Supplementary material on financial results

Overview of Consolidated Financial Results for the Six Months Ended September 30, 2026

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.

November 9, 2026

NIPPON RIETEC CO., LTD.
(Securities code: 1938)

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Summary of Consolidated Financial Results

Summary of financial results

- **Net sales and profits increased year on year.**
- **Net sales and all profit levels hit new record highs for the six months ended September 30, 2026.**

Key factors (YoY change)

- Orders received **decreased by ¥0.4 billion year on year** to ¥33.1 billion.
  Construction investment, including national resilience reinforcement and infrastructure renewal, remained firm, and capital investment from the Group's major customers also remained robust. The railroad electric facility division began receiving orders for works related to the Haneda Airport Access Line, and the indoor/outdoor electric facility division benefited from electrical facility renovation works for government agencies and other customers. However, orders decreased year on year, mainly due to a reactionary fall from large-scale project orders received in the previous fiscal year by the power transmission line facility division.

- Net sales **increased by ¥2.8 billion year on year** to ¥31.4 billion.
  Net sales increased year on year, thanks to steady progress and completion of maintenance, renewal works, and large-scale projects across all divisions, with orders remaining robust this fiscal year, in addition to abundant construction contracts carried over. Although the indoor/outdoor electric facility division saw a reactionary fall from the Shinagawa Development Project, which peaked in the previous fiscal year, the Group recorded a high level of net sales, supported by the progress of large-scale projects, including electrical facility renovation works at the Tokyo International Exhibition Center and inter-regional connection line enhancement works in the power transmission line facility division.

- Operating profit **increased by ¥1.1 billion year on year** to ¥2.6 billion.
  Despite rising construction costs, including material costs and labor costs, operating profit increased year on year. This was due not only to the boost from higher net sales, but also to improvements in profitability through ongoing price negotiations, as well as productivity improvements through promotion of digitalization and flexible personnel allocation.

- Profit attributable to owners of parent **increased by ¥1.0 billion year on year** to ¥2.0 billion.

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Consolidated Statements of Income

(Billions of yen)

	Results for the six months ended September 30, 2025		Results for the six months ended September 30, 2026		Change
Orders received	33.6		33.1		(0.4)
Net sales	28.6		**31.4** Record high		+2.8
Operating profit	1.4	*5.2%*	**2.6** Record high	*8.3%*	+1.1
Ordinary profit	1.7	*6.1%*	**3.1** Record high	*9.9%*	+1.3
Profit attributable to owners of parent	1.0	*3.7%*	**2.0** Record high	*6.6%*	+1.0

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

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Consolidated Balance Sheets

(Billions of yen)

	Results as of September 30, 2025	Results as of September 30, 2026	Change
Current assets	59.1	56.5	(2.6)
Non-current assets	39.9	43.6	+3.7
Total assets	99.1	100.1	+1.0
Current liabilities	28.6	23.0	(5.5)
Non-current liabilities	6.8	7.5	+0.6
Total liabilities	35.5	30.6	(4.8)
Total net assets	63.6	69.5	+5.8
Total liabilities and net assets	99.1	100.1	+1.0
Capital adequacy ratio	64.2%	69.4%	+5.2P

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

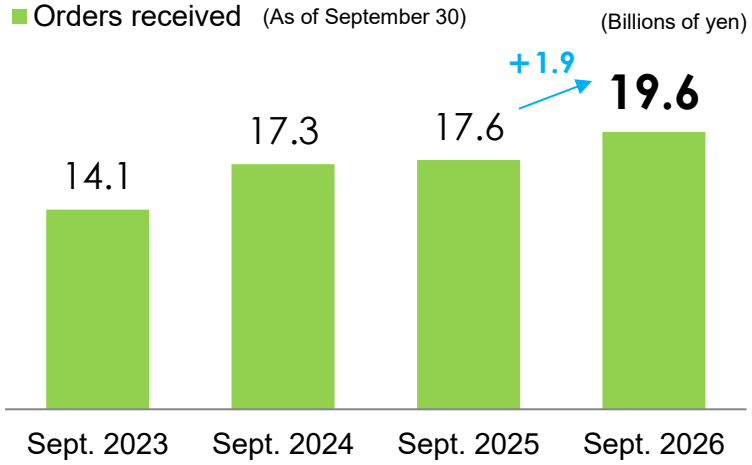
Key factors (YoY change)

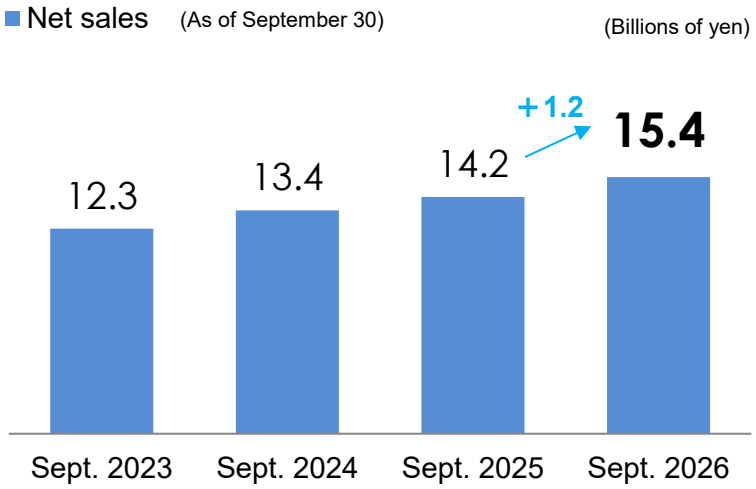
- Current assets decreased by ¥2.6 billion year on year, mainly due to decreases in cash and deposits and notes receivable, accounts receivable from completed construction contracts and other.
- Non-current assets increased by ¥3.7 billion year on year, mainly due to the renewal of the East Japan Road Infrastructure Branch and the acquisition of land near the Chuo Branch.
- Current liabilities decreased by ¥5.5 billion year on year, mainly due to decreases in short-term borrowings and accounts payable for construction contracts.
- Capital adequacy ratio increased by 5.2 percentage points year on year to 69.4%.

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Results by Segment

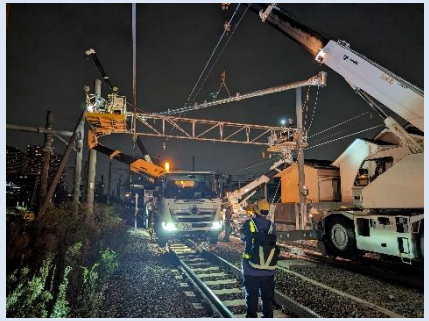
Electric Facility Work Business
Railroad Electric Facility Division





Key points

- Orders received increased by ¥1.9 billion year on year to ¥19.6 billion. Secured orders from JR East for safety investments and maintenance and renewal works, including improvements to cable enclosures for the underground transmission line between Musashi-Sakai and Kichijoji stations and signal system improvements involving interlocking device replacement at the Oyama Rolling Stock Center.
- Net sales increased by ¥1.2 billion year on year to ¥15.4 billion. Smooth progress and completion of construction works, including Shinkansen overhead contact line equipment improvements and the new installation of ATACS equipment on the Keihin-Tohoku Line, contributed to the increase in net sales.

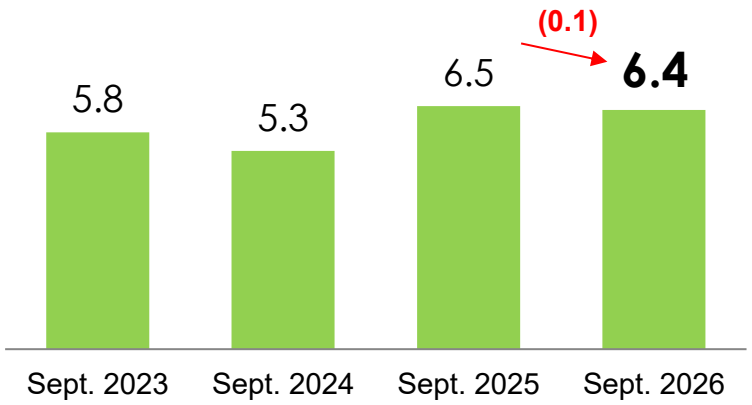




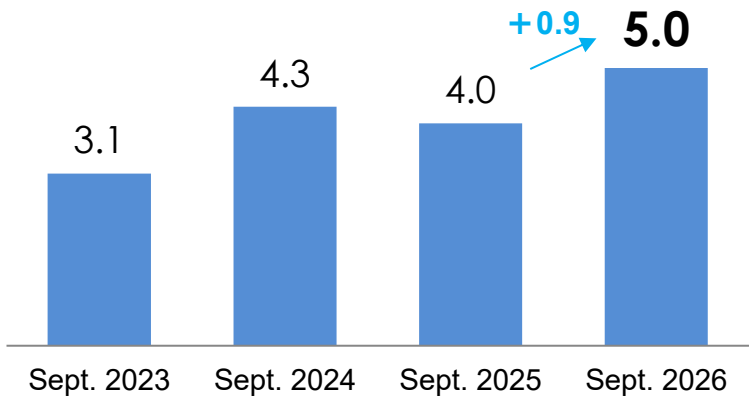
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Electric Facility Work Business
Road Facility Division

Orders received (As of September 30) (Billions of yen)



Net sales (As of September 30) (Billions of yen)



Key points

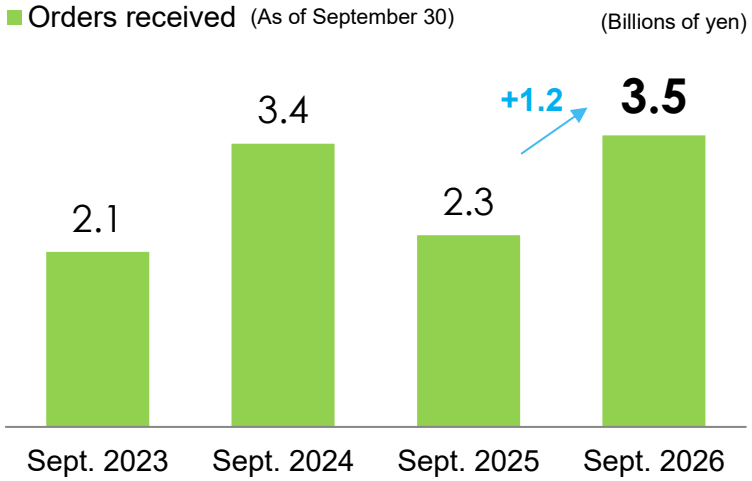
- Orders received decreased by ¥0.1 billion year on year to ¥6.4 billion. Orders remained in line with the previous year, with orders secured for traffic signal works for prefectural police and maintenance and renewal works for freeway facilities, among others.
- Net sales increased by ¥0.9 billion year on year to ¥5.0 billion. Progress on construction works from the beginning of the fiscal year, which were mainly freeway-related works ordered in the previous fiscal year, contributed to the increase in net sales.

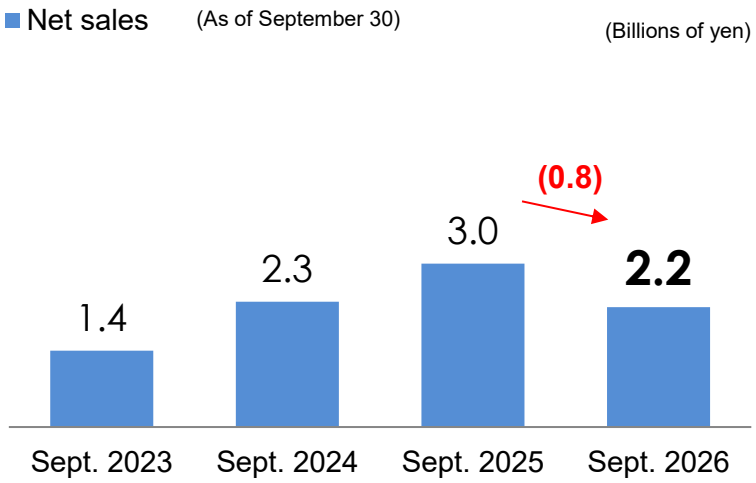




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Electric Facility Work Business
Indoor/Outdoor Electric Facility Division



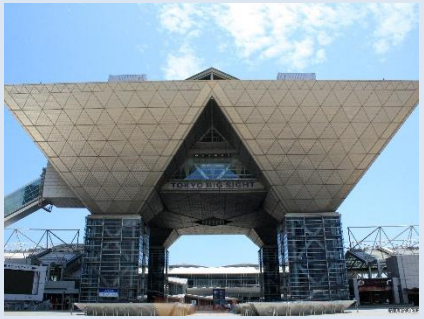


Key points

- Orders received increased by ¥1.2 billion year on year to ¥3.5 billion. Orders grew as a result of proactive sales activities, mainly targeting government agencies and commercial facilities.

- Net sales decreased by ¥0.8 billion year on year to ¥2.2 billion. Although the progress of electrical facility renovation works at the Tokyo International Exhibition Center and other projects contributed to net sales, net sales decreased due to a reactionary fall from the Shinagawa Development Project, which peaked in the previous fiscal year.



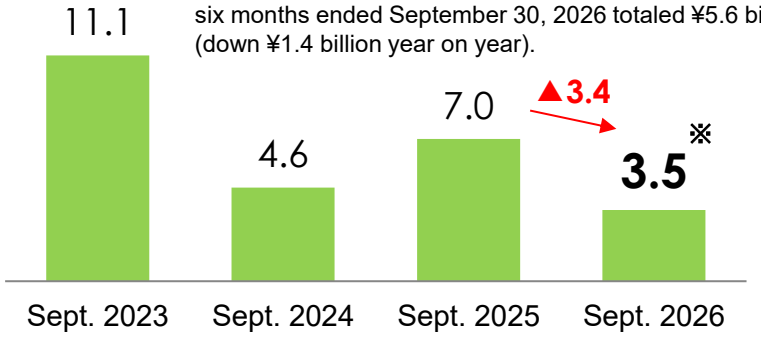


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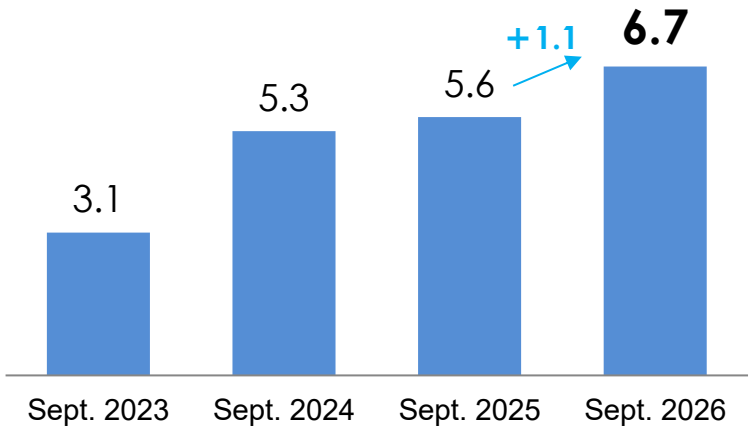
Electric Facility Work Business
Power Transmission Line Division

■ Orders received (As of September 30) (Billions of yen)

*Includes a ¥2.1 billion reduction in orders for grid-scale battery storage works due to customers' circumstances. Excluding these works, orders received by the division for the six months ended September 30, 2026 totaled ¥5.6 billion (down ¥1.4 billion year on year).



■ Net sales (As of September 30) (Billions of yen)



Key points

■ Orders received decreased by ¥3.4 billion year on year to ¥3.5 billion. Orders were secured for multiple large-scale projects, including steel tower replacement and data center-related works. However, orders decreased due to a reactionary fall from multiple large-scale projects received in the previous fiscal year.

■ Net sales increased by ¥1.1 billion year on year to ¥6.7 billion. In addition to steady progress on enhancement works for inter-regional connection lines, progress on steel tower replacement in each area and power supply works for the Linear Shinkansen contributed to the increase in net sales.



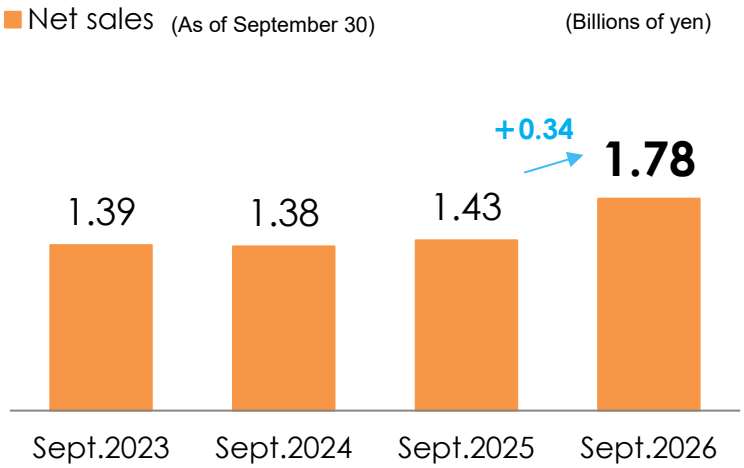


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Results by Segment

Subsidiary Business and Real Estate Leasing Business

Subsidiary Business

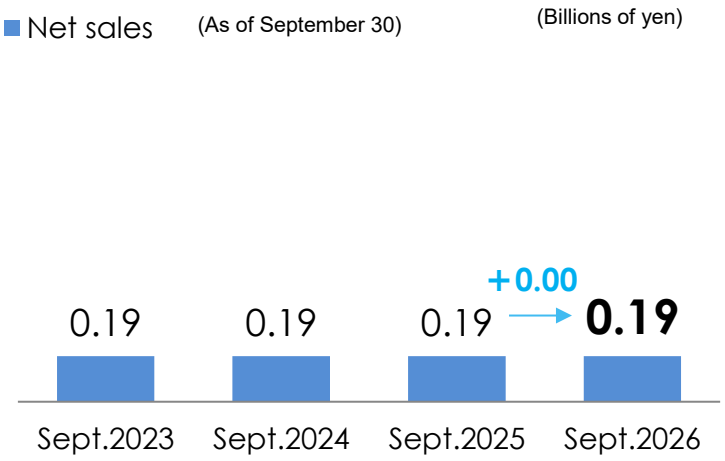


■ Net sales increased by ¥0.34 billion year on year to ¥1.78 billion.

<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, equipment, and temporary materials

Real Estate Leasing Business





OSAKI BRIGHT TOWER (Unit ownership)



NR Grandir Bandai (Residential rental property)

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Notice of Revision to Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2027

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Revision of Consolidated Financial Results Forecast

- **Net sales and profits are expected to increase for the fiscal year ending March 31, 2027.**
- **The full-year consolidated financial results forecast has been revised upward, as results are now expected to exceed the initial forecast.**

Summary of financial results forecast

- Demand remains strong, particularly from major customers, and orders have remained robust in all divisions.

- The abundant construction backlog, including construction contracts carried over from the previous fiscal year, is progressing steadily, and net sales are expected to increase by ¥3.2 billion compared with the initial forecast.

- Operating profit and ordinary profit are expected to increase by ¥0.6 billion compared with the initial forecast, thanks to the effect of an increase in net sales, as well as the expected contribution of efforts to improve profitability through ongoing price negotiations with customers, despite rising construction costs, including raw material prices and labor costs.

- Profit attributable to owners of parent is expected to increase by ¥0.8 billion compared with the initial forecast.

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Revision of Consolidated Financial Results Forecast

(Billions of yen)

	Fiscal year ended March 31, 2026 (Results)		Fiscal year ended March 31, 2027 Initial forecast (Announced on May 12, 2026)		Fiscal year ended March 31, 2027 Revised forecast (Announced on Nov. 9, 2026)		YoY change	vs. initial forecast
Net sales	74.0		75.3		78.5		+4.4	+3.2
Operating profit	7.1	*9.6%*	7.3	*9.8%*	8.0	*10.2%*	+0.8	+0.6
Ordinary profit	7.8	*10.6%*	8.3	*11.1%*	9.0	*11.5%*	+1.1	+0.6
Profit attributable to owners of parent	5.5	*7.5%*	6.1	*8.2%*	6.9	*8.9%*	+1.4	+0.8

*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.

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Medium-Term Management Plan 2027
Revision of Numerical Management Targets

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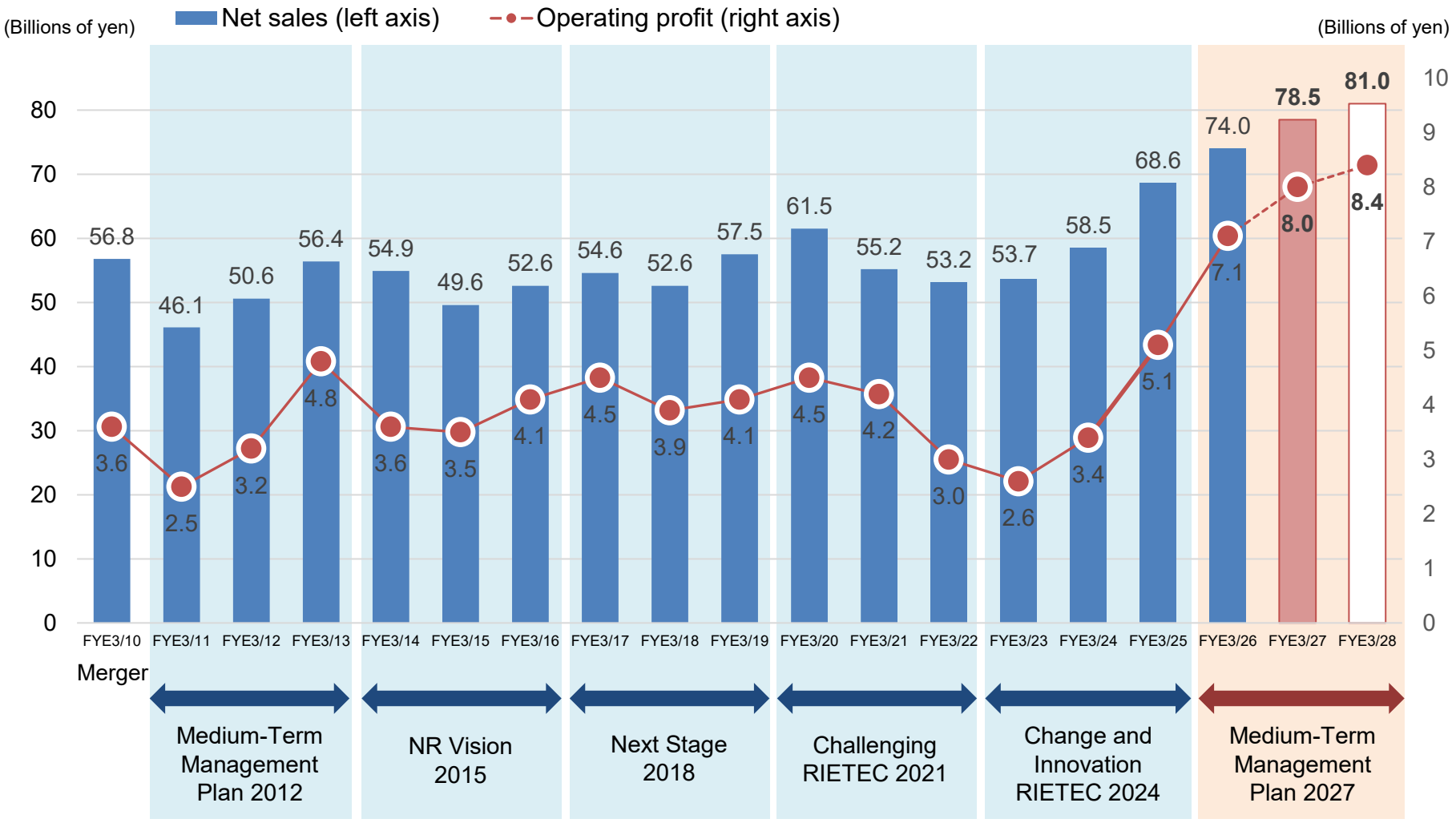
Revision of Numerical Management Targets

As performance is also expected to remain robust in the fiscal year ending March 31, 2028, the final year of the Medium-Term Management Plan, the Company has decided to revise its numerical management targets for consolidated net sales, consolidated operating profit, and ROE for that fiscal year.

	Initial Plan (Announced on May 12, 2025)	Revised Management Targets (Announced on May 12, 2026)	Current Revision (Announced on Nov. 9, 2026)
Net sales (consolidated)	¥77,500 million	¥77,500 million	¥81,000 million
Operating profit (consolidated)	¥6,500 million	¥7,750 million	¥8,400 million
ROE	8.0 %	9.0 %	10.0 %
DOE	3.2 %	3.6 %	4.0 %

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Transition of Net Sales and Operating Profit (Consolidated)



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Shareholder Return Policy

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 has adopted DOE for shareholder returns, aiming to pay out stable and progressive dividends regardless of short-term performance.

Before change

DOE 3.6% = ROE 9% × Payout ratio 40%

Change in shareholder return level

Regarding the level of the shareholder return metric, as ROE (return on equity) is now expected to exceed its target of 9%, the Company has also decided to change its DOE level from 3.6% to 4.0%.

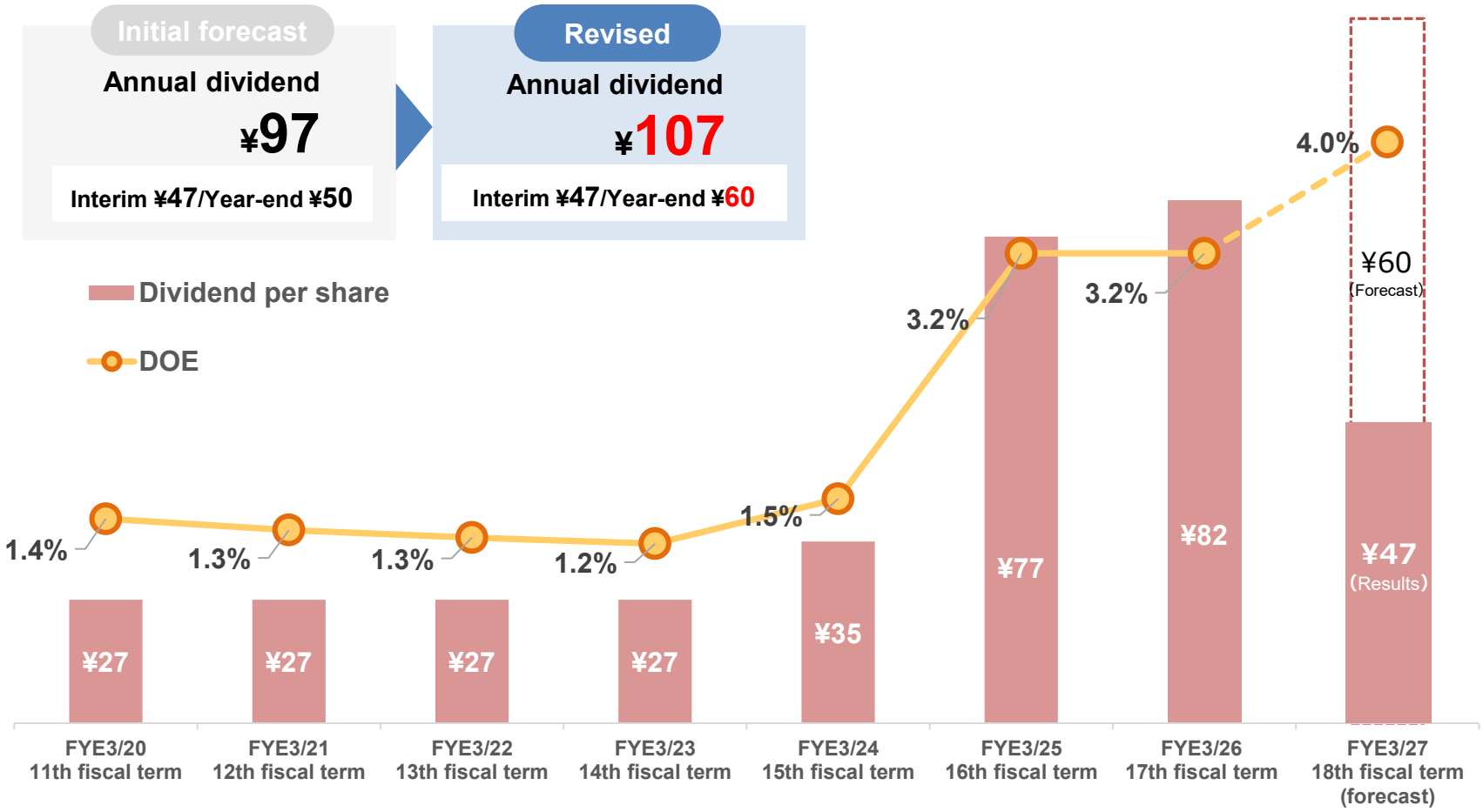
After change

DOE 4.0% = ROE 10% × Payout ratio 40%

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Shareholder Returns (Dividends)

In line with the change in the shareholder return level, the Company has revised its year-end dividend forecast upward by ¥10 per share to ¥60. Combined with the interim dividend of ¥47, the annual dividend is expected to be ¥107 per share.



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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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