



道からはじまる街づくり

THE NIPPON ROAD Co., Ltd.

7th Floor, Seavans S Building, Shibaura 1-2-3, Minato-ku,

Tokyo 105-0023, Japan

<https://www.nipponroad.co.jp>

[Contact for inquiries] Corporate Planning Department
of the Corporate Promotion Division

TEL. 03-4218-4891 (Main switchboard)

To help us create better reports, we would
appreciate your opinions and feedback.

It is also
accessible here.



Smartphone /
tablet website

“Survey page” website

NIPPON ROAD Integrated Report Survey



View QR code for details
on these works.



COVER STORY

Paralym Artwork

“Building roads and towns to
support everyone’s smiles”

Artist matoka

Since 2022, the NIPPON ROAD has been
an official partner in the Paralym Art Project
operated by The general incorporated
association for supporting independence
of people with disabilities (Shogaisha
Jiritsu Suishin Kikou), aiming to enable
the disabled to participate in society and
become economically independent and
realize a diverse society where everyone
can thrive through the utilization of their
works.



NIPPON ROAD Group

Integrated Report



Minister of the Environment Certified
Eco-First Company

As an environmentally advanced company,
we are working to realize a sustainable global environment.



We are participating in a national
movement for new and prosperous
lifestyles toward decarbonization.



2025



Aiming to become a “town-building company” starting with roads



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Editorial Policy

The Integrated Report of NIPPON ROAD Group is issued with the purpose to have stakeholders gain an understanding of ESG management measures and financial and nonfinancial value toward sustainable growth. The “Integrated Report 2025” reviews the achievements and challenges of the first year of Mid-term Management Plan 2024, outlines strategies and business activities aimed at sustainable growth, and presents the latest initiatives of the Group toward building a sustainable society. For details on management, businesses and sustainability, please visit the Company's website (<https://www.nipponroad.co.jp/english/>).

Scope of report : THE NIPPON ROAD Co., Ltd. and its group companies

Issued : September 2025

Reporting period : April 2024 to March 2025 in principle
(partially includes reports on business activities outside of this period)

Guidelines

ISO 26000 Guidance on social responsibility
Ministry of the Environment
“Environmental Reporting Guidelines 2018”
International Integrated Reporting Council (IIRC)
“International Integrated Reporting Framework”
Ministry of Economy, Trade and Industry “Guidance for Integrated Corporate Disclosure and Company-Investor Dialogue for Collaborative Value Creation”



価値協創
ガイダンス



[Notes to forward-looking statements]

This Integrated Report contains future plans, strategies, and forecasts and projections for business results of THE NIPPON ROAD Co., Ltd. and its group companies. These matters are based on information presently available. 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.

NIPPON ROAD Group's Current State

Founded in 1929 as "NIPPON Bitumuls Pavement Industry Co., Ltd.", the NIPPON ROAD Group has grown alongside Japan's development as a pioneer in the road paving industry. In addition to road construction, the Group has expanded its operations into the construction of sports and leisure facilities, the manufacture and sale of asphalt mixtures, and recycling businesses.

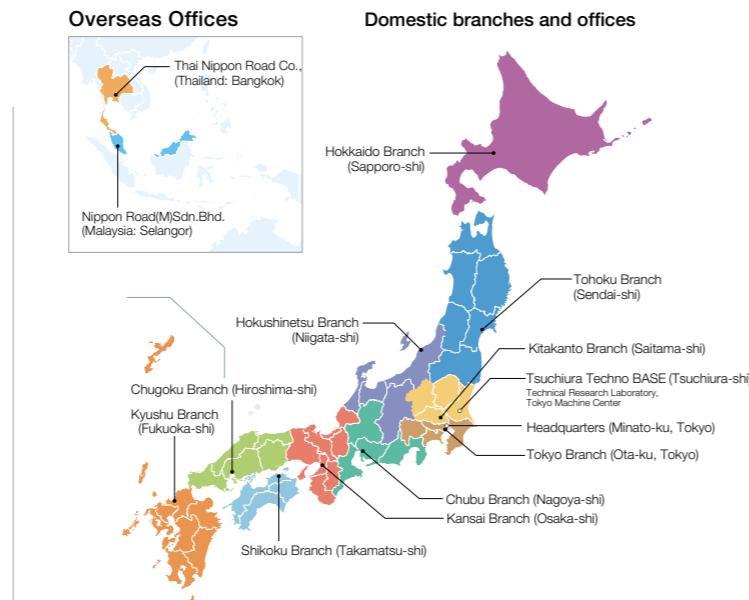
NIPPON ROAD Group's Businesses by the Numbers



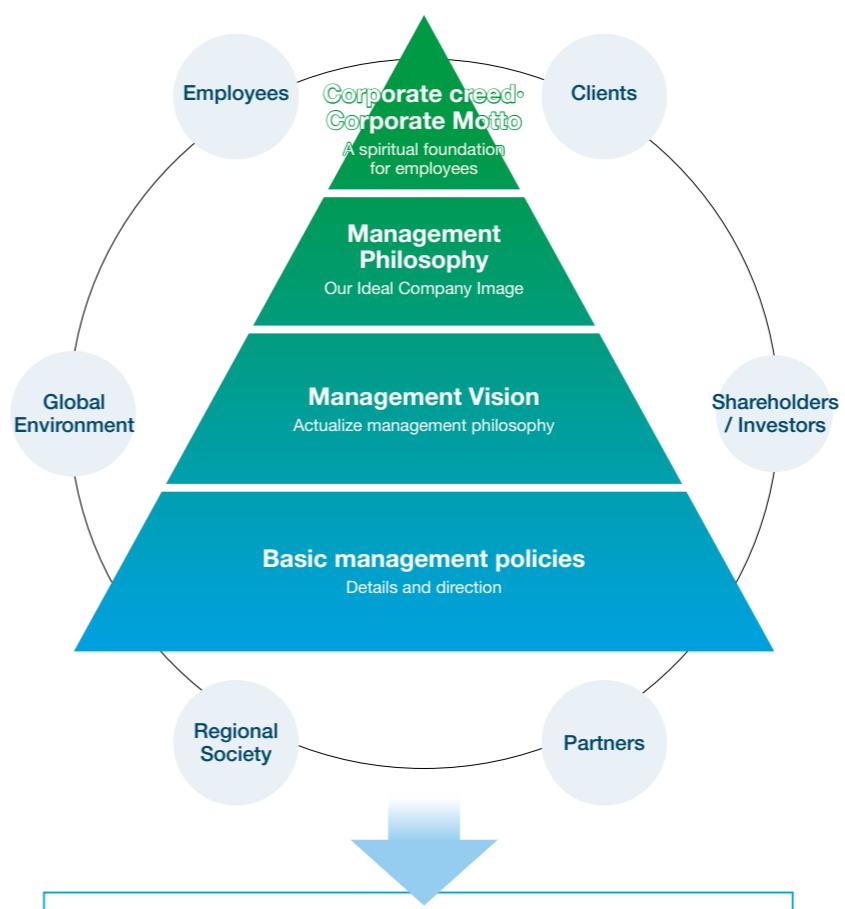
Breakdown of construction business	
NIPPON ROAD (Non-consolidated)	116,383
Regional paving companies (35 companies)	18,151
Overseas Offices	2,505
Domestic subsidiaries under direct control (2 companies)	757
Total	137,797
Consolidated eliminations	△ 4,314
Construction business total	133,482

NIPPON ROAD Group branches and offices	
(As of April 1, 2025)	

Construction business branches and offices (Non-consolidated)	101 locations nationwide
Construction business branches and offices (Non-consolidated)	85 locations nationwide



NIPPON ROAD Group Philosophy Structure



Corporate creed

"Creativity and Continuous Improvement"
"Harmony and Cooperation"
"Enhancing Trust and Credibility"

Corporate Motto

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

Management Philosophy

Upholding our reputation as a company that society both trusts and wishes to persevere while continuing to contribute to the creation of a sustainable society through the promotion of ESG management

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

To earn high trust and reputation from all stakeholders
As a company that aims for sustainable development, we will implement a quality management system and strive for continuous improvements.

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.

**Growth while staying profitable
Contribute to creating
a sustainable society**

Shimizu Corporation

Corporate creed:
"The Analects and the Abacus"

While respecting "The Analects and the Abacus," the corporate philosophy of our parent company, Shimizu Corporation, that embodies the spirit of uniting ethics and economics, we promote our business activities in harmony with our own corporate creed and corporate identity.

External Assessment, Certification, and Participation Initiatives



We were certified in the CDP "Climate Change Report 2024" with a score of "B" (third from the top out of eight ranks: Management Level).



We were certified by the Ministry of the Environment as an "Eco-First Company."



TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES
We endorse the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and disclose information regarding climate change-related risk and opportunity on the Company's website.



DRIVING AMBITIOUS CORPORATE CLIMATE ACTION
Established greenhouse gas (GHG) emissions reduction targets have obtained SBT (Science Based Targets) certification.



We are participating in the Ministry of the Environment "30 by 30 Alliance for Biodiversity."



We endorse the Ministry of Economy, Trade and Industry's "Declaration of Partnership Building."



We have been certified by the Nippon Kenko Kaigi as a company that demonstrates outstanding practices in health and productivity management.

Taking on the challenge of town-building starting with roads, co-created with stakeholders



THE NIPPON ROAD Co., Ltd.
Representative Director President
Toshiyuki Ishii

Review of first fiscal year of Mid-term Management Plan 2024

Achieving strong performance and organizational strength through a management plan centered on “people”

In FY2024, the NIPPON ROAD Group achieved solid business performance during the first fiscal year of Mid-term Management Plan 2024 (FY2024–FY2026). As a result of company-wide efforts to address four key issues, although orders in the construction business declined, we achieved higher-than-planned increases in both revenue and profit, driven by steady progress on carried-over projects and successful price adjustments reflecting appropriate cost levels.

The performance was not the result of a single measure, but rather the comprehensive outcome of interrelated efforts to address multiple key issues in a coordinated manner. In particular, we believe that the promotion of a management plan centered on “people” led to a shift in employee mindset and improvements in on-site quality, which in turn contributed to enhanced business performance.

Steady progress on large-scale projects and strict adherence to orders at appropriate prices

The main factors behind the improved performance in FY2024 were profit contributions from progress on large-scale projects and the company-wide enforcement of rigorous “front-end management” practices. We carried out a decisive process reform to ensure orders are secured under “appropriate construction periods with appropriate pricing,” thereby establishing a solid profit foundation. The rigorous implementation of a system that clarifies scope and compensation before any changes occur, which ensures proper profit margin management at the front end and fair change-order negotiations, has directly contributed to tangible results.

Maintain stable ratio for direct orders of 50% or above and strengthen proposal capabilities

The ratio of direct orders, projects where we are able to communicate directly with clients and customers as the prime contractor and engage in a wide variety of proposals and negotiations, remained above 50% in FY2024 as well, demonstrating steady progress toward our goal of maintaining a stable ratio of over 50%. To maximize our technological capabilities, we will further strengthen collaboration between the sales and construction divisions and work to enhance our overall proposal capabilities.

For regional construction projects, we will advance analysis aimed at strengthening relationships with clients and securing

order volume, while building sustainable business foundations through stronger collaboration with local partner companies and the development of new client relationships.

Fostering an open organizational culture and ensuring thorough compliance

Ensuring thorough compliance is essential to all aspects of our business operations. With a strong determination never to repeat serious incidents of the past, we continue to engage in ongoing measures, ensuring that the lessons learned are never forgotten.

Since our previous Mid-term Management Plan, we have treated strict compliance as a non-negotiable principle and have worked to maintain and further strengthen our compliance activities. We place great importance on fostering open communication throughout the organization and creating a workplace environment where everyone feels safe to speak up. As a concrete measure, we have launched on-site guidance visits conducted by experienced senior employees. These are not for monitoring purposes, but rather serve as a practical communication framework designed to find solutions through dialogue. In addition, managers are expected to remain attentive to changes in their team members and proactively engage in early conversations when needed.

Promoting the success of diverse talent and workstyle reform

“Shifting from workstyle reform to satisfaction reform” and fully accelerating “Promoting DE&I” In FY2024, we carried out a major reform of our personnel system, and as of April 2025, we have unified job classifications for all regular employees, including those hired at branches, to create an environment where everyone can fully contribute. Additionally, to secure experienced talent, we also raised the mandatory retirement age.

To increase the number of female managers, we are promoting work environments where individuals can maximize their abilities regardless of gender, and are actively appointing qualified candidates. As for foreign talent, we currently host approximately 50 technical intern trainees at regional paving companies and are establishing a pathway for them to eventually join the Group as full-time employees.

These investments in “people” are the driving force behind enhanced workplace satisfaction and increased morale on the front lines. We are also encouraging employees to shift from

passive to proactive mindsets and are working to build an environment where individuals feel empowered to express their ideas.

Technology development that contributes to building a sustainable society

In our technology development efforts, we are accelerating measures that directly respond to social demands. We are advancing innovations that contribute to building a sustainable

society, such as the development of environmentally friendly asphalt mixtures including the "PET Ascon Series" and "Biochar Ascon," as part of our commitment to achieving carbon neutrality by 2050.

In the recycling business as well, we are responding to the decline in demand for asphalt mixtures by deepening recycling technologies and strengthening our business foundations. These technology development initiatives go beyond mere product creation; they represent a core mission of our Group in realizing a sustainable society.

Creating new synergies under the Shimizu Group

Maximizing opportunities for business expansion while maintaining autonomy and uniqueness

In May 2025, Shimizu Corporation launched a tender offer for NIPPON ROAD shares, and we are scheduled to begin a new chapter as a wholly owned subsidiary starting in October. We recognize this as a necessary management decision to address the conflict of interest risks for minority shareholders that have increasingly come under scrutiny in the stock market, particularly in the context of parent-subsidiary listings.

We view this transition as a significant opportunity for future growth. By combining the Shimizu Group's extensive sales network and proven track record in the building construction sector with the Group's long-standing expertise in road

construction and civil engineering, we expect to create new business opportunities beyond our traditional fields, such as strengthening collaboration in smart city initiatives and public-private partnership (PFI) projects.

We remain firmly committed to maintaining our business policy of limiting orders from Shimizu Corporation to around 10% of total sales, with the remaining 90% to be secured independently from outside the Shimizu Group. Our unique compensation system and performance evaluation framework will also remain unchanged, as we continue to enhance our corporate value as an independent company.

NIPPON ROAD Group's corporate spirit

Universal values that guide our ESG management

Our core business of monozukuri (manufacturing) can never be accomplished by one person alone. It is only through the collective efforts of each employee and the strong, trust-based relationships we share with our partner companies that we are able to deliver value to society. We have adopted "Promotion of ESG Management" in our Management Philosophy, and position "health and safety," "quality," and "environment," as stated in our basic management policies, as the foundation of all our corporate activities. No matter how much the times change or how our business evolves, these values remain universal and unchanging for our company.

At the core of our advanced technical expertise lies an unwavering commitment to quality that has been passed down since our founding. This uncompromising approach to work was forged through projects for central government agencies, where strict national standards must be met. It is precisely because of this relentless pursuit of quality that we are able to deliver high-value outcomes to society, through specialized construction techniques that only a select few companies in the industry can handle, as well as advanced technologies such as "PET Ascon" and "Biochar Ascon."

Essence of a "town-building starting with roads"

Co-creating vibrant and sustainable communities through dialogue with stakeholders

The Group's vision of "town building starting with roads." Many may picture large-scale redevelopment or building construction when they hear "town building," but the concept we pursue is distinctly different.

Our vision of "town building" lies in the very process of listening to our clients, thinking together, and co-creating meaningful spaces. Requests from local residents, such as safe parks where children can play, improved sports facilities, or community spaces where seniors can gather, are carefully heard and woven into our planning. By combining these voices with our technical expertise, we aim to co-create truly vibrant and sustainable communities.

While our core business is construction, we are a general

contractor that comprehensively handles roads and related infrastructure. Our goal is to deliver value not only through design and construction, but also in areas such as park greening and the maintenance and operation of public facilities. This is the essence of town building that we pursue.

To further enhance the necessary expertise, we established the Architecture Department and Design Department in April 2025. Under Japan's PFI initiatives, we will leverage our strengths to expand direct orders in areas such as park and sports facility development. We will engage directly with stakeholders and envision the future together. This is NIPPON ROAD's vision for town building.

Toward the 100th anniversary of founding and the future

Pursuing sustainable growth through inherited DNA and new challenges

In 2029, NIPPON ROAD will celebrate the 100th anniversary of our founding. In order to achieve our growth targets and pass this major milestone, and to continue to maintain sustainable growth for 100 years beyond that, the NIPPON ROAD Group aims to realize "town building starting with roads" and become a company truly needed by society.

The Group's strengths do not stop at advanced technological abilities and on-site maneuverability. We possess an "inquisitive mind" to venture into the unknown. We have reached this point by developing various machinery, technologies, and construction methods from the perspective of asking the question, "What do we need to build this road?" Moving forward, we will investigate and expand into yet unknown business areas in the future to realize sustainable growth.

While national resilience initiatives are currently being promoted, it is equally important to build a business foundation with a view to future changes in the operating environment. This includes expanding our business domains through M&A, leveraging the Tsuchiura Techno BASE as a hub for talent development, and maximizing synergies as part of the Shimizu Group. Together, these efforts will form a solid foundation for the next 100 years.

With the DNA we have inherited at our core, we will continue to reflect on our origins so that we may carry the trust of our stakeholders far into the future. No matter how the times may

change, we firmly believe that staying sincere in our commitment to our clients and to society is the very reason for the NIPPON ROAD Group's existence.

Without fear of transformation, we will draw on the trust we have built through road construction to work together with everyone in creating future communities where people and society can continue to thrive.



Social development supported by technological innovation and the challenge toward the future

Since its founding in 1929, NIPPON ROAD has been a pioneer in road construction, continuously driving technological innovation in response to the needs of the times. From the prewar dawn of the industry, through postwar reconstruction, the period of rapid economic growth, and into the present day, we have accumulated 96 years of advanced technical expertise and deep knowledge in road building. These assets are the foundation of the Group's future, forming the cornerstone for the next 100 years, as our mission of "building a sustainable society" is passed on to the next generation.

Founding period
1929-1944

Established high-quality asphalt paving technology from the founding period

In 1929, NIPPON ROAD set off on our historic path from Yurakucho, Kojimachi-ku, Tokyo (currently Marunouchi, Tokyo). With the liquid asphalt industrial plant as a parental base, under the name of "NIPPON Bitumuls Pavement Industry Co., Ltd.," we started as a subcontractor centered around asphalt emulsion paving with a total of less than 10 initial employees. Our construction quality was highly regarded, and even amid the economic downturn caused by the Great Depression, our service areas continued to expand.



Office at the time of founding
Mitsubishi Building No. 5

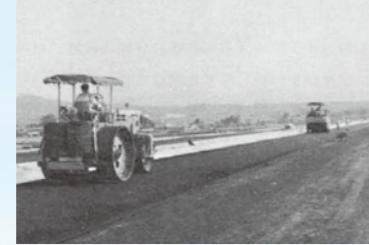
Net sales

1945 World War II ends

Road maintenance period
1945-1964

Postwar reconstruction and the launch of in-house R&D

In 1948, the Ministry of Construction was established to support postwar reconstruction, and starting in 1954, Japan saw rapid expansion of its road network under the "First Five-Year Road Improvement Plan." During this period, our company was involved in many national-level projects. In 1962, we received a contract for the Meishin Expressway, which was Japan's first expressway construction project, and employees from across the country gathered to work on the project. Additionally, in 1958, we established a technical research institute in Ota-ku, Tokyo, marking the beginning of full-scale, field-oriented research and development.



Pavement construction for Saita-Ibaraki area of Meishin Expressway (1962)

Construction business grows
1965-1981

Growth of NIPPON ROAD Alongside Japan's Economic Development

From the 1960s through the 1970s, road network development accelerated in line with the spread of automobiles, driven by the Fifth Five-Year Road Development Plan. During this period, we secured major projects such as the Tomei Expressway and Chuo Expressway, achieving significant growth, including surpassing 10.0 billion yen in annual construction orders for the first time in FY1967. Entering the 1970s, we began applying our paving expertise to private-sector construction, expanding into projects such as tennis courts and other sports facilities.



Ohadano Country Club development (1977)

Business scope expansion period
1982-1999

Expanding into new frontiers of "town building starting with roads"

In 1982, we undertook the paving of the Second Center High-Speed Test Track of the Agency of Industrial Science and Technology (formerly under the Ministry of Economy, Trade and Industry), marking our entry into technically demanding test course construction. In 1989, we established local subsidiaries in Thailand and Malaysia, launching full-scale overseas operations. Additionally, around 1990, in response to the societal shifts following the collapse of the economic bubble, we also began diversifying into new business areas such as real estate, leasing, insurance agency services, sports facilities, and greening projects.



Opened Shinonome Swimming Club in Hiroshima-shi (1989)

Environmental technology expansion era
2000-2018

Promoting CSR management with stakeholder awareness and advancing ICT utilization

Entering the 2000s, companies began facing growing expectations to ensure legal compliance, protect the environment, and create social value. In response, the Group established its Environmental Policy and advanced the development of eco-conscious construction methods, such as the "Ecolo Block Series," which offers high water retention and functions as a greening block, and "Super Polyascon," a durable, long-life paving material. We also participated in initiatives like Kochi Prefecture's "Collaborative Forest Development Project," working to reduce environmental impact through both business activities and social contribution efforts. Additionally, to promote labor-saving and improved efficiency, we introduced ICT-based construction methods, particularly at large-scale project sites, leveraging information and communication technologies.



Plaza at Hachinohe-shi Taga Multipurpose Sports Ground (2016), featuring "Rainbow Ecolo Block Biz" paving

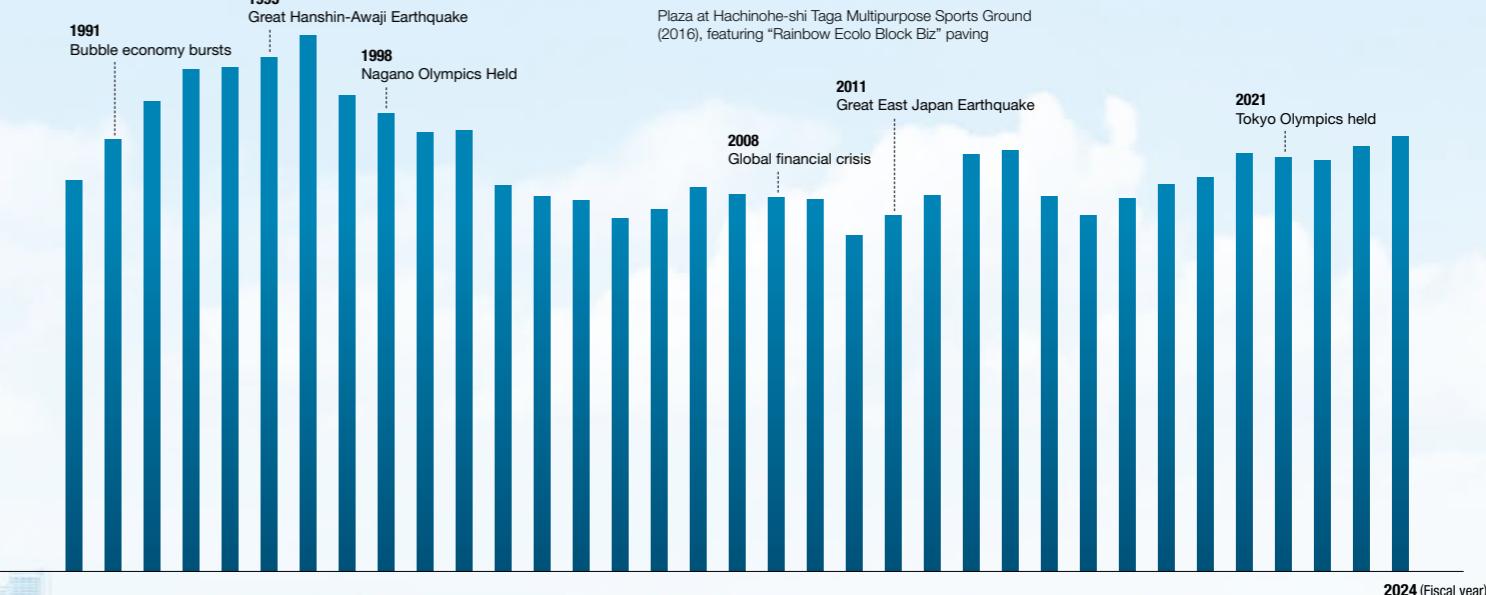
Value co-creation period
2019-

Creating new value for a sustainable society

Looking ahead to our 100th anniversary in 2029 and beyond, we are committed to co-creating value with our stakeholders. In 2020, we jointly developed the "PET Ascon Series" with Kao Corporation, a paving material that reuses waste PET. And in 2021, we formulated our environmental vision, "Nichido Blue & Green Vision 2050," followed by our medium- to long-term technology development plan, "Nichido MiraiTech-Plan 2050," in 2022. To address pressing issues such as achieving carbon neutrality, promoting resource circulation, and overcoming labor shortages due to demographic shifts, we are leveraging our core competencies of technological expertise, responsiveness, and human capital with the aim of becoming a company that protects lives and enhances people's quality of life.



"PET Ascon" applied to a section of the dedicated BRT route on the Hitahikosan Line BRT Hikoboshi Line (2023)



Three business segments driving the development of a sustainable society

The NIPPON ROAD Group currently operates across three business segments. Centered on road construction, our operations also include the manufacture and sale of asphalt mixtures, the recycling business, and initiatives to create communities connected by roads.

Construction business

We engage in a wide range of projects, including road paving, construction of sports facilities, and development of parks. 101 domestic branches and offices, 2 overseas offices, and 39 Group companies (including 37 regional paving companies) contribute to maintaining social foundations.

Expressways, general roads, and urban streets



School and public facility grounds, athletic tracks, and baseball fields



LRT (next-generation streetcar) tracks, airport aprons and runways



Test courses for trials and research of autonomous driving and advanced driver-assistance systems



Parks, park pathways, and university campuses



Buildings such as offices and warehouses



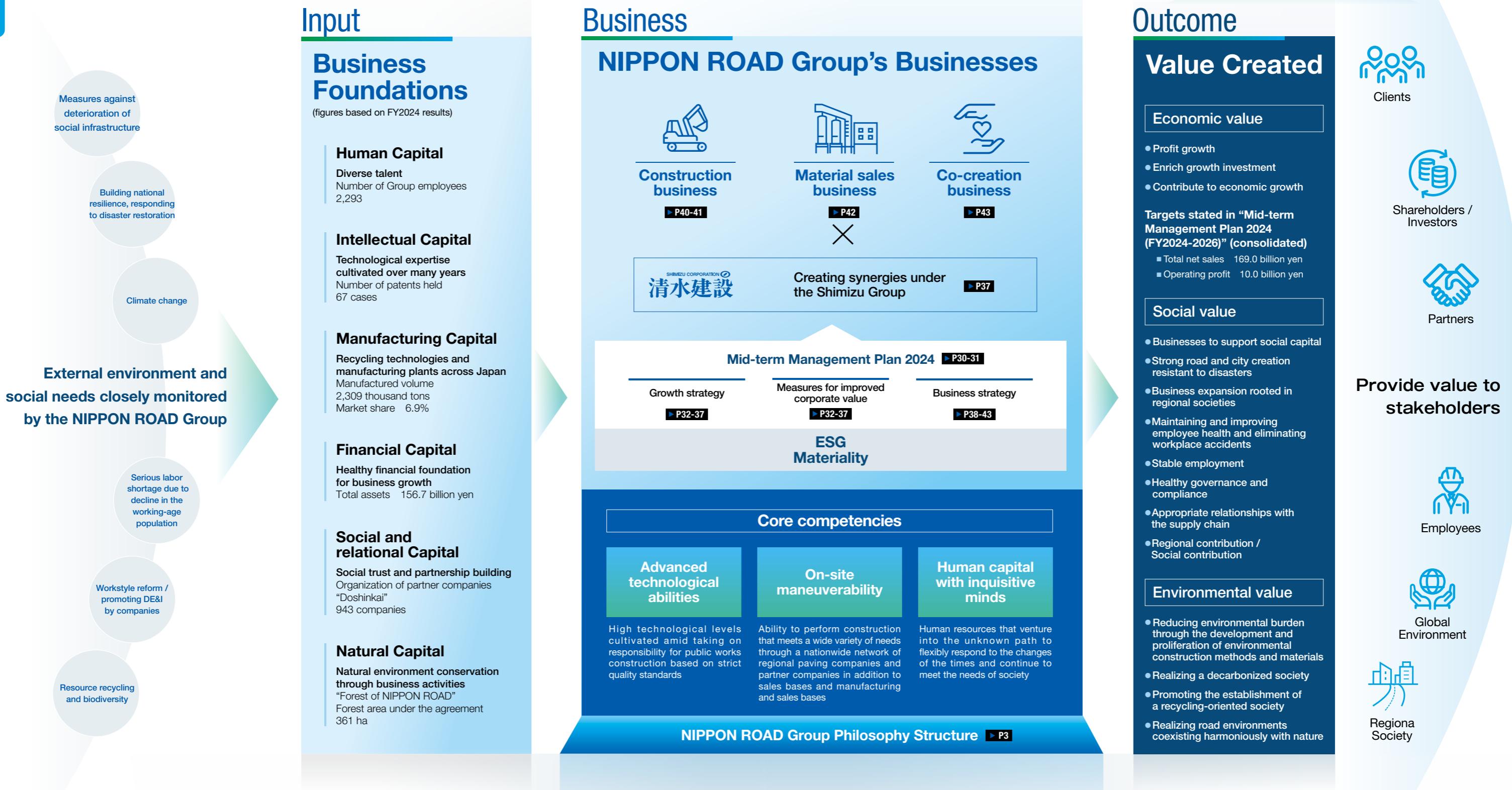
Development of social foundations



Core competencies and value creation process

The NIPPON ROAD Group carries out its business activities by leveraging three core competencies, grounded in six forms of capital accumulated over 96 years of history.

Through the practice of ESG management, we create the three values of economic, social, and environmental value, contributing to the realization of a sustainable society.



Creating value for a sustainable society through technological innovation

Building on the road construction expertise cultivated since its founding, the NIPPON ROAD Group creates value across a wide range of fields, from developing social infrastructure that supports daily life to advancing environmentally conscious technologies, and contributing to the creation of disaster-resilient communities. Our commitment to take on challenges for technological innovation will continue, in order to ensure that people are able to live their lives in a pleasant manner with access to comfortable movement and a sense of relaxation and enjoyment, and to realize a sustainable society.



Tsuchiura Techno BASE: A foundation for people and technology that creates value

Multifunctional facility integrating three key functions

Opened in April 2024 in Tsuchiura-shi, Ibaraki Prefecture, "Tsuchiura Techno BASE" serves as a hub for the NIPPON ROAD Group to pass down the technology and trust it has cultivated, while driving further innovation. Situated on a site of approximately 40,000m², it is a multifunctional facility that integrates three core components: a training center with accommodation, a Technical Research Laboratory equipped with the latest testing equipment, and a machinery center that serves as a maintenance base for specialized machinery. More than just a physical integration of functions, the facility plays a foundational role in training talent and advancing technical research aimed at building next-generation social infrastructure. Now in its second year, initiatives that enhance on-site capabilities are steadily expanding across various fields.

Message

New possibilities created by a multifunctional facility



The three managers overseeing each function of Tsuchiura Techno BASE share their insights on the value of the facility as an integrated hub and discuss its future outlook.



Tsuchiura Techno BASE (General facilities and employee training)

Connecting people and technology to cultivate talent that will shape the future

Now in its second year of operation, Tsuchiura Techno BASE was established under the concept of achieving the "continuous evolution of 'NIPPON ROAD' as a company known for its technology." As a training facility equipped with on-site accommodation, it serves as the venue for various programs, including a long-term training program for new employees lasting about six months, as well as intensive training tailored to each career stage, providing a space where participants gain hands-on skills and a deep understanding of the company's philosophy and values. Being able to learn on the same premises as the Technical Research Laboratory and Machine Center offers a valuable opportunity to acquire practical skills while being close to cutting-edge technologies.

What trainees gain here goes far beyond technical expertise. It

includes the cultivation of talent who can become immediate contributors in the field, the reliable transfer of technical knowledge, and the building of strong networks among peers and colleagues from different departments, all of which contribute to strengthening the company's overall technical and organizational capabilities. Additionally, since its first year, the facility has also welcomed around 200 students for workplace visits and internships. Through showroom tours, machinery demonstrations, and hands-on paving experiments, we have been able to convey the appeal of the construction industry to the next generation. Moving forward, we will continue to help stakeholders better understand the initiatives of the NIPPON ROAD Group and contribute to the development of the people who support monozukuri.



General Manager,
Tsuchiura Techno Base,
Personnel Department,
Administration Division
(General facilities and
employee training)
Masaaki Yaita



Technical Research Laboratory

Hub for technological innovation with a vision toward the next 100 years

Originally established in 1958 in Ota-ku, Tokyo, the Technical Research Laboratory has seen a dramatic enhancement of its research environment following its relocation to Tsuchiura. With the introduction of state-of-the-art testing equipment and the addition of an adjacent test field, the institute now operates under a fully integrated system that enables seamless progression from technology development to on-site validation. This has significantly accelerated both the speed and precision of our R&D activities.

Close collaboration with the Machinery Center, which is located on the same premises, enables us to promptly reflect on-the-ground needs and pursue effective research and development with practical implementation in mind. This enhanced

R&D framework contributes to the acceleration of breakthrough technology development, the shortening of time to field application, and the growth of young researchers. Additionally, given our location adjacent to Tsukuba-shi, we are also looking to build partnerships with national research institutions. With a long-term perspective on the future, we remain fully committed to developing innovative technologies that address societal challenges such as carbon neutrality and pavement longevity.



General Manager,
Technical Research Laboratory,
Production and Technical Division
Takayuki Mima



Photo: Kawasumi • Koba-yashi Kenji Photograph Office



Machine Center

Advancing on-site capabilities through practical technical support

The Machine Center supports the operations of the NIPPON ROAD Group by managing and maintaining specialized machinery and providing technical assistance at sites such as airports and expressways. Its relocation to Tsuchiura Techno BASE has enabled daily collaboration with the Technical Research Laboratory, significantly accelerating the development of new construction methods and improvements to machinery.

This integrated environment has delivered clear value in several key areas: advancing machinery technologies, stabilizing construction quality, and cultivating the next generation of skilled engineers. Our four-person team-based training program has yielded tangible results; by FY2025, several mid-career employees who had undergone this program made their on-site

debut as team leaders on large-scale projects. Knowledge sharing between machinery and construction professionals, combined with practical technical instruction at the training facility, has contributed to strengthening the overall construction capabilities of the company. We will continue to take on the challenge of ensuring quality in the field and creating new value, serving as the "behind-the-scenes driving force" that powers us forward.



Manager, Machine Center,
Construction Department,
Production and Technical Division
Yuji Ushioda



Passing down technology, cultivating talent

A year and a half have passed since the opening of Tsuchiura Techno BASE. A solid foundation has been made for skill transfer and talent development through practical curricula and personalized career growth.

Value and growth generated through talent development

Talent is the most vital management asset. To support road infrastructure, it is essential to cultivate individuals who possess both advanced technical skills and a strong sense of mission. With the opening of Tsuchiura Techno BASE, our approach to talent development has evolved. In an environment where technical research, machinery, and training are integrated, we are fostering the next generation of talent through hands-on learning experiences. We emphasize career development tailored to each individual's strengths, with a dedicated on-site training team providing continuous growth support. This support extends beyond construction roles, enabling career paths in technical research, asphalt mixture production management, and more.

For technical employees, we conduct training programs primarily in their third, fifth, and seventh years to help them acquire practical skills aligned with their experience level and to develop mentoring capabilities for junior staff. Administrative employees also receive targeted training at key stages of their careers, particularly as they prepare to take on managerial roles, to deepen their expertise. These training programs serve as opportunities to enhance "on-site capabilities," enabling employees to respond flexibly to diverse challenges, while also offering a platform for employees from across the country to share experiences. Individual learning becomes shared organizational knowledge, allowing us to achieve both the inheritance and advancement of technical expertise.

Voices from the front lines of talent development

Training 1 for technical personnel (Implemented for new technical personnel)

Training Representative

We incorporate relatable episodes and even past mistakes to help new employees, especially those with no prior experience, easily grasp the concepts of construction management. Leveraging the facilities at Tsuchiura Techno BASE, the training program offers hands-on learning directly linked to actual job tasks such as surveying, testing, and construction management, allowing trainees to gain experience daily and feel their own growth. By equipping new employees with practical skills, we prepare them to become immediate contributors once they are assigned to their worksites.



Manager,
Technical Department,
Production and
Technical Division
Hiroshi Nagatani

Training participants

Through the training program, I gained both construction knowledge and a stronger awareness of safety. I truly felt a sense of growth when I was able to apply what I had learned from people at headquarters and branch offices directly in the field. The on-site training in May was especially memorable. Moving forward, I aim to become a technical professional who can take charge of large-scale projects, just like the fifth-year senior who steadily managed a major site.



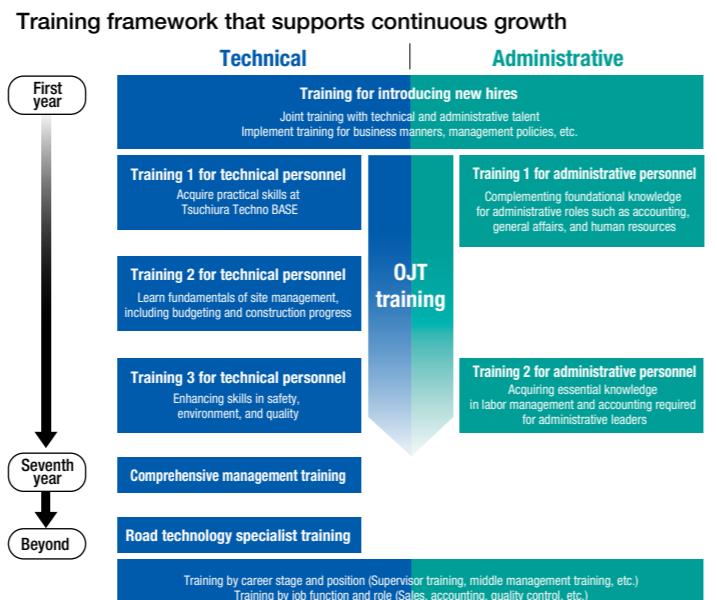
Gifu Sub-office,
Chubu Branch
Haruto Sawada

Middle management training (Implemented for future management candidates)

This is my 17th year leading middle management training. The goal of the program is to help participants develop a strong awareness of the challenges they will face as managers and to explore strategic next steps. It focuses not only on skill acquisition but also on understanding corporate value through case studies, especially in the context of ESG management, with a strong emphasis on developing people. Tsuchiura Techno BASE is an ideal venue for intensive training. I will continue to adapt the content in line with changing times and remain committed to supporting the growth and success of your company.



External Lecturer,
Kyokuto Corporation
**Mr. Masanori
Fujiwara**



Creating infrastructure for the future

At the Technical Research Laboratory, we are advancing the development of innovative pavement materials and cutting-edge construction technologies from a long-term perspective, in order to address the diverse challenges facing infrastructure, such as reducing environmental impact, improving disaster resilience, and enhancing construction quality. At the Machine Center, we support on-site operations by managing and maintaining our fleet of specialized construction machinery, as well as operate and maintain the Company's own special construction machinery and change machine specifications to fit the required application on each worksite.

01 Low-temperature asphalt mixtures: Expanding possibilities beyond temperature barriers

In recent years, the road paving industry has been promoting the adoption and practical application of warm mix asphalt that can be produced at around 130°C, which is lower than conventional hot mix asphalt. At NIPPON ROAD, we are pursuing the development of asphalt mixtures that can be produced at even lower temperatures. Our current research focuses on a mixture that can be manufactured at 110°C and applied at ambient temperatures. Currently, test paving has confirmed that it can be laid at a temperature of 90°C, and we are exploring ways to reduce the paving temperature even further.

This technology has the potential to eliminate the transport time and distance limitations typically associated with temperature-sensitive hot mix asphalt. It enables long-distance transport for post-disaster recovery and opens the possibility of supplying regions that previously could not be served by our asphalt plants. In addition to contributing to CO₂ reduction, this advancement is expected to support the expansion of sales channels for asphalt mixtures.



02 Plant-based "botanical mixture" binder: A petroleum-free future for roads

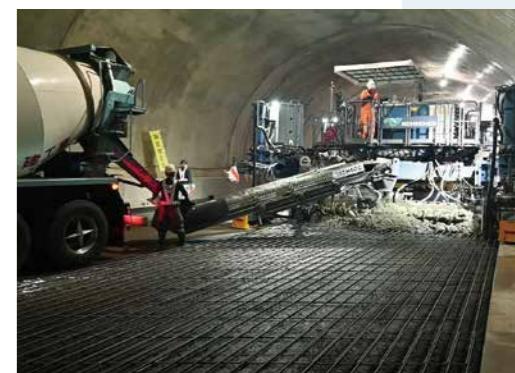
As an alternative to petroleum-based asphalt, which has long supported road paving, NIPPON ROAD is developing an innovative new material known as the "botanical mixture." This mixture primarily utilizes plant-derived components and is being developed in collaboration with European partners. By using plant-based materials, we aim to address several challenges in Japan, such as the instability of asphalt supply due to limited petroleum resources and the aging of domestic asphalt refining and storage facilities. Furthermore, since the plants used as raw materials absorb CO₂ during their growth, the technology contributes to achieving carbon neutrality in road paving.

We are steadily advancing the establishment and dissemination of this technology through test production and pilot paving at our asphalt plants, as well as participation in projects related to the adoption of new technologies. Looking ahead, we will continue to refine the technology, expand its applications, and strengthen partnerships to accelerate our efforts toward a circular economy and decarbonization.



03 "SP 64i" slipform paving machine: Achieving both quality and efficiency through introduction of advanced equipment

It was the first construction machine introduced after the Machine Center relocated from Tsukuba-shi to Tsuchiura-shi. Manufactured by WIRTGEN in Germany, this concrete paving machine can pave a width of up to 7.5m and cover approximately 300m per day. Compared to older models, it features simplified and more efficient assembly preparation processes. In addition, its reinforced frame and drive system enable high-quality, stable paving. The machine's debut project, a tunnel construction site, was completed smoothly without any issues, clearly demonstrating its performance capabilities.



Meeting society's expectations through technology development that shapes the future

The NIPPON ROAD Group is committed to addressing a wide range of social challenges and exploring how paving technologies can contribute to building sustainable communities for the future. The medium to long term technology development plan "Nichido Mirai Tech-Plan 2050" was formulated in 2022, and in this feature, we introduce our initiatives based on the five themes set out in the plan. The NIPPON ROAD Group is committed to addressing a wide range of social challenges and exploring how paving technologies can contribute to building sustainable communities for the future. The medium to long term technology development plan "Nichido Mirai Tech-Plan 2050" was formulated in 2022, and in this feature, we introduce our initiatives based on the five themes set out in the plan.

About "Nichido Mirai Tech-Plan 2050"

Medium to long term technology development plan to support future social infrastructure

To address a range of societal challenges, such as achieving carbon neutrality, promoting resource circulation, aging infrastructure, and labor shortages, we have formulated the "Nichido Mirai Tech-Plan 2050" medium to long term technology development plan. The plan identifies the following five themes as key focus areas. Through these initiatives, we aim to simultaneously reduce environmental impact and strengthen our corporate competitiveness while establishing infrastructure technologies suitable for the next generation.

"Nichido Mirai Tech-Plan 2050" roadmap		2020	2030	2040	2050
01 Achieving carbon neutrality	Convert fuel for heating devices such as burners, etc.				
	Introduce green energy				
	Develop warm asphalt mixture			At least 50°C reduction	
	Zero-emission construction equipment, including heavy machinery, etc.				
02 Development of alternative asphalt binders and recycling technology	Develop alternative asphalt binders				
	Renewable mixture recycling technology				
	Eco-products for mixtures				
03 DX technology utilization and workstyle reform	Support engineers through automation/unmanned capabilities				
	Productivity improvement technology				
	Safety measures				
04 Measures against deterioration of existing infrastructure	Asphalt restoration technology				
	Develop long-life pavements				
	Pavement maintenance technology				
05 Supporting the potential of Society 5.0*	Paving technology that facilitates smart mobility				
	Universal paving technology for smart cities				

*Society 5.0: A human-centered society that balances economic advancement with the resolution of social problems by a system that highly integrates cyberspace and physical space (super smart society)

Addressing social challenges through five technology development themes

"Nichido Mirai Tech-Plan 2050" also plays an important role in realizing the future through concrete technology development initiatives. New materials that contribute to carbon neutrality, recycling technologies that preserve limited resources for future generations, and digital transformation (DX) that is reshaping how the construction industry works. We introduce the forefront of the NIPPON ROAD Group's technology development, where solving social challenges directly leads to the creation of new corporate value.

Maintenance work using "Biochar Ascon" conducted under the jurisdiction of the R6-R8 Kisarazu Sub-office



01 Achieving carbon neutrality

Contributing to realization of a decarbonized society

"Biochar Ascon:" Achieving net-zero CO₂ emissions

This technology significantly reduces CO₂ emissions by adding biochar to paving materials, effectively fixing carbon within the asphalt pavement. Biochar is a carbonized form of biomass derived from organic materials such as wood and bamboo. It retains the CO₂ absorbed by the biomass during its growth process.

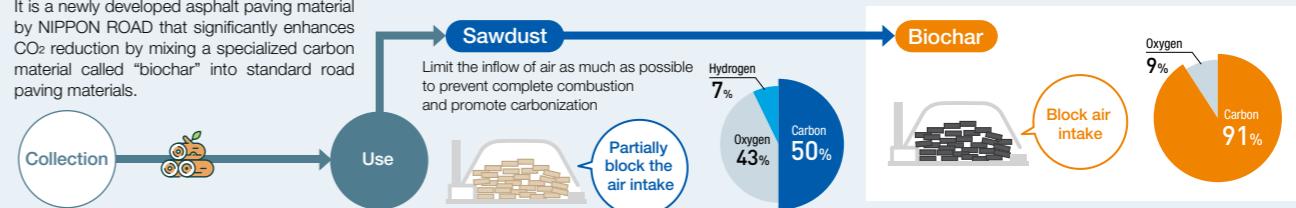
Conventional asphalt mixtures are estimated to emit approximately 56 kg of CO₂ per ton during production. In contrast, by adding 26 kg of biochar (2.6% by weight) per ton of asphalt

mixture, net CO₂ emissions from production are effectively reduced to zero. The methodology for calculating the CO₂ emissions balance of this product has been validated by a third-party organization.

Its properties are equivalent to those of standard asphalt mixtures and can be applied using general paving equipment. Since its product launch in August 2024, adoption has already begun on national highways and other roadways.

What is "Biochar Ascon"?

It is a newly developed asphalt paving material by NIPPON ROAD that significantly enhances CO₂ reduction by mixing a specialized carbon material called "biochar" into standard road paving materials.



02 Development of alternative asphalt binders and recycling technology

Sustainable resource use

Advanced separation and recycling technology for asphalt waste



Asphalt pavement materials are recycled as recycled aggregates, maintaining a high resource recovery rate of at least 99%. However, in recent years, repeated recycling has led to degradation in the properties of asphalt residue remaining on recycled aggregates. This has resulted in limited application areas and a growing surplus of low-quality material.

"Surimomi aggregate" is a material developed to address this issue. It is produced by using a grinding and polishing (surimomi) process to separate degraded asphalt pavement into its aggregate components (gravel and sand used in asphalt mixtures) and other materials. Because it possesses quality equivalent to that of virgin aggregate, it can be used as a substitute in asphalt paving, and its adoption is growing in

private-sector applications such as parking lots.

Going forward, we aim to expand resource circulation further by researching technologies to reuse the separated and recovered degraded asphalt and by developing "surimomi aggregate" made from waste concrete pavement materials.





Prefectural Route 10, Shiogama-Watari Line
(Iwanuma-shi, Miyagi Prefecture)



Used PET Fishing Nets

02 Development of alternative asphalt binders and recycling technology

Contributing to sustainable fisheries Resource conversion technology: From used fishing nets to pavement materials

Developed by NIPPON ROAD in 2020, "PET Ascon" is an environmentally friendly paving method that recycles used PET bottles into asphalt mixtures. Following this initiative, we are now working on a new application for recycled PET: repurposing used fishing nets from the fishing industry as paving materials.

PET fishing nets account for approximately 60 to 70 percent of all discarded nets. However, no established recycling method exists for them, and an estimated 1,000 tons of PET fishing nets are disposed of annually in Japan. Recycling these previously discarded nets could reduce CO₂ emissions from incineration and alleviate the issue of landfill site shortages.

In December 2023, we began Japan's first demonstration project by applying this material on a prefectural road in Miyagi Prefecture. In June 2025, the initiative was showcased at the Fisheries Agency booth at the Expo 2025 Osaka, Kansai, Japan as a part of efforts toward sustainable fisheries.

03 DX technology utilization and workstyle reform

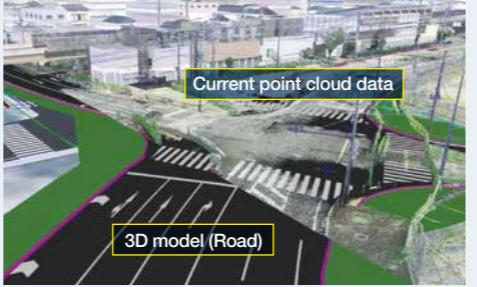
Labor-saving and efficiency enhancement at construction sites

Streamlining the construction process with BIM/CIM

BIM/CIM (Building/Construction Information Modeling, Management) is an approach in the construction industry that introduces 3D modeling from the planning and design stages and links these models across all project phases, including construction and maintenance, to enhance overall productivity and efficiency.

In the "Kyudai Hakozaki South Area Urban Planning Road Construction and Related Works project," awarded to a joint venture (JV) formed by NIPPON ROAD and Shimizu Corporation, a comprehensive 3D integrated model using BIM/CIM was created.

*A digital methodology for managing and sharing building and infrastructure information in the form of 3D models across construction and civil engineering projects.



This model enabled a seamless data flow from construction simulations in the planning stage through to ICT-based construction.

For the pavement milling phase, this model was used directly as 3D data for the machine control system (semi-automated control of construction machinery) of an ICT milling machine. This not only reduced labor and manpower requirements but also shortened the preparation phase for ICT construction. As a result, we achieved approximately a 25% cost reduction related to machine control operations.



04 Measures against deterioration of existing infrastructure

Advancing road maintenance and management

Pavement measurement technology to minimize traffic disruption

Three-dimensional data of pavement surfaces is typically collected using laser scanners. However, laser scanning surveys are affected by passing vehicles, making it necessary to impose traffic restrictions when conducting measurements on active roads, posing a challenge.

To address this, and to enhance the quality of pavement surface data acquisition, we have begun equipping pavement condition survey vehicles with GNSS (Global Navigation Satellite System)*1

and inertial measurement units. This allows for the collection of high-precision coordinate data linked to pavement condition values, similar to a Mobile Mapping System (MMS)*2. Moving forward, we will continue validating the accuracy of this method and work toward its practical implementation.

*1 GNSS: A system that uses satellites to determine positions on Earth
*2 MMS: A system that collects measurement data using vehicles equipped with laser scanners and other sensing equipment

05 Supporting the potential of Society 5.0

Responding to a next-generation mobility society

Construction of facilities to support autonomous driving technology development

NIPPON ROAD has been involved in paving work for automotive test courses both in Japan and overseas. In July 2022, the Company completed construction of a test course at the Shirozato Test Center (Ibaraki Prefecture) of the Japan Automobile Research Institute (JARI) for the ADAS test field designed for conducting experiments and research on automated driving technologies such as automatic emergency braking, lane maintenance support, and speed control.



ADAS testing grounds
(Shirozato-machi, Higashibaraki-gun, Ibaraki Prefecture)

Interview

Approaching environmental and social challenges with a future-oriented mindset and accelerating technology development through co-creation

General Manager,
Technical Department,
Production and Technical Division
Toshihiko Hirogori



intellectual property protection.

What drives this distinctive innovation forward is co-creation with diverse partners. "Biochar Ascon" was commercialized through joint development with the Shimizu Group, while "PET Ascon" was developed in collaboration with Kao Corporation. We are also actively partnering with universities and startups, incorporating advanced technologies such as AI to create entirely new solutions.

Our vision of "contributing to the environment" goes beyond just the global environment. It also includes the "work environment," where we aim to improve job satisfaction, and the "social environment," where everyone can live safely and comfortably. This unwavering commitment is embodied in our medium to long term technology development plan, "Nichido Mirai Tech-Plan 2050." With this roadmap in hand, we are advancing the creation of a sustainable future.

At the core of the NIPPON ROAD Group's solid technological foundation lie two essential strengths: "foresight," or the ability to anticipate the needs of the times; and "execution," the capability to reliably turn ideas into reality. We quickly identify emerging technologies and secure the results of our development as intellectual property, establishing a competitive edge that is difficult for others to follow. For example, our "Surimomi Aggregate," a material that regenerates aged asphalt mixtures, integrates unique construction methods with specialized machinery. By registering the trademark, we have developed a model that combines proprietary technology with

As the construction industry enters a new phase with the advancement of i-Construction, we aim to be a leader in driving this transformation. One of the most critical areas we are focusing on is the full automation of asphalt paving, which leverages AI and digital transformation (DX) to address the anticipated labor shortage. This technology holds the key to achieving both improved productivity and a more worker-friendly environment. In parallel, we are also enhancing "preventive maintenance" practices by utilizing data to detect and prevent infrastructure damage before it occurs, contributing to the long-term durability of infrastructure.

Our mission in technology development divisions is to further evolve road construction technologies and elevate the value of social infrastructure through cutting-edge innovation. By bringing together knowledge from inside and outside the company, we will continue to create technologies that exceed societal expectations and generate new value for people and communities.

35 Years of supporting ASEAN's development through technology and trust across borders

In FY2024, both Nippon Road(M) and Thai Nippon Road celebrated their 35th anniversaries. Building on a solid track record across Asia and the Middle East, we are currently focused on operations rooted in the ASEAN region, with Thailand and Malaysia as our core markets. Through infrastructure development projects such as expressways, airports, and racetracks, we have grown alongside local communities and supported regional development. Here, we explore the future of our global expansion through the voices of employees working on the front lines in each country.

A legacy of technology and trust built around the world

The overseas business of the NIPPON ROAD Group began in 1976 with technical cooperation for a lubricant plant project in Iraq. In 1983, we launched our first major overseas project, the Seremban Expressway in Malaysia, where our Japanese-quality construction techniques earned high praise on a national-scale project spanning 63km with four interchanges.

In 1988, we paved the bridge deck of the Second Bosphorus Bridge (1,090m long), which connects Asia and Europe in Turkey, proving the reliability of our paving technology in international markets. These accomplishments led to the establishment of local subsidiaries in Malaysia and Thailand in 1989.

From the 1990s onward, we undertook a series of advanced technical projects, including the Sepang International Circuit built for the Malaysian F1 Grand Prix, Kuala Lumpur International Airport, and the construction of test courses for Japanese automakers in Thailand.

Our strengths, developed through these experiences, lie in our specialized construction expertise and the deep trust we have built with local partners. Going forward, we will continue to accurately identify regional needs and contribute to the sustainable development of local communities.

Path of global expansion



Nippon Road(M)

Beginning with the construction of the Seremban Expressway in 1983, we have also been involved in highly specialized projects such as airport runways, aprons, and international racing circuits. We continue to build a solid track record of construction that supports local economic development.

National Staff Message

Greatest motivation comes from constantly being able to apply latest technologies and knowledge

As a project manager, I am responsible for the entire process, from project preparation and cost estimation to construction and progress management, safety supervision, and final settlement. I joined Nippon Road(M) 12 years ago. I have been in my current position for about five years. Working in a company culture where safety is the top priority, I find great fulfillment in being part of large-scale projects such as circuits and automotive test courses, where I am constantly exposed to cutting-edge technologies and knowledge. Beyond my role as an engineer, I have also been involved in specialized areas such as cost estimation and budget management, which has helped me develop a comprehensive understanding of entire projects. Looking ahead, my goal is to take on even larger projects. I aim to continue growing while strengthening our team's capabilities.

Manager, Construction Section,
Construction Department
Lau Soon Yie



Aspire to continue honing my expertise while maintaining an awareness of the company as a whole

I was drawn to the culture of Japanese companies that value quality and discipline, which led me to join Nippon Road(M) seven years ago. As an Accounting and General Affairs Supervisor, my role is to provide accurate financial information to management promptly, through responsibilities such as bookkeeping, audit support, and adapting to new regulatory frameworks. In response to the phased introduction of SST and the e-Invoicing system (Malaysia's Sales and Service Tax and electronic invoicing regulations), I attended external seminars and actively exchanged information with my team, leading a comprehensive review of our internal procedures. I find great satisfaction in contributing to the company's credibility through my daily work. Looking ahead, I hope to go beyond the scope of accounting and general affairs by engaging in company-wide process improvements and strengthening internal communication systems, ultimately contributing to the growth of the organization as a whole.

Supervisor, Accounting Department,
Accounting & General Affairs Department
Chua Shy Wei



TOP MESSAGE

Adapting to a changing business environment and aiming for sustainable growth

Nippon Road(M) has steadily expanded its business by leveraging advanced paving and maintenance technologies for expressways, airport runways, F1 circuits, and automotive test tracks. Our Group's expertise is especially well-regarded in highly specialized projects such as circuits and high-speed test tracks; areas where local capabilities in Malaysia remain limited. In recent years, the general construction industry has become more active both domestically and internationally, bringing significant changes to the business environment. In response, we are taking on new challenges, including expanding into East Malaysia, engaging in private-sector projects, and developing environmentally friendly asphalt mixtures. Through these initiatives, we aim to achieve sustainable growth.

Director and President,
Nippon Road(M)Sdn.Bhd.
Takashi Iwakuma



Thai Nippon Road

NIPPON ROAD demonstrates its expertise through the construction of expressways and automotive test courses. We contribute to strengthening Thailand's industrial infrastructure and supporting the global expansion of Japanese companies.

National Staff Message

Building expertise in test courses, one step at a time

Drawn by the company's advanced technical capabilities and strong commitment to human resource development, I joined Thai Nippon Road. Currently, I serve as the Construction Site Manager for the ATTRIC high-speed circuit project, overseeing quality control and schedule management. What I find most rewarding is the opportunity to be involved in large-scale projects that hold significant social value. In the ATTRIC project, I place the highest importance on communication with local partner companies and engineers. To ensure they fully understand the long-term social significance of the work, it is essential to engage with sincerity and perseverance. Working alongside Japanese engineers and local technicians is both stimulating and enriching, providing me with valuable opportunities to gain new knowledge every day. Looking ahead, I hope to further deepen my expertise by building on these experiences.

Manager, Construction Section,
Construction Department
(ATTRIC Construction Site Manager)
Bundit Traisilan



Learning, growing and moving forward as one

I have been working at Thai Nippon Road for 16 years. I am currently the Accounting and Finance Manager. I am proud to work at a construction company managed by Japanese people. The company continues to grow. The Japanese managers understand Thai culture and listen to employees' opinions. Everyone here works together, supports each other, and feels like a family.

I have had the chance to work with many people and face many new situations. These experiences have helped me improve my skills in communication, legal knowledge, and taxation. I also enjoy learning new things all the time.

I will keep working hard to help the company become one of the leading construction companies in Thailand. I believe we can achieve this goal if we all work together as one team.

Manager, Accounting Section,
Management Department
Suphanee Wattanalakhawong



TOP MESSAGE

Responding to the wave of industrial advancement through building trust and proven results

Thailand is currently advancing infrastructure development and promoting high value-added industries under the national strategy known as Thailand 4.0, with the goal of accelerating industrial sophistication. Among these efforts, the development of next-generation mobility has become a key pillar, further elevating the importance of road infrastructure development. In this context, being entrusted with the high-speed circuit construction at ATTRIC, ASEAN's automotive product certification facility, represents a strong vote of confidence in our past achievements and technological expertise. Moving forward, we will continue to leverage the strength of our organization, which includes over 100 national staff, to enhance process management and talent development. Through these efforts, we aim to contribute to strengthening Thailand's industrial competitiveness.



Director and President,
Thai Nippon Road Co., Ltd.
Shoji Kawamura

Thai ATTRIC high-speed circuit project

Taking on the challenge of constructing ASEAN's first full-scale test track

High-speed circuit construction at the Automotive and Tyre Testing, Research and Innovation Center (ATTRIC) was awarded to Thai Nippon Road Co., Ltd. by the Thai Industrial Standards Institute (TISI) in June 2024. The large 4.1km high-speed circuit includes a banked slope with a 38° incline, making it Thailand's first full-scale test course featuring a banked curve. The facility is scheduled to be fully operational by 2026 and is expected to serve as a key foundation for Thailand's automotive industry as the country aims to become one of the world's leading production hubs for electric vehicle components.



VOICE Demonstrating Japanese quality at the forefront of ASEAN

Construction is being carried out using machine-controlled backhoes that apply three-dimensional curve data for sloped surfaces. On-site, we are actively adopting ICT-based construction technologies, including mmGPS² and drone-based surveying, in addition to this method, which enables high-precision finishes with simple button operations while eliminating the need for batter board¹ work. Quality tests are led by local engineers and conducted under the same rigorous management standards as in Japan, ensuring compliance with international agreement specifications. For specialized areas such as banked slopes, trial paving is conducted repeatedly in collaboration with our head office, contributing to the development of local engineering talent. The entire NIPPON ROAD Group is working as one to deliver high-quality, reliable construction.

¹: A surveying process where wooden stakes and boards are installed to establish reference lines or levels based on design specifications.

²: A system that combines GPS (Global Positioning System) with zone lasers, where laser beams emitted from installed transmitters are detected by sensors mounted on construction machinery, to control equipment with millimeter-level precision.



Field Representative
Taisuke Masuda

Interview

Capturing market changes and taking on the next stage of growth

Executive Officer,
Vice General Manager of
Management Promotion Division,
and in Charge of Overseas Business
Takamichi Sakamori



As the executive in charge of overseas operations, I strongly feel the need for bold transformation at this moment. The era when ODA (Official Development Assistance) projects dominated is over. Today, countries like Thailand and Malaysia have grown into nations capable of independently developing their own infrastructure. The trend in infrastructure development has shifted dramatically from "new construction" to "maintenance and management." We must accurately capture this shift and decisively steer our efforts toward developing repair and maintenance businesses tailored to local needs, as well as expanding private-sector opportunities.

For the NIPPON ROAD Group, overseas businesses are some of the most promising areas for future growth. It is not merely about expanding our operational territory; it is a critical foundation for the overall development of our organization. Overseas experience provides valuable opportunities for gaining new perspectives. By increasing the exchange of talent across borders, we are confident that the entire Group will grow stronger.

Even amid intensifying competition with the rise of local companies, we possess unwavering strengths. One is the "local trust" we have built up over 36 years. The other is our "specialized construction technology," cultivated through projects such as test

courses, racetracks, and airport runways. These are sources of competitive advantage that local companies cannot easily replicate.

A prime example of this strength is our current "high-speed circuit" construction in Thailand. Ordered by the Thai Industrial Standards Institute (TISI), this course, equipped with complex features such as banked curves, is rare in the region and is already attracting attention from nearby automakers as a project of high social significance. Successfully completing this challenging project will serve as one of our most powerful showcases of technological excellence.

Under our current Mid-term Management Plan 2024, we have set a target of achieving 5.0 billion yen in overseas orders by FY2026. To reach this goal, we will continue to secure follow-up test course projects in Thailand and airport-related construction in Malaysia. At the same time, we will strengthen relationships with Japanese companies operating in both countries, and actively provide technical guidance to neighboring nations such as Indonesia. Furthermore, we will differentiate ourselves through diversified strategies, including environmental technologies such as "PET Ascon," which reuses waste PET bottles. Without fearing change, we will leverage our technology and trust to achieve further growth in the ASEAN region.

Mid-term Management Plan 2024 and What NIPPON ROAD GROUP Strives to Be

The NIPPON ROAD Group formulates the Mid-term Management Plan while maintaining a recognition of the environment surrounding the Group to remain a company that society both trusts and wishes to persevere. In addition, we define ESG materiality from the perspective of ESG management, and are working on measures to contribute to the creation of a sustainable society. Continue to support society through technology and work toward becoming a company that protects prosperous lifestyles and human lives as we move toward our 100th anniversary in 2029

NIPPON ROAD Group Philosophy Structure

Corporate creed · Corporate identity

Management Philosophy

Promotion of ESG Management

Management Vision

Basic management policies

Health and Safety Policy
Quality Policy
Environmental Policy

ESG materiality

The NIPPON ROAD Group aims to be a company that is trusted by society and regarded as essential for the future through the promotion of ESG management. In 2024, we revised the ESG materiality initially established in 2019, reflecting changes in the business environment and new expectations from society. In addition, we define specific themes for each ESG materiality and are working on measures to contribute to the creation of a sustainable society.

E
Environment

Realizing an environmentally-conscious society

Realizing a safety-conscious society

Measures against deterioration of social infrastructure

Strengthening human capital and intellectual capital

S
Social

Improving employee engagement

Coexistence with regional society

Healthy corporate management

G
Governance

→ P44-45

Mid-term Management Plan 2024

The Mid-term Management Plan 2024, announced in May 2024, is a three-year plan designed with consideration for providing a flexible response to environmental changes. Based on four key issues, we have incorporated initiatives for growth strategies and enhancement of corporate value into our overall business strategy.

Key issues

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

Improving quality and profitability of service provision

Shifting from workstyle reform to satisfaction reform

Promoting DE&I

→ P30

Strategy for approaching key issues

Growth strategy

Measures for improved corporate value

→ P32-37

Business strategy

→ P38-43

Nichido Blue & Green Vision 2050

An environmental vision built on three key pillars: the "Standards of Conduct in relation to the measures for climate change," "NIPPON ROAD Standards of Conduct on establishing a recycling-oriented society," and "NIPPON ROAD Standards of Conduct on Biodiversity," aimed at passing on a beautiful and abundant Earth to the next generation.



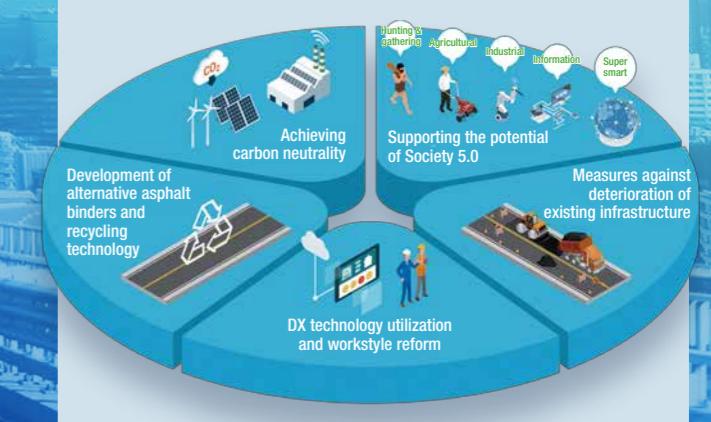
100th

anniversary of our founding in 2029 and beyond

Continue to support society through technology and work toward becoming a company that protects prosperous lifestyles and human lives

Nichido Mirai Tech-Plan 2050

A medium- to long-term technology development plan that sets themes around key issues to be addressed for building a sustainable future society, such as decarbonization and labor shortages caused by a declining birthrate and aging population.



Review of Mid-term Management Plan 2024 (FY2024-2026)

In May 2024, the NIPPON ROAD Group announced its Mid-term Management Plan 2024. This three-year plan was formulated to respond flexibly to changes in the business environment and incorporates business strategies, growth strategies, and initiatives to enhance corporate value, all based on four key issues. Here, we present the outcomes achieved in the first fiscal year of the plan, FY2024.

Key issues

Ensuring thorough compliance (compliance with laws and regulations, etc.)		
Continuous implementation of internal control activities <ul style="list-style-type: none"> Continuous implementation of PDCA activities for organizational structure, position authority / responsibilities, and business system procedures based on the risk management system Regular inspection of various monitoring functions to evaluate results 		
Strengthening compliance awareness <ul style="list-style-type: none"> Strengthened training and passing on lessons from major incidents to ensure thorough prevention of recurrence Appropriate response to information provided to the various reporting hotlines 		

Improving quality and profitability of service provision		
Gross profit	FY2023 results 18.2 billion yen	FY2024 results 20.7 billion yen
	▲ 2.5 billion yen	▲ 2.6 billion yen
Profit margin	FY2023 results 11.4%	FY2024 results 12.6%
	▲ 1.2%	▲ 1.2%
	FY2026 target 21.5 billion yen	FY2026 target 12.7%

While maintaining the growth strategy outlined in the Mid-term Management Plan, we have not revised the numerical targets for FY2026 due to the uncertain outlook of external factors such as soaring raw material prices, exchange rate fluctuations, and tariffs.

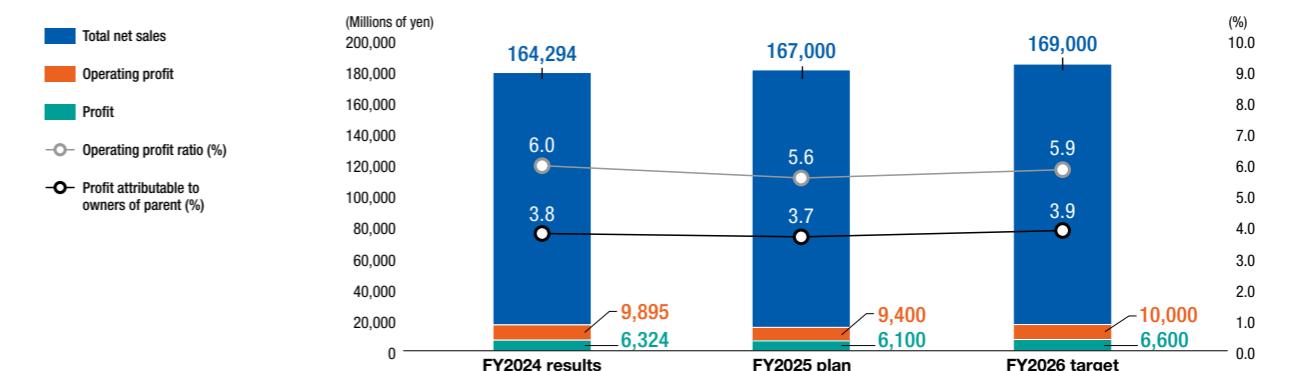
Construction business		
Profit	FY2023 results 14.5 billion yen	FY2024 results 17.2 billion yen
	▲ 2.7 billion yen	▲ 2.0 billion yen
Profit margin	FY2023 results 11.0%	FY2024 results 12.9%
	▲ 1.9%	▲ 2.1%
	FY2026 target 17.0 billion yen	FY2026 target 12.4%

Material sales business		
Profit	FY2023 results 2.3 billion yen	FY2024 results 2.1 billion yen
	▲ 0.2 billion yen	▲ 0.2 billion yen
Profit margin	FY2023 results 10.5%	FY2024 results 8.8%
	▲ 1.7%	▲ 2.1%
	FY2026 target 2.5 billion yen	FY2026 target 10.4%

Co-creation business		
Profit	FY2023 results 1.4 billion yen	FY2024 results 1.4 billion yen
	▲ 0.0 billion yen	▲ 0.0 billion yen
Profit margin	FY2023 results 20.7%	FY2024 results 19.6%
	▲ 1.1%	▲ 1.1%
	FY2026 target 2.0 billion yen	FY2026 target 25.0%

Shifting from workstyle reform to satisfaction reform		
<ul style="list-style-type: none"> Against the annual holiday acquisition target of 125 days, the achievement rate in FY2024 was 79.9%. 		
<ul style="list-style-type: none"> Implement personnel system reform 		
<ul style="list-style-type: none"> Certified as a "Health and Productivity Management Outstanding Organization 2025" (Large-scale corporation category) 		
Promoting DE&I		
<ul style="list-style-type: none"> As of April 2025, the number of female managers increased 2.7 times compared to March 2024. 		
<ul style="list-style-type: none"> Maintain employment rate of people with disabilities (2.8%) 		
<small>*Current legally mandated employment rate: 2.5%</small>		

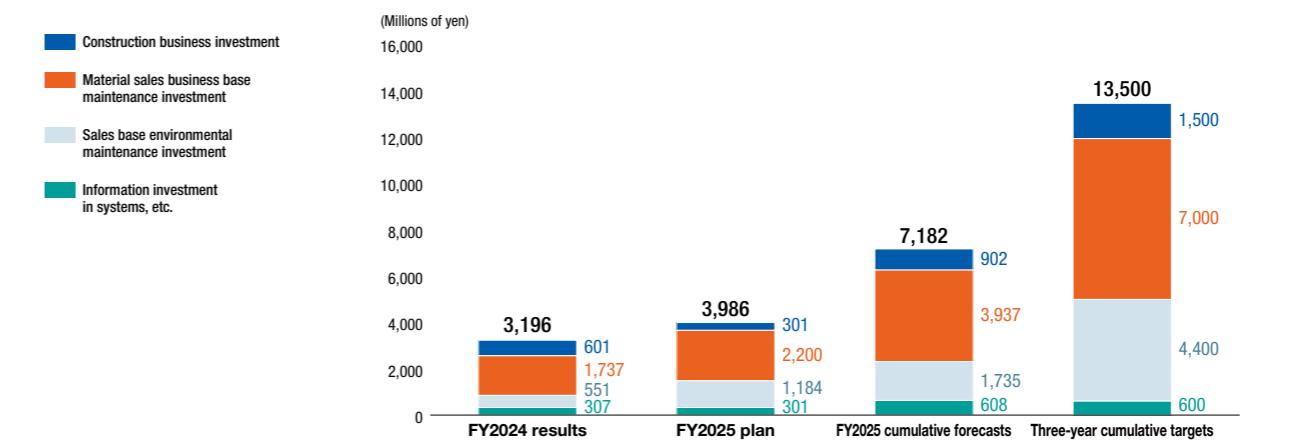
Management target figures / Management indicator targets (Consolidated)



	FY2024			FY2025			FY2026	
	Plan	Results	Vs. FY2026 progress rate	Plan	Cumulative forecast	Vs. FY2026 progress rate	Targets	
Total net sales	165,000	164,294	97.2%	167,000	98.8%	169,000		
Operating profit	5.2%	8,500	6.0%	9,895	99.0%	5.6%	9,400	94.0%
Profit attributable to owners of parent	3.2%	5,200	3.8%	6,324	95.8%	3.7%	6,100	92.4%

As the first fiscal year of the "Mid-term Management Plan 2024," FY2024 performance exceeded the annual plan in both operating profit and profit. This was driven by a focus on high-quality order acquisition, accelerated project progress through strengthened construction systems, and project management that emphasized appropriate price transfers and profitability. Concerning the FY2025 plan, despite uncertainties such as soaring raw material prices and overseas conditions, infrastructure development is once again being recognized as a national priority following the formulation of the Medium-term Plan for National Resilience. Corporate capital investment is also expected to remain steady, and performance is projected to be on par with FY2024.

Growth investment targets



	FY2024			FY2025			FY2024-2026	
	Plan	Results	Three-year plan progress rate	Plan	Cumulative forecast	Three-year plan progress rate (Cumulative)	Three-year cumulative targets	
Construction business investment	970	601	40.1%	301	902	60.1%	1,500	
Material sales business base maintenance investment	2,050	1,737	24.8%	2,200	3,937	56.2%	7,000	
Sales base environmental maintenance investment	655	551	12.5%	1,184	1,735	39.4%	4,400	
Information investment in systems, etc.	289	307	51.2%	301	608	101.3%	600	
Total	3,964	3,196	23.7%	3,986	7,182	53.2%	13,500	

In FY2024, as part of our environmental investments toward carbon neutrality, we undertook several initiatives including fuel conversion at our asphalt plants, installation of used cooking oil co-firing equipment, demolition of the former headquarters and former Technical Research Laboratory buildings, reconstruction of the Okayama Business Office, and renewal of our core IT systems. In FY2025, we plan to continue similar investments, including environmental upgrades at asphalt plants, reconstruction of domestic branches and offices, as well as further updates to our core systems.

Measures for growth strategy and improved corporate value

Message from General Manager of the Administration Division



Continue to be “a company that society both trusts and wishes to persevere” through workstyle reform

Representative Director Senior Managing Officer,
General Manager of the Administration Division

Masakazu Hyodo

Achieving job satisfaction through a balanced focus on work environment and compensation

The most significant achievement of the Administration Division in FY2024 was the successful launch of personnel system reform, which began operation in FY2025. This reform is aimed at creating an environment where all employees can fully demonstrate their capabilities. Under the previous personnel system, there were multiple job classifications with different compensation structures. These have now been unified under a single category of general positions, ensuring equal treatment for all. This integration enables every employee to compete and grow on an equal footing, based on their abilities. Additionally, to allow experienced personnel to remain active longer, we raised the mandatory retirement age to 65, and compared to the previous re-employment system, this reform significantly improves post-60 compensation. Although originally planned for implementation in two years' time, the reform was expedited to accelerate the recruitment and retention of top talent.

I believe that true job satisfaction stems from a combination of a “comfortable work environment” and “appropriate evaluation and compensation based on performance.” In terms of creating a “comfortable work environment,” we are focused on building psychologically safe workplaces. In the construction industry as well, the evolution toward more thoughtful and respectful communication is essential. We aim to continue reviewing and improving our systems so that all employees feel their workplace is truly comfortable. To accomplish this, we must actively incorporate diverse perspectives. This includes increasing the ratio of women hired and promoting women to management positions, so that diverse values are reflected in decision-making processes.

On the compensation side, we have established a fair evaluation foundation through the personnel reform, and starting in April 2025, we raised transfer-related allowances to ease the burden on employees working across various locations nationwide. The key is to create a virtuous cycle between job satisfaction and business performance. When employees feel motivated and find meaning

in their work, high-quality services naturally follow. This leads to greater customer satisfaction and improved business results, which in turn make better compensation and new growth opportunities possible. We believe this positive cycle is the driving force behind the sustainable enhancement of corporate value.

Pride in Work Leads to Job Satisfaction

As our business environment undergoes significant changes, it is more important than ever to establish a corporate culture that derives pride from within, rather than relying solely on external validation.

The phrase “NIPPON ROAD as a company known for its technology” does not simply describe technical excellence. It represents a culture in which every employee takes pride in their work and continuously pursues higher quality. For each employee to understand and embody the true meaning of this phrase is the very foundation of our technological strength and the trust we earn from society. We believe that this pride in one's work directly contributes to job satisfaction.

The policy of the Administration Division for FY2025 is to “accelerate reform toward a more satisfying workplace. With our centennial just four years away, we will take the opportunity to revisit and clarify our Group's purpose and the direction we should aim for in the future. Our business supports people's lives in every aspect of society.” To continue fulfilling this social mission, it is essential that we create an environment where employees can take pride in their work.

No matter how the business environment changes, we will remain a company where each employee finds meaning in their work, respects others, and continues to deliver value to society. Together with all employees, we will steadily advance our job satisfaction reforms.

Message from General Manager of the Management Promotion Division



Charting a growth trajectory through business expansion Accelerating growth investments and advancing environmental technologies

Director Managing Officer,
General Manager of the Management Promotion Division

Toshihiko Kasai

Evolving into a high value-added service provider centered on environmental technology

Our goal is to expand from advanced construction capabilities into high-value, proposal-driven services. The key to this transformation lies in the deployment of environmentally conscious products and technologies.

Our proprietary sustainable products such as “PET Ascon” and “Biochar Ascon” have received strong responses from environmentally conscious private sector clients and have already been adopted in large logistics and commercial facilities. Our past investments in technology development are now bearing fruit, and we have entered the full-scale business expansion phase. With keywords like durability and environmental contribution, we will further enhance our proposals to meet diverse client needs.

We are also executing planned investments into our manufacturing and sales operations with the aim of achieving carbon half by 2030. This includes replacing heavy oil with city gas and waste oil co-firing at asphalt plants, steadily progressing in equipment investments that contribute to CO₂ reduction.

In addition, in response to the Ministry of Land, Infrastructure, Transport and Tourism's “i-Construction 2.0” initiative launched in April 2024, we are investing in technology development for labor-saving and automation at construction sites. To address rising material costs and workstyle reforms, we will ensure appropriate pricing and construction timelines to improve profitability.

Toward our 100th anniversary in 2029, we will continue expanding our business domains through investment and technology development, solidifying our path as a company contributing to sustainable infrastructure.

Creating new business opportunities through growth investments

The Management Promotion Division is accelerating the expansion of business domains in line with the growth strategy set forth in the Mid-term Management Plan. In FY2024, significant progress was made, particularly in M&A investments.

In April 2024, we invested in Resource Forest inc., which manufactures wood-formed paving blocks using thinned wood and made it into a subsidiary. Additionally, SPORTS MEDIA inc., a Group company, inherited the business of the Morioka Royal Tennis Club in Morioka City, Iwate Prefecture in July. In October, we welcomed ito Co. Ltd., a company based in Hachinohe-shi, Aomori Prefecture that specializes in gas and water pipeline construction, into the Group. Through these investments, we are strengthening our business foundations in three key growth areas: environment, sports, and infrastructure maintenance. Moving forward, along with M&A, we aim to build a track record in PPP/PFI projects and will continue expanding our business domains beyond paving operations.

In collaboration with the Shimizu Group, we have transitioned from previously participating in large-scale projects as a subcontractor to now securing orders as a prime contractor through joint ventures (JVs) with Shimizu Corporation. This has enhanced our ability to respond to new business opportunities, such as exterior works accompanying building construction, and significantly expanded our business scope. We will continue to fully leverage the collective strengths of our Group to accelerate collaboration in areas such as DX and AI, as well as joint R&D on products like “Biochar Ascon.”

As part of our regional strategy, in February 2025, we established two new companies: Nagasaki Sunroad Co., Ltd. and Sunroad Gifu Co., Ltd. Amid a growing trend toward local procurement in public works, our regional paving companies will focus on community-based paving with high agility. Meanwhile, the main NIPPON ROAD entity will concentrate on large-scale projects and construction work in adjacent fields, such as infrastructure development beyond paving. This strategic role-sharing enhances the competitiveness of the entire NIPPON ROAD Group.

Promoting DE&I

In order to generate ideas from a plethora of different perspectives and promote issue resolution and innovation, diversity of human resources is essential. Respecting diversity in gender, age, nationality, and disability, the entire group works together to promote DE&I so that each individual can fully demonstrate their abilities.

Promotion of women's participation

We have formulated an action plan based on the Act on the Promotion of Women's Active Engagement in Professional Life, and are actively recruiting female employees while systematically appointing women to managerial positions.



*As of April 1, 2025, non-consolidated

Employment of people with disabilities

We are implementing initiatives with a focus on post-hiring retention, such as accepting workplace training for applicants and providing workplace environments tailored to each individual's disability.



*As of the end of March 2025
*Current legally mandated employment rate: 2.5%

Sponsorship of "Paralym Art," creating a world where dreams come true through art

Since 2022, NIPPON ROAD has been an official partner in the Paralym Art Project operated by The general incorporated association for supporting independence of people with disabilities (Shogaisha Jiritsu Suishin Kikou), supporting the disabled to participate in society and become economically independent through art. Since 2022, the cover of our Integrated Report has featured original artwork specially commissioned from matoka, an artist from Aichi Prefecture. Last fiscal year, we also commissioned artwork from Tomoe Hoshino, an artist known for her gentle style, incorporating one of our products, wood-formed blocks made from thinned timber, into the piece. The artwork was used as a novelty item distributed at exhibitions and other events.



"Wooden Walkway" (Tomoe Hoshino)

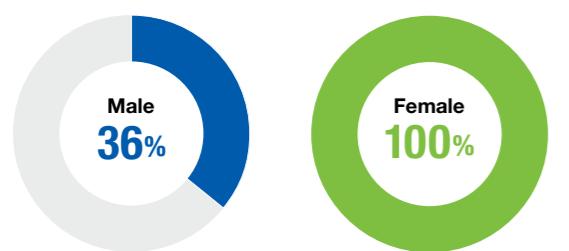
Creating a Workplace that Supports Diversity

We are committed to building a workplace that enables flexible work styles, allowing all employees, regardless of gender, to balance their careers with life events such as childcare or eldercare.

Our childcare support systems go beyond legal requirements, allowing employees to utilize benefits such as reduced working hours and childcare leave until their child enters junior high school. Additionally, to accommodate the increasingly diverse life plans of our employees, we also offer options such as limited-area transfers and monthly travel subsidies for employees on temporary assignments away from their families, providing robust support to help employees

Usage rate of childcare leave by gender

*FY2024 results



balance work and home life.

We regularly feature these support systems in our internal newsletters, sharing testimonials from employees who have used them. As a result, the number of male employees taking childcare leave continues to grow each year.



Introducing programs through company newsletters

Creating synergies under the Shimizu Group

Since becoming a consolidated subsidiary of Shimizu Corporation in March 2022, we have established working groups to actively pursue synergies as a member of the Shimizu Group. Here, we present the outcomes achieved in the third year, FY2024.

SHIMIZU CORPORATION
清水建設



NICHIDO

Civil engineering-related field

We aim to expand business domains through engaging in joint ventures with the highly experienced Shimizu Corporation for large-scale civil engineering construction projects and overseas civil engineering projects, including floor slab replacement construction, bridge repair construction, and development construction ordered by various NEXCO companies.

TOPICS

Toward manufacturing and sales of "PET Ascon" in Kenya

In FY2024, in the area of overseas business, we applied for the "SME/SDGs Business Support Program (JICA Biz)" demonstration project in Kenya, publicly solicited by the Japan International Cooperation Agency (JICA).

This initiative began with a request for collaboration from Shimizu Corporation, which operates a flagship base in Africa, and was jointly applied for by three companies: Shimizu Corporation, the Company, which possesses the technology for high-durability paving material "PET Ascon" made from recycled PET waste, and Kao Corporation. The proposal was accepted, and a contract was concluded in May 2025. Moving forward, we will formulate a commercialization plan and enter into a partnership with a local company that will implement the project on-site.

We aim to commercialize the manufacturing and sales of "PET Ascon" in Kenya at an early stage and use this project as a stepping stone toward contributing to road infrastructure development across Africa.



Kenya, where approximately 90% of roads remain unpaved

Increasing private-sector orders

By collaborating with the sales division of Shimizu Corporation, we are working to expand direct orders from private-sector clients, leading to "high-quality orders." In FY2024, we focused on developing new clients, particularly in the three key sectors of the automotive industry, sports-related facilities, and logistics. As a result, the number of orders received through introductions from Shimizu Corporation significantly exceeded our target, marking a strong achievement.



Artificial turf installation at Tokyo Gas Omori Ground secured via introduction from Shimizu Corporation

Talent exchange

To enhance our business competitiveness by combining the strengths of both companies, we are promoting talent exchanges across various fields. In September 2024, one of our corporate planning staff participated in the "Choukensetsu" (Super construction) Discussion Session held at Shimizu Corporation's innovation and talent development hub, "Smart Innovation Ecosystem NOVARE," with participants from across Shimizu Group companies. Led by facilitators from Shimizu's Business Innovation Unit (BIU), the workshop helped deepen mutual understanding between group companies. It also fostered dialogue on how to apply the "Super Construction" mindset to each participant's own work and business context.

*Choukensetsu (Super construction): A concept outlined in Shimizu Corporation's Mid-Term Business Plan <2024-2026>, which encourages going beyond conventional business and organizational boundaries to uncover and respond to fundamental needs and challenges of customers and society. The aim is to deliver new value through construction and other business activities, thereby achieving co-growth with clients and society.



"Choukensetsu" discussion session

Following the tender offer for the Company's shares by Shimizu Corporation, we are scheduled to become a wholly owned subsidiary of Shimizu Corporation during FY2025. Going forward, we will further optimize shared management resources and accelerate the creation of stronger synergies between the two companies.

Business strategy

Message from General Manager of the Business Division



Growth trajectory realized through pursuit of quality and creating new value with a proactive approach

Director Senior Managing Officer,
General Manager, Business Division
and in Charge of Building Construction

Kaoru Ito

Proposal-based sales drove success in the first fiscal year of the Mid-Term Management Plan

FY2024, the first fiscal year of Mid-term Management Plan 2024, we achieved results that exceeded expectations in realizing our goal of "securing high-quality orders." The ratio of direct orders received as a prime contractor surpassed the target of 50%, reaching 51.6%, and direct private-sector orders totaled 18.2 billion yen, nearing the final-year target of 19.0 billion yen. We also maintained a top market share in central government projects, and by focusing on profitability in our order strategy, we achieved strong profits.

Among the key areas of private-sector orders, automotive-related projects saw significant growth thanks to a recovery in capital investment. In logistics-related fields as well, our efforts bore fruit through proposal-based activities such as the adoption of proprietary methods and gaining endorsements from project owners, which led to successful contract awards.

The primary driver of these achievements was our shift toward proposal-based sales. This strategic change, such as proposing facility repair plans, marked a transition from passive to proactive sales efforts, and it proved effective.

In the field of environmental construction methods, we also saw steady results. Since its launch in 2020, our eco-friendly paving material "PET Ascon," which reuses PET bottles, has been applied to a cumulative area of 450,000m², contributing to the recycling of approximately 4.50 million 500ml PET bottles over five years. Furthermore, our collaborative project with Miyagi Prefecture to use recycled fishing nets in PET Ascon earned official certification as a "Green Product" by the prefecture, and the product was showcased at the Fisheries Agency booth at the Expo 2025 Osaka, Kansai, Japan. In addition, "Biochar Ascon," which incorporates biochar to achieve carbon neutrality, has drawn significant attention as the only technology of its kind in the industry.

Synergies with the Shimizu Group also drove significant order growth. We established an organizational structure to enhance group synergy and activated communication between sales divisions, resulting in a 3.5-fold increase in orders secured through collaboration with Shimizu Corporation compared to the previous year. By deepening Shimizu Corporation's understanding of our strengths, including advanced construction technology for automotive test tracks, a solid track record in sports facility construction, and high-durability paving technologies for logistics facilities, we were able to effectively leverage our unique value as a specialist in road paving to expand our sales activities.

Additionally, in the overseas business domain, we took our first step in collaboration by jointly proposing with Shimizu Corporation and Kao Corporation a proof-of-concept project for the commercialization of "PET Ascon" in Kenya under the Japan International Cooperation Agency's (JICA) "FY2024 SME/SDGs Business Support Program (JICA Biz)", which was officially adopted.

Stronger talent as the driver for our next leap forward

On the other hand, orders for sports-related projects declined, presenting a challenge. We believe this was due to a combination of reduced capital investment by educational institutions and a lack of proactive engagement in public-sector sports facility projects. In the current fiscal year, we plan to actively participate in public-sector projects to secure more orders in this area. Furthermore, with the newly established Building Department, we will enhance our ability to handle projects that include architectural components, further broadening our scope and competitiveness.

To ensure that last year's strong performance is not just a one-time success and to maintain our industry-leading market share, we intend to move beyond simply responding to customer requests. Instead, our focus will be on creating opportunities by proactively proposing maintenance plans, life cycle strategies, and differentiated environmental technologies to our clients, thereby encouraging adoption and order placement. To support this approach, we are strengthening our talent development. At the core of this initiative is the OJT training program for sales staff, which was reinstated four years ago. This three-week training held at headquarters not only enhances individual sales capabilities but also significantly strengthens collaboration between headquarters and branches. We will continue offering this training on a regular basis to accelerate the development of sales personnel with strong proposal skills.

Creating synergies as part of the Shimizu Group is also a key factor in "securing high-quality orders." We are working to improve proposal capabilities through the sharing of technical information and to foster greater trust with clients. Looking ahead, we also aim to take on more projects that include architectural components and PFI projects, in collaboration with Shimizu Corporation and other group companies.

Moving forward, while preserving and enhancing Nippon Road's uniqueness and expertise, our sales divisions will continue to set ambitious goals. With our strengths in environmental technologies and human resources, we will strive to deliver new value to our customers.

Message from General Manager of the Production and Technical Division



Profit-driven shift creating a stronger earnings structure and growth strategy driven by technological development

Director Senior Managing Officer, General Manager,
Production and Technical Division and in Charge of Safety,
Environment, Quality Control and Design

Takeshi Takasugi

A strong start toward achieving the Mid-term Management Plan 2024

As the first year of the "Mid-term Management Plan 2024," the construction business successfully met its initial targets, driven by a strong starting backlog of profitable carried-over projects. Additionally, in the material sales business, the asphalt mixture segment saw a market share increase to 6.9%, and the recycling division also outperformed the previous year, all of which made FY2024 a "strong start" for the Production and Technical Division.

In the construction business, we are clearly seeing a shift in mindset from "order volume first to profit first." Traditionally, the approach was to secure orders first and then build profit afterward. Now, we are focusing more on the "quality" rather than the "quantity" of projects, and we are setting monthly profit-based performance targets and cascading those targets down to each department and local office, instilling a stronger awareness of indicators across the organization. This way of thinking has spread through the organization, leading to securing profits.

Furthermore, the promotion of tools utilizing DX technologies such as AI, IoT, VR, and AR has made significant contributions to improving profitability. By visualizing and standardizing operations that previously relied on the "intuition of engineers," we have improved productivity even with limited personnel.

In the material sales business, despite a nationwide decline in demand for asphalt mixtures, our Group was able to maintain manufactured volumes at the same level as the previous fiscal year through detailed information gathering and swift, proactive sales activities. In the recycling business, we carefully monitored the balance between incoming waste materials and product sales volume, working to ensure proper inventory levels.

From an environmental perspective, we are steadily advancing toward our goal of achieving carbon half by 2030. For example, we expanded the use of used cooking oil (UCO)¹, first introduced at the Nagasaki Asphalt Center in FY2023, as part of our practical capital investment strategy. In June 2025, we also obtained SBT certification² (Science Based Targets), and we will continue to reduce greenhouse gas emissions, particularly in the manufacturing and sales segments, in accordance with our established reduction targets.

¹: Refer to page 47 for more details on "used cooking oil (UCO)."

²: Refer to page 47 for more details on "SBT certification."

Establishing growth foundations through quality enhancement

In pursuing stronger profitability, two key challenges remain. First is the post-order profit decline in the construction business, and second is delays in passing rising material and labor costs onto asphalt mixture prices in the material sales business.

In the construction division, it is essential to further enhance technical guidance and support led by the Technical Centers at each branch, with a focus on preventing defects and improving construction quality. We will promote reforms based on data and performance records, including order decisions grounded in profitability analysis and efforts to eliminate regional disparities in safety management. Rather than relying on reactive measures, we aim to establish a preventive management system to ensure construction is managed with a strong awareness of profitability.

In the material sales business, we have fundamentally strengthened our quality control framework to achieve better price pass-through. By assigning dedicated quality assurance promoters at each branch, we have built a foundation that elevates the quality of the NIPPON ROAD brand, making it possible to secure orders at appropriate prices. A particular focus is on closing the gap between design prices and actual market prices in the recycling business. This segment offers greater potential for price improvement compared to asphalt mixture sales, and improvements here will significantly enhance profitability. Additionally, we will work to optimize capital investment and streamline asphalt plant operations, further strengthening our profitability.

Looking ahead to FY2025, we expect to see expanded opportunities for joint development by leveraging greater collaboration with the Shimizu Group, sharing the core technologies of both companies. While advancing our medium to long term technology development plan "Nichido Mirai Tech-Plan 2050," we are also placing equal emphasis on developing talent who possess a deep understanding of the essence of technology.

The achievement of the final-year targets set in the "Mid-term Management Plan 2024" is now well within reach. As we approach our 100th anniversary, we remain committed to a safety-first philosophy, ensuring rigorous construction management and the delivery of high-quality services, while also intensifying our focus on research and development for the future.



Construction business

FY2024 results

Gross profit	Profit margin
17.2 billion yen (Up 19% year-on-year)	12.9% (Up 1.9 points year-on-year)



Measures and results in FY2024

In the construction industry, government construction investment remained above 20 trillion yen, and private sector construction investment remained firm as capital investment for corporations remained strong against a backdrop of steady corporate revenue. As a member of the Shimizu Group, the NIPPON ROAD Group pursued orders in new business domains through collaboration with other Shimizu Group companies, secured orders by enhancing cost estimation accuracy and technical proposal capabilities for public sector projects, and carried out strategic sales tailored to local market environments for private sector projects. As a result of shifting toward high-quality orders with a focus on profitability, construction orders received amounted to 138.0 billion yen, down 3.8% year-on-

year. Completed construction contracts rose by 1.4% to 133.4 billion yen, driven by accelerated progress on projects ordered in FY2023 and strengthened construction capabilities.

Profitability also improved, with a 1.9 point increase in profit margin year-on-year, due to the promotion of proper price transfers and a focus on profitability in project management.

Regional paving companies demonstrated synergies by further reinforcing their construction systems, while also actively engaging in M&A as a growth strategy.

To achieve our targets, we will continue to focus on offering fair prices and schedules, ensuring quality, expanding business domains through M&A, and strengthening our construction capabilities.

Major Completed Projects in FY2024



Project	Expansion of Parking Area on Fuji Section on the Shin-Tomei Expressway (Shimizu Parking Area)
Client	Central Nippon Expressway Company Limited
Location	Shizuoka-shi, Shizuoka Prefecture
Construction period	From August 2022 to March 2025



Project	Heisei International University Soccer and Baseball Field Renovation Project
Client	Satoegakuen
Location	Odateno, Mizubuka, Kazo-shi, Saitama Prefecture
Construction period	From October 2023 to July 2024

TOPICS

Company specializing in gas and water utility construction becomes a subsidiary Two new local paving companies established to promote community-based urban development

On October 17, 2024, ito Co. Ltd., headquartered in Hachinohe City, Aomori Prefecture, was made a wholly owned subsidiary. The company specializes in civil engineering work for laying gas and water pipelines. By making it part of the Group, we are expanding our business domains and strengthening our sales base in collaboration with Hachinohe Sunroad Co., Ltd., another Group company engaged in paving work in the city.

Furthermore, in February 2025, we established two new companies: Nagasaki Sunroad Co., Ltd. and Sunroad Gifu Co., Ltd., which have begun operations from this fiscal year. By linking these companies with our regional sales offices and asphalt plants to expand order intake, we aim to contribute to the sustainable development of local communities.



FY2025 Interview with General Manager of new department

To meet customer needs and become a company truly essential to society, we established a Building Construction Department and a Design Department in FY2025. In the following, we introduce the background behind this restructuring and outline our upcoming initiatives to reinforce our organizational capabilities and execute our growth strategy in the construction business.

Building Construction Department

Leveraging existing customer base to fully launch the building business



General Manager,
Building Construction Department
Youjiro Tsukamoto

In FY2025, in order to achieve improved profitability and expand direct orders for private-sector construction projects as outlined in Mid-term Management Plan 2024, the Building Construction Department was newly established. By upgrading what had previously been handled within the Business Division to a standalone "Department," the Company aims to send a clear message externally that "NIPPON ROAD also handles building construction", thereby improving recognition and expanding our business domain. Leveraging our existing customer base and nationwide network cultivated through paving projects, we aim to seize new business opportunities in the architectural field and create new revenue streams. Though only a few months have passed since the department was launched, we are already seeing a noticeable increase in inquiries from various branches, giving us a strong sense of momentum.

The Building Construction Department provides an integrated service covering

sales, design management, and construction management. Its core strength lies in our ability to uncover new projects through close coordination with branches and business offices nationwide, and our comprehensive capability to propose both building and paving work as a one-stop solution. We are also steadily capturing demand for building construction associated with exterior work for factories and warehouses and enhancing collaboration with architectural affiliates of the Shimizu Group.

To reliably respond to increasing construction demand, we are prioritizing the hiring and development of certified personnel such as architects and building construction management engineers, along with building a robust quality control system. By deepening relationships with existing customers and gradually expanding our project areas from the Tokyo metropolitan area to western Japan, we will continue contributing to strengthening the overall revenue base of the Group.

Design Department

Centralizing design operations to standardize and enhance quality



General Manager, Design Department
Masayuki Miyauchi

In FY2025, the Design Department was newly established, consolidating design operations that had been dispersed across various departments into Headquarters. Previously, design personnel were assigned to departments such as the Business Division and the Production and Technical Division, each accumulating its own specialized expertise. These areas of expertise have now been integrated to establish unified quality standards and build a system that enables more advanced technical proposals.

The strength of our department lies in its extensive track record in complex special designs, including test courses and automotive-related facilities. Based on the technical capabilities we have developed and the trust we have built with our clients, we handle a wide range of projects from Hokkaido to Kyushu, and even overseas. To leverage our consolidated expertise, we collaborate with the business divisions from the inquiry stage, stay involved with the construction divisions throughout, from

planning including cost optimization to project completion, and work with R&D divisions on the development of special materials and new construction methods, thereby integrating the company's technical knowledge to improve order acquisition rates and construction quality.

Going forward, we will focus on visualizing design data through BIM/CIM*, supporting participation in public-private partnership projects such as PPP/PFI, and discovering and developing outstanding talent both internally and externally. We will pursue both internal promotion of field personnel and mid-career recruitment, and based on the technical capabilities cultivated through test courses, we will respond to a wide range of design needs, including architectural exteriors. By fully utilizing the specialized skills of our team members, we will steadily contribute to enhancing the technical capabilities of the NIPPON ROAD Group.

*BIM/CIM: Construction information management utilizing 3D models

Material sales business

FY2024 results

Gross profit	Profit margin
2.1 billion yen (Down 10.5% year-on-year)	8.8% (Down 1.7 points year-on-year)



Measures and results in FY2024

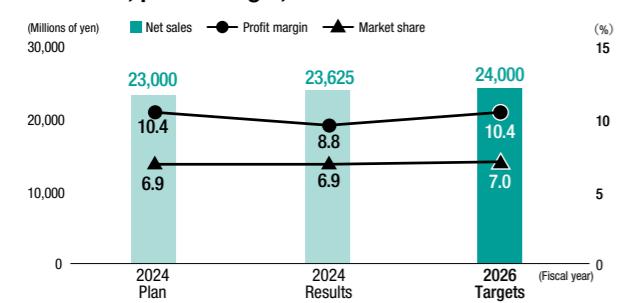
In FY2024, domestic production of asphalt mixtures totaled 35.52 million tons, a 2.3% decrease year-on-year and the lowest level on record (announced by the Japan Asphalt Mixture Association). Amid this environment, NIPPON ROAD expanded its recycling business and strengthened its sales capabilities, resulting in a 7.4% year-on-year increase in product sales to 23.6 billion yen and securing a market share of 6.9%, up 0.2 percentage points.

Meanwhile, in terms of profit, we were unable to fully pass on the impact of soaring raw material and energy prices, resulting in a 1.7

percentage point decline in profit margin, to 8.8%.

Due to the ongoing depreciation of the yen in foreign exchange markets and geopolitical instability such as the situation in Ukraine, crude oil prices have been rising since the second half of FY2021 and remain at elevated levels. We are significantly affected by surging energy costs, asphalt prices for paving, and other material, fuel, and transportation expenses. We will continue to seek customer understanding as we work to pass on costs in line with our plans.

Net sales, profit margin, market share



Investment plan

We are promoting a switch in the fuel used during asphalt mixture production from heavy oil to city gas, which emits less CO₂, and are introducing used cooking oil as an alternative energy source.

FY2024 results

One location converted to natural gas
(Kagawa Ascon)

Used cooking oil introduced to facilities
at **4 locations**
(Naka Ascon, Osaka Ascon, Tosa Ascon, Aomori Asphalt Mixing Center)



*Please see ▶ P21 for details.

TOPICS

Developed “Surimomi Aggregate” to contribute to formation of a recycling-oriented society

As civil engineering structures constructed during former periods of advanced economic growth are deteriorating, we believe that demand will expand for recycling business that accepts and reuses asphalt waste and concrete waste. In January 2025, NIPPON ROAD announced “Surimomi Aggregate” as a new pavement recycling system.

This technology utilizes a grinding (surimomi) treatment process to separate the aggregate portion from the asphalt coating in reclaimed asphalt material, thereby regenerating the aggregate.

It aims to make effective use of surplus waste materials, improve profitability, and contribute to the formation of a recycling-oriented society.

Co-creation business

FY2024 results

Gross profit	Profit margin
1.4 billion yen (Down 2.5% year-on-year)	19.6% (Down 1.1 points year-on-year)



Measures and results in FY2024

In addition to expanding existing businesses, such as the leasing business and insurance agency business, we will grow our business areas to include environment-related, sports-related, health-related, and other businesses.

In FY2024, we achieved two successful M&A deals and secured revenue from businesses such as leasing and insurance agency services, resulting in a profit of 1.4 billion yen, comparable to FY2023.

From FY2024, we assigned dedicated personnel at the head

office to conduct research and planning for participation in PPP/PFI projects (such as Park-PFI and transportation infrastructure asset management), and we will accelerate these efforts. In the leasing business and commercial business operated by Group companies, we will focus on expanding sales of proprietary vehicles, specialized vehicles, and safety-related products.

Moving forward, we will aim for creating strengths via cooperation with multiple stakeholders and work toward business expansion.

TOPICS

01 Conducted M&A in the fields of environment and sports: Promoting enriched community and lifestyle development from the ground up

On April 1, 2024, we invested in Resource Forest inc., which manufactures wood-formed blocks made from thinned wood and made it into a subsidiary. 30,000 blocks were sold during FY2024.

Furthermore, SPORTS MEDIA inc., the operator of the Group's sports-related business, inherited the business of the Morioka Royal Tennis Club in Morioka City, Iwate Prefecture, on July 1, 2024. A tennis club that has been cherished by the local community for nearly half a century is being revitalized to offer new health value to a wider audience through a redesigned website and various events.



Wood-molded blocks were adopted at Omotemae Takamatsu Junior & High School

The “Morioka Festival” featured festival booths and fireworks (July 2024).

02 Joint development of the “Aori Sheet Alarm” aiming to eliminate human error

To prevent accidents caused by contact with structures or the falling and scattering of loads due to failure to close the “aori” (sideboards) on dump truck beds, we jointly developed the “Aori Sheet Alarm” sensor system with Tokyo Keiki Inc., a pioneer in instrumentation manufacturing, and our group company ND Leasing System Co., Ltd. The system alerts dump truck drivers when the “aori” has not been closed. We will continue to promote research and development that contributes to safety, aiming to reduce accidents caused by human error.



The system installs a sensor on the aori sheet and an alarm in the driver's cabin, sounding a warning when the aori sheet is open.

Sustainability Management

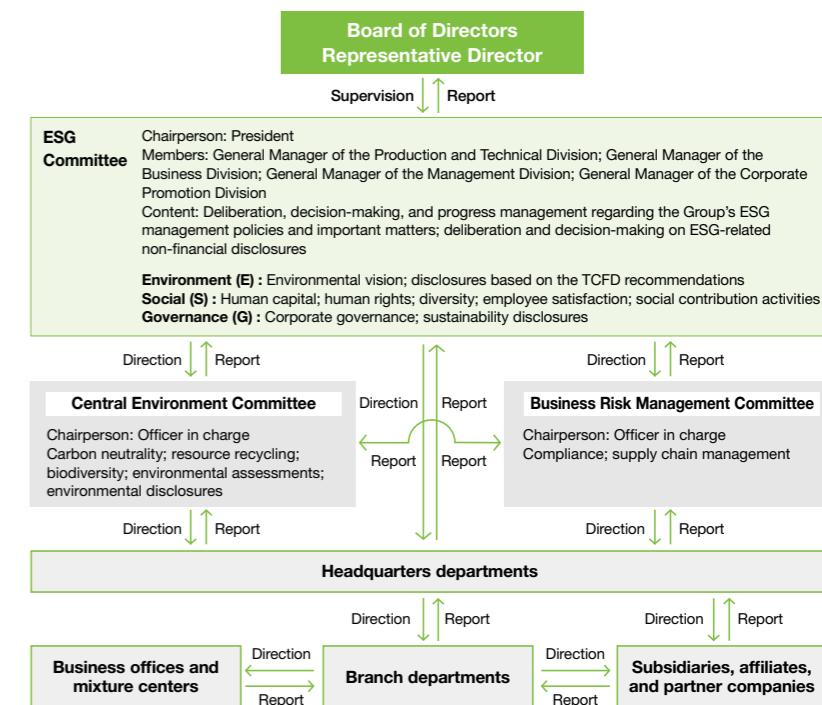
The NIPPON ROAD Group practices ESG management as a management strategy and is committed to realizing sustainability. For the Group, sustainability is the objective toward which ESG management aspires. By integrating the two, we will not only pursue short-term profits but also, in harmony with the global environment and society at large, contribute to maximizing corporate value over the medium to long term and to realizing a sustainable society.

NIPPON ROAD Group Basic Policy of Sustainability

To fulfill our responsibilities to all stakeholders surrounding the Group, we have established the Basic Policy of Sustainability. By addressing a wide range of issues, we seek to improve corporate value while linking these efforts to sustainable growth.

1 Healthy corporate management and business activities	5 Creating a satisfying workplace environment that leverages individual abilities and nurturing talent
2 Compliance with laws, regulations, and social norms	6 Measures toward environmental issues via business activities
3 Promoting fair trade	7 Risk response
4 Respect for human rights	8 Cooperation with regional societies through social contribution activities

Governance structure for sustainability



NIPPON ROAD Group ESG materiality

ESG materiality	Related ISO26000 core subjects	Priority themes	Ideal status
E (Environment)	Realizing an environmentally-conscious society	Environment	Achieving carbon neutrality
			50% reduction in CO ₂ emissions by 2030 compared to FY2013, achieve carbon neutrality by 2050
			Establishing a recycling-oriented society
			Reduce production of mixed waste
	Measures against deterioration of social infrastructure	Human rights	Enriching recycling technology and business
			Permanent recycling of asphalt and concrete waste
			Biodiversity conservation
	Strengthening human capital and intellectual capital	Human rights	Companywide implementation of nature-positive activities
			Thorough respect for human life and a safety-first mindset
			Zero fatalities and serious accidents, zero public accidents
			Floor slab replacement construction, span repair construction, and expanded overseas civil engineering construction projects through joint ventures in civil engineering with Shimizu Corporation
			Maintaining safe social lives
			Organizational structure to promptly secure lifelines in disasters
S (Social)	Measures against deterioration of social infrastructure	Human rights	Development of human resources that possess advanced expertise, regardless of job role or age
			Improving technological ability and securing product quality
			Development of human resources that possess advanced expertise, regardless of job role or age
			Utilization of DX technologies, support for the potential of workstyle reform and Society 5.0
			Organizational structure to promptly secure lifelines in disasters
	Strengthening human capital and intellectual capital	Consumer issues	Strengthening DX promotion and core systems
			Development of human resources that possess advanced expertise, regardless of job role or age
			Utilization of DX technologies, support for the potential of workstyle reform and Society 5.0
			Strengthening DX promotion and core systems
			Strengthen cyber security, appropriate patent management
G (Governance)	Improving employee engagement	Labor practices	Recognize diversity and provide workplaces that enable each employee to maximize their individual abilities
			Provide workplaces where employees can work happily and energetically with health in body and mind
			Reducing long work hours
			Provide workplaces where employees can work with peace of mind while experiencing personal growth
			Promoting health management*
	Coexistence with regional society	Participation and development in communities	Provide workplaces where employees can work happily and energetically with health in body and mind
			Reducing long work hours
			Provide workplaces where employees can work with peace of mind while experiencing personal growth
			Promoting satisfaction reform and improving working environment
			Provide workplaces where employees can work happily and energetically with health in body and mind
G (Governance)	Improving employee engagement	Participation and development in communities	Active engagement with regional societies
			Create relationships of mutual trust with local residents
			Ensuring thorough compliance (compliance with laws and regulations, etc.)
			Company trusted by all stakeholders
			Maintaining and enhancing corporate governance
	Coexistence with regional society	Organizational oversight	Improve corporate value
			Improve accountability to stakeholders
			Enriching information disclosure practices

The Group identified ESG materiality in 2019 and has worked to resolve a wide range of social issues through its business activities. We review materiality as appropriate in response to changes in the external environment as well as social demands and expectations regarding ESG elements.

Results and key measures in FY2024

- CO₂ emissions 34.9% reduction compared to FY2013 (non-consolidated, Scope 1,2)
- Mixed waste production: 11.9% reduction compared to FY2023
- Developed "Surimomi Aggregate" (January 2025)
- Implemented activities at 8 out of 10 branches (forest conservation, removing invasive plant species, preservation of the designated Ramsar wetland area, etc.)
- Fatalities 1 case / public accidents 0 cases
- Started using the Heatstroke Alert, which provides notifications for heat-illness risk levels via chat
- Jointly developed and commercialized "Biochar Ascon," which incorporates CO₂-sequestering biochar, with Shimizu Corporation (August 2024)
- Conducted companywide earthquake disaster response drills (September 2024; March 2025)
- Started operations of the human resources development complex Tsuchiura Techno BASE, and delivered in-house training and education 20 times
- Developed an as-built measurement app using 3D measurement technology (July 2024)
- Examined AI adoption through a working group to consider AI utilization
- Significant information security incidents 0 cases
- Employment rate of people with disabilities 2.8%
- Ratio of female employees in management positions 1.2%
- Conducted companywide stress checks
- Obtained certification as a "2025 Health and Productivity Management Outstanding Organization" (March 2025)
- Corrective recommendations from the Labor Standards Inspection Office for violations of the Labor Standards Act 5 cases
- Reviewed the personnel system toward reform
- Implemented social contribution activities 425 cases (participation in regional cleaning and traffic direction activities, receiving workplace tours for students, etc.)
- Significant violations of laws and regulations involved in business operations 0 cases
- Held Special Committee meetings 5 times
- Implemented effectiveness evaluation for the Board of Directors
- Held financial results briefings for the fiscal year ended March 31, 2024 and for the six months ended September 30, 2024
- Hosted a Tsuchiura Techno BASE site visit for institutional investors and analysts (September 2024)



Environment

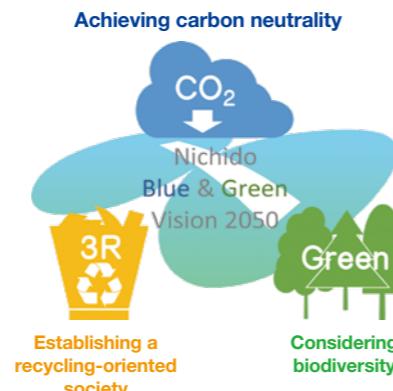
Environment

As "a company that contributes to the creation of a sustainable society," the NIPPON ROAD Group recognizes the potential environmental impacts that may arise from its business activities and will reduce them as far as possible. We will fulfill our social responsibility regarding environmental issues and pass on a sustainable society to the next generation.

As an environmentally advanced company

■ Nichido Blue & Green Vision 2050

In August 2021, the NIPPON ROAD Group formulated its environmental vision, "Nichido Blue & Green Vision 2050," and set out "Standards of Conduct" built on three pillars: achieving carbon neutrality, establishing a recycling-oriented society, and considering biodiversity. By ensuring that all Group officers and employees correctly understand these "Standards of Conduct," think for themselves, and act toward solutions, we will deliver environmental value to all stakeholders and contribute to a sustainable global environment.



■ Ministry of the Environment "Eco-First Company"

In February 2022, we were certified by the Ministry of the Environment as an "Eco-First Company." Under the Eco-First program, companies declare an "Eco-First Promise"—initiatives to carry out business activities in the environmental field that are advanced, distinctive, and industry-leading—and the Minister of the Environment certifies those commitments. As an environmentally advanced company, we will continue to put into practice the four measures set out in our "Eco-First Promise" and pursue efforts to pass on a sustainable society to the next generation.



Our "Eco-First Promise" as an environmentally advanced company

- ① Promote reductions in total CO₂ emissions from our business activities and contribute to achieving carbon neutrality by 2050 and to realizing a decarbonized society
- ② Curb the generation of waste and, through technology development, contribute to further establishing a recycling-oriented society
- ③ Give consideration to biodiversity and ecosystem conservation across all our business activities and promote measures to coexist with nature
- ④ Strive to be a company that is friendly to people, society, and the environment, with each and every officer and employee engaging in environmental conservation activities

Measures as an Eco-First Company

Participation in "Zero Marine Litter Week"

To promote environmental conservation across the NIPPON ROAD Group, we work to raise employees' environmental awareness. As part of these efforts, since 2022, we have participated in a nationwide cleanup campaign led by The Nippon Foundation and the Ministry of the Environment. In FY2024, a total of 182 sites and 1,200 employees took part in collecting litter around our offices and beach cleanups in the spring and autumn. Through these activities, employees experience local environmental issues firsthand and reaffirm the importance of environmental consideration in the workplace.



Measures toward carbon neutrality

■ Participation in and recognition by climate change-related initiatives

We have responded to the climate change questionnaire from CDP, an international evaluation body in the environmental field, since 2022. In FY2024, we received a "B" score (Management Level), the third highest, and were evaluated as "understanding our environmental risks and impacts and taking action."



In March 2025, we joined the GX League*, a framework led by the Ministry of Economy, Trade and Industry to drive green transformation (GX) toward a decarbonized society.

* The GX League was established based on the "GX League Basic Concept" announced by the Ministry of Economy, Trade and Industry in February 2022. It provides a place where companies collaborate to undertake GX in view of the Japanese Government's 2050 carbon neutrality goal and to pursue sustainable growth in current and future society.



In June 2025, we obtained SBT (Science Based Targets) certification. SBTs are international greenhouse gas (GHG) emissions reduction targets aligned with the level required by the Paris Agreement* (limiting the temperature increase to below 1.5 degrees from pre-industrial levels). The Group's 2030 reduction targets were certified by the validation body as being set on a scientific basis.

* Paris Agreement: An international, new framework on climate change and global warming countermeasures adopted at the UN Climate Change Conference (COP21) held in Paris, France in 2015



Measures at asphalt plants

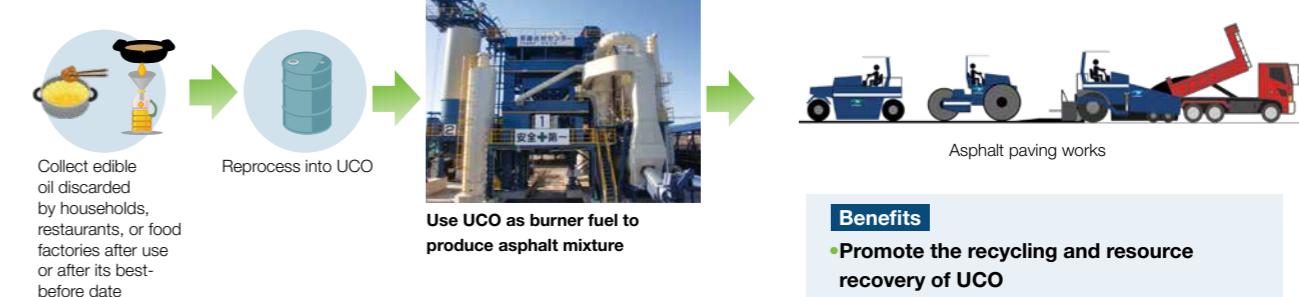
Reducing CO₂ emissions by using used cooking oil

In our material sales business, which accounts for 80% of the Group's GHG emissions, we are pursuing various measures toward achieving carbon neutrality by 2050, including converting asphalt plants to gas-fired operations and switching to renewable energy.

In 2024, we began measures to shift the fuel used in the asphalt mixture production process from exclusive firing of fuel oil A to co-firing of fuel oil A and used cooking oil (UCO)*. By co-firing fuel oil A and UCO at a 60:40 ratio, CO₂ emissions can be reduced by approximately 38%. We plan to introduce this at 20 plants nationwide by 2025. Once fully implemented, we expect an annual emissions reduction of 11,000 t-CO₂, equivalent to about 11% of the Group's annual CO₂ emissions.

* Used cooking oil (UCO): Edible oil discarded by households, restaurants, or food factories after use or after its best-before date

Utilization of used cooking oil



Benefits

- Promote the recycling and resource recovery of UCO
- Reduce CO₂ emissions by approx. 38% through co-firing with fuel oil A

Measures to establish a recycling-oriented society

The NIPPON ROAD Group contributes to establishing a recycling-oriented society by promoting the 3Rs for construction waste and advancing resource recovery technologies for waste plastics and other materials. While maintaining a recycling rate of at least 99% for specified construction material waste, we are also driving measures that both reduce environmental burden and extend the service life of social infrastructure, such as developing high-durability paving materials that utilize waste PET bottles.

Wood-formed blocks made from thinned wood

To circulate finite resources sustainably and use them efficiently, we are promoting the adoption of paving blocks that utilize wood chips made from timber generated through forest thinning. On April 1, 2024, we invested in Resource Forest inc., which manufactures this product, and made it into a subsidiary. Because the product's CO₂ uptake exceeds the CO₂ emitted during manufacturing, we are strengthening sales as a carbon-negative paving material.

Compared with asphalt or concrete pavement, the product offers higher thermal insulation, reducing heat reflection from direct sunlight. In addition, its lower coefficient of restitution than ordinary interlocking blocks reduces the load on feet, knees, and lower back during walking.



Measures for biodiversity conservation

The NIPPON ROAD Group participates in the Ministry of the Environment's "30 by 30 Alliance for Biodiversity." This alliance is a voluntary coalition led by the Ministry of the Environment to achieve the "30 by 30" goal, an international commitment that seeks to conserve 30% of land and sea as healthy ecosystems by 2030. A total of 1,049 organizations and individuals, including companies, local governments, and NPOs, are participating (as of June 11, 2025). Within the Company, each branch continues biodiversity activities such as forest conservation, preservation of the designated Ramsar wetland area, and removal of invasive plant species.



Forest volunteer activities (Hokkaido Branch)

We participate in volunteer activities organized by the Hokkaido Forest Volunteers Association. Through tree planting and sanitation cutting (removal of dead or dying trees, etc.), we help conserve and enhance environments where people and nature can coexist in balance.



Aso grassland restoration project (Kyushu Branch, Hinokuni Ascon)

As a Kumamoto Prefecture-certified "Aso Grassland Supporter Company," we take part in activities such as controlled burning to conserve the grasslands. The Aso grasslands are home to roughly 600 rare plant and insect species, including the endangered *Hinahigotai* and *Ogurasennou*. With the aim of passing on them to future generations, we will continue our participation in these efforts.



Social Social

To continue supporting social infrastructure that enables all stakeholders to live safely, securely, and comfortably by providing high-quality construction, products, and services, we believe it is essential to protect the safety, working conditions, and human rights of those engaged in each area of our operations. Aiming to be a vibrant company in which all employees, including those in our supply chain, can demonstrate their abilities and individuality while maintaining sound mental and physical health, we will continue to deliver value to society.

Measures for quality assurance

Positioning quality assurance as our top priority in advancing price pass-through, we are strengthening quality improvement efforts across all divisions. Based on the companywide ISO9001 certification acquired in 2004, quality targets are defined for each business division in every fiscal year, and the status of the implementation of these targets is reviewed by the management.

Measures by division

In the construction division, to maintain high-quality execution amid the aging of skilled engineers and labor shortages, we are promoting ICT-based construction companywide. We regularly convene ICT representatives from each branch to exchange information, and we hold on-site i-Construction study sessions, including practical training in 3D pre-construction surveying, drone training, and pavement milling practice using machine guidance.

In the asphalt mixture manufacturing division, we appoint Quality Assurance Promoters at each branch to strengthen our quality assurance measures and hold regular training and lectures on quality management with the objectives of sharing information among each branch and introducing development technologies.



Quality management training session

Measures for occupational health and safety

Occupational health and safety serves as the foundation for the NIPPON ROAD Group's business activities. Based on our ISO45001 certification, we are committed to standardization and systemization on an organizational level to ensure that we pass on our values as well as working toward improvement in line with the PDCA cycle. In addition, in order to ensure thorough implementation of the three actuals (Sangen Shugi) (examining the actual place, actual thing, actual fact), officers from the headquarters make on-site visits to workplaces twice annually to verify and conduct inspections on the current status and provide relevant guidance.

Safety results for FY2024

In FY2024, the number of accidents and disasters reported to the headquarters was 34 (up 54% year-on-year). By category, material damage accidents and traffic accidents remained prevalent, and accidents caused by flying/falling objects increased. In FY2023, 1 fatal accident occurred. Accordingly, from the beginning of FY2024, we stepped up companywide accident-prevention activities. However, regrettably, there was 1 fatal accident involving heavy machinery during paving operations in FY2024.

Recognizing accidents in our core business as a material risk, in FY2025, we are visualizing companywide unified rules that incorporate enhanced safety equipment, and are reviewing fundamental safety measures.

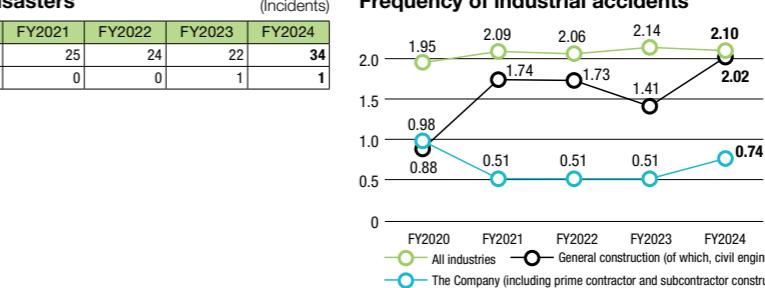


Health and safety patrol by President Ishii (the second person from the right) for paving works between Yamagata IC and Itonuki IC on the Tokai-Kanjo Expressway

Number of accidents/disasters

	FY2020	FY2021	FY2022	FY2023	FY2024
Accidents/disasters	35	25	24	22	34
Fatalities	0	0	0	1	1

Frequency of industrial accidents



* All industries and general construction (of which, civil engineering) aggregated as one or more days of suspended operations in the calendar year. The Company (including prime contractor and subcontractor construction) aggregated as four or more days of suspended operations in the fiscal year (April to March).

Source: "Survey on Industrial Accidents in 2024," Ministry of Health, Labour and Welfare

Respect for human rights

NIPPON ROAD Group Basic Human Rights Policy

- 1 Guarantee occupational health and safety
- 2 Limit overwork and reduce overtime hours
- 3 Prevent harassment
- 4 Prohibit child labor and forced labor
- 5 Prohibit discrimination

Communication on human rights

We have prepared the "Guidelines for the Prevention of Human Rights Violations and Harassment," which also address complex situations where human rights violations and multiple forms of harassment, such as sexual harassment and power harassment, intersect, and we provide guidance and education through training and other programs. We have set up consultation desks both inside and outside the Company, and also accept reports and inquiries from external parties via our website. For internal reports and consultations, after confirming the facts, we take actions such as reassignment, mental health support for victims, and disciplinary action for perpetrators as needed, and take appropriate measures such as re-disseminating policies, investigating root causes of incidents, and preventing recurrence.



Guidelines for the Prevention of Human Rights Violations and Harassment

Supply chain management

NIPPON ROAD Group Sustainable Procurement Policy

- 1 Compliance with laws, regulations, and social norms
- 2 Thorough implementation of fair and equitable trade
- 3 Establish and strengthen partnerships
- 4 Respecting human rights
- 5 Promote safety and cleanliness
- 6 Consideration for the environment
- 7 Secure and improve quality
- 8 Thorough implementation of information security
- 9 Continuation of business activities during disasters
- 10 Active social contribution

Measures for supply chain management

We conduct our business with partner companies, including "Doshinkai," an organization of over 900 partner companies nationwide, on the basis of fair and equitable transactions, guided by a spirit of mutual support. Through efficient coordination at on-site progress meetings and by conducting training programs such as safety education and foreman training, we work to enhance productivity and build strong partnerships.

Measures by partner-company organizations on safety, health, environment, and compliance

Based on the "Guidelines for Safety and Health Management of Partner Contractors," we promote the elimination of industrial accidents through Health and Safety Council meetings, site entry induction training, and safety patrols. In materials procurement, we verify environmental impacts and legal compliance. We also conclude contracts with business partners that include a clause on the elimination of antisocial forces, and ensure fair transactions through confirmation of outstanding balances and the operation of an external reporting desk.



"Conference for Promoting Health and Safety" held annually at each office

Enhancing added value through collaboration and prosperous coexistence

Based on the Japan Federation of Construction Contractors' "Declaration of Respect for Labor Cost Estimates," we respect partner companies' proper estimates with clearly itemized labor costs and are working to improve the treatment of skilled construction workers. Including compliance with the upper limit regulation on overtime work, we aim to build a sustainable construction industry.

In addition, we have adopted the "Declaration of Partnership Building," which proclaims, from the ordering party's standpoint, our commitment to building new partnerships by promoting collaboration and prosperous coexistence with supply chain partners and other businesses

that create value. Through this, we seek to enhance added value across the entire supply chain.



Contribution to regional society

The NIPPON ROAD Group works to cooperate with regional societies through social contribution activities. We carry out about 400 activities annually, including initiatives unique to our business locations and requests from partners. Among these activities, we specifically recognize those that contribute significantly to the enhancement of the Group's corporate value with special commendations.

FY2024 in-house award-winning activity Hands-on "working vehicles" learning program experienced by a total of 930 children

At the Nanso Sub-office of the Tokyo Branch, we provide an annual opportunity for elementary school students in southern Chiba Prefecture to touch and ride construction machinery that they normally cannot approach. The event held in November 2024 marked the 15th session.

For the FY2024 learning program, with the cooperation of partner companies, we placed an aerial work platform, wheel loader, backhoe, dump truck, road-sign vehicle, toilet truck, and other equipment on the school grounds, allowing children to handle the actual levers and steering wheels of construction machinery. We also had the children stand behind a dump truck to explain blind spots, teaching them not to play behind vehicles.



Photos from all 15 sessions and children's feedback

"Michi Bushin (Road Repair and Maintenance)": Activity that returns to the roots of road construction

Since 2018, we have participated in "Michi Bushin Walk," a maintenance and restoration program conducted by Wakayama Prefecture for the World Heritage Kumano Kodo Pilgrimage Routes. In this activity, we carry soil in sandbags to the work site, spread and level it, and compact it, entirely by hand. For the Company, a road paving contractor, it is a valuable experience that allows us to return to the roots of road construction. As routes long known as paths of faith, the Kumano Kodo has given rise to many traditions and legends. This is an important initiative to contribute to the preservation of that culture and passing it on to the next generation. We will continue to take part with pride as professionals in road construction.



Scenes from the November 2024 activity

Measures to nurture the next generation

Amid an intensifying labor shortage, we are communicating the appeal of the construction industry to younger generations by hosting site tours and hands-on learning, offering off-site classes, and providing job shadowing and internships. Through these experiences, we convey how roads work and what functions they serve, as well as the construction industry's social contribution and rewarding nature.

We accept students not only at our business offices and asphalt plants but also at Tsuchiura Techno BASE.

Workplace experience program at Tsuchiura Techno BASE
(December 2024 / 2nd-year junior high school students / total of 111 participants over two days)



Testing work at the Technical Research Laboratory

Hands-on drone operation

List of Directors and Corporate Auditors

Directors



Representative Director
President

Toshiyuki Ishii

Reasons for appointment

Since joining the Company, he has been involved in the Company's construction business, and possesses abundant experience and highly specialized knowledge gained through his experience on work sites. He was promoted to director and executive officer in 2016, and then to Representative Director in 2021, and has since fulfilled his responsibilities with leadership and determination that he has exercised with the goal of improving the Group's corporate value.



Representative Director
Senior Managing Officer

Masakazu Hyodo

Reasons for appointment

While working at Shimizu Corporation, he worked as the Manager of the Finance Department and the Executive Officer in charge of Finance & Accounting, among other positions, and has served as Representative Director and Senior Managing Officer of the Company since 2023. He possesses broad experience and an abundance of specialized knowledge in the construction industry. Additionally, he was promoted to Representative Director in 2023 and has been contributing to efforts to continuously improve the Group's corporate value.



Director
Senior Managing Officer

Kaoru Ito

Reasons for appointment

Since joining the Company, he has been involved in the Company's construction business, and possesses abundant experience and highly specialized knowledge gained through his experience on work sites. He was promoted to executive officer in 2017, and thereafter supervised the Business Department as the General Manager of the Business Division, was promoted to director and managing officer in 2019, was promoted to director and Senior Managing Officer in 2022, and has been contributing to efforts to continuously improve the Group's corporate value.



Director
Senior Managing Officer

Takeshi Takasugi

Reasons for appointment

Since joining the Company, he has been involved in the Company's construction business, and possesses abundant experience and highly specialized knowledge gained through his experience on work sites. He was promoted to executive officer in 2017, was promoted to managing officer in 2022, and supervised the Construction and the Manufacturing & Sales Departments as General Manager of the Production and Technical Division, was promoted to director and managing officer in 2023, was promoted to director and senior managing officer in 2025, and has contributed to the continuous improvement of the Group's corporate value.



Director
Managing Officer

Toshihiko Kasai

Reasons for appointment

He has served as the Deputy Manager of the Accounting Department and the Manager of the Corporate Planning Department of the Company, as well as the president of the Group's subsidiary, ND Leasing System Co., Ltd., thus granting him significant experience and expertise regarding finances, accounting, and management. He was promoted to executive officer in 2020, director and executive officer in 2021, then to director and managing officer in April 2023, and has contributed to the continuous improvement of the Group's corporate value.



Outside Director

Nozomu Morimura

Reasons for appointment

With his substantive experience, achievements, and expertise as a manager of listed corporations, and the fact that his high degree of independence makes him ideal for supervising management of the Company from a neutral and objective standpoint, he has been fulfilling his role in improving the transparency and supervisory functions of the Board of Directors.



Outside Director

Fumiko Kosao

Reasons for appointment

With her substantive experience and highly specialized knowledge as a tax accountant, and the fact that her high degree of independence makes her ideal for supervising management of the Company from a neutral and objective standpoint, she has been fulfilling her role in improving the transparency and supervisory functions of the Board of Directors.



Outside Director

Naoko Tomono

Reasons for appointment

Due to her substantive experience and highly specialized knowledge as an attorney, and the fact that her high degree of independence makes her ideal for supervising management of the Company from a neutral and objective standpoint, we have determined that she can fulfill her role in improving the transparency and supervisory functions of the Board of Directors.

* Naoko Tomono was newly appointed as a director at the 120th Annual General Meeting of Shareholders held on June 26, 2025.

* Nozomu Morimura, Fumiko Kosao and Naoko Tomono are Independent Outside Directors.

Record of Attendance at Meetings in FY2024

■ Board of Directors □ Board of Corporate Auditors ◆ Executive Appointment Committee

◇ Independent Outside Officers Meeting ● Special Committee

Years in office: As of the conclusion of the 120th Annual General Meeting of Shareholders held on June 26, 2025

Corporate Auditors



Standing Corporate Auditor

Kazutaka Sakuma

Reasons for appointment

He has abundant operational experience and advanced knowledge in areas such as general affairs, compliance, and risk management. He has been fulfilling his role in strengthening audit functions regarding the execution of duties by directors, leveraging his experience and knowledge.



Standing Corporate Auditor

Hikotaro Sakanoue

Reasons for appointment

He has abundant operational experience and advanced knowledge in areas such as general affairs, human resources, and management. We have determined that he can adequately demonstrate audit functions regarding the execution of duties by directors, leveraging his experience and knowledge.



Part-time Outside Corporate Auditor

Yuichi Yamamori

Reasons for appointment

He has been fulfilling his role in strengthening audit functions regarding the execution of duties by directors, leveraging his high degree of knowledge cultivated through his broad business experience at financial institutions, etc.



Part-time Outside Corporate Auditor

Yohei Kishi

Reasons for appointment

He, as a certified public accountant, has abundant experience and specialized knowledge. He has appropriately audited all aspects of the execution of duties by directors, as well as the Company's finance and taxation, from a fair and neutral standpoint.



Part-time Outside Corporate Auditor

Hiroshi Sekine

Reasons for appointment

He, as a tax accountant, has abundant experience and specialized knowledge. He has appropriately audited all aspects of the execution of duties by directors, as well as the Company's finance and taxation, from a fair and neutral standpoint.

* The record of attendance at meetings for Kazutaka Sakuma, Yohei Kishi and Hiroshi Sekine covers meetings held on or after June 21, 2024, the date they assumed office as Outside Corporate Auditors.

* Hikotaro Sakanoue was newly appointed as a corporate auditor at the 120th Annual General Meeting of Shareholders held on June 26, 2025.

Expertise possessed by directors

Name	Position at the Company	Areas of expertise expected by the Company							
		Corporate management and management strategy	Knowledge of the industry (technological and sales)	Global experience	DX and research and development	Finances and accounting	Legal matters, compliance, and risk management	Human resources, labor, and personnel development	Sustainability
Toshiyuki Ishii	Representative Director President	●	●	●	●	●	●	●	●
Masakazu Hyodo	Representative Director Senior Managing Officer	●		●		●	●	●	●
Kaoru Ito	Director Senior Managing Officer		●	●				●	●
Takeshi Takasugi	Director Senior Managing Officer		●		●	●	●	●	●
Toshihiko Kasai	Director Managing Officer			●	●	●	●	●	●
Nozomu Morimura	Outside Director	●		●		●	●	●	●
Fumiko Kosao	Outside Director			●	●	●	●	●	●
Naoko Tomono	Outside Director			●	●	●	●	●	●

Governance

Governance

Based on the NIPPON ROAD Basic Policy of Corporate Governance, we secure the health, transparency, and efficiency of management. Additionally, from the perspective of protecting the interests of minority shareholders, we have established a Special Committee to deliberate and review the existence of significant transactions and conduct where the interests of controlling shareholders and minority shareholders may conflict. The Committee provides advice and recommendations to the Board of Directors, aiming to maintain our reputation as a company trusted by stakeholders.

Note: As the Company's shares are scheduled to be delisted on October 10, 2025, the descriptions herein are based on the governance structure as of the conclusion of the 120th Annual General Meeting of Shareholders held on June 26, 2025.

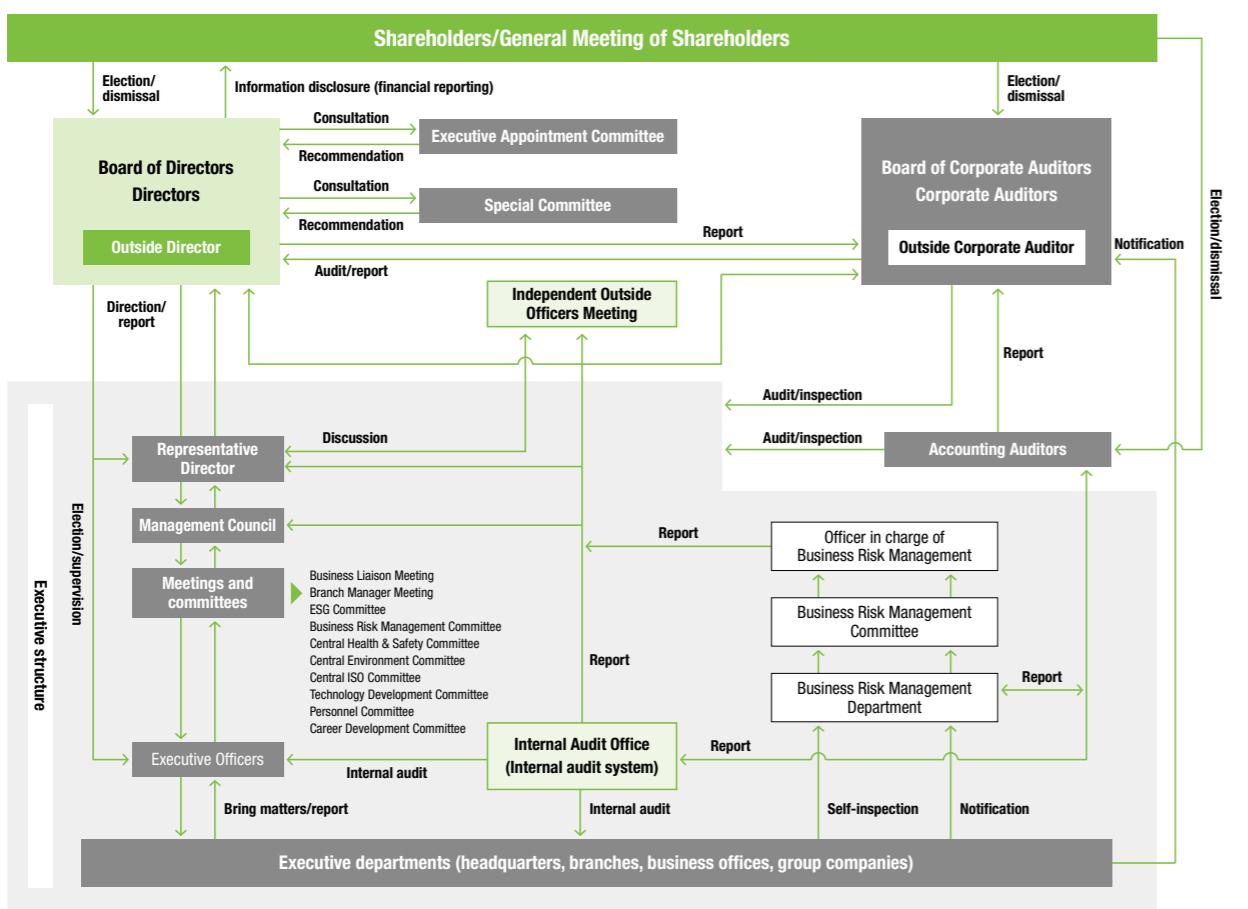
Corporate Governance

Basic Views

The Company ensures the rights and equal treatment of our shareholders from the perspective of ensuring sound, transparent, and efficient management. In addition, the Company's basic policy on corporate governance is to prepare and establish internal systems that respect our relationships with stakeholders and ensure transparency through the timely disclosure of relevant information related to management as well as provide continuous supervision of management with structures such as the Board of Directors and the Board of Corporate Auditors.

Corporate Governance Structure

(As of June 26, 2025)



The Board of Directors has been entrusted by shareholders to promote efficient and effective corporate governance for all shareholders who seek to enhance their own interests through maximizing corporate value in the medium and long term, and to these ends, assumes responsibility for seeking sustainable growth for the Company and maximizing corporate value in the medium and long term in turn.

In addition, Independent Outside Directors who present no risk of conflicts of interest with ordinary shareholders are appointed as one-third or more of the total number of Directors to enhance the objectivity and neutrality of the management supervisory function of the Board of Directors.

The Company has adopted the structure of a company with a

board of Corporate Auditors. The Board of Corporate Auditors consists of five Corporate Auditors, two of whom are Standing Inside Corporate Auditors well versed in corporate operations, and with at least one of the five Corporate Auditors possessing appropriate knowledge of finances, accounting, and legal matters. In addition to the Standing Inside Corporate Auditors, three Outside Corporate Auditors (including two Corporate Auditors who are designated as Independent Outside Officers) are appointed to establish a structure that enables the management supervisory function to be demonstrated to the fullest extent from an independent outside perspective that is objective and neutral while still maintaining an understanding of all corporate operations.

Key governance bodies established

Board of Directors

The Board of Directors is composed of eight Directors (five inside and three outside), and meetings are held once per month (extraordinary meetings are held as necessary). The Board of Directors determines the Company's business execution policies and resolves and approves matters specified by laws and regulations and other important matters. It also supervises the execution of Directors' duties. In particular, with regard to increasing activity in the Board of Directors, we promote the separation and strengthening of responsibilities between business execution and overall corporate management, limiting the number of Directors responsible for making decisions on, executing, and supervising important matters in company management, thus enhancing the health and efficiency of management. 14 meetings were held in FY2024.

Board of Corporate Auditors

The Board of Corporate Auditors is composed of five Corporate Auditors (two inside and three outside), with two Inside Corporate Auditors serving as standing Corporate Auditors. Among the Outside Corporate Auditors, two are designated as Independent Outside Corporate Auditors. The Corporate Auditors audit the performance of Directors through attendance at important meetings, examination of meeting minutes and related documents, and investigations into the Company's business and asset conditions. They strive to maintain and enhance the Company's social credibility and contribute to business development.

Executive Appointment Committee

The Executive Appointment Committee has been established as an optional advisory committee of the Board of Directors, which includes Representative Directors (two people), Independent Outside Officers (five people), and external experts selected from outside the Company. This Committee is responsible for matters related to the nomination of Directors, their compensation, and the selection and dismissal of the President and other members of the management team. Regarding the content of proposals on the appointment and dismissal of Directors for General Meetings of Shareholders, the Committee, when consulted by the Board of Directors, reviews such proposals before they are finalized. It also reviews the guidelines for Director compensation, providing recommendations to the Board of Directors.

Special Committee

The Special Committee is an advisory body to the Board of Directors consisting of three members selected from among Independent Outside Officers. It reviews and examines significant transactions and actions involving our parent company, Shimizu Corporation, or its wholly-owned subsidiaries from the perspective of protecting the interests of minority shareholders as an advisory body to the Board of Directors, established in compliance with the Corporate Governance Code.

The Special Committee reviews and examines the following matters, and provides advice and recommendations to the Board of Directors.

- 1 Transfers of certain business divisions and adjustments between related businesses
- 2 Transactions that would be considered as involving conflict of interest under the Companies Act
- 3 Other important transactions and actions that may present conflicts of interest between Shimizu Corporation or its wholly-owned subsidiaries and minority shareholders of the Company

Specifically, as "direct transactions with Shimizu Corporation that the Special Committee deems to require review and examination from the perspective of protecting the interests of minority shareholders," the Committee reviews and examines orders from Shimizu Corporation and its subsidiaries as well as profit variations after orders are received based on certain criteria, and in addition, reviews and examines orders from the Company for company buildings and other projects.

Regular committee meetings are held once per quarter in principle, and extraordinary committee meetings are held as necessary. In FY2024, regular committee meetings were held four times and an extraordinary committee meeting was held one time, and as a result of review and examination, the Committee confirmed that the subject transactions were reasonable and provided recommendations to the Board of Directors.

Independent Outside Officers Meeting

Composed of Independent Outside Officers (five people), the Independent Outside Officers Meeting freely discusses matters related to the Company's business and corporate governance. The Chief Independent Outside Director, selected from among the Independent Outside Directors, leads the Independent Outside Officers Meeting and regularly engages in discussions with the Chair of the Board of Directors (President) regarding issues raised within the Meeting. Additionally, the Meeting receives regular reports from the General Manager of the Internal Audit Department on the results of internal audits and points of concern related to risks within the Company.

History of strengthening corporate governance

2003	• Introduced the Executive Officer System
2006	• Formulated the Internal Control System Basic Policy
2014	• Established the Internal Control Committee
2015	• Appointed one Outside Director
	• Formulated the NIPPON ROAD Basic Policy of Corporate Governance

2016	• Appointed two Outside Directors
2022	• Established the Special Committee
2023	• Appointed three Outside Directors (including one female)
2025	• Female representation on the Board increased to 25%.

Duties of Independent Outside Directors

Based on their expertise, the Company's Independent Outside Directors continuously review and evaluate the Company's management performance and the execution status of the management team in light of the management strategies and plans determined by the Board of Directors. Their primary role is to assess the appropriateness of entrusting the Company's management to the current management team from the perspective of the collective

interests of shareholders, and express their opinions on this matter. The Company has established a structure for Independent Outside Directors to enhance the quality of discussions and the effectiveness of management decisions at Board of Directors meetings, thereby improving the supervisory function for business execution by the Board of Directors.

Matters regarding amount of compensation, etc., for officers and policies for determining calculation methods

At a Board of Directors meeting, the Company resolves the policy for determining individual Director compensation and other related matters. When making resolutions at the Board of Directors meetings, we consult with and obtain recommendations from the Executive Appointment Committee, which consists of Representative Directors and Independent Outside Officers, regarding the content to be resolved. Compensation for the Company's Directors consists of basic compensation that is fixed compensation and stock acquisition compensation, as well as an officer bonus that is performance-linked

compensation. Compensation for Independent Outside Directors includes only basic compensation. Furthermore, compensation for the Company's Corporate Auditors consists of basic compensation that is fixed compensation, and an officer bonus that is performance-linked compensation. Compensation for Part-time Corporate Auditors includes only basic compensation. Individual compensation amounts for Corporate Auditors are determined through discussions among the Corporate Auditors.

1 Matters concerning resolutions at a General Meeting of Shareholders for the compensation amount for Directors and Corporate Auditors

At the 118th Annual General Meeting of Shareholders held on June 23, 2023, the compensation amount for Directors and Corporate Auditors was resolved to be 380 million yen or less per annum (of which, 40 million yen or less per annum for Outside Directors) for Directors, including employee compensation for Directors concurrently serving as employees, and 70 million yen or less per annum for Corporate Auditors.

2 Policies concerning fixed compensation, etc.

Basic compensation is provided as a fixed monthly payment for the responsibilities associated with management and execution of duties. The basic compensation is determined by considering the overall business environment while also taking into account employee salary levels and standards at other companies. Stock acquisition compensation is paid monthly, in addition to the basic compensation, with the purpose of purchasing company stock to reflect shareholder perspectives in management and contribute to a medium- to long-term increase in shareholder value. While holding the same position, the individual stock acquisition compensation is maintained at the same amount. Directors purchase company stock through the Director Shareholding Association and are required to hold the stock continuously for a certain period during their tenure and after retirement.

3 Policies, etc. concerning performance-linked compensation, etc.

Performance-linked compensation shall be limited to monetary compensation in the form of officer bonuses and are considered incentives for short-term improvement in business results. The performance metrics for officer bonuses are profit attributable to owners of parent and dividends per share. Officer bonuses are only paid if profit attributable to owners of parent reaches 2,000 million yen and dividends per share reaches 14 yen for each business year. If either of these metrics fails to meet the specified criteria, the bonuses will not be paid.

4 Policies, etc. concerning ratio of compensation, etc.

Regarding the percentage breakdown of compensation types by position, the Company determines the percentage of each compensation type for each position based on compensation levels at companies of similar scale and companies in related industries. Furthermore, the Company's Director compensation consists of fixed compensation in the form of basic compensation, stock acquisition compensation, and an officer bonus that is performance-linked compensation, etc., and non-monetary compensation will not be provided.

Total amount of compensation for directors and corporate auditors in FY2024

Officer category	Total amount of compensation, etc. (Millions of yen)	Total amount of compensation, etc. by type (Millions of yen)			Number of officers applicable (Persons)
		Fixed compensation	Performance-linked compensation	Other compensation	
Directors (outside directors)	233 (21)	182 (21)	51 (-)	-	8 (3)
Corporate auditors (outside corporate auditors)	52 (15)	47 (15)	5 (-)	-	6 (4)
Total (outside officers)	286 (36)	229 (36)	57 (-)	-	14 (7)

*1. Includes one Outside Corporate Auditor who retired at the conclusion of the 119th Annual General Meeting of Shareholders held on June 21, 2024.

2. Does not include payment of employee salary portions.

3. The above includes 51 million yen in Director bonuses (five persons) and 5 million yen in Corporate Auditor bonuses (two persons) paid on June 26, 2025.

4. In addition to the above, the total amount of compensation, etc. received by our outside officers, for serving as officers, from subsidiaries of the Company's parent company during the fiscal year was 0 million yen.

Risk Management

The NIPPON ROAD Group has established a companywide, structured risk management system to accurately identify operational risks and prevent their materialization in advance, and we implement ongoing risk management.

Internal control system

To strengthen and promote our compliance framework and to prevent operational risks before they arise, we have established the Business Risk Management Committee and, as its responsible department, the Business Risk Management Department. In accordance with the Basic Philosophy/Policy of Compliance, we work to disseminate, implement, and manage the laws and regulations to be observed in our operations, including the Construction Business Act, as well as our code of conduct, and we strive to ensure thorough corporate ethics. With respect to safety and environment, the departments in charge conduct regular training through group sessions and the intranet, and we have established both the Central Health & Safety Committee and the Central Environment Committee. Beyond compliance with relevant laws and regulations, we endeavor to prevent public accidents and to promote environmental conservation activities.

Committees for identifying operational risks and deliberating countermeasures

Committee name	Purpose
Business Risk Management Committee	Strengthen and promote the companywide operational risk management system
Central Health & Safety Committee	Discuss and coordinate policies for safety and health activities, as well as related guidance, education, and research activities
Central Environment Committee	Promote proper treatment and recycling of construction by-products and advance environmental conservation activities
Central ISO Committee	Decide companywide comprehensive measures on quality, and grasp, guide, and supervise the status of related activities.

Information security

The Group has established the Basic Policy on Information Security to protect our information assets (information and information systems) from all threats and to ensure appropriate security management.

Basic Policy on Information Security

- 1 All officers and employees shall recognize the importance of information security and the proper use of information assets, and shall handle information assets appropriately.
- 2 We shall implement protective measures to prevent threats to information assets. In the event of an incident, we shall take appropriate countermeasures, including measures to prevent recurrence.
- 3 We shall comply with laws, regulations, and internal rules relating to information security.
- 4 We shall provide necessary training to all officers and employees to raise awareness of information security.
- 5 We shall conduct periodic risk assessments and audits and pursue continual improvement.

In addition, we operate IT controls based on the Basic Policy on Information Security. To confirm that the business processes (operational manuals) designed to ensure that all controlled operations are processed and recorded accurately are functioning effectively, we evaluate five areas: management of IT development and maintenance, data maintenance management, system operations management, access management, and outsourcing management.

BCP (business continuity plan) measures

At all times and under all circumstances, we place the safety of human life first. On the premise of ensuring the safety of employees and their families, even in emergencies, we must prevent interruptions to critical operations, maintain social infrastructure as a construction company, and fulfill our supply responsibilities as a corporation. The BCP formulated by the Company has been certified by the Director-General of the Kanto Regional Development Bureau, Ministry of Land, Infrastructure, Transport and Tourism as conforming to the "Guidelines for Evaluating the Basic Business Continuity Capacity of Construction Companies in Times of Disaster."

To verify the effectiveness of the BCP, we conduct regular disaster response drills. In the BCP drill conducted in March 2025, Part 1 was carried out at the branch level, where offices practiced reporting damage conditions to the Branch Disaster Response Department using emergency communication equipment. Building on those results, Part 2 was a companywide practical exercise assuming three days after an earthquake, in which participants reported to the Companywide Disaster Response Department on the status of assistance requests from counterparties to disaster agreements and of emergency supplies, and then discussed response measures.



Kanto Regional Development Bureau
Certificate of Basic Business Continuity Capacity in Times of Disaster

Financial Results Highlights (Consolidated)

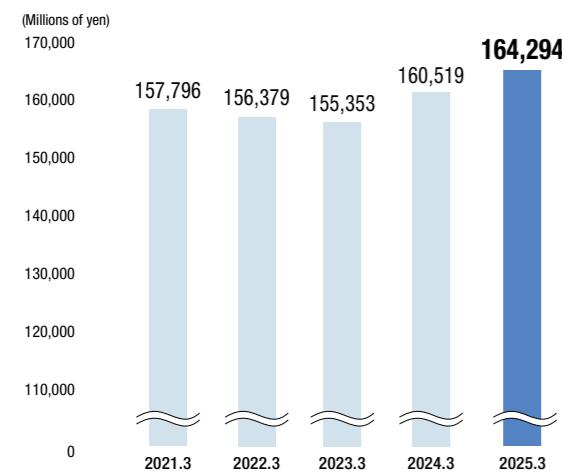
						(Unit: Millions of yen)					
	Fiscal Year ended March 31, 2016	Fiscal Year ended March 31, 2017	Fiscal Year ended March 31, 2018	Fiscal Year ended March 31, 2019		Fiscal Year ended March 31, 2020	Fiscal Year ended March 31, 2021	Fiscal Year ended March 31, 2022	Fiscal Year ended March 31, 2023	Fiscal Year ended March 31, 2024	Fiscal Year ended March 31, 2025
Operating results (fiscal year)											
Amount of orders received	150,816	132,587	150,672	155,012		154,772	165,563	147,188	156,506	172,453	168,848
(of which, amount of orders received for construction business)	120,316	103,588	121,237	127,024		126,322	136,764	120,340	127,896	143,513	138,036
Net sales						120,250	128,997	129,532	126,743	131,578	133,482
Completed construction contracts	111,283	105,365	111,255	118,307		20,955	21,209	20,217	22,076	21,984	23,625
Finished goods	23,053	22,297	22,014	20,719		7,493	7,589	6,630	6,533	6,956	7,186
Co-creation business	7,446	6,702	7,420	7,267		148,699	157,796	156,379	155,353	160,519	164,294
Total net sales	141,783	134,365	140,690	146,294		10.7%	15,867	12.2%	19,298	10.9%	16,968
Gross profit	13.5%	19,115	12.3%	16,587	11.1%	15,639	10.9%	15,983	9.7%	15,059	11.4%
Selling, general and administrative expenses	6.5%	9,237	6.9%	9,301	6.3%	8,897	5.6%	8,219	6.0%	9,363	6.5%
Operating income	7.0%	9,878	5.4%	7,286	4.8%	6,742	5.3%	7,764	5.2%	8,202	4.9%
Ordinary income	6.9%	9,748	5.6%	7,566	5.2%	7,284	5.6%	8,160	5.5%	8,582	3.8%
Profit attributable to owners of parent	3.5%	4,906	3.3%	4,451	1.0%	1,449	3.1%	4,550	3.6%	5,667	3.7%
Capital expenditure amount	4,277	4,209	6,439	4,375		6,118	4,656	4,812	4,256	6,725	3,887
Depreciation	3,383	3,624	3,770	3,739		3,758	4,018	3,857	3,450	3,627	3,968
R&D expenses	452	462	451	434		483	451	478	545	675	560
Financial position (at end of fiscal year)											
Net assets	74,609	77,869	77,758	81,003		85,486	92,233	95,006	96,909	100,214	104,761
Total assets	141,752	141,335	147,783	151,341		145,974	152,917	152,194	151,850	149,926	156,741
Cash flows (fiscal year)											
Cash flows from operating activities	7,823	7,435	8,333	4,393		4,922	8,155	2,360	10,918	92	15,117
Cash flows from investing activities	△4,234	△3,900	△4,852	△4,619		△5,171	△4,904	△5,140	307	△5,204	△3,896
Cash flows from financing activities	△2,387	△1,836	△1,266	△1,320		△1,760	△1,584	△3,788	△3,349	536	△2,640
Cash and cash equivalents at end of period	34,698	36,349	38,631	37,061		35,052	36,691	30,158	38,129	33,585	42,258
Per share information (Yen)¹											
Net assets	1,693.89	1,767.71	1,764.94	1,840.13		1,942.35	2,095.70	2,158.72	2,201.95	2,276.83	2,379.79
Profit attributable to owners of parent (EPS)	111.53	101.27	32.98	103.54		154.55	172.89	128.96	129.80	115.00	143.92
Dividends	34	30	30	40		36	52	42	56 ²	60	60
Financial index (%)											
Equity-to-asset ratio	52.5	55.0	52.5	53.4		58.5	60.2	62.3	63.7	66.7	66.7
Return on equity (ROE)	6.7	5.9	1.9	5.7		8.2	8.6	6.1	6.0	5.1	6.2
Payout ratio	30.5	29.6	91.0	38.6		23.3	30.1	32.6	43.1	52.2	41.7

¹ The Company conducted a share split at a rate of five shares per share of common shares with October 1, 2023 as the effective date. Net assets per share, profit attributable to owners of parent (EPS), and dividends per share through the fiscal year ended March 31, 2023 have been calculated assuming this stock split was conducted at the beginning of the fiscal year ended March 31, 2016.

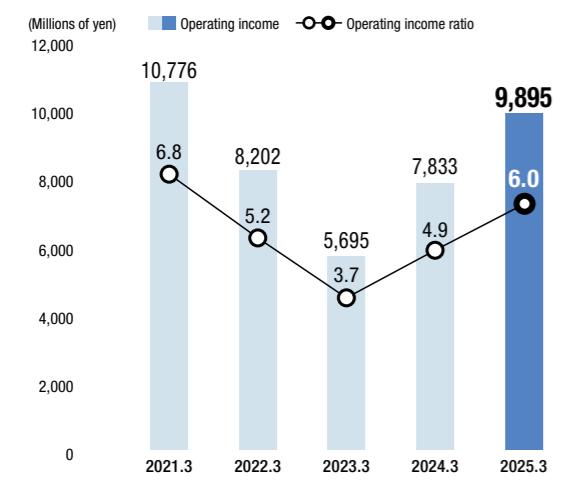
² Breakdown of year-end dividend for the fiscal year ended March 31, 2023 is as follows: the Ordinary dividend 36.00 yen and Special dividend 20.00 yen.

Key Indicators (Consolidated)

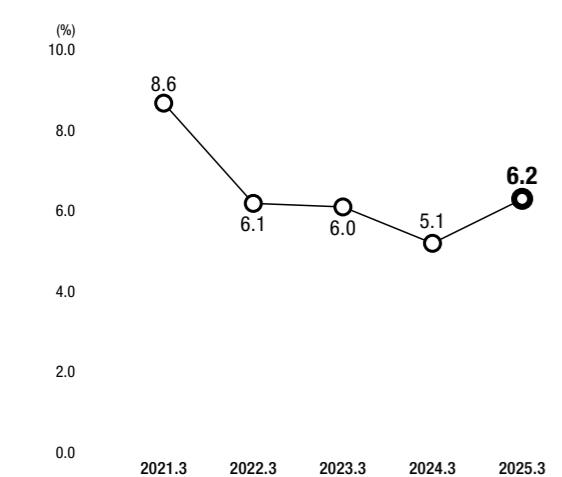
Net sales



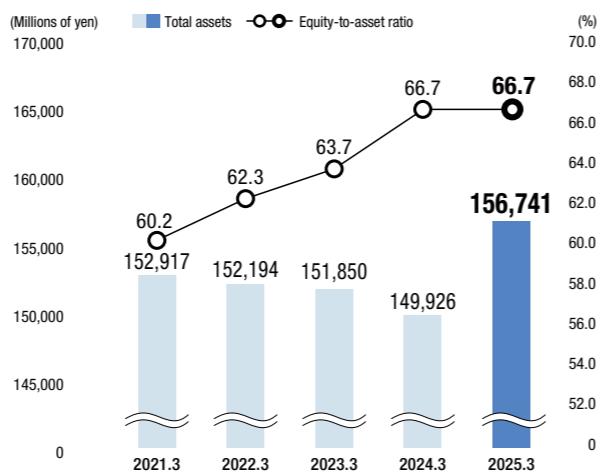
Operating income/Operating income ratio



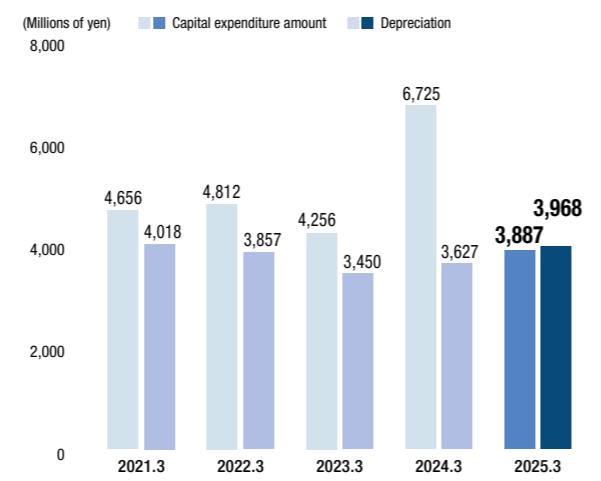
Return on equity (ROE)



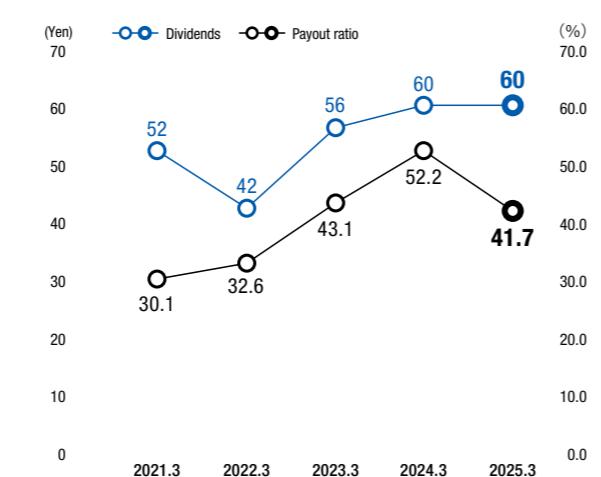
Total assets/Equity-to-asset ratio



Capital expenditure amount/Depreciation



Dividend per share/Payout ratio



* The Company conducted a share split at a rate of five shares per share of common shares with October 1, 2023 as the effective date. The amounts of dividends per share through the fiscal year ended March 31, 2023 have been calculated assuming this stock split was conducted at the beginning of the fiscal year ended March 31, 2021.

Overview of Operating Results, etc. (Fiscal year ended March 31, 2025) (Consolidated)

Overview of Business Environment and Operating Results

The Japanese economy in the fiscal year ended March 31, 2025 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.

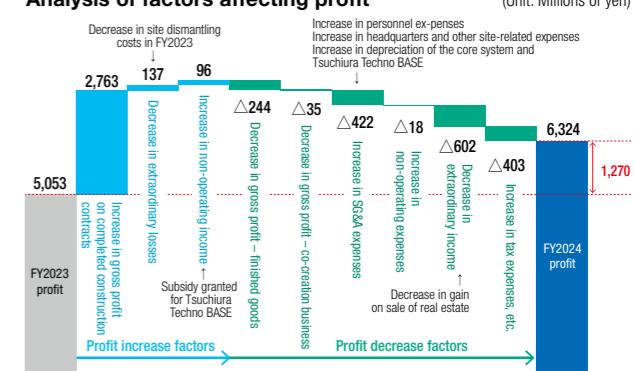
In the construction industry, the main business of the Group, government construction investment continued to remain above 20 trillion yen, and although there were concerns about the surge in raw material prices, private sector construction investment remained firm as capital investment for corporations remained strong against a backdrop of high corporate revenue.

Under such circumstances, the Group conducted strategic sales that were compatible with area environments in order to acquire orders in new domains by collaborating with the other Shimizu Group companies as a member of the Shimizu Group, secure orders by enhancing integration accuracy and proposals of technology for government projects, and increase the number of high-quality orders for private sector projects. As a result, the amount of construction orders received was 138,036 million yen (down 3.8% year-on-year), the amount of construction sales was 133,482 million yen (up 1.4% year-on-year), and total net sales including products were 164,294 million yen (up 2.4% year-on-year).

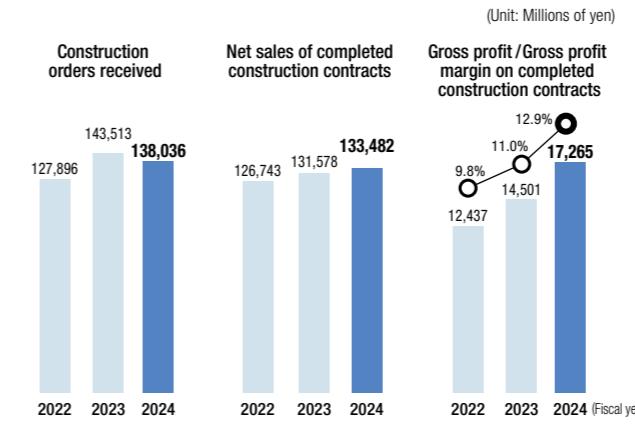
Concerning profits, mainly due to increased profitability with appropriate

price pass-through in construction pricing and thorough construction management in the Construction Business, gross profit was 20,748 million yen (up 13.6% year-on-year), operating income was 9,895 million yen (up 26.3% year-on-year), and ordinary income was 10,134 million yen (up 26.8% year-on-year), and profit attributable to owners of parent amounted to 6,324 million yen (up 25.1% year-on-year).

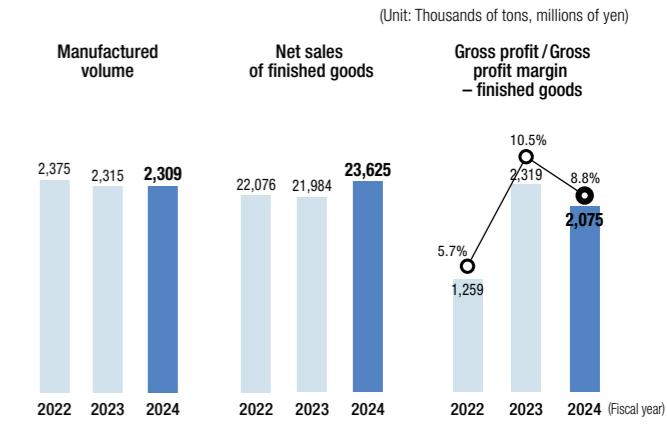
Analysis of factors affecting profit



Overview of Construction Business



Overview of Material Sales Business



Financial Position

[Assets]

Total assets for the fiscal year ended March 31, 2025 amounted to 156,741 million yen (up 6,815 million yen year-on-year, or up 4.5%), current assets were 115,204 million yen (up 6,161 million yen year-on-year, or up 5.7%), and non-current assets were 41,537 million yen (up 654 million yen year-on-year, or up 1.6%).

The main factors were an increase of 8,675 million yen in cash and deposits, and decreases of 1,560 million yen in notes receivable, accounts receivable from completed construction contracts and other and 1,219 million yen in electronically recorded monetary claims.

[Liabilities]

Total liabilities for the fiscal year ended March 31, 2025 amounted to 51,980 million yen (up 2,268 million yen year-on-year, or up 4.6%), current liabilities amounted to 41,904 million yen (up 1,473 million yen year-on-year, or up 3.6%), and non-current liabilities amounted to 10,076 million yen (up 794 million yen, or up 8.6%).

The main factors were increases of 1,372 million yen in advances received on uncompleted construction contracts and 744 million yen in income taxes payable, and a decrease of 747 million yen in notes payable, accounts payable for construction contracts and other.

[Net assets]

Total net assets for the fiscal year ended March 31, 2025 totaled 104,761 million yen (up 4,546 million yen year-on-year, or up 4.5%).

The main factors were a recording of 6,324 million yen to profit attributable to owners of parent and a payment of 2,636 million yen in shareholder dividends.

Overview of Cash Flows

Consolidated cash flows for the fiscal year ended March 31, 2025 amounted to 15,117 million yen in net cash provided by operating activities, 3,896 million yen in net cash used in financing activities, and 2,640 million yen in net cash used in investing activities. As a result, cash and cash equivalents at the end of period increased by 8,672 million yen from the end of the previous fiscal year to 42,258 million yen (33,585 million yen at the end of the previous fiscal year).

[Cash flows from operating activities]

Net cash provided by operating activities amounted to 15,117 million yen (net cash provided during the previous fiscal year was 92 million yen) due to recording 9,490 million yen in profit before income taxes, increases of 2,896 million yen owing to decrease in notes and accounts receivable - trade and 1,369 million yen owing to increase in advances received on uncompleted construction contracts, and a decrease of 2,593 million yen owing to income taxes paid.

[Cash flows from investing activities]

Net cash used in investing activities amounted to 3,896 million yen (net cash used during the previous fiscal year was 5,204 million yen) due to a decrease of 2,970 million yen owing to acquisition of tangible fixed assets stemming from the expansion and upgrade of manufacturing and sales locations aimed at strengthening the recycling business and promoting environmental measures.

[Cash flows from financing activities]

Net cash used in financing activities amounted to 2,640 million yen (net cash provided during the previous fiscal year was 536 million yen) due to a decrease of 2,636 million yen owing to dividends paid.

Non-financial Data (Non-consolidated)

		Fiscal Year ended March 31, 2023	Fiscal Year ended March 31, 2024	Fiscal Year ended March 31, 2025
Environment	CO ₂ emissions	Scope1 (t-CO ₂)	77,943	75,031
		Scope2 ¹ (t-CO ₂)	-	12,982
			(19,853)	(20,784)
	Energy usage	Heavy oil (kL)	19,814	19,308
		Natural gas (thousand m ³)	2,417	2,507
		Light oil (kL)	5,309	4,918
		Power (thousand kWh)	50,156	47,452
	Recycling rate	Asphalt blocks (%)	99.9	99.7
		Concrete blocks (%)	99.9	99.1
		Materials other than specified by-products ² (%)	75.0	90.2
Social	Status of human resources	Employees (people)	1,660	1,622
		of which, number of employees with foreign nationalities (people)	4	5
		Ratio of female employees (%)	17.2	18.1
		Ratio of female employees in management positions (%)	0.2	0.7
		Usage rate of child care leave for male employees (%)	19.5	41.0
		Employment rate of people with disabilities (%)	3.2	2.8
		Average years of employment (years)	14.8	14.4
		Average number of days of paid leave taken (days)	13.2	12.6
	Status of new graduate hiring (hires as of April 1 of the following FY)	Hires (people)	74	71
		of which, female hires (people)	5	9
Governance	Investment in human capital (consolidated)	Investment (Millions of yen)	570	554
	Status of health and safety	Number of accidents/disasters (incidents)	24	22
		of which, fatalities and serious accidents/disasters (cases)	0	1
		Frequency ³ (including prime contractor and subcontractor construction)	0.51	0.51
	Status of R&D (consolidated)	R&D expenses (Millions of yen)	545	675
	Officer composition	Directors (people)	6	8
		of which, Outside Directors (people)	2	3
		of which, female Directors (people)	0	1
	Status of the Board of Directors	Number of meetings (times)	15	14
		Average attendance rate of Directors (%)	98.9	100
		Average attendance rate of Outside Directors (%)	96.7	100
	Status of the Special Committee	Number of Special Committee meetings (times)	9	5

¹ Figures in parentheses ("") are calculated using location-based standards by country or region calculated based on the average emission coefficient of power generated within a specified district.

² Construction by-products other than dirt generated from construction, concrete blocks, asphalt and concrete blocks and wood generated from construction, which are prescribed as "specified by-products" in the Act on the Promotion of Effective Utilization of Resources, including waste plastic and contaminated soil, etc.

³ Index representing the frequency of accidents, defined as the number of fatalities and injuries (four or more closure days) resulting from industrial accidents per one million actual working hours.

Stakeholder Engagement

The NIPPON ROAD Group engages in proactive communication to promote corporate governance and corporate activities that are transparent, reliable, and effective, and to advance diverse value co-creation through dialogue with our stakeholders.

Clients

- Customer response by sales divisions, technical proposals shedding light on potential needs
- Public relations activities on the Company's website and in various media
- Exhibiting at trade shows and events
- Creating collaboration at Tsuchiura Techno BASE



Showroom in Tsuchiura Techno BASE

Employees

- Issuing internal newsletter (monthly, 12 times per year)
- Implementing Roundtable Meetings with Directors where officers explain the management vision directly to employees (once per year)
- Holding Employee Liaison Meetings for exchanging ideas between junior employees and the management team (4 times per year)
- Implementing employee satisfaction surveys (every other year)



Partners

- Appropriate transactions based on sustainable procurement policy and guidelines, Japan Federation of Construction Contractors' Declaration of Respect for Labor Cost Estimates
- Creation of prosperous coexistence throughout the supply chain based on the Declaration of Partnership Building, compliance with the Standards for Encouraging Fair Transactions
- Doshinkai, composed of approximately 900 partner companies, etc.
- Promoting industrial accident prevention activities through the Health and Safety Cooperative Association
- Checking outstanding debts and conducting surveys on fraudulent transactions



Regional Society

- Support activities based on disaster aid agreements
- Prompt response based on BCP
- Explanation on construction to local residents before breaking ground
- Measures in social contribution activities: 425 (FY2024 results) (participation in regional cleaning and traffic direction activities, receiving workplace tours for students, etc.)



Donated cold-mix asphalt and sandbags to Konan-shi, Kochi, and received a letter of appreciation from Mayor Gota Hamada (August 2024)

Global Environment

- Business activities in line with environmental vision "Nichido Blue & Green Vision 2050"
- Measures toward achieving carbon neutrality
- Establishing a recycling-oriented society through enrichment of the recycling business and technology development
- Measures that contribute to preserving biodiversity and the environment



Share Information

(As of March 31, 2025)

* As announced on June 26, 2025, following the successful completion of a tender offer by Shimizu Corporation, the Company's controlling shareholder (parent company), and subject to the prescribed procedures, the Company will become a wholly owned subsidiary of Shimizu Corporation, and the Company's shares are scheduled to be delisted. For the latest information, please refer to the Company's website.

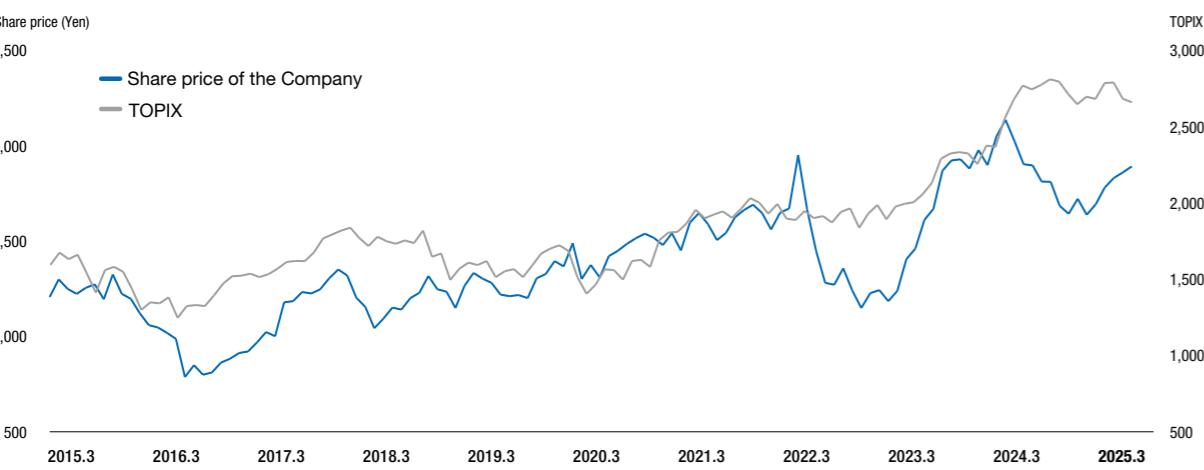
Securities code	1884
Listed stock exchange	Tokyo Stock Exchange Prime Market
Total number of authorized shares	175,000,000 shares
Total number of issued shares	43,946,340 shares
Shares constituting one unit	100 shares
Number of shareholders	7,097
Shareholder registry manager	Mizuho Trust & Banking Co., Ltd.
Fiscal year	Every year from April 1 to March 31
Record date for year-end dividends	March 31 of every year
Annual General Meeting of Shareholders	June of every year

Major shareholders (Top 10)

Name of the shareholder	Number of shares held (thousand shares)	Shareholding ratio (%)
Shimizu Corporation	22,018	50.1
The Master Trust Bank of Japan, Ltd. (Trust account)	3,130	7.1
NIPPON ROAD Business Partner Stock Ownership Association	1,619	3.7
Custody Bank of Japan, Ltd. (Trust account)	1,275	2.9
CGML PB CLIENT ACCOUNT/COLLATERAL	916	2.1
MSIP CLIENT SECURITIES	676	1.5
Meiji Yasuda Life Insurance Company	623	1.4
NIPPON ROAD Employee Stock Ownership Association	548	1.2
BNYMSANV RE BNYMIL RE WS ZENNOR JAPAN EQUITY INCOME FUND	468	1.1
DFA INTL SMALL CAP VALUE PORTFOLIO	405	0.9

* Shareholding ratios are calculated after eliminating treasury shares (3,826 shares)

Share price data (comparison with TOPIX)

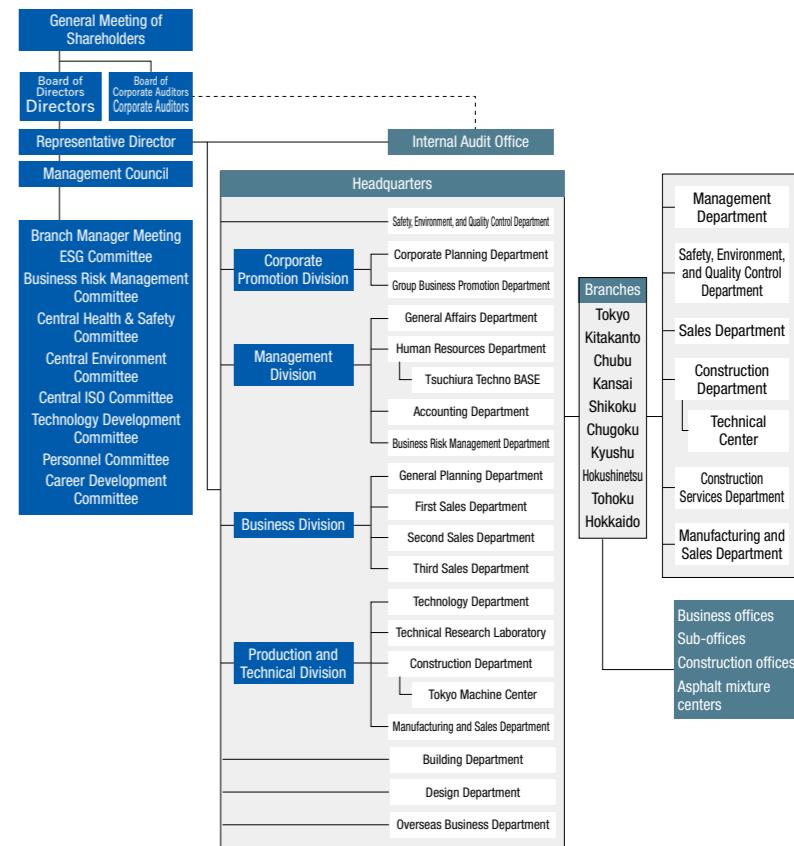


* The Company conducted a share split at a rate of five shares per share of common shares with October 1, 2023 as the effective date. The share prices through the fiscal year ended March 31, 2023 are calculated based on the number of shares after the share split.

Corporate Profile (as of April 1, 2025)

Name of Company	THE NIPPON ROAD Co., Ltd.
Date Established	March 10, 1929
Paid Up Capital	12,290,260,000 yen
Number of Employees	1,608 (Groupwide: 2,293) (As of March 31, 2025)
Location of Headquarters	Shibaura 1-2-3, Minato-ku, Tokyo 105-0023, Japan
Domestic Branches and Offices	10 branches, 53 business offices, 20 sub-offices, 17 construction offices, 85 manufacturing and sales bases
Overseas Offices	Thailand and Malaysia
Main Businesses	<ul style="list-style-type: none"> •Road Construction and Paving Work •General Civil Engineering Work •General Building Construction •Construction of Environmental Facilities •Construction of Sport and Leisure Facilities •Manufacture and Sale of Asphalt Mixtures and Emulsion •Processing of industrial waste and sale of recycled products •Construction consulting •Leasing Business •Real estate transaction business •Construction Design, Supervision and Management

Structure chart



Main Subsidiaries

Name	Main Businesses	Paid Up Capital	Location
ND Leasing System Co., Ltd.	Comprehensive leasing business, development and sales of computer software, etc.	60 million yen	Minato-ku, Tokyo
NDIC.co., Ltd.	Insurance agency business	25 million yen	Minato-ku, Tokyo
SPORTS MEDIA inc.	Planning and operation of sports facilities, etc.	90 million yen	Minato-ku, Tokyo
kankyoryokka Co., Ltd.	Landscaping construction of parks, greenery sites, and gardens, etc.	70 million yen	Ota-ku, Tokyo

40 other domestic subsidiaries (including 37 regional paving companies), 3 foreign subsidiaries

Executive Officers (As of June 26, 2025)

Executive Officer and President	Toshiyuki Ishii		Executive Officer	Naohiko Ogusu	(General Manager of the Kyushu Branch)
Senior Managing Officer	Masakazu Hyodo	(General Manager of the Management Division)	Executive Officer	Yuichi Kondo	(Deputy General Manager of the Business Division)
Senior Managing Officer	Yoichi Nakagami		Executive Officer	Hiroshi Okumura	(General Manager of the Kitakanto Branch)
Senior Managing Officer	Kaoru Ito	(General Manager of the Business Division, and in Charge of Building Construction)	Executive Officer	Masanao Nakamura	(Manager of the Second Sales Department of the Business Division)
Senior Managing Officer	Masaichi Kawamura	(In Charge of Sales of the Business Division)	Executive Officer	Yoshinobu Hori	(General Manager of the Hokushinetsu Branch)
Senior Managing Officer	Hiroshi Shibuya	(General Manager of the Tokyo Branch)	Executive Officer	Toshiaki Aso	(Manager of the Manufacturing and Sales Department of the Production and Technical Division)
Senior Managing Officer	Takeshi Takasugi	(General Manager of the Production and Technical Division, and in Charge of Safety, Environment, Quality Control and Design)	Executive Officer	Tetsuya Koizumi	
Managing Officer	Kazumitsu Tanaka	(General Manager of the Chugoku Branch)	Executive Officer	Kazuhiro Shirakawa	(Manager of the Safety, Environment, and Quality Control Department)
Managing Officer	Kunihiko Mae		Executive Officer	Yuichi Nakagawa	(General Manager of the Chubu Branch)
Managing Officer	Toshihiko Kasai	(General Manager of the Corporate Promotion Division)	Executive Officer	Seiichi Ishikawa	(General Manager of the Kansai Branch)
Managing Officer	Takaaki Munemura	(Manager of the First Sales Department of the Business Division)	Executive Officer	Takamichi Sakamori	(Deputy General Manager of the Corporate Promotion Division, and in Charge of Overseas Business)
Managing Officer	Hiroyuki Kudo	(Deputy General Manager of the Production and Technical Division)	Executive Officer	Koji Osada	(Deputy General Manager of the Management Division and Manager of the General Affairs Department)
			Executive Officer	Minoru Kaiho	(General Manager of the Internal Audit Office)