

Q1

Financial Results Briefing

1st Quarter of the Fiscal Year
Ending March 31, 2025

TSE Code: 6306
NIKKO CO., LTD.

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Representative Director & Vice President
September 9, 2024



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* The last digit of the figures of changes in this document may differ from those in the Quarterly Report due to the treatment of fractions less than unit.

FY2024 1Q Results

(million yen)

1Q (Apr. – Jun.)	Results	YoY	YoY Change
Net Sales	9,849	+1,403	+16.6%
Operating Income	462	+562	–
Quarterly Net Income Attributable to Owners of Parent	337	+309	+1,148.1%
Order Intake	14,039	+3,262	+30.2%

Net Sales and Order Intake

- ◆ AP-Related Business:
 - Domestic product sales and orders decreased, but increased maintenance led to overall domestic growth.
 - Overseas sales decreased, resulting in a slight overall decline.
- ◆ BP-Related Business: Product sales and orders fell; Maintenance remained flat.
- ◆ Crusher-Related Business: Increased sales and orders of high-priced products led to a 15.9% YoY rise.
- ◆ Contract-based manufacturing business: Sales increased by 576% YoY due to large-scale projects with Ube Machinery and the incorporation of Matsuda Kiko.
- ◆ Order intake: Increased across all segments except Environment and conveying-related business segment.

Business Environment

(million yen)

AP-Related Business

FY2024 1Q (Apr. – Jun.)	Results (10,000 tons)	YoY Change
Total Mixture Material	709	(3.9%)
Virgin Mixture	180	(1.6%)
Recycled Mixture	529	(4.5%)

Recycled Mixture Ratio **74.6%**

Source: Japan Asphalt Mixture Association

BP-Related Business

(million yen)

FY2024 1Q (Apr. – Jun.)	Results (10,000 tons)	YoY Change
Ready-mixed Concrete Shipment	1,649	(5.0%)

Source: ZENNAMA (National Federation of Ready-Mixed Concrete Industrial Associations and National Federation of Ready-Mixed Concrete Cooperatives Association)



AP-Related Business (Domestic): Revenue improvements in road paving companies have led to a recovery in capital investment. Although plant sales decreased by 14.8% compared to the previous year, maintenance increased by 28.3%. Domestic sales rose by 8.9%.

▶ P.8 AP-Related Business



BP-Related Business: While sales of main products decreased by 10.3% and maintenance sales were flat compared to the previous year, profit increased year-on-year due to wider acceptance of price increases on components.

▶ P.10 BP-Related Business



Crusher-Related Business: Although the number of mobile plant units sold decreased, sales from high-priced products and maintenance led to increases in both net sales and profit.

▶ P.12–13 Other Business (New Segmentation)



Contract-Bases Manufacturing Business: Completed orders totaling 1,095 million yen from joint ventures project with Ube Machinery;
Contribution from Matsuda Kiko, which joined the group in July 2023.

▶ P.12–13 Other Business (New Segmentation)



Overseas : Both operations in China and Thailand have focused on cost reduction, improving manufacturing efficiency, and introducing new products;
Despite some progress, sales remain weak due to economic conditions.

▶ P.8 AP-Related Business; P.9 AP-Related Business (Domestic vs. Overseas)

FY2024 1Q Performance Highlights ②

- ◆ Net sales: **AP** -48 mil. yen; **BP** -95 mil. yen; **Env. & Conveying** +129 mil. yen; **Crusher** +87 mil. Yen; **Contract Manufacturing** +1.32 B. yen; **Other** +10 mil. yen.
- ◆ Operating Income: Profit growth in the domestic AP business driven by effective price increases, with further gains in the contract-based manufacturing business following the integration of Matsuda Kiko.
- ◆ Order Intake: **AP** +139 mil. yen; **BP** +1.79 B. yen; **Env. & Conveying** -90 mil. yen; **Crusher** +92 mil. Yen; **Contract Manufacturing** +1.22 B. yen; **Other** +95mil. yen.
- ◆ Order Backlog: **AP** +1.16 B. yen; **BP** +4.34 B. yen; **Env. & Conveying** +277 mil. yen; **Crusher** +209 mil. Yen; **Contract Manufacturing** +457 mil. yen; **Other** +118 mil. yen.

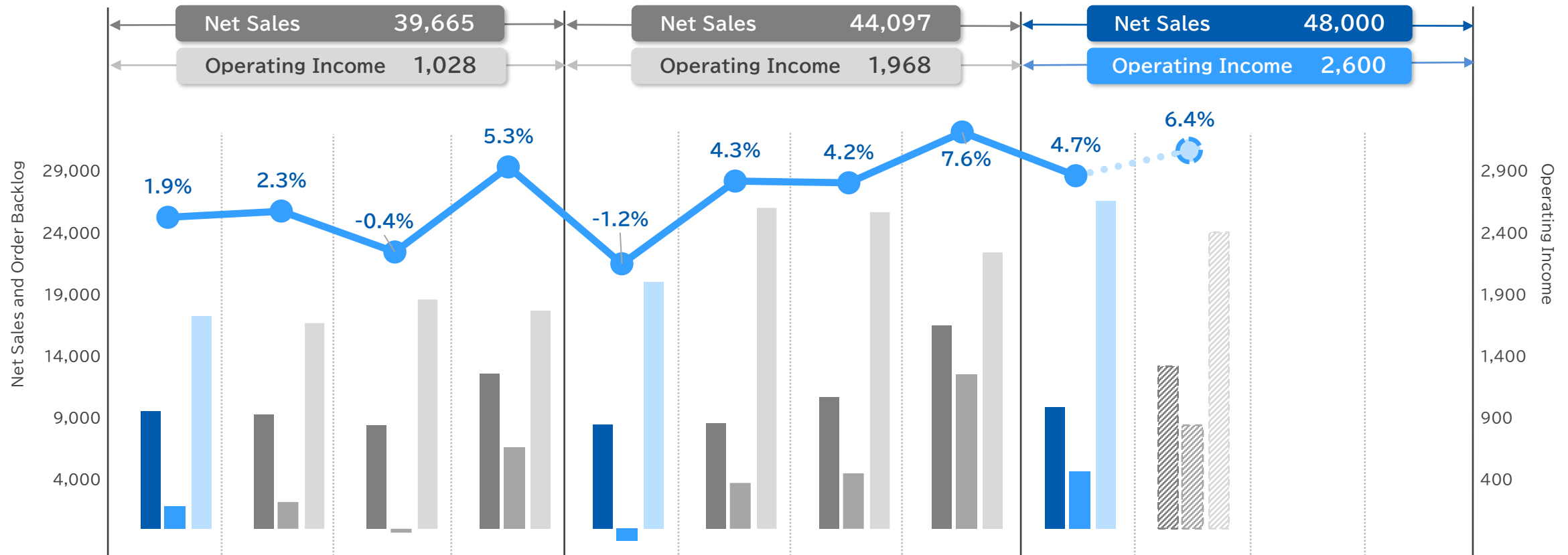
(million yen)	FY2023			FY2024				
	1Q Results	1H Results	FY Results	1Q Results	YoY Change	FY Forecast Progress Rate	1H Forecast	FY Forecast
Net Sales	8,446	16,982	44,097	9,849	+1,403 +16.6%	20.5%	23,000	48,000
Operating Income	(99)	269	1,968	462	+562 —	17.7%	1,300	2,600
Operating Margin	(1.2%)	1.6%	4.5%	4.7%	+5.9pt	—	5.7%	5.4%
Ordinary Income	67	455	2,144	625	+557 +832.8%	24.0%	1,300	2,600
Quarterly Net Income Attributable to Owners of Parent	27	348	1,312	337	+309 +1,148.1%	19.8%	850	1,700
Order Intake	10,777	25,128	48,749	14,039	+3,262 +30.2%	31.0%	27,000	50,000
Order Backlog	19,987	25,986	22,371	26,560	+6,573 32.8%	—	30,560	28,560

FY2024 1Q Performance Highlights ③

(million yen)		FY2023			FY2024				
		1Q Results	1H Results	FY Results	1Q Results	YoY Change	FY Forecast Progress Rate	1H Forecast	FY Forecast
AP-Related Business	Net Sales	3,795	7,114	17,938	3,746	(50) (1.3%)	18.7%	10,200	20,000
	Operating Income	(92)	29	331	179	+271 —	14.9%	700	1,200
	Operating Margin	(2.4%)	0.4%	1.8%	4.8%	+7.2pt	—	6.9%	6.0%
BP-Related Business	Net Sales	2,313	5,049	11,907	2,217	(96) (4.2%)	17.7%	6,000	12,500
	Operating Income	169	504	1,341	241	+72 +42.6%	16.6%	700	1,450
	Operating Margin	7.3%	10.0%	11.3%	10.9%	+3.6pt	—	11.7%	11.6%
Environment and Conveyor-Related Business	Net Sales	643	1,450	3,309	772	+128 +20.1%	24.1%	1,400	3,200
	Operating Income	126	332	793	162	+36 +28.6%	36.0%	220	450
	Operating Margin	19.6%	22.9%	24.0%	21.0%	+1.4pt	—	15.7%	14.1%
Crusher-Related Business	Net Sales	552	1,078	3,198	640	+88 +15.9%	25.6%	1,400	2,500
	Operating Income	22	56	274	54	+32 +145.5%	54.0%	80	100
	Operating Margin	4.0%	5.2%	8.6%	8.4%	+4.4pt	—	5.7%	4.0%
Contract-Based Manufacturing Business	Net Sales	229	369	3,072	1,550	+1,321 +576.9%	34.4%	2,200	4,500
	Operating Income	(16)	(32)	270	229	+245 —	50.9%	350	450
	Operating Margin	(7.0%)	(8.7%)	8.8%	14.8%	+21.8pt	—	15.9%	10.0%
Other	Net Sales	911	1,919	4,670	922	+11 +1.2%	17.4%	1,800	5,300
	Operating Income	98	191	769	37	(61) (62.2%)	3.9%	250	950
	Operating Margin	10.8%	10.0%	16.5%	4.0%	(6.8pt)	—	13.9%	17.9%

Quarterly Net Sales and Operating Income Trends

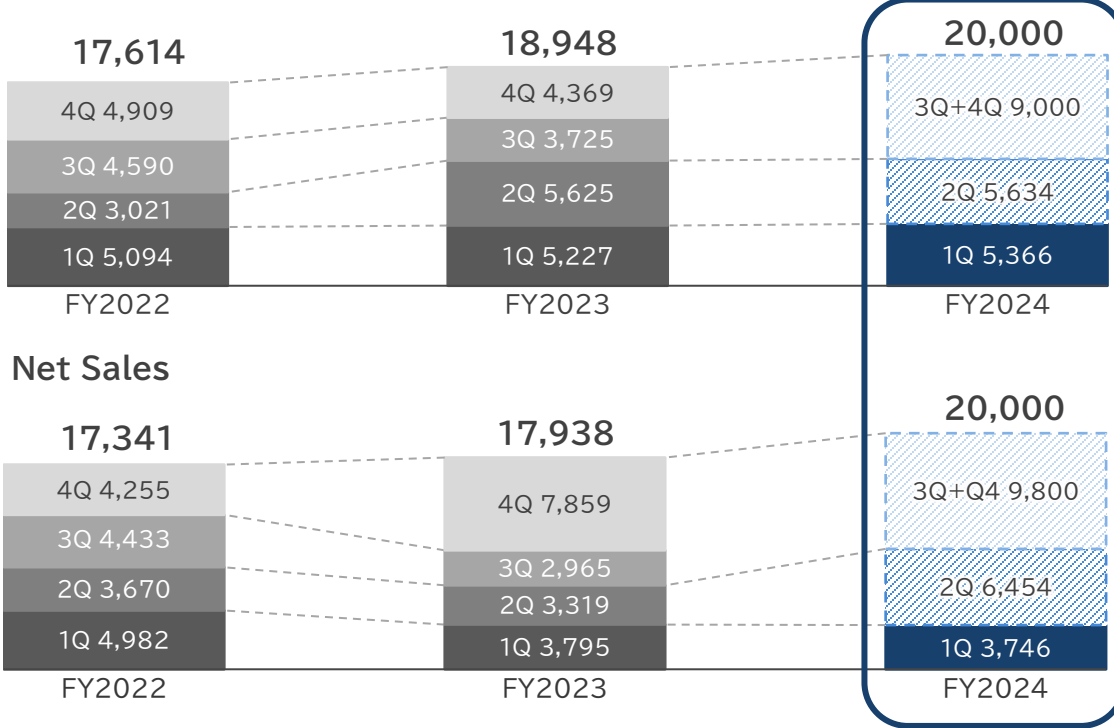
(million yen)



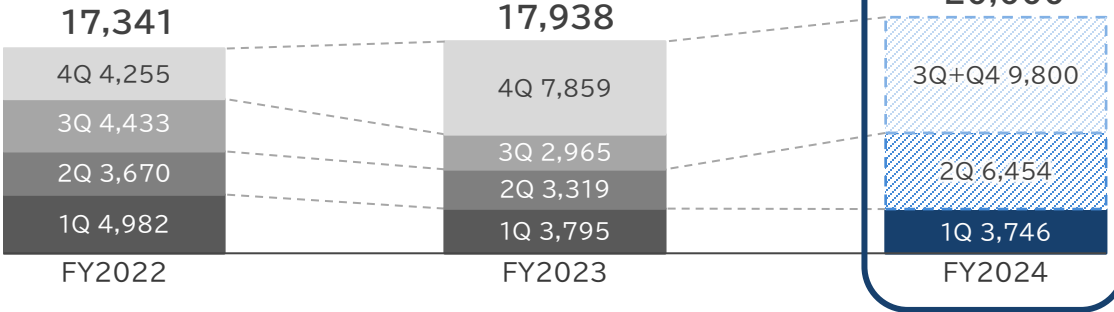
	FY2022				FY2023				FY2024			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q Forecast	3Q	4Q
■ Net Sales	9,504	9,256	8,369	12,536	8,446	8,536	10,637	16,478	9,849	13,151		
■ Operating Income	183	216	(32)	661	(99)	368	449	1,250	462	838		
● Operating Margin	1.9%	2.3%	(0.4%)	5.3%	(1.2%)	4.3%	4.2%	7.6%	4.7%	6.4%		
■ Order Backlog	17,202	16,660	18,560	17,656	19,987	25,986	25,642	22,371	26,560	30,560		

Order Intake

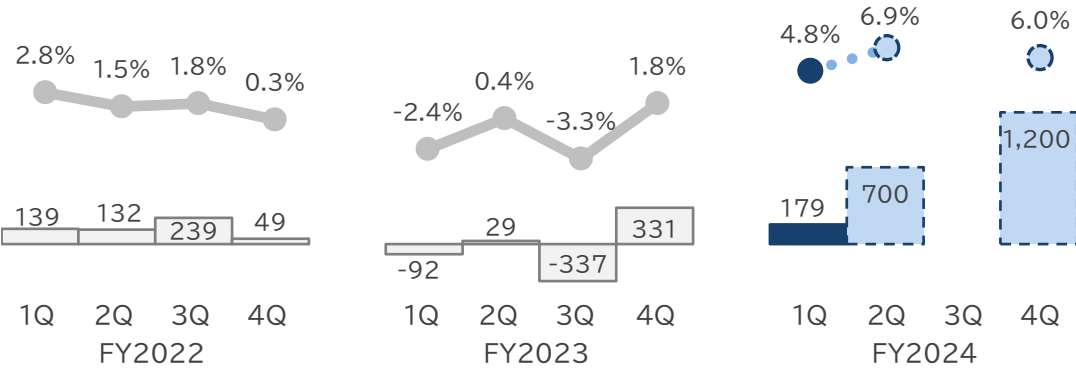
(million yen)



Net Sales



Operating Income/Margin (Cumulative)



Order Intake <Up 2.6% YoY>

Positive factors: [Domestic] Solid order intake, mainly from maintenance and components replacements, maintained last year's performance.
 [Overseas] Thailand: Increased in order intake due to high demand for recycling.
 China: The market shows signs of recovery due to government economic measures. Increased orders from expanding new model sales.

Net Sales

Positive factors: [Domestic] Maintenance performed well, with stable components replacements driving an 8.9% YoY increase in sales.
 Negative factors: [Overseas] China: Sales decreased due to delivery delays.
 Thailand: Political instability led to delays in construction and roadworks.

Operating Income

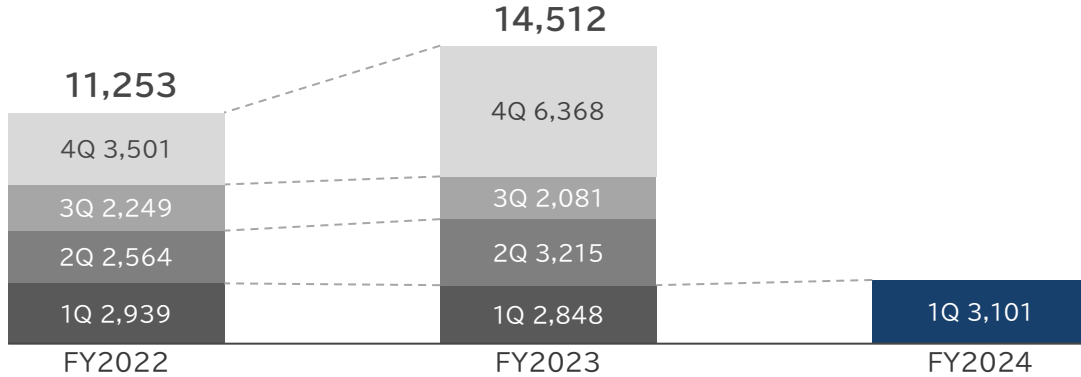
Positive factors:
 [Domestic] Price adjustments for rising costs became more wide-spread, and strong performance in maintenance drove up operating income.
 Negative factors:
 [Overseas] China: Despite efforts to reduce costs, sales declines led to a quarterly loss.
 Thailand: Planned sales targets were not met, resulting in a loss. However, factory equipment investments, increased staffing, and organizational restructuring achieved a 1.6 times increase in production capacity (100 tons per month), as planned.

FY2024 Forecast

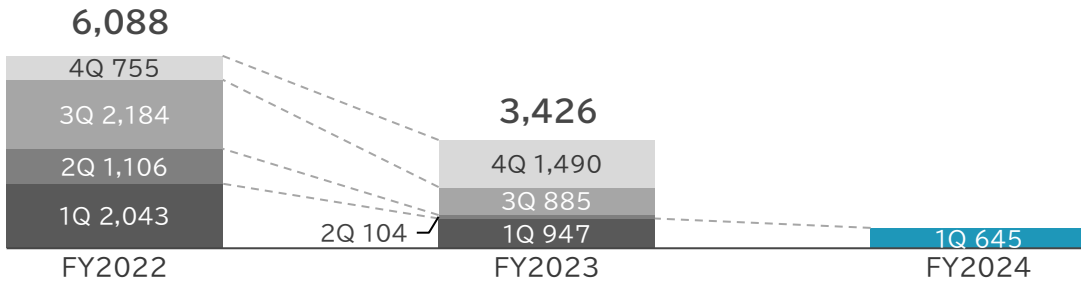
[Domestic] Equipment investment and maintenance costs are recovering due to improved earnings in road paving companies. Decarbonization investments are expected to boost Net Sales and profits.
 [Overseas] China: Government economic measures have shown signs of stabilizing, but persistent uncertainty suggests that market recovery will take time. Significant improvement from the previous year is unlikely.
 Thailand: Expecting significant sales growth due to increased demand for recycling plants, but achieving profitability remains challenging.

Domestic Net Sales

(million yen)

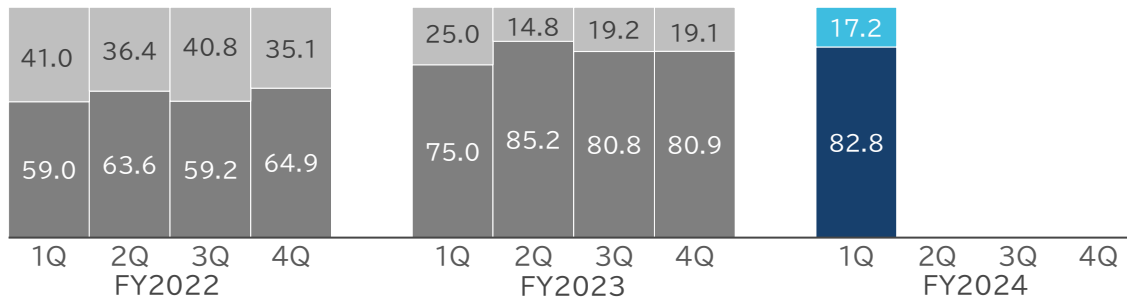


Overseas Net Sales



Domestic/Overseas Ratio

■ Domestic ■ Overseas (%)



Domestic Net Sales

- Plant products: Down 14.8% YoY
- Maintenance: Up 28.3% YoY

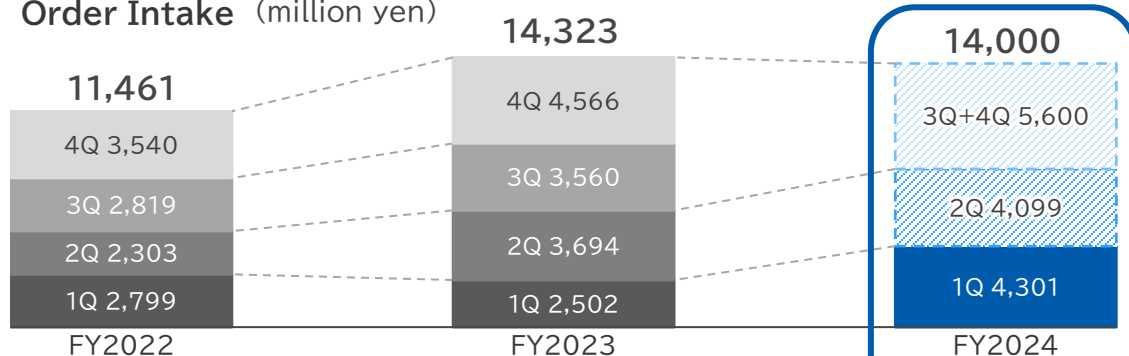
Overseas <Down 31.86% YoY>

- Export: Up 33.3% YoY
 - China: Down 38.1% YoY
 - Thailand: Up 2,914.4% YoY (from 0.7 million yen to 21.9 million yen)
- China
 - New purchases anticipated to be constrained due to reduced road construction scale.
 - Rising demand for upgrades driven by government support for equipment renewal.
 - Expanding sales of high-performance plants while pursuing further cost reductions to ensure profit.
 - Thailand
 - Growing concern for the environment and sustainability is driving demand for recycling equipment.
 - Focused on boosting production capacity and reducing costs.
 - Export (Taiwan, Components, etc.)
 - Taiwan: Strong performance with components up 116% YoY.

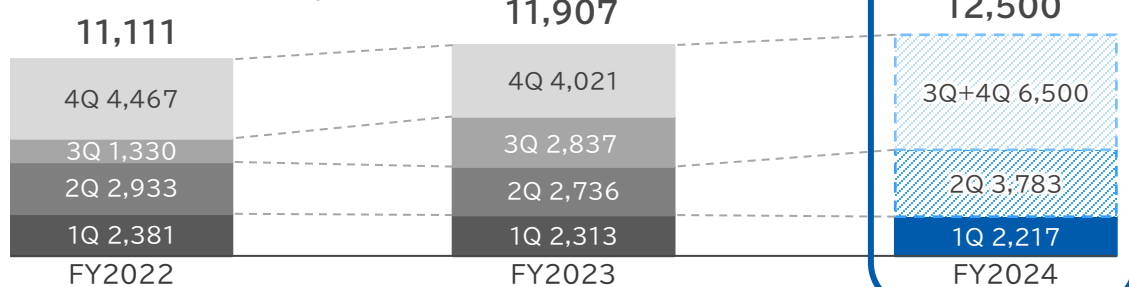
Overseas Order Intake / Order Backlog

	Order Intake	Order Backlog
China (Nikko Shanghai)	1.64 B. yen (+67.9%)	3.52 B. yen (+134.1%)
Thailand	241 mil. yen (-62.3%)	849 mil. yen (+24.4%)
Export	290 mil. Yen (-32.6%)	520 mil. Yen (+4.0%)

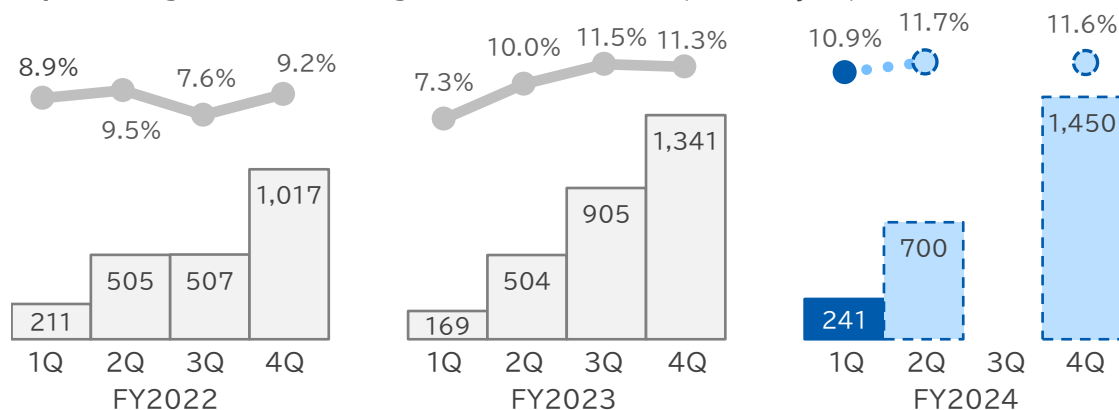
Order Intake (million yen)



Net Sales (million yen)



Operating Income/Margin(Cumulative) (million yen)



Order Intake <Up 71.8% YoY>

Positive factor: High order intake due to deferred and early order intake driven by major business negotiations; Maintenance remains strong.

Net Sales <Down 4.2% YoY>

- Plant Products: Down 10.3% YoY
 - Maintenance: Up 0.5% YoY
- Negative factor: Sales are concentrated in 2Q and beyond this fiscal year, resulting in a decline in product sales for 1Q; While maintenance saw a slight increase.

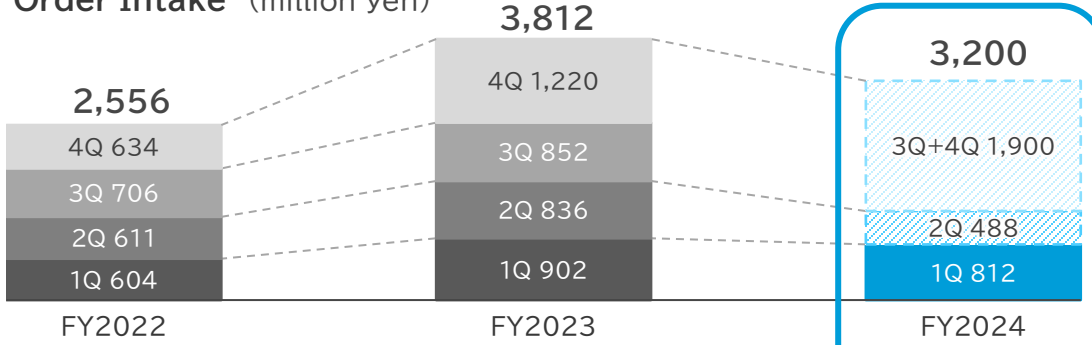
Operating Income

- Operating Income: Up 42.6% YoY
 - Operating Income Margin: Up 3.6pt YoY
- Positive factor: Price adjustments offset rising component costs.

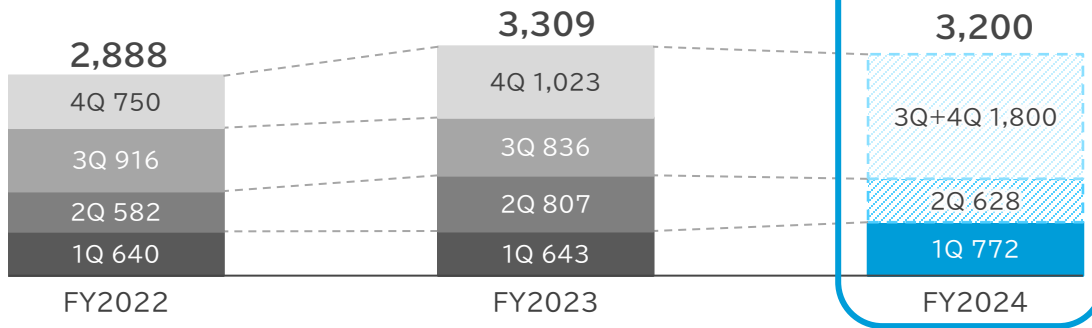
FY2024 Forecast

- With a positive order backlog from the end of FY2023, we expect increased sales and profits.
- In the ready-mix concrete industry, price adjustments for rising electricity, raw material, and shipping costs have led to steady performance across companies.
- This is expected to support continued strong demand.

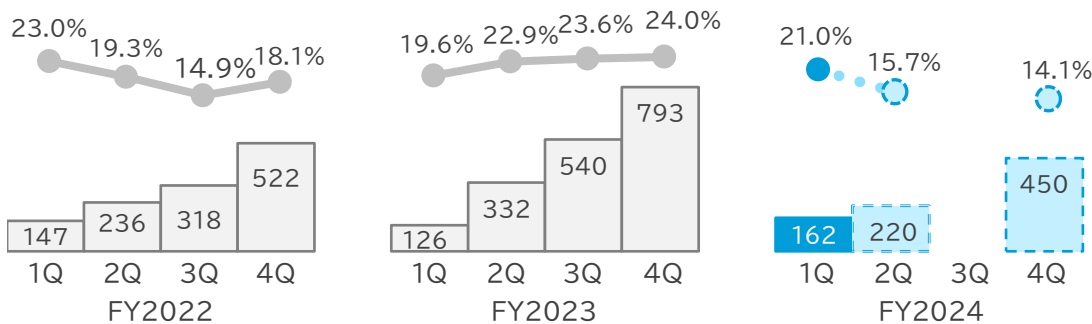
Order Intake (million yen)



Net Sales (million yen)



Operating Income/Margin(Cumulative) (million yen)



Order Intake <Down 10.0% YoY (902 mil. yen → 812 mil. yen)>

Negative factor: Environment: Large-scale projects decreased compared to the same period last year.

Positive factor: Conveyor: Order intake for beverage container sorting machines increased compared to last year.

Net Sales <Up 20.1% YoY (643 mil. yen → 772 mil. yen)>

Positive factor: Environment: Contribution from large projects.
Conveyor: Contribution from large projects.

Order Intake

Negative factor: Environment: Impact from unprofitable projects

- Operating income decreased by 83.1% (31 mil. Yen → 5mil. yen)
- Operating margin decreased by 32 pt (38% → 6%)

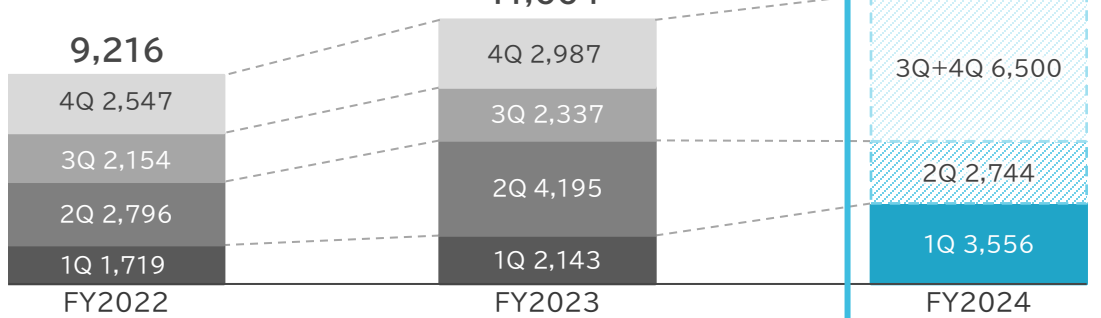
Positive factor: Conveyor: Contribution from large projects, similar to sales.

FY2024 Forecast

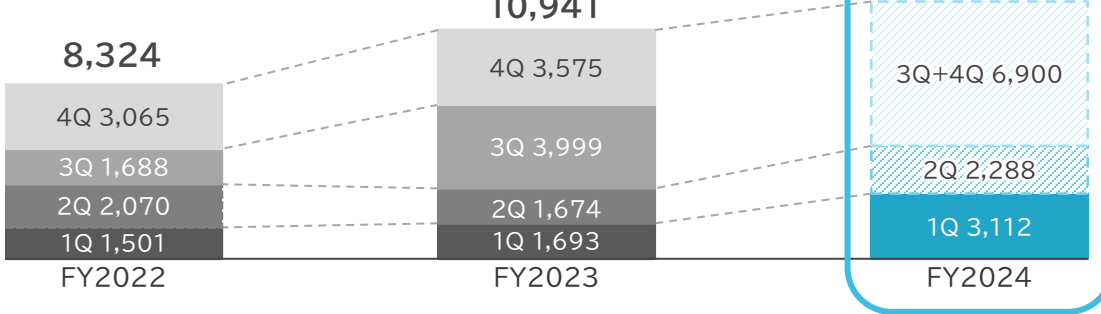
Environment: There will be a slowdown after completing projects for the Expo
Conveyor: Steady sales growth continues, boosting revenue.
Expecting similar results to the previous period, offsetting a decrease in volume with price hikes.

Other Business (New Segmentation) ①

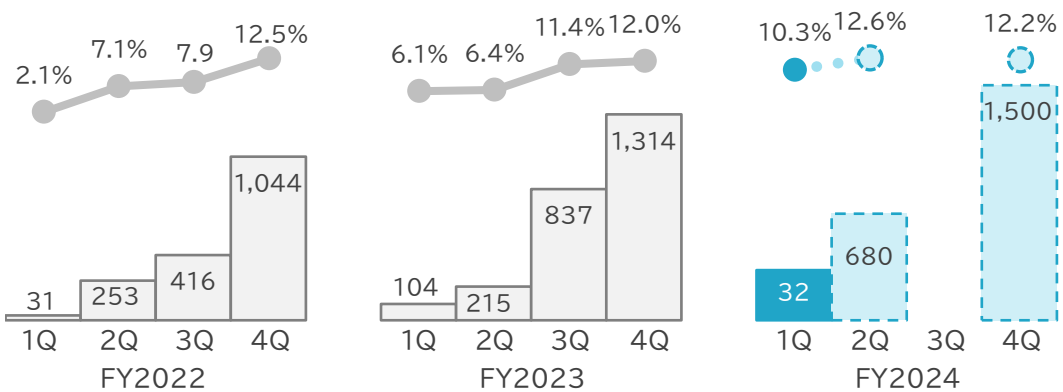
Order Intake (million yen)



Net Sales (million yen)



Operating Income/Margin(Cumulative) (million yen)



Order Intake

- Crusher-Related Business +32.2% YoY
- Contract-Based Manufacturing Business +189.5% YoY
- Other +7.9% YoY

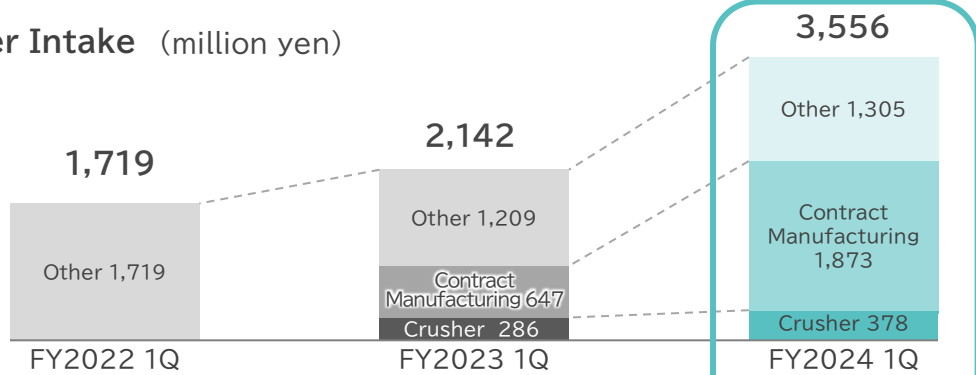
Net Sales

- Crusher-Related Business +15.9% YoY
- Contract-Based Manufacturing Business +576.9% YoY
- Other +1.2% YoY

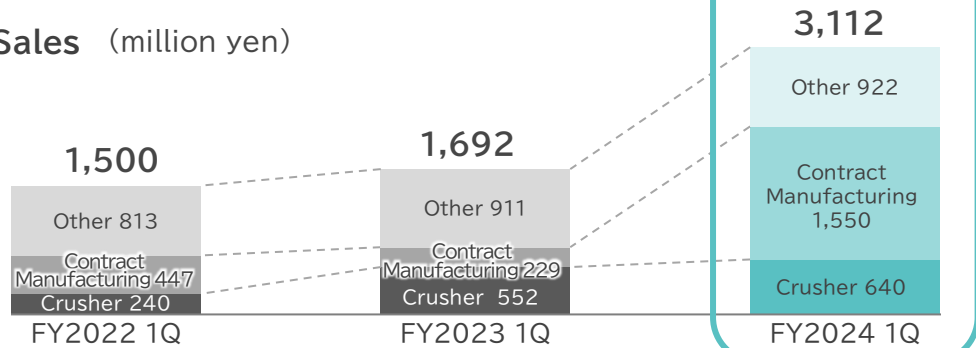
Operating Income

- Crusher-Related Business +145.5% YoY
- Contract-Based Manufacturing Business -
- Other -62.2% YoY

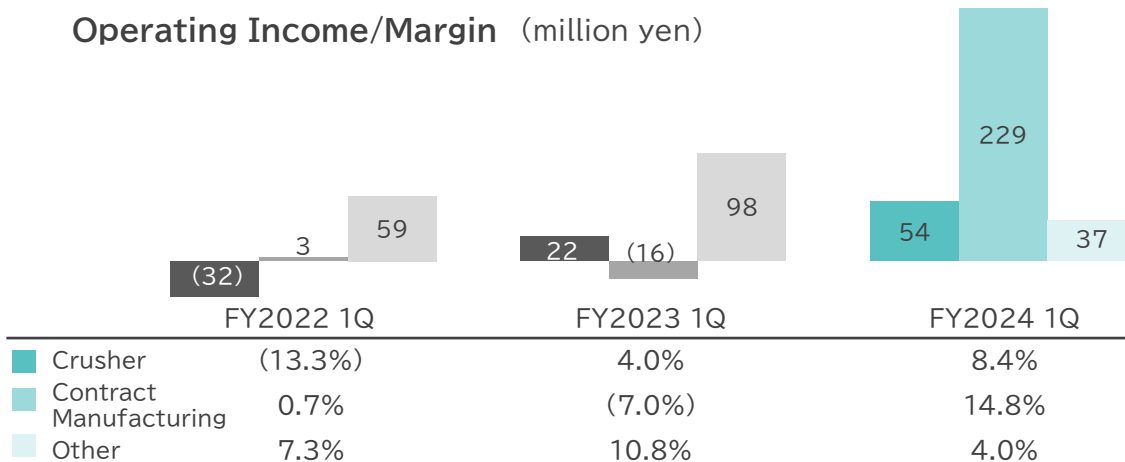
Order Intake (million yen)



Net Sales (million yen)



Operating Income/Margin (million yen)



Order Intake

- Crusher-Related Business: +92 mil. yen YoY
 - Mobile Plants: 5 units 198 mil. Yen → 5 units 223 mil. yen (YoY)
Orders for high-priced products increased.
 - Stationary Crushers: 4 units 28 mil. yen → 9 units 72 mil. yen (YoY)
Orders rose on strong inquiries.
- Contract-Based Manufacturing Business: +1,226 mil. yen YoY
 - Ube Kohki +1,116 mil. yen YoY
 - Matsuda Kiko +185 mil. yen YoY
 - Both saw increased inquiries and orders intake, mainly for water treatment and environmental-related projects.

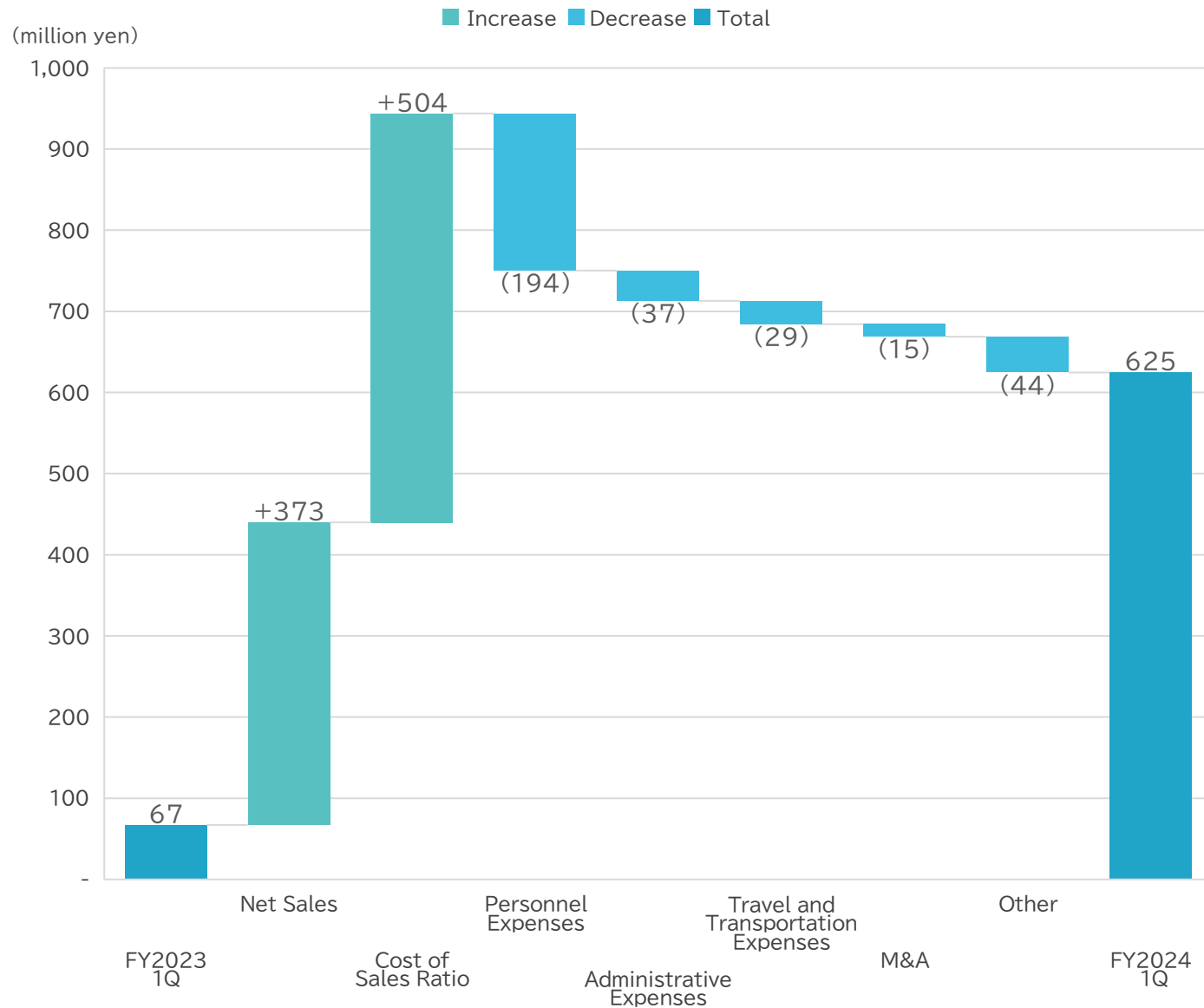
Net Sales

- Crusher-Related Business: +88 mil. yen YoY
 - Mobile Plants: 10 units 498 mil. Yen → 8 units 560 mil. yen (YoY)
Sales of high-priced products increased;
Cumulative sales exceeded 200 units, leading to higher maintenance sales.
 - Stationary Crushers: 6 units 48 mil. Yen → 5 units 40 mil. yen (YoY)
Decrease in sales due to fewer units sold.
- Contract-Based Manufacturing Business: +1,321 mil. yen YoY
 - Ube Kohki +1,086 mil. Yen YoY
 - Matsuda Kiko +278 mil. Yen YoY
 - Sales increased due to a high opening backlog.

★ Sales Composition of Other Businesses

- Crusher-Related Business:
 - Mobile Plants: Sales from new customers are expected to increase, but we anticipate decreased revenue and profit due to lost projects in Ukraine from the previous period.
 - Maekawa: Anticipating increased revenue and profit.
- Contract-Based Manufacturing Business: Sales and operating profit are expected to grow due to the receipt of various delayed orders.

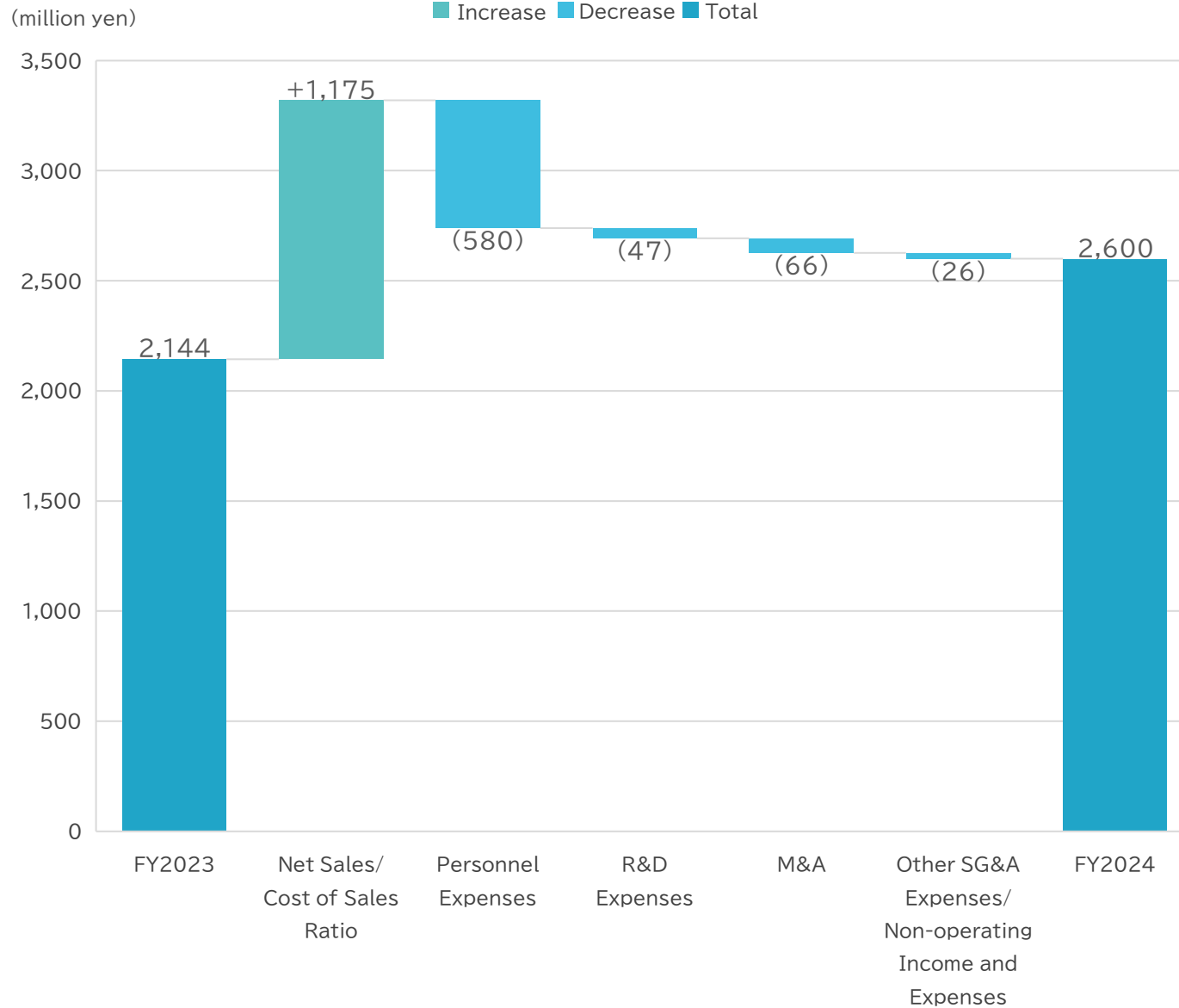
FY2024 1Q Analysis of Factors Affecting Changes in Ordinary Income



(million yen)

Items	Impact	Content
Net Sales	+373	Increase in net sales +1,403 mil. yen
Cost of Sales Ratio	+504	Improvement in cost-of-sales ratio (excluding labor costs): 73.4% → 68.8%
Personnel Expenses	(194)	Increase in number of employees and base-pay
Administrative Expenses	(37)	Increase in system usage fees and outsourcing costs
Travel and Transportation Expenses	(29)	Increase in Business trips
M&A	(15)	Nishinihon Real Estate to be included in Financial Reports from this fiscal-year (FY2024)
Other	(44)	Increase in Rental Expenses +23 Increase in Dividend Income +18 Decrease in Foreign Exchange Gains (19)

FY2024 Full-Year Analysis of Factors Affecting Changes in Ordinary Income (Forecast)



(million yen)

Items	Impact	Content
Net Sales/ Cost of Sales Ratio	+1,175	Increase in net sales +3,903 mil. yen
Personnel Expenses	(580)	Increase in wage (240) Increase in number of employees (300) 40 B. yen sales with restricted stock allocation (40)
R&D Expenses	(47)	Increase in R&D Expenses
M&A	(66)	Nishinohon Real Estate to be included in Financial Reports from this fiscal-year (FY2024)
Other SG&A Expenses/ Non-operating Income and Expenses	(26)	

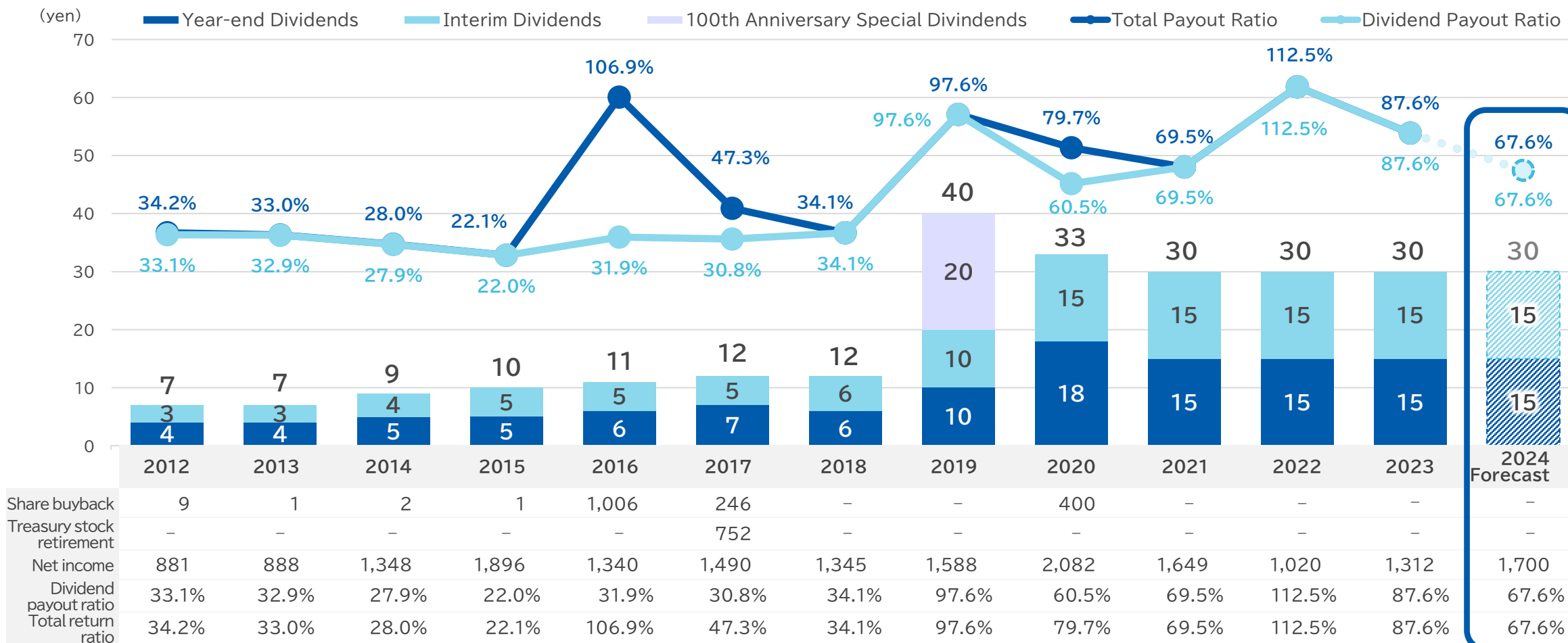
Balance Sheet Trends

(million yen)		End of FY2023	FY2024 1Q	Change	Main Factors
Assets	Current Assets	41,033	42,656	+ 1,623	Increase: Cash and cash equivalents +890 mil. yen Electronically Recorded Monetary Claims +545 mil. yen Merchandise inventories/ Finished goods +479 mil. yen Work on process +2,427 mil. yen Other +198 mil. yen Decrease: Notes receivable -190 mil. yen Accounts receivable -2,726 mil. yen
	Tangible Assets	13,247	13,828	+ 581	Increase: Buildings and structures +118 mil. yen Machinery, equipment and vehicles +134 mil. yen Land +24 mil. yen Construction in progress +289 mil. yen Investment securities +219 mil. yen
	Intangible Assets	1,208	1,189	- 19	
	Investments and Other Assets	6,740	7,019	+ 279	
	Total Assets		62,229	64,693	+ 2,464
Liabilities	Current Liabilities	21,743	24,114	+ 2,371	Increase: Notes and accounts payable-trade +357 mil. yen Accounts payable - other +759 mil. yen Contract liabilities +2,837 mil. yen Decrease: Income taxes payable -521 mil. yen Provision for bonuses -421 mil. yen Other -539 mil. yen
	Long-term Liabilities	7,399	7,383	- 16	
Total Net Assets		33,086	33,194	+ 108	Increase: Valuation difference on available-for-sale securities +152 mil. yen Foreign currency translation adjustment +227 mil. yen Decrease: Retained earnings -237 mil. yen
Net assets per share (yen)		861.74	865.93	+ 4.19	

■ Forecasted Dividend for Fiscal Year Ending March 2024: 30 yen (Interim 15 yen, Year-End 15 yen, Dividend Payout Ratio 95.7%)

Medium-Term Management Plan Targets

Dividend Payout Ratio 60% or Higher



Share buyback	9	1	2	1	1,006	246	-	-	400	-	-	-	-
Treasury stock retirement	-	-	-	-	-	752	-	-	-	-	-	-	-
Net income	881	888	1,348	1,896	1,340	1,490	1,345	1,588	2,082	1,649	1,020	1,312	1,700
Dividend payout ratio	33.1%	32.9%	27.9%	22.0%	31.9%	30.8%	34.1%	97.6%	60.5%	69.5%	112.5%	87.6%	67.6%
Total return ratio	34.2%	33.0%	28.0%	22.1%	106.9%	47.3%	34.1%	97.6%	79.7%	69.5%	112.5%	87.6%	67.6%

★The Company carried out a one-to-five split of shares in its common stock effective October 1, 2019, and the amount of dividends have been adjusted to the value after the split.

Net Sales, Profit, Cash Flows, and Other Indicators Trends

(million yen)	FY2022				FY2023				FY2024			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Net Sales	9,504	9,256	8,369	12,536	8,446	8,536	10,637	16,478	9,849			
AP-Related Business	4,982	3,670	4,433	4,256	3,795	3,319	2,965	7,859	3,746			
BP-Related Business	2,381	2,933	1,330	4,467	2,313	2,736	2,837	4,021	2,217			
Environment and Conveyor-Related Business	640	582	916	750	643	807	836	1,023	772			
Other Business	1,501	2,070	1,688	3,065	1,693	1,674	3,999	3,575	3,112			
Operating Income	183	216	(32)	661	(99)	368	449	1,250	462			
AP-Related Business	139	(7)	107	(190)	(92)	121	(366)	668	179			
BP-Related Business	211	294	2	510	169	335	401	436	241			
Environment and Conveyor-Related Business	147	89	82	204	126	206	208	253	162			
Other Business	31	222	163	628	104	111	622	477	320			
AP-Related Business	(345)	(382)	(388)	(490)	(407)	(405)	(415)	(584)	(442)			
Ordinary Income	326	222	(19)	726	67	388	520	1,169	625			
Net Income Attributable to Owners of Parent	140	119	(35)	796	27	321	246	718	337			
Operating Cash Flow		(1,644)				4,332						
Investing Cash Flow		(1,226)				(2,333)						
Total Dividend	573	—	574	—	574	—	574	—	574	—	—	—
Share Buyback		0				—						

Trends in Order Intake and Order Backlog by Business Segments (Cumulative)

Order Intake (Cumulative) (million yen)	FY2022				FY2023				FY2024			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
AP-Related Business	5,094	8,115	12,705	17,614	5,227	10,853	14,578	18,948	5,366			
BP-Related Business	2,799	5,102	7,921	11,461	2,502	6,267	9,757	14,323	4,301			
Environment and Conveyor-Related Business	604	1,215	1,921	2,456	1,002	1,739	2,591	3,812	812			
Other Business	1,719	4,515	6,669	9,316	2,044	6,338	8,676	11,662	3,556			
Total	10,217	18,949	29,217	40,849	10,777	25,197	35,602	48,749	14,039			

Order Backlog (Cumulative) (million yen)	FY2022				FY2023				FY2024			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
AP-Related Business	7,837	7,188	7,344	7,998	9,430	11,666	12,497	8,975	10,595			
BP-Related Business	6,173	5,544	7,032	6,105	6,295	7,456	7,976	8,555	10,639			
Environment and Conveyor-Related Business	596	606	396	182	540	570	587	778	818			
Other Business	2,595	3,321	3,787	3,369	3,720	6,292	4,579	4,061	4,506			
Total	17,202	16,660	18,560	17,656	19,987	25,986	25,642	22,371	26,560			

Trends in Capital Expenditure, Depreciation, R&D Expenses, and Non-Financial Data

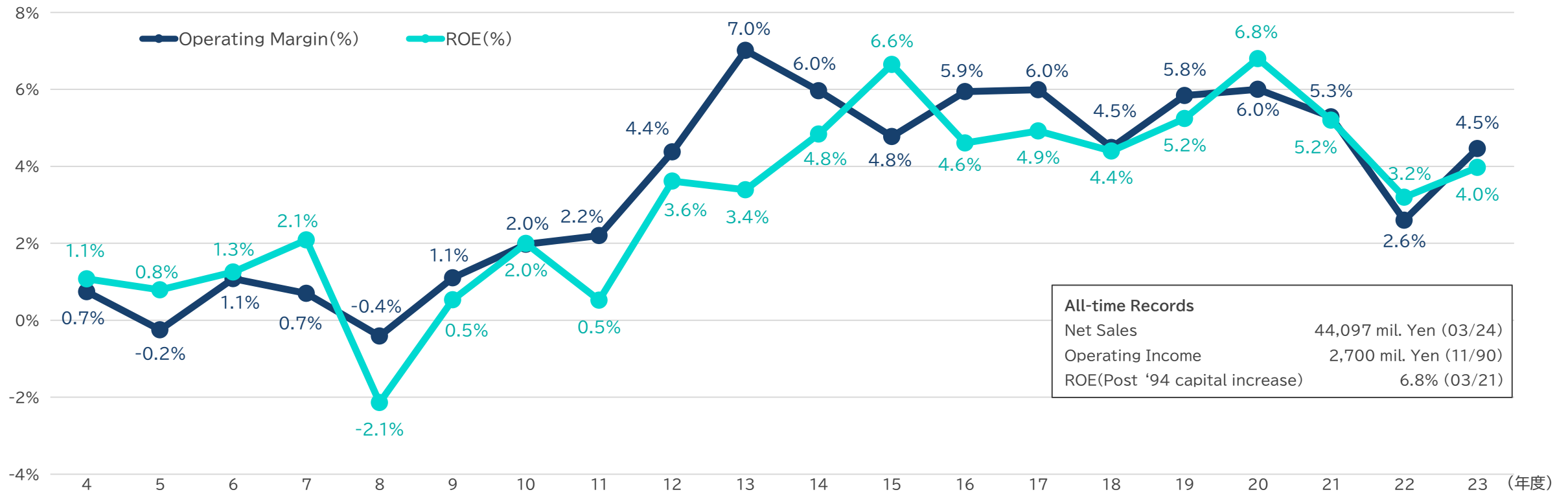


(million)	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Capital Investment	815	877	1,261	550	1,889	1,483	2,748	1,907	2,214	2,308
Depreciation Expenses	422	487	482	472	508	611	677	759	990	1,023
R&D Expenses	276	227	271	291	211	379	392	449	576	603
(persons, years old, years)										
Number of Employees (Consolidated)	796	803	797	807	799	838	861	1,038	1,064	1,117
Average Age of Employees (Non-consolidated)	43.1	42.2	42.3	42.2	40.9	41.1	41.1	40.8	40.3	39.7
Average Years of Service (Non-consolidated)	19.3	18.2	18.5	18.3	16.0	15.8	15.4	15.3	14.7	14.0
Number of Female Employees (Non-consolidated)	33	39	42	42	45	51	55	59	69	79
Number of New Graduate Hires (Non-consolidated)	21	30	17	19	15	14	13	29	32	32
Number of Female New Graduate Hires (Non-consolidated)	3	1	2	0	0	0	0	3	6	6
Percentage of Female Hires (Non-consolidated)	14.2%	3.3%	11.7%	0%	0%	0%	0%	10.3%	18.8%	18.8%
Number of Foreign Hires (Non-consolidated)	0	0	0	1	1	0	1	0	8	9
Number of Foreign Employees (Non-consolidated)	6	6	6	7	8	5	5	6	13	21
Number of Foreign Employees (Consolidated)	95	94	93	101	98	116	116	194	205	225
Overseas Employees (Consolidated)	95	92	91	101	98	123	121	197	214	212

New Products that Reduce Environmental Impact

	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2022
New Products	[Sand Dryer] [High-temperature Preheating Burner]	[NTB-II Burner]	[Newly Designed Bag Filter]	[VP Series AP]	—	[Foamed Asphalt Manufacturing Equipment]	[Powered Fuel Burner] [Hydrogen Burner]
Features Reducing Environmental Impact	<ul style="list-style-type: none"> Higher Plant Production Efficiency Energy Savings 	<ul style="list-style-type: none"> Energy Saving Higher Combustion Efficiency in the Combustion Area 	<ul style="list-style-type: none"> Space + Energy Savings Reduced Exhaust Gas Emissions Low Noise Levels 	<ul style="list-style-type: none"> Prevented Diffusion of Odorous Gases from Recycled Materials 	—	<ul style="list-style-type: none"> Supported Manufacturing of Warm-Mix Asphalt 	<ul style="list-style-type: none"> Aimed at Burning Powdered Biomass Fuels Reduced CO2 Emissions from Burners

Operating Margin and ROE

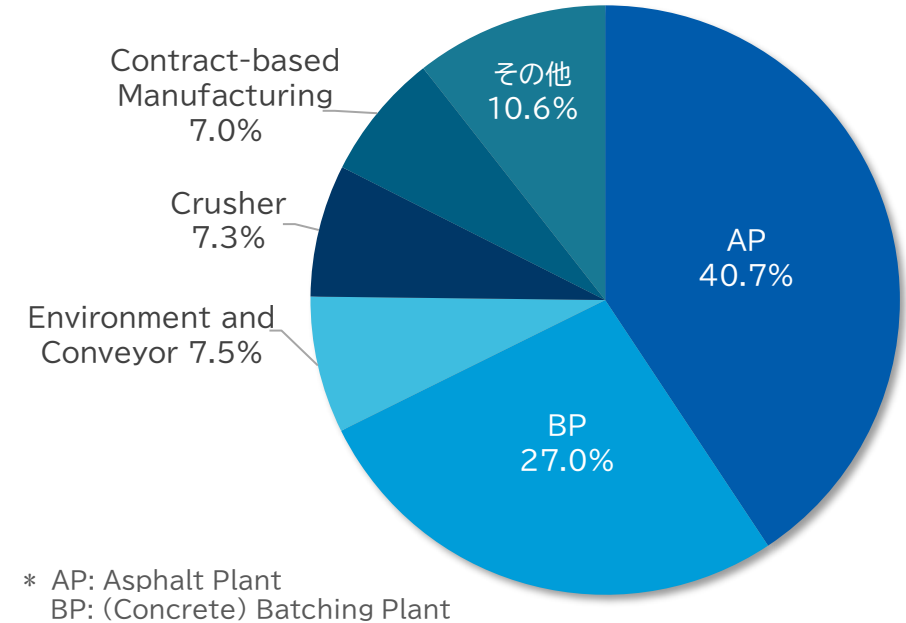


All-time Records
 Net Sales 44,097 mil. Yen (03/24)
 Operating Income 2,700 mil. Yen (11/90)
 ROE(Post '94 capital increase) 6.8% (03/21)

	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	FY23
Net Sales	24,864	22,175	25,035	26,942	23,856	23,971	23,803	24,553	27,087	32,073	30,707	34,110	32,717	35,114	31,780	35,151	37,866	38,846	39,665	44,097
Operating Income/Loss	185	(55)	271	189	(98)	265	470	541	1,186	2,249	1,832	1,629	1,944	2,103	1,427	2,053	2,302	2,053	1,028	1,968
Ordinary Income	537	350	699	545	482	899	812	621	1,108	1,982	1,582	1,648	1,993	2,239	1,576	2,142	2,973	2,274	1,255	2,144
Net Income/Loss	265	203	315	513	(499)	124	461	122	881	888	1,348	1,896	1,340	1,490	1,345	1,588	2,082	1,649	1,020	1,312

Company Name	Nikko Co., Ltd.	
Head Office	1013-1, Eigashima, Okubo-cho, Akashi, Hyogo Prefecture	
Established	August 13, 1919	
Capital	9,197 mil. yen	(as of March 31, 2024)
Consolidated Net Sales	44,097 mil. yen	(FY2023)
Consolidated Operating Income	1,968 mil. yen	(FY2023)
Ratio of Net Sales Outside Japan	7.9%	(FY2023)
Subsidiaries	13 companies	(FY2023)
Number of Employees (Consolidated)	1,117 persons	(as of March 31, 2024)
Governance Structure	Company with Audit & Supervisory Board Directors: 9 (including 3 outside directors); Audit & Supervisory Board Members: 4 (including 3 outside auditors) as of March 31, 2024	

Net Sales Breakdown by Business Segment (FY2023)



Management Philosophy

Adopting a “Customer-First Policy,” the Nikko Group provides customers with truly satisfactory products and services, while continually promoting self-reform aimed at winning broad trust and fulfilling our mission as a solutions partner evolving with customers.

Representative Director and President **辻 勝**

AP-Related Business

Main products

- Asphalt plants
- Recycling plants
- Crushing plant
- Mixture silos
- Electronic control devices, plant management system



ABD
Made-to-order AP models that can handle diverse needs



VP II
Ecological model AP, primarily for recycling



CBD
Global model AP for Thailand and Southeast Asia markets

BP-Related Business

Main products

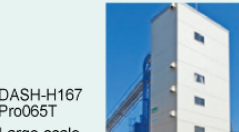
- Concrete plants
- Compact concrete plants
- Concrete pumps
- Electronic control devices, plant management system
- Concrete manufacturing plant facilities, etc.



DASH-H275EvV
Twin-ADV
Ultra-strong concrete plants



ONZEMIX-T50
Mobile BP



DASH-H167
Pro065T
Large-scale precast concrete plant

Environment- and Conveyor-Related Business

Main products

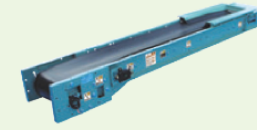
- Belt conveyors, conveyors for facilities, beverage container recycling plants
- Soil remediation plant, plastic recycling plant



Modular conveyor
Conveyor using pipe frames whose lengths can be adjusted in increments of 10cm



A plaster-based solidification material manufacturing facility
It manufactures gypsum hemihydrate by drying gypsum powder. The facility manufactures solidification material by blending with cement and lime.



Super modular conveyor
Simple sealed-type conveyor using steel plate frames that ensures higher safety

Other Business

Main products

- Pipe scaffolding, steel gangplanks
- Temporary aluminum staircases
- Shovels, spades
- Small-sized concrete mixers, mortar mixers
- Floodgates, waterproof boards, crushers
- Real estate leasing, construction machinery product leasing
- Sales of housing renovation



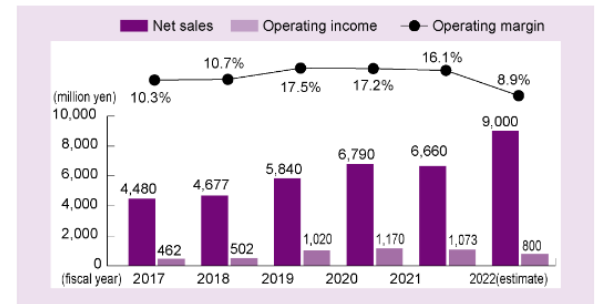
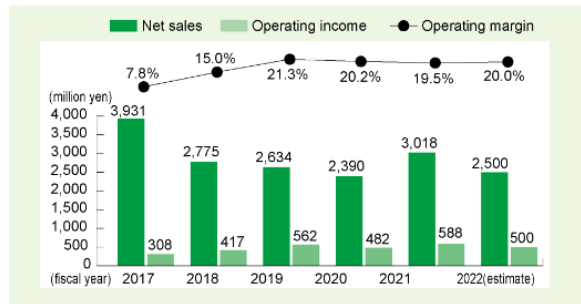
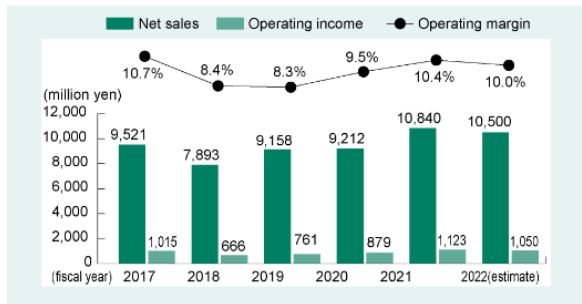
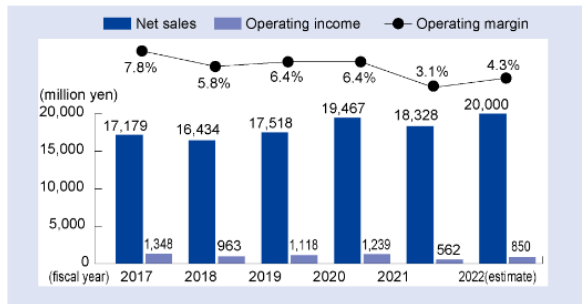
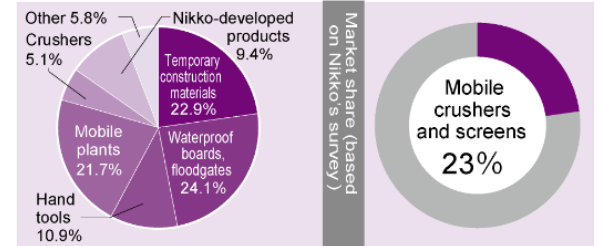
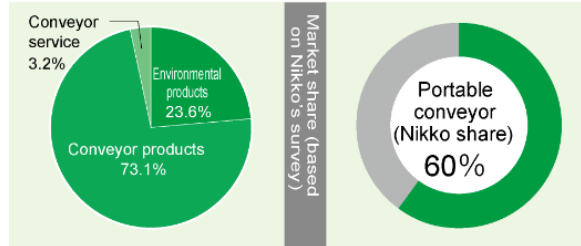
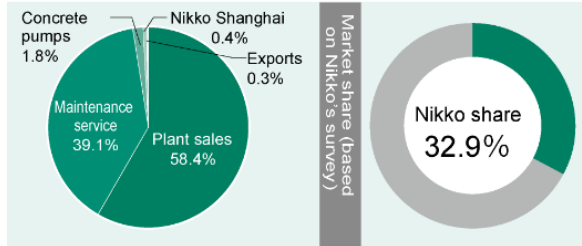
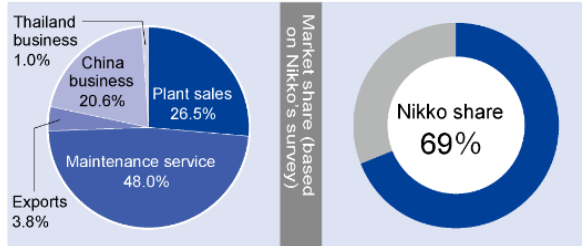
Hammer crusher
Particle size can be adjusted with grate size and the desired particle size can be obtained with a single crushing.



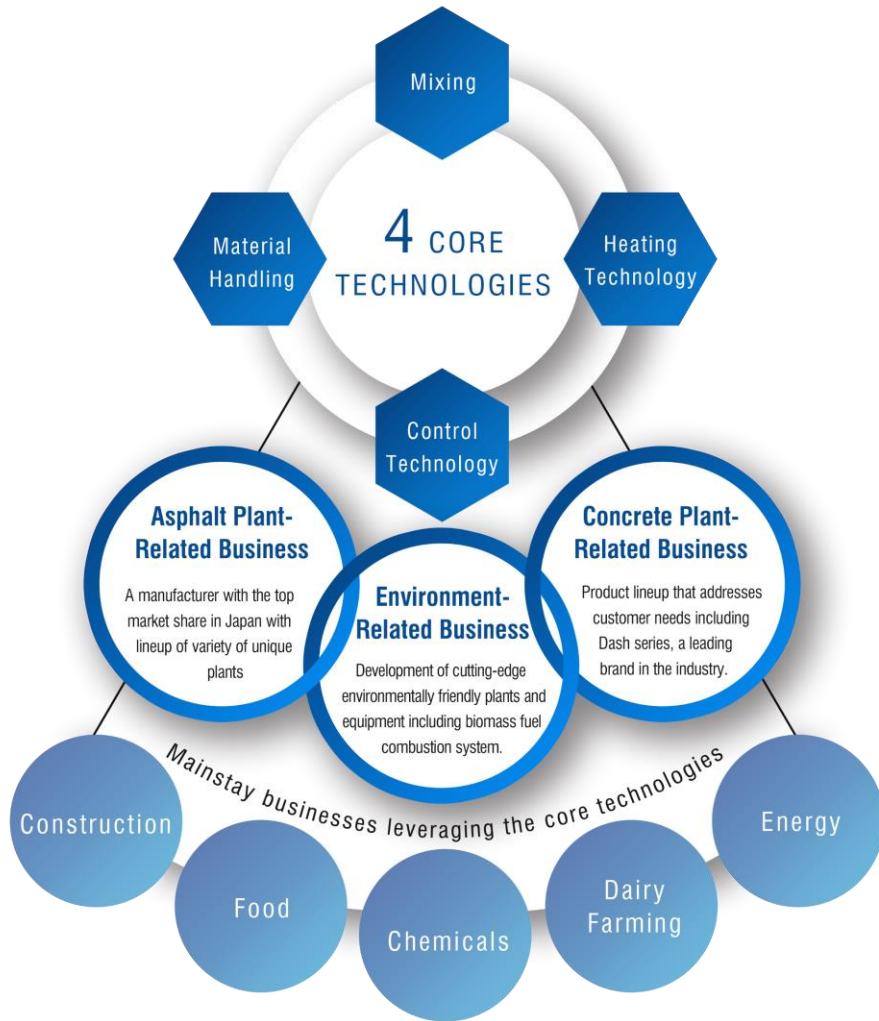
Mobile plant
One set of crusher line (crushers, screens, belt conveyors, etc.)



Waterproof board
Waterproof boards, which are effective against water damage (internal flooding) caused by global warming



Products	Products Sites	Overseas Expansion	Group Expansion in Japan (including acquisitions and transfer of business)
1919 Established TOMBO brand farming tools	1919 Head Office Plant	1994 Nikko Baumaschinen (Germany)	1968 Ichiishi Kogyosho (M&A)
1951 Concrete mixers and winches	1938 Industrial machinery factory	1997 Taipei branch (Taiwan)	1971 Nikko Electronics Co., Ltd. established
1956 Ready-mixed concrete plant	1968 Tokyo factory	2001 Nikko (Shanghai) Construction Machinery	1983 Nikko Machinery Co., Ltd. established
1958 Asphalt plants	1994 Satte factory	2020 Nikko Asia (Thailand) Co., Ltd.	1994 Tombo Industry Co., Ltd. established
1962 Telescopic steel props	2004 Shanghai Jiading factory	2020 Nikko Global Manufacturing (Thailand) Co., Ltd.	1995 Nikko Sec Co., Ltd. established
1963 Pipe scaffolding	2014 Kakogawa factory		2002 Niigata Engineering (transfer of business)
1966 Conveyor system	2016 Fukusaki factory		2006 Mitsubishi Heavy Industries, Ltd. (transfer of business)
1983 Floodgates			2008 Maekawa Kogyosho (M&A)
2000 System for cleaning oil-polluted soil			2022 Ube Kohki (M&A)
2001 Waste plastic treatment system			2023 Matsuda Kiko (M&A)
2007 Concrete pumps			
2010 Waterproof boards			
2015 Crusher (import and sales)			



Nikko Group Business Vision

“Create the future with *n*”

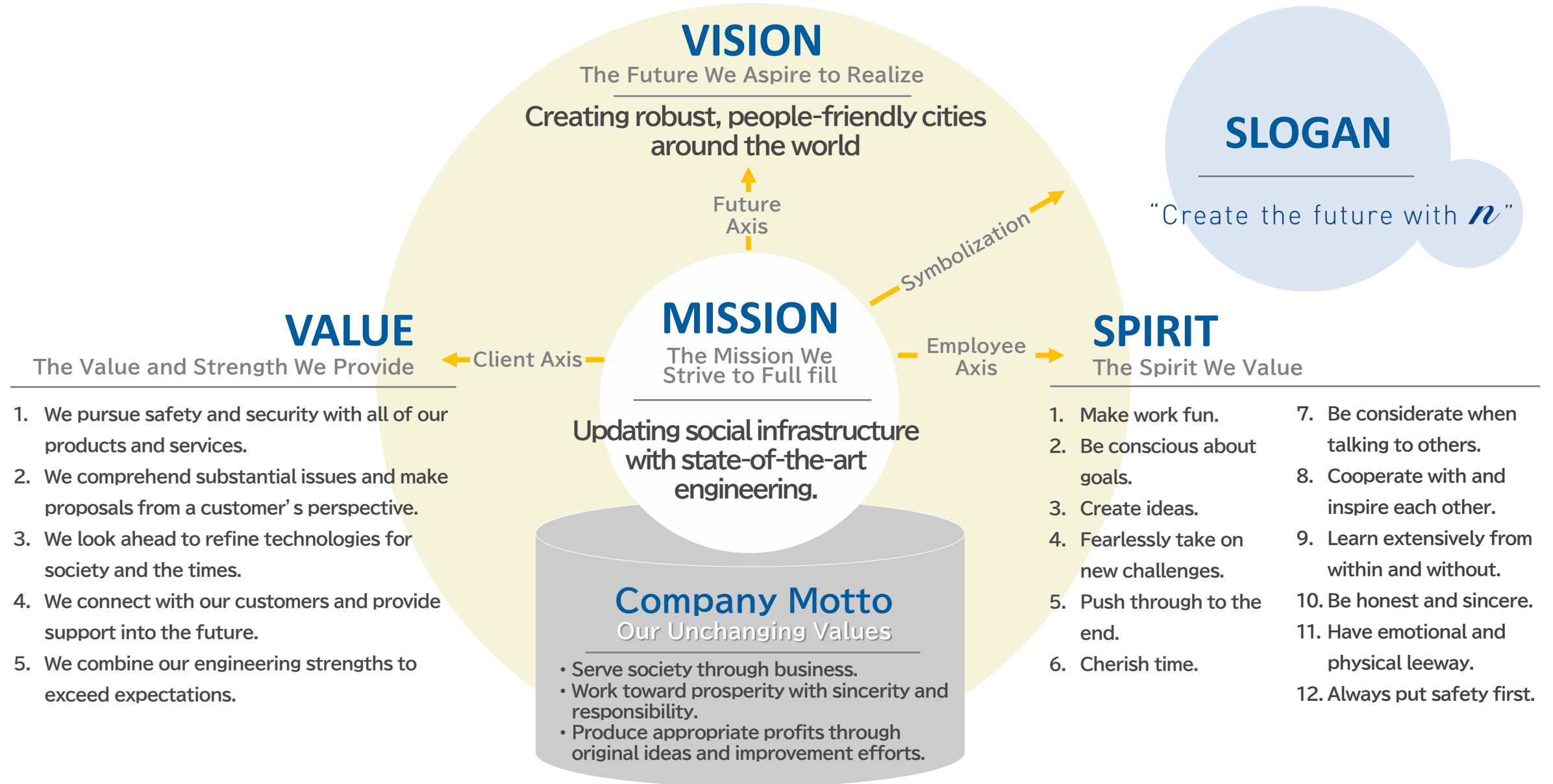
We strive to remain the leading company of asphalt and batching plants.

We aim to expand our overseas business and become the top manufacturer in the Asian market.

We will work to brush up on our core technologies in “heating,” “mixing,” “material handling” and “control” as we expand business.

We will strive to remain a future-creating company ready to contribute to society.

Representative Director and President



1. We pursue safety and security with all of our products and services.
2. We comprehend substantial issues and make proposals from a customer's perspective.
3. We look ahead to refine technologies for society and the times.
4. We connect with our customers and provide support into the future.
5. We combine our engineering strengths to exceed expectations.

- | | |
|---------------------------------------|---|
| 1. Make work fun. | 7. Be considerate when talking to others. |
| 2. Be conscious about goals. | 8. Cooperate with and inspire each other. |
| 3. Create ideas. | 9. Learn extensively from within and without. |
| 4. Fearlessly take on new challenges. | 10. Be honest and sincere. |
| 5. Push through to the end. | 11. Have emotional and physical leeway. |
| 6. Cherish time. | 12. Always put safety first. |

Social issues and changes in the industry (risks and opportunities) (see p. 45)

- ◆ Carbon-neutral initiatives
- ◆ Acceleration of digitization
- ◆ Declining birthrate and aging population, declining workforce
- ◆ Recycling of waste materials and establishment of recycling-oriented society
- ◆ Intensification of disasters and early restoration
- ◆ Rising ESG awareness

Nikko Group 2030 Vision (see p. 5)

The top manufacturer of plant facilities and environmental products underpinned by advanced technology and customers' management partner through operation and maintenance service

INPUT (Business foundation)

- Financial capital**
 - ◆ Robust financial base and ample cash (see p. 31)
 - Total assets of 59.5 billion yen and net assets of 34.0 billion yen at the end of FY 2024
- Manufactured capital**
 - ◆ Capital investment focusing on the 2030 Vision (see p. 35)
 - Capital investment worth 6.0 billion yen in FY 2022-2024
- Human capital**
 - ◆ Addition of more people and reform of diversity and work style (see pp. 35, 63)
 - An increase of 145 employees at Nikko in FY 2022-2024
- Intellectual capital**
 - ◆ Business model innovation by leveraging core technology (see p. 36)
 - R&D expenses of more than 2.5 billion yen in FY 2022-2024
- Social and relationship capital**
 - ◆ Trust as a solutions partner (see p. 36)
 - Number of Akitsu-kai members as of the end of FY 2021: 195 companies
- Natural capital**
 - ◆ Utilization of energy, water resources, etc. (see pp. 36, 51)

Business activities (Business model)

New Medium-Term Management Plan (2022-2024) (see p. 23)

<Business>

- ◆ Standardization of AP and BP plants
- ◆ Introduction of EC to small and light modular-type belt conveyors, handling of stringer conveyors
- ◆ Foray into Indonesia and Vietnam by overseas AP-related business

<Internal functions>

- ◆ Global marketing function, DX promotion function
- ◆ Building cooperative sales structure for new businesses
- ◆ Rebuilding of human resource management foundation and system

Value chain (see p. 47)

Mixing
Technology to mix and knead a wide variety of materials from liquids to solids

Heat Technology
Technology to burn or dry materials at high temperatures

Control Technology
Technology to design and make the brains of plants and machinery using IoT and AI

Material Handling
Technology to convey and separate any material, diagonally or vertically

Core technologies
Original technologies protected by high entry barriers

Sustainability management (see p. 49) **Materiality** (see p. 6)

Management philosophy (see p. 1) Corporate identity (see p. 1) Corporate governance (see p. 69)

OUTPUT (Business value)

- Business transformation** (see p. 27)
 - ◆ AP-related business in Japan (see p. 39)
 - ◆ BP-related business (see p. 41)
 - ◆ Maintenance service business (see p. 61)
 - Strengthening of operation and maintenance services**
- Scale expansion leveraging technology** (see p. 29)
 - ◆ Overseas AP-related business (see p. 29)
 - ◆ Environment- and conveyor-related business (see p. 43)
 - ◆ Other businesses (see p. 44)
 - Lateral deployment of products and markets**
- Financial targets for FY 2024** (see p. 25)
 - ◆ Net sales: ¥50 billion
 - ◆ Operating income: ¥3 billion (Operating margin: 6%)
 - ◆ ROE: 6.0%
 - ◆ Payout ratio: 60% or more

OUTCOME (Creation of social values)

- Social and environmental values to be contributed**
 - ◆ Establishment of recycling-oriented, environmentally friendly society (see p. 59)
 - ◆ Contribution to realization of decarbonized society (see p. 51)
 - ◆ Contribution to disaster prevention and mitigation
 - ◆ Support for early restoration from natural disasters (see p. 60)
 - ◆ Co-existence with local communities (see p. 60)
- Economic values to be created**
 - <Business>**
 - ◆ Support for remote operations and automation, total management system (see p. 28)
 - ◆ Roll-out of environmentally friendly products (see p. 56)
 - ◆ Expansion of the overseas AP-related business in the ASEAN region (see p. 29)
 - <Internal functions>**
 - ◆ Opening and full-scale operation of the operation support center (see p. 28)
 - ◆ Automation and remote operations leveraging technology (see p. 50)
 - ◆ Review production process, consolidation of assembly at the head office factory (see p. 32)
- FY 2030 financial targets** (see pp. 21, 27)
 - ◆ Net sales: ¥60 billion
 - ◆ Operating margin: 10.0%
 - ◆ ROE: 10.0%
 - ◆ Market cap: ¥50 billion or more

Future the Group wants to realize

Making the world a resilient and gentle place (see pp. 1, 12)



Update the social infrastructure
with state-of-the-art engineering.

**If you have any preferences for meetings or other requests, please feel free to
contact the following address**

(Online meetings and meetings in Tokyo also can be arranged)

Mr. Hachiken

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 IR-nikko@nikko-net.co.jp

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- Future projections and other forward-looking statements in this material were prepared based on information currently available to the management.
 - These statements contain risks and uncertainties, such as changes in performance outlook due to the financial situation for the Company in Japan and abroad, industry trends, product demand and supply, advances in new technology, and other factors. Accordingly, investment decisions should not be made based only on the forward-looking statements in this material.
 - Note also that forward-looking statements in this material are subject to change without prior notice, except where procedures are required by law.