NJS

Passing on Healthy Water and Environment to the Next Generation

Q2 Financial Results for FY2026
SmartPPP Growth Strategy

August 28, 2026

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President and CEO

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1. Q2 Financial Highlights

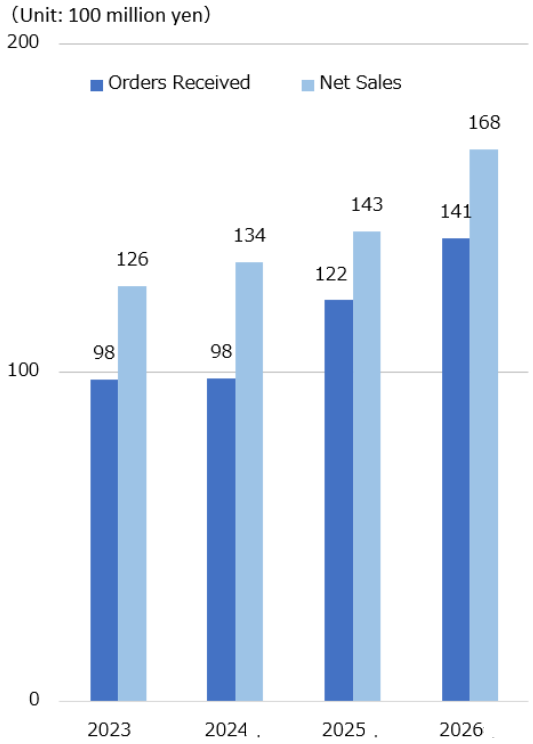
- Orders expanded due to large projects including aging facility renewal and Noto Peninsula earthquake-related restoration work
- Domestic operations concentrated in the first half (early completion of projects), with operating profit margin of 29.6% (+2.3pt YoY)
- Orders received, net sales, and profits all reached record highs

■ Q2 FY2026 Financial Highlights

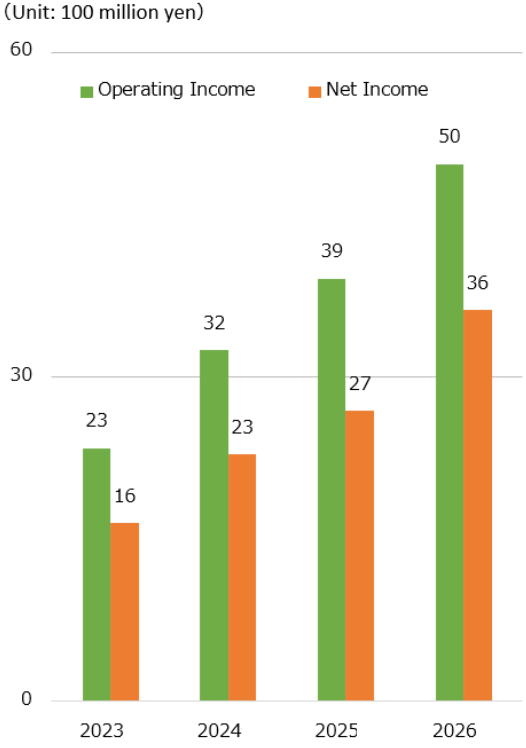
(Unit: 100 million yen)

	Q2 FY2025 (Previous Fiscal Year)	Q2 FY2026			Full-Year Progress	
		Actual	YoY		vs. Forecast	
			Change	% Change	Forecast	Achievement Rate
Orders Received	122.1	**140.8**	+18.7	+15.3%	290.0	+48.6%
Net Sales	142.9	**167.9**	+25.0	+17.5%	280.0	+60.0%
Operating Income Profit Margin	39.1 (27.3%)	**49.7** **(29.6%)**	+10.6	+27.0%	36.0 (12.9%)	+138.0%
Ordinary Income	39.6	**50.9**	+11.3	+28.4%	37.0	+137.4%
Net Income Net Margin	26.8 (18.8%)	**36.2** **(21.6%)**	+9.4	+34.9%	24.5 (8.8%)	+147.8%

■ Orders Received / Net Sales



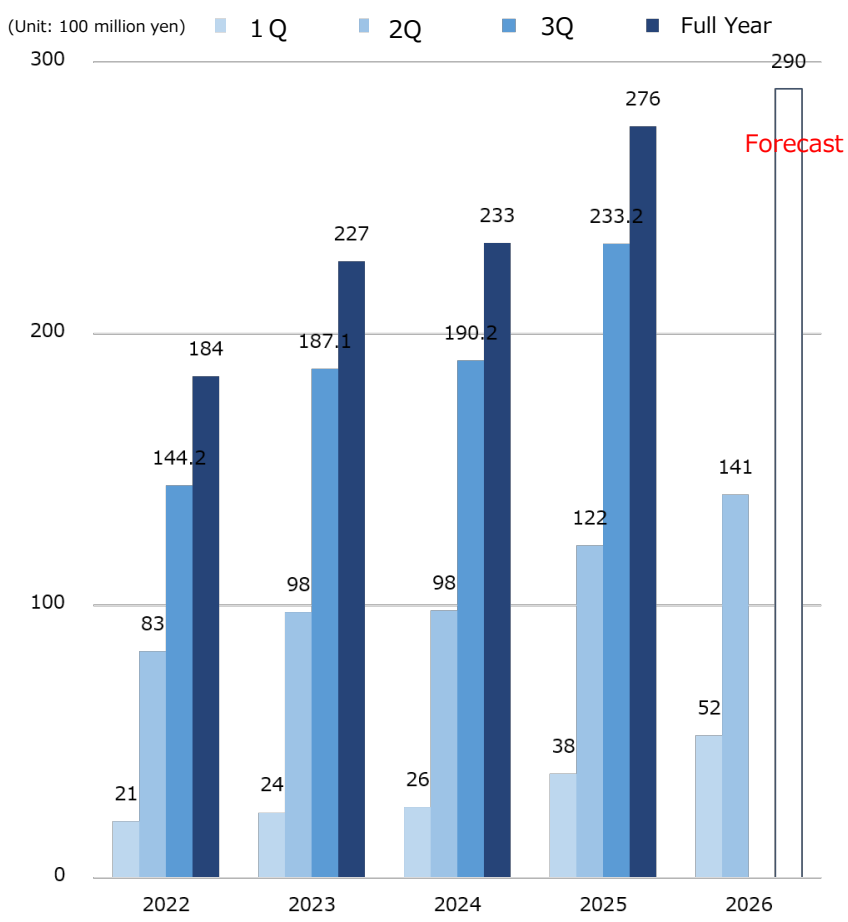
■ Operating Profit / Net Profit



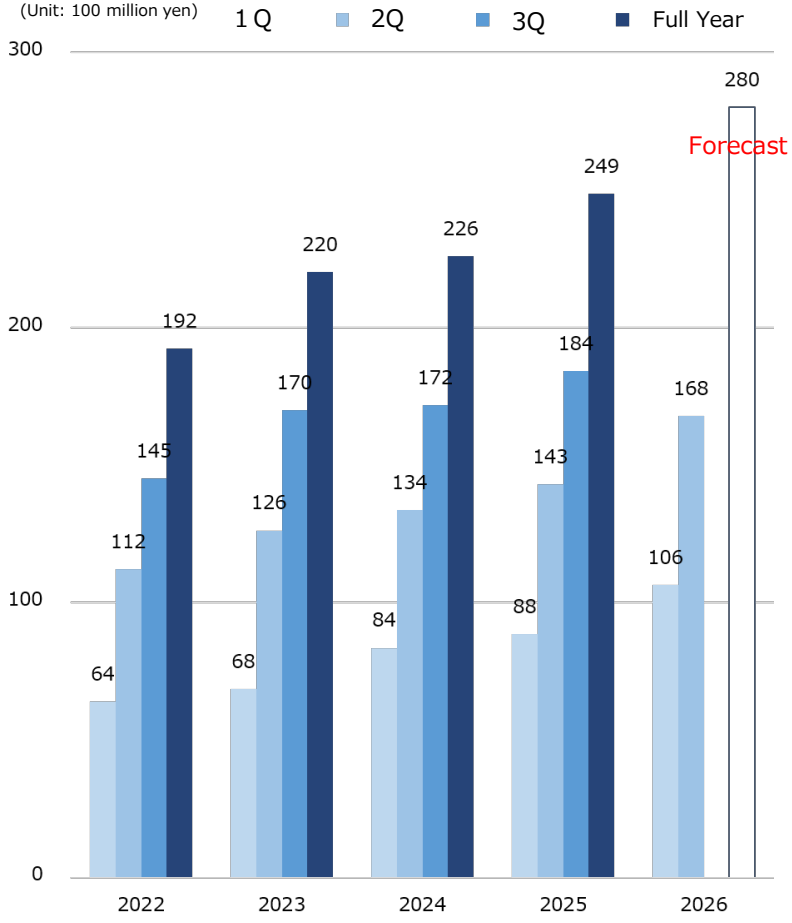
2.Quarterly Results Trends

- Performance is increasingly concentrated in the first half.

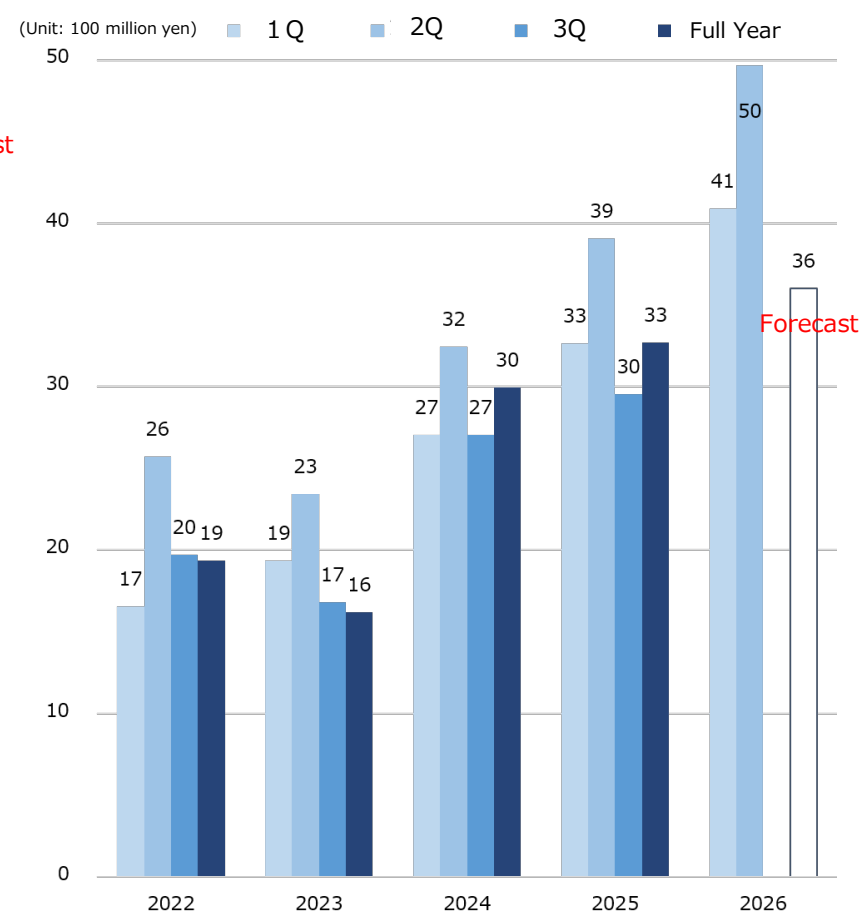
■ Orders Received



■ Net Sales



■ Operating Profit



3. Results by Segment

Domestic

- Large orders received for aging facility renewal and disaster countermeasure projects
- Recording of sales from projects carried over from the previous period
- Performance of newly consolidated subsidiaries contributed

(Unit: 100 million yen)

	Q2 FY2025 (Previous Fiscal Year)	Q2 FY2026		
		Actual	YoY	
			Change	% Change
Orders Received	113.4	**132.2**	+18.9	+16.7%
Net Sales	133.7	**158.2**	+24.4	+18.3%
Income	39.7	**50.3**	+10.6	+26.7%
Income Margin	(29.7%)	**(31.8%)**		

Overseas

- Performance of Indian subsidiary remained steady
- Japanese ODA projects (JICA, etc.) were also received steadily
- Overall, results were almost on par with the previous year

(Unit: 100 million yen)

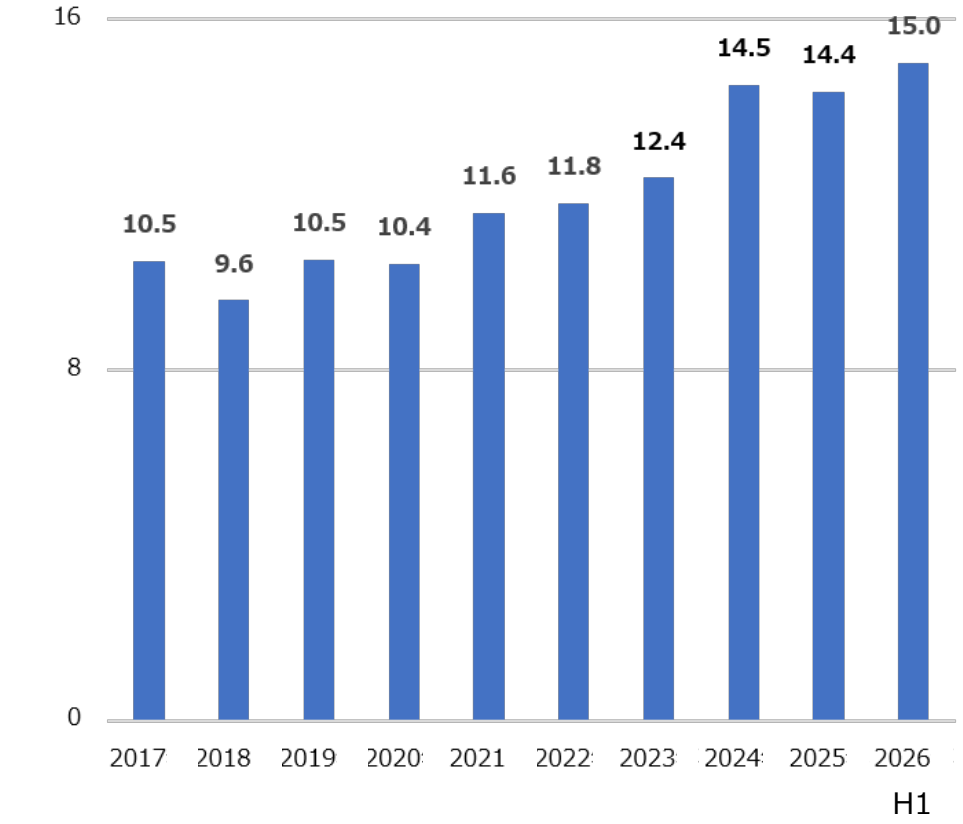
	Q2 FY2025 (Previous Fiscal Year)	Q2 FY2026		
		Actual	YoY	
			Change	% Change
Orders Received	8.8	**8.6**	▲0.2	▲2.2%
Net Sales	9.2	**9.8**	+0.6	+6.0%
Income	▲0.6	**▲0.7**	▲0.0	–
Income Margin	(▲6.9%)	**(▲7.0%)**		

(Reference) Order Unit Price (Domestic Consulting)

- Domestic consulting operations saw continuous increase in order unit prices and growth in project size
- Larger project sizes contributed to profit improvement

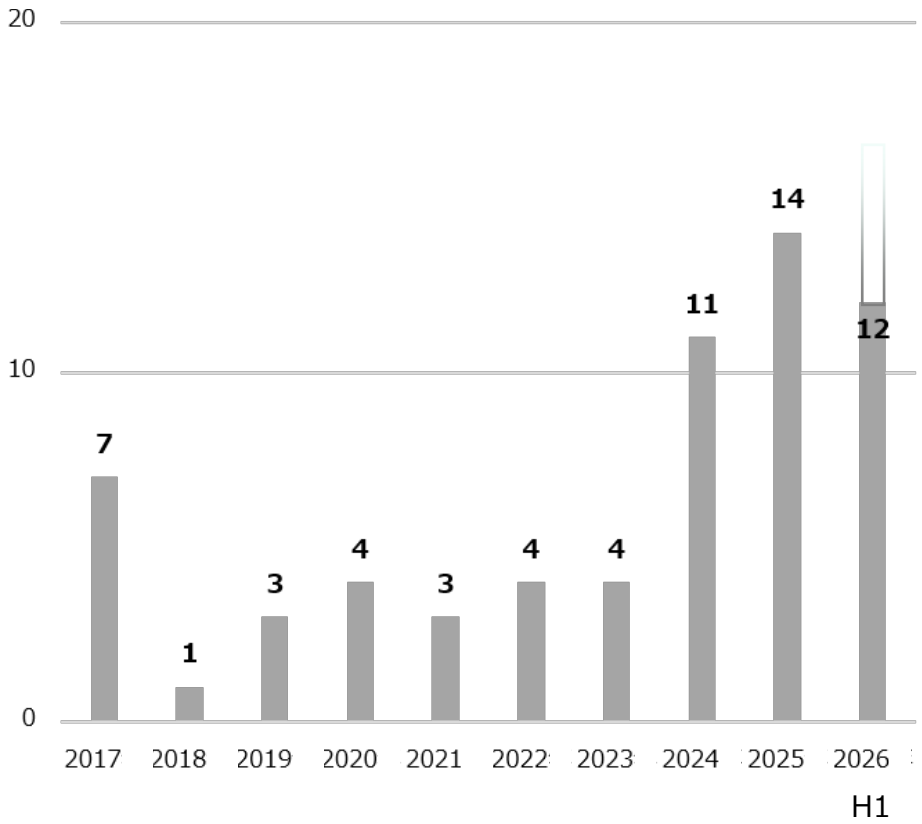
Average Order Value

(Unit: 1 million yen)



Number of Large-Scale Projects - 100 Million yen or More per Contract

(Unit:Cases)



4. Full-Year Earnings Forecast

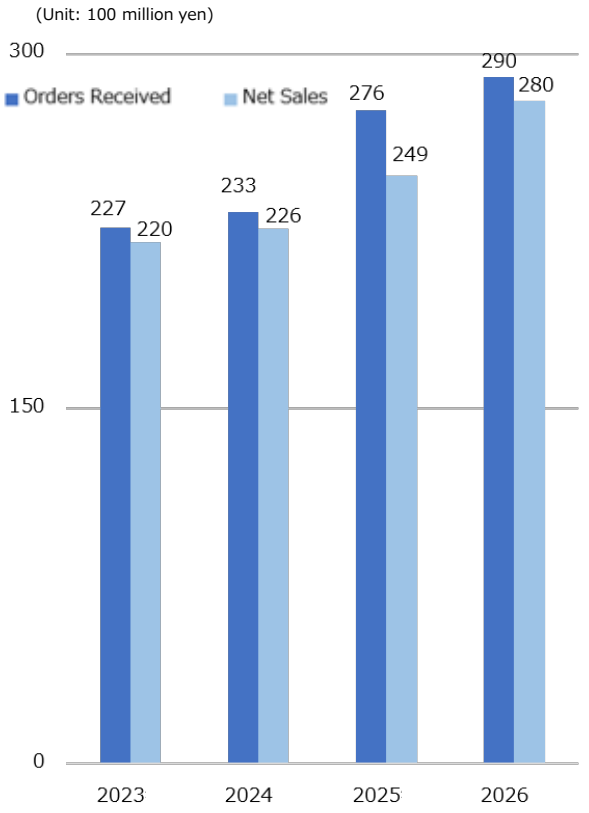
- Domestic operations continued to perform steadily with orders received of 29.0 billion yen (+4.7% YoY) and net sales of 28.0 billion yen (+11.2% YoY)
- With sales expansion, operating profit grew significantly to 3.6 billion yen (+10.2% YoY), and net profit was 2.45 billion yen (+12.3% YoY)
- All reached record highs

■ Consolidated Earnings Forecast for Fiscal Year Ending December 2026

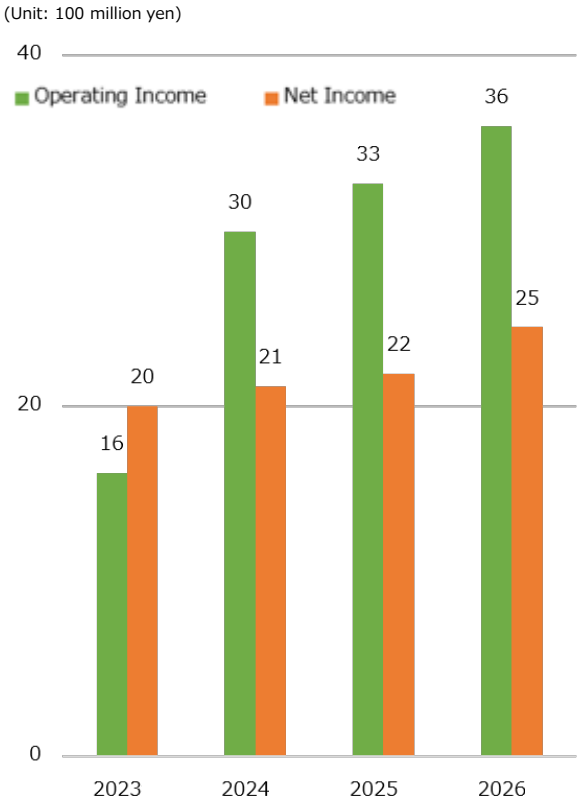
(Unit: 100 million yen)

	Q2 FY2025 (Previous Fiscal Year)	FY2026		
		Outlook	vs. Previous Period	
			Variance Amount	Variance (%)
Orders Received	276.4	**290.0**	+13.6	+4.9%
Net Sales	248.5	**280.0**	+31.5	+12.7%
Operating Income Profit Margin	32.7 (13.1%)	**36.0 (12.9%)**	+3.3	+10.2%
Ordinary Income	33.9	**37.0**	+3.1	+9.3%
Net Income Net Margin	21.8 (8.8%)	**24.5 (8.8%)**	+2.7	+12.3%

■ Orders Received / Net Sales



■ Operating Profit / Net Profit



5. Earnings Forecast by Segment

Domestic

- Disaster countermeasure and facility renewal operations grew significantly
- PPP-related study operations expanded
- Performance of newly consolidated subsidiaries contributed to results

(Unit: 100 million yen)

	Q2 FY2025 (Previous Fiscal Year)	Q2 FY2026		
		Actual	YoY	
			Change	% Change
Orders Received	258.3	**268.0**	+9.7	+3.7%
Net Sales	229.1	**258.0**	+28.9	+12.6%
Income	31.3	**36.0**	+4.7	+15.0%
Income Margin	(13.7%)	**(14.0%)**		

Overseas

- Performance of Indian subsidiary remained steady
- Expecting to acquire Japanese ODA projects (Asia and Africa)
- Segment profit is expected to improve by 220 million yen YoY

(Unit: 100 million yen)

	Q2 FY2025 (Previous Fiscal Year)	Q2 FY2026		
		Actual	YoY	
			Change	% Change
Orders Received	18.0	**22.0**	+4.0	+22.0%
Net Sales	19.4	**22.0**	+2.6	+13.1%
Income	▲2.2	**0.0**	+2.2	–
Income Margin	(▲11.3%)	**(0.0%)**		

6. Facility Renewal through PPP (1)

Order Received for Toyohashi Water Treatment Plant Renewal Project

- Received order for the renewal project of Toyohashi Water Treatment Plant in Toyohashi City, Aichi Prefecture
- Renewal of the aging water purification plant using BT + Concession method; NJS is responsible for facility design, etc.

* BT + Concession: A method where ownership is transferred to the city after completion of renewal construction, after which the operating rights are granted to the operator (total project period: approximately 30 years)

- Planning to introduce IoT sensors and hydrogen utilization toward achieving carbon neutrality (next-generation water purification plant)

■ Overview of Project Group

Name	Aichi Water Innovation
Lead Company	INFRONEER Holdings Inc.
Consortium Members	Toshiba Corporation Stem Co., Ltd. **NJS Co., Ltd.** Suido Kiko Kaisha, Ltd. SALA Corporation FUSO Corporation Oba Water Supply and Sewerage Design Co., Ltd. Jinno Construction Co., Ltd. FCC Aqualia S.A.

■ Project Cost: Approximately 33.5 billion yen (including JV)

■ Image of Completed Next-Generation Water Treatment Plant

7. Facility Renewal through PPP (2)

Order Received for Nagasaki City and Nagayo Town Joint New Water Purification Plant Development Project

- Consolidation and reconstruction of water purification plants managed by Nagasaki City and Nagayo Town in Nagasaki Prefecture
- Integrated design, construction, and operation/maintenance procurement method: DBO method (total project period: approximately 22 years)
- Aiming to renew aging facilities, ensure stable water supply, and improve operational efficiency through regional cooperation

Overview of Project Group

Lead Company	Kyowakiden Industry Co., Ltd.
Consortium Members	**NJS Co., Ltd.** Daiken Sekkei Inc. **Fuyo Sekkei Co., Ltd. (* NJS Group)** Ando Hazama Corporation Saikai Construction Co., Ltd. Hoshino Pipe & Equipment Co., Ltd. Kyokan Co., Ltd.

Project Cost: Approximately 22.2 billion yen (including JV)

Image of Completed Integrated Facility

8. Overseas Water Infrastructure Project

Order Received for Preparatory Survey for Bengaluru Water Supply Expansion Project in India

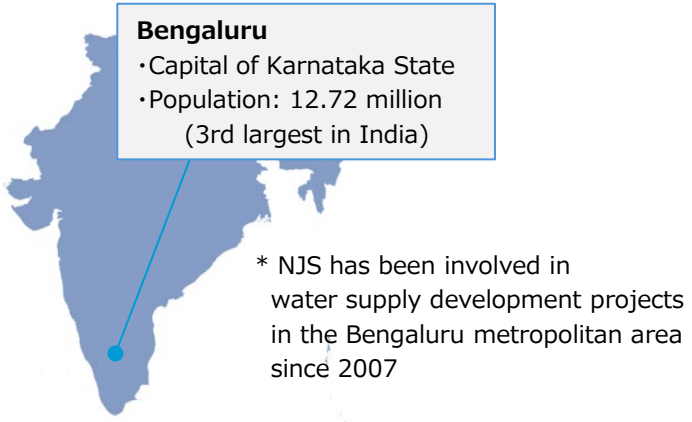
- Water supply capacity expansion project for the Bengaluru metropolitan area, known as India's Silicon Valley
- Planning to increase capacity by 500,000 m³/day against the current supply capacity of 2.33 million m³/day
- Organizing technical, economic, and environmental/social conditions related to facility expansion and conducting feasibility study

■ **Overview of Proposal Group**

Lead Company	**NJS Co., Ltd.**
Consortium Members	Oriental Consultants Global Co., Ltd. Nippon Koei Co., Ltd.

■ **Project Period: March 2026 - February 2027**

■ **Contract Amount: Approximately 130 million yen (including JV)**



* NJS has been involved in water supply development projects in the Bengaluru metropolitan area since 2007

■ **Bengaluru City and Existing Waste Water Treatment Plants**

Software Infrastructure Development Supporting Water Supply Services

Tokyo Metropolitan Government Bureau of Waterworks Fixed Asset Management System Reconstruction

- Centralization of fixed asset management operations that were previously processed separately by multiple systems
- Integration of information by introducing cloud system "SkyScraper FA" developed by NJS
- Reduction of approximately 1,300 hours annually in asset management work

■ **Improved Efficiency, Quality, and Security through Introduction of SkyScraper FA**

■ **Contract Amount: Approximately 150 million yen**

Background

- **Cumbersome** Processes
- Closing Period **Bottleneck**
- **Fragmented** Data
- Missing **Adjustment Feature**
- **Manual** Data Corrections
- **Legacy** system
- New System **Compatibility**

Purpose

1. **Improve Efficiency**
   Reduced Manual Work
2. **Compliance**
   Flexibility and Scalability
3. **Optimization**
   Streamlined Functionality
4. **DX with "Tokyo Cloud"**
   Cloud Migration

Expected Benefits

Data Integration
Construction, Facility and Financial data

Service Quality
Secure Service Level and Compliance

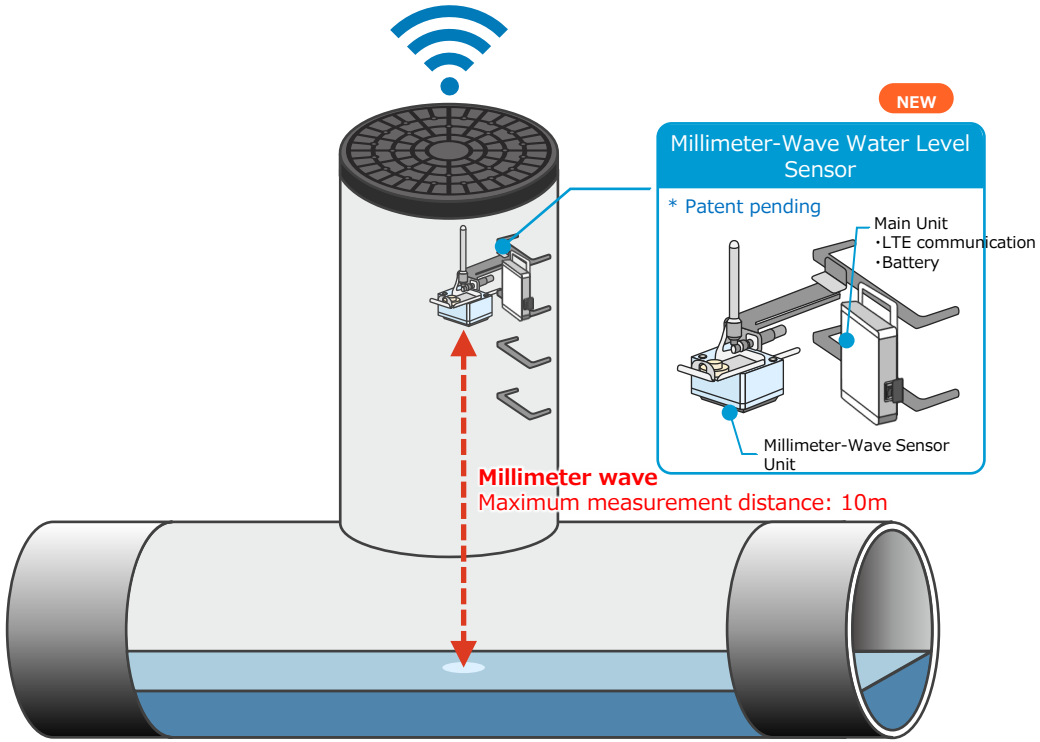
Reliable Migration by Experienced Engineers

10. Advancement of Heavy Rain Disaster Countermeasures

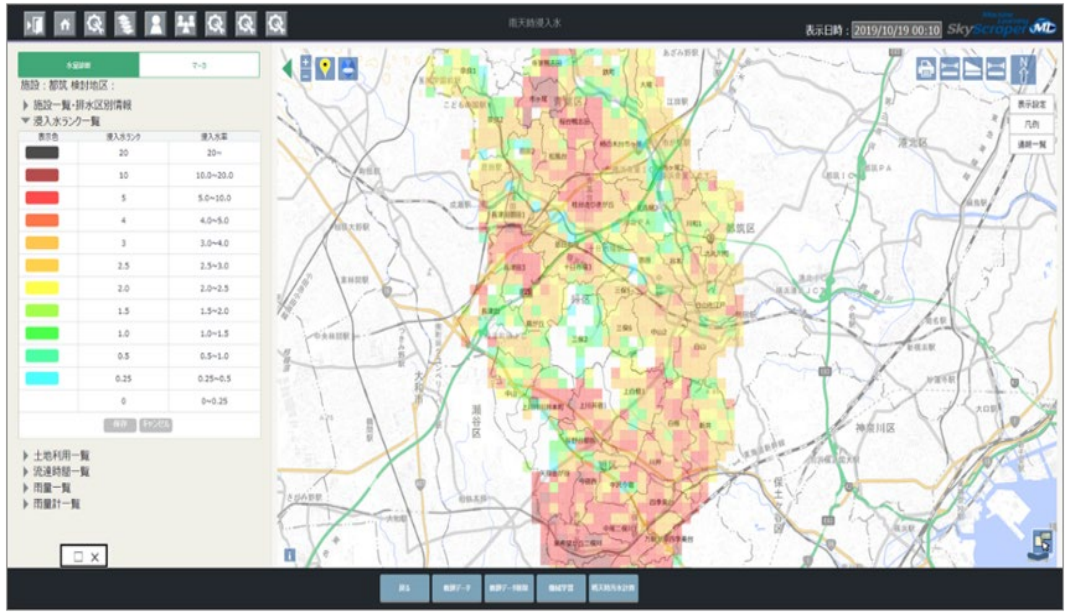
Launch of SkyManhole Millimeter-Wave Sensor Type

- Deploying sewage water level monitoring using IoT sensors in response to increasingly severe heavy rain disasters
- Predicting flood damage through water level monitoring, utilized for optimizing stormwater drainage pump operation and evacuation orders
- Commercialized millimeter-wave sensor type with reduced initial introduction cost from April 2026

■SkyManhole IoT Sensor Water Level Monitoring



■ Flood Simulation Based on Water Level Information



11. Safe and Efficient Inspection of Aging Facilities

Launch of New Inspection Drone ASIO X

- Group company FINDi Co., Ltd. has started sales of Swiss-made drones (exclusive domestic distributor)
- Promoting safe and efficient inspection of aging pipeline facilities
- Achieving quantitative assessment of deterioration conditions based on 3D data

Features

Powerful Light
40,000 lumens

Long Flight Time
20 min

Gas Detection
H2S CO NH4

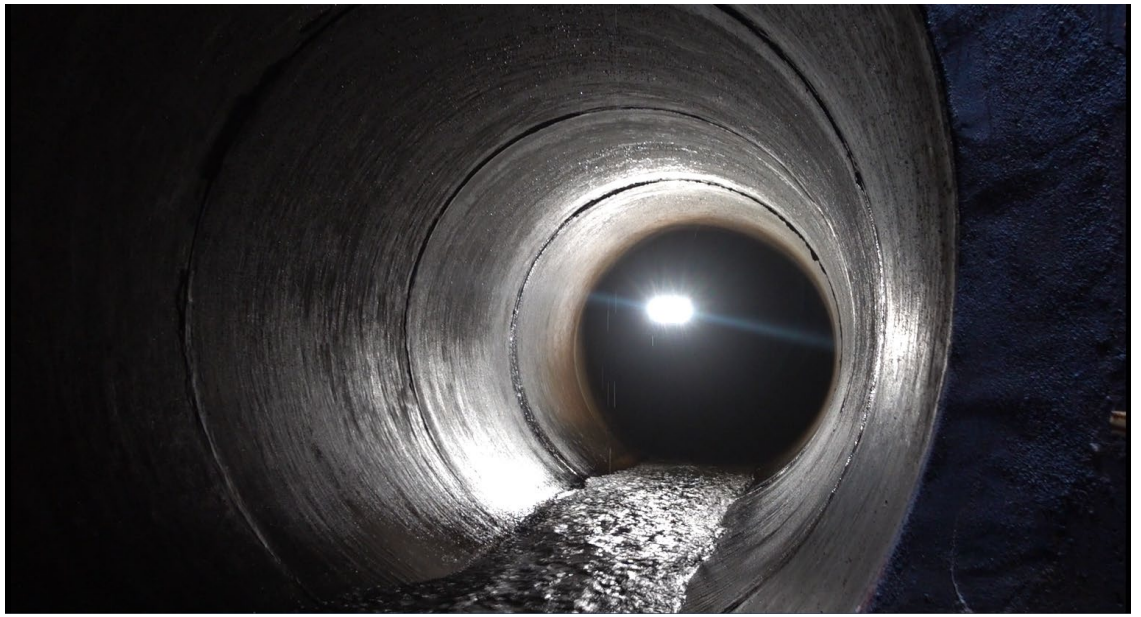
LiDAR
Standard Equipment

Robust Cage

Easy Operation

Stable Flight

Dual Camera



Inspection inside sewer pipes

12. Co-creation with Communities

Establishment of Corporate Message "Aqua Smile"

- Solving water infrastructure challenges requires understanding and cooperation from citizens and stakeholders
- Communicating the philosophy of "delivering water and smiles to communities" as a message, strengthening community activities

Five Elements of Aqua Smile Activities

"Learning More About Water" Session: Classroom scene at a high school

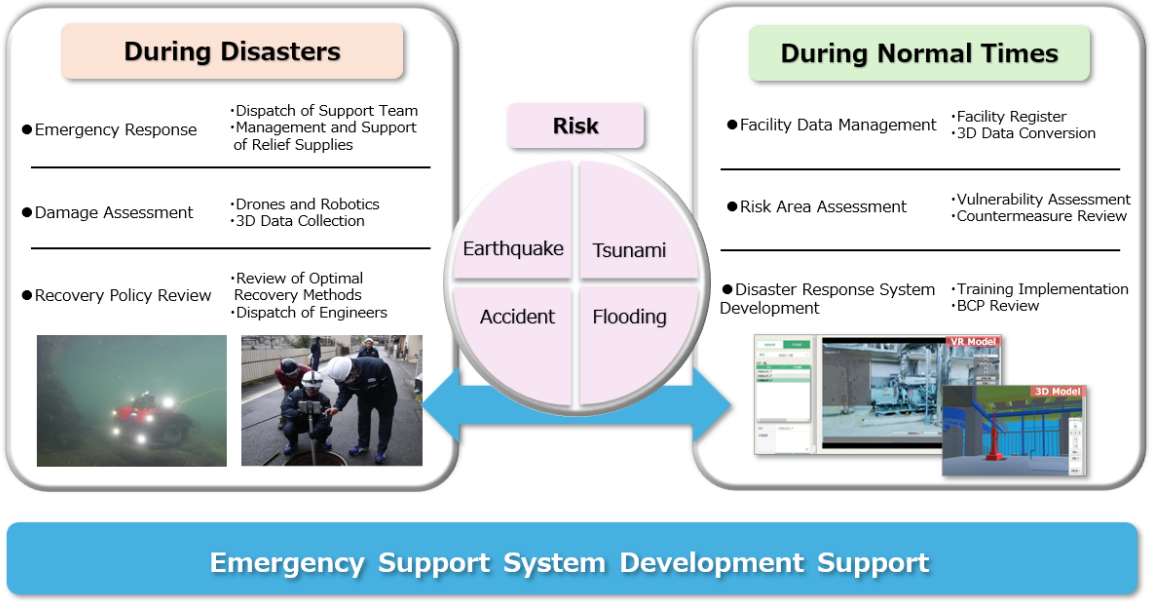
13. Response to 2026 Kumamoto Earthquake

Dispatch of Water Supply Vehicles

- July 28, 2026: Kumamoto Earthquake occurred (M7.1, maximum seismic intensity 7)
- Water supply facilities were damaged, with up to approximately 100,000 households experiencing water outages
  (reduced to approximately 10,000 households as of August 16)
- NJS Group coordinated with relevant organizations and dispatched water supply vehicles to disaster-affected areas as volunteers
- Also engaged in disaster investigation and facility restoration design work

Emergency water supply by water supply vehicles

■ **Addressing Disaster Risk Countermeasures from Normal Times**



Building emergency support systems for both disaster and normal times

Section 2

SmartPPP

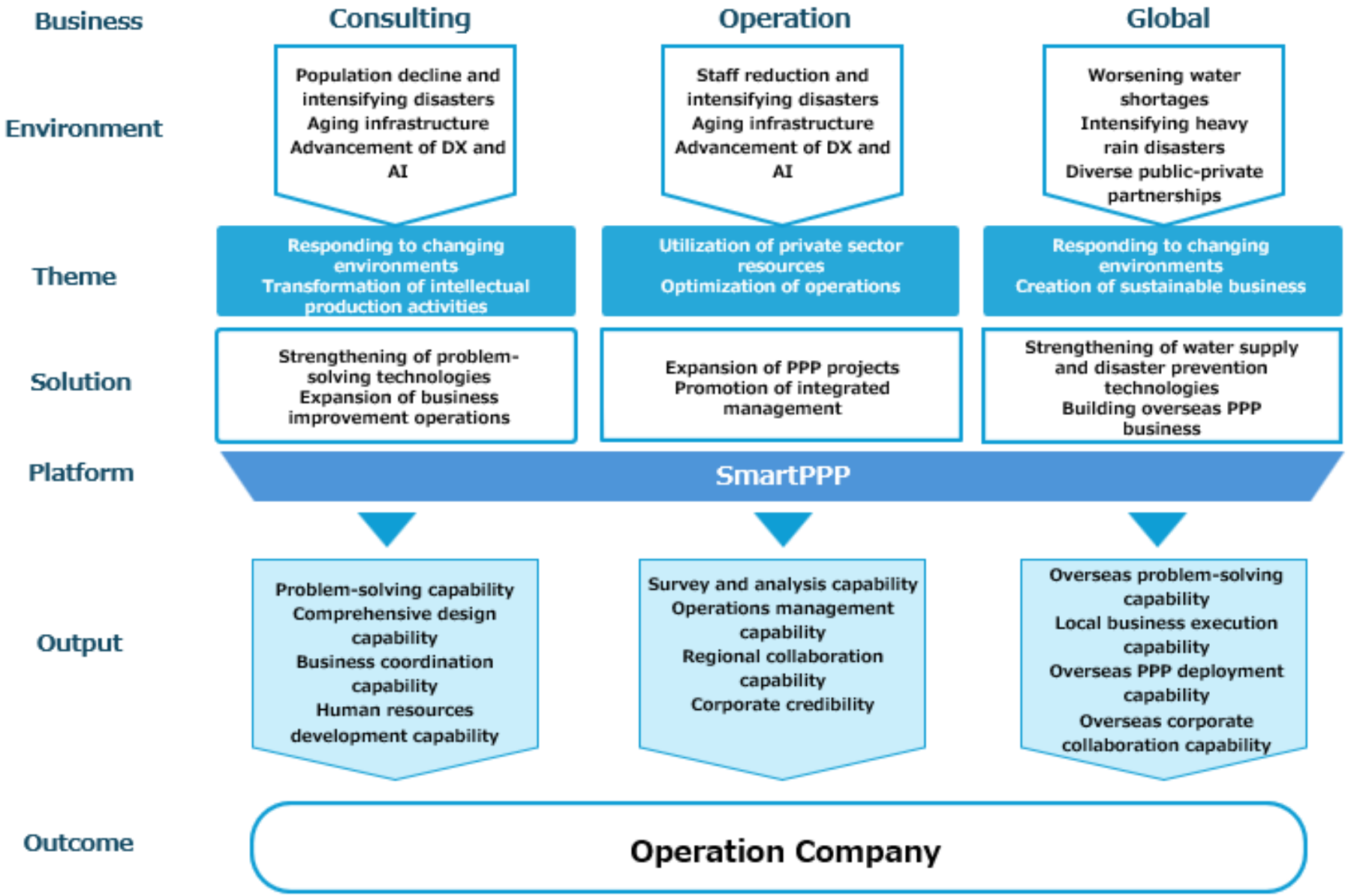
Growth Strategy

1. SmartPPP Growth Strategy
2. SmartPPP Growth Strategy Development Policy
3. SmartPPP: 5 Systems and 5 Domains
4. Three Values Realized by SmartPPP
5. SmartPPP Implementation Plan
6. Water Knowledge Hub
7. Numerical Targets

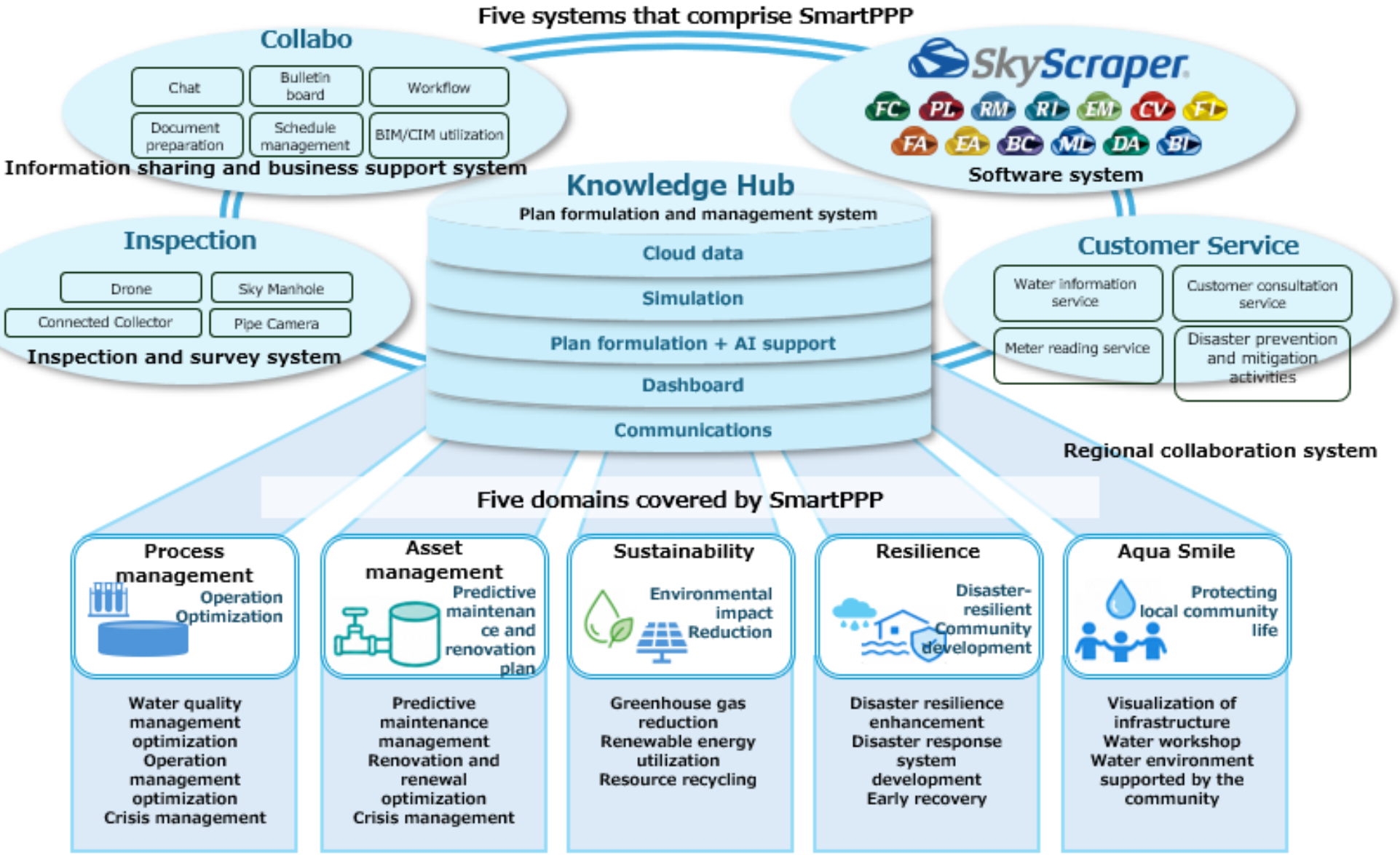
1. SmartPPP Growth Strategy

- As the growth engine of NJS, we are building SmartPPP to promote digitalization of water infrastructure and public-private partnerships
- Through the establishment of SmartPPP
  Strengthening and expanding CONSULTING as our core business
  Building OPERATION as a new business
  Expanding GLOBAL overseas operations

2. SmartPPP Growth Strategy Development Policy



3. SmartPPP 5 Systems and 5 Domains



4. SmartPPP Realizing 3 Values

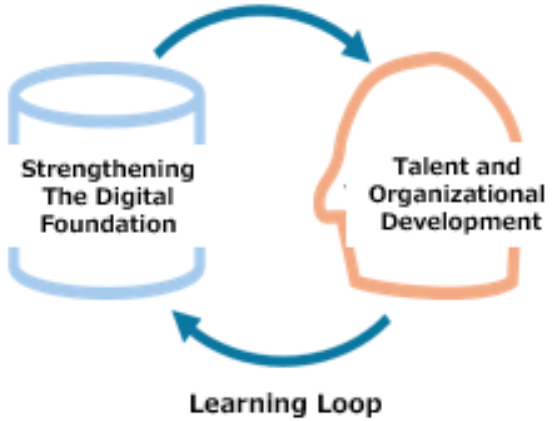
Achieving integrated management

We aim to enhance the value and sustainability of water infrastructure business by comprehensively optimizing design, construction, maintenance, and renovation as an integrated whole

SmartPPP

Productivity improvement through DX and AI

We will improve the productivity of water infrastructure by advancing and streamlining operations through DX and AI utilizing drones, sensors, and cloud systems, while fostering the growth of human resources and organization



Co-creation with local communities through visualization

Through information sharing and collaboration on water infrastructure, we will create sustainable business in partnership with local citizens and companies

5. SmartPPP Promotion Plan

SmartPPP Development

- System Development
- Content Development
- Test Run

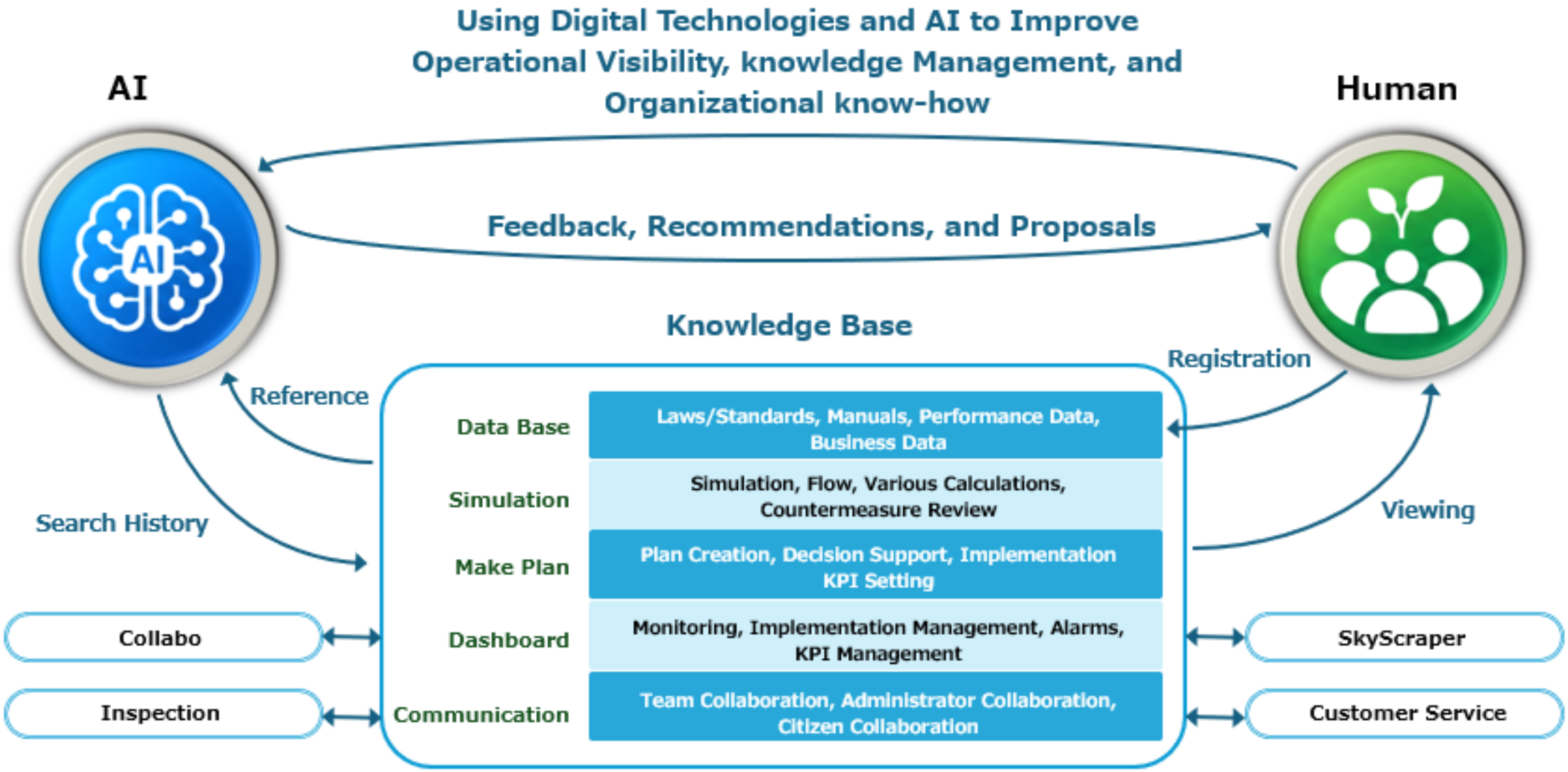
SmartPPP Structure

- Human Resources Development
- Securing Human Resources
- Strengthening the Structure

SmartPPP Global

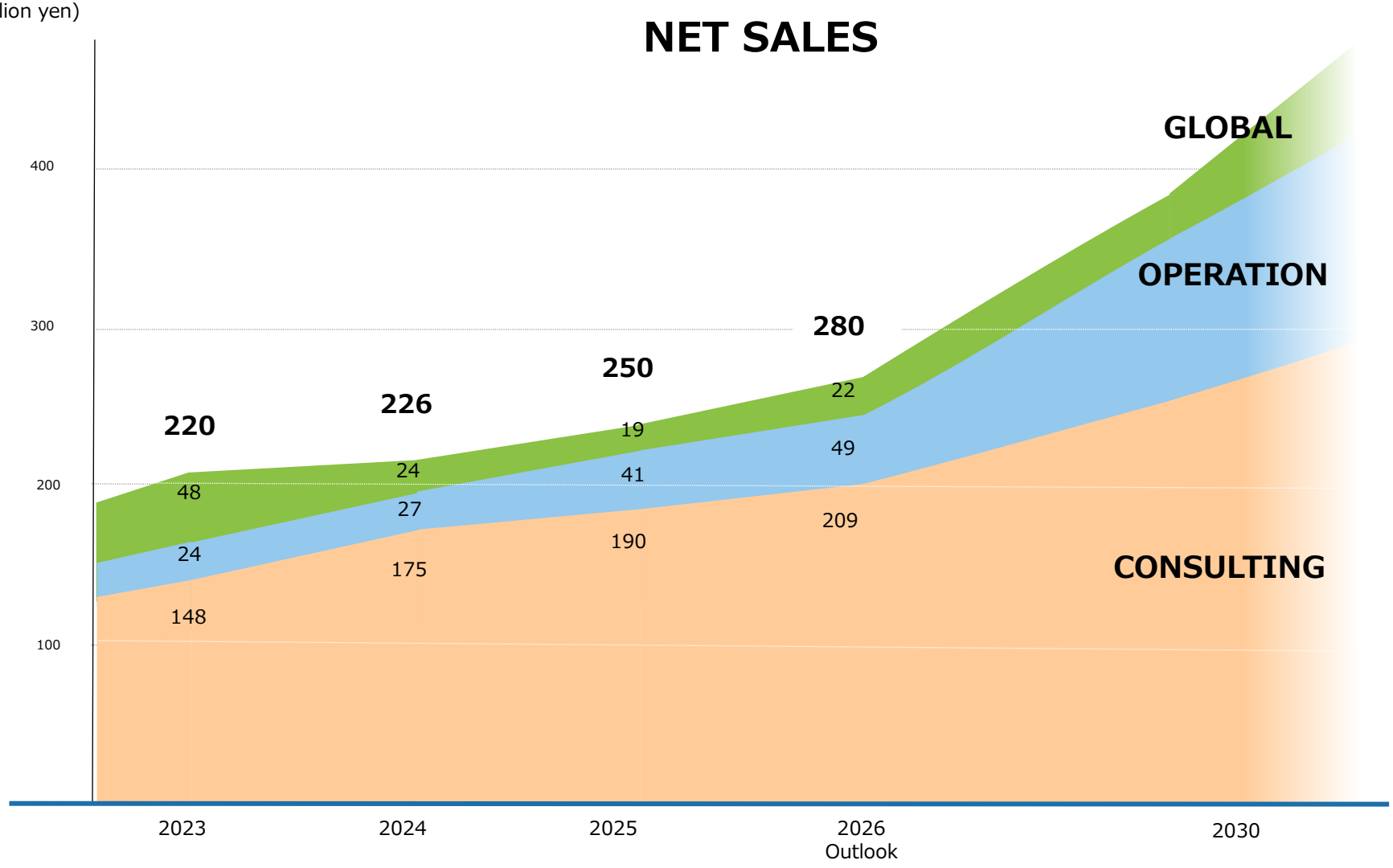
- Globally Integrated System
- Overseas PPP Projects
- Alliances

6. Business Management through Knowledge Hub



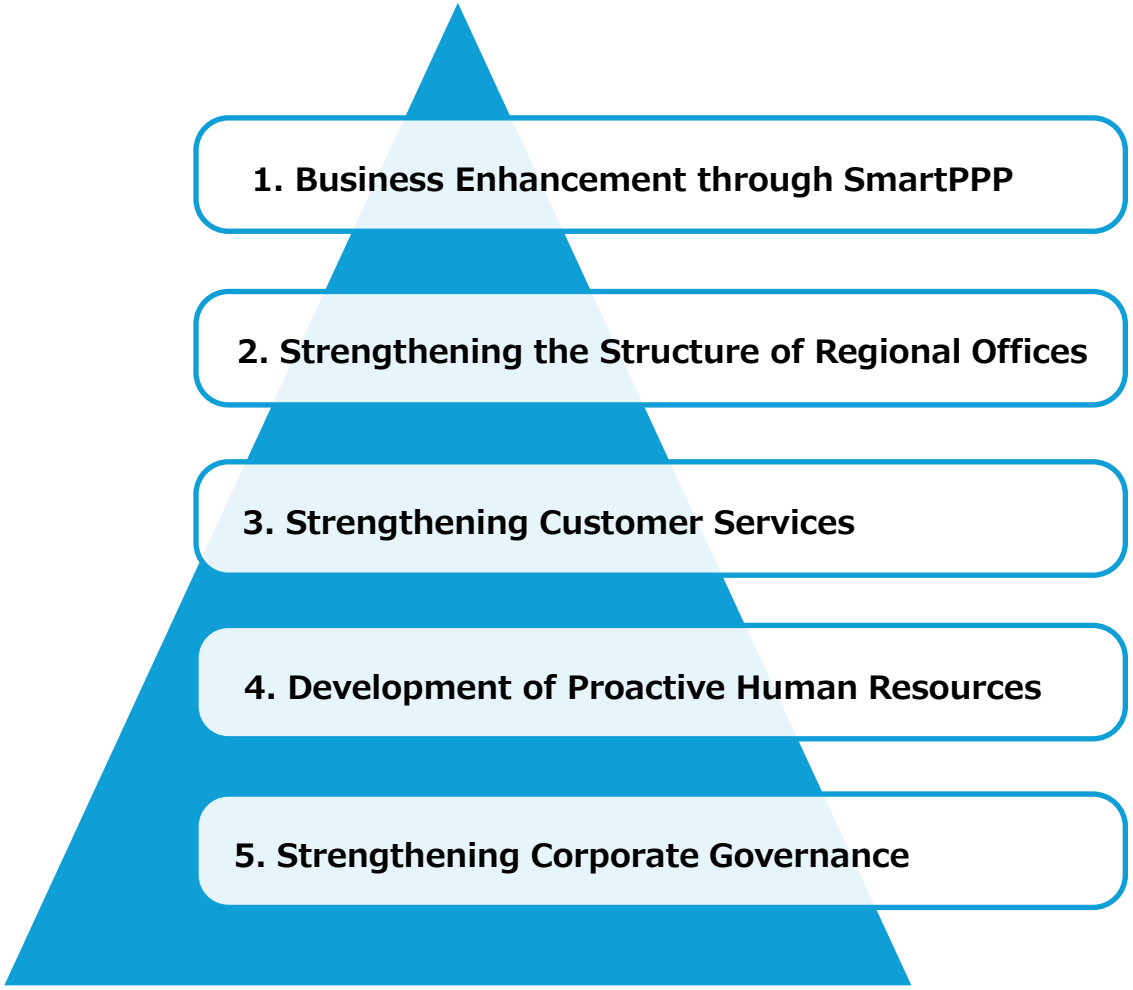
7. Numerical Targets

(Unit: 100 million yen)



8. Business Policy

Advancing SmartPPP as NJS's growth engine to accelerate the digital transformation of water infrastructure and foster public-private collaboration



1. Business Enhancement through SmartPPP

Build and advance SmartPPP to drive consulting, operations, and global businesses through digital transformation and public-private partnerships

2. Strengthening the Structure of Regional Offices

From the perspective of thinking about regional issues locally and working together with the region, Strengthen the structure and activities of regional offices

3. Strengthening Customer Services

Strengthen customer services as a point of contact with citizens and users, Promote collaboration with customers, information dissemination, and citizen participation projects

4. Development of Proactive Human Resources

Promote the recruitment of talent, skills development, and the cultivation of a proactive mindset through digital technologies and public-private partnerships

5. Strengthening Corporate Governance

Strengthen corporate governance of the Group with the aim of improving compliance, risk management, and sustainability

健全な水と環境を次世代に引き継ぐ

Disclaimer

Forward-looking statements in this document are based on information currently available to the Company and certain assumptions deemed reasonable, and are not intended as a commitment by the Company to achieve them. Actual results may differ significantly due to various factors.

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