

Supplements for the Summary of Financial Results Third quarter, FYE June 30, 2017

May 15, 2017

Nippon Koei Co., Ltd.

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3Q Results for FYE June 30, 2017

(Millions of yen)

	FYE 16/6 3Q Results	FYE17/6 3Q Results	yoy	yoy(%)	Reference Values FYE17/6 3Q(*2)	yoy(%)
Orders(*1)	60,821	81,466	20,644	133.9%	73,940	121.6%
Net sales	51,754	64,168	12,413	124.0%	55,560	107.4%
Gross profit	14,338	20,401	6,063	142.3%	16,455	114.8%
Operating Income	1,858	3,603	1,744	193.8%	3,553	191.2%
Ordinary Income	1,648	4,032	2,383	244.6%		
Profit attributable to owners of parent	409	2,615	2,205	638.6%		

(*2) Excluded the Urban & Spatial Development segment

- Order amount, including of a large-scale project of Cairo subway line #4 and BDP businesses, surpasses the one of the same period a year earlier.
- Sales of every business segment grows steadily and the amount exceeds the one of the same period of the preceding year.
- Operating income, ordinary income and quarterly net profit are all rising, as a result of continuous efforts for productivity improvement, sales promotion and cost reduction.

(*1) We have changed the calculation standard for orders starting this period. For details, please see page 8. Results for 3Q of FYE June 30, 2016 are also based upon figures calculated according to the same standard.

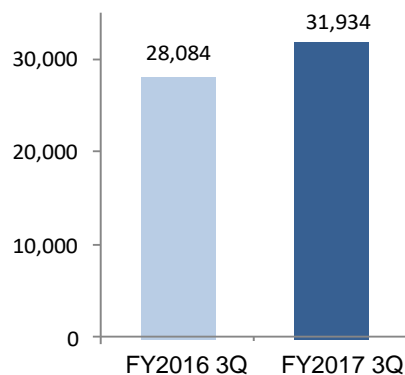
Results by Business Segment (Orders)

(Millions of yen)

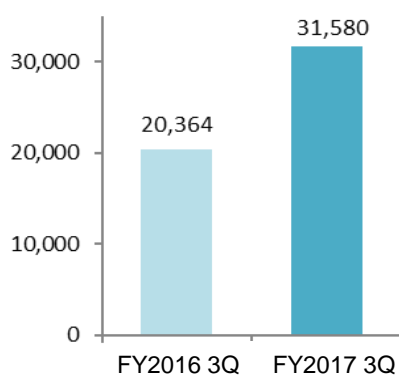
	FYE16/6 3Q Results	FYE17/6 3Q Results	yoy	yoy(%)
Orders(*1)	60,821	81,466	20,644	133.9%
Domestic Consulting	28,084	31,934	3,850	113.7%
International Consulting	20,364	31,580	11,216	155.1%
Power Engineering	12,322	10,400	- 1,921	84.4%
Urban & Spatial Development	-	7,525	7,525	-
Others	49	24	- 25	48.4%

(*1) We have changed the calculation standard for orders starting this period. For details, please see page 8. Results for 3Q of FYE June 30, 2016 are also based upon figures calculated keeping accordance with the same standard.

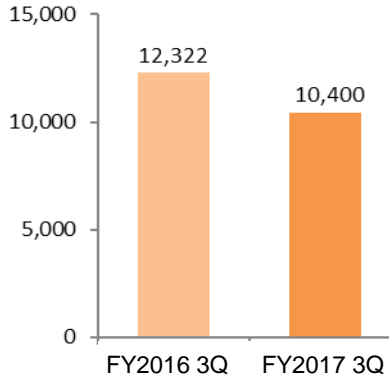
■ Domestic Consulting



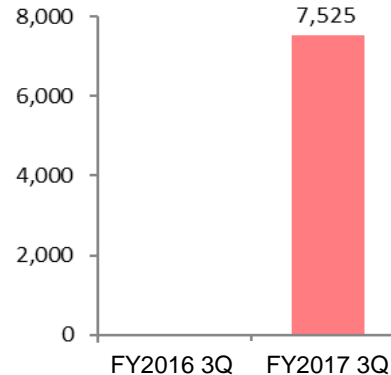
■ International Consulting



■ Power Engineering



■ Urban & Spatial Development

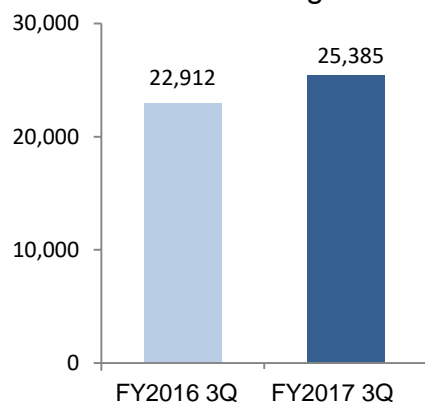


Results by Business Segment (Sales)

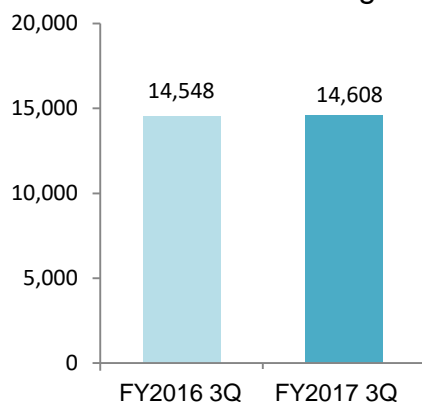
(Millions of yen)

	FYE16/6 3Q Results	FYE 17/6 3Q Results	yoy	yoy(%)
Net Sales	51,754	64,168	12,413	124.0%
Domestic Consulting	22,912	25,385	2,472	110.8%
International Consulting	14,548	14,608	60	100.4%
Power Engineering	13,390	14,653	1,263	109.4%
Urban & Spatial Development	-	8,608	8,608	-
Real Estate Leasing	393	368	- 24	93.7%
Others	509	543	33	106.5%

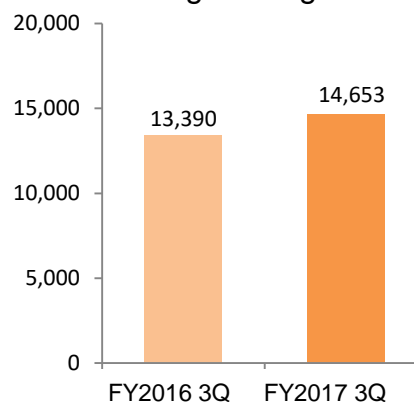
■ Domestic Consulting



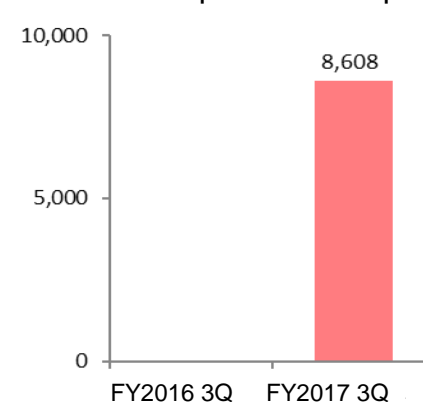
■ International Consulting



■ Power Engineering



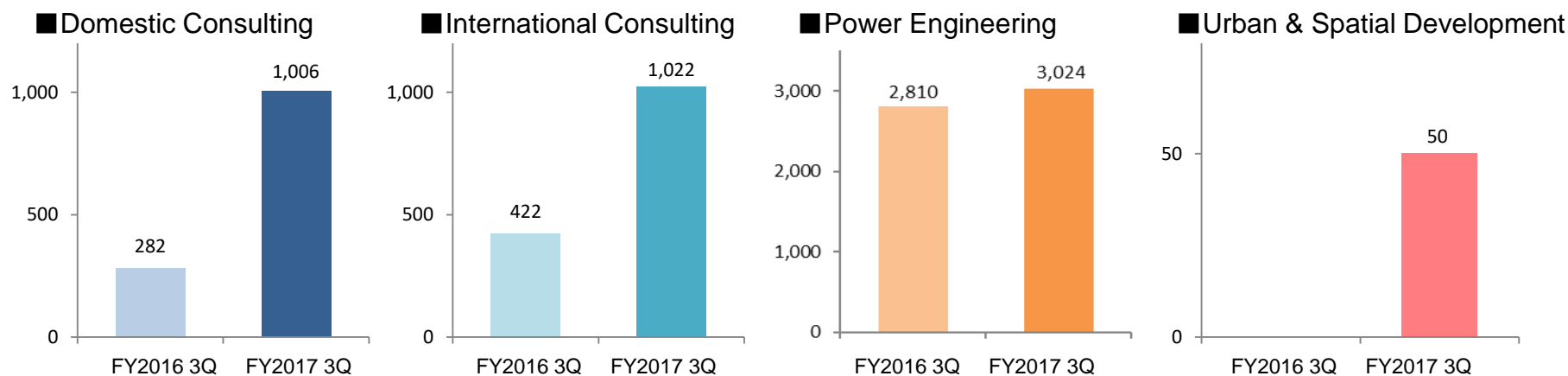
■ Urban & Spatial Development



Results by Business Segment (Operating Income)

(Millions of yen)

	FYE16/6 3Q Results	FYE 17/6 3Q Results	yoy	yoy(%)
Operating Income	1,858	3,603	1,744	193.8%
Domestic Consulting	282	1,006	724	356.6%
International Consulting	422	1,022	599	241.9%
Power Engineering	2,810	3,024	213	107.6%
Urban & Spatial Development	-	50	50	-
Real Estate Leasing	291	303	12	104.2%
Others	- 1,948	- 1,803	144	-



Overview of Performance by Business Segment

Domestic Consulting

- Order amount surpasses the one of the same period a year earlier, owing to good performance of priority fields, such as disaster prevention/mitigation.
- Sales amount also exceeds the one of the previous year as a consequence of increasing orders.
- Operating income has overtaken the preceding year in amount by profits gained through productivity improvement in large-scale projects.

International Consulting

- Order amount surpasses the one of preceding year, due mainly to a favorable market environment such as an increase of national ODA budget.
- Sales remain almost unchanged from the same period of previous year, but operating income grows owing to continuous administrative efforts for profitability enhancement.

Power Engineering

- Order amount marked a drop below the level of the same period a year earlier, due to the delay of contracting procedures for large-scale projects.
- Sales amount surpasses the one of the same period of the preceding year, by completion of large-scale and long-running projects for years, proposals of so-called VE(Value Engineering) to clients, and strengthening divisions for mechanical/electrical consulting.
- Operating income exceeds the one of the same period of the previous year, owing to intensive efforts for cost reduction as well as the growth of sales mentioned above.

Urban & Spatial Development

- Order amount remained almost the same as forecasted.
- Both amounts of sales and operating profit have been depreciated due to weak sterling pound, on local currency basis, however, almost the same as forecasted.

* The amount of amortization expenses for FYE June 30, 2017 is approximately JPY 1 billion (Amortization of goodwill: approximately JPY 500 million; Other intangible fixed assets: Just over JPY 500 million).

* Consolidated results including BDP are recorded with a three-month time lag. Thus, the consolidated settlement of 3Q (July 2016 - March 2017) is based upon the performance within a nine-month period of April - December 2016.

* Fixed rate of exchange for 3Q results: 1 GBP = 139.6 JPY (Rate used in the plan for the FYE June 30, 2017 was 1 GBP = 160 JPY)

FYE June 2017 Forecast

No changes have been made to the forecast for the entire FYE June 2017 period.

(Millions of yen)

	FYE June 2016 Results	FYE June 2017 Forecast	yoy	yoy(%)
Orders	104,019	114,000	9,980	109.6%
Net sales	81,865	105,000	23,134	128.3%
- Domestic Consulting	40,778	45,000	4,221	110.4%
- International Consulting	22,070	26,000	3,929	117.8%
- Power Engineering	17,522	18,500	977	105.6%
- Urban & Spatial Development	-	14,000	14,000	—
Operating income	4,723	6,000	1,276	127.0%
- Domestic Consulting	2,956	3,200	243	108.2%
- International Consulting	1,156	1,600	443	138.3%
- Power Engineering	3,048	3,100	51	101.7%
- Urban & Spatial Development	-	600	600	—
Ordinary income	4,365	6,300	1,934	144.3%
Profit attributable to owners of parent	1,823	3,600	1,776	197.5%

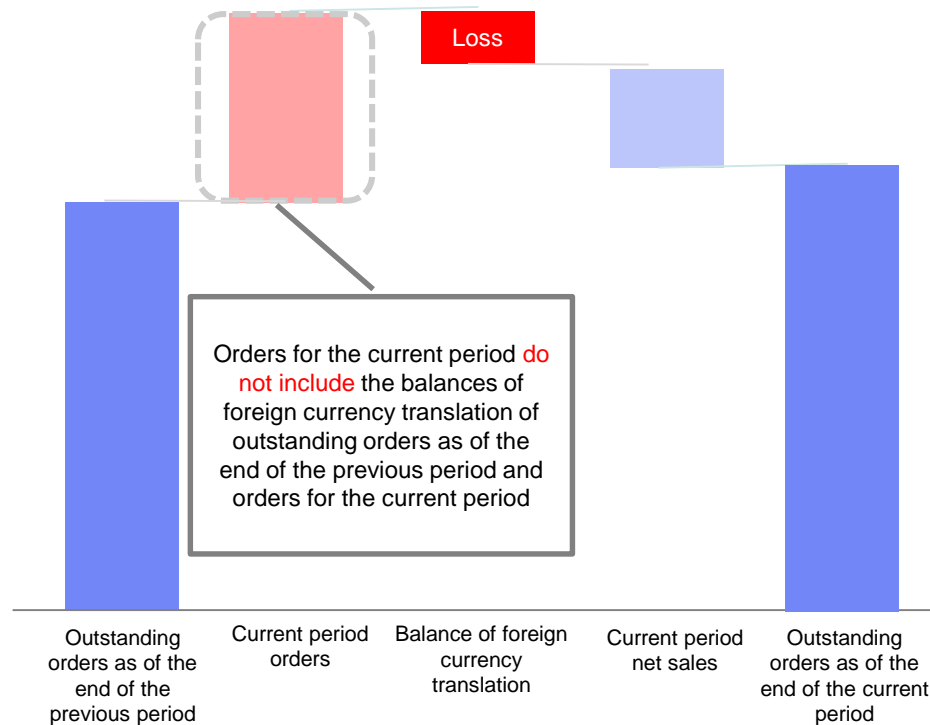
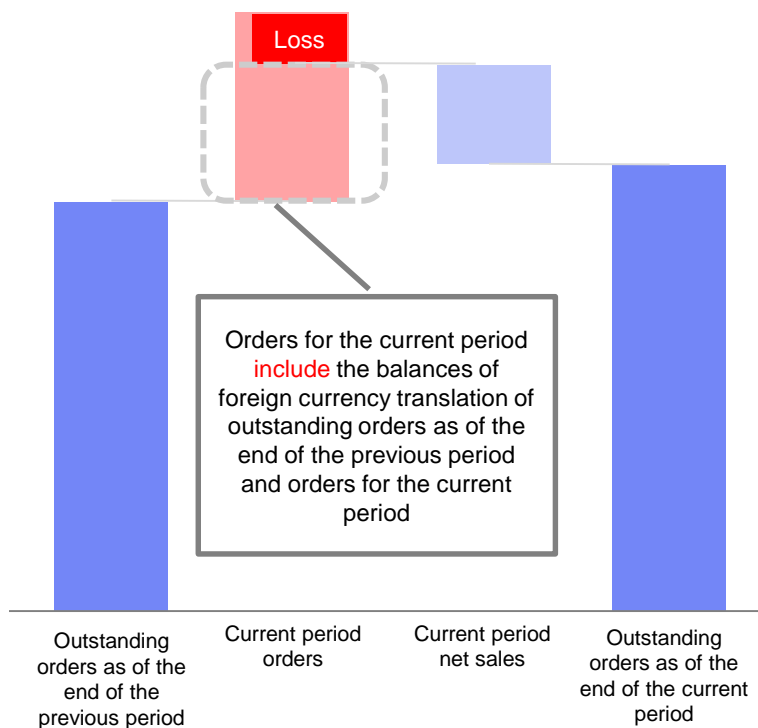
* Note: Net sales and operating income are exclusively consisted of the main segments of Domestic Consulting, International Consulting, Power Engineering and Urban & Spatial Development. Net sales and operating income also include the Real Estate Leasing segment, etc.

(Reference) On changes in the calculation standards for orders

Previously, amount of orders included the balances of foreign currency translation (*) of outstanding orders as of the end of the previous period and orders for the current period. Starting this period, however, orders are settled **without** foreign currency translation.

■ Previous method of calculation

■ Current method of calculation (starting this period)



(*) Details on the balances of foreign currency translation of outstanding orders as of the end of the previous period and orders for the current period are explained in the section titled “4. Supplementary Information” on page11, the Summary of Financial Results.

(TOPIC) Renewable Energy Business Investment in Asia

Taking a stake into Ironmont Hydro Pte. Ltd, a Singaporean investment firm for hydropower business

Enhancing investment in renewable energy business based upon principles of Medium-term Management Plan

Anticipated to promote, by initiating this investment, discovering prospective hydropower projects and proper business partners in Asia

Launched regional development and publicity of NK's renewable energy business

(From left to right)

Mr. Abhay Pande, Board Director, Ironmont Hydro Pte. Ltd.

Ryuichi Arimoto, President, Nippon Koei

Mr. Aldo Artoko, Board Director, Ironmont Hydro Pte. Ltd.



■ Profile of Ironmont Hydro Pte. Ltd.

Foundation: June 2016
Head Office: Singapore
Business Lineup: Development, management and investment in hydropower business covering all over Asia

■ Summary of Stake

Share Acquisition: May 2017
Total Investment: US\$10 million (approx. JPY1.1 billion)

* To be incrementally paid in compliance with progress of the project

* US\$1=JPY112.56 (as of the end of February 2017)

Medium-Term Management Plan (NK-AIM) Basic policies

Sustainable growth of three core businesses

▶ Generation and expansion of new businesses

Autonomy and collaboration

(TOPIC) Introduction and Application of Global Accounting Convention

Strengthening consolidated management by enhancing accounting governance of overseas offices

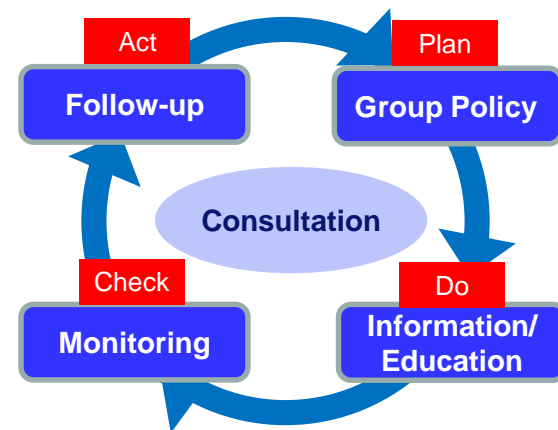
Stabilized and consolidated accounting (a/c) system supports global business evolution.

■ Introduction of common standard & procedures:

- * Enhancement of a/c quality of all overseas offices by introducing common a/c “language” across the world group enterprises (including BDP), and standardized procedures,
- * Development of Plan-Do-Check-Act (PDCA) cycle that enables successive improvement and evolution of business activities.

■ Strengthening cooperative ties between overseas and head offices

Sharing common group objectives, enhancing autonomy of each business unit, establishing mutual collaboration systems.



Policy meeting in which global a/c officers participated

Medium-Term Management Plan (NK-AIM) Basic policies

Sustainable growth
of three core businesses

Generation and expansion
of new businesses

▶ Autonomy and collaboration