

Contract-based manufacturing business

Taking the opportunity of joining the Nikko Group, we will break away from being just a subcontractor and pursue high growth and profitability by creating synergies.

Senior Executive Officer, Deputy General Manager of Manufacturing Division, Manager of Head Office Factory, and General Manager of Manufacturing Technology Office, Nihon Kogyo Products
Representative Director and President, Ube Kohki Co., Ltd.
President and Representative Director, Matsuda Kiko K.K.

Kazuhiro Yamada



Business description

● **UBE KOHKI** (made into a group company in March 2022; location: Ube, Yamaguchi Prefecture)
Engaged in the process starting from fabrication to assembly of wide-ranging social infrastructure including hydraulic pipe works and water treatment plants as well as facilities, equipment, and plant works for chemical, cement, food product, pharmaceutical, and other industries, in addition to floodgates, bridges, water supply and sewage systems. It also develops and manufactures solar-powered LED lamps, generation and storage tanks for biogas, hydrogen, and other gases (gas holder, sales share of 10 to 20%).

● **株式会社松田機工 Matsuda Kiko K.K.** (made into a group company in July 2023; location: Kasaoka, Okayama Prefecture)

Engaged in plate working and welding for factory equipment and various industrial machinery for steel mills, plants, and general heavy machinery manufacturers in Setouchi as well as for transportation and environmental equipment including conveyors. It has expertise in plate working and welding for difficult shapes, and boasts high level of deadline management and quality. About half of its sales is for steel mill projects.

Business opportunities

- Increased business opportunities with a competitor going out of business.
- Acquiring new projects through product and development synergies within Nikko Group
- Increased demand for construction of receiving base for hydrogen and ammonia as well as for related capital investment

Strengths

- Both companies have comprehensive strengths including quality inspections led by QCD.
- Ube Kohki has the capability to internally produce niche products such as gas storage tanks and solar lamps.
- Ube Kohki's business is spread across Japan and it also has a partner plant in Dalian, China.
- Matsuda Kiko boasts high level plate working and welding technologies and has capability to handle short delivery deadlines.

Other business

We aim to secure stable growth and high profitability armed with our high share in niche markets, distinctive technologies, and proprietary products.

- Nikko Machinery Co., Ltd.
- Nikko Sec Co., Ltd.
- Tombo Industry Co., Ltd.
- Nikko Kosan Co., Ltd.
- Nikko Electronics Co., Ltd.

President and Representative Director, Nikko Machinery Co., Ltd.

Akio Kataoka



Business description

● **Nikko Machinery** (Products: Manufacture and sale of waterproof boards, floodgates, electric equipment for melting white lining material used in road repairs, etc.): Mainstay waterproof boards are designed and manufactured in-house leveraging the high technological prowess in floodgates business and are sold to major shutter manufacturers, general contractors, and local construction material stores.

Business opportunities

- Increasing demand for waterproof boards for preventing inland flooding caused by cloudburst and typhoons (with potential to be an 8 billion yen market including foundation work)
- Demand for replacing gas-based kettles with electric ones for melting white lining material used in road repair
- Increasing demand for repair and upgrade of floodgates following the policy on strengthening of national resilience
- Increasing demand for maintenance of waterproof boards

Strengths

- High product development prowess and market share, with average operating margin of 13.5% over the past five years
- The company's proprietary and distinctive electric asphalt kettle

President and Representative Director, Nikko Sec Co., Ltd.

Koichi Kamada



Business description

● **Nikko Sec** (Products: Manufacture, sale, lease, and rental of temporary equipment and machinery for construction work): Lease and rental of temporary equipment and machinery account for half of net sales, with the remaining accounted for by temporary equipment and machinery and various maintenance equipment.

Business opportunities

- Increasing need for automated facilities (sorting devices, etc.) for maintenance of temporary construction equipment given labor shortage
- Growing demand for highly workable temporary construction equipment against the backdrop of labor shortage at construction sites
- Demand for evacuation staircases and paths to respond to increasing natural disasters

Strengths

- Our proprietary temporary construction equipment, which has high workability, has been rated highly, and has secured an average operating margin of 13.3% for the past five years.
- We internally design and manufacture acceptance inspection systems, stacking systems (palletizers), and cleaning facilities.