INFRONEER Holdings Inc

2nd IR DAY 2024

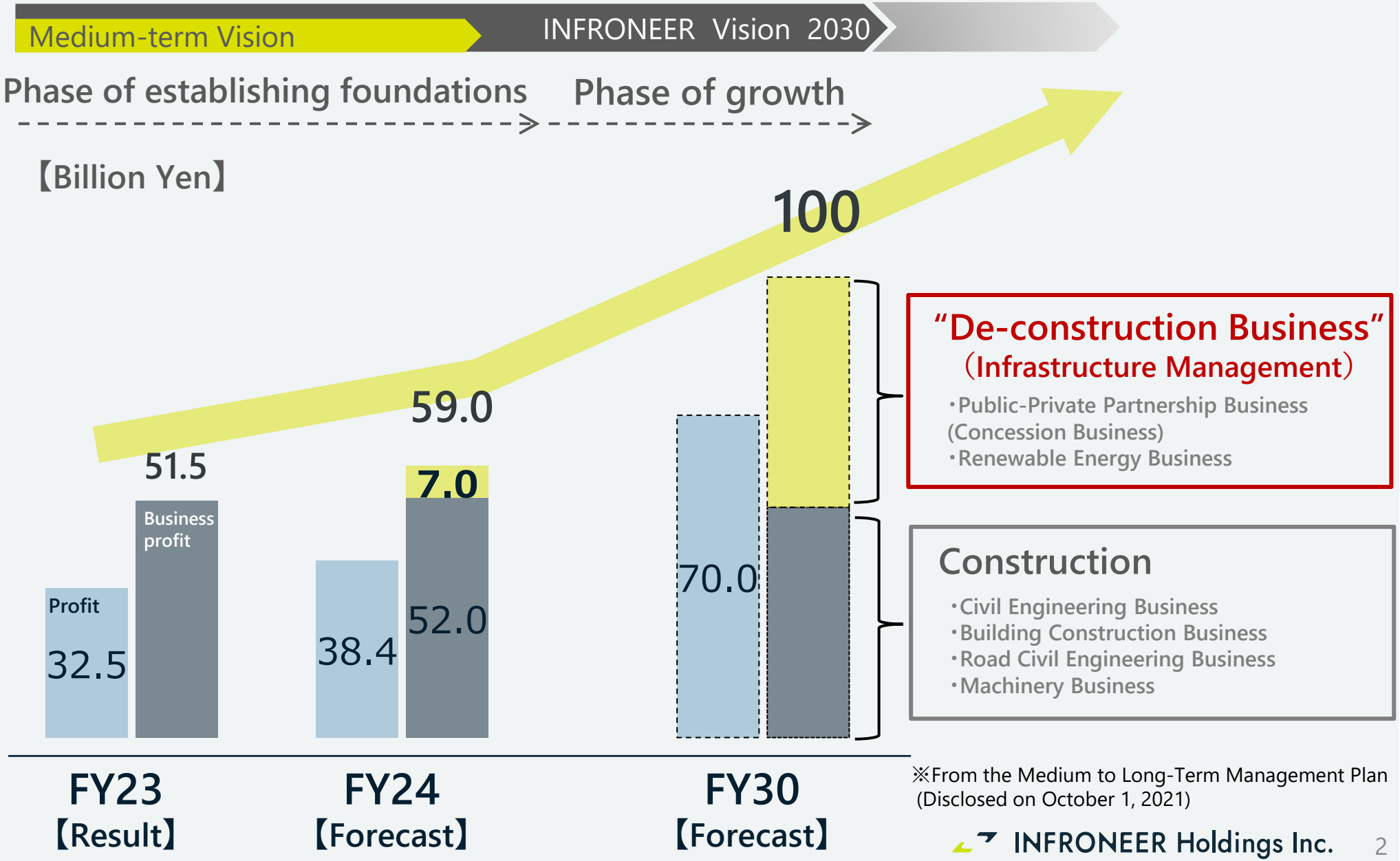
January 23, 2025

INFRONEER Holdings Inc.

On the occasion of IR DAY
- The Vision INFRONEER Aims For -

Goals Until 2030 (Medium to Long-Term Management Plan)

Expand the Infrastructure Management Business to Achieve an **Operating Profit of 100 Billion Yen by FY30.**

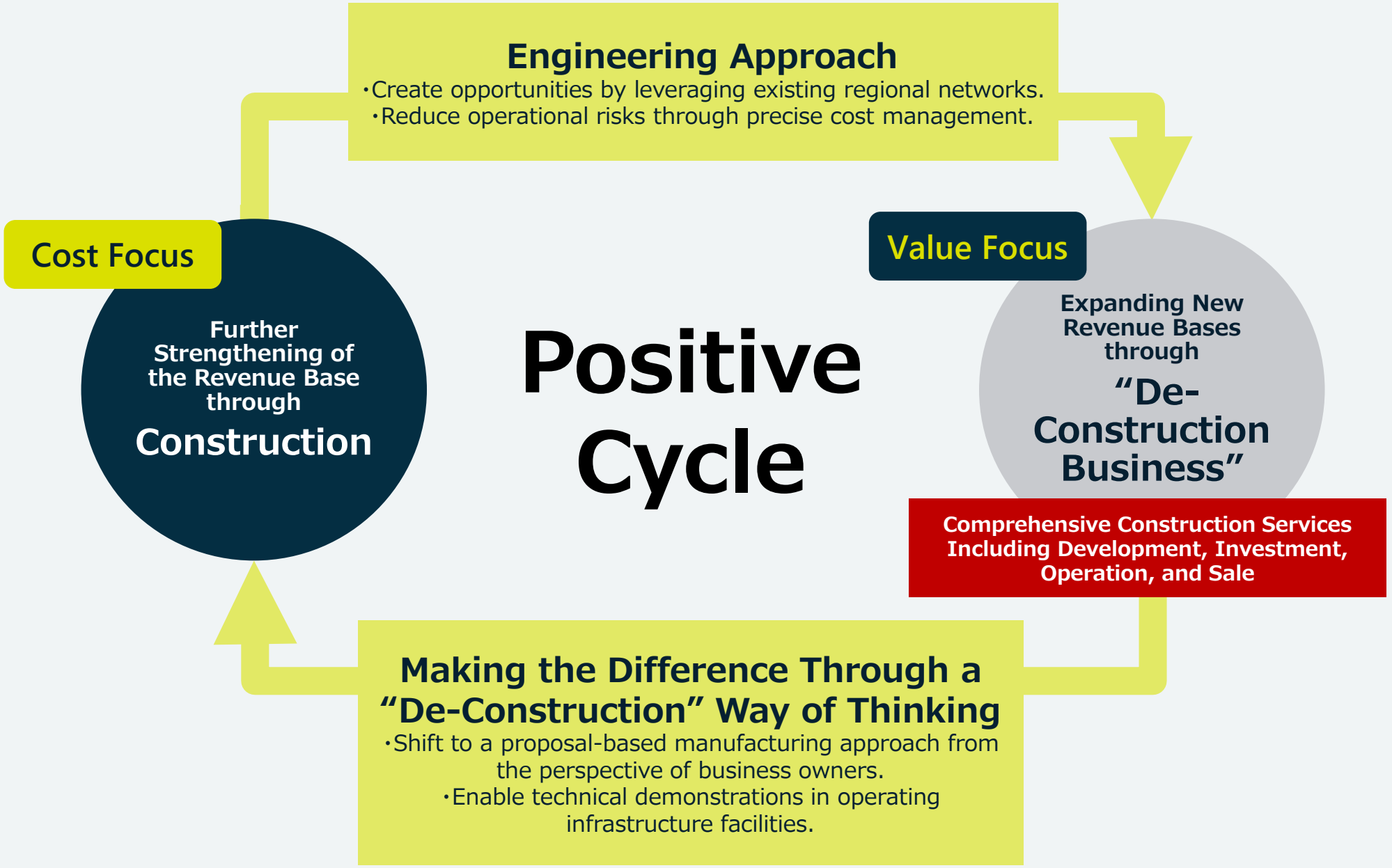


※From the Medium to Long-Term Management Plan (Disclosed on October 1, 2021)

The key to achieving an operating profit of 100 billion yen is rule change.

- INFRONEER focuses on value to maximize returns.
- The key to value-driven business is rule change, such as in the arena/stadium business and water business.
- To accelerate management speed, delegation of authority is essential.
- We will thoroughly deepen and explore investment opportunities and actively pursue M&A
- Capital and return policies support investments and M&A activities.

From Cost-Driven to Value-Driven Thinking.



Future Market Outlook and Business Models/Strategies

①. Arena and Stadium Business
②. Water Business
③. Renewable Energy Business

Social Issues Surrounding Infrastructure.

Issue ①Decline in the working-age population. → Decrease in tax revenue.

Issue ②Aging population. → Increase in social security costs.

Issue ③Intensification of natural disasters and rapid deterioration of infrastructure. → Enormous costs incurred for seismic retrofitting and maintenance/repairs.

Due to financial difficulties, budgets for new infrastructure construction, maintenance, and renewal are decreasing.

At this rate, it will become impossible to properly maintain and manage infrastructure.

Collapse of the Rokudo Water Pipe Bridge in Wakayama City resulted in water outages for about 60,000 households

Damage to water pipes (Nanao City)

Reiwa Year 6 Noto Peninsula Earthquake resulted in water outages for about 140,000 households

Source: Ministry of Land, Infrastructure, Transport and Tourism website

Utilization of Public-Private Partnerships. (PPP/PFI)

Infrastructure management solely by local governments is reaching its limits.

Leveraging private capital, technology, and expertise is essential.

Public-Private Partnerships (PPP/PFI)
(Concession model, performance-based model, comprehensive management outsourcing, etc.)

The concession model, which involves obtaining operational rights for infrastructure with toll collection, offers the highest degree of freedom and revenue potential.



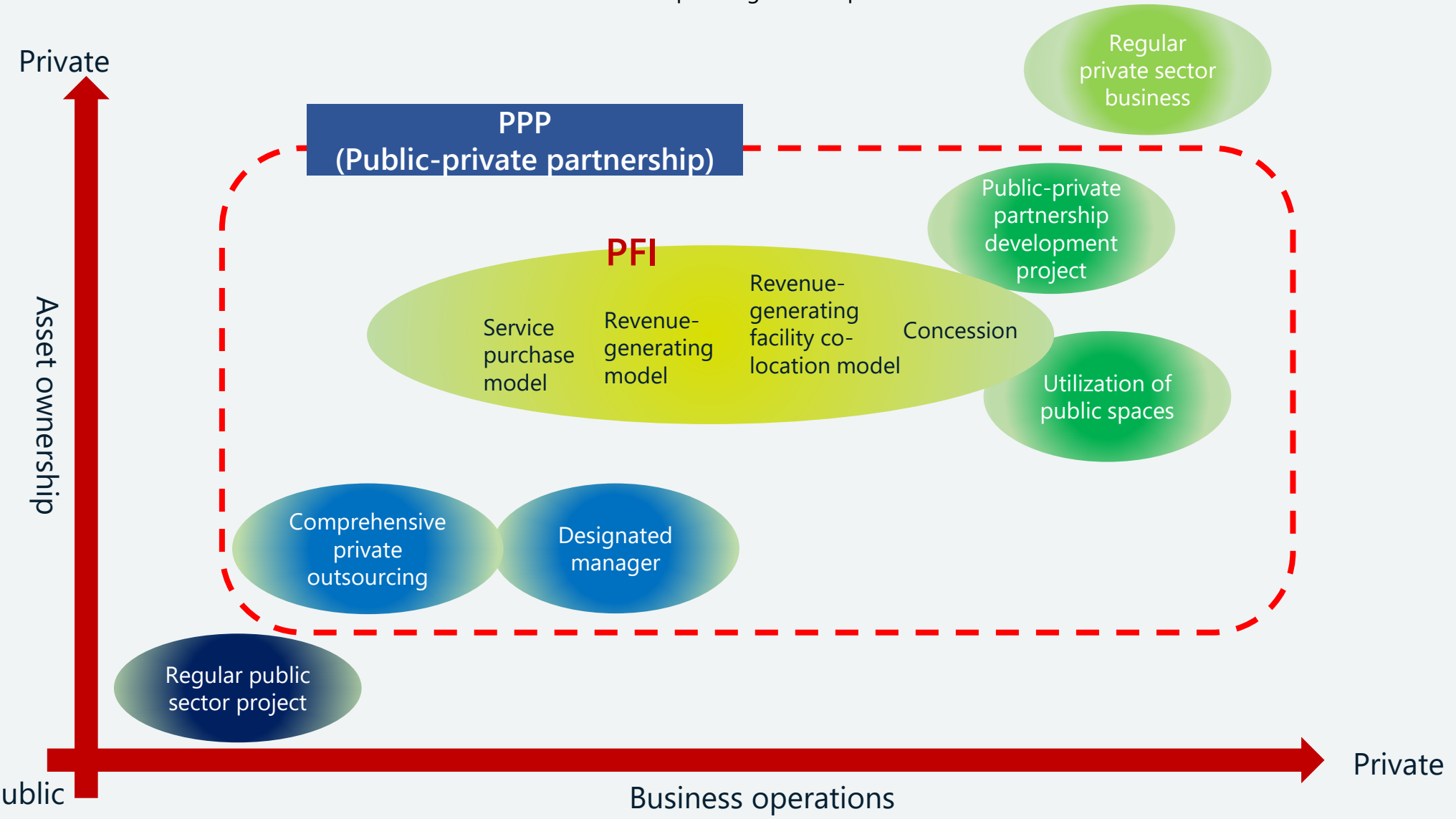


Many infrastructures such as airports, roads, water and sewage systems, MICE facilities, and ports are targeted.

What is Public-Private Partnership ？

The Private Finance Initiative (PFI) is a method that utilizes private sector funds, management capabilities, and technical expertise to design, construct, maintain, and operate public facilities and other infrastructure.

* The diagram below is for illustrative purposes, and actual details may vary depending on the specific case or situation.



Source: Cabinet Office's Office for the Promotion of Utilization of Private Sector Funds

Public-Private Partnership Project PPP/PFI Promotion Action Plan. (Major Revisions for FY 2022-2024)

Arena

- The action plan establishes an implementation plan that includes targets for business scale, the establishment of priority areas, and initiatives to promote PPP/PFI, as decided by the Promotion Council for Private Finance Initiative based on the PFI Act and announced by the Cabinet Office's PPP/PFI Promotion Office.

Five-Year Project Count Target - R4 Action Plan (Target: FY 2022-FY 2026)

Focus Are	A target number of projects to be materialized over five years.	Target Facilities/ Type of Contract
Airport	3	Concession
Water Suply	5	Concession, etc.
Sewage System	6	Concession
Road	7	PPP/PFI such as concessions in Bus Terminals
Sports Facilities	10	Concession
Cultural and Social Education Facilities	10	Concession, etc.
University Facilities	5	Concession, etc.
Park	2	Concessions in parks with set fees for use
MICE Facilities	10	Concession
Public Housing	10	Concession, profitable business, Public Real Estate Utilization
Cruise Ship Terminals	3	Concession
Public Hydropower Generation	3	Management style examination of public enterprise bureaus
Industrial Water Supply	3	Various PPP/PFI including concessions
Self-Defense Force Facilities (New)	20	A comprehensive combination of PFI, ECI, and other private sector outsourcing
Total	77→97	

Ten-Year Project Count Target - R5 Action Plan (Target: FY 2022-FY 2031) *Revised Edition for FY 2024

Focus Area	Aiming to materialize a number of projects over ten years.	Target Facilities/ Type of Contract
Airport	10	Concession
Water Suply	100	Water PPP
Sewage System	100	Water PPP
Road	60	PPP/PFI in the entire road sector (including collaboration with other sectors), including Bus Terminals
Sports Facilities	30→40	Concession
Cultural and Social Education Facilities	30→35	Concession, etc.
University Facilities	30→40	Concession, PPP/PFI
Park	30	Private-sector utilization including concession in entire park sector
MICE Facilities	30	Concession, PPP/PFI
Public Housing	100	Concession, profitable business, Public Real Estate Utilization, PFI
Cruise Ship Terminals	10	Concession and International Passenger Ship Base Formation Port System
Public Hydropower Generation	20	Management style examination of public enterprise bureaus
Industrial Water Supply	25	Various PPP/PFI including Water PPP
Self-Defense Force Facilities (New)	50	A comprehensive combination of PFI, ECI, and other private sector outsourcing
Total	575→650	

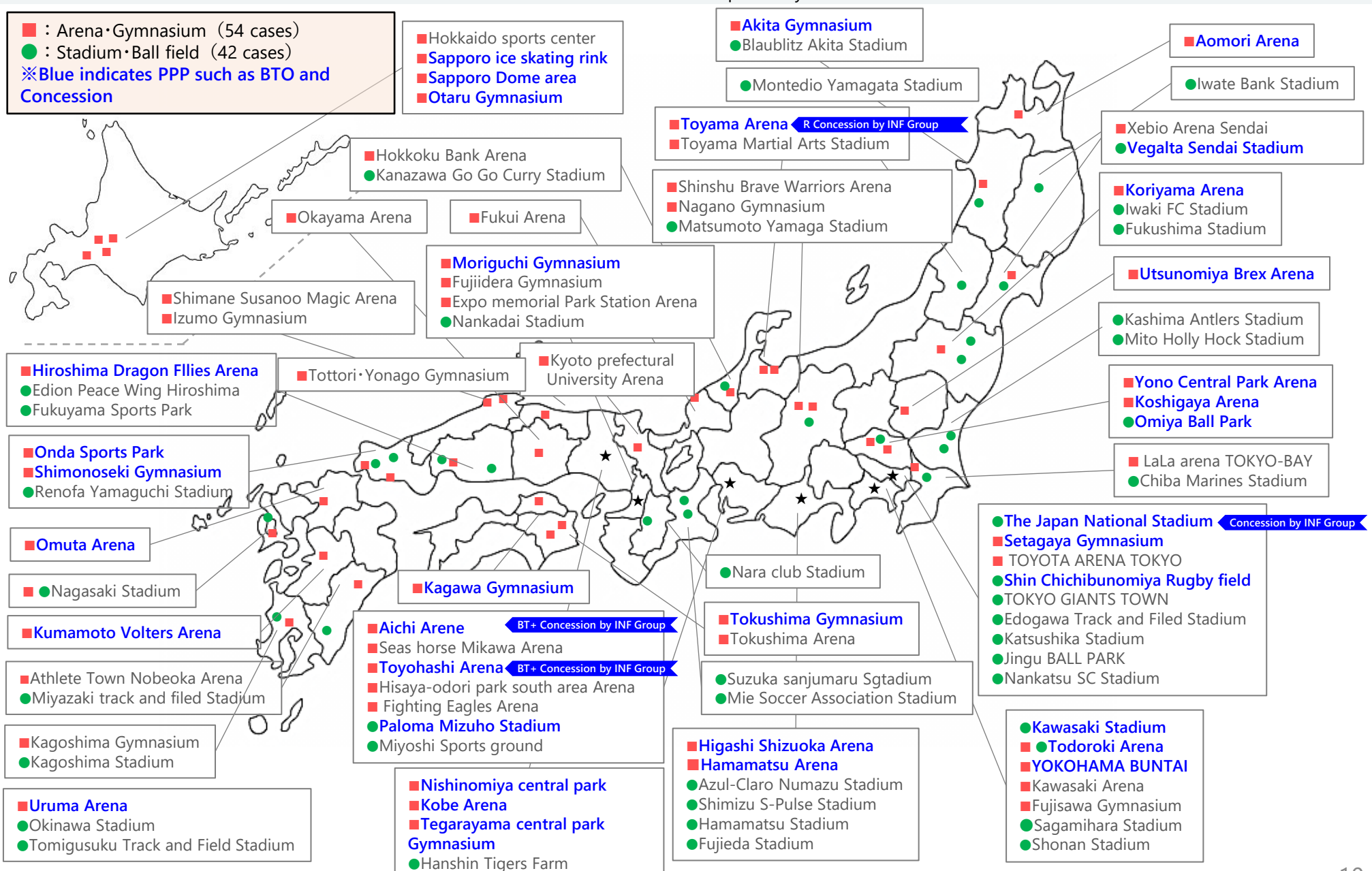
Source: Overview of the Cabinet Office's PPP/PFI Action Plan (Revised Edition for FY 2024)

Arena and Stadium Business: Market Overview - Part 1

Increased consideration for BT + concessions as the government promotes stadium/arena reform as a catalyst for regional revitalization.

BT＋Concession：In addition to design and construction of public facilities, operation through concession method
R Concession：Rehabilitate and operate by concession method

■：Arena･Gymnasium（54 cases）
●：Stadium･Ball field（42 cases）
※Blue indicates PPP such as BTO and Concession

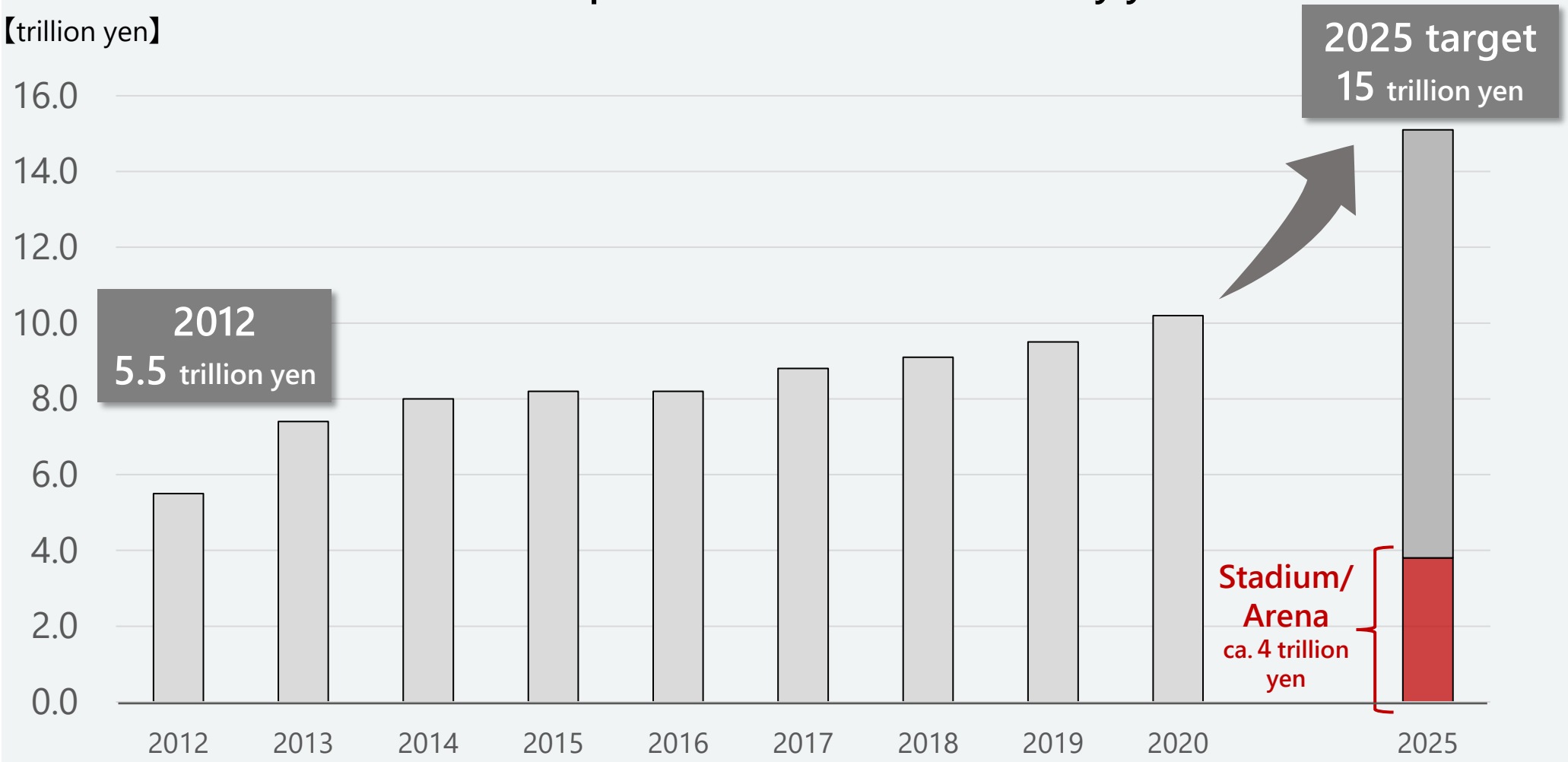


Source：Japan Sports Agency（https://www.mext.go.jp/sports/b_menu/sports/mcatetop02/list/1384234.htm）（Information as of January 2024） Created by INF from the materials

Arena and Stadium Business: Market Overview - Part 2

- The government aims to turn the sports market into a growth industry, targeting a market size of **15 trillion yen by 2025**
- About 4 trillion yen of the 15 trillion yen comes from stadium/arena measures, which is positioned as an important measure.

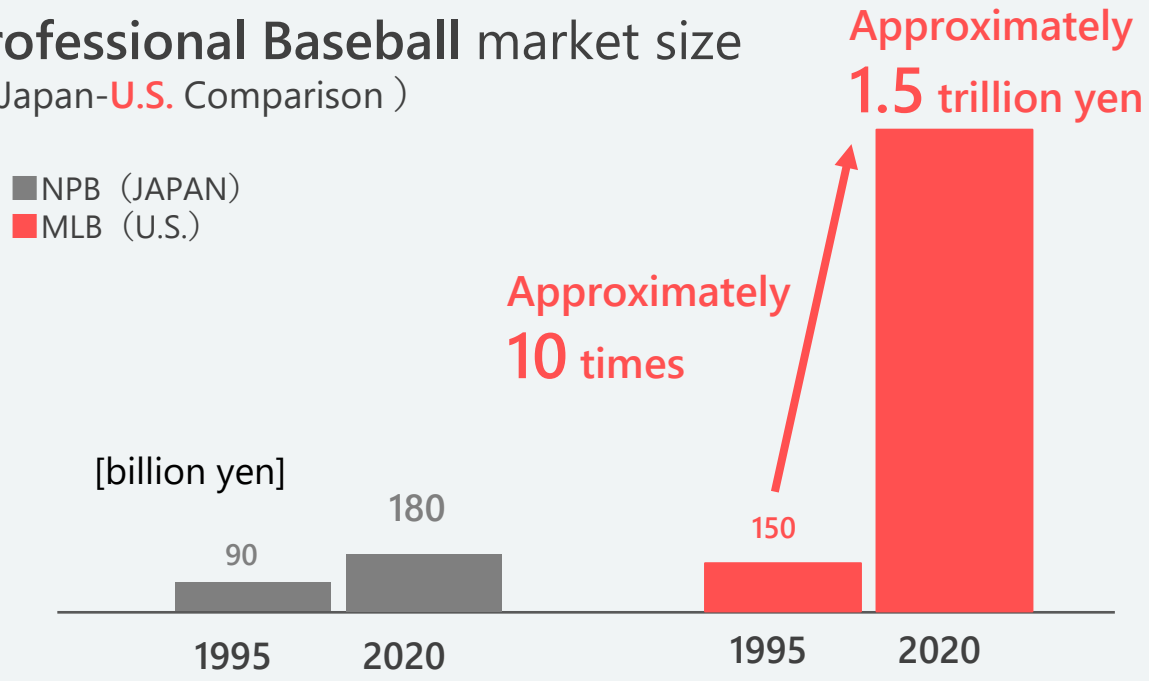
The size of the sports market increases every year



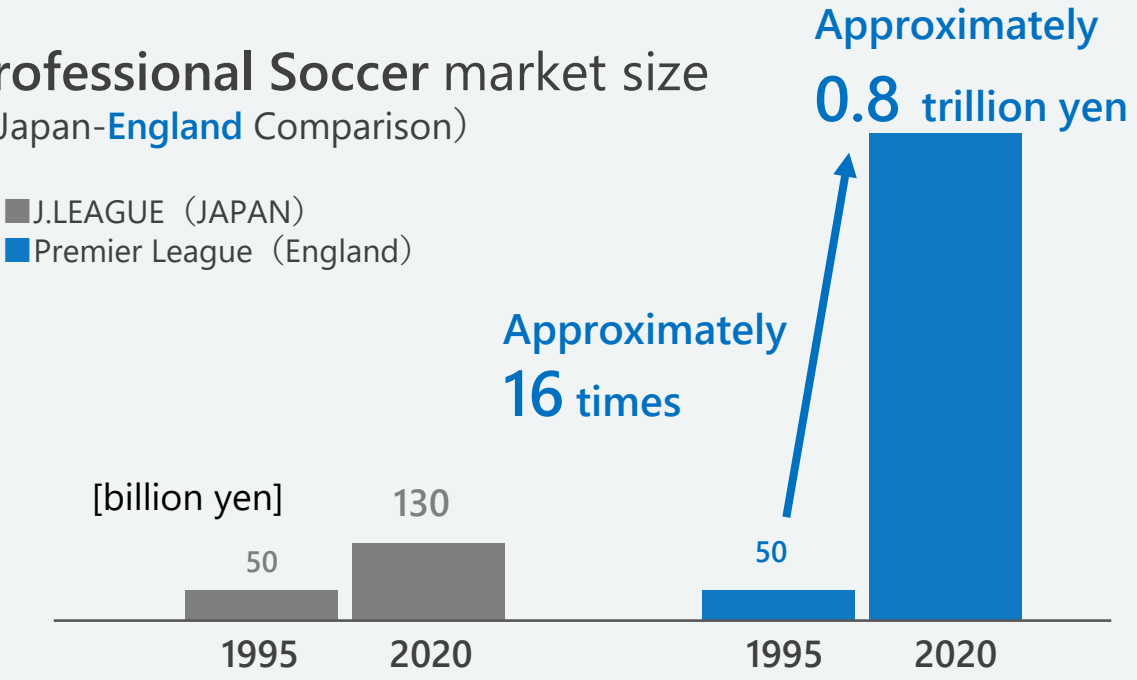
Prepared by INFRONEER from JAPAN Sports Agency data

On the other hand, there is a big difference between foreign and domestic sports markets.

Professional Baseball market size
（Japan-U.S. Comparison）



Professional Soccer market size
（Japan-England Comparison）



In almost 30 years,
the gap in the sports market
between Japan and the West

has grown substantially.

In the West, **sports have become industrialized.**

- Huge broadcasting rights fees
- Digitalization of Ticket Sales
- Effective use of stadiums/arenas
- Naming rights and other advertising fees

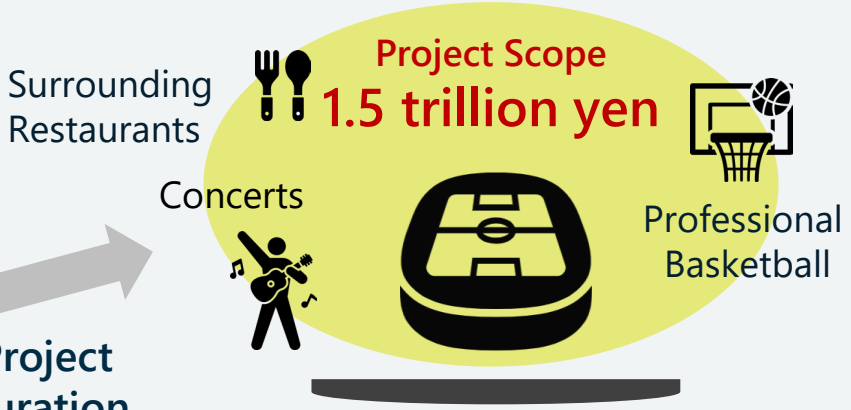
※Prepared by INFRONEER from J.LEAGUE disclosure materials and Forbes and other sources.

Arena and Sports Business: INFRONEER Group Case Example

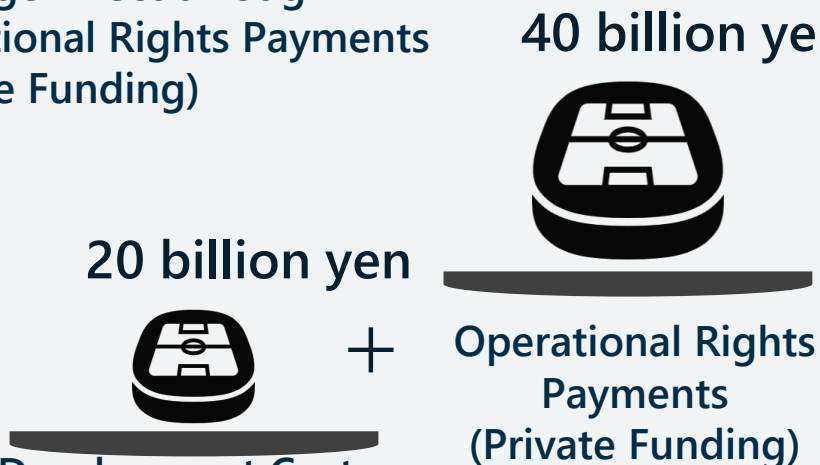
- Implemented as a BT+Concession model, where private entities handle everything from design to operation of public facilities.

Development and Operation of Aichi Prefecture's New Gymnasium.Project

Operator	Aichi International Arena Co., Ltd
Constituent companies	Maeda Corp. (54.1%) NTT DOCOMO, INC (24.1%) "Design and Construction Phase" *During the operation phase, the ownership and management are divided as follows: NTT DOCOMO, INC (51.1%), Maeda Corporation (27.1%), ASH (10%), SMFL (5%), Tokyu (2%), CBC (1.9%), DBJ (1.9%), and C&W (1%).
Work content	The design, construction, maintenance, and operation of the new Aichi Prefecture Gymnasium.
Period	(Operation Period) From April 2025 for 30 years



- **Leverage Effect through Operational Rights Payments (Private Funding)**



What we are trying to achieve at IG Arena※1

Arena

1 Global standard facilities

Ceiling height 30m
（Usually about 20m in Japan）

Maximum capacity
17,000 people

2 Partnerships with world-class companies

Cooperation with AEG※2

Ownership of artist's performance rights and sports teams
Event planning
Facility development and management, etc.
Numerous achievements

3 Revenue from naming rights

Largest scale in Asia
For 10 years since 2025

JAPAN Approx. 500-600 million yen per year in high-cost cases

U.S. Approx. 4 billion yen/year in some cases

4 Quality hospitality services

40 suites and premium lounges

©2024 Aichi International Arena

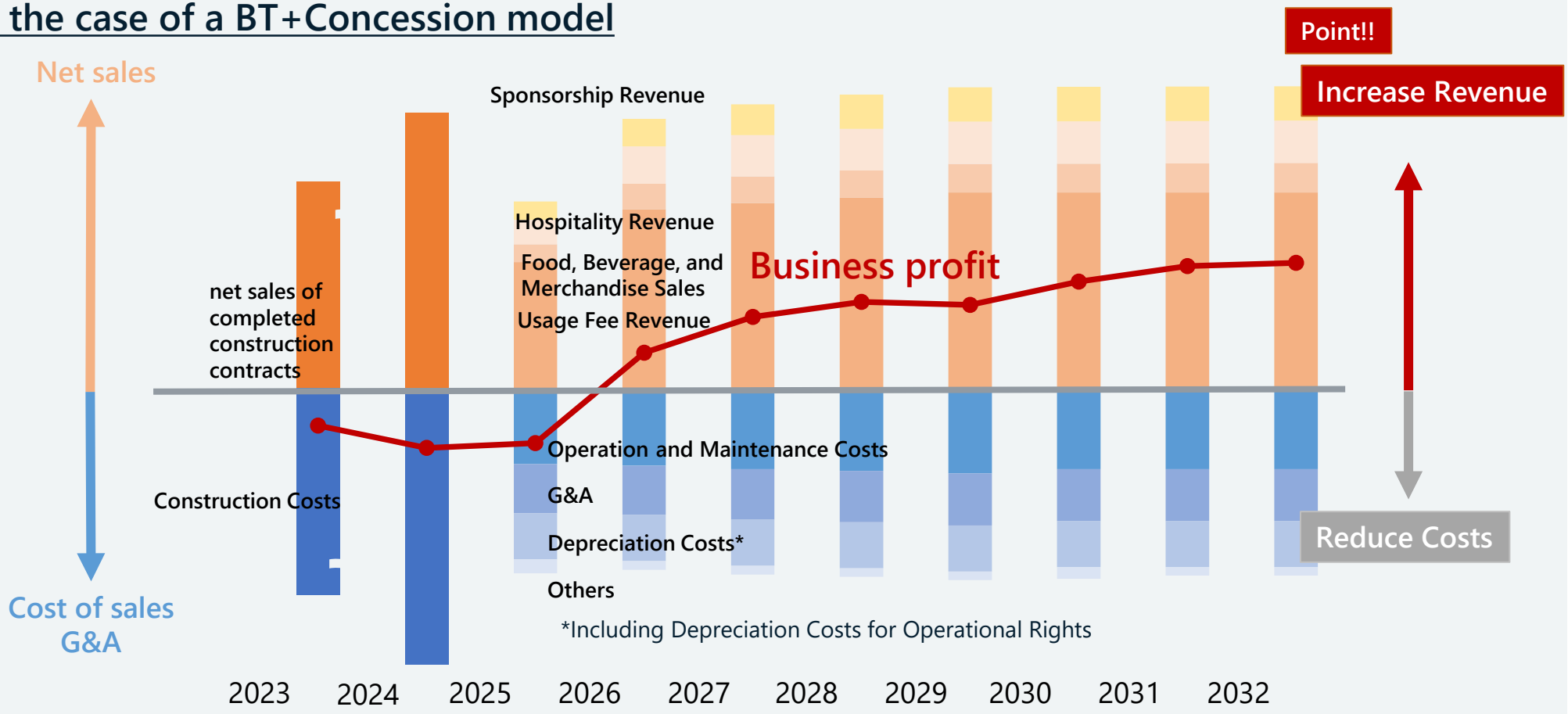
※1 Aichi International Arena Corporation, in which Maeda Corp., a subsidiary of INFRONEER has invested will acquire the right to operation
※2 Anschutz Sports Holdings（AEG Group）

Arena and Stadium Business Model (IG Arena Concept)

Arena

- ✓ **Enhancing profitability** by designing and constructing attractive facilities for promoters and audiences.
- ✓ **Maximizing sponsorship and hospitality revenues** through high-quality facilities and enriched content.
- ✓ Continuously **incorporating the latest global insights** to further increase revenue.

In the case of a BT+Concession model



Our Projects	Operational Rights Payments
Aichi Prefecture New Gymnasium	20 billion yen
New National Stadium	52.8 billion yen

Strategically and reliably acquiring arena and stadium concession projects.

Arena

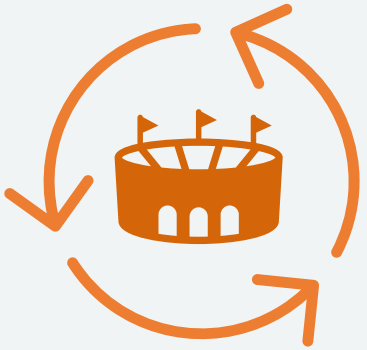
Our company's aim

- ✓ Pioneering the arena and stadium business, which is expected to expand nationwide in Japan.
- ✓ Utilize the arena and stadium as a foothold to build regional networks and operate infrastructure in each area.

Ecosystem for regional revitalization using Stadiums/Arenas as a catalyst

Providing knowledge and structuring projects in line with local government needs

Conducting sales activities and construction of facilities in cooperation with local companies



Utilize the established local network for infrastructure operations

Creating a lively community with the Stadium/Arena at its core

Type 1 ：Metropolis × Global･Large-scale events

National Stadium Concession

Renovation	Apr. 2024 to Dec. 2024 (Under discussion)
Management	Apr. 2025 to Mar. 2055 (30 years)

Type2 ：Metropolitan area × Domestic･Mid-scale events

Toyohashi Arena Concession

Construction	Sep. 2025 to Jun. 2027
Management	Oct. 2027 to Sep. 2057 (30 years)

Type3 ：Local area × Community-based

Toyama city Gymnasium Renovation-Concession

Renovation	Oct. 2024 to Sep. 2026
Management	Oct. 2026 to Sep. 2039 (13 years)

The strengths of INFRONEER that other companies don't have

Need to change the rules, not get stuck in conventional thinking.

Past

- **Government-led** development
- Priority on **community health**
- **Minimum required** maintenance
- Focus on **amateur sports**
- Focus on **Public**

Future

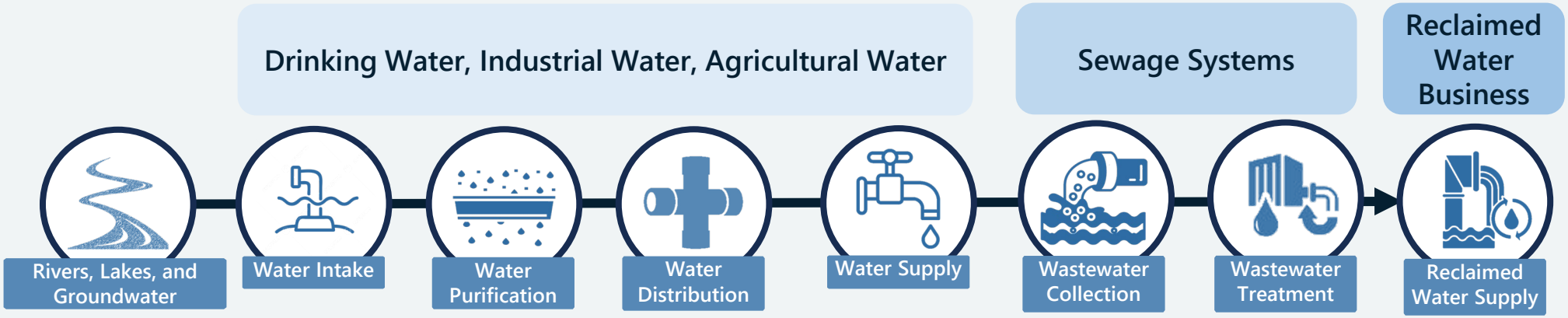
- **PPP** development
- Priority on **local economic revitalization**
- **Pursuit of entertainment**
- Focus on **Professional sports**
- Focus on **profitability**

Future Market Outlook and Business Models/Strategies

①. Arena and Stadium Business
②. Water Business
③. Renewable Energy Business

What is the Water Business?

- The "water" business encompasses various sectors beyond just the familiar water supply and sewage systems, such as industrial water, agricultural water, and reclaimed water.



Drinking Water, Industrial Water, Agricultural Water	The business of supplying potable and domestic water to households, commercial establishments, and industrial facilities.
Sewage Systems	The business of collecting and treating sewage generated in urban areas, minimizing environmental impact.
Reclaimed Water Business	The business of treating domestic and industrial wastewater into reusable water, supplying it for agricultural and industrial purposes.

Market Environment and Challenges in the Water Business.

Business Environment Changes：
Declining birthrate, aging population, and decreased demand.

External environmental changes：such as large-scale rainfall events.

Regional environmental changes：including stagnation of the regional economy.

Organization and Human Resources	✓ **Chronic shortage of personnel** with the appropriate skills. ✓ Public business structures with unclear management responsibilities, **leading to weak governance.**
Assets and Operations	✓ Formulation and execution of appropriate renewal plans for **aging facilities.** ✓ Addressing **disaster preparedness, environmental initiatives, and cybersecurity.** ✓ Disparities in usage fees among municipalities, affecting the financial status and pricing of **smaller municipalities**.
Financial Management	✓ **Reduced demand due to declining birthrate, aging population, and water conservation.** ✓ **Significant increases in user fees** to cover asset maintenance costs, including renovations and upgrades. ✓ Disparities in usage fees among municipalities, affecting **the financial status and pricing** of smaller municipalities.

Social environmental changes：
such as the adoption of SDGs and carbon neutrality initiatives.

Regardless of the size of each city, challenges related to "people, goods, and money" are becoming more severe.
Based on the government's promoted action plan, an acceleration of concessions and similar initiatives is anticipated.

PPP/ PFI Promotion Action Plan (Major Revisions for FY 2022-2024)

Water Business

- The action plan establishes execution plans for setting business scale targets, priority areas, and initiatives to promote PPP/PFI. (Decided at the Council for Promotion of Private Finance Initiative based on the PFI Law, announced by the Cabinet Office PPP/PFI Promotion Office)

The 5-year project count goal is specified in the FY22 Action Plan, targeting the period from FY22 to FY26.

Focus Are	A target number of projects to be materialized over five years.	Target Facilities/ Type of Contract
Airport	3	Concession
Water Suply	5	Concession, etc.
Sewage System	6	Concession
Road	7	PPP/PFI such as concessions in Bus Terminals
Sports Facilities	10	Concession
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Industrial Water Supply	3	Various PPP/PFI including concessions
Self-Defense Force Facilities (New)	20	A comprehensive combination of PFI, ECI, and other private sector outsourcing
Total	77→97	Concession

The 10-year target for the number of projects is outlined in the FY23 Action Plan, covering the period from FY22 to FY31, as per the revised edition of 2024.

Focus Area	Aiming to materialize a number of projects over ten years.	Target Facilities/ Type of Contract
Airport	10	Concession
Water Suply	100	Water PPP
Sewage System	100	Water PPP
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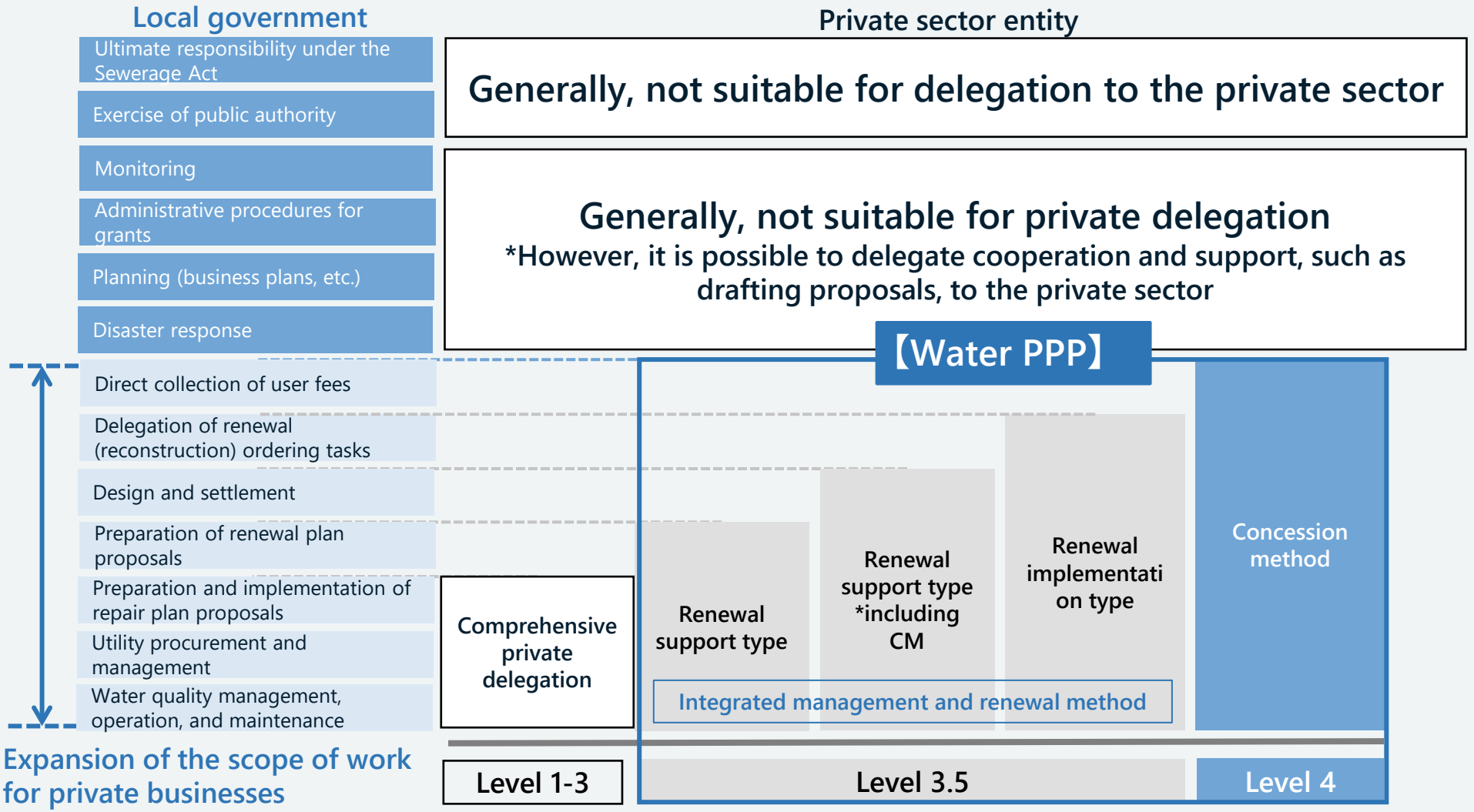
Total	575→650	Concession

Source: Overview of the Cabinet Office's PPP/PFI Action Plan (Revised Edition, 2024)

The institutionalization of Water PPP is paving the way for market expansion.

- "Water PPP" refers to a public-private partnership model aimed at gradually transitioning to a concession system for water supply, sewage, and industrial water systems. It involves integrated management of operations and renewal under long-term contracts. Starting from FY27, local governments must have decided to implement "Water PPP" as a condition to receive grants for the reconstruction of sewage pipelines.



Based on the "Water PPP Guidelines (Draft) in the Sewerage Sector" (October, Reiwa 6) by the Ministry of Land, Infrastructure, Transport and Tourism, created by our company.

Introduction of Our Company's Cases in the Water Business.

Water Business

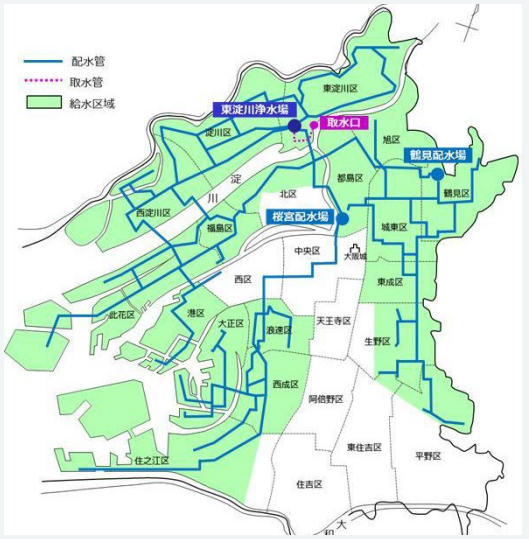
Osaka City's Specific Operation Project for Industrial Water Supply

POINT

✓ **Promoting the development and implementation of operational systems and technologies that contribute to the efficiency of concession projects and other operations.**

Client	Osaka City Waterworks Bureau
Operating company	Miotsukushi Industrial Water Concession Corporation
Constituent companies	**Maeda Corp. (71%),** Nippon Koei (25%), NTT West (3%), Toshiba Infrastructure Systems (1%)
Period	April 2022 - March 2032 (10 years)
Target	Water Intake and Purification Facility Management Operation Management Water Quality Management Subcontracted to Osaka City Water Distribution Fee Collection Customer Service Pipeline Management
Work content	• Supply and management of industrial water, etc. • Management and operation of water purification and distribution facilities • Management and operation of pipelines (maintenance and renewal) • Customer service • Response to disasters and accidents

■Osaka City Industrial Water Supply Area

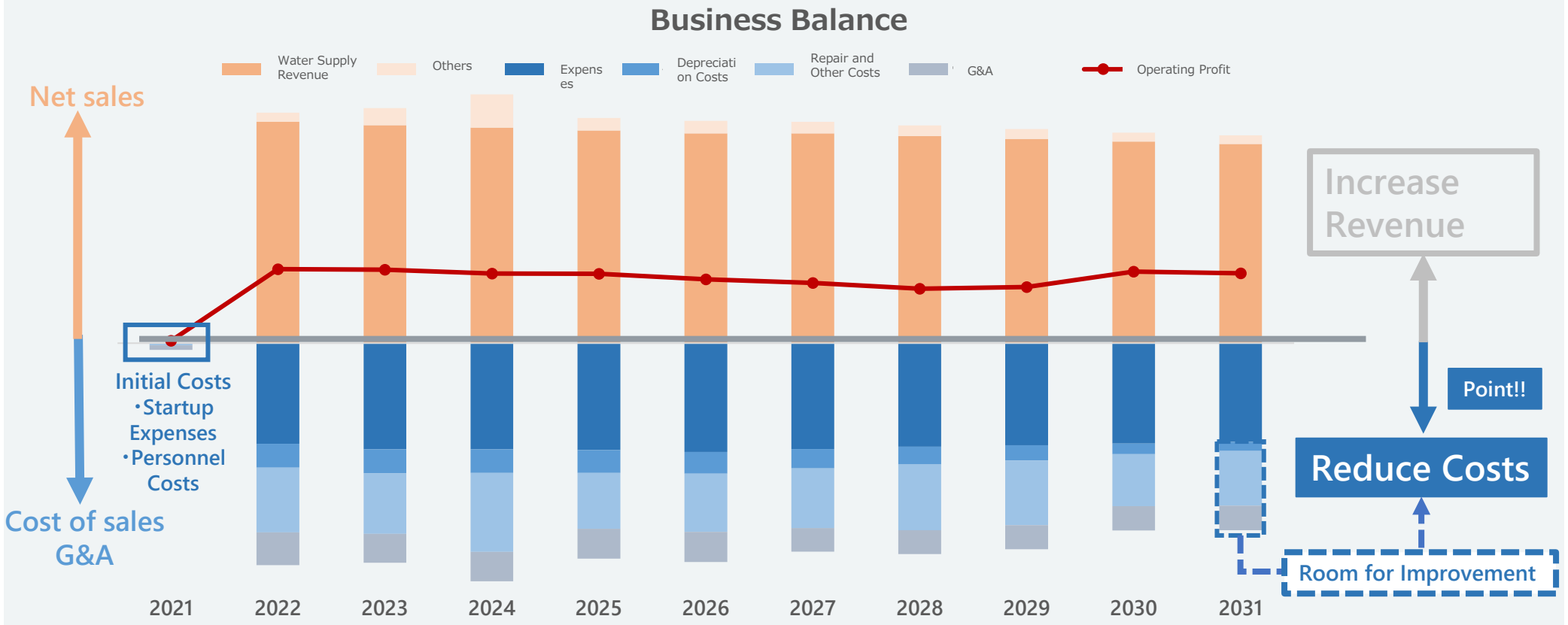


■ Breakdown of Distribution Pipeline Length

Distribution Pipe Diameter	Before 1980	After 1981	Total
Large Diameter (Φ800and above)	49 km	3 km	52 km
Medium Diameter (Φ400～Φ800)	92 km	21 km	113 km
Small Diameter (Less than Φ400)	89 km	37 km	126 km
Total	230 km	60 km	290 km

Business Model of the Project (Case of Osaka Industrial Water)

- A business with stable revenue prospects
- Key to reducing costs (repair costs and general administrative expenses) through efficient management and operations
- Aiming to expand revenue in the future by establishing a centralized management system across multiple regions



Our Projects	Initial Investment	Operating Profit
Osaka City Industrial Water Supply Specific Operation Project	12 million yen	620 million yen (over 10 years)
Miura City Public Sewerage (Eastern Treatment District) Operation Project	10 million yen	280 million yen (over 20 years)

Others: Contracted construction revenue, etc.
Major Expenses : Sewerage Law Article 20 Charges (usage fees to the city)Costs related to facilities not subject to operational rights (facility operation costs to the city)

Both projects are the first model projects of their kind in Japan. We anticipate accumulating technology and know-how to expand future project acquisitions.

Opportunities for cost reduction (engineering approach) ①

Aim to achieve cost reduction and expand profitability through the following measures.

Reduction of Maintenance Costs

- Reduction of Power and Chemical Costs Based on Data Management.
- Reduction in Personnel Through Remote Monitoring
- Reduction in Personnel Through Multi-Skilling (Operation Management and Maintenance Inspection)
- Introduction of energy-efficient equipment through renovations and upgrades.
- Promotion of shared services in SPC operations.
- Reduction of personnel cost levels by utilizing maintenance subsidiaries through M&A.

Reduction of Renovation and Renewal Costs

- Downsizing during renovations and updates.
- Promotion of in-house production and longevity (utilizing maintenance inspection data and mechanical/electrical know-how).
- Prioritization based on importance (grounded in maintenance management know-how).
- Unblocking vendor lock-in and procurement of standard products.

Opportunities for cost reduction (engineering approach) ②

- Our company creates real operational efficiency improvement cases, not just on paper, in ongoing concessions, and is pioneering in accumulation and expansion ahead of other companies.

Traditional methods by municipalities.

Case 1: Vendor lock (VL) during repairs.

•Replacing the entire system due to the failure of a single specially-processed motor in the sludge discharge valve actuator.

Case 2: Human inefficiency in administrative tasks.

•Transportation of an engine-driven device for cleaning water treatment plant sedimentation basins requires five people.

Case 3: Operation management based on know-how.

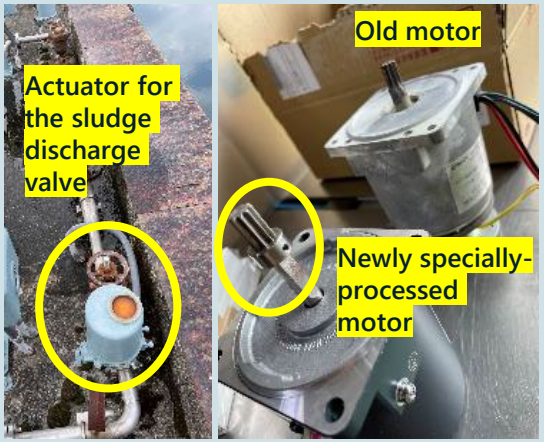
•Adjustment of blowers in sewage treatment performed by a contracted company operator based on experience.

Operational efficiency improvement through MK infrastructure management.

大阪工水 Vendor lock-in release through in-house production.

- Successfully processed and replaced a general-purpose motor at a local factory capable of special processing, releasing the vendor lock.

Approximately 1 million yen ▷approximately 50,000 yen



大阪工水 Efficiency improvement through the introduction of an alternative product.

- Introduced a German-made electric valve actuator that can be transported by a single person. The city also purchased the same type of equipment.

Approximately 3 million ▷approximately 1 million yen
5 personnel ▷ 1 personnel

三浦下水 Efficiency improvement through the utilization of Power BI

- Based on operational performance, recommended values are calculated using Power BI, and operations to adjust airflow have been initiated.

Relying on experience ▷Utilizing data

1.Vendor lock-in: A state where customers become dependent on a provider of products or services, making it difficult to switch to other options.

Opportunities for cost reduction (engineering approach) ③

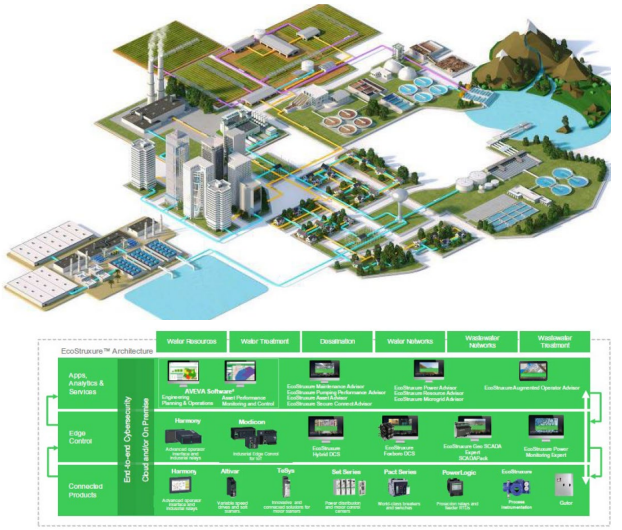
- Considering the decline in the working-age population and fiscal challenges, automation could become the standard for water purification and treatment plants in Japan.

Remote monitoring and operational efficiency improvements.

Establishment of an integrated monitoring center (Suez)

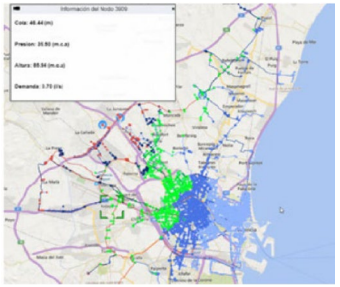
- Integrated monitoring of multiple water treatment plants.
- Facilitates benchmarking and time-series analysis among water treatment plants, enabling on-site analysis and response to reduce chemicals and electricity.
- Integrated management of procurement and quality control.

Integrated management of pipelines

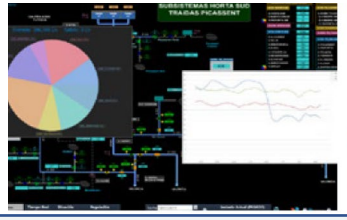


- A platform enabling remote management of pipeline networks.
- Facilitates remote data collection, time-series analysis, and real-time data analysis and management through alarm functions.
- This achieves water loss management and optimizes water supply network operations.

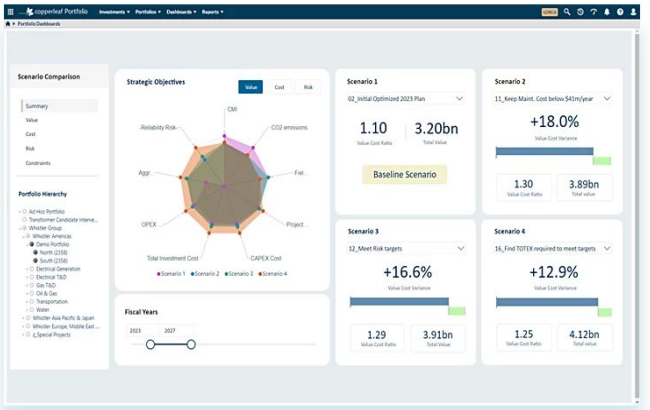
Distribution Optimization



- A digital twin that comprehensively manages information on pipeline networks, GIS, water demand and usage trends, materials, and components of the distribution network.
- Supports optimization by displaying real-time simulations of water pressure fluctuations in the distribution network.



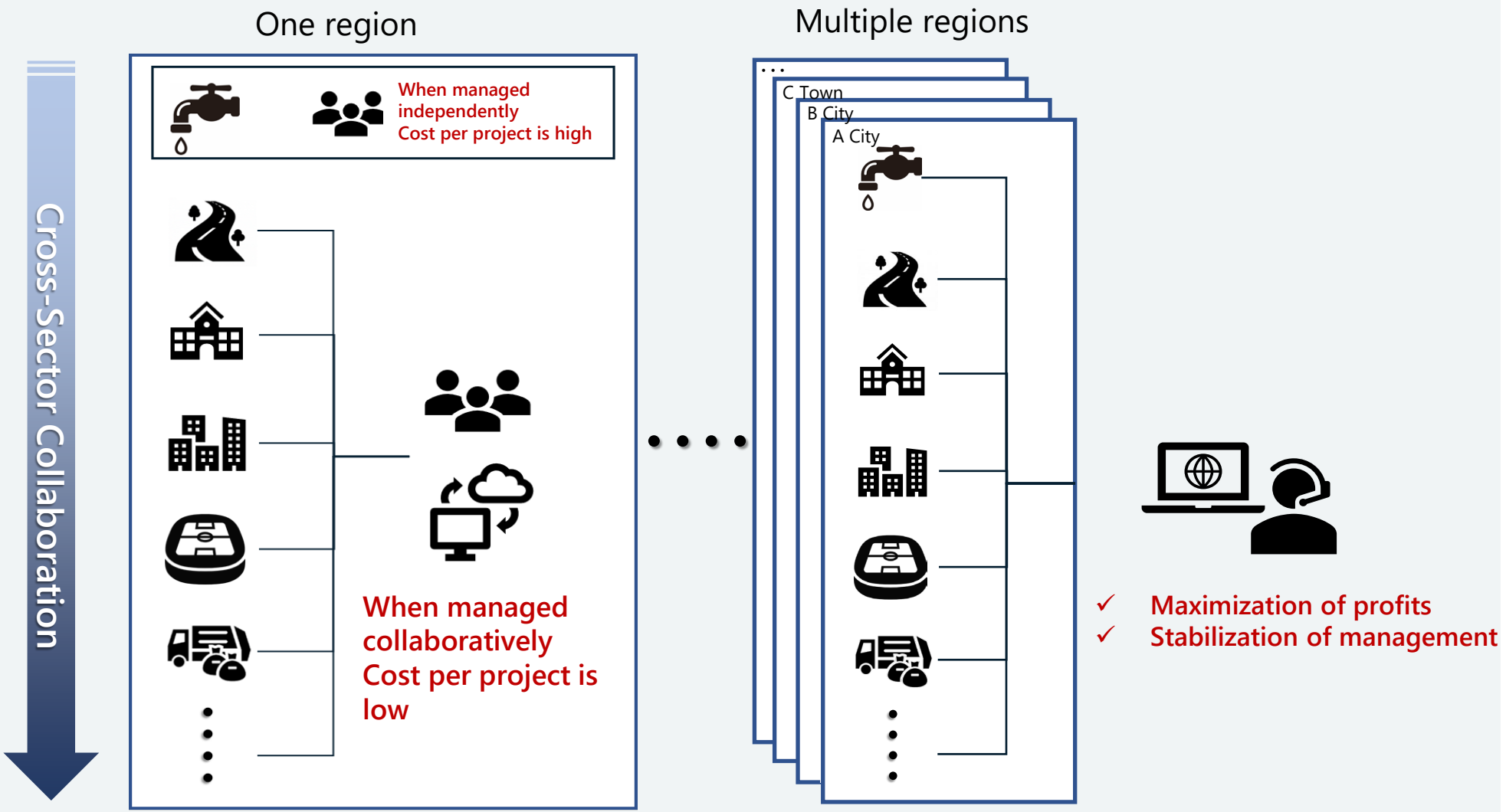
Optimization of Renewal and Repair Plans



- Utilizes supercomputers to comprehensively extract renewal and repair plans based on various conditions.
- Derives the optimal plan by balancing risk and cost, supporting the formulation of plans that consider budget and human resources.

Cross-Regional and Cross-Sector Collaboration.

- By managing **multiple businesses**, including water services, in an integrated manner, it is possible to reduce costs per project.
- Furthermore, by managing **multiple regions** collectively, additional cost reductions can be achieved, leading to the maximization of profits and stabilization of management.



Strengths of INFRONEER that other companies do not have.

Engineering Capability
Cultivated
in the Construction business

×

Operational Know-How
Cultivated
in "De-construction" business

Working with diverse partners globally

Future Market Outlook and Business Models/Strategies

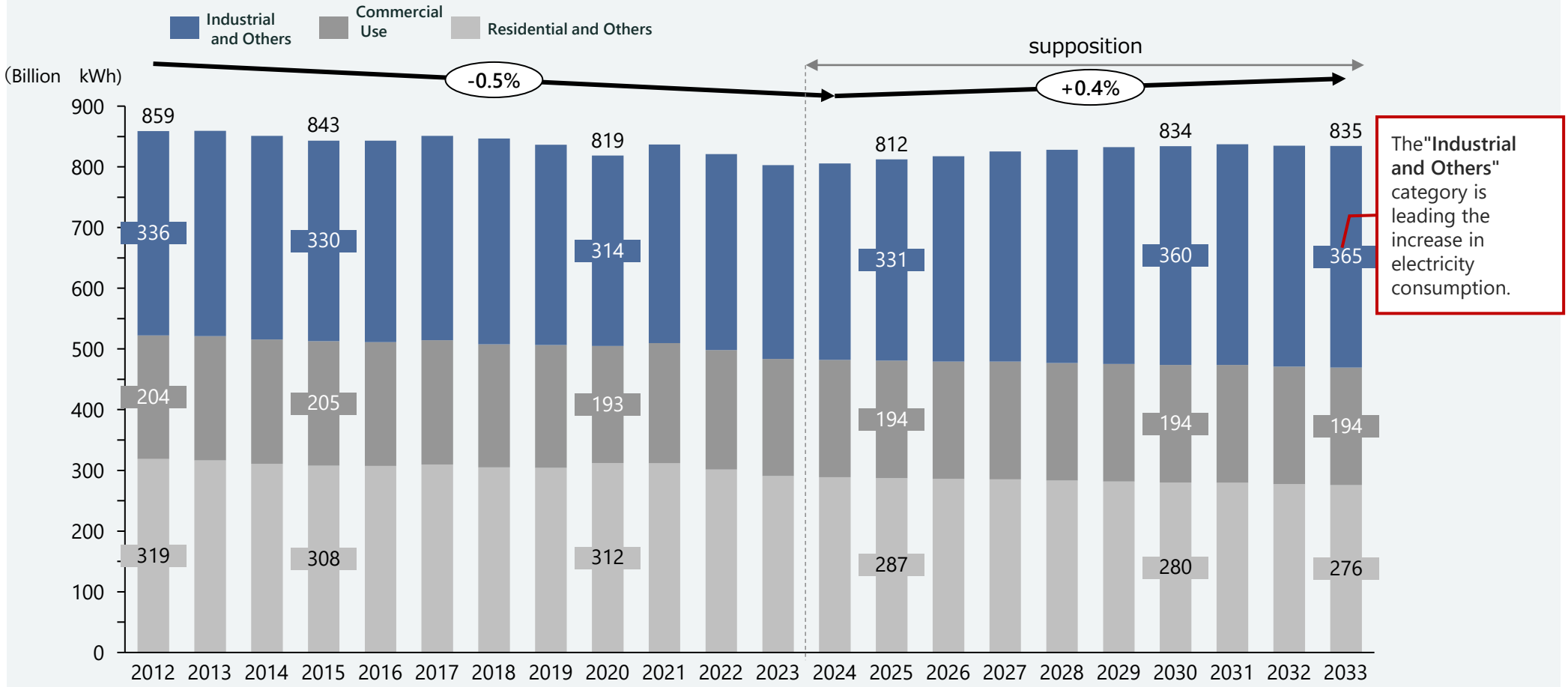
①. Arena and Stadium Business
②. Water Business
③. Renewable Energy Business

Trends in domestic electricity demand.

Renewable energy business

The demand for **industrial electricity is expected to increase**, primarily driven by the construction of new semiconductor factories and data centers.

■ **Breakdown of actual and projected domestic electricity demand.**
（by usage point: electricity ultimately consumed by end-users）



The"**Industrial and Others**" category is leading the increase in electricity consumption.

Data Source: Organization for Cross-regional Coordination of Transmission Operators, Japan - National and regional demand forecasts (2024).

Market Environment of the Domestic Wind Power Generation Business①

Renewable energy business

The **demand** for renewable energy sources among domestic *1RE100 member companies is **on the rise.**

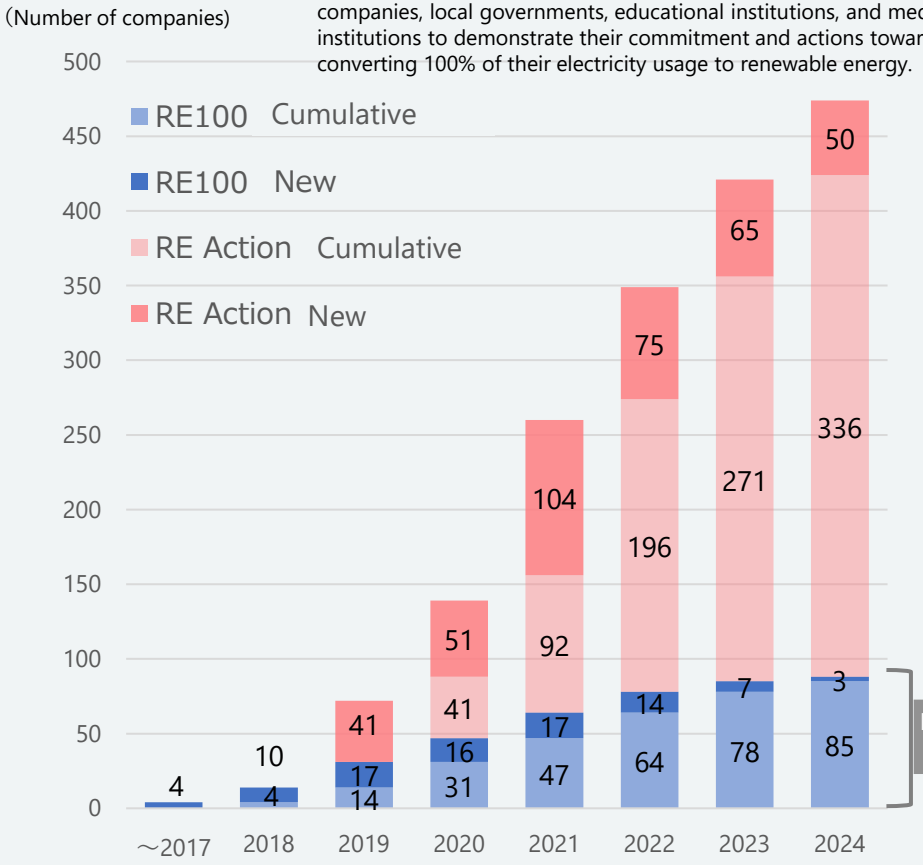
*1: RE100 (Renewable Energy 100%): An international initiative aiming for companies to cover 100% of their electricity usage with renewable energy.

The gap between supply and demand is widening.

There is a growing need for wind power generation, which can **provide 24-hour output.**

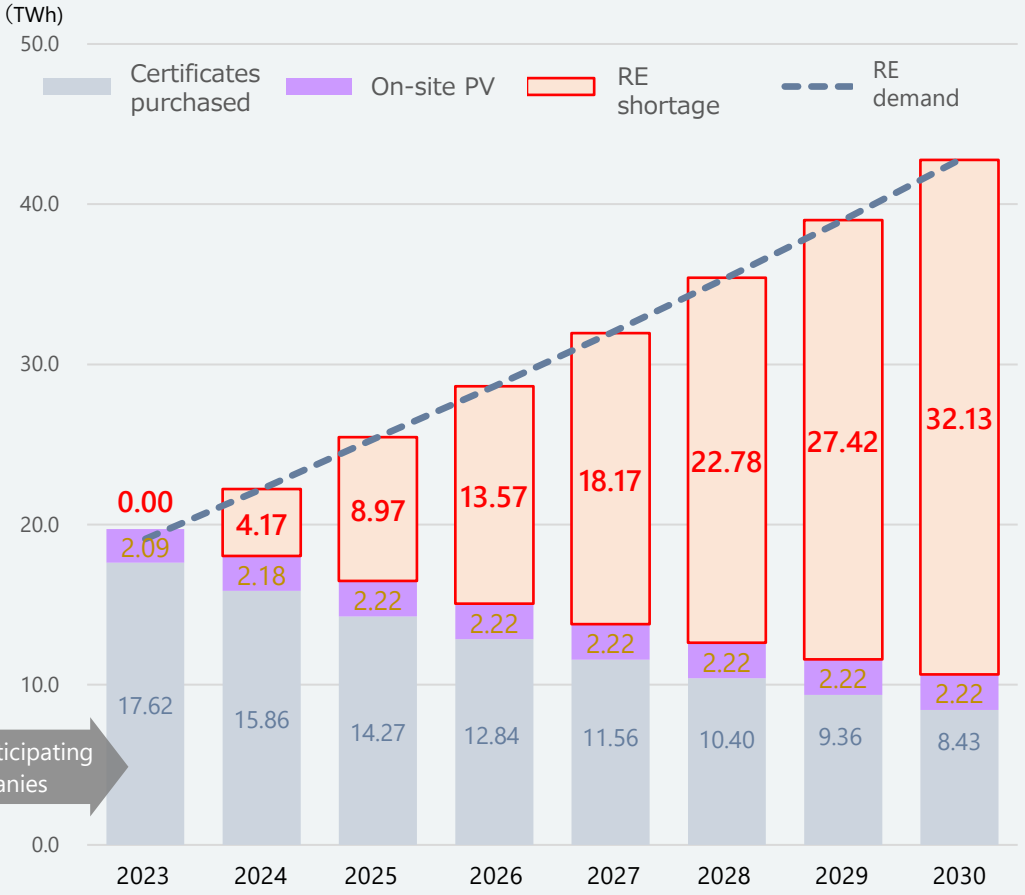
■ Trends in the number of domestic RE100*2 and RE Action participants.

*2: RE Action (Renewable Energy 100 Declaration): An initiative for companies, local governments, educational institutions, and medical institutions to demonstrate their commitment and actions towards converting 100% of their electricity usage to renewable energy.



RE100 participating companies

■ The gap between renewable energy demand and supply among RE100 companies



Reference: Created based on the RE100 website and the Japan RE Action Council website

Source: BloombergNEF RE100 Data Viewer, Data as of May 31, 2024 (some data processed).

Trends in domestic power generation and energy mix.

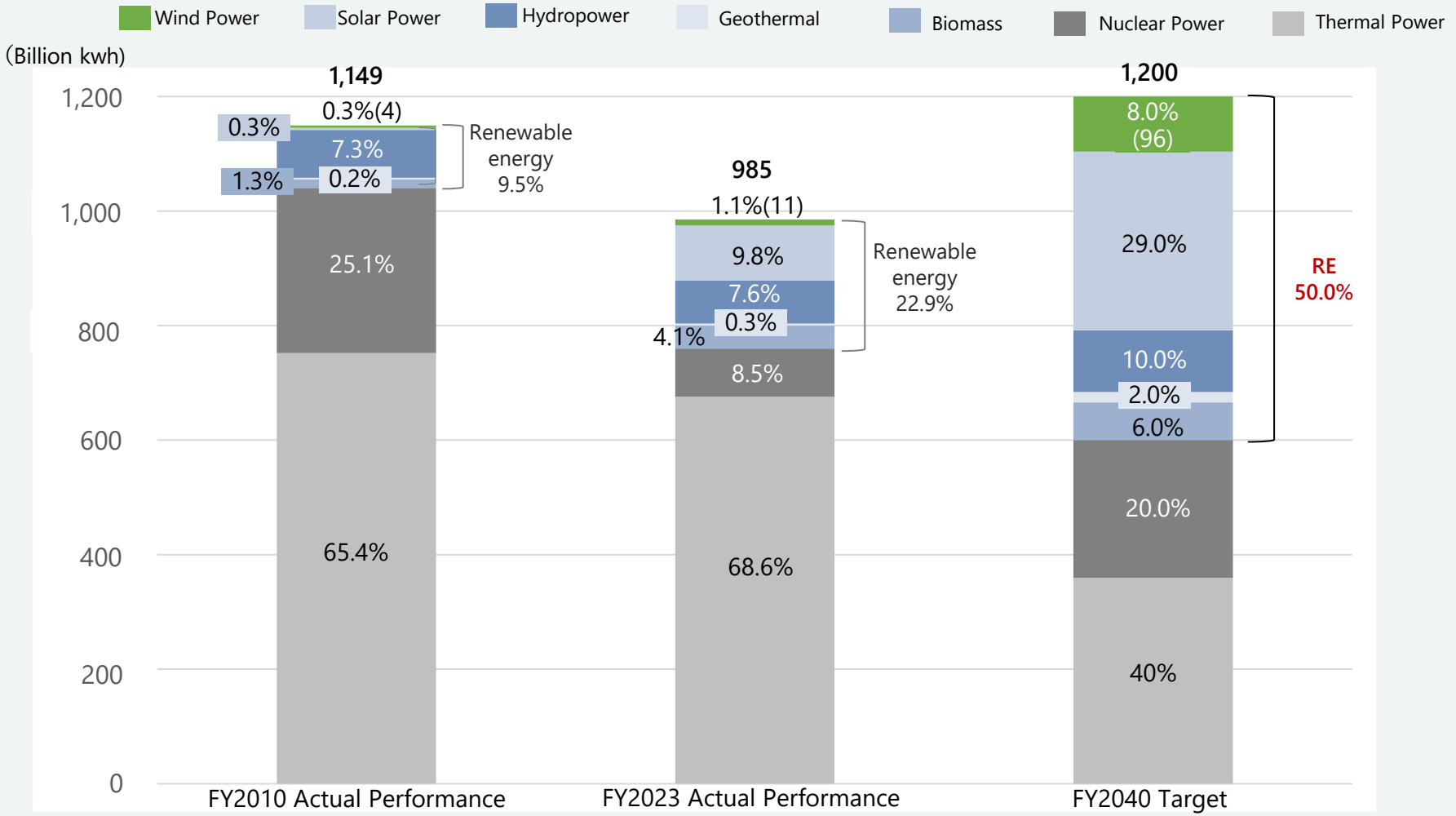
Renewable energy business

The 7th Basic Energy Plan (Draft) **2040 Target**: **40-50% from renewable energy** (**including 4-8% from wind power**).

(The 6th plan aimed for 36-38% by FY2030)

A projected **960 billion kWh**, **approximately 9.1 times** the amount in FY2023 = about 9,000 onshore wind turbines (4MW class) and about 2,500 offshore wind turbines (15MW class).

■ **Domestic power source composition: Actual performance and targets**



Data source: Agency for Natural Resources and Energy.

Market Environment of the Domestic Wind Power Generation Business ②

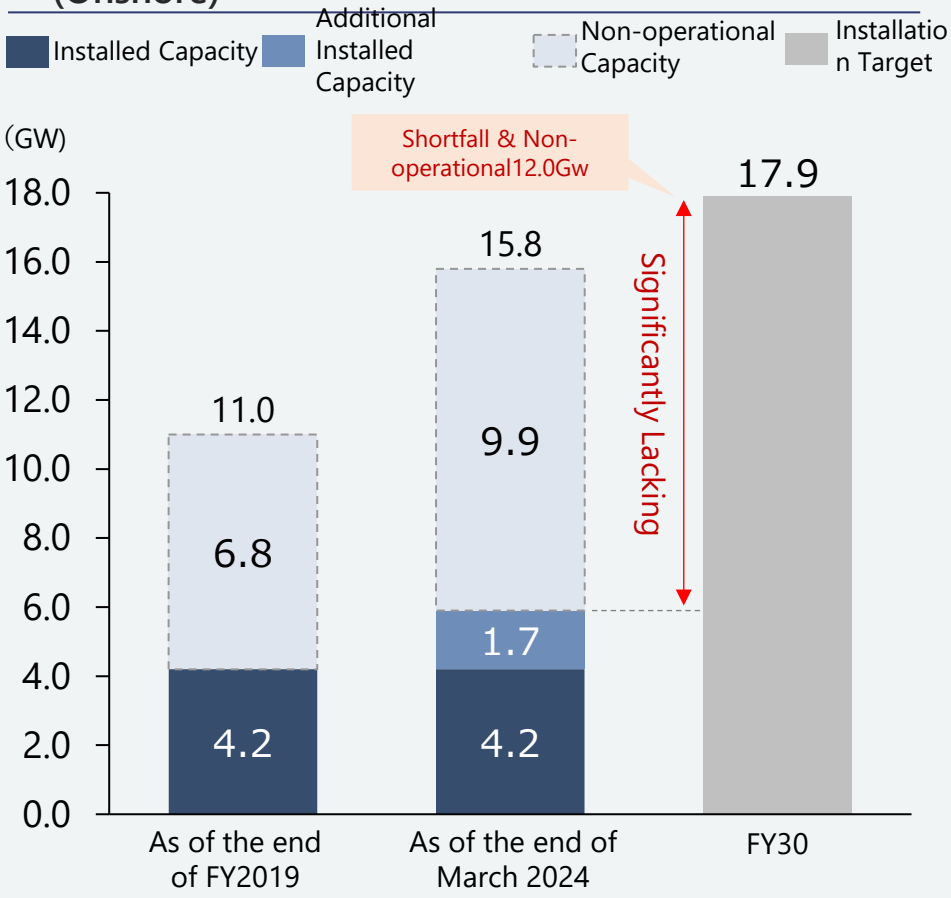
Renewable energy business

The introduction of wind power is significantly lacking as of the end of March 2024 compared to the 2030 target.

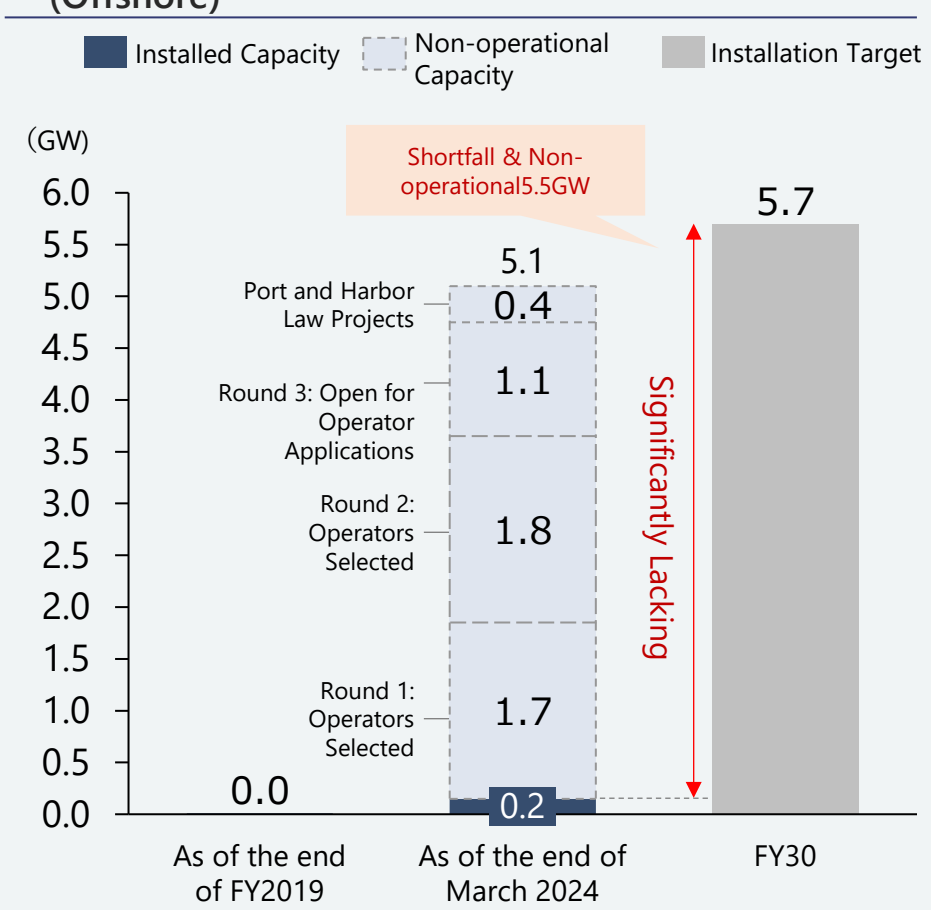
The gap between supply and demand is widening.

This scarcity is increasing, leading to a further rise in its value.

■ The Status of Domestic Wind Power Introduction (Onshore)



■ The Status of Domestic Wind Power Introduction (Offshore)

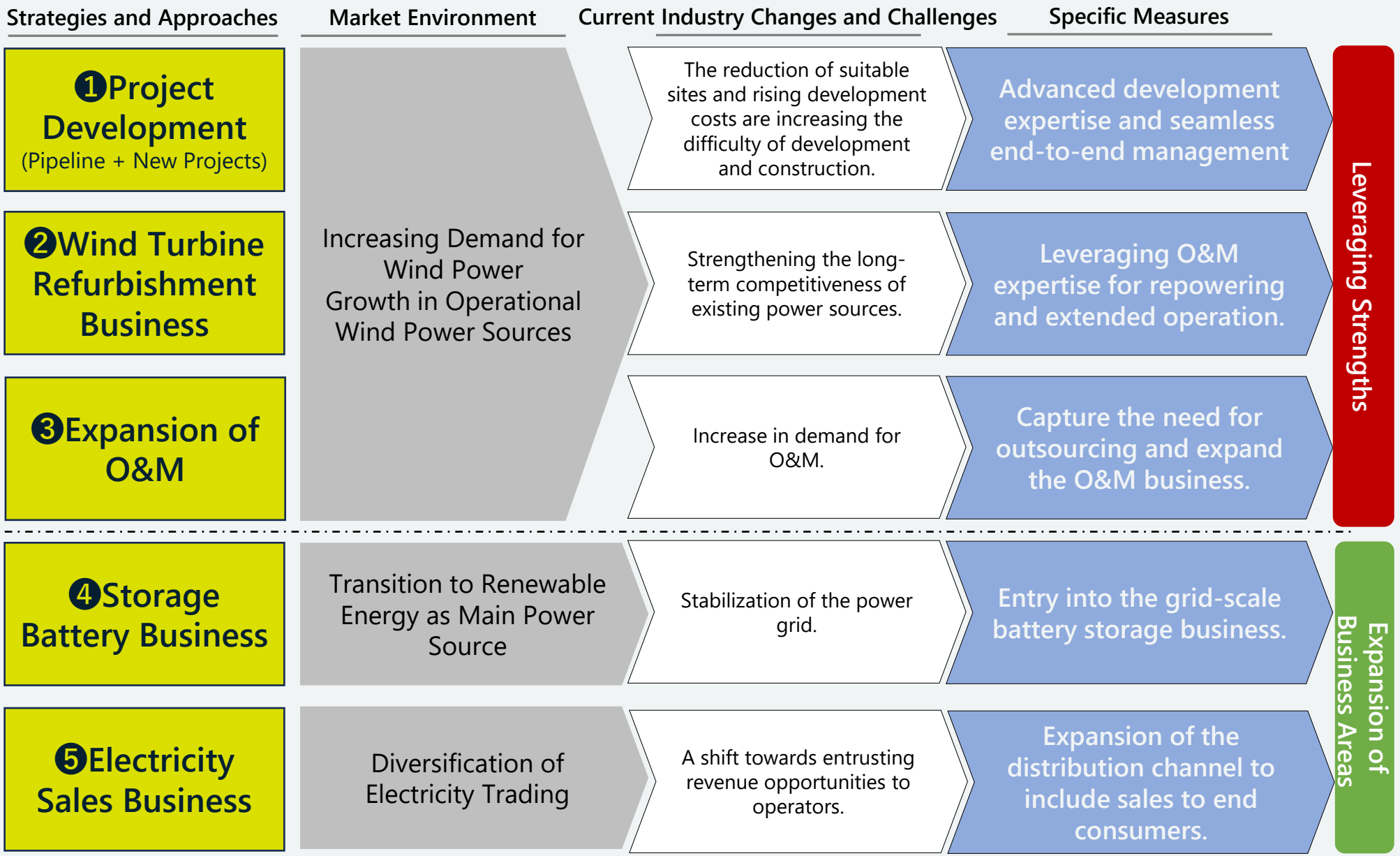


Data Source: Agency for Natural Resources and Energy - Future Renewable Energy Policy

Revenue Opportunities in Wind Power Business.

Renewable energy business

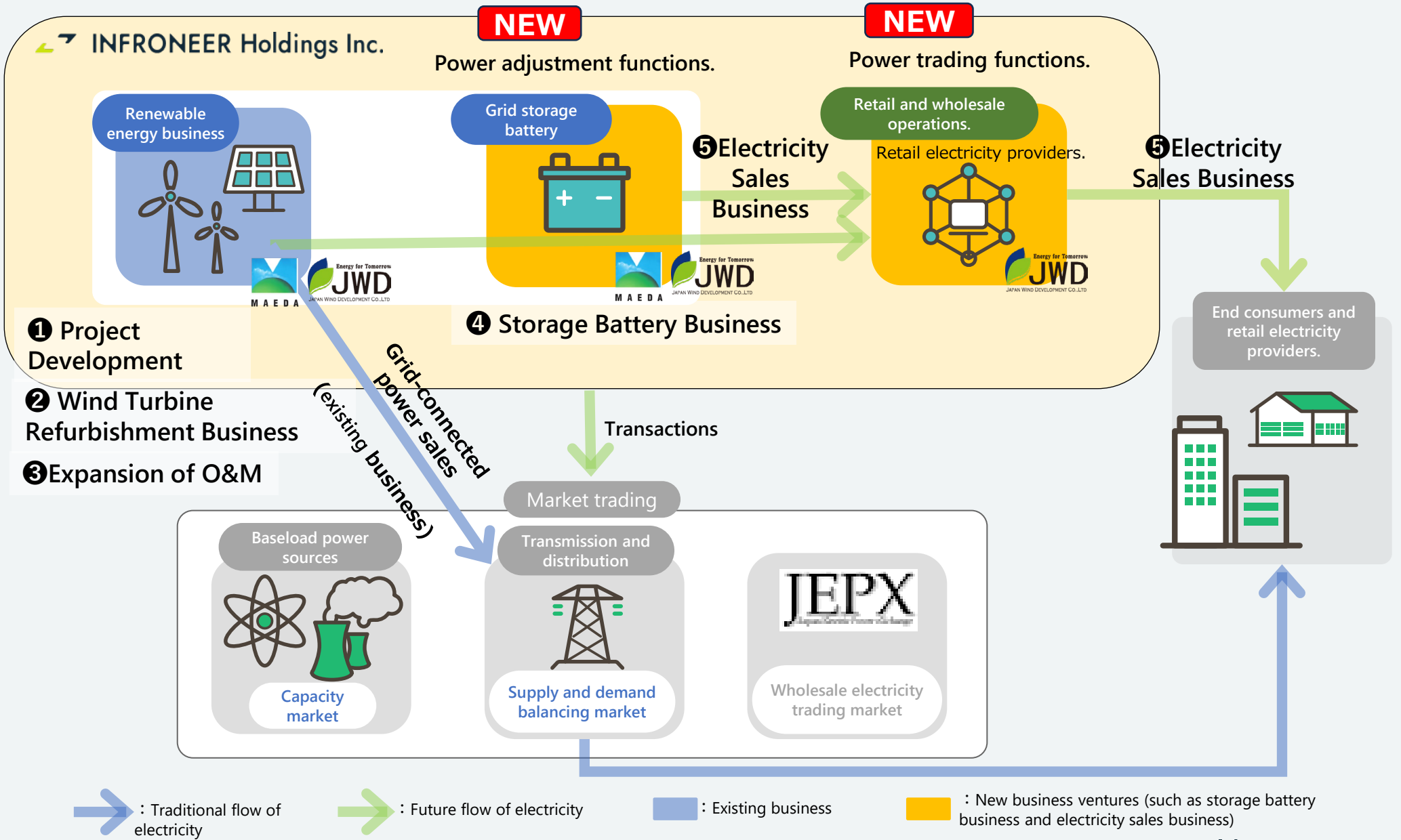
Environmental changes across the industry are leading to the emergence of **new revenue opportunities.**



INFRONEER Group's electric power value chain.

Renewable energy business

We **manage the entire process from upstream to midstream,** achieving efficient business operations.



Revenue Model Case for A Wind Power Generation Business.

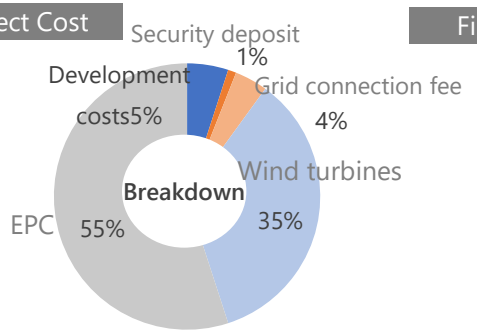
— Case of a **100MW** Onshore Wind Farm —

❶Project Development

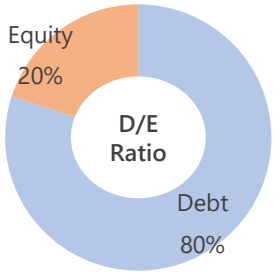
＜Key Assumptions＞

Installed Capacity	Capacity Utilization Rate	Electricity Selling Price	Project Cost
100MW	30%	20yen/kWh	500 million yen/MW

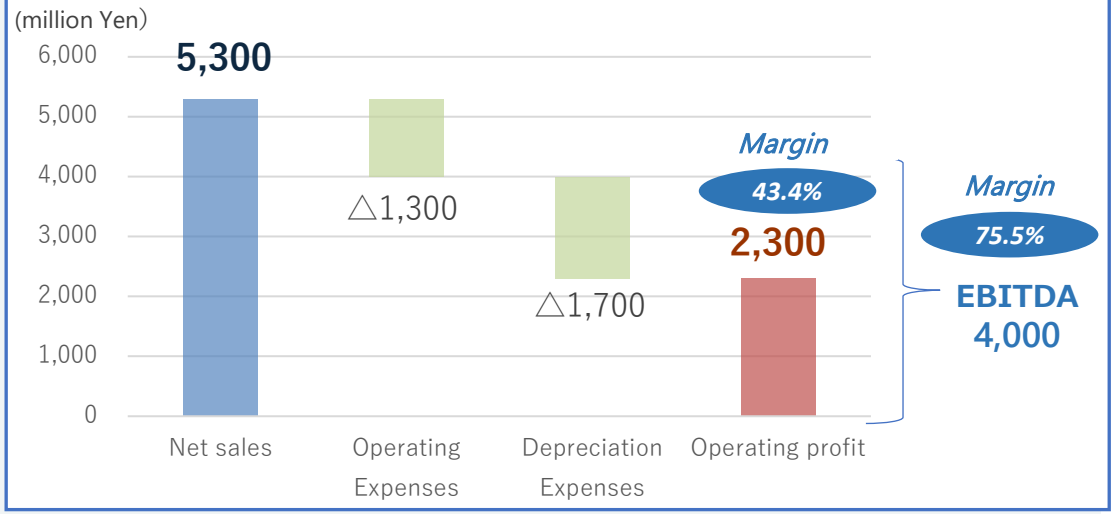
Project Cost



Financing

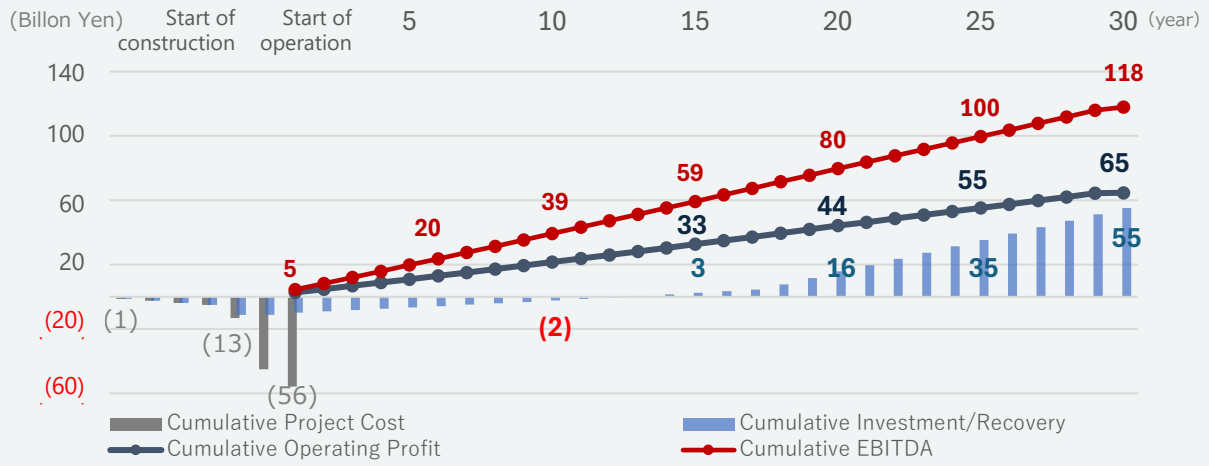


Annual Revenue Estimate



※100 MW (100,000 kW) × 20 yen × 24 hours × 365 days × 30% (capacity utilization rate)
= 5,256 million yen ≒ 5,300 million yen

Economic Viability Over 30-Year Project Period



Reference: Economic Viability at the Time of Construction Start for Sale Case

Note: The above figures are merely an example for reference, and the actual numbers may vary due to the individual characteristics of each project. The sale case is calculated based on P-IRR with a discount rate of 4%.

O&M Business

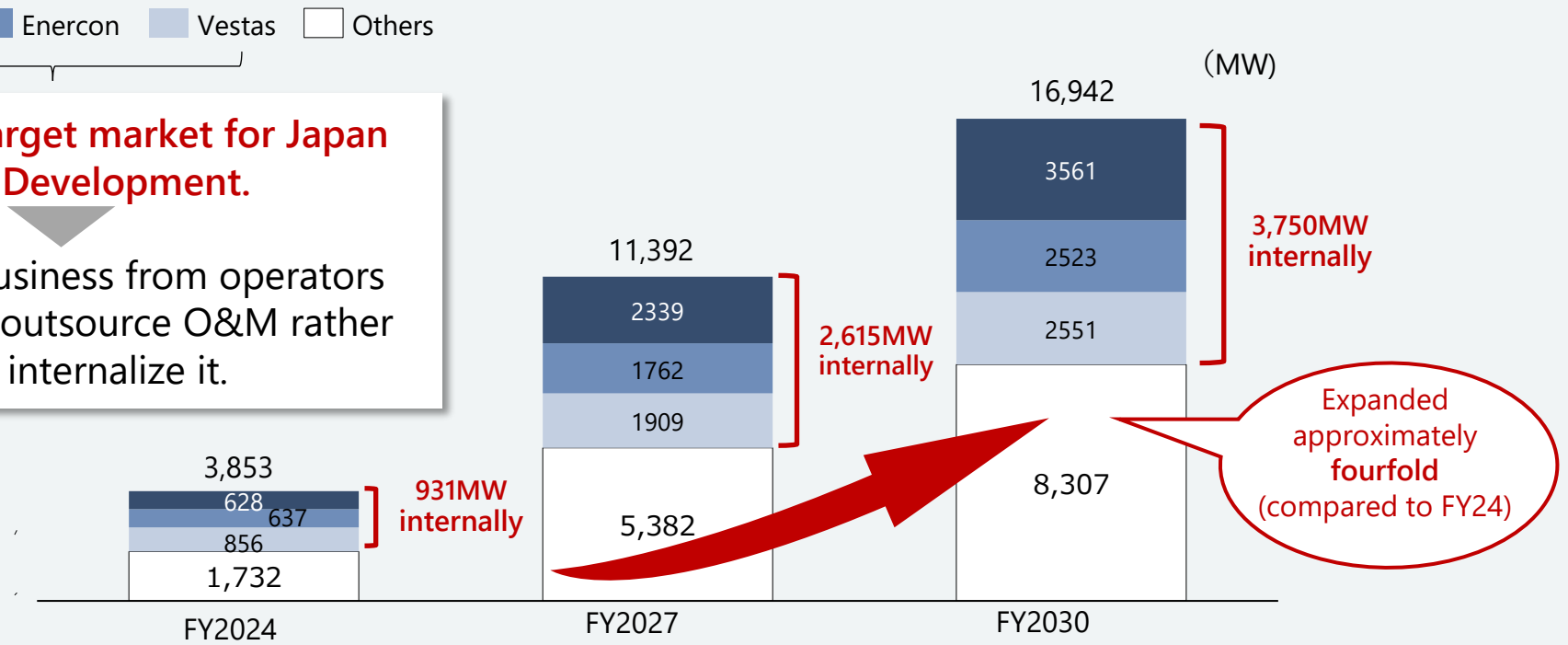
❸Expansion of O&M

We aim to expand our business by capturing the demand for outsourcing O&M services.

■Trends in operational capacity by manufacturer in domestic onshore wind power and the target market for Japan Wind Development.

O&M is the target market for Japan Wind Development.

We acquire business from operators who prefer to outsource O&M rather than internalize it.

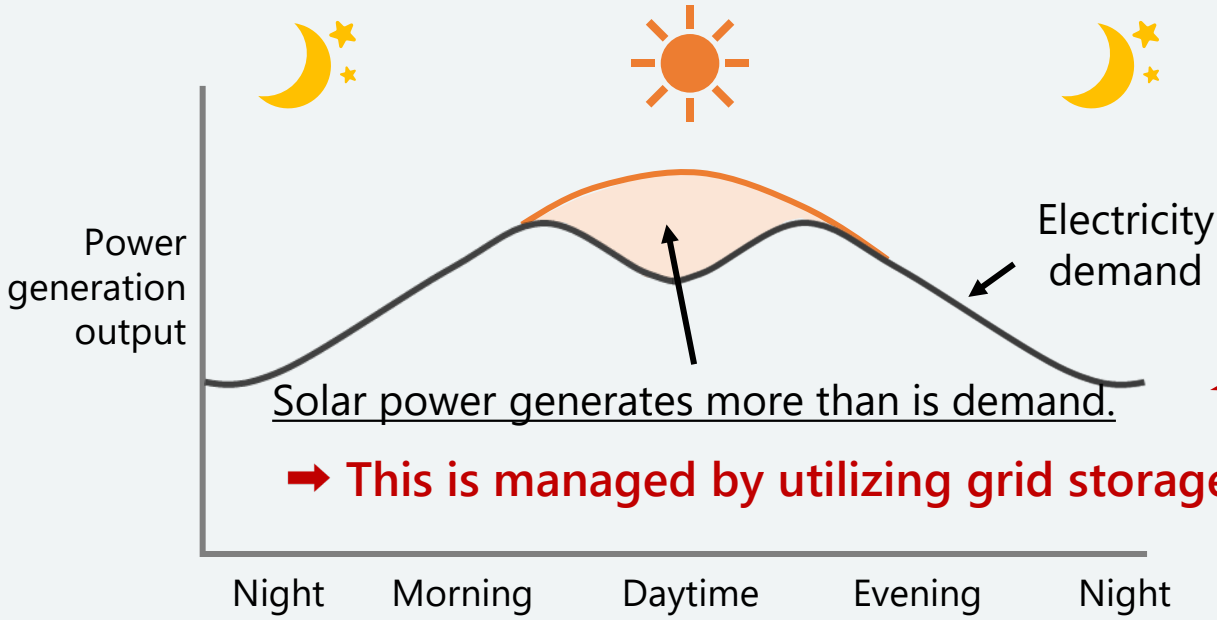


Strategy accompanying the expansion of the O&M market.

Expansion of business.	Improving the quality of existing services.	Initiatives in the regeneration and dismantling business.
• Expanding the range of models handled by each wind turbine manufacturer. • Expansion of blade repair services.	• Advancement of blade repair technology. • Labor-saving and advancement of maintenance technology.	• Wind turbine regeneration business. • Examination of wind turbine dismantling methods.

Overview of Grid Storage Batteries.

- A large storage battery directly connected to the power grid (power plants, transmission lines, substations, distribution facilities, etc.) and used for its operations.
- The main roles are **the stabilization of the power grid** and the effective utilization of renewable energy.



➡ **This is managed by utilizing grid storage batteries.**

With the expansion of renewable energy introduction, stabilization of the power grid is a challenge.

In the push towards carbon neutrality, the expansion of renewable energy adoption is expected to see **storage batteries as an effective supply-demand adjustment system.**

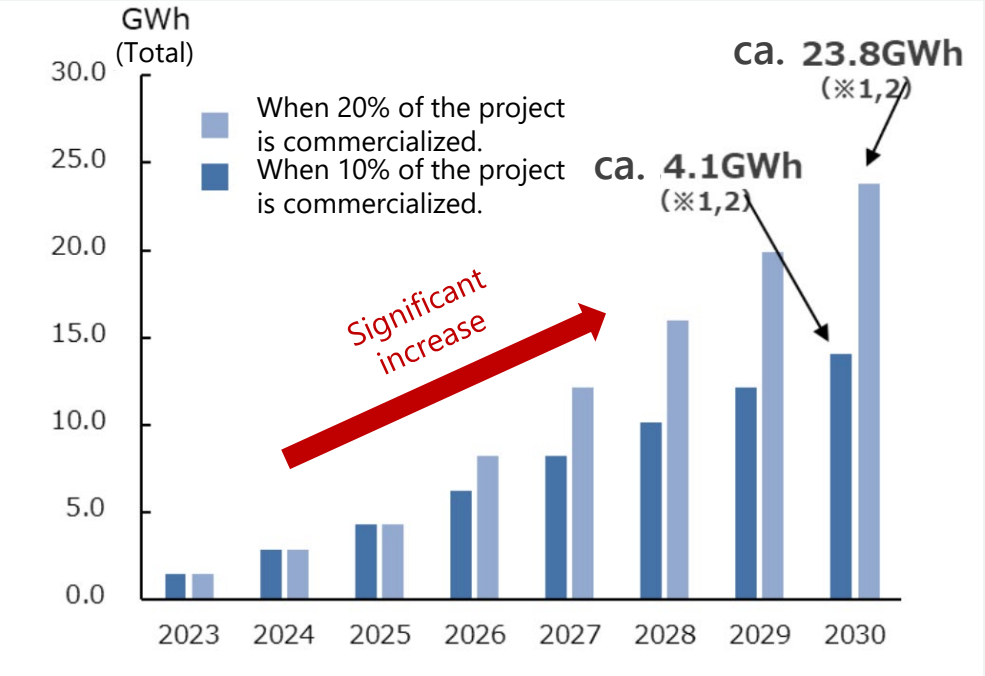
Market for Grid Storage Batteries.

- As the adoption of renewable energy progresses, it is becoming increasingly difficult to balance supply and demand, **and from this fiscal year (FY24), output control will be required across all of Japan.**
- The outlook for **the introduction of grid storage batteries** in Japan is expected to **increase significantly** toward 2030.
- Internationally, **the storage capacity of grid storage batteries is predicted to be more than 10 times that of 2023.**

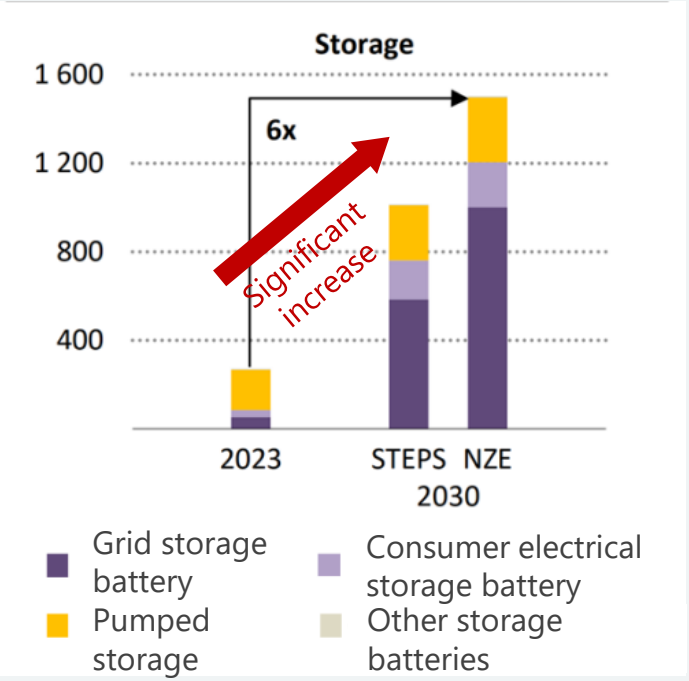
Demand for grid storage batteries is increasing significantly both domestically and internationally.

The demand for supply-demand adjustment capability is increasing worldwide.

[Domestic] Outlook for the introduction of grid storage batteries



[Domestic] Global energy storage capacity



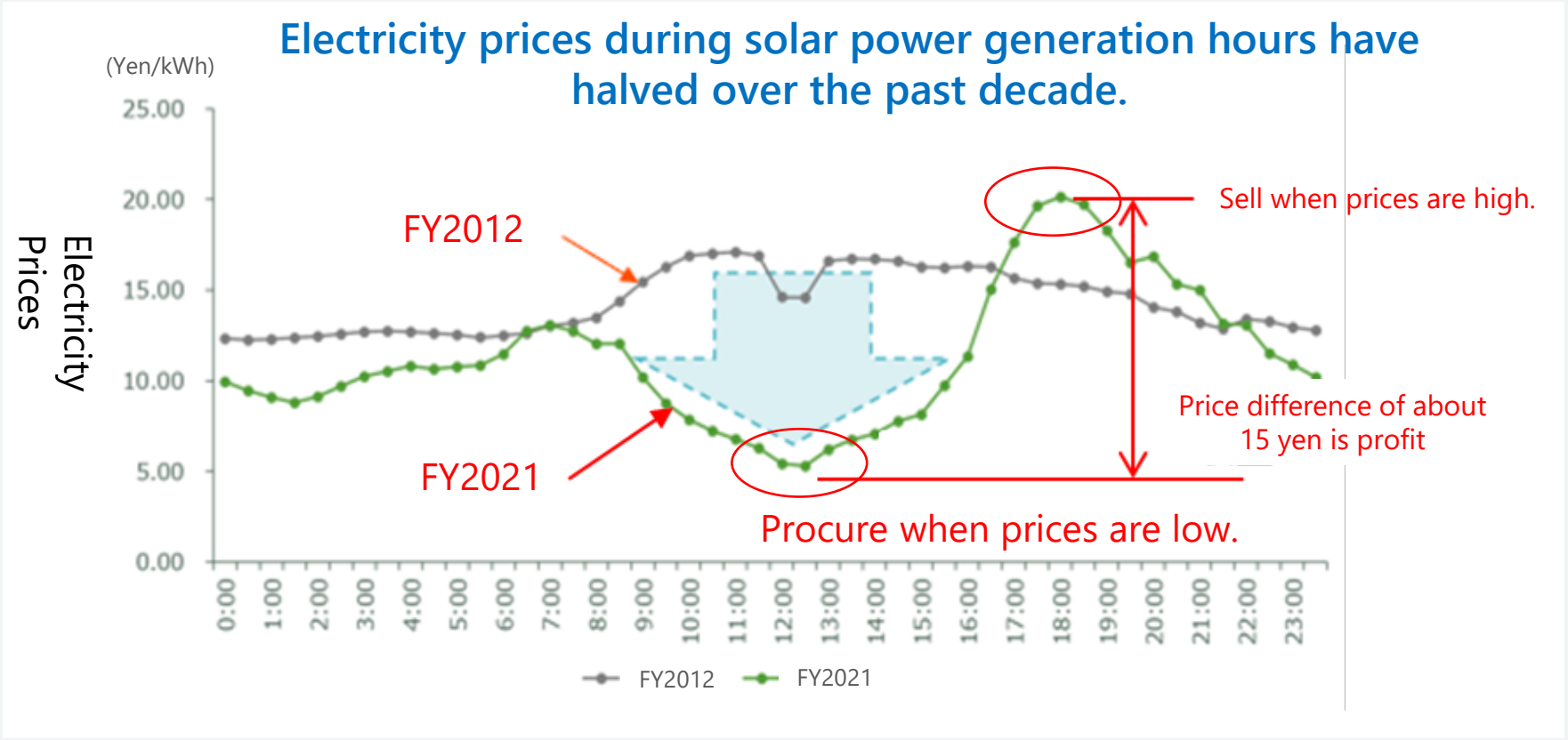
Source: Ministry of Economy, Trade and Industry (Current Status and Challenges of Grid Storage Batteries)

Benefits of Grid Storage Batteries.

- Due to the increase in the introduction of renewable energy, electricity prices during solar power generation hours have halved over the past decade.

With grid storage batteries, it is possible to procure electricity when prices are low and sell it when prices are high.

Comparison of Electricity Prices in the Kyushu Area on the Spot Market (FY2012- FY2021)

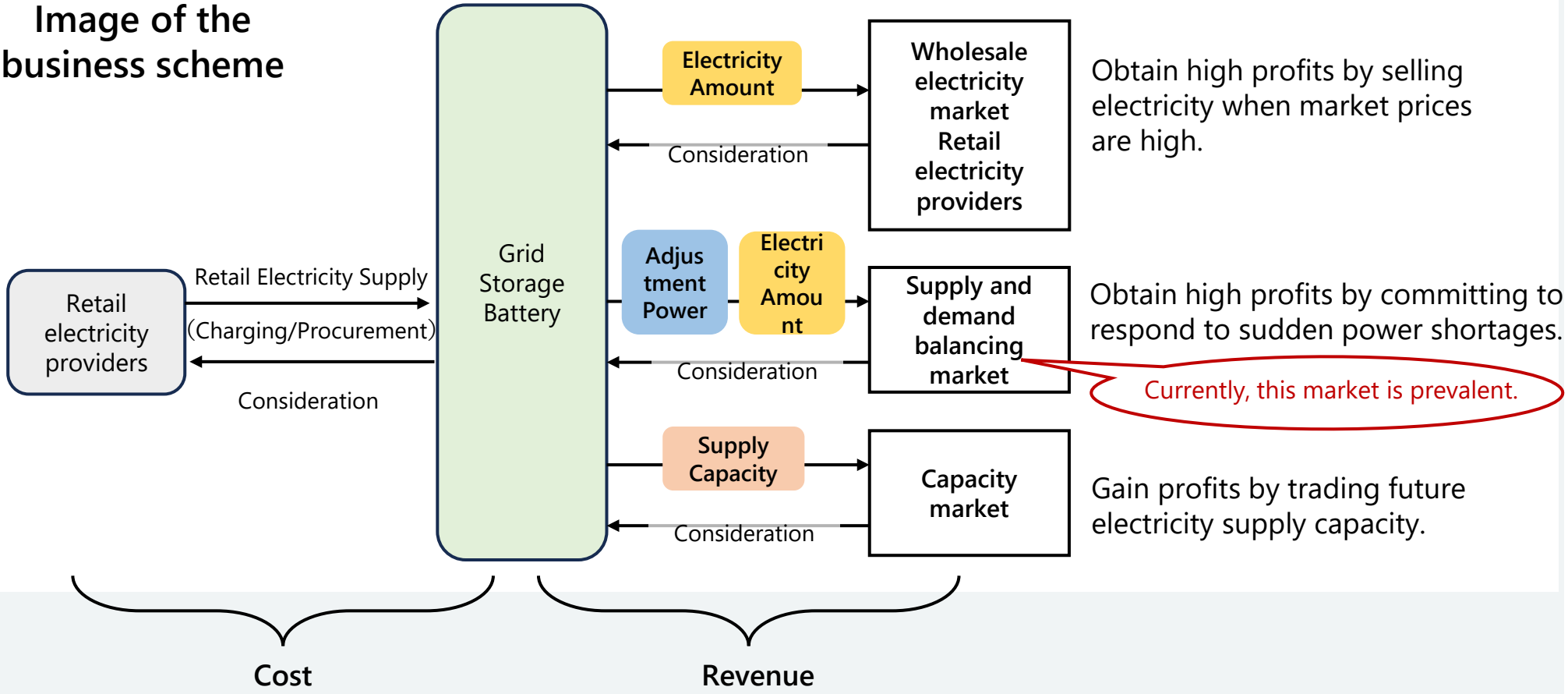


Business Model for Grid Storage Battery Business.

- A scheme to secure revenue by trading electricity stored in grid storage batteries in **three markets**: **the Wholesale electricity market, the Supply and demand balancing market, and the Capacity market.**

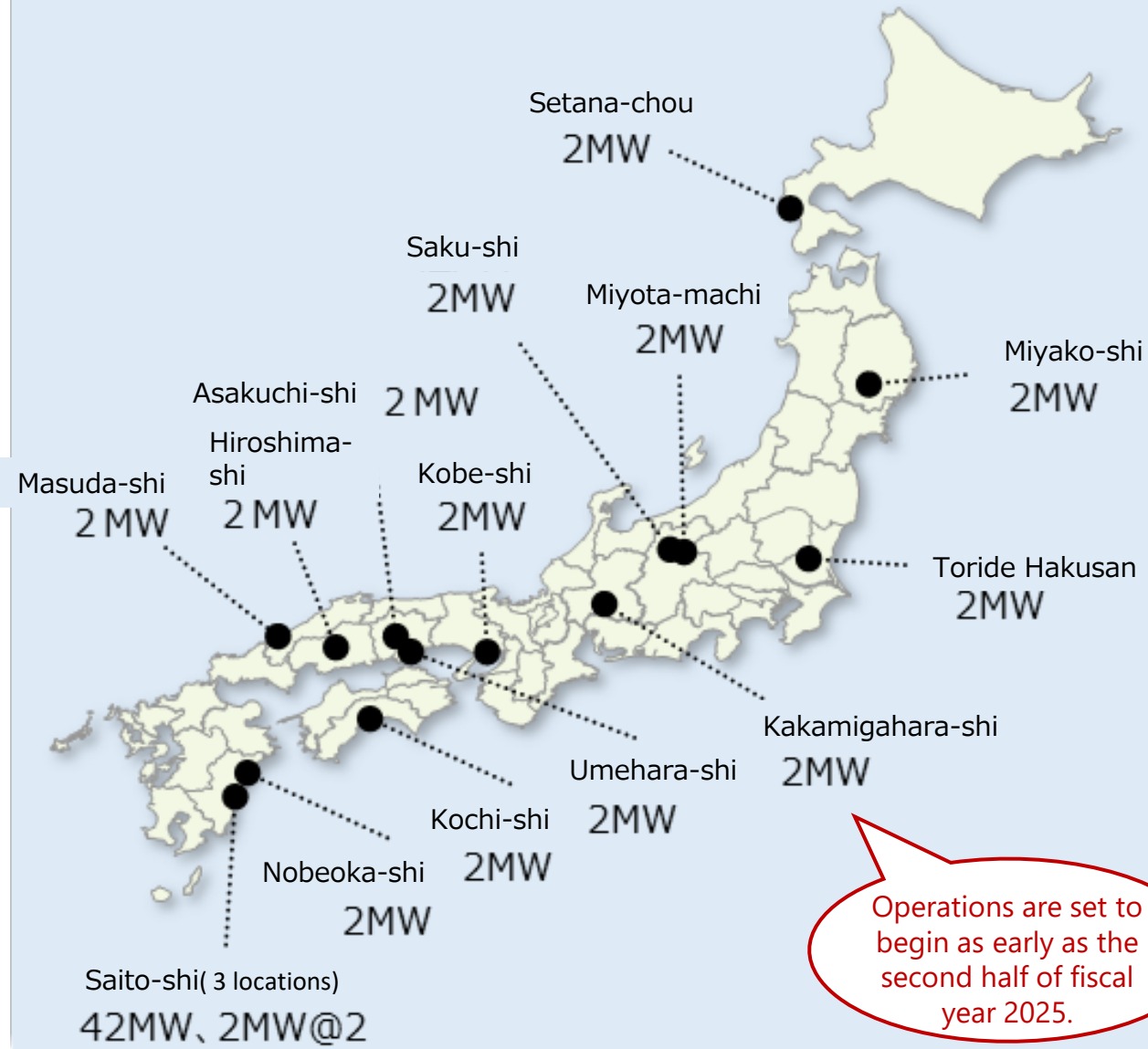
Grid storage batteries can secure revenue in three markets.

Image of the business scheme



Regarding projects currently under development.

The project currently under development
Utilizing networks both within and outside the group, we extract suitable locations and accelerate development.



Operations are set to begin as early as the second half of fiscal year 2025.

(Reference) Battery Storage Installation Image

A site of approximately 500m² is required for 2MW high voltage.

(Reference) Tesla Battery Storage

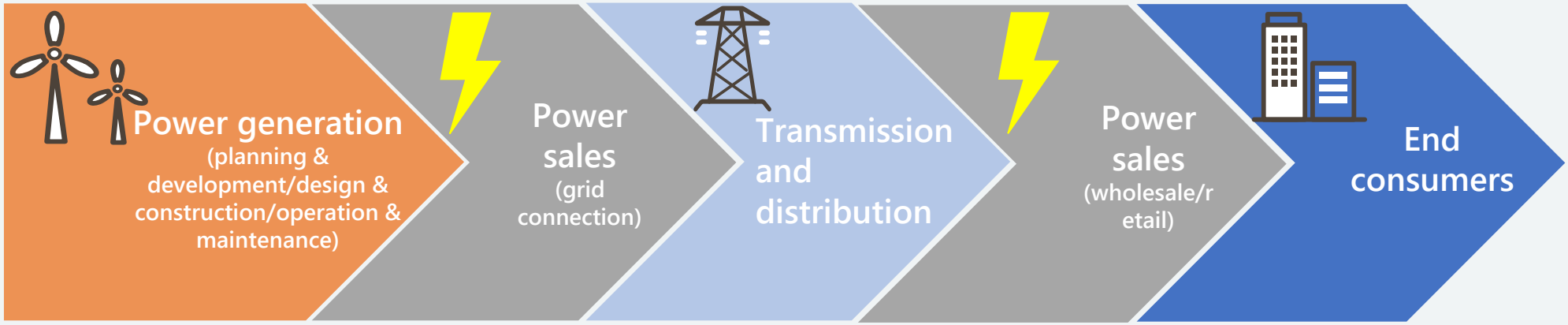
(Reference) Power X Battery Storage

Expansion of the Power Sales Business Domain.

❺Electricity Sales Business

Due to the FIT system, renewable energy development has long had **power generation as its goal.** However, with the introduction of the FIP system, it has become **an era where power sales capability is now being questioned.**

Among these areas, electricity retail, which our company has not yet undertaken, is an important area that **generates certain profits** within the renewable energy supply value chain. Acquiring retail functions will be **key to capturing the future increase in renewable energy value** and will also **lay the groundwork for expanding renewable energy and infrastructure services.**



FIT era

Business domain of renewable energy developers

Expansion of business domain

FIP era

Power generation to grid-connected power sales

Wholesale power sales and retail power sales

Revenue improvement through the expansion of business domains.

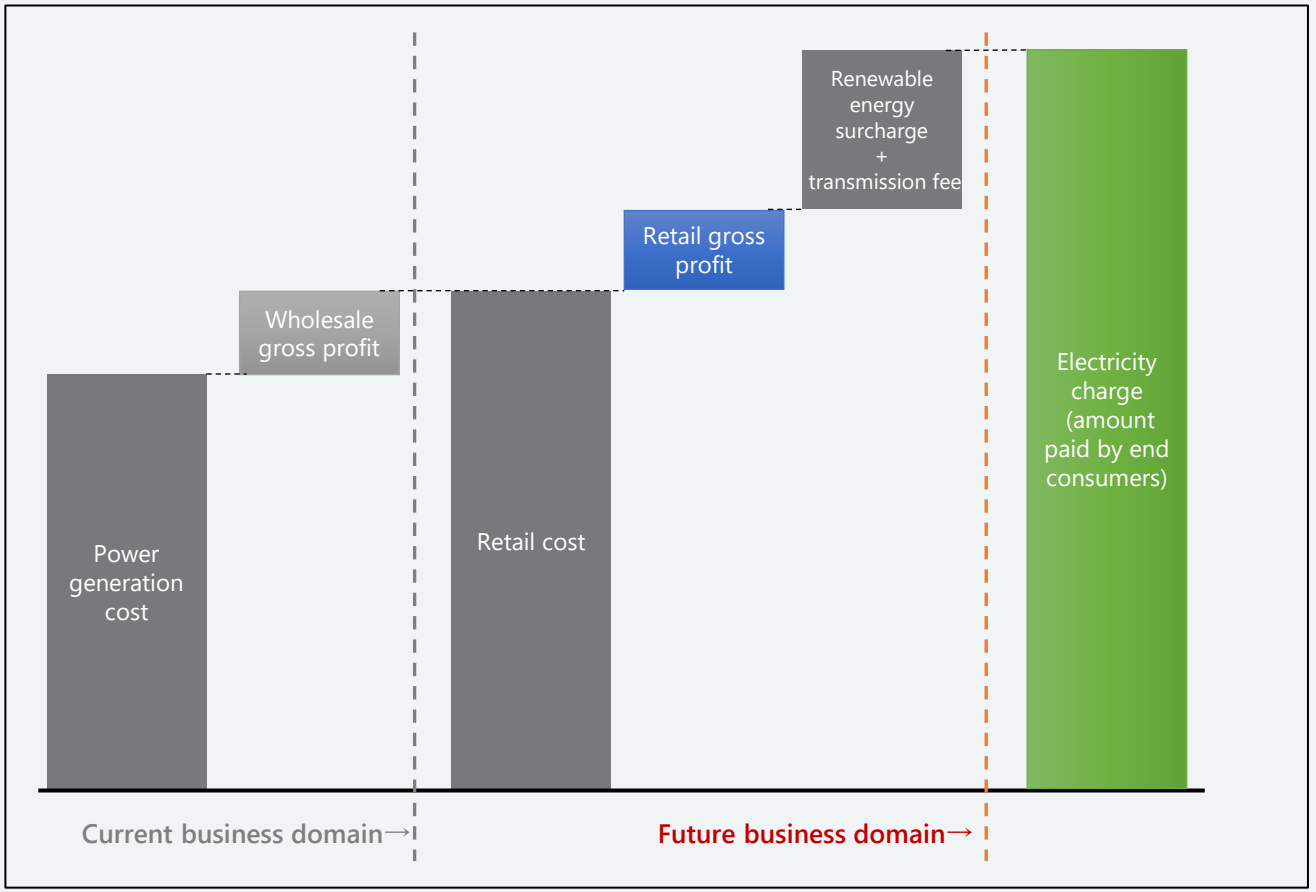
❺Electricity Sales Business

- We purchase power from self-developed projects at a **long-term fixed price and sell to end consumers.**
- **We provide adjustment capability** utilizing battery storage.

Self-offtake

We capture profits generated from the company's pipeline without leakage and **with stability.**

■**General structure of electricity sales pricing**

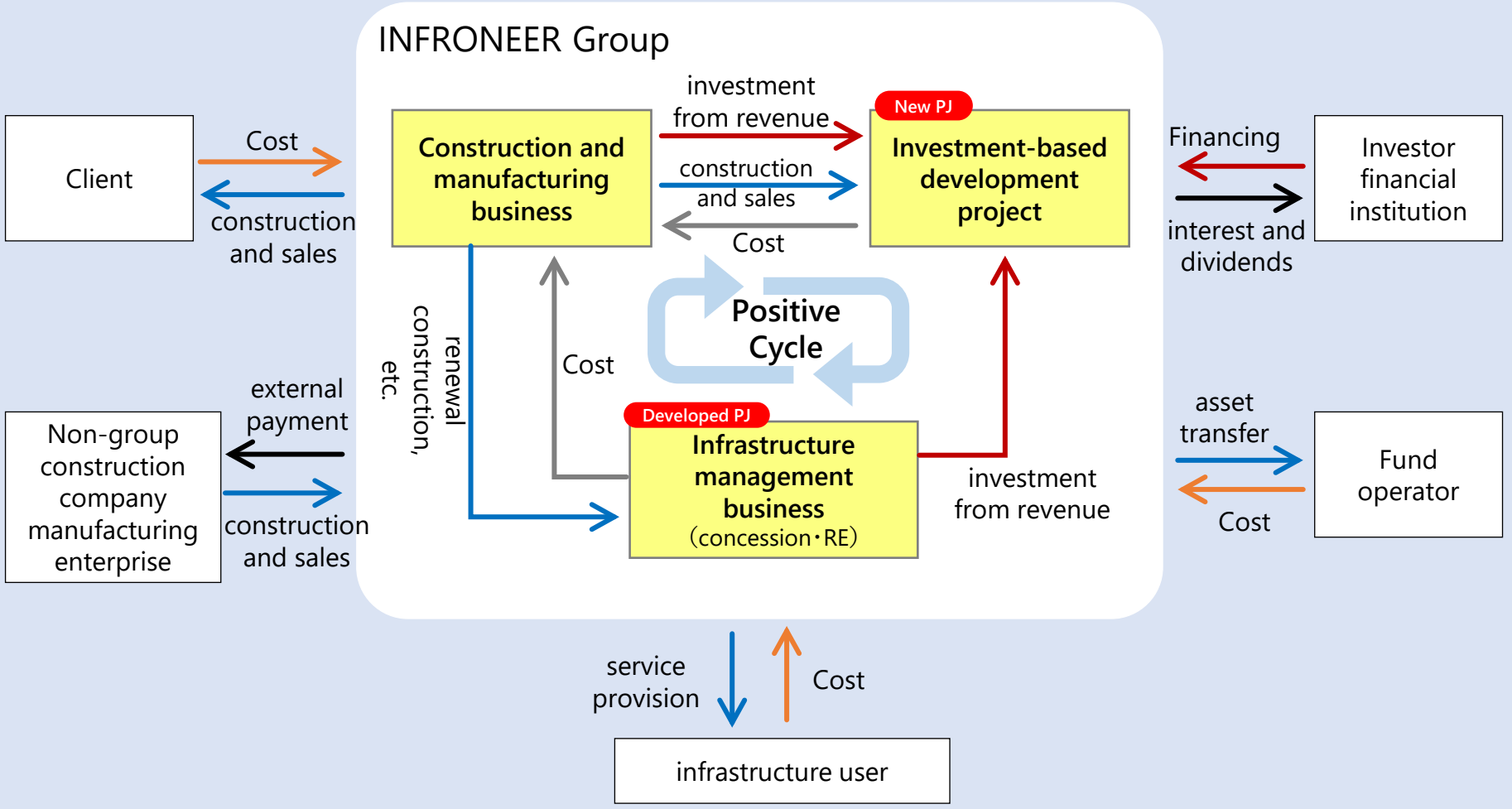


In Conclusion: INFRONEER's Business Model

INFRONEER's Business Model and Revenue Structure.

- INFRONEER's business model, involving construction and “de-construction”, creates multiple revenue opportunities within a single project.
- This model enables capital recycling within the group, reducing cash outflows to external parties.
- It allows for growth with a value-driven approach.

INFRONEER's business model and revenue structure aim to maximize added value.



【Cautionary Notes】
The performance figures presented in this document are based on the financial results report and rounded to the nearest hundred million yen. This document is originally in Japanese and has been translated into English; thus, the Japanese document is the original and the English version is for reference purposes only. In case of any conflict or inconsistency between these two documents, the Japanese document shall prevail. Any forward-looking statements regarding performance plans are based on judgments made with information available as of the date of this document's release and are subject to risks and uncertainties that may cause actual results to vary.

インフラの未来に挑む
Challenge the status quo

INFRONEER Holdings Inc.