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May 12, 2026

Company name:  NIPPON RIETEC CO., LTD.
Name of representative: Kimito Kubo, Representative
Director and President Executive
Officer
(Securities code: 1938; Tokyo
Stock Exchange Prime Market)
Inquiries: Masaaki Sawamura, Director,
Managing Executive Officer,
General Manager of Planning
Department
(Telephone: +81-3-6880-2710)

Notice Concerning Change to the Level of Shareholder Return Metric and Introduction of an Interim Dividend System

NIPPON RIETEC CO., LTD. (the “Company”) hereby announces that, at a meeting of its Board of Directors held on May 12, 2026, it resolved to increase its dividend on equity (DOE), which it has adopted as a shareholder return metric, and to introduce an interim dividend system, subject to approval at the 17th Annual General Meeting of Shareholders scheduled to be held in June 2026. The details are as follows.

1. Change to the Level of Shareholder Return Metric

Reason for the Change

The Company regards the return of profit to its shareholders as a key management priority, and its basic policy is to aim at increasing return of profit to shareholders and improving capital efficiency through the continuation of stable dividends and opportune acquisition of treasury shares. Furthermore, the Company has adopted DOE as a shareholder return metric in order to deliver stable and progressive dividend returns that are not unduly influenced by short-term earnings performance.

In the financial results for the fiscal year ended March 31, 2026, the Company achieved the 8% ROE target established in the NR 2027 Medium-Term Management Plan two years ahead of schedule. Consequently, the Company has decided to raise its ROE target from 8% to 9%, and accordingly, to revise its DOE target from 3.2% to 3.6%.

Revision

Previous: DOE 3.2% (ROE 8% × dividend payout ratio 40%)

Revised: DOE 3.6% (ROE 9% × dividend payout ratio 40%)

Note: In light of the above change, the Company plans to increase the dividend for the fiscal year ending March 31, 2027, by 15 yen per share, bringing the total ordinary dividend to 97 yen (including an interim dividend of 47 yen).

Effective Date

Subject to approval at the 17th Annual General Meeting of Shareholders of the introduction of the interim dividend system described below, the change will be applied starting with dividends of surplus with a record date of September 30, 2026.

2. Introduction of an Interim Dividend System

Purpose of Introduction

While the Company has traditionally paid an annual year-end dividend, it has decided to introduce an interim dividend system starting with the fiscal year ended March 31, 2026, with the aim of increasing opportunities for shareholders to receive a return on their investment.

Record Date

Annually on September 30