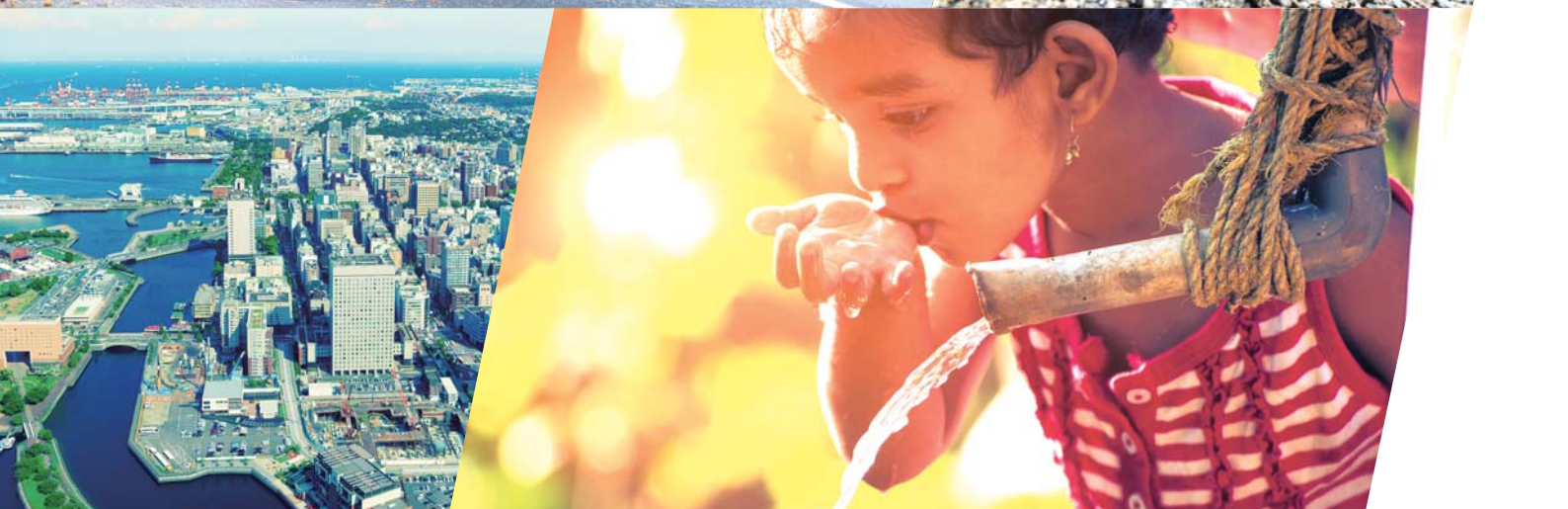





*Act with integrity and contribute to society  
through technology and engineering.*







Our goal is to bring the world better and totally new living standards. We are confident that with integrity we will achieve that goal.

Since its establishment in 1946, the Nippon Koei Group has contributed to the building of social infrastructure in Japan and overseas. Yutaka Kubota, the founder of Nippon Koei, confidently stated “Tackle your problems with sincerity and the road ahead shall be clear,” and dedicated his technical expertise and passion to building social infrastructure that is safe and reliable. That spirit of social contribution based on conducting business with conviction is a part of the corporate DNA that continues to guide our employees today.

The world is full of people who desire better living standards. The Nippon Koei Group will remain committed to acting with integrity as it contributes to national and regional social development all over the world.

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## Management Philosophy

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Act with integrity and contribute to society through technology and engineering.

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## Group Vision

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To provide services that are of value in building safe and reliable social infrastructure and comfortable living spaces.

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## CONTENTS

01 Management Philosophy and Group Vision	Review of Operations	Consolidated Financial Statements
02 About the Nippon Koei Group	20 Domestic Consulting	38 Consolidated Balance Sheets
08 The Nippon Koei Group by the Numbers	23 International Consulting	39 Consolidated Statements of Income and Comprehensive Income
10 The Nippon Koei Group's Past, Present and Future	26 Power Engineering	39 Consolidated Statements of Cash Flows
Management Strategies	29 Urban & Spatial Development	40 Consolidated Statements of Changes in Net Assets
16 Long-Term Management Strategy	Foundation for Growth	41 Market Trends
17 Medium-Term Management Plan (NK-AIM)	31 Human Resource Development	42 Corporate Profile
18 Focus: Acceleration of NK-AIM	32 Technology Development	
19 Financial Highlights	33 Environmental Consideration and Preservation	
	34 Contribution to Society	
	35 Corporate Governance	
	37 Board of Directors, Executive Officers and Audit & Supervisory Board Members	



## We form optimal solutions looking 50 years ahead.

The Nippon Koei Group has contributed to the development of vibrant societies in 160 countries worldwide. The cornerstone of those efforts is civil engineering consulting, our core business since the company was founded. Civil engineering consulting plays a critical upstream role in infrastructure development, and is responsible for determining the fundamental value of projects. Therefore, we think of the goal as not merely the completion of the project, but also the betterment of the lives of the people who will be living there 50 years later. We know that unless we continue to look at every project with a long-term view, we will not be able to contribute to better living standards.



## Roles of Civil Engineering Consultants

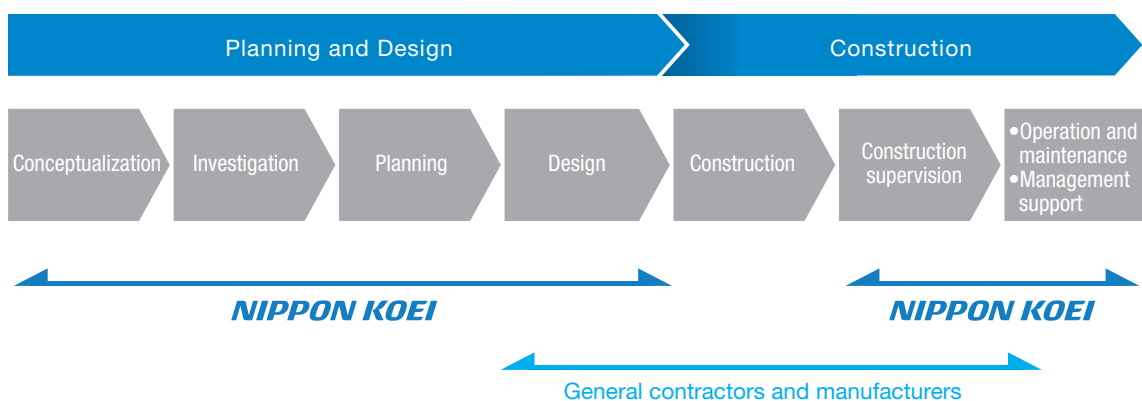
- Formulation of national, regional and urban infrastructure development planning projects
- Preliminary investigations at the conceptualization and/or planning stages of infrastructure development projects
- Geotechnical and geological investigation and environmental impact assessment
- Progress management and maintenance operations

National, regional and urban infrastructure development projects are often large-scale and take a long period of time to complete. Civil engineering consultants receive orders from the client, and participate in the projects from the conceptualization and/or planning stage. They dig deep to explore and identify the real issues involved in every project, and develop the optimal solutions at each step from an objective standpoint.

### The Range of the Nippon Koei Group's Services

As an engineering consultancy, the Nippon Koei Group participates in all aspects of projects for social infrastructure development, from master planning and design to operational assistance after completion. For example, if the project goal is to solve the problem of chronic traffic congestion, we begin by conducting surveys and studies from a fundamental perspective on the economic feasibility of infrastructure building/ amendment and other aspects to determine whether the best approach is to expand roads or to build new railways. In planning and design, we place emphasis on not only the intentions of the client, but also the

needs of the region and local residents. Based on geotechnical and geological investigations, we then propose the optimal method and craft a design that takes the budget, environment and various other factors into account. As projects have become more sophisticated and complex to meet current needs, we also provide consulting for collaboration among governments, private businesses and citizens on issues such as engineering management in public-private partnerships (PPP) and asset management. In addition, we provide management services at the construction stage for projects outside Japan.

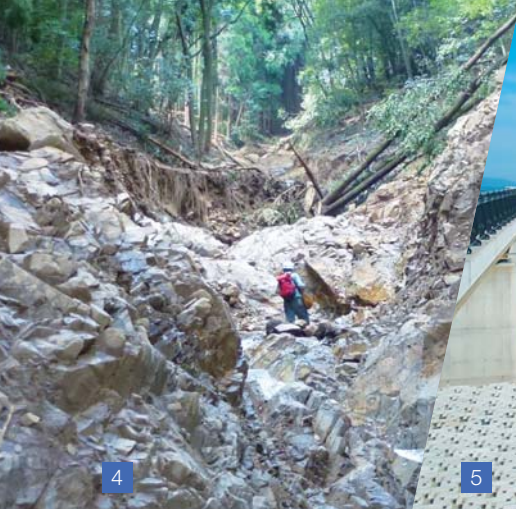
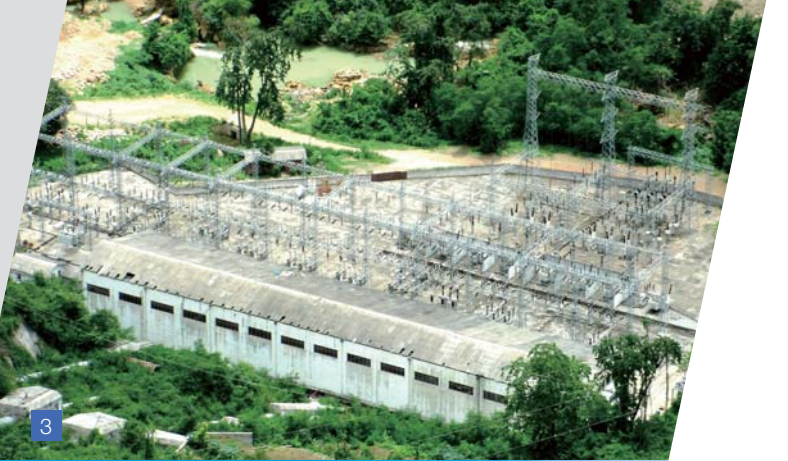




## Firm conviction is the source of our technological power.

After being involved in electric power development and dam construction on the Korean Peninsula, founder Yutaka Kubota returned to Japan after the war. Seeing Japan's cities reduced to ashes, he felt a strong sense of mission to help rebuild the country, and decided to start a company.

Like Mr. Kubota, those of us who lead the industry today have a mission to contribute to improving social infrastructure, and we have sufficient technology and knowledge to accomplish this mission. We discuss projects with clients in a forthright manner, and conduct business while improving our technology foundation without falling into a short-term perspective. This approach to business is the reason we remain at the forefront of our industry.

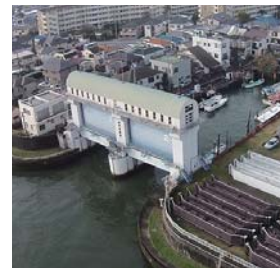


## Defining Features of the Nippon Koei Group's Business

01

### A Highly Visible and Publicly Beneficial Business

Our business is to mobilize our superior technologies and knowledge to solve various problems and pave the way to the future by creating safe and reliable social infrastructure and comfortable living spaces. We never propose projects with an exclusive focus on efficiency. Instead, we think long and hard about what will be truly useful and aim for the sustainable development of society.



02

### Broad-Based Contribution

In Japan, we provide integrated engineering consulting services to build safe and secure living spaces and attractive and sustainable environments. Internationally, we conduct many projects that contribute to regional development in Asia, Africa, the Middle and Near East, Latin America and other regions. In our power engineering business, we support the stable supply of electric power, which is essential to modern life.



03

### People- and Technology-Driven Business

Our people and our technical expertise are critical to realizing our mission. The significant resources and effort we have put into human resource development and technical training over the years have led to the number-one\* market position we enjoy today. All of our employees, including more than 1,500 engineers, inspire and learn from each other, and drive the Nippon Koei Group forward.

\* Number one in sales among civil engineering consulting companies in Japan



04

### Practical Wisdom and Forward-Looking R&D

Through the thousands of projects we have completed in the past 70 years, we have acquired a wide variety of technologies and knowledge, and devised optimal solutions with our integrated strengths and detailed conceptualization capabilities. In addition, the Technical R&D Institute (now the R&D Center) that opened in 1961 continues to lead the industry with R&D in fields such as civil engineering, environmental studies and social sciences.



Photos at left:

- 1 Tokutomi Dam, Hokkaido
- 2 Metro Line 1, Ho Chi Minh City, Vietnam
- 3 Baluchaung No. 2 Hydropower Plant, Myanmar
- 4 Service life extension of erosion control, landslide prevention and slope stabilization facilities
- 5 Okozu-Kadoseki Renewal Project in Niigata Prefecture



## We are a company that uncovers real value.

Infrastructure development needs change considerably with the times and the environment. For example, during Japan's postwar reconstruction period, the emphasis was on speed and efficiency. However, needs have now become more sophisticated and complex because of global environmental issues, regional differences in economic growth and other elements. Today, solving serious and mounting problems such as global warming and energy shortages brought on by population growth is our main business.

We contribute to society through our businesses. While we are proud of the value we have delivered up to now, we never rest in our quest for real value. We will continue finding and creating new value systems appropriate to the changing times.



## The Value the Nippon Koei Group Creates

01

### Optimal Energy Development

Stable and clean energy supplies are needed to alleviate energy shortages in developing countries and elsewhere. The Nippon Koei Group supports optimal energy development by providing consulting and engineering services for dam projects, power plants and transmission systems, renewable energy operations and other related projects.



02

### Safe and Efficient Transportation

Motorization causes a variety of problems, particularly traffic congestion and pollution. The Nippon Koei Group contributes to the development of safe and reliable transportation networks in ways such as improving transport infrastructure, developing more efficient maintenance systems, and constructing urban transportation systems aimed at the effective use of existing infrastructure.



03

### Sustainable Water Use

It is important to protect against flood damage, and to create a society that uses water sustainably. The Nippon Koei Group provides engineering services related to flood control and a broad range of other related fields, including water supply and sewerage, effective use of water resources abroad, and designing solutions to protect human lives and property from flood damage.



04

### Reliable and Efficient Distribution

Efficient distribution is a crucial factor in promoting international competitiveness and regional vitality. The Nippon Koei Group provides a full range of engineering services related to enhancing distribution functions and raising their efficiency, including the planning and design of airports and port facilities and effective use of existing infrastructure.



05

### Agricultural Development

In developing countries, promotion of agriculture through rural development and other programs is vital to solving and alleviating poverty and food shortages. The Nippon Koei Group provides engineering services such as planning and implementation of prototype projects that address various problems of agricultural and rural development. In Japan, the Group contributes to the sustainability and growth of agriculture with maintenance and renewal planning and design.



06

### Disaster Management

Land preservation and ensuring human safety and welfare are the main challenges in disaster management. The Nippon Koei Group provides engineering services to protect communities from a range of disasters, such as large earthquakes, volcanic eruptions and torrential rains. Other services include design of preservation measures and development of maintenance plans.



07

### Preservation of the Environment and Biodiversity

Achieving environmental sustainability is an urgent global issue. The Nippon Koei Group provides wide-ranging engineering services for preservation of air, water and land environments and biodiversity, as well as for dealing with global warming.



08

### New Approaches to Urban Design

Urban areas face an array of problems, including chronic traffic congestion and environmental pollution brought on by rapid population growth. At the same time, the need for more comfortable living spaces is increasing. The Nippon Koei Group conducts planning and design work for urban development, including structural design of commercial facilities, train stations, schools, medical facilities and many other buildings.



# The Nippon Koei Group by the Numbers

# No. 1

Sales among civil engineering consulting firms in Japan

Since its inception, Nippon Koei has sought to build vibrant communities, competitive economies, attractive environments and safe, comfortable living spaces through its comprehensive civil engineering consulting business. The scale of that business ranks number one in Japan.

# 71

Years in business

Nippon Koei was established in June 1946. Amid the postwar turmoil, founder Yutaka Kubota started Shinko Dengyo (the former Nippon Koei), in which he brought together highly skilled engineers to fulfill his ambition of rebuilding Japan.

# Over 5,500

Number of orders per year

Nippon Koei's civil engineering consulting and power engineering businesses develop the infrastructure for safe and comfortable living, while its urban & spatial development business creates enriching and attractive urban environments, contributing to nation-building efforts around the world.

# 82

Number of patents

At our R&D Center, the largest in the Japanese industry, researchers make full use of numerical analysis, testing and experiments to advance civil engineering technologies and develop technologies that contribute to new approaches to nation-building. We now hold 82 patents, which are applicable to various types of projects.

# 160

Countries where we operate

We have conducted business in 160 countries over the years. Today, we are engaged in numerous projects that support the advancement of developing countries in a wide variety of fields, such as water resources, energy, urban and regional development, transportation, agricultural and rural development, and environmental management.

# No. 1\*

in the industry  
(Sales from ODA)

We participate extensively in Japanese official development assistance (ODA) projects, primarily in Asia but also in Africa, the Middle and Near East, Latin America and other regions. Through these projects, we contribute to the advancement of developing countries in various fields, as well as social contribution and humanitarian aid across borders.

\* Source: *Nikkei Construction*, May 8, 2017

# 1,534

Number of professional engineers

With 1,534 officially certified professional engineers (the most in the industry in Japan) who have expertise in disciplines including civil engineering, comprehensive technical management, applied science and water supply and sewerage, the Nippon Koei Group provides consulting services around the world.

# 4,566

Number of employees  
(consolidated)

The Nippon Koei Group has 35 operating sites outside Japan, and employs a total of 4,566 people. Our operating structure allows us to work closely with local communities, and we support the sustainable development of regions in ways such as job creation and technology transfer.

# 13,300 km

Supervision:  
Length of power  
transmission lines  
overseas  
(cumulative)

# 4,070,500 ha

Supervision: Irrigated  
land area overseas  
(cumulative)

# 5,600 km

Design and supervision:  
Length of railway track  
(cumulative)

The scale of the projects the Nippon Koei Group has designed and supervised is large. The total length of railway track is equivalent to the distance between New York and London; irrigated land area overseas is about the same as the area of the island of Kyushu; the length of power transmission lines built overseas is about 1/4 of the circumference of the Earth.

# Past

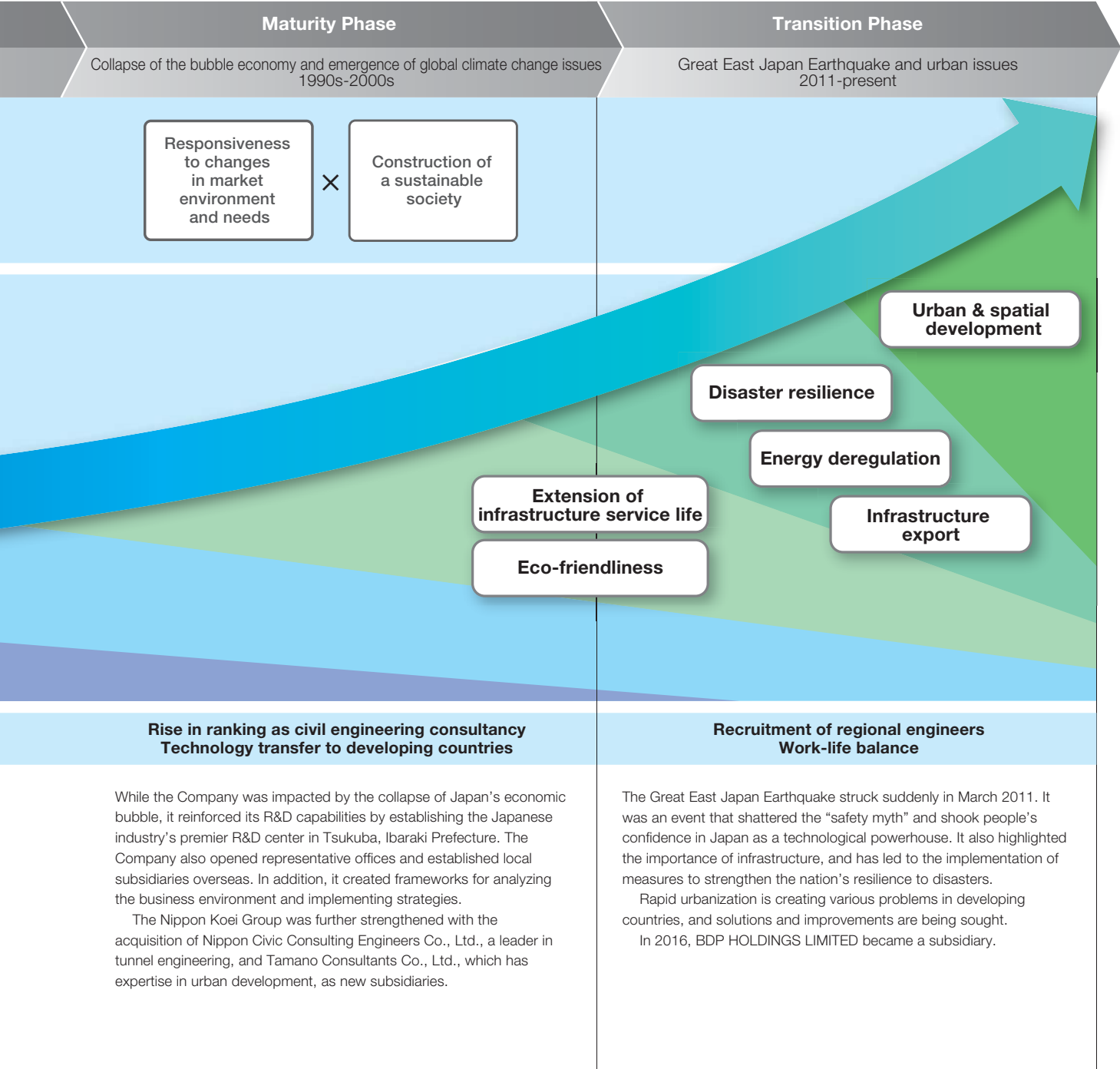
## The Nippon Koei Group's Past, Present and Future

We have consistently created value ahead of the curve.

### Progress of Nippon Koei and Japanese/International Society

Phase	Startup Phase		Growth Phase	
Period	Postwar reconstruction 1946-1960s		Rapid economic growth and population increase 1970s-1980s	
Nippon Koei × Society Group	Establishment of business foundation Relations with other countries	Stable supply of electricity Enhancement of local infrastructure	Integrated strengths and development expertise in diverse fields	Creation of infrastructure for industrial growth
Progress	Rebuilding of basic infrastructure		Construction of social infrastructure	
NK's People	Provided employment opportunities for engineers after the war		Improved the quality of engineers Developed engineers in a variety of fields	
Business Development	<p>Nippon Koei was established in June 1946 amid the postwar turmoil, with the ambition of rebuilding Japan. Yutaka Kubota, the Company's founder, was committed to restoring the nation's devastated infrastructure and electric power business, but also had a vision to expand the Company's efforts to include reconstruction of war-ravaged countries abroad. In 1954, Nippon Koei received an order for the planning of electric power generation in Burma (now Myanmar), its first overseas project.</p> <p>In Japan, the Company opened the Technical R&amp;D Institute (now the R&amp;D Center) in 1961, and set out to develop advanced technologies.</p>		<p>Nippon Koei proactively expanded the scope of its business as it developed its network of operations not only domestically but also overseas, strengthened the Group's functions, and increased its participation in transportation projects, including roads, bridges, airports and ports. In addition, it pursued privately funded projects in areas such as urban development.</p> <p>The Company overcame drastic changes in the business environment caused in part by the oil crisis, and established a solid position as a civil engineering consulting firm.</p> <p>In 1985, founder Yutaka Kubota was awarded the Grand Cordon of the Order of the Rising Sun in recognition of his achievements over many years both in Japan and abroad.</p>	

A 70-year history and proven track record are the driving forces of the Nippon Koei Group. Through our participation in businesses involved in infrastructure development projects in 160 countries, we have cultivated foresight along with free and flexible imagination. Since receiving an order for the planning of electric power generation in Burma (now Myanmar) in 1954, our first overseas project, Nippon Koei has become a trusted name worldwide. In becoming Japan's number-one civil engineering consulting firm, we have overcome a series of tough yet rewarding and exciting challenges.



# Present

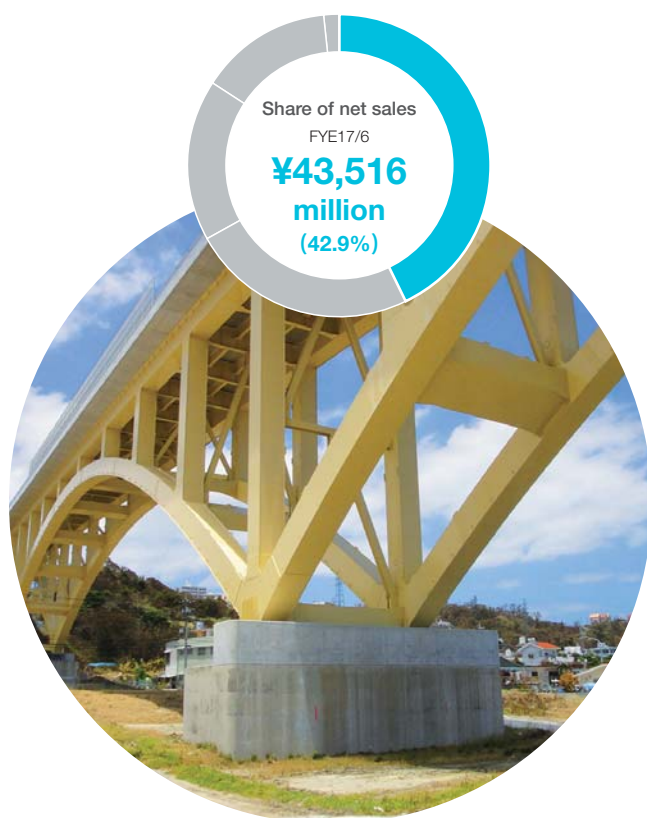
Today, we are transforming countries and communities worldwide.

## Domestic Consulting

### Main Fields of Operation

Water resources and waterways, dams and power generation, urban and regional development, transportation, disaster prevention, environmental management, project management, etc.

With operating bases in all 47 prefectures of Japan, we are engaged in the development and maintenance of waterways, roads and other social infrastructure, and regional development projects that enhance safety and quality of life. Orders from the national government and local governments account for most of the sales in this business.



## International Consulting

### Main Fields of Operation

Water resources and waterways, energy, urban and regional development, transportation, agriculture and rural development, environmental management, etc.

Nippon Koei leads all firms involved in international engineering consultation in Japan in sales from official development assistance (ODA) projects, which make up the bulk of sales in this business. The Group conducts many projects to support the growth of developing countries in Asia, Africa, the Middle and Near East, Latin America and other regions.



The Nippon Koei Group provides domestic and international engineering consultation, power engineering and other services in a wide range of fields, including water, energy, transportation, disaster prevention and environmental management. Our goal is to improve the social infrastructure that is the foundation for people's daily lives.

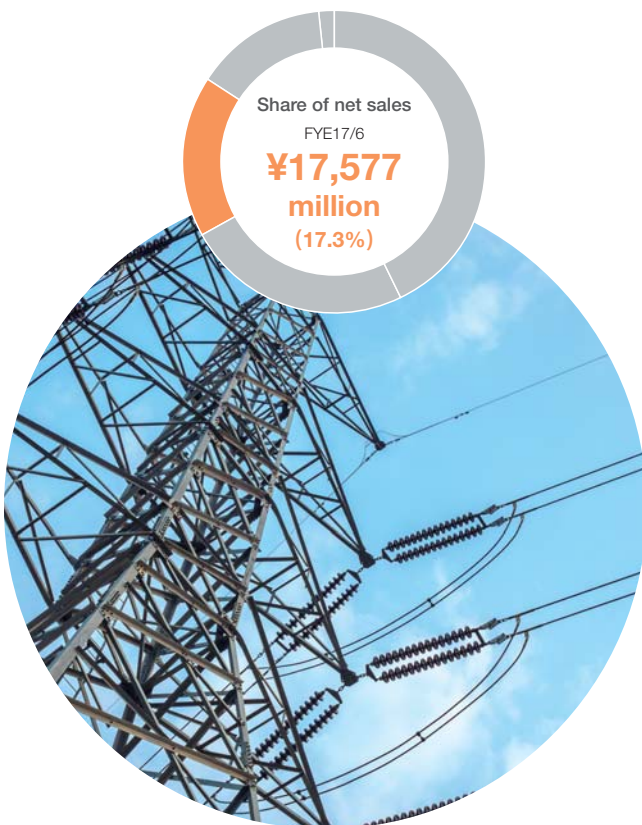
Each project involves a different set of challenges, and aims to achieve different goals. Through its business history of pursuing solutions, the Nippon Koei Group has attained many advantages – world-class conceptualization abilities, integrated strengths, technical capabilities, and its highly qualified and reliable people. With these advantages, the Group contributes to the development of countries and communities worldwide.

## Power Engineering

### Main Fields of Operation

Manufacturing of equipment and devices for power generation/transmission/distribution, construction of electrical facilities, mechanical and electrical consulting, energy solutions, geotechnical investigation, sale of civil engineering measurement devices, manufacturing and sale of safety gear and equipment, etc.

This business develops power resources and offers services to support electricity demand both overseas and in Japan. Services in this business cover construction and repair of substation facilities, construction of central monitoring and control systems for efficient monitoring and control of power systems, construction of dam control systems at hydroelectric power plants, and manufacturing of related equipment. In recent years, the Group has also been actively involved in renewable energy projects.



## Urban & Spatial Development

### Main Fields of Operation

Architecture, building design, landscape and urban design, etc.

This business focuses on structural design of buildings such as commercial facilities, train stations, schools and medical facilities. With a focus on meeting development demand primarily in emerging Asian countries, the Nippon Koei Group contributes to the creation of comfortable and attractive living spaces by offering services such as urban development surrounding railway lines and in cities, designing airport buildings and train stations, etc.



# Future

We will remain dedicated to building a future in which people throughout the world can enjoy active and fulfilling lives.

## Group Vision

The Nippon Koei Group's value and mission are expressed in its management philosophy, "Act with integrity and contribute to society through technology and engineering." The Group Vision is what we aspire to accomplish.

**"To provide services that are of value in building safe and reliable social infrastructure and creating comfortable living spaces."**

### Building safe and reliable social infrastructure

Carrying on the legacy of the Company's founder, we will contribute to society by combining our expertise with the latest technologies to build safe and reliable infrastructure aligned with the demands of each era.

### Creating comfortable living spaces

In response to the needs of the world, which is becoming increasingly urbanized, we will deploy our expertise in the new field of urban design as well as in architecture to contribute to society through the creation of comfortable living spaces.

In a rapidly changing business environment, the Nippon Koei Group will innovate to stay ahead of the curve and contribute further to socio-economic development.

## President Arimoto on the Nippon Koei Group's Future

Since its establishment more than 70 years ago, the Nippon Koei Group has supported the development of social infrastructure in 160 countries. In line with the Group Vision, "To provide services that are of value in building safe and reliable social infrastructure and comfortable living spaces," we will take up challenges in new fields such as urban development, logistics, architecture and energy while steadily expanding our core businesses that have supported social infrastructure up to now. In doing so, we remain dedicated to building a future where people throughout the world can enjoy active and fulfilling lives.

Consultants are being asked to meet increasingly sophisticated and complex needs. In Japan, infrastructure that was largely built during the period of high economic growth is aging, while in emerging countries, rapid urbanization has led to problems such as traffic congestion and environment pollution. Even in this fast-changing world, we have to look ahead 100 years into the future, then utilize our experience as well as conceptual powers and insights to leave an important legacy for future generations. The Group as a whole will work together to advance its businesses and build its foundation as a stronger corporate group that is ready for the future.

Based on our Management Philosophy, "Act with integrity and contribute to society through technology and engineering," the Nippon Koei Group will maintain high standards of integrity and further improve its technologies and human resources as we continue to grow and advance together with society. We will remain dedicated to meeting the diverse needs of society by developing advanced technologies for safe and reliable social infrastructure.

October 2017

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Ryuichi Arimoto

Representative Director and President

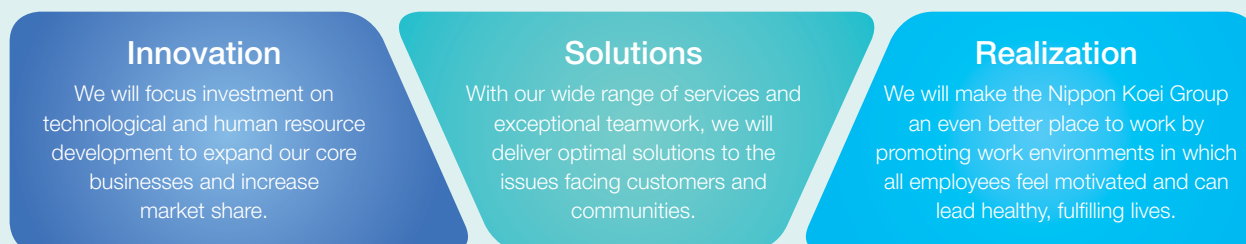


# Long-Term Management Strategy (July 2015 – June 2021)

## Basic Objective

### Continue to evolve into a global consulting and engineering firm

The basic objective of our long-term management strategy (July 2015 – June 2021) is to evolve the firm into a global company with both consulting and engineering expertise. Our strategies for achieving the above are threefold: Innovation, Solutions and Realization.

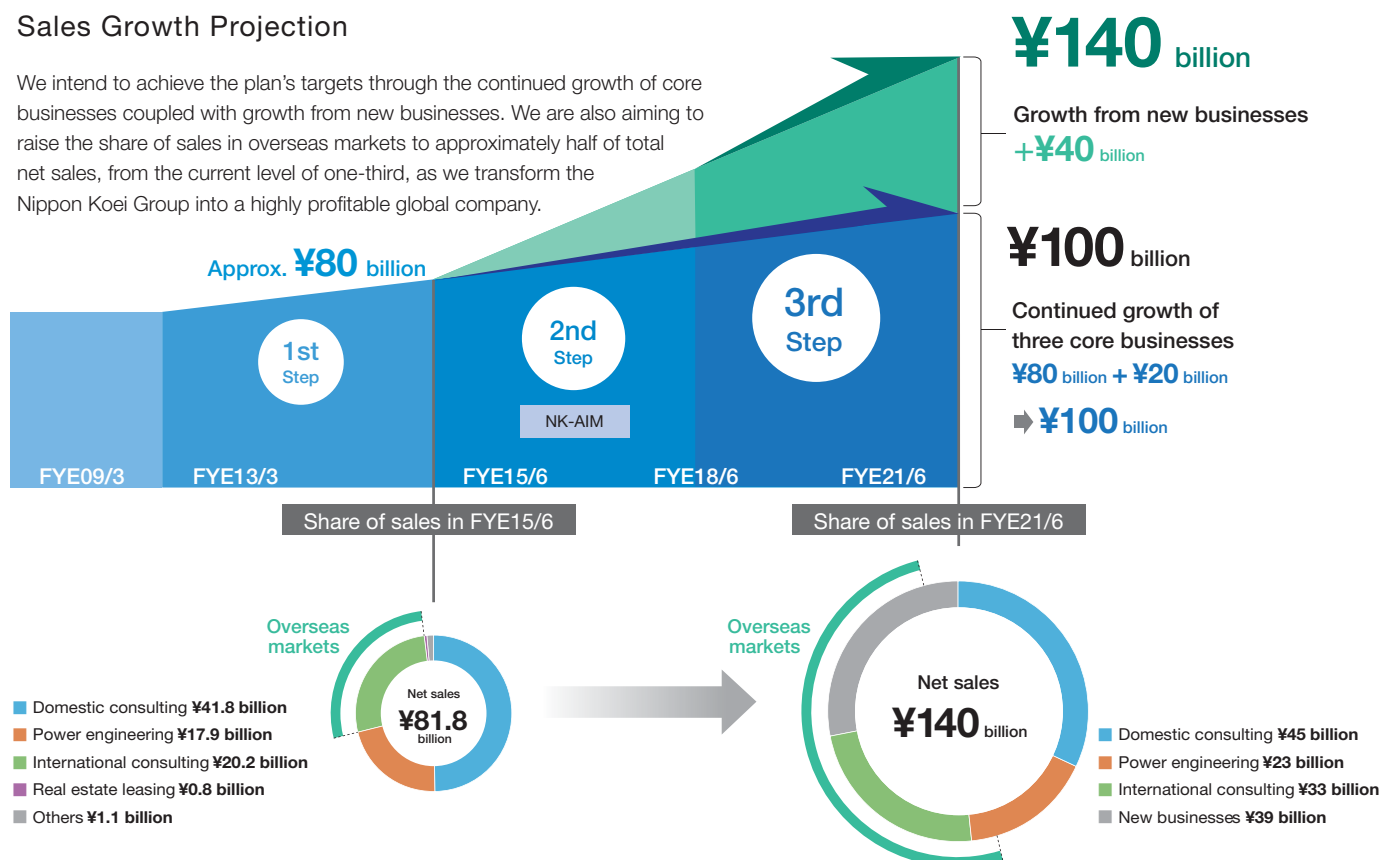


## Targets for the Year Ending June 30, 2021

Consolidated net sales	Operating income	Operating margin	ROE
<b>¥140 billion</b>	<b>¥14 billion</b>	<b>10%</b>	<b>10%</b>

## Sales Growth Projection

We intend to achieve the plan's targets through the continued growth of core businesses coupled with growth from new businesses. We are also aiming to raise the share of sales in overseas markets to approximately half of total net sales, from the current level of one-third, as we transform the Nippon Koei Group into a highly profitable global company.



# Medium-Term Management Plan (NK-AIM) (July 2015 – June 2018)

We formulated Medium-Term Management Plan NK-AIM, positioning the three years from July 2015 to June 2018 as the key period for preparing for future growth.

## Basic Policies

Sustainable growth of three core businesses

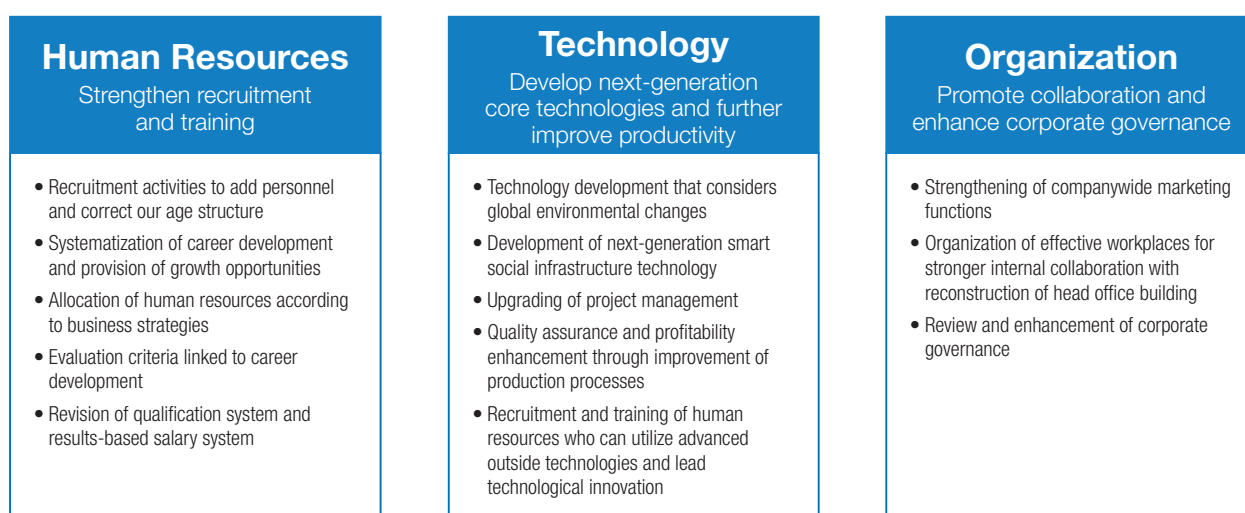
Generation and expansion of new businesses

Autonomy and collaboration

## Key Challenges



## Companywide Measures



## Targets for the Year Ending June 30, 2018\*

Net sales	Operating income	Operating margin	ROE
<b>¥115 billion</b>	<b>¥7.4 billion</b>	<b>6.4%</b>	<b>7.5%</b>

\* For details, please refer to the Outlook for the Fiscal Year Ending June 30, 2018 on the Company's website.



# Acceleration of NK-AIM Smart Construction Production System Using BIM and CIM

As part of the trend toward digitization of the construction industry, the Nippon Koei Group is utilizing Building Information Modeling (BIM), which combines 3D modeling of the project and a design information database to perform virtual construction work, and Construction Information Modeling (CIM), a system used in construction process management and maintenance of civil infrastructure.

BDP Holdings Limited, which joined the Nippon Koei Group in 2016, is a leader in BIM technology throughout Europe, and about 70 percent of its engineers are skilled in using BIM software. We are currently undertaking active technology sharing, with BDP employees conducting BIM training in Japan and mid-level and younger employees of Nippon Koei

being dispatched for training at BDP's offices in the UK for several months. These programs are expected to yield many benefits, including higher efficiency, improved productivity and lower costs in construction production systems.

In Japan, the move toward compulsory use of BIM is considered inevitable because of its many benefits such as enhanced design visualization and faster interference checking of designs, structures and facilities. This trend is expected to spread to other countries in Asia as well. By evolving the traditional technologies for social infrastructure development that the Nippon Koei Group has honed throughout its history, we will continue to take on further challenges for the creation of comfortable living spaces.



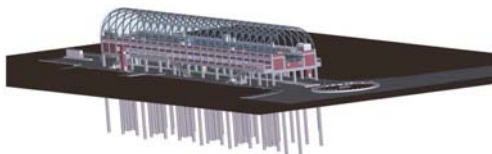
BIM training by BDP employee



Nippon Koei employee training at BDP

## Building Information Modeling (BIM)

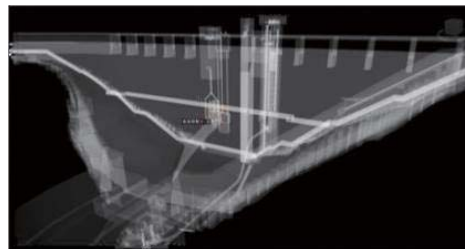
BIM is a workflow process in which a structure database with attribute data such as costs, finishing and management information is added to a 3D digital model of a building created on a computer to enable utilization of information at every stage, from design and construction to maintenance and management. The use of BIM started to expand significantly after 2007, when the U.S. General Services Administration (GSA) began mandating the use of BIM for all federal building construction. It is expected to become mainstream methodology in the building industry worldwide.



Use of BIM (Dhaka MRT Line 6)

## Construction Information Modeling (CIM)

Based on BIM technology in the field of architecture, CIM is a method in which all responsible parties in a project share 3D modeling data and use various types of ICT in an integrated manner to carry out planning, design, construction, maintenance and management. The main focus is on sharing and using data among project participants, including contractors and associated partner companies.

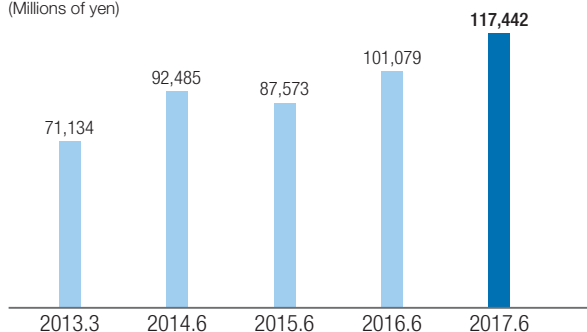


Use of CIM (3D model of dam)

# Financial Highlights

## Orders (consolidated)

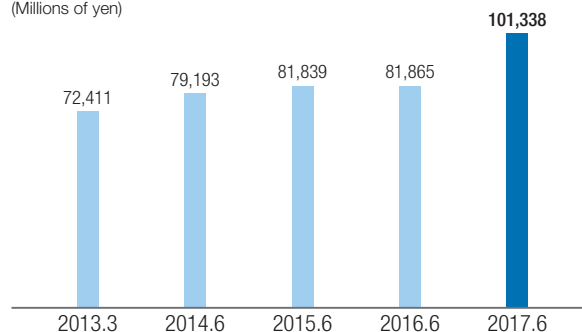
(Millions of yen)



\* The calculation standard for orders was changed starting in FYE17/6.

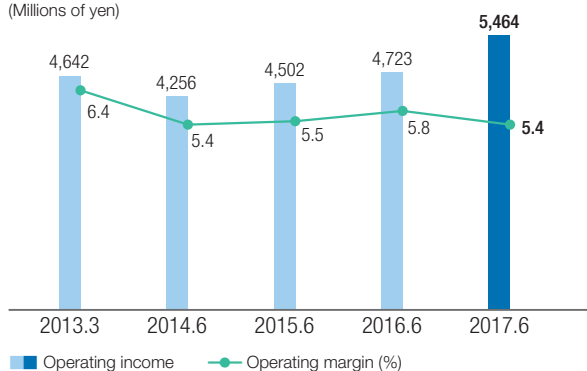
## Net sales (consolidated)

(Millions of yen)



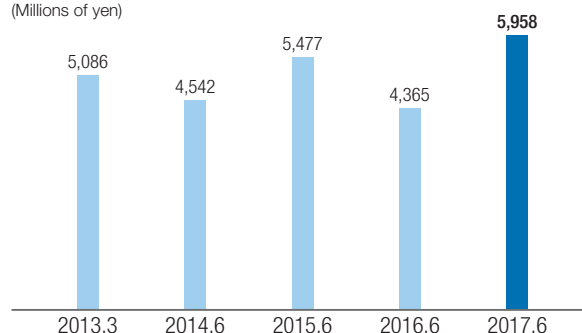
## Operating income/Operating margin

(Millions of yen)



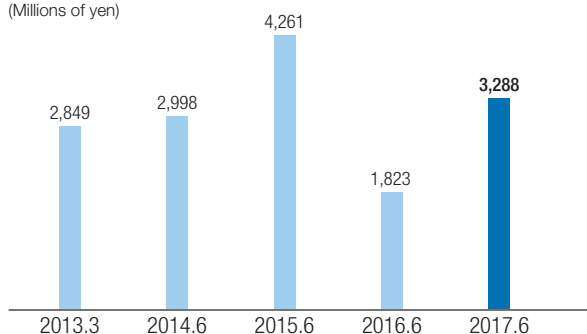
## Ordinary income

(Millions of yen)



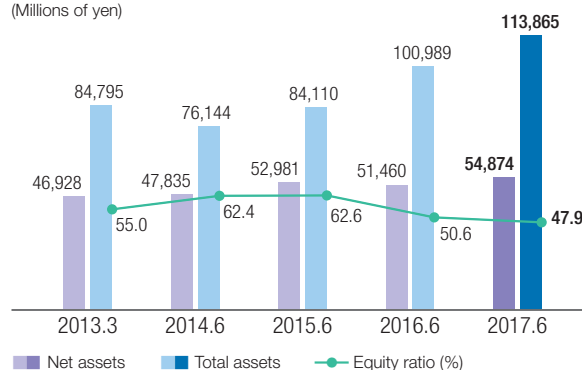
## Profit attributable to owners of parent

(Millions of yen)



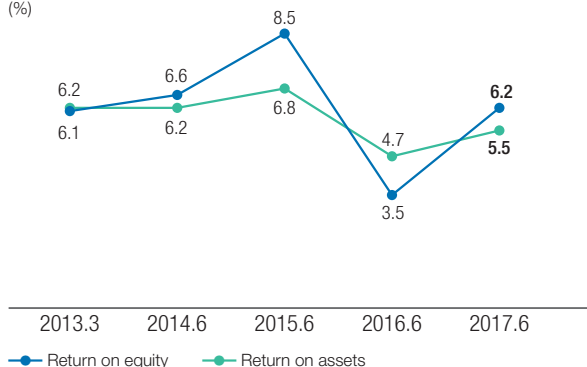
## Net assets/Total assets/Equity ratio

(Millions of yen)



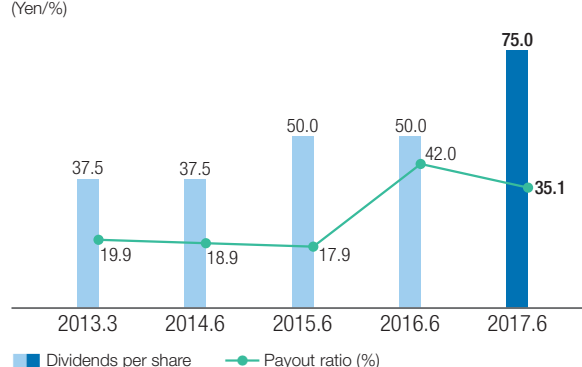
## Return on equity/Return on assets

(%)

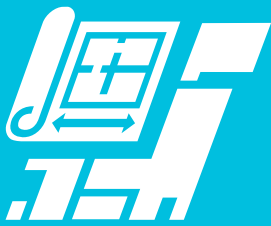


## Dividends per share/Payout ratio

(Yen/%)



\* On January 1, 2017, the Company conducted a share consolidation at a rate of one share for every five shares. Figures for prior years have been restated to reflect the share consolidation.



## Domestic Consulting

The domestic consulting business provides a full range of civil engineering consultation related to development and maintenance of social infrastructure. Its goal is to help build safe and secure living spaces, vibrant communities and sustainable environments.

With proven technologies backed by diverse experience and R&D, we carry out many projects that support daily life. Projects for the improvement and maintenance of social infrastructure, such as waterways and roads, lead to regional development as well as convenient and comfortable lifestyles for people nationwide.



## Business Areas

### ■ Water Resources and Waterways

We provide technical services for flood control, efficient water use, improvement of water environments, and the water supply and sewerage facilities that are integral for daily living.

### ■ Urban and Regional Development

Our services in this area include regional development studies; support for policymaking related to urban and regional planning; and investigation, analysis, design and construction supervision concerning ground conditions and geology.

### ■ Disaster Prevention

To preserve the land and enable people to live safely and peacefully, we provide technical services that protect communities from natural disasters such as large earthquakes, volcanic eruptions and torrential rain.

### ■ Project Management

When there is a need for cooperation and collaboration among government entities, private enterprises and citizens, we provide consulting services such as asset management and technical management in public-private partnerships (PPP).

### ■ Dams and Power Generation

We have a strong track record in handling all aspects of dam projects, including providing technologies for new dam construction and for redevelopment and service life extension of existing dams.

### ■ Transportation

We provide a wide range of services, such as planning, investigation and design, service life extension and improvement in maintenance of roads, bridges, airports and other transportation infrastructure.

### ■ Environmental Management

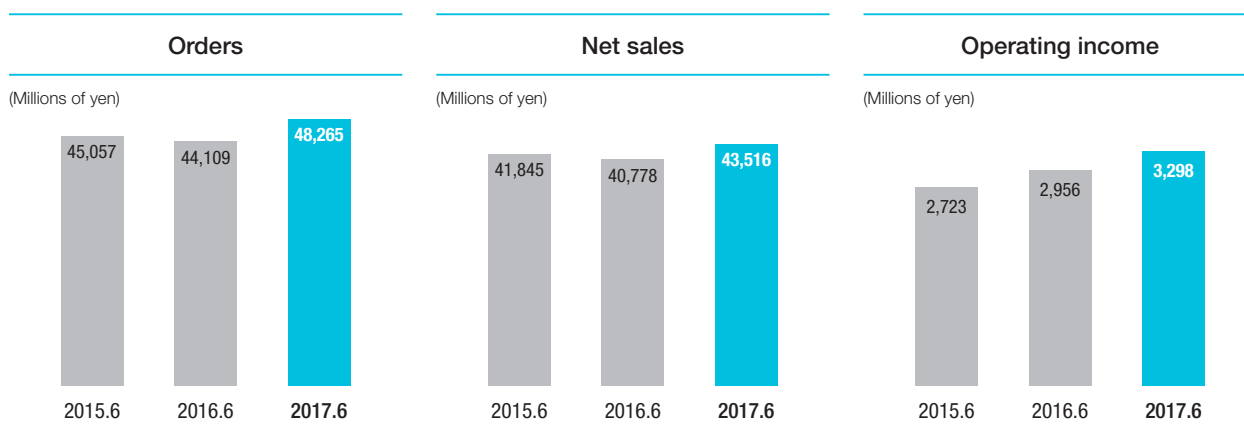
Our business in this sector focuses on balancing development and the environment by preserving air, water and land environments as well as biodiversity for a sustainable society that coexists in harmony with nature.

## Performance at a Glance in FYE17/6

Orders: Up over the previous year on strong performance in core business areas such as disaster prevention/mitigation and an increase in orders (improved technological competitiveness) associated with the Ministry of Land, Infrastructure, Transport and Tourism

Net sales: Up over the previous year due to an increase in orders on hand

Operating income: Up over the previous year, reflecting a decrease in unprofitable projects due to quality improvements and an increase in highly profitable projects associated with public works  
(Operating margin: FYE16/6: 7.3% → FYE17/6: 7.6%)



## Promoting Safety and Peace of Mind

Japan is one of the world's most disaster-prone countries. Earthquakes, tsunamis, volcanic eruptions, floods and ground subsidence are some of the disaster risks the country faces. Moreover, a significant portion of the country's infrastructure was built more than 50 years ago.

Preparing for natural disasters and extending the service life of infrastructure are essential for enabling people to live safely and peacefully; in fact, the Japanese government is promoting a "national

resilience" policy aimed at these goals.

The Nippon Koei Group has operating bases in all 47 prefectures of Japan, and employs professionals in diverse fields such as geology, waterways, environmental protection and information technology. We mobilize these assets in carrying out projects for preventing and mitigating disasters and prolonging the life-span of infrastructure in order to build a society in which people can live with peace of mind.

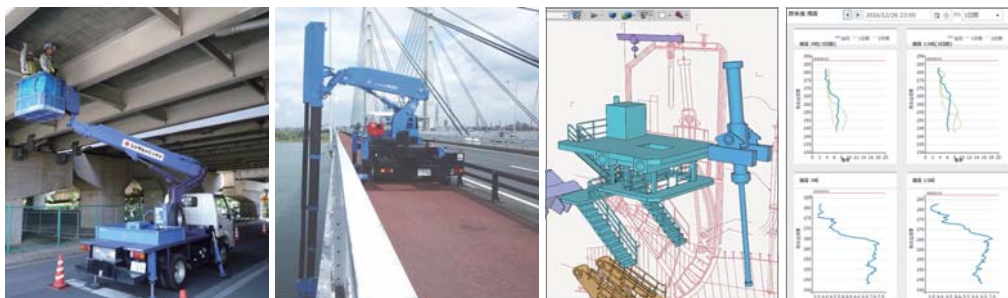
### Specific Measures

Amid rising concern over natural disasters, the Nippon Koei Group has made disaster prevention and mitigation one of its strategic areas of focus. Since it is difficult to completely prevent damage from natural disasters that occur without warning, it is important to determine how to limit and mitigate the extent of the damage.

The Nippon Koei Group implements both "hard" measures such as construction of check dams and slope stabilization, and "soft" measures such as promotion of resident warnings with alarm systems that employ sensors and other technologies.

Making effective use of limited budgets and manpower is becoming increasingly difficult just with the traditional "treat the symptoms"

approach – in other words, fixing infrastructure when it breaks down. In 2015, the Nippon Koei Group began an initiative in which we use the current condition of disaster prevention facilities and accumulated data to make recommendations to national and local authorities responsible for preventing landslides on what measures to take and when to take them. This allows authorities to continue maintaining the performance of disaster prevention facilities at the lowest possible cost. We have started work on extension of the service life and establishment of maintenance methods for disaster prevention facilities, including examination of suitable inspection and soundness evaluation methods, and development of new technologies.



We have adopted CIM and use it in planning, design, construction, maintenance and management.



## International Consulting



The Nippon Koei Group conducts many projects to support the growth of developing countries in Asia, Africa, the Middle and Near East, Latin America and other regions. Projects encompass a wide range of fields, including water resources and waterways, energy, urban and regional development, transportation, agricultural and rural development, and environmental management.

In recent years, we have been playing an important role as a leader in social contribution and humanitarian aid across borders. Examples of our efforts include environmental measures to combat global warming, development of regional transportation infrastructure to support the rapid growth of emerging economies, and reconstruction assistance for regions affected by conflict and/or natural disasters.



## Business Areas

### ■ Water Resources and Waterways

We provide consulting services that coordinate solutions to problems concerning water resources. Examples include water resource development for entire countries, flood control in river basins, and introduction of institutions for water rights reconciliation.

### ■ Urban and Regional Development

Urban areas in developing countries face various problems, typified by traffic congestion and/or environmental degradation as a negative side effect of rapid population growth. With our comprehensive consulting services, we help cities in addressing these challenges through holistic approaches.

### ■ Agricultural and Rural Development

We provide total consulting services in agricultural and rural communities to tackle issues closely related to poverty and food security, which affect many developing countries.

### ■ Others

Our wide range of technical services also encompasses climate change countermeasures, information and communication technology, post-disaster restoration assistance, and proposal of PPP project schemes.

### ■ Energy

In the energy sector, we provide consulting services to formulate optimal energy development plans according to each country's development stage, as well as plans for improvement of power plants, transmission systems and other facilities and equipment.

### ■ Transportation

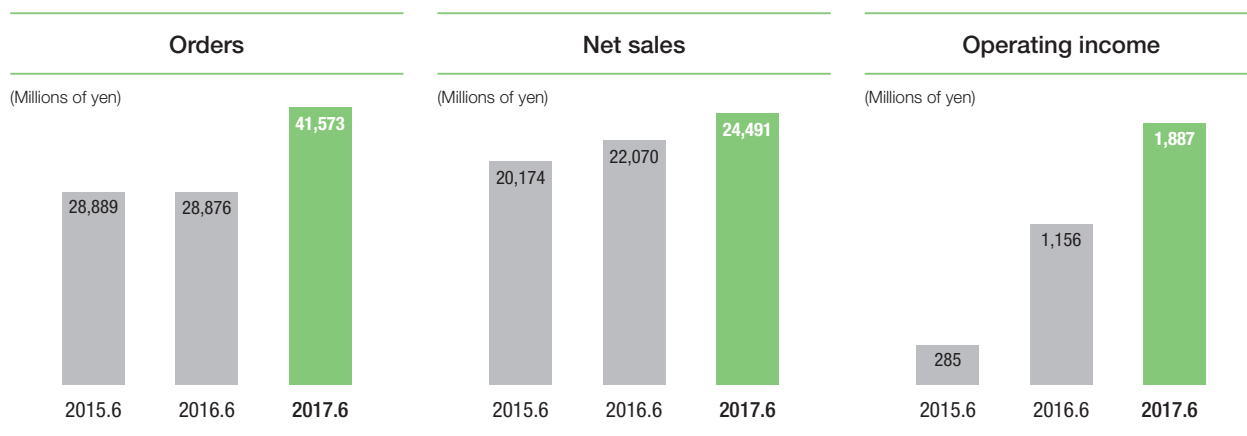
To resolve problems that are becoming increasingly serious, such as traffic accidents, congestion and environmental pollution, we build up the infrastructure networks (ports/airports, etc.) that support economic activities, repair transportation facilities that have deteriorated over time or been damaged by disasters, and overseeing various aspects of the construction plans for railways.

### ■ Environmental Management

We assemble multidisciplinary teams of technical experts to provide consultation on issues ranging from biodiversity, deforestation, air and soil pollution to urban environmental problems.

## Performance at a Glance in FYE17/6

Orders:	Strong increase over the previous year driven by major projects such as Cairo Metro Line No. 4, Dhaka International Airport Expansion, and reconstruction of electricity sector in Iraq
Net sales:	Up over the previous year despite some orders that were scheduled for completion in FYE17/6 being carried forward
Operating income:	Substantial increase in the operating margin as unprofitable projects decreased due to improvement of the revenue management system (Operating margin: FYE16/6: 5.2% → FYE17/6: 7.7%)



## The Nippon Koei Group's Infrastructure Exports

Boosting infrastructure exports is a key part of the Japanese government's growth strategy, which has eventually focused renewed attention on the role of consultants who will lead that effort.

Yutaka Kubota, the founder of Nippon Koei, was already working to pioneer "infrastructure exports" even before the Second World War. After the war ended in 1945, while he dedicated his efforts to rebuilding Japan, he also provided other countries with Japanese

technologies for infrastructure such as hydroelectric power plants, roads, railways and bridges.

Today, the Nippon Koei Group carries out projects that apply essential Japanese technologies for infrastructure building in many countries worldwide. In recent years, we have been engaged in infrastructure exports with a focus on mass rapid transit (MRT) and other urban public transportation systems, helping to make people's daily lives safer and more convenient.

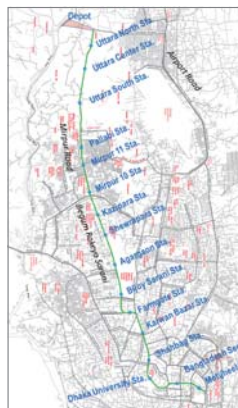
### Specific Measures

Dhaka, the capital city of Bangladesh, has an even higher urban population density than cities in ASEAN and surrounding countries. Its population growth has outstripped capacity, causing a number of social problems. One solution being implemented to alleviate those problems is an urban transport plan, the centerpiece of which is the Dhaka MRT Line 6 construction project. Nippon Koei received the order for this project as the leader of NKDM Association, a consortium of foreign and Bangladeshi companies.\* The project, which will introduce the first mass rapid transit (MRT) in Bangladesh, will create a 20 km railroad running north to south through Dhaka, and is expected to bring dramatic changes to the

overcrowded city. When the entire line opens, it is expected to carry approximately 500 thousand passengers per day.

Nippon Koei, in cooperation with its Group companies, is working on the architectural design of elevated structures, flood analysis, modification design of crossings, development around train stations, and more. The entire line is scheduled to open in 2021. Besides relieving traffic congestion, this project will also help to support the urban living environment and enhance lifestyles in the city.

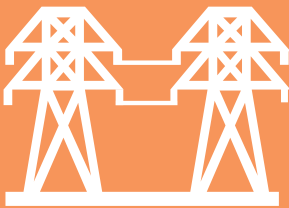
\* NKDM Association members are Nippon Koei Co., Ltd., Nippon Koei India Pvt. Ltd., Delhi Metro Rail Corporation Ltd., Mott Macdonald Limited, Mott Macdonald Pvt. Limited and Development Design Consultants Ltd.



NKDM Association project



## Power Engineering



We develop power resources and offer services to address electricity demand in emerging countries as well as in Japan. Our power engineering business covers construction and repair of substations and switching stations, construction and repair of power plants and overhead/underground transmission lines, construction of central monitoring and control systems that improve efficiency, construction of dam control systems at hydroelectric power plants, and manufacturing of equipment. The Nippon Koei Group's mission is to offer the best solutions to meet the various needs of electric power companies, our clients.



## Business Areas

### ■ Manufacturing of Equipment and Devices for Power Generation/Transmission/Distribution

We produce water turbines for hydroelectric power plants, manufacture substation control devices, and build substation central monitoring systems and dam control systems.

### ■ Mechanical and Electrical Consulting

We provide comprehensive consulting services for electric power and electrical equipment.

### ■ Geotechnical Investigation, Sale of Civil Engineering Measurement Devices

We perform installation work and maintenance inspections of automated observation systems used in landslide prevention, and manufacture and sell geotechnical measuring devices.

### ■ Construction of Electrical Facilities

We perform planning, investigation, design, construction and management related to reinforcement and repair of facilities of electricity suppliers, including substations, switching stations, and overhead/underground transmission lines.

### ■ Energy Solutions

Amid increasingly strict environmental regulations, we provide energy consultation and perform design and installation of hydropower/solar facilities in the field of renewable energy.

### ■ Safety Gear and Equipment

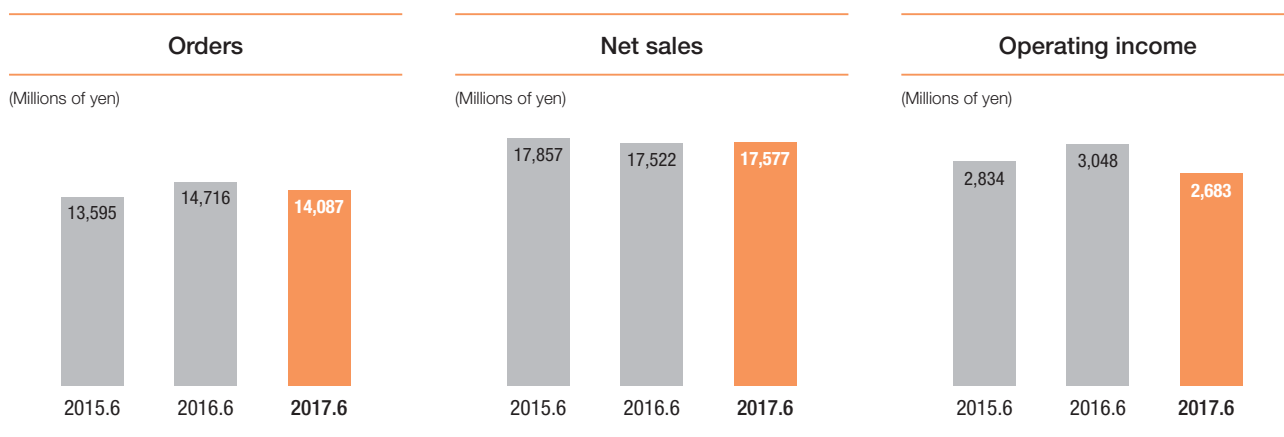
We manufacture and sell voltage detector checkers and testers, as well as other safety products.

## Performance at a Glance in FYE17/6

Orders: Down from the previous year due to delays in signing of contracts for certain large-scale projects

Net sales: Roughly the same level as the previous year due to delays in signing of contracts for certain large-scale projects

Operating income: We made extensive cost reductions, but operating income was negatively impacted by an increase in personnel to meet robust demand for hydroelectric power projects in Japan and overseas.  
(Operating margin: FYE16/6: 17.4% → FYE17/6: 15.3%)



# Future Electric Power Energy Measures

Since the Paris Agreement (COP21) took effect in 2016, measures to deal with the threat of climate change have been adopted worldwide. While an increase in renewable energy and changes in the power source composition are projected, connecting renewable energy directly to electric power systems destabilizes the voltage and frequency of the overall system. In Japan, moreover, significant changes are taking place in the structure of the overall electric power system from generation to consumption due to power system reforms.

The Nippon Koei Group, which has carried out projects to develop new power sources and to meet demand for electric power in Japan and overseas, recognizes these changes and issues as new business opportunities, and is working on technological development in anticipation of future electric power energy policies.



## Specific Measures

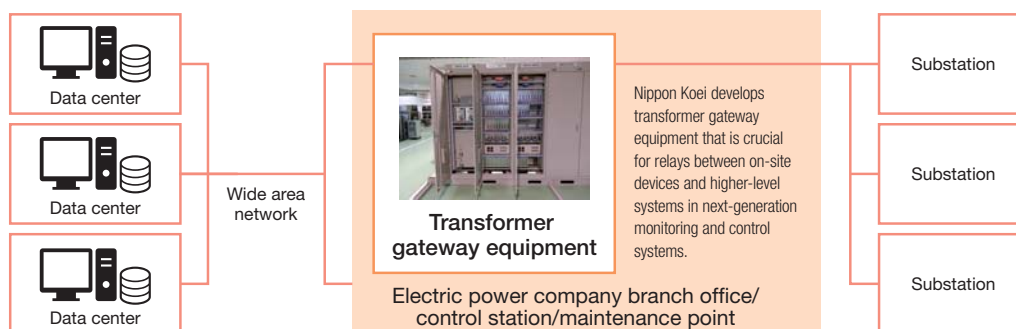
Decreases in third-party access costs and stable supplies, along with advances in network operating environments, have created a need for electricity monitoring and control systems to adapt to these changes.

TEPCO Power Grid, Inc. plans to consolidate the servers that had previously been installed at each load dispatching center and control station in a single location and install a next-generation monitoring and control system that will enable consistent monitoring and control from the power transmission system to the power distribution system.

As this system introduces the most advanced security technology, the decision was made to adopt it in the Tokyo area before the Tokyo Olympics and Paralympics.

Preparations are under way with the aim of starting operation in April 2019.

The transformer gateway equipment that Nippon Koei will develop has the potential to be expanded globally as a product for future growth for the Nippon Koei Group, and Nippon Koei will team up with five other companies including TEPCO Power Grid to develop business overseas. Based on advanced monitoring and control technology, tested and enhanced in the Japanese market, Nippon Koei will provide development, operation and maintenance technology in the deployment of power transmission and distribution facilities and contribute to high-quality infrastructure in Japan and overseas.





# Urban & Spatial Development

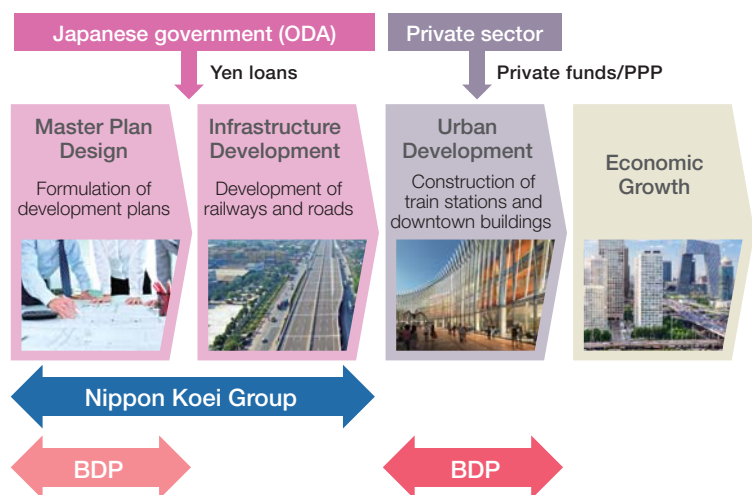


We established the urban & spatial development business in July 2016 after BDP HOLDINGS LIMITED joined the Nippon Koei Group. The purpose is to expand into the field of architecture, which accounts for roughly 25% of international sales of civil engineering consulting firms worldwide.

In developing countries in Asia, rapid urbanization has led to worsening traffic congestion, environmental pollution and other problems. To address these problems, we will extend our businesses to construction of airport buildings, train stations and other facilities in addition to design of urban transportation infrastructure.

## Synergy with Existing Businesses

We are aiming for joint participation in ODA-financed projects in Asia, including development of master plans for metropolitan areas and cities, development of peripheral infrastructure for urban transportation, airport buildings and train stations, and private-sector projects to develop industrial infrastructure. Going forward, we will provide a complete array of consulting services from civil engineering to architectural design.



## Business Areas

### ■ Architecture

Focusing on interdisciplinary activities that integrate architectural design, structural design and facility design, this business utilizes BDP's state-of-the-art technologies.

### ■ Landscape and Urban Design

We are involved in redevelopment planning of areas and buildings in line with development policies, urban planning/development along railway lines at the time of social infrastructure construction, and design of airport facilities/train stations.

### ■ Refurbishment of Historic Buildings

Our numerous projects in this category include the restoration of one of England's most recognized historic buildings, as well as refurbishment of sports facilities and train stations. We also have a track record of carrying out the entire refurbishment while the building remains in use.

### ■ Civil Engineering and Architecture

By combining Nippon Koei's civil engineering expertise with BDP's extensive architectural technologies, which are highly regarded in Europe, we are providing comprehensive technical consulting services to a wider range of customers.

## Performance at a Glance in FYE17/6

Orders and net sales: Declined because of a delay in orders for education-related facilities due to the effect of Brexit

Operating income: Reflected the negative impact of foreign exchange rates (the weak British pound) in addition to sluggish sales

Orders	Net sales	Operating income
(Millions of yen) <b>13,460</b>	(Millions of yen) <b>14,347</b>	(Millions of yen) <b>81</b>

### Topic

## BDP Wins Order for Restoration of Palace of Westminster

In July 2017, BDP was awarded the architectural design contract for the restoration and renewal of the Palace of Westminster. BDP received the highest rating, winning against global rivals on the strength of its proven track record and its high productivity using BIM technology, in which it is a leader in Europe.

Rebuilt in the mid-19th century, the Palace of Westminster is facing the problem of deterioration. The most urgent repair work is being carried out separately with completion targeted in 2020, but the project undertaken by BDP is for a permanent and major restoration of all of the palace's antiquated facilities after 2020. The winning of the bid follows BDP's selection in November 2016 to perform

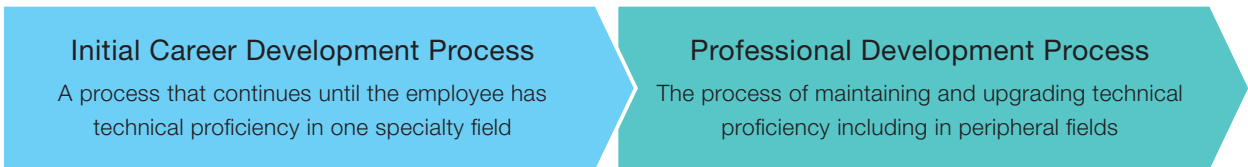
architectural and design work for the Northern Estate Programme, which entails renovation of the buildings where the Houses of Parliament will relocate during the main restoration project.



# Human Resource Development

Human resources who act with integrity and technology that contributes to society are essential in fulfilling our Group management philosophy. We believe that people are our greatest business resource, and seek to develop each employee as a professional with a high level of expertise.

## Career Support Program



- **Technical training**
  - Personnel exchange MSP<sup>1</sup>
  - TD training/TD follow-up training<sup>2</sup>
  - Support for acquisition of engineering qualifications
  - Career Path Sheet system etc.

- **Level-based training**
  - New employee orientation training
  - New employee follow-up training
  - Mid-level employee training etc.

1. MSP (Multi Seed Program) is a personnel exchange system that assigns employees for a certain period to different departments from their current one in order to develop engineers who can accept diversity of skills, knowledge, values and other attributes.  
 2. TD (Technical Development) is a Nippon Koei training program in which employees draw up their own career vision to develop technical expertise

### Professional Development Process

- Participation in academic conferences



- Overseas observation tours



- Research exchange meetings



- Training for managers



Topic

## Group Employees Gather to Share Technologies

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Once a year, engineers from the Nippon Koei Group gather for the NK Group Technical Forum to create synergy and expand their personal networks by sharing technologies and examples of businesses they are promoting that apply advanced technologies. The 2017 event was based on the theme of "NK Group Synergy: Creating Value from Diversity," and featured oral presentations and exhibitions, a TED-style talk and a special lecture. As one example of exchanging the latest information and sharing achievements throughout the Group, the event was broadcast to Group offices around the world.




Topic

## Promotion of Work-Life Balance

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In the Nippon Koei Group, our diverse employees work in a variety of ways to lead full lives while maximizing their individual abilities. In addition to actively promoting no overtime day and the flextime system to optimize working hours, we are enhancing our system for flexible working styles. Measures include offering on-site day care and introducing options for working at home as support systems for balancing work and child-rearing/family care. Moreover, we have formulated an action plan to promote the success of women and are working to create an environment in which all employees, regardless of gender, can achieve work-life balance.



Industry's first on-site day care center

# Technology Development

To utilize our technological strengths most efficiently, it is indispensable to seamlessly seek the best functional combination of technology development, adoption of new technologies, use of external technologies, enhancement of functionality, quality assurance and improvement, inheritance of technological assets and effective use of intellectual property.

## Twelve Companywide Themes for July 2016 to June 2018

- |  |   |   |
|--|---|---|
| <p><b>1</b> Development of technologies to address climate change</p> <p>Work to develop new technologies to help address climate change</p>   | <p><b>2</b> Development of disaster prevention/mitigation technologies</p> <p>Develop technologies to meet a wide range of requirements for safety and security</p>   | <p><b>3</b> Expansion in the fields of architecture, urban design and transportation development</p> <p>Take advantage of BDP's contribution to the Nippon Koei Group to develop and expand new markets</p> |
| <p><b>4</b> Creation of smart cities, towns and villages</p> <p>Accumulate technology and expertise to meet needs for the distributed energy infrastructure market</p>   | <p><b>5</b> Development of data network technologies</p> <p>Develop products and services based on the Internet of Things (IoT) and Internet of Services (IoS), big data analysis, robotics and other cutting-edge technologies</p> | <p><b>6</b> Efficient maintenance and life-span extension of infrastructure</p> <p>Create new technologies and systems to boost the efficiency of infrastructure management</p>                             |
| <p><b>7</b> Upgrading of survey, analysis, design and technical proposals</p> <p>Develop multidimensionally into new technical fields and business models across disciplines</p>   | <p><b>8</b> Development of a project management IT (PM-IT) system</p> <p>Utilize a world-class IT system to enhance service quality and raise the level of client satisfaction</p>  | <p><b>9</b> Study of BIM software</p> <p>Actively introduce 3D modeling and design in domestic and international businesses</p>   |
| <p><b>10</b> Establishment of a high-quality, efficient production system</p> <p>Deploy ICT that has proven successful in manufacturing and other industries to establish a production system with high quality and efficiency</p> | <p><b>11</b> Expansion of cooperation between R&amp;D and business activities</p> <p>Construct frameworks for flexible cooperation between R&amp;D and business activities</p>  | <p><b>12</b> Establishment of a technical training institute for the whole company</p> <p>Start a new training institute to enhance human resource development</p>  |

### Topic

## R&D Center Achieves Technological Innovation through “Integrated Powers”

Research and development of the Nippon Koei Group's core technologies in fields such as civil engineering, environmental studies and social sciences is conducted primarily at the R&D Center. Its research outcomes are applied to distinctive measures in various projects conducted in Japan and overseas.

Through its basic research for the future and applied research that is directly linked to practical business, the R&D Center serves as a technical and human resource hub in working with different departments and Group companies. It helps to enhance our strengths in engineering consultation by promoting technological development.

Consulting engineers need integrated capabilities that draw on a number of areas of expertise. Therefore, at the R&D Center, research groups in the areas of civil engineering (water, soil, structures and earthquake resistance), environmental studies (chemical and natural) and socio-economics operate in a single unit called the Advanced Technology Department. Pooling the knowledge of engineers specializing in various fields in an open organization enables our integrated strengths to be exercised and creates an environment conducive to technological innovation.



# Environmental Consideration and Preservation

In response to various global-scale problems, questions are being raised about how to create a sustainable society and the appropriate state of the world. The Nippon Koei Group is working to help solve environmental problems that are becoming more complex, diverse and global.

## Renewable Energy

The use of renewable natural energy resources has great potential to prevent or mitigate global warming. Safe, clean renewable energy, which emits virtually no greenhouse gases, is also attracting attention as a way of delivering stable supplies of energy and dispersing the risk of energy sources.

The Nippon Koei Group is aiming to pioneer and build new areas of business that will contribute to the sustainable development of society with stable supplies of renewable energy. We are focusing in particular on the mini hydropower business.

The Shinsogi Micro Hydropower Plant in the city of Isa, Kagoshima Prefecture, which is operated jointly by Nippon Koei and KOEI Energy Co., Ltd., has a maximum output of 490 kW and produces 4,000,000 kWh of electricity per year, enough to power about 1,000 average households. This plant also contributes to the region as a destination for learning-based tourism and educational programs on renewable energy.

In recognition of these activities, the New Energy Foundation gave Nippon Koei the Special Jury Award in the Fiscal 2015 New Energy Awards.\*

\* To raise awareness and promote the further adoption of new energy, the New Energy Foundation presents this award for excellence in new energy-related products and for adopting new energy, or for efforts to promote and raise awareness of new energy.



Shinsogi Micro Hydropower Plant



Learning about renewable energy

## Preserving Biodiversity

The Nippon Koei Group's core businesses are involved in conducting surveys, and providing estimates and evaluations relevant to environmental assessments; environment-related planning; environmental preservation; and environmental restoration and greening businesses. These activities are aimed at achieving and maintaining harmony between development and the environment by preserving air, water and soil environments and biodiversity. One example of our activities is in the Cerrado, the savanna region of Brazil, where destruction of the natural environment is taking place, threatening an ecosystem that is home to five percent of all known species in the world. To solve this problem, the Japan International Cooperation Agency (JICA), in cooperation with the Ministry of the Environment of Brazil, launched the Jalapao Region Ecological Corridor Project in 2010. Nippon Koei is serving as a consultant for the project, and is working together with the relevant governments to establish biodiversity preservation frameworks.

In addition, as concern for environmental preservation increases, co-existence with rare plant and animal species is a mandate of various development projects. We cooperate with engineers in projects such as roads and waterways and experts on environmental impact assessments and the natural environment to quickly propose measures to address issues according to the project stage. This enables projects to be carried out while ensuring protection of rare plants and animals.



Field survey staff in the Cerrado



Research on *satoyama* ecosystems is applied on company-owned land

## Topic Creating a Sustainable Society

We are promoting industrialization using local biomass materials, such as unused forest materials and livestock waste, and support environment-friendly, disaster-resilient towns and villages. The Goat and Sheep ECO Project led by Nippon Koei is implementing recycling-oriented initiatives such as creating local closed-loop livestock models by using goats and sheep to control weeds in wastelands, strengthening local communities through contact with animals, and developing animal feed that uses sea lettuce to reduce feed costs.



Weed control experiment using goats and sheep

## Topic Prevention of Landslides

Since 2015, the Nippon Koei Group has been providing consultation to governmental soil erosion control offices and local governments that have jurisdiction over landslides. Based on the current state of disaster prevention facilities and historical data, we make recommendations on what measures should be taken and with what timing so that the performance of disaster-prevention equipment can be continuously maintained at the lowest possible cost. We have taken measures to extend the service life of disaster prevention facilities, including the study of appropriate inspection and soundness evaluation methods and the development of new construction methods, and are also working on the establishment of maintenance and operation methods.



Automated landslide observation system

## Contribution to Society

Contributing to society through our business activities is part of the Nippon Koei Group Code of Conduct. Taking a global perspective, we respect the histories and cultures of countries and regions where we operate and support their sustainable development by providing excellent engineering services and products suited to regional characteristics.

### Support for the Advancement of Developing Countries

In cooperation with communities and NPOs, the Nippon Koei Group provides support to help developing countries become more independent and self-reliant. With a global perspective, we pay due respect to the histories and cultures of countries and regions, and contribute to their sustainable development by providing outstanding services and products according to local characteristics and circumstances.

The opening of the B.P. Koirala Highway in Nepal, a project we participated in for nearly 30 years from the start of survey work in 1986, shortened the travel distance between the Terai plain, the breadbasket region of southern Nepal, and the capital city of Kathmandu by 150 kilometers, and cut travel time by almost half, from nine hours to five hours. It has played a major role in improving the lives of some 1.5 million people living along the highway by improving distribution as well as access to education, medical care, government services and commercial centers.



The B.P. Koirala Highway, one of Nepal's main transportation arteries



Construction work with rope access technicians, the first of its kind in Nepal

### Training of Engineers from Developing Countries

The Kubota Fund was established in 1984 by Yutaka Kubota from his personal fortune to foster the growth of industrial technologies in developing countries by providing financial assistance for education, research and training of engineers.

A total of 306 people from 40 countries have been

beneficiaries of the fund since it was established. The Nippon Koei Group will continue to support this program with the hope that everyone who receives grants from the fund will draw on their experience in Japan to spur industrial growth and improve living standards in their home countries and regions.

### Contribution to Society through Business Activities

The business of the Nippon Koei Group is highly visible and publicly beneficial. Therefore, we believe that the essence and defining feature of CSR activities is our dedication in core businesses to building, maintaining and developing the foundations for people worldwide to enjoy active and fulfilling lives.

Nippon Koei launched a railway business in the late 1990s and provides engineering services to support both reduction of CO<sub>2</sub> emissions and sustainable economic growth in emerging countries. In addition, to help achieve sustainable economic growth and alleviate poverty in impoverished regions of Africa and elsewhere, we provide support for the development of a range of infrastructure projects, and are focusing on improving infrastructure by strengthening cooperation with local companies and employment/training of local human resources.

Taking a global perspective, we respect the histories and cultures of countries and regions where we operate, and provide excellent engineering services and products according to regional characteristics. By deploying the expertise and wide range of technologies we have gained through our many projects in various countries along with our integrated strengths that combine those technologies, we work together to propose solutions that enable sustainable development and meet diverse needs and expectations.



Topic

### Support for the Construction and Operation of a Public Library in Kenya

Nippon Koei was involved in planning, design and construction supervision of the Sondu Miriu Hydroelectric Power Station in Kenya from the 1980s until its completion in 2010. This led to a desire to contribute further to the local community over the long term.

Accordingly, we offered support for the construction and operation of a public library, and in June 2001, the Sondu Miriu Public Library was opened. We provide ongoing assistance to the local Hera

Women's Group, which runs the library along with the library support association. In recognition of this philanthropic activity, Nippon Koei received a Mécénat Award 2014 from the Association for Corporate Support of the Arts.



Celebrating the 16th anniversary of the library's opening

Topic

### Special Science Class at Elementary Schools in Sendai

Our Sendai Branch Office has partnered with the Sendai City Education Committee since 2011 to conduct a special science class for fifth and sixth grade elementary school students. In this project, companies that use science as a business resource organize classes in their fields of expertise. The classes expand on and apply the lessons the students have learned in their textbooks and connect them to real life, and are intended to foster a lasting interest in science among the children who will support the future of the manufacturing industry in Miyagi Prefecture. In 2016, a total of 26 classes were held at 11 schools, with 30 employees of the Sendai Branch Office participating as instructors or assistants.



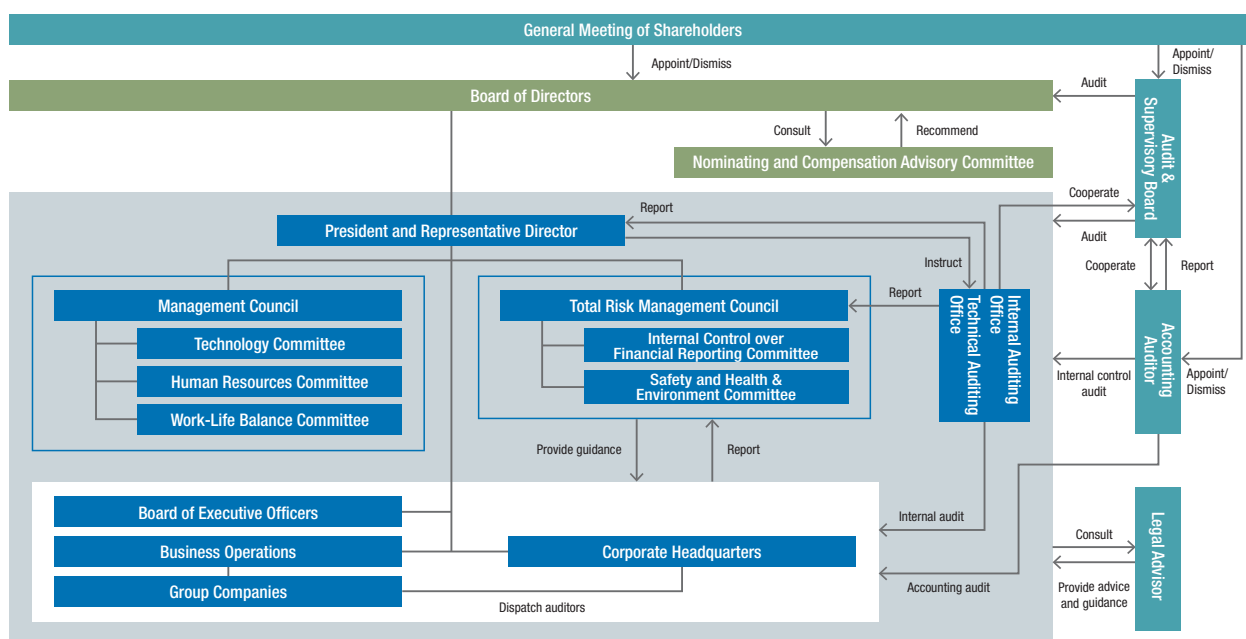
# Corporate Governance

To increase the Nippon Koei Group's corporate value, we strive to enhance corporate governance by strengthening oversight functions in management organizations, ensuring management transparency and establishing a structure for fast execution of business operations.

## Corporate Governance Structure

The corporate governance structure is shown in the diagram below. We have adopted the structure of a Company with an Audit & Supervisory Board that serves the statutory audit function (in addition to a Board of Directors and an accounting auditor). In addition, we have a Nominating and Compensation Advisory Committee whose members include independent

outside directors and Audit & Supervisory Board members in order to raise management fairness and transparency. We also have an executive officer system to separate supervision and monitoring of management from execution functions to clarify responsibility and enable faster decision-making.



### Board of Directors

The Board of Directors, in accordance with the Regulations of the Board of Directors, makes decisions on important matters and oversees directors' execution of their duties. The Board of Directors is composed of 11 directors, including two outside directors. Three Audit & Supervisory Board members, including two outside members, also attend meetings of the Board of Directors.

### Nominating and Compensation Advisory Committee

The Company has a Nominating and Compensation Advisory Committee, whose members include independent outside officers, to enhance management fairness and transparency. This committee reports to the Board of Directors after discussing matters such as personnel changes and compensation of directors.

### Management Council

The Management Council, which convenes twice a month in principle, is made up of the representative directors and other senior executives, who discuss and respond flexibly to basic policies and important business execution matters in order to improve management efficiency.

The Management Council is composed of the three representative directors plus directors and executive officers designated by the president. One Audit & Supervisory Board member attends Management Council meetings as an observer.

### Board of Executive Officers

We have adopted an executive officer system to separate monitoring and oversight from business execution functions, strengthen monitoring and oversight, clarify responsibility and facilitate faster decision-making.

The Board of Executive Officers, which meets once a month in principle, is composed of the president and all executive officers. It regularly monitors execution of specific measures related to the annual business plan and the medium-term management plan. Meetings of the Board of Executive Officers are also attended by two full-time Audit & Supervisory Board members.

### Audit & Supervisory Board

The Audit & Supervisory Board, composed of all Audit & Supervisory Board members, facilitates effective audits by making decisions on matters deemed necessary for Audit & Supervisory Board members to perform their duties, including audit policies, audit plans, audit methods and allocation of audit work, and by receiving reports from Audit & Supervisory Board members on the performance of their duties.

## Appointment and Activities of Outside Directors and Outside Audit & Supervisory Board Members

	Name	Independence	Reason for Appointment	Meeting Attendance
Outside Directors	Hiizu Ichikawa	Yes	Mr. Ichikawa was appointed so that he can use his extensive experience and insight as a manager to oversee the Company's business execution from an impartial, independent position while considering the interests of the Company's shareholders.	Board of Directors: 15 out of 15
	Kazumasa Kusaka	Yes	Mr. Kusaka was appointed so that he can use the extensive experience and insight he cultivated at the Ministry of Economy, Trade and Industry to oversee the Company's business execution from an impartial, independent position while considering the interests of the Company's shareholders.	Board of Directors: 15 out of 15
Outside Audit & Supervisory Board Members	Izumi Arai	Yes	Mr. Arai was appointed so that he can use his professional experience and insight in international finance and international cooperation to perform audits and further improve the Company's audit system.	Board of Directors: 15 out of 15 Audit & Supervisory Board: 14 out of 14
	Yoshiko Koizumi	Yes	Ms. Koizumi was appointed as an outside Audit & Supervisory Board member based on her extensive international experience, and her deep insight and practical experience with respect to compliance in general as an attorney, including serving in an important position in the Inter-Pacific Bar Association. Management therefore judged that she is well-qualified to be an outside Audit & Supervisory Board member of the Company, which is pursuing global business expansion.	Newly appointed

## Risk Management

The Company has established the Total Risk Management (TRM) Council, which is composed of officers including outside Audit & Supervisory Board members, to supervise overall risk management. In accordance with the policy set by the Board of Directors, the TRM Council assesses the risks associated with business activities, and formulates and implements a risk management plan to prevent the manifestation of risk events and minimize the potential for loss. The contents of TRM Council discussions are reported to the Board of Directors.

Each department conducts risk management activities based on the risk management plan, and reports on the status of its risk management activities to the TRM Council on a quarterly basis. In addition, all departments conduct their own inspections of the risk management plan and take any necessary measures for improvement every quarter or whenever any risk materializes, and reflect them in their risk management activities.

The Company also has rules for crisis management, which is one type of risk management. In these rules, a crisis is classified into one of two categories – a “company-level crisis” or “department-level crisis” – to facilitate quick and appropriate crisis management. The rules also provide clear procedures for responding when a crisis arises.

## Compliance

The Nippon Koei Group Code of Conduct, a key element of which is thorough compliance, applies to executives and all employees of the Nippon Koei Group. The Company familiarizes all executives and employees with the Code of Conduct under the supervision of the TRM Council.

A Compliance Office is set up in each operational division to ensure familiarity with the Code of Conduct, and that compliance is practiced in routine operations. In addition, the Internal Auditing Office, which reports directly to the president, performs audits concerning internal controls, including compliance.

Based on rules protecting whistleblowers who are members of the Nippon Koei Group, multiple contact points have been set up internally and externally to promote compliance throughout the Group. Compliance hotlines are provided in 1) the Compliance Office of each department, 2) the TRM Council secretarial office, and 3) an outside law firm. Under the Company's Regulations on the Compliance Hotline System, individuals are protected from retaliatory action for reporting concerns.

## Board of Directors, Executive Officers and Audit & Supervisory Board Members

(As of September 28, 2017)



(Front row from left) Kazumasa Kusaka, Haruhiko Kanai, Hiroyuki Akiyoshi, Noboru Takano, Ryuichi Arimoto, Akira Mizukoshi, Takayasu Tsuyusaki, Hiizu Ichikawa  
(Back row from left) Izumi Arai, Hideyuki Sakunaka, Hiroaki Shinya, Yasushi Hirusaki, Toshiaki Shimizu, Yoshiko Koizumi

**Noboru Takano** Representative Director and Chairman

**Akira Mizukoshi** Director and Vice Chairman

**Ryuichi Arimoto** Representative Director and President

**Hiroyuki Akiyoshi** Representative Director and Senior Managing Executive Officer

**Takayasu Tsuyusaki** Director and Managing Executive Officer

**Haruhiko Kanai** Director and Managing Executive Officer

**Hideyuki Sakunaka** Director and Executive Officer

**Hiroaki Shinya** Director and Executive Officer

**Yasushi Hirusaki** Director and Executive Officer

**Hiizu Ichikawa** Director (Outside)

**Kazumasa Kusaka** Director (Outside)

**Toshiaki Shimizu** Audit & Supervisory Board Member

**Izumi Arai** Audit & Supervisory Board Member (Outside)

**Yoshiko Koizumi** Audit & Supervisory Board Member (Outside)

**Takashi Seki** Senior Managing Executive Officer

**Takashi Karasaki** Senior Managing Executive Officer

**Yoshikimi Inoue** Senior Managing Executive Officer

**Masanao Nishimura** Senior Managing Executive Officer

**Haruyoshi Takura** Managing Executive Officer

**Hiroyuki Kasahara** Managing Executive Officer

**Shuichi Ueda** Managing Executive Officer

**Masanobu Sakamoto** Executive Officer

**Yasushi Sugo** Executive Officer

**Noriaki Yoshida** Executive Officer

**Kevin Tynes** Executive Officer

**Akimitsu Arai** Executive Officer

**Hitoshi Nagasaki** Executive Officer

**Hiroshi Matsuda** Executive Officer

**Toshikazu Kambara** Executive Officer

**Hiroshi Yokota** Executive Officer

**Hiroyuki Yamate** Executive Officer

**Ken Nishino** Executive Officer

**Noriyuki Nakajima** Executive Officer

# Financial Section

## Consolidated Balance Sheets

	(Millions of yen)			(Millions of yen)	
	As of June 30, 2016	As of June 30, 2017		As of June 30, 2016	As of June 30, 2017
<b>Assets</b>			<b>Liabilities</b>		
<b>Current assets</b>			<b>Current liabilities</b>		
Cash and deposits	11,174	19,593	Notes and accounts payable – trade	5,105	4,012
Notes and accounts receivable – trade	17,715	18,090	Short-term loans payable	16,000	—
Work in process	12,253	11,727	Current portion of long-term loans payable	266	1,760
Deferred tax assets	995	1,234	Income taxes payable	808	1,049
Other	4,022	4,158	Advances received	8,181	10,797
Allowance for doubtful accounts	(8)	(6)	Provision for bonuses	983	1,365
<b>Total current assets</b>	<b>46,153</b>	<b>54,798</b>	Provision for directors' bonuses	82	88
<b>Non-current assets</b>			Provision for loss on construction contracts	59	54
<b>Property, plant and equipment</b>			Other	11,620	11,211
Buildings and structures	18,685	16,150	<b>Total current liabilities</b>	<b>43,107</b>	<b>30,341</b>
Accumulated depreciation	(12,605)	(10,559)	<b>Non-current liabilities</b>		
Buildings and structures, net	6,079	5,591	Long-term loans payable	1,260	21,413
Machinery, equipment and vehicles	2,662	2,613	Deferred tax liabilities	1,917	2,859
Accumulated depreciation	(2,217)	(2,212)	Provision for directors' retirement benefits	45	45
Machinery, equipment and vehicles, net	444	401	Provision for environmental measures	34	34
Tools, furniture and fixtures	5,298	4,988	Liability for retirement benefits	2,554	3,963
Accumulated depreciation	(4,757)	(4,414)	Other	609	333
Tools, furniture and fixtures, net	540	574	<b>Total non-current liabilities</b>	<b>6,421</b>	<b>28,650</b>
Land	17,332	17,648	<b>Total liabilities</b>	<b>49,529</b>	<b>58,991</b>
Leased assets	169	176	<b>Net assets</b>		
Accumulated depreciation	(87)	(109)	<b>Shareholders' equity</b>		
Leased assets, net	81	67	Capital stock	7,393	7,393
Construction in progress	81	252	Capital surplus	6,209	7,240
<b>Total property, plant and equipment</b>	<b>24,561</b>	<b>24,535</b>	Retained earnings	40,821	43,450
<b>Intangible assets</b>			Treasury shares	(3,020)	(3,607)
Goodwill	10,312	8,685	<b>Total shareholders' equity</b>	<b>51,403</b>	<b>54,477</b>
Other	6,308	5,214	<b>Accumulated other comprehensive income</b>		
<b>Total intangible assets</b>	<b>16,620</b>	<b>13,900</b>	Valuation difference on available-for-sale securities	(8)	1,016
<b>Investments and other assets</b>			Foreign currency translation adjustment	(301)	(1,813)
Investment securities	8,285	10,491	Remeasurements of defined benefit plans	28	828
Long-term loans receivable	1,914	2,344	<b>Total accumulated other comprehensive income</b>	<b>(280)</b>	<b>30</b>
Deferred tax assets	1,153	1,149	<b>Non-controlling interests</b>	<b>337</b>	<b>365</b>
Asset for retirement benefits	—	3,392	<b>Total net assets</b>	<b>51,460</b>	<b>54,874</b>
Other	2,460	3,422	<b>Total liabilities and net assets</b>	<b>100,989</b>	<b>113,865</b>
Allowance for doubtful accounts	(160)	(168)			
<b>Total investments and other assets</b>	<b>13,654</b>	<b>20,630</b>			
<b>Total non-current assets</b>	<b>54,836</b>	<b>59,067</b>			
<b>Total assets</b>	<b>100,989</b>	<b>113,865</b>			

## Consolidated Statements of Income and Comprehensive Income

	(Millions of yen)	
	Fiscal year ended June 30, 2016	Fiscal year ended June 30, 2017
<b>Net sales</b>	<b>81,865</b>	<b>101,338</b>
<b>Cost of sales</b>	<b>59,505</b>	<b>70,400</b>
<b>Gross profit</b>	<b>22,359</b>	<b>30,937</b>
<b>Selling, general and administrative expenses</b>	<b>17,636</b>	<b>25,472</b>
<b>Operating income</b>	<b>4,723</b>	<b>5,464</b>
<b>Non-operating income</b>		
Interest income	114	165
Dividend income	228	255
Foreign exchange gains	—	137
Other	497	228
Total non-operating income	839	786
<b>Non-operating expenses</b>		
Interest expenses	58	195
Foreign exchange losses	951	—
Other	187	97
Total non-operating expenses	1,197	292
<b>Ordinary income</b>	<b>4,365</b>	<b>5,958</b>
<b>Extraordinary income</b>		
State subsidies	42	—
Total extraordinary income	42	—
<b>Extraordinary losses</b>		
Loss on impairment of long-lived assets	—	225
Loss on reduction of property, plant and equipment	38	—
Loss on valuation of shares of subsidiaries and associates	99	—
Loss on support to subsidiaries and affiliates	—	432
Head office transfer cost	237	105
Total extraordinary losses	375	764
<b>Income before income taxes and non-controlling interests</b>	<b>4,032</b>	<b>5,194</b>
<b>Income taxes – current</b>	<b>1,508</b>	<b>1,866</b>
<b>Income taxes – deferred</b>	<b>670</b>	<b>4</b>
<b>Total income taxes</b>	<b>2,178</b>	<b>1,870</b>
<b>Profit</b>	<b>1,853</b>	<b>3,323</b>
Profit attributable to:		
<b>Profit attributable to owners of parent</b>	<b>1,823</b>	<b>3,288</b>
<b>Profit attributable to non-controlling interests</b>	<b>30</b>	<b>34</b>
<b>Other comprehensive income</b>		
Valuation difference on available-for-sale securities	(1,666)	1,025
Foreign currency translation adjustment	(223)	(1,509)
Remeasurements of defined benefit plans, net of tax	(888)	799
Total other comprehensive income	(2,778)	316
<b>Comprehensive income</b>	<b>(924)</b>	<b>3,639</b>
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	(933)	3,600
Comprehensive income attributable to non-controlling interests	8	39

## Consolidated Statements of Cash Flows

	(Millions of yen)	
	Fiscal year ended June 30, 2016	Fiscal year ended June 30, 2017
<b>Cash flows from operating activities</b>		
Profit before income taxes	4,032	5,194
Depreciation	1,268	1,720
Loss on impairment of long-lived assets	—	225
Amortization of goodwill	—	623
Loss (gain) on sales of investment securities	(343)	(30)
Loss (gain) on sales of property, plant and equipment	(2)	(2)
Loss on support to subsidiaries and associates	—	432
Head office transfer cost	237	105
Increase (decrease) in allowance for doubtful accounts	(205)	6
Increase (decrease) in provision for bonuses	(34)	374
Increase (decrease) in provision for loss on construction contracts	(51)	(4)
Interest and dividend income	(342)	(420)
Loss (gain) on investment of derivatives	—	(137)
Decrease (increase) in notes and accounts receivable – trade	1,797	(315)
Decrease (increase) in inventories	(906)	867
Increase (decrease) in notes and accounts payable – trade	311	(1,097)
Increase (decrease) in accounts payable – other	24	(29)
Increase (decrease) in advances received	(393)	1,914
Decrease (increase) in consumption taxes refund receivable	(676)	658
Other, net	(1,289)	(2,183)
Subtotal	3,426	7,902
Interest and dividend income received	353	396
Interest expenses paid	(53)	(200)
Payments for head office transfer cost	(667)	(218)
Income taxes paid	(2,679)	(1,502)
Net cash provided by (used in) operating activities	379	6,376
<b>Cash flows from investing activities</b>		
Net decrease (increase) in time deposits	68	(953)
Purchase of property, plant and equipment	(1,198)	(1,085)
Purchase of intangible assets	(225)	(260)
Purchase of investment securities	(2,181)	(1,518)
Proceeds from sales of investment securities	891	532
Payments for investments in capital	—	(450)
Payments of loans receivable	(1,411)	(880)
Collection of loans receivable	125	434
Other, net	(13,773)	8
Net cash provided by (used in) investing activities	(17,705)	(4,172)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans payable	16,000	(16,000)
Proceeds from long-term loans payable	—	23,547
Repayments of long-term loans payable	(164)	(2,008)
Proceeds from sales of treasury shares	193	1,589
Purchase of treasury shares	(9)	(1,456)
Cash dividends paid	(770)	(772)
Other, net	(50)	(53)
Net cash provided by (used in) financing activities	15,199	4,846
<b>Effect of exchange rate change on cash and cash equivalents</b>	<b>(146)</b>	<b>(124)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(2,272)</b>	<b>6,925</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>11,673</b>	<b>9,400</b>
<b>Increase in cash and cash equivalents from newly consolidated subsidiary</b>	<b>—</b>	<b>756</b>
<b>Cash and cash equivalents at end of period</b>	<b>9,400</b>	<b>17,083</b>

## Consolidated Statements of Changes in Net Assets

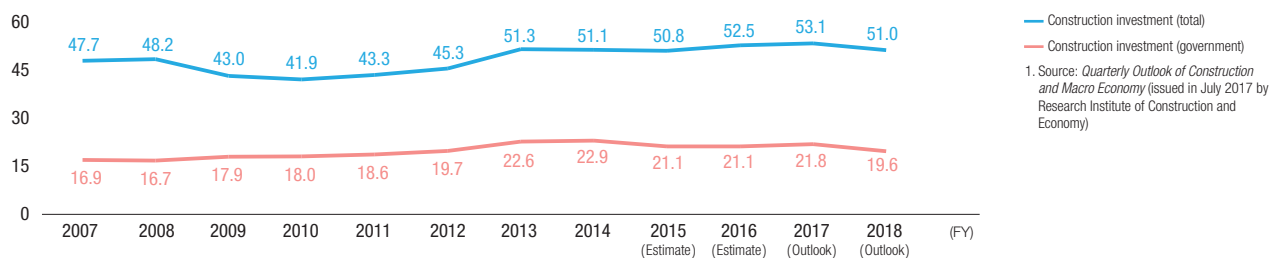
	(Millions of yen)			(Millions of yen)	
	Fiscal year ended June 30, 2016	Fiscal year ended June 30, 2017		Fiscal year ended June 30, 2016	Fiscal year ended June 30, 2017
<b>Shareholders' equity</b>					
<b>Capital stock</b>					
Balance at beginning of current period	7,393	7,393			
Balance at end of current period	7,393	7,393			
<b>Capital surplus</b>					
Balance at beginning of current period	6,209	6,209			
Changes of items during period					
Change of scope of consolidation	—	311			
Disposal of treasury shares	—	720			
Total changes of items during period	—	1,031			
Balance at end of current period	6,209	7,240			
<b>Retained earnings</b>					
Balance at beginning of current period	39,770	40,821			
Changes of items during period					
Change of scope of consolidation	—	112			
Dividends of surplus	(772)	(771)			
Profit attributable to owners of parent	1,823	3,288			
Total changes of items during period	1,051	2,628			
Balance at end of current period	40,821	43,450			
<b>Treasury shares</b>					
Balance at beginning of current period	(3,205)	(3,020)			
Changes of items during period					
Purchase of treasury shares	(9)	(1,456)			
Disposal of treasury shares	193	869			
Total changes of items during period	184	(586)			
Balance at end of current period	(3,020)	(3,607)			
<b>Total shareholders' equity</b>					
Balance at beginning of current period	50,167	51,403			
Changes of items during period					
Change of scope of consolidation	—	423			
Dividends of surplus	(772)	(771)			
Profit attributable to owners of parent	1,823	3,288			
Purchase of treasury shares	(9)	(1,456)			
Disposal of treasury shares	193	1,589			
Total changes of items during period	1,236	3,073			
Balance at end of current period	51,403	54,477			
<b>Accumulated other comprehensive income</b>					
<b>Valuation difference on available-for-sale securities</b>					
Balance at beginning of current period	1,659	(8)			
Changes of items during period					
Net changes of items other than shareholders' equity	(1,667)	1,024			
Total changes of items during period	(1,667)	1,024			
Balance at end of current period	(8)	1,016			
<b>Foreign currency translation adjustment</b>					
Balance at beginning of current period	(100)	(301)			
Changes of items during period					
Change of scope of consolidation	(201)	(1,512)			
Total changes of items during period	(201)	(1,512)			
Balance at end of current period	(301)	(1,813)			
<b>Remeasurements of defined benefit plans</b>					
Balance at beginning of current period	917	28			
Changes of items during period					
Net changes of items other than shareholders' equity	(888)	799			
Total changes of items during period	(888)	799			
Balance at end of current period	28	828			
<b>Total accumulated other comprehensive income</b>					
Balance at beginning of current period	2,476	(280)			
Changes of items during period					
Net changes of items other than shareholders' equity	(2,757)	311			
Total changes of items during period	(2,757)	311			
Balance at end of current period	(280)	30			
<b>Non-controlling interests</b>					
Balance at beginning of current period	337	337			
Changes of items during period					
Net changes of items other than shareholders' equity	(0)	28			
Total changes of items during period	(0)	28			
Balance at end of current period	337	365			
<b>Total net assets</b>					
Balance at beginning of current period	52,981	51,460			
Changes of items during period					
Change of scope of consolidation	—	423			
Dividends of surplus	(772)	(771)			
Profit attributable to owners of parent	1,823	3,288			
Purchase of treasury shares	(9)	(1,456)			
Disposal of treasury shares	193	1,589			
Net changes of items other than shareholders' equity	(2,757)	340			
Total changes of items during period	(1,521)	3,413			
Balance at end of current period	51,460	54,874			

## Market Trends

The Nippon Koei Group's domestic consulting business primarily provides investigation and design services for public works and public utilities. Consequently, its performance is affected by the scale of construction investment and public works investment. The international consulting business is impacted by the size of Japan's official development assistance (ODA) budget, while the power engineering business is dependent upon the amount of capital investment made by electric power companies, and Tokyo Electric Power Company Holdings, Incorporated (TEPCO) in particular.

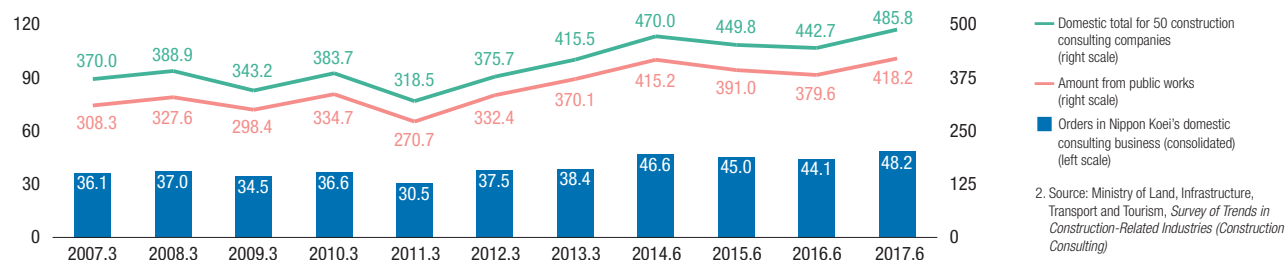
### Construction investment<sup>1</sup>

(Trillions of yen)



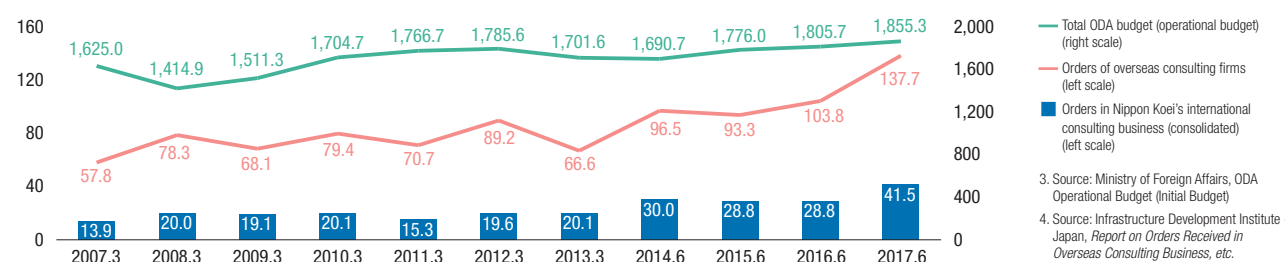
### Total orders of top 50 companies by sales in domestic construction consulting industry<sup>2/</sup> Orders in Nippon Koei's domestic consulting business

(Billions of yen)



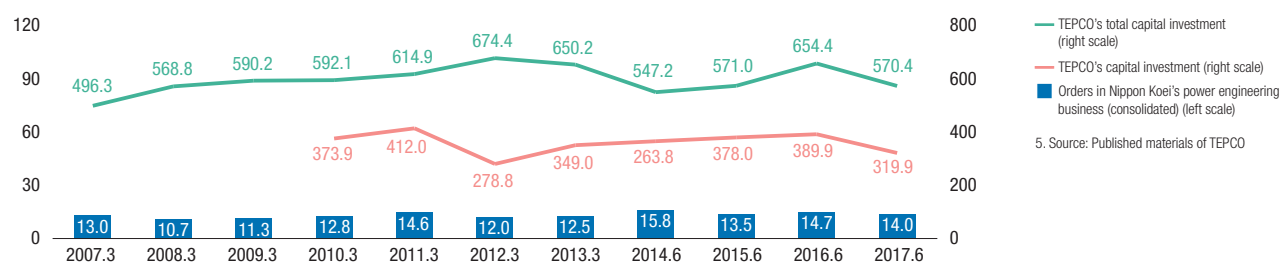
### ODA budget<sup>3/</sup>Orders of overseas consulting firms<sup>4/</sup>Orders in Nippon Koei's international consulting business

(Billions of yen)



### TEPCO's capital investment/Tokyo Electric Power Company Holdings, Inc.'s repair expenses/ Orders in Nippon Koei's power engineering business

(Billions of yen)



# Corporate Profile

## Network

(As of June 30, 2017)



## Group Companies

### Domestic Consulting Business

#### Consolidated Subsidiaries

- Tamano Consultants Co., Ltd.
- Nippon Civic Consulting Engineers Co., Ltd.
- Ei Koei Co., Ltd.

#### Non-Consolidated Subsidiaries

- Aichi Tamano Information System Co., Ltd.
- Aoi Co., Ltd.
- Tamano Ecost Co., Ltd.

### International Consulting Business

#### Consolidated Subsidiaries

- Koei Research & Consulting Inc. (KRC)
- Nippon Koei U.K. Co., Ltd.
- Nippon Koei Latin America-Caribbean Co., Ltd.
- Nippon Koei LAC, Inc.
- Nippon Koei LAC do Brasil Ltda.
- Nippon Koei India Pvt. Ltd.
- Philkoei International, Inc.
- Nippon Koei Vietnam International Co., Ltd.
- PT. Indokoei International

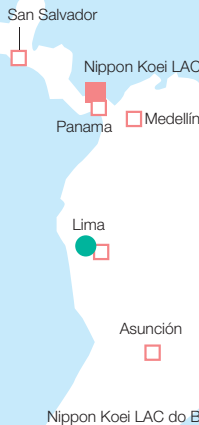
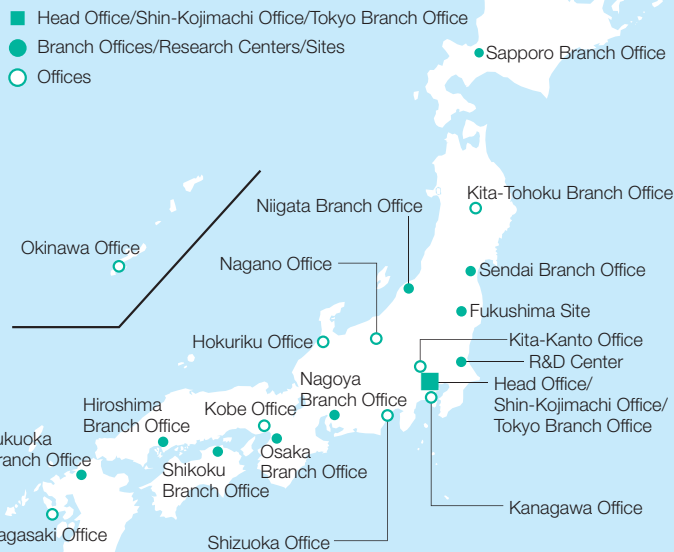
#### Non-Consolidated Subsidiaries

- PT. Iki-Toyo
- PT. Cikaengan Tirta Energi
- Thaikoei International Co., Ltd.
- Myanmar Koei International Ltd.
- Nippon Koei Africa Pty Ltd.
- Nippon Koei Mozambique, Ltda.

#### Affiliated Company

- Vietnam Expressway Consultant, JSC

## Major Domestic Bases



## Corporate Data (As of June 30, 2017)

Corporate name:	Nippon Koei Co., Ltd.
Head office:	1-14-6 Kudankita, Chiyoda-ku, Tokyo 102-8539, Japan
Registered address:	5-4 Kojimachi, Chiyoda-ku, Tokyo 102-0083, Japan
Phone:	81-3-3238-8030
Representative:	Ryuichi Arimoto, President
Established:	June 7, 1946
Capital:	¥7,393,338,939
Number of employees:	4,566 (consolidated), 2,013 (non-consolidated)

## History

- 1946** Nippon Koei established in Chiyoda-ku, Tokyo
- 1954** Received order for planning of Baluchaung Power Plant in Burma
- 1958** Acquired Nikki Manufacturing Co., Ltd. (name changed to Nikki Corporation\* in July 1982)
- 1963** Shares listed on the Second Section of the Tokyo Stock Exchange
- 1978** New head office building completed in Kojimachi, Tokyo; relocated head office; listing moved to the First Section of the Tokyo Stock Exchange
- 1986** Koei System Co., Ltd.\* established
- 1989** Philkoei International, Inc.\* established in the Philippines
- 1992** PT. Indokoei International\* established in Indonesia  
El Koei Co., Ltd.\* established
- 1995** KRI International Corp.\* established (name changed to Koei Research & Consulting Inc. (KRC) in July 2017)
- 2000** Nippon Koei U.K. Co., Ltd.\* established
- 2003** Nippon Koei Latin America-Caribbean Co., Ltd.\* established  
Nippon Civic Consulting Engineers Co., Ltd.\* becomes a subsidiary
- 2005** Tamano Consultants Co., Ltd.\* becomes a subsidiary
- 2007** Nippon Koei LAC do Brasil Ltda.\* established in Brazil
- 2008** Nippon Koei India Pvt. Ltd.\* established in India
- 2010** NKLAC, Inc.\* established in Panama (name changed to Nippon Koei LAC, Inc. in September 2011)
- 2012** Nippon Koei Vietnam International Co., Ltd.\* established
- 2015** Dhaka Office opened in Bangladesh
- 2016** UK-based architectural design firm BDP HOLDINGS LIMITED becomes a subsidiary
- 2017** Koei Research & Consulting Inc. established (Koei Research Institute International Corp. and System Science Consultants Co., Ltd. merged)

\*Currently a consolidated subsidiary

### Power Engineering Business

#### Consolidated Subsidiaries

- Koei System Inc.

#### Affiliated Companies

- Flexible Energy Service Co., Ltd.
- Sankoh Machinery Co., Ltd.

### Urban & Spatial Development Business

#### Consolidated Subsidiaries

- BDP HOLDINGS LIMITED (42 companies including BUILDING DESIGN PARTNERSHIP LIMITED)

#### Non-Consolidated Subsidiary

- KISHO KUROKAWA architect & associates Co., Ltd.

### Real Estate Leasing Business

#### Consolidated Subsidiary

- Nikki Corporation

#### Other

#### Non-Consolidated Subsidiaries

- KOEI Energy Co., Ltd.
- NK Dam-ESCO Tochigi Co., Ltd.
- Nagano Hydropower Co., Ltd.
- DSI Co., Ltd.
- Nippon Koei Australia Pty. Ltd.

#### Affiliated Company

- PowerSource Philippines Distributed Power Holdings, Inc.



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