



Integrated Design & Engineering Holdings Co., Ltd.  
(Securities Code: 9161, Prime Market of TSE)  
August 14, 2023

**Disclosure of Financial Results for Delisted Subsidiary  
(Nippon Koei Co., Ltd.)**

The Financial Results for the Fiscal Year Ended June 2023 (July 1, 2022, to June 30, 2023) of Nippon Koei Co., Ltd., which became a wholly owned subsidiary on July 3, 2023, as detailed in the attachment.

For information regarding the Forecast of Consolidated Financial Results for the Fiscal Year Ending June 30, 2024, please refer to the “Forecast of Consolidated Financial Results and Dividends for the Fiscal Year Ending June 30, 2024”, which was published today.

# Consolidated Financial Results for the Fiscal Year Ended June 30, 2023 [IFRS]



August 14, 2023

**Company name: Integrated Design & Engineering Holdings Co., Ltd. (Former Nippon Koei Co., Ltd.)**

Stock exchange listing: Tokyo Stock Exchange

Code number: 9161

URL: <https://www.id-and-e-hd.co.jp/english/>

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Scheduled date of filing annual securities report: September 28, 2023

Scheduled date of commencing dividend payments: September 11, 2023

Availability of supplementary briefing material on financial results: Yes

Schedule of financial results briefing session: Yes (for institutional investors and securities analysts)

(Amounts of less than one million yen are rounded down.)

## 1. Consolidated Financial Results for the Fiscal Year Ended June 30, 2023 (from July 1, 2022 to June 30, 2023)

### (1) Consolidated Operating Results

(% indicates changes from the previous fiscal year.)

	Revenue		Operating profit		Profit before tax		Profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended June 30, 2023	141,527	8.3	6,080	(32.9)	6,373	(41.0)	3,937	(41.3)	3,093	(53.0)
June 30, 2022	130,674	10.9	9,065	27.2	10,800	50.5	6,704	48.4	6,579	45.2

	Basic earnings per share	Diluted earnings per share	Return on equity attributable to owners of parent	Ratio of profit before tax to total assets	Ratio of operating profit to revenue
Fiscal year ended	Yen	Yen	%	%	%
June 30, 2023	205.34	205.34	3.9	3.5	4.3
June 30, 2022	436.98	436.98	8.8	6.5	6.9

(Reference) Share of profit of investments accounted (Equity method): Fiscal year ended June 30, 2023 : ¥97 million

Fiscal year ended June 30, 2022 : ¥230 million

### (2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets	Equity attributable to owners of parent per share
As of	Million yen	Million yen	Million yen	%	Yen
June 30, 2023	195,391	83,784	80,873	41.4	5,367.89
June 30, 2022	173,926	81,969	78,088	44.9	5,185.66

### (3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
June 30, 2023	8,345	(2,859)	8,298	31,679
June 30, 2022	4,820	(6,949)	1,892	17,971

## 2. Dividends

	Dividends per share					Total dividends paid (annual)	Payout ratio (consolidated)	Ratio of dividends to equity attributable to owners of parent (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended June 30, 2022	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
	-	-	-	125.00	125.00	1,882	28.6	2.5
Fiscal year ended June 30, 2023	-	-	-	125.00	125.00	1,883	60.9	2.4

**\* Notes:**

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): Yes

New companies: None

Excluded companies: IRONMONT HYDRO PTE. LTD.

ACEI SINGAPORE HOLDINGS PRIVATE LTD.

(2) Changes in accounting policies and changes in accounting estimates

1) Changes in accounting policies required by IFRS: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

(3) Total number of issued shares (ordinary shares)

1) Total number of issued shares at the end of the period (including treasury shares)

As of June 30, 2023 : 15,066,152 shares

As of June 30, 2022 : 15,060,314 shares

2) Total number of treasury shares at the end of the period

As of June 30, 2023 : - shares

As of June 30, 2022 : 1,811 shares

3) Average number of shares during the period

Fiscal year ended June 30, 2023 : 15,064,420 shares

Fiscal year ended June 30, 2022 : 15,056,069 shares

\* These consolidated financial results are not subject to audit procedures by certified public accountants or the audit firm.

\* The Company is scheduled to hold a financial results briefing session for investors and analysts on September 5, 2023. The financial briefing materials to be distributed at this briefing session will be subsequently posted on the Company's website.

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## 1. Overview of Operating Results, etc.

### (1) Overview of Operating Results for the Current Fiscal Year

During the current fiscal year (July 1, 2022 to June 30, 2023), Japan's economy is recovering moderately due to the effects of various policies as the transition to a new stage of life with COVID-19 progresses. There is anticipation of a continued moderate recovery going forward, supported by improvements in the employment and income environments and other factors. On the other hand, while global monetary tightening, etc. continues, we need to pay close attention to the effects of price increases, supply-side constraints, and fluctuations in the financial and capital markets in addition to the risk that the downside in overseas economies would hold down the Japanese economy.

Looking at the business environment surrounding Nippon Koei Co., Ltd. (the "Company") and its subsidiaries (together, the "Group"), we recognize that the situation is unpredictable. There is an increasing risk of uncertainty in the international situation triggered by Russia's invasion of Ukraine while we face global issues that require immediate action, such as climate change and social polarization. In the Consulting Business, the domestic market is expected to continue to secure public works budgets for national resilience (against natural disasters) and regional revitalization and the market is expected to expand in the field of disaster prevention and mitigation. We also anticipate expansion of the defense-related infrastructure business. In the overseas market, the Japanese government is aiming to strengthen budgets with "Infrastructure System Overseas Promotion Strategy 2025" as an axis, but there are concerns about inflation, foreign exchange fluctuations, unstable international situations and such like.

In the Urban & Spatial Development Business, the need for sustainable urban restructuring, which attracts ESG investment, is increasing in Japan, Europe and the United States. Also, the need for the urban development business including preparation and maintenance of transportation-related facilities and peripheral infrastructures is strong in developing countries. In the Energy Business, new opportunities are expected to be created leading to competition toward the target of carbon neutrality in 2050 in addition to the demand for updating the aging existing equipment in Japan. However, it is necessary to agilely cope with policy change due to the rising global energy cost although the trend of shifting to renewable energy remains unchanged.

Under such a market environment, we have drawn up the medium-term management plan "Building Resilience 2024" to implement three resilience policies, and positioned the period from July 2021 to June 2024, which is first step of the "NKG (Nippon Koei Group) Global Strategy 2030," as a transformation period to make the Group resilient. Please refer to "(4) Future Outlook" for details.

As a result, the Group ended the current fiscal year with orders received increased 6.2% year on year to ¥139,265 million, mainly due to steady progress in the Urban & Spatial Development Business and the Energy Business. All businesses yielded revenue steadily and increased 8.3% year on year to ¥141,527 million. However, operating profit decreased 32.9% year on year to ¥6,080 million, and profit attributable to owners of parent fell 53.0% year on year to ¥3,093 million. This was because an impairment loss on goodwill of ¥3,943 million related to BDP HOLDINGS LTD. ("BDP") engaging in the Urban & Spatial Development Business was recorded, and outsourcing expenses, etc. increased due to the impact of inflation in the Consulting Business.

Business results for each segment are as follows: As some of our subsidiaries have changed their reportable segments, effective from the current fiscal year, comparisons with the previous fiscal year are based on the figures that have been reclassified into the new segments. For details of this change in reporting segments, please refer to "3. Consolidated Financial Statement and Primary Notes (5) Notes to Consolidated Financial Statements (Segment Information) 2. Changes in reportable segments".

#### [Consulting]

In the Consulting Business, we worked to utilize new technologies, assure quality and safety and increase productivity. We also promoted cross-sectional co-creation projects such as those related to river basin flood control, climate change, SDGs, renewable energy and multi-hazards.

As a result, orders received decreased 8.3% year on year to ¥77,712 million and revenue increased 9.1% year on year to ¥81,818 million due to steady progress in the domestic projects. Operating profit decreased 17.2% year on year to ¥6,599 million due to an increase in travel costs etc. owing to inflation and increase in business travelers by easing of entry restrictions in various countries.

#### [Urban & Spatial Development]

In the Urban & Spatial Development Business, we worked to form urban (re-)development projects and large-scale land-use conversion projects in coastal areas, centering on NIPPON KOEI URBAN SPACE CO., LTD. (“NIPPON KOEI URBAN SPACE”), which was established by consolidating the Urban & Spatial Development Business of the Company and our group company TAMANO CONSULTANTS CO., LTD. (on July 1, 2022). We also worked to expand business in the U.K. and North American markets and to build a business foundation in the Asian market through group-wide collaboration.

As a result, orders received increased 33.1% year on year to ¥42,566 million due to orders for large-scale projects at BDP, and revenue increased 5.5% year on year to ¥38,071 million. Operating loss came to ¥946 million (operating profit of ¥2,599 million in the previous period) due to the recording of an impairment loss related to goodwill of BDP.

#### [Energy]

In the Energy Business, we worked to strengthen the structure of the existing energy-related consulting and engineering projects, build a foundation for energy management projects such as battery storage and aggregation and stabilize the manufacturing projects by strengthening core products and developing new ones.

As a result, orders received increased 31.3% year on year to ¥18,827 million due to orders for large-scale projects such as EPC project for construction of next-generation energy supply base and project for substation control systems. Revenue increased 10.9% year on year to ¥20,855 million, and operating profit increased 130.5% year on year to ¥2,974 million by gain on sale of shares of PT. ARKORA HYDRO, a former associated company of the Group, and gain on investments in securities.

### (2) Overview of Financial Position for the Current Fiscal Year

Total assets as of the end of the current fiscal year amounted to ¥195,391 million, an increase of ¥21,465 million from the end of the previous fiscal year. This was mainly due to a ¥13,707 million increase in cash and cash equivalents.

Total liabilities were ¥111,607 million, an increase of ¥19,650 million from the end of the previous fiscal year. This was mainly due to a ¥13,664 million increase in borrowings.

Total equity was ¥83,784 million, an increase of ¥1,814 million from the end of the previous fiscal year. This was mainly due to a ¥1,492 million increase in retained earnings.

As a result, ratio of equity attributable to owners of parent to total assets decreased 3.5 percentage points from the end of the previous fiscal year to 41.4%.

### (3) Overview of Cash Flows for the Current Fiscal Year

Cash and cash equivalents at the end of the current fiscal year was ¥31,679 million, an increase of ¥13,707 million from the end of the previous fiscal year. The status of cash flows in the current fiscal year and changes in cash flows from the previous fiscal year are as follows.

Net cash provided by operating activities was ¥8,345 million, an increase of ¥3,524 million from the previous fiscal year as a result of making adjustments of non-fund items such as depreciation cost as well as receivables and liabilities related to business activities for profit before tax of ¥6,373 million. This was mainly due to factors such as promoted collection of trade receivables and decreases in payments for contract liabilities and consumption taxes payable, etc.

Net cash used in investment activities was ¥2,859 million, a decrease of ¥4,089 million from the previous fiscal year, as a result of purchasing property, plant and equipment and selling other financial assets. This was mainly due to an increase in revenue from the sale of other financial assets and shares of subsidiaries and associates.

Net cash provided by financing activities was ¥8,298 million, an increase of ¥6,405 million from the previous fiscal year as a result of borrowing and repaying short-term loans. This was mainly because the increase in cash from borrowings was higher than the increase in cash used for repayments.

Trends of the Company's cash flow indicators are as follows.

#### (Reference) Trends in Cash Flow Indicators

	Fiscal Year Ended June 2019	Fiscal Year Ended June 2020	Fiscal Year Ended June 2021	Fiscal Year Ended June 2022	Fiscal Year Ended June 2023
Ratio of equity attributable to owners of parent to total assets (%)	52.2	43.6	45.3	44.9	41.4
Ratio of equity attributable to owners of parent to total assets on market value basis (%)	32.4	29.0	29.7	28.2	28.8
Interest-bearing debt to cash flow ratio (years)	6.3	7.0	2.2	6.7	5.5
Interest coverage ratio (times)	11.7	10.9	27.8	11.8	11.4

Ratio of equity attributable to owners of parent to total assets:  $\text{Equity attributable to owners of parent} / \text{Assets}$

Ratio of equity attributable to owners of parent to total assets on market value basis:  $\text{Total market capitalization} / \text{Assets}$

Interest-bearing debt to cash flow ratio:  $\text{Interest-bearing debt} / \text{Cash flows}$

Interest coverage ratio:  $\text{Cash flows} / \text{Interest expenses}$

Notes: 1. All indicators are calculated using financial figures on a consolidated basis.

2. Total market capitalization is calculated based on the number of issued shares excluding treasury shares.

3. Cash flows from operating activities are used for the cash flows.

4. Interest-bearing debt covers all debt recorded in the consolidated statement of financial position for which interest is paid.

5. Of the above indicators, those from the fiscal year ended June 30, 2020 are based on the consolidated financial statements created in accordance with the International Financial Reporting Standards (IFRS).

#### (4) Future Outlook

In June 2021, we announced the long-term management strategy "NKG Global Strategy 2030", under the concept of "Working Together toward a Future Without Boundaries." By working together with various internal and external partners, we will provide new values through intellectual exploration and technological innovation and integration. We will aim to be a corporate group that helps to bring about a society where people can actually feel richness. We set the numerical targets for the fiscal year ending June 2030 as revenue of ¥250 billion, operating profit of ¥25 billion, operating profit margin of 10% and ROE of 15%.

To achieve these targets, the Group transitioned into a pure holding company structure on July 3, 2023. The transition to a holding company is aimed at strengthening governance, accelerating decision-making and securing diversity in addition to promoting autonomy and co-creation.

With regard to the business environment surrounding the Group, social and economic activities are normalizing in countries including Japan. On the other hand, however, there is an increasing risk of uncertainty in the international situation such as the global energy crisis and food crisis triggered by Russia's invasion of Ukraine, a further rise in inflation and foreign exchange fluctuations, etc. In the Consulting Business, the domestic market is expected to continue to secure public works budgets for national resilience, and the market is expected to expand especially in the field of large-scale disaster preventive measures and preventive infrastructure maintenance, etc. We also anticipate the expansion of the defense-related infrastructure business. In the overseas market, the Japanese government strengthened the ODA budgets with "Infrastructure System Overseas Promotion Strategy 2025" as an axis, and there is a need for restoration support in conflict-affected and disaster-stricken areas. In addition, infrastructure development projects based on Public Private Partnership and private capital are growing. Meanwhile, we expect that inflation, foreign exchange fluctuations and the unstable international situation will continue. In the Urban & Spatial Development Business, the need for sustainable urban restructuring, which attracts ESG investment, is increasing in Japan, Europe and the United States. Also, the need for the urban development business including preparation and maintenance of transportation-related facilities and peripheral infrastructures is strong in developing countries. In the Energy Business, demand for updating the aging existing equipment in Japan will likely be strong. However, it is necessary to agilely cope with policy changes due to the rising global energy cost although the trend of shifting to renewable energy toward the target of carbon neutrality in 2050 remains unchanged.

Under such a market environment, as mentioned above, we are implementing three resilience policies based on the

medium-term management plan “Building Resilience 2024”(from July 2021 to June 2024).

As the first resilience policy, we will reorganize the conventional five business operations into three domains (Consulting, Urban & Spatial Development, and Energy) to strengthen the business axis. As the second resilience policy, we will aim to strengthen corporate governance by shifting to a pure holding company structure and to realize matrix management (management in which each business mutually collaborates with each other in each region) by establishing a regional management system. As the third resilience policy, we will strengthen technological development and human resource development toward the establishment of ID&E brand and ID&E quality. Also, we will promote “well-being management” as a basis for that.

Each of the resilience policies, materialities, and the key priority issues for the fiscal year ending June 30, 2024 are as follows.

Materiality (Priority issues)		Key priority issues for the fiscal year ending June 30, 2024	
Resilience Policy 1	(1) Development of infrastructure to protect safe living	Business Strategies	<ul style="list-style-type: none"> <li>Enhancement and formalization of technologies for heavy rain disaster countermeasures and seismic analysis</li> <li>Aggressive development of satellite information service business</li> <li>Advancement of AI flood forecasting and big data analysis technology</li> <li>Sophistication of infrastructure maintenance technology and Implementation of public-private partnership (PPP) projects</li> </ul>
	(2) Development of infrastructure where all people can freely interact and play an active role		<ul style="list-style-type: none"> <li>Acquisition of technologies related to railroad O&amp;M (operation and maintenance), and expansion of projects related to transportation node improvement and peripheral development</li> <li>Implementation of MaaS model cases, and creation of air mobility-related business</li> </ul>
	(3) Creation of attractive cities where a diversity of people and industries are concentrated		<ul style="list-style-type: none"> <li>Realization of one-stop service in urban area (re)development projects in metropolitan and regional areas</li> <li>Formation of community-building projects such as smart cities and utilization of little-used or unused land through public-private collaboration</li> <li>Use and conversion of large-scale land in coastal areas</li> </ul>
	(4) Conservation of the global environment by achieving a decarbonized society		<ul style="list-style-type: none"> <li>Establishment of a domestic aggregation business implementation system (Start of NKRE100 verification for 100% renewable energy achieved through proprietary hydroelectric power generation for power used in the Company’s three sites from July 2023)</li> <li>Expansion of storage battery EPC business</li> </ul>
Resilience Policy 2	(5) Strengthening corporate governance	Organizational Strategies	<ul style="list-style-type: none"> <li>Strengthening of governance including enhancement of speed and agility of decision-making under a pure holding company structure and risk management</li> <li>Development and practical application of a system for promoting sustainability management</li> </ul>
		Sales Strategies	<ul style="list-style-type: none"> <li>Development of a regional management structure to meet the diversifying needs of regions</li> <li>Promoting co-creation among business companies, among regions, and among industry, government and academia, etc. to demonstrate the comprehensive power of the ID&amp;E Group</li> </ul>
Resilience Policy 3	(6) A rewarding work environment where human rights are respected	Human Resources & Technology Strategies	<ul style="list-style-type: none"> <li>Promotion of diversity management through raising the female ratio in management positions and promoting employment of persons with disabilities, etc.</li> <li>Promotion of wellbeing management through health management, work style reform, etc.</li> </ul>
	(7) Development of human resources and technology		<ul style="list-style-type: none"> <li>Formulation of human resource strategy in line with the group strategy, human resource development and talent management</li> <li>Promotion of DX measures with speed</li> </ul>



As for the fiscal year ending June 30, 2024, in the Consulting Business, centering on the Company, we will work to propel co-creation projects across fields such as river basin management, climate change, SDGs, renewable energy and multi-hazards, develop the management business and expand the private sector, on top of increasing shares in each of the business fields. In the Urban & Spatial Development Business, NIPPON KOEI URBAN SPACE will strengthen the production structure by securing staff and ensuring quality management while BDP collaborates with group companies to develop the Asian market and expand operations in the North American market. In the Energy Business, Nippon Koei Energy Solutions Co., Ltd., which will start operation in October 2023, will develop the energy management business such as storage batteries and aggregation on a full-scale basis while working to strengthen the structure of the existing energy-related consulting and engineering business and stabilize the manufacturing business.

By promoting these initiatives, we have set the financial results forecast for the fiscal year ending June 30, 2024, which is the final fiscal year of the medium-term management plan “Building Resilience 2024,” as sales revenue of ¥156 billion (110.2% compared with the previous fiscal year), operating profit of ¥11.1 billion (182.5% compared with the previous fiscal year), profit attributable to owners of parent of ¥7.1 billion (229.5% compared with the previous fiscal year), and ROE of 9%

## 2. Basic Policy Regarding Selection of Accounting Standard

The Group has applied IFRS since the end of the fiscal year ended June 30, 2021 in order to improve the international comparability of financial statements in capital markets and improve the quality of the group management by unifying accounting policies.

### 3. Consolidated Financial Statement and Primary Notes

#### (1) Consolidated Statement of Financial Position

(Millions of yen)

	<u>As of June 30, 2022</u>	<u>As of June 30, 2023</u>
Assets		
Current assets		
Cash and cash equivalents	17,971	31,679
Trade and other receivables	27,042	26,812
Contract assets	26,450	32,146
Other financial assets	3,779	2,780
Other current assets	8,290	5,728
Total current assets	<u>83,535</u>	<u>99,147</u>
Non-current assets		
Property, plant and equipment	41,403	52,718
Right-of-use assets	9,067	10,140
Goodwill	10,207	7,327
Intangible assets	7,025	7,544
Investment property	6,250	5,230
Investments accounted for using equity method	2,434	1,830
Retirement benefit asset	3,624	3,072
Other financial assets	6,423	5,106
Deferred tax assets	2,429	2,667
Other non-current assets	1,523	606
Total non-current assets	<u>90,390</u>	<u>96,244</u>
Total assets	<u><u>173,926</u></u>	<u><u>195,391</u></u>

(Millions of yen)

	<u>As of June 30, 2022</u>	<u>As of June 30, 2023</u>
Liabilities and equity		
Liabilities		
Current liabilities		
Borrowings	13,148	28,716
Lease liabilities	2,729	2,795
Trade and other payables	10,400	15,177
Contract liabilities	8,837	10,663
Other financial liabilities	4,561	3,439
Income taxes payable	2,551	1,729
Provisions	653	1,197
Other current liabilities	12,957	14,235
Total current liabilities	<u>55,840</u>	<u>77,955</u>
Non-current liabilities		
Borrowings	19,288	17,385
Lease liabilities	6,556	7,753
Other financial liabilities	665	682
Retirement benefit liability	3,896	3,566
Provisions	674	94
Deferred tax liabilities	4,683	3,961
Other non-current liabilities	351	208
Total non-current liabilities	<u>36,116</u>	<u>33,652</u>
Total liabilities	91,956	111,607
Equity		
Share capital	7,501	7,517
Capital surplus	6,454	6,470
Treasury shares	(34)	-
Other components of equity	5,252	6,478
Retained earnings	58,914	60,407
Total equity attributable to owners of parent	<u>78,088</u>	<u>80,873</u>
Non-controlling interests	3,881	2,910
Total equity	<u>81,969</u>	<u>83,784</u>
Total liabilities and equity	<u><u>173,926</u></u>	<u><u>195,391</u></u>

(2) Consolidated Statement of Profit or Loss and Consolidated Statement of Comprehensive Income

(Consolidated Statement of Profit)

(Millions of yen)

	For the fiscal year ended June 30,2022	For the fiscal year ended June 30,2023
Revenue	130,674	141,527
Cost of sales	(89,975)	(99,181)
Gross profit	40,699	42,346
Selling, general and administrative expenses	(31,610)	(34,611)
Share of profit of investments accounted for using equity method	230	97
Other income	1,090	3,677
Other expenses	(1,344)	(5,428)
Operating profit	9,065	6,080
Finance income	2,218	1,074
Finance costs	(483)	(781)
Profit before tax	10,800	6,373
Income tax expense	(4,095)	(2,435)
Profit	6,704	3,937
Profit attributable to		
Owners of parent	6,579	3,093
Non-controlling interests	125	844
Profit	6,704	3,937
Earnings per share		
Basic earnings per share (Yen)	436.98	205.34
Diluted earnings per share (Yen)	436.98	205.34

## (Consolidated Statement of Comprehensive Income)

	(Millions of yen)	
	For the fiscal year ended June 30,2022	For the fiscal year ended June 30,2023
Profit	6,704	3,937
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Equity financial assets measured at fair value through other comprehensive income	(196)	424
Remeasurements of defined benefit plans	(547)	(333)
Share of other comprehensive income of investments accounted for using equity method	(1)	1
Total of items that will not be reclassified to profit or loss	(745)	92
Items that may be reclassified to profit or loss		
Cash flow hedges	6	6
Exchange differences on translation of foreign operations	2,757	1,392
Share of other comprehensive income of investments accounted for using equity method	77	72
Total of items that may be reclassified to profit or loss	2,841	1,471
Other comprehensive income	2,096	1,564
Comprehensive income	8,801	5,501
Comprehensive income attributable to		
Owners of parent	8,479	4,611
Non-controlling interests	321	890
Comprehensive income	8,801	5,501

### (3) Consolidated Statement of Changes in Equity

(Millions of yen)

	Equity attributable to owners of parent					
	Share capital	Capital surplus	Treasury shares	Other components of equity		
				Exchange differences on translation of foreign operations	Cash flow hedges	Equity financial assets measured at fair value through other comprehensive income
Balance as of July 1, 2021	7,480	6,428	(0)	1,982	(30)	867
Profit	-	-	-	-	-	-
Other comprehensive income	-	-	-	2,638	6	(195)
Total comprehensive income	-	-	-	2,638	6	(195)
Issuance of new shares	21	21	-	-	-	-
Change in scope of consolidation	-	-	-	-	-	-
Purchase of treasury shares	-	-	(34)	-	-	-
Disposal of treasury shares	-	-	-	-	-	-
Cancellation of treasury shares	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
Purchase and disposal of non-controlling interests	-	5	-	(1)	-	-
Transfer to retained earnings	-	-	-	-	-	(15)
Total transactions with owners	21	26	(34)	(1)	-	(15)
Balance as of June 30, 2022	7,501	6,454	(34)	4,620	(24)	656
Profit	-	-	-	-	-	-
Other comprehensive income	-	-	-	1,419	6	424
Total comprehensive income	-	-	-	1,419	6	424
Issuance of new shares	15	15	-	-	-	-
Change in scope of consolidation	-	-	-	-	-	-
Purchase of treasury shares	-	-	(3)	-	-	-
Disposal of treasury shares	-	-	28	-	-	-
Cancellation of treasury shares	-	-	9	-	-	-
Dividends	-	-	-	-	-	-
Purchase and disposal of non-controlling interests	-	-	-	(0)	-	-
Transfer to retained earnings	-	-	-	-	-	(623)
Total transactions with owners	15	15	34	(0)	-	(623)
Balance as of June 30, 2023	7,517	6,470	-	6,039	(18)	457

	Equity attributable to owners of parent					
	Other components of equity		Retained earnings	Total	Non-controlling interests	Total
	Remeasurements of defined benefit plans	Total				
Balance as of July 1, 2021	-	2,820	53,996	70,725	1,569	72,294
Profit	-	-	6,579	6,579	125	6,704
Other comprehensive income	(548)	1,900	-	1,900	195	2,096
Total comprehensive income	(548)	1,900	6,579	8,479	321	8,801
Issuance of new shares	-	-	-	42	-	42
Change in scope of consolidation	-	-	-	-	-	-
Purchase of treasury shares	-	-	-	(34)	-	(34)
Disposal of treasury shares	-	-	-	-	-	-
Cancellation of treasury shares	-	-	-	-	-	-
Dividends	-	-	(1,128)	(1,128)	(15)	(1,143)
Purchase and disposal of non-controlling interests	-	(1)	-	3	2,005	2,009
Transfer to retained earnings	548	533	(533)	-	-	-
Total transactions with owners	548	531	(1,661)	(1,116)	1,990	873
Balance as of June 30, 2022	-	5,252	58,914	78,088	3,881	81,969
Profit	-	-	3,093	3,093	844	3,937
Other comprehensive income	(332)	1,517	-	1,517	46	1,564
Total comprehensive income	(332)	1,517	3,093	4,611	890	5,501
Issuance of new shares	-	-	-	31	-	31
Change in scope of consolidation	-	-	-	-	(1,933)	(1,933)
Purchase of treasury shares	-	-	-	(3)	-	(3)
Disposal of treasury shares	-	-	-	28	-	28
Cancellation of treasury shares	-	-	(9)	-	-	-
Dividends	-	-	(1,882)	(1,882)	(67)	(1,949)
Purchase and disposal of non-controlling interests	-	(0)	-	(0)	139	139
Transfer to retained earnings	332	(291)	291	-	-	-
Total transactions with owners	332	(291)	(1,600)	(1,826)	(1,861)	(3,687)
Balance as of June 30, 2023	-	6,478	60,407	80,873	2,910	83,784

## (4) Consolidated Statement of Cash Flows

(Millions of yen)

	For the fiscal year ended June 30,2022	For the fiscal year ended June 30,2023
Cash flows from operating activities		
Profit before tax	10,800	6,373
Depreciation and amortization	4,976	5,305
Impairment losses	281	3,943
Gain on sale of shares of subsidiaries and associates	-	(1,061)
Interest and dividend income	(513)	(495)
Interest expenses	483	658
Share of profit (loss) of investments accounted for using equity method	(230)	(97)
Loss (gain) on derivatives	(979)	(274)
Decrease (increase) in trade and other receivables	(4,581)	1,000
Decrease (increase) in contract assets	(1,837)	(5,305)
Increase (decrease) in trade and other payables	1,002	1,459
Increase (decrease) in contract liabilities	(2,463)	502
Increase (decrease) in accrued consumption taxes	(1,596)	876
Increase (decrease) in deposits received	1,519	(1,157)
Increase (decrease) in accrued expenses	1,162	115
Increase (decrease) in provisions	147	(64)
Other	(8)	601
Subtotal	8,161	12,382
Dividends received	178	266
Interest received	356	731
Proceeds from insurance income	-	100
Interest paid	(410)	(729)
Income taxes paid	(3,466)	(4,405)
Net cash provided by (used in) operating activities	4,820	8,345
Cash flows from investing activities		
Payments into time deposits	(235)	(45)
Proceeds from withdrawal of time deposits	-	27
Purchase of property, plant and equipment and investment property	(5,557)	(5,522)
Purchase of intangible assets	(296)	(254)
Purchase of other financial assets	(622)	(359)
Proceeds from sale and redemption of other financial assets	137	1,859
Proceeds from sale of shares of subsidiaries and associates	-	1,723
Purchase of shares of subsidiaries and associates	(261)	(851)
Collection of loans receivable	-	558
Other	(112)	6
Net cash provided by (used in) investing activities	(6,949)	(2,859)
Cash flows from financing activities		
Proceeds from short-term borrowings	265,500	503,049
Repayments of short-term borrowings	(258,035)	(488,543)
Proceeds from long-term borrowings	4,985	4,149
Repayments of long-term borrowings	(8,331)	(5,448)
Repayments of lease liabilities	(3,050)	(3,173)
Capital contribution from non-controlling interests	2,041	139
Dividends paid	(1,148)	(1,899)
Other	(67)	25
Net cash provided by (used in) financing activities	1,892	8,298
Net increase (decrease) in cash and cash equivalents	(235)	13,784
Cash and cash equivalents at beginning of period	17,838	17,971
Effect of exchange rate changes on cash and cash equivalents	369	(77)
Cash and cash equivalents at end of period	17,971	31,679

## (5) Notes to Consolidated Financial Statements

### (Notes on Going Concern Assumption)

There is no relevant information.

### (Segment Information)

#### 1. Outline of reportable segments

##### (1) Method of determination of reportable segments

Reportable segments of the Group are determined as segments whose separate financial information is accessible from among the constituent units of the Group and are periodically used by the Board of Directors to determine the allocation of management resources and to evaluate achievements.

The Group has business management divisions separated by types of products and services at the head office. Each business management division formulates a comprehensive strategy based on the products and services and engages in conducting business activities.

In line with the above, the Group is composed of segments divided by products and services, with each business management division serving as the foundation, and the three reportable segments are “Consulting”, “Urban & Spatial Development” and “Energy.”

##### (2) Types of products and services by reportable segment

“Consulting” engages in business within and outside Japan such as site surveying, planning, evaluation/assessment, designing, and construction management. It operates in the fields of rivers and water resources, water and sewage, agricultural and rural development, dams and power generation, transportation (roads, railroads, ports and airports), urban and regional development, geology, disaster prevention, sand control, environment, information systems, etc.

“Urban & Spatial Development” engages in the structuring, planning, design, and operation of urban and spatial development business.

“Energy” engages in manufacturing and sale of electric power equipment and control devices, planning, design, construction and construction management of mechanical, electrical and communication facilities as well as the energy management business utilizing distributed energy resources.

#### 2. Changes in reportable segments

On July 1, 2022, the Urban & Spatial Development Business of the Company was transferred by succession to our consolidated subsidiary TAMANO CONSULTANTS CO., LTD. through a company split (simplified absorption-type split), and the trade name of the said company was changed to NIPPON KOEI URBAN SPACE CO., LTD. In association with the organizational restructuring due to the relevant company split, NIPPON KOEI URBAN SPACE and its subsidiary TAMANO ECOST CO., LTD. and our consolidated subsidiary NAKAZE KAMP CO., LTD. have had their segment classification changed from the “Consulting” to the “Urban & Spatial Development”.

Please note that segment information for the previous fiscal year is provided based on the new reporting segments.

#### 3. Calculation methods for revenue, income or loss, assets, and other items by reportable segment

The internal intersegment revenue or transfers are based on the transaction price determined after price negotiations taking into consideration the market price, etc.



4. Revenue, income or loss, assets, liabilities, and other items by reportable segment

For the fiscal year ended June 30, 2022

(Millions of yen)

	Reportable Segments			
	Consulting	Urban & Spatial Development	Energy	Subtotal
Revenue				
Revenue from external customers	75,000	36,091	18,799	129,891
Intersegment revenue and transfers	426	289	322	1,038
Total	75,427	36,381	19,121	130,930
Segment profit (loss)	7,971	2,599	1,290	11,861
Finance income				
Finance costs				
Profit before tax				
Other items				
Depreciation and amortization	(1,474)	(1,949)	(595)	(4,018)
Impairment losses	-	(281)	-	(281)
Share of profit (loss) of investments accounted for using equity method	(14)	-	244	230
Segment assets	55,693	47,729	31,040	134,463
Increase in property, plant and equipment, and intangible assets (Note 2)	1,774	1,611	3,650	7,036
Investments accounted for using equity method	82	-	2,352	2,434

(Millions of yen)

	Others (Note1)	Total	Adjustments (Note 3)	Consolidated
Revenue				
Revenue from external customers	783	130,674	-	130,674
Intersegment revenue and transfers	781	1,820	(1,820)	-
Total	1,564	132,494	(1,820)	130,674
Segment profit (loss)	(2,794)	9,066	(1)	9,065
Finance income				2,218
Finance costs				(483)
Profit before tax				10,800
Other items				
Depreciation and amortization	(973)	(4,991)	15	(4,976)
Impairment losses	-	(281)	-	(281)
Share of profit (loss) of investments accounted for using equity method	-	230	-	230
Segment assets	76,045	210,508	(36,582)	173,926
Increase in property, plant and equipment, and intangible assets (Note 2)	1,180	8,217	-	8,217
Investments accounted for using equity method	-	2,434	-	2,434

- Notes: 1. The category of “Others” includes revenues from constituent units that have not earned revenues or earn only incidental revenues, expenses such as general and administrative expenses that do not belong to the reporting segment and company-wide assets such as land, buildings and investment securities.
2. The amount of increase in property, plant and equipment, and intangible assets includes the amount of increase in right-of-use assets and investment property, but does not include the amount of increase in association with the new consolidation.
3. “Adjustments” is mainly elimination of transaction volume and transaction balance between segments.

For the fiscal year ended June 30, 2023

	(Millions of yen)			
	Reportable Segments			
	Consulting	Urban & Spatial Development	Energy	Subtotal
Revenue				
Revenue from external customers	81,818	38,071	20,855	140,745
Intersegment revenue and transfers	523	608	322	1,454
Total	82,341	38,680	21,177	142,199
Segment profit (loss)	6,599	(946)	2,974	8,627
Finance income				
Finance costs				
Profit before tax				
Other items				
Depreciation and amortization	(1,520)	(2,115)	(704)	(4,340)
Impairment losses	-	(3,943)	-	(3,943)
Share of profit (loss) of investments accounted for using equity method	20	-	76	97
Segment assets	57,587	47,664	38,749	144,001
Increase in property, plant and equipment, and intangible assets (Note 2)	1,907	2,912	768	5,588
Investments accounted for using equity method	103	-	1,726	1,830

(Millions of yen)

	Others (Note1)	Total	Adjustments (Note 3)	Consolidated
Revenue				
Revenue from external customers	782	141,527	-	141,527
Intersegment revenue and transfers	976	2,430	(2,430)	-
Total	1,758	143,958	(2,430)	141,527
Segment profit (loss)	(2,537)	6,090	(9)	6,080
Finance income				1,074
Finance costs				(781)
Profit before tax				6,373
Other items				
Depreciation and amortization	(992)	(5,332)	27	(5,305)
Impairment losses	-	(3,943)	-	(3,943)
Share of profit (loss) of investments accounted for using equity method	-	97	-	97
Segment assets	83,641	227,643	(32,251)	195,391
Increase in property, plant and equipment, and intangible assets (Note 2)	401	5,990	-	5,990
Investments accounted for using equity method	-	1,830	-	1,830

Notes: 1. The category of “Others” includes revenues from constituent units that have not earned revenues or earn only incidental revenues, expenses such as general and administrative expenses that do not belong to the reporting segment and company-wide assets such as land, buildings and investment securities.

2. The amount of increase in property, plant and equipment, and intangible assets includes the amount of increase in right-of-use assets and investment property, but does not include the amount of increase in association with the new consolidation.

3. “Adjustments” is mainly elimination of transaction volume and transaction balance between segments.

## 5. Information by product and service

Statement is omitted, as similar information is disclosed in “4. Revenue, income or loss, assets, liabilities, and other items by reportable segment”

### (Per Share Information)

	For the fiscal year ended June 30, 2022	For the fiscal year ended June 30, 2023
Profit attributable to owners of parent (Millions of yen)	6,579	3,093
Weighted-average number of shares of common stock (Shares)	15,056,069	15,064,420
Basic earnings per share (Yen)	436.98	205.34

Diluted earnings per share are not included because there are no potential shares.

(Significant Subsequent Events)

1. The Company resolved at its Board of Directors meeting on August 9, 2023, to have Integrated Design & Engineering Holdings Co., Ltd. (“Holdings Co.”) succeed the Company’s real estate management business and management of shares of subsidiaries and associates based on the absorption-type demerger (hereinafter, the “Absorption-type Demerger”) effective October 1, 2023 (scheduled). Accordingly, the Company and Holdings Co. entered into the Absorption-type Demerger Agreement on August 14.

(1) Matters concerning the counterparty of the Absorption-type Demerger

- A. Company name, location of the head office, name of the representative, amount of share capital, amount of net assets, amount of total assets and description of business

Company name	Integrated Design & Engineering Holdings Co., Ltd.
Location of head office	5-4 Kojimachi, Chiyoda-ku, Tokyo
Name of representative	Hiroaki Shinya, Director and Representative Executive President
Amount of share capital	7,522 million yen
Amount of net assets	To be determined
Amount of total assets	To be determined
Description of business	Management of business actives and related thereto of group companies

- B. Revenue, operating profit, ordinary profit, and net profit of the fiscal years ended in the most recent three years

Since Holdings Co. was established on July 3, 2023, there is no financial position or operating results for the latest fiscal year.

- C. Chief shareholders and percentage of shares held against total number of issued shares

Name of chief shareholder	Percentage of shares held by chief shareholder (%)
MASTER TRUST BANK OF JAPAN, LTD. (TRUST ACCOUNT)	12.23
ID& E EMPLOYEE STOCK OWNERSHIP PLAN	7.10
CUSTODY BANK OF JAPAN, LTD. (TRUST ACCOUNT)	6.88
MUFG BANK, LTD.	4.91
MEIJI YASUDA LIFE INSURANCE CO., LTD.	3.74
MIZUHO BANK LTD.	2.53
CUSTODY BANK OF JAPAN, LTD. (PENSION TRUST ACCOUNT)	2.38
RE FUND 107 – CLIENT AC	2.07
DFA INTERNATIONAL SMALL CAP VALUE PORTFOLIO	1.84
GOVERNMENT OF NORWAY	1.61

- D. Capital, personnel and business ties with the reporting company

Capital ties	Holdings Co. holds all of the issued shares of the Company.
Personnel ties	Some officers concurrently hold posts in both companies.
Business ties	The Company and Holdings Co. have concluded outsourcing agreements, etc.

(2) Objectives of the Absorption-type Demerger

To deepen group management from a medium- to long-term perspective and to ensure future growth toward achieving the long-term management strategy of the Group, we established Holdings Co. as a wholly owned parent company through a share transfer on July 3, 2023, and transitioned into a holding company structure by

splitting part of the Company’s businesses. In addition, to facilitate management of the Group going forward, we decided to implement the Absorption-type Demerger with the Company being the Splitting Company and Holdings Co. being the Successor Company for the Company’s real estate management business and management of shares of subsidiaries and associates.

(3) Method of the Absorption-type Demerger, allotment related to the Absorption-type Demerger and other details of the Absorption-type Demerger Agreement

A. Method of the Absorption-type Demerger

This is an absorption-type demerger in which the Company is the Splitting Company and Holdings Co. is the Successor Company.

B. Allotment related to the Absorption-type Demerger

As Holdings Co. holds all of the Company’s shares, there is no allotment of shares or other monetary items under the Absorption-type Demerger.

C. Other details of the Absorption-type Demerger Agreement

a) Schedule of the Absorption-type Demerger and related procedures

Board of Directors meeting (the Company) to approve the Absorption-type Demerger Agreements	August 9, 2023
Board of Directors meeting (Holdings Co.) to approve the Absorption-type Demerger Agreement	August 14, 2023
Conclusion of the Absorption-type Demerger Agreement (the Company and Holdings Co.)	August 14, 2023
Effective date of the Absorption-type Demerger	October 1, 2023 (scheduled)

Note: Since the Absorption-type Demerger falls within the category of a simple demerger specified in Article 784, Paragraph 1 of the Companies Act for the Company and corresponds to a simplified absorption-type demerger set out in Article 796, Paragraph 2 of the Companies Act for Holdings Co., it is put into effect without holding shareholders’ meetings for approval for the Absorption-type Demerger, respectively.

b) Increase in share capital due to the Absorption-type Demerger

There will be no increase in the share capital of Holdings Co. associated with the Absorption-type Demerger.

c) Handling of stock acquisition rights and corporate bonds with stock acquisition rights associated with the Absorption-type Demerger

There is no relevant information.

d) Rights and obligations to be handed over to the Successor Company

Among the rights and obligations of the Company associated with its real estate management business and management of shares of subsidiaries and associates, Holdings Co. shall take over those set out in the Absorption-type Demerger Agreement associated with the Absorption-type Demerger.

(4) Rational for the calculation of shares in the Absorption-type Demerger

There is no relevant information.

(5) Name of the company that becomes the Successor Company after the Absorption-type Demerger, location of the head office, name of representative, amount of share capital, amount of net assets, amount of total assets and description of business

Company name	Integrated Design & Engineering Holdings Co., Ltd.
Location of head office	5-4 Kojimachi, Chiyoda-ku, Tokyo
Name of representative	Hiroaki Shinya, Director and Representative Executive President
Amount of share capital	7,522 million yen
Amount of net assets	To be determined
Amount of total assets	To be determined
Description of business	Management of business actives and related thereto of group companies

2. At the Board of Directors meeting on August 9, 2023, the Company resolved the proposal on the decrease in amounts of share capital and legal capital surplus and the disposal of other surplus, and the proposal was approved by the extraordinary shareholders' meeting (written resolution) on August 14.

(1) Objectives

The objectives are to pursue the optimal capital strategy and financial strategy for group management and to enhance the shareholder value of Holdings Co..

(2) Summary of decrease in amounts of share capital and legal capital surplus

A. Amount of decrease

a) Share capital

Before capital reduction 7,517 million yen After capital reduction 500 million yen

b) Legal capital surplus

Before capital reduction 6,216 million yen After capital reduction 125 million yen

B. Summary

This will be a so-called reduction of capital without compensation that does not involve repayment to shareholders for both share capital and legal capital surplus. There is no change to the total number of shares issued, and the total amount of decrease in share capital and legal capital surplus of ¥13,108 million will be transferred to "Other capital surplus."

(3) Changes in retained earnings and other earnings

A. Items to decrease and the amount

Legal retained earnings 1,546 million yen

Voluntary retained earnings 24,287 million yen

(breakdown: Reserve for market development 1,920 million yen, General reserve 22,367 million yen)

B. Items to increase and the amount

Retained earnings brought forward 25,833 million yen

(4) Schedule for this treatment

Board of Directors meeting to approve the treatment	August 9, 2023
Resolution (written resolution) of the shareholders' meeting to approve the treatment	August 14, 2023
Date of execution (effective date)	September 30, 2023 (scheduled)

#### 4. Other

##### (1) Status of Orders and Sales

Category/Segment		By period		For the fiscal year ended	
		For the fiscal year ended June 30, 2022		For the fiscal year ended June 30, 2023	
		Amount (Millions of yen)	Composition (%)	Amount (Millions of yen)	Composition (%)
Orders received	Consulting	84,717	64.6	(Note 1) 77,712	55.8
	Urban & Spatial Development	31,981	24.4	42,566	30.6
	Energy	14,343	10.9	18,827	13.5
	Others	123	0.1	158	0.1
	Total	131,166	100.0	139,265	100.0
Revenue 1	Consulting	80,299	61.5	85,333	60.2
	Urban & Spatial Development	34,787	26.6	38,072	26.9
	Energy	14,804	11.3	17,339	12.3
	Others	783	0.6	782	0.6
	Total	130,674	100.0	141,527	100.0
Revenue 2	Consulting	75,000	57.4	81,818	57.8
	Urban & Spatial Development	36,091	27.6	38,071	26.9
	Energy	18,799	14.4	20,855	14.7
	Others	783	0.6	782	0.6
	Total	130,674	100.0	141,527	100.0

  

Category/Segment		By period		For the fiscal year ended	
		For the fiscal year ended June 30, 2022		For the fiscal year ended June 30, 2023	
		Amount (Millions of yen)	Composition (%)	Amount (Millions of yen)	Composition (%)
Foreign exchange and other adjustments	Consulting	6,761		2,373	
	Urban & Spatial Development	1,758		2,387	
	Energy	(2)		90	
	Others	-		-	
	Total	8,518		4,852	
Outstanding Orders	Consulting	140,734	72.4	135,807	68.3
	Urban & Spatial Development	30,769	15.8	37,651	18.9
	Energy	23,004	11.8	25,495	12.8
	Others	-	-	1	0.0
	Total	194,508	100.0	198,956	100.0

Notes: 1. The above amounts include the outstanding orders at the start of consolidation of ASAP MOBILITY SDN. BHD. which was consolidated from the current fiscal year.

2. The above amounts are for external customers, and do not include inter-segment transactions or transfers.

3. Revenue 1 is by segment which received orders. Revenue 2 is by segment which provided services.

4. Foreign exchange and other adjustments include those related to exchange differences and outstanding order revisions.

5. As disclosed in "3. Consolidated Financial Statement and Primary Notes (5) Notes to Consolidated Financial Statements (Segment Information) 2 Changes in reportable segments," the Group has changed its reportable segments since the current fiscal year. The figures for the previous fiscal year have been provided based on the new reporting segments.