(Supplementary material on financial results)

RIETEC

Overview of Consolidated Financial Results for the Fiscal Year Ended March 31, 2025

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Summary of Consolidated Financial Results

<u>Net sales and profits increased</u> from the previous fiscal year.

■ Key factors

・Orders received **<u>decreased by ¥5.3 billion year on year</u>** to ¥62.7 billion.

Orders, especially those from major customers, were on a recovery track and surpassed the previous fiscal year's levels in the railroad electric facility, road facility, and indoor/outdoor electric facility divisions. The power transmission line facility division saw a reactionary fall in orders after receiving orders for multiple large-scale projects in the previous fiscal year for the development of power transmission line networks in Japan.

・Net sales **<u>increased by ¥10.1 billion year on year</u>** to ¥68.6 billion.

Net sales were at a record high, thanks to the progress and completion of construction in each division on the back of robust orders received in the fiscal year under review, in addition to abundant construction contracts carried over from the previous fiscal year. In particular, the power transmission line facility division drove the increase in net sales with the progress in construction works for large projects.

・Operating profit **<u>increased by ¥1.7 billion year on year</u>** to ¥5.1 billion.

Operating profit increased due not only to the increase in net sales but also to various cost reduction measures, including price negotiations with customers, efficient personnel allocation, and cuts in expenses, although profit margins remained tight due to such factors as the impact of soaring construction costs.

・Profit attributable to owners of parent **<u>increased by ¥1.9 billion year on year</u>** to ¥4.7 billion, mainly due to the recording of gain on sale of investment securities.

Consolidated Statements of Income

(Billions of yen)

	Fiscal year ended March 31, 2024		Fiscal year ended March 31, 2025		YoY change
Orders received	68.1		62.7		(5.3)
Net sales	58.5		68.6		+10.1
Operating profit	3.4	*5.9%*	5.1	*7.6%*	+1.7
Ordinary profit	3.9	*6.7%*	5.9	*8.7%*	+2.0
Profit attributable to owners of parent	2.7	*4.7%*	4.7	*6.9%*	+1.9

*The percentages indicate profit margins.
*The numbers, including YoY change, are rounded down to the figures shown. The percentages are rounded to the figures shown. (The same applies hereinafter.)

Net Sales and Profits by Segment

(Billions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	YoY change
Net sales *1	58.5	68.6	+10.1
Electric Facility Work Business	55.0	65.2	+10.2
Subsidiary Business	3.1	3.0	(0.1)
Real Estate Leasing Business	0.3	0.3	(0.0)
Segment profit	6.6	8.8	+2.1
Electric Facility Work Business	6.1	8.2	+2.0
Subsidiary Business	0.3	0.3	+0.0
Real Estate Leasing Business	0.1	0.1	(0.0)
Adjustment *2	(3.2)	(3.6)	(0.4)
Consolidated operating profit	3.4	5.1	+1.7

*1 Net sales by segment are net sales to outside customers.
*2 “Adjustment” includes corporate expenses, etc. not attributable to any reportable segment.

Consolidated Balance Sheets

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(Billions of yen)

	As of March 31, 2024	As of March 31, 2025	Change
Current assets	48.8	55.6	+6.7
Non-current assets	38.4	38.9	+0.5
Total assets	87.3	94.6	+7.3
Current liabilities	20.0	24.4	+4.3
Non-current liabilities	7.5	6.4	(1.0)
Total liabilities	27.5	30.8	+3.3
Total nets assets	59.7	63.7	+3.9
Total liabilities and net assets	87.3	94.6	+7.3
Capital adequacy ratio	68.5%	67.3%	(1.2) pts

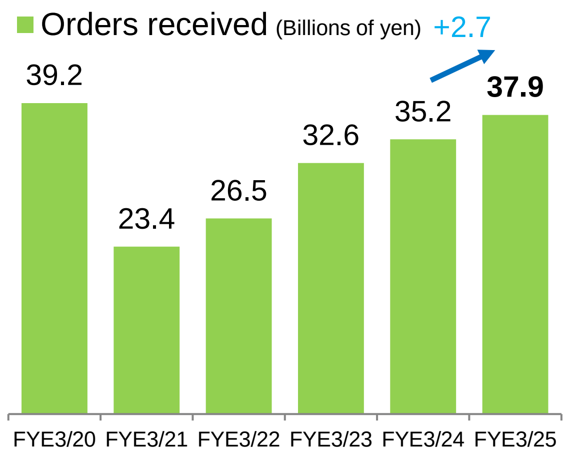
*Capital adequacy ratio = (Net assets − Shares of non-controlling interests) / Total assets

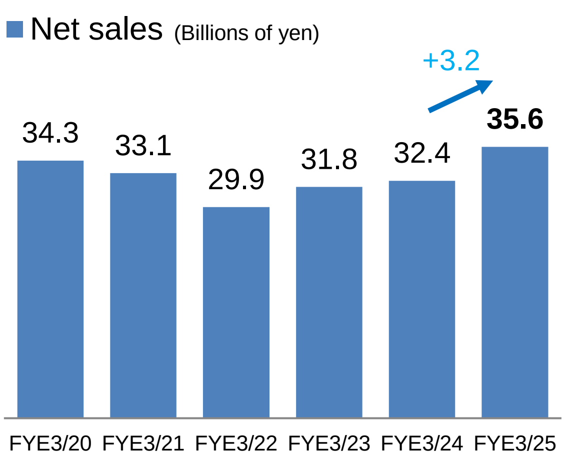
Key factors (YoY change)

- Current assets increased by ¥6.7 billion year on year, mainly due to an increase in notes receivable, accounts receivable from completed construction contracts, despite a decrease in cash and deposits.
- Current liabilities increased by ¥4.3 billion year on year, mainly due to increases in notes payable, accounts payable for construction contracts and income taxes payable.
- Non-current liabilities decreased by ¥1.0 billion year on year, primarily due to a decrease in lease liabilities.
- Net assets increased by ¥3.9 billion year on year, primarily due to an increase in retained earnings.
- Capital adequacy ratio decreased by 1.2 percentage points year on year.

Results by Segment

Electric Facility Work Business
Railroad Electric Facility Division





Key points

■ Orders received increased by ¥2.7 billion year on year to ¥37.9 billion

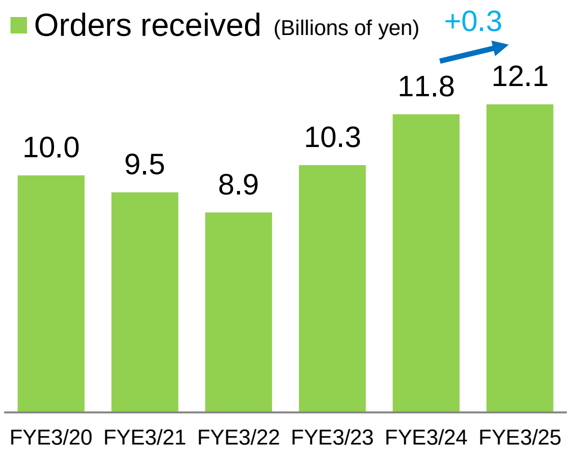
➡ Orders from major customers were on a recovery track. Secured orders from East Japan Railway Company for capital investment in safe and stable transportation and facility reinforcement.

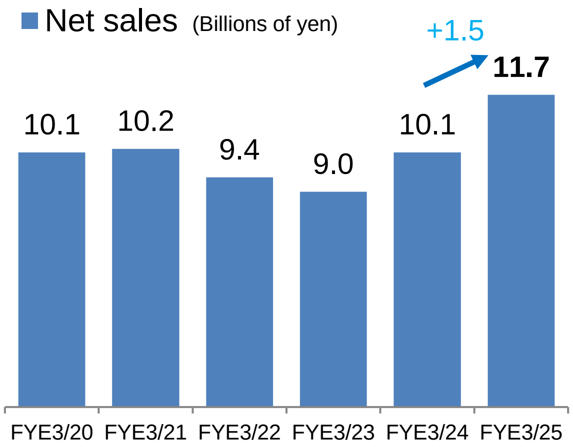
■ Net sales increased by ¥3.2 billion year on year to ¥35.6 billion

➡ Progress and completion of construction works, including utility pole replacement for Shinkansen bullet trains and interlocking device replacement at Oku Station, contributed to the increase. Also strived to negotiate prices actively with clients.

Results by Segment

Electric Facility Work Business
Road Facility Division





Key points

■ Orders received increased by ¥0.3 billion year on year to ¥12.1 billion

➡ Orders from prefectural police for traffic signal works remained robust. Also secured orders for structure improvement works on freeways, tunnel lighting works, and other projects.

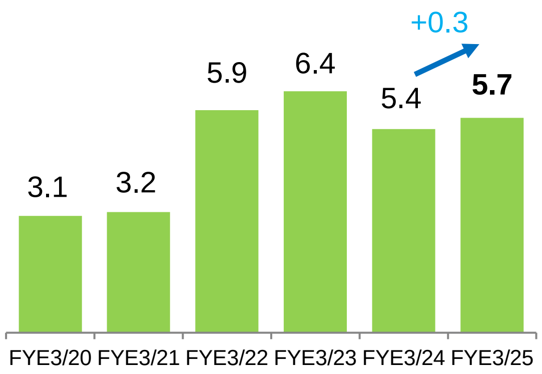
■ Net sales increased by ¥1.5 billion year on year to ¥11.7 billion

➡ Net sales increased year on year due to traffic signal works across Japan and the completion of sign repair works and CCTV works for freeway companies.

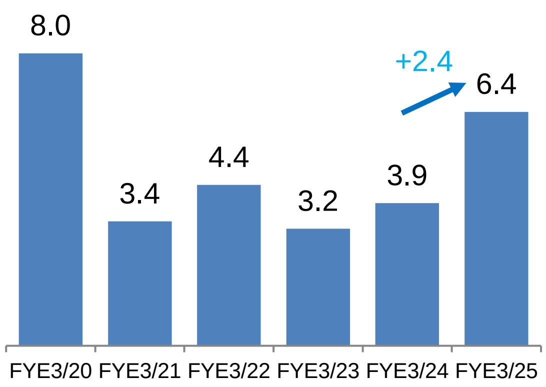
Results by Segment

Electric Facility Work Business
Indoor/Outdoor Electric Facility Division

■ Orders received (Billions of yen)



■ Net sales (Billions of yen)



Key points

■ Orders received increased by ¥0.3 billion year on year to ¥5.7 billion

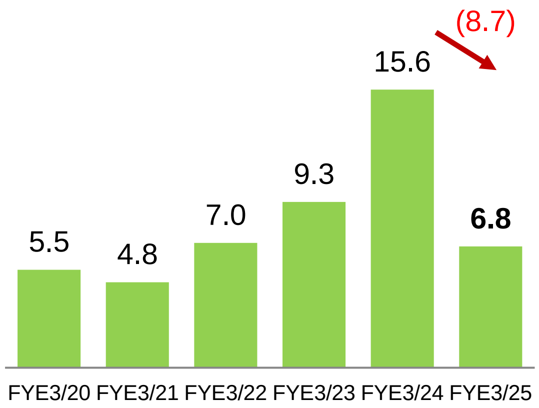
➡ Secured orders for large-scale electrical works, including those for international exhibition center repair and TAKANAWA GATEWAY CITY development; electrical works at private sector companies and school facilities; and other projects.

■ Net sales increased by ¥2.4 billion year on year to ¥6.4 billion

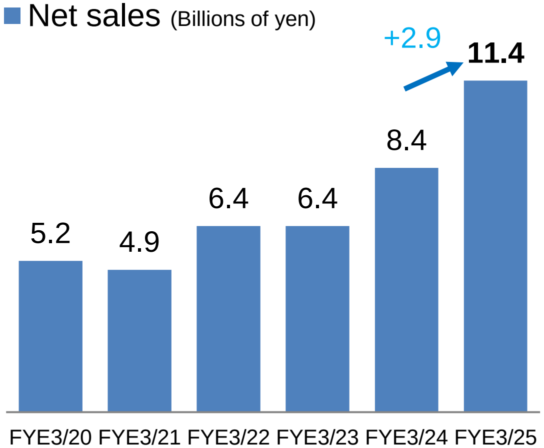
➡ Net sales increased year on year due to the progress and completion of electrical works for the Shinagawa Development Project, Izumo Koryo Road tunnel lighting works, electrical works for school and commercial facilities, and other projects.

Electric Facility Work Business
Power Transmission Line Facility Division

Orders received (Billions of yen)



Net sales (Billions of yen)



Key points

■ Orders received decreased by ¥8.7 billion year on year to ¥6.8 billion

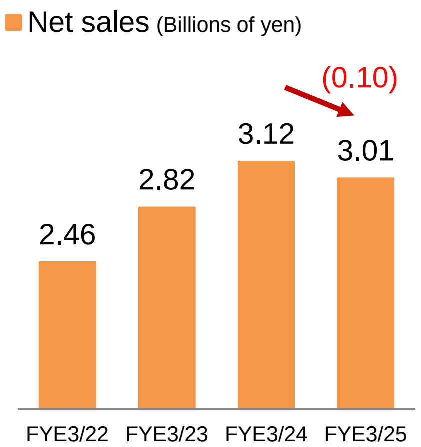
➡ Saw a reactionary fall in orders after receiving orders for multiple large-scale projects in the previous fiscal year for the development of power transmission line networks in Japan.

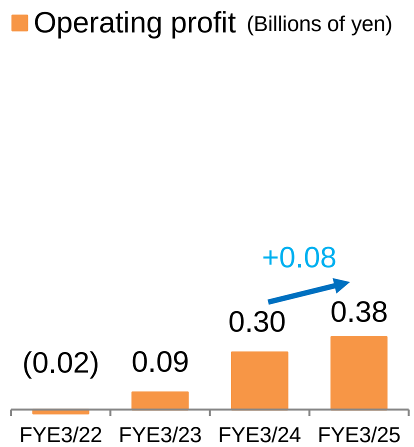
■ Net sales increased by ¥2.9 billion year on year to ¥11.4 billion

➡ Works for inter-regional connection lines, as well as the construction and repair of large-scale power transmission lines in each area, made steady progress or were completed. The progress of these construction works is expected to keep contributing to net sales.

Subsidiary Business and Real Estate Leasing Business

Subsidiary Business

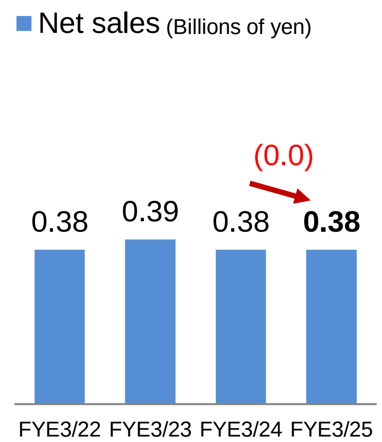


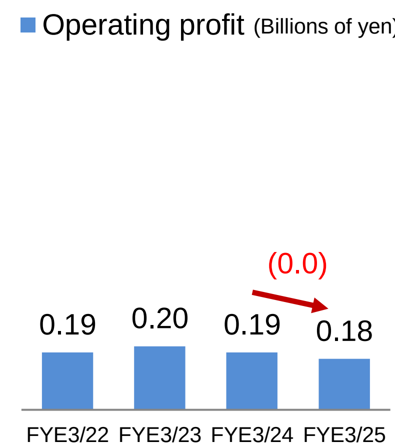


<Description of the Subsidiary Business>

- Manufacturing and sale of signs for transportation facilities and traffic safety goods
- Maintenance and management of buildings and related facilities, and maintenance and management related to machinery and equipment and temporary materials

Real Estate Leasing Business





OSAKI BRIGHT TOWER
(Unit ownership)

NR Osaka Nakatsu Building
(Tenant)

Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2026

Summary of Consolidated Financial Results Forecast

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Net sales and operating profit are expected to increase (profit is expected to decrease) for the fiscal year ending March 31, 2026.

Summary of financial results forecast

- Further economic growth is expected, with a positive cycle of income to expenditure and the improvement of corporate revenue taking place on the back of a moderate recovery trend.
- The outlook is expected to remain unpredictable as uncertainties that affect economic activities are growing, including prolonged geopolitical risks, slowing down of overseas economies, and price hikes due to supply chain disruptions.
- Net sales are expected to increase by ¥3.6 billion year on year. This is due to abundant construction contracts carried over from the previous fiscal year, as well as steady sales expected from construction works in each division on the back of the recovering trend in orders.
- Both operating profit and ordinary profit are expected to increase slightly year on year, thanks to the effect of increase in net sales, as well as price negotiations with customers and cost reduction efforts. Profit margins, however, are likely to remain tight, due to the impact of the soar in raw material prices, increase in personnel expenses, and other factors.
- Profit attributable to owners of parent is expected to decrease by ¥0.5 billion year on year, due to the absence of the gain on sale of cross-held shares recorded in the previous fiscal year.

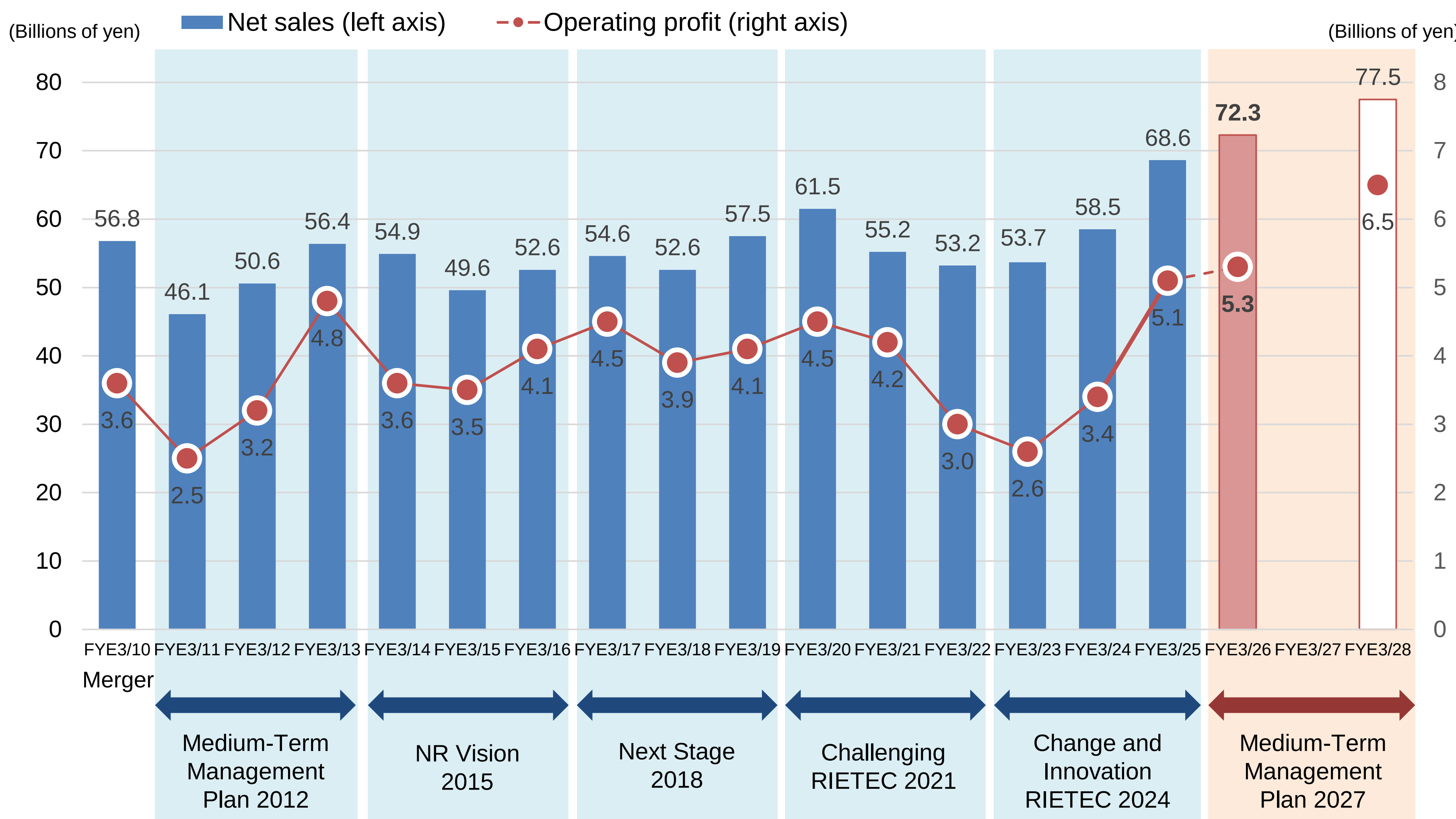
Consolidated Financial Results Forecast

(Billions of yen)

	Fiscal year ended March 31, 2025 (Results)		Fiscal year ending March 31, 2026 (Forecast)		YoY change
Net sales	68.6		72.3		+3.6
Operating profit	5.1	*7.6%*	5.3	*7.4%*	+0.1
Ordinary profit	5.9	*8.7%*	6.0	*8.3%*	+0.0
Profit attributable to owners of parent	4.7	*6.9%*	4.2	*5.8%*	(0.5)

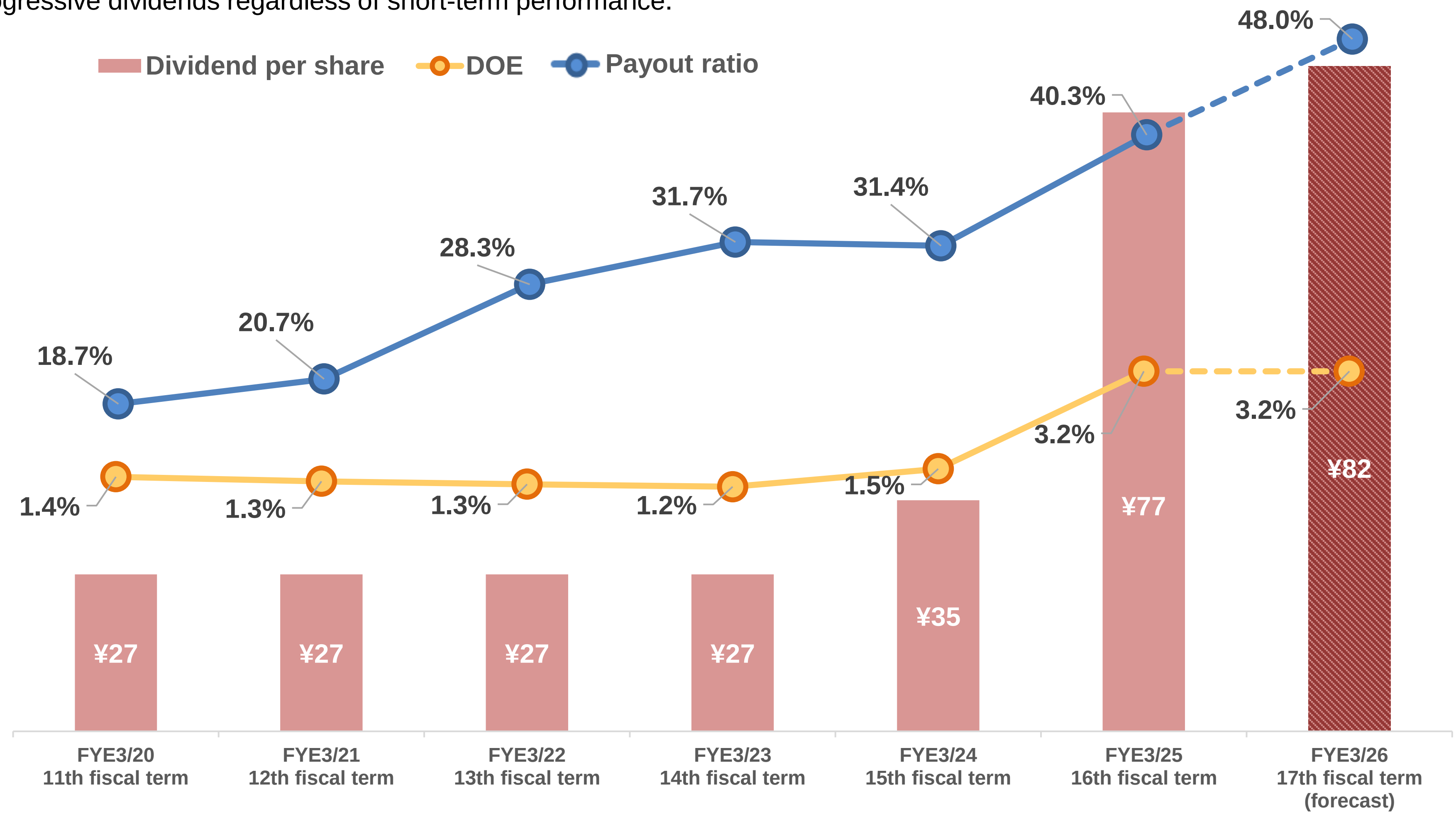
*The percentages indicate profit margins.
*The numbers, including YoY change, are rounded down to the figures shown. The percentages are rounded to the figures shown.

Transition of Net Sales and Operating Profit (Consolidated)



Dividend Policy and Transition of Dividends

The Company regards the return of profit to its shareholders as a key management priority, and aims at increasing return of profit to shareholders and improving capital efficiency through the continuation of stable dividends and opportune acquisition of treasury shares. The Company will decide on shareholder returns with a target DOE of 3.2%, aiming to pay out stable and progressive dividends regardless of short-term performance.



Forward-looking statements, including the consolidated forecasts, stated in this material are based on information currently available to the NIPPON RIETEC Group and certain assumptions deemed reasonable. Results may differ from the consolidated forecasts due to various factors.

NIPPON RIETEC assumes no obligation to revise the material, even if the results differ from the forecasts.

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