

Connecting Stakeholders and K K E

K K E : P R E S S

56th Term

Fiscal year ended June 2014 (from July 1, 2013 to June 30, 2014)

An Outstanding Engineering Company that Bridges Academia
and Industrial Worlds



For the Continuation of Engineering Design That Is Truly Valuable to Society

Shota Hattori

President and CEO

Shota Hattori



▼ Profile

Born in Tokyo in 1956. Completed the master's program at the Graduate School Sociology, the University of Tokyo in 1982. Studied at the graduate level at Massachusetts Institute of Technology and completed the program in 1985. Joined the Boston Consulting Group and gained consulting experience in the United States and Japan. Joined Kozo Keikaku Engineering in 1987. Assumed the post of President in 2002. Works proactively on the simulation of social phenomenon with the belief such experiments will bear fruit and contribute to society in the first half of the 21st century.

Q First, could you reflect on and evaluate the performance of the 56th term?

Our performance rebounded steadily and we were able to increase profits beyond our projections. I believe that the major reason for this success was the fact that our company's engineering and technology consulting services, which are founded in our scientific knowledge, received heightened recognition and we were given financial compensation commensurate with the added value we offer.

There are two types of simulations where the Company's core strengths lie. One is the simulation of quantifiable matters, such as movements of wind, water and grounds during natural disasters, etc. The other is simulation of behaviors by human beings who have wills and interact with one another. I feel that our customers value our ability to suggest specific alternative plans and models, based on simulations that not only analyze data but also hybridize these two types of simulations. During the 56th term, projects that straddled the Engineering Consulting segment and System Solutions segment, centering on disaster prevention and housing-related structural calculation systems, were the driving force of our financial results.

In the Product Service segment, we concentrated our efforts on such relatively new product services as *PTV Vision*, a comprehensive traffic simulation platform, and *SendGrid*, a cloud-based mail distribution service, during the fiscal year under review. As a number of inquiries and orders for these products have already poured in, we expect that they will grow larger hereafter.

As for a new topic, we opened a new innovation office within Nakano Central Park, which is located north of JR Nakano Station. In the coming years, we plan to work jointly with the

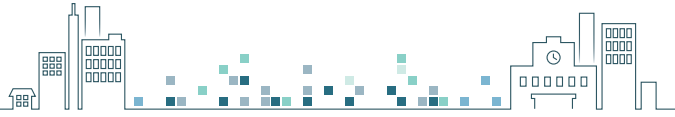
public sector in collaboration with the Nakano-ku Industrial Development Promotion Organization (ICTCO) to offer support for solving area-specific challenges as well as developing new businesses. I think this is a good new opportunity to mark the launch of solution-oriented support projects with a focus on business front lines.

Q Could you tell us about the initiatives for the focal business areas *PLG*, or *Public, Local and Global*, and the future development?

We newly identified three core business areas; *Public, Local and Global* that are rooted in the actual field work. We chose to focus on these themes as we work to realize a better society and continue to boost KKE's added value, and to prevent the Company's technology from ending up with empty theory.

Public means strengthening our efforts to get involved at the initial stage of system and rule establishment as an engineering technology consulting firm. We have already started secretariat services in creating guidelines and establishing international standards in connection with such projects as 1) the *Research on the International Standardization of Radio Communication Technologies* led by the Ministry of Internal Affairs and Communications, 2) the *Institutional Design of Wind Turbine Generation Facilities* in the research project on the utilization of unused energy by the Ministry of Economy, Trade and Industry, and 3) the *Cost Necessary for the Promotion of Earthquake Countermeasures*, etc. by the Cabinet Office. We hope to continue to expand opportunities for similar endeavors.

Local means helping solve issues which are specific to particular communities (disasters, traffic or nursing care, etc..) in collaboration with people who work in the field. Our



collaboration with Nakano-ku is the very part of these initiatives. In addition, opening the Nakano Innovation Office gave us a role in creating new businesses and expanding the existing community-based businesses. Jointly with Nakano-ku Tourism Association and Nakano-ku Shopping Center Association, we hold a *Product Development Recipe Contest* and strive to increase opportunities for us to contribute to the community.

We plan to continue to expand *Local* initiatives of this type, which lead to the contribution to the community and its development.

With respect to *Global*, our focus is on providing solutions to help Japanese companies expand their overseas operations.

Collaborating with various overseas partners that own technology of global standards, we assist corporations with global operations in expanding their businesses internationally by consistently offering the best and state-of-the-art technology. Not only do we introduce cutting-edge technologies to our customers but we also provide the know-how that enables them to apply the technology by themselves. I consider our company's added value to be our ability to help our customers use these invisible properties. Furthermore, given that security and safety are of critical importance not only in Japan but also worldwide, we hope to disseminate the knowledge that KKE has accumulated in these areas to the rest of the world.

▶ See the next page for the details of PLG.

Q I understand that KKE will focus its efforts on human resource development, including hiring in foreign countries.

We consider hiring and development of human resources from the medium- and long-term perspectives. Our jobs are required to be completed amid the relationships with other interested parties. We consider building a diverse organization in which each employee can grow his/her unique talent to be one of our priorities. As part of this endeavor, we started to hire foreign nationals who are graduates of foreign universities mainly at

Singapore. Following a company information session held in Singapore, we held final job interviews in Japan in July 2014, and hired seven individuals from such countries as Iran, India, Malaysia, Indonesia and China. We will accelerate our global expansion with the flexibility that is derived from diversity by constructing an organization in which people with various senses of value, different attitudes and opinions including religious belief, and diverse behavioral patterns are accepted and mutually respected.

Q Could you give us the financial outlook for the 57th term, and a message to the stakeholders?

Fifty five years have passed since the company's foundation. Shareholders too are going through a generational shift. Under such circumstances, we had an opportunity to buy back company shares through a takeover bid (TOB) in the 56th term. Looking ahead, I hope to leverage this treasury stock for the business growth based on firm trust relationships with an eye to transfer these shares to individuals including potential partners or our employees who underpin our business activities.

As for dividend payment for the 56th term, we will pay 35 yen per share, which includes a commemorative dividend of 5 yen per share for our 55th anniversary of foundation.

KKE has committed to being an engineering technology consulting firm that can represent Japan as a knowledge-intensive corporation of the 21st century. Aiming to build an organization in which individuals grow is a slightly different approach from that of Europe and the U.S. but is one of the Japanese values. In the future, we will aim to be a corporation that excels at training young workers and growing their talents, and communicates its presence to the world as a leading corporation that is skilled at building such an organization. In addition, we will continue to be a corporation that contributes sustainably to society. We are confident that in the 57th term, we will be able to show you the development of multiple projects that we have been working on. I would like to ask all of our shareholders to continue to support our business activities.

• CONTENTS •

Top Interview	1
Feature: Toward Realization of Better Society and Increase of Added Value.....	3
Financial Highlights	5
Financial Data	6
What is KKE?	7
History of Innovation	8
KKE NEWS	9
Corporate Profile/Stock Information	Back cover



Toward Realization of Better

As a professional design and engineering firm, KKE aims to become an organization that realize high added value by applying the knowledge and technology that meet the needs of its customers from the *Public*, *Local* and *Global* viewpoints in collaboration with universities, research institutes and partner corporations. KKE will continue to face social issues and realize high-added value solutions.

Public

Participates in the establishment of systems and rules so as to assist with the resolution of social issues as an engineering technology consulting firm

Institutional Design of Wind Turbine Generation Facilities

KKE has designed approximately 300 wind power generation facilities in Japan, including offshore facilities. Its technological capability which enables to undertake a wide range of tasks, including analysis of the impact of wind and vibration on wind turbine generation facilities, structural design, ministerial approval, and on-site supervision. As an appreciation to such performance and technology capability, the Company was given an opportunity to participate in the research project on the utilization of unused energy that is being promoted by the Ministry of Economy, Trade and Industry. With regard to wind turbine generation facilities related business, KKE is striving to enhance our competitiveness and technological capability in collaboration with overseas manufacturers and Japanese universities.

Local

Helps solve community-specific issues, such as disaster evacuation and traffic congestions by cooperating with people in the actual field

Consultations for Supporting the Formulation of Disaster Prevention Plans

KKE proposes multi-faceted countermeasures to deal with disaster problems that are specific to individual communities, including tsunami and river flooding, by combining multiple technologies that the Company owns. In addition to visualizing the statuses of disasters and damages in time series, KKE is capable of proposing evacuation plans that take characteristics of communities and those of inhabitants into account and estimating the time required for evacuation.

Global

Supports Japanese companies expand their overseas operations by providing not only its own engineering solutions but also those of its overseas partner corporations.

Optimal Cargo Loading Planning System

KKE has developed an optimal loading system that creates a highly efficient loading plan to load freight onto trucks and containers by applying operations research technology cultivated by the Company as part of its efforts to assist Japanese corporations that conduct business internationally.



Society and Increase of Added Value

Promotion of Earthquake Countermeasures



KKE participates in the project *Cost Necessary for the Promotion of Earthquake Countermeasures*, etc. run by the Cabinet Office, which recognized KKE's experience in safety & security solution business and its technological capability. The Company took part in research conducted by the University of Tokyo and implemented simulations of extensive fire spread and evacuation in the event of an earthquake. In addition, KKE is studying the possibility of collaborative engineering work with other institutions to use its technology to create a safe & secure society.



Image of the fire evacuation simulation

Opening of Nakano Innovation Office

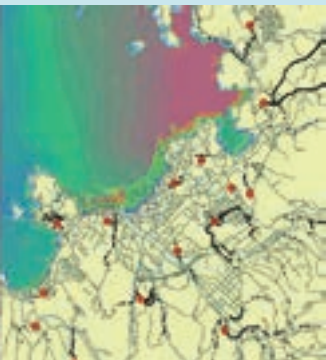


Image of the tsunami evacuation simulation

Responding to an offer from the government of Nakano-ku, KKE opened a new office in Nakano Central Park aiming to create new businesses and promote community-based operations of existing businesses. The new office will be primarily engaged in developing new ideas into businesses. The Company is also expected to play the role as a community innovation center, being a member of Nakano-ku Industrial Development Promotion Organization (ICTCO), which is also located in the same area.



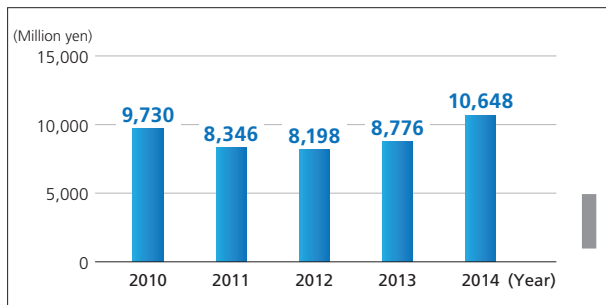
Comprehensive Traffic Simulation Software - *PTV Vision*

PTV Vision developed by PTV Group in Germany is powerful comprehensive traffic simulation software which performs both macro- and micro-level simulations to support designing new urban building plans. KKE markets *PTV Vision*, and also provides consulting service using the software.

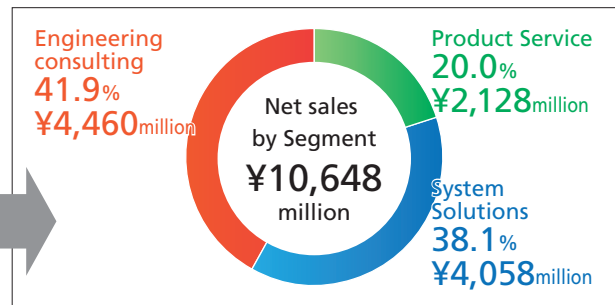


Financial Highlights

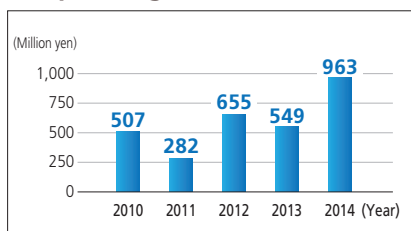
Net Sales



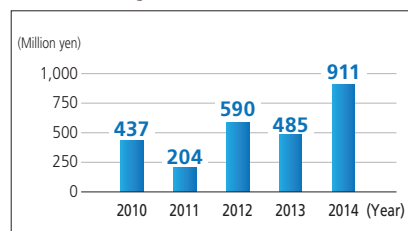
Breakdown of Net Sales



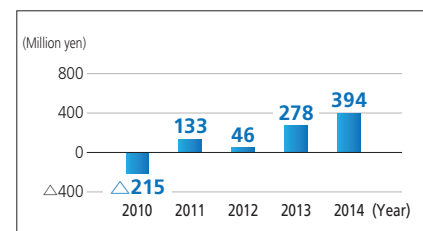
Operating Income



Ordinary Income

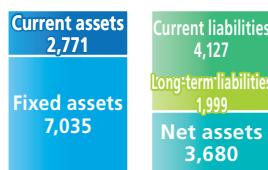


Net Income

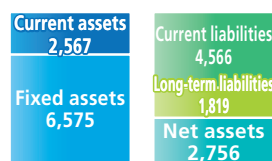


Highlights of Balance Sheet

(Unit: Million yen)



FYE June 2013

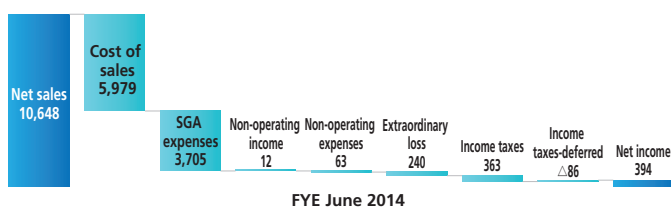


FYE June 2014

- Total assets decreased 6.8% year on year to ¥9,143 million.
- Total liabilities increased 4.2% year on year to ¥6,386 million.
- Total net assets decreased 25.1% year on year to ¥2,756 million, due mainly to a ¥120 million increase in treasury stock.

Income Statement Highlights

(Unit: Million yen)

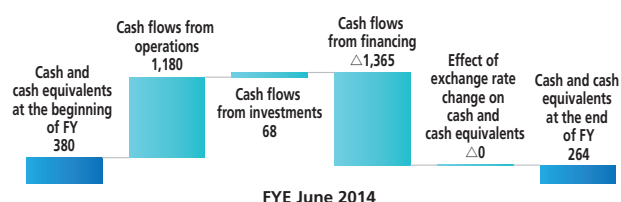


FYE June 2014

- All segments grew steadily and net sales increased 21.3% year on year to ¥10,648 million.
- To improve asset efficiency, fixed assets were sold and a gain on sales of fixed assets was reported. Net income increased 41.7% year on year to ¥394 million.

Cash Flow Statement Highlights

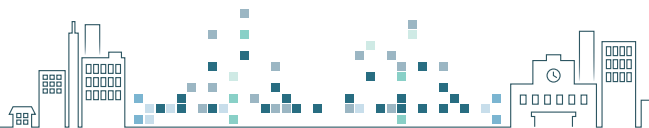
(Unit: Million yen)



FYE June 2014

- Net cash provided by operating activities amounted to ¥1,180 million, due mainly to net income before taxes of ¥671 million and depreciation of ¥247 million.
- Net cash provided by investing activities amounted to ¥68 million, due mainly to proceeds from sales of property, plant and equipment of ¥224 million.
- Net cash used in financing activities amounted to ¥1,365 million, due mainly to purchase of treasury stock of ¥1,284 million and repayments of long-term borrowings of ¥744 million.

Financial Data



Summarized Balance Sheet (Unit: Thousand yen)

	FYE June 2013 (As of June 30, 2013)	FYE June 2014 (As of June 30, 2014)
(Assets)		
Current assets	2,771,836	2,567,300
Cash and deposits	380,316	264,057
Notes receivable-trade	30,031	43,425
Accounts receivable-trade	1,227,375	1,066,149
Goods in process	431,310	407,291
Other	702,802	786,376
Fixed assets	7,035,731	6,575,843
Property, plant and equipment	5,583,464	5,119,855
Intangible assets	398,923	363,704
Investments and other assets	1,053,343	1,092,282
Total assets	9,807,568	9,143,143
(Liabilities)		
Current liabilities	4,127,307	4,566,230
Accounts payable-trade	271,711	229,176
Short-term borrowings	1,290,000	1,950,000
Long-term borrowings due within one year	610,000	182,890
Other	1,955,596	2,204,163
Long-term liabilities	1,999,863	1,819,963
Long-term borrowings	609,420	292,500
Lease obligations	24,491	48,831
Provision for retirement benefits	1,310,500	1,419,014
Provision for directors' retirement benefits	40,000	40,000
Asset retirement obligations	15,452	19,617
Total liabilities	6,127,171	6,386,193
(Net Assets)		
Shareholders' equity	3,674,818	2,753,734
Capital stock	1,010,200	1,010,200
Capital surplus	1,041,464	1,041,464
Retained earnings	2,165,952	2,444,876
Treasury stock	△542,799	△1,742,807
Valuation and translation adjustments	5,578	3,215
Total net assets	3,680,396	2,756,949
Total liabilities and net assets	9,807,568	9,143,143

Summarized Income Statement (Unit: Thousand yen)

	FYE June 2013 (From July 1, 2012 to June 30, 2013)	FYE June 2014 (From July 1, 2013 to June 30, 2014)
Net sales	8,776,942	10,648,013
Cost of sales	4,787,343	5,979,048
Gross profit	3,989,599	4,668,964
SGA expenses	3,440,206	3,705,569
Operating income	549,392	963,395
Non-operating income	9,848	12,012
Non-operating expenses	73,582	63,463
Ordinary income	485,658	911,945
Extraordinary losses	161	240,640
Net income before taxes	485,496	671,304
Income taxes-current	345,219	363,363
Income taxes-deferred	△138,367	△86,804
Net income	278,645	394,745

Summarized Cash Flow Statement (Unit: Thousand yen)

	FYE June 2013 (From July 1, 2012 to June 30, 2013)	FYE June 2014 (From July 1, 2013 to June 30, 2014)
Cash flows from operations	1,356,198	1,180,770
Cash flows from investments	△451,172	68,985
Cash flows from financing	△1,076,753	△1,365,609
Effect of exchange rate change on cash and cash equivalents	949	△404
Net increase (decrease) in cash and cash equivalents	△170,777	△116,259
Cash and cash equivalents at the beginning of FY	551,093	380,316
Cash and cash equivalents at the end of FY	380,316	264,057

Statement of Changes in Net Assets (Unit: Thousand yen)

FYE June 2014 (From July 1, 2013 to June 30, 2014)	Shareholders' equity										Valuation and translation adjustments		Total net assets	
	Capital stock	Capital surplus			Retained earnings					Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities		Total valuation and translation adjustments
		Legal capital surplus	Other capital surplus	Total capital surplus	Reserve for advanced depreciation of fixed assets	Reserve for special depreciation	General reserve	Retained earnings brought forward	Total retained earnings					
Balance as of June 30, 2013	1,010,200	252,550	788,914	1,041,464	33,302	1,912	100,000	2,030,738	2,165,952	△542,799	3,674,818	5,578	5,578	3,680,396
Changes of items during the period														
Dividends from surplus				-				△115,821	△115,821		△115,821			△115,821
Net income				-				394,745	394,745		394,745			394,745
Reversal of reserve for advanced depreciation of fixed assets				-	△1,334			1,334	-		-			-
Reversal of reserve for special depreciation				-		△359		359	-		-			-
Purchase of treasury stock				-					-	△1,284,500	△1,284,500			△1,284,500
Disposal of treasury stock				-					-	84,491	84,491			84,491
Net changes of items other than shareholders' equity				-					-		-	△2,362	△2,362	△2,362
Total changes of items during the period	-	-	-	-	△1,334	△359	-	280,617	278,923	△1,200,008	△921,084	△2,362	△2,362	△923,447
Balance as of June 30, 2014	1,010,200	252,550	788,914	1,041,464	31,968	1,552	100,000	2,311,355	2,444,876	△1,742,807	2,753,734	3,215	3,215	2,756,949

What's KKE?

Our Services Are Directly Linked to Society's Safety, Environment and Cost

Innovation in product manufacturing and logistics systems. From infrastructure development to building disaster prevention networks based on IT. Although they may be invisible to the eyes, our technologies play important roles in the society. KKE has steadily achieved results and earned our customers' trust.



Structure design support system of super high-rise buildings

Designing and reinforcing energy-related facilities

Prevention and maintenance simulation of infrastructure facilities



Quality risk management solutions



Manufacturing and logistics solutions

Stock-type society and dwelling solutions



Marketing & decision-making support consulting



Seismic base isolation, vibration control and seismic resistance technologies



Service engineering solutions



Product design solutions



Management & human resource solutions



Public transportation-related simulation

Disaster prevention information technology

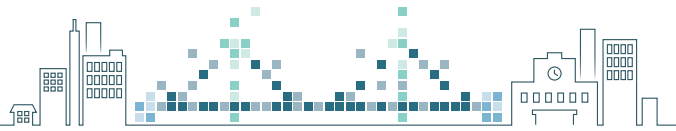


Electromagnetic field analysis

Network and radio wave propagation simulation



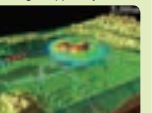
Disaster evacuation and recovery simulation

The History of Innovation



1950 1960 1970 1980 1990 2000 2010

Construction Field In 1956, KKE founder, Makoto Hattori, opened the structural design office

<p>Founder visited the U.S. to investigate the usage of computers</p> <ul style="list-style-type: none"> Structural design for castle restoration (Stress analysis of irregular bridges) 	<p>Became the first Japanese company to introduce computer-based structural design in 1961 (Introduction of IBM 1620)</p> <ul style="list-style-type: none"> Computer processing of general structural analysis Dynamic vibration analysis and elasto-plasticity analysis by the finite element method Dynamic seismic resistance designs for structures carrying large iron towers High-rise building constructions 	<p>Introduced super large computers (FACOM 23060)</p> <p>Research on numerical analysis and seismic resistance simulation started</p> <ul style="list-style-type: none"> Evaluation of seismic resistance and safety of nuclear power plants Seismic wave simulation Super high-rise building constructions and large-scale special constructions 	<p>Practical application of modeling and visualization techniques and expanded to application technologies</p> <ul style="list-style-type: none"> CAD system integration Civil engineering plan support solutions Comprehensive design solutions for prefabricated houses Disaster prevention consulting 	<p>Shifted from safety design to secure and reliable design</p> <ul style="list-style-type: none"> Localized wind analysis simulation Noise prediction simulation Integrated ground analysis Prefabricated house structural calculation solutions Seismic base isolation, vibration control and seismic resistant designs 	<p>Developed services integrating IT and disaster prevention</p> <ul style="list-style-type: none"> Information sharing and project management ASP services Traffic vibration analysis simulation Seismic risk evaluation Disaster prevention simulation Housing information management solutions 	<p>Launched environmentally-friendly IT solution services</p> <p>Large-scale analytical simulation was introduced</p> <ul style="list-style-type: none"> Structural design and reinforcement of energy facilities Prevention and preservation simulation of infrastructure facilities Long-period seismic ground motion simulation Super high-rise structural design support system 
--	---	--	---	---	---	---





Information and Communications Field

Launching software development business by taking advantage of the Company's pioneering use of computers

<p>ILC was established in the U.S. in 1969 to gather information</p> <p>Software development on a contract basis commenced</p>	<p>Research on software engineering to enhance development efficiency started</p> <p>Development of organizational software initiated</p> <ul style="list-style-type: none"> Development of software infrastructure for general-purpose machines Structural calculation for buildings in a time sharing environment Computer-based plotting and displays 	<p>Research on the ADA language commenced</p> <ul style="list-style-type: none"> Development of first-generation mobile communication-related systems Network optimization and reliability analysis System simulation using a general simulation language 	<p>Development of reliable software in terms of quality, cost and speed</p> <ul style="list-style-type: none"> Development of third-generation mobile communication-related systems Radio wave propagation simulation Sensitivity evaluation using multi-media Virtual reality and mixed reality 	<p>R&D on next-generation network protocols began</p> <ul style="list-style-type: none"> Development of third-generation mobile communication-related systems Ad hoc networks Public transportation-related solutions Communications network solutions 	<p>New wireless frontier was created</p> <ul style="list-style-type: none"> 3.9-generation wireless communication systems Sensor networks Electro-magnetic field analysis 
--	---	---	--	---	---





Manufacturing Field

Launching simulation-based system performance evaluation business

<p>Operations Research (OR) Division was established.</p>	<p>A partnership was formed with Pritzker Co., an U.S.-based company with strengths in manufacturing, in 1985.</p> <ul style="list-style-type: none"> Production and logistics system simulation 	<p>Started provision of solution services to housing manufacturers and household equipment manufacturers</p> <ul style="list-style-type: none"> Needs analysis Production schedule management solutions Production design CAD solutions Simulation-based design and analysis support solutions 	<p>Promotion of customer-driven business</p> <ul style="list-style-type: none"> Product development design CAD/CAE solutions Sales support solutions Specification design support solutions Production control and optimal inventory solutions Quality management support based on Six Sigma 	<p>Developing wide range of solutions for all manufacturing processes</p> <ul style="list-style-type: none"> Solutions that realize manufacturing-sales coordination Logistics-related solutions Quality risk management solutions 
--	--	--	--	--

Decision-Making Support Field

Simulation for issues on decision-making

<p>Launched business to support the formulation of marketing and business strategies</p> <ul style="list-style-type: none"> Conjoint analysis using computer interviews Marketing science-based consulting Business plan analysis employing the Monte Carlo techniques 	<p>With data analysis and simulation at the core, expanded market target to all social phenomena</p> <ul style="list-style-type: none"> Analysis of social phenomena using multi-agent simulation Emission trading experiments and simulation 	<p>Expansion of application fields with "evaluation" as the keyword</p> <ul style="list-style-type: none"> Corporate management solutions Real options Web service support using recommendation technology 	<p>Developing solutions with the aim to create a sustainable society</p> <ul style="list-style-type: none"> Disaster evacuation and recovery simulation Stock-type society and dwelling solution Renewable energy and smart grids Service engineering solutions 
--	---	--	--

KKE's founder, Makoto Hattori (doctor of engineering), opened a structural design office in 1956 and incorporated it in 1959. Soon after the company's inauguration, Hattori went to the United States to get the firsthand knowledge of advanced research on computers and their use. There, he was shocked by the advanced technology that was beyond his expectation, as the manual calculations were the prevailing method in structural calculations in Japan back then.

Although the design office was very small with barely ten workers, Hattori passionately felt the need to use digital computers in seismic resistance designing in earthquake-prone Japan. In 1961, ahead of the era of the super high-rise construction, KKE began to use computers in structural calculations for construction as the first company in Japan. This was the start of KKE's innovation.

Since then, KKE has applied its computer-related technology to the information and communication field and expanded its technologies in structural analyses, design and operations research cultivated in the construction field to the manufacturing field. Recently, KKE has applied simulation technology to decision-making issues and is thus offering solutions with high added value in wide-ranging fields. KKE's innovative mindset to be at the forefront of times is inherited even today.

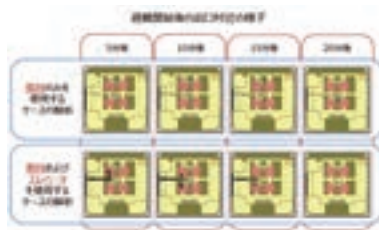
▶ The 55th Annual Shareholders' Meeting

▶ Commenced sale of a module to calculate radio-frequency interference among wireless systems for network simulators

KKE commenced to sell a frequency spectrum mask module, an option module of the network simulator named QualNet. The module enables performance evaluation that takes into account radio-frequency interference among wireless systems.

▶ Acquired patent on a fire evacuation simulation system for super high-rise buildings

The fire evacuation simulation system for super high-rise buildings, which had been developed jointly with Mori Building Co., Ltd. in 2008, became patented. The system is capable of evaluating evacuation safety from multiple angles, including the time to complete evacuation upon the eruption of a fire and the density of evacuees. The system is effective in creating a realistic evacuation plan. It also meets the validation of evacuation plan inspection requirements of the Tokyo Fire Department as indicated in its guidelines, which assumes the use of elevators to guide physically-challenged evacuees when fire breaks out.



▶ KKE Vision 2013: Turn Innovation into Tangibles

KKE Vision 2013: Turn Innovation into Tangibles, a private event, was held at Hilton Tokyo. KKE holds the event annually with the goal of providing universities, research institutes and business partners with a place to share their engineering knowledge. The event is guided by KKE's corporate philosophy of *an outstanding engineering company that bridges academia and industrial worlds*.



2013



July

August

September

October

November

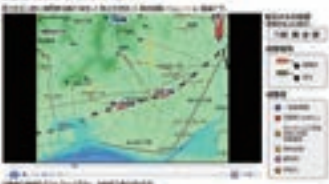
December

2014

January

▶ Support for evaluation of tsunami evacuation measures that take into account regional uniqueness

KKE provided consulting services to evaluate measures relating to evacuation from tsunamis by using tsunami evacuation simulation to the Comprehensive Disaster Prevention Section, the Disaster Prevention and Safety Dept. of the City of Kamakura.



▶ SendGrid, a cloud-based e-mail distribution service, now available in Japan

SendGrid, Inc., headquartered in Colorado, U.S.A. and headed by Jim Franklin, CEO, has been growing rapidly over the past few years as a provider of a cloud-based e-mail distribution service. KKE began to offer this service under the name *SendGrid*.

▶ Innovation Office opened in Nakano Central Park area to serve as a new business center

The Nakano Central Park area is a fast growing area with a number of government offices and public interest facilities. KKE opened a new office in the area aiming to create new businesses and promote community-based operations of existing businesses.



Released Minitab 17, the latest version of the statistical analysis software Minitab

KKE began to offer Minitab 17, the latest version of Minitab, which is the statistical analysis software developed by U.S.-based Minitab Inc. Minitab 17 has expanded graphing and verification capabilities and comes with an enhanced assistant function that gives users the grounds for their decisions.

Nikkei Sangyo Shimbun featured Nippon Yusen K.K.'s container operation system on its front page, in which our Operations Research Dept. was involved.



(Publication date: February 19, 2014. Front page of the Nikkei Sangyo Shimbun)

A new version of the Road Vehicles - Functional Safety Standards (ISO 26262) Fault Analysis Template released

KKE released the latest ver. 3 of the Road Vehicles - Functional Safety Standards (ISO 26262) Fault Analysis Template, of which the platform is the Risk Management Solution from IHS, a company headquartered in Colorado, U.S.A.

February

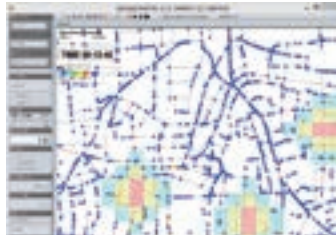
March

April

May

June

Fire evacuation simulation, a joint research by KKE and the University of Tokyo, introduced in NHK's special program Quake Big Data - Avoid Panic in the Capital.



Hosted the 14th MAS Competition, a complex system research competition

Since 1996, KKE has taken part in the business network of U.S.-based Santa Fe Institute, and continued research in the field of complex systems. Today, KKE sells in-house-developed multi-agent simulators, KK-MAS and artisoc, as a package and also provides consulting services to foster the diffusion of this technology. The purpose of the MAS Competition is to give artisoc users an opportunity to show their accomplishments with the software and share techniques and information among themselves, as well as for KKE to collect information that will help the company with its future efforts to increase usage of the software.

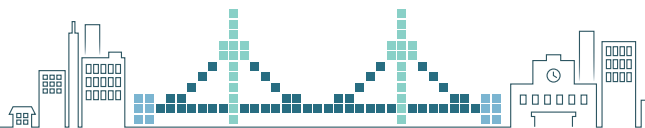


Developed an earthquake simulation system to assist formulation of BCP (Business Continuity Planning)

KKE has developed an earthquake simulation system to assist formulation of proper BCP in case of disasters and the construction of a prompt initial response scheme. This simulation system is capable of estimating the extent of damage given by earthquake to the company's base location and its supply chain, prior to the actual occurrence until immediate after the occurrence, using scientific knowledge that is based on seismology and seismic engineering. It thus provides powerful support for the formulation of proper BCP, examination of effective proactive measures to reduce earthquake risks, and proper decision making on the initial response scheme.

Field test of water-level monitoring service conducted in extensive rice fields in Ogata Village, Akita Prefecture

Jointly with Sumitomo Precision Products Co., Ltd., headquartered in Amagasaki, Hyogo and headed by Shinichi Miki, President, KKE has been conducting a field test of a water-level monitoring service in certain rice fields in the village of Ogata in Akita prefecture since mid-June. The field test uses MS4A, an agricultural monitoring service that KKE is currently developing, and a sensor network service that uses a 920MHz band outdoor wireless node being developed by Sumitomo Precision. Through the field test, the effectiveness of the service in the actual field will be evaluated with an aim of commercializing the service.



Corporate Data (As of June 30, 2014)

Name of Company:	KOZO KEIKAKU ENGINEERING Inc.
Date of Establishment:	May 6, 1959
Capitalization:	¥1,010 million
Number of Employees:	548
Accounting term:	June
Listed on:	Tokyo Stock Exchange (JASDAQ Standard) Code: 4748
Line of Business:	Engineering Consulting System Solutions Product Service

Locations of Offices:

Head Office:	Japan Holstein Hall, 4-38-13 Hon-cho, Nakano-ku, Tokyo 164-0012
Head Office, New Annex:	4-5-3, Chuo, Nakano-ku, Tokyo 164-0011
Nakano Innovation Office:	Nakano Central Park South 2F, 4-10-2, Nakano, Nakano-ku, Tokyo 164-0001
Osaka Branch Office:	NM Plaza Midouji 5F, 3-6-3 Awaji-cho, Chuo-ku Osaka, 541-0047
Kyushu Branch Office:	KMM Bldg. 2F, 2-14-1 Asano, Kokura Kita-ku Kita Kyushu, Fukuoka, 802-0001
Chubu Sales Office:	Asahi Kaikan 11F, 1-3-3 Sakae, Naka-ku Nagoya, Aichi, 460-0008
Kumamoto Office:	1315 Muro, Ozu-machi, Kikuchi-gun, Kumamoto 869-1235
Shanghai Rep. Office:	Shanghai World Financial Center, 15F, No.100 Century Avenue, Pudong New Area, Shanghai, 200120 China

Mail Distribution Service of IR Information

Press releases and IR site updates are notified via e-mail through D-ir Net Service.

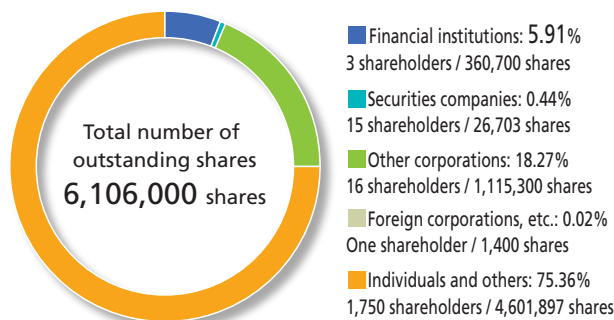


<http://www.kke.co.jp/ir/>

Share Status (As of June 30, 2014)

Total number of authorized shares:	21,624,000 shares
Total number of outstanding shares:	6,106,000 shares
Number of shareholders:	1,785

Composition of shareholders (As of June 30, 2014)



(Note) Figure in the "Individuals and others" includes 1,599,428 shares of treasury stock.

Helpful Information for Shareholders

Fiscal year:	from July 1 to June 30 of the following year
Record date:	June 30
Annual meeting of shareholders:	Every September
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 7-10-11, Higashisuna, Koto-ku, Tokyo 137-8081 TEL: 0120-232-711 (Toll free)
Method of Public Notice:	By electronic public notice
URL where public notice is posted:	http://www.kke.co.jp (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.)