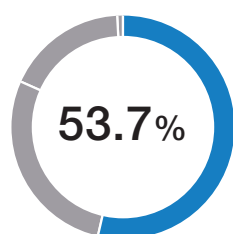


Business Overview

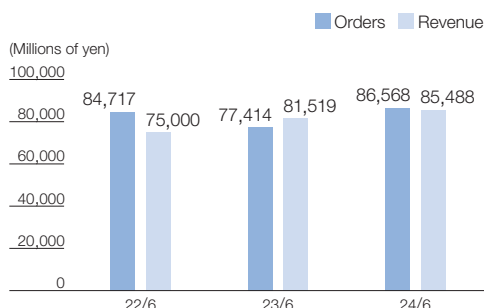
Consulting Business

Main indicators

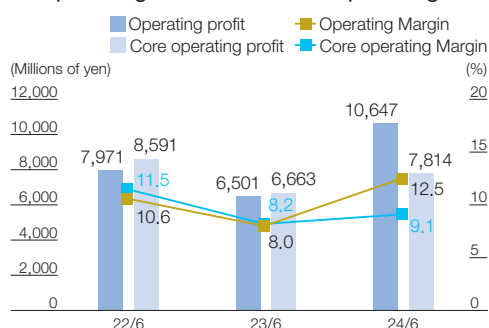
▼ Composition Ratio of Revenue



▼ Orders and Revenue



▼ Operating Profit and Core Operating Profit



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 staff, who have the responsibility to contribute to the development of infrastructure development, 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.

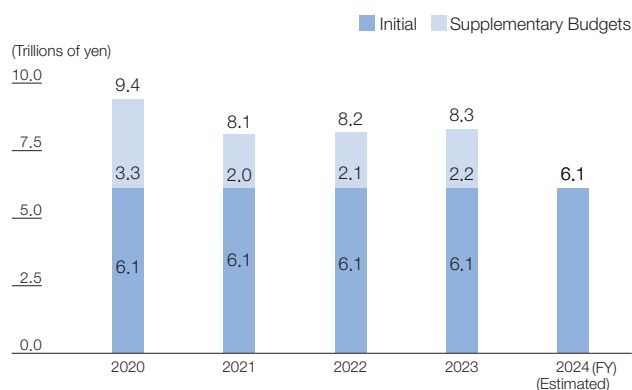
Practical wisdom and visionary R&D

We have accumulated a wide range of technologies and knowhow 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 national resilience and extension of infrastructure service life in the face of increasingly severe disasters. In addition, there is a growing trend toward PPPs (Public-Private Partnerships), where the private and public sectors cooperate to provide public services and PFIs (Private Financial Initiatives), where the private sector alone provides public services. As a result, the role of engineering consultants is also growing year by year.

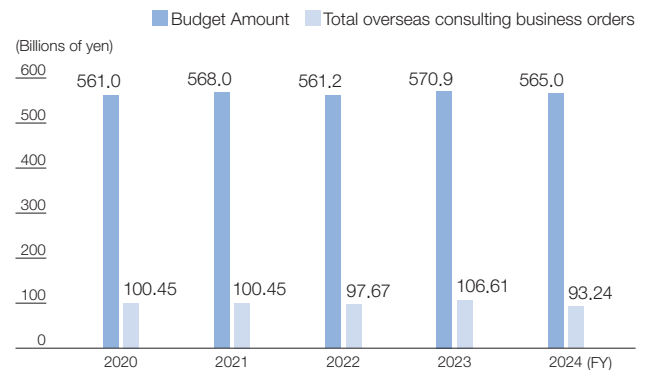
▼ Public Works Expenditures (Initial + Supplementary Budgets)



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.

▼ Initial ODA Budget in the General Account/Overseas Consulting Business Orders (Industry Total)



Performance Summary for Fiscal Year Ended June 30, 2024

Orders ¥86.568 billion
Revenue ¥85.488 billion
Operating profit ¥10.647 billion

Orders increased year on year contributed by those for work related to Japan's national resilience and defense.
 Revenue increased owing to steady progress in ongoing projects both in Japan and overseas.
 Operating profit increased as the domestic and overseas Group companies more than offset the downward pressure on profits overseas mainly due to increase in outsourcing costs caused by the weaker yen and inflation.

Strategies and Efforts of the New Medium-Term Management Plan "Building Growth 2027"

Key Strategies	Efforts
<ul style="list-style-type: none"> Entry into new private sector businesses Promotion of technological development related to automated design Improve profitability of overseas businesses, including group companies 	<ul style="list-style-type: none"> Actively develop private business, public-private partnership business, digital business, and management business in Japan and abroad. Radically reform the production structure and increase productivity through the development and implementation of advanced digital technology.(Target: 800 BIM/CIM operations/year) Improve profitability by eliminating contract/payment currency mismatches, enforcing accounts receivable monitoring, and shortening CCCs, etc.

Topics

Recovery and reconstruction for the Noto Peninsula Earthquake

At approximately 4:10 pm on January 1, 2024, the Noto region of Ishikawa Prefecture was struck by the 2024 Noto Peninsula Earthquake with a maximum seismic intensity of 7. In January 2024, the Cabinet Office of Japan published an estimate that damage to homes, infrastructure, and other assets caused by the quake would amount to between 1.1 and 2.6 trillion yen. The Government of Japan has announced that it will allocate 47.5 billion yen from the reserve fund in the 2024 budget to restore infrastructure such as roads, rivers, and water supply, as well as medical facilities.

Following requests for support from the national and local governments immediately after the disaster, the Group has been carrying out on-site inspections, confirmations, studies, analysis, and creating drawings related to the recovery efforts. These operations are centered around Nippon Koei's four business fields (land infrastructure development, watershed and water management, transportation, and infrastructure engineering) and the entire Group is working together to support those areas affected by the quake.

Voice

I believe that it is the social mission of an engineering consultant to make every effort to provide safety and security to the local communities as quickly as possible in response to the major disasters such as the Noto Peninsula Earthquake. The Group has dispatched a total of more than 1,000 engineers to the affected areas. Additionally, using our experiences and knowledge gained through recovery support for past major disasters, we have worked diligently to study the current state of landslides, monitor landslide dams in mountain streams, and consider emergency restoration of damaged roads and other infrastructure. We will continue to work together across all business fields to provide safety and security to the local communities as quickly as possible.

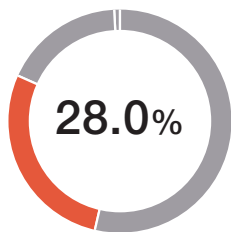
Nobuyuki Shibasaki, Director General of Land Infrastructure Development Operations, Nippon Koei Co., Ltd.

Business Overview

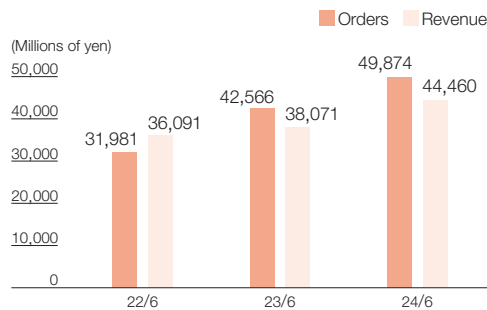
Urban & Spatial Development Business

Main indicators

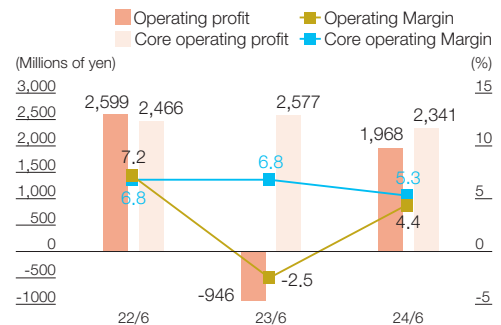
▼ Composition Ratio of Revenue



▼ Orders and Revenue



▼ Operating Profit and Core Operating Profit



Strengths

Ability to make proposals that combine civil engineering and architecture

The Urban & Spatial 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

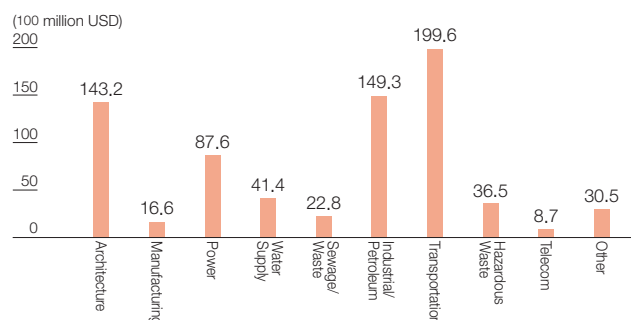
We have a wealth of experience working on long-term projects in several regions. Utilizing this experience, we will promote tailored town planning to address the unique issues that differ from region to region, and aim for sustainable regional development.

Market trends

The architecture field is one of the most active fields, accounting for 25% of the sales of international survey and 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.

▼ Sales of Top 225 Firms in FY2022 by Sector



Source: Excerpt from the August 2023 Issue of ENR

Performance Summary for Fiscal Year Ended June 30, 2024

Orders	¥49.874 billion
Revenue	¥44.460 billion
Operating profit	¥1.968 billion

Orders increased year on year owing to the contribution of large-scale orders in the U.K., Canada, and India won by the BDP Group.

Revenue increased mainly owing to steady progress in ongoing projects of the BDP Group.

Operating profit increased thanks to the increase in BDP Group revenue. Nippon Koei Urban Space's performance was weak due to intensifying price competition given decline in public works spending by the national and local governments and cost increase accompanying the strengthening of management foundation.

Strategies and Efforts of the New Medium-Term Management Plan “Building Growth 2027”

Key Strategies	Efforts
<ul style="list-style-type: none"> Clarification of focus markets and businesses Expanding business in APAC and North America Strengthen financial management and profitability 	<ul style="list-style-type: none"> Strengthen market development capability, increase productivity, and add value by leveraging its advantageous technology in large-scale development businesses. Strengthen the APAC development by leveraging the regional design and hub functions in India and collaborating with ID&E Group companies. (Sales in North America: 4.7 billion yen ⇒ 6.0 billion yen) Thoroughly review cost structure to improve productivity.

Topics

Architectural design firm BDP

BDP Holdings Limited (BDP) and its subsidiaries are one of the UK's leading architectural design firms. They joined the Group in 2016 with the aim of providing more comprehensive and complex solutions to various urban issues. Since then, BDP have continued to take on various challenges together, such as expanding business in Asia, with the aim of increasing the value of social capital through collaboration between Nippon Koei and Nippon Koei Urban Space's infrastructure development technology and BDP's building and urban development technology. In 2019, BDP acquired Quadrangle Architects Limited, a comprehensive Canadian architectural and interior design firm, and in 2021 acquired Pattern Design Limited, a British architectural design firm specializing in the sports sector. They are also aggressively expanding their business domain with the opening of a branch office in New York in 2022. They have also been actively expanding in Asia in recent years.

BDP's penetration in Asia

Redevelopment of Geylang Serai (Malay Settlement) in Singapore

BDP worked on the design, architecture and urban planning for the redevelopment project of Geylang Serai, the largest Malay settlement in Singapore. The project was completed in September 2024, and the ceremony was attended by the Prime Minister of Singapore.

Incorporating traditional Malay architectural motifs (such as woodwork, geometric patterns and simple, functional design), the area was redeveloped into an iconic space connecting the past and the future. In addition, a public space for gathering of local communities, multipurpose facility, and exhibition gallery were designed to create opportunities for residents and visitors to share cultural and historical experience and deepen connections.



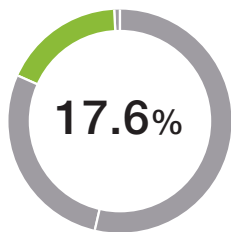
Landmark Gateway Arch and crossroad

Business Overview

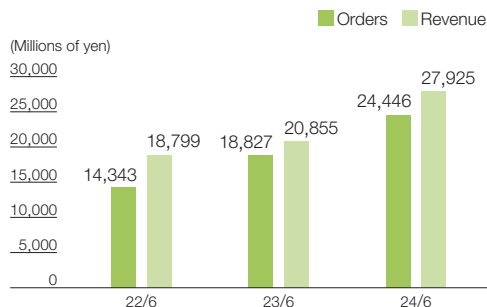
Energy Business

Main indicators

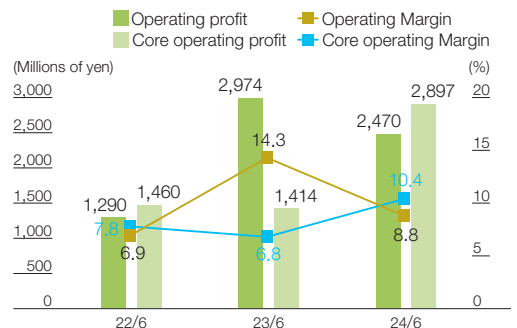
▼ Composition Ratio of Revenue



▼ Orders and Revenue



▼ Operating Profit and Core Operating Profit



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 in Japan and overseas. 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*¹ 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.

*¹ A service for stabilizing the quality of electricity.

*² A market for buying and selling capacity to generate electricity (kW value).

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. In the global energy market, increased demand for renewable energy accompanying the drive for low-carbon operations and distributed power sourcing is anticipated. In line with this, it also anticipates the expansion of new markets for ancillary services, peak arbitrage, capacity markets*², etc.

Worldwide renewable energy capacity is expected to grow 2.7 times by 2030 compared to 2022. The share of renewable energy in final energy consumption is projected to increase from 13% in 2023 to nearly 20% by 2030.

Source: Renewables 2024 published by the International Energy Agency (IEA)

Performance Summary for Fiscal Year Ended June 30, 2024

Orders	¥24.446 billion	Orders increased year on year due to demand related to the renewal of electric power facilities under the revenue cap framework* and additional orders related to project on hand. * The development plans with forecast of investment and expenses for grid transmission and distribution network are reviewed and approved by the government, and then wheeling charges are set.
Revenue	¥27.925 billion	Revenue increased due to steady progress in large-scale power plant/transmission projects on hand.
Operating profit	¥2.470 billion	Operating profit progressed steadily by leveraging scale advantages from increased revenue and improving our structure to generate profits, though it decreased year on year due to the absence of gains on the sale of shares of PT. ARKORA HYDRO (a former affiliate) and gains on investments in securities (approximately 1.9 billion yen) recorded in FYE 2023/6.

Strategies and Efforts of the New Medium-Term Management Plan “Building Growth 2027”

Key Strategies	Efforts
<ul style="list-style-type: none"> • Normalization of hydroelectric power business in manufacturing sector • Full-scale energy management business • Expanding knowledge of European business to Asia 	<ul style="list-style-type: none"> • Increase the value added of the manufacturing business by changing the organizational structure (integration of hydroelectric power related functions.) • Expand the battery storage EPC-based business and establish a management system according to the business form. (Sales of renewable energy EPC division: 1.37 billion yen ⇒ 4.0 billion yen) • Apply expertise gained in European business to Japan, and accelerate application and technology transfer to Southeast Asia by assigning personnel to the Asia energy team.

Topics

Full-scale expansion into the energy management business

Storage batteries and energy management systems (EMS) are an effective means to make the most of renewable energy power generation facilities that use natural energy, such as solar power, which is the most variable type of renewable energy.

Nippon Koei Energy Solutions Co., Ltd. is expanding into the aggregation and large-scale storage battery

businesses in the leading European market, while also developing its energy management business in Japan. We will utilize our know-how cultivated in Europe and Japan in renewable energy, storage batteries and EMS to expand our business towards the realization of a decarbonized society.

Project Information A Project to make Akita Rinkai Processing Center an energy supply base

This project involves the construction and operation of a microgrid based at the Akita Coastal Treatment Centre located in the Mukaihama district of Akita City. Renewable electricity generated from digestion gas, wind power, and solar power will be supplied to 10 public facilities in the Mukaihama district, while adjusting the supply and demand balance using storage batteries, energy management system, and hydrogen production and utilization equipment.

This project will enable more than 70% of the approximately 22,000 MWh of electricity consumed by the entire facility annually to be replaced with renewable energy. In addition, by purchasing the remaining roughly 30% of electricity from renewable sources, the facility expects to reduce its CO₂ emissions by around 10,000 t-CO₂ per year, achieving zero CO₂ emissions from electricity consumption.

This project is a joint venture between six companies*, including local companies, with Nippon Koei Energy Solutions, as the lead company, responsible for the entire project, from design and construction to operation.

* Nippon Koei Energy Solutions Co., Ltd. (lead company), Sawakigumi Co., Ltd., Local Denki Co., Ltd., Tokyo Densetsu Service Co., Ltd., Tsukishima JFE Aqua Solution Co., Ltd., and Choshu Industry Co., Ltd.



Sample diagram of the project



Conceptual diagram of power generation facilities upon completion