

# **Fiscal year ended March 31, 2025 Financial Results Briefing**

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**May 22, 2025**



日本道路株式会社

Securities code : 1884

## <Introduction>

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Matter disclosed on May 14 at the Tokyo Stock Exchange

**“Announcement of Opinion in Support of the Tender Offer by Shimizu Corporation, the Parent of the Company, for the Shares of the Company, and Recommendation to Tender”**

## <Table of contents>

### Financial results overview for the fiscal year ended March 31, 2025

◆ <u>Business environment and results trends for the fiscal year ended March 31, 2025</u>	1
◆ <u>Financial results for the fiscal year ended March 31, 2025</u>	2
◆ <u>Business results trends by segment (1): Construction Business</u>	3
◆ <u>Business results trends by segment (2): Manufacturing &amp; Sales Business</u>	10
◆ <u>Business results trends by segment (3): Co-creation Business</u>	11
◆ <u>Analysis of factors affecting profit</u>	12
◆ <u>Balance sheets</u>	13
◆ <u>Statements of cash flows</u>	14

### Financial results forecast for the fiscal year ending March 31, 2026

◆ <u>Financial results forecast for the fiscal year ending March 31, 2026</u>	15
◆ <u>Measures by segment (1): Construction Business</u>	16
◆ <u>Measures by segment (2): Manufacturing &amp; Sales Business</u>	17
◆ <u>Measures by segment (3): Co-creation Business</u>	18
◆ <u>Analysis of factors affecting profit for the fiscal year ending March 31, 2026</u>	19

### Progress of Mid-term Management Plan

◆ <u>Mid-term Management Plan 2024 (FY2024-2026): State of progress</u>	20
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### Reference materials

◆ <u>Corporate overview</u>	
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# Financial results overview for the fiscal year ended March 31, 2025

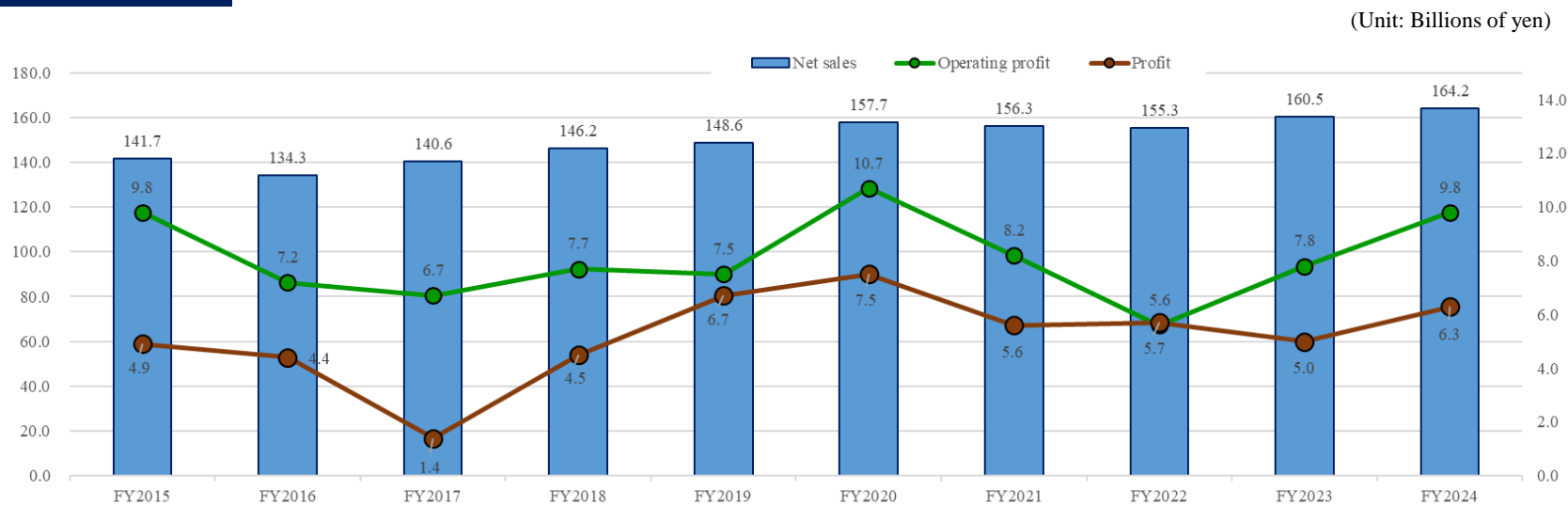
## &lt;Business environment and results trends for the fiscal year ended March 31, 2025&gt;

## Business environment

The Japanese economy in FY2024 maintained a recovery trend despite temporary signs of stagnation, supported by improvement in the employment and income environment due to steady corporate revenue and robust capital investment, which contributed to a return to an inflationary economy across a wide range of sectors.

In the construction industry, the main business of the Group, government construction investment continued to remain above ¥20 trillion, and although there were concerns about the surge in raw material prices, 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 fiscal year ended March 31, 2025>

- FY2022: Operating profit and ordinary profit lower owing to higher crude oil prices
- FY2023: Orders and profit both increased in the Construction Business, while volume declined in the Manufacturing & Sales Business, struggling with the impact of changes in exchange rates and crude oil prices
- FY2024: Although orders received in the Construction Business declined, profit increased due to steady progress in construction carried forward and appropriate price pass-through

(Unit: Millions of yen)

<Consolidated>	FY2022 results		FY2023 results		FY2024 results		YoY % change
Orders received (Construction business)	127,896		143,513		138,036		(3.8)%
Total net sales	155,353		160,519		164,294		2.4%
Gross profit	9.7%	15,059	11.4%	18,264	12.6%	20,748	13.6%
Selling, general and administrative expenses	6.1%	9,363	6.5%	10,430	6.6%	10,852	4.0%
Operating profit	3.7%	5,695	4.9%	7,833	6.0%	9,895	26.3%
Ordinary profit	3.8%	5,920	5.0%	7,994	6.2%	10,134	26.8%
Profit	3.7%	5,704	3.1%	5,053	3.8%	6,324	25.1%

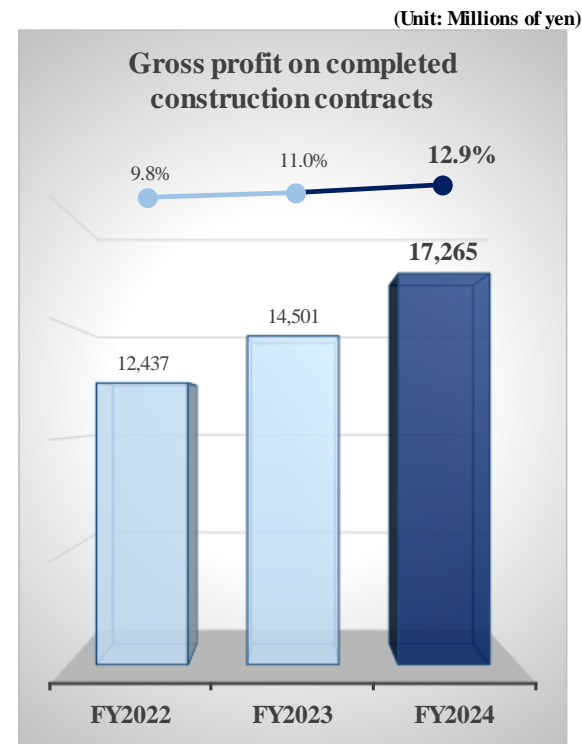
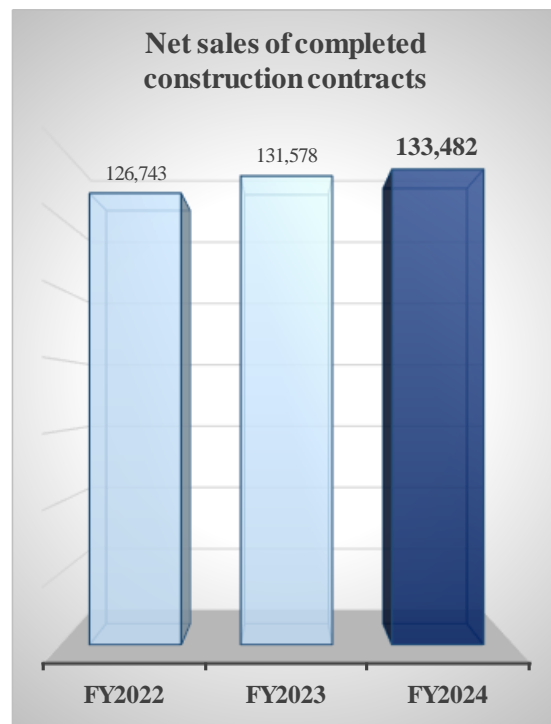
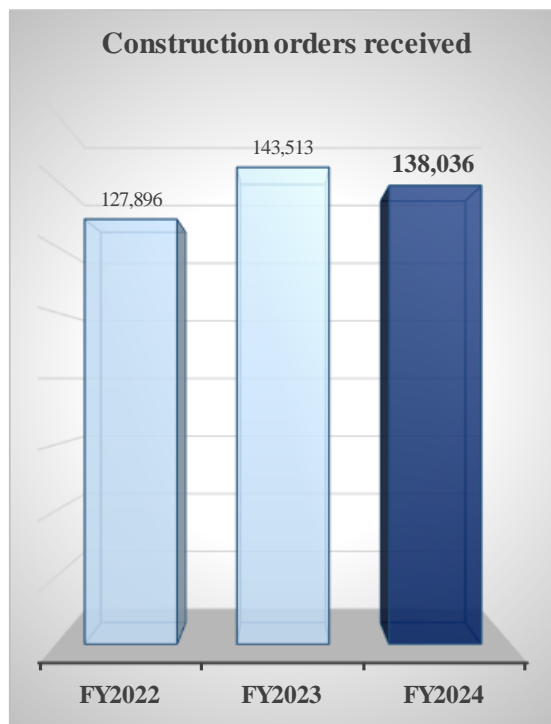
<Non-consolidated>	FY2022 results		FY2023 results		FY2024 results		YoY % change
Orders received (Construction business)	112,337		128,970		117,448		(8.9)%
Total net sales	135,142		140,116		141,928		1.3%
Gross profit	8.6%	11,573	10.3%	14,386	11.7%	16,578	15.2%
Selling, general and administrative expenses	5.4%	7,855	6.3%	8,824	6.5%	9,213	4.4%
Operating profit	2.8%	3,717	4.0%	5,561	5.2%	7,364	32.4%
Ordinary profit	2.9%	3,901	4.0%	5,667	5.3%	7,538	33.0%
Profit	3.3%	4,448	2.6%	3,611	3.3%	4,707	30.3%

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

### [Construction Business] [Consolidated]

<Consolidated>	Construction orders received	Net sales of completed construction contracts	(Unit: Millions of yen)	
			Gross profit on completed construction contracts	
FY2022	127,896	126,743	9.8%	12,437
FY2023	143,513	131,578	11.0%	14,501
FY2024	138,036	133,482	12.9%	17,265

- **Construction orders received:** Shift toward high-quality orders with a focus on profitability
- **Net sales of completed construction contracts:** Progress accelerated on construction ordered in FY2023, supported by strengthened construction execution structure
- **Gross profit on completed construction contracts:** Profitability improved through appropriate price pass-through and enhanced management focused on project profitability



## <Business results trends by segment (1)>

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

### Construction orders received by construction type

(Unit: Millions of yen)

Construction type	FY2022		FY2023		FY2024	
	Results	YoY % change	Results	YoY % change	Results	YoY % change
Pavement construction	73,201	1.5%	81,973	12.0%	73,428	(10.4)%
Civil works construction	38,426	16.4%	46,978	22.3%	41,595	(11.5)%
Construction	709	46.1%	19	(97.3)%	2,424	—
Total	112,337	6.4%	128,970	14.8%	117,448	(8.9)%

- FY2022: Owing to large-scale development construction, etc. (Civil works)
- FY2023: Orders for NEXCO and public construction were strong (Pavement, Civil works)
- FY2024: Although orders for large-scale public construction declined from the previous year, orders for private construction and building construction remained steady

### Key construction orders in FY2024

Client	Name of project	Location
Ministry of Land, Infrastructure, Transport and Tourism Tohoku Regional Development Bureau	Paving works at Imaizumi district, etc.	Akita
East Nippon Expressway Company Limited	KAN-ETSU EXPWY 2024 pavement repair works within the jurisdiction of Yuzawa	Gunma, Niigata
Honshu-Shikoku Bridge Expressway Company Limited	FY2024 SETO CHUO EXPWY pavement repair and other works	Okayama, Kagawa
Ministry of Defense Hokkaido Defense Bureau	Hokkaido Large Training Area (6) road maintenance and improvement works (five construction areas)	Hokkaido
SANKYOFONTIER CO., LTD.	(Tentative name) SANKYOFONTIER CO., LTD. Koga Plant site preparation works	Ibaraki



## <Business results trends by segment (1)>

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

#### Construction orders received by client

(Unit: Millions of yen)

Client		FY2022			FY2023			FY2024		
		Results		YoY % change	Results		YoY % change	Results		YoY % change
Public construction orders received										
Ratio	Public total	35%	38,892	15.8%	40%	51,747	33.1%	36%	42,347	(18.2)%
Private construction orders received										
Ratio	Private total	65%	73,445	2.0%	60%	77,223	5.1%	64%	75,100	(2.8)%
Public and private total										
Total orders received		112,337		6.4%	128,970		14.8%	117,448		(8.9)%

- FY2022: Strong public orders including Ministry of Defense (Public)  
Although companies remain cautious for capital expenditures, secured orders on par with the previous fiscal year (Private)
- FY2023: Orders for NEXCO and public construction were strong (Public)  
Orders for private construction including the three priority sectors also remained strong (Private)
- FY2024: Orders for large-scale public construction declined from the previous year (Public)  
Orders for private construction and building construction remained steady (Private)

## <Business results trends by segment (1)>

### [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		FY2023		FY2024	
	Results	YoY % change	Results	YoY % change	Results	YoY % change
Automotive-related construction	2,133	(15.2)%	2,038	(4.5)%	4,111	101.7%
Sports-related construction	2,551	(24.6)%	3,161	23.9%	2,686	(15.0)%
Logistics-related construction*1	7,326	29.5%	7,240	(1.2)%	11,531	59.3%
<b>Total</b>	<b>12,010</b>	<b>3.9%</b>	<b>12,439</b>	<b>3.6%</b>	<b>18,328</b>	<b>47.3%</b>

\*1: Logistics-related construction includes other indirect orders in addition to direct orders.

### Key orders received in FY2024 in three priority sectors

Sector	Client	Name of project	Location
Automotive-related construction	Mazda Motor Corporation	Nakanoseki Pool pavement repair (159th term)	Yamaguchi
	DENSO CORPORATION	DENSO Toyohashi East Gate area improvement	Aichi
Sports-related construction	TOKYOTOKEIBA Co., Ltd.	Oi Racecourse rainwater drainage repair works 3rd term	Tokyo
	Tokyo Gas Real Estate Co., Ltd.	Omori Clubhouse baseball field artificial turf construction	Tokyo
	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
	Daiichi Freight System, Inc.	Daiichi Freight System, Inc. Shiwa Logistics Center new construction	Iwate

## <Business results trends by segment (1)>

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

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

(Unit: Millions of yen)

Construction type	FY2022		FY2023		FY2024	
	Results	YoY % change	Results	YoY % change	Results	YoY % change
Pavement construction	74,695	(2.2)%	75,455	1.0%	73,624	(2.4)%
Civil works construction	35,910	(0.4)%	40,082	11.6%	42,205	5.3%
Construction	679	(15.1)%	384	(43.4)%	553	43.9%
Total	111,285	(1.7)%	115,921	4.2%	116,383	0.4%

- FY2022: Lower due to slower progress at the beginning of the fiscal year resulting from lower construction carried forward from the previous fiscal year
- FY2023: Progress in large-scale projects on hand was steady
- FY2024: Progressed steadily, including large-scale construction, as in the previous fiscal year

### Key construction contracts completed in FY2024

Client	Name of project	Location
Ministry of Land, Infrastructure, Transport and Tourism Chugoku Regional Development Bureau	FY2023 Koryo-Taki Road paving works at Hisamura district, etc.	Shimane
Central Nippon Expressway Company Limited	CHUO EXPWY (special renewal, etc.) pavement repair works between Ihoku IC and Iida IC (up line) (FY2022)	Nagano
Ministry of Defense Kyushu Defense Bureau	Tsuiki AB (4) parking apron development, civil, and other works	Fukuoka
TOKYOTOKEIBA Co., Ltd.	Kobayashi Ranch new construction and other works within training tracks and at gallop tracks in Area C	Chiba
Shimizu Corporation	Expo 2025 Osaka exterior construction works for Japan Pavillion	Osaka

## <Business results trends by segment (1)>

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

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

(Unit: Millions of yen)

Construction type	FY2022		FY2023		FY2024	
	Results	YoY % change	Results	YoY % change	Results	YoY % change
Pavement construction	41,342	(3.5)%	47,860	15.8%	47,664	(0.4)%
Civil works construction	22,352	12.7%	29,248	30.9%	28,639	(2.1)%
Construction	370	9.0%	4	(98.8)%	1,875	—
Total	64,065	1.7%	77,113	20.4%	78,179	1.4%

- FY2022: Large-scale development construction, etc. carried forward (Civil works)
- FY2023: Large-scale civil works and pavement construction for both public and private carried forward
- FY2024: Pavement and civil works construction remained on par with the previous year, while building construction carried forward increased

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

Client	Name of project	Projected completion date
Ministry of Land, Infrastructure, Transport and Tourism Tohoku Regional Development Bureau	Paving works at Imaizumi district, etc.	Sep. 2025
East Nippon Expressway Company Limited	KAN-ETSU EXPWY 2024 pavement repair works within the jurisdiction of Yuzawa	Feb. 2027
Japan Association for the International Horticultural Expo 2027, Yokohama	International Horticultural Expo 2027, Yokohama venue development works (west zone) (phase 1)	Sep. 2025
Ministry of Defense Hokkaido Defense Bureau	Hokkaido Large Training Area (6) road maintenance and improvement works (five construction areas)	Nov. 2026
SANKYOFONTIER CO., LTD.	(Tentative name) SANKYOFONTIER CO., LTD. Koga Plant site preparation works	Aug. 2025

## <Business results trends by segment (1)>

### [Overseas businesses]

#### Orders received at overseas local subsidiaries

(Unit: Millions of yen)

Company name	FY2022		FY2023		FY2024	
	Results	YoY % change	Results	YoY % change	Results	YoY % change
Thai Nippon Road Co., Ltd.	874	(22.7)%	687	(21.4)%	4,209	512.7%
Nippon Road(M)Sdn. Bhd.	2,216	210.0%	916	(58.7)%	785	(14.3)%
Total	3,090	67.5%	1,604	(48.1)%	4,994	211.3%

- In the Southeast Asia region, momentum for projects orders has remained sluggish even after the COVID-19 pandemic
- Thai Nippon Road Co., Ltd. received orders for the construction of the New Automotive and Tire Quality Test Course from the Thai Industrial Standards Institute

#### Key construction orders

Company name	Category	FY2023	FY2024
Thai Nippon Road Co., Ltd.	Name of project	New Automotive and Tire Quality Test Course construction works East circuit road extension construction	Automotive and Tyre Testing, Research and Innovation Center (ATTRIC) high-speed circuit construction
	Client	Thai Industrial Standards Institute (TISI)	Thai Industrial Standards Institute (TISI)
Nippon Road(M)Sdn. Bhd.	Name of project	North-South Expressway pavement maintenance (FY2023)	Penang International Airport resurfacing of taxiways A/04, A/22, E, F, G, and H and other related works (design and construction)
	Client	Edgenta Infrastructure Services Sdn.Bhd.	Malaysia Airports Holdings Berhad

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



[Malaysia] Penang International Airport resurfacing of taxiways A/04, A/22, E, F, G, and H and other related works (design and construction)



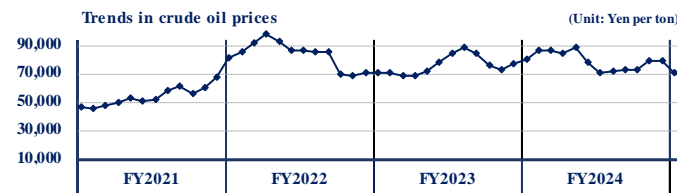
## <Business results trends by segment (2)>

### [Manufacturing & Sales Business]

(Units: Thousands of tons, millions of yen)

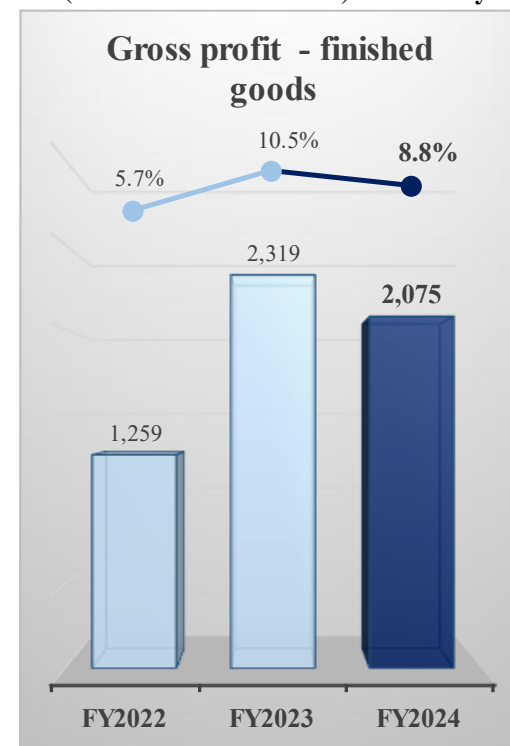
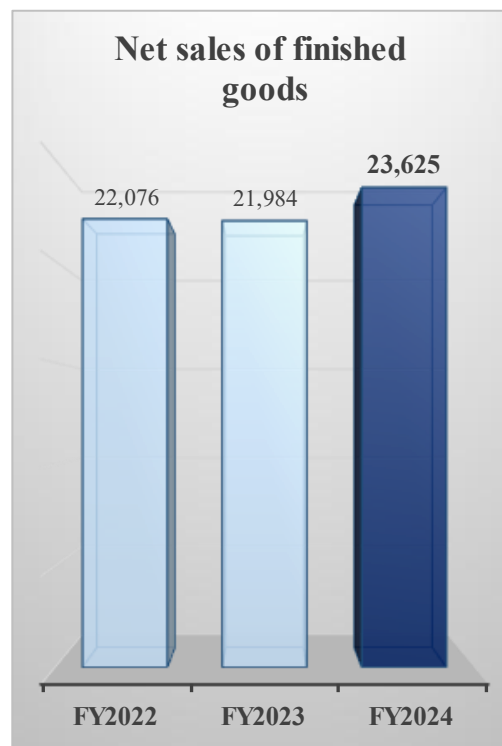
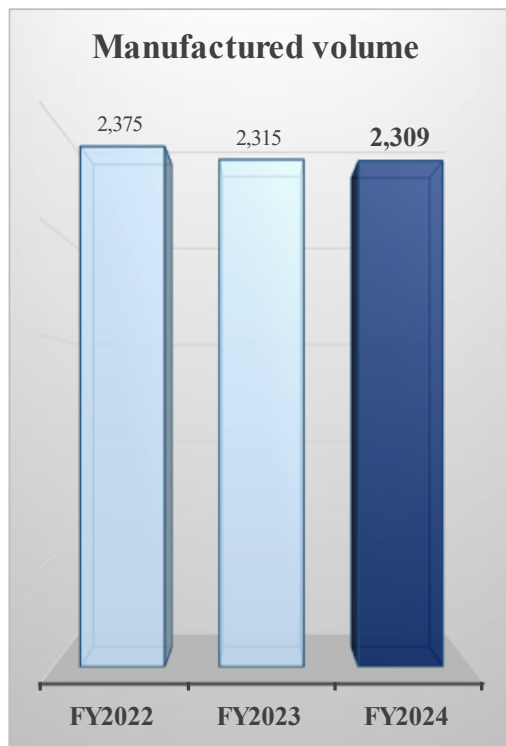
<Consolidated>	Total industry volume	Manufactured volume	Share	Net sales of finished goods	Gross profit - finished goods	
FY2022	36,727	2,375	6.5%	22,076	5.7%	1,259
FY2023	34,493	2,315	6.7%	21,984	10.5%	2,319
FY2024	33,604	2,309	6.9%	23,625	8.8%	2,075

•FY2024: Higher crude oil prices caused gross profit to decline



\*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)

(Units: Thousands of tons, millions of yen)



## <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	6,533	20.8%	1,361
FY2023	6,956	20.7%	1,443
FY2024	7,186	19.6%	1,407

ND Leasing System Co., Ltd.

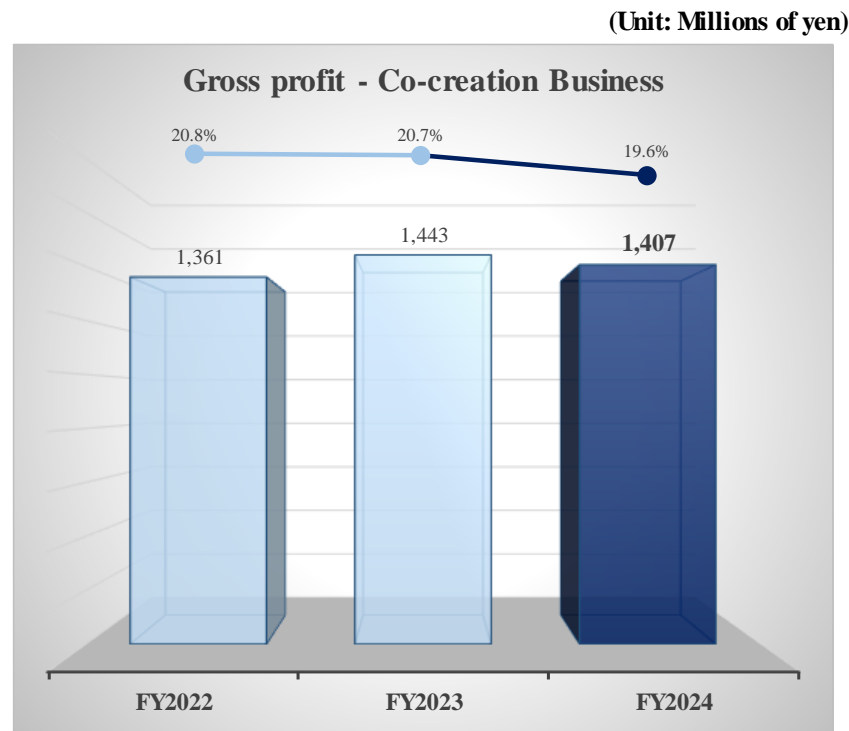
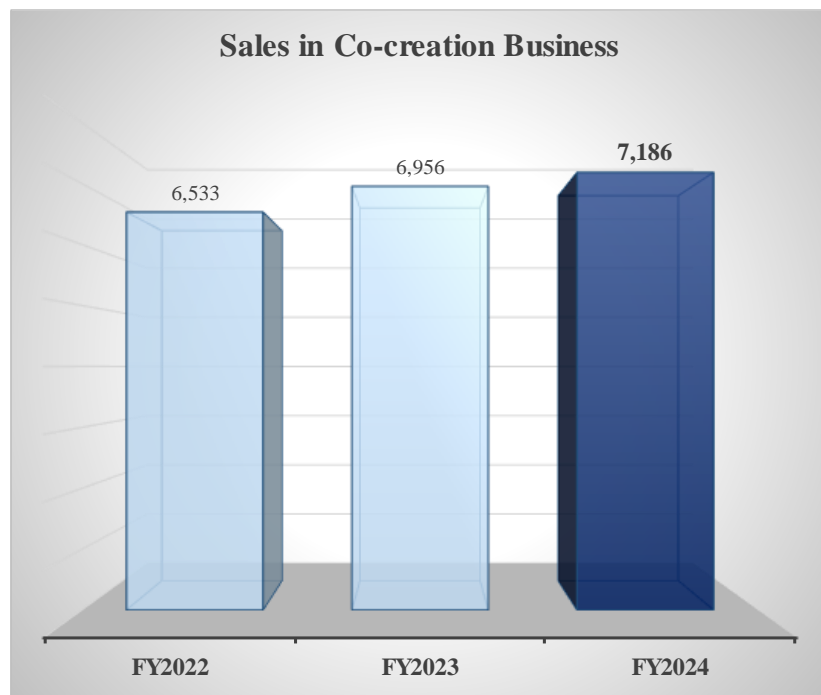
Comprehensive leasing business, sale of various materials, development and sale of computer software, sale of office equipment

NDIC Co., Ltd.

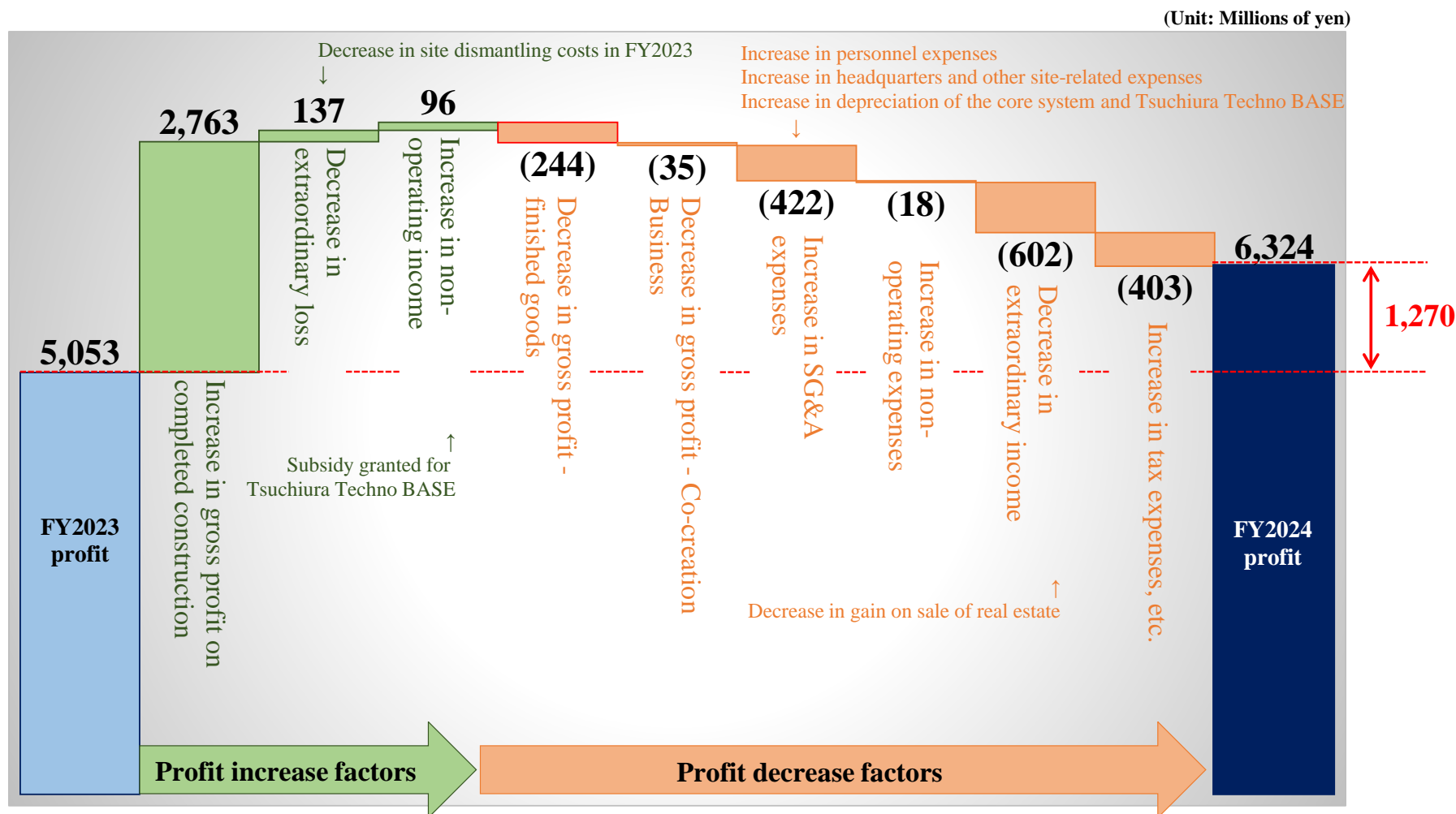
Insurance agency business

Sports Media Inc.

Planning and operation of sports facilities, etc.



## <Analysis of factors affecting profit>





## <Balance sheets for the fiscal year ended March 31, 2025>

	FY2022	FY2023	FY2024	YoY change
<b>Assets</b>				
<b>Current assets</b>	112,989	109,042	115,204	6,161
Cash and deposits	38,159	33,601	42,277	8,675
Notes receivable, accounts receivable from completed construction contracts, electronically recorded monetary claims, and other	62,325	62,713	59,933	(2,779)
Lease receivables and investment assets	8,332	8,067	8,294	226
Inventories	1,364	1,382	1,383	1
Other	2,807	3,276	3,315	38
<b>Non-current assets</b>	38,860	40,883	41,537	654
<b>Tangible fixed assets</b>	33,947	35,657	35,234	(423)
Buildings and structures	21,390	24,521	23,943	(578)
Machinery, equipment, vehicle, tools, furniture and fixtures	39,777	40,491	41,206	715
Leased assets	4,129	4,227	4,521	293
Land	17,701	17,035	16,780	(254)
Construction in progress	1,511	164	280	116
Less: accumulated depreciation	(50,564)	(50,783)	(51,498)	(715)
<b>Intangible assets</b>	1,950	2,180	2,015	(165)
<b>Investments and other assets</b>	2,962	3,044	4,287	1,243
Investment securities	1,326	1,624	1,947	323
Retirement benefit asset	0	0	842	842
Other	1,636	1,420	1,497	76
<b>Total assets</b>	151,850	149,926	156,741	6,815

	FY2022	FY2023	FY2024	YoY change
<b>Liabilities</b>				
<b>Current liabilities</b>	47,146	40,430	41,904	1,473
Notes payable, accounts payable for construction contracts, electronically recorded obligations, and other	38,339	29,939	29,493	(445)
Short-term loans payable	100	1,000	100	(900)
Provision	299	208	273	64
Other	8,407	9,282	12,037	2,754
<b>Non-current liabilities</b>	7,794	9,281	10,076	794
Long-term loans payable	6,600	8,700	9,600	900
Net defined benefit liability	940	251	0	(251)
Other	253	330	476	146
<b>Total liabilities</b>	54,941	49,711	51,980	2,268
<b>Net assets</b>				
<b>Shareholders' equity</b>	97,103	99,693	103,377	3,684
Capital stock	12,290	12,290	12,290	0
Capital surplus	14,524	14,523	14,523	0
Retained earnings	70,291	72,884	76,569	3,685
Less: treasury stock	(2)	(4)	(6)	(1)
Accumulated other comprehensive income	(340)	358	1,196	838
<b>Non-controlling interests</b>	146	162	186	24
<b>Total net assets</b>	96,909	100,214	104,761	4,546
<b>Total liabilities and net assets</b>	151,850	149,926	156,741	6,815

Financial results  
overview for FY2024

Financial results  
forecast for FY2025

Progress of Mid-term  
Management Plan

Reference materials

# <Statements of cash flows for the fiscal year ended March 31, 2025>

(Unit: Millions of yen)

	FY2022	FY2023	FY2024	YoY change
Cash and cash equivalents at beginning of year	30,158	38,129	33,585	(4,543)
Cash flows from operating activities	10,918	92	*1 15,117	15,025
Cash flows from investing activities	307	(5,204)	(3,896)	1,307
Cash flows from financing activities	(3,349)	536	*2 (2,640)	(3,176)
Increase / (Decrease) in cash and cash equivalents	(7,970)	(4,543)	8,672	13,216
Cash and cash equivalents at end of year	38,129	33,585	42,258	8,672

## [Main breakdown]

**\*1: Recording of profit before income taxes; decrease in notes and accounts receivable - trade (early collection of notes and accounts receivable - trade)**

**\*2: Decrease in long-term loans payable; payment of dividends; etc.**

# Financial results forecast for the fiscal year ending March 31, 2026

## <Financial results forecast for the fiscal year ending March 31, 2026>

•Despite uncertainty stemming from the rise in raw material prices in addition to exchange rates and overseas conditions, construction investment is expected to remain at the same level, supported by the ongoing Medium-term Plan for National Resilience and steady corporate revenue.

(Unit: Millions of yen)

<Consolidated>	FY2023 results		FY2024 results		FY2025 forecasts		YoY change
Orders received (Construction Business)	143,513		138,036		138,000		0.0%
Gross profit	160,519		164,294		167,000		1.6%
Operating profit	4.9%	7,833	6.0%	9,895	5.6%	9,400	(5.0)%
Ordinary profit	5.0%	7,994	6.2%	10,134	5.7%	9,500	(6.3)%
Profit	3.1%	5,053	3.9%	6,324	3.7%	6,100	(3.5)%

•U.S. tariff policies may influence private-sector capital investment decisions, particularly in export-oriented industries, and it is necessary to closely monitor future developments.

## <Measures by segment (1)>

### [Construction Business]

(Unit: Millions of yen)

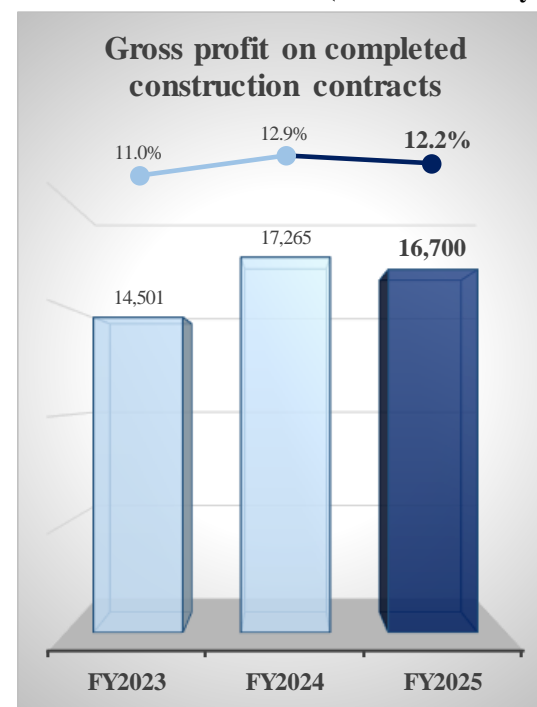
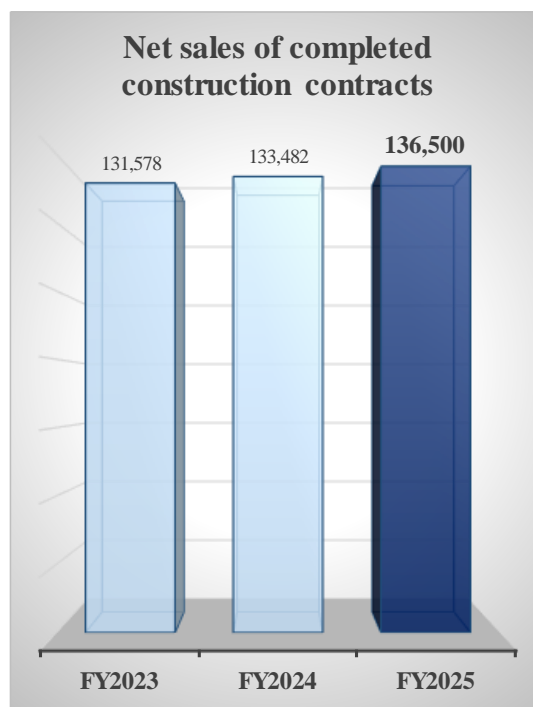
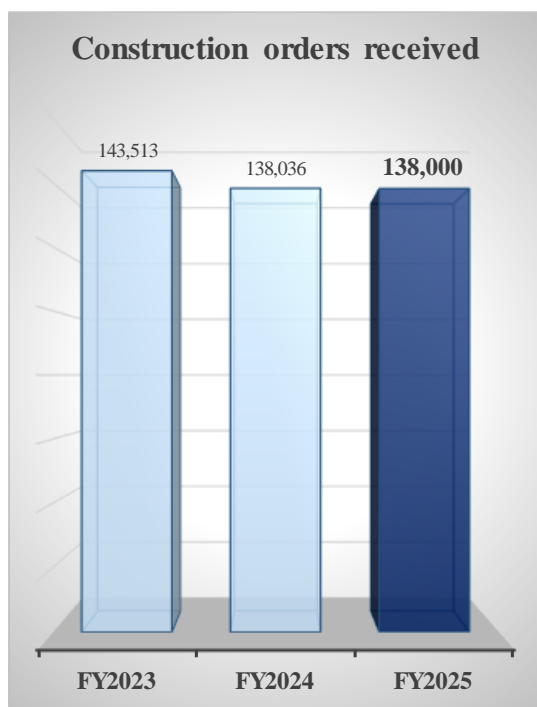
<Consolidated>	Construction orders received	Net sales of completed construction contracts	Gross profit on completed construction contracts	
FY2023	143,513	131,578	11.0%	14,501
FY2024	138,036	133,482	12.9%	17,265
FY2025	138,000	136,500	12.2%	16,700

• Construction orders received: Despite abundance of construction carried forward from the previous fiscal year, continue to work toward orders focused on profitability

• Net sales of completed construction contracts: Ensure appropriate management of construction progress in combination with progress in construction carried forward from the previous year

• Gross profit on completed construction contracts: Expect to achieve the plan through high-quality orders and thorough construction management

(Unit: Millions of yen)



## <Measures by segment (2)>

### [Manufacturing & Sales Business]

(Units: Thousands of tons, millions of yen)

<Consolidated>	Total industry volume	Manufactured volume	Shares	Net sales of finished goods	Gross profit - finished goods	
FY2023	34,493	2,315	6.7%	21,984	10.5%	2,319
FY2024	33,604	2,309	6.9%	23,625	8.8%	2,075
FY2025	33,500	2,343	7.0%	23,000	10.7%	2,450

•Prices of key materials (asphalt) and fuel/electricity as well as personnel expenses will continue to be passed on to clients as appropriate

•Increase share: Standalone construction sales, internal sales based on area strategies in cooperation with regional paving companies, and securing manufactured volume for external sales

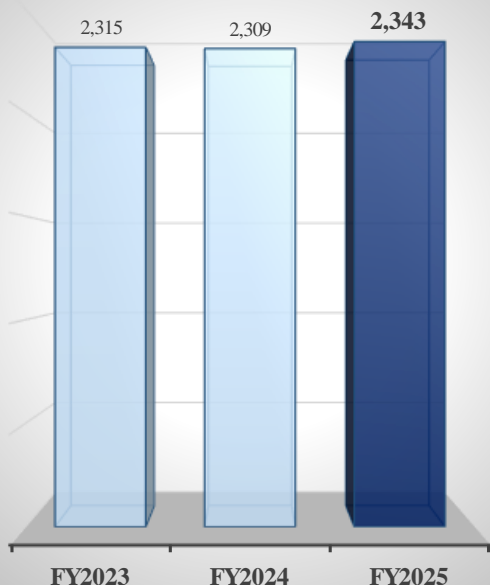
Financial results  
overview for FY2024

Financial results  
forecast for FY2025

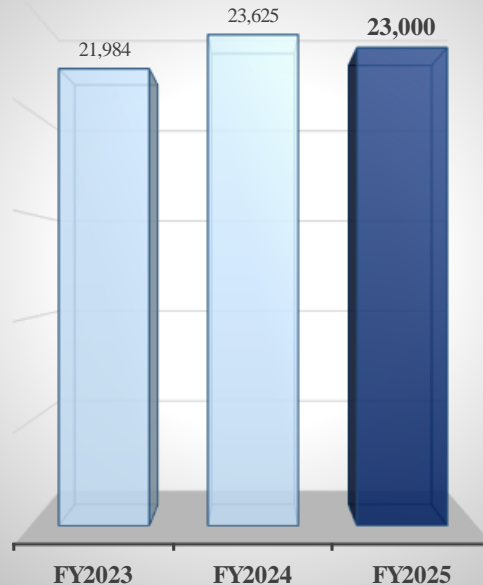
Progress of Mid-term  
Management Plan

Reference materials

Manufactured volume

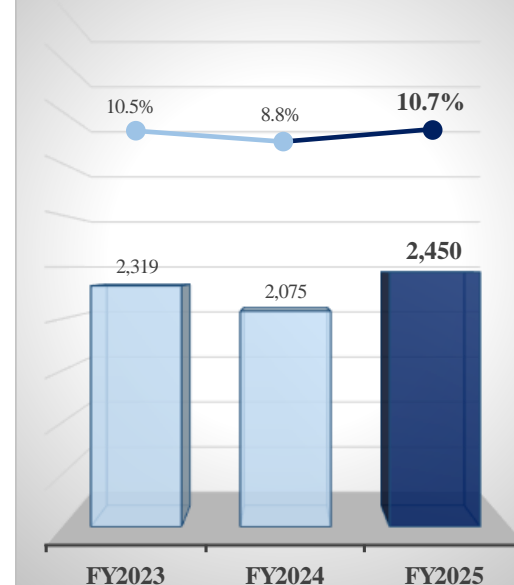


Net sales of finished goods



(Units: Thousands of tons, millions of yen)

Gross profit - finished goods

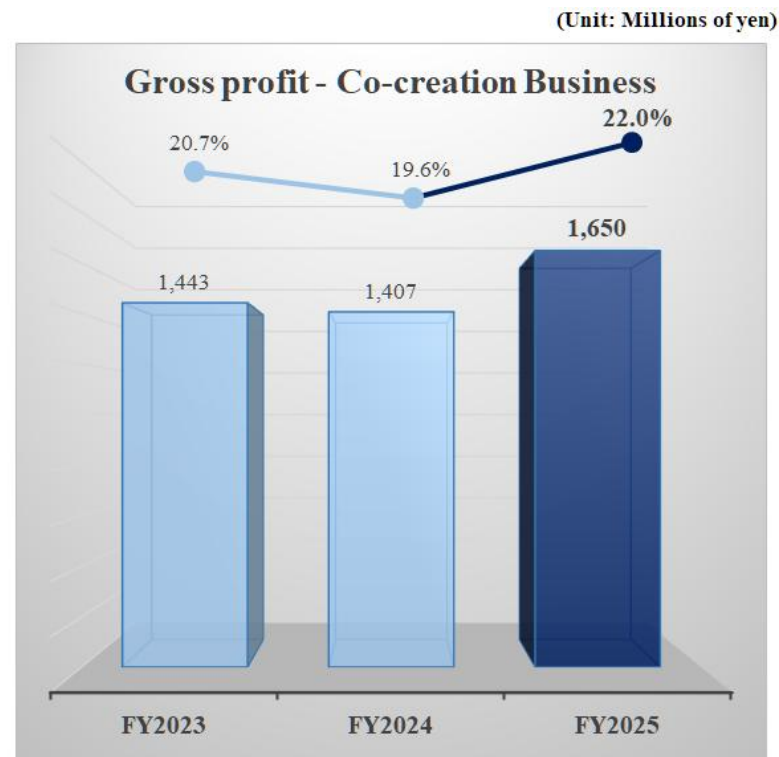
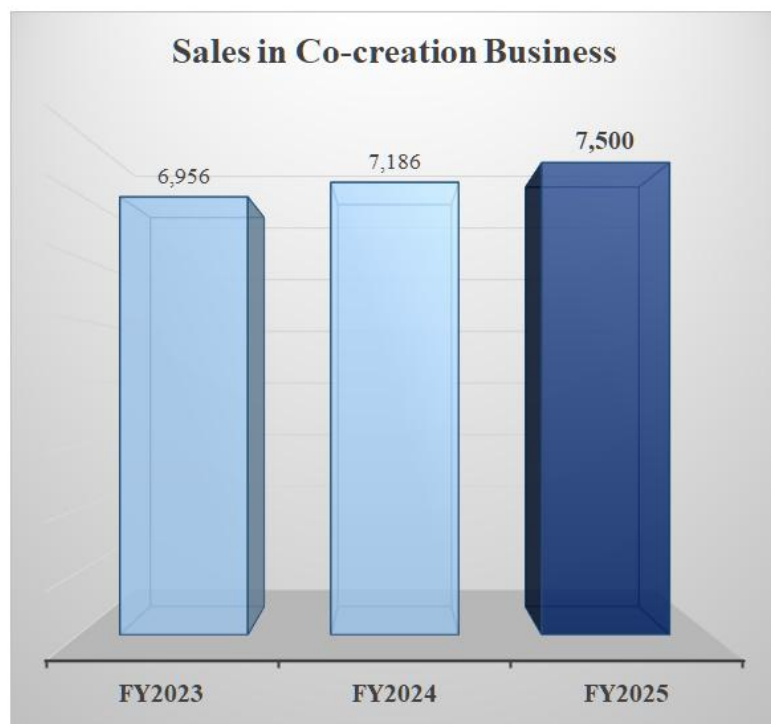


## <Measures by segment (3)>

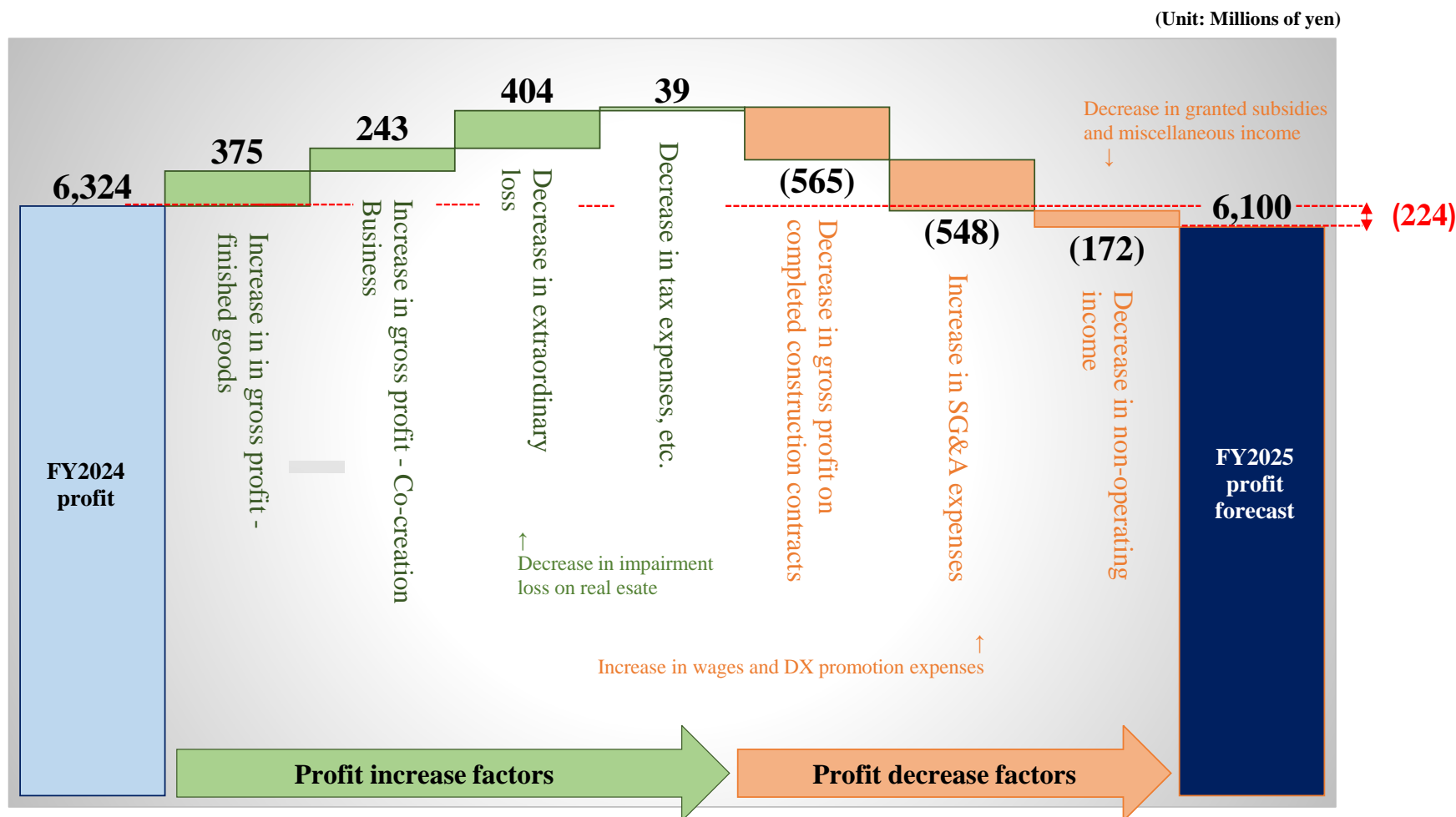
### [Co-creation Business]

<Consolidated>	Sales in Co-creation Business	(Unit: Millions of yen)	
		Gross profit - Co-creation Business	
FY2023	6,956	20.7%	1,443
FY2024	7,186	19.6%	1,407
FY2025	7,500	22.0%	1,650

- Expand leasing and commercial business  
Expand sales of internally developed vehicle "Multi-JobCar" 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



# <Analysis of factors affecting profit forecasts for the fiscal year ending March 31, 2026>





# Mid-term Management Plan 2024 (FY2024-2026): State of progress

# <Progress on key issues>

## 1. Ensuring thorough compliance (compliance with laws and regulations, etc.)

### ・Improper asphalt mixture

#### 指名停止措置の概要

##### 1. 指名停止措置業者名及び住所

指名停止措置業者	住所
日本道路株式会社	東京都港区芝浦1-2-3

##### 2. 指名停止措置期間

令和7年4月11日から令和7年5月10日まで（1ヵ月）

##### 3. 指名停止措置対象区域：関東地方整備局管内

##### 4. 事実概要

当該業者は、千葉国道事務所発注の「R3国道6号我孫子（3）地区（その1）電線共同溝工事」において、アスファルト舗装を施工したが、設計図書で指定したアスファルト合材と異なる再生骨材が混入したアスファルト合材を使用したことが判明した。

##### 5. 指名停止措置理由

有資格業者である当該業者が、過失による粗雑工事を行ったことは、「工事請負契約に係る指名停止等の措置要領」（昭和59年3月29日付け建設省厚第91号）及び「地方整備局（港湾空港関係）所掌の工事請負契約に係る指名停止等の措置要領」（昭和59年3月31日付け港管第927号）別表第1第2号（過失による粗雑工事）に該当する。

##### <指名停止措置要領別表第1第2号>

措置要件	期間
（過失による粗雑工事） 2 当該地方整備局の所属担当官と締結した請負契約に係る工事の施工に当たり、過失により工事を粗雑にしたと認められるとき（引き渡された工事目的物が種類又は品質に関して契約の内容に適合しないものが軽微であると認められるときを除く。）	当該認定をした日から1ヵ月以上6ヵ月以内

国土交通省  
関東地方整備局  
Ministry of Land, Infrastructure, Transport and Tourism, Kanto Regional Development Bureau.

令和7年4月23日  
国土交通省関東地方整備局  
総務部  
企画部

#### 令和7年4月11日付け指名停止措置に係る補足説明について

関東地方整備局において、日本道路株式会社（所在地 東京都港区）に対して、令和7年4月11日付け指名停止措置を行った事案について補足します。

昨年4月、株式会社 NIPPO が受注した舗装工事において、契約図書と異なるアスファルト合材を使用していた事実が判明し、その後、鹿島道路株式会社においても同様な事案が確認されたことをきっかけとして、国土交通省等において全国調査を実施し、両社に対して令和7年4月11日付け指名停止措置を行いました（措置要領（※）別表第2第15号（不正又は不誠実な行為）等に該当）。

一方、当該調査の中で、日本道路株式会社が、千葉国道事務所発注の「R3国道6号我孫子（3）地区（その1）電線共同溝工事」において、アスファルト舗装を施工した際、契約図書のとおりアスファルトプラント会社に新規アスファルト合材を発注したにもかかわらず、アスファルトプラント会社の勘違いにより再生アスファルト合材が現場に納品され、日本道路株式会社が納品伝票（再生アスファルト合材と記載）の確認を怠ったため、契約図書と異なる合材（再生アスファルト合材）のまま施工されていたことが判明しました。

このことは措置要領（※）別表第1第2号（過失による粗雑工事）に該当することから、日本道路株式会社に対して指名停止措置を行ったものです。

※「工事請負契約にかかる指名停止等の措置要領」及び「地方整備局（港湾空港関係）工事請負契約にかかる指名停止等の措置要領」をいう。

<参考>

関東地方整備局ホームページ 令和7年4月11日付け「指名停止措置」記者発表資料  
[https://www.ktr.mlit.go.jp/kisha/kisha\\_02282.pdf](https://www.ktr.mlit.go.jp/kisha/kisha_02282.pdf)

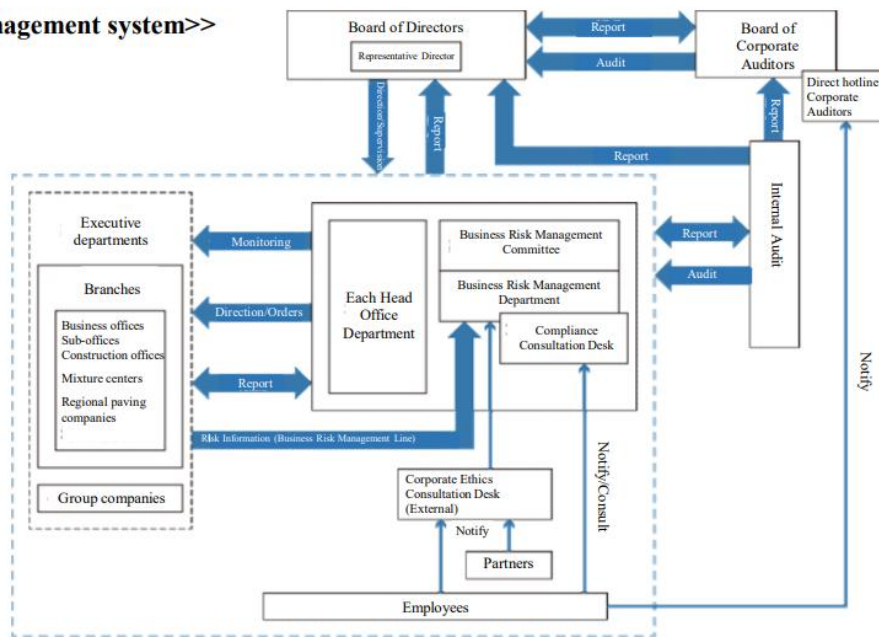
<問い合わせ先>

関東地方整備局  
電話：048-601-3151（代表）FAX：048-600-1370  
総務部契約課 課長 榎本（内線：2511）  
総務部契約課 課長補佐 大平（内線：2517）  
企画部技術調査課 課長 小宮山（内線：3251）  
企画部技術調査課 課長補佐 高坂（内線：3252）

## <Progress on key issues>

### 1. Ensuring thorough compliance (compliance with laws and regulations, etc.)

#### <<Risk management system>>



#### ◇Continuous implementation of internal control activities

- Continuous implementation of PDCA activities for elements that comprise internal control structures (organizational structure, position authority / responsibilities, business system procedures) based on the risk management system
- Regular inspection of various monitoring functions to evaluate results

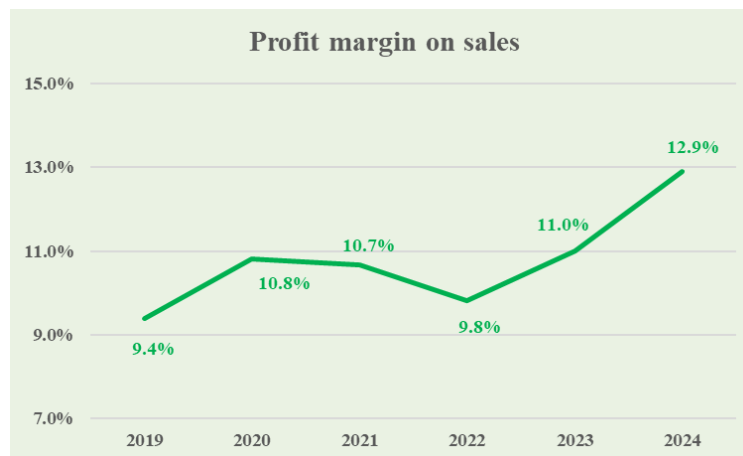
#### ◇Strengthening compliance awareness

- Shared information and strengthened training in relation to compliance in addition to passing on lessons from major incidents to ensure thorough prevention of recurrence
- Improve compliance awareness and raise awareness to higher levels through the Business Risk Management Committee, the Business Risk Liaison Meeting, etc.
- Appropriate response to information provided to the various reporting hotlines (Compliance Consultation Desk, NIPPON ROAD Corporate Ethics Consultation Desk)

## <Progress on key issues>

### 2. Improving quality and profitability of service provision

#### [Construction Business]



## <Progress on key issues>

### 2. Improving quality and profitability of service provision

#### [Construction Business]

##### Regional paving companies

37 companies in total

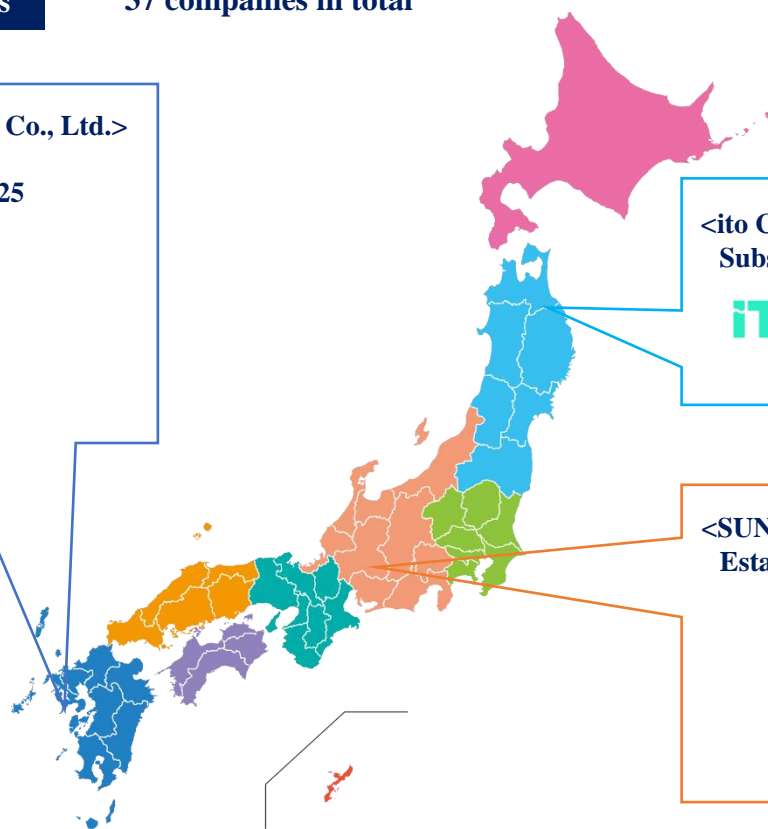
<NAGASAKI SUNROAD Co., Ltd.>  
Nagasaki  
Established on Feb. 14, 2025



<ito Co., Ltd.> Aomori  
Subsidiarized on Oct. 17, 2024

**ITO** 株式会社 伊藤建設工業

<SUNROAD GIFU Co., Ltd.> Gifu  
Established on Feb. 10, 2025



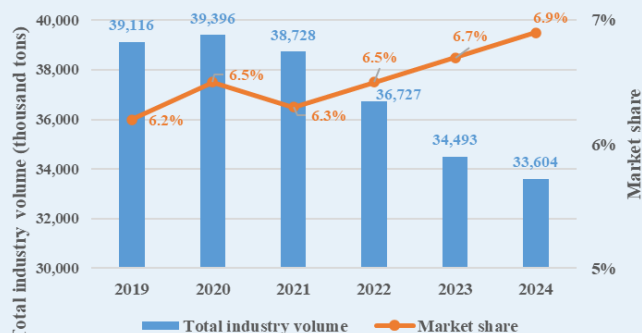
## <Progress on key issues>

## 2. Improving quality and profitability of service provision

### [Manufacturing & Sales Business]

#### <Share trend>

Total industry volume and the Company's market share



#### Surimomi aggregate (processing equipment)

We have developed a technology that regenerates aggregate by separating the coated asphalt from reclaimed asphalt aggregate through a grinding (*surimomi*) process. This *surimomi* aggregate is expected to serve as a substitute for virgin aggregate.



#### <Environmental measures>

##### Utilization of Waste Cooking Oil



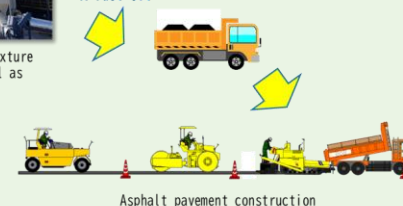
To UCO\* by regeneration process  
※UCO: Used Cooking Oil



CO2 emissions can be reduced by co-firing with A fuel oil

##### BenefitsPromotes

- recycling and resource recovery of waste cooking oil
- Reduces CO2 emissions by about 38% by co-firing with A fuel oil



We are reducing CO<sub>2</sub> emissions by switching the fuel used in the asphalt mixture production process from exclusive use of fuel oil A to co-firing with fuel oil A and waste cooking oil.

[Nagasaki Asphalt Mixing Center (Omura-shi, Nagasaki)]



[Otaru Ascon (Otaru-shi, Hokkaido)]



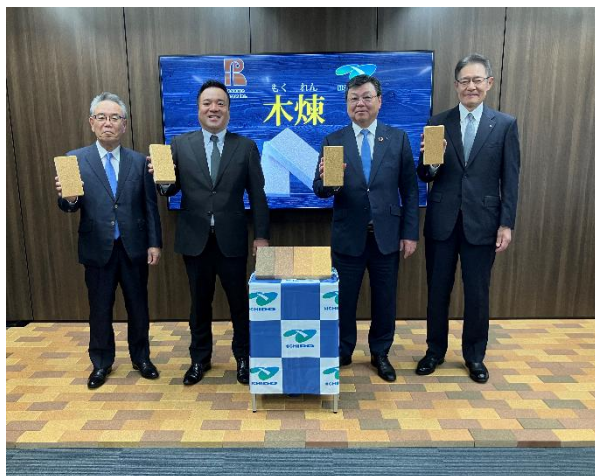


## <Progress on key issues>

### 2. Improving quality and profitability of service provision

#### [Co-creation Business]

<Strengthening promotion of the recycled wood molded paving block “Mokuren”>



Effective April 1, 2024, we invested in Resource Forest Co., Ltd., which manufactures “Mokuren,” a recycled wood molded paving block made from thinned wood, and made it our subsidiary. By strengthening the promotion of “Mokuren,” we aim to contribute to the transition to a decarbonized society and the effective utilization of forest resources, thereby accelerating the development of environmentally friendly cities.

<Business succession of a long-established tennis club>

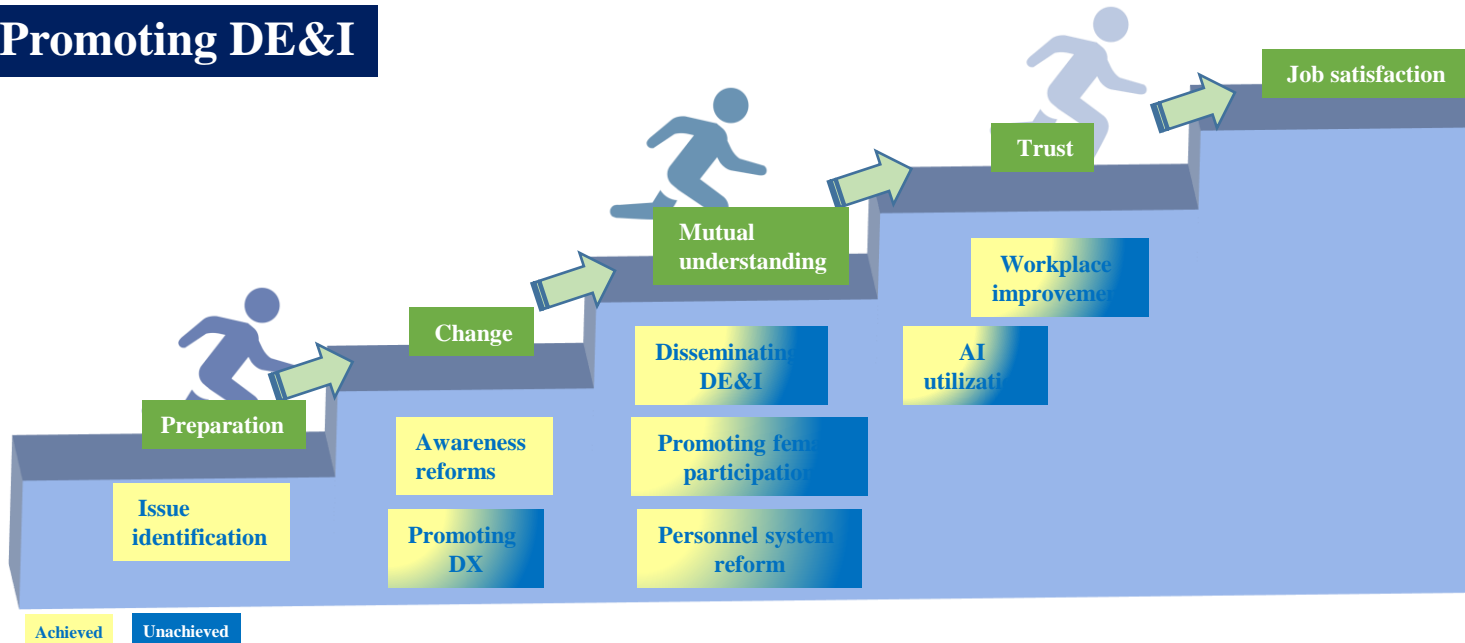


On July 1, 2024, Sports Media Inc., a member of the Group engaged in sports-related businesses, took over the operations of Morioka Royal Tennis Club in Morioka-shi, Iwate. We aim to offer new health value to its customers by incorporating its expertise in fitness operations and health promotion programs, developed through the management of five facilities, into this tennis club, which has been beloved by local people for 45 years.

## <Progress on key issues>

### 3. Shifting from workstyle reform to satisfaction reform

### 4. Promoting DE&I



✓Understanding of actual working conditions

✓Employee satisfaction survey

✓Strengthening of construction execution structure

✓Promotion of ICT utilization

✓Mid-career recruitment

✓Utilization of BPO\*

✓HR system reform in April 2025 (Abolishment of non-career position , extension of retirement age to 65)

✓2.7x increase in female managers as of April 2025 (compared to March 2024)

✓Utilization of e-learning

\*BPO: Business Process Outourcing

✓Site development

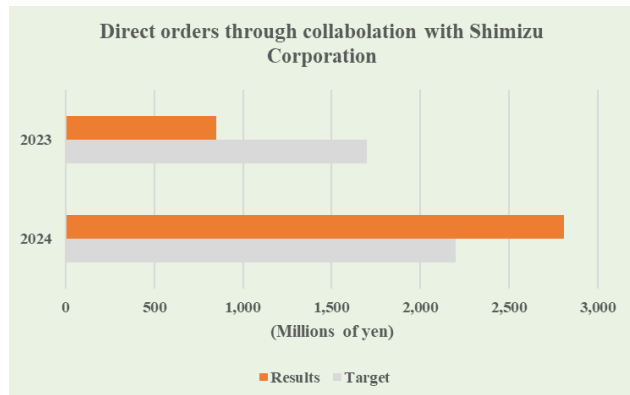
✓Implementation of free address system

✓Utilization of AI in business operations



## <Synergistic effects with Shimizu Corporation>

### [Private-sector orders received]



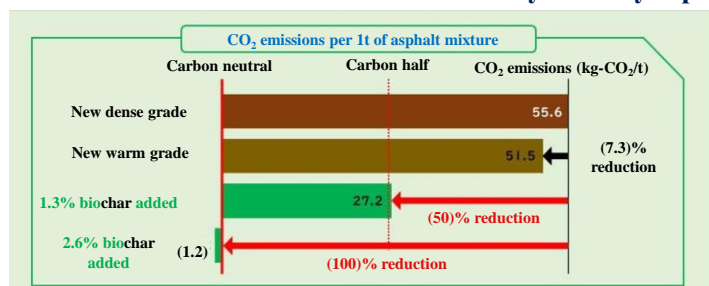
### [Government orders received]

- 1 NEXCO deck slab replacement project
- 1 NEXCO bridge repair project
- UR civil engineering works, private-sector land development projects, and others



### [Achievements in Research and Technology Development]

#### Commercialization of the environmentally friendly asphalt mixture “Biochar Ascon”



**Biochar**



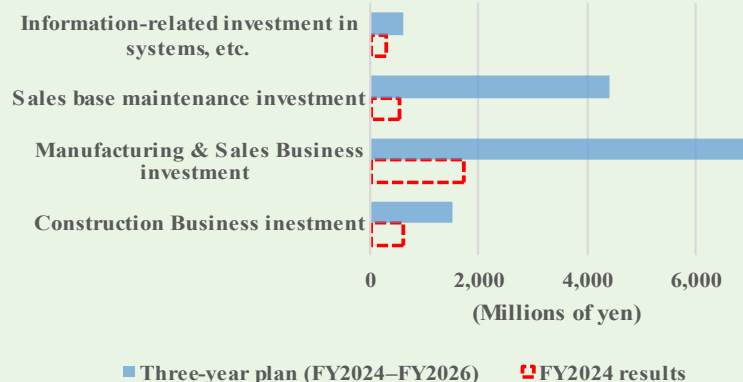
**Example of application**

CO<sub>2</sub> emissions calculated based on the Guidebook for Estimating the Environmental Impact Reduction of Pavement (Japan Road Association)

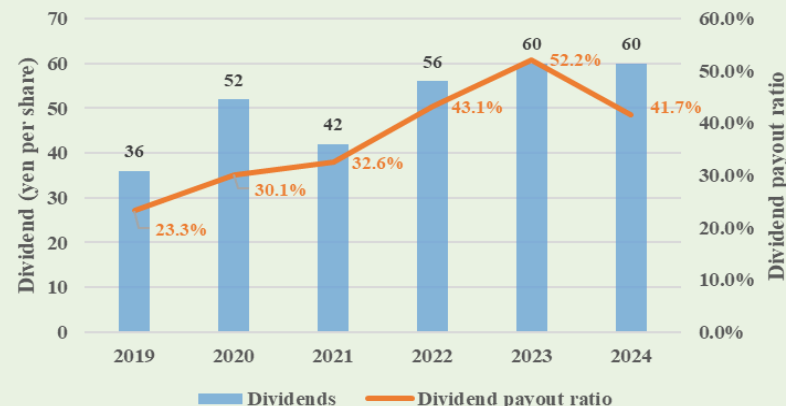
Biochar Ascon is an asphalt mixture in which part of the sand mixed with asphalt is replaced with biochar. While maintaining the same workability and quality as conventional asphalt mixtures, it enables CO<sub>2</sub> emissions reduction proportional to the amount of biochar added. This technology was developed by combining Shimizu Corporation’s know-how in incorporating biochar into construction materials, cultivated in the concrete field, with NIPPON ROAD’s asphalt mixture production technology. Going forward, NIPPON ROAD will be responsible for the manufacturing and sales of Biochar Ascon and will actively propose its adoption in road paving projects.

## <Initiatives to improve corporate value>

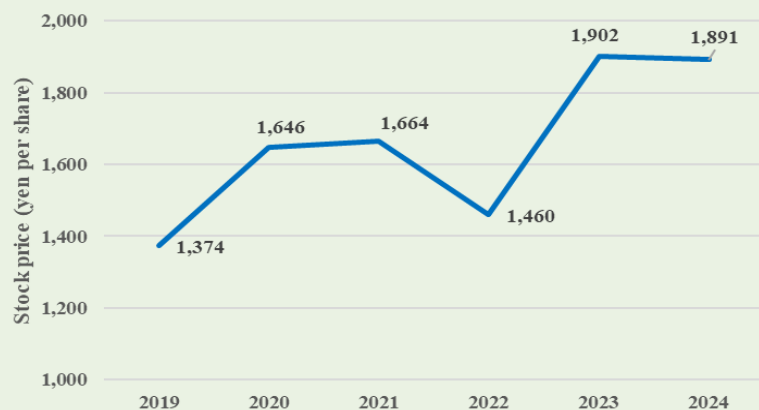
### Progress of threeyear capital investment



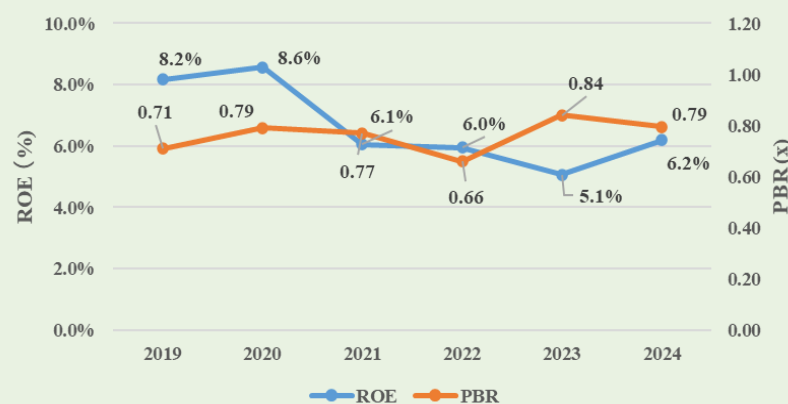
### Dividends -Dividend payout ratio



### Stock price



### ROE & PBR



## <Challenges toward achieving the plan>

### Construction Business

- Propose appropriate prices and construction periods
- Ensure quality through continued pursuit of the three actuals (“Sangen Shugi”)
- Provide high-quality services through strengthened technical support systems
- Strengthen construction execution structure through M&A

### Manufacturing & Sales Business

- Continue efforts for appropriate price pass-through
- Develop sales of value-added products/services that contribute to durability improvement and environmental burden reduction
- Strengthen recycling business

### Co-creation Business

- Expand business domains and scale through promotion of M&A
- Expand business domains and scale through participation in PPP/PFI projects
- Create strengths through collaboration with stakeholders

## <Closing remarks>

**Going forward, the Company is expected to become a wholly owned subsidiary of Shimizu Corporation through its tender offer and will be delisted from the Tokyo Stock Exchange Prime Market.**

**As we look ahead to our 100th anniversary in 2029 and beyond, we will continue to support society through technology and work toward becoming a company that protects prosperous lifestyles and human lives. We sincerely ask for your continued understanding and support.**

**[Future schedule]**

**Tender offer period: May 15, 2025 – June 25, 2025**

## Reference materials

# <Corporate overview>

<b>Name of Company</b>	<b>THE NIPPON ROAD CO., LTD.</b>
<b>Date Established</b>	<b>March 10, 1929</b>
<b>Headquarters</b>	7F, Seavans South Building, 2-3, Shibaura 1-chome, Minato-ku, Tokyo 105-0023, Japan
<b>Representative</b>	Toshiyuki Ishii, Representative Director and President
<b>Paid Up Capital</b>	<b>12,290.26 million yen</b>
<b>Number of Employees</b>	<b>1,608</b>
<b>Stock Exchange</b>	<b>Tokyo Stock Exchange Prime Market</b>
<b>Total Number of Authorized Shares</b>	<b>175,000,000 shares</b>
<b>Total Number of Issued Shares</b>	<b>43,946,340 shares</b>
<b>Share Unit</b>	<b>100 shares</b>

\*As of March 31, 2025

## [Business branches and offices]

<b>Headquarters</b>	Minato-ku, Tokyo
<b>Technical Research Laborator</b>	Tsuchiura-shi, Ibaraki
<b>Tsuchiura Techno BASE</b>	Tsuchiura-shi, Ibaraki

<b>Branches</b>	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

<b>Offices</b>	53 business offices, 20 sub-branches, 17 construction offices, 85 manufacturing and sales bases
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## [Affiliates] Within scope of consolidation

<b>Regional paving companies</b>	<b>37 companies</b>	<sup>*1</sup>
<b>Domestic subsidiaries under direct control</b>	<b>6 companies</b>	<sup>*2</sup>
<b>Overseas subsidiaries under direct control</b>	<b>2 companies</b>	
<b>Others</b>	<b>2 companies</b>	

\*1: Including 3 companies added on April 1, 2025

\*2: Including 1 company added on April 1, 2025

# <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]

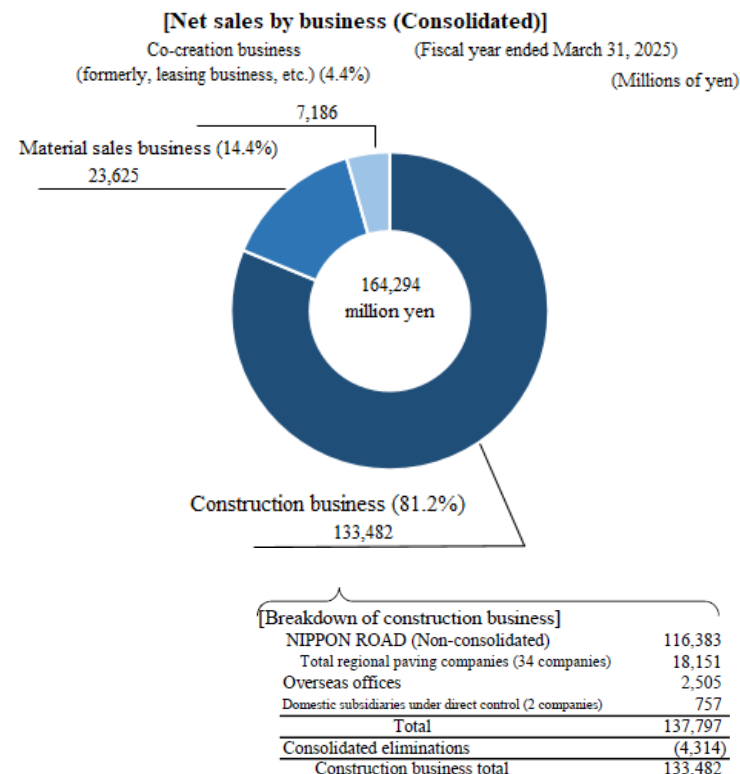
- |                          |   |  |
|--------------------------|---|--|
| Health and Safety Policy | : | We thoroughly adhere to a safety-first principle that prioritizes the respect for human life and continuously improve the occupational health and safety management system to establish a "culture 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 improvement  |
| 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>

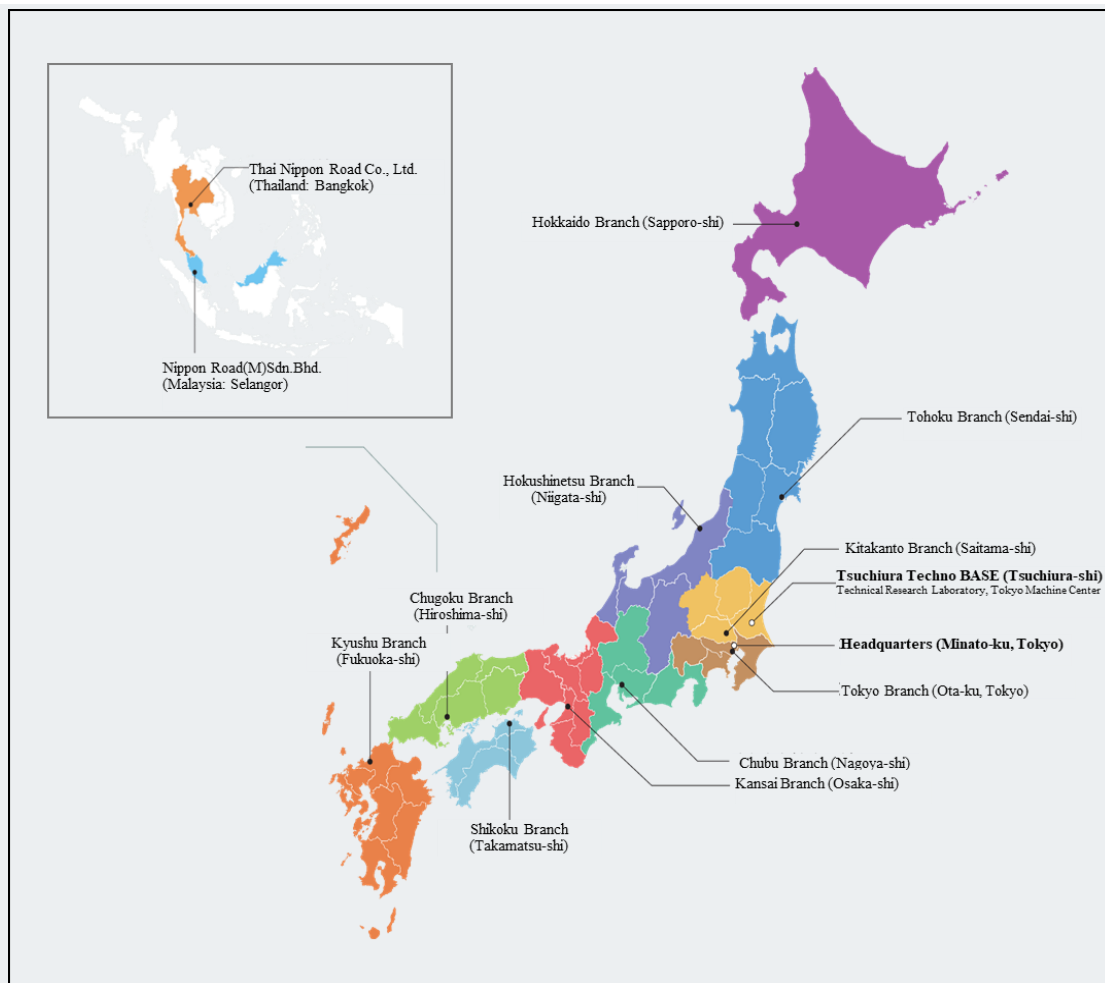
## [Main businesses]

<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





## <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
- Resource Forest inc.  
Manufacturing and sales of molded products made from thinned wood

### <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 April 1, 2025, there are 37 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

Katsutoshi Wada, General Manager,  
Corporate Planning Department

Telephone: +81-3-4235-3626