

Main Contents of Q&A from the FY2025 Financial Presentation

Date: May 13, 2026 (Wednesday) 15:00 - 16:00

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Q. Regarding the impact of the situation in the Middle East, I would first like to confirm whether any disruptions are currently occurring in the procurement of construction materials and equipment. In addition, even if there is no significant impact at present, please explain the current situation regarding the risk of potential impacts on procurement—such as rising material prices or supply delays—should this situation be prolonged.

A. While some concerns have been raised regarding tighter procurement conditions for construction materials, within INFRONEER group companies, we are currently able to secure the necessary materials in general, and the situation has not reached a level that would have a significant impact on costs or business performance.

In particular, for the road civil engineering segment, where the impact is expected to be relatively greater, we began revising selling prices in March and have been requesting price increases from customers. Since April, we have been implementing price pass-through promptly, and at present, the increases in costs have almost entirely been reflected in selling prices.

As a result, there has been no significant change in performance on a single-month basis in April compared with the same period of the previous year, and we recognize that price pass-through is proceeding smoothly. While there remain uncertain factors regarding the Middle East situation, at this point we do not anticipate circumstances that would have a material impact on performance for the current fiscal year. We will continue to closely monitor developments and respond appropriately.

Q. Regarding profit margins in the building construction and civil engineering businesses for the current fiscal year, given that profitability at the time of order receipt has steadily improved to date, the current plan appears to be set at a somewhat conservative level. Does the Company position these profit margin targets as minimum levels to be achieved? Please share the Company's view on this point.

A. First, with respect to the building construction business at MAEDA CORP., the planned gross profit margin on completed construction contracts for the current fiscal year is 11.8%. Compared with 11.7% in the previous fiscal year, this may appear somewhat conservative; however, as we are still at the beginning of the fiscal year, we expect that the figure is likely to trend upward as projects progress. While this will depend on factors such as price increases and the status of additional orders, we believe that profit margins will steadily improve, as there are fewer projects with profitability concerns compared with the previous fiscal year.

As for Sumitomo Mitsui Construction, an increase in profit of more than ¥4.0 billion compared with the previous fiscal year is planned. On a standalone domestic basis, excluding overseas operations, the profit margin has recently improved to the high 10% range, indicating steady progress. In light of the improvements achieved in the previous fiscal year, we judge that the targets set for the current fiscal year are highly achievable.

Next, turning to the civil engineering business, as shown on page 10 of the materials, both MAEDA CORP. and Sumitomo Mitsui Construction have historically delivered results that exceed the profit margin targets set at the beginning of the fiscal year by a certain margin. With respect to design changes, those that can be reasonably anticipated at the beginning of the fiscal year are incorporated into the plan; however, in practice, additional design changes that are difficult to forecast often arise over the course of the year, contributing to incremental profit. As a result, profit margins have typically exceeded plan by approximately 1.0% to 1.5%. We expect a similar trend in

the current fiscal year. Accordingly, while the plan is based on somewhat conservative assumptions overall, we recognize that a level of outperformance comparable to past years can reasonably be expected.

In addition, at Sumitomo Mitsui Construction, improvements in on-site cost management that MAEDA CORP. has been implementing over the past several years will be rolled out sequentially starting this fiscal year. We view this as an area with further potential for profit improvement going forward.

Q. In the current fiscal year plan, we understand that the factors behind the year-on-year decline in net income are largely influenced by the outlook for financial income. While it may be difficult to make a definitive assessment given the significant volatility in Kioxia's stock price, could you please explain whether financial income comparable to the previous fiscal year can be secured based on the current stock price level?

A. We believe your question relates to the stock price of Kioxia (held by Toshiba). At present, our assumptions are based on a level slightly higher than the year-end stock price. When viewed at today's stock price (May 13), the current plan is set at a relatively conservative level. Therefore, if Kioxia's stock price were to remain around the current level, there is a possibility that net income could exceed that of the previous fiscal year. However, as stock prices are not within our control, the plan has been formulated based on cautious and conservative assumptions.

Q. With regard to the outlook for business profit in the infrastructure management business, we understand that the business environment for each segment is favorable; however, for this segment, the plan for the current fiscal year indicates that both MAEDA CORP. and Japan Wind Development (JWD) are expected to post losses at this stage. While we recognize that this is a phase of upfront investment, please share your views on the timing at which these businesses are expected to turn profitable from next fiscal year onward. In particular, as contributions from the battery storage business are expected to materialize from next fiscal year, please explain the outlook for business profit in the infrastructure management business at MAEDA CORP. and JWD.

A. The reason why business profit in the infrastructure management segment for the current fiscal year appears to be lower than in the previous fiscal year is that, in the previous fiscal year, MAEDA CORP. recorded gains from the sale of certain infrastructure-related projects. As there are no such special gains in the current fiscal year, the comparison gives the impression of a decline. In addition, in the current fiscal year, the burden of planned repair and refurbishment costs for existing infrastructure under certain concession projects is significant, which is also a factor weighing on profit.

Turning to JWD, as we have explained previously, development projects are progressing steadily. In the previous fiscal year, construction started on five projects, and among these, three projects—including some relatively small-scale ones—are scheduled to be completed progressively within the current fiscal year. On the other hand, many projects are expected to be completed from 2030 onward, and there has been no change to our outlook that full-scale profit contribution from JWD will be realized from 2030 onward.

With respect to the battery storage business, development of relatively small-scale high-voltage projects of approximately 2 MW is currently under way. However, full-scale development is expected to begin from the next fiscal year onward, and we plan to proceed sequentially with extra-high-voltage projects in addition to high-voltage projects. The timing of monetization will vary depending on the timing of asset sales, but in any case, the battery storage business is expected to begin contributing to profit from the next fiscal year onward. Accordingly, we believe that both the current fiscal year and the next fiscal year will remain a phase of continued upfront investment.

Q. Regarding the battery storage business, we understand that gains on sales are expected to accumulate going forward. On the other hand, amid an increase in the number of new market entrants, has there been any change in the outlook regarding whether the initially anticipated level of gains on sales (for example, levels such as ¥6.0 billion or ¥9.0 billion) can continue to be secured, or has your view of the business environment changed over time? Please explain your perspective on this point.

A. While there remain areas of uncertainty in the market and new entrants are being observed, development—including that by other companies—has not progressed to the extent initially anticipated, due in part to factors such as grid constraints. Under these circumstances, in addition to pursuing development independently, we are also considering large-scale projects in collaboration with other companies. Through these initiatives, it is our policy to secure gains on sales while carefully identifying appropriate timing. At this stage, there have been no significant changes to our fundamental business plan or strategy.

As supplementary information, the largest factor pushing down business profit in MAEDA CORP's infrastructure management business is the planned large-scale repair work on the toll road in Aichi during the current fiscal year. As a result, business profit is expected to be particularly depressed this year. In addition, while the IG Arena in Aichi is expected to turn profitable from the previous fiscal year into the current fiscal year, there are projects where initial investment costs have been incurred ahead of revenue generation, such as the renovation of VIP rooms at the Japan National Stadium, and these are also exerting a negative impact on profit this year. On the other hand, as Swing Corporation will begin contributing to consolidated results from July, we believe that the overall situation of the infrastructure management segment is expected to improve toward the end of the fiscal year.

Q. I would like to ask about your approach to financing. To the extent possible, could you please explain how we should understand the refinancing of the bridge loan currently under consideration? We understand that various financing methods are being examined in connection with the acquisitions of Sumitomo Mitsui Construction and Watering; however, it gives the impression that the process is taking somewhat longer than expected. Is this simply the result of carefully comparing and considering multiple options, or are there other factors involved?

A. As we explained at the time of the announcement of the acquisition of Swing on April 15, we first implemented hybrid financing through preferred shares utilizing JWD at the end of the previous fiscal year (March 31, 2026). In addition, during the previous fiscal year, we recorded gains on the sale of shares, and collections of construction payments at MAEDA CORP. progressed more favorably than initially anticipated, resulting in a temporary situation in which we have a certain level of cash on hand. In light of these circumstances, with respect to the acquisition funding for Swing (in the range of approximately ¥90 billion), we are considering a structure in which a portion will be financed through a bridge loan, with the remainder covered by cash on hand. We have also confirmed that there will be no impact on our credit ratings. Taking advantage of this financial flexibility, we are currently comparing and examining multiple options from a medium- to long-term perspective with regard to the optimal financing methods and timing, as well as the approach to refinancing the bridge loan. In terms of the schedule, the maturity date of the initial bridge loan is at the end of September, and we would like to determine an appropriate policy by that time. We will provide an update once the specific policy has been finalized.

Q. Regarding the refinancing of the current bridge loan, you mentioned hybrid financing and that there is a certain level of cash on hand. With respect to the acquisition funding for Swing, could you please explain what proportion is expected to be covered by cash on hand?

A. At this point, the specific breakdown has not been finalized; however, we are considering keeping borrowings to less than half of the total amount and covering the remainder with cash on hand. That said, this will be determined on a comprehensive basis, taking into account the priority of other investment projects and overall capital allocation.

Q. With regard to Swing, which has been acquired, I recall that around 2010, when Swing adopted its current management structure, it publicly announced a policy of “aiming to become a Japan-style water major.” On the other hand, my impression is that its overseas expansion since then has not necessarily made significant progress. Following INFRONEER’s acquisition of Swing, I would like to ask whether there is an intention to once again expand the business domestically and internationally as a “Japan-style water major.” In addition, please also explain whether there is potential for progress in overseas operations by taking on such initiatives as part of the INFRONEER group, which may have been difficult to realize under the previous shareholder structure.

A. To be honest, we do not have a detailed understanding of what exactly was announced in 2010; however, we believe that this point largely depends on how the term “water major” is defined. Generally speaking, European water majors engage not only in EPC (engineering, procurement, and construction) businesses but also in a large number of concession businesses. We understand that their distinguishing feature is that the majority of their profits are generated from concession businesses rather than from the scale of their net sales. If, at that time, the term “water major” referred to a business model centered on concessions, we believe that there may have been significant institutional constraints to realizing such a model. In fact, although the PFI Act in Japan was amended in 2011, further time was required for the amendment of the Water Supply Act. Even the concessions currently being promoted by the Cabinet Office under the “Water PPP 4.0” initiative have only just begun to take shape. In particular, when looking at projects that include pipeline assets, the Toyohashi project awarded to INFRONEER in the previous fiscal year can be considered virtually an initial case, and it must be acknowledged that the Japanese market itself has lagged in this regard. Going forward, an increase in Water PPP projects is expected in Japan. In addition, by leveraging the technologies and know-how cultivated in Japan, we would like to expand our operations in Asia and Africa in a manner that includes not only EPC but also operations. In this context, by combining Swing’s track record in domestic and overseas EPC projects with its operational capabilities and equity investments, we believe it will be possible to steadily accumulate operating income. In other words, we ourselves expect that there is potential to compete going forward under a business model similar to that of European water majors.

Q. With regard to Swing, is the idea to start with expansion in Japan and then move overseas, or rather to pursue both domestic and overseas expansion in parallel?

A. We are not particularly conscious of prioritizing either domestic or overseas markets in terms of sequence. As there are many water concession projects overseas as well, our policy is to focus on profitability on a project-by-project basis and to pursue high-quality projects in parallel, both in Japan and abroad.

Q. With regard to Sumitomo Mitsui Construction, which has also been acquired, the company will adopt a new corporate name, “Alsocia Construction,” from October. Please explain the direction in which the business will be developed going forward. Specifically, we would like to hear about strategies by market, such as domestic and overseas markets (particularly Asia), as well as which areas you intend to focus on within the civil engineering field, including segments such as tunnels and bridges. In addition, regarding the relationship with MAEDA CORP., we understand that the two companies will not be integrated but will instead be

positioned in parallel as business companies under the holding company. Please also explain how synergies are expected to be generated based on a division of roles that leverages the respective strengths of each company.

A. At first glance, MAEDA CORP. and Sumitomo Mitsui Construction may appear to have similar business models; however, in reality, there are significant differences in their respective areas of strength and track records. Accordingly, our basic policy is for each company to continue operating independently while leveraging its own strengths, and we believe that areas of direct competition will be limited. This tendency is particularly evident in the public sector, where some degree of organization and clarification regarding preferred clients and work categories has progressed during the six months since the integration. On the other hand, we believe there is substantial room for collaboration between the two companies in the private sector. For example, in the high-rise condominium market in the Tokyo metropolitan area, MAEDA CORP. and Sumitomo Mitsui Construction together hold the largest market share in the industry, and by combining their respective strengths, we believe there is potential for further market share expansion. Although there is some overlap among developers, given the current demand environment, we believe that by working together, the two companies can demonstrate their collective strength as a team and maintain a high level of competitiveness.

With regard to overseas operations, Sumitomo Mitsui Construction has strong competitiveness and an established earnings base, and is positioned as an important growth driver for the Group as a whole. In contrast, MAEDA CORP. has historically engaged in trial and error in overseas business and, in recent years, has taken a cautious stance toward new EPC projects. Going forward, however, by leveraging Sumitomo Mitsui Construction's overseas network and track record, we expect that the two companies will be able to work together to expand overseas operations.

As described above, MAEDA CORP. and Sumitomo Mitsui Construction are not simply being integrated; rather, they maintain a relationship based on a division of roles that leverages their respective strengths, while generating synergies primarily in the private sector and overseas business. Going forward, we expect that, while making appropriate adjustments in areas where the two companies compete, they will further enhance the Group's overall competitiveness through joint order-taking and collaboration.

Q. Looking at the plan for the road civil engineering business this fiscal year, we understand that product sales are expected to remain broadly flat and that operating profit is assumed to increase only marginally. In this context, a key issue is how the balance between price increases and price pass-through has been incorporated into the plan. First, please tell us the extent to which price increases have been implemented under the most recent circumstances, and to what degree customers have accepted those increases. In addition, at the time of past earnings announcements, I recall that you presented a graph showing the progress of price pass-through. At present, should we understand that price pass-through is progressing smoothly as initially assumed, or have there been any delays or adjustments in some areas? Please provide supplementary details on the current status.

A. Regarding the progress of price pass-through, looking at the most recent situation, since April of this fiscal year we have been able to secure profit on a monthly basis at roughly the same level as the previous fiscal year, and we recognize that price pass-through is proceeding largely as planned. In addition, we currently have visibility toward achieving our targets through June, and we assume that price pass-through will continue to progress steadily. On the sales side, if price pass-through advances further, that will become an upside factor. As the current plan does not incorporate any increase in revenue attributable to future price pass-through, if price pass-through can be continuously achieved throughout the year, there is a possibility that net sales will ultimately exceed the plan. Furthermore, we aim to expand shipment volumes going forward, and we expect further growth in net sales as both higher unit prices and increased sales volumes contribute to results.

Q. With regard to your approach to financial expenses, we understand that financial expenses are expected to increase somewhat in the current fiscal year. First, please explain the background to this increase. In addition, in the INFRONEER Medium-term Vision, we understand that a reduction in financial expenses was also factored in as part of the synergies with Sumitomo Mitsui Construction. In light of this, looking ahead to FY2028 and beyond, do you expect financial expenses to decline, or to remain broadly flat at a certain level? Please also share your outlook going forward.

A. Financial expenses in the current fiscal year have increased compared with the previous fiscal year, and there are two primary factors behind this. The first is the impact of the recent rise in interest rates. The second factor is the hybrid financing implemented at the end of the previous fiscal year (end of March), under which the funding cost is somewhat higher than that of ordinary borrowings. That said, this hybrid financing is assessed as having 50% equity characteristics for credit rating purposes, and therefore has the benefit of improving the balance sheet, particularly by contributing to a lower debt-to-equity ratio. Accordingly, it should be viewed not simply as a cost increase, but in balance with the enhancement of financial soundness.

From the perspective of integration synergies with Sumitomo Mitsui Construction, compared with a simple aggregation of INFRONEER and Sumitomo Mitsui Construction, we have already realized a reduction in financial expenses of approximately ¥2.0 billion. In other words, without these synergies, our current level of financial expenses would likely be around ¥2.0 billion higher.

Looking ahead, financial expenses are heavily influenced by the interest rate environment, and at present we believe that interest rates may continue to rise gradually. As such, from an external environment perspective, conditions are not necessarily favorable for a decline in financial expenses. Under these circumstances, our policy is to control financial expenses through a combination of measures, including optimization of financing methods, rigorous cash management such as improving collection and payment cycles, compression of working capital, and asset sales and portfolio reviews. Rather than relying solely on interest rates, we aim to manage financial expenses by improving capital efficiency.

Q. Regarding the outlook for business profit for the Group as a whole in the current fiscal year, I believe it was mentioned earlier that an increase of ¥6.2 billion in profit is expected as business growth. With regard to the breakdown of this increase, should we understand that it is primarily driven by incremental profit associated with increases in net sales in the building construction and civil engineering segments, or are additional factors such as improvements in profit margins and revisions to the cost structure also being factored in beyond simple sales growth? Please explain.

A. With regard to the increase in profit for the current fiscal year, it is basically correct to understand that it is based on the incremental profit resulting from the increase in net sales in the current fiscal year. While some other positive factors are also anticipated, they are not incorporated into the current plan at this stage. Accordingly, if such additional factors were to materialize, we view this as providing potential upside beyond the plan.

Q. Regarding the acquisition of Swing, we understand that last year, following the consolidation of Sumitomo Mitsui Construction into the Group, the INFRONEER Medium-term Vision was revised and a target of business profit of ¥100.0 billion for FY2027 was set. With respect to the acquisition of Swing this time, do you plan to revise the INFRONEER Medium-term Vision again, or will you address this acquisition within the framework of the current plan? Please share your thinking going forward.

A. With regard to revising the INFRONEER Medium-term Vision in connection with the acquisition of Swing, whether or not such a revision will be carried out, including its timing, has not been determined at this point. In the

case of Sumitomo Mitsui Construction last year, following the announcement of the TOB in May, after obtaining confirmation from the Japan Fair Trade Commission, the Ministry of Land, Infrastructure, Transport and Tourism, and other relevant authorities, it became possible to share certain information excluding sensitive business information. As a result, we were able to revise and disclose the INFRONEER Medium-term Vision at a relatively early stage.

In contrast, with respect to Swing this time, due to the intentions of the current parent company, it is necessary to refrain from sharing performance-related information and other details until the completion of the share transfer, not only from the perspective of competition law compliance. Accordingly, substantive consideration is expected to begin after closing, that is, on or after July 1. Due to these constraints, it is difficult at this stage to determine whether we will be able to carry out a rolling update of the INFRONEER Medium-term Vision at the time of the first-quarter financial results scheduled for early August.

That said, at a minimum, we intend to incorporate the outlook for the current fiscal year's performance as precisely as possible. Thereafter, we will consider revising the numerical targets of the INFRONEER Medium-term Vision and providing supplementary explanations at an appropriate timing. If possible, we would like to proceed with a rolling update of the INFRONEER Medium-term Vision.

Q. Regarding the full acquisition of Sumiken Mitsui Road shown on slide 14, I recall that I asked a similar question at the time the TOB for Sumitomo Mitsui Construction was announced, and at that time the response was that the specific incorporation of synergies had yet to be determined. Now that one year has passed since the full acquisition and a certain level of organization regarding synergy effects is presented in the materials, please explain to what extent these have been reflected in the current earnings plan. Specifically, given that a full-year contribution from Sumitomo Mitsui Construction is expected in profit for the current fiscal year, are we now at a stage where further upside from synergies can be expected, or have a certain level of synergy effects already been incorporated into the current plan? Please share your thinking on this point.

A. With regard to the full acquisition of Sumiken Mitsui Road, the company had previously been in a parent–subsidiary listed structure, with our ownership interest limited to approximately 54%, and we recognized issues from the perspectives of governance and capital efficiency. By making it a wholly owned subsidiary as a business company within the INFRONEER Group, we have resolved these issues and established a structure that enables integrated management across the Group.

From a performance perspective, the current plan already incorporates Sumiken Mitsui Road's results on a 100% consolidated basis, and this effect has been fully reflected. On the other hand, additional synergy effects are something to be generated going forward through concrete collaboration with MAEDA ROAD, and at this stage they have not yet reached a level where they can be quantitatively incorporated into the earnings plan.

As the tender offer for this transaction is scheduled to be completed in early June, discussions will proceed thereafter between MAEDA ROAD and INFRONEER Holdings to further strengthen intra-Group collaboration and to advance the realization of synergies by combining the respective strengths of MAEDA ROAD and Sumiken Mitsui Road. In particular, in areas such as mixing factories, where locations and capital investment are critical, we intend to proceed with studies on consolidation, optimal allocation, and new development of facilities from the perspective of efficiency.

In this way, while the primary contribution to performance at this point is the effect of full consolidation, we aim to generate additional synergies going forward through Group-wide integrated operations, including cost reductions and improvements in business efficiency.

Q. Regarding the development of overseas concession businesses, I understand that President Kibe mentioned the overseas potential of Sumitomo Mitsui Construction in his blog today (May13), and that the company has consistently indicated a policy of addressing this area from a medium- to long-term perspective. On the other hand, a peer company announced today its participation in a concession project in Indonesia. While the market appears to have strong growth potential, I also recognize that the number of individual projects may be subject to certain constraints. Against this backdrop, I would like to confirm the level of concreteness and speed with which INFRONEER Holdings intends to develop its overseas concession business going forward. In addition, please tell us about the regions and types of projects currently envisioned, as well as your investment and participation stance, including any medium-term plans.

A. One notable characteristic of many overseas concession projects is that they are based on private-sector initiatives. While we are unable to disclose details of individual projects at this time, the strategic direction we are pursuing is clear. To date, MAEDA CORP. has not been able to establish a sufficiently robust on-the-ground presence in Asia's more active PPP (public-private partnership) markets, such as India and the Philippines. By contrast, Sumitomo Mitsui Construction has established bases in these regions. Going forward, we plan to leverage that network and advance participation in concession projects in collaboration with Sumitomo Mitsui Construction. At the same time, we will also consider collaboration with local companies in order to enhance our ability to secure projects.

In addition, in the ODA (official development assistance) field, there is a clear shift away from business models limited to EPC (engineering, procurement, and construction) toward project structures that include operations. Looking ahead, there is a possibility that the number of projects premised on involvement through the operational phase will increase, and we view this as a medium- to long-term growth opportunity as well.

Taking this environment into account, we intend to accelerate our overseas expansion, focusing on countries where PPPs and concessions are being actively promoted, including India and the Philippines, as well as Indonesia, which we are currently examining.

Q. Based on the explanations to date, I would like to confirm whether it is correct to understand that, while overseas concession businesses are positioned as a medium- to long-term growth area, there are currently no specific numerical assumptions incorporated into the performance forecast for this fiscal year or into the next INFRONEER Medium-term Vision2030.

A. While we are unable to disclose details as they could lead to the identification of individual projects, there is a possibility that we may secure new overseas concession projects within this fiscal year. However, even if projects are awarded during this fiscal year, any impact on the income statement or balance sheet is expected to arise from the next fiscal year onward. Accordingly, the direct contribution to performance in the current fiscal year is expected to be limited, and revenue contributions should be viewed from a medium-term perspective. In addition, even if there is progress on projects at an early stage within this fiscal year, there will be no material change to the current fiscal year's performance outlook.

Q. Based on the explanations to date, we understand that the concession business is positioned as a medium- to long-term initiative and that, at this stage, it has not yet been incorporated into specific numerical targets. On that premise, if there are any projects for which you plan to submit bids over the next one to two years, including both domestic and overseas opportunities, please share what you can. In particular, please also explain the direction of the pipeline that is currently visible, such as regions, types of projects, and forms of participation.

A. While we are unable to disclose the names of individual projects, we plan to work on multiple projects during the current fiscal year, focusing primarily on areas such as stadiums and arenas, as well as water infrastructure (water supply and sewerage). Specifically, in addition to participating in tenders, we will proceed with the creation and acquisition of projects through private-sector proposals and proposals based on Article 6 of the PFI Act. In this manner, we currently have a certain level of pipeline, and with regard to the concession business, we will continue to steadily pursue project development going forward.

Q. Regarding price pass-through in the road civil engineering business, you explained that it has been progressing very smoothly this time. I recall that around 2022, price increases were also implemented against the backdrop of rising crude oil prices, and my understanding is that it took approximately one year at that time to fully achieve price pass-through. In contrast, on this occasion, price pass-through appears to be progressing over a relatively short period. I would like to confirm what factors lie behind this difference. For example, if there have been any institutional changes (such as policy measures to promote appropriate price pass-through), changes in awareness on the part of clients, or revisions to business practices within the industry that have facilitated smoother price pass-through, please explain those factors.

A. As you pointed out, we struggled with price pass-through in fiscal 2022, particularly in private-sector projects, where acceptance of price increases did not progress as expected, and we had no choice but to respond by providing careful explanations on a project-by-project basis. As a result, it took a certain amount of time to complete price pass-through. By contrast, the current environment differs from that time. At present, in addition to the impact of crude oil prices and exchange rates, a wide range of costs—not limited to paving materials—are rising, and price increases have become a shared understanding across the industry as a whole. As a result, it has become easier to gain understanding from clients, and we recognize that price pass-through is therefore progressing relatively smoothly. Moreover, this is not limited to initiatives by MAEDA ROAD alone; similar trends are being observed among other road companies as well. This broader shift toward an environment in which price pass-through can be more readily advanced across the industry is also considered to be one of the contributing factors.