

All employees are the most valuable asset for Nikko. We focus our efforts on building an organization and strengthening our human resources so that we can quickly respond to all changes surrounding our business to make sustained contribution to society. It is our high-priority management theme of ours to improve employee engagement by understanding the expectations of each employees with different attributes and values to develop a rewarding work environment.

Employee situation

Nikko Group (including affiliated subsidiaries) (people)

fiscal year	Number of employees* ¹	Number of temporary employees* ²
End of FY 2021	1,058	135
End of FY 2020	861	144

Situation by segment (people)

Segment name	Number of employees* ¹		Number of temporary employees* ²	
	End of FY 2020	End of FY 2021	End of FY 2020	End of FY 2021
Asphalt Plant-Related Business	461	518	54	43
Concrete Plant-Related Business	202	233	31	30
Environment- and Conveyor-Related Business	32	43	7	10
Reportable segment subtotal	695	794	92	83
Other	128	206	46	43
Common for all companies* ³	38	38	6	9
Total	861	1,038	144	135

*1 Employees: employees of Nikko + employees of affiliated companies (including accepted seconded personnel and excluding seconded personnel)

*2 Temporary employees: temporary employees of Nikko + temporary employees of affiliated companies (including part-time workers and excluding temporary workers dispatched from agencies)

*3 Common for all companies: employees of the planning, administrative divisions, etc.

Situation at affiliated subsidiaries (as of end of FY 2021) (people)

Name	Executives (full-time)	Employees	Number of temporary employees	Total
Nikko Electronics Co., Ltd.	4	93	5	102
Nikko Machinery Co., Ltd.	3	43	25	71
Tombo Industry Co., Ltd.	3	12	2	17
Nikko Sec Co., Ltd.	3	30	6	39
Nikko Kosan Co., Ltd.	2	9	9	20
Maekawa Kogyosho Co., Ltd.	1	17	2	20
Ube Kohki Co., Ltd.	3	67	2	76
Nikko Baumachinen GmbH	2	0	0	2
Nikko Asia Thailand Co., Ltd	1	14	0	15
Nikko Nilkhosol Co., Ltd	3	78	0	81
Nikko (Shanghai) Construction Machinery Co., Ltd.	2	106	0	108
Total	49	469	51	551

Situation by gender (Nikko Co., Ltd.) (people)

	Male	Female
Company employees	508	19
Regional employees	2	41
Contract employees* ¹	40	0
Master* ²	18	0
Senior* ³	13	0
Partner employees* ⁴	0	17
Fixed-term employees* ⁵	0	16
Total	581	93
Year-on-year change (%)	+1.9	+6.9
Average age	43.3	44.8
Average years of service	18.7	11.0
Average wage (1,000 yen)* ⁶	7,682	3,357

*1 Contract employees: rehired employees who are post-seniors or post-masters (non-regular employees) *2 Master: employees rehired after retirement (non-regular employees) *3 Senior: employees who are post-masters with extended employment (non-regular employees) *4 Partner: part-time employees with no fixed term (non-regular employees) *5 Fixed-term employees: part-time employees whose terms have been renewed (non-regular employees) *6 Male and female average wage: While there is no wage gap between men and women in the same position, wage gap does occur due to differences in office organization and lengths of service.

Trend of the number of hires (people)

fiscal year	New graduates		People with prior work experience (global)		People with prior work experience (area)		Total
	Male	Female	Male	Female	Male	Female	
FY 2022 (as of end of June)	26	6	6	2	0	0	40
FY 2021	26	3	15	0	2	5	51
FY 2020	13	0	17	0	0	4	34
FY 2019	14	0	9	2	0	10	35
FY 2018	15	0	3	0	0	5	23
FY 2017	19	0	6	0	0	1	26

Retention rate three years after joining (employees who joined in FY 2019)

New graduates	85.7%
Hires with prior work experience	80.0%

Development of working environment

Nikko has established the following policy regarding development of working environment and is promoting related measures.

[Measures to support development of next generation]

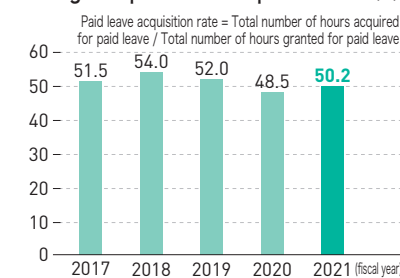
- Implementation of rehiring system targeting employees who have left for childbirth or child rearing
- Measures to promote utilization of annual paid leave
- Introduction of workstyle that is not dependent on location such as work from home and telecommuting

[Promoting active participation of women]

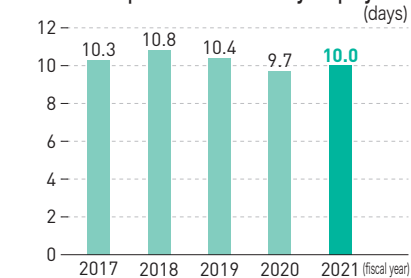
- Active promotion towards job applicants, of being a workplace where women can play an active role
- Awareness building to create a workplace culture where men as well as women can contribute to both workplace and family
- Realization of a flexible workstyle such as shortened working hour system, flexible working hour system, work from home, telecommuting, etc.
- Spreading a strong message regarding the rectification of long working hours from those at the top of the organization
- Personnel evaluation with focus on hourly labor productivity
- Fair assessment of utilizing childcare leave and shortened working hours based on personnel evaluation with emphasis on hourly labor productivity
- Proactive operation of the system to shift employees from non-regular positions to regular positions

Nikko has been developing an environment that facilitates active participation by female employees from the perspectives of both infrastructure and services through efforts such as setting up a dormitory for singles where women can stay safely. It is also reviewing its personnel system and will continuously strive to ensure diversity.

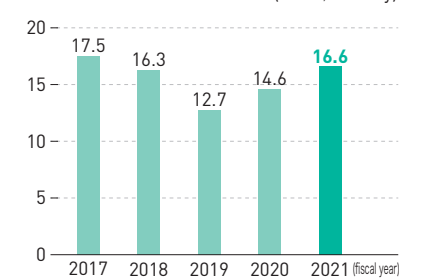
Changes in paid leave acquisition rate (%)



Number of paid leave utilized by employees (days)



Trend in overtime hours (hours, monthly)



Initiatives for flexible workstyle and enhancement of health

Number of employees who have utilized childcare leave system (people)

fiscal year	Female	Male	Total
FY 2021	5	1	6
FY 2020	3	0	3
FY 2019	5	0	5
FY 2018	1	0	1
FY 2017	2	0	2

Number of employees who have utilized shortened working hours for childcare (people)

fiscal year	Female	Male	Total
FY 2021	4	0	4
FY 2020	2	0	2
FY 2019	2	0	2
FY 2018	1	0	1
FY 2017	2	0	2

Number of employees who used workplace clinics (people)

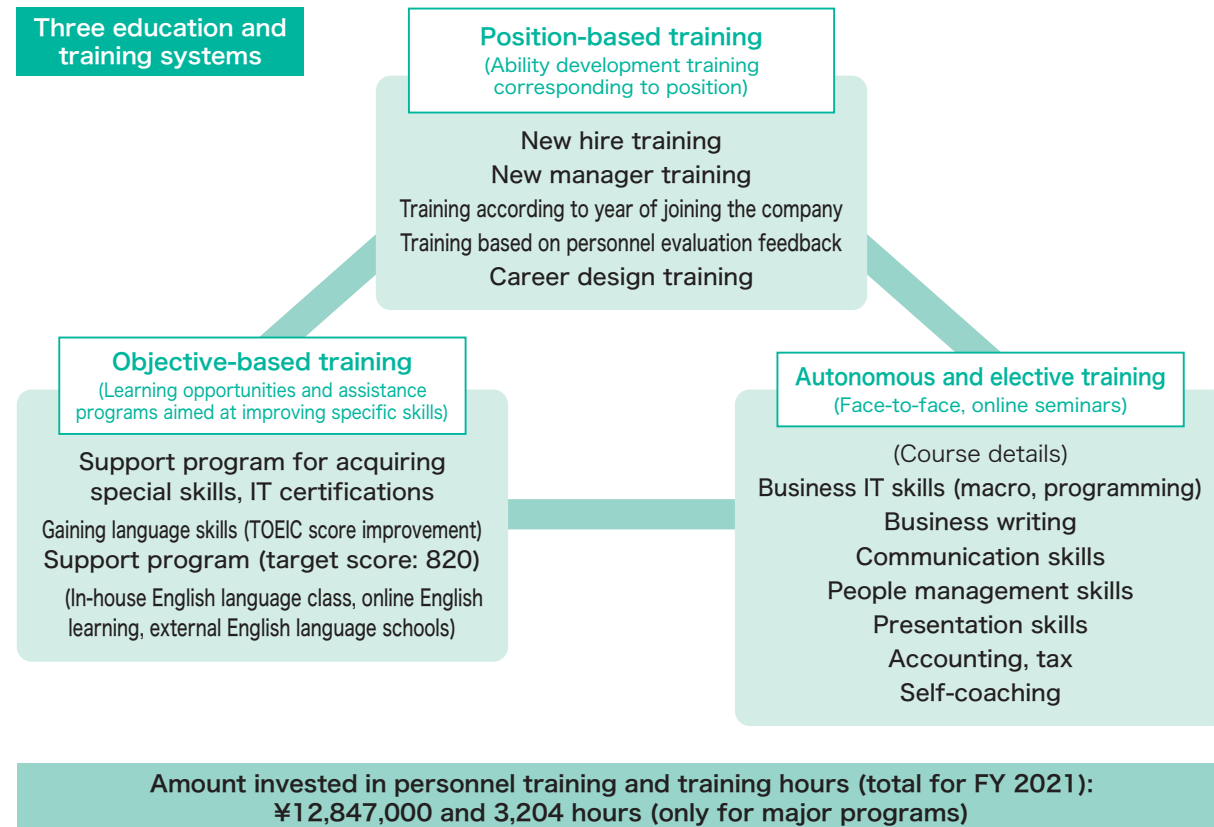
fiscal year	Number of patients
FY 2021	992
FY 2020	873
FY 2019	948
FY 2018	912
FY 2017	953

(on a medical expense incurred basis, multiple visits within the same month are counted as one visit)

Human resource development and training programs

Nikko is striving to enhance employee education through offering of three types of human resource development programs. Supports the skill acquisition and career

development that are required of each employee based on position-based training, objective-based training, and autonomous and elective training programs.



Development of a safe and healthy environment

Nikko Group has been ensuring compliance with safety and health-related laws and regulations and has been working to improvement its level of safety and health management. It is also making sure to implement stress level tests and special health examination for employees

with focus on improvement of personal as well as workplace environment. In the manufacturing divisions, which are associated with higher risks of accidents, the Group aims to achieve zero occupational accidents through the enhancement of education and support.

Nikko Group accident prevention slogan

Let's lower risks through continuous risk assessment and achieve zero accidents!
Let's prevent accidents by pointing and calling as well as by paying attention to each other
Ensure "don't fall," "stop," "step aside," and "confirm"

Goals

[Safety and health] Zero accidents (employees, employees at contractors, factory floors and work sites)
 [Health] Zero long-term medical treatment (1 month or longer)
 [Traffic safety] Zero accidents at fault, own injury

Trend of occupational accidents

(number of accidents)

		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Nikko Group	Severe accidents	0	0	1	1	0
	Accidents with lost workdays	1	3	1	1	2
	Accidents without lost workdays	8	5	4	3	10
	Total	9	8	6	5	12
Contractors (Nikko-related local projects)	Severe accidents	0	0	1	0	2
	Accidents with lost workdays	3	0	2	7	6
	Accidents without lost workdays	0	6	8	6	9
	Total	3	6	11	13	17

Allotment of treasury stock with restriction on transfer to employees

Commemorating the 100th anniversary of its foundation, Nikko allotted 100 shares in treasury stock to all employees of Nikko Group (worth 293,000 yen) in September 2019. Subsequently, the Company in 2021 introduced a system for allotting shares in treasury stock with restriction on transfer to its employees with the main aims of improving employee

engagement and stimulating their awareness as a shareholder for participating in management. Almost all employees have become Nikko shareholders and the Company expects their active contributions from a shareholder perspective to achieve 60.0 billion yen in net sales and ROE of 10%, which are Nikko Group's long-term goals.

Status of allotment of shares in treasury stock with restriction on transfer

Implementation period	September 2019	August 2021	August 2022
Target	857 employees (all employees including non-regular employees)	(1) Number of employees who received president's award (individuals, groups) (2) Employees who have achieved 10, 20, and 30 years in service (3) New hires (new graduates and mid-career hires) (4) Hires with prior work experience other than those allotted treasury stock in 2019	(1) Number of employees who received president's award (individuals, groups) (2) Employees who have achieved 10, 20, and 30 years in service (3) New hires (new graduates and mid-career hires) (4) Employees at affiliated companies other than those allotted treasury stock in 2019
Target	857 people	106 people	169 people
Number of shares awarded	100 shares	100–1,000 shares	100–1,000 shares
Price at which shares are awarded	2,980 yen	687 yen	649 yen
Period of restriction on transfer	3 years	15 months	15 months

