

# Consolidated Financial Results for the Nine Months Ended March 31, 2018 [Japanese GAAP]



May 15, 2018

**Company name: Nippon Koei Co., Ltd.**

Stock exchange listing: Tokyo Stock Exchange

Code number: 1954

URL: <https://www.n-koei.co.jp/english>

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Scheduled date of filing quarterly securities report: May 15, 2018

Scheduled date of commencing dividend payments: -

Availability of supplementary briefing material on quarterly financial results: Yes

Schedule of quarterly financial results briefing session: None

(Amounts of less than one million yen are rounded down.)

## 1. Consolidated Financial Results for the Nine Months Ended March 31, 2018 (July 1, 2017 to March 31, 2018)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended March 31, 2018	67,522	5.2	3,131	Δ13.1	3,217	Δ20.2	2,419	Δ7.5
March 31, 2017	64,168	24.0	3,603	93.8	4,032	144.6	2,615	538.6

(Note) Comprehensive income: Nine months ended March 31, 2018 : ¥2,337 million [ 43.2 %]

Nine months ended March 31, 2017 : ¥1,632 million [ - %]

	Net income per share		Diluted net income per share	
	Yen		Yen	
Nine months ended March 31, 2018	156.32		-	
March 31, 2017	169.76		-	

(Note) The Company conducted a share consolidation at a rate of one share for every five shares on January 1, 2017. The figures for "Net income per share" are amounts on the assumption that the Company conducts the share consolidation on the beginning of previous fiscal year.

(2) Consolidated Financial Position

	Total assets		Net assets		Equity ratio	
	Million yen		Million yen		%	
As of March 31, 2018	129,536		56,239		43.1	
June 30, 2017	113,865		54,874		47.9	

(Reference) Equity: As of March 31, 2018 : ¥55,894 million

As of June 30, 2017 : ¥54,508 million

## 2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended June 30, 2017	-	-	-	75.00	75.00
Fiscal year ending June 30, 2018	-	-	-	-	-
Fiscal year ending June 30, 2018 (Forecast)	-	-	-	75.00	75.00

(Note) Revision to the forecast for dividends announced most recently: None

### 3. Consolidated Financial Results Forecast for the Fiscal Year Ending June 30, 2018 (July 1, 2017 to June 30, 2018)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	114,000	12.5	7,700	40.9	7,800	30.9	4,900	49.0	316.57

(Note) Revision to the financial results forecast announced most recently: None

**\* Notes:**

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): None

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: Yes

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: None

2) Changes in accounting policies other than 1) above: Yes

3) Changes in accounting estimates: None

4) Retrospective restatement: None

(4) Total number of issued shares (common stock)

1) Total number of issued shares at the end of the period (including treasury stock):

As of March 31, 2018 : 15,905,049 shares

As of June 30, 2017 : 17,331,302 shares

2) Total number of treasury stock at the end of the period:

As of March 31, 2018 : 394,291 shares

As of June 30, 2017 : 1,891,831 shares

3) Average number of shares during the period:

Nine months ended March 31, 2018 : 15,478,430 shares

Nine months ended March 31, 2017 : 15,404,591 shares

(Note) The Company conducted a share consolidation at a rate of one share for every five shares on January 1, 2017. The figures for "Total number of issued shares at the end of the period", "Total number of treasury stock at the end of the period" and "Average number of shares during the period" are amounts on the assumption that the Company conducts the share consolidation on the beginning of previous fiscal year.

\* These consolidated financial results are not subject to quarterly audit procedures by Certified Public Accountants or audit firm.

\* Explanation of the proper use of financial results forecast and other notes:

The earnings forecasts and other forward-looking statements disclosed herein are based on information available to the Company as of the date of publication of this document and certain assumptions deemed reasonable. Actual results, etc. may differ significantly due to a wide range of factors.

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## 1. Qualitative Information on Quarterly Financial Results

### (1) Explanation of Operating Results

During the nine months ended March 31, 2018 (from July 1, 2017 to March 31, 2018), Japan's economy continued on a moderate recovery path with signs of private consumption picking up against the background of steady improvements in employment and income. On the other hand, overseas economies saw a modest recovery though consideration must be given to the policies of the United States and Europe and the economic future in Asia.

The business environment of Nippon Koei Co., Ltd. (the "Company") and its subsidiaries (together, the "Group") continued to be stable, and each business segment saw steady demand. The Group undertook measures for disaster prevention and mitigation, and measures to prevent deterioration of infrastructure for public works projects in the Domestic Consulting Operations, promoted strategic exporting of infrastructure systems in the International Consulting Operations, renewed power distribution equipment in the Power Engineering Operations and newly built and renovated architectural installation in the UK in the Urban & Spatial Development Operations.

Under these circumstances, based on the Medium-Term Management Plan "NK-AIM" (from July 2015 to June 2018), with the fundamental principles of "Sustainable growth of three core businesses," "Generation and expansion of new businesses," and "Autonomy and collaboration," the Group tackled the three focus themes of "Further advance of global expansion," "Further expansion of business fields and improvement of profitability by intensifying existing core businesses," and "Demonstrating the true merits of aggregated technologies for establishment of new business domains." Moreover, as companywide measures to realize these goals, the Group actively advanced "Development of next-generation core technologies and further improvement of technical strengths and productivity," "Strengthening of human resource recruitment and training," and "Promotion of collaboration and enhancement of corporate governance."

In terms of Group performance, as a result of the above, orders received for the nine months ended March 31, 2018 decreased 13.5% year on year to ¥70,505 million. This was due to the acceptance of orders relating to multiple large projects mainly in the transportation business area for the previous fiscal year. Net sales increased 5.2% year on year to ¥67,522 million. While operating income decreased 13.1% year on year to ¥3,131 million due to lower sales of the Power Engineering Operations which achieve high profit margin and increased cost for selling general and administrative expenses. Ordinary income decreased 20.2% year on year to ¥3,217 million, and profit attributable to owners of parent decreased 7.5% year on year to ¥2,419 million.

Net sales for the nine months ended March 31, 2018 were ¥67,522 million, an achievement rate of 59.2% against the net sales forecast of ¥114,000 million for the fiscal year ending June 30, 2018 (nine months ended March 31, 2017: 63.3%).

The Group's accounting method for net sales has been changed from the completed-contract method to the percentage-of-completion method effective from the first quarter of the fiscal year. For each quarter of the previous fiscal year and the previous consolidated fiscal year, the previous completed-contract method has been applied to the quarterly consolidated financial statements and the consolidated financial statements. Details are as stated in Changes in Accounting Policies.

Business results for each segment are as follows:

#### [Domestic Consulting Operations]

The Domestic Consulting Operations worked to increase its business areas and market shares by specifying significant businesses, improving quality of service and profitability by restructuring work procedures, and effectively entering into alliances.

As a result, orders received decreased 4.8% year on year to ¥30,390 million due to orders for large projects received in the previous year (including approximately ¥2 billion of consulting services relating to the Greater Cairo Metro Line No.4 - Phase 1 project in Egypt), and yet steadily increased 8.2% year from two years ago.

Net sales increased 2.0% year on year to ¥25,892 million, operating income increased 23.1% year on year to ¥1,239 million and ordinary income increased 9.4% year on year to ¥1,089 million.

[International Consulting Operations]

The International Consulting Operations worked to improve operation strategy functions focusing on regional officers, strengthen the production system, develop a management foundation to respond to risks, and strengthen the capabilities of and cooperation with Group companies.

As a result, orders received decreased 38.5% year on year to ¥19,422 million due to orders for large projects received in the previous year (including approximately ¥8 billion of consulting services relating to the Greater Cairo Metro Line No.4 - Phase 1 project in Egypt), also decreased 4.6% year from two years ago. Net sales increased 37.4% year on year to ¥20,077 million, operating income increased 115.0% year on year to ¥2,197 million and ordinary income increased 106.1% year on year to ¥1,951 million.

[Power Engineering Operations]

In the Power Engineering Operations, we worked to increase cost competitiveness through strict cost reductions, strengthen sales and marketing capabilities through proposing cost reduction plans, enhance fusion and cooperation among the business areas of consulting, products, and construction, promote the development of products and technology, and reinforce and expand the mechanical and electromechanical consulting division.

As a result, orders received increased 21.3% year on year to ¥12,619 million. Net sales decreased 25.1% year on year to ¥10,972 million, operating income decreased 58.5% year on year to ¥1,254 million and ordinary income decreased 53.8% year on year to ¥1,377 million due to the lower level of outstanding orders as of the end of the previous fiscal year compared to previous years.

[Urban & Spatial Development Operations]

The Urban & Spatial Development Operations strove to expand the scope of business in the urban development and architectural design area by growing businesses within the UK through BDP and collaborating as a group in the Asian region.

As a result, orders received increased 6.7% year on year to ¥8,031 million. Net sales increased 13.4% year on year to ¥9,761 million, operating income increased 191.2% year on year to ¥145 million and ordinary income increased 164.8% year on year to ¥144 million.

[Real Estate Leasing Operations]

In the Real Estate Leasing Operations, net sales decreased 10.2% year on year to ¥331 million. Both operating income and ordinary income decreased 2.0% year on year to ¥297 million.

## (2) Explanation of Financial Position

Total assets as of the end of the third quarter of the fiscal year, amounted to ¥129,536 million, an increase of ¥15,670 million from the end of the previous fiscal year.

In the Assets section, current assets were ¥71,531 million, an increase of ¥16,732 million from the end of the previous fiscal year. This is mainly due to a ¥7,495 million decrease in cash and deposits, a ¥17,227 million increase in notes and accounts receivable-trade and a ¥6,855 million increase in work in process.

Non-current assets were ¥58,005 million, a decrease of ¥1,062 million from the end of the previous fiscal year. This is mainly due to a ¥1,050 million decrease in land.

In the Liabilities section, current liabilities were ¥46,082 million, an increase of ¥15,741 million from the end of the previous fiscal year. This is mainly due to a ¥3,077 million increase in notes and accounts payable-trade and a ¥13,000 million increase in short-term loans payable.

Non-current liabilities were ¥27,213 million, a decrease of ¥1,436 million from the end of the previous fiscal year. This is mainly due to a ¥1,704 million decrease in long-term loans payable.

Net assets were ¥56,239 million, an increase of ¥1,365 million from the end of the previous fiscal year. The primary factors behind this were ¥2,419 million in profit attributable to owners of parent and ¥1,192 million in cash dividends paid.

As a result, the shareholders' equity ratio decreased 4.8 percentage points from the end of the previous fiscal year to 43.1%.

## (3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Statements

The consolidated financial results forecast for the fiscal year ending June 30, 2018 have not changed from the forecast announced in the Consolidated Financial Results for the Fiscal Year Ended June 30, 2017 dated August 14, 2017.

## 2. Quarterly Consolidated Financial Statements and Primary Notes

### (1) Quarterly Consolidated Balance Sheet

	(Millions of yen)	
	As of June 30, 2017	As of March 31, 2018
<b>Assets</b>		
Current assets		
Cash and deposits	19,593	12,098
Notes and accounts receivable - trade	18,090	35,317
Work in process	11,727	18,583
Other	5,392	5,537
Allowance for doubtful accounts	(6)	(5)
Total current assets	54,798	71,531
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,591	5,319
Land	17,648	16,598
Other, net	1,295	1,247
Total property, plant and equipment	24,535	23,165
Intangible assets		
Goodwill	8,685	8,568
Other	5,214	4,976
Total intangible assets	13,900	13,544
Investments and other assets		
Other	20,799	21,471
Allowance for doubtful accounts	(168)	(176)
Total investments and other assets	20,630	21,294
Total non-current assets	59,067	58,005
Total assets	113,865	129,536

(Millions of yen)

	As of June 30, 2017	As of March 31, 2018
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	4,012	7,089
Short-term loans payable	-	13,000
Current portion of long-term loans payable	1,760	2,029
Income taxes payable	1,049	453
Advances received	10,797	12,676
Provision for bonuses	1,365	2,622
Provision for directors' bonuses	88	-
Provision for loss on construction contracts	54	145
Other	11,211	8,066
Total current liabilities	30,341	46,082
Non-current liabilities		
Long-term loans payable	21,413	19,708
Provision for directors' retirement benefits	45	32
Provision for environmental measures	34	34
Liability for retirement benefits	3,963	3,803
Other	3,193	3,634
Total non-current liabilities	28,650	27,213
Total liabilities	58,991	73,296
<b>Net assets</b>		
Shareholders' equity		
Capital stock	7,393	7,415
Capital surplus	7,240	6,427
Retained earnings	43,450	43,354
Treasury stock	(3,607)	(1,270)
Total shareholders' equity	54,477	55,926
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,016	681
Foreign currency translation adjustments	(1,813)	(1,508)
Defined retirement benefit plans	828	795
Total accumulated other comprehensive income	30	(31)
Non-controlling interests	365	345
Total net assets	54,874	56,239
<b>Total liabilities and net assets</b>	<b>113,865</b>	<b>129,536</b>



## (2) Quarterly Consolidated Statement of Income and Comprehensive Income

For the Nine months ended March 31, 2018 and 2017

(Millions of yen)

	For the nine months ended March 31, 2017 (From July 1, 2016 to March 31, 2017)	For the nine months ended March 31, 2018 (From July 1, 2017 to March 31, 2018)
Net sales	64,168	67,522
Cost of sales	43,766	46,000
Gross profit	20,401	21,522
Selling, general and administrative expenses	16,798	18,391
Operating income (loss)	3,603	3,131
Non-operating income		
Interest income	136	124
Dividend income	157	219
Gain on sales of investment securities	-	158
Foreign exchange gains	129	-
Other	170	152
Total non-operating income	594	654
Non-operating expenses		
Interest expenses	144	158
Loss on valuation of investment securities	-	153
Foreign exchange losses	-	151
Other	21	104
Total non-operating expenses	165	568
Ordinary income (loss)	4,032	3,217
Extraordinary income		
Gain on sales of property, plant and equipment	-	1,276
Total extraordinary income	-	1,276
Extraordinary losses		
Head office transfer cost	105	488
Total extraordinary losses	105	488
Profit (loss) before income taxes	3,926	4,004
Income taxes – current	1,031	1,013
Income taxes – deferred	285	575
Total income taxes	1,317	1,588
Profit (loss)	2,609	2,416
Profit (loss) attributable to		
Profit (loss) attributable to owners of parent	2,615	2,419
Profit (loss) attributable to non-controlling interests	(5)	(3)
Other comprehensive income (loss)		
Valuation difference on available-for-sale securities	673	(336)
Foreign currency translation adjustments	(1,642)	290
Defined retirement benefit plans	(8)	(32)
Total other comprehensive income (loss)	(977)	(79)
Comprehensive income (loss)	1,632	2,337
Comprehensive income (loss) attributable to		
Comprehensive income (loss) attributable to owners of parent	1,632	2,356
Comprehensive income (loss) attributable to non-controlling interests	(0)	(19)

## (3) Quarterly Consolidated Statement of Cash Flows

(Millions of yen)

	For the nine months ended March 31, 2017 (From July 1, 2016 to March 31, 2017)	For the nine months ended March 31, 2018 (From July 1, 2017 to March 31, 2018)
<b>Cash flows from operating activities</b>		
Profit (loss) before income taxes	3,926	4,004
Depreciation	1,158	1,166
Amortization of goodwill	396	357
Loss (gain) on sales of investment securities	-	(158)
Loss (gain) on valuation of investment securities	-	153
Loss (gain) on sales of property, plant and equipment	(3)	(1,280)
Increase (decrease) in allowance for doubtful accounts	8	8
Increase (decrease) in provision for bonuses	1,658	1,248
Increase (decrease) in provision for loss on construction contracts	6	90
Interest and dividend income	(294)	(343)
Decrease (increase) in notes and accounts receivable - trade	(13,590)	(17,236)
Decrease (increase) in inventories	(6,937)	(6,870)
Increase (decrease) in notes and accounts payable - trade	1,965	3,090
Increase (decrease) in accounts payable - other	(340)	90
Increase (decrease) in advances received	7,265	1,906
Decrease (increase) in consumption taxes refund receivable	(253)	(1,712)
Other, net	(3,544)	(2,132)
Subtotal	(8,578)	(17,618)
Interest and dividend income received	236	298
Interest expenses paid	(109)	(120)
Income taxes paid	(999)	(1,549)
Net cash provided by (used in) operating activities	(9,450)	(18,990)
<b>Cash flows from investing activities</b>		
Net decrease (increase) in time deposits	(1,286)	1,418
Purchase of property, plant and equipment	(969)	(399)
Proceeds from sales of property, plant and equipment	9	2,336
Purchase of investment securities	(1,011)	(898)
Proceeds from sales of investment securities	-	172
Payments of loans receivable	(760)	(586)
Collection of loans receivable	380	183
Other, net	(170)	(188)
Net cash provided by (used in) investing activities	(3,808)	2,038
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans payable	(4,700)	13,000
Proceeds from long-term loans payable	22,121	-
Repayments of long-term loans payable	(1,168)	(1,166)
Proceeds from sales of treasury shares	119	202
Purchase of treasury shares	(29)	(24)
Cash dividends paid	(772)	(1,189)
Other, net	(44)	(34)
Net cash provided by (used in) financing activities	15,526	10,787
Effect of exchange rate change on cash and cash equivalents	(138)	52
Net increase (decrease) in cash and cash equivalents	2,129	(6,112)
Cash and cash equivalents at beginning of period	9,400	17,083
Cash and cash equivalents at end of period	11,530	10,971

#### (4) Notes to Quarterly Consolidated Financial Statements

##### (Notes on Going Concern Assumption)

There is no relevant information.

##### (Notes on Significant Changes in Shareholders' Equity)

Based on the resolution made at the Board of Directors' meeting held on August 14, 2017, the Company cancelled 1,436,731 shares of treasury stock on August 31, 2017. This resulted in decreases of ¥835 million in capital surplus, ¥1,323 million in retained earnings and ¥2,158 million in treasury stock for the nine months ended March 31, 2018.

In addition, based on the resolution made at the Board of Directors' meeting held on October 12, 2017, the Company issued new shares as compensation with restricted stocks for directors on November 10, 2017, resulting in increases of ¥21 million in capital stock and ¥21 million in capital reserve for the nine months ended March 31, 2018.

As a result, capital stock, capital surplus, retained earnings and treasury stock were ¥7,415 million, ¥6,427 million, ¥43,354 million and ¥1,270 million, respectively, as of the end of the third quarter of the fiscal year.

##### (Accounting Policies Adopted Specially for the Preparation of Quarterly Consolidated Financial Statements)

###### (Deferral of cost variance)

Cost variance caused by seasonal changes in operation rates, etc. is expected to be almost completely eliminated by the end of the cost accounting period, which is, therefore, deferred as other current liabilities.

##### (Changes in Accounting Policies)

The Company and domestic subsidiaries previously had been applying the completed-contract method (including partial completed-contract method) in principle when recording net sales of business contracts relating to Domestic Consulting Operations, International Consulting Operations, and Power Engineering Operations. From business contracts effective from the current first quarter, the method has been changed to the percentage-of-completion method (estimate of the degree of completion is mainly based on the cost to cost method). The previous revenue recognition standard was reviewed again. We considered the increasing opportunities to receive large project orders under the government-led strategic exporting of infrastructure systems and the expansion of the Company's international operations including the acquisition of an architectural firm in the UK. As a result, the Company judged that the percentage-of-completion method would be more appropriate to present its operating results and financial conditions. Relating systems were developed, and taking this as an opportunity, the Company has decided to make such change.

As this change was made possible with the introduction of a new accounting system, using the percentage-of-completion method to calculate retroactively is practically impossible.

Furthermore, since the cumulative impact at the beginning of the first quarter of the fiscal year cannot be calculated in the case where the system is applied retrospectively, the outstanding balance at the end of the previous fiscal year is treated as the outstanding balance at the beginning of the first quarter of the fiscal year. As for business contracts relating to work in process included at the end of the previous fiscal year, the completed-contract method will be applied in principle, and net sales will be recorded in the financial quarter in which the completion date of each business falls.

As a result, compared with the previous accounting method, net sales were ¥8,682 million, and gross profit, operating income, ordinary income, and profit before income taxes all increased by ¥2,540 million for the nine months ended March 31, 2018.

Impacts on segment information and others are stated in the relevant section.

(Segment Information)

For the nine months ended March 31, 2017 (from July 1, 2016 to March 31, 2017)

1) Net sales and segment profit or loss by reportable segment

(Millions of yen)

	Reportable Segments						Others (Note)	Total
	Domestic Consulting Operations	International Consulting Operations	Power Engineering Operations	Urban & Spatial Development Operations	Real Estate Leasing Operations	Subtotal		
Net sales								
Net sales to external customers	25,385	14,608	14,653	8,608	368	63,625	543	64,168
Intersegment sales or transfers	299	14	171	11	96	594	1	595
Total	25,685	14,623	14,825	8,619	465	64,219	544	64,764
Segment profit (loss)	995	946	2,984	54	303	5,285	(1,250)	4,034

(Note) "Others" refers to a group of operations from which no profits are gained or that produce only incidental gains.

2) Differences between the total amount of profit or loss of reportable segments and the amounts in quarterly consolidated statement of income and comprehensive income, and major breakdown of such differences (reconciliation)

(Millions of yen)

Income	Amount
Reportable segment total	5,285
Profit (loss) of "others" category	(1,250)
Elimination of inter-segment transactions	(1)
Ordinary Income (loss) in the quarterly consolidated statement of income and comprehensive income	4,032

For the nine months ended March 31, 2018 (from July 1, 2017 to March 31, 2018)

1) Net sales and segment profit or loss by reportable segment

(Millions of yen)

	Reportable Segments						Others (Note)	Total
	Domestic Consulting Operations	International Consulting Operations	Power Engineering Operations	Urban & Spatial Development Operations	Real Estate Leasing Operations	Subtotal		
Net sales								
Net sales to external customers	25,892	20,077	10,972	9,761	331	67,034	488	67,522
Intersegment sales or transfers	334	16	179	24	118	672	1	674
Total	26,226	20,094	11,151	9,785	449	67,707	490	68,197
Segment profit (loss)	1,089	1,951	1,377	144	297	4,860	(1,656)	3,203

(Note) "Others" refers to a group of operations from which no profits are gained or that produce only incidental gains.

2) Differences between the total amount of profit or loss of reportable segments and the amounts in quarterly consolidated statement of income and comprehensive income, and major breakdown of such differences (reconciliation)

(Millions of yen)

Income	Amount
Reportable segment total	4,860
Profit (loss) of "others" category	(1,656)
Elimination of inter-segment transactions	13
Ordinary Income (loss) in the quarterly consolidated statement of income and comprehensive income	3,217

3) Information concerning changes to reporting segments, etc.

As stated in Changes in Accounting Policies, the accounting policy for business contracts effective from the current first quarter was changed to the percentage-of-completion method (estimate of degree of completion is mainly based on the cost to cost method). As a result of this change, compared with the previous accounting method, net sales and segment profit increased by ¥2,896 million and ¥907 million for Domestic Consulting Operations, ¥5,039 million and ¥1,402 million for International Consulting Operations, ¥624 million and ¥207 million for Power Engineering Operations, and ¥121 million and ¥23 million for Others, respectively, for the nine months ended March 31, 2018.

(Significant Subsequent Events)

There is no relevant information.

### 3. Other Information

#### (1) Status of Orders and Sales

By period Category/Operations		For the nine months ended March 31, 2017		For the nine months ended March 31, 2018		For the fiscal year ended June 30, 2017	
		Amount (Millions of yen)	Ratio (%)	Amount (Millions of yen)	Ratio (%)	Amount (Millions of yen)	Ratio (%)
Orders received	Domestic Consulting	31,934	39.2	30,390	43.1	48,265	41.1
	International Consulting	31,580	38.8	19,422	27.5	(Note 1) 41,573	35.4
	Power Engineering	10,400	12.8	12,619	17.9	14,087	12.0
	Urban & Spatial Development	7,525	9.2	8,031	11.4	13,460	11.5
	Real Estate Leasing	-	-	-	-	-	-
	Others	24	0.0	41	0.1	55	0.0
	Total	81,466	100.0	70,505	100.0	117,442	100.0
Net sales 1	Domestic Consulting	26,765	41.7	27,266	40.4	45,470	44.9
	International Consulting	15,871	24.7	21,254	31.5	26,384	26.0
	Power Engineering	12,485	19.5	8,892	13.2	14,583	14.4
	Urban & Spatial Development	8,608	13.4	9,752	14.4	14,344	14.1
	Real Estate Leasing	368	0.6	331	0.5	473	0.5
	Others	69	0.1	26	0.0	81	0.1
	Total	64,168	100.0	67,522	100.0	101,338	100.0
Net sales 2	Domestic Consulting	25,385	39.6	25,892	38.3	43,516	42.9
	International Consulting	14,608	22.8	20,077	29.7	24,491	24.2
	Power Engineering	14,653	22.8	10,972	16.2	17,577	17.3
	Urban & Spatial Development	8,608	13.4	9,761	14.6	14,347	14.2
	Real Estate Leasing	368	0.6	331	0.5	473	0.5
	Others	543	0.8	488	0.7	931	0.9
	Total	64,168	100.0	67,522	100.0	101,338	100.0

By period Category/Operations		As of March 31, 2017		As of March 31, 2018		As of June 30, 2017	
		Amount (Millions of yen)	Ratio (%)	Amount (Millions of yen)	Ratio (%)	Amount (Millions of yen)	Ratio (%)
Impact of foreign exchange fluctuations	Domestic Consulting	-		-		-	
	International Consulting	2,110		(1,250)		2,177	
	Power Engineering	-		0		-	
	Urban & Spatial Development	(1,802)		378		(1,678)	
	Real Estate Leasing	-		-		-	
	Others	-		-		-	
	Total	308		(871)		498	
Outstanding Orders	Domestic Consulting	33,708	26.5	34,457	26.8	31,333	24.8
	International Consulting	71,821	56.6	68,285	53.1	71,368	56.6
	Power Engineering	8,118	6.4	13,433	10.5	9,707	7.7
	Urban & Spatial Development	13,366	10.5	12,346	9.6	13,688	10.9
	Real Estate Leasing	-	-	-	-	-	-
	Others	4	0.0	39	0.0	24	0.0
	Total	127,019	100.0	128,563	100.0	126,122	100.0

(Notes) 1. System Science Consultants Inc. became a consolidated subsidiary during the previous fiscal year, and orders received at the time of its consolidation are included. System Science Consultants Inc. merged with Koei Research Institute International Corp. (consolidated subsidiary) as of July 1, 2017, and the company name changed to Koei Research & Consulting Inc.

2. The above amounts are exclusive of consumption taxes.

3. The above amounts are for external customers.

4. Net sales 1 is by segment which received orders. Net sales 2 is by segment which provided services.