

“Create the future with *n*”



Fiscal Year 2021 (Ending March 31, 2022) 1st Quarter Financial Results Briefing Session Materials

(Tokyo Stock Exchange Code: 6306)

Nikko Co., Ltd.

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Division

August 25, 2021

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

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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.

Business Climate in 1Q FY 2021



1Q FY 2021 Results

(million yen)

1Q (Apr-Jun)	Results	YoY change (amount)	YoY change (%)
Net sales	8,817	+1,546	+21.3%
Operating income	375	(33)	(8.1)%
Quarterly net income attributable to owners of parent	378	(368)	(49.3)%

- ▶ Sales of AP-related business: Both products and maintenance services in Japan increased. Overseas, exports declined but net sales of local subsidiaries significantly increased
- ▶ Sales of BP-related business: Sales of both products and maintenance service increased greatly.
- ▶ New orders received in AP declined while those of BP increased.

Business Climate

AP-related business

1Q FY 2021 (Apr-Jun)	Results (in 10,000 tons)	YoY change
Mixture output	810	99.5%
Virgin mixture	216	98.4%
Recycled mixture	594	99.9%

Share of recycled mixture	73.3%
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Source: Japan Asphalt Mixture Association

BP-related business

1Q FY 2021	Results (in 10,000m ³)	YoY change
Ready-mixed concrete shipment	1,855	98.6%

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

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Figures for the first quarter

Sales increased about 20% from a year earlier to 8,817 million yen.

Operating income declined 8.1% to 375 million yen.

Quarterly net income declined significantly by 49.3% due to special factors in the same period a year earlier.

Profits declined compared with the same period a year earlier, while sales increased. In our view, the earnings figures for the first half were in line with our plan and the business made progress according to the initial plan.

There were no major changes in the business environment surrounding the main businesses of AP and BP.

Mixture output, which is a benchmark for the AP market environment, was 99.5%, almost no change from a year earlier.

Ready-mixed concrete shipment slightly declined to 98.6% of the same period a year earlier, but is more or less at a similar level as the previous year.

We recognize that our customers' appetite for capital investment remains very high like last year.

1Q FY 2021 Performance Highlights

-Sales increased significantly compared with the same period a year earlier
-> p. 5 Performance Highlights (1)

-Both new orders received and order backlog increased compared with the same period a year earlier
-> p. 5 Performance Highlights (1)
p. 19 Trends in New Orders Received and Order Backlog per Business Segment

-Sales of overseas subsidiaries increased significantly compared with the same period a year earlier
-> p. 5 Performance Highlights (1)
pp. 8, 9 AP-Related Business, AP-Related Business (Japan vs. Overseas)

-All of operating income, operating margin, and quarterly net income declined compared with the same period a year earlier
-> pp. 5, 6 Performance Highlights (1), (2)

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Performance highlights

Sales have significantly increased compared with the same period a year earlier. The factors behind the increase are significant increases in domestic sales of AP and BP products and improved overseas sales, as there was not much of an impact of COVID-19 on the first-quarter sales in China, which were slow last year because of the infection.

The amount of operating income slightly declined, but operating margin deteriorated greatly, from 5.6% last year, to 4.2%.

The two main contributing factors were the two unprofitable projects in AP product sales and an increase in SG&A expenses reflecting the growth in R&D expenses.

Regarding the first factor, we had recorded provision for loss on orders received for unprofitable AP projects as of the account settlement at the end of the previous fiscal year, but the actual cost of sales exceeded the expected cost of sales and the provision was not enough to cover it. So we recorded additional losses.

As for the second factor, while the amount is not large, we are planning to increase annual R&D expenses by about 300 million yen in the current fiscal year, and SG&A expenses increased because of the rise in R&D expenses.

Net income declined greatly due to the absence of special dividends, unlike the same period in the previous fiscal year where special dividends from Maeda Road Construction accounted for about 340 million yen.

1Q FY 2021 Performance Highlights (1)								NIKKO	
YoY change of results									
<ul style="list-style-type: none"> ▶ Sales: AP products in Japan (up 1,060 million yen), BP products (up 490 million yen), overseas sales (730 million yen), environment and conveyor (down 100 million yen), and other business (up 80 million yen) ▶ Operating income: declined due to increases in sales of strategic AP projects and R&D expenses ▶ Quarterly net income: absence of special dividend from Maeda Road Construction Co., Ltd. (down 340 million yen), gain on sales of securities (80 million yen). ▶ Orders: AP-related business (down 730 million yen), BP-related business (up 1,080 million yen), environment- and conveyor-related business (down 220 million yen), other business (up 160 million yen). ▶ Order backlog: AP-related business (down 990 million yen), BP-related business (up 1,330 million yen), environment- and conveyor-related business (up 360 million yen), other business (down 170 million yen). 								(million yen)	
	FY 2020			FY 2021					
	1Q Actual	1H Actual	Full year Actual	1Q Actual	YoY change	Progress made with 1H forecast	1H forecast	Full year forecast	
Net sales	7,271	18,225	37,866	8,817	+1,546 +21.3%	46.4%	19,000	39,000	
Operating income	408	100	2,302	375	(33) (8.1)%	34.1%	1,100	2,300	
Operating margin	5.6%	5.5%	6.0%	4.2%	(1.4) pt	—	5.7%	5.9%	
Ordinary income	979	1,588	2,973	519	(460) (47.0)%	39.9%	1,300	2,500	
Net income attributable to owners of parent	746	1,099	2,082	376	(368) (49.3)%	44.5%	850	1,700	
New orders received	9,469	19,036	40,009	9,753	+284 +3.0%	47.6%	20,500	41,000	
Order backlog	14,417	13,030	14,361	15,298	+881 +6.1%	—	15,861	16,361	
								(yen)	
Exchange rate (EUR/JPY)	121.65	126.48	124.06	—	—	—	—	135.00	
Exchange rate (RMB/JPY)	15.19	16.12	15.66	—	—	—	—	16.00	
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Overall figures of the first quarter

New orders received in the first quarter totaled 9,753 million yen, which is a slight increase from last year (9,469 million yen).

By segment, new orders for AP were down 730 million yen compared with the same period a year earlier, but the figures are only for the three months of the first quarter, and so far there is no change to our forecast that the amount of new orders in Japan and abroad together would increase for the full year compared with the previous fiscal year.

Meanwhile, new orders for BP increased 1,080 million yen compared with the previous fiscal year.

At the beginning of the fiscal year, full-year new orders were expected to slightly decline from a year earlier, but the order situation at the moment is very strong.

Order backlog for AP was down 1.0 billion yen while it increased 1.3 billion yen for BP. In total, order backlog as of the end of the first quarter was high at 15.2 billion yen, up about 900 million yen compared with a year ago.

1Q FY 2021 Performance Highlights (2)



(million yen)

		FY 2020			FY 2021				
		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	3,991	8,667	17,518	5,058	+1,067 +26.7%	50.1%	10,100	20,000
	Operating income	340	676	1,118	199	(141) (41.4)%	29.3%	680	1,250
	Operating margin	8.5%	7.8%	6.4%	3.9%	(4.6) pt	—	6.7%	6.3%
BP-related business	Net sales	1,478	4,569	9,158	1,972	+494 +33.4%	38.1%	5,170	9,600
	Operating income	88	297	761	196	+108 +122.7%	40.0%	490	850
	Operating margin	6.0%	6.5%	8.3%	9.9%	+3.9 pt	—	9.5%	8.9%
Environment- and conveyor-related business	Net sales	524	1,353	2,634	424	(100) (19.1)%	35.6%	1,190	2,400
	Operating income	114	219	562	66	(48) (42.1)%	30.0%	220	450
	Operating margin	21.8%	16.2%	21.3%	15.6%	(6.2) pt	—	18.5%	18.8%
Other business	Net sales	1,275	2,549	5,840	1,361	+86 +6.7%	45.7%	2,980	700
	Operating income	171	448	1,020	157	(14) (8.2)%	26.6%	590	1,150
	Operating margin	13.4%	17.6%	17.5%	11.5%	(1.9) pt	—	19.8%	16.4%
Corporate expenses		(305)	(683)	(1,409)	(244)	+61	36.4%	(670)	(1,400)

- ▶ Net sales of AP-related business: up 10.8% from a year earlier in Japan, up 84.8% from a year earlier overseas.
- ▶ Net sales of BP-related business: up 33.4% from a year earlier.
- ▶ Net sales of environment- and conveyor-related business: down 19.1% from a year earlier.
- ▶ Net sales of other business: up 6.7% from a year earlier.

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Segment figures for the first quarter

Sales of AP increased significantly, but profit declined markedly from a year earlier due to the unprofitable products in Japan.

Both sales and profits of BP increased compared with the previous year.

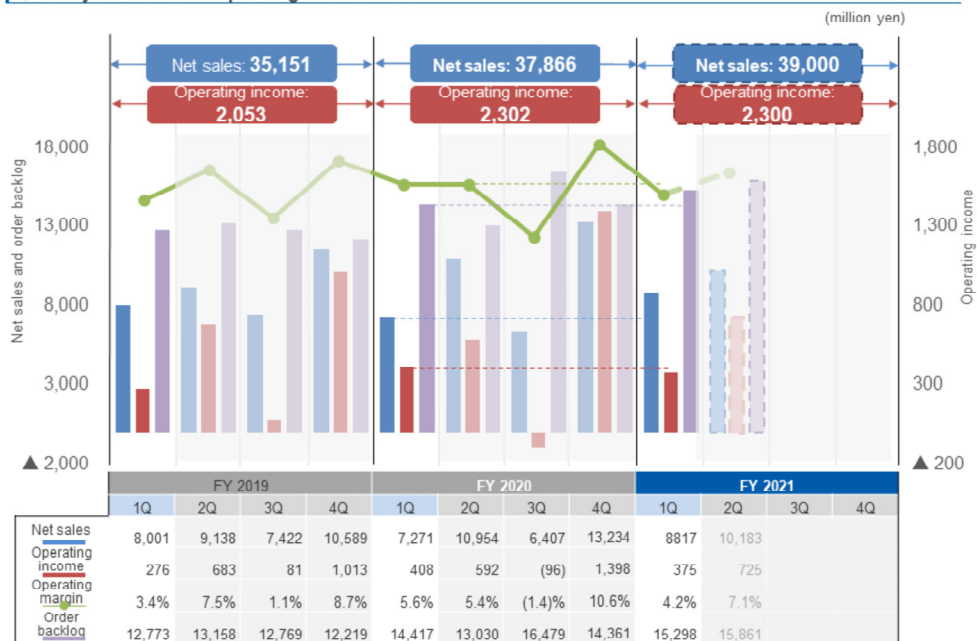
Sales of the environment- and conveyor-related business were down 100 million yen compared with a year earlier, with no recovery seen especially in the conveyor-related business from the impact of COVID-19.

Sales of the other business slightly increased, but were roughly at the same level as the previous year.

FY 2021 Quarterly Performance Trend



Quarterly net sales and operating income trends



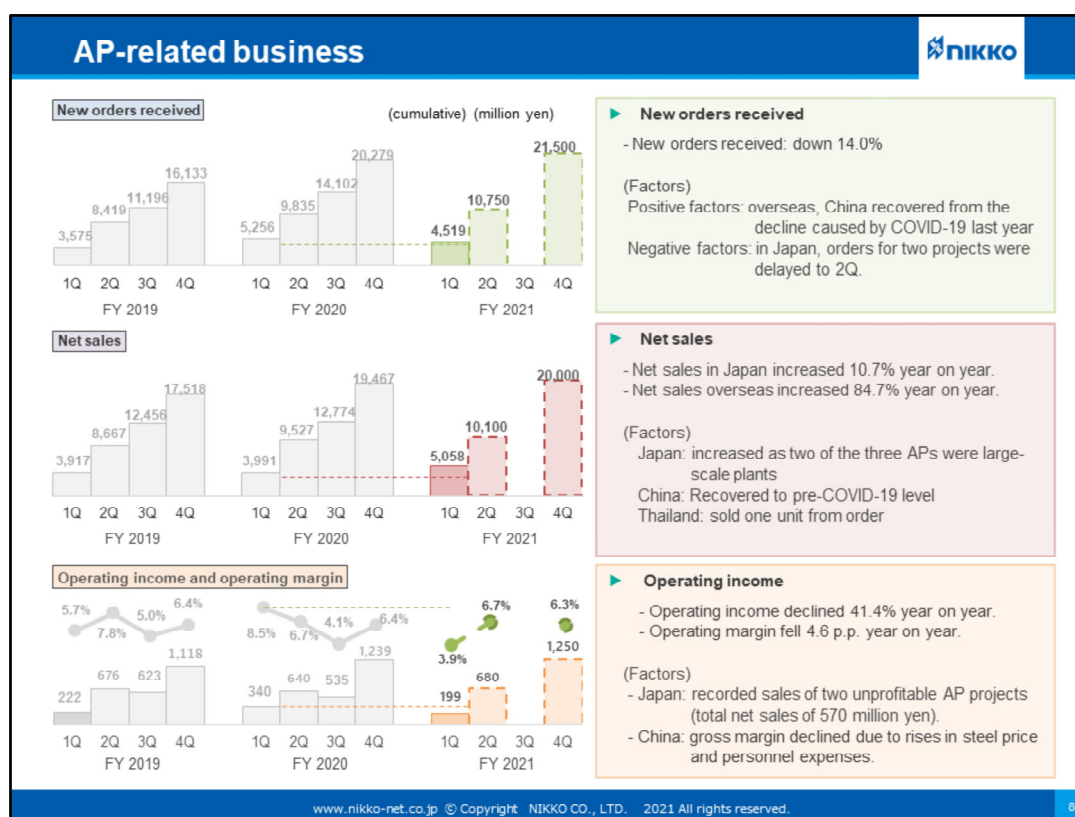
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Quarterly changes in the results

For the three months of the second quarter of fiscal year 2021, we expect net sales of 10.1 billion yen, operating income of 725 million yen and operating margin of 7.1%. Overall sales are expected to exceed 10.0 billion yen, as domestic sales of AP and BP products concentrate on the second quarter.

Sales of AP products in the second quarter so far do not include unprofitable projects and we are expecting profit margin to also improve.



Situation per segments

AP-related business

Orders

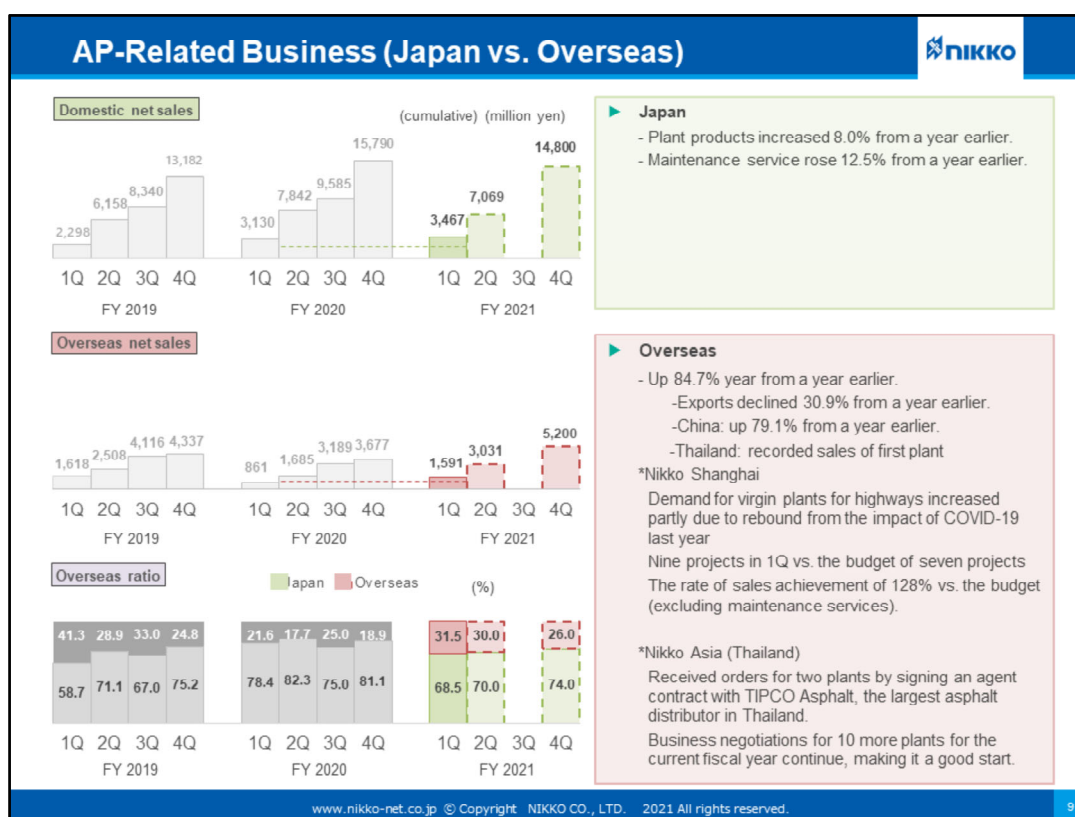
If we look at the first quarter alone, order backlog declined compared with last year. For the full year, we are expecting it to be 21.5 billion yen.

New orders in the previous year for the full year also were quite strong, but it is expected to be even better than last year.

The factor behind the upward swing is overseas. New orders in Japan are expected to be at about similar levels as last year, but we are expecting orders to grow in China, as well as in Thailand where we established a company last year, which has started off strongly.

Net sales

We expect net sales for the full year and the first half to be in accordance with the figures announced at the beginning of the fiscal year.



Overseas

Overseas sales in the first quarter were 1,591 million yen and most of those were from Nikko Shanghai.

The sales had fallen in fiscal year 2020 due to the impact of COVID-19 but have recovered in the current fiscal year to a level similar to fiscal year 2019.

While overseas sales for the first quarter just about recovered to the level similar to fiscal year 2019, in the full year, we are expecting overseas sales of 5.2 billion yen, which is an increase of almost 1.0 billion yen over the level in fiscal year 2019. Sales in China are also expected to exceed the level in fiscal year 2019. Kickoff in Thailand has been smooth and exports to Taiwan are also expected to rise.

Nikko Shanghai

In the current fiscal year, demand for virgin plants for highways has been increasing. Compared with the budget of seven projects, it has registered sales of nine projects.

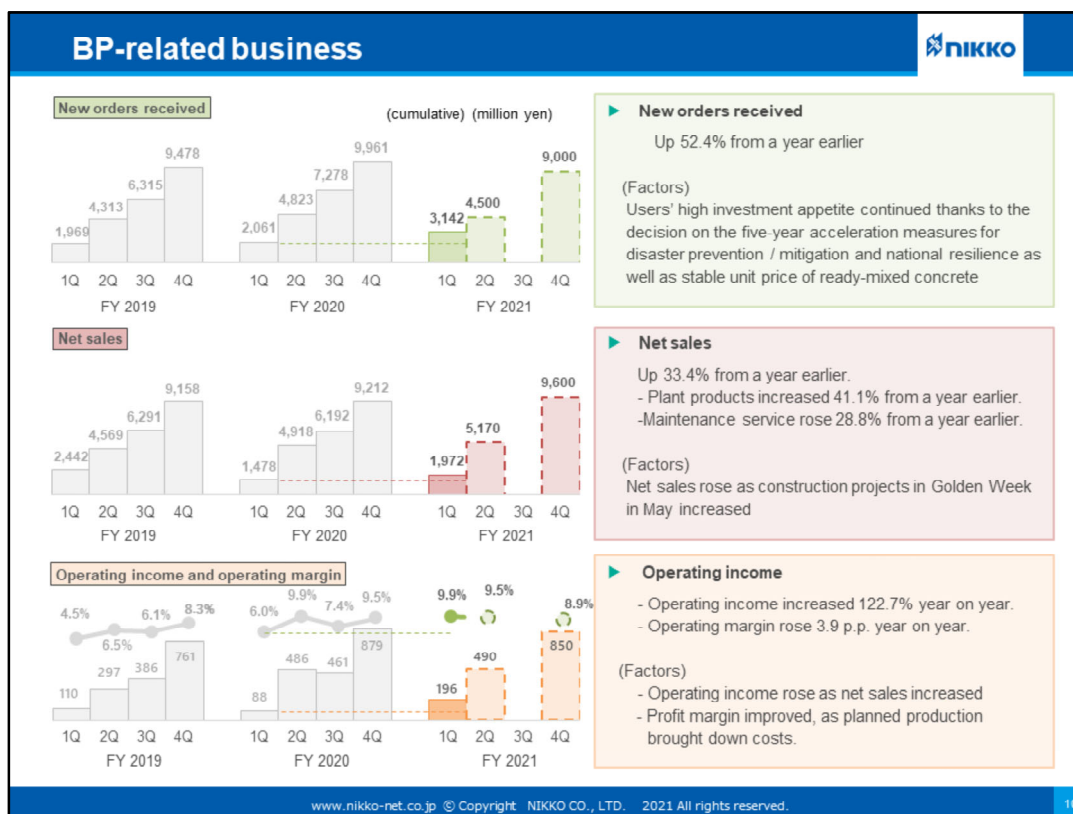
Thailand

The COVID-19 situation is extremely tough, but we are mainly engaged in sales activities through agents.

We signed an agent contract with TIPCO Asphalt, Thailand's top company in asphalt manufacturing and sales. TIPCO Asphalt sells asphalt to about 70% of the AP users in the country and has a sales network.

We believe that we were able to build a win-win relationship.

We have already received orders for two units and we are highly likely to receive orders for about 10 more units.



BP-related business

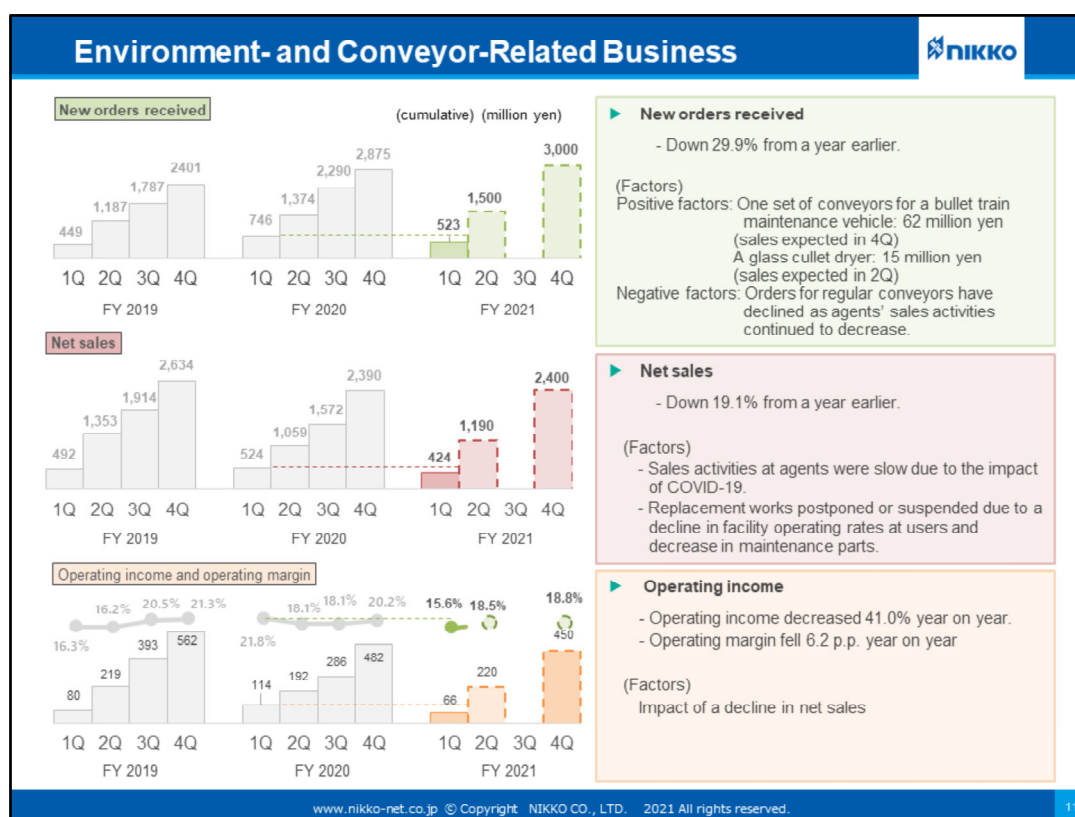
Orders

For the full year, we initially thought orders would decline in reaction from the previous fiscal year or one before the previous fiscal year, but current orders have been very strong.

Based on the current situation, we are expecting new orders received to grow to the previous year's level or slightly exceed the previous fiscal year.

Net sales and operating income

Net sales and operating income for the first year were in line with the estimates. If they progress at the current pace, we think they may swing upward from the initial plan.



Environment- and Conveyor-Related Business

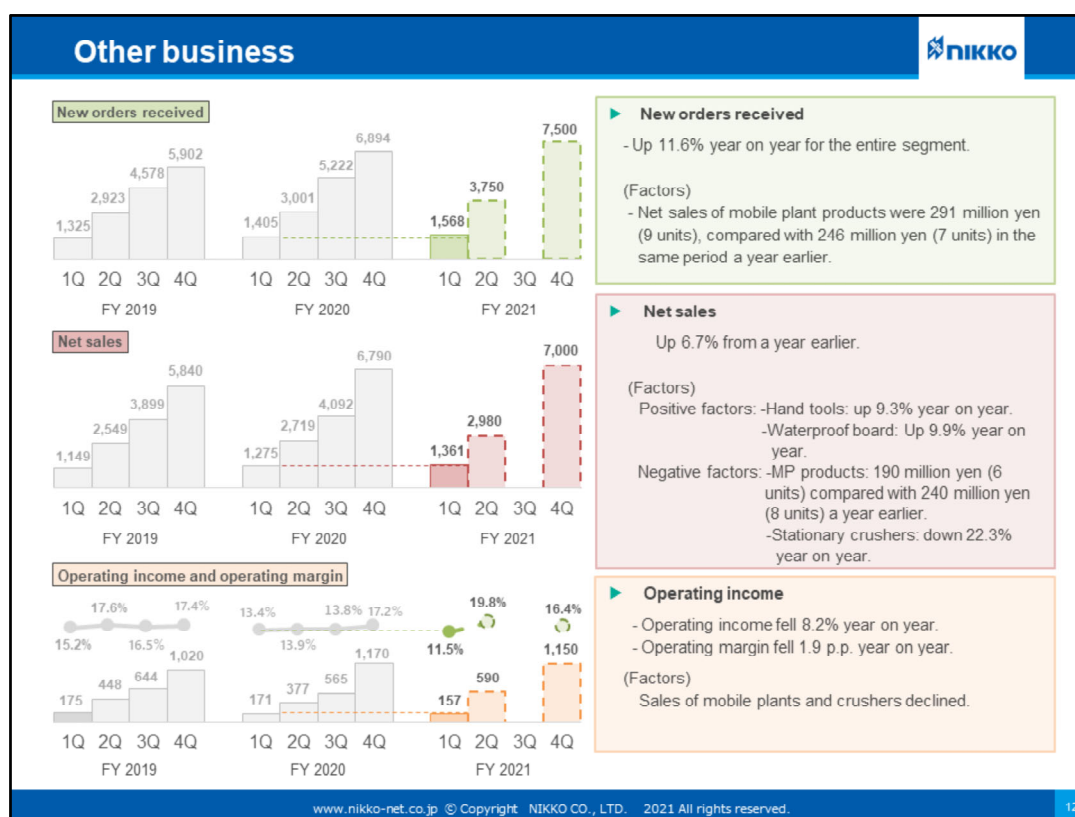
New orders received

New orders received in the first quarter came to 523 million yen, which is not a particularly large kickoff figure as there were no major projects.

Net sales

Net sales in the first quarter were 424 million yen, a decline from the previous fiscal year as well as one before that.

This is due to sales activities for general purpose belt conveyors, which are almost entirely sold through agents, having been inactive due to the continued impact of COVID-19.



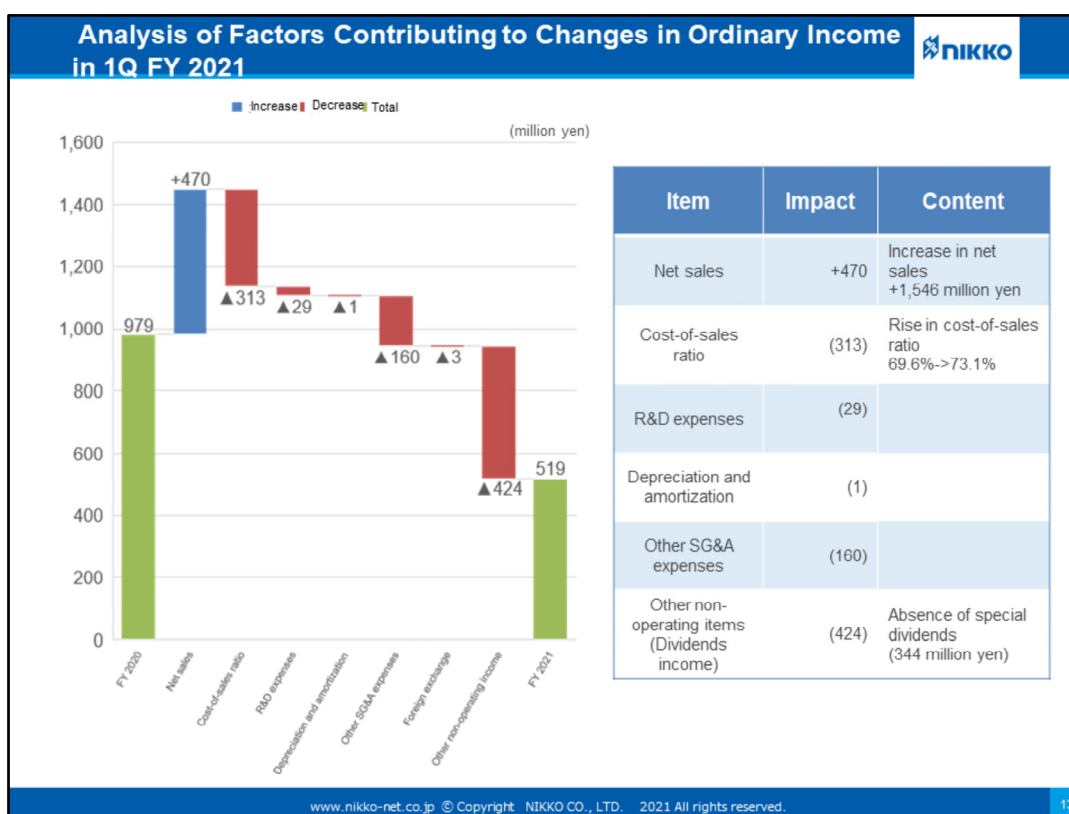
Other business

Orders

In terms of orders, new orders received have been increasing compared with the previous year thanks to strong performances from the MP business, on which we continue to focus on.

For the full year, we forecast 7.5 billion yen, an increase from the previous year.

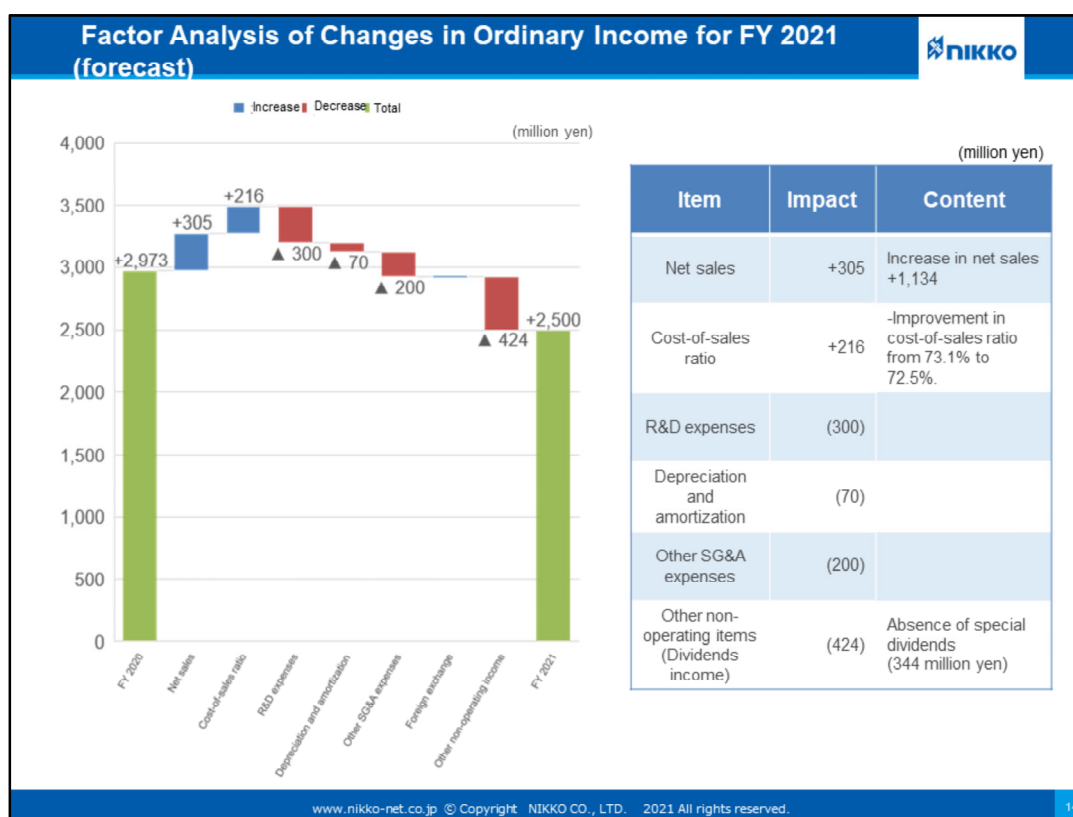
We expect the MP and waterproof board businesses continue to grow in the current fiscal year.



This is the analysis of the factors contributing to the changes in ordinary income.

This compares the first quarter of the current fiscal year with the same quarter of the previous fiscal year.

While profit increased as net sales rose, cost-of-sales ratio has worsened. Cost-of-sales ratio has worsened from 69.6% in the first quarter of the previous fiscal year to 73.1% in the current first quarter. In the full year, the ratio was 73.1% in the previous fiscal year and 72.6% the year before that, so the current first quarter's figure is not especially poor.



This is the forecast of the analysis of the factors contributing to the changes in the full-year ordinary income.

The full-year forecast of ordinary income is 2.5 billion yen, a decline from about 3.0 billion yen in the previous fiscal year.

Net sales would boost profits by about 300 million yen and full-year cost-of-sales ratio is expected to slightly improve from the previous year and increase profit by about 200 million yen.

Meanwhile, R&D expenses will increase about 300 million yen in the full year. We also expect depreciation and amortization to increase about 70 million yen.

Balance Sheet Trends					NIKKO	
					(million yen)	
		1Q/FY 2020	1Q/FY 2021	Change	Main factors in year-on-year change	
Assets	Current assets	31,641	32,500	+859	Increase: Cash and cash equivalents +1,437 million yen Electronically recorded monetary claims +284 million yen Work in process and partly-finished construction +815 million yen Raw materials and supplies +350 million yen Decrease: Notes and accounts receivable-trade (792) million yen Merchandise and finished goods (980) million yen Other business (267) million yen	
	Property and equipment	7,739	9,225	+1,485	Increase: Buildings and structures +242 million yen	
	Intangible assets	427	658	+230	Machinery, equipment and vehicles +143 million yen	
	Investments and other assets	6,676	6,360	(315)	Land +563 million yen	
					Decreases: Investment securities (187) million yen	
Total assets		46,484	48,744	+2,259		
Liabilities	Current liabilities	13,192	14,853	+1,661	Increases: Notes and accounts payable-trade +546 million yen Short-term loans payable +567 million yen Accounts payable-other +141 million yen Advances received +1,119 million yen Decreases: Electronically recorded obligations (323) million yen Accounts payable-factoring (224) million yen Retirement benefit-related liabilities (109) million yen	
	Long-term liabilities	2,960	2,781	(179)		
Total net assets		30,332	31,109	+777	Increase: Retained earnings +454 million yen Foreign currency translation adjustment +225 million yen Valuation difference on available-for-sale securities +243 million yen Accumulated retirement benefit-related adjustment +118 million yen Decreases: Purchase of treasury stock (270) million yen	
Net assets per share (yen)		785.23	813.40	+28.17		

*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 2018.

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Balance sheet

This is a comparison with the balance sheet for the first quarter of last year.

Total assets increased by about 2.0 billion yen, or about 5%.

Both current assets and property, plant and equipment increased, and the increase in property, plant and equipment is prominent because of active capital investment.

Property, plant and equipment increased 1,485 million yen compared with the previous year.

Land increased 563 million yen, most of which is due to the acquisition of property for building a plant in Thailand.

Machinery as well as buildings and structures have also increased as we are actively making capital investment that exceeds depreciation and amortization.

Most of the investment securities are strategic shareholdings. However, we are working on selling cross shareholdings, and investment securities declined 187 million yen compared with the previous fiscal year.

There was no special item regarding liabilities, but one factor is that advances received increased 1.1 billion yen compared with the previous year. Since two years ago, we have been making efforts so that customers, as a rule, would pay a third of the total order amount as an advance at the signing of a contract, especially for AP projects, to improve turnover.

The effect of these efforts have been gradually showing.

Net assets increased 777 million yen in total compared with the previous year.

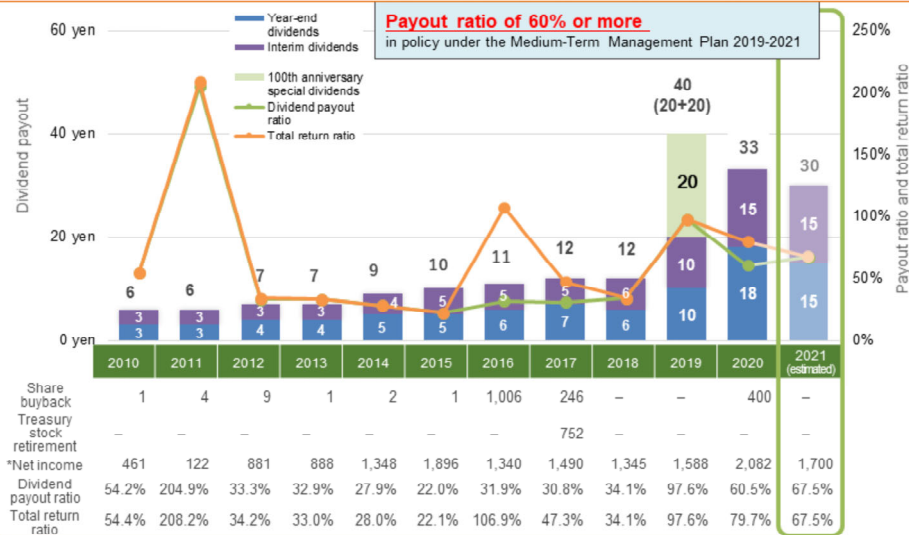
Treasury stock increased 270 million yen due to share buyback.

Shareholder Returns



● Enhancement of shareholder returns

Forecast of 30.00 yen per share in dividend payment in FY 2021 (15.00 yen per share as interim dividends and 15.00 yen per share as year-end dividends) (dividend payout ratio of 67.5%) planned



* 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)

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Shareholder returns

This is the third and final fiscal year of the Medium-Term Management Plan.

Under the medium-term plan, we have a policy to achieve dividend payout ratio of 60% or more.

Payout ratio was 97.6% in fiscal year 2019 and 60.5% in fiscal year 2020. In fiscal year 2020, we carried out share buyback, which resulted in total return ratio of 79.7%.

For the current fiscal year, we are planning dividend payout ratio of 67.5%.

As for dividends, fiscal year 2019 was our 100th anniversary and we paid 20 yen per share in commemorative dividends. In fiscal year 2020, profits exceeded the forecast in the end and we paid annual dividend of 33 yen per share compared with the initial plan of 30 yen per share.

For the current fiscal year, net income forecast is 1.7 billion yen and we plan to pay a dividend of 30 yen per share and the dividend payout ratio is expected to be 67.5%.

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



(million yen)

	FY 2019				FY 2020				FY 2021			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Net sales	8,001	9,139	7,422	10,589	7,271	10,954	6,407	13,234	8,817			
AP-related business	3,917	4,750	3,789	5,062	3,991	5,536	3,247	6,693	5,058			
BP-related business	2,442	2,127	1,722	2,867	1,478	3,440	1,274	3,020	1,972			
Environment- and Conveyor-Related Business	492	861	561	720	524	535	513	818	424			
Other business	1,149	1,400	1,350	1,941	1,275	1,444	1,373	2,698	1,361			
Operating income	276	683	81	1,013	408	592	(96)	1,398	375			
AP-related business	222	454	(53)	495	340	300	(105)	704	199			
BP-related business	110	187	89	375	88	398	(25)	418	196			
Environment- and Conveyor-Related Business	80	139	174	169	114	78	94	196	66			
Other business	175	273	196	376	171	206	188	605	157			
Corporate expenses	(313)	(370)	(322)	(404)	(305)	(391)	(248)	(525)	(244)			
Ordinary income	361	673	129	979	979	609	(89)	1,474	519			
Net income attributable to owners of parent	270	733	(33)	618	746	353	(133)	1,116	378			
Cash flow from operating activities	3,809				2,784							
Cash flow from investing activities	(609)				(1,867)							
Total dividend	229	—	775	—	775	—	572	—				
Share buyback	0				400							

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



(million yen)

New orders received (cumulative)	FY 2019				FY 2020				FY 2021			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
AP-related business	3,575	8,419	11,196	16,133	5,256	9,835	14,102	20,279	4,519			
BP-related business	1,969	4,313	6,315	9,478	2,061	4,823	7,278	9,961	3,142			
Environment- and conveyor-related business	449	1,187	1,787	2,401	746	1,374	2,290	2,875	523			
Other business	1,325	2,923	4,578	5,902	1,405	3,001	5,222	6,894	1,568			
Total	7,320	16,843	23,877	33,915	9,469	19,036	28,893	40,009	9,753			

End-of-term order backlog	FY 2019				FY 2020				FY 2021			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
AP-related business	8,466	8,561	7,548	7,424	8,688	7,732	8,751	8,235	7,696			
BP-related business	2,967	3,184	3,464	3,760	4,342	3,665	4,845	4,508	5,678			
Environment- and conveyor-related business	342	219	258	152	373	467	869	636	734			
Other business	997	1,194	1,498	883	1,013	1,165	1,553	981	1,187			
Total	12,773	13,158	12,769	12,219	14,417	13,030	16,479	14,361	15,298			

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



(million yen)

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Capital investment	292	335	844	815	877	1,261	550	1,889	1,483	2,748
Depreciation and amortization	432	389	395	422	487	482	472	508	611	677
R&D expenses	239	256	295	276	227	271	291	211	379	392

(persons, age, or years)

Number of employees (consolidated)	775	763	767	796	803	797	807	799	838	861
Average age of employees (non-consolidated)	44.2	44.7	43.3	43.1	42.2	42.3	42.2	40.9	41.1	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	15.4
Female employees (non-consolidated)	28	31	31	33	39	42	42	45	51	55
Number of new-graduate hires (non-consolidated)	13	15	21	21	30	17	19	15	14	29
Number of female new-graduate hires (non-consolidated)	1	0	1	3	1	2	0	0	0	3
Percentage of female hires (non-consolidated)	7.6%	0%	4.7%	14.2%	3.3%	11.7%	0%	0%	0%	10.3
Number of foreign-national hires (non-consolidated)	1	0	6	0	0	0	1	1	0	1
Number of foreign-national employees (non-consolidated)	2	2	8	6	6	6	7	8	5	5
Foreign national employees (consolidated)	92	90	91	95	94	93	101	98	116	116
Overseas employees (consolidated)	92	90	91	95	92	91	101	98	123	121

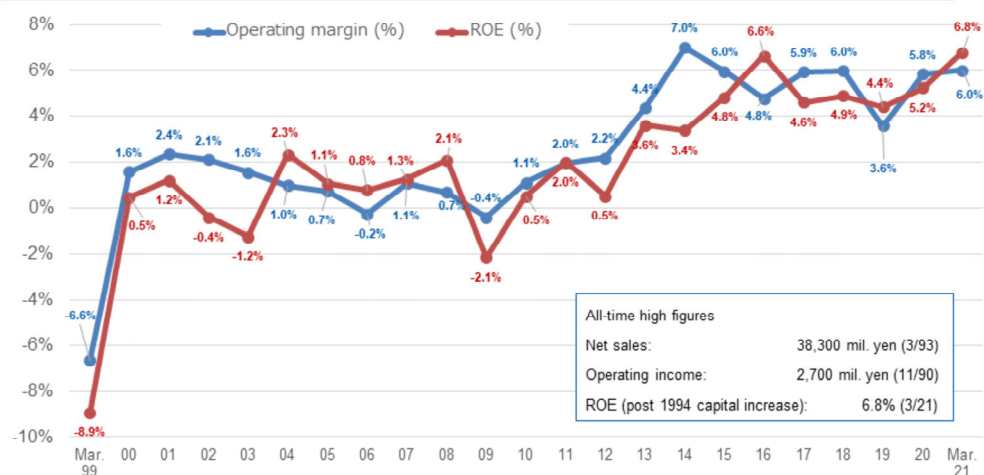
New products for reducing environmental impact

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
New products	[Sand dryer] [High-temperature preheating burner]	[NTB-II burner]	[Newly designed bag filter]	[VP Series APs]	—	[Foamed asphalt manufacturing equipment]
Features reducing environmental impact	-Higher plant production efficiency -Energy saving	-Energy saving -Higher combustion efficiency in combustion range	-Space saving -Energy saving -Exhaust gas reduction -Low noise	-Preventing diffusion of recycled material -odorous gas	—	-Support for manufacture 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	Mar. 21
Net sales	22,157	22,595	23,170	24,307	24,812	24,804	22,175	25,035	25,942	23,856	23,971	23,803	24,553	27,087	32,073	30,707	34,110	32,717	35,114	31,780	35,151	37,800
Operating income (loss)	352	530	492	375	248	185	(55)	271	189	(98)	205	470	541	1,190	2,249	1,832	1,829	1,944	2,103	1,427	2,053	2,302
Ordinary income	201	848	664	688	492	537	350	699	545	482	699	812	821	1,108	1,982	1,582	1,648	1,993	2,239	1,578	2,142	2,973
Net income (loss)	121	298	(93)	(284)	557	285	203	315	513	(499)	124	461	122	881	888	1,348	1,895	1,340	1,490	1,345	1,588	2,082

Financial Results for 1Q FY 2021 ▶ pp. 3-16

Reference Materials ▶ pp. 18-21

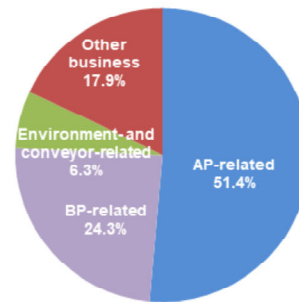
Company Information ▶ **pp. 23-27**

Company Overview



Company 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, 2021)
Consolidated net sales	37,866 million yen (Fiscal year ended March 31, 2021)
Consolidated operating income	2,302 million yen (Fiscal year ended March 31, 2021)
Ratio of net sales outside Japan	9.9% (Fiscal year ended March 31, 2021)
Subsidiaries	10 companies (Fiscal year ended March 31, 2021)
Number of employees (consolidated)	861 (as of March 31, 2021)
Governance structure:	Company with Board of Corporate Auditors Directors: 7, of which 2 are outside directors Corporate Auditors: 4, including 3 outside auditors (as of March 31, 2021)

Net sales breakdown by business segment (FY 2020)



*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	1993 Capital participation in Benninghoven (Germany)	1968 Ichiishi Kogyosho (M&A)
1951 Concrete mixers and winches	1938 Industrial machinery factory	1994 Nikko Baumaschinen (Germany)	1971 Nikko Electronics Co., Ltd. established
1956 Ready-mixed concrete plant	1968 Tokyo factory	1997 Taipei branch (Taiwan)	1983 Nikko Machinery Co., Ltd. established
1958 Asphalt plants	1994 Satte factory	2001 Nikko (Shanghai) Construction Machinery	1994 Tombo Industry Co., Ltd. established
1962 Telescopic steel props	2004 Shanghai Jiading factory	2010 Shangtui Chutian Construction Machinery	1995 Nikko Sec Co., Ltd. established
1963 Pipe scaffolding	2014 Kakogawa factory	2020 Nikko Asia (Thailand) Co., Ltd.	2002 Niigata Engineering (transfer of business)
1966 Conveyor and handling system	2016 Fukusaki factory	2020 Nikko Nihkosol Co., Ltd. (Thailand)	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

*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.

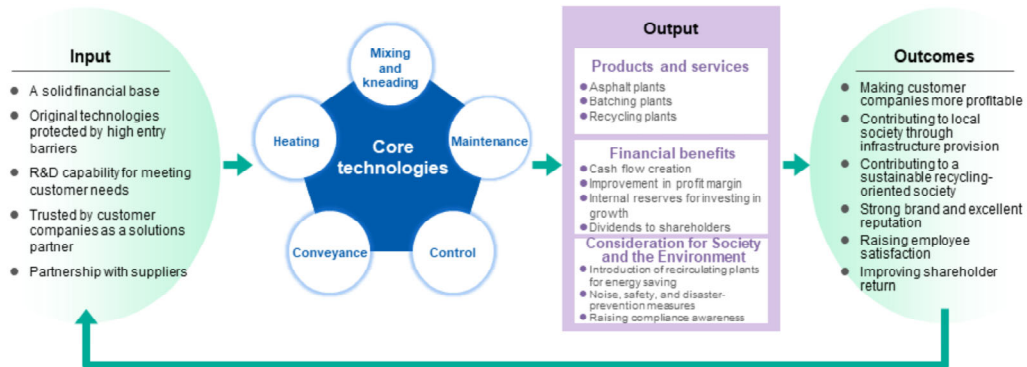
We will work to brush up on our core technologies in “heating,” “mixing,” “material handling” and “control” as we expand business.

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

Representative Director and President

辻 勝

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



FY 2021 forecast **Net sales** 39,000 million yen **Operating margin** 5.9%

Business flows





Please feel free to contact us as follows 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, Financial 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.