

March 12, 2019

To Whom It May Concern

Company name: Nippon Koei Co., Ltd.  
Representative: Ryuichi Arimoto, Representative  
Director and President  
(Code number: 1954; First Section of the Tokyo Stock Exchange)  
Contact: Shigeki Sugawara, General Manager, Corporate Communication Office  
(TEL 03-5276-2454)

Notice on Establishment of Joint Venture and Investment in Special Purpose Companies

Nippon Koei Co., Ltd. (hereinafter “NK”) hereby announces that on March 12, 2019 its Board of Directors resolved for a joint venture (name yet to be determined) to be established by Nippon Koei Energy Europe B.V. (hereinafter “NKEE”) and RNA Energy Limited (hereinafter “RNA”), and for two special purpose companies (SPCs) to be established through the joint venture as follows.

1. Reasons for establishing a joint venture and investing in SPCs

NK has set forth “Establishment of Energy Business” as one of its business strategies under the Medium-Term Management Plan “NK - Innovation 2021.” In December 2018, NK established NKEE in Rotterdam, the Netherlands as its European bases for the energy-related business. Utilizing the benefit of this European entity, NK has been accumulating the relevant technologies including EPC services in Europe, an advanced market in the energy storage business.

Establishing a joint venture with RNA, a British company with experts in energy business development, will be carried out as part of the said energy business strategy. We aim to reinforce our capabilities for developing projects related to energy storage business, optimizing their operations, and assets holding business.

The joint venture will establish two new SPCs (names to be determined) which are affiliated with the venture and invest a total of GBP 25.1 million (approximately JPY 3,700 million, equivalent to 49.7% of NK's paid-in capital of JPY 7,437 million) in the two SPCs for large battery storage projects (approx. two 50.0MW projects, in total approx. 100.0MW) as the venture's agenda No. 1 and No. 2.

Through these projects, we are going to acquire dividends and commercial return from the battery storage assets, secure a turnover for related EPC services and going forward, enhance our track record of participating in the development of energy storage projects in the UK.

2. Profile of NKEE

(1)	Name	Nippon Koei Energy Europe B.V.
(2)	Location	Conradstraat 38 D6.126, 3013 AP Rotterdam, The Netherlands
(3)	Name & title of representative	Franck Bernard, President and Representative Director
(4)	Business description	Formation, development and sales & marketing of the energy business in the European region and management of Group companies within Europe
(5)	Paid-in capital	EUR 2 million (approximately JPY 250 million)
(6)	Investment ratios	NK: 100%

## 3. Profile of joint venture

(1)	Name	To be determined
(2)	Location	To be determined
(3)	Name & title of representative	Roger Ammon, Director Other directors are as follows: Hiroyuki Akiyoshi Tatsuhiko Yasukochi Franck Bernard Masato Suzuki Nigel Viney
(4)	Business description	Development and operation of the electricity storage systems business, holding of storage cell assets
(5)	Paid-in capital	GBP 4.9 million (plan; approximately JPY 722million)
(6)	Date of establishment	March 2019 (plan)
(7)	Financial closing	June 30
(8)	Net assets	To be determined
(9)	Total assets	To be determined
(10)	Investment ratios	NKEE: 80%; RNA: 20%
(11)	Relationship between the listed company and this company	
	Capital relationship	There is no significant capital relationship to note.
	Personal relationship	Four officers (part-time) are appointed on secondment from NK and one of them concurrently serves as Representative Director of NK.
	Business relationship	There is no significant business relationship to note.

## 4. Profile of the other party of joint venture

(1)	Name	RNA Energy Limited
(2)	Location	1st Floor Healthaid House, Marlborough Hill, Harrow, Middlesex, England, HA1 1UD
(3)	Name & title of representative	Roger Ammoun, CEO
(4)	Business description	Business related to electricity storage systems
(5)	Paid-in capital	GBP 100 (approximately JPY 14,000)
(6)	Date of establishment	October 12, 2015
(7)	Principal shareholders and shareholding ratios	Tara Ward (60%) Nigel Viney (20%) Adrial Whittal (20%)
(8)	Relationship between the listed company and this company	
	Capital relationship	There is no significant capital relationship to note.
	Personal relationship	There is no significant personal relationship to note.
	Business relationship	There is no significant business relationship to note.

## 5. Schedule

- |     |   |                   |
|-----|---|-------------------|
| (1) | Board of Directors resolution date                  | March 12, 2019    |
| (2) | Joint venture contract date                         | March 2019 (plan) |
| (3) | Date of establishment of JV special purpose company | March 2019 (plan) |

# NIPPON KOEI

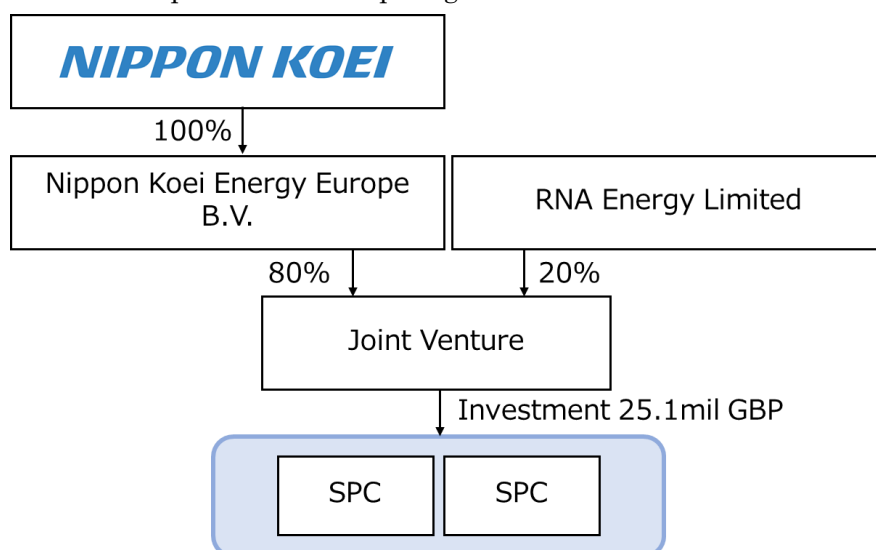
## 6. Impact on future operating performance

The impact of this project on NK's consolidated financial results for the current fiscal year is minimal.

(Note 1) "To be determined" items will be disclosed as soon as they are determined.

(Note 2) Conversions are made using the exchange rates as of March 11, 2019: GBP 1 = JPY 147.46, EUR 1 = JPY 125.31.

Reference: Capital relationship diagram



(Reference) Consolidated Financial Results Forecast for the Fiscal Year Ending June 30, 2019 (announced on August 13, 2018) and Consolidated Financial Results for the Fiscal Year Ended June 30, 2018

(millions of yen)

	Consolidated net sales	Consolidated operating income	Consolidated ordinary income	Profit attributable to owners of parent
Consolidated financial results forecast (Year ending June 30, 2019)	115,000	6,200	6,100	4,100
Consolidated financial results (Year ended June 30, 2018)	106,023	6,561	6,721	4,555