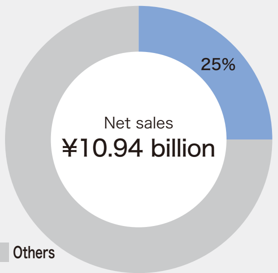
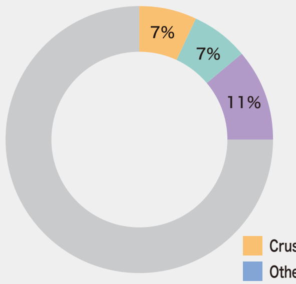
We reorganized the existing four segments into six segments.

Nikko Group divided the other business, one of the existing four segments, into three segments of crusher-related business, contract-based manufacturing business, and other business. We will aim to maximize synergy effects and acquire conglomerate premium by raising the feasibility of achieving management conscious of capital cost and numerical targets through visualization of the business and lateral expansion of the four core technologies of Nikko.

Sales breakdown (former segments)

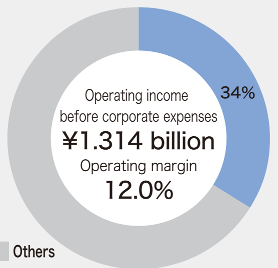


Sales breakdown (new segments)

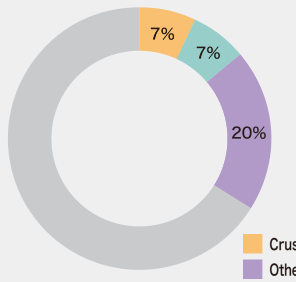


・Crusher-Related Business
¥3.198 billion
・Contract-based manufacturing business
¥3.072 billion
・Other business
¥4.670 billion

Segment profit breakdown (former segments)

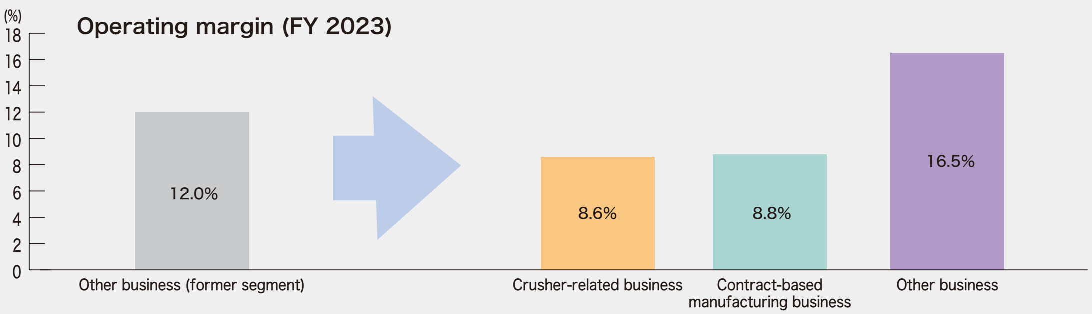


Segment profit breakdown (new segments)



Operating income before corporate expenses
・Crusher-Related Business
¥0.274 billion
・Contract-based manufacturing business
¥0.270 billion
・Other business
¥0.769 billion

Operating margin (FY 2023)



Market Environment Trends

Business strategy in the medium-term plan

(1)Sales expansion of mobile plants and strengthening of profitability
(2)Enhancement of product lineup
(3)Strengthening of sales structure and promotion of maintenance service business
(4)Realization of synergies with Ube Kohki

With the addition of Matsuda Kiko to the Nikko Group, we aim to achieve synergy effects also including Ube Kohki.

Numerical targets of medium-term plan

	FY 2022	FY 2023	FY 2024 forecast	FY 2024 medium-term plan
Net sales	¥8.3 billion	¥10.9 billion	¥12.3 billion	¥13.5 billion
Operating income	¥1.04 billion	¥1.31 billion	¥1.50 billion	¥1.30 billion
Operating margin	12.5%	12.0%	12.2%	20.4%

Net sales by product, operating margin, and net sales forecast