



Presentation of Financial Results

FYE June 30, 2023

Integrated Design & Engineering Holdings Co., Ltd.

September 5, 2023

Representative Director and President

Hiroaki Shinya

Agenda

- 1. About Integrated Design & Engineering Holdings Co., Ltd.**
- 2. FYE June 2023 Results**
- 3. FYE June 2024 Forecast**
- 4. Progress of the Medium-Term Management Plan
-Building Resilience 2024-
Review of 2nd Year
and Priority Issues for the 3rd Year**

1. About Integrated Design & Engineering Holdings Co., Ltd.

In July 2023, the Nippon Koei Group transitioned to a holding company structure (ID&E Group).



Integrated Design & Engineering Holdings Co., Ltd.

Management Philosophy

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

Concept Behind the Company Name

- First letters of the company name in English

Integrated **D**esign & **E**ngineering

Promoting business in a one-stop manner where various fields are integrated.

Symbolizes the Group's business as a comprehensive construction consultant and engineering company that encompasses "civil engineering, architecture, and energy."

Concept Behind the Logo



- "I" is represented in gold while a fusion of "D" and "E" are shown in ultramarine, expressing an image wherein various fields are integrated, and new value is added.
- The white portion symbolizes the free and open environment that will drive innovation among various fields.

Awareness of the Business Environment

Opportunities and expectations for expanding business areas in each segment are increasing

Projects are becoming larger and more complex. Business needs that combine the three businesses are expanding

Increasing needs for technological innovation such as digital transformation and the creation of added value



Vision

Promoting independent (autonomy) for each segment as well as working together

- We aim to achieve sustainable growth by fostering autonomy in each of our three businesses, while simultaneously enhancing their collective capabilities through working together.
 - ✓ Three businesses split into separate companies

Securing diversity

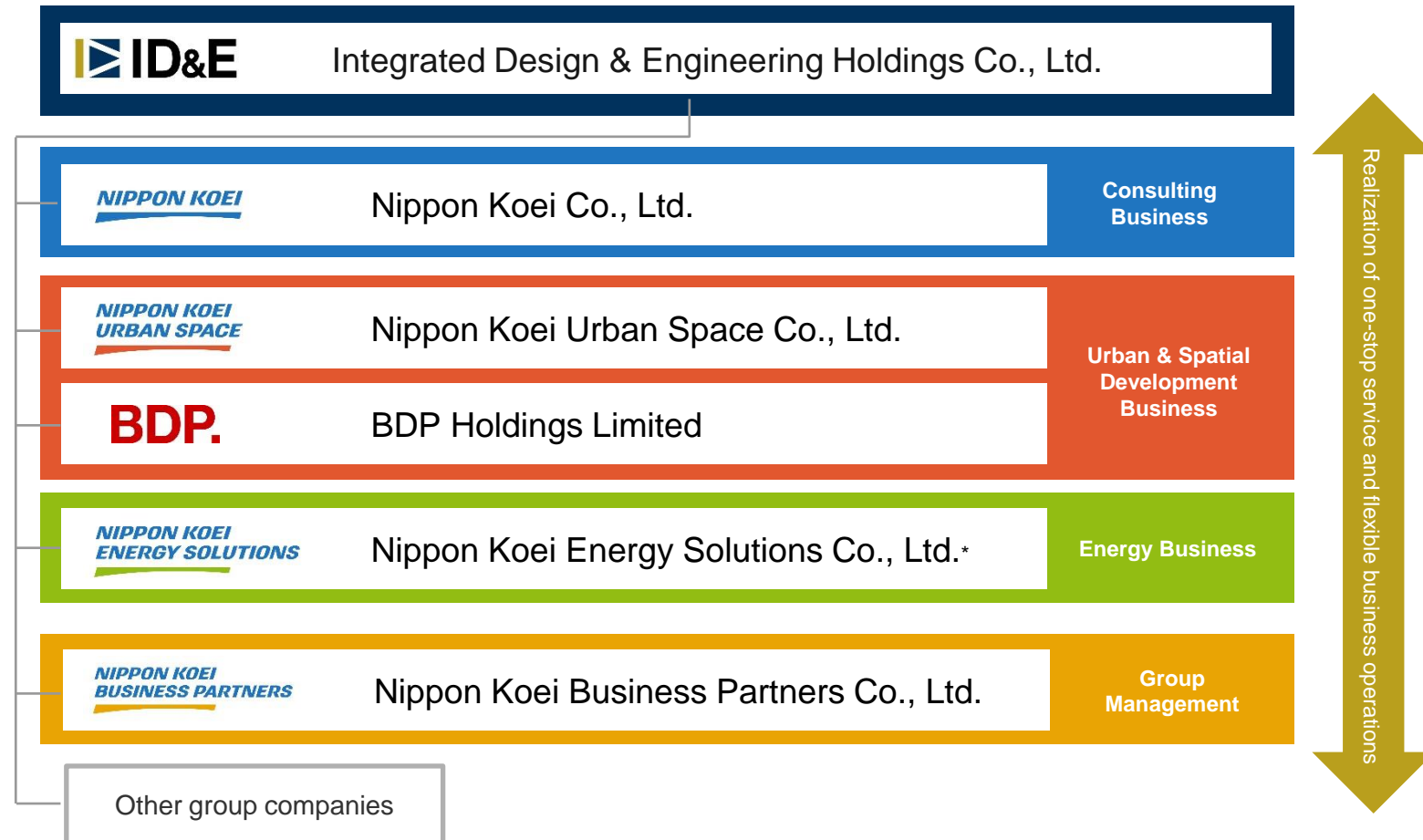
- Instilling diversity within the Group, building an environment where each organization can work together freely on an equal state.
 - ✓ Promote matrix management
 - ✓ An organizational structure that facilitates alliances

Stronger governance and speedier decision-making

- Strengthening the governance system and speeding up decision making
 - ✓ Adopting a company with a nominating committee, etc.
 - ✓ Strengthening of supervisory functionality by separating supervision and execution
 - ✓ Splitting up of major businesses and delegating authority

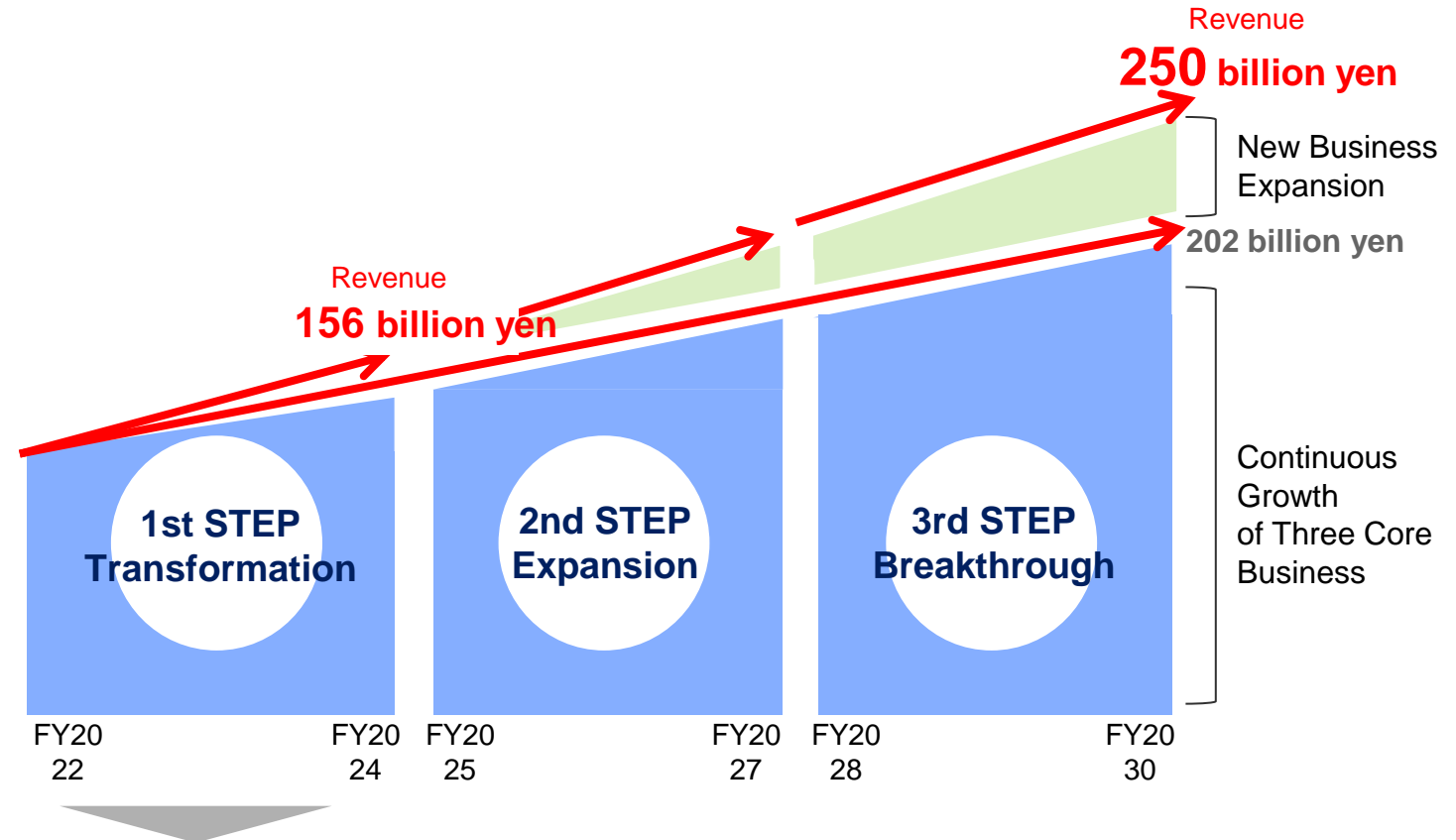
Group Structure Post-Reorganization

Positioning “Consulting,” “Urban & Spatial Development,” and “Energy” as our three major businesses, we have evolved into an organization that can quickly respond to various changes and demands by leveraging the unique characteristics of each organizational body.



ID&E Global Strategy 2030 — Working Together Toward A Future Without Boundaries

FYE June 2030 Targets	
Revenue 250 billion yen	Operating profit 25 billion yen
Operating profit margin 10%	ROE 15%
Overwhelmingly No. 1 in Japan and top class worldwide	



In order to “Make the World a Better Place,” we will work to solve social issues through business and contribute to the realization of a sustainable future

2. FYE June 2023 Results

July 1, 2022 - June 30, 2023

Orders and revenue increased year on year, while profits decreased, and all results are below planned targets.

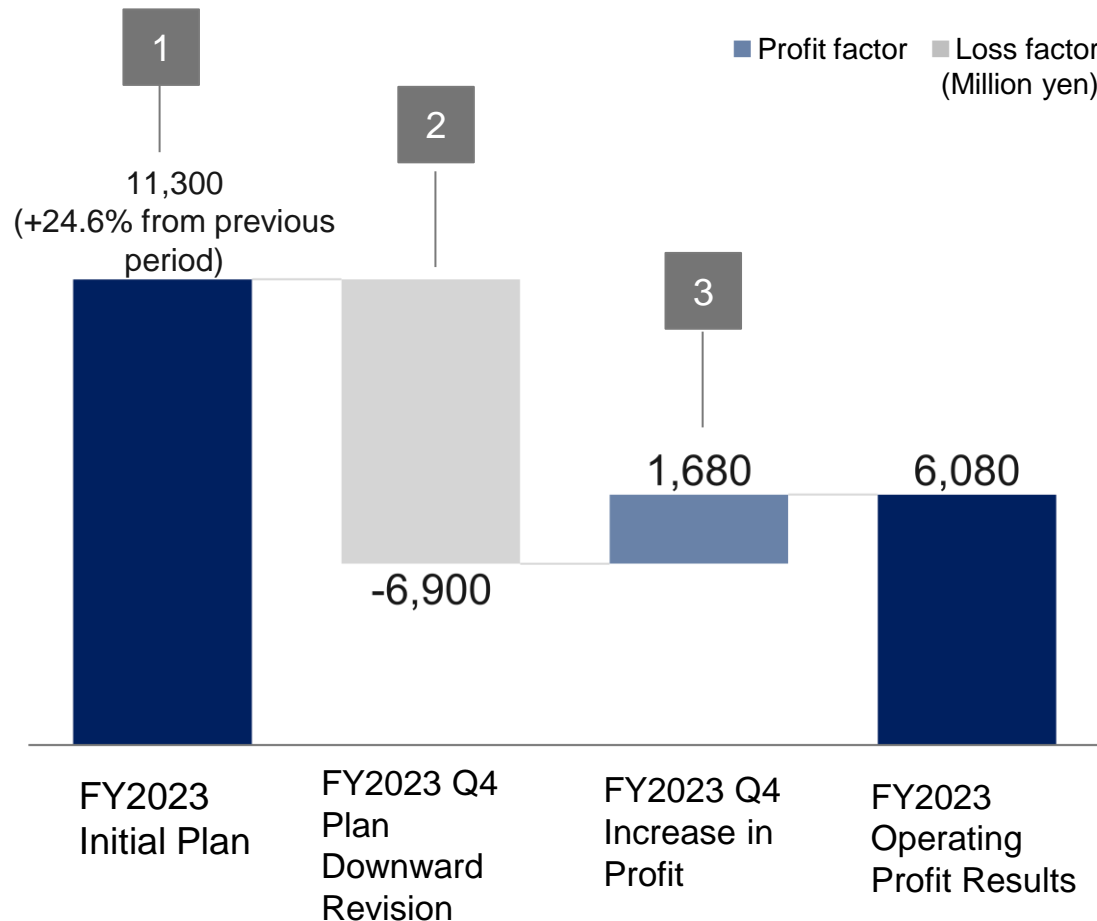
Consolidated results

- Orders increased year-on-year and came close to the planned target due to steady progress in the Urban & Spatial Development Business and Energy Business. Revenue increased year-on-year due to increases in all segments.
- Revenue increased in all three segments (Consulting Business, Urban & Spatial Development Business, and Energy Business) due to the steady progress of on-hand projects; however, it failed to achieve the planned target.
- Operating profit fell significantly short of the plan due to the recognition of the impairment loss for the goodwill for BDP and escalated expenses related to outsourcing, communication, and transportation.

(Million yen)	FYE June 2022 Results	FYE June 2023 Results	YoY Comparison		Initial Plan	Plan Comparison	
			Amount	%		Amount	%
Orders	131,166	139,265	8,099	106.2%	140,000	-734	99.5%
Revenue	130,674	141,527	10,853	108.3%	145,000	-3,472	97.6%
Gross profit	40,699	42,346	1,646	104.0%			
Operating profit	9,065	6,080	-2,984	67.1%	11,300	-5,219	53.8%
Profit before tax	10,800	6,373	-4,426	59.0%			
Profit attributable to owners of parent	6,579	3,093	-3,485	47.0%	6,700	-3,606	46.2%

Although the earnings forecast was revised downward as of the 4Q (June), the results improved due to the impact of the exchange rate and other factors.

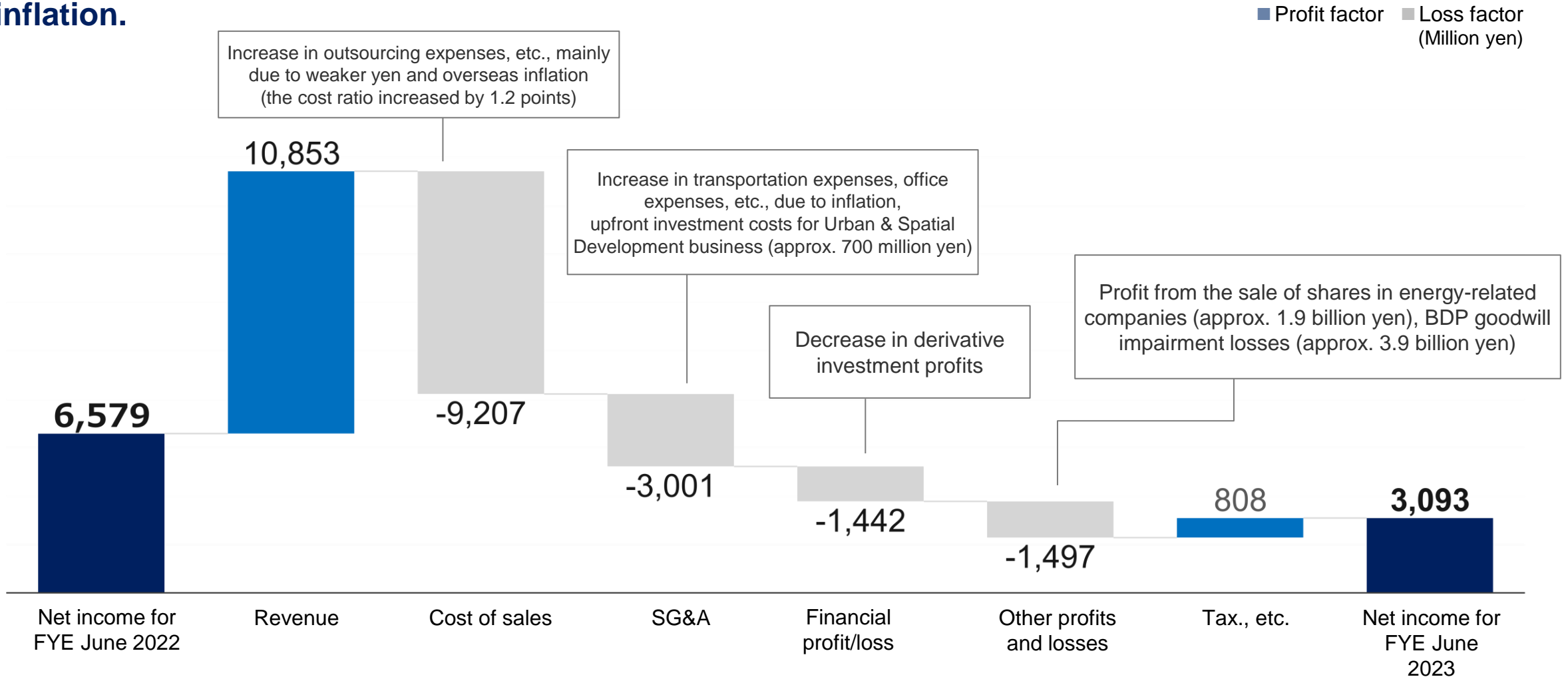
■ Operating profit trend during FY2023



■ Details

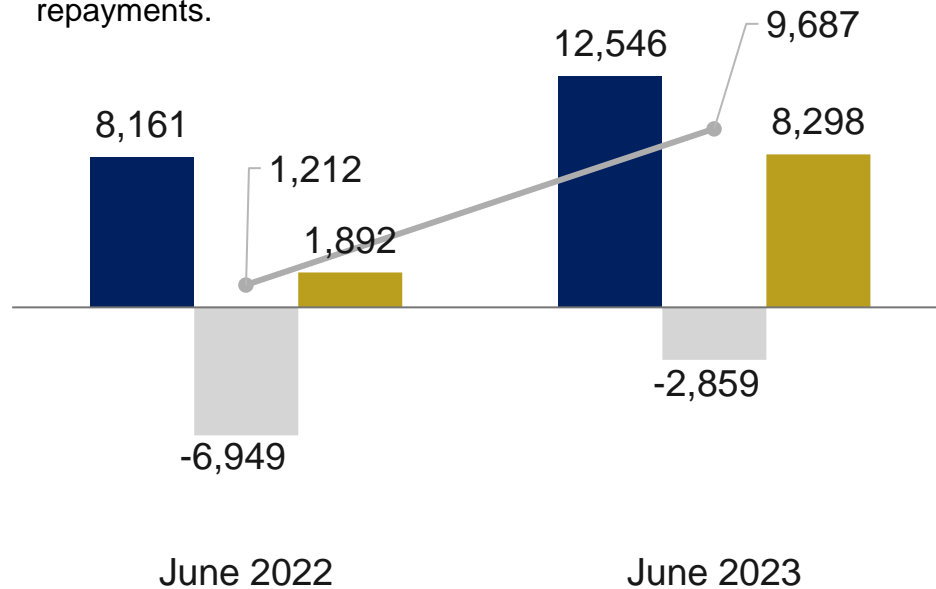
- 1 ✓ Assumptions are that the Consulting Business will maintain high operating rates overseas and that profits from the sale of shares in energy-related companies will increase profits by 24.6% year-on-year.
- 2 ✓ As a result of rapid inflation in the UK, which is BDP's main market, goodwill impairment losses were recorded (-3.9 billion yen).
 - ✓ Various costs such as communication and outsourcing increased than initial plan due to inflation overseas.
 - ✓ Foreign exchange losses are expected as a result of continued appreciation of the yen (-690 million yen).
- 3 ✓ In addition to an increase in sales, there were also foreign exchange gains due to exchange rate fluctuations (+380 million yen), resulting in an increase of 38.2% compared to the revised plan.

Profit decreased due to BDP goodwill impairment losses and an increase in expenses resulting from inflation.



Cash Flows (Million yen)

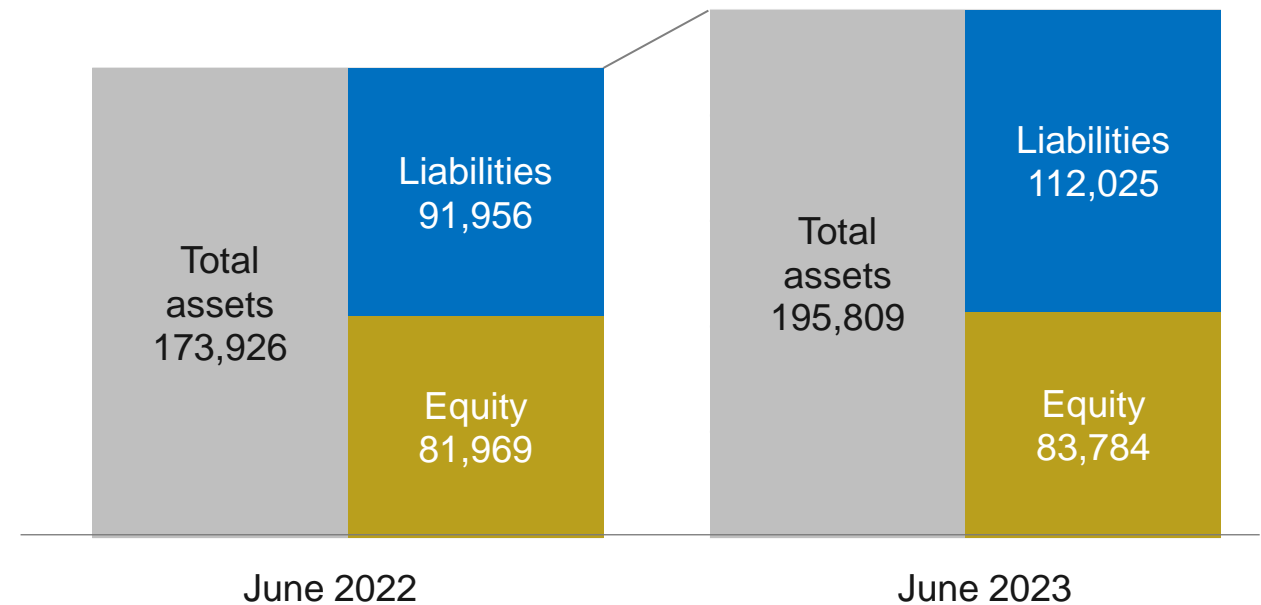
- Operating cash flows increased mainly due to accelerated collection of trade receivables and an increase in contract liabilities (advance payment), as well as a fall in accrued consumption taxes, etc.
- Net cash used in investing activities increased due to increased income resulting from the sale of financial assets and the stocks of affiliated companies.
- Net cash provided by financing activities grew due to an increase in proceeds from borrowings exceeding the increase in expenditures from repayments.



Operating CF
 Investment CF
 Financial CF
 Simple CF
 (Operating + Investment)

Balance Sheet (Million yen)

- The increase in assets was due to a rise in trade receivables and advances paid.
- The liabilities increase was due to an increase in debt, and the equity increase was due to growth in retained earnings.



Results by Business Segment (FYE June 2023)



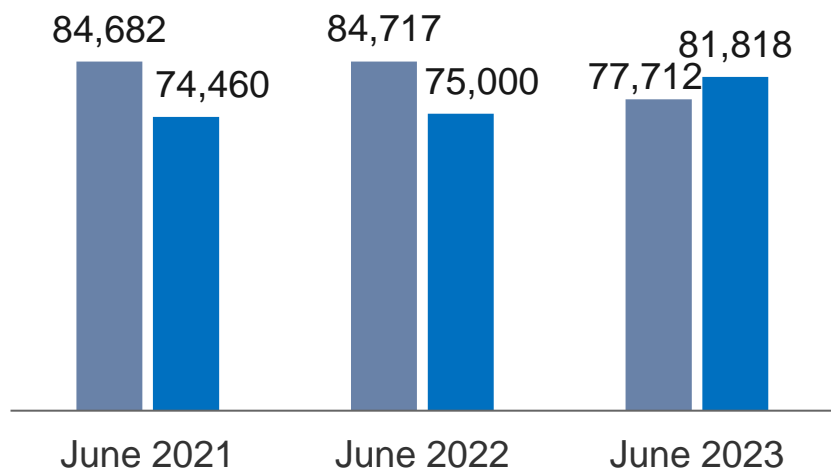
(Million yen)		FYE June 2022 Results		FYE June 2023 Results		YoY Change		FYE June 2023 Initial Plan	vs. Plan	
						Amount	%		Amount	%
Consulting Business	Orders	84,717	(Sales ratio)	77,712	(Sales ratio)	-7,004	91.7%	85,000	-7,287	91.4%
	Revenue	75,000	100.0%	81,818	100.0%	6,818	109.1%	81,500	318	100.4%
	Cost of expenses	50,957	67.9%	56,540	69.1%	5,582	111.0%	-	-	-
	Gross profit	24,042	32.1%	25,277	30.9%	1,235	105.1%	-	-	-
	SG&A, etc.	16,070	21.4%	18,678	22.8%	2,608	116.2%	-	-	-
	Operating profit	7,971	10.6%	6,599	8.1%	-1,372	82.8%	9,200	-2,600	71.7%
Urban & Spatial Development Business	Orders	31,981	(Sales ratio)	42,566	(Sales ratio)	10,585	133.1%	40,000	2,566	106.4%
	Revenue	36,091	100.0%	38,071	100.0%	1,980	105.5%	40,000	-1,928	95.2%
	Cost of expenses	27,107	75.1%	28,020	73.6%	912	103.4%	-	-	-
	Gross profit	8,983	24.9%	10,051	26.4%	1,067	111.9%	-	-	-
	SG&A, etc.	6,384	17.7%	10,997	28.9%	4,612	172.3%	-	-	-
	Operating profit	2,599	7.2%	-946	-	-3,545	-	2,800	-3,746	-
Energy Business	Orders	14,343	(Sales ratio)	18,827	(Sales ratio)	4,484	131.3%	16,000	2,827	117.7%
	Revenue	18,799	100.0%	20,855	100.0%	2,056	110.9%	22,500	-1,644	92.7%
	Cost of expenses	14,545	77.4%	15,507	74.4%	961	106.6%	-	-	-
	Gross profit	4,253	22.6%	5,348	25.6%	1,094	125.7%	-	-	-
	SG&A, etc.	2,963	15.8%	2,373	11.4%	-589	80.1%	-	-	-
	Operating profit	1,290	6.9%	2,974	14.3%	1,684	230.5%	2,400	574	123.9%

Results by Business Segment: Consulting Business

■ Orders/Revenue

(Million yen)

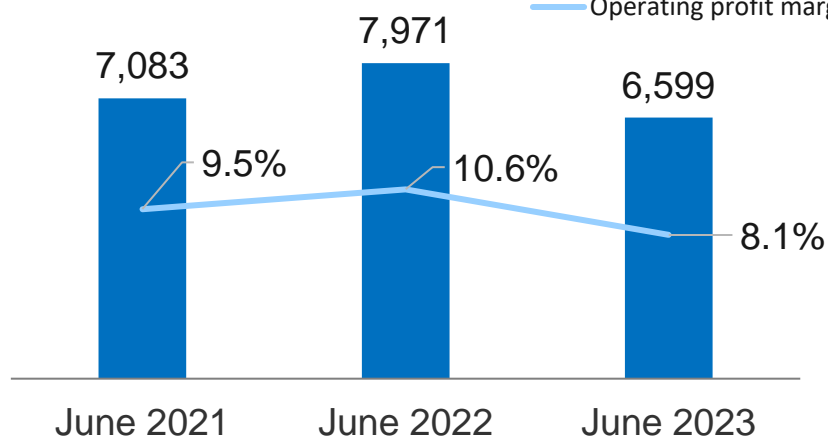
■ Orders ■ Revenue



■ Operating profit/Operating profit margin

(Million yen)

■ Operating profit
— Operating profit margin



■ Market

Japan

- The government has secured public works budgets to fund its national resilience-building policy and regional revitalization, thus the company anticipates an increase in defense-related infrastructure projects.

Overseas

- The Japanese government's "Infrastructure System Overseas Promotion Strategy 2025" maps out an enhanced budget, but concerns remain regarding the impact of inflation, exchange rate fluctuations, and the unstable international situation.

■ Performance

Orders

- The Company secured large-scale orders overseas, such as for Indian high-speed rail. However, delays in receiving orders for domestic projects in the first half of the fiscal year caused orders to decline year on year and fall short of planned target.

Revenue

- Revenue increased year on year, reaching the target figure, as on-hand projects in Japan and overseas progressed according to plan.

Operating profit

- Business travel increased as various countries eased their entry restrictions. This factor, plus the impact of inflation, led to higher costs. As a result, operating profit decreased year on year and below the target.

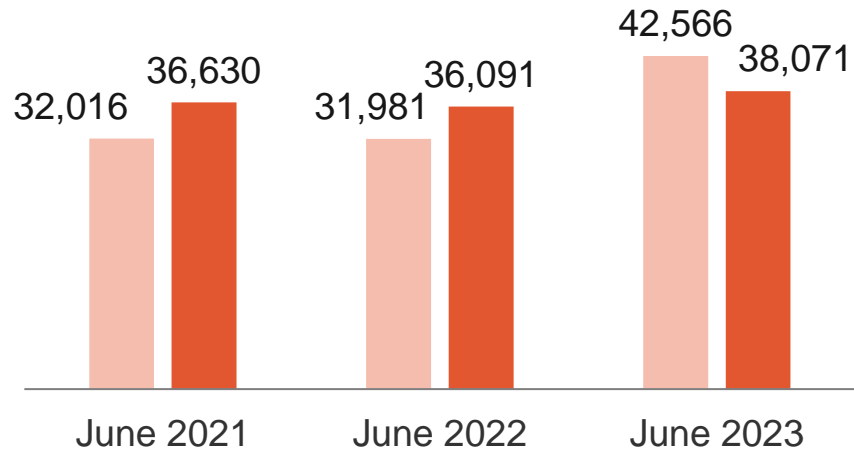
Results by Business Segment: Urban & Spatial Development Business



Orders/Revenue

(Million yen)

Orders Revenue



Market

Japan, Europe & US

Developing countries

- Demands for building sustainable urban development are growing in Japan, Europe, and the United States.
- Demand is strong for urban development projects, including transportation-related facilities and peripheral infrastructure.

Performance

Orders

- Orders in Japan remained steady. The strengthening of the BDP Group's order acquisition system and the contribution of additional large-scale orders led to a year-on-year rise in orders, meeting our target.

Revenue

- Revenue increased year on year, due to firm orders in Japan and the UK that we received in the previous fiscal year and owing to the impact of yen depreciation on the BDP Group's performance. Nevertheless, revenue was below target.

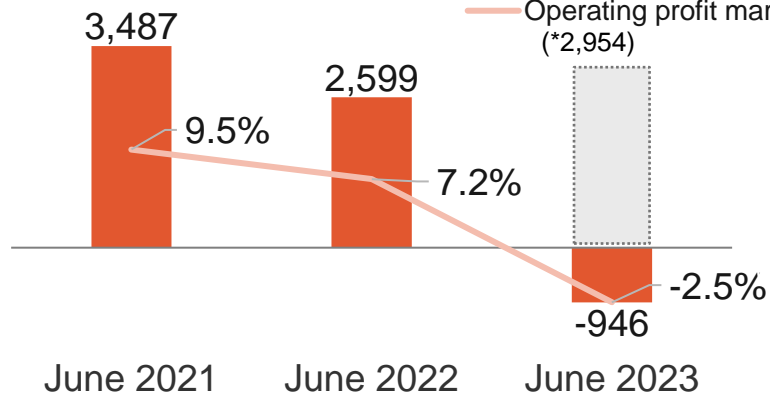
Operating profit

- Operating profit was down year on year and short of our target, due to investment in BDP (amounting to around ¥700 million) and increases in general administrative expenses (domestic organizational restructuring expenses)
- Also, ¥4.0 billion in the impairment loss for the goodwill for BDP in Q4.

Operating profit/Operating profit margin

(Million yen)

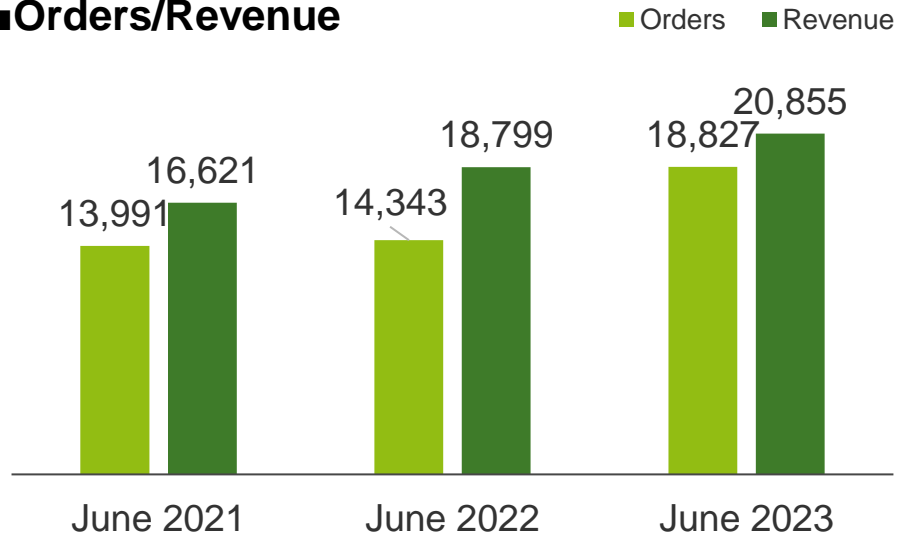
Operating profit
Operating profit margin (*2,954)



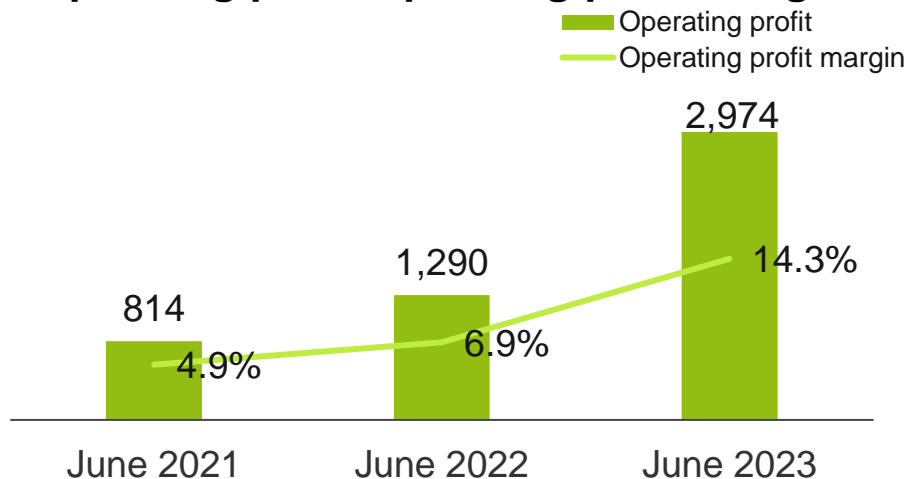
*BDP's operating income excluding goodwill impairment losses

Results by Business Segment: Energy Business

■ Orders/Revenue



■ Operating profit/Operating profit margin



■ Market

Japan & Overseas

- Demand to replace aging facilities exists.
- The company anticipates new business opportunities surrounding the goal of achieving carbon neutrality by 2050.
- The company remains alert to policy changes, owing to rising energy costs.

■ Performance

Orders

- Strong performance in the Power Construction Division and large private-sector orders in the Plant Division lifted orders year on year, exceeding our target.

Revenue

- Revenue grew year on year as a result of progress on the large-scale renovation of power plants ordered by government agencies, as well as progress of the Plant Division's overseas operations. However, revenue was short of our target due to semiconductor procurement delays in the Manufacturing Division.

Operating profit

- Although sales in the Manufacturing Division decreased (¥600 million below target), operating profit increased on year and reached planned target due to the recording of a gain on share sale of PT.ARKORA HYDRO, which was an affiliated company, and a gain on investments in securities..

3. FYE June 2024 Forecast

July 1, 2023 - June 30, 2024

We aim to set new record highs for orders, revenue, and profits.

(Million yen)	FYE June 2023 Results	FYE June 2023 Plan	YoY Comparison	
			Amount	%
Orders	139,265	155,000	15,734	111.3%
Consulting Business	77,712	86,000	8,287	110.7%
Urban & Spatial Development Business	42,566	43,000	433	101.0%
Energy Business	18,827	26,000	7,172	138.1%
Revenue	141,527	156,000	14,472	110.2%
Consulting Business	81,818	88,000	6,181	107.6%
Urban & Spatial Development Business	38,071	42,000	3,928	110.3%
Energy Business	20,855	25,000	4,144	119.9%
Other	782	1,000	217	127.9%
Operating profit	6,080	11,100	5,019	182.5%
Consulting Business	6,599	7,400	800	112.1%
Urban & Spatial Development Business	-946	2,700	3,646	-
Energy Business	2,974	2,200	-774	74.0%
Other	-2,546	-1,200	1,346	-
Profit attributable to owners of parent	3,093	7,100	4,006	229.5%
ROE	3.9%	9.0%	5.1pt	

Review of cost burden for each segment

As a result of reorganization and spin-offs, **each company's** head office **business management expenses**, which were previously borne by "Other," will now be borne by each segment.

▼FY2024 operating profit plan reference values using conventional accounting methods

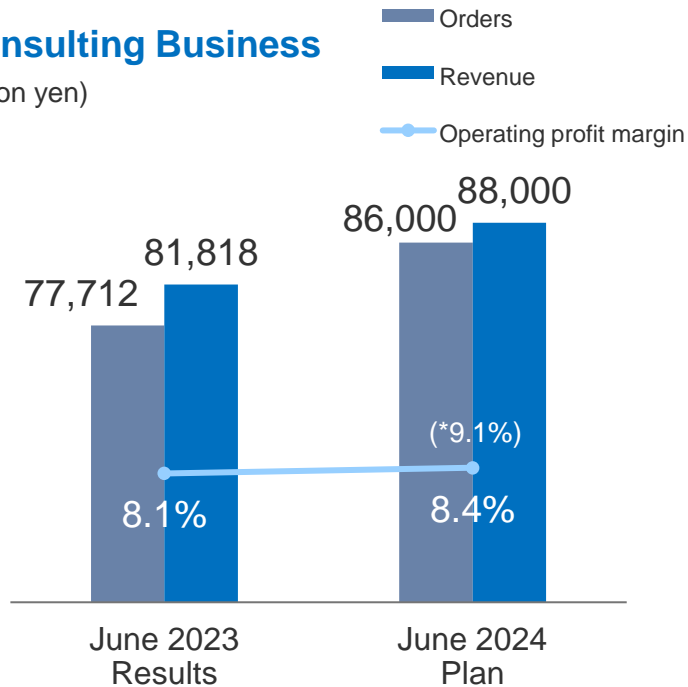
(Million yen)	Reference Value	YoY Comparison	
		Amount	%
Operating profit	11,100	5,019	182.5%
Consulting Business	8,068	1,469	122.3%
Urban & Spatial Development Business	3,306	4,252	-
Energy Business	2,276	-698	76.5%
Other	-2,550	-4	-

Overview Plans for Each Segment, FYE June 2024

We are aiming to strengthen our earnings base by improving operating rates overseas and starting an energy storage business in Europe.

Consulting Business

(Million yen)

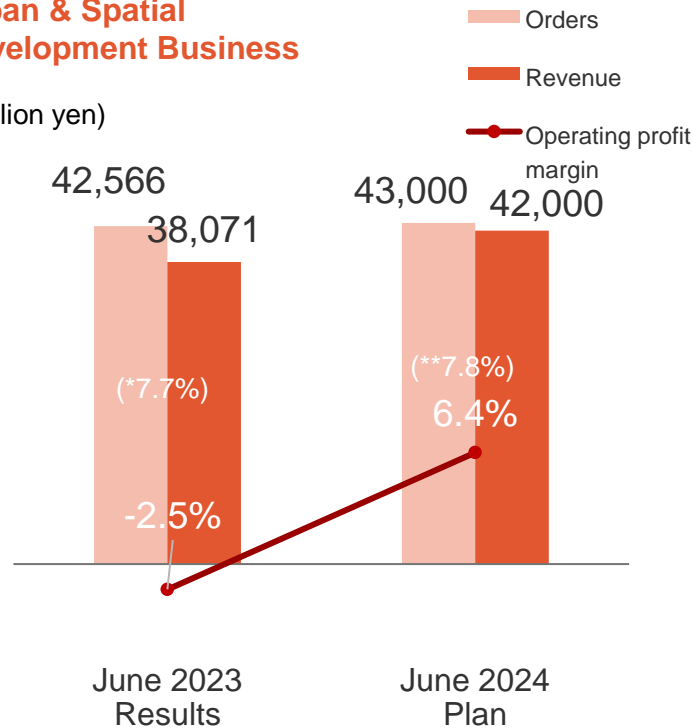


*Operating profit margin without cost burden revision

- Orders are in response to changes in timing of domestic orders, and efforts are being strengthened to increase orders in line with an increase in the national defense budget.
- We aim to enhance our operating profit structure by boosting overseas operational efficiency.

Urban & Spatial Development Business

(Million yen)



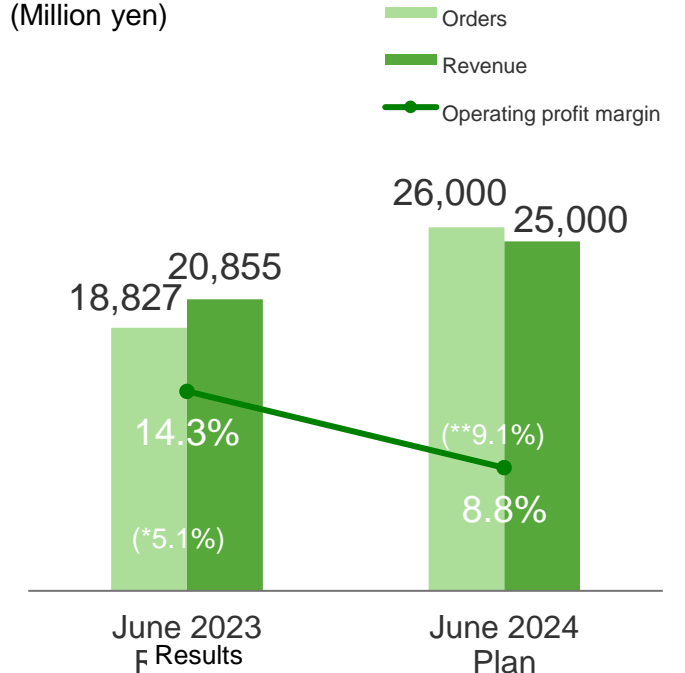
*Operating profit margin without BDP's goodwill impairment losses

**Operating profit margin without cost burden revision

- For revenue, we will focus on ensuring implementation of existing projects via outsourcing and the appropriate division of labor.
- For operating profit, we will focus on acquiring high budget orders with high profits margins domestically and aim to increase the gross profit margin.

Energy Business

(Million yen)



*Operating profit margin without profit from the sale of shares in affiliate companies

**Operating profit margin without cost burden revision

- For orders, we are aiming to secure prospective projects such as large-scale energy storage EPC projects.
- We expect to secure operating profit through the full-scale operation of the European business (power storage station operation).

4. Progress of the Medium-Term Management Plan

-Building Resilience 2024-

Review of 2nd Year & Priority Issues for the 3rd Year

Enhancing resilience

of the ID&E Group
Building Resilience 2024

Resilience policy 1

Boosting business through three independent domains

Resilience policy 2

Group management structure that realizes matrix management across businesses and regions

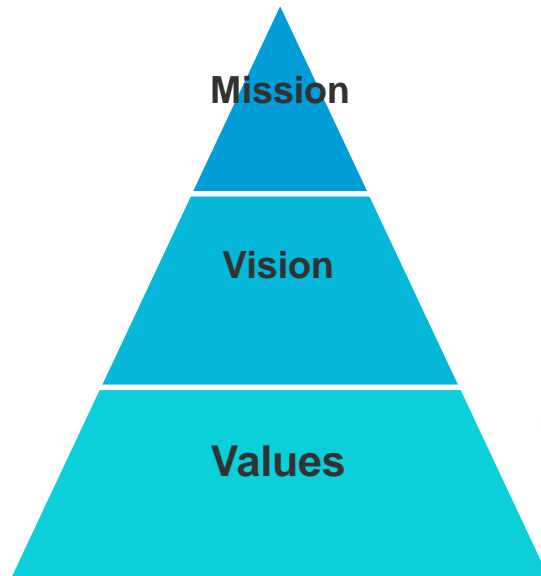
Resilience policy 3

Embodying the ID&E brand and ID&E quality



Formulation of measures linked to seven Materialities

Our Aims



Mission

Make the world a better place

Vision

Providing unique value as a company

Values

Tackle your problems with sincerity and the road ahead shall be clear

ID&E Group's Materiality

Materiality related to business activities

1. Infrastructure development to protect safe and secure living
2. Developing smart cities
3. Creating attractive cities
4. Challenge to decarbonization

Materiality related to management foundations

5. Enhancement of governance
6. Work environment where human rights are respected, and job satisfaction is high
7. Human resource development and technical development

**Resilience policy 1:
Boosting business through three
independent domains**

- ✓ Promote digital transformation-related business in the Consulting Business (AI inspection & diagnosis system, utilization of BIM/CIM)
- ✓ Several issues remain regarding strengthening the production system of the Energy Business manufacturing division

Materiality 1
Infrastructure development to protect safe and secure living

Materiality 2
Development of smart city

Materiality 3
Creation of attractive cities

Materiality 4
Challenge to decarbonization

Consulting

- Expanded dam restoration/new dam projects
- Utilized DX technology, such as creating an AI inspection and diagnosis system for local governments

Consulting

- Improved PM tools for railway projects
- Promoted the utilization of BIM/CIM

Urban

- Although progress was made with projects demonstrating comprehensive abilities (JFE coastal area land use conversion project), orders in the Urban & Spatial Development field were not achieved
- Future challenge to further strengthen and utilizing networks of private companies

Energy

- Received orders for projects in Japan using energy management technology (ENEOS energy sites, etc.)
- Belgian energy storage project operation started
- Delayed entry into supply and demand adjustment market (entered in July 2023)

Energy

- Sales down due to longer delivery times for manufacturing division materials, production capacity still stabilizing

Urban

- Orders for development of railway stations overseas are progressing.
- Formation of collaborative BDP projects in Asia is a challenge

Consulting

- Entered urban development partnership with local governments

Organization Strategy

- TCFD commitment that supports

**FY2023
Results/
Evaluation**

Resilience policy 2:
Group management structure that realizes matrix management across businesses and regions

Resilience policy 3:
Embodying the ID&E brand and ID&E quality

- ✓ Holding company, operating company, and management company began operation
- ✓ Strengthened and expanded regional management system, full-scale operation of matrix management started
- ✓ BIM internal qualification system started, preparation for NKG (ID&E) Global Academy progressing

Materiality 5

Strengthening corporate governance

Materiality 6

A rewarding work environment where human rights are respected

Materiality 7

Development of human resources and technology

Organization Strategy



- Holding company, operating company, and management company began operation
- Introduced new system for monitoring investment projects
- Sustainability Promotion Council established under the HD organization

HR/Technology Strategy



- Updated work from home guidelines and reviewed balance for working at the office
- Certified as a “White 500” Outstanding Health and Productivity Management Organization for the 5th consecutive year
- Information security committee established under the HD system

HR/Technology Strategy



- BIM in-house qualification system started
- Formulated company-wide DX vision, holding regular DX briefing sessions
- Received orders for 3D model-related work in the field of disaster prevention, smart city projects

Sales Strategy



- Rebuilt the regional management system, appointed regional managers from each major company

**FY2023
Results/
Evaluation**

Consulting Business FY2024 Focus Measures

- Increasing share in each field
- Business management with an awareness of efficiency regarding operating rates, etc.
- Thorough risk and quality management

Consulting Business Topics

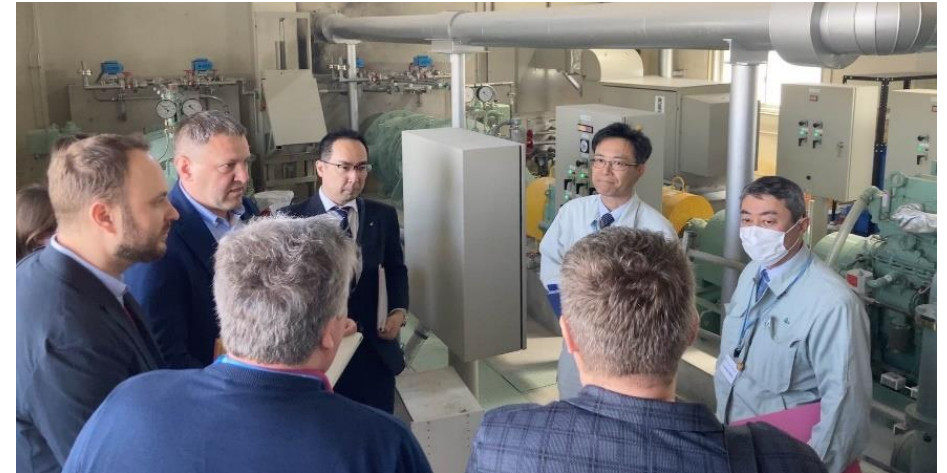
■ Ukraine reconstruction support operations

Consulting

Urban & Spatial
Development

Energy

- ✓ We were among the first private companies to open a reconstruction-related department (Ukraine Recovery Office in April 2023, Warsaw Office in July 2023).
- ✓ Received orders for reconstruction-related work from JICA and the METI (4 projects in total), including one to formulate plans for recovery and reconstruction in multiple sectors
- ✓ We are utilizing our business track record in Ukraine pre-invasion, experience in post-war reconstruction work, and comprehensive abilities to contribute to the country's reconstruction and aging facilities



Ukrainian officials and ID&E staffs inspecting agricultural facilities in Ishinomaki, Miyagi Prefecture, Japan



Meeting between BDP and the Ukraine Recovery Office

Urban & Spatial Development Business FY2024 Focus Measures

- Establishing a production system, including securing personnel and strengthening quality control
- Evolving segment management through collaboration with Group companies
- Developing new customers and business both in Japan and overseas

Urban & Spatial Development Business Topics

■ Mombasa Special Economic Zone Development Project in Kenya

Consulting

Urban & Spatial Development

- ✓ A project bringing together experts from various fields among ID&E through a joint venture between NK, NK Urban, and three other companies
- ✓ NK Urban was involved in the development plan from the master planning stage, detailed design, responsible for design, construction planning, and cost estimation for the special economic zone main road and related facilities, which is also the harbor access route
- ✓ Contributing to environmental improvement and economic development for the international community by ensuring safe and smooth logistics and building high-quality urban infrastructure



Harbor terminal



Main road

Urban & Spatial Development Business FY2024 Focus Measures

- Establishing a production system, including securing personnel and strengthening quality control
- Evolving segment management through collaboration with Group companies
- Developing new customers and business both in Japan and overseas

Urban & Spatial Development Business Topics

■ Growth strategy for BDP (e.g., medial sector)

Urban & Spatial Development

- ✓ BDP is focusing on expanding business in the fields of medical, sports, and transportation
- ✓ Secure capacity through the diversification of operating loads and strengthen cooperative relationships across the Group with an eye on expanding the international scale of sector strategies
- ✓ We scrutinize contract terms with customers, monitor cash flow, and evaluate the collectability of large accounts when receiving orders. Efforts are also being promoted to link construction costs and order amounts as much as possible, such as by adding new contract conditions to accommodate inflation



Christie Paterson cancer research centre, UK



National Paediatric Hospital, Ireland

Energy Business FY2024 Focus Measures

- Full-scale development of energy management business
- Rebuild the manufacturing division's production organization in the early stages.
- System construction and HR development for electromechanical consulting/engineering departments

Energy Business Topics

■ Battery-based energy storage system in Ruien started operating

Energy

- ✓ For the European energy storage business, the battery-based energy storage system in Ruien began operation in March 2023
- ✓ Expected to begin operation for a UK electricity storage project during this fiscal year

■ NKRE100 demonstration started

Energy

- ✓ Two hydroelectric power plants operated by the ID&E Group were converted to FIP system, and a demonstration was started to convert all the used electricity at 3 Group sites to renewable energy
- ✓ Moving forward, we will provide services such as aggregation of other companies' FIP power sources, supply and demand management, and power trading

*FIP: Feed-in Premium. Unlike the FIT system, this system promotes the introduction of renewable energy by adding a certain premium (subsidy) to the electricity sales price on the premise that the electricity is sold on the wholesale market.



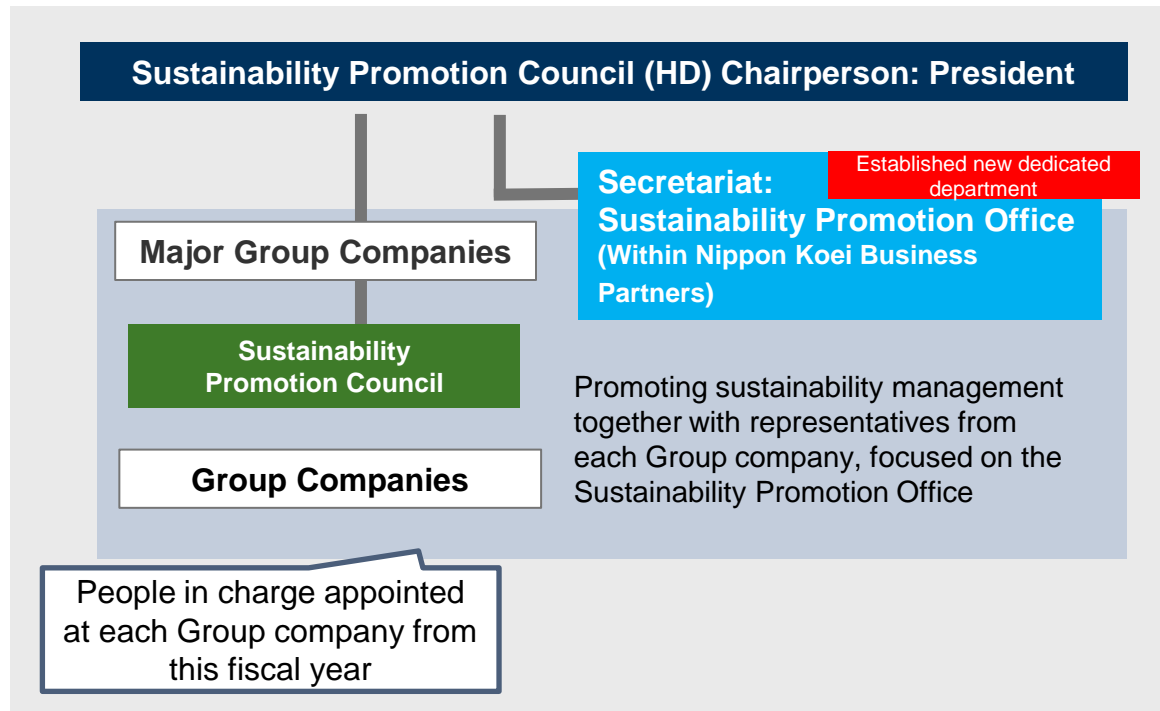
Battery-based energy storage system in Ruien, Belgium



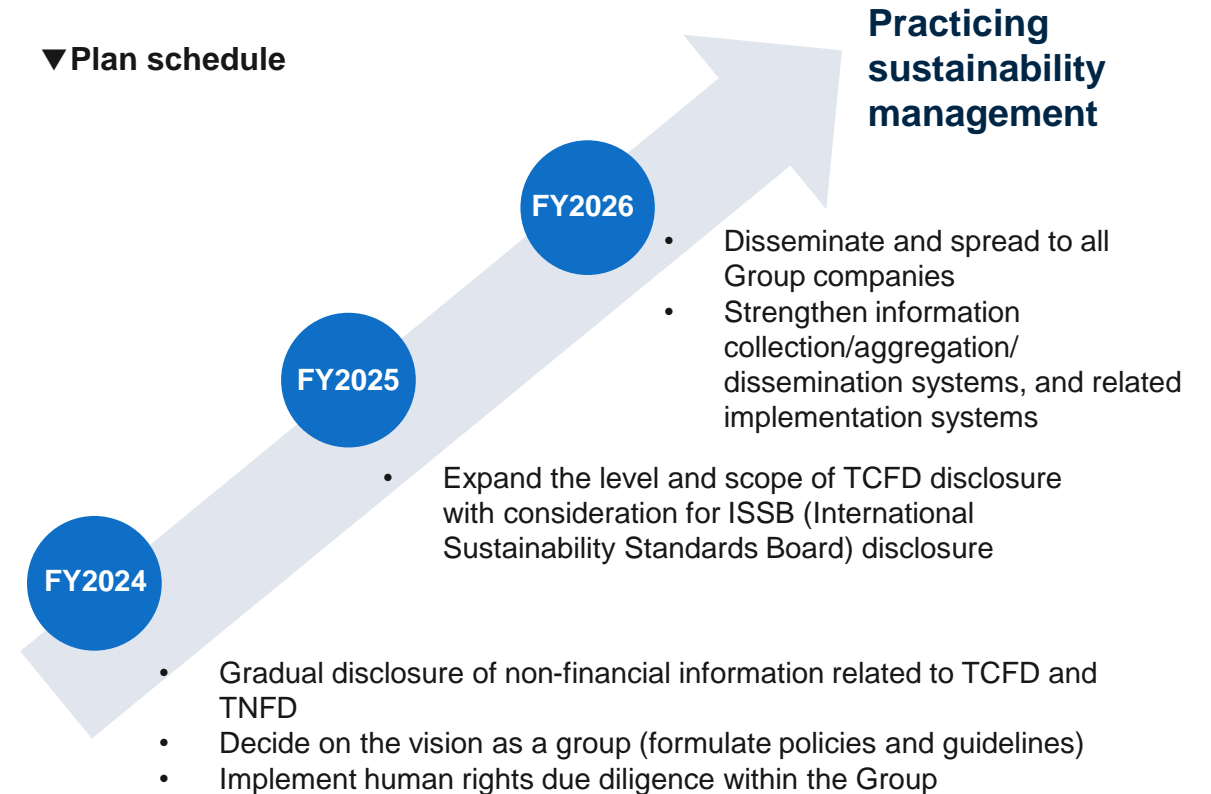
The Shitoki Dam Hydropower Station (operated by Koei Energy) supplies power to 3 locations, including the head office

- We will promote sustainability management throughout the Group and sustainability activities **in both business activities and corporate management.**
- We **support TCFD recommendations** and gradually disclose information regarding our efforts to combat climate change.

▼ Sustainability promotion system



▼ Plan schedule



- We will establish a platform “**ID&E Global Academy**” in FYE June 2024 for all ID&E members to work together, collaborate, learn, and share knowledge and experiences.

HR development issues corresponding to long-term management strategies

(1) Global HR development

- Personnel not tied to a country or company, who are able to carry out business outside their home country

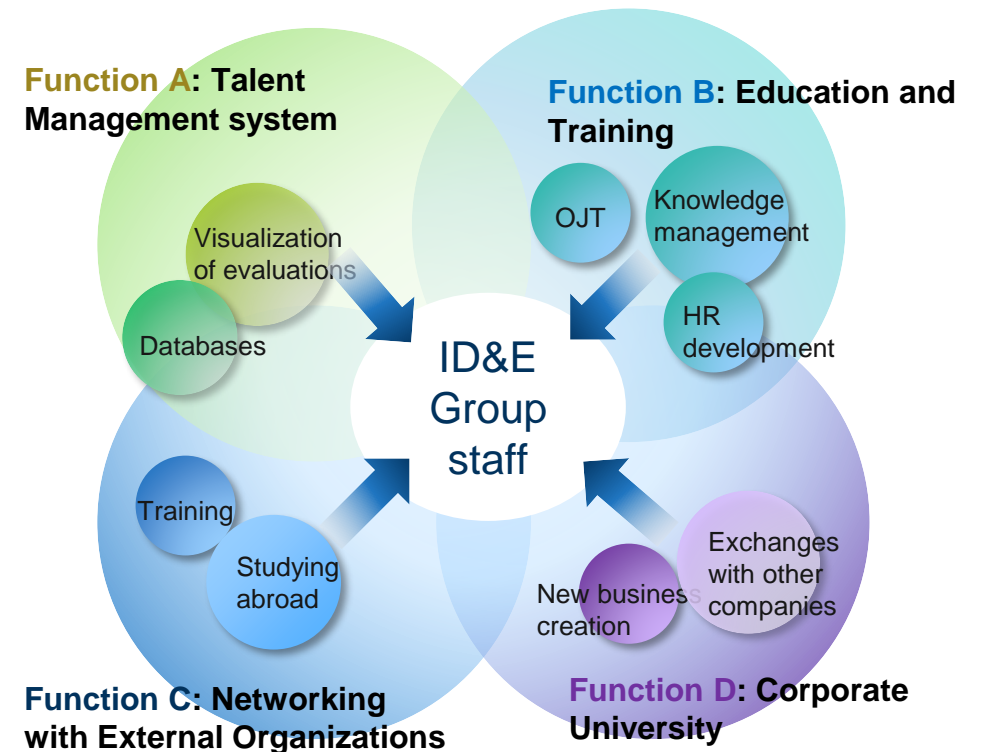
(2) Management HR development

- Personnel who can co-create with stakeholders from all over the world and promote business transcending borders

(3) Digital transformation HR development

- Personnel with the skills and mindset necessary to promote and implement digital transformation, and who can lead business transformation

Building a platform with 4 functions



Aiming to improve corporate value, we have set capital efficiency and shareholder return targets and regularly implement countermeasures.

Medium-Term Management Plan		Investment/Capital Strategy	
Investment	Growth investment (including M&A)	3-year total Approx. 16 billion yen	<ul style="list-style-type: none"> ✓ A total of 8.4 billion yen was invested during the medium-term plan (FY2022-2023). ✓ Review investment amounts from the initial plan and make investments after examining profitability and payback periods carefully.
Capital efficiency	ROE	9.0%	<ul style="list-style-type: none"> ✓ Improve business profits by improving the profit structure and expanding business in new areas such as energy.
Optimal capital structure	Capital adequacy ratio	Approx. 40%	<ul style="list-style-type: none"> ✓ Utilize interest-bearing debt flexibly and efficiently while ensuring a sound financial position.
Shareholder returns	Dividend payout ratio	Approx. 30%	<ul style="list-style-type: none"> ✓ Continue to provide stable dividends and enhance shareholder returns commensurate with profit levels.
	Total return ratio	35.3% (FY2021-2023 3-year average)	<ul style="list-style-type: none"> ✓ Carry out share buybacks/paybacks depending on the situation in order to achieve an appropriate total return ratio.
Asset efficiency	Cross-shareholdings/Net asset ratio	As of the end of FY2023 3.0%	<ul style="list-style-type: none"> ✓ Promoted the sale of mutually held shares during FY2023, with a sales amount of approx. 1.8 billion yen. Consider the optimal allocation of assets.
	Asset portfolio reorganization	<ul style="list-style-type: none"> ✓ Examine the usage status of assets held by the Group and consider replacing them with assets directly linked to business. (Planning for an equivalent of approx. 5 billion yen over the next two years) 	
	Promoting efficient capital management	<ul style="list-style-type: none"> ✓ Aim to improve capital efficiency by increasing the speed for collecting accounts receivable. 	



Appendix

Corporate Profile (As of June 30, 2023)

- Corporate name Integrated Design & Engineering Holdings Co., Ltd.
- Established July 3, 2023
- Capital ¥7,522 million *As of August 2023
- Staff numbers 6,335 [consolidated]
- Subsidiaries numbers 84
- Institutional design Company with a nominating committee, etc.
- Stock market: TSE Prime Market (Sec. code: 9161)

■ Founder: Yutaka Kubota (1890–1986)

Before WWII, Yutaka Kubota was engaged in the development of hydropower resources (Sup'ung Dam 700 MW) in the Korean Peninsula, one of the largest projects at the time.

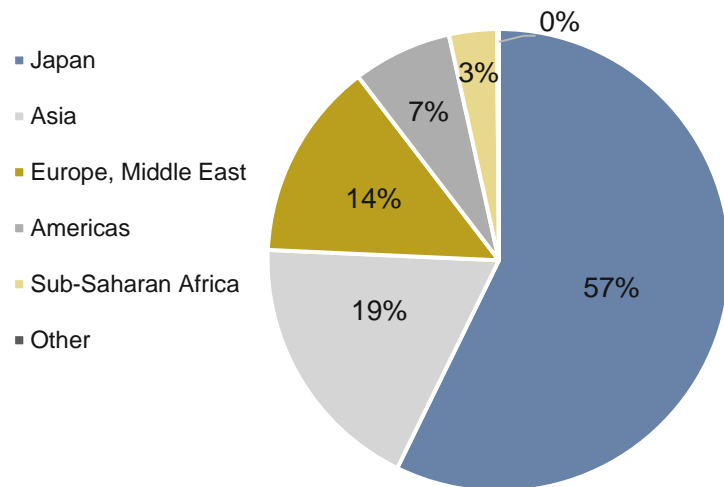
After the war, in a bid to work toward the restoration of Japan and reconstruction of countries damaged by the war, he founded the Company at the age of 56.

Known as the “Father of Overseas Engineering Cooperation,” he was awarded the Grand Cordon of the Order of the Rising Sun in 1985.

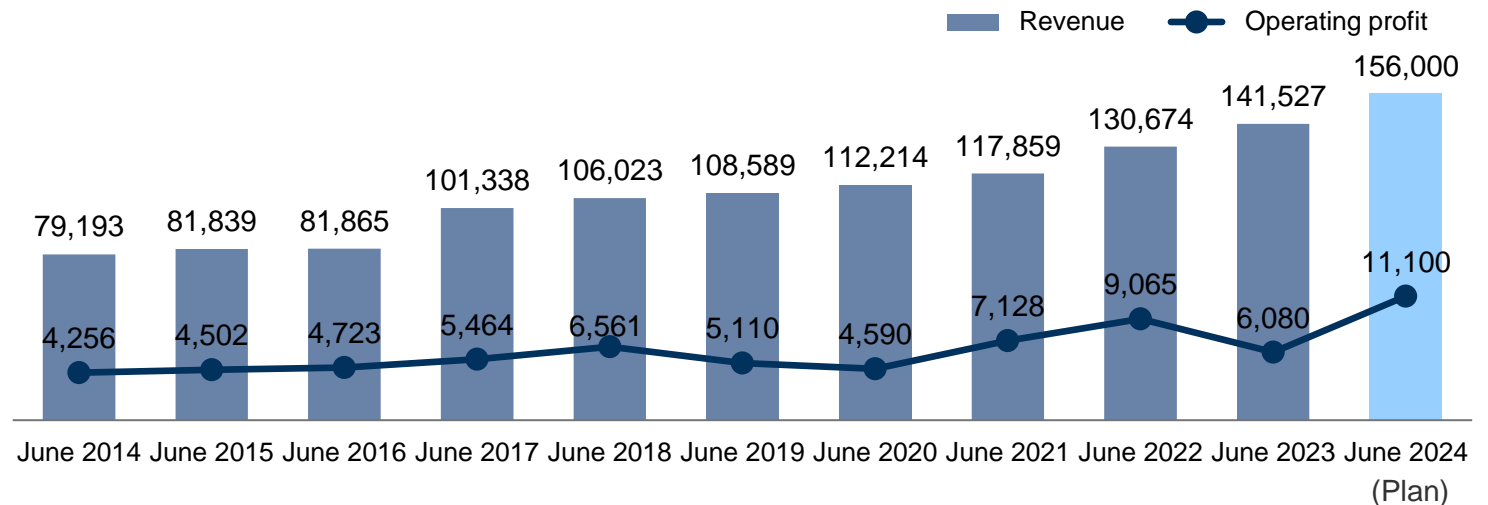
He directed projects around the world until he was 90 years old and contributed to development in developing countries.



Net sales by region (FYE June 30, 2023)



Consolidated revenue and operating profit (million yen)



Consulting Business



With expertise in civil engineering and other professional technologies, we engage in the consulting business, such as planning and design associated with the development and maintenance of infrastructure and safety measures, for the state, local governments, overseas government institutions, private firms and others. In response to increasingly complex social issues, construction consultants are required more than ever to demonstrate their high level of expertise, technical capabilities, and comprehensive abilities. Nippon Koei supports social infrastructure by undertaking various roles as a comprehensive partner to business operators.

Urban & Spatial Development Business



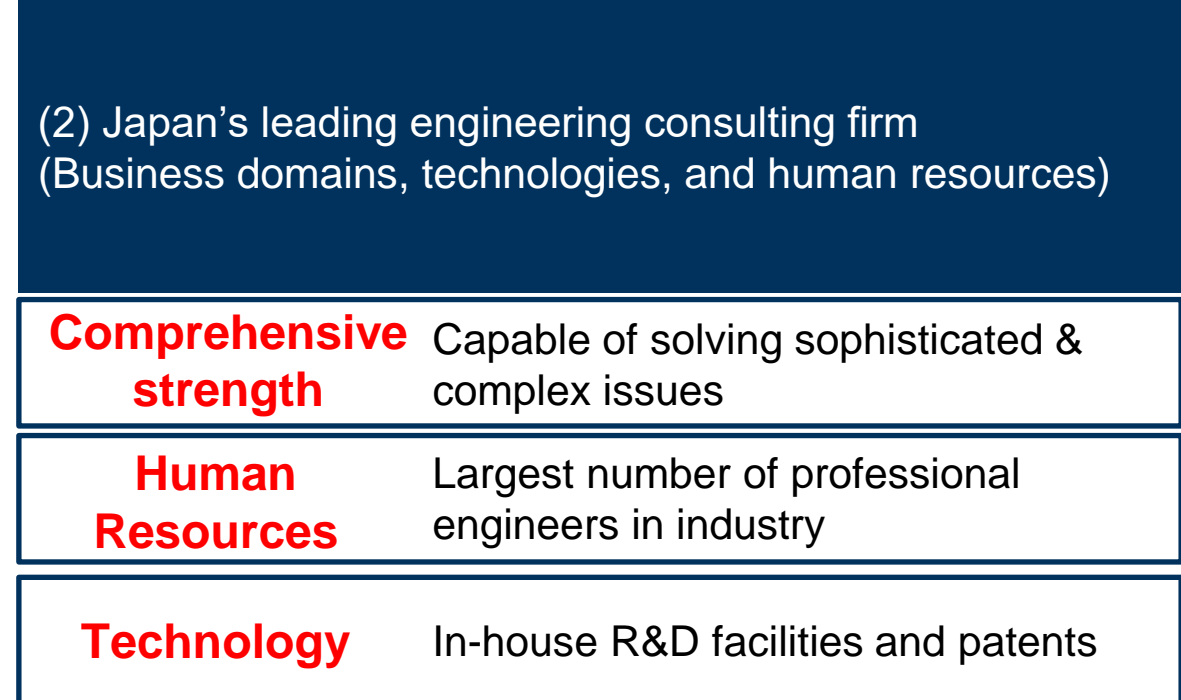
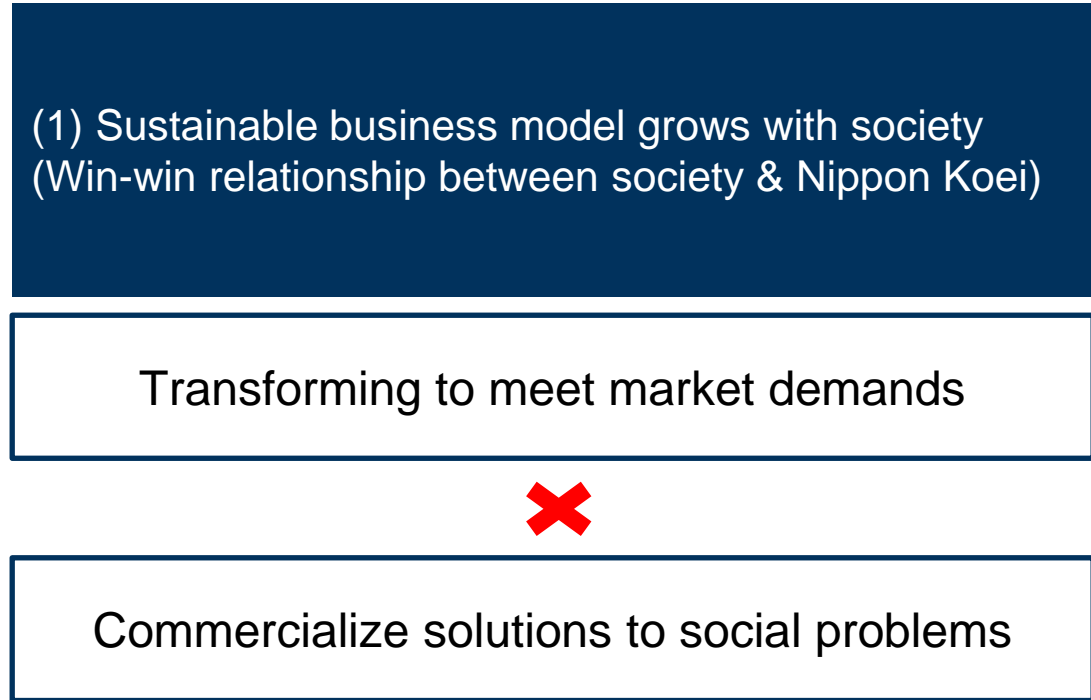
One of the growing areas that account for a large percentage of the sales of the world's construction companies is architecture. With a view to pursuing business development by integrating architecture and civil engineering in response to the massive demand for urban development in many locations around the world, the Company made BDP, a UK-based architectural design company, a subsidiary in March 2016 and made Quadrangle, a Canadian firm, a subsidiary in February 2019. By incorporating the architectural know-how of both firms, we are engaging to create urban & spatial development that accommodates the needs of the new era.

Energy Business



We provide services for power and electric facilities in Japan and abroad in all phases from planning and research to design, construction, manufacturing of equipment and maintenance. In addition, the world is advancing toward decarbonization, and the renewable energy-related businesses are going through major changes. Accordingly, we are focusing on services for electric power distribution networks to stably manage and control energy provided from various power sources with the use of battery storage as well as on virtual power plant (VPP)-related businesses.

*Effective FYE June 2022, we are managing our businesses under a three-segment structure consisting of the “Consulting Business” formed by integrating the conventional domestic consulting and international consulting businesses, the “Energy Business” encompassing the power engineering and energy businesses, and the “Urban & Spatial Development Business.”



Consolidated net sales **¥141.5 billion**

Business over **160** countries

Orders over **9,000** per year

85 Patents

1,743 Professional engineers

*As of June 2023

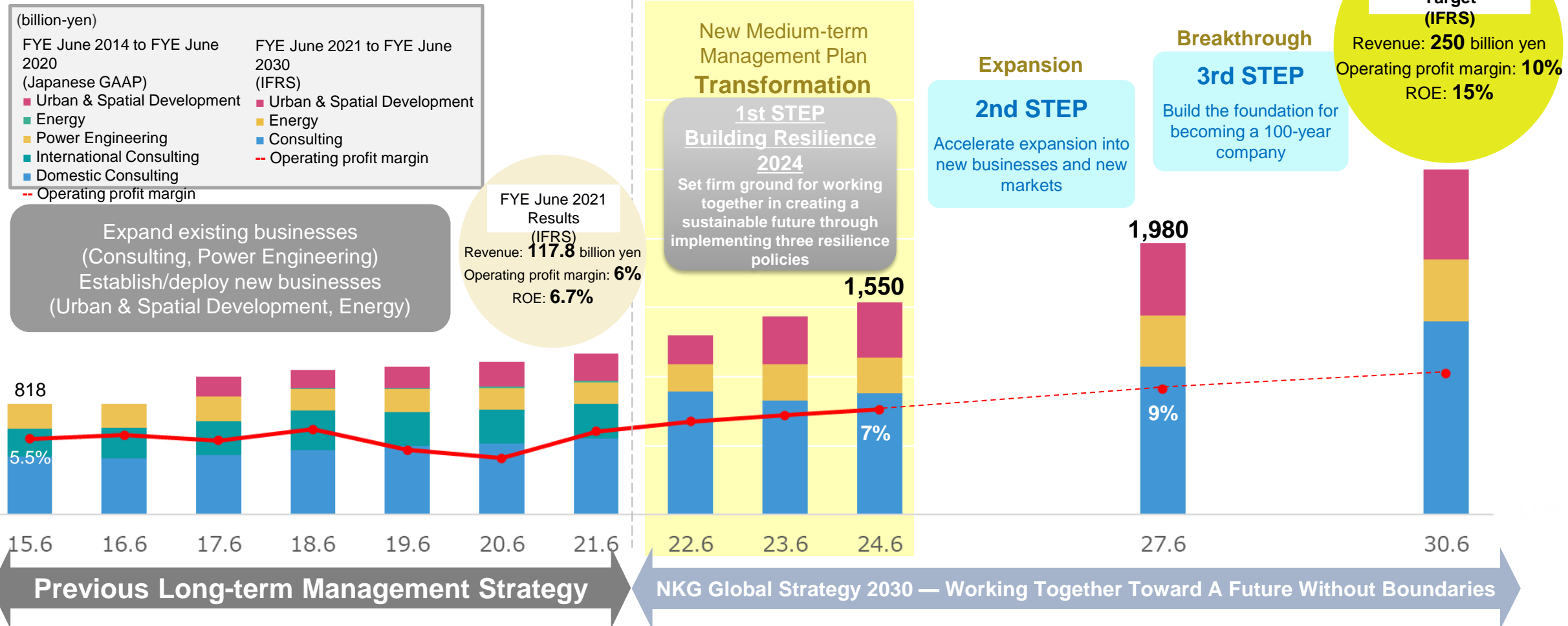
Coping with changing times, achieving sustainable business expansion and profitability growth.

Nippon Koei is Japan's leading civil engineering consultant.

Ranking	Corporate name	Sales (Million yen/Non-consolidated)	
		Engineering consultant division	Corporate Total
1	Nippon Koei	61,058	80,796
2	Pacific Consultants Co., Ltd.	51,218	54,808
3	CTI Engineering Co., Ltd.	48,696	51,359
4	Oriental Consultants Co., Ltd.	30,438	30,525
5	Oriental Consultants Global Co., Ltd.	28,884	28,884
6	Eight-Japan Engineering Consultants Inc.	23,641	25,940
7	Yachiyo Engineering Co., Ltd.	23,329	23,975
8	Idea Consultants, Inc.	21,521	22,065
9	Nihon Suido Consultants Co., Ltd.	19,652	19,814
10	Chodai Co., Ltd.	18,836	20,527
24	Nippon Koei Urban Space Co.,Ltd. (Integrated with Tamano Consultants Co., Ltd. in July 2022)	11,801	13,588

*Source: Nikkei Construction, April 20, 2023, edition. Ranking by engineering consultant division sales (according to published financial results)

By working together with various internal and external partners, we will pursue wisdom and integrate wisdom with technological innovation to provide new values in an aim to become a corporate group that contributes to realizing a society in which people can feel enriched.



Materiality Related to Business Activities and Corresponding SDGs



Link business activities with materiality, identify what the ID&E Group can do about common issues in the world and contribute to achieving the sustainable development goals (SDGs) while driving these initiatives to also increase corporate value of the Company.

Materiality	Key relevant SDGs	Examples of initiatives for each materiality
Development of infrastructure to protect safe living		<ul style="list-style-type: none"> Develop high-quality infrastructure in a wide range of areas. Provide services for preventing/mitigating disasters in terms of both hardware (tangible elements such as facilities and equipment) and software (intangible elements such as human resources and technology).
Development of infrastructure where all people can freely interact and play an active role		<ul style="list-style-type: none"> Realize a mobility society by putting in place transportation sites, including airports and railways, and networks. Develop electric power infrastructure in overseas regions lacking power sources.
Creation of attractive cities where a diversity of people and industries are concentrated		<ul style="list-style-type: none"> Develop a smart city by promoting working together among Consulting, Urban & Spatial Development and Energy.
Conservation of the global environment by achieving a decarbonized society		<ul style="list-style-type: none"> Provide consulting services to counter climate change. Expand the renewable energy business in Japan and abroad.

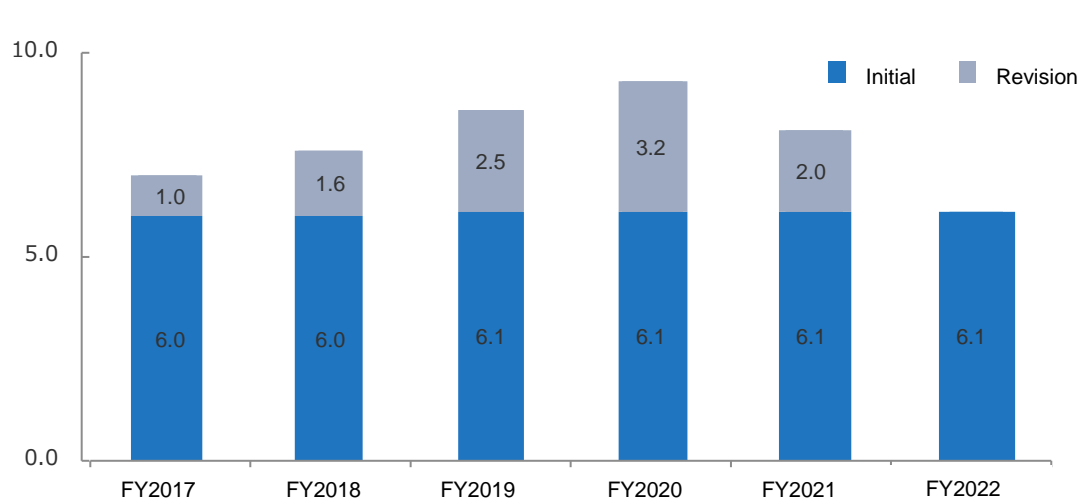


Link business activities with materiality, identify what the Nippon Koei Group can do about common issues in the world and contribute to achieving the sustainable development goals (SDGs) while driving these initiatives to also increase corporate value of the Company.

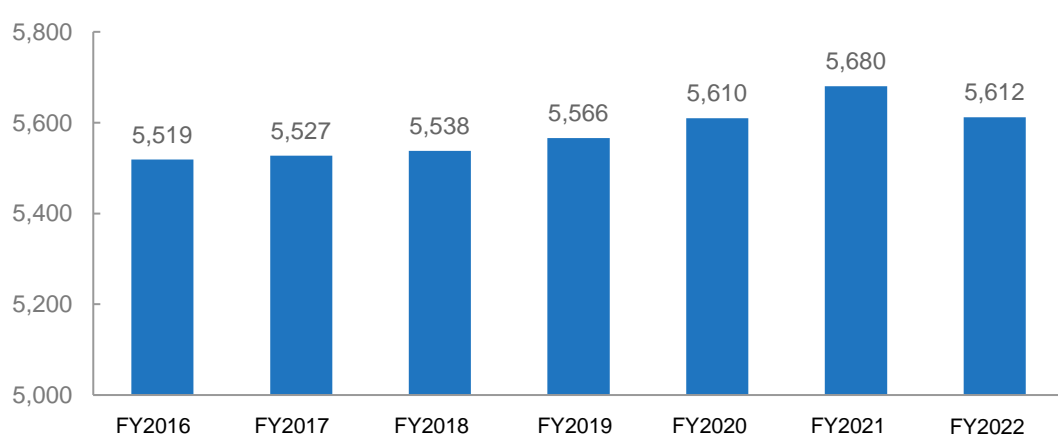
Materiality	Key relevant SDGs	Examples of initiatives for each materiality
Strengthening corporate governance		<ul style="list-style-type: none"> Review institutional design. Reinforce compliance activities.
A rewarding work environment where human rights are respected		<ul style="list-style-type: none"> Further promote well-being management.
Development of human resources and technology		<ul style="list-style-type: none"> Develop human resources for manifesting the NKG brand through the NKG Global Academy. Create new added value by utilizing DX.

Consulting Business: Market Trends and Operating Results

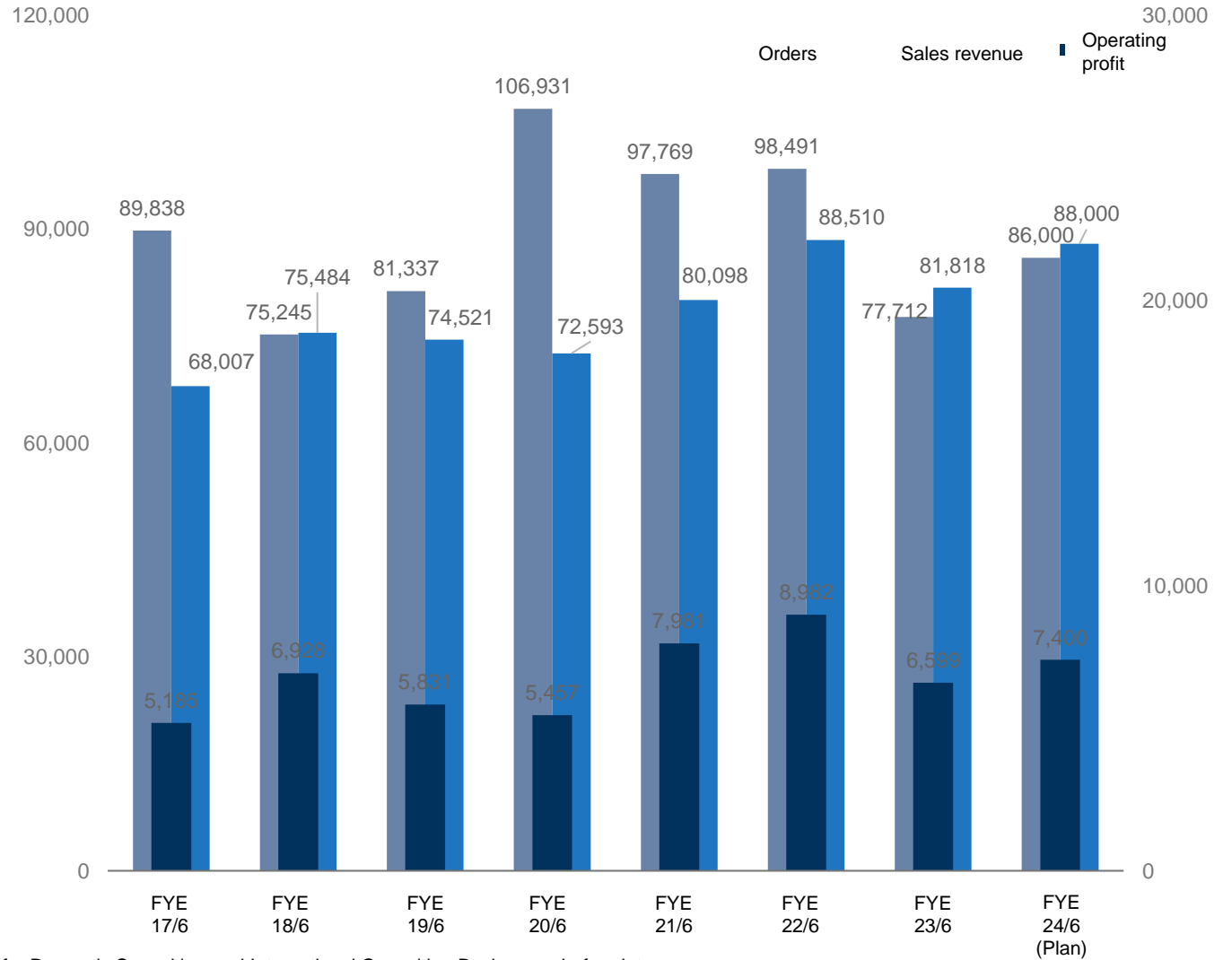
Public Works Expenditures (Trillion yen)



Initial ODA Budget in the General Account (billion yen)



ID&E(Nippon Koei) Consulting Business: Operating Results (Million yen)

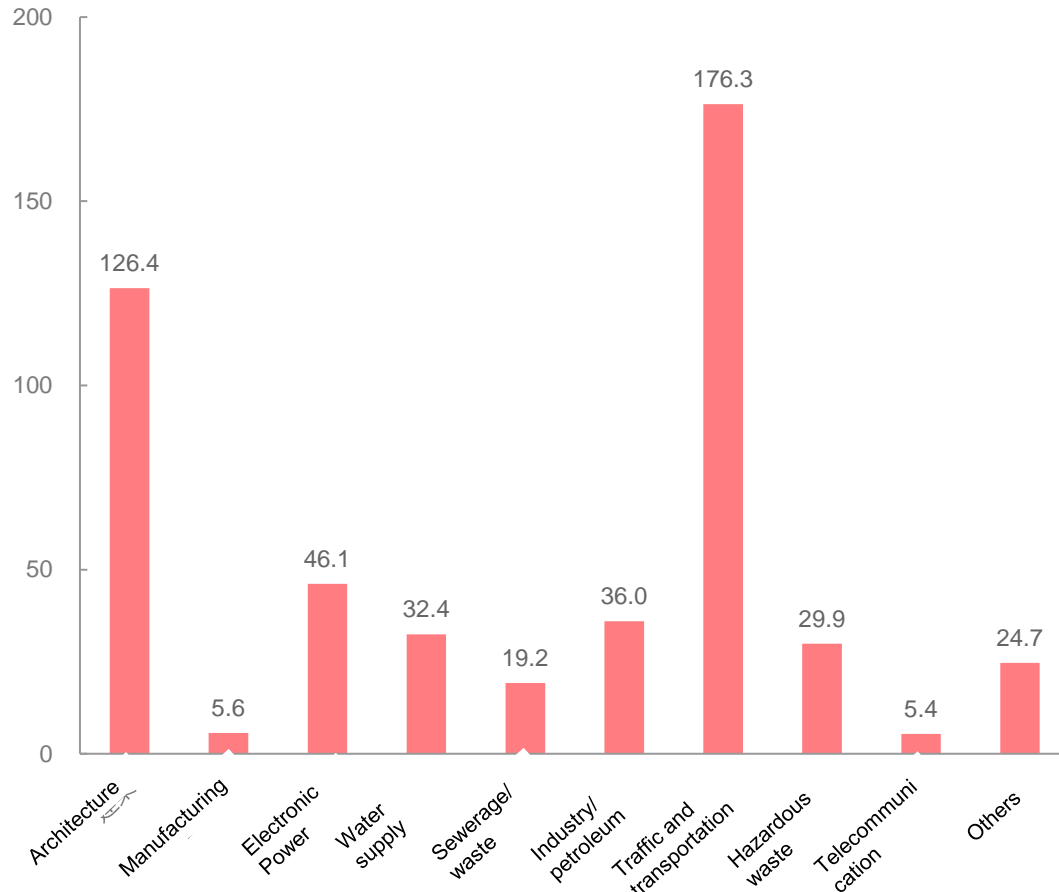


*Figures showing operating results for FYE 16/6 through FYE 20/6 are simple aggregations of the figures for Domestic Consulting and International Consulting Businesses before intercompany eliminations.

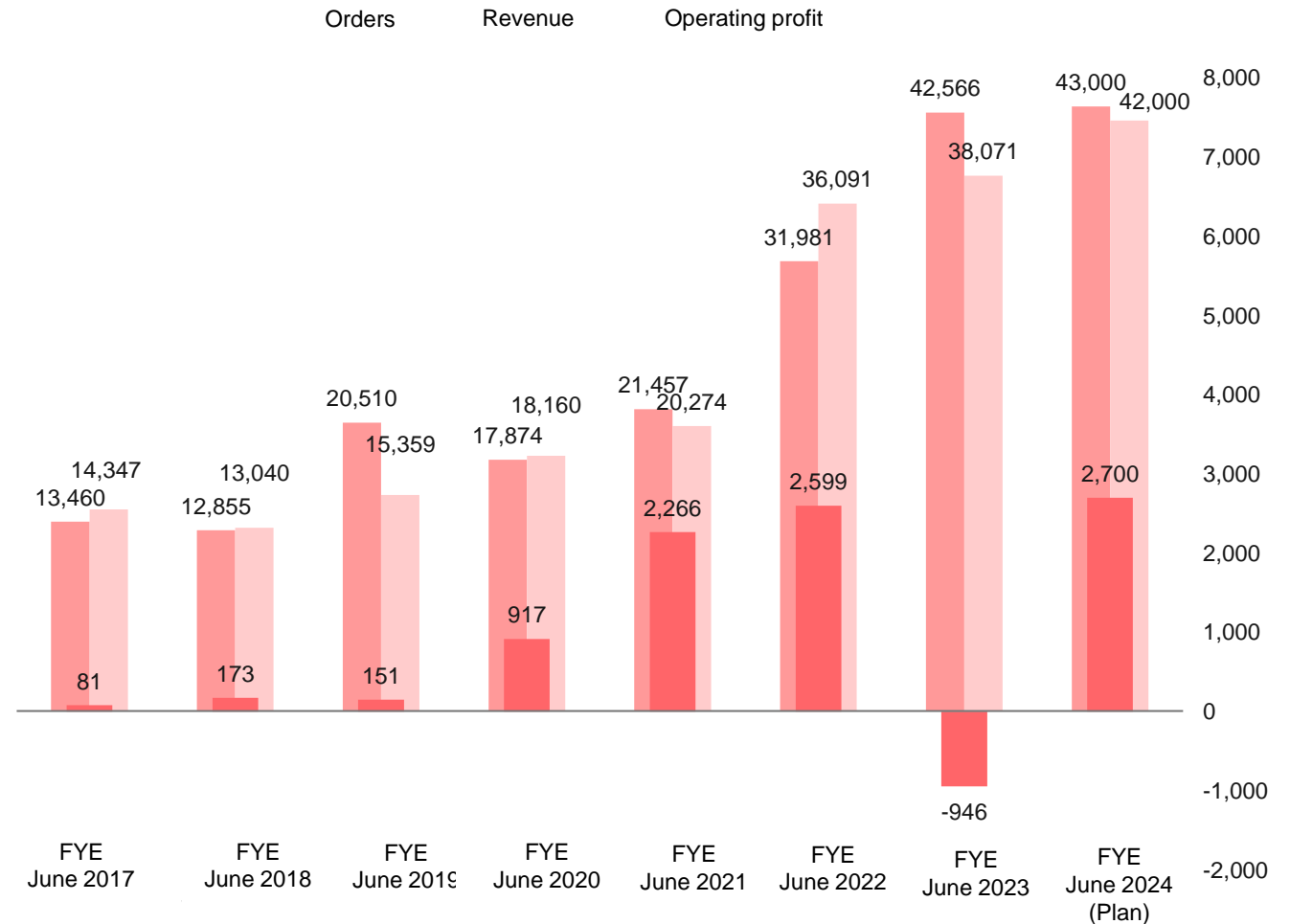
*Operating results for years up to FYE 20/6 are based on Japanese GAAP while those for FYE 21/6 and onward are based on the IFRS.

Urban & Spatial Development Business: Market Trends and Operating Results

Sales of Top 164 Firms in FY2021 by Sector (Billion US dollars)



ID&E (Nippon Koei's) Operating Results in Urban & Spatial Development Business (Million yen)

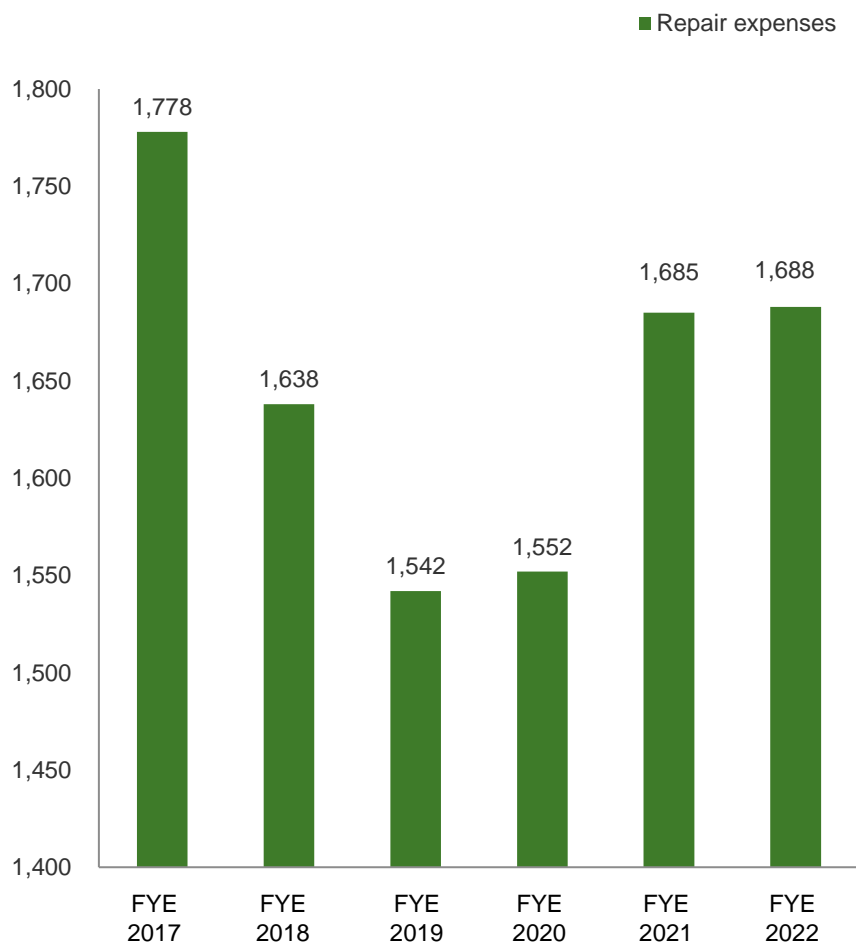


*Source: Compiled by the Company based on information available in the ENR magazine (issued in August 2022)

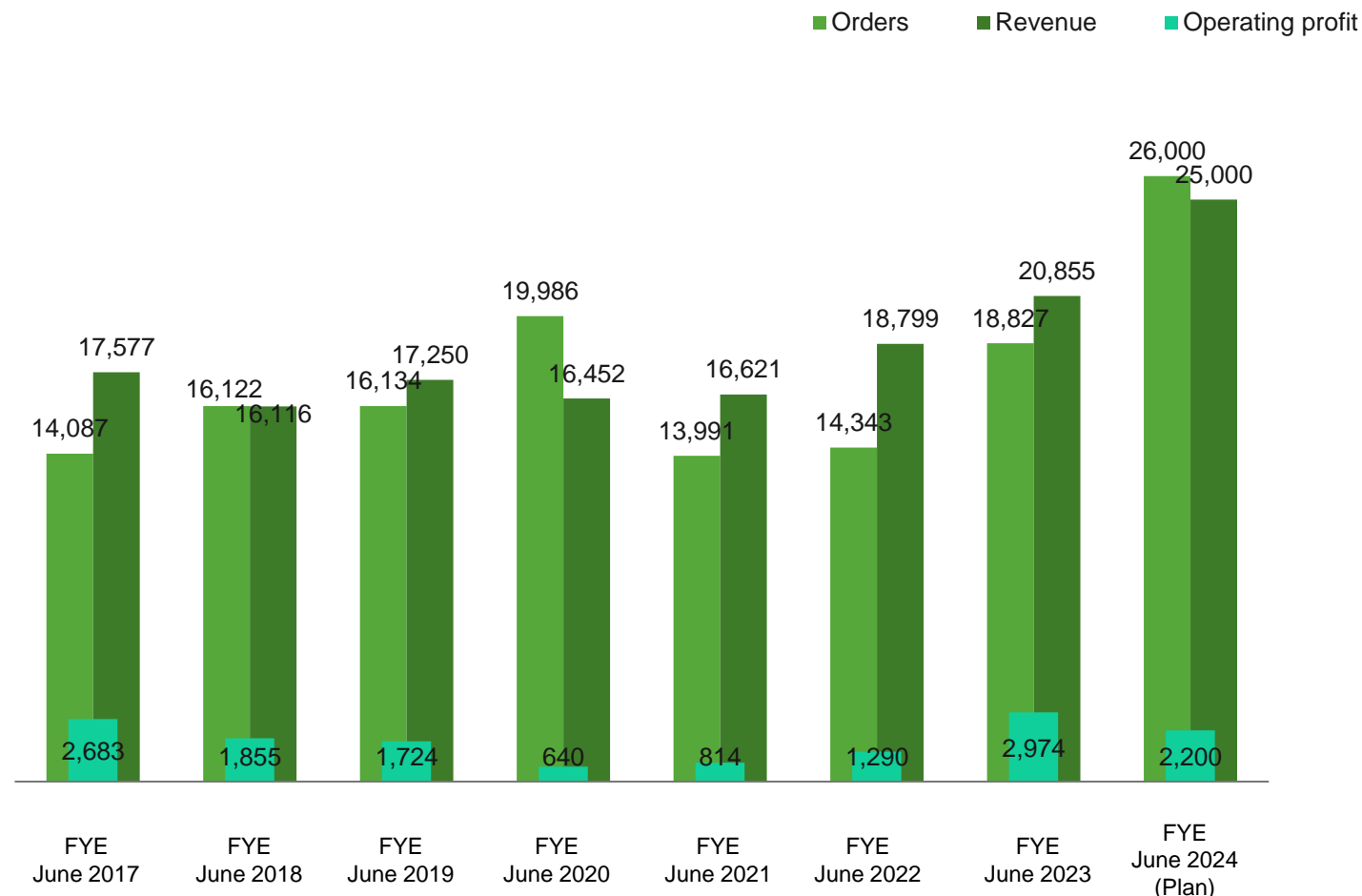
*Operating results for years up to FYE June 2020 are based on Japanese GAAP while those for FYE June 2021 and onward are based on the IFRS.

Energy Business: Market Trends and Operating Results

Repair Expenses for Tokyo Electric Power Company Holdings, Inc. (Hundred million yen)



ID&E (Nippon Koei's) Operating Results in Energy Business (Million yen)



*Figures showing operating results for FYE June 2016 through FYE June 2020 are simple aggregations of the figures for the Power Engineering and Energy Businesses before inter-company eliminations.

*Operating results for years up to FYE June 2020 are based on Japanese GAAP while those for FYE June 2021 and onward are based on the IFRS.



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