

Nippon Koei Co., Ltd.

April 11, 2019

Nippon Koei Makes Geoplan Namtech Inc. a Subsidiary

- Move will accelerate expansion of data business for water & sewage and other networked infrastructure -

Nippon Koei Co., Ltd. (headquartered in Chiyoda-ku, Tokyo; Representative Director and President: Ryuichi Arimoto; hereinafter “NK”) hereby announces that it has made the decision to acquire 56% of the issued shares of Geoplan Namtech Inc. (headquartered in Shinagawa-ku, Tokyo; Representative Director: Tsunehiko Nishizawa; hereinafter “Geoplan”) from FinTech Global Incorporated (hereinafter “FGI”) as follows, thus making Geoplan a subsidiary of NK.

1. Aim of acquisition of shares

Geoplan is an IT consulting company whose main business consists of sales and support of IT systems for use in the field of networked infrastructure, including water and sewage, as well as electric power, gas and communications.

Up until now Geoplan has developed its networked asset management business in Japan and overseas based on deployment consulting, customization, maintenance and operational support for US-based General Electric’s (hereinafter “GE”) Smallworld™ networked asset management software for operators of electric power, gas, water and communications. Geoplan supplies these services to the water and sewage departments of major regional public bodies such as the cities of Nagoya, Sendai and Kawasaki, as well as to major providers of public utilities such as gas, communications and electric power.

On the other hand, as an investment company whose main business is that of investment banking, joint investor FGI focuses in particular on funding for rural revitalization, and as part of that effort it has been promoting businesses related to the public sector through Geoplan’s activities.

In Japan, a partial revision to the Water Supply Act was passed in December 2018, and is expected to result in greater efficiencies for water facilities as a result of the involvement of private-sector companies, as well as the full-scale operation of maintenance & management and asset-related businesses.

By investing in Geoplan and making it a subsidiary, NK intends to combine the data systems of Geoplan with the consulting services of the NK Group, in order to promote both its asset data-based maintenance & management business and its proposal-based engineering sales. In addition, by linking to the systems resources of the NK Group, such as AI and ICT, etc., and utilizing digital twins*, going forward the Company will seek to expand into the region of networked infrastructure in areas other than that of water & sewage (such as electric power, gas, communications, roads, railways, airports, etc.). At the same time, the Company will open up new services in the infrastructure business that are suitable for an era of lower birth rates, an aging and declining population, and in response to the development of smart urban areas and regions.

*Reproducing and copying of physical objects and systems in the real world in the digital domain

2. Overview of acquisition of shares

Scheme: NK will acquire 56.0% of Geoplan's issued shares from FGI.

Period of acquisition: During May 2019

3. Overview of Geoplan

Corporate name: Geoplan Namtech Inc.

Headquarters: 3-1-1 Kami-osaki, Shinagawa-ku, Tokyo

Established: 2016

Representative Director: Tsunehiko Nishizawa

Capital: JPY 31 million

Number of employees: 22 (including President)

Businesses: i) Operations related to the development and sales of information processing systems
ii) Providing consultation, guidance and advice on the use of information processing systems to rationalize and enhance businesses
iii) Operations related to the maintenance & management of information processing systems
iv) Operations related to the sale of computers, their peripheral equipment, and software
v) Consulting operations related to management of infrastructure assets
vi) All other operations incidental to those described in each of the previous items

Composition of shareholders: NK 56%, FGI 34%, Tsunehiko Nishizawa 10%

Website: <https://www.geoplan.co.jp/>

4. Overview of Smallworld™

Smallworld™ was developed by the UK-based Smallworld company in 1991 as an object-oriented facilities management system that enables the centralized handling of information in the field of networked utilities such as electric power, gas, water and sewerage, communications, roads, railways and airports. It was acquired by GE in 2000, and as one of GE's products Smallworld™ has been deployed by 1,300 companies worldwide, and has earned a reputation as a leading solution for enabling more efficient management of assets, as well as reductions in costs. Geoplan was awarded priority selling rights in Japan for the water and sewage business for Smallworld™ in 1997, before it was acquired by GE. As the leader in Japan of sales and effective use of Smallworld™ and its peripheral applications, Geoplan has already maintained its license agreements for more than 20 years.

Because Smallworld™ is an object-oriented system it is highly versatile, and in addition to information management ledger functions that are compatible with Geographic Information Systems (GIS), it can link to a variety of other applications, allowing the unified management of infrastructure networks. Furthermore, it can be connected to future information and communications technology, due to its superior functional expandability.

- Contact Details -

Nippon Koei Co., Ltd. Corporate Planning Dept., Corporate Communication Office
Email: c-com@n-koei.co.jp Website: <http://www.n-koei.co.jp/>