

Supplementary Materials for the Summary of Financial Reports 2Q, FYE June 30, 2020

February 13, 2020

Nippon Koei Co., Ltd.

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2Q Results for FYE June 30, 2020

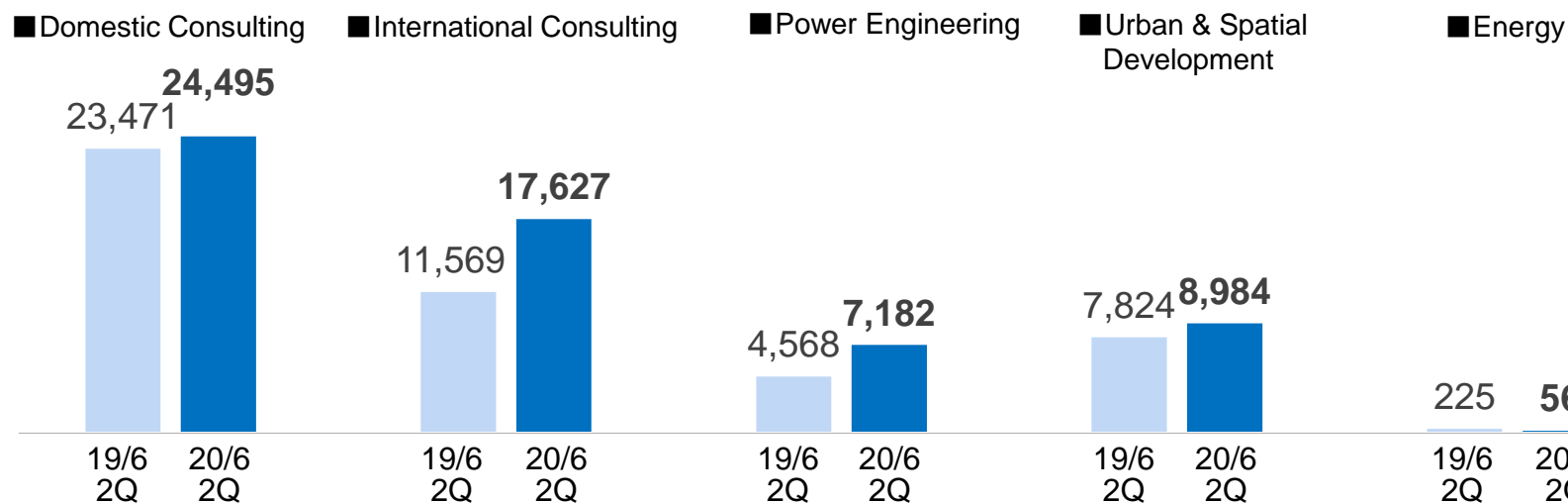
Net sales increased as all segments performed well. Operating loss was reduced.

(Millions of yen)	FYE19/6 2Q Results	FYE20/6 2Q Results	YoY Change	
			Amount	%
Orders	47,707	58,395	10,687	122.4%
Net sales	39,146	49,148	10,002	125.6%
Gross profit	10,215	12,700	2,484	124.3%
Operating Income	△2,817	△1,427	1,390	-
Ordinary Income	△2,901	△1,185	1,715	-
Profit attributable to owners of parent	△2,331	△910	1,421	-

- Orders received were higher than in the same period of the previous year as International Consulting and Power Engineering performed well.
- Net sales increased year-on-year in all segments.
- For operating income, although losses in energy business expanded, losses were reduced overall year on year due to sales growth in other segments.
- Quarterly net loss was reduced due to an increase in operating income and an improvement in non-operating expenses.

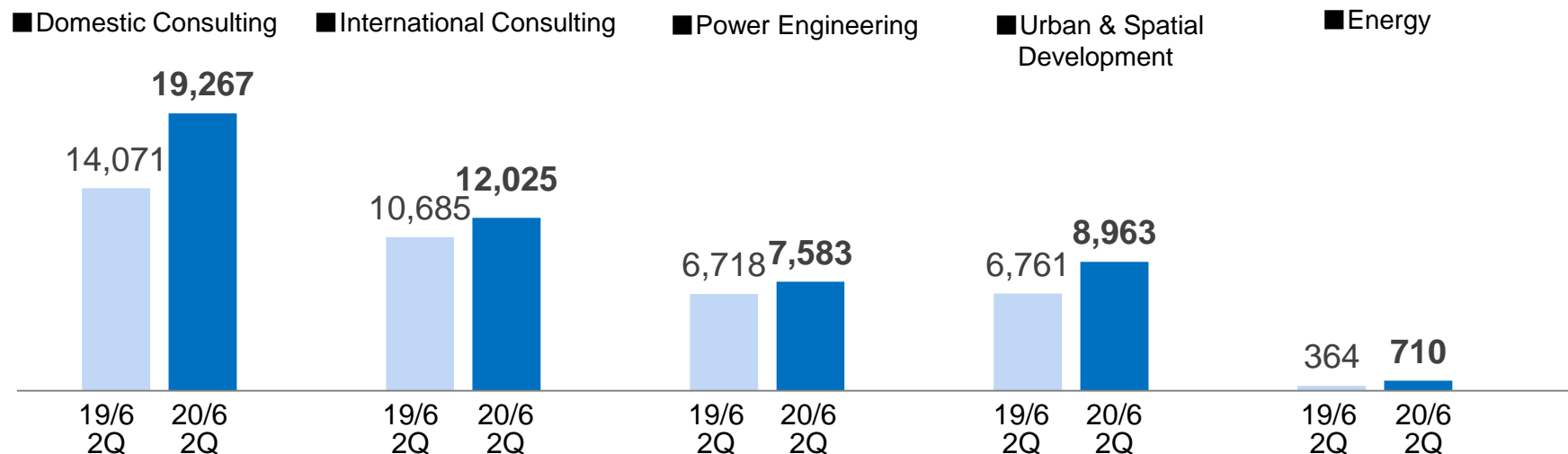
Results by Business Segment (Orders)

(Millions of yen)	FYE19/6 2Q Results	FYE20/6 2Q Results	YoY Change	
			Amount	%
Orders	47,707	58,395	10,687	122.4%
Domestic Consulting	23,471	24,495	1,024	104.4%
International Consulting	11,569	17,627	6,057	152.4%
Power Engineering	4,568	7,182	2,614	157.2%
Urban & Spatial Development	7,824	8,984	1,159	114.8%
Energy	225	56	△169	24.9%



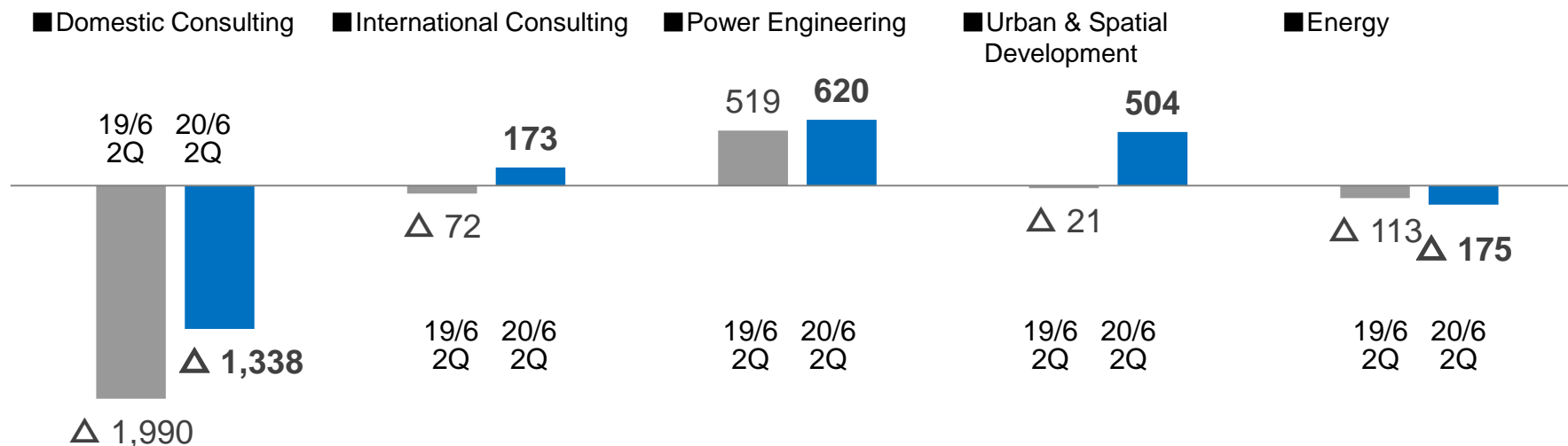
Results by Business Segment (Net sales)

(Millions of yen)	FYE19/6 2Q Results	FYE20/6 2Q Results	YoY Change	
			Amount	%
Net sales	39,146	49,148	10,002	125.6%
Domestic Consulting	14,071	19,267	5,196	136.9%
International Consulting	10,685	12,025	1,339	112.5%
Power Engineering	6,718	7,583	864	112.9%
Urban & Spatial Development	6,761	8,963	2,201	132.6%
Energy	364	710	345	194.7%
Real Estate/Others	543	597	53	109.9%



Results by Business Segment (Operating Income)

(Millions of yen)	FYE19/6 2Q Results	FYE20/6 2Q Results	YoY Change	
			Amount	%
Operating Income	△2,817	△1,427	1,390	-
Domestic Consulting	△1,990	△1,338	651	-
International Consulting	△72	173	245	-
Power Engineering	519	620	100	119.4%
Urban & Spatial Development	△21	504	526	-
Energy	△113	△175	△62	-
Real Estate/Others	△1,139	△1,211	△71	-



Overview of Performance by Business Segment

Domestic Consulting

- Orders received were higher than the same period of the previous year due to Typhoon Hagibis disaster-related orders and large-scale orders.
- Net sales increased due to continued efforts and steady progress in projects related to national land resilience, as well as the expansion of the scope of application of the percentage-of-completion method.
- Operating loss was reduced with an increase in net sales.

International Consulting

- Orders received were higher than the same period of the previous year as we obtained orders for a large-scale project in the Chennai metropolitan region in India.
- Net sales increased due to steady progress in projects and the expansion of the scope of application of the percentage-of-completion method.
- Operating loss turned positive as net sales increased.

Power Engineering

- Orders received were higher than the same period of the previous year due to orders for regional power company projects and other large private projects.
- Net sales increased due to the steady processing of orders in hand.
- Operating loss was reduced with an increase in net sales.

Overview of Performance by Business Segment

Urban & Spatial Development

- Orders received were higher than the same period of the previous year despite the impact of the UK election in the private sector.
- Net sales increased due to steady performance in the refurbishment of the Palace of Westminster and in-hand projects.
- Operating loss turned positive due to the strong performance of the new Canadian consolidated subsidiary consolidated to our group in the third quarter of the previous fiscal year, in addition to the improved profitability of BDP.

* The fixed exchange rate applied to the results for the 2nd quarter of FYE June 30, 2020: 1 GBP = 136.46 JPY (the rate used in the plan for FYE June 30, 2020 was 1 GBP = 144.27 JPY)

** The amount of amortization expense of Urban & Spatial Development business for FYE June 30, 2020 is approx. 1 billion JPY (goodwill: approx. 400 million JPY; other intangible fixed assets: approx. 500 million JPY).

Energy

- Orders received were lower than in the same period of the previous year due to the delay in expected orders related to storage batteries in Europe.
- Net sales increased due to progress in the construction of power receiving and transforming facilities, installation, etc., for two storage battery projects in the United Kingdom.
- Operating loss widened due to expenses of European bases, an upfront investment.

FYE June 2020 Forecast

No changes have been made to the forecast for the entire FYE June 2020 period.

(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 Leasing/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 Leasing/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