FY2023 Consolidated Results
(Year Ended March 31, 2024)

RAIZNEXT Corporation

Security code: 6379

Contents

1. Action to Implement Management That Is Conscious of Cost of Capital and Stock Price

1）Action to Implement Management That Is Conscious of Cost of Capital and Stock Price (disclosed on February 9)

- Maintain an ROE of at least 8%
- Robust profitability (continuously maintain net profit of at least 7 billion yen)

- Lack of awareness of sustainable growth potential
- Low share liquidity (limited holdings by individual investors)

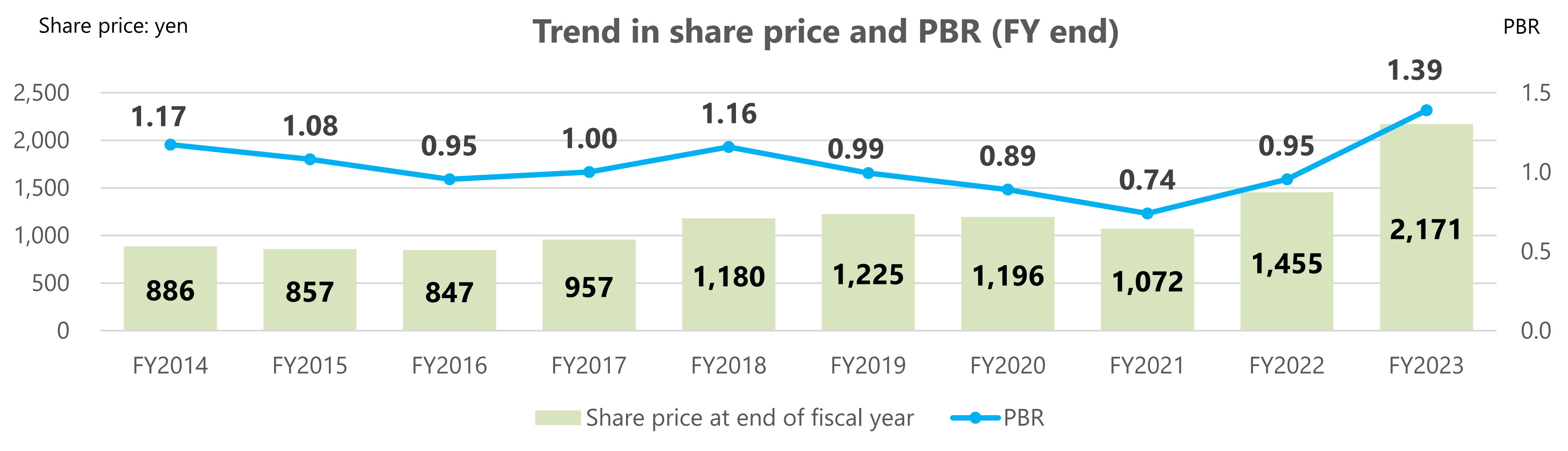
Issues faced by RAIZNEXT

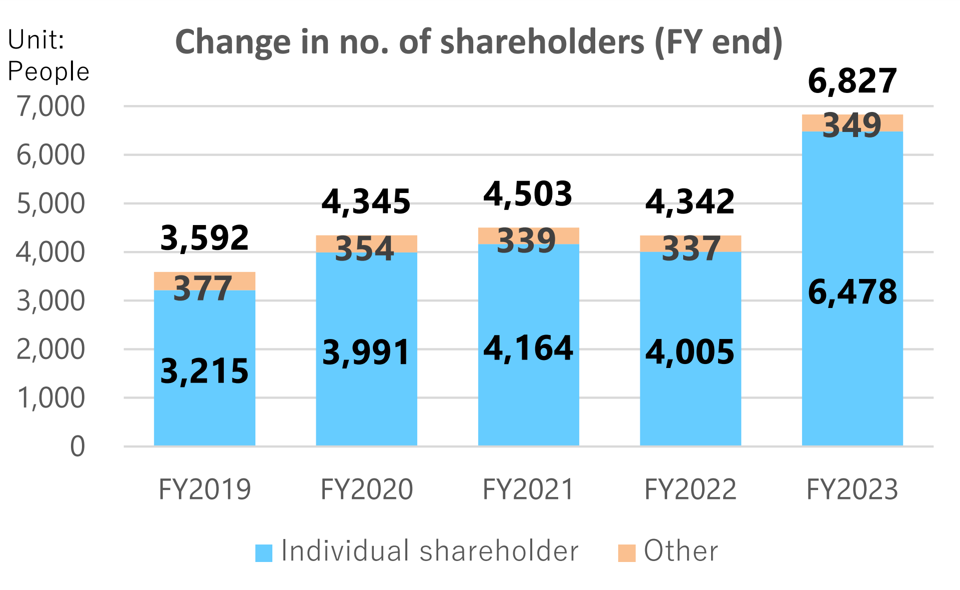
For a long-term ROE of at least 10%

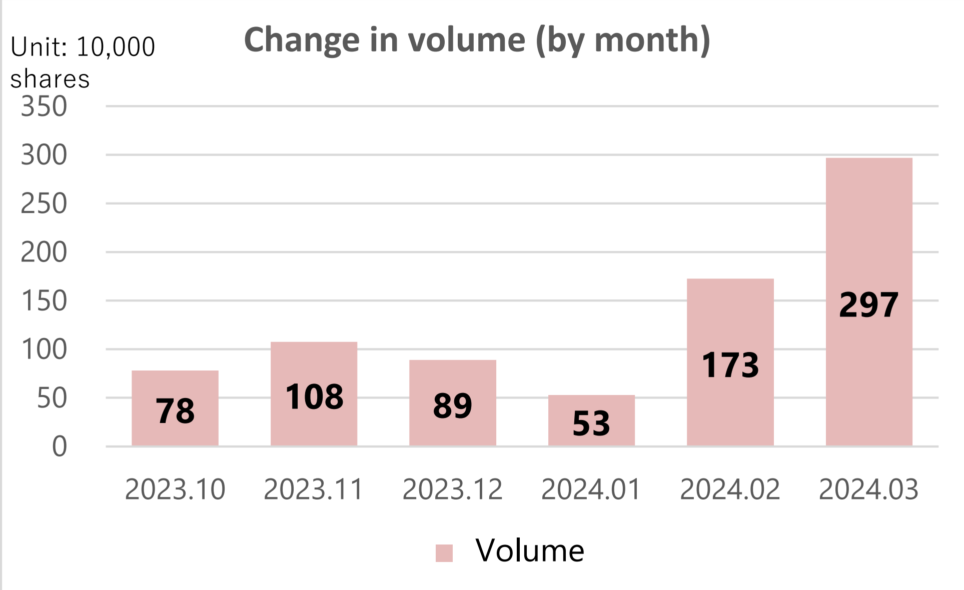
Item	Specific Initiatives
Increase profitability	・Secure stable profits in the maintenance business and proactively engage growth fields ・Improve labor productivity through human capital investment, DX, and ICT
Improve capital efficiency	・Continually reduce cross-shareholdings ・Sell of rental real estate/idle real estate
Enhance return to shareholders	・Aim for a consolidate dividend payout ratio of at least 60% ・Pay extraordinary dividends
Strengthen IR activities	・Strengthen information disclosure and communication related to RAIZNEXT business strategy ・Take initiatives to increase number of individual investors

2） Trend in share price and PBR

- Share price rose to 2,171 yen as of March 31, 2024, and PBR improved to 1.39 (1.18 as of May 21).
- Both the number of shareholders as of March 31, 2024, and the volume of shares in March 2024 increased.







2. FY2023 Financial Results

1） Business Environment in FY2023

➢ In October 2020, the Japanese government issued a "carbon neutral by 2050" declaration.

● Petroleum industry

Refineries are merging or closing due to declining demand for petroleum products.

⇒The role of oil refineries is being taken over by low-carbon fuel production facilities such as solar generating facilities and production facilities for sustainable aviation fuel (SAF) and other renewables and synthetic fuels. This trend is generating demand for construction of new plants.

● Electrical power industry

To reduce carbon emissions, companies are introducing new technologies such as ammonia co-combustion and hydrogen power generating equipment.

⇒Demand is growing for upgrading of equipment and construction of infrastructure to supply power stations with ammonia and hydrogen.

● General-chemical and nonferrous-metal industries

Demand is strong for high-performance materials for semiconductor manufacturing and electronic materials, to prepare for a carbon-free society.

⇒Demand is increasing for construction of chemical plants and electronic-material plants.

● Construction industry

Companies are responding to the tangible shortage of construction workers and the introduction of upper limits on overtime work.

Secure stable income from maintenance and continue to actively engage in growth fields

2） Earnings Summary for FY2023

➢ **New contracts increased from the initial forecast, while net sales, operating income, and ordinary profit decreased slightly. Profit attributable to owners of parent increased slightly from the initial forecast due to the recording of extraordinary profit.**

(Reference)

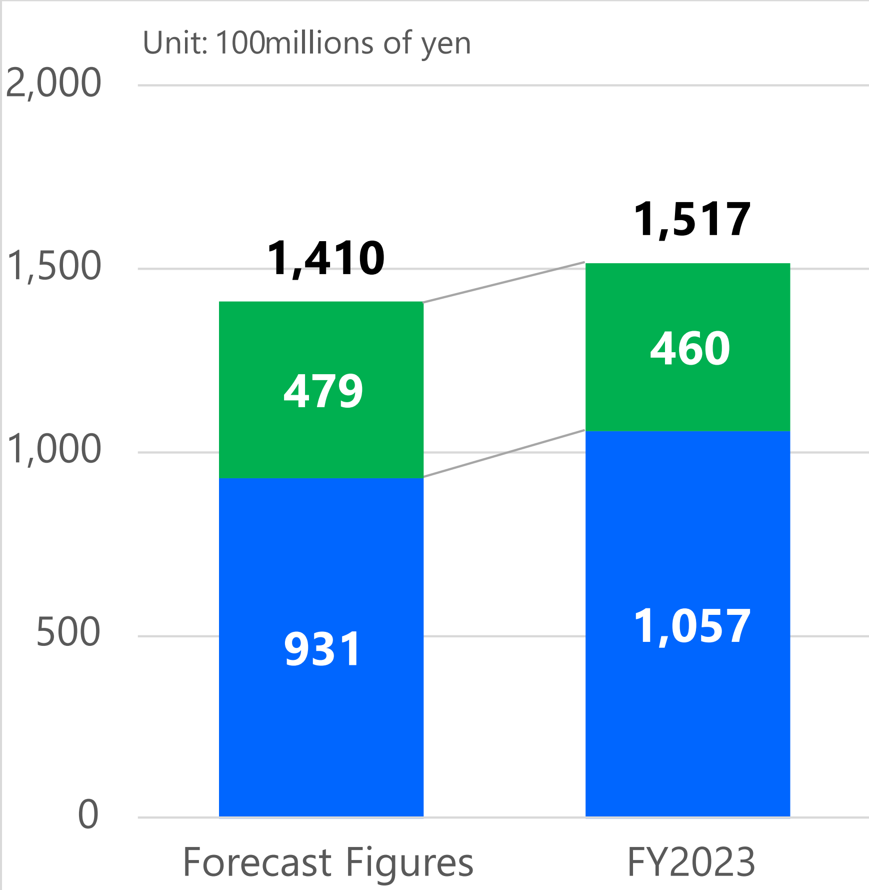
(Unit: 100 millions yen)

	Forecast Figures	**FY2023 Results**	Difference	Percent Change	FY2022 Results		
						Difference	Percent Change
New Contracts	1,410	**1,517**	+107	+7.6%	1,388	+129	+9.3%
Net Sales	1,410	**1,403**	-7	-0.5%	1,400	+3	+0.2%
Gross Profit	181.0	172.0	-9.0	-5.0%	180.5	-8.5	-4.7%
Percentage (%)	12.8%	12.3%	-0.5%	—	12.9%	-0.6%	—
SG&A	78.0	72.3	-5.6	-7.3%	71.3	+0.9	+1.3%
Operating Income	103.0	**99.6**	-3.4	-3.3%	109.1	-9.5	-8.7%
Percentage (%)	7.3%	7.1%	-0.2%	—	7.8%	-0.7%	—
Ordinary Profit	106.0	**102.6**	-3.4	-3.2%	112.4	-9.8	-8.7%
Percentage (%)	7.5%	7.3%	-0.2%	—	8.0%	-0.7%	—
Profit attributable to owners of parent	71.0	**72.4**	+1.4	+2.0%	77.4	-5.0	-6.5%
Percentage (%)	5.0%	5.2%	+0.2%	—	5.5%	-0.3%	—

3） New Contracts

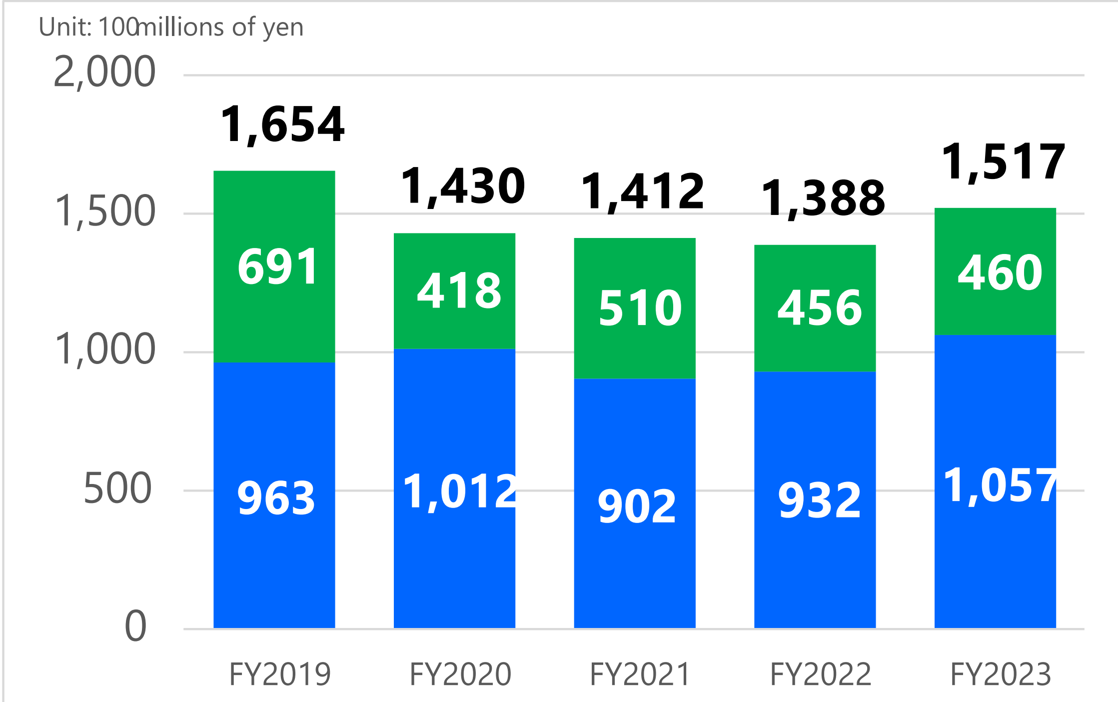
- In maintenance, new contracts exceeded the initial forecast due to an increase in turnaround maintenance.
- In engineering, large-scale construction work was recorded, but new contracts were lower than the initial forecast due to customer plan postponements, etc.

Comparison with initial forecast



5-year trend

- Maintenance trended between approx. 90 to 100 billion yen
- Engineering trended between approx. 40 to 50 billion yen
- Overall new contracts remained stable at approximately 140 to 150 billion yen



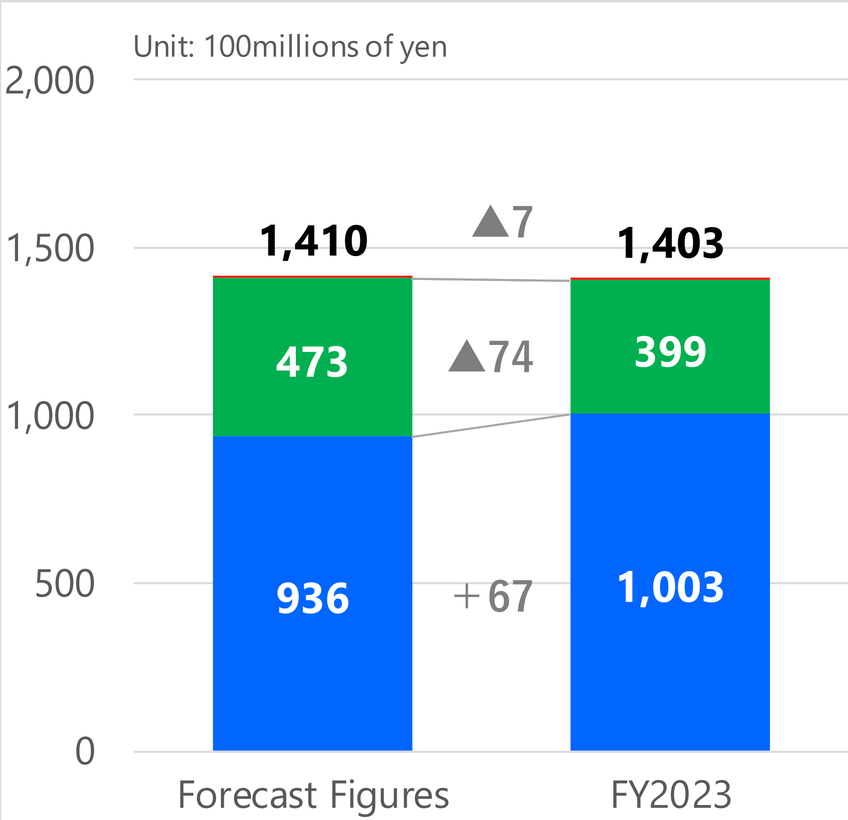
■ Maintenance ■ Engineering

Remarks:
① New contracts for the fiscal year ended September 30th, 2019 include those that RAIZNEXT added to the outstanding contracts for the former JX Engineering as of June 30th, 2019 to its new contracts figures on July 1st.

4）Net Sales

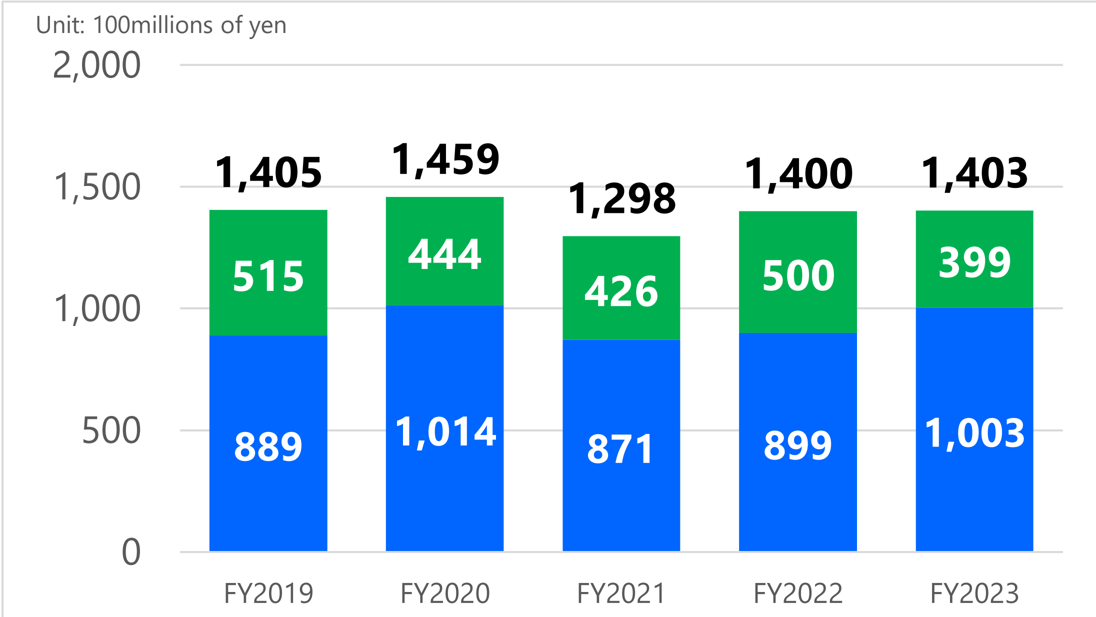
- In maintenance, net sales exceeded the initial forecast due to an increase in additional work for turnaround maintenance, etc.
- In engineering, net sales were lower than the initial forecast due to the recording period being later than expected, etc.

Comparison with initial forecast



5-year trend

- Maintenance fluctuated due to cycles of turnaround maintenance.
- Engineering proceeded on a stable trend as did new contracts.
- Net sales overall followed a similar trend to maintenance.

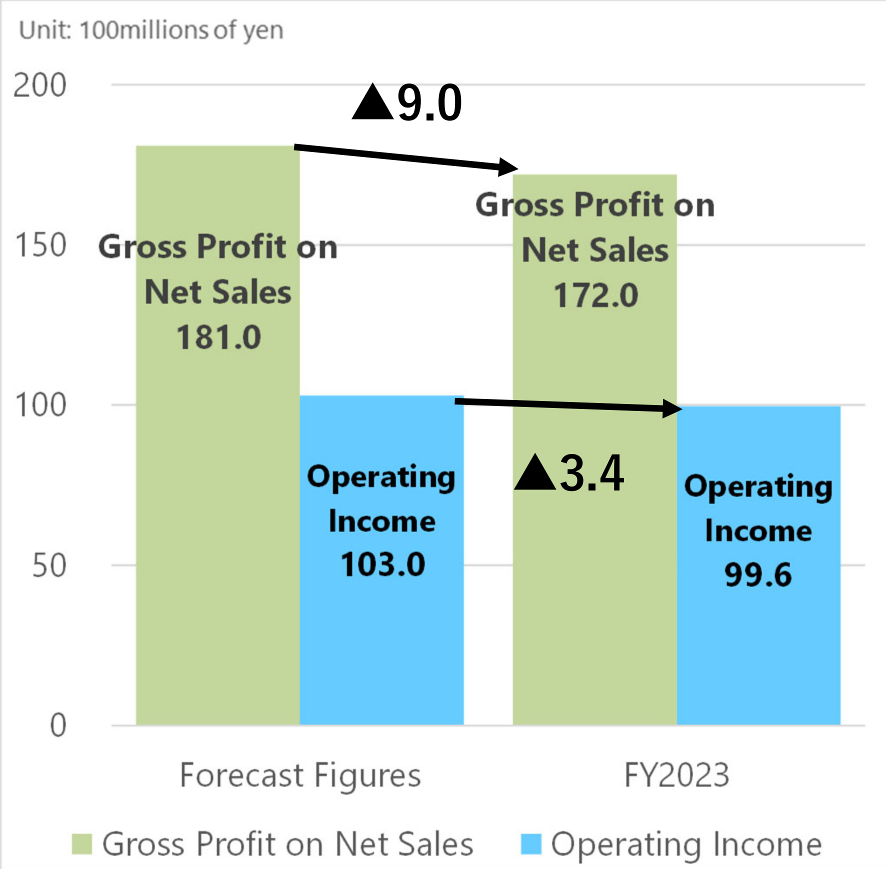


■ Maintenance ■ Engineering

5) Gross Profit on Net Sales and Operating Income

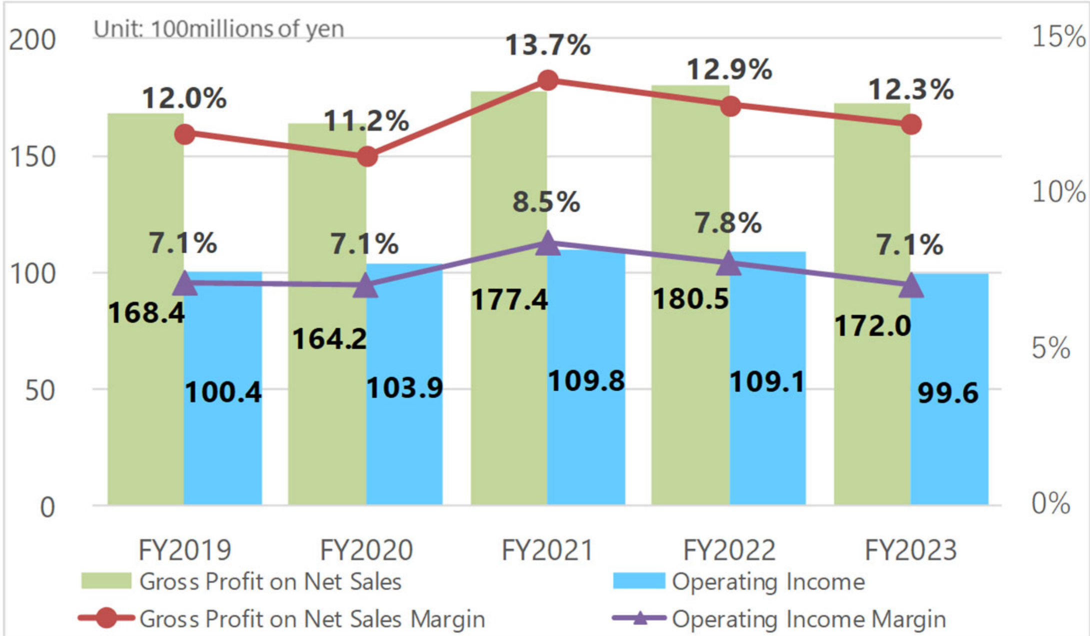
- Gross profit and operating income were slightly lower than the initial forecast.
- The gross profit margin was lower than the initial forecast due to the increase in sales on a cost recovery basis; however, the gross profit margin excluding sales on a cost recovery basis was in line with the initial forecast.

Comparison with initial forecast



5-year trend

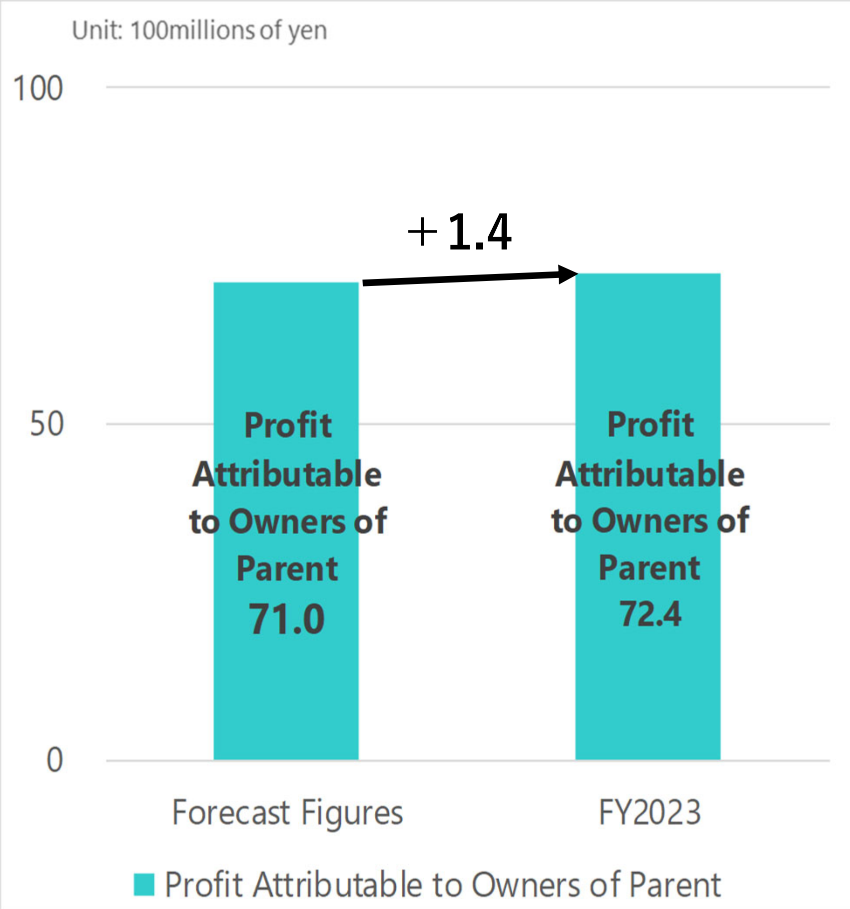
- Gross profit on net sales margin generally held to a level of 12% or greater.
- Operating income margin was consistently maintained at 7% or greater.



6) Profit Attributable to Owners of Parent

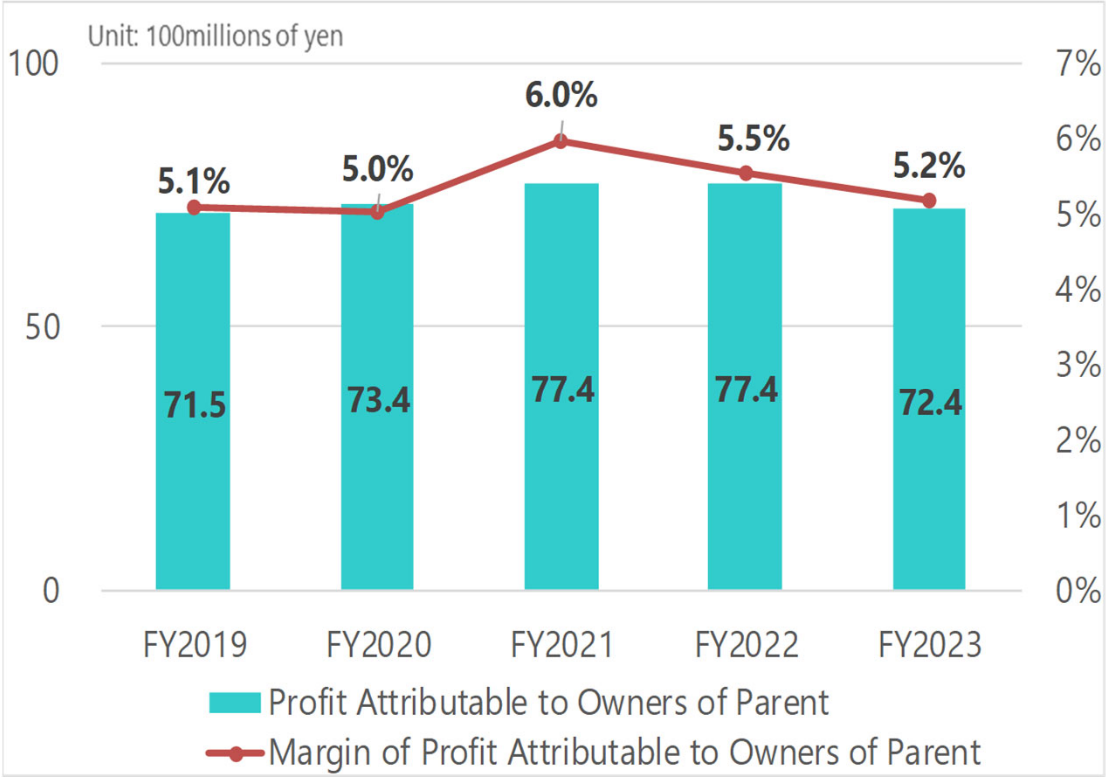
➢ **Profit attributable to owners of parent exceeded the initial forecast due to an increase in extraordinary profit and a decrease in corporate tax, etc.**

Comparison with initial forecast



5-year trend

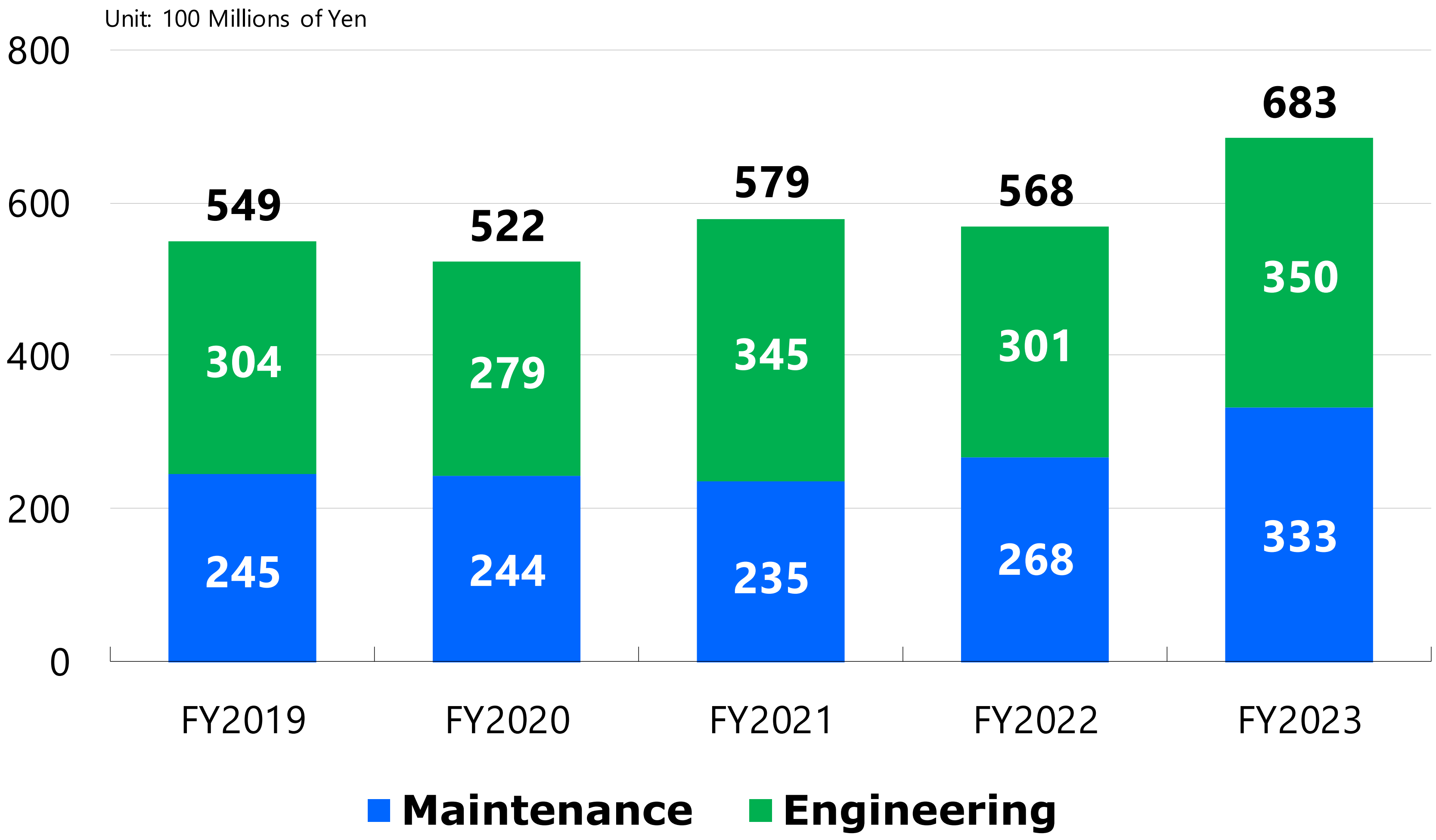
➢ **Margin of profit attributable to owners of parent was consistently maintained at 5% or greater.**



Remarks:
(1) Note: The FY2019 figures on the graph above exclude gain on bargain purchases (5,100 million yen) from the profit attributable to owners of parent.

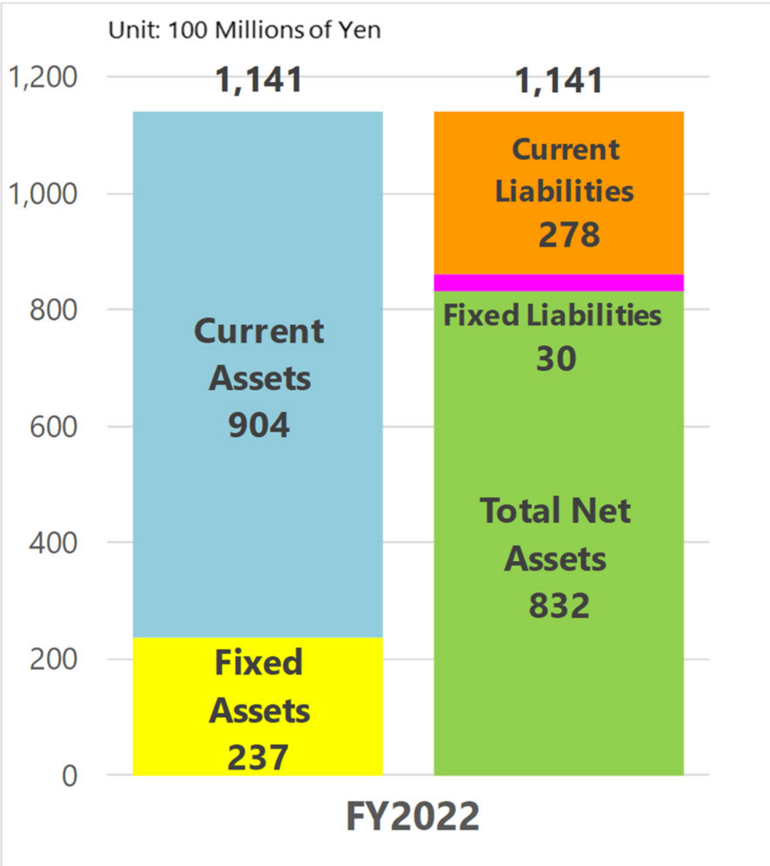
7） Outstanding Contracts

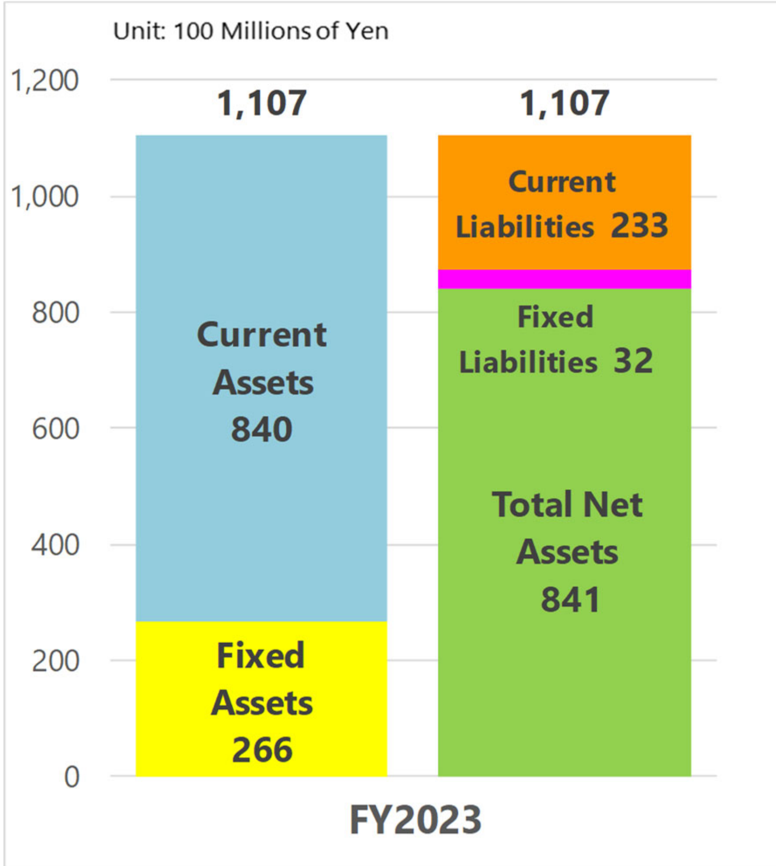
- Outstanding contracts for maintenance increased year-on-year due to recording of new contracts for construction completed in FY2024. Outstanding contracts for engineering increased year-on-year due to recording of new contracts for large-scale construction.



8） Balance Sheet

- Assets: Cash and deposits, accounts receivable on net sales, etc., decreased in current assets.
- Liabilities: Accounts payable on projects, etc., decreased in current liabilities.
- Shareholder's equity ratio: 75.2%; return on equity (ROE): 8.7%





Shareholder's equity ratio: 72.2%
Return on Equity: 9.6%

Shareholder's equity ratio: 75.2%
Return on Equity: 8.7%

2. Earnings Forecast for FY2024

1） Earnings Forecast for FY2024

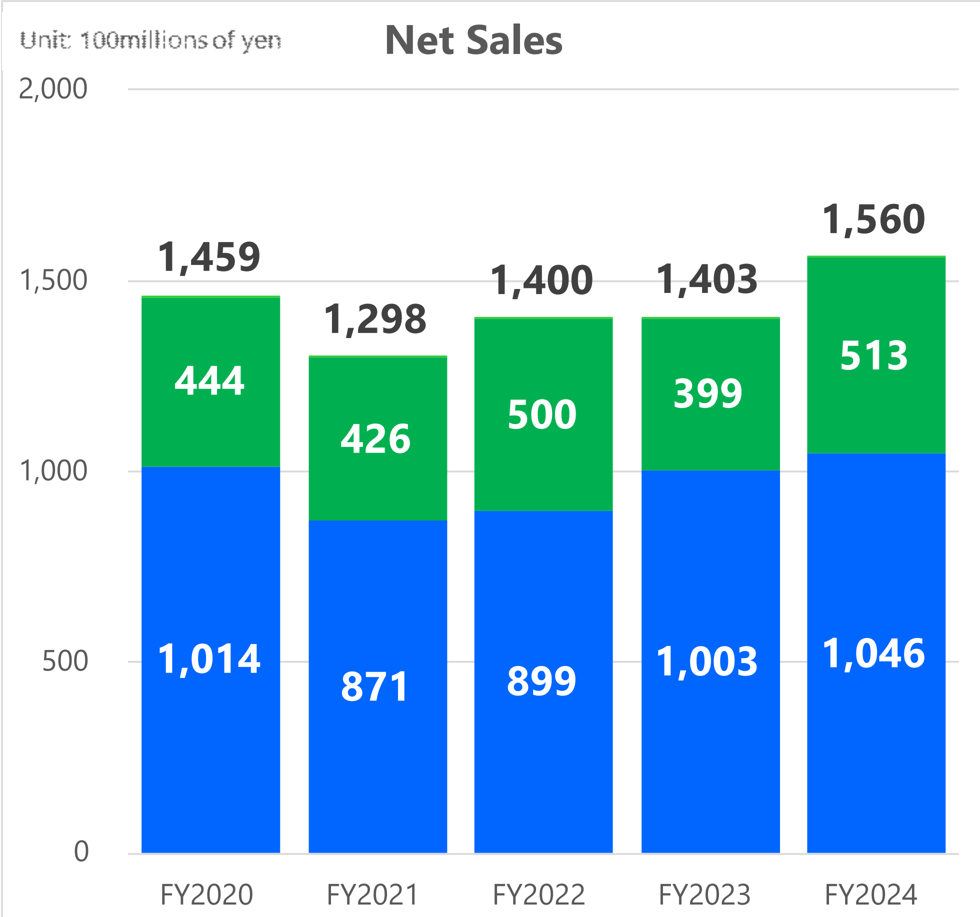
- **New contracts will decrease from the previous fiscal year; however, net sales and gross profit will increase from the previous fiscal year.**
- **Operating income, ordinary profit, and profit attributable to owners of parent will decrease from the previous fiscal year.**

(Unit: 100 millions yen)

	Interim				Full-Year			
	H1 FY2023 Results	H1 FY2024 Forecast	Change	Percent Change(%)	FY2023 Results	FY2024 Forecast	Change	Percent Change(%)
New Contracts	670	705	+35	+5.2%	1,517	**1,420**	-97	-6.4%
Net Sales	702	710	+8	+1.1%	1,403	**1,560**	+157	+11.2%
Gross Profit	78.5	73.0	-5.5	-7.0%	172.0	177.5	+5.5	+3.2%
Percentage (%)	11.2%	10.3%	-0.9%	-	12.3%	11.4%	-0.9%	-
SG&A	36.6	43.0	+6.3	+17.2%	72.3	84.0	+11.6	+16.1%
Percentage (%)	5.2%	6.1%	+0.9%	-	5.2%	5.4%	+0.2%	-
Operating Income	41.9	30.0	-11.9	-28.4%	99.6	**93.5**	-6.1	-6.1%
Percentage (%)	6.0%	4.2%	-1.8%	-	7.1%	6.0%	-1.1%	-
Ordinary Profit	43.6	30.5	-13.1	-30.0%	102.6	95.0	-7.6	-7.4%
Percentage (%)	6.2%	4.3%	-1.9%	-	7.3%	6.1%	-1.2%	-
Profit attributable to owners of parent	28.6	21.0	-7.6	-26.6%	72.4	**66.5**	-5.9	-8.1%
Percentage (%)	4.1%	3.0%	-1.1%	-	5.2%	4.3%	-0.9%	-
EPS	53.02 yen	38.87 yen	-14.14yen	-26.7%	134.20 yen	123.10 yen	-11.10yen	-8.3%
Outstanding Contracts	537	679	+142	+26.4%	683	544	-139	-20.4%

2) New Contracts and Net Sales

- New contracts for maintenance are forecasted to decrease from the previous fiscal year due to a small amount of turnaround maintenance in FY2025. New contracts for engineering are expected to increase from the previous fiscal year.
- Net sales for maintenance are forecasted to increase due to reaching a peak in turnaround maintenance. Net sales for engineering are also forecasted to increase from the previous fiscal year.



■ Maintenance ■ Engineering

Note: Figures for FY2024 are forecasts.

3) Planned Dividend Payout for FY2023 and Dividend Forecast for FY2024

Planned Dividend Payout for FY2023

Year-end dividend: 105 yen (ordinary dividend: 40 yen; extraordinary dividend: 65 yen)

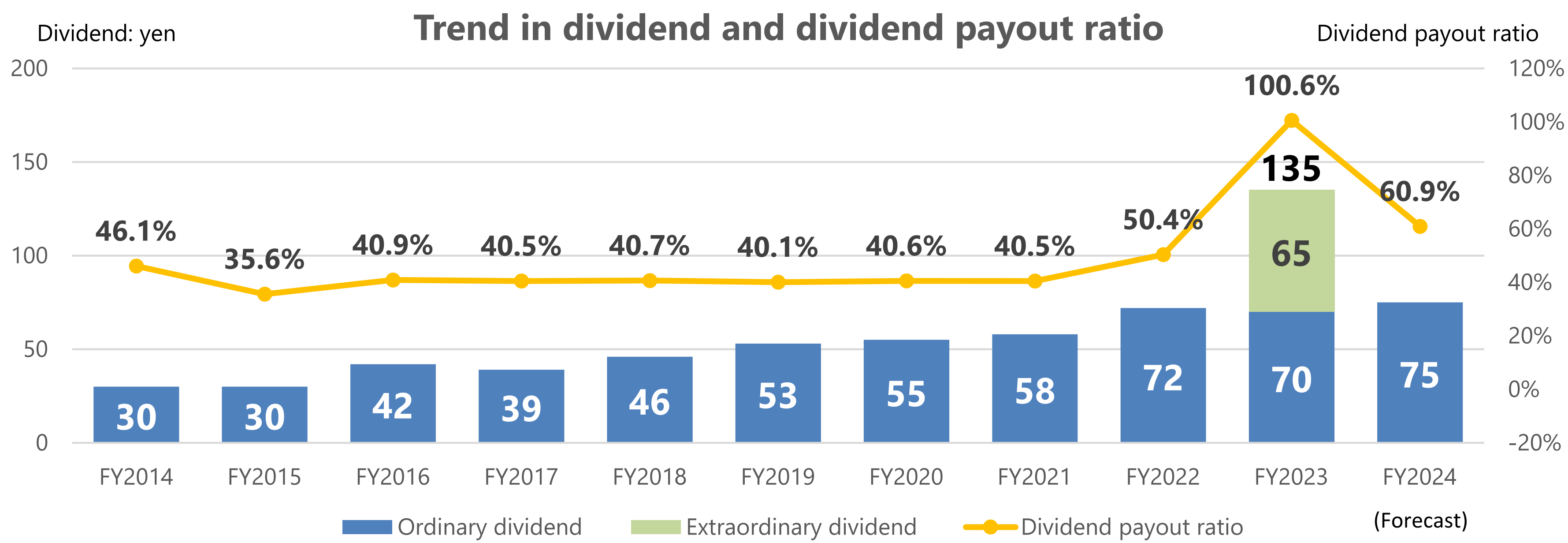
Consolidated dividend payout ratio: 100.6% (ordinary dividend: 70 yen; extraordinary dividend: 65 yen)

Dividend Forecast for FY2024

Annual dividend: 75 yen (Interim dividend: 35 yen; Year-end dividend: 40 yen)

➡ Forecast for increased dividends on an ordinary dividend basis

Consolidated dividend payout ratio: 60.9% (ordinary dividend: 75 yen)



Note: The figure in the above graph for FY2019 does not include gain on bargain purchases of 5,500 million yen.

Second Medium-term Management Plan (Progress in 2023)

Management Targets in Numbers

Targets and outlook for final year of Second Medium-term Management Plan

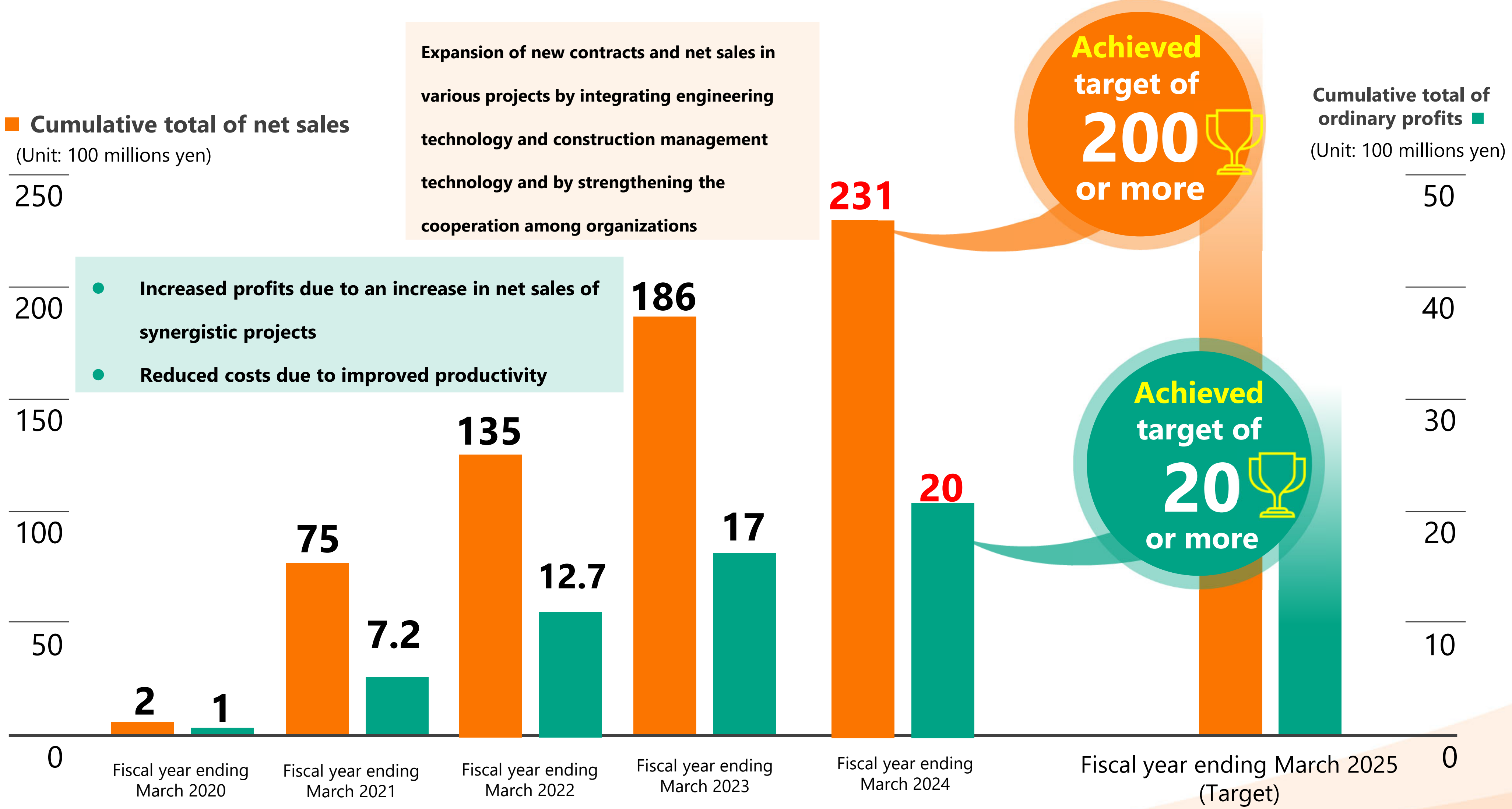
(Unit: 100 millions yen)

(Consolidation)	Item	FY2023 Results (Fiscal year ending March 2024)	FY2024 targets in the Second Medium-term Management Plan (Fiscal year ending March 2025)	FY2024 Forecast (Fiscal year ending March 2025)
Performance targets	Net sales	**1,403**	**1,450**	**1,560**
	Operating income (Profit ratio)	**99** (**7.1**%)	**105** (**7.2**%)	**93** (**6.0**%)
	Profit attributable to owners of parent company (Profit ratio)	**72** (**5.2**%)	**70** (**4.8**%)	**66** (**4.3**%)
Target values of management index	Return on equity (ROE)	**8.7**%	**8**% or more	**8.1**%
	Consolidated dividend payout ratio	**100**% (includes commemorative dividend)	**40**% or more	**60**%

・Net sales will greatly exceed the Medium-term Management Plan targets
・In FY2024, operating income and net profit will fall below the Medium-term Management Plan targets
・Enhance shareholder returns by revising the consolidated dividend payout ratio from the Medium-term Management Plan target from 40% or more to 60% or more

Synergistic Effect (Targets and Results)

We aim to generate synergistic effect with a cumulative amount of "Net sales of **200** (100 millions yen) or more" and "Ordinary profits of **20** (100 millions yen) or more" in total during the first and second medium-term management plan



Strengthen Our Management Foundation and Various Business Strategies

Strengthen our maintenance business

- Effective operation of production planning systems across the company
- Strengthening the partner company network and maintaining mobilization capacity

Strengthen our engineering business

- Further strengthening business execution system and technical capabilities
- Expanding new contracts in new fields such as renewable energy

Strengthen our tank business

- Further strengthening management systems across the company and strengthening the systems of our business partners
- Investigating and examining the design and construction technology of hydrogen storage tanks

- Expanding new contracts and profits
- Strengthen technical capabilities

Strengthen our management foundation

- Reinforcement of governance systems in the entire group
- Regulating overtime work limits/ responding to new work styles
- Personnel recruitment and training
- ESG management including CSR activities and SDGs
- Promoting DX
- Generation of synergistic effects

Progress in Strengthening Our Management Foundation and Various Business Strategies

Strengthen our maintenance business

- Effective operation of production planning systems across the company
- Strengthening the network of our business partners and maintaining mobilization capacity
- Expanding new contracts and profits
- Strengthening technical capabilities

- Flexible staff assignment through organizational integration aimed at overall optimization
- Setting appropriate unit prices with customers and partner companies
- Large-scale turnaround maintenance at a petroleum sales company/chemical manufacturer and entry into new plants
- Achievement of entry into new areas of daily-maintenance and turnaround-maintenance projects
- Development of various technologies (automatic cleaning equipment for heat exchangers, flameless pipe cutting, DX of various maintenance tasks)

Strengthen our maintenance business

Plant maintenance

- Maintenance is essential as long as a plant is operating
- Expert technical ability is required for plant maintenance

RAIZNEXT

- Many years of experience in leading role

+

- Network of partner businesses throughout Japan

Realize fast, safe,
and high-quality maintenance

Maintenance business is a pillar of our stable revenue

Going forward, work to improve labor productivity through DX and ICT

Progress in Strengthening Our Management Foundation and Various Business Strategies

Strengthen our engineering business

- Further strengthening business execution system and technical capabilities
- Expanding new contracts in new fields such as renewable energy
- Expanding new contracts and profits
- Strengthening technical capabilities

- New contracts in new fields for carbon neutral society
  → Continuous construction of new mega solar power plants
  → Construction of green ammonia manufacturing plant
  → Actively receiving new contracts for high-performance chemical manufacturing plants surrounding semiconductor manufacturing

- New contracts for base refurbishment for the future of shuttered refineries (detoxification and equipment-removal work)
- Collaboration to realize new businesses of customers
- Continuous contracts for new plant installation and plant modification in non-ferrous metal field
- Increased new contracts for carbon neutral products
  FY2020 ¥870 million (1.2%*)
  FY2023 ¥5.16 billion (11.3%*)

* Percentage of carbon neutral projects among engineering contracts received by RAIZNEXT

Progress in Strengthening Our Management Foundation and Various Business Strategies

Strengthen our **tank business**

- Further strengthening operating structure across the company and strengthening the systems of our business partners
- Investigating and examining the design and construction technology of hydrogen storage tanks
- Expanding new contracts and profits
- Strengthening technical capabilities

- Improving the tank production management system and strengthening the business execution system

  → Sharing of tank-engineer resources in-house, increasing new contracts and income by boosting utilization rates

- Considering measures for acquiring design and installation technology for low-temperature tanks necessary for social implementation of hydrogen and ammonia
- New contracts for tank projects at newly contacted oil storage companies and oil refining companies

Progress in Strengthening Our Management Foundation and Various Business Strategies

Strengthen our **management foundation**

- Reinforcement of governance systems in the entire group
- Regulating overtime work limits/ responding to new work styles
- Personnel recruitment and training
- ESG management including CSR activities and SDGs
- Promoting DX
- Generation of synergistic effects

- Disclosing ESG data and GHG emission reduction targets (Scope 1 & 2) to promote sustainability management
- Improving work-life balance

  → Increasing number of employees taking childcare leave, spouse childbirth leave, sick/injured childcare leave
- Continuing efforts to achieve a comfortable work environment
- Responding to restrictions on overtime in 2024

  → Working to achieve on year ahead of schedule

  → Increase operational efficiency by increasing the number of dispatch supervisors and standardization of turnaround maintenance
- Implementing a medium- to long-term education plan for technical employees

This material includes projections based on future forecast and plans that was available on May 22, 2024.

There is a possibility that these projections may be different from actual results, affected by risks such as fluctuations in economic conditions and other uncertain factors.

Contact

RAIZNEXT Corporation

1-1-8, Sakuragicho, Naka-ku, Yokohama-shi, Kanagawa, 231-0062, Japan

Budget Control & IR Group　Corporate Planning Department

Tel: +81-45-415-1500 Fax: +81-45-415-1120

E-Mail: ir-info@raiznext.co.jp / URL: https://www.raiznext.co.jp

RAIZNEXT Corporation