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October 27, 2026

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(Securities code: 2325; Prime Market)

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Notice Regarding the Formulation of the "Mid-term Management Plan 2030"

We hereby announce that, at the meeting of the Board of Directors held today, the Company resolved to adopt the attached Medium-Term Management Plan covering the four-year period from the fiscal year ending December 31, 2027 through the fiscal year ending December 31, 2030.

Medium-Term Management Plan 2030

— Driving Growth Through the Creation of New Water Businesses —

During the three-year period of the Medium-Term Management Plan 2026, challenges facing water infrastructure have become increasingly severe. The **Noto Peninsula Earthquake** occurred in January 2024, followed by the **Saitama road collapse incident** in January 2025. In 2026, the **2026 Kumamoto Earthquake** and record-breaking heavy rainfall disasters in various regions further heightened the need to strengthen resilience. At the same time, advances in DX and generative AI are dramatically transforming working styles and industrial structures.

Recognizing these changes in the business environment as opportunities for growth, we have formulated the **"Medium-Term Management Plan 2030"** under the theme of **"Creating New Water Businesses."** While our previous medium-term management plans covered three-year periods, we have already disclosed our growth strategy through 2030. Accordingly, this time we have established a four-year plan that extends through 2030.

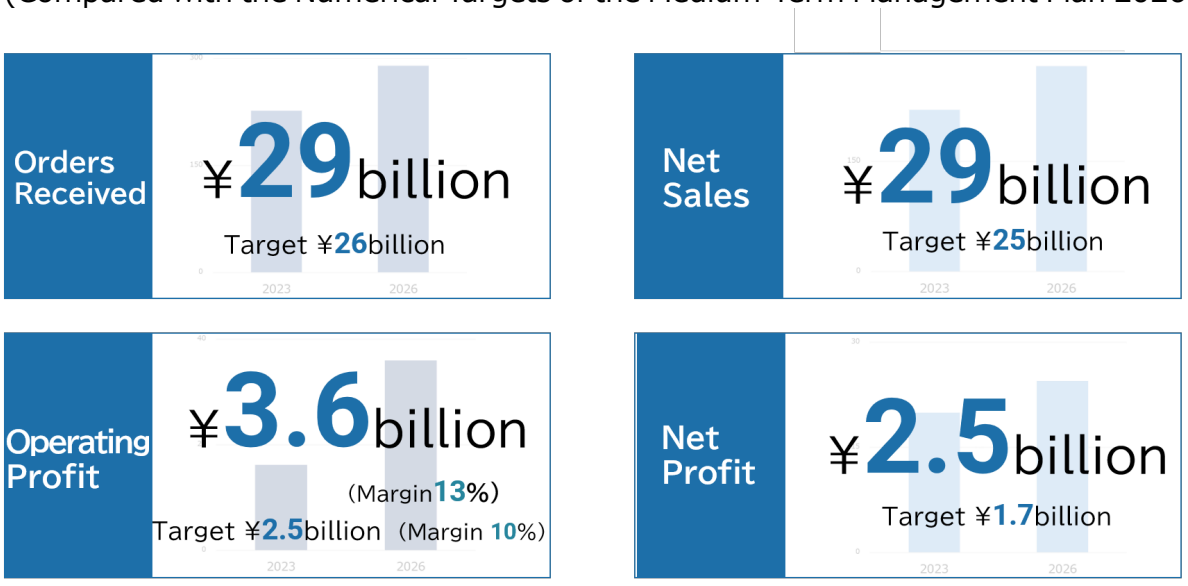
1. Review of the Medium-Term Management Plan 2026

(1) Progress Toward Numerical Targets

Both the Domestic Consulting Business and the Customer Service Business achieved strong growth, enabling the Company to meet its targets.

FY2026 Forecast

(Compared with the Numerical Targets of the Medium-Term Management Plan 2026)



(2) Progress on Strategic Initiatives

The Company successfully achieved its strategic objectives across all key areas, including the establishment of a business model geared toward becoming an Operations Company, the development of technology platforms, and the strengthening of human capital.

	Establishment of Business Model	Development of Technology Platforms	Strengthening Human Capital
Targets	Establish a business model for the Operations business	Develop technologies for the Operations business	Secure and develop human resources for the Operations business
Results (Actuals)	Operations bases **39** locations (Target: 38 locations) PPP projects (cumulative) **28** projects (20 projects by 2023) Population served by customer services **3.70** million people (1.35 million people by 2023)	R&D investment **¥0.95** billion (Target: ¥0.95 billion) Technology development projects **74** projects (51 projects by 2023) **SmartPPP** ESTABLISHMENT	Group employees (consolidated) **1,600** people (approx.) (Target: 1,600 people) Licensed professional engineers (as of Apr. 2026, individual count) **414** people (360 people as of Apr. 2023) Engagement index (2025) **12.8%** (9.4% as of 2023)
Evaluation	Expansion of the Operations business is progressing — Achieved	Implementing proactive R&D investment — Achieved	Expanding human resources for the Operations business — Achieved

Note: Unless otherwise specified, all figures represent forecasts as of the end of fiscal year 2026.

(3) Overview of Technology Development

The Company advanced the development of a wide range of operational technologies and established a clear pathway toward the realization of the **SmartPPP** platform.

Operational Technology Development Achievements

Drone Inspection

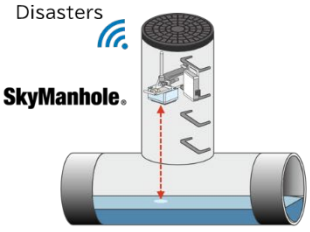
- Introduction of the New ASIO X
- Drone Enhancing the Safety and Productivity of Pipeline Inspections



ASIO X

IoT Water Level Monitoring

- Commercialization of Millimeter-Wave Sensor Technology
- Reducing the Risk of Heavy Rainfall Disasters



HyBrid Slow filtering

- Decentralized Water Supply Systems
- Providing Sustainable Water Services for Depopulated Communities



Other Development Projects

- AI-based Sewer Inspection Technology
- Millimeter-Wave Sensor Monitoring System
- Distributed Water Supply System
- Asset Management Platform
- Digital Twin Technology
- Smart O&M Support System

2. Business Environment

The water infrastructure sector, which constitutes the Company's core business domain, is facing the following key societal challenges:

1. Responding to population decline, aging infrastructure, and increasingly severe natural disasters
2. Advancing business reforms, including regional integration, public-private partnerships (PPPs), and co-creation with citizens
3. Adapting to rapid advancements in digital technologies and artificial intelligence (AI)



3. Mission

NJS has established **"Passing on a Healthy Water and Environment to Future Generations"** as its **Purpose** and promotes its business activities based on five core **Values**.

Our **Vision** is to become **"The Water Operations Company."**

Guided by this Purpose, Vision, and Values, NJS has adopted **"Aqua Smile"** as its Corporate Message, reflecting its commitment to delivering both water and smiles to local communities.

The key themes (missions) underpinning the Aqua Smile initiative are as follows:

1. Optimizing operations through integrated management
2. Enhancing the value of water infrastructure within local communities
3. Transforming business processes through the use of a knowledge-based platform

4. NJS Core Competencies

NJS's core competencies can be categorized into the following three areas:

1) Water and Environmental Technologies

- Engineering expertise in planning and design
- Asset management capabilities
- Disaster prevention and mitigation technologies

2) Trusted Relationships with Municipalities

- Extensive track record as a consulting firm
- Nationwide local office network dedicated to supporting and protecting communities
- Expansion of the Customer Service Business

3) Digital Transformation (DX) Technologies

- Software solutions
- Inspection technologies
- Development of a water business platform through SmartPPP

5. Creating New Water Businesses

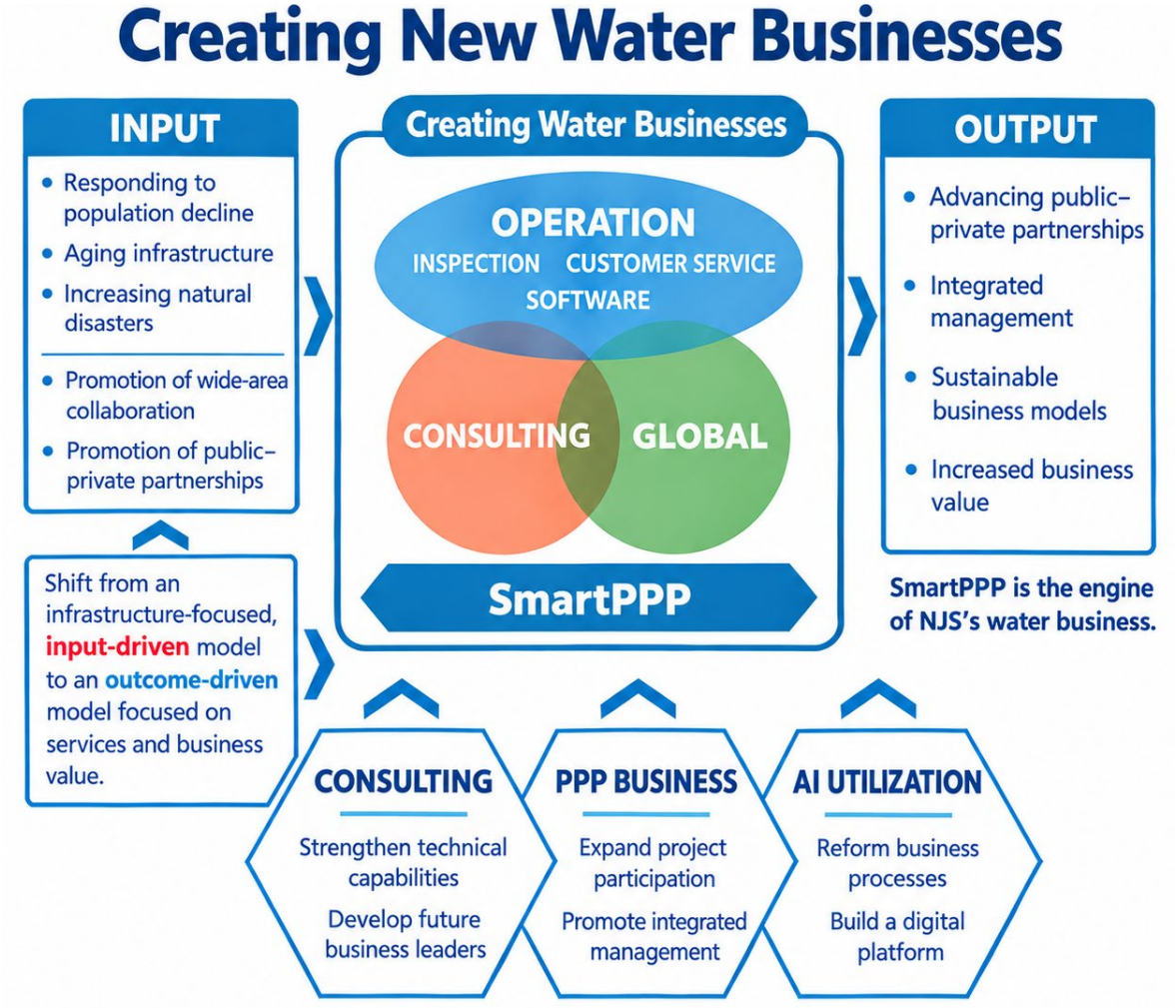
(1) Leveraging Core Competencies Across Three Business Domains

NJS's water business is composed of three domains: **CONSULTING, OPERATION, and GLOBAL**. The primary growth engine supporting these businesses is **SmartPPP**.

NJS aims to transform its business model from a traditional input-oriented approach centered on infrastructure development into an outcome-oriented model focused on service delivery and social value creation.

Key initiatives for advancing the water business are as follows:

1. Strengthening consulting capabilities and fostering a mindset of taking ownership of business operations
2. Expanding PPP projects and achieving integrated operational management
3. Transforming business processes through AI utilization and developing SmartPPP as the platform underpinning the water business strategy



(2) Building a Knowledge Foundation Through SmartPPP

SmartPPP consists of five integrated systems:

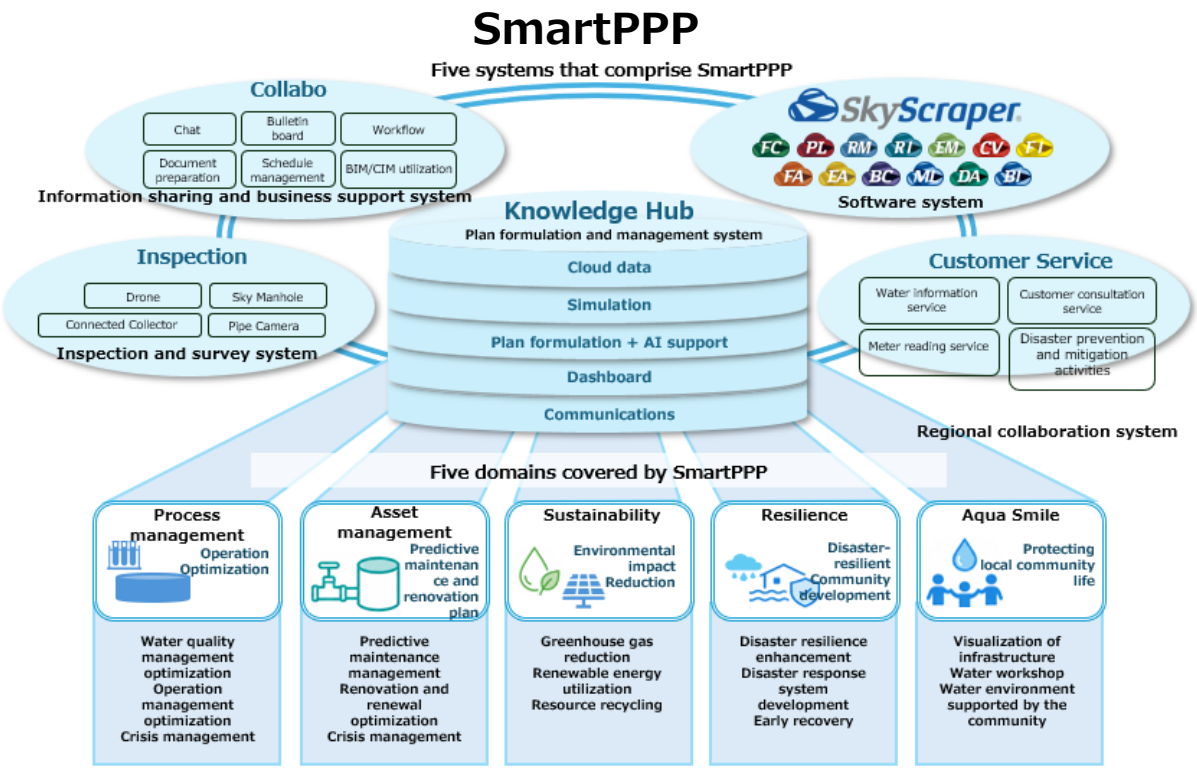
- **Collabo**: facilitating information sharing and communication
- **Skyscraper**: developing and operating software essential for water business operations
- **Inspection**: advancing asset management sophistication and preventive maintenance of water infrastructure
- **Customer Service**: enhancing service quality and promoting collaboration with local communities
- **Knowledge Hub**: providing a knowledge platform that enables continuous learning and improvement

The **Knowledge Hub** leverages digital technologies and AI to enhance operational visibility, facilitate knowledge sharing, and accumulate organizational know-how. Through these capabilities, it improves both the quality and efficiency of operations. Furthermore, by combining AI-driven insights with human judgment and dialogue, it promotes the growth of both people and organizations.

The SmartPPP platform is deployed across five domains of the water business:

Process Management **Asset Management**
Sustainability **Resilience** **Aqua Smile**

Together, these domains provide the foundation for creating sustainable value and supporting the evolution of NJS's water business.



6. Numerical Targets

Through the expansion of **SmartPPP**, NJS will pursue business growth across its three business domains and aims to achieve **net sales of ¥40.0 billion by 2030**, representing an increase of **¥5.0 billion** over the previously announced target of **¥35.0 billion**.

The three growth pillars are:

- Strengthening the **Consulting Business**
- Establishing the **Operation Business**
- Expanding the **Global Business**

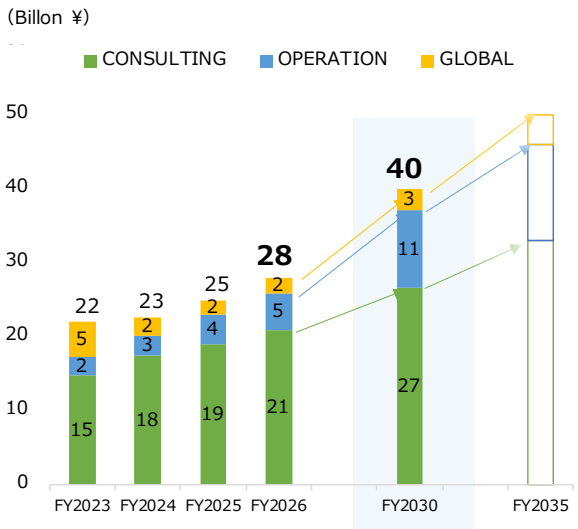
(1) Performance Targets

Numerical Targets for 2030

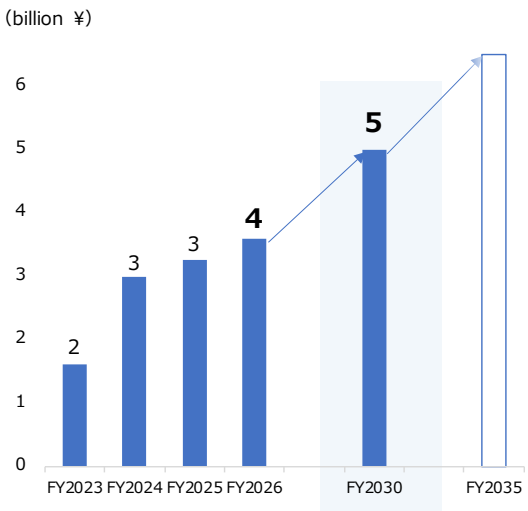
(Unit: JPY billion)

		FY2023	FY2024	FY2025	FY2026		FY2030
Net Sales	CONSULTING	15	18	19	**21**		**27**
	OPERATION	2	3	4	**5**		**11**
	GLOBAL	5	2	2	**2**		**3**
	計	22	23	25	**28**		**40**
Operating Profit		2	3	3	**4**		**5**
	Margin %	(7%)	(13%)	(13%)	(13%)		(13%)
Net Profit		2	2	2	**2**		**4**

Revenue Target



Operating Profit Target



(2) Business KPIs and Other Targets

To establish the **Operation Business** as a core growth pillar, NJS aims to achieve the business KPI targets presented below. At the same time, the Company will increase investments in technology development and human capital to strengthen its long-term growth foundation and improve capital efficiency.

2030 KPI Targets

KPI Category	Metric	2025 Actual	2026 Forecast	2030 Target	Business Area
Business KPIs	Public-Sector Organizations Supported through PPP	239 organizations	255 organizations	300 organizations	CONSULTING
	PPP Projects Participated In	24 projects	30 projects	50 projects	OPERATION
	Population Served by Customer Services	3.70 million	3.70 million	4.50 million	OPERATION
	International Project Track Record (cumulative)	96 countries	96 countries	100 countries	GLOBAL
Investment Strategy	Technology Development Investment	¥920 million	¥950 million	¥1.5 billion	
	Human Capital Investment	¥290 million	¥660 million	¥800 million	
	Group Employees (consolidated)	1,471	1,600	2,000	
	Licensed Professional Engineers (PE), individual count	414	440	500	
Capital Efficiency	ROE	8.0%	8.5%	9.5%	
	ROIC (Return on Invested Capital)	7.8%	8.4%	9.5%	
	Payout Ratio	40%–50%			

7. Business Strategy

NJS will promote the creation of new water businesses through the following strategic initiatives, aiming to achieve sustainable growth and enhance corporate value.

Key Strategic Initiatives

1. **Strengthening Businesses Through SmartPPP**
2. **Enhancing Regional Office Capabilities**
3. **Strengthening Customer Service Operations**
4. **Developing Proactive Human Resources**
5. **Strengthening Corporate Governance**

Leveraging SmartPPP as NJS's Growth Engine to Create New Water Businesses

