




INFRONEER Holdings
FY2022 3rd Quarter Financial Presentation



February 14, 2023

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1. Points

① FY22 3Q Results (Cumulative total) and FY22 Forecast (P.4, P.7)

- **In 3Q, Net sales and gross profits increased year-on-year** due to significant increase in profit in civil engineering and infrastructure operations
- **Net income for the full year is expected to reach a record high.** (ratio to Maeda Corp.[consolidated])

② FY22 Results (Cumulative total) and FY22 Forecast of each segments (P.10-30)

Building Construction & Civil Engineering Segment (P.9-16)

- Orders for building construction **are expected to be 260.0billion yen, and a profit margin of 7% at that time of order is expected to be secured for the full year.**
- In building construction segments, net sales and gross profit are expected to increase year-on-year due to the completion of large projects toward the end of the year and additional acquisition of price increases.
- In civil engineering segments, profit margin on orders as of 3Q was 11.2%, increased 3% from the previous year.
- In civil engineering segments, **profit margins are expected to remain at a high level year-on-year** due to steady progress in profitable on backlogs of construction projects.

Infrastructure Management Segment (P.17-21)

- **In 3Q results and full-year forecast achieved significant year-on-year increases in net sales and gross profits.**
- Following Osaka City Industrial Water Concession, concluded an implementation contract for **Miura City Public Sewerage (Eastern Treatment Area) Operation Project.** (operation starts in Apr.)

Road Civil Engineering Segment (P.22-27)

- In 3Q, Although gross profits decreased year-on-year, **the performance has improved** due to the effects of price hikes and the decline in crude oil prices and appreciation of the yen have eliminated the gap with the sales price, and **the full year plan is expected to be achieved.** (P.26)

1. Points

Machinery Segment (P.28-30)

- **In 3Q, Net sales and gross profits were at the same level year-on-year.** Due to strong sales in-house products such as “crawler cranes”, the impact of delays in parts supply and material price hikes was limited.
- Demand remains strong and **full-year results are expected to be achieved the plan.**

③ Return Politics for shareholder (P.8)

- Following the acquisition of 20 billion yen of treasury stock in FY21, **10 billion yen will be acquired in FY22 and will be canceled promptly.** (Announced on August 10, 2022)

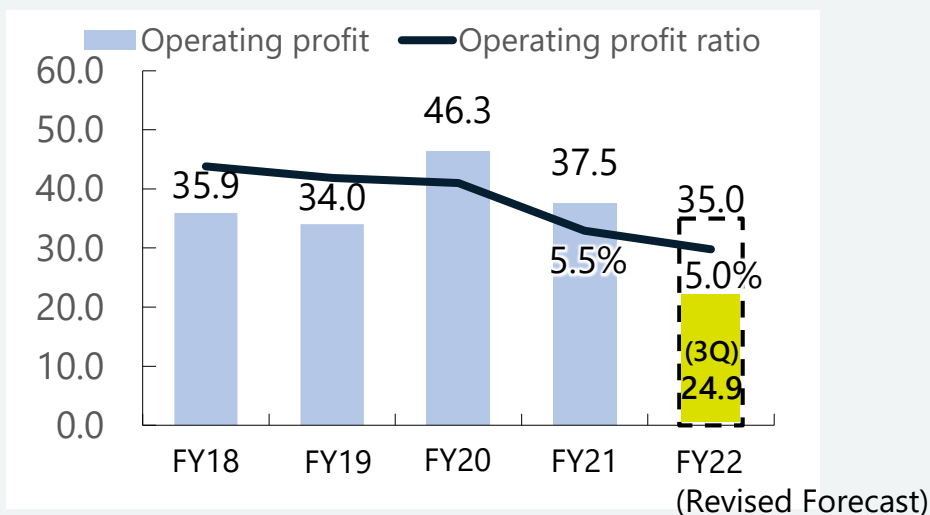
④ Cross-shareholdings (P.8-9)

- **Sales in progress** with a target of approx. 20 billion yen in FY22. **(22.6% as of 3Q, 20.6% at the time of sale of 20 billion yen).**
- **Aim to achieve 20% or less of “INFRONEER medium term Vision 2024” target by the end of FY23,** one year ahead of schedule.

2. Transition of Results and Forecast

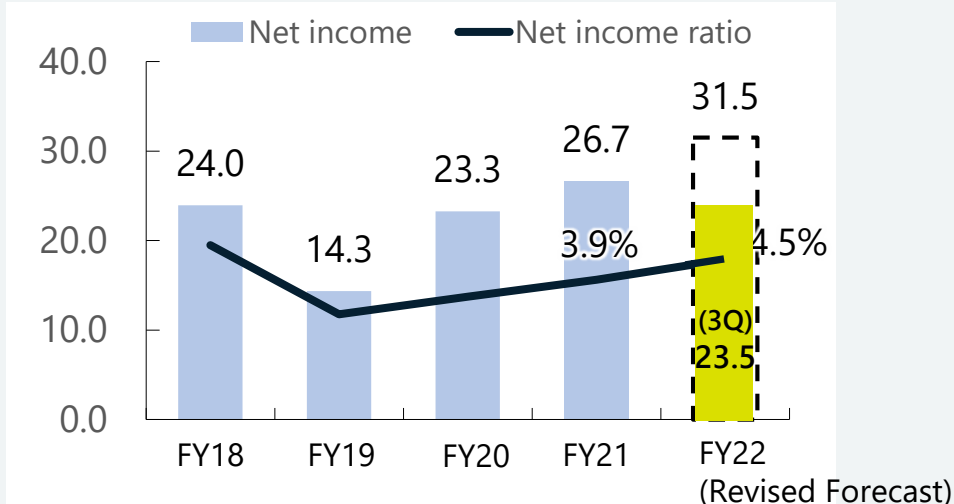
- **Net income for the full year is expected to reach a record high.** (ratio to Maeda Corp.[Consolidated])
- Operating profit and Added value are expected to be at the same level year-on-year.

Operating profit



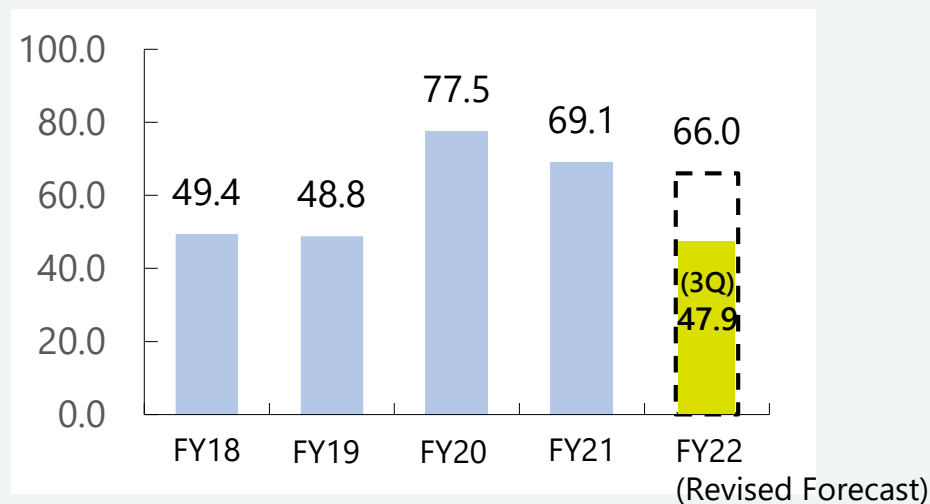
Net income

(Billions of Yen)



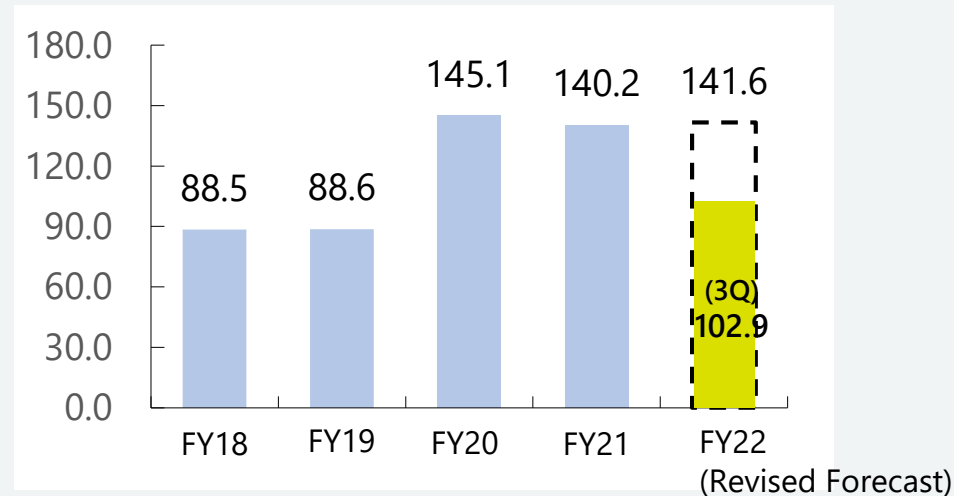
EBITDA

= Operating profit + Depreciation



Added value

= Operating profit + Total labor costs + Depreciation + R&D costs



3. Summary of Financial Results

- In 3Q, **Net sales and gross profits increased year-on-year** due to sale of the wind power generation business etc.
- The full year plan was revised as of 2Q due to delays of progress in backlogs, but **net income for the full year is expected to reach a record high** due to selling of cross-shareholdings. (ratio to Maeda Corp.[consolidated])

(Billions of Yen)

	INFRONEER Holdings					INFRONEER Holdings								
	FY21		FY22		YoY	Progress	FY21 Results ①	FY22		YoY ③-①				
	3Q Results		3Q Results					Forecast ②	Revised Forecast ③		+/- ③-②			
Net sales	482.3		495.8		13.5	70.3%	682.9	730.6	705.0	△25.6	22.1			
Gross profit	58.4	(12.1%)	66.6	(13.4%)	8.2	67.6%	91.6	(13.4%)	98.5	(13.5%)	92.1	(13.1%)	△6.4	0.5
SG&A	40.8	(8.5%)	41.8	(8.4%)	1.0	74.7%	54.1	(7.9%)	55.9	(7.7%)	57.1	(8.1%)	1.2	3.0
Operating profit	17.6	(3.6%)	24.9	(5.0%)	7.3	58.3%	37.5	(5.5%)	42.6	(5.8%)	35.0	(5.0%)	△7.6	△2.5
Non-operating profit	3.0	0.63%	3.6	(0.7%)	0.5	96.1%	4.1	(0.6%)	3.7	(0.5%)	4.6	(0.7%)	0.9	0.5
Non operating expenses	2.6	0.54%	2.5	(0.5%)	△0.1	85.3%	3.5	(0.5%)	2.9	(0.4%)	2.8	(0.4%)	△0.1	△0.7
Ordinary profit	18.0	(3.7%)	25.9	(5.2%)	8.0	59.6%	38.0	(5.6%)	43.5	(6.0%)	36.8	(5.2%)	△6.7	△1.2
Extraordinary income	3.8	(0.8%)	8.5	(1.7%)	4.7	—	8.5	(1.2%)	—	—	—	—	—	—
Extraordinary losses	0.4	(0.1%)	0.9	(0.2%)	0.5	—	2.0	(0.3%)	—	—	—	—	—	—
Net Income	10.7	(2.2%)	23.5	(4.7%)	12.8	72.5%	26.7	(3.9%)	32.4	(4.4%)	31.5	(4.5%)	△0.9	4.8
Equity	348.3		—				346.9	—		—				
ROE	—		—				7.7%	—		—				
EPS	—		—				94.7JPY	123.3JPY		121.5JPY				

4. Segment Net Sales and Gross Profit

(Billions of Yen)

INFRONEER					
	FY21		FY22		
	3Q Results		3Q Results		Progress
Net sales	482.3		495.8		70.3%
Building Construction	152.6		141.5		62.0%
Civil Engineering	99.2		108.7		74.0%
Road Paving	167.2		174.6		74.0%
Machinery	24.9		25.1		70.5%
Infrastructure Operations	11.9		18.7		87.1%
Others	26.5		27.2		74.2%
Gross profit	58.4	(12.1%)	66.6	(13.4%)	72.3%
Building Construction	14.3	(9.4%)	13.0	(9.2%)	54.1%
Civil Engineering	16.8	(16.9%)	21.1	(19.4%)	83.2%
Road Paving	15.7	(9.4%)	15.5	(8.9%)	73.6%
Machinery	5.3	(21.3%)	5.4	(21.4%)	71.1%
Infrastructure Operations	3.0	(25.0%)	9.1	(48.4%)	90.6%
Others	3.3	(12.4%)	2.6	(9.6%)	61.8%
Operating profit	17.6	(3.6%)	24.9	(5.0%)	71.0%
Building Construction	2.8	(1.9%)	2.1	(1.5%)	23.8%
Civil Engineering	9.0	(9.0%)	12.9	(11.8%)	91.3%
Road Paving	1.6	(0.9%)	0.7	(0.4%)	55.5%
Machinery	1.2	(5.0%)	1.1	(4.4%)	73.3%
Infrastructure Operations	1.7	(14.4%)	7.6	(40.7%)	95.2%
Others	1.2	(4.6%)	0.4	(1.6%)	34.2%

INFRONEER							
FY21 Results ①	FY22				YoY ③-①		
	Forecast ②	Forecast(Revised) ③		+/- ③-②			
682.9	730.6	705.0		△ 25.6	22.1		
216.1	238.3	228.4		△ 9.9	12.3		
142.6	155.6	147.0		△ 8.6	4.4		
232.8	240.1	236.0		△ 4.1	3.2		
35.3	35.5	35.5		0.0	0.2		
18.7	21.7	21.5		△ 0.2	2.8		
37.4	39.5	36.6		△ 2.9	△ 0.8		
91.7	(13.4%)	98.5	(13.5%)	92.1	(13.1%)	△ 6.4	0.5
23.4	(10.8%)	25.9	(10.9%)	24.0	(10.5%)	△ 1.9	0.6
26.0	(18.3%)	24.1	(15.5%)	25.4	(17.3%)	1.3	△ 0.6
22.5	(9.7%)	26.3	(11.0%)	21.0	(8.9%)	△ 5.3	△ 1.5
7.4	(20.9%)	7.5	(21.2%)	7.5	(21.1%)	0.0	0.2
7.6	(40.6%)	10.0	(46.1%)	10.0	(46.5%)	0.0	2.4
4.8	(12.8%)	4.7	(11.8%)	4.2	(11.5%)	△ 0.5	△ 0.6
37.5	(5.5%)	42.6	(5.8%)	35.0	(5.0%)	△ 7.6	△ 2.5
9.2	(4.2%)	11.6	(4.9%)	8.8	(3.9%)	△ 2.8	△ 0.4
15.2	(10.6%)	13.8	(8.9%)	14.1	(9.6%)	0.3	△ 1.1
3.3	(1.4%)	5.8	(2.4%)	1.3	(0.6%)	△ 4.5	△ 2.0
1.8	(5.2%)	1.5	(4.2%)	1.5	(4.2%)	0.0	△ 0.3
6.1	(32.6%)	8.2	(37.8%)	8.0	(37.2%)	△ 0.2	1.9
1.9	(5.1%)	1.7	(4.3%)	1.3	(3.6%)	△ 0.4	△ 0.6

※ The Pavement segment includes amortization etc. of goodwill related to the TOB.

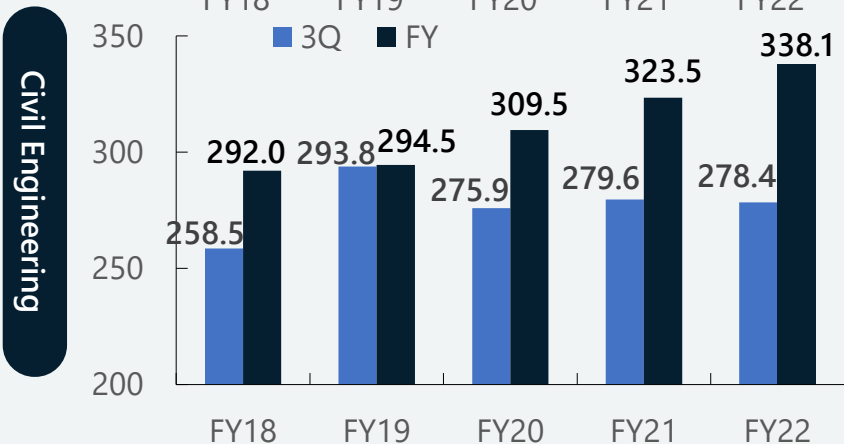
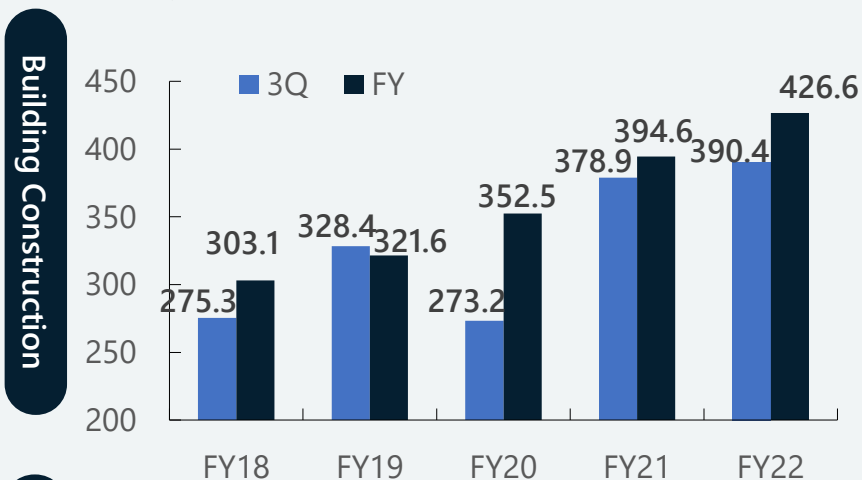
※ Previous Segment : See p. 41 for details on segments.

5. Transition of Contract Backlogs (Building Construction and Civil Engineering)

- **Expect record-high** contract backlogs at the end of term in both the building construction and civil engineering segment, **and high profit margins on orders.**
- The profit margin on orders for building construction recovered from 6.0% in 2Q to 6.3% in 3Q due to the acquisition of design changes such as price increase as planned. Steady recovery is expected in the 2nd half and onwards.
- Profit margin of orders received is thoroughly controlled due to secure profit at **early phase of the projects** (ex. stable customers, securing design-build ratio and information of large projects) and negotiation for price increases.

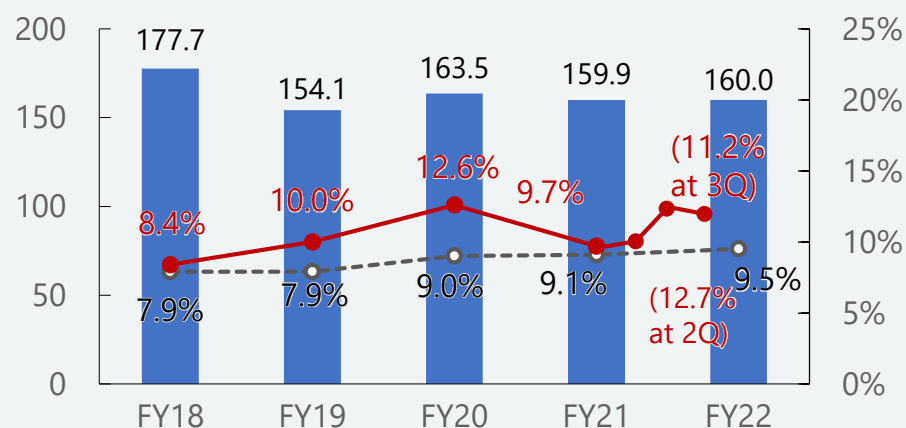
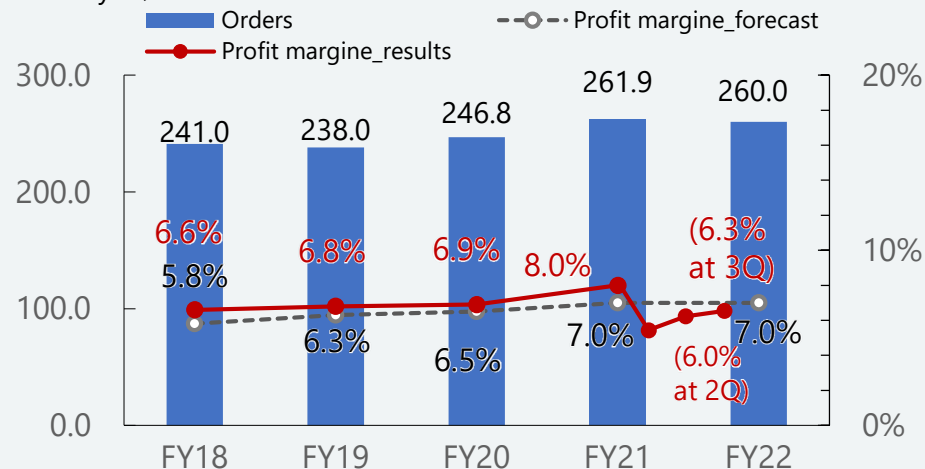
Transition of contract backlogs

(Billions of yen)



Transition of orders and profit margin

(Billions of yen)



6. Results and Forecast of Capital Strategies & Return Policies (at FY22 3Q)

Shareholder returns

- Following the acquisition of 20 billion yen of treasury stock in FY21, **10 billion yen will be acquired in FY22 and will be canceled promptly.** (Announced on August 10, 2022)

Cross-shareholdings

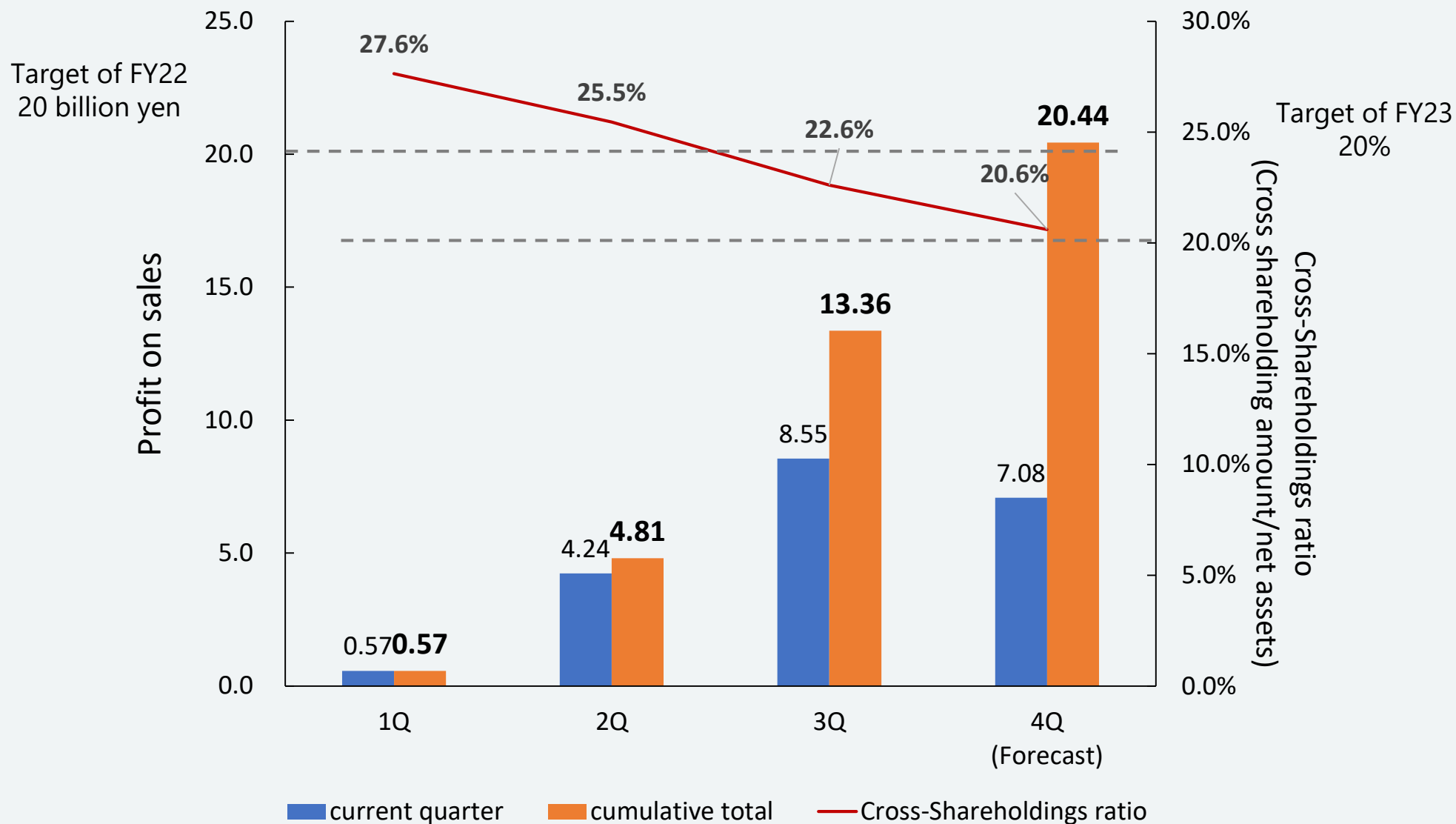
- Sales in progress** with a target of approx. 20 billion yen in FY22. **(22.6% as of 3Q, 20.6% at the time of sale of 20 billion yen).**
- Aim to achieve 20% or less of "INFRONEER medium term Vision 2024" target by the end of FY23**, one year ahead of schedule.

Medium-term Vision 2024			Results (at FY22 3Q)	Notes
Capital efficiency	ROE	9.5%	9.1%	At FY22 3Q
Optimal capital structure	Equity ratio	More than 30%	37.6%	At FY22 3Q
	D/E ratio	Less than 0.6 times	0.6 times	At FY22 3Q
Shareholder returns	Dividend payout ratio	More than 30%	32.9% (forecast)	FY22 forecast Annual dividends per share is 40 JPY
	Share buyback	More than 40.0 billion JPY	10 billion JPY in FY22 (announcement on Aug.11)	Amount of 20 billion JPY has been acquired in FY21. Aim to achieve our goals earlier than Medium-term Vision 2024.
	Total payout ratio	–	66.6% (forecast)	FY22 forecast Dividend payout ratio 32.9% Share buybacks 31.7% Dividends for the Earth 2.0%
Asset efficiency	Cross-shareholdings/ Net assets rate	Less than 20%	22.6%	Sale of approx. 8.5 billion yen in progress at 3Q FY22 2Q 25.5% → FY22 3Q 22.6% 22.6% at 3Q/If 20 billion yen could be sold, the rate would be 20.6%.
	Sales of assets	Consider sale or integration of inefficient assets by examining the usage status of group-owned assets.		

7. Sales of Cross-shareholdings

- Sales in progress with a target of approx. 20 billion yen in FY22.
- Approximately 8.5 billion yen was sold in the 3Q, and the cumulative FY22 sales are expected to total approximately 20.4 billion yen.

(billions of Yen)



Segment Highlights

Building Construction	Civil Engineering	Infrastructure Management
Road Civil Engineering	Machinery	Others

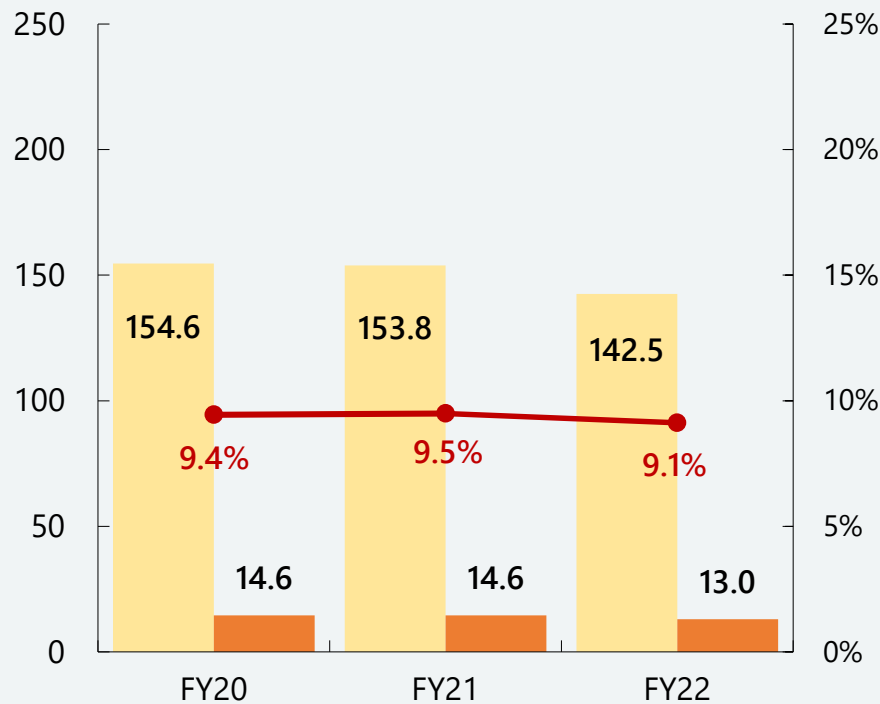
1. Net sales and Gross Profit (Maeda Corp. Non-Consolidated)

- FY22 3Q Progress of net sales is on schedule, after revision of construction plan due to delays in the starts of construction
- FY22 FY Net sales and gross profit are expected to recover due to the completion of large projects toward the end of the year and additional acquisition of price increases.

3Q*

(Billions of Yen)

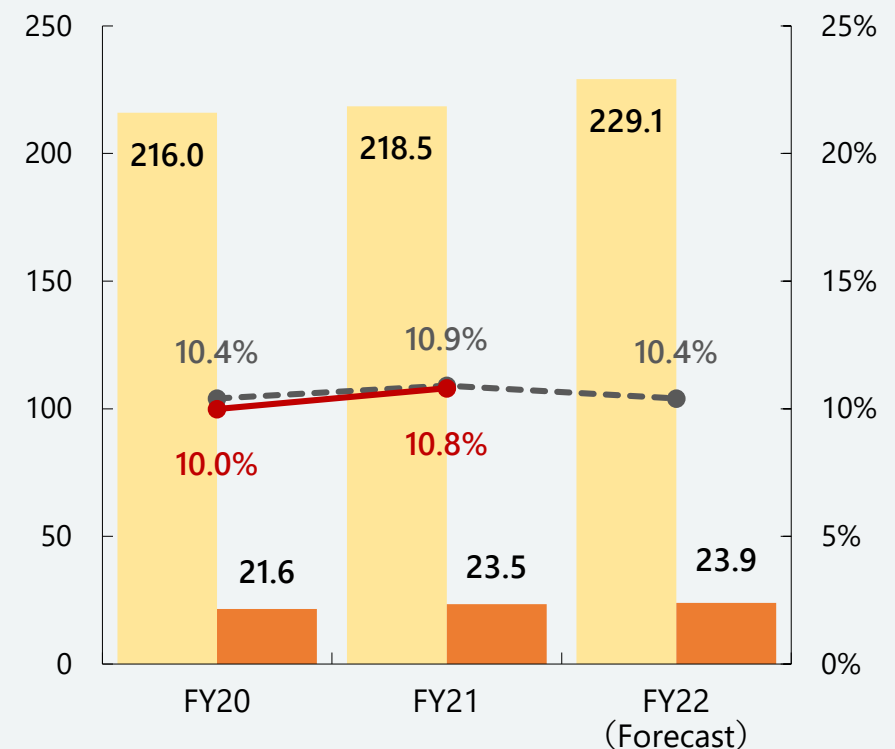
Net sales Gross profit Gross profit margin_result



Full Year*

(Billions of Yen)

Net sales Gross profit
Gross profit margin_forecast Gross profit margin_result



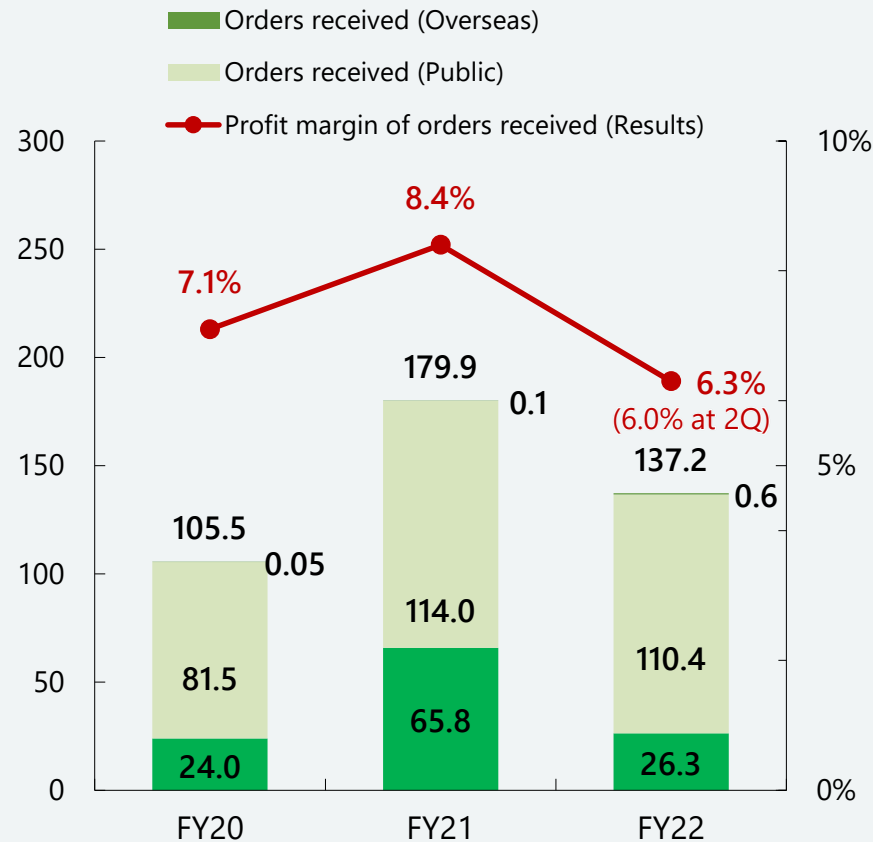
*For this figure including the real estate business (Building Construction), the figure before FY21 is different from the figure in publication documents. Net Sales and profit of major local subsidiaries are contained in "others" segment.

2. Orders Received and Profit Margin of Orders Received (Maeda Corp. Non-Consolidated)

- FY22 3Q Profit margin on orders for Building construction recovered from 6.0% in 2Q to 6.3% in 3Q due to acquisition of design changes such as price increases as planned.
- FY22 FY Orders are expected to reach 260.0 billion yen as planned, due to order offers, preferential negotiation rights and other projects that have been won.
Expected to achieve 7% profit margin on orders as planned, by acquiring design changes such as price increases.

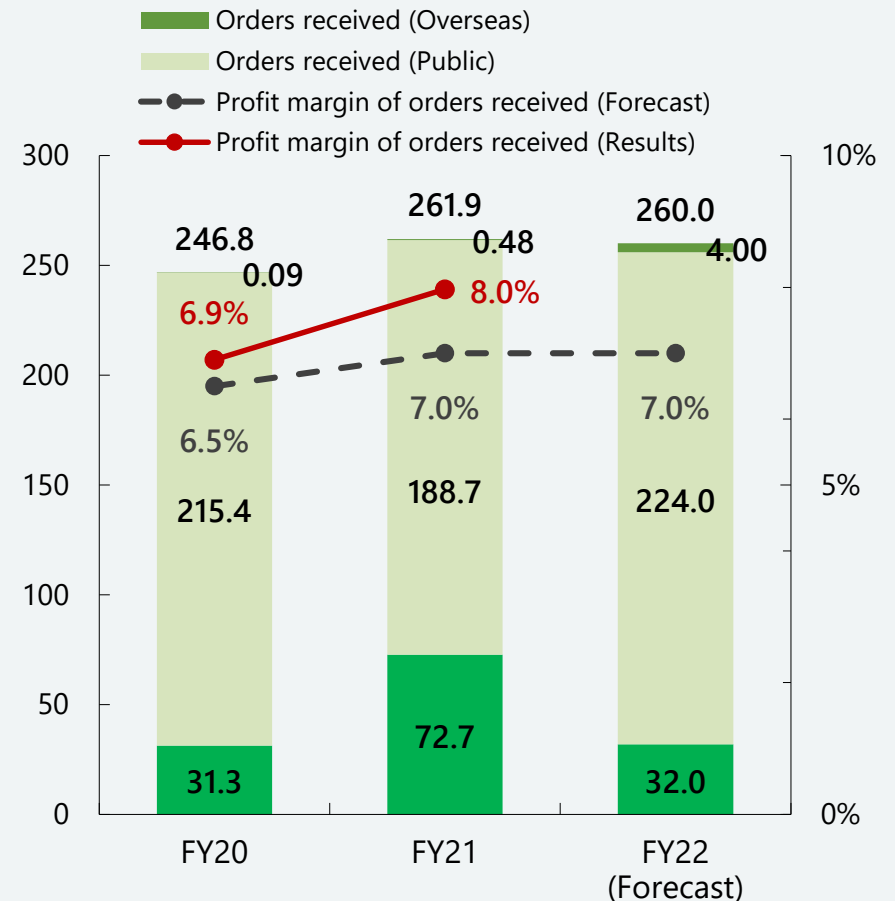
(Billions of Yen)

3Q*



(Billions of Yen)

Full Year*

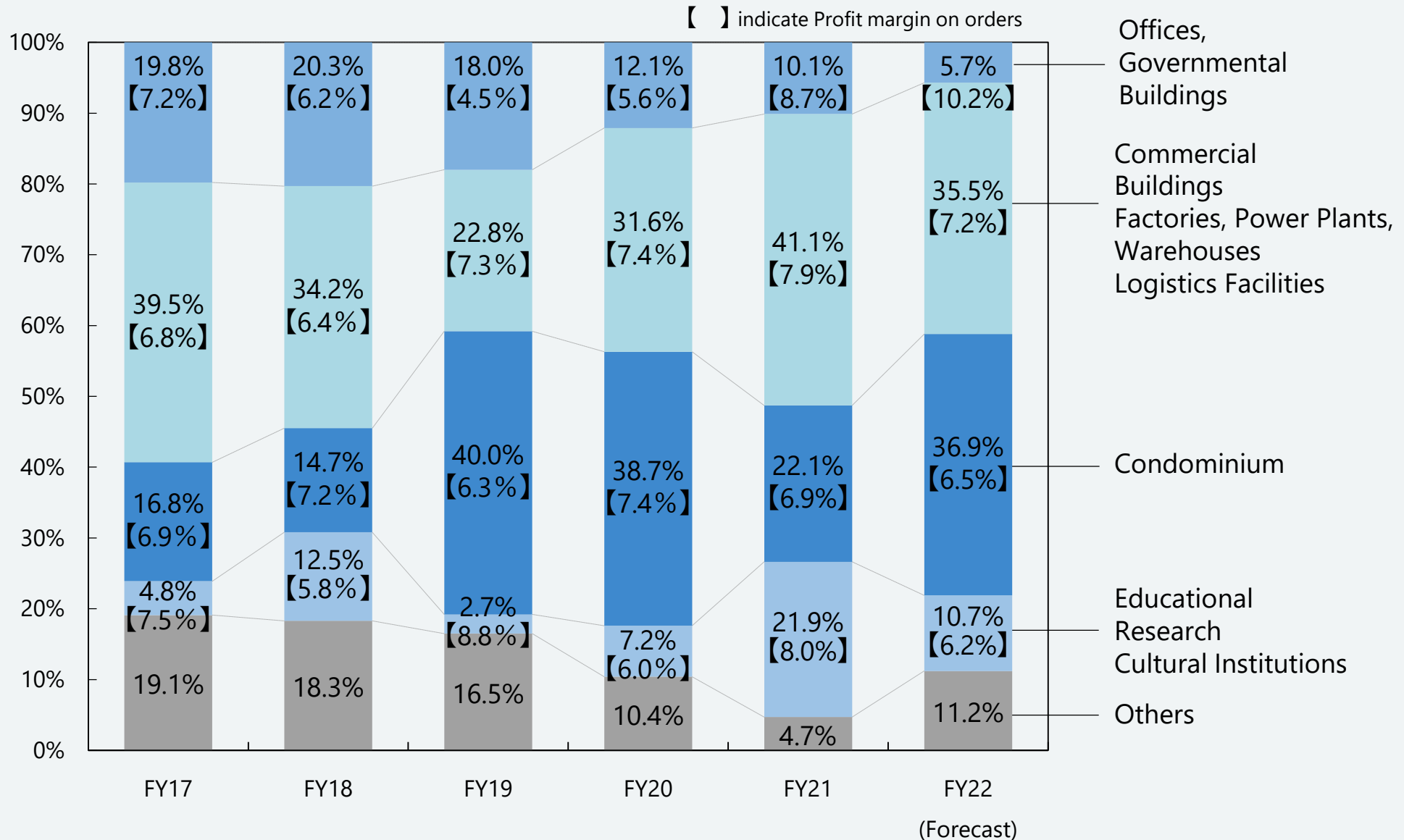


※1 For this figure including the real estate business (Building Construction), the figure before FY21 is different from the figure in publication documents.

※2 Overseas figure is calculated by the foreign exchange rate at the time.

3. Types of Orders received (Maeda Corp. Non-Consolidated)

- FY22 FY The ratio of "Condominium" ratio will increase due to multiple orders for redevelopment projects will increase. Two applications "Commercial Buildings/Factory/Warehouse" and "Condominium" drove overall orders due to steady orders for accommodations, factories, and logistics warehouses.



Segment Highlights

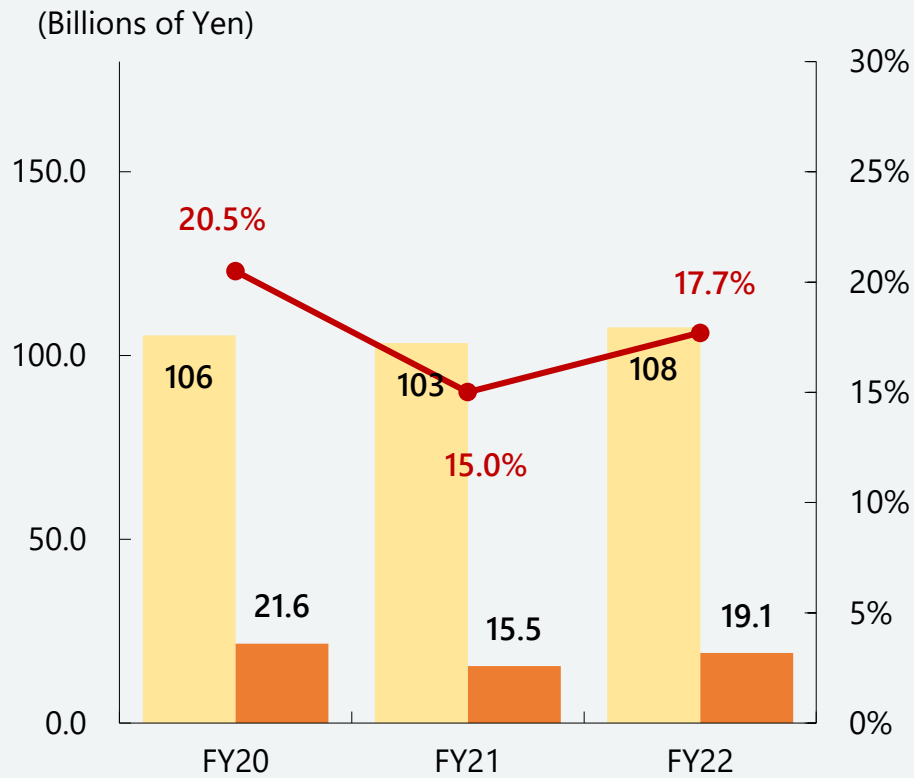
Building Construction	Civil Engineering	Infrastructure Management
Road Civil Engineering	Machinery	Others

4. Net sales and Gross Profit (Maeda Corp. Non-Consolidated)

- FY22 3Q Net sales and gross profits increased due to steady progress in profitable backlogs.
- FY22 FY It is expected to progress as planned, but we aim to increase net sales and gross profits by acquiring further design changes.

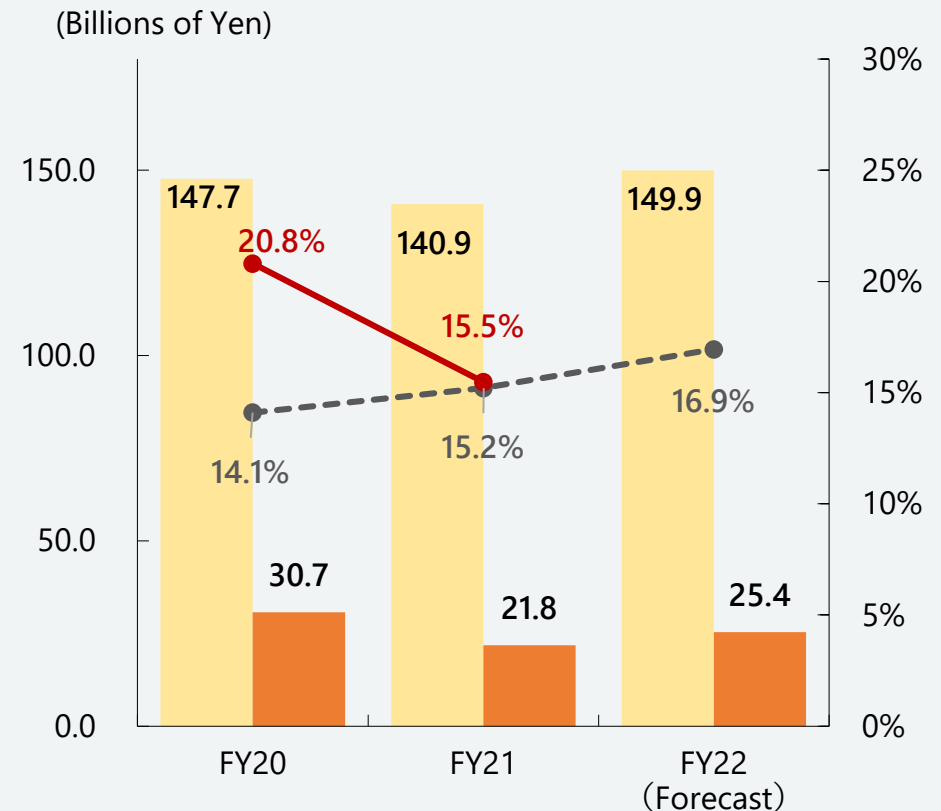
3Q*

Net sales Gross profit Gross profit margin_results



Full Year*

Net sales Gross profit
Gross profit margin_forecast Gross profit margin_results

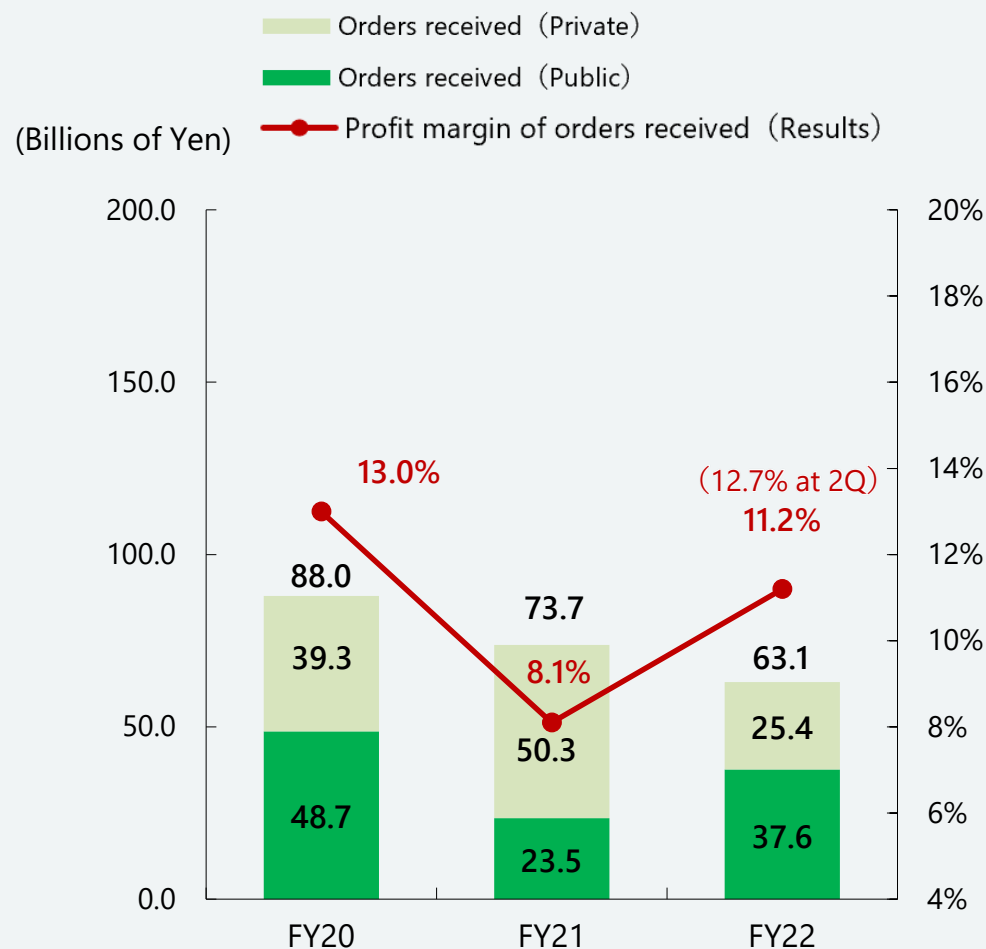


* For this figure including the real estate business (Civil Engineering), the figure before FY21 is different from the figure in publication documents.

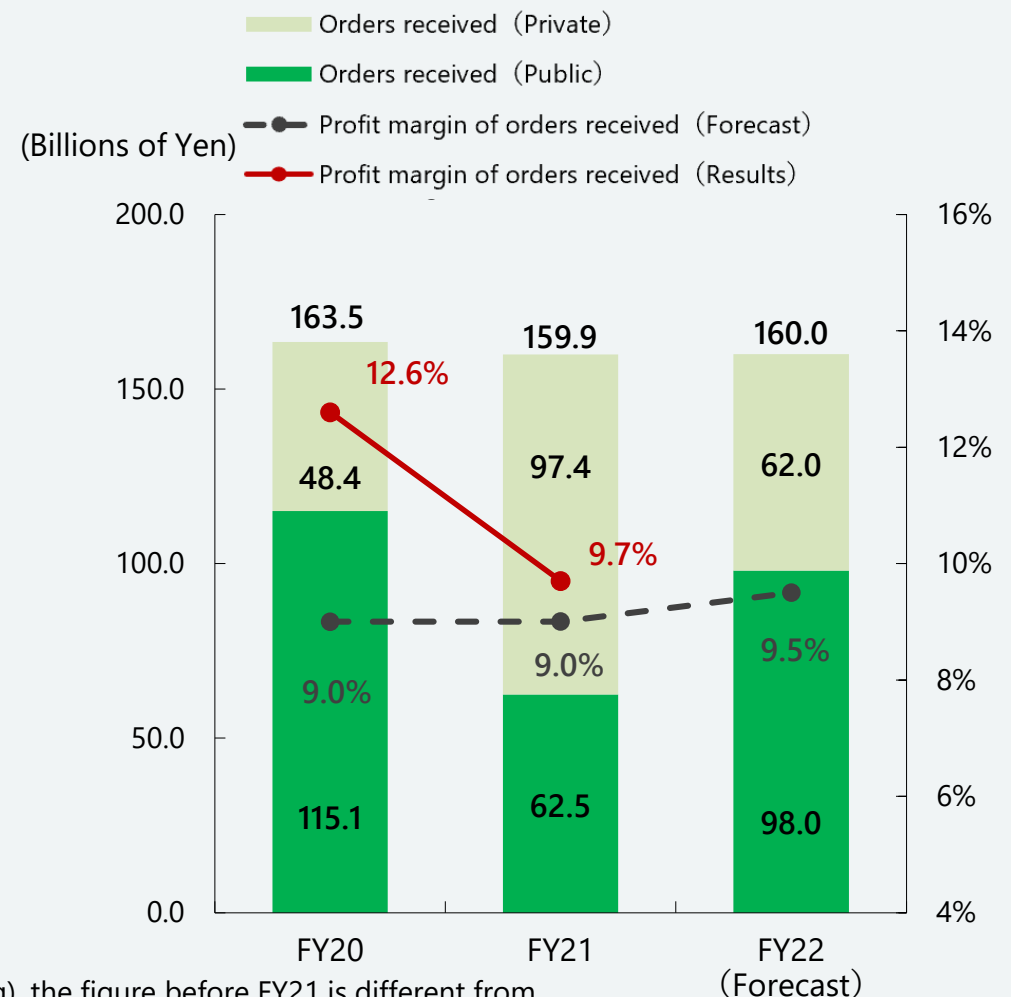
5. Orders Received and Profit Margin of Orders Received (Maeda Corp. Non-Consolidated)

- FY22 3Q Orders received were declined in private sector orders, but profit margin of orders received remained high.
- FY22 FY Focus on receiving orders for large projects concentrated in 4Q and acquiring further design changes.

3Q*



Full Year*



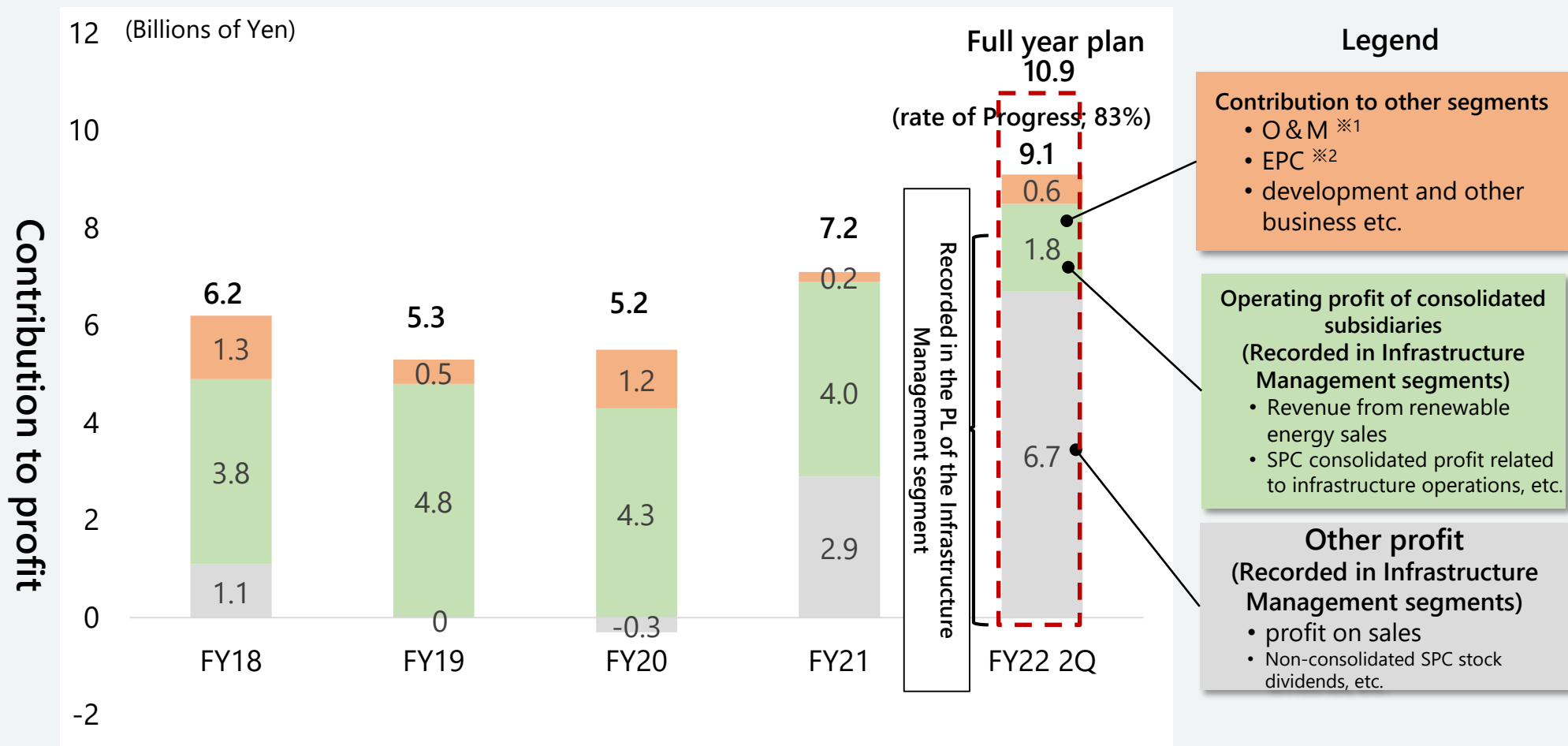
* For this figure including the real estate business (Civil Engineering), the figure before FY21 is different from the figure in publication documents.

Segment Highlights

Building Construction	Civil Engineering	Infrastructure Management
Road Civil Engineering	Machinery	Others

6. Contribution to Consolidated profits

- Significant increase in net sales and gross profits year-on-year due to sale of one wind power project in 1Q.
- Concluded basic agreement for Miura City Public Sewerage Concession, scheduled to start operation in April.
- Full-year profit contribution is expected to reach a **record 10.9 billion yen**.



※1 O&M Operation and maintenance associated with infrastructure maintenance and management

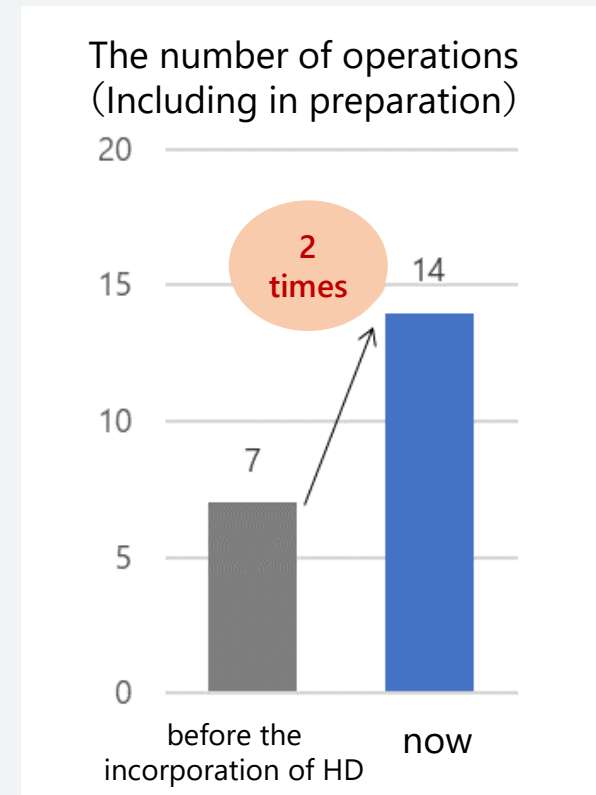
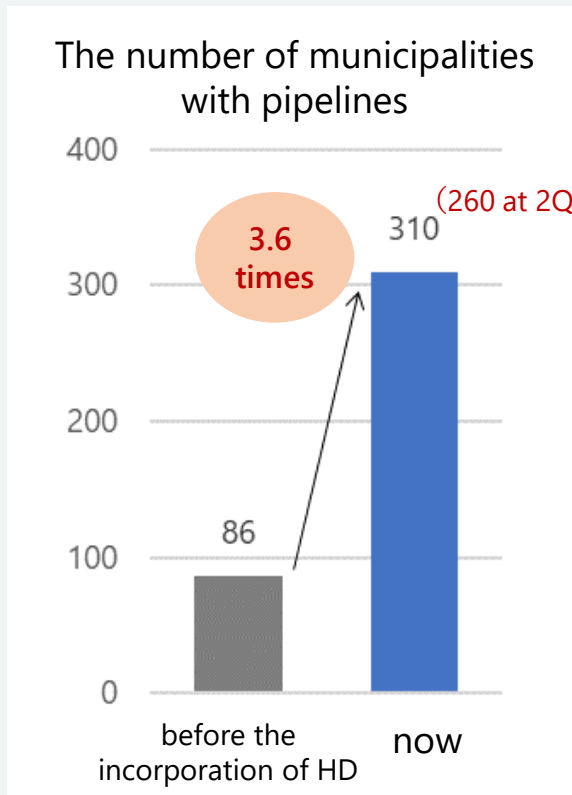
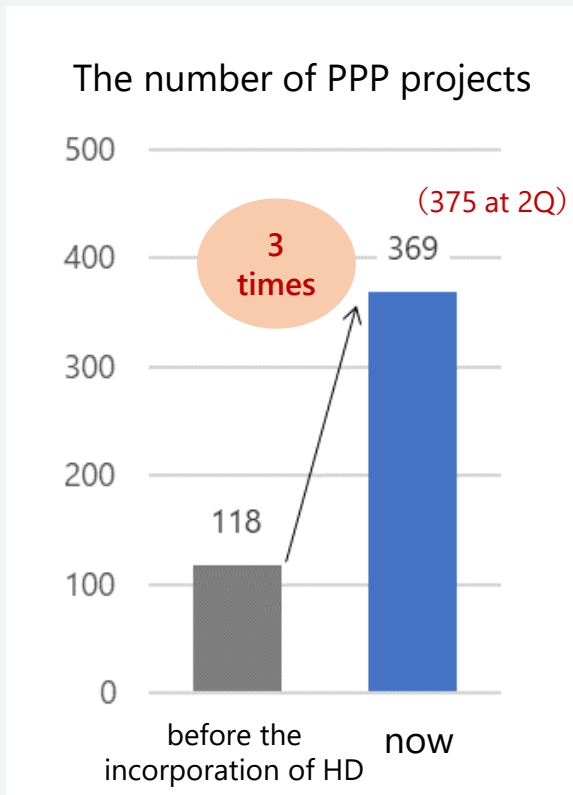
※1 EPC Lump-sum contracting for design, procurement, construction work, etc. associated with infrastructure operation projects

7. Initiatives achievements of PPP due to transition to HD structure

- After the launch of HD, **Maeda Corp., Maeda Road, MAEDA SEISAKUSHO, JM, and FBS** have established a system to promote sales in areas across the country in an integrated manner on a regional basis.

✓ **The municipal pipeline of PPP has expanded rapidly** over the past year.

✓ **The number of operations of our group also doubled.**

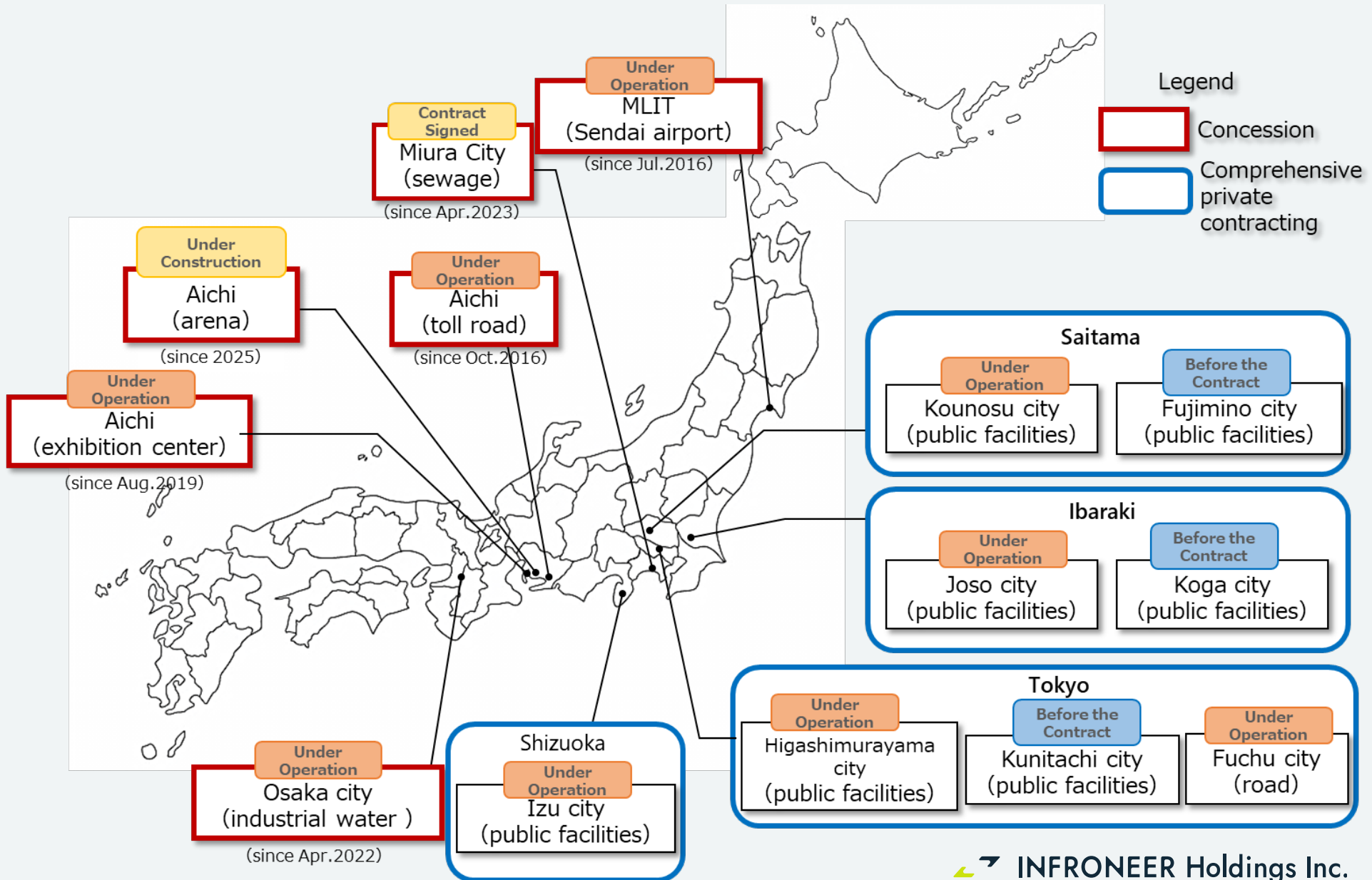


※1 ■ Concession under operation ; 4 cases before the agreement ; 2 cases
 ■ Comprehensive private contracting under operation ; 5 cases before the agreement ; 3 cases

8. Major our infrastructure operations in Japan

POINT

- ✓ Solid track record in a variety of infrastructure services
- ✓ Through comprehensive private contracting, we attempt to eliminate inefficiencies caused by the stove-piped structure of municipalities and implement efficient collective management



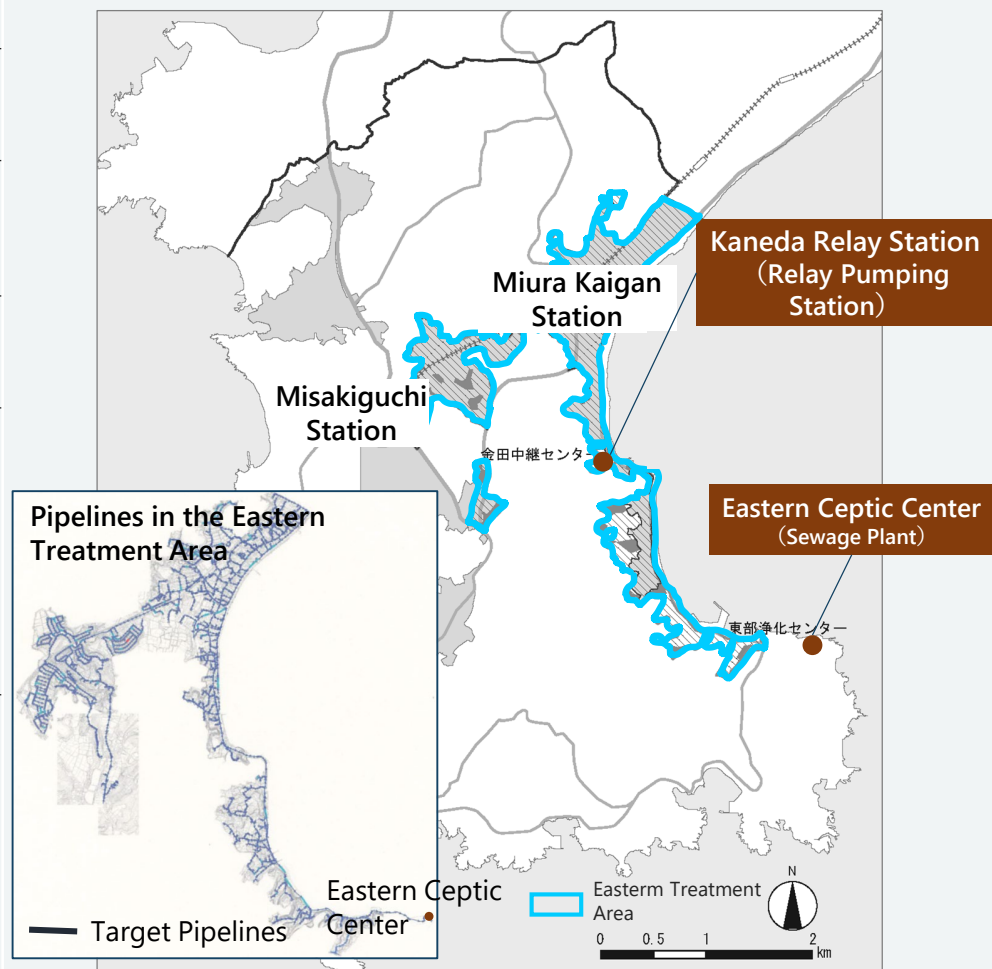
9. Miura Public Sewerage (Eastern Treatment District) Operation Project

POINT

- ✓ First sewerage concession in Japan which includes maintenance and renewal of all treatment plants, pumping stations, and pipelines in one treatment district
- ✓ Solving common problems in small municipal sewerage through equipment downsizing and data-driven management
- ✓ We signed a contract with Miura City on December 28, 2022, and is taking over operations to begin operations in April.

Order	Miura City
SPC	Miura Sewerage Concession Inc.
Component companies	Maeda Corp.(49%) Toshiba Infrastructure Systems & Solutions Corporation(20%) Kubota Corp.(20%) NIHON SUIKO SEKKEI(10%) Water Agency(1%)
Period	April 2023 to March 2043 (20 years)
Scope	<ul style="list-style-type: none"> • Eastern Ceptic Center (Proccecing capacity : 8,050m³ / day) • Kaneda Relay Station • Pipelines (Total length : 58 km ※main line : 8.45 km) • 14 manhole pumps
Business Content	<ul style="list-style-type: none"> • Management of public sewerage • Reconstruction (civil construction, electrical machinery, pipelines) • Maintenance management of treatment plant/pumping station/pipelines • Support for various planning (e.g. Sewerage Business Plan)

■ Miura City Eastern Treatment Area



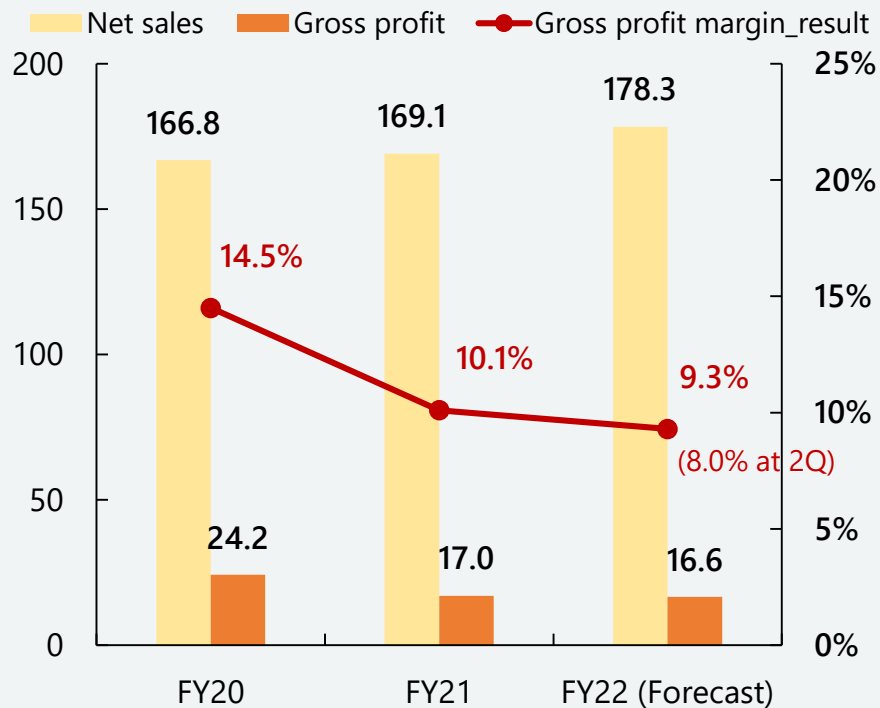
Segment Highlights

Building Construction	Civil Engineering	Infrastructure Management
Road Civil Engineering	Machinery	Others

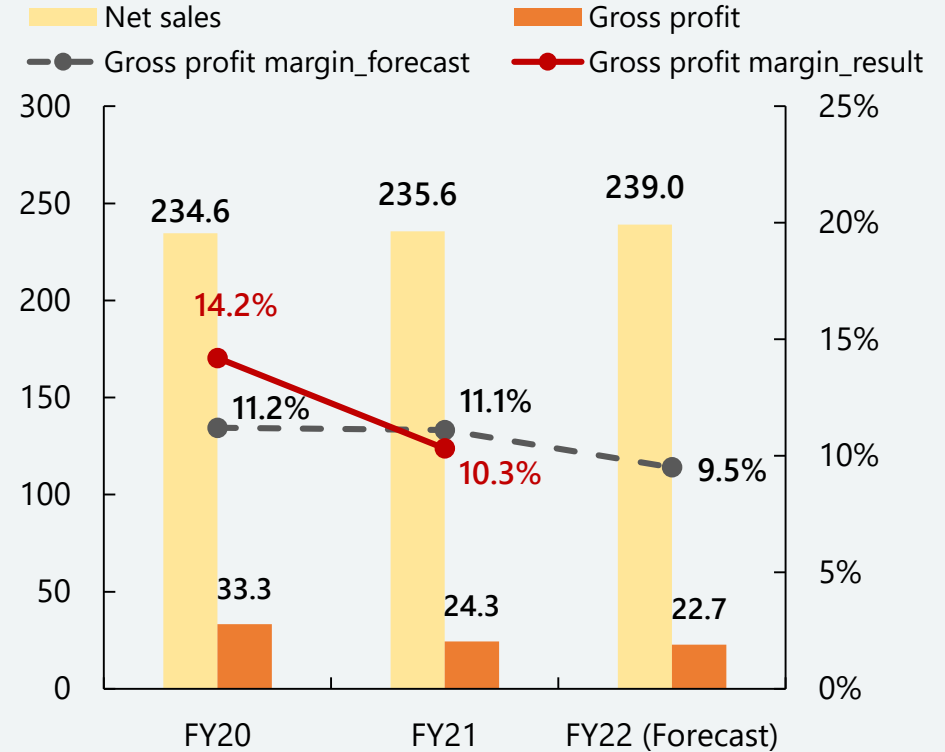
10. Orders Received, Net Sales, and Gross Profit (MAEDA ROAD Consolidated)

- FY22 3Q Net Sales increased but Gross profit decreased year-on-year. Business performance is improving due to the effects of price hikes.
- FY22 FY Net sales and Gross profit are expected to achieve the plan.

3Q*



Full Year



*The figures are same as Maeda Road (consolidated) in the past, and do not take into account the consolidation and elimination within the INFRONEER Group.

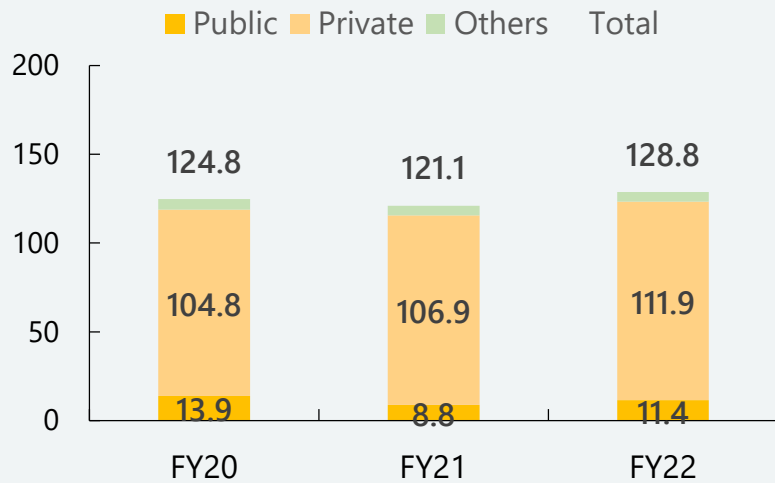
11. Orders Received, Net Sales, and Gross Profit (MAEDA ROAD Consolidated Construction business)

- FY22 3Q Net sales and Gross profit increased year-on-year due to stable orders and progress in passing on higher material costs to the quoted prices.
- FY22 FY We will continue to improve profit margins as appropriately passing on increased material costs to the quoted prices.

Orders Received ※1

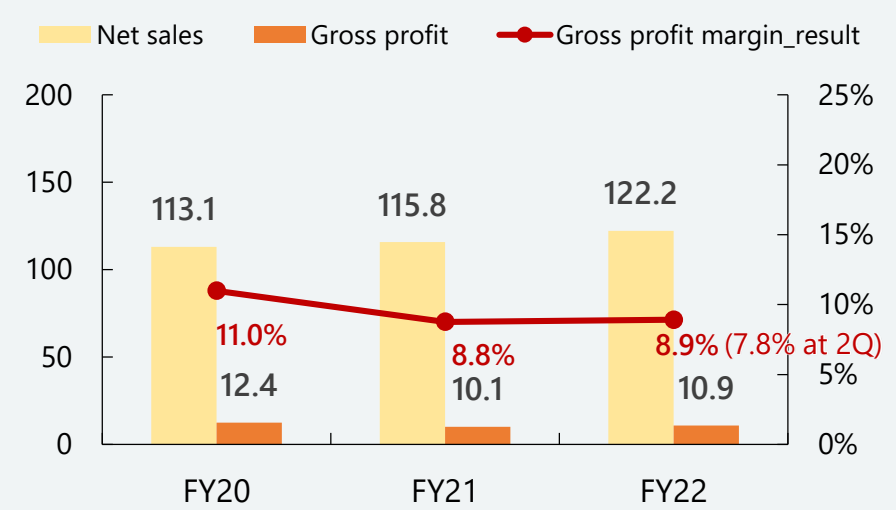
(Billions of Yen)

3Q

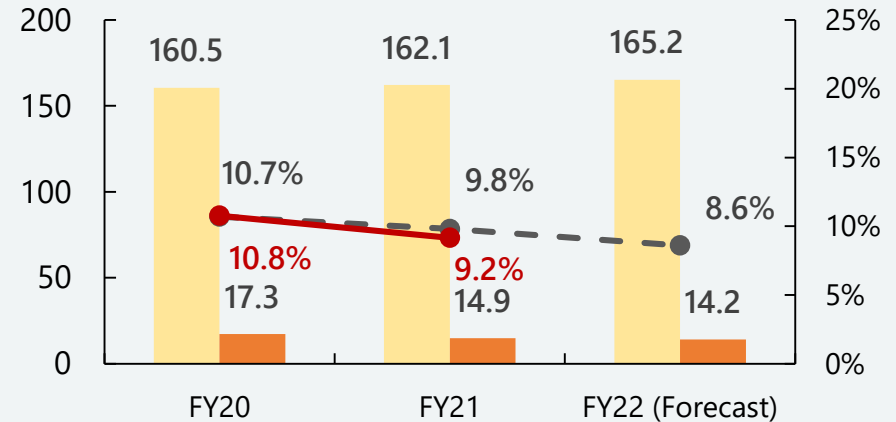
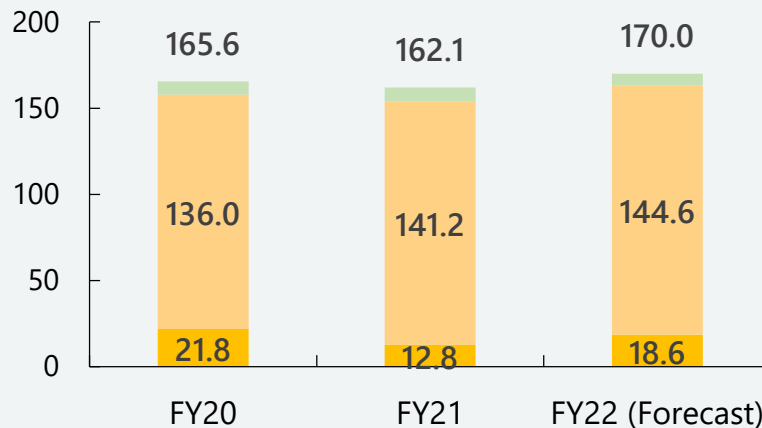


Net sales and Gross profit ※1

(Billions of Yen)



Full Year



*1 The figures are same as MAEDA ROAD (consolidated) in the past, and do not take into account the consolidation and elimination within the INFRONEER Group.

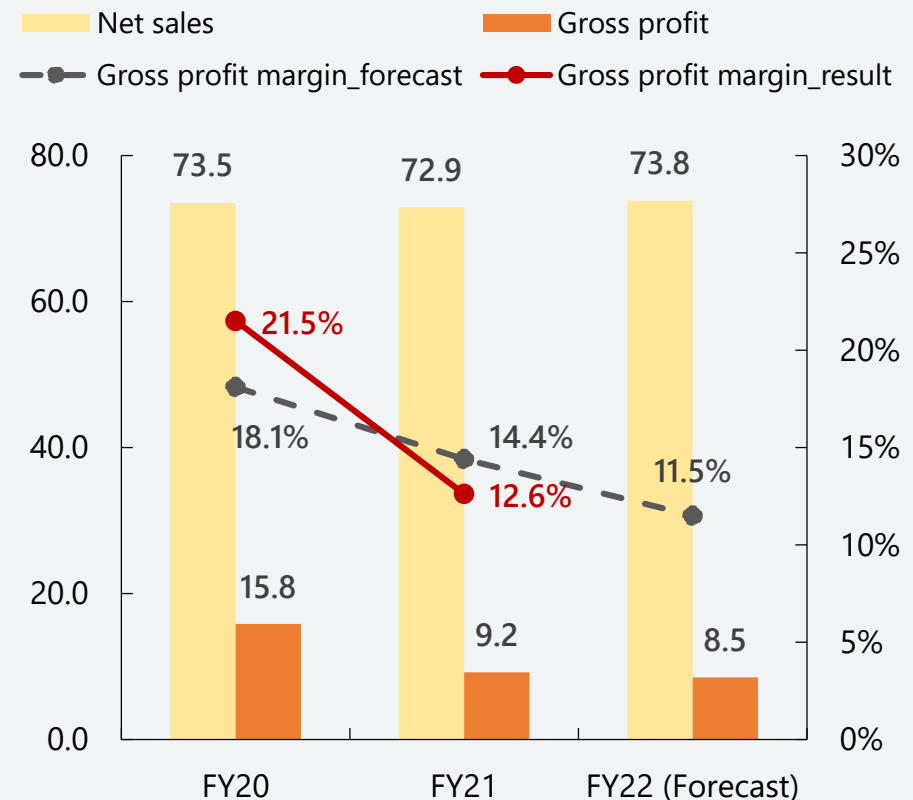
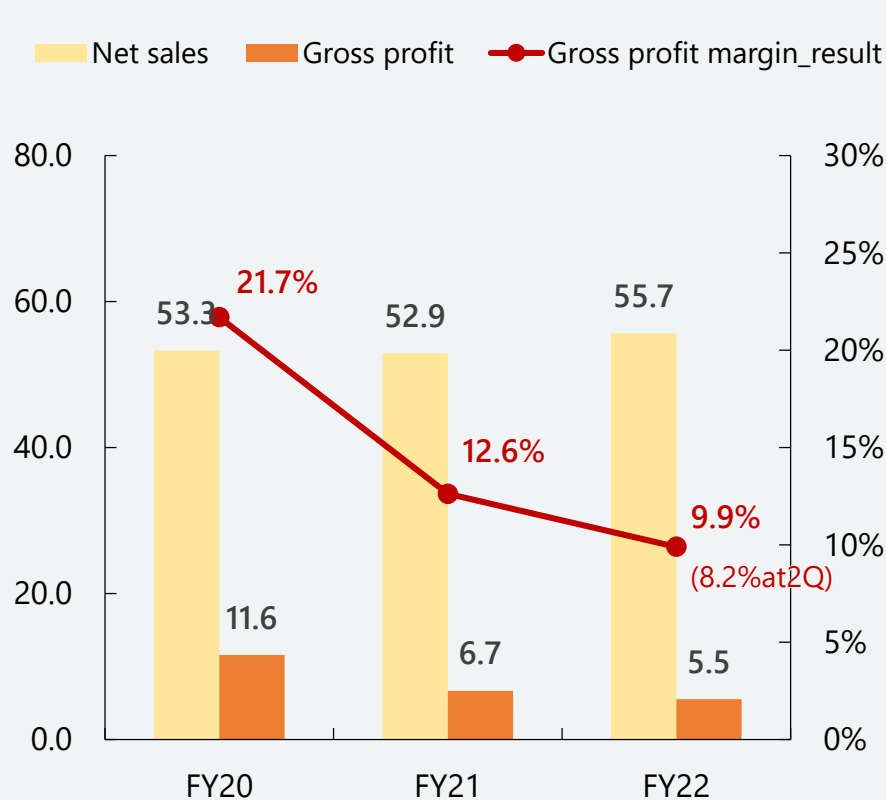
*2 Others: Orders which Subsidiaries got (mainly public construction) and elimination within segment transactions. INFRONEER Holdings Inc. 24

12. Net Sales and Gross Profit MAEDA ROAD Consolidated Manufacturing and Sales Business

- FY22 3Q Although Net sales increased and Gross profits decreased year-on-year, business performance is improving due to straight asphalt prices trending downward.
- FY22 FY Sales prices exceeded manufacturing costs. The performance is expected to improve further and the plan is expected to be achieved.

3Q*

Full Year

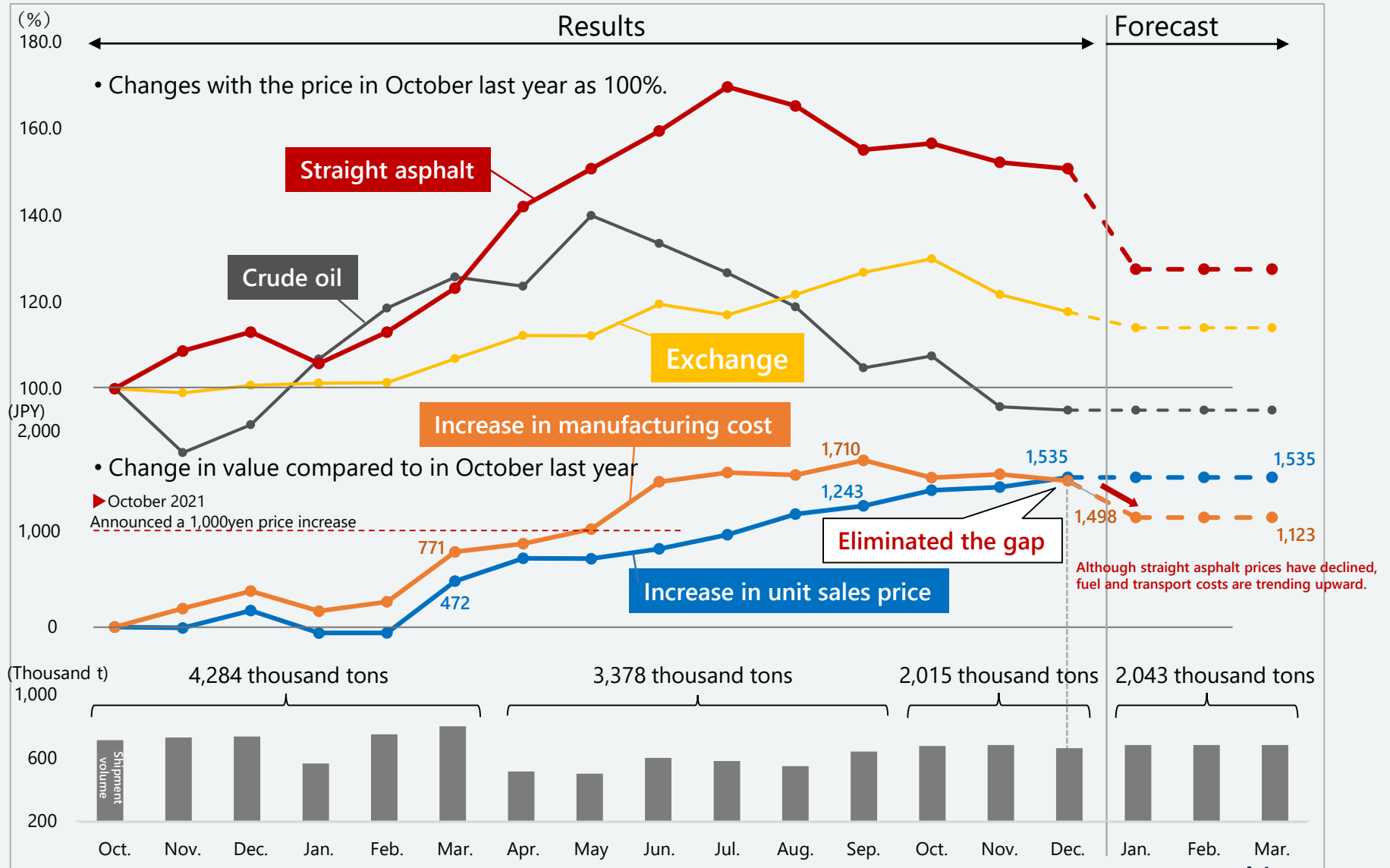


*The figures are same as Maeda Road (consolidated) in the past, and do not take into account the consolidation and elimination within the INFRONEER Group.

13. The Impact of Soaring Prices (Road Civil Engineering)

- The current price of straight asphalt which is the main material of asphalt mixtures peaked in July and are trending downward.
- Forecast to remain flat, and returned to profitability from Dec.
- However, increases in production costs due to electricity, gas and transport costs need to be reflected in the sales price
- Eliminated the gap between "Manufacturing cost increase" and "Actual sales unit price increase" due to the decline in straight asphalt prices and continuous price hike.

< Cost components, manufacturing costs and unit selling prices, and volume of asphalt mixture shipped (Compared to October 2021) >

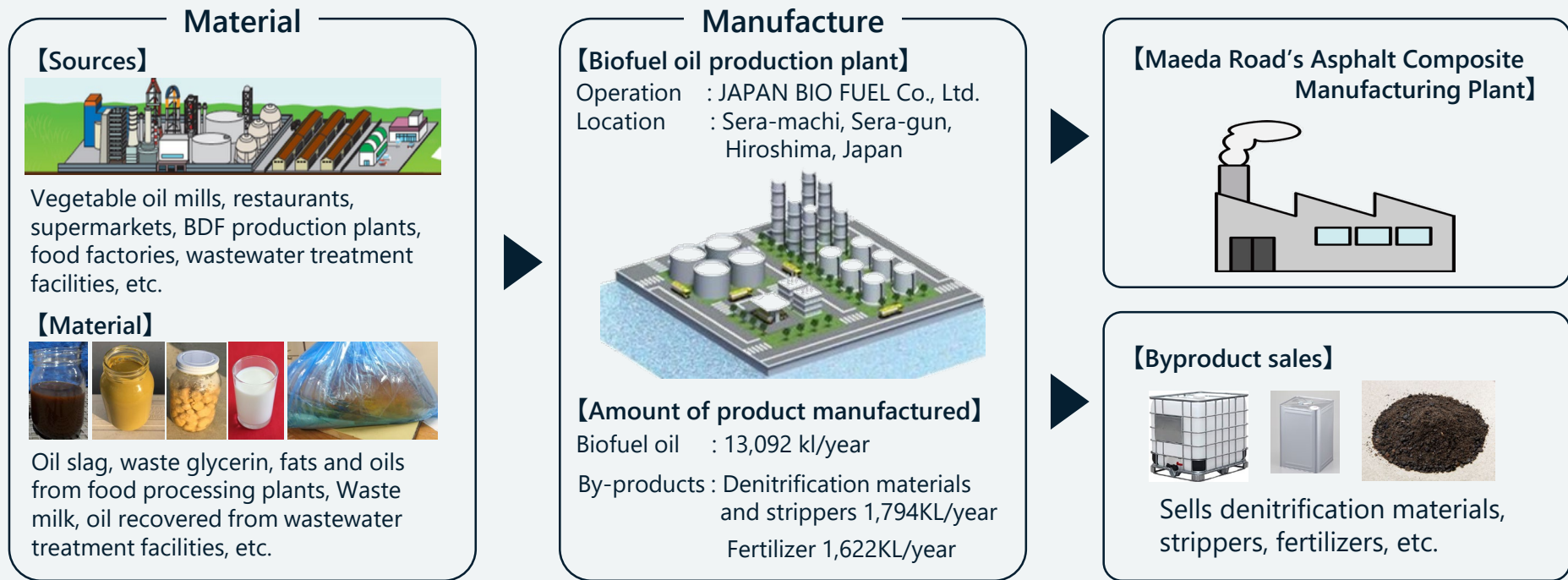


14. Topics "Establishment of JAPAN BIO FUEL Co., Ltd."

POINT

- ✓ **A new company was established** as a subsidiary of Maeda Road **to produce and sell "bio-heavy oil"**.
- ✓ **Significant reduction in CO2 emissions** by using **"bio-heavy oil"** in the productions of asphalt mixture.
- ✓ **The company earnings stability** by selling of the bio-heavy oil produced.

Company name	JAPAN BIO FUEL Co., Ltd.	Completion of Factory	Jun. 2023
Capital stock	10,000,000 yen	Start of business	Aug. 2023
Location	Sera-gun, Hiroshima Pref.	Business details	Production and sales of biofuel oil
Founded	Sep. 2022	Outsourced Manufacturing	Biofuel technology research Co., Ltd



Approx.13% (approx. 36,000 t/year) reduction in CO2 emitted
from the manufacturing process of composite materials.

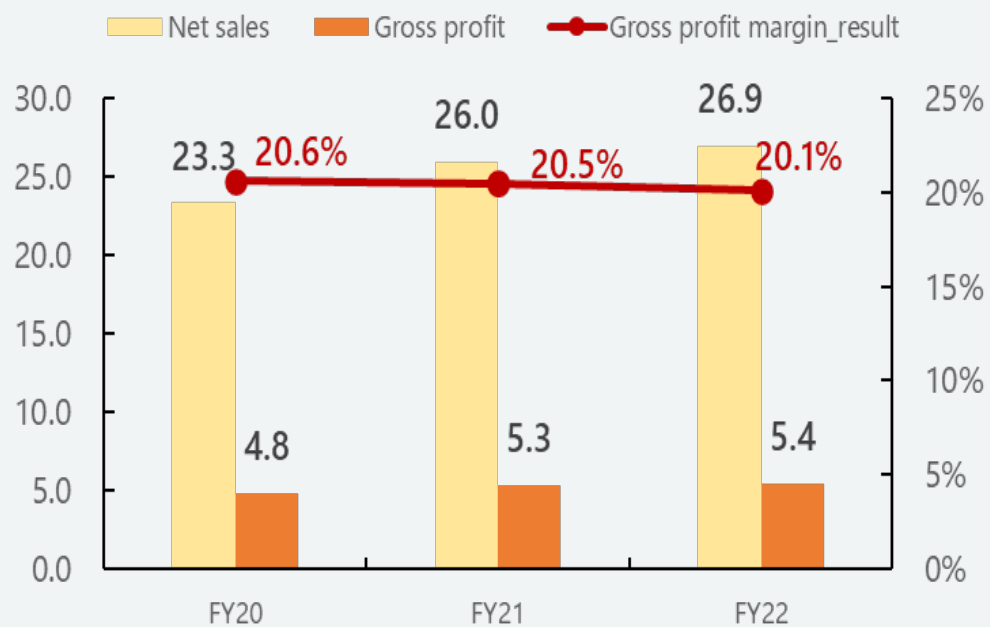
Segment Highlights

Building Construction	Civil Engineering	Infrastructure Management
Road Civil Engineering	Machinery	Others

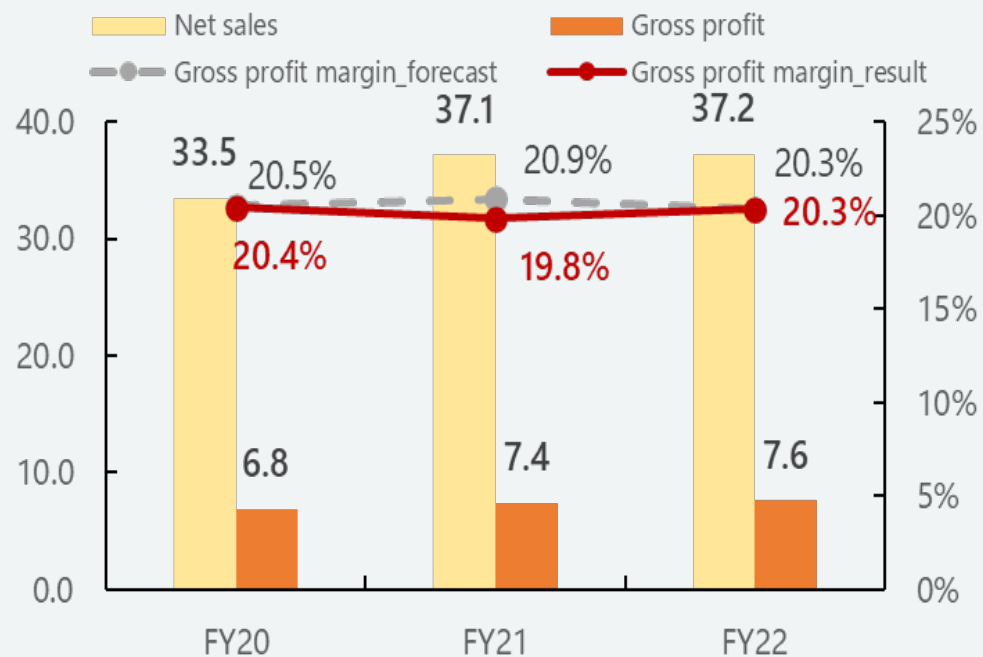
15. Net Sales and Gross Profit MAEDA SEISAKUSHO (Consolidated)

- FY22 3Q Year-on-year increase in both Net sales and gross profit.
- FY22 FY Both net sales and gross profit are expected to achieve the full-year plan.

3Q



Full Year



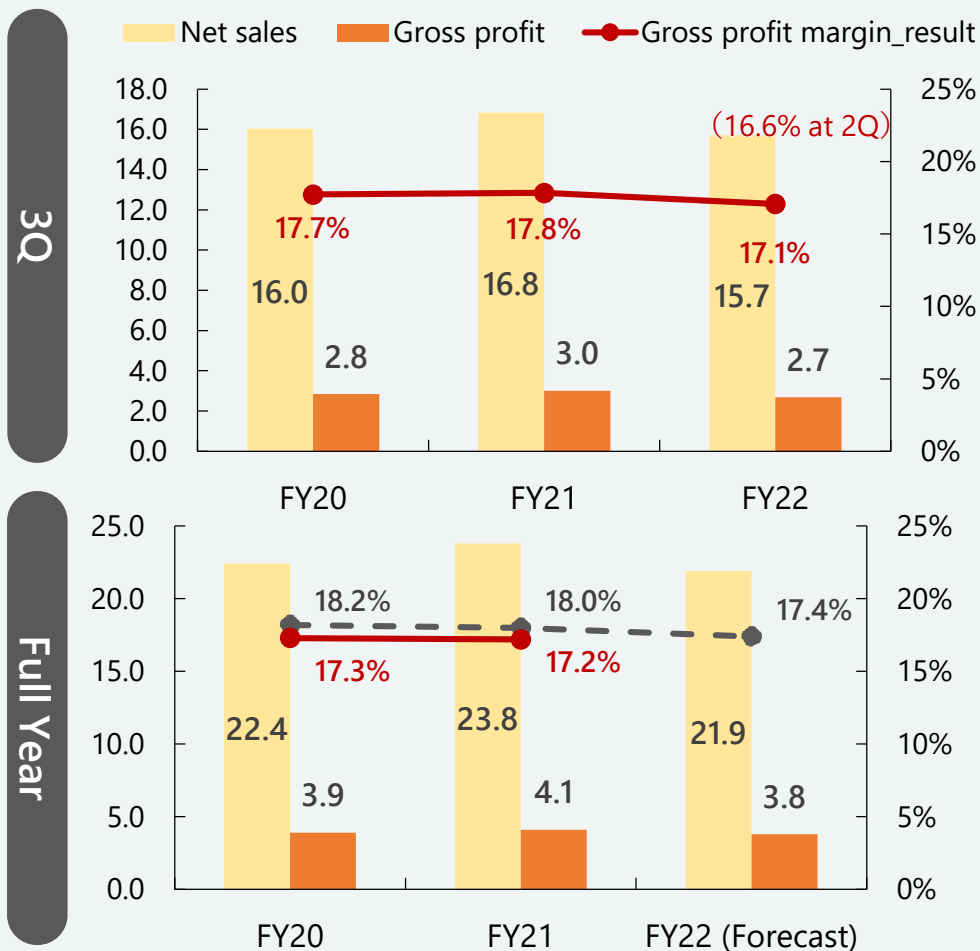
(Forecast)

16. Net Sales and Gross Profit^{※1} MAEDA SEISAKUSHO (Consolidated)

- FY22 3Q Sales of in-house products such as crawler cranes are steady strong.
- FY22 FY Demand remains strong and full-year results are expected to achieve the plan.

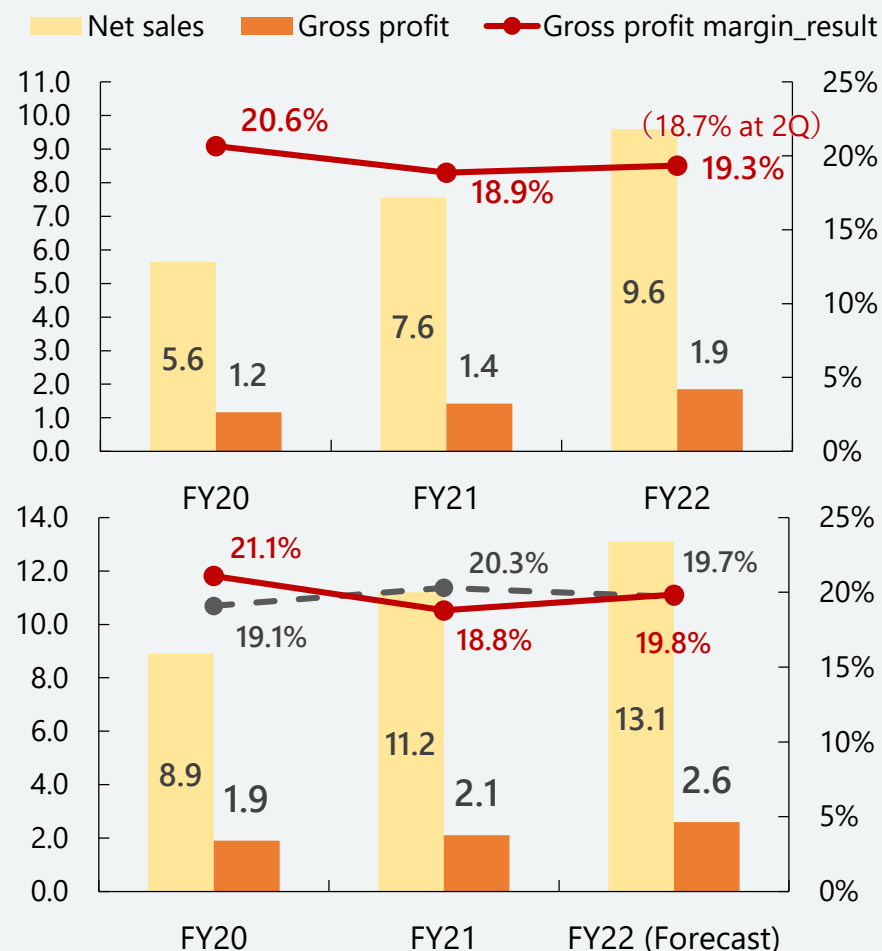
Construction Machinery^{※2}

(Billions of Yen)



Industrial machinery & Steel Products^{※3}

(Billions of Yen)



※1 The figures are only construction machinery, industrial machinery and steel products, etc. which are the main businesses in the Machinery segment.

※2 Mainly sales, service and rental of Komatsu Ltd. products.

※3 Mainly planning, product and sales of own products such as cranes.

Appendix

IFRS Transition Schedule and Major Changes Associated with Transition

Accounting Standards applied	FY23				After FY24
	1Q	2Q	3Q	4Q	
Consolidated Performance (Forecast)	JGAAP / IFRS				IFRS
Consolidated Performance	JGAAP		IFRS*		

*Cumulative total for 1Q~4Q is disclosed at the time of 4Q results.

Key changes resulting from the transition to IFRS

- Accounting treatment of goodwill
 - JGAAP Amortization of goodwill
 - IFRS No amortization of goodwill

	(Billions of yen)	
	~FY22	FY23~
Goodwill amortization (annual)	JGAAP 6.6	IFRS 0.0

Decrease JPY 6.6 billion in SG&A on P/L on an annual basis.

Goodwill amortization will be eliminated from FY23, and SG&A will be reduced by JPY 6.6 billion on P/L. ※JPY 1.7 billion in depreciation of machinery arising from M&A remains.

- Depreciation expense of tangible fixed assets

The depreciation method will be changed from declining balance method to straight-line method. The assets that have already been acquired and were depreciated using the declining balance method will be retrospectively depreciated using the straight-line method for past fiscal years. The impact on our P/L is expected to be limited.
- Investment Securities

Under JGAAP, gains or losses on sales are recorded in P/L, whereas under IFRS, gains or losses on sales are not recorded in P/L.

※ If Recognition of valuation differences in 'comprehensive income (FVOCI)' is selected.

1. [Non-Consolidated] Maeda Corp. FY22 3Q Results and Full-Year Forecast

(Billions of Yen)

		FY21 3Q Results	FY22 3Q Results	YoY
Net Sales		254.8	258.2	3.3
Building Construction	Total	152.5	140.3	△ 12.3
	Domestic	152.5	141.1	△ 11.5
	Overseas	0.0	0.6	0.6
Civil Engineering	Total	99.0	108.1	9.1
	Domestic	98.7	108.1	9.4
	Overseas	0.3	0.0	△ 0.3
Infrastructure Management		0.8	7.0	6.2
Real Estate		2.4	1.4	△ 1.0
Gross Profit		32.4 (12.7%)	40.6 (15.7%)	8.1
Building Construction	Total	14.0 (9.2%)	12.4 (8.7%)	△ 1.6
	Domestic	14.0 (9.2%)	12.3 (8.7%)	△ 1.7
	Overseas	0.0 —	0.0 (6.6%)	0.0
Civil Engineering	Total	16.3 (16.4%)	20.5 (19.0%)	4.3
	Domestic	15.1 (15.3%)	19.6 (18.1%)	4.5
	Overseas	1.1 —	0.9 —	△ 0.2
Infrastructure management		0.8 (99.3%)	7.0 (99.9%)	6.2
Real Estate		1.4 (56.1%)	0.7 (48.9%)	△ 0.7
SG & A		20.7 (8.1%)	21.2 (8.2%)	0.4
Operating profit		11.7 (4.6%)	19.4 (7.5%)	7.7
Ordinary profit		19.3 (7.6%)	21.7 (8.4%)	2.4
Net income		14.7 (5.8%)	22.0 (8.5%)	7.2

		FY22 Forecast	FY22 Revised Forecast	Progress
		402.5	383.9	67.3%
		238.5	228.3	61.4%
		237.5	227.4	62.0%
		1.0	0.9	69.1%
		155.0	146.5	73.8%
		154.3	146.3	73.9%
		0.7	0.2	6.5%
		7.5	7.4	94.4%
		1.5	1.7	83.6%
		58.2 (14.5%)	56.3 (14.7%)	72.0%
		25.9 (10.9%)	23.2 (10.2%)	47.7%
		25.8 (10.9%)	23.1 (10.2%)	47.8%
		0.1 (10.0%)	0.1 (11.1%)	41.0%
		24.1 (15.5%)	24.9 (17.0%)	85.1%
		23.3 (15.1%)	24.1 (16.5%)	84.2%
		0.8 (114.3%)	0.8 (410.0%)	112.1%
		7.5 (100.0%)	7.4 (100.0%)	93.1%
		0.8 (53.3%)	0.8 (47.1%)	86.8%
		27.6 (6.9%)	28.5 (7.1%)	74.2%
		30.6 (7.6%)	27.8 (6.9%)	69.8%
		32.1 (8.0%)	30.2 (7.5%)	71.9%
		28.0 (7.0%)	28.7 (7.1%)	76.5%

2. [Consolidated] MAEDA ROAD FY22 3Q Results and Full-Year Forecast

(Billions of Yen)

	FY21	FY22	YoY	FY22	FY22	Progress
	3Q Results	3Q Results		Forecast	Revised Forecast	
Net sales	169.1	178.3	9.2	243.0	239.0	74.6%
Construction Business	115.8	122.2	6.4	166.0	165.2	74.0%
Manufacturing and Sales Business	52.9	55.7	2.8	77.0	73.8	75.4%
Others	0.4	0.4	0.0	—	—	—
Gross profit	17.0 (10.1%)	16.6 (9.3%)	△ 0.4	28.0 (11.5%)	22.7 (9.5%)	73.0%
Construction Business	10.1 (8.8%)	10.9 (8.9%)	0.7	17.4 (10.5%)	14.2 (8.6%)	76.6%
Manufacturing and Sales Business	6.7 (12.6%)	5.5 (9.9%)	△ 1.2	10.6 (13.8%)	8.5 (11.5%)	64.8%
Others	0.2 (49.4%)	0.2 (43.3%)	△ 0.0	—	—	—
SG&A	9.2 (5.4%)	10.2 (5.7%)	1.0	14.2 (5.8%)	13.5 (5.6%)	75.7%
Operating profit	7.9 (4.6%)	6.4 (3.6%)	△ 1.5	13.8 (5.7%)	9.2 (3.9%)	69.1%
Ordinary profit	8.2 (4.8%)	6.8 (3.8%)	△ 1.3	14.0 (5.8%)	9.6 (4.0%)	71.2%
Net income	7.0 (4.1%)	5.0 (2.8%)	△ 2.0	9.2 (3.8%)	7.7 (3.2%)	64.6%

3. [Consolidated] MAEDA SEISAKUSHO FY22 3Q Results and Full-Year Forecast

(Billions of Yen)

	FY21 3Q Results	FY22 3Q Results	YoY	FY22 Forecast	FY22 Revised Forecast	Progress
Net sales	26.0	26.9	1.0	37.2	Unmodified	72.4%
Construction Machinery	16.8	15.7	△ 1.1	21.9		71.8%
Industrial Machinery and Steel Products	7.6	9.6	2.0	13.1		73.1%
Care products and Others	1.6	1.6	0.1	2.2		73.8%
Gross profit	5.3 (20.5%)	5.4 (20.1%)	0.1	7.6 (20.3%)		71.6%
Construction machinery	3.0 (17.8%)	2.7 (17.1%)	△ 0.3	3.8 (17.4%)		70.6%
Industrial Machinery and Steel Products	1.4 (18.9%)	1.9 (19.3%)	0.4	2.6 (19.7%)		71.7%
Care products and others	0.9 (56.8%)	0.9 (53.4%)	△ 0.0	1.2 (53.0%)		74.5%
SG&A	4.1 (15.9%)	4.3 (16.1%)	0.2	6.0 (16.1%)		72.3%
Operating profit	1.2 (4.6%)	1.1 (4.0%)	△ 0.1	1.6 (4.2%)		68.7%
Ordinary profit	1.3 (4.9%)	1.2 (4.4%)	△ 0.1	1.7 (4.5%)	71.1%	
Net income	0.8 (3.2%)	1.0 (3.8%)	0.2	1.1 (3.0%)	92.0%	

4. INFRONEER Group's FY22 3Q Results and Full-Year Forecast

(Millions of Yen)

Consolidated subsidiaries	FBS				Fujimi Koken				JM			
	FY21 3Q Results	FY22 3Q Results	FY22 Forecast	FY22 Revised forecast	FY21 3Q Results	FY22 3Q Results	FY22 Forecast	FY22 Revised forecast	FY21 3Q Results	FY22 3Q Results	FY22 Forecast	FY22 Revised forecast
Net sales	15,509	11,844	21,382	16,500	5,163	6,367	9,000	8,774	15,053	14,975	21,000	21,000
Operating profit	712	265	986	450	167	185	218	223	294	185	460	448
Ordinary profit	738	274	996	462	1,709	219	245	260	313	206	470	468
Net income	492	160	650	273	1,324	375	246	208	229	145	296	296

Consolidated subsidiaries	Aichi Road Concession				Miotsukushi Industrial Concession			
	FY21 3Q Results	FY22 3Q Results	FY22 Forecast	FY22 Revised forecast	FY21 3Q Results	FY22 3Q Results	FY22 Forecast	FY22 Revised forecast
Net sales	10,185	10,816	13,406	Unmodified	–	1,020	1,290	1,290
Operating profit	2,060	1,559	2,808		–	181	126	52
Ordinary profit	1,039	653	1,606		–	171	36	36
Net income	951	588	1,476		–	106	22	22

Equity method affiliates	Toyo Construction				Hikarigaoka Corporation			
	FY21 3Q Results	FY22 3Q Results	FY22 Forecast	FY22 Revised forecast	FY21 3Q Results	FY22 3Q Results	FY22 Forecast	FY22 Revised forecast
Net sales	101,497	104,099	162,694	153,000	2,611	2,920	3,800	3,800
Operating profit	4,610	4,001	8,500	7,000	369	550	500	520
Ordinary profit	4,695	3,753	8,500	6,800	2,843	1,627	1,560	1,580
Net income	3,135	2,249	6,000	4,300	2,332	1,321	1,100	1,150

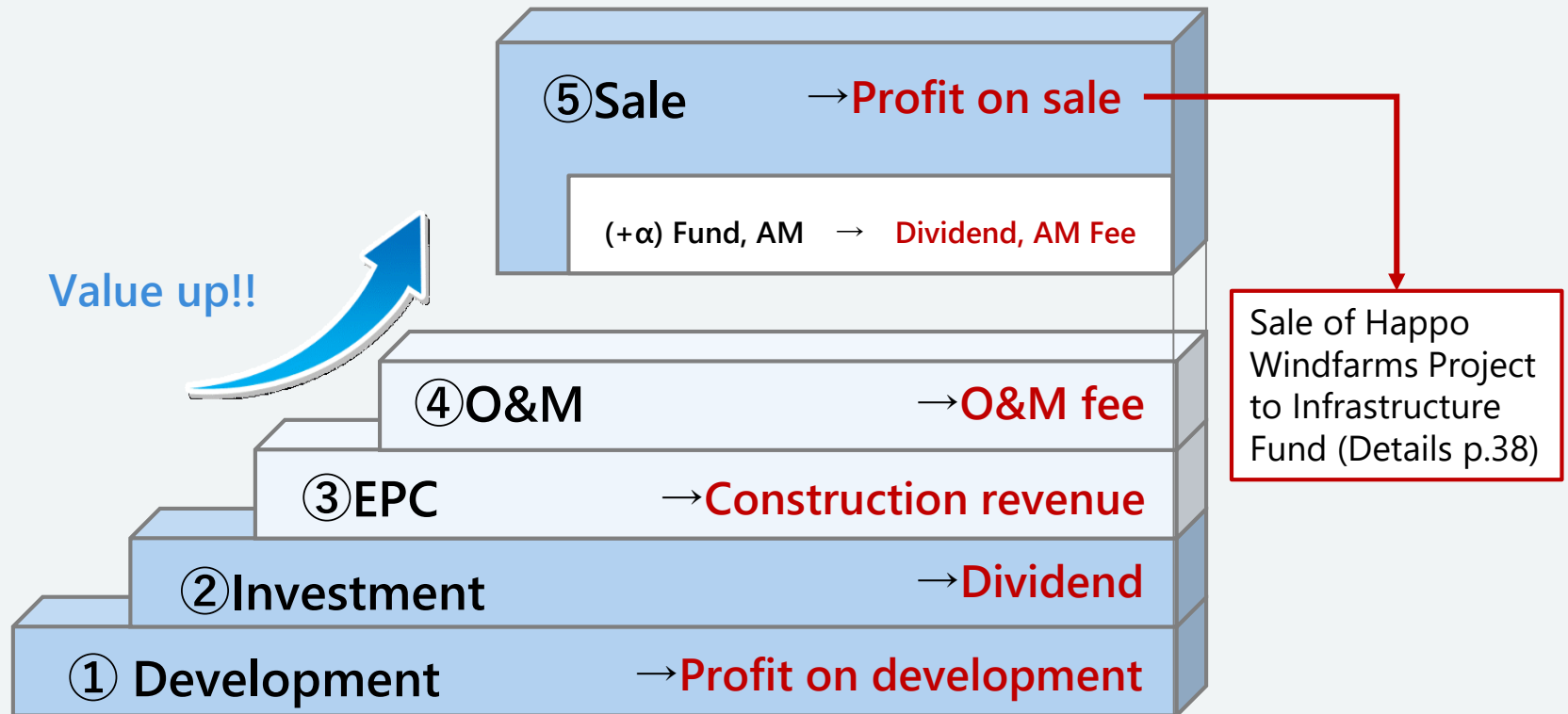
5. Segments

- Segments of INFRONEER Holdings and Maeda Corp. will be changed.
- There will be no major changes in results due to the change in segments.

NEW Segment of INFRONEER Holdings		FORMER Segment of Maeda Corp.	
Building Construction	MK Building Construction MK Real Estate (Building Construction)	Building Construction	MK Building Construction JM Thai Maeda Corporation Limited FBS Building Construction
Civil Engineering	MK Civil Engineering MK Real Estate (Civil Engineering)	Civil Engineering	MK Civil Engineering FBS Civil Engineering
Road Civil Engineering	MD (Consolidated)	Road Paving	MD (Consolidated)
Machinery	MS (Consolidated)	Manufacturing	MS (Consolidated) Fujimi Koken
Infrastructure Management	MK Infrastructure Operations Other subsidiaries	Infrastructure Operations	MK Infrastructure Operations Other subsidiaries
Others	JM Thai Maeda Corporation Limited FBS Fujimi Koken	Others	MK Real Estate

6. Business Model of Infrastructure Operations

- Infrastructure operations is business that gain profits on every steps from upstream to downstream of infrastructure management.

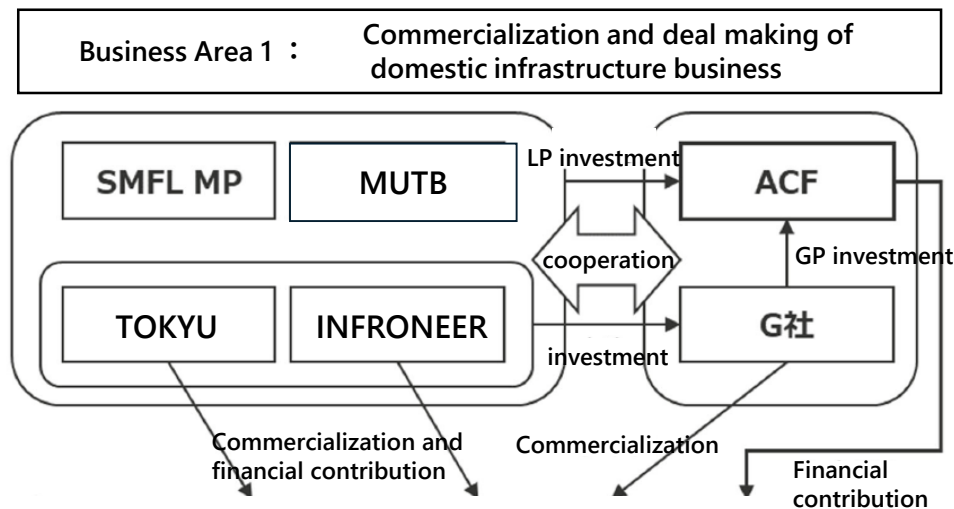


- Profits can be obtained from 5 stages of infrastructure operations
- We can capitalize our know-how of construction in development, EPC and O&M stages.

7. Establishment of New Business Platform of Infrastructure Operations

- We built a new business platform including two types of infrastructure funds, the Asset Creation Fund Series (“ACF”) and the Income Fund Series (“ICF”) with TOKYU CORPORATION, Global Infrastructure Management (INFRONEER and TOKYU each own 50% of the company), Sumitomo Mitsui Finance and Leasing Company, Limited (SMFL), and Mitsubishi UFJ Trust and Banking.
- We aim to further develop business and promote the development of the domestic infrastructure capital market in infrastructure business areas that have been attracting attention in recent years, such as PPP and environmental energy fields.

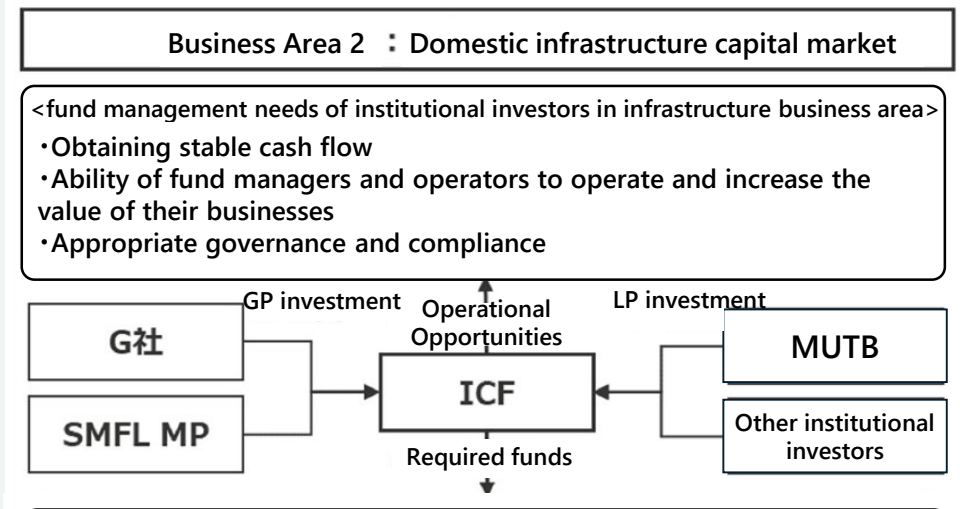
< ACF Fund >



<Demand for deal making & financing in infrastructure business>

- Flexible and mobile financing needs (such as developing, publicly solicited and tendered project)
- Opportunities that require time to commercialize and stabilize cash flow
- Opportunities that require assistance in developing rules and schemes

< ICF Fund >

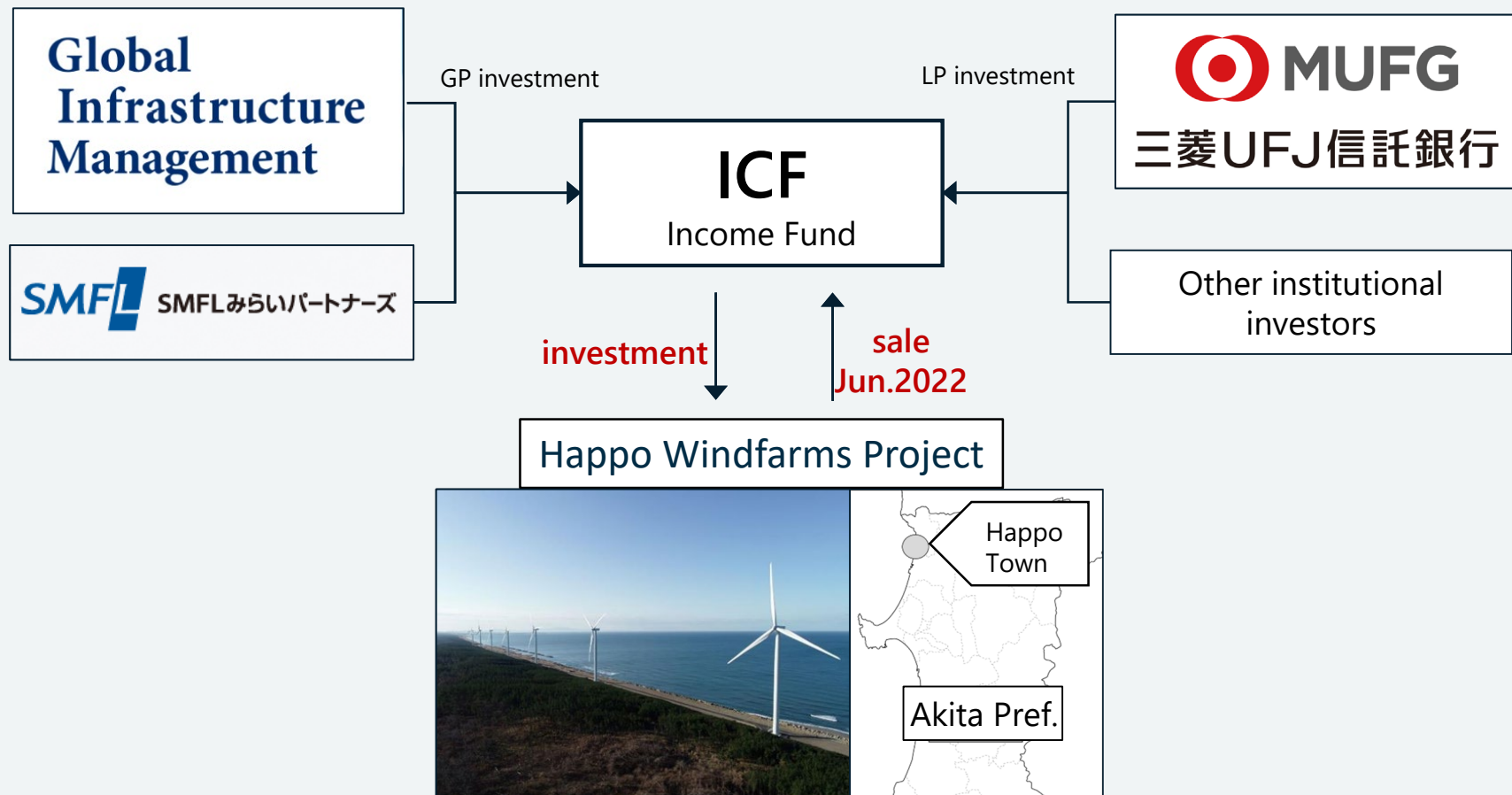


<financing needs from in infrastructure project personnel and owners>

- Business continuity, operational capacity and responsibility
- Peace of mind and stable long-term holdings
- Ability to provide funding and cost of capital

8. Investment Case No. 1 of Income Fund (ICF)

- Global Infrastructure Management and SMFL MIRAI Partners Company, Limited formed Income Fund (ICF), an infrastructure fund that invests in infrastructure projects, etc. in collaboration with domestic institutional investors.
- It invests Happo Windfarm Project as the first investment project.



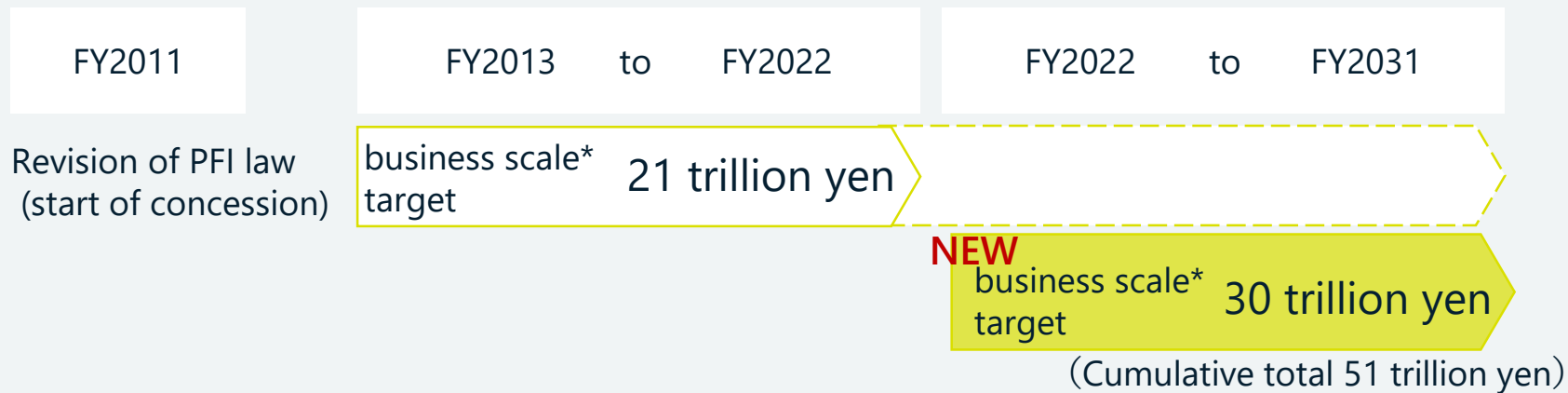
9. Policy Trends

– Act on Promotion of Private Finance Initiative (Act No.117 of July 30, 1999) published by the Cabinet Office

The Kishida Cabinet positions PPP/PFI as the core of **a New Form of Capitalism**.

- **Act on Promotion of Private Finance Initiative** sets project scale targets, priority areas, and an action plan for promoting PPP/PFI.
(It's decided by the Council for the Promotion of Private Finance Initiative under the PFI Law, and announced by the PPP/PFI Promotion Office, Cabinet Office)
- It is updated annually based on progress, issue follow-up, etc.
- This year was the timing for updating the business scale target, and the new business scale* target was set.

➤ **The business scale target was much larger than assumed** when INFRONEER Medium-term Vision 2024 was formulated (FY2021).



* It should be noted that the business scale in this case refers to **the total revenue during the contract period of the private operator expected from the projects contracted during this period**, and not the annual sales.

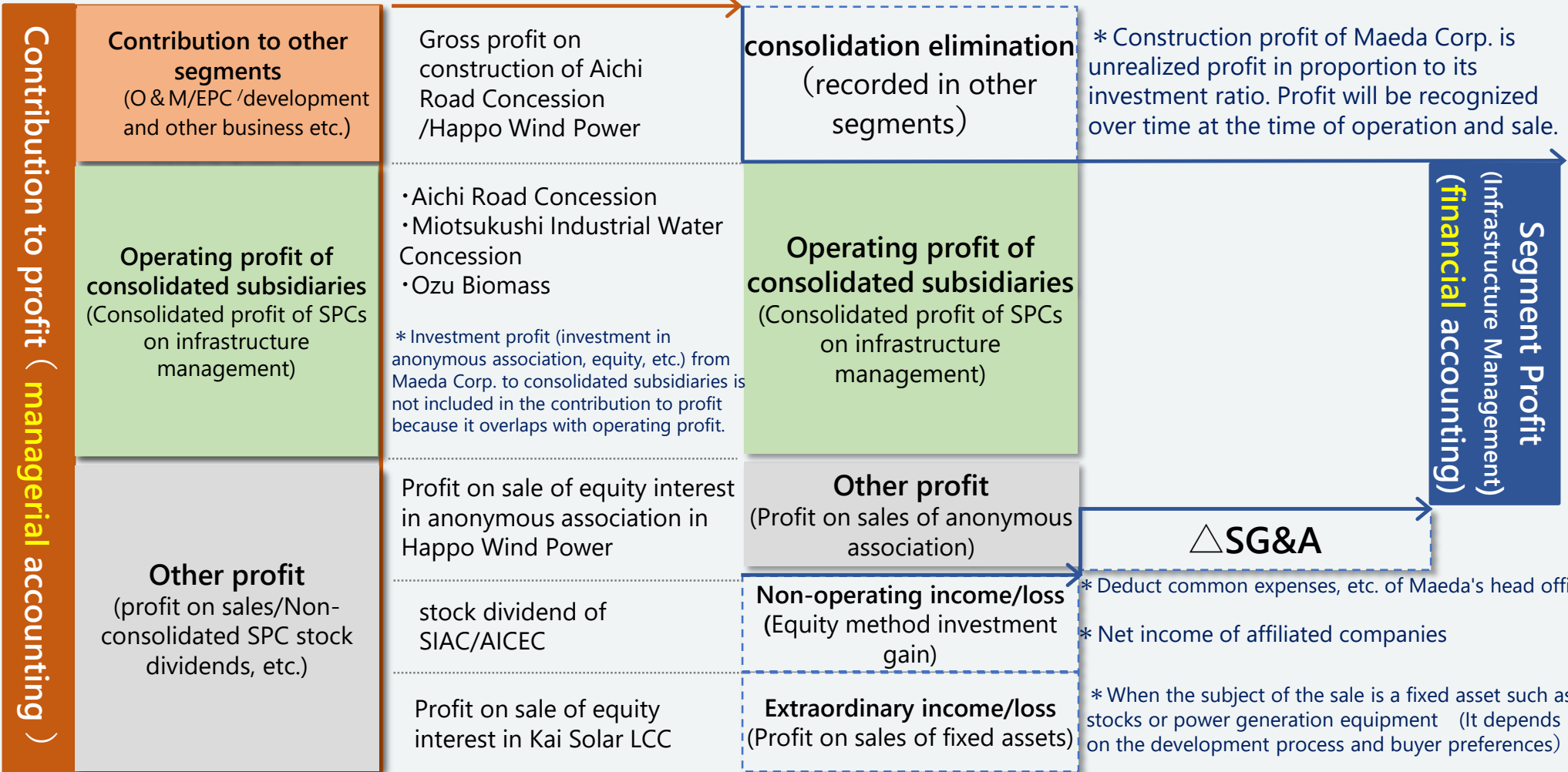
10. Difference between with "Contribution to profit" and "Segment profit"

- "Contribution to profit" is the actual contribution for managerial accounting purposes, which is the sum of construction gross profit, other income, and operating income of individual consolidated subsidiaries. This is in consideration of the fact that the profit presentation points on the consolidated basis differ depending on the investment ratio and sale scheme.
- "Segment profit (Infrastructure management)" in the consolidated financial statements is operating profit for financial accounting purposes after eliminating construction profit and other items included in contribution to profit and common administrative expenses, but before non-operating/extraordinary items.

Correspondence to segment profit

(Project Examples)

(Financial Accounting Arrangements)



△ SG&A

※Contribution to profit does not take into account SG&A such as common expenses at the Maeda head office.

11. Topics 「Integrated Report 2022 ~ Safety, Security, and Sustainability ~」

INFRONEER Integrated Report 2022 ~ Safety, Security, and Sustainability ~ Issued**(Date of issue: October 3, 2022)****All Initiatives Lead to Solving Social Issues and Improving Corporate Value**

We have positioned this integrated report as an important communication tool between our stakeholders and the Company, as well as between all of our stakeholders.

Through this integrated report, we aim to gain an understanding of our enduring value-creation process and providing of value to local communities and society, build up stakeholder engagement and contribute to the improvement of social and corporate value. Specifically, in this fiscal year, our first year, we have composed this integrated report as listed on the right, for the purpose of gaining the understanding of all stakeholders and their sympathy regarding (1) urgent social issues surrounding infrastructure, (2) INFRONEER's philosophy and initiatives (business model) for solving these issues, and (3) the future (vision) that will be attained through these initiatives, the aim is to gain the understanding and sympathy of all stakeholders, and to strengthen and acquire stakeholder relationships that "together, we challenge the status quo for the future of our infrastructure."

The "INFRONEER2022" configuration

【Introduction】

Issue Awareness & Vision

【Chapter 1】

Management message

【Chapter 2】

The Future We Are Aiming For

【Chapter 3】

INFRONEER's Management Plan

【Chapter 4】

Initiatives for Safety, Security, and Reliability

【Chapter 5】

IR Information

【Final Chapter】

Sources of Value Creation



Please download the "INFRONEER2022" web version
from the QR code/URL listed.

https://www.infroneer.com/jp/company/integrated_report/report.html



News 1

The "Company Briefing for Individual Investors" has been released on the official YouTube channel of the Japan Securities Journal.

The event was held at three venues in Osaka, Tokyo, and Nagoya. We communicated to individual investors about the social issues surrounding infrastructure and the vision of INFRONEER and received a lot of positive feedback.

Please take a look!

YouTube URL : <https://www.youtube.com/watch?v=AscvL4JN0tM>



YouTube



News 2

INFRONEER Holdings Official Facebook & Instagram



We are sending out information via SNS with desire to let many people know about INFRONEER HD. takes on the challenge of the future of infrastructure.

Please follow and like! on our Facebook and Instagram pages!



Facebook



Instagram

Facebook : <https://www.facebook.com/infroneer.hd/>

Instagram : <https://www.instagram.com/infroneer.hd/>

News 3

Kibe-log

We will send the thoughts of Mr. Kibe in order to inform all stakeholders about what INFRONEER HD. is thinking and what kind of society it aims to achieve.



Kibe-log

Kibe-log : <https://www.infroneer.com/topics/tag/16.html>

~Back number~

- Vol.1 : The future of the general construction industry proposed by INFRONEER Holdings Inc.
- Vol.2 : The reason to establish INFRONEER Holdings Inc.
- Vol.3 : Why is it so important to disclose the cost of construction?
- Vol.4 : The secondary market of infrastructure will bring more investment
- Vol.5 : Non-recourse loans that are not true non-recourse loans hinder infrastructure investment
- Vol.6 : The challenge of a Ghana toll road concession
- Vol.7 : INFRONEER'S VIEW OF "DX"

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- The figures in this document are based on Financial results on February 14, 2023, and rounded to the nearest 100 million yen.
- All financial information has been prepared in accordance with generally accepted accounting principal in Japan.
- While every attempt has been made to accuracy of information, forecast contained in this documents are based on the judgements made with information available as on February 14, 2023, and are subject to risks and uncertainties that may cause the actual results to vary.

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