



INFRONEER Holdings
FY2024 2nd Quarter Financial Presentation
CEO Presentation Material


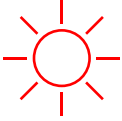

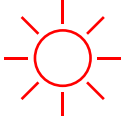

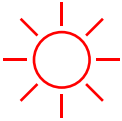

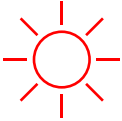




November 13, 2024

Management's Recognition of the Business Environment

INFRONEER Holdings Inc.

Our understanding and responses to the market environment, order environment, and material prices, etc.

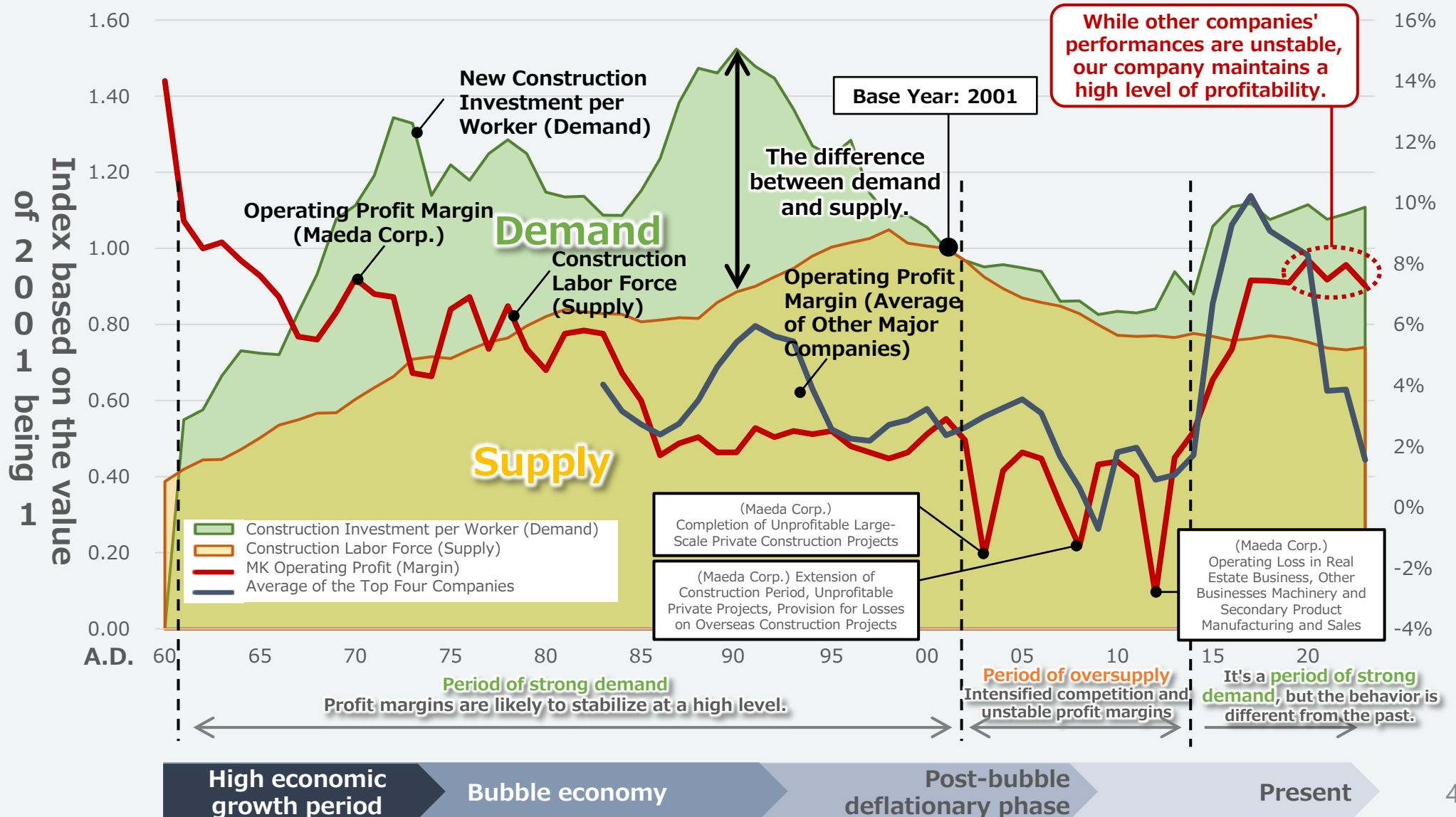
Segments	Market condition	Our Condition	Market Perception and Our Initiatives
Building Construction			<p>Market condition : Construction investment is trending upwards, but the impact of rising building costs due to inflation is significant. When viewed in terms of construction floor area started, it 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>

2. Financial Summary

Company	Segments	Financial Highlights	
INFRONEER Holdings		<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. 	
	Maeda Corp.	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.
	Japan Wind Development		<ul style="list-style-type: none"> Large projects under development are on track to start construction as planned. Continue to focus on project development to improve profitability for the future.
	MAEDA ROAD	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.
MAEDA SEISAKUSHO	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. 	

Is being affected by the supply and demand balance the fate of the contracting industry?

- Our company's performance has greatly fluctuated due to changes in the supply and demand balance (economic trends).
- Over the past 10 years, the amount of construction investment per worker (demand) has been at a high level, comparable to that of the late 1990s.
- There is a tendency for the operating profit margin to be higher when demand exceeds supply.

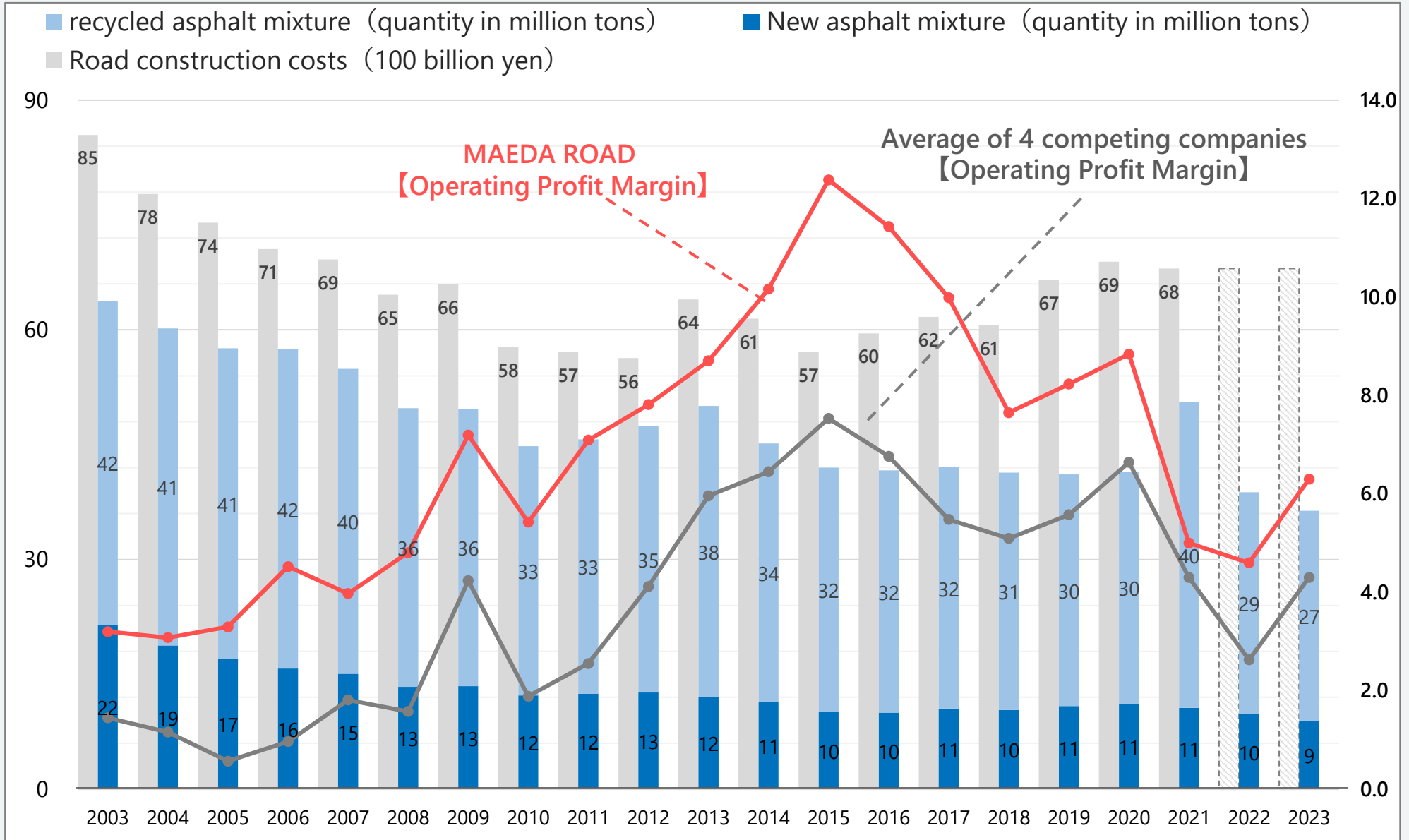


While other companies' performances are unstable, our company maintains a high level of profitability.

Market and Operating Profit Margin in the paving industry

- Road construction costs have remained flat since 2010, and the amount of asphalt mixture shipped has been on the decline since 2000.
- MAEDA ROAD's **operating profit margin remains high compared to its competitors.**

Operating Profit Margin(%)



※Excerpt from SPEEDA ①MLIT 『Road Statistics Yearbook』
②JAPAN ASPHALT MIXTURE ASSOCIATION

Note : The road project cost is the total of the general road project cost and the urban planning street project cost.

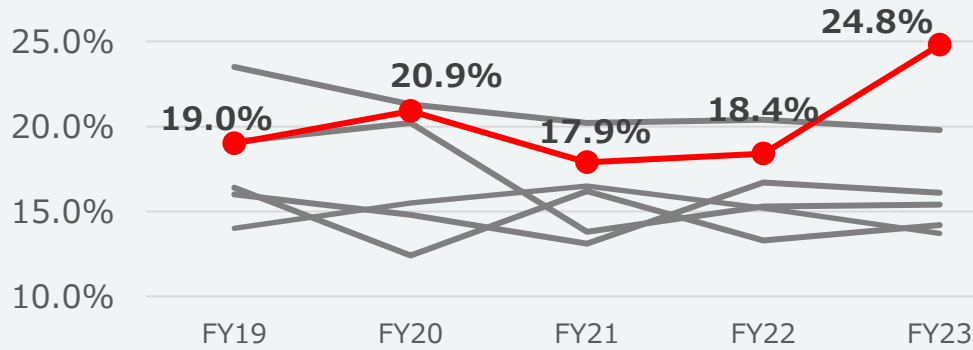
Maintaining high standards in the industry through thorough management of profit margins

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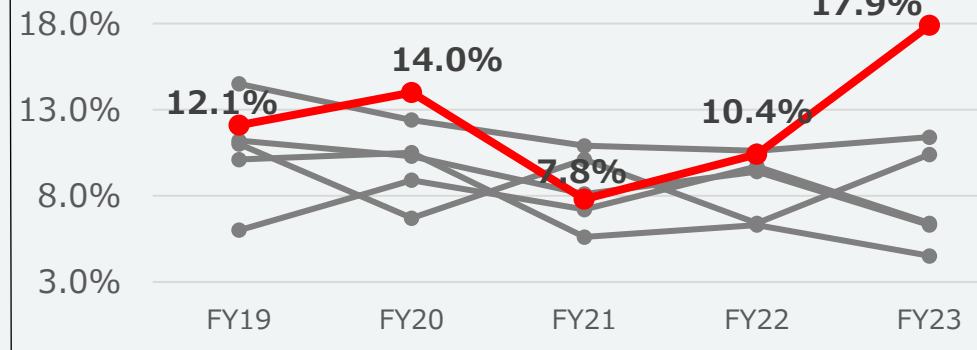
- In the civil engineering, building construction and road civil engineering segments, we maintain industry-leading profit margins through **thorough management of order-receipt profit margins, the secure acquisition of design changes, and appropriate price pass-on, etc.**

● Maeda Corp. ● MAEDA ROAD ● Industry competitors

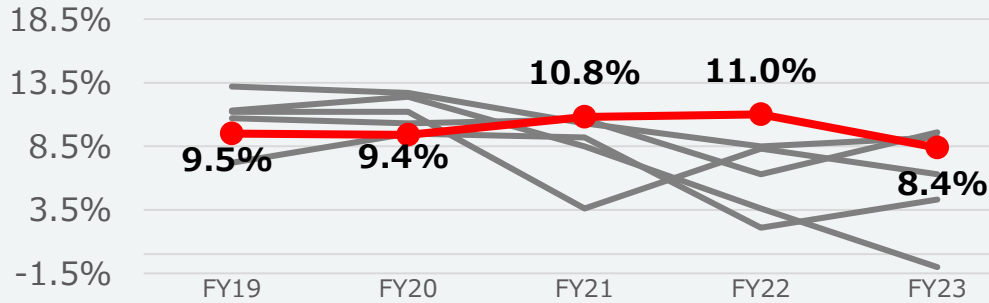
Gross profit margin (Civil Engineering)



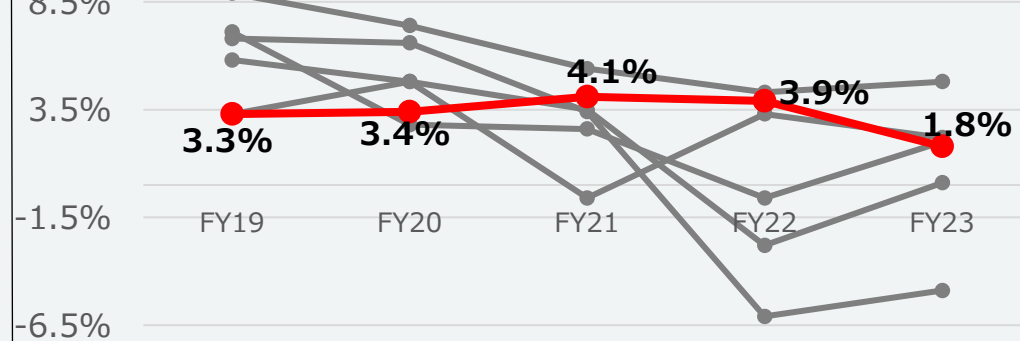
Operating Profit Margin (Civil Engineering)



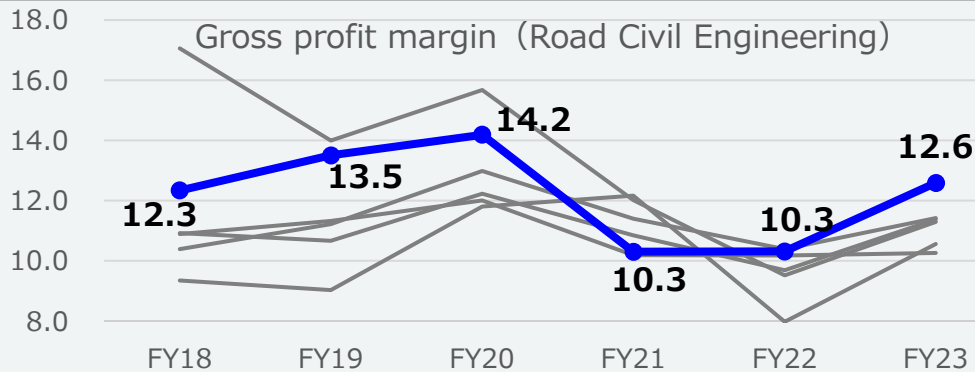
Gross profit margin (Building Construction)



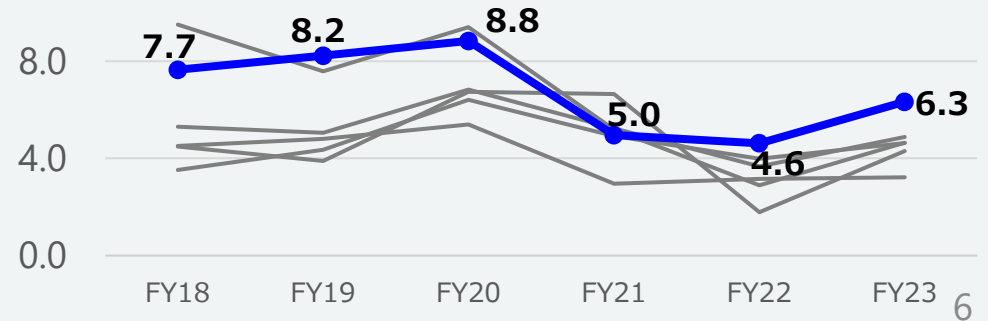
Operating Profit Margin (Building Construction)



Gross profit margin (Road Civil Engineering)



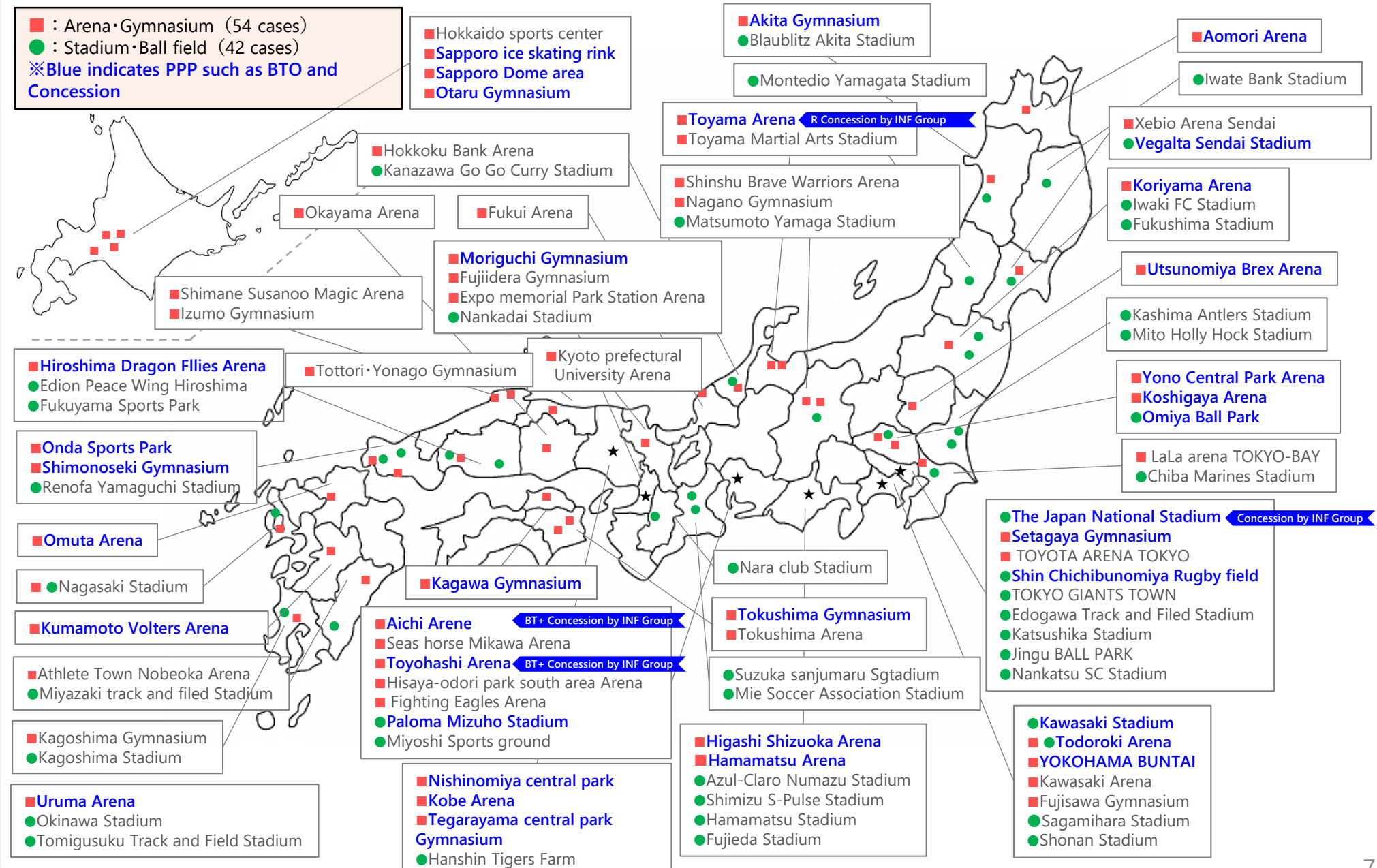
Operating Profit Margin (Road Civil Engineering)



Concepts for Stadium/Arena construction and rebuilding spread across the country

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

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



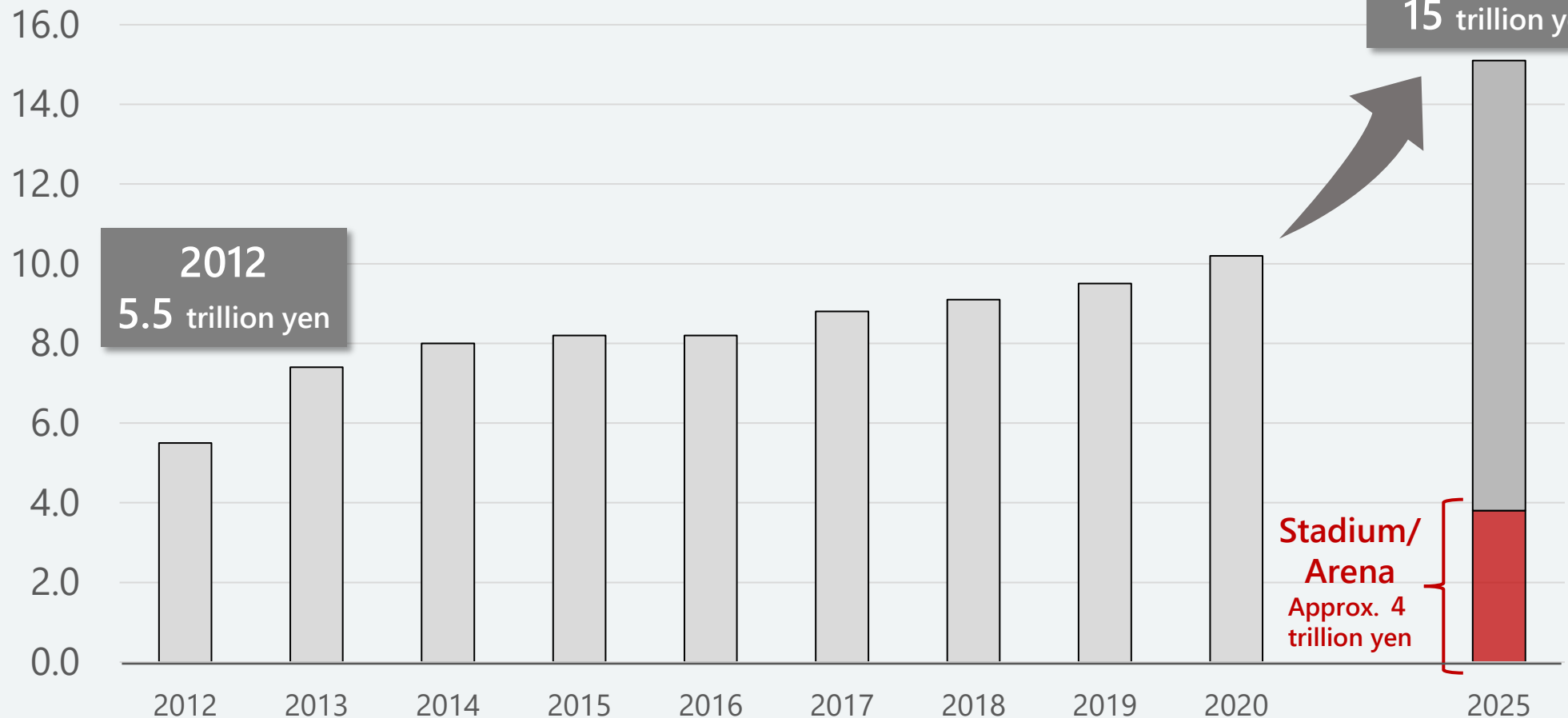
Government initiative to turn the sports market into a growth industry

INFRONEER Holdings Inc.

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

The size of the sports market increases every year

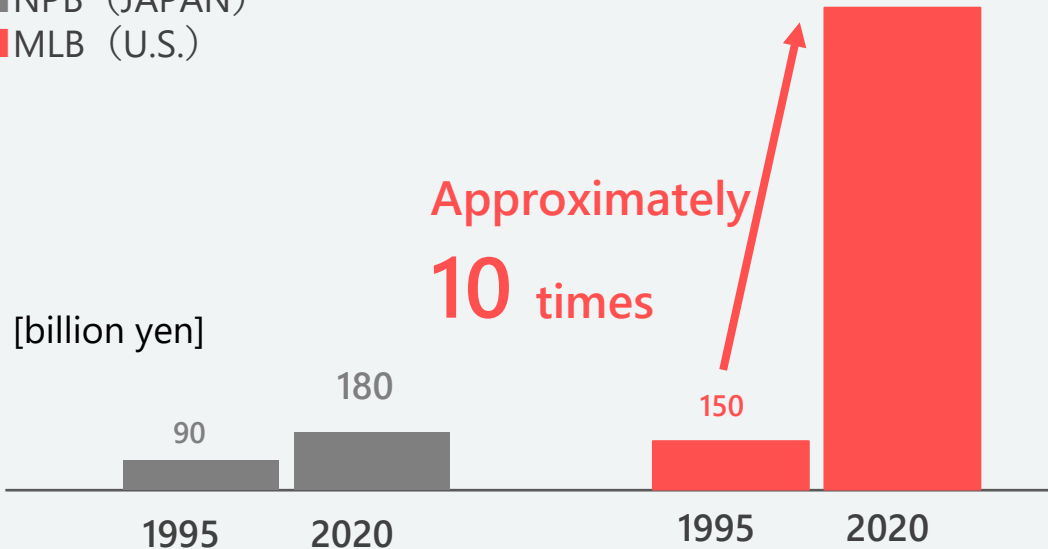
【trillion yen】



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

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

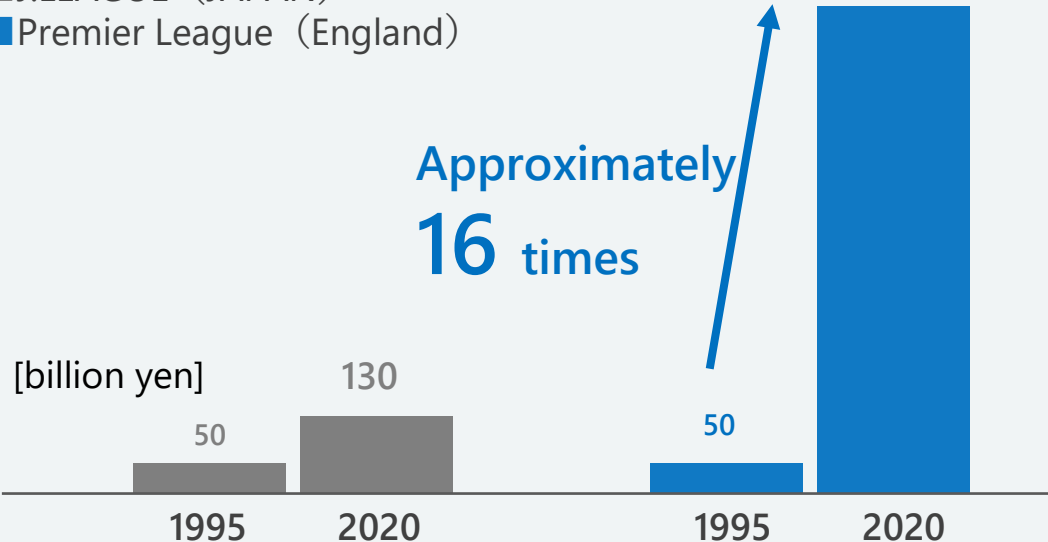
■ NPB (JAPAN)
■ MLB (U.S.)



In almost 30 years,
the gap in the sports market
between Japan and the West
has grown substantially.

Professional Soccer market size (Japan-England Comparison)

■ J.LEAGUE (JAPAN)
■ Premier League (England)



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

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

1 Global standard facilities

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

Maximum capacity
17,000 people

2 Partnerships with world-class companies

Cooperation with AEG※2

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

3 Revenue from naming rights

Largest scale in Asia
For 10 years since 2025

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

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

4 Quality hospitality services

**40 suites and
premium lounges**

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

Past

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



Future

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

Engineering Capability

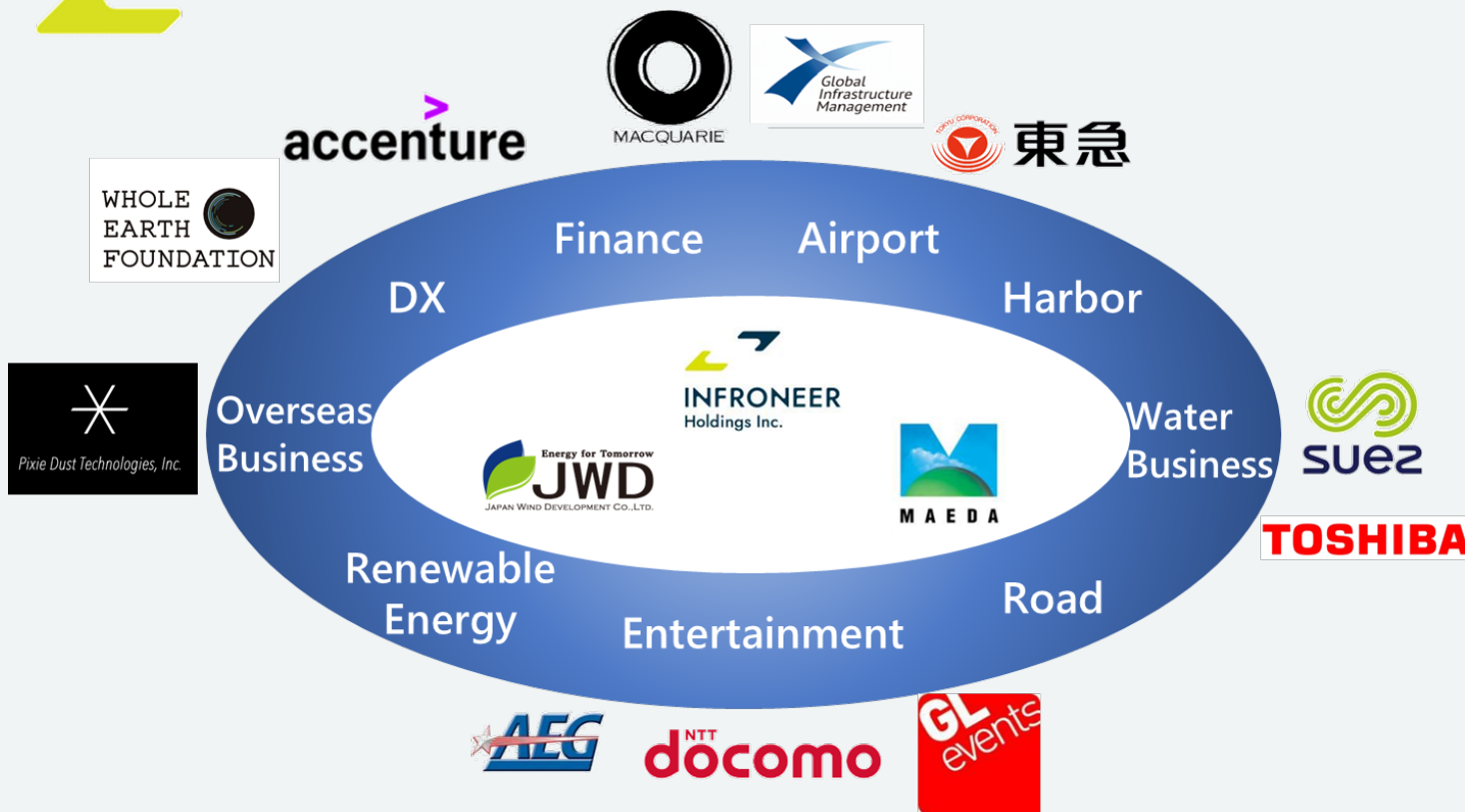
Cultivated
in the Construction business

Financial Know-How

Cultivated
in "De-construction" business



Working with diverse partners globally



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.

URL : <https://www.youtube.com/watch?v=RchrEYub6EA&t=3s>

The image shows a YouTube video player thumbnail. At the top left is the logo for 'Nikkei Regional Revitalization Forum' (日経 地方創生 フォーラム). The main title is '「魅せるアリーナ」が拓く地域創生の未来' (The Future of Regional Revitalization Opened by Showcasing Arenas). Below this, it says 'パネルディスカッション②' (Panel Discussion ②) and '官民連携とルールチェンジで地方創生' (Regional Revitalization through Public-Private Partnership and Rule Changes). Three speakers are featured in circular portraits: 福田隆之氏 (Mr. Takayuki Fukuda), 岐部一誠氏 (Mr. Kazumasa Sakimura), and 島田慎二氏 (Mr. Shinji Shimada). Their titles and affiliations are listed below their portraits. At the bottom, there are video player controls including play, volume, and HD icons.

日経
地方創生
フォーラム

「魅せるアリーナ」が拓く地域創生の未来

パネルディスカッション②

官民連携とルールチェンジで地方創生

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東洋大学
グローバル・イノベーション学研究センター

岐部一誠氏
インフロニア・ホールディングス
代表執行役社長 兼 CEO

島田 慎二氏
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チェアマン

▶ 音量 研究員:33

【Disclaimer】

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- 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

 **INFRAFRONTIER Holdings Inc.**