

INTEGRATED REPORT

Fiscal year ended June 30, 2023



NIPPON KOEI GROUP Becomes ID&E HOLDINGS

On July 3, 2023, Nippon Koei Co., Ltd. transitioned to a new structure by launching a new holding company under the new name, Integrated Design & Engineering Holdings Co., Ltd.

In our Medium- and Long-Term Management Strategies focusing on 2030, we have positioned “Consulting,” “Urban & Spacial Development,” and “Energy” as the three core businesses and aim for our further growth. By spinning off each business and placing it under the umbrella of ID&E Holdings, we will promote autonomous operations and strive to achieve growth and further increase corporate value.



About the new company name

The name of the new holding company is “Integrated Design & Engineering Holdings Co., Ltd.” When abbreviated or in Japanese notation, the company name will be “ID&E,” which is an acronym. The “Design” & “Engineering” express the company as a comprehensive consulting and engineering company that includes the energy business in addition to the “civil engineering and construction” advocated in the previous long-term management strategy. It also expresses that the Group will integrate diverse fields and promote one-stop business in the future.

Management Philosophy

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

The Nippon Koei Group has been building infrastructure for society in Japan and overseas since our establishment in 1946. Nippon Koei founder Yutaka Kubota proclaimed, “Tackle your problems with sincerity and the road ahead shall be clear,” and dedicated his technical expertise and passion to building infrastructure that is safe and reliable. Our Management Philosophy remains the same despite transforming into the ID&E Group. All of our employees today remain dedicated to our fundamental conviction that our business is to contribute to society. The world is full of people who desire better living standards. The Nippon Koei Group is committed to acting with integrity as we help construct the infrastructure for societies and nations around the world.

Strengths of ID&E Group

A sustainable business model that evolves with progress in society

ID&E Group has been building infrastructure that helps solve social issues since the establishment of Nippon Koei. The Group evolves as the needs of society change while continuing to expand our business and improve our profitability.



Japan's leading engineering consulting firm

ID&E Group is Japan's leading civil engineering consulting firm* and has participated in infrastructure development projects improving safety and security for people around the world. For more than 70 years since the establishment of Nippon Koei in 1946, the Group has developed projects that have become foundations for the advancement of nations and people in over 160 countries and regions.

*Source: "Sales ranking of civil engineering consulting firms in Japan," Nikkei Construction, April 20, 2024



Editorial Policy

Positioning of Various Reports and Information Disclosed

The ID&E Group Integrated Report is published as a comprehensive communication tool for delivering corporate information to our stakeholders. By publishing this report, we aim to provide readers with a deep understanding about our corporate stance from the time of our establishment to today and our efforts for further increasing corporate value. The International Integrated Reporting Framework by the IFRS Foundation was used as a reference during the editing of this report.

- In the Japanese version of this report, we use the term “人材 (human assets)” instead of “人材 (human resources)” because we believe that all people working for the Group are valuable assets.

Period covered: Fiscal year ended June 30, 2023 (July 2022 to June 2023). However, some information from July 2023 onward has been included.

Business strategies and financial information	Sustainability information
Integrated Report (this document) https://www.id-and-e-hd.co.jp/english/ir/library/integrated-report/	
Website / Investor relations <ul style="list-style-type: none">• Management policies• Materials for individual investors (Presentation materials for financial results, shareholder newsletter)• Financial and business performance data• IR Library• IR Calendar• Stock information https://www.id-and-e-hd.co.jp/english/ir/	Website / Sustainability <ul style="list-style-type: none">• Sustainability data• Sustainability Management Basic Policies• Materiality https://www.id-and-e-hd.co.jp/english/sustainability/
Annual Securities Report https://www.id-and-e-hd.co.jp/english/ir/library/financial-results/	Corporate Governance Report https://www.id-and-e-hd.co.jp/english/sustainability/governance/
Notice of Convocation of General Meeting of Shareholders https://www.id-and-e-hd.co.jp/english/ir/shareholders-meeting/	

Scope of This Report

In addition to Integrated Design & Engineering Holdings Co., Ltd., this Integrated Report covers Nippon Koei Co., Ltd., Nippon Koei Urban Space Co., Ltd., UK-based architectural design company BDP Holdings Limited, Nippon Koei Energy Solutions Co., Ltd., Nippon Koei Business Partners Co., Ltd., and other Group companies. The names of the companies covered and their abbreviated names used in this report are as follows.

Company name	Name used in this publication
Integrated Design & Engineering Holdings Co., Ltd.	ID&E
Nippon Koei Co., Ltd.	Nippon Koei
Nippon Koei Urban Space Co., Ltd.	Nippon Koei Urban Space
BDP Holdings LTD.	BDP
Nippon Koei Energy Solutions Co., Ltd.	Nippon Koei Energy Solutions
Nippon Koei Business Partners Co., Ltd.	Nippon Koei Business Partners
Other Group companies	

Forward-Looking Statements

This Integrated Report contains forward-looking statements regarding the future performance of ID&E Group and other matters. However, since they are based on the judgment of the Company's management obtained from currently available information, forward-looking statements are subject to change due to a variety of factors and are not guarantees of future performance.

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History of ID&E Group

Inheriting the “business mindset” and “integrity” that our founder, Yutaka Kubota, valued, we have taken on the challenge of pioneering initiatives since our establishment in 1946. For nearly 80 years, our efforts to find optimal solutions to ever-changing social issues and needs and to commercialize them have led to our current strengths. We will continue to grow with an eye on the future.



Domestic Consulting

1946
Surveying for Kasumigaura and Hachigata reclamation

1949
Basic survey for the Yakushima comprehensive development Project

1961
Landslide survey in the Yui district

1973
New Akita Airport

1976
Arakawa Dam

1986
Japan: Akashi-Kaikyo Bridge Anchorage
Environmental assessment for the Tokyo Metropolitan Government's new office building

1996
Nationwide road inspection for disaster control
Tokyo International (Haneda) Airport Runway B

2007
Tsuruta Dam redevelopment

2011
Response to the Great East Japan Earthquake Earthquake

2013
Construction Management (CMR) for Otsuchi Town, Iwate Prefecture

2014
Yanba Dam

2021
Integration of our Domestic Consulting and International Consulting businesses

International Consulting

1954
Balu Chaung Hydroelectric Power in Burma

1955
Da Nhim Hydroelectric Power in South Vietnam

1966
Nam Ngum Dam in Laos

1969
Soyang River Dam in South Korea

1978
Asahan No. 2 Hydroelectric Power in Indonesia

1982
Mahaweli Irrigation Project in Sri Lanka

1985
East Meskene Irrigation in Syria
Tianshengqiao Second Hydroelectric Power in China
Choluteca Basin Agricultural Development in Honduras

1995
Sindhuli Road, Nepal

1998
Hai Van Tunnel, Vietnam

2005
Gulf of Panama purification project

2006
Asahan No. 3 hydroelectric power in Indonesia

2013
Dhaka MRT Line 6 in Bangladesh
Lach Huyen Port Infrastructure in Vietnam

2014
Thilawa Area Infrastructure Development in Myanmar

Power Engineering

1947
Development of our first blocking coils (Line trap)

1949
Installation of water turbine generator at Akazawa Power Station
Provision of simple automation equipment at Mukaze Power Station

1957
Water turbines at Nagashino Power Station

1960
Kawasaki Substation (150kV)

1964
Transmission line (132kV) in Batang Padang, Malaysia

1968
Azumi Trunk Line and Fukushima Trunk Line (500kV)

1972
Shin-Tochigi Substation (500kV)

1976
Water turbine generator, Tenjin Power Station (exceeding 10MW)
Jintsu River basinDam monitoring and control system

1983
Transition type for new control system, Shimousa Substation

1985
Transmission & Substation Network (230kV) in Chile

1991
Telecontrol system for large-capacity substations, Shin-Fuji Substation

1992
S-type tubular water turbine, Sekiyama Power Station

2003
5th generation (improved distribution) system, Yokohama-Naka Control Center

2008
230kV power line/substation in Bangladesh

2009
Shin-Keiyo Substation service tunnel

2011
Shin-Sogi Hydropower Station

2014
Komata River No. 4 Power Station and three other power stations

2016
Obora No. 1 Power Station

2021
Integration of Power Engineering and Energy Business domains

2018
Launch of the Energy Business Investment in EU energy storage projects

Consulting Business

NIPPON KOEI

Business Fields

- Water resources and waterways
- Agriculture and rural development
- Dams and power generation
- Urban and regional development
- Transportation
- Environment
- Management
- Disaster prevention and mitigation

Energy Business

NIPPON KOEI ENERGY SOLUTIONS

Business Fields

- Manufacture of equipment and devices
- Construction of electrical facilities
- Mechanical and electrical consulting
- Geotechnical surveying, sale of civil engineering measurement devices
- Manufacture of safety gear and equipment
- Energy management

Urban & Spatial Development Business

NIPPON KOEI URBAN SPACE

Business Fields

- Urban development
- Infrastructure
- Comprehensive research
- Architecture

July 2023 Integrated Design & Engineering Holdings Co., Ltd. established



Nippon Koei's Origins Founder Yutaka Kubota

Postwar reconstruction in Japan and abroad

From the 1930s until the end of WWII in 1945, the Company's founder Yutaka Kubota participated in engineering power generation facilities and dams on the Korean peninsula, which contributed to the economic development of the region. After the War ended, he decided to establish the Company to carry out his strong determination to rebuild his homeland. He brought together the repatriated specialists in civil engineering, geology, electricity, and machinery and focused their talents on reestablishing the country's national foundation and electric power infrastructure. He also saw the need for reconstruction in other countries destroyed by war and the 1954 project to build a power generation in Burma (now Myanmar) marked the first step in the globalization of the ID&E Group.

Origin as a “engineering consultant”

Kubota used his expertise as an engineer to establish a business process that is the prototype for today's construction consulting firms: preliminary surveys, evaluation, and proposals for infrastructure projects. He also created our business style, which involves approaching projects with a broad perspective by gathering engineers with areas of specialty beyond electrical and civil engineering technology so a project can contribute to resolving greater social issues. Today, engineering consulting firms are expected to fulfill the role that Yutaka Kubota defined more than half a century ago.

Market Trends Launch of the Business Segment

Nippon Koei entered the energy business to capture demand from the global increase in renewable energy and to capture the demand associated with power system reforms

Energy Business

2016
Acquired BDP
Launched Urban & Spatial Development Business

2017
Palace of Westminster Restoration and Renewal Project - BDP

2022
Launched Nippon Koei Urban Space Co., Ltd.

Urban & Spatial Development Business

Market Trends Launch of the Business Segment

As demand for urban development increased worldwide, Nippon Koei entered the architecture and urban development fields by acquiring BDP to strengthen its Architecture Dept., which was small at the time.

Business Areas of ID&E Group

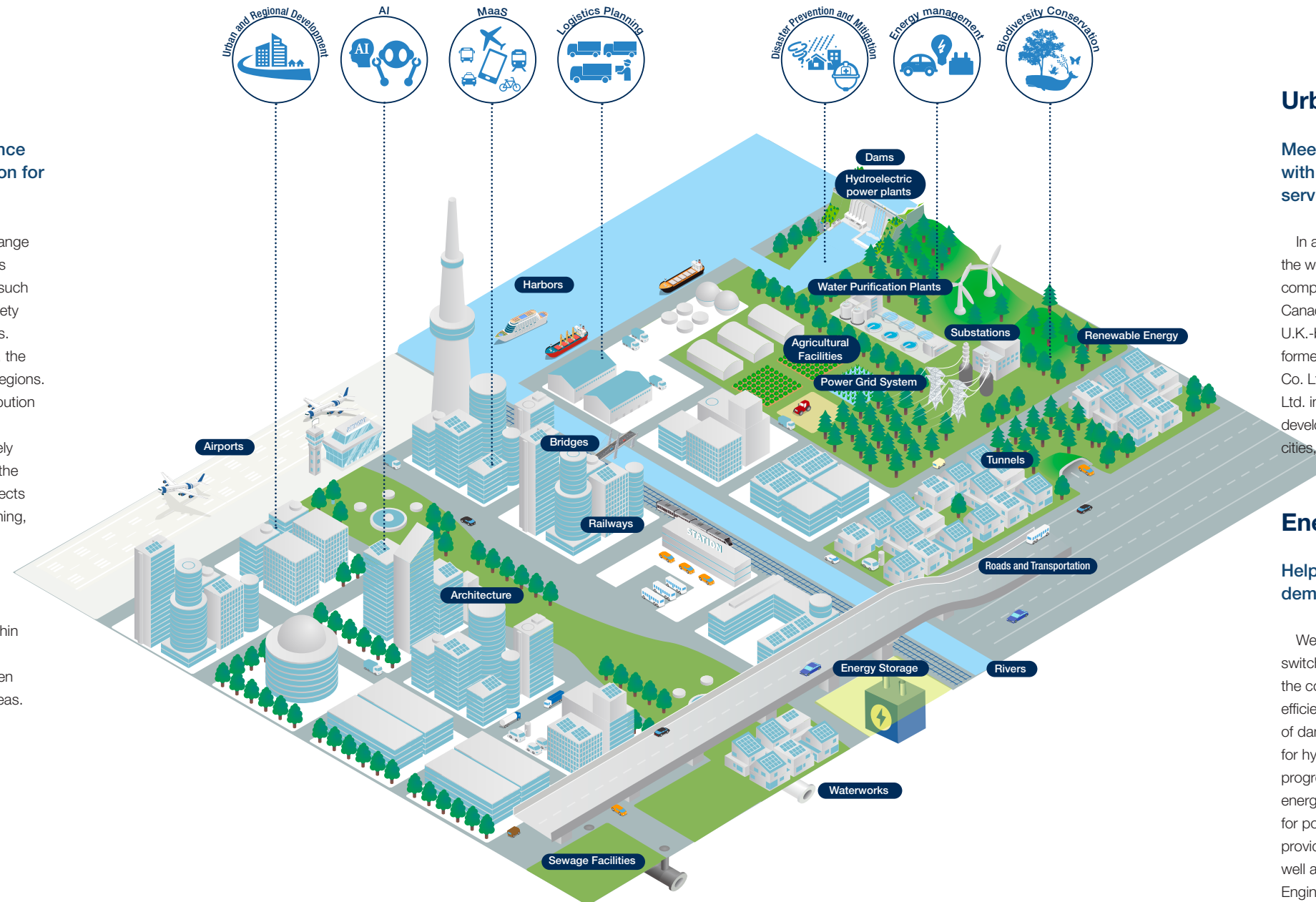
ID&E Group has positioned “Consulting,” “Urban & Spatial Development,” and “Energy” as the three core businesses and aims for their further growth and continues to follow the path of innovation and challenge that have been in our DNA since our establishment.

Consulting Business

Infrastructure construction and maintenance and various projects providing a foundation for comfortable lifestyles

In Japan, the Consulting Business provides a full range of civil engineering consultation, in terms of proposals and designs, related to social development projects such as infrastructure development, maintenance, and safety measures for local and national government agencies. Overseas, we are expanding business in Asia, Africa, the Middle East, Central and South America, and other regions. The Group is active on the front lines of social contribution and humanitarian aid across borders.

In Japan and overseas, projects can vary immensely in terms of scale and the type of contract. In Japan, the government conceives and generally supervises projects with consultants mainly performing the studies, planning, and design operations. Overseas, consultants can carry out the consulting for the initial conception stages, construction supervision, and project management. In Japan, we receive 3,500 consulting orders annually and most projects are completed within the same fiscal year or within a few years in Japan. In contrast, the International Consulting Business often engages in long-term and large-scale projects overseas.



Urban & Spatial Development Business

Meeting urban development demand around the world with both architectural design and civil engineering services

In anticipation of growing needs in the architectural field around the world, the Company brought the U.K.-based architectural design company BDP Holdings into the Group in March 2016, followed by the Canadian firm Quadrangle Architects Limited in February 2019, and U.K.-based Pattern Design Limited in July 2021. In Japan, we merged former Urban & Spatial Development Business with Tamano Consultants, Co. Ltd., a Group company, to launch Nippon Koei Urban Space Co., Ltd. in July 2022. We are working to develop new markets for urban development and redevelopment, public-private partnerships, and smart cities, and to create urban spaces that meet the needs of a new era.

Energy Business

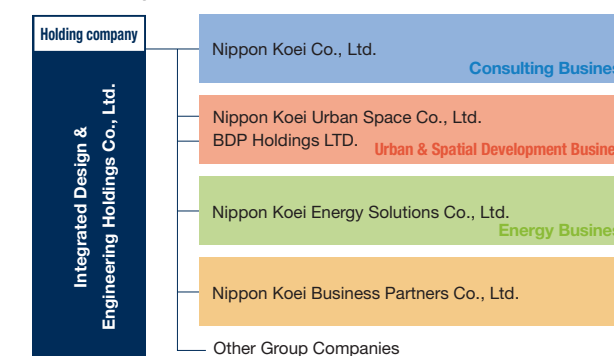
Helping Japan and other countries meet electric power demand

We are involved in the construction and renovation of substations, switching stations, and power plants operated in Japan and overseas, the construction of centralized monitoring and control systems for efficient monitoring and control of power systems, the construction of dam control systems, and the manufacture of related equipment for hydroelectric power plants. In addition, as decarbonization progresses around the world and businesses related to renewable energy are undergoing major changes, we are focusing on services for power distribution networks that stably manage and control energy provided by various power sources through storage batteries as well as businesses related to virtual power plants (VPPs). The Power Engineering Business proposes optimal solutions for electric power companies to support electric power development and meet electric power needs in Japan and emerging countries.

Engineering Consulting Work Process

	Planning, Studies	Design	Construction			Operation, Management	Maintenance
Japan	Consulting		Construction (general contractor)			Consulting	
Overseas	Consulting		Construction (general contractor) Construction supervision (consultant)			Consulting	
Engineering Consulting Roles	Conception, Proposal/ Planning Feasibility studies	Basic design/Detailed design	Project tender Assistance/ Document preparation	Support bid evaluation and selection	Contract management/ Construction supervision	Operation instruction/ Management consulting	Monitoring/ Countermeasure proposals

ID&E Group Structure



Reborn as the ID&E Group, we will continue to work together with our customers and local communities to achieve our long-term vision of “Make the world a better place.”

The logo for ID&E, featuring a stylized 'ID' followed by '&E'.

NIPPON KOEI

**NIPPON KOEI
URBAN SPACE**

**NIPPON KOEI
ENERGY SOLUTIONS**

**NIPPON KOEI
BUSINESS PARTNERS**



Hiroaki Shinya

Director and Representative Executive
President
Integrated Design & Engineering
Holdings Co., Ltd.

In 2023, Nippon Koei Group became ID&E Group

Transition to a holding company structure

In July 2023, the 77th anniversary of Nippon Koei Group, the Company established Integrated Design & Engineering Holdings Co., Ltd. (ID&E Holdings) to transition to a holding company structure, making a fresh start as ID&E Group. The new company name “ID&E” is an acronym of “Integrated Design & Engineering Holdings Co., Ltd.” It expresses the Company’s ability to provide one-stop solutions to business issues in a wide range of fields, including civil engineering, architecture, and energy. Under this new company name, we aim to become a corporate group in which each employee has a broad perspective and deep insight so that they can enhance corporate value.

As a holding company, ID&E Holdings is responsible for the Group’s business portfolio, regional management, finance, sustainability, and other aspects related to the Group as a whole. We formulate and execute strategies related to human resources, technology, working together, risk management, etc., and lead a form of Group management that encourages contribution to the enhancement of corporate value. On the other hand, main group companies including Nippon Koei, which took control of the Consulting Business, Nippon Koei Urban Space and UK-based BDP, which are involved in the Urban Space Business, and Nippon Koei Energy Solutions, which is responsible for the Energy Business, can now think and plan more freely than before as they are now being under independent management, allowing for decisions to be made more quickly. We will respond flexibly to diversifying and sophisticated markets and customer needs by accurately grasping the social conditions that continue to undergo dramatic changes. In addition, Nippon Koei Business Partners, which was spun off by consolidating administrative divisions, was established to take charge of the Group’s corporate management. It will manage the entire group and provide support to Group companies. In this way, the holding company and business companies will play their respective roles, and at the same time closely cooperate with each other in order to leverage the Group’s comprehensive capabilities to provide the maximum value to our stakeholders.

To become overwhelmingly No.1 in Japan and top class worldwide in the construction consulting industry

Although our journey as the newly-created ID&E Group has only just begun, I personally have high expectations for the positive effects of the independence of each of the three main businesses, which were previously business divisions within the company Nippon Koei, as business companies. With the main premise of sustainable growth of its existing businesses, each business company anticipates and predicts changes in the rapidly changing social environment, and estimates regional needs that may arise

or increase. Then they will create new business working together with customers, business partners, and other business companies within the Group. Additionally, it is now possible for business companies to invest in R&D, intellectual property, and human resources, develop technologies to differentiate themselves from other companies, build alliances with other companies, and build sales structures with a sense of speed at their own discretion.

Although the organizational structure has been changed to a holding company structure, there will be no major change in the Group’s social significance or role we must fulfill. As I have repeatedly stated since I assumed the position of President, we will continue to be a corporate group that provides unique value as a global corporate Group that is “overwhelmingly No.1 in Japan and top class worldwide in the construction consulting industry,” providing new technologies and optimal solutions to our customers and local communities.

For achieving both a long-term growth strategy and improved profitability

Formulating a Long-Term Management Strategy based on megatrends

The Long-Term Management Strategy we are currently promoting has been formulated based on the megatrends of 30 or 50 years from now. We view the future megatrends as being: (1) Rapid urbanization, (2) Climate change and lack of resources, (3) Changes in demographic structure, (4) Shift in global economic power, and (5) Technological advancement. We will proactively identify anticipated social issues based on these future projections and work to solve these issues through our business through three transformations: Digital Transformation (DX), Green Transformation (GX), and Sustainability Transformation (SX). I am convinced that such a strategy and roadmap will lead to the long-term and sustainable growth of the Group.

Our basic stance is to focus on the transformation of our business portfolio while placing sustainable growth of our three core businesses, which have been converted into business companies, at the foundation of our Long-Term Management Strategy. Historically, in regard to ID&E Group’s customer mix, there is a bias toward the public sector (public works) customers. However, under the new structure, we will promote efforts to achieve an optimal customer balance in the public and private sectors. Specifically, following the motto “Think globally, Act locally,” we will strengthen matrix management based on region by assigning managers in charge of each area, and strive to optimize the balance between public and private sector business by realizing various co-creation initiatives, internally or between companies within the Group, with other companies, including those in other industries, as well as with customers and local communities.

In contrast, in terms of improving profitability in the current fiscal year, we aim to increase earnings by increasing the ratio of sales of overseas group companies in addition to increasing overseas projects. In a world where digital transformation is advancing, we

Message from the President

will promote self-transformation in which each and every employee has a sense of impending crisis and evolves on their own. As the head of the holding company, I recognize that my most important role is to foster such a corporate culture and create an organization and systems in which each individual sees DX as his or her own business and takes the initiative in providing efficient work methods and high value-added services.

To realize our aspirations

Before transitioning to a holding company structure, the Group's business segments were not well connected horizontally, like a shopping mall in the suburbs where different tenants handle each business. To be more specific, the Group had a "contract-based" business model that focused on how to meet customer requests. In order to overcome this situation, I felt that it would be necessary to have business segments that involve others in order for us to grow as well as to conduct organizational administration for the strong management of the entire Group. These are the reasons why the decision was made to shift to a holding company structure. In the future, ID&E Group will move beyond the "contract model" to a "model based on working together" that creates businesses together with customers, and a "sustainable model" that enhances the sustainability of society. In order to realize our aspirations of becoming "overwhelmingly No.1 in Japan and top class worldwide in the construction consulting industry," we will establish strong regional bases around the world and promote independent operation in each region anew, centering on group management based on close cooperation.

To continue to grow in the global marketplace, we need a diverse set of values that can embrace different cultures and business practices. In order to increase the diversity of the ID&E Group as a whole, I want to actively promote alliances and business partnerships to welcome new colleagues from outside the Group. We will create an organization that can create completely new values by bringing in values from the outside that have not previously existed in our Group, which will provide motivation. The entire group will foster a mindset of boldly taking on challenges, viewing the current drastically changing business environment as an opportunity to do so.

Review of the results for the fiscal year ended June 2023

A year in which projects became larger and more complex

For me, 2022 and 2023 were years during which we focused on our transition to a holding company structure. Looking back on the business conditions surrounding the Company, we can see that

economic activity, which had been temporarily stagnant due to the COVID-19 pandemic, has regained its previous strength and new needs have been created one after another. I think it was a time when the external environment was changing at a dizzying pace.

In the public works field, which serves as the backbone of the Group, the domestic market has been booming due to national resilience measures, the formulation of defense development plans, the Tokyo Resilience Project, and other factors. Overseas, large-scale complex projects related to railroads, dam rehabilitation, and special economic zones are in full swing, and a reconstruction assistance project has started in Ukraine. However, in the private sector, customers' needs are changing significantly, as evidenced by the accelerated movement toward the realization of a sustainable society, including disaster prevention and mitigation, redevelopment with an eye on a decarbonized society, and the shift to renewable energy. In particular, as projects become larger and more complex, there is a need for management that takes a bird's-eye view of an entire project. To give specific examples, we have already been awarded a project to convert a vast former steel mill site into a carbon neutral and disaster prevention base for the Tokyo metropolitan area and to convert a former oil refinery site into a next-generation energy supply base. In these projects, although the Group's comprehensive capabilities in a variety of business fields are fully demonstrated, I feel that we are increasingly required to provide optimal solutions in a diverse and pluralistic manner across fields, businesses, and segments, regardless of whether they are in the public or private sector.

Medium-Term Management Plan "Building Resilience 2024" Progress during the second year of the plan

In order to realize our Long-Term Management Strategy, I believe that it is most important to ensure that we achieve each Medium-Term Management Plan. For this reason, we are aiming to achieve the first stage of the current Medium-Term Management Plan. This Medium-Term Management Plan, which was initiated in the fiscal year ended June 2022, is based on the assumption that the Company would transition to a holding company structure from the time it was formulated so there will be no changes made to the plan itself.

During the fiscal year ended June 30, 2023, the second year of the Medium-Term Management Plan, major achievements were the following: Major progress was made in DX-related businesses, including the use of AI inspection and diagnosis systems, BIM/CIM, and game engines; In the Urban & Spatial Development Business, a new company was launched and is solidly engaged in the aforementioned large-scale base development, etc. However, in the Energy Business, while our energy management business in Europe is getting on track, there are issues with the manufacturing

department's production system, so we are continuing to work on strengthening the system. In terms of financial indicators, we believe that overall the plan is proceeding almost as planned, although there were some one-time gains and losses.

In July 2023, we entered the third year of the Medium-Term Management Plan at the same time as we transitioned to a holding company structure. Under the new structure, we will delegate authority to each business company to improve the speed and agility of decision-making, strengthen governance including risk management, build a regional management structure to meet diversifying regional needs, build and implement a system for promoting sustainability management, and promote group strategies by working together for the growth of the ID&E Group. These are the various measures that we will take to ensure that we achieve the final targets of the Medium-Term Management Plan.

In addition, we are currently formulating the next Medium-Term Management Plan and are considering formulating a growth strategy based on the various impacts of the transition to the new holding company structure and the results of measures.

The level of sustainability management that ID&E Group aims to achieve

Continuing to deliver results in the area of sustainability

Traditionally, the risks that managers face have long been business risks. However, in modern corporate management, I recognize that environmental and sustainability-related risks surrounding one's own business could even shake the very survival of a Company. On the other hand, sustainability-related risks are both risks and new business opportunities. ESG investment is also increasing in Japan. In order to attract ESG investment, we must be a company with a strong interest in sustainability and continue to produce results for the realization of a sustainable society. I believe that sustainability should now be at the core of management, and that we are in an era in which corporate managers are required to take a very natural attitude toward sustainability as they develop



Message from the President

their businesses rather than treating sustainability as a separate dimension from their business operations.

Based on this recognition, we established the Sustainability Basic Policy in February 2022. This basic policy embodies our stance to contribute to the development of a sustainable society through our business, in addition to the perspective of responding to the social impact and demands of society in the promotion of our business. We have tied the various social issues that we need to solve to the materiality (key issues) defined in our Long-Term Management Strategy, indicating that business activities and sustainability are inseparable. In addition, we will review our materiality in response to changes in the social and business environment, and plan to announce new materiality in the next Medium-Term Management Plan (from the fiscal year ending June 30, 2025 to the fiscal year ending June 30, 2027).

At the same time as we transitioned to a holding company structure, we established the Sustainability Promotion Council, chaired by myself, as an organization to oversee and promote sustainability activities, and the Sustainability Promotion Office, which is a new working unit. We will also establish a Sustainability Promotion Committee at each operating company and appoint a person in charge of sustainability to clarify responsibilities and raise awareness of sustainability, thereby promoting faster and more group-wide initiatives than ever before. As the first step in implementing sustainability management under the new holding company structure, we announced our support for the TCFD recommendations in September 2023 and disclosed information on some of the disclosure items recommended by the TCFD. Moving forward, we will gradually expand the scope of disclosure. Furthermore, we will earnestly address important sustainability issues, including human rights and diversity.

I believe that in order for our Group to conduct sustainable management, it is important for each and every staff member to feel a sense of fulfillment and self-actualization that they are “contributing to the realization of a sustainable society” through their daily work toward the creation of long-term corporate value. This increases staff member engagement, which in turn drives productivity and new innovation. We will create an environment where staff members can feel their personal growth while feeling rewarded with work. This will be done through measures including the promotion of well-being management, ensuring diversity by increasing the number of women in managerial positions, and establishing the ID&E Global Academy, where staff members can learn to achieve self-fulfillment.

To our stakeholders

Continuing to run toward the realization of our vision of “Make the world a better place”

Since Nippon Koei was founded, the strength of our Group has been our engagement in a sustainable business that develops together with society by supporting the development of the infrastructure that forms the foundation of people’s lives and being engaged in our business with the pride of being a corporate group whose solutions to social issues lead directly to growth. Nippon Koei’s Management Philosophy “Act with integrity and contribute to society through technology and engineering” will not be changed despite transitioning to a new holding company structure. We will continue to cherish this philosophy as we aim to achieve even higher goals and continue to run toward the realization of our vision of “Make the world a better place.”

I hope that our stakeholders, who have known our Group for a long time or are already shareholders, will understand that the transition to a holding company structure is “building a system for achieving long-term growth” and is a positive change that will enable us to achieve further growth. For those of you who have never heard of the our Group or are interested in our new name “ID&E”, we hope that you will take this opportunity to learn that there is, in fact, a corporate group whose mission is to support a sustainable society.

The ID&E Group aims to achieve not only sustainable growth in its three core businesses of Consulting, Urban & Spacial Development, and Energy, but also a spiral increase in both “creation of a sustainable society” and “enhancement of our own corporate value” in an integrated manner through strategic collaboration among each independent business company as well as by actively working together with other companies and stakeholders. I would like to ask all of our stakeholders for their continued support and encouragement.

Consulting Business

NIPPON KOEI

We will continue to achieve new growth based on the technological capabilities and achievements we have built up in various parts of the world

Haruhiko Kanai
Representative Director and President
Nippon Koei Co., Ltd.



Business environment and results

In the fiscal year ended June 30, 2023, the Consulting Segment as a whole generated net sales of ¥81.8 billion and operating profit of ¥6.6 billion (operating margin of 8.1%).

With regard to the business environment, budgets were bolstered such that business in the public works and defense-related fields remained strong, both in Japan and overseas. Public works business, including the initial budget and the supplementary budget, totaled ¥8.3 trillion, up 2.5% from the previous year. This was due to efforts to promote disaster prevention and mitigation and national land resilience, including enhancing hard infrastructure (roads, rivers, dams, etc.) as well as soft measures that utilize new technologies.

The domestic defense budget was ¥7.9 trillion, up 17% from the previous year. This resulted from efforts to strengthen Japan’s defense capabilities with the goal of raising the defense budget to ¥11 trillion, or 2% of GDP, by 2027.

The overseas business environment continues to be robust due to the growing demand for infrastructure in developing countries and the expansion of overseas operations by Japanese companies. The Development Cooperation Charter, which was revised in June 2023, introduces new concepts such as offer-based cooperation that leverages the strengths of Japanese companies and Official Development Assistance (ODA) linked with private funds.

Domestic business remained firm due to these conditions. From the next fiscal year onward, we will continue to expand transportation and traffic as existing fields, as well as aim to strengthen orders in the defense field. In overseas business, we recognize that, although sales increased, the cost increases caused by the depreciation of the yen and inflation remain an issue. We will take action to reduce foreign exchange losses by making the contract currency match the currency of payment by using three different contract currencies: JPY, USD, or local currency.

Priority issues and initiatives

Our business strategy is to expand the defense infrastructure business, private-sector business, and local government partnerships in Japan; to expand the yen loan business and non-ODA business overseas; and to promote digital business, management business, investment business, and M&A as new businesses in Japan and overseas.

Our technology strategy includes the development and implementation of cutting-edge technologies related to AI and DX, the commercialization of watershed flood control, climate change, renewable energy, SDGs, and multi-hazard businesses as Group co-creation projects, and the development of generative AI based on risk control, leading to improved productivity for the entire Group.

As a regional strategy, under the leadership of regional managers in each region, we would like to establish a supply chain that can be completed within each region, centered on local subsidiaries, and establish regional management that connects each region in a way that complements that supply chain. We will support the development of Group companies with high growth rates and high profitability so that they can become core entities.

The Noto earthquake that occurred in January 2024 placed many people in a difficult situation. In response to natural disasters, which are becoming increasingly severe both in Japan and abroad, we will strengthen our efforts for disaster prevention and mitigation as part of our social mission, and will do our utmost to restore and rebuild our infrastructure.

Aiming for comprehensive urban and regional revitalization through civil engineering and architecture

Noriaki Yoshida
Representative Director and President
Nippon Koei Urban Space Co., Ltd.



Business environment and results

In July 2022, prior to transitioning to a holding company structure to achieve the ID&E Group's Long-Term Management Strategy, the Urban & Spatial Development Business of Nippon Koei Co., Ltd. was transferred to Tamano Consultants Co., Ltd. through a company split (simple absorption-type split) to establish Nippon Koei Urban Space Co., Ltd. By becoming an operating company under the umbrella of the holding company in October 2023, I would like to see Nippon Koei Urban Space Co., Ltd. become even more independent and grow further, and to increase its degree of contribution to society through collaboration and working together with ID&E Group companies.

In the fiscal year ended June 30, 2023, revenue increased year-on-year due to land redevelopment business orders and orders for large-scale private sector projects. BDP also saw an increase in revenue due to the acquisition of public works projects in the UK.

In the business environment, amid various issues such as the worsening of climate change and demographic change, the issues and needs for urban formation are changing and increasing both in Japan and overseas. In Japan, we are working on disaster mitigation and prevention, decarbonization, population decline, regional revitalization, and land-use conversion. Overseas, especially in Asia, there is a growing need for the formation of new cities in line with population growth. We provide a one-stop service for the private and public sectors, from project concept to research, planning, design, and business management by handling architectural and urban projects.

Priority issues and initiatives

We are focusing on the following three major areas: 1. Support for local governments, 2. Private sector, and 3. Overseas markets.

Regarding support for local governments, the major issue is to revitalize regions in the midst of a declining population, declining tax revenues, and a shortage of engineers. For this reason, there is a growing need for comprehensive area management for efficient urban management, including compact urban development in

which urban functions are consolidated and the accompanying reorganization/utilization of public buildings and infrastructure. We will work on smart town development that solves urban and regional issues and revitalizes local communities.

Meanwhile, in the private sector, we are seeing progress in private-sector-led urban revitalization projects in metropolitan areas meant to strengthen international competitiveness; and in large-scale large-volume asset restructuring of private-sector holdings brought about by industrial restructuring accompanying decarbonization and technological innovation. In addition, the formation of industrial and logistics bases is also becoming more active due to inbound investment in the manufacturing industry resulting from geopolitical risks. We will develop the knowledge gained through our public-sector operations from a more consumer-oriented perspective and bring about sustainable urban and regional development in a comprehensive manner.

Overseas markets are seeing the development of railroads in Asia and other countries in the Global South as a result of the concentration of population in cities. Under such circumstances, the possibility of commercializing large-scale urban redevelopment around transit-oriented development-type (or TOD-type) transportation nodes, an area that Japan is strong in, is expanding. In Europe, the United States, and Oceania, there is also a need for urban development research, planning, design, and management, for issues like climate change countermeasures, with the aim of creating sustainable cities and regions that attract ESG investment. By linking our technologies with BDP's architectural and urban development technologies, we will continue to focus on working together in the Asian market first.

The areas which the urban & spatial development segment provides services for are regions and countries. We are able to proceed with development not only of buildings in specific areas but also in the dynamic field of infrastructure, including water and sewage, electricity, and transportation networks. For this, we will leverage the strengths born from our collaboration with Nippon Koei Urban Space, BDP, and Kisho Kurokawa architect & associates Co., Ltd. to expand our business.

Promoting the provision of one-stop services in new energy markets

Hiroshi Yokota
Representative Director and President
Nippon Koei Energy Solutions Co., Ltd.



Business environment and results

In the fiscal year ended June 30, 2023, revenue increased due to the expansion of substation-related work, progress in large-scale renovation work for power plants resulting from orders received from government and public offices, and progress in overseas consulting. In contrast, procurement delays in the manufacturing sector occurred due to the global shortage of semiconductors.

The global trend toward decarbonization is further accelerating, resulting in a booming decarbonization market. In Japan, the introduction of renewable energy is being promoted with the aim of achieving carbon neutrality by 2050. With that in mind, I believe that the decarbonization trend will continue for a long time.

However, I think that market volatility stemming from international unrest and ongoing domestic disasters/accidents will continue for the time being. I am aware of the following three changes in the market environment affecting our business development.

The first is supply chain disruption and rising prices. There is still a shortage of semiconductors, and the shortage of electric wires has become a problem in recent years. Although sharp rises in material prices have subsided somewhat, the inflationary trend is expected to continue for the foreseeable future.

The second is the magnitude of fluctuations in the business environment. As various mechanisms for decarbonization are being implemented worldwide, it is not uncommon for such mechanisms to change on a yearly or even a monthly basis. Therefore, it is necessary to constantly monitor changes in the market and flexibly reflect what kind of business we will develop in accordance with the latest technologies and future laws and regulations.

The third is the increase of new players in the market. The decarbonization market is expected to expand, and in addition to energy-related companies, many players such as companies from the fields of IT and finance are entering the market. Nippon

Koei's founder Yutaka Kubota participated in the development of power generation equipment and devices, and in the construction of dams, contributing to power engineering. We aim to establish a position in the market based on achievements made since the establishment of Nippon Koei.

Priority issues and initiatives

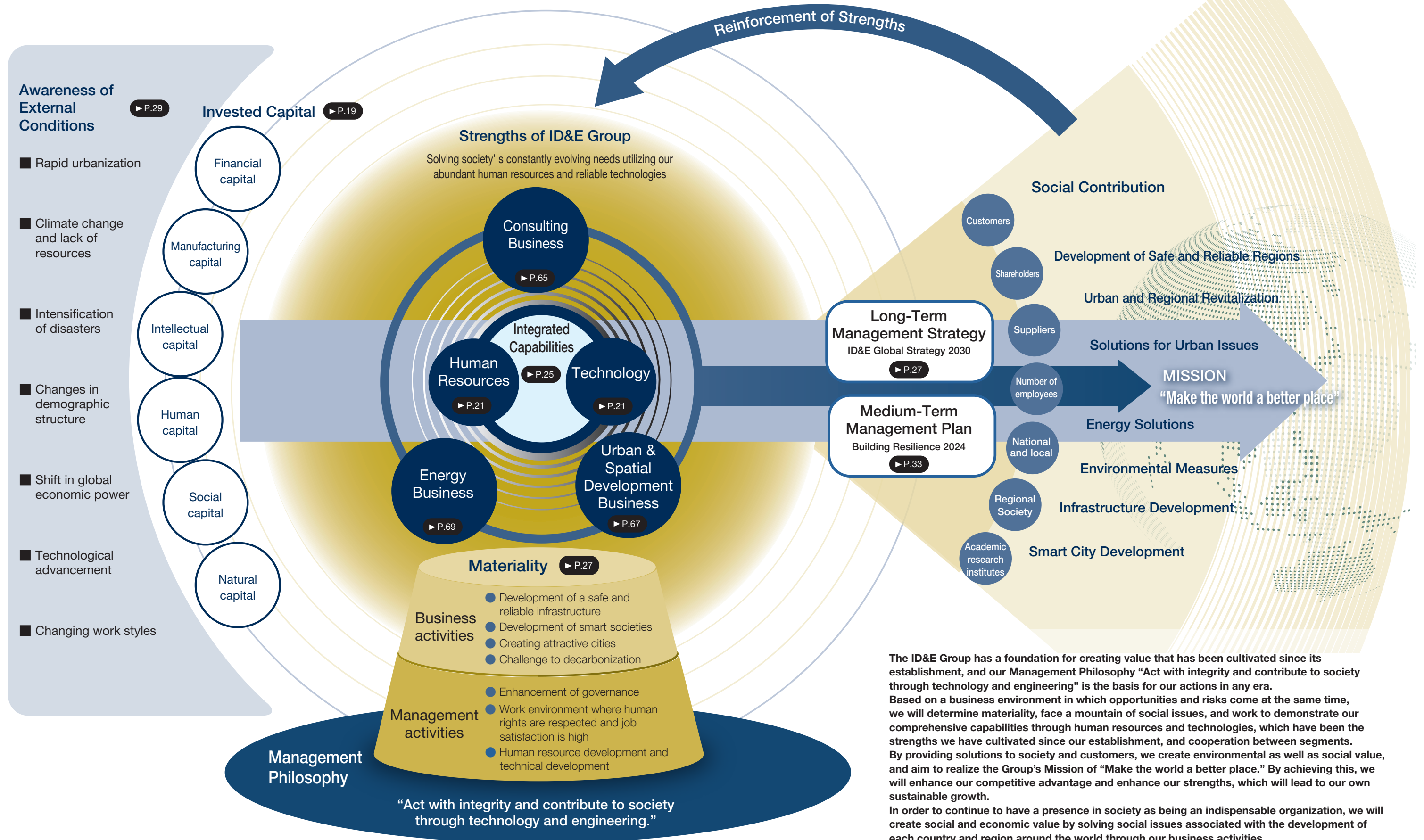
We want to continue to take on the challenge of working with new technologies and in new businesses while valuing our existing technologies. In order to achieve this goal, we need to establish a one-stop system and restructure our overseas business strategy.

Currently, we are developing a business that provides added value to the market through a one-stop service, and we will continue to focus on this. On the other hand, our overseas business accounts for only a little more than 10% of our total business. Based on the ID&E Group's Long-Term Management Strategy aimed at increasing the ratio of consolidated overseas sales to 50% in the fiscal year ending June 30, 2030, we will consider global strategies from a long-term perspective, thinking about what kinds of services to develop in regions and how to build a promotion system.

In order to continuously improve corporate value amid rapid changes in the business environment, it is essential to have human resources that realize business strategies and business models based on them. Since we place the highest priority on human resources, as an organization, we will enhance various training programs and review how we evaluate various qualifications, including those of engineers.

The spin-off has enabled Nippon Koei Energy Solutions to operate our business more autonomously than ever before. We will operate our business in an agile manner in anticipation of the ever-changing business environment.

ID&E Group Value Creation Process



Creating Value through ID&E Group Capital and its Utilization

	Important Aim of Capital in Value Creation	Policy for Medium/Long-term Enhancement
Financial capital	Achieve a balance between growth and returns by building a strong financial base and achieving high capital efficiency that allows for flexible investment	Realization of medium/long-term growth <ul style="list-style-type: none">Review and enhance investment screening criteria as well as establish and enhance investment screening system Ensure financial soundness <ul style="list-style-type: none">To ensure financial soundness, maintain an equity ratio of approximately 40% even during periods of concentrated investment Provide capital efficiency to achieve a balance between growth and returns <ul style="list-style-type: none">Aim for an ROE of 9% in the Medium-term Management PlanAim for a payout ratio of 30%Buyback/cancellation of treasury stock as necessary to achieve an appropriate total return ratio
Manufacturing capital	Create a safe and secure infrastructure by providing services in more than 160 countries and regions, in all prefectures in Japan, and through overseas offices around the world	Promote workplace reform <ul style="list-style-type: none">Open satellite offices, introduce free address system, install online meeting booths, provide intensive work spaces, and make other similar improvements to workplaces Improve quality of information systems <ul style="list-style-type: none">Enhance support for diverse work stylesEnhance financial and accounting systemsEstablish shared platform for Group companies Enhance information security <ul style="list-style-type: none">Implement cyber security measures based on the concept of Zero Trust
Intellectual capital	Accumulate advanced intellectual capital through the foundation of advanced technology research at the Research & Development Center and knowledge gained through advanced operations while creating new value through innovation	Development and utilization of DX technologies <ul style="list-style-type: none">Expand DX investment Business development investment <ul style="list-style-type: none">Conduct research and development for new business development from a medium- to long-term perspectiveConduct research and development for the creation of new business areas such as smart city business development, SDGs business development, and climate change business
Human capital	Drive all types of value creation through a diverse workforce of highly specialized domestic and international professionals	Develop and improve staff skills <ul style="list-style-type: none">Establish ID&E Global Academy in the fiscal year ended June 30, 2024 which all Group members can use to raise the level of human resource capabilities of the entire GroupVisualize knowledge and develop leaders by effectively utilizing knowledge management, talent management, and various dataExpand regional engineer system (a training system that enables engineers from local subsidiaries to work in countries other than their countries of origin or Japan) Enhance recruitment <ul style="list-style-type: none">Increase the number of staff by more than 1,600 on a consolidated basis during the period of the Medium-term Management Plan by strengthening the recruitment of new graduates and career staff Promotion of Well-Being Management <ul style="list-style-type: none">Promote work styles that respect diversity
Social capital	Stable and continuous value creation through a solid client base and strengthened relationships with partner companies, etc. based on a long history and track record of supporting developing countries through domestic infrastructure and ODA	Co-creation with other companies including those in different industries <ul style="list-style-type: none">Create stable and long-term cooperative relationships with partner companies in Japan and overseas Transfer technologies to developing countries <ul style="list-style-type: none">Develop human resources in developing countries through “ID&E Global Academy” and collaborate with academic institutions Strengthen social activities <ul style="list-style-type: none">Enhance opportunities for dialogue with stakeholders
Natural capital	Contribute to the preservation of the global environment by contributing to environmental preservation and reducing environmental impact through our business	Enhance sustainability promotion <ul style="list-style-type: none">Establish Sustainability Promotion Committee Focus on business creation through co-creation by linking materiality and business strategy

FYE June 2023 Main Initiatives (Input)	FYE June 2023 Results (Output)
<ul style="list-style-type: none">Continue to ensure financial soundness based on an awareness of our equity ratioReview and start monitoring of investment screening systems that enhance our financial perspectivePrepare for the spin-off of major businesses and the delegation of authority by transitioning to a holding company structure	<ul style="list-style-type: none">Equity ratio: 41.4% (44.9% in the previous period)ROE: 3.9% (8.8% in the previous period)Payout ratio 60.9% (28.6% in the previous period)Rating and Investment Information, Inc. (R&I) rating of BBB+ (same rating to be maintained from November 2020)
<ul style="list-style-type: none">Improve workplace environmentPromote digitization of various documentsStrengthen remote accessContinue to implement cybersecurity measures based on the concept of Zero Trust	<ul style="list-style-type: none">Earned 4 stars in the Nikkei Smart Work Management SurveyDeveloped and introduced generative AI for in-house useContinued a system that enables remote access for all staffMandatorily introduced multifactor authentication
<ul style="list-style-type: none">Search for/develop key themes that will lead to new businesses in the DX fieldFormulate DX vision and hold regular DX briefing sessionsPromote collaboration to create business modelsEstablish platform for sharing technical information on technology and sales	<ul style="list-style-type: none">Number of certified professional engineers (ID&E Group): 1,764 (1,743 in the previous period)R&D expenses: ¥1.211 billion (¥1.243 billion in the previous period)Started infrastructure monitoring service utilizing satellite data with SKY Perfect JSAT Corporation and Zenrin, Co., Ltd.Designed infrastructure inspection and diagnosis system using AI (Yamaguchi Prefecture)
<ul style="list-style-type: none">Strengthen development of qualification and human resource development programsManage staff work attendance rate during the COVID-19 pandemic using a workplace hoteling system and RPAImprove productivity through DX (RPA, AI, etc.)Establish BIM/CIM internal qualification system and started its operationEnhance the recruitment of new graduates and career staff	<ul style="list-style-type: none">Initiated the partial operation of the ID&E Global AcademyNumber of staff (consolidated): 6,335 (6,163 in the previous period)Recognition as an Outstanding Health and Productivity Management Organization 2023 (White 500) for five consecutive yearsCumulative work reduced by approximately 20,000 hours through the use of RPARecruitment numbers (ID&E Group) Number of new graduates recruited: 185 (205 in the previous period) Number of career staff recruited: 58 (40 in the previous period)Employment rate of disabled persons (Nippon Koei): 2.71% (2.69% in the previous period)
<ul style="list-style-type: none">Promote providing assistance in reconstruction in regions affected by conflict or natural disastersCarry out technical exchanges with educational and research institutionsPromote business alliances in the smart city and transportation fields with local governments and companies in Japan and overseas	<ul style="list-style-type: none">Established Ukraine Recovery OfficeEstablished a city resilience plan focusing on recovery and reconstruction assistance and disaster prevention after the earthquake in Turkey occurredFormed a partnership agreement with Iyo City in Ehime Prefecture for sustainable town developmentFormed a partnership agreement with Iwaki City in Fukushima Prefecture for the promotion of river basin flood control
<ul style="list-style-type: none">Establish and disclose a Group-wide system for solving sustainability issues, including climate change issuesPromote research of businesses that use renewable energy	<ul style="list-style-type: none">Established the Sustainability Promotion Council and Sustainability Promotion OfficeAnnounced our support for the TCFD recommendation and disclosed information in accordance (September 2023)Started a trial project called “NKRE100,” which aims to achieve 100% renewable energy usage at Nippon Koei Building and other locations

Human Resources and Technologies that Support Our Business Model

The ID&E Group is one of the largest consulting and engineering groups in Japan with a total staff of approximately 6,300. It consists of ID&E, which is responsible for the formulation and governance of the overall strategy of the Group, and three core businesses and Group management functions. Our greatest strength is that we possess advanced technological capabilities in the fields of consulting, urban & spacial development, and energy, and combine them to provide one-stop solutions that meet the needs of global social development. To that end, individuals and organizations must continue to change in order for all staff to grow autonomously and become human resources that can play an active role in the world. The ID&E Group aims to cultivate top consultants who can play an active role on a global scale and “strengthening our foundation through the integration of technology and human resources.”

Human Resources Strategy

We will develop world-class human resources through the establishment of the ID&E Global Academy.

In our Long-Term Management Strategy, we aim to increase the ratio of our sales in overseas markets to about half. To expand globally across the entire organization, it is necessary to develop human resources with skills that can play an active role beyond the boundaries of Group companies and to allocate personnel effectively. We are working to create an organization where staff can leverage each other’s strengths, work together, and work toward a common goal.

Increase the number of certified professional engineers

Construction consulting services in Japan are required to be performed by certified professional engineers. Therefore, in order to bid on a large number of projects, it is necessary to secure certified professional engineers. The ID&E Group has 1,764 professional engineers in its civil engineering, engineering management, applied science, and water supply and sewerage departments, boasting the highest number of certified professional engineers in the industry. We support individuals seeking to become certified professional engineers by offering annual preparation seminars for the certification examination.

Hybrid human resource development

We call human resources engaged in both domestic and overseas operations “hybrid human resources” and will increase the ratio of this human resource type. Smoothly allocating human resources between Japanese and overseas markets will also make it possible to give consideration to the training and life stage of staff. In fact, during the travel restrictions caused by COVID-19, the impact on our business was minimized by efficiently deploying human resources in the domestic market. On the other hand, since the way business is conducted in Japan and overseas differs greatly, it is expected that issues specific to hybrid human resources will arise. Therefore, we are promoting the development of labor and personnel evaluation, etc., by understanding actual conditions through questionnaires. We are also strengthening training in language, project management (PM), safety management, and other areas necessary for overseas operations.

Enhance recruitment

Becoming a holding company has clarified the axis of our business segmentation, enabling us to secure a competitive edge in acquiring human resources. The entire Group recruits more than 150 new graduates every year. In each business, we will offer internships and enhance mid-career recruitment and expand our post-employment training programs.

Secure diverse human resources and achieve a comfortable working environment

Going forward, we will bring in a diverse range of partners from outside the company through M&A and business alliances to realize working together. In order to do so, it is essential to have a comfortable working environment. As part of our well-being management, we have been certified as an outstanding health and productivity management corporation. See page 23 for information about the ID&E Global Academy, a human resources development organization for training young engineers, passing on technology to the next generation, and raising our level of technological capabilities.

Technology Strategy

To advance digital technology, we will strengthen investment in technology development centered on digital transformation to create new customer value.

The mission of the ID&E Group is “Make the world a better place—Always maintaining high aspirations, we will work hard to improve our skills, and provide services based on our accumulated technological capabilities.” We have grown to this point by continuing to provide solutions for social issues through the accumulation of “wisdom” represented by our technologies.

Promote technology strategies

In addition to technological development in each business, since the fiscal year ended June 2017, the ID&E Group has been promoting technology policies in which multiple divisions work together to develop technologies across the Group. By the Technology Committee under the Management Council, themes are established with the goal of “developing technologies and businesses that have an impact on the Company.” In order to

derive business from these strategies, we hold a meeting once a year to present the results of their implementation and are working to link the developed technology to the advancement of more businesses.

DX promotion

In November 2022, we formulated the NKG DX Vision in order to enhance the momentum of DX initiatives within the Group. We are working to raise awareness by holding DX related briefings and discussions for all staff and setting KPIs. As a result of enhancing DX, an analysis of NJSS (a data bidding information service for public offices, local governments, public institutions, organizations, and universities) shows that Nippon Koei has a top-class share of DX orders in the industry.

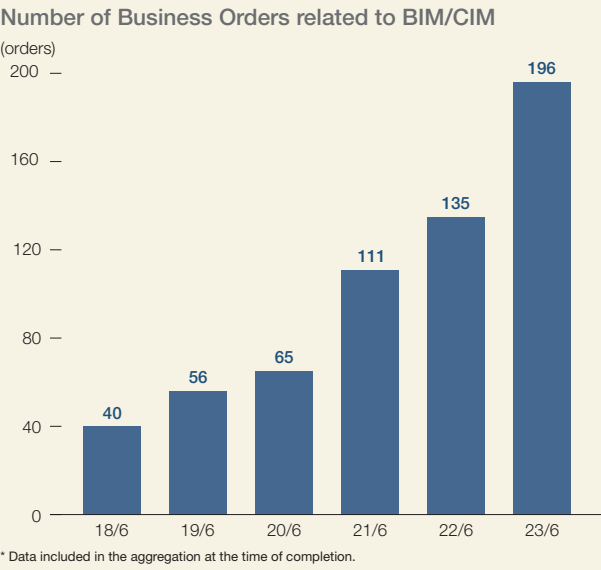
Infrastructure inspection and diagnosis system using AI

Local governments maintain and manage a huge number of road facilities. In the case of bridges, around 90% of the approximately 700,000 bridges in Japan are maintained and managed by local governments. In contrast, as the number of civil engineers and maintenance budget sizes are decreasing, it is difficult to maintain facilities in the current way. This means that it is necessary to make the approach more efficient and sophisticated. We are building an application and diagnostic support AI that automatically generate 3D models and periodic inspection records.

BIM/CIM utilization

In line with the application of BIM/CIM* to all design and construction projects ordered by the Ministry of Land, Infrastructure, Transport and Tourism from April 2023, we are further strengthening our response to the promotion of BIM/CIM and productivity improvement The ID&E Group has launched a BIM/CIM internal qualification system to motivate and inspire staff, and conducts training and certification programs for acquiring qualifications.

* BIM (Building Information Modeling): A method of performing virtual construction work on a computer by combining a 3D model of the project and a design information database
CIM (Construction Information Modeling): A method of managing the construction, maintenance, and production processes of civil infrastructure



Human Resource and Technological Growth Cycle

Securement of Diverse Human Resources

The Group is focusing on the acquisition of human resources, including new graduates, mid-career recruits, and foreigners. In recent years, we have been strategically increasing the number of new graduate hires every year and have a policy of developing excellent professionals based on a long-term perspective. In addition, we have set the ratio of female staff at the time of hiring new graduates as a KPI with a focus on increasing the number of female managers in the future.

Human Resource Development

We aim to provide new staff with an environment where they can learn the basics of civil engineering to acquire professional engineer certification, the highest qualification for a consultant in this business. In addition, we have established a variety of other courses and are building a system to make these courses available to all staff.

Order Reception and Productivity Enhancement

We will increase orders for projects based on technical proposals, avoiding price competition, and enhance corporate competitiveness. At the same time, staff can grow with a sense of speed by being involved in many social contribution projects that require technical skills from when they are young staff.

Individual/Organizational Growth

We realize the growth cycle of the organization as a whole by enabling staff to gain experience in challenging projects for individual growth. We will enhance the attractiveness of the Group as an organization that can develop expertise and work on a number of challenging projects that highly contribute to society.

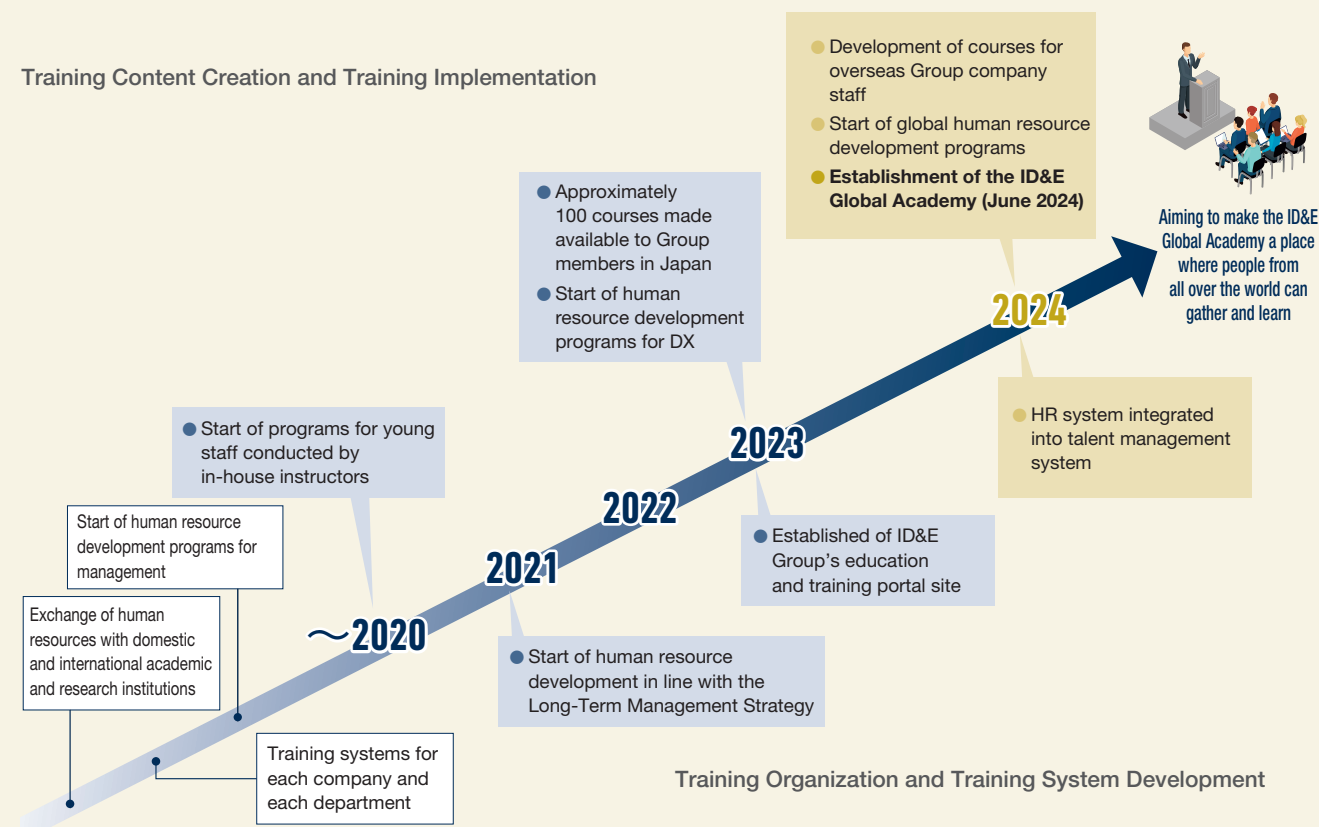
Establishment of the ID&E Global Academy, a learning ecosystem for the growth of all ID&E Group members

Purpose for Establishing the ID&E Global Academy

The ID&E Group considers human resources to be the most important capital and carries out human resource management utilizing all human capital to increase the value of human capital. We are working to embody ID&E quality as part of the co-creation measures of our Long-Term Management Strategy “Working Together Toward A Future Without Boundaries.” The ID&E Global Academy will be established in the fiscal year ended June 2024 with the aim of fostering “human resources with outstanding expertise, high ethical standards, deep insight and management skills” throughout the ID&E Group. The academy is a learning ecosystem for all members of the ID&E Group to grow together, providing an environment where they can learn the skills, knowledge and information necessary to succeed in the world.

History behind the establishment of the ID&E Global Academy

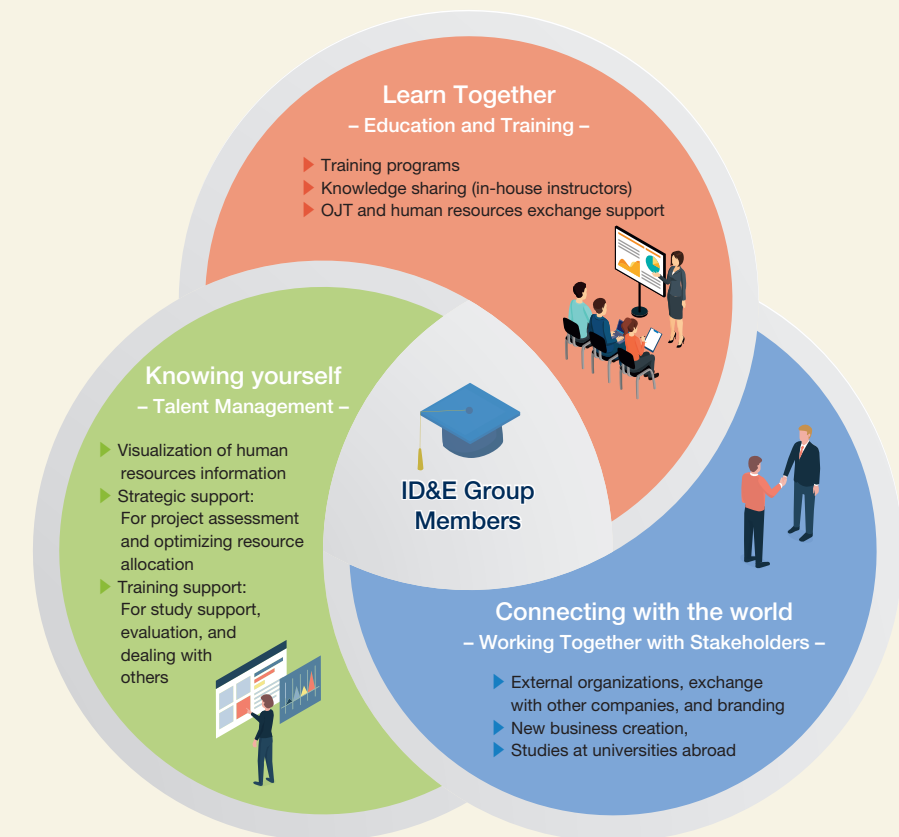
Training Content Creation and Training Implementation



Training Organization and Training System Development

Takuro Hamanaka
Director General of Global Academy Operations
Integrated Design & Engineering Holdings Co.,Ltd.

The ID&E Global Academy, a co-creation platform for human resource development for the ID&E Group, is a learning ecosystem for all employees of the Group to grow together, and aims to develop future global leaders and human resources that embody the ID&E brand. The source of the Group's brand and quality is its human resources. In order to contribute to “solving global social issues,” which is the goal of our long-term management strategy, we believe that it is necessary to bring together diverse knowledge and ideas, expand our horizons to tackle new challenges, and train our creativity. At the ID&E Global Academy, we will continue to explore the possibilities of “learning,” create the future for people and organizations, further improve the ID&E brand and quality, and promote the sustainable growth of the Group.



Functions and Roles

Knowing yourself – Talent Management –

- Each member will be able to compare their current self with how they see themselves in the future to create their own career vision. We will encourage proactive learning by recommending content relevant to a staff career and recording their learning history.
- We support the strategic development and utilization of human resources by centralizing human resources information, making it possible to visually confirm skills, experiences, and positions. This can also be used to assign staff to projects and to optimize human resource allocation.

Learning – Education and Training –

- The portal site, which serves as an education and training platform, supports member's autonomous learning.
- We support the implementation of personnel exchange-type and hands-on training, such as on-the-job training between departments and Group companies in Japan and overseas, and promote the growth of staff in Japan and overseas.

Connecting with others

– Working Together with Stakeholders–

- We provide opportunities for study abroad and joint training through working together with external stakeholders such as universities and other companies. This also contributes to open innovation and the branding of the ID&E Group.

Examples of Education and Training Programs

For enhancing organizational functions	Management Philosophy/ Compliance training	Job rank-based education	Manager training	DX human resource development	Global human resource development
For supporting the autonomous growth of individuals	Unique career training	Support for obtaining Professional Engineer ^{*1} Certification	Skill improvement program		
For responding to business issues	Professional technical training	Safety and quality control training	BIM/CIM ^{*2} training	Overseas OJT	

^{*1} Professional engineer: The most prestigious national qualification for engineers involved in the applied aspects of science and technology, and is defined by the Professional Engineer Act as an engineer who is recognized for his/her advanced knowledge and applied skills in science and technology

^{*2} BIM/CIM: Methods for improve the efficiency and sophistication of a series of construction production and management systems through the introduction of 3D models


Integrated Capabilities of ID&E Group

The ID&E Group deploys the integrated capabilities of experts in various fields to meet the increasingly sophisticated and complex needs of our age to solve social issues.


We have developed business in more than 160 countries and regions overseas.

The ID&E Group has been involved in the development of social infrastructure overseas since receiving an order for the planning of the Baluchaung Hydropower Plant in Burma in 1954, which served as the first step in the globalization of the Nippon Koei Group. We have continued to build infrastructure that utilizes various Japanese technologies, including technologies for hydroelectric power plants, roads, railways, bridges, and agriculture, and have continued a business model that simultaneously transfers technology to the local community and realizes economic development.


While handling a number of overseas government projects such as ODA, we have established local companies around the world, with the current number of overseas bases standing at 73. The knowledge accumulated through our understanding of the characteristics and customs of countries and regions around the world through projects since our establishment is one of the strengths of our Group. In our long-term management strategy, we have positioned the growth of overseas group companies as the source of profit growth, and are promoting measures such as strengthening the production systems of local group companies and group companies overseas to stabilize regional management, and training management personnel for independent operation.



Number of Overseas Orders (consolidated)
No. 1* in the industry



Countries and Regions
Track record in
more than 160 countries



Overseas Bases
73 locations

* Source: "Number of overseas orders received by civil engineering consulting firms in Japan," Nikkei Construction, April 20, 2023

Matrix management that provides one-stop services across regions

Under the current Medium-term Management Plan, we have established a group management structure that operates using a matrix consisting of a business axis based on three domains (Consulting, Urban & Spatial Development, and Energy) and a regional axis. Branch offices, overseas offices, and Group companies rooted in Japan and around the world identify local needs and provide one-stop services for business domains across regions. Each of our companies overseas operates independently and realizes our motto, “Think globally, Act locally” for social issues and various needs around the world. In other words, they grasp issues from a global perspective and solve them locally, proposing optimal solutions with a sense of urgency.

Through these efforts, we plan to increase our overseas sales ratio to 43% in the fiscal year ended June 2024 and to 50% in the fiscal year.

Matrix Management Structure

Regional Axis

Business Axis

Japan

Southeast Asia, East Asia, and Oceania

South Asia

Central Asia, Middle East, Northern Africa, and Eastern Europe

UK, Northern Europe, Western Europe, and Southern Europe

North America

Central and South America

Sub-Saharan Africa

Consulting

Urban & Spatial Development

Energy

The overseas Sales ratio target for the FYE June 2024

43%

FYE June 2024 Ratio of Revenue by Region Plan

Japan 57%

Other 1%

Sub-Saharan Africa 4%

Central and South America 4%

North America 3%

UK, Northern Europe, Western Europe, and Southern Europe 11%

Central Asia, Middle East, Northern Africa, and Eastern Europe 3%

South Asia 11%


Southeast Asia, East Asia, and Oceania 6%

Collaboration with diverse external partners

We aim to be a corporate Group that contributes to the realization of a society in which people can feel that their lives have been enriched by providing new value through the exploration of knowledge and the innovation and integration of technology by working together with diverse internal and external partners in order to reach the universal goal of realizing a sustainable world.

In order to promote “working together”, we have been operating NARRES (NK Alliance Record Registration System), an information management system that centrally manages various types of ID&E Group alliance information, since July 2022. Because of the confidentiality of alliances with external parties, there have been issues such as the inability to utilize alliances that have already been concluded widely. This system solves these issues and realizes the centralized management of alliance information within the Group.

Going forward, we will continue to aim for new collaborations and expansion of business possibilities from a Group-wide perspective.



Number of MOUs Signed

(Memorandum of Understanding)

21

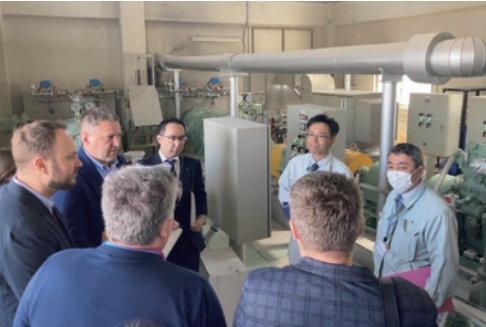
(as of June 2023)

Case Studies that Demonstrate Our Integrated Capabilities

Case 1 Ukraine reconstruction assistance operations

On April 1, 2023, we established a Ukraine Reconstruction Assistance Office to conduct reconstruction assistance operations in Ukraine. In July 2023, we opened a Warsaw office in neighboring Poland, and in December 2023, we opened a Kiev office in Ukraine to enhance reconstruction activities.

Since the invasion of Ukraine, we have handled a total of 11 reconstruction-related projects (as of the end of March 2024) from the Japan International Cooperation Agency (JICA), the Ministry of Land, Infrastructure, Transport and Tourism, and other organizations. With the help of local partners, we have begun work in neighboring countries and at our Head Office with the cooperation of local partners. We will support the development of plans to lay the foundation for full-scale restoration and reconstruction of destroyed urban infrastructure, and work with Ukraine’s Ministry of Regional, Land and Infrastructure Development, Ministry of Energy, National Power Company, local governments, and others to develop plans in multiple areas, including resources and energy, transportation, urban and regional development, water and sewage, information and communication, and debris disposal. The plan will be developed in several areas.




Ukrainian government officials and ID&E Group members visiting an agricultural facility in Ishinomaki City, Miyagi Prefecture

Case 2 Undertaking inner consulting work for coastal land use conversion project, which includes the site of a former steel mill

JFE Holdings, Inc., in collaboration with Kawasaki City, is studying land use in the coastal area of Kawasaki City after the shutdown of the blast furnace and other facilities at The JFE Steel East Japan Works (Keihin area). Since large-scale land use restructuring will have a major impact on the region and new infrastructure development will be required, it will be essential not only to develop real estate on a site-by-site basis but also to consider a broader area of planning and to discuss various issues related to the division of roles between the government and the private sector.

In response to a request from the JFE Group, the ID&E Group is supporting the study of land utilization in the Keihin area, including the Ogishima area (about 222 ha) and the Minamiwatarida area (about 52 ha). We are working across Group segments to contribute to the local community through the realization of land use by examining various technical considerations to provide new value, such as carbon neutrality, the creation of innovative technologies, and disaster prevention functions.

Area covered



Project structure

ID&E Group

Consulting

Urban & Spatial Development

Energy

Consulting

JFE Group

JFE Holdings

JFE Steel

Timeline

FY21

FY23

FY27

to FY30

NKG received order

Announcement of Ogishima 2050 development policy

Minamiwatarida partially opened to public


Ogishima partially opened to public

Case 3 Ancillary service launched in Ruien, Belgium

In March 2023, Nippon Koei Energy Europe B.V. (hereinafter NKEE) started an electricity supply and demand adjustment service (ancillary service) in Ruien, Flanders, Belgium, that connects large grid-use storage batteries (Rated output: 25 MW, Rated capacity: 100 MWh) to the country’s power grid to adjust the supply and demand of electricity. Demand for grid-use storage batteries is expanding worldwide as a way to stabilize the power grid, as the introduction of renewable energy with fluctuating output increases. The liberalization of the electricity trading market in Belgium is progressing, and the introduction of large-scale storage batteries for grid systems has started.

The large storage batteries connected to the grid can achieve a long charge/discharge time of four hours at rated output, making it one of the largest power storage systems connected to the country’s power grid.

NKEE is also constructing power storage stations (50 MW / 50 MWh each) in Tollgate and Cuxton, which are located near London, UK, and plans to start their sequentially operation. By accumulating knowledge and know-how from these operations, we aim to establish the ID&E Group’s energy business, enter the supply-demand adjustment market and the capacity market, which will be established in Japan in 2024, and expand business in Asia.



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Long-Term Management Strategy

“ID&E Global Strategy 2030”

Mission and Materiality

The ID&E Group believes that in order to achieve sustainable growth in light of surrounding business conditions, it is important to attract diverse human resources and work together to create value in cooperation with external resources. Based on this recognition, we have established a Mission, Vision, and Values to widely share the direction in which our Group is headed with those inside and outside the Group. In order for the Group to address global issues through its business activities and to grow sustainably with society, we have established materialities (key issues) that we will preferentially address by leveraging our strengths.



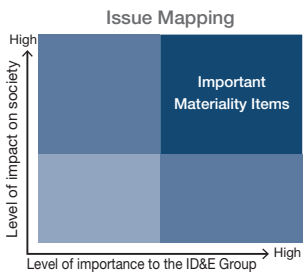
Materiality and Related SDGs

		Materiality	Main related SDGs	Examples of initiatives for each materiality
Business activities	1	Development of a safe and reliable infrastructure	8 RECENT WORK AND ECONOMIC GROWTH, 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE, 10 REDUCED INEQUALITIES, 11 SUSTAINABLE CITIES AND COMMUNITIES	● Develop high-quality infrastructures in a wide array of fields ● Provide both “hardware” and “software” based services for disaster prevention and mitigation
	2	Development of smart societies	8 RECENT WORK AND ECONOMIC GROWTH, 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE, 10 REDUCED INEQUALITIES, 11 SUSTAINABLE CITIES AND COMMUNITIES	● Realization of a mobility society through the development of airports, railroads, and other transportation hubs/networks ● Development of electric power infrastructure in areas with no power supply located overseas
	3	Creating attractive cities	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE, 11 SUSTAINABLE CITIES AND COMMUNITIES	● Development of smart cities by co-creating through our Consulting, Urban & Spatial Development, and Energy businesses
	4	Challenge to decarbonization	7 AFFORDABLE AND CLEAN ENERGY, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 13 CLIMATE ACTION	● Provide consulting services for climate change adaptation measures ● Expand renewable energy business in Japan and overseas
Management activities	5	Enhancement of governance	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	● Review of organizational design ● Enhance compliance activities
	6	A rewarding work environment where human rights are respected	5 GENDER EQUALITY, 8 RECENT WORK AND ECONOMIC GROWTH, 10 REDUCED INEQUALITIES	● Further promotion of well-being management
	7	Human resource development and technical development	4 QUALITY EDUCATION, 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE, 17 PARTNERSHIPS FOR THE GOALS	● Cultivate human resources that embody the ID&E brand through the ID&E Global Academy ● Create new added value by utilizing DX

Identifying materiality

We have integrated and reorganized the content of “issues that have a significant impact on society and are of high importance to the Nippon Koei Group,” and summarized them into seven materiality items: Four items that contribute through business and three items of management that serve as the foundation for business continuity.

Later, in order to verify the appropriateness of materiality items from an external perspective, we conducted interviews with experts. Based on the opinions we received, material items were finalized and presented to the Board of Directors for final selection.



Assumed values

The ID&E Group has been working to solve numerous social issues that have existed since the era that our founder, Yutaka Kubota, lived. The entrepreneurial mindset of connecting people and creating projects to solve social issues is our starting point.

Inheriting the spirit of our founder, the Group has grown to the present day by continuing to provide business solutions to various global and social issues that change with the times through the accumulation of “wisdom,” as represented by our technologies.

We believe that our strength is our “integrated capabilities” based on our human resources and technology, and that the source of our strength is the “wisdom” of all staff, which is based on their “smarts,” “knowledge,” “skills,” and “outstanding human qualities.”

The Company has been contributing to the world through its essential businesses that contribute to the betterment of people’s lives through the collective “wisdom” of our staff, who look at social phenomena, determine the essence of issues, and find optimal solutions with a sincere attitude by making full use of a variety of technologies.

We believe that it will become more important to create an environment that nurtures the “wisdom” - the assets of individual staff members, makes it easier to share that wisdom throughout the Group, and engages society as a whole with a “sense of creating together.”



Awareness of market conditions

The global trends of 2030, the target year of our long-term management strategy, and beyond include the increasing intensity and frequency of disasters due to global climate change; changes in demographic structure due to the aging of the population in developed countries and the population explosion in developing countries; and rapid urbanization triggered by a lack of resources and technological advances. Some of these risks are already manifesting themselves in the form of rapid changes in the social environment, geopolitical risks, and social risks.

In line with this, the need for the creation of a sustainable society is expected to increase in the future, including the development of social infrastructure that allows people to live safely and securely, the development of social infrastructure that allows all people to freely interact and play an active role, and the creation of attractive cities with a diverse range of people and industries, and the conservation of the global environment by creating a decarbonized society.

Against this backdrop, we recognize that the challenge given to global companies is to respond to these needs by emphasizing SDGs and ESG perspectives, as well as by making full use of cutting-edge technologies such as digital technology, which is experiencing accelerated development. In addition, the current environment is becoming more and more complex, so we need to change, not only to provide solutions to individual issues but also to derive optimal solutions to multiple issues. To achieve this, we need to become engineers who have an image beyond that of consultants and transcend preconceived notions by combining DX with the strengths i.e. integrated capabilities that the ID&E Group currently possesses. For example, we recognize that we need project management skills to be able to work on large projects around the world, and the ability to produce new businesses such as subscription-based businesses and concession business.

Megatrend	ID&E Group response
Rapid urbanization	Railway business and urban & spatial development business in Asia
Climate change and lack of resources	Promote water source development, renewable energy, and storage battery business
Changes in demographic structure	Secure production system and strengthen localization
Shift in global economic power	Create private businesses (new businesses)
Technological advancement	Promote collaboration with other industries

Long-Term Management Strategy

“ID&E Global Strategy 2030”

Opportunities and Risks Arising from Changes in the External Environment

ID&E Group formulates its long-term management strategy based on an understanding of changes in the external environment as well as opportunities and risks, and implements initiatives to continue sustainable growth.

Main Changes in the External Environment	Opportunities		Risks	Related Initiatives
Rapid urbanization The urban population as a percentage of the world’s population was less than 30% in the 1950s and is now projected to rise to 50%. In 2015, there were 22 megacities in the world with populations of 10 million or more, and the world’s urban population is expected to increase by approximately 72% by 2050. <small>(According to the Population Division of the Department of Economic and Social Affairs of the United Nations)</small>	Expansion of opportunities for the development of smart infrastructure and smart cities <ul style="list-style-type: none">● Support for integrated projects by leveraging integrated strengths Increase in transportation & urban planning field projects <ul style="list-style-type: none">● Transportation system development and response to MaaS (Mobility as a Service) and TOD (Transit Oriented Development) utilization		Increase in multiple large-scale projects <ul style="list-style-type: none">● Increasing sophistication and complexity of project management and quality issues Compliance <ul style="list-style-type: none">● Violation of related laws and regulations in Japan and overseas and occurrence of serious accidents	<ul style="list-style-type: none">● Expansion of Railways operations in Asia● Provision of one-stop solutions by integrating the Group’s fields of expertise● Expansion of Urban & Spatial Development Business● Acquisition of project management/construction management technology● Strengthening of internal control systems including those at each Group companies
Climate change and lack of resources Climate change and lack of resources will have an increasingly severe impact on the economy with energy demand and water intake projected to increase by 50% and 40%, respectively, by 2030*. There are concerns that climate change will cause frequent extreme weather events and rising sea levels that will make agriculture and other activities using traditional methods difficult in some areas. <small>* “Global Trends 2030: Alternative Worlds”, US National Intelligence Council</small>	Creation of businesses related to climate change <ul style="list-style-type: none">● Increased demand for decarbonization and carbon neutrality and an increase in projects that can take advantage of renewable energy-related technologies and know-how cultivated to date Large-scale natural disasters measures <ul style="list-style-type: none">● Increased disaster prevention and mitigation measures to cope with disasters caused by climate change Creation of projects related to energy and resource shortages <ul style="list-style-type: none">● Increased consulting needs for resource conservation, circular economy, agricultural reform, and food value chain		Increased conflicts and political tensions over resources <ul style="list-style-type: none">● Temporary suspension of projects and supply chain disruptions Business continuity <ul style="list-style-type: none">● Insufficient preparation for large-scale natural disasters	<ul style="list-style-type: none">● Proactively respond to projects that contribute to climate change countermeasures (transportation infrastructure development, environmental conservation, renewable energy-related projects, etc.)● Proactive response to disaster prevention/mitigation, infrastructure maintenance and management (aging countermeasures), and other disaster countermeasure projects● Acquisition of new energy technologies and promotion of storage battery business
Changes in demographic structure Changes in demographic structure will vary widely from country to country with concerns that rapid aging in some countries will put pressure on the labor force as it will comprise a smaller portion of the total population. On the other hand, growing countries are expected to see the largest labor force and consumer markets ever.	Improvement of productivity through work style reform <ul style="list-style-type: none">● Pursuit of optimal work styles including telework● Improvement of business efficiency and productivity through the use of IT tools Expansion of urban revitalization projects and public-private partnerships <ul style="list-style-type: none">● Increase in compact city planning that consolidates urban functions to cope with declining/aging populations● Expansion of concessions, public-private partnership (PPP/PFI) projects, etc. Local subsidiary business expansion <ul style="list-style-type: none">● Increase in projects and workers in emerging countries		Shortage of workers <ul style="list-style-type: none">● Amount of human resources with expertise for securing and training workers is insufficient● Loss of human resources due to overwork and harassment● Loss of labor productivity and exodus of human resources Partner companies <ul style="list-style-type: none">● Insufficient securing of partner companies● Decline in productivity and quality in the Group, including partner companies	<ul style="list-style-type: none">● Improvement of working environment by maximizing the use of AI and ICT● Full-scale expansion into the business management field● Establishment of ID&E Global Academy to develop world-class human resources throughout the Group● Operation of a regional engineer system to enable overseas human resources to be active in third countries● Actively recruit new employees and strengthen the post-employment training system● Regular labor monitoring
Shift in global economic power Emerging economies such as the BRICs, which have provided large amounts of labor and production functions in the past, have begun to shift to a consumption-based economy and are now exporting capital, human resources, and innovative technologies, which is changing the flow of capital. As emerging markets grow and expand in size, connections through trade and investment are being created at a fast pace among emerging economies.	Growth and expansion of scale in emerging markets <ul style="list-style-type: none">● Expansion into emerging markets by leveraging ID&E’s operational know-how Local subsidiary business expansion <ul style="list-style-type: none">● Increase of projects in emerging countries, development of young workforce, and maintenance of diversity Create private businesses (new businesses) <ul style="list-style-type: none">● New customer development and business creation		Changes in competitive environment <ul style="list-style-type: none">● Declining competitiveness in mature markets, intensifying competition with competitors possessing different attributes than previously seen● Delayed adaptation of own brand and positioning Group governance <ul style="list-style-type: none">● Fraud risk and inappropriate behavior, lack of synergy from M&A alliances	<ul style="list-style-type: none">● Support for autonomous management of regions promoting matrix management● Diversification of markets (business areas and regions) and customers (especially private-sector customers)● Active promotion of local human resources● Careful selection of new investment targets and strengthening of monitoring of existing businesses in which we have invested● Transition to a holding company to improve management efficiency, strengthen governance, and realize coexistence of diversity● Establishment of ID&E Global Academy to develop world-class human resources throughout the Group
Technological advancement Breakthroughs in the field of technology and cutting-edge technologies in other R&D areas will increase the likelihood of commercialization and provide increased opportunities for new investment.	Business creation utilizing DX <ul style="list-style-type: none">● Expansion of the utilization of BIM/CIM, 3D models, big data, etc. Expansion of alliance opportunities <ul style="list-style-type: none">● Promotion of collaboration beyond industry and regional boundaries		Increase in cyber attacks <ul style="list-style-type: none">● Leakage of confidential information such as customer information and our confidential information● Delays in project progress due to large-scale telecommunication failures	<ul style="list-style-type: none">● Realization of DX● Promotion of both “offensive” DX (providing added value through the use of BIM/CIM, 3D models, big data, etc.) and “defensive” DX (improving productivity and business efficiency through in-house DX)● Acceleration of needs-driven technology development

Concept behind our Long-term Management Strategy

Working together
toward a future
without boundaries

In order to respond to increasingly complex social issues and accelerating innovation, it is necessary not only to enhance the power of each employee and mobilize internal capabilities but also to collaborate with external partners who possess advanced technologies and unique know-how and to work together with local people to solve problems. The concept that emerged from this is “Working together”. Within the Nippon Koei Group, each company will use its own discretion to grow by making the most of its own individuality, wisdom, and technologies. We will implement measures with the aim of becoming a Group that is an aggregate of such companies. Furthermore, we will aim to create and develop new strengths together with new colleagues.

Three Long-term Management Strategy co-creation measures

In our Long-term Management Strategy, we have positioned “Consulting,” “Urban & Spacial Development,” and “Energy” as the three core businesses of the Group and are aiming for their further growth. To promote autonomy and collaboration, we are transitioning to a new group management structure. By further strengthening group governance and deepening group management from a medium- to long-term perspective, we will further ensure future growth.

Co-creation Measure 1 Reorganization of business segments

New development of three business domains

In order to respond to a wide range of social needs, we will establish a structure based on three business domains: Consulting, Urban & Spatial Development, and Energy. Through seamless integration and collaboration without segmenting by region or company, we aim to create a business structure that can provide a one-stop shop for services in each domain across the board.

Full-scale expansion into the business management field

By maximizing and integrating the technologies developed by each of the three domains, we will make a full-scale entry into the business management field, including infrastructure management, urban management, the energy business, and data business.

Co-creation Measure 2 Promote autonomy and collaboration and build a one-stop system

Transition to a holding company

Group companies formed by business domain and region will manage autonomously while building an organization with a strong centripetal force based on the mission, technology, and governance of ID&E Group.

We will build a flexible and robust governance system by improving the profitability of each business, expediting decision-making, and strengthening our risk structure.

Build a one-stop system through collaboration with other business segments

Through seamless integration and collaboration without segmenting by region or company, we aim to create a business structure that can provide a one-stop shop for services in each domain across the board.

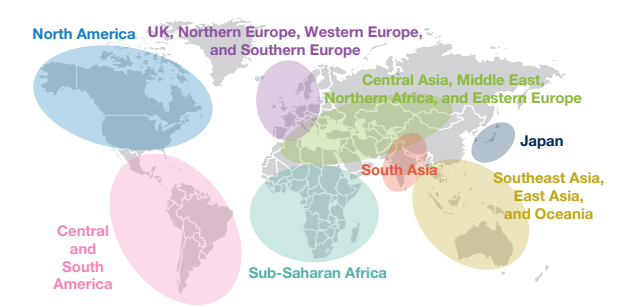
Implementation of matrix management based on both business and geographic regions

We will realize a matrix management system that operates and

manages the businesses of our three domains and the businesses of each region.

The Company will address global and regional social issues as well as propose optimal solutions to diverse needs with a sense of urgency.

Matrix management target areas



Co-creation Measure 3 Establish the ID&E brand and ID&E Group quality

Developing world-class human resources in coordination with our technology strategy

Human resources are the most important management resource of ID&E Group. In addition to expanding educational opportunities and programs that are closely aligned with our technology strategy, we will actively hire local human resources and promote diversity at our bases in each country to develop excellent human resources.

Realization of digital transformation (DX)

We will provide optimal solutions using DX technology. The Company will develop promising technologies in-house as well as through alliances with external companies, and apply them to our businesses.

ID&E Global Academy

By establishing the ID&E Global Academy to cultivate world-class human resources throughout the Group, we will foster human resources who embody the ID&E brand at each of our bases in various countries where we do business.

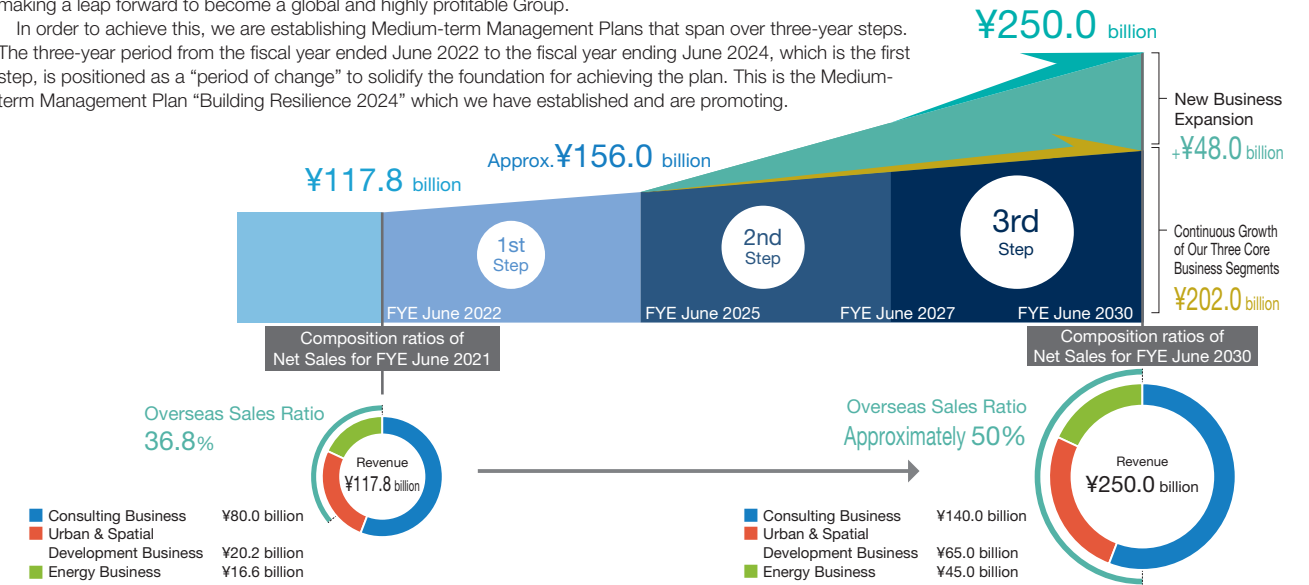
Quantitative targets for FYE June 2030

Revenue ¥250 billion	Operating profit ¥25 billion	Operating Margin 10%	ROE 15%
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Long-term Growth Graph and Positioning of the Medium-term Management Plan

With our long-term management strategy, we aim to increase Revenue by approximately 1.7x through sustained growth in our three main businesses and growth through new businesses, and to increase Revenue in overseas markets from approximately one-third of the current level to approximately half, thereby making a leap forward to become a global and highly profitable Group.

In order to achieve this, we are establishing Medium-term Management Plans that span over three-year steps. The three-year period from the fiscal year ended June 2022 to the fiscal year ending June 2024, which is the first step, is positioned as a “period of change” to solidify the foundation for achieving the plan. This is the Medium-term Management Plan “Building Resilience 2024” which we have established and are promoting.



Business strategy by segment

Consulting Business	2030 Revenue Target ¥140 billion Becoming a world-class consulting firm handling everything from consulting to management
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Market strategy: In the Japanese market, we aim to expand into the private sector and management field with a focus on public works projects. In the international market, we aim for non-ODA-oriented growth at Group companies with a focus on Japanese ODA projects. In regard to regions, we will promote entry into new market areas (Middle East, North America, etc.) while securing stable earnings in Asia as a region of particular importance.

Technology strategy: Accelerate the development of next-generation core technologies and needs-driven technology.

Human resources/organizational strategy: We will develop hybrid human resources who can play an active role both in Japan and overseas based on flexible responses to changes in the market environment and employee work-life balance. At our companies overseas, we will promote the training of regional engineers that can be active in third countries.

Urban & Spatial Development Business	2030 Revenue Target ¥65 billion Comprehensive operations in urban land development, public-private partnerships for urban and regional revitalization, smart city development, etc.
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Market strategy: In the Japanese market, we will focus on architecture, urban redevelopment, public-private partnerships, smart cities, etc. Overseas, we will actively pursue large-scale development around transportation hubs in Asia and urban development and redevelopment in Europe, the United States, and Oceania.

Technology strategy: We aim to utilize BIM and Smallworld (an integrated tool for map information and asset management) to use Nippon Koei Urban Space's technologies overseas.

Human resources/organizational strategy: We will address environmental improvement and human resources exchange to improve technological capabilities within the segment, and establish a comprehensive production organization for urban redevelopment.

Energy Business	2030 Revenue Target ¥45 billion Providing one-stop services for power systems associated with stable energy supply
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Market strategy: In addition to developing and operating new businesses in line with the deregulation of electric power, we will focus on the international standardization and sophistication of our core products. Overseas, Nippon Koei plans to establish its energy management business in Europe. In addition, we will promote the development and operation of microgrids, smart city, and renewable energy power generation businesses in Asia.

Technology strategy: We will improve the performance of our main products, strengthen our competitiveness by reducing costs, and develop systems that support DX. In addition, we will develop one-stop solutions integrating core technologies with storage battery and aggregation technologies.

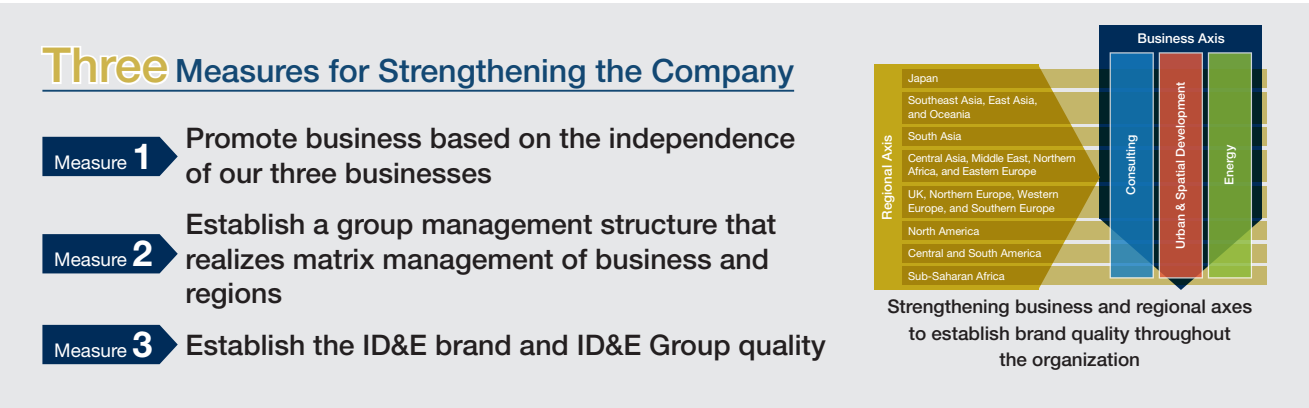
Human resources/organizational strategy: We will build a base for strengthening the production structure of manufacturing divisions, building supply chains, and promoting exchanges and collaboration between human resources and departments to provide one-stop solutions.

Medium-term Management Plan

“Building Resilience 2024”

Based on our Long-term Management Strategy, we have formulated “Building Resilience 2024,” a medium-term management plan to strengthen the foundation for the co-creation of a sustainable future over a three-year period, keeping in mind our aspirations for the year 2030.

While maintaining/improving business performance, we plan to make investments for medium- and long-term growth, which will lead to the future development of our Group.



Measure 1 Promote business based on the independence of our three businesses

We aim to promote independent businesses through three strengthened domains
(● Consulting Business ● Urban & Spatial Development Business ● Energy Business)

Key initiatives	Materiality
<div>● Advancement and global expansion of disaster prevention/mitigation technologies</div> <div>● Full-scale expansion into the management field</div>	M1. Development of a safe and reliable infrastructure
<div>● Expansion of transportation related businesses</div> <div>● Creation of smart city projects with a focus on decarbonization, safety, and security</div>	M2. Development of smart societies
<div>● Realization of one-stop services for urban (re)development projects</div> <div>● Expansion of BDP market</div> <div>● Full-scale development into urban management field</div>	M3. Creating attractive cities
<div>● Promotion of services that contribute to decarbonization</div> <div>● Establish foundation for power generation and energy management business</div> <div>● Strengthen manufacturing of core products and develop new products</div> <div>● Provide one-stop solutions utilizing diversified and diverse technologies</div>	M4. Challenge to decarbonization

Measure 2 Establish a group management structure that realizes matrix management of business and regions

We will strengthen our regional axis, which is the cornerstone of the Group's management structure to realize matrix management of business and regions.

Key initiatives	Materiality
<div>● Establishment of a pure holding company and governance structure to realize matrix management</div> <div>● Establishment of regional management structure and support for autonomous regional management</div> <div>● Realization of one-stop services</div>	M5. Enhancement of governance
<div>● Work style reform (promotion of well-being management)</div>	M6. Work environment where human rights are respected and job satisfaction is high

Measure 3 Establish the ID&E brand and ID&E Group quality

With our technology strategy, we will grow into a pioneering company that realizes a sustainable society by creating innovative value centered on DX. Using our human resources strategy, we will enhance our knowledge management and talent management systems, which we have built up to date, and establish the ID&E Global Academy, a co-creation platform for creating a human resources development system.

Key initiatives	Materiality
<div>● DX promotion</div> <div>● Establishment of the ID&E Global Academy</div>	M7. Human resource development and technical development

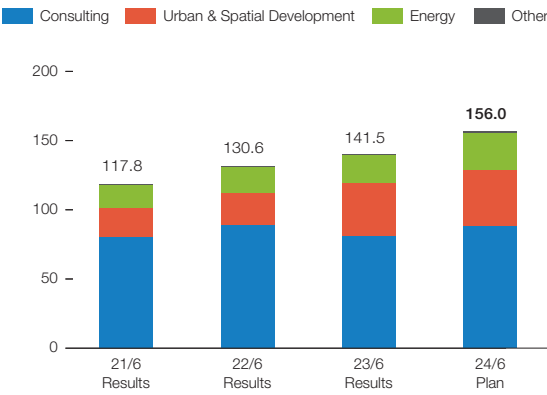
FYE June 2024 Numerical Targets (IFRS)

Revenue ¥156.0 billion	Operating profit ¥11.1 billion	Operating Margin 7%	ROE 9%
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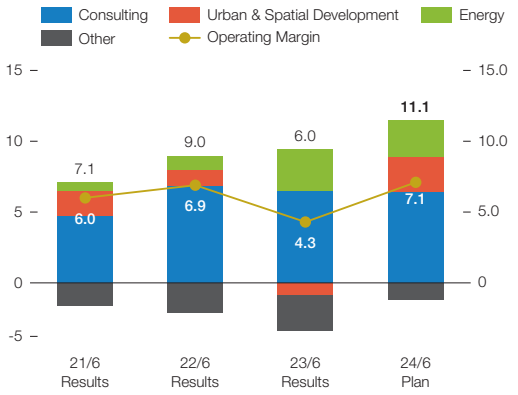
Expected Progress

- Revenue will grow by approximately 10% over the next three years.
- Operating income for the fiscal year ended June 30, 2023 decreased due to goodwill impairment losses at UK-based BDP.

Revenue (Billions of yen)



Operating profit (Billions of yen)/Operating margin (%)



Second-year Results and Initiatives Carried Out in the Third Year

	Review of the results for the fiscal year ended June 2023 (second year)		Initiatives carried out in the fiscal year ending June 2024 (third year)
Measure 1	Consulting Business	<div>● Promoted new DX-related businesses (utilizing AI-based inspection and diagnosis systems for local governments and BIM/CIM)</div> <div>● Concluded town development partnership agreements with local governments</div>	<div>● Promote businesses in various fields, including private-sector market development</div> <div>● Promote earnings structure reform</div> <div>● Implement thorough risk and quality control</div>
	Urban & Spatial Development Business	<div>● Promoting integrated operations within the segment</div> <div>● BDP and Quadrangle received large-scale project orders</div>	<div>● Promote BDP's expansion in Asia</div> <div>● Develop new customers and businesses in Japan and overseas, including alliances</div>
	Energy Business	<div>● Sales and production capacity of core products have not been stabilized</div> <div>● Started Large-Scale Battery Storage Project operations in Belgium</div>	<div>● Full-scale expansion into the energy management business</div> <div>● Promptly rebuild the production structure of manufacturing departments</div> <div>● Establish the structure of mechanical/electrical consulting & engineering departments</div>
Measure 2	Organizational Strategy	<div>● Started holding company, operating company, and business management company operations</div> <div>● Introduced of a new system for monitoring investment projects</div> <div>● Established Sustainability Council under the holding company structure</div> <div>● Built a system to support the TCFD recommendations</div>	<div>● Declare support of the TCFD recommendations (September 2023)</div> <div>● Build a system to support TNFD recommendations and human rights</div>
	Business Strategy	<div>● Restructured the regional management system and appointed regional managers from each major company</div>	<div>● Accelerate decision-making and improve agility under the holding company structure, and strengthen governance, including risk management</div> <div>● Build a regional management system to meet the diversifying needs of regions</div>
	Human Resources Strategy	<div>● Updated telework guidelines and reviewed work attendance balance</div> <div>● Recognition as an Outstanding Health and Productivity Management Organization (White 500) for five consecutive years</div>	<div>● Build and implement a system for promoting sustainability management</div> <div>● Promote co-creation to demonstrate the comprehensive capabilities of the ID&E Group</div>
Measure 3	Human Resources/Technology Strategy	<div>● Started BIM/BIM internal qualification system operation</div> <div>● Formulated DX vision and held regular DX briefing sessions</div> <div>● Received orders for 3D model-related work in the disaster prevention field and orders for smart city projects</div>	<div>● Secure diverse human resources and achieve a comfortable working environment</div> <div>● Plan human resources strategy in line with the Group strategy, implement human resource development and talent management</div> <div>● Promote DX measures with a sense of urgency</div> <div>● Establish and launch the ID&E Global Academy</div>

Financial Strategy



We will continue to accelerate growth through appropriate capital allocation while appropriately controlling risks.

Yasushi Hirusaki

Director and Representative Executive Officer
In charge of IR and Corporate Planning and Management

The role of a financial capital strategy to realize the Long-Term Management Strategy

The ID&E Group is a corporate group formed in July 2023 by restructuring the Nippon Koei Group in order to strongly promote its unique business, including comprehensive social development through a wide range of business fields, contributions worldwide through a global network and the promotion of emergence through diverse human capital.

We are a corporate group that provides people around the world with safe and secure lifestyles through integrity and technology as expressed in our Management Philosophy, “Act with integrity & Contribute to society through technology and engineering,” and our Mission, “Make the World a Better Place.” I believe that, in order to earn the trust of our customers and other stakeholders over the long term, it is important to continue investing for sustainable business growth, secure investment capacity, and maintain a strong financial base that enables us to achieve this. We recognize the need to further strengthen our financial strategy as we move forward with new alliances, M&A, and other investments based on the aforementioned growth strategy. In other words, maintaining financial soundness and improving capital efficiency are the most important things to do.

Growth investment from a medium- to long-term perspective

The Group expanded its business domain under the previous Long-Term Management Strategy, reorganized its portfolio into three segments: Consulting Business, Urban & Spatial Development Business, and Energy Business under the current Medium-Term Management Plan, and our main group companies will each be responsible for one of the three segments from July 2023. Currently, we are strengthening our three segments and focusing on effective business alliances and M&A investments in areas where earnings are expected to grow for the Group as a whole.

One of the projects that the Group has been working on continuously as an investment in its main business is investment in the Energy Business in preparation for the global acceleration of decarbonization. The ID&E Group has traditionally focused on the asset-light business model of construction consulting, which does not require large investment capital, but has invested in asset-ownership to acquire related technologies, with one grid storage battery project in Belgium and one in the UK underway at the end of 2023. The foundation for accelerating business development is being built, and we entered the profit-generating phase in the

energy management business since the fiscal year ended June 30, 2024. The know-how cultivated through investment in optimal control and utilization of renewable energy is indispensable technology for smart urban development. I expect that this know-how will not only grow the energy business but also create synergies by working together with each business, leveraging our comprehensive strengths.

In addition to capital investment and R&D as investments in existing businesses, we will also strengthen investments in human resource recruitment and human resource development.

As we continue to promote investments for business expansion and productivity improvement, we are preparing for monitoring using ROIC, etc. as defined in our Long-term Management Strategy, further elaboration of fund management, and upgrading of the Group’s cash management system. Taking advantages of a holding company structure, the holding company is responsible for the aggregation of funds from each business and raising funds with the policy to concentrate investments in areas that are considered to be most effective from the perspective of the entire Group. Investment decisions are made on the condition that they meet the investment standards acceptable to the Group in terms of net present value (NPV) and internal rate of return (IRR). Important matters are ultimately approved by the Board of Directors of the holding company. As for monitoring investment projects, we have updated our system and evaluation criteria since the fiscal year ended June 30, 2023, and each operating company has been proactively and autonomously monitoring and effectively checking the success or failure of future investments based on both quantitative evaluation items, such as the return to the Company from the investee, cash flow comparison with the actual results, and balance sheet data, and qualitative evaluation items, such as changes in the investment environment.

While investing in accordance with the above policy, in the fiscal year ended June 30, 2023, we sold our stake in Ironmont Hydro Pte. Ltd., a Singapore-based hydroelectric power business investment company in which we invested in the Energy Business. We pursue appropriate capital allocation by engaging in entry (M&A, etc.) and exit (sale, etc.) projects in a disciplined and strategic manner, taking into account risk diversification and future growth potential.

Increasing ROE and improving capital efficiency

We emphasize ROE as an indicator of capital efficiency. In line

with our growth strategy, we have steadily improved from 6.7% in the fiscal year ended June 2021, the final year of the previous Medium-Term Management Plan, to 8.8% in the fiscal year ended June 2022, the first year of the current Medium-Term Management Plan (8.6% when excluding goodwill impairment losses in the fiscal year ended June 2023). By further increasing asset efficiency in the future and implementing the growth strategy formulated in the Medium-Term Management Plan, we aim to raise ROE to 9% in the Fiscal Year Ended June, 2024, the final year of the plan, and to boost it to the 15% level over the long term.

In terms of capital efficiency, we have continued to reduce our cross-shareholdings. However, in the fiscal year ended June 30, 2023, we continued to promote the sale of cross-shareholdings, resulting in a sales amount of approximately ¥1.8 billion and a net asset ratio of 3.0% of our cross-shareholdings. In addition, in order to reorganize our asset portfolio, we will closely examine the use of Group assets, etc., and expect to generate cash of approximately ¥5 billion or more over the next two years. I want us to consider replacing the funds generated through the accelerated sale with assets directly related to our business to improve our balance sheet and return profits to shareholders.

The ID&E Group will continue to accelerate growth through appropriate capital allocation while appropriately controlling risks.

Improving corporate value through shareholder returns

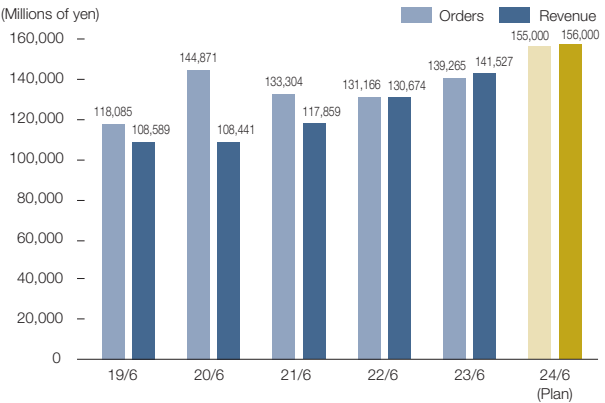
The Company positions the return of profits to shareholders as an important management issue. Our basic policy is to maintain stable dividends and increase shareholder returns in line with our profit level, taking into consideration our financial situation and earnings trends with a target payout ratio of 30%. In the fiscal year ended June 30, 2023, each profit target fell short of its target due to the impairment of goodwill at UK-based BDP. However, in accordance with our policy of stable dividends, we paid a dividend of ¥125 per share with a payout ratio of 60.9%. For the fiscal year ended June 30, 2024, we plan to pay an annual dividend of ¥125 per share. The Company will also flexibly carry out repurchases of treasury shares after considering the market environment.

We will continue to work to enhance shareholder returns appropriately, engage in dialog with shareholders and investors, and deepen their understanding of our business, thereby improving our corporate value. I would like to ask for your support as we look forward to the future development of our Group.

At a glance

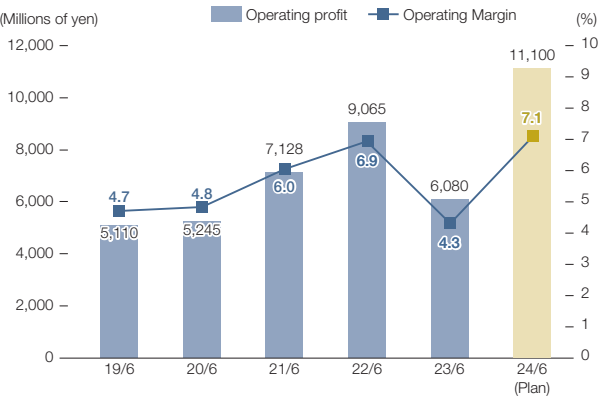
Orders and Revenue

As a result of expanding our business domains under the previous long-term management strategy and reorganizing the portfolio under the current medium-term management plan, we have continued to grow in our main three business segments. * Results until FYE June 2019 with Japanese GAAP



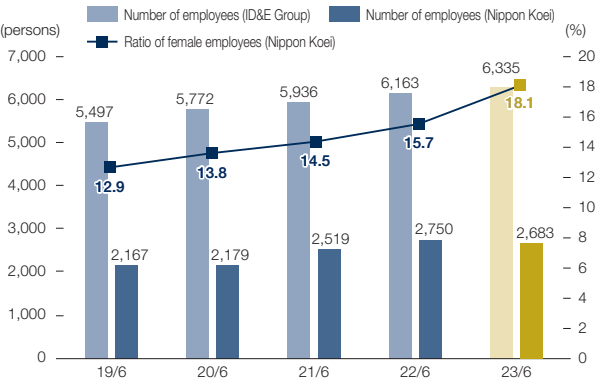
Operating Profit and Operating Margin

We are also working on measures to improve productivity in order to promote our business efficiently. In the fiscal year ended June 30, 2023, we recorded approximately ¥4 billion yen of goodwill impairment losses of our consolidated subsidiary BDP as a result of an increase in the discount rate due to inflation.



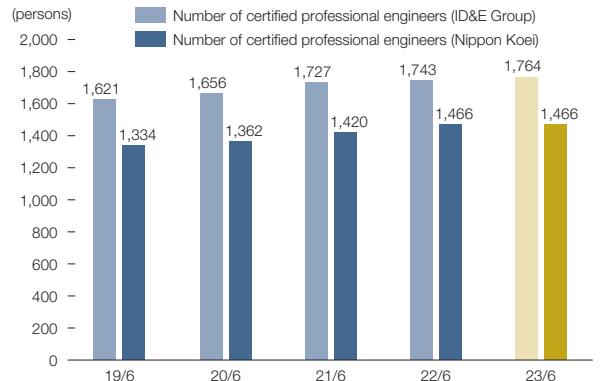
Number of Employees

The number of Group employees is increasing due to business expansion. We hire about 150 to 200 new employees every year, including those hired at Group companies in Japan.



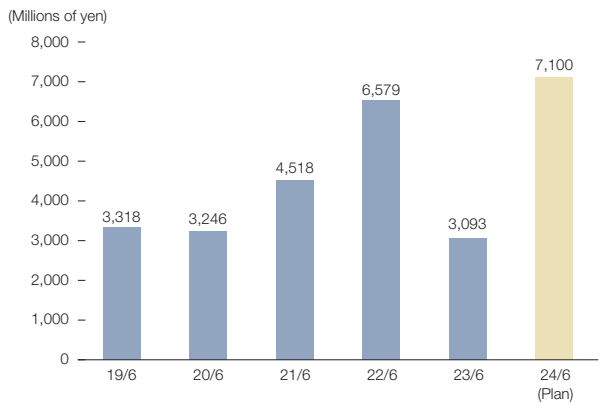
Number of Certified Professional Engineers

The number of the certified professional engineers is increasing year by year due to the enhancement of measures to acquire qualifications such as seminars.



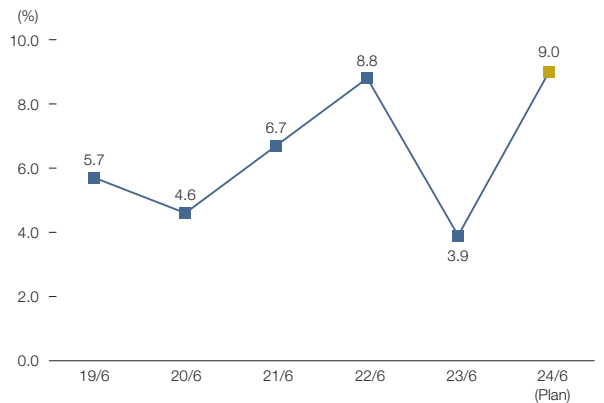
Profit attributable to owners of parent

The Group is generating stable profits. In the fiscal year ended June 30, 2023, revenue was strong but profit decreased due to goodwill impairment losses and other factors.



ROE (%)

We aim to improve capital efficiency through the sale of strategic shareholdings, etc.



Ranked No. 1 in Sales in Japan's Civil Engineering Consulting Industry

Nippon Koei has established a leading position as a civil engineering consulting firm in Japan that is ranked No. 1* in sales.
*Source: "Number of overseas orders received by engineering consulting firms in Japan," Nikkei Construction, April 20, 2024



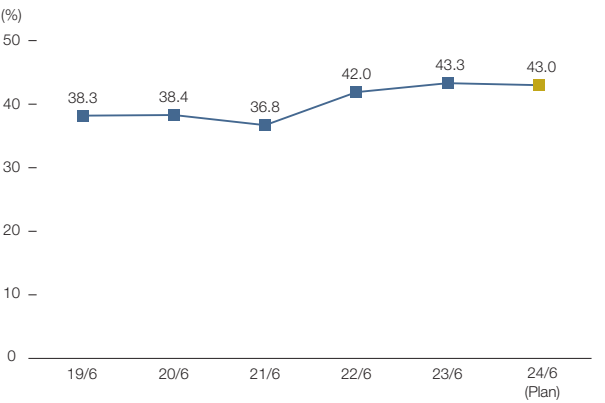
Recognition as an Outstanding Health and Productivity Management Organization (White 500) for five consecutive years

In order to put ID&E Group's Management Philosophy into practice, we believe that the first priority is the health of employees and their families, both physically and mentally. This is the reason why we promote health management.



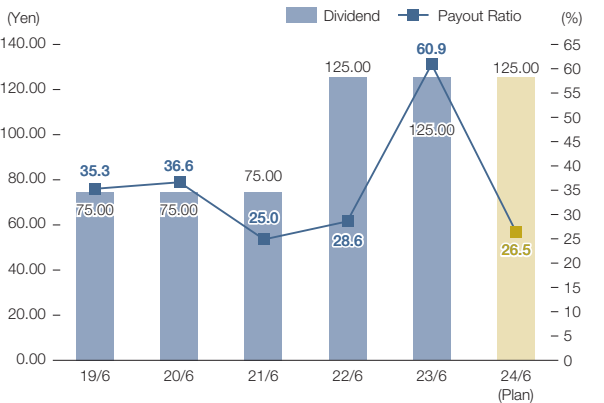
Overseas Sales Ratio

As the fiscal year ended June 30, 2022, travel restrictions have been eased significantly. Therefore, the number of projects handled by overseas business divisions has increased, resulting in a higher overseas sales ratio.



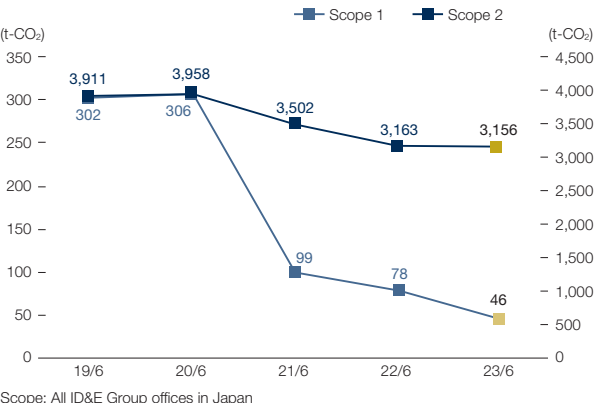
Annual Dividend and Dividend Payout Ratio

The basic objective of our dividend policy is to provide stable dividends and provide shareholder returns in line with rising profit levels, with a target dividend payout ratio of 30% over the medium to long term. Most recently, the dividend per share increased in line with the Group's strong business performance.



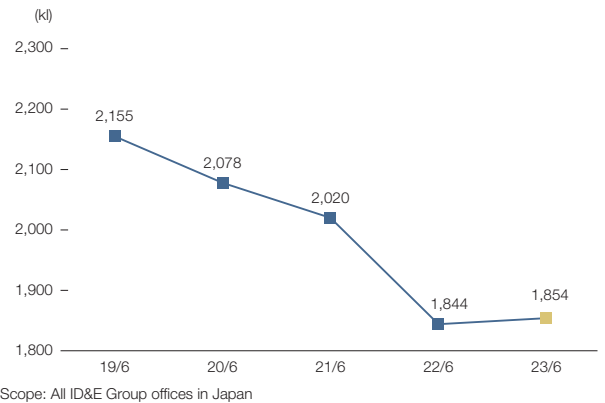
CO₂ Emissions

CO₂ emissions are decreasing due to the promotion of energy-saving activities at offices and factories and the use of solar power generation at factories.



Energy Consumption

In addition to curbing energy consumption, we are working to supply 100% renewable electricity from the hydroelectric power plants that we operate to three of our company locations (Head Office, R&D Center, and a manufacturing site).



Sustainability Management

Approach to ID&E Group Sustainability

The sustainability of our Group comes from solving environmental and social issues by developing business strategies that address environmental and social issues as growth opportunities and promoting business activities based on the Management Philosophy.

Under the “ID&E Group Code of Conduct,” and “Sustainability Basic Policy,” each and every one of our members is working with a high level of awareness to address environmental and social issues toward the development of a sustainable society, aiming to contribute on a global scale by leveraging our business domain.

Currently, in order to promote effective sustainability management, we are formulating the ID&E Group Sustainability Management Framework. This framework expresses our vision for the level of sustainability management that the ID&E Group should aim for. The ID&E Group Sustainability Management Framework is divided into three areas: Environment (E), Social (S), and Governance (G), and presents the Company’s policies and action guidelines for each of these issues, serving as a compass for the Group’s sustainability management. Based on this framework, we plan to monitor the implementation status and results of our initiatives. We will disclose information on our established policies, action guidelines, and sustainability initiatives to ensure that our stakeholders understand the Group’s sustainability management policies.

Sustainability Management Activity History	
1993	Established Nippon Koei Basic Policy for the Global Environment
1996	Established Nippon Koei Action Plan for the Global Environment
1998	Ten Environmental Principles were established by the Consulting Unit (former name)
2015	A new version of the Ten Environmental Principles established based on the Nippon Koei Basic Policy for the Global Environment and the Nippon Koei Action Plan for the Global Environment as well as the Ten Environmental Principles of the Consulting Unit.
2021	Established Sustainability Promotion Committee
2022	Established Sustainability Basic Policy
2022	Established Sustainability Design Office
2023	Established ID&E Sustainability Promotion Council Established a Sustainability Promotion Committee at each main group company
2023	Established Sustainability Promotion Office
2023	Endorsed TCFD (Task Force on Climate-related Financial Disclosures) Recommendations and made first related information disclosure
2023	Started conducting due diligence

Sustainability Basic Policy

Contribute to society through business activities		We will proactively promote commercialization of efforts to solve social issues and contribute to the development of a sustainable society through business activities to support optimal infrastructure development according to the needs of the times.
Environment	Environmental consideration	We will strive to create a richer social environment that harmonizes the natural environment and the living environment by emphasizing climate change response, transition to a resource-recycling society and the need for biodiversity.
Social	Respect for human rights	Through the supply chain, we recognize diversity, respond to human rights risks related to race, nationality, gender, ideology, beliefs and social status, etc., and strive not to assist human rights violations.
	Human resource development	We will develop human resources who have expertise to meet customer needs and can globally play an active role, and will maintain fair and impartial employment relationships so that employees can play an active role.
	Improvement of working environment	We will support not only the safety of employees but also proactive health promotion, and will strive to develop an environment that is worth working in where they can actually feel comfort and richness.
Governance	Strengthening governance	We will comply with the policies for corporate governance and ensure transparency of management through complete communication with stakeholders to increase the degree of reliability.
	Sincere business execution	We will comply with corporate ethics including laws and ordinances and social norms and carry out fair transactions with all the business partners by respecting mutual positions.

Sustainability Basic Policy

The ID&E Group establishes trust with stakeholders and promotes sustainability management in order to contribute to the development of a sustainable society, based on fair and transparent corporate management that is guided by values shared within the Group.

We promote the following activities from the perspective of contributing to the creation of social value through our business activities, in addition to the perspective of responding to the impact of our business activities on society and to social needs from a wide range of perspectives.

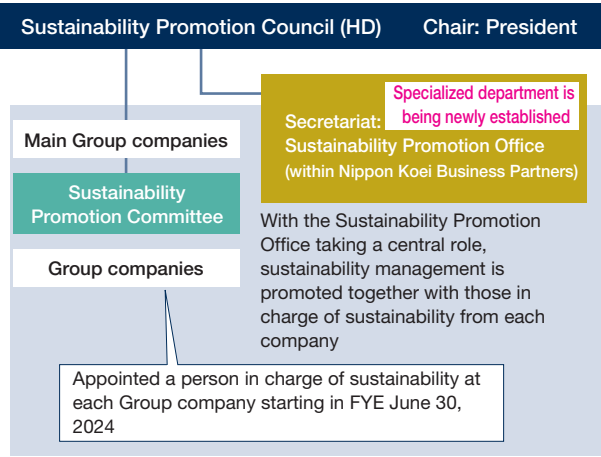
Sustainability Promotion System

The ID&E Group has established the Sustainability Promotion Council, chaired by the President, and the Sustainability Promotion Office, which serves as its secretariat and coordinates the promotion of sustainability management across the Group with the aim of further strengthening efforts to promote sustainability activities not only in business activities but also in corporate management and to realize a sustainable society.

The Sustainability Promotion Council, which is based on the Sustainability Promotion Committee established at Nippon Koei in September 2021, will be responsible for considering important sustainability issues and targets across the Group and clarifying the necessary implementation strategies, etc. The Council is chaired by the President, with outside directors as advisors, and with those who are responsible for each business company as Council members. Depending on the topic to be discussed, other parties concerned will attend the Committee, and outside experts will be invited.

The Council is responsible for approving and deciding on activities, and formulating business and management policies related to Group- wide sustainability risks and opportunities. The Council’s activities are supervised by the Board of Directors and matters discussed by the Council are regularly submitted and reported to the Board of Executive Officers and the Board of Directors.

Sustainability Promotion System



Composition of the ID&E Sustainability Promotion Council

Chair	Hiroaki Shinya Director and Representative Executive President
Advisor	Yoko Ishida Outside Director
Number of Members	President at each business company and Director Generals and Acting Director Generals at ID&E (11 persons in total)
Secretariat	Sustainability Promotion Office

Main Discussions of the Sustainability Promotion Council and Future Responses

Main Discussions During FYE June 2023	<ul style="list-style-type: none">● Establishment of a Sustainability Promotion Council and placement of full-time officers● Consideration and establishment of the Basic Sustainability Policy● Consideration of roadmap for promoting sustainability management and order of priority for sustainability activities● Support for domestic and overseas initiatives, establishment of order of priority for information disclosure and related support● Analysis of current sustainability management conditions at the Company● Held study sessions to understand social trends and to improve the quality of information disclosure through mutual recognition of issues● Review and enhancement of Sustainability Promotion System● Commencement of sustainability management framework study
Future Responses	<ul style="list-style-type: none">● Development of sustainability management framework and disclosure (including consideration of sustainability goals, targets, and commitments)● Expansion of number of business companies that become UNGC signatories● Respond to TCFD and obtain Science Based Targets (SBT) certification● Response to TNFD● Response to human rights issues

Signatory of the UN Global Compact

In June 2019, Nippon Koei expressed its support for the United Nations Global Compact (UNGC) proposed by the United Nations. We are also a member of the Global Compact Network Japan, which is comprised of Japanese companies that have signed the UNGC. ID&E Holdings will carry on this UNGC signature and promote support for the UNGC throughout the Group.

Many of the projects in which we are involved in, such as infrastructure construction, energy development, and environmental conservation in developing countries, will greatly contribute to the realization of the Ten Principles of the UNGC. We will promote management in accordance with these principles and contribute to the creation of a sustainable society through our business.



Environment

Summary

FYE June 2023 Initiatives and Results <ul style="list-style-type: none">Started response to climate change issues (commencement of TCFD information disclosure study)Started a trial project called “NKRE100,” which aims to achieve 100% renewable energy usage at three of our locations in Japan	Plan for the Next Fiscal Year <ul style="list-style-type: none">Appropriately disclose information related to TCFD, TNFD, etc.Formulate Group policies in the environmental field and action guidelines for each environmental issue
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Basic Approach

Basic Approach to the Environment

Nippon Koei established the Ten Environmental Principles to encourage individual staff to think and act on their own while striving to reduce the environmental load and effectively utilize resources through business.

In our operations, we will utilize our Quality and Environmental Management System and contribute to environmental considerations in accordance with the SDGs, the Sustainable Development Goals, through our knowledge and technical capabilities related to environmental considerations.

Ten Environmental Principles

1

Gain basic understanding.

2

Comply with environmental laws and regulations.

3

Give consideration to the actual status of the natural and social environments of the region.

4

Proactively engage in environmental impact assessment.

5

Pay attention to the diversity of environmental fields.

6

Enhance technological capabilities with environmental considerations as a value added.

7

Consider cost effectiveness in relation to environmental considerations.

8

Propose measures and processes enabling environmental considerations.

9

Accumulate, share and communicate knowledge and information relating to environmental considerations.

10

Incorporate environmental considerations into quality management system.

Responding to Climate Change

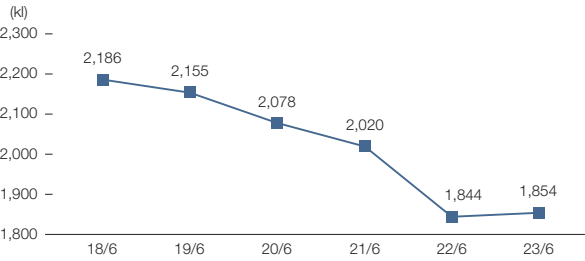
ID&E Group provides consulting services for greenhouse gas reduction in various business fields, whether it be promoting the modal shift from automobiles to railroads and ships, supporting conversion to renewable energy, supporting the efficient use of energy, reducing greenhouse gas emissions by improving waste treatment technology, or supporting the Ministry of the Environment’s Joint Crediting Mechanism (JCM).

In the Energy Business, we recognize the importance of both

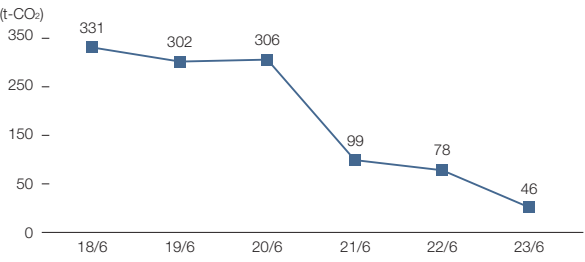
“reducing the environmental impact of our own operations” during the equipment manufacturing process and the construction of substations and power plants, and “reducing the environmental impact of our customers’ use of our Group products,” promoting initiatives on both sides.

In September 2023, ID&E Holdings declared its support for the Task Force on Climate-related Financial Disclosures (TCFD) recommendations and made its first disclosure in alignment with the TCFD. We will continue to promote the further disclosure of climate change-related information, strengthen governance and business strategies related to climate change, build further relationships of trust with stakeholders, and aim to sustainably increase corporate value.

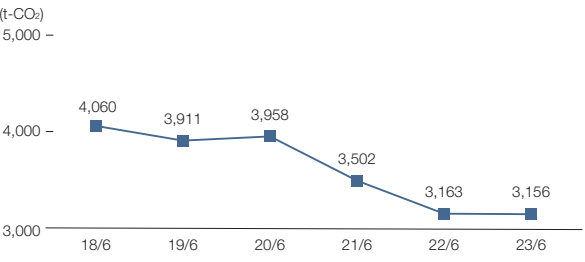
Energy Consumption



CO₂ Emissions (Scope 1)



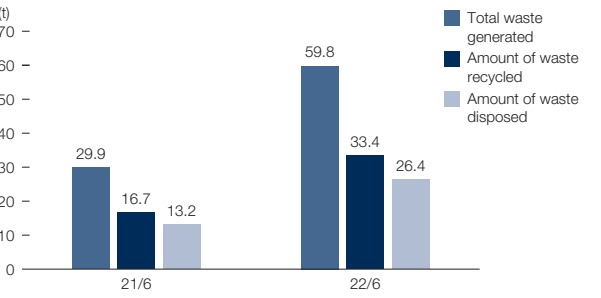
CO₂ Emissions (Scope 2)



In-house Initiatives for Reducing Environmental Impact

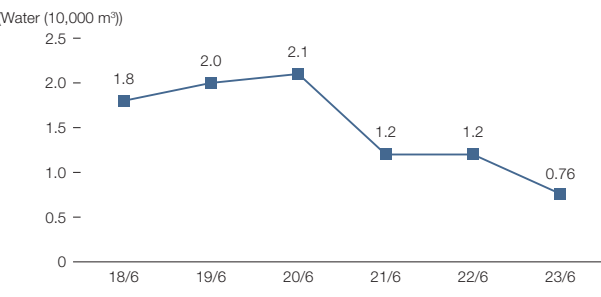
At our head office building located in Chiyoda-ku, Tokyo, we have incorporated an energy management system developed in-house and an energy-saving system that uses geothermal heat, based on the knowledge gained from our core businesses. Fukushima Works, which has a manufacturing department and is located in Sukagawa City, Fukushima, is working on reusing packaging materials, recycling waste plastic and waste wood, and reducing power consumption by installing solar power generation facilities and introducing storage batteries.

Amount of Waste Generated and Amount Recycled



* All Nippon Koei offices in Japan (Period: From April to March of the following year)

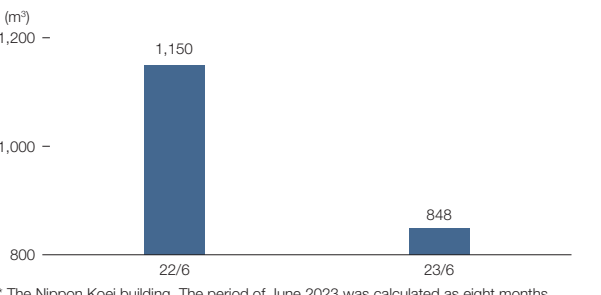
Water Use



* All Nippon Koei offices in Japan (Period: From April to March of the following year)

ID&E Group has installed facilities to utilize rainwater for the purpose of making effective use of water resources and contributing to curbing the intensive outflow of rainwater into sewerage systems and rivers.

Rainwater Use



* The Nippon Koei building. The period of June 2023 was calculated as eight months.

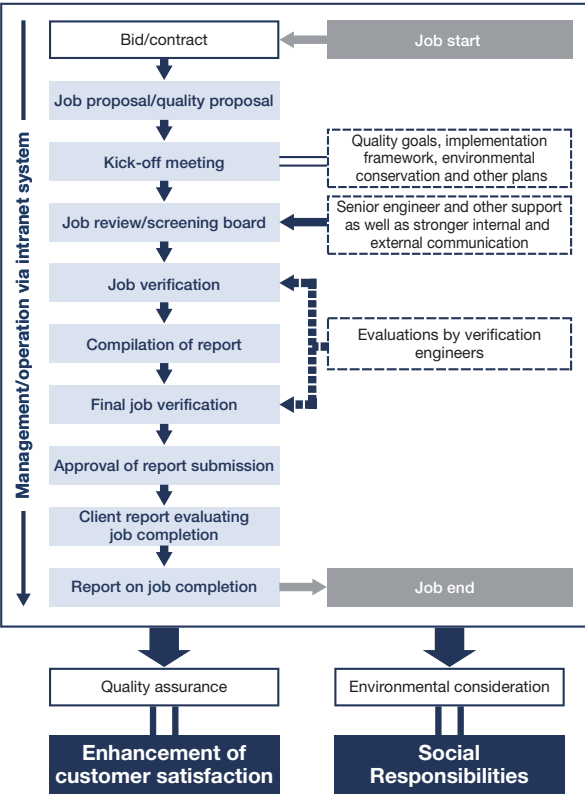
Launch of NKRE100

In July 2023, we launched the trial project called NKRE100, which aims to achieve 100% renewable energy usage at three locations in Japan, including our headquarters by supplying electricity from hydroelectric power plants operated by ourselves.

Quality and Environmental Management System

The Company has built and operates a quality and environmental management system in compliance with ISO 9001 and ISO 14001 standards in an active effort to ensure quality and protect the environment at its primary business companies.

This quality and environmental management system standardizes business processes and fosters ongoing improvements by setting and pursuing quality and environmental objectives as well as assessing the effectiveness of the system. By operating this system and responding to quality and environmental risks and opportunities that affect our business activities, we are working to improve quality and customer satisfaction and fulfill our social responsibilities through environmental considerations.



TCFD Disclosure

In September 2023, the Group declared its support for the Task Force on Climate-related Financial Disclosures (TCFD) recommendations and made its first disclosure in alignment with the TCFD.

Viewing climate change as an important management issue, ID&E Group has set “Challenge to decarbonization” as a materiality. We will contribute to solving social issues related to climate change and natural capital/biodiversity conservation through human resource development and technological development.

In the future, the Company plans to disclose information in stages. Specifically, we have revised our corporate governance organizational chart, analyzed risks and opportunities in detail, and calculated GHG emissions to cover ID&E and the following five major consolidated Group companies. The sales of the following five companies accounted for approximately 70% of ID&E’s sales in FYE June 30, 2023.

- Nippon Koei Co., Ltd.
- Nippon Koei Urban Space Co., Ltd.
- BDP Holdings Limited
- Nippon Koei Business Partners Co., Ltd.
- Nippon Koei Business Partners Co., Ltd.

Governance

The Sustainability Promotion Council, chaired by the president of the holding company, is composed of (1) the presidents of main group companies (Nippon Koei, Nippon Koei Urban Space, BDP, Nippon Koei Energy Solutions, and Nippon Koei Business Partners) and (2) the Director General of Nippon Koei Business Partners, which is responsible for providing common group services, and deliberates on/monitors policies and measures for sustainability promotion and their implementation. Important policies are discussed and decided upon by the Board of Executive Officers and the Board of Directors.

In principle, a Sustainability Promotion Committee is established at each main group company chaired by each president. In collaboration with the Sustainability Promotion Council of ID&E Holdings, each Committee will promote sustainability in Group business segments.

Strategy

We selected the base scenarios “SSP1-1.9 (below 1.5°C scenario)” and “SSP5-8.5 (4°C scenario)” for scenario analysis from the UN Intergovernmental Panel on Climate Change (IPCC).

Below 1.5°C Scenario (SSP1-1.9)
A scenario in which decarbonization is promoted to the maximum extent under sustainable development, with environmental policies and regulations being strengthened to achieve carbon neutrality by 2050, the introduction of a carbon tax, and the advancement of renewable energy as a mainstream power source
4°C Scenario (SSP5-8.5)
A scenario in which the scale and frequency of natural disasters increase significantly compared to the “Below 1.5°C Scenario”

Based on these scenarios, the Group analyzes medium- to long-term risks and opportunities regarding climate change factors that affect its business, and discloses risks and opportunities that are high priorities for the Group. Moving forward, we will continue to examine the impact of climate change risks and opportunities on our finances and the concrete implementation of countermeasures, and work to further expand information disclosure. Details about the risks and opportunities recognized by the Group are shown in “List of Risks and Opportunities” on the following page.

Risk Management

As the Group considers climate change-related risks (including opportunities) to be an important management issue, the Sustainability Promotion Council plays a central role in collecting and analyzing information on issues related to climate change, natural capital, and biodiversity, as well as financial risks, to formulate the Group’s action policy and action plan.

Additionally, in accordance with the Crisis Management Regulations, the Group systematically implements risk management by identifying risks that have a negative impact on business activities at each Group company (the possibility of losses due to events that hinder the achievement of the Group’s business objectives), considering management measures, and formulating/ promoting a risk management plan based on consideration of management measures.

The risk management of the Group is carried out by the Risk Operations Council (members include all executive officers). A Risk Management Committee has been established at each main group company, which are all under the supervision of the Risk Operations Council. The Sustainability Promotion Council and the Risk Operations Council work together to manage climate change risks.

List of Risks and Opportunities

Type of risk/opportunity		Details of risk/opportunity	Business and financial impact		Measures
			1.5°C	4°C	
Risks					
Transition risk	Introduction of carbon tax	● Increased energy procurement costs, such as utility and fuel costs	Small	-	● Offset of CO ₂ emissions from our own offices through renewable energy production
Physical risks	Frequent, more severe weather disasters	● Interruption of business continuity due to heavier damage and increased recovery costs	Big	Big	● Development of disaster countermeasures-related systems (already in place) through cooperation among Group companies, and enhancement of systems for updating and optimizing disaster-prevention infrastructure
Opportunities					
Opportunities associated with the transition	Introduction of carbon tax	● Increased demand for consultancy related to carbon trading	Big	-	● Sale of renewable energy certificates as a result of renewable energy production ● Strengthening of carbon credit-related businesses and new business creation
	Transition to renewable energy and low-carbon energy source use	● Expansion of investment in projects related to the spread of renewable energy	Big	-	● Development of businesses related to the spread of renewable energy using aggregation technologies and other technologies ● Proactive development of consulting related to energy conservation and renewable energy
Opportunities associated with physical risks	Frequent, more severe weather disasters	● Increased demand for disaster prevention and mitigation consulting services and disaster response services	Medium	Medium	● Development of technologies utilizing AI and remote sensing technology using satellites

* In regard to transition risks and opportunities, we examined items that could affect the Company due to government policies and market changes in order to limit temperature increase to less than 1.5°C. (Transition risks/opportunities for the 4°C scenario are not assumed.)

* As for physical risks and opportunities, we examined items that could affect the Company through temperature increases (for the physical risks and opportunities in the 1.5°C and 4°C scenarios, impact on business is assessed for the year 2050, and we assume that a temperature difference and difference in business impact will be seen in 2100).

Indicators and Targets

In order to monitor greenhouse gas emissions from the Group’s corporate activities and assess climate-related risks and opportunities, the Group first calculated Scope 1 and Scope 2 CO₂ emissions at ID&E’s main sites in Japan.

In the future, we will calculate Scope 3 emissions and gradually expand the scope of calculation of greenhouse gas emissions to reduce those emissions.

Category		FY2023 Emissions (t-CO ₂)
Scope 1		46 t-CO ₂
Scope 2	Market criteria	3,156 t-CO ₂
	Location criteria	3,024 t-CO ₂
Scope 1 and Scope 2 total	Market criteria	3,202 t-CO ₂
	Location criteria	3,070 t-CO ₂

Scope: ID&E (non-consolidated)
(major domestic bases of Nippon Koei non-consolidated in FYE June 30, 2023)

Society

Summary

FYE June 2023 Initiatives and Results <ul style="list-style-type: none">Started to consider the formulation of a human rights basic policy and to conduct human rights due diligencePreparation for the establishment of the ID&E Global Academy (P.23)Recognition as an Outstanding Health and Productivity Management Organization (White 500) for five consecutive years	Plan for the Next Fiscal Year <ul style="list-style-type: none">Establishment of the ID&E Global AcademyInitiatives aimed at successive recognition as an Outstanding Health and Productivity Management Organization
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Human Resource Development

Human Resource Policies and Basic Approach to Human Resources

ID&E Group considers its human resources as its greatest management asset and the source of value creation. The Group provides a full range of training and seminar programs designed so each staff is fully aware of their role as a professional, feels their own growth, freely demonstrates their abilities, and feels a sense of purpose in their work. In addition, the personnel structure and training systems are formulated to support continuing skill development.

Various Systems

Job Rotation System

ID&E Group has established the Multi Seed Program (MSP), a human resource exchange program for young engineers to gain experience in different technologies, businesses, and occupations, thereby developing engineers who can accept and utilize diversity in technology, knowledge, working environment, values, etc. The aim of this program is to develop engineers who are not biased toward a single specialization and are capable of responding to future changes in the business environment, and to expand our human network.

In regard to administrative staff, we regularly conduct job rotations, especially for younger staff, because they are required to demonstrate a high level of expertise in accounting, finance, legal affairs, human resources, sales, and other areas to support business operations in an appropriate, accurate, and efficient manner, and to carry out business management from a management perspective.

Career Development Support System

We have established multiple programs to help staff who are enhancing their own professional development. The purpose of the “Financial incentives for certification attainment” program and “Educational support system for self-improvement” is to encourage

staff to acquire official qualifications necessary for business strategy as well as to promote their self-improvement.

In addition, we encourage staff to submit papers and give lectures at academic conferences, and provide the “Financial incentives for paper submissions and lecture attendance” program for the purpose of developing skills and forming external networks.

Support System for Obtaining Professional Engineer Certification

Certified Professional Engineer is the highest national qualification for engineers in Japan and it is essential for our business strategy that our engineers have this qualification. We support staff seeking to become certified professional engineers by offering annual preparation seminars for the certification examinations. We have programs that allow staff to take on the challenge of taking examinations with confidence by providing guidance through qualified staff, holding workshops and study sessions, and preparing programs such as mock interviews. The Company also offers financial incentives and a support system for the cost of examinations to reward staff that earn certification.

Measures to Improve Staff Engagement

We believe that it is important for all staff to share the vision and mission of ID&E Group and operate its business with a sense of unity and regularly publish message from the president as well as internal newsletter and other means to share values and raise awareness.

It is important to properly evaluate abilities and achievements in order to improve staff motivation. Therefore, we conduct personnel evaluations once a year linked to the target management system. In order to ensure the proper operation of this personnel evaluation, we conduct evaluator training for newly appointed managers, and in order to ensure the fairness of evaluation results, we hold an evaluation committee in which multiple members are appointed and established by director generals of different headquarters to verify the evaluation from an objective perspective.

In addition to these measures prepared by the Company, we conduct a career questionnaire once a year for all staff of certain ranks (excluding part-time and contract staff) as an opportunity for staff to present us with their own career aspirations and requests. The results are used for job rotation purposes and to improve the work environment.

Introduction	Strategy	Sustainability/ESG	Business Overview	Status of the Company
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Direct Dialogue with Management

We aim to improve staff engagement through direct dialogue between management and staff. Management and staff exchange opinions on issues related to career development, business management policies, and personnel/labor management measures.

Key Human Resource Data

	FYE June 20	FYE June 21	FYE June 22	FYE June 23
Number of Certified Professional Engineers (Group total, number of persons)	1,656	1,727	1,743	1,764
Number of Certified Professional Engineers (Nippon Koei, number of persons)	1,362	1,420	1,466	1,466
Number of New Staff (Domestic Group total, number of persons)	187	206	205	185
Ratio of Female Staff Among New Staff (Domestic Group total, in percent)	22.5	29.1	37.1	33.0
Average Number of Years of Employment (Nippon Koei, number of years)	13.9	13.6	13.4	14.2
Staff Turnover Rate (Nippon Koei, %)	2.1	1.8	2.4	3.6

Turnover Rate of New Graduate Hires Within 3 Years (Nippon Koei)

	April 2016	April 2017	April 2018	April 2019	April 2020
Turnover Rate Within 3 Years	10.3%	7.0%	7.9%	7.6%	9.7%

Diversity

ID&E Group has established a working environment in which diverse human resources with different values and perspectives, regardless of nationality, gender, age, or employment status, can demonstrate their individuality and abilities and play an active role in the Group. We believe that this is indispensable for the growth of the Group. In our Long-term Management Strategy, we have also included in our human resource strategy the development of a highly productive work environment that makes maximum use of innovative technologies such as AI and ICT in line with the progress of digitalization, and the pursuit of diverse work styles and diversity management regardless of the form, place, or time of employment.

In 2021, to further promote the active participation of diverse human resources, we set three diversity targets (numerical targets) of ratio of female managers, ratio of foreign managers, and ratio of mid-career recruit managers, which are all to be achieved by 2030. We will review and announce these figures each fiscal year, and will work steadily to achieve these targets.

In addition, as a basis for the success of these diverse human resources and the expansion of diverse work styles, we will continue to promote the building of various foundations, such as reducing overtime work, improving the annual paid leave utilization rate, developing and operating a childcare leave system that is easy for both men and women to take, creating a gynecological leave system to support further success for women, and establishing an English-speaking consultation service for non-Japanese.

Diversity Goals for 2030 (Nippon Koei)

	April 2021 Results	April 2022 Results	April 2023 Results	2030 Target
Ratio of female managers	4.5%	5.4%	4.9%	15% or more
Ratio of foreign managers	0.4%	0.5%	0.8%	1% or more
Ratio of mid-career recruit managers	30.1%	31.3%	30.8%	30% (retained)

Women’s Participation and Advancement in the Workplace

In regard to the policy on women’s advancement, we have set quantitative targets in the “Action Plan based on the Act on Promotion of Women’s Participation and Advancement in the Workplace” and are continuing our efforts. In addition, we will implement new priority measures at the new graduate recruitment stage to increase the ratio of female staff.

Promoting the Active Participation of Foreign Staff

ID&E Group recruits new and mid-career human resources regardless of nationality to accelerate its global business expansions. In addition to further advancing our response to globalization in Japan, we are also promoting the development of global human resources for new graduates in career-track positions as well as the creation of autonomous career plans.

Ratio of Foreign Staff (Nippon Koei)

FYE June 19	FYE June 20	FYE June 21	FYE June 22	FYE June 23
1.7%	1.9%	2.2%	3.0%	2.5%

Promoting the Active Participation of People with Disabilities

We are working to create a comfortable working environment for people with disabilities and to develop their work duties, such as working together as a team for a single task. In 2023, Aichi Tamano Information System Co., Ltd., which was established in 1987 for the purpose of promoting the employment of people with severe disabilities (certified as a special Group company in 1989), became a Group company of the ID&E Group, transforming from its old form as a Group company of Tamano Consultants. The employment rate in recent years has been 2.71% (including the special subsidiary), exceeding the statutory employment rate of 2.3%.

Ratio of Staff Who are Disabled (Nippon Koei)

FYE June 19	FYE June 20	FYE June 21	FYE June 22	FYE June 23
2.02%	2.17%	2.09%	2.69%	2.71%

Work Style Reform

The Group has established a Work-Life Balance Promoting Committee to pursue a balanced work style that emphasizes the quality of labor so that individual staff can work with a sense of satisfaction and fulfillment and fulfill their work responsibilities. Based on the existing themes of “work style reform” and “productivity improvement,” ID&E Group is working faster than other companies in the industry on work style reform with a focus on establishing systems and environments that make optional and diverse work styles possible which place emphasis on work quality. Since March 2020, we have continued to work in a way that combines telework and telecommuting systems. In the Tokyo metropolitan area, we have expanded the options for remote work by successively opening satellite offices in consideration of staff who have difficulty working from home due to their home environment and other factors.

At the Head Office, we have introduced a free address system, and installed online meeting booths and spaces for conducting extensive work to establish a work environment that encourages collaboration and improved productivity through flexible selection and utilization of locations suited for given work content. In addition, in order to accelerate in-house DX, the DX Transformation Department is working to improve operational efficiency through the use of AI and RPA, and many good examples of how DX has helped have already emerged. The systems such as flextime and telework that have been implemented in response to the “work style reform” and the corresponding expansion of the IT infrastructure environment, such as the shift to cloud computing, digitization of various internal applications (move to a paperless approach), and the establishment of online meetings, have not only promoted diverse work styles but also increased productivity.

Initiatives for work style reform and improving productivity

Improve office system efficiency	<ul style="list-style-type: none">● Introduce telework, free address system, and satellite offices● Improve the efficiency of online meetings and regulate them● Digitization of various internal applications (paperless)● Use smartphones for extension calls
Improve management work efficiency	<ul style="list-style-type: none">● Digitization of purchase management/contract management● Visualization of schedule management, labor management, and daily tasks
Improve efficiency of production activities	<ul style="list-style-type: none">● Digitalization of sales tools● Digital Transformation of activities from order acquisition to production through the use of AI, DB, and RPA

ID&E Group was awarded four stars in the 7th Nikkei Smart Work Management Survey, which selects leading companies that are taking on the challenge of revolutionizing productivity through work style reform.

This survey has been conducted by Nikkei Inc. since 2017, targeting listed companies and leading unlisted companies nationwide. The survey defines “smart work management” as efforts to maximize organizational performance through three elements: realization of diverse and flexible work styles, a system for creating new businesses, and the ability to develop markets. The evaluation is based on a five-star scale.



Initiatives for Improving Work-Life Balance

ID&E Group acquired the Kurumin and Platinum Kurumin Certification from the Ministry of Health, Labour and Welfare as a company with a high-standard of support for child raising in accordance with the Act on Advancement of Measures to Support Raising Next-Generation Children.

ID&E Group fosters a workplace climate and builds an environment where staff may have diverse work styles.

Certified companies: Nippon Koei, Nippon Koei Urban Space, Nippon Koei Energy Solutions, and Nippon Koei Business Partners



Systems to Support Work Friendliness

ID&E Group has put in place a wide range of programs as a way to support staff at different stages of life whether having or raising children or caring for sick or elderly family. In addition to complying with legal standards, we also add our own preferential treatment and systems to our efforts to enhance the work-life balance of our staff.

Childcare Leave

Staff with children under the age of three may take up to 18 months of childcare leave.

Childcare Leave Utilization Rate (Nippon Koei)

	FYE June 20	FYE June 21	FYE June 22	FYE June 23
Total	31.0%	38.7%	39.0%	51.9%
(Male)	14.5%	17.2%	28.7%	47.8%
(Female)	87.5%	111.8%	122.2%	87.5%

Sick/Injured Childcare Leave System

Staff with children up to elementary school age are entitled to take sick/injured child care leave in addition to annual paid leave.

Sick/injured Childcare Leave Utilization Rate (Nippon Koei)

FYE June 19	FYE June 20	FYE June 21	FYE June 22	FYE June 23
25.2%	30.4%	23.1%	25.6%	34.8%

Nursing Care Leave

Staff who need to care for a family member can take nursing care leave in addition to annual paid leave.

Nursing Care Leave Utilization Rate (Nippon Koei)

FYE June 19	FYE June 20	FYE June 21	FYE June 22	FYE June 23
1.2%	1.6%	0.9%	0.5%	1.3%

Supporting Staff Health

In order for our human resources, the foundation of the Group, to fully demonstrate their abilities, we have established the Group Health Declaration and are working on health management that considers staff health from a management perspective and strategically promotes various measures to improve staff health.

ID&E Group Health Declaration

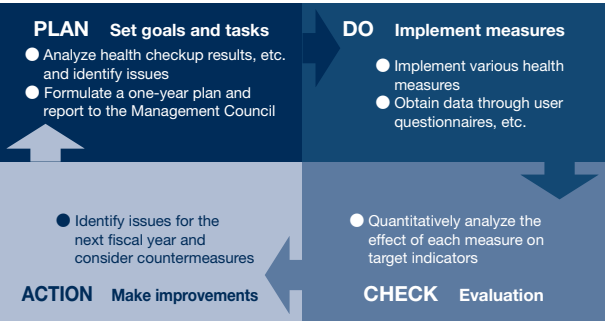
ID&E Group believes that in order to put into practice our management philosophy of “Act with integrity & Contribute to society through technology and engineering,” our staff and their families must be healthy, both physically and mentally and hereby commit to promoting health management. By maintaining and promoting the health of staff and their families, and creating a vibrant work environment and highly productive work styles that respect diversity, we will realize a favorable work-life balance of staff as well as the well-being of the Group and contribute to the development of a sustainable society through our business.

Staff Health Management Support

We are implementing measures focused on the prevention of severe illnesses based on the premise that 100% of staff receive health checkups (all staff, including contract staff and part-time staff who are obliged to enroll in social insurance). We have established a wide range of preventive measures, such as annual health checkups, including gynecological examinations and complete physical examinations for all staff over 35 years of age, as well as recommendations for reexaminations by full-time industrial physicians for staff with findings and interviews with industrial physicians for those at high risk.

Health Management PDCA Cycle

We identify health issues, evaluate and improve the results based on the annual plan we have formulated, and make improvements every year.



External Evaluation

The Company was certified as a “White 500” Outstanding Health and Productivity Management Organization, continuing its status for five years in a row.

We are the only company in the construction consultancy industry to receive the “White 500” certification.

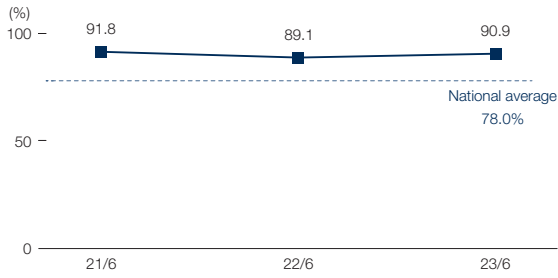


Certified companies: ID&E Holdings, Nippon Koei, Nippon Koei Energy Solutions, and Nippon Koei Business Partners

Mental Health Care

Caring about the mental and physical health as well as the safety of our staff, we conduct annual stress checks for all staff and the ratio of staff participating in stress checks is 90%, which is higher than the national average. In addition, we have introduced an EAP (Employee Support Program) counseling service provided by certified psychologists to create an environment where staff can easily consult with them.

Percentage of Staff That Received Stress Checks



* National Average Data, Source: Ministry of Health, Labour and Welfare (July 26, 2017)

Labor Safety and Health Initiatives

ID&E Group places top priority on safety in every aspect of corporate activities in the ID&E Group Code of Conduct and complies with all occupational health and safety laws, regulations and internal rules. Our basic objective is to prevent occupational accidents, injury, and illnesses, and ensure the safety of all people from our corporate officers and staff to partner companies and everyone else in the value chain. Our human resources are the foundation of ID&E Group.

In the event an occupational accident or illness occurs, we have put in place a crisis management system to respond quickly while working to prevent recurrence by disclosing the necessary information both inside and outside of the company.

Number of Occupational Accidents (Nippon Koei)

	FYE June 20	FYE June 21	FYE June 22	FYE June 23
Total	13	10	11	14

Human Rights Initiatives

Basic Approach

The Group has adopted the UN Guiding Principles on Business and Human Rights, which were unanimously endorsed by the United Nations Human Rights Council in 2011, as well as the ten principles of the United Nations Global Compact on the four areas of human rights, labor, the environment and anti-corruption. In addition to supporting the Guidelines on Respecting Human Rights in Responsible Supply Chains established by the Japanese government, in accordance with the ID&E Group Code of Conduct and the Ten Environmental Principles*, we reaffirm that it is the role of companies to respect basic human rights in all aspects of corporate activities, we comply with the laws and regulations concerning the human rights of workers in the countries in which we operate. In addition, the ID&E Group has established items related to the respect for human rights in our Basic Sustainability Policy and materiality. We respect human rights and strive to maintain a fair workplace without discriminating against staff based on gender, age, origin, nationality, race, ethnicity, creed, religion, or disability.

* The Ten Environmental Principles are only applicable to Nippon Koei.

Code of Conduct
(Main Corporate Responsibilities)

Respect for Human Rights:
Nippon Koei affirms diversity and does not limit employment opportunities or discriminate on the basis of race, nationality, gender, thought, faith, or social status.

Guidelines of Conduct
(Main Staff Responsibilities)

- Comply with laws and regulations concerning human rights.
- Respect the personality, diverse values, and character of each individual, treat each other with respect, and act responsibly.
- Value the efforts of the International Labor Organization (ILO) regarding human rights and avoid use of child labor that violates the ILO recommendations or forced labor in any form. Inform our business partners to assume the same attitude.
- Do not harass or treat others unfairly, including sexual harassment and workplace bullying. Do not allow others to take such actions.
- Respect and protect the privacy of individuals. Handle confidential personal information deliberately according to the predetermined procedure. Do not leak nor try to acquire unnecessary information.

Response to Human Right Due Diligence

In order to express our commitment to human rights, we have developed the Human Rights Basic Policy and Action Guidelines for Human Rights for the entire Group, with the aim of incorporating human rights due diligence into our management and business processes.

Additionally, we are currently identifying and assessing negative impacts on human rights within the Group at the same time, and we have commenced full-scale response to this type of human rights due diligence.

For human rights impact assessment, we first organize the value chain of the entire business and analyze human rights issues in each business and region. In addition to identifying important human rights issues in the value chain, we are at the stage of identifying human rights issues that should be prioritized by the Group from among various human rights issues.

To promote effective human rights due diligence based on this type of human rights impact assessment, we will also work to instill an understanding within the Group in the field of human rights.

Harassment consultation system

In the course of conducting human rights due diligence, the ID&E Group is considering establishing a consultation desk when human rights risks materialize, as well as establishing a necessary grievance mechanism.

We have established three contact points for harassment-related consultations. Staff can consult with our Personnel Department, labor union, or outside attorney. Consulters can make direct consultations at any one of these and their privacy will be strictly guarded. Each consultation desk is made known to staff on the company intranet (this includes the prohibition and disciplinary action of harassment under the employment rules, and the dissemination of definitions of various types of harassment).

In the event of a consultation or report, the department in charge will investigate the matter and, based on the results of the investigation, take corrective measures such as disciplinary action and implementation of preventive measures.

Respect for Human Rights in the Supply Chain

In recent years, the importance of corporate efforts to respect human rights has increased, and we recognize that efforts to respect human rights not only within our company but also throughout the supply chain are required. Therefore, as our Sustainability Basic Policy stipulates that we “recognize diversity throughout our supply chain, address human rights risks based on race, nationality, gender, ideology, creed, and social status, and ensure that we are not complicit in human rights abuses,” we will promote our human rights initiatives based on the clarification of our approach to human rights. In formulating our Human Rights Basic Policy and Basic Conduct Guidelines for Human Rights, we made decisions on important matters related to respect for human rights in our corporate activities to fulfill our responsibility to respect the human rights of all stakeholders related to our business and management activities in cooperation with various stakeholders, including our business partners.

In addition to steadily conducting the human rights due diligence already demonstrated, we are considering the establishment of a consultation desk to deal with the negative impacts caused by human rights violations within the Group.

Human Rights and Harassment Education

ID&E Group provides harassment prevention training corresponding to each career stage. In addition to training for staff in their third year of employment on how to deal with harassment, etc., lectures by invited experts on the impact of harassment on mental health, etc., are provided in training for newly appointed managers and section managers.

In addition, we plan and implement various training and seminars, such as “Managerial Seminars for Training Female Subordinates” based on the increase in the number of young female staff due to the active recruitment of new graduates in recent years, and “Online Management Training.”

Corporate Governance

ID&E's fundamental approach to enhancing the Group's corporate value is to perform comprehensive corporate governance by strengthening oversight of management organizations, ensuring management transparency and swift execution of business.

Additionally, the Company adopts the organizational design of a company with a nominating committee, etc., which separates business execution from supervisory functions by having the Board of Directors properly and efficiently supervise overall management and delegate decision-making and execution related to business operations to executive officers.

The roles of the Board of Directors, committees, and the Board of Executive Officers shall be clarified and an effective corporate governance system shall be established.

Basic Corporate Governance Policy

To promote corporate governance, the Company's Board of Directors has established and implements the "Basic Corporate Governance Policy." It consists of the following sections: Basic Philosophy of Corporate Governance (Introduction), Ensuring Shareholder Rights and Equality (Chapter 1), Appropriate Collaboration with Stakeholders Other than Shareholders (Chapter 2), Appropriate Information Disclosure and Transparency (Chapter 3), Responsibilities of the Board of Directors and Others (Chapter 4), and Dialogue with Shareholders (Chapter 5).

Basic Corporate Governance Policy URL
https://www.id-and-e-hd.co.jp/assets/pdf/sustainability/governance/corp-governance/basic-policy.pdf

Committees and Meeting Organizations Related to Governance

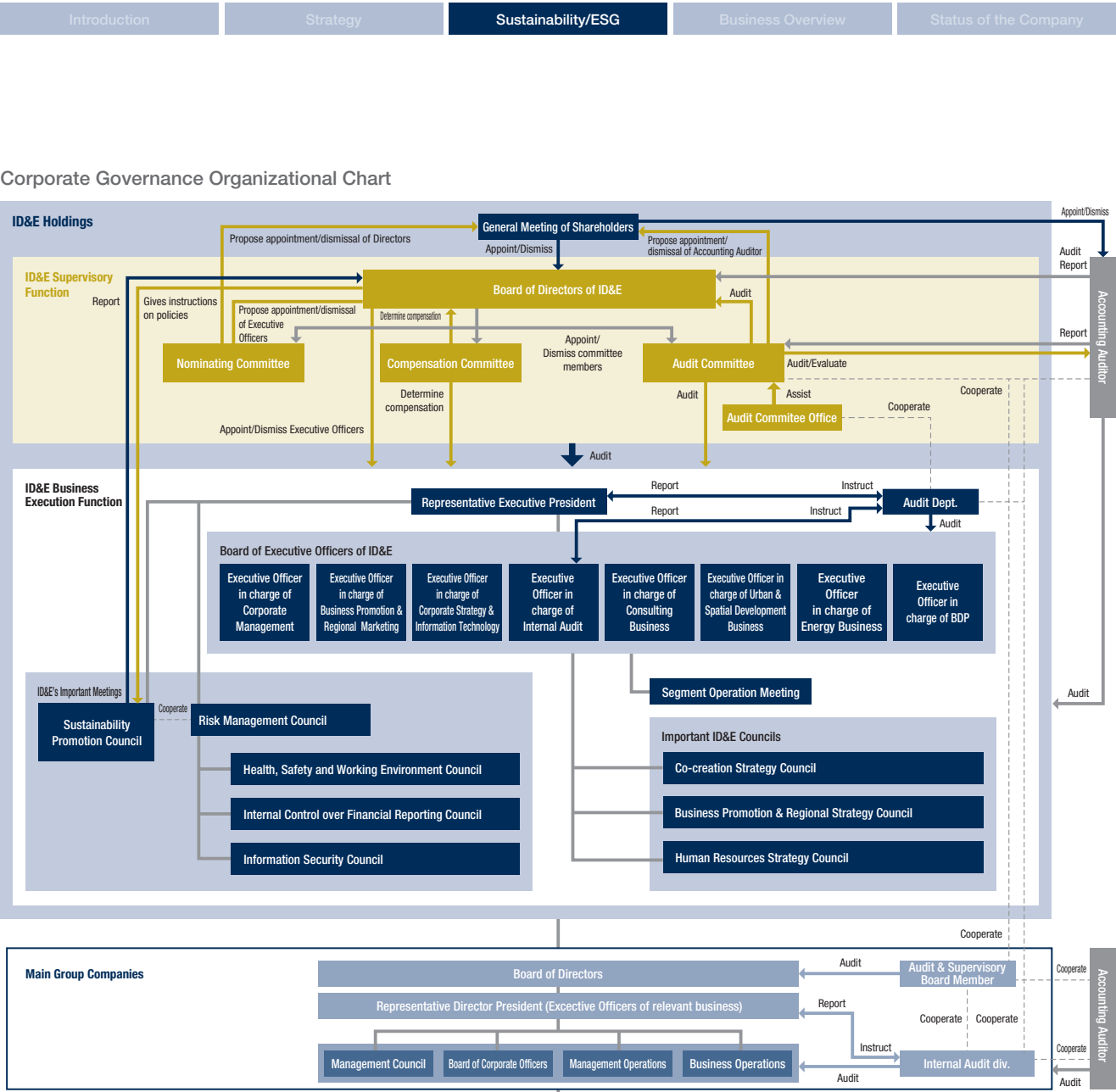
As a company with a Nominating Committee, the Company has a Board of Directors, Nominating Committee, Compensation Committee, Audit Committee, and Accounting Auditor, and delegates business execution to the Board of Executive Officers. Before the transition to a holding company structure, Nippon Koei worked to strengthen its governance. The following is the description of Nippon Koei until the establishment of ID&E, the holding company, in 2023.

Maintaining an Audit & Supervisory structure, Nippon Koei introduced an executive officer system in 2003 as a voluntary system which separates management monitoring and supervisory functions from business execution functions, thereby clarifying responsibilities and accelerating decision-making. Since 2016, Nippon Koei had established and operated the Nominating and Compensation Advisory Committee, which includes independent outside officers, to enhance the supervisory function of the nomination and compensation of directors, and to ensure the fairness and transparency of management.

Main Initiatives for Strengthening Corporate Governance

	2003	2016
President	From 2001 Katsuyoshi Wada	From 2021 Hiroaki Shinya
Separation between management oversight and business execution	2003	Changed the number of Directors stipulated in the articles of incorporation to 15 or less Adopted executive officer system
Outside Director	From 2003 1 (11 Directors)	From 2020 4 (8 Directors)
Outside Audit & Supervisory Board Members or Audit Committee Members	From 2001 1 (3 Audit & Supervisory Board Members)	From 2023 3 Outside Audit Committee Members
Committee Members Nominating and Compensation Advisory Committee		From 2016 Nominating and Compensation Advisory Committee
Management Philosophy	Established in 2001	
Code of Conduct (Group)	Established in 2001	Revised in 2013
Basic Corporate Governance Policy		Established in 2016
Separation between management oversight and business execution		From 2023 Transitioned to a company with a Nominating Committee after establishing the holding company

Note: Data provided is for Nippon Koei, except for any point in or after July 2023



Main Committees Related to Governance

Committee/Council Name	Purpose	Meeting Frequency	Number of Members	Head
Board of Directors	The Board of Directors deliberates and makes decisions on matters stipulated by laws and regulations and basic management matters, and oversees execution of the duties of executive officers.	Meetings are normally held once a month	Composed of 8 Directors. 4 are Outside Directors.	Director
Nominating Committee	The Nominating Committee determines proposals for the appointment/dismissal of Directors and the criteria for the election of candidates for directors of the holdings company.	3 to 5 times a year	Composed of 4 members. 3 are Outside Directors.	Outside Director
Compensation Committee	The Compensation Committee decides on basic policies for determining the compensation details, etc. for individual directors and executive officers and the amount of compensation, etc. for individual directors and executive officers.	3 to 5 times a year	Composed of 4 members. 3 are Outside Directors.	Outside Director
Audit Committee	The Audit Committee audits and supervises the execution of duties by directors and executive officers, prepares audit reports, and determines the content of proposals for the appointment, dismissal, and non-reappointment of the Accounting Auditor to be submitted to the General Meeting of Shareholders.	Meetings are normally held once a month	Composed of 4 members. 3 are Outside Directors.	Outside Director
Board of Executive Officers	In accordance with the Company's management policy determined by the Board of Directors, the Board of Executive Officers renders decisions on important matters related to Group management, and oversees/monitors the promotion of Group management.	Meetings are normally held twice a month	Composed of 9 executive officers with the President serving as the Chair. One Full-time Audit Committee Member attends Board of Executive Officers meetings as an observer.	Representative Executive President
Sustainability Promotion Council	Sustainability Promotion Council considers and formulates measures to promote sustainability (management promotion and business promotion) throughout the ID&E Holdings Group and promotes their implementation.	Meetings are normally held four times a year	Composed of 11 directors with the president serving as the Chair. One Outside Director attends Board of Executive Officers meetings as an advisor and one Full-time Audit Committee Member attends Board of Executive Officers meetings as an observer.	Representative Executive President
Risk Operations Council	In accordance with the Company's "Internal Control Basic Policy," the Risk Operations Council oversees the overall promotion of risk management within the Group.	Meetings are normally held once a month	Composed of 10 executive officers and an outside attorney with the President serving as the Chair. One Full-time Audit Committee Member attends Board of Executive Officers meetings as an observer.	Representative Executive President

Board of Directors

The Board of Directors formulates ID&E Group medium- to long- term strategies and supervises management (executive officers) to achieve sustainable growth and medium- to long-term improvements in corporate value under its fiduciary responsibility and accountability to shareholders, thereby improving profitability, capital efficiency, and other aspects of the company's operations.

Concept Behind the Composition of the Board of Directors

The Board of Directors is based on the concept that each member has character, insight, experience, knowledge, and ability, and can make comprehensive decisions from a broad perspective. It is composed of members who are judged to be the best in consideration of their overall balance taking into account the company's business environment.

In order to incorporate diverse perspectives into corporate management, we appointed two female outside directors.

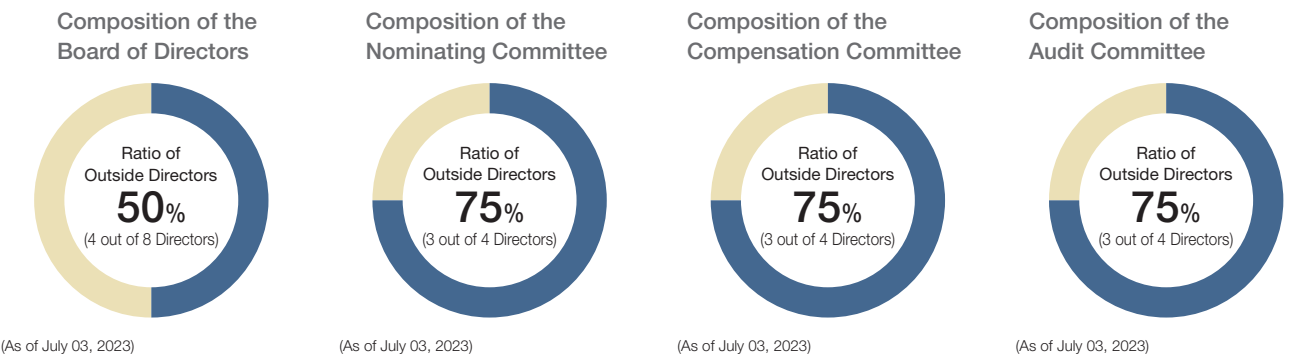
Although there are currently no foreigners serving as Directors, we ensure diversity in the composition of the Board of Directors as a whole by appointing directors with various skills (experience, knowledge, and abilities) as shown in the table below.

Policies for Nominating and Dismissing Directors

The Nominating Committee deliberates and decides on the appointment of directors (General Meeting of Shareholders proposals), including whether or not they should be reappointed, with proposals submitted to the General Meeting of Shareholders.

Officer Skills

The Company selects candidates after identifying various skills (experience, knowledge, and abilities) that directors and corporate auditors should possess in order to move our Long-Term Management Strategy and Medium-Term Management Plans forward.



Officer Skills

Name	Job title (July 3, 2023)	Age (Gender)	Skills (experience, knowledge, ability)								Activity status (for reference)	
			Corporate Planning	Technology/ IT	Sales/ Marketing	Human Resources Development	Financial/ Accounting	Legal/ Internal Control	Environmental/ Energy	Global	Number of years in the position	Number of Board of Directors Meetings Attended (FYE June 2023)
Ryuichi Arimoto	Director	70 (Male)	●			●	●	●	●	●	14	16/16 (100%)
Hiroaki Shinya	Director	63 (Male)	●	●	●	●		●	●		6	16/16 (100%)
Takayasu Tsuyusaki	Director	67 (Male)	●		●	●			●	●	6	16/16 (100%)
Yasushi Hirusaki	Director	61 (Male)	●			●	●	●		●	6	16/16 (100%)
Hiizu Ichikawa	Outside Director	76 (Male)	●		●	●	●	●	●	●	9	16/16 (100%)
Kazumasa Kusaka	Outside Director	75 (Male)	●		●	●		●	●	●	8	16/16 (100%)
Yoshiko Koizumi	Outside Director	80 (Female)	●			●		●		●	6	16/16 (100%)
Yoko Ishida	Outside Director	66 (Female)	●	●		●			●	●	3	16/16 (100%)

Evaluation of the Effectiveness of the Board of Directors

The Company analyzes and evaluates the effectiveness of the Board of Directors every year with the aim of improving the functions of the Board of Directors and enhancing governance. We promote a PDCA cycle to improve the effectiveness of the Board of Directors by discussing the identified issues at the Board of Directors meetings and making improvements.

The following is a description of Nippon Koei up to FYE June 30, 2023 before it transitioned to a holding company. ID&E plans to conduct an evaluation of the effectiveness of the Board of Directors in 2024 using the same method.

Process for Evaluating the Effectiveness of the Board of Directors

- The Board of Directors conducts A survey for Directors and Audit & Supervisory Board Members (anonymous questionnaire using a third-party organization to ensure objectivity).
- The Board of Directors evaluates the effectiveness of the Board of Directors based on the aggregated and analyzed results of the survey, and the summary of the evaluation results is described in the Corporate Governance Report which is made public in October.

Evaluation Content

- The content of the questionnaire is based on fixed-point observation.

Evaluation Results

- The effectiveness of the Board of Directors of the Company was confirmed to be ensured, including the improvement of the matters indicated.

Initiatives for Enhancing the Deliberations of the Board of Directors

In order to enhance the deliberations at the Board of Directors and enhance its functions, the Company implements the following initiatives to train officers and energize deliberations.

Officer Training

- In order for officers to properly fulfill their responsibilities, the basic objective of officer training is for officers to acquire necessary knowledge and improve abilities regarding corporate value, governance, etc.
- Training for officers at the time of their appointment
When a Director is newly appointed, we provide training to them on the roles (including legal responsibilities) expected of Directors and Audit & Supervisory Board Member, compliance, etc. In addition, we explain our corporate history, Management Philosophy, business outline, management situation, governance system, etc. to outside officers.
 - Ongoing training after their appointment
We regularly invite lecturers from outside of the Company to hold seminars on topics that are relevant to current events for all officers. We also continue to provide opportunities for officers to acquire specialized knowledge, such as attending outside seminars.

Initiatives to Promote Lively Discussions

- The Board of Directors has had four outside directors to encourage lively discussions. In addition, two female outside directors are included in the Board of Directors to ensure diversity and more active deliberations.

Policies for Developing Our Next Generation of Executives

President Succession Plan

The President Succession Plan was established by the Nominating Committee for the purpose of selecting candidates who meet the personnel requirements for the position of President of the Company. This plan consists of the development and implementation of a plan to enhance the qualities required of a candidate to become President, and the evaluation, selection, and deliberation processes of the candidate for becoming President.

In implementing the President Succession Plan, the Nominating Committee thoroughly deliberates on the successor candidates proposed by the current President, taking into account the exchange of opinions with the candidates and their compatibility with Medium- to Long-Term Management Strategies and strives to ensure transparency, fairness, and objectivity of the plan.

Development and Selection of Executive Candidates

We recognize the importance of forming a group of executive management candidates in order to enhance the above-mentioned candidate pool for President and to strengthen as well as stabilize the management foundation of our Company and our Group. As a measure to realize this, we have introduced a system for training and selecting candidates for management positions from the stage preceding promotion to the highest level of staff qualification.

Specifically, staff of main group companies with certain in-house qualifications and positions, who are selected through the recommendation of their department heads, are required to attend SMC (Senior Management) training, where they analyze and formulate business strategies and solutions under the guidance of external instructors for about six months on themes such as creating new businesses and overcoming management issues at the Company, and present them to Company management. The purpose of this training is to foster the ability to make strategic decisions from a management perspective.

Candidates for promotion to the highest level of internal qualification will be recommended from among the participants of this SMC training, and promotion will be decided through interviews (including presentations). Additionally, those promoted will participate in training organized by external organizations for the purpose of acquiring general knowledge necessary for management candidates. Furthermore, those candidates who are recommended by the presidents of main group companies as executive officer candidates of the relevant group companies are interviewed by executive officers (including presentations), and, based on interviewers' opinions, are appointed as executive officers through prescribed procedures, including resolutions by the Board of Directors of each company.

Newly appointed executive officers will participate in training organized by external organizations for the purpose of acquiring knowledge of general laws and regulations necessary for managers and fostering their resolve as managers.

Directors of main group companies, executive officers of the Company, etc. are appointed through deliberation by the Nominating Committee, from the group of senior management candidates formed through such training and selection processes.

Policy Regarding Strategic Shareholdings

For the purpose of business expansion and sustainable growth of our company, our policy is to hold stocks that are necessary for policy purposes while selling stocks when it is no longer rational to hold them, as appropriate based on a comprehensive consideration of their importance in business strategy and business relationships with business partners, from a medium- to long-term perspective.

Strategic shareholdings are examined from a medium- to long-term perspective, taking into account their returns and risks. The purpose and rationality of strategic shareholdings reflecting these results are examined by the Board of Directors.

With regard to voting rights for strategic shareholdings, voting rights are exercised based on factors such as whether the investee company is conducting management that places emphasis on the development of the investee company and the interests of its shareholders, and whether the proposal contributes to the enhancement of the corporate value of the investee company.

Approach to Officer Compensation and a Description of Each Type of Compensation

Description of Compensation System for Officers

Compensation of company officers shall be based on a compensation system that takes into account the interests of shareholders in order to function adequately as an incentive for the Compensation Committee to sustainably increase corporate value. The basic policy of the Company is to set the compensation of individual officers to an appropriate level based on their respective responsibilities.

In addition, compensation is structured as described below.

Internal Non-Executive Director	Composed of fixed compensation (monthly compensation) and restricted stock compensation
Outside Director	Composed solely of fixed compensation (monthly compensation)
Executive Officers	Composed of fixed compensation (monthly compensation), results-based compensation (bonus) and restricted stock compensation

Fixed Compensation

Basic compensation for Company officers shall be fixed monthly monetary compensation, and the Compensation Committee makes decisions based on an overall consideration of the Company's performance and staff salary levels.

Results-based Compensation (Bonus)

Results-based compensation (bonus) is positioned as an incentive for short-term performance improvement, and sales revenue and net income attributable to owners of the parent company for the consolidated performance of each fiscal year are selected as appropriate performance evaluation indicators, which is reflected in the form of a cash bonus.

Specifically, a standard amount is determined according to the achievement rate based on the planned value of consolidated performance sales revenue and profit attributable to owners of the parent company as a bonus payment standard, and the Representative Executive President evaluates the degree of achievement of business performance and the degree of contribution to the company, etc. of each Executive Officer. Results-based compensation is deliberated and determined by the Compensation Committee. The determined amount is paid as a bonus every year at a certain time after the end of the relevant fiscal year.

Restricted Stock Compensation

Restricted Stock Compensation has been implemented with the intention of having directors share with shareholders the merits and risks of share price fluctuations and providing additional motivation to contribute to increase in the share price and enhancement of corporate value. Restricted transferable shares with a transfer restriction period of three years are allocated at a certain time each year by having the monetary compensation claims paid to each Officer in accordance with predetermined standards for each position be contributed in kind.

Non-Japanese executive officers who are not resident in Japan are granted phantom stock under the same terms and conditions as those of this plan.

Standard Compensation Structure for Officers

Category	Fixed Compensation (Base Compensation)	Results-based compensation (bonus)	Restricted Stock Compensation
Internal Non-Executive Director	90%	—	10%
Executive Officer	61-64%	26-28%	9-13%

Compensation Amounts for Directors and Audit & Supervisory Board Members in FYE June 2023

Note: Results are for Nippon Koei before it transitioned to a holding company structure.

Officer Classification	Total Amount of Compensation (Millions of yen)	Total Amount of Compensation by Type (Millions of yen)			Number of Officers Eligible
		Base Compensation		Number of Eligible Officers	
		Base Compensation	Restricted Stock Compensation	Bonus	
Directors (excluding outside directors)	248	203	44	0	9
Audit & Supervisory Board Members (excluding outside members)	29	29	—	—	2
Outside Director	45	45	—	—	3
Outside Audit & Supervisory Board Members	33	33	—	—	2

* The above figures include one director who retired at the conclusion of the 79th General Meeting of Shareholders held on September 29 2022.

* The amount of bonuses represents the provision of allowance for officers' bonuses for the fiscal year under review.

* The above restricted stock compensation is non-monetary compensation. Other compensation is in the form of monetary compensation.

Compliance

In order to conduct business appropriately in a global society and to prepare for all kinds of risks that may hinder business activities, initiatives and guidance that serve as common guidelines worldwide are becoming increasingly important. We are aware that thorough compliance is a source for increased corporate value, and we are striving to achieve highly transparent management. In addition, we are systematically responding to compliance risks in promoting our business by visualizing them as much as possible.

Code of Conduct

ID&E has established the ID&E Group Code of Conduct (basic policy) for the Group's common code of conduct, and aims to truly enhance corporate value by incorporating it into the daily actions of each and every executive and staff. It has been made available in Japanese and English, and shared with staff around the world. We aim to create a highly transparent management system and build a relationship of trust across the entire Group as well as establish and operate a compliance observance system that also aims for the Company to adhere to social norms in order to put into practice our Management Philosophy “Act with integrity and contribute to society through technology and engineering” in accordance with laws and regulations.

ID&E Group Code of Conduct

https://www.id-and-e-hd.co.jp/assets/pdf/aboutus/ideas/koudou_shishin.pdf

Compliance Organizational Chart



Compliance Awareness Survey

ID&E regularly conducts a compliance awareness survey of staff within the Group every year. All surveys are conducted anonymously with the results disclosed within the Group and reflected in our compliance activities.

Compliance Training

We provide training on compliance by career level, hold compliance lectures for officers and executive staff, and provide training for each department. During training sessions, lectures are given on causes and preventive measures with reference to specific cases, and participants learn about laws which are closely related to our business. In addition, through the Group's E-learning system, we conduct education and testing on various themes such as compliance with the Antitrust Act and harassment, and provide training for staff.

Compliance Consultation/Reporting System

We established the “Group Consultation/Reporting System Regulations” and have set up a system where staff who become aware of compliance violations can directly consult or report to the department in charge of compliance or an outside attorney. This system is available to officers, staff, temporary staff, and partner company staff (including those who have left the company for one year or less) of the Company and its Group companies. The number of internal reports (excluding consultation cases) over the past few years is as shown in the table below.

Number of Internal Reports

FYE June 2021	FYE June 2022	FYE June 2023
7	7	12

The above figures are for Nippon Koei before it transitioned to a holding company.

Initiatives for Preventing Corruption

As our Group is expanding its business globally, we cannot deny the risk of being asked to provide improper financial benefits in the course of promoting business, discussions, and negotiations with local government agencies, etc. Therefore, we must assume such cases in advance and take firm action. Since the ID&E Group is a signatory to the UN Global Compact, it has incorporated the four areas of human rights, labor, environment, and anti-corruption, and their ten principles, into our Code of Conduct, which we adhere to. It stipulates that we shall conduct our business activities in compliance with laws and regulations under fair, transparent, and free competition without pursuing profits by unfair means.

In addition, in order to ensure thorough compliance, we have established and operate internal rules such as the Anti-Bribery Regulations. For example, we have established standards for what constitutes inappropriate expenditures, and we have established rules to deal with the risk of fraud, such as ensuring that any unreasonable demands are not judged solely by the field, but are always discussed with the department in charge.

Risk Management

We believe that a solid risk management system is essential for conducting a wide range of business activities on a global level and implementing our business strategies.

In accordance with the Company's Basic Policy on Internal Control and Crisis Management Regulations, the ID&E Group formulates and promotes a Group-wide Risk Management Plan on a quarterly basis. During plan formulation, each Group company conducts business activities while managing risks on an ongoing basis, by comprehensively identifying risks, and setting management measures for each risk.

Risk Management Organization and System

As an organization that oversees the overall promotion of risk management in the Group, the Risk Operations Council meets monthly to identify and assess risks and promote preventative risk management.

The Risk Operations Council is comprised of ten members (the President of the Company who serves as the Chair, executive officers, and an outside attorney). Each meeting includes one full-time Audit Committee member who attends as an observer. Executive officers of ID&E have the duty of conducting risk management related to each of their assigned duties. This includes all executive officers.

In addition, the Safety and Health & Environment Council, the Internal Control over Financial Reporting Council, and the Information Security Council have been established under the Risk Operations Council, each of which conducts risk management throughout the Group in their area of specialty.

The Risk Operations Council reports important risk-related information to the Board of Directors on a monthly basis.

Risk Management Plan Formulation and PDCA Cycle

ID&E has formulated a “Group-wide Risk Management Plan” to promote systematic risk management.

Each Group company identifies and evaluates various risks associated with its business activities, prevents risk events from materializing or formulates specific management measures to minimize the possibility of losses, and creates its own risk management plan proposal. The Risk Operations Council compiles the risk management plans of each company and approves/ determines the overall Group-wide Risk Management Plan.

In addition, the Risk Operations Council regularly monitors the progress of the plan, reviews progress, issues, and future measures, and implements a PDCA cycle. When a risk event becomes apparent, we conduct an assessment of the related risk management plan, make necessary improvements, and reflect them in the risk management activities.

In the Group Information Security Policy, of an important risk event, the Company promptly reports to the President (Chair of the Risk Operations Council) and establishes an emergency task force within the Group as necessary to respond appropriately to the risk event.

Business Continuity Initiatives

If we do not have adequate countermeasures for natural disasters as well as for infectious disease pandemics, it could hinder business promotion for a long period of time, resulting in losses for the Company as well as have a significant impact on stakeholders. As a company involved in the infrastructure that supports people's daily lives, we believe that it is our social responsibility to continue to provide stable services. Therefore, we have established the “Group Earthquake Countermeasure Regulations.” In the event of an emergency, we will activate our Business Continuity Plan (BCP) and have prepared procedures in advance for responding quickly and appropriately in the event of a crisis.

Quality and Environmental Management System

Each main group company has established and implements a quality and environmental management system in compliance with ISO9001 and ISO14001. This system standardizes work procedures in projects, review and verification methods, and checks the degree of achievement of quality targets. This minimizes risk and promotes the achievement of project objectives. In addition, by continuously acquiring knowledge about the environment and improving technical capabilities, we give attention to related matters, including environmental risk management.

Information Security

The Group has established an information security system to appropriately manage the confidential information of customers in order to receive order for and perform various types of services, including consulting services requested by customers such as government and public agencies. In other words, based on the ID&E Group Information Security Policy, we have established and implements regulations such as the “Group Information Management Regulations” to protect and manage all information obtained in the course of duties and to prevent unauthorized use and leakage of information. Additionally, as a response to increasing information security risks such as cyberattacks and other risks, we have established the Information Security Council and continuously improve information security measures under the supervision of the Council. In addition, some Group companies have been audited by a third-party organization and have obtained the ISO27001 certification, an international standard for information security management systems (ISMS).

Messages from Outside Directors

As a Japanese private company involved in the energy business, how quickly will ID&E respond to issues and what will those issues be?

Hiizu Ichikawa Outside Director



As of February 2024, ID&E's stock price performance has been strong. Although I do not know what the situation will be at the time this Integrated Report is made available, given the background of rising stock prices, there may be some temporary volatility but basically the stock price will continue to be stable. A variety of positive factors have had an impact on the stock prices, including price rises due to heightened geopolitical risks, expectations for an end to deflation, inflows of individual investors due to the introduction of the new NISA scene (Japan's Tax Exemption Scheme for Investment by Individuals), and more foreign investor activity.

Among these factors are the movements of the Tokyo Stock Exchange, which should receive particular attention. The industry has started to respond positively to calls from last year to "realize management that keeps capital costs and stock prices in mind." Funds invested by shareholders is equity capital. However, when market capitalization (stock price x number of shares) falls below the amount of equity capital, it is indirectly said to be a "management failure." This is an important issue for companies and there is a need to find a solution when a company's P/B ratio is less than one. This applies to 40% of TSE Prime companies. P/B ratio can be broken down into return on equity (ROE) x price-to-earnings ratio (PER), where ROE is considered to be "level of efficient earnings" and PER is considered to be "expected earnings growth." In corporate management, it is necessary to achieve results and demonstrate the potential for future growth.

Looking back at the Company's stock price over the past 10 years, it has more than doubled despite a large price movement history. The dividend yield is just over 3%. Although it is not something that we can boast about, it is not a failure. However, the Company's P/B ratio, which is a point of focus, has been less than 1 for many years. As a company engaged in businesses with a high level of public interest, although there are circumstances where profitability is not the only factor, it is necessary to further improve profitability and develop attractive business fields.

The Company transitioned to a holding company structure as a result of organizational restructuring in July 2023. Aiming to "seize various changes as opportunities to boldly link them with business opportunities," the Company has established an organization that brings together a wide range of capabilities. ID&E is now able to effectively utilize its holding company framework in the development of new fields and growth areas. The new framework is well formed to improve corporate value by eliminating organizational complexity

and allowing for flexible initiatives, making it easier to develop a wide range of new projects.

However, of course it is not true that everything will go well just because a framework can be created. The larger the organization, the more diverse the approach is. However, this is more likely to blur the direction in which the entire organization is headed. From an external perspective, there is concern that the organization's vision and business areas may not be clear, and as a holding company, the risk of a conglomerate discount valuation increases. Therefore, in the management of a holding company, it is necessary to always be aware of the dangers, constantly assess the intrinsic business value, and promote the healthy growth of the organization.

One of the keywords for future growth is "sustainability." Sustainability is a concept in which organizations and companies aim to achieve sustainable development by conducting business while balancing environmental, social, and economic aspects. In order to achieve sustainable development, it is necessary to take concrete action. It is important to identify the essence of sustainability, incorporate it into our business and determine what kind of contribution we will make.

As a Japanese private company involved in the energy business, how quickly will ID&E respond to issues and what will those issues be? The management of the Company is to accurately prioritize its priorities despite the limited number of staff, capital, and financial resources, and through this practice, contribute to realizing sustainability.

At the time of the organizational restructuring, which was the Company's transition to a holding company structure, we also transitioned to a company with a nominating committee, etc. This is a huge change from a governance standpoint. Fewer than 100 listed companies in Japan have adopted this system, accounting for less than 5% of listed companies. The three committees (Audit Committee, Nominating Committee, and Compensation Committee) have a great amount of responsibility and authority in the areas of personnel, operations, and compensation, areas which they are deeply involved in. The majority of the members of each committee are outside directors with some committees chaired by outside directors. Although the Company made a major decision transitioning to a holding company structure, we will continue our efforts in the strong hope that this change will bring about a tense relationship of high quality with management, which in turn will further accelerate our efforts to increase corporate value.

We are in the process of creating a Buddha statue called ID&E, which is a holding company, and figuring out how to put a spirit into it

Kazumasa Kusaka Outside Director



When considering the vitality of Japanese companies, the meaning of start-ups is again being questioned. Looking at the growth in the value of stocks in Japan and the United States, there is no significant difference between the traditional groups of companies in the two countries, with the exception of start-ups such as GAFAM. In both Japan and the U.S., job creation is driven by companies within 10 years of launching a new business. The growth of new businesses to meet new social needs is evident in the fact that Yutaka Kubota saw the need for infrastructure investment for the reconstruction of postwar Japan and the development of newly independent Asian regions and societies, leading him to start his own business in conjunction with manufacturing. Japan's leading electronics and automobile manufacturers also started their history by being founded by young people.

We are in the process of creating a Buddha statue called ID&E, which is a holding company, and figuring out how to put a spirit into it. If only the Board of Directors and the CEO understand this, the people that make up the organization will not be able to move in the same direction. Over the past year, I have seen active exchange of opinions among many business divisions through visits to offices and sites. Feedback is also required through dialog with the market (business partners) and investors. The amount of energy involved in this depends on how broadly stakeholders can be involved.

When a person is busy with immediate tasks, especially when face-to-face communication was limited due to the COVID-19 pandemic, that anxiety may arise in the mind, it seems understandable that it would cause them to experience anxiety. The opposite of anxiety is "complacency," or "satisfaction with current conditions." Due to this, there is a risk of becoming brand dependent, which is the root of "big company disease." If there are some stakeholders who are experiencing anxiety (awareness of issues) right now, I expect that these people, who demonstrate a high level of awareness, are the ones who will be responsible for our future growth strategy.

I would like to talk about whether handling two tasks at the same time will work in an organization.

When faced with two tasks, one which is strategically important and the other with a tomorrow deadline, many people will give priority to the task with the deadline, so focus on growth strategies ends up on the back burner. In other words, it is difficult to assign duties of a general staff headquarters to a unit that has a plant. The key point of transitioning to a holding company is that the roles of

considering active business and growth strategy are to be divided. The latter will involve creating a growth strategy and figuring out how to procure people, money, and goods (equipment, information, and markets necessary for production), finding it by themselves if there is something lacking within the Company, and seeking M&A if the necessary elements and time cannot be secured unless action is taken by each company.

The Board of Directors of the holdings company will function effectively only when there is an organization responsible for the growth strategy. The role of an outside director is like a family doctor. It can be said that an outside director monitors the health of the organization and helps promote growth. While constantly asking where the Group's core competencies lie, we will seek initiatives to address new social needs.

The Noto earthquake, which occurred at the beginning of the year, reminded us of the risks that people face in the places where they live, and the challenges of how to reduce those risks from an engineering perspective through infrastructure development and building preparation. In this field, the national government and local governments have taken the lead in efforts to make Japan more resilient. However, issues related to the sustainability of industrial activities, including supply chains, have emerged in the private sector as well. Dealing with natural disasters is also a common challenge for all countries around the world.

Sustainability management means making corporate management and economic society sustainable with an eye to the future. Therefore, the issue of governance is the development of the next generation of human resources who can respond to social needs in the infrastructure field in the future, both domestically and internationally, with the private sector taking the lead.

It will be interesting to develop a diverse team that acts quickly, is creative, and can communicate with the private sector, evolving from a team that has been optimized to respond to domestic and foreign governments that have been responsible for infrastructure. We look forward to finding strategic partners also in the energy business to expand the market by acquiring funds and human resources in a variety of specialized fields. If we choose an organic growth path that covers all of this in-house, we risk not meeting social needs due to losing valuable time and speed. I am confident that under the holding company, we will be able to cultivate the centripetal force of "One ID&E," focusing on raising awareness to make it easier to make new friends in business.

I am confident that ID&E will be able to provide unprecedented one-stop services to contribute to society by collaborating with operating companies in different fields

Yoshiko Koizumi Outside Director



As Chair of the Audit & Supervisory Committee, I would like to talk primarily about governance, management issues, and return on capital.

1. Working to Improve the Effectiveness of Governance

● Implementation of the “Three Reality Principle”

One of the duties of the Audit Committee is to audit the execution of duties by executive officers and directors. This includes legal audits as well as validity audits. For this reason, it is essential for officers to understand what the problems in the field are and what the issues that need to be resolved are.

Communication with people is indispensable in order to understand about real locations, real things, and actual conditions, and it requires wisdom, time, and money to realize it. The Company sends outside officers and executives to various sites to provide opportunities for them to receive explanations from the officers in charge and the people in charge of the sites in an effort to ensure that non-executive officers understand issues. After observing site conditions, we set up an opportunity to directly hear about the difficulties that the person in charge of the site faces and ask questions such as where risks lie, how much money is required, and how much information is available on the trends of competitors. By doing so, we can obtain a better understanding of actual conditions, something that can only be done by visiting a site. It is possible to increase “intuition and sensitivity to risk” through feedback from those directly involved with various projects. I highly appreciate the fact that the Company has designed and implemented programs that help us understand what we are aiming for.

● Establishment of an audit system

Under the Audit Committee, there is the Audit Committee Office comprised of full-time executive officers and persons in charge of auditing-related work. The Audit Committee Office collaborates with the holding company's internal audit department and closely collaborates with the auditors of the major operating companies under the holding company. The Audit Committee regularly holds meetings to exchange opinions and information with the auditors of the five major operating companies under the holding company to examine the issues and perceptions of each Group company, discuss measures for resolving issues, and share information.

2. Working to Solve ID&E Management Issues

We are making steady progress on the issue of reducing the proportion of Official Development Assistance (ODA) related work in the consulting sector. Although the number of projects undertaken by private companies in the consulting sector is not large, it is commendable that they have been achieving results. In areas within the Group that are lacking in specialists, I appreciate that the

Company is making up for this through M&A and joint ventures in Japan and overseas, aiming to provide one-stop services.

With regard to the creation of new businesses, the acquisition of BDP enabled us to expand into businesses within the former British Commonwealth, known as the “Union Jack arrow” (a visual description of the former British Commonwealth extending from Britain to New Zealand). I would like Japanese human resources to expand overseas markets together with Japanese markets while cooperating with on-site personnel within the BDP Group.

3. Working to Improve Return on Capital

Since Nippon Koei became the ID&E Holdings company, each operating company has been examining the return on capital of each project in detail, aiming to create one-stop services with a view to cross-departmental collaboration. On the other hand, the Company needs to plant seeds in various fields. For example, when there are investment projects from underground to space that the Company would like to consider, I believe that a management policy should be maintained with the determination that it is an investment for the future, even if it will not lead to a profit in a few years. Recently, we published a series of books on a project we were awarded some 46 years ago to examine and analyze the actual conditions of sewage shield construction. It serves as a record that expresses the enthusiasm of the engineers who were involved in the project at the time, and provides data to serve as a warning bell for the next generation. We also published a series of books about the power development projects in the Korean Peninsula for which Yutaka Kubota was awarded before the World War 2. From a return on capital perspective, the time, energy, and costs spent on things such as these publications may not be subject to monetary valuation. However, in the long run, they should also serve as catalysts that instill a sense of mission in junior staff and arouse their courage and motivation. I am proud that the recognition of the importance of value that cannot be measured from a short-term perspective has been passed down to us from generation to generation, and I believe that this will also lead to human resource development and the securing of human resources.

The holding company transition has made the objectives and business activities of each operating company clearer and has led to faster decision-making. I am confident that ID&E will be able to provide unprecedented one-stop services to further contribute to society by collaborating with operating companies in different fields. With natural disasters occurring more frequently in recent years, I am confident that our high level of expertise and technology in disaster mitigation and disaster prevention will be highly valued and respected by society.

It is important to gain the approval and support of all members of the Group companies and build a solid foundation so that no one is left behind

Yoko Ishida Outside Director



It has been three years and four months since I became an Outside Director of Nippon Koei and ID&E Holdings (as of the end of January 2024 at the time of this writing). Looking back, it was a turbulent period, beginning with the start of the COVID-19 pandemic, and with natural disasters and conflicts occurring both in Japan and overseas. I think it is wonderful that the transition to a holding company structure was realized as planned under these circumstances.

Since ID&E Holdings was recently established in July 2023, it is too early to assess the outputs and outcomes of the transition to a holding company structure at this point. However, since it is important to review the process of the transition to a holding company structure and learn some lessons from it, I decided to evaluate the process at this point in time.

In evaluating the process, the following evaluation items were set based on the procedures and activities to achieve the objectives and goals of target programs.

i) Pre-assessment

ii) Goal setting and planning

iii) Implementation and progress reports

iv) Information dissemination

v) Target satisfaction

“i) Pre-assessment” was conducted carefully as far as I know from the reports provided during Board of Directors meetings. However, various events that occurred in Japan and overseas during the transition to a holding company structure could not have been assumed in the risk analysis.

“ii) Goal setting and planning” was also discussed many times at Board of Directors meetings carefully to develop procedures and plans for successful goal setting and planning. In addition to the general objectives of the transition to a holding company structure, goals specific to ID&E Holdings including faster decision-making, risk diversification by business, organizational revitalization, and M&A-based defense, will increase the sense of ownership by constituents of the entire Group. I am looking forward to the materialization of ID&E Holdings, which is currently being promoted by the Sustainability Promotion Council.

“iii) Implementation and progress reports” are also being carried out despite difficult conditions. Considering the socio-economic situation during this period, I think we could have spent a little more time in the preparation stage. However, I think it was appropriate that the Company became a holding company as planned so that it could continue to be a company trusted by society.

Regarding “iv) Information dissemination,” I assume that no

effective measures have been taken yet. The Board of Directors has confirmed that the information necessary for corporate procedures has been properly disseminated. On the other hand, the status of explanations and exchanges of opinions with staff of the Head Office and Group companies in Japan and overseas and shareholders is not clear. I believe that disseminating information to market participants and the general public is a challenge for the future.

“v) Target satisfaction” comes from a questionnaire (currently being compiled) conducted by the Sustainability Promotion Council on staff awareness and satisfaction levels in the second half of 2023. According to the survey, many staff are highly satisfied with their work contributing to the development and maintenance of social infrastructure, disaster prevention, etc., but they do not have a high level of understanding regarding the Company's transition to a holding company structure.

Based on the above, I can conclude that the transition to a holding structure as an organization is proceeding appropriately. However, it is necessary to further enhance communication with shareholders and staff and disseminate information to the market. At present, the high level of staff satisfaction has been an asset since the Nippon Koei era. Based on this foundation, in order to generate results from the holding structure and expand it, it is essential that staff approve of and support the holding structure. A top priority is to communicate to the market, not only to increase sales, but also to attract the best future talent. During his 2024 New Year's Address, President Shinya said, “The fiscal year ending June 30, 2024 is the first year that we will undertake a new structure after our organizational restructuring and also the year that we will complete the current Medium-Term Management Plan. We need to address the issues that were clarified in our business activities in the previous fiscal year with “sincerity and firmly lay the groundwork for the next Medium-Term Management Plan, which will be in the development phase.” As President Shinya said, in order to achieve the goals of the holding company as a whole, it is important to gain the approval and support of all members of the Group companies and build a solid foundation so that no one is left behind. I myself, as an Outside Director, will make further efforts to resolve issues.

ID&E Group Business Segments

ID&E Group promote the creation of an affluent society around the world, through its three business segments described as below.

FYE June 2023

Composition Ratio of Revenue

Orders and Revenue (millions of yen)

Operating Profit and Operating Margin (millions of yen/%)

Consulting Business

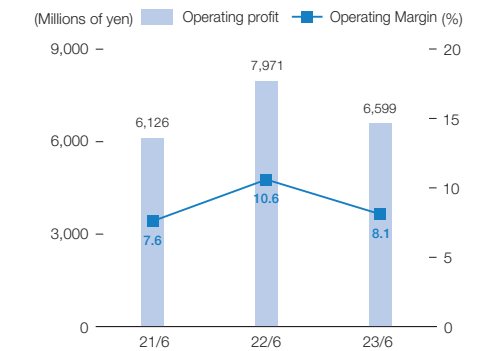
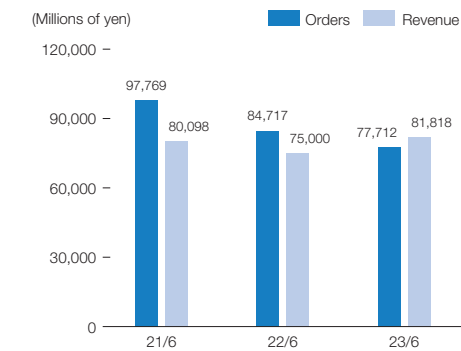
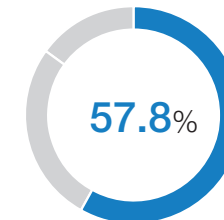
Main Client

National and local governments, JICA, overseas government agencies, and private companies

In Japan, the Consulting Business provides a full range of civil engineering consultation related to infrastructure development, maintenance, and safety for local and national government agencies, such as the Ministry of Land, Infrastructure, Transport and Tourism. With proven technologies informed by diverse experience and R&D, our operation has grown into a comprehensive consulting service covering vast stages of infrastructure projects not only in the development but also in the maintenance. We are involved in many projects that support the infrastructure of people's lives in Japan. For overseas countries, we are developing business in Asia, Africa, the Middle East, Central and South America, and other regions

mainly under Japanese ODA projects. We play active role in infrastructure development projects that support regional and national development in a wide range of fields, including water resources management, energy, urban and regional development, transportation, agriculture and rural development, the environment, and disaster prevention.

ID&E Group is also active on the front lines of global social issues and humanitarian aid across borders. Examples of our activities include environmental measures to combat global warming, and assisting in reconstruction of regions affected by conflict or natural disasters.



Urban & Spatial Development Business

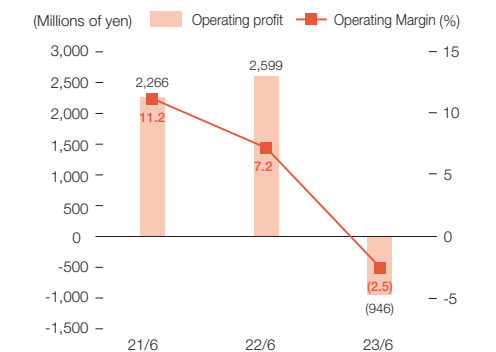
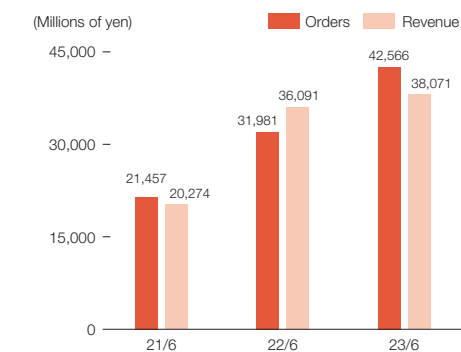
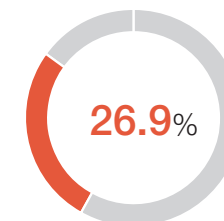
Main Client

National and local governments, and private companies

Anticipating growing needs in the architectural field amid global urban development, we welcomed UK-based design company BDP to the Group in 2016 and launched our Urban & Spatial Development Business. Through collaboration with BDP, we are working to create urban spaces mainly in Asia by combining civil engineering and architectural technologies. We are also working to diversify our business fields by adding Canada-based Quadrangle, which specializes in high-rise buildings, to our group in 2019, and UK-based Pattern, which specializes in sports facility, to our group in 2021.

Against the backdrop of the increasing number of projects in Japan that need to be approached from both civil engineering

and architectural perspectives, such as urban development and rejuvenation, we merged the urban & spatial development unit of Nippon Koei with one of its group company named Tamano Consultants, and then formed Nippon Koei Urban Space, in July 2022. By integrating the technologies and functions of both companies, we aim to enter the market for urban infrastructure formation in Japan and overseas, and become a comprehensive producer with greater proposal and development capabilities than ever before for urban and regional rejuvenation projects, public-private partnerships, and smart city development, in order to work toward the formation of sustainable cities.



Energy Business

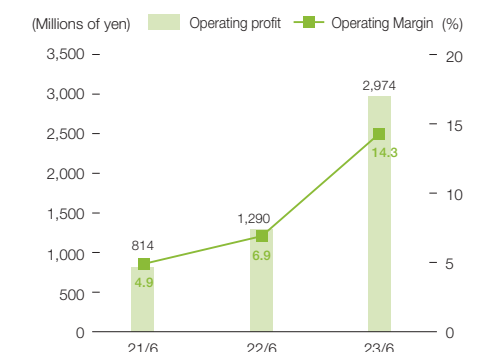
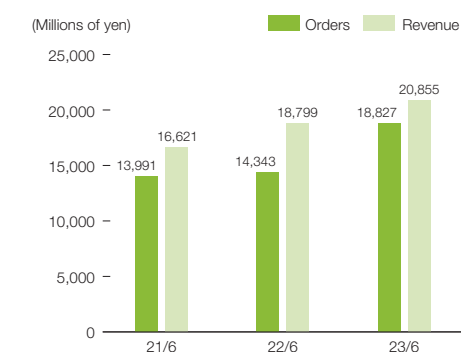
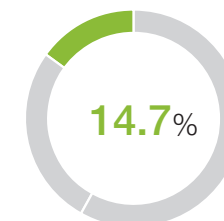
Main Client

Power companies, local governments, and private companies

The segment constructs and renovates substations, switching stations, and power plants operated by power companies, constructs central monitoring and control systems of power grid to improve operating efficiency, constructs dam control systems at hydropower plants, and manufactures related equipment. The Power Engineering Business proposes optimal solutions for electric power companies to support electric power development and meet electric power needs in Japan and emerging countries.

As a new initiative, we are engaged in research, development, design, construction, management and operation support, and system and technology development for energy management projects utilizing distributed energy resources in response to

the recent expansion of renewable energy markets and power system reforms in Japan and overseas. We are accumulating business and technological know-how in Europe, where the business environment is well established through the unbundling of power generation and transmission system, and the renewable energy penetration is generally high and are aiming to expand our business in Japan and other Asian countries in the future. ID&E Group is also involved in the business of operating hydroelectric power plants and sale of electricity. We install small-scale hydroelectric power plants in existing dams that are originally not used for power generation purposes to generate clean electricity by an economical measures.



* The Company has been conducting business in three business segments since FYE June 2022. For the Consulting Business, we combined our domestic and overseas consulting businesses and combined our former Power Engineering and Energy Business to form our current Energy Business.
 * From the fiscal year ending June 30, 2023, Nippon Koei Urban Space and its subsidiaries will change their business segment classification from "Consulting Business" to "Urban & Spatial Development Business." Segment information for the fiscal year ended June 30, 2022 has been prepared based on the revised business segment classification.

Consulting Business

Main Business Areas

Water resources management

Flood protection, efficient water use, and water environment improvement

Water and sewage

Support for efficient operation and management of water and sewage facilities

Urban and regional development

Policy planning advisory for master planning of urban areas and region development of local governments

Disaster Prevention and Mitigation

Emergency response to disasters such as earthquakes, volcano eruptions, landslides and localized torrential downpour and planning of disaster prevention

Dams and power generation

New dam construction, redevelopment and extension of service life for existing dams

Transportation (roads, bridges, airports, etc.)

Construction, extension of service life, efficient maintenance and management, automatic operation planning, and MaaS planning related to traffic and transport facilities

Environmental Management

Improvement of air, water, and soil environments and biodiversity conservation

Maintenance and aging countermeasures

Management planning of measures for aging infrastructure (bridges, tunnels, embankments, water supply and sewage systems, etc.) and efficient maintenance

Management

Asset management, public-private partnerships (PPP, PFI)

Strengths

Comprehensive Capabilities and Networks in a Wide Range of Fields

With experts in various fields, we will respond to the needs of our clients with our comprehensive capabilities as the world faces increasingly complicated and complex issue. We have offices in all prefectures in Japan, and also major cities in Asia, Africa, the Middle East, Central and South America, and Eastern Europe in overseas.

Human Resources with High Technical Skills

ID&E's commitment to human resource development and technical research for many years has led to the Company reaching its current No.1 position. Each and every one of our employees, who have the responsibility to contribute to the development of social infrastructure, as well as the superior technology and knowledge to realize such responsibility, always learn from each other and play fundamental role for the sustainable growth of our Group.

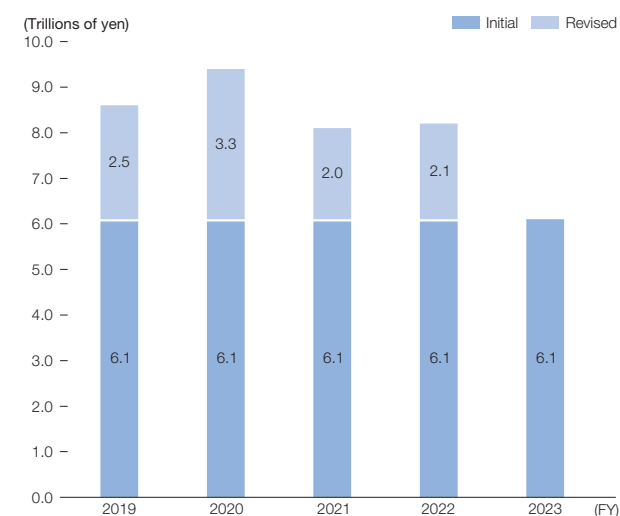
Practical Wisdom and Visionary R&D

We have accumulated a wide range of technologies and know-how through numerous projects that have been carried out since our establishment. At the R&D Center, which is the largest of its kind in the industry, we conduct the latest basic research with a view to the future and applied research in large experimental facilities and fields.

Market Trends (Japan)

In Japan, our Consulting Business is mainly engaged with the study and design of public and utility projects. Therefore, its performance is affected by factors such as investment in construction and the scale of public investment. In recent years, the volume of work has been increasing due to the growing demand for disaster resilience and extension of infrastructure service life in the face of increasingly severe disasters. In addition, PPPs (Public-Private Partnerships) and PFIs (Private Finance Initiatives) are on the rise, where public and private sectors collaborate to provide public services. As a result, the roles of engineering consultants are expanding year by year.

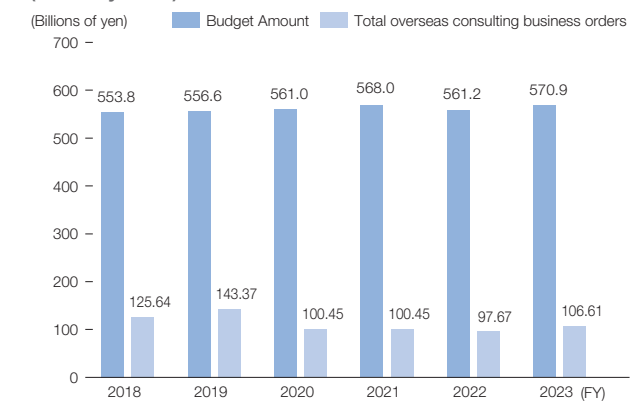
Public works spending (original + additional budget)



Market Trends (Overseas)

Our clients include the Japan International Cooperation Agency (JICA) and other Japanese ODA implementing agencies, international organizations, such as the World Bank and the Asian Development Bank, and overseas governments. In recent years, due to the increasing demand for infrastructure in emerging countries, the number of projects has been increasing year by year and becoming larger in size. "Infrastructure Systems Overseas Expansion Strategy 2025" issued by the Japanese government set high level of order targets of infrastructure export, and that leads consistently strong demand in overseas projects. In regard to ODA loans, the ratio of projects in India and Bangladesh has been increasing, and in terms of fields, new development of transportation, such as railroads, and urban development, such as smart cities, have been increasing in order to cope with population growth in emerging countries and to achieve a decarbonized society.

ODA budget/Total overseas consulting business orders (industry total)



Performance Summary for Fiscal Year Ended June 30, 2023

Orders	¥77.712 billion	● Acquired large orders, including an order for a high speed rail project in India
Revenue	¥81.818 billion	● Revenue increased by promoting on-hand projects in Japan and overseas as planned
Operating profit	¥6.599 billion	● Operating profit decreased due to an increase in the number of business trips after relaxation of restrictions on entry into countries overseas and an increase in costs caused by the price inflation

Key Initiatives of the Medium-term Management Plan Building Resilience 2024

Review of the results for the fiscal year ended June 30, 2023

- Expanded our dam rehabilitation and new dam construction businesses
- Built AI-based inspection and diagnosis systems for local governments and utilized DX technology
- Concluded town development partnership agreements with local governments

Initiatives Being Carried Out in the fiscal year ending June 30, 2024

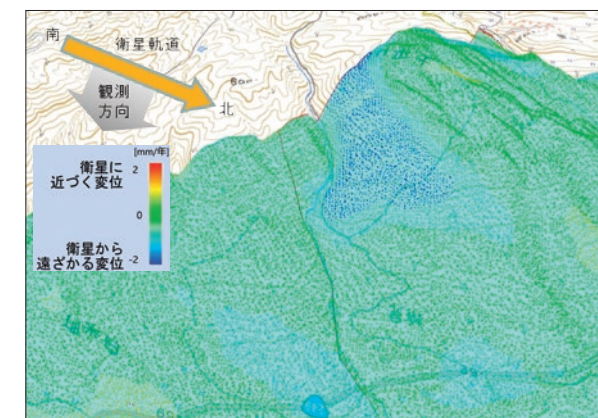
- Improvement of market share in various fields
- Business operations with intensive monitoring of its efficiency, including the KPI for the ratio of contract person-months
- Thorough risk and quality control

Project Information

Advancement of Disaster Prevention/Mitigation Technologies Using Satellite Data

In order to quickly provide disaster information using satellite data in response to increasingly severe natural disasters, Nippon Koei has been developing technologies to grasp the actual damage caused by heavy rainfall using satellites, which are great for wide-area monitoring, and has been engaged in disaster prevention and mitigation projects through infrastructure monitoring.

LIANA (Land-deformation and Infrastructure ANALysis) is one of the services jointly developed by the three companies Nippon Koei, SKY Perfect JSAT Corporation and Zenrin, Co., Ltd., and is capable of monitoring changes in slopes and infrastructure. It displays ground deformation chronologically in areas to be checked and evaluates the risk based on the Ministry of Land, Infrastructure, Transport and Tourism's standard for ground extensometers and the findings of Nippon Koei.



© LIANA © Geospatial Information Authority of Japan
© Original ALOS-2 data provided by JAXA Tellus Satellite Data Master is used.

Urban & Spatial Development Business

Main Business Areas

Architecture

Architectural design, structural design, MEP (mechanical, electrical and plumbing) design, and interior design

Landscape and urban design

Redevelopment planning of districts and buildings in accordance with development policies, and design of railway station buildings and airport passenger terminal buildings

Refurbishment of historic buildings

Renovation and refurbishment of historic buildings in the UK and other countries

Civil engineering and architecture

Comprehensive technical consulting service combining Nippon Koei's civil engineering technology and BDP's architectural technology

Urban area and smart city development

Provision of one-stop services in the fields of civil engineering, energy, and architecture including research, planning, design, and management

Strengths

Ability to Make Proposals That Combine Civil Engineering and Architecture

The Urban & Spacial Development Business is characterized by its ability to develop not only buildings in specific areas, but also in the dynamic field of infrastructure including water and sewage, electricity, and transportation networks, utilizing skills and experience across the fields of civil engineering and architecture.

Cross-sectoral Town Planning

In the urban space field, it is necessary to carry out initiatives that bring together multiple fields such as civil engineering, architecture, and the environment, starting with basic surveys of projects. We will support the promotion of the business as a coordinator who coordinates the whole by utilizing our experience in each field.

Solving Local Issues

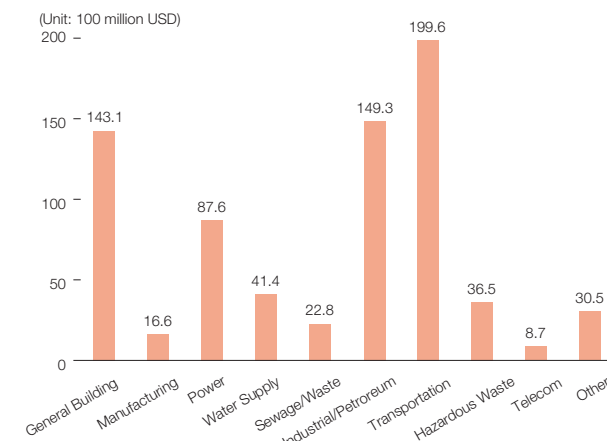
We have a wealth of experience working on long-term projects in several regions. Utilizing this experience, we will promote tailor-made town planning to address the unique issues that differ from region to region, and aim for sustainable regional development.

Market Trends

The architecture field is one of the most active fields, accounting for 25% of the sales of international design firms. In Asia, Africa, and Latin America, the market for buildings integrated with transportation-related facilities such as railroads, roads, and airports, base development integrated with peripheral infrastructure development, and ancillary surface development and smart cities is expanding in the urban centers and suburbs of metropolitan areas that will serve as receptacles for population concentration and growth, and the growing industrial economy. In terms of funding, the appetite for infrastructure investment through private funding is increasing.

In Japan, the market is expanding for the effective use and revitalization of the large amount of stock (buildings) that exists nationwide, and for the consolidation and reorganization of highly sustainable bases in regional cities as their populations decline.

Ranking of 225 International Design Firms - FY2022 sales by field



* Excerpt from the August 2022 Issue of ENR

Performance Summary for Fiscal Year Ended June 30, 2023

Orders **¥42.566 billion**

Revenue **¥38.071 billion**

Operating profit **(¥946) million**

- Domestic orders increased year-on-year. BDP also acquires large-scale additional orders
- Revenue increased in both Japan and the UK due to the steady influx of orders received in the previous fiscal year and the impact of the depreciation of the yen on the BDP Group
- General and administrative expenses increased due to BDP's upfront investment (approximately ¥0.7 billion) and domestic organizational restructuring expenses
- Recorded BDP goodwill impairment loss of (¥3.9 billion)

Key Initiatives of the Medium-term Management Plan Building Resilience 2024

Review of the results for the fiscal year ended June 30, 2023

- More orders received for railway station area development
- BDP's penetration in Asia is still an issue to be addressed for the future
- Although progress was made on the project to demonstrate integrated corporate strength (JFE Coastal Land Use Conversion Project), orders received in the urban development field fell short of plans
- Further strengthening and utilization of private-sector networks is an issue for the future

Initiatives Being Carried Out in the fiscal year ending June 30, 2024

- Improvement of the production system, including securing personnel and strengthening quality control
- Evolution of segment management through collaboration with Group companies
- Development of new clients and businesses in Japan and overseas

BDP Business Introduction

BDP and its subsidiaries are leading multidisciplinary design across the globe.

BDP joined the ID&E Group in 2016, providing more comprehensive solutions to complex urban problems affecting the world's cities.

We continue to take on various challenges, such as increasing the value of social capital through collaboration between the infrastructure development technologies of Nippon Koei and Nippon Koei Urban Space and the architectural and urban development technologies of BDP; expanding into Asia alongside the ID&E Group.

During a year with considerable social and economic instability, BDP achieved sustainable financial growth which sets out a strong platform for the FY2024.

BDP will continue to innovate, seeing us merge our skills, expertise, and experience with our international colleagues to create exceptional, innovative, and sustainable global designs.

We are already witnessing the fruits of these multi-studio, multidisciplinary collaborations through significant projects such

as the Dhaka Metro and the new Dublin Children's Hospital.

With cutting-edge technology and an ambitious track record, our goal is to provide comprehensive services for projects of all sizes throughout the world.

Under the continued mantra of 'autonomy and collaboration' we look forward to BDP playing an active role in shaping ID&E's plans, driven by passion, expertise, and an unwavering commitment to creating a better world through our designs.



Nicholas Fairham

BDP HOLDINGS LIMITED
Chief Executive

Energy Business

Main Business Areas

Manufacture of equipment and devices

Manufacture of various types of water turbines for hydroelectric power generation, manufacture of substation control equipment, and development of centralized substation monitoring systems and dam management systems

Mechanical and electrical consulting

Comprehensive consulting services for domestic and international projects in the fields of power, electrical, mechanical and telecommunications, and energy engineering including EPC

Sales of Geotechnical surveying and measurement devices

Installation, maintenance, and inspection of automatic observation systems for slope disaster prevention, and manufacture and sales of ground measurement equipment

Construction of electrical facilities

Planning, investigation, design and construction management for reinforcement and renovation of substations, power plants and other electrical facilities

Energy solutions

Consulting service for improving the efficiency of energy use

Energy management related products

Manufacture and sale of EMS, in-house energy storage systems, and microgrid aggregation systems

Overseas energy management

Investment in ancillary services business, etc. in Europe, New business development and business promotion

Domestic power generation

Development of hydroelectric power facilities and sale of electricity through the operation of eight domestic hydroelectric power plants

Domestic energy management

Renewable energy monitoring, and consulting services for renewable energy efficiency and energy conservation

Strengths

Long Track Record in Product Manufacturing and Construction

For many years, our main clients have been Tokyo Electric Power Company and other electric power companies in Japan, with whom we have built a relationship of trust through the manufacture and sale of substation equipment, mechanical and electrical consulting, and planning, investigation, design, and construction for reinforcement and renovation of electrical facilities.

Provision of One-stop Services

ID&E Group provides one-stop services encompassing every stage from planning and investigation to engineering and construction as well as equipment manufacture and maintenance for electric power facilities and equipment. This results in speedy response times and reduces the burden on the client.

Knowledge of Energy Management Cultivated in Europe

We are promoting ancillary services using storage batteries in Europe, where the business environment is well established through the unbundling of power generation and transmission system. We cultivate knowledge of energy management and are able to propose a variety of solutions using storage battery.

Market Trends

The Japanese electric power market is expected to shift to a new competitive environment with the unbundling of generation and transmission system and the complete liberalization of generation, transmission, distribution, and retail. At present, we are working to strengthen our production system and earnings management to meet the cost reduction demands of power companies. Expanding demand in the global market for renewable energy accompanying the drive for low-carbon operations and distributed power sourcing. In line with this, it also anticipates the expansion of new markets for ancillary services, peak arbitrage, capacity markets, etc.

Performance Summary for Fiscal Year Ended June 30, 2023

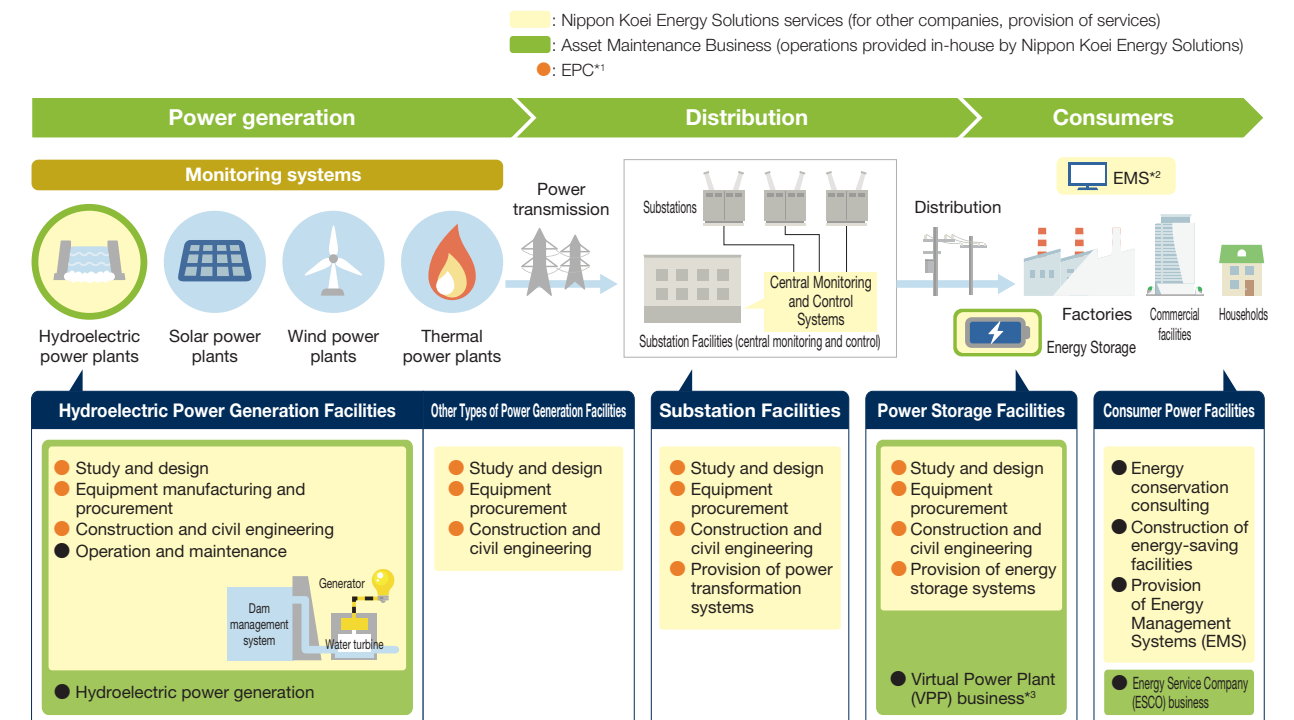
Orders	¥18.827 billion	● Exceeded both year-on-year and plan targets due to strong performance in the power engineering business and mechanical/electrical consulting business
Revenue	¥20.855 billion	● Revenue increased due to the progress of large-scale renovation work for power plants received orders from government agencies and the progress of overseas projects in mechanical/electrical consulting business
Operating profit	¥2.974 billion	● Profit increased due to gain on sale of shares in PT. Arkora Hydro, which was an affiliate, and gain on investment in securities (approximately ¥1.9 billion)

Key Initiatives of the Medium-term Management Plan Building Resilience 2024

Review of the results for the fiscal year ended June 30, 2023	Initiatives Being Carried Out in the fiscal year ending June 30, 2024
<ul style="list-style-type: none"> Sales and production capacity of core products have not been stabilized Started Large-Scale Battery Storage Project operations in Belgium 	<ul style="list-style-type: none"> Full-scale expansion into the energy management business Promptly rebuild the production structure of manufacturing departments Establish the structure of mechanical/electrical consulting & engineering departments

Nippon Koei Energy Solutions Business Domain

We provide one-stop services related to energy.



^{*1} EPC: Engineering, Procurement, Construction

^{*2} EMS: Energy management systems

^{*3} VPP: Virtual Power Plant

Board of Directors (as of October 1, 2023)

Director



1 Director
Ryuichi Arimoto
1977 Joined Nippon Koei
2009 Director and Executive Officer
Director General of Corporate Headquarters
and General Manager of Corporate Planning
Department
2011 Director General of Corporate Headquarters and
General Manager of Personnel & General Affairs
Department
2014 Representative Director and President
2021 Director and Chairman
2023 Director of ID&E (current position)



2 Director
Hiroaki Shinya
1985 Joined Nippon Koei
2017 Director and Executive Officer
Director General of Domestic Consulting
Operations
2018 Director and Managing Executive Officer
2020 Director General of Consulting Operations
Headquarters Executive Officer in charge of
Urban & Spatial Development
2021 Representative Director and President
2023 Director of ID&E (current position)



3 Director
Takayasu Tsuyusaki
1979 Joined Nippon Koei
2017 Director and Managing Executive Officer
Director General of Global Strategy
Headquarters, General Manager of Business
Development Office, and General Manager of
Singapore Office
2019 Director and Senior Managing Executive Officer
2020 Director General of Business Promotion
Headquarters
2021 Director and Executive Vice President
2022 Director and Vice President/In charge of
Sustainability, NKG Global Expansion, and Health
and Productivity Management
2023 Director of ID&E (current position)



4 Director
Yasushi Hirusaki
1985 Joined Nippon Koei
2017 Director and Executive Officer
In charge of IR and Director General of Corporate
Headquarters
2018 General Manager of the 75th Anniversary
Secretarial Office
2020 Director and Managing Executive Officer
2023 Director of ID&E (current position)



5 Director **Outside Independent**
Hiizu Ichikawa
1970 Joined The Mitsubishi Bank, Ltd.
1993 General Manager of Singapore Branch of The
Mitsubishi Bank, Ltd.
1996 General Manager of Industrial Research
Department of The Bank of Tokyo-Mitsubishi, Ltd.
1997 General Manager of Sales Screening Department
of The Bank of Tokyo-Mitsubishi, Ltd.
1999 Senior Executive Director of The Resolution and
Collection Corporation
2001 Senior Executive Director of Chiyoda Corporation
2004 Representative Director and Managing Director
of Mitsubishi Motors Corporation
2010 Representative Director and Executive Vice
President of Mitsubishi Motors Corporation
2014 Outside Corporate Auditor of The Hyakugo
Bank, Ltd.
Outside Director of Nippon Koei
2023 Outside Director of ID&E (current position)



6 Director **Outside Independent**
Kazumasa Kusaka
1970 Joined Ministry of International Trade and
Industry (MITI)
1984 MITI Energy Minister of the International Energy
Agency (IEA) of the Organization for Economic
Co-operation and Development (OECD)
2001 Director-General, Industrial Science and
Technology Policy and Environment Bureau,
Ministry of Economy, Trade and Industry (METI)
2002 Director-General, Trade Policy Bureau, METI
2003 Commissioner of Agency for Natural Resources
and Energy, METI
2004 Vice-Minister for International Affairs, METI
2006 Adviser, Dentsu Inc.
2007 President of Japan Cooperation Center for the
Middle East
2008 Special Advisor to the Cabinet
2009 Senior Vice President of Mitsubishi Electric
Corporation
2011 Visiting Professor of Graduate School of Public
Policy, The University of Tokyo
2013 President of the Foundation for International
Trade and Industrial Co-operation
Chairman of Japan Economic Foundation
2015 Outside Director of Nippon Koei
2021 Adviser, Japan Economic Foundation
President of the Institute for International Trade
and Investment (current position)
2023 Outside Director of ID&E (current position)

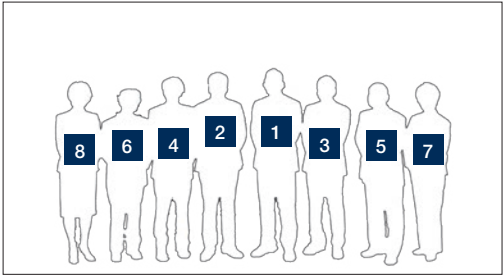


7 Director **Outside Independent**
Yoshiko Koizumi
1972 Registered in bar association
(The Daini Tokyo Bar Association)
Joined Kikuchi Law and Patent Office
1980 Partner at Masuda & Ejiri Law Office
(current Nishimura & Asahi)
2000 Chair of Women Business Lawyers Committee,
Inter-Pacific Bar Association (IPBA)
2003 Expert member of Food Safety Commission
of Japan
2007 Auditor at Bosch Corporation
2008 Counsel at Nishimura & Asahi
2009 Partner at City-Yuwa Partners (current position)
2012 Deputy Chair of the Government Procurement
Review Board
2013 Director of the Japan Bar Association
(current position)
2015 Outside Director of Taiheiyō Cement Corporation
(current position)
Outside Director of Dowa Holdings Co., Ltd.
(current position)
2016 Outside Auditor of Sumitomo Bakelite Co., Ltd.
2017 Outside Audit & Supervisory Board Member,
Nippon Koei
2023 Outside Director of ID&E (current position)



8 Director **Outside Independent**
Yoko Ishida
1991 Head of Corporate Planning Department, System
Science Consultants Co., Ltd.
1997 Head of Project Department No. 2, KRI International
Corp.
2006 Head of Evaluation Business Department, International
Development Center of Japan
2010 Executive Director, International Development Center
of Japan Head of Evaluation Business Department,
International Development Center of Japan
2015 Director, The Japan Nepal Society (current position)
Director, International Development Center of Japan
(current position) Professor, Center for the Study of
International Cooperation in Education, Hiroshima
University
2016 Cooperating Faculty, Education Culture Course, Graduate
School for International Development and Cooperation,
Hiroshima University
2017 Deputy Executive Director (in charge of gender equality)
of Hiroshima University Director, The Japan Society for
International Development
2020 Director, International Education Development Program,
Division of Educational Sciences, Graduate School of
Humanities and Social Sciences, Hiroshima University
Outside Director of Nippon Koei Auditor of The Japan
Society for International Development
2021 Director, Center for the Study of International Cooperation
in Education, Hiroshima University
2022 Professor, Center for the Study of International
Cooperation in Education, the IDEC Institute, Hiroshima
University (current position)
2022 President, The Japan Evaluation Society (current
position)
2023 Vice President (Equity, Diversity and Inclusion) and
Professor (Special Designation) of Hiroshima University
(current position)
2024 President, Asia Pacific Evaluation Association
(current position)

Outside Independent
Note: Each work history section only list the most
important events in the individual's work history.



Representative Executive President

Hiroaki Shinya

Representative Executive Officer

Haruhiko Kanai Yasushi Hirusaki

Executive Officer

Noriaki Yoshida Tomohisa Fukuoka Hiroshi Yokota
Ken Nishino Yoshizo Goto Nicholas Fairham

Consolidated Financial Data

(Millions of yen)

Japanese GAAP							
	FYE June 2014	FYE June 2015	FYE June 2016	FYE June 2017	FYE June 2018	FYE June 2019	
Profit and Loss Statement							
Orders	92,485	87,573	104,019	117,442	104,350	118,085	
Net sales	79,193	81,839	81,865	101,338	106,023	108,589	
Cost of sales	59,253	60,054	59,505	70,400	73,664	75,627	
Gross profit	19,939	21,785	22,359	30,937	32,359	32,962	
Selling, general and administrative expenses	15,683	17,283	17,636	25,472	25,797	27,851	
Operating profit	4,256	4,502	4,723	5,464	6,561	5,110	
Non-operating profit (loss)	286	975	(357)	493	159	473	
Ordinary income	4,542	5,477	4,365	5,958	6,721	5,584	
Extraordinary income/loss	19	2,086	(333)	(764)	443	—	
Income taxes	1,530	3,266	2,178	1,870	2,556	2,180	
Profit attributable to owners of parent	2,998	4,261	1,823	3,288	4,555	3,318	
Consolidated Balance Sheet (end of period)							
Total assets	76,144	84,110	100,989	113,865	113,890	113,175	
Current assets	36,749	44,820	46,153	54,798	54,263	52,446	
Cash and deposits	8,967	12,148	11,174	19,593	16,392	13,147	
Non-current assets	39,394	39,289	54,836	59,067	59,626	60,728	
Property, plant and equipment	26,588	24,525	24,561	24,535	27,624	29,882	
Intangible assets	787	570	16,620	13,900	12,964	13,501	
Goodwill	232	—	10,312	8,685	8,185	8,193	
Investments and other assets	12,019	14,193	13,654	20,630	19,037	17,345	
Investment securities	9,210	9,861	8,285	10,491	9,176	7,228	
Total liabilities	28,309	31,128	49,529	58,991	54,440	52,969	
Current liabilities	20,528	24,466	43,107	30,341	28,441	28,082	
Short-term loans payable	100	—	16,000	—	—	—	
Non-current liabilities	7,780	6,662	6,421	28,650	25,999	24,886	
Long-term loans payable	1,690	1,526	1,260	21,413	18,934	17,639	
Total net assets	47,835	52,981	51,460	54,874	59,449	60,205	
Consolidated Statement of Cash Flows							
Cash flows from operating activities	1,340	881	379	6,376	(602)	3,109	
Cash flows from investing activities	(4,559)	2,702	(17,705)	(4,172)	977	(3,504)	
Cash flows from financing activities	62	(745)	15,199	4,846	(3,062)	(1,936)	
Effect of exchange rate change on cash and cash equivalents	8	103	(146)	(124)	(22)	(309)	
Net increase (decrease) in cash and cash equivalents	(3,148)	2,942	(2,272)	6,925	(2,709)	(2,641)	
Cash and cash equivalents at beginning of period	11,613	8,465	11,673	9,400	17,083	15,233	
Cash and cash equivalents at end of period	8,465	11,673	9,400	17,083	15,233	12,663	
Segment information							
Orders	Domestic Consulting Business	46,617	45,057	44,109	48,265	48,529	52,855
	International Consulting Business	30,023	28,889	25,936	41,573	26,716	28,482
	Power Engineering Business	15,831	13,595	14,716	14,087	15,943	15,411
	Urban & Spatial Development Business	—	—	16,251	13,460	12,855	20,510
	Energy Business	—	—	—	—	179	723
	Other	13	30	64	55	126	100
Net sales	Domestic Consulting Business	41,817	41,845	40,778	43,516	46,595	49,593
	International Consulting Business	20,947	20,174	22,070	24,491	28,889	24,928
	Power Engineering Business	14,169	17,857	17,522	17,577	15,762	16,531
	Urban & Spatial Development Business	—	—	—	14,347	13,040	15,359
	Energy Business	—	—	—	—	354	719
	Real Estate Leasing Business	1,125	821	514	473	440	439
	Other	1,133	1,141	979	931	940	1,016
Operating profit	Domestic Consulting Business	2,502	2,723	2,956	3,298	4,279	4,990
	International Consulting Business	658	285	1,156	1,887	2,649	841
	Power Engineering Business	1,267	2,834	3,048	2,683	1,873	2,089
	Urban & Spatial Development Business	—	—	—	81	173	151
	Energy Business	—	—	—	—	(18)	(365)
	Real Estate Leasing Business	818	584	386	401	403	409
	Other	(991)	(1,925)	(2,824)	(2,886)	(2,799)	(3,006)

IFRS					
		FYE June 2020	FYE June 2021	FYE June 2022	FYE June 2023
Orders		144,871	133,304	131,166	139,265
Revenue		108,441	117,859	130,674	141,527
Cost of sales		(75,202)	(80,124)	(89,975)	(99,181)
Gross profit		33,238	37,735	40,699	42,346
Selling, general and administrative expenses		(28,436)	(29,173)	(31,610)	(34,611)
Operating profit		5,245	7,128	9,065	6,080
Financial profit (loss)		(216)	48	1,734	293
Pre-tax income		5,029	7,176	10,800	6,373
Profit attributable to owners of parent		3,246	4,518	6,579	3,093
Total assets		147,408	156,137	173,926	195,391
Current assets		62,027	68,570	83,535	99,147
Cash and cash equivalents		15,472	17,838	17,971	31,679
Non-current assets		85,380	87,566	90,390	96,244
Property, plant and equipment		42,039	40,832	41,403	52,718
Intangible assets		5,480	6,502	7,025	7,544
Goodwill		7,964	9,182	10,207	7,327
Other financial assets		6,721	7,434	6,423	5,106
Investments accounted for by the equity method		1,974	2,077	2,434	1,830
Total liabilities		81,687	83,843	91,956	111,607
Current liabilities		49,963	48,889	55,840	77,955
Loans payable		15,778	8,320	13,148	28,716
Non-current liabilities		31,723	34,953	36,116	33,652
Loans payable		14,923	18,712	19,288	17,385
Total equity		65,721	72,294	81,969	83,784
Cash flows from operating activities		4,365	12,073	4,820	8,345
Cash flows from investing activities		(7,129)	(2,750)	(6,949)	(2,859)
Cash flows from financing activities		4,529	(7,928)	1,892	8,298
Effect of exchange rate change on cash and cash equivalents		465	970	369	(77)
Net increase (decrease) in cash and cash equivalents		1,765	1,395	(235)	13,784
Cash and cash equivalents at beginning of period		12,663	15,472	17,838	17,971
Cash and cash equivalents at end of period		15,472	17,838	17,971	31,679
Orders	Consulting Business	106,931	97,769	84,717	77,712
	Urban & Spatial Development Business	17,874	21,457	31,981	42,566
	Energy Business	19,986	13,991	14,343	18,827
	Other	79	86	125	158
Revenue	Consulting Business	72,594	80,098	75,000	81,818
	Urban & Spatial Development Business	18,142	20,274	36,091	38,071
	Energy Business	16,452	16,621	18,799	20,855
	Other	1,251	865	783	782
Operating profit	Consulting Business	5,457	6,126	7,971	6,599
	Urban & Spatial Development Business	1,759	2,266	2,599	(946)
	Energy Business	640	814	1,290	2,974
	Other	(2,611)	(2,079)	(2,794)	(2,546)

* Orders for the 4th quarter of the fiscal year ended June 30, 2016 include BDP's outstanding orders (16,251 billion yen) as of April 1, 2016.
* Effective from the fiscal year ending June 30, 2017, the basis for calculating orders received was changed to a method that excludes differences due to foreign currency calculation.
* Due to the change in BDP's fiscal year end for the fiscal year ending June 30, 2017, BDP's results for the 15-month period from April 2016 to June 2017 have been consolidated.
* In the fiscal year ended June 2018, the Nippon Koei Group changed its basis for recording sales from the completed-contract method to the percentage-of-completion method.
* For the fiscal year ending June 30, 2020, the correction dated December 14, 2020 has already been reflected.
* International Financial Reporting Standards (IFRS) have been applied from the end of the fiscal year ended June 30, 2021.
* The Company has been conducting business in three business segments since FYE June 2022. For the Consulting Business, we combined our domestic and overseas consulting businesses and combined our former Power Engineering and Energy Business to form our current Energy Business. Since Real Estate Leasing is no longer a company business segment, it has been included in "Other".

* Consulting Business figures for the fiscal year ended June 30, 2020 are simple totals for the Domestic Consulting/International Consulting businesses before elimination of internal transactions.
* Energy Business figures for the year ended June 30, 2020 are simple totals of the Power Engineering Business and Energy Businesses before elimination of internal transactions.
* PT. Cikaengan Tirta Energi was reclassified from an Energy Business segment company to a Consulting Business segment company, and Aichi Tamano Information System Co., Ltd. was reclassified from a Consulting Business segment company to listed under the "Other" segment in the fiscal year ended June 30, 2022. The figures for the fiscal year ended June 30, 2021 are also prepared based on the new reportable segments.
* Nippon Koei Urban Space (formed from the merging of the former Tamano Consultants Co., Ltd. and Nippon Koei's Urban Space Business), its subsidiary Tamano Ecost Co., Ltd., and its consolidated subsidiary Nakazesogen Campground Co., Ltd. changed their business segment classification from "Consulting Business" to "Urban & Spatial Development Business" the fiscal year ended June 30, 2023. Therefore, segment information the fiscal year ended June 30, 2022 is also prepared based on the new reportable segment classification.

Corporate Data (as of June 30, 2023)

Corporate Data

Corporate name	Integrated Design & Engineering Holdings Co., Ltd.
Registered address	5-4 Kojimachi, Chiyoda-ku, Tokyo 102-8539, Japan
Phone	+81-3-3238-8030
Representative	Hiroaki Shinya, Representative Executive President
Established	July 3, 2023
Capital stock	¥7,522 million (as of August 10, 2023)
Business areas	Management of the business activities of the Group companies under its control and ancillary/related operations



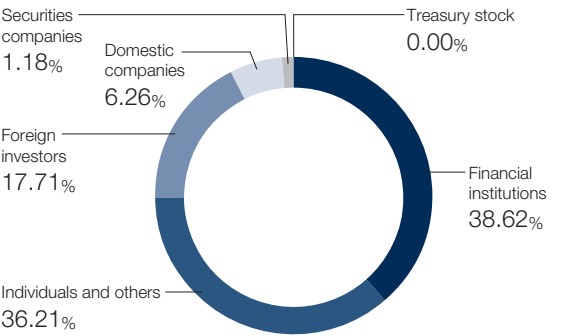
Main Group Companies

	Nippon Koei Co., Ltd. 5-4 Kojimachi, Chiyoda-ku, Tokyo 102-8539, Japan TEL: +81-3-3238-8030	
	Nippon Koei Urban Space Co., Ltd. 2-17-14, Higashisakura, Higashi-ku, Nagoya 461-0005, Japan TEL: +81-52-979-9111	
	BDP Holdings Limited 11 Ducie Street Piccadilly Basin Manchester M1 2JB United Kingdom	
	Nippon Koei Energy Solutions Co., Ltd. 5-4 Kojimachi, Chiyoda-ku, Tokyo 102-8539, Japan TEL: +81-3-3238-8030	
	Nippon Koei Business Partners 5-4 Kojimachi, Chiyoda-ku, Tokyo 102-8539, Japan TEL: +81-3-3238-8030	

Stock Information (as of December 31, 2023)

Number of shares authorized	38,000,000
Number of shares issued	15,079,625
Number of shareholders	7,666
Fiscal year-end	June 30
Stock listing	Tokyo Stock Exchange (Prime Market)
Securities code	9161
Transfer agent	Mizuho Trust & Banking Co., Ltd.

Shareholder Distribution

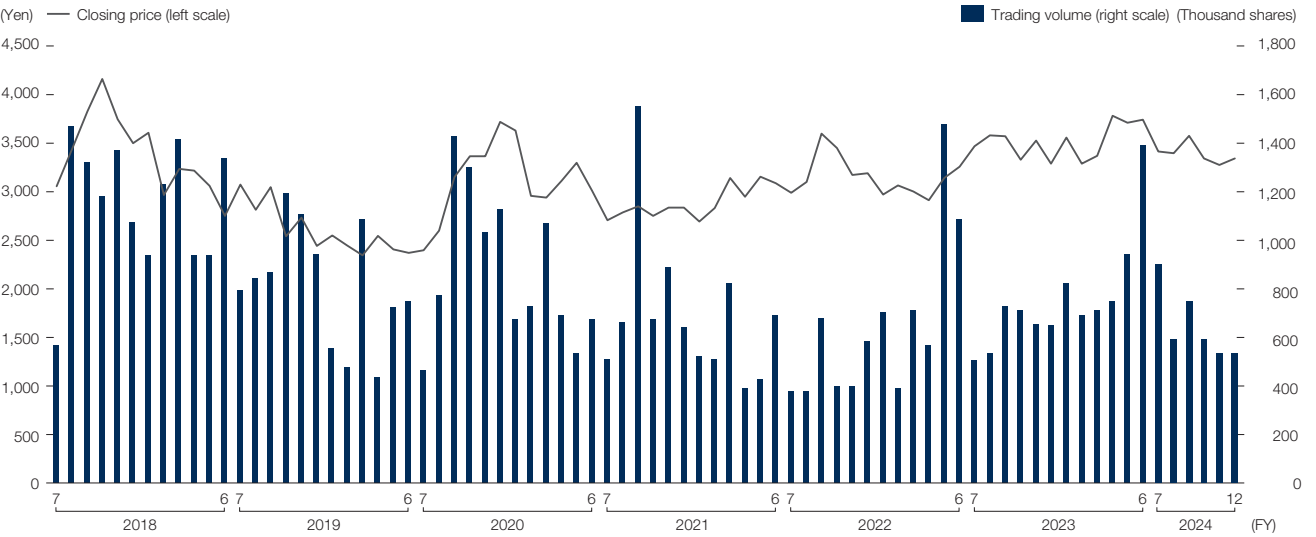


Chief Shareholders (Top 10 by Shares Owned)

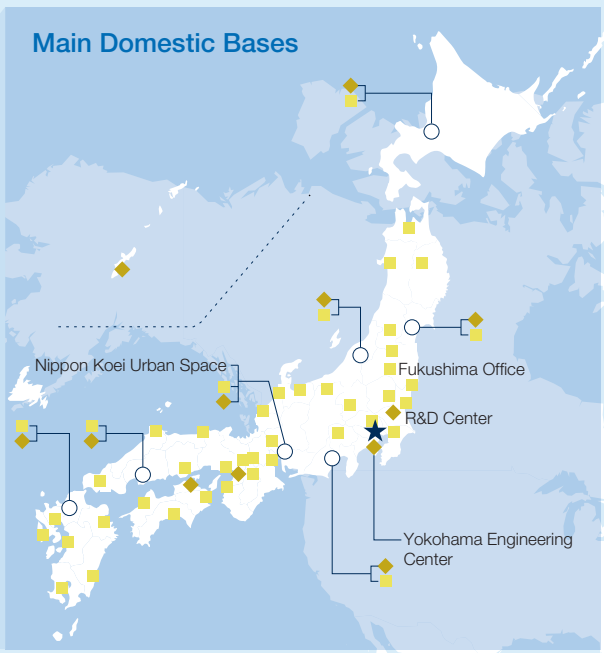
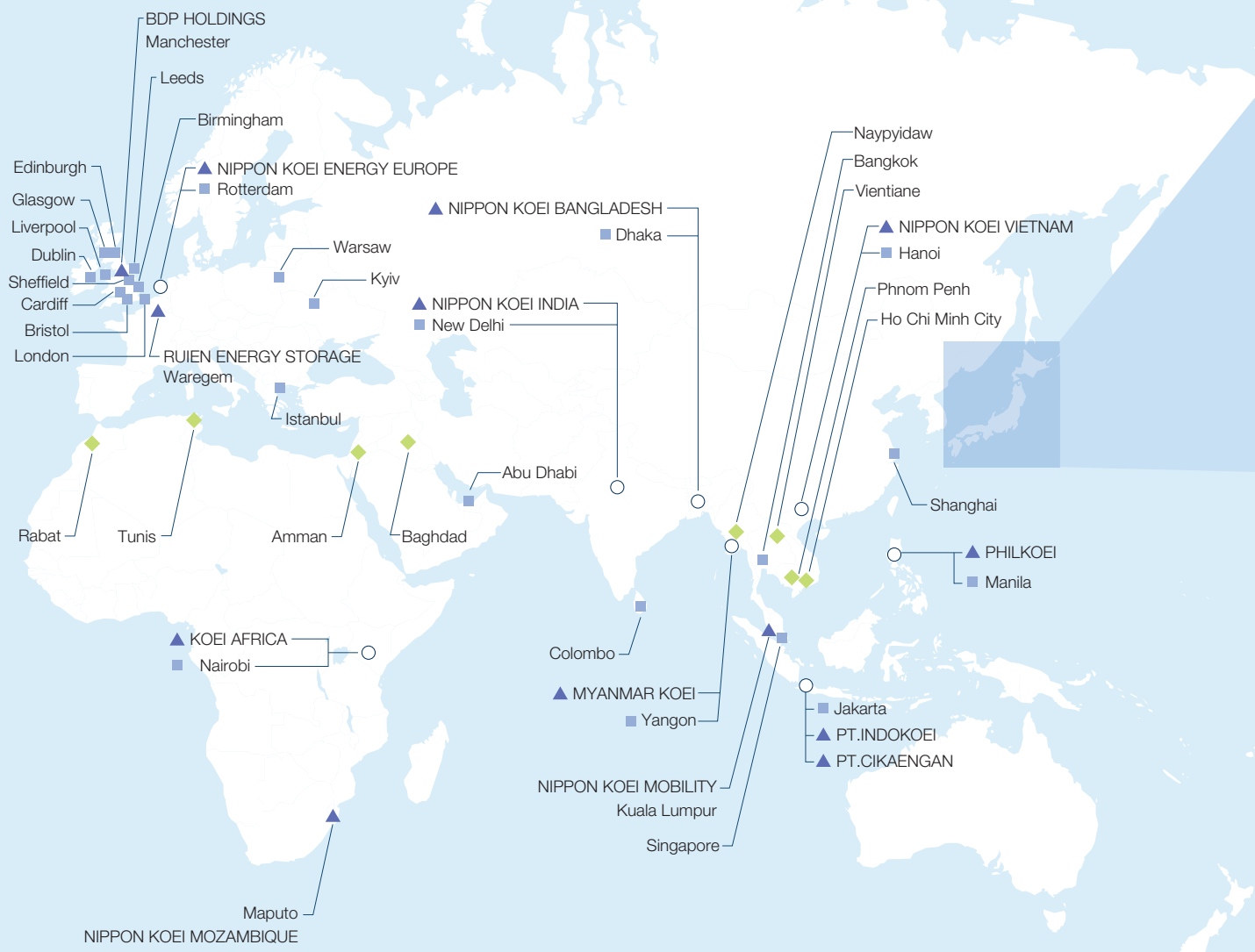
Chief Shareholders (Top 10 by Shares Owned)		Shares Owned (Thousand shares)	Percentage of Total Shares Owned (%)
1	The Master Trust Bank of Japan, Ltd. (Trust Account)	1,822	12.08
2	The ID&E Holdings Group Employee Shareholding Association	1,128	7.48
3	Custody Bank of Japan, Ltd. (Trust Account)	1,036	6.87
4	MUFG Bank, Ltd.	739	4.90
5	Meiji Yasuda Life Insurance Company	564	3.75
6	GOVERNMENT OF NORWAY	514	3.41
7	Mizuho Bank, Ltd.	382	2.53
8	Custody Bank of Japan, Ltd. (Pension Trust Account)	366	2.43
9	RE FUND 107-CLIENT AC	336	2.23
10	DFA INTL SMALL CAP VALUE PORTFOLIO	275	1.83

* Shareholding ratios are shown in the same manner as in the annual securities report (rounded to two decimal places).

Stock Price



Network (as of December 31, 2023)



Legend for Main Domestic Bases

- ★ ID&E Holdings Head Office, Nippon Koei Head Office, Nippon Koei Energy Solutions Head Office, Spin-off of Nippon Koei Business Partners Head Office, and Nippon Koei Urban Space Tokyo Head Office
- ◆ Branch Offices
- R&D Center
- Offices

Legend for Main Overseas Bases

- ▲ Head offices (Group companies)
- Offices
- ◆ Liaison Offices

This map indicates the locations of main group companies (Nippon Koei, Nippon Koei Urban Space, BDP, Nippon Koei Energy Solutions, and Nippon Koei Business Partners).

Main Group Companies (Consolidated Subsidiaries)

Consulting Business

- Nippon Koei Co., Ltd.
- Nippon Civic Consulting Engineers Co., Ltd.
- Geoplan Namtech Inc.
- Koei Research & Consulting Inc.
- Nippon Koei Latin America-Caribbean Co., Ltd.
- NIPPON KOEI LAC, INC.
- NIPPON KOEI LATIN AMERICA - CARIBBEAN, MEXICO S. DE R.L. DE C.V.
- NIPPON KOEI MOZAMBIQUE, LTDA.
- NIPPON KOEI LAC DO BRASIL LTDA.
- NIPPON KOEI INDIA PVT. LTD.
- PHILKOEI INTERNATIONAL, INC.
- KOEI AFRICA COMPANY LIMITED.
- NIPPON KOEI MOBILITY SDN. BHD.
- NIPPON KOEI BANGLADESH LTD.
- NIPPON KOEI VIETNAM INTERNATIONAL CO., LTD.
- PT. INDOKOEI INTERNATIONAL
- MYANMAR KOEI INTERNATIONAL LTD.
- PT. CIKAENGAN TIRTA ENERGI

Urban & Spatial Development Business

- Nippon Koei Urban Space Co., Ltd.
- Tamano Ecost Co., Ltd.
- Kisho Kurokawa architect & associates Co., Ltd.
- Nakaze Kamp Co., Ltd.
- BDP HOLDINGS LIMITED
- BUILDING DESIGN PARTNERSHIP LIMITED
- QUADRANGLE ARCHITECTS LIMITED

Energy Business

- Nippon Koei Energy Solutions Co., Ltd.
- Koei System Inc.
- Koei Energy Co., Ltd.
- NIPPON KOEI ENERGY EUROPE B.V.
- RUIEN ENERGY STORAGE NV

Other

- Nippon Koei Business Partners
- Nikki Corporation
- Aichi Tamano Information System Co., Ltd.
- El Koei Co., Ltd.

History

- 1946** Nippon Koei established in Chiyoda-ku, Tokyo
- 1954** Received order for planning of Baluchaung Hydropower Plant in Burma (Company's first overseas project)
- 1958** Acquired Nikki Manufacturing Co., Ltd. (name changed to Nikki Corporation in July 1982, currently a consolidated subsidiary)
- 1963** Tokyo Stock Exchange Shares listed in the Second Section of the Tokyo Stock Exchange
- 1978** New head office building completed in Kojimachi, Tokyo; relocated head office; listing moved to the First Section of the Tokyo Stock Exchange Listing moved to the First Section of the Tokyo Stock Exchange
- 1986** Koei System Inc. established (currently a consolidated subsidiary)
- 1989** Philkoei International, Inc. established in the Philippines (currently a consolidated subsidiary)
- 1992** PT. Indokoei International established in Indonesia (currently a consolidated subsidiary) El Koei Co., Ltd. established (currently a consolidated subsidiary)
- 1995** KRI International Corp. established
- 2003** Nippon Koei Latin America-Caribbean Co., Ltd. established (currently a consolidated subsidiary) Tamano Consultants Co., Ltd. becomes a subsidiary (currently a consolidated subsidiary)
- 2005** Tamano Consultants Co., Ltd. becomes a subsidiary (name changed to Nippon Koei Urban Space in July 2022 (currently a consolidated subsidiary))
- 2007** Nippon Koei LAC do Brasil Ltda. established in Brazil (currently a consolidated subsidiary)
- 2008** Nippon Koei India Pvt. Ltd. established in India (currently a consolidated subsidiary)
- 2010** NKLAC, Inc. established in Panama (name changed to Nippon Koei LAC, Inc. in September 2011)
- 2012** Nippon Koei Vietnam International Co., Ltd. established (currently a consolidated subsidiary)
- 2013** Myanmar Koei International Ltd. established in Myanmar (currently a consolidated subsidiary)
- 2015** KOEI Energy Co., Ltd. established (currently a consolidated subsidiary)
- 2016** UK-based architectural design company BDP Holdings Limited becomes a subsidiary (currently a consolidated subsidiary)
- 2017** Koei Research & Consulting Inc. established (Koei Research Institute International Corp. and System Science Consultants Co., Ltd. merged)
- 2018** Nippon Koei Bangladesh Ltd. Established in Bangladesh
- 2019** Canada architectural design company Quadrangle Architects Limited becomes a subsidiary (currently a consolidated subsidiary)
- 2020** New head office building completed in Kojimachi, Tokyo (reconstruction)
- 2021** 75th Anniversary Project Implemented
- 2022** Nippon Koei Urban Space Co., Ltd. launched
- 2023** Established Integrated Design & Engineering Holdings Co., Ltd. and transitioned to a holding company structure

Integrated Design & Engineering Holdings CO.,LTD.

5-4 Kojimachi, Chiyoda-ku, Tokyo 102-8539, Japan

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



This booklet was printed with an environmentally friendly ink that contains no volatile organic compound (VOC).