

RISKS AND CRISES MANAGEMENT REGULATIONS

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CHAPTER 1: GENERAL PROVISIONS

1. OBJECT

These regulations are established to clarify the basic matters of Corporate Risk Management of Nippon Koei LAC Company (hereinafter referred to as “the Company”, which includes Nippon Koei Latin America – Caribbean Co., Ltd.; Nippon Koei LAC, Inc.; Nippon Koei LAC Do Brasil Ltda, Nippon Koei Latin America – Caribbean Mexico S.de.RL, Nippon Koei Mozambique Limitada, or any group company with more than 50% of shares in the Company), including crisis management, based on the “ID&E Group Risks and Crises Management Regulations”.

Risk Management is implemented with the objective of identifying risks for our company through the operations of our company and the management and reduction of said risks, and supports our efforts to remain a competitive and sustainable company, improving our operational efficiency and profitability.

These regulations applies to all persons who perform activities for the Company, whether full-time or part-time employees, independent contractors, or any other contractual relationship. They also cover those persons remunerated by the Company, or by a consortium in which the Company participates, hereinafter collectively referred to as "Collaborators".

2. DEFINITION OF RISK

1. Risk is defined as “the possibility of loss caused by an event that prevents the achievement of the Company’s business purpose. The risk will be assessed and measured from the perspectives of “frequency of occurrence” and “scale of impact”.
2. The possibility of loss described in the preceding paragraph includes, but is not limited to, the following:
 - (1) Possibility of causing direct or indirect economic losses to the Company.
 - (2) Possibility of interrupting or suspending the continuation of the Company's activity.
 - (3) Possibility of discrediting the Company and damaging its brand image.
3. The individual events at which risks materialize are called risk events. The point at which risks materialize includes the moment when a loss actually occurs as well as when a risk of loss arises.

3. DEFINITION AND CLASSIFICATION OF RISK MANAGEMENT

1. Risk Management is defined as activities aimed at minimizing losses to the Company, as part of the ID&E Group, through the preventive elimination or mitigation of risk factors and appropriate responses to risk events as they become apparent. This includes the development of Risk Management systems, the verification of the Risk Management status, and the evaluation and improvement of effectiveness.

2. The Risk Management carried out by the Company will be classified as follows.

(1) Preventive risk management

This is a management aimed at eliminating or mitigating risk factors to the greatest extent possible in advance, responding to the manifestation of anticipated risks and the occurrence of losses.

(2) Response to risk events

Refers to the response to materialized Risk Events (including crisis management in the following paragraph).

(3) Crisis management

It refers to the response to Risk Events (crises) that are likely to have a significant impact on the implementation of the Company's business.

4. RESPONSIBILITY FOR RISK MANAGEMENT

1. The Company must implement Risk Management responsibly through the organization of management and managers in charge.
2. The President of the Company will be the highest-ranking official in matters of Risk Management.
3. The Company shall report its Risk Management activities to the ID&E Group Main Companies (hereinafter referred to as the “Main Group Companies”) having jurisdiction, which in our case is determined to be Nippon Koei Co., Ltd. (hereinafter referred to as the “Main Company”).

5. RISK MANAGEMENT PROMOTION STRUCTURE

1. The President shall appoint a Corporate Risk Management Officer and assign the Company's Managers as Risk Managers, who shall control Risk Management and promote its control by identifying and assessing the overall risks associated with the execution of business; developing, controlling, and guiding preventive management systems; and monitoring and guiding the materialization of risks and crisis events. Additionally, committees and work groups may be created when necessary.
2. The person specifically responsible for promoting Risk Management and this regulation in the Company will be the Corporate Risk Management Officer (hereinafter, the “department responsible for Risk Management”).
3. The General or Corporate Manager of each department is responsible for Risk Management for each of the Company's different operations (including the Operations Manager of each Branch, and the same will apply hereinafter).

CHAPTER 2: RISK PREVENTION MANAGEMENT

6. BASIC PREVENTIVE MANAGEMENT PROCESS

The basic preventive management process (PDCA) will be the following.

- (1) Risk identification, assessment, and analysis
- (2) Formulation of the plan
- (3) Implementation
- (4) Evaluation of the preventive management effectiveness and formulation of improvement measures
- (5) Implementation of the improvement and verification measures

7. PREVENTIVE MANAGEMENT OF RISKS COMMON TO THE ID&E GROUP

For the preventive management of risks common to the ID&E Group, the Company will cooperate with the relevant departments of the Group's Main Companies and ensure that Risk Management is promoted at group-wide level in a comprehensive manner.

Methods for managing risk include scope reduction, securing resources and time, adopting innovative methods that become traditional procedures, and measures such as:

1. Avoid

It consists of completely eliminating the possibility of a certain risk occurring, by making strategic decisions when faced with the exposure of a possible negative event. This is achieved by ceasing to carry out the activity that generates it, modifying processes or avoiding certain environments.

This method is used when the risk is unacceptable and its assumption is not justified due to its high potential impact or the lack of effective measures to control it.

2. Transfer

This method transfers risk management responsibilities to a third party as a result of emerging risks. This is simply shifting the Risk Management responsibilities to a third party and does not eliminate the risks.

This method is more effective for transferring financial risks. In this case, it is necessary to pay compensation against risks, such as insurance, performance guarantee bonds, liability for defects, and collateral to the party assuming the risks.

3. Mitigate

This method consists of reducing the probability of occurrence and/or mitigating the impact of dangerous phenomena up to the threshold.

It is much more effective to carry out Risk Management earlier to reduce the probability of risk occurrence or mitigate the impacts of risks on the project, rather than carrying out Risk Management later to recover from the emerging risk.

4. Accept

This method suggests that the department or project team determines to not change the Risk Plan against emerging risks, or there is no other appropriate strategy to respond to and manage emerging risks.

Aggressive acceptance is making a contingency plan as preparation in case a risk arises. Passive acceptance is taking no action and allowing the project team to deal with it when the risk arises.

The most general measure of risk acceptance is to prepare a contingency or backup in terms of time, money, and resources that are equivalent to the risks exposed.

8. PREPARATION OF THE RISK MANAGEMENT PLAN DRAFT

1. Before formulating a Risk Management plan draft, the President of the Company will establish a policy for formulating the plan and the Corporate Risk Management Officer will prepare a risk plan draft, which will be shared with each department and Managers will be asked for their feedback, including priority issues (priority topics and activities) and the departments in charge with the respective mitigation measures for the Risk Management plan and its monitoring.

2. The Company shall, in each fiscal year, identify all risks that can be assumed taking into account the characteristics of each department, estimate the frequency of occurrence and the magnitude of the impact and, after clarifying the response priority, consider and develop specific control measures to avoid, alleviate, transfer (share), or accept (retain) the risks in order to prepare a Risk Management plan draft (consisting of a plan summary, a Risk Management checklist, and a Risk Management sheet) and submit it to the President.

9. FORMULATION OF THE RISK MANAGEMENT PLAN

1. At the end or beginning of the fiscal year, the President will approve the Risk Management plan in its entirety, after deliberation on priority issues and feedback submitted by each department.

2. The President or the Corporate Risk Management Officer of the Company will report the aforementioned approved plan to the RMO Office of the Parent Company.

The Company's Board of Directors or the HD Risk Management Council may request revisions to the Risk Management plan draft submitted, if it considers that such revision is necessary.

3. The President, or the Corporate Risk Management Officer, shall provide the Company's Board of Directors with a report summarizing the Group Risk Management Plan following its approval.

10. QUARTERLY MONITORING OF THE RISK MANAGEMENT PLAN

1. Each Department will implement Risk Management in accordance with the Risk Management plan.
2. The Corporate Risk Management Officer shall, on a quarterly basis, maintain records of the Risk Management status in the Risk Management sheet and assess the effectiveness of the Risk Management plan and, after making necessary improvements to the Company's Risk Management plan, prepare reports (hereinafter referred to as "quarterly monitoring reports"), including the status of response to Major Risk Events, and submit them to the Board of Directors.
3. The President or the Corporate Risk Management Officer shall submit the Board of Directors' quarterly monitoring reports to the Regional Management Office (RMO) of Nippon Koei Co., Ltd.

CHAPTER 3: RESPONSE TO RISK EVENTS

11. RISK EVENT LEVEL

Risk events will be classified into the following levels according to the impact scale as shown in the following table.

Impact level	Name	Risk Events Classification	Policy on the establishment of an emergency task force
LV1	Minor risk event	Estimated worst-case loss of less than 1 million yen, or qualitatively equivalent lower risk.	N/A
LV2	General risk event	Estimated worst-case loss of more than 1 million yen but less than 10 million yen, or a qualitatively equivalent risk.	N/A
LV3	Serious risk event (including LV3 crisis)	Estimated worst-case loss of more than 10 million yen but less than 100 million yen, or qualitatively equivalent significant risk (including filing a lawsuit)	Depending on the content, an emergency task force is created at the company's discretion.
LV4	LV4 risk event (LV4 crisis)	Estimated worst-case loss of more than 100 million yen but less than 1 billion yen, or qualitatively equivalent risk.	An emergency task force will be created within the Company, in which the Group's main companies may also be involved.
LV5	LV5 risk event (LV5 crisis)	Estimated worst-case loss of more than 1 billion yen, or qualitatively equivalent risk.	An emergency task force will be established that includes not only the Company, but also the Main Group Companies that have jurisdiction.

12. RAPID NOTIFICATION OF UPDATED RISK EVENTS AND RESPONSE STATUS NOTIFICATION

1. Risk events will, in principle, be reported promptly and the response status will be communicated as shown in the table below according to the classification level. For further details, see the following paragraphs.

Level	Immediate (fast) report	Response Status Report (Monthly)
LV1 and LV2	To the Company's President	To the Company's Board of Directors, through the Corporate Risk Management Officer
LV3	To the President of the Parent Company (Nippon Koei Co., Ltd.), through the Company's President	To the HD Risk Management Board, through the Regional Management Office (RMO) of Nippon Koei Co., Ltd.
LV4 and LV5	To the President of HD, through the Company's President	Likewise, to the HD Board of Directors

2. If the Collaborators become aware of any Risk Event in the course of performing their duties (including when a loss actually occurs as well as when a risk of loss arises as set out in Article 2, Paragraph 2, and the same shall apply hereinafter) they shall immediately report the details (facts) of the Risk Event to the President and Corporate Risk Management Officer, and to the person responsible for Risk Management (General Manager, Operations Manager, or the Department in charge).

3. The President of the Company shall report to the President and Regional Management Office (RMO) of Nippon Koei Co., Ltd immediately upon becoming aware of Level 3 or higher Risk Events.

4. The President of the Company and the person responsible for Risk Management who received the above report shall promptly formulate risk response measures (including, as necessary, recurrence prevention measures; the same shall apply hereinafter in this article) and implement them throughout the company's organizational structure.

Additionally, measures involving matters requiring decision-making, such as payment of compensation for damages, allocation of provisions for losses, etc., shall be decided and implemented by checking the regulations related to the administrative and decision-making authority and obtaining the necessary decision-making.

5. The President or the Corporate Risk Management Officer shall report monthly to the Company's Board of Directors on the Risk Events response status. Reports on the status of the response to Level 3 or higher Risk Events shall be made in writing.

6. The President or the Corporate Risk Management Officer shall submit the written documents referred to in the preceding paragraph to the Regional Management Office (RMO) of Nippon Koei Co., Ltd on a monthly basis.

13. INVESTIGATING AUTHORITY

The President of the Company and the persons responsible for the related organizations (including HD and the main group companies) may require the departments and interested parties or persons of the Company to disclose or report relevant documents and investigate matters, if necessary, for Risk Management purposes.

14. DEFINITION OF CRISIS AND BASIC RULES FOR ITS MANAGEMENT

The basic rules for crisis management will be as follows:

- (1) The highest priority will be given to safeguarding the life and physical safety of the Collaborators and their families, as well as the Company's business partners.
- (2) All Collaborators involved will work together to ensure a rapid and systematic response, early recovery, minimal loss, and prevention of recurrence.

15. CLASSIFICATION OF CRISES AND SCOPE OF APPLICATION

1. The following table provides a guide to the crisis classification levels provided for in paragraph 11.

<i>Level</i>	<i>Main examples of imaginable crises</i>	
LV3 Crisis	A LV3 risk event corresponding to a LV4 crisis occurs and an Emergency Task Force is established at the Company's discretion.	
<i>LV4 Crisis</i>	Disaster	<ul style="list-style-type: none"> • Large-scale earthquake, major fire, infectious disease pandemic, etc. in a country where the offices are located. • Disaster (sediment disaster, including landslide, etc.) at a site • Damage to offices, etc. (due to floods, fires, etc.)
	Accident	<ul style="list-style-type: none"> • Accident with injury caused by negligence (design defect, etc.) • Serious work accident • Serious industrial accident (death due to overwork, etc.)
	Incident	<ul style="list-style-type: none"> • Illegal act or misconduct related to work by an employee • Arrest or prosecution for reasons not related to work • Leakage of confidential information within a limited range • Bankruptcy of an important business partner • Major lawsuit filed against Nippon Koei LAC Group
	War	<ul style="list-style-type: none"> • Civil war or war in a country or region partially related to the Nippon Koei LAC Group's business
LV5 Crisis	Disaster	<ul style="list-style-type: none"> • Large-scale earthquake (serious impact on Nippon Koei LAC Group) • Major fire (headquarters building fire, etc.) • Infectious disease pandemic in Japan
	Accident	<ul style="list-style-type: none"> • Fatal accident due to negligence (design defect, etc.) • Fatal work accident involving an official or employee
	Incident	<ul style="list-style-type: none"> • Serious crime (terrorist act, kidnapping, abduction, etc.) against an official or employee

	<ul style="list-style-type: none"> • On-site investigation by a government agency, etc., due to violation of the law. • Leakage of extensive customer information or other confidential information • Violation of law or work-related misconduct by an official • Arrest or indictment of an official or employee for work-related reasons. • Hostile takeover of shares
War	<ul style="list-style-type: none"> • Civil war or war in a country or region with a close connection to Nippon Koei LAC Group's business

16. TIMELY NOTIFICATION OF MAJOR RISK EVENTS

1. The Company's Collaborators, as soon as they become aware of a LV3 or higher risk event, must report the following information (including those of the Company's Subsidiaries) to the President and Corporate Risk Management Officer, and to the person responsible for Risk Management (General Manager, Operations Manager, or the Department in charge).

- (1) Risk information (specific facts)
- (2) Details of how the information was acquired and current response status
- (3) Other relevant information

2. The President of the Company shall immediately communicate the information referred to in the preceding paragraph to the President of Nippon Koei Co., Ltd and the Compliance Office General Manager.

3. In the case of Accidents, the channels of the Company's "Policy for Communications of Accidents and Emergencies" must be followed.

17. ONGOING REPORTS AND INVESTIGATIONS

1. Following the reports referred to in the previous article, the departments related to the crisis will continue to check the facts in detail, gather information on the current situation, and prepare the necessary reports according to the procedure established in the previous article.

2. The Emergency Task Force may, as necessary, investigate relevant persons or departments in accordance with Article 12.

18. CREATION OF THE EMERGENCY TASK FORCE

1. The President of the Company, when an LV3 risk event occurs, will consider whether it is necessary to establish an Emergency Task Force in view of the content of the crisis and, if necessary, will establish said task force.

2. The President of the Company shall, in principle, when an LV4 crisis occurs, establish an Emergency Task Force after discussion with the President of the Main Company, etc. and other stakeholders.

3. The President of the Company, when an LV5 crisis occurs, shall discuss with the President of HD, the President of NKBP, the President of the Main Company with jurisdiction, and other stakeholders within the group; and the Main Company and the Company shall jointly establish an Emergency Task Force.

4. The organization of the Emergency Task Force shall, in principle, be determined by the President of the Company that created it, after consultation with the stakeholders of the group. At that time, members may be selected from companies other than those that make up the Task Force, with the consent of the Holding Group Companies concerned, and external experts may be included as members of the Task Force.

5. The functions of the Emergency Task Force shall be as follows:

- (1) Collect and analyze information and support stakeholders.
- (2) Decide on specific measures or response policies and monitor their implementation
- (3) Perform internal and external public relations activities.
- (4) Decide on measures to prevent recurrence and verify their implementation
- (5) Discuss and decide other important matters

19. ORGANIZATION OF THE EMERGENCY TASK FORCE

1. The organization of the Emergency Task Force will, in principle, be as set out below and will be clarified by the list of members of the Emergency Task Force.

Organization	Composition	Main roles
Task Force (task force meeting) (Mandatory)	Head of the task force: President of the Company or person designated by said President Members: Manager or General Manager of the Company's Department and Operations and other persons designated by the President of the Company Observers (optional): People with specialized knowledge from inside or outside the group, etc.	Decide on response measures or policies Decide on measures to prevent recurrence
Task Force Secretariat (Mandatory)	Department responsible for the work or department in charge of risk and compliance	Collect information and act as a point of contact
Department response team (optional)	(Stakeholders in the department where the crisis occurred, etc.)	Provide status reports Formulate response measures or policies Implement response measures or policies
Department Response Team Secretariat (Optional)	(Office workers, etc. in the above-mentioned departments)	Collect information and act as a point of contact
Response support team (optional)	Team Leader: President of the NKBP or person appointed by said president Team Members: Legal and Compliance Department General Manager.	Analyze information and support stakeholders Implement external public relations (in collaboration with the Corporate Communications Office)

	Other persons nominated by the President of the NKBP	
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2. In the case of a joint emergency task force, the companies concerned shall discuss and decide on the organization in accordance with paragraph 1.
3. The head of the Task Force may review its organization when necessary.
4. The Department Response Team leader may review the organization of the Department Response Team when necessary.
5. The Response Support Team leader may review the organization of the Response Support Team when necessary.

20. RESPONSE FOLLOWING THE ESTABLISHMENT OF THE EMERGENCY TASK FORCE

1. A meeting of the Task Force shall be held without delay.
2. Response measures or policies will be discussed and decided at the Task Force meeting.
3. The head of the Task Force will provide instructions and implement response measures or policies within the Company.
4. Stakeholders will continue to verify facts, gather and analyze information, and flexibly review response measures or policies.

21. DISSOLUTION AND PREVENTION OF RECURRENCE

1. When the crisis response has been completed, the Emergency Task Force shall, in principle, formulate and verify the implementation of measures to prevent recurrence and report the following content in writing to the Board of Directors of the Company (or to the board body of each company involved in the case of a joint Emergency Task Force) of the Company that established the Task Force and discuss the dissolution of the task force.

- (1) Content of the crisis and how it was handled
- (2) External impact and cause and background of occurrence
- (3) Content of the measures to prevent recurrence (including the person in charge and the department in charge of implementation) and results of implementation

However, if the formulation and verification of the implementation of measures to prevent recurrence by the Emergency Task Force is not necessary, mention of such effect shall be made in the report, along with the reasons therefor.

2. The President of the Company will agree to the dissolution of the task force after verifying that the content of the report referred to in the previous section is adequate.

22. MATTERS TO BE REPORTED TO TMHD

Pursuant to Appendix 1 of the "Group Reporting Regulations," the ID&E department in charge will report specified matters to the TMHD department in charge.

23. DEPARTMENT IN CHARGE AND REVIEW OR DELETION

1. The person in charge of this Regulation is the Corporate Risk Management Officer, and any revision or abolition of this Regulation will be proposed by said person and carried out by decision of the

President, who is the creating authority.

2. The department in charge of these Regulations is the ID&E Legal & Compliance Department, and any revision or abolition of these Regulations shall be proposed by the said Department and carried out by a decision of the ID&E Board of Executive Officers which is the establishing authority.