RAIZNEXT

Report for the 120th Fiscal Year

From April 1, 2023 to March 31, 2024

RAIZNEXT Corporation

Stock exchange code: 6379

I would like to express my deepest gratitude to our shareholders for your valued patronage.

This report provides an overview of our business for the 120th fiscal year (from April 1, 2023 to March 31, 2024).

I would greatly appreciate it if you could take the time to read this report.

Representative Director
President
Teruhiko Mouri

Overview of Business Results for the Fiscal Year Ended March 31, 2024

The economy of Japan for the fiscal year ended March 31, 2024 showed moderate recovery with the improvements in the employment and income environment, and partially due to the effects of various political measures, despite some signs of hesitation in the rebound. On the other hand, concerns persist about the potential downturn in overseas economies exerting downward pressure on the domestic economy, amidst global monetary tightening and uncertainties regarding the future of the Chinese economy. Additionally, risks related to rising prices, geopolitical tensions in the Middle East, and volatility in financial and capital markets remain significant concerns.

Regarding the Company's business environment, overall demand for products has not been recovered due to a structural decline in demand for petroleum products and the deterioration of the market conditions for petrochemical products caused by the decline in domestic demand in China. On the other hand, the government has announced "The Basic Policy for the Realization of GX," and industries have begun to formulate new capital investment plans toward a carbon-neutral society. In the construction industry, with a shortage of construction workers becoming apparent, the introduction of the maximum overtime regulations is scheduled from the fiscal year 2024, and addressing the issue of reforming the working conditions at construction sites, in line with societal demands, is a pressing issue.

For the Company group, new contracts in the fiscal year ended March 31, 2024 increased over the previous fiscal year. In the maintenance field, new contracts increased over the previous fiscal year, primarily due to the increase in regular repairs. In the engineering field, similar to the previous fiscal year, new contracts remained at the same level as the previous fiscal year, attributable to the acquisition of large-scale construction works. Net sales remained at the same level as the previous fiscal year. In the same token as the new contracts, net sales in the maintenance field increased over the previous fiscal year, driven by the increase in regular repairs. Net sales in the engineering field decreased over the previous fiscal year, attributable to the decrease in modification works and new construction works. Gross profit on completed construction contracts decreased over the previous fiscal year as a result of repercussions from the recording of multiple highly-profitable works in the previous fiscal year.

For the Company group's consolidated performance, new contracts were 151,781 million yen (up 9.3% YoY), net sales were 140,366 million yen (up 0.2% YoY), operating income was 9,968 million yen (down 8.7% YoY), ordinary profit was 10,261 million yen (down 8.7% YoY), and profit attributable to owners of parent was 7,249 million yen (down 6.4% YoY).

For the Company's non-consolidated performance, new contracts were 144,193 million yen (up 9.8% YoY), net sales were 132,544 million yen (up 0.2% YoY), operating income was 9,130 million yen (down 8.3% YoY), ordinary profit was 9,611 million yen (down 8.1% YoY), and profit was 6,714 million yen (down 8.8% YoY).

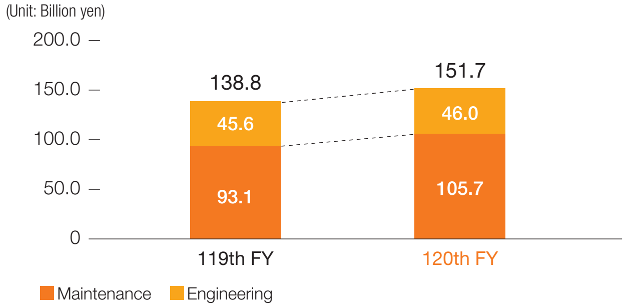
Forecast for the Next Fiscal Year

For the next fiscal year (ending March 31, 2025), the economy is expected to pick up as the pandemic passes and deflation is over with wage increases taking hold and service prices rising. On the other hand, there are also factors that could dampen the economy, such as labor shortages due to the application of the maximum overtime regulations (the 2024 problem) and the decline in real wages due to high prices. Therefore, the situation is expected to remain uncertain.

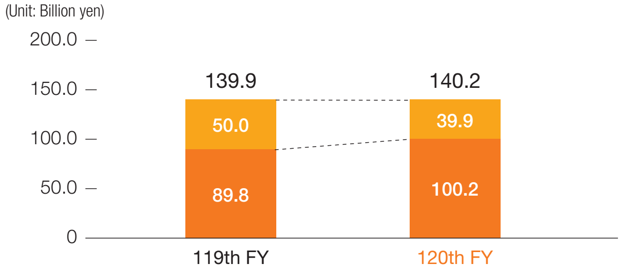
As for the consolidated financial results forecast, new contracts at 142,000 million yen, net sales at 156,000 million yen, operating income at 9,350 million yen, ordinary profit at 9,500 million yen, and profit attributable to owners of parent at 6,650 million yen are forecasted.

Since the next fiscal year is expected to be a year with many regular repairs, an increase in the total number of works is anticipated. We continuously strive to increase new contracts of conventional maintenance-related works including routine maintenance, regular repair and renovation. By taking on initiatives to respond to changes in the business environment, we also make efforts to secure new contracts for projects ranging from feasibility studies to

Breakdown of New Contracts by Construction Type



Breakdown of Net Sales by Construction Type



(Note) Other business (real estate leasing and other services) is not included in the graph of net sales.

construction works by participating in future plans for closed refineries, plants manufacturing high-performance product related to semiconductors such as general chemicals and electronic materials, and fields related to carbon neutrality such as solar power generation.

Basic Policy on Profit Distribution and Dividends for This and Next Fiscal Years

The Company has positioned the distribution of dividends as the most important management issue. Taking into consideration the commitment to implementing continuous and stable dividends in line with revenues and profits, the Company is targeting a consolidated payout ratio of 40% or higher. In addition, the timing of dividends will be basically twice a year, at the interim and at the year-end.

Based on the above and in comprehensive consideration of our full-year consolidated performance, the year-end dividend for the fiscal year ended March 31, 2024 was determined as 105 yen per share (including the ordinary dividend of 40 yen per share and the commemorative dividend of 65 yen per share). Adding the interim dividend of 30 yen per share, the total annual dividend is 135 yen per share.

As for the dividends of the next fiscal year, as announced in "Measures for achieving management that is mindful of capital cost and share price" on February 9, 2024, we are targeting a consolidated dividend payout ratio of 60% or higher. The annual dividend of 75 yen per share consisting of 35 yen per share as the interim dividend and 40 yen per share as the year-end dividend is scheduled.

Return to Shareholders

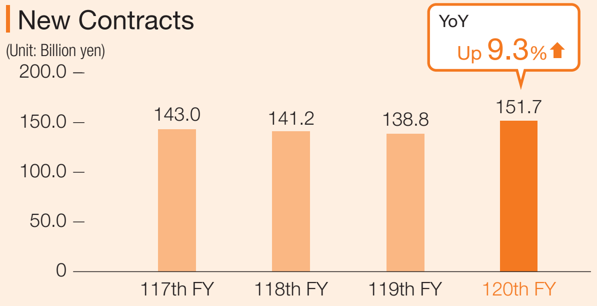
Dividends are paid with due consideration for continuity and stability.

120th FY (FY ended March 31, 2024)

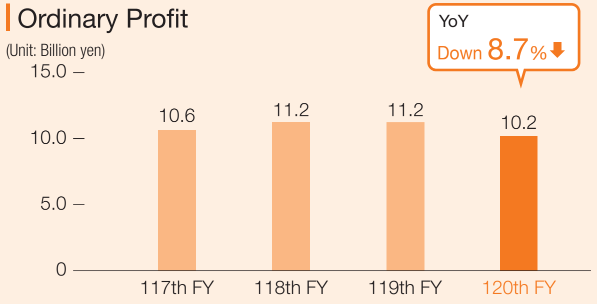
Dividend per share			Consolidated dividend payout ratio
Interim	Year-end	Annual	
30 yen	105 yen (Of which, ordinary dividend 40 yen) (Of which, commemorative dividend 65 yen)	135 yen (Of which, ordinary dividend 70 yen) (Of which, commemorative dividend 65 yen)	100.6%

Consolidated Financial Results Highlights

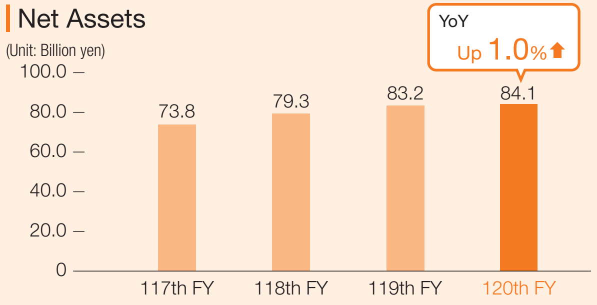
New Contracts



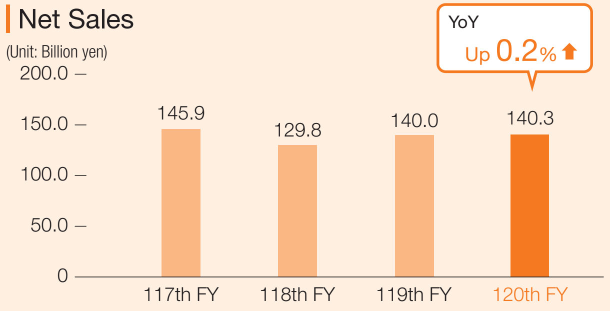
Ordinary Profit



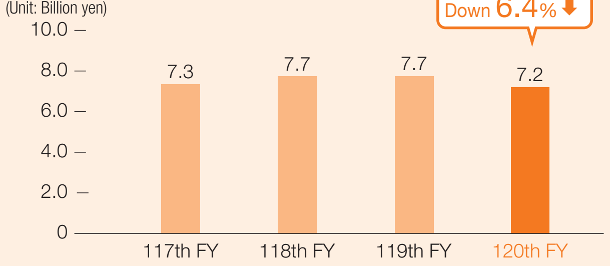
Net Assets



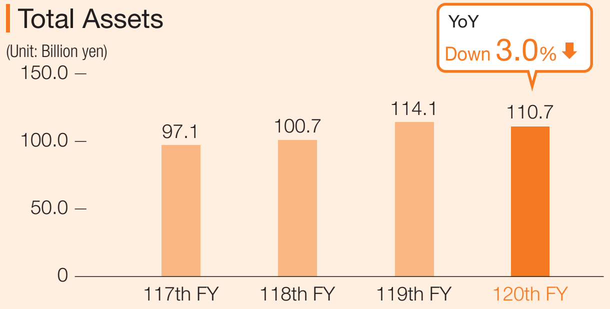
Net Sales



Profit attributable to owners of parent



Total Assets



For detailed financial information, please refer to "Investor Relations" section of our website.

RAIZNEXT Investor Relations

https://www.raiznext.co.jp/e/ir/

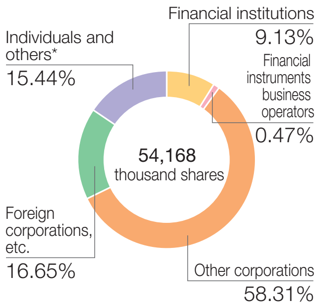
Stock Information (as of March 31, 2024)

- Total number of shares authorized to be issued 160,000,000 shares
- Total number of shares outstanding (including 885,013 treasury shares) 54,168,053 shares
- Number of shareholders 6,827
- Major shareholders

Shareholder's name	Number of shares (in thousand shares)	Shareholding ratio (%)
ENEOS Holdings, Inc.	11,658	21.88
UH Partners 2, Inc.	4,904	9.20
HIKARI TSUSHIN, Inc.	4,054	7.61
NIPPO CORPORATION	3,882	7.29
The Master Trust Bank of Japan, Ltd. (Trust Account)	3,604	6.77
BBH FOR FIDELITY LOW-PRICED STOCK FUND (PRINCIPAL ALL SECTOR SUBPORTFOLIO)	3,094	5.81
UH Partners 3, Inc.	1,876	3.52
System Integrating Laboratory Co., Ltd.	1,354	2.54
RAIZNEXT Business Partners Shareholding Association	1,200	2.25
Custody Bank of Japan, Ltd. (Trust Account)	1,081	2.03

*Shareholding ratios are calculated after deducting treasury shares.

- Distribution of shares by type of shareholder



Financial institutions	4,943 thousand shares
Financial instruments business operators	254 thousand shares
Other corporations	31,587 thousand shares
Foreign corporations, etc.	9,020 thousand shares
Individuals and others*	8,364 thousand shares
Total	54,168 thousand shares

* "Individuals and others" includes treasury shares.

Topics

Measures for achieving management that is mindful of capital cost and share price

In light of our current situation, we will work to improve profitability and capital efficiency, enhance return to shareholders, and strengthen investor relations activities.

- ▶Return on equity (ROE) to remain at 8% or higher
- ▶Good profitability
  (continue to maintain profit of 7.0 billion yen or more)

- ▶Lack of communication on continuous growth potential
- ▶Low stock liquidity
  (shareholding by individual investors is limited)

Our challenge

To achieve ROE of 10% or higher over the long term

Item	Specific efforts
Improve profitability	• Secure stable profit in the maintenance business and make aggressive efforts in the growth fields • Invest in human capital and improve labor productivity through DX and ICT
Improve capital efficiency	• Continue to reduce cross-shareholdings • Sell leased and idle real estate
Enhance return to shareholders	• Target a consolidated dividend payout ratio of 60% or higher • Pay special dividends
Strengthen investor relations activities	• Enhance information disclosure and communication on our business strategy • Make efforts to increase the number of individual investors

Business activities in harmony with society and the environment

We have identified the following 7 material issues and are promoting sustainability management, including consideration for the environment, promotion of diversity and comfortable workplaces, and strengthening compliance and governance.

Material issues

- Contribute to achieving a carbon neutral society
- Strengthen corporate governance
- Enrich people's daily life and contribute to social safety and security
- Create rewarding and inviting work environments for all
- Provide environmentally-conscious plant services
- Provide safe, high-quality services
- Develop along with partner companies

Efforts for sustainability management

ESG data (as of March 31, 2024) is also available in detail on our website.

E Environment

Accumulative generated capacity of electricity by renewable-energy equipments installed by the Company

267 MW

Greenhouse-gas emissions (Scopes 1 and 2)

6,223 t-CO_2

S Social

Rate of the used portion of employees' annual paid leave

83.8%

Acquisition rate of childcare leave

Male 80.6%/Female 100%

Average overtime hours

15.4 hours/month

Education and training expenses per employee

153 thousand yen

G Governance

Number of directors

10 directors

Composition of 10 directors

4 outside directors
(2 female directors)

For detailed ESG-related data, please refer to "ESG Data" section of our website.

RAIZNEXT ESG

https://www.raiznext.co.jp/e/sustainability/esg-data.html

Shareholder Memo

Fiscal Year	Ending March 31
General Shareholders' Meeting	During June
Record Date	March 31 for the General Meeting of Shareholders. Additional announcements will be made as necessary.
Dividend Payout Confirmation Date	March 31; if an interim dividend is to be paid, confirmation of payout will be made on September 30
Administrator of Shareholders' Registry	Mitsubishi UFJ Trust and Banking Corporation
Contact	Stock Transfer Agency Department Mitsubishi UFJ Trust and Banking Corporation 1-1 Nikko-cho, Fuchu-shi, Tokyo Phone: 0120–232–711 (toll free) Mailing address: PO Box 29, Shin-Tokyo Post Office, 137-8081 Stock Transfer Agency Department Mitsubishi UFJ Trust and Banking Corporation
Announcement Method	Announcements are delivered electronically. In the event that electronic delivery is not possible, we will publish announcements in the Nihon Keizai Shimbun.

Company Overview (as of March 31, 2024)

Trade name	RAIZNEXT Corporation
Location of head office	1-1-8, Sakuragicho, Naka-ku, Yokohama-shi, Kanagawa, 231-0062, Japan +81-45-415-1111
Established on	July 20, 1938
Capital	2,754,473,003 yen
Listed stock exchange	Prime Market of the Tokyo Stock Exchange
No. of employees	Consolidated: 2,125 Non-consolidated: 1,641

Board of Directors (as of June 25, 2024)

Representative Director Chairman of the Board	Takashi Noro
Representative Director President	Teruhiko Mouri
Director Executive Vice President	Masaki Fukuhisa
Director Executive Vice President	Hideki Ueda
Director Executive Vice President	Hiroyuki Kimura
Director Senior Managing Executive Officer	Daisaku Nakatakuma
Outside Director	Noriaki Isa
Outside Director (Audit and Supervisory Committee Member)	Toshio Saburi
Outside Director (Audit and Supervisory Committee Member)	Keiko Suichi
Outside Director (Audit and Supervisory Committee Member)	Mayumi Nishida

About our website

Our website provides information about the Company, business and services, investor relations, and more.
We are looking forward to your visiting us.

RAIZNEXT

https://www.raiznext.co.jp/e/