

**Supplementary Materials for the
Summary of Financial Reports
1Q, FYE June 30, 2017**

November 11, 2016

Nippon Koei Co., Ltd.

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1Q Results for FYE June 30, 2017

(Millions of yen)	FYE16/6 1Q Results	FYE17/6 1Q Results	yoy	yoy(%)	Reference Values FYE17/6 1Q(*2)	yoy(%)
Orders(*1)	21,555	35,915	14,360	166.6%	33,109	153.6%
Net sales	8,811	12,282	3,470	139.4%	9,021	102.4%
Gross profit	2,012	3,903	1,891	194.0%	2,466	122.5%
Operating Income	- 2,050	- 1,663	386	-	- 1,740	-
Ordinary Income	- 2,070	- 1,569	501	-		
Profit attributable to owners of parent	- 1,519	- 1,208	311	-		

(*2) Excluded the Urban & Spatial Development segment

- Owing to large-scale project orders in Cairo, Egypt, orders saw a substantial increase over that of the same period of the previous year.
- Net sales of existing business were on the same level as the one of the same period from the previous year, while new sales recorded for BDP showing a substantial increase.
- Operating income saw losses since the recording of sales and profits are mostly recorded within the second half of the year. Good performance of International Consulting business and Power Engineering business, however, exerted an improvement over the figures.

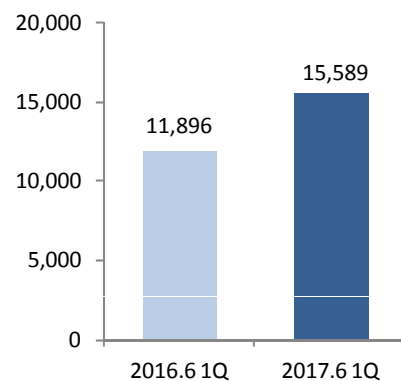
(*1) We have changed the calculation standard for orders starting this period. For details, please see page 9. Results for 1Q of FYE June 30, 2016 are also based upon figures calculated according to the same standard.

Results by Business Segment (Orders)

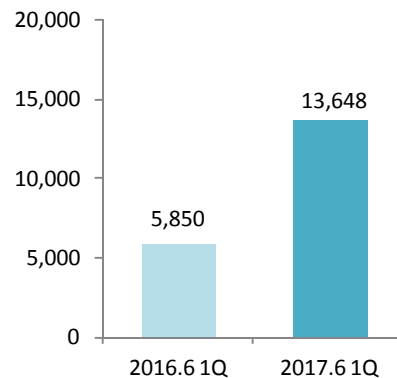
(Millions of yen)	FYE16/6 1Q Results	FYE17/6 1Q Results	yoy	yoy(%)
Orders(*1)	21,555	35,915	14,360	166.6%
Domestic Consulting	11,896	15,589	3,693	131.0%
International Consulting	5,850	13,648	7,798	233.3%
Power Engineering	3,808	3,866	58	101.5%
Urban & Spatial Development	-	2,806	2,806	-
Others	0	4	4	552.0%

(*1) We have changed the calculation standard for orders starting this period. For details, please see page 9. Results for 1Q of FYE June 30, 2016 are also based upon figures calculated according the same standard.

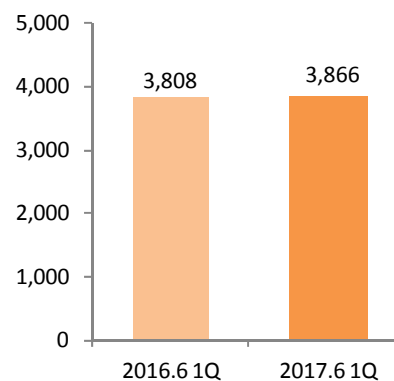
■ Domestic Consulting



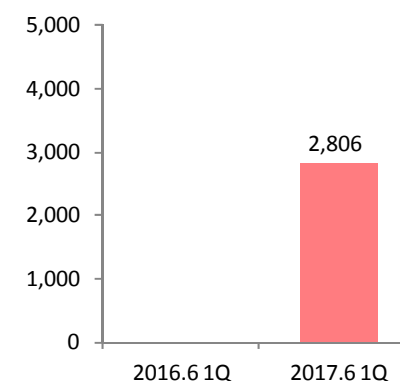
■ International Consulting



■ Power Engineering



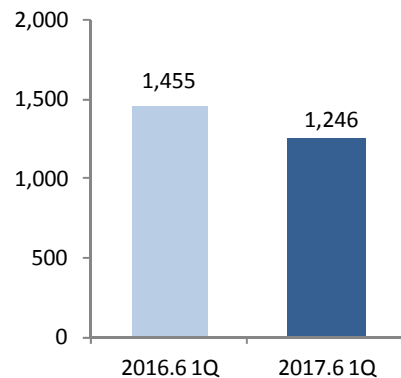
■ Urban & Spatial Development



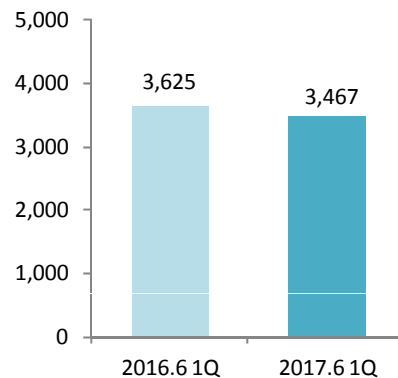
Results by Business Segment (Sales)

(Millions of yen)	FYE16/6 1Q Results	FYE17/6 1Q Results	yoy	yoy(%)
Net Sales	8,811	12,282	3,470	139.4%
Domestic Consulting	1,455	1,246	- 208	85.7%
International Consulting	3,625	3,467	- 157	95.7%
Power Engineering	3,558	4,134	576	116.2%
Urban & Spatial Development	-	3,260	3,260	-
Real Estate Leasing	145	116	- 28	80.5%
Others	27	55	28	202.1%

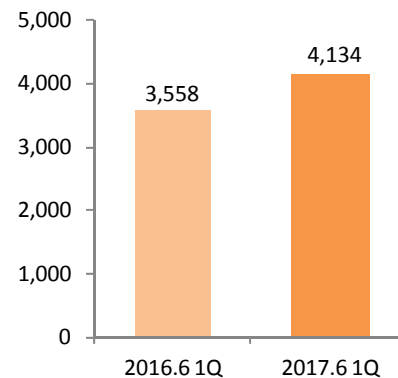
■ Domestic Consulting



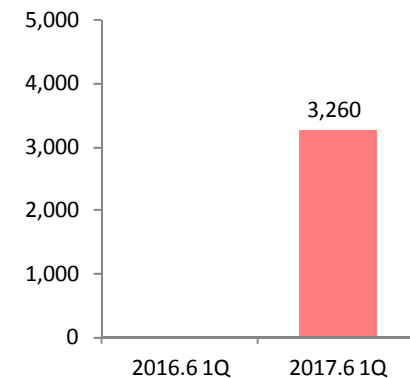
■ International Consulting



■ Power Engineering

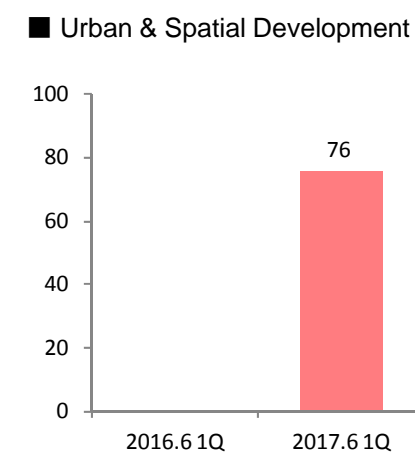
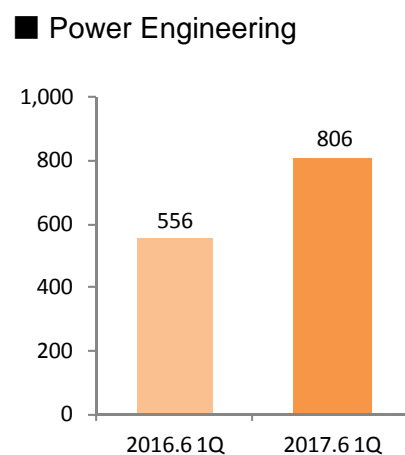
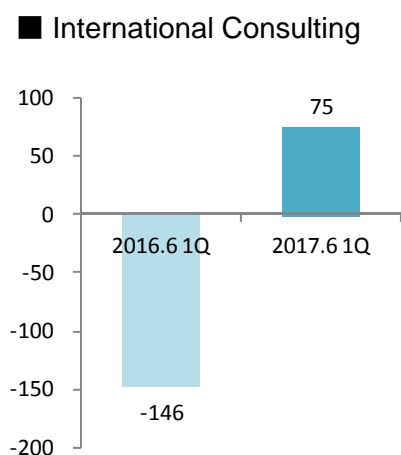
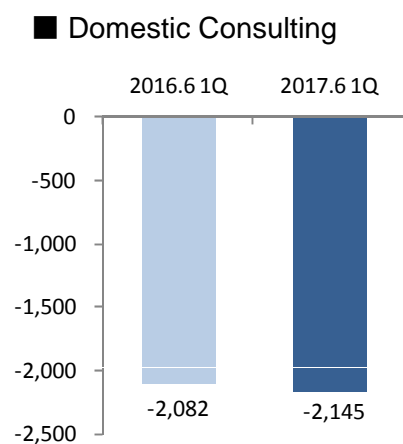


■ Urban & Spatial Development



Results by Business Segment (Operating income)

(Millions of yen)	FYE16/6 1Q Results	FYE17/6 1Q Results	yoy	yoy(%)
Operating Income	- 2,050	- 1,663	386	-
Domestic Consulting	- 2,082	- 2,145	- 63	-
International Consulting	- 146	75	222	-
Power Engineering	556	806	249	144.8%
Urban & Spatial Development	-	76	76	-
Real Estate Leasing	112	91	- 20	81.5%
Others/Reconciliations	- 490	- 568	- 77	-



Overview of Performance by Business Segment (1)

Domestic Consulting

- The amount of orders exceeded the one for the same period of the previous year owing to the increase of order placement from clients and our marketing efforts. The acquisition of overseas large-scale business orders remarkably contributes to the result. (*The order of Cairo Metro project, approximately JPY 2 billion, acquired by Nippon Civic Consulting Engineers Co., Ltd., is recorded within Domestic Consulting.)
- Net sales fell short compared to the same period of the previous year as a result of increasing number of projects that are not at the stage of completion and carried forward.
- Operating income also showed a slight decline due to a decrease in sales. The initiative of productivity improvement, however, will steadily promote a favorable turn of the profitability.

International Consulting

- Orders substantially exceeded the one for the same period of the previous year owing to the contract of large-scale project. (*The order of Cairo Metro project, approximately JPY 8 billion, acquired by Nippon Koei Co., Ltd., is recorded)
- Net sales saw figures on the same level as the previous year, with the steady acquisition of projects primarily of the traffic and transport sectors in Asia.
- Operating income turned into the black as of the end of 1Q, owing to the increase in number of large-scale projects that got into the stage of construction supervision.

Power Engineering

- The amount of orders is at the same level as the one of the same period in the previous year, with a strong demand for updates and renovations of transformer and power generation facilities.
- Net sales exceeded the one for the same period of the previous year, owing to the completion of construction for multiple projects, such as of a large-scale substation control systems.
- Operating income exceeded the one for the same period of the previous year, with the progression of the operational efficiency improvement initiatives.

Overview of Performance by Business Segment (2)

Urban & Spatial Development

- Orders showed smooth progress vis-à-vis the yearly plan.
- While there were partial concerns about the impact of Brexit, net sales transitioned favorably with an approximately 5% increase (in GBP) over the same period of the previous year.
- Operating income was in the black even with the amortization of goodwill and depreciation of intangible fixed assets.

FX rate for 1Q results: 1 GBP = 154.3 JPY
(Rate used in the FYE June 30, 2017 plan is 1 GBP = 160 JPY)

*Consolidated results including BDP are done with a 3-month lag. Thus, consolidated settlement of 1Q (July-Sept 2016) are of the three-month period of April-June 2016.

BDP.



BDP Manchester Studio

- Name BDP Holdings Limited
- Location Manchester, UK
- Sales £ 84.4 million (FYE15/12)
- EBITDA £ 8.5 million (FYE15/12)
- Amortization expenses:
Amortization expenses for FYE June 30, 2017 are approximately JPY 1 billion
 - Amortization of goodwill: Approximately JPY 500 million * 20 year
 - Other intangible fixed assets: Just over JPY 500 million

FYE 17/6 Forecast

No changes have been made to the forecast for the entire FYE 17/6 period.

(Millions of yen)	FYE 17/6 Forecast	FYE 16/6 Results	yoy	yoy(%)
Orders	87,768	104,000	16,231	118.5%
Net sales	81,865	105,000	23,134	128.3%
- Domestic Consulting	40,778	45,000	4,221	110.4%
- International Consulting	22,070	26,000	3,929	117.8%
- Power Engineering	17,522	18,500	977	105.6%
- Urban & Spatial Development	-	14,000	14,000	-
Operating income	4,723	6,000	1,276	127.0%
- Domestic Consulting	2,956	3,200	243	108.2%
- International Consulting	1,156	1,600	443	138.3%
- Power Engineering	3,048	3,100	51	101.7%
- Urban & Spatial Development	-	600	600	-
Ordinary income	4,365	6,300	1,934	144.3%
Loss attributable to owners of parent	1,823	3,600	1,776	197.4%

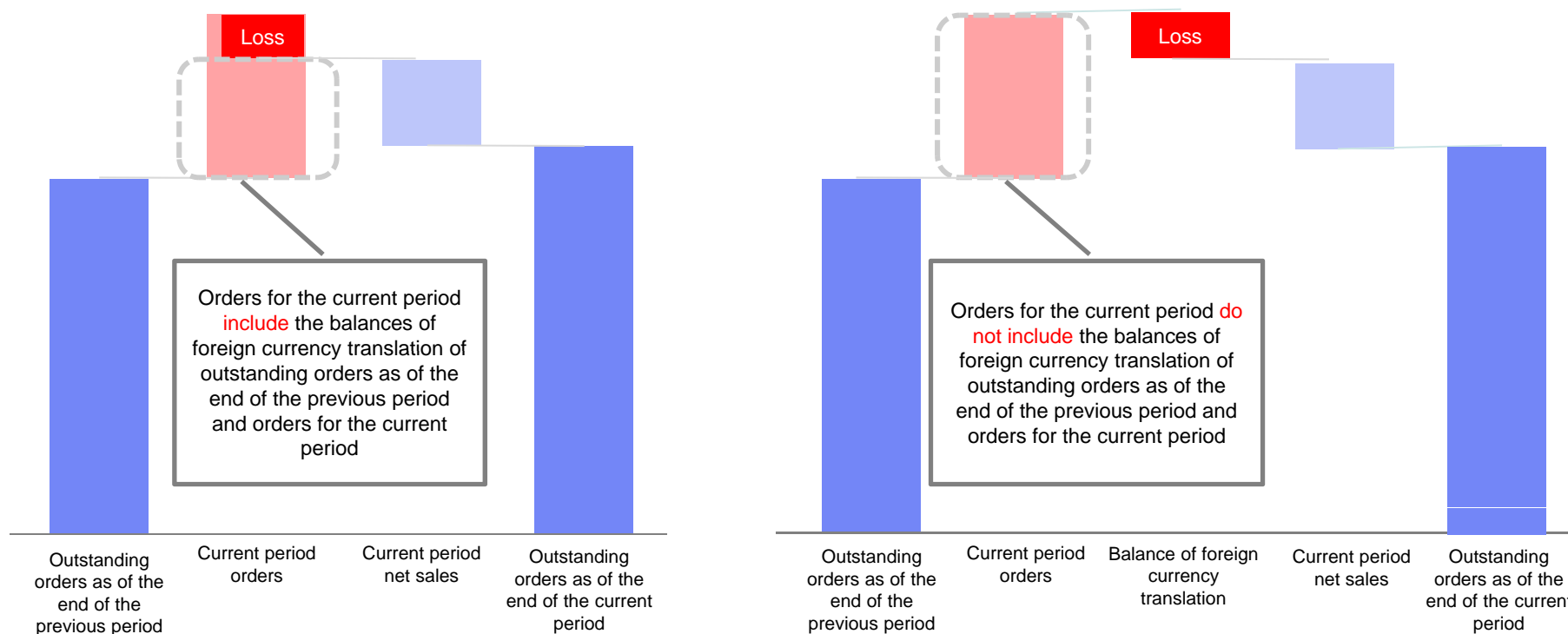
* Note: Net sales and operating income are exclusively consisted of the main segments of Domestic Consulting, International Consulting, Power Engineering and Urban & Spatial Development. Net sales and operating income also include the Real Estate Leasing segment, etc.

(Reference) On changes in the calculation standards for orders

Previously, amount of orders included the balances of foreign currency translation (*) of outstanding orders as of the end of the previous period and orders for the current period. Starting this period, however, orders are settled without foreign currency translation.

■ Previous method of calculation

■ Method of calculation starting this period

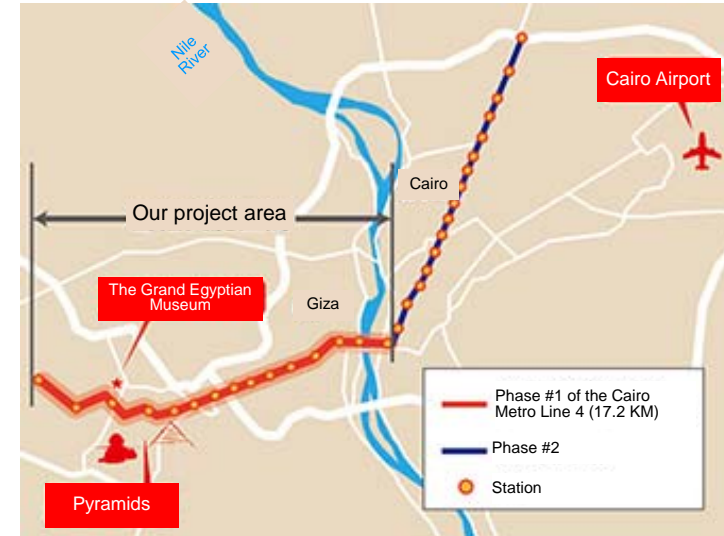


(*) Details on the balances of foreign currency translation of outstanding orders as of the end of the previous period and orders for the current period are explained in the section titled "4. Supplementary Information" on page11, the Summary of Financial Results .

(TOPIC) Cairo Metro Work Project

Consulting work for improvement of the Cairo Metro Line 4 Phase #1

- In the greater Cairo area of Egypt, making improvements to the subway in order to alleviate congestion is a challenge. There are many buried objects / historical monuments to be found underground. As such, methods of construction which strike a balance between development and conservation are required.
- For this project, the Special Terms for Economic Partnership (STEP) of Japanese ODA have been applied and we're constructing a subway (which consists of 16 stations and is around 19 kilometers in length) that joins central Cairo with the pyramid district and utilizes Japanese railway technologies.

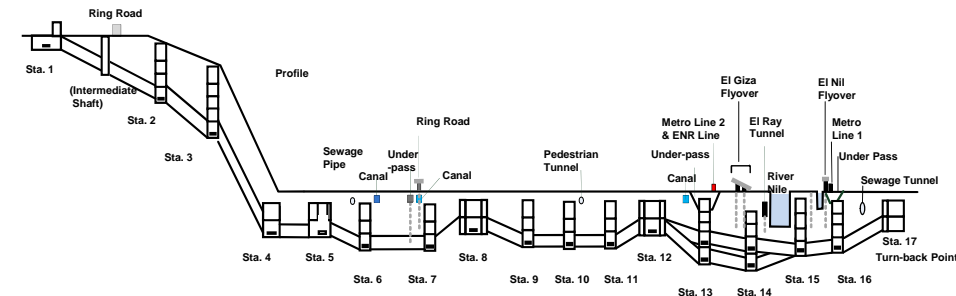


[Project overview]

- Contract period: 9 years starting in 2016
- Contract amount: Our group accounts for approx. JPY 10 billion out of JPY 14.1 billion (NK - Approx. JPY 8 billion; NCC – Approx. 2 billion*)
- Work content:
 - (1) Bid support
 - (2) Construction supervision
 - (3) Oversight and support for operations and maintenance management

■ Characteristics:

- (1) An underground line crossing the Nile River more than 400 meters in length, and with most of it being built below the pyramid street.
- (2) Deployment of the shield construction method
- (3) Security commitment for passengers by introducing Japan's high standard of disaster prevention



- NK: Nippon Koei (recorded within the International Consulting segment)
- NCC: Nippon Civic Consulting Engineers (recorded within the Domestic Consulting business segment)

(TOPIC) BDP project received BCI Award

Alder Hey Children's Hospital in Liverpool

Alder Hey Children's Hospital in Liverpool (a BDP project) was presented with the British Construction Industry (BCI) Award after being selected as this year's best community facility in the UK.



The wavy contour of Alder Hey Children's Hospital is made to rise up and out of a park. The building is a symbolic landmark in Liverpool.

In receiving the BCI Award, the building was evaluated as the most remarkable community facility, making for an innovative, trailblazing project which blends together engineering and architecture.