

Q&A for Social Infrastructure Business Area Briefing

1. You talked about strengthening your order generation capabilities in the domestic bridge business, which contributes significantly to earnings. What growth areas do you envision?

- We will secure large construction projects for expressway companies and new public works projects.
- As well as from new construction, we will also concentrate on obtaining orders for seismic reinforcement and other maintenance work.

2. What changes have occurred in recent years in maintenance and management relating to bridges and other transportation infrastructure?

- The Japanese government made a significant budget allocation to the five-year national land resilience plan that it initiated in 2019. Infrastructure repairs and upgrades are part of that budget.
- Many aging infrastructure facilities have yet to ready themselves for natural disasters, which have occurred frequently in recent years. There is accordingly considerable demand in this area. The government will probably continue to deploy budgetary and other measures.
- We anticipate ongoing construction to expand two-lane expressway sections to four lanes.

3. What are your water management business strengths?

- Our strengths are in manufacturing, constructing and installing dams and river gates in the watergate business.
- While there have been fewer large projects in recent years, inspection and repair revenues have risen.
- For water management (dam control equipment, remote monitoring, and upgrades), we will tap GBRAIN and other inspection support systems while supporting gate controls and handling water utilization and flood controls.
- We are cultivating flood control and management projects for certain watersheds, and have already secured several orders.

4. Tell us about how you are expanding your services and other lifecycle businesses.

- We can make predictions with some certainty for the watergate business because our business model allows for inspecting and repairing the equipment that we deliver.
- Some bridge repair and upgrade projects entail long construction lead times, so we are amassing orders while securing capacity.
- We are augmenting these construction projects by also focusing on preventive maintenance support businesses for our customers. If we can boost orders in that area, we look for the proportion of lifecycle business revenues in that area will rise.