

道からはじまる街づくり

# Six months ended September 30, 2024 Financial Results Briefing

December 3, 2024



日本道路株式会社

(Securities code: 1884)

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# Financial results overview for the six months ended September 30, 2024

平成国際大学野球場  
HIU BASEBALL STADIUM



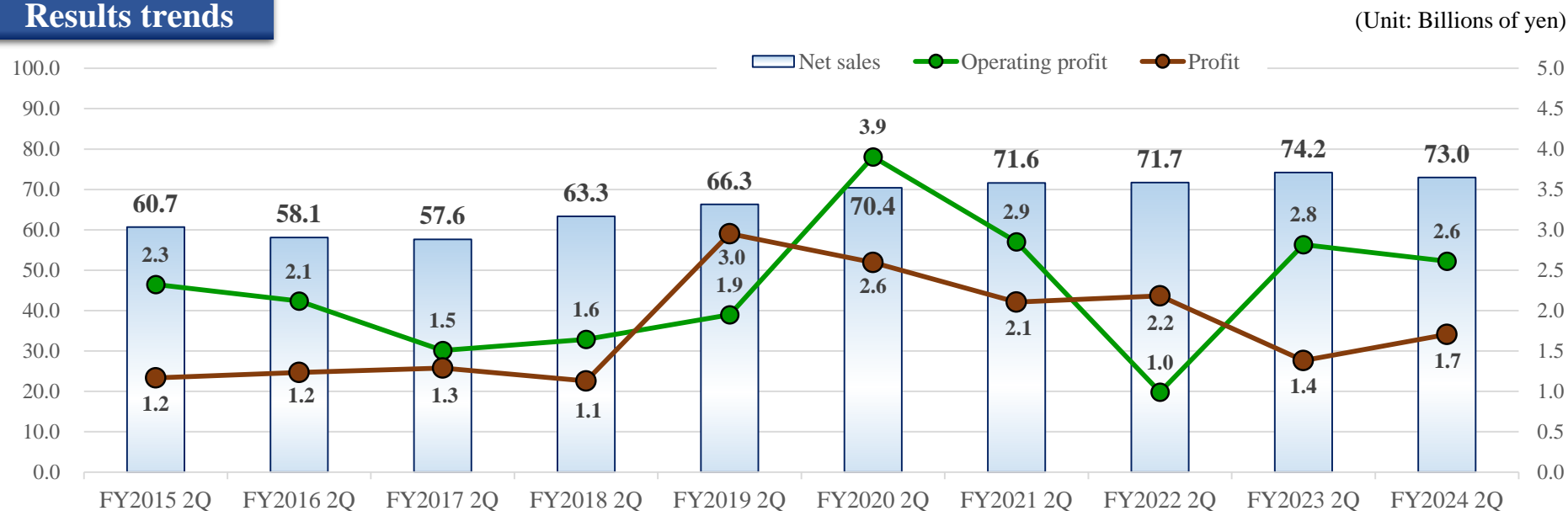
## <Business environment and results trends for the six months ended September 30, 2024>

### Business environment

The Japanese economy in the six months under review showed a moderate recovery trend, supported by improvement in the employment and income environment due to steady corporate revenue and robust capital investment.

In the construction industry, the main business of the Group (the Company and its consolidated subsidiaries), government construction investment was expected to remain strong at a level exceeding ¥20 trillion, and private sector construction investment remained firm as capital investment for corporations remained strong against a backdrop of high corporate revenue.

### Results trends



## <Financial results for the six months ended September 30, 2024>

- FY2022 2Q: Operating profit and ordinary profit lower owing to higher crude oil prices; recorded ¥2,304 million in gain on sale of investment securities
- FY2023 2Q: Although profitability improved in the construction business, manufactured volume of composites declined in the material sales business
- FY2024 2Q: Orders in the construction business up to 2Q were strong, centered on public construction; sales slightly lower YoY due to progress in the construction business being focused toward the second half; although there was increased profitability in the construction business, the material sales business struggled with the impact of exchange rates and crude oil prices

(Unit: Millions of yen)

<Consolidated>	FY2022 2Q results		FY2023 2Q results		FY2024 2Q results		YoY % change
Orders received (Construction business)	68,949		69,523		74,306		6.9%
Total net sales	71,709		74,295		73,063		(1.7)%
Gross profit	7.7%	5,550	10.2%	7,590	10.6%	7,745	2.0%
Selling, general and administrative expenses	6.2%	4,458	6.4%	4,772	7.0%	5,133	7.6%
Operating profit	1.5%	1,092	3.8%	2,817	3.6%	2,612	(7.3)%
Ordinary profit	1.8%	1,264	3.9%	2,910	3.8%	2,812	(3.4)%
Profit	3.2%	2,281	2.0%	1,483	2.3%	1,705	15.0%

<Non-consolidated>	FY2022 2Q results		FY2023 2Q results		FY2024 2Q results		YoY % change
Orders received (Construction business)	59,979		61,673		62,627		1.5%
Total net sales	62,362		64,459		63,554		(1.4)%
Gross profit	6.6%	4,089	9.2%	5,935	9.4%	5,990	0.9%
Selling, general and administrative expenses	6.0%	3,733	6.2%	4,031	6.8%	4,350	7.9%
Operating profit	0.6%	355	3.0%	1,903	2.6%	1,640	(13.8)%
Ordinary profit	0.8%	500	3.0%	1,963	2.8%	1,804	(8.1)%
Profit	2.9%	1,826	1.4%	920	1.6%	1,044	13.4%

## <Business results trends by segment (1): Construction business>

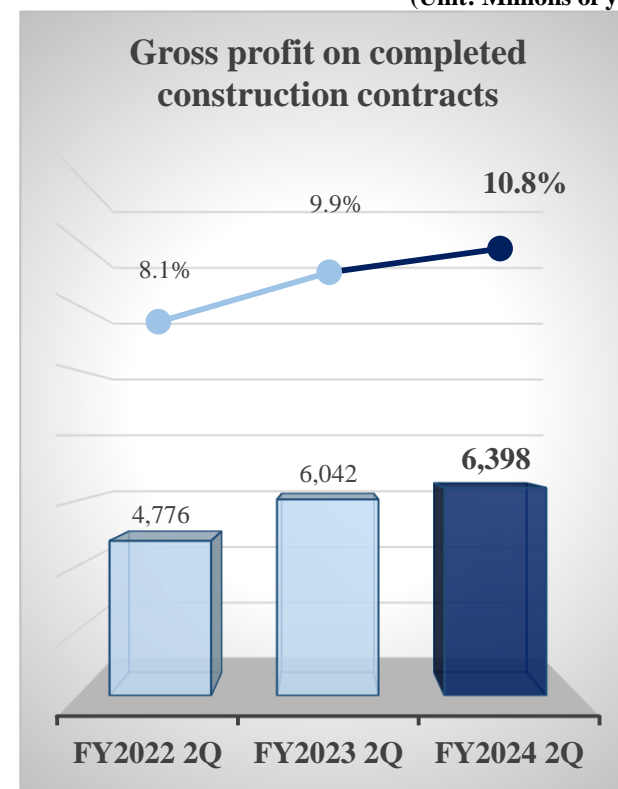
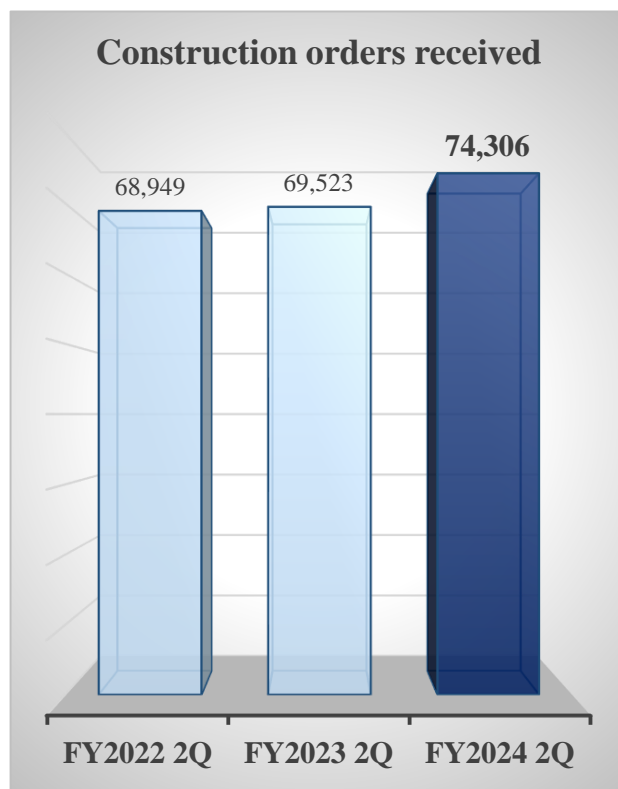
### [Construction business] [Consolidated]

(Unit: Millions of yen)

<Consolidated>	Construction orders received	Net sales of completed construction contracts	Gross profit on completed construction contracts	
FY2022 2Q	68,949	58,707	8.1%	4,776
FY2023 2Q	69,523	60,852	9.9%	6,042
FY2024 2Q	74,306	59,321	10.8%	6,398

- Construction orders received: Direct orders for large-scale public construction and private construction were strong
- Net sales of completed construction contracts: Slightly lower due to construction progress being focused toward the second half
- Gross profit on completed construction contracts: Profitability improved due mainly to private construction and improved profitability in private construction compensating for public construction focused toward the second half

(Unit: Millions of yen)



## [Construction orders received (1)] [Non-consolidated]

### Construction orders received by construction type

(Unit: Millions of yen)

Construction type	FY2022 2Q		FY2023 2Q		FY2024 2Q	
	Results	YoY % change	Results	YoY % change	Results	YoY % change
Pavement construction	38,198	3.6%	39,997	4.7%	41,424	3.6%
Civil works construction	21,491	25.3%	21,675	0.9%	18,976	(12.5)%
Construction	290	346.6%	0	(100.0)%	2,226	-
Total	59,979	10.9%	61,673	2.8%	62,627	1.5%

- FY2022 2Q: Contributed to by orders for large-scale development construction (Civil works)
- FY2023 2Q: Led by orders for public construction (mainly for NEXCO) (Pavement, civil works)
- FY2024 2Q: Orders for public construction (mainly for NEXCO) remained strong in continuation from the previous fiscal year  
Orders for Shimizu Group synergy projects increased in private construction (Pavement works)

### Key construction orders in FY2024 2Q

Client	Name of project	Location
Central Nippon Expressway Company Limited	Chuo Expressway (designated renewal, etc.) pavement repair work between Ihoku IC and Nakatsugawa IC	Nagano
West Nippon Expressway Company Limited	FY2024 Sanyo Expressway pavement repair work within the jurisdiction of Okayama Expressway Office	Okayama
Ministry of Defense Hokkaido Defense Bureau	Hokkaido-dai Maneuver Area (6) road and other maintenance work (section 5)	Hokkaido
Koka-shi, Shiga	Minakuchi Sports Forest multipurpose grounds artificial turf repair work	Shiga
Tokyo Gas Real Estate Co., Ltd.	Omori Clubhouse baseball field/rugby field artificial turf construction	Tokyo

## [Construction orders received (2)] [Non-consolidated]

Construction orders received by client

(Unit: Millions of yen)

Client		FY2022 2Q			FY2023 2Q			FY2024 2Q		
		Results		YoY % change	Results		YoY % change	Results		YoY % change
Public construction orders received										
Ratio	Public total	38%	22,522	22.1%	33%	20,603	(8.5)%	38%	24,005	16.5%
Private construction orders received										
Ratio	Private total	62%	37,457	5.1%	67%	41,070	9.6%	62%	38,622	(6.0)%
Public and private total										
Total orders received		59,979		10.9%	61,673		2.8%	62,627		1.5%

- FY2022 2Q: [Public construction] Orders for construction from Ministry of Defense and other government agencies were strong  
[Private construction] Although companies remained cautious on capital investment following the spread of COVID-19, secured orders on par with the previous fiscal year
- FY2023 2Q: [Public construction] Although orders for new construction from NEXCO and other government agencies grew, struggled with NEXCO maintenance and MLIT  
[Private construction] Orders for private construction including the three priority sectors also remained strong
- FY2024 2Q: [Public construction] Orders for large-scale NEXCO projects were strong  
[Private construction] Although orders received decreased, focused on direct orders with emphasis on profitability



[Construction orders received (3)]  
[Non-consolidated]

- Automotive-related construction: Pavement construction for test courses and plants
- Sports-related construction: Sports facilities construction such as various stadiums, school grounds, and tennis courts
- Logistics-related construction: Pavement construction for logistics facilities

Construction orders by three priority sectors

(Unit: Millions of yen)

Sector	FY2022 2Q		FY2023 2Q		FY2024 2Q	
	Results	YoY % change	Results	YoY % change	Results	YoY % change
Automotive-related construction	741	(20.9)%	1,767	138.5%	2,215	25.4%
Sports-related construction	304	45.5%	59	(80.6)%	723	-
Logistics-related construction	110	14.6%	169	53.6%	412	143.8%
Total	1,155	(7.0)%	1,995	72.7%	3,350	67.9%

Key orders received in FY2024 2Q in three priority sectors

Sector	Client	Name of project	Location
Automotive-related construction	TOYOTA-USEC Co., Ltd.	TOYOTA-USEC Ogori construction (section 1) (section 2) (tentative)	Fukuoka
Sports-related construction	Hanamaki Gakuin Educational Institution	Hanamaki Higashi High School baseball and softball field artificial turf construction	Iwate
	Aoyama Gakuin School Corporation	Sagamihara Grounds track repair works	Kanagawa
Logistics-related construction	SGREALTY CO.,LTD.	Sagawa Express Yamagata Sales Office east side pavement renewal construction	Yamagata

## [Net sales of completed construction contracts] [Non-consolidated]

### Net sales of completed construction contracts by construction type

(Unit: Millions of yen)

Construction type	FY2022 2Q		FY2023 2Q		FY2024 2Q	
	Results	YoY % change	Results	YoY % change	Results	YoY % change
Pavement construction	34,109	(4.7)%	36,227	6.2%	34,342	(5.2)%
Civil works construction	17,692	11.4%	17,154	(3.0)%	18,088	5.4%
Construction	108	(74.2)%	334	208.5%	73	(78.0)%
Total	51,910	(0.3)%	53,716	3.5%	52,504	(2.3)%

•FY2022 2Q: Lower due to slower progress at the beginning of the fiscal year resulting from lower construction carried forward from the previous fiscal year

•FY2023 2Q: Progress in large-scale projects on hand was steady (Pavement construction)

•FY2024 2Q: Lower in 2Q due to progress in large-scale projects (pavement construction) being focused toward the second half

### Key construction contracts completed in FY2024 2Q

Client	Name of project	Location
Ministry of Land, Infrastructure, Transport and Tourism Shikoku Regional Development Bureau	FY2023-FY2024 first section of paving works at Shimoi district, Nankoku-Aki Road	Kochi
Ministry of Land, Infrastructure, Transport and Tourism Kyushu Regional Development Bureau	FY2023 Fukuoka Airport runway expansion and new construction (phase 3)	Fukuoka
West Nippon Expressway Company Limited	FY2022 Sanyo Expressway pavement repair works within the jurisdiction of Okayama Expressway Office	Okayama
Hakodate-shi, Hokkaido	Hakodate Municipal Bicycle Racetrack surface treatment, etc.	Hokkaido
Satoe Gakuen Educational Institution	Heisei International University soccer and baseball grounds repair works	Saitama

## [Construction carried forward to next period] [Non-consolidated]

### Construction carried forward to next period by construction type

(Unit: Millions of yen)

Construction type	FY2022 2Q		FY2023 2Q		FY2024 2Q	
	Results	YoY % change	Results	YoY % change	Results	YoY % change
Pavement construction	46,924	(2.9)%	45,113	(3.9)%	54,942	21.8%
Civil works construction	23,635	(2.6)%	26,873	13.7%	30,136	12.1%
Construction	521	74.5%	35	(93.1)%	2,157	-
Total	71,081	(2.5)%	72,022	1.3%	87,236	21.1%

- FY2022 2Q: Large-scale development construction, etc. carried forward (Civil works)
- FY2023 2Q: Large-scale civil works and pavement construction for both public and private carried forward
- FY2024 2Q: Higher construction carried forward as progress in large-scale public construction was focused toward the second half

### Key construction carried forward to next period in FY2024 2Q

Client	Name of project	Projected completion date
Ministry of Land, Infrastructure, Transport and Tourism East Japan Civil Aviation Bureau	Tokyo International Airport taxiway and other repair works	Mar. 2025
Ministry of Defense North Kanto Defense Bureau	Iruma (5) civil and other works, including taxiway maintenance	Mar. 2025
Central Nippon Expressway Company Limited	Hokuriku Expressway (designated renewal, etc.) pavement repair works within the jurisdiction of Tsuruga (FY2023)	Aug. 2026
Asahi Mega Solar Misaki Electric Generation Co., Ltd.	Asahi Mega Solar Misaki Power Plant civil works for private line construction	Mar. 2025
TOYOTA-USEC Co., Ltd.	TOYOTA-USEC Ogori construction (section 1) (section 2) (tentative)	Jan. 2026

## [Overseas businesses]

### Orders received at overseas local subsidiaries

(Unit: Millions of yen)

Company name	FY2022 2Q		FY2023 2Q		FY2024 2Q	
	Results	YoY % change	Results	YoY % change	Results	YoY % change
Thai Nippon Road Co., Ltd.	264	(72.4)%	286	8.7%	3,630	-
Nippon Road(M)Sdn. Bhd.	2,076	550.5%	715	(65.5)%	413	(42.2)%
Total	2,341	83.4%	1,002	(57.2)%	4,044	303.3%

- Thai Nippon Road Co., Ltd. received an order for construction of a high-speed circuit at the Automotive and Tyre Testing, Research and Innovation Center (ATTRIC) from the Thai Industrial Standards Institute (construction period scheduled to last to November 2026)
- Nippon Road(M)Sdn. Bhd. struggled with fierce competition for orders

### Key construction orders

Company name	Category	FY2024 2Q
Thai Nippon Road Co., Ltd.	Name of project	Automotive and Tyre Testing, Research and Innovation Center (ATTRIC) high-speed circuit construction
	Client	Thai Industrial Standards Institute (TISI)
Nippon Road(M)Sdn. Bhd.	Name of project	North-South Expressway, etc. pavement repair and other works in FY2024
	Client	Edgenta Infrastructure Services Sdn.Bhd.

[Thailand] Automotive and Tyre Testing, Research and Innovation Center (ATTRIC) high-speed circuit construction



[Malaysia] North-South Expressway, etc. pavement repair and other works in FY2024

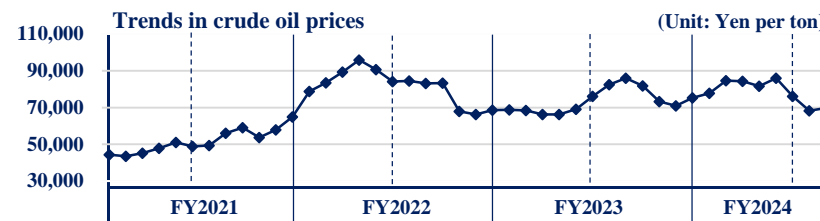


Construction progress in FY2023

## <Business results trends by segment (2)>

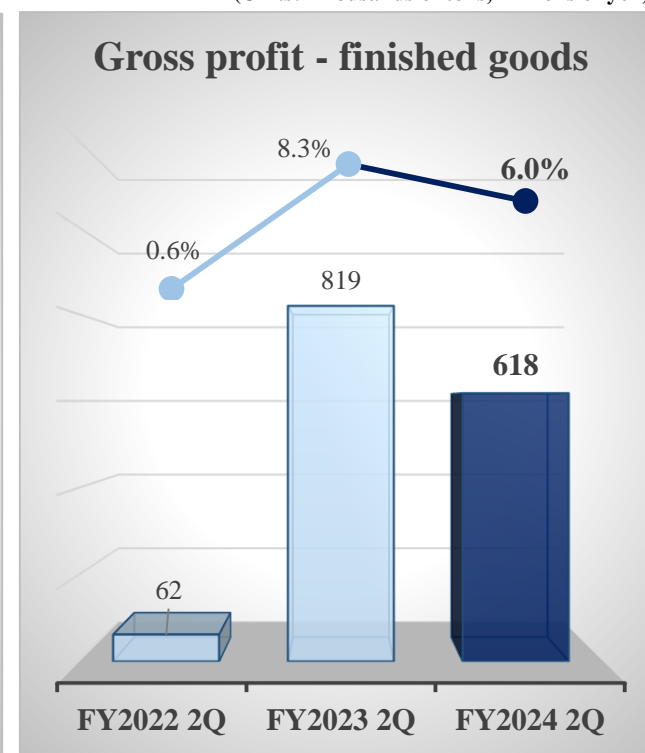
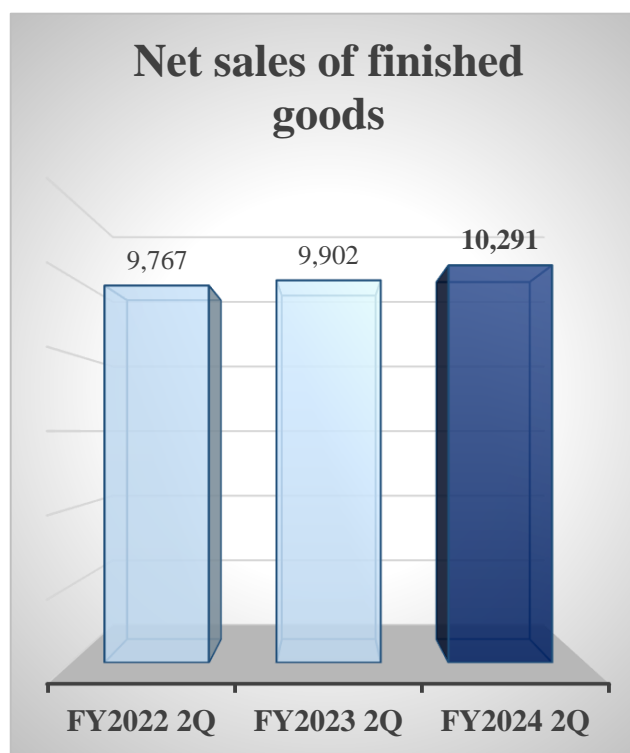
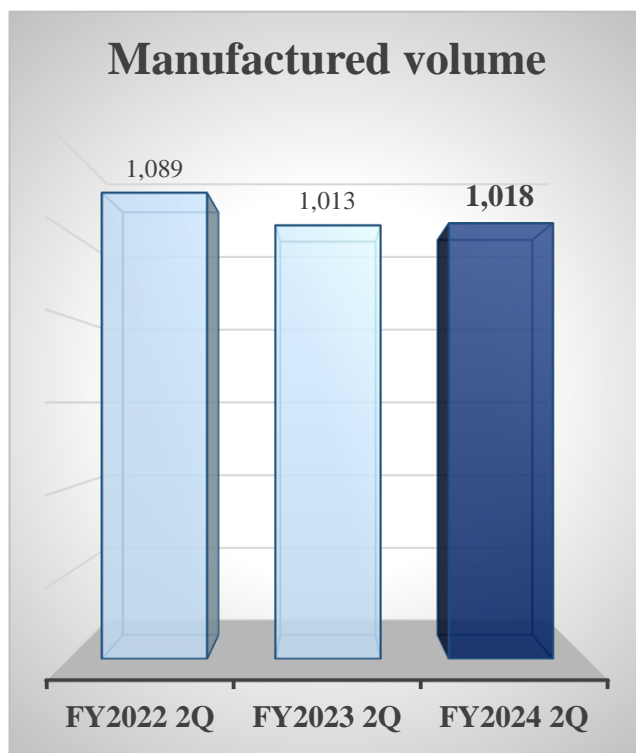
### [Material sales business]

<Consolidated>	Total industry volume	Manufactured volume	Share	(Units: Thousands of tons, millions of yen)		
				Net sales of finished goods	Gross profit - finished goods	
FY2022 2Q	16,676	1,089	6.5%	9,767	0.6%	62
FY2023 2Q	15,825	1,013	6.4%	9,902	8.3%	819
FY2024 2Q	15,213	1,018	6.7%	10,291	6.0%	618



\*Adjusted Dubai crude oil FOB price (dollars per barrel).  
Yen per ton calculated by multiplying the exchange rate (TTS) and then multiplying by 1000/159 (conversion to tons)

Higher crude oil prices and depreciation of the yen caused gross profit to decline





## <Business results trends by segment (3)>

### [Co-creation business]

(Unit: Millions of yen)

<Consolidated>	Sales in co-creation business	Gross profit - co-creation business	
FY2022 2Q	3,235	22.0%	711
FY2023 2Q	3,541	20.6%	727
FY2024 2Q	3,450	21.1%	728

ND Leasing System Co., Ltd.

Comprehensive leasing business, sale of various materials, development and sale of computer software, sale of office

NDIC Co., Ltd.

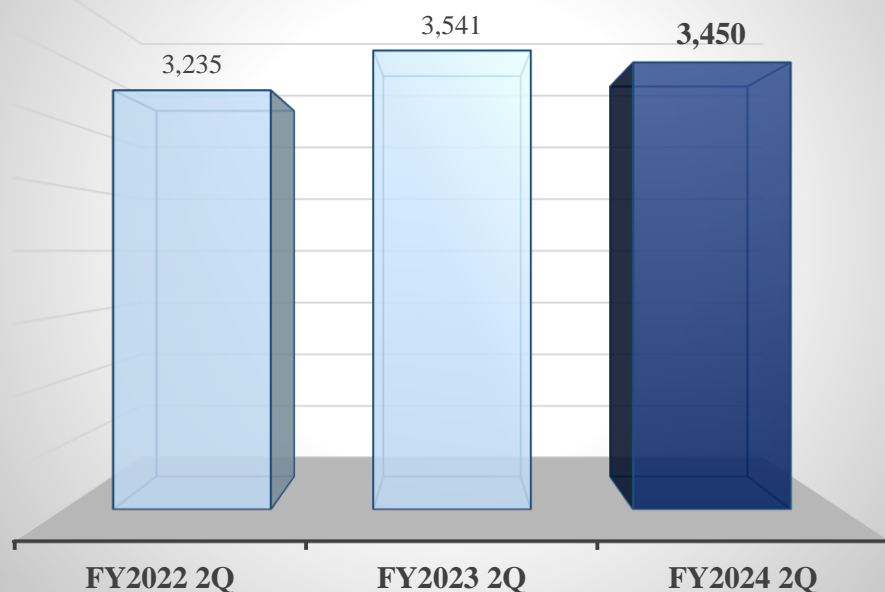
Insurance agency business

Sports Media Inc.

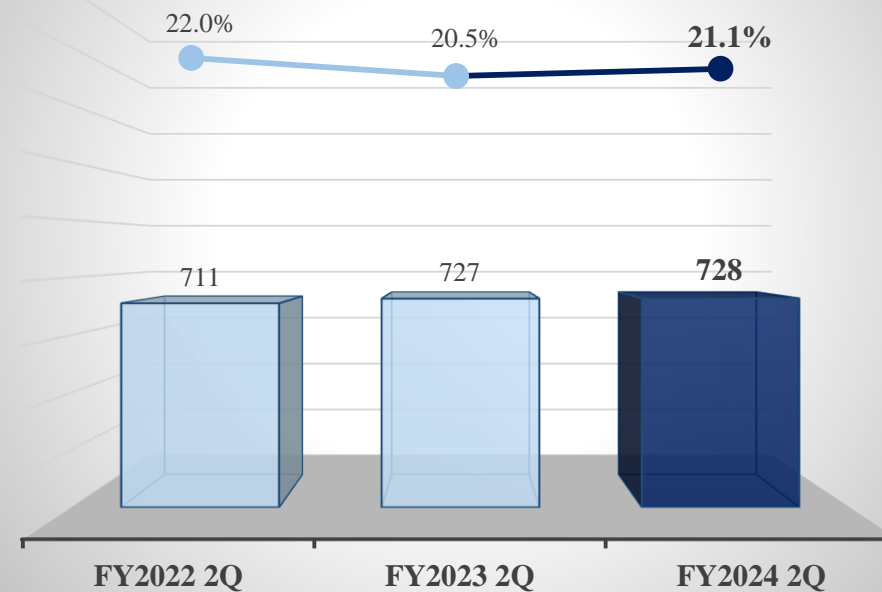
Planning and operation of sports facilities, etc.

(Unit: Millions of yen)

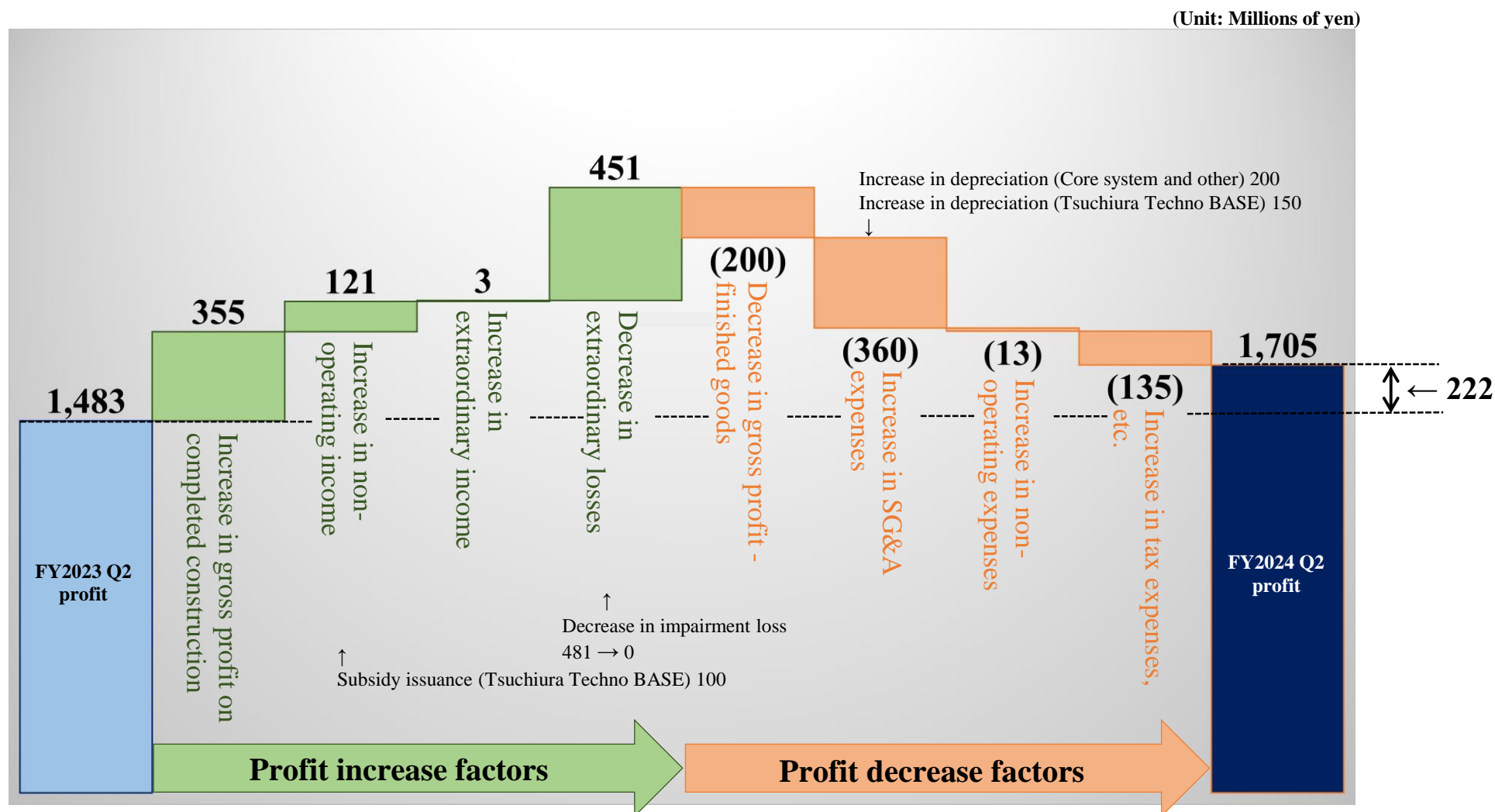
#### Sales in co-creation business



#### Gross profit - co-creation business



## <Analysis of factors affecting profit>



<Balance sheet for the six months ended September 30, 2024>

	FY2023 4Q	FY2024 2Q	YoY Change
<b>Assets</b>			
<b>Current assets</b>	<b>109,042</b>	<b>104,312</b>	<b>(4,730)</b>
Cash and deposits	33,601	33,703	103
Notes receivable, accounts receivable from completed construction contracts, electronically recorded monetary claims - operating, and other	62,713	57,298	(5,415)
Lease receivables and investments in leases	8,067	8,174	106
Inventories	1,382	1,347	(35)
Other	3,276	3,788	511
<b>Non-current assets</b>	<b>40,883</b>	<b>40,816</b>	<b>(66)</b>
<b>Property, plant and equipment</b>	<b>35,657</b>	<b>35,881</b>	<b>223</b>
Buildings and structures	24,521	24,434	(87)
Machinery, vehicles, tools, furniture and fixtures	40,491	40,571	80
Assets for lease	4,227	4,393	166
Land	17,035	17,222	186
Construction in progress	164	328	163
Accumulated depreciation	(50,783)	(51,069)	(285)
<b>Intangible assets</b>	<b>2,180</b>	<b>2,036</b>	<b>(144)</b>
<b>Investments and other assets</b>	<b>3,044</b>	<b>2,898</b>	<b>(145)</b>
Investment securities	1,624	1,671	46
Other	1,420	1,227	(192)
<b>Total assets</b>	<b>149,926</b>	<b>145,128</b>	<b>(4,797)</b>

(Unit: Millions of yen)

	FY2023 4Q	FY2024 2Q	YoY Change
<b>Liabilities</b>			
<b>Current liabilities</b>	<b>40,430</b>	<b>35,480</b>	<b>(4,950)</b>
Notes payable, accounts payable for construction contracts, electronically recorded obligations - operating, and other	29,939	26,286	(3,652)
Short-term borrowings	1,000	200	(800)
Provisions	208	215	6
Other	9,282	8,778	(504)
<b>Non-current liabilities</b>	<b>9,281</b>	<b>10,253</b>	<b>972</b>
Long-term borrowings	8,700	9,700	1,000
Retirement benefit liability	251	216	(34)
Other	330	337	7
<b>Total liabilities</b>	<b>49,711</b>	<b>45,734</b>	<b>(3,977)</b>
<b>Net assets</b>			
<b>Shareholders' equity</b>	<b>99,693</b>	<b>98,758</b>	<b>(934)</b>
Share capital	12,290	12,290	0
Capital surplus	14,523	14,523	0
Retained earnings	72,884	71,951	(933)
Treasury shares	(4)	(5)	(0)
Accumulated other comprehensive income	358	458	100
<b>Non-controlling interests</b>	<b>162</b>	<b>176</b>	<b>13</b>
<b>Total net assets</b>	<b>100,214</b>	<b>99,394</b>	<b>(819)</b>
<b>Total liabilities and net assets</b>	<b>149,926</b>	<b>145,128</b>	<b>(4,797)</b>

## <Cash flows statement for the six months ended September 30, 2024>

(Unit: Millions of yen)

	FY2022 2Q	FY2023 2Q		FY2024 2Q	YoY change
Opening balance of cash and cash equivalents	30,158	38,129	*1	33,585	(4,543)
Cash flows from operating activities	6,004	3,745		4,768	1,022
Cash flows from investing activities	2,548	(2,700)		(2,290)	409
Cash flows from financing activities	(147)	875	*2	(2,440)	(3,316)
Net increase (decrease) in cash and cash equivalents	8,512	1,952		100	(1,852)
Ending balance of cash and cash equivalents	38,671	40,081		33,685	(6,395)

### [Key reasons for YoY changes]

\*1: Decrease due to cashing out on payment terms for trading partners

\*2: Increase of 3,140 million yen due to long-term loans payable borrowed in the previous fiscal year



# Financial results forecast for the fiscal year ending March 31, 2025



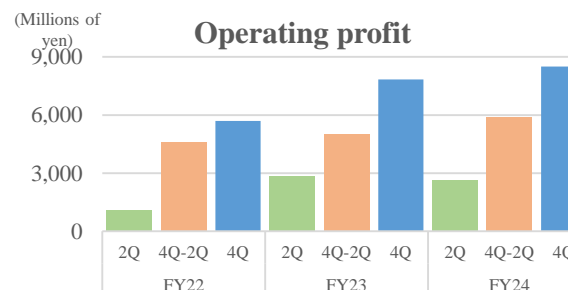
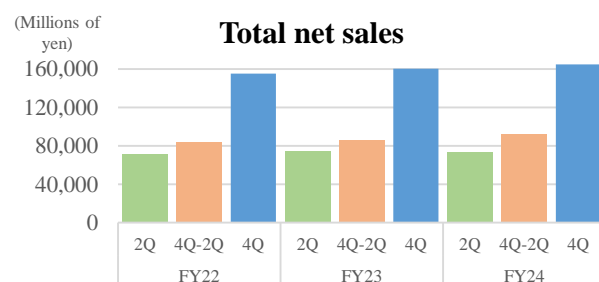
## <Financial results forecast for the fiscal year ending March 31, 2025>

- Despite uncertainty stemming from the rise in raw material prices in addition to exchange rates and overseas conditions, the Company projects the Japanese economy during the next consolidated fiscal year to recover due to an increase in personal consumption aided by wage increases as well as capital investment for corporations.

(Unit: Millions of yen)

<Consolidated>	FY2022 results			FY2023 results			FY2024 results, forecasts, plans				4Q forecasts	
	2Q	4Q	4Q-2Q	2Q	4Q	4Q-2Q	2Q	4Q forecasts	4Q-2Q	Plans	YoY change	YoY % change
Orders received (Construction business)	68,949	127,896	58,946	69,523	143,513	73,989	74,306	138,000	63,693	138,000	(5,513)	(3.8)%
Total net sales	71,709	155,353	83,643	74,295	160,519	86,223	73,063	165,000	91,936	165,000	4,481	2.8%
Operating profit	1,092	5,695	4,603	2,817	7,833	5,016	2,612	8,500	5,887	8,500	667	8.5%
	1.5%	3.7%	5.5%	3.8%	4.9%	5.8%	3.6%	5.2%	6.4%	5.2%		
Ordinary profit	1,264	5,920	4,656	2,910	7,994	5,084	2,812	8,600	5,787	8,600	606	7.6%
	1.8%	3.8%	5.6%	3.9%	5.0%	5.9%	3.8%	5.2%	6.3%	5.2%		
Profit	2,281	5,704	3,422	1,483	5,053	3,570	1,705	5,200	3,494	5,200	147	2.9%
	3.2%	3.7%	4.1%	2.0%	3.1%	4.1%	2.3%	3.2%	3.8%	3.2%		

[Orders received, total net sales, profits] Projected to be as planned at fiscal year-end



## <Measures by segment (1)>

### [Construction business]

(Unit: Millions of yen)

<Consolidated>	FY2022 results			FY2023 results			FY2024 results, forecasts, plans				4Q forecasts	
	2Q	4Q	4Q-2Q	2Q	4Q	4Q-2Q	2Q	4Q forecasts	4Q-2Q	Plans	YoY change	YoY % change
Construction orders received	68,949	127,896	58,946	69,523	143,513	73,989	74,306	138,000	63,693	138,000	(5,513)	(3.8)%
Net sales of completed construction contracts	58,707	126,743	68,036	60,852	131,578	70,726	59,321	134,000	74,678	135,000	2,422	1.8%
Gross profit on completed construction contracts	4,776	12,437	7,661	6,042	14,501	8,458	6,398	15,800	9,401	15,600	1,299	9.0%
	8.1%	9.8%	11.3%	9.9%	11.0%	12.0%	10.8%	11.8%	12.6%	11.6%		

[Orders] •Continue to focus on direct orders from both public and private sectors

•Tendency for orders for large-scale government projects to be focused toward the first half

→ Taking progress structure into account, projected to be as planned at fiscal year-end

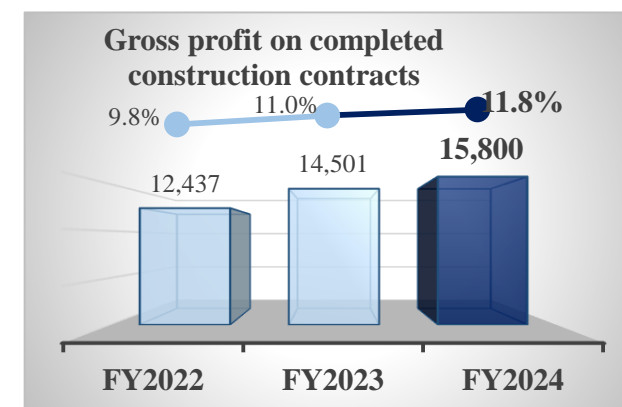
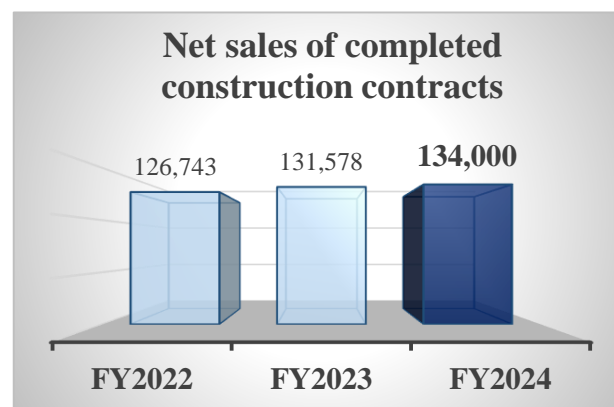
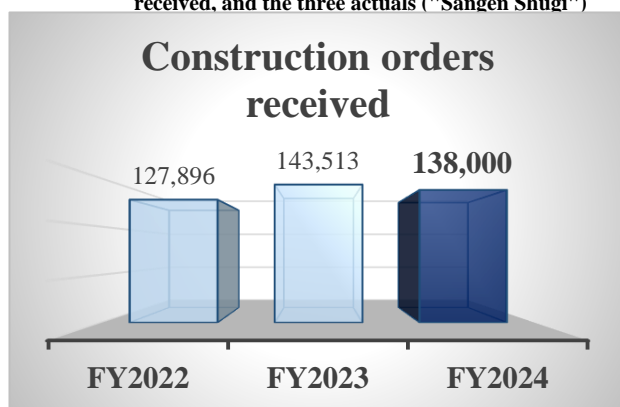
[Sales] •Tendency to be focused toward the second half more prevalent than in the previous fiscal year

→ Projected to be down 1,000 million yen vs. plan at fiscal year-end in relation to progress

[Profit] •Improve construction profitability by ensuring commitment to profitability when receiving orders, appropriate contract revisions through discussions after orders are received, and the three actuals ("Sangen Shugi")

→ Projected to be up 200 million yen vs. plan at fiscal year-end

(Unit: Millions of yen)



## <Measures by segment (2)>

### [Material sales business]

(Units: Thousands of tons, millions of yen)

<Consolidated>	FY2022 results			FY2023 results			FY2024 results, forecasts, plans				4Q forecasts	
	2Q	4Q	4Q-2Q	2Q	4Q	4Q-2Q	2Q	4Q forecasts	4Q-2Q	Plans	YoY change	YoY % change
Total industry volume	16,676	36,727	20,051	15,825	34,493	18,668	15,213	34,000	18,786	34,000	(493)	(1.4)%
Manufactured volume	1,089	2,375	1,286	1,013	2,315	1,302	1,018	2,350	1,331	2,350	35	1.5%
Share	6.5%	6.5%	6.4%	6.4%	6.7%	7.0%	6.7%	6.9%	7.1%	6.9%		0.2 pt
Net sales of finished goods	9,767	22,076	12,309	9,902	21,984	12,082	10,291	24,000	13,708	23,000	2,016	9.2%
Gross profit - finished goods	62	1,259	1,197	819	2,319	1,500	618	2,200	1,581	2,400	(119)	(5.1)%
	0.6%	5.7%	9.7%	8.3%	10.6%	12.4%	6.0%	9.2%	11.5%	10.4%		

[Share] • Secure manufactured volume through cooperative sales with group companies, etc.

→ Manufactured volume at fiscal year-end projected to be as planned

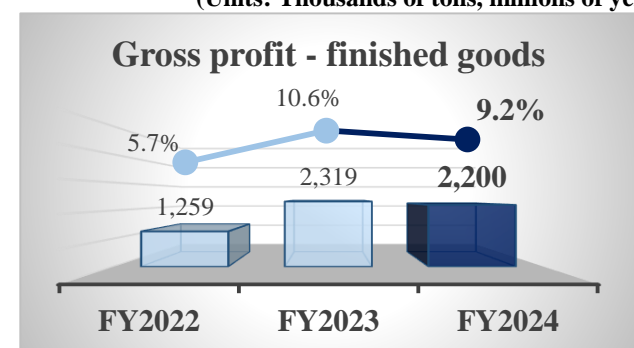
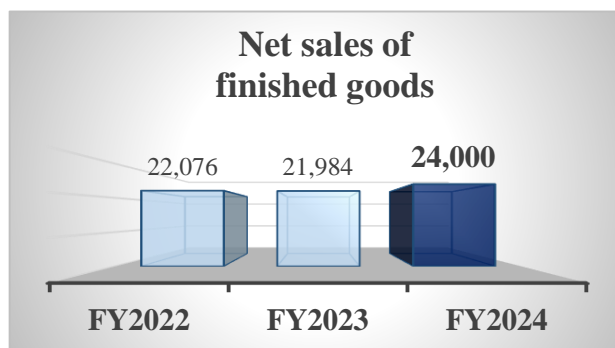
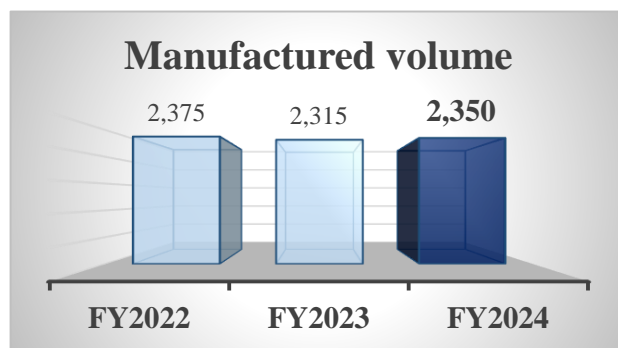
[Sales] • Continue to pass on the increases in prices of key materials (asphalt) and fuel/electricity as well as personnel expenses and transportation costs to clients as appropriate

→ Projected to be up 1,000 million yen vs. plan at fiscal year-end

[Profit] • Uncertainty stemming from crude oil price movements, exchange rates exposed to tendency toward yen depreciation

→ Projected to be down 200 million yen vs. plan at fiscal year-end

(Units: Thousands of tons, millions of yen)



## <Measures by segment (3)>

### [Co-creation business]

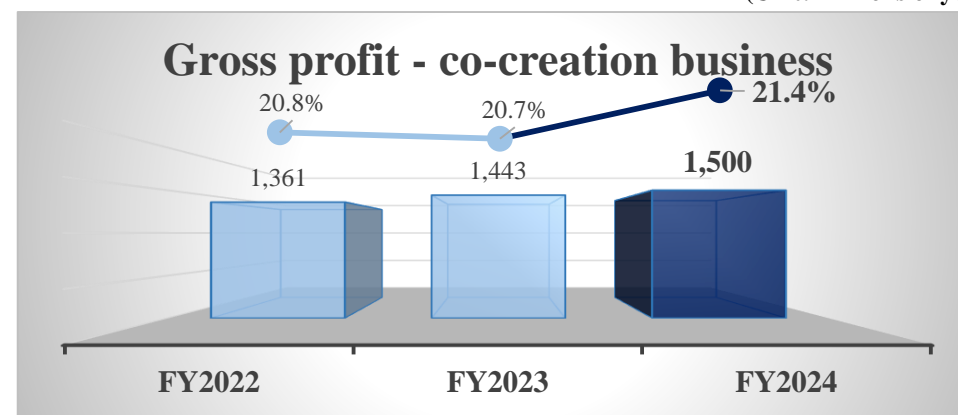
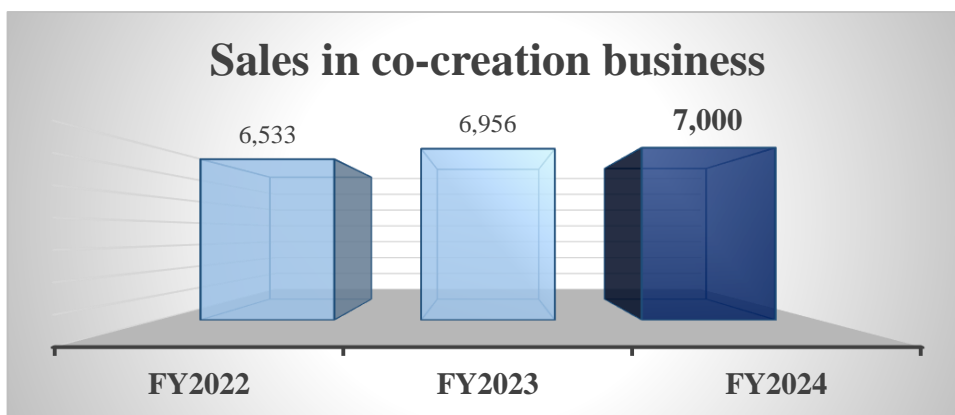
(Unit: Millions of yen)

<Consolidated>	FY2022 results			FY2023 results			FY2024 results, forecasts, plans				4Q forecasts	
	2Q	4Q	4Q-2Q	2Q	4Q	4Q-2Q	2Q	4Q forecasts	4Q-2Q	Plans	YoY change	YoY % change
Sales in co-creation business	3,235	6,533	3,297	3,541	6,956	3,414	3,450	7,000	3,549	7,000	44	0.6%
Gross profit - co-creation business	711	1,361	650	727	1,443	715	728	1,500	771	1,500	57	3.9%
	22.0%	20.8%	19.7%	20.6%	20.7%	20.9%	21.1%	21.4%	21.7%	21.4%		

- Expand leasing and commercial business: Expand sales of internally developed vehicle "Multi-JobCar," etc. and other specialized vehicles, expand sales of safety commodities
- Expand business domain through M&As: Sports-related business, environment-related (recycling) business, health-related business
- Participate in PPP/PFI business: Transportation infrastructure asset management, sports/park facility PFI

[Sales, profit] Projected to be as planned at fiscal year-end

(Unit: Millions of yen)





道からはじまる街づくり



# TOPICS



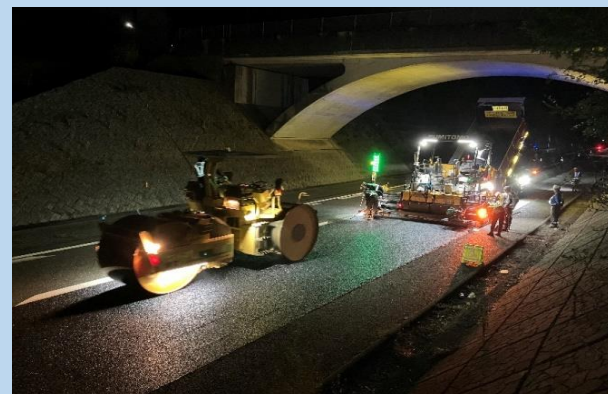


TOPICS

<Completed construction>



FY2023-FY2024 first section of paving works  
at Shimoi district, Nankoku-Aki Road



FY2022 Sanyo Expressway pavement repair work within the  
jurisdiction of Okayama Expressway Office



Hakodate Municipal Bicycle Racetrack surface treatment, etc.



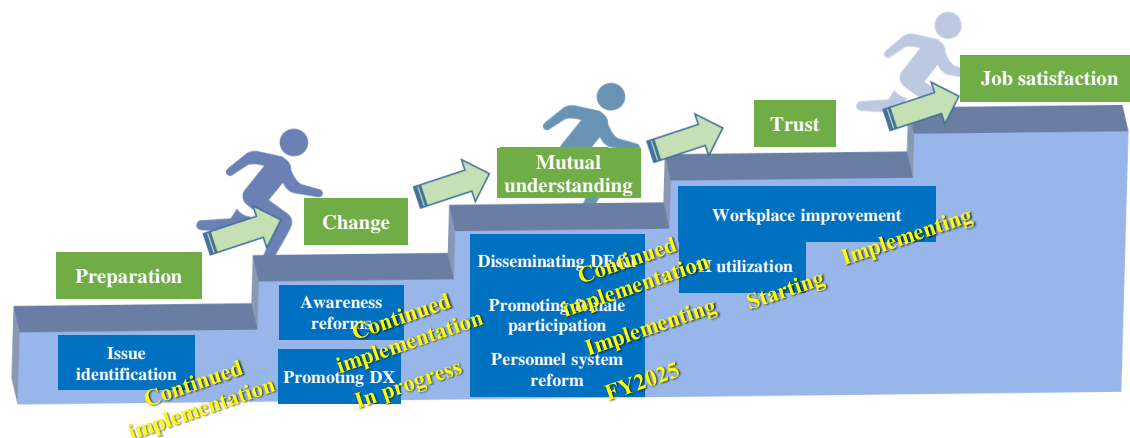
Heisei International University soccer and baseball grounds repair works

## TOPICS

## <Mid-term Management Plan 2024> State of progress on measures

Shifting from workstyle reform to satisfaction reform

Promoting DE&I



		2024	2025	2026
Personnel system	Revise employee categories			
	Extend employment period			
Employee education	Employee training	Utilization of Tsuchiura Techno BASE		
	Qualification acquisition support			
Improving the workplace environment	Base maintenance for each location			
	Promoting DX	IT/AI utilization		
DE&I	Health management	Health and Productivity Management Outstanding		
	Satisfaction reform	Eruboshi and Kurumin certifications		

## [Human resources]



Training for new Tsuchiura Techno BASE employees (Apr.-Sept. 2024)

TOPICS

<Mid-term Management Plan 2024> State of progress on measures

Improving quality and profitability of service provision

[Technology development]

Aggregate recycling technology



Alternative asphalt pavement



Carbon-anchored pavement



Solar power pavement

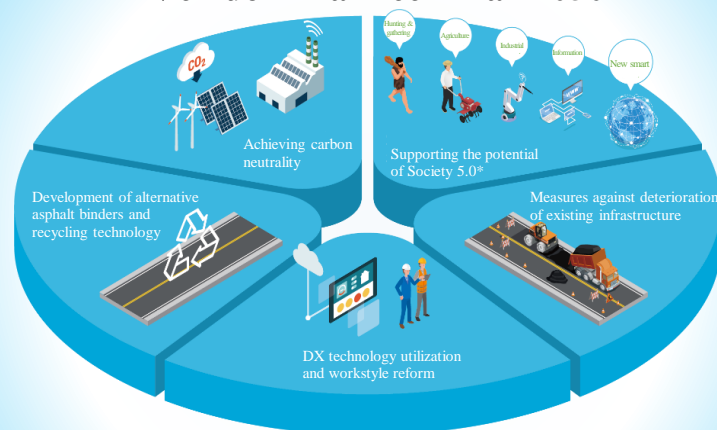


Unmanned construction



Venturing into the unknown path

Nichido Mirai Tech-Plan 2050



Self-healing



Pavement analysis technology



Compatibility measurement technology





TOPICS

<Mid-term Management Plan 2024> State of progress on measures

Improving quality and profitability of service provision

[Environmental measures]

Preserving a bountiful & beautiful earth for the next generation

Nichido Blue & Green Vision 2050

Natural gasification



Use of waste cooking oil



Use processed material in pavement



Waste cooking oil used as heating fuel



Restored as waste cooking oil



Use of cooking oil in homes, etc.

Reuse of waste PET bottles



Promoting sales



Reuse of waste fishing nets



Effective use of thinned and waste wood

Promoting sales

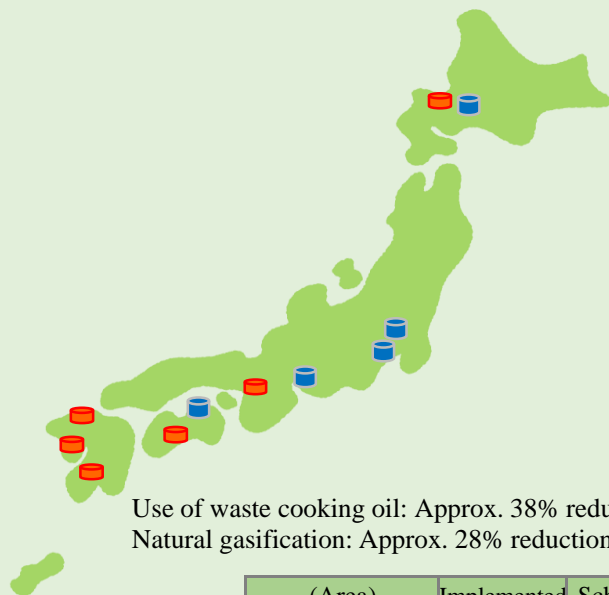


TOPICS

<Mid-term Management Plan 2024> State of progress on measures

[Environmental measures]

- Use of waste cooking oil at 6 plants nationwide
- Natural gasification at 5 plants nationwide

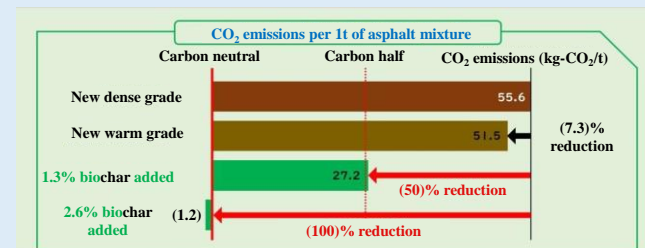


Use of waste cooking oil: Approx. 38% reduction of GHG emissions

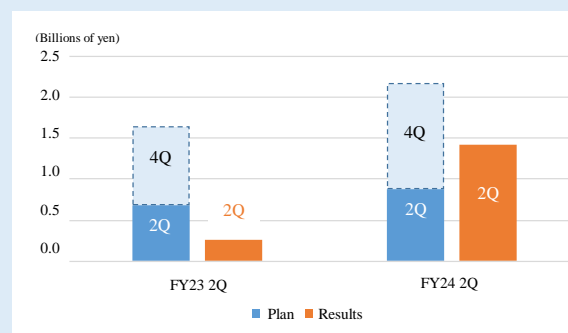
Natural gasification: Approx. 28% reduction of GHG emissions

(Area)	Implemented	Scheduled	Total
Waste cooking oil use	6	8	14
Natural gasification	5	5	10
Renewable energy	39	17	56

[Synergy with Shimizu Corporation]



Commercialization of Biochar Ascon Aug. 2024



Trends in construction orders received for synergy projects\* (private)

\*Projects for which direct orders were received in collaboration with Shimizu Corporation



TOPICS

<Mid-term Management Plan 2024> State of progress on measures

Co-creation business



Resource Forest (Fukuoka) made into subsidiary Apr. 2024



Inherited business of Morioka Royal Tennis Club (Iwate) Jul. 2024



ito Co.Ltd.(Aomori) made into subsidiary Oct. 2024

IR/CSR activities



Guided tour of Tsuchiura Techno BASE (for investors) Sept. 2024



GREEN MILEAGE PROGRAM "TOKYO Night Relay" Oct. 2024



# Reference materials



## <Corporate overview>

Name of Company	THE NIPPON ROAD CO., LTD.
Date Established	March 10, 1929
Headquarters	7F, Seavans South Building, 2-3, Shibaura 1-chome, Minato-ku, Tokyo 105-0023, Japan
Representative	Toshiyuki Ishii, Representative Director and President
Paid Up Capital	12,290.26 million yen
Number of Employees	1,622
Stock Exchange	Tokyo Stock Exchange Prime Market
Total Number of Authorized Shares	175,000,000 shares
Total Number of Issued Shares	43,946,340 shares
Share Unit	100 shares

As of March 31, 2024

## [Business branches and offices] As of September 30, 2024

Headquarters	Minato-ku, Tokyo
Technical Research Laborator	Tsuchiura-shi, Ibaraki
Tsuchiura Techno BASE	Tsuchiura-shi, Ibaraki
Branches	Tokyo Branch Ota-ku, Tokyo
	Kitakanto Branch Saitama-shi, Saitama
	Chubu Branch Nagoya-shi, Aichi
	Kansai Branch Osaka-shi, Osaka
	Shikoku Branch Takamatsu-shi, Kagawa
	Chugoku Branch Hiroshima-shi, Hiroshima
	Kyushu Branch Fukuoka-shi, Fukuoka
	Hokushinetsu Branch Niigata-shi, Niigata
	Tohoku Branch Sendai-shi, Miyagi
	Hokkaido Branch Sapporo-shi, Hokkaido
Offices	52 business offices, 24 sub-branches, 18 construction offices, 89 manufacturing and sales bases

## [Affiliates] Within scope of consolidation

Regional paving companies	34 companies
Domestic subsidiaries under direct control	5 companies
Overseas subsidiaries under direct control	2 companies
Others	2 companies

## <Corporate philosophy>



"The Analects and the Abacus" (Shimizu Corporation corporate creed)

### [Corporate creed]

"Inventive improvement" "Harmonious fellowship" "Enhancing trust"

### [Corporate identity]

Use inventiveness to work toward improving technologies and improving operations  
Recognize our responsibilities, planning carefully and continuing steady execution  
With sincerity, work toward mutual harmony and preserving norms  
Create bright workplaces and happy homes with healthy bodies and minds  
Contribute to society by concentrating on work and helping society grow

### [Corporate philosophy]

By advancing ESG management, become a company that is trusted by society and viewed as indispensable while also contributing to creating a sustainable society

### [Management vision]

"A company that cares for its employees"  
"Contribute to society through road construction"  
"Enriching corporate governance"

### [Basic management policies]

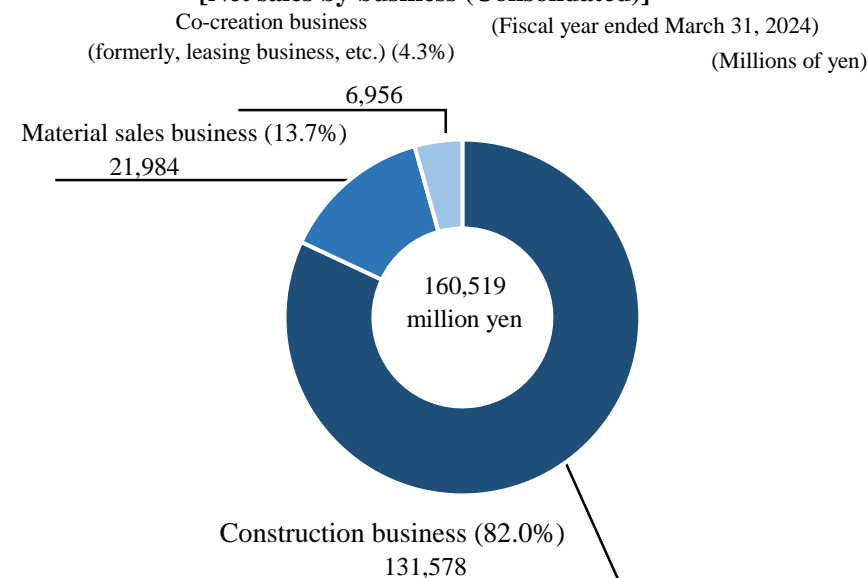
- Health and Safety Policy : We thoroughly adhere to a safety-first principle that prioritizes the respect for human life and continuously improve the occupational health and safety management system to establish a "culture of safety"
- Quality Policy : As a company that aims for sustainable development as a trusted entity by all stakeholders, we will implement a quality management system and strive for continuous
- Environmental Policy : In accordance with our environmental vision "Nichido Blue & Green Vision 2050," we will promote an environmental management system for reducing global environmental impact and contribute to realizing a sustainable global environment

## <NIPPON ROAD Group's businesses>

### [Main businesses]

<b>Construction business</b>	Developing and laying pavement and engaging in engineering, building and other business involved in overall construction
<b>Material sales business</b>	Manufacturing asphalt and emulsion and engaging in other business involved in production, sales and recycling of pavement and materials
<b>Co-creation business</b>	Engaging in the leasing business of vehicles and equipment for office work, the real estate business, development and sales of computer software, sales of office work equipment, operating insurance agencies, planning and administration of sports facilities, and other businesses

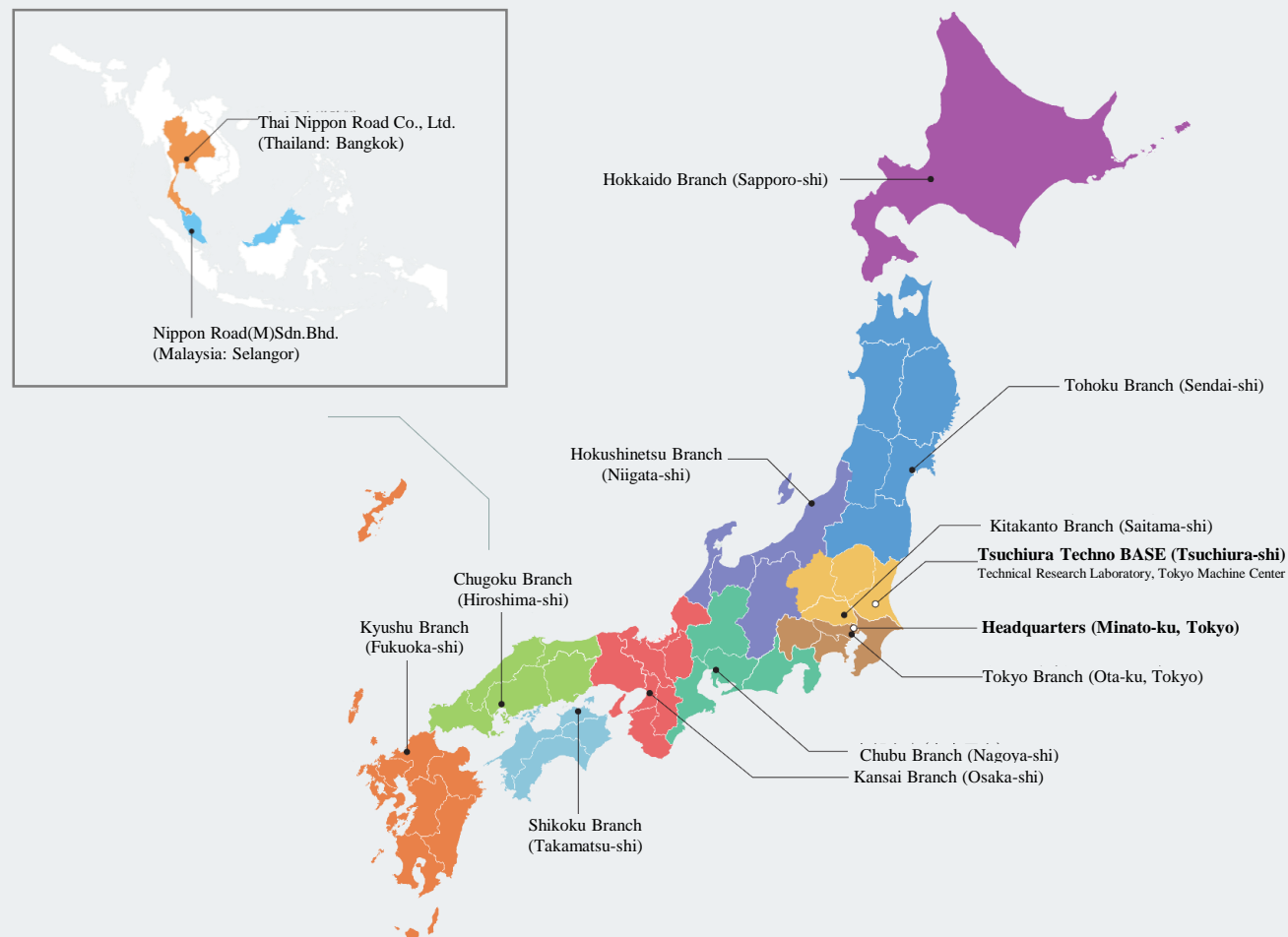
### [Net sales by business (Consolidated)]



### [Breakdown of construction business]

NIPPON ROAD (Non-consolidated)	115,921
Total regional paving companies (34 companies)	17,835
Overseas offices	2,342
Domestic subsidiaries under direct control (2 companies)	830
<b>Total</b>	<b>136,929</b>
<b>Consolidated eliminations</b>	<b>(5,351)</b>
<b>Construction business total</b>	<b>131,578</b>

## Summary of branches and offices



### <Domestic subsidiaries under direct control>

- ND Leasing System Co., Ltd.  
Comprehensive leasing business, sale of various materials, development and sale of computer software, sale of office equipment
- NDIC Co., Ltd.  
Insurance agency business
- Sports Media Inc.  
Planning and operation of sports facilities, etc.
- Kankyoryokka Co., Ltd.  
Landscaping business

### <Regional paving companies>

With the objective of strengthening NIPPON ROAD's non-consolidated construction structure, the Company has been successively creating "regional paving companies" across Japan since around 1993. At the time, almost all projects were subcontracting projects from NIPPON ROAD, but as time went on, owing to the trend of stronger regional requirements for public works construction (local production and local consumption), these companies have taken root in their communities. At present, with more clearly defined uniqueness, the companies have developed into "regional paving companies," and as of September 30, 2024, there are 34 such companies nationwide. Each regional paving company has an office next to a business office of NIPPON ROAD.





### Future-oriented declaration

**Towards the 100th anniversary of our founding, we declare that all officers and employees of the Nippon Road Group will work together to strive for creativity, to quickly read the changes of the times, and to become a company that is needed to create a sustainable society.**

Statements in this document regarding matters concerning future plans, initiatives, and business results of the Nippon Road Group are based on assumptions and opinions that are determined by the Company and predicated on information available at the current point in time. Future business results may differ from the Company's projections due to a wide variety of factors, such as future changes in the business environment.

### Inquiries

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