

Top Message



"The ID&E Group is committed to sustainability management for the Benefit of Society and Enterprise Value."

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Director and Representative Executive President

Evolution of Sustainability Strategy with the Business Model

The DNA of the ID&E Group traces back to its founder, Kubota Yutaka, who was involved in power development projects on the Korean Peninsula before World War II, some of the largest in the world at that time. Since its founding in 1946, for nearly 80 years, the Group has expanded operations to over 160 countries and regions, engaging in nation-building and human development projects directly impacting the lives, well-being, and prosperity of people. Driven by the management philosophy of "act with integrity and contribute to society through technology and engineering" ID&E has grown to be an industry leader by developing infrastructure that serves as the foundation for people's lives around the world. Nearly all of them are aligned with the pursuit of "achieving a sustainable society while simultaneously creating sustainable corporate value," a fact we take pride in.

However, the ID&E Group recognises there is no room for complacency. First, the world is at a historic turning point. Social division and inequality, frequent conflicts and terrorism, climate change, and associated extreme weather and natural disasters are intertwined, creating new crises that generate significant uncertainty for people's lives and business activities globally. The challenges of sustainability are widespread, deep-rooted and complex, and will shape our shared future. Secondly, the ID&E business model has encountered situations where it has failed to meet the interconnectedness of challenges, having in the past provided solutions for individual

Top Message

projects in specific sectors. More recently, with the increasing scale and complexity of projects, such as "sustainable urban development," there is a growing need for more comprehensive proposals based on holistic approaches. In July 2023, ID&E adopted a holding company structure as a step towards ensuring sustainable growth. By strengthening self-sufficient activities and fostering collaboration across the Consulting, Urban & Spatial Development, and Energy segments, we aim to enhance group management from a medium- to long-term perspective, raising overall corporate value. We are also focused on transforming our business portfolio to balance long-term growth strategies with increased profitability. Although our client base has traditionally leaned heavily towards the public sector, we are now pursuing an optimal balance between public and private sector engagements to create sustainable corporate value. Our business model is evolving from a "contract-based model" to a "co-creation model" where we develop solutions alongside our clients, and further to a "sustainable model" that enhances societal sustainability. In all of these strategies, sustainability initiatives are key starting points. Thus, in our new mid-term management plan, commencing in July 2024, we have defined new materialities linked to social challenges and the initiatives needed to address them, positioning sustainability at the core of our corporate strategy. We have also strengthened our organisational framework by establishing a Sustainability Promotion Operations within ID&E Holdings.

Sustainability with a Human Focus: A Challenge for a Better Future

In today's corporate landscape, sustainability-related risks can become existential for businesses. Recognising this, the ID&E Group is committed to greater accountability regarding corporate sustainability, in addition to its contributions to the environment and society through its business activities. On critical issues such as climate change, biodiversity, human rights, and human capital management, we will disclose risks and opportunities to all stakeholders, enhancing transparency and in so doing reinforce trust in the ID&E Group. Consulting and engineering, the Group's core businesses, are driven by "people"—the true source of competitive advantage. To engage effectively in nation-building and human development worldwide alongside sustainable enterprise value creation, we need talented individuals who possess not only technical expertise and insights but also creativity and trustworthiness. With this in mind, our mid-term management plan prioritises "Leveraging the strong ID&E brand through development of human resources, development of leading-edge technologies and strengthening of quality control." We are also developing a group-wide talent strategy linked to our corporate strategy. Our key pillars for enhancing human capital are "Development of human resources," "Diversity, Equity, and Inclusion," and "Well-being." By advancing these, we aim to ensure that every employee across the Group, conscious of their professional role, can experience growth,



realise their full potential, and take pride in contributing to long-term value creation.

A Mission to Serve: Personal Reflections

Since joining the company, I have had the opportunity to participate in various consulting projects across different regions. ID&E's mission, "Make the World a Better Place," is realised through a comprehensive approach, engaging with each project earnestly, and making continuous, sincere efforts to improve the future for those who live there. ID&E will continue to pursue this mission by refining our expertise and leveraging our accumulated technical capabilities to become one of the global leaders and the undisputed No. 1 in Japan.