

Presentation of Financial Results for FYE June 30, 2021 and Medium-term Management Plan

September 8, 2021



Director and Chairman

Ryuichi Arimoto

Representative Director and President

Hiroaki Shinya



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- **Results for FYE June 30, 2021**
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Review of FYE June 30, 2021 (Japanese GAAP)

Actively pursued business activities during the year while identifying changes in the market environment and taking countermeasures. Forecasts were revised upward.

(Millions of yen)	Initial Plan for Reference (Plan-A)	Initial Plan (Plan-B)		Feb 12 Revised Forecasts		May 14 Revised Forecasts		Aug 2 Revised Forecasts		FYE 2021/6 Results
Orders	123,400	104,900	+13,400	118,300	▲1,900	116,400	+15,700	132,100	+77	132,177
Net sales	128,300	102,600	+15,000	117,600	▲1,000	116,600	+1,100	117,700	+10	117,710
Operating profit	7,600	1,500	+3,400	4,900	+2,200	7,100	+600	7,700	+15	7,715
Profit	7,100	500	+800	1,300	+1,300	2,600	+900	3,500	+37	3,537

Assumption for initial plan

- Basic policy: Implement the best measures on assumption that the worst situation continues throughout the year.
- Although the impact of COVID-19 on net sales was estimated to be up to ¥40 billion, various measures resulted in a projection of approximately ¥26 billion.
- Set the published figure (Plan-B) as the must-reach target, but pursued the higher internal target (Plan-A).

Measures during the year

- Integrated the domestic and international consulting operations and the R&D Center. Promoted mobilization of human resources that can flexibly respond to market changes and worked to maintain and improve the operating rate.
- Actively adopted and deployed work-from-home system and improved productivity by utilizing digital technology while implementing work-style reforms.
- Increased liquidity at hand amid a highly uncertain business environment.

Results

- Net sales and operating profit posted new record highs although orders declined year on year.
- Results significantly exceeded Plan-B. Orders and operating profit achieved Plan-A targets although net sales and profit fell short.

Results for FYE June 30, 2021 (IFRS)

Revenue and operating profit posted new record highs although orders declined year on year.

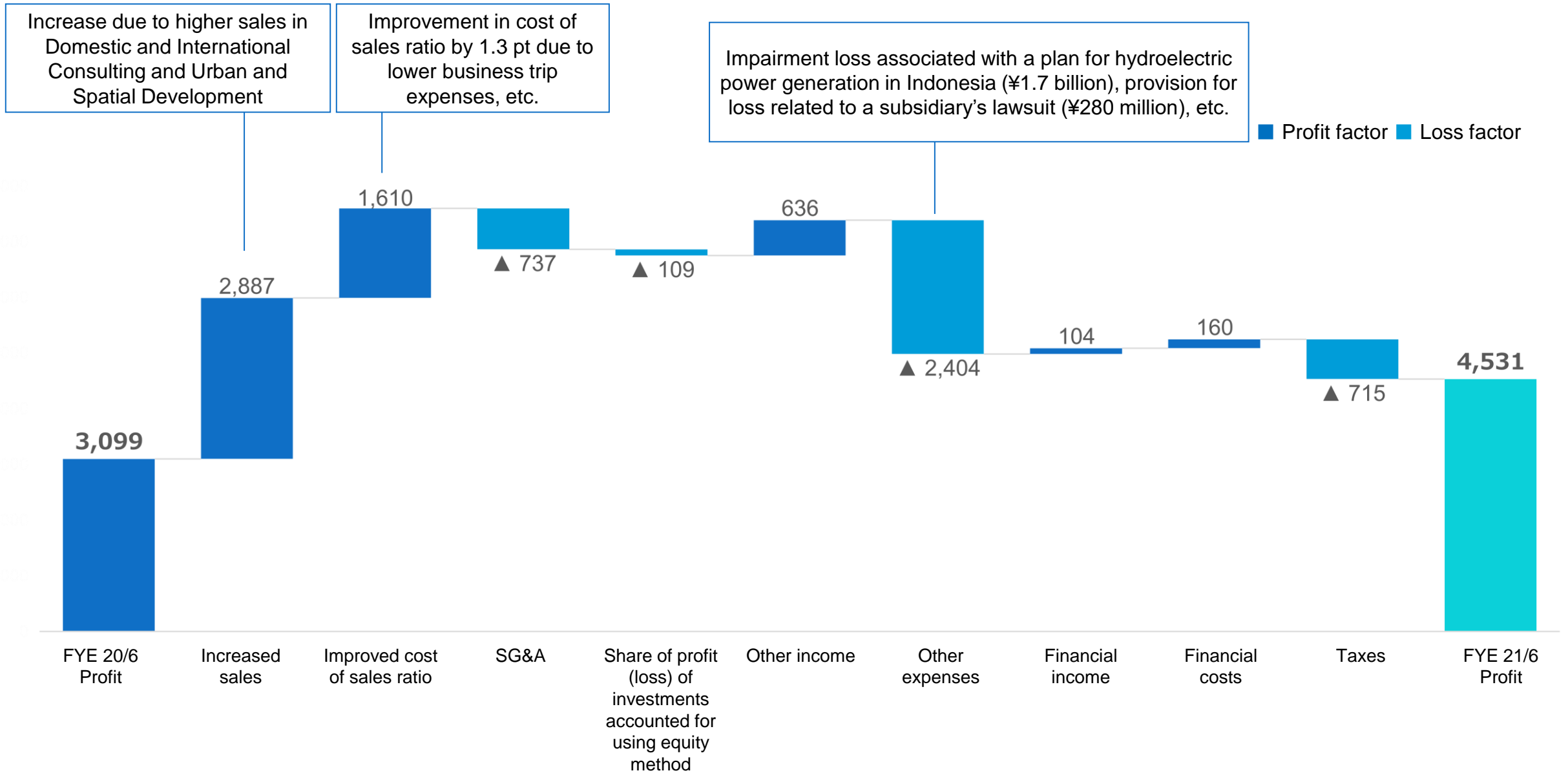
(Millions of yen)	FYE 20/6 Results	FYE 21/6 Results	YoY Change		Initial Plan	vs. Plan	
			Amount	%		Amount	%
Orders	144,871	133,304	▲ 11,567	92.0%	104,900	28,404	127.1%
Revenue	108,441	117,859	9,418	108.7%	102,600	15,259	114.9%
Gross profit	33,238	37,735	4,497	113.5%	31,400	6,335	120.2%
Operating profit	5,245	7,128	1,882	135.9%	3,000	4,128	237.6%
Profit before tax	5,029	7,176	2,147	142.7%	2,900	4,276	247.5%
Profit attributable to owners of parent	3,099	4,531	1,432	146.2%	1,200	3,331	377.7%

* The Company has adopted the International Financial Reporting Standards (IFRS) effective the fiscal year under review. Consolidated financial results of the previous fiscal year are also indicated in accordance with the IFRS. For reference values based on Japanese GAAP, please see page 52.

Highlights of FYE June 30, 2021

- Orders were affected by a reactionary decrease associated with large-scale orders received in the previous fiscal year in International Consulting and Power Engineering.
- Revenue progressed even amid the COVID-19 pandemic and increased in all segments except for Energy.
- Profitability significantly improved thanks to productivity-improvement measures and cost reductions, and profits increased at every level.
- Recorded temporary expenses of ¥2.4 billion mainly due to an impairment loss associated with a landslide at a hydroelectric power plant in Indonesia and a provision for loss related to a subsidiary's lawsuit.
- Recorded provision for loss on construction contracts of ¥300 million for the vertical water turbine projects which caused a delay in the announcement of 1Q financial results.

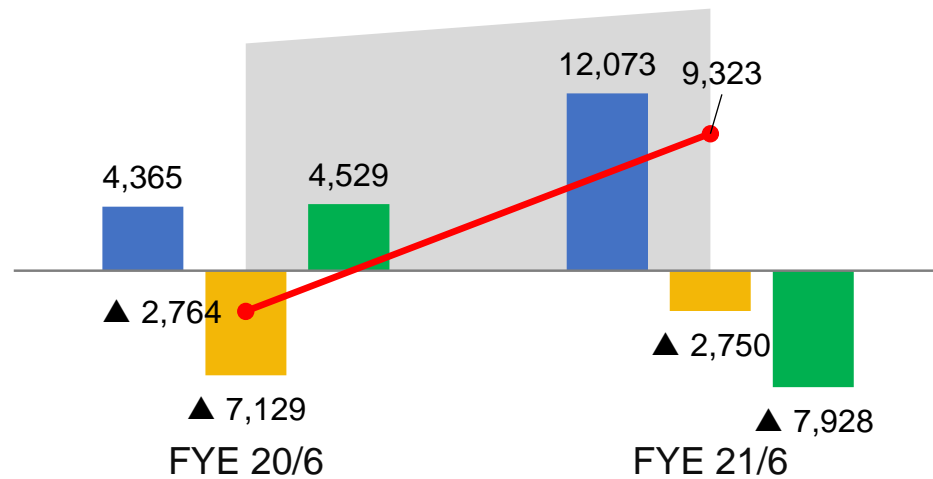
Profit/Loss Analysis (IFRS)



Cash Flows / Balance Sheet (IFRS)

Cash Flows (Millions of yen)

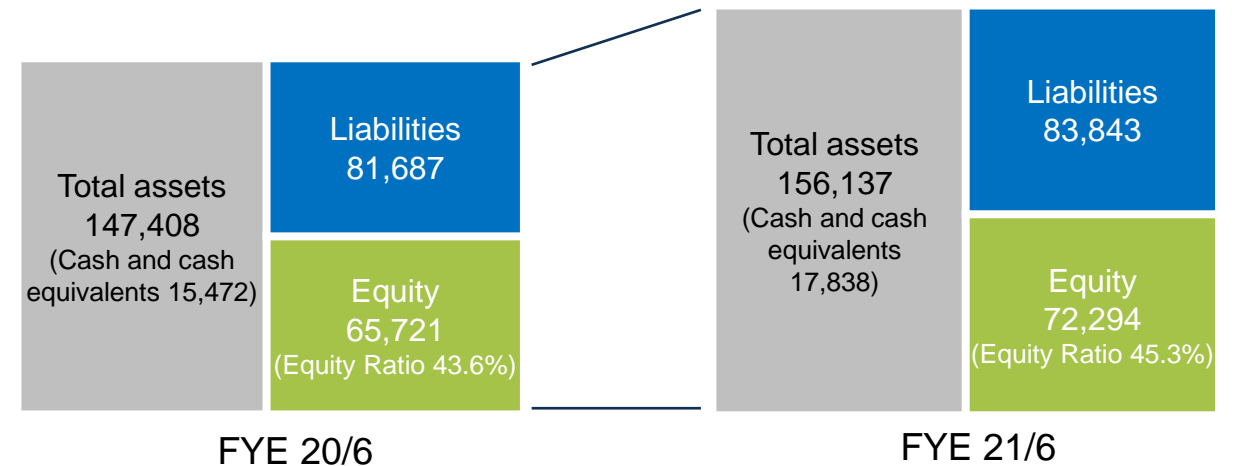
- Cash flow from operating activities was sound due to favorable operating performance.
- Net cash used in financing activities was mainly due to the repayments of short-term borrowings.



- Balance of Cash and cash equivalents
- CF from operating activities
- CF from investing activities
- CF from financing activities
- Simplified CF (operating + investing)

Balance Sheet (Millions of yen)

- Liabilities increased due to securing liquidity at hand as a measure against COVID-19.
- Equity increased due to a decrease in treasury shares.



Results by Business Segment: Domestic Consulting Business

(Millions of yen)

Market environment

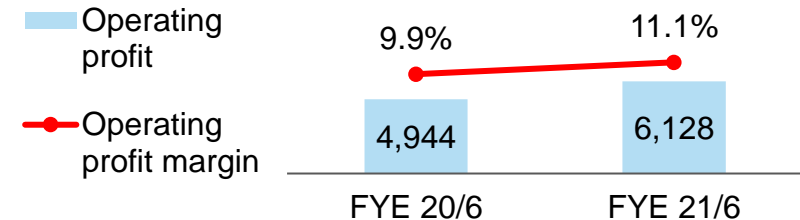
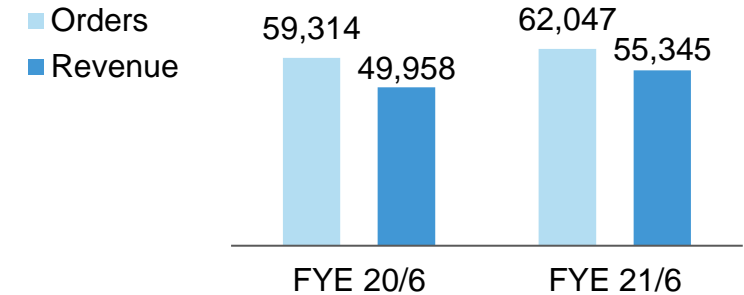
- Number of orders expanded as measures to increase national resilience continued.
- Work styles changed despite the limited impact of COVID-19.

Measures

- In Consulting, shifted overseas staff to domestic posts in an effort to promote mobilization of human resources (contributed to orders).
- Promoted online usage in operations which contributed to both productivity improvement and work-style reforms.

FYE 21/6 results

- Orders, revenue and operating profit all posted new record highs.
- Promoting mobilization of human resources, including headcount increase and collaboration with overseas, contributed to higher orders.
- Operating profit increased significantly due to enhanced productivity backed by higher sales and increased operating efficiency and improvement in the order environment.



(Millions of yen)	FYE 20/6 Results		FYE 21/6 Results		YoY Change		Initial Plan	vs. Plan	
	Amount	(Sales ratio)	Amount	(Sales ratio)	Amount	%		Amount	%
Orders	59,314	(Sales ratio)	62,047	(Sales ratio)	2,733	104.6%	49,800	12,247	124.6%
Revenue	49,958	100.0%	55,345	100.0%	5,386	110.8%	41,700	13,645	132.7%
Cost of sales	35,629	71.3%	38,225	69.1%	2,595	107.3%	25,200	13,025	151.7%
Gross profit	14,328	28.7%	17,119	30.9%	2,791	119.5%	16,500	619	103.8%
SG&A, etc.	9,384	18.8%	10,991	19.9%	1,607	117.1%	14,400	▲3,409	76.3%
Operating profit	4,944	9.9%	6,128	11.1%	1,183	123.9%	2,100	4,028	291.8%

Results by Business Segment: International Consulting Business

Market environment

- Strict international travel restrictions were adopted early in the term although they were gradually relaxed from the 2Q.
- The COVID-19 situation worsened at times in South Asia and Southeast Asia.



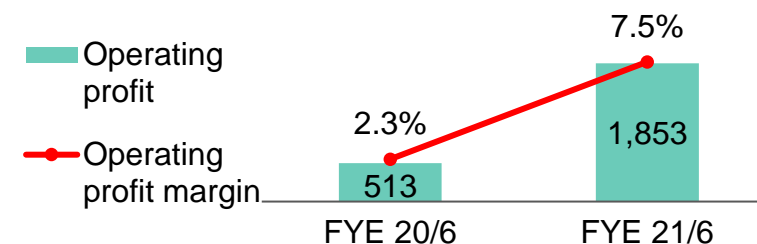
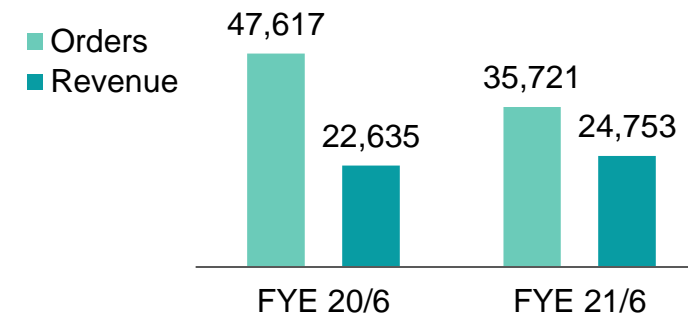
Measures

- Transferring staff of International Consulting to domestic operation contributed to sales.
- Progress was made in the approval for domestically conducting international operation.
- Promoted use of online functions locally.

FYE 21/6 results

- Orders showed a reactionary decrease from the previous fiscal year when large-scale orders were received. There were delays in orders due mainly to the impact of COVID-19.
- Revenue increased due to the active effort toward working locally under the COVID-19 pandemic and the favorable domestic operation.
- Operating profit increased significantly, boosted by restraining of travel and other expenses and improving the soundness of the subsidiary.

(Millions of yen)



(Millions of yen)	FYE 20/6 Results		FYE 21/6 Results		YoY Change		Initial Plan	vs. Plan	
					Amount	%		Amount	%
Orders	47,617	(Sales ratio)	35,721	(Sales ratio)	▲ 11,895	75.0%	23,900	11,821	149.5%
Revenue	22,635	100.0%	24,753	100.0%	2,113	109.3%	22,100	2,653	112.0%
Cost of sales	16,601	73.3%	17,825	72.0%	1,223	107.4%	15,600	2,225	114.3%
Gross profit	6,038	26.7%	6,928	28.0%	890	114.7%	6,500	428	106.6%
SG&A, etc.	5,524	24.4%	5,075	20.5%	▲ 449	91.9%	6,200	▲ 1,125	81.9%
Operating profit	513	2.3%	1,853	7.5%	1,340	361.1%	300	1,553	617.8%

Results by Business Segment: Power Engineering Business

(Millions of yen)

Market environment

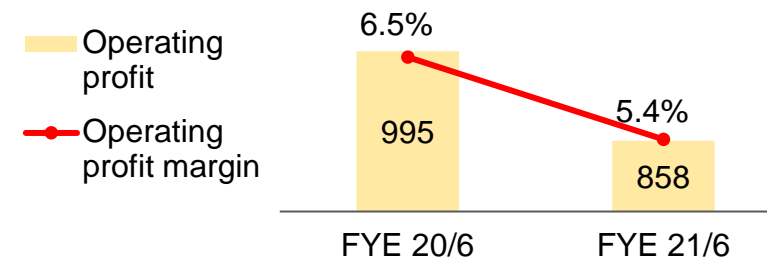
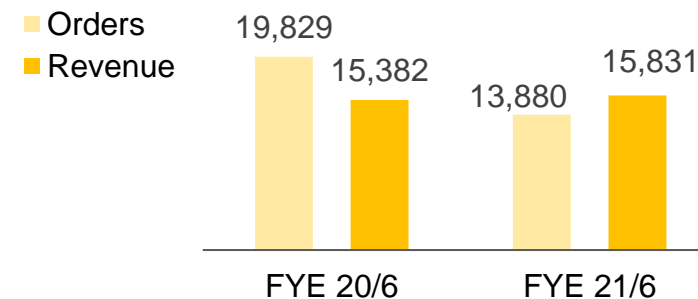
- Price competition continued to intensify.
- There were construction restrictions due mainly to the Olympic Games.

Measures

- Thoroughly managed costs.
- Reinforced the production structure of the manufacturing division.

FYE 21/6 results

- Orders showed a reactionary decline from the previous fiscal year when large-scale orders were received for power facility construction although orders for dam monitoring and control systems were strong.
- Revenue was comparable to the level of the previous fiscal year due mainly to the extension of construction periods for substation work and substation control manufacturing.
- Operating profit decreased due to a rise in the cost of sales ratio related to hydraulic power generation and the posting of a provision for loss on construction contracts.



(Millions of yen)	FYE 20/6 Results		FYE 21/6 Results		YoY Change		Initial Plan	vs. Plan	
	Amount	(Sales ratio)	Amount	(Sales ratio)	Amount	%		Amount	%
Orders	19,829	(Sales ratio)	13,880	(Sales ratio)	▲5,949	70.0%	13,000	880	106.8%
Revenue	15,382	100.0%	15,831	100.0%	448	102.9%	18,000	▲2,169	88.0%
Cost of sales	11,399	74.1%	11,826	74.7%	427	103.7%	11,700	126	101.1%
Gross profit	3,983	25.9%	4,004	25.3%	21	100.5%	6,300	▲2,296	63.6%
SG&A, etc.	2,987	19.4%	3,146	19.9%	158	105.3%	4,500	▲1,354	69.9%
Operating profit	995	6.5%	858	5.4%	▲137	86.2%	1,800	▲942	47.7%

Results by Business Segment: Urban & Spatial Development Business

Market environment

- Lockdown continued in the UK with restrictions eased from the 4Q.
- Orders from private firms were downsized to small lots.
- Needs expanded in the healthcare sector.
- Impact of Brexit was limited.

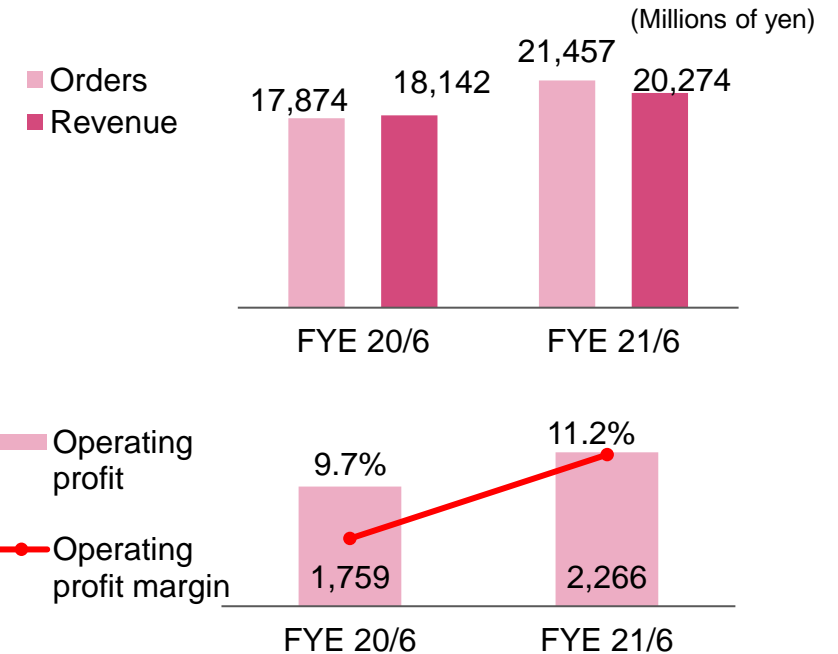


Measures

- Promoted teleworking.
- Shifted the ratio of orders from private to public.
- Strengthened the healthcare sector team.
- Reinforced the domestic urban & spatial development division.

FYE 21/6 results

- Higher orders were attributable mainly to orders acquired for public projects and additional orders from Westminster Palace in the 4Q.
- Revenue increased due to the promotion of teleworking at BDP, foreign exchange impacts, and the transfer (approx. ¥2 billion) of the urban development division from Domestic Consulting under the NK organizational reform.
- Operating profit increased due to constrained costs at BDP and the transferred portion of NK's urban development division.



(Millions of yen)	FYE 20/6 Results		FYE 21/6 Results		YoY Change		Initial Plan	vs. Plan	
	Amount	%	Amount	%	Amount	%		Amount	%
Orders	17,874	(Sales ratio)	21,457	(Sales ratio)	3,582	120.0%	16,000	5,457	134.1%
Revenue	18,142	100.0%	20,274	100.0%	2,131	111.7%	18,300	1,974	110.8%
Cost of sales	9,905	54.6%	11,290	55.7%	1,385	114.0%	10,600	690	106.5%
Gross profit	8,237	45.4%	8,983	44.3%	745	109.1%	7,700	1,283	116.7%
SG&A, etc.	6,478	35.7%	6,716	33.1%	238	103.7%	7,000	▲284	96.0%
Operating profit	1,759	9.7%	2,266	11.2%	507	128.8%	700	1,566	323.8%

*Actual rate for the FYE June 2021: £1 = ¥144.38 (planned rate for the FYE June 2021: £1 = ¥136.23)

Results by Business Segment: Energy Business

Market environment

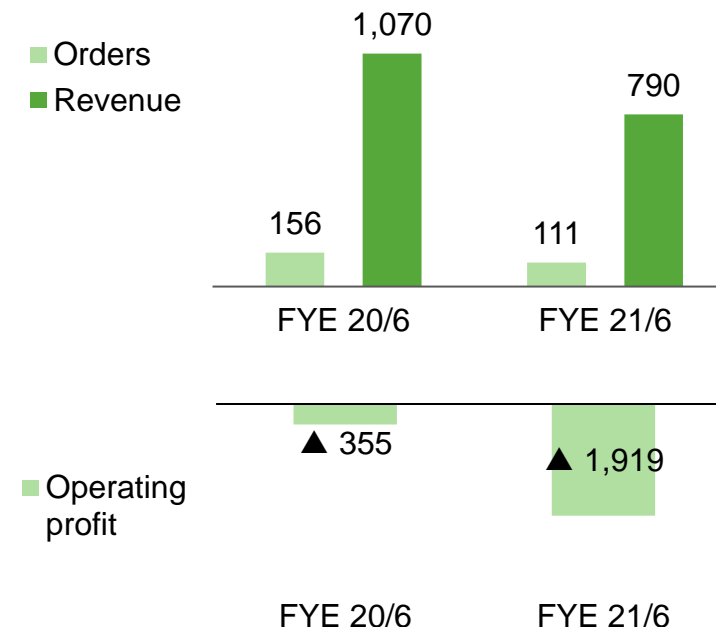
- Needs for energy management expanded worldwide.
- Lockdown measures continued in Europe.

Measures

- Continued to pursue energy management business formation and deployment in Asia.
- Prepared to address the Japanese market.

FYE 21/6 results

- Orders decreased year on year due to the delay in orders for the battery storage-related project scheduled in Europe.
- Net sales decreased from the previous fiscal year when EPC was completed for the battery storage business in the UK.
- Operating profit decreased significantly due to the posting of an impairment loss associated with hydraulic power generation in Indonesia based on IFRS although costs were reduced due to delays in project development.



(Millions of yen)	FYE 20/6 Results		FYE 21/6 Results		YoY Change		Initial Plan	vs. Plan	
	Amount	%	Amount	%	Amount	%		Amount	%
Orders	156	(Sales ratio)	111	(Sales ratio)	▲45	71.1%	2,200	▲2,088	5.1%
Revenue	1,070	100.0%	790	100.0%	▲279	73.9%	1,100	▲310	71.9%
Cost of sales	868	81.2%	556	70.5%	▲311	64.1%	700	▲144	79.6%
Gross profit	201	18.8%	233	29.5%	31	115.8%	400	▲167	58.4%
SG&A, etc.	556	52.0%	2,152	272.3%	1,595	386.6%	100	2,052	2152.7%
Operating profit	▲355	-	▲1,919	-	▲1,563	-	300	▲2,219	-

FYE June 2022 Forecast

Revenue and operating profit are expected to set new record highs year on year. Segments will be reorganized from five to three segments from FYE June 2022.

(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 53 for the method of segmentation into three segments and page 54 for the reference values for five segments.



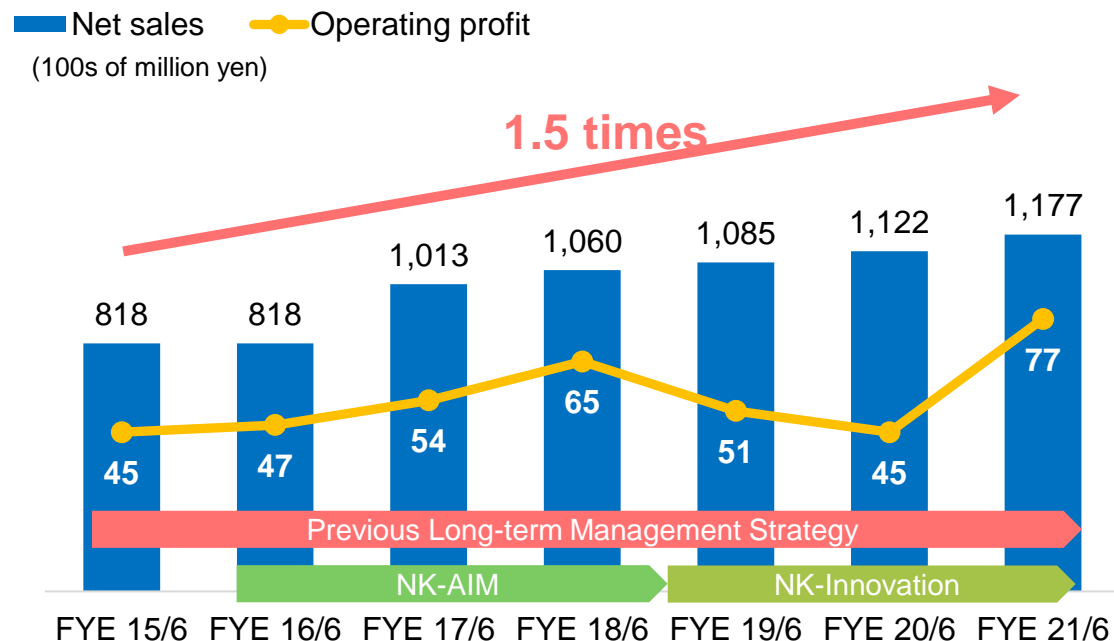
- **Review of Previous Long-term Management Strategy and Previous**
- **Medium-term Management Plan**

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Review of Previous Long-term Management Strategy and Previous Medium-term Management Plan

Basic policy: Continue to evolve into a global consulting and engineering firm.

- Business expanded steadily and net sales grew roughly 1.5 times in 6 years although the initial plan was not achieved.
- Expanded the new business domains in Urban & Spatial Development and Energy (made BDP a wholly owned subsidiary in FYE 16/6 and launched the energy business in FYE 19/6).



(Results are all based on Japanese GAAP)

(100s of million yen)	FYE 15/6 Results	FYE 21/6 (Japanese GAAP)	
		Initial Target	Results
Net sales	818	1,400	1,177
Operating profit	45	140	77
Operating profit margin	5.5%	10.0%	6.6%
ROE	8.5%	10.0%	5.7%






Review of Previous Medium-term Management Plan NK-Innovation 2021 (July 2018 to June 2021)

Outcome

Urban & Spatial Development Business expanded. In Consulting, business creation and overseas expansion progressed smoothly.

Issues




Need to strengthen the production structure in the railway sector. Delay in project creation in the Energy Business.

Business strategy	Key results	Assessment
Enhancement of operating system for Railways Business Promote alliance with local companies; strengthen abilities of regional engineers; utilize IT tools to improve project management ability	<ul style="list-style-type: none"> Received multiple large-scale orders mainly in South Asia and built track records. On the other hand, manpower shortage became a normal state and reinforcement of the production structure will continue to be a priority issue. 	
Overseas expansion of Urban & Spatial Development Business Capture urban development projects in Asia in collaboration between NK and BDP; capture smart city development projects combining civil engineering and architecture	<ul style="list-style-type: none"> Promoted expansion outside of the UK by making Quadrangle a group company. Joint efforts between NK and BDP for Asian market cultivation are still underway. 	
Establishment of Energy Business Accumulate the know-how for energy management in Europe; enter concession for distributed power sources and hydraulic power generation in Japan and Asia.	<ul style="list-style-type: none"> Project development was delayed despite establishing NKEE in the Netherlands. Domestic power generation and EM business were steady. 	
Creation of businesses and overseas expansion of Consulting Business Strengthen the domestic management base and support for global strategies; create new businesses, e.g., disaster prevention/mitigation and management	<ul style="list-style-type: none"> Entered the management domain including the comprehensive management of local governments. Fully entered the business of satellite disaster-prevention information service. 	
Product development and overseas expansion of Power Engineering Business Develop products with specs of international standards; construct an international supply chain for hydraulic products; strengthen price competitiveness in conventional businesses	<ul style="list-style-type: none"> Made smooth progress in the development of products with specs of international standards. Profitability weakened mainly due to the delay in the construction of an international supply chain and the intensified competition. 	

Review of Previous Medium-term Management Plan NK-Innovation 2021 (July 2018 to June 2021)

Outcome Established a marketing system aimed at providing one-stop service to customers. Technology development progressed smoothly through integrating themes.

Issues Although group governance was promoted, retrospective revision to financial results occurred. Reinforcement of group governance will continue to be an issue in the new medium-term management plan.

Functional strategy	Key results	Assessment
Establishment of one-stop marketing system Provide solutions utilizing products and services across all segments; create businesses in smart society	<ul style="list-style-type: none"> Established a sales headquarters in charge of sales across segments. Supported overseas expansion of technologies that exist in Japan. Examined and promoted M&As and business investments. 	
Investing in technology and human resources Promote technology policies for expanding existing businesses and pushing new businesses; promote work style reforms; reinforce recruitment activities	<ul style="list-style-type: none"> Made steady progress by integrating themes. Established a leading-edge R&D Center. Established Business Strategy Headquarters and launched the DX business. Conducted recruitment activities using online functions under the COVID-19 pandemic. Put in place a system for promoting teleworking. 	
Reinforcement of group governance Develop a group governance system; introduce global accounting	<ul style="list-style-type: none"> Established the NK Group Business Management Guidelines. Implemented the PDCA cycle. Adopted IFRS and began disclosure. 	



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- **Message from the New President**
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3

A portrait of Hiroaki Shinya, a middle-aged man with dark hair, wearing a dark blue suit, white shirt, and a red and white striped tie. He is standing with his arms crossed, looking slightly to the right of the camera. The background is a bright, out-of-focus interior space with large windows.

Hiroaki Shinya

Date of birth: May 28, 1960 (age 61)

Hometown: Sendai City, Kagoshima
(currently Satsumasendai City)

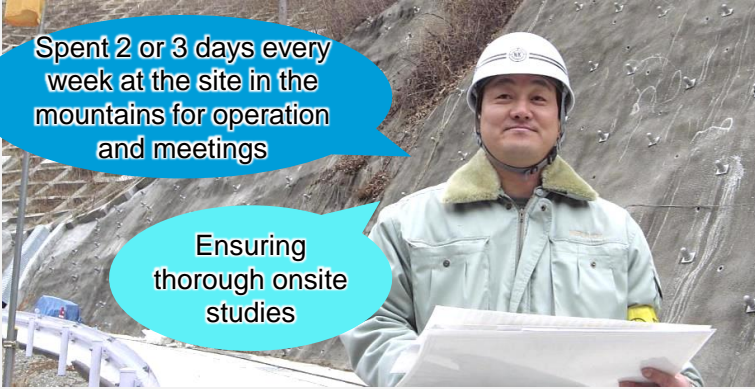
Academic background: Earth Science Major, Graduate School of Science, Tohoku University

External activities:

- May 2012 to June 2014
Vice President of The Japan Landslide Society
- June 2019 to May 31, 2020
Director of The Institution of Professional Engineers, Japan

Fields of expertise: Research, analysis and design related to slope disasters, e.g., landslide, collapse and falling rocks (engaging in research and analysis on reservoir surfaces, such as landslides associated with dam flooding, and engineering for countermeasure work)

Brief Personal History

April 1985	Joined the Company	<ul style="list-style-type: none"> • Worked at Fukuoka Branch Office and Hiroshima Branch Office
July 2010	General Manager of Geohazard Management Division, Domestic Consulting Operations	<ul style="list-style-type: none"> • Responsible for research and analysis concerning slope disasters, mainly landslides, and design for countermeasure work methods
April 2011	General Manager of Watershed Management & Disaster Prevention Division, Domestic Consulting Operations	<ul style="list-style-type: none"> • 2012: Handled operation for preventing landslides at Yanba Dam
July 2013	General Manager of Sendai Branch Office, Domestic Consulting Operations	
July 2015	Executive Officer	
February 2016	Deputy Director General of Domestic Consulting Operations, General Manager of Business Planning Office and General Manager of Tokyo Branch Office	
July 2016	Acting Director General of Domestic Consulting Operations, General Manager of Business Planning Office and General Manager of Tokyo Branch Office	
July 2017	Director General of Domestic Consulting Operations	
September 2017	Director and Executive Officer	<ul style="list-style-type: none"> • Made progress from restoration to revitalization following the Great East Japan Earthquake Received orders for construction management operation associated with community revitalization in Otsuchi City, Iwate and others
July 2018	Director and Managing Executive Officer	<ul style="list-style-type: none"> In 2014, expanded the sales of Sendai Branch Office by 2.5 times the level prior to the earthquake
July 2020	Director and Senior Managing Executive Officer, Director General of Consulting Operations Headquarters in charge of Urban and Spatial Development Business	<ul style="list-style-type: none"> • Integration of domestic and international consulting operations and R&D Center. Led the organization as Director General
July 2021	Representative Director and President	



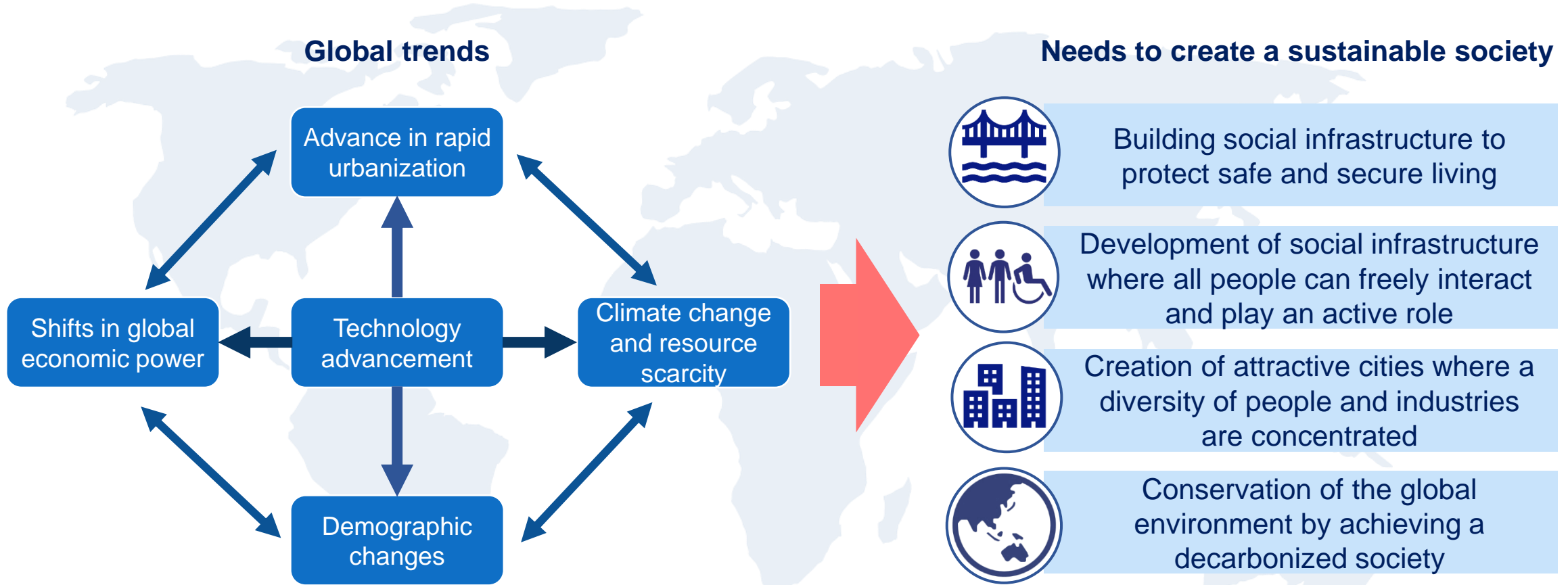
- Long-term Management Strategy and Medium-term Management Plan

4

Recognition of Market Environment

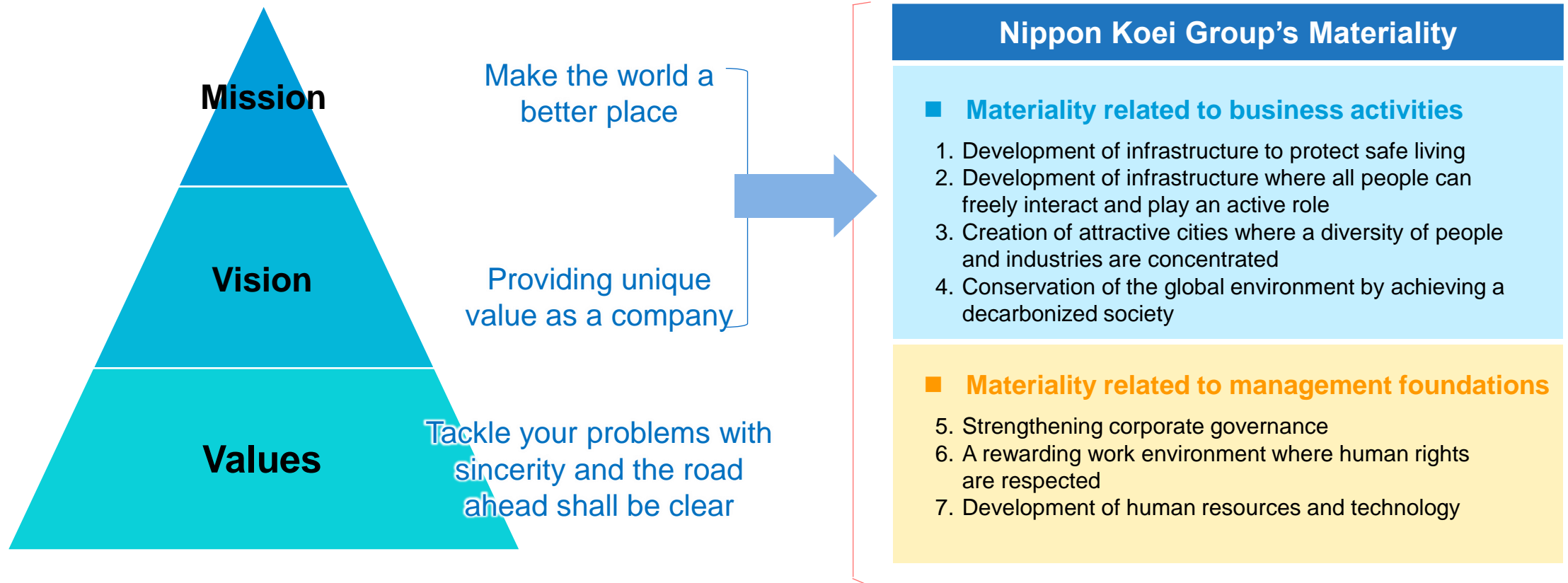
Growing needs for creating a sustainable society ▶ Responding to the need by focusing on SDGs/ESG perspectives and leveraging leading-edge technologies

Increasing complications in social issues ▶ Need for NK to change in order to demonstrate comprehensive strengths and drive optimal solutions



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

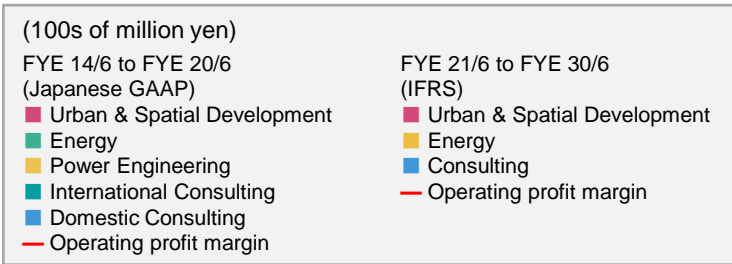
Basic Policy	Providing new value and realizing a sustainable society through the exploration of wisdom and the innovation and integration of technology			
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FYE June 2030 Numerical Targets (IFRS)	Revenue 250 billion yen	Operating profit 25 billion yen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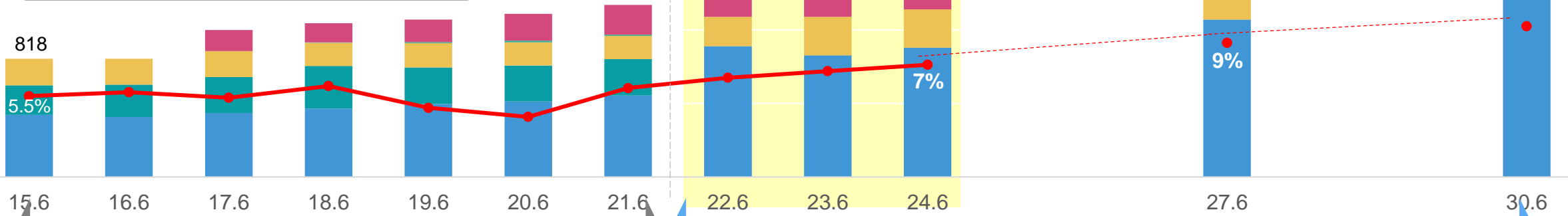


2030 Vision

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.



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



FYE 21/6 Results (IFRS)

Revenue: **117.8** billion yen
Operating profit margin: **6%**
ROE: **6.7%**

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)

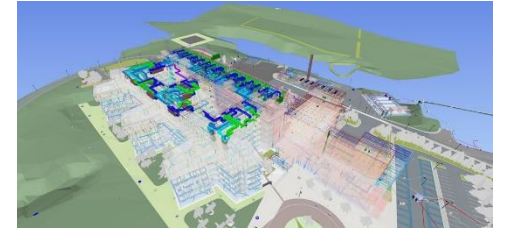
Revenue: **250** billion yen
Operating profit margin: **10%**
ROE: **15%**

← Previous Long-term Management Strategy → NKG Global Strategy 2030 —Working Together Toward A Future Without Boundaries→

Source of Sustainable Profit Growth

1. Promoting DX to provide high-value-added to customers and improve productivity of employees

Adopt sophisticated technologies and DX in existing businesses (offensive)
Apply DX to drive work-style reforms of employees and increase productivity (defensive)



2. Expansion of new business models

Consulting: Expand the subscription-type business and develop the business management field
Urban & Spatial Development: Develop/Redevelop urban areas
Energy: Expand asset holding-type business and business accommodating power system reforms



3. Business expansion by promoting autonomy of overseas subsidiaries and group companies

Enhance profitability by increasing the ratio of sales of overseas subsidiaries and local affiliates and realize “Act Locally” based on matrix management



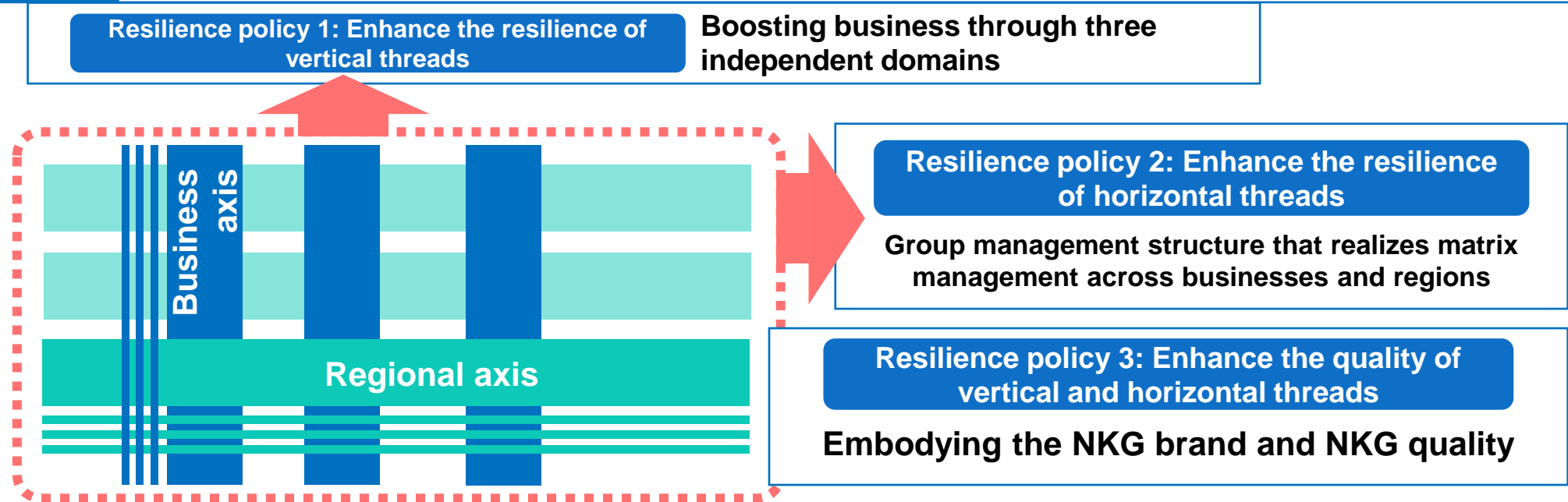
4. Increasing profitability with the NKG brand and NKG quality

Secure profits by reducing errors, e.g., rework; ensure risk management by strengthening governance; increase mobility of human resources (hybrid human resources: development of human resources that can take on active roles in both domestic and international markets)



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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Consulting Business

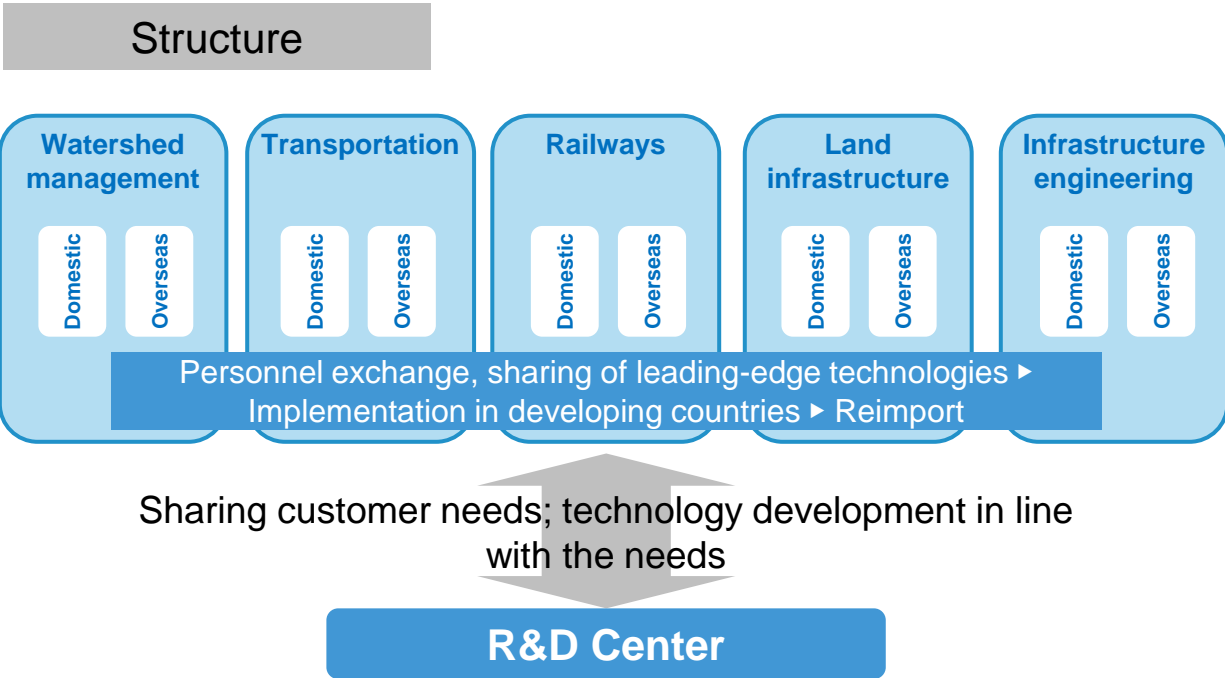
Resilience policy 1: Promote business strategies of three domains

Direction of business

- Evolve into an organization that can compete in the world by integrating the domestic and international consulting operations and R&D Center.
- Conduct defensive and offensive business management to provide excellent technology and quality for global markets.

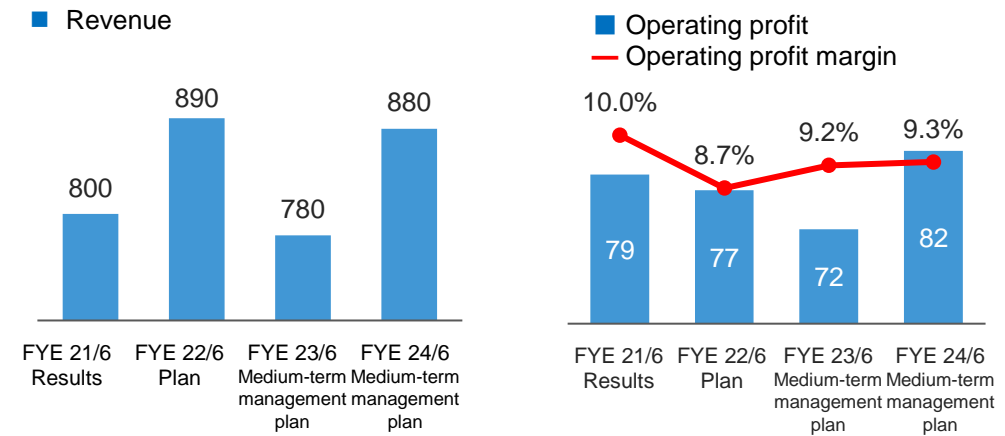
Market environment

- FY2021 budget for public works, including the five-year initiatives for building national resilience, is estimated to be approximately ¥8.5 trillion.
- Local governments are increasing budgets for promoting regional digitalization societies in addition to disaster-prevention & mitigation measures.
- The Japanese government announced its Infrastructure System Overseas Promotion Strategy 2025 in an aim to receive orders for infrastructure projects worth ¥34 trillion in 2025.



Numerical Targets (100s of million yen)

- In FYE 23/6, decrease in sales due to segment transfers of consolidated subsidiaries
- Revenue to grow ¥20 billion or more in three years



Strategies in Consulting Business

Resilience policy 1: Promote business strategies of three domains

Measures for enhancing resilience	Measures/Materiality		Specific examples
Advancement and global deployment of disaster-prevention & mitigation technologies	<ul style="list-style-type: none"> Develop/upgrade infrastructure to protect safe living. ▶P. 29 	M1	<ul style="list-style-type: none"> Dam revitalization; river basin management, enhancing earthquake resistance of infrastructure; securing/improving quality of agriculture/agricultural infrastructure
	<ul style="list-style-type: none"> Utilize data that contributes to keeping people secure. 	M1	<ul style="list-style-type: none"> Remote sensing, satellite data, AI predictions and analysis, etc.
Expansion of transport-related businesses	<ul style="list-style-type: none"> Develop transportation infrastructure; reinforce development in regions around transportation hubs. 	M2	<ul style="list-style-type: none"> Development of mass transport railways between cities, Mass Rapid Transit (MRT), high-spec arterial roads, airports; development of areas near railroad stations and coastal areas
	<ul style="list-style-type: none"> Promote smart city, next-generation mobility. ▶P. 30 	M2 M3	<ul style="list-style-type: none"> Automatic driving using traffic big data, AI analytical programs, etc.; MaaS; modal connect, etc.
Promoting services that contribute to decarbonization	<ul style="list-style-type: none"> Reinforce services for global warming countermeasures and environmental management and conservation measures. 	M4	<ul style="list-style-type: none"> Wind power/micro hydropower, hydrogen, waste power generation
Full-scale expansion into the business management field	<ul style="list-style-type: none"> Attain management technology; expand concession business. ▶P. 31 	M1 to M4	<ul style="list-style-type: none"> Provision of comprehensive management, PPP, AI check & diagnosis; development of urban disaster-prevention & management technology Participation in concession

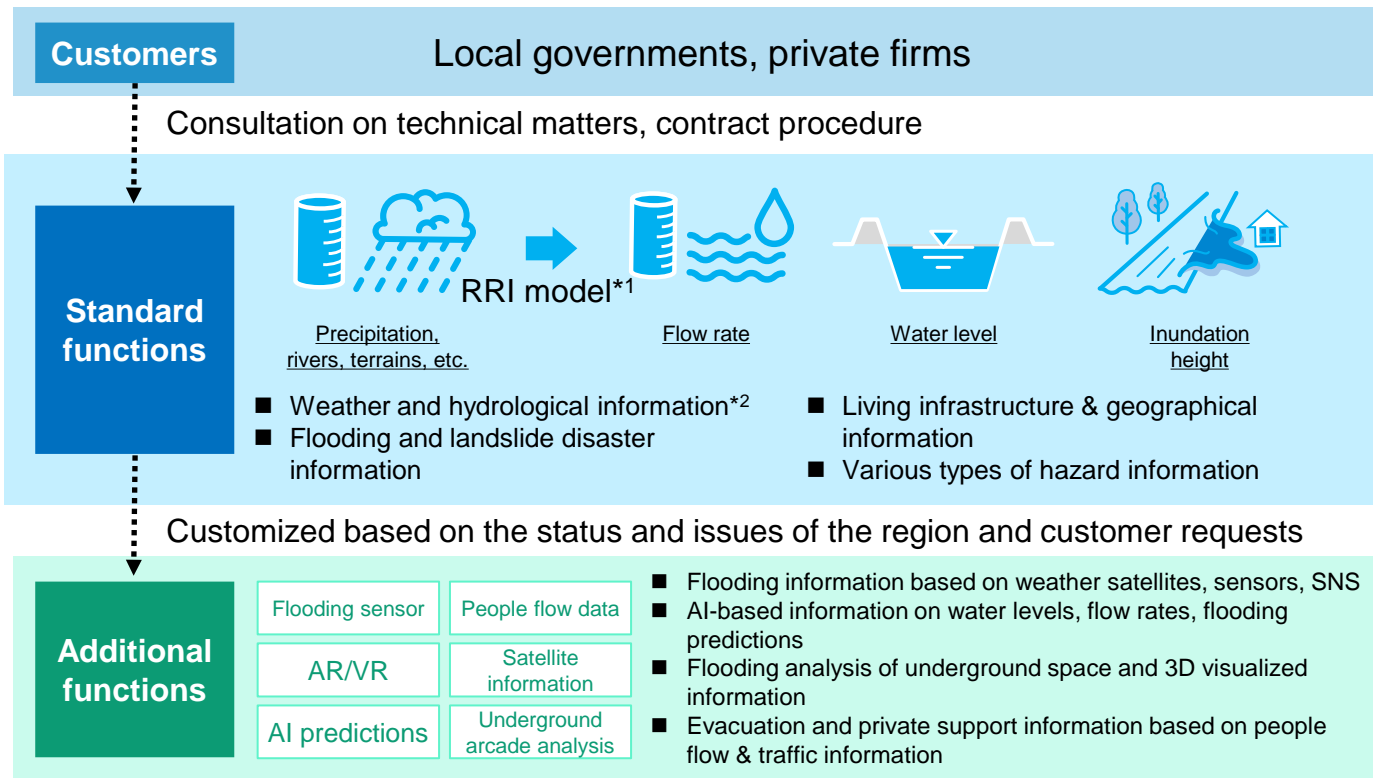
▼Materiality related to business activities
 1: Develop infrastructure where people can live safely 2: Develop social infrastructure where all people can freely interact and play an active role 3: Create attractive cities where a diversity of people and industries are concentrated 4: Conserve the global environment by achieving a decarbonized society

[Specific Project Example] Data Utilization and Provision of Solutions

Resilience policy 1: Promote business strategies of three domains

Development of a platform for providing various types of disaster-prevention information and analytical & forecast data (start in the autumn of 2021)

- ▶ Organize and gather multiple pieces of separately available information on a map for one-stop provision.
- ▶ Integrate analytical technologies of Nippon Koei to promptly provide disaster-prevention information.



Screen image*3
(Real-time flooding analysis results and flooding sensor information)

*1 Precipitation and flooding model developed by Public Works Research Institute

*2 Acquiring data distributed by Japan Meteorological Agency and the Ministry of Land, Infrastructure, Transport and Tourism

*3 Portal site for a hazard map using GSI (Geospatial Information Authority of Japan) Tiles. Uses 3D building images in a Mapbox tile set and Zenrin maps

[Specific Project Example] Support for Smart City Deployment Overseas

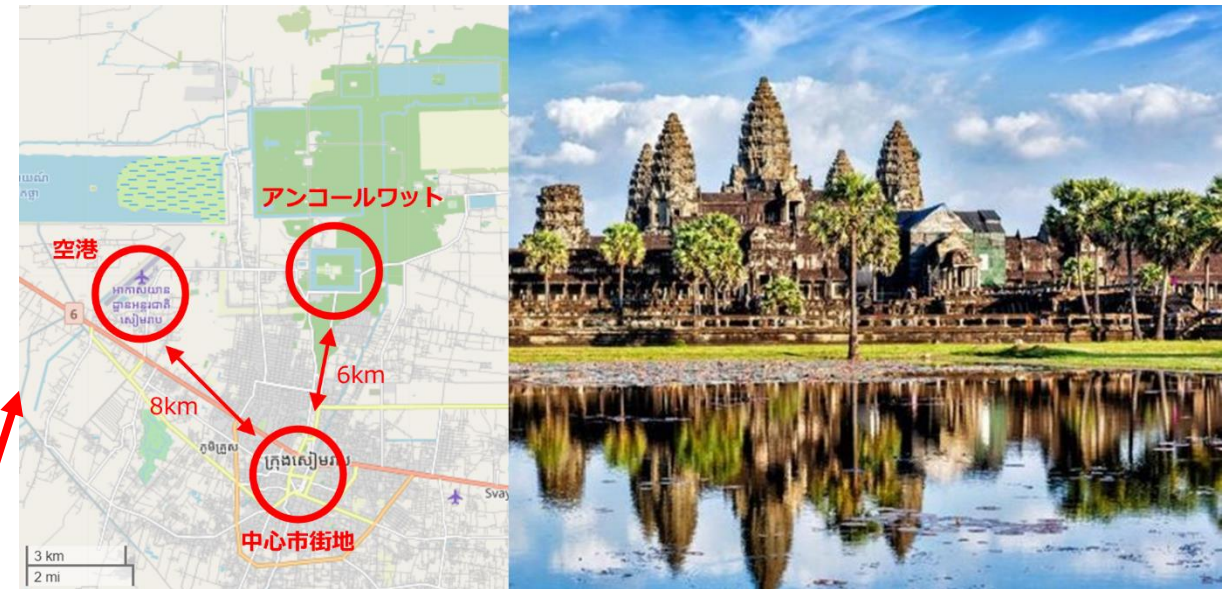
Resilience policy 1: Promote business strategies of three domains

Orders received for five projects in the Ministry of Land, Infrastructure, Transport and Tourism's initiative: Smart City Supported by Japan ASEAN Mutual Partnership (Smart JAMP*)

►Use of Nippon Koei's technologies and know-how to realize smart cities in ASEAN countries

Project orders received by NK in this initiative

Country	City	Description
Malaysia	-	Introduction of overloaded vehicle management system at the Ministry of Transport
Vietnam	Danang	Research for the development of digital maps for urban planning and management
Laos	Vientiane	Formulation of master plan
Cambodia	Batdambang	Formulation of master plan
Cambodia	Siem Reap	Leading-edge technology for the transportation sector, etc.



Siem Reap, Cambodia

Providing support to realize a smart city in Siem Reap through JICA's research for improving the urban environment and the Smart JAMP scheme.

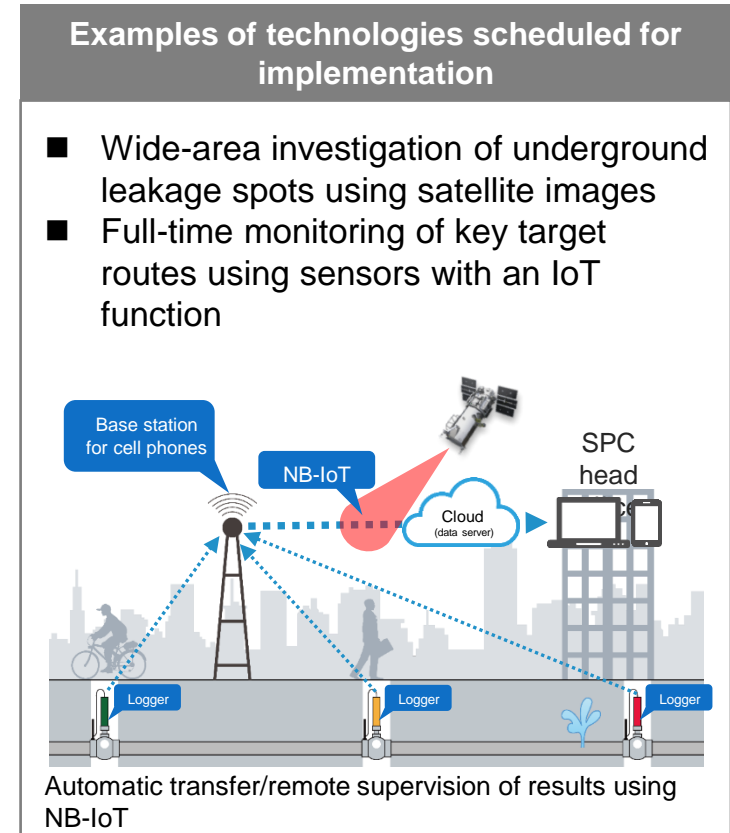
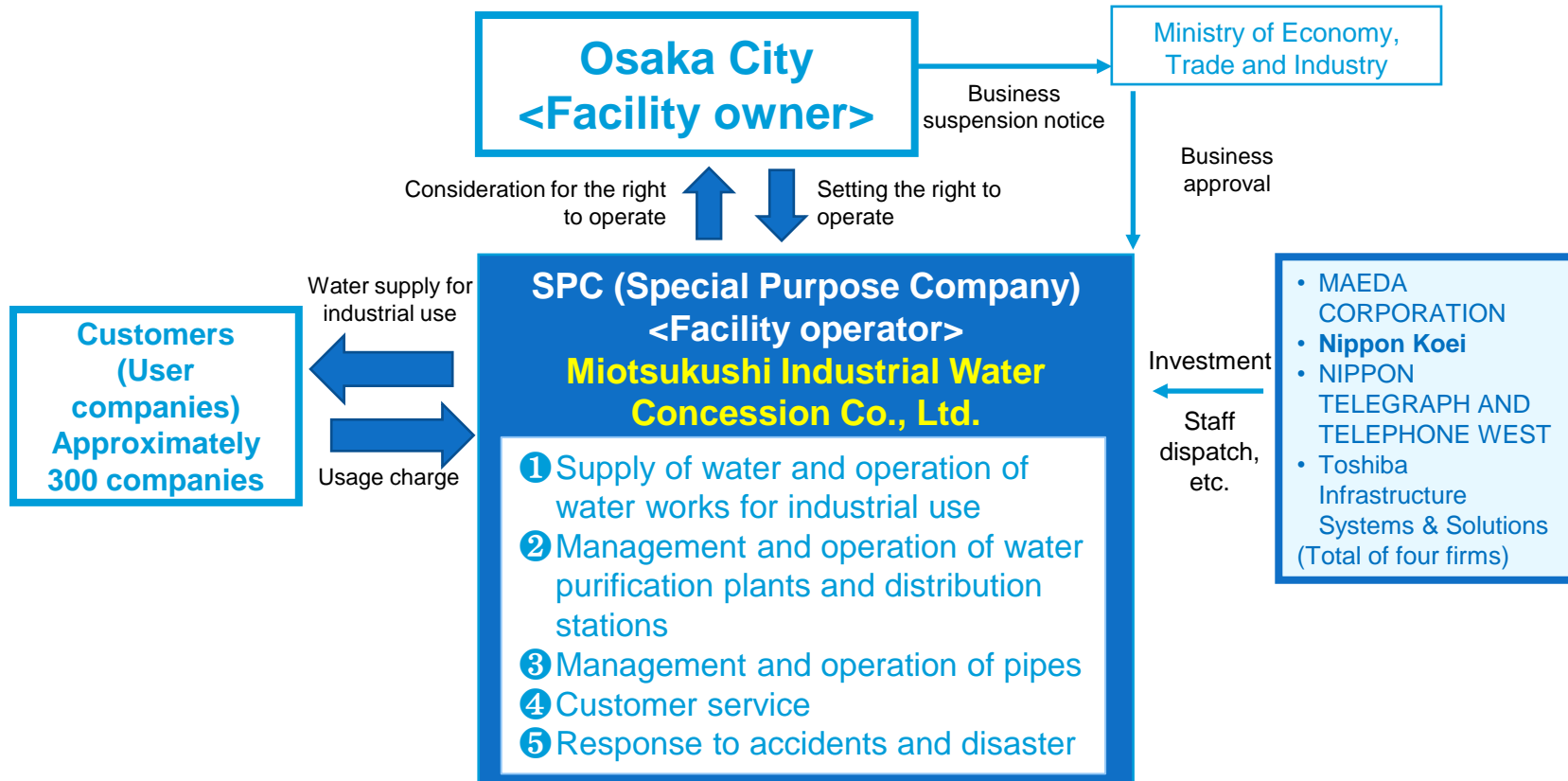
* An initiative of the Japanese government to help bring about smart cities in 26 target cities in 10 ASEAN countries by providing packaged assistance including the use of technologies and know-how of Japanese firms, project formation research and verification projects, promotion for financial support and local cooperation structure.

[Specific Project Example] Osaka City Industrial Water Works Concession

Resilience policy 1: Promote business strategies of three domains

Participation in the management of a water system for industrial use as a business operator for the establishment of know-how for managing aging water pipes

- ▶ Participating in the country's first full-package concession project in the water infrastructure sector as a business operator
- ▶ Introduction of advanced status monitoring and preservation technologies and reduction of operating costs in the management of aging water pipes



Urban & Spatial Development Business

Resilience policy 1: Promote business strategies of three domains

Direction of business

- Comprehensively produce urban and regional revitalization projects in Japan and abroad.
- Cultivate new markets based on group-wide unified management within the segment (urban development, smart city, etc.)

Market environment

- In Japan, markets for renovation, utilization and revitalization of a great number of buildings owned by public and private entities and smart city and area management markets have been expanding.
- In the international markets, sectors associated with the development of transportation-related facilities and peripheral developments are growing due to the concentration of the population in cities.

Structure

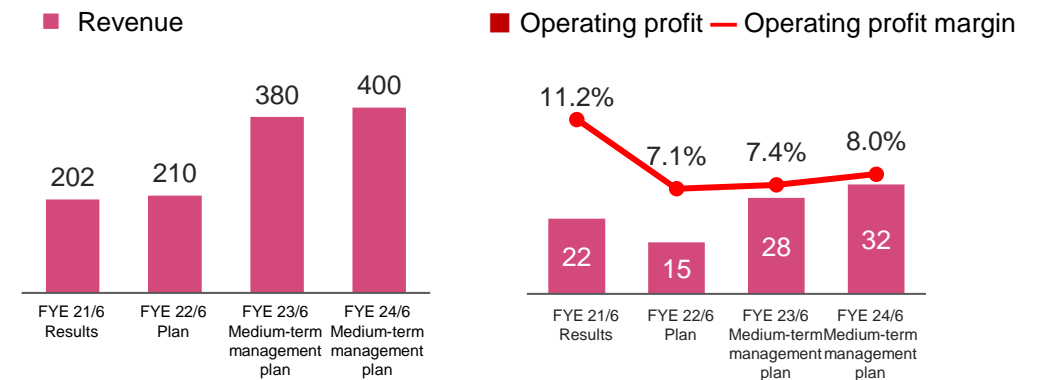


- Comprehensively producing urban and regional revitalization projects
- Expansion in Asia by integrating civil engineering and architecture

Civil engineering **NK Consulting Business**

Numerical Targets (100s of million yen)

- In FYE 23/6, increase in revenue due to segment transfers of consolidated subsidiaries
- Limited COVID-19 impact is expected at BDP in FYE 22/6



Measures for enhancing resilience	Measures/Materiality		Specific examples
Realization of one-stop services in urban development & redevelopment projects	<ul style="list-style-type: none"> Acquire development & redevelopment projects in Japan and abroad. ▶P. 34 	M3	<ul style="list-style-type: none"> Regional urban redevelopment and new town revitalization project in collaboration with Tamano Consultants Utilization of unused land in regional cities under public-private partnership Expanding development projects for airports, railways, etc.
Smart city project formation in consideration of decarbonization and safety & security	<ul style="list-style-type: none"> Pursue urban & spatial development in consideration of infectious diseases, climate change and decarbonization. Form mobility networks. Pursue people-friendly urban & spatial development in consideration of universal design and accessibility. 	M1 M2 M4	<ul style="list-style-type: none"> Smart city project formation Organizational introduction of BIM, Small World Securing competitiveness by leveraging energy-related solution technologies Securing competitiveness with DX technologies
Market expansion by BDP	<ul style="list-style-type: none"> Expand BDP's business in North America. Actively acquire projects in the healthcare sector. Acquire stadium projects and peripheral development work. ▶P. 35 Promote BDP–NK collaboration in Asia. 	M1 M3	<ul style="list-style-type: none"> Collaboration with Quadrangle Acquisition of projects in the healthcare sector outside the UK Collaboration with Pattern Expansion of JV projects for development around railways
Full-scale expansion into the urban management field	<ul style="list-style-type: none"> Acquire new urban management projects, such as the growing PM/CM/FM. ▶P. 36 	M3	<ul style="list-style-type: none"> Participation in large-scale development projects for new/upgraded buildings of public and private ownership as PM/CM/FM or PPP operator

▼Materiality related to business activities

1: Develop infrastructure where people can live safely 2: Develop social infrastructure where all people can freely interact and play an active role 3: Create attractive cities where a diversity of people and industries are concentrated 4: Conserve the global environment by achieving a decarbonized society

[Specific Project Example] Redevelopment Project in Collaboration with Tamano Consultants

Resilience policy 1: Promote business strategies of three domains

Realization of one-stop services in urban development & redevelopment projects in regional cities in Japan

- ▶ Nagakute central land readjustment project (Nagakute City, Aichi): Engaged in consensus formation with landowner, business plan formation, plotted land construction engineering, construction work management, union management support, measurements, and rights & compensation research.
- ▶ Provided a full set of services from project formation to completion in the urban redevelopment initiative by making land readjustments around the station.



Nagakute central land readjustment project: Linimo Nagakute Kosenjo Station plaza



Prior to the project (2010) and today (2020)

[Specific Project Example] Market expansion by BDP

Resilience policy 1: Promote business strategies of three domains

Made Pattern a group company in July 2021 with the aim of expanding BDP's business areas and urban development coverage

BDP

Brand power in site/
customer networks



Pattern

Know-how in large-scale
stadium design



- Reinforcement of the sports sector by BDP
- Expansion into stadium-related developments by NKG on the whole



Venue for the FIFA World Cup Qatar 2022 (Ahmad bin Ali Stadium)



VIDENA National Sports Complex in Peru

Carrying out management of urban facilities with the aim of securing full-scale presence in the urban management field

- ▶ Meiji Kinen Oiso Teien (Oiso-machi, Naka-gun, Kanagawa): Engaged in steps from basic planning to implementation design, planning for preservation of the villa, basic design for display and management and operation plan.
- ▶ Carried out overall planning from the formation of plans for the refurbishment and management of the park and villa under public-local partnership and public-private coordination with related entities and local organizations.



Former site of villa of Munemitsu Mutsu, former villa of the Furukawa family, living room and garden



Former villa of Shigenobu Okuma and former villa of the Furukawa family, lawn garden

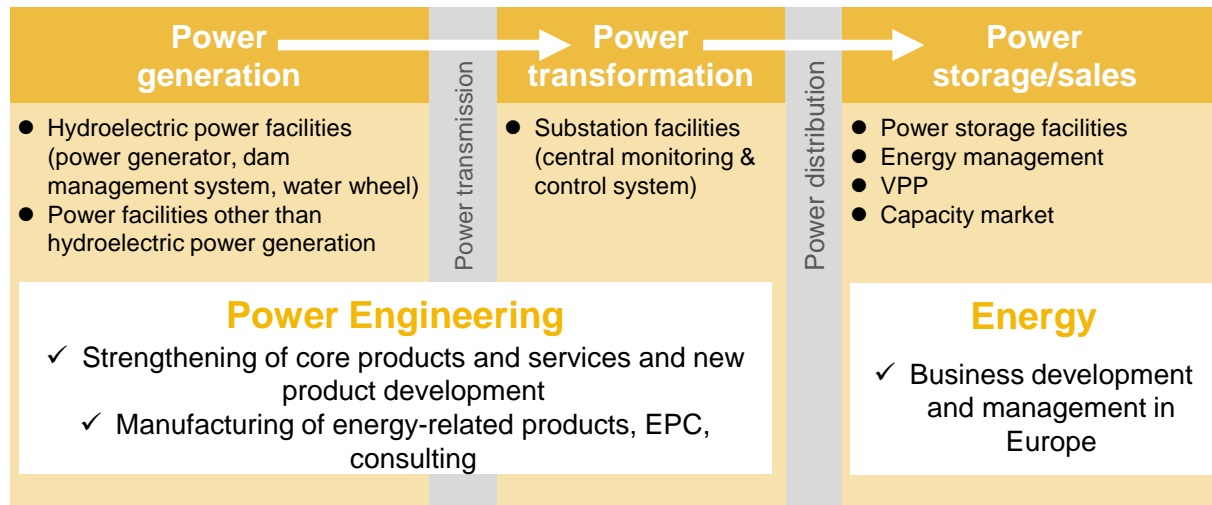
Direction of business

- Construct foundations for power generation and energy management businesses, such as battery storage and aggregation, through internal and external collaboration.
- Stabilize the manufacturing business through strengthening core products and new product development and strengthen the framework of the consulting/engineering business.

Market environment

- The renewable energy market has been growing worldwide.
- In Japan, the 2050 carbon neutralization goal drives the examination of making renewable energy a core source of power and of using hydrogen, reinforcement and improved operation of the power grid network, and expansion of the power trading market.
- Aging existing facilities are being systematically upgraded to secure the necessary ones for stable electric power supply.

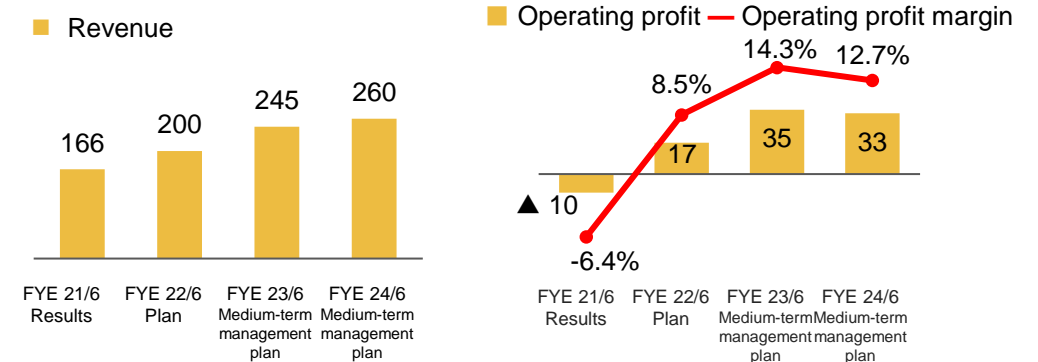
Structure



Aiming to provide one-stop solutions from power generation to power storage and sales

Numerical Targets (100s of million yen)

- Attain revenue growth of about ¥9 billion in three years
- Operating profit to return to the black in FYE 22/6 following the elimination of a transient loss; record investment return in the international energy management business in FYE 23/6



Measures for enhancing resilience	Measures/Materiality		Specific examples
Formulation of foundations for power generation and energy management businesses	<ul style="list-style-type: none"> ● Accommodate power generation needs related to decarbonization overseas. ● Enter into the renewable energy aggregation business by using the FIP system. ▶P. 39 ● Expand the proprietary energy management business. ▶P. 40 ● Develop an energy system to achieve local production for local consumption, improvement of disaster-prevention capabilities and realize new added-value services. ▶P. 41 ● Stabilize core renewable energy power systems. 	M1 M3 M4	<ul style="list-style-type: none"> • Energy storage business in Europe; mini grid based on renewable energy and battery storage • Implementation of verification testing for aggregation • Participation in hydraulic power concession projects • Implementation of micro grid/mini grid on islands and limited areas • Use of battery storage systems and entry into demand-supply balancing market and capacity market • Promoting decarbonization and energy-saving in proprietary businesses and provision of services for use of renewable energy as core source of energy
Strengthening production of core products and services and new product development	<ul style="list-style-type: none"> ● Contribute to stable supply and greater resilience of power. 	M1	<ul style="list-style-type: none"> • Upgrading of aging power stations, substation equipment, dam monitoring and control systems, etc. and implementation of digital technologies • Disaster prevention & energy-saving power storage system, regional micro grid power storage system, EMS, incidental power facility products
Provision of one-stop solutions with multi-faceted, diverse technologies	<ul style="list-style-type: none"> ● Reinforce structures of consulting and engineering. 	M1 M4	<ul style="list-style-type: none"> • Integration of energy-saving/power generation/overseas battery storage business investment & management into production, construction and mechanical & electrical consulting

▼Materiality related to business activities

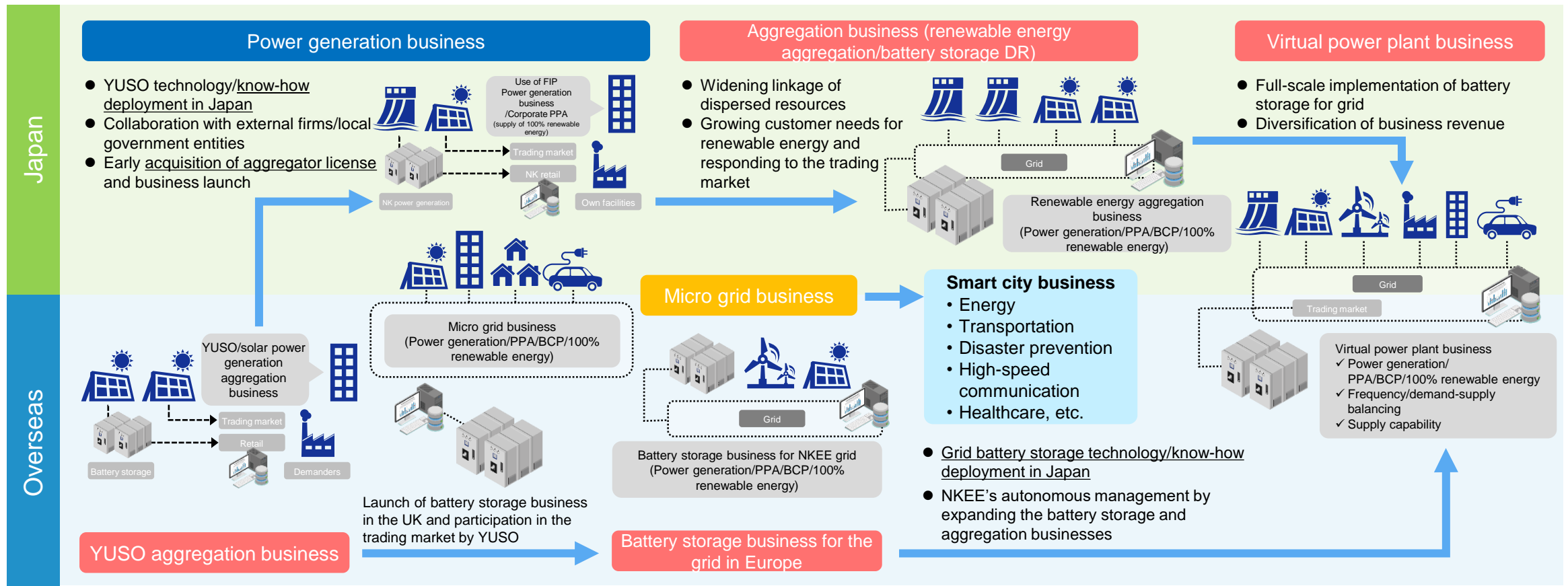
1: Develop infrastructure where people can live safely 2: Develop social infrastructure where all people can freely interact and play an active role 3: Create attractive cities where a diversity of people and industries are concentrated 4: Conserve the global environment by achieving a decarbonized society

[Specific Project Example] Expansion of Energy Aggregation

Resilience policy 1: Promote business strategies of three domains

Business deployment using technologies secured early in Europe as key technologies and establishment of aggregation and micro grid businesses

- ▶ In Japan, selected in the FY2021 renewable energy aggregation initiative organized by the Ministry of Economy, Trade and Industry. Making use of technologies acquired in Europe.
- ▶ Aiming to acquire the aggregator license under the FIP framework to be launched in FY2022.



[Specific Project Example] Small Hydroelectric Power Generation Business in Japan

Resilience policy 1: Promote business strategies of three domains

Implementation of small hydroelectric power generation system at Sabo Dam and making effective utilization of unused differences in elevation. Began operation in July 2021.

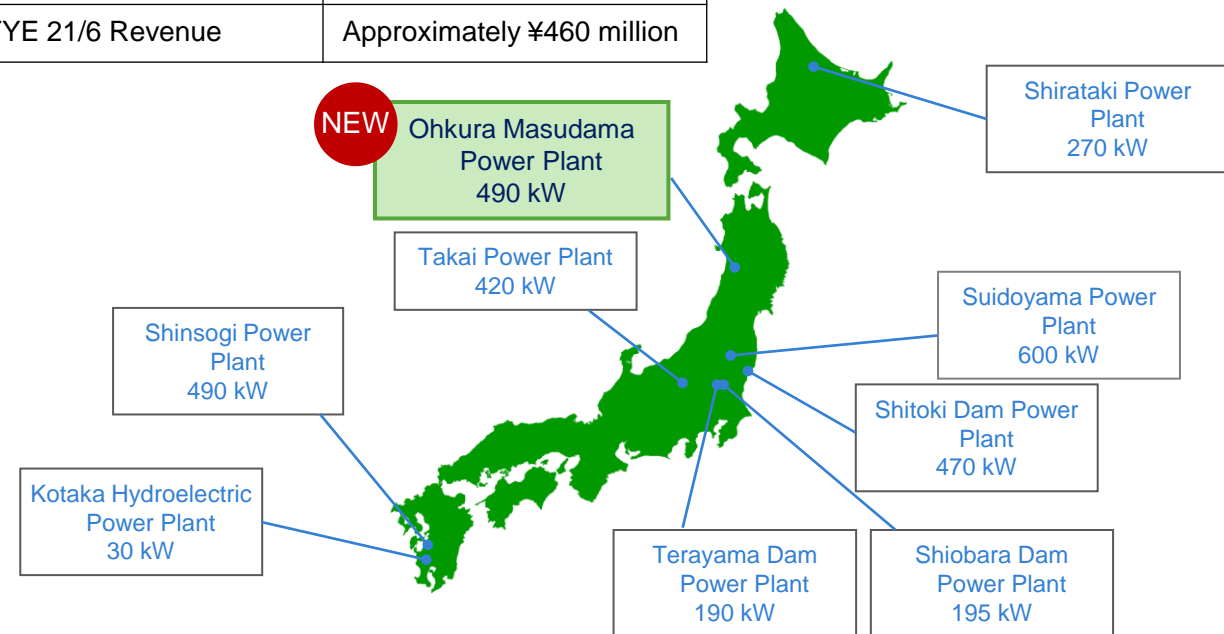
- ▶ Implemented a hydroelectric power generation system using the existing embankment (Masudama Sabo Dam) on the Dozan River in Ohkura Village, Yamagata Prefecture.
- ▶ With power generated to supply up to 1,200 general households, contributed to the region through the introduction of renewable energy in line with the regional characteristics.



Ohkura Masudama Hydroelectric Power Plant

Nippon Koei Group's Small Hydroelectric Power Generation Business in Japan

Operating sites	9 locations
Power generation volume	Total of 3.1 MW
FYE 21/6 Revenue	Approximately ¥460 million

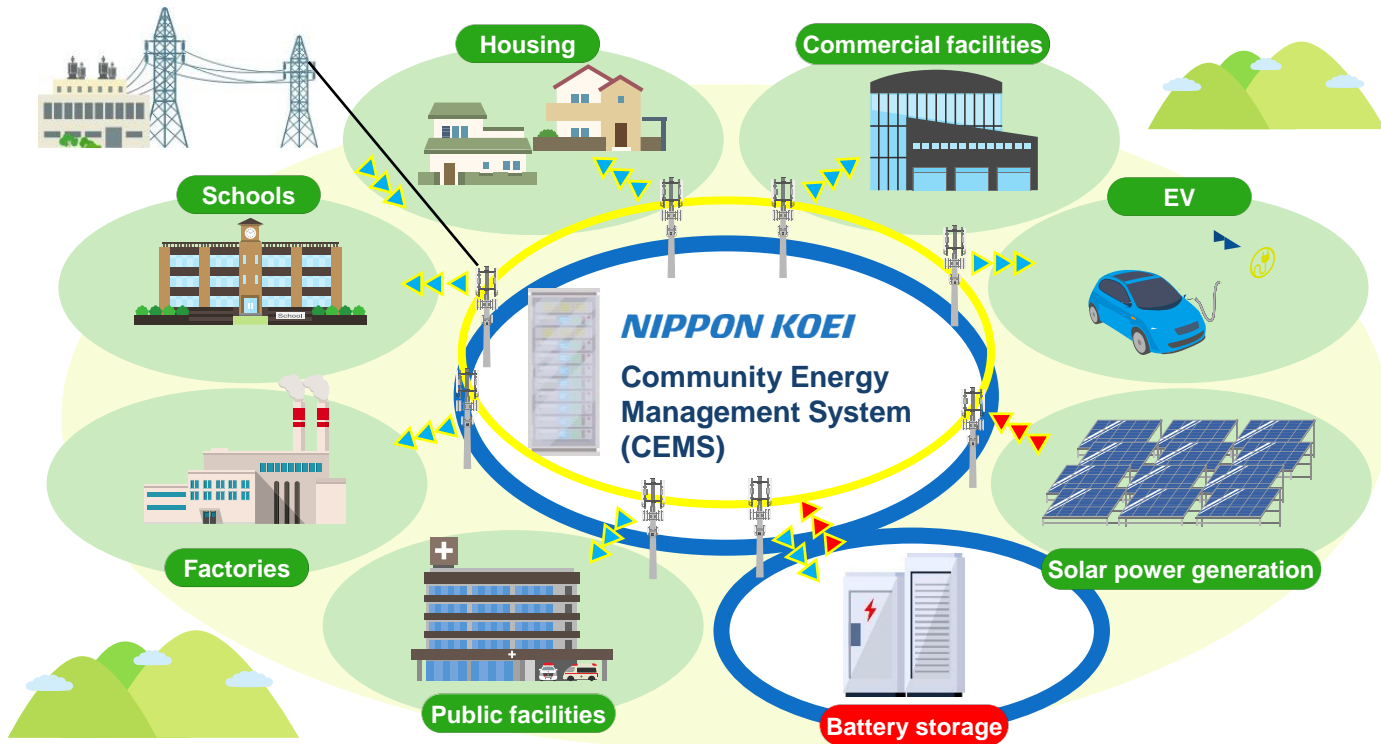


[Specific Project Example] Regional Energy Management System

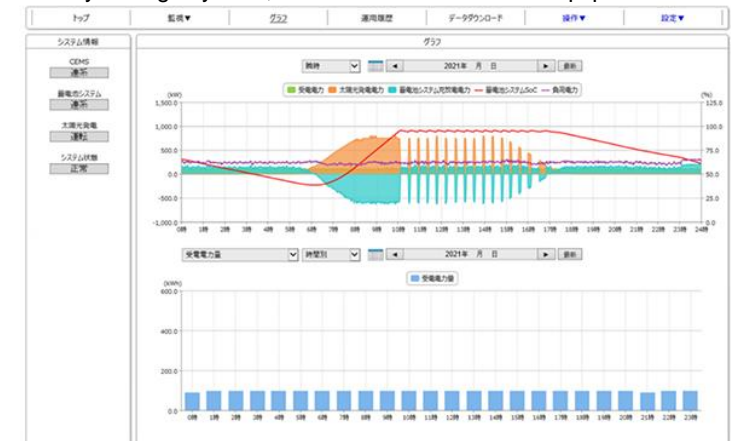
Resilience policy 1: Promote business strategies of three domains

Maintaining balance between economic maximization and stable supply of power in the region leveraging energy management technologies

- ▶ Undertaking the smart community development initiative at Katsurao Village in Fukushima Prefecture, from advisory to development.
- ▶ Contributing to: optimal control of renewable energy in line with the demand for power in the village, local production for local consumption of energy in the region, and reinforcement of the region's disaster-prevention capability.



Battery storage system, exterior of the local EMS equipment



Illustrated image of the EMS control screen **NIPPON KOEI**

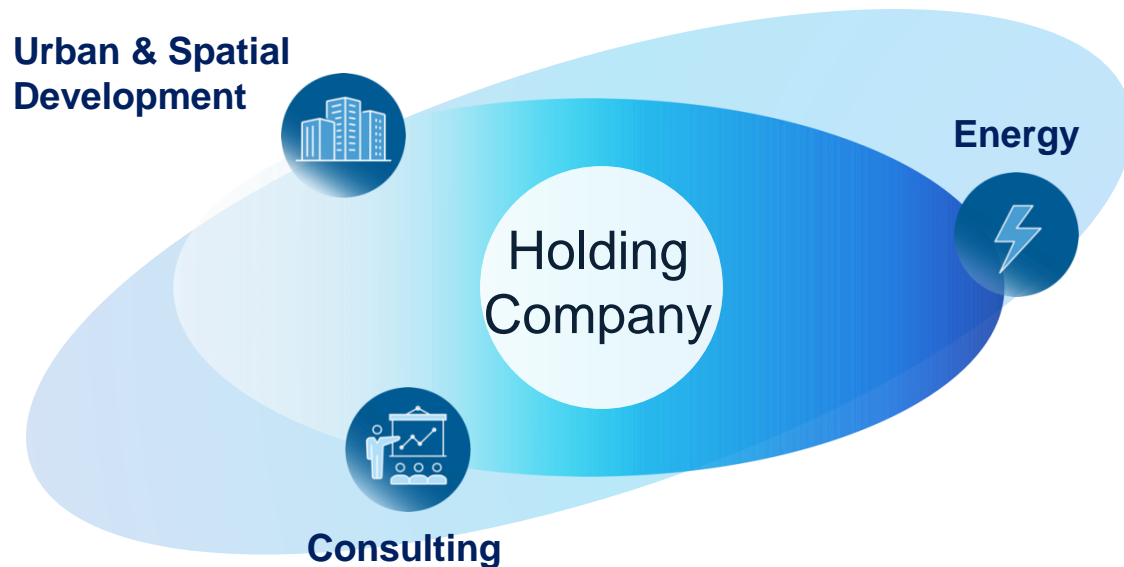
Organizational Strategy

Resilience policy 2: Group management structure that realizes matrix management across businesses and regions

Propose optimal solutions with a sense of speed in response to the social issues and needs of each region

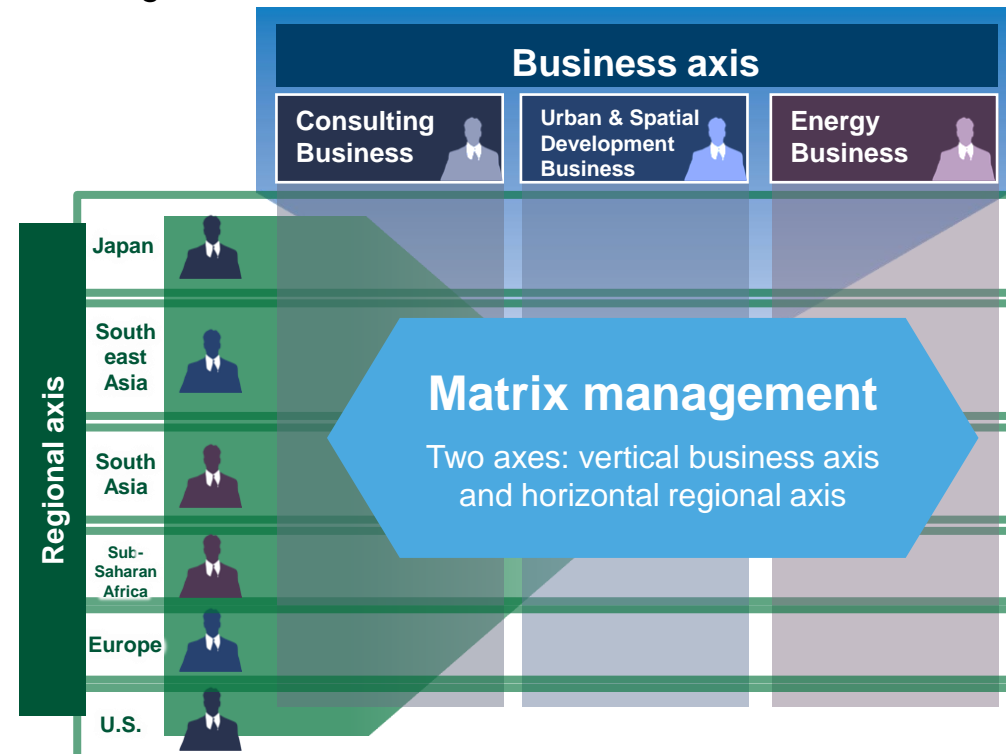
■ Establishment of holding Company

- Aim to establish a holding company around June 2024 in order to accelerate decision-making.



■ Governance structure that realizes matrix management

- Ensure comprehensive management is carried out for each region in the world and pursue rationalization and efficiency of management.



“Think Globally, Act Locally” to accommodate the needs of regions with world-class technologies

Realization of one-stop services

- Promote sales of technologies (services and products) owned by the NK Group in Japan and abroad.
- Form cross-segment businesses (civil engineering plus architecture, architecture plus energy, etc.)

Support for autonomous management of the region

- Expand sites and reinforce production structures in Japan and abroad based on the regional strategy.
- Develop human resources to manage overseas sites.

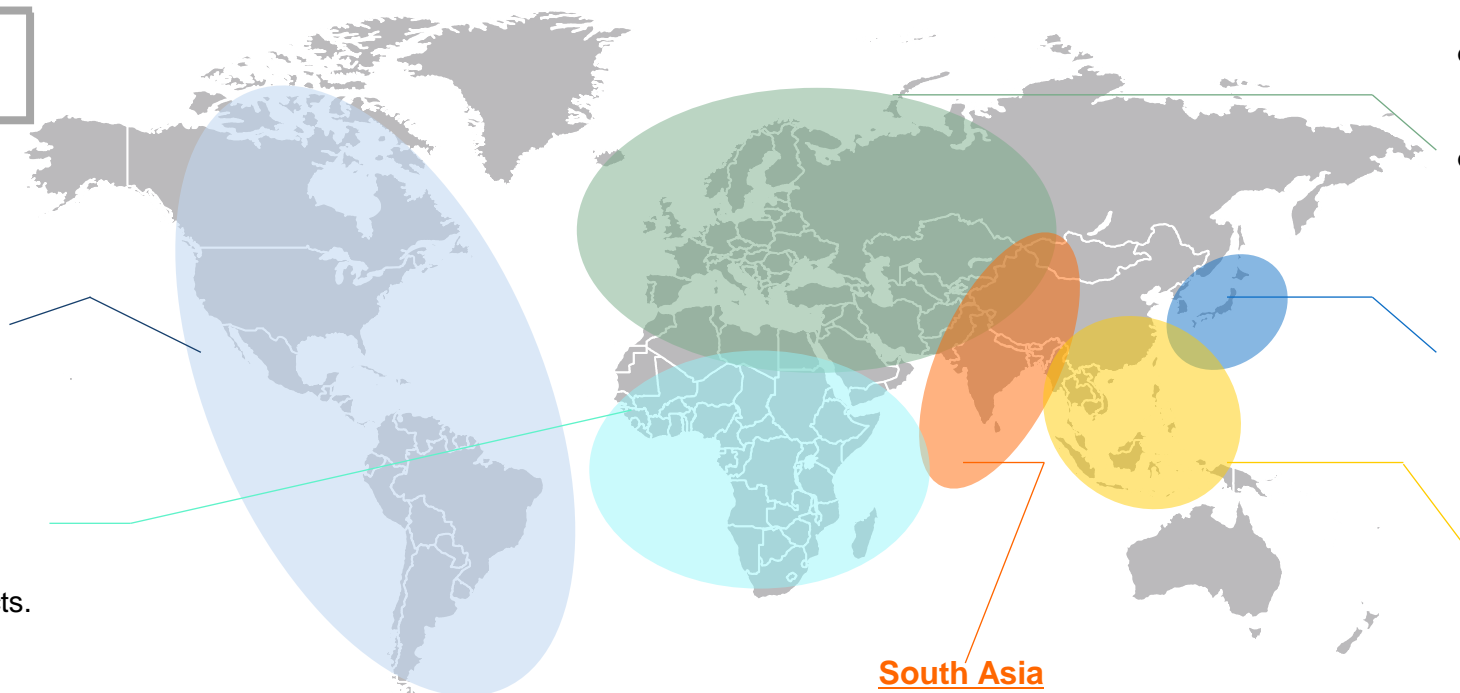
Major response to regional issues

U.S.

- Unearth, create and promote energy-related business and disaster-prevention DX business.

Sub-Saharan Africa

- Smoothly manage and promote the Mombasa Integration Project.
- Form new yen loan projects.



Europe, Middle East, Central Asia, North Africa

- Accelerate implementation, completion and management of BESS business in Europe.
- Promote the global large-scale stadium business by BDP Pattern.

Japan

- Formulate technological and sales strategies that anticipate needs.
- Create sales menus to drive synergy among the three businesses.

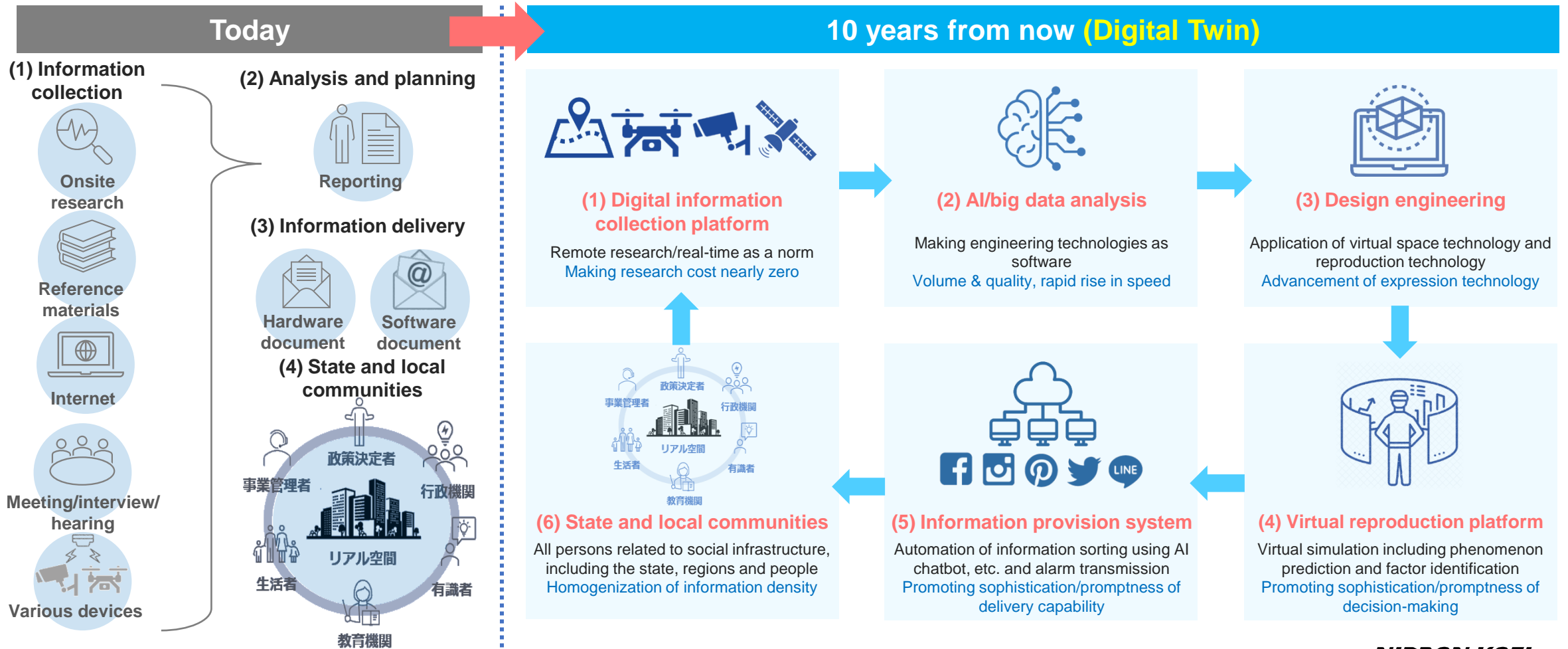
Southeast Asia

- Reinforce sales activities, business management and governance structure from a One-ASEAN perspective.

South Asia

- Receive orders for large-scale railway projects.
- Prepare and form next-generation business projects.

Create innovative values based on DX to grow into a pioneer company that realizes a sustainable society



[Specific Project Example] Offensive DX, Defensive DX

Resilience policy 3: Manifesting the NKG brand and NKG quality

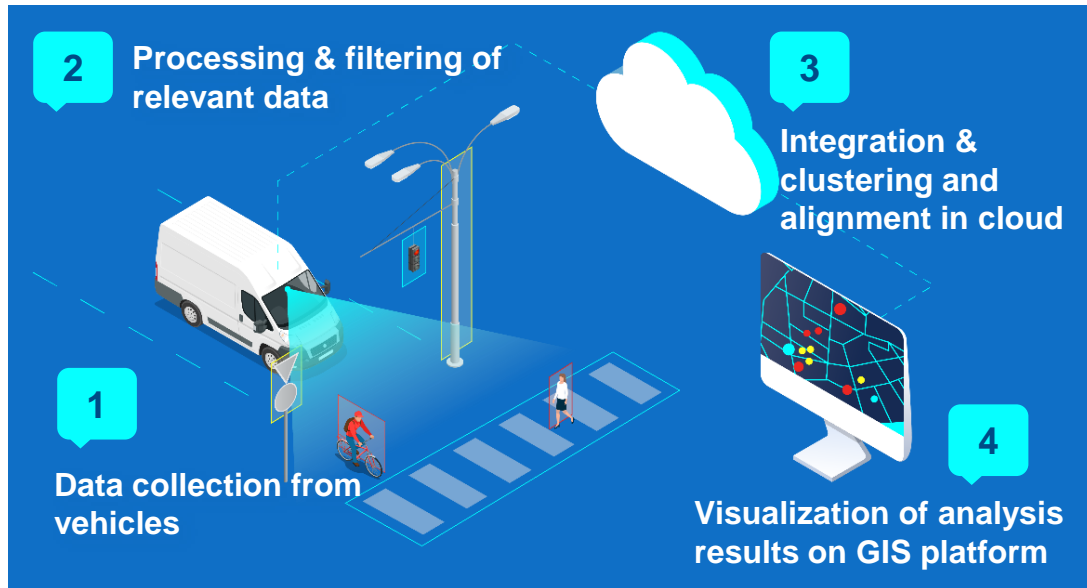
Providing high added value with offensive DX and promoting productivity enhancement and operational efficiency improvement with defensive DX

Offensive

[Provision of high added value]

Street control & maintenance and traffic safety measures in Singapore using big data

- Automatically collect and analyze data using cameras equipped in car-share vehicles, and identify the status of facilities on streets, damage, etc.

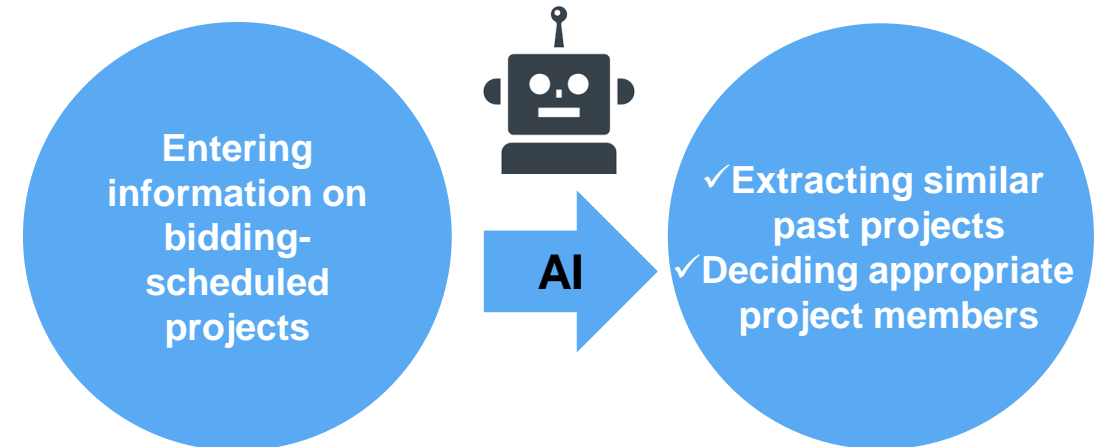


Defensive

[Productivity enhancement & operating efficiency improvement]

Preparation of proposal document using AI, development of tools to increase efficiency

- Promote productivity enhancement and operational efficiency improvement with internal DX.
- Reduce operational burden by roughly 20% using the system.
- Aim for partial automation in creating proposal documents.



Development of human resources for manifesting the NKG brand and NKG quality

- **Enhance the foundation of human resource capability of the overall NKG** by launching NKG Global Academy and building a comprehensive learning environment.
- **Promote transparency of wisdom and develop leaders** based on knowledge management, talent management and effective use of diverse data.
- **Evolve into an organization that outperforms others** in the globally competitive environment by achieving both brand and quality.

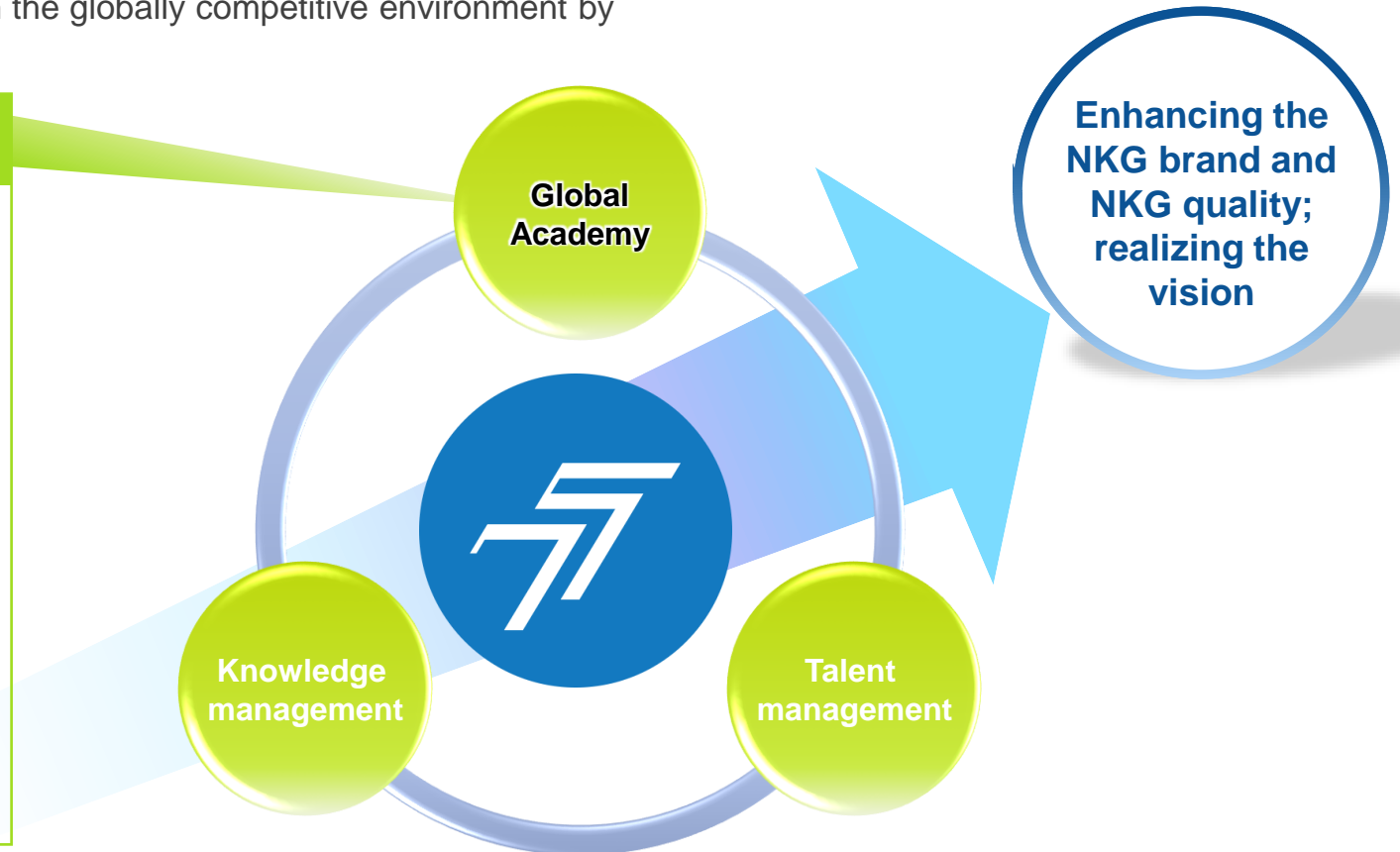
NKG Global Academy

- Develop a mechanism in which NKG engineers around the world exchange and integrate technology information.
- Implement training programs to build up the technology base, have ethics take root among engineers and nurture a sense of unity within the Group.
- Dispatch lecturers to universities and uniformly manage research & development.
- Develop external human resources to undertake the establishment of future infrastructure in developing countries.

Education program

Human resource database

Organizational learning



Aim to increase sustainability by respecting diversity and promoting “well-being management” that values the good health and happiness of employees.

Work style

Work (Style) Transformation

Workplace

Work (Place) Transformation

DX

Digital Transformation

Health management & productivity enhancement

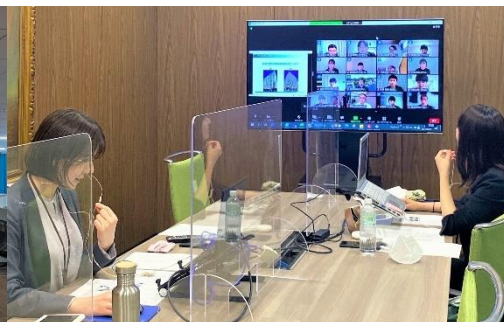
Health and Productivity Management

Work Life Balance

- Increasing competitiveness and carrying out the social mission as a company
- Achieving a good work-life balance for employees

Well-Being

Driving employees' physical, emotional and social well-being



Financial Strategy

Target indicators

Long-term
Management Strategy

Operating
profit margin
10%

ROE
15%

Medium-term
Management Plan

Operating
profit margin
7%

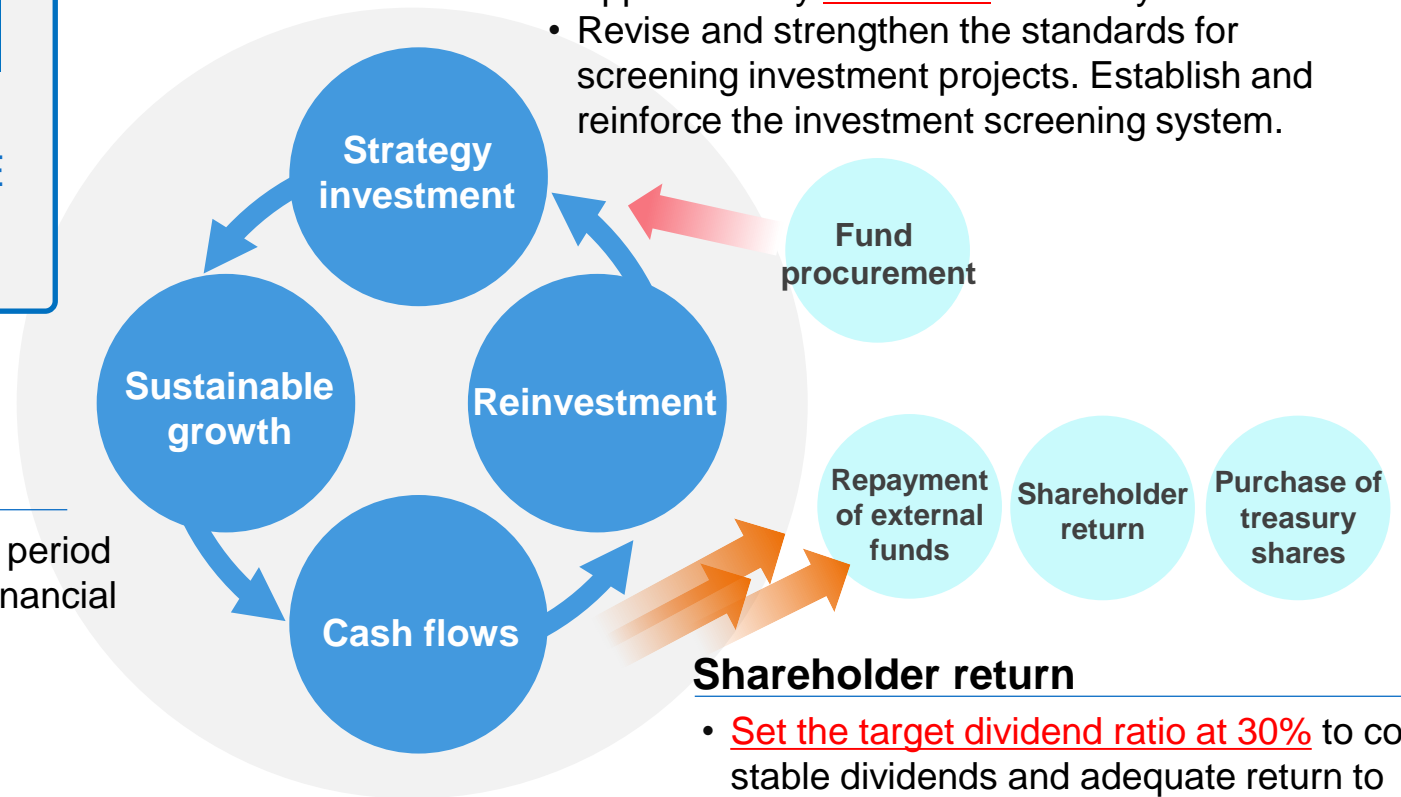
ROE
9%

Securing financial soundness

- Set the target equity ratio at 40% even in a period of concentration in investments to secure financial soundness.

Investment Policy

- Growth investment (including M&A): Approximately **¥32 billion** in three years
- Revise and strengthen the standards for screening investment projects. Establish and reinforce the investment screening system.



Shareholder return

- Set the target dividend ratio at 30% to continue stable dividends and adequate return to shareholders in line with the profit level.
- Pursue purchase/cancellation of treasury shares as needed in order to achieve an **appropriate total return ratio**.



Working Together Toward A Future Without Boundaries

NIPPON KOEI



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- **Appendix**
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Results for FYE June 2021 for Each of the Five Business Segments (IFRS)

(Millions of yen)	FYE 2020/6 Results	FYE 2021/6 Results	YoY Change	
			Amount	%
Orders	144,871	133,304	▲11,567	92.0%
Domestic Consulting	59,314	62,047	2,733	104.6%
International Consulting	47,617	35,721	▲11,895	75.0%
Power Engineering	19,829	13,880	▲5,949	70.0%
Urban & Spatial Development	17,874	21,457	3,582	120.0%
Energy	156	111	▲45	71.1%
Net sales	108,441	117,859	9,418	108.7%
Domestic Consulting	49,958	55,345	5,386	110.8%
International Consulting	22,635	24,753	2,117	109.4%
Power Engineering	15,382	15,831	448	102.9%
Urban & Spatial Development	18,142	20,274	2,131	111.7%
Energy	1,070	790	▲279	73.9%
Real Estate Leasing and Other	1,251	865	▲386	69.1%
Operating profit	5,245	7,128	1,882	135.9%
Domestic Consulting	4,944	6,128	1,183	123.9%
International Consulting	513	1,853	1,340	361.1%
Power Engineering	995	858	▲137	86.2%
Urban & Spatial Development	1,759	2,266	507	128.8%
Energy	▲355	▲1,919	▲1,563	-
Real Estate Leasing and Other	▲2,611	▲2,058	552	-

[Reference] Results for FYE June 2021 for Each of the Five Business Segments (Japanese GAAP)

(Millions of yen)	FYE 2020/6 Results	FYE 2021/6 Results	YoY Change	
			Amount	%
Orders	141,632	132,177	▲9,455	93.3%
Domestic Consulting	56,184	61,280	5,095	109.1%
International Consulting	47,508	35,364	▲12,143	74.4%
Power Engineering	19,829	13,878	▲5,950	70.0%
Urban & Spatial Development	17,874	21,457	3,582	120.0%
Energy	156	110	▲46	70.6%
Net sales	112,214	117,710	5,495	104.9%
Domestic Consulting	51,333	54,961	3,627	107.1%
International Consulting	24,508	24,912	403	101.6%
Power Engineering	15,747	15,897	150	101.0%
Urban & Spatial Development	18,160	20,267	2,106	111.6%
Energy	1,187	789	▲398	66.5%
Real Estate Leasing and Other	1,276	881	▲394	69.1%
Operating profit	4,590	7,715	3,125	168.1%
Domestic Consulting	5,227	6,946	1,718	132.9%
International Consulting	684	1,685	1,001	246.3%
Power Engineering	1,069	904	▲165	84.6%
Urban & Spatial Development	917	997	79	108.7%
Energy	▲383	▲409	▲26	-
Real Estate Leasing and Other	▲2,924	▲2,407	516	-

* Since the Company adopts the International Financial Reporting Standards (IFRS) effective the end of the fiscal year ended June 30, 2021, these are estimated values calculated under Japanese GAAP for reference.

Change of Business Segments (From FYE June 2022)

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

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 LAC do Brasil Ltda. 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>FYE 21/6 Transfer of NK Urban Development Dept.</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 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 LAC do Brasil Ltda. 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 Forecast for Each of the Five Business Segments (IFRS)

(Millions of yen)	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.

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)

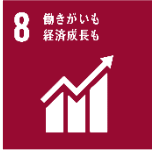



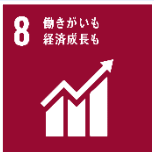








(Millions of yen)	FYE 2021/6 Results	FYE 2024/6 Plan	Amount	%
Orders	133,304	150,000	16,695	112.5%
Consulting Business	97,769	92,000	▲5,769	94.1%
Urban & Spatial Development Business	21,457	39,000	17,542	181.8%
Energy Business	13,991	19,000	5,008	135.8%
Revenue	117,859	155,000	37,140	131.5%
Consulting 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





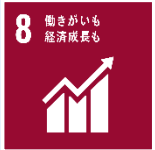




Link business activities with materiality, identify what the Nippon Koei Group can do about common issues in the world and contribute to achieving the sustainable development goals (SDGs) while driving these initiatives to also increase corporate value of the Company.

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.

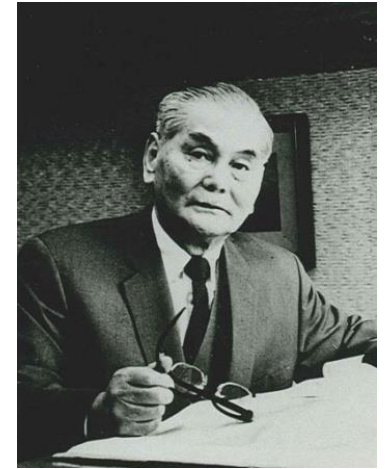
■ Founder: Yutaka Kubota (1890–1986)

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.

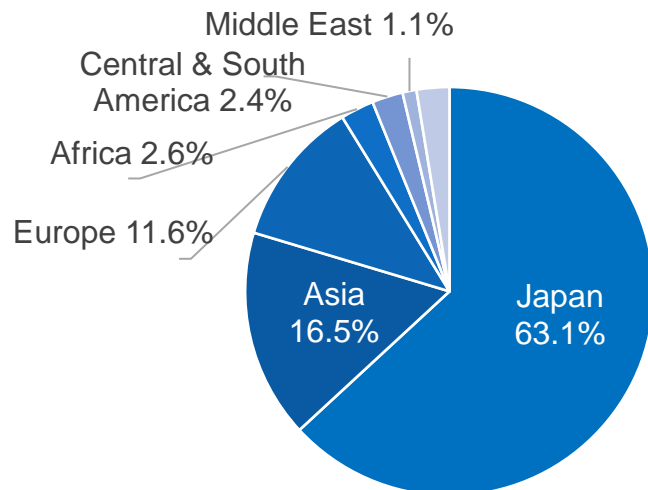
After the war, in a bid to work toward the restoration of Japan and reconstruction of countries damaged by the war, he founded the Company at the age of 56.

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

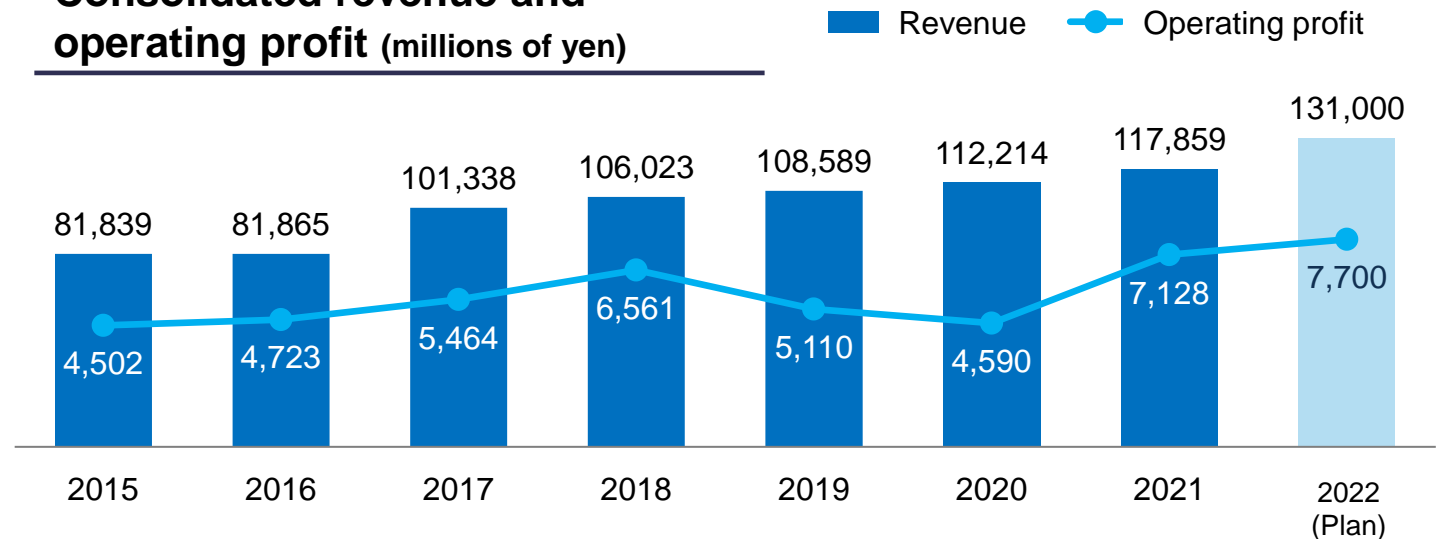
He directed projects in many countries around the world until he was 90 years old, contributing to development in developing countries.



Net sales by region



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



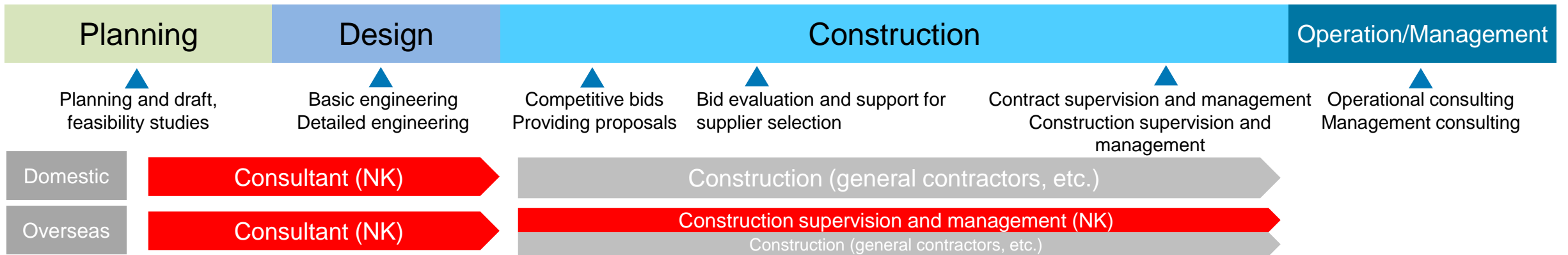
We provide services for power and electric facilities in Japan and abroad in all phases from planning and research to design, construction, manufacturing of equipment and maintenance. In addition, the world is advancing toward decarbonization and the renewable energy-related businesses are going through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

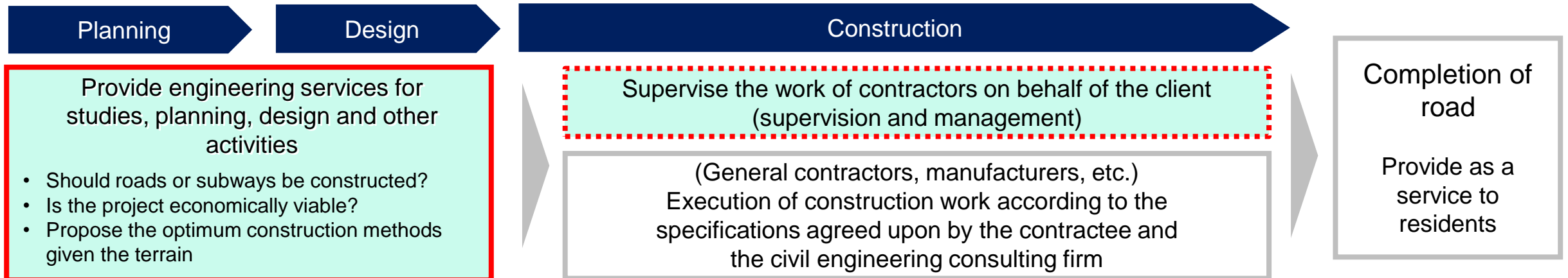
Job Description for Civil Engineering Consultants

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

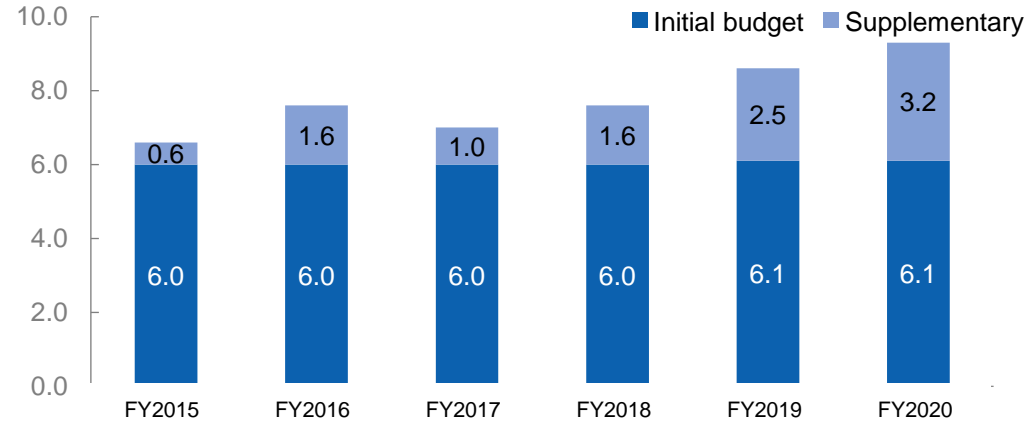
Nippon Koei is Japan's leading civil engineering consultant.

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

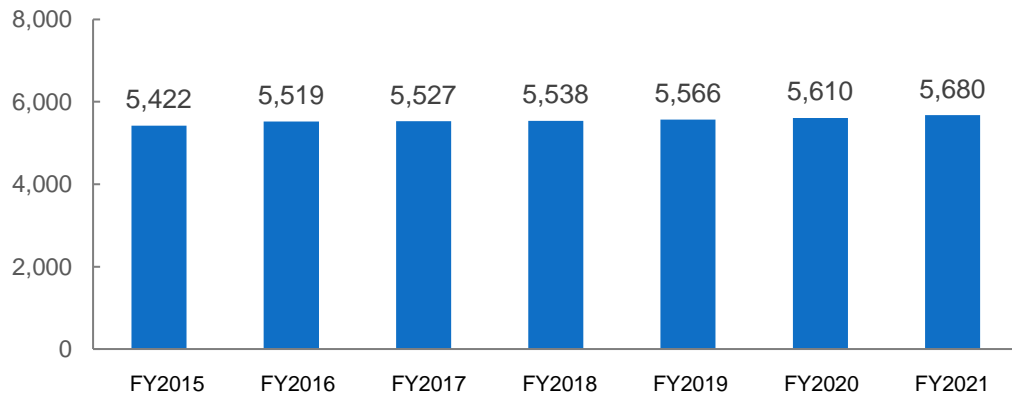
*Source: Nikkei Construction, April 26, 2021 edition. Ranking by engineering consultant division sales (according to published financial results)

Consulting Business: Market Trends and Operating Results

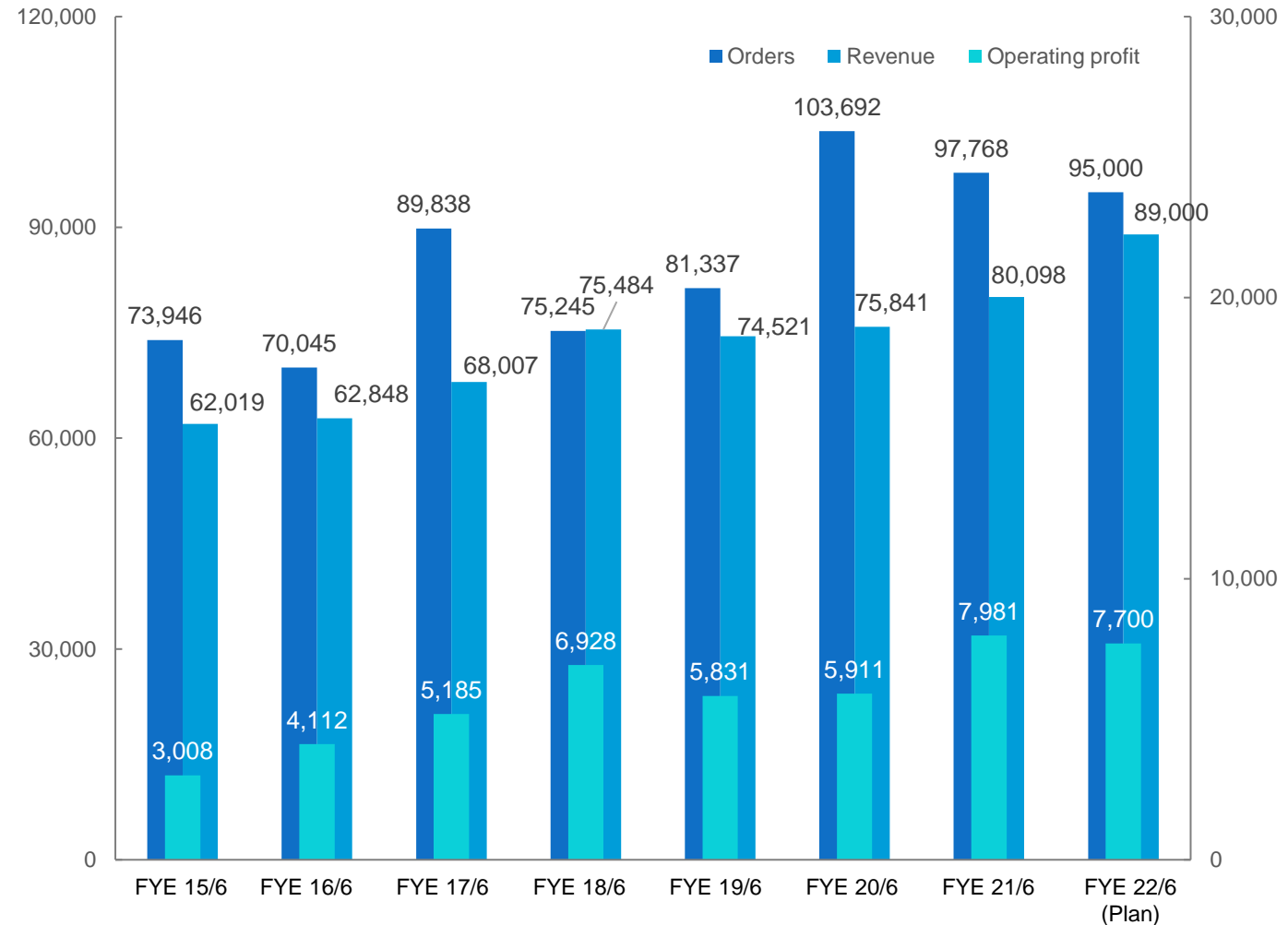
Public Works Expenditures (Trillions of yen)



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



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

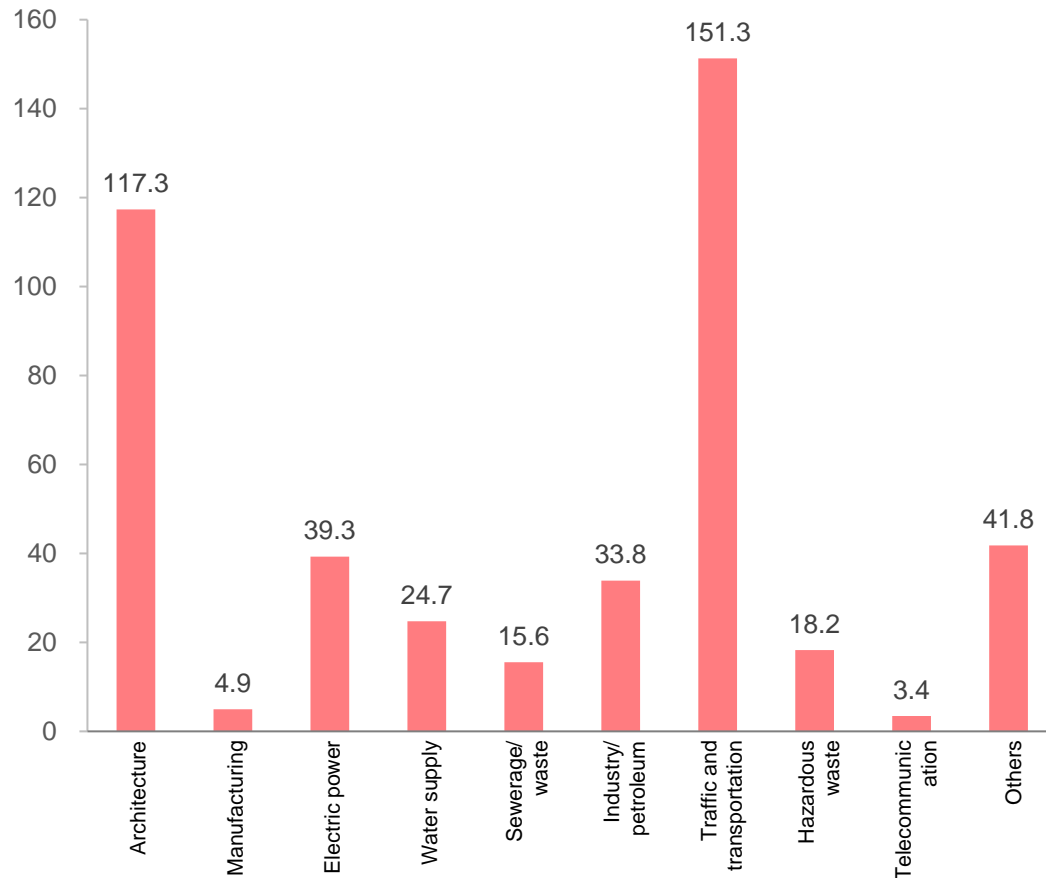


* Figures showing operating results for FYE 15/6 through FYE 21/6 are simple aggregations of the figures for Domestic Consulting and International Consulting Businesses before intercompany eliminations.

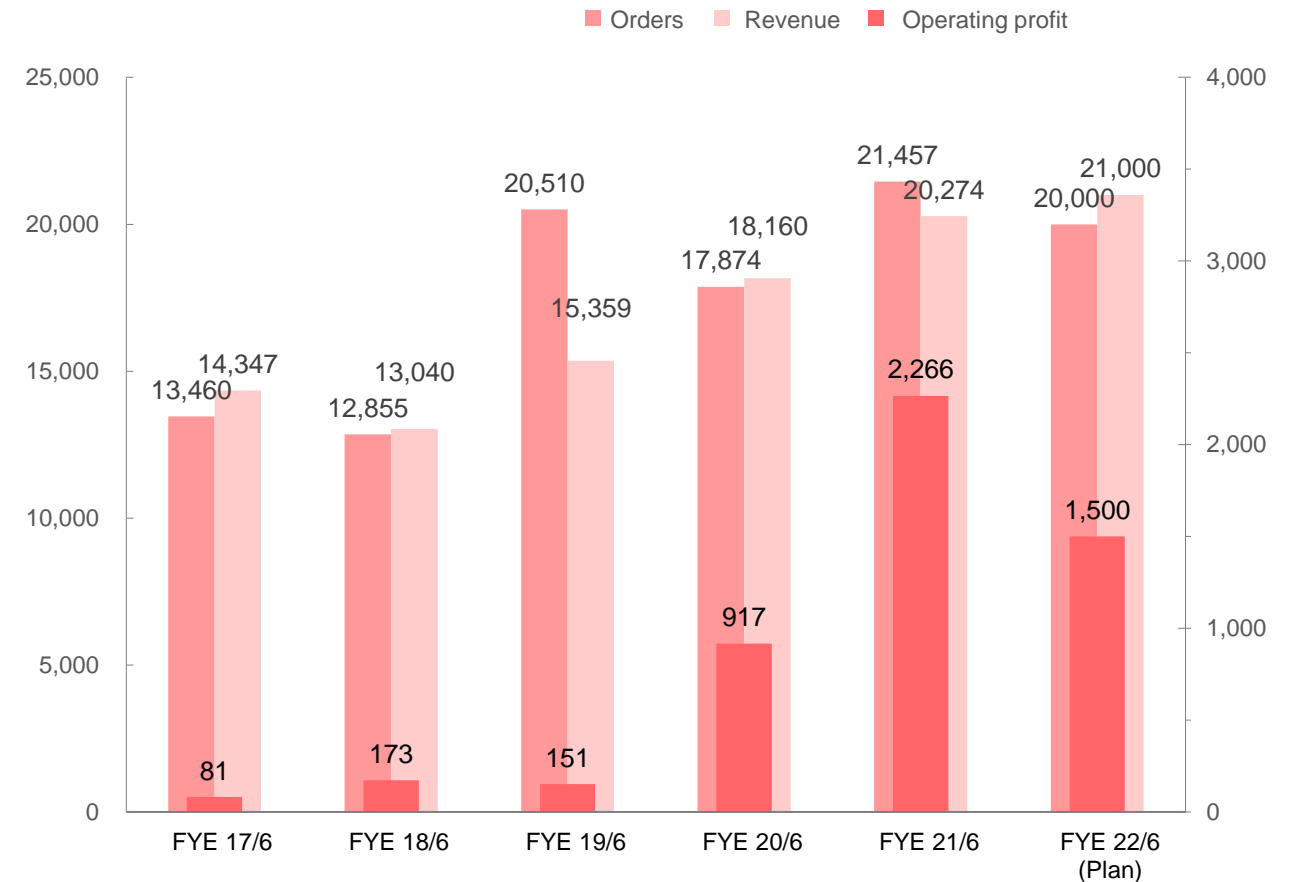
* Operating results for years up to FYE 20/6 are based on Japanese GAAP while those for FYE 21/6 and onward are based on the IFRS.

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)

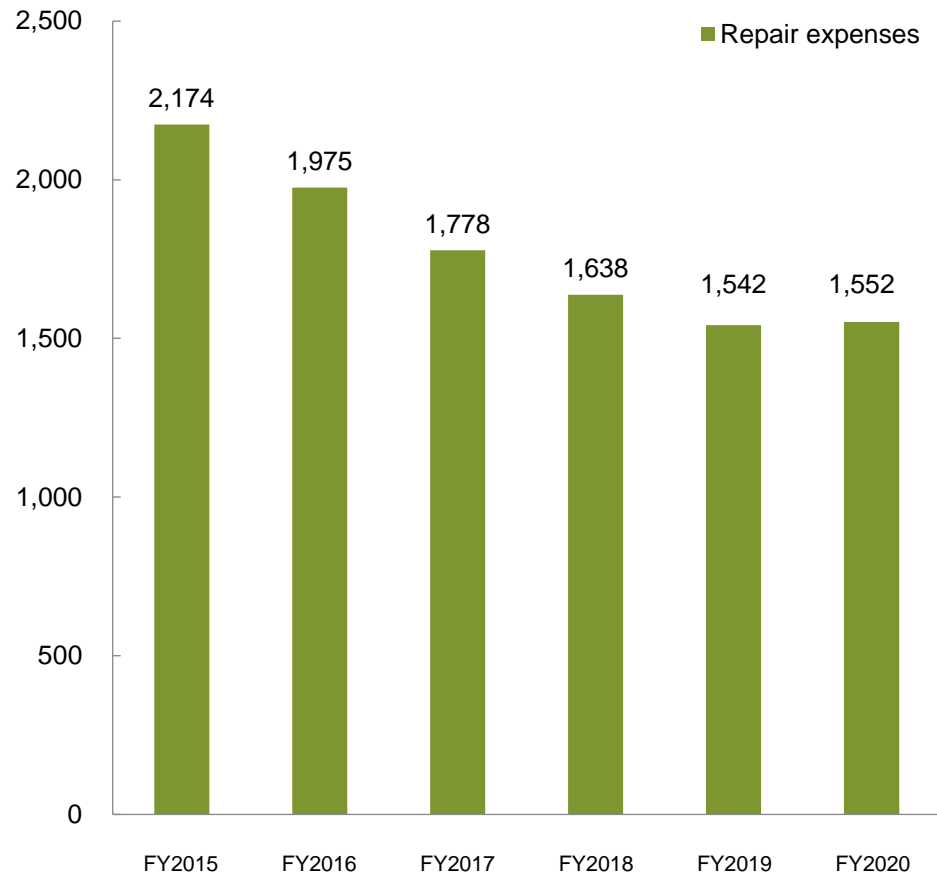


*Source: Compiled by the Company based on information available in the ENR magazine (issued in August 2021)

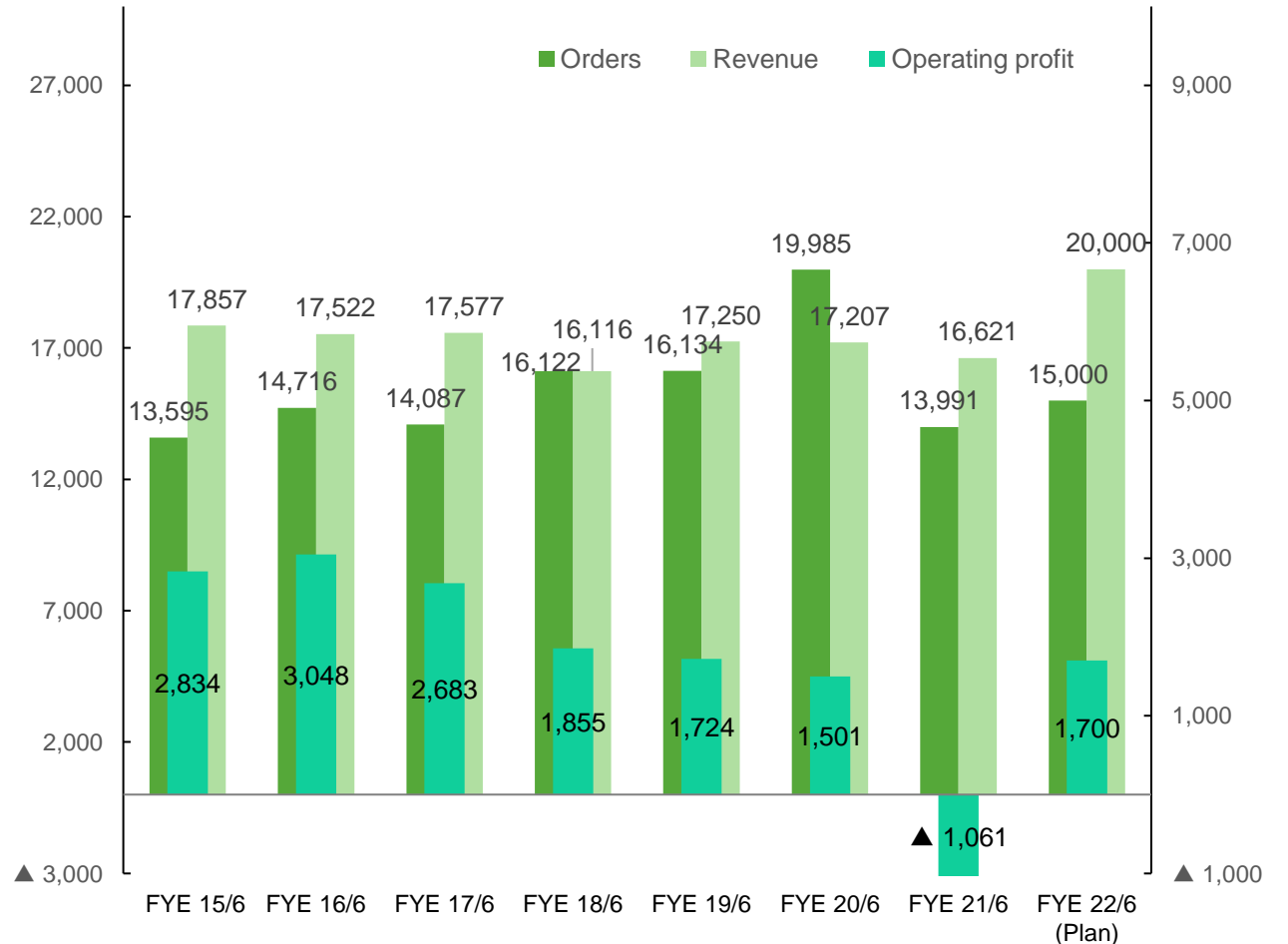
*Operating results for years up to FYE 20/6 are based on Japanese GAAP while those for FYE 21/6 and onward are based on the IFRS.

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 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 and white geometric pattern with a network of glowing blue lines and dots, suggesting a digital or technological theme.

NIPPON KOEI

Inquiries on IR-related matters

Corporate Communication Office, Nippon Koei Co., Ltd.

Phone: +81-3-5276-2454 c-com@n-koei.co.jp

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