



# Financial Results for Third Quarter of Fiscal Year Ending March 31, 2024

## [Japanese GAAP] (Consolidated Data)

February 13, 2024

Company Name: Nikko Co., Ltd. Stock Exchange Listing: Tokyo Stock Exchange  
 Stock Code: 6306 URL <http://www.nikko-net.co.jp>  
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 General Manager of Administrative Division  
 Scheduled date for filing the quarterly report: February 14, 2024 Scheduled date for cash dividends: –  
 Quarterly earnings supplementary explanatory materials: Yes  
 Quarterly financial results briefing session: Yes (for institutional investors, analysts, and newspaper reporters)

(Amounts rounded down to the nearest million yen)

### 1. Consolidated Performance for Third Quarter of Fiscal Year Ending March 31, 2024 (April 1, 2023 - December 31, 2023)

#### (1) Consolidated Operating Results (cumulative) (% represents year-on-year change rate from the same period)

	Net sales		Operating income		Ordinary income		Quarterly net income attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
Nine months ended December 31, 2023	27,619	1.8	718	95.6	975	84.3	594	165.0
Nine months ended December 31, 2022	27,129	(0.1)	367	(64.2)	529	(55.7)	224	(74.6)

Note: Comprehensive income:   
 Nine months ended December 31, 2023 1,547 million yen (622.5%)  
 Nine months ended December 31, 2022 214 million yen (-76.2%)

	Quarterly net income per share	Diluted quarterly net income per share
	yen	yen
Nine months ended December 31, 2023	15.52	-
Nine months ended December 31, 2022	5.86	-

#### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	million yen	million yen	%	yen
As of December 31, 2023	59,640	32,036	53.9	838.80
As of March 31, 2023	52,127	31,604	60.7	826.73

(Reference) Capital:   
 As of December 31, 2023 32,149 million yen  
 As of March 31, 2023 31,644 million yen

### 2. Dividends

	Annual dividends				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total
	yen	yen	yen	yen	yen
Fiscal year ended March 31, 2023	-	15.00	-	15.00	30.00
Fiscal year ending March 31, 2024	-	15.00	-	-	-
Fiscal year ending March 31, 2024 (forecasts)	-	-	-	15.00	30.00

(Note) Revision of previously announced dividend targets during this reporting period: None

3. Consolidated Performance Forecast for the Fiscal Year Ending March 31, 2024 (April 1, 2023 - March 31, 2024)

(% represents year-on-year change)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Full year	44,000	10.9	1,900	84.8	1,900	51.3	1,200	17.6	31.36

(Note) Revision of previously announced earnings forecasts during this reporting period: None

\*Notes

(1) Changes in important subsidiaries during the period under review (changes in specific subsidiaries which involve changes in the scope of consolidation): None

(2) Use of special accounting methods for preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policy, changes in accounting estimates, and retrospective restatements

(i) Changes in accounting policy arising from revision of accounting standards, etc.: None

(ii) Changes in accounting policy other than those noted in (i) above: None

(iii) Changes in accounting estimates: None

(iv) Retrospective restatements: None

(4) Shares issued (common stock)

(i) Number of shares issued at end of period (including treasury stock)

As of December 31, 2023	40,000,000 shares	As of March 31, 2023	40,000,000 shares
As of December 31, 2023	1,671,526 shares	As of March 31, 2023	1,723,305 shares
Nine months ended December 31, 2023	38,307,164 shares	Nine months ended December 31, 2022	38,255,736 shares

(ii) Number of shares held in treasury at end of period

(iii) Average number of shares outstanding during the period (quarter-to-date)

\* This report is not subject to quarterly review procedures by certified public accountants or an auditing firm.

\* Explanation of the appropriate use of earnings forecasts, and other special notes

(Cautionary statement with respect to forward-looking statements)

Any forecasts and forward-looking statements given herein are based on information available as of this report's publication and on certain assumptions that are deemed reasonable and these forecasts are not guarantees of future performance.

Actual results may differ significantly from forecasts due to various factors. For the assumptions underlying the forecasts herein and other notice on the use of earnings forecasts, please refer to "1. Qualitative Information on Quarterly Results: (3) Explanation About Forward-Looking Statements, Including Forecast of Consolidated Financial Results" on page 2 in the accompanying materials.

(How to obtain quarterly earnings supplementary explanatory materials)

The Company is scheduled to post the quarterly earnings supplementary explanatory materials on its website on Tuesday, February 13, 2024.

The Company has scheduled a financial results briefing session (live streaming) for securities analysts on Tuesday, March 5, 2024.

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## 1. Qualitative Information on Quarterly Results

### (1) Explanation About Operating Results

During the nine months ended December 31, 2023, the U.S. began exploring the timing to end the interest rate hikes and start rate cuts to enable a soft landing of its economy. In Japan, wage increases, as well as the timing for the Bank of Japan to end the zero-interest-rate policy, gained attention, as passing on of higher raw material costs to selling prices continued and the impact of price increases on consumers grew larger. Meanwhile, the real estate industry-led economic slowdown, which began in last spring, continued in China, causing concerns over its impact on the global economy.

Under such conditions, even though the Group was affected by the impact of China's economic deceleration, sales of the concrete plant-related business were strong and the number of mobile plants supplied for projects to support restoration of Ukraine increased. As a result, consolidated net sales of the Nikko Group came to 27,619 million yen for the period under review (up 1.8% from the same period a year earlier).

In terms of profits, consolidated operating income totaled 718 million yen (up 95.6% from the same period a year earlier) reflecting the contribution from Matsuda Kiko, K.K., which joined the Group in July, as well as the increase in net sales despite the impact of overseas sales and the increase in personnel costs. Consolidated ordinary income came to 975 million yen (up 84.3% from the same period a year earlier) and quarterly net income attributable to owners of parent totaled 594 million yen (up 165.0% from the same period a year earlier).

Operating results by segment are as follows.

Starting from the third quarter of the fiscal year ending March 31, 2024, the Company added the crusher-related business and contract-based manufacturing business, which were previously included in the "Other Business," to its reportable segments as their quantitative importance increased. Accordingly, it carried out comparison and analysis for the nine months ended December 31, 2023, based on the new segments.

#### (i) Asphalt Plant-Related Business

Net sales of products in Japan increased compared with the same period a year earlier. Net sales of the maintenance business in Japan and overseas net sales decreased compared with the same period a year earlier. As a result, net sales of the business declined 23.0% to 10,080 million yen from the same period a year earlier. New orders received and order backlog in the period under review increased compared with the same period a year earlier.

#### (ii) Concrete Plant-Related Business

Net sales of both products and the maintenance business in Japan increased compared with the same period a year earlier. Net sales of products abroad declined compared with the same period a year earlier. As a result, net sales of the business increased 18.7% to 7,886 million yen from the same period a year earlier. New orders received and order backlog in the period under review increased compared with the same period a year earlier.

#### (iii) Environment- and Conveyor-Related Business

Net sales of conveyor products increased compared with the same period a year earlier. Net sales of environmental materials declined compared with the same period a year earlier. As a result, net sales of the business increased 6.9% to 2,286 million yen from the same period a year earlier. New orders received and order backlog in the period under review increased compared with the same period a year earlier.

#### (iv) Crusher-Related Business

Net sales of crushers increased compared with the same period a year earlier. As a result, net sales of the business increased 100.2% to 2,745 million yen from the same period a year earlier. New orders received in the period under review increased compared with a year earlier, while order backlog declined year on year.

#### (v) Contract-Based Manufacturing Business

Net sales of products manufactured based on contracts increased compared with the same period a year earlier. As a result, net sales of the business increased 47.8% to 1,667 million yen from the same period a year earlier. New orders received and order backlog in the period under review increased compared with the same period a year earlier.

#### (vi) Other Business

Net sales of temporary construction materials increased compared with the same period a year earlier. Net sales of hand tools decreased from the same period a year earlier. As a result, net sales of the business increased 7.0% to 2,953 million yen from the same period a year earlier. New orders received and order backlog in the period under review increased compared with the same period a year earlier.

### (2) Explanation About Financial Position

Total assets at the end of the reporting period were 59,640 million yen, increasing 7,512 million yen from the end of the previous fiscal year.

Current assets came to 38,883 million yen, up 5,159 million yen from the end of the previous consolidated fiscal year. Main factors contributing to the change are increases of 3,173 million yen in cash and cash equivalents, 2,764 million yen in work in process, and 1,111 million yen in merchandise and finished goods as well as decreases of 920 million yen in accounts receivable-trade and 558 million yen in notes receivable-trade. Noncurrent assets came to 20,756 million yen, up 2,352 million yen from the end of the previous consolidated fiscal year. Main factors contributing to the change are increases of 1,391 million yen in property and equipment and 1,350 million yen in investment securities as well as a decline of 425 million yen in deferred tax assets.

Liabilities totaled 27,603 million yen, up 7,079 million yen from the end of the previous fiscal year. Main factors contributing to the change are increases of 2,521 million yen in contract liabilities, 2,414 million yen in long-term loans, and 740 million yen in short-term loans as well as a decline of 240 million yen in provision for bonuses.

Net assets came to 32,036 million yen, up 432 million yen from the end of the previous consolidated fiscal year. Main factors contributing to the change are an increase of 955 million yen in valuation difference on available-for-sale securities and a decline of 554 million yen in retained earnings.

As a result, equity ratio dropped to 53.9% from 60.7% as of the end of the previous fiscal year.

- (3) Explanation About Forward-Looking Statements, Including Forecast of Consolidated Financial Results  
There is no change in the performance forecast for the year ending March 31, 2024 that was disclosed on May 15, 2023.

## 2. Quarterly Consolidated Financial Statements and Notes

### (1) Quarterly Consolidated Balance Sheet

(million yen)

	As of March 31, 2023	As of December 31, 2023
<b>Assets</b>		
Current assets		
Cash and cash equivalents	10,317	13,491
Notes receivable-trade	2,357	1,799
Accounts receivable-trade	6,645	5,724
Electronically recorded monetary claims	2,233	2,166
Merchandise and finished goods	1,794	2,906
Work in process	7,423	10,188
Raw materials and supplies	1,657	1,591
Other	1,294	1,016
Allowance for doubtful accounts	(1)	(1)
Total current assets	33,723	38,883
Non-current assets		
Property and equipment		
Buildings and structures (net)	5,945	6,070
Land	3,878	4,197
Construction in progress	236	1,195
Other (net)	1,779	1,766
Total property, plant and equipment	11,839	13,230
Intangible assets		
Goodwill	130	204
Other	889	989
Total intangible assets	1,020	1,193
Investments and other assets		
Investment securities	3,488	4,838
Investments in capital	7	106
Long-term loans receivable	14	12
Deferred tax assets	981	556
Other	1,183	948
Allowance for doubtful accounts	(130)	(129)
Total investments and other assets	5,544	6,332
Total noncurrent assets	18,404	20,756
Total assets	52,127	59,640

(million yen)

	As of March 31, 2023	As of December 31, 2023
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	3,012	3,578
Electronically recorded obligations	858	1,252
Accounts payable-factoring	2,355	2,717
Short-term loans payable	3,312	4,053
Income taxes payable	265	240
Accounts payable-other	644	615
Advances received	17	17
Contract liabilities	3,713	6,234
Provision for bonuses	417	176
Provision for directors' bonuses	76	61
Provision for loss on order received	172	179
Other	492	758
Total current liabilities	15,338	19,886
Long-term liabilities		
Long-term loans payable	2,449	4,864
Deferred tax liabilities	0	126
Provision for directors' retirement benefits	235	195
Retirement benefit-related liabilities	2,166	2,199
Other	333	331
Total noncurrent liabilities	5,184	7,717
<b>Total liabilities</b>	<b>20,523</b>	<b>27,603</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	9,197	9,197
Capital surplus	7,934	7,946
Retained earnings	13,628	13,073
Treasury stock	(760)	(738)
Total shareholders' equity	29,999	29,479
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,177	2,133
Foreign currency translation adjustment	582	610
Deferred gains or losses on hedges	-	31
Accumulated retirement benefit-related adjustment	(115)	(104)
Total accumulated other comprehensive income	1,644	2,670
Non-controlling interests	(40)	(113)
<b>Total net assets</b>	<b>31,604</b>	<b>32,036</b>
<b>Total liabilities and net assets</b>	<b>52,127</b>	<b>59,640</b>

(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income  
(Quarterly Consolidated Statement of Income)  
(Nine Months Ended December 31, 2023)

(million yen)

	Nine month ended December 31, 2022 (from April 1, 2022 to December 31, 2022)	Nine month ended December 31, 2023 (from April 1, 2023 to December 31, 2023)
Net sales	27,129	27,619
Cost of sales	19,924	19,598
Gross profit	7,204	8,020
Selling, general and administrative expenses	6,837	7,302
Operating income	367	718
Non-operating income		
Interest income	2	1
Dividends income	100	137
Foreign exchange gains	86	109
Surrender value of insurance policies	-	46
Other	43	70
Total non-operating income	232	365
Non-operating expenses		
Interest expenses	55	83
Compensation for damage	4	12
Other	10	11
Total non-operating expenses	70	108
Ordinary income	529	975
Extraordinary income		
Gain on sales of investment securities	0	67
Gain on sale of non-current assets	-	8
Total extraordinary income	0	76
Extraordinary loss		
Loss due to the spread of COVID-19	23	-
Other	-	0
Total extraordinary loss	23	0
Quarterly income before income taxes	506	1,051
Income taxes-current	209	404
Income taxes-deferred	113	110
Total income taxes	322	515
Quarterly net income	183	536
Quarterly loss attributable to non-controlling interests	(41)	(57)
Quarterly net income attributable to owners of parent	224	594



(Quarterly Consolidated Statements of Comprehensive Income)  
(Nine Months Ended December 31, 2023)

(million yen)

	Nine month ended December 31, 2022 (from April 1, 2022 to December 31, 2022)	Nine month ended December 31, 2023 (from April 1, 2023 to December 31, 2023)
Quarterly net income	183	536
Other comprehensive income		
Valuation difference on available-for-sale securities	44	955
Deferred gains or losses on hedges	-	31
Foreign currency translation adjustment	(23)	12
Retirement benefit-related adjustment	9	10
Total other comprehensive income	30	1,010
Quarterly comprehensive income	214	1,547
(Breakdown)		
Quarterly comprehensive income attributable to owners of parent	259	1,620
Quarterly comprehensive income attributable to non-controlling interests	(44)	(72)

(3) Notes to Quarterly Consolidated Financial Statements

(Going Concern Assumption)

Not applicable

(Notes on significant changes in the amount of shareholders' equity)

Not applicable

(Use of special accounting methods for preparation of quarterly consolidated financial statements)

Not applicable

(Changes in Accounting Policy)

Not applicable