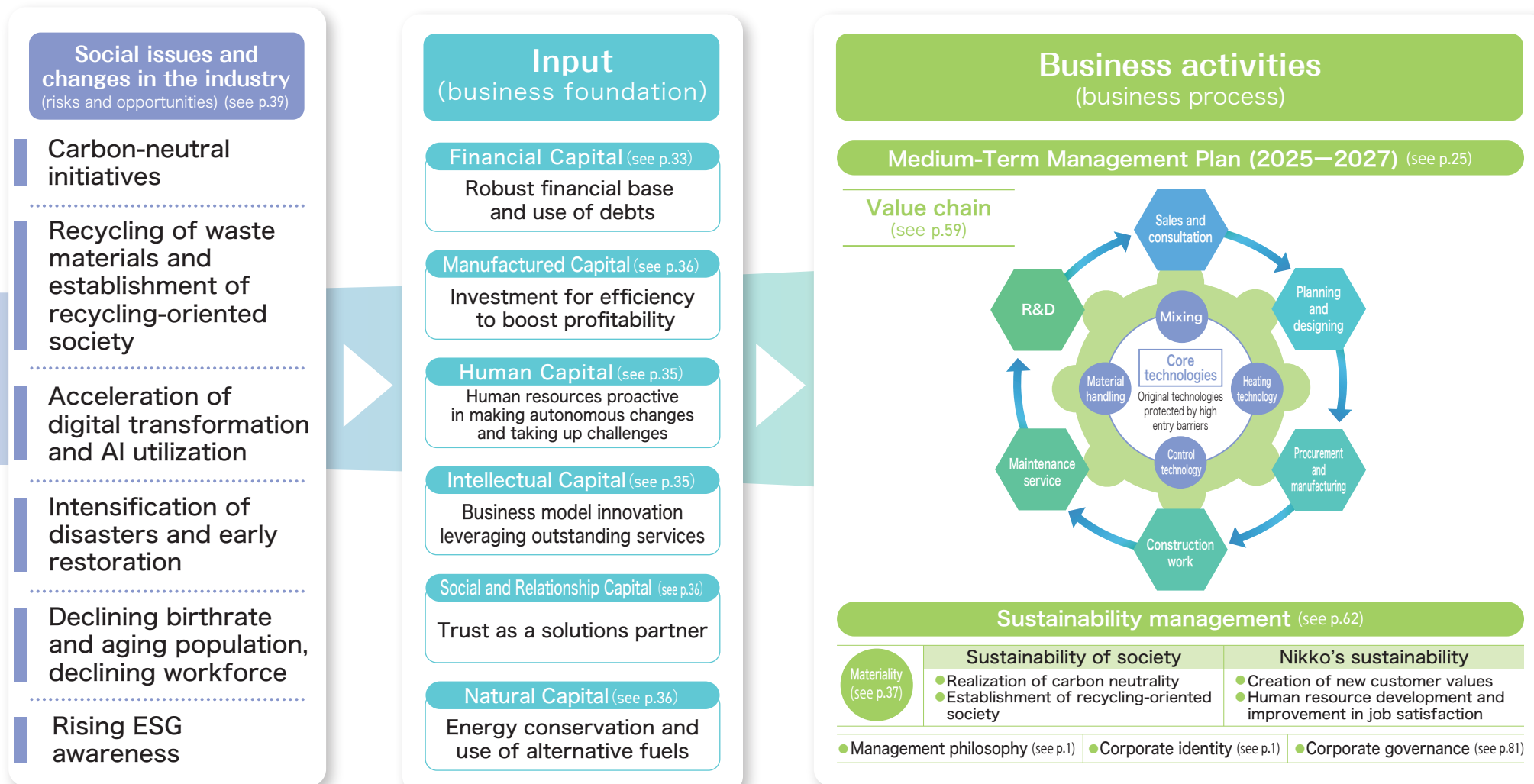


Process of Value Creation

Nikko Group aims for sustainable growth through business activities conscious of materiality across the value chain by leveraging the assets it owns.

We will achieve the vision and improve our corporate value through realization of the values (outcomes) created in this process.



Nikko Group's mission (raison d'être)

Updating social infrastructure with state-of-the-art engineering.

Output

(business value)

Business transformation

- AP-related business in Japan (see p.51)
- BP-related business in Japan (see p.53)
- Maintenance service business (see p.51~58)

Strengthening of operation and maintenance services

**Scale expansion leveraging technology**

- Overseas AP-related business (see p.51)
- Environment- and conveyor-related business (see p.55)
- Crusher-related business, Contract-based manufacturing business, Other (developing business) (see p.56~58)

Lateral expansion of products and markets

Outcome

(creation of social values)

Social and environmental values to be contributed

- Establishment of recycling-oriented, environmentally friendly society (see p.67)
- Contribution to realization of decarbonized society (see p.63)
- Contribution to disaster prevention and mitigation, maintenance and enhancement of social infrastructure (see p.69)
- Growth and success of human resources who support realization of 2030 Vision (see p.72)

- Support for early restoration from natural disasters (see p.69)
- Co-existence with local communities (see p.70)

Economic values to be created**Financial targets for FY2027**

- Net sales **¥60.0 billion**
- Operating margin **8% or more**
- ROE **8.0%**
- Dividend payout ratio **Maintain 60% or higher**
- Market cap **¥40.0 billion**

Financial targets for FY2030

- Net sales **¥70.0 billion**
- Operating margin **10.0%**
- ROE **10.0%**
- Market cap **¥50.0 billion**

Joint Value Creation With Stakeholders**Shareholders, investors**

- Achieve ROE above the cost of capital and raise our stock price
- Return generated profits

Employees

- Achieve well-being and improve the quality of life
- Facilitate success of diverse human resources

Customers

- Ensure high quality of products and establish service systems
- Offer environmentally conscious technologies and products

Business partners

- Establish sustainable and robust supply chains
- Engage in ESG-conscious business activities

Local community, future generation

- Reduce CO₂ and create a recycling-oriented society
- Contribute to local communities and future society



Creating robust, peoplefriendly cities around the world.

Future the Group wants to realize (see p.1)

Achievement of 2030 Vision (see p.7)