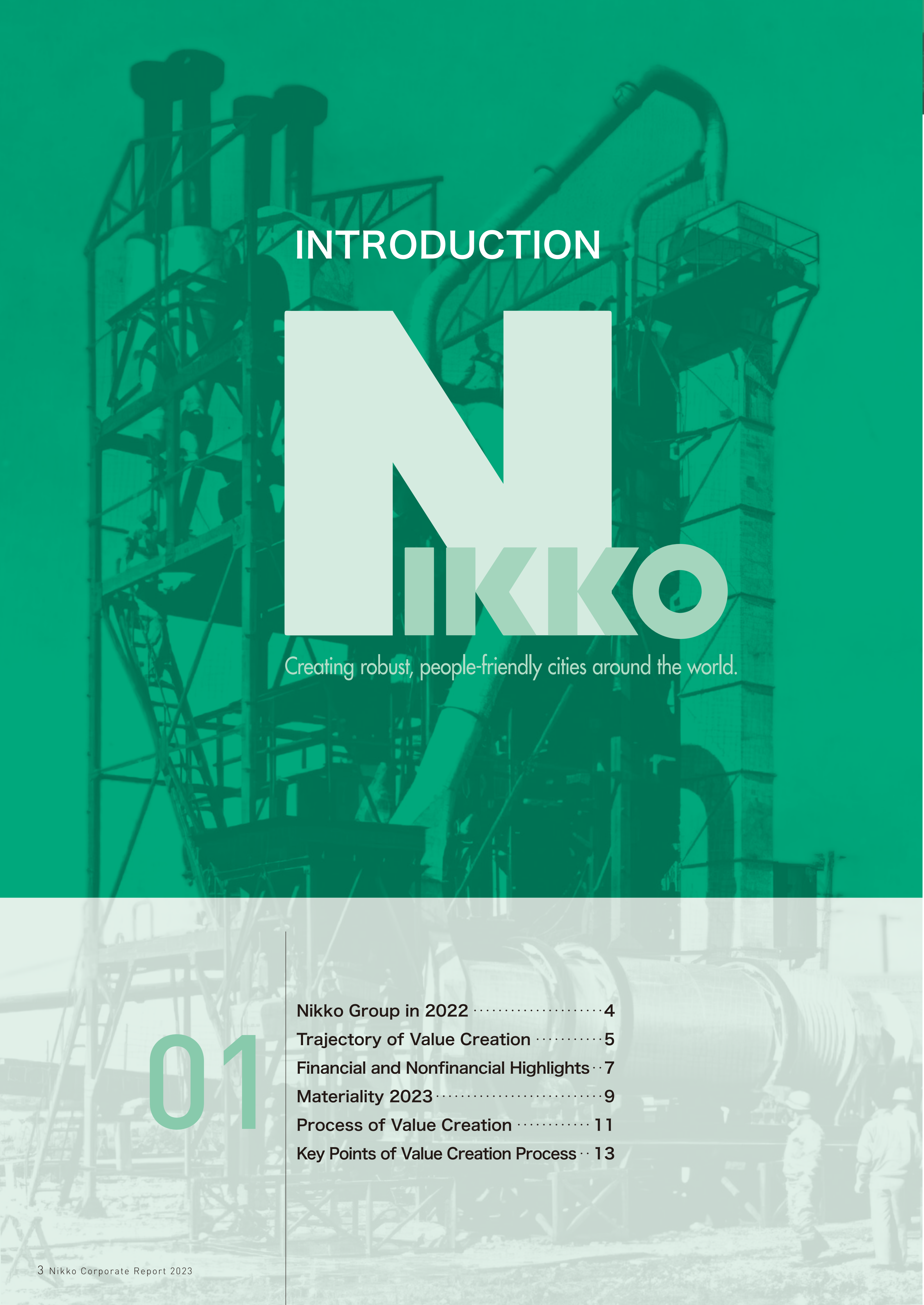

INTRODUCTION

Creating robust, people-friendly cities around the world.

01

Nikko Group in 2022

2022 Jan.

●Starts joint research for development of ammonia co-firing burner with Graduate School of Engineering, Osaka University

Launched joint research on CO_2 emission-free ammonia co-firing burner for asphalt plants in collaboration with Prof. Fumiteru Akamatsu's Combustion Engineering Laboratory, Division of Mechanical Engineering, Graduate School of Engineering, Osaka University, which is driving forward active research and development in ammonia combustion technology and other fields.

Feb.

●Introduces CO_2-free electricity at the head office factory in Akashi, Hyogo Prefecture

The use of RE100-compliant electricity generated using renewable energy is expected to reduce CO_2 emission of 1,260 tons a year, which accounts for about 43% of the total CO_2 emissions under Scope 1 at the head office factory.

●Develops Japan's first aggregate diagnosis AI using image recognition AI

Developed Japan's first aggregate diagnosis AI using image recognition AI that can be introduced at concrete plants. Began first full-scale operation at a plant in March 2022 to promote evolution of concrete plants into smart factories.

Mar.

●Makes Ube Kohki Co., Ltd. a wholly owned subsidiary

Acquired all shares in Ube Kohki Co., Ltd. (headquartered in Ube, Yamaguchi Prefecture; unlisted), which engages in design, manufacture, installation, and facility maintenance of steel structures and various industrial machinery on March 1, 2022, making it a consolidated subsidiary.

●Participates in a NEDO Green Innovation Fund Project

Decided to participate in the concrete category of the Green Innovation Fund Project for Development of Technology for Producing Concrete and Cement Using CO_2 solicited by New Energy and Industrial Technology Development Organization (NEDO). It is a consortium led by Kajima Corporation, Denka Company Limited, and Takenaka Corporation, who are the implementing entities, and Nikko Group will contribute to the development and spread of technology for environmentally friendly concrete.

●Uniformly raises the monthly wages of the employees by 30,000 yen

Decided to uniformly raise monthly wages of employees who are the members of Nikko Labor Union by 30,000 yen from April 1, 2022.

●Formulates Medium-Term Management Plan (2022–2024)

Formulated and announced the new Medium-Term Management Plan positioning the period as the internal investment phase for realizing 2030 Vision. The Company aims to achieve net sales of 50.0 billion yen and operating margin of 6.0% in FY 2024, the final fiscal year.

May

●Develops AI'll be sorter separating system using AI image recognition to replace visual identification

The AI'll be sorter separation system based on AI image recognition analyzes images taken with cameras using AI to quickly detect defective products and foreign substances. It will contribute to improvement in the recycling rate in the recycling industry.

July

●Starts joint development of the world's first hydrogen burner for asphalt plants

Together with Tokyo Gas Co., Ltd., the Company started joint development of the world's first burner for asphalt plants that uses hydrogen fuel, which does not emit CO_2.

Sept.

●Decides to invest in green bonds to be issued by Hyogo Prefecture

Decided to invest in the green bonds to be issued by Hyogo Prefecture for raising funds specifically for projects that improve environment.

●Creates 20 meter-tall mural art at the head office building

The Company embarked on a joint initiative with Wall Share Inc., which produces mural arts, to solve the issues faced by the industry in which both companies have a stake, through a collaboration between civil engineering plants and murals. A huge mural was unveiled at the head office building on October 13.

Oct.

●Announces the Partnership Building Declaration

Announced the Partnership Building Declaration with the aim of building new partnerships to collaborate, co-exist, and co-enhance with suppliers in the supply chain and businesses with which it co-creates values.

Dec.

●Makes donations as part of shareholder returns

As part of shareholder returns in FY 2022, the Company added options to make donations to the Japanese Red Cross Society and to organizations that support evacuees from and children in Ukraine. It received applications from many shareholders and made donations to the Japanese Red Cross Society and the Hyogo Ukraine Support Project.