

# Financial Results for the 2<sup>nd</sup> Quarter of FY3/26



November 28, 2025  
NICHIREKI GROUP 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.

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(Appendix) Company Profile

## I. Overview of Q2 FY3/26 Financial Results

# Financial Highlights (Business Environment)



## Business Environment Surrounding Our Group

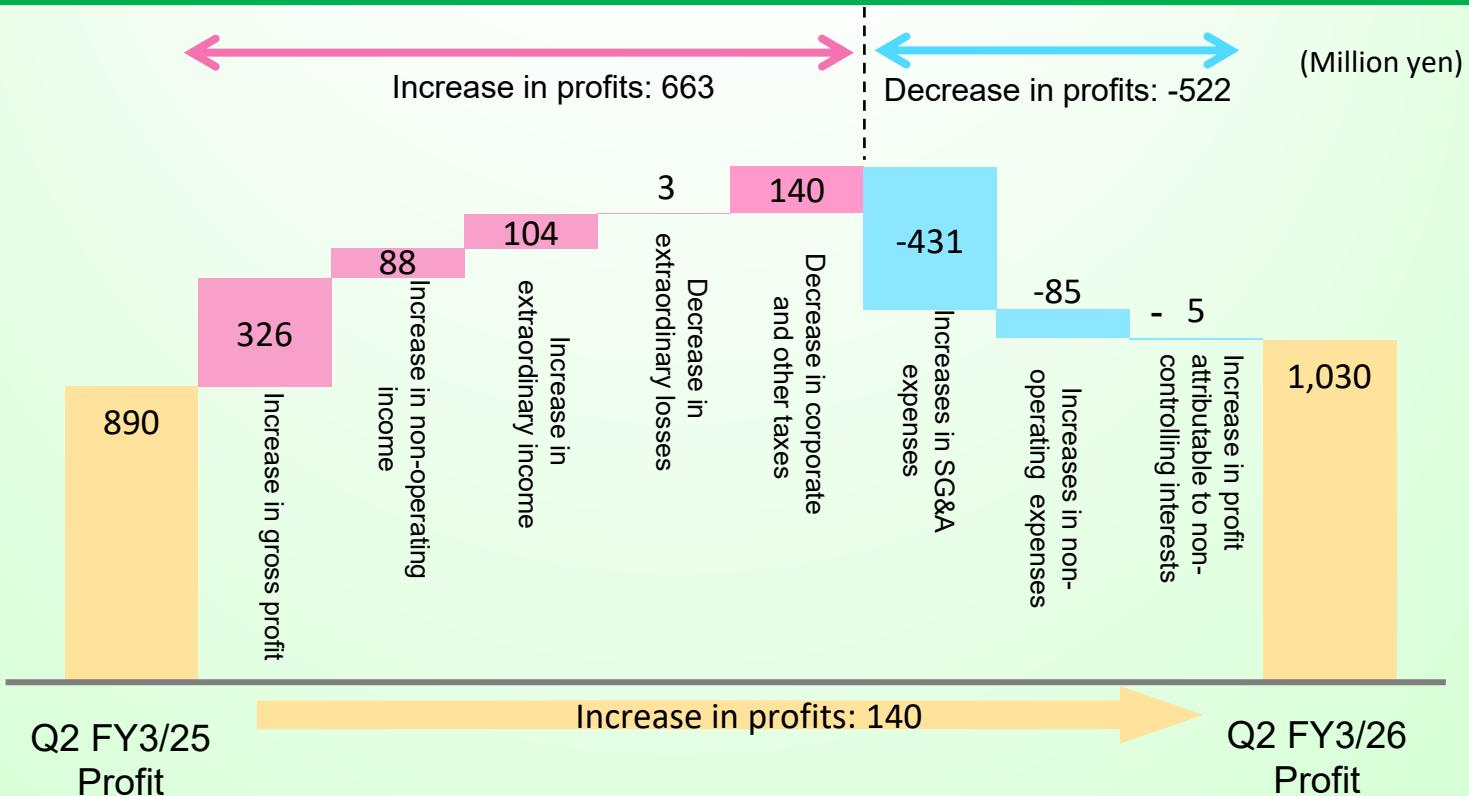
- ◆ Against the backdrop of recovery and reconstruction from natural disasters, as well as the promotion of disaster prevention, mitigation, and national resilience, public investment has remained generally resilient.
- ◆ The business environment continues to be affected by persistently high construction material prices, labor shortages, and rising labor costs.
- ◆ Ongoing geopolitical risks, including conflicts in Ukraine and the Middle East and U.S.–China tensions, require continued close attention to trends in crude oil prices and foreign exchange rates.

# Financial Highlights (Consolidated Business Results/Q2)



	FY3/25 Q2	FY3/26 Q2	YoY change (%)	
Net sales	32,012	32,211	0.6%	↑
Gross profit	6,824	7,151	4.8%	↑
SG&A expenses	5,495	5,926	7.8%	↑
Operating profit	1,329	1,225	-7.8%	↓
Ordinary profit	1,438	1,336	-7.1%	↓
Profit attributable to owners of parent	890	1,030	15.8%	↑

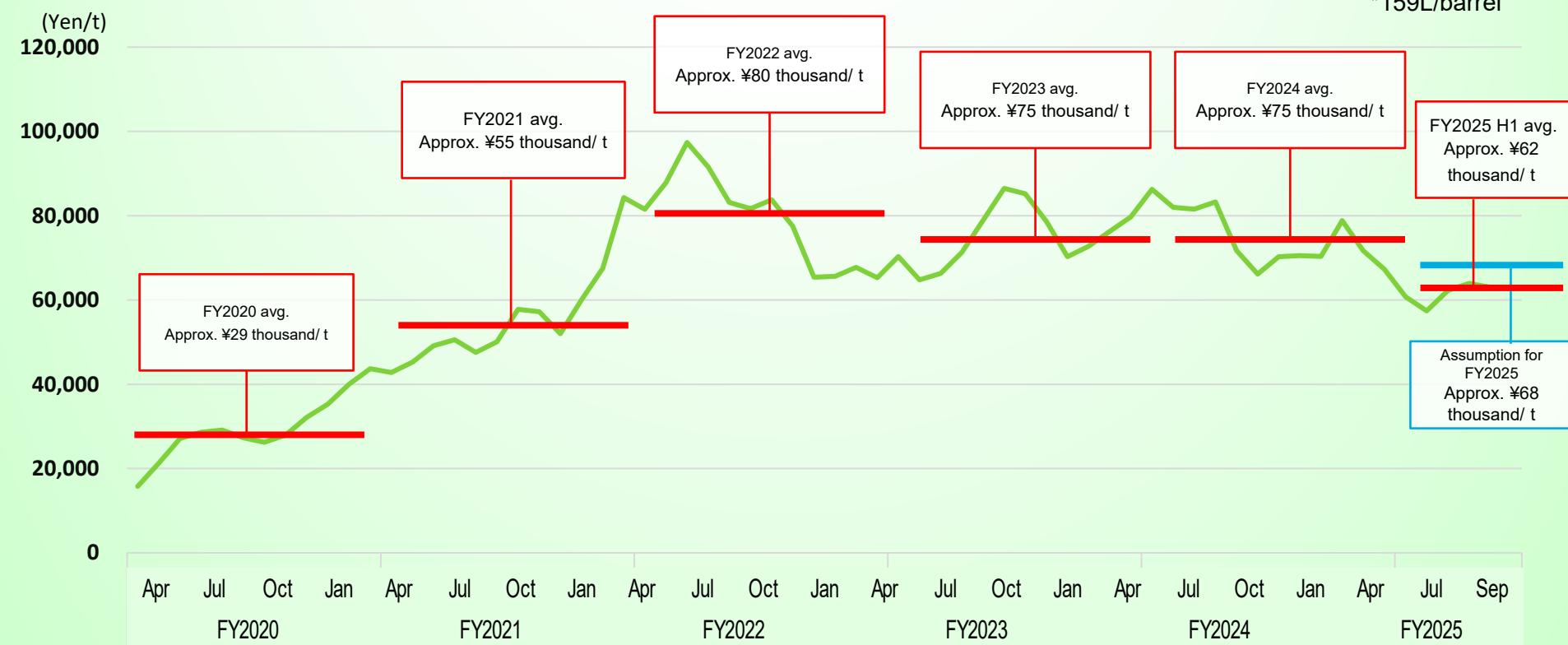
# Analysis on Changes in Profit (Q2)



# Reference: Dubai Crude Oil Prices (Yen/t)



\*159L/barrel



## 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
- ◆ Measures to address rising prices of materials and strengthen cost management

# Financial Highlights (by Segment/Q2)



(Million yen)

	Applied and Processed Asphalt Products Business			Road Paving Business		
	FY3/25 Q2	FY3/26 Q2	YoY change	FY3/25 Q2	FY3/26 Q2	YoY change
Segment sales	12,156	11,706	-3.7% <span style="font-size: 2em;">↓</span>	19,689	20,356	3.4% <span style="font-size: 2em;">↑</span>
Segment profit	2,055	1,559	-24.2% <span style="font-size: 2em;">↓</span>	1,056	1,126	6.7% <span style="font-size: 2em;">↑</span>
Segment profit margin	16.9%	13.3%	-3.6% <span style="font-size: 2em;">↓</span>	5.4%	5.5%	0.1% <span style="font-size: 2em;">↑</span>

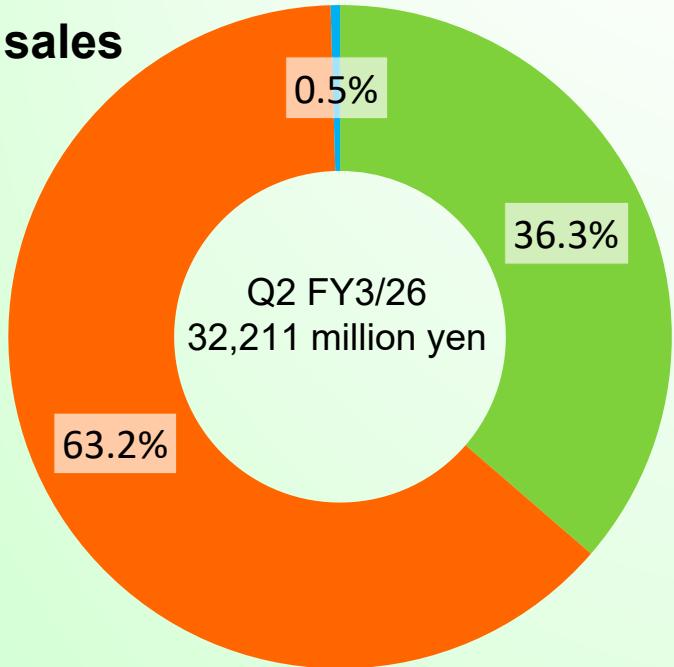
\*Segment sales in the Applied and Processed Asphalt Products Business refer to sales to external customers.

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

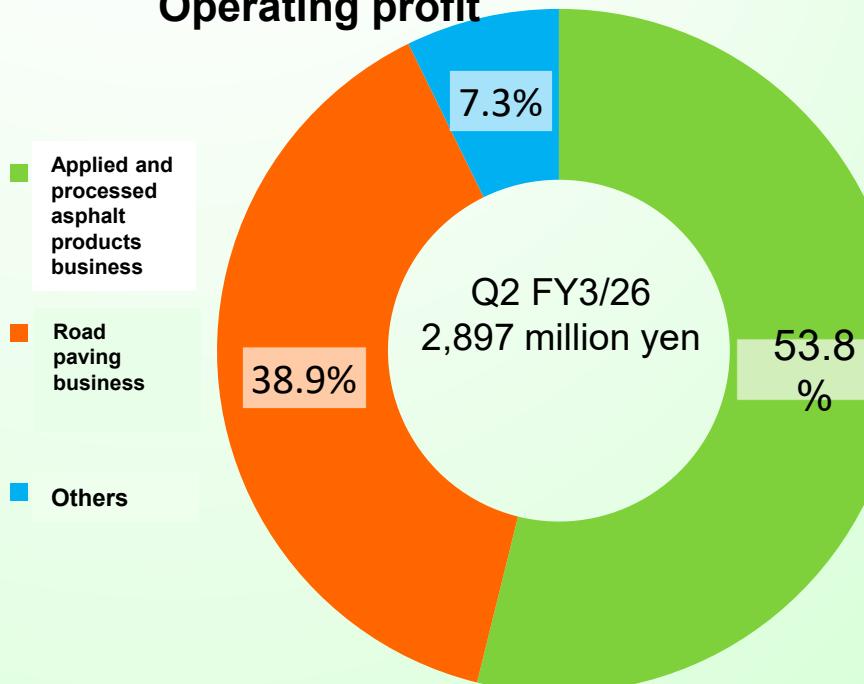
# Ratio of Operating Results by Segment (Q2)



**Net sales**



**Operating profit**



\*: Amount before adjustment of 1,671 million yen, which includes elimination of inter-segment transactions and corporate expense

# Financial Highlights (Consolidated Business Results/Q2 Alone)



(Million yen)

	FY3/25 Q2 Alone	FY3/26 Q2 Alone	YoY change (%)
Net sales	<b>18,484</b>	<b>18,510</b>	<b>0.1%</b> <span style="color: green;">↑</span>
Gross profit	<b>4,035</b>	<b>4,509</b>	<b>11.8%</b> <span style="color: green;">↑</span>
SG&A expenses	<b>2,782</b>	<b>2,967</b>	<b>6.6%</b> <span style="color: green;">↑</span>
Operating profit	<b>1,252</b>	<b>1,542</b>	<b>23.1%</b> <span style="color: green;">↑</span>
Ordinary profit	<b>1,273</b>	<b>1,451</b>	<b>14.0%</b> <span style="color: green;">↑</span>
Profit attributable to owners of parent	<b>835</b>	<b>1,027</b>	<b>23.1%</b> <span style="color: green;">↑</span>

# Financial Highlights (by Segment/Q2 Alone)



(Million yen)

	Applied and Processed Asphalt Products Business			Road Paving Business		
	FY3/25 Q2 Alone	FY3/26 Q2 Alone	YoY change	FY3/25 Q2 Alone	FY3/26 Q2 Alone	YoY change
Segment sales	6,680	6,446	-3.5% <span style="color: red;">↓</span>	11,718	11,987	2.3% <span style="color: green;">↑</span>
Segment profit	1,214	1,176	-3.2% <span style="color: red;">↓</span>	928	934	0.7% <span style="color: green;">↑</span>
Segment profit margin	18.2%	18.2%	0.0% <span style="color: green;">↑</span>	7.9%	7.8%	-0.1% <span style="color: red;">↓</span>

\*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.

# Balance Sheet (September 30, 2025)



\*: Figures in brackets indicate increase/decrease for end-FY3/25

(Million yen)

<b>Assets</b> <b>108,852</b> <b>(-3,515)</b>	<b>Current assets</b> <b>48,534</b> <b>(-7,541)</b>	<b>Current liabilities</b> <b>14,166 (-1,993)</b>	<b>Liabilities</b> <b>33,012</b> <b>(-2,035)</b>
	<b>Non-current assets</b> <b>60,318</b> <b>(+4,026)</b>	<b>Non-current liabilities</b> <b>18,846 (-41)</b>	<b>Net assets</b> <b>75,839</b> <b>(-1,480)</b>

## II. Business Forecasts for FY3/26

# External Environment Surrounding Our Group



## Policy

- Final year of the five-year accelerated program for disaster prevention/mitigation and national resilience
- The successor National Resilience Medium-Term Plan is expected to exceed the current plan, with a project scale of over 20 trillion yen



## Economy

- Although the economy shows gradual recovery supported by improvements in employment and income conditions, uncertainty remains high
- Progress of rising prices and increased volatility in the foreign exchange market



## Society

- Growing awareness of the risks associated with aging infrastructure
- "2024 Problems" in the Construction and Logistics Industries
- Increasing awareness of the environment and SDGs



## Technical

- Development of ICT, IoT and AI technologies
- Progress in autonomous driving technology



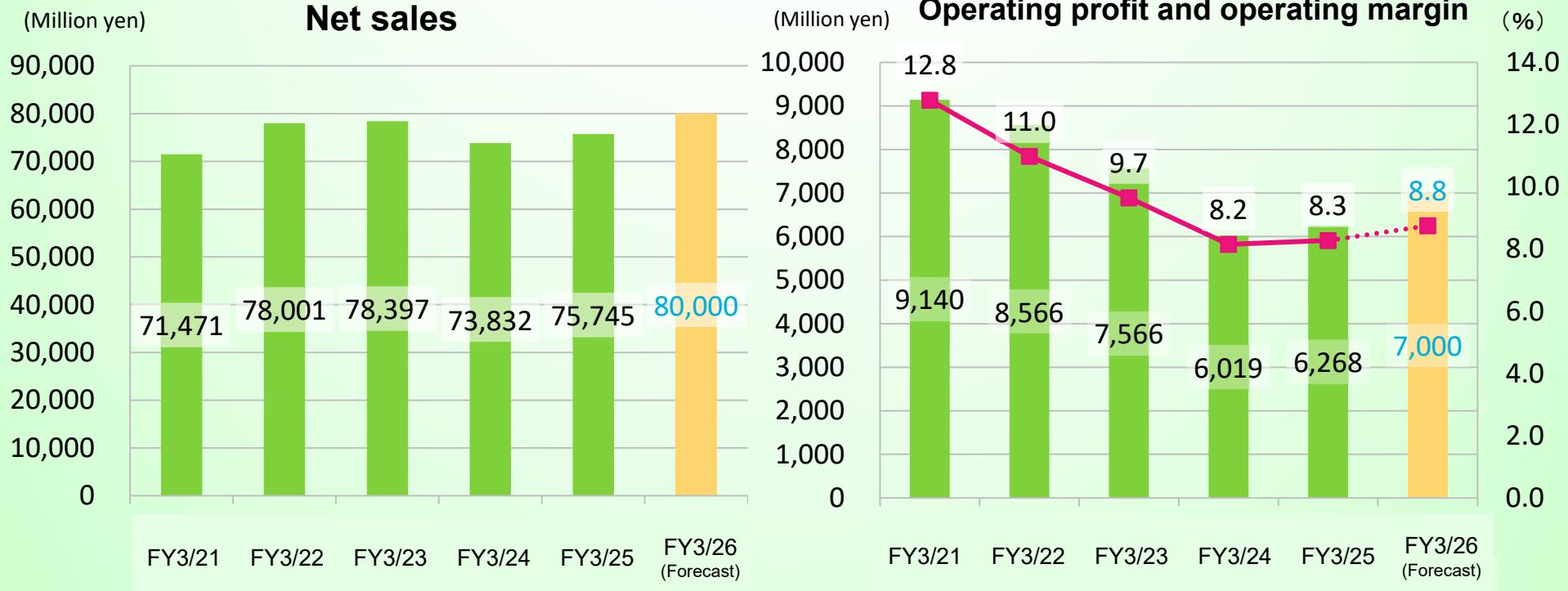
# Full-Year Business Forecasts (Consolidated)



	FY3/25 Result	FY3/26 Forecast (*)	YoY change (%)
Net sales	75,745	80,000	5.6% <span style="color: grey;">↑</span>
Operating profit	6,268	7,000	11.7% <span style="color: grey;">↑</span>
Ordinary profit	7,047	7,300	3.6% <span style="color: grey;">↑</span>
Profit attributable to owners of parent	4,848	4,900	1.1% <span style="color: grey;">↑</span>

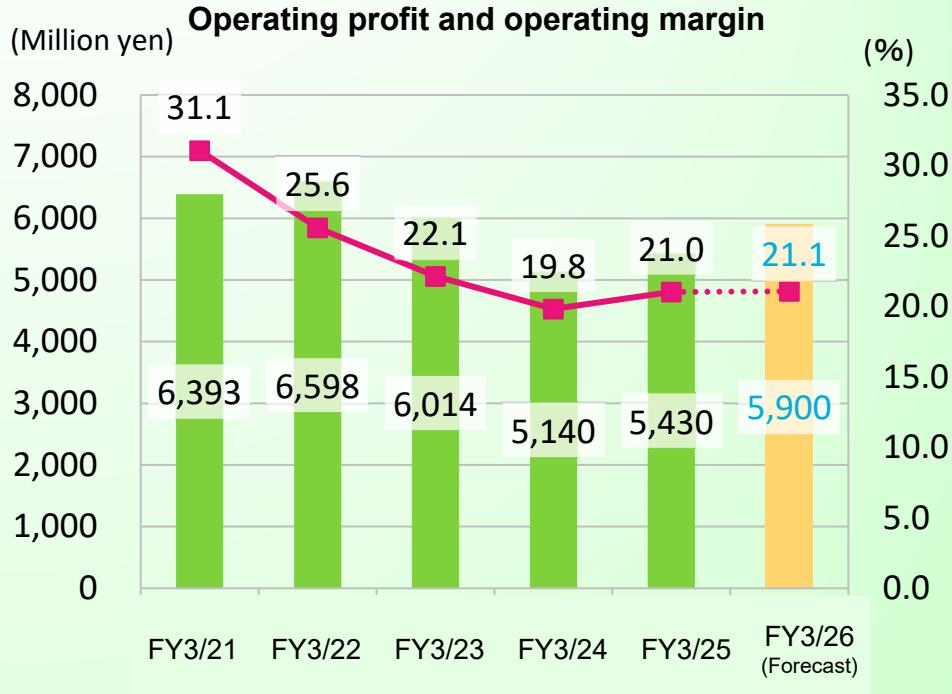
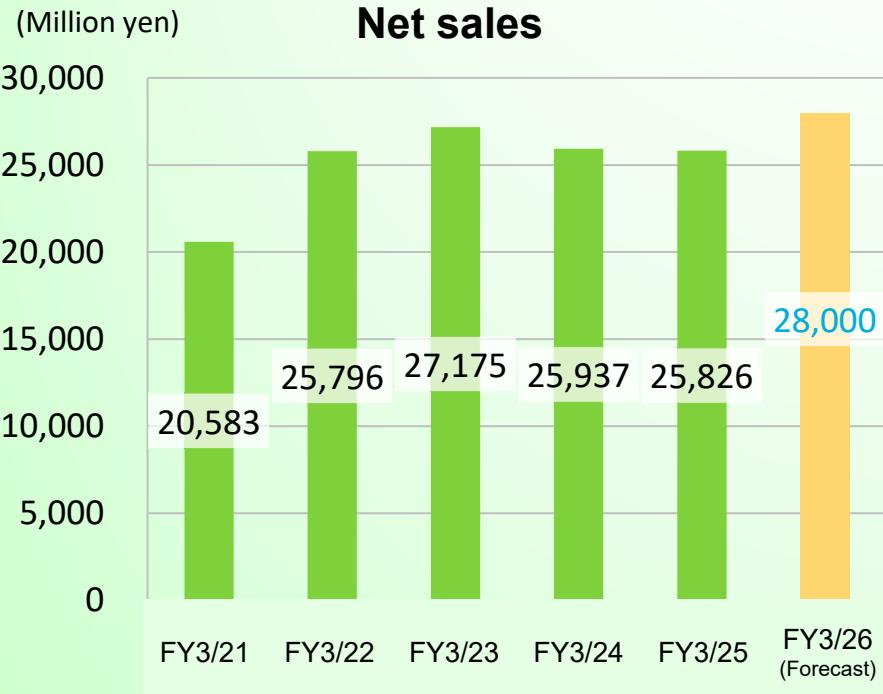
\*Assumed crude oil price: \$75 per barrel, exchange rate: 145 yen per dollar

# Full-Year Business Forecasts (Changes)

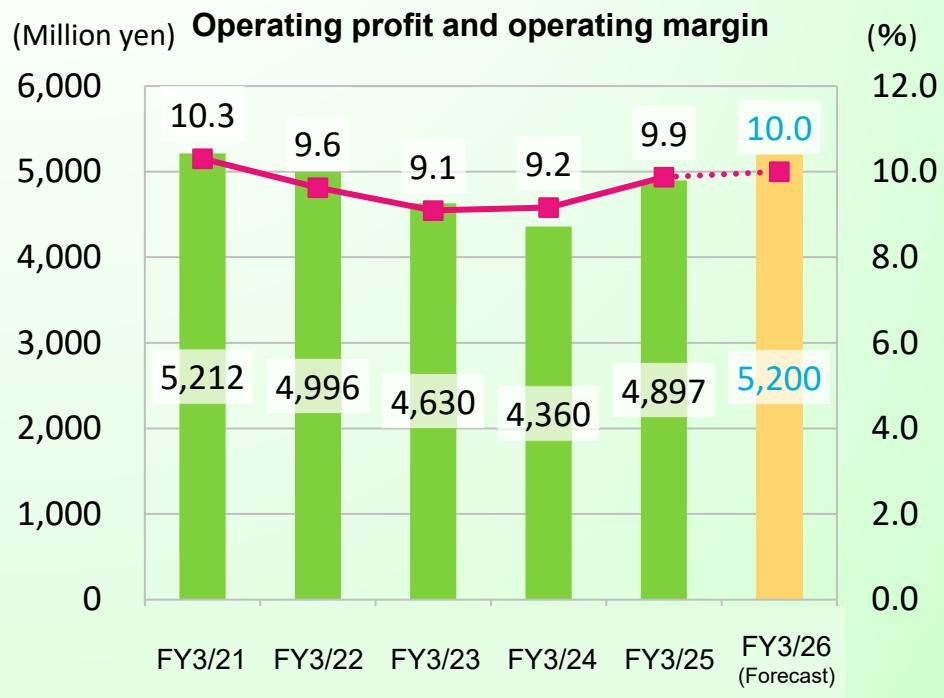
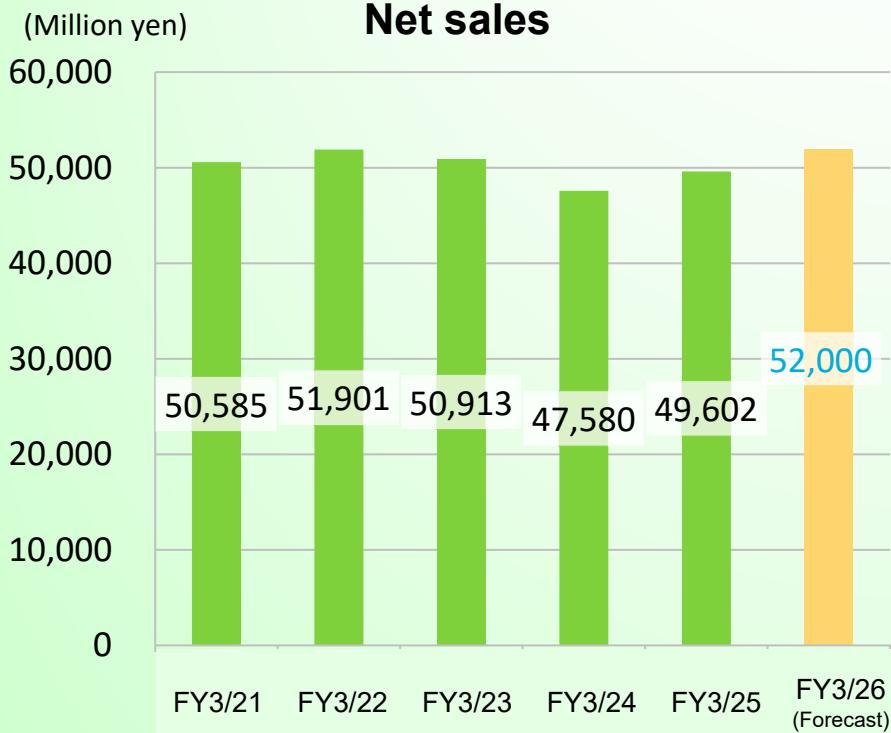


# Business Forecasts by Segment

## (Applied and Processed Asphalt Products Business)

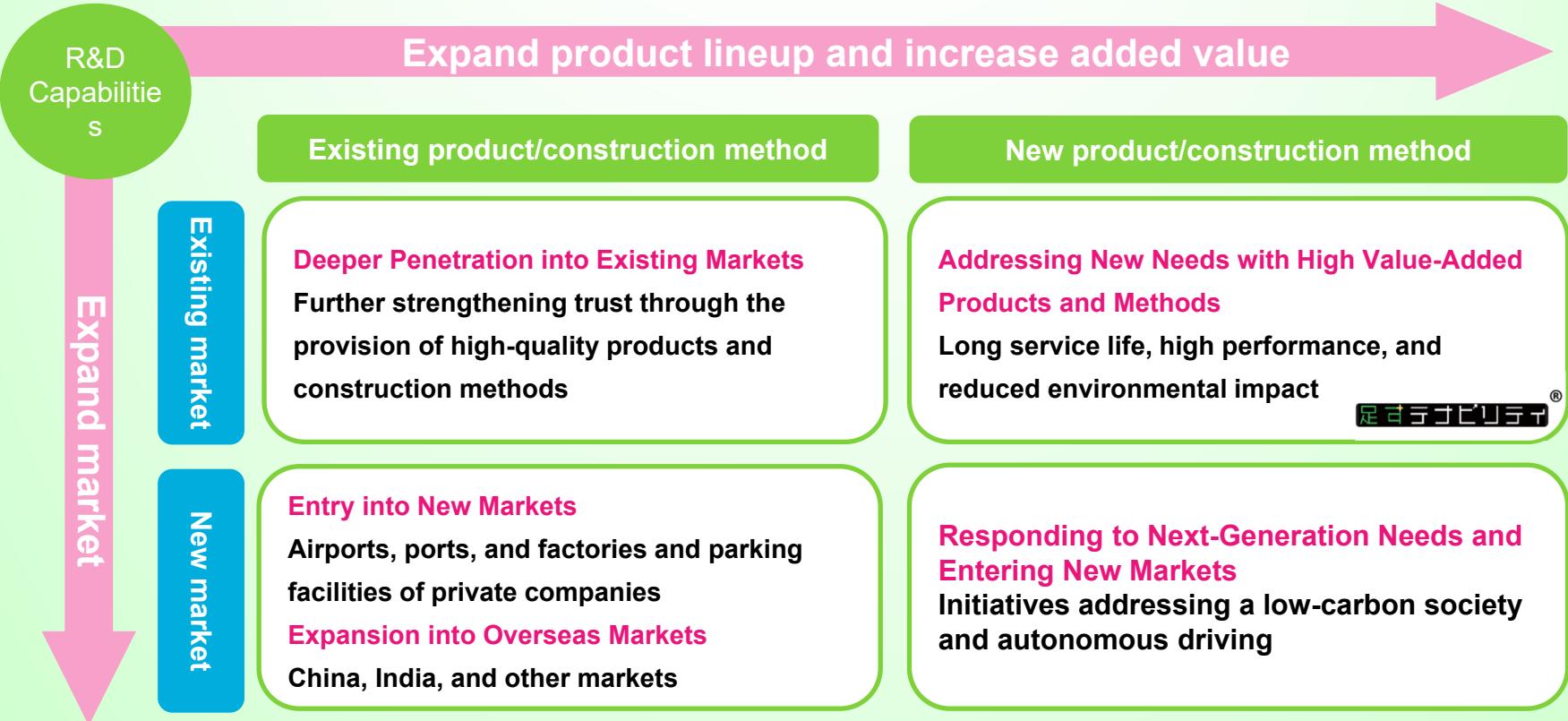


# Business Forecasts by Segment (Road Paving Business)



### III. Future Outlook

# Growth Strategy of NICHIREKI Group



# Disaster Recovery from the Noto Peninsula Earthquake (STABI-CEMENT RC Construction Method)



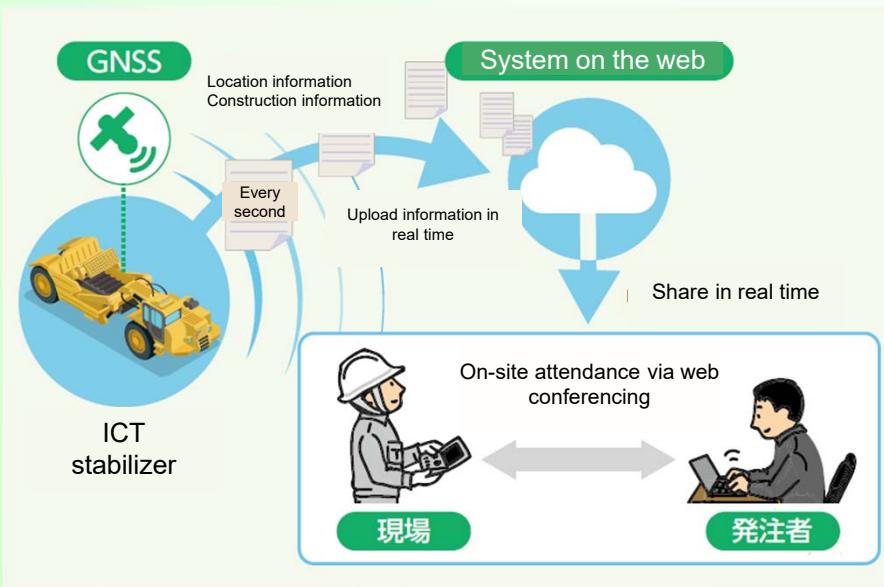
A video introducing the STABI-CEMENT RC Construction Method is available on the Company's website



# Smart Stabilizer Monitoring System



- ◆ The STABI-CEMENT RC Construction Method using ICT stabilizers contributes to the further longevity of pavements by increasing construction accuracy and enabling the construction of higher quality roadbeds.
- ◆ December 2024: Registered with the Ministry of Land, Infrastructure, Transport and Tourism (MLIT)'s **NETIS (New Technology Information System)**



Check details  
(Youtube channel: Kinki Regional Development Bureau)



# NICHIREKI Group's Contribution to "National Resilience" Social Challenges



## Social Challenges

Aging infrastructure, including roads and bridges

Increasing severity and frequency of natural disasters

Growing demand for infrastructure development and resilience enhancement

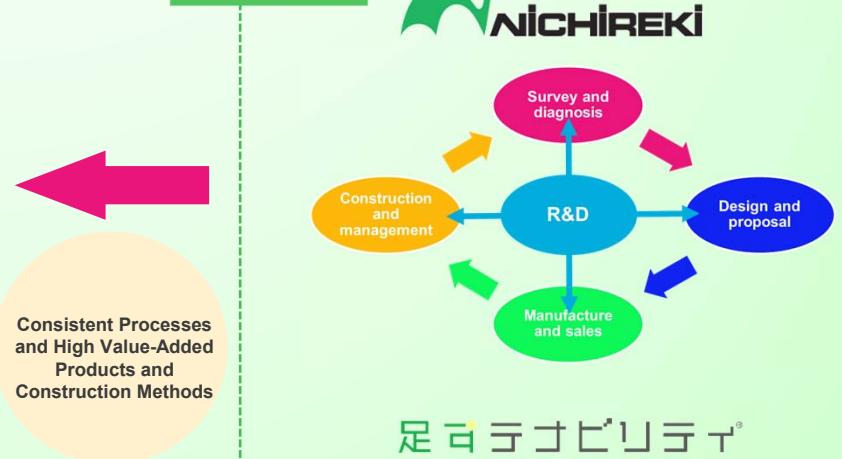
## Policy

June 2023: Enactment of the revised Basic Act for National Resilience

**Current**  
FY2021–FY2025:  
Five-Year Accelerated Measures for Disaster Prevention,  
Mitigation, and National Resilience  
Total budget scale: approximately 15 trillion yen

**Next Phase**  
FY2026–FY2030  
First Mid-Term Implementation Plan for National  
Resilience  
Budget scale: slightly over 20 trillion yen

NICHIREKI



# Regional Infrastructure Group Regeneration Strategy Management ("Group Management")

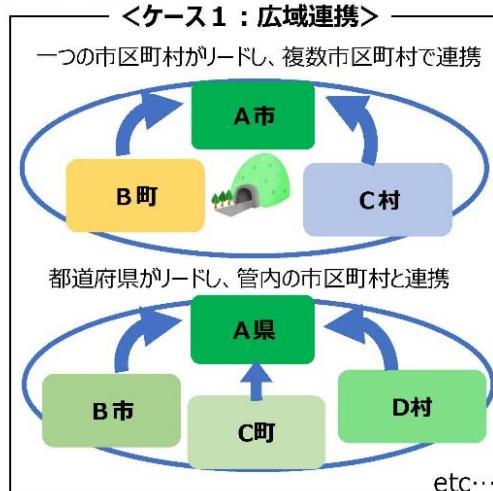


## 地域インフラ群再生戦略マネジメント（群マネ） (R4.12.2社整審・交政審技術分科会技術部会より提言) 参考

- 市区町村が抱える課題を踏まえつつ、適確にインフラ機能を発揮させるためには、個別施設のメンテナンスのみならず「地域インフラ群再生戦略マネジメント（群マネ）」の考え方が重要。
- 既存の行政区域に拘らない広域的な視点で、道路、公園、上下水道といった複数・多分野のインフラを「群」として捉え、更新や集約・再編、新設も組み合わせた検討により、効率的・効果的にマネジメントし、地域に必要なインフラの機能・性能を維持するもの。

### 群マネのイメージ

提言：[https://www.mlit.go.jp/policy/shingikai/sogo03\\_sg\\_000214.html](https://www.mlit.go.jp/policy/shingikai/sogo03_sg_000214.html)



Source: Ministry of Land, Infrastructure, Transport and Tourism  
Reference material on Group Management  
<https://www.mlit.go.jp/report/press/content/001710579.pdf>

# Demonstration Experiment for Road Surface Inspection in Hirakata City



- ◆ A demonstration experiment for road surface inspection using “**GLOCAL-EYEZ**” was conducted in Hirakata City, Osaka Prefecture, through the Hirakata City Public–Private Partnership Platform.



## Objectives of the Initiative

- **DX** of road maintenance and management
- **Shortening of construction periods** through rapid acquisition of survey results
- **Cost reduction** through inspections using smartphones
- Promotion of **preventive maintenance–oriented repairs**

This initiative was featured in The Nikkei  
(Link available until November 9, 2026)→



# Participation in the India High-Speed Rail Project



## [Seven Routes Announced in 2009]



- ◆ In 2015, during the Japan–India Summit Meeting, both governments agreed to adopt the Japanese Shinkansen system for India's high-speed rail.
- ◆ The first section selected is the Mumbai–Ahmedabad line (505 km).
- ◆ To continuously capture the growing demand for transportation infrastructure development in India, **we established a joint venture in Vadodara, Gujarat State**, to participate in the India High-Speed Rail Project.



# Establishment of a Joint Research Program at Tohoku University Graduate School



- ◆ In April 2023, we jointly established the Infrastructure Management “Tastainability” Joint Research Program with the Infrastructure Management Research Center (IMC), Graduate School of Engineering, Tohoku University.



# Materials Supporting Pavement Management for Municipalities



- ◆ A paper summarizing the results of repair materials planned, prototyped, and pilot-applied through a joint research program with the Graduate School of Engineering, Tohoku University received an Award for Excellence at the 36th Japan Road Conference (November 2025).

Paper title: "Surface Treatment Materials for the Maintenance of Residential Roads with Consideration for Cost Efficiency"



# Awards at the 36th Japan Road Conference



- ◆ At the 36th Japan Road Conference, held on November 6–7, 2025, the Nichireki Group received awards for three papers.

Award for Excellence:

“Surface Treatment Materials for the Maintenance of Residential Roads with Consideration for Cost Efficiency”

Award for Excellence:

“Application Case of On-Site Roadbed Recycling Method in Anamizu Town for Recovery Works Following the 2024 Noto Peninsula Earthquake”

Encouragement Award:

“Waterproofing Measures for Construction Joints”

# Nichireki Group's 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.



TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

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

Disclosures based on TCFD recommendations are made in the Integrated Report 2024.



## ■ CDP Climate Change Report 2024: "B" Score

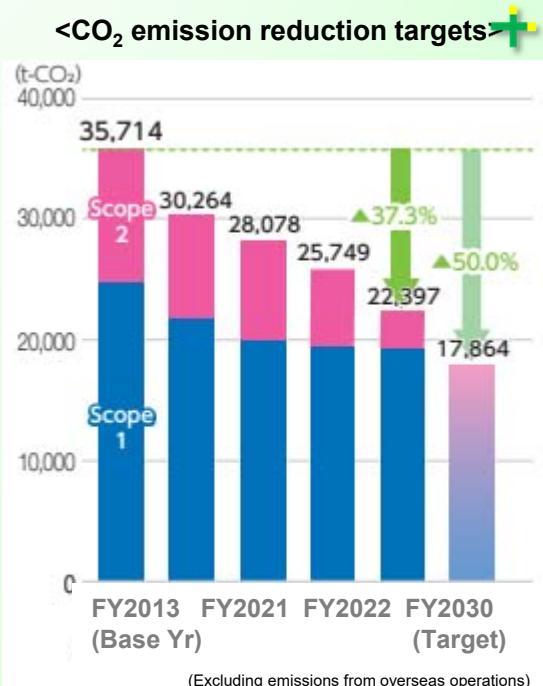
A "B" score is the third-highest rating out of eight levels, indicating that the Company is aware of its environmental risks and impacts and is taking concrete actions (Management level).

### [Targets]

- ✓ Reduce Scope 1 and Scope 2 greenhouse gas (GHG) emissions by 50% by FY2030, compared with FY2013
- ✓ Achieve net-zero GHG emissions across the entire value chain by 2050

### [Key Initiatives]

- ✓ Reform of manufacturing processes; procurement of green electricity; promotion of solar panel installations
- ✓ Expansion of sales of environmentally friendly products, including long-life and medium-temperature paving modified asphalt
- ✓ Accelerated development of low-carbon ambient-temperature paving materials and construction technologies



# About the Tsukuba Big Ship Project



- ◆ Total planned investment: approximately 30 billion yen
- ◆ Construction schedule: Completion of office buildings and plant facilities by the first half of FY2026, Commencement of operations at the new plant in FY2027



Investment decisions are made based on a comprehensive assessment of various management indicators, including the internal rate of return (IRR).

# STABI-CEMENT RC Construction Method Using Next-Generation Fuel



- ◆ Iwate NICHIREKI Co., Ltd., a Group company, implemented the STABI-CEMENT RC Construction Method using next-generation fuel, **renewable diesel (RD fuel)**.
- ◆ This initiative represents the first nationwide application of RD fuel in road construction, aiming to reduce CO<sub>2</sub> emissions while advancing the Group's decarbonization efforts.



An article on this initiative was published on June 12 in the Iwai Nippo (also available on the Company's website).



# IV. Capital Policy

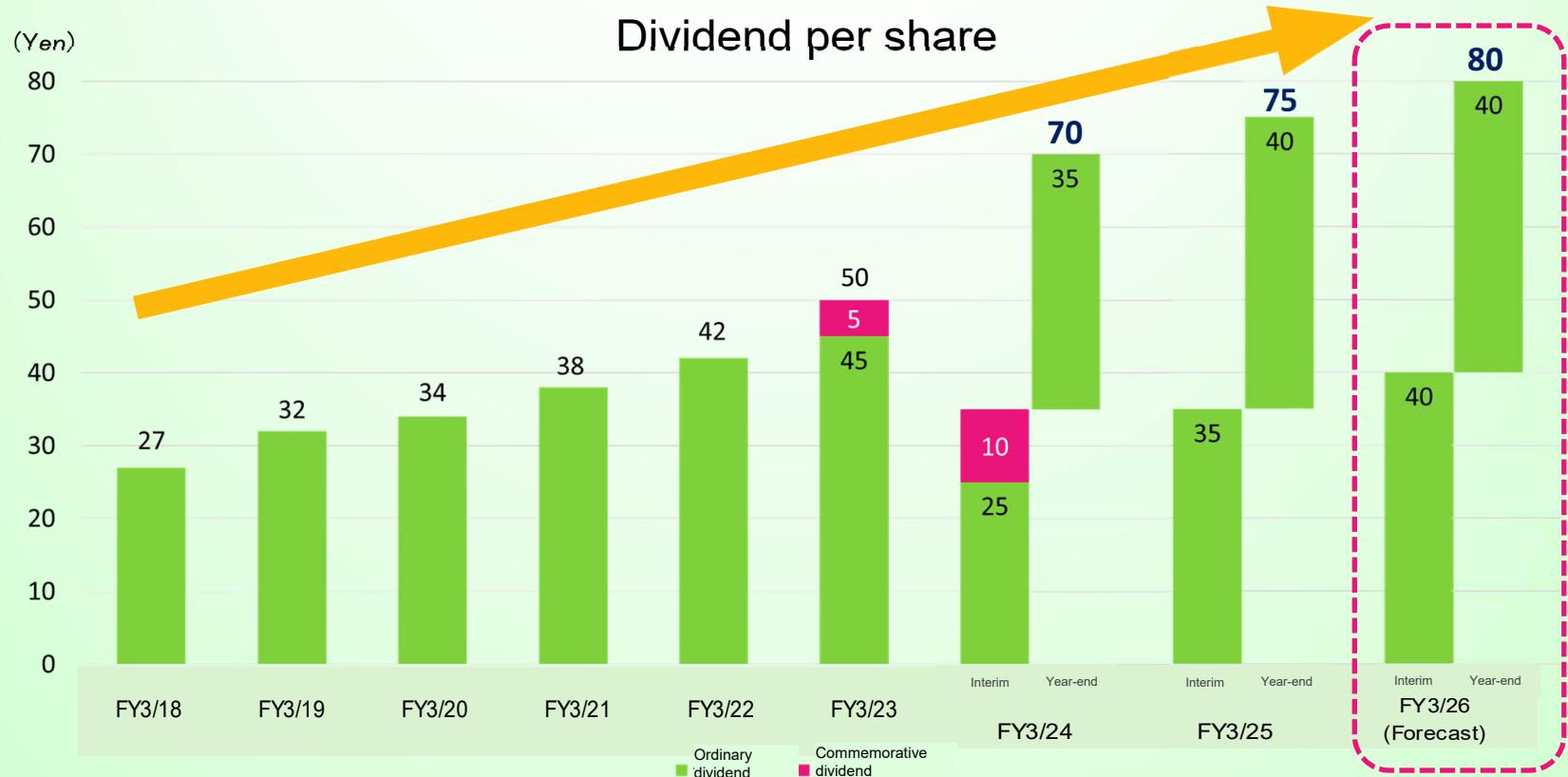
# Status of Treasury Stock Repurchase



Item	Details (Announced Feb. 27, 2025)		Progress (as of Oct. 31, 2025)	Progress Ratio			
Number of shares	Upper limit	1,000,000 shares	<b>1,000,000 shares</b>	Completed			
Total acquisition cost	Upper limit	2,600,000,000 yen (2.6 billion yen)	<b>2,598,467,247 yen</b> (Approx. 2.6 billion yen)				
Repurchase period	Mar. 1, 2025 – Dec. 31, 2025		Mar. 1, 2025 – Oct. 31, 2025				
Class of shares	Common shares of the Company						
Method	Market purchases on the Tokyo Stock Exchange						

With the above, the share repurchase program authorized by the Board of Directors on February 27, 2025 has been completed.

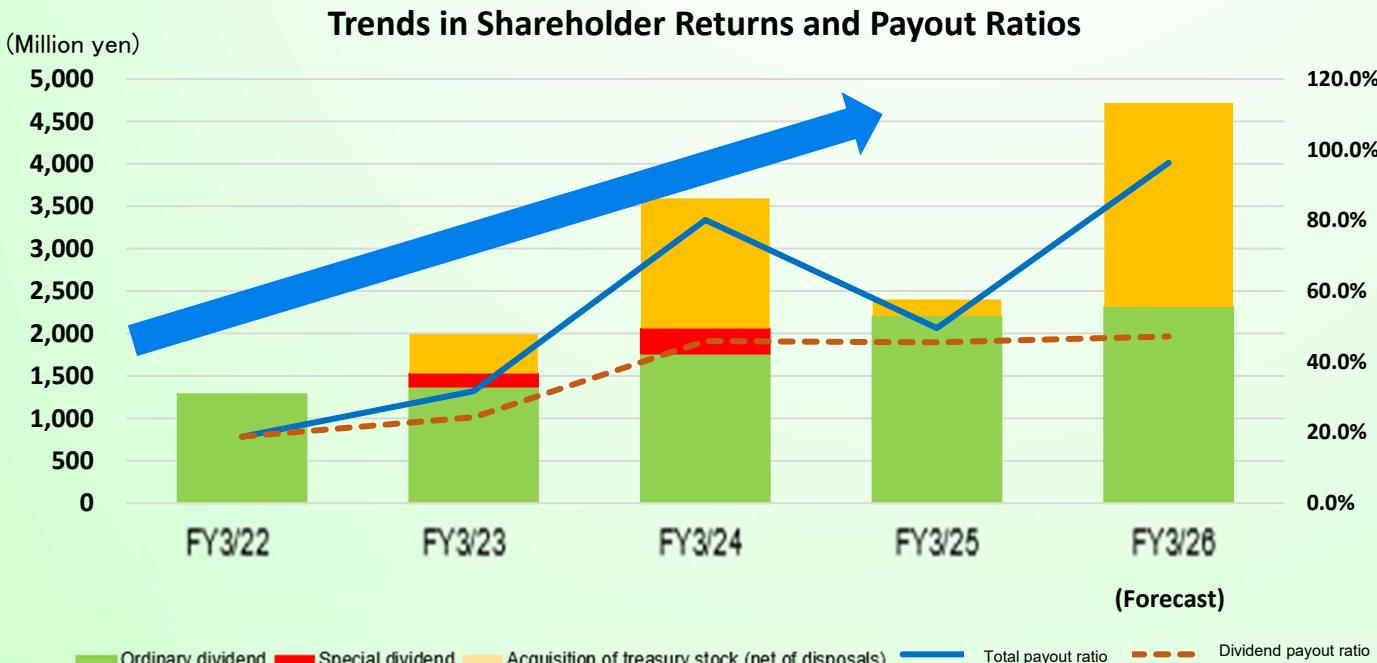
# Shareholder Return (Dividend Forecast and Changes)



# Shareholder Returns (Trends in Total Payout Amount and Total Payout Ratio)



- ◆ While continuing to make growth investments for the future, we aim to steadily increase the total payout ratio and enhance shareholder returns.
- ◆ The total payout ratio for the current fiscal year is expected to be approximately 100%.

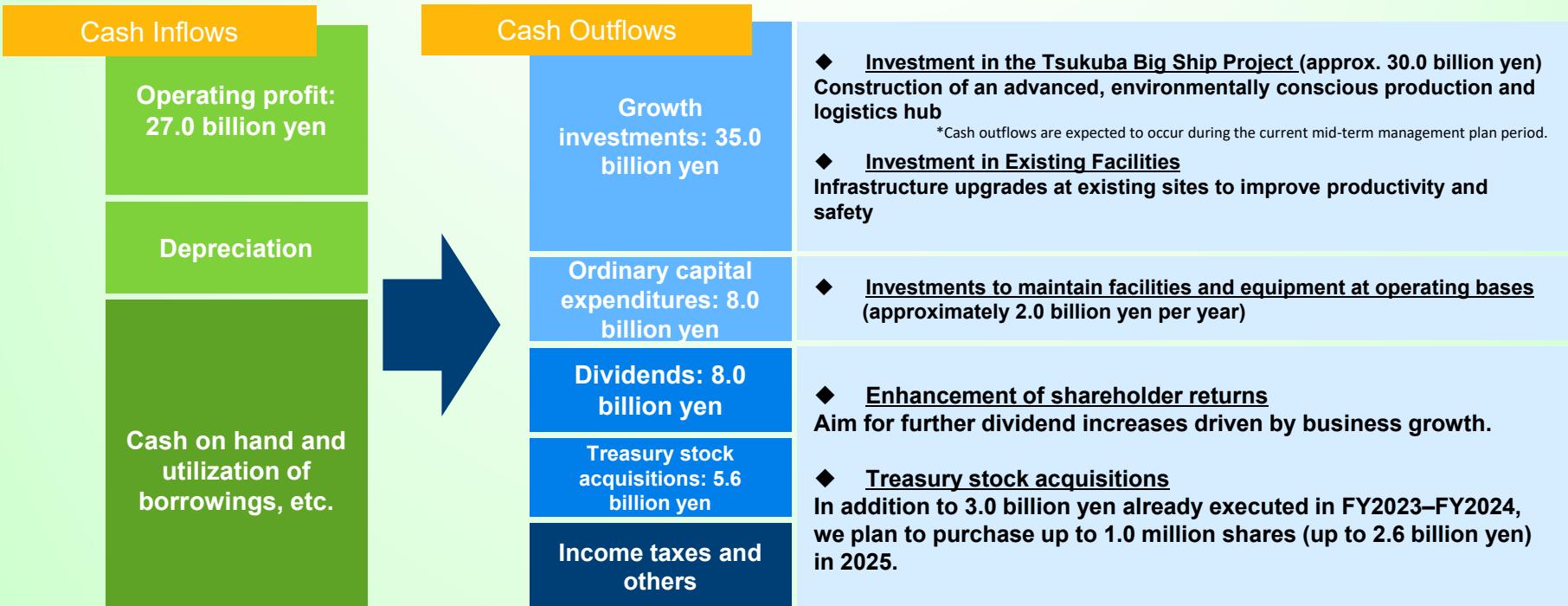


This illustration is based on the Company's full-year earnings forecast and dividend forecast. Treasury stock acquisitions are assumed to be conducted up to the maximum authorized amount during the applicable fiscal year, with a total upper limit of 2.6 billion yen, including the amount implemented in the previous fiscal year.

# Cash Allocation (FY2022–FY2025: Four-Year Period)



- ◆ By utilizing cash flows generated from business growth, we will invest in growth for the next generation while also providing more substantial shareholder returns.



# Action to Implement Management that is Conscious of Cost of Capital and Stock Price



## Current Assessment

### [Capital Profitability]

- Since FY2020, we have achieved a step-up to a higher level of ROE and net income compared with prior periods.
- Shareholder returns have been strengthened in recent years. **Dividends per share are expected to reach 80 yen per share in FY2025 (forecast), marking a tenth consecutive year of dividend increases.** In addition, the Company has implemented flexible and timely share repurchases, resulting in a significant improvement in the total payout ratio.

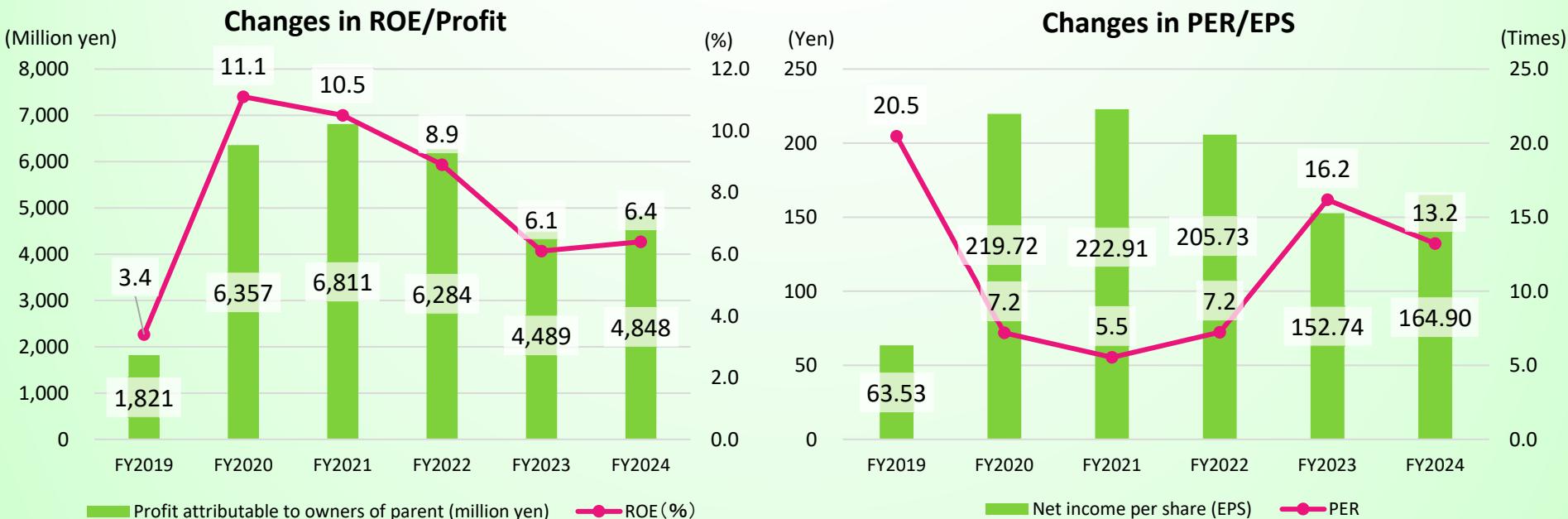
### [Market Valuation]

- The Company's PBR has improved to around 1.0x since FY2023.

## Initiatives

- To ensure that the capital market appropriately values the Company's medium- to long-term earnings stability and growth potential, the Company will steadily execute the initiatives set forth in the current Mid-Term Management Plan, "Shinayaka 2025."
- Through continuous enhancement of profitability and improvements in capital efficiency, the Company aims to reduce its cost of capital and further enhance corporate value.

# Analysis of Current Conditions (Trends in Profit, ROE and PER)



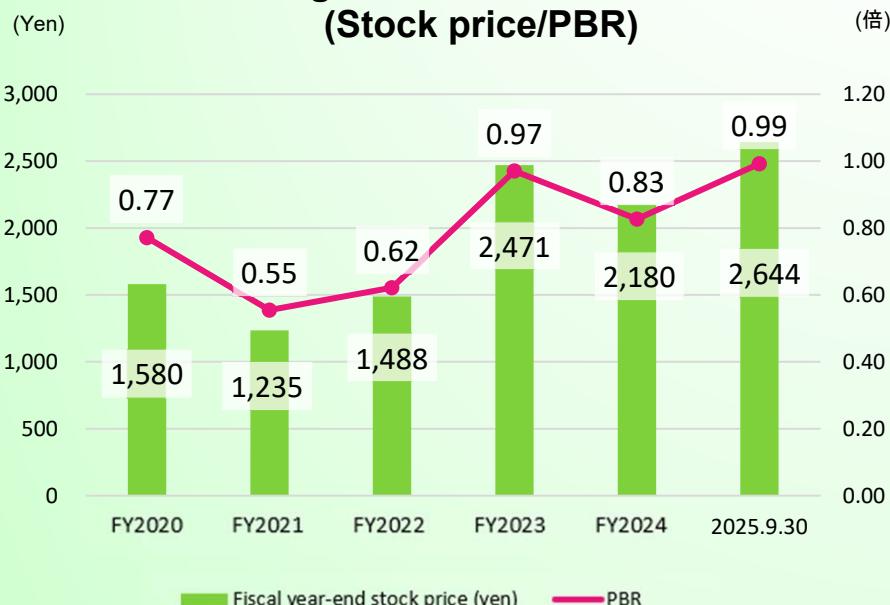
◆ Since FY2020, we have established a system that enables us to stably achieve 1-level higher levels of ROE and profit than before.

◆ Until FY2022, our PER generally remained at approximately 5x–7x. Since FY2023, PER has increased to approximately 13x–16x.

# Analysis of Current Situation (Stock Price and PBR Trends)



## Changes in Market Evaluation (Stock price/PBR)



## NICHIREKI stock price vs. TOPIX (From FY2023)

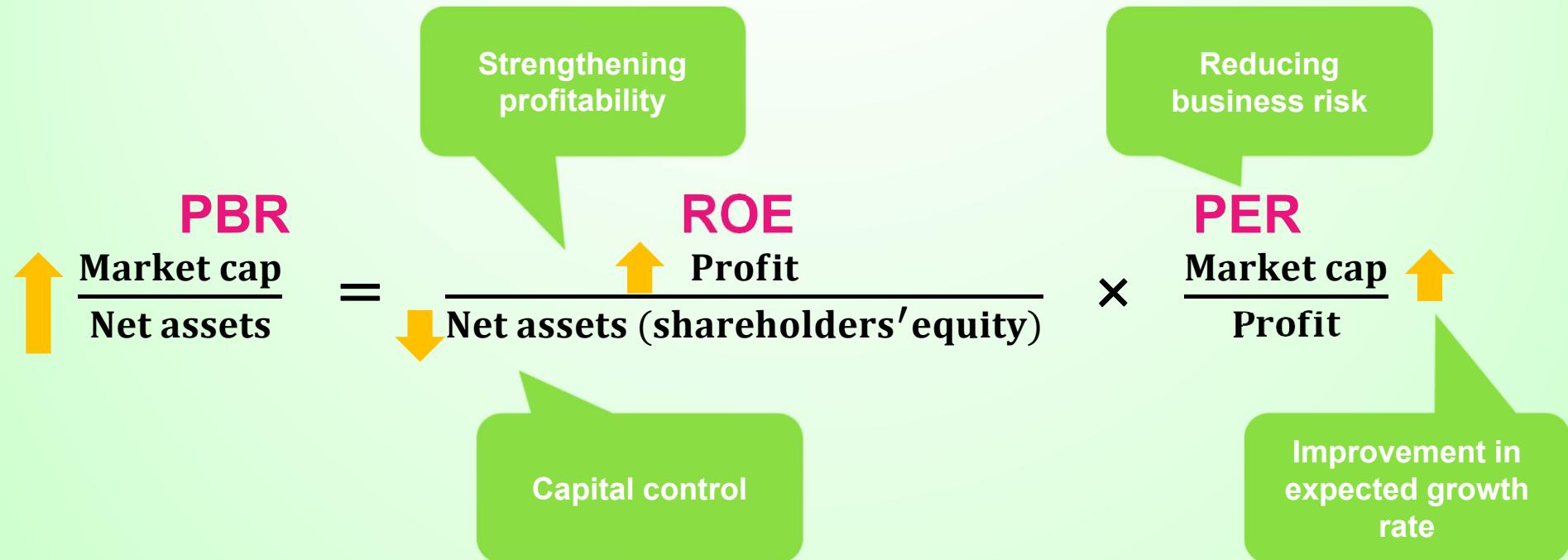


- ◆ PBR had been in the range of around 0.55 to 0.80 in recent years, but since FY2023, ◆ the upward trend has become evident and has risen to around 1 times.

- ◆ NICHIREKI's stock price has risen steadily since FY2023 and is significantly outperforming TOPIX.

# Initiatives to Enhance Corporate Value

- ◆ Aim to improve ROE by strengthening profitability and appropriately controlling capital, while at the same time improving PER by reducing capital costs



# Initiatives to Enhance Corporate Value [Improve ROE]



## ■ Improving ROE

Issues	Response
Strengthening profitability	
Improving returns	Development and introduction of high-value-added products and construction methods
	Appropriate cost pass-through
Efficiency improvement and cost reduction	Promotion of DX
	Optimizing logistics (Capital and business alliance with ITOCHU ENEX CO., LTD. / Improving the efficiency of logistics management at Tsukuba Big Ship)
Capital control	
Improving capital efficiency	Appropriate allocations for growth investment and shareholder returns
Enhance shareholder returns	Appropriate payout policies (Stable and progressive dividends, and flexible share repurchases)

# Initiatives to Enhance Corporate Value [Improve PER]



## ■ Improving PER (reducing capital-cost)

Issues	Response
Minimize business risk	
<b>Thorough implementation of ESG, quality/safety measures</b>	<p>Response to environmental and social issues and governance (Developing products / methods that can reduce CO2 emissions, Transition to a holding company structure / a Company with an Audit and Supervisory Committee)</p> <p>Quality and safety initiatives</p>
Improvement of expected growth rate	
<b>Strengthen engagement with shareholders and other stakeholders</b>	<p>Proactive dialogue with shareholders and investors (strengthening IR/SR)</p> <p>Strengthen public relations and enhance brand value for stakeholders</p> <p>Strengthen disclosure of non-financial information</p>

# Status of Dialogue with Shareholders and Investors



## Details of Engagement

**Financial results briefing** for institutional investors and analysts

**IR seminars for individual investors**, Participation in **Nikkei-TSE IR Fair**

**One-on-One meetings** with shareholders and investors

## Key Topics and Areas of Shareholder Interest

Business Overview	Progress of the Mid-Term Management Plan, "Shinayaka 2025" Progress of the Tsukuba Big Ship Project Rising raw material and labor costs and the status of price pass-through
Corporate Governance	Transition to a holding company structure Transition to a company with an Audit and Supervisory Committee / Introduction of a restricted stock-based compensation plan
Capital Policy	Enhancement of shareholder returns / Improvement of capital efficiency / Measures to improve PBR

## Internal Feedback

Opinions and feedback obtained through dialogue with shareholders and investors are regularly reported by the Public Relations Department to management and reflected in management discussions as appropriate.

## V. Topics

# Topics



May

Received the 46th 2025 Japan BtoB Advertising Awards  
Gold Award in the Newspaper Advertising category

Jul

Advertisement in The Nikkei newspaper (1) (2)

Aug

Advertisement in The Nikkei newspaper (3)

Sep

Attended seminars for individual investors

Exhibited at Nikkei-TSE IR Fair 2025

Issue of Integrated Report (Japanese version)

Oct

Exhibited at Highway Techno Fair 2025

Received the 74th Nikkei Advertising Awards  
Grand Prize (Industrial Category)

Nov

Issue of Integrated Report (English version)

Received the Paper Awards at the 36th Japan Road Conference

# Nikkei-TSE IR Fair 2025



◆ Dates: September 26–27, 2025

We exhibited at the Nikkei-TSE IR Fair 2025.

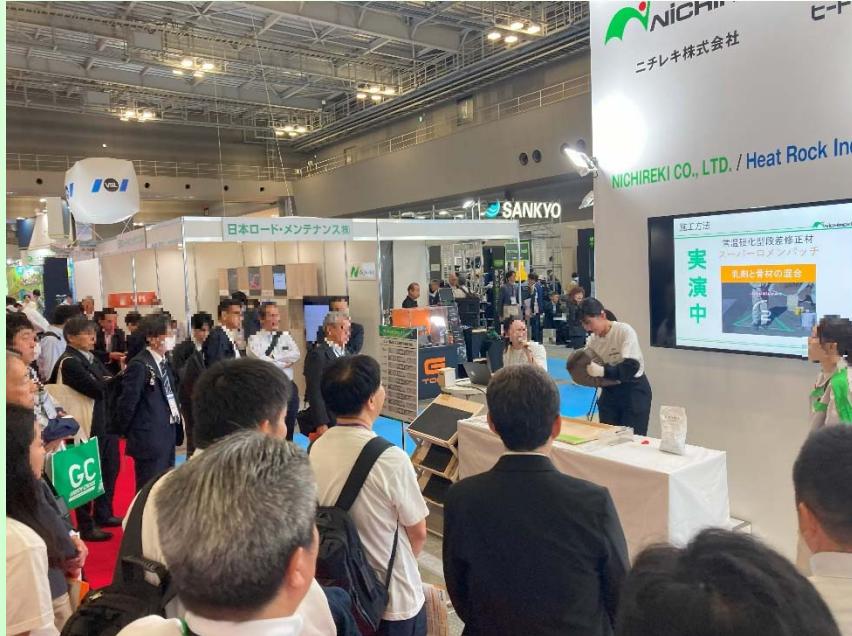


# Highway Techno Fair 2025



◆ Dates: October 16–17, 2025

We exhibited at Highway Techno Fair 2025.



# Nikkei Advertising Awards



A series of advertisements published in the morning edition of The Nikkei on July 28 and August 4, 2025 received the Grand Prize (Industrial Category) at the 74th Nikkei Advertising Awards.



# (Reference Materials)

## Corporate Profile

# Corporate Profile



Name	<b>NICHIREKI GROUP CO., LTD.</b>	No. of employees	1,386 employees (Consolidated, as of March 31, 2025)
Head office location	4-3-29 Kudan-kita, Chiyoda-ku, Tokyo	Business description	Planning and drafting of group management strategies, business management and supervision of group companies, common group operations, etc.
Founded	October 1943 (Established in September 1949)	Group's Business Activities	<ul style="list-style-type: none"><li>Manufacturing and sales of applied and processed asphalt products</li><li>Manufacturing, processing and sales of construction and civil engineering materials</li><li>Contracting for road paving, waterproofing, water and sewage and other civil engineering work, including relevant survey and diagnosis, design and administration processes, etc.</li></ul>
Capital	2,919 million yen		
Representative	Manabu Obata, President and Representative Director		

# 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	80th anniversary of the company's founding on October 26
2024	Company name changed to NICHIREKI GROUP CO.,LTD. on October 1

# 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



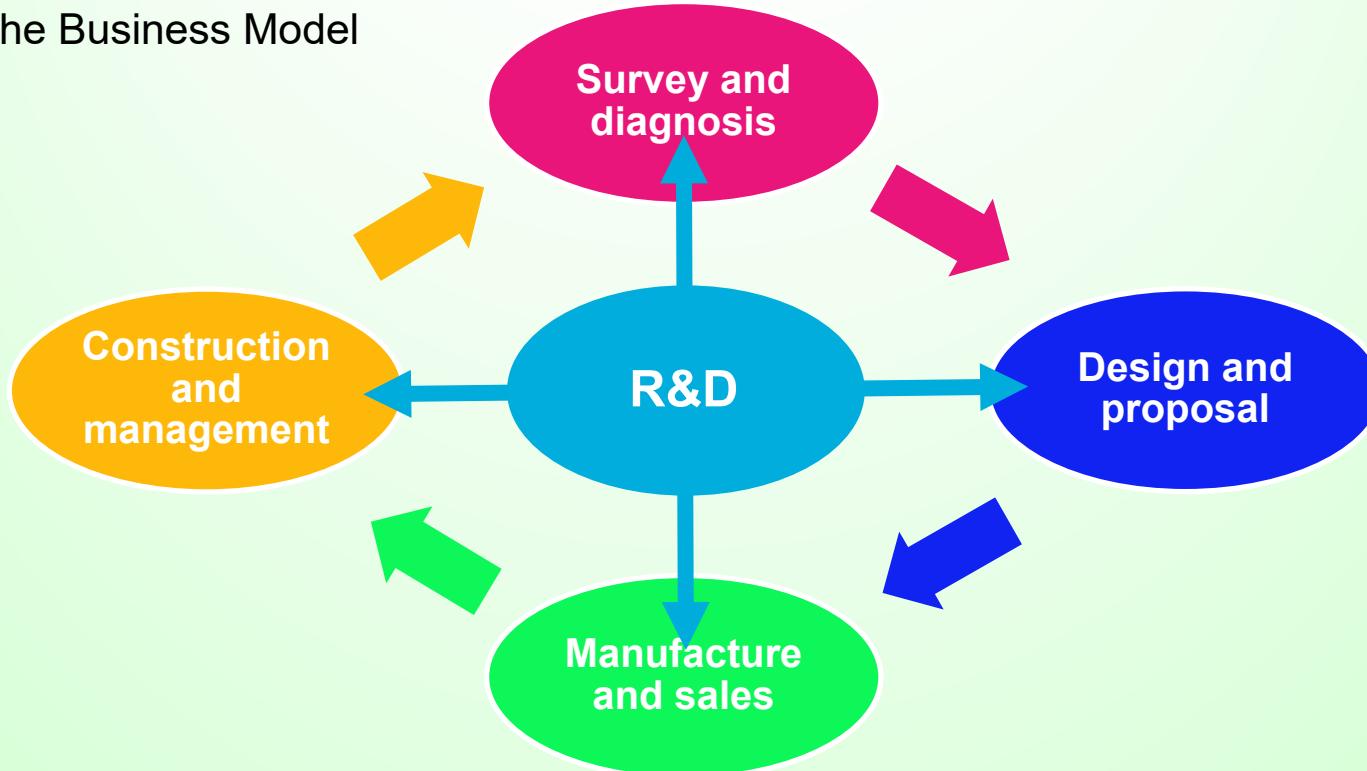
# Business Domain



# Consistent Pavement Solutions



Strengths in the Business Model



# R&D Capability



- ◆ More than 50 employees—approximately 10% of Nichireki's workforce—are assigned to the R&D division.
- ◆ Equipping performance evaluation testing devices for pavement, and promoting the research and development of environmentally friendly products and methods in response to the era of infrastructure maintenance, including road longevity and large-scale renewal



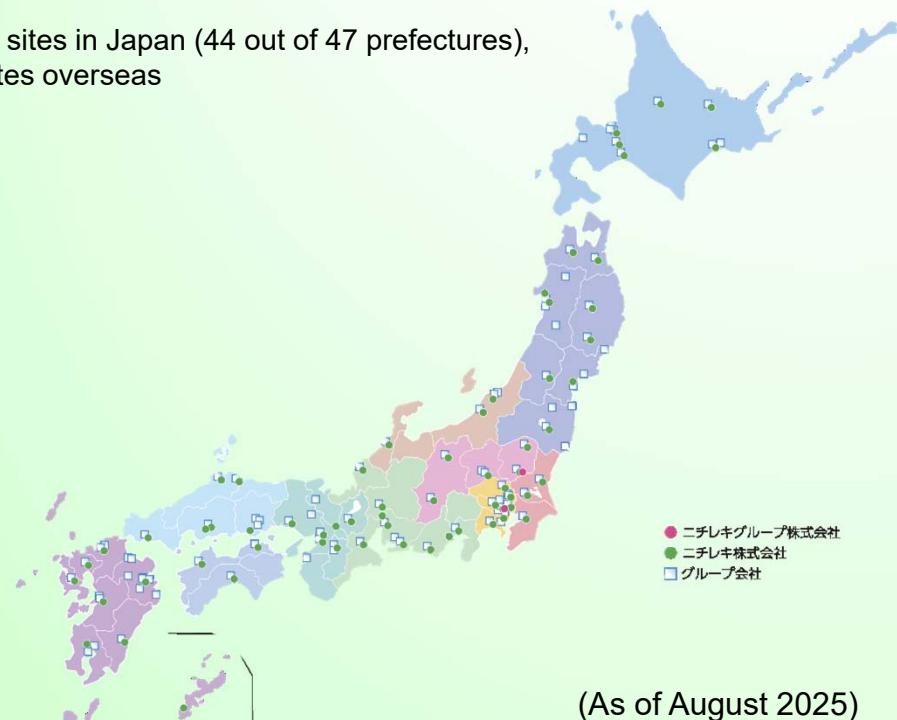
\*Total number of employees, including both NICHIREKI Group and NICHIREKI.

# Expanding Network throughout Japan



## ◆ Offices

106 sites in Japan (44 out of 47 prefectures),  
6 sites overseas



## ◆ Group companies (Consolidated subsidiaries)

39 companies including

NICHIREKI CO., LTD.  
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.

# NICHIREKI Group: Source of Competitive Advantage



## Consistent pavement solutions

We provide end-to-end pavement solutions, covering the entire value chain—from inspection and diagnosis, design and proposal of repair methods, manufacturing and sales of asphalt products, to construction and management.

## R&D capabilities

R&D capabilities that leverage creativity and uniqueness to create new products and methods in order to respond to customer needs, problems, and market needs.

## Expanding network throughout Japan

With 106 locations nationwide (covering 44 of Japan's 47 prefectures), we maintain close communication with road administrators and customers across Japan.

## Brand power

We hold a top-tier domestic market share in asphalt emulsions and modified asphalt, with strong brand recognition firmly established among pavement industry stakeholders nationwide.

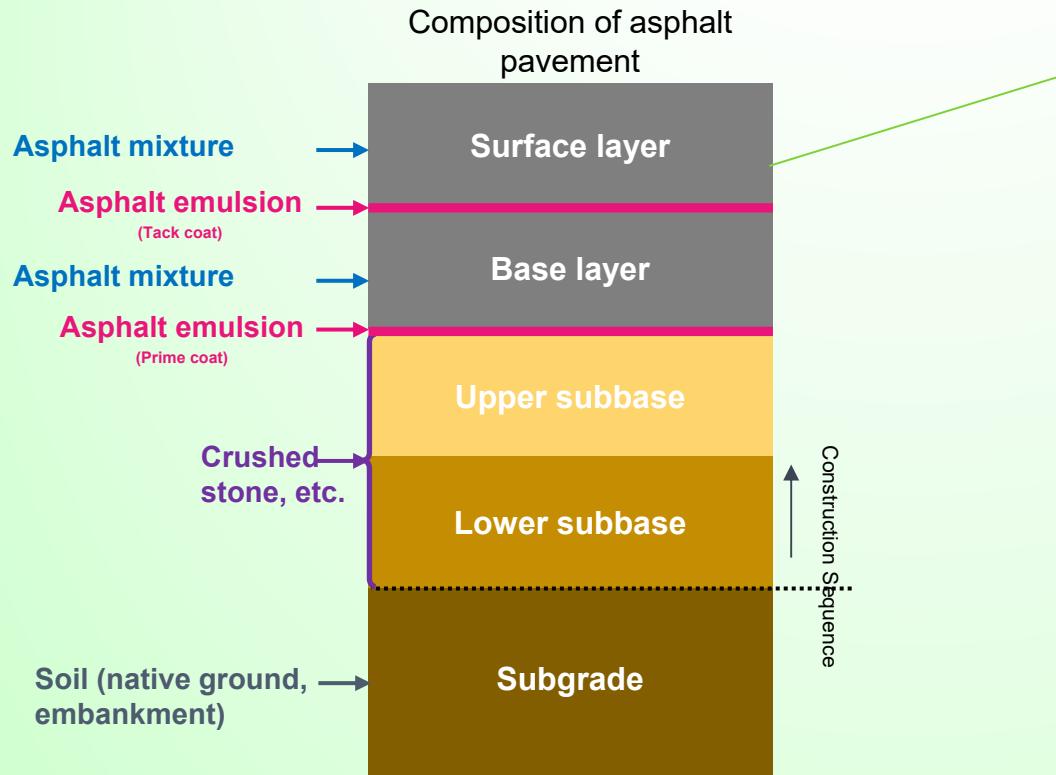
# What is Asphalt?

- ◆ Petroleum asphalt (straight asphalt) is mainly used in road paving, as is the case with gasoline, naphtha, kerosene, diesel oil, and heavy oil.
- ◆ Asphalt is dissolved by adding solid and heat at normal temperature, and has the property of becoming liquid.



Become liquid at about 150° C

# What is Asphalt Pavement?



# What is Asphalt Emulsion?

- ◆ Asphalt emulsions are prepared so that **asphalt** can be handled in a liquid form even at normal temperature.
- ◆ Composed of petroleum asphalt (straight asphalt) and an emulsified liquid containing a surfactant, which is dispersed in water with fine particles.

## Main uses

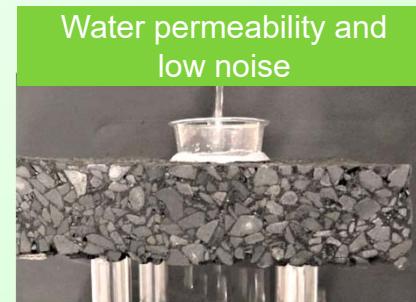
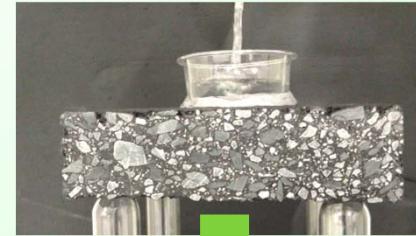
- Tack coat
- Prime coat
- Stabilization of the upper subbase course
- Pavement surface treatment



# What is Modified Asphalt?



- ◆ Modified asphalt has **improved performance** by adding various **modifiers** such as polymers to petroleum asphalt (straight asphalt)



# NICHIREKI's "Tastainability"



The NICHIREKI Group responds to the CO<sub>2</sub> 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



Long life



Low carbon



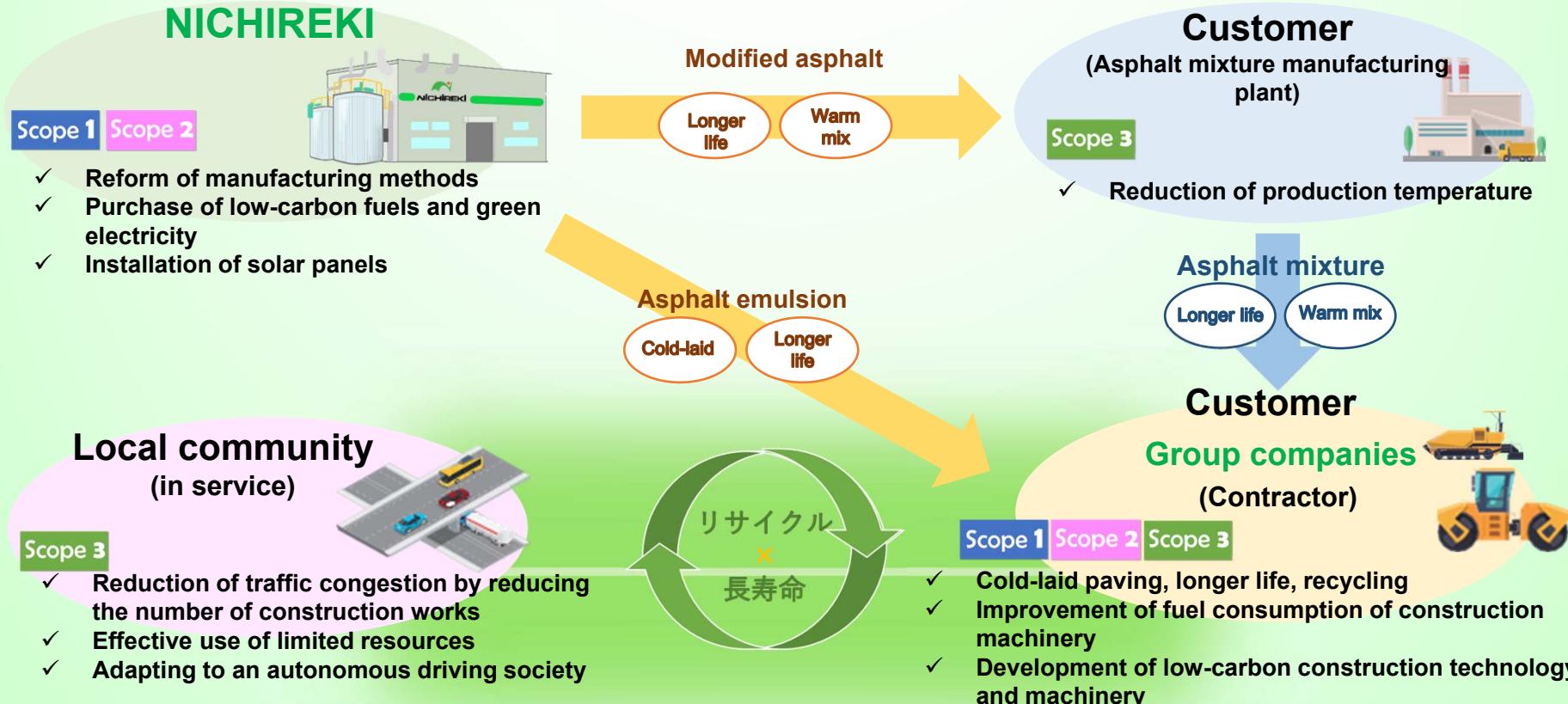
Normal  
temperature



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 CO<sub>2</sub> Reduction through NICHIREKI's Products and Construction Methods



# SUPER CONTAINERPHALT



Reduce **CO<sub>2</sub> 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** テオビリテ®



Contributes to the **long lifespan** of pavement, reducing the frequency of repairs and contributing to the reduction of CO<sub>2</sub> emissions caused by construction work and traffic congestion.

# SUPER SHINAYAKAPHALT



Reduce **CO<sub>2</sub> 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.



足可テオビリテ<sup>®</sup>



Contributes to a **longer pavement** life and a reduction in the number of construction works to about one-half, thereby reducing CO<sub>2</sub> emissions due to construction work and traffic congestion.

# SUPER CONTAINERPHALT + SUPER SHINAYAKAPHALT



足 司 テ オ ピ リ テ ィ ®



Reduce **CO<sub>2</sub> emissions** by approximately **48%**  
by combining long-life and warm mix asphalt products

- ◆ **SUPER CONTAINERPHALT** and the **SUPER SHINAYAKAPHALT**, long-life asphalt mixtures, provides unprecedented **long-life pavement**.
- ◆ This reduces CO<sub>2</sub> 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.

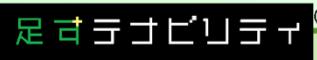


# STABI-CEMENT RC Construction Method



Reduce **CO<sub>2</sub> emissions** by **approx. 20%** 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%**.



長寿命化

Contributes to further reduction of CO<sub>2</sub> 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)



詳しくはこちらから  
(NICHIREKIHP内 工法紹介ページ)





Reduce **CO<sub>2</sub> 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 CO<sub>2</sub> emissions by approximately 49% over the 50-year life cycle of the pavement.

足 司 テ オ ビ リ テ ィ<sup>®</sup>



# High-durability Waterproof Methods for Bridge Decks



足可テオビリテイ®

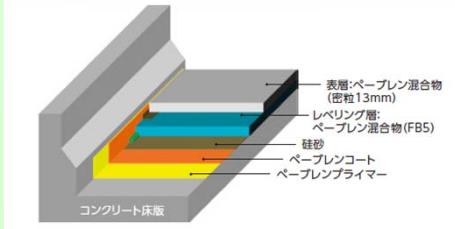


Reduces **CO<sub>2</sub>** emissions by approx. 50-75% over the 50-year life cycle of the pavement through long-life products

- ◆ 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.

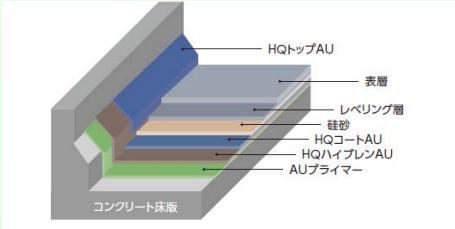
## Reduce CO<sub>2</sub> by 75%

Waterproof pavement method  
HQ PAVERANE construction method



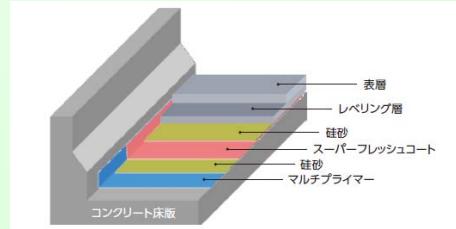
## Reduce CO<sub>2</sub> by 75%

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



## Reduce CO<sub>2</sub> by 50%

High-penetration composite waterproof method  
MULTI FRESH construction method



# ASWOOD Paving



Reduce **CO<sub>2</sub> 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 可 テ オ ピ リ テ ィ<sup>®</sup>



By using thinned wood without burning it, CO<sub>2</sub> 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 CO<sub>2</sub> 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



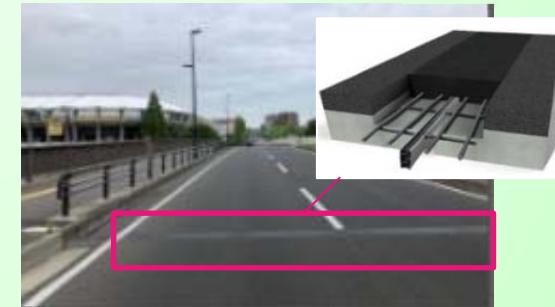
## CHEMIPHALT MX

Traffic safety/ Noise reduction



## SEAMLESS JOINT

Reduction of noise and vibration



## ◆ 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

Investor Relations, Public Relations Department,  
NICHIREKI GROUP CO., LTD.

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

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