

Supplementary Materials for the Summary of Financial Reports 1Q, FYE June 30, 2020

November 13, 2019

Nippon Koei Co., Ltd.

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1Q Results for FYE June 30, 2020

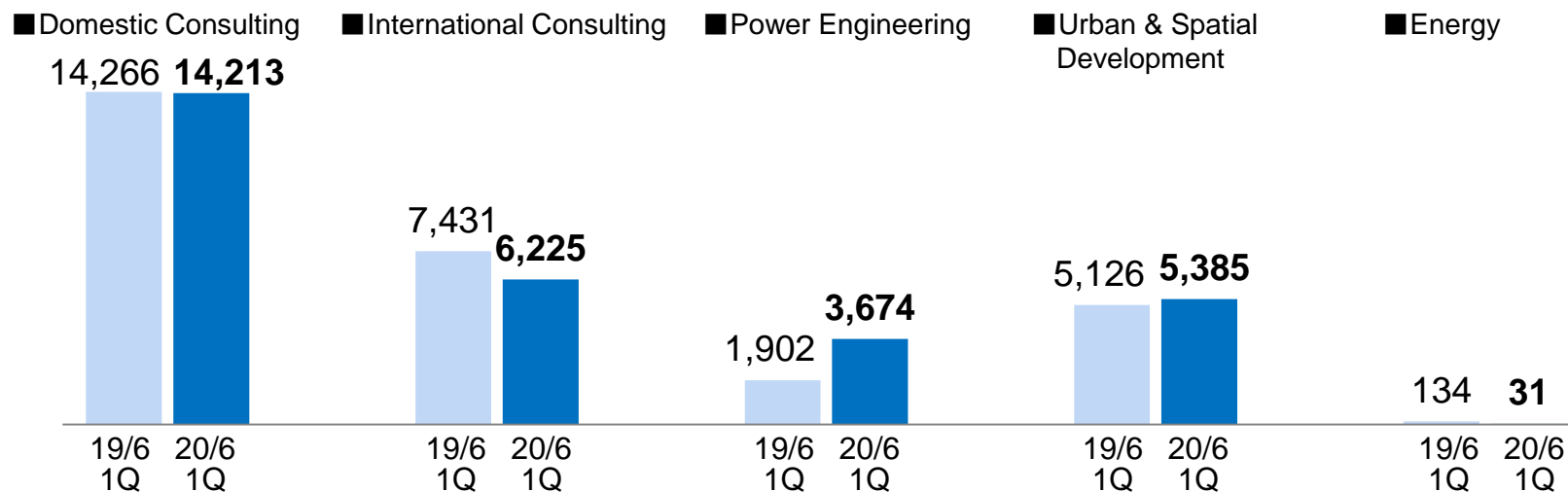
Net sales increased as all segments performed well. Operating loss was reduced due to an improvement in the profitability of Domestic Consulting and Urban & Spatial Development.

(Millions of yen)	FYE19/6 1Q Results	FYE20/6 1Q Results	YoY Change	
			Amount	%
Orders	28,891	29,563	672	102.3%
Net sales	17,729	24,894	7,165	140.4%
Gross profit	4,503	5,837	1,334	129.6%
Operating Income	△1,962	△1,176	785	-
Ordinary Income	△2,061	△935	1,125	-
Profit attributable to owners of parent	△1,654	△638	1,015	-

- Orders received were higher than in the same period of the previous year as Power Engineering and Urban & Spatial Development performed well despite delays in the recovery of International Consulting.
- Net sales increased year-on-year in all segments.
- Operating loss was reduced year-on-year due to a reduction in losses in Domestic Consulting and a return to profitability in International Consulting and Urban & Spatial Development, despite increased losses in Power Engineering and Energy.
- Quarterly net loss was reduced due to an increase in operating income and an improvement in non-operating expenses.

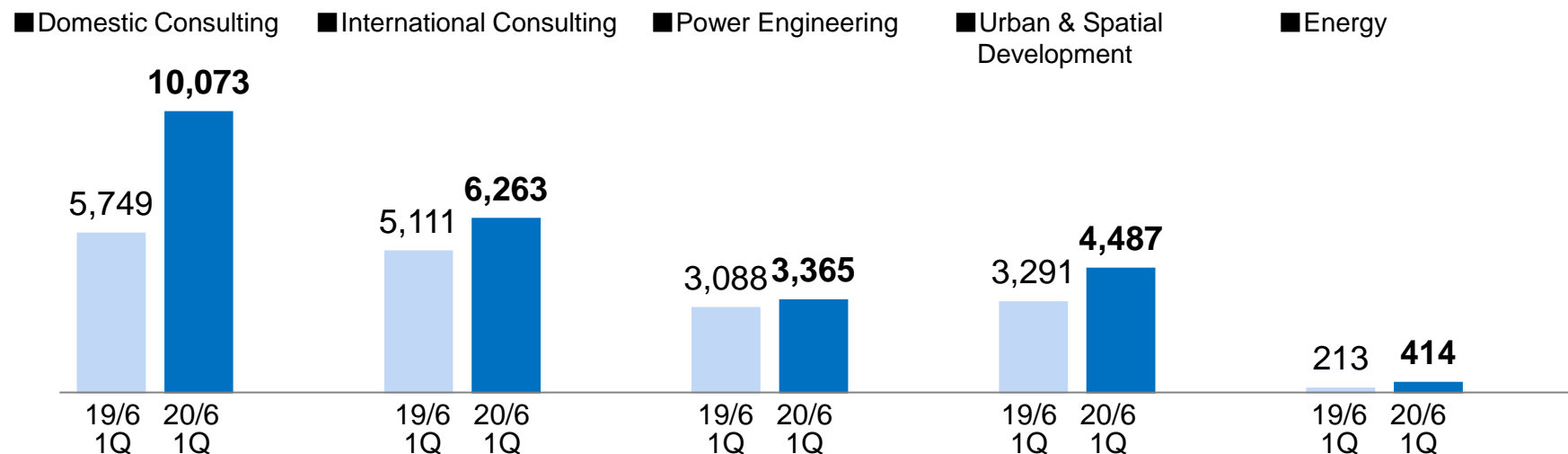
Results by Business Segment (Orders)

(Millions of yen)	FYE19/6 1Q Results	FYE20/6 1Q Results	YoY Change	
			Amount	%
Orders	28,891	29,563	672	102.3%
Domestic Consulting	14,266	14,213	△52	99.6%
International Consulting	7,431	6,225	△1,205	83.8%
Power Engineering	1,902	3,674	1,772	193.2%
Urban & Spatial Development	5,126	5,385	258	105.0%
Energy	134	31	△102	23.7%



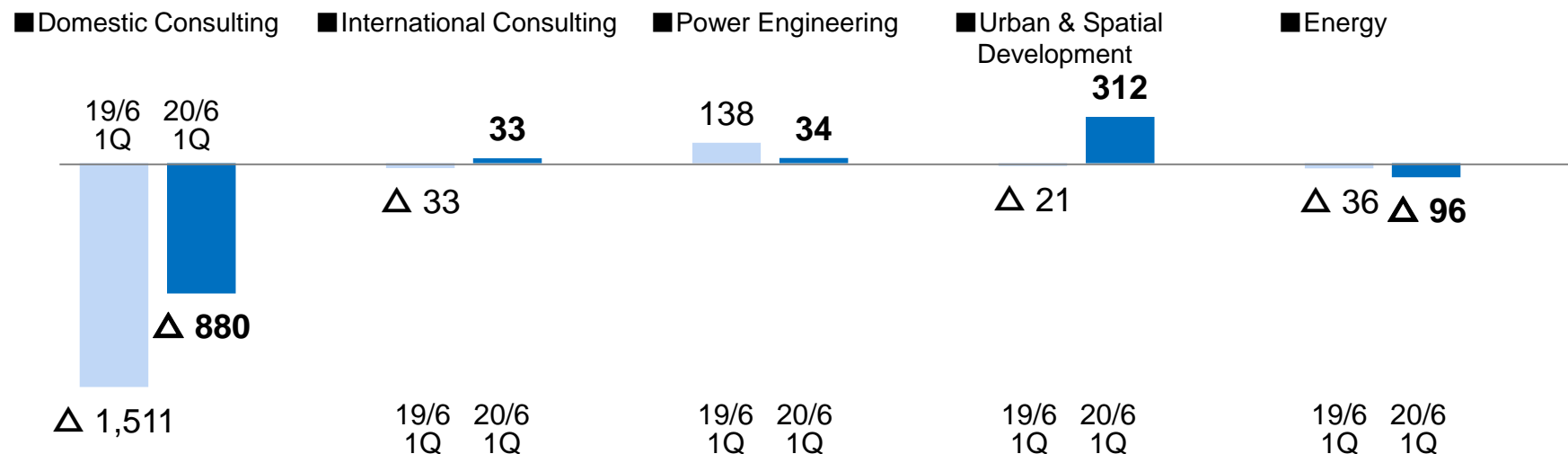
Results by Business Segment (Net sales)

(Millions of yen)	FYE19/6 1Q Results	FYE20/6 1Q Results	YoY Change	
			Amount	%
Net sales	17,729	24,894	7,165	140.4%
Domestic Consulting	5,749	10,073	4,323	175.2%
International Consulting	5,111	6,263	1,151	122.5%
Power Engineering	3,088	3,365	276	109.0%
Urban & Spatial Development	3,291	4,487	1,195	136.3%
Energy	213	414	200	193.8%
Real Estate/Others	273	290	16	106.2%



Results by Business Segment (Operating Income)

(Millions of yen)	FYE19/6	FYE20/6	YoY Change	
	1Q Results	1Q Results	Amount	%
Operating Income	△1,962	△1,176	785	-
Domestic Consulting	△1,511	△880	631	-
International Consulting	△33	33	67	-
Power Engineering	138	34	△103	25.0%
Urban & Spatial Development	△21	312	333	-
Energy	△36	△96	△59	-
Real Estate/Others	△497	△580	△82	-



Overview of Performance by Business Segment

Domestic Consulting

- Orders received were at the same level as the same period of the previous year due to the sustained strength of orders for technology proposal-based projects related to the national government.
- 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

- Although orders for JICA research projects have been on a recovery trend, orders received were lower than those of the same period of the previous year, when large projects were received.
- 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 significantly higher than the same period of the previous year due to orders for large-scale power plant construction projects and other factors.
- Net sales increased due to the steady processing of orders in hand.
- Operating income decreased due to the impact of cost-preceding construction projects.

Overview of Performance by Business Segment

Urban & Spatial Development

- Orders received were higher than in the same period of the previous year due to strong orders received from public facilities such as hospitals and universities.
- 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 1st quarter of FYE June 30, 2020: 1 GBP = 131.50 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.

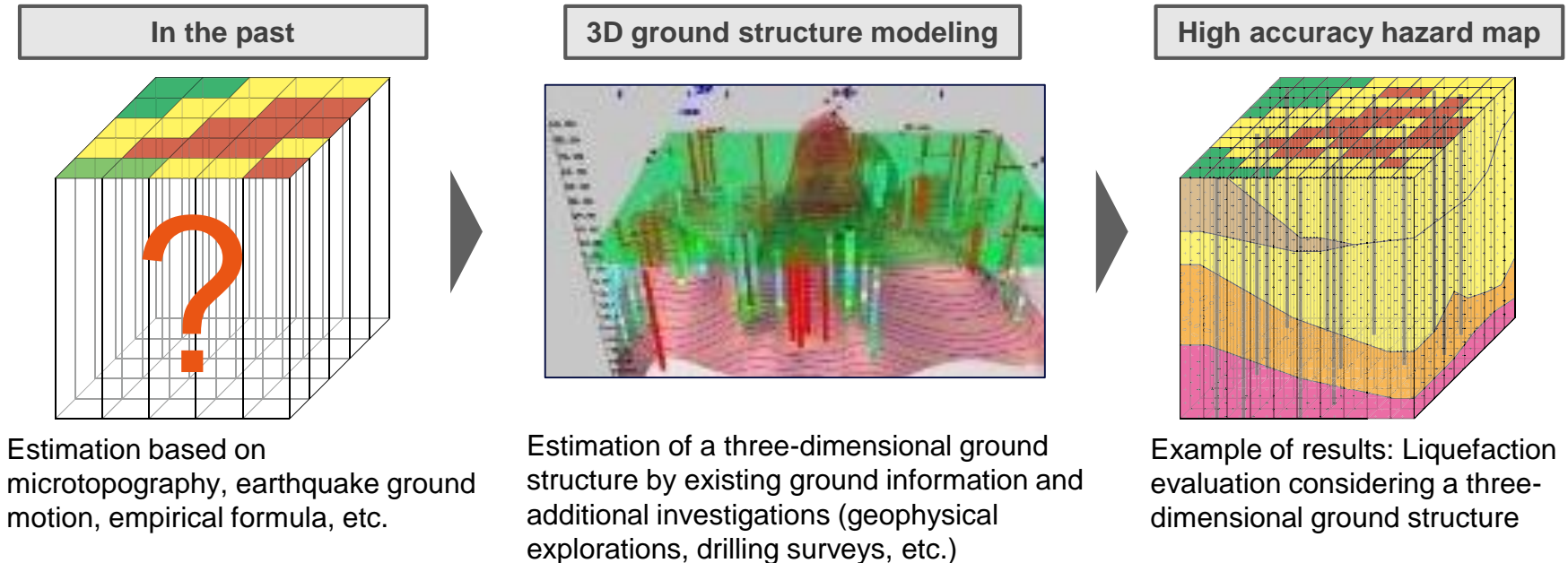
(millions of yen)	FYE 19/6 Results	FYE20/6 Forecast (Japanese GAAP)	YoY Change Amount	YoY Change %	FYE20/6 Forecast (IFRS)
Orders	118,085	137,400	19,314	116.4%	137,400
Domestic Consulting	52,855	52,400	-455	99.1%	52,400
International Consulting	28,482	48,100	19,617	168.9%	48,100
Power Engineering	15,411	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

Project Highlights

Domestic Consulting: Development of a method to create a three-dimensional ground structure model for infrastructure facility liquefaction assessment

Client	National Institute for Land and Infrastructure Management, Ministry of Land, Infrastructure and Transport
Summary of project	<ul style="list-style-type: none">▪ Joint research to develop a method for creating a three-dimensional ground structure model that reflects the liquefaction damage factors of infrastructure facilities and proposing an evaluation method for the liquefaction damage risk of infrastructure facilities using a hazard map based on this method.▪ Amount of orders received: 180 million yen (for Nippon Koei / 750 million yen in total)

Diagrams for improving the accuracy of the hazard map



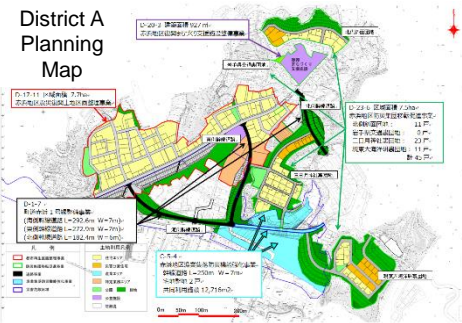
Project Highlights

Domestic Consulting: Otsuchi Town, Iwate Prefecture — Management Construction Manager (CMR) operation

Client Otsuchi Town, Iwate Prefecture

Summary of project Promote efficient and reliable progress of Land Restructuring Projects (5 districts) by supporting and supplementing the coordination and management operations performed by the Client

- Contract period: August 2013 to September 2019
- Amount of orders received: 1.76 billion yen (JV: 2.86 billion yen in total)



April, 2014



April, 2019

Project Highlights

Domestic Consulting: Response to disaster recovery for Typhoon No. 19 (preliminary report)

Summary of disaster

- "Heavy Rain Special Warning" issued to 13 prefectures, the largest number ever
- The levee collapse was caused by 7 rivers managed by the national government, 43 rivers managed by prefectural governments, and more than 62,000 buildings were flooded above or below floor level, greatly exceeding the heavy rain in western Japan in 2018.

Our response

- River-related projects: Responding to about 50 requests for support from the Arakawa Upstream River Office, Nagano, Miyagi, and Fukushima Prefectures
- Disaster prevention-related projects: Responding to about 50 requests for support from national and local governments in the Kanto and Tohoku regions
- In each case, investigation of the damage situation, analysis of the cause of the damage, examination of the countermeasure construction, and other measures are being carried out.



Urayama Dam road disaster



Location of the collapsed levee of the Namezu River, the branch river of the Chikuma River

Project Highlights

International Consulting: Luzon Island, Philippines — Preliminary survey on the construction of a mountain road tunnel

Client	JICA
Summary of project	<p>Preparatory cooperation survey for the alternative road construction project for the only trunk road (Dalton Pass) connecting Metropolitan Manila and northern Luzon Island.</p> <p>The project aims to build roads that are resistant to natural disasters by utilizing Japanese technology for roads that are vulnerable to natural disasters.</p>



Current status of Dalton Pass

International Consulting: The infrastructure design of New Clark City in the Philippines

Client	Philippine Japan Initiative for CGC
Summary of project	<p>We received an order for infrastructure design work for the construction of a new industrial city aimed at resolving issues such as traffic congestion and population concentration in Manila, the capital of Philippines.</p> <p>Nippon Koei reviewed the master plan for smart city development in the new city (about 3,600 ha) to be constructed and carried out infrastructure design work.</p>



Project Highlights

International Consulting: Concluded memorandums of understanding with two ASEAN cities to promote smart city development.

Summary of agreement

Memorandums of understanding were signed for mutual cooperation on smart city development with Luang Prabang (Laos) and Makassar (Indonesia).

Cooperation on transport in Luang Prabang and transport and telemedicine in Makassar will be implemented in the future.



Power Engineering: Yusuhara River No. 2 Power Station of Shikoku Electric Power Company — Delivery of main equipment

Client

Shikoku Electric Power Company

Summary of project

The Company received orders for the renewal of water turbines, generators, and control systems for the Yusuhara River No. 2 Power Station (Kochi Prefecture), as well as for civil engineering design for the foundation of the water turbines, and civil engineering and equipment installation construction. The work will be conducted together with Yonden Engineering Company, Incorporated, as a joint venture (JV) for the first time.

Due to aging, turbines will be replaced with two units of 4,235 kW water turbine capacity and scheduled for completion in February 2022.

Amount of orders received: 1.53 billion yen in total
(Of which, 1.26 billion yen for Nippon Koei)



Project Highlights

Power Engineering: Bureau of Enterprise, Yamagata Prefecture — Replacement construction of special high-pressure panels at Shirakawa Power Station

Client	Bureau of Enterprise, Yamagata Prefecture
Summary of project	<p>Renewal construction for 30 kV and 6 kV power receiving and distributing facilities at the power station of the Bureau of Enterprise, Yamagata Prefecture, due to aging degradation.</p> <p>For substation-related construction, the first order was received from a Bureau of Enterprise of Prefecture.</p> <p>Amount of orders received: 120 million yen</p>



30 kV switching equipment

Power Engineering: JR Shikoku — Installation of the rockfall monitoring system

Client	JR Shikoku
Summary of project	<p>A system has been installed in the service area of JR Shikoku, which was damaged by a typhoon in 2018, to detect fallen rocks and debris flows from slopes (natural ground) beside railway tracks. The system consists of a sensor unit using a wire switch system and a monitoring device for transmitting abnormality information.</p> <p>This system is highly evaluated as a preliminary construction for permanent measures such as the installation of rock fall protection fences, and also from the viewpoint of disaster recovery that requires immediate action.</p>



Project Highlights

Urban & Spatial Development: Manchester Biomedical Center

Summary of project

The BDP design team proposed a 10-story (total floor space: 25,000 square meters) cancer research center including a laboratory and other research spaces, which was selected in September 2019.

The existing building of the Biomedical Center was greatly damaged by the fire in 2017 and is currently being dismantled.

The Center will be built on the site, aiming to become the world's top cancer research institute.



Urban & Spatial Development: Francis Holland School renovation project

Summary of project

A project to renovate the Francis Holland School in London, which was founded in 1881 and aims to provide girls with excellent learning and cultural experience.

BDP was in charge of design, facility design, structural design, acoustic design, etc. In addition to renovating and adding the stage arts facility, library, ICT laboratory, and other facilities to existing school buildings, consideration is given to creating collaborative spaces for students. Completed in July 2019.



Project Highlights

Energy: UK storage battery EPC project at Port of Tilbury — Commercial operation commenced

Summary of project

Completion testing of the 9 MW storage battery EPC project at Port of Tilbury, UK, was completed and commercial operation commenced in November 2019.

NEC Energy Solutions supplied a large-scale power storage system. Nippon Koei designed and engineered all electrical equipment surrounding the power storage system, procured equipment, conducted electrical and civil engineering construction, and managed on-site construction. In addition, Nippon Koei delivered monitoring equipment manufactured at the Fukushima Works of Nippon Koei.

