

Supplementary Materials for the Summary of Financial Reports 1Q, FYE June 30, 2023

November 14, 2022

Nippon Koei Co., Ltd.

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1Q Results for FYE June 30, 2023

Both orders and revenue increased year on year. Profit increased due to the recording of the gain on the sale of business investments.

(Million yen)	FYE June 2022 1Q Results	FYE June 2023 1Q Results	YoY Change	
			Amount	%
Orders	25,319	31,836	6,516	125.7%
Revenue	23,960	26,782	2,821	111.8%
Gross profit	6,418	7,103	685	110.7%
Operating profit	-320	1,405	1,726	-
Profit before tax	-209	1,555	1,764	-
Profit attributable to owners of parent	-264	584	849	-

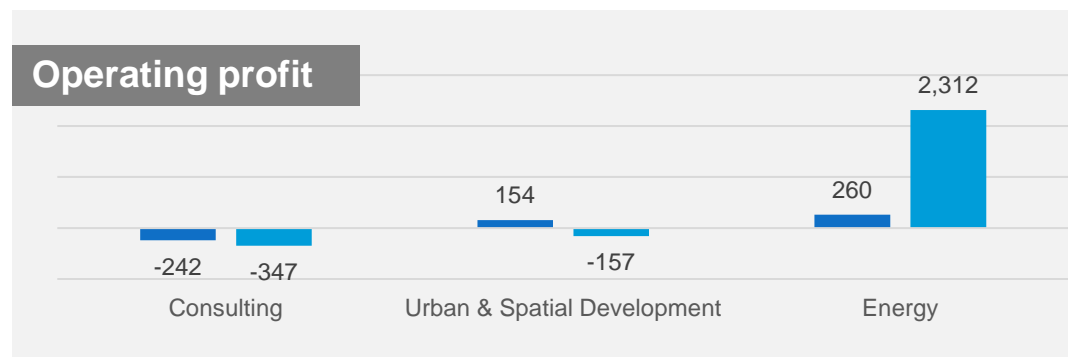
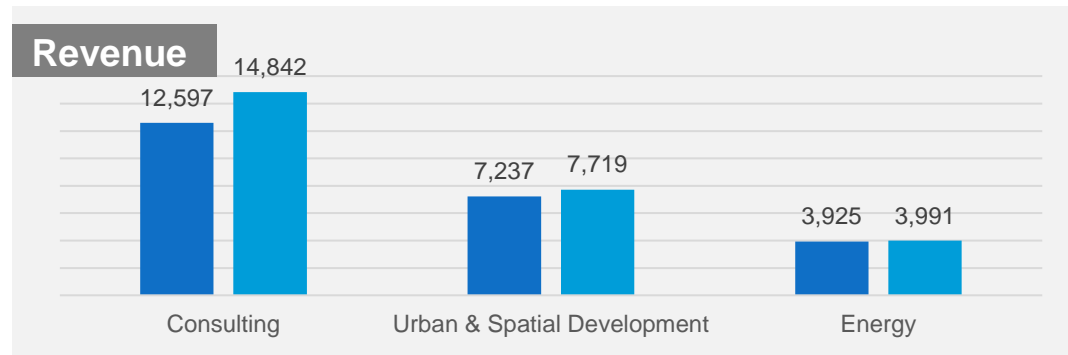
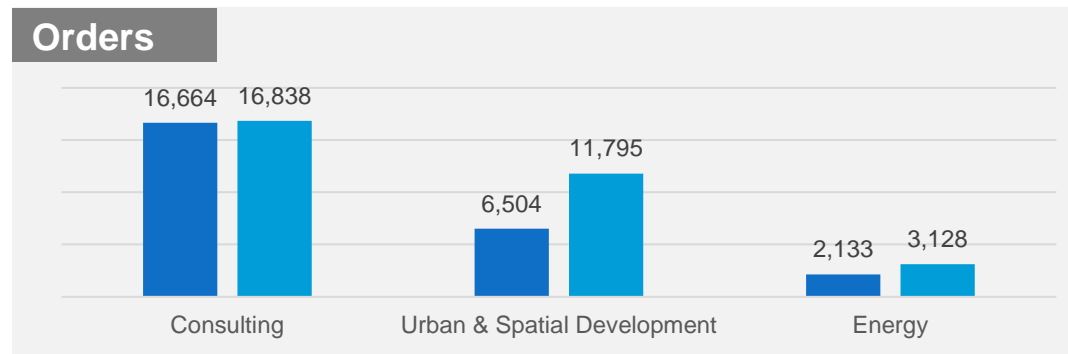
- Due to solid performance in the Urban & Spatial Development and Energy Business, orders increased year on year.
- Revenue increased year on year due to steady processes in domestic projects of the Consulting Business.
- Operating and quarter profits increased due to energy-related investments, such as the sale shares of affiliated companies, security investment profits, etc.

Results by Business Segment

(Million yen)	FYE June 2022 1Q Results	FYE June 2023 1Q Results	YoY Change	
			Amount	%
Orders	25,319	31,836	6,516	125.7%
Consulting	16,664	16,838	174	101.0%
Urban & Spatial Development	6,504	11,795	5,291	181.3%
Energy	2,133	3,128	995	146.7%
Other	17	72	55	414.3%
Revenue	23,960	26,782	2,821	111.8%
Consulting	12,597	14,842	2,244	117.8%
Urban & Spatial Development	7,237	7,719	481	106.6%
Energy	3,925	3,991	66	101.7%
Other	199	229	30	115.1%
Operating profit	-320	1,405	1,726	-
Consulting	-242	-347	-105	-
Urban & Spatial Development	154	-157	-311	-
Energy	260	2,312	2,052	888.7%
Other	-493	-402	90	-

■ FYE June 2022,1Q
■ FYE June 2023,1Q

(Million yen)



* 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: Orders increased year-on-year due to orders of overseas projects, although domestic orders were slightly inactive.
- Revenue: Increased due to steady progress of domestic on-hand projects.
- Operating profit: Decreased mainly due to increased overseas travel and internal administrative expenses.

Urban & Spatial Development Business

- Orders: Increased year on year mainly due to the contribution of an additional large-scale order received from BDP in the UK.
- Revenue: Increased as orders received from BDP(UK) and Quadrangle(Canada) in the previous fiscal year progressed steadily.
- Operating profit: Decreased due to an increase in general administrative expenses related to the organizational consolidation of Nippon Koei Urban Space Co., Ltd. and prior investments to build a foundation for the business expansion of BDP.

* The actual exchange rate in 1Q of FYE June 30, 2023: £ 1=161.97 yen (assumed exchange rate for FYE June 30, 2022: £ 1=151.48 yen)

Energy Business

- Orders: Increased year on year due to large-scale orders of substation control systems, solid orders for power-related products and equipment, etc.
- Revenue: Increased due to the progress of the large-scale renovation of power plants, orders received from government agencies.
- Operating profit: Increased due to the share sale of PT. ARKORA HYDRO, an affiliated company before, and security investment profit, etc. (approximately 2.5 billion yen), although sales of the dam monitoring control systems decreased year-on-year.

FYE June 2023 Forecast

No changes have been made to the forecast for the entire FYE June 2022 period.

Orders, revenue and profits increased from the previous fiscal year. Aim to achieve record-high revenue and profits.

(Million yen)	FYE June 2022 Results	FYE June 2023 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%
Real Estate Leasing and 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%
Real Estate Leasing and 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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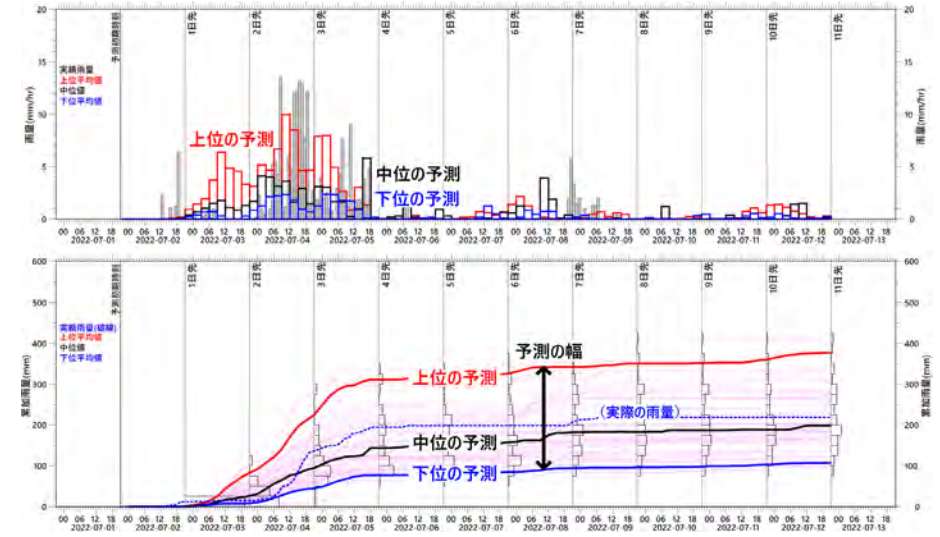
Project introduction (Consulting Business)

Tohoku region - Investigation improvement of dam operations

Client River Management Section, River Department, Tohokuchihoseibi Bureau-MLIT

Project overview

- For existing dams, advanced operation of reservoirs by utilizing various weather forecasts is a challenge.
- In this project, to enhance reservoir operation (enhancing the renewable energy while ensuring and enhancing the flood control function) by utilizing weather forecast, we examined how to create and implement procedures for individual dams and revise the operation rules and operation trial guidelines (draft) based on the case study of dams directly managed by the Tohoku region.
- In the future, for the existing dams across the country to contribute to action for heavy rain caused by seasonal rain fronts, typhoons, etc., and enhance renewable energy, we are going to develop a study project on the feasibility of the full-scale advanced operation.



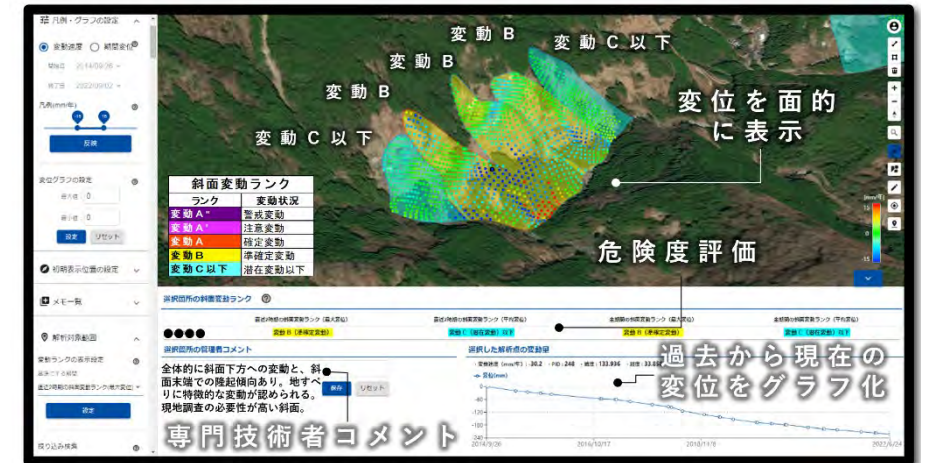
Forecast graph

Utilizing satellite data Infrastructure fluctuation monitoring service began

Business partner SKY Perfect JSAT, Zenrin

Project overview

- In November, we released LIANA (Land-deformation and Infrastructure ANALysis), a service that monitors changes in infrastructure over time with high accuracy using satellite data.
- LIANA is one of the products provided in the “Satellite disaster prevention information services” announced by the three companies in 2020, and is expected to be applied to soil structures such as slopes and embankments owned by corporations and local governments, roads, reclaimed land, etc.
- By using satellite images, it will be possible to screen a wide area of several tens of kilometers square, which could not be grasped by surveying alone, and it will also be possible to reduce the cost that has been incurred in maintenance and inspection, in addition to conducting preventive maintenance.



Conceptual image of the system

Project introduction (Consulting Business)

Northern Vietnam - Strengthening Safer Crop Value Chains Project

Client Japan International Cooperation Agency (JICA)

Project overview

- In Vietnam, while the demand for safe food is increasing in association with economic growth, the use of pesticides and chemical fertilizers, etc., is increasing. Therefore, ensuring the safety of agricultural products is a national issue.
- Since 2010, JICA has been building a production process management system (Phase 1) and demonstrating the production and sale of safe crops based on market needs (Phase 2). Nippon Koei oversaw the second and third phase.
- In this project, the third phase, we help the Vietnamese government independently promote safe crops to develop human resources for agricultural extension. We also help improve the safe crop production and management capabilities of agricultural cooperatives, strengthen cooperation among value chain stakeholders and strengthen the policy implementation capacity to ensure the safety of agricultural products.



Staff conducting a residual pesticide test

India - Construction supervisory of high-speed railroad track and vehicle

Client National High Speed Rail Corporation Limited (NHSRCL) *Yen loan funds are provided by JICA

Project overview

- This is a three-company joint venture (JV) of Japan International Consultants for Transportation, Nippon Koei, and Oriental Consultants Global to supervise the construction of tracks, vehicles, railway yards, maintenance vehicles, and training simulators for India's first high-speed rail line to introduce the Japanese bullet train system.
- For eight years until 2030, we will supervise construction work, vehicle procurement, etc., carried out by Indian and Japanese contractors.
- Since 2016, the JV has been carrying out detailed design business activities and trying hard to promote this project. It has done so by creating design drawings and specifications and tender documents, supporting bidding, doing construction supervisory business activities for training facilities, and doing advisory business activities for civil engineering designs at the construction stage, etc., to continue contributing to the development of public transportation.



Contract-signing ceremony

Project introduction (Urban & Spatial Development Business)

Feasibility study of utilizing 3D city model for the former stationed forces base

Client Okinawa General Bureau, Cabinet Office

Project overview

- At the site for stationed forces in Okinawa, which is due to be returned from 2024 onward, we examined the possibility of utilizing 3D city, considering the using "Project PLATEAU" from MLIT to promote the formulation of site use plans and negotiations with landowners.
- We organized the data, researched the software used, and conducted interviews with PLATEAU and related local governments. Based on these, we put together viewpoints of 3D city model utilization in the use of the site, the data utilization method, sample models, and procedures and created reference material for activities in the related municipalities.

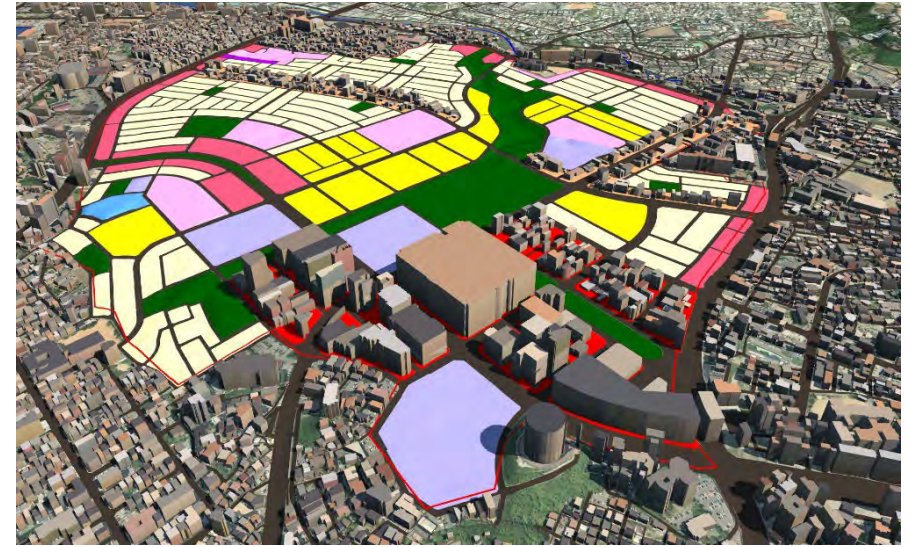


Image of the site utilization plan (Naha New Downtown District)

A series of research and design for Ghibli Park development

Client Aichi Prefecture (Ghibli Park Promotion Section, Owari Construction Office)

Project overview

- Park redevelopment and design work for the main areas in the prefectural Ai Chikyuhaku Kinen Koen Park with the opening of Ghibli Park supervised by Studio Ghibli.
- We are in charge of the space that connects each Ghibli park area from the north entrance in front of the Ai Chikyuhaku Kinen Koen Park Station, which is a prologue to visitors getting a sense of the world of Ghibli. We designed it while discussing in-depth designs with the orderer and Studio Ghibli for the large space at the north exit and the landscape gate where cultural assets in the city were relocated and reconstructed, among others.
- We carried out designs for redevelopment through public-private partnership using the ECI method (early contractor involvement, a technique in which the builder participates from the design stage to reduce the construction cost and shorten the construction period) for the first time as a park development project in the prefecture.



Front north exit of Ghibli Park

Project introduction (Urban & Spatial Development Business)

BDP NY Studio opened

Project overview

- BDP officially opened its first U.S. studio in New York in September 2022.
- BDP has carried out multiple architectural designs in the North American area and maintained high profitability since the acquisition of Quadrangle, a Canadian company that joined the group in 2019. We aim to further expand our business in the United States with the opening of this New York studio.
- We will provide multi-disciplinary technologies with global expertise to establish ourselves as one of the world's most influential architectural and engineering consulting firms.



Construction of the New Children's Hospital in Dublin, Ireland

Project overview

- The New Children's Hospital project in Ireland is the biggest healthcare project in Ireland, which BDP Dublin Studio is in charge of design.
- Construction is underway as a project integrating a children's hospital, pediatric research, and an innovation center.
- The oval ward pavilion in Europe's largest rooftop garden and the floating garden in the middle of the building are the greatest features of the hospital.



Project introduction (Energy Business)

Phnom Penh metropolitan area - Design and supervise construction to expand and maintain power transmission and distribution network

Client Electricité Du Cambodge

Project overview

- A project to increase the capacity of power transmission and distribution facilities in the Phnom Penh metropolitan area and improve the power supply stability to contribute to Cambodia's economic development.
- Two substations, including an underground transmission line (12 km) and an underground distribution line (20 km), were newly installed in the city center.
- We designed a compact substation to fit into the limited site in the capital's center. We planned and supervised construction, ensuring the short construction period, alleviation of traffic congestion, and safety of pedestrians and vehicles in underground line burial on public roads after the start of operation.



Inside the substation building

Belgium - Pre-operation test for the Ruien energy storage station (25/100 MWh)

Client In-house investment

Project overview

- In Europe, where the ancillary service (frequency adjustment, demand adjustment) market is well developed, we promote power storage projects, acquire knowledge of construction and operation and deploy them ahead of the Japanese market.
- Construction of the storage battery (25 MW output, 100 MWh capacity) has been completed, and pre-operation tests were started in late October 2022. It is possible to output 25 MW continuously for 4 hours. This capacity is equivalent to the daily power consumption of 8,300 ordinary households in Japan.
- Revenue in the power storage business is drawn from providing an ancillary service for system operators and doing arbitrage transactions to charge electricity when electricity is cheap and discharge it when it is expensive in the wholesale market.
- The trial run is scheduled to be conducted until early December 2022. We aim to start operation in mid-December.



Construction site of Ruien power storage station

Appendix.

Change of Business Segments (From FYE June 2022)

For further cooperation, previous five business segments changed into three business segments.

Up to FYE June 2021 (before)

Segment	Major group companies
Domestic Consulting	Tamano Consultants Co., Ltd. Nippon Civic Consulting Engineers Co., Ltd. EI Koei Co., Ltd.
International Consulting	Koei Research & Consulting Inc. Nippon Koei Latin America-Caribbean Co., Ltd. NIPPON KOEI LAC, INC. NIPPON KOEI INDIA PVT. LTD. NIPPON KOEI VIETNAM INTERNATIONAL CO., LTD. PHILKOEI INTERNATIONAL, INC. PT. INDOKOEI INTERNATIONAL MYANMAR KOEI INTERNATIONAL LTD.
Urban & Spatial Development <small>Transfer to NK Urban Development Dept. FYE 21/6</small>	BDP HOLDINGS LIMITED BUILDING DESIGN PARTNERSHIP LIMITED QUADRANGLE ARCHITECTS LIMITED Kisho Kurokawa Architect & Associates
Power Engineering	Koei System Inc.
Energy	KOEI Energy Co., Ltd. NIPPON KOEI ENERGY EUROPE B.V. PT. CIKAENGAN TIRTA ENERGI IRONMONT HYDRO PTE. LTD

From FYE June 2022 (after)

Segment	Major group companies
Consulting	Tamano Consultants Co., Ltd. Nippon Civic Consulting Engineers Co., Ltd. EL Koei Co., Ltd. Koei Research & Consulting Inc. Nippon Koei Latin America-Caribbean Co., Ltd. NIPPON KOEI LAC, INC. NIPPON KOEI INDIA PVT. LTD. NIPPON KOEI VIETNAM INTERNATIONAL CO., LTD. PHILKOEI INTERNATIONAL, INC. PT. INDOKOEI INTERNATIONAL MYANMAR KOEI INTERNATIONAL LTD.
	PT. CIKAENGAN TIRTA ENERGI
Urban & Spatial Development	BDP HOLDINGS LIMITED BUILDING DESIGN PARTNERSHIP LIMITED QUADRANGLE ARCHITECTS LIMITED Kisho Kurokawa Architect & Associates
Energy	Koei System Inc. KOEI Energy Co., Ltd. NIPPON KOEI ENERGY EUROPE B.V. IRONMONT HYDRO PTE. LTD

Transfer to Urban & Spatial Development in FYE 23/6