

Supplementary Materials for the Summary of Financial Reports 2Q, FYE June 30, 2023

February 13, 2023
Nippon Koei Co., Ltd.

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2Q Results for FYE June 30, 2023

Orders and revenue increased year-on-year, while operating profit declined due to an increase in general administrative expenses and other project costs.

Consolidated results

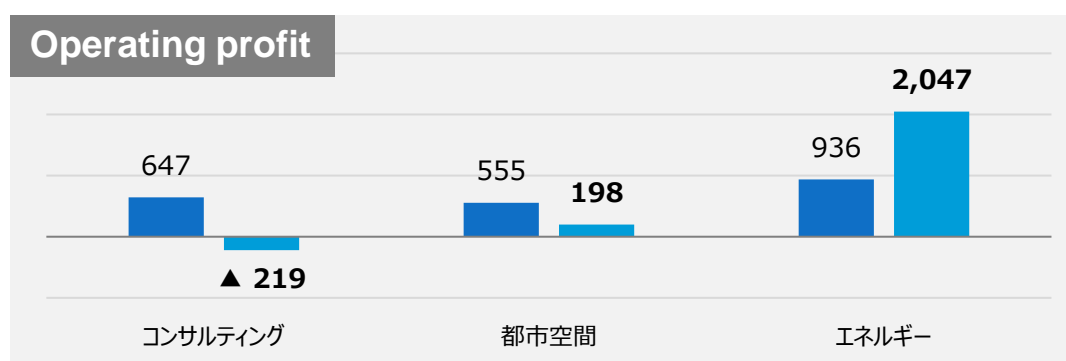
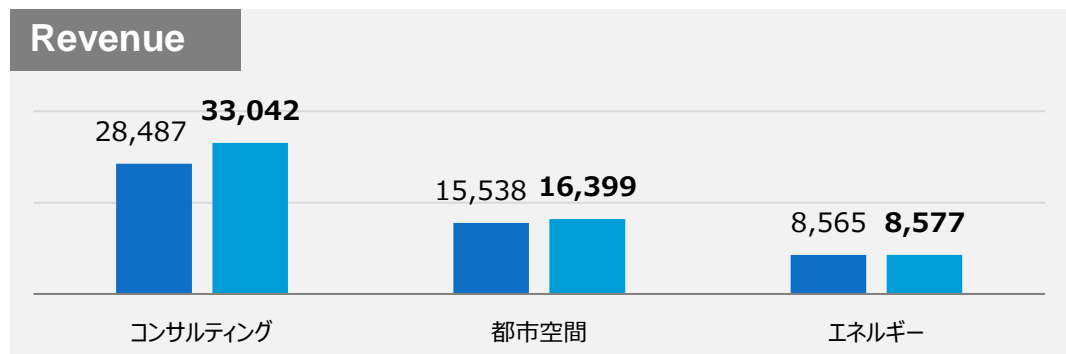
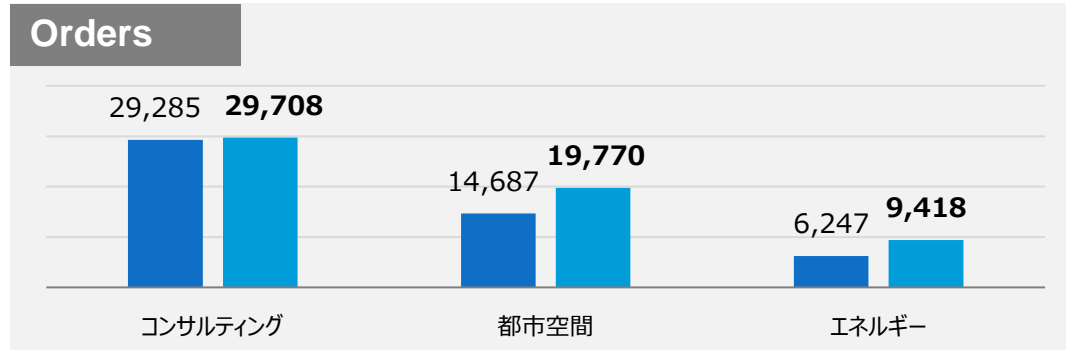
- Orders increased year-on-year due to steady progress in the Urban & Spatial Development Business and Energy Business.
- Operating profit decreased mainly due to an increase in general administrative expenses in the Consulting and Urban & Spatial Development Businesses.
- Quarterly profit decreased due to a decrease in operating profit and foreign exchange losses.

(Million yen)	FYF22/6 2Q Results	FYE23/6 2Q Results	YoY Change	
			Amount	%
Orders	50,278	59,016	8,738	117.4%
Revenue	52,981	58,451	5,470	110.3%
Gross profit	14,915	15,913	998	106.7%
Operating profit	1,268	1,235	-32	97.4%
Profit before tax	1,517	269	-1,248	17.7%
Profit attributable to owners of parent	615	-1,054	-1,670	-

Results by Business Segment

■ FYE June 2022,2Q
 ■ FYE June 2023,2Q
 (Millions yen)

(Million yen)	FYE June 2022 2Q Results	FYE June 2023 2Q Results	YoY Change	
			Amount	%
Orders	50,278	59,016	8,738	117.4%
Consulting	29,285	29,708	423	101.4%
Urban & Spatial Development	14,687	19,770	5,083	134.6%
Energy	6,247	9,418	3,170	150.7%
Other	57	119	61	207.3%
Revenue	52,981	58,451	5,470	110.3%
Consulting	28,487	33,042	4,555	116.0%
Urban & Spatial Development	15,538	16,399	861	105.5%
Energy	8,565	8,577	12	100.1%
Other	390	432	41	110.6%
Operating profit	1,268	1,235	▲32	97.4%
Consulting	647	▲219	▲867	-
Urban & Spatial Development	555	198	▲356	35.8%
Energy	936	2,047	1,111	218.7%
Other	▲871	▲790	80	-



* Nippon Koei Urban Space Co., Ltd. (established by consolidating former Tamano Consultants Co., Ltd. and the Urban & Spatial Development Business of Nippon Koei), its subsidiary Tamano Ecost Co., Ltd. and our consolidated subsidiary Nakaze Kamp Co., Ltd. changed their segment classification from the "Consulting Business" to the "Urban & Spatial Development Business" from the fiscal year ending June 2023. Therefore, the segment information for the fiscal year ending June 2022 is provided based on the new reportable segment classification.

Overview by segment

Consulting Business

- Orders: Although they were sluggish in Japan due to the front loading of orders in the first half as a result of early execution of the budget, they increased year-on-year due to overseas orders for the Indian bullet train, etc.
- Revenue: Revenue increased due to steady progress in domestic transportation and environmental sectors, and projects in the transportation sector in South and Southeast Asia.
- Operating profit: Overseas, profit decreased due to higher costs such as travel expenses, and losses from the return of VAT (Value Added Tax) from a small hydropower project in Indonesia.

Urban & Spatial Development Business

- Orders: Large-scale orders for BDP in the UK and large-scale housing orders for Quadrangle in Canada contributed to a year-on-year increase.
- Revenue: Sales increased due to strong progress of on-hand orders with BDP and depreciation of the yen.
- Operating profit: Decreased due to increased labor costs and general administrative expenses in BDP's business activities, the impact of inflation, and an increase related to the construction of infrastructure for expanding business for both BDP and NKUrban.

*The actual exchange rate in 2Q of FYE June 30, 2023: £ 1=163.91 yen (the assumed exchange rate for FYE June 30, 2023: £ 1= 154.00 yen)

Energy Business

- Orders: Increase year-on-year due to strong orders in the Power Construction Division and large private-sector orders in the Plant Division, which remained at a higher level than usual.
- Revenue: Remained at the same level compared to the same period for the previous year due to a decrease in the number of orders for dam monitoring and control system projects in the Manufacturing Division and longer delivery times for parts, despite on-hand projects such as large-scale renovation of power plants, which were ordered by government agencies, progressing as planned.
- Operating profit: While profits were sluggish due to decreased sales in the Manufacturing Division, operating profit increased due to the recording of the gain on the sale of shares of PT.ARKORA HYDRO, which was an affiliated company of the Company, and the gain on investment into securities (+2 billion yen).

FYE June 2023 Forecast

Orders, revenue and profits increased from the previous fiscal year, and there are no changes to the revenue or profit growth plans for any segment.

(Million yen)	FYE 2022/6 Results	FYE 2023/6 Plan	YoY Change	
			Amount	%
Orders	131,166	140,000	8,833	106.7%
Consulting Business	84,551	85,000	448	100.5%
Urban & Spatial Development Business	32,147	40,000	7,852	124.4%
Energy Business	14,343	16,000	1,656	111.6%
Revenue	130,674	145,000	14,325	111.0%
Consulting Business	75,000	81,500	6,499	108.7%
Urban & Spatial Development Business	36,091	40,000	3,908	110.8%
Energy Business	18,799	22,500	3,700	119.7%
Other	783	1,000	216	127.7%
Operating profit	9,065	11,300	2,234	124.6%
Consulting Business	7,971	9,200	1,228	115.4%
Urban & Spatial Development Business	2,599	2,800	200	107.7%
Energy Business	1,290	2,400	1,109	186.0%
Other	-2,796	-3,100	-303	-
Profit attributable to owners of parent	6,579	6,700	120	101.8%
ROE	8.8%	8.5%	-0.3%	

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