

International Business

Business Significance

Working with people in every country and region to build social infrastructure that supports the lives of people around the world

Business Strengths

- Construction track record in Southeast Asian countries
 - Top-class track record for tunnel construction among Japanese general contractor companies
- Customer base in new countries
- Ability to carry out business operations in accordance with regional characteristics such as business practices



Yoshikuni Nakano
General Manager of International Division

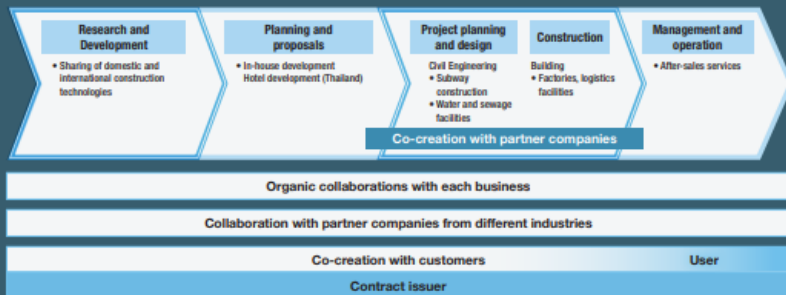
Region of origin

Areas of deployment Southeast Asia, South Asia, and Australia

Business Environment

- New Southeast Asia Transportation Infrastructure
 - Expansion of ODA market, international bidding market faces price competition
- Impact of COVID-19 in Thailand and Vietnam
 - Projects for local and foreign-affiliated clients are showing a recovery trend, while recovery of projects for Japanese clients is sluggish
- Soaring resource and energy prices
 - Sharp rise in prices of materials and equipment, impact on procurement

Value chain



Vision	Strategy	Business	Technology & Quality	Environment	Social & People	Governance	Data Section
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Progress of Priority Measures

Priority measures	FY2021 review	Initiatives going forward
Civil Engineering	Initiatives at existing bases Singapore: Received order for large section tunnel construction	Singapore: Main activities are to receive orders for tunnel construction
	Initiatives for ODA Projects Philippines: Activities to receive orders for subway construction Bangladesh: Started surveys for subway construction	Philippines: Activities to receive orders for subway construction Bangladesh: Activities to receive orders for subway construction
	Developing new regions for expansion Australia: Started market research after setting up Sydney office	Australia: Renewable Energy Businesses Consideration for participation (in cooperation with environmental and energy business)
Collaborations	In-house Overseas Development Business Thailand: "Grand Nikko Bangkok Sathorn" Announced that opening will be in 2025	Thailand and Vietnam: Establishment of large-scale building construction management system
	Strengthen customer base Thailand and Vietnam: Establishment of domestic and international sales collaboration system Building a foreign customer base	Thailand and Vietnam: Rebuilding the Japanese customer base Building a foreign customer base

Contributing to SDGs (construction completed in FY2021)

Contributing to convenience of life with subway construction in Singapore, conserving precious drinking water during construction



Contract T228, Construction of Gardens By The Bay Station and Tunnels for Thomson Line, (Singapore)

Subways support the daily lives of people. In this project, Nishimatsu constructed a tunnel that passes directly under a reservoir for drinking water. In Singapore, where natural water resources are scarce, the conservation of drinking water is extremely important. Minimizing the impact on drinking water and ensuring safe construction were essential. A special ground improvement method was adopted to reinforce the ground under the reservoir, and construction was completed successfully. The project received the "Environmental Excellence Award" from the Land Transport Authority (LTA), which was the project executor.



Construction of a large-scale logistics facility in Thailand to meet growing logistics demand



All Now Complex Phase 2 Project (CP Group, Thailand)

Nishimatsu constructed a logistics facility with a total floor area of approximately 25,000m² equipped with AS/RS (Automated Storage and Retrieval System), which is a novel system in Thailand. Located in the heart of the Greater Mekong Subregion (GMS), Thailand is a logistics hub for ASEAN countries. The demand for logistics is increasing due to the growth of the logistics market in conjunction with the development of the retail and food service culture and e-commerce.



TOPIC Training Center in Thailand completed



"See, touch and remember" training

We constructed a Training Center in Thailand with the aim of improving the technical skills and safety awareness of local employees and workers. The training Center was opened in July 2022. Training is provided using mock-ups of concrete, reinforcement bars and formwork construction.



Training at the Thailand Training Center

Overseas Activities

Thailand and Laos

Due to the several waves of COVID-19 in 2021, the Thai economy shrank by 2.6 percent. However, the Thai economy has subsequently rebounded and is expected to grow by 1.0 percent in 2022. Amidst this situation and hardship in 2021, and along with the recovery of the Thai economy in 2022, Thai Nishimatsu Construction Co., Ltd. was able to complete several projects, such as Project BK6 Ready Build Warehouse and All New Complex Phase 2 Project.

The pandemic has made it clear that businesses that provide passive income, including maintenance & real estate, are vital to sustaining a stable profit. Thus, we are more eager than ever to expand our business into other

fields. At present, we are cooperating seamlessly with the Urban Development & Real Estate Business Division to develop high-rise properties and invest in hotels in Thailand. With that in mind, we have successfully acquired a new order for the Grand Nikko Bangkok Sathorn Hotel Project. We have also successfully acquired quite a few new orders in 2022. The new contracts are from existing clients and brand-new customers, such as the BTMT Phase 5 Project, Sanmina Project, and Panamara Project. In addition, we have not only taken over many projects for our customers but have also launched our property, the Training Center in Panthong, which will be used as a technical training center for Nishimatsu Construction Group

companies in the Southeast Asia Region.

Regarding Lao Nishimatsu Construction, COVID-19 is still having an impact on their economic activities. Pakse-Japan SME SEZ Development Co., Ltd. (PJSEZ), another of Nishimatsu Construction's businesses in Laos, is working tirelessly to fully support investment in Laos and assist revitalization of the Lao regional economy.

We believe that all these initiatives will contribute to Thai Nishimatsu Construction and Lao Nishimatsu Construction's swift recovery after the end of the pandemic and help us achieve goals set in the Medium-Term Management Plan 2023 and Nishimatsu Vision 2027.



All New Complex Phase 2 Project



BK6 Ready Build Warehouse

Singapore

The Building and Construction Authority (BCA) of Singapore reported in January 2021 a projected construction demand ranging between S\$27 billion to S\$32 billion for 2022. This is compared to approximately S\$30 billion that was awarded in 2021. There was a 42% increase in construction demand in 2021 compared to 2020, primarily driven by public housing and infrastructure projects. Public sector construction is expected to contribute to 60% of the total demand in 2022, with continued strong demand for public housing and infrastructure projects.

Land Transport Authority (LTA) T228, the Construction of Gardens by the Bay station and tunnels for Thomson Line, was awarded on July 25, 2014, to Nishimatsu in a joint venture with Messrs Bachy Soletanche Singapore Pte Ltd. This project was completed on August 8, 2021, with

close to 6.4 million accident-free person-hours. The project was also awarded the prestigious Land Transport Excellence Award in 2022 under the "Environmental Excellence – Civil Contractor (Mega Category)".

LTA C882, the Construction of Keppel station and tunnels for Circle Line 6, was awarded on September 8, 2017, to Nishimatsu in a joint venture with Messrs China State Construction Engineering Corporation Limited. The work progressed well for this project, and all four tunnel drives were completed by July 2021, ahead of schedule. C882 has also been shortlisted as a finalist for LTA's Annual Safety Awards again in 2022 for the fourth consecutive year.

Public Utilities Board (PUB) T10 Contract for the Design and Construction of sewer tunnels for the Deep Tunnel

Sewerage System Phase 2 was awarded on November 17, 2017, to Nishimatsu. The first tunnel drive was completed in May 2021, with the other two TBMs expected to complete excavations in October and November 2022, respectively.

LTA CR110, the Design and Construction of a bored tunnel between Tampines North station and Defu station for the Cross Island Line, was awarded on November 8, 2021, to Nishimatsu. This tunnel is the second large-diameter TBM project for LTA and will go under a military airbase. Initial site clearance and design work for this project are currently in progress.

While Singapore is slowly moving out of Covid-19 restrictions, Nishimatsu Singapore is still facing challenges posed by the global pandemic and the Russia-Ukraine

conflict. These challenges are faced globally, and Nishimatsu Singapore will continue to work to fulfill its contractual obligations for all the Contracts while pursuing new opportunities in the upcoming LTA Cross Island Punggol Extension and Cross Island Line Phase 2, where tenders have been called progressively since December 2021. Nishimatsu will continue building its core professional and supervisory teams to embrace new challenges.



Contract 882, Construction of Keppel Station and Tunnels for Circle Line 6

Vietnam

In 2021, Vietnam implemented a widespread and swift rollout of its vaccination campaign of multiple vaccine doses for its population in response to the threat of COVID-19. The government decided to abandon its policy of "Zero-COVID" and move to "Living with COVID". Thanks to the government's strong leadership abilities in implementing measures, and the efforts and perseverance of every citizen, Vietnam's economy has almost recovered to pre-COVID times.

Vietnam recorded 2.6% economic growth in 2021. Although the growth rate was lower than the previous year's 2.9% due to a temporary economic slowdown

caused by COVID-19, mainly in the third quarter, the country has continued posting positive economic growth figures. With the subsequent success in controlling infections, Vietnam is expected to recover to pre-COVID levels in 2022.

With many Japanese companies expected to open factories in Vietnam, Nishimatsu Construction hopes to aggressively expand our operations through cooperation with local Vietnamese companies. Our goal is to acquire more projects for new construction without missing out on any business opportunities. We also value our relationships with existing customers and undertake renewal,

expansion, and renovation work, irrespective of scale, thus solidifying our position as a reliable construction company with a local presence.

Nishimatsu Construction intends to actively pursue Urban Development & Real Estate businesses overseas, focusing on Southeast Asian countries, and it regards Vietnam as an important market. Nishimatsu Real Estate & Development (Asia) Pte. Ltd., an investment management company established in Singapore in 2018, is actively researching and studying the market in Vietnam. Using these activities as a base, we will expand our existing capabilities from the construction of industrial facilities to

include the construction of commercial and residential facilities. By fully demonstrating our construction technologies, we intend to contribute to Vietnam's economic development for many years.



Kovos General Foods (Vietnam) Co., Ltd. Factory Project