

Nippon Koei Group Business Segments

Nippon Koei's business is comprised of the following three business segments and is building vibrant societies across the globe.

Financial results for the fiscal year ended June 30, 2022 show record highs in both sales revenue and incomes.

Consulting Business Main Customers

National and local governments, JICA, overseas government agencies, and private companies

In Japan, the Consulting Business provides a full range of civil engineering consultation related to infrastructure development, maintenance, and safety for local and national government agencies, such as the Ministry of Land, Infrastructure, Transport and Tourism. With proven technologies informed by diverse experience and R&D, the operation has grown into a comprehensive consulting service covering a vast array of projects encompassing the improvement, management, and maintenance of infrastructure supporting daily community life.

Overseas, we are developing business mainly through Japanese government ODA projects, mainly in Asia, but also in Africa, the Middle East, Central and South America, and other

regions. The Nippon Koei Group is engaged in numerous infrastructure projects in fields ranging from water resources and waterways, energy, urban and regional development, transportation, agricultural and rural development, environment, and disaster prevention. The Group is active on the front lines of social contribution and humanitarian aid across borders.

Examples of our activities include environmental measures to combat global warming, developing regional transportation infrastructure in emerging countries undergoing rapid economic growth, and assisting in reconstruction in regions affected by conflict or natural disasters.

Urban & Spatial Development Business Main Customers

Private companies and local governments

Nippon Koei launched the Urban & Spatial Development Business in March 2016 when it welcomed BDP of the UK into the Group. The aim of the launch of this business segment is to expand business by capturing the growing needs in the architectural domain as urban development progresses around the world and combining it with the civil engineering domain, an area in which we excel. Through collaboration with BDP, we are working to create urban spaces in Asia by combining civil engineering and architectural technologies.

We are also working to diversify our business fields by adding Canada-based Quadrangle, which specializes in high-rise construction, to our group in 2019, and UK-based Pattern, which specializes in sports facility construction, to our group in 2021.

Against the backdrop of the increasing number of projects in

Japan that need to be approached from both civil engineering and architectural perspectives, such as urban development and redevelopment, we merged our Urban & Spatial Development Business, one of our business segments, with Tamano Consultants, a Group company, and then formed a new company, Nippon Koei Urban Space, in July 2022. By integrating the technologies and functions of both companies, we aim to enter the market for urban infrastructure formation in Japan and overseas, and become a comprehensive production company with greater proposal and development capabilities than ever before for urban and regional revitalization projects, public-private partnerships, and smart city development, in order to work toward the formation of sustainable cities.

Energy Business Main Customers

Power companies, local governments, and private companies

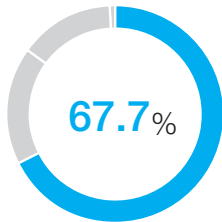
The segment constructs and repairs substations, switching stations, and power plants operated by power companies constructs central monitoring and control systems to improve operating efficiency, constructs dam control systems at hydropower plants, and manufactures related equipment. The Power Engineering Business proposes optimal solutions for electric power companies to support electric power development and meet electric power needs in Japan and emerging countries.

As a new initiative, we are engaged in research, development, design, construction, management and operation support, and system and technology development for energy management projects utilizing distributed energy resources in response to the

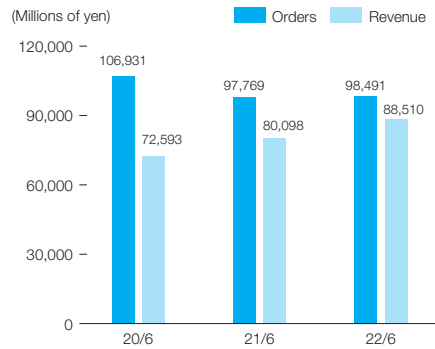
recent expansion of renewable energy markets and power system reforms in Japan and overseas. We are accumulating business and technological know-how in Europe, where the separation of power generation and distribution and the introduction of renewable energies are leading the way, and are aiming to expand our business in Japan and other Asian countries in the future. The Company is also involved in the business of operating hydroelectric power plants and sale of electricity. We install small-scale hydroelectric power plants in existing dams that are not used for power generation purposes to generate clean and economical small-scale hydroelectric power.

FYE June 2022

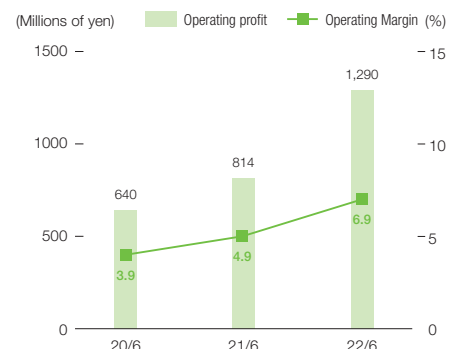
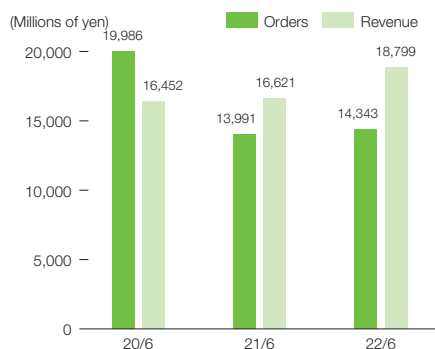
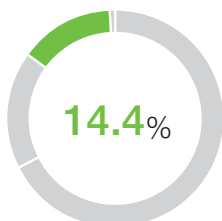
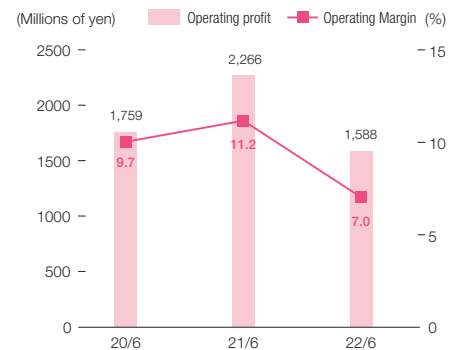
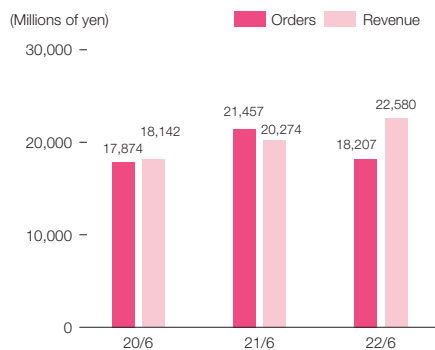
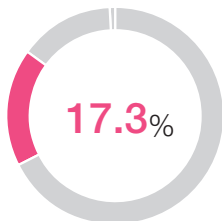
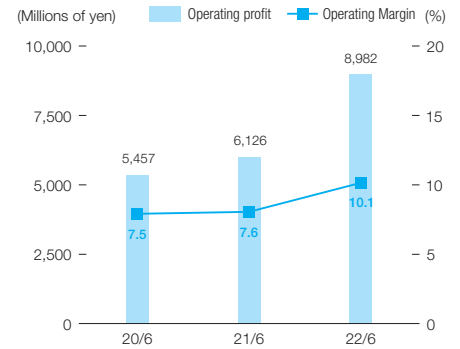
Composition Ratio of Revenue



Orders and Revenue (millions of yen)



Operating Profit and Operating Margin (millions of yen/%)

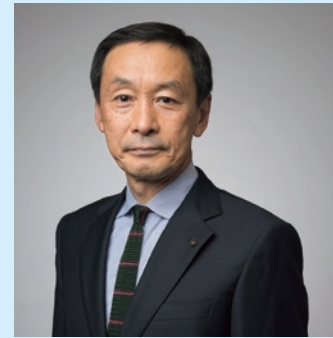


* The Company has been conducting business in three business segments since FYE June 2022. For the Consulting Business, we combined our domestic and overseas consulting businesses and combined our former Power Engineering and Energy Business to form our current Energy Business.
 * Results for the Consulting Business and Energy Business for the fiscal year ended June 30, 2020 have been combined to conform to the current segment structure, and the figures are simple totals before elimination of internal transactions.
 * From the fiscal year ending June 30, 2023, Nippon Koei Urban Space and its subsidiaries will change their business segment classification from "Consulting Business" to "Urban & Spatial Development Business."
 Segment information for the fiscal year ended June 30, 2022 has been prepared based on the revised business segment classification.

Promoting productivity improvement through DX promotion and service development using new technologies

For the fiscal year ended June 2022, revenue increased by approximately 10% and operating profit increased by approximately 46% both in Japan and overseas due to favorable business performance. In particular, since travel restrictions due to COVID-19 have been eased overseas, operations for several large projects have started, boosting our contract utilization rate to a record high level. In July 2020, we integrated our Domestic Consulting Business, International Consulting Business, and R&D Center mainly for the purpose of optimizing the allocation of resources in line with business conditions. Currently, we continue to operate flexibly, allocating domestic personnel to serve in active overseas operations. In addition, in order to promote the resilience of the Nippon Koei Group, we have begun to lay the groundwork for achieving our long-term management strategy, including acquiring technologies to expand our business domains and creating business alliances for new services.

Moving forward, we will continue to implement measures to improve productivity, develop new services using new technologies, and promote business expansion utilizing our co-creation partners.



Haruhiko Kanai
Director General of
Consulting Operations Headquarters

Main Business Areas

Water resources and waterways
Flood protection, efficient water use, and water environment improvement

Water and sewage
Support for efficient operation and management of water and sewage facilities

Urban and regional development
Policy planning support for master planning of urban areas and region development of local governments and equipment of development facilities

Disaster Prevention and Mitigation
Emergency response to disasters such as earthquakes, volcano eruptions, and localized torrential downpour and planning of disaster prevention

Dams and power generation
New dam construction, redevelopment and extension of service life for existing dams

Transportation (roads, bridges, airports, etc.)
Establishment, extension of service life, efficient maintenance and management, automatic operation planning, and MaaS planning related to traffic and transport facilities

Environmental Management
Improvement of air, water, and soil environments and biodiversity conservation

Maintenance and aging countermeasures
Management planning of measures for aging infrastructure (bridges, tunnels, embankments, water supply and sewage systems, etc.) and efficient maintenance

Management
Asset management, public-private partnerships (PPP, PFI)

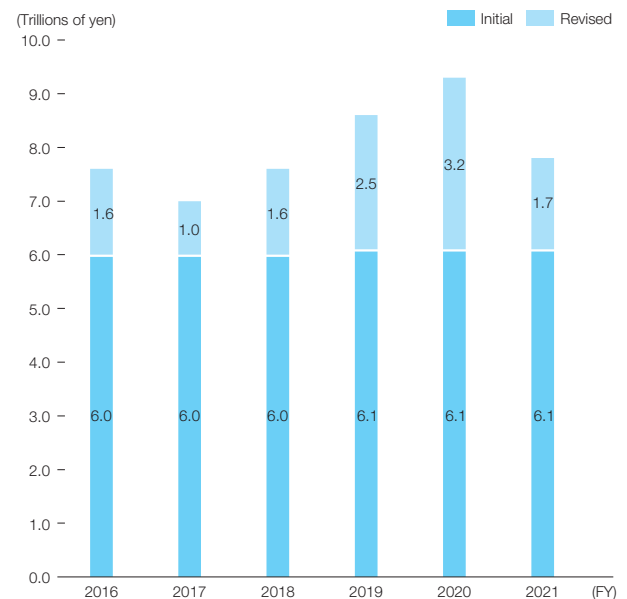
Business Segments Strengths

- No. 1 in sales in Japan in the construction consulting industry and one of the top Japanese companies in terms of sales for Japanese government ODA projects for many years
- Established strong partnerships with our clients through our business bases in 47 prefectures in Japan and our extensive business experience overseas, especially in emerging Asian countries
- Largest number of professional engineers in the industry with certified professional engineers in each field
- Technical and comprehensive capabilities cultivated over many years of handling business in a variety of fields, and the development of advanced technologies by utilizing those capabilities

Market Trends (Japan)

In Japan, our Consulting Business is mainly concerned with the study and design of public and utility projects. Therefore, its performance is affected by factors such as investment in construction and the scale of public investment. In recent years, the volume of work has been increasing due to the growing demand for disaster resilience and extension of infrastructure service life in the face of increasingly severe disasters. In addition, PPPs (Public-Private Partnerships) and PFIs (Private Finance Initiatives) are on the rise, where public and private sectors collaborate to provide public services. As a result, the roles of construction consultants are expanding year by year.

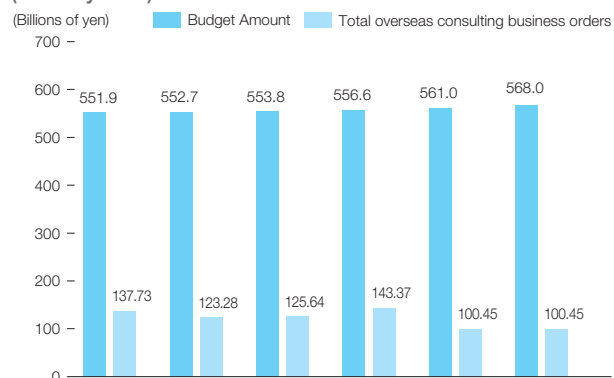
Public works spending (initial + revised budget)



Market Trends (Overseas)

Our clients include the Japan International Cooperation Agency (JICA) and other Japanese ODA implementing agencies, international organizations, such as the World Bank and the Asian Development Bank, and foreign governments. In recent years, due to the increasing demand for infrastructure in emerging countries, the number of projects has been increasing year by year and becoming larger in size. In recent years, the Japanese government's "Infrastructure Systems Overseas Expansion Strategy 2025" has set high order targets, etc., leading to consistently strong demand. In regard to ODA loans, the ratio of projects in India and Bangladesh has been increasing, and in terms of fields, new development of transportation, such as railroads, and urban development, such as smart cities, have been increasing in order to cope with population growth in emerging countries and to achieve a decarbonized society.

ODA budget/Total overseas consulting business orders (industry total)



Performance Summary for Fiscal Year Ended June 30, 2022

Orders **¥98.4 billion**

Revenue **¥88.5 billion**

Operating Profit **¥8.9 billion**

- Orders received increased year-on-year in the segment as a whole due to strong domestic orders for government-related projects and large orders received overseas.
- Revenue increased due to strong performance both in Japan and overseas. Overseas-based large project operations started, causing the contract utilization rate to rise to a record level.
- Operating profit: Increased due to higher revenue, an absence of one-time losses recorded in the previous period, and improved profits at Group companies

Key Initiatives of the Medium-term Management Plan Building Resilience 2024

Directionality	<ul style="list-style-type: none"> ● The Nippon Koei Group is evolving into an organization capable of competing globally by integrating its former Domestic Consulting and International Consulting businesses as well as the Research & Development Center ● Conduct business operations through proactive advances and defensive approaches to provide outstanding technology and quality to the global market
Key initiatives	<div style="display: flex; justify-content: space-between;"> <div style="width: 48%;"> <p>Advancement and global expansion of disaster prevention/mitigation technologies</p> <ul style="list-style-type: none"> ● Maintenance and upgrades of infrastructure to protect people's lives ● Utilization of data that contributes to people's peace of mind <p>Promotion of services that contribute to decarbonization</p> <ul style="list-style-type: none"> ● Strengthen services for global warming countermeasures, environmental management, and conservation measures </div> <div style="width: 48%;"> <p>Expansion of transportation related businesses</p> <ul style="list-style-type: none"> ● Improve transportation infrastructure and strengthen development of areas around transportation hubs ● Promote smart cities and next-generation mobility <p>Full-scale expansion into the management field</p> <ul style="list-style-type: none"> ● Acquisition of management technology and development of concession business </div> </div>

Project Information

Strategic business alliance with Institute for Q-shu Pioneers of Space, Inc. in the SAR satellite data business

In December 2021, we announced a business alliance with the Institute for Q-shu Pioneers of Space, Inc., a space venture company created by Kyushu University.

In April 2021, we launched the Satellite Disaster Prevention Information Service jointly with SKY Perfect JSAT Corporation and Zenrin, Co., Ltd. as a satellite business. However, we experienced issues including difficulties in shooting high-definition images at high frequency of an entire affected area when large-scale, simultaneous disasters occur. To counter this, the creation of a small SAR satellite constellation, which the Institute for Q-shu Pioneers of Space, Inc. is working on, will enable high-definition image data to be taken at high frequency, allowing for the early identification of actual damage in the event of a disaster and provision of information for efficient recovery. We will work on the concrete verification tests according to the condition for acquiring images that can be analyzed, and aim to develop new satellite data services and expand the market both domestically and

internationally by combining satellite development technology from the Institute for Q-shu Pioneers of Space, Inc. with our business know-how and ideas in various fields of social infrastructure construction.



Urban & Spatial Development Business

Aiming for comprehensive urban and regional revitalization through civil engineering and architecture

The mission of our Long-term Management Strategy is to operate in the capacity of a comprehensive producer of urban and regional revitalization projects in response to urban development demand, especially in Asia, including in Japan.

Specifically, the Company will focus on urban (re)development projects, urban restructuring projects through public-private partnerships, and waterfront area restructuring projects associated with industrial structural transformation. The goal of the Nippon Koei Group's Urban & Spatial Development Business is to contribute to the creation of sustainable cities and regions to solve social issues such as population decline and aging, concentration of population in metropolitan areas, and global warming.

The Nippon Koei Group's Urban & Spatial Development Business focuses on communities and public lands. From the perspective of town development, Nippon Koei's strength is that it can proceed with development not only of buildings in specific areas but also in the dynamic field of infrastructure including water and sewage, electricity, and transportation networks.



Noriaki Yoshida
Director General of Urban & Spatial Development Headquarters

Main Business Areas

Architecture

Architectural design, structural design, facility design, and interior design

Landscape and urban design

Redevelopment planning of districts and buildings in accordance with development policies, and design of railway lines, urban development, airport buildings, and station buildings during infrastructure construction

Refurbishment of historic buildings

Repair and refurbishment of representative historic buildings in the UK

Civil engineering and architecture

Comprehensive technical consulting service combining Nippon Koei's civil engineering technology and BDP's architectural technology

Urban area and smart city development

Provision of one-stop services in the fields of civil engineering, energy, and architecture including research, planning, design, and management

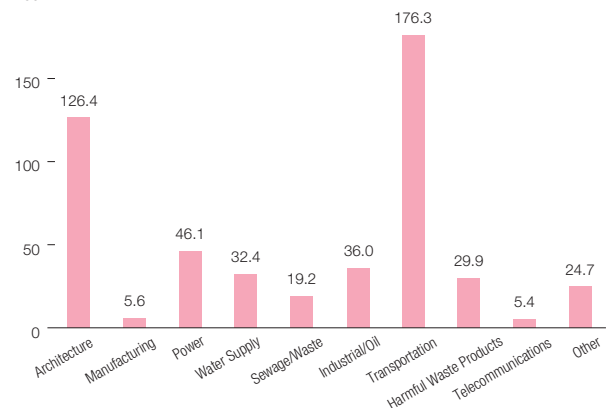
Market Trends

The architecture field is one of the most active fields, accounting for 25% of the sales of research and design companies worldwide. In Asia, Africa, and Latin America, the market for buildings integrated with transportation-related facilities such as railroads, roads, and airports, base development integrated with peripheral infrastructure development, and ancillary surface development and smart cities is expanding in the urban centers and suburbs of metropolitan areas that will serve as receptacles for population concentration and growth, and the growing industrial economy. In terms of funding, the appetite for infrastructure investment by the private sector is increasing.

In Japan, the market is expanding for the effective use and revitalization of the large amount of stock (buildings) that exists nationwide, and for the consolidation and reorganization of highly sustainable bases in regional cities as their populations decline.

Ranking of 164 survey and design companies - FY2021 sales by field

(Unit: 100 million USD)
200 -



* Excerpt from the August 2022 Issue of ENR

Business Segments Strengths

- Network and customer base shared with of BDP (UK) and Quadrangle (Canada) with leading partners in the UK and the North America area
- Our unique fusion of the civil engineering and architecture fields
- Advanced technologies including BDP's BIM

Performance Summary for Fiscal Year Ended June 30, 2022

Orders **¥18.2 billion**

Revenue **¥22.5 billion**

Operating Profit **¥1.5 billion**

- Orders received decreased year-on-year due to restrained public investment in the U.K. and a trend toward placing smaller orders.
- Revenue increased for both BDP and Quadrangle due to strong progress in on-hand orders
- Operating profit decreased as a result of an increase in general and administrative expenses due to the rebound from the impact of COVID-19 at BDP in the previous fiscal year, and an impairment of goodwill under IFRS as a result of an increase in the DE ratio due to the booming stock market.

Key Initiatives of the Medium-term Management Plan Building Resilience 2024

Directionality	<ul style="list-style-type: none"> ● Comprehensive production and development of urban and regional revitalization projects in Japan and overseas ● Development of new markets through integrated group operations within the business segment (urban development, smart cities, etc.)
Key initiatives	<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p>Realization of one-stop services for urban (re) development projects</p> <ul style="list-style-type: none"> ● Acquisition of urban area (re)development projects in Japan and overseas <p>Creation of smart city projects with a focus on decarbonization, safety, and security</p> <ul style="list-style-type: none"> ● Creation of urban spaces taking into account infectious diseases, climate change, and decarbonization ● Formation of mobility networks ● Creation of people-friendly urban spaces, such as universal design and barrier-free spaces </div> <div style="width: 45%;"> <p>Full-scale development of urban management field</p> <ul style="list-style-type: none"> ● Acquisition of new urban management businesses, such as PM, CM, and FM, which are expanding <p>Expansion of BDP market</p> <ul style="list-style-type: none"> ● Expansion of BDP's business in the North American market ● Aggressive acquisition of projects in the health care sector ● Acquisition of stadium projects and development of adjacent locations ● Promotion of BDP and Nippon Koei collaborations in Asia </div> </div>

Project Information

The Launch of Nippon Koei Urban Space - Integrating civil engineering and architecture

The Company is preparing for the transition to a pure holding company by July 2023. As part of this reorganization, on July 1, 2022, the Urban & Spatial Development Business of Nippon Koei Co., Ltd. was transferred to Tamano Consultants Co., Ltd. through a company split (simple absorption-type split), and Nippon Koei Urban Space Co., Ltd. (Representative Director and President: Noriaki Yoshida) was established.

Nippon Koei Urban Space will contribute to the creation of sustainable cities and regions by taking advantage of the technologies and experience accumulated by both companies in the fields of civil engineering and architecture to solve the increasingly complex urban issues in recent years while being involved in the comprehensive creation of cities.



■ Representative joint projects of NIPPON KOEI Co., Ltd. Urban & Spatial Development and Tamano Consultants Co., Ltd.



Tokyo Metropolitan Meiji Park - Park-PFI
Increasing added value through urban management initiatives



Expo 2005 Aichi Commemorative Park
Providing one-stop services from the concept to operational support stages



Promoting the provision of one-stop services in new energy markets

The Energy Business provides development and operation of hydroelectric power plants and substations, consulting, equipment manufacturing, and construction as services. In recent years, we have provided these services as a one-stop service and are working to reduce the burden on the order side and provide value that cannot be imitated by other companies in terms of speed. Additionally, we provide energy management services using storage batteries in markets where the introduction of renewable energy is progressing, such as Europe.

Around the world, decentralized energy resources are being introduced and businesses are shifting to renewable energy, and a new market for power trading is being created in Japan as well. We see business opportunities here, and, while keeping a close eye on market trends, will establish new businesses, create a one-stop energy storage service, and conduct cross-sales in cooperation with other segments as a unified group.

As a business that directly contributes to climate change countermeasures, we will actively take on the challenge of moving into new markets while maintaining high aspirations and a broad perspective as we solidify our foundation.



Hiroshi Yokota

Director General of Energy Headquarters

Main Business Areas

Manufacture of equipment and devices

Manufacture of various types of water turbines for hydroelectric power generation, manufacture of substation control equipment, and construction of centralized substation monitoring systems and dam management systems

Mechanical and electrical consulting

Comprehensive consulting services for domestic and international electric power and mechanical and telecommunications fields, energy engineering including EPC

Geotechnical surveying, sale of civil engineering measurement devices

Installation, maintenance, and inspection of automatic observation systems for slope disaster prevention, and manufacture and sales of ground measurement equipment

Construction of electrical facilities

Planning, investigation, design, construction, and management of substations, power plants, and other facilities for reinforcement and renovation

Energy solutions

Consulting service for improving the efficiency of energy use

Energy management related products

Manufacture and sale of EMS, in-house energy storage systems, and microgrid aggregation systems

Overseas energy management

Investment in ancillary services business, etc. in Europe, New business development and business promotion

Domestic power generation

Development of hydroelectric power facilities and sale of electricity through the operation of eight domestic hydroelectric power plants

Domestic energy management

Renewable energy monitoring, renewable energy efficiency, and energy conservation consulting services

Business Segments Strengths

- One-stop services encompassing every stage from planning and surveying for electric power operations and electrical equipment to engineering and construction as well as equipment manufacture and maintenance in Japan and overseas. Speedy response and reduction of the burden on the order side.
- Provides a wide range of services due to collaboration with our engineering consulting business
- Many years of experience in product delivery and construction for major power companies
- Business bases and capital and business alliances with startup firms in Europe, a forerunner in electric power market liberalization, and a track record in the energy management business

Market Trends

The Japanese electric power market is expected to shift to a new competitive environment with the separation of electric power production and distribution and the complete liberalization of power generation, transmission, distribution, and retail. At present, we are working to strengthen our production system and earnings management to meet the cost reduction demands of power companies. Expanding demand in the global market for renewable energy accompanying the drive for low-carbon operations and distributed power sourcing. In line with this, it also anticipates the expansion of new markets for ancillary services, peak arbitrage, capacity markets, etc.

Performance Summary for Fiscal Year Ended June 30, 2022

Orders **¥14.3 billion**

Revenue **¥18.7 billion**

Operating Profit **¥1.2 billion**

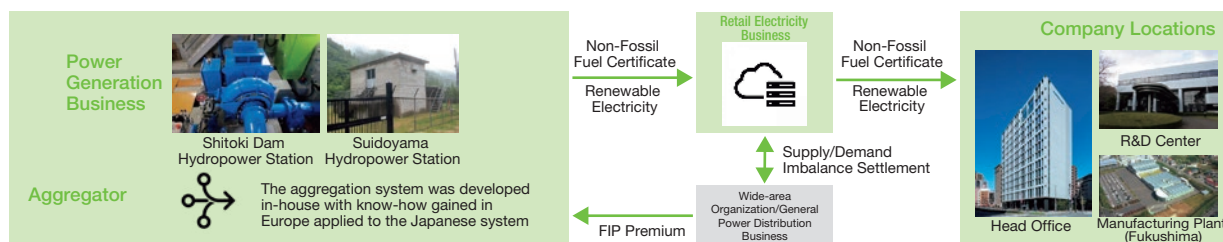
- Orders received increased year-on-year due to large order acquisition, and the gradual contribution of improvement of factory production capacity, and elimination of delays in semiconductor procurement
- Revenue increased due to systematic progress in order backlog accumulation and progress in EPC for energy storage projects in Europe
- Operating profit increased compared to the previous fiscal year due to cost control in the manufacturing sector and provision for loss on construction contracts

Key Initiatives of the Medium-term Management Plan Building Resilience 2024

Directionality	<ul style="list-style-type: none"> ● Creation of foundation for power generation and energy management business ● Stabilization of manufacturing businesses by strengthening core products and developing new products, and strengthening of the structure of the consulting and engineering businesses
Key initiatives	<div style="display: flex; justify-content: space-between;"> <div style="width: 48%;"> <p>Establish foundation for power generation and energy management business</p> <ul style="list-style-type: none"> ● Respond to overseas needs for decarbonized electricity ● Entry into the renewable energy aggregator business by utilizing the FIP scheme ● Expansion of energy businesses owned and operated by the company ● Construction of energy systems for local production and local consumption, improvement of disaster prevention capabilities, and realization of new value-added services ● Stabilization of electric power systems that primarily use renewable energy </div> <div style="width: 48%;"> <p>Strengthen manufacturing of core products and develop new products</p> <ul style="list-style-type: none"> ● Contribute to the stable supply of electricity and resilience improvement <p>Provide one-stop solutions utilizing diversified and diverse technologies</p> <ul style="list-style-type: none"> ● Strengthen structures of the consulting and engineering businesses </div> </div>

Project Information

Supplying 100% renewable electricity derived from our own hydroelectric power to three of our company locations



As part of our energy management efforts, we are promoting a plan to use 100% renewable electricity at three of our company locations. In preparation for this plan, we are applying to have two hydroelectric power plants in Fukushima that we operate to become part of the FIP (feed-in-premium) scheme* and are also applying for aggregator licenses for these facilities.

The timing of the start of this project will be determined while monitoring the status of license approval and market price trends.

At first, we will build our own self-sufficiency model for electricity. For the future, we are aiming to be responsible for aggregating FIP power sources from other companies and supplying renewable energy power sources for local production and local consumption.

*A scheme in which a subsidy is added as a premium when electricity generated by renewable energy companies is sold on the wholesale electricity trading market or through negotiated transactions.

Project Information

Large-Scale Battery Storage Project Construction Begins in the UK and Belgium

Nippon Koei Energy Europe (NKEE), our European subsidiary located in the Netherlands, plays a central role in the Group's business utilizing grid-use storage batteries in Europe, where the renewable energy market is leading the way. We are currently working on a large-scale grid storage battery project in Belgium (25MW/100MWh) and two projects in the UK (totaling approximately 100MW/130MWh). Construction will continue until early 2023, after which the control systems manufactured by Nippon Koei will be used to provide grid stabilization services (ancillary services) and other services to major power companies in each of those countries.

Through each project, we will accumulate and improve our expertise in one-stop service-based energy management using grid storage batteries, which we will then apply to power generation, transmission, and distribution projects in Japan. We

will also enhance our ability to propose a variety of storage battery solutions to expand the introduction of renewable energy in Japan and abroad, and to enhance sophistication and efficiency of energy use.



Ruien Power Storage Station in Belgium