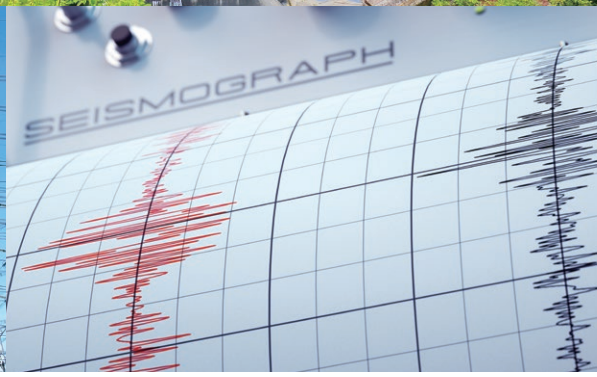
For FYE June 2023

Annual Shareholders Newsletter

From July 1, 2022 to June 30, 2023



Innovating for a ***Wise Future***

Contents

Creating systems that advance society by integrating human, physical, and intangible resources.

構造計画研究所
KOZO KEIKAKU ENGINEERING Inc.

Top Message

To Our Shareholders

I would like to extend my heartfelt gratitude to our shareholders for their continued interest in and support for KOZO KEIKAKU ENGINEERING Inc. (KKE).

First, I would like to report on our situation in FYE June 2023.

Overview of FYE June 2023

In FYE June 2023, we managed our business in accordance with the following core management policies: “Steadily promote existing businesses based on improved added value and high quality,” “Develop new businesses aimed at increasing medium and long-term corporate value,” and “Recruit and develop talented collaborative professionals who can lead future businesses.”

Financial Results for FYE June 2023

In FYE June 2023, we finished the year with both record-high net sales and profit, with net sales of ¥16,580 million, operating profit of ¥2,189 million, and profit of ¥1,613 million. I believe that these results were attributable to steady growth in new businesses and continued investment in collaborative professionals, who are the source of our growth. In addition, we met our target for total added value (operating profit + personnel expenses + fringe benefits), a management indicator for which we have set an ambitious 7.9% growth target.

Looking at each segment, in the Engineering Consulting segment, net sales and profits both increased as we steadily implemented projects such as structural design consulting, analytic solutions, and systems development projects in the residential and construction industries.

In the Product Service segment, our new businesses, specifically our cloud-based email delivery service (Twilio SendGrid), cloud-based room entry and exit management service (RemoteLOCK), and indoor digitalization platform (NavVis) continued to grow by more than 150% year on year, driving growth in this segment. In these new businesses, we have made additional investments of approximately US$970,000 in RemoteLock, Inc., the developer of the RemoteLOCK business, and €3 million in NavVis GmbH of Germany, the developer of the NavVis business, in order to further strengthen collaboration with each partner. In addition, from June 30, 2023, we have begun providing sales and technical support for SimScale, the industry’s first completely cloud-based CAE platform newly developed by SimScale GmbH of Germany.

Regarding the effective utilization of human capital, we have expanded collaboration not just within KKE, but also to our Group companies. We established KKE Smile Support Inc. for employees who, for a variety of reasons, want to be able to freely choose their workstyles without being constrained by workplace, time, or other circumstances. Establishing this company has enabled us to provide employees with a larger stage to realize their full potential. Furthermore, PARA-SOL, Inc., which has been responsible as a partner company for providing support for our cloud-based e-mail delivery service and other operations, became a subsidiary of KKE. We are working to further strengthen our collaborative partnership with this company.

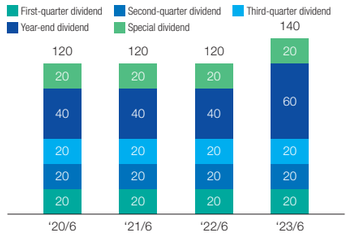
Shareholder Returns

Basic Policy on Profit Distribution

The Company recognizes that returning profits to its shareholders is an important management issue, and makes it a basic policy to pay continuous and stable dividends while taking into account the needs for internal reserves for the strengthening of management base and future business development.

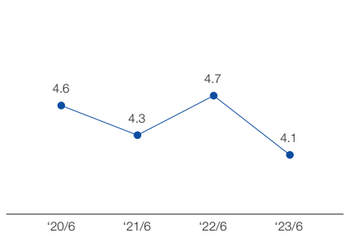
Trends in Dividends

(Unit: ¥)



Dividend Yield

(Unit: %)



To Be True Professionals Capable of Providing Beneficial Value to Society

Growing Severity of Social Issues

Japan has experienced a variety of natural disasters. This year marks the 100th anniversary of the Great Kanto Earthquake, which was one of the most destructive earthquakes in Japan’s history in terms of the extent of damage inflicted by the disaster. In addition, it has been 12 years since the Great East Japan Earthquake and 7 years since the Kumamoto Earthquake. People’s memory and interest in these seismic disasters have waned, and there are fewer opportunities to reflect on them. However, it is essential to continue making preparations for urgent anticipated seismic events, such as earthquakes in the Nankai trough or directly under Tokyo. Furthermore, the damage from natural disasters such as river flooding, landslides, and storm surges has become more severe due to an increase in the intensity and frequency of heavy rainfall and typhoons associated with global warming in recent years. Measures to address these types of storm and flood damage have also become an urgent priority.

The use of digital technology and related measures is crucial to efforts to minimize the damage caused by these natural disasters to human lives and the economy, as well as efforts to achieve restoration and recovery from such disasters as early as possible. Advances in new technologies that could affect how society functions, such as the Internet of Things (IoT), robotics, artificial intelligence (AI), and big data are expanding the possibilities for generating innovative solutions to these issues.

Additionally, society as a whole has shown a growing interest in sustainability, such as the SDGs and ESG management. The approach of working to address various social issues and thereby increasing corporate value has transformed the behavior of many companies. It has created a highly favorable environment for companies to address social issues more actively.

The Founder’s philosophy is inscribed in a commemorative stone presented by former Kumamoto Prefecture Governor Morihiro Hosokawa.

To Remain True Professionals

As a “Professional Design & Engineering Firm” that bridges the academic and industrial worlds, KKE has continued to engage in businesses that solve social issues by applying academic knowledge together with the private and the public sector. KKE has contributed to the solution of social issues by providing customers with the means to address the issues they face, such as safe structural design and seismic impact assessments on structures, assessments of wind and flooding conditions and river water-level prediction for measures to address typhoon and significant heavy rain, and simulation-based support for developing evacuation plans for residents during natural disasters. In this issue of the Annual Shareholders Newsletter, we introduce some of the scenarios in which our real-time prediction and estimation technology for disaster response is put into use.

These activities are underpinned by the philosophy of our Founder Dr. Makoto Hattori, who believed that “The greatest luxury in life is to work as hard as you can for others, and to take pleasure in seeing their delight with your work unbeknownst to them.” KKE is supported by not just its long history since its founding, and its extensive track record and experience, but also by every employee who gathers here to work. Looking ahead, as indicated by our Founder’s philosophy, each employee will achieve personal growth so that we can address and contribute to the solution of ever-changing social issues. By doing so, we will remain a group of true professionals capable of providing beneficial value to society.

Therefore, we ask our shareholders for their continued encouragement and support.

渡邉太門

Tamon Watanabe

Representative Executive Officer and President

Feature

Disaster Response Through Real-Time Prediction and Estimation Technology

The term “unforeseeable” has been used frequently and repeatedly to describe the Great East Japan Earthquake. With a magnitude of 9, this mega earthquake was the most powerful seismic event ever recorded in Japan. It created a tsunami that caused significantly more flooding damage than had been predicted by hazard maps.

The massive tsunami of 3.11 arrived in surges that crested over breakwaters and engulfed everything in its path, including pre-designated evacuation shelters. It reminded us of the reality that there is a limit to what we can protect, no matter how many physical infrastructure measures we take to reinforce structures in preparation for disasters. However, while people may be helpless in the face of nature’s destructive force, we have learned that the magnitude of the damage will vary depending on how people respond.

To protect more people’s lives, safety and property from the destructive power of nature, we must take immediate disaster response measures while also mobilizing all intangible disaster response measures such as the utilization of various data related to natural phenomena and disasters. For natural disasters that occur over time, such as typhoons, there is a growing awareness of the importance of measures to predict the event’s future course and secure lead times for evacuations, whereas for natural disasters that strike suddenly, such as earthquakes, there is growing awareness of the importance of assessing the situation at the earliest possible stage after the disaster strikes, in addition to undertaking physical infrastructure measures in advance.

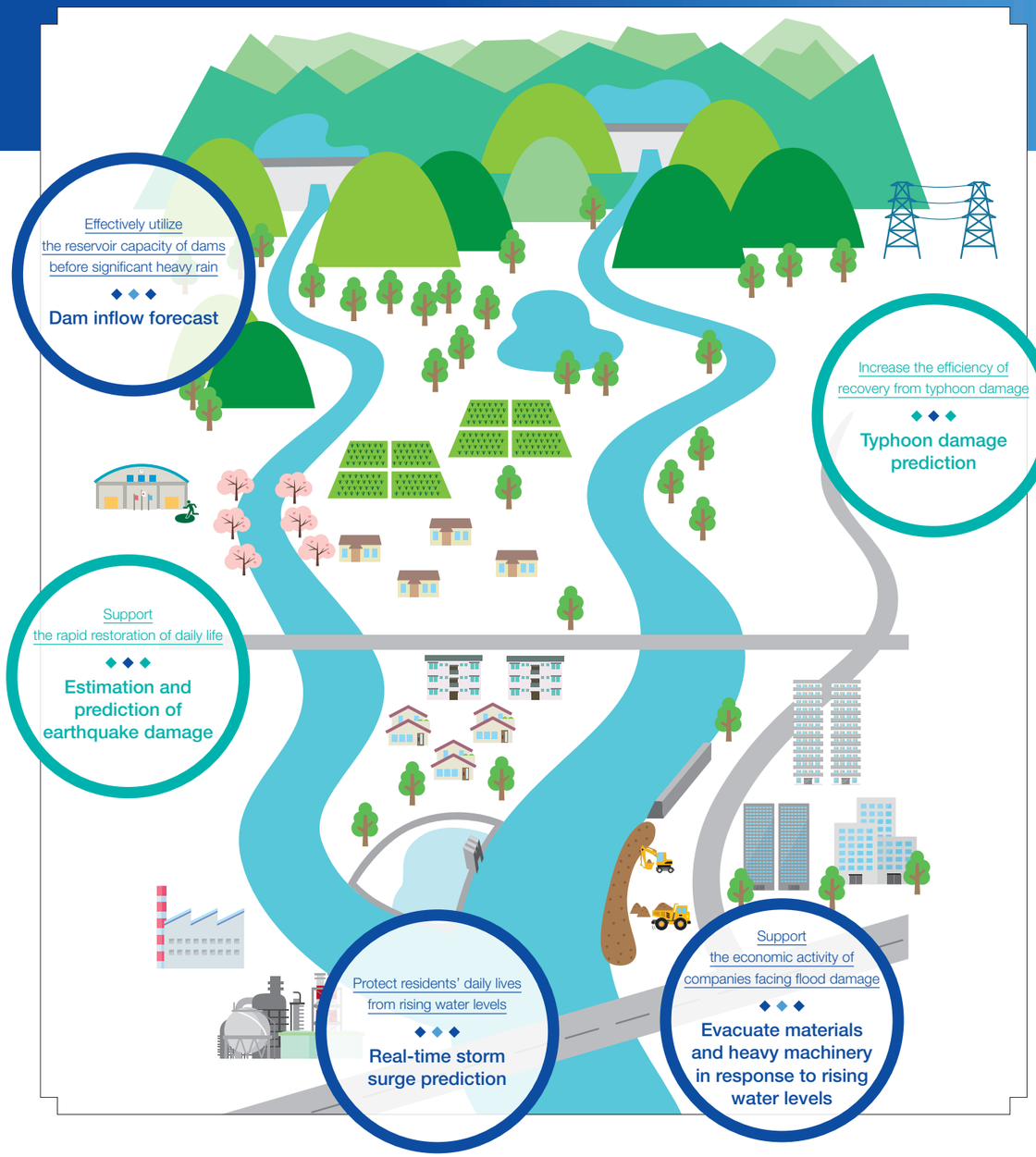
As storm and flood damage intensifies and becomes more frequent as a result of climate change, and as the risk of mega earthquakes such as those directly under Tokyo and in the Nankai trough increases, the experience of the Great East Japan Earthquake emphasizes the need for incorporating real-time prediction and estimation technologies into disaster responses. These technologies should help to answer questions such as “How high will the water levels rise as a result of a developing typhoon?” and “Where should we send rescue crews, survey teams and support?.”

In 2016, the Cabinet Office proposed Society 5.0 as a blueprint for a future society that Japan should aspire to through systems that achieve a high degree of convergence between cyberspace and physical space. In the disaster prevention field, Society 5.0’s vision for the future lays out a clear framework for realizing safe evacuation, prompt rescue, and optimal delivery of supplies by analyzing damage data and other information based on regional characteristics. In order to mitigate the damage on society as a whole and achieve a speedy recovery, it is crucial to increase the sophistication of technology development and the technology required to predict damage and losses in advance and estimate them promptly after a natural disaster. There is growing momentum behind collaborative efforts by the public and private sectors to address disaster responses.

“We will give academia a social dimension, thereby creating knowledge that is beneficial to society.” This idea has served as KKE’s bedrock principle since its founding. KKE provides highly accurate prediction and estimation technology for natural disasters by employing various methodologies, such as cutting-edge mathematical engineering and machine learning, based on consideration of the complex mechanism of natural phenomena and geographical conditions of each region.

In the face of unprecedented natural disasters, is there anything we can do to help?

KKE is committed to advancing toward a safer and more secure future society by tackling the difficult challenge of the natural world’s unpredictability.



Overview of RiverCast

The real-time flood prediction system RiverCast provided by KKE was developed in collaboration with the University of Tokyo. Together with Dr. Kazuyuki Aihara, a distinguished professor/professor emeritus of the University of Tokyo who is a preeminent authority in complex systems and chaos, RiverCast was developed using cutting-edge mathematical engineering. RiverCast also supports the prediction of floods that may occur on an unprecedented scale, including catastrophic significant heavy rain resulting from climate change. In addition, RiverCast can also implement probabilistic water-level predictions by modeling errors in the rainfall amounts of weather forecasts and integrating this data with river water-level prediction models. The innovative feature of RiverCast is that it can be introduced speedily at about one-tenth the cost of conventional prediction systems by making use of historical data. Because RiverCast is a cloud-based service, prediction results can be viewed easily on a PC, smartphone or tablet, allowing local conditions to be confirmed outside of the office or from home, without physically visiting sites.

The research accomplishments of this prediction technology were selected for inclusion in “Top 100 in Physics” of Scientific Reports, a comprehensive science journal issued by Nature Publishing Group.

Protect residents' daily lives from rising water levels

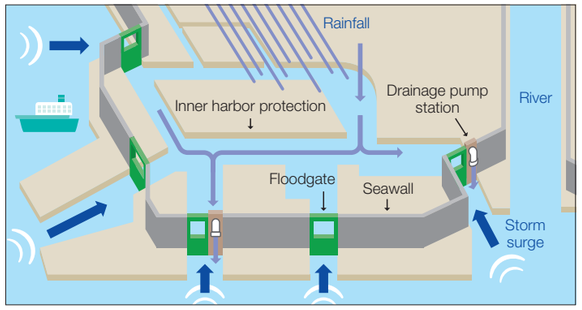
Real-time storm surge prediction

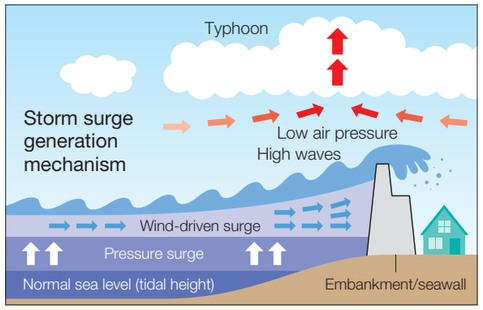
A storm surge is an abnormal rise in sea level caused by a pressure surge in which the sea level is lifted by the reduced air pressure associated with low pressure systems such as typhoons or developed cyclones, and by a wind-driven surge in which strong winds drive sea water toward the shore. Japan's major cities are located along the coast and encompass many low-lying areas at sea level, making them susceptible to the effects of storm surges.

Floodgates are installed to protect residential areas from storm surges. When tidal levels rise, floodgates can be closed to prevent a rise in the level of the inner waters (canals). Pumps can also be used after the floodgates have been closed to force water from the floodgates' interior to the outside (outer waters). However, if the floodgates are closed, mariners on the outer waters will be unable to return. The floodgates cannot necessarily be operated only for the sake of neighborhood safety (by closing floodgates early). Floodgate operation requires expertise. Proper and timely operation of floodgates has been supported by operators entrusted by local governments.

Concerns have been raised in the past few years about the difficulties of passing on floodgate operation expertise as the working-age population has declined and experienced operators have retired. Furthermore, as climate change causes an increase in extremely powerful typhoons known as "super typhoons," it is expected that it will become increasingly difficult to operate floodgates properly to protect residents from storm surges.

RiverCast technology is being applied to ensure flexible and sustainable responses to flood damage that do not rely on experience, in order to protect the daily lives of residents from storm surges.





Left: Excerpt from the Bureau of Port and Harbor, Tokyo Tokyo Port Construction Office Storm Surge Management Center, 'Protecting Against Storm Surge and Tsunamis,' page 5, with some modifications. **Right**: Excerpt from the article published on August 19, 2020, in Nishinippon Shimbun me, titled 'Storm surge damage that can occur in Hakata Bay: What happens if the typhoon path coincides with high tide?' illustrating the 'Mechanism of Storm surge occurrence.'

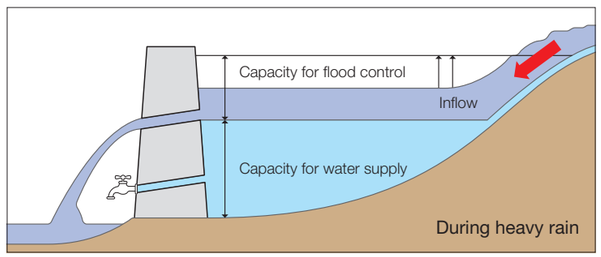
Effectively utilize the reservoir capacity of dams before significant heavy rain

Dam inflow forecast

As record-breaking heavy rain disasters occur frequently across Japan, dams play an important role in holding floodwaters upstream and protecting downstream communities. Dams serve multiple functions, including hydroelectric power generation, agriculture, waterworks, and flood control. There are multi-purpose dams that provide the functions of both flood control (preventing river floods) and water supply (supplying water needed for purposes such as hydroelectric power generation, agriculture, and waterworks), and water-supply dams whose sole function is to provide water. The Ministry of Land, Infrastructure, Transport and Tourism (MLIT) conducts measures to pre-release water from dams at approximately 570 dams whose purpose includes flood control, and it also implements these measures at approximately 900 dams that serve purposes such as electric power and agriculture, thereby putting these dams to use in flood control measures.

Normally, water-supply dams need to store water for water supply purposes. However, when heavy rain is forecast, the dam's stored water can be released to temporarily reduce the dam's water level, allowing the dam to be used as a flood control measure. This action is performed under the assumption that the stored water level can be replenished by rain. When significant heavy rain is forecast, the pre-release of water from dams, which allows floodwater to be stored in dams as much as possible, is effective in preventing the amount of water in rivers from increasing.

This is when the prediction of inflow into dams becomes crucial. Inflow into dams is affected by not only the amount of rainfall, but also a variety of other factors, including topography. KKE supports water release operations from dams by providing highly precise predictions of inflow based on mathematical engineering technologies developed jointly with the University of Tokyo.



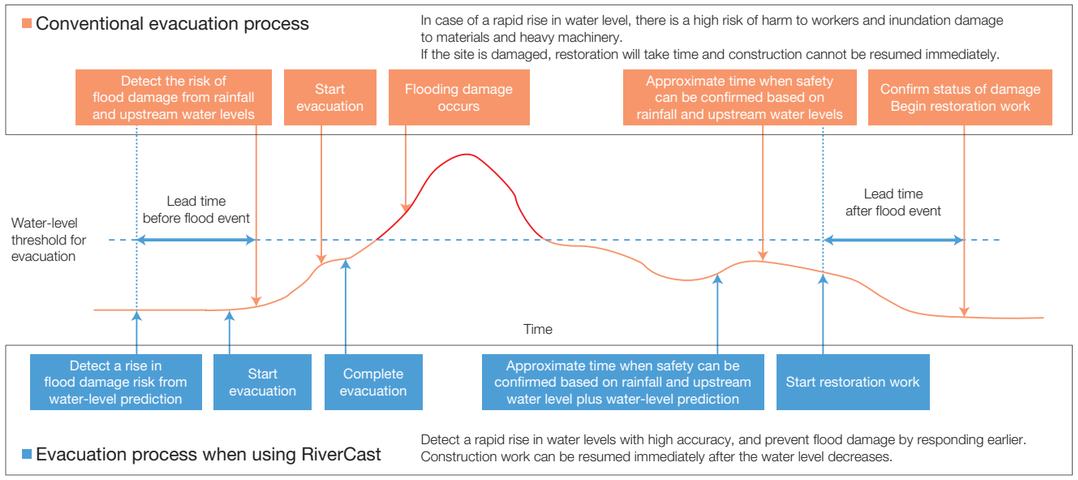
Support the economic activity of companies facing flood damage

Evacuate materials and heavy machinery in response to rising water levels

River construction work is performed at various locations to reduce the risk of flooding caused by rising river water levels as a result of significant heavy rain, and for restoration and recovery work after flood damage occurs. Construction work within rivers must be conducted even during flooding periods, in order to restore infrastructure at the earliest possible stage and achieve related goals. However, water levels can easily rise during construction work within rivers because the river width is narrowed due to the installation of construction yards. When water levels rise, materials and heavy machinery are at risk of being carried away by the river.

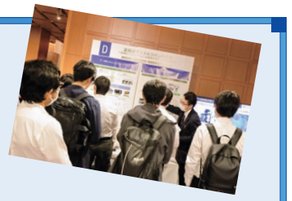
In order to evacuate materials and heavy machinery, construction work must be suspended. Large trucks and unloading cranes must be readied and steel pipe piles, heavy machinery and equipment must be moved from materials yards. It takes approximately 7 hours to complete all of these processes. The work is not difficult if the evacuation is carried out safely and cautiously at an early stage. To prevent construction delays, it is essential to minimize the time between the evacuation and the resumption of construction work. Following the construction schedule while ensuring safety also means fewer economic losses. Because the top priority is to protect human lives and people's daily lifestyles, interest in economic considerations take a back place. As a problem rooted in reality, however, it cannot be disregarded. In these situations, RiverCast is used to predict water levels 15 hours in advance using only real-time water levels and rainfall data.

◆ Benefits of deploying RiverCast



Report

Social Cooperation Symposium (Event Report)



In June 2023, KKE held the Social Cooperation Program Symposium "Climate Change Mitigation and Adaptation Led by Data Integration and Mathematics - Engineering Knowledge Created Together with Universities" at the Ito International Research Center of the University of Tokyo.

At this symposium, one of the central topics was "Climate Change Mitigation and Adaptation," and three academic researchers affiliated with KKE through our Social Cooperation Programs gave lectures. Concurrently, we exhibited 11 activities carried out by KKE in relation to climate change. The exhibit venue was extremely lively and vibrant, as visitors and managers who are actually leading each activity on display engaged in vigorous discussions and dialogues. We were able to spend valuable time with visitors to the exhibit. The visitors remarked, among other things, that "KKE activities are very interesting because they take a different approach to existing research." and "I felt there is a need to incorporate the latest data science into the traditional field of mathematical optimization."

RiverCast, which is introduced in this issue of the Annual Shareholders Newsletter, is a service developed through the commercialization of the research accomplishments of the Social Cooperation Program "Mathematical Engineering for Complex Social Systems in Future," which ran from February 2016 to March 2020.

Support the rapid restoration of daily life — Estimation and prediction of earthquake damage

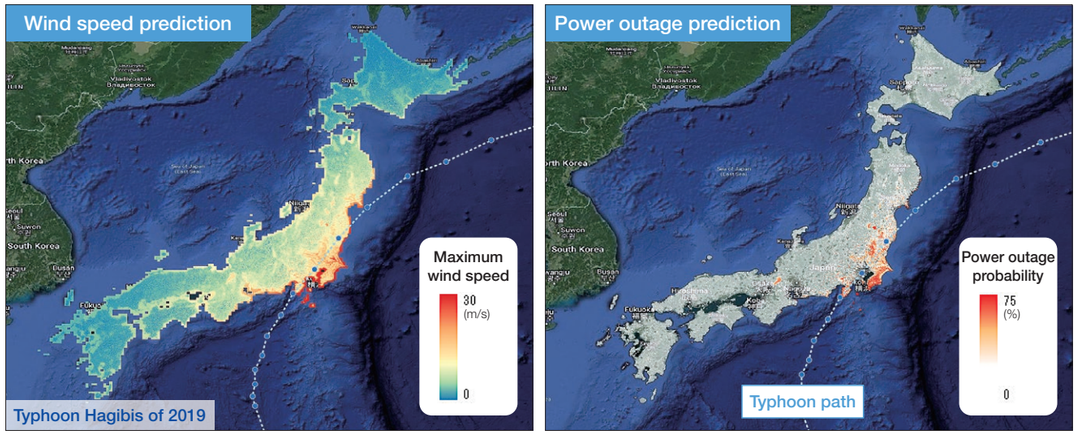
There are other cases in which real-time prediction and estimation is needed from an economic perspective. It is the case in which insurance claim payments are made when an earthquake occurs. The extent of damage from an earthquake is affected by multiple factors, including not just the seismic intensity, but the ground and building conditions at the site of the earthquake. The seismic intensities reported on the news and other media sources represent data measured at a fixed point where a seismometer is installed. In addition to this data, we use the seismic observation records measured at fixed points and databased ground information to estimate the actual seismic intensity and the amount of surface acceleration and velocity at locations other than those where seismometers are located, and create a precise map of the seismic ground motion distribution. Insurance companies can use this map to overlay it with nationwide property data and rapidly estimate the extent of damage to covered property. According to an announcement by the Cabinet Office, the worst-case scenario estimate for the total number of homes destroyed as a result of a Nankai Trough earthquake is 2.39 million. This number becomes even larger when partially destroyed homes and other damaged structures are included. To ensure prompt and accurate payment of insurance claims for this massive number of damaged homes, insurance companies will refer to the damage estimate results to rapidly launch a loss assessment system, and contact policyholders who may not have filed a claim for insurance payment. After protecting lives and safety, the next priority is daily life. Through the prompt payment of insurance claims, KKE's real-time estimation data is used to provide behind-the-scenes support to help those affected by earthquake disasters restore their everyday lives.

Precise seismic movement distribution data reflecting ground data + **Nationwide property data** → **Estimate the extent of damage to covered property**

Increase the efficiency of recovery from typhoon damage — Typhoon damage prediction

A rapid recovery from power outages is necessary to restore people's daily lives. Power outages are mainly caused by high winds from typhoons. The supply of electricity can be stopped because of damage to utility poles and power lines caused by things being blown around by high winds. Materials and personnel must be prepositioned to facilities that may be affected by the stoppage of electricity supply in preparation for recovering from a power outage. If areas at risk of power outages cannot be predicted, not only will the restoration of power be delayed, but the prepositioned resources will be inefficient, resulting in economic losses. The path of the typhoon must be determined in advance in order to predict the areas that will experience power outages. In our daily lives, when a typhoon is approaching, we frequently see forecasts of the typhoon's path on the news and other media sources. To use this data to predict power outages, we need more data encompassing a larger number of locations on a finer mesh over an expansive area.

KKE's wind speed simulation enables detailed monitoring of wind speeds nationwide at a mesh resolution of 250 m. We can predict where power outages may occur based on this wind-speed simulation. After confirming that a typhoon has formed, KKE's simulation technology is used at the stage of planning the prepositioning of materials and personnel in areas where there is a risk of a power outage.



Power outage prediction based on wind speed calculations with a nationwide 250 m mesh

Employee Interview
Yumiko Yamaguchi

Serving as a business designer for flood disaster prevention

"I'd like to be on the side of people who create the rules for an ideal society."

Since transferring to the Sales & Marketing Division from the Disaster Reduction & Environmental Engineering Department five years ago, Yumiko Yamaguchi has been playing an active role as a business designer for flood disaster prevention, designing society with flood disaster management technology. Ms. Yamaguchi is motivated by her efforts to tackle the challenges of flood disaster prevention and her strong aspirations for working at KKE.

Designing rules for society

I have a strong attachment to the word "design." In general, I believe that the word "design" conjures up images of graphical objects such as blueprints. However, "design" is a word with a broader definition that encompasses characteristics such as planning, form, intent and goals in addition to visual elements. I frequently use the word "design" to mean creating a blueprint for a wise future, as well as our determination to construct the rules for society itself.

I worked on ground and structural analysis for the first 12 years since I joined KKE. However, when considering the future of the business I was a part of and how to create new business, I believed it was necessary to understand how project orders were received. For this reason, I transferred to the Sales & Marketing Division five years ago.

I would like to build relationships with customers in new businesses. With this goal in mind, I've been working on business development of RiverCast, which represents KKE's commercialization of the accomplishments of joint research with the University of Tokyo. Since its founding, KKE has carried out successful projects in the disaster prevention field. Many of its projects can be classified as physical infrastructure support measures focused on earthquakes. As a new dimension of KKE's disaster prevention field, I would like to provide solutions related to flood disaster prevention.

Tackling the challenge of the new field of flood disaster measures

It is clear that weather disasters will increase due to the impact of climate change. In Japan, the implementation of flood disaster measures has lagged behind earthquake measures, which were put in place first. If I were asked whether RiverCast could be deployed immediately under the current conditions, I would have to say that it cannot necessarily be rolled out right away. Real-time prediction is information that has not been utilized in flood disaster prevention until now. For this reason, we must first develop rules for how prediction data can be utilized in decision making.

No matter how many predictions are made, if there is a flood, catastrophic damage cannot be avoided. However, nothing could be better if disaster responses could be improved even slightly through prior predictions. Based on this belief, we will move forward by creating the rules themselves, rather than not using the technology because there are no rules.

My colleagues never gave up on me

In 2018, I transferred from the Disaster Reduction & Environmental Engineering Department to the Public Project Design & Marketing Department (former name) because I wanted to create something new in the disaster prevention field. Following the transfer, I learned the necessary perspectives, actions, and technologies for sales through step-by-step practice on the job, with a focus on marketing activities designed to shape a new market related to flood disaster prevention. Initially, following the transfer, I had a limited perspective and my thinking did not extend to the market structure related to operations and the entire process of customer operations. However, through a series of experiences, including research into market needs, classification of industry participants, narrowing of targets, and building a customer base I developed a broad perspective and a flexible mind. I improved my capacity to identify market and customer needs as well as my ability to act through persistently repeated cycles of developing and verifying hypotheses. Moreover, I am now able to develop the necessary plans for an internal system and coordinate with multiple related divisions in order to make new proposals that meet customer needs by combining in-house technologies.

When asked during this interview what motivates her to work hard, Ms. Yamaguchi responded without hesitation, "My colleagues who never gave up on me." I had four children, but I didn't want my job requirements to be reduced. My colleagues continue to trust in me and have not given up on me. This is still a major source of encouragement and support to the present day.

In the future, I hope to pave the way for KKE to broaden the scope of its activities from a multi-hazard response perspective, encompassing a variety of disasters, not only earthquakes and flood damage, but also typhoons (strong winds) and landslides, over a longer period of time and with an expansive viewpoint on disaster prevention themes.

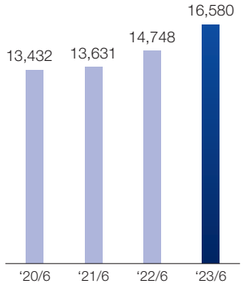
Interview postscript

The most memorable aspect of this interview was Ms. Yamaguchi's words, "My colleagues never gave up on me," which reflected her consistently kind and gentle demeanor. These words also express her inner strength, which is based on her firm desire to continue her career without giving up due to child raising. I sensed her strong, unwavering determination to forge a new path in the emerging field of flood disaster prevention by leveraging assets such as her experience as an engineer and the colleagues she has met at KKE.

Financial Highlights

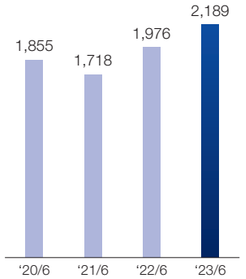
Net Sales
(Unit: Million yen)

16,580 million yen
(Up 12.4% year on year)



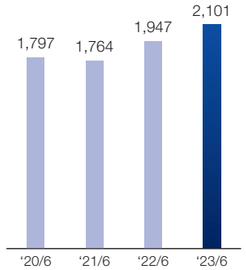
Operating Profit
(Unit: Million yen)

2,189 million yen
(Up 10.8% year on year)



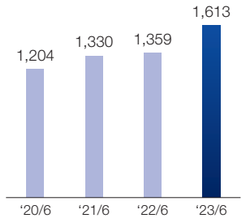
Ordinary Profit
(Unit: Million yen)

2,101 million yen
(Up 7.9% year on year)



Profit
(Unit: Million yen)

1,613 million yen
(Up 18.7% year on year)



Segment Review

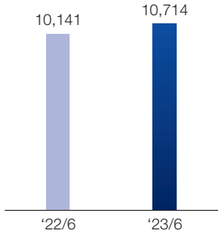
Engineering Consulting

In the fiscal year under review, net sales and profit exceeded their levels for the previous fiscal year, following the steady implementation of projects carried over from the end of the previous fiscal year, and new orders received during the fiscal year under review. The application of extensive experience and knowledge gained in the past led to a consistent increase in highly profitable added value. As a result, net sales amounted to ¥10,714 million (compared to ¥10,141 million for the previous fiscal year), and gross profit was ¥6,273 million (compared to ¥5,893 million for the previous fiscal year). Additionally, in terms of the backlog of orders for the next fiscal year, we have secured the same level of backlog of orders as at the end of the previous fiscal year (¥5,269 million as of the end of the fiscal year under review, ¥5,212 million as of the end of the previous fiscal year).

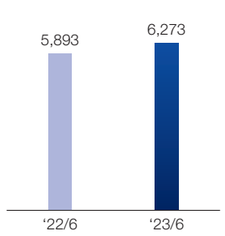
Net Sales **10,714** million yen (Up 5.7% year on year)

Gross Profit **6,273** million yen (Up 6.4% year on year)

Net Sales
(Unit: Million yen)



Gross Profit
(Unit: Million yen)



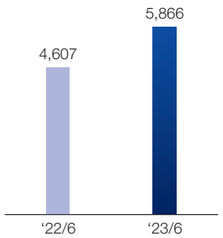
Product Service

In the fiscal year under review, three cloud service provision-type businesses, specifically our cloud-based email delivery service (Twilio SendGrid), cloud-based room entry and exit management service (RemoteLOCK), and indoor digitalization platform (NavVis) grew by more than 150% year on year, accounting for approximately 70% of the sales increase in the Product Service segment. Moreover, although these three businesses are not included in the backlog of orders because they are primarily subscription businesses, we expect them to continue to steadily contribute to net sales. As a result, net sales amounted to ¥5,866 million (compared to ¥4,607 million for the previous fiscal year), and gross profit was ¥2,259 million (compared to ¥1,829 million for the previous fiscal year).

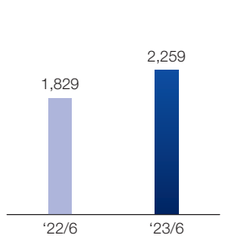
Net Sales **5,866** million yen (Up 27.3% year on year)

Gross Profit **2,259** million yen (Up 23.5% year on year)

Net Sales
(Unit: Million yen)



Gross Profit
(Unit: Million yen)



Financial Data

Balance Sheet (Summary)
(Unit: Thousand yen)

	FYE June 2022	FYE June 2023
(Assets)		
Current assets	6,759,436	6,954,771
Cash and deposits	2,560,311	2,399,906
Notes receivable-trade	4,891	17,871
Accounts receivable-trade	1,971,970	2,151,907
Contract assets	712,996	610,848
Work in process	22,456	22,619
Other	1,486,810	1,751,617
Non-current assets	10,462,334	11,353,098
Property, plant and equipment	5,538,434	5,427,285
Intangible assets	361,173	378,091
Investments and other assets	4,562,726	5,547,721
Total assets	17,221,770	18,307,870
(Liabilities)		
Current liabilities	5,434,865	5,697,546
Accounts payable-trade	488,557	365,509
Current portion of long-term borrowings	796,552	908,420
Other	4,149,755	4,423,616
Non-current liabilities	3,756,532	3,308,628
Bonds payable	50,000	–
Long-term borrowings	1,165,000	650,000
Lease liabilities	3,762	453
Provision for retirement benefits	2,252,064	2,316,345
Provision for retirement benefits for directors (and other officers)	20,540	20,540
Provision for share-based payments	170,892	226,508
Asset retirement obligations	94,273	94,780
Total liabilities	9,191,397	9,006,174
(Net Assets)		
Shareholders' equity	7,866,026	8,870,827
Share capital	1,010,200	1,010,200
Capital surplus	1,325,209	1,353,082
Retained earnings	6,154,516	7,121,309
Treasury shares	-623,899	-613,764
Valuation and translation adjustments	164,346	430,868
Total net assets	8,030,373	9,301,695
Total liabilities and net assets	17,221,770	18,307,870

Income Statement (Summary)
(Unit: Thousand yen)

	FYE June 2022 (From July 1, 2021 to June 30, 2022)	FYE June 2023 (From July 1, 2022 to June 30, 2023)
Net sales	14,748,695	16,580,736
Cost of sales	7,025,512	8,048,089
Gross profit	7,723,183	8,532,647
Selling, general and administrative expenses	5,746,212	6,342,765
Operating profit	1,976,971	2,189,882
Non-operating income	48,736	16,925
Non-operating expenses	77,923	105,326
Ordinary profit	1,947,784	2,101,481
Extraordinary losses	80,889	25,805
Profit before income taxes	1,866,895	2,075,676
Income taxes-current	817,183	601,697
Income taxes-deferred	-309,757	-139,056
Profit	1,359,469	1,613,034

Cash Flow Statement (Summary)
(Unit: Thousand yen)

	FYE June 2022 (From July 1, 2021 to June 30, 2022)	FYE June 2023 (From July 1, 2022 to June 30, 2023)
Cash flows from operating activities	2,105,385	1,797,307
Cash flows from investing activities	-700,674	-865,044
Cash flows from financing activities	-964,657	-1,092,833
Effect of exchange rate change on cash and cash equivalents	86	165
Net increase (decrease) in cash and cash equivalents	440,139	-160,405
Cash and cash equivalents at beginning of period	2,120,171	2,560,311
Cash and cash equivalents at end of period	2,560,311	2,399,906

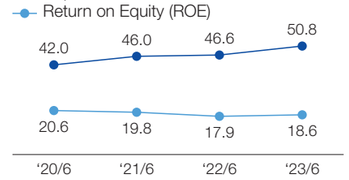
Balance Sheet Highlights

- Total assets increased 6.3% year on year to ¥18,307 million.
- Total liabilities decreased 2.0% year on year to ¥9,006 million.
- Total net assets increased 15.8% year on year to ¥9,301 million.

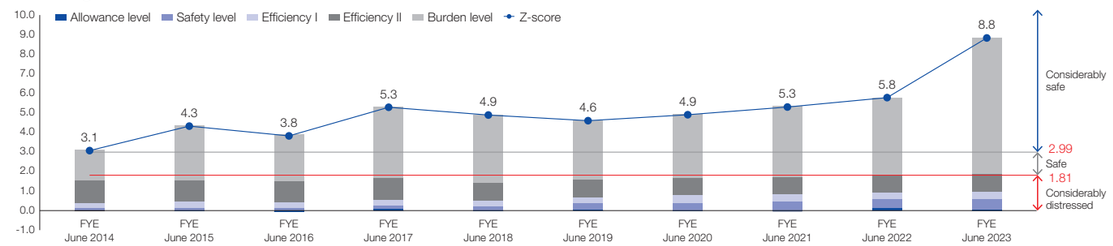
Income Statement Highlights

- Net sales were ¥16,580 million. Operating profit came to ¥2,189 million, ordinary profit came to ¥2,101 million, and profit came to ¥1,613 million, all exceeding the announced earnings forecasts.

Capital Ratio/ Return on Equity (ROE)
(Unit: %)



Changes in Z-score* ('14/6-'23/6)



*Indicator of financial health. Calculated as a total of five indicators including pressure of short-term cash flow, asset efficiency, accumulated earnings, weight of debt burden, and total assets turnover.

Corporate Profile / Stock Information

Corporate Data (As of June 30, 2023)

Name:	KOZO KEIKAKU ENGINEERING Inc.
Date of Foundation:	June 6, 1956
Date of Establishment:	May 6, 1959
Accounting Term:	June
Listed on:	Tokyo Stock Exchange (Standard Market)
Line of Business:	Engineering Consulting Product Service

Locations:

Head Office:	4-38-13 Hon-cho, Nakano-ku, Tokyo 164-0012, Japan
Central Office:	4-5-3 Chuo, Nakano-ku, Tokyo 164-0011
Nakanosakaue Annex:	Sumitomo Nakanosakaue Building 10Fl. 1-38-1 Chuo, Nakano-ku, Tokyo 164-0011
Nagoya Branch Office:	JP TOWER NAGOYA 25Fl. 1-1-1 Meieki, Nakamura-ku, Nagoya, Aichi 450-6325
Osaka Branch Office:	Midosuji MTR Bldg. 5Fl. 3-6-3 Awaji-cho, Chuo-ku, Osaka 541-0047
Fukuoka Branch Office:	JRJP Hakata Bldg. 8Fl. 8-1 Hakataekichuogai, Hakata-ku, Fukuoka-shi, Fukuoka 812-0012
Kumamoto Office:	1315 Muro, Ozu-machi, Kikuchi-gun, Kumamoto 869-1235
Shanghai Rep. Office:	Shanghai World Financial Center, 15Fl. No. 100 Century Avenue, Pudong New Area, Shanghai, 200120, China
Spain Rep. Office:	C.d'En Granada,16,43003 Tarragona, Spain

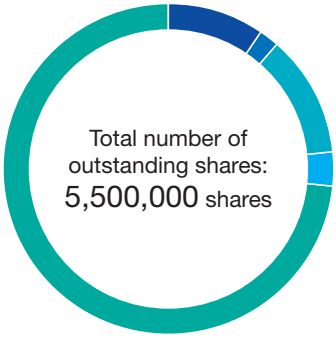
Main Group Companies

(Domestic)	KKE Smile Support Inc. PARA-SOL, Inc. RemoteLock Japan Co., Ltd.
(Overseas)	International Logic Corporation (U.S.A.) KKE SINGAPORE PTE. LTD. (Singapore)

Share Status (As of June 30, 2023)

Total number of authorized shares:	21,624,000 shares
Total number of outstanding shares:	5,500,000 shares
Number of shareholders:	5,801

Composition of Shareholders (As of June 30, 2023)



- Financial institutions: 9.48%
  5 shareholders / 521,565 shares
- Securities companies: 2.16%
  19 shareholders / 118,730 shares
- Other corporations: 11.74%
  41 shareholders / 645,716 shares
- Foreign corporations, etc.: 3.41%
  81 shareholders / 187,473 shares
- Individuals and others: 73.21%
  5,655 shareholders / 4,026,516 shares

(Note) The figure for "Individuals and others" includes 47,153 shares of treasury shares.

Additional Information

Fiscal year:	From July 1 to June 30 of the following year
Annual meeting of shareholders:	Every September
Record dates for dividends:	March 31, June 30, September 30 and December 31
Record date:	June 30
Administrator of shareholder registry & Special account management institution:	Mitsubishi UFJ Trust and Banking Corporation
Contact information for the above:	Corporate Agency Division, Mitsubishi UFJ Trust and Banking Corporation 1-1 Nikkocho, Fuchu-shi, Tokyo (Mailing address) Corporate Agency Division, Mitsubishi UFJ Trust and Banking Corporation P.O. Box No. 29 Shin-Tokyo Post Office, 137-8081 TEL: 0120-232-711 (Toll free)
Method of public notice:	By electronic public notice
URL where public notice is posted:	https://www.kke.co.jp/ (However, public notice is posted on the Nihon Keizai Shimbun in the event that electronic public notice is unavailable due to accident or other unavoidable reasons.)

構造計画研究所
KOZO KEIKAKU ENGINEERING Inc.

Contact: Investor Relations Section e-mail: ir@kke.co.jp