Segment Highlights

In FY 2021, consolidated net sales of Nikko Group totaled a record high of 38.8 billion yen, of which the AP-related business accounted for 47.2% (51.4% in FY 2020), BP-related business 27.9% (24.3%), environment- and conveyor-related business 7.8% (6.3%), and other businesses 17.1% (17.9%). Overseas, sales expansion in China and Thailand contributed significantly, accounting for 12.2% (9.9%) of the total. By segment, net sales of the AP-related business declined 5.9%, falling greatly in Japan reflecting factors such as the worsening business performance of road pavement companies due to high raw materials prices; those of the BP-related business increased 17.7% thanks partly to the stable ready-mixed concrete market; those of the environment- and conveyor-related business rose 26.3%; and those of the other businesses fell 2.0% owing to a slowdown in sales of temporary construction materials, despite strength in mobile products.

AP-Related Business

Business description

Main products

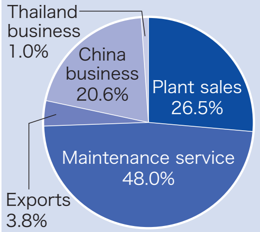
- Asphalt plants
- Recycling plants
- Crushing plant
- Mixture silos
- Electronic control devices, plant management system

ABD
Made-to-order AP models that can handle diverse needs

VP II
Ecological model AP, primarily for recycling

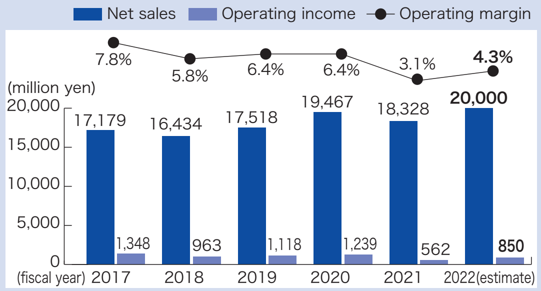
CBD
Global model AP for Thailand and Southeast Asia markets

FY 2021 business breakdown



Sales composition of the plant sales in Japan was down 6.5% pp and that of MS also fell by 0.1 pp, while the composition of Nikko Shanghai was up 2.8 pp and that of exports and Thailand rose 3.7 pp.

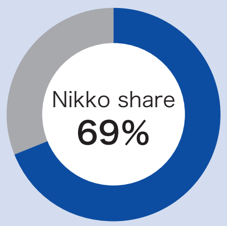
Net sales and operating income by segment (margin)



(fiscal year)	2017	2018	2019	2020	2021	2022(estimate)
Net sales (million yen)	17,179	16,434	17,518	19,467	18,328	20,000
Operating income (million yen)	1,348	963	1,118	1,239	562	850
Operating margin	7.8%	5.8%	6.4%	6.4%	3.1%	4.3%

In FY 2021, net sales in Japan declined 13.5% (including 6.0% decline in MS sales), while overseas net sales rose 27.1%. Operating income declined 55% due to high raw material costs and strategic projects. The number of strategic projects has declined in FY 2022 and operating income is expected to increase.

Market share (based on Nikko's survey)



AP demand declined to 42 units in FY 2021 (down 11 units). Nikko's share fell 6 pp to 69%.

BP-Related Business

Business description

Main products

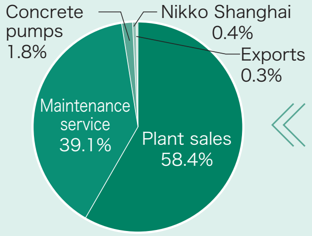
- Concrete plants
- Compact concrete plants
- Concrete pumps
- Electronic control devices, plant management system
- Concrete manufacturing plant facilities, etc.

DASH-H275EvoV Twin-ADV
Ultra-strong concrete plants

ONZEMIX-T50
Mobile BP

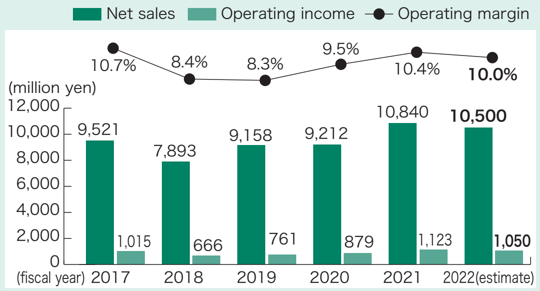
DASH-H167 Pro065T
Large-scale precast concrete plant

FY 2021 business breakdown



Composition of plant sales rose 5.3 pp, while that of MS and concrete pumps fell 4.7 pp and 2.5 pp.

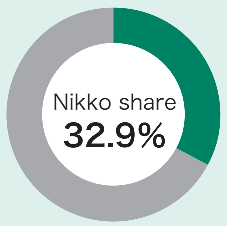
Net sales and operating income by segment (margin)



(fiscal year)	2017	2018	2019	2020	2021	2022(estimate)
Net sales (million yen)	9,521	7,893	9,158	9,212	10,840	10,500
Operating income (million yen)	1,015	666	761	879	1,123	1,050
Operating margin	10.7%	8.4%	8.3%	9.5%	10.4%	10.0%

In FY 2021, plant sales increased 29.5% and MS sales also grew 4.8%, as facility replacement was strong reflecting the rising ready-mixed concrete price and market share also increased. Operating income grew 27.8% as we were able to reduce costs through planned production, while operating margin also improved to 10.4%.

Market share (based on Nikko's survey)



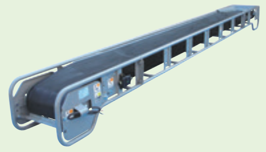
The BP demand fell to 71 units (down 6 units) in FY 2021, the first decline in three years, but Nikko's steady-state share increased 0.9 pp to 32.9%.

Environment- and Conveyor-Related Business

Business description

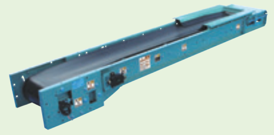
Main products

- Belt conveyors, conveyors for facilities, beverage container recycling plants
- Soil remediation plant, plastic recycling plant



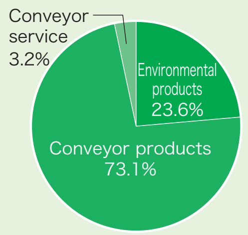
Modular conveyor
Conveyor using pipe frames whose lengths can be adjusted in increments of 10cm

A plaster-based solidification material manufacturing facility
It manufactures gypsum hemihydrate by drying gypsum powder.The facility manufactures solidification material by blending with cement and lime.



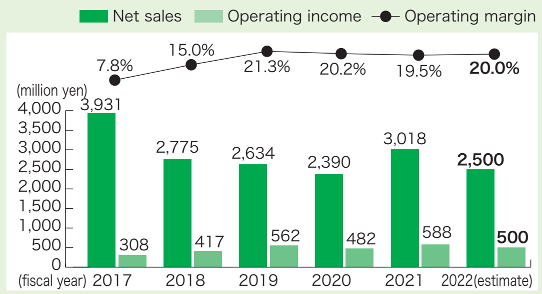
Super modular conveyor
Simple sealed-type conveyor using steel plate frames that ensures higher safety

FY 2021 business breakdown



The sales composition of environmental products increased 14.3 pp partly thanks to recording of large-scale projects, and conveyor products was down 14.8 pp while conveyor service rose 0.5 pp.

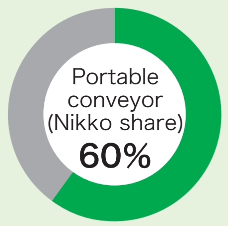
Net sales and operating income by segment (margin)



(fiscal year)	2017	2018	2019	2020	2021	2022(estimate)
Net sales (million yen)	3,931	2,775	2,634	2,390	3,018	2,500
Operating income (million yen)	308	417	562	482	588	500
Operating margin	7.8%	15.0%	21.3%	20.2%	19.5%	20.0%

In FY 2021, net sales exceeded 3.0 billion yen for the first time in a long while, with sizable contributions also from sales of environmental products. In addition to sales increase, operating income rose 21.7% partly owing to the effect of price increase of conveyor products from the third quarter. In FY 2022, both net sales and operating income are expected to decline.

Market share (based on Nikko's survey)



In FY 2021, the demand for portable conveyors was 4,300 units (unchanged) and Nikko's share also remained at the same level as a year before.

Other Business

Business description

Main products

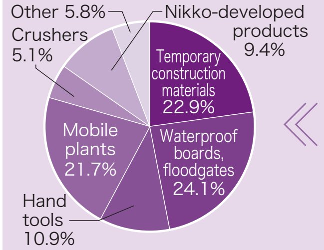
- Pipe scaffoldings, steel gangplanks
- Temporary aluminum staircases
- Shovels, spades
- Small-sized concrete mixers, mortar mixers
- Floodgates, waterproof boards, crushers
- Real estate leasing, construction machinery product leasing
- Sales of housing renovation

Hammer crusher
Particle size can be adjusted with grate size and the desired particle size can be obtained with a single crushing.

Mobile plant
One set of crusher line (crushers, screens, belt conveyors, etc.)

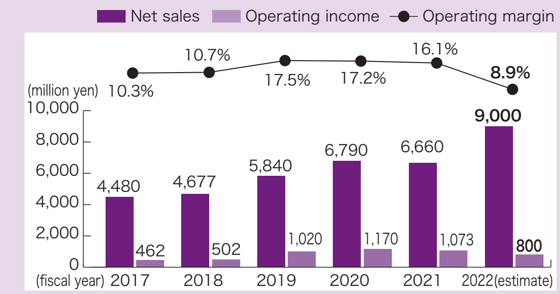
Waterproof board
Waterproof boards, which are effective against water damage (internal flooding) caused by global warming

FY 2021 business breakdown



Sales composition of mobile products, which is a new field, grew significantly by 5.9 pp, while that of temporary construction materials and other declined 2.6 pp and 5.3 pp.

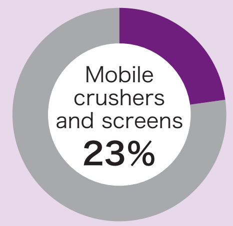
Net sales and operating income by segment (margin)



(fiscal year)	2017	2018	2019	2020	2021	2022(estimate)
Net sales (million yen)	4,480	4,677	5,840	6,790	6,660	9,000
Operating income (million yen)	462	502	1,020	1,170	1,073	800
Operating margin	10.3%	10.7%	17.5%	17.2%	16.1%	8.9%

In FY 2021, sales of mobile products and waterproof boards grew, while sales of temporary construction materials for rental services decreased, and as a result the other businesses saw a decline in both net sales and operating income. In FY 2022, though Ube Kohki is expected to contribute 2.0 billion yen to net sales and 0.1 billion yen to operating income, the segment's operating income is expected to decline due to poor performance of waterproof board and mobile products.

Market share (based on Nikko's survey)



In FY 2021, demand for mobile crushers and screens was 220 units, up 58 from FY 2020.