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Consolidated Financial Results for the Six Months Ended September 30, 2026 [Japanese GAAP]

November 12, 2026

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 13, 2026
Scheduled date of commencing dividend payments: December 2, 2026
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, 2026 (April 1, 2026 to September 30, 2026)

(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, 2026	34,411	6.8	1,462	19.4	1,633	22.2	1,107	7.4
September 30, 2025	32,211	0.6	1,225	(7.8)	1,336	(7.1)	1,030	15.8

(Note) Comprehensive income: Six months ended September 30, 2026: ¥1,730 million [(11.3)%]
Six months ended September 30, 2025: ¥1,950 million [428.7%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2026	38.89	-
September 30, 2025	35.68	-

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of September 30, 2026	113,333	80,364	70.9
As of March 31, 2026	122,617	79,674	64.9

(Reference) Equity: As of September 30, 2026: ¥80,303 million
As of March 31, 2026: ¥79,632 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, 2026	-	40.00	-	40.00	80.00
Fiscal year ending March 31, 2027	-	40.00			
Fiscal year ending March 31, 2027 (Forecast)			-	45.00	85.00

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

3. Forecasts of Consolidated Financial Results for the Fiscal Year Ending March 31, 2027 (April 1, 2026 to March 31, 2027)

(% 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	5.5	6,000	1.3	6,300	3.7	4,300	0.1	151.02

(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, 2026: 31,685,955 shares
As of March 31, 2026: 31,685,955 shares

2) Total number of treasury shares at the end of the period:
As of September 30, 2026: 3,184,966 shares
As of March 31, 2026: 3,230,526 shares

3) Average number of shares during the period (cumulative from the beginning of the fiscal year):
Three months ended September 30, 2026: 28,472,604 shares
Three months ended September 30, 2025: 28,894,374 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 financial results briefing session for institutional investors and analysts on Monday, November 30, 2026. 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, 2026, the Japanese economy saw solid capital investment, driven by AI-related and labor-saving investments. The economy remained on a gradual recovery trend. On the other hand, the outlook still remained uncertain, as geopolitical risks increased especially in relation to the Middle East situation and the impact of rising prices and natural disasters was felt.

Looking ahead, the economic recovery trend is expected to continue due to improvements in employment and income as well as the effects of fiscal policy. However, the outlook remains uncertain as worrying factors remain, including fluctuations in financial and capital markets, including globally rising long-term interest rates, soaring crude oil prices resulting from escalating tensions in the Middle East, rising manufacturing and transportation costs, and concerns about the supply of energy and raw materials.

With regard to the business environment surrounding the Nichireki Group (hereinafter referred to as the "Group"), levels of public investment were steady as construction demand remained high, driven by disaster prevention and mitigation measures, national resilience measures, etc. Meanwhile, a close watch has been required on factors putting downward pressure on business results, such as delays in construction progress due to unseasonable weather, and high raw material prices driven by soaring crude oil prices and the yen's continued weakness.

In this business environment, the Group has implemented fresh measures in the first year of the new Medium-term Management Plan "Flexible 2030 (Nobiyaka 2030)," aiming to grow into a sustainable corporate group with the entire organization working as one under quick and accurate decision-making.

In the six months ended September 30, 2026, as a result of promoting design and marketing activities for long-life, high value-added products, as well as active use of ICT technology, the Group posted net sales of ¥34,411 million (up 6.8% year on year), operating profit of ¥1,462 million (up 19.4% year on year), ordinary profit of ¥1,633 million (up 22.2% year on year). Profit attributable to owners of the parent company increased by 7.4% year on year to ¥1,107 million.

Results by business segment were as follows.

Applied and Processed Asphalt Products Business

In the Applied and Processed Asphalt Products Business, we worked on increasing sales and securing profits by promoting design and marketing activities for high value-added products aiming for "longer life and higher performance of paved roads" and "reduction of environmental load." In the six months ended September 30, 2026, raw material prices rose sharply and remained at high levels as tensions escalated in the Middle East. But as we successfully maintained production and sale of products without interruption and thoroughly implemented our sales strategies, net sales for the segment were ¥12,526 million (up 7.0% year on year), and segment profit was ¥1,903 million (up 22.0% year on year).

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, the steady execution of construction work, responses to hiking of material prices, etc., and cost management. However, soaring raw material prices prompted customers in some regions to hold off placing orders. Overall, net sales for the segment were ¥21,735 million (up 6.8% year on year), while segment profit was ¥703 million (down 37.5% year on year).

Other Business

In the Other Business, net sales for the segment were ¥149 million (up 1.0% year on year), and segment profit was ¥285 million (up 35.6% year on year) mainly due to real estate lease revenue.

(2) Explanation of Financial Position

Total assets decreased by ¥9,284 million from the end of the previous fiscal year to ¥113,333 million. This is

attributable mainly to decreases respectively in cash and deposits of ¥10,240 million, and notes and accounts receivable - trade, and contract assets of ¥3,133 million, despite respective increases in buildings and structures of ¥968 million and investment securities of ¥1,116 million.

Liabilities decreased by ¥9,974 million from the end of the previous fiscal year to ¥32,968 million. This is attributable mainly to decreases respectively in accounts payable - other of ¥8,358 million and long-term borrowings of ¥900 million.

Net assets increased by ¥689 million from the end of the previous fiscal year to ¥80,364 million. This is attributable mainly to an increase in valuation difference on available-for-sale securities of ¥545 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, 2027, no change has been made to the consolidated financial results forecast, which was announced on May 12, 2026.

2. Semi-annual Consolidated Financial Statements and Primary Notes

(1) Semi-annual Consolidated Balance Sheets

(Million yen)

	As of March 31, 2026	As of September 30, 2026
Assets		
Current assets		
Cash and deposits	24,752	14,511
Notes and accounts receivable - trade, and contract assets	17,587	14,454
Electronically recorded monetary claims - operating	1,727	2,509
Merchandise and finished goods	1,247	1,490
Costs on construction contracts in progress	160	1,062
Raw materials and supplies	1,236	1,747
Other	3,238	1,785
Allowance for doubtful accounts	(5)	(7)
Total current assets	49,946	37,553
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	23,425	24,393
Machinery, equipment and vehicles, net	4,890	5,105
Land	11,319	11,349
Leased assets, net	702	671
Construction in progress	6,948	7,465
Other, net	865	952
Total property, plant and equipment	48,153	49,937
Intangible assets		
Other	1,056	1,092
Total intangible assets	1,056	1,092
Investments and other assets		
Investment securities	12,364	13,480
Investments in capital of subsidiaries and associates	1,527	1,696
Retirement benefit asset	4,490	4,517
Deferred tax assets	19	20
Long-term time deposits	4,430	4,430
Other	681	658
Allowance for doubtful accounts	(52)	(55)
Total investments and other assets	23,461	24,749
Total non-current assets	72,671	75,779
Total assets	122,617	113,333

(Million yen)

	As of March 31, 2026	As of September 30, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,140	5,949
Short-term borrowings	2,000	2,000
Current portion of long-term borrowings	1,800	1,800
Lease liabilities	133	144
Accounts payable - other	9,783	1,425
Income taxes payable	1,160	568
Contract liabilities	361	763
Provision for bonuses	1,007	977
Other provisions	141	55
Other	1,820	1,295
Total current liabilities	24,348	14,979
Non-current liabilities		
Long-term borrowings	14,400	13,500
Lease liabilities	528	477
Long-term deposits received	48	48
Deferred tax liabilities	3,316	3,563
Retirement benefit liability	80	84
Asset retirement obligations	220	221
Other	0	93
Total non-current liabilities	18,594	17,989
Total liabilities	42,942	32,968
Net assets		
Shareholders' equity		
Share capital	2,919	2,919
Capital surplus	4,090	4,109
Retained earnings	70,973	70,942
Treasury shares	(5,514)	(5,436)
Total shareholders' equity	72,468	72,534
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,392	5,937
Foreign currency translation adjustment	381	511
Remeasurements of defined benefit plans	1,389	1,320
Total accumulated other comprehensive income	7,163	7,769
Non-controlling interests	42	60
Total net assets	79,674	80,364
Total liabilities and net assets	122,617	113,333

(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, 2025	For the six months ended September 30, 2026
Net sales	32,211	34,411
Cost of sales	25,059	26,547
Gross profit	7,151	7,863
Selling, general and administrative expenses	5,926	6,400
Operating profit	1,225	1,462
Non-operating income		
Interest income	34	34
Dividend income	154	193
Share of profit of entities accounted for using equity method	-	95
Foreign exchange gains	97	6
Other	13	19
Total non-operating income	300	348
Non-operating expenses		
Interest expenses	131	160
Share of loss of entities accounted for using equity method	26	-
Other	31	17
Total non-operating expenses	189	178
Ordinary profit	1,336	1,633
Extraordinary income		
Gain on sale of non-current assets	24	8
Gain on sale of investment securities	126	-
Insurance claim income	2	4
Subsidy income	-	3
Other	2	0
Total extraordinary income	154	17
Extraordinary losses		
Loss on retirement of non-current assets	18	39
Loss on disaster	-	0
Other	0	2
Total extraordinary losses	18	42
Profit before income taxes	1,473	1,607
Income taxes - current	402	457
Income taxes - deferred	33	23
Total income taxes	436	480
Profit	1,036	1,127
Profit attributable to non-controlling interests	5	19
Profit attributable to owners of the parent company	1,030	1,107

Consolidated Statements of Comprehensive Income for the Six-Month Period

(Million yen)

	For the six months ended September 30, 2025	For the six months ended September 30, 2026
Profit	1,036	1,127
Other comprehensive income		
Valuation difference on available-for-sale securities	1,089	545
Foreign currency translation adjustment	(31)	22
Remeasurements of defined benefit plans, net of tax	(45)	(69)
Share of other comprehensive income of entities accounted for using equity method	(97)	105
Total other comprehensive income	914	603
Comprehensive income	1,950	1,730
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent company	1,946	1,713
Comprehensive income attributable to non-controlling interests	4	17

(3) Semi-annual Consolidated Statements of Cash Flows

(Million yen)

	For the six months ended September 30, 2025	For the six months ended September 30, 2026
Cash flows from operating activities		
Profit before income taxes	1,473	1,607
Depreciation	1,277	1,371
Share-based payment expenses	37	48
Increase (decrease) in allowance for doubtful accounts	(2)	1
Increase (decrease) in provision for bonuses	8	(30)
Increase (decrease) in retirement benefit liability	(139)	(126)
Increase (decrease) in other provisions	(84)	(87)
Interest and dividend income	(189)	(227)
Interest expenses	131	160
Foreign exchange losses (gains)	(2)	(6)
Loss (gain) on sale of non-current assets	(24)	(8)
Loss on retirement of non-current assets	18	39
Decrease (increase) in trade receivables	1,833	2,451
Decrease (increase) in inventories	(564)	(1,543)
Decrease (increase) in other current assets	(330)	(200)
Increase (decrease) in trade payables	(2,679)	(422)
Increase (decrease) in other current liabilities	232	443
Increase (decrease) in accrued consumption taxes	(697)	1,226
Share of loss (profit) of entities accounted for using equity method	26	(95)
Other, net	(123)	10
Subtotal	200	(4,614)
Interest and dividends received	215	256
Interest paid	(109)	(155)
Income taxes paid	(1,637)	(980)
Other, net	(2)	8
Net cash provided by (used in) operating activities	(1,332)	3,743
Cash flows from investing activities		
Payments into time deposits	(6)	(6)
Proceeds from withdrawal of v time deposits	6	6
Purchase of property, plant and equipment	(1,499)	(11,453)
Proceeds from sale of property, plant and equipment	113	73
Payments for retirement of property, plant and equipment	(2)	(38)
Purchase of intangible assets	(116)	(106)
Purchase of investment securities	(71)	(325)
Proceeds from sale of investment securities	143	6
Loan advances	(1)	-
Proceeds from collection of loans receivable	3	1
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(47)
Other, net	57	(0)
Net cash provided by (used in) investing activities	(1,372)	(11,890)

(Million yen)

	For the six months ended September 30, 2025	For the six months ended September 30, 2026
Cash flows from financing activities		
Proceeds from short-term borrowings	2,300	1,700
Repayments of short-term borrowings	(2,038)	(1,700)
Repayments of long-term borrowings	(900)	(900)
Repayments of lease liabilities	(103)	(71)
Purchase of treasury shares	(2,274)	-
Decrease (increase) in deposits for purchase of treasury shares	2,364	-
Dividends paid	(1,131)	(1,148)
Proceeds from share issuance to non-controlling shareholders	16	-
Other, net	(2)	0
Net cash provided by (used in) financing activities	(1,767)	(2,119)
Effect of exchange rate change on cash and cash equivalents	(5)	14
Net increase (decrease) in cash and cash equivalents	(4,479)	(10,252)
Cash and cash equivalents at beginning of period	31,611	24,752
Cash and cash equivalents at end of period	27,132	14,500

(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.

(Notes on Segment Information, etc.)

[Segment Information]

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.

For the six months ended September 30, 2026 (From April 1, 2026 to September 30, 2026)

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	12,526	21,735	34,261	149	34,411	–	34,411
Inter-segment net sales or transfers	4,707	30	4,737	398	5,136	(5,136)	–
Total	17,233	21,766	38,999	548	39,547	(5,136)	34,411
Segment profit	1,903	703	2,606	285	2,892	(1,430)	1,462

(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 ¥(1,430) million includes elimination of inter-segment transactions of ¥360 million and corporate expenses of ¥(1,790) 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, 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.

For the six months ended September 30, 2026 (From April 1, 2026 to September 30, 2026)

(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	12,526	–	12,526	5	12,531
Goods to be transferred over a certain period	–	21,735	21,735	–	21,735
Revenue from contracts with customers	12,526	21,735	34,261	5	34,267
Other revenue	–	–	–	144	144
Net sales to outside customers	12,526	21,735	34,261	149	34,411

(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.