

**Notice Regarding a Change in Accounting Auditor**

Nippon Koei Co., Ltd. (“Nippon Koei”) hereby announces that the Audit and Supervisory Board followed by the Board of Directors resolved in meetings held to change its accounting auditor pursuant to Article 193-2, Paragraph 1 and 2 of the Financial Instruments and Exchange Act. The resolution is subject to approval at the 75th Ordinary General Meeting of Shareholders scheduled for September 26, 2019.

**1. Planned date of change**

September 26, 2019 (date of the 75th Ordinary General Meeting of Shareholders)

**2. Outline of changes**

(1) Overview of new accounting auditor

(i) Name	PricewaterhouseCoopers Arata LLC
(ii) Address	Otemachi Park Building, 1-1-1 Otemachi, Chiyoda-ku, Tokyo
(iii) Designated limited liability partners	Masataka Kubota, Hitoshi Kondo
(iv) Status under registration system for listed company audit firms of Japanese Institute of Certified Public Accountants	Registered

(2) Overview of outgoing accounting auditor

(i) Name	Deloitte Touche Tohmatsu LLC
(ii) Address	Marunouchi Nijubashi Building, 3-2-3 Marunouchi, Chiyoda-ku, Tokyo
(iii) Designated limited liability partners	Yasuhiro Onaka, Koji Kusano

**3. Reasons to select new accounting auditor which is described in 2. (1)**

The Audit and Supervisory Board has decided to select PricewaterhouseCoopers Arata LLC (“PwC Arata”) as a candidate of new accounting auditor after comprehensive judgement for the following points:

PwC Arata has enough ability to continuously provide quality audit with fresh eyes on the changing business environment of Nippon Koei, such as continued global business expansion and further changes in business structure hereafter. PwC Arata also has ability to perform proper accounting audit with its audit expertise, independence, appropriateness and a stable system to secure audit quality.

**4. Appointment date of outgoing accounting auditor**

June 28, 2001

## **5. Opinions on audit reports and other documents prepared by outgoing Financial Auditor over past three years**

Not applicable

## **6. Reason for change of auditors and timeline**

Contract term of the current accounting auditor of Nippon Koei, Deloitte Touche Tohmatsu LLC (“Deloitte”) will be expired on September 26, 2019 (date of the 75th Ordinary General Meeting of Shareholders).

The Audit and Supervisory Board has decided to conduct comparison between multiple audit firms, which was triggered mainly by the following considerations:

- Deloitte has been an accounting auditor of Nippon Koei for 18 years, relatively longer than usual.
- In relation to recent drastic changes in the business structure of Nippon Koei, an increase of auditing hours was explained by Deloitte.

Because Nippon Koei expects further global business expansion and changes in business structure hereafter, the audit firms that have enough audit system and ability to manage them were compared.

As a result, PwC Arata has been selected and put in the agenda to be resolved at the 75th Ordinary General Meeting of Shareholders, with the reasons as described 3. above.

## **7. Opinion to the reason described in 6. above**

(1) Opinion from outgoing accounting auditor

Nippon Koei received a statement that there is no particular opinion in this regard.

(2) Opinion from Audit and Supervisory Board

Nippon Koei received a statement that they are reasonable in this regard.

**-Ends-**