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Financial Results Briefing

2nd Quarter of the Fiscal Year
Ending March 31, 2025

TSE Code: 6306
NIKKO CO., LTD.

Hiroshi Fujii
Director & Vice President
December 9, 2024



Contents

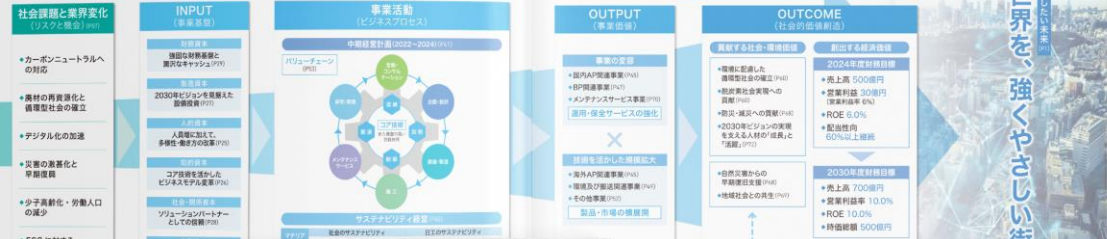
◆ TOPICS.....	pp.3 – 6
• Nikko Corporate Report 2024	
• Towards Management Focused on Capital Costs and Stock Price	
◆ Shareholder Returns.....	p.7
◆ FY 2024 1Q Financial Results	pp.8 – 28
◆ Reference Materials.....	pp.29 – 32
◆ Company Information.....	pp.33 – 38

* 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.

Value Creation Process

価値創造プロセス

日エグループのビジネスは必ずしも利益を生み出し、サプライチェーンを豊かにし、社会の発展に貢献して、持続的な成長を目指しています。ここから生まれる価値（OUTCOME）を整理することで、ビジョンと関係し、社会課題の解決に貢献していきます。



世界を、強くやさしい社会

Materiality Solutions

マテリアリティ2024

近年の外部環境の変化は、日エグループに様々な機会とリスクをもたらしています。長期的には、地球リスクの増大やサプライチェーン不安定化等の「道徳・経済分離」、カーボンニュートラルや資源確保、労働力確保等の「環境・社会・ガバナンス」(ESG)の重要性が、社会課題として、人々の企業価値への意識を高め、各々の活動が社会課題の解決に貢献するよう求められています。日エグループが目指す2030年ビジョンを達成するためには、こうした外部環境や市場環境の変化を的確に把握し、ここから結ぶべき課題(マテリアリティ)を、ステークホルダーやサステナビリティへのインパクトを踏まえつつ、長期的企業価値を最大化することが求められます。

日エグループ(1)カーボンニュートラルの推進、(2)資源確保の推進、(3)労働力確保の推進、(4)人権・社会課題の推進、(5)ガバナンスの推進に注力しています。ここで(1)と(2)は環境リスクの観点から、(3)と(4)は社会課題の観点から、(5)はガバナンスの観点からマテリアリティとして位置づけられています。また、2023年度のサステナビリティ各課題マテリアリティの重要性、企業価値に与える影響(1)を踏まえ、2024年度マテリアリティマップを2023年度と見比べると、以下の通り変化しています。



マテリアリティ	2022年	2023年	2024年
カーボンニュートラルの実現	環境リスクの観点からマテリアリティとして位置づけられていた。2023年度は、カーボンニュートラルの推進が、環境リスクの観点からマテリアリティとして位置づけられていた。2024年度は、カーボンニュートラルの推進が、環境リスクの観点からマテリアリティとして位置づけられていた。	環境リスクの観点からマテリアリティとして位置づけられていた。2023年度は、カーボンニュートラルの推進が、環境リスクの観点からマテリアリティとして位置づけられていた。2024年度は、カーボンニュートラルの推進が、環境リスクの観点からマテリアリティとして位置づけられていた。	環境リスクの観点からマテリアリティとして位置づけられていた。2023年度は、カーボンニュートラルの推進が、環境リスクの観点からマテリアリティとして位置づけられていた。2024年度は、カーボンニュートラルの推進が、環境リスクの観点からマテリアリティとして位置づけられていた。
資源確保型社会の構築	資源確保の観点からマテリアリティとして位置づけられていた。2023年度は、資源確保の推進が、資源確保の観点からマテリアリティとして位置づけられていた。2024年度は、資源確保の推進が、資源確保の観点からマテリアリティとして位置づけられていた。	資源確保の観点からマテリアリティとして位置づけられていた。2023年度は、資源確保の推進が、資源確保の観点からマテリアリティとして位置づけられていた。2024年度は、資源確保の推進が、資源確保の観点からマテリアリティとして位置づけられていた。	資源確保の観点からマテリアリティとして位置づけられていた。2023年度は、資源確保の推進が、資源確保の観点からマテリアリティとして位置づけられていた。2024年度は、資源確保の推進が、資源確保の観点からマテリアリティとして位置づけられていた。

Governance Efficiency

取締役会・監査役会の機能と役割



委員会	委員長	委員
取締役会	石井 正文	石井 正文、小島 大次、川上 第一
監査役会	小島 大次	小島 大次、川上 第一
サステナビリティ推進委員会	石井 正文	石井 正文、小島 大次、川上 第一
ESG委員会	石井 正文	石井 正文、小島 大次、川上 第一

Sustainability Activities

サステナビリティ推進責任者インタビュー



サステナビリティ戦略は、将来の日エの存在そのものです。今後は次世代により良い形で継承すべく、収益、キックオフ創出につなげることを果たします。

日エグループは、2023年度のサステナビリティ戦略を推進し、2024年度の目標を達成するために取り組んでいます。2024年度は、カーボンニュートラルの推進、資源確保の推進、労働力確保の推進、人権・社会課題の推進に注力しています。また、2024年度は、サステナビリティ経営の推進に注力しています。2024年度は、サステナビリティ経営の推進に注力しています。2024年度は、サステナビリティ経営の推進に注力しています。

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2030年ビジョンの達成と持続的な成長に向けて

石井 正文 (社長)

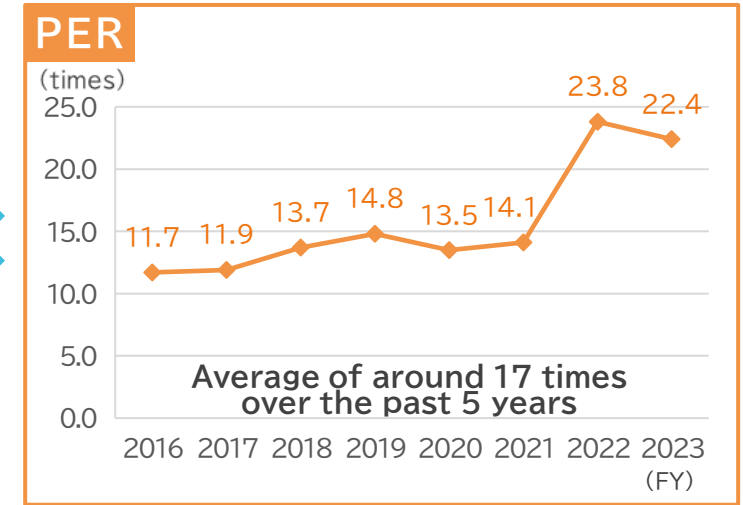
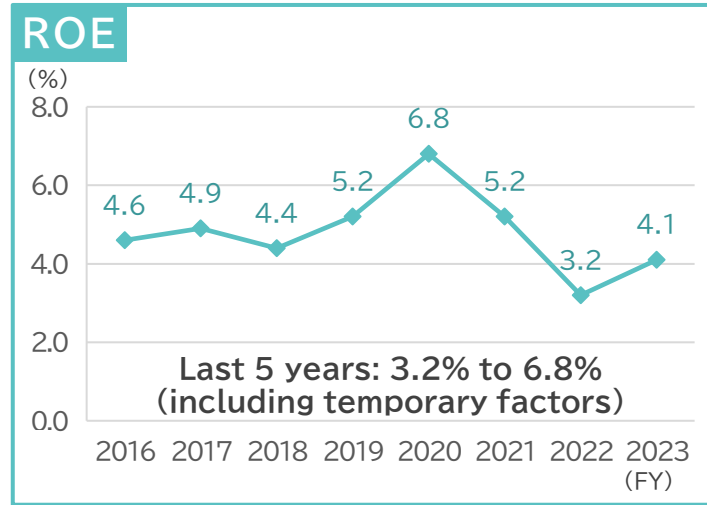
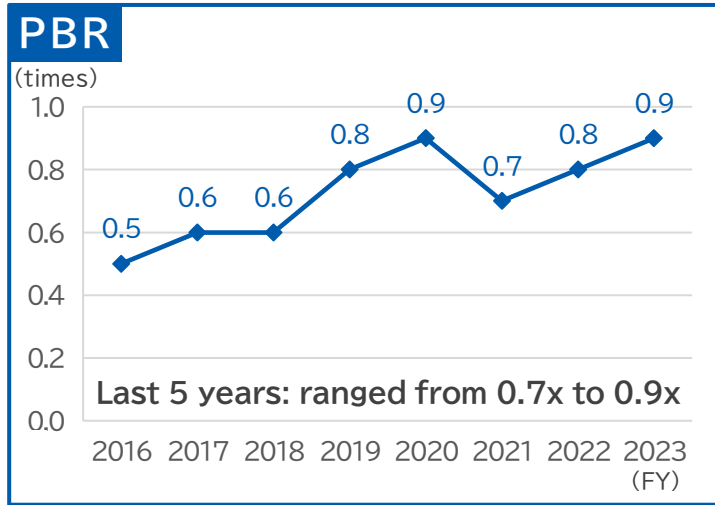
小島 大次 (取締役)

川上 第一 (取締役)

Nikko Corporate Report 2024

一步先ゆく エンジニアリングから、社会基盤をアップデートする。

PBR, ROE, and PER Performance Trends



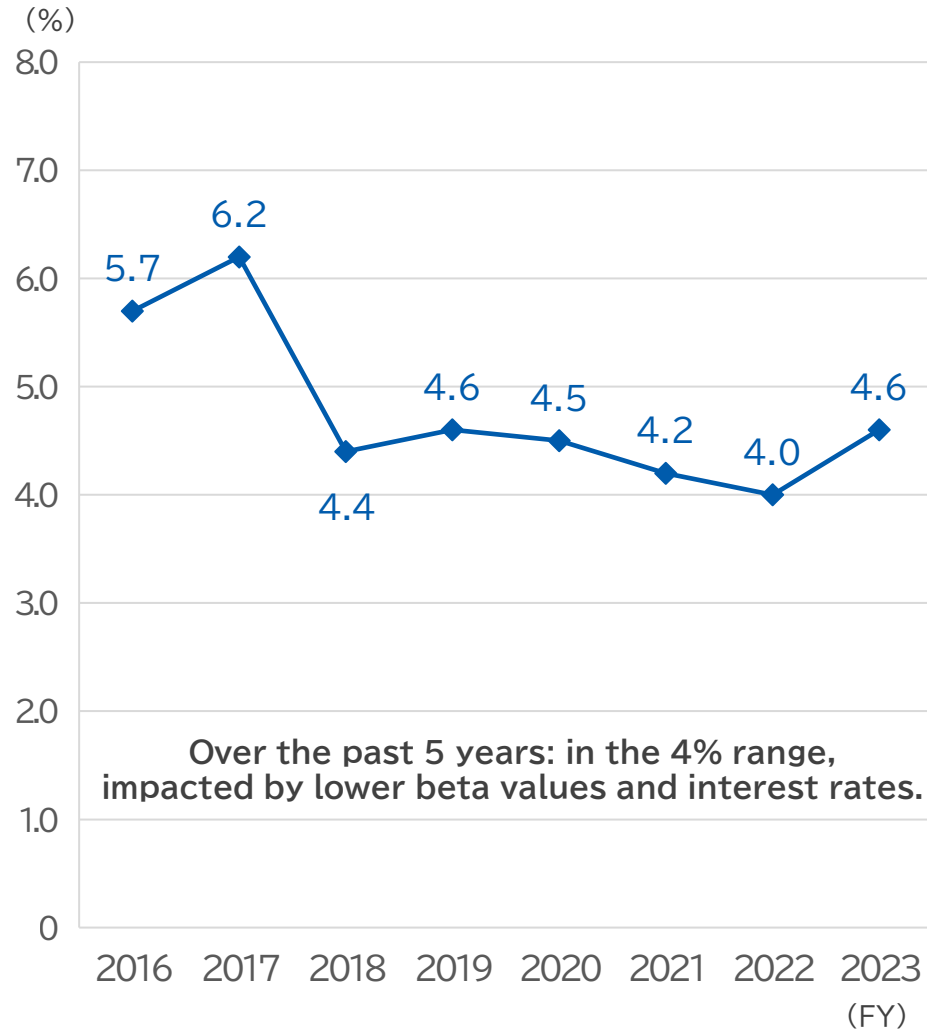
Trends Over the Past 5 Years:

- ◆ PBR (Price-to-Book Ratio): Ranged from 0.7x to 0.9x
- ◆ PER (Price-to-Earnings Ratio): Averaged around 17x
- ◆ ROE (Return on Equity): Ranged from 3.2% to 6.8%

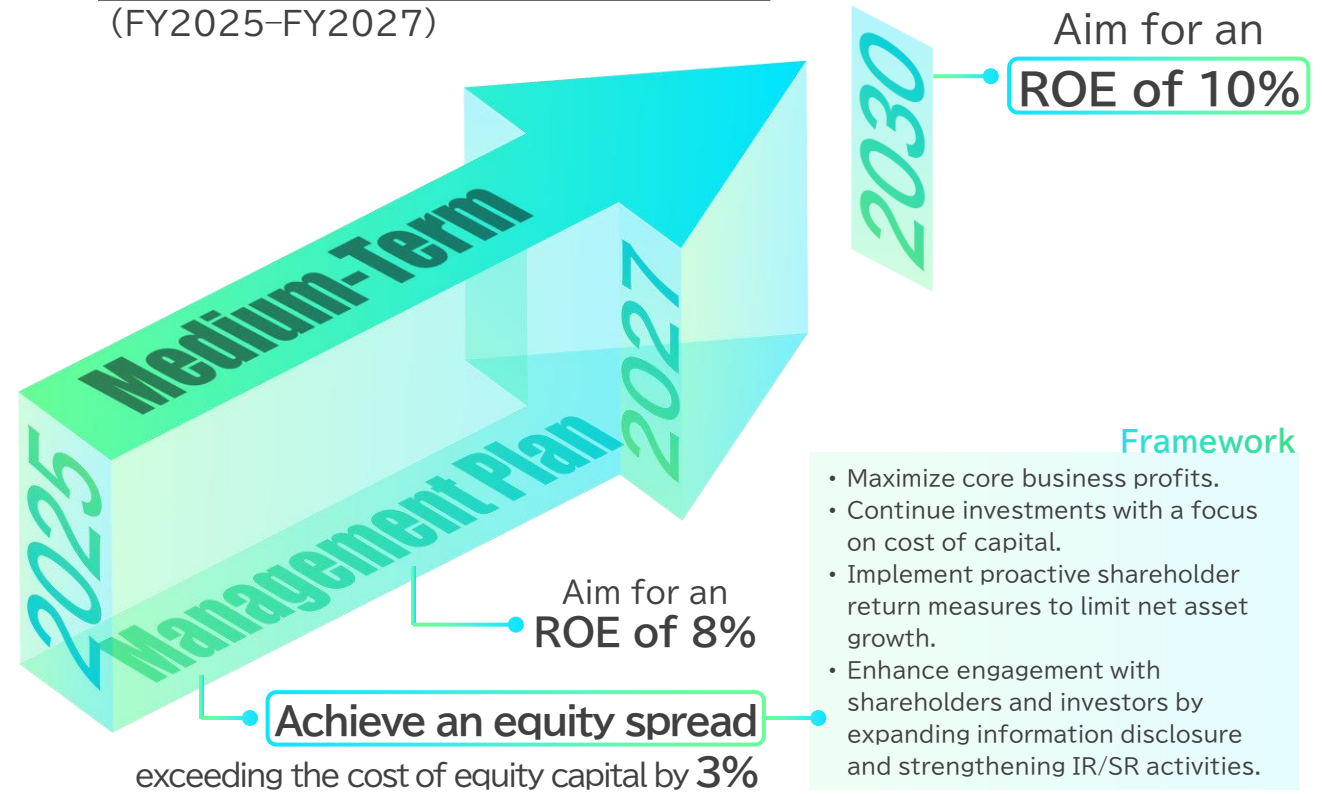
▶ To achieve a **PBR of 1** with a **PER of 17**, an **ROE of over 6%** is required.

To improve the PBR in the medium term, it is necessary to enhance ROE.

Cost of Equity Capital Trends

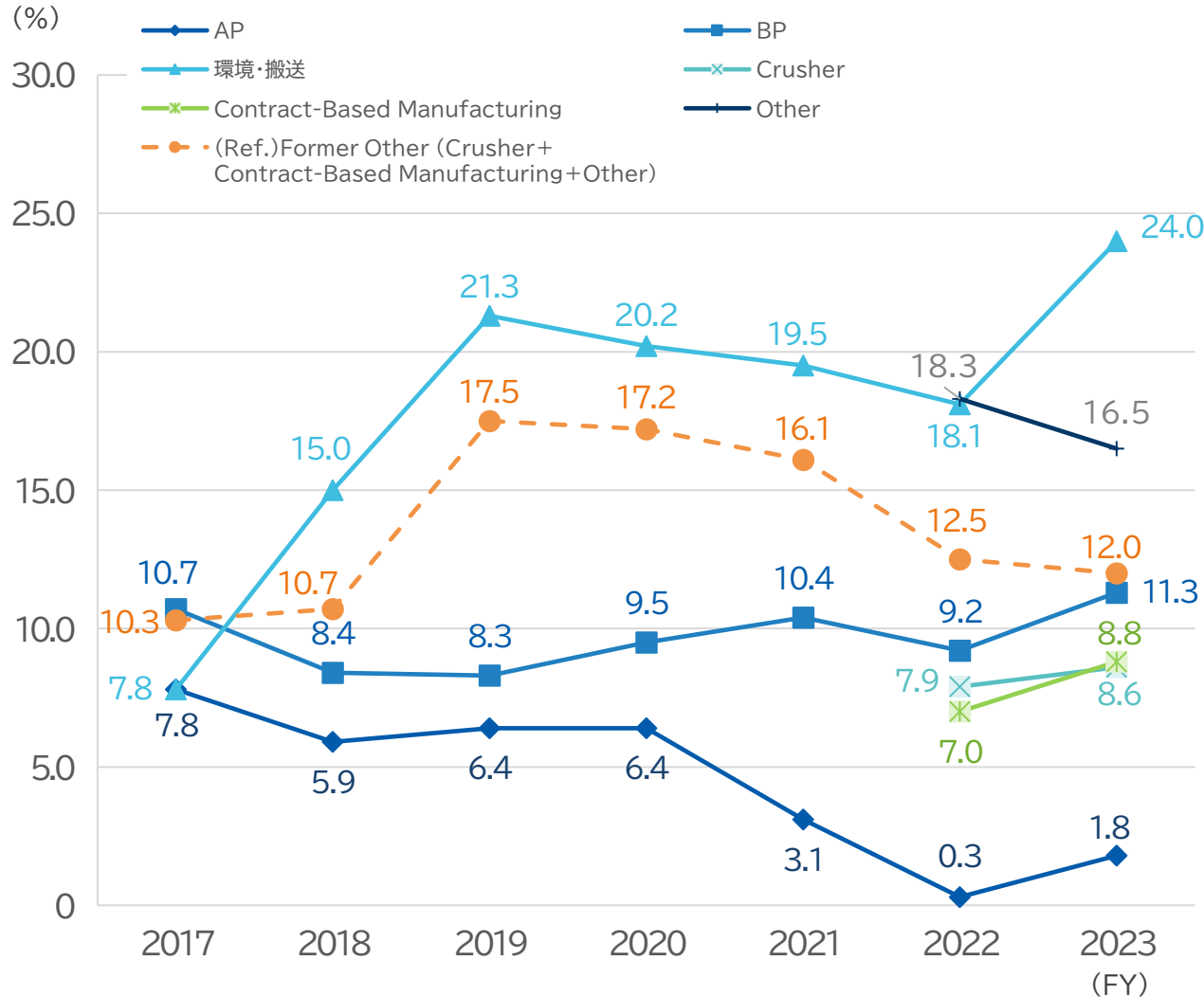


- ◆ Over the past 5 years: in the **4%** range, impacted by lower beta values and interest rates.
- ◆ Going forward, a gradual increase in interest rates is expected, with an assumption of just above **5%**.
- ◆ Next Medium-Term Management Plan: (FY2025–FY2027)



Source: Nikko Corporate Report 2024

Operating Profit Margin Trends by Business Segment



Source: Nikko Corporate Report 2024

① Maximize operating profit

- Profit improvement in heritage businesses such as AP and BP-related business.
- Growth in new opportunities in crushing machines, contract-based manufacturing, and other business.
- Transformation of the business model through price adjustments and expansion of asset management services.
- Enhancement of the mobile plant business and development of new products.
- Expansion of the business through M&A activities.
- Profitability improvement in maintenance services.
- Profit enhancement in Thai operations.
- Increased production capacity in contract manufacturing.
- Expansion into the environmental recycling sector.

② Financial Capital Policy

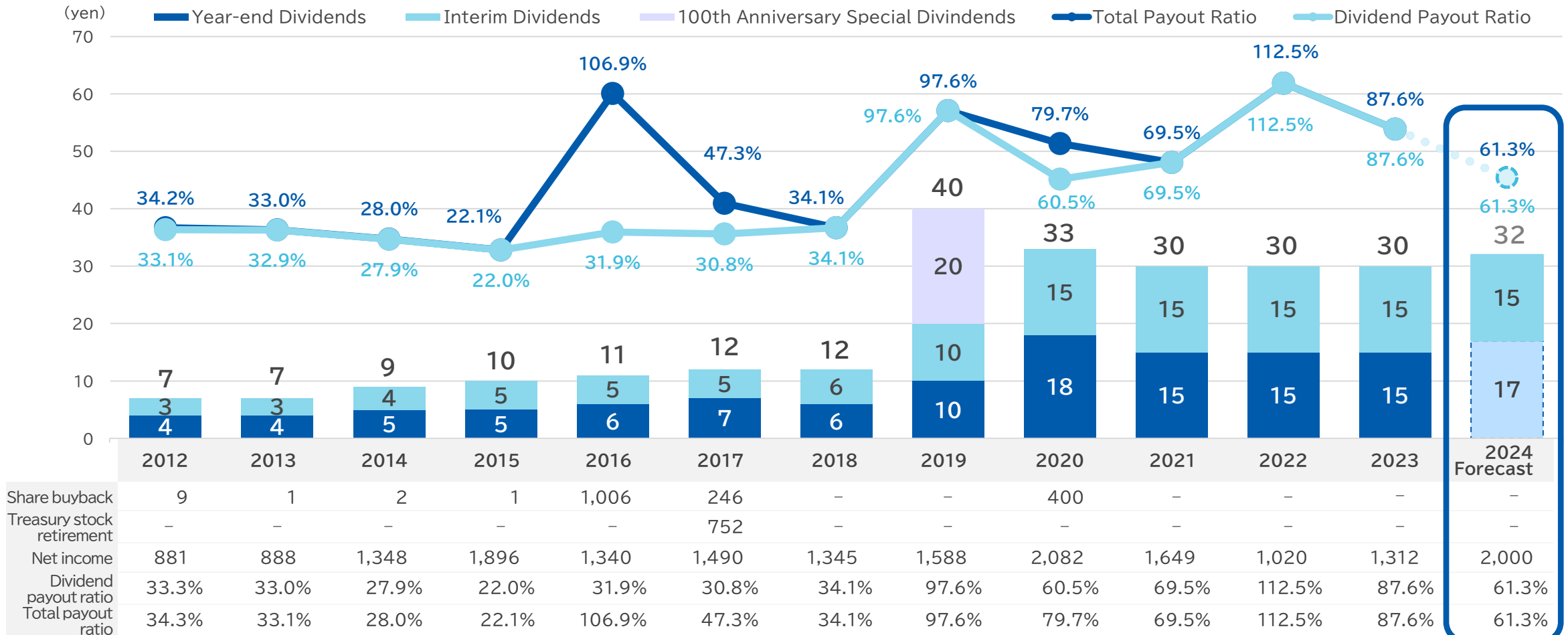
- Continuation of a dividend payout ratio of 60% or more.
- Flexible share buybacks.
- Estimated net assets of approximately 35.5 billion yen by fiscal year-end 2027 (33.1 billion yen as of fiscal year-end 2023).
- Maintenance of a capital ratio above 50%.
- Reduction of policy-related shareholdings, targeting below 10% of net assets in the medium term.

③ Engagement and Communication with Shareholders and Investors

- Enhancement of information disclosure in quarterly earnings presentations and annual Corporate Report.
- Various measures to support individual investors, such as improving the home page.

■ Forecasted Dividend for Fiscal Year 2024: 32 yen (Interim 15 yen, Year-End 17 yen, Dividend Payout Ratio 61.3%)

Medium-Term Management Plan Targets
Dividend Payout Ratio 60% or Higher



★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.



AP-Related Business (Domestic): Profit recovery for the road paving company remains challenging.

However, progress in passing on product price increases and steady performance in replacements and maintenance have driven growth in orders, sales, and profits.

▶ pp.15–16 AP-Related Business, AP-Related Business (Domestic vs. Overseas)



BP-Related Business: The ready-mixed concrete industry has successfully passed on raw material cost increases to product prices, leading to solid performance. Strong investment appetite continues, driving growth in orders, sales, and profits.

▶ p.17 BP-Related Business



Contract-Bases Manufacturing Business: Ube Kohki reported strong base sales, along with 1,095 mil. yen in sales recorded from joint venture projects in 1Q;
Contribution from Matsuda Kiko, which joined the group in July 2023.

▶ pp.19–20 Former Other Business (Crusher + Contract-Based Manufacturing + Other Business), Other Business (New Segmentation)



Crusher-Related Business: Mobile plant sales volume decreased, but higher-priced products and sales from special ODA projects increased overall sales.

Orders declined due to the loss of ODA projects and delayed inquiries.

▶ pp.19–20 Other Business (New Segmentation)



Overseas : China's market recovery and positive feedback on new products led to a slight increase in order intake and sales. In Thailand, demand for recycling plants grew, but construction delays and intense competition caused continued stagnation.

▶ pp.15–16 AP-Related Business, AP-Related Business (Domestic vs. Overseas)

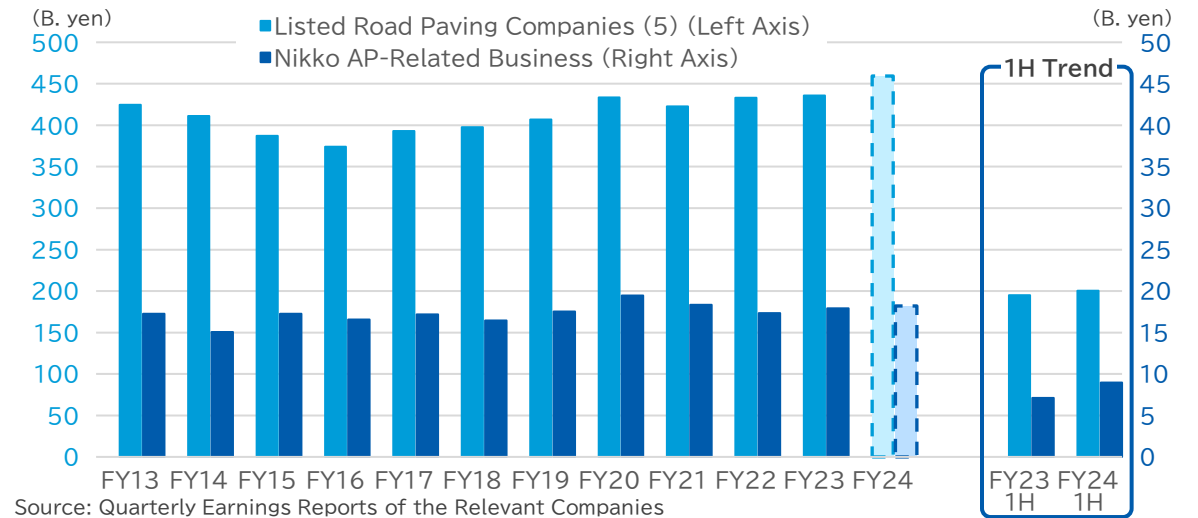
FY2024 1H Results

(million yen)

1H (Apr. – Sep.)	Results	YoY Change	YoY Change (%)
Net Sales	22,634	+5,652	+33.3%
Operating Income	1,280	+1,011	+374.9%
Quarterly Net Income Attributable to Owners of Parent	881	+533	+153.2%
Order Intake	26,889	+1,760	+7.0%

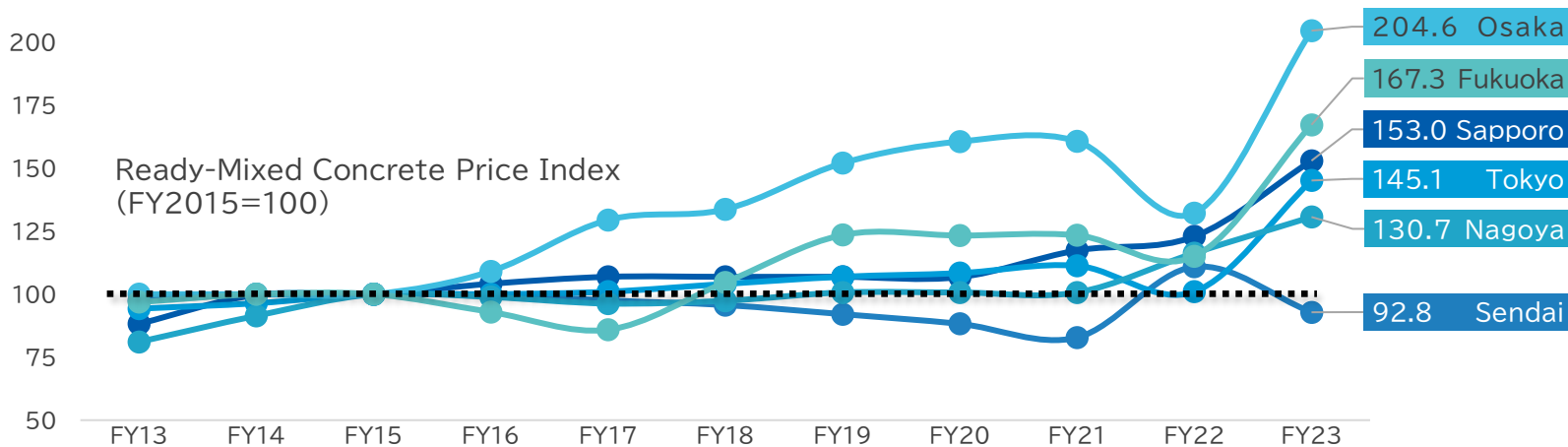
Listed Road Paving Companies (5) Sales Trend

AP



Ready-Mixed Concrete Price Index in Major Cities

BP



Source: Economic Research Association

◆ AP-Related Business:

- Revenue remains steady despite delayed recovery for listed road paving companies.
- Overseas operations remain unstable.

◆ BP-Related Business:

- Ready-mix concrete shipment volume declines.
- However, prices remain stable, and users maintain strong interest in capital investment.

FY2024 1H Performance Highlights ②

- ◆ Net sales: AP +1.8 B. yen; BP +1.0 B. yen; Env. & Conveying -17 mil. yen; Crusher +0.2 B. yen; Contract Manufacturing +2.2 B. yen; Other +0.2 B. yen.
- ◆ Operating Income: Growth driven by recovery in domestic AP, strong BP performance, and a subsidiary's success in contract manufacturing. Margins also improved.
- ◆ Ordinary Profit: Increased due to higher operating profit.
- ◆ Order Intake: AP +0.2 B. yen; BP +1.7 B. yen; Env. & Conveying -0.1 B. yen; Crusher -0.9 B. yen; Contract Manufacturing +1.1 B. yen; Other -0.1 B. yen.
- ◆ Order Backlog: AP -0.5 B. yen; BP +2.8 B. yen; Env. & Conveying +0.3 B. yen; Crusher -0.9 B. yen; Contract Manufacturing -0.5 B. yen; Other -0.4 B. yen.

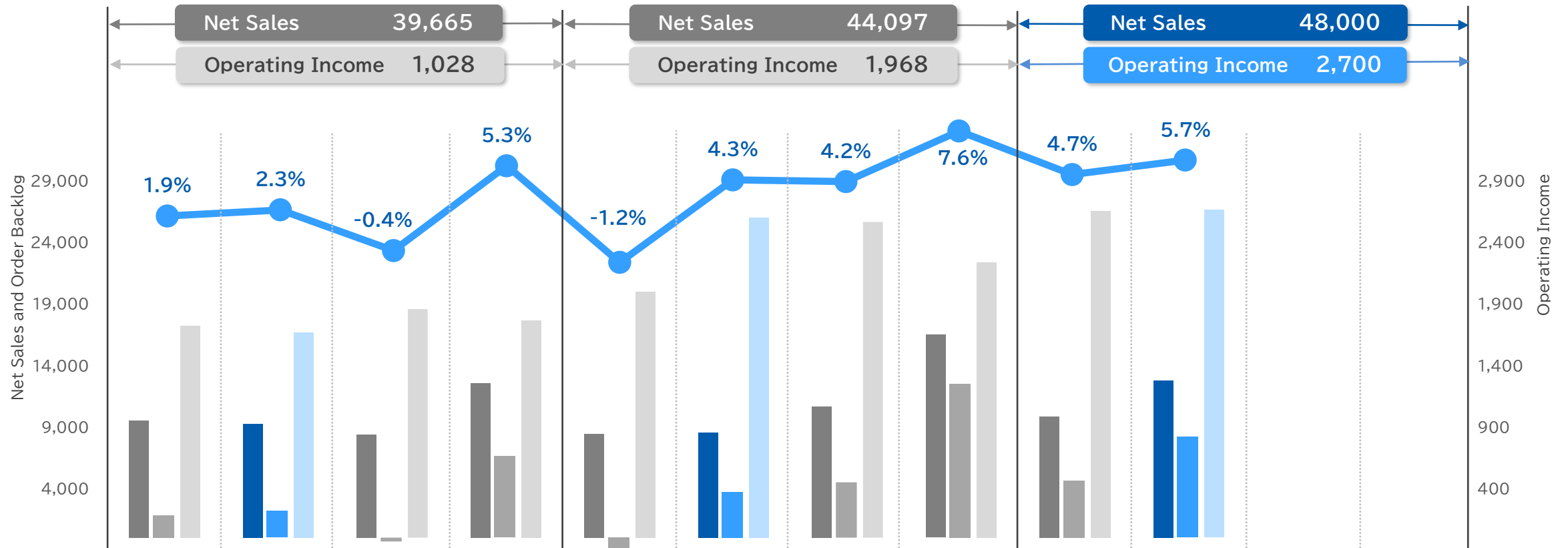
(million yen)	FY2023		FY2024					
	1H Results	FY Results	1Q Results	YoY Change	FY Forecast Progress Rate	1H Forecast	FY Forecast (Revised)	FY Forecast (Initial)
Net Sales	16,982	44,097	22,634	5,652 33.3%	47.2%	23,000	48,000	48,000
Operating Income	269	1,968	1,280	1,011 374.9%	47.4%	1,300	All-time Record 2,700	2,600
Operating Margin	1.6%	4.5%	5.7%	4.1pt	—	5.7%	5.6%	5.4%
Ordinary Income	455	2,144	1,468	1,013 222.4%	50.6%	1,300	2,900	2,600
Quarterly Net Income Attributable to Owners of Parent	348	1,312	881	533 153.2%	44.1%	850	2,000	1,700
Order Intake	25,128	48,749	26,889	1,760 7.0%	55.4%	27,000	48,500	45,250
Order Backlog	25,986	22,371	26,626	640 2.5%	—	26,371	22,871	24,371

FY2024 1H Performance Highlights ③

(million yen)		FY2023		FY2024					
		1H Results	FY Results	1H Results	YoY Change	FY Forecast Progress Rate	1H Forecast	FY Forecast (Revised)	FY Forecast (Initial)
AP-Related Business	Net Sales	7,114	17,938	8,979	+1,865 +26.2%	49.3%	10,200	18,200	20,000
	Operating Income	29	331	498	+469 +1,617.2%	51.3%	700	970	1,200
	Operating Margin	0.4%	1.8%	5.5%	+5.1pt	—	6.9%	5.3%	6.0%
BP-Related Business	Net Sales	5,049	11,907	6,142	+1,093 +21.6%	44.8%	6,000	13,700	12,500
	Operating Income	504	1,341	748	+244 +48.4%	43.5%	700	1,720	1,450
	Operating Margin	10.0%	11.3%	12.2%	+2.2pt	—	11.7%	12.6%	11.6%
Environment and Conveyor-Related Business	Net Sales	1,450	3,309	1,433	(17) (1.2%)	44.8%	1,400	3,200	3,200
	Operating Income	332	793	326	(6) (1.8%)	54.3%	220	600	450
	Operating Margin	22.9%	24.0%	22.7%	(0.2pt)	—	15.7%	18.8%	14.1%
Crusher-Related Business	Net Sales	1,078	3,198	1,313	+235 +21.8%	46.6%	1,400	2,820	2,500
	Operating Income	56	274	96	+40 +71.4%	87.3%	80	110	100
	Operating Margin	5.2%	8.6%	7.3%	+2.1pt	—	5.7%	3.9%	4.0%
Contract-Based Manufacturing Business	Net Sales	369	3,072	2,593	+2,224 +602.7%	55.9%	2,200	4,640	4,500
	Operating Income	(32)	270	369	+401 —	72.4%	350	510	450
	Operating Margin	(8.7%)	8.8%	14.2%	+22.9pt	—	15.9%	11.0%	10.0%
Other	Net Sales	1,919	4,670	2,171	+252 +13.1%	39.9%	1,800	5,440	5,300
	Operating Income	191	769	226	+35 +18.3%	30.1%	250	750	950
	Operating Margin	10.0%	16.5%	10.4%	+0.4%	—	13.9%	13.8%	17.9%

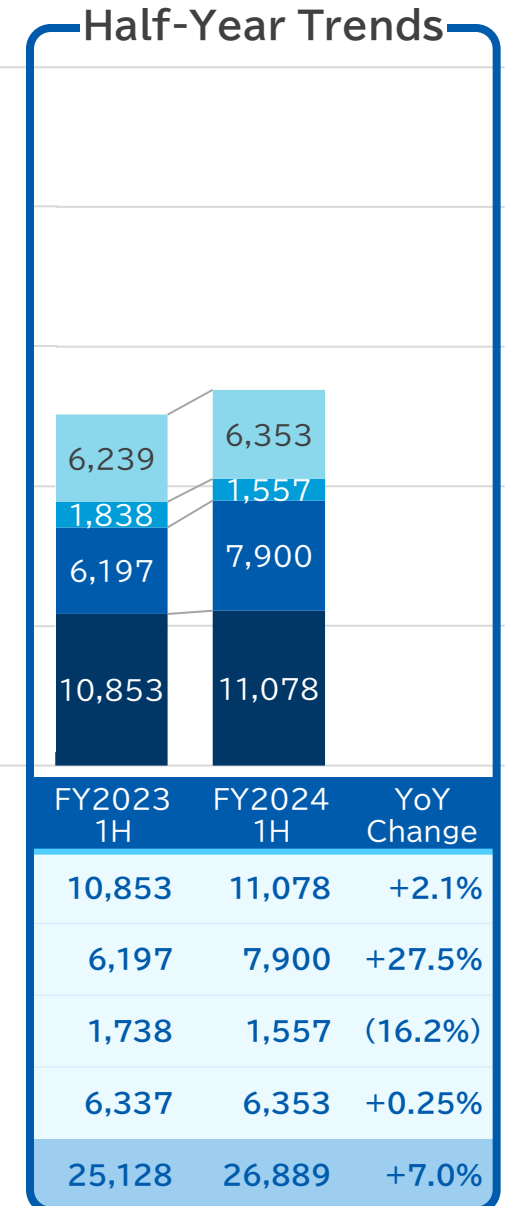
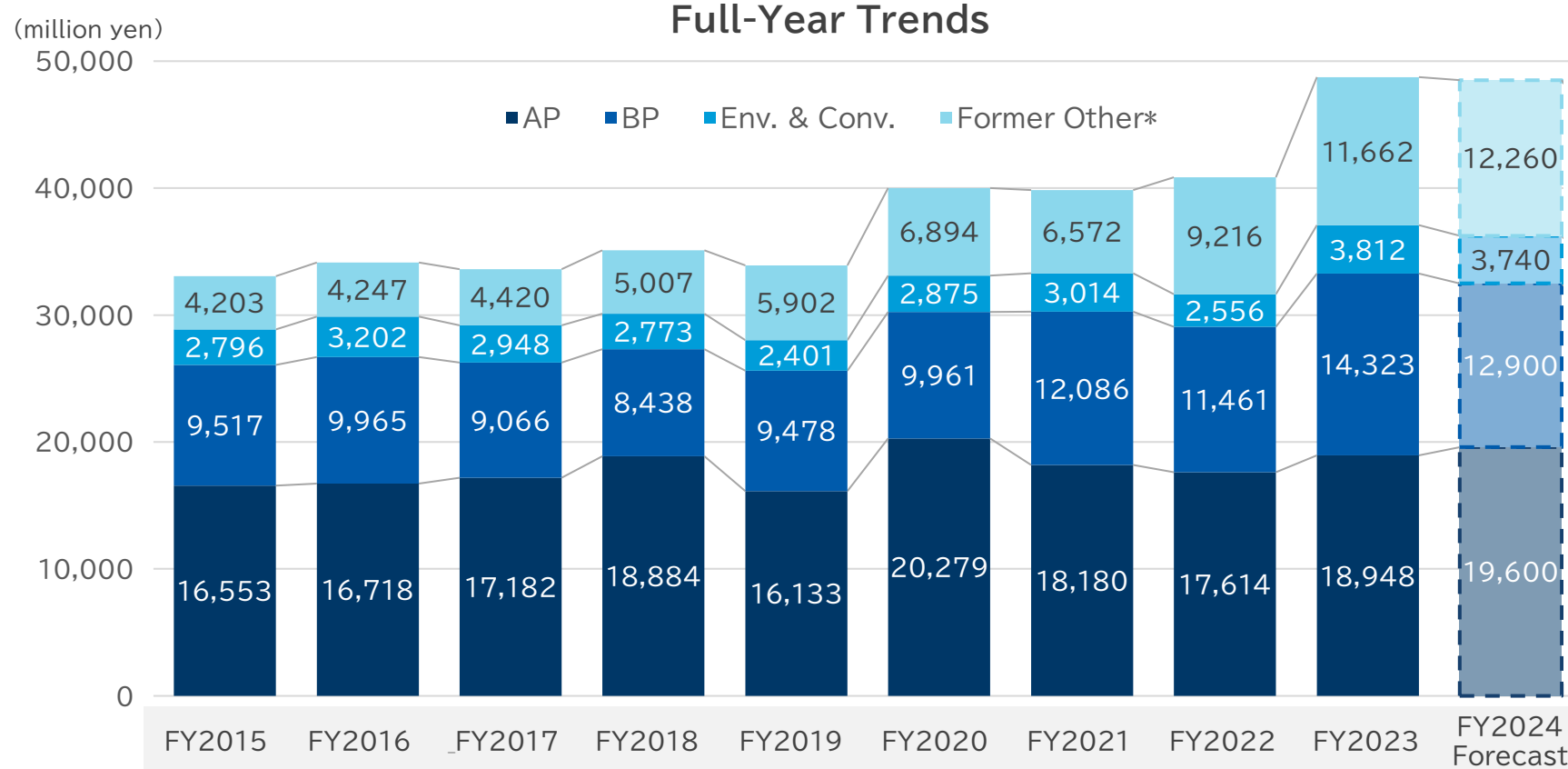
Quarterly Net Sales and Operating Income Trends

(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	12,785		
■ Operating Income	183	216	(32)	661	(99)	368	449	1,250	462	818		
● 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	26,626		

Order Intake Trends (Cumulative)

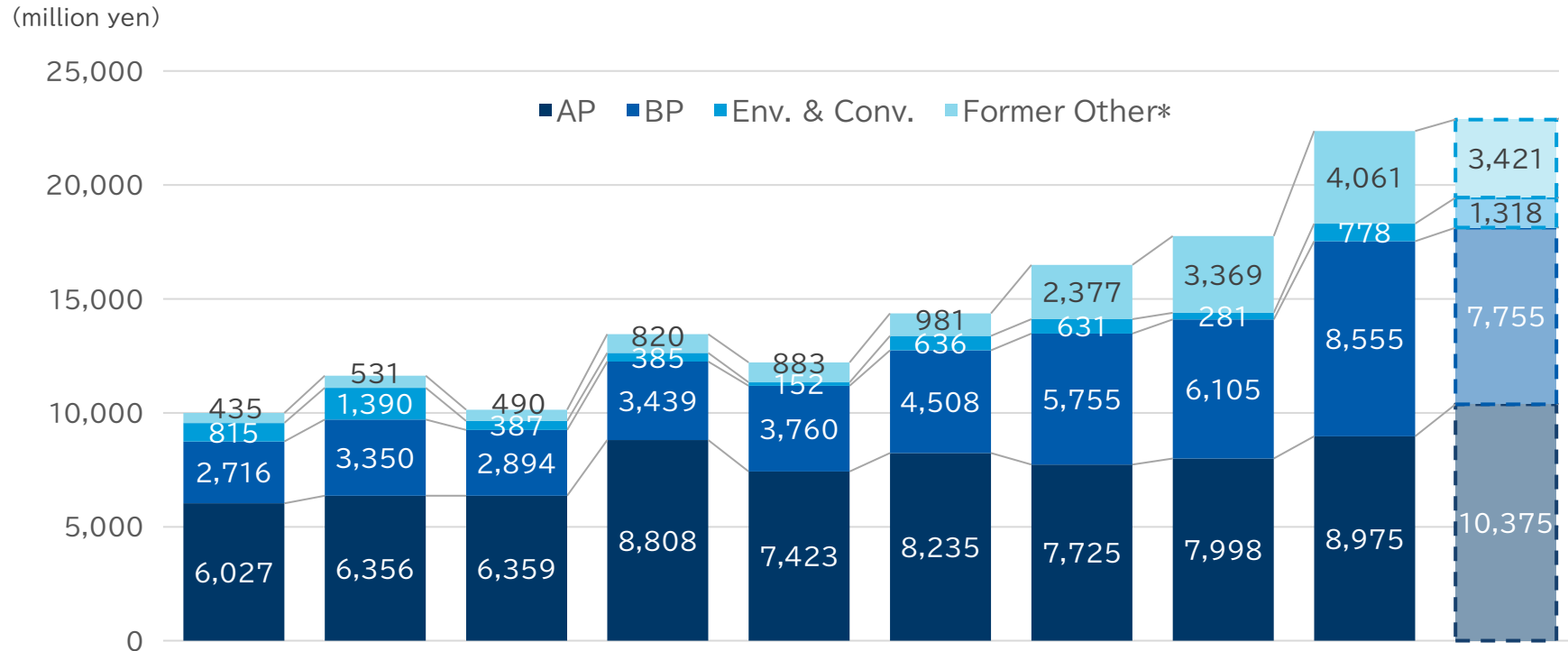


	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024 Forecast
AP	16,553	16,718	17,182	18,884	16,133	20,279	18,180	17,614	18,948	19,600
BP	9,517	9,965	9,066	8,438	9,478	9,961	12,086	11,461	14,323	12,900
Env.&Conv.	2,796	3,202	2,948	2,773	2,401	2,875	3,014	2,456	3,812	3,740
Former Other*	4,203	4,247	4,420	5,007	5,902	6,894	6,572	9,316	11,664	12,260
Total	33,069	34,134	33,616	35,103	33,915	40,009	39,853	40,849	48,749	48,500

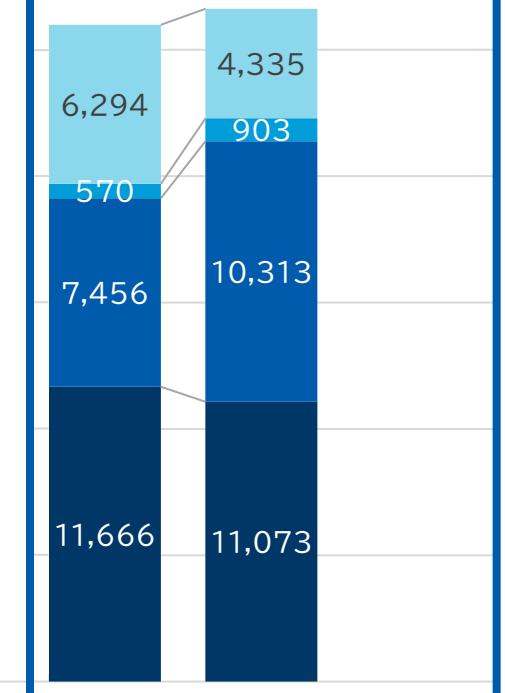
* 'Former Other' category includes the crusher business, contract-based manufacturing business, and other business.

End-of-period Order Backlog Trends

Full-Year Trends



Half-Year Trends



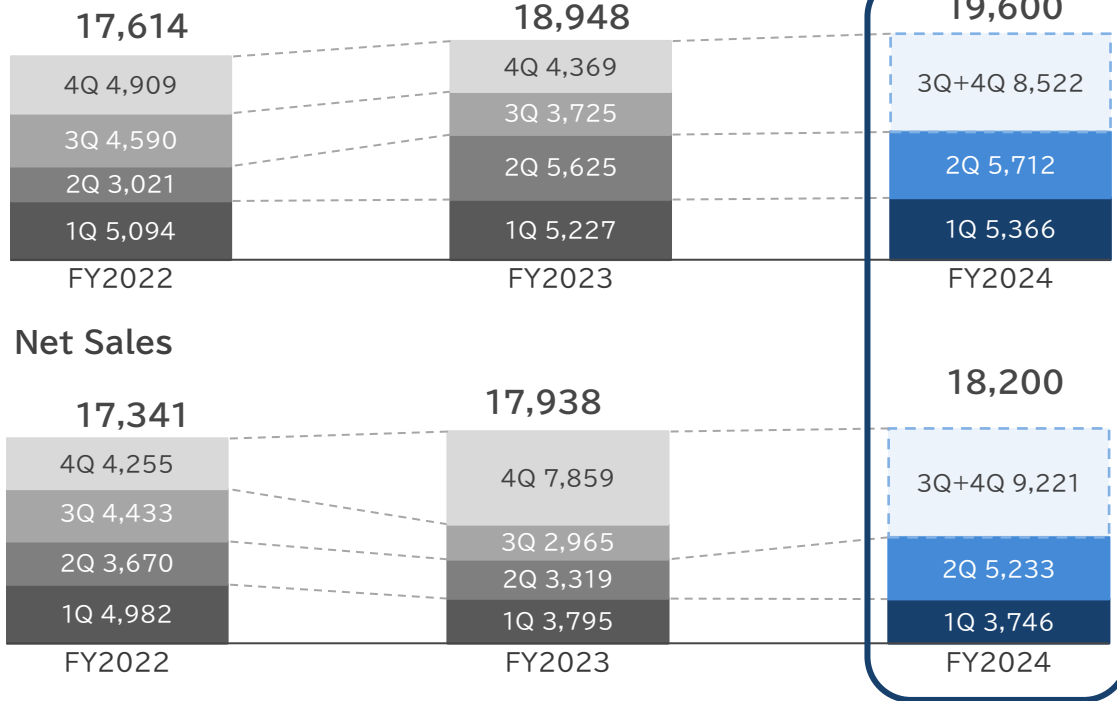
	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024 Forecast
AP	6,027	6,356	6,359	8,808	7,423	8,235	7,725	7,998	8,975	10,375
BP	2,716	3,350	2,894	3,439	3,760	4,508	5,755	6,105	8,555	7,755
Env.&Conv.	815	1,390	387	385	152	636	631	281	778	1,318
Former Other*	435	531	490	820	883	981	2,377	3,369	4,061	3,421
Total	9,997	11,629	10,132	13,454	12,219	14,361	16,490	17,656	22,371	22,871

	FY2023 1H	FY2024 1H	YoY Change
AP	11,666	11,073	(5.1%)
BP	7,456	10,313	+38.3%
Env. & Conv.	570	903	+58.4%
Former Other*	6,294	4,335	(31.1%)
Total	25,986	26,626	+2.5%

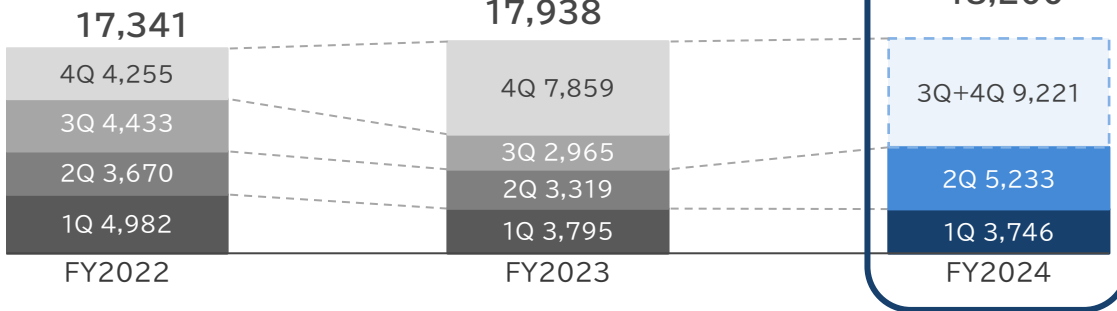
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Order Intake

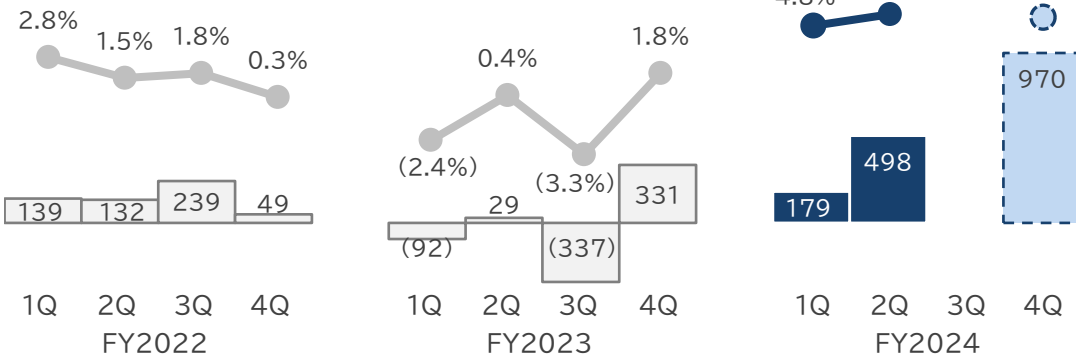
(million yen)



Net Sales



Operating Income/Margin (Cumulative)



Order Intake <Up 2.1% YoY>

Positive factors: [Domestic] Solid order intake, mainly from maintenance and partial replacements (YoY +10.4%).
 [Overseas] Increased orders for highway construction plants since August.
 China: Boosted by government economic measures and expanded sales of new AP models (Net Sales expected in 3Q).

★ In the domestic market, large-scale projects were delayed. Despite hesitation in capital investment due to higher product costs, subsidies helped drive investments, resulting in an 8.2% increase compared to the same period last year.

Net Sales

Positive factors: [Domestic] Maintenance performed well, with stable partial replacements driving an 16.1% YoY increase in sales.
 Negative factors: [Overseas] While sales volume stagnated after a slowdown in negotiations, higher sales prices led to an increase compared to the previous period. However, in Thailand, political instability continues to delay construction and road projects, and price competition with Chinese manufacturers has intensified.

Operating Income

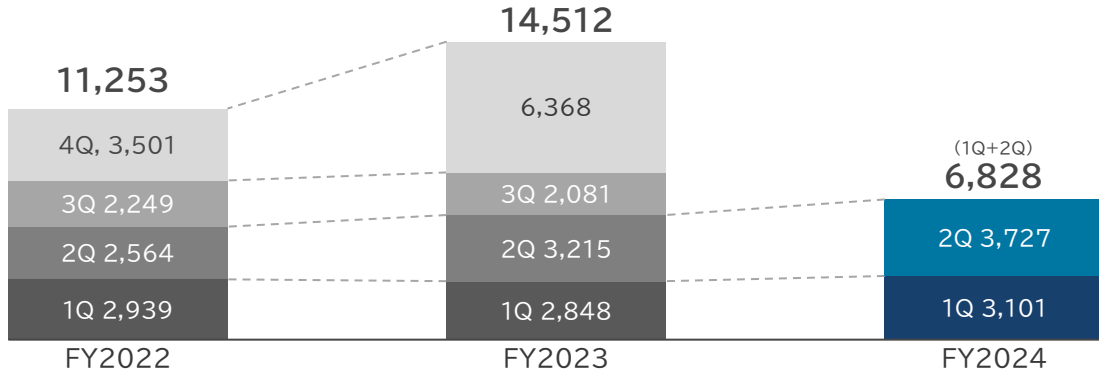
Positive factors:
 [Domestic] Operating profit is rising, driven by strong maintenance performance and the gradual implementation of price adjustments for increased costs.
 Negative factors:
 [Overseas] China: Although cost reduction efforts progressed smoothly, delays in scheduled sales projects resulted in a first-half loss.
 Thailand: Investments in factory equipment improvements and cost reduction measures are still in progress.

FY2024 Forecast

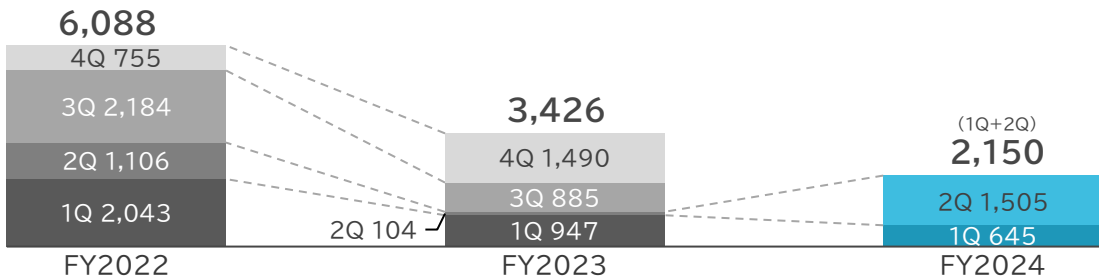
[Domestic] While revenue improvement for road paving companies remains challenging, maintenance costs are expected to increase due to aging infrastructure. Decarbonization investments are expected to boost Net Sales and profits.
 [Overseas] China: Sales competition is intense due to price reductions resulting from reduced project sizes. However, equipment investment is recovering, supported by government economic policies. The new plant models are receiving high praise and are being actively promoted.
 Thailand: Launched a new plant for ASEAN needs, expecting higher operating profit margin with increased demand for recycling plants.

Domestic Net Sales

(million yen)

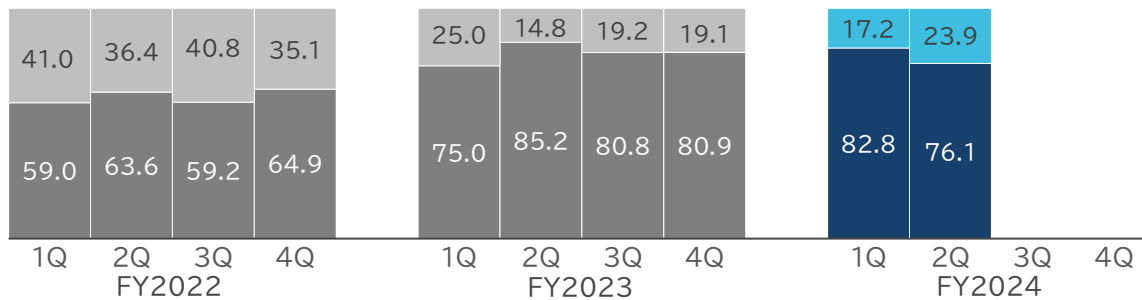


Overseas Net Sales



Domestic/Overseas Ratio (Cumulative)

■ Domestic ■ Overseas (%)



Domestic Net Sales

- Plant products: Up 7.5% YoY
- Maintenance: Up 16.1% YoY

Overseas <Up 104.5% YoY>

- Export: Up 542.1% YoY
- China: Up 16.9% YoY
- Thailand: Up 2,182.6% YoY (from 23 million yen to 525 million yen)

○ China

After a temporary decline in demand due to reduced roadwork and uncertainty, recovery is underway with new highway projects and government measures. Efforts focus on cost reductions, combined recycling and asphalt plants, and large-scale recycling equipment to drive differentiation.

○ Thailand

Increased focus on environmental issues is driving higher demand for recycling equipment, with efforts underway to boost production capacity and reduce costs.

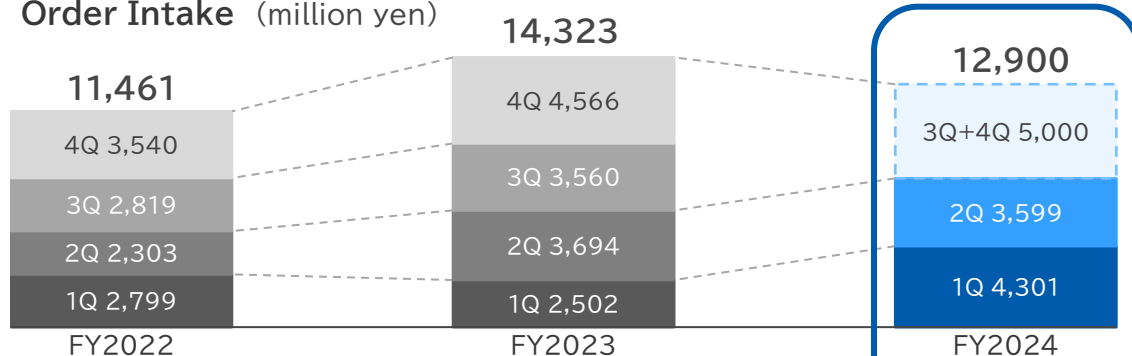
○ Export (Taiwan, Partial, etc.)

Taiwan: Strong performance with partial up 87% YoY.

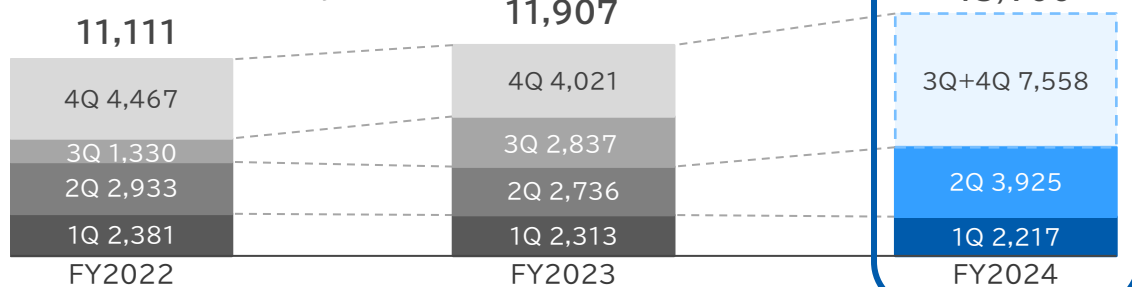
Overseas Order Intake / Order Backlog

	Order Intake	Order Backlog
China (Nikko Shanghai)	1.8 B. yen (±0%)	3.1 B. yen (+42.5%)
Thailand	0.2 B. yen (-71.4%)	0.3 B. yen (-60.9%)
Export	0.2 B. Yen (-61.4%)	70 mil. Yen (-90.0%)

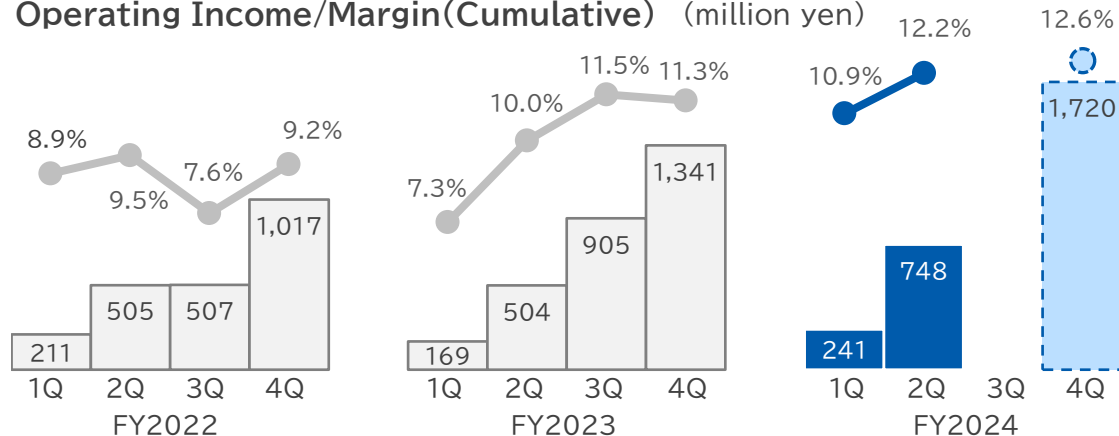
Order Intake (million yen)



Net Sales (million yen)



Operating Income/Margin(Cumulative) (million yen)



Order Intake <Up 27.5% YoY>

Positive factor: User investments in equipment and maintenance remain strong.

Net Sales <Up 21.6% YoY>

- Plant Products: Up 42.0% YoY
- Maintenance: Up 6.2% YoY

Positive factor: Sales are concentrated in 2Q and beyond this fiscal year. Most equipment investments planned for after 2Q were completed as scheduled in 2Q, leading to a significant sales increase. Maintenance also performed well.

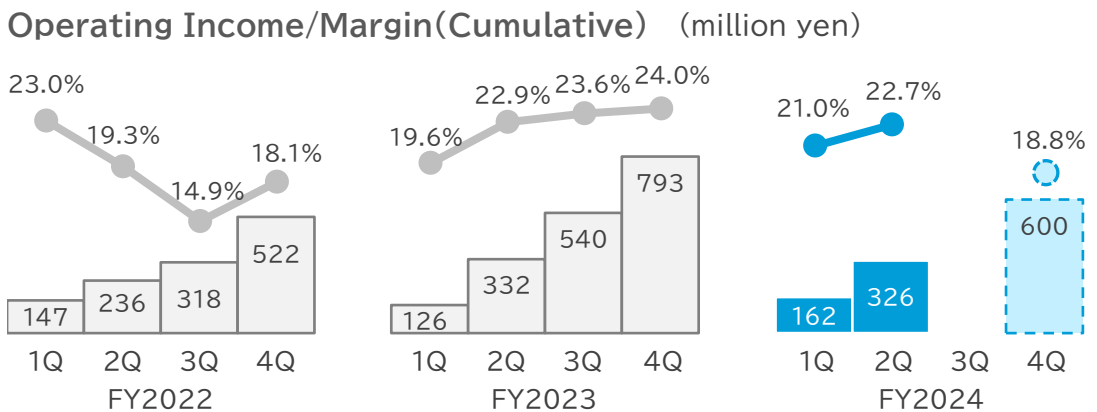
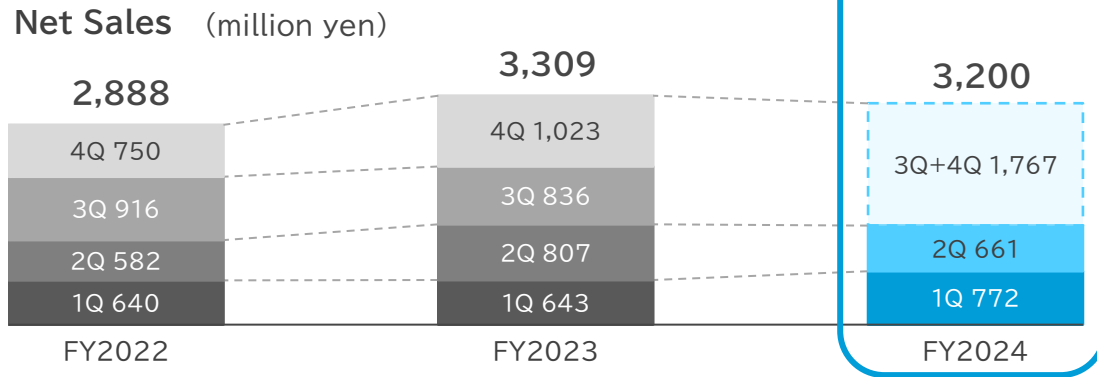
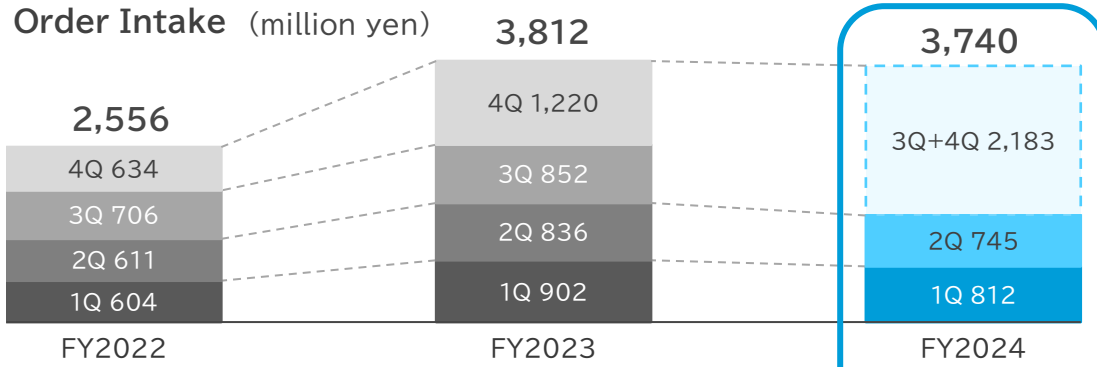
Operating Income

- Operating Income: Up 48.4% YoY
- Operating Income Margin: Up 2.2pt YoY

Positive factor: Due to the effective pass-through of price increases for components and other materials.

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.
- Additionally, there is strong enthusiasm for equipment investment and maintenance, which further contributes to stable demand at a high level.



Order Intake <Down 10.4% YoY (1,738 mil. yen → 1,557 mil. yen)>

Negative factor: Environment: New orders have expanded into new areas, such as a 13 mil. yen order intake of special mixer from a major electronic components company. However, there were no large-scale projects as in the same period last year.

Conveyor: Large-scale projects remained steady, but there was a decrease in small orders.

Net Sales <Down 1.2% YoY (1,450 mil. yen → 1,433 mil. yen)>

Negative factor: Environment: Large-scale projects are progressing as planned, while small orders have not seen the expected growth.

Conveyor: No sales from large-scale projects.

Order Intake

- Operating income decreased by 1.9% (332 mil. yen → 326 mil. yen)
- Operating margin decreased by 0.2 pt (22.9% → 22.7%)

Negative factor: Environment: Despite having many high-margin projects, profit decreased due to lower sales.

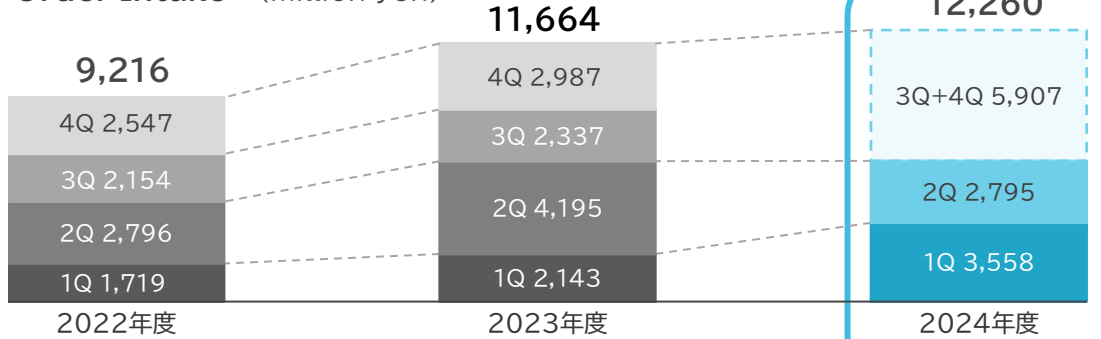
Positive factor: Conveyor: Contribution from large projects.

FY2024 Forecast

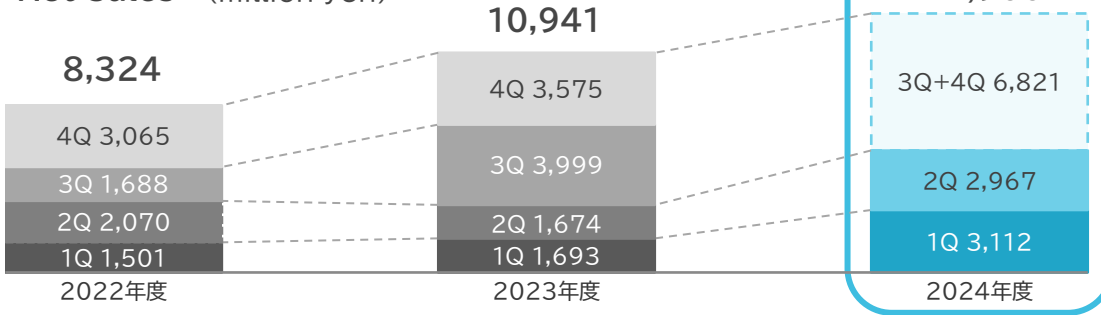
Environment: Decrease in sales and profits expected due to completion of Expo-related projects. Focus shifting to integrated resort (IR) related SL coating equipment (special processing equipment for piles), waste soil treatment, and fluidized waste soil processing plants.

Conveyor: Orders remain steady, and sales for the full year are expected to meet the plan.

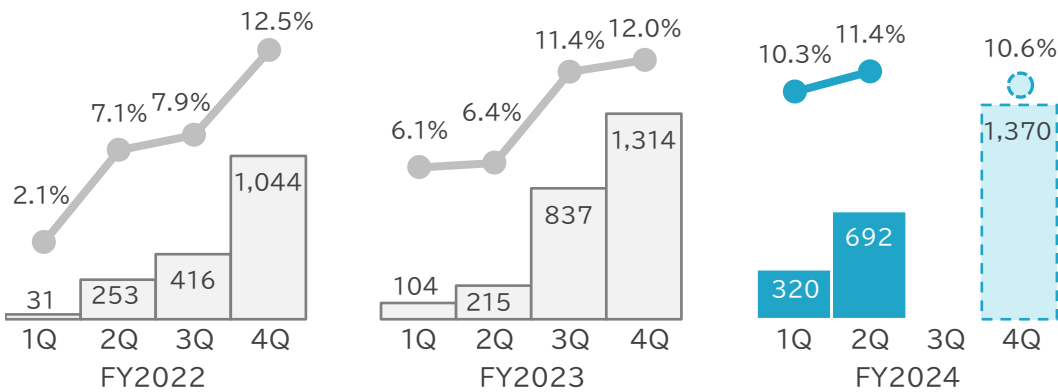
Order Intake (million yen)



Net Sales (million yen)



Operating Income/Margin(Cumulative) (million yen)



Order Intake

- Crusher-Related Business -49.8% YoY
- Contract-Based Manufacturing Business +63.3% YoY
- Other Business -5.5% YoY

Net Sales

- Crusher-Related Business +21.8% YoY
- Contract-Based Manufacturing Business +602.7% YoY
- Other Business +13.1% YoY

Operating Income

- Crusher-Related Business +71.4% YoY
- Contract-Based Manufacturing Business -
- Other +18.3% YoY

Business Conditions for the Second Half of FY2024

Crusher-Related Business (Mobile Plants):

- Demand remains strong, with increased inquiries following the launch of new products.
- Focus is on securing early orders

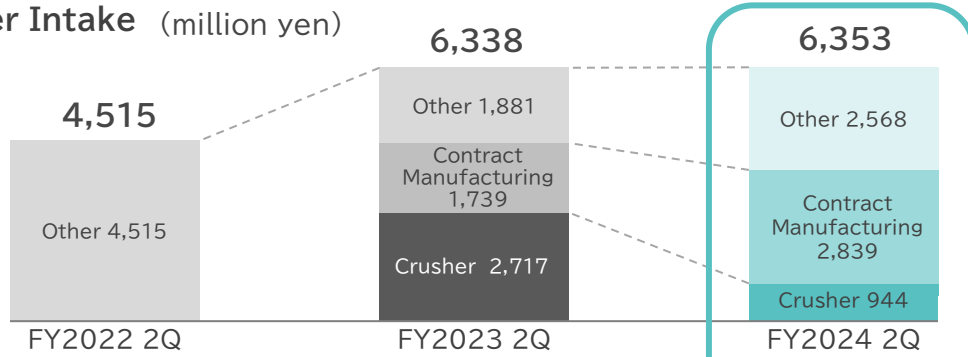
Contract-Based Manufacturing Business:

- Order intake is steady despite a slowing market, with the company leveraging its strengths in key areas.
- Sales and operating profit are expected to remain strong, with high progress in handling the backlog.

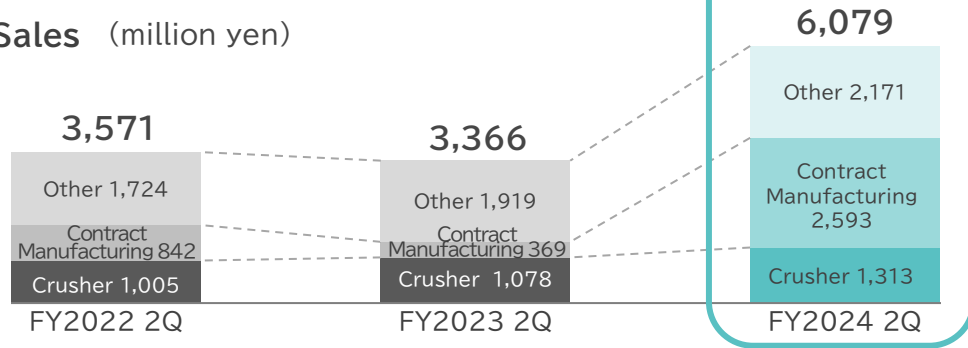
Other Business:

- Rental market prices for temporary equipment are gradually increasing due to labor shortages, driving higher purchasing intent.
- Demand for waterproof panels is steadily recovering, and steady performance is expected for sluice gates and material melting vehicles for road markings.

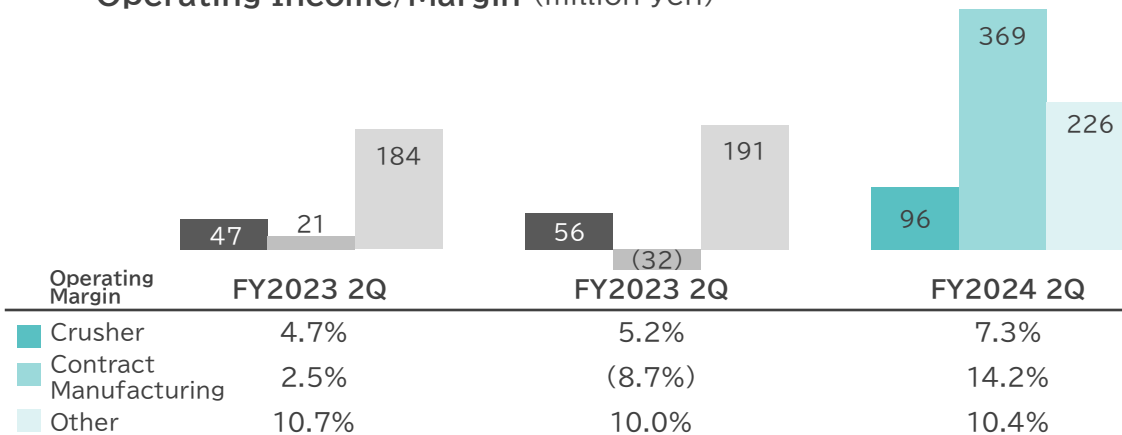
Order Intake (million yen)



Net Sales (million yen)



Operating Income/Margin (million yen)



Order Intake

- Crusher-Related Business: -936 mil. yen YoY
 - Mobile Plants: 22 units 1,721 mil. yen → 12 units 745 mil. yen (YoY)
Decline due to completed ODA projects and order delays.
 - Stationary Crushers: 9 units 161 mil. yen → 14 units 210 mil. yen (YoY)
Increase driven by strong inquiries and full-facility orders.
- Contract-Based Manufacturing Business: +1,100 mil. yen YoY
 - Ube Kohki +742 mil. yen YoY
 - Matsuda Kiko +444 mil. yen Consolidated from September of the previous fiscal year.

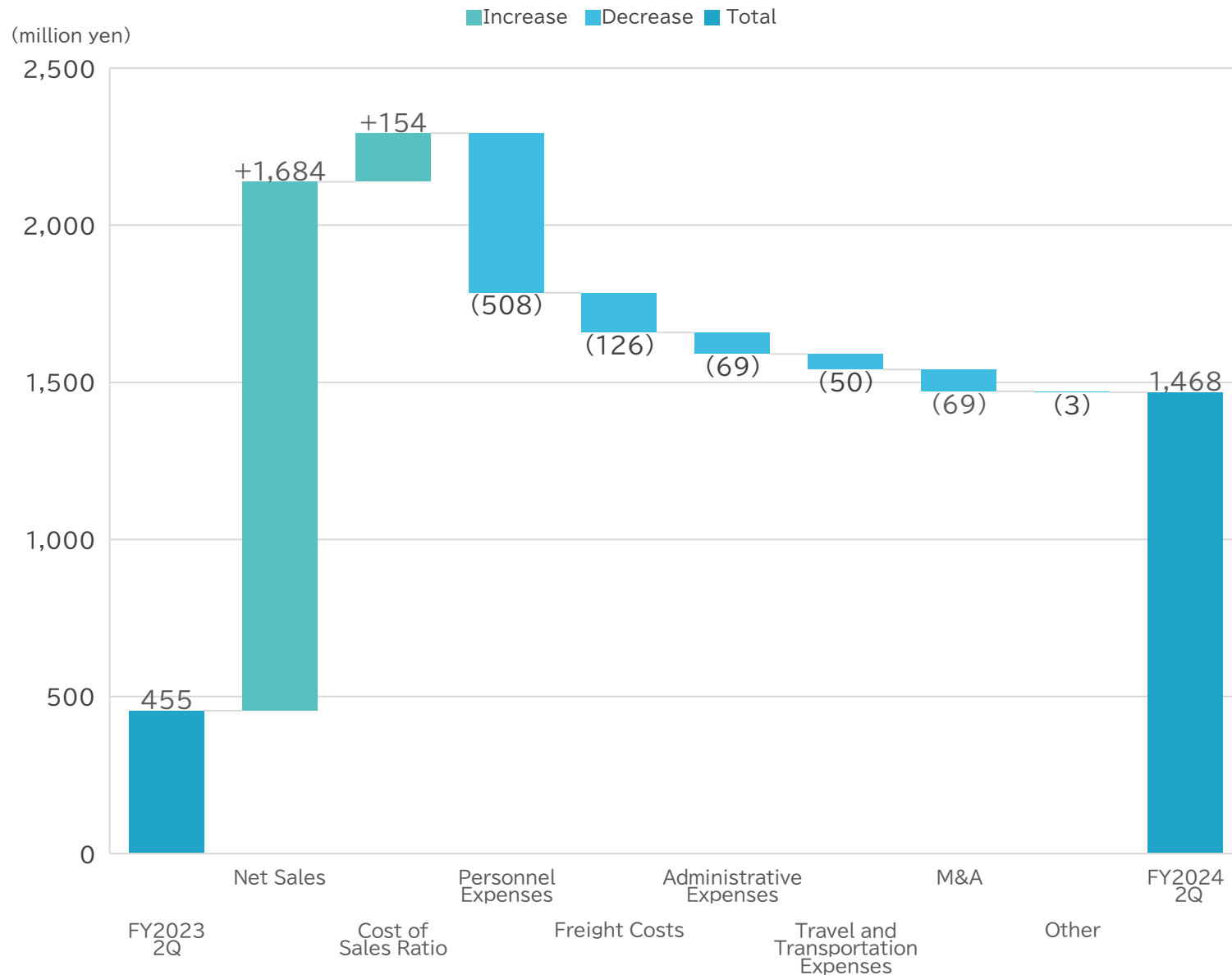
Net Sales

- Crusher-Related Business: +235 mil. yen YoY
 - Mobile Plants: 20 units 945 mil. yen → 15 units 1,116 mil. yen (YoY)
Sales of high-priced products increased; Cumulative sales exceeded 200 units, leading to higher maintenance sales.
 - Stationary Crushers: 6 units 55 mil. Yen → 5 units 145 mil. yen (YoY)
Increased sales driven by higher unit sales.
- Contract-Based Manufacturing Business: +2,224 mil. yen YoY
 - Ube Kohki +1,086 mil. Yen YoY
 - Matsuda Kiko +278 mil. Yen YoY
Sales increased due to a high opening backlog.
- Other Business:
 - Temporary Construction Equipment: Increased sales of aluminum products.
 - Floodgates & Waterproof Boards: Waterproof board sales decreased YoY, but floodgates increased due to order backlog sales.

★ Sales Composition of Other Businesses

Temporary Construction Equipment	38.3%	Waterproof Boards & Water Gates	21.1%
Agricultural Tools	15.8%	Development & External Sales	0.8%; Other 24.0%

FY2024 1H Analysis of Factors Affecting Changes in Ordinary Income



(million yen)

Items	Impact	Content
Net Sales	+1,684	Increase in net sales +5,652 mil. yen
Cost of Sales Ratio	+154	Rise in cost-of-sales ratio 70.2% → 70.5% *Excluding labor costs, the cost-of-sales ratio improved
Personnel Expenses	(508)	Increase in number of employees and base-pay; Increase in Bonuses Due to Strong Business Performance.
Freight Costs	(126)	Increase Driven by Higher Sales.
Administrative Expenses	(69)	Increase in system usage fees and outsourcing costs.
Travel and Transportation Expenses	(50)	Increase in Business trips.
M&A	(69)	Matsuda Kiko (P/L included from FY23 2Q) Nishinohon Real Estate (P/L included from FY24)
Other	(3)	Acquisition-Related Costs +54 Lease Expenses (39) Etc.

Balance Sheet Trends

(million yen)		End of FY2023	FY2024 1H	Change	Main Factors
Assets	Current Assets	41,033	41,132	+ 98	Increase: Work in process +1,483 mil. yen Merchandise inventories/Finished goods +696 mil. yen Cash and cash equivalents +284 mil. yen Decrease: Accounts receivable - trade -2,342 mil. yen Electronically Recorded Monetary Claims -143 mil. yen
	Tangible Assets	13,247	14,880	+ 1,632	Increase: Buildings and structures +1,815 mil. yen Land +358 mil. yen Machinery, equipment and vehicles +119 mil. yen Software in progress +69 mil. yen
	Intangible Assets	1,208	1,206	- 1	Decrease: Construction in progress -730 mil. yen Investment securities -47 mil. yen
	Investments and Other Assets	6,740	6,776	+ 36	
Total Assets		62,229	63,995	+ 1,766	
Liabilities	Current Liabilities	21,743	22,714	+ 971	Increase: Contract liabilities + 2,247 mil. yen Long-term borrowings +368 mil. yen Decrease: Income taxes payable -318 mil. yen Notes and accounts payable-trade -280 mil. yen Electronically recorded obligations -operating -183 mil. yen Accounts payable - other -161 mil. yen
	Long-term Liabilities	7,399	7,892	- 493	
Total Net Assets		33,086	33,388	+ 301	Increase: Retained earnings +306 mil. yen Decrease: Non-controlling interests -57 mil. yen
Net assets per share (yen)		861.74	867.47	+ 5.73	

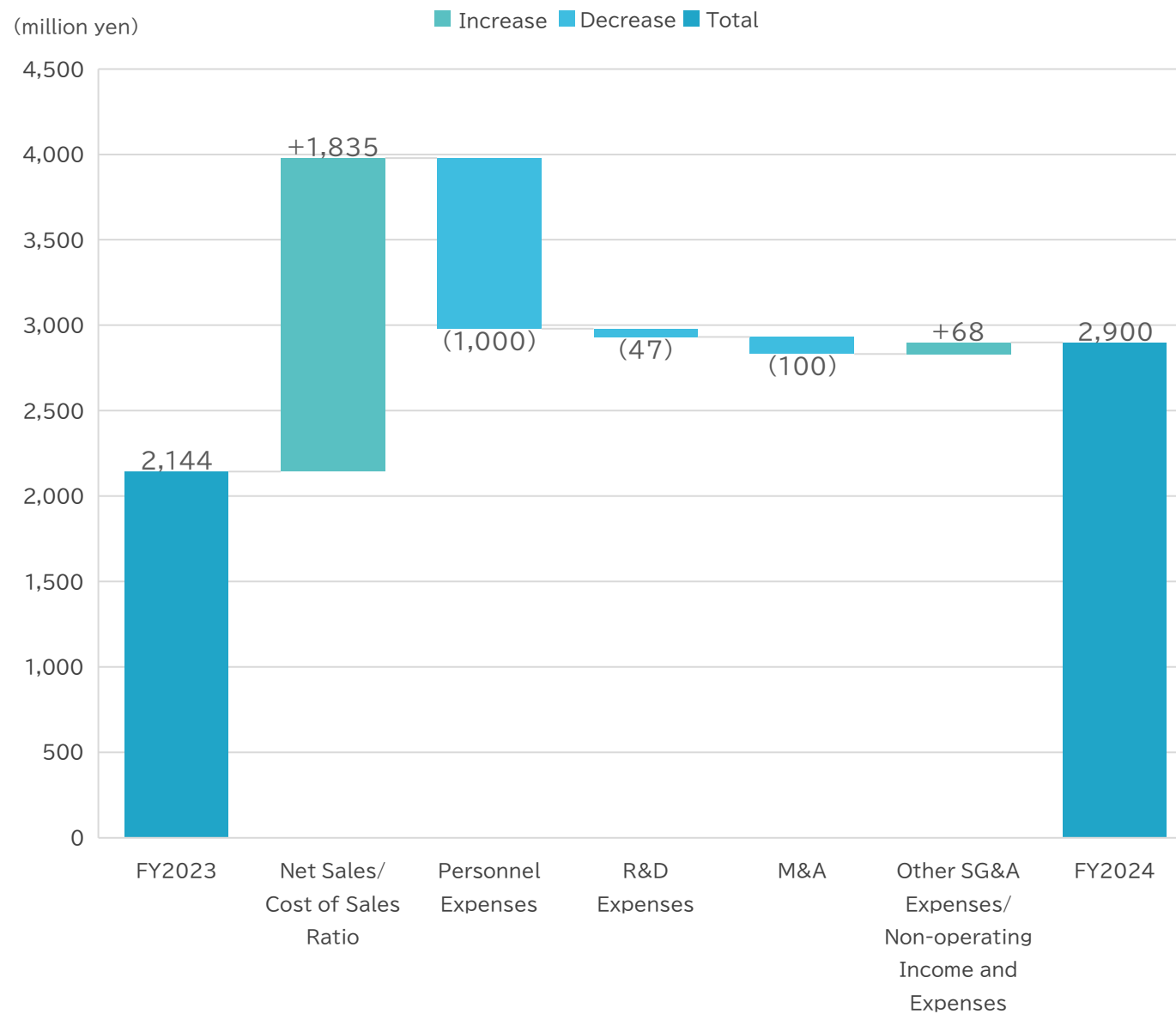
FY2024 Full-Year Earnings Forecast ①

(million yen)	FY2023			FY2024			FY Forecast (Initial)
	1H Results	2H Results	FY Results	1H Results	2H Forecast	FY Forecast (Revised)	
Net Sales	16,982	27,115	44,097	22,634	25,366	48,000	48,000
Operating Income	269	1,699	1,968	1,280	1,420	2,700	2,600
Operating Margin	1.6%	6.3%	4.5%	5.7%	5.6%	5.6%	5.4%
Ordinary Income	455	1,689	2,144	1,468	1,432	2,900	2,600
Quarterly Net Income Attributable to Owners of Parent	348	964	1,312	881	1,119	2,000	1,700
Order Intake	25,128	23,621	48,749	26,889	21,611	48,500	45,250
Order backlog	25,986	22,371	22,371	26,626	22,871	22,871	24,371

FY2024 Full-Year Earnings Forecast ②

(million yen)		FY2023			FY2024				FY Forecast (Initial)
		1H Results	2H Results	FY Results	1H Results	FY Forecast Progress Rate	2H Forecast	FY Forecast (Revised)	
AP-Related Business	Net Sales	7,114	10,824	17,938	8,979	49.3%	9,221	18,200	20,000
	Operating Income	29	302	331	498	51.3%	472	970	1,200
	Operating Margin	0.4%	2.8%	1.8%	5.5%	—	5.1%	5.3%	6.0%
BP-Related Business	Net Sales	5,049	6,858	11,907	6,142	44.8%	7,558	13,700	12,500
	Operating Income	504	837	1,341	748	43.5%	972	1,720	1,450
	Operating Margin	10.0%	12.2%	11.3%	12.2%	—	12.9%	12.6%	11.6%
Environment and Conveyor-Related Business	Net Sales	1,450	1,859	3,309	1,433	44.8%	1,767	3,200	3,200
	Operating Income	332	461	793	326	54.3%	274	600	450
	Operating Margin	22.9%	24.8%	24.0%	22.7%	—	15.5%	18.8%	14.1%
Crusher-Related Business	Net Sales	1,078	2,120	3,198	1,313	46.6%	1,507	2,820	2,500
	Operating Income	56	218	274	96	87.3%	13	110	100
	Operating Margin	5.2%	10.3%	8.6%	7.3%	—	0.9%	3.9%	4.0%
Contract-Based Manufacturing Business	Net Sales	369	2,703	3,072	2,593	55.9%	2,046	4,640	4,500
	Operating Income	(32)	302	270	369	72.4%	140	510	450
	Operating Margin	(8.7%)	11.2%	8.8%	14.3%	—	6.8%	11.0%	10.0%
Other	Net Sales	1,919	2,751	4,670	2,171	39.9%	3,268	5,440	5,300
	Operating Income	191	578	769	226	30.1%	524	750	950
	Operating Margin	10.0%	21.0%	16.5%	10.4%	—	16.0%	13.8%	17.9%
Corporate Expenses		(812)	(999)	(1,811)	(985)	—	(975)	(1,960)	(2,000)

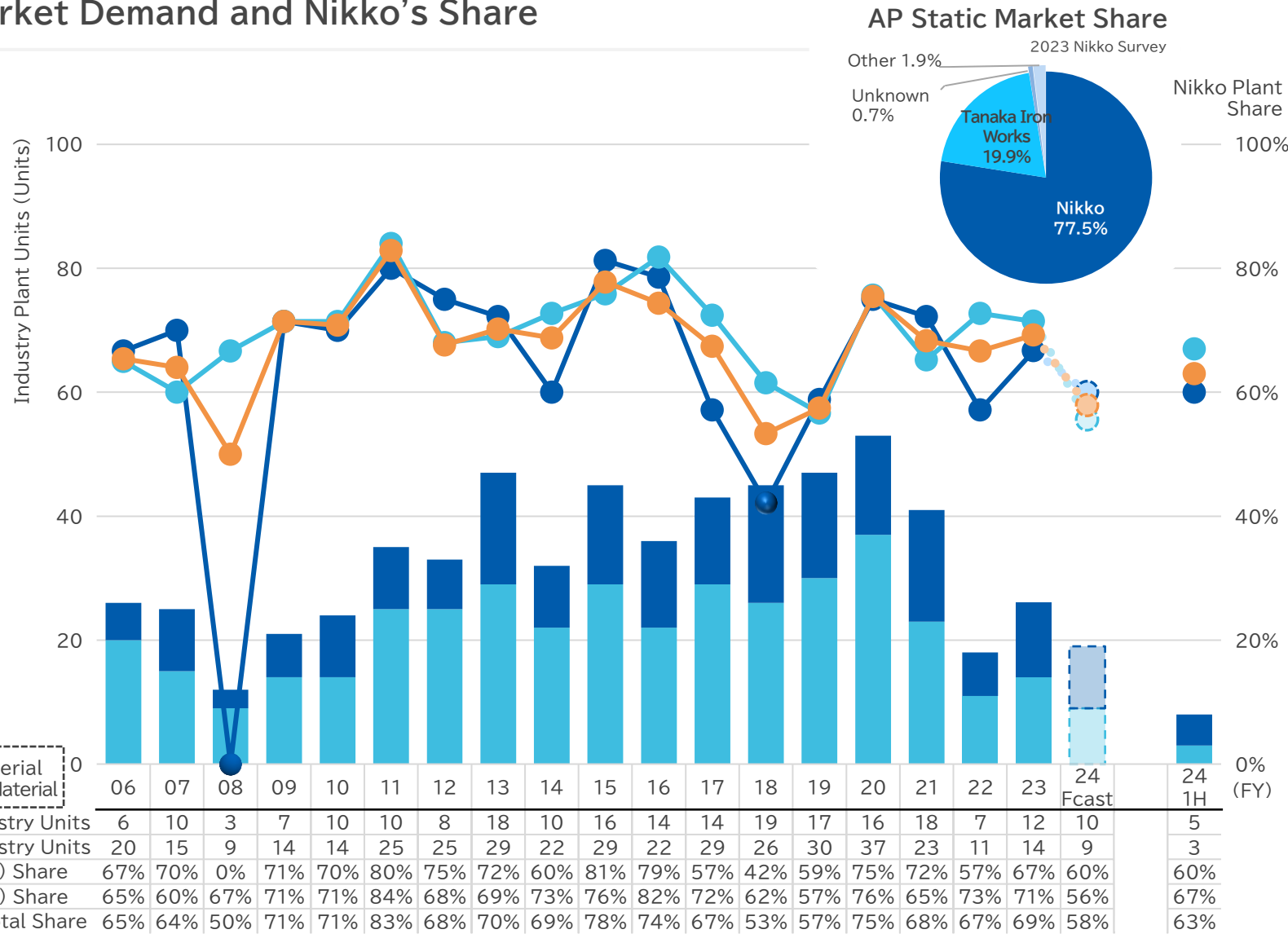
FY2024 Full-Year Analysis of Factors Affecting Changes in Ordinary Income (Forecast)



(million yen)

Items	Impact	Content
Net Sales/ Cost of Sales Ratio	+1,835	Increase in Sales; Improvement in Cost Ratio (Excluding Labor Costs)
Personnel Expenses	(1,000)	Increase in wage (660)
		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	(100)	Matsuda Kiko (P/L included from FY23 2Q) Nishinohon Real Estate (P/L included from FY24)
Other SG&A Expenses/ Non- operating Income and Expenses	+68	Acquisition-Related Costs +86 Etc.

BP Market Demand and Nikko's Share



V: Virgin Material
R: Recycled Material

Legend:
 (V) Industry Units
 (R) Industry Units
 Nikko (V) Share
 Nikko (R) Share
 Nikko Total Share

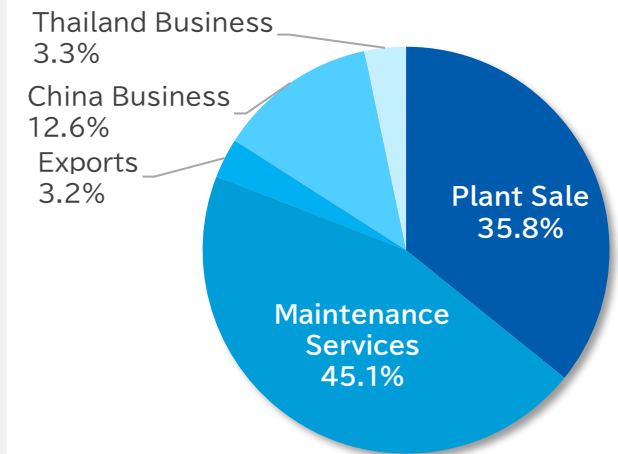
Source: Nikko

AP Business New Product Performance

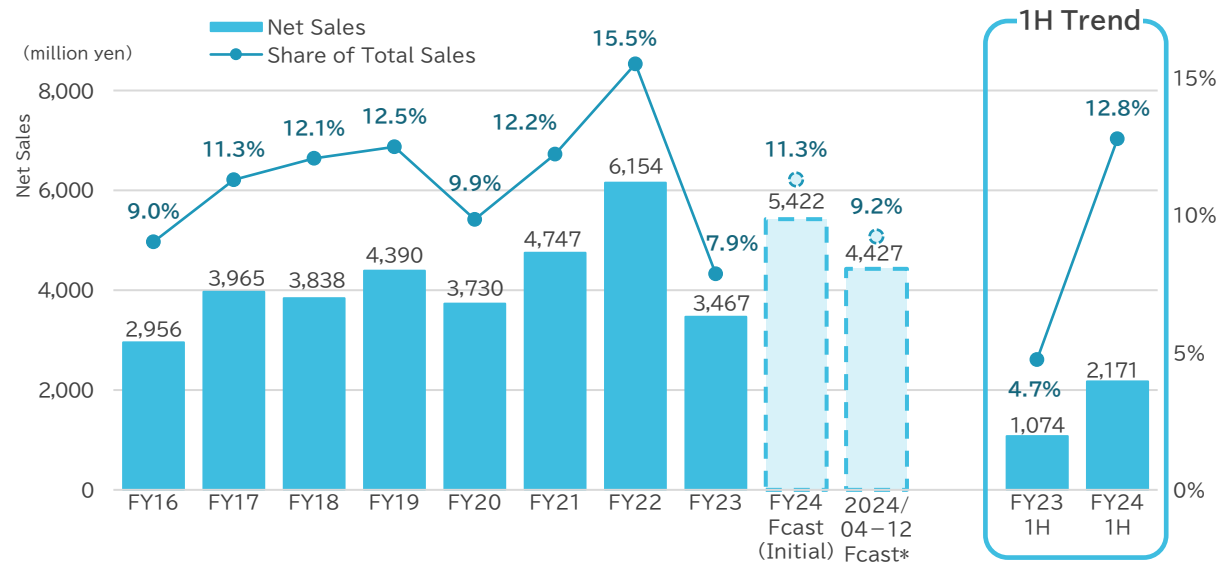
	(units)						
	FY	19	20	21	22	23	24 (1H)
New AP Units (VP/MBD)		5	2	3	2	5	0
Crusher Plant Units		2	2	1	1	1	0
Decarb-Related Product Units		2	2	9	19	55	12

★ Decarb-Related Products (Formed Equipment, Biomass Burner, etc.)

AP Sales Composition (FY23)

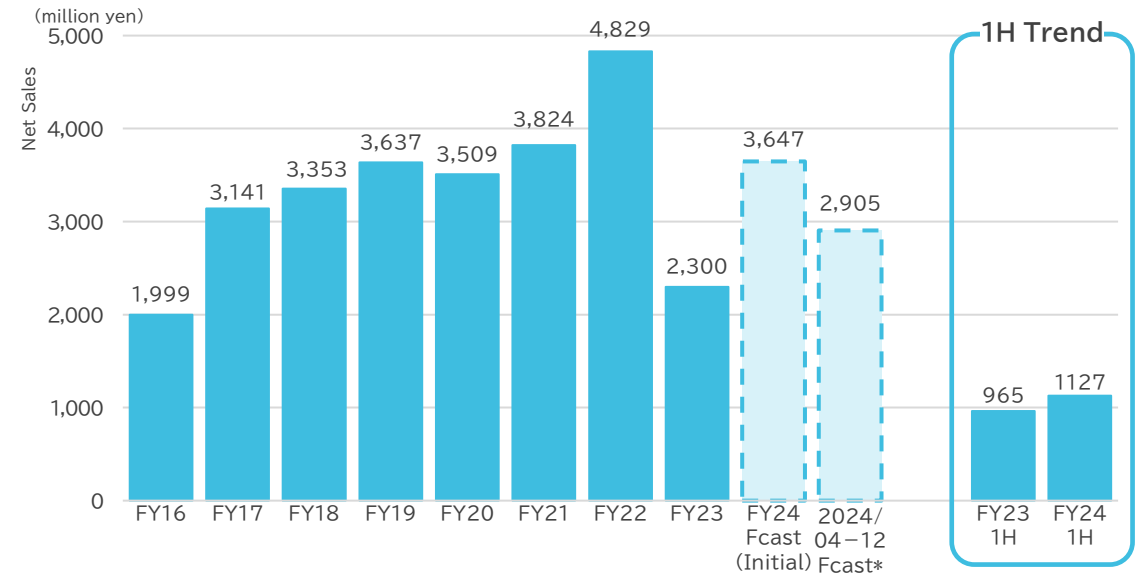


Nikko Overseas Sales and Share



* On November 13, 2024, the Board decided to change the consolidation period for four overseas subsidiaries to January 1–December 31.

Nikko Shanghai Net Sales



* On November 13, 2024, the Board decided to change the consolidation period for four overseas subsidiaries to January 1–December 31.

The weaker yen is expected to drive demand in the overseas division and exports.

▶ **China (Nikko Shanghai):**

Investment demand is recovering, but road construction is expected to decline. Competition with local manufacturers will remain intense. Focus will be on cost reduction, expanding the new AP product line, and developing new products to sustain sales and profits.

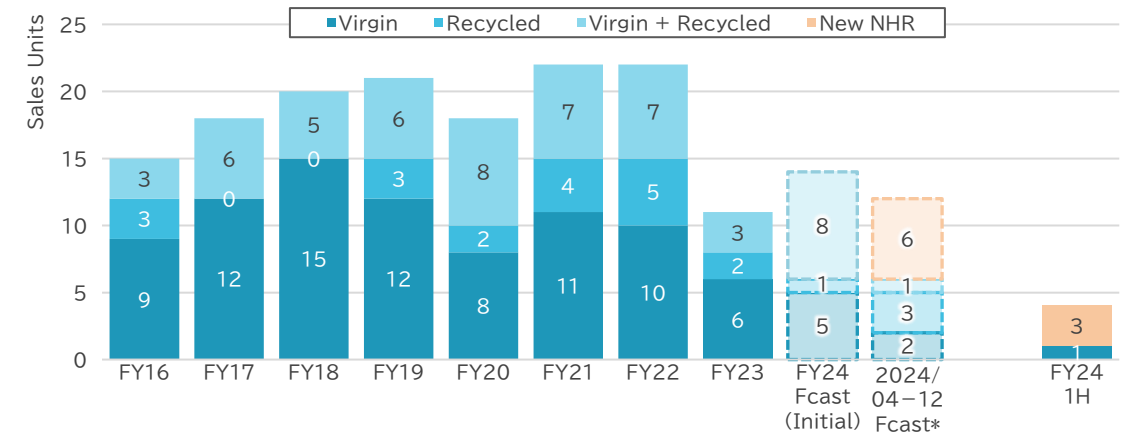
▶ **Thailand:**

Budget will focus on maintaining and expanding roads and airports. The Thailand Department of Highways (DOH)' specifications for recycling aggregate plants have led to increased inquiries. High demand is expected in the Northeast and East, with growth in the South in the coming years.

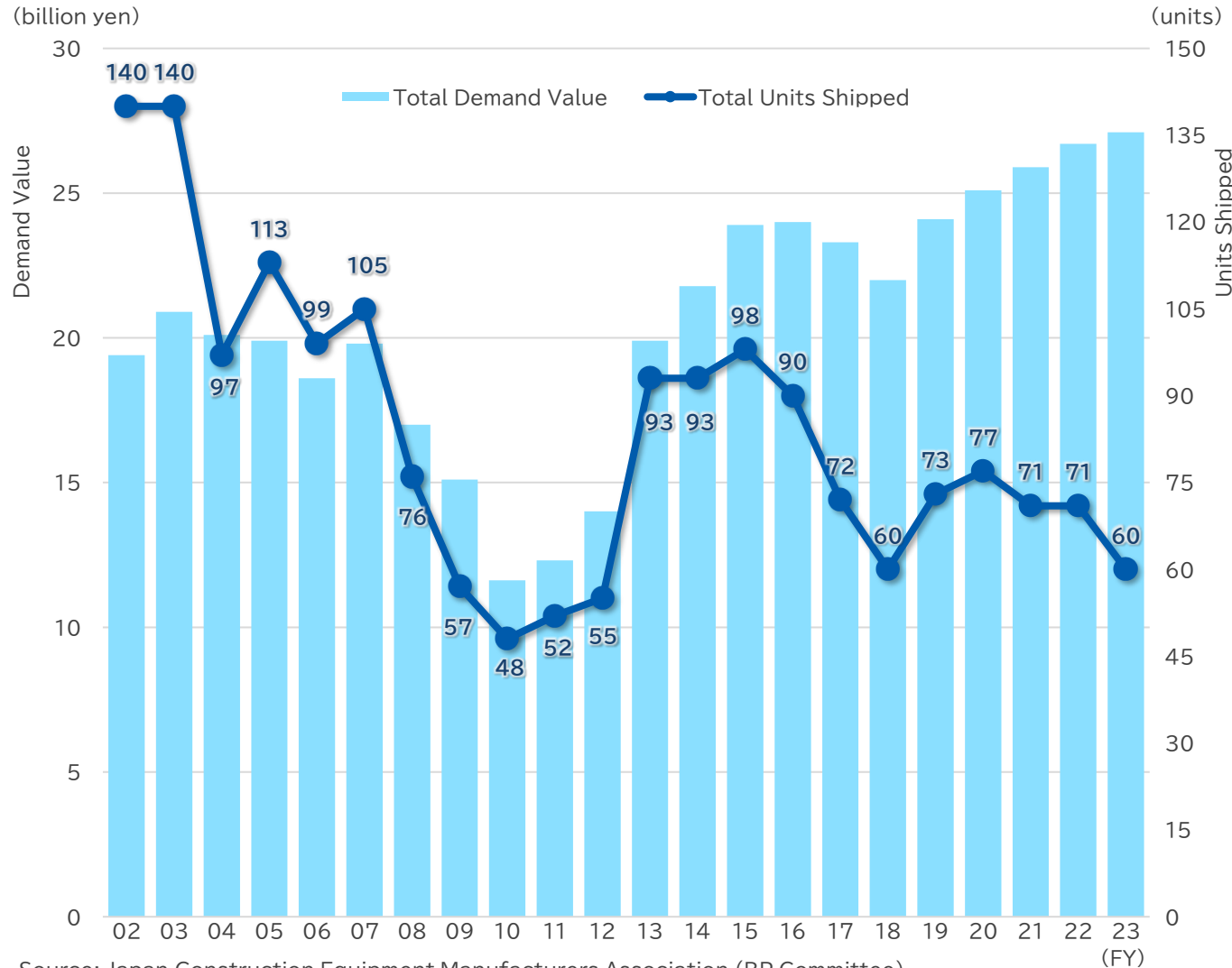
▶ **Taiwan/Export:**

Parts and component replacement negotiations will continue in Taiwan, with an emphasis on strengthening the MS system.

Nikko Shanghai AP Units Sales

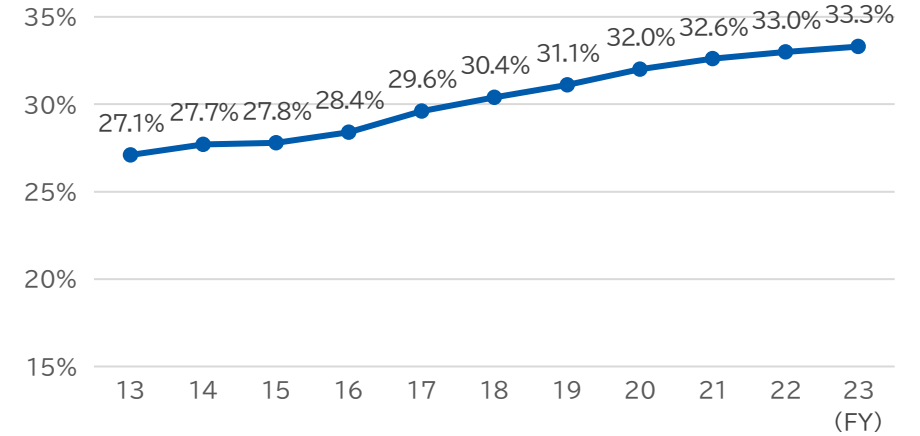


Total BP Demand Value, Units Shipped

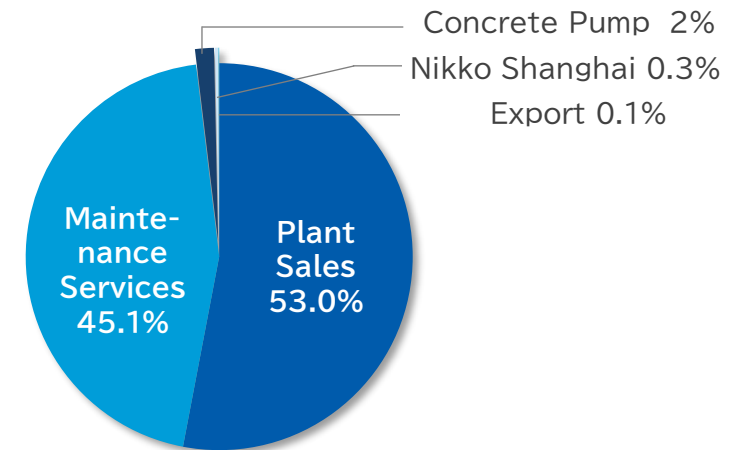


Source: Japan Construction Equipment Manufacturers Association (BP Committee)
 (Demand value includes Maintenance services)

Nikko AP Static Market Share



AP Sales Composition (FY23)



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	12,785		
AP-Related Business	4,982	3,670	4,433	4,256	3,795	3,319	2,965	7,859	3,746	5,233		
BP-Related Business	2,381	2,933	1,330	4,467	2,313	2,736	2,837	4,021	2,217	3,925		
Environment and Conveyor-Related Business	640	582	916	750	643	807	836	1,023	772	661		
Crusher-Related Business	240	765	366	846	552	526	1,667	453	640	673		
Contract-Based Manufacturing Business	447	395	286	1,088	229	140	1,297	1,406	1,550	1,043		
Other Business	813	911	1,035	1,132	911	1,008	1,034	1,717	922	1,249		
Operating Income	183	216	(32)	661	(99)	368	449	1,250	462	818		
AP-Related Business	139	(7)	107	(190)	(92)	121	(366)	668	179	319		
BP-Related Business	211	294	2	510	169	335	401	436	241	507		
Environment and Conveyor-Related Business	147	89	82	204	126	206	208	253	162	164		
Crusher-Related Business	(32)	79	(12)	140	22	34	244	(26)	54	42		
Contract-Based Manufacturing Business	3	18	(11)	146	(16)	(16)	239	63	229	140		
Other Business	59	125	186	341	98	93	138	440	37	189		
Corporate Expenses	(345)	(382)	(388)	(490)	(407)	(405)	(415)	(584)	(442)	(543)		
Ordinary Income	326	222	(19)	726	67	388	520	1,169	625	843		
Net Income Attributable to Owners of Parent	140	119	(35)	796	27	321	246	718	337	544		
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	11,078		
BP-Related Business	2,799	5,102	7,921	11,461	2,502	6,267	9,757	14,323	4,301	7,900		
Crusher-Related Business	604	1,215	1,921	2,456	902	1,739	2,591	3,812	812	1,557		
Contract-Based Manufacturing Business			1,338	2,342	286	1,881	2,275	3,403	378	944		
Environment and Conveyor-Related Business			1,721	2,550	647	1,739	2,737	3,625	1,873	2,839		
Other Business	(*)1,719	(*)4,515	3,609	4,324	1,209	2,717	3,664	4,634	1,305	2,568		
Total	10,217	18,949	29,217	40,849	10,777	25,197	35,602	48,749	14,039	26,889		

(*) The total for the Crusher-related business, Contract-based manufacturing business, and Other business.

End-of-term Order Backlog (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	11,073		
BP-Related Business	6,173	5,544	7,032	6,105	6,295	7,456	7,976	8,555	10,639	10,313		
Crusher-Related Business	596	606	396	182	540	570	587	778	818	903		
Contract-Based Manufacturing Business	626	690	599	758	491	1,561	287	962	701	593		
Environment and Conveyor-Related Business	1,450	1,621	2,077	1,822	2,241	3,194	2,892	2,375	2,699	2,621		
Other Business	519	1,009	1,110	689	987	1,539	1,400	722	1,106	1,119		
Total	17,202	16,660	18,560	17,656	19,987	25,986	25,642	22,371	26,560	26,626		

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

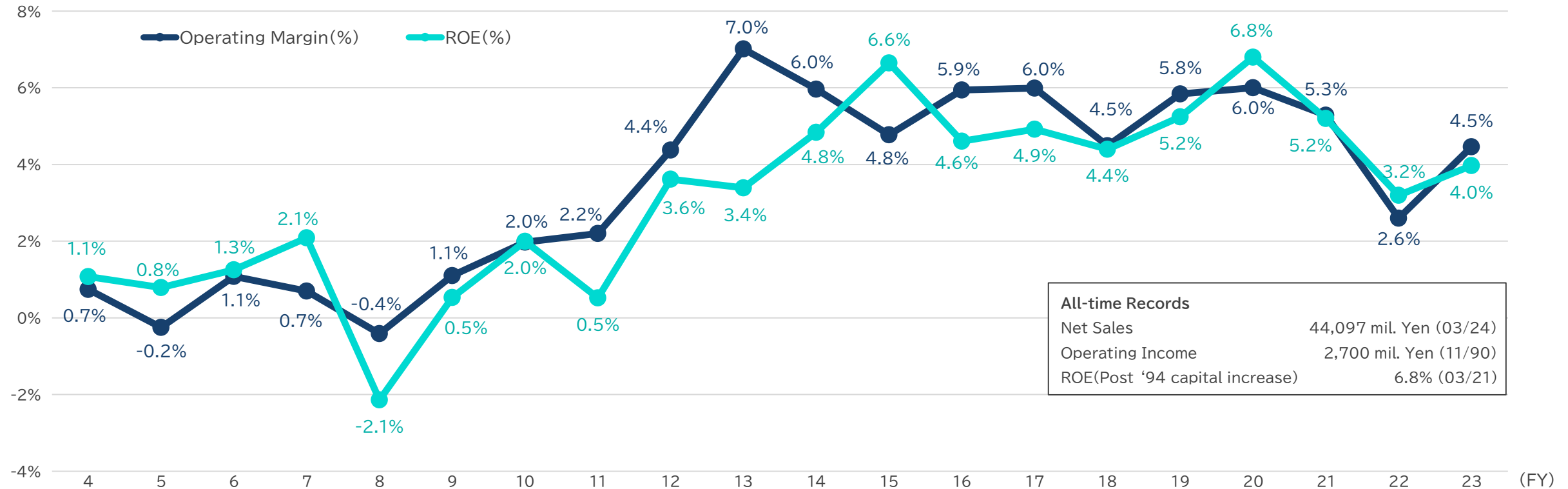


(million)	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Capital Investment	815	877	1,261	550	1,889	1,483	2,748	1,907	2,214	2,308
Depreciation Expenses	422	487	482	472	508	611	677	759	990	1,023
R&D Expenses	276	227	271	291	211	379	392	449	576	603
(persons, years old, years)										
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	FY2018	FY2022	FY2023
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]	[Ammonia 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 	<ul style="list-style-type: none"> Reduced CO₂ Emissions from Burners

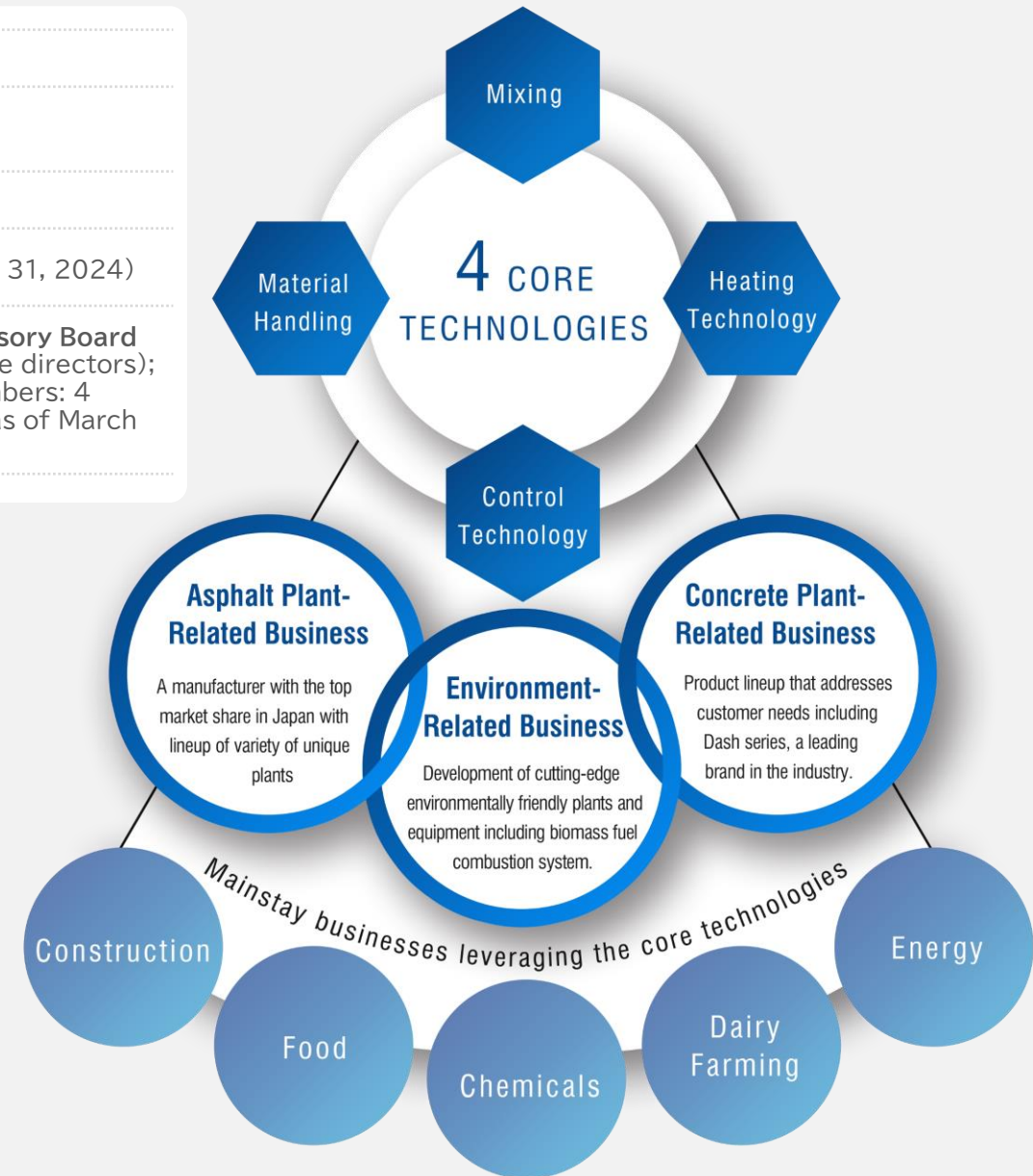
Operating Margin and ROE



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)

	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	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	Ratio of Net Sales Outside Japan	7.9%	(FY2023)
Established	August 13, 1919	Subsidiaries	13社	(FY2023)
Capital	9,197 mil. yen (as of Mar. 31, 2024)	Number of Employees (Consolidated)	1,117人	(as of March 31, 2024)
Consolidated Net Sales	44,097 mil. yen (FY2023)	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	
Consolidated Operating Income	1,968 mil. yen (FY2023)			



“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.

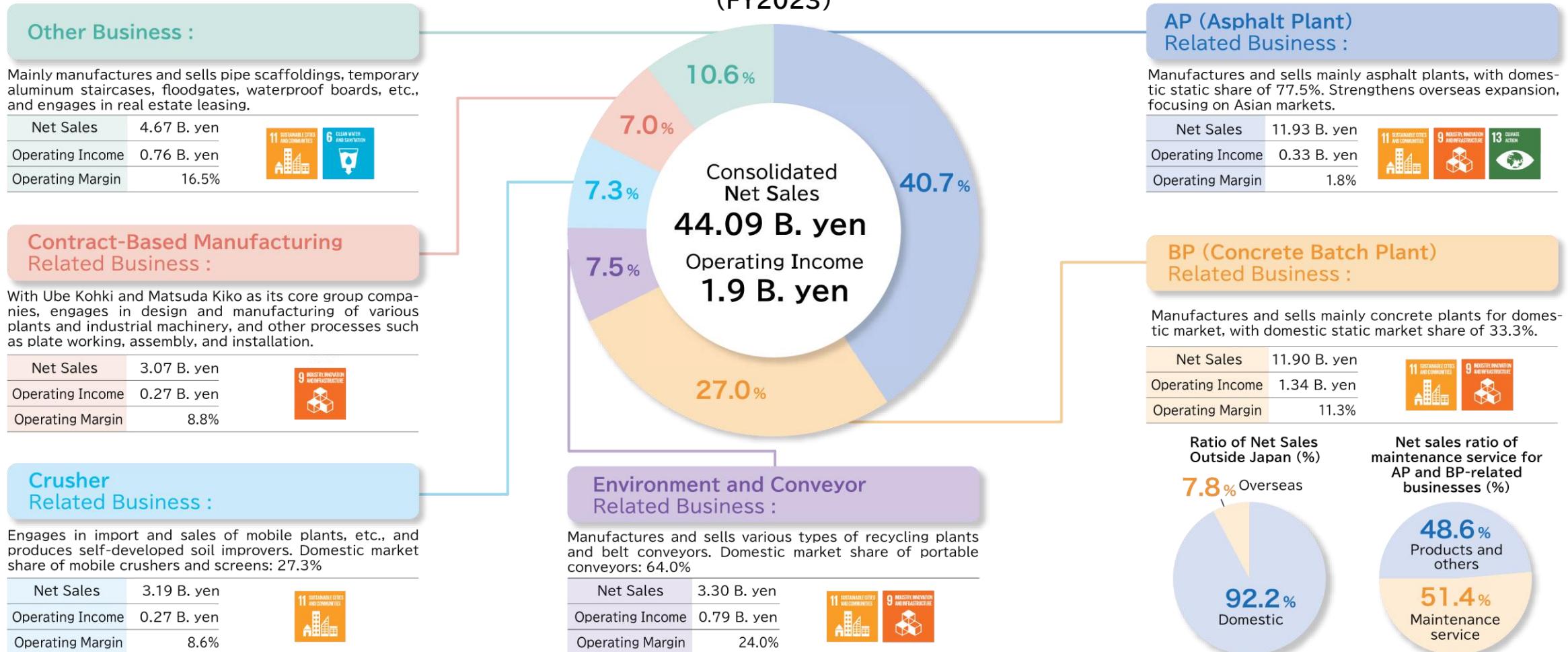
We will strive to remain a future-creating company ready to contribute to society.

Representative Director and President

辻 勝

Previously, our business was classified into four business segments: AP (asphalt plant)-related business, BP (concrete plant)-related business, environment and conveyors-related business, and other business. However, starting from FY 2023 (fiscal year ended March 31, 2024), the Company has classified its Other Business into three: Crusher-related business, Contract-based manufacturing business, and Other business, and has changed the number of its business segments to six: AP-related business, BP-related business, Environment and conveyor-related business, Crusher-related business, Contract-based manufacturing business, and Other business.

Sales Breakdown by Business Segment (FY2023)



Note: Operating income and operating margin for each business segment represent operating income before deduction of corporate expenses.



Soil remediation plant
(Environment- and
Conveyor-Related Business)

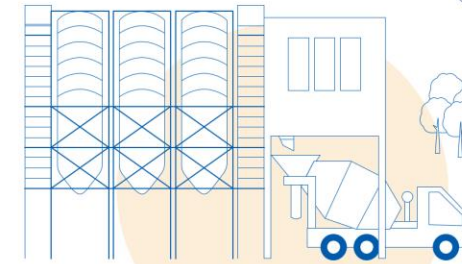
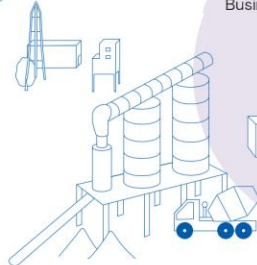


Plate working for plant equipment
(Contract-Based Manufacturing Business)



Mobile crusher
(Crushers-Related Business)

Conveyor
(Environment- and
Conveyor-Related Business)



Waterproof board (Other Business)



Concrete plant
(BP-Related Business)



Asphalt plant (AP-Related Business)



Temporary construction equipment
(Other Business)



Floodgate (Other Business)

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)			



Company Motto

1. Serve society through business.
1. Work toward prosperity with sincerity and responsibility.
1. Produce appropriate profits through original ideas and improvement efforts.

Corporate slogan

“Create the future with *n*”

Our Mission (The Mission We Strive To Fulfill)

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

Our Vision (The Future We Aspire To Realize)

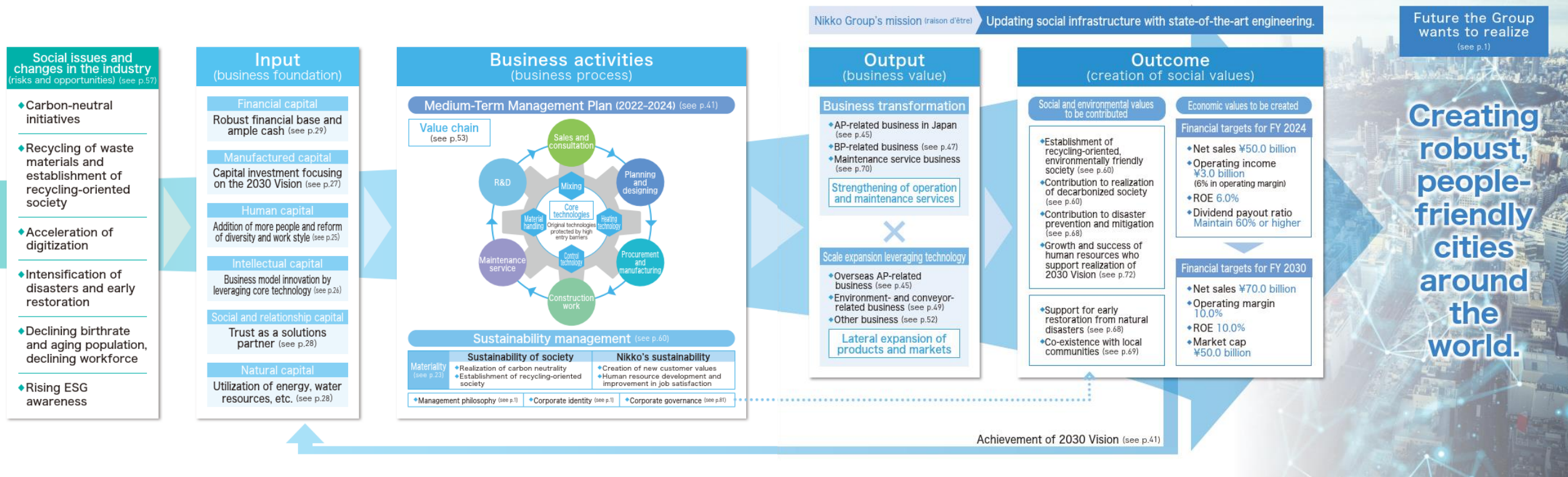
Creating robust, people-friendly cities around the world.

The Values We Provide (The Values and Strength We Provide)

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.

Our Spirit (The Spirit We Value)

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





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

Finance Department, Investor Relations

Nikko Co., Ltd

 +81-078-947-3141

 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.