892
Total accumulated other comprehensive income	4,529	4,640
Non-controlling interests	-	15
Total net assets	77,320	75,432
Total liabilities and net assets	112,368	107,917



(2) Quarterly Consolidated Statements of Income and Comprehensive Income  
Consolidated Statements of Income  
For the Three-Month Period

(Million yen)

	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Net sales	13,527	13,700
Cost of sales	10,738	11,058
Gross profit	2,789	2,641
Selling, general and administrative expenses	2,712	2,959
Operating profit (loss)	76	(317)
Non-operating income		
Interest income	3	6
Dividend income	131	150
Share of profit of entities accounted for using equity method	-	44
Foreign exchange gains	26	66
Other	2	5
Total non-operating income	163	274
Non-operating expenses		
Interest expenses	0	61
Share of loss of entities accounted for using equity method	72	-
Other	1	10
Total non-operating expenses	75	71
Ordinary profit (loss)	164	(114)
Extraordinary income		
Gain on sale of non-current assets	10	14
Gain on sale of investment securities	-	126
Insurance claim income	12	-
Total extraordinary income	22	140
Extraordinary losses		
Loss on retirement of non-current assets	0	16
Loss on disaster	10	-
Other	2	0
Total extraordinary losses	12	16
Profit before income taxes	174	9
Income taxes - current	80	36
Income taxes - deferred	38	(31)
Total income taxes	119	5
Profit	54	3
Profit attributable to non-controlling interests	-	0
Profit attributable to owners of the parent company	54	3

Consolidated Statements of Comprehensive Income  
For the Three-Month Period

(Million yen)

	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Profit	54	3
Other comprehensive income		
Valuation difference on available-for-sale securities	(195)	228
Foreign currency translation adjustment	15	(23)
Remeasurements of defined benefit plans, net of tax	(26)	(22)
Share of other comprehensive income of entities accounted for using equity method	39	(72)
Total other comprehensive income	(167)	109
Comprehensive income	(112)	112
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent company	(112)	113
Comprehensive income attributable to non-controlling interests	-	(0)

(3) Notes to the Quarterly 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 quarter 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 Quarterly Consolidated Statements of Cash Flows)

Quarterly consolidated statements of cash flows for the three months ended June 30, 2025 are not prepared. Depreciation (including amortization of intangible assets excluding goodwill), and amortization of goodwill for the three months ended June 30, 2025 are as follows:

	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Depreciation	602 million yen	618 million yen
Amortization of goodwill	3 million yen	4 million yen

(Notes to Segment Information, etc.)

For the three months ended June 30, 2024 (From April 1, 2024 to June 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 Quarterly Consolidated Statements of Income (Note 3)
	Applied and Processed Asphalt Products Business	Road Paving Business	Total				
Net sales							
Net sales to outside customers	5,475	7,970	13,446	81	13,527	-	13,527
Inter-segment net sales or transfers	1,764	-	1,764	22	1,787	(1,787)	-
Total	7,240	7,970	15,211	103	15,315	(1,787)	13,527
Segment profit	841	127	969	59	1,028	(951)	76

- (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 ¥(951) million includes elimination of inter-segment transactions of ¥(42) million and corporate expenses of ¥(909) 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 quarterly consolidated statements of income.

For the three months ended June 30, 2025 (From April 1, 2025 to June 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 Quarterly Consolidated Statements of Income (Note 3)
	Applied and Processed Asphalt Products Business	Road Paving Business	Total				
Net sales							
Net sales to outside customers	5,260	8,369	13,629	71	13,700	-	13,700
Inter-segment net sales or transfers	1,551	-	1,551	132	1,684	(1,684)	-
Total	6,812	8,369	15,181	204	15,385	(1,684)	13,700
Segment profit	383	192	575	74	650	(967)	(317)

- (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 ¥(967) million includes elimination of inter-segment transactions of ¥(171) million and corporate expenses of ¥(792) 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 loss in the quarterly consolidated statements of income.