



Nikko Co., Ltd.

Financial Results and Medium-Term Management Plan Progress Briefing

The First Quarter of the Fiscal Year 2026
(Ending March 31, 2027)

September 9, 2026

Event Overview

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Kawakami: Thank you very much for attending today. I am Kawakami from Nikko Co., Ltd.

First, before I begin today's explanation, I would like to express my deepest condolences to those who lost their lives in the 2026 Kumamoto Earthquake and the heavy rains and floods that have occurred in various regions. I also extend my heartfelt sympathies to all those affected by the disasters. I sincerely pray for a swift recovery and reconstruction.

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* The last digit of the figures of changes in this document may differ from those in the Quarterly Report due to the treatment of fractions less than unit.

* Segment operating profit is shown on an internal management basis before corporate expense allocation. The difference from consolidated operating profit is presented as corporate expenses, and segment profit after corporate expense allocation is not calculated.

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Now, I will explain the financial results for the first quarter of the fiscal year 2026 ending March 2027.

Today as well, I will provide an explanation following the same flow as before. Since it is the first quarter, I will focus on whether there are any differences from the company plan and how our company is proceeding with business this term, and I will explain without focusing too much on the numbers.

FY2026 1Q Business Environment



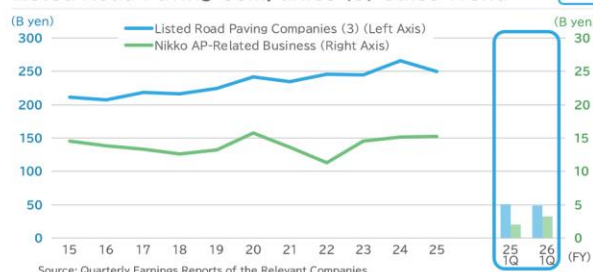
FY2026 1Q Results

(million yen)

1Q (Apr. – Jun.)	Results	YoY	YoY Change
Net Sales	11,822	+ 3,528	+ 42.5 %
Operating Profit	274	+ 328	—
Profit Attributable to Owners of Parent	203	+ 264	—
Order Intake	14,005	+ 3,601	+ 34.6 %

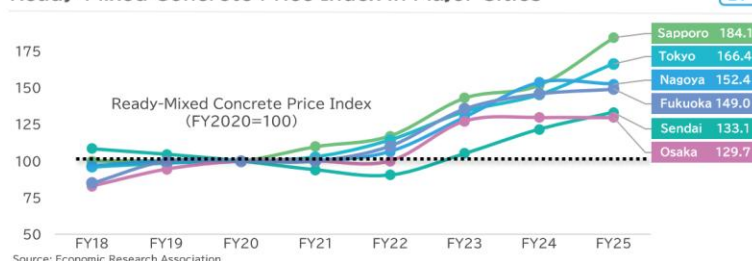
Listed Road Paving Companies (3) Sales Trend

AP



Ready-Mixed Concrete Price Index in Major Cities

BP



AP-Related Business:

- Domestic demand for equipment replacement using subsidies continues.
- In China, demand for highway-related projects remains firm.
- Price competition overseas remains intense.

BP-Related Business:

- Ready-mixed concrete shipment volume remains at a low level.
- Price pass-through is progressing, and demand for equipment replacement and maintenance remains firm.

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First, regarding the business environment and the results for the first quarter. In this first quarter, order intake was 14 billion yen, and net sales were 11.8 billion yen. In addition, operating profit was 274 million yen and compared to the same period of the previous fiscal year, order intake showed an increase of 34.6%, and net sales showed an increase of 42.5%.

Operating profit turned from a deficit compared to the same period of the previous fiscal year. However, the operating margin remained at 2.3%.

Our company is supported by demand related to public works and construction, and there are seasonal factors that cause net sales to be concentrated in the second quarter and full-year. Therefore, it is not appropriate to evaluate us based only on the first quarter, but overall, we would like you to understand that we are making progress according to the initial plan.

Rather, what we would like you to pay attention to in this financial results announcement is the fact that changes leading to future revenue improvement are beginning to be seen at the order intake stage, particularly in the AP-Related Business.

As for the AP-Related Business, I will explain the figures later, but in this first quarter, there is a mixture of projects with old prices and projects at appropriate prices that we have been working on in recent years, as product sales. We expect that this mixture will be resolved in the first quarter, and probably around the second quarter.

In that sense, from the middle of the second quarter through the second half of the year, we expect that the AP-Related Business will produce results, and we hope you will understand this point.

In addition, regarding the company's full-year forecast, we continue to set the initial targets of net sales 55 billion yen and operating profit 3.8 billion yen without any changes.



FY2026 1Q Performance Highlights ①



BP-Related Business: Order intake and net sales increased significantly, supported by carried-over projects and firm equipment investment and maintenance demand. Operating profit and margin also improved.
▶ p.11 BP-Related Business



Other Business: Order intake, net sales, and operating profit all increased year on year.
▶ pp.13-14 Former Other Business (Crusher + Contract Manufacturing + Other Business), Other Business (New Segmentation)



AP-Related Business: Order intake and net sales increased, driven by subsidy-related projects and demand in China, while operating loss widened due to pricing terms and lower overseas sales.
▶ pp.9-10 AP-Related Business, AP-Related Business (Domestic vs. Overseas)



Environment- and Conveyor-Related Business: Order intake and net sales decreased due to the rebound from large orders, but remained broadly in line with plan. Operating margin improved.
▶ p.12 Environment- and Conveyor-Related Business



Crusher-Related Business: Order intake declined on lower mobile plant orders, while net sales rose and operating loss narrowed on maintenance revenue and mid-sized stationary crusher sales.
▶ pp.13-14 Former Other Business (Crusher + Contract Manufacturing + Other Business), Other Business (New Segmentation)



Contract Manufacturing-Related Business: Net sales and operating profit decreased due to project delays, while order intake increased year on year.
▶ pp.13-14 Former Other Business (Crusher + Contract Manufacturing + Other Business), Other Business (New Segmentation)

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Let's head to the 1Q performance highlights. The third item, AP-Related Business, will be explained later, so first I will talk about the strong BP-Related Business and Other Business. The batching plant, BP-Related Business, like the AP-Related Business, started this term with a large order backlog, and the results are steadily accumulating.

Although some projects were recorded in this first quarter due to timing differences from the previous period, customer capital investment has been strong, and maintenance demand has also been steady. As stated, this period, BP-Related Business is leading net sales and operating profit ahead of other segments.

Next is AP-Related Business. The order intake situation is very strong, and both order intake and order backlog are increasing, but we believe that the old price projects will be completed in the first quarter and second quarter.

As for the Environment- and Conveyor-Related Business, Crusher-Related Business, and Contract Manufacturing-Related Business, if we look only at the numbers for the first quarter, as indicated by the facial expression marks, there are some tough aspects, but it is by no means an unexpected situation for the company. We are tracing the initial plan, and I hope you will understand that the trend is generally steady.

FY2026 1Q Performance Highlights ②



- ◆ Net sales: AP +1.0B yen; BP +2.4B yen; Env. & Conveying -94M yen; Crusher +72M yen; Contract Manufacturing -177M yen; Other +231M yen.
- ◆ Operating Profit: Operating profit increased, as BP profit growth and improvements in Crusher and Other Business offset lower profit in AP.
- ◆ Order Intake: AP +1.2B yen; BP +2.0B yen; Env. & Conveying -193M yen; Crusher -60M yen; Contract Manufacturing +192M yen; Other +379M yen.
- ◆ Order Backlog: AP +8.3B yen; BP +1.5B yen; Env. & Conveying -73M yen; Crusher -145M yen; Contract Manufacturing +232M yen; Other +536M yen.

(million yen)	1Q Results	FY2025		FY2026				
		1H Results	FY Results	1Q Results	YoY Change	FY Forecast Progress Rate	1H Forecast	FY Forecast
Net Sales	8,294	21,116	49,371	11,822	+ 3,528 + 42.5 %	21.5 %	25,300	55,000
Operating Profit	(54)	768	3,099	274	+ 328 —	7.2 %	1,100	3,800
Operating Margin	(0.7 %)	3.6 %	6.3 %	2.3 %	+ 3.0 pp	—	4.3 %	6.9 %
Ordinary Profit	68	910	3,425	459	+ 391 + 575.0 %	12.0 %	1,140	3,830
Profit Attributable to Owners of Parent	(61)	694	2,536	203	+ 264 —	7.7 %	800	2,650
Order Intake	10,404	24,936	59,756	14,005	+ 3,601 + 34.6 %	24.2 %	29,200	57,900
Order Backlog	25,150	26,861	33,426	35,609	+ 10,459 + 41.6 %	—	37,326	36,326

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These are specific figures. In the first quarter, we turned a profit after being in the red during the same period last year. However, the profit level is not yet sufficient. From here, we will steadily accumulate profits toward achieving our full-year plan.

FY2026 1Q Performance Highlights ③



(million yen)		FY2024			FY2025				
		1Q Results	1H Results	FY Results	1Q Results	YoY Change	FY Forecast Progress Rate	1H Forecast	FY Forecast
AP-Related Business	Net Sales	3,087	7,793	19,327	4,130	+ 1,043 + 33.8%	19.1%	9,400	21,600
	Operating Profit	(123)	90	1,045	(179)	- 56 —	—	430	1,530
	Operating Margin	(4.0%)	1.2%	5.4%	(4.3%)	- 0.3 pp	—	4.6%	7.1%
	Order Intake	4,398	10,942	27,543	5,612	+ 1,214 + 27.6%	23.7%	12,000	23,700
	Order Backlog	10,318	12,156	17,222	18,704	+ 8,386 + 81.3%	—	19,822	19,322
BP-Related Business	Net Sales	2,425	7,090	14,361	4,879	+ 2,454 + 101.2%	30.5%	8,300	16,000
	Operating Profit	277	953	2,003	676	+ 399 + 144.0%	29.4%	1,100	2,300
	Operating Margin	11.4%	13.4%	13.9%	13.9%	+ 2.5 pp	—	13.3%	14.4%
	Order Intake	2,736	7,090	16,267	4,806	+ 2,070 + 75.7%	28.7%	10,000	16,750
	Order Backlog	9,840	9,529	11,434	11,361	+ 1,521 + 15.5%	—	13,134	12,184
Environment- and Conveyor-Related Business	Net Sales	793	1,752	4,371	699	- 94 - 11.9%	15.2%	1,900	4,600
	Operating Profit	211	322	1,216	208	- 3 - 1.4%	20.0%	340	1,040
	Operating Margin	26.6%	18.4%	27.8%	29.8%	+ 3.2 pp	—	17.9%	22.6%
	Order Intake	1,072	2,097	4,397	879	- 193 - 18.0%	18.9%	1,900	4,650
	Order Backlog	1,538	1,604	1,286	1,465	- 73 - 4.7%	—	1,286	1,336

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These include our AP-Related Business, BP-Related Business, Environment- and Conveyor-Related Business figures. Here, I'd like to break down and explain our AP-Related Business—which is the most important to our company and also of great interest to all of you—in a bit more detail.

AP-Related Business's order intake reached 5.6 billion yen, a 27.6% increase year-on-year, and net sales reached 4.1 billion yen, a 33.8% increase year-on-year. As mentioned earlier, order intake remain strong.

On the other hand, segment profit resulted in an operating loss of 179 million yen. As I have mentioned earlier, there are several factors behind this, but it is by no means due to a deterioration in order conditions or a failure to have customers accept our prices. Please understand that current orders are being steadily accumulated at the new prices. However, in the first and second quarters, there is a mix of projects with old prices in sales recognition, which has led to this result. In addition, while the domestic market remains steady, overseas performance is still sluggish, so we would appreciate it if you could reassess the status of its improvement starting in the second quarter and beyond.

Overall, it is not particularly severe, and we are making progress according to the initial plan. As a company, we believe that we were able to confirm a structure in this first quarter in which the entire group can firmly generate revenue, mainly centered on BP-Related Business. The leading examples of this are BP-Related Business and Environment- and Conveyor-Related Business.



FY2026 1Q Performance Highlights ④



(million yen)		FY2024			FY2025				
		1Q Results	1H Results	FY Results	1Q Results	YoY Change	FY Forecast Progress Rate	1H Forecast	FY Forecast
Crusher-Related Business	Net Sales	280	553	2,448	352	+ 72 + 25.7%	13.0%	1,050	2,700
	Operating Profit	(61)	(55)	69	(23)	+ 38 —	—	20	220
	Operating Margin	(21.8%)	(9.9%)	2.8%	(6.5%)	+ 15.3 pt	—	1.9%	8.1%
	Order Intake	319	651	2,435	259	- 60 - 18.8%	10.0%	900	2,600
	Order Backlog	413	472	361	268	- 145 - 35.1%	—	211	261
Contract Manufacturing-Related Business	Net Sales	678	1,714	3,339	501	- 177 - 26.1%	14.5%	1,700	3,450
	Operating Profit	99	251	543	86	- 13 - 13.1%	17.6%	240	490
	Operating Margin	14.6%	14.6%	16.3%	17.2%	+ 2.6 pt	—	14.1%	14.2%
	Order Intake	776	1,598	3,202	968	+ 192 + 24.7%	26.5%	1,700	3,650
	Order Backlog	2,059	1,845	1,824	2,291	+ 232 + 11.3%	—	1,824	2,024
Other Business	Net Sales	1,028	2,212	5,522	1,259	+ 231 + 22.5%	18.9%	2,950	6,650
	Operating Profit	50	141	637	94	+ 44 + 88.0%	10.8%	270	870
	Operating Margin	4.9%	6.4%	11.5%	7.5%	+ 2.6 pt	—	9.2%	13.1%
	Order Intake	1,100	2,555	5,910	1,479	+ 379 + 34.5%	22.6%	2,700	6,550
	Order Backlog	981	1,252	1,297	1,517	+ 536 + 54.6%	—	1,047	1,197

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Furthermore, as noted on this page, just because the Crusher-Related Business, Contract Manufacturing-Related Business, and Other Business posted compared to the same period of the previous fiscal year. Rather, the first quarter of the previous fiscal year was particularly strong. For example, in the Contract Manufacturing-Related Business, the previous first quarter included a large project, so the current first-quarter figures may appear slightly lower by comparison. However, the business continues to maintain strong profitability. Accordingly, we expect performance to progress in line with the plan from the second quarter onward.

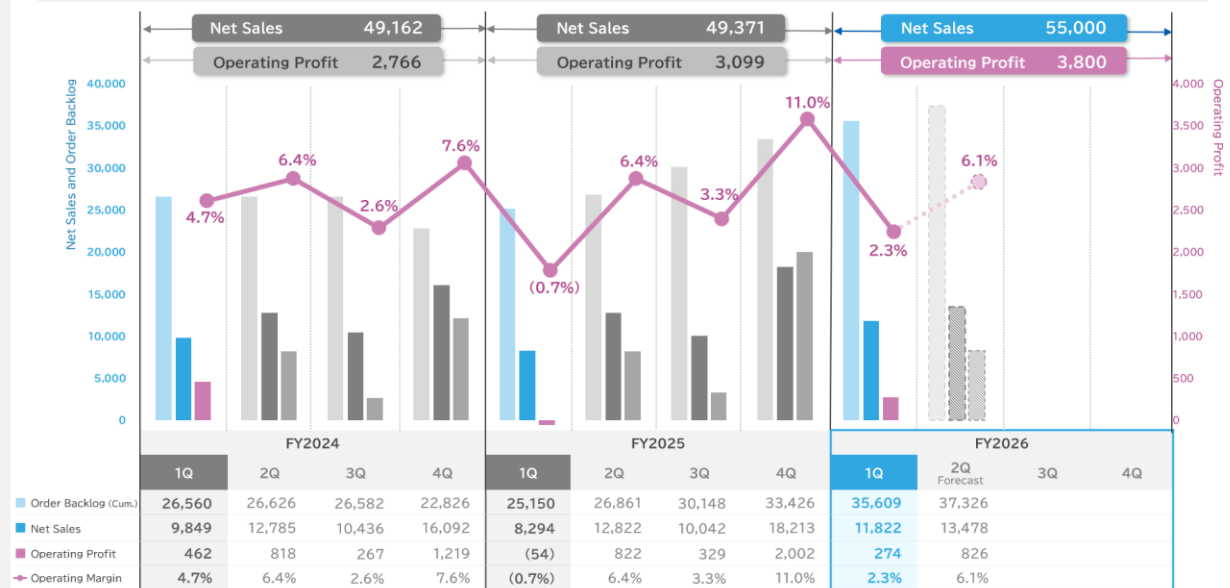


FY2026 Quarterly Performance Trends



Quarterly Net Sales and Operating Profit Trends

(million yen)



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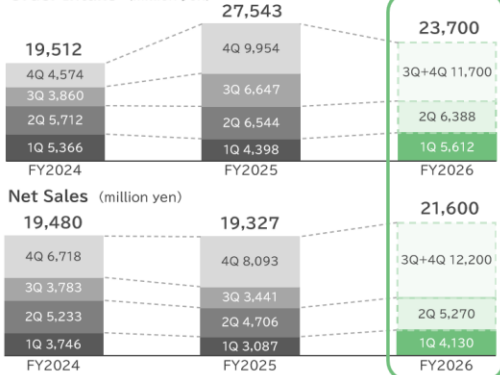
This is the trend of quarterly business performance. In the first quarter, as you can see, order backlog, net sales, and operating profit are all positive compared to the same period of the previous fiscal year. In addition, the forecast for the second quarter is also expected to be positive for all items compared to the same period of the previous fiscal year.

However, as I mentioned earlier, since it is the timing when the AP-Related Business is finally starting to improve, the overall operating profit is still in progress, but we believe that we can steadily increase the operating margin toward the third quarter and full-year.

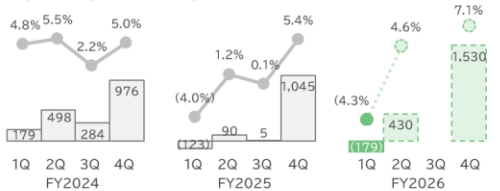
AP-Related Business



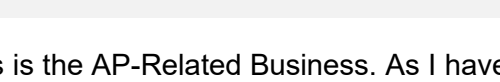
Order Intake (million yen)



Net Sales (million yen)



Operating Profit/Margin (Cumulative) (million yen)



Order Intake <YoY +27.6%>

Positive factors: [Domestic] Subsidy-related replacement projects progressed, including carried-over projects.
 [Overseas] China: Orders for highway-related plants increased, up 30% YoY.
 Thailand: Orders exceeded plan despite severe price competition.
 Negative factors: [Domestic] Some major road companies froze capex due to higher asphalt prices.
 [Overseas] Export: Inquiries from Taiwan and Vietnam increased, but price competition remains severe due to Chinese entrants.

Net Sales <YoY +33.8%>

Positive factors: [Domestic] Product and maintenance sales increased, supported by subsidy-related projects.
 [Overseas] Export: Small- and medium-sized projects in Taiwan continued steadily.
 Negative factors: [Domestic] Production adjustments due to naphtha impact, and high-margin small- and medium-sized projects shifted to later periods.
 [Overseas] China: Same one-project volume YoY, but sales fell 10% due to lower project pricing.
 Thailand: Sales decreased significantly due to no new plant projects. Parts sales are increasing.
 Exports: Sales remained weak as large projects in Taiwan and Vietnam are mainly at the order stage.

Operating Profit <YoY -56M yen>

Positive factors: [Domestic] Sales increased, partly due to carried-over projects.
 [Overseas] Export: Operating margin improved YoY, as sales were mainly from parts.
 Negative factors: [Domestic] Sales recognition of old-price projects progressed, widening operating loss despite higher sales and concentrated from 3Q onward, so 1Q was negative YoY.
 [Overseas] China: Loss widened YoY due to lower product sales and higher operating expenses.
 Exports: Operating profit decreased due to lower sales YoY.

FY2026 Business Outlook

Domestic: Subsidy-related projects remain active. Order intake and net sales are expected to increase YoY, including carried-over projects.
 Old-price projects are expected to be completed in 2Q, with profitability improving from 3Q onward.
 Overseas: China: Higher crude oil prices are weakening road construction profitability and demand. 1H is firm, but 2H is expected to be challenging.
 Thailand: Order intake and net sales are expected to increase. Profit structure is improving through fixed-cost reductions.
 Export: Vietnam and Taiwan projects are mainly for sales from next fiscal year onward, resulting in a YoY decrease.

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This is the AP-Related Business. As I have repeatedly mentioned earlier, please look at the far right for the fiscal year 2026. The order intake and net sales for the first quarter are by no means bad numbers as so-called top-line figures.

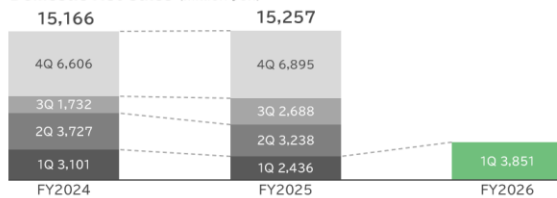
On the other hand, regarding the recording of operating profit below that, in the first quarter, unfortunately, the deficit expanded compared to the same period of the previous fiscal year.

However, regarding the operating profit next to it, we have a plan for it to gradually recover from the second quarter onward. We hope to be able to present the results of the second quarter soon.

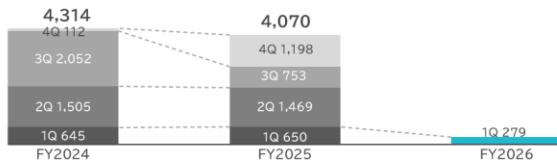
AP-Related Business (Domestic vs. Overseas)



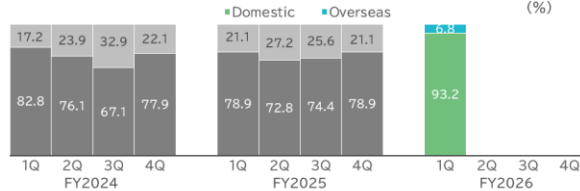
Domestic Net Sales (million yen)



Overseas Net Sales (million yen)



Domestic and Overseas Sales Ratio Trend (Cumulative) (%)



Domestic Net Sales <YoY +58.1%>

- Plant products: YoY + 356.8%
- Maintenance: YoY + 9.6%

Overseas Net Sales <YoY -57.1%>

- China: YoY - 10.0% (272 million yen → 244 million yen)
Despite the same number of projects as the previous year, net sales declined 10% due to the lower-priced project.
Order intake increased 30% due to growth in highway-related plant orders.
- Thailand: YoY - 83.5% (154 million yen → 25 million yen)
Sales decreased significantly due to no new plant projects.
Parts sales are increasing.
Fixed costs are being reduced through integration of sales and manufacturing companies to lower the break-even point.
- Export: YoY - 95.1% (222 million yen → 10 million yen)
Sales remained weak as large projects are mainly at the order activity stage this year.

Overseas Order Intake / Order Backlog

	Order Intake	Order Backlog
China (Nikko Shanghai)	0.87B yen (+30.1%)	3.43B yen (+35.7%)
Thailand	0.08B yen (-15.8%)	0.47B yen (+250.1%)
Export (External sales figures: Taiwan, Vietnam, component parts)	0.15B yen (+87.5%)	0.17B yen (-39.3%)

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Here is the domestic and overseas situation. The real challenge is still overseas, and one of them is Thailand Business. As I have mentioned before, in Thailand we are facing fierce price competition from Chinese companies. As a company, we want to clear inventory as quickly as possible and launch a new strategic model with further cost reduction and improved functionality into the market as soon as possible. We are looking at Thailand Business with the aim of completing this response within this fiscal year.

Regarding China, the figures reflected in this first quarter are for the period from January to March 2026 in China. These figures are typically sluggish due to the Lunar New Year period, and this quarter is no exception. However, the situation is expected to improve after that due to government non-current assets investment.

However, since China is currently in a very severe economic situation, the situation of Nikko Shanghai may fluctuate somewhat depending on the trends in government non-current assets investment. In this regard, we would like to operate our business carefully in our business in China.

BP-Related Business



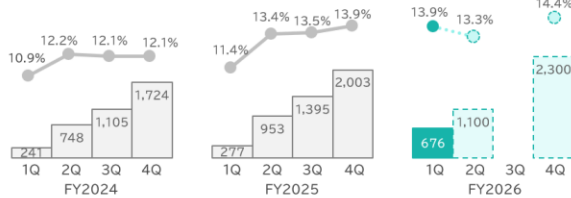
Order Intake (million yen)

FY2024		FY2025		FY2026	
4Q	3,934	4Q	6,353	3Q+4Q	6,750
3Q	3,405	3Q	2,824	2Q	5,194
2Q	3,599	2Q	4,354	1Q	4,806
1Q	4,301	1Q	2,736		
FY2024		FY2025		FY2026	

Net Sales (million yen)

FY2024		FY2025		FY2026	
4Q	5,167	4Q	4,031	3Q+4Q	7,700
3Q	2,957	3Q	3,240	2Q	3,421
2Q	3,925	2Q	4,665	1Q	4,879
1Q	2,217	1Q	2,425		
FY2024		FY2025		FY2026	

Operating Profit/Margin (Cumulative) (million yen)



Order Intake <YoY +75.7%>

Positive factor: Increased significantly due to carried-over projects from the previous fiscal year.
Equipment investment and maintenance demand remained firm.

Net Sales <YoY +101.2%>

· Plant Products: YoY +219.2%

· Maintenance: YoY +14.8 %

Positive factor: Shifted product sales and large backlog projects were recognized as planned in 1Q, driving a significant increase. Maintenance demand also remained firm.

Operating Profit

· Operating profit: YoY +144.0%

· Operating margin: YoY +2.5pp

Positive factor: Operating margin improved due to higher 1Q product sales from shifted projects and progress in price pass-through for high-cost parts.

FY2026 Business Outlook

Full-year forecast: Net sales 16.0B yen / Operating profit 2.3B yen
(1H progress rate: 61.5%).

Order backlog remains high.

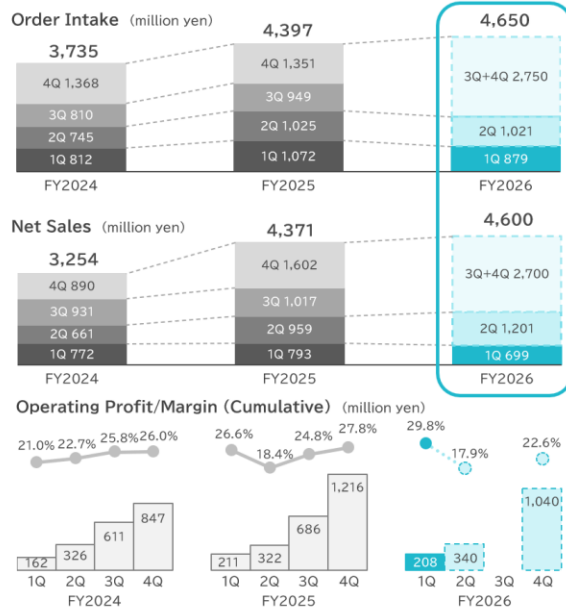
Higher sales and profit are expected through planned deliveries and maintenance demand capture.

In the ready-mixed concrete industry, price pass-through for higher raw material costs is progressing. Equipment replacement and maintenance demand remain firm, and stable demand is expected to continue for the time being.

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As you can see, our BP-Related Business continues to perform very well, and we also see strong market and customer trends.

This does not mean that the shipment volume of ready-mixed concrete is increasing, but rather that price pass-through is properly progressing even in ready-mixed concrete, and as a result, there are a certain number of customers who are able to make capital investment and equipment renewal for aging plants. Our company is order intake this demand with competitiveness and connecting it to net sales, and this cycle is working well in BP-Related Business.



Order Intake <YoY -18.0%>

Environment: Mostly on plan, despite some shift from 1Q to 2Q.

Decreased due to the rebound from the previous year's high level, which included large orders such as railway ballast replacement equipment (1,072M yen).

Conveyor: Inquiries and orders remained firm, mainly for large projects.

Net Sales <YoY -11.9%>

Environment: Progressing as planned. Sales are expected to build gradually from 2Q onward.

Conveyor: Progressing mostly as planned.

Operating Profit

• Operating profit: YoY -1.4%

• Operating margin: YoY +3.2pp

Environment: Progressing mostly as planned.

Profit contribution is expected from 2Q onward as sales increase. Profit pressure from higher purchased goods prices should be monitored.

FY2026 Business Outlook

Full-year forecast: Net sales 4.6B yen / Operating profit 1.04B yen (1H progress rate: 61.2%)

Environment: • Sales are expected to increase significantly, supported by SL coating equipment-related and recycling projects (approx. 0.55B yen → approx. 1.0B yen).

• Orders and inquiries are increasing. Inquiries for ash treatment equipment and sludge treatment equipment are also increasing.

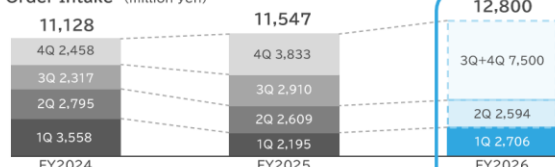
Conveyor: Demand remains firm, backed by environmental and recycling-related investment.

Although the Environment- and Conveyor-Related Business is experiencing fluctuations in numbers due to factors such as the reaction to large projects in the previous year, the mainstay portable conveyors are showing a steady trend. For environment plants and large conveying conveyors, which are received as order intake on a project basis, net sales are recorded in different quarters or may vary, but as a whole, the business showed a trend in line with the initial plan in the first quarter. In addition, since the profit margin remains at a high level, we recognize this as an important business for generating cash.

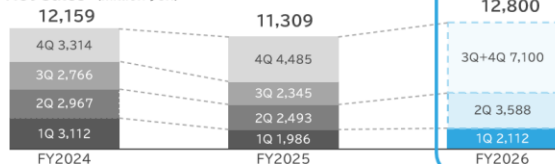
Former Other Business (Crusher + Contract-Based + Other Business)



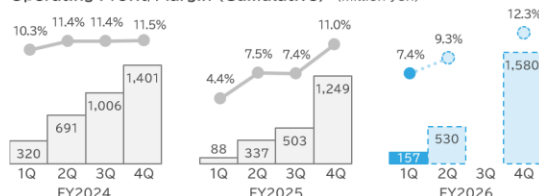
Order Intake (million yen)



Net Sales (million yen)



Operating Profit/Margin (Cumulative) (million yen)



Order Intake

• Crusher-Related Business	-18.8%	YoY
• Contract Manufacturing Business	+24.7%	YoY
• Other Business	+34.5%	YoY

Net Sales

• Crusher-Related Business	+25.7%	YoY
• Contract Manufacturing Business	-26.1%	YoY
• Other Business	+22.5%	YoY

Operating Profit

• Crusher-Related Business	+38M yen	YoY
• Contract Manufacturing Business	-13.1%	YoY
• Other Business	+88.0%	YoY

FY2026 Business Outlook

Crusher-Related Business (Mobile Plants):

Inquiries for self-propelled soil improvement machines are increasing, but sales and maintenance capabilities need to be strengthened.
Stationary crushers: Parts orders increased and remained firm.

Contract Manufacturing Business:

Ube: Some sales shifted to 2Q, but performance remains firm. Focus on securing profit amid higher material and outsourcing costs.
Matsuda: Order intake and net sales are expected to remain around the previous-year level, while margin may decline slightly due to higher costs.

Other Business:

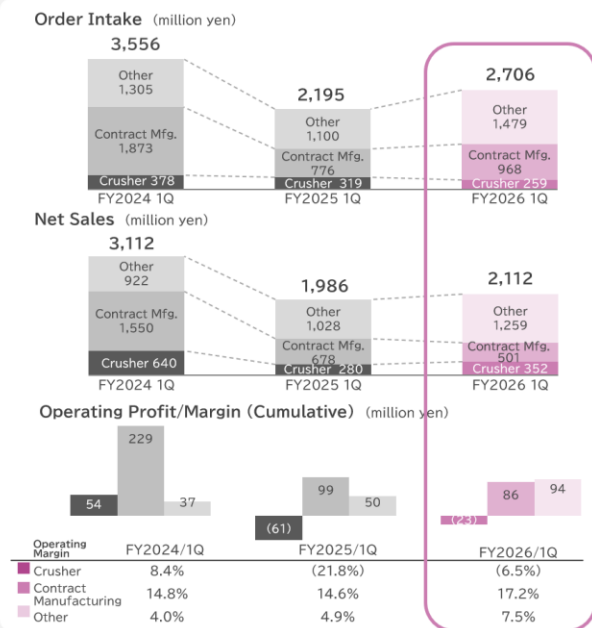
Original aluminum product orders increased YoY, but purchase appetite is weak due to inflation.
Rental demand remained firm, supported by large periodic repair projects.

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Other Business, mainly Crusher-Related Business and Contract Manufacturing-Related Business. Crusher-Related Business has recently been directly affected by the rise in prices of imported machines due to the strong euro and the weaker yen. In response, our policy is to introduce products developed with domestic technology into the market, and we expect to be able to start launching these products this term. Through this, we anticipate a flow that will lead to securing net sales and profits.

In addition, regarding Contract Manufacturing-Related Business, although there are not as many large-scale projects as compared to the same period of the previous fiscal year., medium- and small-scale projects are steadily accumulating, so we believe that this will also proceed according to the flow planned at the initial stage through full-year.

Other Business (New Segmentation)



Order Intake

- Crusher-Related Business: YoY -60M yen
- [Mobile Plant] 5 Units 264M yen → 2 Units 108M yen
 - * Both order units and order intake decreased. Some orders shifted to 2Q.
- [Stationary Crushers] 5 Units 81M yen → 5 Units 109M yen
- Contract Manufacturing: YoY +192M yen
- [Ube Kohki] YoY +270M yen
- [Matsuda Kiko] YoY +52M yen

Net Sales

- Crusher-Related Business: YoY +72M yen
- [Mobile Plant] 4 Units 206M yen → 2 Units 218M yen
 - * Unit sales decreased, but net sales increased. MR110 impact delivery is expected to increase maintenance revenue.
- [Stationary Crushers] 5 Units 84M yen → 4 Units 89M yen
 - * Product sales increased due to more mid-sized machines.
- Contract Manufacturing: YoY -177M yen
- [Ube Kohki] YoY -58M yen
 - * Some sales shifted to 2Q due to local construction progress.
- [Matsuda Kiko] YoY -7M yen
 - * Orders remain firm, and sales are expected to stay around the previous-year level.
- Other Business:
 - [Temporary construction equipment] Increased in original aluminum products (labor-saving equipment) +55M yen YoY
 - Increased in demand for rental +31M yen YoY
 - Increased in demand for labor-saving and automation machinery -1M yen YoY

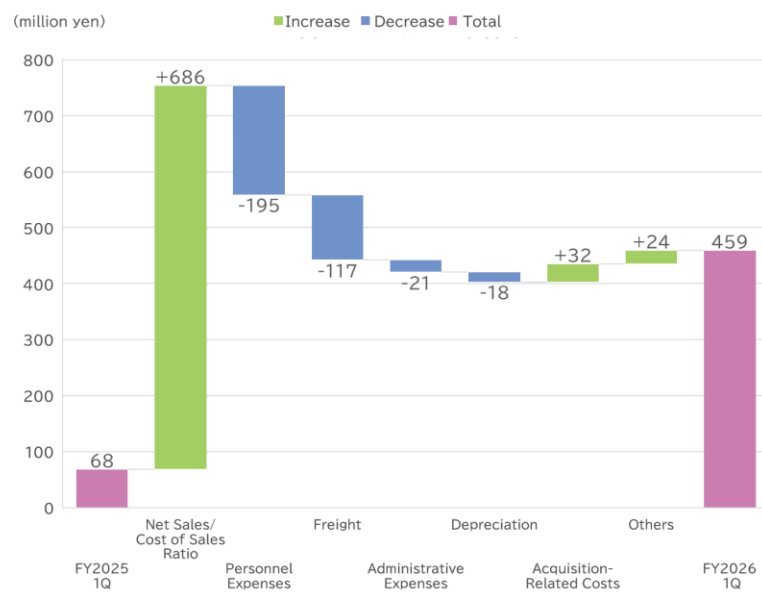
★ Sales Composition of Other Businesses

Temporary Equipment	18.7%	Waterproof Boards & Floodgates	8.6%
Agricultural Tools	6.4%	Development & External Sales	0.6%
		Other	63.7%

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This is a reclassification of the previous categories using new segmentation. Here, I will discuss the parts related to temporary construction equipment and agricultural and construction tools, which I had not mentioned earlier. In terms of operating profit, there are some challenging aspects in the first quarter, but overall, things are progressing according to the initial plan, so unless a major problem arises here, I believe that the Segment as a whole will be able to achieve the initial plan.

FY2026 1Q Analysis of Factors Affecting Changes in Ordinary Income



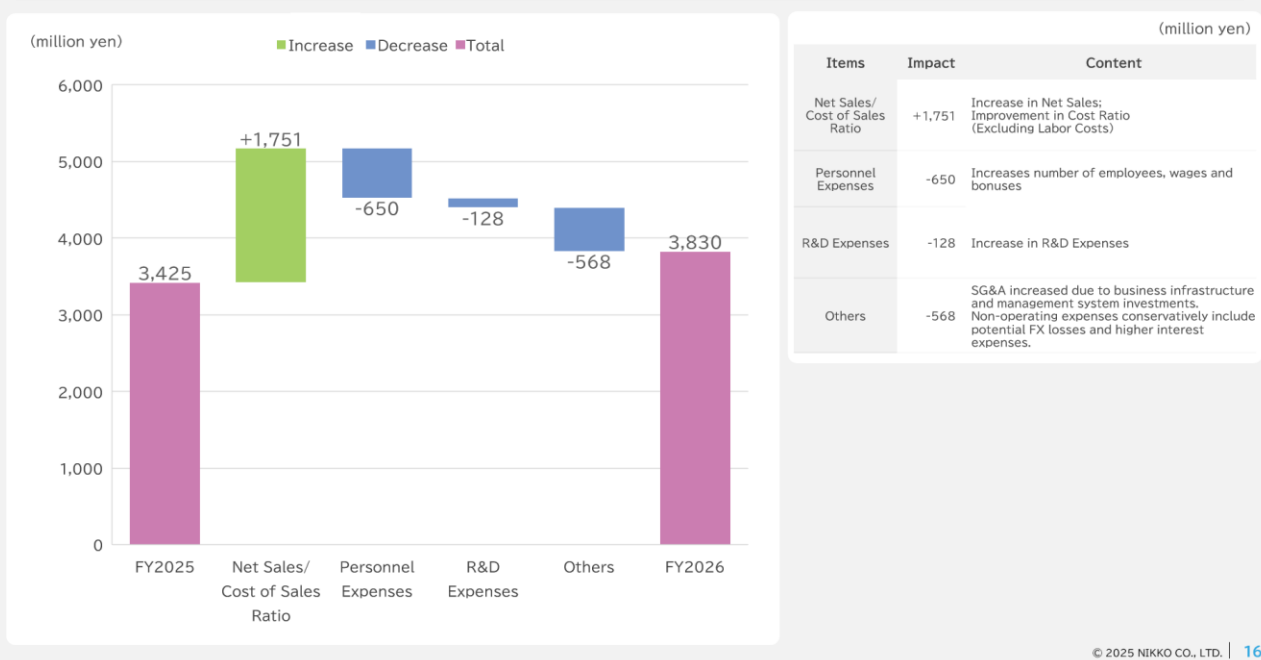
(million yen)		
Factors	Impact	Details
Net Sales/ Cost of Sales Ratio	+686	Increase in Net Sales +3,628M yen; Increase in Cost Ratio (Excluding Labor Costs) 52.53%→60.89%
Personnel Expenses	-195	Increase base-pay and higher bonuses
Freight	-117	Increase in net sales and shipment volume
Administrative Expenses	-21	Increases in System usage fees and temporary staffing costs
Depreciation	-18	Increase in system-related investments
Acquisition- Related Costs	+32	No acquisition costs this fiscal year, following Nikko Fujiwara Electric acquisition in the previous fiscal year
Others	+24	Dividend Income +28 Travel and Transportation Expenses +20 Taxes and dues -15 Etc.

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This is an analysis of the impact factors for ordinary profit. What I would like you to see here is the section where net sales and cost of sales ratio are listed as a single item. While net sales are increasing, the cost of sales ratio is also rising. I believe everyone will focus on what exactly this means.

As I mentioned earlier, the portion of our asphalt plant net sales that is still based on old pricing is impacting our cost of sales ratio. Furthermore, overall, competition is fierce overseas, and this first quarter reflects the pressure on our profits ratio, or profitability. Although net sales increased, as I said, this is not a situation we are pleased with, and we recognize that we are not achieving sufficient profit margins relative to our costs, which is a challenge.

FY2026 Full-Year Analysis of Factors Affecting Changes in Ordinary Profit (Forecast)



As I have repeatedly stated, how this figure will improve, or whether it can improve, is linked to whether our company can achieve the initial forecast and initial target for our final business results from the second quarter. Regarding the full-year, we plan to achieve the initial forecast operating profit of 3.8 billion yen for fiscal year 2026, with net sales and cost of sales ratio returning to appropriate levels due to the order intake situation and the profitability included in the order intake.

> ① Overview of Initiative

Started using sponsored research reports

- ◆ The Company holds financial results briefings after earnings announcements to explain the business environment and outlook in greater detail.
- ◆ To enhance information disclosure between the earnings announcement and briefing, the Company has started using sponsored research reports.

~45 days

~1 week

~3 weeks

Fiscal year-end

Compilation and confirmation of financial results

Financial Results

Disclosure of financial results and earnings forecast

Sponsored Research Report

NEW

Early communication of key points and highlights

Briefing Materials/ Briefing

Detailed explanation of business environment and outlook

- ◆ The report is disclosed about one week after the financial results announcement, enabling early communication of key points and highlights.

* The report is prepared by a third-party research firm based on publicly available information, with expenses borne by the Company. It is disclosed on TDnet and the Company's website.

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> ② Positioning of the Report

Bridging the gap between Financial Results and Briefing Materials by communicating key points early

Financial Results

Disclosure of official figures

Officially discloses financial results, earnings forecasts, and major factors behind changes.

Sponsored Research Report

Early communication of key points

Clearly summarizes key points and highlights before the briefing.

Briefing Materials / Briefing

Detailed explanation

Provides more detailed explanations of the business environment, segment performance, and outlook.

Expected Benefits

1 Early understanding

Enables investors to understand the results overview and key points soon after the earnings announcement.

2 Broader reach

Delivers information to a wider audience, including individual investors, through TDnet and the Company's website.

3 Step-by-step communication

Provides information in stages through the financial results, report, and briefing to support continuous understanding.

* The sponsored research report is not a substitute for briefing materials. It is supplementary information designed to promote early understanding after the financial results announcement.

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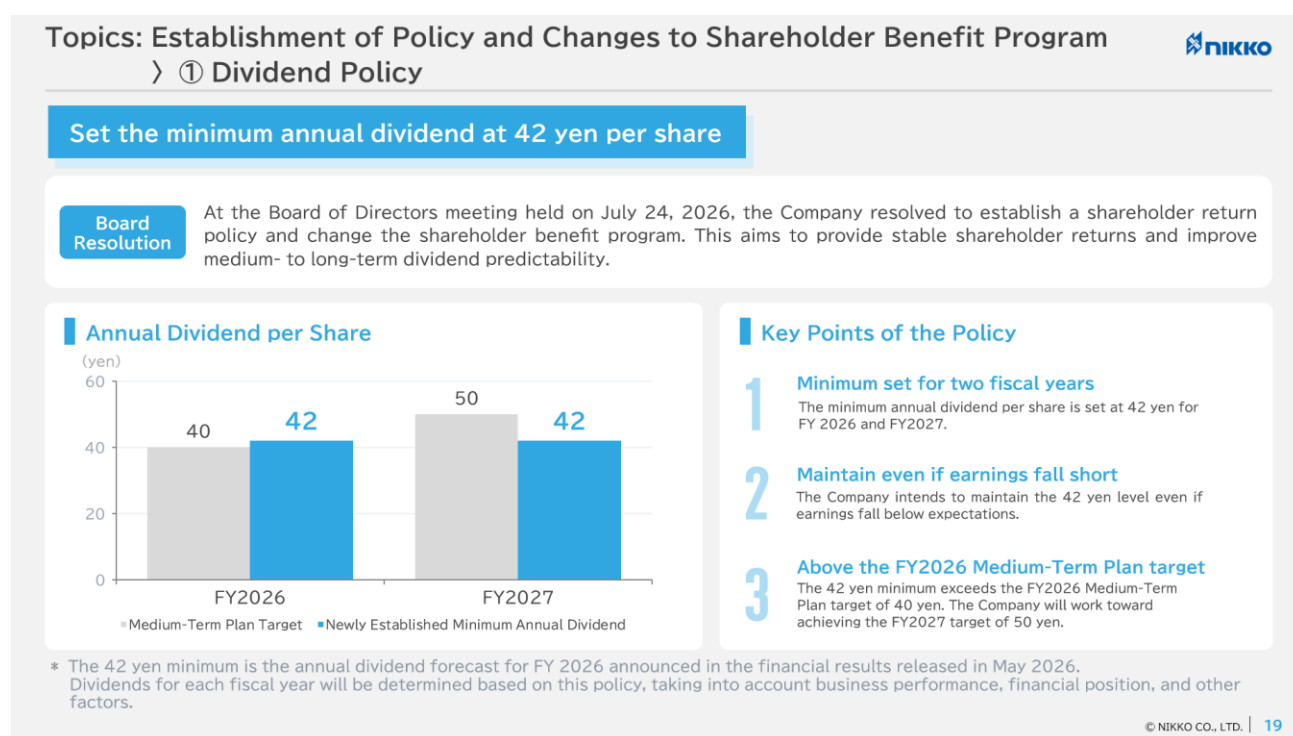
Up to this point, I have explained the contents of the financial results and how we view the second quarter at the first quarter stage. Next, as topics, I will mention two points this time.

The first is the use of sponsored research reports. This is our initiative to strengthen information dissemination after the announcement of financial results. We announce our financial results, disclose the financial report, and then provide opportunities for two-way information exchange, such as today's event, where we explain the details and take questions from investors. However, there is a certain period of time between the announcement of the financial report and the briefing.

Nevertheless, from the perspective of fair disclosure, we cannot provide detailed explanations individually to only some people during that period.

Therefore, although these are merely forecast from research institutions that include assumptions, we have selected partners who will not take into account Nikko's opinions, that is, who will not reflect our intentions, and have requested them to disclose the results of their sponsored research. Our aim is to deliver the key points and highlights of the financial results to shareholders and investors as quickly as possible between the announcement of the financial results summary and today's briefing. As a result of this initiative, we may receive some tough questions at the financial results meeting, but we have started this initiative regardless.

The positioning of the report is as shown here. By expanding contact points in this way, we would like to ensure proper explanations and communication from our company as well.



Second is the establishment of a new shareholder returns. I'll also be presenting this as a separate topics.

We have set the minimum annual dividend per share for two business fiscal years, this fiscal year 2026 and fiscal year 2027, within the period of the medium-term management plan, and this minimum is set at 42 yen. In other words, for fiscal year 2026, the original medium-term management plan had a dividend target of 40 yen, but in the current period, the annual dividend forecast is set at 42 yen. By setting the minimum at the same amount of 42 yen, we are indicating that even if business performance falls below expectations, dividends will not be paid below 42 yen.

And for the fiscal year 2027, we have set 50 yen as the target in our medium-term management plan, but since this is only a target value, we naturally receive questions about whether it might fall below this depending on the company's performance. In response to such questions, while it naturally

depends on performance, we have also set 42 yen as the lower limit for the fiscal year 2027, and even if performance falls below expectations, we will not pay a dividend below 42 yen. Based on this approach, we have established our dividend policy.

Topics: Establishment of Policy and Changes to Shareholder Benefit Program

② Shareholder Benefit Program

Shareholder Benefit Program Redesigned as a program for shareholders holding 500 shares or more.

- Eligible Shareholders**
Before: 100 shares or more
↓
500 shares or more
- Shareholding Categories**
Before: 3 categories
↓
7 categories
- Long-Term Holding Benefits**
Before: Only some categories
↓
Applied to all eligible categories

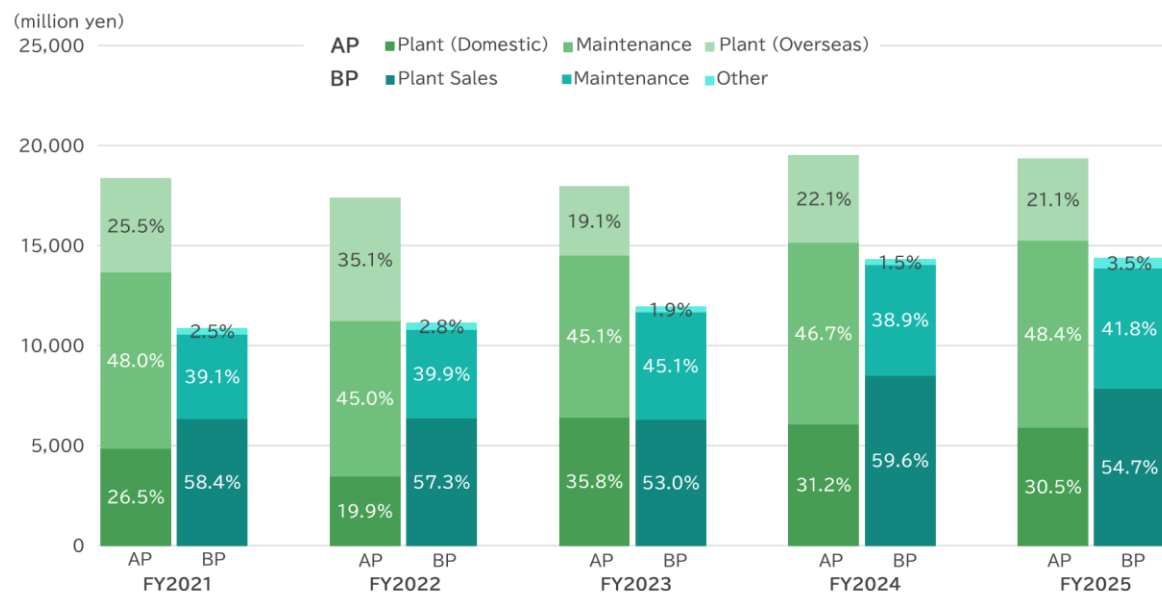
 Shareholders holding **100 shares to less than 500 shares** will **no longer be eligible** for shareholder benefits after the change.

* For details of benefit points by number of shares held, please refer to the "Notice Regarding Changes to the Shareholder Benefit Program and Establishment of a Shareholder Return Policy" announced on July 24, 2026.

In line with this, we have also redesigned our shareholder benefit program. While this change will result in some shareholders being eligible and others not, our aim is to provide a more detailed benefit package for shareholders who hold more shares and for longer periods. We have increased the number of shareholding categories from three to seven, thereby enhancing the benefits offered.

This is not about favoring any particular measure, but rather, based on the overall balance of shareholder returns, and from the desire to provide thoughtful benefits to those who hold a large number of shares or have held them for a long time, as I mentioned earlier, we have decided to revise the shareholder benefit program along with setting a minimum dividend. We hope to increase the number of people who will continue to support our company's growth, and we would appreciate it if shareholders view this system positively.

AP and BP Sales Breakdown



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We've finished with the topics. This is the general outline of our thinking.

From here on, for reference materials, we have included the status of AP-Related Business and BP-Related Business as of the end of fiscal year 2025. This trend is generally expected to continue into fiscal year 2026.

Balance Sheet Trends



(million yen)		FY2025 1Q	FY2026 1Q	Change	Main Factors
Assets	Current Assets	38,927	39,607	+ 680	Increase: Cash and deposits +2,686M yen Work in progress +1,283M yen Electronically recorded monetary claims +445M yen Decrease: Accounts receivable-trade -3,116M yen
	Tangible Assets	16,107	16,423	+ 316	
	Intangible Assets	1,090	1,031	- 59	Increase: Investment securities +379M yen Construction in progress +257M yen
	Investments and Other Assets	8,317	8,589	+ 272	Decrease: Intangible assets -59M yen
	Total Assets	64,443	65,653	+ 1,210	
Liabilities	Current Liabilities	20,609	22,385	+ 1,776	Increase: Contract liabilities +2,723M yen Accounts payable-other +571M yen
	Long-term Liabilities	6,424	6,237	- 187	Decrease: Income taxes payable -599M yen Provision for bonuses -564M yen
Total Net Assets		37,409	37,030	- 379	Increase: Valuation difference on available-for-sale securities +269M yen Foreign currency translation adjustment +45M yen Decrease: Retained earnings -683M yen
Net assets per share (yen)		970.51	960.62	- 9.89	

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This is the balance sheet. From my position as the person in charge of management, I would like to provide a detailed explanation regarding this section.

At the end of the first quarter, current assets increased by 680 million yen compared to the end of fiscal year 2025. For Breakdown, cash and deposits increased by 2,686 billion yen, but this is not simply an increase in cash but rather is in relation to increase in contract liabilities and advances received. Therefore, we are not simply cash-rich, but rather we are preparing funds on hand to lead to future net sales growth.

As we have already explained in the supplement to our medium-term management plan, our approach is to carefully monitor the cash conversion cycle, retain the necessary cash and cash equivalents, and allocate the remainder to necessary investments and shareholder returns. We hope you will understand this aspect within that context.

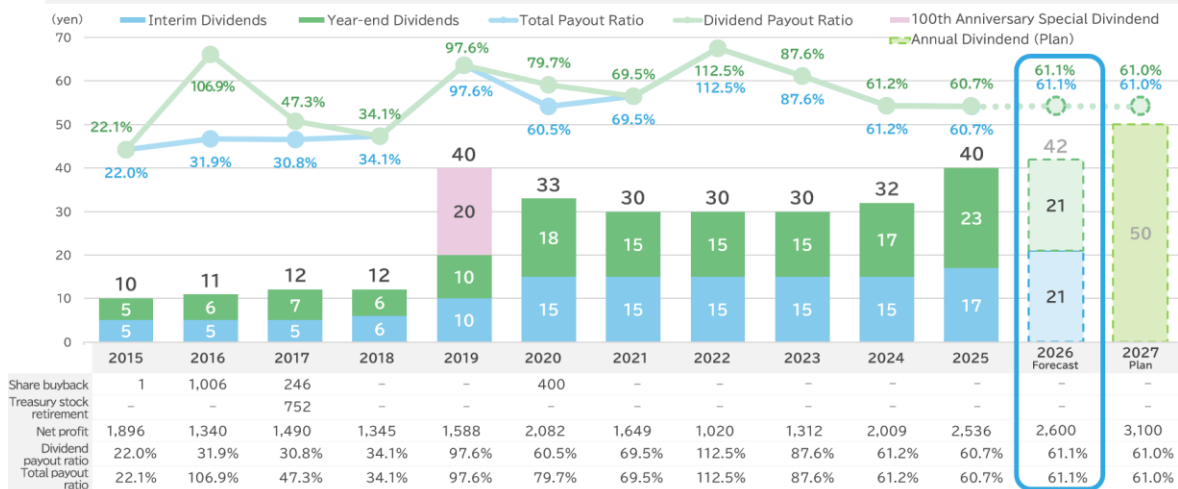
On the one hand, while we are very grateful for the significant increase order intake we are currently experiencing, one area where we need to reflect is the rise assets. This also leads to what is commonly referred to as “idle capital.” Particularly from my perspective as the person in charge of finance, I place a high priority on proper inventory management and the net sales that leads to future growth. I intend to manage our finances with care to ensure that the accumulation of order backlogs does not result in excessive inventory and provisions, which would in turn tie up our capital.

Shareholder Returns



■ Forecasted Dividend for Fiscal Year 2026: 42 yen (Interim 21 yen, Year-End 21 yen, Dividend Payout Ratio 61.1%)

We will maintain a stable shareholder return policy, with a **dividend payout ratio of 60% or higher**, while focusing on capital efficiency and medium- to long-term corporate value enhancement.



★The Company carried out a one-to-five split of shares in its common stock effective October 1, 2019, and the amount of dividends have been adjusted to the value after the split.

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This is regarding shareholder returns. As I mentioned earlier, this is the case here as well.

Finally, I would like to explain shareholder returns and ROE improvement, as well as capital policy. I hope you understand that the medium-term management plan is currently progressing smoothly.

On July 24, 2026, we established a new shareholder returns and set the minimum annual dividend amounts I mentioned earlier for fiscal year 2026 and fiscal year 2027. Furthermore, for fiscal year 2027—the final year of our medium-term management plan—we have set a target dividend of 50 yen per share.

However, what I must state here is that shareholder returns themselves are never the objective. What we aim for is to achieve solid growth in our business, and from those profits, not only pay dividends but also execute capital investment for future growth, invest in human capital, and flexibly carry out M&A, and then deliver dividends to our shareholders as the fruits of growth. By accomplishing this as promised, we believe that it will result in improved ROE, which in turn will lead to an increase in stock price, and we are managing our business with this in mind.

We would appreciate your continued interest, attention, and support for Nikko Co., Ltd. This concludes our explanation of our first-quarter financial results. Thank you very much.



Q&A

[Q]: For the AP-Related Business, how should we think about the ratio of old-price projects in 1Q results, the 2Q forecast, and the second half?

[A]: As mentioned earlier, we cannot disclose all details, including future orders. However, we expect old-price projects to largely run their course around 2Q. This may vary depending on delivery timing, and some projects may shift to later periods. Under our plan, we expect old-price projects to largely be completed in 2Q, with orders under new pricing gradually being recognized as sales from mid-2Q through 3Q and 4Q.

[Q]: What is your outlook for overseas operating profit in the AP-Related Business for 1Q and the full year?

[A]: This is a challenging area. Overseas business is important for future growth and positioning. In addition to our traditional European competitors, Chinese manufacturers have emerged as new competitors, and we are closely monitoring this trend.

In 1Q, both Shanghai and Thailand recorded losses. We had expected Shanghai and Thailand to break even overall, but Thailand continues to face the difficult issue of inventory reduction. We will work to complete this response within the current fiscal year.

China also started 1Q in negative territory, but inquiries have been increasing from 2Q onward. That said, China still depends heavily on government spending and fixed asset investment, so overseas performance may fluctuate depending on market conditions in China.

Domestic business remains firm, and we will continue to support AP performance through the domestic business as planned. Therefore, there is no change to the AP-Related Business outlook shown on the slide through 4Q.

[Q]: How different are margins between old-price projects and appropriately priced projects in AP? Are old-price plant projects loss-making?

[A]: We cannot disclose specific figures, as they include non-public information and vary by project. It would not accurately reflect the situation to discuss one specific project or give an average. Some large projects have limited profitability, while others generate sufficient profit. It is not simply a matter of one project being loss-making and another being profitable.

That said, as we have explained before, asphalt plant projects generally take about two years, and recently around two and a half years, from inquiry to final order and sales recognition.

During that period, costs can rise significantly after the initial estimate. In particular, over the past one to two years, cost-push inflation has sharply increased the prices of purchased items such as steel plates, as well as outsourcing costs paid to partner companies.

In the past, under a deflationary environment, prices were assumed to remain stable. However, from around three years ago, before the current Medium-Term Management Plan began, we started working with customers to gain their understanding on pricing, including through our sales and maintenance service teams.

As a result, for current orders, we have shifted to contract terms that allow inflation, including increases in paint, thinner, and oil-related costs caused by naphtha shortages, to be reflected in the final contract price. As a result, projects where costs exceed sales have now been largely eliminated.

[Q]: Based on the report, the improvement in order profitability in the AP business seems likely to become more visible from the second half. What level of operating margin do you expect for AP in fiscal year 2027? Are there any risks we should watch?

[A]: As shown on the slide, for the current fiscal year, we expect the AP operating margin to improve to around 7% on a full-year basis by 4Q. We have not disclosed a specific operating margin forecast for next fiscal year.

As mentioned earlier, our products are not made in advance and then sold as standard items. Each project involves engineering and some customer-specific customization. Therefore, improving profitability depends on steadily advancing standardization, sourcing under appropriate terms, and reflecting cost increases in prices with customer understanding.

[Q]: You previously discussed waterproof panels at a briefing. How is the order situation? Has recent heavy rainfall created demand?

[A]: We have high expectations for waterproof panels. However, 1Q was not particularly strong. One reason is that we need to improve our sales activities, but the main factor is that construction delays have pushed back sales recognition. Labor shortages are delaying not only waterproof panel installation, but also building and warehouse construction overall. Since waterproof panels are installed at the final stage of construction, their sales recognition is also delayed.

When sales are delayed, negotiations with general contractors for the next projects also tend to shift back. As a result, 1Q was a challenging period for the waterproof panel business.

[Q]: I wanted to know the expected level of AP operating margin for next fiscal year.

[A]: We are considering a level above the figure shown on the slide. Domestic profitability is improving and recovering as planned.

The main issue is overseas business. Overseas performance is closely linked to government policies in each country, so we consider best-case, worst-case, and middle-case scenarios. Based on our current view, we believe an operating margin above 7% is achievable. However, this is not a disclosed earnings forecast for next fiscal year, so please keep that in mind.

[Q]: The number of employees has been increasing steadily, especially in plant-related areas. Do you plan to continue increasing plant-related personnel?

[A]: We continue to place top priority on investment in human resources, from the previous Medium-Term Management Plan through the current plan. People create the Company, and business results depend on people, so we intend to continue appropriate human capital investment.

At the same time, personnel expenses should not simply continue increasing without limit. With AI becoming more advanced, we will use AI for simple but time-consuming tasks. However, there are still areas only people can handle. For example, even if AI explains how to repair a breakdown, people ultimately perform the work and operate the machines. The same applies to manufacturing: even with advanced machine tools, people make the final judgments and adjustments.

We will continue to balance AI utilization with investment in human capital.

[Q]: Broadly speaking, what do you see as the Company's biggest issue, and how do you plan to address it?

[A]: The biggest challenge is human resources.

Our business is centered on plants, and even in the Environment- and Conveyance Business, our value does not end with simply selling products. Developing human resources is essential to delivering engineering value to customers and is one of the key reasons Nikko is valued in the market.

In Thailand and China, we position LTV, or lifetime value, as a key sales strategy. We emphasize the total benefits customers gain by continuing to use Nikko products, beyond price and fuel efficiency. This strategy also ultimately depends on human resources.

Looking ahead, Japan's workforce is declining, and China is facing a similar trend. In ASEAN, competition for human resources is also expected to intensify as economies grow. Therefore, human resources remain our most important challenge and also our greatest source of growth potential.

[Q]: I read your report on medium-temperature asphalt plants. Could you share recent customer trends?

[A]: Medium-temperature asphalt plants continue to be well received by customers, and installations are progressing.

In the asphalt mixture business, shipment volume is not growing significantly. In some areas, such as Hokuriku and eastern Hokkaido, it is becoming difficult for customers to secure profitability from asphalt mixtures alone.

At the same time, major roads must continue to be maintained as public infrastructure. Customers are facing a difficult situation, and medium-temperature construction is one possible solution.

Medium-temperature construction helps reduce CO₂ emissions, but an even greater benefit is that it enables construction at lower temperatures while maintaining conventional quality. This allows transport distances to be extended while maintaining the same quality level. For customers that own asphalt plants, we believe this is becoming an attractive equipment option.

[Q]: You explained that the increase in cash and deposits was due to higher contract liabilities. If there is surplus working capital, are there any working capital loans that can be repaid?

[A]: We manage cash with financial discipline. Holding too much cash is not ideal, but insufficient cash would also create risks. We will continue to operate in a disciplined manner and address questions about cash levels sincerely.

It is difficult to judge based only on a short period such as 1Q, but we will continue disciplined financial management. If large funding needs arise for future growth, options may include bond issuance, but in most cases we would consider bank borrowings and other measures.

We will maintain relationships with banks while reducing unnecessary spending internally. We do not rely on borrowings without careful consideration. Depending on the situation, we may repay loans while securing necessary funds, or borrow flexibly when needed. We will manage this balance appropriately.

[End]

Note This script is provided to offer information to those who did not attend the financial results briefing. Please be aware that some parts of the content have been added or modified to enhance clarity.