

Supplementary Materials for the Fiscal Period Ended June 30, 2019

August 13, 2019

Nippon Koei Co., Ltd.

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Results for FYE June 30, 2019

Orders hit a record high, net sales marked a new record high for the seventh consecutive year, and operating income fell.

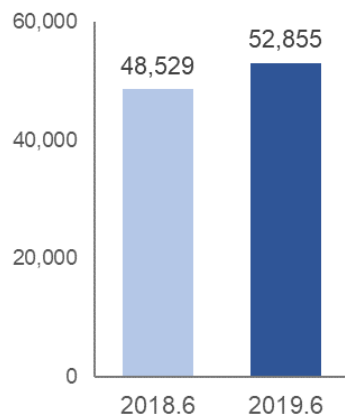
(Millions of yen)	FYE18/6 Results	FYE19/6 Results	YoY Change		FYE19/6 Plan	vs. Plan	
			Amount	%		Amount	%
Orders	104,350	118,085	13,734	113.2%	125,000	- 6,914	94.5%
Net sales	106,023	108,589	2,565	102.4%	115,000	- 6,410	94.4%
Gross profit	32,359	32,962	602	101.9%	34,400	- 1,437	95.8%
Operating Income	6,561	5,110	- 1,451	77.9%	6,200	- 1,089	82.4%
Ordinary Income	6,721	5,584	- 1,137	83.1%	6,100	- 515	91.5%
Profit attributable to owners of parent	4,555	3,318	- 1,237	72.8%	4,100	- 781	80.9%

- Orders received and net sales: Although orders received and net sales increased year on year due mainly to strong performance in the Domestic Consulting segment, results fell short of the plan.
- Operating income and ordinary income: Due to lower earnings in International Consulting and upfront expenses related to new businesses, operating income and ordinary income decreased from the previous year and fell short of the plan.
- Net income: Net income declined year on year due mainly to the realignment of offices, in addition to the above factors, and fell short of the plan.

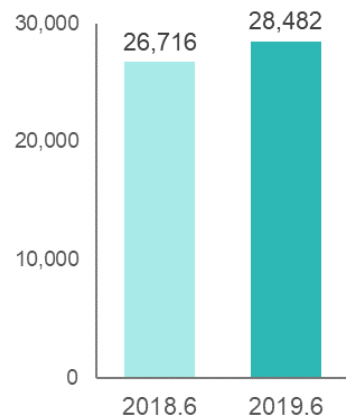
Results by Business Segment (Orders)

(Millions of yen)	FYE18/6 Results	FYE19/6 Results	YoY Change		FYE19/6 Plan	vs. Plan	
			Amount	%		Amount	%
Orders received	104,350	118,085	13,734	113.2%	125,000	- 6,914	94.5%
Domestic Consulting	48,529	52,855	4,326	108.9%	46,000	6,855	114.9%
International Consulting	26,716	28,482	1,765	106.6%	44,000	- 15,517	64.7%
Power engineering	15,943	15,411	- 531	96.7%	14,000	1,411	110.1%
Urban & spatial development	12,855	20,510	7,655	159.5%	16,000	4,510	128.2%
Energy	179	723	544	403.3%	4,000	- 3,276	18.1%

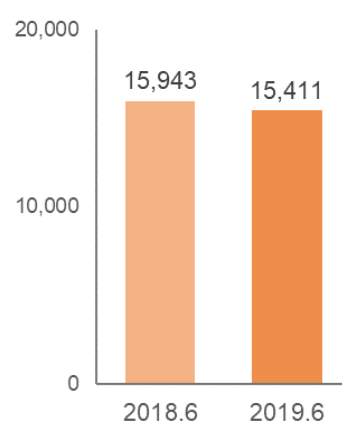
■ Domestic Consulting



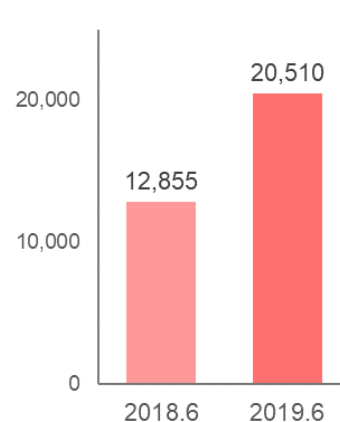
■ International Consulting



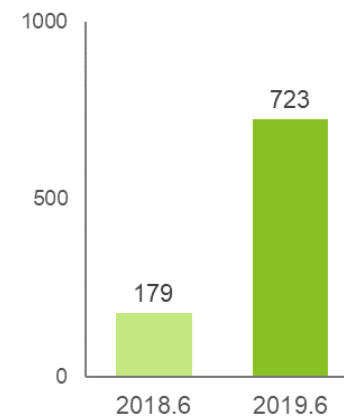
■ Power Engineering



■ Urban & Spatial Development

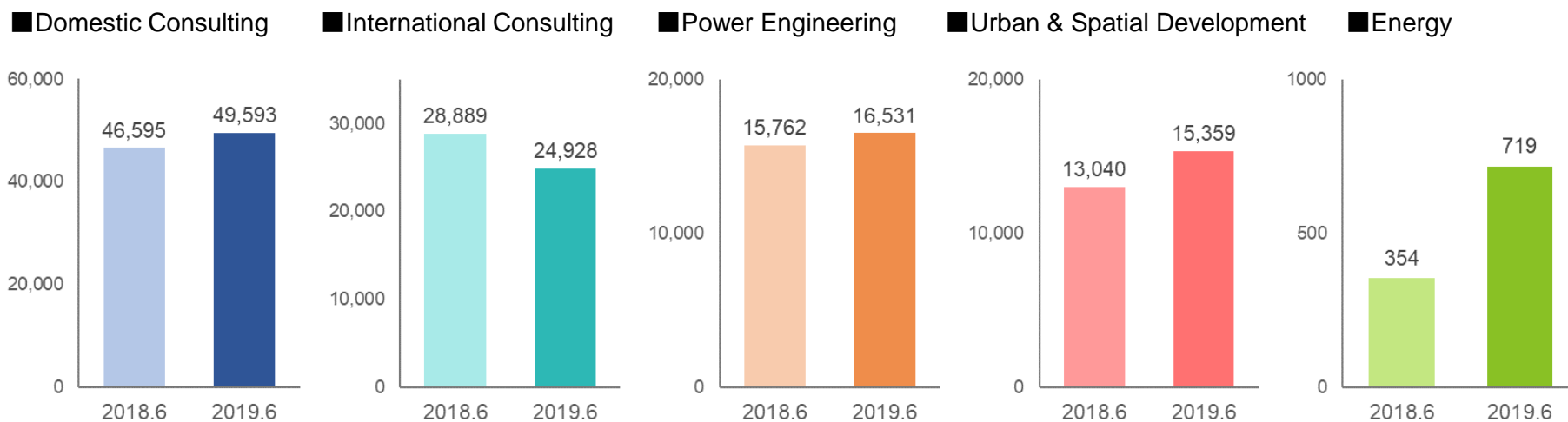


■ Energy



Results by Business Segment (Net sales)

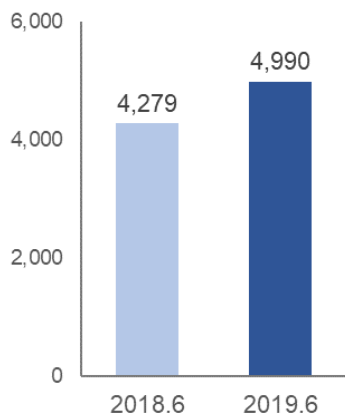
(Millions of yen)	FYE18/6 Results	FYE19/6 Results	YoY Change		FYE19/6 Plan	vs. Plan	
			Amount	%		Amount	%
Net sales	106,023	108,589	2,565	102.4%	115,000	- 6,410	94.4%
Domestic Consulting	46,595	49,593	2,997	106.4%	44,000	5,593	112.7%
International Consulting	28,889	24,928	- 3,960	86.3%	31,000	- 6,071	80.4%
Power engineering	15,762	16,531	769	104.9%	20,000	- 3,468	82.7%
Urban & spatial development	13,040	15,359	2,319	117.8%	16,500	- 1,140	93.1%
Energy	354	719	364	202.8%	2,500	- 1,780	28.8%
Real Estate/Others	1,381	1,456	75	105.4%	1,000	456	145.6%



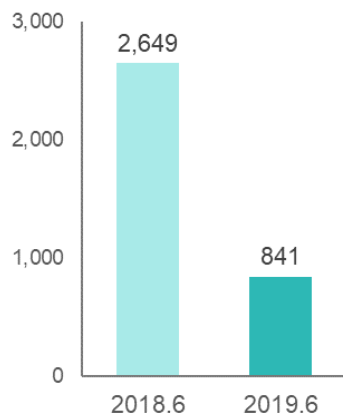
Results by Business Segment (Operating income)

(Millions of yen)	FYE18/6 Results	FYE19/6 Results	YoY Change		FYE19/6 Plan	vs. Plan	
			Amount	%		Amount	%
Operating income	6,561	5,110	- 1,451	77.9%	6,200	- 1,089	82.4%
Domestic Consulting	4,279	4,990	710	116.6%	3,500	1,490	142.6%
International Consulting	2,649	841	- 1,807	31.8%	2,400	- 1,558	35.1%
Power engineering	1,873	2,089	215	111.5%	2,600	- 510	80.4%
Urban & spatial development	173	151	- 21	87.4%	600	- 448	25.3%
Energy	-18	- 365	- 346	-	- 100	- 265	-
Real Estate/Head Office	- 2,396	- 2,597	- 201	-	- 2,800	202	-

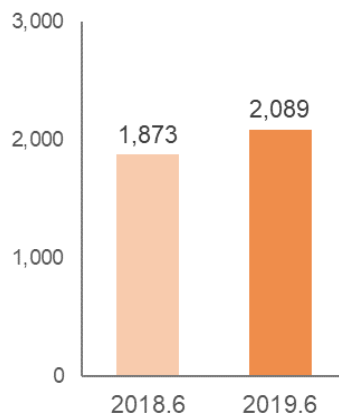
■ Domestic Consulting



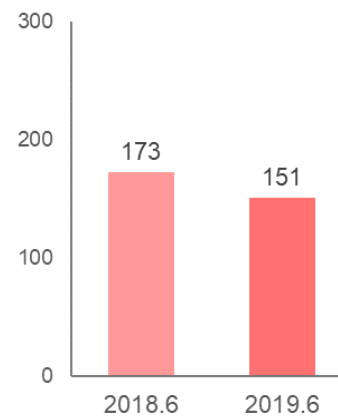
■ International Consulting



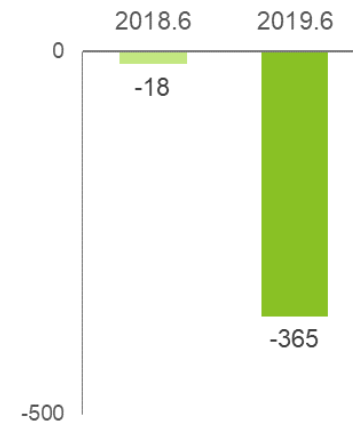
■ Power Engineering



■ Urban & Spatial Development



■ Energy



Overview of Performance by Business Segment

Domestic Consulting

- The amount of orders received significantly exceeded both the level of the previous fiscal year and the plan due to disaster countermeasures and marked a record high.
- Net sales were significantly higher than those of the previous fiscal year and the plan, thanks to the active initiatives taken for projects related to disaster prevention and mitigation, and national resilience.
- Operating income was higher than both the level of the previous fiscal year and the plan due to higher net sales and a decrease in unprofitable projects resulting from quality assurance and productivity improvements.

International Consulting

- The amount of orders received was higher than the level of a year earlier, although it fell short of the plan due to a lag in the timing of receiving large orders.
- Net sales decreased due to a delay in receiving an additional contract for the Vietnam railway project and fell short of the plan.
- Operating income decreased mainly as a result of a lower operating rate caused by a lag in the timing of receiving orders.

Power Engineering

- The amount of orders received was slightly down from the previous fiscal year but exceeded the plan, thanks to large orders acquired in the fourth quarter.
- Net sales increased year on year due to the progress in existing operations from the previous fiscal year, but fell short of the plan.
- Operating income increased year on year due to higher sales and thorough cost reductions.

Overview of Performance by Business Segment

Urban & Spatial Development

- The amount of orders received increased year on year and achieved the plan, contributed to by the start of full-scale orders related to Westminster and an additional contract for a large-scale project.
- Net sales increased as Quadrangle joined the NK Group, in addition to strong orders received.
- Operating income decreased due to upfront selling, general and administrative expenses, including personnel expenses relating to Westminster, in addition to costs related to the acquisition of Quadrangle.

*The actual exchange rate applied to the results for the fiscal year ended June 30, 2019 was 1 GBP = 143.46JPY (the assumption used in the full-year forecast was 1 GBP = 149.17JPY)

**Amortization for the Urban & Spatial Development business in the fiscal year ended June 30, 2019 was approx. 1 billion JPY (goodwill of approx. 400 million JPY, and other intangible fixed assets of approx. 500 million JPY).

Energy

- The amount of orders fell short of the plan due to the time lag in receiving orders for the European EPC business, although progress was made in renewable energy (solar power) monitoring services and others.
- Net sales fell short of the plan due to the aforementioned time lag in receiving orders, although revenues from monitoring services and the domestic power generation business were recorded.
- There was an operating loss due to anticipatory costs for the International Energy Management business.

FYE June 2020 Forecast

Application of IFRS from FYE June 2020
(Results disclosed represent the fiscal year-end financial results.)

(Millions of yen)	FYE 19/6 Results	FYE20/6 Forecast (Japanese GAAP)	YoY Change Amount	YoY Change %	FYE20/6 Forecast (IFRS)
Orders	118,085	137,400	19,314	116.4%	137,400
Domestic Consulting	52,855	52,400	- 455	99.1%	52,400
International Consulting	28,482	48,100	19,617	168.9%	48,100
Power Engineering	15,411	16,000	588	103.8%	16,000
Urban & Spatial Development	20,510	18,600	- 1,910	90.7%	18,600
Energy	723	2,100	1,376	290.1%	2,100
Net sales	108,589	127,700	19,110	117.6%	127,700
Domestic Consulting	49,593	51,300	1,706	103.4%	51,300
International Consulting	24,928	34,500	9,571	138.4%	34,500
Power Engineering	16,531	19,600	3,068	118.6%	19,600
Urban & Spatial Development	15,359	18,800	3,440	122.4%	18,800
Energy	719	2,200	1,480	305.8%	2,200
Real Estate/Others	1,456	1,300	- 156	89.3%	1,300
Operating Income	5,110	5,800	689	113.5%	6,700
Domestic Consulting	4,990	4,200	- 790	84.2%	4,300
International Consulting	841	2,900	2,058	344.6%	2,900
Power Engineering	2,089	2,200	110	105.3%	2,300
Urban & Spatial Development	151	600	448	395.0%	1,500
Energy	- 365	- 800	- 434	-	- 900
Real Estate/Others	- 2,597	- 3,300	- 702	-	- 3,400
Ordinary Income	5,584	6,200	615	111.0%	-
Profit attributable to owners of parent	3,318	3,600	281	108.5%	4,500
Operating margin (%)	4.7	4.5			5.2
ROE (%)	5.7	6.1			7.5