

“Create the future with *n*”



Fiscal Year 2022 (Ending March 31, 2023) 1st Quarter Financial Results Briefing Session Materials

Tokyo Stock Exchange Code: 6306

Nikko Co., Ltd.

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

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

Business Climate in 1Q FY 2022



1Q FY 2022 Results

(million yen)			
1Q (Apr-Jun)	Results	YoY change (amount)	YoY change (%)
Net sales	9,504	+687	+7.8%
Operating income	183	(192)	(51.1)%
Quarterly net income attributable to owners of parent	140	(238)	(62.9)%

- ▶ Sales of AP-related business: Sales of products in Japan declined significantly and those of maintenance fell slightly. Overseas sales increased greatly (exports expanded significantly and sales in China increased, while sales in Thailand fell).
- ▶ Sales of BP-related business: Sales of products in Japan increased significantly, while those of maintenance remained roughly unchanged from a year earlier.
- ▶ New orders received in AP increased while those of BP decreased.

Business Climate

AP-related business

FY 2022 1Q (Apr-June)	Results (10,000 tons)	YoY change
Mixture output	777	(4.1)%
Virgin mixture	200	(7.3)%
Recycled mixture	578	(2.9)%

Share of recycled mixture 74.2%

Source: Japan Asphalt Mixture Association

BP-related business

FY 2022 1Q (Apr-June)	Results (10,000m ³)	YoY change
Ready-mixed concrete shipment	1,826	(1.6)%

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

I am going to explain the business results for the first quarter.

In the first quarter, profits declined even as sales increased.

□ The biggest factor behind the sales increase is the acquisition of Ube Kohki this March and making it a consolidated subsidiary from this first quarter. With the addition of Ube Kohki's sales of around 450 million yen, our sales increased compared with the same period a year earlier.

□ We were expecting the decline in profits from the beginning of the term, and there are three main factors.

The first one is the rise in raw material costs. The cost of raw materials led by steel continues to soar.

The second point is the significant increase compared with the same period a year earlier in our up-front investment in personnel expenses, R&D expenses, and depreciation and amortization.

The third point is that we have two subsidiaries in Thailand: a sales subsidiary and a manufacturing subsidiary. The first quarter for the previous year did not mostly include the profit or loss of the manufacturing subsidiary, but it has started full-scale operations from the current fiscal year, and it is still losing money. As for the Thailand business, it posted a loss of about 30 million yen in the first quarter of the previous year, compared to a loss of about 70 million yen in this quarter. So, year on year it worsened by about 40 million yen.

AP and BP business environment.

□ Regarding AP, the price of asphalt is surging following the rise in crude oil prices, and road paving companies, our customers, are in a tight situation in terms of profitability because of the rise in raw material costs. This cost increase is expected to be gradually transferred to the mixture product price, but the soaring raw material prices are a step ahead, and the situation remains tough in the current scenario. Going

forward, there is a possibility of AP orders lagging a bit compared with the initial forecast.

□ As far as BP is concerned, the customer appetite for investment remains quite robust. New orders received for the quarter declined year on year, primarily because of the exceptionally high number of orders in the first quarter of the previous fiscal year which included a large project. It is, however, expected to be at a level equivalent to the previous year for the full year.

□ While the AP business is facing a slightly tough environment, BP continues to enjoy favorable conditions.

Overseas business environment.

□ The Chinese business was affected by the lockdown at the beginning of the year. We have posted an extraordinary losses in excess of 20 million yen for the quarter, and these figures show the impact of the lockdown in Shanghai in the first quarter. At the same time, the budget for roads in China continues to be large and we expect strong demand for our asphalt plants. As of now, the demand situation is favorable in China.

□ As for Thailand, we have just started and we believe it is important to get the business on track rather than talking about the business environment, etc. Overall, the impact of COVID-19 still remains in the domestic economy in Thailand, and the current business environment is not that good.



• Sales increased compared with the same period a year earlier, as sales of AP overseas (China and exports), BP-related business, conveyor and environment business, and other business expanded.

→ pp. 5 Performance Highlights (1)

pp. 6 Performance Highlights (2)



• New orders received increased compared with the same period a year earlier due to increases at business fields other than the BP-related business

• Order backlog increased compared with the same period a year earlier due to increases at business fields other than the environment- and conveyor-related business

→ pp. 5 Performance Highlights (1)

pp. 20 Trends in New Orders Received and Order Backlog per Business Segment



• Raw materials cost continued to be high both in Japan and China. -All of operating income, operating margin, and quarterly net income declined compared with the same period a year earlier, partially due to the lockdown in Shanghai.

→ pp. 5, 6 Performance Highlights (1), (2)

→ pp. 8 AP-related Business

→ pp. 9 AP-related Business (Japan vs. Overseas)

FY 2022 1Q Performance Highlights (1)



YoY change of results

- ▶ Sales: AP products in Japan (down 400 million yen), BP products (up 410 million yen), overseas sales (up 430 million yen), environment and conveyor (up 210 million yen), and other business (up 140 million yen)
- ▶ Operating income: declined due to high raw material and supply costs, increases in personnel costs and R&D expenses, and official start of operations of the Thailand plant.
- ▶ Quarterly net income: declined due to factors mentioned above as well as the suspension of the plant due to the lockdown in Shanghai.
- ▶ Orders: AP-related business (up 570 million yen), BP-related business (down 340 million yen), environment- and conveyor-related business (up 80 million yen), other business (up 150 million yen).
- ▶ Order backlog: AP-related business (up 140 million yen), BP-related business (up 490 million yen), environment- and conveyor-related business (down 140 million yen), other business (up 1,410 million yen).

(million yen)

	FY 2021			FY 2022				
	1Q Actual	1H Actual	Full year Actual	1Q Actual	YoY change	Progress made with 1H forecast	1H forecast	Full year forecast
Net sales	8,817	19,008	38,846	9,504	+687 +7.8%	47.5%	20,000	42,000
Operating income	375	968	2,053	183	(192) (51.1)%	18.3%	1,000	2,300
Operating margin	4.3%	5.1%	5.3%	1.9%	(2.3) pt	—	5.0%	5.5%
Ordinary income	519	1,105	2,274	326	(193) (37.2)%	28.4%	1,150	2,500
Net income attributable to owners of parent	378	867	1,649	140	(238) (62.9)%	20.0%	700	1,600
New orders received	9,753	18,802	41,337	10,217	+464 +4.8%	44.4%	23,000	46,000
Order backlog	15,298	14,155	16,490	17,202	1,904 +12.4%	—	19,490	20,490

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Performance highlights for the first quarter.

□ Sales were up by 687 million yen year on year. Though it is slightly less than 50% of the 20,000 million yen in sales forecast for the first quarter, the rate of progress is not so bad.

□ Operating income came to 183 million yen. In terms of progress made, it is 18%, but the difficulties in achieving operating income was anticipated to a certain extent from the beginning. I will explain in detail later, but even though there is a possibility of the income falling below the forecast in the first quarter, we expect to attain the full-year forecast figures announced at the beginning of the fiscal year.

□ The operating margin was 1.9%. The decline in net income, down 238 million year on year, is much larger than the decline in operating income. The reason for the large decline in net income year on year is because of the lack of any special factors such as the recording of 60 million yen in profit from sales of strategic shareholdings during the same period a previous year.

□ New orders received were up by 464 million yen year on year to 10,217 million yen. The numbers are good in some segments and bad in others. While the orders received are down for BP year on year, it is due to the fact that the numbers were high in the same period a year earlier, and we are not necessarily worried. AP posted an increase of 500 million yen year on year. There was also the contribution from Ube Kohki.

□ The annual forecast for new orders received is 46,000 million yen. If you simply divide it by four, it will be around 11,500 million, and it would appear that it is not favorable in terms of progress rate. However, there are discrepancies in the orders received between quarters and we do not see the first quarter number as something that is especially low.

□ Order backlog increased by about 2,000 million yen compared with the same period a year earlier to 17,200 million yen.

FY 2022 1Q Performance Highlights (2)



(million yen)

		FY 2021			FY 2022				
		1Q Actual	1H Actual	Full year Actual	1Q Actual	YoY change	Progress made with 1H forecast	1H forecast	Full year forecast
AP-related business	Net sales	5,058	9,189	18,328	4,982	(76) (1.5)%	52.3%	9,520	20,000
	Operating income	199	388	562	139	(60) (30.2)%	27.8%	500	1,150
	Operating margin	3.9%	4.2%	3.1%	2.8%	(1.1) pt	-	5.3%	5.8%
BP-related business	Net sales	1,972	5,589	10,839	2,381	+409 +20.7%	47.6%	5,000	10,500
	Operating income	196	609	1,123	211	+15 +7.7%	45.9%	460	1,050
	Operating margin	9.9%	10.9%	10.4%	8.9%	(1.0) pt	-	9.2%	10.0%
Environment- and conveyor-related business	Net sales	424	1,581	3,018	640	+216 +50.9%	53.8%	1,190	2,500
	Operating income	66	243	587	147	+81 +122.7%	66.8%	220	500
	Operating margin	15.6%	15.4%	19.5%	23.0%	+7.4 pt	-	18.5%	20.0%
Other business	Net sales	1,362	2,647	6,660	1,501	+141 +10.2%	35.1%	4,280	9,000
	Operating income	157	317	1,073	31	(126) (80.3)%	6.5%	480	1,100
	Operating margin	11.5%	12.0%	16.1%	2.1%	(9.4) pt	-	11.2%	12.2%
Corporate expenses		(244)	(589)	(1,293)	(345)	(101)	53.1%	(650)	(1,500)

- ▶ Net sales of AP-related business: down 15.2% from a year earlier in Japan, up 28.4% from a year earlier overseas.
- ▶ Net sales of BP-related business: up 20.7% from a year earlier.
- ▶ Net sales of environment- and conveyor-related business: up 50.9% from a year earlier.
- ▶ Net sales of other business: up 10.2% from a year earlier.

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Performance per segment for 1Q.

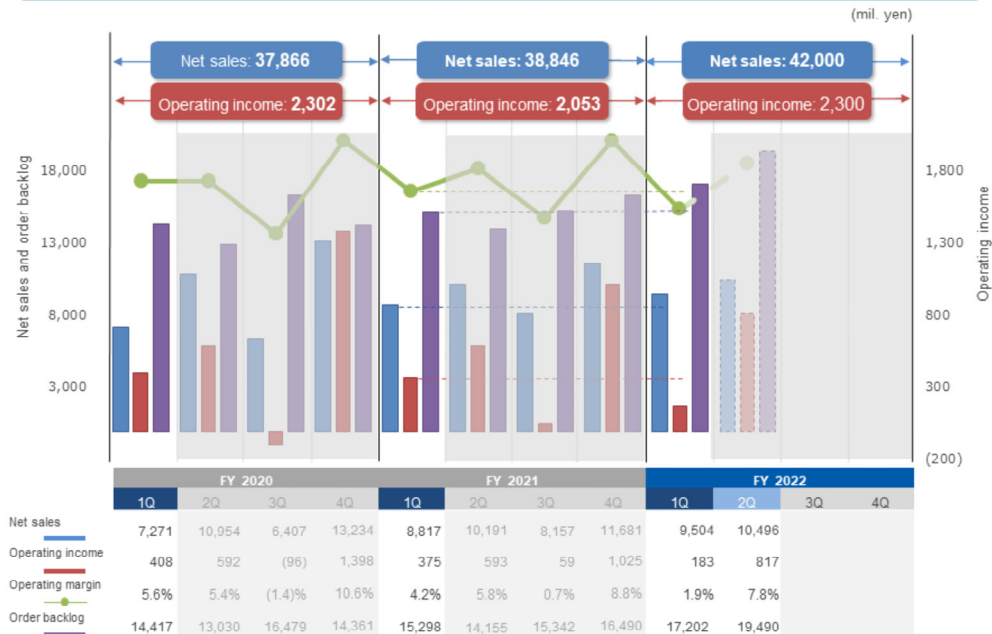
- AP recorded sales of 4,900 million yen with operating income of 139 million yen. Currently, the AP segment is the one that is being affected the most by the soaring raw material prices. There is also the impact to the profit of the Thailand business, which worsened by about 40 million yen compared with the previous year.
- Sales in BP were up by about 400 million yen compared to the previous year. Operating margin was down 1 pt to 8.9% from a year earlier. It is the figure for the three-month period and we do not think profit margin is worsening.
- Regarding the environment- and conveyor-related businesses, we recorded a certain level of sales of environment products in the first quarter, up by 200 million yen. Operating income also rose by 80 million yen.
- Sales of other businesses were up by 141 million yen, but if that of Ube Kohki is excluded sales would have been much lower. Sales in both mobile plant business and waterproof board business, which we had been positioning as growth businesses for the past few years, were lower than the sales during the same period a year earlier. Sales have also fallen year on year for both temporary construction materials and scaffoldings. Operating income came to 31 million yen.

The other businesses have been maintaining double-digit operating margin throughout the year for the past few years. Though, at 2.1%, the margin has come down in the three months under review, it is only temporary and we expect it to recover from the second quarter onwards.

FY 2022 Quarterly Performance Trend



Quarterly net sales and operating income trends



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This slide shows the quarterly sales, operating income, operating margin, and order backlog in bar graph and line graph.

□ While the unevenness in quarterly sales and income has come down compared with the past, in our case, sales are concentrated in the second and fourth quarters, and lower in the first and third quarters. For that reason, income also tends to be less. This trend has not changed.

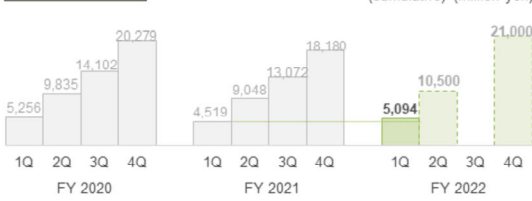
□ In the current fiscal year, we are anticipating sales of 10,000 million yen and operating income of about 800 million yen for the second quarter. You may have doubts whether these figures are really achievable. In FY 2021, sales for the second quarter were 10,100 million yen while operating income was about 600 million yen. In FY 2020 also sales came to 10,000 million yen with operating income of about 600 million yen. When compared to the previous year and the year before that, operating income is higher by about 200 million yen, but it is not that income is concentrated very much in the second quarter.

□ Order backlog till the second quarter is expected to be 19,400 million yen, or about 5,000 million yen higher than the 14,000 million yen of the previous fiscal year. This includes about 1,500 million yen in order backlog of Ube Kohki. Nevertheless, even if you exclude that, the order backlog is expected to land at a level that is more than 3,000 million yen higher in the second quarter.

AP-related business



New orders received



New orders received

- Up 12.7% YoY

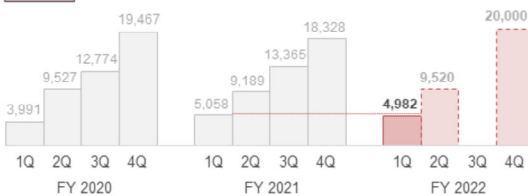
(Factors)

Positive factors Japan: increased thanks to orders that were postponed from the end of the previous fiscal year.

Negative factors China: declined due to the impact of the lockdown in Shanghai and orders for two units were received in 1Q.

Orders have been strong following the cancellation of lockdown. Orders for 6 units have been received as of the end of August in 2Q.

Net sales



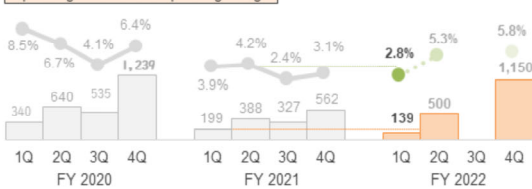
Net sales

- Down 1.5% YoY
- Net sales in Japan declined 15.2% YoY.
- Net sales overseas increased 28.4% YoY.

(Factors)

- Japan: Sales were delayed due to prolonged delivery time of various parts.
- Overseas: China: Net sales in 1Q were roughly unchanged from the same period a year earlier. They rose 14.5% due to the impact of foreign exchange. Expecting 64 million yuan in 2Q compared with 42 million yuan in the previous fiscal year.
- Thailand: Though there is a recovery trend in the number of tourists, COVID-19 cases have increased and it will take some more time for businesses to recover.

Operating income and operating margin



Operating income

- Operating income decreased 30.2% YoY.
- Operating margin fell 1.1 pt YoY.

(Factors)

- Japan: Impact of sudden rise in steel and supply prices.
- China: Profits declined due to a surge in steel and supply prices (about 7%). While steel price is showing a declining trend in 2Q, supply costs continue to be high and delivery time has increased for parts made in Europe.
- Thailand: Profits declined due to soaring prices of raw materials including steel and an increase in fixed expenses stemming from full-scale operation of the plant.

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□ Now, we will look at the AP segment.

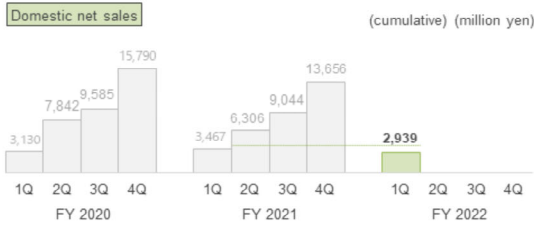
□ Orders received for the first quarter was about 5,094 million yen. In terms of orders received within Japan, orders that were scheduled to be received at the end of the previous fiscal year were delayed and got added to the current fiscal year, leading to the increase. As for China, while orders received slightly declined due to the impact of the lockdown, they have rather increased in the second quarter compared with last year. We expect to post good figures in China in the current fiscal year.

□ Sales on the whole are down 1.5% compared with the same period a year earlier, with domestic sales down 15%, while overseas sales were up by 28%.

Sales in China were up 14.5% year on year, partially also due to the impact of foreign exchange. There were almost no exports in the same period a year earlier. In the current fiscal year, however, exports to Taiwan are strong, boosting overseas sales.

□ Operating income was down 30% for AP as a whole. The factors are the same as explained before, so I am not repeating. It is as described here.

AP-related Business (Japan vs. Overseas)

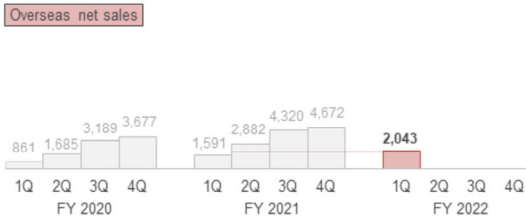


Japan

- Plant products decreased 30.5% YoY.
- Maintenance services fell 5.8% YoY.

Overseas

- Up 28.4% YoY
 - Exports: Up 2,253% YoY (up 254 mil. yen)
 - China: Up 14.5% YoY
 - Thailand: Down 33.8% YoY
- * China: Operation was suspended due to the lockdown in Shanghai, but demand increased thanks to higher investment in infrastructure. Difficulties in shifting prices due to competition. Responding by reducing costs through review of supplies, etc.
- * Thailand: The local subsidiary began full-scale operation. Expects to sell 3 units in 1H and 2 units in 2H. Order backlog of 2 units are expected for the next fiscal year. To start a permanent trade show in October.
- * Exports (Taiwan, overseas operations) It is returning to pre-COVID-19 levels, and Taiwan, Thailand, and maintenance parts have been recovering.



Overseas ratio (Japan Overseas) (%)



New overseas orders received and order backlog

	New orders	Order backlog
China (Nikko Shanghai)	1,910 mil. yen (up 26.6%)	3,260 mil. yen (up 17.5%)
Thailand sales company (NAT)	20 mil. yen (up 333.3%)	260 mil. yen (up 219.2%)
Thailand manufacturing company (NIC)	20 mil. yen	0 mil. yen
Exports	140 mil. yen	500 mil. yen

This is about AP-related business in Japan and abroad.

□ Sales for plant products and maintenance services in Japan decreased from a year earlier with plant product sales falling significantly. Sales of maintenance services have also decreased slightly by about 6%.

□ Overseas sales have increased significantly also due to the almost zero exports in the previous year.

□ With respect to orders received and order backlog overseas, they have seen major increases in China.

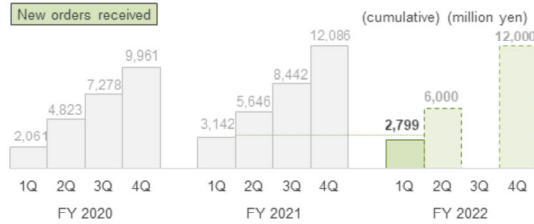
□ Order backlog in Thailand for the first quarter had stayed unchanged at 260 million from the end of the previous fiscal year as there were almost zero sales in Thailand.

Export orders received came to 140 million yen, while order backlog was 500 million yen.

BP-related Business



New orders received



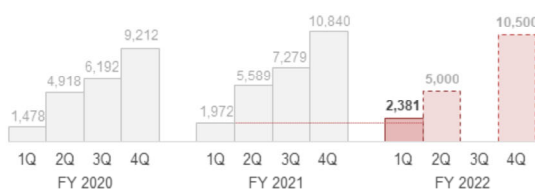
► New orders received

- Down 10.9% YoY

(Factors)

In 1Q, while there were fewer large-scale projects compared with the previous fiscal year and new orders received declined, users' appetite for investment continued to be firm given the stable ready-mixed concrete market.

Net sales



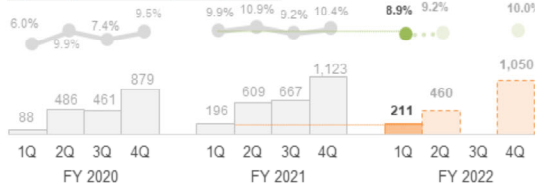
► Net sales

- Up 20.7% YoY
- Plant products rose 46.3% YoY.
- Maintenance services fell 0.8% YoY.

(Factors)

The number of delivery projects continued to increase.

Operating income and operating margin



► Operating income

- Operating income: increased 7.7% YoY.
- Operating margin fell 1.0 pt YoY.

(Factors)

Profit margin improved, as planned production brought down costs.

This is the BP segment.

□ Orders received for the term declined to about 2,800 million yen from the 3,100 million yen during the same period a year earlier. This, however, is about 700 million yen higher than the figure for FY 2020. New orders received in the first quarter of the previous year were at a high level exceeding 3,000 million yen. For the full year of the current fiscal year, we expect orders received to be about 12,000 million yen, which is more or less the same level as the previous fiscal year.

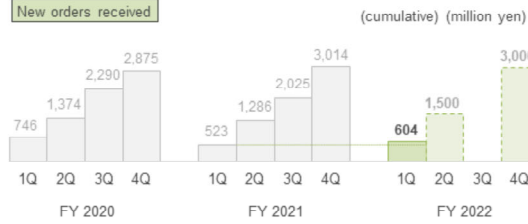
□ Sales have increased compared to the previous year as order backlog piled up significantly at the beginning of the fiscal year.

□ While operating income rose on the back of increased sales, operating margin declined slightly.

Environment- and Conveyor-related Business



New orders received



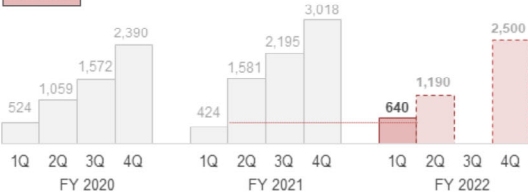
New orders received

Up 15.5% YoY

(Factors)

Received orders for medium-sized projects such as JR West: Rotating conveyor for bullet train ballast and light-weight automated mixing unit

Net sales



Net sales

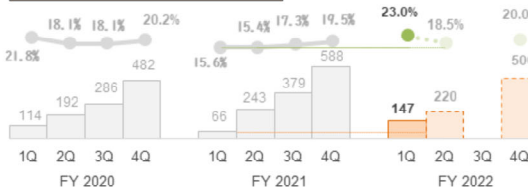
Up 50.8% YoY

(Environment: up 1,116.7%; conveyor: up 29.8%)

(Factors)

Environment: Sales of • sludge dryers and • beverage bottle (used cans and bottles) separator crushers
Conveyors: • Large scale projects resumed as COVID-19 decreased.

Operating income and operating margin



Operating income

- Operating income increased 122.7% YoY.
- Operating margin rose 7.4 pt YoY.

(Factors)

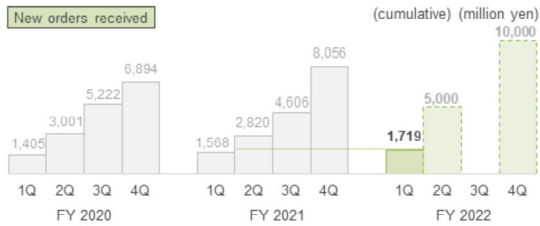
- Profit increase from sales expansion.
- Profits increased reflecting sales from environmental projects.

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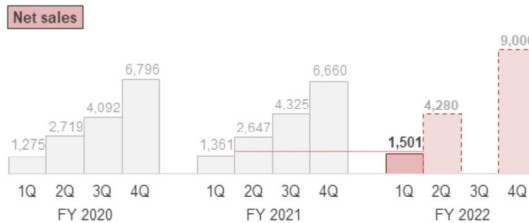
- The environment- and conveyor-related business.
- Orders received rose by about 100 million yen year on year due to some environment-related orders.
- Sales have increased markedly on the back of sales of environment-related products such as sludge dryers, beverage bottle separator crushers, etc. Conveyor-related sales have also increased significantly as the impact of COVID-19 has lessened considerably in the current fiscal year.
- Operating income has risen markedly compared to the previous year on the back of increased sales.

Other Business



► New orders received

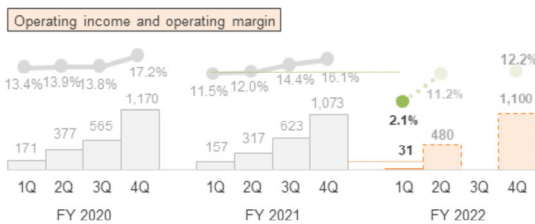
- Up 9.6% YoY for the entire segment.
- Ube Kohki: 410 mil. yen
- Mobile plant (MP) business: It remained slow in 1Q due to the reaction to last-minute orders before the price revision in March 2022.
FY 2021 291 mil. yen (9 units)
FY 2022 110 mil. yen (3 units)



► Net sales

Up 10.3% YoY

- Positive factors: • Ube Kohki: 443 mil. yen is integrated from the current fiscal year.
- Negative factors: • MP products: 190 mil. yen (6 units) in the same period a year earlier. → 145 mil. yen (4 units)
- Waterproof boards were down 52 mil. yen YoY. Sales of products other than hand tools (shovels and scoops) and crushers declined YoY.



► Operating income

- Operating income decreased 80.3% YoY.
- Operating margin fell 9.4 pt YoY.

★ Sales composition of Other Business

Temporary construction materials 21.9%, waterproof boards and floodgates 6.6%, hand tools 12.4%, mobile plants 9.6%, crushers 6.4%, Ube Kohki 29.6%, other 13.5%

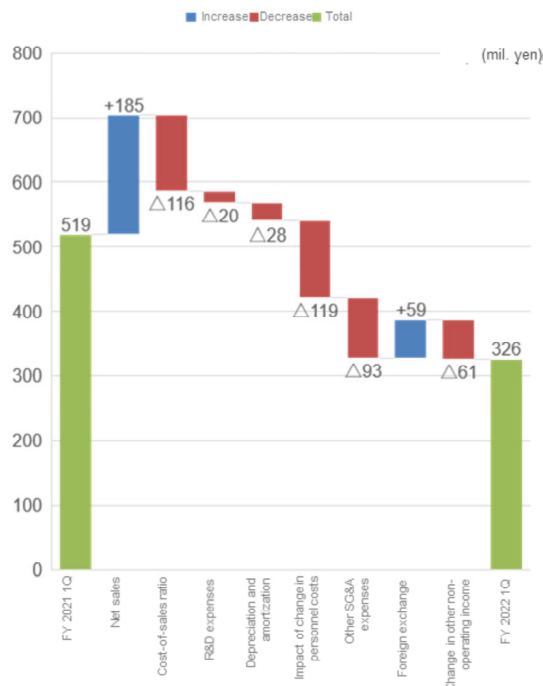
This is the other business.

□ Orders received on the whole has increased to 1,700 million yen from the previous year's 1,500 million yen. However, if Ube Kohki's contribution of 410 million yen is excluded, the figure is lower than the previous year's. Especially in the case of mobile plants, the amount of orders received has decreased considerably to 100 million yen in the current fiscal year from the about 300 million yen during the same period a year earlier. Nonetheless, though the first quarter result for the mobile plant business just happened to be like this, we expect it to be higher for the full-year compared to the previous year.

□ Sales were up by 10% year on year.

□ Operating income declined by 80% on year. The absolute value of operating income fell significantly compared to the previous year due to the fact that sales of waterproof boards and temporary construction materials, which have high operating margins, declined significantly from the previous year.

Analysis of Factors Contributing to Changes in Ordinary Income in 1Q FY 2022



Item	Impact	Content
Contribution from net sales	+185	Increase in net sales +687 mil. yen
Cost-of-sales ratio	(116)	Rise in cost-of-sales ratio 73.1%→74.4%
R&D expenses	(20)	Increase in development expenses
Depreciation and amortization	(28)	Increase in intangible assets
Personnel costs	(119)	Nikko (51) Acquisition of Ube Kohki Co., Ltd. (21) Establishment of NIC (22)
Other SG&A expenses	(93)	Ube and NIC (51) including goodwill amortization

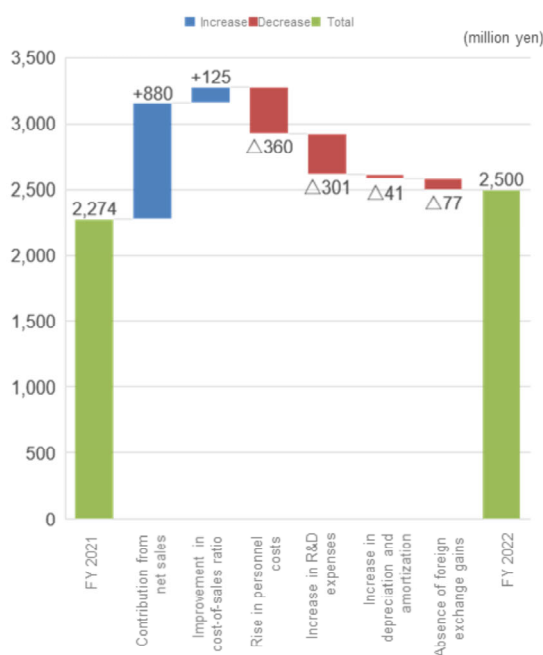
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This is the year-on-year comparison of ordinary income for the first quarter and the analysis of factors contributing to changes in ordinary income. The blue bars denote the factors that had a positive impact while those in red denote factors with a negative impact.

□ Income contribution from increased sales was 185 million yen. Cost-of-sales ratio went up by 1.3%. R&D expenses rose by 20 million yen. Depreciation and amortization also increased by 28 million yen. Personnel costs rose by 119 million yen, while other SG&A expenses also increased by 93 million yen.

Factor Analysis of Changes in Ordinary Income for FY 2022 (Forecast)



Item	Impact	Content
Contribution from net sales	+880	Increase in net sales +3,154
Improvement in cost-of-sales ratio	+125	Improvement of 0.29% in reduction of cost-of-sales ratio
Rise in personnel costs	(360)	An increase in wage (200) An increase in number of employees (160)
R&D expenses	(301)	
Depreciation and amortization	(41)	
Absence of foreign exchange gains	(77)	Euro (67)

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This is the forecast of the analysis of the factors contributing to the changes in the full-year ordinary income. It compares the forecast for the current fiscal year and the results for the previous fiscal year.

□ Sales is expected to increase year on year by 3,000 million yen, and its contribution to income is expected to be 880 million yen.

□ Cost-of-sales ratio for the first quarter worsened compared to the same period of the previous fiscal year. We have been raising prices based on the rise in raw material costs from April 2021. However, in the case of APs in particular, there is a time lag of more than a year after we receive the order till we actually ship the product and record the

sales. The level of impact of the rise in raw material prices is declining steadily, but as far as the current first quarter is concerned, there were lot of sales related to orders received in the fiscal year before last, which also contributed to the worsening of cost-of-sales ratio on the whole in the first quarter. We expect it to maintain roughly the same level for the full year with some slight improvement.

We are expecting personnel costs to go up significantly by about 360 million yen. This is because of the fact that we raised the wages across the board by 30,000 yen and also the increase in number of employees. As stated in the Medium-Term Management Plan, we are planning to add 145 employees in three years so as to place people in growth fields. We have added 41 employees in the first quarter. We are anticipating an increase in personnel costs for the full year because of the increase in staff.

R&D expenses are expected to rise by 300 million yen, while depreciation and amortization is expected to increase by 40 million yen. We also anticipate absence of foreign exchange gains recorded in the previous term. You may point out that our view of the impact of the cost-of-sales ratio is a bit optimistic, but other than that we feel there will not be any major changes.

Balance Sheet Trends				NIKKO	
(million yen)					
		FY 2021 1Q	FY 2022 1Q	Change	Main factors in year-on-year change
Assets	Current assets	32,500	32,936	+436	Increase: Electronically recorded monetary claims +200 mil. yen Work in process +2,199 mil. yen Decrease: Cash and cash equivalents (628) mil. yen Notes and accounts receivable-trade (956) mil. yen Merchandise and finished goods (454) mil. yen
	Property and equipment	9,225	11,055	+1,829	
	Intangible assets	658	1,015	+357	Increase: Buildings and structures +1,441 mil. yen Machinery, equipment and vehicles +183 mil. yen Land +574 mil. yen
	Investments and other assets	6,360	6,308	(52)	Decrease: Investment securities (130) mil. yen
	Total assets	48,744	51,314	+2,570	
Liabilities	Current liabilities	14,853	15,268	+415	Increase: Notes and accounts payable-trade +100 mil. yen Electronically recorded obligations +165 mil. yen Long-term loans payable +1,329 mil. yen Retirement benefit-related liabilities +141 mil. yen
	Long-term liabilities	2,781	4,320	+1,539	
Total net assets		31,109	31,725	+616	Increase: Retained earnings +254 mil. yen Foreign currency translation adjustment +446 mil. yen Decline: Valuation difference on available-for-sale securities (123) mil. yen
Net assets per share (yen)		813.40	829.36	+15.96	

This shows the balance sheet. It is the comparison with the balance sheet of the previous fiscal year.

□ Total assets have increased by about 5%, or about 2,500 million yen. Property, plant and equipment increased considerably, as we are proactively making investments. Buildings and structures together increased 1,400 million yen. The largest item is the investment in the Thai plant. Intangible assets are also up by 357 million yen, and this is software-related.

□ As for current assets, while cash and cash equivalents and accounts receivable-trade have decreased, work in progress rose by about 2,000 million. Current assets as a whole increased by 400 million yen.

□ In liabilities, current liabilities were up by 400 million yen, and non-current liabilities increased by 1,500 million yen.

□ Net assets increased by 600 million yen year on year, with the most recent net assets at 31,700 million.

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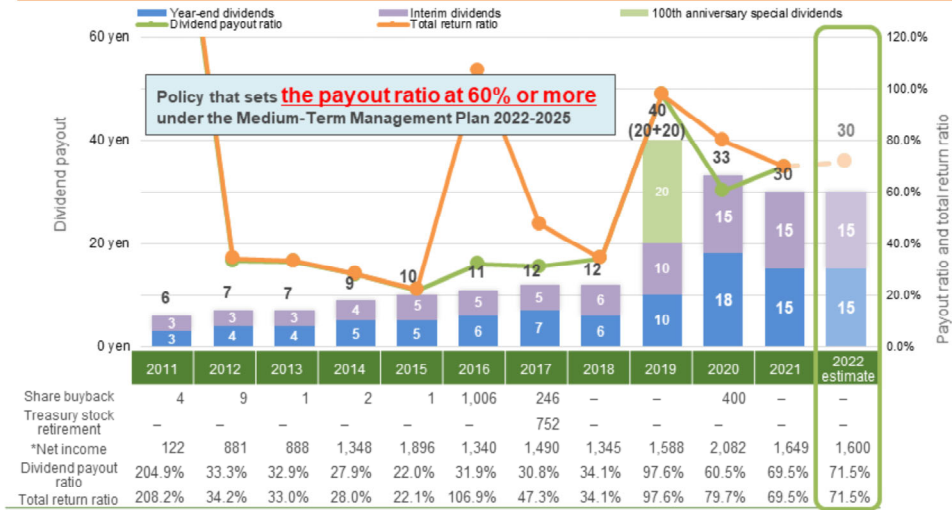
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Shareholder Returns



● Enhancement of shareholder returns

Forecast of 30.00 yen per share in dividend payment in FY 2022 (15.00 yen per share as interim dividends and 15.00 yen per share as year-end dividends) (dividend payout ratio of 71.5%)



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

*Net income = Net income attributable to owners of parent (mil. yen)

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



(mil. yen)

	FY 2020				FY 2021				FY 2022			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Net sales	7,271	10,954	6,407	13,234	8,817	10,191	8,157	11,681	9,504			
AP-related Business	3,991	5,536	3,247	6,693	5,058	4,131	4,176	4,963	4,982			
BP-related Business	1,478	3,440	1,274	3,020	1,972	3,617	1,690	3,561	2,381			
Environment- and Conveyor-related Business	524	535	513	818	424	1,157	614	823	640			
Other business	1,275	1,444	1,373	2,698	1,361	1,286	1,678	2,335	1,501			
Operating income	408	592	(96)	1,398	375	593	59	1,026	183			
AP-related Business	340	300	(105)	704	199	189	(61)	235	139			
BP-related Business	88	398	(25)	418	196	413	58	456	211			
Environment- and Conveyor-related Business	114	78	94	196	66	177	136	209	147			
Other business	171	206	188	605	157	160	306	450	31			
Corporate expenses	(305)	(391)	(248)	(525)	(244)	(345)	(382)	(322)	(345)			
Ordinary income	979	609	(89)	1,474	519	586	89	1,079	326			
Net income attributable to owners of parent	746	353	(133)	1,116	378	489	838	(59)	140			
Cash flow from operating activities		2,784				2,224						
Cash flow from investing activities		(1,867)				(2,165)						
Total dividend	775	-	572	-	683	-	573	-				
Share buyback		400				0						

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



(million yen)

New orders received (cumulative)	FY 2020				FY 2021				FY 2022			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
AP-related Business	5,256	9,835	14,102	20,279	4,519	9,048	13,072	18,180	5,094			
BP-related Business	2,061	4,823	7,278	9,961	3,142	5,646	8,442	12,086	2,799			
Environment- and Conveyor-related Business	746	1,374	2,290	2,875	523	1,286	2,025	3,014	604			
Other Business	1,405	3,001	5,222	6,894	1,568	2,820	4,606	8,056	1,719			
Total	9,469	19,036	28,893	40,009	9,753	18,802	28,146	41,337	10,217			

End-of-term order backlog	FY 2020				FY 2021				FY 2022			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
AP-related Business	8,688	7,732	8,751	8,235	7,696	8,094	7,942	7,725	7,837			
BP-related Business	4,342	3,665	4,845	4,508	5,678	4,565	5,672	5,755	6,173			
Environment- and Conveyor-related Business	373	467	869	636	734	341	466	631	596			
Other Business	1,013	1,165	2,013	981	1,187	1,154	1,261	2,377	2,595			
Total	14,417	13,030	16,479	14,361	15,298	14,155	15,342	16,490	17,202			

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



(million yen)

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Capital investment	335	844	815	877	1,261	550	1,889	1,483	2,748	1,907
Depreciation and amortization	389	395	422	487	482	472	508	611	677	759
R&D expenses	256	295	276	227	271	291	211	379	392	449

(persons, years old, or years)

Number of employees (consolidated)	763	767	796	803	797	807	799	838	861	1,038
Average age of employees (non-consolidated)	44.7	43.3	43.1	42.2	42.3	42.2	40.9	41.1	41.1	40.8
Average years of service (non-consolidated)	21.2	20	19.3	18.2	18.5	18.3	16.0	15.8	15.4	15.3
Female employees (non-consolidated)	31	31	33	39	42	42	45	51	55	59
Number of new-graduate hires (non-consolidated)	15	21	21	30	17	19	15	14	29	32
Number of female new-graduate hires (non-consolidated)	0	1	3	1	2	0	0	0	3	6
Percentage of female hires (non-consolidated)	0%	4.7%	14.2%	3.3%	11.7%	0%	0%	0%	10.3%	18.8%
Number of foreign-national hires (non-consolidated)	0	6	0	0	0	1	1	0	1	0
Number of foreign-national employees (non-consolidated)	2	8	6	6	6	7	8	5	5	6
Foreign national employees (consolidated)	90	91	95	94	93	101	98	116	116	194
Overseas employees (consolidated)	90	91	95	92	91	101	98	123	121	197

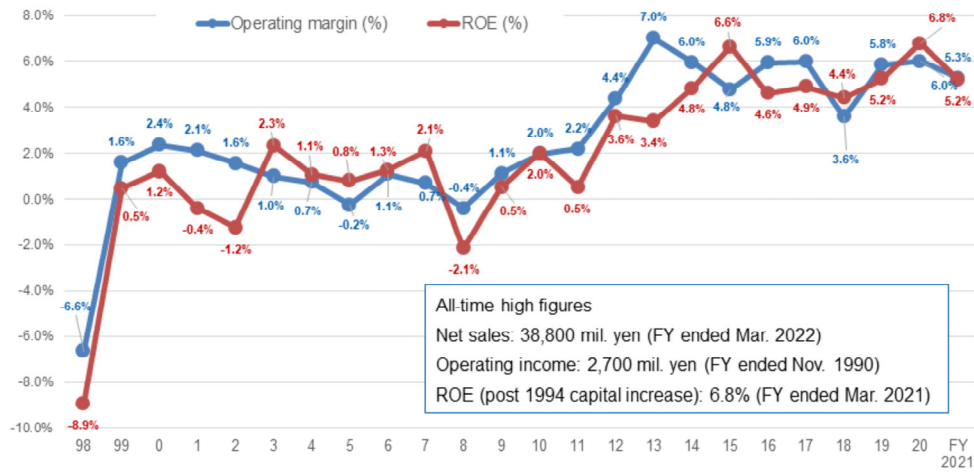
New products for reducing environmental impact

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2022
New products	[Sand dryer] [High-temperature preheating burner]	[NTB-II burner]	[Newly designed bag filter]	[VP Series APs]	–	[Foamed asphalt manufacturing equipment]	[Powdered fuel burner]
Features reducing environmental impact	<ul style="list-style-type: none"> Higher plant production efficiency Energy saving 	<ul style="list-style-type: none"> Energy saving Higher combustion efficiency in combustion range 	<ul style="list-style-type: none"> Space saving Energy saving Exhaust gas reduction Low noise 	<ul style="list-style-type: none"> Preventing diffusion of recycled material odorous gas 	–	<ul style="list-style-type: none"> Support for manufacture of warm-mix asphalt 	<ul style="list-style-type: none"> Aimed at burning powdered biomass fuels Reduce CO2 emissions from burners

Trend in Key Financial Data



Operating margin and ROE



All-time high figures
 Net sales: 38,800 mil. yen (FY ended Mar. 2022)
 Operating income: 2,700 mil. yen (FY ended Nov. 1990)
 ROE (post 1994 capital increase): 6.8% (FY ended Mar. 2021)

(mil. yen)

	99	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	FY 2021
Net sales	22,157	22,595	23,170	24,307	24,812	24,804	22,175	25,035	26,942	23,850	23,971	23,803	24,553	27,087	32,073	30,707	34,110	32,717	35,114	31,780	35,151	37,660	38,840
Operating income (loss)	352	530	492	379	248	185	(55)	271	188	(9)	205	470	541	1,180	2,248	1,832	1,828	1,944	2,103	1,427	2,053	2,302	2,053
Ordinary income	201	846	684	688	492	537	350	699	645	482	899	812	621	1,108	1,982	1,582	1,648	1,993	2,239	1,678	2,142	2,973	2,274
Net Income (loss)	121	298	(93)	(284)	567	265	203	315	513	(499)	124	461	122	881	888	1,348	1,895	1,340	1,490	1,345	1,588	2,082	1,649

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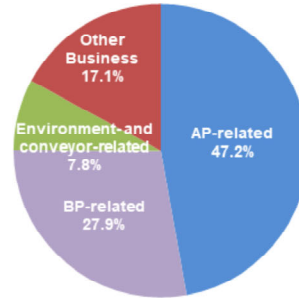
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Company Overview



Japanese name	Nikko Co., Ltd.	
Head office	1013-1, Eigashima, Okubo-cho, Akashi, Hyogo Prefecture	
Established	August 13, 1919	
Capital	9,197 mil. yen	(as of March 31, 2022)
Consolidated net sales	38,846 mil. yen	(FY 2021)
Consolidated operating income	2,053 mil. yen	(FY 2021)
Ratio of net sales outside Japan	12.2%	(FY 2021)
Subsidiaries	12 companies (FY 2021)	
Number of employees (consolidated)	1,038	(as of March 31, 2022)
Governance structure:	Company with Audit & Supervisory Board Directors: 9, of which 4 are outside directors Audit & Supervisory Board Member: 4, including 3 outside auditors (as of March 31, 2022)	

Net sales breakdown by business segment (FY 2021)



* 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

Business Segments



AP-related business



Main products: ●Asphalt plants ●Recycling plants ●Crushing plants ●Mixture silos
●Electronic control devices, plant management system



Asphalt plants (MBO)

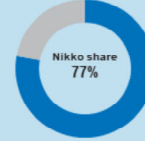


New model asphalt plant (VP-II)



Crushing plant

Market share (based on Nikko's survey)



BP-related business



Main products: ●Concrete batching plants ●Compact concrete batching plant ●Concrete pumps
●Electronic control devices, plant management system ●Plant facilities for concrete product production, etc.



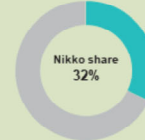
DASH-Hyper mixer



BP integrated management system (Cyber Advance)



DASH-H275RA V-TRIUM batching plant



Environment- and Conveyor-related Business



Main products: ●Belt conveyors, conveyors for facilities, beverage container recycling plants
●Oil-polluted soil cleaning plant, plastic recycling plant



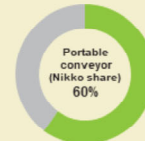
Modular belt conveyor



Super modular conveyor



Compact crusher (Choiwaru-no-jaw)



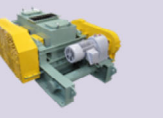
Other businesses



Main products: ●Pipe scaffolding, steel gangplanks, pipe supports ●Temporary aluminum staircases ●Shovels, spades, mortar mixers
●Floodgates, waterproof boards, crushers ●Real estate leasing, construction machinery product leasing -Sales of housing renovation, etc.



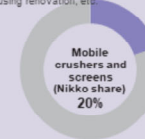
Mobile crushers



Roll breaker



Waterproof boards



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 Salte factory	2020 Nikko Asia (Thailand) Co., Ltd.	1994 Tombo Industry Co., Ltd. established
1962 Telescopic steel props	2004 Shanghai Jiading factory	2020 Nikko Nilkhol Co., Ltd. (Thailand)	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 (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			
2007 Concrete pumps			
2010 Waterproof boards			
2015 Crusher (import and sales)			



Nikko Group Business Vision

*n*からはじまる未来創造

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

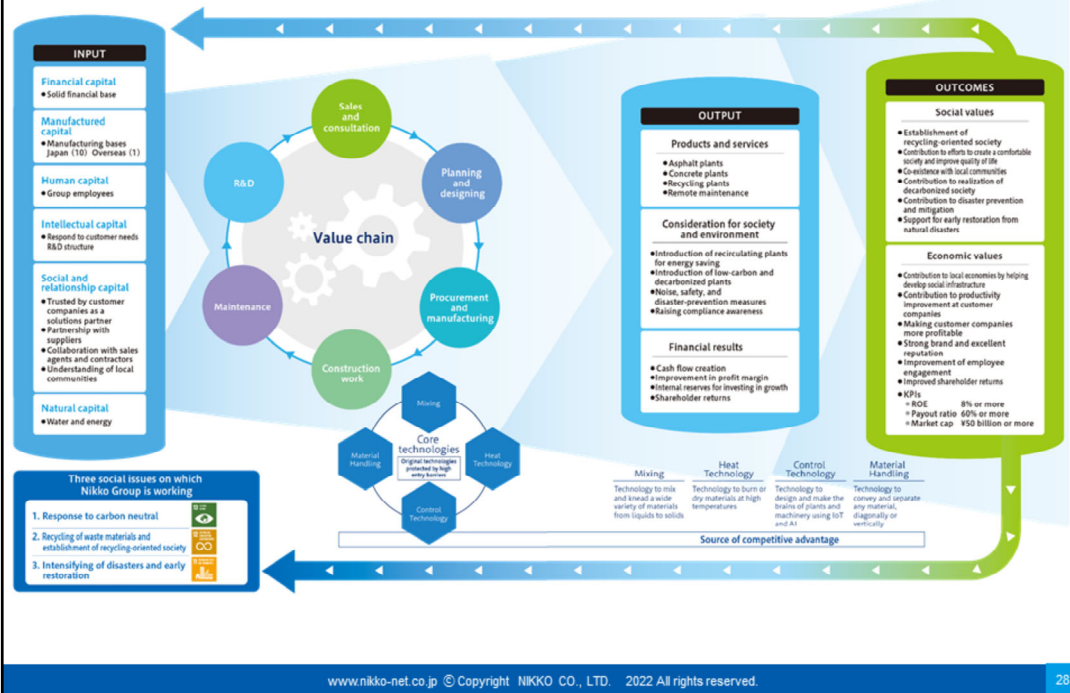
We aim to expand our overseas business and become the top manufacturer in the Asian market.

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

Nikko's Value Creation Process





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

Contact: Hachiken, Finance Department, Nikko Co., Ltd.

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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.