


FY2022 2<sup>nd</sup> Quarter Financial Presentation  
INFRONEER Holdings



November 14, 2022

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# 1. Points

## ① FY22 2Q Results and FY22 Forecast (P.4, P.7)

- **In 2Q, sales and profits increased year-on-year.** Although profit of Road Civil Engineering segment increased decreased due to high crude oil prices and weaker yen, profits were secured due to increased profits in the infrastructure operations business.
- **Net income for the full year is expected to be a record high.** (ratio to Maeda Corp.[consolidated])

## ② FY22 Results and FY22 Forecast of each segments (P.9-29)

### Building Construction & Civil Engineering Segment (P.9-17)

- We expects to receive orders for large projects of Building construction with high profit margins this year, and **7% profit margin of orders received planned for the full year is expected to be secured.**
- Sales and profit of the Building Construction segment is expected to increase year-on year, from the previous year, although some progress in profitable backlogs have been delayed.
- Profit margins of the Civil Engineering segments is expected to high profit margins as in the previous year, although some progress in profitable backlogs have been delayed.

### Infrastructure Management Segment (P.18-22)

- **Both 2Q results and full-year forecast achieved significant year-on-year increases in sales and profits.**
- Following Osaka City Industrial Water concession, our consortium **signed a basic agreement of Miura City Public Sewerage (Eastern Treatment Area)Operation Project.** (Preparations underway for opening in April next year.)

### Road Civil Engineering Segment (P.23-26)

- **In 2Q, profits decreased year-on-year** due to inability to absorb higher raw material costs caused by high crude oil prices and weaker than expected yen ,although we have been raising the selling price of asphalt mixture.
- As shipments will be concentrated in the second half, **further price increases are expected to performance improvement.**

# 1. Points

## Machinery Segment (P.27-29)

- **In 2Q, sales and profits were at the same level year-on-year.** The impact of component supply delays and material price hikes was limited due to strong sales of crawler cranes and our own products are steady strong.
- Despite concerns about the impact of delays in component supplies through the second half, demand remains strong **and full-year results are expected to be on par with the previous year.**

## ③ Return Politics for shareholder (P.8)

- Following the acquisition of 20 billion yen of treasury stock in FY21, we plan to **acquire 10 billion yen of treasury stock will be acquired during FY22 and retire it as soon as possible.** (Announced on August 10, 2022)

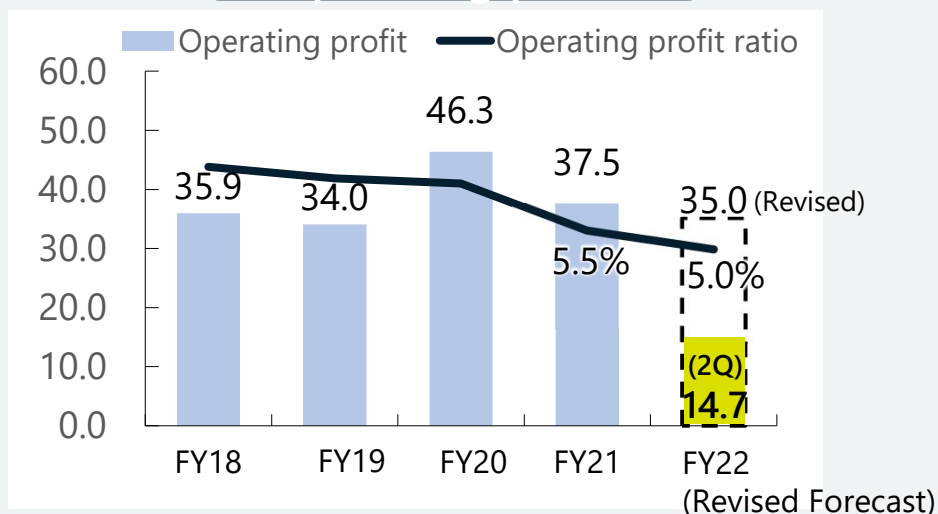
## ④ Cross-shareholdings (P.8)

- **Sales in progress** with a target of approx. 20 billion yen in FY22. (25.5% as of 2Q, 21.1% if 20 billion yen is sold).
- **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

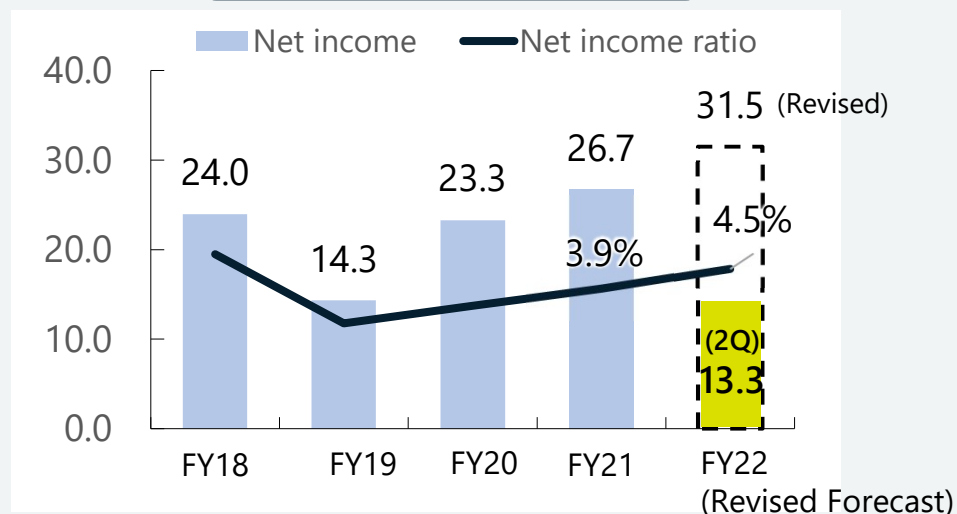
- **Net income for the full year is expected to be a record high.** (ratio to Maeda Corp.[Consolidated])
- Operating profit and Added value are expected to be at the same level year-on-year.

### Operating profit

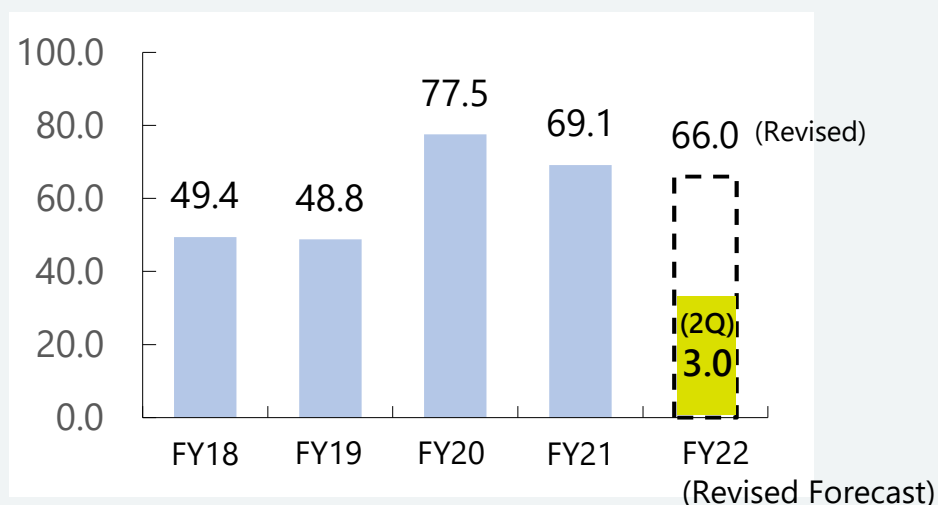


### Net income

(Billions of Yen)

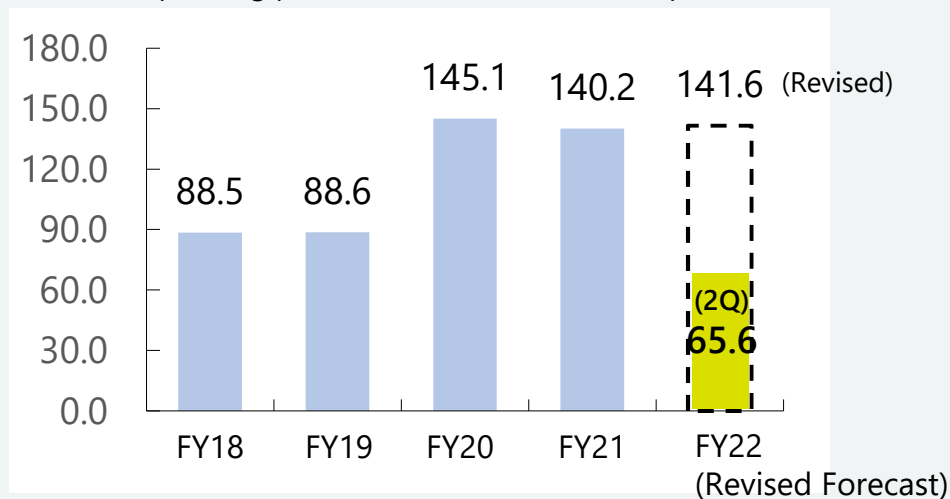


### EBITDA



### Added value

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



### 3. Overview

- In 2Q, **sales and profits increased year-on-year** due to sale of one wind power generation project.
- Although we revised forecast due to delay of progress in backlogs, **net income for the full year is expected to be a record high** due to selling of cross-shareholdings. (ratio to Maeda Corp.[consolidated])

(Billions of Yen)

	Maeda Corp. [Consolidated]	INFRONEER Holdings				INFRONEER Holdings				
	FY21 2Q Results	FY22		YoY	Progress	FY21 Results ①	FY22			YoY ③-①
		2Q Results					Forecast ②	Revised Forecast ③	+/- ③-②	
Net sales	308.2	313.5	0.5	42.9%	682.9	730.6	705.0	△2.6	2.2	
Gross profit	35.6 (11.6%)	42.8 (13.7%)	0.7	43.5%	91.6 (13.4%)	98.5 (13.5%)	92.1 (13.1%)	△0.6	0.0	
SG&A	26.5 (8.6%)	28.1 (9.0%)	1.6	50.3%	54.1 (7.9%)	55.9 (7.7%)	57.1 (8.1%)	0.1	0.3	
Operating profit	9.1 (3.0%)	14.7 (4.7%)	0.6	34.5%	37.5 (5.5%)	42.6 (5.8%)	35.0 (5.0%)	△0.8	△0.2	
Non-operating profit	1.7 0.55%	3.0 (0.9%)	0.1	80.0%	4.1 (0.6%)	3.7 (0.5%)	4.6 (0.7%)	0.1	0.1	
Non operating expenses	1.7 0.55%	1.6 (0.5%)	△0.0	55.4%	3.5 (0.5%)	2.9 (0.4%)	2.8 (0.4%)	△0.0	△0.1	
Ordinary profit	9.2 (3.0%)	16.0 (5.1%)	0.7	36.9%	38.0 (5.6%)	43.5 (6.0%)	36.8 (5.2%)	△6.7	△0.1	
Extraordinary income	3.2 (1.0%)	3.1 (1.0%)	△0.0	—	8.5 (1.2%)	—	—	—	—	
Extraordinary losses	0.3 (0.1%)	0.3 (0.1%)	0.0	—	2.0 (0.3%)	—	—	—	—	
Net Income	4.8 (1.6%)	13.3 (4.2%)	0.8	41.0%	26.7 (3.9%)	32.4 (4.4%)	31.5 (4.3%)	△0.1	0.5	
Equity	267.6	—			346.9	—	—			
ROE	—	—			7.7%	—	—			
EPS	—	—			9.5	12.3	12.2			



## 4. Segment Net Sales and Gross Profit

(Billions of Yen)

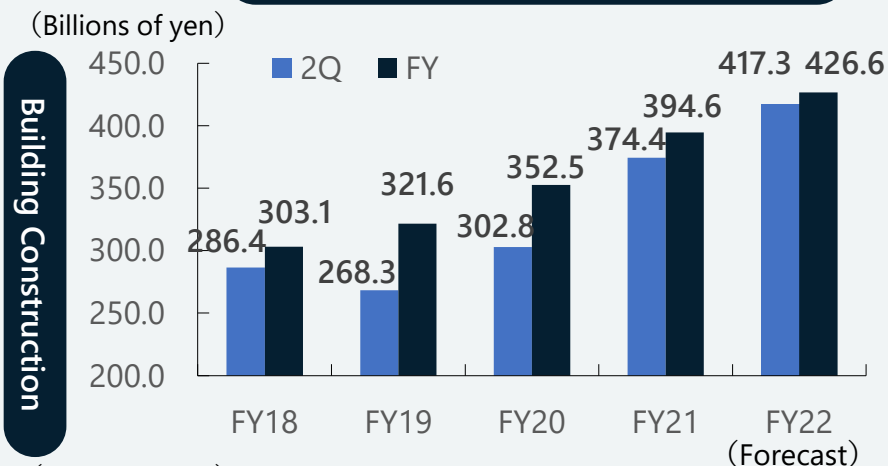
Maeda Corp. (Consolidated ※)  FY21 2Q Results		INFRONEER		INFRONEER				
		FY22 2Q Results	Progress	FY21 Results ①	FY22			YoY ①-③
					Forecast ②	Forecast (Revised) ③	+/- ②-③	
308.2	Net sales	313.5	44.5%	682.9	730.6	705.0	△ 25.6	22.1
115.9	Building Construction	86.9	38.1%	216.1	238.3	228.4	△ 9.9	12.3
61.0	Civil Engineering	68.6	46.6%	142.6	155.6	147.0	△ 8.6	4.4
105.4	Road Civil Engineering	109.1	46.2%	232.8	240.1	236.0	△ 4.1	3.2
16.2	Machinery	16.3	45.9%	35.3	35.5	35.522	0.0	0.2
7.7	Infrastructure Management	14.7	68.5%	18.7	21.7	21.5	△ 0.2	2.8
2.0	Others	17.9	48.8%	37.4	39.5	36.6	△ 2.9	△ 0.8
35.6 (11.6%)	Gross profit	42.8 (13.7%)	46.5%	91.7 (13.4%)	98.5 (13.5%)	92.1 (13.1%)	△ 6.4	0.5
10.1 (8.7%)	Building Construction	7.4 (8.5%)	30.8%	23.4 (10.8%)	25.9 (10.9%)	24.0 (10.5%)	△ 1.9	0.6
9.7 (15.8%)	Civil Engineering	13.7 (20.0%)	53.9%	26.0 (18.3%)	24.1 (15.5%)	25.4 (17.3%)	1.3	△ 0.6
9.3 (8.9%)	Road Civil Engineering	8.1 (7.4%)	38.7%	22.5 (9.7%)	26.3 (11.0%)	21.0 (8.9%)	△ 5.3	△ 1.5
3.1 (19.0%)	Machinery	3.4 (20.6%)	44.6%	7.4 (20.9%)	7.5 (21.2%)	7.5 (21.1%)	0.0	0.2
2.2 (29.0%)	Infrastructure Management	8.6 (58.3%)	85.9%	7.6 (40.6%)	10.0 (46.1%)	10.0 (46.5%)	0.0	2.4
1.2 (58.5%)	Others	1.7 (9.4%)	40.1%	4.8 (12.8%)	4.7 (11.8%)	4.2 (11.5%)	△ 0.5	△ 0.6
9.1 (3.0%)	Operating profit	14.7 (4.7%)	42.0%	37.5 (5.5%)	42.6 (5.8%)	35.0 (5.0%)	△ 7.6	-2.5
1.5 (1.3%)	Building Construction	△ 0.2 -(0.2%)	-1.7%	9.2 (4.2%)	11.6 (4.9%)	8.8 (3.9%)	△ 2.8	△ 0.4
4.4 (7.2%)	Civil Engineering	8.2 (11.9%)	58.0%	15.2 (10.6%)	13.8 (8.9%)	14.1 (9.6%)	0.3	△ 1.1
0.0 (0.0%)	Road Civil Engineering	△ 1.8 -(1.7%)	-138.6%	3.3 (1.4%)	5.8 (2.4%)	1.3 (0.6%)	△ 4.5	△ 2.0
0.8 (5.1%)	Machinery	0.6 (3.5%)	38.5%	1.8 (5.2%)	1.5 (4.2%)	1.5 (4.2%)	0.0	△ 0.3
1.4 (18.7%)	Infrastructure Management	7.6 (51.8%)	95.5%	6.1 (32.6%)	8.2 (37.8%)	8.0 (37.2%)	△ 0.2	1.9
1.0 (51.0%)	Others	0.3 (1.4%)	19.3%	1.9 (5.1%)	1.7 (4.3%)	1.3 (3.6%)	△ 0.4	△ 0.6

※Previous Segment : See p. 35 for details on segments.

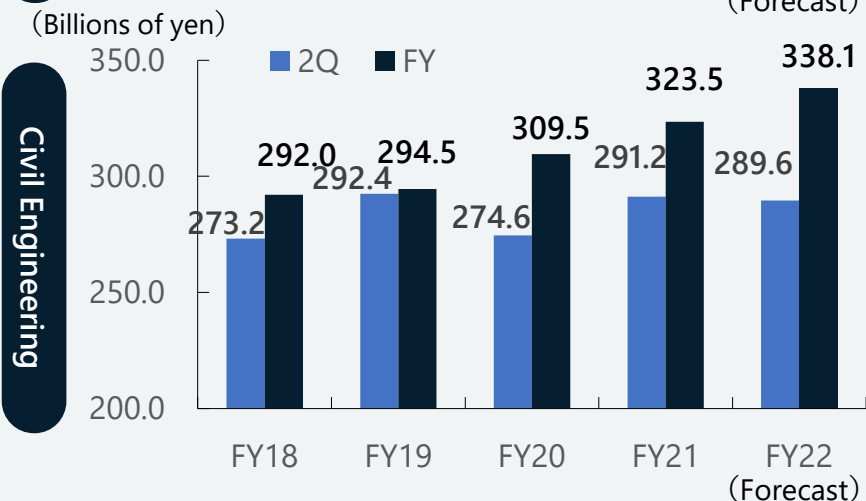
## 5. Transition of Contract Backlogs (Building Construction and Civil Engineering)

- Contract backlogs is **record high level** at 2Q.
- Although the profit margin of orders received for Building construction temporarily had been declined in 1Q due to rising prices, it recovered to 6.0% at 2Q due to fulfill estimates and order changes as planned. It is expected that it will continue to recover smoothly in the second half year later.
- Profit margin of orders received is thoroughly controlled due to **secure profit at early phase of the projects (ex. stable customer, securing design-build projects and information of large projects)** and negotiation for rising price.

### Transition of contract backlogs



### Transition of orders and profit margin





## 6. Results and Forecast of Capital Strategies & Return Policies (at FY22 2Q)

### Shareholder returns

- Following the acquisition of 20 billion yen of treasury stock in FY21, we plan to **acquire 10 billion yen of treasury stock will be acquired during FY22 and retire it as soon as possible.** (Announced on August 10, 2022)

### Cross-shareholdings

- Sales in progress** with a target of approx. 20 billion yen in FY22. **(25.5% as of 2Q, 21.1% if 20 billion yen is sold).**
- 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 2Q)	Notes
Capital efficiency	ROE	9.5%	—	—
Optimal capital structure	Equity ratio	More than 30%	39.3%	At FY22 2Q
	D/E ratio	Less than 0.6 times	0.5 times	At FY22 2Q
Shareholder returns	Dividend payout ratio	More than 30%	32.2% (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	—	65.9% (forecast)	FY22 forecast Dividend payout ratio 32.2% Share buybacks 31.7% Dividends for the Earth 2.0%
Asset efficiency	Cross-shareholdings/ Net assets rate	Less than 20%	25.5%	Sale of approx. 4.5 billion yen in progress at 2Q FY22 1Q 27.6% → FY22 2Q 25.5% 25.5% at 2Q/If 20 billion yen could be sold, the rate would be 21.1%.
	Sales of assets	Consider sale or integration of inefficient assets by examining the usage status of group-owned assets.		

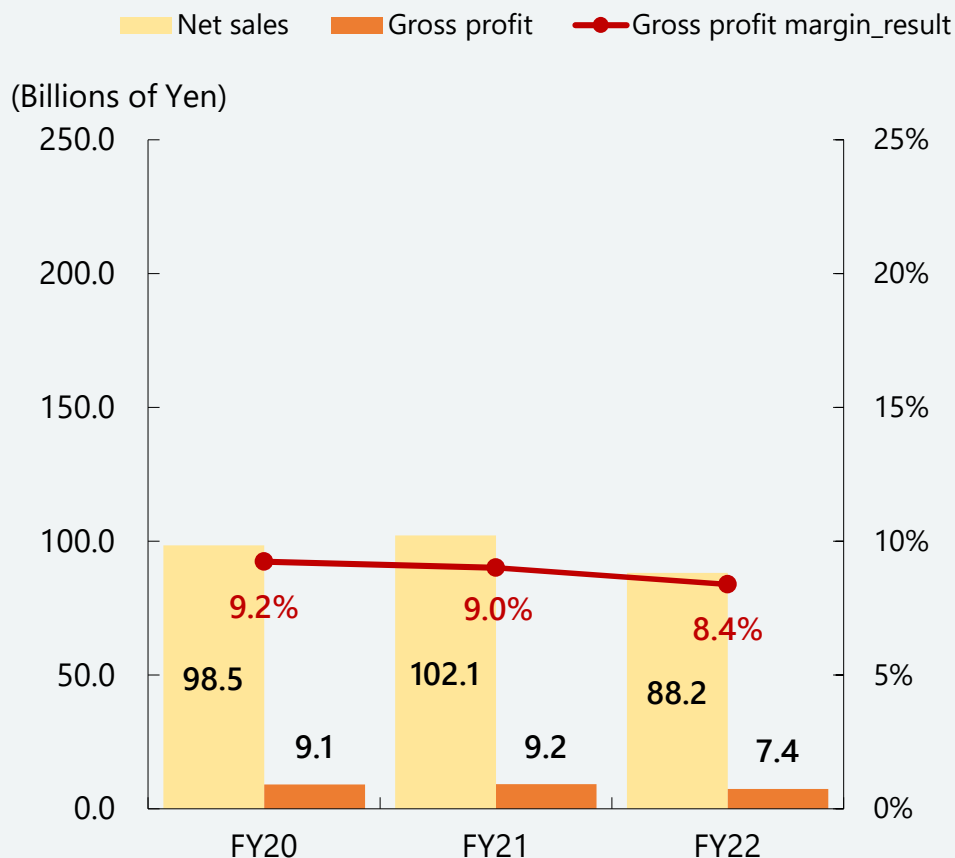
## Segment Highlights

<b>Building Construction</b>	Civil Engineering	Infrastructure Management
Road Civil Engineering	Machinery	Others

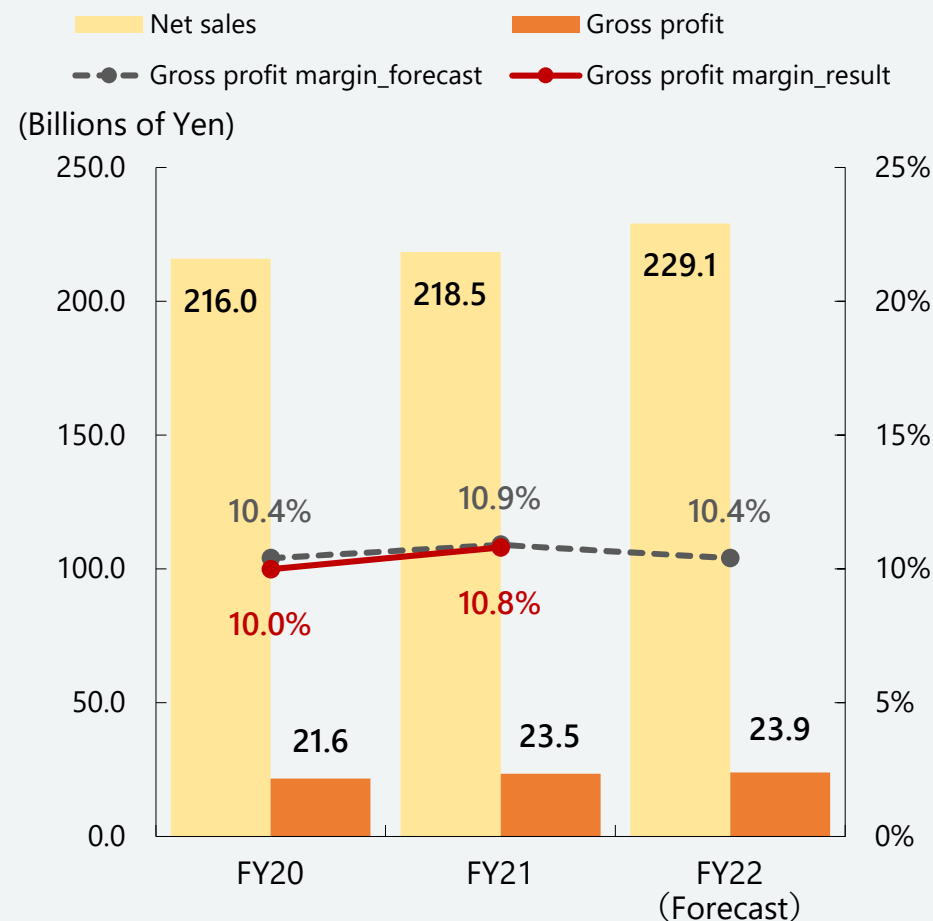
# 1. Net sales and Gross Profit ( Maeda Corp. Non-Consolidated )

- FY22 2Q There has been a delay in progress of net sales of complete construction contracts, due to delay of construction starts and revision of construction planning.
- FY22 FY Net sales and gross profit of complete construction contracts are expected to recover, because some large construction projects will complete in the second half year.

2Q\*



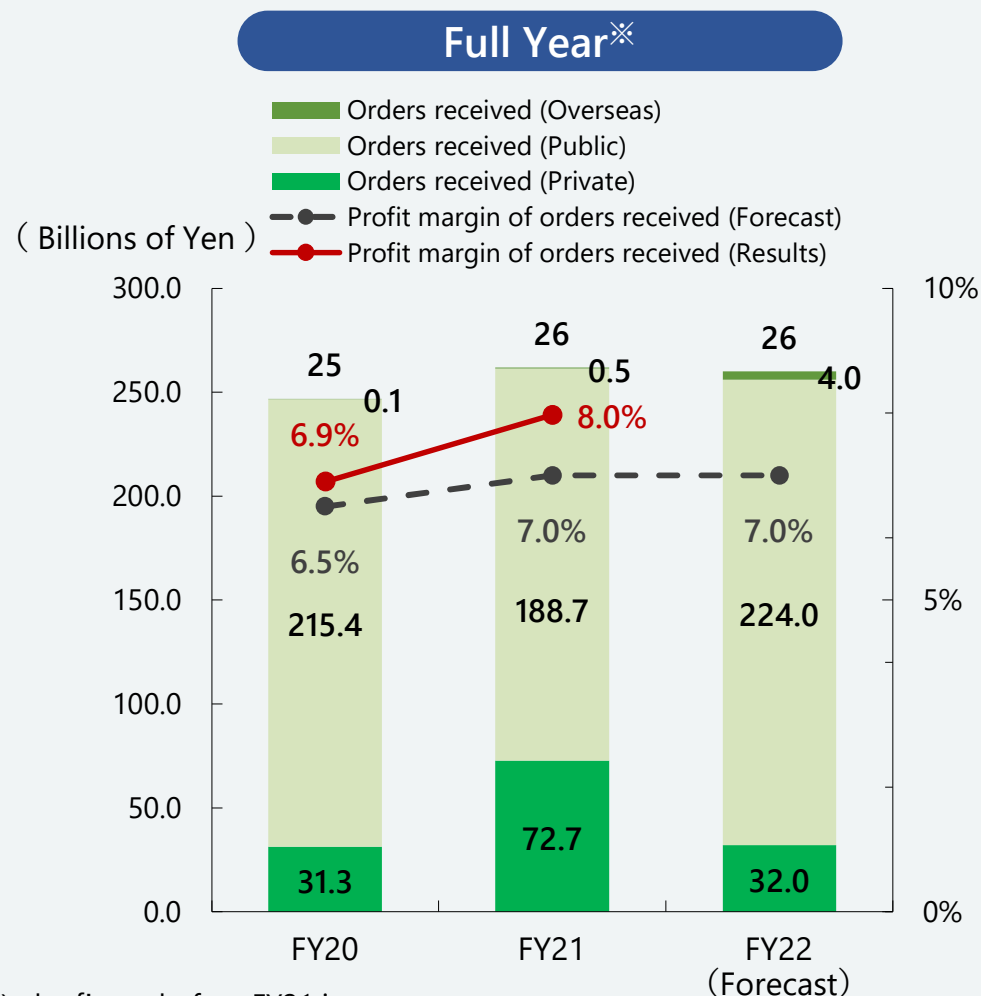
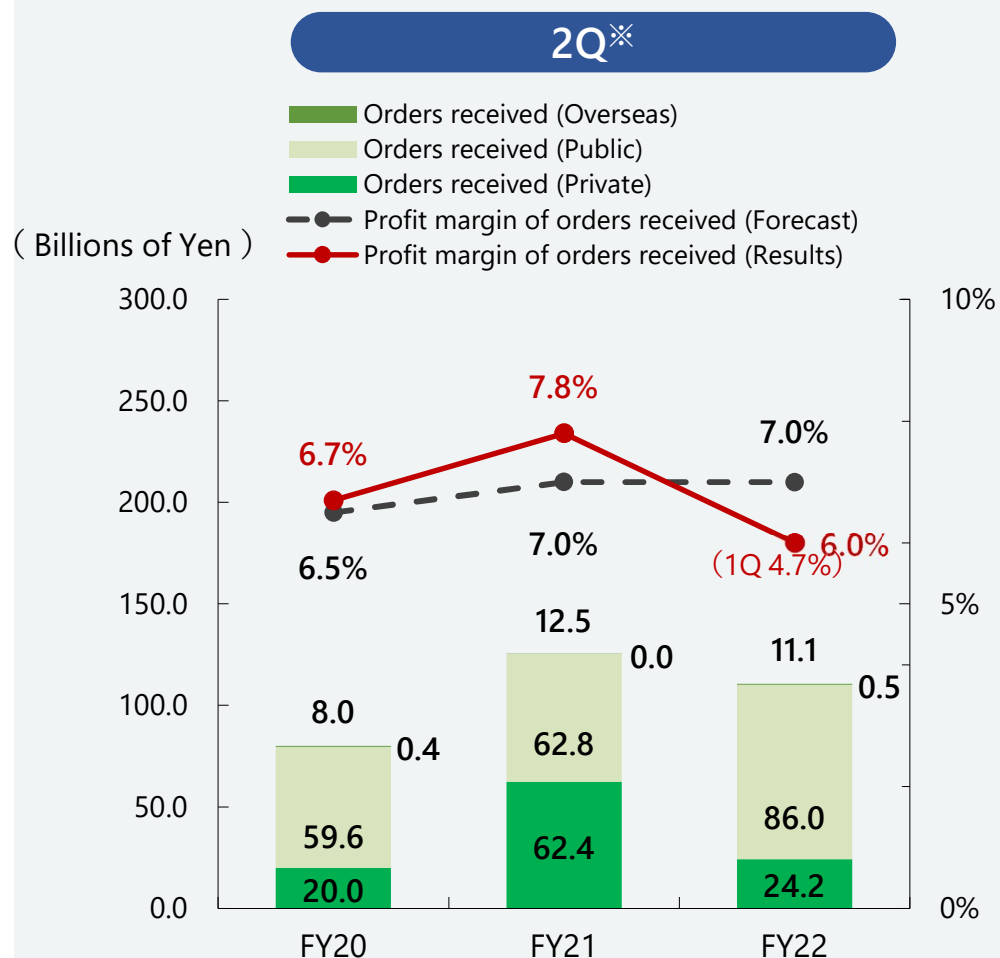
Full Year\*



※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 2Q profit margin on orders for Building construction temporarily had been declined in 1Q due to rising prices, it recovered to 6.0% at 2Q due to fulfill estimates and order changes as planned.
- FY22 FY We expects to receive orders for large projects of Building construction with high profit margins this year, and **7% profit margin of orders received planned for the full year is expected to be secured.**



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

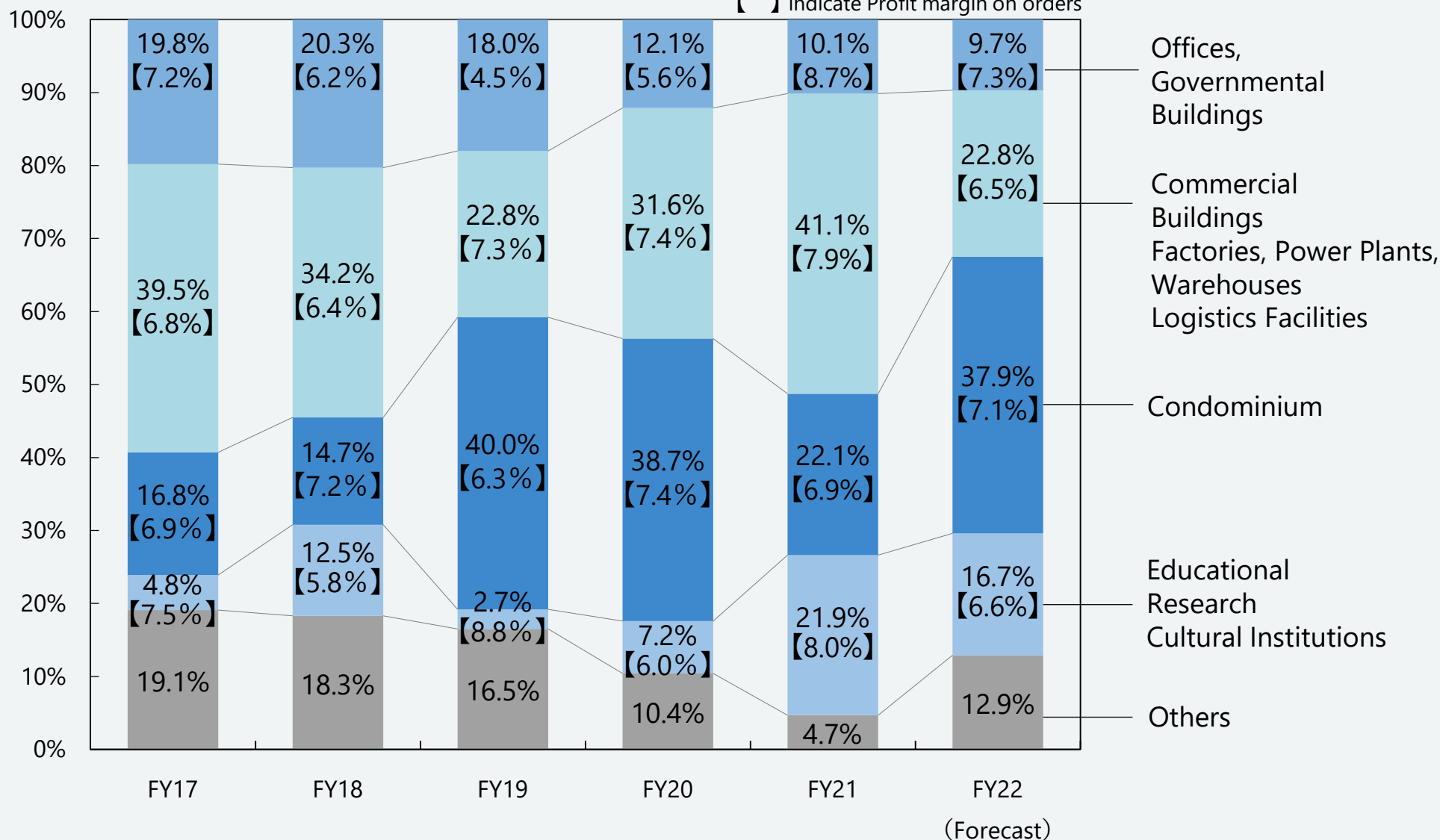
※2 Overseas figure is calculated by the foreign exchange rate at the time.

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

- FY22 FY It is expected that the constitution ratio of "Condominium" will go up by accepting plural orders of large redevelopment projects.  
The ratio of "Factories" and "Warehouses" will also go up and rank next to "Condominium".

Order ratio

【 】 indicate Profit margin on orders



4. <Topics> “Strengthen the Orders for Large Redevelopment Projects / Green Factory Initiatives”

New construction of facility buildings, etc. associated with urban redevelopment project of Minami Ikebukuro 2-C District Type 1 Urban Area (North district)



This project aims to create a bustling, safe and comfortable community through utilize the characteristics of the location adjacent to the Ikebukuro subcenter. Also, it use high-level land to serve as a hub for the Higashi-Ikebukuro Station area. The 52-story, 190-meter-high skyscraper will have 878 residential units, as well as public facilities and shops

Orderer : Minami Ikebukuro 2-C Urban Area Redevelopment Association

Item	Apartment buildings, public utility facilities, shops, etc.
Structure and scale	RC constructure, 2 basement levels, 52 above ground
Total floor space	111,877㎡
Construction period	Oct. 2022 ~ Mar. 2026

(Tentative) Yorozu Corporation Construction of the first phase of the new plant at Tokai PJT



Construction of a manufacturing plant for automobile parts in Wanouchi-cho, Anpachi-gun, Gifu Prefecture. As an "environmentally friendly" factory, it aims to achieve zero emissions by electrifying all energy sources through the use of solar power generation and other natural energy sources. In accordance with the concept of "coexistence with the local community," multi-purpose for the purpose of community interaction.

Orderer : Yorozu Corporation

Item	Plant
Structure and scale	Steel construction, 2 floors above ground and 2 floors below ground
Total floor space	18,786㎡
Construction period	Nov. 2022 ~ Feb. 2024



# Segment Highlights

Building Construction	<b>Civil Engineering</b>	Infrastructure Management
Road Civil Engineering	Machinery	Others

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

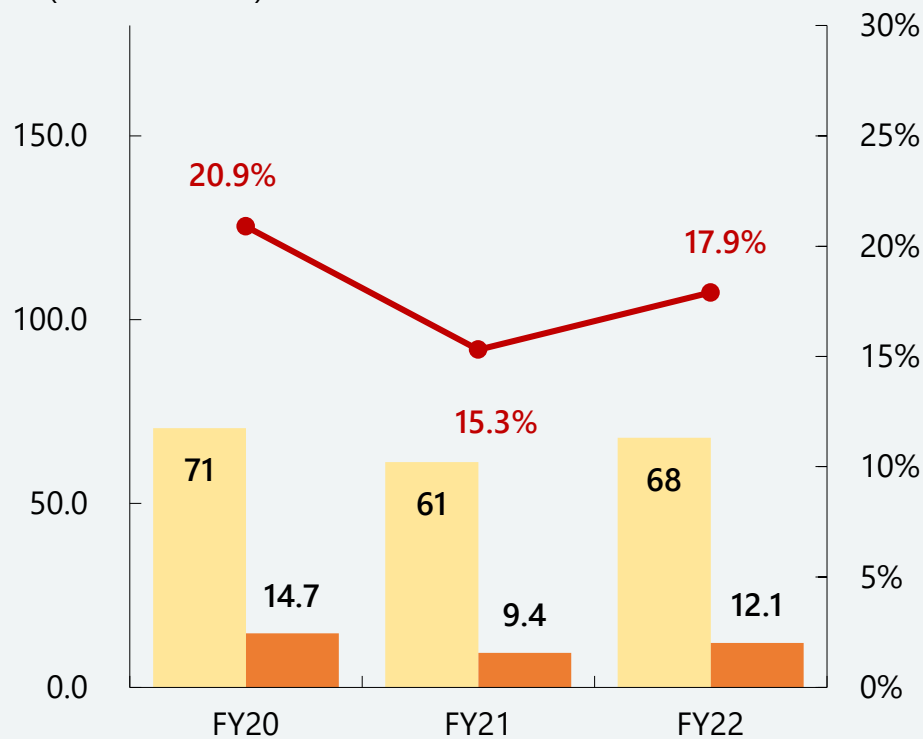
- FY22 2Q Sales and profits increased due to steady progress in profitable backlogs.
- FY22 FY Progress is expected to be made as planned. We attempt to increase sales and profits through obtaining further design change.

2Q\*

Full Year\*

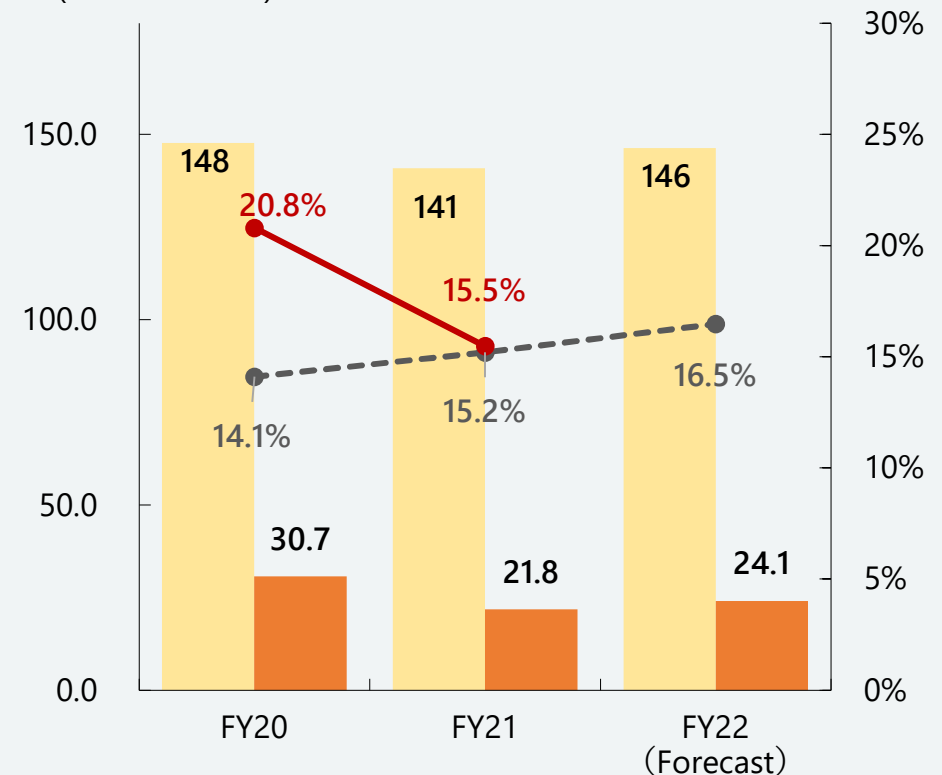
Net sales Gross profit Gross profit margin\_results

(Billions of Yen)



Net sales Gross profit  
Gross profit margin\_forecast Gross profit margin\_results

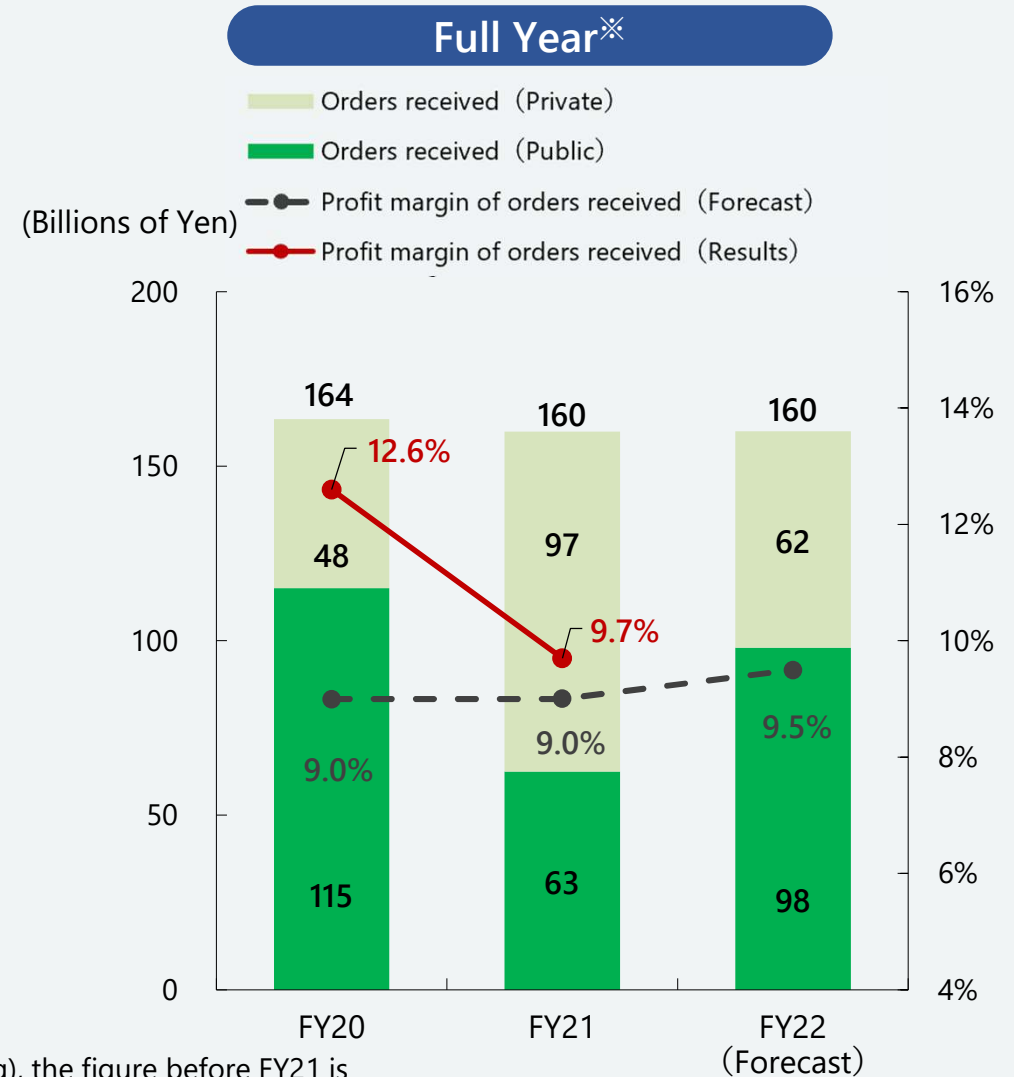
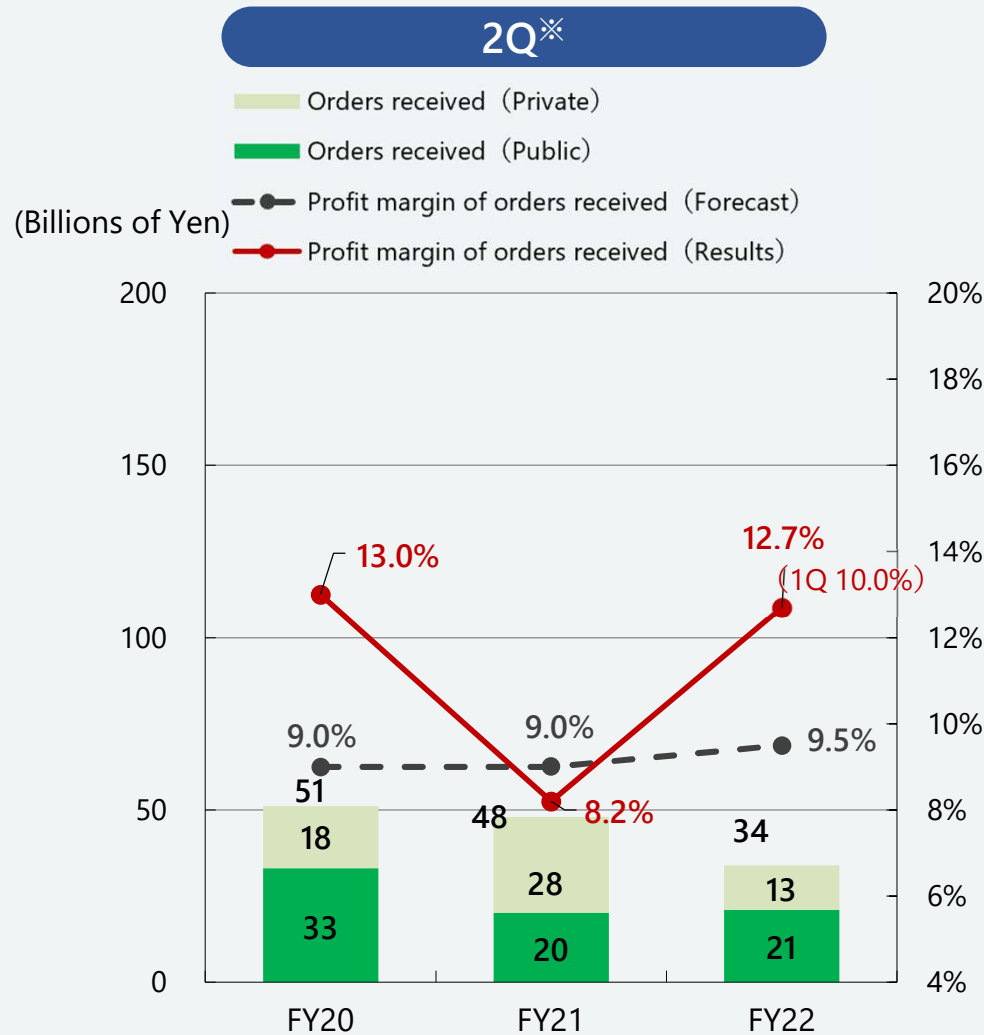
(Billions of Yen)



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

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

- FY22 2Q Orders received are progressing as planned and profit margin of orders received also maintains high standards.
- FY22 FY We expect to achieve full-year plan by securing orders for large projects that will be concentrated in the second half.



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

## 7. &lt;Topics&gt; Development of Technology to Eliminate Mountain Tunnel Industrial Accidents

### 「Fully Automatic Steel Shoring Erection Robot」 ～One-button operation for steel support erection～



Maeda Corp., FURUKAWA ROCK DRILL CO.,LTD., and MAC have improved and verified the jointly developed “steel support erection robot” for automation, and confirmed its operational performance for on-site application. Steel shoring can be erected with one button without relying on operator skill. We will contribute to the elimination of accidents caused by falling skin on the face and to the improvement of productivity in excavation work. 【patent pending】

#### ■ Awards Received

- 2018 JSCE/Civil Engineering and Construction Technology Presentation Outstanding Presentation Award
- 2019 JTA/Presentation of construction works experiences/Award for Excellence
- 2020 The 22<sup>nd</sup> National Land Technology Development Award/Award for Excellence
- 2022 The 10<sup>th</sup> ROBOT AWARD/Award for the Minister of MLIT

### 「 Automatic Loading System 」 ～Achieving Zero Face Entry Work in Blasting Operations～



Maeda Corp. and MAEDA SEISAKUSHO developed an “automatic loading system” that allows loading without the need for workers to enter the face with the cooperation of Asratec Corp., Kayaku Japan Co.,Ltd., and FURUKAWA ROCK DRILL CO.,LTD..

By combining this technology with our self-developed fully-automated steel support erection robot technology, we will continue to improve productivity to address the social issues of eliminating accidents caused by falling skin on the face of a cut and the shortage of skilled workers.. 【patent pending】

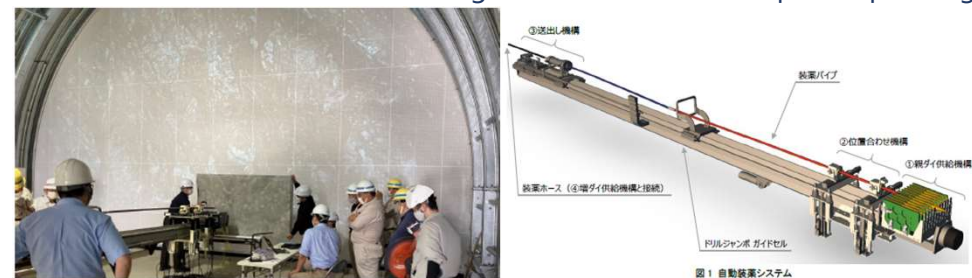


写真3 ICI総合センター模擬トンネル内 実証試験状況

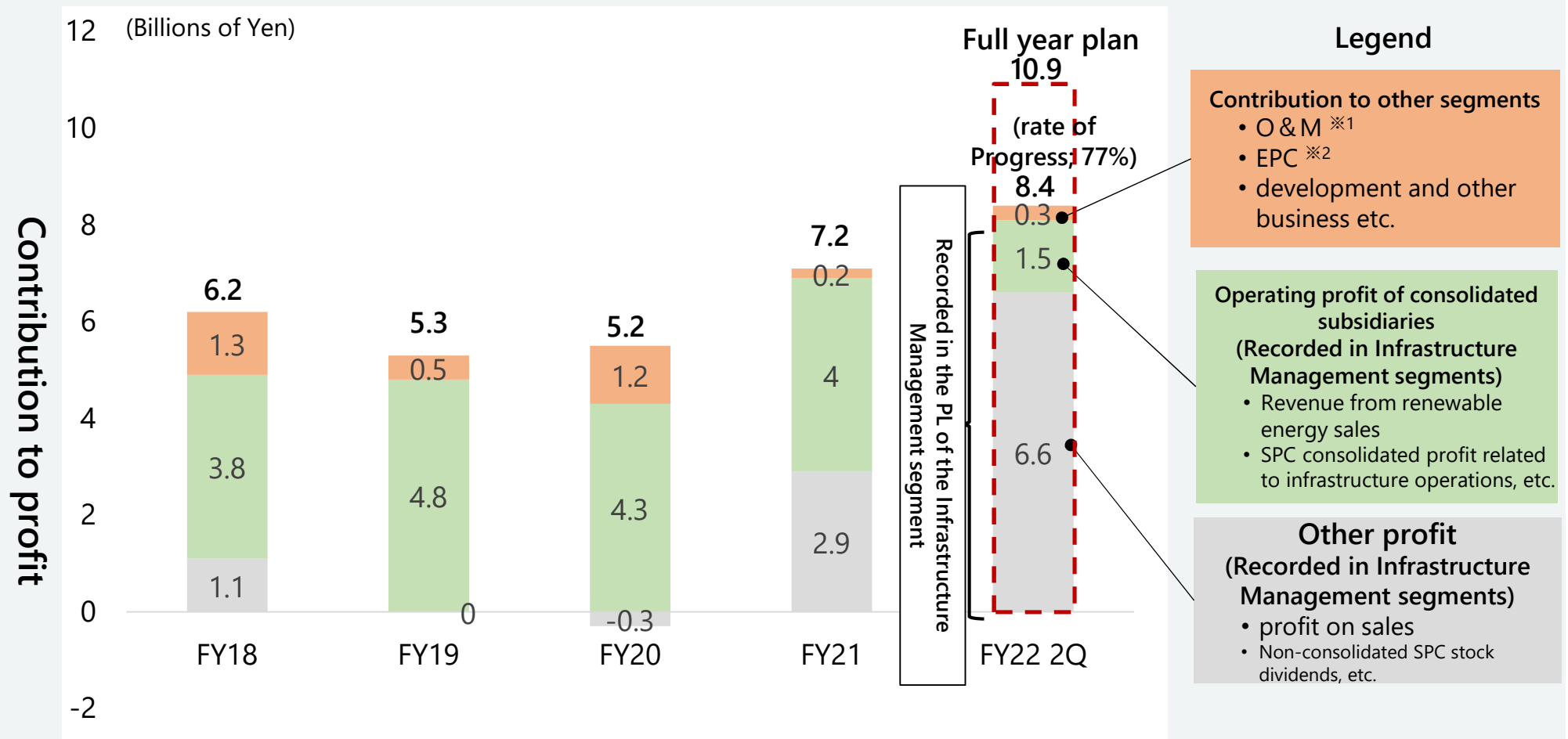
図1 自動装薬システム

## Segment Highlights

Building Construction	Civil Engineering	<b>Infrastructure Management</b>
Road Civil Engineering	Machinery	Others

## 8. Contribution to Consolidated profits

- We achieved significant year-on-year increases in sales and profits due to sale of one wind power generation project at 1Q.
- Basic agreement of Miura City Public Sewerage Concession was signed, and we are preparing to open for business next April.
- Contribution to consolidated profits of full year 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



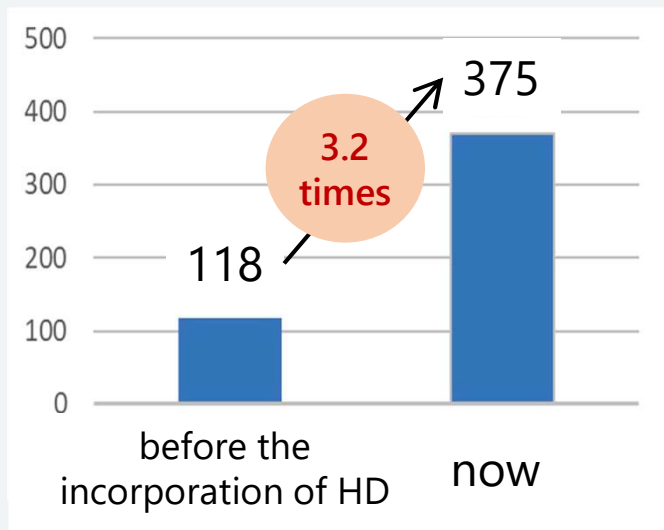
## 10. Initiatives achievements of PPP due to transition to HD structure

- After the incorporation of HD, **Maeda Corp., Maeda Road, MAEDA SEISAKUSHO, JM, and FBS have established a system to promote sales in each region in an integrated manner** in areas throughout the country

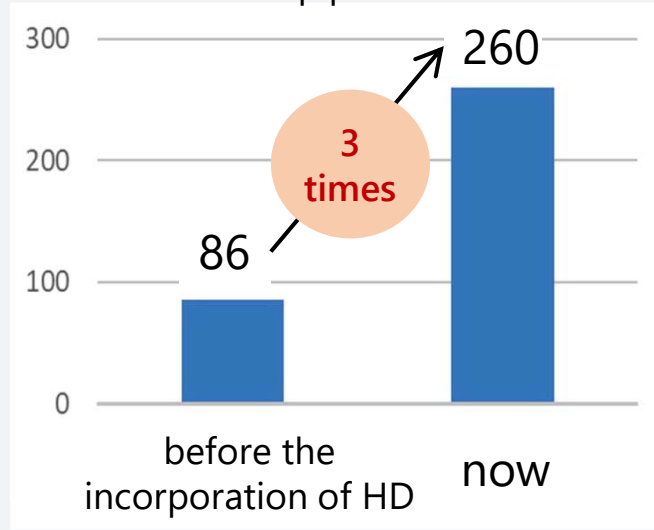
✓ **The municipal pipeline of PPP has expanded rapidly** over the past year.

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

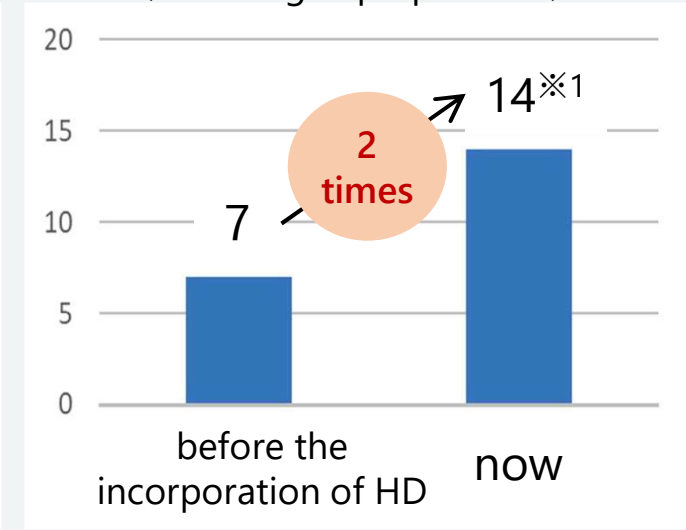
The number of PPP projects



The number of municipalities with pipelines



The number of operations (Including in preparation)

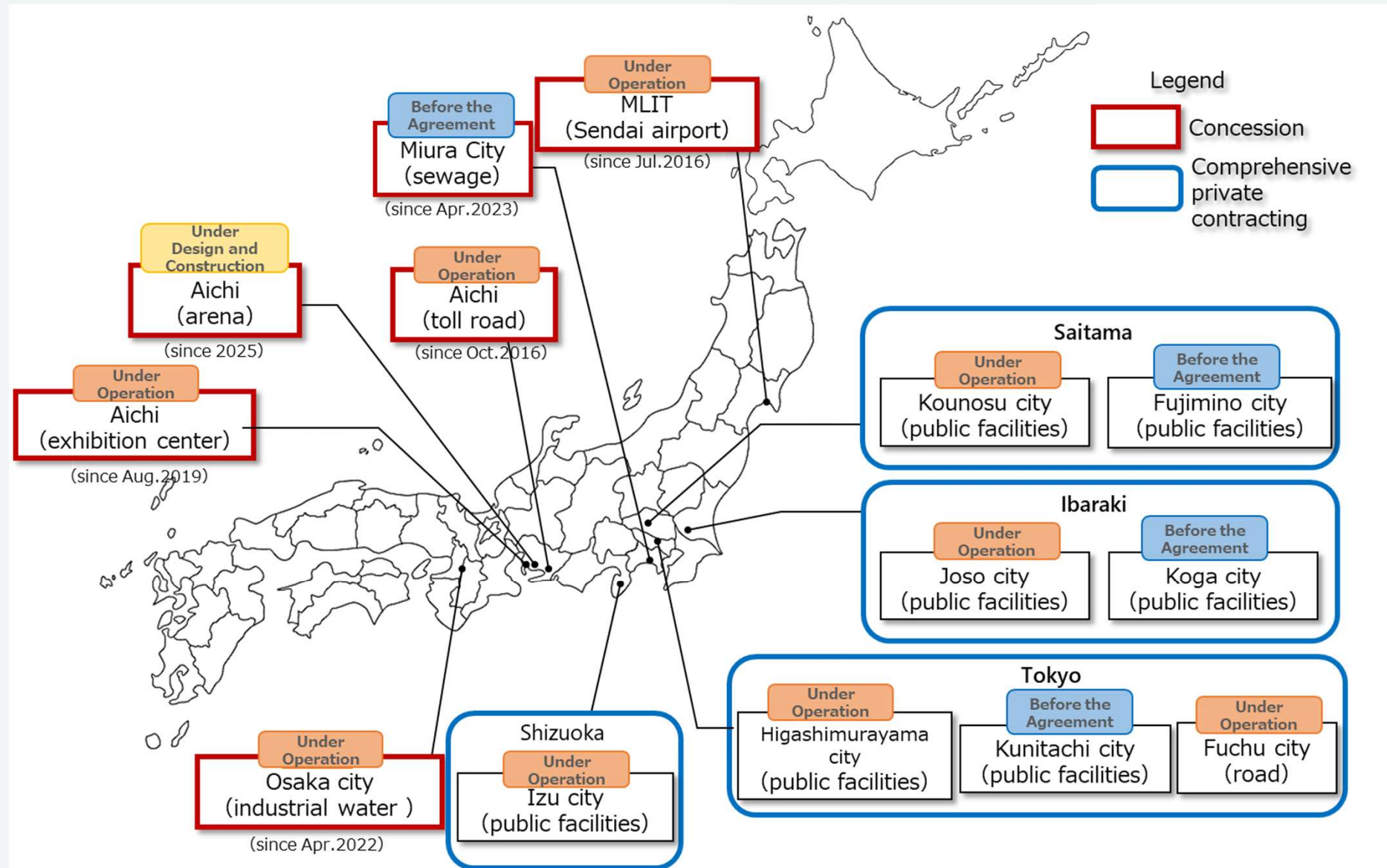


※1 ■ Concession under operation ; 4 cases before the agreement ; 2 cases  
 ■ Comprehensive private contracting under operation ; 5 cases before the agreement ; 3 cases

## 12. 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



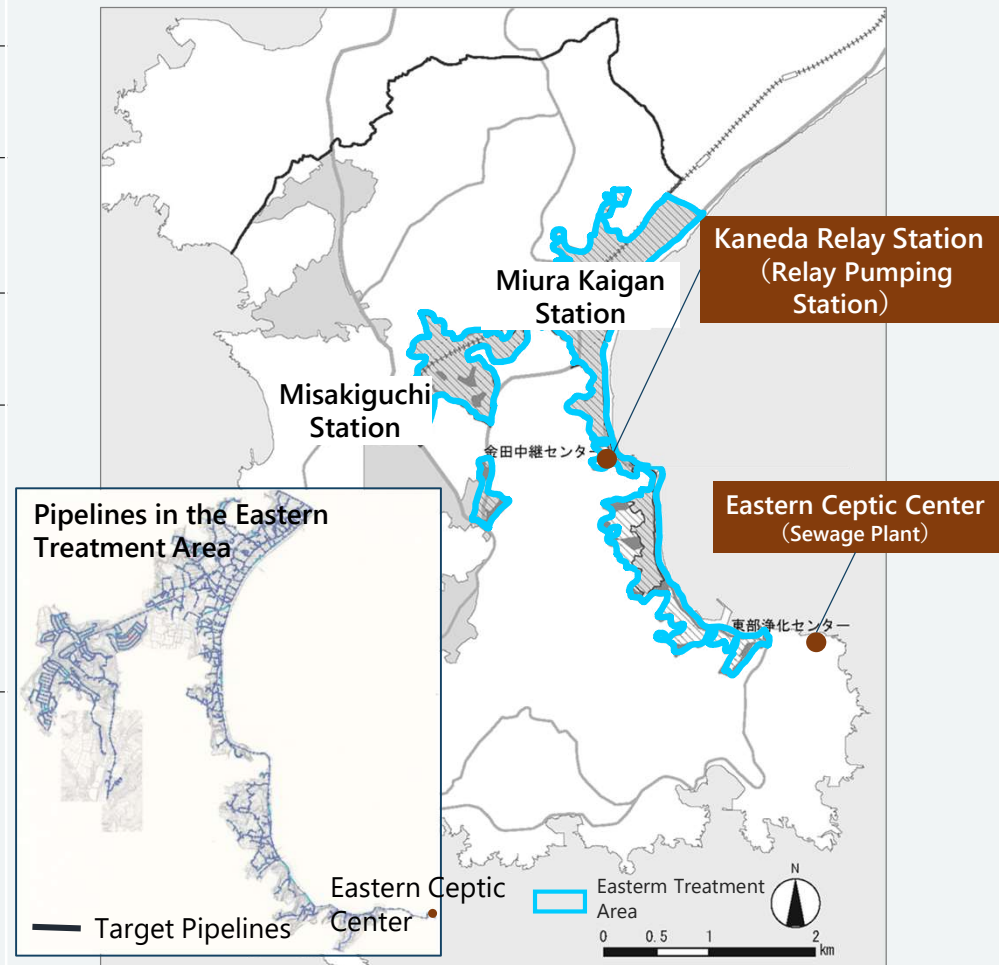
# 11. Miura Public Sewerage (Eastern Treatment District) Operation Project

**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

Order	Miura City
SPC	Miura Sewerage Consession 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"> <li>• Eastern Ceptic Center (Proccecing capacity : 8,050m<sup>3</sup> / day)</li> <li>• Kaneda Relay Station</li> <li>• Pipelines (Total length : 58 km ※main line : 8.45 km)</li> <li>• 14 manhole pumps</li> </ul>
Business Content	<ul style="list-style-type: none"> <li>• Management of public sewerage</li> <li>• Reconstruction (civil construction、electrical machinery、pipelines)</li> <li>• Maintenance management of treatment plant/pumping station/pipelines</li> <li>• Support for various planning (e.g. Sewerage Business Plan)</li> </ul>

■ Miura City Eastern Treatment Area

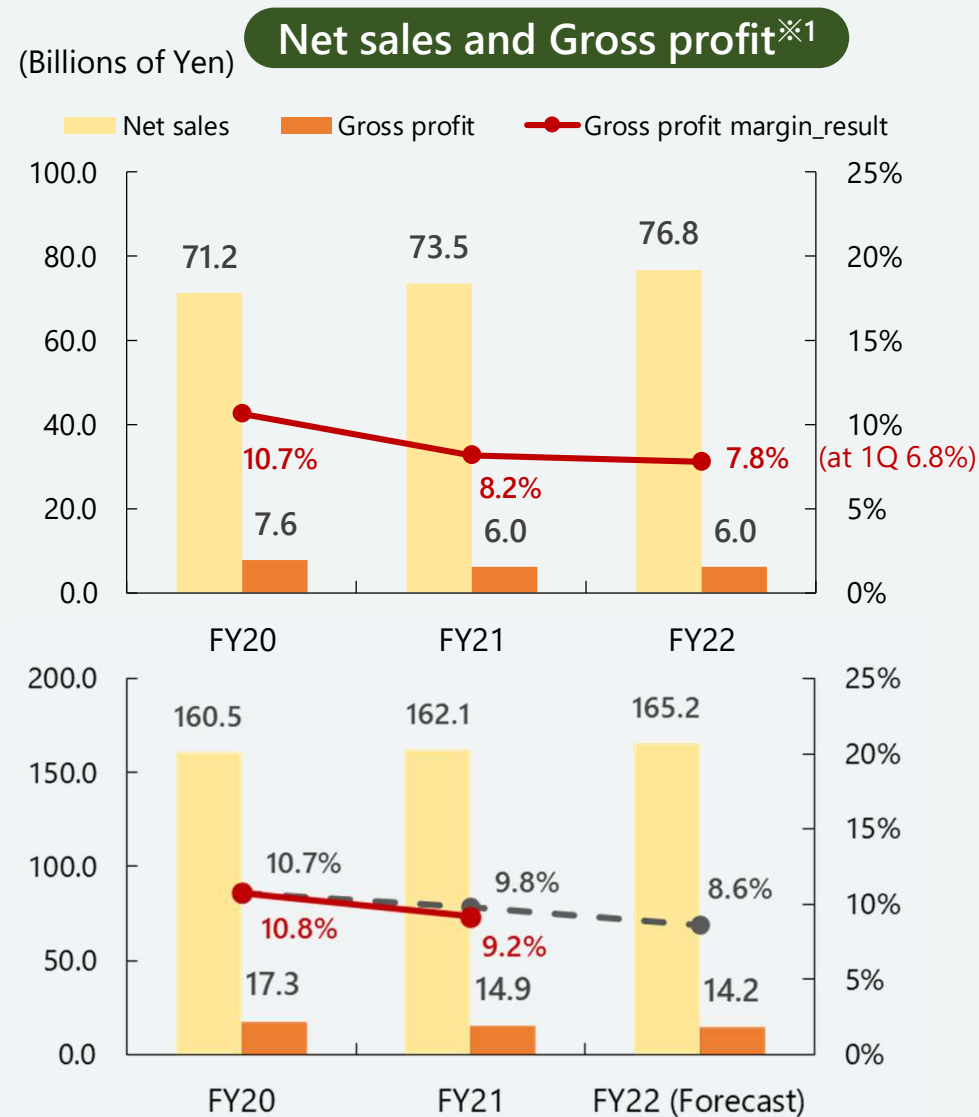
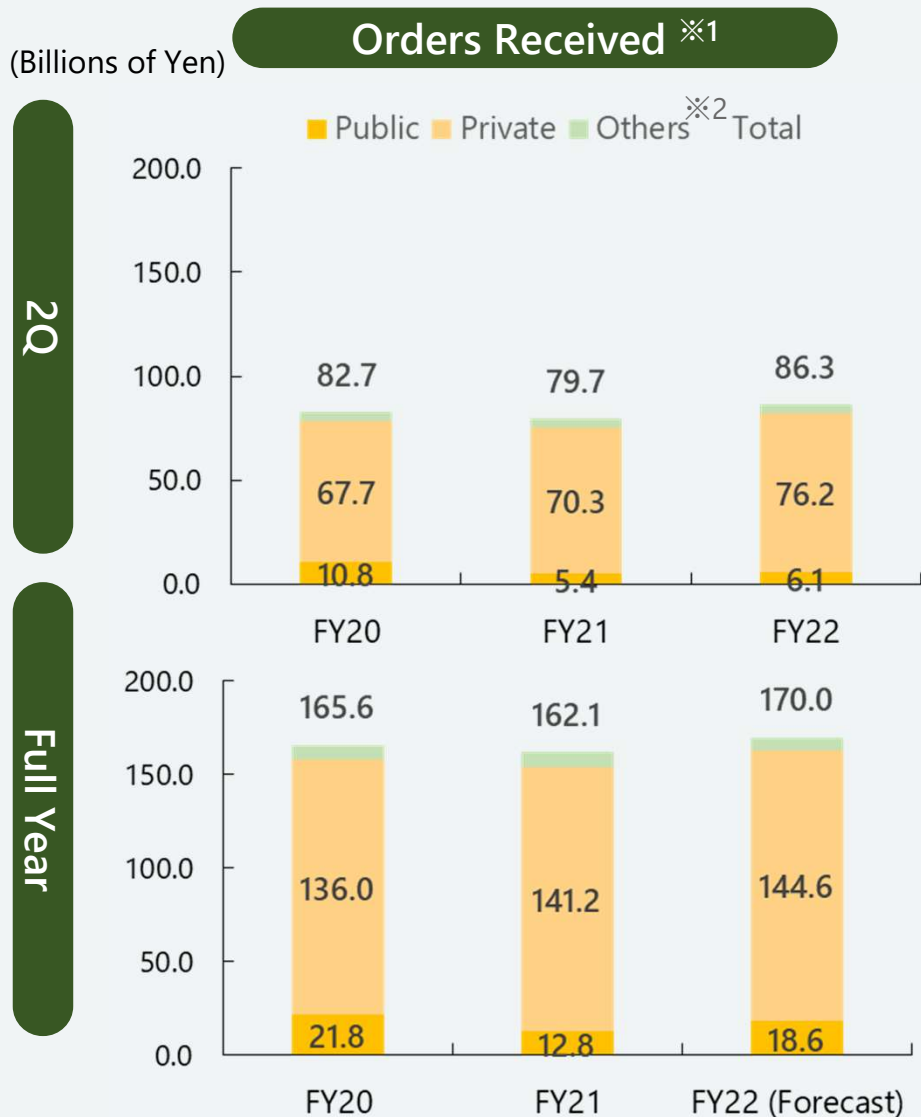


## Segment Highlights

Building Construction	Civil Engineering	Infrastructure Management
<b>Road Civil Engineering</b>	Machinery	Others

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

- FY22 2Q Profit decreased due to rising raw material costs in pavement construction.
- FY22 FY Performance is expected to improve as rising material costs will be passed on to estimated prices, when construction volumes are high in the second half.



\*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.

# 14. Net Sales and Gross Profit MAEDA ROAD Consolidated Manufacturing and Sales Business

- FY22 2Q Profit decrease year-on-year due to inability to absorb higher raw material costs caused by high crude oil prices and weaker than expected yen ,although we have been raising the selling price of asphalt mixture.
- FY22 FY As shipments will be concentrated in the second half, further price increases are expected to improved performance

**2Q**

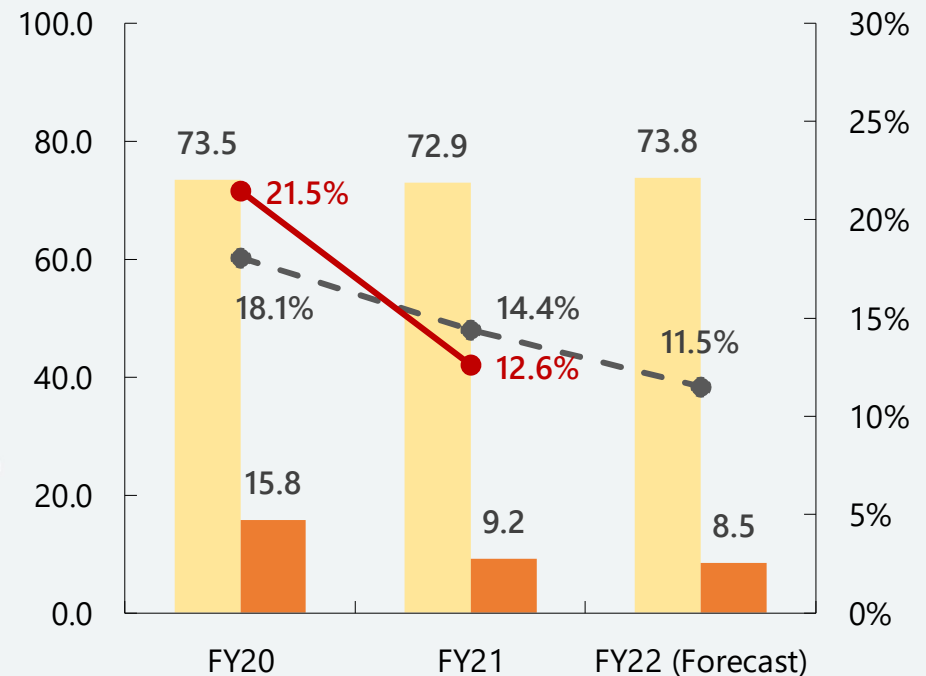
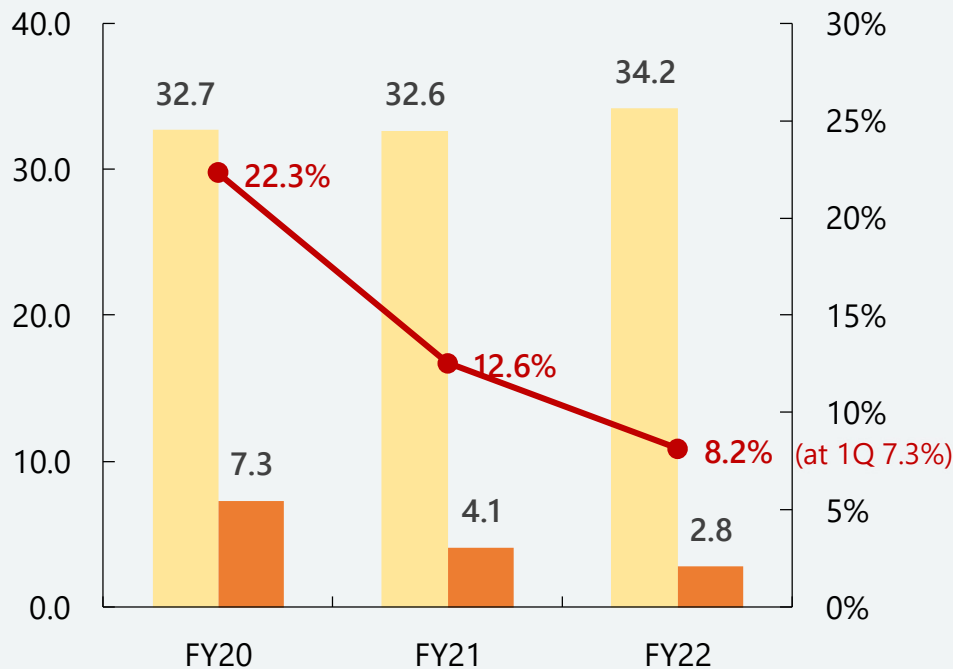
**Full Year\***

(Billions of Yen)

(Billions of Yen)

Net sales Gross profit Gross profit margin\_result

Net sales Gross profit  
Gross profit margin\_forecast Gross profit margin\_result

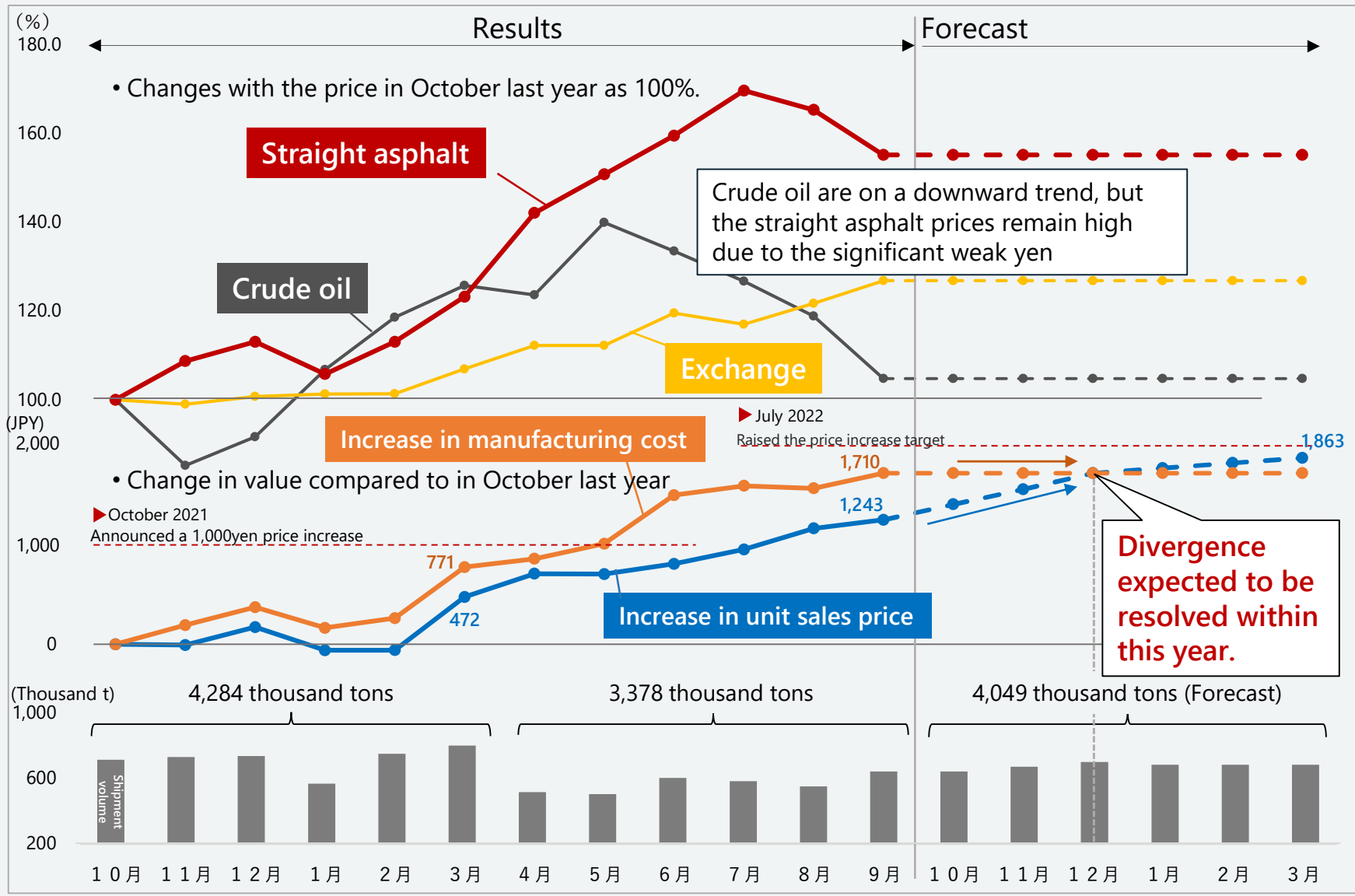


\*The figures are same as Maeda Road (consolidated) in the past, and do not take into account the consolidation and elimination within the INFRONEER Group.



# 15. The Impact of Soaring Prices (Road Civil Engineering)

- The current price of straight asphalt which is the main material of asphalt mixtures is expected to peak.
  - The gap between the "increase in manufacturing costs" and "Increase in unit sales price" compared to October last year is expected to be resolved within this year.
  - Profits are expected to improve as increased shipments to properties contracted after the price increase.
- < Cost components, manufacturing costs and unit selling prices, and volume of asphalt mixture shipped (Compared to October 2021) >



## Segment Highlights

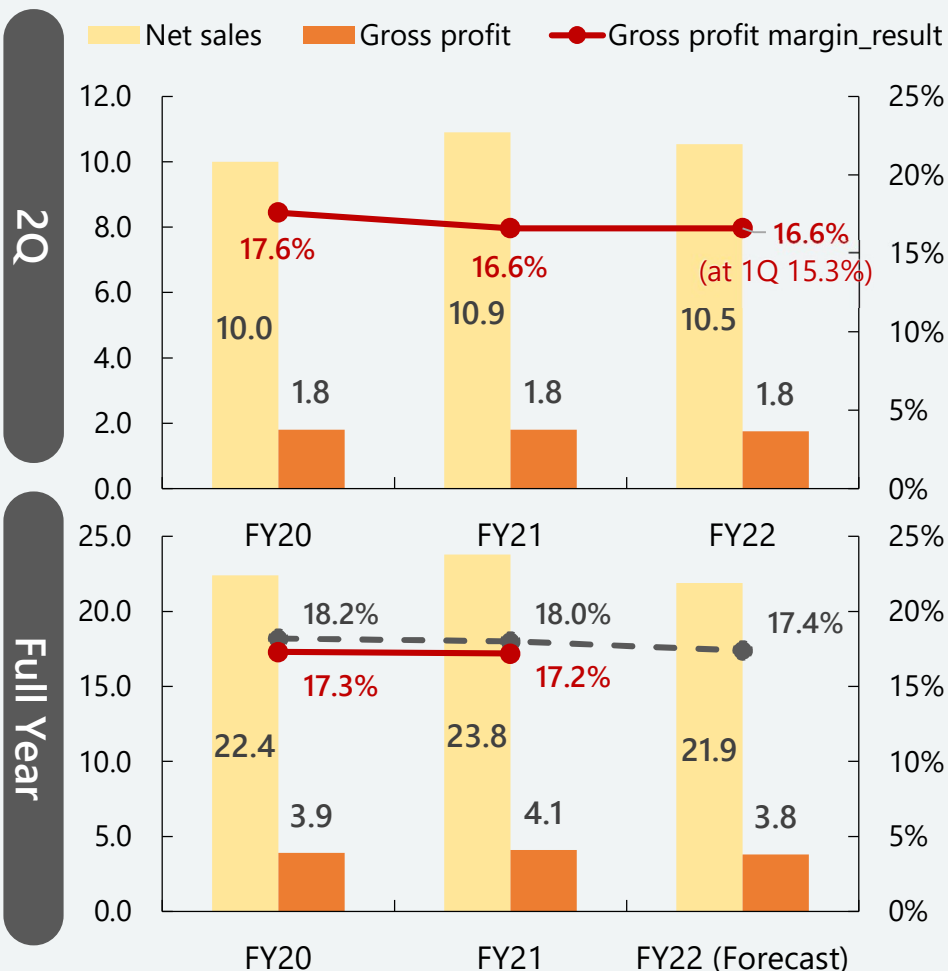
Building Construction	Civil Engineering	Infrastructure Management
Road Civil Engineering	<b>Machinery</b>	Others

# 16. Net Sales and Gross Profit<sup>※1</sup> MAEDA SEISAKUSHO (Consolidated)

- FY22 2Q Sales of crawler cranes and our own products are steady strong.
- FY22 FY Despite concerns about the impact of delays in component supplies through the second half, demand remains strong and full-year results are expected to be on par with the previous year.

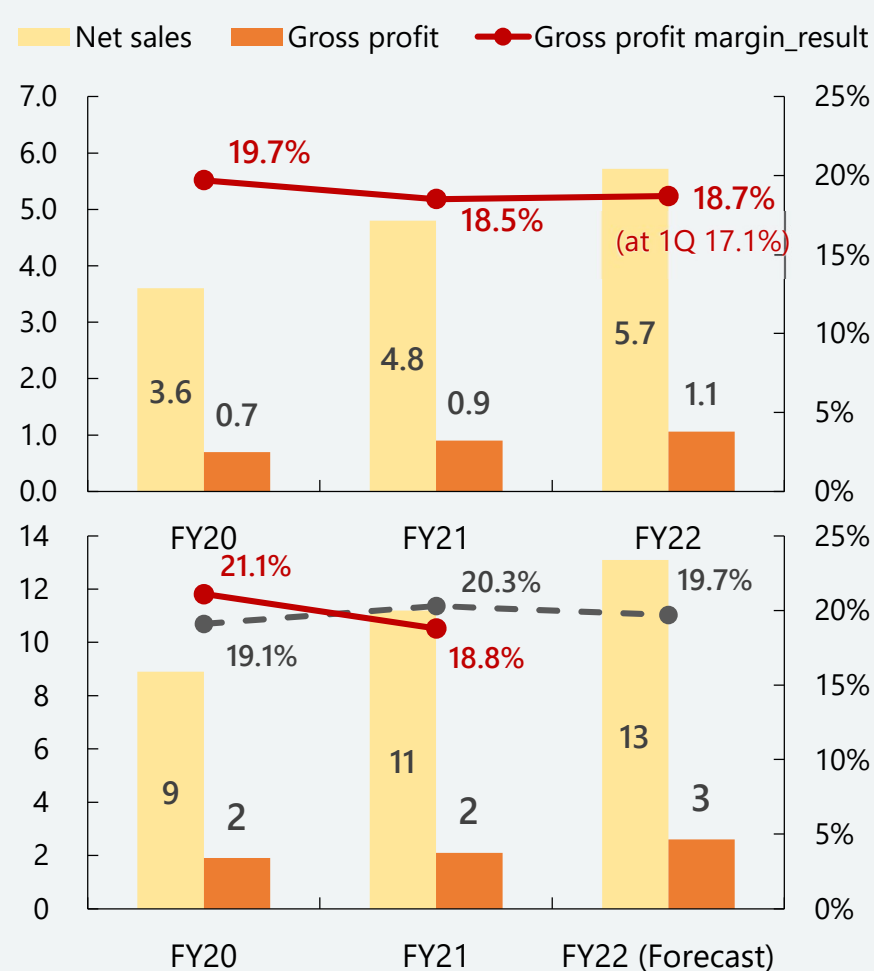
## Construction Machinery<sup>※2</sup>

(Billions of Yen)



## Industrial machinery & Steel Products<sup>※3</sup>

(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.

# 16. <Topics> “Bringing carbon neutral products to market”



## Zero Emissions

Ecological, Economical, and Efficient work by High- performance lithium-ion battery

■ Expansion carbon neutral product line-up for the European market with advanced environmental regulations

In response to the growing demand for carbon neutral products in Europe, we will expand its new product line-up to capture demand.

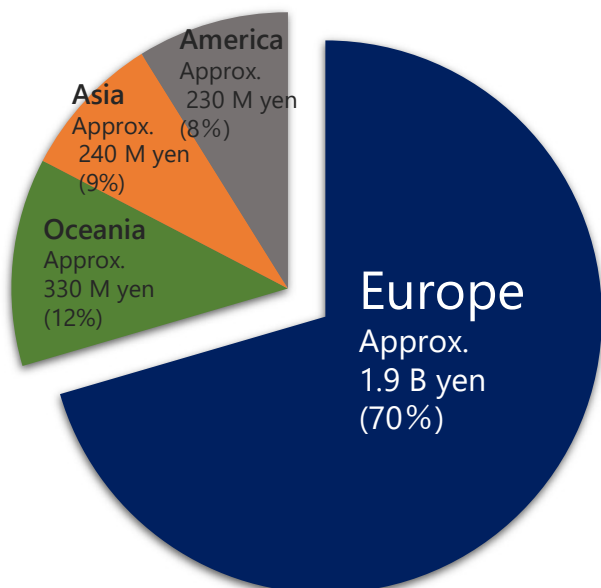
New  
**CC1485B-1**



New  
**MK3053C**



Sales by area (FY21)



The world’s largest construction machinery exhibitions

### “Bauma2022”

New model unveiled to gain further market share in the European market.



# Appendix

## 1. [Non-Consolidated] Maeda Corp. FY22 2Q Results and Full-Year Forecast

(Billions of Yen)

		FY21	2Q Results	FY22	2Q Results	YoY
<b>Net Sales</b>		<b>165.3</b>		<b>163.1</b>		$\triangle$ 2.2
Building Construction	Total	101.3		87.3		$\triangle$ 14.0
	Domestic	101.3		86.9		$\triangle$ 14.4
	Overseas	0.0		0.4		0.4
Civil Engineering	Total	61.5		67.8		6.3
	Domestic	61.3		67.9		6.6
	Overseas	0.2		-0.1		$\triangle$ 0.3
Infrastructure Management		0.6		7.0		6.4
Real Estate		2.0		1.0		$\triangle$ 1.0
<b>Gross Profit</b>		<b>20.0</b>	<b>(12.1%)</b>	<b>27.5</b>	<b>(16.9%)</b>	<b>7.5</b>
Building Construction	Total	8.8	(8.7%)	7.0	(8.0%)	$\triangle$ 1.8
	Domestic	8.8	(8.7%)	7.0	(8.0%)	$\triangle$ 1.8
	Overseas	0.0	—	0.0	(6.8%)	0.0
Civil Engineering	Total	9.5	(15.4%)	13.1	(19.2%)	3.6
	Domestic	9.4	(15.3%)	12.1	(17.9%)	2.7
	Overseas	0.1	—	0.9	—	0.8
Infrastructure management		0.6	(100.0%)	7.0	(99.9%)	6.4
Real Estate		1.2	(60.0%)	0.5	(47.4%)	$\triangle$ 0.7
<b>SG &amp; A</b>		<b>13.6</b>	<b>(8.2%)</b>	<b>14.2</b>	<b>(8.7%)</b>	<b>0.6</b>
<b>Operating profit</b>		<b>6.4</b>	<b>(3.9%)</b>	<b>13.3</b>	<b>(8.1%)</b>	<b>6.9</b>
<b>Ordinary profit</b>		<b>13.5</b>	<b>(8.2%)</b>	<b>15.5</b>	<b>(9.5%)</b>	<b>2.0</b>
<b>Net income</b>		<b>12.8</b>	<b>(7.7%)</b>	<b>14.5</b>	<b>(8.9%)</b>	<b>1.7</b>

		FY22	Forecast	FY22 Revised Forecast	Progress	
<b>Net Sales</b>		<b>402.5</b>		<b>383.9</b>	<b>42.5%</b>	
Building Construction	Total	238.5		228.3	38.2%	
	Domestic	237.5		227.4	38.2%	
	Overseas	1.0		0.9	45.4%	
Civil Engineering	Total	155.0		146.5	46.3%	
	Domestic	154.3		146.3	46.4%	
	Overseas	0.7		0.2	-28.0%	
Infrastructure Management		7.5		7.4	94.8%	
Real Estate		1.5		1.7	57.1%	
<b>Gross Profit</b>		<b>58.2</b>	<b>(14.5%)</b>	<b>56.3</b>	<b>(14.7%)</b>	<b>48.9%</b>
Building Construction	Total	25.9	(10.9%)	23.2	(10.2%)	30.1%
	Domestic	25.8	(10.9%)	23.2	(10.2%)	30.0%
	Overseas	0.1	(10.0%)	0.1	(11.1%)	27.7%
Civil Engineering	Total	24.1	(15.5%)	24.9	(17.0%)	52.4%
	Domestic	23.3	(15.1%)	24.1	(16.5%)	50.4%
	Overseas	0.8	(114.3%)	0.8	(400.0%)	114.2%
Infrastructure management		7.5	(100.0%)	7.4	(100.0%)	94.7%
Real Estate		0.8	(53.3%)	0.8	(47.1%)	57.6%
<b>SG &amp; A</b>		<b>27.6</b>	<b>(6.9%)</b>	<b>28.5</b>	<b>(7.1%)</b>	<b>49.9%</b>
<b>Operating profit</b>		<b>30.6</b>	<b>(7.6%)</b>	<b>27.8</b>	<b>(6.9%)</b>	<b>47.8%</b>
<b>Ordinary profit</b>		<b>32.1</b>	<b>(8.0%)</b>	<b>30.2</b>	<b>(7.5%)</b>	<b>51.4%</b>
<b>Net income</b>		<b>28.0</b>	<b>(7.0%)</b>	<b>28.7</b>	<b>(7.1%)</b>	<b>50.5%</b>



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

(Billions of Yen)

	FY21 2Q Results		FY22 2Q Results		YoY	FY22 Forecast		FY22 Revised Forecast		Progress
<b>Net sales</b>	106.4		111.2		4.8	243.0		239.0		45.8%
Construction Business	73.5		76.8		3.3	166.0		165.2		46.3%
Manufacturing and Sales Business	32.6		34.2		1.5	77.0		73.8		44.4%
Others	0.3		0.3		0.0	-		-		-
<b>Gross profit</b>	10.3	(9.6%)	8.9	(8.0%)	△ 1.4	28.0	(11.5%)	22.7	(9.5%)	31.7%
Construction Business	6.0	(8.2%)	6.0	(7.8%)	△ 0.1	17.4	(10.5%)	14.2	(8.6%)	34.3%
Manufacturing and Sales Business	4.1	(12.6%)	2.8	(8.2%)	△ 1.3	10.6	(13.8%)	8.5	(11.5%)	26.3%
Others	0.1	(44.4%)	0.1	(40.8%)	△ 0.0	-	-	-	-	-
<b>SG&amp;A</b>	6.0	(5.6%)	6.8	(6.1%)	0.8	14.2	(5.8%)	13.5	(5.6%)	48.0%
<b>Operating profit</b>	4.3	(4.0%)	2.1	(1.9%)	△ 2.2	13.8	(5.7%)	9.2	(3.9%)	14.9%
<b>Ordinary profit</b>	4.4	(4.2%)	2.6	(2.3%)	△ 1.9	14.0	(5.8%)	9.6	(4.0%)	18.4%
<b>Net income</b>	4.3	(4.0%)	1.6	(1.4%)	△ 2.7	9.2	(3.8%)	7.7	(3.2%)	17.4%

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

(Billions of Yen)

	FY21 2Q Results	FY22 2Q Results	YoY	FY22 Forecast	FY22 Revised Forecast	Progress
<b>Net sales</b>	<b>16.8</b>	<b>17.4</b>	<b>0.6</b>	<b>37.2</b>	<b>Unmodified</b>	46.6%
Construction Machinery	10.9	10.5	△ 0.4	21.9		48.2%
Industrial Machinery and Steel Products	4.8	5.7	<b>0.9</b>	13.1		43.6%
Care products and Others	1.0	1.1	<b>0.1</b>	2.2		48.6%
<b>Gross profit</b>	<b>3.3 (19.6%)</b>	<b>3.4 (19.6%)</b>	<b>0.1</b>	<b>7.6 (20.3%)</b>		45.0%
Construction machinery	1.8 (16.6%)	1.8 (16.6%)	△ 0.1	3.8 (17.4%)		46.2%
Industrial Machinery and Steel Products	0.9 (18.5%)	1.1 (18.7%)	0.2	2.6 (19.7%)		41.3%
Care products and others	0.6 (60.0%)	0.6 (53.8%)	△ 0.0	1.2 (53.0%)		49.3%
<b>SG&amp;A</b>	<b>2.7 (16.0%)</b>	<b>2.8 (16.3%)</b>	0.1	<b>6.0 (16.1%)</b>		47.0%
<b>Operating profit</b>	<b>0.6 (3.6%)</b>	<b>0.6 (3.4%)</b>	△ 0.0	<b>1.6 (4.2%)</b>		37.1%
<b>Ordinary profit</b>	<b>0.6 (3.8%)</b>	<b>0.7 (3.8%)</b>	0.0	<b>1.7 (4.5%)</b>		39.3%
<b>Net income</b>	<b>0.4 (2.6%)</b>	<b>0.4 (2.4%)</b>	△ 0.0	<b>1.1 (3.0%)</b>		37.7%

## 4. INFRONEER Group's Financial Results and Full-Year Forecast

Consolidated subsidiaries	FBS				Fujimi Koken				JM			
	FY21 2Q Results	FY22 2Q Results	FY22 Forecast	FY22 Revised forecast	FY21 2Q Results	FY22 2Q Results	FY22 Forecast	FY22 Revised forecast	FY21 2Q Results	FY22 2Q Results	FY22 Forecast	FY22 Revised forecast
Net sales	980.3	810.7	2,138.2	1,700.0	333.8	405.6	900.0	880.0	954.8	920.4	2,100.0	Unmodified
Operating profit	32.9	25.8	98.6	55.2	19.7	8.7	21.8	20.3	11.6	0.5	46.0	
Ordinary profit	35.0	26.5	99.6	57.2	172.9	11.3	24.5	23.5	13.4	0.5	47.0	
Net income	23.2	19.5	65.0	34.3	130.6	29.9	24.6	19.2	11.3	-0.1	29.6	

Consolidated subsidiaries	Aichi Road Concession				Miotsukushi Industrial Concession			
	FY21 2Q Results	FY22 2Q Results	FY22 Forecast	FY22 Revised forecast	FY21 2Q Results	FY22 2Q Results	FY22 Forecast	FY22 Revised forecast
Net sales	663.2	715.1	1,340.6	Unmodified	–	68.7	129.0	129.0
Operating profit	168.7	130.6	280.8		–	12.7	12.6	5.2
Ordinary profit	98.0	17.9	160.6		–	12.0	3.6	3.6
Net income	90.3	11.8	147.6		–	7.3	2.2	2.2

Equity method affiliates	Toyo Construction				Hikarigaoka Corporation			
	FY21 2Q Results	FY22 2Q Results	FY22 Forecast	FY22 Revised forecast	FY21 2Q Results	FY22 2Q Results	FY22 Forecast	FY22 Revised forecast
Net sales	6,630.2	6,450.3	16,269.4	Unmodified	166.9	192.3	380.0	Unmodified
Operating profit	245.4	247.8	850.0		21.8	31.4	50.0	
Ordinary profit	251.6	242.6	850.0		267.3	138.1	156.0	
Net income	165.8	171.5	600.0		221.7	102.1	110.0	

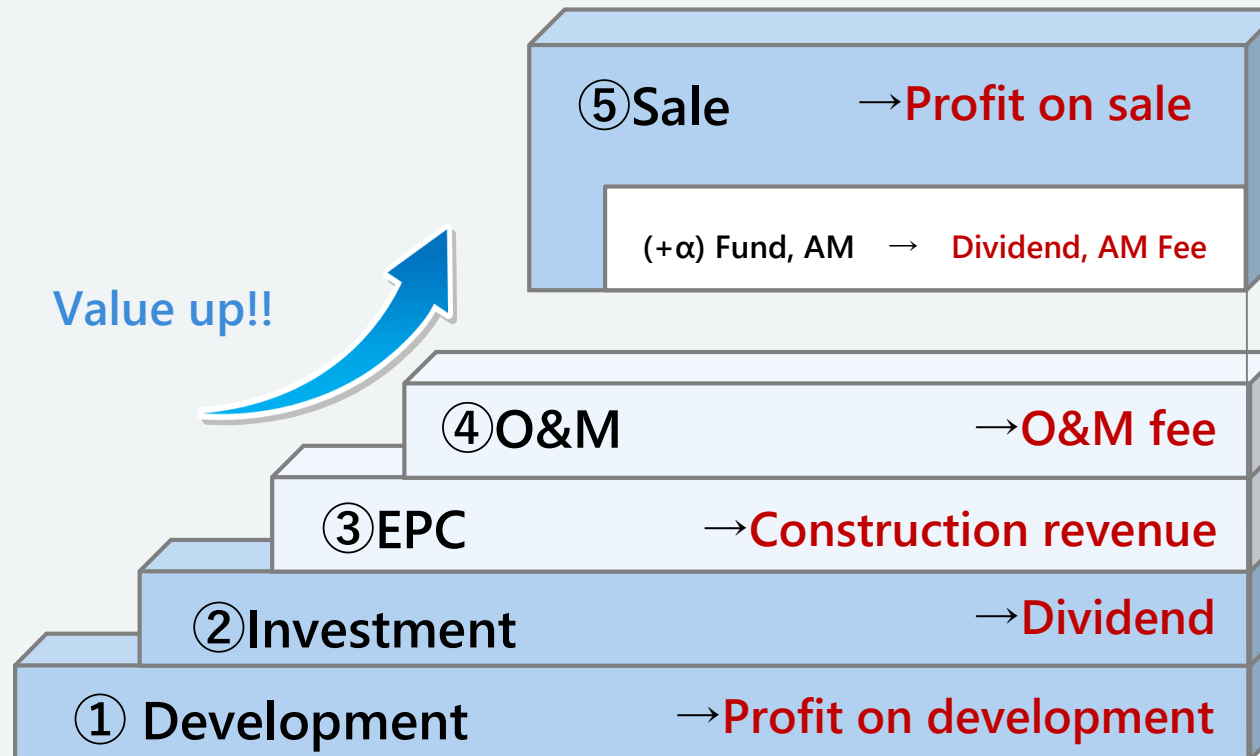
## 5. Segments

- 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.	
<b>Building Construction</b>	MK Building Construction MK Real Estate (Building Construction)	<b>Building Construction</b>	MK Building Construction JM Thai Maeda Corporation Limited FBS Building Construction
<b>Civil Engineering</b>	MK Civil Engineering MK Real Estate (Civil Engineering)	<b>Civil Engineering</b>	MK Civil Engineering FBS Civil Engineering
<b>Road Civil Engineering</b>	MD (Consolidated)	<b>Road Paving</b>	MD (Consolidated)
<b>Machinery</b>	MS (Consolidated)	<b>Manufacturing</b>	MS (Consolidated) Fujimi Koken
<b>Infrastructure Management</b>	MK Infrastructure Operations Other subsidiaries	<b>Infrastructure Operations</b>	MK Infrastructure Operations Other subsidiaries
<b>Others</b>	JM Thai Maeda Corporation Limited FBS Fujimi Koken	<b>Others</b>	MK Real Estate

## 6. Business Model of Infrastructure Operations

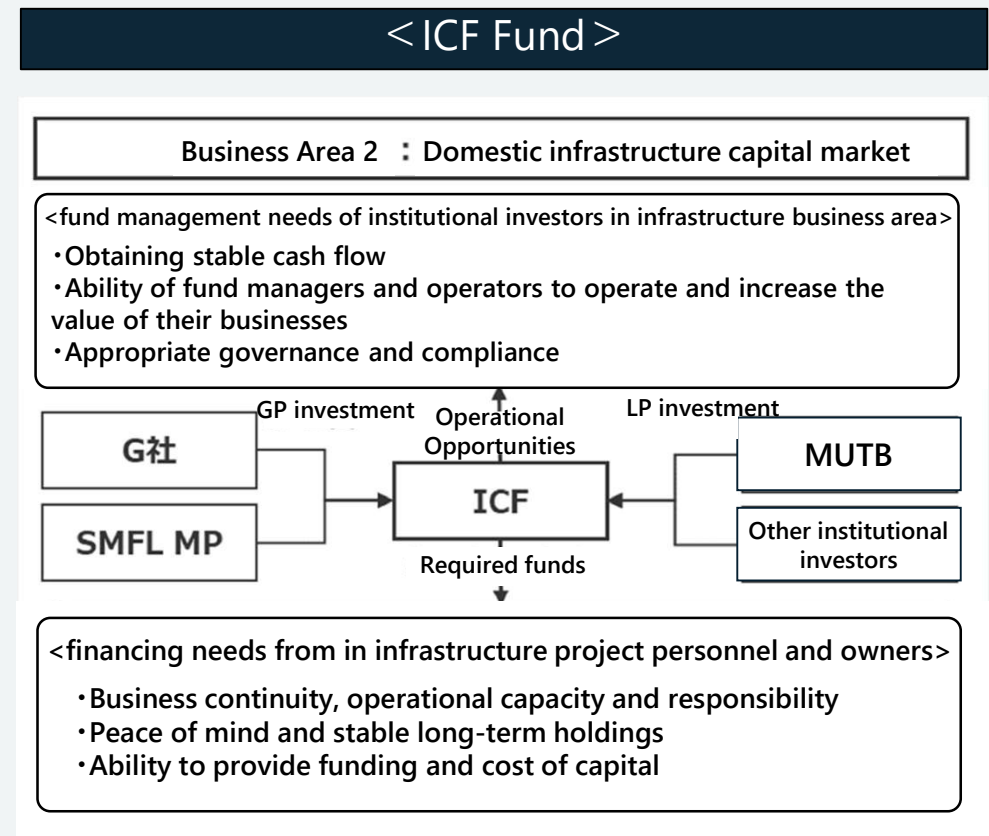
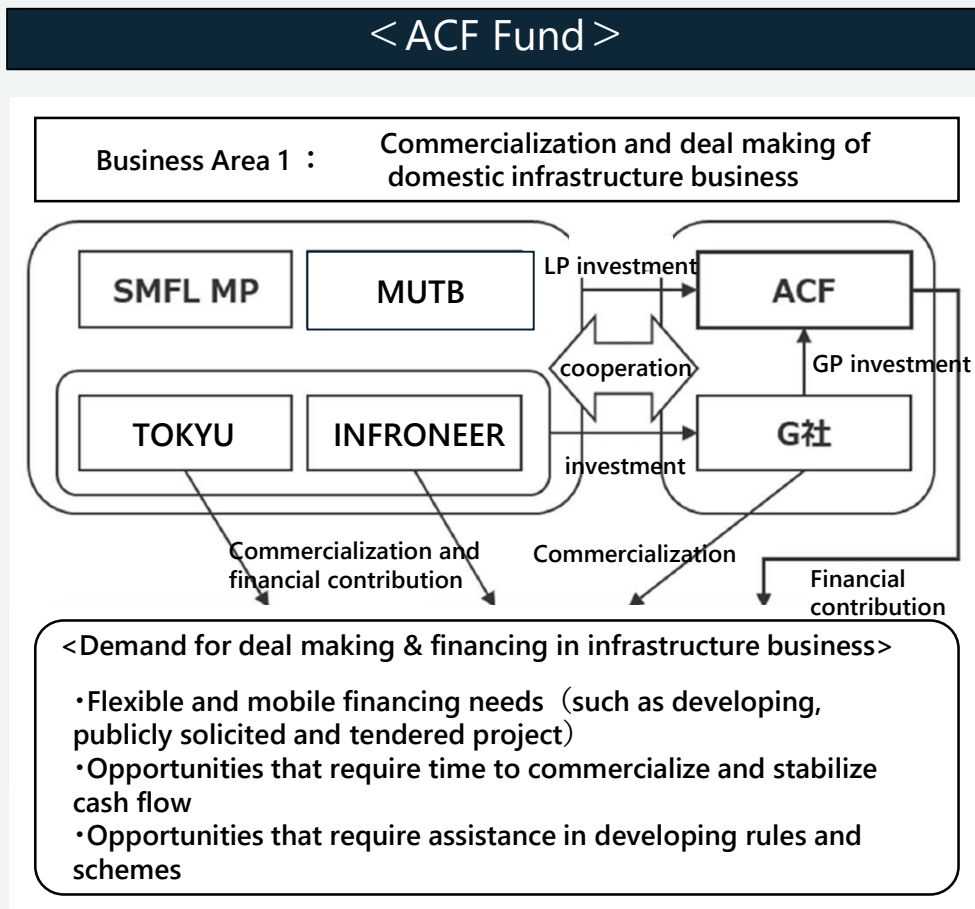
- Infrastructure operations is business that gain profits on every steps from upstream to downstream of infrastructure management.



- 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.

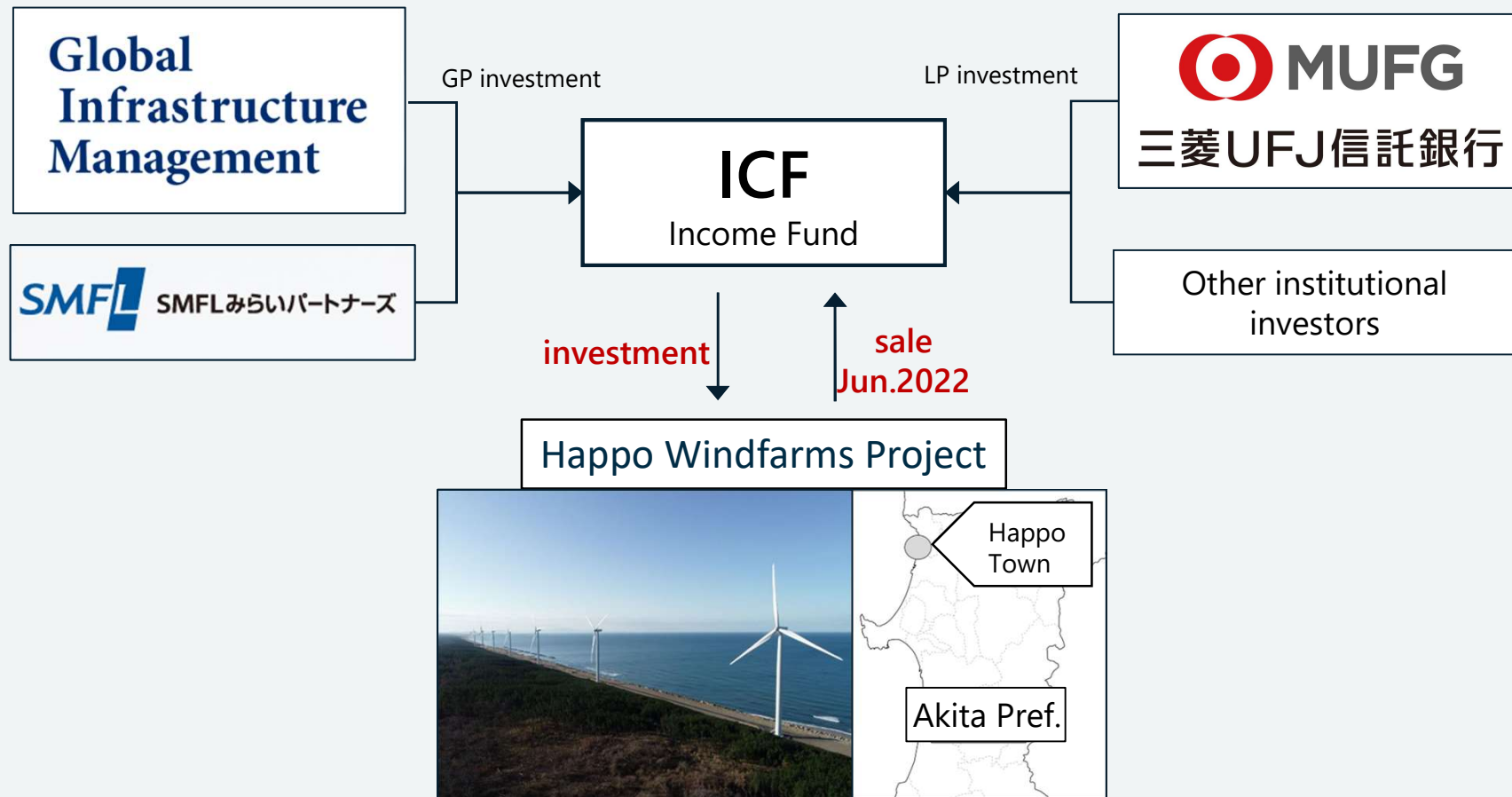
## 7. Establishment of New Business Platform of Infrastructure Operations

- 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.



## 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.





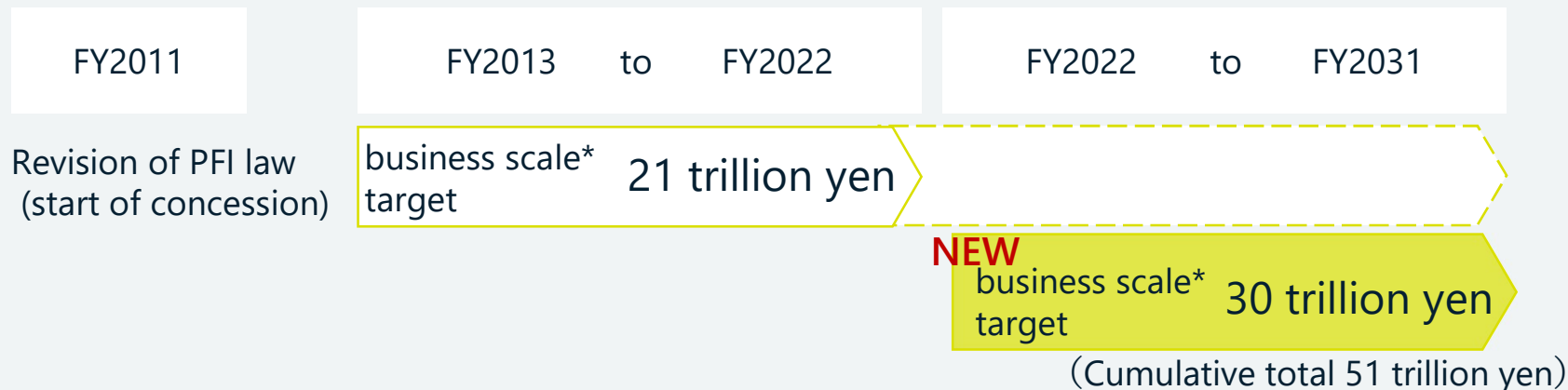
## 9. Policy Trends

– 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.

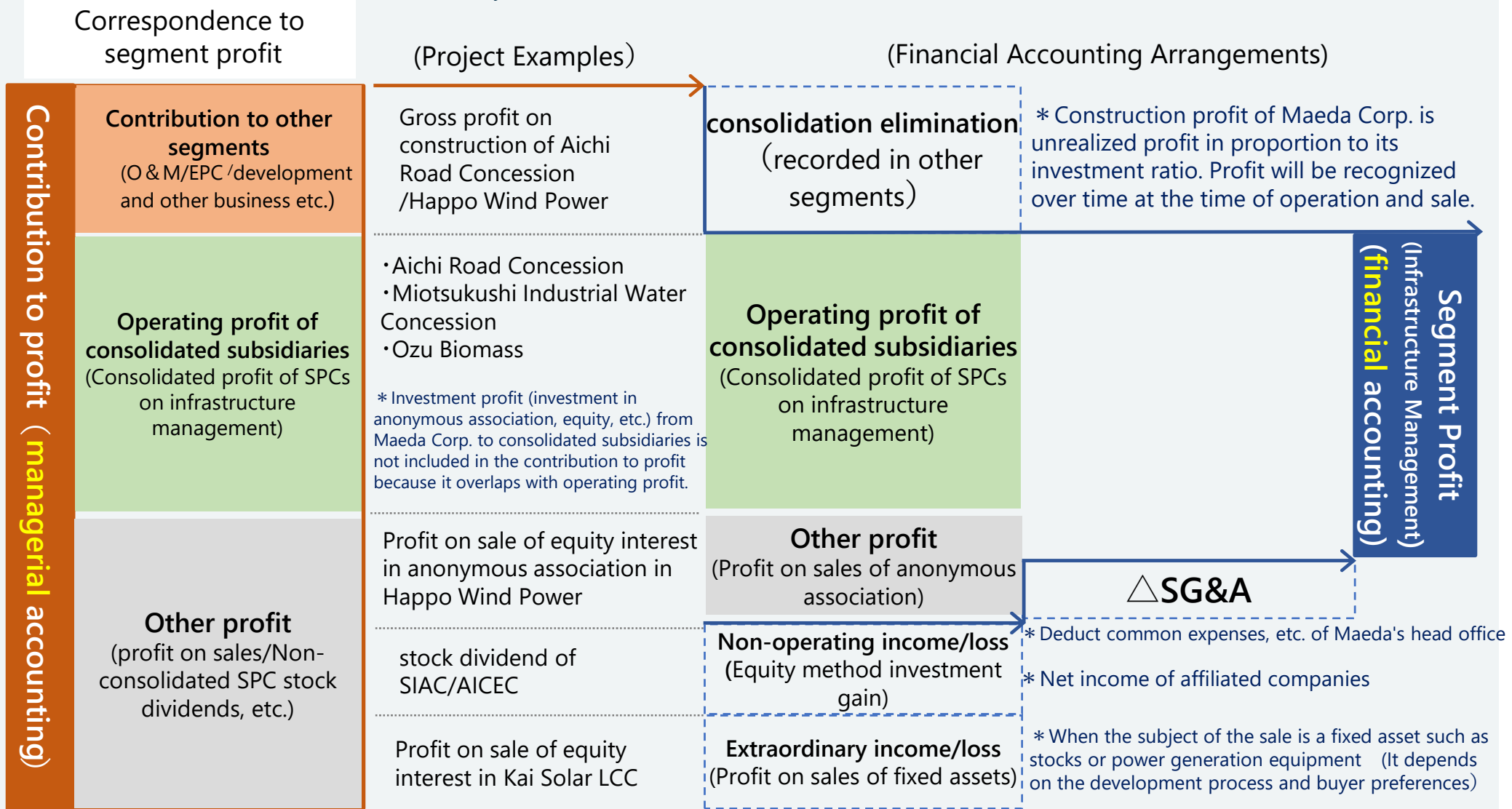
➤ **The business scale target was much larger than assumed** when INFRONEER Medium-term Vision 2024 was formulated (FY2021).



\* 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.



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

# 11. <Topics> Promotion of the Introduction of Low-Carbon Composite

Low-carbon composite is a generic term for **asphalt mixtures produced with a lower carbon** than conventional methods.



低炭素合材  
MAEDA ROAD

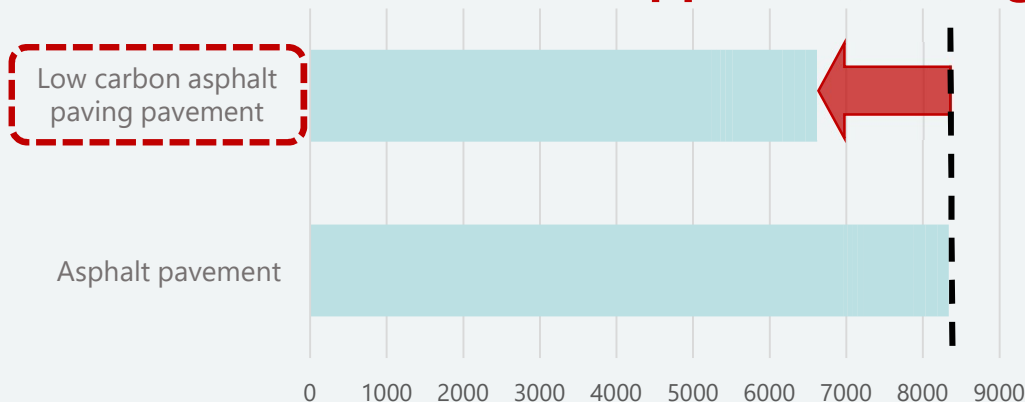
- LEAB
- Thermal storage type deodorizing furnace
- RE100 power
- carbon-neutral fuel

MAEDA ROAD's unique technologies and advanced initiatives **strengthen competitiveness**

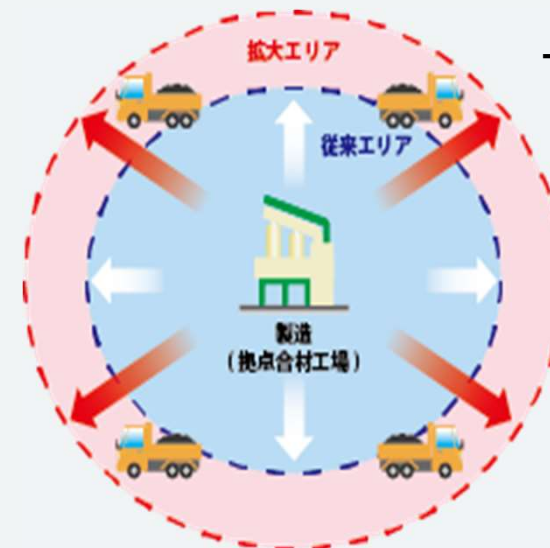
### ◆ Strengthen the competitiveness by reducing CO2 emission

(In the case of asphalt pavement with a construction area of 1,000m<sup>2</sup> and a construction thickness of 5 cm)

**Reduction of approx. 1,700 kg**



### ◆ Strengthen the competitiveness by expanding transportable area



Transportable time  
Extended  
75 minutes

## 12. 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](https://www.infroneer.com/jp/company/integrated_report/report.html)





## News 1

Our company was featured on YouTube channel “Mariko Mabuchi’s stock club”!

Ms. Mariko Mabuchi, an economic analyst, and Mr. Kibe, our president, had a dialogue. Ms. Mabuchi's sharp perspective provided an in-depth look at our business model, mid- to long-term business strategy, and our vision.

Please take a look!



Press release



YouTube

Press release : <https://www.infroneer.com/topics/2022/05/30/277.html>

YouTube : <https://www.youtube.com/watch?v=e1O95qRdkX0>



## 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"

### 【Disclaimer】

- This financial presentation document is made in Japanese and translated in English. Any texts, figures and descriptions etc. in Japanese document is the original and the English document is for reference purposes. If there is any conflict or inconsistency between these two documents, the Japanese documents shall prevail.
- The figures in this document are based on Financial results on November 14, 2022, 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 November 14, 2022, and are subject to risks and uncertainties that may cause the actual results to vary.

インフラの未来に挑む  
Challenge the status quo

 **INFRAFRONTIER Holdings Inc**