

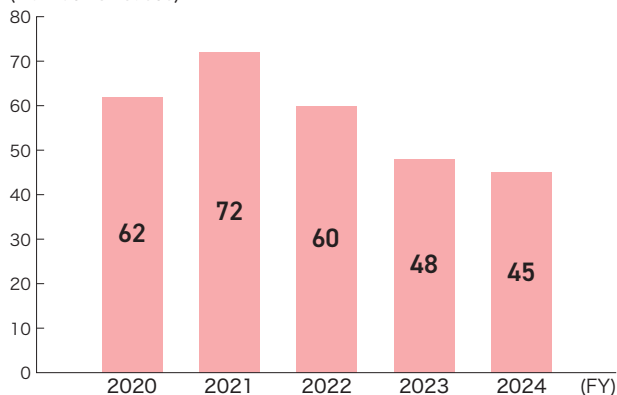
Early Restoration from Intensifying Disasters

In recent years, natural disasters such as major typhoons, cloudbursts, and earthquakes occurred with greater intensity and frequency, affecting regions across Japan. Particularly notable are cloudbursts and elongated precipitation bands that bring heavier rainfalls than forecast. There are also growing risks of massive earthquakes (e.g., Nankai megathrust earthquakes, major earthquakes directly beneath the capital), and of complex disasters in which the earthquakes are accompanied by tsunamis and/or volcanic eruptions. The whole of the Japanese archipelago has moved into a new stage of disaster risk.

The first step the Nikko Group will take towards restoration if any disaster occurs is to quickly recover its damaged plants. To fulfill our responsibility for supply as a leading manufacturer of asphalt plants and concrete plants, we work in close collaboration with our customers to fully ensure a quick response immediately after each disaster and early revival of operation.

Trend in the number of natural disaster damage to Nikko plants

(Number of cases)

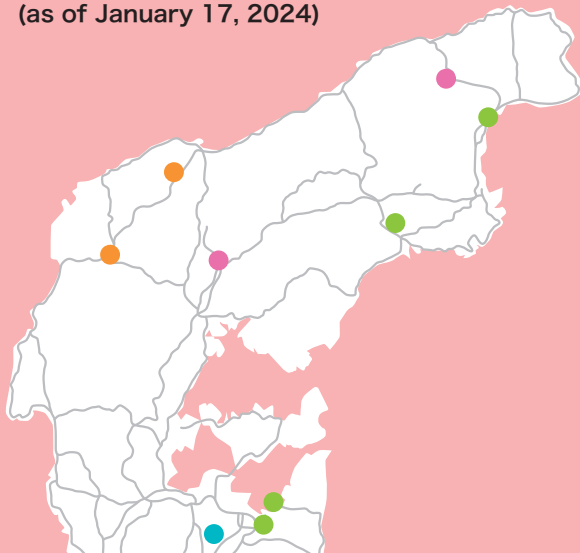


Status of recovery of Nikko plants damaged by the 2024 Noto Peninsula Earthquake

In the regions devastated by the Noto Peninsula Earthquake, rebuilding destroyed roads was an urgent task in order to transport relief supplies and restore utilities as soon as possible. Given this situation, asphalt mixture plants and concrete plants, which were key to the restoration, were urged to resume their operation.

Nikko quickly obtained accurate information about the damage done to the manufacturing facilities and equipment it had delivered to these plants, and worked collaboratively with the customers to work on the restoration as the highest priority. At the Hokuriku service station in Kanazawa, in particular, we added more staff members to set up a stronger local response team, thereby offering full support for early reconstruction of the disaster-stricken region. As a result, seven of the eight Nikko-made plants that had been out of operation were confirmed to have resumed operation by February 16, 2024 (the remaining one in the northern Noto region was disassembled to be newly built).

Status of damage to Nikko plants (as of January 17, 2024)



Status of plant to which Nikko's facilities are delivered

- Operable asphalt plants
- Difficult-to-operate asphalt plants
- Operable ready-mixed concrete plants
- Difficult-to-operate ready-mixed concrete plants

Actions geared to early disaster recovery

Following devastation by the Noto Peninsula Earthquake, the Company's first priority was to restore its damaged plants as soon as possible. To that end, we took the following actions in stages.

Starting from January 4, we worked collaboratively with the staff at the Hokuriku service station and contractors to visit customers' plants for inspections and tasks for disaster recovery. While visiting these plants, we shared information every day, including the damage to the facilities, progress on recovery, what was needed on the ground, and how labor needed to be managed. Then we discussed and carried out actions to move on to the next phase of the recovery process.

From January 15 onward, we worked to fully establish our assistance system aligned with each recovery stage, and offered human support shown below:

- ◆ The Chubu branch dispatched frontline staff to the affected areas.
- ◆ The head office's maintenance service division set up a support team available for travel that included two employees and two staff members from a contractor.
- ◆ The technology division sent technical staff to assist with technical decisions and design related to buckled plants and silos.
- ◆ In the full restoration phase (plant renovation), employees in charge of asphalt plants (AP), batcher plants (BP), and mobile plants (MP) started working full-time at the plants to provide continuous support.

With these focused efforts, we offered quick and precise assistance with the restoration in close collaboration with our customers. We will apply the new knowledge and experience acquired through this disaster recovery assistance to our efforts to boost our ability to respond to disasters caused by earthquakes that are expected to occur.