













- I am President and CEO, Kibe.
- Thank you for joining us today amidst your busy schedules for the FY2024 2nd Quarter Financial Presentation.
- I will be presenting the financial summary and topics for the second quarter.

Management's Recognition of the Business Environment			
Our understanding and responses to the market environment, order environment, and material prices, etc.			INFRONEER Holdings Inc.
Segments	Market condition	Our Condition	Market Perception and Our Initiatives
Building Construction			<p>Market condition: Construction investment is trending upwards, but the impact of rising building costs due to inflation is significant. When viewed in terms of construction floor area started, it is almost flat.</p> <p>Our Condition: Although there is a noticeable labor shortage among equipment and electrical construction companies, we are responding strategically with a clear outlook from our partner companies. Orders are generally in line with plans, and both the order volume and the profit margin of orders received have a high degree of certainty of achievement.</p>
Civil Engineering			<p>Market condition: Government investment is driving demand, with private investment also showing an expanding trend. Contract amounts are robust, and civil engineering costs are rising gradually.</p> <p>Our Condition: Public construction investment, led by the resilience plans of the MLIT and the Ministry of Defense, continues to be robust. Private facility investment in renewable energy, carbon neutrality, backend projects, and others also remains strong. We are focusing on establishing an order and construction system, and we anticipate achieving our full-year target figures.</p>
Infrastructure Management			<p>Market condition: Renewable energy is seeing an increase in green power demand, with an expected enhancement in environmental value. PPP(Public-Private Partnerships) are becoming substantial projects in arenas and water PPPs. We aim for the realization of assured revenue.</p> <p>Our Condition: Steady results through upstream proposals and partner strategies.</p>
Road Civil Engineering			<p>Market condition: Road project costs have been flat since fiscal year 2010, and the shipment volume of asphalt mixtures is on a declining trend.</p> <p>Our Condition: Prospects for profit margin improvement through enhancement of profit margin at the time of order receipt and appropriate pricing.</p>
Machinery			<p>Market condition: While the global economy faces a downturn, Europe is showing signs of recovery. Domestic demand continues to be strong, supported by steady construction investment.</p> <p>Our Condition: Even with the persistent increase in raw material and labor costs, gross profit from sales is on the mend, thanks to the successful passing on of these costs through pricing.</p>

- will explain our recognition of the market environment and the current situation of our company.
- While detailed information can be found in the materials provided, there are predictions that the construction market has already peaked. However, overall, the amount of investment is on an increasing trend, and we anticipate the situation will continue to improve. Public construction investment, such as the resilience plans by the Ministry of Land, Infrastructure, Transport and Tourism and the Ministry of Defense, is expected to remain robust. However, there are concerns about delays in starting construction, especially in suburban housing construction, due to the soaring construction material prices and construction costs, making it difficult to match the selling prices.
- Maeda Corp's order intake for building construction and civil engineering is progressing smoothly, and we are steadily increasing our backlog of projects.
- Regarding infrastructure management, the demand for green power has significantly increased, and we expect the environmental value to continue to rise in the future.
- For Maeda Road's road civil engineering and Maeda Seisakusho's machinery, we will continue to aim for an improvement in profit margins.
- We will continue to monitor market trends and strategically respond in

each segment.

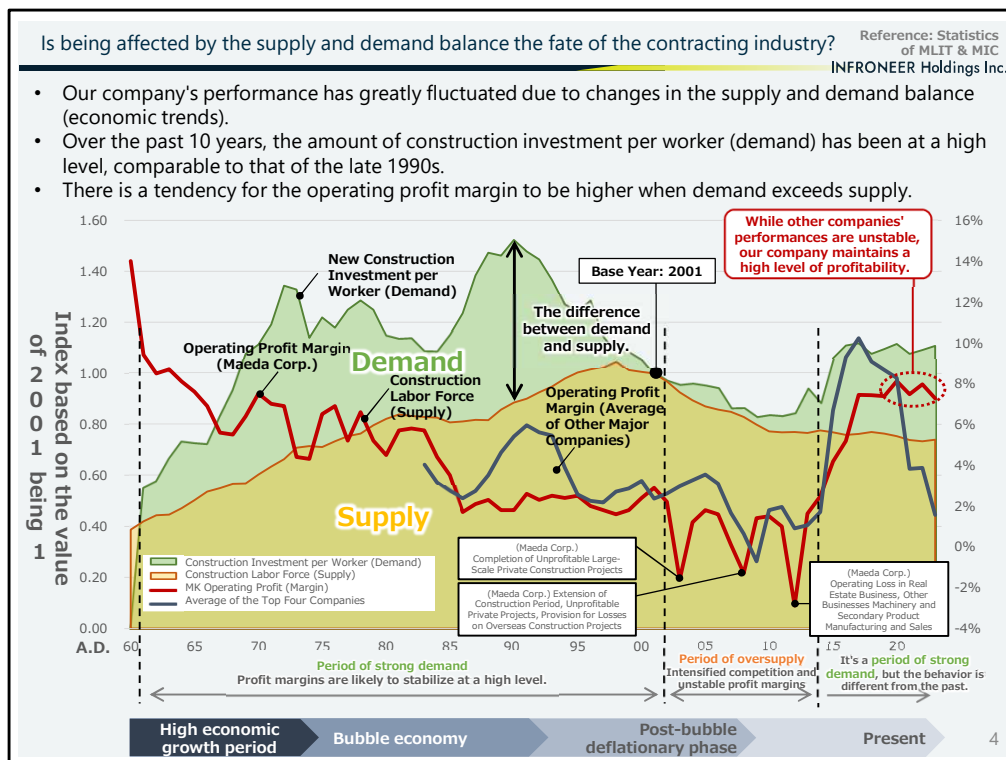
2. Financial Summary			INFRONEER Holdings Inc.
Company	Segments	Financial Highlights	
<div>INFRONEER Holdings</div> <div> <div>Maeda Corp.</div> <div>Japan Wind Development</div> <div>MAEDA ROAD</div> <div>MAEDA SEISAKUSHO</div> <div>Others</div> </div>		<ul style="list-style-type: none"> FY24 2Q results show higher revenue and lower profit YoY, but full-year profit is expected to be in line with plan. (Special factors in the civil engineering segment in the last fiscal year, increase in SG&A) Each segment is performing well, and the full-year plan is expected to be achieved. 	
	Building Construction	<ul style="list-style-type: none"> In 2Q, sales and income increased YoY We expect to achieve a record-high profit of more than 32 billion yen in the current fiscal year, and plan to achieve even higher profits in the next fiscal year and beyond. 	
	Civil Engineering	<ul style="list-style-type: none"> 2Q results remained at a high level in terms of both profit margin and amount, excluding special factors, from the previous year. Sales, orders and profit are also expected to meet the full-year plan. 	
	Infrastructure Management	<ul style="list-style-type: none"> Won three Arena concessions in the first half of the year and plans to bid on WATER PPP Projects in the next fiscal year. Also focused on developing renewable energy projects, including storage battery business for power grids. Full-year plan expected to be achieved due to sales of renewable energy projects and developed facilities. 	
	Road Civil Engineering	<ul style="list-style-type: none"> 2Q results show increase in sales and profit YoY. Highest sales and profit in the last 3 years. Sales and profits of both the construction and manufacturing businesses are the highest in the past three years, and the full-year plan is expected to be achieved. 	
	Machinery	<ul style="list-style-type: none"> 2Q results show increase in sales and profit YoY. Market environment is favorable and full-year plan is expected to be achieved. 	
	Others	<ul style="list-style-type: none"> 2Q results show a YoY decline in sales and profit, but the full-year plan is expected to be achieved due to additional contract wins and a review of general and administrative expenses. 	

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- I will now provide an overview of the financial results for the second quarter.
- For the INFRONEER Group, although we experienced an increase in revenue but a decrease in profit compared to the same period last year, we expect to progress as planned by the end of the fiscal year. The performance of each segment is progressing smoothly, and we anticipate achieving our full-year plan.
- In the Building Construction segment, we achieved a significant increase in revenue and profit YoY for the second quarter. We expect to achieve a completed profit amount of over 32 billion for this fiscal year, with plans to maintain even higher profit levels in the following years. Additionally, we anticipate our backlog of projects at the end of the period to be at an all-time high.
- In the Civil Engineering segment, the order intake is progressing smoothly, and we expect to achieve our full-year plan for order profit. We also anticipate our backlog of projects at the end of the period to be the highest in the last three years.
- Infrastructure Management segment is expected to achieve its full-year plan due to renewable energy projects and the sale of development facilities. For Japan Wind Development, the development of large-scale projects is progressing smoothly towards commencement. We will continue

to focus on development projects to enhance profitability.

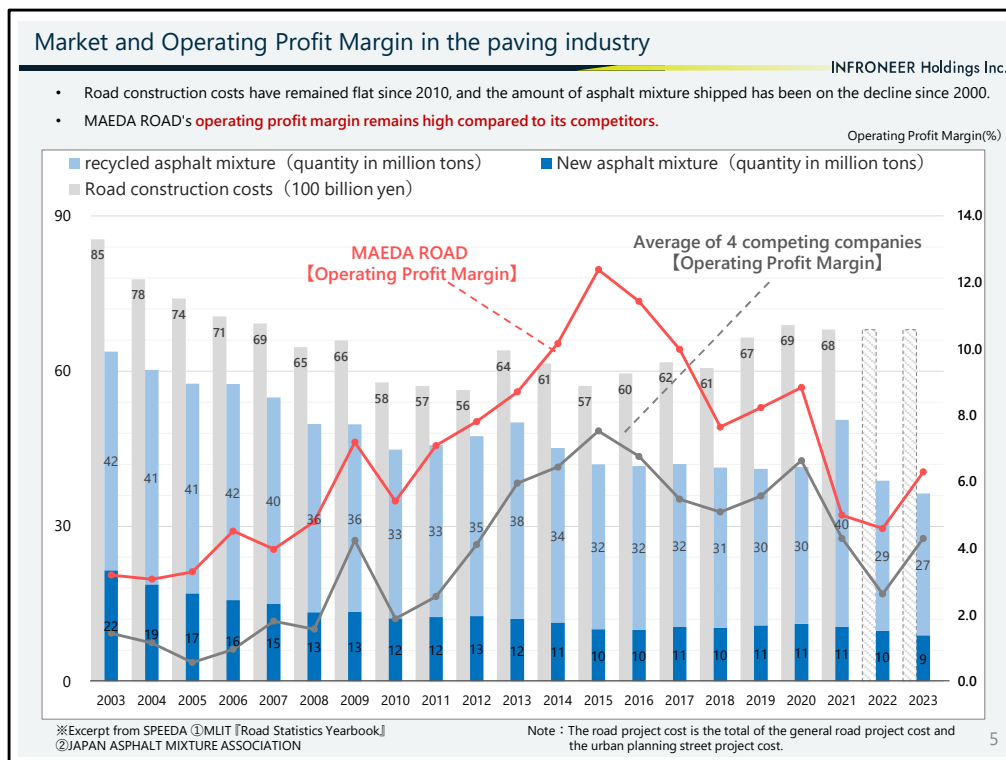
- In the Road Civil Engineering segment, we achieved an increase in revenue and profit YoY, and we expect to meet our full-year plan. Sales and profit are expected to reach the highest levels in the last three years.
- The Machinery segment also saw an increase in revenue and profit compared to the same period last year. With the market environment progressing favorably, we anticipate achieving our full-year plan.



- I will explain the impact of the balance between demand and supply on the construction industry, particularly the contracting business.
- First, let me explain how to read the graph. The green and yellow represent the balance between demand and supply. Green indicates the New Construction Investment per Worker, which is the demand, and yellow represents the Construction Labor Force, which is the supply. The line graph shows the trend in profit margins. The red line represents Maeda Corp's profit margin, while the blue line indicates the average profit margin of other major companies.
- As the graph shows, over the past ten years, the construction investment amount has been at a high level, meaning that demand has been increasing, while the number of construction workers has been decreasing. In other words, demand is becoming more robust compared to supply.
- Generally, when the difference between demand and supply is small, that is, when supply is sufficient, it tends to lead to price competition and unstable profits. On the other hand, the greater the demand compared to supply, the easier it is to increase profits. We believe this is a characteristic of the contracting market.
- Looking at the trend in profit margins, although the current situation can be described as having robust demand, not all companies have been able to increase their profit margins. However, our company has been steadily

increasing its profit margin.

- As the market is not expected to shrink for the time being, and there is no expectation of an increase in the Construction Labor Force, the state of excess demand is likely to continue. Our company will continue to aim to maintain high profit margins.



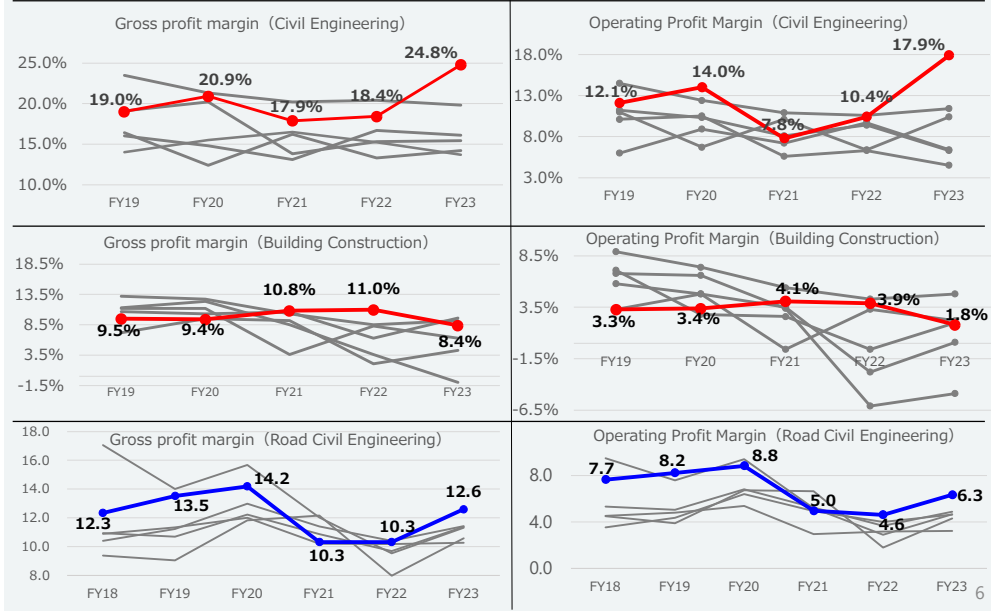
- I will explain the market trends and operating profit margins in the paving industry.
- Road construction costs have been flat since 2010, and the shipment volume of asphalt mixture has been on a declining trend since the year 2000.
- The trends for MAEDA ROAD and its competitors are similar; however, MAEDA ROAD has been able to maintain a high level compared to others by leveraging its strengths in manufacturing and sales.
- MAEDA ROAD has a competitive advantage in cost competition. We will continue to aim to be the industry's price leader and achieve high operating profit margins.

Maintaining high standards in the industry through thorough management of profit margins

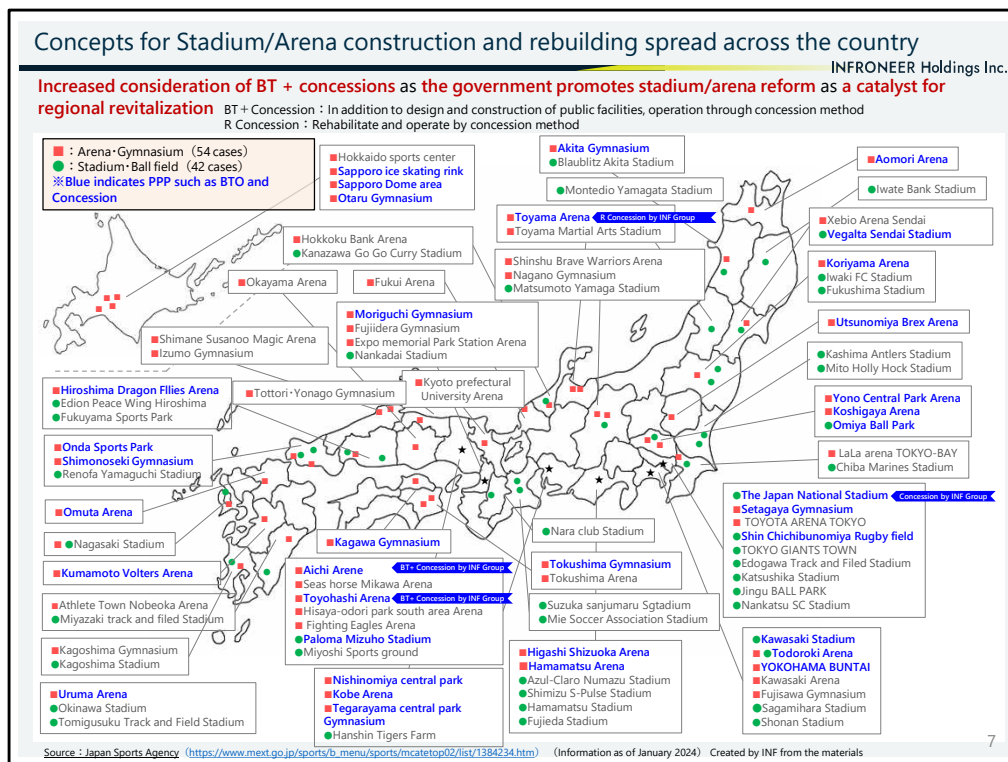
INFRONEER Holdings Inc.

- In the civil engineering, building construction and road civil engineering segments, we maintain industry-leading profit margins through **thorough management of order-receipt profit margins, the secure acquisition of design changes, and appropriate price pass-on, etc.**

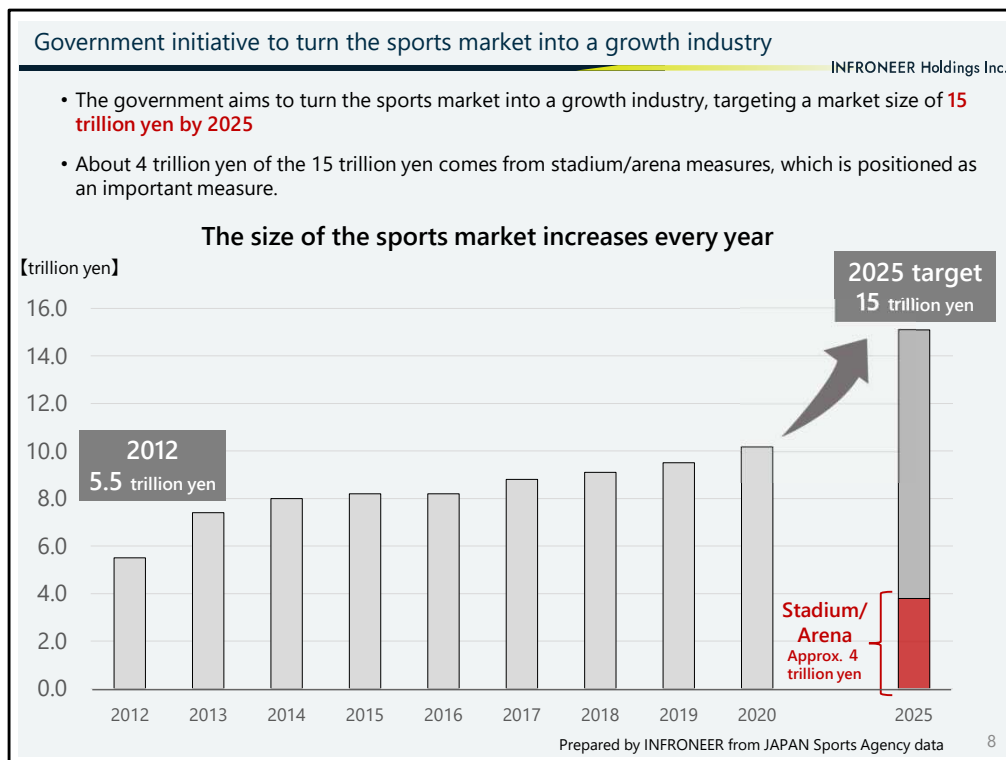
● Maeda Corp. ● MAEDA ROAD ● Industry competitors



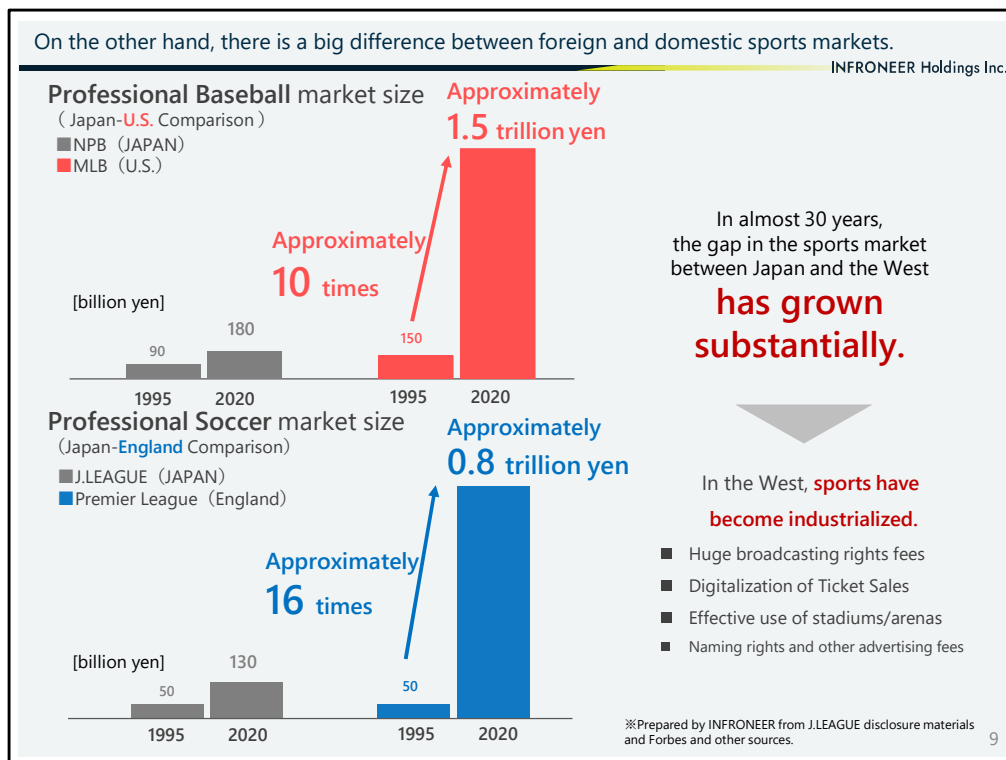
- The profit margins in the civil engineering, building construction, and road civil engineering segments have been maintained at a high level compared to our competitors.
- This can be attributed to the thorough management of order-receipt profit margins and the successful acquisition of design changes.
- Additionally, the ability to appropriately pass on price increases in the midst of inflation is also a contributing factor.



- I will now explain our move away from contracting business, particularly regarding stadiums and arenas.
- This material is based on data from the Japan Sports Agency and has been compiled by our company.
- The government is promoting the reform of stadiums and arenas as a catalyst for regional revitalization, and there is an expanding consideration of BT and concession models. There are plans for the new construction and replacement of arenas and stadiums all over the country, with 96 projects in total, many of which are considering public-private partnerships.
- We have already secured some of these projects, and we will continue to aim for the acquisition of more.
- We are currently receiving numerous individual consultations from many local governments and sports teams listed here.



- I will explain the sports market.
- This graph has also been created by our company based on data from the Japan Sports Agency.
- The sports market has been increasing year by year, and the government is aiming to make it a growth industry. By 2025, the target market size is expected to reach 15 trillion yen. Of that 15 trillion yen, approximately 4 trillion yen is anticipated to come from stadium and arena policies, which are positioned as important measures.
- While growth in market size is expected, there is a significant difference between the overseas and domestic sports markets.



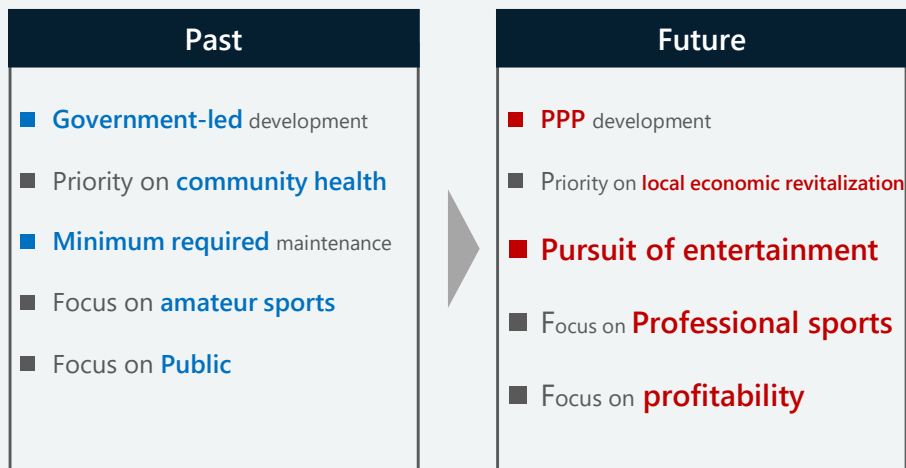
- This is a comparison of the market sizes of professional baseball in Japan and the US, as well as professional soccer in Japan and the UK.
- In 1995, about 30 years ago, the market sizes in Japan were not significantly different from those in the US and the UK. However, over the past 30 years, the gap in market size has widened. Japan's market has increased by about twice, while the US professional baseball market has grown by approximately 10 times, and the UK's professional soccer market has expanded by about 16 times.
- Various reasons can be cited for this, but particularly, the industrialization of sports has progressed due to huge broadcasting rights fees, the digitalization of ticket sales, the effective use of stadiums and arenas, and advertising fees such as naming rights.
- With this background, our company has been one of the first to challenge a game change to a business model that integrates infrastructure and operations.



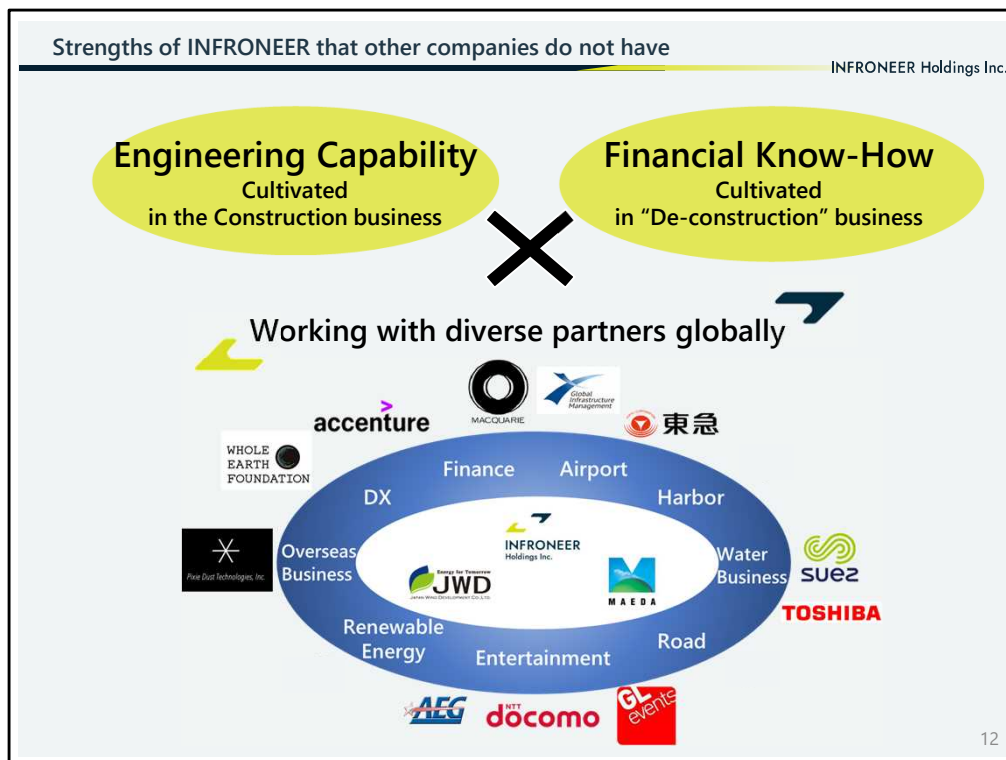
- At the IG Arena, which is currently being constructed by Aichi International Arena Co., Ltd., a company invested in by our subsidiary Maeda Construction, we have taken on various challenges from the bidding stage.
- For example, we have achieved a ceiling height of 30 meters. In Japan, due to various constraints, the ceiling height is usually around 20 meters, but we have managed to create a facility that meets global standards.
- Especially for world-class concerts, there are instances where the large props cannot fit unless the ceiling is 30 meters high, and in Japan, such world tours could not be held unless it was in a baseball stadium, particularly one with a roof.
- Next is our cooperation with AEG. AEG is a world-leading company based in Los Angeles that integrates the management of arenas and professional teams. They are the owners of the Lakers, which LeBron James belongs to, and the Kings in ice hockey.
- They also organize world tours for top artists like Justin Bieber and Taylor Swift, as well as world-class music festivals, managing integrated arena operations. They have a track record of planning events, developing facilities, and operating not only in America but also in the UK, China, and various other countries. By partnering with this world-class company, we will lead the expansion of the domestic sports market.
- Additionally, our revenue from naming rights has become the largest in

Asia. By planning suites and premium lounges, we aim to realize unparalleled high-quality hospitality services.

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



- While I have used Aichi Arena as an example, we will continue to challenge the status quo and lead the way in changing the rules, aiming to expand the market size without being confined by conventional concepts.



- Let me explain the strengths of INFRONEER in the "De-construction" business.
- The first strength we consider is the engineering capability that our group companies have cultivated in the contracting business. It is the source of our competitiveness.
- Furthermore, we believe that our financial know-how, developed through our pioneering work in public-private partnerships and infrastructure operation business in Japan, is also a significant strength.
- The fusion of engineering capability and financial know-how is something that we, as construction companies, can uniquely offer. It is a major difference and advantage over our competitors, which include general trading companies and financial players.
- Additionally, the infrastructure field is diverse.
- We have collaborated with partners who are top runners in various fields.
- Moving forward, we will continue to collaborate with various partners, both domestically and internationally, and conduct businesses that leverage our strengths.

April 25th, hosted by Nikkei Inc. Regional Revitalization Forum

"The Future of Regional Revitalization Opened by Showcasing Arenas"

We discussed the appeal and future potential of "showcasing arenas" as hubs that connect regions and people, creating new forms of regional revitalization.

Please take a look.



Please access via the QR code or the URL below.

Please be advised that this video is only available in Japanese.

URL : <https://www.youtube.com/watch?v=RchrFYub6EA&t=3s>



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- I would like to introduce the following.
- At the Regional Revitalization Forum, we discussed the appeal and future potential of "showcasing arenas." You can watch the video through the provided link, and I would be pleased if you could take the time to view it.
- This concludes my presentation.
- For segment-specific highlights and other performance figures, please check the Financial Presentation at your convenience.
- Thank you very much.

【Disclaimer】

- This financial presentation document is originally in Japanese and has been translated in English. Any texts, figures and descriptions etc. in Japanese document is the original and the English document is for reference purposes only. In case of any conflict or inconsistency between these two documents, the Japanese documents shall prevail.
- The figures in this document are based on financial results as of November 12, 2024, and rounded to the nearest 100 million yen.
- While every attempt has been made to ensure the accuracy of the information, the forecasts contained in this document are based on judgments made with information available as of November 12, 2024, 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

 **INFRAONEER Holdings Inc**