

**Presentation of Financial
Results
for FYE June 30, 2022**

September 2, 2022



Representative Director and President
Hiroaki SHINYA



- **Results for FYE June 30, 2022**
- **(From July 2021 to June 2022)**

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Results for FYE June 30, 2022

While orders decreased from the previous fiscal year, revenue and profits reached record highs. Profits in the third quarter were as revised upwards.

Consolidated results

- Consolidated year-on-year decline in orders received due to curtailment of public investment in the UK of Urban & Spatial Development Business, despite strong performance in the Consulting Business and the Energy Business.
- Revenue increased by more than 10% year-on-year in all three segments (Consulting, Urban & Spatial Development and Energy).
- Operating profit increased mainly due to higher operating rates in the overseas Consulting Business and a rebound to the one-time loss recorded in FYE June 2021.

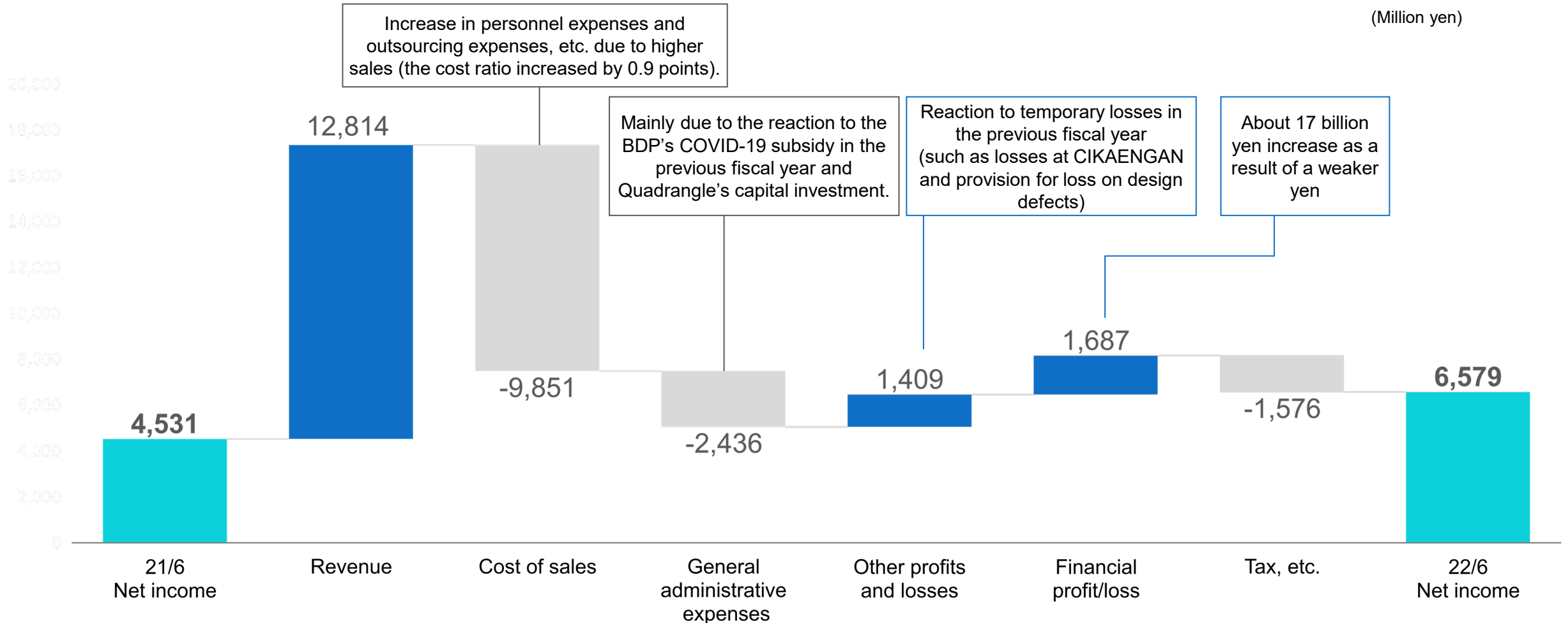
(Million yen)	FYE June 2021 Results	FYE June 2022 Results	YoY Change		Results forecast*	vs. Plan	
			Amount	%		Amount	%
Orders	133,304	131,166	-2,138	98.4%	130,000	1,166	100.9%
Revenue	117,859	130,674	12,814	110.9%	131,000	-325	99.8%
Gross profit	37,735	40,699	2,964	107.9%			
Operating profit	7,128	9,065	1,936	127.2%	9,000	65	100.7%
Profit before tax	7,176	10,800	3,623	150.5%			
Profit attributable to owners of parent	4,531	6,579	2,047	145.2%	6,600	-20	99.7%

*The consolidated earnings forecast and dividend forecast for FYE June 2022 were revised on 13 May 2022.

Profit/Loss Analysis

Personnel expenses increased due to sales growth, and profits grew due to a reaction to losses in the previous fiscal year and the effect of yen depreciation.

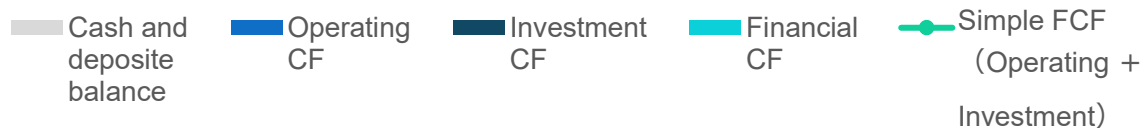
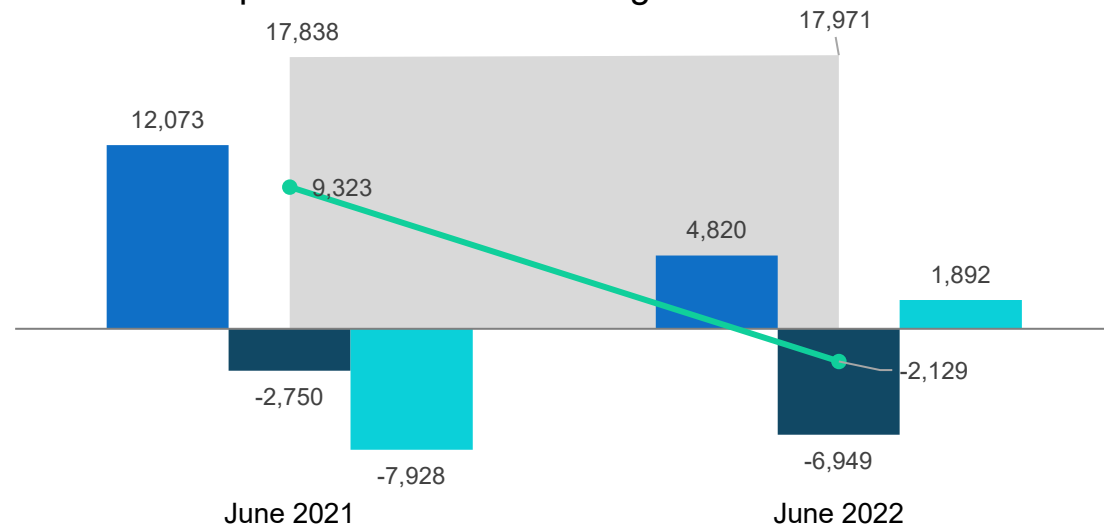
■ Profit factor ■ Loss factor
(Million yen)



Cash Flows / Balance Sheet (IFRS)

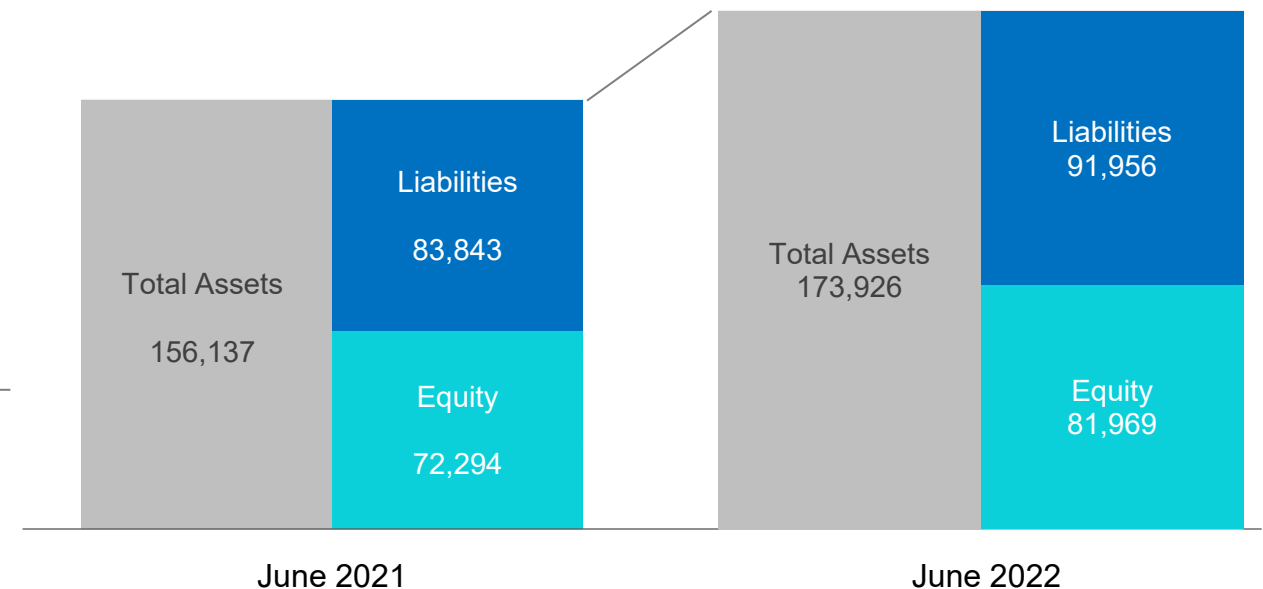
Cash Flows (Million yen)

- Changes in operating cash flows were mainly due to an increase in trade receivables and a rise or fall in accrued consumption taxes, etc.
- Net cash used in investing activities increased due to purchases of energy-related property, plant and equipment and investment properties.
- Net cash provided by financing activities grew mainly due to an increase in proceeds from borrowings.



Balance Sheet (Million yen)

- The increase in assets was due to a rise in trade receivables and advances paid.
- The liabilities increase was due to debt increase, and the equity increase was due to growth in retained earnings.



Results by Segment for FYE June 30, 2022 (Orders/Revenue/Operating Profit)

(Million yen)		June 2021 Results		June 2022 Results		YoY Change		Results forecast (announced in May 2022)	vs. Plan	
						Amount	%		Amount	%
Consulting Business	Orders	97,769	(Sales ratio)	98,491	(Sales ratio)	722	100.7%	95,000	3,491	103.7%
	Revenue	80,098	100.0%	88,510	100.0%	8,412	110.5%	90,000	-1,489	98.3%
	Cost of sales	56,056	70.0%	63,233	71.4%	7,176	112.8%			
	Gross profit	24,042	30.0%	25,277	28.6%	1,235	105.1%			
	SG&A, etc.	17,915	22.4%	16,295	18.4%	-1,620	91.0%			
	Operating profit	6,126	7.6%	8,982	10.1%	2,855	146.6%	9,300	-317	96.6%
Urban & Spatial Development Business	Orders	21,457	(Sales ratio)	18,207	(Sales ratio)	-3,249	84.9%	20,000	-1,792	91.0%
	Revenue	20,274	100.0%	22,580	100.0%	2,306	111.4%	21,000	1,580	107.5%
	Cost of sales	11,290	55.7%	12,529	55.5%	1,239	111.0%			
	Gross profit	8,983	44.3%	10,051	44.5%	1,067	111.9%			
	SG&A, etc.	6,716	33.1%	8,462	37.5%	1,745	126.0%			
	Operating profit	2,266	11.2%	1,588	7.0%	-677	70.1%	2,000	-411	79.4%
Energy Business	Orders	13,991	(Sales ratio)	14,343	(Sales ratio)	351	102.5%	15,000	-656	95.6%
	Revenue	16,621	100.0%	18,799	100.0%	2,177	113.1%	19,000	-200	98.9%
	Cost of sales	12,367	74.4%	13,450	71.5%	1,082	108.8%			
	Gross profit	4,253	25.6%	5,348	28.5%	1,094	125.7%			
	SG&A, etc.	3,439	20.7%	4,058	21.6%	618	118.0%			
	Operating profit	814	4.9%	1,290	6.9%	476	158.5%	1,300	-9	99.3%

*The figures are calculated based on the results forecast announced on May 13, 2022.

*With the transfer of PT. CIKAENGAN TIRTA ENERGI (from the Energy Business to the Consulting Business), the results for both FYE June 2021 and FYE June 2022 were recorded in the Consulting Business.

Results by Business Segment for FYE June 30, 2022 : Consulting Business

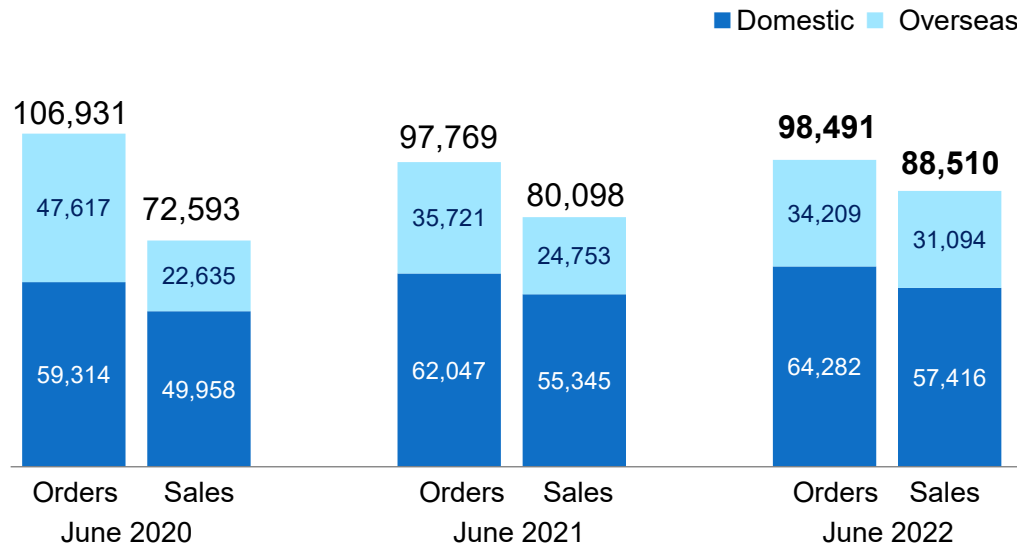
Market environment

- In Japan, the number of projects continuously increases and the trend toward larger projects continues due to the national resilience building policy.
- There are some overseas areas where the business environment is unstable and uncertain due to the political situation, but there is no impact on our business performance. Travel restrictions due to the effects of coronavirus infections have been almost resolved.

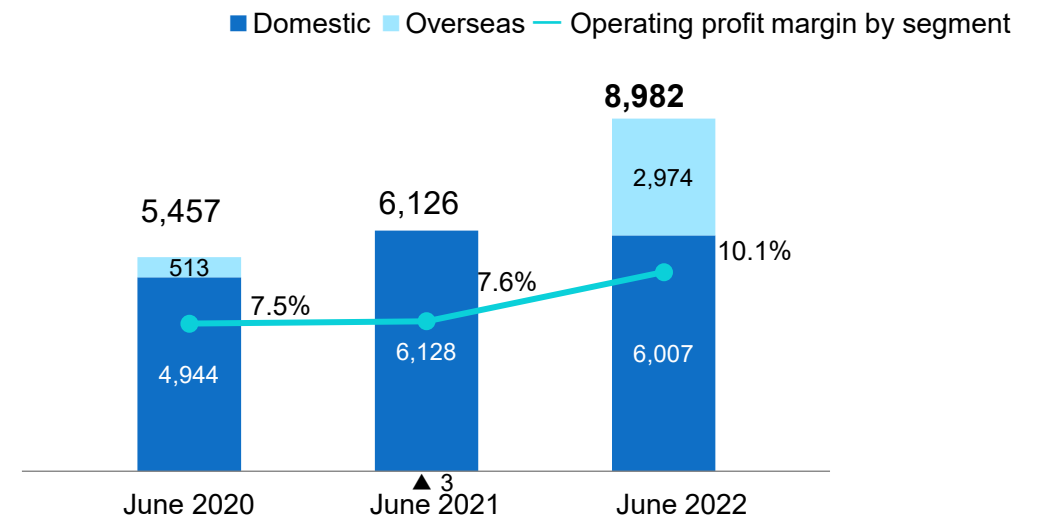
FYE June 2022 results

- Orders: Government-related orders were strong domestically, while overseas orders decreased from the previous year, but large-scale orders were received in the fourth quarter resulting in a year-on-year increase in the entire segment.
- Revenue: Increased both in Japan and overseas. The operating rate rose to a record high level mainly due to the start of operations for large-scale overseas projects.
- Operating profit: Grew significantly due to the increase in revenue and a rebound from the one-time loss in the previous fiscal year. Improved profits at group companies also contributed.

■ Orders・Revenue (Million yen)



■ Operating profit (Million yen)



*The results for FYE June 30, 2020, in the graph are based on the simple total value of the former domestic Consultant Business and the former overseas Consultant Business before the elimination of internal transactions.

Results by Business Segment for FYE June 30, 2022 : Urban & Spatial Development Business

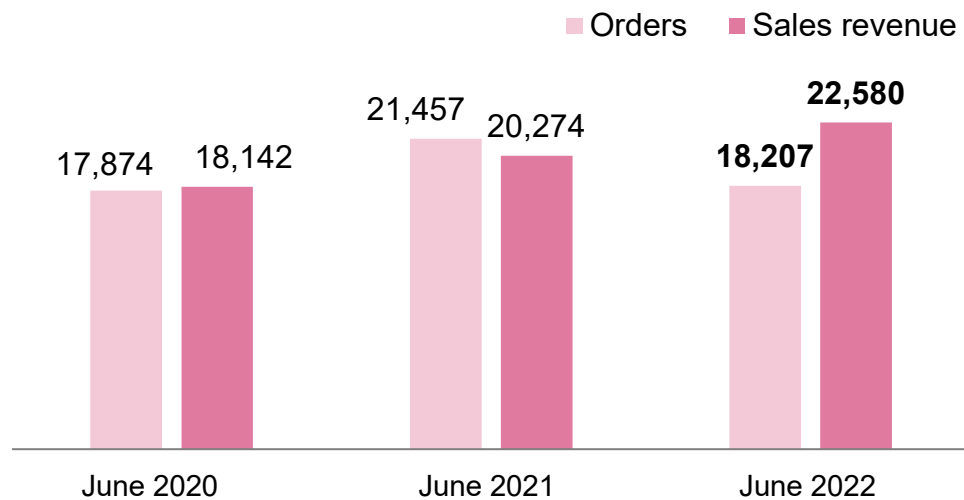
Market environment

- In the UK, public investment is curtailed, and orders continue to be downsized. In Canada, housing demand remains strong.
- In Japan, both the urban redevelopment/revitalization market for public & private, and PPP/PFI projects are expanding nationwide.

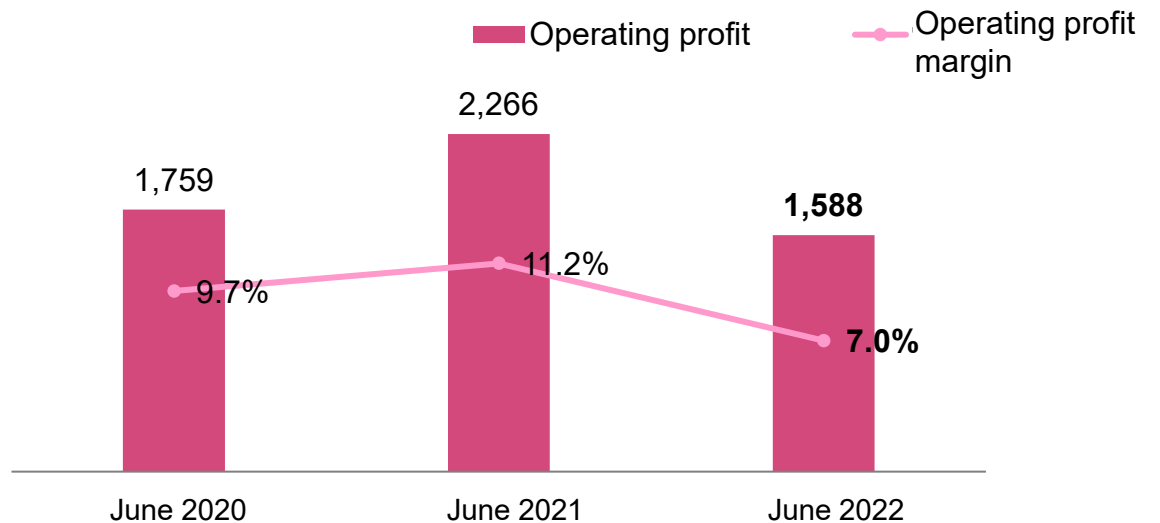
FYE 22/6 results

- Orders: Decreased year-on-year due to a review of the Westminster Palace renovation project, a decrease in the number of hospital projects and downsizing of orders in association with curtailed public investment.
- Revenue: Both BDP and Quadrangle increased sales owing to the favorable progress of projects on hand.
- Operating profit: Decreased due to an increase in general and administrative expenses as a result of the reaction to the impact of COVID-19 at BDP in the previous year, and goodwill impairment losses due to a rise in the DE ratio caused by the booming stock market.

Orders • Revenue (Million yen)



Operating profit (Million yen)



*The actual exchange rate for FYE June 30, 2022: £1 = 156.18 yen (assumed exchange rate for FYE June 30, 2022: £1 = 151.65 yen)

*The results for FYE June 30, 2020, in the graph are based on Japanese GAAP.

Results by Business Segment for FYE June 30, 2022 : Energy Business

Market environment

- In Europe, major countries have implemented strong policy support for storage batteries, and the use of storage batteries is on the rise.
- Electric power companies in Japan are aiming for digital substations that comply with the international standard (IEC61850) in constructing substation protection and control systems, and the need for updating existing equipment is growing steadily. Renewable energy-related power storage business is expanding gradually in Japan as well.

FYE 22/6 results

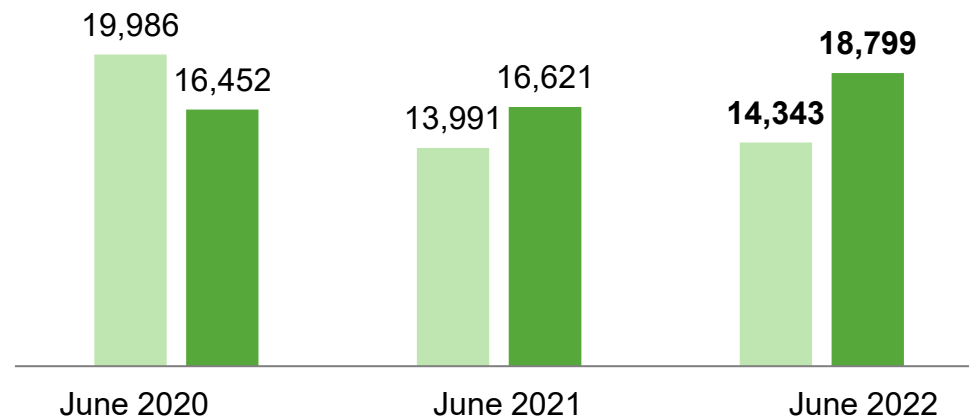
- Orders: Acquisition of delayed large-scale orders, productivity improvement in factory, and elimination of delays in semiconductor procurement gradually contributed to the year-on-year increase.
- Revenue: Increased sales due to steady progress in projects on hand and favorable progress in energy EPC.
- Operating profit: Increased compared to the previous year due to cost reduction in the Manufacturing Division and provision for construction losses.

■ Orders • Revenue

(Million yen)

■ Orders

■ Revenue

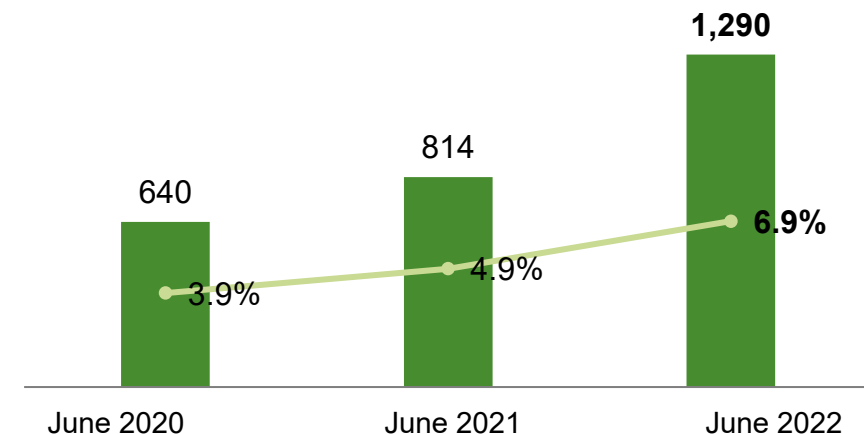


■ Operating profit

(Million yen)

■ Operating profit

— Operating profit margin



*The results for FYE June 30, 2020, in the graph are based on the simple total value of the former Electric Power Engineering Business and the former Energy Business before the elimination of internal transactions and are based on Japanese GAAP.



■ **FYE June 2023 Forecast**
■ **(From July 2022 to June 2023)**

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FYE June 2023 Forecast

Orders, revenue and profits increased from the previous fiscal year. Aim to achieve record-high revenue and profits. Promote the Medium-term Management Plan ahead of the initial schedule.

(Millions of yen)	22/6 Results	23/6 Plan	YoY Change	
			Amount	%
Orders	131,166	140,000	8,833	106.7%
Consulting Business	98,491	85,000	-13,491	86.3%
Urban & Spatial Development Business	18,207	40,000	21,792	219.7%
Energy Business	14,343	16,000	1,656	111.6%
Revenue	130,674	145,000	14,325	111.0%
Consulting Business	88,510	81,500	-7,010	92.1%
Urban & Spatial Development Business	22,580	40,000	17,419	177.1%
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	8,982	9,200	217	102.4%
Urban & Spatial Development Business	1,588	2,800	1,211	176.2%
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%	

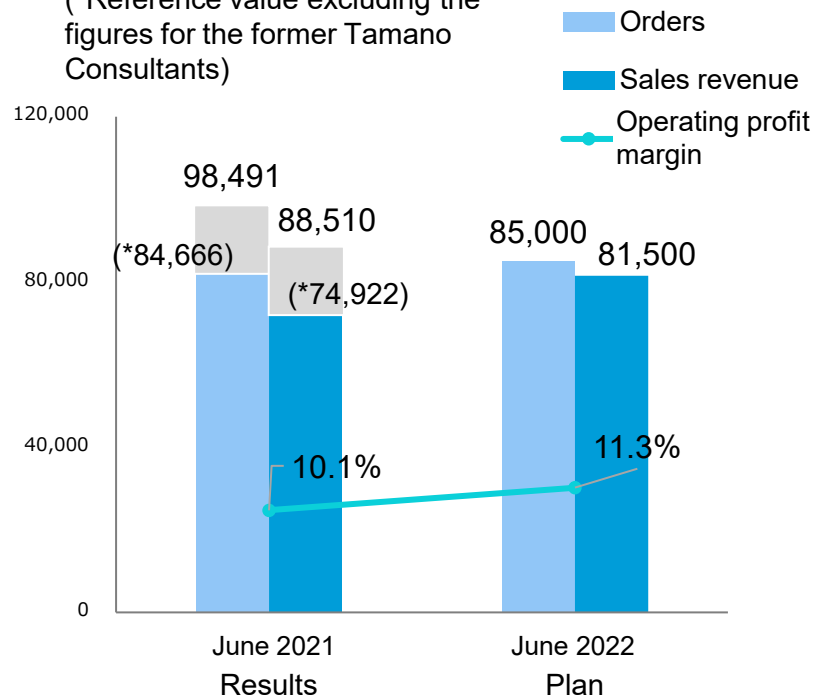
*The figures for the former Tamano Consultants are recorded in the Consulting Business for FYE June 2022 and in the Urban & Spatial Development Business for FYE June 2023.

Plan for FYE June 30, 2023: Overview by Segment

Excluding the impact of the segment transfer of a subsidiary (the transfer of the former Tamano Consultants from the Consulting Business to the Urban & Spatial Development Business), sales and profits are expected to increase in all segments.

Consulting Business

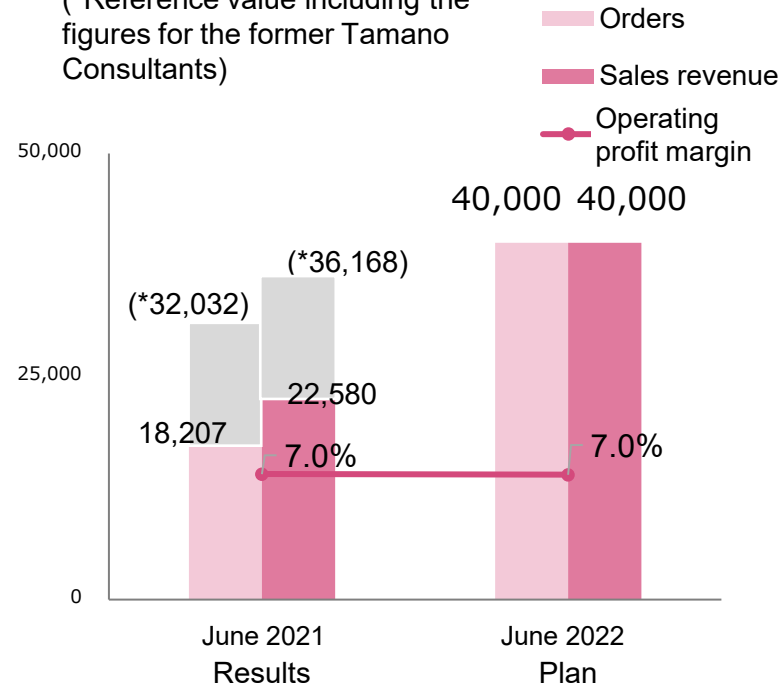
(*Reference value excluding the figures for the former Tamano Consultants)



Excluding the segment transfer, orders are expected to increase by approximately 3 billion yen and sales revenue by approximately 65 billion yen. Aim to increase operating profit by continuing productivity improvement measures.

Urban & Spatial Development Business

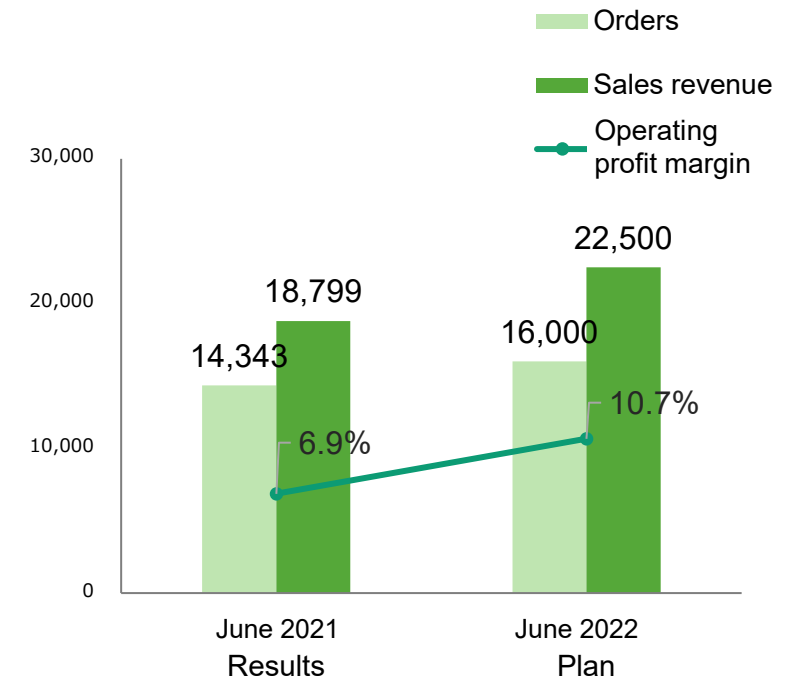
(*Reference value including the figures for the former Tamano Consultants)



Excluding the segment transfer, orders are expected to increase by approximately 79 billion yen and sales revenue by approximately 38 billion yen. Operating profit margin is expected to be at the same level as in FYE 2022 with prior investment in BDP (promotion of reform).

Energy Business

(Million yen)



Sales are expected to increase due to accelerate progress in order backlog as a result of strengthening the production system in the Manufacturing Division. Operating profit is expected to increase due to the planned sale of shares in past investment projects.



- **Medium-Term Management Plan**
- **“Building Resilience 2024”**
- **Review of 1st Year and Priority Issues of 2nd Year**

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Points of the Medium-term Management Plan (FYE June 2022 to FYE June 2024)

Nippon Koei Group
Resilience
 Building Resilience 2024

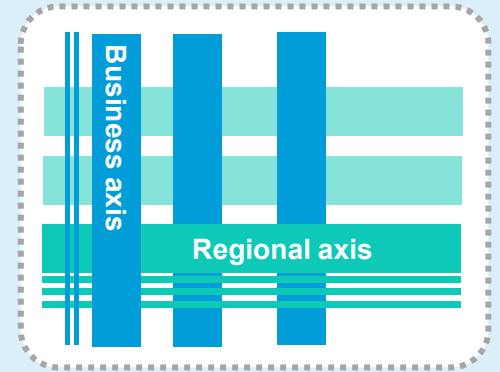
- Resilience policy 1
- Resilience policy 2
- Resilience policy 3

Boosting business through three independent domains

Group management structure that realizes matrix management across businesses and regions

Embodying the NKG brand and NKG quality

Formulation of measures linked to seven materialities

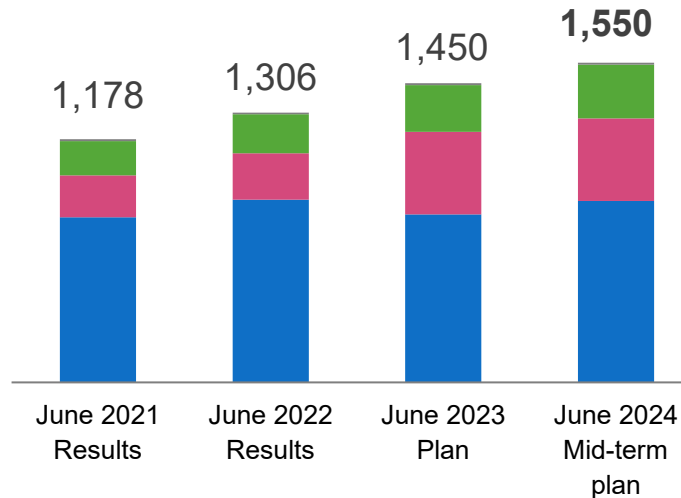


FYE June 30, 2024, numerical targets and progress

- Revenue increases about 10% annually.
- The operating profit margin plan for FYE June 30, 2023, exceeds the final fiscal year plan of the medium-term management plan due to the energy-related special circumstances.
- Excluding the special circumstances, operating profit increases by more than 10% annually.

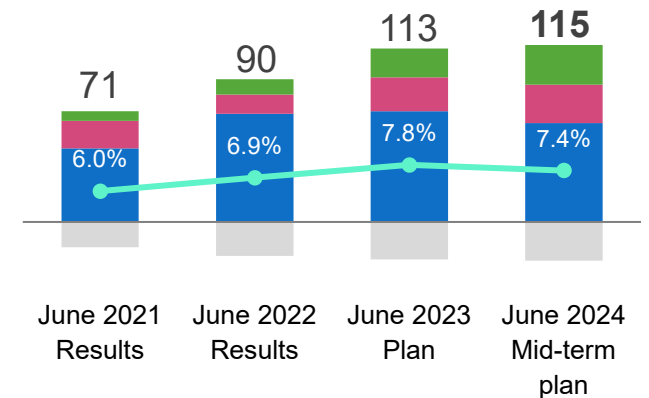
■ Revenue (Billion yen)

■ Consulting ■ Urban & Spatial Development ■ Energy ■ Other



■ Operating profit (Billion yen) · Operating margin (%)

■ Other ■ Urban & Spatial Development ■ Energy ■ Consulting
 ● Operating profit margin



Resilience policy 1: Boosting business through three independent domains- Consulting Business

FYE June 2022
(1st Year) review

Sales grew due to the strong progress in large-scale overseas projects. Started acquiring technologies to expand business domains and solidify the foundation for new services.

Policies for
FYE June 2023 (2nd Year)

Develop new services by using new technologies and expand business by utilizing co-creation partners.

Segment targets in the Medium-term Management Plan	Materialities	Key strategies	Major achievements in FYE 22/6 (Year 1)	Evaluation	Policies for FYE 23/6 (Year 2)
Segment sales grew 1.3 times in real terms	-	<ul style="list-style-type: none"> ● Integrated management of domestic, overseas and research institutes ● Delivery of exceptional technology and quality to global markets 	<ul style="list-style-type: none"> ✓ Revenue increased 10% year-on-year ✓ Cooperation between domestic and overseas deepened 		<ul style="list-style-type: none"> ● Promotion of cross-cutting projects ● Promote productivity improvement measures continuously such as cooperate domestic with overseas
Advancement and global deployment of disaster prevention and mitigation technologies	M1	<ul style="list-style-type: none"> ● Development and renewal of infrastructure to protect people's lives ● Data utilization that contributes to people's peace of mind 	Building of co-creation partners <ul style="list-style-type: none"> ✓ Investment in iQPS ✓ Comprehensive alliance for flood control with Iwaki City 		Simultaneously promoting technological development, human resource development and business deployment <ul style="list-style-type: none"> ● Demonstration experiment in Fujimino City => Page 16
Expansion of transportation-related businesses	M2 M3	<ul style="list-style-type: none"> ● Strengthening of intercity transportation networks ● Promotion of next-generation mobility ● Data utilization in transportation services 	Receiving orders for large-scale projects and alliances for business expansion <ul style="list-style-type: none"> ✓ Received orders for construction supervision of Dhaka Line 1 ✓ Investment in AINO in Indonesia 		Building a structure for new areas development, strengthening & expanding transportation networks <ul style="list-style-type: none"> ● Acquired ASAP MOBILITY as subsidiary => Page 17 ● Acquisition of orders for overseas large-scale projects => Page 18
Promotion of services that contribute to decarbonization	M4	<ul style="list-style-type: none"> ● Measures against global warming ● Support for sustainable business activities through renewable and new energy sources, among others ● Environmental management and conservation measures 	Real-field deployment of solutions <ul style="list-style-type: none"> ✓ Started KIBOH 2030 and TSUMUGI @ (SDGs-related businesses) ✓ Accumulated orders for wind power generation in the private sector 		Building new services using newly developed technologies <ul style="list-style-type: none"> ● Business development of climate change technology and tech technology
Full-scale development of the management field	M1-4	<ul style="list-style-type: none"> ● Support for new infrastructure management practices (comprehensive management, PPP, AI inspection and diagnosis) 	Realization of participation in management business areas <ul style="list-style-type: none"> ✓ Started industrial water supply concession business in Osaka 		Accumulation of management technologies through real-field activities

■ Business activities' materialities M1: Develop safe and secure infrastructure, M2: Develop a smart society, M3: Create attractive cities, M4: Strive to achieve decarbonization

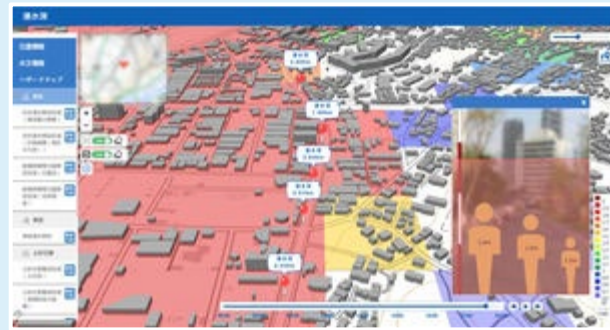
[Case Study] Consulting Business: Advancement and Global Expansion for disaster prevention & mitigation technologies

Integrated service that perform real time rainfall and inundation forecasting with high accuracy during torrential rain developed with co-creation partners

- NTT Advanced Technology, Nippon Koei, Toshiba and NTT EAST provide an integrated distribution service for early prediction of torrential rain, inundation simulation and dynamic hazard maps to solve the problems of water disasters.
- Demonstration tests are underway in Fujimino City, Saitama Prefecture, from August 2022 to the end of the year.

Disaster prevention platform "Bousuke" developed by the Company

- ✓ Real-time flood simulation
- ✓ Successive flood prediction based on short-time rainfall forecasts such as Nowcast
- ✓ Centralization of rain, river level and warning information held by MLIT, JMA and local governments
- ✓ Various additional functions such as satellite information, inundation sensor information and cooperation with AI cameras
- ✓ Lower deployment costs through cloud services



Conceptual image of service screen

Apply

[Conceptual image of integrated service]

Toshiba

Provide information on high-performance radar MP-PAWR

Nippon Koei

Analyze data in real time to predict flooding risk tens of minutes to hours ahead

NTT

Disseminate information to local government employees through interactive information communication systems

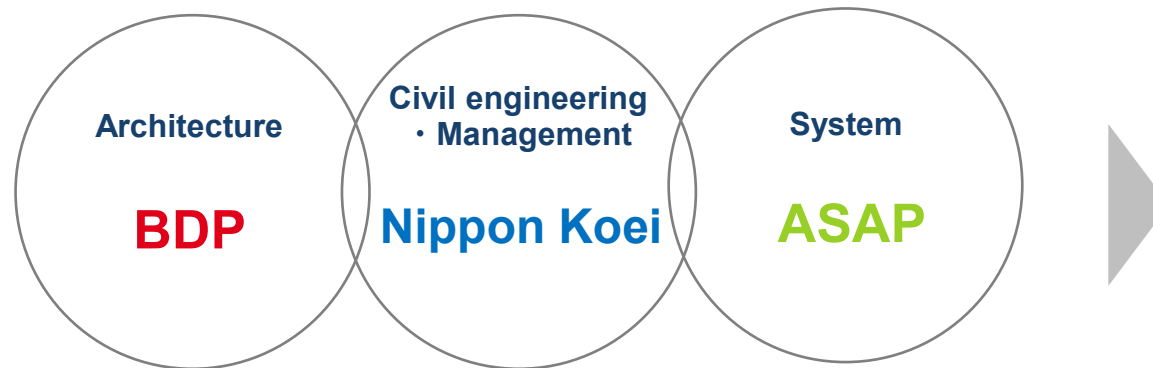
By creating disaster-resilient cities, respond to the diverse technical needs from customers including the private sector

[Case Study] Consulting Business: Expansion of traffic transportation-related business

NK acquired ASAP MOBILITY SDN. BHD. as subsidiary to strengthen our presence in railway field.

- The railway market continues to grow worldwide and is the leading part of the 'Infrastructure Export Strategy' promoted by Japan government.
- Acquired ASAP, a company with strengths in railway systems as a subsidiary for the growth of NKG's railway business

▼Railway project system of NKG



With the addition of ASAP mobility, which is strong in system (vehicles, signals, station, etc.), now we have become the first civil engineering consultant company that has the entire technologies related to railway projects in Japan.

Established superiority position as railway consultant

- ✓ Expansion of consulting business related to railway systems
- ✓ Enhancement of RAMS MANAGEMENT OF RAILWAY SYSTEMS (international standard)
- ✓ Expand opportunities to enter non-ODA markets
- ✓ Intensify the technical abilities of our railway system-related personnel

Take full advantage of all railway-related technologies in NKG to seize market opportunities and expand business.

[Case Study] Consulting Business: Expansion of traffic transportation-related business

Promote large-scale projects in the railway sector in South Asia and Latin America

Metropolitan transportation development project in Dhaka, Bangladesh

Three of the six Dhaka MRT routes are being handled by the Nippon Koei Group.



▼ Railway projects in progress

Dhaka MRT Line 1: *Contract under negotiation
Business: Construction supervision
Contract period: From 2022 to 2029
Total distance: 19 stations (provisional), about 30 km

Dhaka MRT 5 North Line
Business: Detailed design, tender support and construction supervision
Contract period: From 2020 to 2032
Total distance: 14 stations (provisional), about 19.5 km

Dhaka MRT Line 6
Business: Detailed design, tender support and construction supervision
Contract period: From 2013 to 2023
*In the process of extension
Total distance: 16 stations, about 19.9 km

Metropolitan transportation development of Line 3 in Panama

Business: Construction supervision

Contract period: From March 2020 to January 2023

Number of orders: approx. 20 billion yen for the entire Nippon Koei Group (2020–2023; additional orders of approx. 30 billion yen are expected to be received by 2025)



Aim to receive large-scale projects orders continuously and record sales through smooth staff utilization in operations

Resilience policy 1: Boosting business through three independent domains - Urban & Spatial Development Business

FYE June 2022
(1st Year) review

Projects have been steadily progressing at BDP and Quadrangle. Implemented organizational integration to expand the Japanese market.

Policies for
FYE June 2023 (2nd Year)

Strengthen integrated operations within the segment and promote joint orders. BDP entered the North American market.

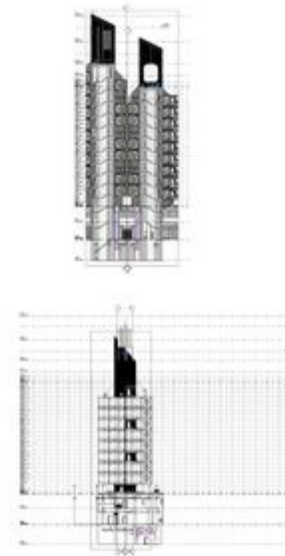
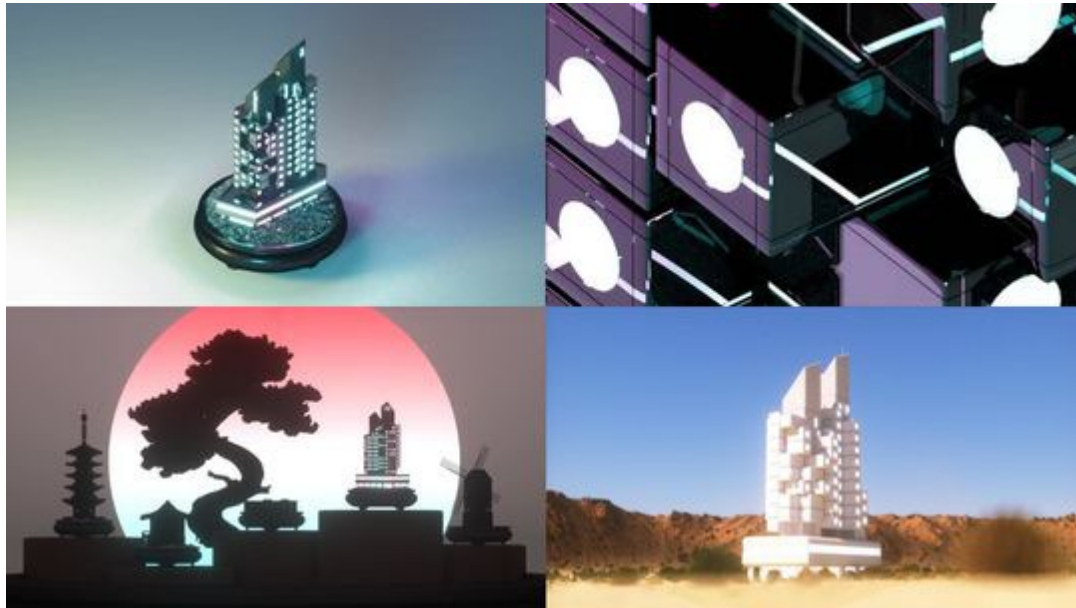
Segment targets in the medium-term management plan	Materialities	Key strategies	Major achievements in FYE June 2022(1st Year)	Evaluation	Policies for FYE June 2023 (2nd Year)
Segment sales grow twice	-	<ul style="list-style-type: none"> Develop new markets through integrated group operations within the segments 	<ul style="list-style-type: none"> Segment sales increased 11.4% Establishment of a new company (Integration of NK and the former Tamano) 	☁	<ul style="list-style-type: none"> Promotion of group cooperation within the segment Expand markets in North America
Building smart city projects in consideration of decarbonization, safety and security	M2	<ul style="list-style-type: none"> Utilization of underused or unused land through public-private partnership Promotion of DX, urban OS, energy management and urban disaster prevention Develop areas around transportation hubs 	<p>Received orders mainly for public transportation-oriented development (TOD)</p> <ul style="list-style-type: none"> Strengthened urban management capabilities in Laos and received orders for metropolitan TOD in Peru and Panama 	☀	<p>Receive construction orders also related to transportation, and expand participation in urban development around stations, technology utilization towards future</p> <ul style="list-style-type: none"> Sale NFT of Nakagin Capsule Tower by KISHO KUROKAWA architect & associates => Page 20
Realization of one-stop operations in urban (re)development projects	M3	<ul style="list-style-type: none"> Participate in urban (re)development projects in local cities and large cities Strengthening cooperation within the segment 	<p>Establishment of systems to receive and promote orders for redevelopment projects</p> <ul style="list-style-type: none"> Acquired redevelopment projects (Kawaguchi City, Keihin Coastal Area, etc.) Continued to receive orders for group collaboration (Private Vietnam urban development project, Dhaka MRT station building, Fukaya Terrace Vegetable Friends' Farm, etc.) 	☁	<p>Cooperation to realize one-stop operations</p>
Expand BDP market	M3	<ul style="list-style-type: none"> Establish Asian market network Entry the North American market and expand business Participate design of sports stadium 	<p>Preparation to expand sectors/areas</p> <ul style="list-style-type: none"> Acquired large-scale orders for BDP-Pattern Prepared to expand in North American, Australian and Asian markets 	☁	<p>Expand sectors/areas</p> <ul style="list-style-type: none"> Establish New York Studio Establish low-cost center with BIM expertise (Lima, New Delhi)
Full-scale development of the urban management field	M3	<ul style="list-style-type: none"> Acquisition of PM/CM/FM businesses in expanding domestic building market 	<p>Expand participation in management business areas</p> <ul style="list-style-type: none"> Acquired orders for private-sector projects such as plant expansion and redevelopment construction management (CM) 	☁	<p>Acquire track records for new construction and renewal of large-scale buildings</p> <ul style="list-style-type: none"> Urban development management => Page 21

■ Business activities' materialities M1: Develop safe and secure infrastructure, M2: Develop a smart society, M3: Create attractive cities, M4: Strive to achieve decarbonization

[Case Study] Urban & Spatial Development Business: Future-oriented technology use

Reproduce “Nakagin Capsule Tower Building” in Metaverse Space as NFT Business of Architecture.

- A digital archive project to pass down on value of the Nakagin Capsule Tower designed by the late Kisho Kurokawa to future generations.
- the Nakagin Capsule Tower is reproduced in the metaverse space using digital technology and blockchain. Only one edition of the right to own, use and sell, etc. will be sold worldwide as an NFT.



Leverage new technologies to pass on valuable culture and communicate the appeal of architecture

[Case Study] Urban & Spatial Development Business: Full-scale Development of Urban Management Field

Implementation of project management operations for large-scale development

Conceptual image of biomass power plant

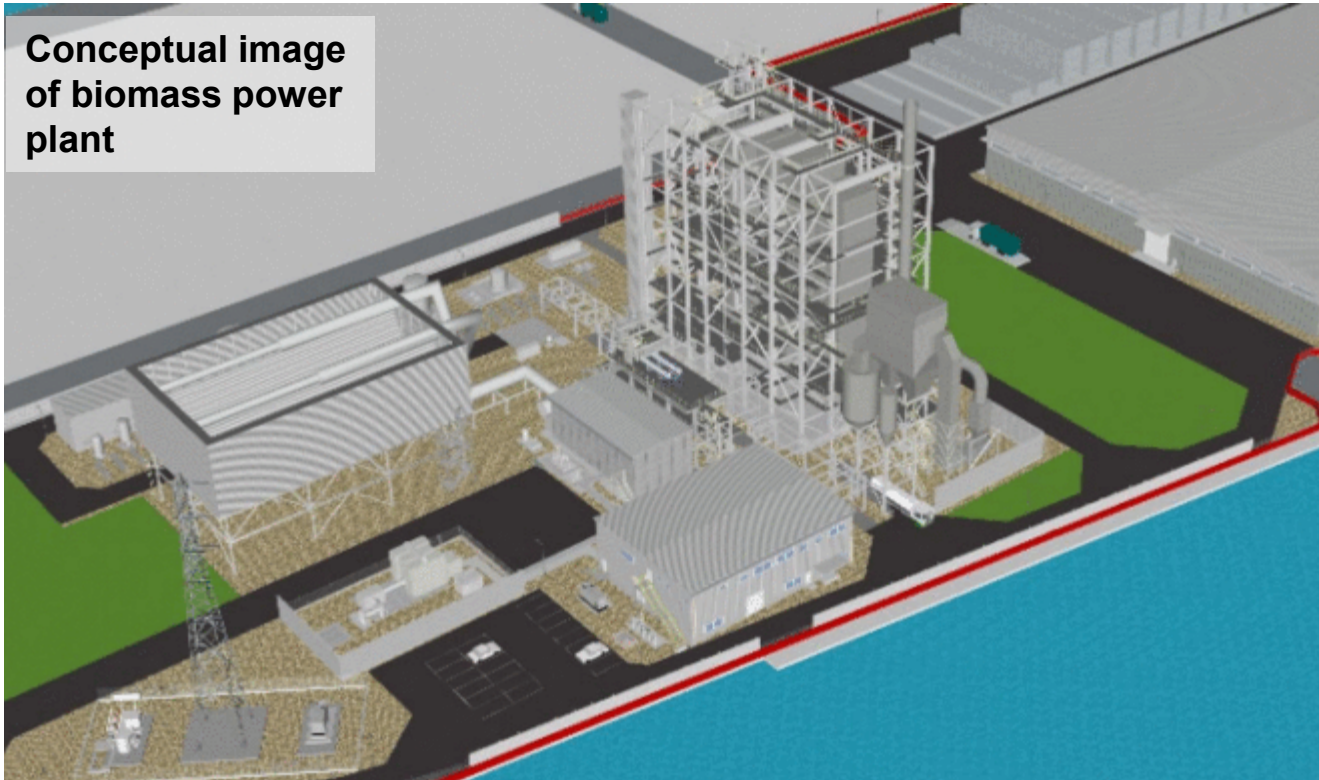


Image credit: JAG Energy Co., Ltd., press release dated April 20, 2022: "Decision to Commercialize the Biomass Power Plant in Gobo City, Wakayama Prefecture"

*The images and names used in this document are in the planning stage and are subject to change.

Wakayama Gobo Biomass Power Plant Construction Project

Outline: In relation to the construction of a biomass power plant in Gobo City, Wakayama Prefecture, operations of coordinating the parties related to civil engineering and construction.

Period: From April 2022 to October 2025

Principal manager: Construction Department, Tokyo Branch, Nippon Koei Urban Space

Name	Gobo Biomass Power Plant
Construction Site	Industrial site of Hidaka Port, Gobo City, Wakayama Prefecture (Land owned by the prefecture and the city)
Generation Capacity	50,000 kW
Fuel Used	Wood pellets, palm kernel shell (PKS)
Site Area	Approx.70,000 m ²
Operation Start	September 2025 (scheduled)



Engage management by utilizing architectural and civil engineering viewpoints on large-scale development with wide-ranging related parties




Resilience policy 1: Boosting business through three independent domains - Energy Business

FYE June 2022
(1st Year) review

Implemented measures to strengthen the production capacity of existing electric power businesses. Energy-related business started construction in Europe.

Policies for
FYE June 2023 (2nd Year)

Establish a foundation for improving production efficiency and quality of core products. Implement specific measures to respond to changes in the domestic energy market.

Segment targets in the Medium-term Management Plan	Materialities	Key strategies	Major achievements in FYE June 2022 (1st Year)	Evaluation	Policies for FYE June 2023 (2nd Year)
Segment sales grow 1.5 times	-	Building a foundation for the Energy Business Stabilization of manufacturing business by strengthening core products and developing new products	<ul style="list-style-type: none"> ✓ Segment sales increased 13.1% ✓ Reduced costs in production divisions 		<ul style="list-style-type: none"> ● Steady promotion of large-scale orders ● Increase in orders from electric power companies other than TEPCO ● Reliable recovery of past investment projects
Establish a foundation for power generation and energy management business	M1 M4	<ul style="list-style-type: none"> ● Improvement of disaster prevention capabilities of existing power systems ● Development of mainstay renewable energy power systems ● Entry into the renewable energy aggregator business and support for RE 100 ● Expansion of the operation of in-house hydroelectric power generation 	<p>Started power storage construction business in Europe and entered into the domestic market</p> <ul style="list-style-type: none"> ✓ Construction of energy storage projects in the UK and Belgium ✓ Participated the U.S. Samoa onshore wind power business ✓ Started operation of in-house power plant (Okura Masudama) ✓ Participated in domestic microgrid demonstration project ✓ Developed products according to FIP and RE 100 		<p>Establish Japan's domestic energy management business and development in Asia</p> <ul style="list-style-type: none"> ● Shift to FIP hydropower and start supplying renewable energy to in-house facilities => Page 23 ● Expand EPC business => Page 24 ● Develop energy management business in Asia
Strengthen manufacture core products and develop new products	M1	<ul style="list-style-type: none"> ● Renewal of aging power facilities and introduction of digital technology ● Strengthening mobile networks and meeting ICT utilization needs overseas 	<p>Strengthened production capacity at in-house plants and started demonstration tests using ICT technology</p> <ul style="list-style-type: none"> ✓ Improved P&D production efficiency ✓ Received orders for domestic hydropower S&B project and storage battery system construction ✓ Expanded new ICT fields, such as demonstration tests of 5G implementation at factories in Thailand 		<p>Further improvement of profitability and promotion of commercialization of new technologies</p> <ul style="list-style-type: none"> ● Strengthen core products and development of new products ● Make production divisions into smart factories ● Global expansion of system business

■ Business activities' materialities M1: Develop safe and secure infrastructure, M2: Develop a smart society, M3: Create attractive cities, M4: Strive to achieve decarbonization

[Case Study] Energy Business: Building a Foundation for Power Generation and Energy Management Business

Supply 100% renewable energy to in-house sites (head office, laboratories, and manufacturing sites) generated by NK's own hydropower

Step1

- Shift from FIT to FIP for hydroelectric power plants operated by NK
- Obtain license of aggregator

Step2

Obtain retail license and sell 100% renewable energy electricity and environmental certificates

Step3

Supply renewable energy power to in-house sites

Power producers



Shitoki Dam Power Station



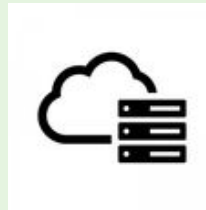
Suidouyama Power Station

Aggregators



Develop their own aggregation system and apply the know-how gained in Europe to the Japanese system

Retail electricity business



Balance adjustment of supply and demand

Wide-area agencies/general electricity transmission and distribution operators

In-house sites



Head office



R & D Center



Manufacturing plant (Fukushima)

Non-fossil certificates

Renewable electricity

Non-fossil certificates

Renewable electricity

FIP premium

In the future, we will aggregate FIP power sources from other companies, supply renewable power sources for local production & consumption, supply/demand management, and power trade.

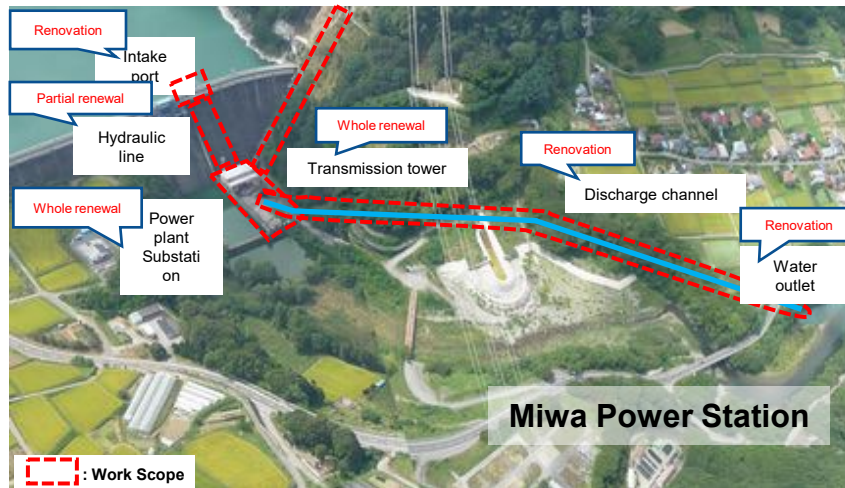
[Case Study] Energy Business: Building a Foundation for Power Generation and Energy Management Business

Expand large-scale energy storage and renewable energy EPC (design, procurement and construction) projects

While major traditional customers such as government and electric power companies mainly order for design, procurement and construction, customers who are expanding renewable energy market mainly order EPC related projects. Installation of large stationary batteries is also expected to increase.

EPC results by utilizing hydropower technology

- ◆ Miwa Power Station large-scale renovation work EPC (Nagano Prefecture)
- ◆ Okura Masudama Hydropower Station construction work EPC (Yamagata Prefecture), etc.



Acquire large energy storage and renewable energy EPCs

Targets:

Regional microgrids, storage batteries for power systems, storage batteries with renewable energy, consumer and factory consumption, etc.

Advantages of NK:

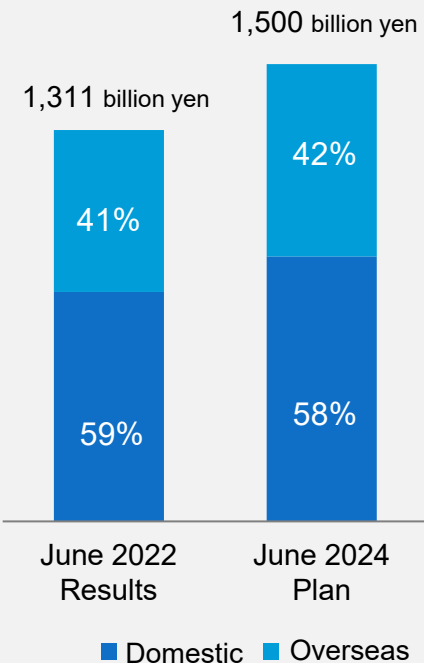
- ✓ Experience in development, construction and operation of large-scale energy storage systems in Europe
- ✓ Energy management system developed in-house
- ✓ Know-how to on design, construction and system development for high-voltage substation
- ✓ Wealthy experience of hydroelectric EPCs
- ✓ One-stop service from business model examination to EPC and business operation

Meet the demand for EPC through integrated collaboration within segment, utilizing conventional transmission and distribution technology and European power storage know-how

Resilience policy 2 : Matrix Management

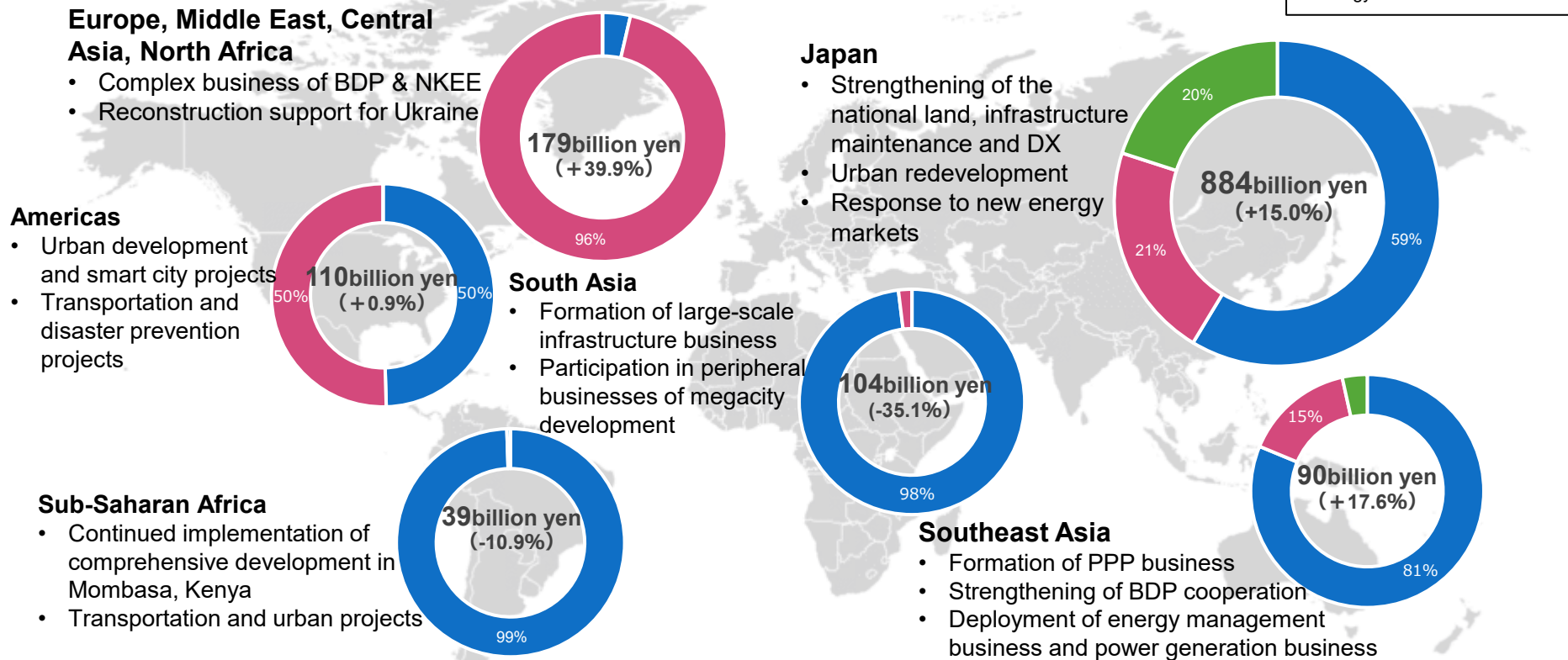
Establish regional targets by segment with the aim of realizing matrix management of businesses and regions

Order Ratio between domestic & overseas



FY2024 order targets and focus areas by region

(figures in parentheses indicate the percentage change from FY2022)



Promoting autonomous regional management to achieve 50% overseas sales target of Long-term Management Strategy

Resilience Policy 3: Securing Diverse Human Resources and Realizing Ease of Working

Human resource strategy and maximize human capital value through diversity

▼KPIs for achieving diversity

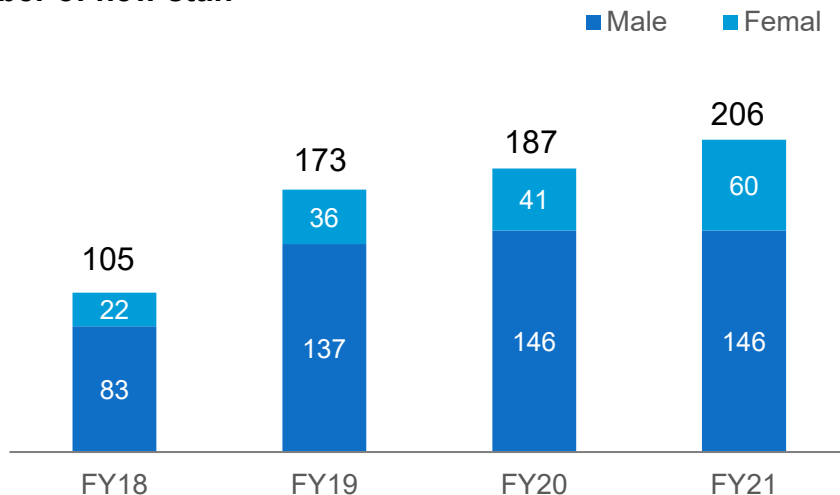
Current: 29.1% Target of new female technology staff: **Over 20%**

Current: 4.5% Female managers percentage **Over 15%** to 2030

Current: 28.8% Male staff taking (special) childcare leave **Over 55%**

Current: 2.09% Percentage of staff with disabilities (statutory employment rate): **Over 2.3%**

▼Number of new staff



Promote well-being management

- Monitor the situation of COVID-19 and respond flexibly to the attendance rate.
- Continue to promote health management.

Work Life Balance

- ✓ Enhancing our competitiveness and fulfilling our social mission as a company
- ✓ Enabling a good work-life balance (WLB) for staff

Well-Being

Ensuring staff are physically, mentally and socially healthy

Key measures

- Establish satellite offices, free address system
- Manage attendance rate under COVID-19 by utilizing hoteling systems and robotic process automation (RPA)
- Improve productivity through DX (such as RPA and AI)
- Establish a special subsidiary for staff with disabilities

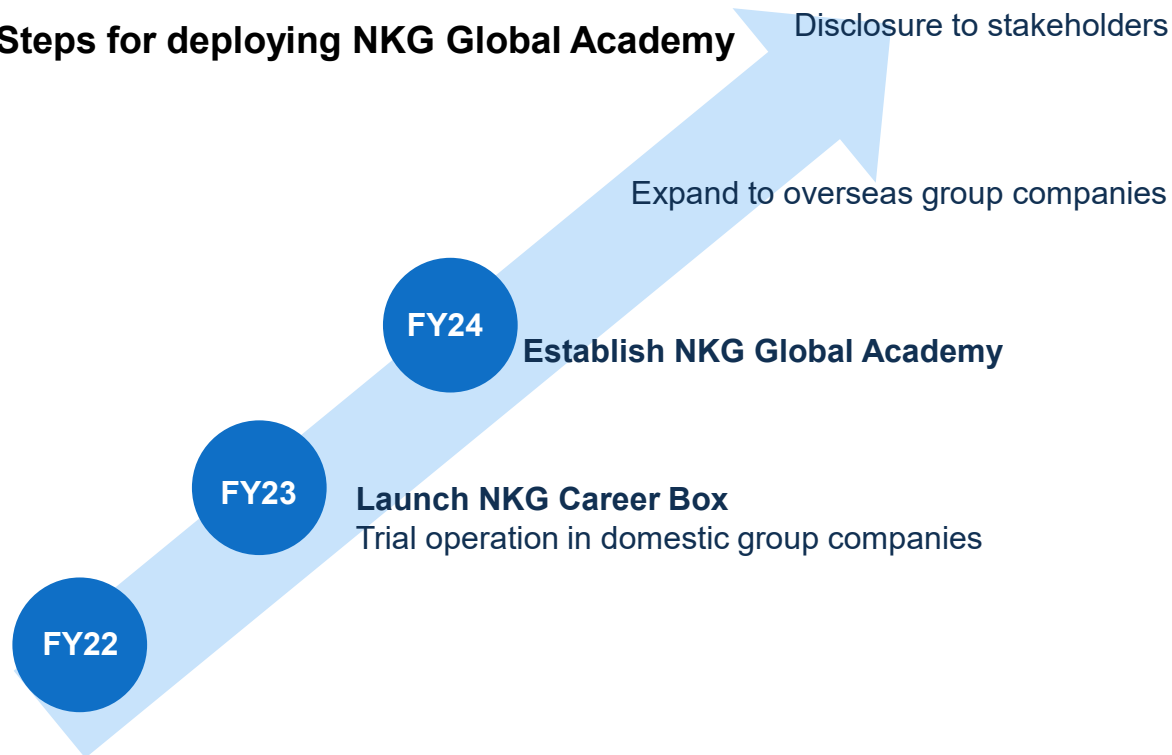


Resilience Policy 3: Development of Human Resources that Embody the NKG Brand

Establishment of NKG Global Academy to share knowledge and know-how

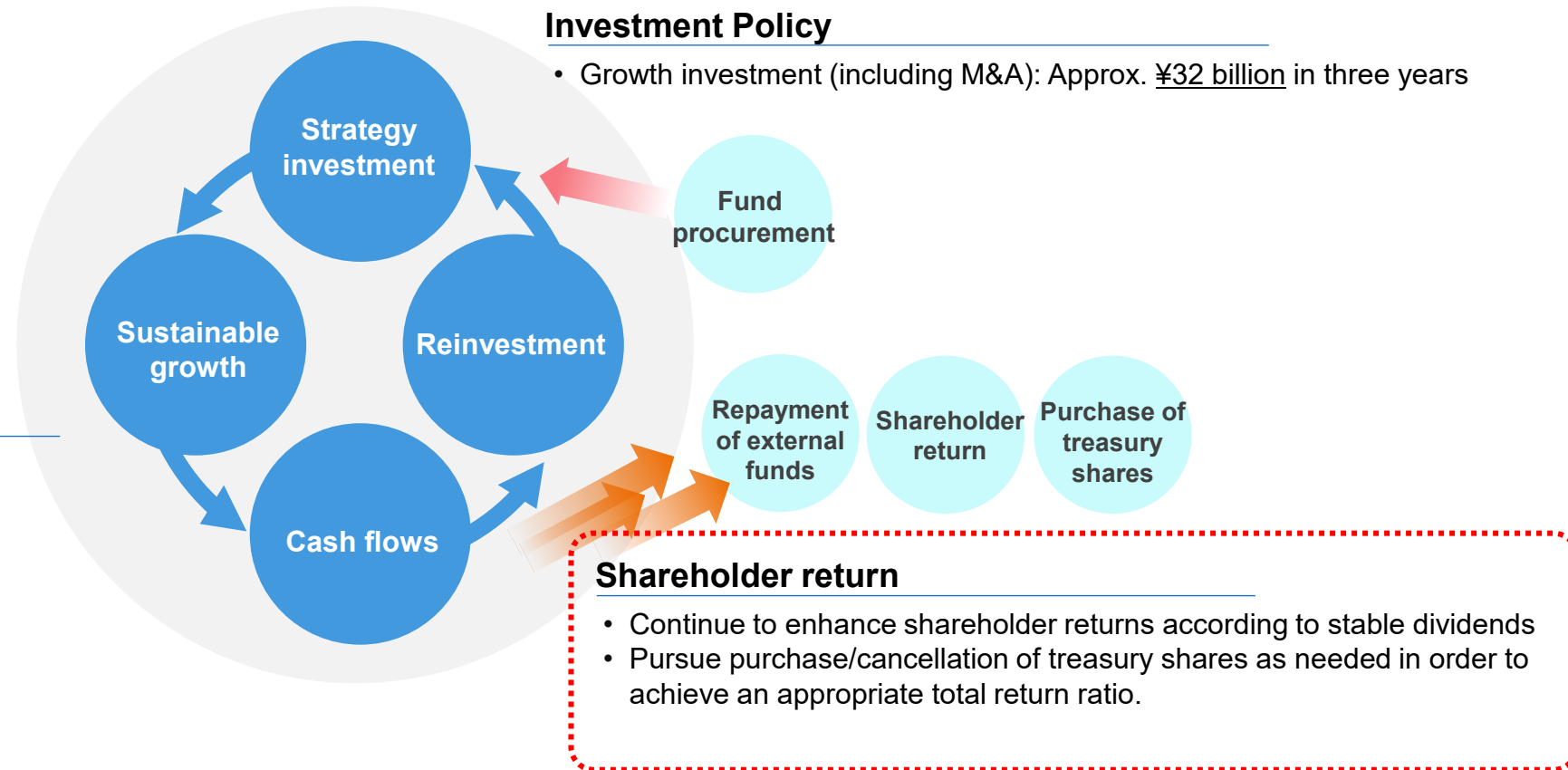
- In FYE June 30, 2024, we will establish a platform for co-creation in which all staff of Nippon Koei Group to learn together and share knowledge, experience and know-how.
- In the "Making the World Livable" business that NKG companies are developing on the global stage, we will provide a wide variety of programs for people to become human resources who can work actively and realize the vision of everyone.
- Aim to raise the level of technology and visualize skills throughout the group.

▼ Steps for deploying NKG Global Academy



Dividend Payout Ratio

- The dividend payout ratio targets around 30%, and the company will continue to maintain stable dividends and enhance shareholder returns according to profit levels.
- Acquire/cancel treasury stock when there is a good opportunity to achieve an appropriate total return ratio.
- Dividends for FYE June 30, 2022, were 125 yen per share, increased 50 yen from the previous fiscal year. The pay dividends for FYE June 30, 2023, will continue at 125 yen per share.



Transition to a Pure Holding Company Structure

- Transition to a pure holding company structure to deepen the management of the Group from a medium- to long-term perspective and ensure future growth.

Purpose of transition to holding company structure

1. Strengthening governance and accelerating decision-making

Promote separation of management supervision and execution.

HD will be a company with a nominating committee and specialize in group management.

2. Promoting autonomy and cooperation

Each operating company pursues autonomous and flexible business operations, to improve profitability, accelerate technological development, and ensure flexible and rapid alliance and M&A strategies.

3. Ensuring diversity

Establish a system that support the autonomous growth of group companies, including overseas subsidiaries, and ensure diversity and global governance.

Group structure after reorganization (from October 2023)



Integrated Design & Engineering Holdings Co., Ltd.

(Scheduled to be established in July 2023)

The first letters of the words in the company name in English (ID & E) are used as the Japanese name.

Design and Engineering express the vision of the Company as a general construction consultant that has promoted "civil engineering and architecture" and show the desire to integrate various fields (Integrated) and conduct business in a one-stop manner.

In addition, the new name is intended to expand the Group even further with the addition of new members.

Working Together Toward A Future Without Boundaries

NIPPON KOEI

NIPPON KOEI



-
- **Appendix**
-

Corporate Profile (As of June 30, 2022)

- Corporate name: Nippon Koei Co., Ltd.
- Established: June 7, 1946
- Capital: ¥7,501 million
- Number of employees: 6,163 [consolidated] 2,663 [non-consolidated]
- Number of subsidiaries: 84
- Business description: Consulting Business (domestic, international), Urban & Spatial Development Business, Energy Business
- Management philosophy: Act with integrity and contribute to society through technology and engineering.

■ Founder: Yutaka Kubota (1890–1986)

Before WWII, Yutaka Kubota was engaged in the development of hydropower resources (Sup'ung Dam 700 MW) in the Korean Peninsula, one of the largest projects at the time.

After the war, in a bid to work toward the restoration of Japan and reconstruction of countries damaged by the war, he founded the Company at the age of 56.

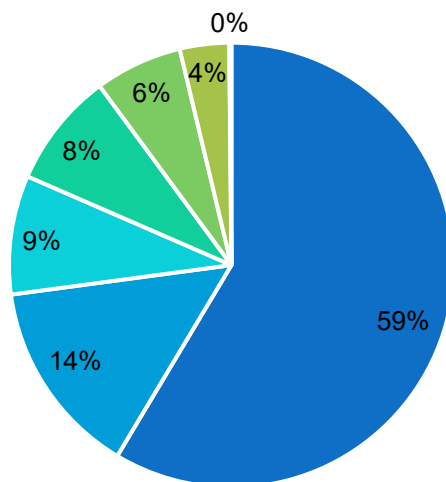
Known as the “Father of Overseas Engineering Cooperation,” he was awarded the Grand Cordon of the Order of the Rising Sun in 1985.

He directed projects in many countries around the world until he was 90 years old, contributing to development in developing countries.

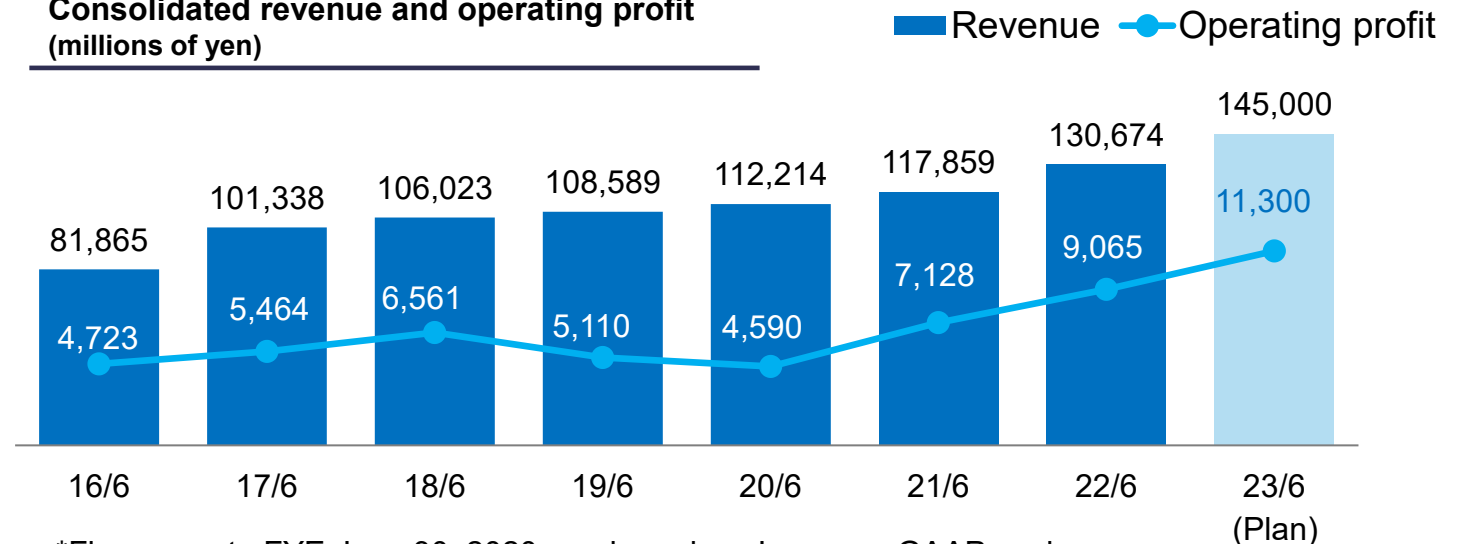


Net sales by region

- Japan
- Europe, the Middle East, Central Asia, North Africa
- Southeast Asia, East Asia, Oceania
- South Asia
- Americas
- Sub-Saharan Africa
- Other



Consolidated revenue and operating profit (millions of yen)



*Figures up to FYE June 30, 2020, are based on Japanese GAAP, and those from FYE June 30, 2021, are based on IFRS.

Business Development

Consulting Business



With expertise in civil engineering and other professional technologies, we engage in the consulting business, such as planning and design associated with the development and maintenance of infrastructure and safety measures, for the state, local governments, overseas government institutions, private firms and others. In response to increasingly complex social issues, construction consultants are required more than ever to demonstrate their high level of expertise, technical capabilities, and comprehensive abilities. Nippon Koei supports social infrastructure by undertaking various roles as a comprehensive partner to business operators.

Urban & Spatial Development Business



One of the growing areas that account for a large percentage of the sales of the world's construction companies is architecture. With a view to pursuing business development by integrating architecture and civil engineering in response to the massive demand for urban development in many locations around the world, the Company made BDP, a UK-based architectural design company, a subsidiary in March 2016 and made Quadrangle, a Canadian firm, a subsidiary in February 2019. By incorporating the architectural know-how of both firms, we are engaging to create urban & spatial development that accommodates the needs of the new era.

Energy Business



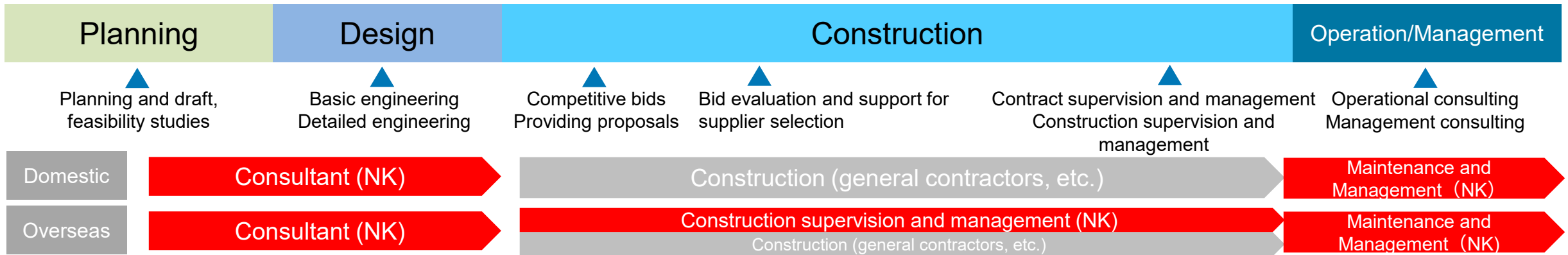
We provide services for power and electric facilities in Japan and abroad in all phases from planning and research to design, construction, manufacturing of equipment and maintenance. In addition, the world is advancing toward decarbonization, and the renewable energy-related businesses are going through major changes. Accordingly, we are focusing on services for electric power distribution networks to stably manage and control energy provided from various power sources with the use of battery storage as well as on virtual power plant (VPP)-related businesses.

* Effective FYE June 2022, we are managing our businesses under a three-segment structure consisting of the “Consulting Business” formed by integrating the conventional domestic consulting and international consulting businesses, the “Energy Business” encompassing the power engineering and energy businesses, and the “Urban & Spatial Development Business.”

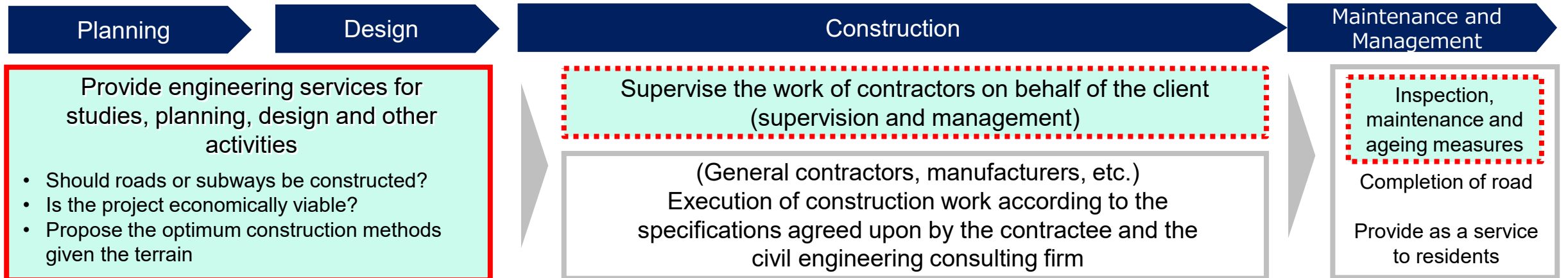
Job Description for Civil Engineering Consultants

Domestic: Mainly involve in design stage. Main customers are primary government organizations including the Ministry of Land, Infrastructure, Transport and Tourism, and secondary government organizations including prefectural and other local governments.

Overseas: Involvement varies by project and can range from planning and construction to construction supervision and management. Main customers include the Japan International Cooperation Agency (JICA), other governmental agencies, the United Nations and the World Bank.



Example: Chronic traffic congestion problems in Region A



Strengths of the Nippon Koei Group

(1) Sustainable business model grows with society
(Win-win relationship between society & Nippon Koei)

Transforming to meet market demands



Commercialize solutions to social problems

(2) Japan's leading engineering consulting firm
(Business domains, technologies, and human resources)

Comprehensive strength Capable of solving sophisticated & complex issues

Human Resources Largest number of professional engineers in industry

Technology In-house R&D facilities and patents

Consolidated net sales
¥130.6 billion

Business over
160 countries

Orders over
9,000 per year

85
Patents

1,743
Professional engineers

*As of June 2022

Coping with changing times, achieving sustainable business expansion and profitability growth.

Position in Industry

Nippon Koei is Japan's leading civil engineering consultant.

Ranking	Corporate name	Sales (Million yen/Non-consolidated)	
		Engineering consultant division	Corporate Total
1	Nippon Koei	58,427	73,970
2	Pacific Consultants Co., Ltd.	51,358	52,931
3	CTI Engineering Co., Ltd.	46,636	48,591
4	Oriental Consultants Co., Ltd.	26,865	27,131
5	Oriental Consultants Global Co., Ltd.	22,867	22,867
6	Eight-Japan Engineering Consultants Inc.	22,051	24,122
7	Nihon Suido Consultants Co., Ltd.	21,674	21,791
8	Yachiyo Engineering Co., Ltd.	21,650	22,219
9	JR East Consultants Company	21,586	23,861
10	PASCO Corporation	21,335	50,298
23	Tamano Consultants Co., Ltd. (Integrated with Urban & Spatial Development Business, NK in July 2022)	12,038	14,050
88	Nippon Civic Consulting Engineers Co., Ltd. (strong in shield tunneling)	2,753	2,800

*Source: Nikkei Construction, April 20, 2022, edition. Ranking by engineering consultant division sales (according to published financial results)

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. El 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

[Reference] Results for FYE June 2022 for Each of the Five Business Segments (IFRS)

(Million yen)	FYE June 2021 Results	FYE June 2022 Results	YoY Change	
			Amount	%
Orders	133,304	131,166	-2,138	98.4%
Domestic Consulting	62,047	64,282	2,234	103.6%
International Consulting	35,721	34,209	-1,512	95.8%
Power Engineering	13,880	14,222	342	102.5%
Urban & Spatial Development	21,457	18,207	-3,249	84.9%
Energy	111	120	9	108.3%
Revenue	117,859	130,674	12,814	110.9%
Domestic Consulting	55,345	57,416	2,071	103.7%
International Consulting	24,753	31,094	6,340	125.6%
Power Engineering	15,831	17,779	1,948	112.3%
Urban & Spatial Development	20,274	22,580	2,306	111.4%
Energy	790	1,019	229	129.0%
Other	865	783	-81	90.5%
Operating profit	7,128	9,065	1,936	127.2%
Domestic Consulting	6,128	6,007	-120	98.0%
International Consulting	-3	2,974	2,977	-
Power Engineering	858	1,511	653	176.1%
Urban & Spatial Development	2,266	1,588	-677	70.1%
Energy	-65	-237	-171	-
Other	-2,055	-2,779	-724	-

*Since the business segments changed into three from FYE June 2022, the estimated values are calculated for the conventional five business segments for reference.

Mission and Materiality of the Nippon Koei Group

Reviewed 'Mission, Vision and Values', specified materiality to contribute to SDGs actively and increase corporate value



Nippon Koei Group's Materiality

■ Materiality related to business activities

1. Development of infrastructure to protect safe living
2. Development of infrastructure where all people can freely interact and play an active role
3. Creation of attractive cities where a diversity of people and industries are concentrated
4. Conservation of the global environment by achieving a decarbonized society

■ Materiality related to management foundations

5. Strengthening corporate governance
6. A rewarding work environment where human rights are respected
7. Development of human resources and technology

Long-term Management Strategy: Concept

NKG Global Strategy 2030 —Working Together Toward A Future Without Boundaries

Basic Policy	Providing new value and realizing a sustainable society through the exploration of wisdom and innovation and integration of technology			
FYE June 2030 Numerical Targets (IFRS)	Revenue 250 billion yen	Operating profit 25 billion yen	Operating profit margin 10%	ROE 15%

Working together Part 1 Reorganizing business Measurements

- New development in three business domains
- Achievement of one –stop services and flexible business management
- Full-scale expansion into business management

Working together Part 2 Promoting autonomy & collaboration, establishing a one-stop system

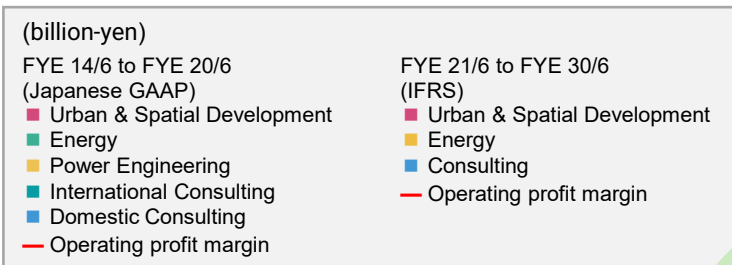
- Transitioning to a holding company for autonomy and collaboration, faster decision making, and coexistence of diversity
- Implementation of matrix management across businesses and regions

Working together Part 3 Manifesting the NKG brand and NKG quality

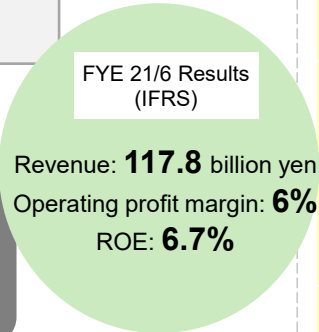
- Developing world-class human resources in conjunction with our technology strategy
- Realizing digital transformation (DX)

2030 Vision

By working together with various internal and external partners, we will pursue wisdom and integrate wisdom with technological innovation to provide new values in an aim to become a corporate group that contributes to realizing a society in which people can feel enriched.



Expand existing businesses
(Consulting, Power Engineering)
Establish/deploy new businesses
(Urban & Spatial Development, Energy)



New Medium-term Management Plan Transformation

1st STEP
Building Resilience
2024

Set firm ground for working together in creating a sustainable future through implementing three resilience policies

Expansion

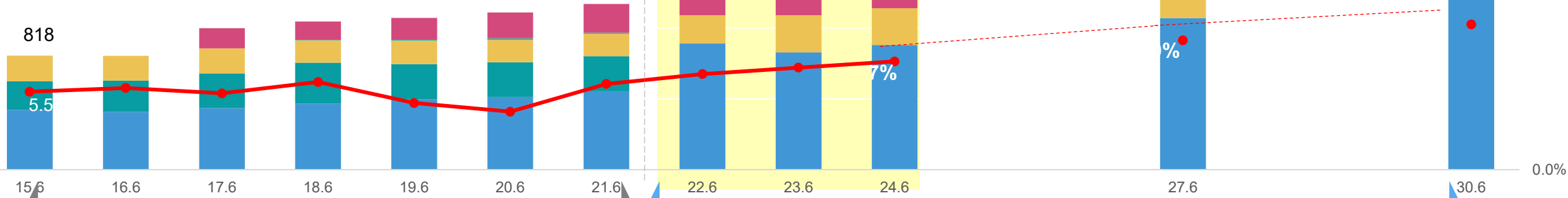
2nd STEP
Accelerate expansion into new businesses and new markets

Breakthrough

3rd STEP
Build the foundation for becoming a 100-year company

FYE 30/6 Target (IFRS)

Revenue: **250** billion yen
Operating profit margin: **10%**
ROE: **15%**



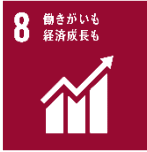



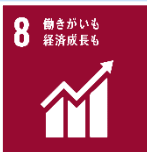








Previous Long-term Management Strategy

NKG Global Strategy 2030 —Working Together Toward A Future Without Boundaries

Materiality Related to Business Activities and Corresponding SDGs





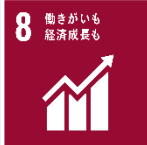




Link business activities with materiality, identify what the Nippon Koei Group can do about common issues in the world and contribute to achieving the sustainable development goals (SDGs) while driving these initiatives to also increase corporate value of the Company.

Materiality	Key relevant SDGs	Examples of initiatives for each materiality
Development of infrastructure to protect safe living	   	<ul style="list-style-type: none"> Develop high-quality infrastructure in a wide range of areas. Provide services for preventing/mitigating disasters in terms of both hardware (tangible elements such as facilities and equipment) and software (intangible elements such as human resources and technology).
Development of infrastructure where all people can freely interact and play an active role	   	<ul style="list-style-type: none"> Realize a mobility society by putting in place transportation sites, including airports and railways, and networks. Develop electric power infrastructure in overseas regions lacking power sources.
Creation of attractive cities where a diversity of people and industries are concentrated	 	<ul style="list-style-type: none"> Develop a smart city by promoting working together among Consulting, Urban & Spatial Development and Energy.
Conservation of the global environment by achieving a decarbonized society	  	<ul style="list-style-type: none"> Provide consulting services to counter climate change. Expand the renewable energy business in Japan and abroad.

Materiality Related to Management Base and Corresponding SDGs



Link business activities with materiality, identify what the Nippon Koei Group can do about common issues in the world and contribute to achieving the sustainable development goals (SDGs) while driving these initiatives to also increase corporate value of the Company.

Materiality	Key relevant SDGs	Examples of initiatives for each materiality
Strengthening corporate governance		<ul style="list-style-type: none"> Review institutional design. Reinforce compliance activities.
A rewarding work environment where human rights are respected	  	<ul style="list-style-type: none"> Further promote well-being management.
Development of human resources and technology	  	<ul style="list-style-type: none"> Develop human resources for manifesting the NKG brand through the NKG Global Academy. Create new added value by utilizing DX.

Medium-term Management Plan Building Resilience 2024 - Numerical Targets (IFRS)

(Million yen)	FYE June 2021 Results	FYE June 2024 Plan	Amount	%
Orders	133,304	150,000	16,695	112.5%
Revenue	117,859	155,000	37,140	131.5%
Operating profit	7,128	11,500	4,371	161.3%
Operating profit margin	6.0%	7.4%	1.4%	
Profit before tax	7,176	11,000	3,823	153.3%
Profit attributable to owners of parent	4,531	7,100	2,569	156.7%
ROE	6.7%	9.0%	2.3 %	

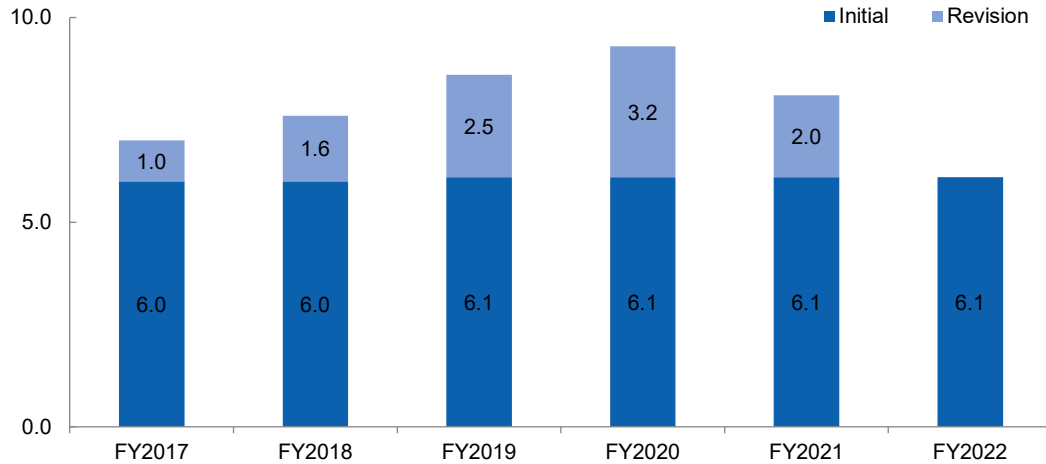
Medium-term Management Plan Building Resilience 2024 - Numerical Targets by Segment (IFRS)

(Million yen)	FYE 2021/6 Results	FYE 2024/6 Plan	Amount	%
Orders	133,304	150,000	16,695	112.5%
Consulting Business	97,769	92,000	-5,769	94.1%
Urban & Spatial Development Business	21,457	39,000	17,542	181.8%
Energy Business	13,991	19,000	5,008	135.8%
Revenue	117,859	155,000	37,140	131.5%
Consulting Business	80,098	88,000	7,901	109.9%
Urban & Spatial Development Business	20,274	40,000	19,725	197.3%
Energy Business	16,621	26,000	9,378	156.4%
Other	865	1,000	134	115.6%
Operating profit	7,128	11,500	4,371	161.3%
Consulting Business	6,126	8,200	2,073	133.8%
Urban & Spatial Development Business	2,266	3,200	933	141.2%
Energy Business	814	3,300	2,485	405.4%
Other	-2,079	-3,200	-1,120	-

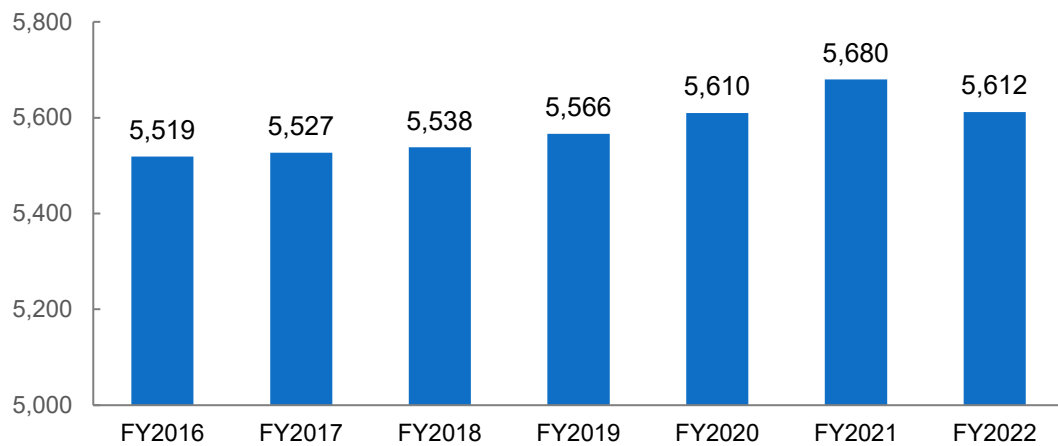
*With the transfer of PT. CIKAENGAN TIRTA ENERGI (from the Energy Business to the Consulting Business), the results of CIKAENGAN were recorded in the Consulting Business.

Consulting Business: Market Trends and Operating Results

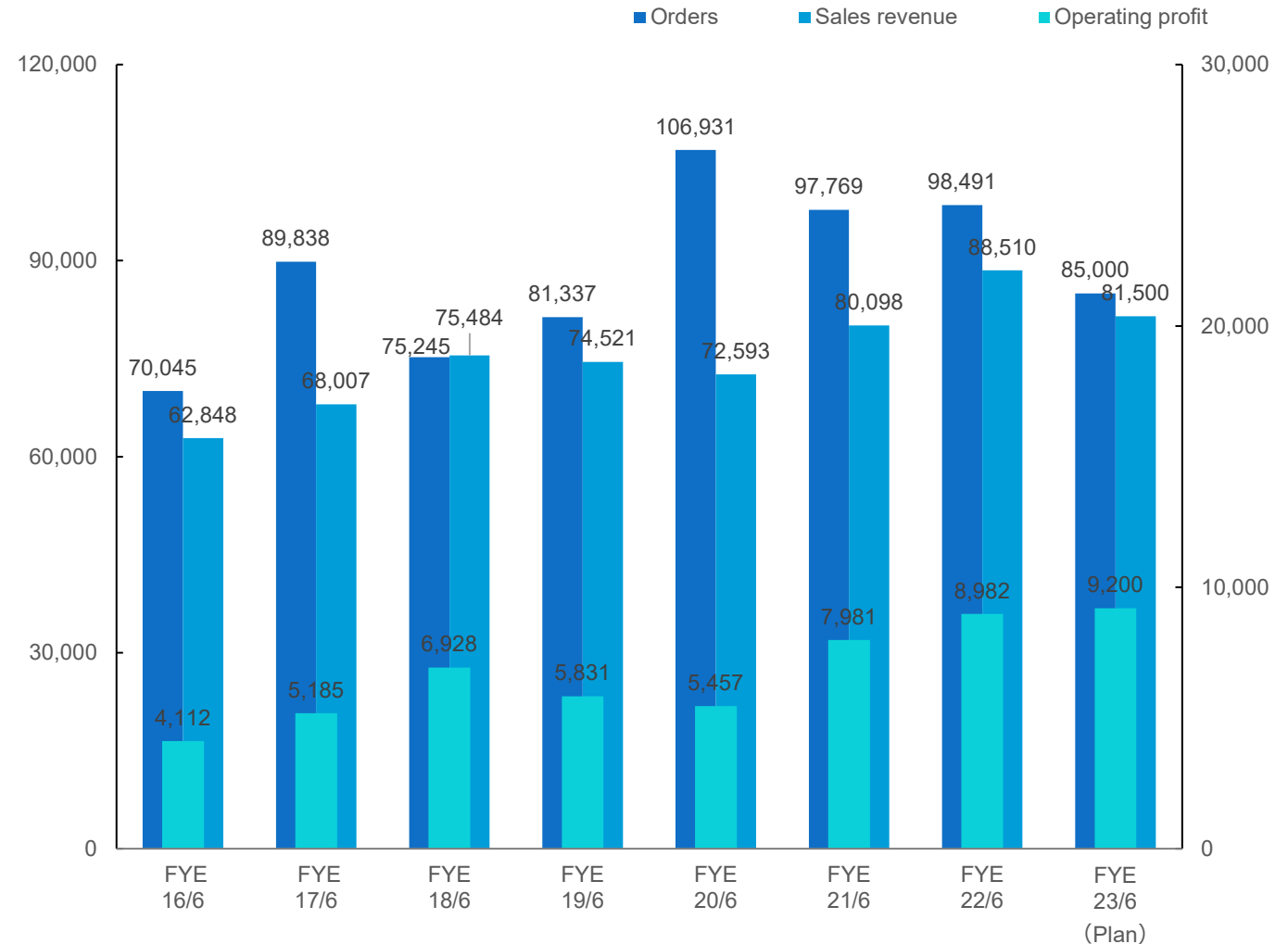
Public Works Expenditures (Trillion yen)



Initial ODA Budget in the General Account (billion yen)



Nippon Koei Consulting Business: Operating Results (Million yen)

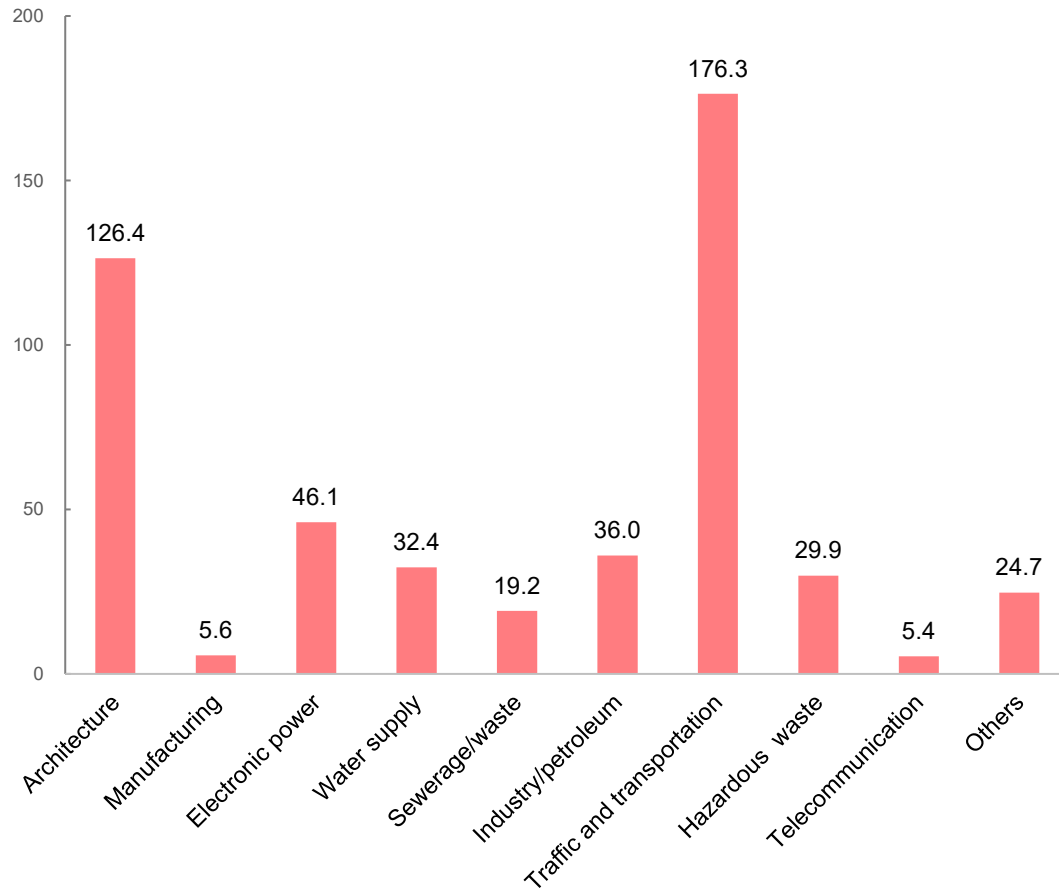


*Figures showing operating results for FYE 16/6 through FYE 20/6 are simple aggregations of the figures for Domestic Consulting and International Consulting Businesses before intercompany eliminations.

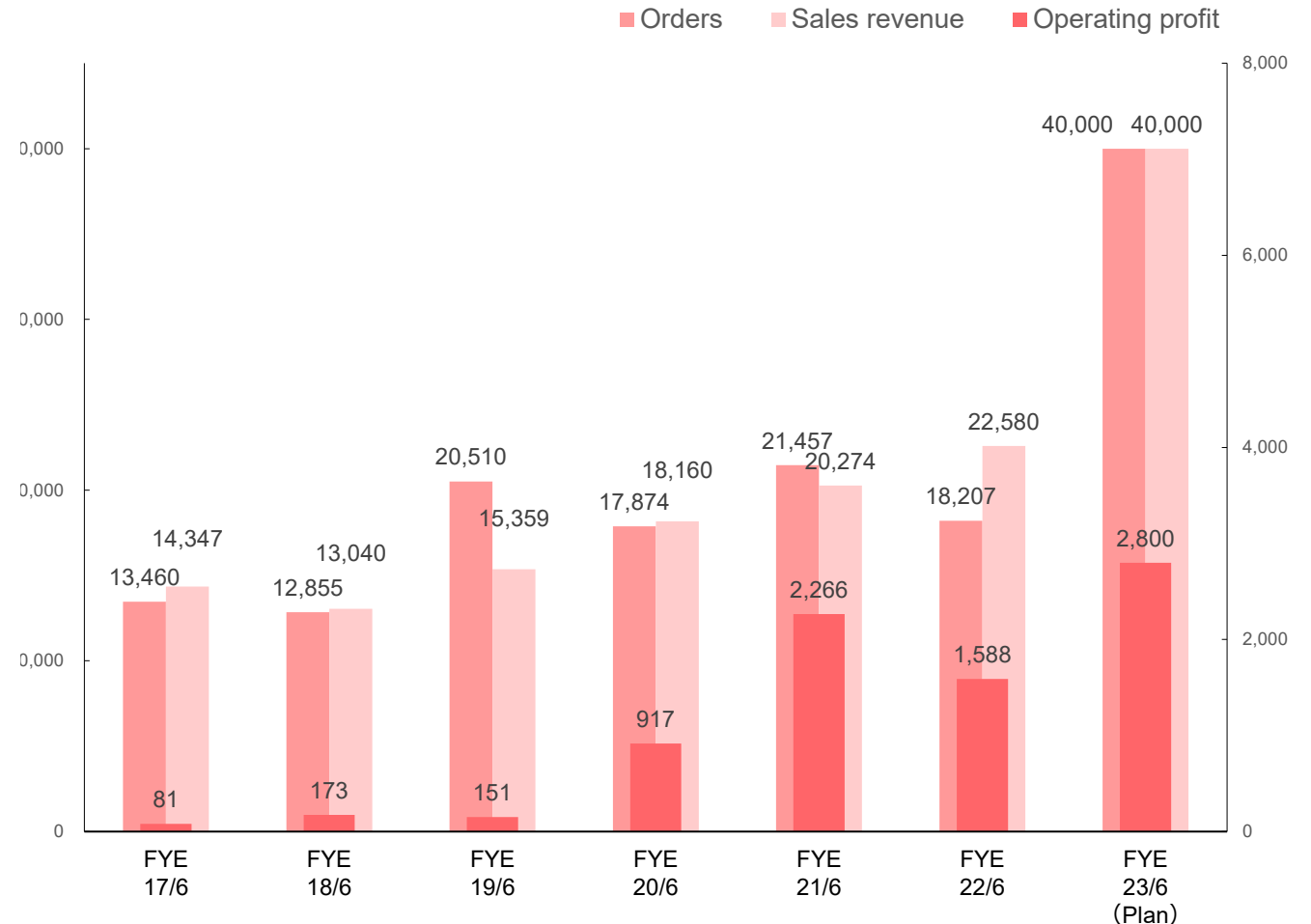
*Operating results for years up to FYE 20/6 are based on Japanese GAAP while those for FYE 21/6 and onward are based on the IFRS.

Urban & Spatial Development Business: Market Trends and Operating Results

Sales of Top 164 Firms in FY2021 by Sector (billion US dollars)



Nippon Koei's Operating Results in Urban & Spatial Development Business (Million yen)

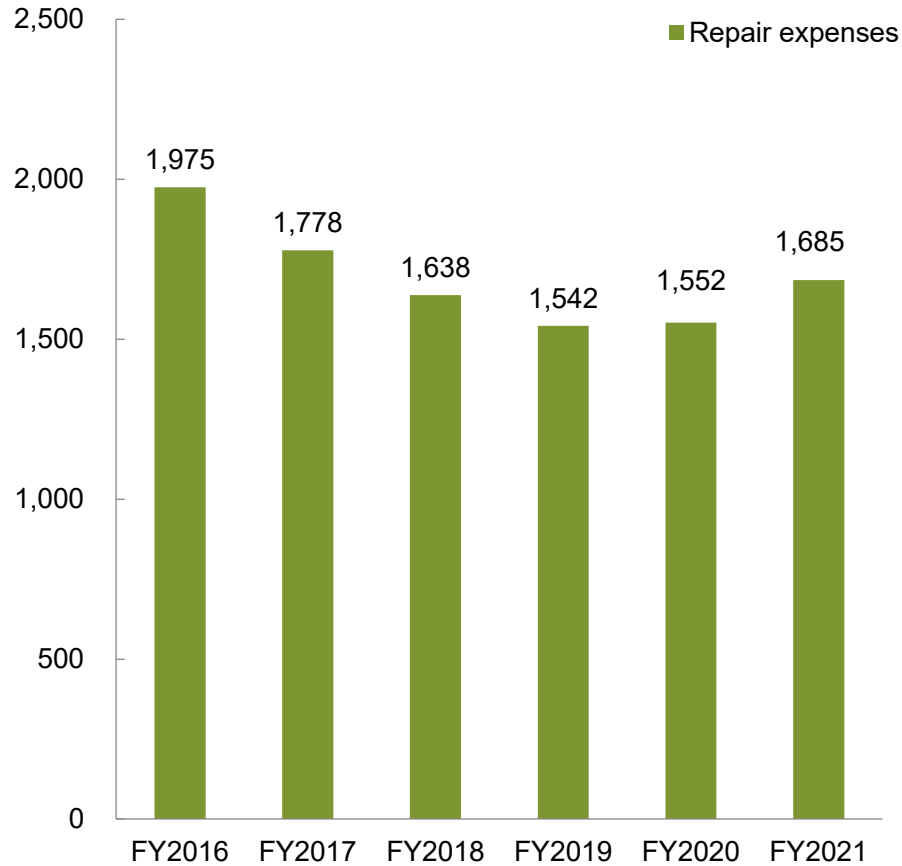


*Source: Compiled by the Company based on information available in the ENR magazine (issued in August 2022)

*Operating results for years up to FYE 20/6 are based on Japanese GAAP while those for FYE 21/6 and onward are based on the IFRS.

Energy Business: Market Trends and Operating Results

Repair Expenses for Tokyo Electric Power Company Holdings, Inc. (billion yen)



Nippon Koei's Operating Results in Energy Business (Million yen)



*Figures showing operating results for FYE 16/6 through FYE 20/6 are simple aggregations of the figures for the Power Engineering and Energy Businesses before intercompany eliminations.

*Operating results for years up to FYE 20/6 are based on Japanese GAAP while those for FYE 21/6 and onward are based on the IFRS.

The logo for Nippon Koei, featuring the company name in a bold, italicized, blue sans-serif font. The background of the slide is a light blue gradient with abstract geometric shapes and a network of glowing blue lines and dots, suggesting a digital or technological theme.

NIPPON KOEI

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