

Presentation of Financial Results 2Q, FYE June 30, 2022

February 21, 2022



Representative Director and President
Hiroaki Shinya

Nippon Koei Co., Ltd.



- Accounting Report
- (July 2021 - Dec 2021, FYE22/6 1H)
- and FYE 22/6 Forecast

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2Q Results for FYE June 30, 2022

Although received orders decreased, revenue in each segment progressed favorably, and each profit increased, and the and the turning a profit.

(Millions of yen)	FYF21/6 2Q Results	FYE22/6 2Q Results	YoY Change	
			Amount	%
Orders	52,033	50,278	-1,754	96.6%
Revenue	47,140	52,981	5,841	112.4%
Cost of sales	33,704	38,065	4,360	112.9%
Gross profit	13,435	14,915	1,480	111.0%
SG&A, etc.	15,165	13,647	-1,518	90.0%
Operating profit	-1,730	1,268	2,998	-
Profit before tax	-2,005	1,517	3,523	-
Profit attributable to owners of parent	-2,055	615	2,671	-

*The Group has applied International Financial Reporting Standards (IFRS) from the year-end of the fiscal year ended June 30, 2021. The figures for the previous consolidated second quarter are also disclosed based on IFRS.

Main points of 2Q FYE June 30, 2022

Orders: **50.2 billion yen** (YoY -3.4%), Revenue: **52.9 billion yen** (YoY +12.4%),
Operating profit: **1.2 billion yen** (YoY +2.9 billion yen)

Driven by the Overseas Division of the Consulting Business, both consolidated revenue and operating profit **reached record highs compared with 2Q.**

Posted the first ever profit in the first six months of the fiscal year.

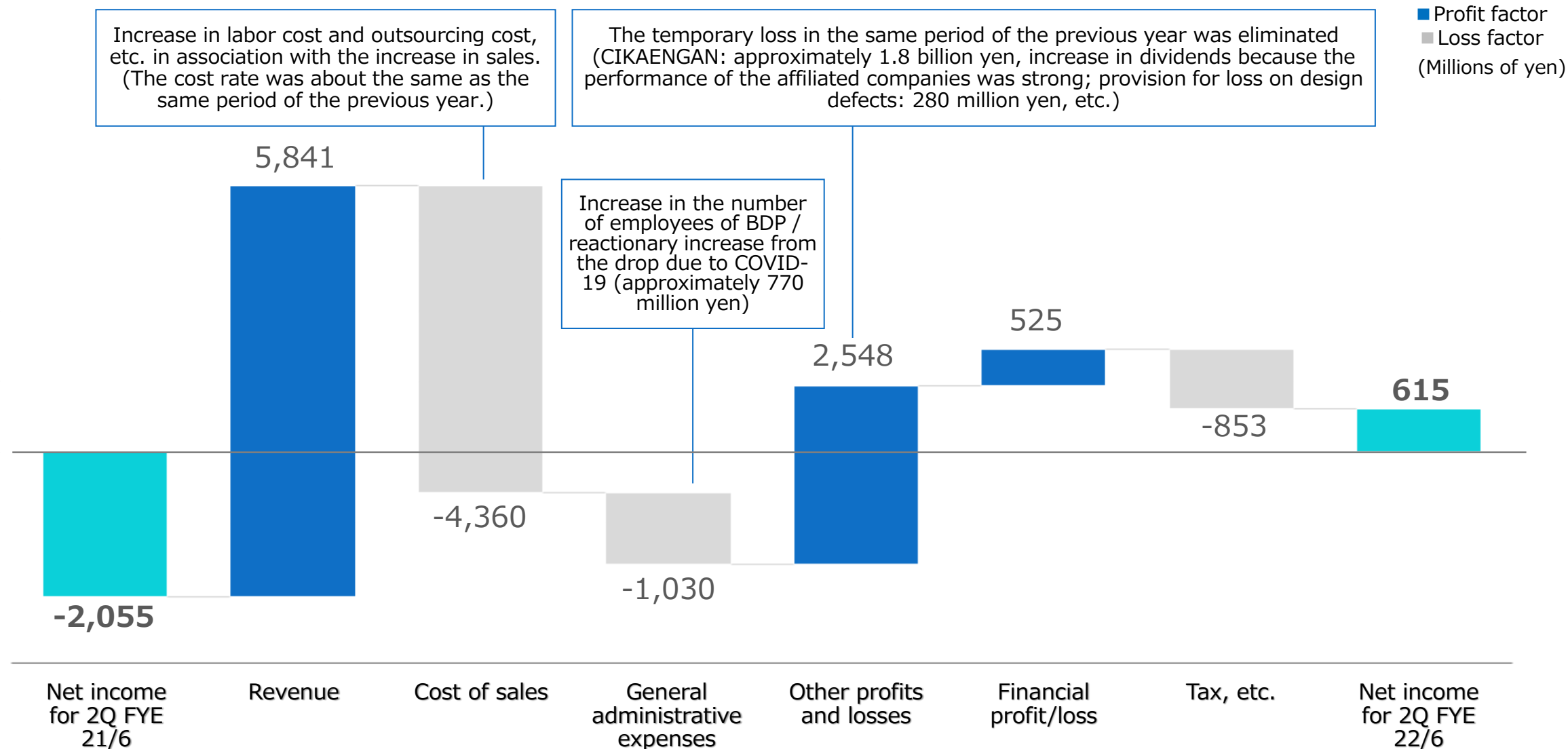
Consolidated results

- Received orders decreased year-on-year because **there was a project that was recorded in an improper period** in the Overseas Division of the Consulting Business. However, orders were **strong in the Urban & Spatial Development Business.**
- **Revenue increased in all** the three segments (Consulting, Urban & Spatial Development and Energy) and **progressed steadily.** Revenue progressed favorably especially in the Domestic Division of the Consulting Business, and it grew significantly in the Overseas Division.
- Operating profit improved substantially because **the operating rate in the Overseas Division of the Consulting Business improved** and the temporary loss in energy business was eliminated.

Impact of COVID-19

- No impact in Japan. The cost increased because business trips and transfers tended to increase compared with the previous year.
- The number of travelers remained at the pre-COVID-19 level overseas. **The number of trips approximately tripled from the previous period** due to deregulation related to COVID-19 infections in each country.

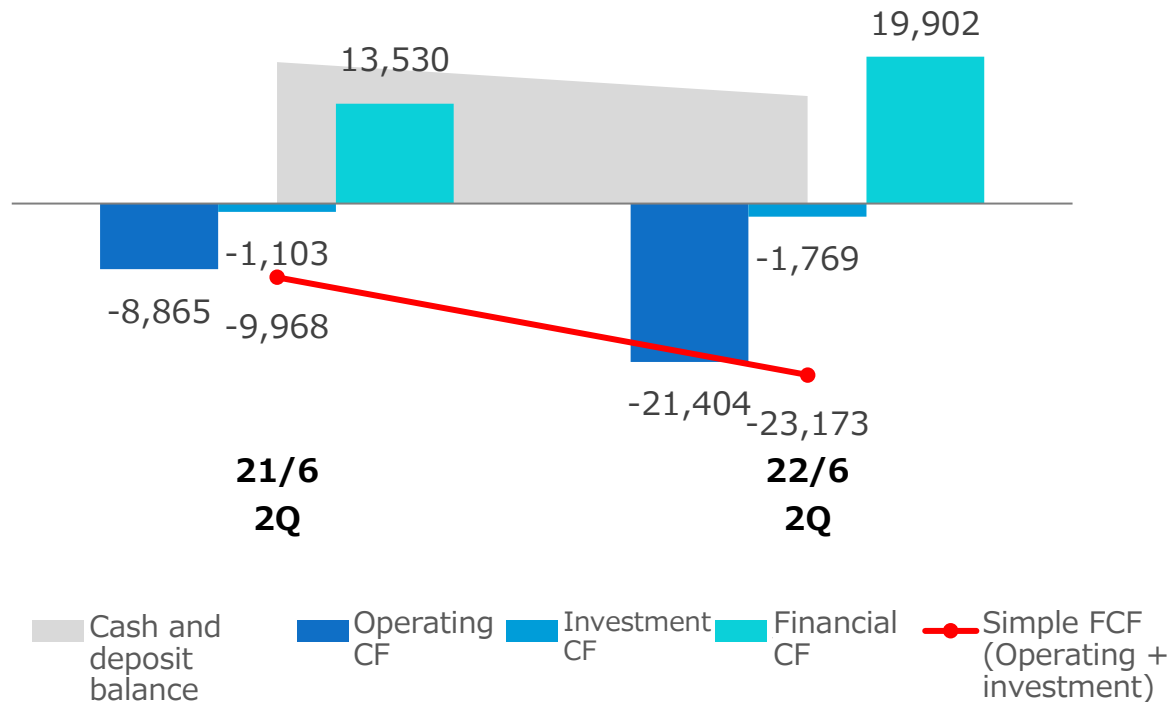
Profit/Loss Analysis



Cash Flows / Balance Sheet

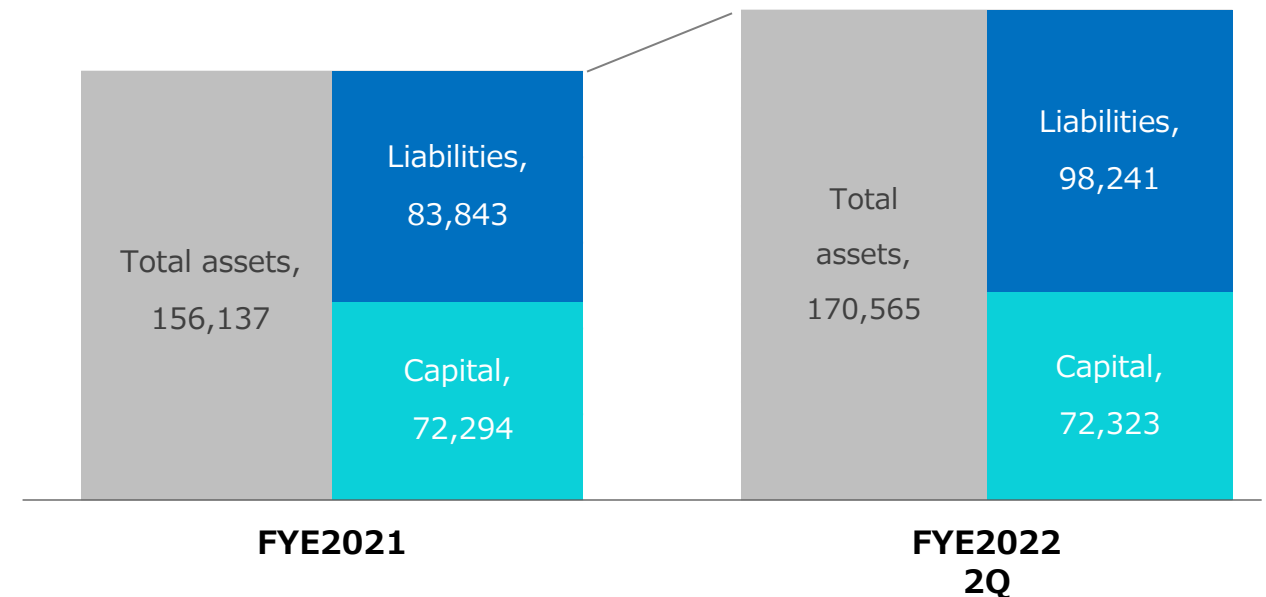
Cash Flows (millions of yen)

- Cash provided by operating activities (decreased) due to the increase in taxes from the strong business performance, the increase in operating expenses, etc.
- Cash provided by financial activities (was up) mainly due to the greater short-term debt



Balance sheet (millions of yen)

- Assets increased because there was an increase in contract assets (accounts receivable increased because the number of projects in process progressed)
- Liabilities grew because of the increase in seasonal short-term debt while current liabilities fell



Results by Business Segment (Orders/Revenue/Operating profit)

(Millions of yen)		FYE21/6 2Q Results		FYE22/6 2Q Results		YoY Change	
						Amount	%
Consulting Business	Orders	39,432	Ratio (vs.Sales)	35,209	Ratio (vs.Sales)	-4,223	89.3%
	Revenue	30,363	100.0%	33,626	100.0%	3,263	110.7%
	Cost of expenses	22,735	74.9%	26,096	77.6%	3,361	114.8%
	Gross profit	7,628	25.1%	7,529	22.4%	-98	98.7%
	SG&A, etc.	9,487	31.2%	7,095	21.1%	-2,392	74.8%
	Operating profit	-1,859	-	434	1.3%	2,294	-
Urban & Spatial Development Business	Orders	6,281	Ratio (vs.Sales)	8,791	Ratio (vs.Sales)	2,509	139.9%
	Revenue	8,918	100.0%	10,426	100.0%	1,507	116.9%
	Cost of expenses	5,131	57.5%	5,842	56.0%	711	113.9%
	Gross profit	3,787	42.5%	4,583	44.0%	796	121.0%
	SG&A, etc.	2,982	33.4%	3,814	36.6%	831	127.9%
	Operating profit	804	9.0%	769	7.4%	-35	95.6%
Energy Business	Orders	6,270	Ratio (vs.Sales)	6,247	Ratio (vs.Sales)	-22	99.6%
	Revenue	7,379	100.0%	8,565	100.0%	1,185	116.1%
	Cost of expenses	5,609	76.0%	5,981	69.8%	372	106.6%
	Gross profit	1,770	24.0%	2,583	30.2%	812	145.9%
	SG&A, etc.	1,841	25.0%	1,647	19.2%	-194	89.4%
	Operating profit	-70	-	936	10.9%	1,007	-

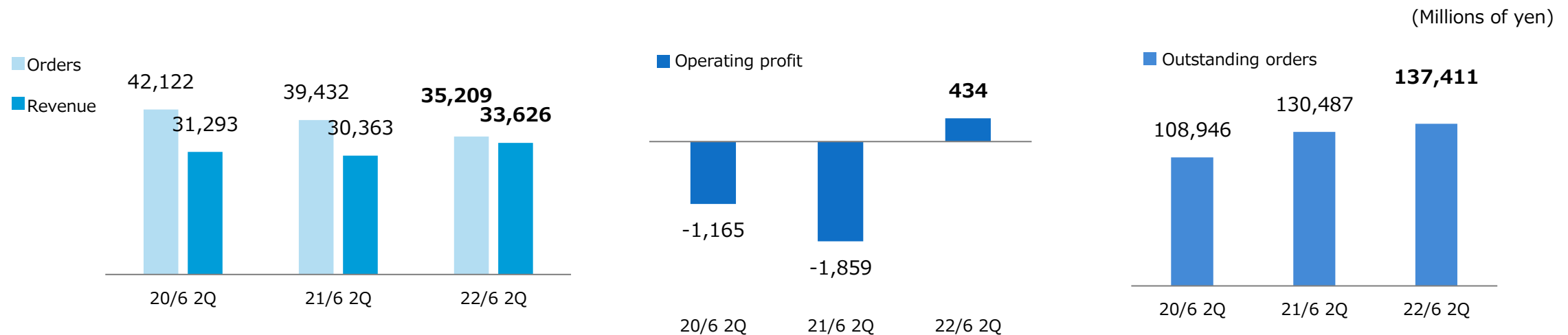
Results by Business Segment: Consulting Business

Status of progress in the first half

- Orders: Remained at the same high level as the same period of the previous year in Japan. Decreased year-on-year in the entire segment because **the order received for a yen loan project was recorded in an improper period** among others overseas
- Revenue: Increased because **the projects for the existing received orders progressed steadily** both in Japan and overseas and because of the progress in large-scale projects of overseas subsidiaries
- Operating profit: The entire Consulting Business returned to the black and profit increased significantly due to the **increase in overseas sales and operating rates**, although profit fell due to the greater outsourcing and labor costs in Japan.

Points for the second half

- **Based on the production framework, we carried out strategic activities** to receive orders for the 5-year acceleration measures for **disaster prevention, disaster mitigation and national resilience, etc.** in the public works budget.
- We controlled the overseas variable costs (outsourcing cost, labor cost)



* The results for the 2Q of the 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 in Japanese standards.

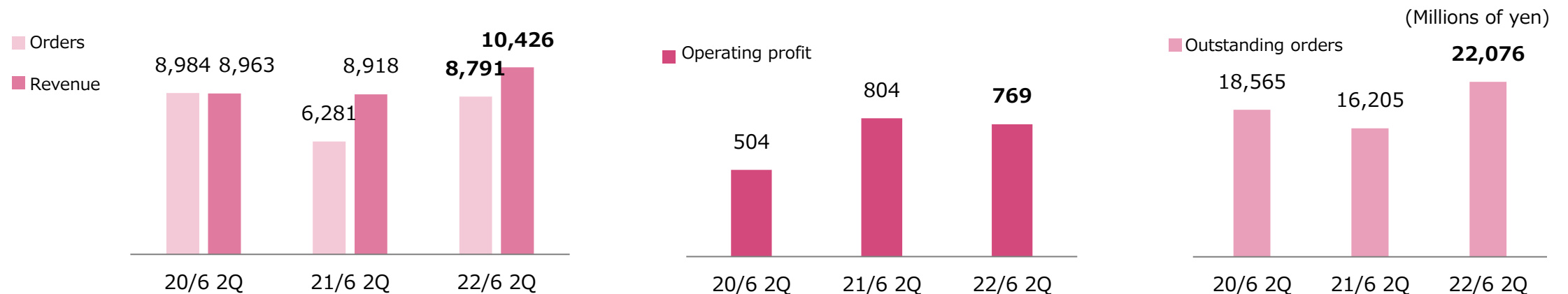
Results by Business Segment: Urban & Spatial Development Business

Status of progress in the first half

- Orders: Increased year on year because BDP in the United Kingdom received orders from the private sector and orders received by Quadrangle in Canada were strong.
- Revenue: Increased due to the **good progress and operating rate of the project whose order was received in the previous period** by BDP in the UK as well as the effects of exchange rates.
- Operating profit: Decreased due to the **transfer of some projects to the Consulting Business** in association with the reorganization, and the reactionary **increase in general and administrative expenses** from the drop due to the influence of COVID-19 at BDP.

Points for the second half

- **Continue to carry out activities to receive orders by identifying the sectors expected to grow and assessing business changes after the pandemic and activities to receive orders through collaboration between studios in the UK and overseas studios.**
- Focus on acquiring projects outside the UK with the connection in the existing NK×BDP projects as a trigger.
- Strive to promote business and secure sales for the large-scale Westminster Place project while checking the movements of the UK government.



* The actual exchange rate in 2Q of FYE June 30, 2022: £ 1=152.76 yen (the assumed exchange rate for FYE June 30, 2022: £ 1= 151.65 yen)

* The results of 2Q FYE June 30, 2020 in the graph are based on Japanese standards.

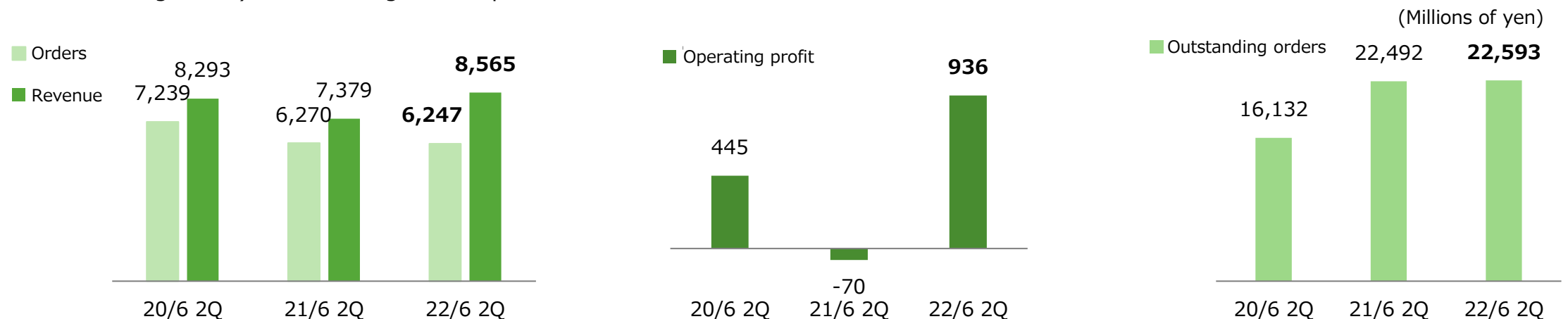
Results by Business Segment: Energy Business

Status of progress in the first half

- Orders: Remained at the same high level as the same period of the previous year when there were multiple large orders as **orders were received for large-scale hydroelectric power generation and system power storage stations, etc. for entities other than major electric power companies.**
- Revenue: The TEPCO dam standardization project, the large-scale hydroelectric power generation project, etc. in the Manufacturing Division **progressed systematically.** Revenue increased due to the improvement in the local operating rate of overseas projects in addition to the above.
- Operating profit: Returned to profit by increasing sales and **reducing costs by improving the efficiency in system manufacturing and eliminating the temporary provision for loss on construction contracts and extraordinary loss in the same period of the previous year.**

Points for the second half

- There is a concern that the progress may be delayed due to delays in the delivery of semiconductors and resin products, process changes, etc.
- Strive to secure profit by acquiring the orders expected to be received, finishing the projects whose orders have been received (budget-actual result management) and reducing fixed expenses.



* The results for the 2Q of the 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 in Japanese standards.

FYE June 2022 Forecast

No changes have been made to the forecast for the entire FYE June 2021 period.
Revenue and operating profit are expected to set new record highs year on year.

(Millions of yen)	FYE 2021/6 Results	FYE 2022/6 Plan	YoY Change	
			Amount	%
Orders	133,304	130,000	-3,304	97.5%
Consulting Business	97,769	95,000	-2,769	97.2%
Urban & Spatial Development Business	21,457	20,000	-1,457	93.2%
Energy Business	13,991	15,000	1,008	107.2%
Revenue	117,859	131,000	13,140	111.1%
Consulting Business	80,098	89,000	8,901	111.1%
Urban & Spatial Development Business	20,274	21,000	725	103.6%
Energy Business	16,621	20,000	3,378	120.3%
Real Estate Leasing and Other	865	1,000	134	115.6%
Operating profit	7,128	7,700	571	108.0%
Consulting Business	7,981	7,700	-281	96.5%
Urban & Spatial Development Business	2,266	1,500	-766	66.2%
Energy Business	-1,061	1,700	2,761	-
Real Estate Leasing and Other	-2,058	-3,200	-1,141	-
Profit attributable to owners of parent	4,531	4,700	169	103.7%

*Figures in three segments for FYE 21/6 are simple aggregations before intercompany eliminations.

*Please see page 31 for the method of segmentation into three segments and page 33 for the reference values for five segments.

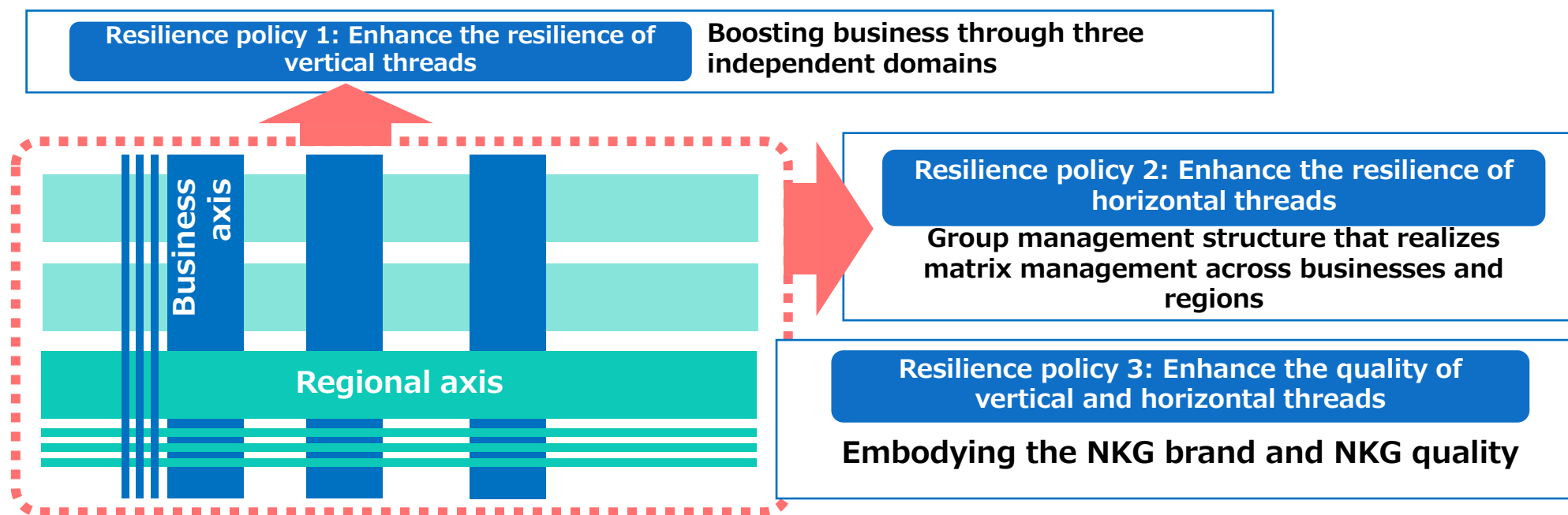


■ Progress of the Medium-Term Management Plan ■ -Building Resilience 2024- ■

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Points of the Medium-term Management Plan (July 2021 to June 2024)

Key Point	Enhancing resilience of the Nippon Koei Group (Building Resilience 2024)
Basic Policy	Set firm ground for working together in creating a sustainable future through implementing three resilience policies.



FYE June 2024 Numerical Targets (IFRS)	Revenue 155 billion yen	Operating profit 11.5 billion yen	Operating profit margin 7%	ROE 9%
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Key measures of the medium-term management plans (July 2021 – June 2024)

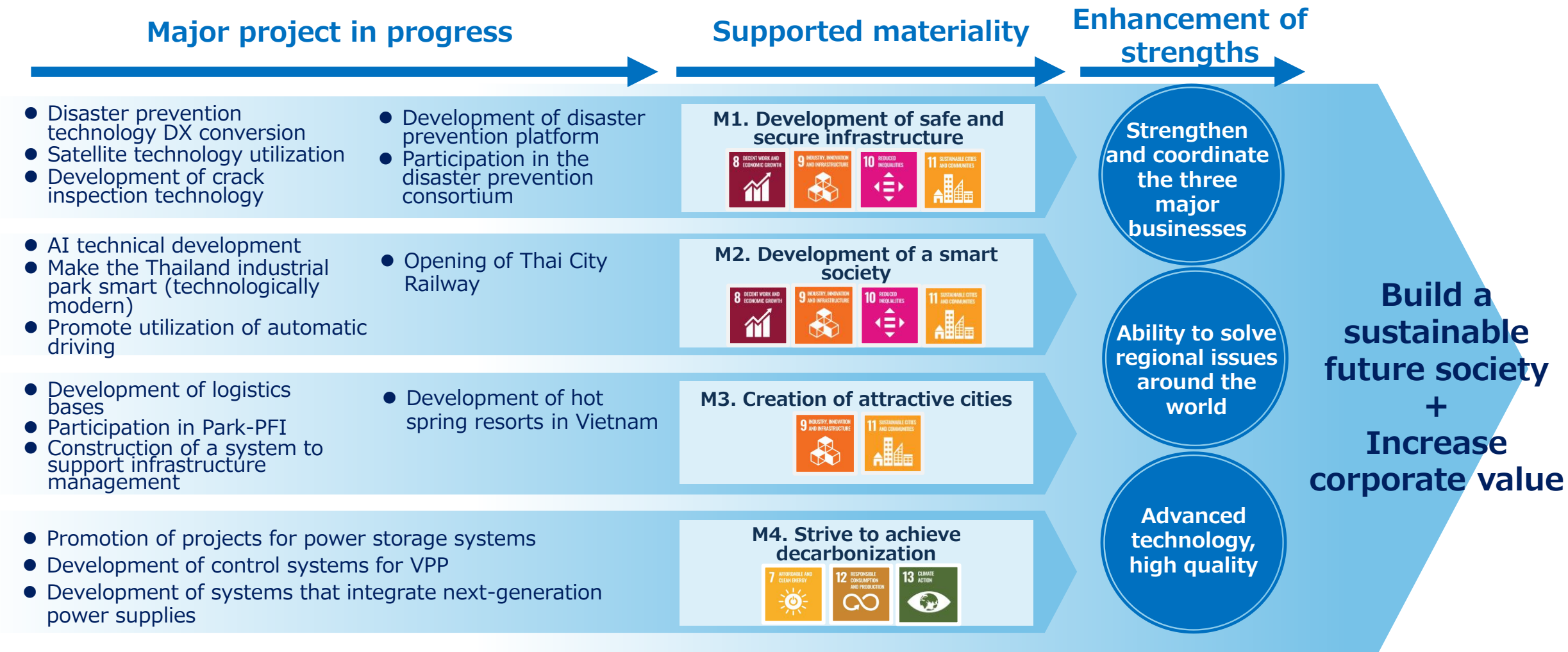
Promote sustainable future construction and corporate value improvement by associating materiality with the measures of each business based on the resilience of the entire Nippon Koei Group

Resilience measures	Materiality	Key measures
Resilience policy 1: Boosting business through three independent domains	M1. Development of safe and secure infrastructure (Development of infrastructure to protect safe living)	<ul style="list-style-type: none"> ● Advancement and global deployment of disaster-prevention & mitigation technologies ● Full-scale expansion into the business management field
	M2. Development of smart society (Development of infrastructure where all people can freely interact and play an active role)	<ul style="list-style-type: none"> ● Expansion of transport related businesses ● Smart city project formation in consideration of decarbonization and safety & security
	M3. Creation of attractive cities (Creation of attractive cities where a diversity of people and industries are concentrated)	<ul style="list-style-type: none"> ● Realization of one-stop services in urban development & redevelopment projects ● Market expansion by BDP ● Full-scale expansion into the urban management field
	M4. Strive to achieve decarbonization (Conservation of the global environment by achieving a decarbonized society)	<ul style="list-style-type: none"> ● Promoting services that contribute to decarbonization ● Formulation of foundations for power generation and energy management businesses ● Strengthening production of core products and services and new product development ● Provision of one-stop solutions with multifaceted, diverse technologies
Resilience policy 2: Group management structure that realizes matrix management across businesses and regions	M5. Strengthening corporate governance	<ul style="list-style-type: none"> ● Establishment of holding Company, Governance structure that realizes matrix management ● Construction of regional management systems and support for autonomous management of the region ● Realization of one-stop services
	M6. A rewarding work environment where human rights are respected	<ul style="list-style-type: none"> ● Work style reform (promotion of well-being management)
Resilience policy 2:Embodying the NKG brand and NKG quality	M7. Development of human resources and technology	<ul style="list-style-type: none"> ● Promotion of DX ● NKG Global Academy

Corresponding business units: ● Consulting Business ● Urban & Spatial Development Business ● Energy Business
● Other (Business Promotion Headquarters , Business Strategy Headquarters, Corporate Management Headquarters)

Ongoing key projects related to the key measures of the medium-term management plans (business operations)

Contribute to the construction of a sustainable future society while enhancing the strengths of our group with each project supporting materiality (important issues)



Advancing the disaster prevention and mitigation technology using satellite technology

Resilience measure 1: Promotion of business strategies in three domains / Consulting Business

M1. Development of secure and safe infrastructure

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

- ▶ Concluded a business and capital alliance (agreement) with the Institute for Q-shu Pioneers of Space, a space venture company originating in Kyushu University, in December 2021.
- ▶ Respond to user needs for a service that provides satellite disaster-prevention information (frequent observation, photographing range expansion, high image quality, quasi-real time)

Images currently used for analysis



L band satellite (StripMapMode) X band satellite (StripMapMode)

QPS images



The state of the buildings in Marunouchi The levels can be clearly confirmed.

Increase added value by implementing satellite technology in the existing projects, and develop new services for a smart society

Advance the disaster prevention and mitigation technology using digital technology

Resilience measure 1: Promotion of business strategies in three domains / Consulting Business

M1. Development of secure and safe infrastructure

Give training to the staff of the Ministry of Land, Infrastructure, Transport and Tourism on digital adaptation and AI utilization for disaster assessment

- ▶ Examine digital adaptation for disaster assessment and give disaster assessment training based on a simulated experience at disaster sites using 360-degree images (VR) and 3D data (point cloud data) as business activities of the Kyushu Regional Development Bureau of the Ministry of Land, Infrastructure, Transport and Tourism
- ▶ Deepen the understanding of AI and engage in AI training to promote appropriate AI utilization.



Virtual tour for disaster assessment



At the AI training

Work on DX using advanced technology to realize quick and efficient disaster recovery and improve the comprehensive ability of disaster prevention

Master Plan for Logistics Base in Vietnam

Resilience measure 1: Promotion of business strategies in three domains / Consulting Business

M2: Development of smart society

Help to improve logistics services in and around Vietnam, which has been an issue for many years

- Completion of the base makes it possible to accept large containers. Promote domestic logistics service and realize overseas export of cargo of the Mekong Delta region



Conceptional drawing of the Cai Mep Ha Logistics Base



Awarded the silver prize of the second Vietnam Urban Planning Award

Participate in logistics-related facility development and peripheral development, and expand to urban development

Project Management for Thailand Urban Railway

Resilience measure 1: Promotion of business strategies in three domains / Consulting Business

M2: Development of smart society

Participate in railway construction as a project management consultant to help reduce the environmental load of the country

- ▶ The new urban railway red line that connects the central part of Bangkok and airports, etc. (41.3 km in total length), started commercial operation in November 2021
- ▶ Alleviate problems such as traffic congestion and air pollution, which are becoming more serious mainly in urban areas, by expanding the railway network



Bang Sue Grand Station



The railway yard adjacent to Bang Sue Grand Station

Expand to railway infrastructure development projects in Asian countries to help reduce the environmental load of other countries

Participate in the Meiji Park Park-PFI project

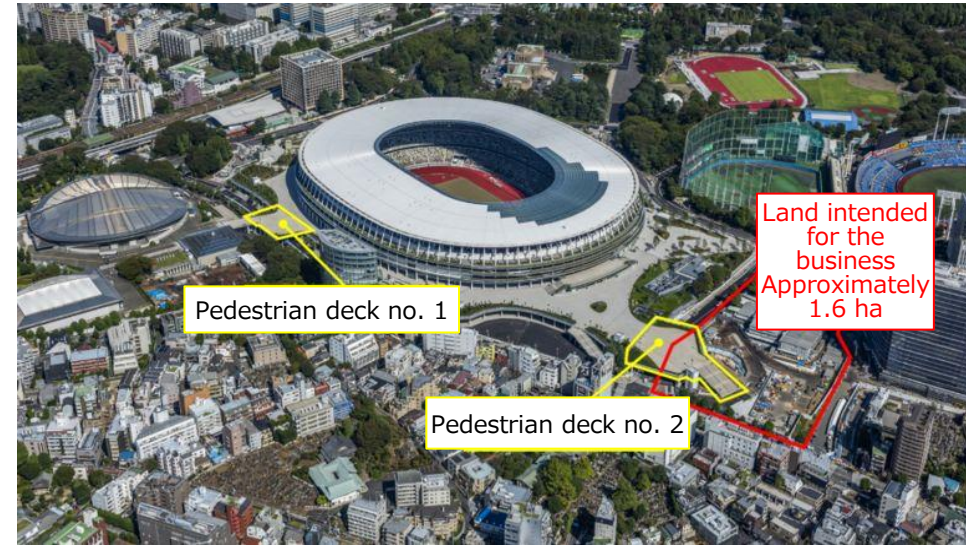
M3: Creation of attractive cities

Tokyo's first Park-PFI project. Our company participates in the Park-PFI project in a metropolitan area for the first time.

- ▶ Participate in the project with a consortium of six companies. Nippon Koei conducts construction and landscaping design and operation monitoring
- ▶ Challenge ourselves to create “a real forest that will last 100 years,” and work on development and operation of a park space that will be the base of the community



Conceptual image of completed area



Land intended for the business

Develop the market for urban development projects in metropolitan areas, and manage sustainable town development in consideration of the environment, disaster prevention, energy, etc.

Regenerating the waterside by the BDP green infrastructure

Resilience measure 1: Promotion of business strategies in three domains / Urban & Spatial Development Business

M3: Creation of attractive cities

Strengthen efforts for the green infrastructure approach to create attractive cities

- ▶ BDP proposes approach technique from the viewpoint of green infrastructure
- ▶ Reconstruct the relationship between the cities around the world and the rivers and waterfronts in those areas to develop cities as green infrastructure.



Patimbang Port City (Indonesia)
Collaboration between BDP, Nippon Koei and INDOKOEI INTERNATIONAL



New Pujiang Center (Shanghai)

Promote sustainable urban development with a rich natural environment through the green infrastructure approach





The UK/Belgium project to construct large-scale power storage has started

Resilience measure 1: Promotion of business strategies in three domains / Energy Business

M4: Strive to achieve decarbonization

Carry out projects for storage batteries for power systems in areas where the spread of renewable energy is advanced

- ▶ Enhance the ability to propose various storage battery solutions, and accumulate know-how of energy management through a one-stop service
- ▶ Propel business deployment with renewable energy + storage batteries & EMS as key technologies for diversifying business profits

Project	FYE June 30, 2022	FYE June 30, 2023	FYE June 30, 2024	FYE June 30, 2025	FYE June 30, 2026
 UK Tollgate (49.5MW/64.5MWh)		Construction started in December 2021	Operation is going to start in spring of 2023 (frequency control, arbitrage, supply and demand adjustment market)		
 UK Cuxton (49.5MW/64.5MWh)		Construction started in December 2021	Operation is going to start in spring of 2023 (frequency control, arbitrage, supply and demand adjustment market)		
 Belgium Ruien (25MW/100MWh)		Construction started in October 2021	Operation is going to start at the beginning of 2023 (frequency control, arbitrage, imbalance adjustment transaction, capacity market)		
 Our company will be able to handle the Japanese electric power market	Apply know-how to Japan. Support full-scale implementation of storage batteries for trading markets and power systems				
		★ April, 2022 FIP system / aggregation license system	★ 2024 capacity market / supply and demand adjustment market Primary and secondary		

NKEE* provides comprehensive services from development, planning, and EPC to operations to expand to domestic energy management business

* Nippon Koei Energy Europe, a European subsidiary in the Netherlands

Building a foundation for power generation and energy management business

Resilience measure 1: Promotion of business strategies in three domains / Energy Business

M4: Strive to achieve decarbonization

Develop related systems in anticipation of the start of the FIP system, the capacity market and coordination of public offerings

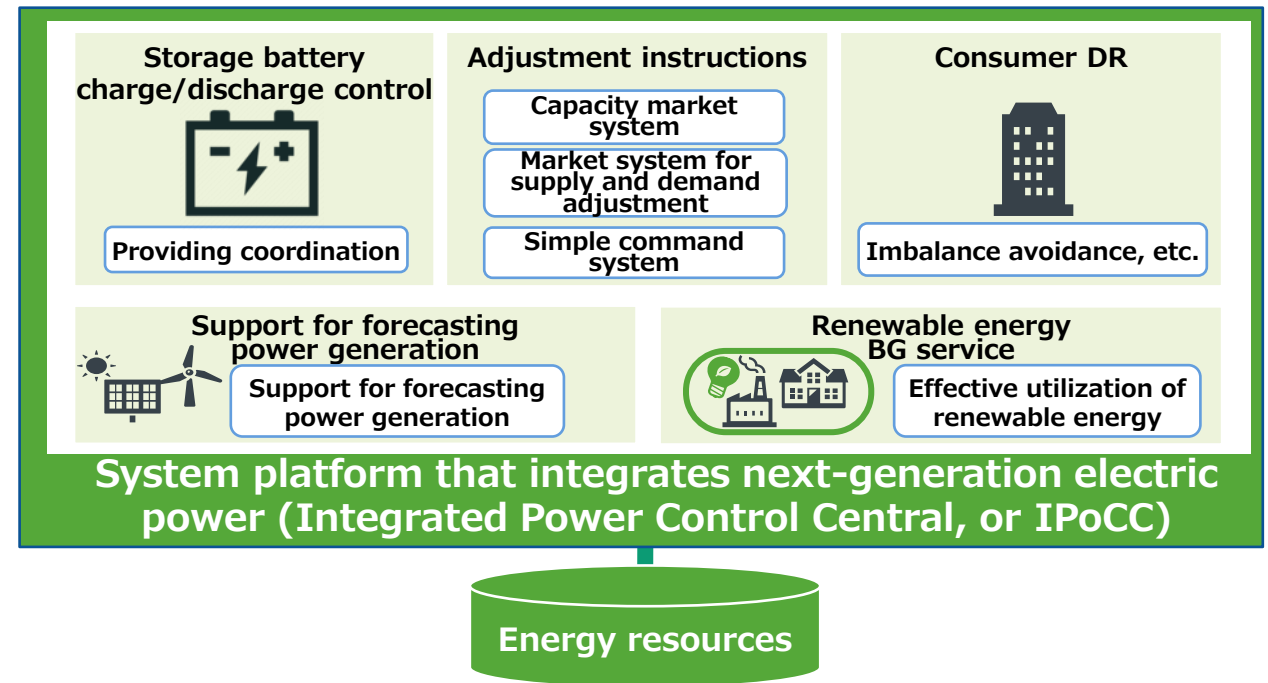
Start providing control systems for VPP (virtual power plant)

We have developed a control system to instruct and respond to resource control between aggregation coordinators and market transactions (NK-AC System) in-house and started providing it as a subscription-type service

Development of system platform that integrates next-generation electric power

We have developed a platform combining multiple functions to carry out appropriate supply and demand management in the electric power system jointly with Mitsui Green Energy and started demonstration projects in sequence.

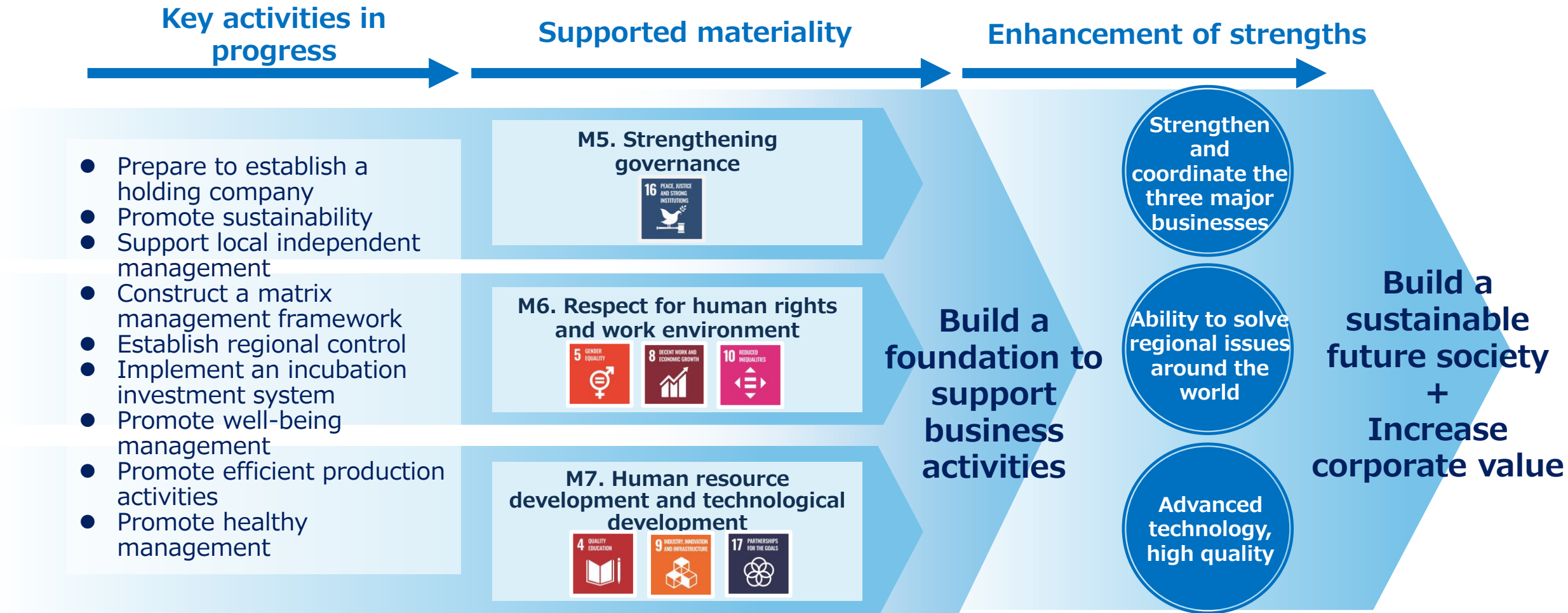
■ Conceptual image of IPoCC



Aim to acquire aggregation business opportunities for renewable energy and power storage resources

Ongoing key activities related to the key measures of the medium-term management plans (management foundation)

Build a foundation to support business activities that enhance the strengths of the Group, and thus both construct a sustainable future society and enhance corporate value.



Strengthening the corporate foundation (shift to a pure holding company, matrix management)

Resilience measure 2: Group management framework to realize matrix management

M5: Strengthening governance

Shift to a pure holding company

FY2023 Integrated operation of Urban & Spatial Development Business and Tamano (scheduled for July 2022)

NIPPON KOEI

Urban & Spatial Development Business, Nippon Koei

Sales scale: Approximately 2 billion yen

Number of members: Approximately 60

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TAMANO

Tamano Consultants

Sales scale: Approximately 16 billion yen

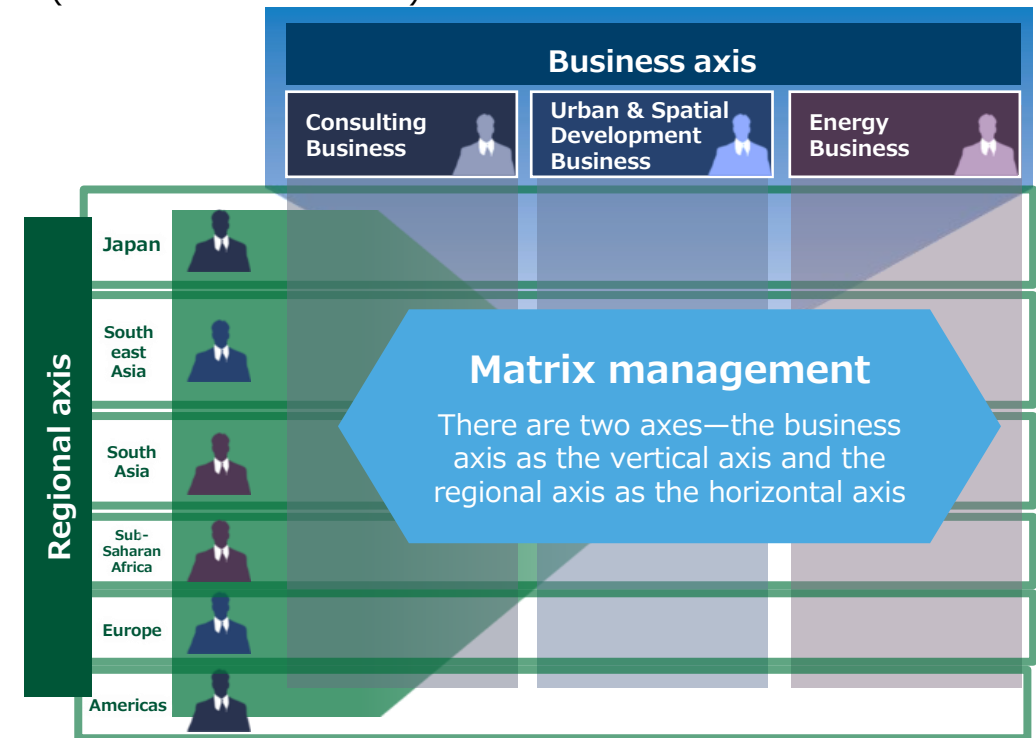
Number of members: Approximately 720

Projects requiring both civil engineering and construction perspectives and ones where customer needs are increasing. Build an organization that provides one-stop services that integrate both fields

FY24 Establish a pure holding company

Matrix management

- ▶ Thoroughly manage each region of the world, and streamline and improve efficiency of operations
- ▶ Promote creation of business in new areas to meet regional needs (incubation investment)



Carry out independent activities of each organization in the Nippon Koei Group, speed up decision-making, and strengthen the framework for managing risks

Strengthening the company's foundation (sustainability)

Resilience measure 2: Group management framework to realize matrix management

M6: Respect for human rights and work environment

Promote sustainability

- ▶ From this term, we will set up a sustainability promotion committee chaired by the director in charge of sustainability to aim to improve the level of activities of the group company

■ Scheduled activities during the period of the medium-term plan



■ Draw up basic policies for sustainability

Contribute to society through business activities		We will proactively promote commercialization of efforts to solve social issues and contribute to the development of a sustainable society through business activities to support optimal infrastructure development according to the needs of the times.
Environment	Environmental consideration	We will strive to create a richer social environment that harmonizes the natural environment and the living environment by emphasizing climate change response, transition to a resource-recycling society and the need for biodiversity.
	Respect for human rights	Through the supply chain, we recognize diversity, respond to human rights risks related to race, nationality, gender, ideology, beliefs and social status, etc., and strive not to assist human rights violations.
Social	Human resource development	We will develop human resources who have expertise to meet customer needs and can globally play an active role, and will maintain fair and impartial employment relationships so that employees can play an active role.
	Improvement of working environment	We will support not only the safety of employees but also proactive health promotion, and will strive to develop an environment that is worth working in where they can actually feel comfort and richness.
	Strengthening governance	We will comply with the policies for corporate governance and ensure transparency of management through complete communication with stakeholders to increase the degree of reliability.
Governance	Sincere business execution	We will comply with corporate ethics including laws and ordinances and social norms and carry out fair transactions with all the business partners by respecting mutual positions.

Strongly promote social contribution through business activities, and realize sustainable growth of the Group together with society

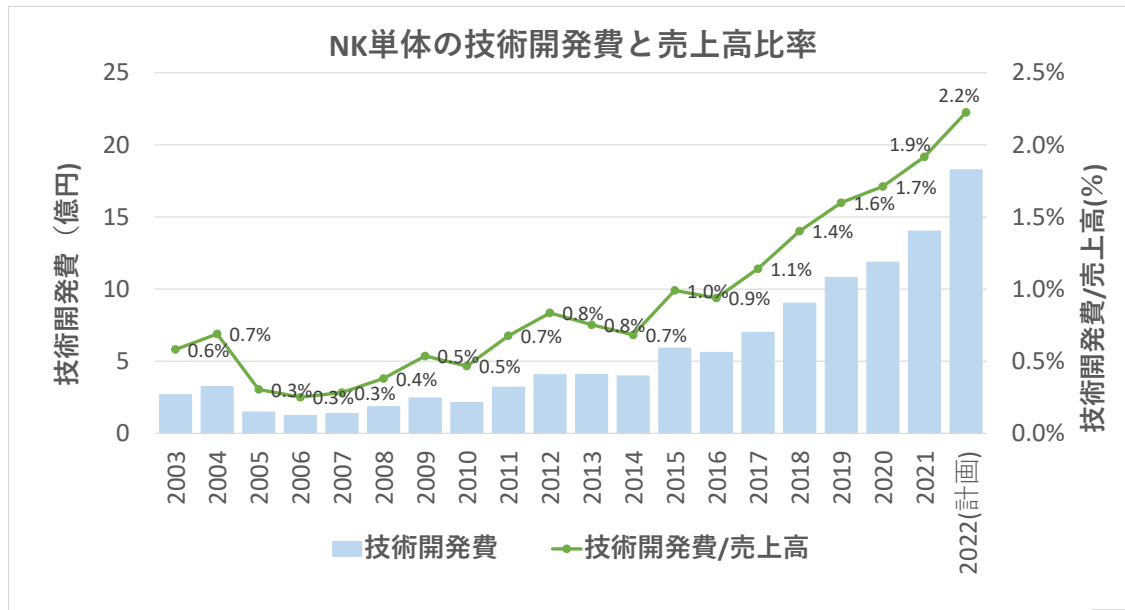
Technical development and DX promotion

Resilience measure 3: Establishment of the NKG brand and NKG quality

M7: Human resource development and technological development

Continue investment to promote technological development

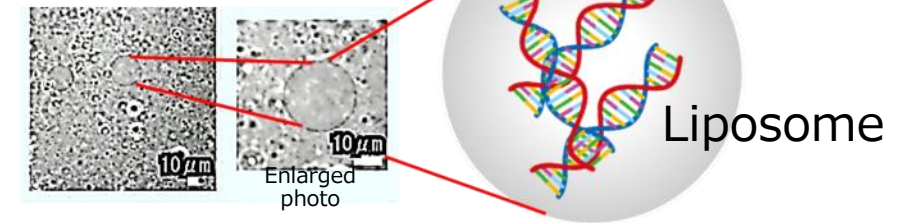
- ▶ Technological development cost has a tendency to increase year by year
- ▶ FYE June 30, 2022 Technology development cost: 1.8 billion yen (up 400 million yen from the previous fiscal year)
2.2% of sales (up 0.3% from the previous year)



Develop advanced new research methods and make them intellectual property

- ▶ DNA tracer technology (a patent has been applied for jointly with Yamaguchi University)

Put DNA into this membrane



Conceptual image of usage example

1. Grasp the causal relationship between road collapse and underground construction
2. Check the location of water leakage from industrial waste facilities, etc.
3. Check water leakage and water of unknown origin in sewage pipes

Differentiate from other companies by using advanced tools, and expand business by applying development technology to practice

Technical development and DX promotion

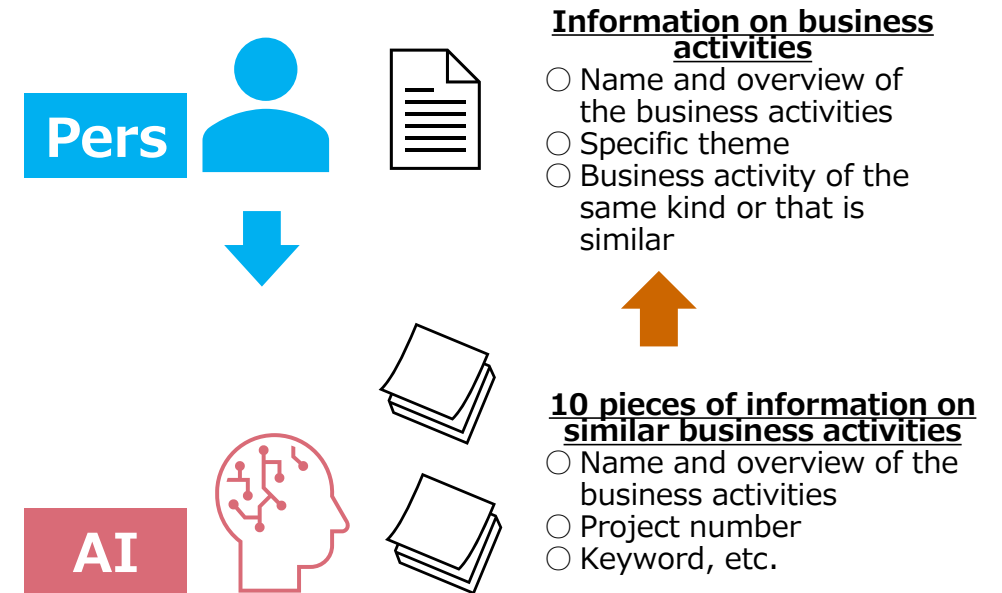
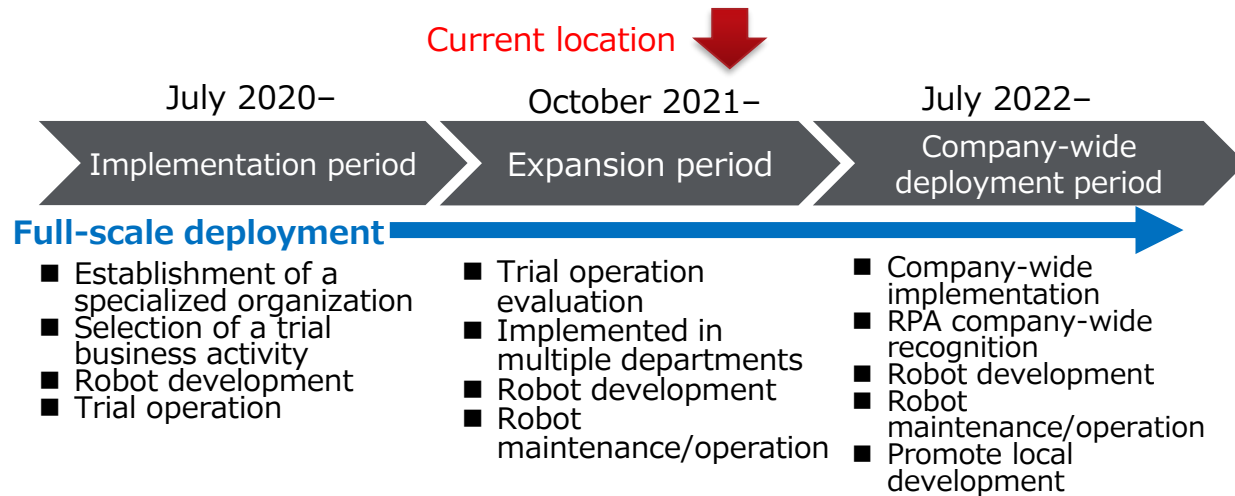
Resilience measure 3: Establishment of the NKG brand and NKG quality

M7: Human resource development and technological development

Promote improvement of the operational efficiency by organizing, manipulating and analyzing data using RPA and AI

- ▶ Currently in a transitional time going from the implementation period to the expansion period
- ▶ The operation method and rules have been prepared and maintained, and are gradually being deployed company-wide.
- ▶ A similar tool for estimating business activities using RPA & AI has been released in-house

- ▶ Input the publicly disclosed information on business activities
→ 10 similar past business activities are output by AI



Improve productivity, assure quality and reduce cost by using advanced tools



Working Together Toward A Future Without Boundaries

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Appendix.

Change of Business Segments (From FYE June 2022)

In order to further promote collaboration, we will change from the previous five business segments to three.

Up to FYE June 2021 (before the revision)

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 FYE 21/6 Transfer of NK Urban Development Dept.	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 the revision)

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] FYE June 30, 2022 1Q Results for Each of the Five Business Segments (IFRS)

(Millions of yen)	FYE21/6 1Q Results	FYE22/6 1Q Results	YoY Change	
			Amount	%
Orders	27,083	25,319	-1,764	93.5%
Domestic Consulting	16,662	16,764	101	100.6%
International Consulting	3,669	3,553	-115	96.9%
Power Engineering	3,769	2,090	-1,679	55.5%
Urban & Spatial Development	2,910	2,868	-41	98.6%
Energy	34	42	7	122.6%
Revenue	21,053	23,960	2,906	113.8%
Domestic Consulting	8,614	8,585	-29	99.7%
International Consulting	4,388	6,265	1,877	142.8%
Power Engineering	3,192	3,663	471	114.8%
Urban & Spatial Development	4,489	5,002	512	111.4%
Energy	189	262	73	138.7%
Other	180	181	1	100.9%
Operating profit	-1,112	-320	792	-
Domestic Consulting	-967	-927	40	-
International Consulting	9	523	514	5649.1%
Power Engineering	-148	219	367	-
Urban & Spatial Development	394	316	-77	80.3%
Energy	36	36	0	100.1%
Other	-437	-489	-52	-

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

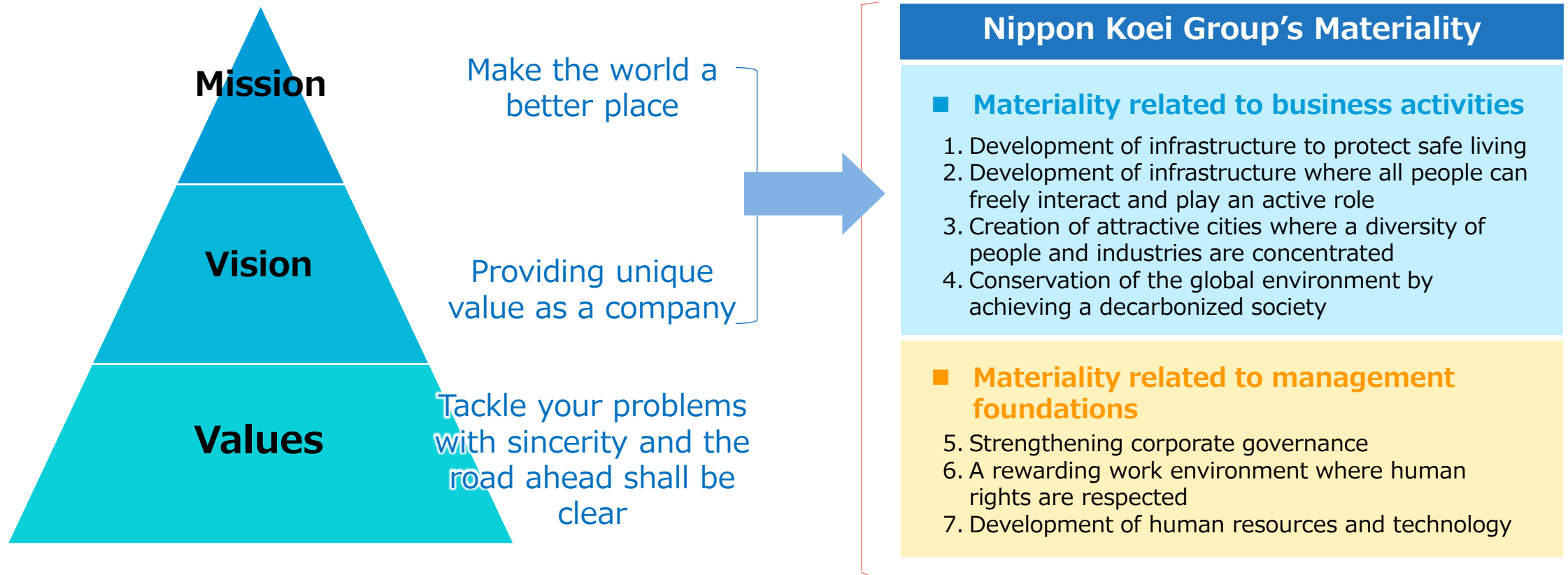
[Reference] FYE June 30, 2022 Forecast for Each of the Five Business Segments (IFRS)

	FYE 2021/6 Results	FYE 2022/6 Plan	YoY Change	
			Amount	%
Orders	133,304	130,000	-3,304	97.5%
Domestic Consulting	62,047	62,000	-47	99.9%
International Consulting	35,721	33,000	-2,721	92.4%
Power Engineering	13,880	15,000	1,119	108.1%
Urban & Spatial Development	21,457	20,000	-1,457	93.2%
Energy	111	0	-111	-
Revenue	117,859	131,000	13,140	111.1%
Domestic Consulting	55,345	58,000	2,654	104.8%
International Consulting	24,753	31,000	6,246	125.2%
Power Engineering	15,831	19,000	3,168	120.0%
Urban & Spatial Development	20,274	21,000	725	103.6%
Energy	790	1,000	209	126.5%
Real Estate Leasing and Other	865	1,000	134	115.6%
Operating profit	7,128	7,700	571	108.0%
Domestic Consulting	6,128	5,700	-428	93.0%
International Consulting	1,853	2,000	146	107.9%
Power Engineering	858	1,900	1,041	221.4%
Urban & Spatial Development	2,266	1,500	-766	66.2%
Energy	-1,919	-200	1,719	-
Real Estate Leasing and Other	-2,058	-3,200	-1,141	-

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

Mission and Materiality of the Nippon Koei Group

Reviewed Mission, Vision and Values and specified the materiality in order to actively contribute to SDGs and increase corporate value



Long-term Management Strategy: Basic Scheme

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 the 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 initiative 1 Reorganizing business segments; developing one- stop services

- New development in three business domains
- Realization of one-stop services and agile business management
- Full-scale expansion into business management

Working together initiative 2 Promoting autonomy and collaboration

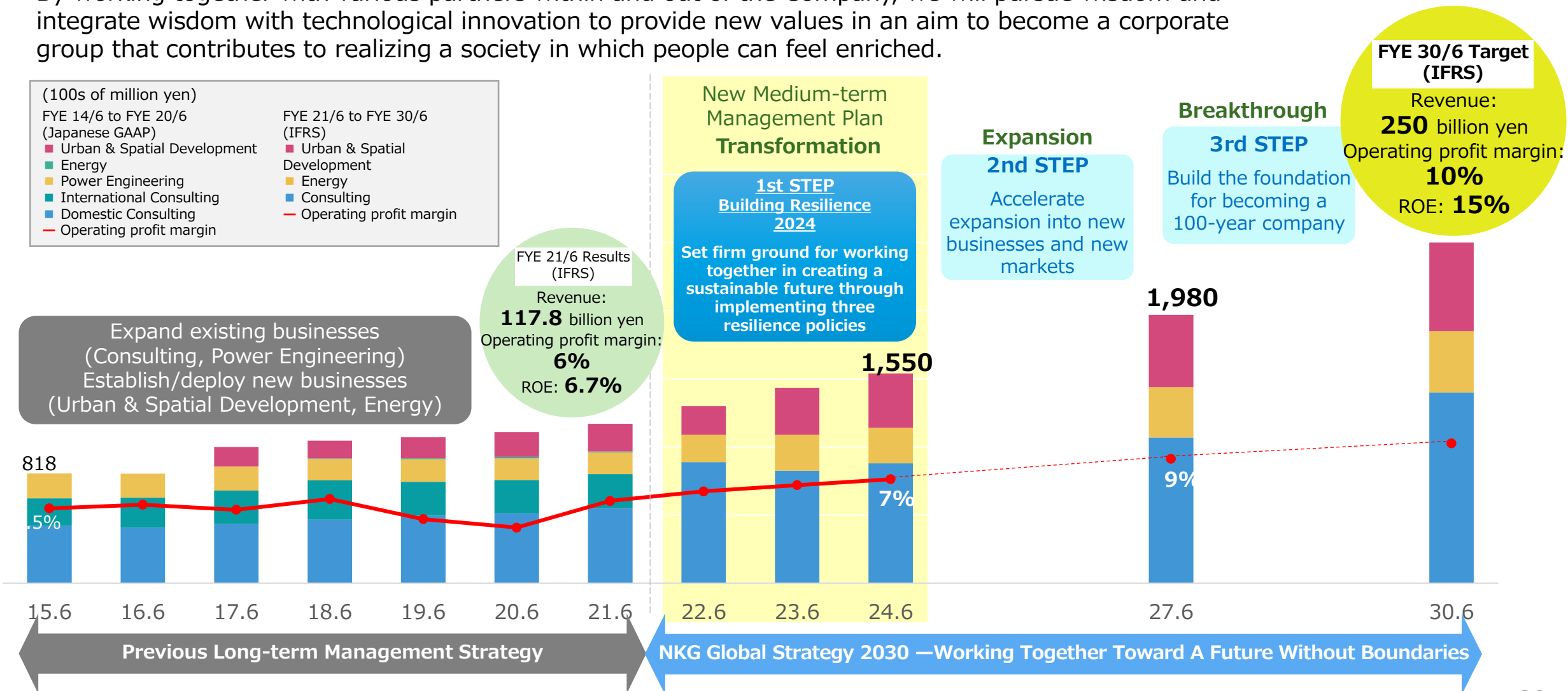
- Autonomy and collaboration; faster decision-making; transitioning to a holding company for coexistence of diversity
- Implementation of matrix management across businesses and regions

Working together initiative 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 partners within and out of the Company, 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.



Financial strategy

Target indicators

Long-term management strategy

Operating profit margin ROE
10% **15%**

Medium-term management plans

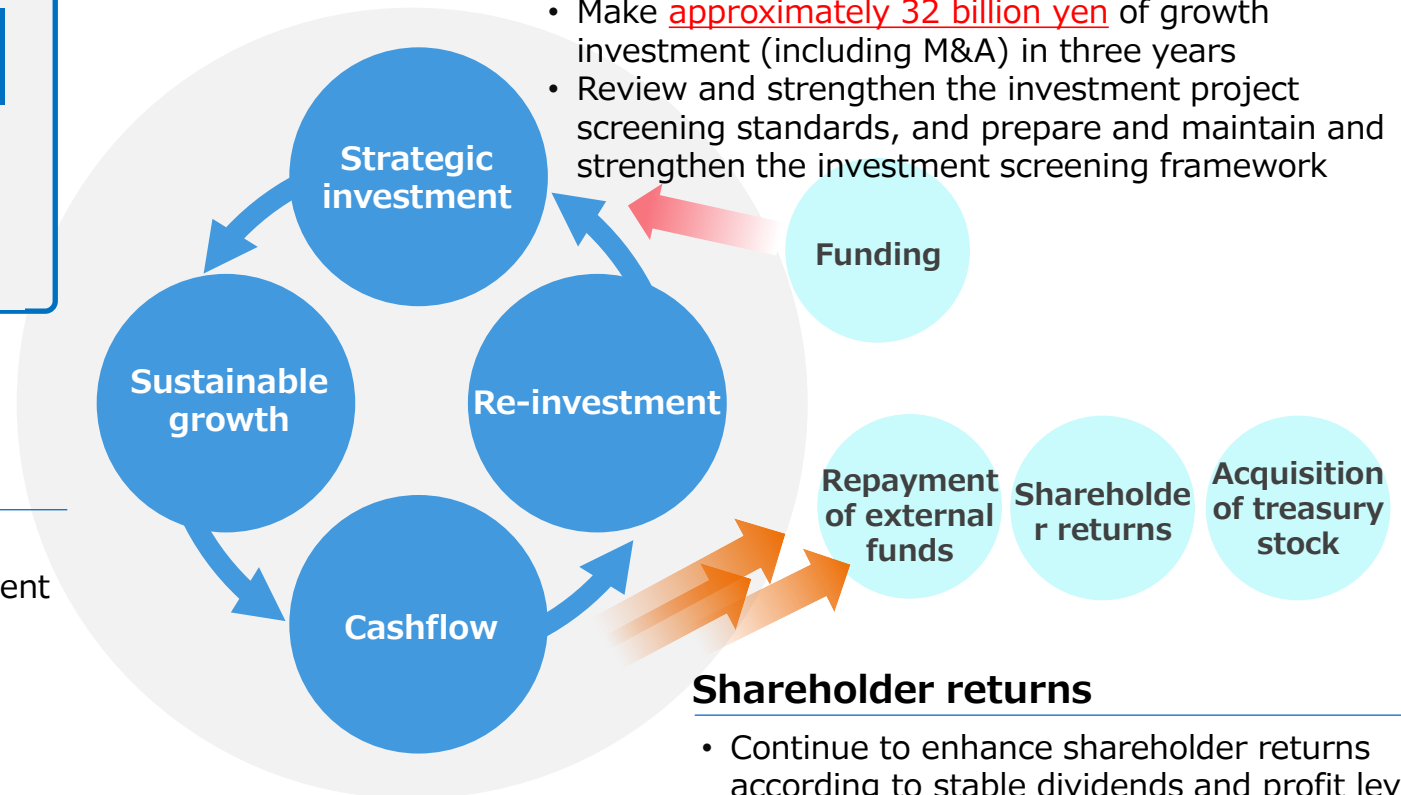
Operating profit margin ROE
7% **9%**

Ensuring financial soundness

- Aim for a capital-to-asset ratio of 40% even during the period of concentration of investment in order to ensure a sound financial condition

Investment policies

- Make approximately 32 billion yen of growth investment (including M&A) in three years
- Review and strengthen the investment project screening standards, and prepare and maintain and strengthen the investment screening framework



Shareholder returns

- Continue to enhance shareholder returns according to stable dividends and profit levels with a dividend payout ratio of 30% as a goal
- Acquire/cancel treasury stock in order to achieve an appropriate total return ratio according to the situation

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

(Millions of yen)	FYE 2021/6 Results	FYE 2024/6 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%	1.4pt	
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 pt	

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

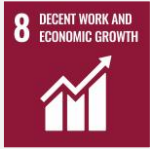



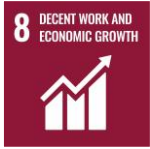








(Millions of yen)	FYE 2021/6 Results	FYE 2024/6 Plan	Amount	%
Orders	133,304	150,000	16,695	112.5%
Consulting Business	97,769	92,000	-5,769	94.1%
Urban & Spatial Development Business	21,457	39,000	17,542	181.8%
Energy Business	13,991	19,000	5,008	135.8%
Revenue	117,859	155,000	37,140	131.5%
Consulting 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%
Real Estate Leasing and Other	865	1,000	134	115.6%
Operating profit	7,128	11,500	4,371	161.3%
Consulting Business	7,981	8,200	218	102.7%
Urban & Spatial Development Business	2,266	3,200	933	141.2%
Energy Business	-1,061	3,300	4,361	-
Real Estate Leasing and Other	-2,058	-3,200	-1,141	-

*Figures in three segments for FYE 21/6 are simple aggregations before intercompany eliminations.

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



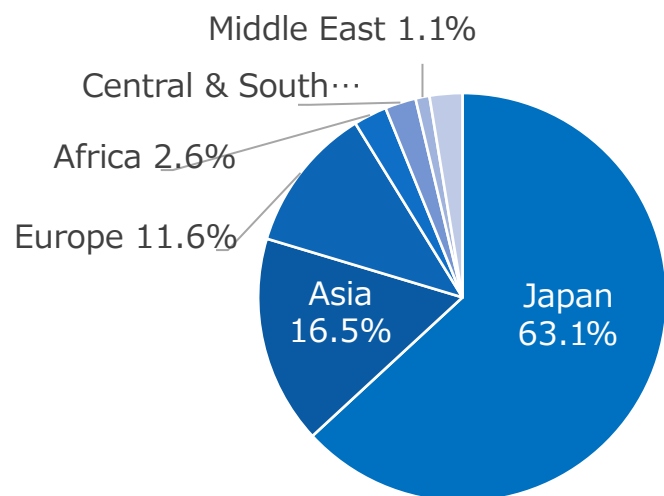
Link business activities with materiality, identify what the Nippon Koei Group can do about common issues in the world and contribute to achieving the sustainable development goals (SDGs) while driving these initiatives to also increase corporate value of the Company.

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.

Corporate Profile (As of June 30, 2021)

- Corporate name Nippon Koei Co., Ltd.
- Established: June 7, 1946
- Capital: ¥7,480 million
- Number of employees: 5,936 [consolidated]
2,537 [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.

Net sales by region



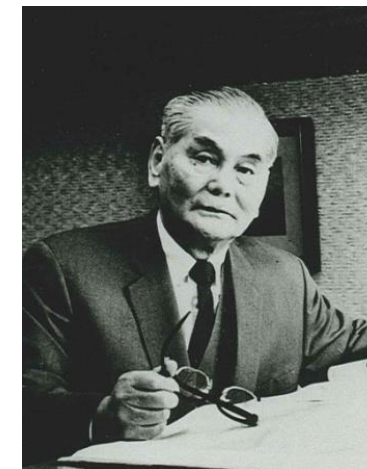
■ Founder: Yutaka Kubota (1890–1986)

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.

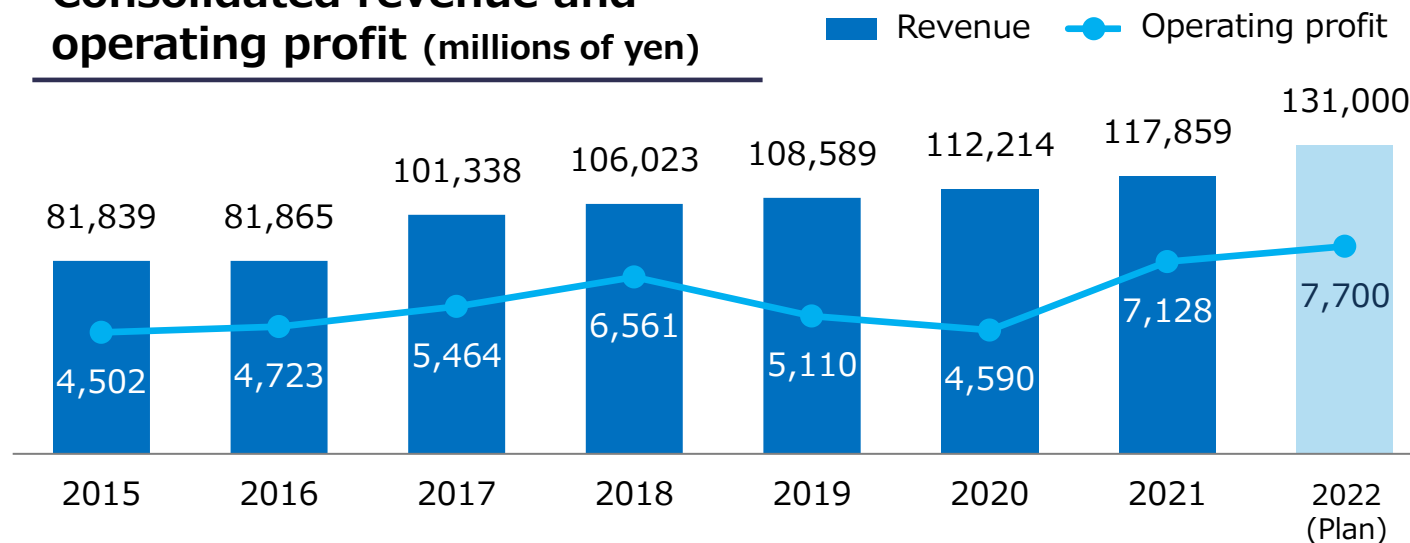
After the war, in a bid to work toward the restoration of Japan and reconstruction of countries damaged by the war, he founded the Company at the age of 56.

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.



Consolidated revenue and operating profit (millions of yen)



* Figures 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.

Business Development

Consulting Business



Having civil engineering and other professional technologies, we engage in the consulting business, such as planning and design associated with the development and maintenance of social infrastructure and safety measures, for the state, local governments, overseas government institutions, private firms and others. Civil engineering consultants are expected to demonstrate high expertise and technical skills along with integrated capabilities more than ever in handling increasingly complicated social issues. Nippon Koei supports social infrastructure while undertaking various roles as a comprehensive partner of 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 in urban & spatial development that accommodates the needs of the new era.

Energy Business



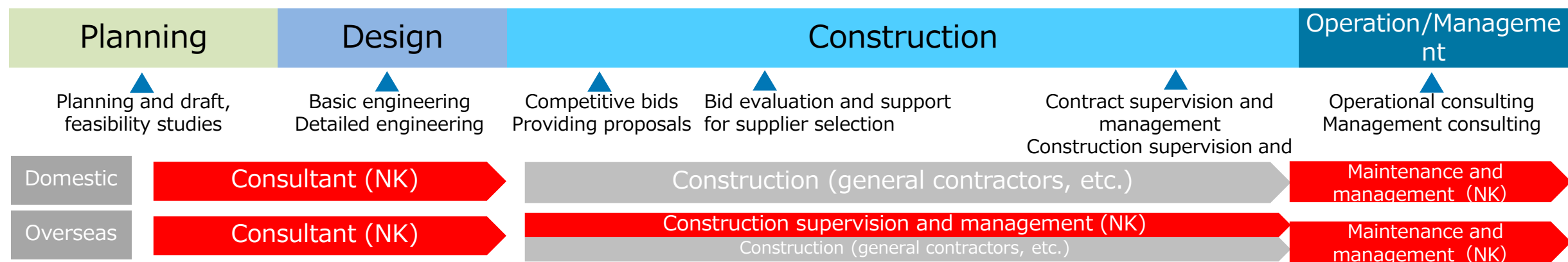
We provide services for power and electric facilities in Japan and abroad in all phases from planning and research to design, construction, manufacturing of equipment and maintenance. In addition, the world is advancing toward decarbonization and the renewable energy-related businesses are going through 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."

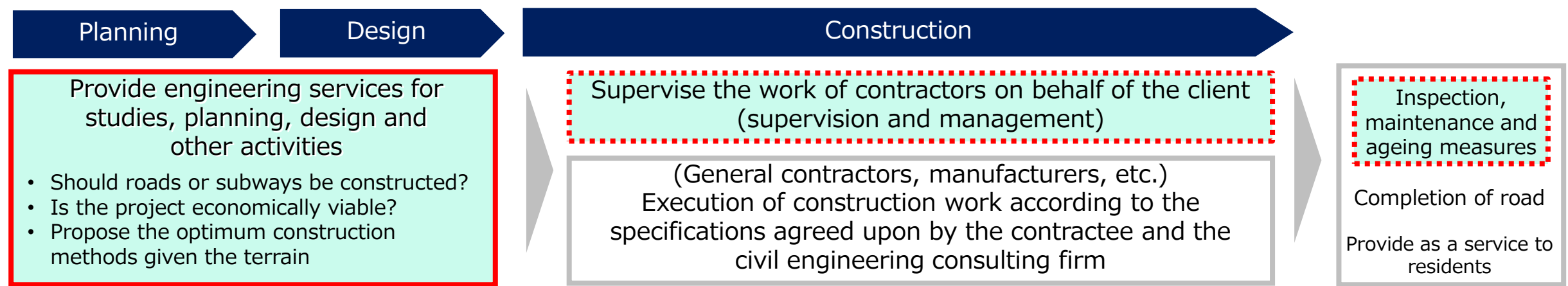
Job Description for Civil Engineering Consultants

Domestic: Mainly involved in steps up to the 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 developed along with progress in society
(Win-win relationship between society and Nippon Koei)

Implementation of transformation to meet market needs



Commercialization of solutions for social issues

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

Comprehensive strength: Capable of solving sophisticated or complex issues

Human resources: Having the largest number of engineers in the industry

Technologies: Equipped with in-house R&D facilities and a number of patents

Consolidated net sales:
¥117.8 billion

No. of countries where business is undertaken:
Over 160

No. of orders per year:
Over 9,000

No. of patents acquired:
85

No. of professional engineers
1,656



Provide solutions for needs of the era and realize sustainable business expansion and profitability growth

Position in Industry

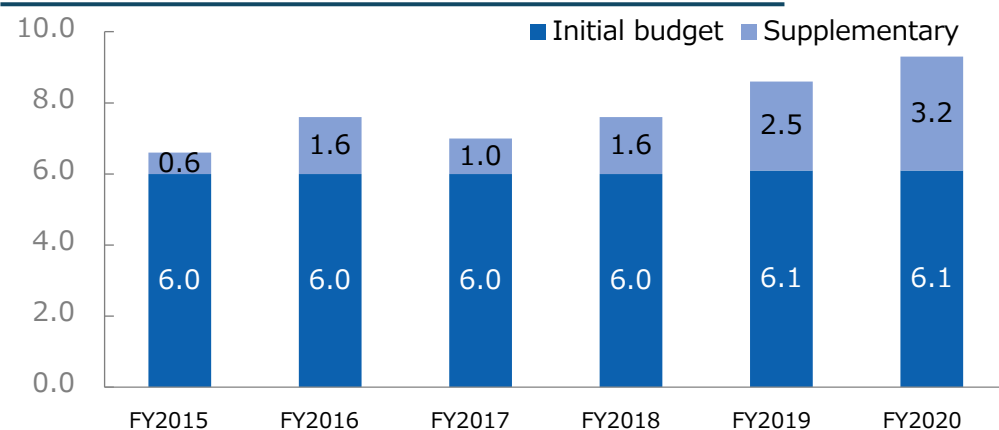
Nippon Koei is Japan's leading civil engineering consultant.

Rank	Corporate name:	Sales (Millions of yen/Non-consolidated)	
		Construction consultation segment	Corporate Total
1	Nippon Koei	53,627	69,431
2	Pacific Consultants Co., Ltd.	49,099	50,755
3	CTI Engineering Co., Ltd.	42,316	44,322
4	Oriental Consultants Co., Ltd.	24,442	24,579
5	JR East Consultants Company	22,273	24,530
6	Yachiyo Engineering Co., Ltd.	20,895	21,398
7	Nihon Suido Consultants Co., Ltd.	20,427	20,538
8	Oriental Consultants Global Co., Ltd.	20,308	20,308
9	Eight-Japan Engineering Consultants Inc.	19,903	22,140
10	IDEA Consultants, Inc.	18,921	19,423
22	Tamano Consultants Co., Ltd. (strong in urban planning and community development)	11,645	13,622
92	Nippon Civic Consulting Engineers Co., Ltd. (strong in shield tunneling)	2,341	2,384

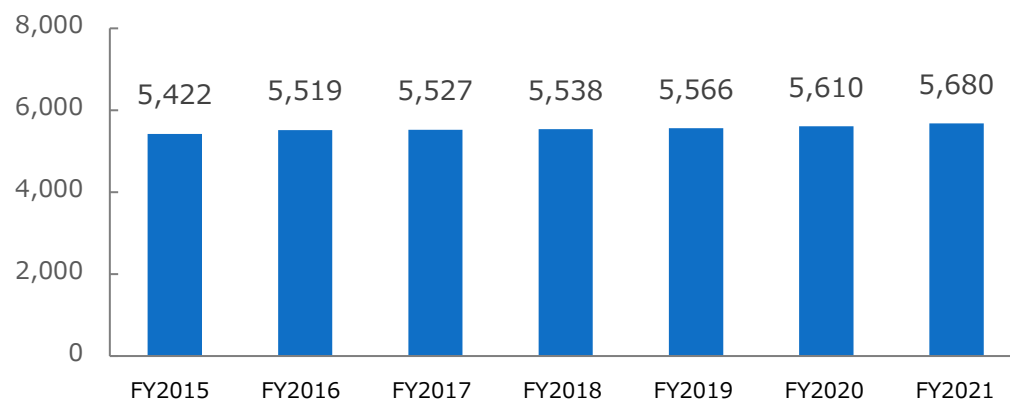
*Source: Nikkei Construction, April 26, 2021 edition. Ranking by engineering consultant division sales (according to published financial results) **NIPPON KOEI** 46

Consulting Business: Market Trends and Operating Results

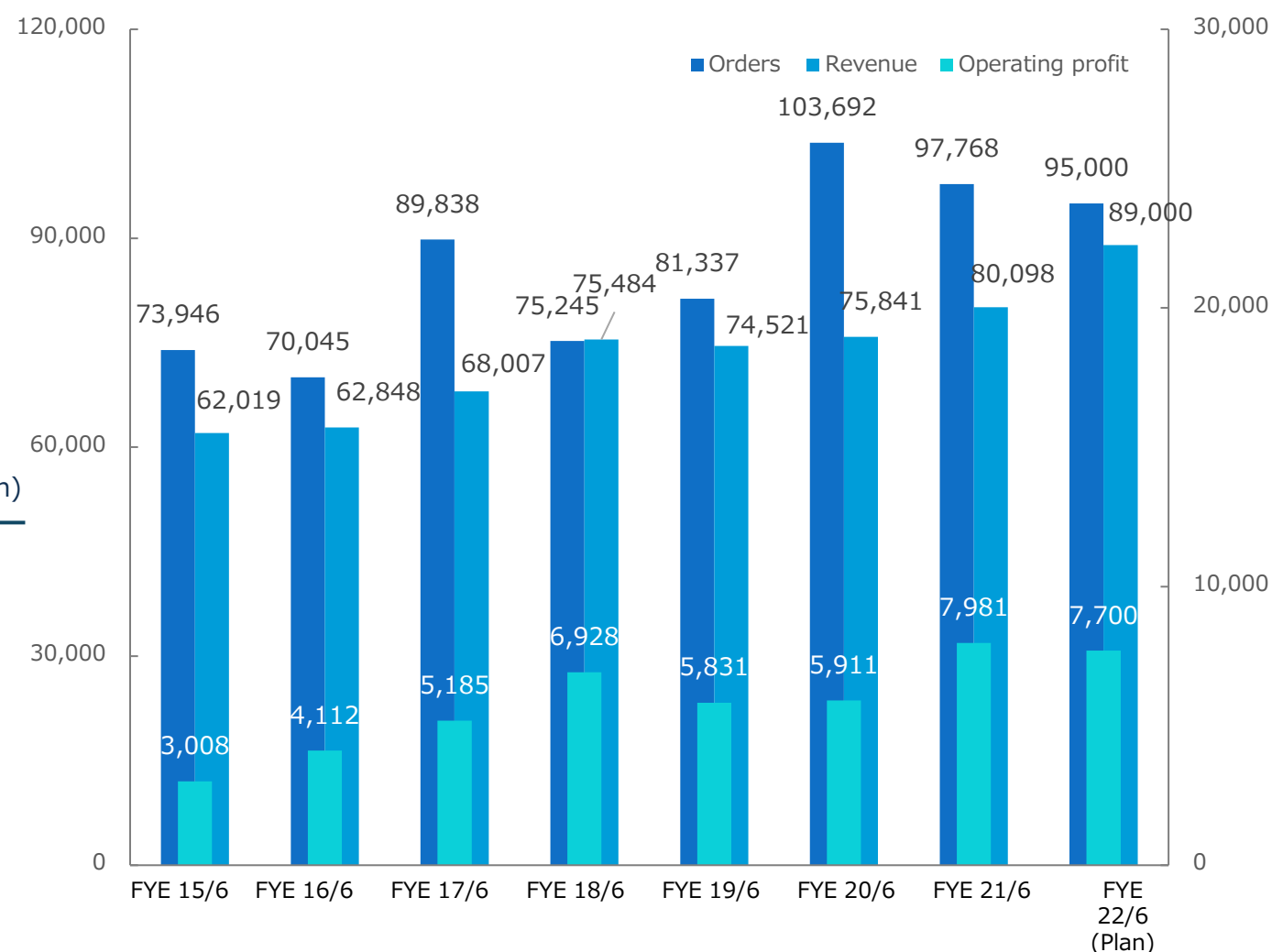
Public Works Expenditures (Trillions of yen)



Initial ODA Budget in the General Account (100s of million yen)



Nippon Koei Consulting Business: Operating Results (Millions of yen)

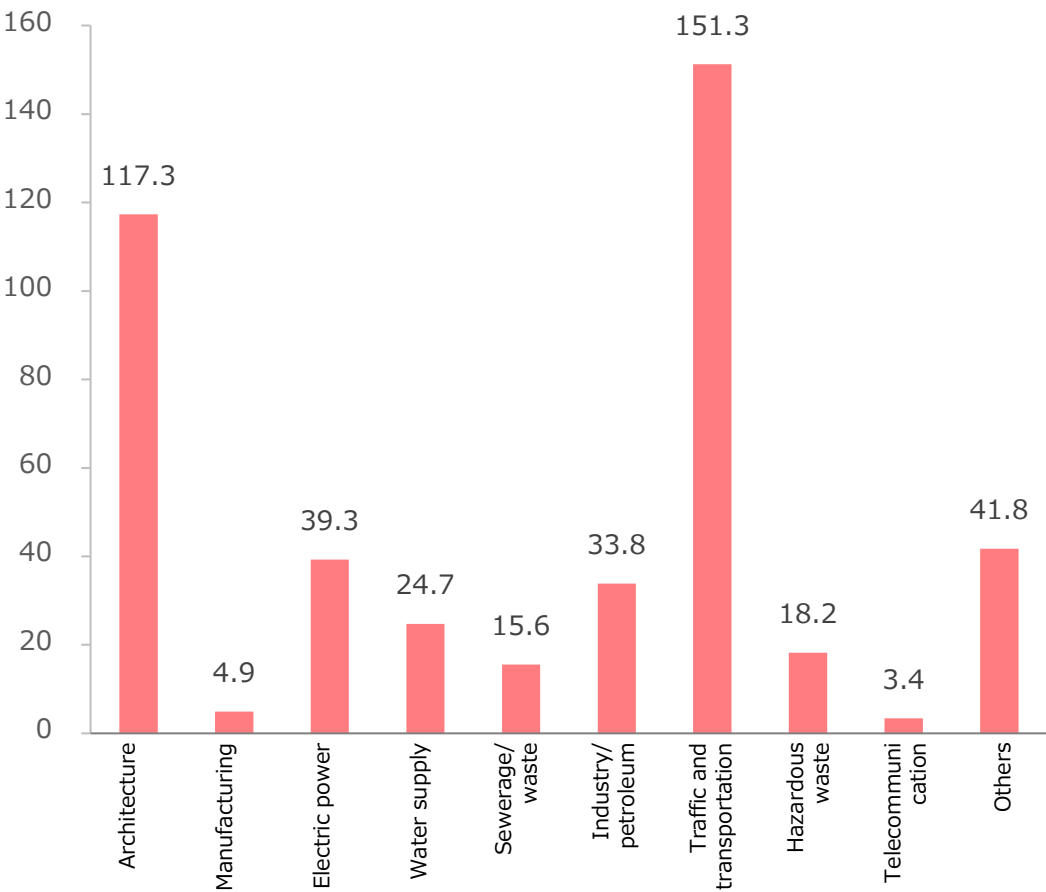


* Figures showing operating results for FYE 15/6 through FYE 21/6 are simple aggregations of the figures for Domestic Consulting and International Consulting Businesses before intercompany eliminations.

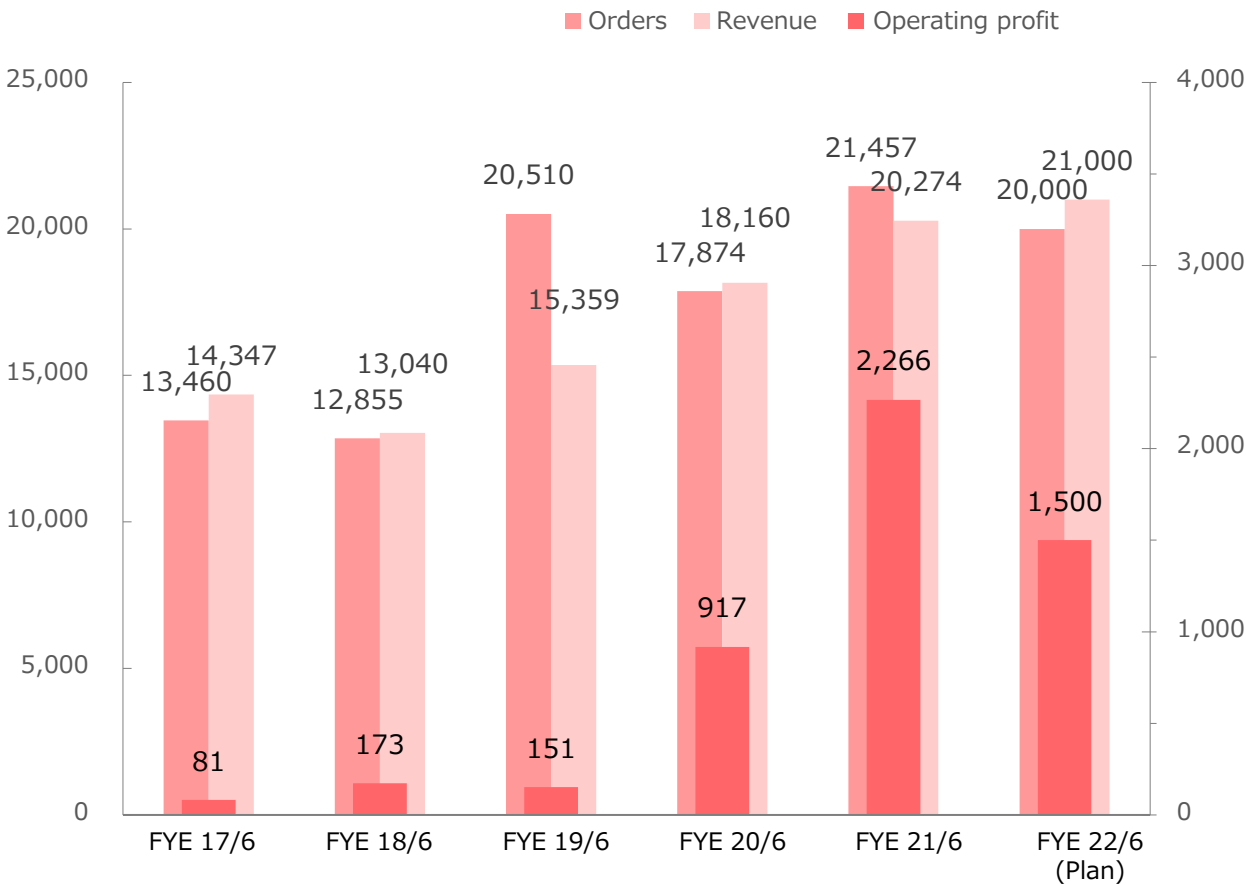
* Operating results for years up to FYE 20/6 are based on Japanese GAAP while those for FYE 21/6 and onward are based on the IFRS.

Urban & Spatial Development Business: Market Trends and Operating Results

Sales of Top 164 Firms in FY2020
by Sector (100s of million US dollars)



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



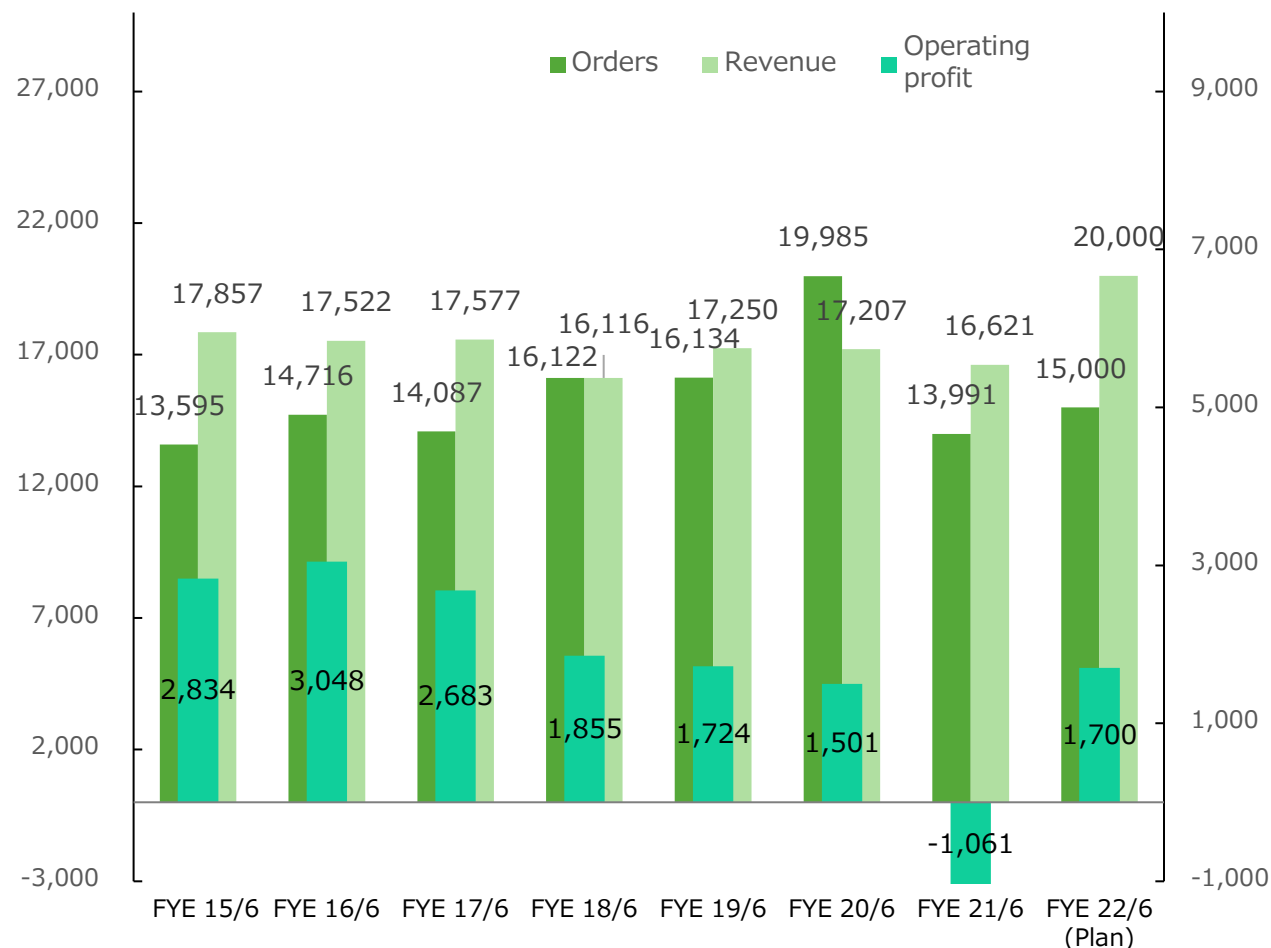
* Source: Compiled by the Company based on information available in the ENR magazine (issued in August 2021)
* Operating results for years up to FYE 20/6 are based on Japanese GAAP while those for FYE 21/6 and onward are based on the IFRS.

Energy Business: Market Trends and Operating Results

Repair Expenses for Tokyo Electric Power Company Holdings, Inc. (100s of million yen)



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



* Figures showing operating results for FYE 18/6 through FYE 21/6 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 Nippon Koei logo is displayed in a bold, italicized, blue sans-serif font. The background of the slide features a complex, abstract design with overlapping blue and white geometric shapes, creating a sense of depth and movement. A network of glowing blue lines and dots is overlaid on the design, suggesting a digital or technological theme.

NIPPON KOEI

Inquiries on IR-related matters
Corporate Communication Office, Nippon Koei Co., Ltd.
c-com@n-koei.co.jp

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