

Summary of Financial Results for the Financial Year Ended 30 June 2014
[Japanese Accounting Standards] (Consolidated)

August 11, 2014

Listed Company Name	Nippon Koei Co., Ltd.	Listed Exchange	Tokyo Stock Exchange
Code Number	1954	URL	http://www.n-koei.co.jp
Representative	(Title) Representative Director and President	(Name)	Noriaki Hirose
Contact	(Title) General Manager of Finance & Accounting Dept.	(Name)	Naoki Honjo (TEL) 03-3238-8040
Scheduled Date for Ordinary		Scheduled Date of Commencement	
General Meeting of Shareholders:	September 25, 2014	of Dividend Payment:	September 5, 2014
Scheduled Date for Submission of			
Securities Report:	September 26, 2014		
Supplemental Document for Financial Results	: No		
Financial Results Briefing	: Yes		

(Figures less than 1 million yen rounded down)

1. Consolidated Financial Result for the fiscal year ended on June 30 (July 1, 2013 – June 30, 2014)

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

	Net sales		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
June 2014	79,193	—	4,256	—	4,542	—	2,998	—
June 2013	6,896	—	(3,214)	—	(3,156)	—	(1,914)	—

Note: Comprehensive income
 June 2014 4,199 million yen (—%) June 2013 (1,743) million yen (—%)

	Net income per share	Diluted net income per share	Return on equity	Ratio of ordinary income to total asset	Ratio of net sales operating income to net sales
	yen	yen	%	%	%
June 2014	39.61	—	6.6	6.2	5.4
June 2013	(25.35)	—	(4.3)	(4.0)	(46.6)

(Reference) Share of profit/loss of entities accounted for using equity method
 June 2014 — million yen June 2013 — million yen

Note: The change in the fiscal period end date resulted in the June 2013 period being three months from April 1, 2013 to June 30, 2013. Therefore, the percent change from the previous period has been omitted. In addition, the net income per share and return on equity in the June 2013 period are profit/loss figures for the 3 months.

(2) Consolidated Financial Situation

	Total assets	Net assets	Capital-to-asset ratio	Net assets per share
	million yen	million yen	%	yen
June 2014	76,144	47,835	62.4	626.53
June 2013	71,450	43,671	60.8	574.42

(Reference) Equity capital
 June 2014 47,530 million yen June 2013 43,409 million yen

(3) Consolidated Cash Flows

	Net cash provided by operating activities	Net cash used in investment activities	Net cash used in financing activities	Cash and cash equivalents at end of period
	million yen	million yen	million yen	million yen
June 2014	1,340	(4,559)	62	8,465
June 2013	14,356	(771)	(8,539)	11,613

2. Status of Dividends

	Annual dividend					Amount of dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net asset (Consolidated)
	End of 1 st Quarter	End of 2 nd Quarter	End of 3 rd Quarter	End of Period	Total			
	yen	yen	yen	yen	yen	million yen	%	%
June 2014	—	—	—	2.00	2.00	151	—	0.3
June 2013	—	—	—	7.50	7.50	568	18.9	1.2
June 2015 (Forecast)	—	—	—	7.50	7.50		25.9	

Note: The change in the fiscal period end date resulted in the June 2013 period being three months from April 1, 2013 to June 30, 2013. In addition, the above dividend amounts do not include the dividends for the Employee Stock Ownership Plan (ESOP) trust. The reason for this is that the shares in this company owned by the ESOP trust are shown as treasury shares in the consolidated financial statements and non-consolidated financial statements.

3. Consolidated Performance Forecast for Period June 2015 (July 1, 2014 – June 30, 2015)

(% indicates percent change from previous period for “Full Year” and changes from same quarter in previous year for “2nd Quarter”)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
2 nd Quarter (Total)	—	—	—	—	—	—	—	—	—
Full Year	81,000	2.3	4,000	(6.0)	4,200	(7.5)	2,200	(26.6)	29.00

Government agencies and electric power companies represent main customers for our company, and since net sales tend to be concentrated in the latter half of the fiscal year, the 2nd quarter total performance forecast is not disclosed.

* Notes

(1) Changes of important subsidiaries during the period (Changes of specific subsidiaries in accordance with : None scope of consolidation)

New — (Company name), Excluded — (Company name)

(2) Change in accounting policies, change in accounting estimates and restatement

- i) Changes in accounting policies due to revision of accounting standards : None
- ii) Changes in accounting policies other than (i) : None
- iii) Changes in accounting estimates : None
- iv) Restatement : None

(3) Number of outstanding shares (common shares)

- i) Number of outstanding shares at end of period (Including treasury shares)
- ii) Number of treasury shares at end of period
- iii) Average number of shares during period

June 2014	86,656,510 shares	June 2013	86,656,510 shares
June 2014	10,793,274 shares	June 2013	11,085,421 shares
June 2014	75,693,610 shares	June 2013	75,517,610 shares

Reference: Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for Fiscal Year 2014 Ended on June 30 (July 1, 2013 – June 30, 2014)

(1) Non-consolidated Financial Results

(% indicates changes from previous period)

	Net sales		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
June 2014	59,307	—	3,097	—	3,997	—	2,198	—
June 2013	5,325	—	(2,333)	—	(2,141)	—	(1,233)	—

	Net income per share	Diluted net income per share
	yen	yen
June 2014	29.05	—
June 2013	(16.33)	—

Note: The change in the fiscal period end date resulted in the June 2013 period being three months from April 1, 2013 to June 30, 2013. Therefore, the percent change from the previous period has been omitted. In addition, the net income per share and return on equity in the June 2013 period are (profit) loss figures for the 3 months.

(2) Non-consolidated Financial Situation

	Total assets	Net assets	Capital-to-asset ratio	Net assets per share
	million yen	million yen	%	yen
June 2014	68,439	43,536	63.6	573.88
June 2013	66,339	40,933	61.7	541.65

(Reference) Shareholders' equity June 2014 43,536 million yen June 2013 40,933 million yen

2. June 2015 Period Individual Performance Forecast (July 1, 2014 – June 30, 2015)

(% indicates changes from previous period for “Full Year” and increase/decrease from same quarter in previous year for “2nd Quarter”)

	Net sales		Ordinary income		Net income		Net income per share
	million yen	%	million yen	%	million yen	%	yen
2 nd Quarter (Total)	—	—	—	—	—	—	—
Full Year	60,000	1.2	3,100	(22.5)	1,700	(22.7)	22.41

Government agencies and electric power companies represent main customers for our company, and since net sales tend to be concentrated in the latter half of the fiscal year, the 2nd quarter total performance forecast is not disclosed.

* Statement Concerning Implementation Status of Auditing Procedures

This Summary of Financial Results is exempt from the auditing procedures in accordance with the Financial Instruments and Exchange Act, and at the time of disclosure of this Summary of Financial Results, auditing procedures of financial statements in accordance with the Financial Instruments and Exchange Act have not been completed.

* Explanation and Other Special Notes Concerning Appropriate Usage of Business Performance Forecast

Business performance forecast given in this document is based on information that is currently available to the company and certain assumptions judged as being rational. Actual performance, etc. may change considerably due to various factors. Refer to “Analysis Concerning Business Performance” on page 2 in Appendices for the conditions of the assumptions for the performance forecasts and usage of performance forecasts.

○ Appendices

1. Analysis Concerning Business Performance and Financial Situation	5
(1) Analysis Concerning Business Performance	5
(2) Analysis Concerning Financial Situation	6
2. Management Policy	7
(1) Basic Policy for Corporate Management.....	7
(2) Target Management Indicators.....	7
(3) Medium to Long-Term Corporate Management Strategy	7
(4) Issues to be Tackled by Company	7
3. Consolidated Financial Statements	8
(1) Consolidated Balance Sheets.....	8
(2) Consolidated statements of comprehensive income.....	10
(3) Consolidated statements of changes in net assets.....	11
(4) Consolidated Statements of Cash Flows	13
(5) Notes Concerning Consolidated Financial Statements.....	16
(Notes concerning premises of going concern)	16
(Segment Information etc.)	16
(Information per Share)	23
(Important Subsequent Events)	23
4. Other.....	24
(1) Status of Production, Orders Received and Sales.....	24
(2) Transfer of Officers.....	25

1. Analysis Concerning Business Performance and Financial Situation

(1) Analysis Concerning Business Performance

i) Business Performance during Current Period

A resolution passed at the 68th Ordinary General Meeting of Shareholders on June 27, 2013 changed the last day of the fiscal year from March 31 to June 30. This resulted in the previous fiscal year being an irregular one of 3 months from April 1, 2013 to June 30, 2013. Therefore, the explanation of performance concerning the percent change from the previous period has been omitted.

Public investment in the Japanese economy increased during this consolidated fiscal year (July 1, 2013 to June 30, 2014), and there was an improvement in production activity by corporations due to robust growth in domestic demand centered around consumer spending, creating an upward momentum in the economic environment.

The business climate for the Nippon Koei Group resulted in favorable growth in the domestic consulting business sector. This was due to an increase in the demand for large-scale management work, national disaster prevention and mitigation related work, and maintenance work for aging social infrastructure under PPP (Public Private Partnerships), CM (Construction Management) and other such formats, while there was a decrease in traditional disaster reconstruction work in the Tohoku region. In the international consulting business sector, there was a trend towards increased demand for infrastructure development projects in various developing countries in Asia, Latin America, resulting in robust growth. The difficult conditions in the electrical power business sector continued due to the impact of a reduction in new capital spending by electric power companies which consist of the main customers of the company, resulting from a reexamination of energy policy in the country.

Under these circumstances, our group is implementing “development of overseas business offices and introduction of multidomestic operation”, “strengthening of existing business fields and expanding business areas” and “development of new business models and participation in project operation” in accordance with the medium-term management plan (From April 2012 to June 2015) which has a basic policy of “strengthening global expansion” and “development and formulation of new business sectors”. The group has also begun execution of new measures and response. In addition, a certain level of results have been achieved based on the concept of “Ensuring a good work-life balance”.

This resulted in the following performance figures during this period: Consolidated amount of orders received of 92.485 billion yen and a net sales volume of 79.193 billion yen.

In terms of earnings, while the increases in net sales volume in the domestic consulting business sector dramatically improved the situation, the increase in the cost-price ratio in the international consulting business sector combined with the higher general management expenses, as well as the difficult environment for the receiving of orders during the first half of this period and intensifying cost competition in the electrical power business sector resulted in ordinary income of 4.542 billion yen. On the other hand, net profit during this period was 2.998 billion yen due to a negative adjustment for corporate income tax as a result of deferred tax accounting for subsidiaries.

The amount of orders received and net sales volume for each segment by Nippon Koei group are outlined below.

[Domestic Construction Consulting Business]

As stated above, the favorable environment for the receiving of orders resulted in the steady receipt of orders for reconstruction work and implementation of work related to the Great East Japan Earthquake, as well as an increase in orders received for disaster prevention and mitigation related work such as tsunami and seismic countermeasures. In addition, orders received for administrative support type of work centered around disaster reconstruction, and for work to extend the life of public facilities and maintain their functions have increased. This resulted in the orders received amounting to 46.617 billion yen and a net sales volume of 41.817 billion yen. Ordinary income amounted to 2.525 billion yen.

[Overseas Construction Consulting Business]

Demand for infrastructure development in various developing countries is strong, including Myanmar and other countries in Southeast Asia, India, Latin America, the Middle East and various countries in Africa, and we continued to promote global expansion. Contracts were concluded for large-scale railroad projects in Bangladesh and India, helping to boost orders received to 30.023 billion yen and a net sales volume of 20.947 billion yen. Ordinary income amounted to 493 million yen.

[Electrical Power Business]

As mentioned above, the environment for receiving orders from electric power companies which are our main

customers in this sector is very harsh. However, efforts were made to strengthen sales, resulting in orders from new domestic customers for renovation work at aging hydroelectric power stations, complete updating work at hydroelectric power stations using the Feed-in Tariff scheme and other such work, and our focus on the small-scale hydroelectric power business in Japan and abroad was strengthened, resulting in the orders received amounting to 15.831 billion yen. Nevertheless, since the recovery in orders received was in the latter part of the period, net sales amounted to 14.169 billion yen. Ordinary income amounted to 1.256 billion yen.

[Real Estate Leasing Business]

Net sales by the Real Estate Leasing Business amounted to 1.125 billion yen. Ordinary income amounted to 846 million yen.

ii) Future Outlook

In the domestic consulting business sector, while we have started to go over the peak related to demand for disaster reconstruction, the implementation of National Resilience Policy Principles and decision to hold the Tokyo Olympic is expected to result in an increase in projects for our company. In the international consulting business sector, the urbanization of developing countries is expected to result in a continuing increase in demand for wide-area transportation networks, urban environment development and other such infrastructure development. In the electrical power business sector, it is expected that the environment for receiving orders from electric power companies will continue to remain generally harsh, but a certain level of demand is expected for maintenance and renovation of electric power generation facilities.

Based on these circumstances, the forecast for consolidated performance in the next period (June 2015) is as follows: Consolidated net sales of 81.0 billion yen, operating income of 4.0 billion yen, ordinary income of 4.2 billion yen and net income of 2.2 billion yen.

(2) Analysis Concerning Financial Situation

Cash and cash equivalents at the end of this period amounted to 8.465 billion yen, representing a decrease of 3.148 billion yen compared to the end of the previous period.

Net cash provided by operating activities amounted to 1.340 billion yen in income (income in the previous period was 14.356 billion yen). The reason for this is that while there was an increase of 4.562 billion yen in income before income taxes to 7.718 billion yen compared to the end of the previous consolidated fiscal year, there was an increase of 5.177 billion yen in accounts receivable.

Net cash used in investment activities amounted to 4.559 billion yen in payments (payments in previous period amounted to 771 million yen). These payments were mainly made for acquisition of tangible fixed assets (property, plants and equipment).

Net cash used in financial activities amounted to 62 million yen in income (net cash used in previous period amounted to 8.539 billion yen in payments). This income was mainly proceeds from long-term loans.

Furthermore, the trends in cash flow indicators for the company are shown in the table below.

(Reference) Transition in Cash Flow Related Indicators

	March 2011	March 2012	March 2013	June 2013	June 2014
Capital-to-Asset Ratio	58.1	54.5	55.0	60.8	62.4
Current Price-Based Capital-Asset Ratio	32.0	27.4	34.5	39.2	50.0
Cash Flow-to-Interest Bearing Debt Ratio	1.6	-	3.1	0.2	1.8
Interest Coverage Ratio	52.3	-	73.7	1,519.0	29.3

2. Management Policy

(1) Basic Policy for Corporate Management

The management philosophy for our group consists of “To act with sincerity and contribute to society through technology”, and we attempt to achieve this with the slogan of “Challenging mind, Changing dynamics”.

When the business environment for our group is viewed based on this management philosophy and slogan, while it can be expected that the domestic market environment will be favorable in the short term, from a medium to long-term perspective, since it is expected that there will be increased demand for infrastructure development overseas due to the growth of the various countries in Asia and other emerging nations, we will continue to promote further globalization.

Accordingly, our group will expand its overseas locations by gaining a foothold in the infrastructure development market in emerging nations that continues to expand while maintaining our solid technological base in Japan (construction consulting and engineering business), and strive to achieve sustainable growth by pioneering and forming new business sectors.

(2) Target Management Indicators

Based on the medium-term management plan formulated for our group in March 2012 (from April 2012 until June 2015), the performance indicators for the next period (June 2015) which is the last fiscal year in the plan are as follows: Consolidated net sales of 75.0 billion yen, operating income and ordinary income of 4.0 billion yen (5.3% of consolidated net sales).

Regarding the level of achievement, during this period which is in effect the second year of the medium-term management plan (fiscal year ending June 2014), consolidated net sales amounted to 79.193 billion yen, operating income amounted to 4.256 billion yen (5.4% of consolidated net sales), and ordinary income amounted to 4.542 billion yen (5.7% of consolidated net sales), illustrating that all performance targets have been achieved.

(3) Medium to Long-Term Corporate Management Strategy

Our group is striving to tackle the following priority issues based on the medium-term management plan (from April 2012 until June 2015).

- 1) Development of overseas business offices and introduction multidomestic operation
- 2) Strengthening of existing business fields and expanding business areas
- 3) Development of new business models and participation in project operation
- 4) Ensuring a good work-life balance

(4) Issues to be Tackled by Company

In consideration of the medium-term management plan, the following priority issues will be tackled in the next period which is the final year of this plan (from June 2014 to June 2015).

- 1) Regarding “Development of overseas business offices and introduction multidomestic operation”, four regional sales offices will be placed in (i) Asian Region, (ii) Middle East and North Africa Region, (iii) Latin America Region and (iv) Sub-Saharan Region, with Tokyo at the center, and business will be promoted based on a region-based sales and production system. In addition to support from Tokyo which is the central unit on technical, quality and safety issues, efforts will be made to strengthen governance, ensure thorough risk management, secure global personnel and strengthen management, and we will promote the expansion of business by actively working to secure funds for projects by means other than ODA from Japan.
- 2) Regarding “Strengthening of existing business fields and expanding business areas”, in order to respond to drastic changes in markets in existing business fields, we will clarify the business areas that should be expanded for each type of business field, develop technology and secure, educate and strengthen personnel in order to steadily expand business. Specifically, in the domestic construction consulting business sector, we will make efforts to increase disaster prevention and mitigation work, and maintenance work in order to extend the life of social infrastructure. In the international construction consulting business sector, efforts will be made to increase railroad and urban development related work in emerging nations. In the electrical power business sector, we will strive to expand sales in the mechanical and electrical consulting field and work to update aging facilities.
- 3) Regarding “Development of new business models and participation in project operation”, the Business Promotion Headquarters will serve a central role to promote new business development by providing one-stop service by the Nippon Koei group, to focus our new business models on “energy segment” with the hydroelectric power business at the core. In addition, we will “Develop a new technical service model where assets are owned” under which overseas infrastructure funds are provided with assets and advisory services are provided to funds.
- 4) Regarding “Ensuring a good work-life balance”, policies established in the past will be continued with the “Work-Life Balance Promotion Committee” serving a central role, and we will tackle new issues. In addition, for each respective segment, we will further strengthen changing awareness and reorganize work processes mainly by managerial staff as well as the formulation of a working environment that match the environment, aiming for the realization of good balance of work and life.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Unit: million yen)

	Previous fiscal year (As of June 30, 2013)	Current fiscal year (As of June 30, 2014)
Assets		
Current assets		
Cash and deposits	11,757	8,967
Notes and accounts receivable	8,594	13,790
Securities	4	-
Merchandise and finished goods	41	0
Work in process	11,805	9,799
Raw materials and supplies	169	311
Deferred tax assets	2,545	1,448
Other	1,748	2,458
Allowance for doubtful accounts	(180)	(27)
Current assets total	36,486	36,749
Fixed assets		
Property, plant and equipment		
Buildings and structures	20,393	21,199
Accumulated depreciation	(12,172)	(12,698)
Buildings and structures, net	8,220	8,501
Machinery, equipment and vehicles	2,607	2,485
Accumulated depreciation	(2,060)	(2,092)
Machinery, equipment and vehicles, net	547	393
Equipment	2,695	2,675
Accumulated depreciation	(2,373)	(2,365)
Equipment, net	321	310
Land	13,956	17,247
Leased assets	226	265
Accumulated depreciation	(155)	(137)
Leased assets, net	71	127
Construction in progress	12	8
Property, plant and equipment total	23,128	26,588
Intangible fixed assets		
Leasehold right	78	78
Software	420	393
Goodwill	541	232
Other	85	81
Intangible fixed assets total	1,125	787
Investments and other assets		
Investment securities	8,584	9,210
Long-term loans	498	567
Claims provable in bankruptcy, claims provable in rehabilitation and other	122	122
Deferred tax assets	752	1,404
Other	929	1,056
Allowance for doubtful accounts	(177)	(341)
Investments and other assets total	10,709	12,019
Fixed assets total	34,963	39,394
Assets total	71,450	76,144

(Unit: million yen)

	Previous fiscal year (As of June 30, 2013)	Current fiscal year (As of June 30, 2014)
Liabilities		
Current liabilities		
Notes and accounts payable – trade	2,512	3,361
Short-term loans payable	10	100
Current portion of long-term loans payable	179	130
Lease obligations	31	50
Accounts payable – other	1,486	1,782
Accrued expenses	3,134	1,600
Accrued income taxes	162	842
Accrued consumption tax	-	1,708
Advance received	9,317	7,586
Deposits received	852	1,438
Reserve for bonuses	895	983
Reserve for directors' bonuses	-	78
Reserve for loss on construction contracts	104	205
Reserve for disaster losses	2	-
Provision for business structure improvement	14	-
Other	674	658
Current liabilities total	19,376	20,528
Long-term liabilities		
Long-term loans payable	1,520	1,690
Lease obligations	40	78
Deferred tax liabilities	689	1,019
Reserve for directors' retirement benefits	59	59
Reserve for environmental measures	34	34
Net defined benefit liability	4,305	3,245
Asset retirement obligation	54	54
Long-term guarantee deposited	1,698	1,598
Long-term liabilities total	8,403	7,780
Liabilities total	27,779	28,309
Net assets		
Owners' equity		
Capital stock	7,393	7,393
Capital surplus	6,209	6,209
Retained earnings	33,523	36,366
Treasury stock	(3,434)	(3,344)
Owners' equity total	43,690	46,624
Total accumulated other comprehensive income		
Valuation difference on available-for-sale securities	890	1,364
Deferred gains or losses on hedges	(186)	(176)
Translation adjustment	(22)	(13)
Remeasurements of defined benefit plans	(963)	(269)
Total accumulated other comprehensive income total	(281)	905
Minority interests	261	304
Net assets total	43,671	47,835
Liabilities and net assets total	71,450	76,144

(2) Consolidated statements of comprehensive income

(Unit: million yen)

	Previous fiscal year (From April 1 to June 30, 2013)	Current fiscal year (From July 1, 2013 to June 30, 2014)
Net sales	6,896	79,193
Cost of sales	6,138	59,253
Gross profit	758	19,939
Selling, general and administrative expenses	3,973	15,683
Operating income (loss)	(3,214)	4,256
Non-operating income		
Interest income	10	51
Dividends income	78	290
Other	47	158
Non-operating income total	136	499
Non-operating expenses		
Interest expenses	10	44
Foreign exchange losses	58	130
Commission fee	3	14
Other	6	23
Non-operating expenses total	78	213
Ordinary income (loss)	(3,156)	4,542
Extraordinary income		
State subsidy	-	147
Extraordinary income total	-	147
Extraordinary loss		
Loss on reduction of fixed asset	-	128
Extraordinary loss total	-	128
Income (Loss) before income taxes	(3,156)	4,562
Income taxes – current	129	1,340
Income taxes for prior periods	(229)	(0)
Income taxes – deferred	(1,119)	190
Income taxes total	(1,219)	1,530
Income (Loss) before minority interests	(1,937)	3,032
Minority interests in income (loss)	(22)	33
Net income (loss)	(1,914)	2,998
Minority interests in income (loss)	(22)	33
Income (Loss) before minority interests	(1,937)	3,032
Other comprehensive income		
Valuation difference on available-for-sale securities	275	476
Deferred gains or losses on hedges	(54)	10
Translation adjustment	(28)	8
Remeasurements of defined benefit plans, net of tax	-	693
Other comprehensive income total	193	1,189
Comprehensive income	(1,743)	4,221
Comprehensive income attributable to:		
Comprehensive income attributable to shareholders of the parent	(1,718)	4,185
Comprehensive income attributable to minority interests	(25)	36

(3) Consolidated statements of changes in net assets

Previous fiscal year (From April 1 to June 30, 2013)

(Unit: million yen)

	Owners' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Owners' equity total
Balance at the beginning of current period	7,393	6,209	36,018	(3,468)	46,152
Changes of items during the period					
Dividends from surplus			(580)		(580)
Net loss of current period			(1,914)		(1,914)
Purchase of treasury stock				(2)	(2)
Disposal of treasury stock				36	36
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	—	(2,494)	33	(2,461)
Balance at the end of current period	7,393	6,209	33,523	(3,434)	43,690

	Total accumulated other comprehensive income					Minority interests	Net assets total
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income total		
Balance at the beginning of current period	614	(132)	3	—	486	290	46,928
Changes of items during the period							
Dividends from surplus							(580)
Net loss of current period							(1,914)
Purchase of treasury stock							(2)
Disposal of treasury stock							36
Net changes of items other than shareholders' equity	275	(54)	(25)	(963)	(767)	(29)	(796)
Total changes of items during the period	275	(54)	(25)	(963)	(767)	(29)	(3,257)
Balance at the end of current period	890	(186)	(22)	(963)	(281)	261	43,671

Current fiscal year (From July 1, 2013 to June 30, 2014)

(Unit: million yen)

	Owners' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Owners' equity total
Balance at the beginning of current period	7,393	6,209	33,523	(3,434)	43,690
Changes of items during the period					
Dividends from surplus			(154)		(154)
Net income of current period			2,998		2,998
Purchase of treasury stock				(53)	(53)
Disposal of treasury stock				144	144
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	—	2,843	90	2,933
Balance at the end of current period	7,393	6,209	36,366	(3,344)	46,624

	Total accumulated other comprehensive income					Minority interests	Net assets total
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income total		
Balance at the beginning of current period	890	(186)	(22)	(963)	(281)	261	43,671
Changes of items during the period							
Dividends from surplus							(154)
Net income of current period							2,998
Purchase of treasury stock							(53)
Disposal of treasury stock							144
Net changes of items other than shareholders' equity	474	10	8	693	1,186	43	1,230
Total changes of items during the period	474	10	8	693	1,186	43	4,164
Balance at the end of current period	1,364	(176)	(13)	(269)	905	304	47,835

(4) Consolidated Statements of Cash Flows

(Unit: million yen)

	Previous fiscal year (From April 1 to June 30, 2013)	Current fiscal year (From July 1, 2013 to June 30, 2014)
Net cash provided by operating activities		
Income (loss) before income taxes of current period	(3,156)	4,562
Depreciation	220	997
Amortization of goodwill	77	316
Loss (gain) on sales of investment securities	(15)	(10)
Loss (gain) on sales of fixed assets	(2)	(2)
State subsidy	-	(147)
Loss on reduction of fixed asset	-	128
Increase (decrease) in allowance for doubtful accounts	139	10
Increase (decrease) in reserve for bonuses	(784)	92
Increase (decrease) in reserve for loss on construction contracts	43	100
Increase (decrease) in net defined benefit liability	(18)	(38)
Increase (decrease) in provision for business structure improvement	2	(14)
Interest and dividends income	(88)	(341)
Interest expenses	10	44
Foreign exchange losses (gains)	(17)	(12)
Decrease (increase) in notes and accounts receivable – trade	24,658	(5,177)
Decrease (increase) in inventories	(4,550)	1,907
Decrease (increase) in other assets	(103)	(651)
Increase (decrease) in notes and accounts payable – trade	(4,545)	835
Increase (decrease) in advances received	3,138	(1,739)
Increase (decrease) in accrued consumption taxes	-	1,717
Increase (decrease) in other liabilities	933	(519)
Subtotal	15,938	2,056
Interest and dividends income received	36	366
Interest expenses paid	(9)	(45)
Income taxes paid	(1,608)	(1,037)
Net cash provided by operating activities	14,356	1,340

(Unit: million yen)

	Previous fiscal year (From April 1 to June 30, 2013)	Current fiscal year (From July 1, 2013 to June 30, 2014)
Net cash used in investment activities		
Net decrease (increase) in time deposits	(8)	(290)
Proceeds from state subsidy	-	147
Purchase of property, plant and equipment	(228)	(4,327)
Proceeds from sales of property, plant and equipment	3	3
Purchase of intangible fixed assets	(53)	(149)
Purchase of investment securities	(117)	(949)
Proceeds from sales and redemption of investment securities	200	1,060
Payments of loans receivable	(574)	(165)
Collection of loans receivable	-	108
Other	7	3
Net cash used in investment activities	(771)	(4,559)
Net cash used in financing activities		
Increase (decrease) in short-term loans payable	(8,990)	90
Proceeds from long-term loans payable	1,000	300
Repayment of long-term loans payable	(29)	(179)
Repayments of lease obligations	(10)	(43)
Proceeds from sales of treasury stock	36	144
Purchase of treasury stock	(2)	(53)
Cash dividends paid	(539)	(193)
Cash dividends paid to minority shareholders	(3)	0
Net cash used in financing activities	(8,539)	62
Effect of exchange rate change on cash and cash equivalents	(11)	8
Increase (decrease) in cash and cash equivalents	5,035	(3,148)
Cash and cash equivalents at beginning of year	6,578	11,613
Cash and cash equivalents at end of year	11,613	8,465

(5) Notes Concerning Consolidated Financial Statements

(Notes concerning premises of going concern)

There are no applicable items.

(Segment Information etc.)

[Segment Information]

1 Overview of Reportable Segment

The reportable segments of the company are those units for which separate financial statements can be obtained among the constituent units of the company and which are periodically examined by the Board of Directors in order to determine the distribution of management resources and evaluate performance.

A separate Operations sector is created at the company for each product and service. The respective Operations sector formulates comprehensive strategy for the products and services that the sector manages, and implements business activities.

Accordingly, the company is comprised of the different product and service segments based on the Operations. The following four business sectors are reportable segments of the company: “Domestic Construction Consulting Business”, “Overseas Construction Consulting Business”, “Electrical Power Business” and “Real Estate Leasing Business”.

The “Domestic Construction Consulting Business” sector performs survey, planning, design, supervision and other such work related to social infrastructure development in Japan.

The “Overseas Construction Consulting Business” sector performs survey, planning, design, supervision and other such work related to social infrastructure development outside of Japan.

The “Electrical Power Business” sector provides business including manufacture and sales of water turbine generators, system control devices, transformers and other such equipment, construction of transformer, power transmission and other such systems, as well as electromechanical consulting services.

The “Real Estate Leasing Business” sector is involved in leasing of real-estate in Japan.

2 Method for Calculating Net Sales, Profit or Loss, Assets and Other Items in Each Reportable Segment

The accounting methods for each business segment for which reporting is performed are almost the same as “Basic Important Matters for the Preparation of Consolidated Financial Statements”.

The intersegment sales and transfer are based on third party transaction prices.

3 Information Concerning Net Sales, Profit (Income) or Loss, Assets and Other Items in Each Reporting Segment

Previous fiscal year (From April 1 to June 30, 2013)

(Unit: million yen)

	Reportable Segment					Other (See Note)	Total	Adjustment	Consolidated Financial Statement Amount
	Domestic Construction Consulting Business	Overseas Construction Consulting Business	Electrical Power Business	Real Estate Leasing Business	Total				
Net sales									
Net sales to external customers	1,353	2,864	2,352	282	6,853	43	6,896	—	6,896
Intersegment sales and transfer	67	—	43	31	142	0	143	(143)	—
Total	1,421	2,864	2,396	314	6,996	43	7,039	(143)	6,896
Segment profit or (loss)	(2,450)	(748)	(103)	209	(3,091)	(73)	(3,165)	8	(3,156)
Segment assets	17,505	14,199	8,014	9,803	49,522	31,590	81,113	(9,662)	71,450
Other items									
Depreciation	37	12	67	37	154	65	220	—	220
Amortization of goodwill	77	—	—	—	77	—	77	—	77
Interest income	14	4	2	3	26	31	58	(47)	10
Interest expenses	7	22	7	4	42	15	58	(47)	10
Increase in tangible fixed assets and intangible fixed assets	53	14	22	12	103	14	118	—	118

Note: The “Other” class is comprised of units for which a profit is not earned or units for which a profit is earned incidentally.

Current fiscal year (From July 1, 2013 to June 30, 2014)

(Unit: million yen)

	Reportable Segment					Other (See Note)	Total	Adjustment	Consolidated Financial Statement Amount
	Domestic Construction Consulting Business	Overseas Construction Consulting Business	Electrical Power Business	Real Estate Leasing Business	Total				
Net sales									
Net sales to external customers	41,817	20,947	14,169	1,125	78,059	1,133	79,193	—	79,193
Intersegment sales and transfer	453	—	210	124	788	7	795	(795)	—
Total	42,271	20,947	14,379	1,250	78,848	1,140	79,988	(795)	79,193
Segment profit or (loss)	2,525	493	1,256	846	5,121	(574)	4,547	(4)	4,542
Segment assets	19,344	17,832	7,839	7,690	52,706	34,094	86,801	(10,656)	76,144
Other items									
Depreciation	169	58	232	145	605	392	997	—	997
Amortization of goodwill	308	7	—	—	316	—	316	—	316
Interest income	37	19	4	9	70	197	267	(216)	51
Interest expenses	40	99	42	14	196	65	261	(216)	44
Increase in tangible fixed assets and intangible fixed assets	140	81	179	1	403	4,126	4,529	—	4,529

Note: The "Other" class is comprised of units for which a profit is not earned or units for which a profit is earned incidentally.

4 Difference Between Reportable Segment Total and Consolidated Financial Statement Amounts and Main Factors in the Difference (Related to difference adjustment)

(Unit: million yen)

Net sales	Previous fiscal year	Current fiscal year
Reportable segment total	6,996	78,848
Net sales for “Other” class	43	1,140
Elimination of intersegment transaction	(143)	(795)
Net sales in consolidated financial statements	6,896	79,193

(Unit: million yen)

Earnings	Previous fiscal year	Current fiscal year
Reportable segment total	(3,091)	5,121
Loss in “Other” class (See Note)	(73)	(574)
Elimination of intersegment transaction etc.	8	(4)
Ordinary income in consolidated financial statements	(3,156)	4,542

Note: General administration and other such costs for the entire company that do not belong to the reportable segment are included the loss in “Other” class.

(Unit: million yen)

Assets	Previous fiscal year	Current fiscal year
Reportable segment total	49,522	52,706
Assets of “Other” class (see Note)	31,590	34,094
Elimination of intersegment transaction	(9,662)	(10,656)
Asset total in consolidated financial statements	71,450	76,144

Note: Assets in the “Other” class include land, buildings, investments in securities and other assets of the entire company that do not belong to the reportable segment.

(Unit: million yen)

Other item	Reportable segment total		Other		Adjustment		Amount in consolidated financial statements	
	Previous fiscal year	Current fiscal year	Previous fiscal year	Current fiscal year	Previous fiscal year	Current fiscal year	Previous fiscal year	Current fiscal year
Depreciation	154	605	65	392	—	—	220	997
Amortization of goodwill	77	316	—	—	—	—	77	316
Interest income (Note)	26	70	31	197	(47)	(216)	10	51
Interest expenses (Note)	42	196	15	65	(47)	(216)	10	44
Increase in tangible fixed assets and intangible fixed assets	103	403	14	4,126	—	—	118	4,529

Note: The adjustments for “Interest income” and “Interest expenses” mainly consist of elimination of internal interest for

managerial accounting.

[Related Information]

Previous fiscal year (From April 1 to June 30, 2013)

1 Information for Each Product and Service

This is omitted since the same information has been disclosed in the segment information.

2 Information for Each Region

(1) Net sales

(Unit: million yen)

Japan	Asia	Middle East	Africa	Latin America	Other	Total
3,889	1,691	181	474	536	123	6,896

Note 1: Net sales are classified based on the region where service is provided.

Note 2: The methods for classifying countries or regions and main countries or region which belong to each region

(1) Country or region classification method	Geographic proximity
(2) Main countries or regions in classes other than Japan	Asia: Vietnam, Indonesia, India Middle East: Iraq, Qatar, Palestine Africa: Kenya, Zambia, Morocco Latin America: Peru, Panama, Brazil Other: Papua New Guinea, Ukraine, Kyrgyz

(2) Tangible fixed assets

Since the amount of tangible fixed assets located in Japan exceeds 90% of tangible fixed assets in the consolidated financial statements, disclosure has been omitted.

3 Information for Each Main Customer

(Unit: million yen)

Customer Name	Net sales	Related Segment Name
Tokyo Electric Power Company, Incorporated	873	Electrical Power Business
Japan International Cooperation Agency	507	Overseas Construction Consulting Business
Government of Vietnam	386	Overseas Construction Consulting Business

Current fiscal year (From July 1, 2013 to June 30, 2014)

1 Information for Each Product and Service

This is omitted since the same information has been disclosed in the segment information.

2 Information for Each Region

(1) Net sales

(Unit: million yen)

Japan	Asia	Middle East	Africa	Latin America	Other	Total
56,265	13,215	1,316	4,461	3,551	382	79,193

Note 1: Net sales are classified based on the region where service is provided.

Note 2: The methods for classifying countries or regions and main countries or region which belong to each region

(1) Country or region classification method	Geographic proximity
(2) Main countries or regions in classes other than Japan	Asia: Vietnam, Indonesia, India Middle East: Iraq, Palestine, Turkey Africa: Egypt, Kenya, Rwanda Latin America: Peru, Panama, Colombia Other: Papua New Guinea, Bosnia and Herzegovina, Kyrgyz

(2) Tangible fixed assets

Since the amount of tangible fixed assets located in Japan exceeds 90% of tangible fixed assets in the consolidated financial statements, disclosure has been omitted

3 Information for Each Main Customer

(Unit: million yen)

Customer Name	Net sales	Related Segment Name
Ministry of Land, Infrastructure, Transport and Tourism	16,631	Domestic Construction Consulting Business
Japan International Cooperation Agency	9,004	Overseas Construction Consulting Business
Tokyo Electric Power Company, Incorporated	6,028	Electrical Power Business

Information Concerning Impairment Loss for Fixed Assets in Each Reporting Segment

Previous fiscal year (From April 1 to June 30, 2013)

There are no applicable items.

Current fiscal year (From July 1, 2013 to June 30, 2014)

There are no applicable items.

Information Concerning Amortization of Goodwill and Unamortized Balance in Each Reporting Segment

Previous fiscal year (From April 1 to June 30, 2013)

(Unit: million yen)

	Reportable Segment					Other	Entire Company Elimination	Total
	Domestic Construction Consulting Business	Overseas Construction Consulting Business	Electrical Power Business	Real Estate Leasing Business	Total			
Goodwill final balance of current period	541	—	—	—	541	—	—	541

Note: Amortization of Goodwill has been omitted since the same information was disclosed in the segment information.

Current fiscal year (From July 1, 2013 to June 30, 2014)

(Unit: million yen)

	Reportable Segment					Other	Entire Company Elimination	Total
	Domestic Construction Consulting Business	Overseas Construction Consulting Business	Electrical Power Business	Real Estate Leasing Business	Total			
Goodwill final balance of current period	232	—	—	—	232	—	—	232

Note: Amortization of Goodwill has been omitted since the same information was disclosed in the segment information.

Information Concerning Gain on Negative Goodwill Income in Each Reportable Segment

Previous fiscal year (From April 1 to June 30, 2013)

There are no applicable items.

Current fiscal year (From July 1, 2013 to June 30, 2014)

There are no applicable items.

(Information per Share)

	Previous fiscal year (From April 1 to June 30, 2013)	Current fiscal year (From July 1, 2013 to June 30, 2014)
Net assets per share	574.42 yen	(626.53 yen)
Net income (loss) per share	(25.35 yen)	(39.61 yen)

Note 1: The diluted net income per share has not been stated since there are no dilutive shares.

Note 2: The basis for calculation of the net income or net (loss) per share in each period is described below.

Item	Previous fiscal year (From April 1 to June 30, 2013)	Current fiscal year (From July 1, 2013 to June 30, 2014)
Net income (loss) (in million yen)	(1,914)	2,998
Amount that does not belong to common shareholders (million yen)	—	—
Net income or net (loss) for common shares (million yen)	(1,914)	2,998
Average number of common shares during period	75,517,610	75,693,610

The treasury shares owned by the ESOP trust were subtracted from the average number of common shares during the period used to calculate the net profit or net (loss) during the period.

(Important Subsequent Events)

There are no applicable items.

4. Other

(1) Status of Production, Orders Received and Sales

Period		Previous fiscal year (From April 1 to June 30, 2013)		Current fiscal year (From July 1, 2013 to June 30, 2014)	
		Amount (Million yen)	Component Ratio (%)	Amount (Million yen)	Component Ratio (%)
Orders received	Domestic Construction Consulting Business	13,374	60.9	46,617	50.4
	Overseas Construction Consulting Business	5,461	24.9	30,023	32.5
	Electrical Power Business	3,108	14.2	15,831	17.1
	Real Estate Leasing Business	—	—	—	—
	Other	4	0.0	13	0.0
	Total	21,947	100.0	92,485	100.0
	Net sales 1	Domestic Construction Consulting Business	1,373	19.9	44,542
	Overseas Construction Consulting Business	3,007	43.6	22,563	28.5
	Electrical Power Business	2,229	32.3	10,948	13.8
	Real Estate Leasing Business	282	4.1	1,125	1.4
	Other	4	0.1	12	0.1
	Total	6,896	100.0	79,193	100.0
Net sales 2	Domestic Construction Consulting Business	1,353	19.6	41,817	52.8
	Overseas Construction Consulting Business	2,864	41.5	20,947	26.5
	Electrical Power Business	2,352	34.1	14,169	17.9
	Real Estate Leasing Business	282	4.1	1,125	1.4
	Other	43	0.7	1,133	1.4
	Total	6,896	100.0	79,193	100.0

Period		Previous fiscal year (June 30, 2013)		Current fiscal year (June 30, 2014)	
		Amount (Million yen)	Component Ratio (%)	Amount (Million yen)	Component Ratio (%)
Order balance	Domestic Construction Consulting Business	25,248	36.9	27,323	33.0
	Overseas Construction Consulting Business	36,758	53.8	44,217	53.4
	Electrical Power Business	6,332	9.3	11,216	13.6
	Real Estate Leasing Business	—	—	—	—
	Other	4	0.0	4	0.0
	Total	68,342	100.0	82,761	100.0

Note 1: The previous consolidated fiscal year was 3 months from April 1, 2013 to June 30, 2013 due to a change in the end of the fiscal year.

Note 2: The above amounts do not include consumption tax, etc.

Note 3: The above amounts are for external customers, and do not include intersegment transaction and transfer.

Note 4: “Net sales 1” consists of the orders received by each segment, and “Net sales 2” consists of the total for work implemented by each segment.

(2) Transfer of Officers

Refer to the “Notice Concerning Transfer of President and Officers, etc.” separately disclosed today.