

Consolidated Financial Results for the Fiscal Year Ended June 30, 2024 [IFRS]



August 14, 2024

Company name: Integrated Design & Engineering Holdings Co., Ltd.

Stock exchange listing: Tokyo Stock Exchange

Code number: 9161

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

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Scheduled date of ordinary general meeting of shareholders: September 26, 2024

Scheduled date of commencing dividend payments: September 11, 2024

Scheduled date of filing annual securities report: September 26, 2024

Availability of supplementary briefing material on financial results: Yes

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

(Millions of yen, rounded down)

1. Consolidated Financial Results for the Fiscal Year Ended June 30, 2024 (from July 1, 2023 to June 30, 2024)

(1) Consolidated Operating Results (% of change from the previous period)

	Revenue		Operating profit		Profit before tax		Profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended June 30, 2024	158,983	-	14,124	-	15,264	-	10,011	-	9,677	-
June 30, 2023	-	-	-	-	-	-	-	-	-	-

	Basic earnings per share	Diluted earnings per share	Return on equity attributable to owners of parent	Ratio of profit before tax to total assets	Ratio of operating profit to revenue
Fiscal year ended June 30, 2024	Yen 641.83	Yen 641.83	11.3%	7.6%	8.9%
June 30, 2023	-	-	-	-	-

(Reference) Share of profit of investments accounted (Equity method): Fiscal year ended June 30, 2024 : ¥259 million
Fiscal year ended June 30, 2023 : -

(Note) The Company was established on July 3, 2023 through a sole-share transfer. Therefore, no historical results exist for the previous fiscal year.

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets	Equity attributable to owners of parent per share
As of June 30, 2024	Million yen 206,386	Million yen 94,097	Million yen 90,955	44.1%	Yen 6,032.16
June 30, 2023	-	-	-	-	-

(Note) The Company was established on July 3, 2023 through a sole-share transfer. Therefore, no historical results exist for the previous fiscal year.

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
Fiscal year ended June 30, 2024	Million yen 7,792	Million yen (5,064)	Million yen (8,832)	Million yen 25,242
June 30, 2023	-	-	-	-

(Note) The Company was established on July 3, 2023 through a sole-share transfer. Therefore, no historical results exist for the previous fiscal year.

2. Dividends

	Dividends per share					Total dividends paid (annual)	Payout ratio (consolidated)	Ratio of dividends to equity attributable to owners of parent (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended June 30, 2023	-	-	-	-	-	-	-	-
Fiscal year ended June 30, 2024	-	-	-	175.00	175.00	2,638	27.3	3.1
Fiscal year ending June 30, 2025 (Forecast)	-	-	-	175.00	175.00		36.1	

(Note) The Company was established on July 3, 2023 through a sole-share transfer. Therefore, no historical results exist for the previous fiscal year.

3. Consolidated Financial Results Forecast for the Fiscal Year Ending June 30, 2025 (July 1, 2024 to June 30, 2025) (% of change from the previous period)

	Revenue		Operating profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	165,000	3.8	12,200	(13.6)	7,300	(24.6)	484.14

* Notes:

(1) Significant changes in scope of consolidation: None
 New companies: None
 Excluded companies: None

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

- 1) Changes in accounting policies required by IFRS: None
- 2) Changes in accounting policies other than 1) above: None
- 3) Changes in accounting estimates: None

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

- 1) Total number of issued shares at the end of the period (including treasury shares)
 - As of June 30, 2024: 15,079,625 shares
 - As of June 30, 2023: - shares
- 2) Total number of treasury shares at the end of the period
 - As of June 30, 2024: 1,206 shares
 - As of June 30, 2023: - shares
- 3) Average number of shares during the period
 - Fiscal year ended June 30, 2024: 15,077,874 shares
 - Fiscal year ended June 30, 2023: - shares

(Note) The Company was established on July 3, 2023 through a sole-share transfer. Therefore, no historical results exist for the previous fiscal year.

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

* Explanation of the proper use of financial results forecast and other notes:

1. The earnings forecasts and other forward-looking statements disclosed herein are based on information available to the Company as of publication date of this document and certain assumptions deemed reasonable. Actual results, etc. may differ significantly due to a wide range of factors.
2. The Company is scheduled to hold a financial results briefing session for investors and analysts on September 6, 2024. The financial briefing materials to be distributed at this briefing session will be subsequently posted on the Company's website.

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1. Overview of Operating Results, etc.

Integrated Design & Engineering Holdings Co., Ltd. (“the Company”) was established as the sole parent company of Nippon Koei Co., Ltd. (“Nippon Koei”) through a share transfer on July 3, 2023, and has newly prepared the consolidated financial statements from the fiscal year ended June 30, 2024. Since there has been no substantial change in the scope of Nippon Koei’s consolidated group, Nippon Koei’s fiscal year ended June 30, 2023 have been used as comparative information. For comparison, the Company made an adjustment of reclassifying its subsidiary El Koei Co., Ltd. from the Consulting business segment to Others.

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

During the current fiscal year (July 1, 2023 to June 30, 2024), the Japanese economy has been recovering moderately, although some areas have been at a standstill. In the future, a moderate recovery is expected to continue, partly due to the effects of various policies, as the employment and income situation improves. However, the downside of the overseas economy, such as the impact of continuing high interest rates in Europe and the United States and concerns about the outlook for the Chinese economy, poses a risk of undermining Japan's economy. In addition, due attention should be paid to the situation in the Middle East and the impact by fluctuation in financial and capital markets among other factors.

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

Under such a market environment, we drew up the medium-term management plan “Building Resilience 2024” to implement three resilience policies, and positioned the period from July 2021 to June 2024, which is the first step of the “ID&E Global Strategy 2030,” as a transformation period to make the Group resilient.

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

As a result, the Group ended the current fiscal year with orders received increased 15.9% year on year to ¥161,357 million, due to steady progress in all businesses. The Energy Business mainly yielded revenue steadily and increased 12.3% year on year to ¥158,983 million. Operating profit increased 132.3% year on year to ¥14,124 million, due to an increase in profit in the Consulting Business. Accordingly, profit attributable to owners of parent increased 212.8% year on year to ¥9,677 million.

Business results for each segment are as follows:

[Consulting]

In the Consulting Business, we made efforts, centering on Nippon Koei, to promote cross-sectional collaboration projects such as those related to river basin flood control, climate change, SDGs, renewable energy, and multi-hazards, develop the management business and expand the private sector, on top of working to increase shares in each of the business fields.

As a result, orders received increased 11.8% year on year to ¥86,568 million on the back of strong performance in Japan, and revenue increased 4.9% year on year to ¥85,488 million. Operating profit increased 63.8% year on year to ¥10,647 million, due to the recording of approximately ¥2,100 million of valuation gains associated with the listing of shares of the company the Group acquired capital in.

[Urban & Spatial Development]

In the Urban & Spatial Development Business, Nippon Koei Urban Space Co., Ltd. worked to strengthen the operational structure by securing staff and ensuring quality management, while BDP Holdings Limited and its subsidiaries (“BDP”) strived to develop the U.K. market, collaborated with group companies to develop the Asian market, and worked to expand operations in the North American market.

As a result, orders received increased 17.2% year on year to ¥49,874 million due to the strong performance of BDP, and revenue increased 16.8% year on year to ¥44,460 million. Operating profit was ¥1,968 million (loss of ¥946 million in the previous period).

[Energy]

In the Energy Business, Nippon Koei Energy Solutions Co., Ltd. (prior to September 2023: Energy Headquarters, Nippon Koei Co., Ltd.) led the efforts to develop the energy management business such as storage batteries and aggregation on a full-scale basis, as well as the efforts to strengthen the structure of the existing energy-related consulting and engineering business and stabilize the manufacturing business.

As a result, orders received increased 29.8% year on year to ¥24,446 million, mainly due to favorable performance in substation construction work and businesses related to operation and management of power generation facilities. Revenue increased 33.9% year on year to ¥27,925 million due to strong performance in the large-scale storage battery projects and power facility-related business. Operating profit decreased 17.0% year on year to ¥2,470 million in reaction mainly to the recording of approximately ¥1,900 million, as a gain on share sale of PT. Arkora Hydro, a former associated company of the Group and a gain on investments in securities, in the previous fiscal year.

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

Total assets as of the end of the current fiscal year amounted to ¥206,386 million, an increase of ¥10,994 million from the end of the previous fiscal year. This was mainly due to a ¥7,771 million increase in contract assets .

Total liabilities were ¥112,288 million, an increase of ¥681 million from the end of the previous fiscal year. This was mainly due to a ¥2,876 million increase in deferred tax liabilities.

Total equity was ¥94,097 million, an increase of ¥10,313 million from the end of the previous fiscal year. This was mainly due to a ¥6,817 million increase in retained earnings.

As a result, ratio of equity attributable to owners of parent to total assets increased by 2.7 percentage points from the end of the previous fiscal year to 44.1%.

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

Cash and cash equivalents at the end of the current fiscal year was ¥25,242 million, a decrease of ¥6,436 million from the end of the previous fiscal year. The status of cash flows in the current fiscal year and changes in cash flows from the previous fiscal year are as follows.

Net cash provided by operating activities was ¥7,792 million, a decrease of ¥553 million from the previous fiscal

year as a result of making adjustments of non-fund items such as depreciation cost as well as receivables and liabilities related to business activities for profit before tax of ¥15,264 million. This was mainly due to an increase in contract assets.

Net cash used in investment activities was ¥5,064 million, an increase of ¥2,204 million from the previous fiscal year, as a result of purchasing property, plant and equipment and intangible assets. This was mainly due to the sale of shares of subsidiaries and associates that occurred in the previous fiscal year did not occur in the current fiscal year.

Net cash used in financing activities was ¥8,832 million, an increase of ¥17,131 million from the previous fiscal year as a result of borrowing and repaying short-term borrowings. This was mainly due to the promoted repayment of short-term borrowings.

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

(Reference) Trends in Cash Flow Indicators

	Fiscal year ended June 2020	Fiscal year ended June 2021	Fiscal year ended June 2022	Fiscal year ended June 2023	Fiscal year ended June 2024
Ratio of equity attributable to owners of parent to total assets (%)	43.6	45.3	44.9	41.4	44.1
Ratio of equity attributable to owners of parent to total assets on market value basis (%)	29.0	29.7	28.2	28.8	30.9
Interest-bearing debt to cash flow ratio (years)	9.3	3.0	8.7	6.8	7.1
Interest coverage ratio (times)	10.9	27.8	11.8	11.4	6.8

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

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

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

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

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

For periods prior to the fiscal year ended June 2023, calculations are based on Nippon Koei's consolidated financial figures.

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

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

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

From this fiscal year, interest-bearing debt are calculated to include lease liabilities. Accordingly, the previous fiscal years have also been calculated in the same manner.

(4) Future Outlook

In June 2021, we announced the long-term management strategy “NKG Global Strategy 2030”, under the concept of “Working Together toward a Future Without Boundaries.” By working together with various internal and external partners, we will provide new values through intellectual exploration and technological innovation and integration. We will aim to be a corporate group that helps to bring about a society where people can actually feel richness. We set the numerical targets for the fiscal year ending June 2030 as revenue of ¥250 billion, operating profit of ¥25 billion, operating profit margin of 10% and ROE of 15%. To achieve these targets, the Group transitioned into a holding company structure on July 3, 2023. The transition to a holding company is aimed at strengthening governance, accelerating decision-making and securing diversity in addition to promoting autonomy and collaboration.

In June 2024, after reviewing changes in the market environment and business domains for the ID&E Group's sustainable growth, we revised our materiality (most important issues) to five themes: “Building a more equitable society”, “Cultivating a beautiful and habitable planet”, “Innovating to address the challenges of the modern world”, “Building a global team with diverse perspectives”, and “Leadership based on integrity and technology”.

Under the “ID&E Global Strategy 2030” which succeeds “NKG Global Strategy 2030” and the new materiality, we positioned the period from July 2024 to June 2027 as the expansion step, and formulated the medium-term

management plan “Building Growth 2027”. The numerical targets for the fiscal year ending June 30, 2027, are as follows: revenue of ¥198 billion, operating profit of ¥18 billion, operating profit margin of 9%, and ROE of 12%. With a basic policy of sustainable growth in three core businesses and expansion of business domains through collaboration among businesses, we will work on three growth policies (Reforms for growth, Deployment of matrix management, and Advancements in human resources and technology).

In the Consulting Business, favorable market conditions are expected in the domestic market as public works budgets for national resilience are secured and defense-related projects benefit from increased budgets. In overseas markets, ODA projects, including yen loans, are at their largest budgets ever, and while needs for infrastructure development by private capital are growing, there are concerns about rising costs due to inflation and the weak yen. In the Urban & Spatial Development Business, demand for sustainable urban development is increasing, and in emerging countries, demand for highly efficient urban development through means such as urban infrastructure improvement is strong. In the Energy Business, renewable energy is being promoted as the main source of power and energy storage is being promoted to absorb the fluctuations of renewable energy in order to achieve the 2050 carbon neutrality goal, as the trend toward decarbonization is expected to continue over the long term. However, competition from the entry of various companies is also anticipated.

In this market environment, as mentioned above, the Group is implementing the following three growth policies based on our medium-term management plan “Building Growth 2027” (July 2024 to June 2027).

Growth Policy 1. Reforms for growth	
Entire Group	<ul style="list-style-type: none"> • Promotion of portfolio management
Consulting Business	<ul style="list-style-type: none"> • Expansion of private and new businesses (public-private partnerships, digital business, management business) • Productivity improvement through promotion of technology development related to automatic design • Improvement in earnings from overseas business through higher ratio of contract man/months, etc.
Urban & Spatial Development Business	<ul style="list-style-type: none"> • Strengthening market development capabilities by clarifying focus markets and businesses in Japan, and improving order unit prices • Strengthening of APAC (Asia - Pacific) and North American operations by BDP • Strengthening management and earnings structure by reviewing cost structure, etc.
Energy Business	<ul style="list-style-type: none"> • Drastic strengthening of the hydroelectric business in the manufacturing sector • Full-fledged launch of energy management business • Roll out of knowledge gained from European business to Japan and Asia
Growth Policy 2. Deployment of matrix management	
Regional Strategies	<ul style="list-style-type: none"> • Promoting regional strategies through the leadership of Chief Regional Officer • Optimization of business portfolios in response to market trends in each of eight regions (Japan, UK/Northern Europe/Western Europe/Southern Europe, Southeast Asia/East Asia/Oceania, South Asia, Latin America, Sub-Saharan Africa, North America, Eastern Europe/Central Asia/Middle East/North Africa) to maximize the Group's earnings
Growth Policy 3. Advancements in human resources and technology	
Human Resources Strategies	<p>Human Resources Development</p> <ul style="list-style-type: none"> • Establishment and operation of ID&E Global Academy • Realization of data-driven human resources through talent management systems • Improvement of employee skills through education and training • Establishment of network with stakeholders <p>DE&I (diversity, equity & inclusion)</p> <ul style="list-style-type: none"> • Sustained corporate growth and competitive advantage through the utilization of diverse human resources • Creation of an inclusive environment <p>Well-being</p> <ul style="list-style-type: none"> • Productivity improvement through workstyle reform

	<ul style="list-style-type: none"> • Creation of a work environment that supports mental and physical health • Creation of an environment that encourages communication
Technology Strategies	<p>Technology and DX development</p> <ul style="list-style-type: none"> • Creation of a common infrastructure for collaboration and efficient IT technology development within the Group • Promotion of the use of digital technologies such as AI generated based on the Group's common policy <p>Quality control</p> <ul style="list-style-type: none"> • Implementation of quality improvement activities that encompass the entire group and establishment of a system for collaboration among professionals • Implementation of professional human resource development activities and building a collaborative system for human resource development

In the fiscal year ending June 30, 2025, in the Consulting Business, we plan to expand our market share in the domestic market, mainly in the road and defense businesses, mainly through Nippon Koei, and to improve profitability in overseas markets by increasing ratio of contract man/months and reviewing the production structure. We also aim to improve productivity through the expansion of private business and the use of AI and automated design both in Japan and overseas.

In the Urban & Spatial Development Business, Nippon Koei Urban Space Co., Ltd. will strengthen its management base by reinforcing its production system and reviewing its cost structure, while BDP will strengthen its APAC expansion and expand its business in North America through measures such as collaboration with group companies.

In the Energy Business, we will promote the expansion of energy management business centering on storage batteries and the enhancement of added value in the manufacturing business by consolidating hydroelectric power generation-related divisions, mainly through Nippon Koei Energy Solutions Co., Ltd.

By promoting these initiatives, we have set the financial results forecast for the fiscal year ending June 30, 2025, as sales revenue of ¥165 billion (103.8% compared with the previous fiscal year), operating profit of ¥12.2 billion, a decrease due to the recording of approximately ¥2.1 billion of valuation gains associated with the listing of shares of the company the Group acquired capital in for the fiscal year ended June 30, 2024 (86.4% compared with the previous fiscal year), profit attributable to owners of parent of ¥7.3billion (75.4% compared with the previous fiscal year).

2. Basic Policy Regarding Selection of Accounting Standard

The Group has applied IFRS since the end of the fiscal year ended June 30, 2024 in order to improve the international comparability of financial statements in capital markets and improve the quality of the group management by unifying accounting policies.

3. Consolidated Financial Statement and Primary Notes

(1) Consolidated Statement of Financial Position

	As of June 30, 2024
	(Millions of yen)
Assets	
Current assets	
Cash and cash equivalents	25,242
Trade and other receivables	27,302
Contract assets	39,918
Other financial assets	2,908
Other current assets	6,593
Total current assets	101,965
Non-current assets	
Property, plant and equipment	54,759
Right-of-use assets	11,433
Goodwill	7,475
Intangible assets	7,830
Investment property	4,987
Investments accounted for using equity method	2,209
Retirement benefit asset	1,739
Other financial assets	7,835
Deferred tax assets	5,511
Other non-current assets	637
Total non-current assets	104,420
Total assets	206,386

As of June 30, 2024

(Millions of yen)

Liabilities and equity	
Liabilities	
Current liabilities	
Borrowings	23,723
Lease liabilities	3,443
Trade and other payables	12,108
Contract liabilities	10,649
Other financial liabilities	3,641
Income taxes payable	2,821
Provisions	1,190
Other current liabilities	15,314
Total current liabilities	72,892
Non-current liabilities	
Borrowings	19,588
Lease liabilities	8,438
Other financial liabilities	460
Retirement benefit liability	3,535
Provisions	150
Deferred tax liabilities	6,837
Other non-current liabilities	384
Total non-current liabilities	39,396
Total liabilities	112,288
Equity	
Share capital	7,522
Capital surplus	6,510
Treasury shares	(4)
Other components of equity	9,702
Retained earnings	67,224
Total equity attributable to owners of parent	90,955
Non-controlling interests	3,141
Total equity	94,097
Total liabilities and equity	206,386

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

(Consolidated Statement of Profit)

	For the fiscal year ended June 30, 2024
	(millions of yen)
Revenue	158,983
Cost of sales	(108,567)
Gross profit	50,415
Selling, general and administrative expenses	(38,644)
Share of profit of investments accounted for using equity method	259
Other income	3,656
Other expenses	(1,563)
Operating profit	14,124
Finance income	2,157
Finance costs	(1,018)
Profit before tax	15,264
Income tax expense	(5,252)
Profit	10,011
Profit attributable to	
Owners of parent	9,677
Non-controlling interests	334
Profit	10,011
Earnings per share	
Basic earnings per share (Yen)	641.83
Diluted earnings per share (Yen)	641.83

(Consolidated Statement of Comprehensive Income)

	For the fiscal year ended June 30, 2024
	(millions of yen)
Profit	10,011
Other comprehensive income	
Items that will not be reclassified to profit or loss	
Equity financial assets measured at fair value through other comprehensive income	627
Remeasurements of defined benefit plans	(977)
Share of other comprehensive income of investments accounted for using equity method	-
Total of items that will not be reclassified to profit or loss	(349)
Items that may be reclassified to profit or loss	
Cash flow hedges	6
Exchange differences on translation of foreign operations	2,614
Share of other comprehensive income of investments accounted for using equity method	81
Total of items that may be reclassified to profit or loss	2,702
Other comprehensive income	2,352
Comprehensive income	12,364
Comprehensive income attributable to	
Owners of parent	11,924
Non-controlling interests	439
Comprehensive income	12,364

(3) Consolidated Statement of Changes in Equity

(millions of yen)

	Equity attributable to owners of parent					
	Share capital	Capital surplus	Treasury shares	Other components of equity		
				Exchange differences on translation of foreign operations	Cash flow hedges	Equity financial assets measured at fair value through other comprehensive income
Balance as of July 1, 2023	7,517	6,470	-	6,039	(18)	457
Profit	-	-	-	-	-	-
Other comprehensive income	-	-	-	2,590	6	627
Total comprehensive income	-	-	-	2,590	6	627
Issuance of new shares	22	22	-	-	-	-
Changes by share transfer	(17)	17	-	-	-	-
Purchase of treasury shares	-	-	(4)	-	-	-
Dividends	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-
Total transactions with owners	5	39	(4)	-	-	-
Balance as of June 30, 2024	7,522	6,510	(4)	8,629	(12)	1,084

	Equity attributable to owners of parent					
	Other components of equity		Retained earnings	Total	Non-controlling interests	Total
	Remeasurements of defined benefit plans	Total				
Balance as of July 1, 2023	-	6,478	60,407	80,873	2,910	83,784
Profit	-	-	9,677	9,677	334	10,011
Other comprehensive income	(977)	2,246	-	2,246	105	2,352
Total comprehensive income	(977)	2,246	9,677	11,924	439	12,364
Issuance of new shares	-	-	-	45	-	45
Changes by share transfer	-	-	-	-	-	-
Purchase of treasury shares	-	-	-	(4)	-	(4)
Dividends	-	-	(1,883)	(1,883)	(208)	(2,092)
Transfer to retained earnings	977	977	(977)	-	-	-
Total transactions with owners	977	977	(2,860)	(1,842)	(208)	(2,050)
Balance as of June 30, 2024	-	9,702	67,224	90,955	3,141	94,097

(4) Consolidated Statement of Cash Flows

	For the fiscal year ended June 30, 2024
	(millions of yen)
Cash flows from operating activities	
Profit before tax	15,264
Depreciation and amortization	6,230
Impairment losses	585
Loss (gain) on financial assets measured at fair value through profit or loss	(1,762)
Interest and dividend income	(471)
Interest expenses	1,014
Share of profit (loss) of investments accounted for using equity method	(259)
Loss (gain) on derivatives	(341)
Loss (gain) on sale of property, plant and equipment, intangible assets, and investment property	(436)
Decrease (increase) in trade and other receivables	536
Decrease (increase) in contract assets	(7,252)
Increase (decrease) in trade and other payables	(319)
Increase (decrease) in contract liabilities	(686)
Increase (decrease) in consumption taxes payable	153
Increase (decrease) in deposits received	146
Increase (decrease) in accrued expenses	(190)
Increase (decrease) in accrued bonus	129
Increase (decrease) in provisions	(34)
Other	194
Subtotal	12,500
Dividends received	130
Interest received	311
Insurance received	88
Interest paid	(1,137)
Income taxes paid	(4,101)
Net cash provided by (used in) operating activities	7,792
Cash flows from investing activities	
Payments into time deposits	(1,334)
Proceeds from withdrawal of time deposits	1,492
Purchase of property, plant and equipment, and investment property	(5,339)
Proceeds from sale of property, plant and equipment, and investment property	603
Purchase of intangible assets	(272)
Purchase of other financial assets	(105)
Purchase of shares of subsidiaries and associates	(84)
Other	(24)
Net cash provided by (used in) investing activities	(5,064)
Cash flows from financing activities	
Proceeds from short-term borrowings	972,002
Repayments of short-term borrowings	(978,025)
Proceeds from long-term borrowings	8,032
Repayments of long-term borrowings	(5,415)
Repayments of lease liabilities	(3,362)
Dividends paid	(2,059)
Other	(4)
Net cash provided by (used in) financing activities	(8,832)
Net increase (decrease) in cash and cash equivalents	(6,104)
Cash and cash equivalents at beginning of period	31,679
Effect of exchange rate changes on cash and cash equivalents	(331)
Cash and cash equivalents at end of period	25,242

(5) Notes to Consolidated Financial Statements

(Notes on Going Concern Assumption)

There is no relevant information.

(Significant Accounting Policies)

The Group's significant accounting policies are the same as the "Significant Accounting Policies" stated in the latest securities report submitted by Nippon Koei on September 28, 2023.

(Segment Information)

1. Outline of reportable segments

(1) Method of determination of reportable segments

The Group's reportable segments are component units of the Company for which separate financial information is available and that are subject to regular review by the Board of Directors for the purpose of making decisions regarding the allocation of management resources and evaluating business performance.

The Group's main companies are organized by products and services, and each main companies formulate a comprehensive strategy and engage in business activities. Based on the above, the Group is composed of three reportable segments classified by products and services; namely, "Consulting", "Urban & Spatial Development" and "Energy."

(2) Types of products and services by reportable segment

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

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

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

2. Calculation methods for revenue, profit or loss, assets, and other items by reportable segment

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

3. Revenue, performance, and other items by reportable segment

Revenues and performance by reportable segments of the Group are as follows:

For the fiscal year ended June 30, 2024

(Millions of yen)

	Reportable Segments			
	Consulting	Urban & Spatial Development	Energy	Subtotal
Revenue				
Revenue from external customers	85,488	44,460	27,925	157,874
Intersegment revenue and transfers	411	402	926	1,740
Total	85,899	44,862	28,851	159,614
Segment profit (loss)	10,647	1,968	2,470	15,085
Finance income				
Finance costs				
Profit before tax				
Other items				
Depreciation and amortization	(1,750)	(2,409)	(1,252)	(5,412)
Impairment losses	-	(585)	-	(585)
Share of profit (loss) of investments accounted for using equity method	43	-	216	259
Segment assets	71,504	46,454	44,221	162,179
Increase in property, plant and equipment, and intangible assets (Note 2)	2,750	2,349	2,133	7,233
Investments accounted for using equity method	110	-	2,028	2,139

(Millions of yen)

	Others (Note 1)	Total	Adjustments (Note 3)	Consolidated
Revenue				
Revenue from external customers	1,109	158,983	-	158,983
Intersegment revenue and transfers	2,133	3,873	(3,873)	-
Total	3,242	162,856	(3,873)	158,983
Segment profit (loss)	673	15,759	(1,634)	14,124
Finance income				2,157
Finance costs				(1,018)
Profit before tax				15,264
Other items				
Depreciation and amortization	(160)	(5,573)	(657)	(6,230)
Impairment losses	-	(585)	-	(585)
Share of profit (loss) of investments accounted for using equity method	-	259	-	259
Segment assets	8,432	170,612	35,773	206,386
Increase in property, plant and equipment, and intangible assets (Note 2)	5	7,238	313	7,552
Investments accounted for using equity method	-	2,139	69	2,209

- Notes: 1. The category of “Others” includes incidental revenues and expenses that do not belong to any reportable segments, right-of-use assets, and investment property.
2. The amount of increase in property, plant and equipment, and intangible assets includes the amount of increase in right-of-use assets and investment property, but does not include the amount of increase in association with the new consolidation.
3. “Adjustments” is a recognition of expense, income, and assets in relation to the operation of the Group and an elimination of transactions between segments.

4. Information by product and service

Statement is omitted, as similar information is disclosed in “3. Revenue, performance, and other items by reportable segment”

(Per Share Information)

	For the fiscal year ended June 30, 2024
Profit attributable to owners of parent (Millions of yen)	9,677
Weighted-average number of shares of common stock (Shares)	15,077,874
Basic earnings per share (Yen)	641.83

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

(Significant Subsequent Events)

There is no relevant information.

4. Other

(1) Status of Orders and Sales

Category/segment		By period		For the fiscal year ended June 30, 2023		For the fiscal year ended June 30, 2024	
		Amount (Millions of Yen)	Composition (%)	Amount (Millions of Yen)	Composition (%)		
Orders received	Consulting	(Note 4) 77,414	55.6	86,568	53.6		
	Urban & Spatial Development	42,566	30.6	49,874	30.9		
	Energy	18,827	13.5	24,446	15.2		
	Others	457	0.3	467	0.3		
	Total	139,265	100.0	161,357	100.0		
Revenue 1	Consulting	85,035	60.0	86,118	54.1		
	Urban & Spatial Development	38,072	26.9	44,459	28.0		
	Energy	17,339	12.3	27,296	17.2		
	Others	1,080	0.8	1,108	0.7		
	Total	141,527	100.0	158,983	100.0		
Revenue 2	Consulting	81,519	57.6	85,488	53.7		
	Urban & Spatial Development	38,071	26.9	44,460	28.0		
	Energy	20,855	14.7	27,925	17.6		
	Others	1,080	0.8	1,109	0.7		
	Total	141,527	100.0	158,983	100.0		

Category/segment		By period		For the fiscal year ended June 30, 2023		For the fiscal year ended June 30, 2024	
		Amount (Millions of Yen)	Composition (%)	Amount (Millions of Yen)	Composition (%)		
Foreign exchange and other adjustments	Consulting	2,373		7,327			
	Urban & Spatial Development	2,387		3,366			
	Energy	90		1,210			
	Others	-		(0)			
	Total	4,852		11,903			
Outstanding Orders	Consulting	135,807	68.3	143,872	66.1		
	Urban & Spatial Development	37,651	18.9	46,432	21.3		
	Energy	25,495	12.8	27,390	12.6		
	Others	1	0.0	5	0.0		
	Total	198,956	100.0	217,701	100.0		

Notes: 1. The above amounts are for external customers, and do not include intersegment transactions or transfers.

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

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

4. The above amounts include the outstanding orders at the start of consolidation of NIPPON KOEI MOBILITY SDN. BHD. which was consolidated from the previous fiscal year.

5. As described in "1. Overview of Operating Results, etc.," there has been no substantial change in the scope of Nippon Koei's consolidated group. Therefore, Nippon Koei's consolidated results for the fiscal year ended June 30, 2023 have been used as comparative information. For comparison, the Company made an adjustment of reclassifying its subsidiary El Koei Co., Ltd. from the Consulting business segment to Others.