

Innovating for a *Wise Future*



Annual Shareholders Newsletter for FY2018

From July 1, 2018 to June 30, 2019

Contents

To Our Shareholders	1
Shareholder Returns	2
60 Years of KKE's History	3
Initiatives Towards Future Business Growth	5
Customer Stories	7
Financial Highlights / Segment Review	9
Financial Data	10
Corporate Profile / Stock Information	Back cover



Creating systems that advance society by integrating human, physical, and intangible resources.

構造計画研究所
KOZO KEIKAKU ENGINEERING Inc.

Based on the engineering knowledge we have accumulated for 60 years since our incorporation, we will continue to engage ourselves in solving the issues of society and promoting sustainable growth.



I would like to extend my heartfelt gratitude to our shareholders for their continued support and understanding for our business.

In presenting the business report for FY2018 of the Company, I would like to offer a few words.

Founded in 1959, the Company was able to celebrate its 60th anniversary this year. As we strive to solve various issues and challenges that face society and to achieve sustainable growth as an entity, our founding spirit—“Create a future society full of wisdom, together with our stakeholders, by utilizing our technologies based on engineering knowledge and by disseminating them throughout society”—is at the heart of our Thought (philosophy), “Innovating for a Wise Future.”

Since the days of its incorporation, the Company has worked on advanced technologies and business challenges, making the best of its engineering knowledge which integrates academic and empirical knowledge. While maintaining a solid foundation of expertise in the structural design of buildings, in 1961 we adopted computers which were still rare in Japan, and continue to expand our businesses into diversified areas such as ground analysis and environmental analysis of the surroundings, support for utilizing IT in architectural and manufacturing industries, simulation and decision making support for the development of social systems, as well as IoT/IoE services for home applications provided in recent years. In each business domain, we focus on leveraging the experience curve effects and have thus far accumulated engineering expertise and steadily enhanced the value we add to our solutions.

These efforts have contributed to the robust financial results for FY2018 of the Company, with its operating income of ¥1,241 million, an increase of ¥140 million or growth of 12.8% over the previous fiscal year.

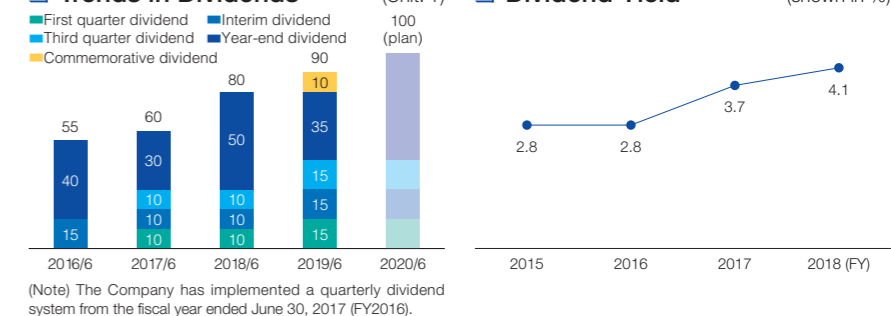
The Engineering Consulting business recorded increases in both revenue and profit, driven by repeated orders from blue-chip enterprises in the residential/construction industries with their strong motivation for investment to introduce advanced information technologies and enhance competitiveness, orders for structural design services that contribute to building a safe and secure

Shareholder Returns

Basic Policy on Profit Distribution

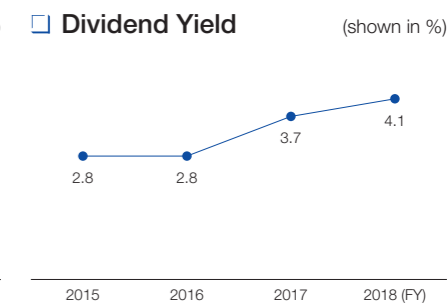
The Company recognizes that returning profits to its shareholders is an important management issue, and makes it a basic policy to pay continuous and stable dividends while taking into account the needs for internal reserves for the strengthening of management base and future business development.

Trends in Dividends



(Note) The Company has implemented a quarterly dividend system from the fiscal year ended June 30, 2017 (FY2016).

Dividend Yield



society, as well as by reducing the occurrence of unprofitable projects through systematic initiatives to ensure quality. Increased revenue from the Product Service business has been contributed by the sales of CAE software for designers which realizes period shortening and cost reduction in product development, and sales of sales consulting solutions for manufacturers, as well as the expanded sales of cloud-based email delivery services and cloud services for room entry and exit management that were launched in recent years.

While maintaining steady growth of our core business as mentioned above, we have made continued investments with a view to future growth. Regarding investments to enable collaboration with partner companies both in Japan and overseas, for domestic investments, Prometech Software, Inc., shares of which we acquired in 2012, continues to expand its business steadily. We apply Prometech’s particle method simulation technology to various fields to provide sales of fluid/granular analysis software and consulting services. As for overseas, in 2016 we launched the sales of RemoteLOCK, a cloud service for room entry and exit management by LockState, Inc., a U.S. company with which we have had capital and business alliances since 2008, establishing a business foundation for new forms of utilization in buildings and homes in the IoT era. Also, we have made an investment of approximately 9 million euros in NavVis GmbH, a German company with which we have a business alliance since 2015.

In addition, we are engaged in developing businesses in an aim to achieve social implementation of advanced technologies through joint research and cooperative activities with universities and other research institutions, such as Tohoku University, the University of Tokyo, and the National Institute of Information and Communications Technology. We promote the development of solutions to solve various social issues, including Relay-by-Smartphone® to provide a means of communication in the situation of a disaster, RiverCast to predict the flooding of rivers caused by the frequent downpour today to prevent disasters, and CloudMAS to provide insight through social simulation on a cloud platform.

To drive these activities, it is of utmost importance to

recruit and develop human resources. The recruitment of human resources, both new graduates and mid-career hires, is supported by proactive recruitment activities continued in Japan and overseas. Through overseas recruitment activities that started in Singapore in 2014, we have 44 foreign nationals working with us, accounting for about 7% of all colleagues as of the end of FY2018. The participation of such human resources with various cultural and economic experiences allows us to combine the diverse values within the Company, leading to the vitalization of organization and development of new businesses. In addition to internal transfers and external training programs, we provide our colleagues with diverse growth opportunities by offering various scenes within or outside the Company to demonstrate their full potentials, including dispatching to Stanford University in the U.S., governmental agencies, and other external research institutions. We are also focusing on creating opportunities for our talented members to work actively in a more attractive environment through such initiatives as abolition of the mandatory retirement age, introduction of special-term work system (for colleagues with location- or time-related restrictions) and high-level professional system, and improvements in the office environment and benefit packages. Although the outcome of these measures is not directly reflected in the financial statements, it is our belief that it is an important organizational strategy to achieve sustainable growth in the changing times.

As this year marks the 60th anniversary of founding, we will reexamine the social missions that this organization must fulfill. Looking ahead, we are committed to enhancing our corporate value by providing customers with solutions that benefit the society.

Therefore, we ask our shareholders for their continued support going forward.

Shota Hattori

President and Representative Executive Officer

60 Years of KKE's History

Over the 60 years of its history, KOZO KEIKAKU ENGINEERING has developed various businesses and engaged itself in solving the issues of society. The aspiration of its founder supports this history and is passed down to this date.

Change in net sales

KKE's business



1959

Founded as a structural design office. KKE provided structural designs for castle reconstruction projects, a boom then throughout Japan. Major projects include Kumamoto Castle and Kokura Castle.

1961

In anticipation of the super high-rise building era, KKE was the first in Japan to adopt a digital computer IBM1620-I for the structural design.

1970s

In developing its own software, KKE acquired a wealth of specialized techniques, which led to expanding its business to system development and consulting services for various fields.

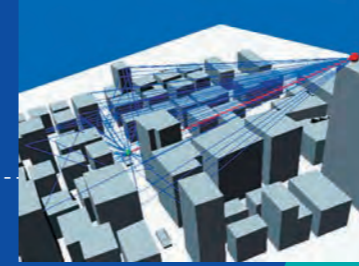


1970s

KKE conducted vibration analysis of buildings using computers.

1984

In 1982, the Kumamoto Technopolis Scheme was announced. KKE decided to participate as a member of "Soft-no-mori" on a 12,000-square-meter site in Ozu-machi, Kikuchigun, Kumamoto. KKE acquired the land, hired local staff members, and established the Kumamoto Office.



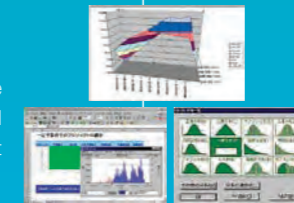
1990s

KKE was engaged in the development of mission-critical systems and real-time monitoring of base stations and transmission devices for mobile phone carriers and contributed to expanding use of mobile phones to the general public.



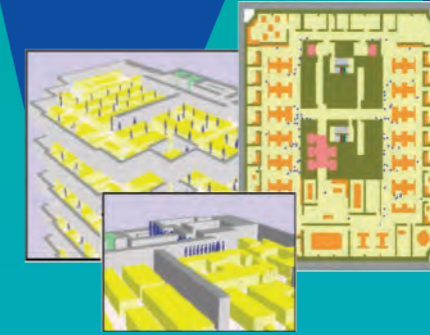
1990s

With the use of conjoint analysis in the marketing science field, KKE started providing decision-making support consultation services.



2000s

KKE advanced into the field of multi agent simulation (MAS) that enables close-to-reality simulations of phenomena caused by human society under certain conditions. Every year since 2001, KKE holds the MAS Competition. Next year will mark the 20th competition.



2011

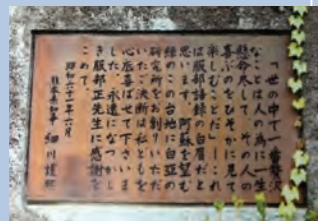
Chisuikan was completed. The world's first residential building that was installed with the 3D seismic isolation system generated publicity.

2017

KKE commenced domestic sale of "RemoteLOCK," the world's first Wi-Fi type smart lock system.



KKE's DNA



The greatest luxury in the world is to work hard for others and enjoy observing their delight from behind the scenes.

Makoto Hattori, founder of KOZO KEIKAKU ENGINEERING



Historical backgrounds

■ Super high-rise building boom

■ Emergence of mini computers

■ Emergence of personal computers (PCs)

■ Release of Windows
 ■ Widespread use of Internet
 ■ Widespread use of mobile phones

■ Release of iPhone/Android

■ Widespread use of cloud, IoT and AI technologies

1960

1970

1980

1990

2000

2010

Initiatives Towards Future Business Growth

New business development mainly for homes and buildings

RemoteLOCK™

(Provided by LockState, Inc., the U.S.)

Centrally manage access to rooms and facilities on a cloud basis

No physical locks needed, and ideal for temporary use

Allows detailed setting of individual doors and security zones

Enables remote locking/unlocking



Homes are advancing to the next field—

With the invention of Amazon Echo and Google Home, the IT giants enter homes from the "inside"

With RemoteLOCK, we enter homes from the "outside"

Topics

Entered into the Basic Agreement on the Sustainable Management of Public Facilities Using ICT with Ikeda City, Osaka

KKE entered into the Basic Agreement on the Sustainable Management of Public Facilities Using ICT with Ikeda City, Osaka to promote solution of issues on and smartification of public facility management under mutual cooperation.

Public facilities such as community halls and assembly houses are faced with numerous operational and lock control issues while having to balance security, convenience and administrative costs. To solve these issues, KKE concluded the Basic Agreement with Ikeda City, under which KKE will install RemoteLOCK, a smart locking system equipped with cloud-based control functions, at the public facilities in Ikeda City as demonstration project. KKE will construct and operate a facility management system customized for the City to remotely and centrally manage the reservation and use of these facilities. Through this demonstration project, we aim to formulate an advanced model case and contribute to the smartification of Ikeda City's public facilities.

NavVIS

(Provided by NavVis GmbH, Germany)

Indoor environmental issues and solutions using NavVIS

Precise information is not necessarily available

Creates highly accurate digital data using laser distance measurement and high-resolution camera

Cannot capture or share indoor data efficiently

Even large scale facilities can be digitalized in a few days and shared with web applications

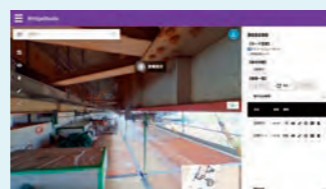
Indoor maps are difficult to understand and follow compared to outdoor maps

Intuitive navigation operated on smartphone

Topics

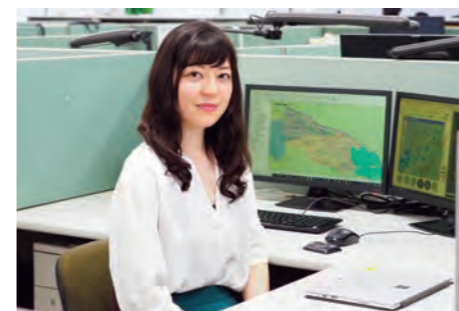
Began the test operation of BridgeStudio for 3D virtualization of bridge maintenance construction sites

KKE, jointly with KAWADA technologies, inc. and Kawada Construction Co., Ltd, began the test operation of "BridgeStudio powered by NavVis technology" ("BridgeStudio" hereafter) in an aim to improve the productivity of bridge maintenance construction sites. BridgeStudio is an IT solution that enables 3D virtualization of construction sites, such as on bridge scaffolds where there are many irregular steps and with no GPS coverage. By sharing the 3D virtual image of the construction site on a web page, it aims to improve productivity through the reduction of number of site inspections and streamlining of information-sharing between designers working in the office and site managers.



Operation screen of BridgeStudio

Interview



Natural Disaster Prevention Business Section, Business Development Dept.
Atsuki Kumai

Developing new technologies to solve the issues of society

As was the case with the Heavy Rain Event of July 2018, in recent years, sudden swelling of rivers with heavy rain is causing flood damages in various areas. Utilizing the state-of-the-art mathematical engineering, KKE has developed technologies to predict the water levels of rivers only from water level and rainfall data on a real-time basis for social implementation. By supporting early decision-making of evacuation and the operation of facilities and construction sites near rivers, we aim to build a safe and secure society. We interviewed the person in charge of these technologies on her aspiration for the development.

Q Please tell us about your background on why you became involved in the development of meteorological technologies.

Since I was a child, I liked winds and clouds so much that I selected a high school that offered geology courses. In university, after studying general geoscience such as atmospheric science, hydrological science, geomorphology and human geography, I majored in meteorology and climatology, and conducted research on the precision of reproducibility of seasonal rain using climate change prediction models formulated by different countries while involved in the project of the Ministry of Education, Culture, Sports, Science and Technology. Currently, my interest has extended beyond the actual phenomena to cultural and economic impacts, and I continue to explore the depth of meteorology.

Q You really like dealing with weather. What kind of project are you working on now?

I always wish that more people would understand the mechanism of meteorological phenomena, then the world could be much safer and more convenient. Currently, I am working on the development of RiverCast, which is a system to predict river water levels and floods on a real-time basis using river water level and rainfall data. For example, in building the system, we conduct detailed interviews on what kind of information the people in charge of crisis management of a municipality would need to make calm decisions given the limited manpower and time available. Even though we use the general term "people in charge," people at the countermeasures headquarters and people at a site near the river need different kinds of information. To enable them to make full use of the prediction data in practice, we strive to provide the necessary information when they need it in an easy-to-understand form.

Q We heard that you are a certified weather forecaster. What made you obtain the qualification?

Ever since joining KKE, I had always voiced my desire to work on climate-related business. By obtaining the certified weather forecaster qualification, I thought I could demonstrate my determination. After obtaining the qualification, I feel that my colleagues and superiors as well as customers came to have greater trust in me thanks to the qualification. In particular, meteorological information pertaining to disasters is diversified and changes every year. Not many people are able to utilize such information with a correct understanding. I think it is the responsibility of weather forecasters to convey such information in an easy-to-understand manner. My colleagues also ask me about the weather quite often.

Q What are your thoughts on the recent torrential rainfall and frequent typhoons?

While the increase of extreme phenomena caused by climate change has been a well-known fact among scientists, I must admit that we were completely ignorant of the magnitude of human and physical damages inflicted by such abnormal weather. As observation and prediction technologies are advancing rapidly, it is now possible to analyze meteorological data on a real-time basis. By providing support to enable appropriate decision-making before critical situations develop, we hope to minimize damages caused by rainfall disasters that we often see today.



Customer Stories

We asked our customers on how KKE's technologies and support services have been useful in their business operations.

Teijin Pharma Limited



Tokyo Research Center,
Teijin Pharma Limited
(From left)
ESH Leader, Administrative Office
Mr. Satoshi Suwaki
Deputy Center Manager
Mr. Toshinobu Murakami

Customer story on consultation on the visualization of indoor damage at the time of an earthquake

“Let’s consider earthquake resistance for your laboratories”
With the simulation video that reproduced seismic vibration realistically, the suggestion is now taken with greater conviction.

We have no criteria on seismic retrofit of facilities, and cannot gain consensus on countermeasures

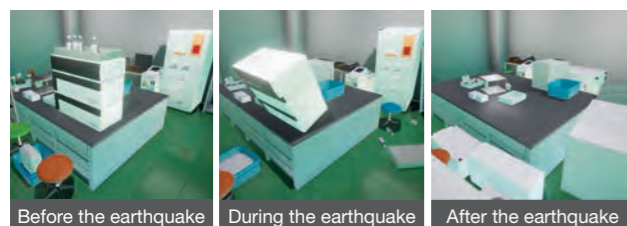
— Please give us an overview of the project.

More than 50 years have passed since Teijin Pharma's Tokyo Research Center was established. There are old and new buildings on the premises, and each building is equipped with earthquake resistance and seismic isolation systems. However, in order to ensure the safety of the people actually working there, we must implement measures inside the buildings so that, in the event of a major earthquake collapsing or falling equipment, for example, will not cause injury or block an evacuation route inside the research rooms and laboratories.

We requested KKE to provide a solution that was, above all, convincing for everyone and which could be easily rolled out. In specific, KKE first assessed the seismic performance of the buildings based on structural calculations, etc. to determine how the buildings would sway. As expected, results revealed that our existing measures were not good enough in the event of an earthquake with seismic intensity of 6 or greater. So as the next step, our question was how to tell everyone at the Research Center about this fact. KKE proposed to produce a simulation video showing what it would be like inside the laboratory if hit by a major earthquake without any measures taken.

— You created a virtual laboratory in computer graphics with actual equipment and devices and “shook” it? How did the video turn out?

We realized how effective it was to have them see for themselves. The simulation assumed an earthquake of about



intensity 6 lower to 6 upper, but it was shocking to see such a heavy object as a deep freezer waver and fall, because we use it every day and know that it does not budge even if we try to push it. Since the video was also compatible with virtual reality, we borrowed KKE's equipment and tried viewing in VR. I watched it too, but the impact was so real and so scary. We were also amazed by the speed at which they produced the video. It was delivered to us in less than six months. With this and everything else, we were extremely satisfied with the deliverables.

Create a tool to raise corporate-wide awareness of disaster prevention and motivate actual workers to think about countermeasures

— Did you see any differences by using the video?

At our Research Center, we form a group of twenty-some different members each month, and go around each department to check the disaster prevention measures. We make sure that the members watch the video, and we feel that their findings on earthquake resistance have become much more specific than before. Those who received comments used to come to us and ask whether the measures were really necessary, but now we rarely receive such inquiries. Little by little, the mindset is changing, I think.

The greatest objective of this project was to raise the individual awareness of earthquake resistance among researchers and to create momentum to think about actual countermeasures to take on their own. As a tool to this end, we created something of extremely high quality. Looking forward, we think there is a need to figure out how to leverage these results in developing comprehensive countermeasures against earthquakes, including initiatives such as creating scenarios for the disaster drill we have been working on in parallel.

A detailed article is available from our website.

www.kke.co.jp/teijin.html

ROHTO Pharmaceutical Co., Ltd.



Production Engineering Division,
ROHTO Pharmaceutical Co., Ltd.
(From left)
Division Manager **Mr. Tsuyoshi Tsuchie**
Mr. Hiroyuki Koshiro,
Mr. Yohei Nagamitsu,
and **Ms. Kyoka Kuroda**

Customer story on particle-based simulation software “Particleworks”

Simulation with Particleworks eliminated the need for testing on actual production facilities (real-device testing) and enabled the immediate launch of production process.

In an aim to reduce time and problems from development to manufacturing

— Please describe the issues you had in the production process.

Among the products offered by ROHTO Pharmaceutical, cosmetics have a wide variety and are fast to release new products. The process from the development of a new product to the launch of production is called “industrialization considerations.” There was a growing need to further expedite this process and reduce problems. We anticipated that we would soon reach the limits with the conventional process, and began to consider implementing computer simulation that could be useful to the company by shortening the period of industrialization considerations and reducing problems. This was around 2015.

— How did you get to know simulation software Particleworks?

The situation required speeding up of industrialization considerations and we were investigating simulations as an option for a new solution when we heard that a company utilizing simulation was giving a presentation at a seminar, so we decided to attend. Seeing how other companies were using Particleworks, we understood that it was useful software. Then at the operation demonstration seminar, we had the opportunity to actually operate Particleworks, and we were convinced that it would be useful for our company too. It seemed capable of resolving various issues raised inside our company such as verifying whether the containers are filled evenly and whether ingredients are mixed evenly inside the stirring machine, so we started working towards implementation.

By using simulation, we omitted the real-device testing and went straight to the production line

— What sort of effects did you have by using the simulation?

Prior to implementing Particleworks, we were using

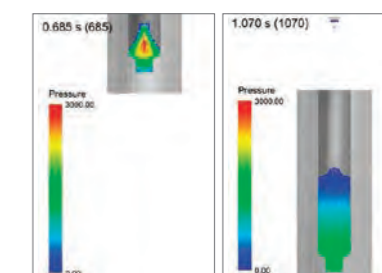
actual manufacturing facilities for consideration and had to stop the production lines during that period, costing us money and time. In addition, there was variability in the parameter settings of manufacturing facilities between those by experienced operators and those by others. The use of computer simulation has allowed us to largely reduce that time, and also contributes to improving quality.

However, before deciding to launch production only by simulation, we spent a lot of time carefully comparing the results of simulation and real-device testing and repeating verification. This effort paid off, and after two years from implementation, it even became possible in some cases to eliminate the real-device testing during the period of industrialization considerations.

— You spent sufficient time for verification to achieve the results. What are your impressions on KKE?

We are grateful to KKE for their devoted support. It is because of their meticulous support that we were able to utilize the results of our first simulation to this extent.

Prior to implementation, we had often heard users of other companies say, “Simulation is tough if you don’t have human connections.” KKE also helps us establish links with other user companies implementing simulation, so our human network has expanded, and we can hear and learn about simulations conducted by other companies. Now, we are working to increase achievements that we can eventually share with others.



Simulation results of filling a tube container

A detailed article is available from our website.

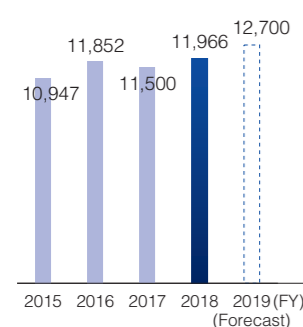
www.kke.co.jp/rohto.html

Financial Highlights

Net Sales

(Unit: Million yen)

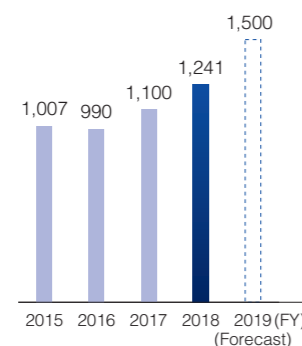
11,966 million yen
(Up 4.1% year on year)



Operating Income

(Unit: Million yen)

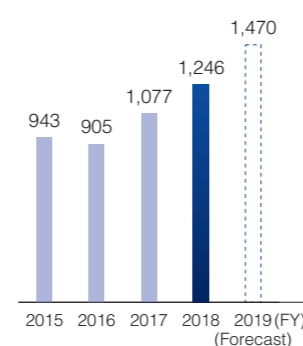
1,241 million yen
(Up 12.8% year on year)



Ordinary Income

(Unit: Million yen)

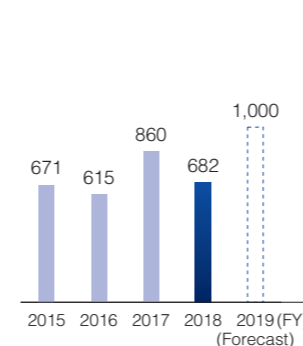
1,246 million yen
(Up 15.7% year on year)



Net Income

(Unit: Million yen)

682 million yen
(Down 20.6% year on year)



Segment Review

Engineering Consulting

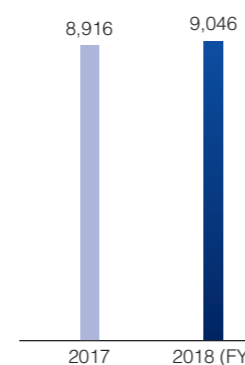
Net Sales **9,046** million yen (Up 1.5% year on year)

Gross Profit **5,374** million yen (Up 10.9% year on year)

Our structural design consulting services, system development services for housing manufacturers, and system development services for construction and manufacturing industries were robust, and profits were secured through efforts to offer high value-added services and to reduce large-scale, unprofitable projects. As a result, net sales for the fiscal year amounted to ¥9,046 million (compared to ¥8,916 million for the previous fiscal year), and gross profit was ¥5,374 million (compared to ¥4,846 million for the previous fiscal year).

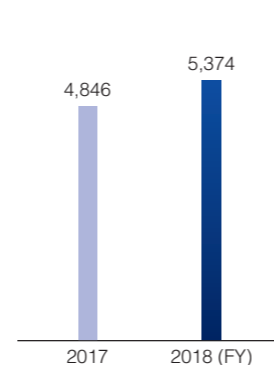
Net Sales

(Unit: Million yen)



Gross Profit

(Unit: Million yen)



Product Service

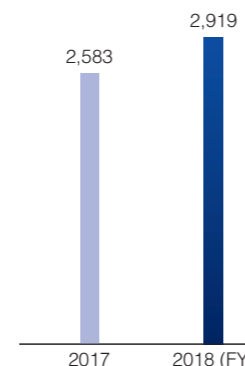
Net Sales **2,919** million yen (Up 13.0% year on year)

Gross Profit **1,083** million yen (Up 32.0% year on year)

Sales of CAE software for designers and sales consulting solutions for manufacturers were robust. Our cloud-based email delivery service provided by SendGrid, Inc. (USA) steadily expanded sales, and sales of cloud services for room entry and exit management for the coming IoT/IoE era also grew. As a result, net sales for the fiscal year amounted to ¥2,919 million (compared to ¥2,583 million for the previous fiscal year), and gross profit was ¥1,083 million (compared to ¥820 million for the previous fiscal year).

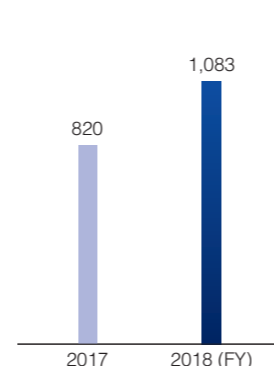
Net Sales

(Unit: Million yen)



Gross Profit

(Unit: Million yen)



Financial Data

Balance Sheet (Summary)

(Unit: Thousand yen)

	FY2017 (As of June 30, 2018)	FY2018 (As of June 30, 2019)
(Assets)		
Current assets	4,429,137	4,195,516
Cash and deposits	1,059,897	1,351,550
Notes receivable-trade	62,199	71,583
Accounts receivable-trade	1,592,257	1,343,940
Work in process	542,528	702,261
Other	1,172,253	726,181
Fixed assets	7,828,629	8,803,258
Tangible assets	5,116,826	5,053,604
Intangible assets	476,028	439,918
Investments and other assets	2,235,773	3,309,735
Total assets	12,257,766	12,998,775
(Liabilities)		
Current liabilities	3,571,342	3,636,613
Accounts payable-trade	242,199	238,198
Short-term borrowings	—	10,000
Long-term borrowings due within one year	396,232	541,832
Other	2,932,911	2,846,582
Long-term liabilities	3,995,549	3,935,787
Corporate bonds	—	350,000
Long-term borrowings	1,893,443	1,386,471
Lease obligations	53,958	35,175
Provision for retirement benefits	1,924,684	2,004,634
Provision for directors' retirement benefits	40,000	40,000
Provision for share-based compensation	31,140	63,477
Asset retirement obligations	52,323	56,028
Total liabilities	7,566,892	7,572,400
(Net Assets)		
Shareholders' equity	4,673,211	5,435,757
Capital stock	1,010,200	1,010,200
Capital surplus	1,897,032	1,159,926
Retained earnings	3,943,161	4,117,147
Treasury stock	(2,177,182)	(851,517)
Valuation and translation adjustments	17,662	(9,382)
Total net assets	4,690,874	5,426,374
Total liabilities and net assets	12,257,766	12,998,775

Income Statement (Summary)

(Unit: Thousand yen)

	FY2017 (From July 1, 2017 to June 30, 2018)	FY2018 (From July 1, 2018 to June 30, 2019)
Net sales	11,500,270	11,966,216
Cost of sales	5,832,836	5,508,373
Gross profit	5,667,433	6,457,842
SGA expenses	4,566,640	5,216,574
Operating income	1,100,793	1,241,267
Non-operating income	15,590	47,162
Non-operating expenses	39,369	42,116
Ordinary income	1,077,015	1,246,314
Extraordinary losses	22,056	242,553
Net income before taxes	1,054,958	1,003,760
Income taxes-current	301,979	364,448
Income taxes-deferred	(107,098)	(43,254)
Net income	860,077	682,565

Cash Flow Statement (Summary)

(Unit: Thousand yen)

	FY2017 (From July 1, 2017 to June 30, 2018)	FY2018 (From July 1, 2018 to June 30, 2019)
Cash flows from operations	598,664	1,633,619
Cash flows from investments	(530,636)	(1,453,533)
Cash flows from financing	580,873	111,852
Effect of exchange rate change on cash and cash equivalents	(231)	(286)
Net increase (decrease) in cash and cash equivalents	648,670	291,652
Cash and cash equivalents at the beginning of FY	411,227	1,059,897
Cash and cash equivalents at the end of FY	1,059,897	1,351,550

Balance Sheet Highlights

- Total assets increased 6.0% year on year to ¥12,998 million.
- Total liabilities increased 0.1% year on year to ¥7,572 million.
- Total net assets increased 15.7% year on year to ¥5,426 million. This was due to an increase of ¥175 million in retained earnings brought forward, despite decreases of ¥1,325 million in treasury stock and ¥737 million in capital surplus.

Income Statement Highlights

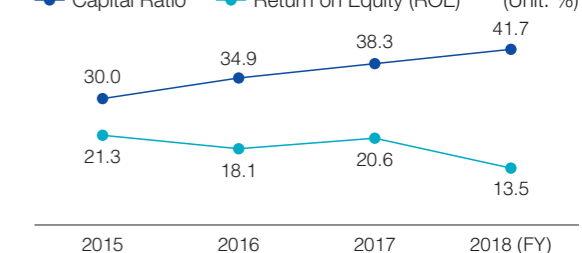
- Net sales were ¥11,966 million. Operating income came to ¥1,241 million and ordinary income came to ¥1,246 million, both exceeding the announced earnings forecasts. Due to extraordinary losses recorded in the second quarter, net income amounted to ¥682 million (compared to ¥860 million for the previous fiscal year).

Cash Flow Statement Highlights

- Net cash provided by operating activities amounted to ¥1,633 million, due mainly to net income before taxes of ¥1,003 million and depreciation & amortization of ¥269 million.
- Net cash used in investing activities amounted to ¥1,453 million, due mainly to the purchase of investment securities of ¥1,266 million.
- Net cash provided by financing activities amounted to ¥111 million, due mainly to the proceeds from long-term borrowings of ¥750 million.

Capital Ratio/Return on Equity (ROE)

Capital Ratio Return on Equity (ROE) (Unit: %)



Corporate Profile / Stock Information

Corporate Data (As of June 30, 2019)

Name: KOZO KEIKAKU ENGINEERING Inc.
 Date of Establishment: May 6, 1959
 Accounting Term: June
 Listed on: Tokyo Stock Exchange (JASDAQ Standard)
 Line of Business: Engineering Consulting
 Product Service

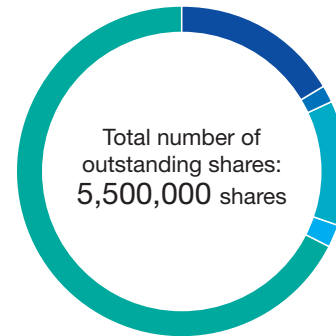
Locations:

Head Office: 4-38-13 Hon-cho, Nakano-ku, Tokyo 164-0012, Japan
 Central Office: 4-5-3 Chuo, Nakano-ku, Tokyo 164-0011
 Corporate Library Office: A.S Bldg. 4-5Fl. 6-16-11 Hon-cho Nakano-ku, Tokyo 164-0012
 Nakano Innovation Office: Nakano Central Park South 2Fl. 4-10-2 Nakano, Nakano-ku Tokyo 164-0001
 Nagoya Branch Office: JP TOWER NAGOYA 25Fl. 1-1-1 Meieki Nakamura-ku, Nagoya, Aichi 450-6325
 Osaka Branch Office: Midosuji MTR Bldg. 5Fl. 3-6-3 Awaji-cho Chuo-ku, Osaka 541-0047
 Fukuoka Branch Office: JRJP Hakata Bldg. 8Fl. 8-1 Hakataekichuogai, Hakata-ku Fukuoka-shi, Fukuoka 812-0012
 Kumamoto Office: 1315 Muro, Ozu-machi, Kikuchi-gun Kumamoto 869-1235
 Shanghai Rep. Office: Shanghai World Financial Center, 15Fl. No. 100 Century Avenue, Pudong New Area, Shanghai, 200120, China
 KKE SINGAPORE PTE. LTD.: Level 11, Marina Bay Financial Centre Tower 1 8 Marina Blvd, Singapore 018981

Share Status (As of June 30, 2019)

Total number of authorized shares: 21,624,000 shares
 Total number of outstanding shares: 5,500,000 shares
 Number of shareholders: 2,893

Composition of Shareholders (As of June 30, 2019)



■ Financial institutions: 16.39%	■ Foreign corporations, etc.: 2.12%
4 shareholders / 901,179 shares	38 shareholders / 116,400 shares
■ Securities companies: 1.85%	■ Individuals and others: 67.38%
23 shareholders / 101,946 shares	2,805 shareholders / 3,706,369 shares
■ Other corporations: 12.26%	
23 shareholders / 674,106 shares	

(Note) The figure in the "Individuals and others" includes 146,529 shares of treasury stock.

Additional Information

Fiscal year: from July 1 to June 30 of the following year
 Annual meeting of shareholders: Every September
 Record dates for dividends: March 31, June 30, September 30 and December 31
 Record date: June 30
 Administrator of shareholder registry & Special account management institution: Mitsubishi UFJ Trust and Banking Corporation
 Contact information for the above: Stock Transfer Agency Division, Mitsubishi UFJ Trust and Banking Corporation 1-1 Nikkocho, Fuchu-shi, Tokyo (Mailing address) Stock Transfer Agency Division, Mitsubishi UFJ Trust and Banking Corporation P.O. Box No. 29 Shin-Tokyo Post Office, 137-8081 TEL: 0120-232-711 (Toll free)
 Method of public notice: By electronic public notice
 URL where public notice is posted: <https://www.kke.co.jp/en/>
 (However, public notice is posted on the Nihon Keizai Shimbun in the event that electronic public notice is unavailable due to accident or other unavoidable reasons.)

IR Information



<https://www.kke.co.jp/en/ir/>