



# **New Medium-term Management Plan Briefing on the Financial Results for FY2023 (the Fiscal Year Ended March 31, 2024)**

**May 27, 2024**

## 1 Company Overview and Structure of NDK Group's Philosophies

## 2 Review of the NIPPON DENSETSU Three-year Management Plan 2021

1. Achievement Status of Numerical Targets
2. Results by Segment

## 3 Long-term Vision NDK Vision90

1. Direction toward Sustainable Growth
2. NDK Vision90
3. Process of Growth toward the NDK Vision90
4. Investment Plan for Growth
5. Trend in Dividends

## 4 New Medium-term Management Plan NIPPON DENSETSU Three-year Management Plan 2024

1. Management Targets and Priority Action Items
2. Business Strategies
3. Strategies to Solidify the Management Foundation

## 5 Financial Results Overview FY2023 (Consolidated) Financial Results Forecast FY2024 (Consolidated)

## 6 Appendix



# ① Company Overview and NDK Group's Philosophy



(As of March 31, 2024)

Company name	NIPPON DENSETSU KOGYO CO.,LTD. (the Company)
Establishment	December 15, 1942
Location	NDK Daini Ikenohata Building 1-2-23 Ikenohata, Taito-ku, Tokyo 110-8706
Share capital	8,494.29 million yen
Representative	Kazushige Yasuda, President and Representative Director
Business description	Contract, plan, design, supervise, etc. civil engineering work, scaffolding work and earth work, electrical construction, plumbing work, steel structure work, painting work, telecommunications engineering, fire protection facilities work, and demolition works
Number of employees	2,546 (non-consolidated), 4,744 (consolidated)
Stock exchange listing / Securities code	Prime Market of the Tokyo Stock Exchange / 1950
Industry sector	Construction
Trading unit	100 shares
Total number of issued shares	61,537,219 shares
Largest shareholder	East Japan Railway Company (JR East) (The Company is an entity accounted for using equity method of JR East.)
Total number of shareholders	4,585

NDK Group (consists of 16 subsidiaries and five affiliates)

Affiliates are marked with ○.

	Company name	Description of primary businesses
Consolidated subsidiaries 13 companies	NDK Sogo Service Co., Ltd.	Sell electrical equipment and materials, lease, broker, and manage real estate, and perform, plan, supervise, and maintain electrical construction for buildings
	NDK Its Co., Ltd.	Plan, develop, and manage information systems
	NDK Densetsu Co., Ltd.	Perform, plan, supervise, and maintain electrical construction for buildings
	NDK Setsubi Sekkei Co., Ltd.	Plan, design, estimate cost of, and supervise electrical facilities, communications facilities, and information systems for buildings
	NDK R&E Co., Ltd.	Train on and publish books about electrical facilities
	Nippon Densetsu Denshasen Koji Co., Ltd.	Perform and supervise electrical construction for railway tracks
	Nippon Densetsu Shingo Koji Co.,Ltd.	Perform and supervise electrical construction for railway signals
	Nippon Densetsu Tsushin Koji Co., Ltd.	Perform and supervise telecommunications engineering for railway communications
	NDK Nishinohon Densetsu Co., Ltd.	Perform, plan, supervise, and maintain electrical construction for buildings (the Osaka and Shikoku areas)
	Toden Co., Ltd.	Perform and supervise electrical construction for buildings (the Chugoku area)
	Tokiwa Denki Kogyo Co., Ltd.	Perform, plan, supervise, and maintain electrical construction, telecommunications engineering, and plumbing work (the Kyushu area)
	ISHIDA Industries Co.,Ltd.	Design, perform, and supervise plumbing work (air conditioning, water supply and drainage sanitization, water supply and sewerage systems, etc.)
	Total Electric Management Service Co., Ltd.	Survey, design, construct, plan, supervise, and maintain electrified railway facilities, communications facilities, and fire protection facilities
Entity accounted for using equity method 1 company	○ SHIN-YOSHA CORPORATION	Design, manufacture, sell, and install electrified railway equipment and various signage display systems
Entities not accounted for using equity method 7 companies	Yaesu Denki Koji Co., Ltd.	Perform railway power construction and repair electrical equipment
	Daiei Densetsu Kogyo Co., Ltd.	Design, perform, supervise, inspect, maintain, and repair electrical construction of railway lighting
	Nihon Kasen Kogyo Co., Ltd.	Design, manufacture, sell, and install parts and tools for railway tracks
	○ Nippon Tetsudou Denkisekkei Co., Ltd.	Plan, survey, design, estimate cost of, construct, and supervise of railway electrical facilities
	○ EIRAKU ELECTRIC CO.LTD.	Design, manufacture, sell, and install machinery and equipment for railway electrical power conversion and communications
	○ SANKOSHA Co., Ltd.	Manufacture and sell railway signaling equipment, railway vehicle supplies, traffic signals, road signs, etc.
	○ SANSEIDENKI Co., Ltd.	Design, manufacture, and sell lighting equipment, distribution boards, and switch boxes for railway facilities



Leading company in the field of construction of electrified railway equipment (Railways)

Covers a wide range of construction, including construction of electrical facilities for buildings (Buildings) and construction of information and communication systems (I&C Systems)

Nationwide business operations

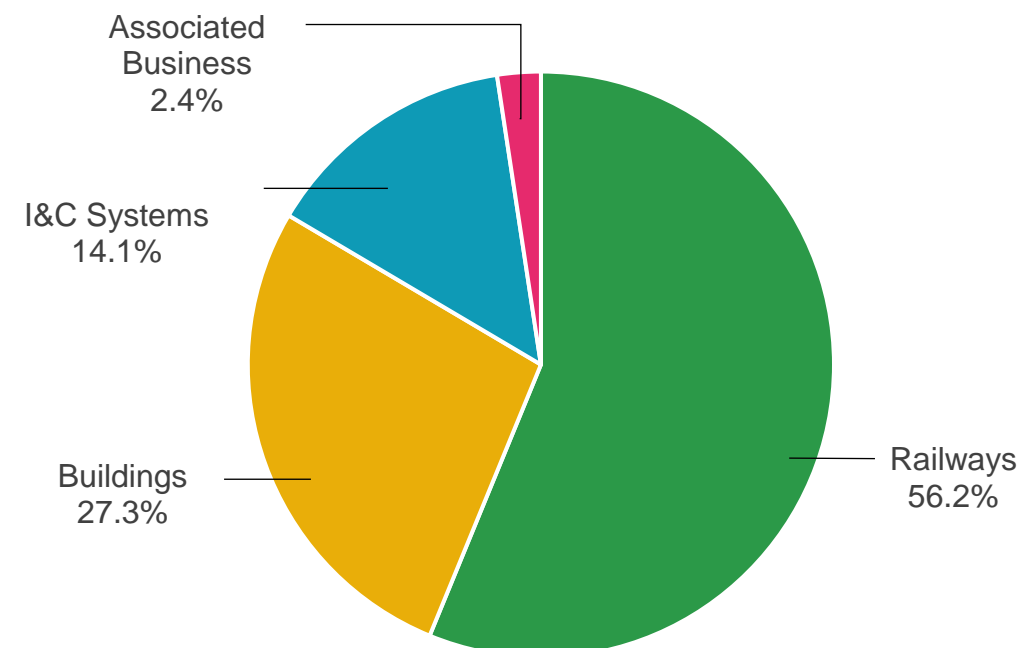
### Net sales composition by segment (¥)

(Unit: million yen)

Segment	FY2023 Net sales	Including net sales to JR East
Railways	109,165	81,509
Buildings	52,943	2,065
I&C Systems	27,319	12,668
Associated Business*	4,602	146
<b>Total</b>	<b>194,031</b>	<b>96,390 (49.7%)</b>

\* Associated Business includes real estate business, total building management, sale of materials, software development, and design of electrical facilities.

### Net sales composition by segment (%)





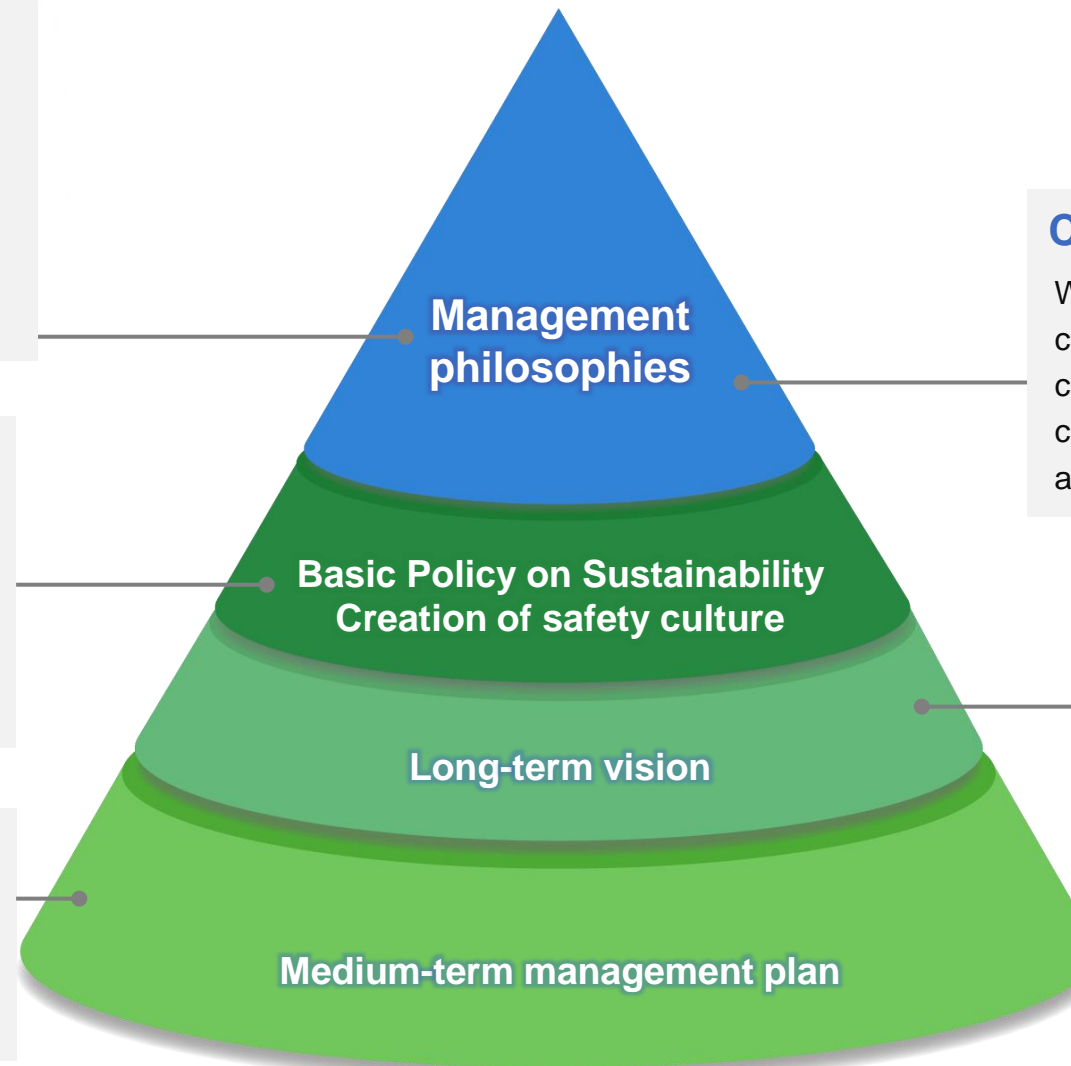
*Corporate motto:  
Be bright and friendly.  
Hone your skills.  
Serve with integrity.*

### Basic Policy on Sustainability

- Develop and grow together with the local community
- Contribute to the global environment through business activities
- Foster and empower diverse talent and promote diversity

### NIPPON DENSETSU Three-year Management Plan 2024

“Pursuing New Heights”



**Management  
philosophies**

### Corporate philosophy

We execute our duties safely, reliably, and with a customer-first spirit to strengthen customers' confidence in us and contribute to society by creating infrastructure that is important to society and supports people's lives and the economy.

**Basic Policy on Sustainability  
Creation of safety culture**

**Long-term vision**

**Medium-term management plan**

### NDK Vision90

With pride and responsibility as a leading company in the field of construction of electrified railway equipment, we aim to become a comprehensive infrastructure facilities construction company by expanding our business in construction segments of electrical facilities for buildings, information and communication systems, and environmental energy.



2

# Review of the NIPPON DENSETSU Three-year Management Plan 2021





## Three-year Trend in Financial Results

In FY2023, our management indicators exceeded all planned figures, achieving a V-shaped recovery in profit.

(Unit: billion yen)

	FY2020 (Results)	FY2021 (Results)	FY2022 (Results)	FY2023 (Plan)*	FY2023 (Results)	Summary
<b>Orders</b>	190.6	172.3	182.6	180.0	208.0	
<b>Net sales</b>	195.6	173.5	172.1	189.9	194.0	
<b>Operating profit</b>	14.1	7.4	9.6	12.4	13.4	<b>Operating profit and ordinary profit</b> <ul style="list-style-type: none"> <li>Selective order taking and revision of unit prices for construction ordered by JR East increased profitability.</li> <li>Promotion of ICT utilization and mobile working increased productivity.</li> </ul>
<b>Operating profit margin</b>	7.3%	4.3%	5.6%	6.5%	6.9%	
<b>Ordinary profit</b>	15.3	8.7	10.9	13.6	14.9	<b>They all almost recovered to the pre-COVID (FY2020) levels.</b>
<b>Ordinary profit margin</b>	7.9%	5.0%	6.3%	7.2%	7.7%	

\* Planned figures announced in the NIPPON DENSETSU Three-year Management Plan 2021





## Railways

- Despite being affected by the reduction in capital investment by railway operators, we maintained solid relationships with JR East and other JR companies.
- We also expanded our business area to other public and private railway operators.

Orders ¥111.6 bn → ¥117.1 bn (+¥5.5 bn)



## Buildings

- We captured the recovery in capital investment in the private sector and took orders strategically.
- Selective order taking resulted in an increase in operating profit.

Orders ¥49.2 bn → ¥62.5 bn (+¥13.3 bn)

Operating profit ¥2.82 bn → ¥3.44 bn (+¥0.62 bn)

\* The results figures for Construction of Electrical Facilities for Buildings include those for environmental energy construction.



## I&amp;C Systems

- Despite being affected by the reduction in capital investment by communications companies, we got on a recovery trend.
- We entered infrastructure sharing business as a new business.

Orders ¥28.3 bn → ¥26.7 bn (-¥1.6 bn)

Operating profit ¥2.90 bn → ¥1.77 bn (-¥1.13 bn)



## Associated Business

- Investment in highly profitable real estate properties resulted in an increase in profit.
- We contributed to the reduction of environmental impact by renovating office buildings of the Company into ZEBs.

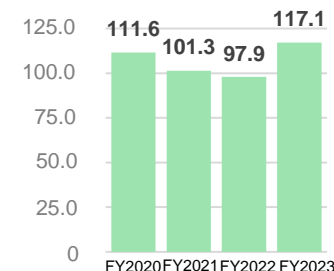
Operating profit ¥0.78 bn → ¥1.20 bn (+¥0.42 bn)

\* The figures are presented for comparison between FY2020 and FY2023.

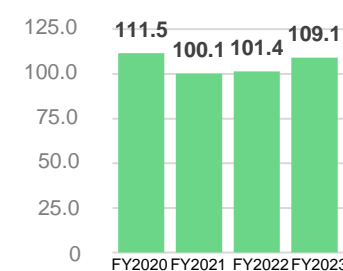
\* Associated Business includes real estate business, total building management, sale of materials, software development, and design of electrical facilities.

Figures for real estate leasing, management, etc. are not included in Orders as they do not involve order-based production.

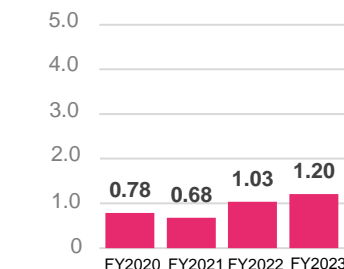
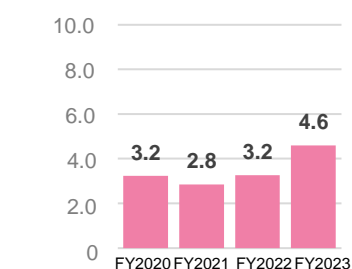
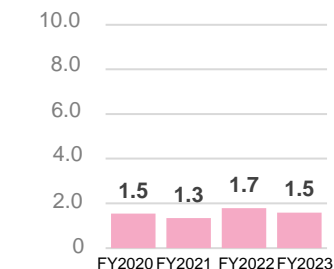
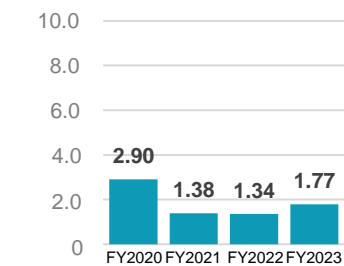
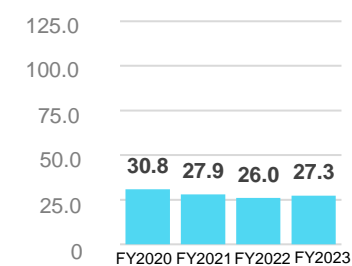
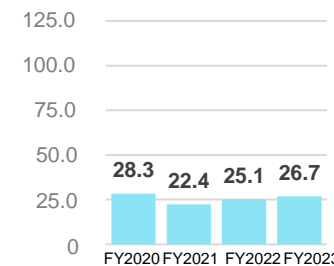
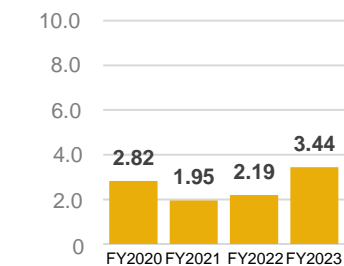
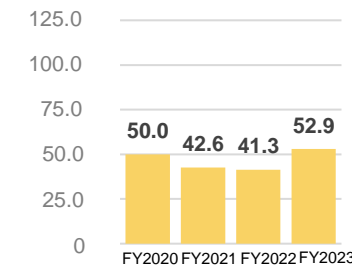
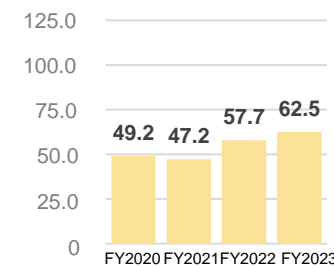
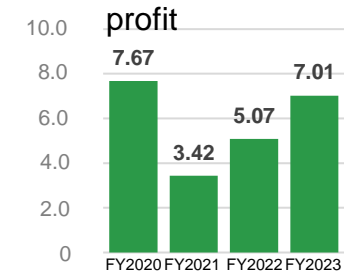
## Orders (billion yen)



## Net sales (billion yen)



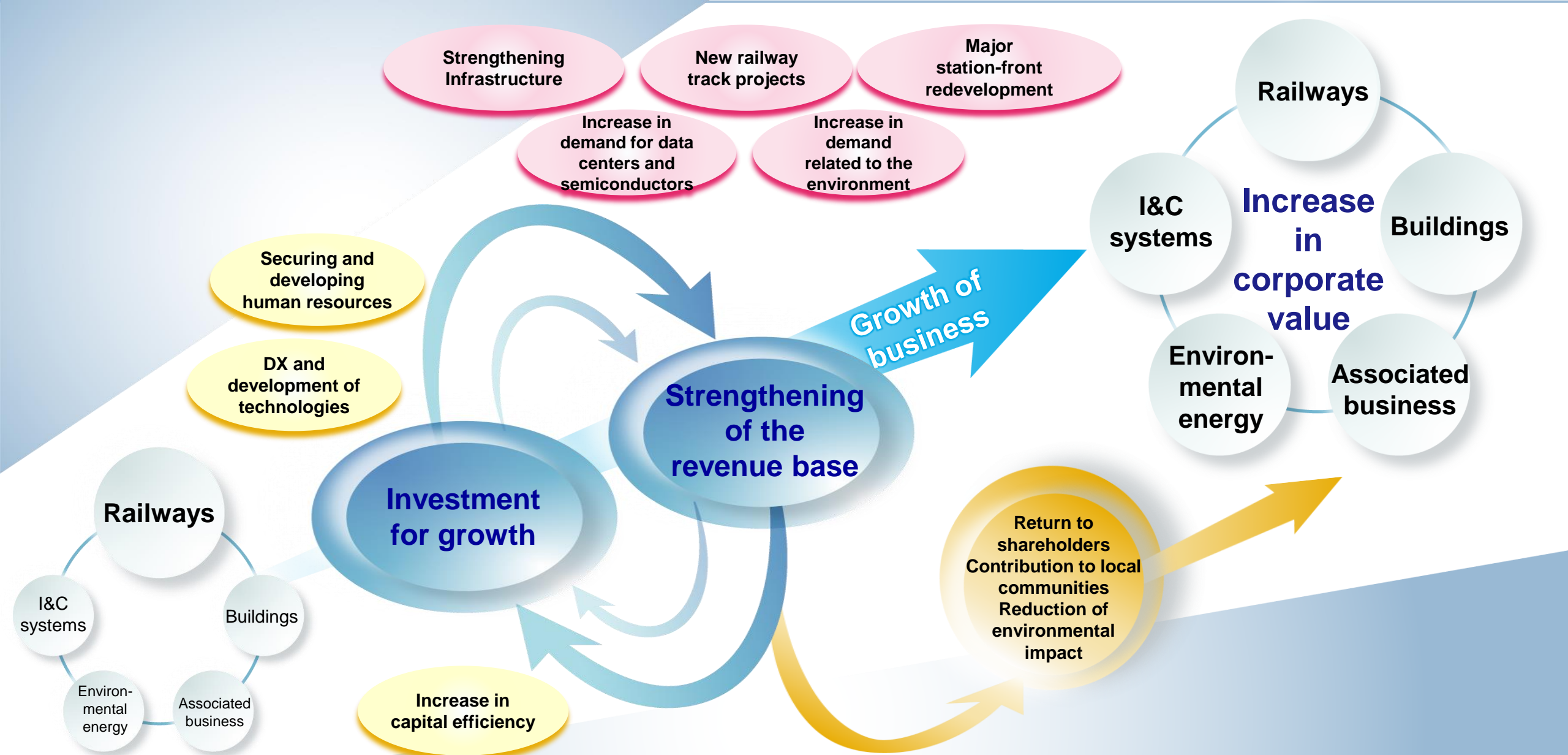
## Operating profit (billion yen)



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# Long-term Vision NDK Vision90





## Vision for FY2031 (the 90th Term)

### NDK Vision90

With pride and responsibility as a leading company in the field of construction of electrified railway equipment, we aim to become a **comprehensive infrastructure facilities construction company** by expanding our business in construction segments of electrical facilities for buildings, information and communication systems, and environmental energy.



### Balance the proportions of business segments

Expand construction segments of electrical facilities for buildings, information and communication systems, and environmental energy

Strengthen the revenue base by further solidifying relationships with regular customers



Secure orders from JR East and other JR companies



Increase orders from regular customers, including station buildings and schools



Secure orders from the mobile field and increase orders from the network field



Increase business with public and private railways nationwide to expand the market presence



Expand business nationwide in the fields of air conditioning and sanitation, ZEB, and energy creation



Participate in large-scale development projects nationwide



Enter new businesses (recycling business and local communities-related business)



Nationwide expansion of the infrastructure sharing business

Creation of New Businesses  
Expansion of Business Areas



Medium-term management plan that will provide a toehold for NDK Vision90

**NIPPON DENSETSU**  
Three-year Management Plan 2021  
FY2021–2023 (80th to 82nd terms)

**FY2023**

Net sales	¥194.0 bn
Operating profit	¥13.4 bn
ROE	5.5%
Market capitalization	¥125.7 bn

**NIPPON DENSETSU**  
Three-year Management Plan 2024  
FY2024–2026 (83rd to 85th terms)

**FY2026**

Net sales	¥221.5 bn
Operating profit	¥15.3 bn
ROE	8 %
Market capitalization	¥200.0 bn

Sow the seeds for revenue expansion

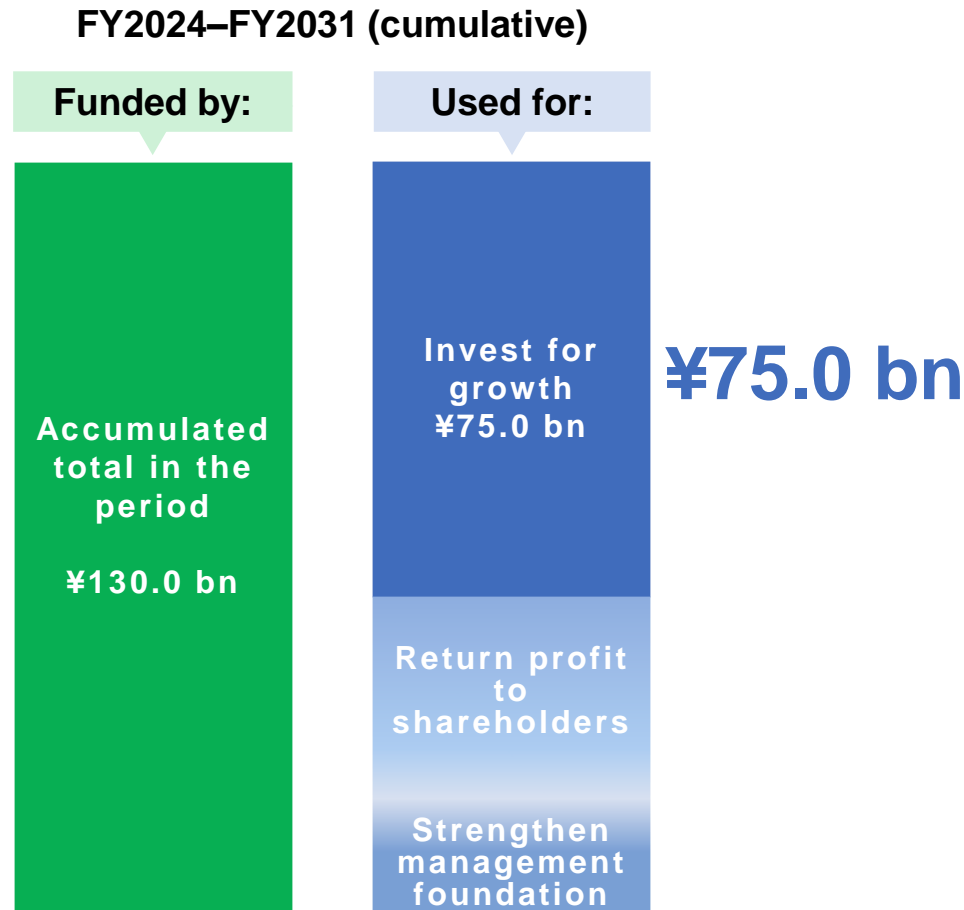
**NDK Vision90**  
FY2031 (90th term)

**FY2031**

Net sales	¥260.0 bn
Operating profit	¥20.0 bn
ROE	10% or more
Market capitalization	¥230.0 bn

Expand the existing revenue base and monetize new domains

Utilize cash generated from the sale of strategically-held shares and business operations



### Breakdown of investment for growth

- Human resources**
  - Secure human resources through attractive performance-based remuneration
  - Strengthen human resource development by various measures, including renewing and adding practical training facilities
  - Improve the workplace environment
- Productivity improvement**
  - Develop and introduce new technologies
  - Strengthen DX education and utilize generative AI
  - Enhance safety and save labor through renewing construction vehicles and machinery
- Business-related**
  - Conduct M&As aimed at strengthening the construction systems and entering new businesses
  - Establish in-house venture systems and collaborate with startups
  - Enhance support for partner companies in recruitment and business succession
  - Reduce environmental impact and contribute to local communities

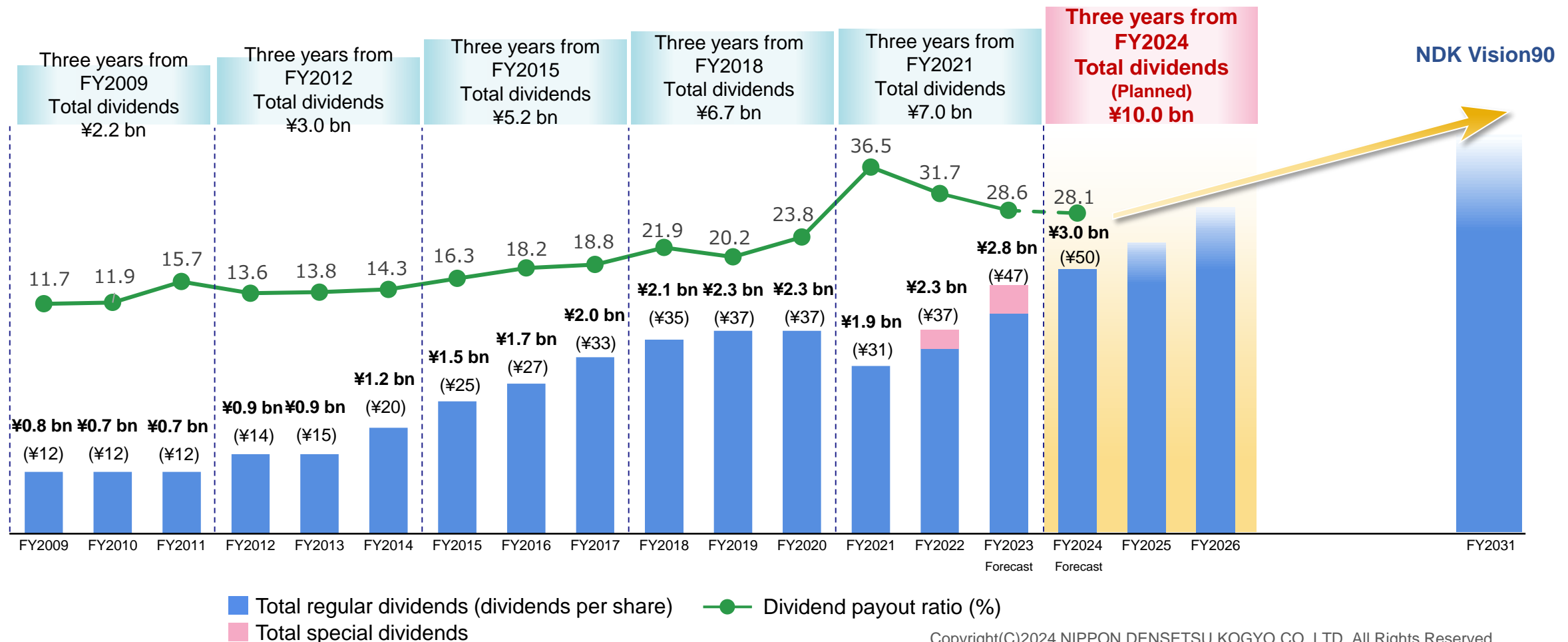
\* Funds include proceeds from sale of strategically-held shares (reduced by 50%)





### Basic policy on profit distribution

We recognize that aiming for sustainable growth in corporate value and returning profit to our shareholders are among our key priorities. Our policy on profit distribution is to determine the amount of dividends with the basic stance of continuously paying out stable dividends in line with the results of our growth to our shareholders while comprehensively considering investment for future growth and the strengthening of our management foundation.



4

New Medium-term Management Plan

**NIPPON DENSETSU**

**Three-year Management Plan 2024**

**FY2024 (83rd Term)–FY2026 (85th Term)**

**—Pursuing New Heights—**







## Theme

# “Pursuing New Heights”

Pursue new heights as the “Team NDK”  
and feel the growth together

## Management targets

Consolidated (FY2026)

Net sales	¥221.5 bn
Operating profit	¥15.3 bn

## Priority Action Items

**I**ncrease the levels of safety and quality and  
ensure thorough governance

**C**reate the culture for the new pursuits and  
generate value

**S**ecure human resources and  
strengthen the construction systems

**I**ncrease engagement and  
productivity

**C**ontribute to the  
environment and society





**Construction of Electrified Railway Equipment**

**Strengthen the revenue base** ▶ **Increase orders from JR East and other JR companies**


- Strengthen support with design, proposals of equipment renewal, etc.
- Construction for seismic retrofitting, development of areas surrounding a station, various projects, etc.

**Expand the business domain** ▶ **Strengthen relationships with regular customers in the public and private railway sector, start business with new customers and in new industries**

- Substation renewal, construction for new technologies, such as wireless train control systems, new track construction, etc.

**Targets for FY2026** (Billion yen)

Orders	Net sales	Operating profit
<b>117.1</b>	<b>117.8</b>	<b>7.61</b>



**Construction of Electrical Facilities for Buildings**

**Strengthen the revenue base** ▶ **Expand the revenue base by strengthening relationships with regular customers**


- Station buildings, schools, hospitals, etc.
- Strengthen proposals of facilities diagnostics for renewal of aging facilities

**Expand the business domain** ▶ **Participate in large-scale projects nationwide and enter fields that will serve as a future revenue base**

- Large-scale station-front redevelopment projects, data centers, semiconductor plants, resort facilities, etc. nationwide

**Targets for FY2026** (Billion yen)

Orders	Net sales	Operating profit
<b>55.9</b>	<b>57.6</b>	<b>3.91</b>



**Construction of Information and Communication Systems**

**Strengthen the revenue base** ▶ **Increase orders for network and mobile construction**

- Construction of base stations for various telecommunications carriers nationwide
- Large-scale network construction projects, such as station-front redevelopment and hospitals

**Expand the business domain** ▶ **Increase revenue from infrastructure sharing business\* and monitoring and operation services**

- Expand and rollout infrastructure sharing from stations and station buildings to commercial facilities, schools, and other areas in town
- Expand optical fiber leasing service nationwide to data centers and other facilities in collaboration with railway operators
- Establish an NDK operation center to provide nationwide post-network and infrastructure sharing construction monitoring and operation services

**Targets for FY2026** (Billion yen)

Orders	Net sales	Operating profit
<b>31.5</b>	<b>32.1</b>	<b>2.37</b>

\* Infrastructure sharing business

- Infrastructure sharing (network sharing by mobile telecommunications carriers)
- Optical fiber leasing (leasing high-quality optical fiber lines along railway tracks)



### Construction for environmental energy

#### Expand the business domain

- ▶ **Increase orders for new and renovated ZEBs**
  - Utilize our 100% ZEB office buildings to strengthen proposals to companies, including those related to JR East
- ▶ **Increase orders for construction for energy generation projects**
  - Propose solar power generation for self-consumption to group companies of JR East, regular customers, etc.
  - Increase orders for construction of private transmission lines for wind power generation and construction of grid-scale storage battery stations
- ▶ **Strengthen toward nationwide business expansion in the fields of construction for air conditioning and sanitation**
  - Increase bundled orders for electrical, air conditioning, and sanitary construction by strengthening relationships with various companies, including general contractors related to JR East
  - Increase orders in the Tohoku, Chugoku, and Shikoku areas for nationwide business expansion

#### Targets for FY2026

(Billion yen)		
Orders	Net sales	Operating profit
5.8	7.0	0.39



### Associated business

#### Expand the business domain

- ▶ **Reduce environmental impact and contribute to local communities**
  - Commercialize the recycling of resources generated at construction sites
  - Expand environmentally friendly real estate businesses, including ZEH rental apartments and renovations
  - Construct our own office buildings incorporating ZEB technologies to strengthen resilience of local communities
- ▶ **Develop new businesses and strengthen the real estate business**
  - Develop new businesses closely aligned with our core businesses
  - Invest in highly profitable real estate businesses (offices, commercial, etc.)

#### Targets for FY2026

(Billion yen)		
Orders	Net sales	Operating profit
3.6	7.0	1.07

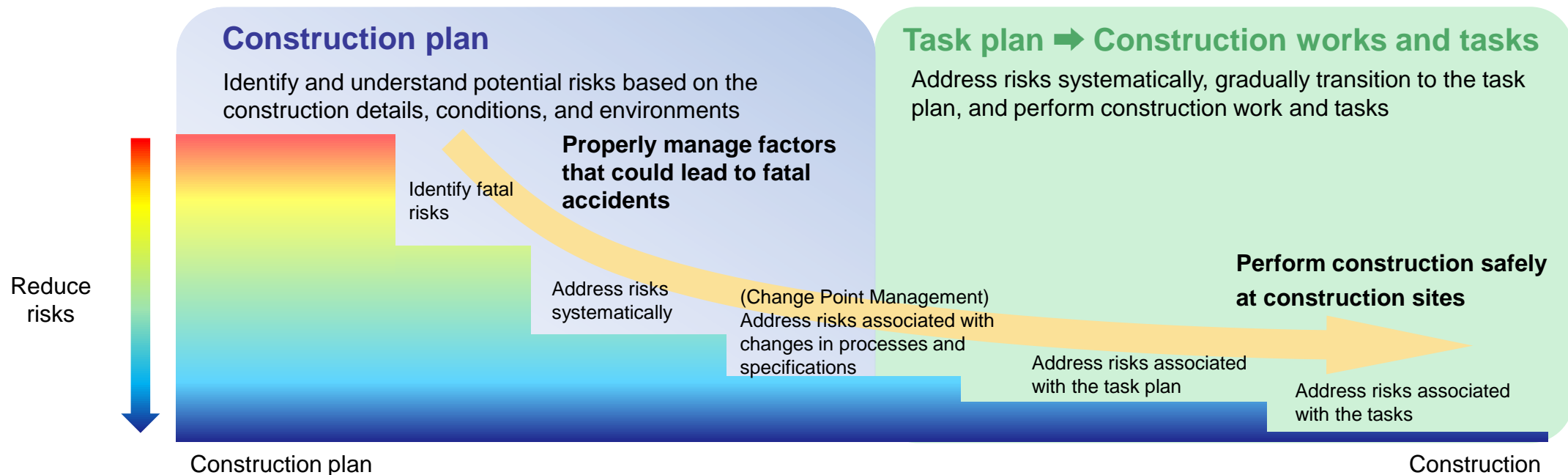


#### Efforts for Safety

Recognizing “Safety is at the top of agenda in corporate management.” as an unwavering principle, we provide a safe and secure living environment to society through the construction and maintenance of social infrastructure.

- Create infrastructure that is safe, secure, and important to society
- Eradicate train driving accidents; third-party injuries; serious occupational accidents (collisions with trains, electrocutions, falls, fatal accidents); serious disruptions in transportation, serious failures of facilities, and serious operational accidents

#### Reduce risks in steps



## ③ Strategies to Solidify the Management Foundation Increase the Value of Human Resources



### Secure Diverse Human Resources and Increase Employee Engagement

#### Targets for FY2031:

- Increase the number of construction workers by 20% compared to FY2023
- Make the ratio of managerial positions among female employees equal to that among male employees

#### Expand the target for new graduates and mid-career recruitment

- Increase the hiring of liberal arts students for technical positions
- Hire inexperienced individuals from staffing agencies and among recent graduates looking to change jobs

▶ Number of new graduate hires (plan) 100/year ▶ 110/year  
▶ Number of mid-career hires (plan) 13/year ▶ 20/year

#### Build an environment where diverse talent will be able to demonstrate their abilities

- Establish systems that will support employees to thrive more
- Promote women's participation:  
Hire at least two women for technical positions each year  
▶ Aim to obtain an Eruboshi certification in FY2024

#### Targets for FY2031:

- Engagement score: AAA
- Get recognized as a certified KENKO Investment for Health Outstanding Organization "White 500"

#### Create a healthy and lively workplace

- Took measures from FY2022 ahead of the application of regulations on the cap on overtime work
  - Promoted mobile working and introduced intervals between work shifts
    - ▶ Met the regulations on the cap in FY2023
- Promote measures to address mental health issues
- Promote the use of childcare leave
  - Ratio of male employees who took childcare leave: 70%
    - ▶ Aim to obtain a Kurumin certification in FY2025
- Build a comfortable workplace environment
  - Rebuild office buildings of the Company, including the Nagano Branch Office Building

Recognized as a 2024  
Certified KENKO  
Investment for Health  
Outstanding Organization  
in March 2024



### Human Resource Development

#### Enhance the training of younger employees and encourage their early growth

- Revise the OJT period and training programs for the development of younger employees
  - ▶ New employee training: 12,488 person-days/year
  - ▶ Specialized training: 4,546 person-days/year
- Formulate development programs tailored to diverse talent and experiences, including new graduates, mid-career hires, and those without experience

#### Enhance the training environment

- Build a new accommodation building of Chuo Gakuen
- Add and renew practical training facilities of Chuo Gakuen



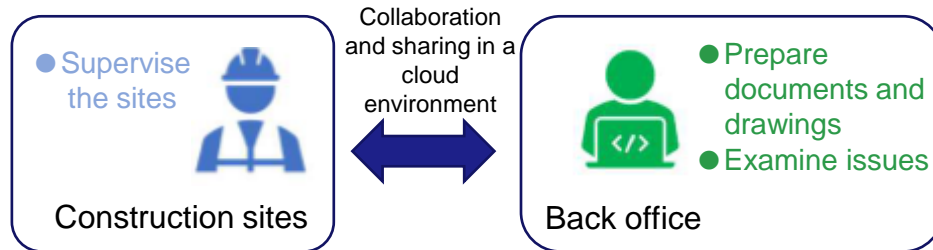
New accommodation building  
(to be completed in December 2024)



### Strengthen Construction Systems

- Increase productivity through the increased efficiency of on-site operations
- Improve construction capabilities by strengthening the systems of partner companies

- Strengthen the systems to support construction sites by the back office



- ▶ Streamline and smooth out operations
- ▶ Reduce the burden on on-site operations and increase productivity

- Support recruitment activities, including creating websites and hiring foreign workers
- Strengthen safety training at the practical training facilities of Chuo Gakuen



### DX and Technology Development

#### ○ Develop and promote DX talent

- Promote internal production and increase IT literacy through the formation of DX organizations and the development of DX talent
- Utilize new technologies, including generative AI

#### ○ Promote NDK's Construction Tech DX Vision 2031

- Survey and measure using drones, 3D scanners, etc.
- Plan construction and estimate and design costs using BIM and AI
- Manage safety of workers using sensors and AI cameras
- Reduce workload and save labor through collaboration with robots and IoT construction machinery
- Perform post-construction inspection and recording using mobile devices and robots



#### NDK's Construction Tech DX Vision 2031

Aim for safety, labor-saving, and increased productivity through the introduction of the latest technologies and the development of new technologies suitable to each construction step





## Reduce GHG Emissions in Business Activities

### Reduce Scope 1 and 2 emissions in FY2030 by 50% (compared to FY2013)

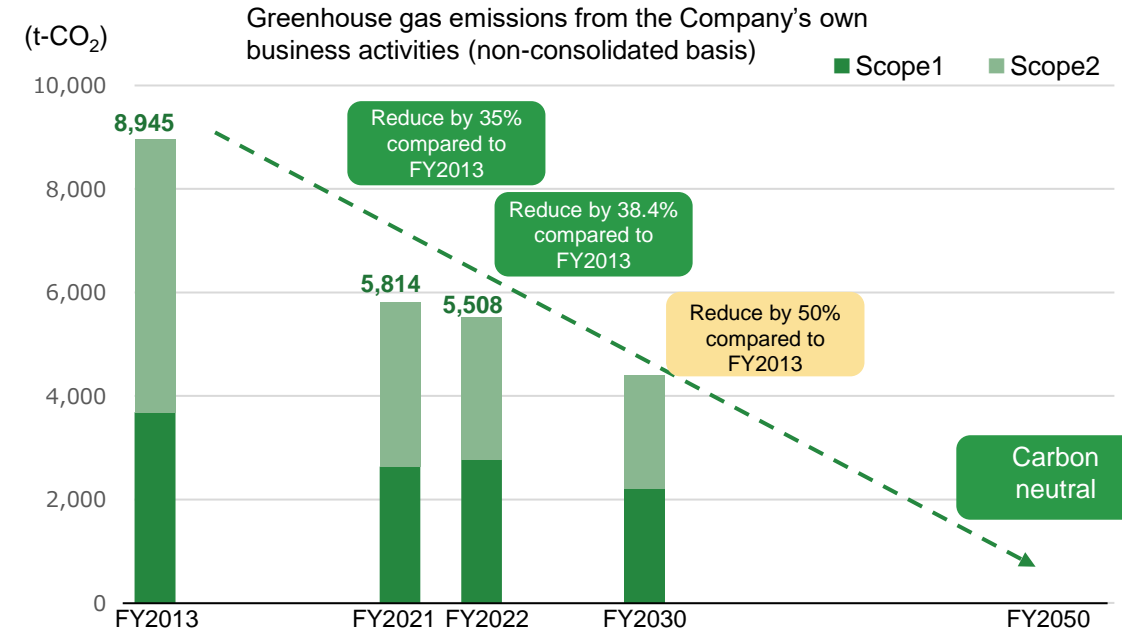
#### Make investment in energy-saving facilities in accordance with the Medium-term Energy-saving Plan

- Promote the introduction of ZEB technologies to office buildings of the Company
  - Rebuild the Nagano Branch Office Building into ZEB and renovate the NDK Omiya Building into ZEB
- Install solar power generation facilities
  - Install one in the new accommodation building of Chuo Gakuen
- Renew air conditioning systems to high-efficiency ones
  - Perform the renewals at the NDK Oji Building and the NDK Tamagawa Building
- Renew vehicles for use at the Company
  - Replace gasoline vehicles with hybrid vehicles (95% by FY2029)

## Reduce Environmental Burdens through Construction for Environmental Energy

- Propose construction projects for energy-saving
  - Support obtaining ZEB certifications as a ZEB Planner
- Participate in construction projects to generate energy, including construction of wind power generation facilities
  - Participate in the Oritsumedake wind power generation project

Electrical facilities construction for wind turbines, private power transmission lines, and substation facilities



## Contribution to Local Communities

- Formulate and promote implementation of the Basic Policies for Activities to Contribute to Local Communities
- Build office buildings of the Company that achieve coexistence with local communities
  - Build buildings to enhance resilience and create space for use by local communities
- Develop new businesses that can contribute to local communities
  - Develop a recycling business for resources generated on construction sites

## ③ Strategies to Solidify the Management Foundation

### Risk Management and Strengthening of Governance



#### Reconstruct the Risk Management System

- Verify and reconstruct existing risk management systems
- Streamline contract review processes
  - Utilize AI contract review services
- Measures for concluding contracts with overseas companies
  - Introduce AI tools to address risks in contracts in English

#### Maintain and Strengthen the BCP

- Update the BCP to an all-hazards strategy so that we will be able to respond to disasters other than earthquakes as well
- Increase the effectiveness of the BCP as the one for the NDK Group, including group companies
- Strengthen our support in the restoration of customers' infrastructure facilities during large-scale disasters
  - Conduct disaster prevention drills jointly with JR East



#### Prevent Misconducts

- Enhance compliance awareness and ensure strict adherence to laws and regulations by employee training
  - Continue and strengthen compliance training using training systems
- Maintain and strengthen information security
  - Ensure tight security through the establishment of new security infrastructure

#### Realize Effective Corporate Governance

- Disclose disclosure materials in English
- Strengthen our ability to communicate information by various measures, including increasing opportunities for dialogue with investors



5

# Financial Results Overview FY2023 (Consolidated) Financial Results Forecast FY2024 (Consolidated)





## Summary of Financial Results



### Business environment

- As the impact of COVID-19 eases, public investment remained solid, and private capital investment was also on a recovery trend.
- Redevelopment of urban areas and measures to address the aging of existing infrastructure progressed.



### Financial results of FY2023

- Achieved increases in net sales and profit due to smooth progress in large-scale construction projects and increased profitability through selective order taking.
- Due to strong orders, backlog remained at a high level.



### Increased dividends

- Achieved a V-shaped recovery in profit in the final year of the medium-term management plan and increased dividends to ¥47 by adding a special dividend of ¥5 to the previously forecast amount of ¥42.



## Key Points in the Financial Results

- Orders significantly exceeded the forecast and increased year on year to ¥208.0 billion.
- Net sales exceeded the forecast and increased year on year to ¥194.0 billion.
- Ordinary profit also exceeded the forecast and significantly increased year on year to ¥14.9 billion.
- With abundant construction work in hand, the backlog significantly exceeded the forecast and increased year on year to ¥173.7 billion.

(Figures in parentheses are ratios to net sales. Unit: million yen)

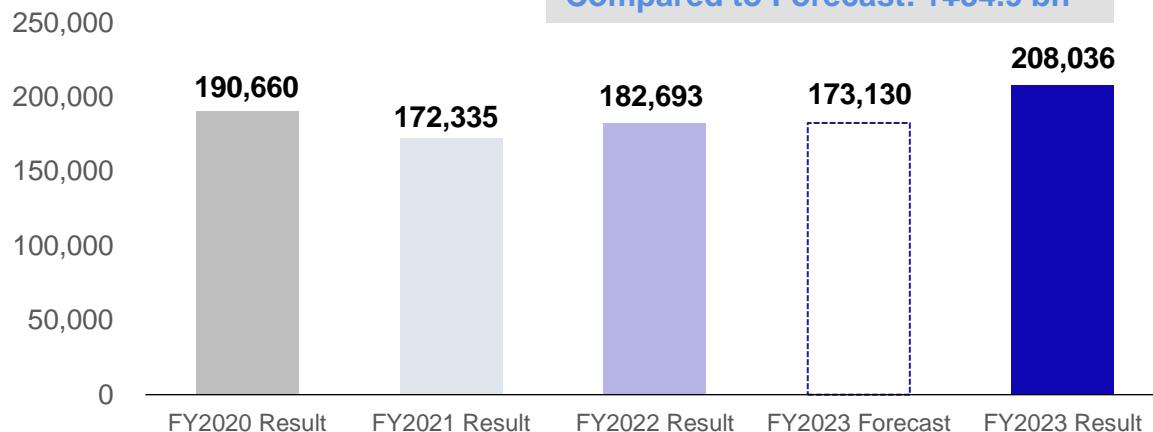
	FY2022 Results		FY2023 Forecast (A)		FY2023 Results (B)		Comparison with the forecast (B-A)	
Backlog at beginning of period	144,574		156,811		156,811		—	—%
Orders	182,693		173,130		208,036		34,906	20.2%
Net sales	172,100		192,450		194,031		1,581	0.8%
Gross profit	23,917	(13.9%)	28,120	(14.6%)	28,509	(14.7%)	389	1.4%
SG&A	14,258	(8.3%)	14,650	(7.6%)	15,060	(7.8%)	410	2.8%
Operating profit	9,658	(5.6%)	13,470	(7.0%)	13,448	(6.9%)	-21	-0.2%
Non-operating income and expenses	1,245	(0.7%)	940	(0.5%)	1,452	(0.7%)	512	54.5%
Ordinary profit	10,903	(6.3%)	14,410	(7.5%)	14,900	(7.7%)	490	3.4%
Extraordinary income and losses	62	(0.0%)	-70	(-0.0%)	540	(0.3%)	610	—%
Profit attributable to owners of parent	7,171	(4.2%)	9,420	(4.9%)	10,042	(5.2%)	622	6.6%
Backlog carried over to next period	156,811		140,190		173,719		33,528	23.9%

\* Figures in (A) are the forecasts announced at the financial results briefing for FY2022. Taking into account the environment that surrounded the Company at the time, they had been revised from the figures planned at the time of the announcement of the Three-year Management Plan 2021.

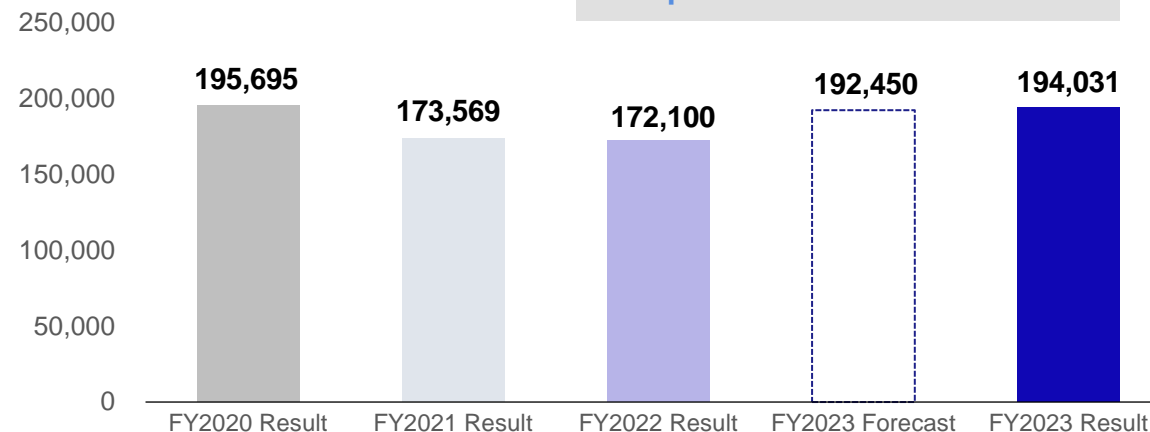


(Unit: million yen)

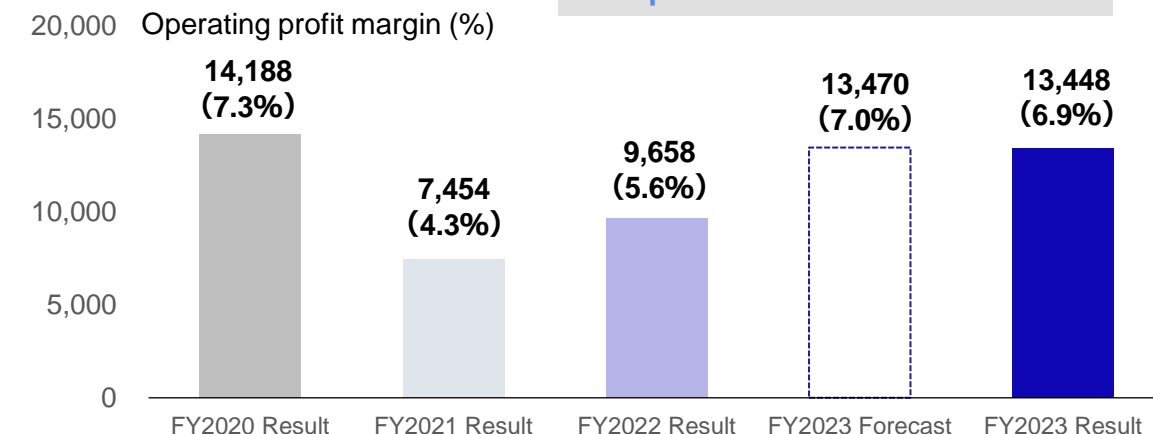
## Orders



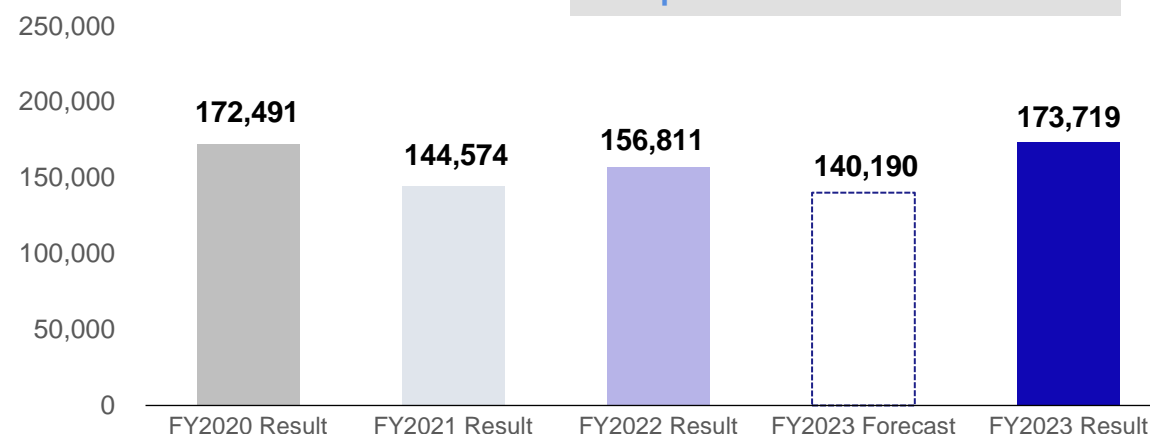
## Sales



## Operating profit



## Backlog



\* Figures for "FY2023 Forecast" are the forecasts announced at the financial results briefing for FY2022. Taking into account the environment that surrounded the Company at the time, they had been revised from the figures planned at the time of the announcement of the Three-year Management Plan 2021.



## Summary by Business Segment



### Construction of Electrified Railway Equipment

- Orders increased due to recovery in investment by railway operators.
- Net sales increased year on year due to a recovery in orders from JR companies.
- Operating profit increased due to abundant work in hand and improved profitability.
- Backlog carried over to the next period increased due to strong orders.



### Construction of Electrical Facilities for Buildings

- Orders increased in a favorable order environment though we took orders selectively.
- Net sales increased as large-scale construction projects progressed smoothly.
- Operating profit increased due to abundant construction projects in hand and improved profitability.
- Backlog carried over to the next period significantly increased due to strong orders.



### Construction of Information and Communication Systems

- Orders increased due to active sales efforts for network-related construction.
- Net sales increased as large-scale construction projects progressed smoothly.
- Operating profit increased as we efficiently performed construction of work on hand.
- We secured backlog carried over to the next fiscal year on par with the previous fiscal year.



## Key Points in the Financial Results Forecast

- Secure a high level of orders not only from regular customers but also through targeted sales efforts.
- With abundant construction work in hand, secure net sales of ¥205.1 billion, which will be a record high, and aim for operating profit of ¥14.6 billion.

(Figures in parentheses are ratios to net sales. Unit: million yen)

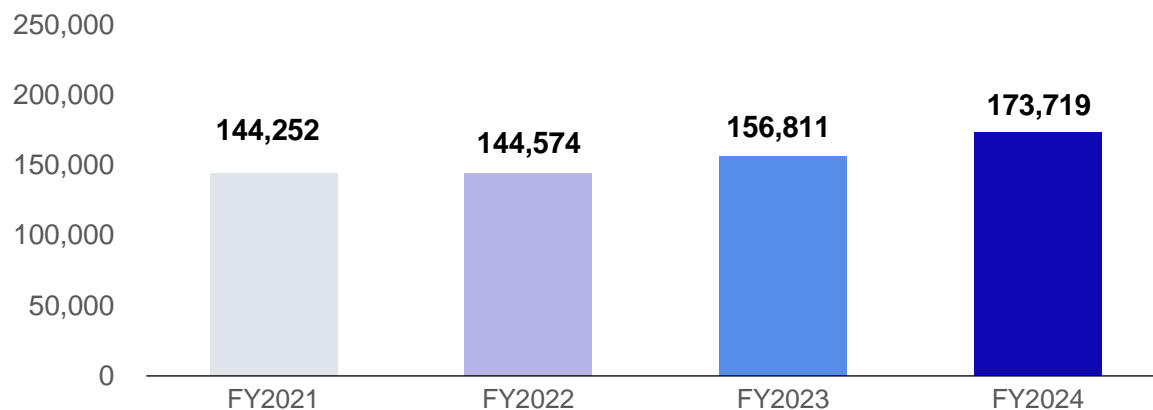
	FY2023 Results		FY2024 Forecast		Year on year	
Backlog at beginning of period	156,811		173,719		16,907	10.8%
Orders	208,036		197,100		-10,936	-5.3%
Net sales	194,031		205,160		11,128	5.7%
Gross profit	28,509	(14.7%)	31,540	(15.4%)	3,030	10.6%
SG&A	15,060	(7.8%)	16,870	(8.2%)	1,809	12.0%
Operating profit	13,448	(6.9%)	14,670	(7.2%)	1,221	9.1%
Non-operating income and expenses	1,452	(0.7%)	1,160	(0.6%)	-292	-20.1%
Ordinary profit	14,900	(7.7%)	15,830	(7.7%)	929	6.2%
Extraordinary income and losses	540	(0.3%)	30	(0.0%)	-510	-94.4%
Profit attributable to owners of parent	10,042	(5.2%)	10,500	(5.1%)	457	4.6%
Backlog carried over to next period	173,719		168,883		-4,836	-2.8%



(Unit: million yen)

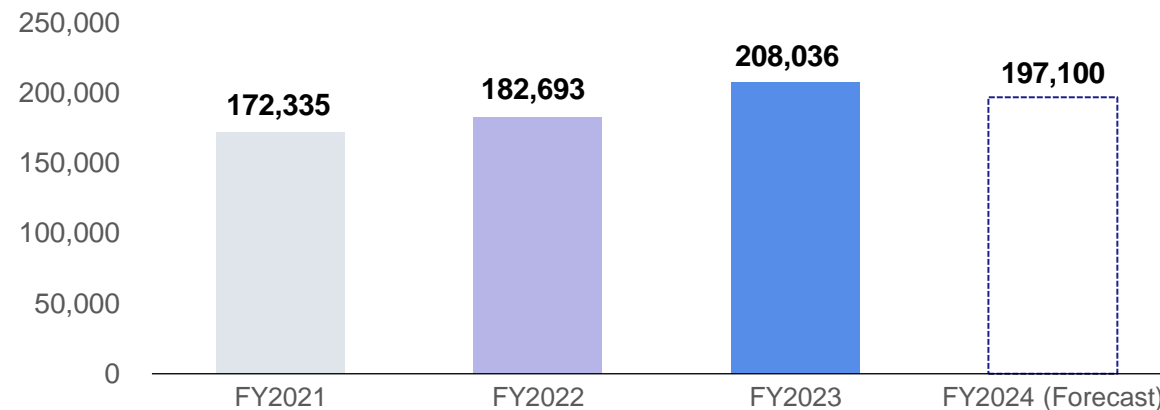
### Backlog

Compared to FY2023: +¥16.9 bn



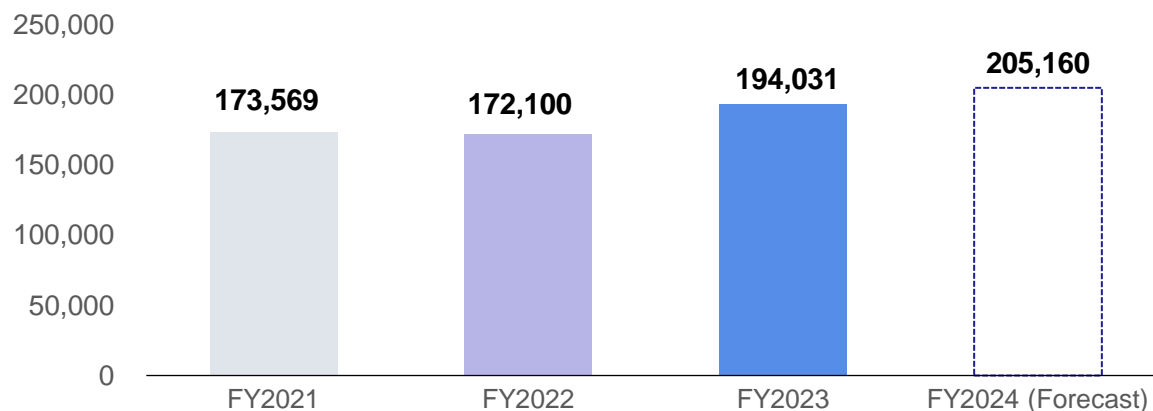
### Orders

Compared to FY2023: -¥10.9 bn



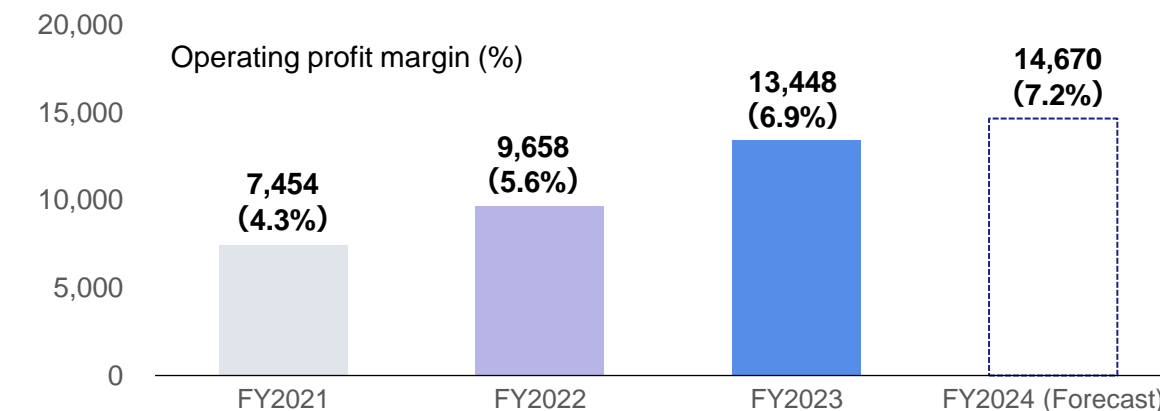
### Net sales

Compared to FY2023: +¥11.1 bn



### Operating profit

Compared to FY2023: +¥1.2 bn



# Appendix



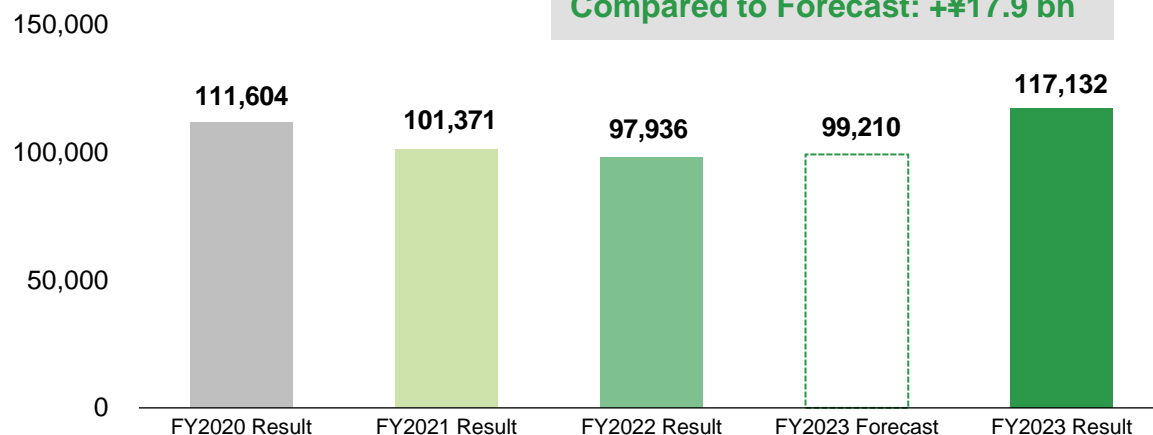


# Financial Results of Construction of Electrified Railway Equipment Segment

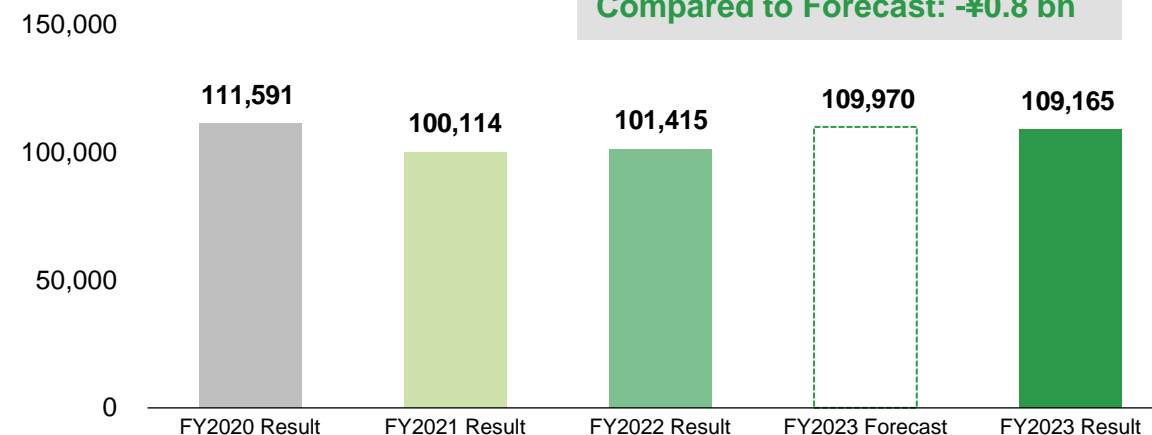


(Unit: million yen)

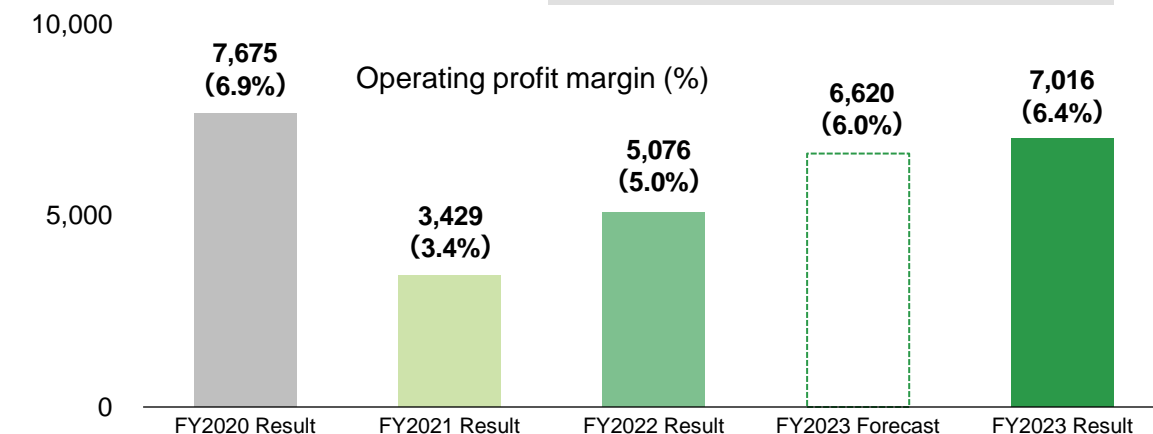
## Orders



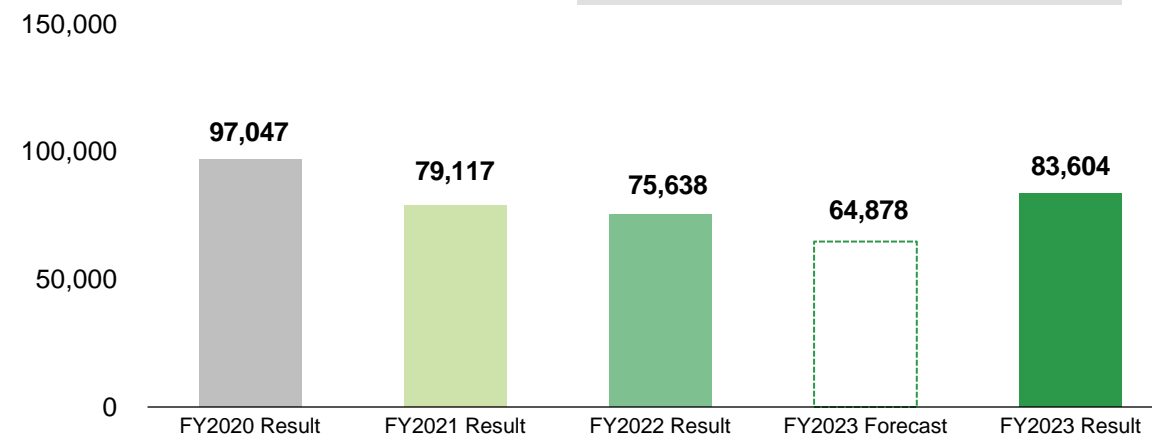
## Net sales



## Operating profit



## Backlog





## Orders and Net Sales (Disaggregated)

(Unit: Billion yen)

JR East		FY2020	FY2021	FY2022	FY2023
	Orders	59.5	44.0	49.5	62.6
Net sales	58.4	51.9	50.2	53.7	

Other public and private railway companies		FY2020	FY2021	FY2022	FY2023
	Orders	10.3	19.3	13.0	12.7
Net sales	10.0	11.9	16.3	14.4	

Other JR companies		FY2020	FY2021	FY2022	FY2023
	Orders	5.3	3.6	3.6	7.6
Net sales	5.3	4.7	3.4	5.4	

New Shinkansen Lines		FY2020	FY2021	FY2022	FY2023
	Orders	3.4	1.9	1.6	0.4
Net sales	3.2	4.3	4.4	4.0	

# Financial Results of Construction of Electrical Facilities for Buildings Segment



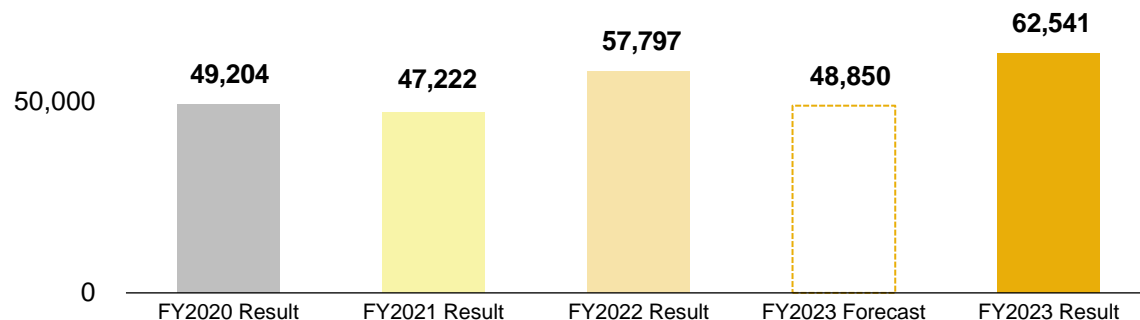
NIPPON DENSETSU KOGYO CO.,LTD.

(Unit: million yen)

## Orders

100,000

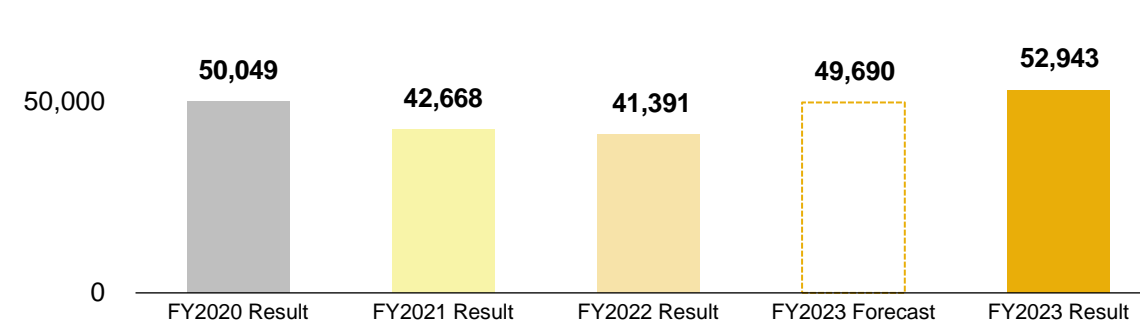
Compared to FY2022: +¥4.7 bn  
Compared to Forecast: +¥13.6 bn



## Net sales

100,000

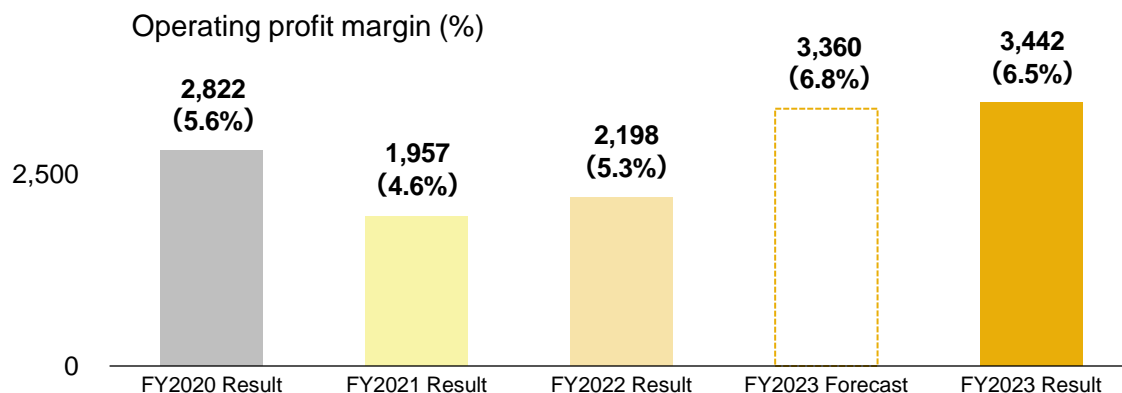
Compared to FY2022: +¥11.5 bn  
Compared to Forecast: +¥3.2 bn



## Operating profit

5,000

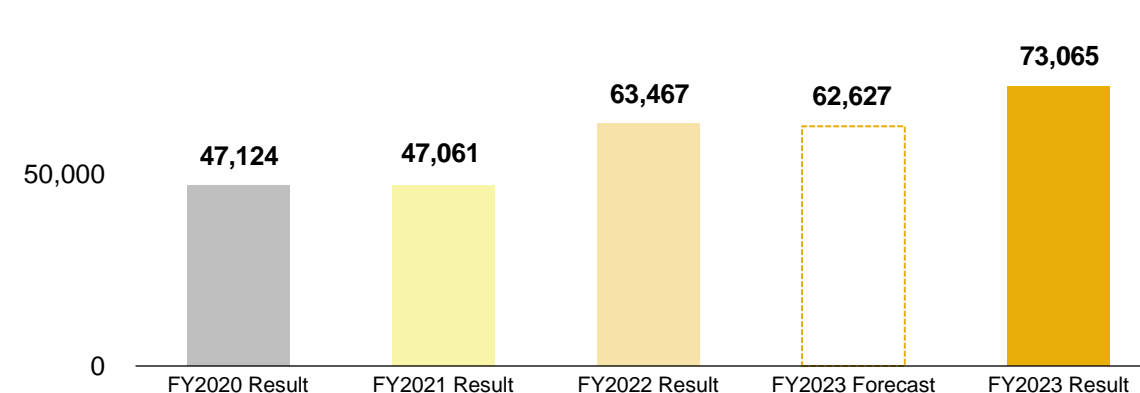
Compared to FY2022: +¥1.2 bn  
Compared to Forecast: +¥0.0 bn



## Backlog

100,000

Compared to FY2022: +¥9.5 bn  
Compared to Forecast: +¥10.4 bn



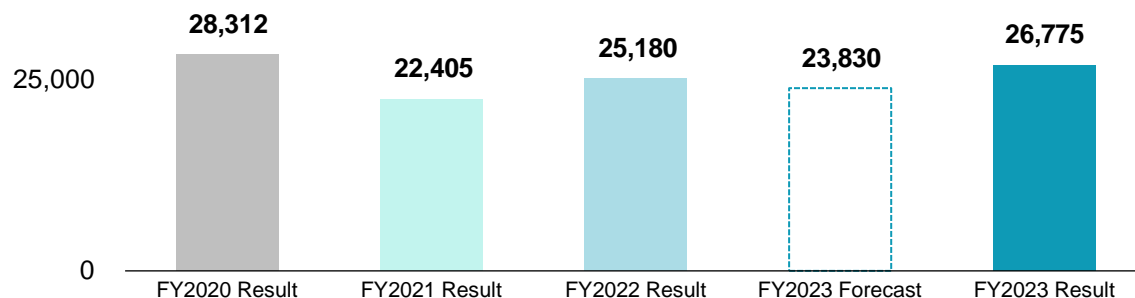


(Unit: million yen)

## Orders

50,000

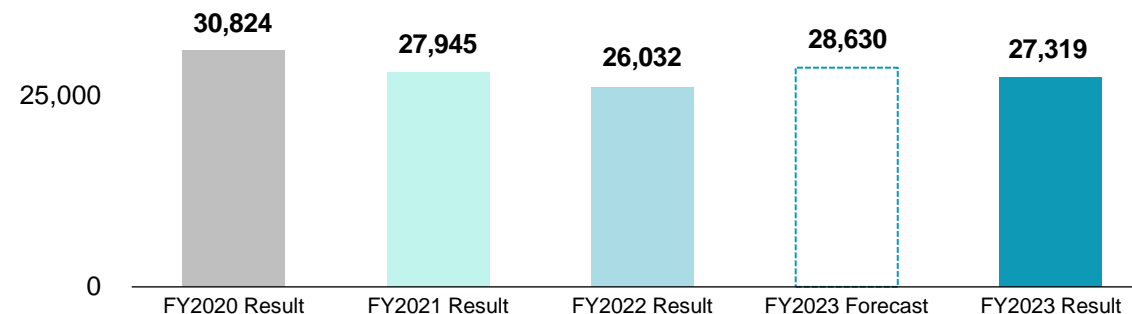
Compared to FY2022: +¥1.5 bn  
Compared to Forecast: +¥2.9 bn



## Net sales

50,000

Compared to FY2022: +¥1.2 bn  
Compared to Forecast: -¥1.3 bn

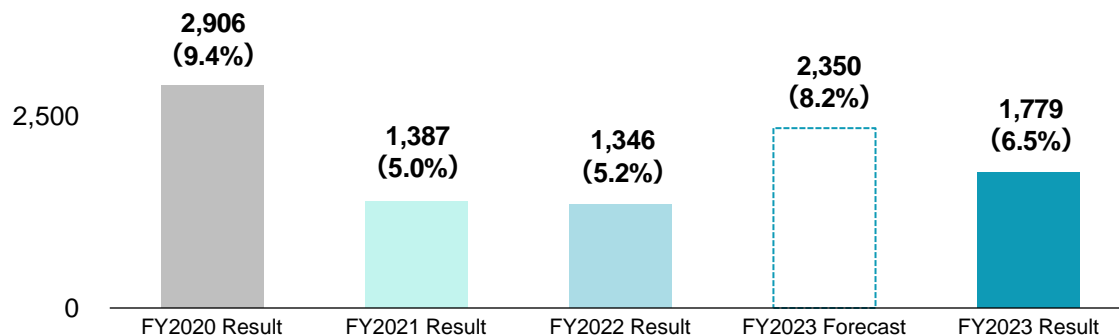


## Operating profit

5,000

Operating profit margin (%)

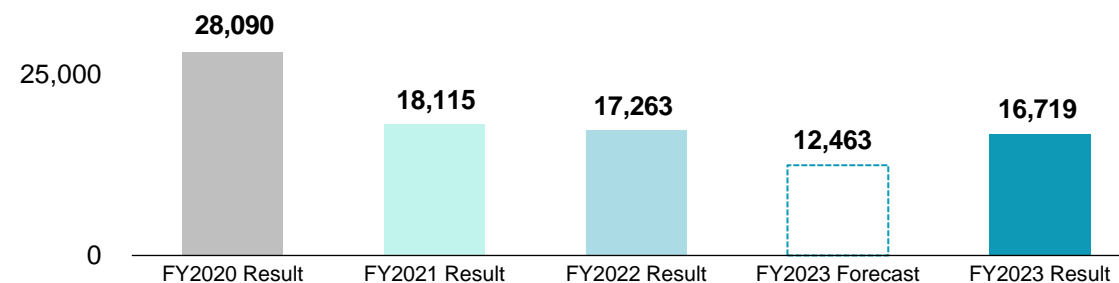
Compared to FY2022: +¥0.4 bn  
Compared to Forecast: -¥0.5 bn



## Backlog

50,000

Compared to FY2022: -¥0.5 bn  
Compared to Forecast: +¥4.2 bn



# Financial Results of Associated Business Segment



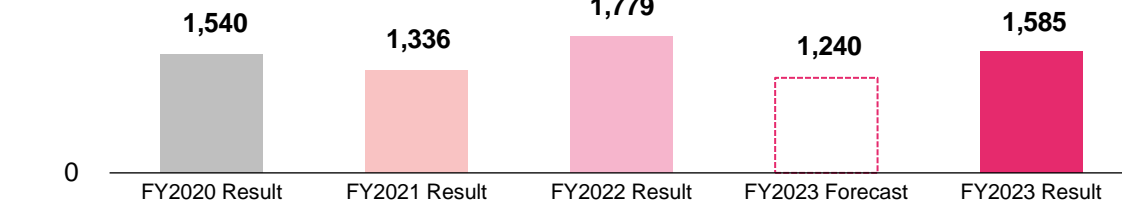
## Orders

5,000

2,500

0

Compared to FY2022: -¥0.1 bn  
Compared to Forecast: +¥0.3 bn



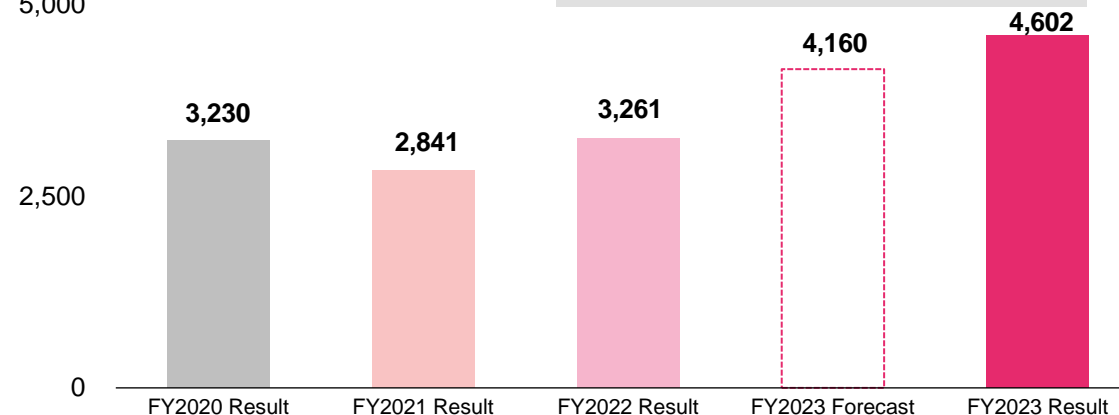
## Net sales

5,000

2,500

0

Compared to FY2022: +¥1.3 bn  
Compared to Forecast: +¥0.4 bn



## Operating profit

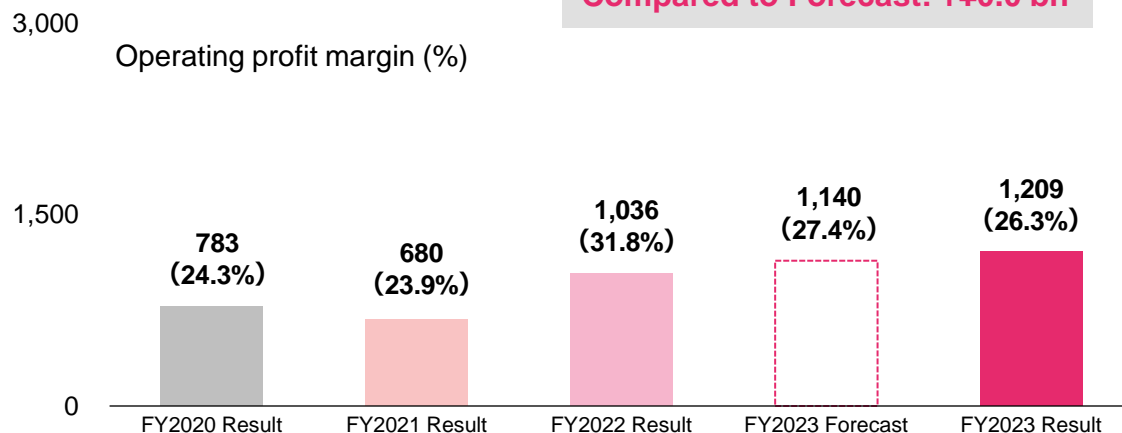
3,000

Operating profit margin (%)

1,500

0

Compared to FY2022: +¥0.1 bn  
Compared to Forecast: +¥0.0 bn



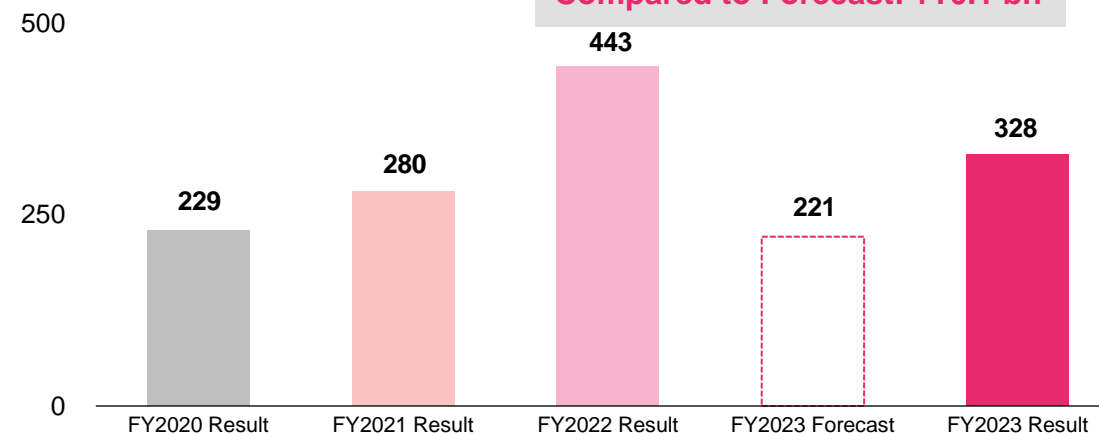
## Backlog

500

250

0

Compared to FY2022: -¥0.1 bn  
Compared to Forecast: +¥0.1 bn





### Construction of Electrified Railway Equipment (JR and other public and private railway operators)

Name of the construction		FY2024	FY2025	FY2026
NEW	JR East	Replacement Works of the Underground Transmission Lines between Warabi and Oji		
	JR East	Shinkansen Fukushima Station Inbound Approach Track		
	JR Hokkaido	Replacement of Extra-High-Voltage Feeder Cables for Electric Trains at a Fixed Point in Yoshioka 2		
NEW	JR West	Installation of New Feeder Messenger and Other Works at the Kawase Yard		
NEW	JR Shikoku	Electrical Facilities Works for the Construction of Elevated Railways Near Matsuyama Station		
NEW	JR Kyushu	Renovation of High-Voltage Distribution Lines between Ongagawa and Ebitsu		
	Tokyo Metropolitan Government Bureau of Transportation	Renewal of Substation Facilities at the Asakusa Line Daimon Substation		
NEW	Tokyo Metro	Renovation Works of Facilities and Equipment at the Wako Substation		
	Yokohama City Transportation Bureau	Electric Line Works Associated with the Renewal of the Katakura Substation (Part 2)		
	Transportation Bureau City of Nagoya	Renewal Works of Electricity Receiving Facilities at the Joshin Substation (Renewal of Facilities)		
	Osaka Metro	Third Rail Construction Works between Yumeshima and Cosmosquare on the Subway Chuo Line		
NEW	Osaka Metro	Electrical and Other Works Associated with the Renovation of Station Facilities at Hommachi Station on Lines 1 and 4		
	Okinawa Monorail	Works on Non-infrastructure Electrical Facilities Associated with the Transition to Three-car Trains		



## Construction of Electrical Facilities for Buildings, Information and Communication Systems, and Environmental Energy

Name of the construction		FY2024	FY2025	FY2026
JR East	New Electrical Facilities Installation and Other Works for JR TOKYO GENERAL HOSPITAL Patient Ward Building Reconstruction	Progress bar spanning FY2024, FY2025, and FY2026		
Station-front redevelopment	Construction Works for Electrical Facilities for Umekita Phase 2 Area Development Project North District Rental Building	Progress bar in FY2024		
Station-front redevelopment	Electrical Facilities Works for Local Energy Supply at TAKANAWA GATEWAY CITY New Construction Works for THE LINKPILLAR 2 (Complex Building II)	Progress bar spanning FY2024, FY2025, and FY2026		
Defense related	Electrical and Other Works for New Construction of a Flight Control Building, etc. in Mageshima (R4)	Progress bar spanning FY2024, FY2025, and FY2026		
Governmental agency	Electrical Facilities Works for Newly Building Minna no Gekijo (tentative name) in Marugame City	Progress bar spanning FY2024, FY2025, and FY2026		
NEW Governmental agency	Electrical Facilities Works for Newly Building the Community Terrace for Relaxation and Learning	Progress bar spanning FY2024, FY2025, and FY2026		
Highway	Installation of Road Lighting Systems between Yubunehara Tunnel and Shin-Gotemba IC on Shin-Tomei Expressway	Progress bar spanning FY2024, FY2025, and FY2026		
NEW Airport	Renovation and Other Works on Lighting on Runways in the Nagasaki Airport	Progress bar spanning FY2024, FY2025, and FY2026		
Hospital	Construction Works of the Caress Memorial Hospital	Progress bar spanning FY2024, FY2025, and FY2026		
NEW Electric, air conditioning, and sanitation	Construction Works of SENKEN KOGYO's New Training Center (Electrical Facilities and Mechanical Facilities)	Progress bar spanning FY2024, FY2025, and FY2026		
NEW Energy creation	JR East Cross Station Installation Works of Solar Power Generation Facilities on the Rooftop of the Minakami Plant	Progress bar spanning FY2024, FY2025, and FY2026		
Mobile communications	Construction Works of Mobile Communications Base Stations for Various Telecommunications Companies	Progress bar spanning FY2024, FY2025, and FY2026		
Networks	ICT and the Blocks' Common Facilities at TAKANAWA GATEWAY CITY (Complex Building II)	Progress bar spanning FY2024, FY2025, and FY2026		



## Major Railway-Related Construction Projects

Name of the construction		FY2023	FY2024	FY2025	FY2026	FY2027	FY2028
Projects by JR	Haneda Airport Access Lines (East Yamanote Route and New Access Lines)	Works to relocate obstructions		Scheduled to start operation in FY2031 (JR East)			
	Wireless Train Control System (Advanced Train Administration and Communications System (ATACS))	Keihin Tohoku Line (between Kawaguchi and Omiya)					
	Seismic Reinforcement of Shinkansen's Overhead Line Mast (Replacement of Steel Pipe Mast)	Tohoku Shinkansen (between Omiya and Oyama)		Plan to replace approx. 4,000 masts from FY2021 to 2027 and approx. 4,000 masts from FY2028 to 2033 (JR East)			
	Shinkansen Speed Enhancement (Introduction of Simplified Overhead Contact Lines)	Tohoku Shinkansen (between Ueno and Omiya)		Construction planned between Furukawa and Morioka, Joetsu Shinkansen Omiya and Honjo-waseda (JR East)			
	Measures for Aging Railway Electrical Facilities (Maintenance and Renewal)	Renovation and Other Works for Various Facilities Due to Aging of Railway Electrical Facilities					
	New Suica Gate System (Networks and Monitoring and Maintenance)			Tokyo Metropolitan Area, Sendai Area, and Niigata Area The system planned to be introduced gradually from the summer of 2023 (JR East)			
	New Construction for Infrastructure Sharing at Block 4 of TAKANAWA GATEWAY CITY						
Projects by other public and private railways	Station-front Redevelopment Projects (Tokyo Metropolitan Area, Hokkaido, etc.)	Collecting information					
	Renewal Work of Substation Facilities						
	Start Business with New Customers and in New Industries						
	New Line Extensions (Tokyo Metro: Extensions of Yurakucho Line and Namboku Line)	Collecting information		Scheduled to start operation in the mid-2030s			
	New Line Extensions (Utsunomiya LRT: Extension to the West)	Collecting information		Scheduled to start construction in or after FY2027 and start operation in the early 2030s			
	New Line Extensions (Hokkaido Shinkansen: Extension to Sapporo)	Collecting information		Scheduled for completion by the End of FY2030			



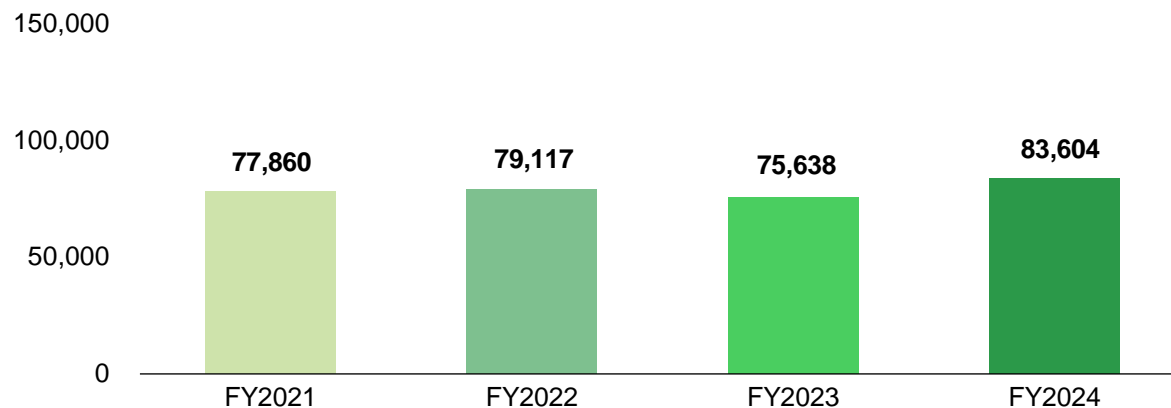
# Financial Results Forecast for Construction of Electrified Railway Equipment Segment



(Unit: million yen)

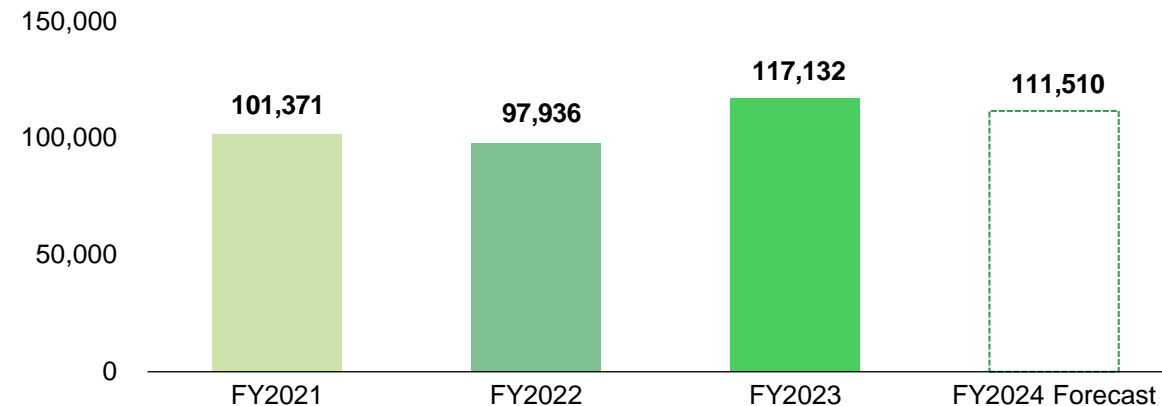
## Backlog

Compared to FY2023: +¥7.9 bn



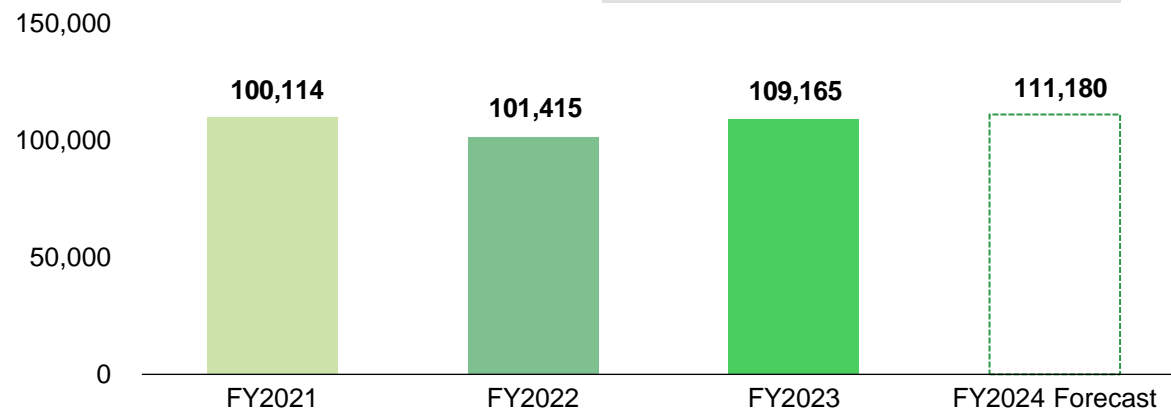
## Orders

Compared to FY2023: -¥5.6 bn



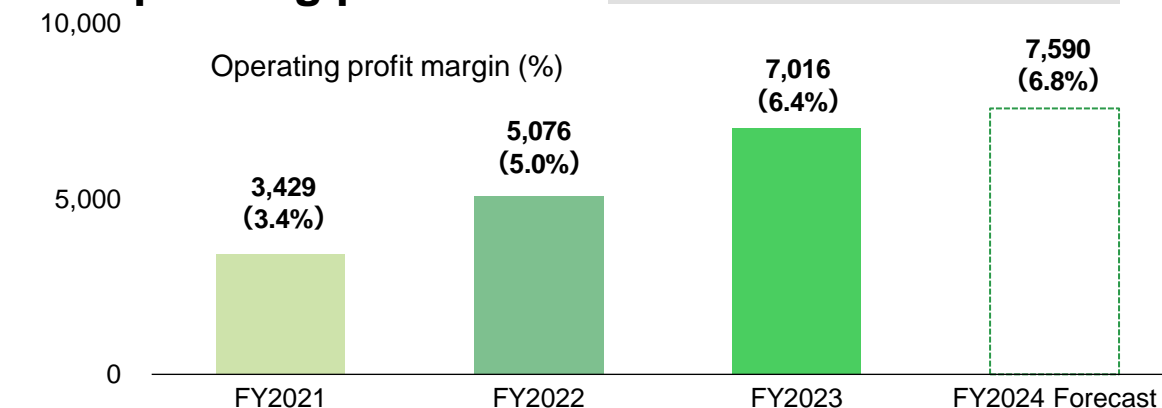
## Net sales

Compared to FY2023: +¥2.0 bn



## Operating profit

Compared to FY2023: +¥0.5 bn



- While steadily securing orders from JR companies, we aim to increase orders from other public and private railway operators.
- We aim to increase net sales and profit with abundant construction work in hand.

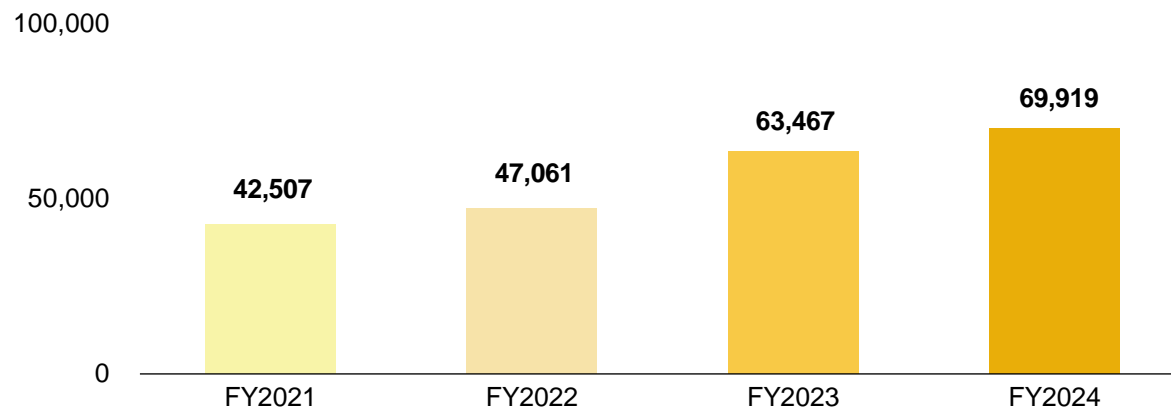
# Financial Results Forecast for Construction of Electrical Facilities for Buildings Segment



(Unit: million yen)

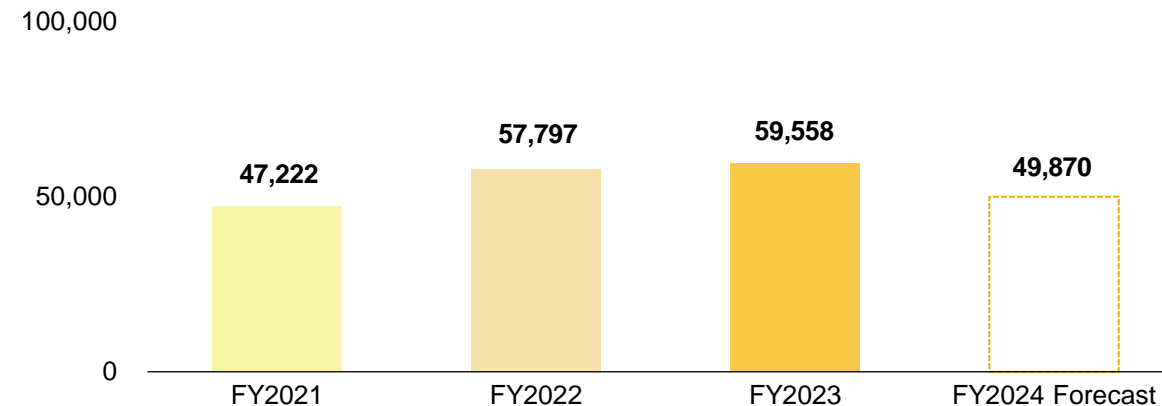
## Backlog

Compared to FY2023: +¥6.4 bn



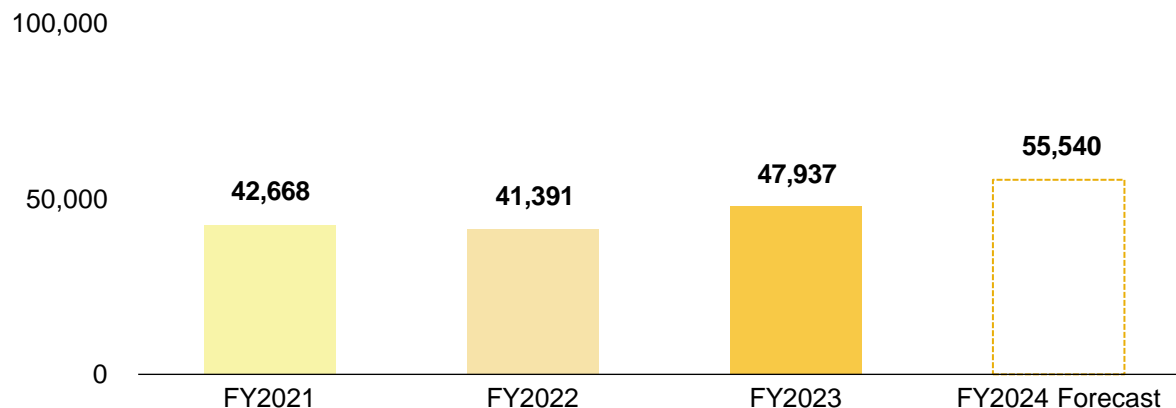
## Orders

Compared to FY2023: -¥9.6 bn



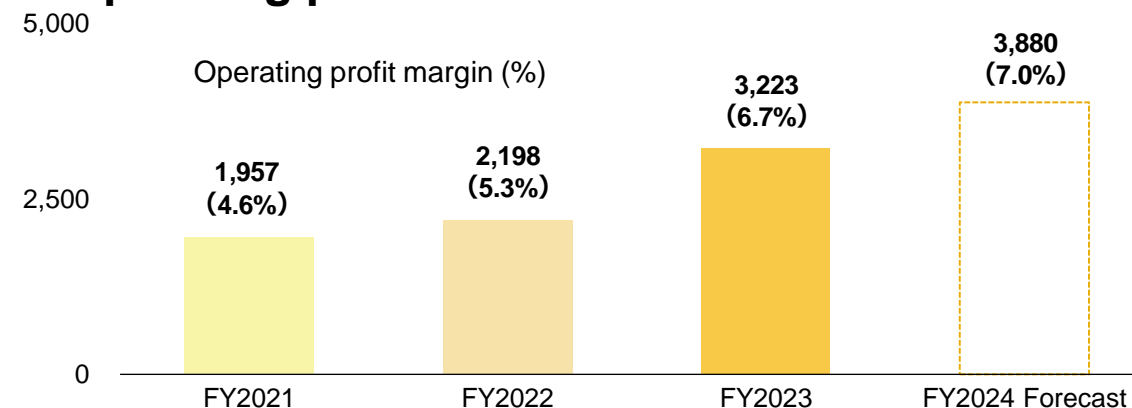
## Net sales

Compared to FY2023: +¥7.6 bn



## Operating profit

Compared to FY2023: +¥0.6 bn



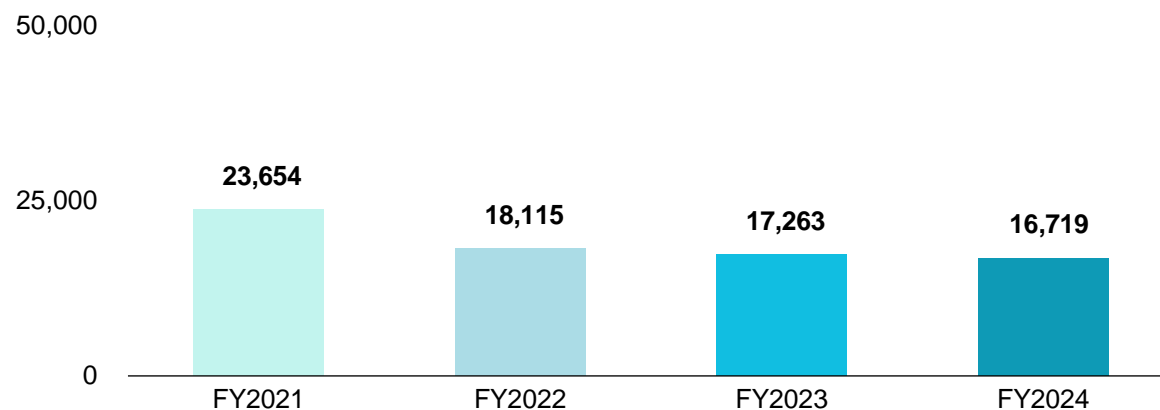
- We will maintain a high level of orders, while ensuring profitability by working to actively expand sales efforts in growth domains, such as data centers.
- We aim to increase net sales and profit with abundant construction work in hand.



(Unit: million yen)

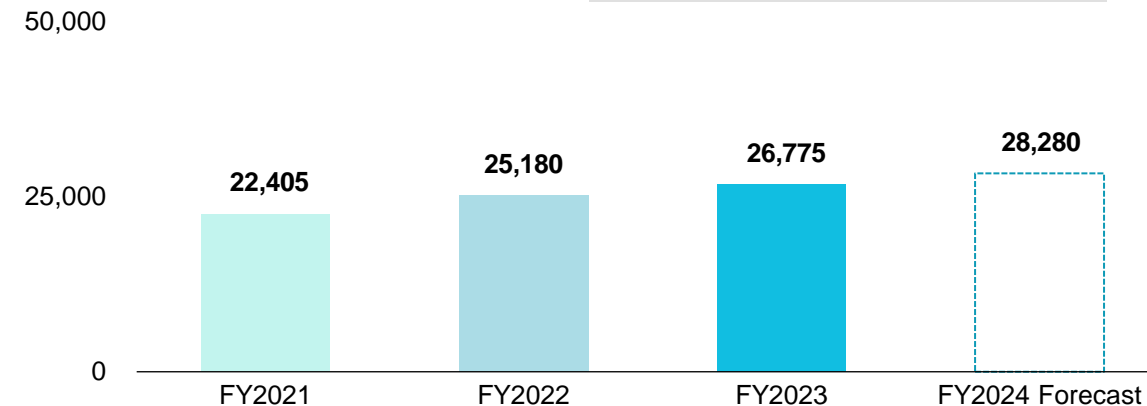
## Backlog

Compared to FY2023: -¥0.5 bn



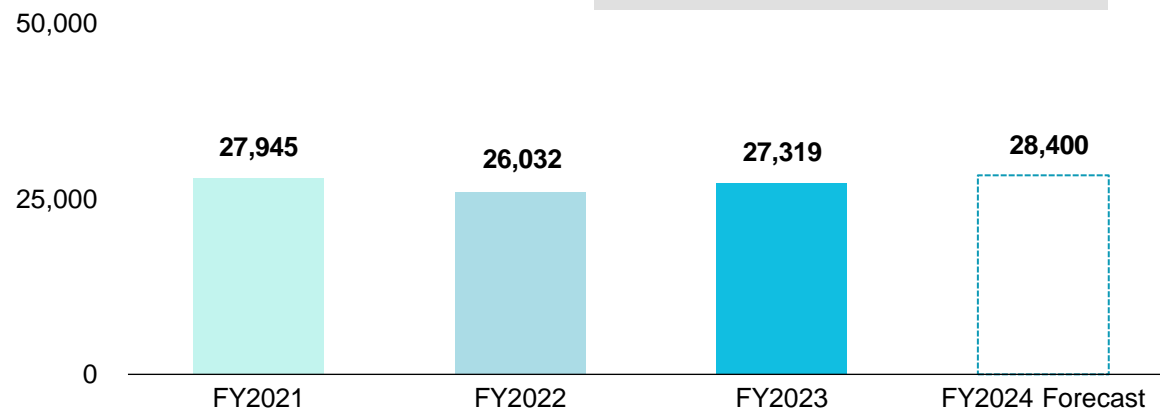
## Orders

Compared to FY2023: +¥1.5 bn



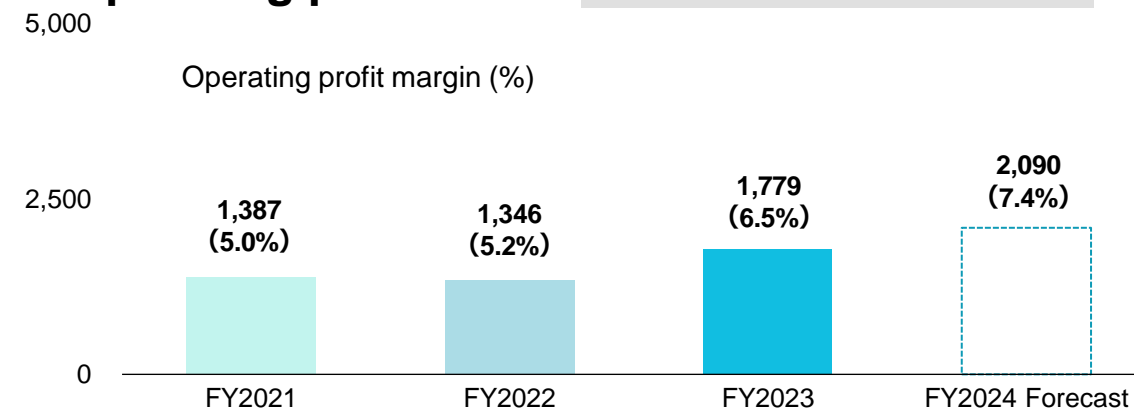
## Net sales

Compared to FY2023: +¥1.0 bn



## Operating profit

Compared to FY2023: +¥0.3 bn



- We will maintain orders by expanding active sales efforts for network-related construction and infrastructure sharing business.
- We aim to increase net sales and profit through efficient construction and improved construction profitability.

# Financial Results Forecast for Construction for Environmental Energy Segment

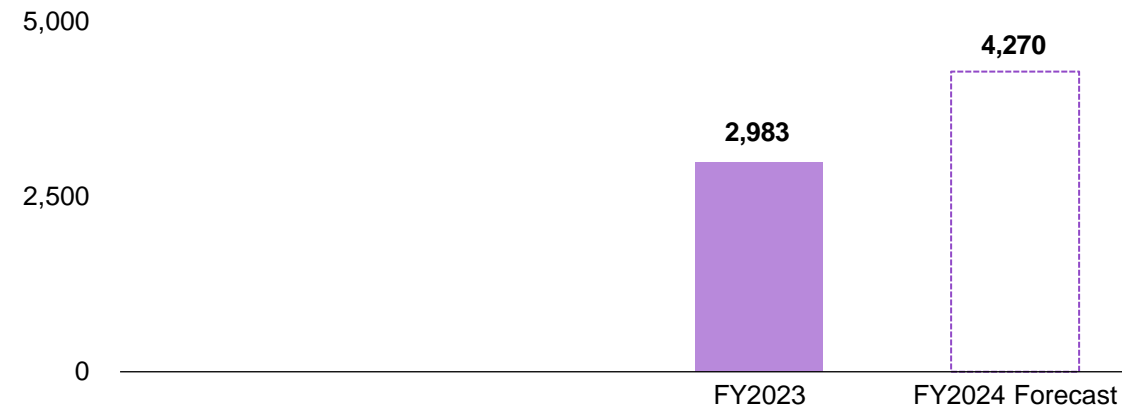


(Unit: million yen)

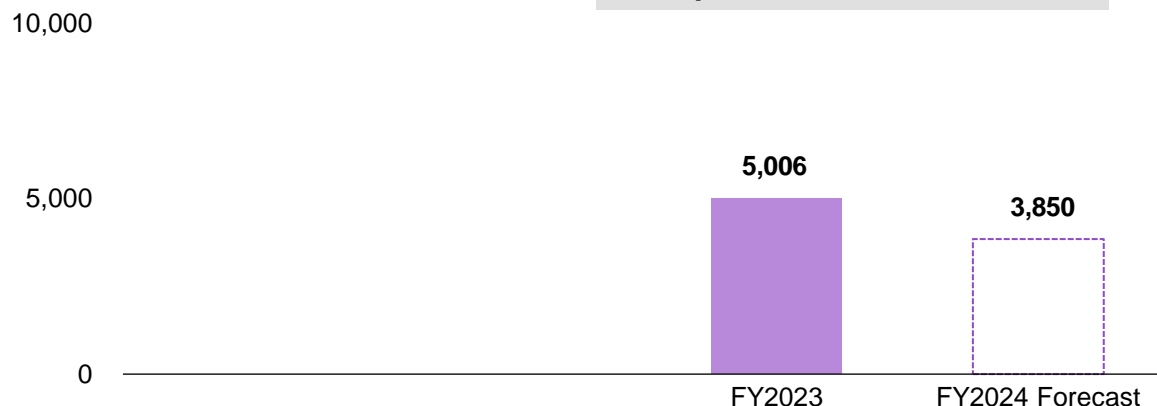
## Backlog



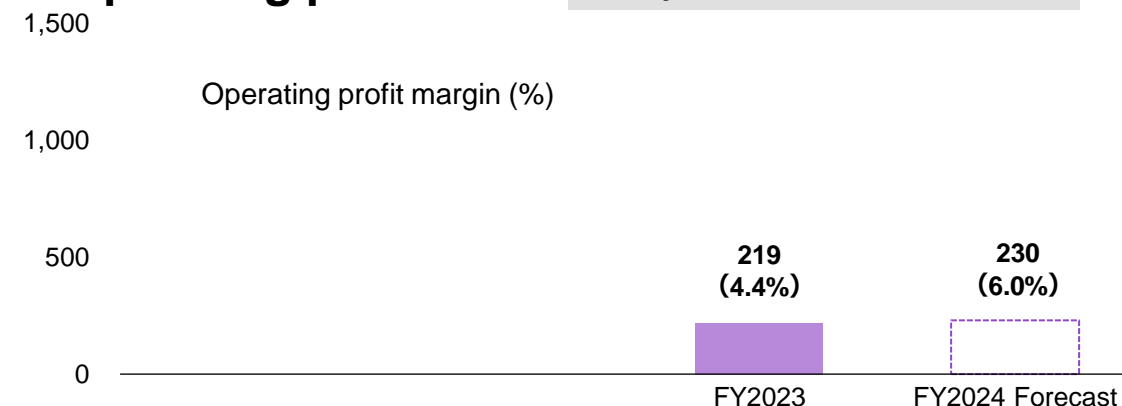
## Orders



## Net sales



## Operating profit



- We aim to increase orders in the field of environmental energy construction by drawing on our technical capabilities as a leading ZEB owner and ZEB planner in addition to our extensive track record in renewable energy construction.

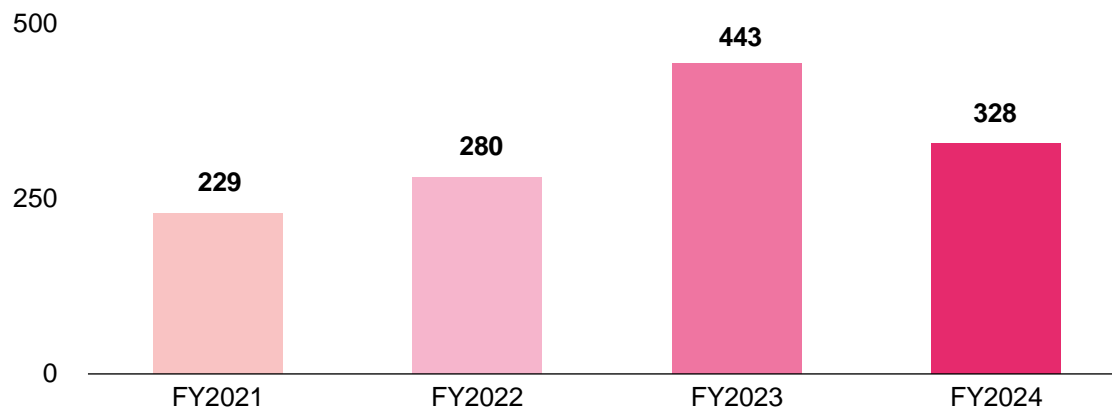
\* Results for FY2021 and FY2022 are not presented as they are included in the results of the Construction of Electrical Facilities for Buildings Segment.



(Unit: million yen)

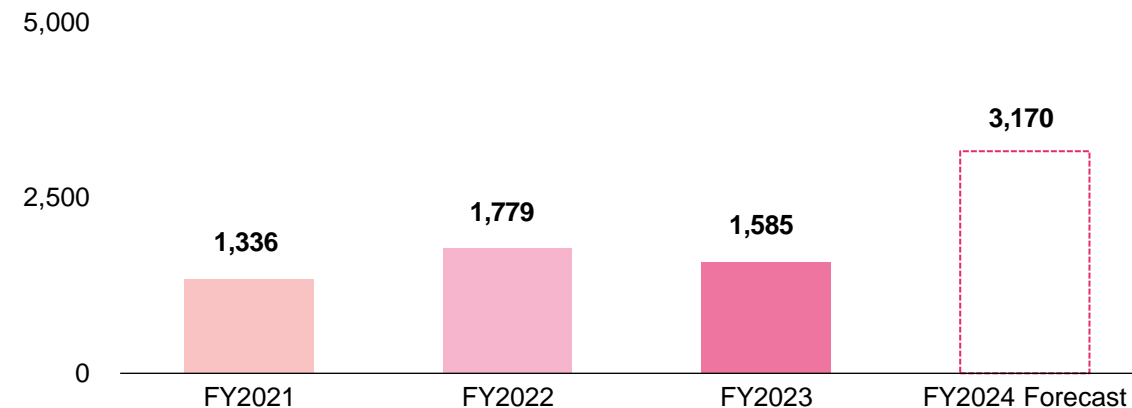
## Backlog

Compared to FY2023: -¥0.1 bn



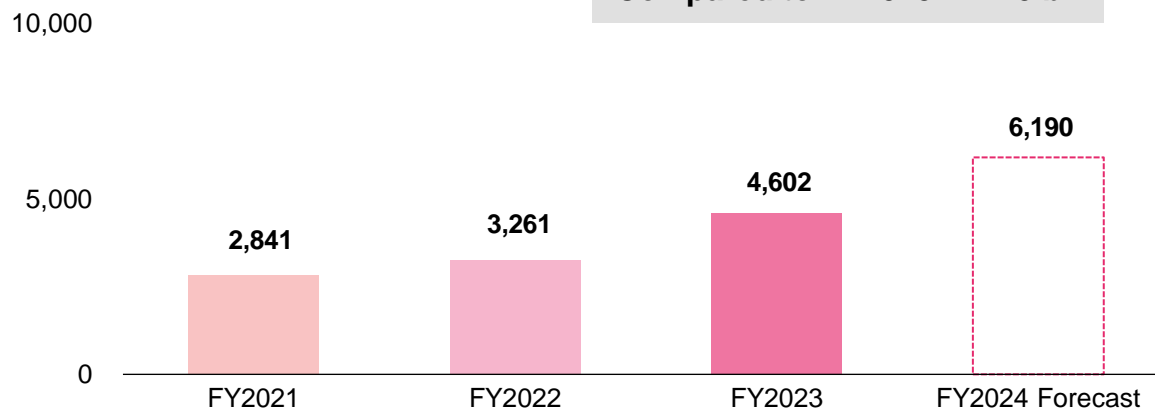
## Orders

Compared to FY2023: +¥1.5 bn



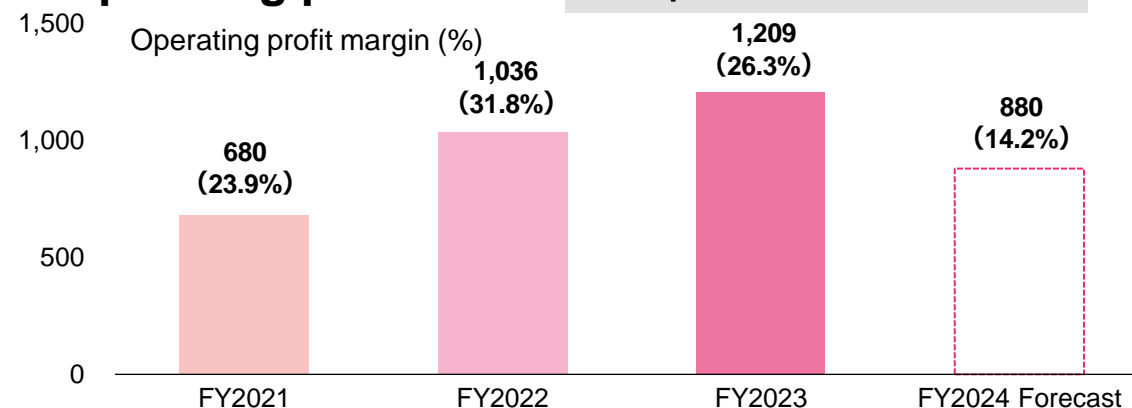
## Net sales

Compared to FY2023: +¥1.5 bn



## Operating profit

Compared to FY2023: -¥0.3 bn

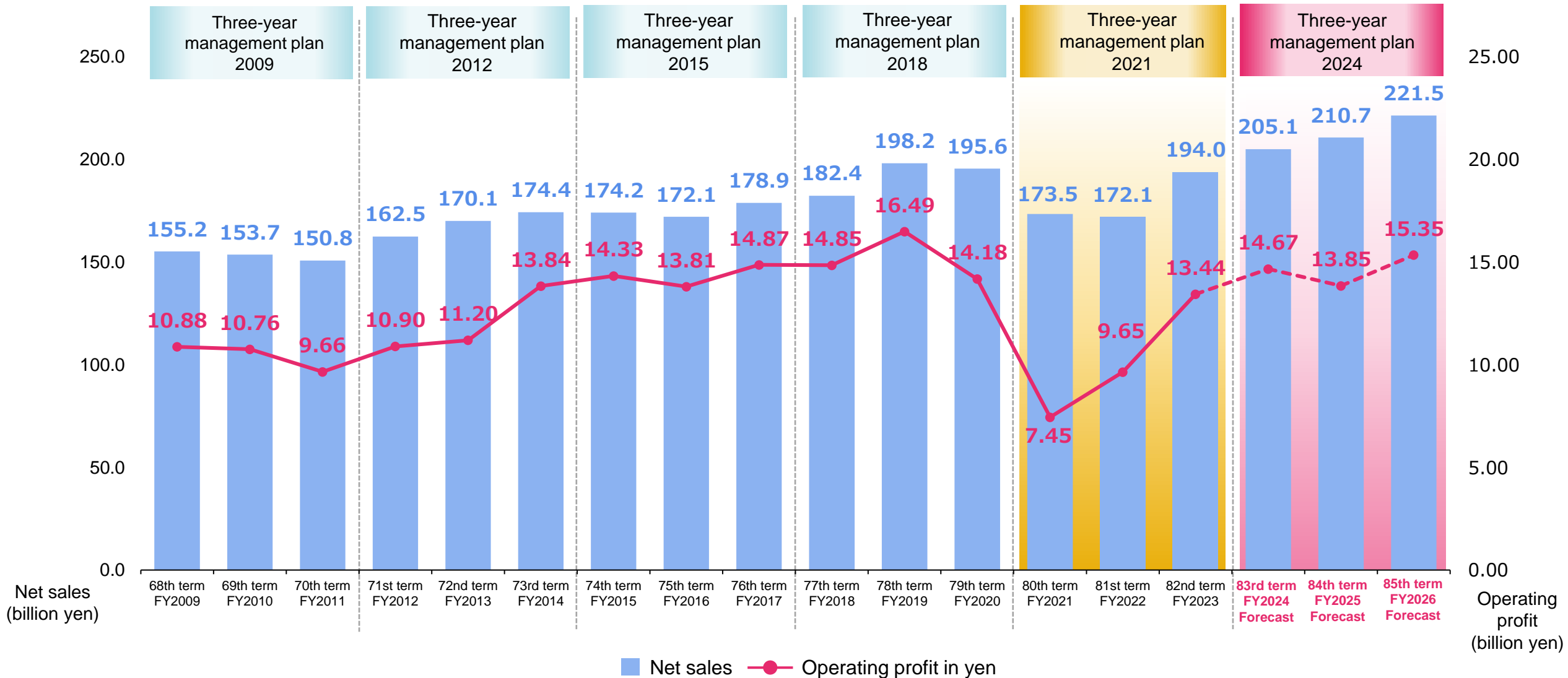


- We aim to increase net sales by focusing on creating new businesses in addition to building new rental apartments and increasing occupancy rates of rental buildings.



### V-shaped recovery achieved in FY2023

### Secure profit to grow sustainably





# Pursuing New Heights

Pursue new heights as  
the “Team NDK” and  
feel the growth together

**I**ncrease the levels  
of safety and quality  
and ensure thorough  
governance

We will ensure the safety of customers and construction workers and provide high-quality deliverables, as well as strengthen risk management systems and adhere to laws and regulations and social norms to strengthen the confidence of customers and society in us.

**C**reate the culture for  
the new pursuit and  
generate value

With the pursuit of excellence as our foundation and through broad vision and thinking that break through conventional ideas, we will promote the fostering of a culture and the creation of systems for independent thinking and action to create new value.

**S**ecure human  
resources and  
strengthen the  
construction systems

While prioritizing the securing of human resources, we will promote initiatives that enable each employee to feel growth through various experiences. We will also work to support our partner companies in securing and developing human resources, with the aim of strengthening the execution ability of Team NDK.

**I**ncrease  
engagement  
and productivity

We will promote interaction among employees and revitalization of organizations, while creating a supportive work environment and systems to enable diverse talent to thrive in their work and increase engagement and productivity.

**C**ontribute to the  
environment  
and society

We will promote initiatives to contribute to reducing environmental impact and support local communities through construction and other business activities to share the values.



**Please note that the forecast figures presented in this document were prepared based on the information available to the Company at the time they were prepared, and actual results may differ from the forecasts in the document due to fluctuation of the levels of various risks and uncertainties and changes in economic conditions, among other factors, in future.**



**NIPPON DENSETSU KOGYO CO.,LTD.**

**Please direct inquiries to:**

**Public Relations Department  
NIPPON DENSETSU KOGYO CO.,LTD.  
1-2-23 Ikenohata, Taito-ku, Tokyo 110-8706**



**TEL 03-3822-8825**

**FAX 03-3822-8960**

**URL <https://www.densetsuko.co.jp/>**