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# Consolidated Financial Results for the Three Months Ended June 30, 2026 [Japanese GAAP]

August 7, 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 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, 2026 (April 1, 2026 to June 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 | |
|---|---|---|---|---|---|---|---|---|
| Three months ended | Million yen | % | Million yen | % | Million yen | % | Million yen | % |
| June 30, 2026 | 14,225 | 3.8 | 143 | - | 329 | - | 241 | - |
| June 30, 2025 | 13,700 | 1.3 | (317) | - | (114) | - | 3 | (94.3) |

(Note) Comprehensive income: Three months ended June 30, 2026: ¥595 million [427.2%]
Three months ended June 30, 2025: ¥112 million [-%]

| | Basic earnings per share | Diluted earnings per share |
|---|---|---|
| Three months ended | Yen | Yen |
| June 30, 2026 | 8.50 | - |
| June 30, 2025 | 0.11 | - |

(2) Consolidated Financial Position

| | Total assets | Net assets | Equity ratio |
|---|---|---|---|
| | Million yen | Million yen | % |
| As of June 30, 2026 | 111,262 | 79,131 | 71.1 |
| As of March 31, 2026 | 122,617 | 79,674 | 64.9 |

(Reference) Equity: As of June 30, 2026: ¥79,082 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 | - | | | | |
| Fiscal year ending March 31, 2027 (Forecast) | | 40.00 | - | 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 |
| First half | 33,000 | 2.4 | 1,100 | (10.2) | 1,200 | (10.2) | 800 | (22.4) | 28.11 |
| Full year | 80,000 | 5.5 | 6,000 | 1.3 | 6,300 | 3.7 | 4,300 | 0.1 | 151.11 |

(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, 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 June 30, 2026: 3,230,533 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 June 30, 2026: 28,455,427 shares
Three months ended June 30, 2025: 29,106,853 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, 2026, the Japanese economy saw solid capital investment, driven by AI- and decarbonization-related investments. The economy remained on a gradual recovery trend, and signs of improvement in corporate earnings were seen. However, the outlook remained uncertain as geopolitical risks increased and the impact of rising prices 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 the impact of U.S. trade policies on the global economy, 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 against the backdrop of continued high construction demand for 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 high raw material prices driven by soaring crude oil prices and the weakening of the yen.

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 three months ended June 30, 2026, the Group posted net sales of ¥14,225 million (up 3.8% year on year), operating profit of ¥143 million (vs. operating loss of ¥317 million in the year earlier period), and ordinary profit of ¥329 million (vs. ordinary loss of ¥114 million in the year earlier period). Profit attributable to owners of the parent company increased by ¥238 million year on year to ¥241 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 three months ended June 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 ¥5,701 million (up 8.4% year on year), and segment profit was ¥819 million (up 113.8% 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, as soaring raw material prices prompted customers in some regions to hold off placing orders, net sales for the segment were ¥8, 446 million (up 0.9% year on year), and segment loss was ¥71 million (down ¥263 million year on year).

**Other Business**

In the Other Business, net sales for the segment were ¥77 million (up 8.9% year on year), and segment profit was ¥144 million (up 93.0% 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 ¥11,354 million from the end of the previous fiscal year to ¥111,262 million. This is attributable mainly to decreases respectively in notes and accounts receivable - trade, and contract assets of ¥6,385 million and cash and deposits of ¥5,506 million.

Liabilities decreased by ¥10,811 million from the end of the previous fiscal year to ¥32,130 million. This is attributable mainly to decreases respectively in accounts payable - other of ¥8,494 million, notes and accounts payable - trade of ¥1,595 million, and income taxes payable of ¥1,094 million.

Net assets decreased by ¥542 million from the end of the previous fiscal year to ¥79,131 million. This is attributable mainly to a decrease in retained earnings of ¥896 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. Quarterly Consolidated Financial Statements and Primary Notes

### (1) Quarterly Consolidated Balance Sheets

(Million yen)

| | As of March 31, 2026 | As of June 30, 2026 |
|---|---|---|
| Assets | | |
| Current assets | | |
| Cash and deposits | 24,752 | 19,245 |
| Notes and accounts receivable - trade, and contract assets | 17,587 | 11,202 |
| Electronically recorded monetary claims - operating | 1,727 | 1,744 |
| Merchandise and finished goods | 1,247 | 1,404 |
| Costs on construction contracts in progress | 160 | 880 |
| Raw materials and supplies | 1,236 | 1,382 |
| Other | 3,238 | 1,728 |
| Allowance for doubtful accounts | (5) | (9) |
| Total current assets | 49,946 | 37,579 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 23,425 | 23,685 |
| Machinery, equipment and vehicles, net | 4,890 | 4,937 |
| Land | 11,319 | 11,349 |
| Leased assets, net | 702 | 685 |
| Construction in progress | 6,948 | 7,007 |
| Other, net | 865 | 852 |
| Total property, plant and equipment | 48,153 | 48,516 |
| Intangible assets | | |
| Other | 1,056 | 1,154 |
| Total intangible assets | 1,056 | 1,154 |
| Investments and other assets | | |
| Investment securities | 12,364 | 12,819 |
| Investments in capital of subsidiaries and associates | 1,527 | 1,588 |
| Retirement benefit asset | 4,490 | 4,516 |
| Deferred tax assets | 19 | 29 |
| Long-term time deposits | 4,430 | 4,430 |
| Other | 681 | 681 |
| Allowance for doubtful accounts | (52) | (52) |
| Total investments and other assets | 23,461 | 24,012 |
| Total non-current assets | 72,671 | 73,683 |
| Total assets | 122,617 | 111,262 |

(Million yen)

| | As of March 31, 2026 | As of June 30, 2026 |
|---|---|---|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 6,140 | 4,545 |
| Short-term borrowings | 2,000 | 2,000 |
| Current portion of long-term borrowings | 1,800 | 1,800 |
| Accounts payable - other | 9,783 | 1,288 |
| Income taxes payable | 1,160 | 66 |
| Contract liabilities | 361 | 621 |
| Provision for bonuses | 1,007 | 490 |
| Other provisions | 141 | 55 |
| Other | 1,953 | 2,382 |
| Total current liabilities | 24,348 | 13,250 |
| Non-current liabilities | | |
| Long-term borrowings | 14,400 | 14,400 |
| | | |
| Lease liabilities | 528 | 510 |
| Long-term deposits received | 48 | 48 |
| Deferred tax liabilities | 3,316 | 3,524 |
| Retirement benefit liability | 80 | 83 |
| Asset retirement obligations | 220 | 221 |
| Other | 0 | 93 |
| Total non-current liabilities | 18,594 | 18,880 |
| Total liabilities | 42,942 | 32,130 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 2,919 | 2,919 |
| Capital surplus | 4,090 | 4,090 |
| Retained earnings | 70,973 | 70,076 |
| Treasury shares | (5,514) | (5,514) |
| Total shareholders' equity | 72,468 | 71,572 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 5,392 | 5,706 |
| Foreign currency translation adjustment | 381 | 448 |
| Remeasurements of defined benefit plans | 1,389 | 1,354 |
| Total accumulated other comprehensive income | 7,163 | 7,509 |
| Non-controlling interests | 42 | 49 |
| Total net assets | 79,674 | 79,131 |
| Total liabilities and net assets | 122,617 | 111,262 |

(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, 2025 | For the three months ended June 30, 2026 |
|---|---|---|
| Net sales | 13,700 | 14,225 |
| Cost of sales | 11,058 | 10,912 |
| Gross profit | 2,641 | 3,313 |
| Selling, general and administrative expenses | 2,959 | 3,169 |
| Operating profit (loss) | (317) | 143 |
| Non-operating income | | |
| Interest income | 6 | 7 |
| Dividend income | 150 | 192 |
| Share of profit of entities accounted for using equity method | 44 | 41 |
| Foreign exchange gains | 66 | 9 |
| Other | 5 | 19 |
| Total non-operating income | 274 | 270 |
| Non-operating expenses | | |
| Interest expenses | 61 | 72 |
| Other | 10 | 11 |
| Total non-operating expenses | 71 | 84 |
| Ordinary profit (loss) | (114) | 329 |
| Extraordinary income | | |
| Gain on sale of non-current assets | 14 | 3 |
| Gain on sale of investment securities | 126 | - |
| Insurance claim income | - | 3 |
| Total extraordinary income | 140 | 7 |
| Extraordinary losses | | |
| Loss on retirement of non-current assets | 16 | 3 |
| | | |
| Loss on Related Accident | - | 1 |
| Other | 0 | - |
| Total extraordinary losses | 16 | 5 |
| Profit before income taxes | 9 | 331 |
| Income taxes - current | 36 | 17 |
| Income taxes - deferred | (31) | 65 |
| Total income taxes | 5 | 83 |
| Profit | 3 | 248 |
| Profit attributable to non-controlling interests | 0 | 6 |
| Profit attributable to owners of the parent company | 3 | 241 |

Consolidated Statements of Comprehensive Income

For the Three-Month Period

(Million yen)

| | For the three months ended June 30, 2025 | For the three months ended June 30, 2026 |
|---|---|---|
| Profit | 3 | 248 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 228 | 313 |
| Foreign currency translation adjustment | (23) | 15 |
| Remeasurements of defined benefit plans, net of tax | (22) | (34) |
| Share of other comprehensive income of entities accounted for using equity method | (72) | 52 |
| Total other comprehensive income | 109 | 347 |
| Comprehensive income | 112 | 595 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of the parent company | 113 | 588 |
| Comprehensive income attributable to non-controlling interests | (0) | 6 |

### (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.

(Notes to Quarterly Consolidated Statements of Cash Flows)

Quarterly consolidated statements of cash flows for the three months ended June 30, 2026 are not prepared. Depreciation (including amortization of intangible assets excluding goodwill), and amortization of goodwill for the three months ended June 30, 2026 are as follows:

| | For the three months ended June 30, 2025 | For the three months ended June 30, 2026 |
|---|---|---|
| Depreciation | 618 million yen | 666 million yen |
| Amortization of goodwill | 4 million yen | 4 million yen |

(Notes on Segment Information, etc.)

For the three months ended June 30, 2025 (From April 1, 2025 to June 30, 2025)

1. 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 (loss) | 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 (loss) 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 (loss) is adjusted to the operating loss in the quarterly consolidated statements of income.

For the three months ended June 30, 2026 (From April 1, 2026 to June 30, 2026)

1. 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 | 5,701 | 8,446 | 14,147 | 77 | 14,225 | - | 14,225 |
| Inter-segment net sales or transfers | 1,927 | - | 1,927 | 197 | 2,125 | (2,125) | - |
| Total | 7,628 | 8,446 | 16,075 | 275 | 16,350 | (2,125) | 14,225 |
| Segment profit (loss) | 819 | (71) | 748 | 144 | 892 | (748) | 143 |

(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 (loss) adjustment of ¥(748) million includes elimination of inter-segment transactions of ¥113 million and corporate expenses of ¥(861) 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 (loss) is adjusted to the operating profit in the quarterly consolidated statements of income.