

“Create the future with *n*”



# **Fiscal Year 2020 (Ending March 31, 2021) 2nd Quarter Financial Results Briefing Session Materials**

(Tokyo Stock Exchange Code: 6306)

**Nikko Co., Ltd.**

**Masaru Tsuji, President and Representative Director**

**Hiroshi Fujii, Managing Director and General Manager of the Financial Division**

**November 26, 2020**

☐ In this briefing material, AP denotes asphalt plants in our business, and BP, concrete plants.

☐ President Tsuji will explain  
the impact of novel coronavirus,  
AP- and BP-related business environment, and  
promotion of sustainability; and

Financial Division General Manager Fujii will discuss  
the overview of the financial results for the second quarter of fiscal year 2020,  
and  
the outlook for the full fiscal year 2020.

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

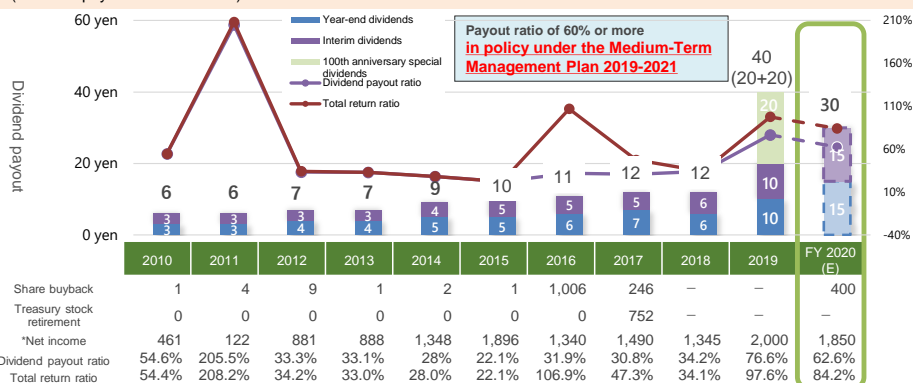
- Concerning the impact of the novel coronavirus, there was no impact on order receipt activities in Japan in the financial results for the first half, as orders outperformed the initial forecast.  
While there were some variations between segments, sales as a whole progressed according to the plan.  
We could not hold exhibitions and it was difficult for us to visit clients, so the divisions that needed to newly explore markets had difficulties improving the figures, but our existing business fields posted results that more than offset these negative impacts.
- Overseas, Nikko Shanghai halted operations of its plant on January 31 and could not carry out regular operations till March 25, so there was a feeling that it was lagging behind.  
Along with the delay in production, it was unable to engage in order receipt activities, so there was a very large impact in the first quarter. However, the business steadily recovered in the second quarter as the impact of the coronavirus subsided and it was able to absorb the portion brought over from the first quarter.  
While Nikko Shanghai is still striving to make up for the lost time in the first half over the full year, it is expected to decline compared with normal years.
- There were almost no sales from exports in the first quarter. In the second quarter, though we are having business negotiations, some second-quarter projects have been postponed to the next fiscal year and the recovery within the current fiscal year seems difficult.
- As for Nikko Asia (Thailand), the Japanese staff headed by the president were able to enter the country in early October and they are currently pushing forward sales activities.

## Shareholder Returns



### ● Enhancement of shareholder returns

- Forecast of 30.00 yen per share in dividend payment in FY 2020 (15.00 yen per share as interim dividends and 15.00 yen per share as year-end dividends)  
(dividend payout ratio of 62.6%)

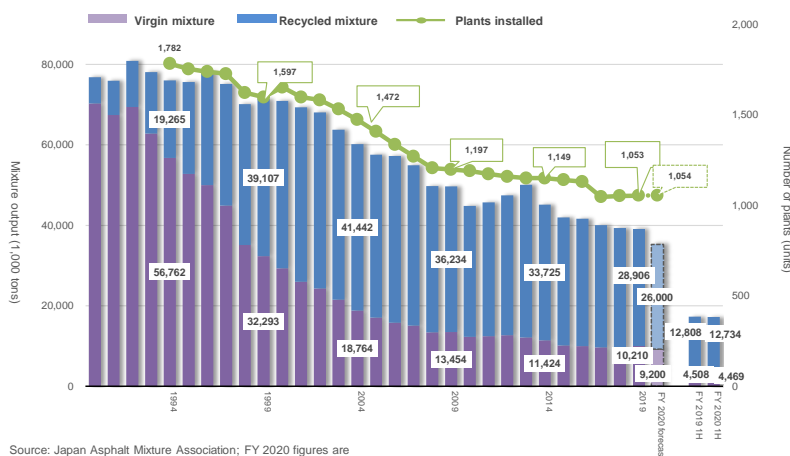


★The Company carried out a one-to-five split of its common stock effective on October 1, 2019, and the dividend figures have been adjusted to take the split into account.  
\*Net income = Net income attributable to owners of parent (mil. yen)

- ✓ Purchase of treasury stock  
From May 25, 2020, to September 30, 2020  
(800,000 shares in total [upper limit]; 400 million yen in value [upper limit])  
Purchase completed on September 17  
(treasury stock purchased: 616,700 shares, or 399,960,700 yen)

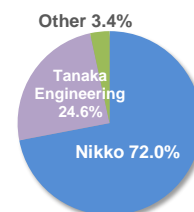
- Regarding our policy on shareholder returns, we plan to pay an interim dividend of 15.00 yen per share and a year-end dividend of 15.00 yen per share for an annual dividend of 30.00 yen per share in fiscal year 2020. The dividend payout ratio is expected to be 62.6%.
- We carried out purchase of treasury shares in the first half with the upper limit of 800,000 shares or 400 million yen in value, and we completed the purchase of 616,000 shares for about 400 million yen.

## Asphalt mixture output and number of asphalt plants installed



Source: Japan Asphalt Mixture Association; FY 2020 figures are Nikko estimates.

## AP steady-state share



FY 2019 Nikko survey

- ▶ The industry is expected to perform strongly thanks to the new Cabinet's policies for building national resilience and regional revitalization.
- ▶ Investment intention of road builders are still high and we expect the number of units to be delivered to increase year-on-year partly due to the projects continuing from the previous fiscal year.
- ▶ Shipment of mixture is expected to increase in the Osaka area in the future for the 2025 World Exposition.

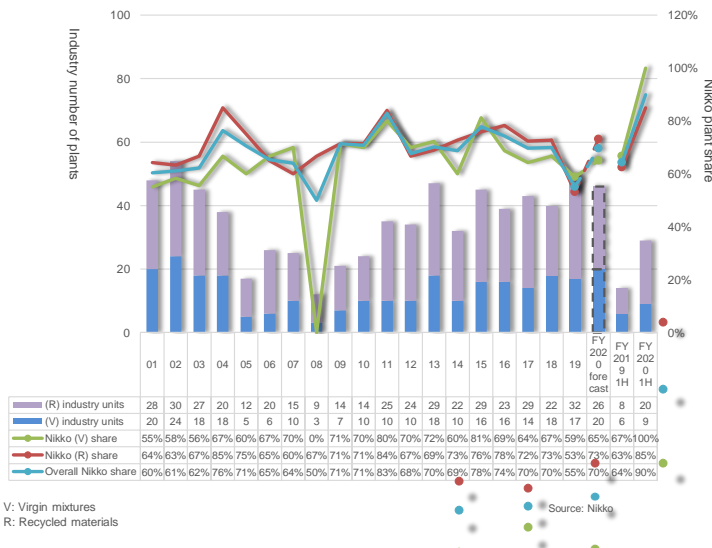
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- ☐ In terms of the business environment for AP, both production volume of asphalt mixture and number of APs installed have been on the decline but there has been no sudden change in recent years and they have hit the bottom.  
We believe that the number of APs installed would continue to be around 1,050 in the next fiscal year onwards.
- ☐ The new Japanese Cabinet took office and the industry sees no major change in its policy of building national resilience and regional revitalization and it is expected to perform strongly.
- ☐ Road builders have strong capital investment appetite and we are expecting the number of units to be delivered to exceed the previous year's level.  
In the near future, the volume of mixture shipment is expected to increase towards Expo 2025 Osaka, which we believe is a favorable factor for us.
- ☐ On the graph, it appears as if the growth of both the number of units installed and mixture shipment volume are sluggish, but we are not considering it as a matter of concern, as we can strengthen maintenance service for existing plants and carry out activities to further improve our market share.

## AP-Related Business Details and Strategy for the Future (2)

AP demand and Nikko share



New product performance in AP-related business

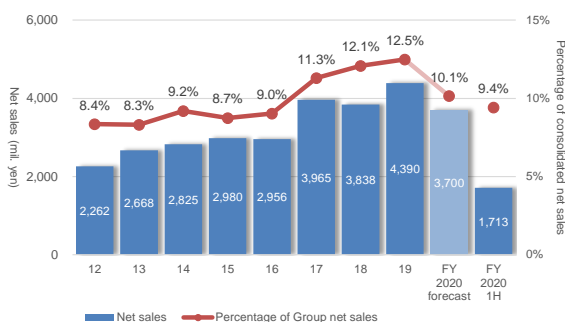
	(units)						
	15	16	17	18	19	FY 2020 (E)	FY 2020 1H
Number of VP units	0	1	2	2	4	3	1
Midship units	2	1	1	1	1	0	0
Crushing plant units	1	0	1	0	2	3	0

► Nikko's market share is expected to increase thanks to VP-III, a new small-sized model, launched in September 2019 as well as the existing VP-II.

- ☐ If you look at the situation of AP in this term, its market share has temporarily risen, and we have a 100% share in virgin plants, albeit according to our research. Our market share in recycling plants was 85%, and overall, including virgin and recycling plants, it was 90%.
- ☐ There is no need for being apprehensive based on the half-year performance, and the market share of AP in Japan increased, if you look at a snapshot of performance.

## AP-Related Business Details and Strategy for the Future (3)

**Nikko's overseas net sales and overseas sales ratio**



**[China (Nikko Shanghai)]**

Recovered steadily as the impact of the novel coronavirus subsided. In FY 2020, the number of shipment of virgin and recycling plants is expected to exceed the number of shipment of virgin plants.

**[Thailand]**

The impact of the novel coronavirus was negligible. Business negotiations in progress for sales in the second half.

**[Indonesia]**

Foreign exchange rate remained weak and implementation of work budgets delayed due to the impact of the novel coronavirus. Delays also in capital relocation plan.

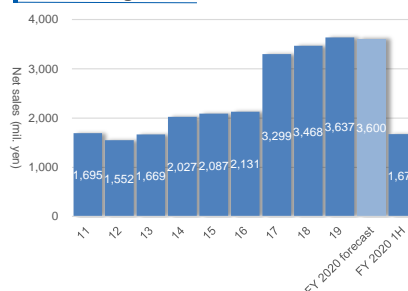
**[Taiwan]**

Major plant projects once it becomes possible to travel between two countries.

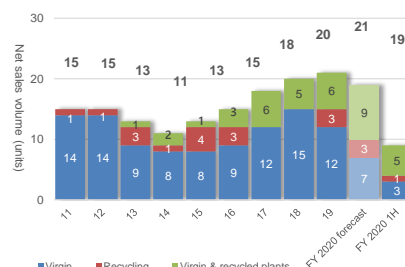
**[Russia]**

Foreign exchange rate remained weak and implementation of work budgets delayed due to the impact of the novel coronavirus.

**Nikko Shanghai net sales**



**Nikko Shanghai AP unit sales**

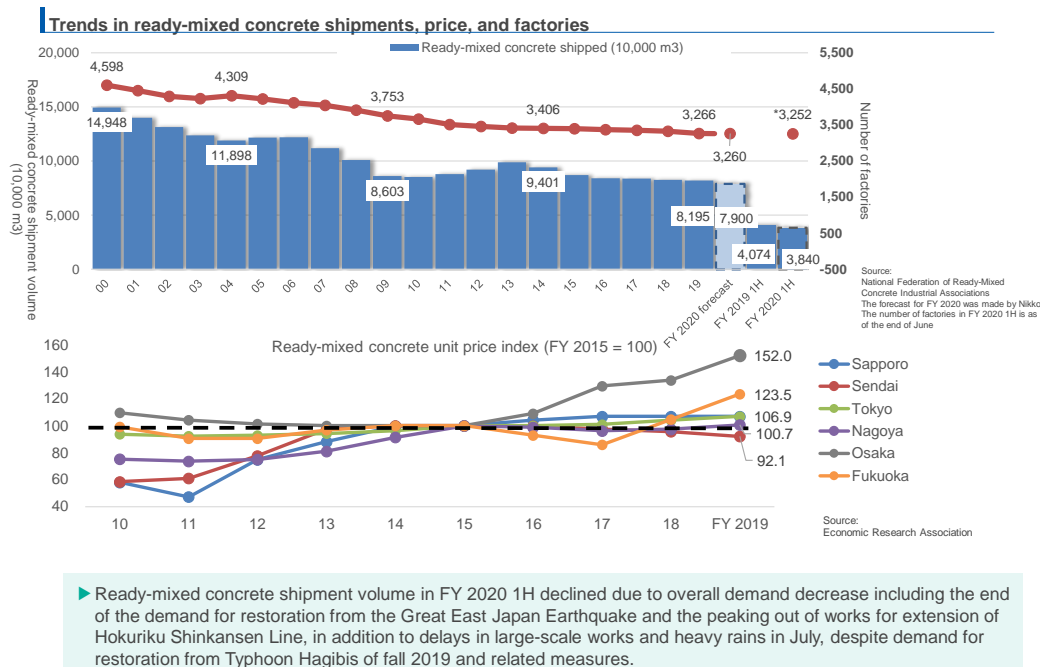


- As for overseas net sales and overseas sales ratio of Nikko, as the graph shows, there is a slight sense of stalling in sales of AP in the overseas division, but we do not consider it as a concern. Overseas sales appeared to be leveling off for factors including the coronavirus but we were able to offset it with sales in Japan.

- China was affected by the novel coronavirus but now it is recovering steadily. What appeared as a conspicuous trend for this term is that the demand for recycling increased as the roads in China improved, and as a result the number of plants that can handle both virgin and recycled materials, instead of virgin plants using only virgin materials, exceeded 50% of the sales volume for the first time. Like in Japan, China also appears to have entered the era of recycling and we believe this is a very advantageous trend for us.

- In Thailand, the number of people infected by the novel coronavirus is low, but travelers from Japan are shut out and it is very difficult to enter the country. In October, our Japanese staff were able to travel there and made a start, so we are planning to catch up from now. Business negotiations are in progress for sales in the second half and we have already received an order for a brand new small plant worth 85 million yen. We are also making progress with business negotiations for upgrade projects. Particularly, we were able to receive an order of upgrade projects, in which we work on old plants and upgrade them, because we actually went into the local market.

In Taiwan, we are somewhat lagging behind but still we have been making progress with business negotiations.



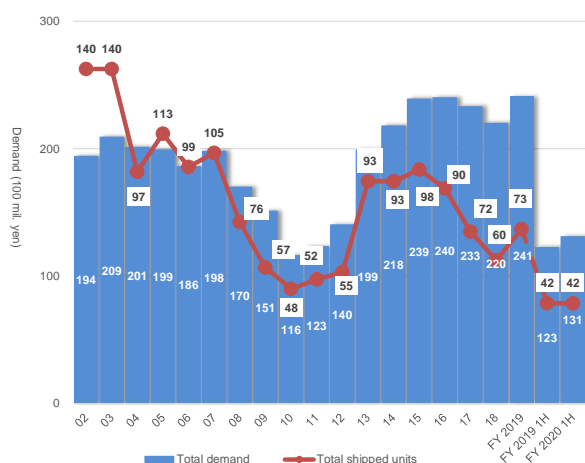
- ☐ BP is tending towards a gradual decline, and there is a sense of it bottoming out now. This trend is expected to continue from the next fiscal year on.
- ☐ The unit price of ready-mixed concrete, though it fluctuates in each area, is showing a rising trend and the situation is good for customers to make capital investment. The trend is expected to continue in the next year and onwards.



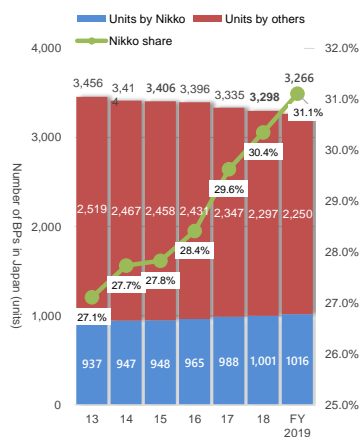
## BP-Related Business Details and Strategy for the Future (2)



Total BP demand (value and number of units)



BP steady-state share trends



Source:  
Japan Construction Equipment Manufacturers Association's BP Subcommittee  
(Maintenance services included in demand amount)

- ▶ We expect demand from public works to remain solid beyond the 2020 Tokyo Olympics, driven by the Linear Chuo Shinkansen project, the policy to promote initiatives for "Building National Resilience", 2025 World Exposition in Osaka, etc., but the demand level will increasingly vary from region to region and consolidation is expected to gather pace.
- ▶ Increase market share by launching new differentiated products to meet new demand, which arises from sales expansion to precast industry where demand continues to grow as well as from ready-mixed concrete industry consolidation.

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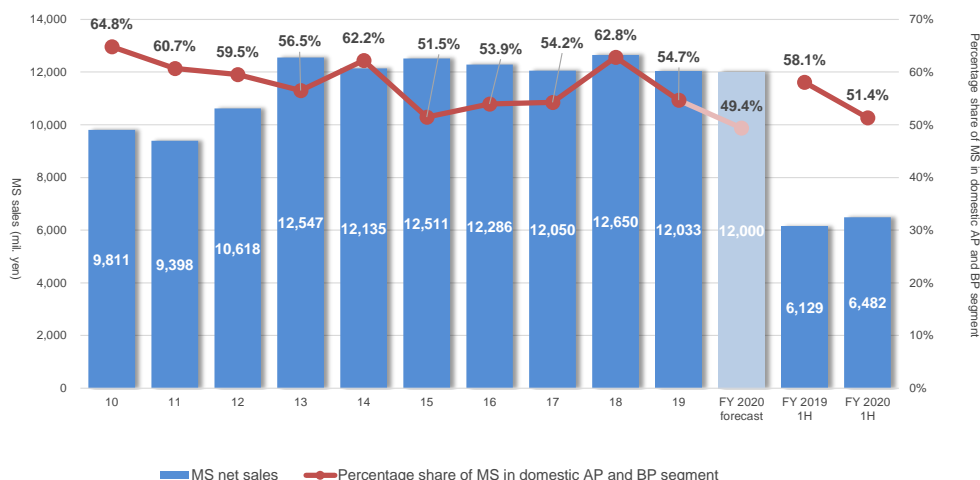
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- ☐ Public works projects continue to stay robust even after the postponement of the Tokyo 2020 Olympic Games, and we can expect a certain amount of public works projects although they vary by region.
- ☐ We think plants themselves will be more consolidated.
- ☐ The precast industry, which deals in making products with concrete, is expanding. There have been many inquiries for plants and sales have been increasing. We are making efforts to introduce new products as a new business in response to the consolidation of the ready-mix concrete industry, and we are considering growing our market share by differentiating ourselves from other companies.

## Maintenance Service Business Net Sales Level and Share



Maintenance service: Sales and percentage share of sales



► Work to improve efficiency of maintenance service and further expand margins

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- ☐ In our plant business, sales ratio of maintenance services account for more than half, which excels that of products, and they are a significant factor in terms of profit composition.
- ☐ In the graph, maintenance services' composition ratio declined from 58.1% to 51.4% year on year but their sales increased. The ratio declined because product sales became very large, but the sales of maintenance services themselves are also increasing and it is not a matter of concern.

## ● Published Nikko Corporate Report 2020 (Japanese version and English version)



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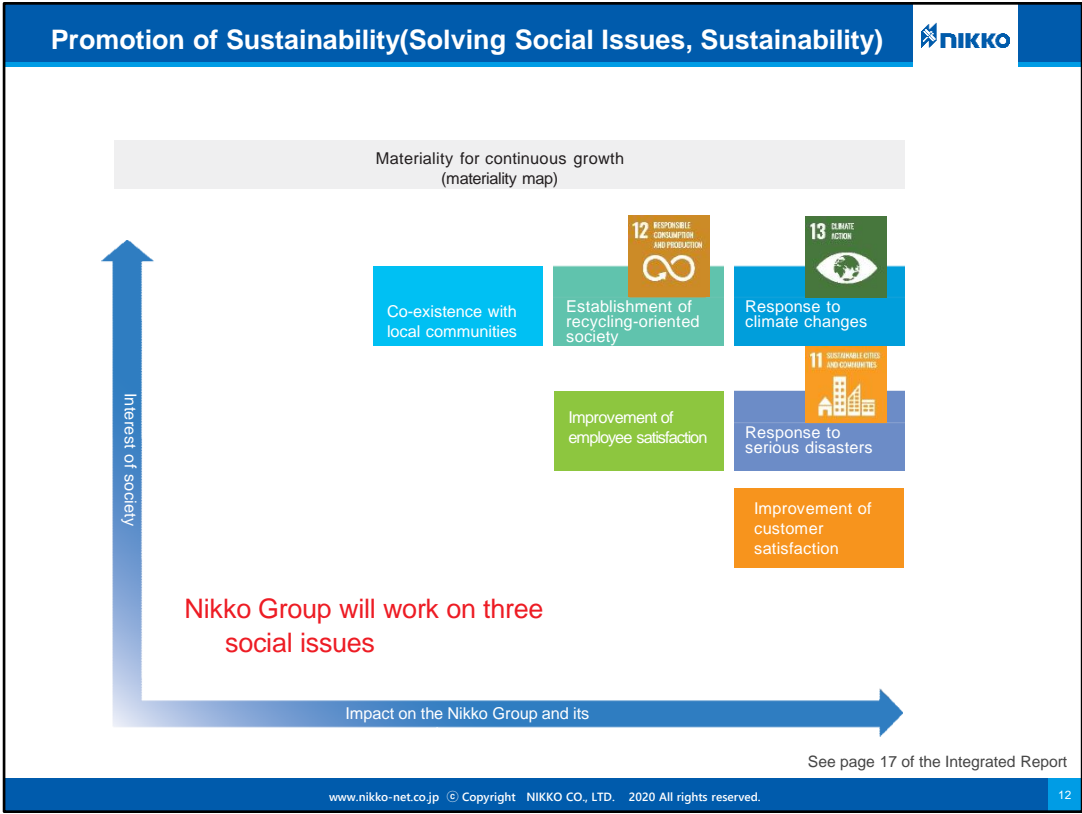
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Our corporate website  
and investor information:  
<https://www.nikko-net.co.jp/ir/>

- ☐ As part of information disclosure, we issue Nikko Group's Integrated Report.  
The report is also available on our website. We hope you will take a look at it.



- ☐ To promote sustainability, Nikko Group will work on the three social issues of establishment of a recycling-oriented society, response to climate change, and response to serious disasters.

Promotion of Sustainability (Response to Serious Disasters)

11 SUSTAINABILITY AND COMMUNITIES

Unexpectedly high amount of rainfall is being recorded around the country and we are seeing frequent occurrences of localized, torrential rain damage. With typhoons becoming more intense, and large earthquakes, such as the Nankai Trough and Tokyo inland earthquakes and the resultant tsunamis, as well as volcanic eruptions being anticipated, natural disaster risks are entering a new stage.

The first step of recovery from a natural disaster starts with the recovery operation of the asphalt and concrete plants that were damaged

Introduced business continuity management (BCM) for swift recovery

**Overall image of business continuity management**

Business activities

- Activity resources (personnel, facilities, equipment, etc.)
- Operation activities (maintenance, sales, purchasing, etc.)
- Products and services (facility introduction, maintenance, etc.)

Business continuity management (BCM)

Business continuity plans corresponding to the type of disaster (BCP)

Disaster resisting power Protection of important resources, operations, and services

Improvement of value we offer Guarantee of stable supply support during disaster, etc.)

Customers and parties involved (installation and maintenance partner companies, etc.)

Continuous maintenance of the business continuity plan through implementation of PDCA

**Introduction of disaster prevention and recovery products in the market**

- A mobile concrete batching plant that can be used for disaster recovery or at small work sites

Utilized weighing equipment, a mixer, and a control panel necessary for making ready-mixed concrete so that they can be loaded on a large truck (can be installed with a crane)

**Loaded on a truck**      **Installed**

- Fuel-efficient hybrid mobile crushers by Kleemann with superior crushing ability

Sales trends of mobile plants and forecast

million yen

Fiscal year

- Sliding, removable waterproof boards

Waterproof boards: forecast and result comparison in the past and forecast

million yen

Fiscal year

■ Forecasts    ■ Results

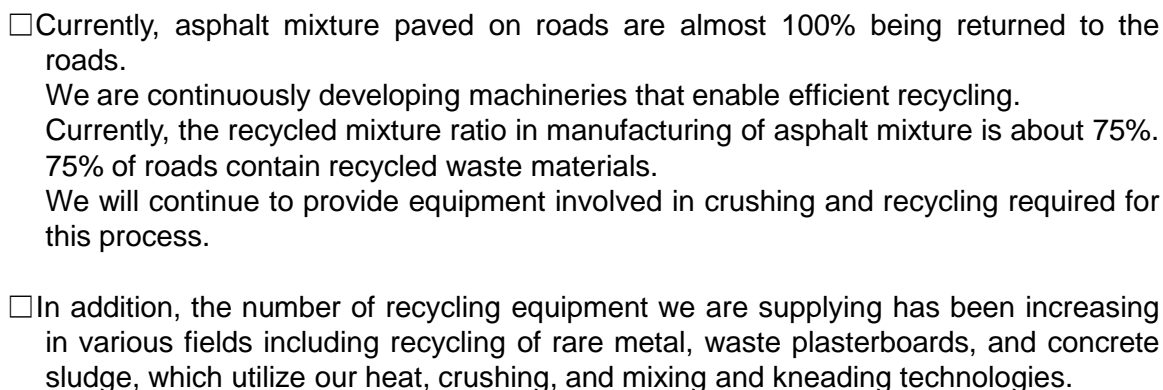
- Water absorbing sandbag

After water absorption    Before absorption

(See pages 19 and 20 of the Integrated Report)

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- ☐ In the event of the occurrence of torrential rain or typhoon damages, which have been frequently occurring in recent years, or the anticipated major earthquake and disasters resulting from it, the top priority is to secure roads for restoration of the afflicted area, and it is also necessary to supply concrete for the construction works. To this end, we believe that it is our duty to restore plants near to the afflicted area as soon as possible.
  
- ☐ We will create a manual based on our experience so far and work with our customers to take measures for limiting disaster damages to the minimum.
  
- ☐ We are also introducing new products for disaster recovery purposes in the market. We developed mobile BP, which can be taken to the sites and operated, so that it can be used at constricted work sites of disaster recovery. The product is selling well and has been rated highly by customers. By developing such a plant, we would like to extend its use not only for disaster recovery but also in isolated islands or for narrow work sites on highways.



Promotion of Sustainability (Response to Climate Changes)

13 CLIMATE ACTION

### Current status of CO2 emissions from asphalt mixture manufacturing process

- Annual asphalt mixture output volume in Japan ≈ 40 million tons
- Fossil fuel necessary for manufacturing 1 ton of asphalt mixture (fuel oil conversion) ≈ 10 liters

CO2 emissions when fossil fuel is used as energy source ≈ 1 million tons  
(\*CO2 emission volume per unit    A fuel oil: 2.710 kg-CO2/l)

Based on the AP market share, 70% is emitted from Nikko-made APs

### Specific efforts toward reducing carbon emissions and decarbonization in asphalt mixture manufacturing process

Utilizing alternative fuels (current efforts)

- City gas  
Using city gas as an alternative to A fuel oil can reduce CO2 emissions by 26% compared to fuel oil
- Biomass fuel (carbon neutral)  
Wood tar and waste glycerin are defined as carbon neutral as they are derived from plants

Fuel oil is used as supplementary fuel to stabilize combustion

Initiatives related to new methods

- Development of foamed equipment for manufacturing warm-mix asphalt can reduce CO2 emissions by 14%

Carbon neutral (zero CO2 emissions) mechanism

(See pages 21 and 22 of the Integrated Report)


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- The asphalt mixture manufacturing process emits large amount of CO2 in reality. It generates approximately 1 million tons of CO2 a year.  
We account for about 70% of the AP market, so 700,000 to 800,000 tons of CO2 are emitted from the plants we have manufactured, and we believe we have a responsibility to keep pushing forward developments to reduce CO2 emissions to zero as much as we can.
- Utilization of alternative fuels for A fuel oil is one of the concrete measures for low-carbonization and decarbonization and we are building a good track record. It is still minuscule compared to the overall market, and we will promote it more and also enhance technology exchange with the fuel supply side.
- As an initiative for a new construction method, we have been developing machinery for manufacturing warm-mix asphalt, which allows operation at a construction site with a finished temperature of 130° C for asphalt mixture as it is, compared with approx. 160—170° C currently, and their sales are increasing.
- We also have been carrying out various other initiatives for reducing the environmental burden.

NIKKO
Promotion of Sustainability (Response to Climate Changes)

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CLIMATE ACTION



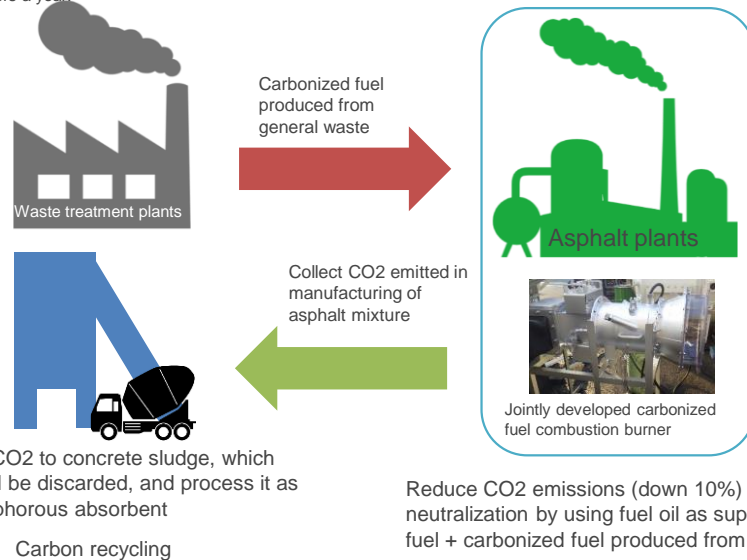
### Specific efforts toward reducing carbon emissions and decarbonization in asphalt mixture manufacturing process

Initiatives for the future

- We plan to sell APs that utilize carbonized fuel produced from general waste from FY 2021 onwards, and aim to deliver 10 burners a year.

- We aim to establish recycling technology for CO2 emitted from AP.

- Development of all-electric, hydrogen energy-run plants



Carbonized fuel produced from general waste

➔

Waste treatment plants

Asphalt plants

➔

Collect CO2 emitted in manufacturing of asphalt mixture

Carbon recycling

➔

Add CO2 to concrete sludge, which would be discarded, and process it as phosphorous absorbent

Reduce CO2 emissions (down 10%) through carbon neutralization by using fuel oil as supplementary fuel + carbonized fuel produced from general waste

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- As an initiative for the future, Kawasaki Heavy Industries has been leading the development of an incineration system for manufacturing carbonized fuel from general waste at waste treatment facilities, and we are participating in joint research for a mechanism for using the produced fuel at AP.  
We aim to sell the products in fiscal year 2021 or later with a target of 10 units a year.
- We are also implementing many other activities and will disclose related information at appropriate timing.





# Financial Results for 2Q FY 2020



- All of net sales, operating income, ordinary income, and quarterly net income increased compared with the same period a year earlier  
-> p. 20 1H Performance Highlights (1)



- New orders received increased YoY  
(increased in all business divisions compared with the same period a year earlier)  
-> p. 20 1H Performance Highlights (1)  
p. 28 Trends in New Orders Received



- Net sales of mobile plants rose from 24 million yen in 1H FY 2019 to 375 million yen in 1H FY 2020



- Overseas business sales fell due to the impact of the novel coronavirus pandemic  
-> p. 3 Impact of Novel Coronavirus  
p. 7 AP-Related Business Details and Strategy for the Future (3)  
p. 31 AP-Related Business (Japan vs. Overseas)

In the first half, even though sales were affected as overseas (exports and China) sales activities were suspended and manufacturing at factories in China was delayed due to the impact of the coronavirus infection, products in Japan performed strongly

## Business Environment in 2Q FY 2020



### 1H FY 2020 Results

(mil. yen)			
1H (Apr.-Sept.)	Results	YoY change (amount)	YoY change (%)
Net sales	18,225	+1,085	+6.3%
Operating income	1,000	+41	+4.2%
Quarterly net income attributable to owners of parent	1,099	+96	+9.6%
New orders received	19,036	+2,193	+13.0%

- ▶ Sales of AP-related business: While overseas sales declined due to the impact of the coronavirus, sales increased 9.9% YoY reflecting growth in products in Japan and maintenance services
- ▶ Sales of BP-related business: Increased 7.6% YoY, as sales of products in Japan increased and maintenance services slightly grew
- ▶ New orders received in all segments increased

### Business Environment

#### AP-related business

FY 2020 1H (Apr.-Sept.)	Results (in 10,000 tons)	YoY change
Mixture output	1,720	99.3%
Virgin mixture	447	99.1%
Recycled mixture	1,273	99.4%

Share of recycled mixture 74.0%

Source: Japan Asphalt Mixture Association

#### BP-related business

FY 2020 1H (Apr.-Sept.)	Results (in 10,000m3)	YoY change
Ready-mixed concrete shipment	3,840	94.3%

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

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- ☐ Sales and profits in this term increased over the previous year.  
New orders received during the term increased 13% year on year, and orders, setting aside sales and profits, were very strong, and that is the characteristic of the first-half earnings results.
- ☐ AP's overseas sales declined compared with a year earlier due to the impact of the coronavirus, but the strong sales within Japan more than offset the decline overseas.  
All BP sales come from Japan and sales of both products and maintenance services increased from a year earlier.
- ☐ We are displaying the figures for asphalt mixture production volume and ready-mixed concrete shipment volume in the lower part for reference. Both of them slightly declined from a year earlier in this business environment.

## 1H FY 2020 Performance Highlights (1)



### YoY change of results

- ▶ Sales: AP products in Japan (up 1,370 million yen), BP products (up 340 million yen), Nikko Shanghai (down 530 million yen), exports (down 290 million yen), conveyor-related (down 100 million), and other business (up 170 million yen)
- ▶ Operating income: Increased due to sales rise, while operating margin remained unchanged.
- ▶ Ordinary income: Special dividend from Maeda Road Construction Co., Ltd. (up 340 million yen), and development subsidies (60 million yen).
- ▶ Orders: AP-related business (up 1,410 million yen), BP-related business (up 510 million yen), environment- and conveyor-related business (up 180 million yen), and other business (up 80 million yen).
- ▶ Order backlog: AP-related business (down 820 million yen), BP-related business (up 480 million yen), environment- and conveyor-related business (up 250 million yen), and other business (down 30 million yen).

	FY 2019		FY 2020		
	1H actual	Full year actual	1H actual	YoY change	1H forecast
Net sales	17,140	35,151	18,225	+1,085 +6.3%	18,500
Operating income	959	2,053	1,000	+41 +4.2%	1,100
Operating margin	5.6%	5.8%	5.5%	(0.1 pt)	5.9%
Ordinary income	1,034	2,142	1,588	+554 +53.5%	1,550
Net income attributable to owners of parent	1,003	1,588	1,099	+96 +9.6%	1,050
New orders received	16,843	33,915	19,036	+2,193 +13.0%	17,000
Order backlog	13,158	12,219	13,030	(128) (1.0%)	10,719
(yen)					
Exchange rate (EUR/JPY)	—	121.73	121.65	—	—
Exchange rate (RMB/JPY)	—	15.76	15.19	—	—

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- ☐ I have already explained the overview in an earlier page. In this page, we can see that operating margin came to 5.5%, almost the same as the previous year's level, but was short of the plan of 5.9% .
- ☐ Order backlog was at a similar level as the same period a year earlier.

## 1H FY 2020 Performance Highlights (2)



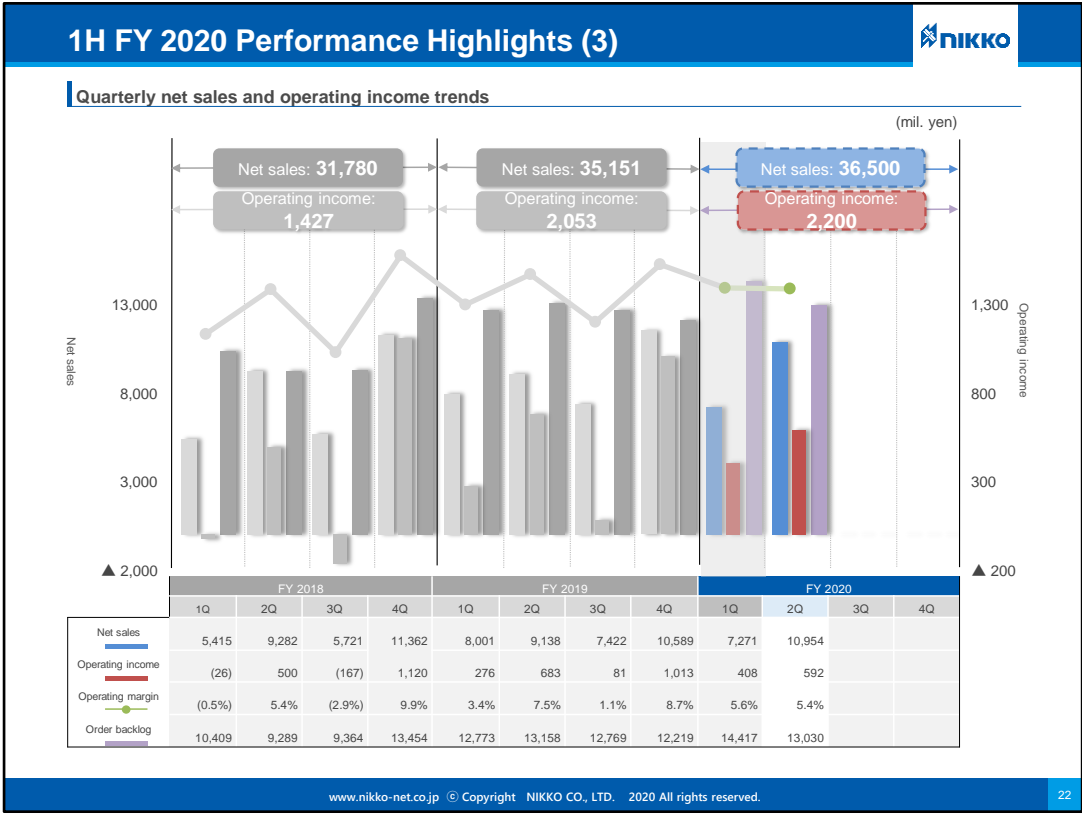
		FY 2019		FY 2020		
		1H actual	Full year actual	1H actual	YoY change	1H forecast
AP-related business	Net sales	8,667	17,518	9,527	+860 +9.9%	9,800
	Operating income	676	1,118	640	(36) (5.3%)	630
	Operating margin	7.8%	6.4%	6.7%	(1.1 pt)	6.4%
BP-related business	Net sales	4,569	9,158	4,918	+349 +7.6%	4,800
	Operating income	297	761	486	+189 +63.6%	410
	Operating margin	6.5%	8.3%	9.9%	+3.4 pt	8.5%
Environment- and conveyor-related business	Net sales	1,353	2,634	1,059	(294) (21.7%)	1,200
	Operating income	219	562	192	(27) (12.3%)	260
	Operating margin	16.2%	21.3%	18.1%	+1.9 pt	21.7%
Other business	Net sales	2,549	5,840	2,719	+170 +6.7%	2,700
	Operating income	448	1,020	377	(71) (15.8%)	500
	Operating margin	17.6%	17.5%	13.9%	(3.7 pt)	18.5%
Corporate expenses		(683)	(1,409)	(696)	+13	(700)

- ▶ Net sales of AP-related business: Overall net sales exceeded the previous year's level, as net sales of products in Japan rose 69.2% from a year earlier and absorbed the decline in overseas net sales
- ▶ Net sales of BP-related business: Plant products increased 14% from a year earlier and their industry share grew
- ▶ Net sales of environment- and conveyor-related business: Declined due to decreases in sales activities by agents and in facility operating rates at users due to the impact of the novel coronavirus
- ▶ Net sales of other business: New businesses and products significantly grew with mobile plants increasing 14.6 times from a year earlier and waterproof boards rising 12.5%

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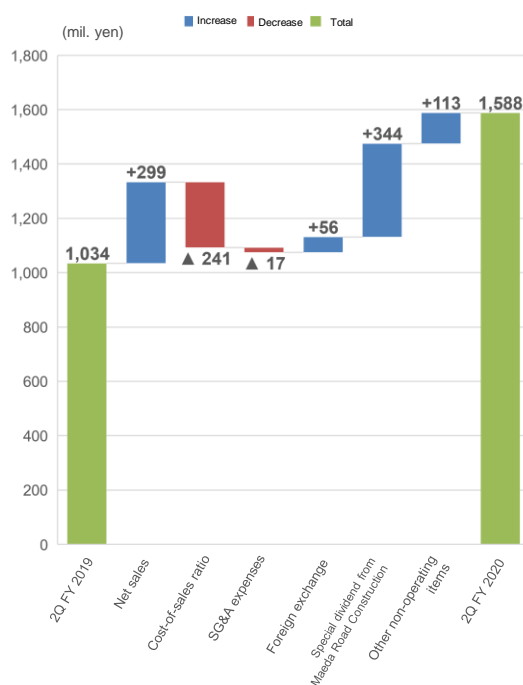
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- ☐ The AP-related business performed roughly in line with the plan.  
When we prepared the forecast, we did not imagine that the business in China would decline to this extent, and we could not make up for the lag in the first quarter in the second quarter.
- ☐ Sales from the BP-related business were roughly in line with the plan and profits exceeded the forecast and also outperformed the previous year's level.
- ☐ In the environment- and conveyor-related business, there were no major environment-related plants and most of sales were related to conveyors. The results of the conveyor-related business were lower than the levels a year earlier as well as the planned figures partly because we could not have face-to-face business negotiations due to the impact of the coronavirus.
- ☐ Sales from the other businesses roughly came in line with the plan and increased from a year earlier, but profit and profit margin declined from a year earlier. This was due to the major impact of a considerable decline in sales of highly profitable crushers at our subsidiary Maekawa Kogyosho.



- ☐ This graph shows the trends in net sales, operating income, operating margin, and order backlog by quarter.
- ☐ In the current fiscal year, if we look at the second quarter alone, the profitability declined from the previous year.  
In the second half, the third quarter is when our business usually become lower. In the current fiscal year also, lots of AP and BP product sales are concentrating on the fourth quarter and we are expecting the third quarter to be slightly unfavorable in terms of figures.

## Analysis of 1H FY 2020 Ordinary Income Change Factors



Item	Impact	Content
Net sales	+299	Sales (+1,085 million yen)
Cost-of-sales ratio	(241)	Rise in cost-of-sales ratio 72.4% -> 73.8%
SG&A expenses	(17)	Nikko Shanghai financial results Decline of 850 million yen due to the change in the period for which financial results of Nikko Shanghai are incorporated
Foreign exchange	+56	
Special dividend from Maeda Road Construction Co., Ltd.	+344	
Other non-operating items	+113	Subsidies for carbonized fuel burners (+4.9 million yen)

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- ☐ This is the year-on-year comparison and factor analysis for increase and decrease of ordinary profits between corresponding period of previous year and the first half of this term.
- ☐ In the current fiscal year, profits rose as a result of sales increase. Meanwhile, we had negative cost ratio and SG&A expenses. In our case, cost-of-sales ratio rises when the ratio of products to sales increases and it improves when the ratio of products decline. In this term, there were no major fluctuations that directly impacted the manufacturing cost, such as increases in raw material prices or cost of outsourcing. The cost-of-sales ratio worsened by 1.4 points because the ratio of products increased.
- ☐ The increase in SG&A expenses was limited to 17 million yen as a whole. In the previous fiscal year, we changed the period for which we incorporate Nikko Shanghai's financial results, due to which SG&A expenses appeared high in the previous fiscal year. This impact was not there in the current fiscal year, and the Nikko Shanghai portion gave a positive impact of 85 million yen, while consolidated SG&A expenses increased 17 million yen in total.
- ☐ In addition, there was more than 300 million yen in special dividends from Maeda Road Construction, which contributed to the year-on-year increase in ordinary profit.

# Balance Sheet Trends

(mil. yen)

		2Q/FY 2019	2Q/FY 2020	Change	Main factors in year-on-year change	
Assets	Current assets	31,045	30,569	(476)	Increase: Notes and accounts receivable-trade Electronically recorded monetary claims Raw materials and supplies Decrease: Cash and deposits Finished goods and merchandise	+489 mil. yen +799 mil. yen +248 mil. yen (1,811) mil. yen (270) mil. yen
	Property and equipment	6,859	8,295	+1,435	Increase: Buildings and structures Machinery, equipment and vehicles	+411 mil. yen +295 mil. yen
	Intangible assets	404	471	+66	Land Deferred tax assets	+759 mil. yen +195 mil. yen
	Investments and other assets	7,030	6,549	(481)	Decrease: Construction in progress Investment securities	(108) mil. yen (611) mil. yen
	Total assets	45,340	45,885	+545		
Liabilities	Current liabilities	11,740	12,533	+792	Increase: Electronically recorded monetary claims Short-term loans payable Other Decrease: Notes and accounts payable-trade	+233 mil. yen +393 mil. yen +290 mil. yen (234) mil. yen
	Long-term liabilities	2,764	2,939	+175		
Total net assets		30,835	30,413	(422)	Increase: Retained earnings Decrease: Treasury stock Valuation difference on available-for-sale securities	+134 mil. yen (385) mil. yen (281) mil. Yen
Net assets per share (yen)		795.25	795.75	+0.50		

\* The Company carried out a one-to-five split of its common stock effective on October 1, 2019.  
Net assets per share was calculated assuming that the split took place at the beginning of FY 2019.

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- ☐ This shows transition of figures in balance sheet and it compares with those at the end of September last year.  
Although there was almost no change in total assets and no major movement was observed in net assets, which slightly fell, there were considerable changes in each accounts.  
Accounts receivable-trade increased because sales increased in the current fiscal year.
- ☐ Meanwhile, property and equipment rose significantly.  
It was because of our proactive capital investment including those on factories and purchase of land for the Thai manufacturing subsidiary.
- ☐ Share buyback had the largest impact on the slight decline in net assets.  
We actively sold shares held in strategic shareholding, and investment securities also declined.
- ☐ As a result, cash and cash equivalents declined about 1.8 billion yen.





# FY 2020 Outlook

## FY 2020 Full-Year Forecast (1)



Revised the full-year forecasts for new orders received and order backlog.

(mil. yen)

	FY 2019		FY 2020				
	2H actual	Full year actual	2H forecast (new)	Full year forecast (new)	YoY change (full year)	2H (initial)	Full year forecast (initial)
Net sales	18,011	35,151	18,275	36,500	+1,349 +3.8%	18,000	36,500
Operating income	1,094	2,053	1,200	2,200	+147 +7.2%	1,100	2,200
Operating margin	6.0%	5.8%	6.6%	6.0%	+0.2pt	6.1%	6.0%
Ordinary income	1,108	2,142	1,112	2,700	+558 +26.1%	1,150	2,700
Net income attributable to owners of parent	585	1,588	751	1,850	+262 +16.5%	800	1,850
New orders received	17,072	33,915	20,607	38,600	+1,085 +13.8%	18,000	35,000
Order backlog	12,219	—	13,030	14,372	+2,103 +9.9%	10,719	—
Exchange rate (EUR/JPY)	—	121.73	124.00	122.82	—	—	118.00
Exchange rate (RMB/JPY)	—	15.76	15.90	15.54	—	—	15.50

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- ☐ We have retained all figures of the full-year performance outlook from net sales to net income.
- ☐ The full-year outlook of order receipt was initially about 35 billion yen, but now we expect 38.6 billion yen, which is a large increase in orders.
- ☐ As a result, the order backlog will also increase by about 2 billion yen compared to last year, and we expect a good start to the next fiscal year.

## FY 2020 Full-Year Forecast (2)



### Revised forecasts for each business segment

(mil. yen)

		FY 2019		FY 2020				
		2H actual	Full year actual	1H actual	2H forecast (new)	Full year forecast (new)	2H forecast (initial)	Full year forecast (initial)
AP-related business	Net sales	8,851	17,518	9,527	9,473	19,000	8,600	18,400
	Operating income	442	1,118	640	610	1,250	540	1,170
	Operating margin	5.0%	6.4%	6.7%	6.4%	6.6%	6.2%	6.3%
BP-related business	Net sales	4,589	9,158	4,918	4,782	9,700	4,600	9,400
	Operating income	464	761	486	484	970	390	800
	Operating margin	10.1%	8.3%	9.9%	10.1%	10.0%	8.5%	8.5%
Environment- and conveyor-related business	Net sales	1,281	2,634	1,059	1,141	2,200	1,500	2,700
	Operating income	343	562	192	208	400	310	570
	Operating margin	26.8%	21.3%	18.1%	18.2%	18.2%	20.7%	21.1%
Other business	Net sales	3,291	5,840	2,719	2,881	5,600	3,300	6,000
	Operating income	572	1,020	377	603	980	560	1,060
	Operating margin	17.4%	17.5%	13.9%	20.9%	17.5%	17.0%	17.7%
Corporate expenses		(726)	(1,409)	(696)	(704)	(1400)	(700)	(1,400)

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- ☐ We did not revise our forecasts of overall full-year sales and profits but we did correct those of the segments based on the results for the first half and projects expected in the second half onwards.
- ☐ We made slight upward revisions to the sales and profits of AP from the initial forecasts, as its sales within Japan is performing strongly, and despite the delay of businesses in Shanghai in the first quarter it is catching up from the second quarter.
- ☐ We also revised up the forecasts for BP by considering order receipt situation.
- ☐ We revised down the forecasts for the environment- and conveyor-related business, given the results for the first half and because there is no upcoming major environment-related projects and both sales and profits of the conveyor-related business are expected to decline.
- ☐ We also slightly revised down the figures in other businesses compared with the initial forecasts.  
In the first half in particular, profit declined compared with last year, but we revised it considering the fact that public work-related floodgate projects concentrate in March.

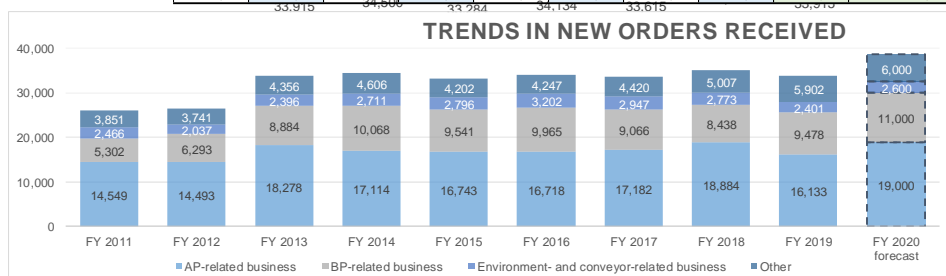
## Trends in New Orders Received



(mil. yen)

Full-year new orders received	FY 2011 1H	FY 2011	FY 2012 1H	FY 2012	FY 2013 1H	FY 2013	FY 2014 1H	FY 2014	FY 2015 1H	FY 2015
AP-related business	6,582	14,549	6,203	14,493	8,529	18,278	8,657	17,114	6,486	16,743
BP-related business	2,498	5,302	2,719	6,293	4,486	8,884	5,422	10,068	4,939	9,541
Environment- and conveyor-related business	1,283	2,466	1,148	2,037	1,000	2,396	1,677	2,711	1,106	2,796
Other	1,577	3,851	1,644	3,741	1,925	4,356	2,540	4,606	2,050	4,202
Total	11,941	26,169	11,716	26,564	15,941	33,915	18,297	34,500	14,583	33,284

FY 2016 1H	FY 2016	FY 2017 1H	FY 2017	FY 2018 1H	FY 2018	FY 2019 1H	FY 2019	FY 2020 1H	FY 2020 forecast
7,687	16,718	8,254	17,182	6,501	18,884	8,419	16,133	9,835	19,000
5,255	9,965	4,274	9,066	3,787	8,438	4,313	9,478	4,823	11,000
1,168	3,202	1,517	2,947	844	2,773	1,187	2,401	1,374	2,600
2,155	4,247	1,886	4,420	2,720	5,007	2,923	5,902	3,001	6,000
16,266	34,134	15,933	33,615	13,854	35,103	16,843	33,915	19,036	38,600



- ▶ In addition to strong demand for AP and BP in Japan, China also recovered steadily in 2Q
- ▶ The new businesses of waterproof boards and mobile plants in the other business also performed well and a record is expected

- We expect 38.6 billion yen in new orders in this term.  
This is the highest order receipt estimate in the past 10 years.

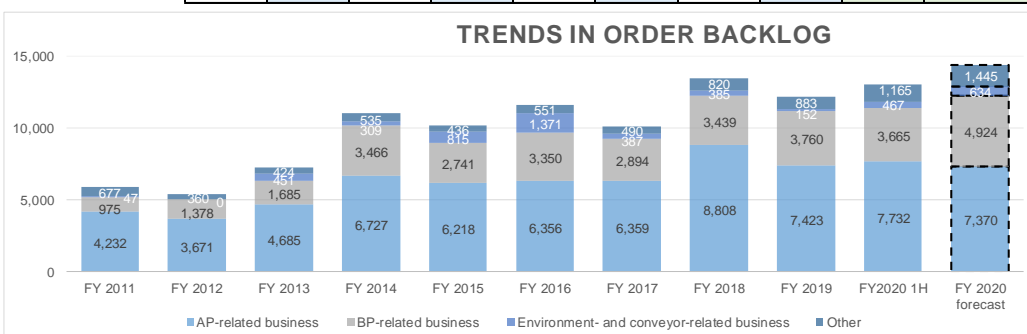
## Trends in Order Backlog



(mil. yen)

End-of-term order backlog	FY 2011 1H	FY 2011	FY 2012 1H	FY 2012	FY 2013 1H	FY 2013	FY 2012 1H	FY 2014	FY 2015 1H	FY 2015
AP-related business	3,598	4,232	2,155	3,671	3,073	4,685	4,137	6,727	4,850	6,218
BP-related business	690	975	719	1,378	2,300	1,685	2,593	3,466	3,011	2,741
Environment- and conveyor-related business	311	47	42	—	117	451	585	309	425	815
Other	913	677	385	360	474	424	821	535	577	436
Total	5,513	5,933	3,302	5,410	5,965	7,246	8,137	11,039	8,864	10,212

FY 2016 1H	FY 2016	FY 2017 1H	FY 2017	FY 2018 1H	FY 2018	FY 2019 1H	FY 2019	FY 2020 1H	FY 2020 forecast
5,680	6,356	7,178	6,359	5,027	8,808	8,561	7,423	7,732	7,370
3,587	3,350	2,018	2,894	2,812	3,439	3,184	3,760	3,665	4,924
612	1,371	1,434	387	133	385	219	152	467	634
618	551	776	490	1,316	820	1,194	883	1,165	1,445
10,499	11,629	11,408	10,132	9,289	13,454	13,158	12,219	13,030	14,372

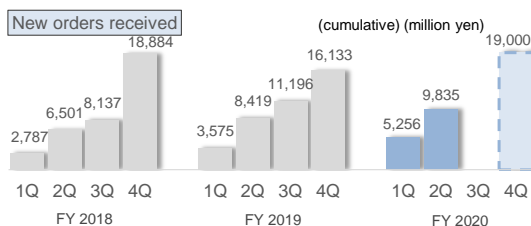


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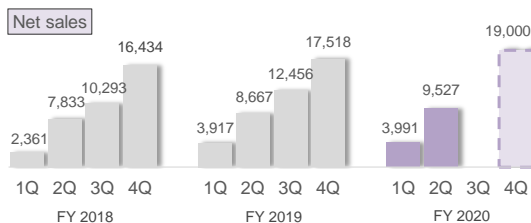
□ We expect order backlog of 14.3 billion yen for the end of the current fiscal year, which is again a record in the past 10 years.

## AP-related business



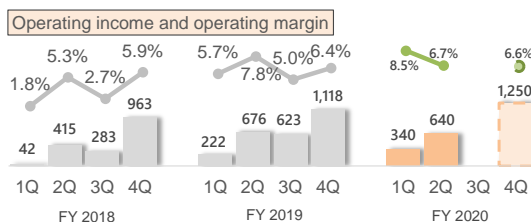
- ▶ New orders received
- New orders received were up 16.8% year on year

(Factors)  
Demand in Japan was strong  
Orders in China was gradually recovering



- ▶ Net sales
- Net sales in Japan increased 27.3% year on year. (products +69.2%, maintenance service +7.5%)

- Net sales overseas declined 32.8% year on year. (Shanghai (24.4%), exports (89.2%))



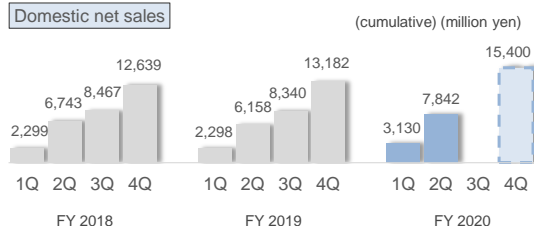
- ▶ Operating income
- Operating income declined 5.3% year on year.
- Operating margin fell 1.1 p.p. year on year.

(Factors)  
Net sales increased due to strong performances by major companies  
Profit declined as sales ratio of products (plants) for Japan increased and the ratios of maintenance service and Shanghai declined

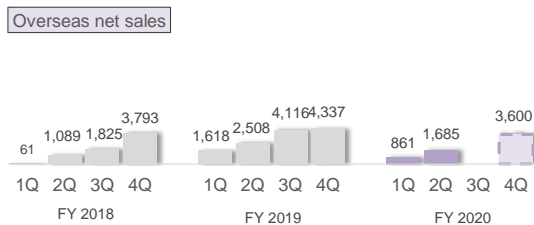
## AP-related business (Japan vs. overseas)



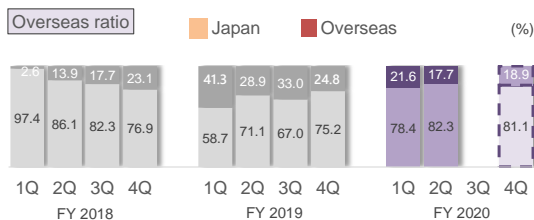
### Domestic net sales



### Overseas net sales



### Overseas ratio



#### Japan

- Plant products increased 69.2% from a year earlier.
- Maintenance service rose 7.5% from a year earlier.

#### (Factors)

- Major companies continue to have strong capital investment appetite supported by strong earnings and sales of recycling plants increased by three, up 276 million yen.
- Other +271 mil. yen

#### Overseas

- Down 32.8% from a year earlier.
- Exports declined 89.2% from a year earlier.
- Net sales at Nikko Shanghai declined 24.4% from a year earlier.

#### \*Exports

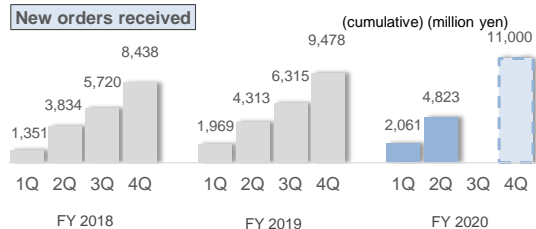
Sales activities halted due to the impact of the novel coronavirus.

#### \*Nikko Shanghai

2Q (July-Sept.) three projects were planned, four projects were implemented

(one project was as planned, two projects were delayed from 1Q, and one project was brought forward from 3Q)

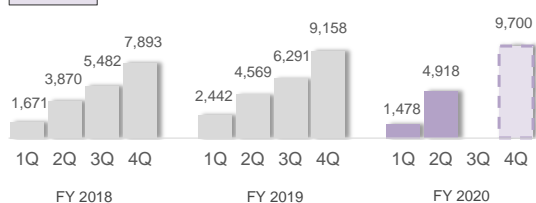
## New orders received



- ▶ New orders received
- Up 11.8% YoY

(Factors)  
The market was strong

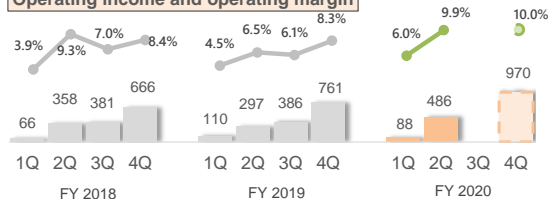
## Net sales



- ▶ Net sales
- Plant products increased 14.0% from a year earlier.
- Maintenance service rose 2.0% from a year earlier.

(Factors)  
Sales on the two projects delayed from 1Q were recorded as planned.

## Operating income and operating margin



- ▶ Operating income
- Operating income increased 63.6% year on year.
- Operating margin rose 3.4 p.p. year on year.

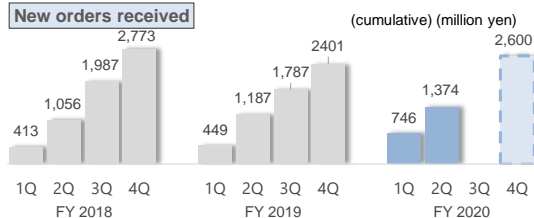
(Factors)  
Operating margin improved as sales increased



## Environment- and conveyor-related business

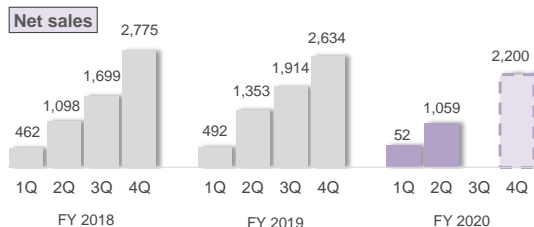


### New orders received



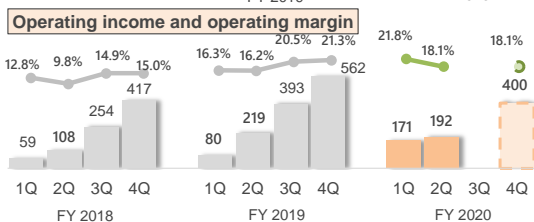
- ▶ New orders received
- Increased 15.8% year on year

### Net sales



- ▶ Net sales
- Down 21.7% from a year earlier
- (Factors)
- Decline from the absence of a special overseas conveyor project
- Sales activities of agents declined due to the impact of the novel coronavirus pandemic and parts also fell reflecting lower operating rates at user facilities

### Operating income and operating margin

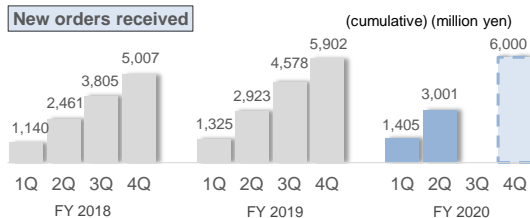


- ▶ Operating income
- Operating income declined 12.3% year on year
- Operating margin rose 1.9 p.p. year on year
- (Factors)
- Impact of a decline in net sales

## Other business



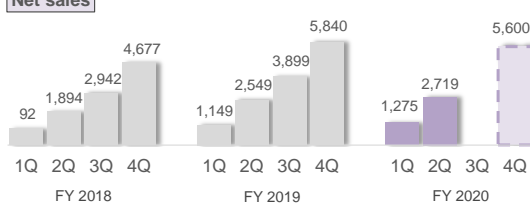
### New orders received



#### ► New orders received

- Up 2.6% YoY for the entire segment

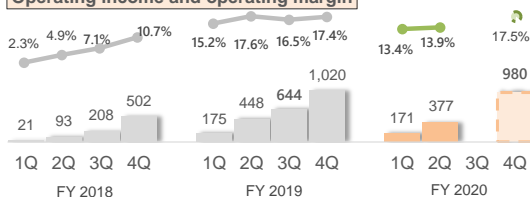
### Net sales



#### ► Net sales

- Net sales of mobile plant products were 351 million yen, compared with the 24 million yen in the same period a year earlier.
- Waterproof boards were up 12.5% and temporary construction materials were up 6.0%, while crushers fell 30.1%

### Operating income and operating margin



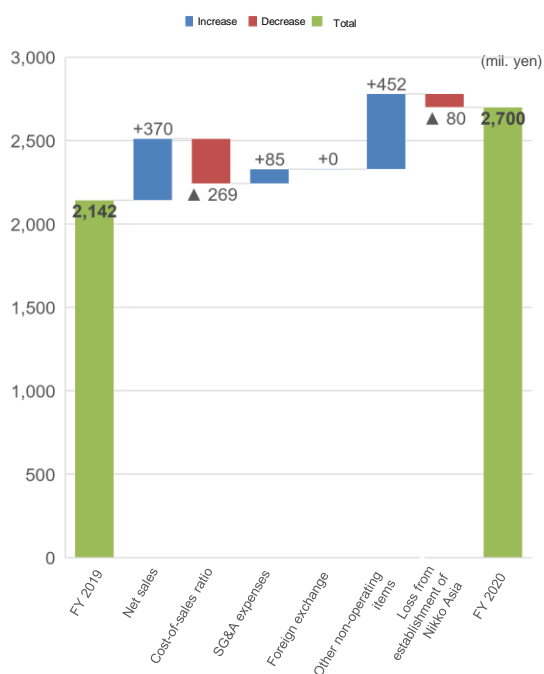
#### ► Operating income

- Declined due to a fall in sales of crushers

#### ★Sales composition of Other Business (1H FY2020)

Temporary construction materials 29.8%, waterproof boards and floodgates 20.5%, hand tools 11.7%, mobile plants 13.8%, crushers 8.4%, Nikko-developed products 1.0%, other 14.8%

## Analysis of Factors Contributing to Changes in Ordinary Income Forecast for FY 2020



Item	Impact	Content
Net sales	+370	Sales +1,349
Cost-of-sales ratio	(269)	Rise in cost-of-sales ratio
SG&A expenses	+85	End of the impact of the change in the period for which financial results of Nikko Shanghai are incorporated
Other non-operating items (Dividends income)	+452	Maeda Road Construction Special dividends 344 million yen
Loss from establishment of Nikko Asia (Thailand)	(80)	



# Reference Materials

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



(mil. yen)

	FY 2018				FY 2019				FY 2020			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Net sales	5,415	9,282	5,721	11,362	8,001	9,139	7,422	10,589	7,271	10,954		
AP-related business	2,361	5,472	2,460	6,140	3,917	4,750	3,789	5,062	3,991	5,536		
BP-related business	1,671	2,199	1,612	2,410	2,442	2,127	1,722	2,867	1,478	3,440		
Environment- and conveyor-related business	462	636	601	1,075	492	861	561	720	524	535		
Other business	921	973	1,048	1,734	1,149	1,400	1,350	1,941	1,275	1,444		
Operating income	(26)	500	(167)	1,120	276	683	81	1,013	408	592		
AP-related business	42	373	(132)	680	222	454	(53)	495	340	300		
BP-related business	66	292	23	285	110	187	89	375	88	398		
Environment- and conveyor-related business	59	49	146	163	80	139	174	169	114	78		
Other business	21	72	115	294	175	273	196	376	171	206		
Corporate expenses	(216)	(286)	(318)	(302)	(313)	(370)	(322)	(404)	(305)	(391)		
Ordinary income	87	508	(142)	1,123	361	673	129	979	979	609		
Net income attributable to owners of parent	130	434	(2)	783	270	733	(33)	618	746	353		
Cash flow from operating activities	(218)				3,839				—			
Cash flow from investing activities	(1,021)				(639)				—			
Total dividend	267	—	229	—	229	—	775	—	775	—	—	—
Share buyback	0				0				0			

## Trends in New Orders Received and Order Backlog per Business Segment (Cumulative)



(mil. yen)

New orders received (cumulative)	FY 2018				FY 2019				FY 2020			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q (E)
AP-related business	2,787	6,501	8,137	18,884	3,575	8,419	11,196	16,133	5,256	9,835		19,000
BP-related business	1,351	3,834	5,720	8,438	1,969	4,313	6,315	9,478	2,061	4,823		11,000
Environment- and conveyor-related business	413	1,056	1,987	2,773	449	1,187	1,787	2,401	746	1,374		2,600
Other	1,140	2,461	3,805	5,007	1,325	2,923	4,578	5,902	1,405	3,001		6,000
<b>Total</b>	<b>5,693</b>	<b>13,854</b>	<b>19,650</b>	<b>35,103</b>	<b>7,320</b>	<b>16,843</b>	<b>23,877</b>	<b>33,915</b>	<b>9,469</b>	<b>19,036</b>		<b>38,600</b>

End-of-term order backlog	FY 2018				FY 2019				FY 2020			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q (E)
AP-related business	6,784	5,027	4,203	8,808	8,466	8,561	7,548	7,423	8,688	7,732		7,370
BP-related business	2,575	2,858	3,132	3,439	2,967	3,184	3,464	3,760	4,342	3,665		4,924
Environment- and conveyor-related business	338	345	675	385	342	219	258	152	373	467		634
Other	710	1,058	1,352	820	997	1,194	1,498	883	1,013	1,165		1,445
<b>Total</b>	<b>10,409</b>	<b>9,289</b>	<b>9,364</b>	<b>13,454</b>	<b>12,773</b>	<b>13,158</b>	<b>12,769</b>	<b>12,219</b>	<b>14,417</b>	<b>13,030</b>		<b>14,372</b>

## Trends in Capital Investment, Depreciation and Amortization, R&D Expenses, and Nonfinancial Data



(mil. yen)

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020 forecast
Capital investment	292	335	844	815	877	1,261	550	1,889	1,483	1,800
Depreciation and amortization	432	389	395	422	487	482	472	508	611	700
R&D expenses	239	256	295	276	227	271	291	211	379	350

(persons, years old, or years)

Employees (consolidated):	775	763	767	796	803	797	807	799	838
Average age of employees (non-consolidated)	44.2	44.7	43.3	43.1	42.2	42.3	42.2	40.9	41.1
Average years of service (non-consolidated)	21.5	21.2	20	19.3	18.2	18.5	18.3	16.0	15.8
Female employees (non-consolidated)	28	31	31	33	39	42	42	45	51
Number of new-graduate hires (non-consolidated)	13	15	21	21	30	17	19	15	14
Number of female new-graduate hires (non-consolidated)	1	0	1	3	1	2	0	0	0
Percentage of female hires (non-consolidated)	7.6%	0%	4.7%	14.2%	3.3%	11.7%	0%	0%	0%
Number of foreign-national hires (non-consolidated)	1	0	6	0	0	0	1	1	0
Number of foreign-national employees (non-consolidated)	2	2	8	6	6	6	7	8	5
Foreign national employees (consolidated)	92	90	91	95	94	93	101	98	116
Overseas employees (consolidated)	92	90	91	95	92	91	101	98	123

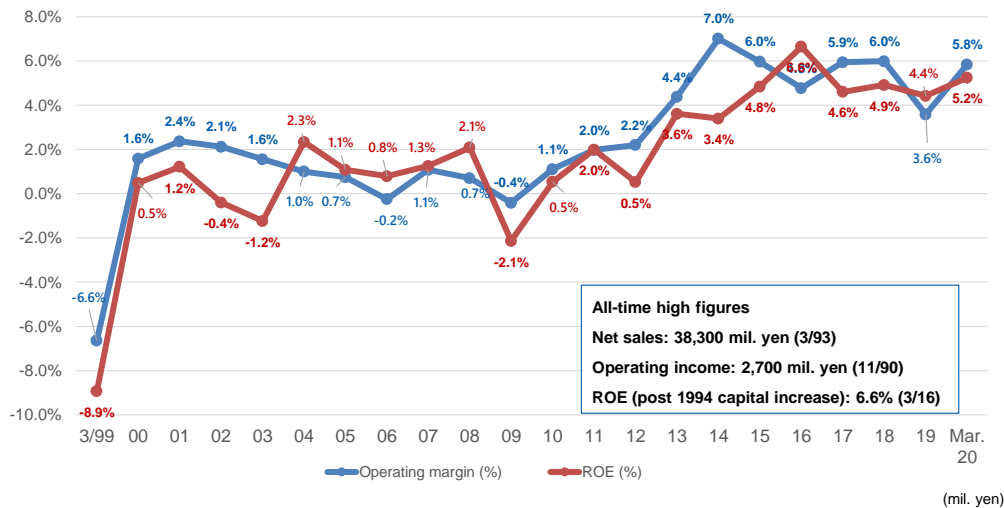
### New products for reducing environmental impact

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Name of new products	[Sand dryer] [High temperature preheating burner]	[NTB-II burner]	[New bag filter model]	[VP series AP]	—	[Foamed AS manufacturing equipment]
Target for reduction of environmental burden	-Increased plant productivity -Energy saving	-Energy saving -Improved combustion efficiency in combustion zone	-Space saving -Energy saving -Reduced exhaust gas volume -Low noise	-Prevention of odorous gas diffusion from recycled materials	—	-Capable of manufacturing of warm-mix asphalt

# Trend in Key Financial Data



## Operating margin and ROE



	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	Mar. 20
Net sales	22,157	22,595	23,170	24,307	24,812	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
Operating income (loss)	352	536	492	379	248	185	(55)	271	189	(98)	265	470	541	1,186	2,249	1,832	1,629	1,944	2,103	1,427	2,053
Ordinary income	201	846	664	688	492	537	350	699	545	482	899	812	621	1,108	1,982	1,582	1,648	1,993	2,239	1,576	2,142
Net income (loss)	121	298	(93)	(284)	567	265	203	315	513	(499)	124	461	122	881	888	1,348	1,896	1,340	1,490	1,345	1,588





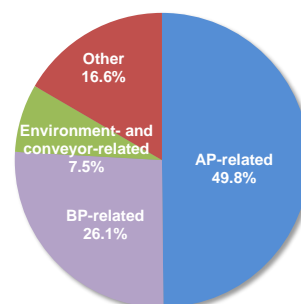
# Company Information

## Company Overview



Japanese name	Nikko Co., Ltd.
Head office	1013-1, Eigashima, Okubo-cho, Akashi, Hyogo Prefecture
Established	August 13, 1919
Capital	9,197 million yen (as of March 31, 2020)
Consolidated net sales	35,151 million yen (FY 2019)
Consolidated operating income	2,053 million yen (FY 2019)
Ratio of net sales outside Japan	13.4% (FY 2019)
Subsidiaries	Nine companies (FY 2019)
Employees (consolidated):	838 (as of March 31, 2020)
Governance structure	Company with Board of Corporate Auditors Directors: 7, including 2 outside directors Corporate Auditors: 4, including 3 outside auditors (as of March 31, 2020)

Net sales breakdown by business segment (FY 2019)



\* AP: Asphalt plant  
BP: (Concrete) batching plant



### 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

# History



Products	Production 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	2010 Shantui Chutian Construction Machinery	1994 Tombo Industry Co., Ltd. established
1962 Telescopic steel props	2004 Shanghai Jiading factory	2020 Nikko Asia (Thailand) Co., Ltd.	1995 Nikko Sec Co., Ltd. established
1963 Pipe scaffolding	2014 Kakogawa factory	2020 Nikko Nilkhosol Co., Ltd. (Thailand)	2002 Niigata Engineering (transfer of business)
1966 Conveyor system	2016 Fukusaki factory		2006 Mitsubishi Heavy Industries (transfer of business)
1983 Floodgates			2008 Maekawa Kogyosho (M&A)
2000 System for cleaning oil-polluted soil			
2001 Waste plastic treatment system			
2007 Concrete pumps			
2015 Crusher (import and sales)			



## Nikko Group Business Vision

Future creation that starts from an “*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.

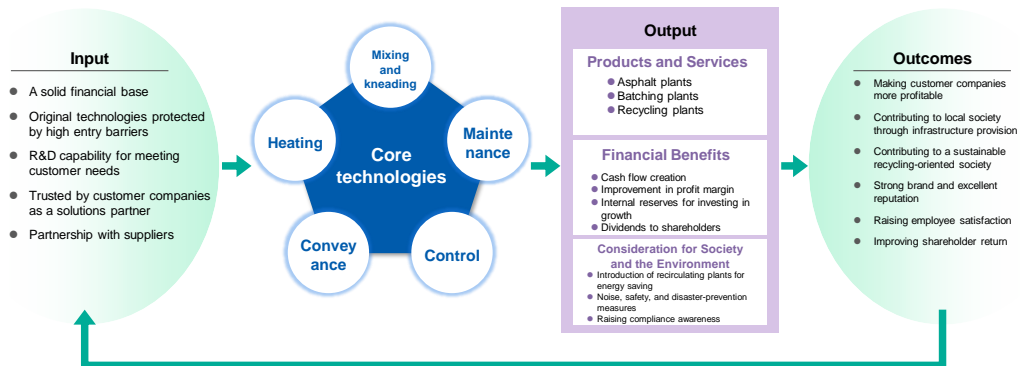
We will work to brush up on our core technologies in “heating,” “mixing,” “material handling” and “control” as we expand business.

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

Representative Director  
and President

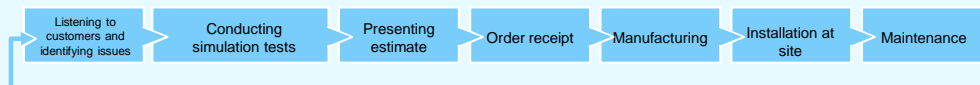
辻 勝

**A century of providing machines that build cities. Contributing to the establishment of a recycling-oriented society.**



FY 2020 forecast    Net sales    **36,500** million yen    Operating margin    **6.0%**

## Business flows





Future creation that starts from an “*n*”

**Please feel free to contact us if you desire a meeting or have other requests.**

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

**Tel: +81-78-947-3141    E-mail: [IR-nikko@nikko-net.co.jp](mailto:IR-nikko@nikko-net.co.jp)**

**Contact: Hachiken, Finance Division, Nikko Co., Ltd.**

- 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.