

PFI project for seismic reinforcement of the trunk water mains in Osaka City: FY2024 Project Plan (Summary)

1. Major initiatives to be implemented in FY2024 toward the establishment of a system to implement the project

- This fiscal year is the first year of this project and we, as a special purpose company (hereinafter referred to as SPC), will establish and launch a system to implement the project, which enables us to assume clear responsibility for each operation, by taking full advantage of extensive experience and know-how of the companies constituting SPC and their partner companies.
- Specifically, we will implement the following initiatives.

	Major initiatives	Approximate timing of implementation
1	Assignment of a party responsible for overall management of this project (project manager) and parties responsible for each operation (operation manager)	April 2024
2	Setting of various meeting bodies to manage the project	April 2024
3	Establishment of a plan to conduct training	May 2024
4	Establishment of a website for the project operator	May 2024
5	Establishment of ICT communication tools	April 2024
6	Establishment of design and construction systems	June 2024

2. Major initiatives to be implemented in FY2024 toward the preparation of the project plan

- As this fiscal year is the first year of this project, we will establish a structure of the Board of Directors of the SPC, execute various agreements to be executed by the SPC, execute project contracts for each commissioned work, and establish and launch the overall income and expenditure plan, such as execution and management of income and expenditure of the SPC regarding the project.
- Specifically, we will implement the following major initiatives.

	Major initiatives	Approximate timing of implementation
1	Holding of the Board of Directors meetings of the SPC	Quarterly
2	Submission of performance bond insurance	March 2024
3	Development of earned value management sheet by water main/by month	April 2024
4	Development of the statement of income and expenditure of the project of the SPC	April 2024

Table 1: Income and Expenditure Plan (Statement of Income) for FY2024

	FY2024
Operating revenue (purchase of services)	729
Operating expense (various operation expenses etc.)	711
Operating profit (loss)	18
Profit before distributions of income taxes	18
Profit	11

(Unit: million (yen excluding tax))

3. Major initiatives toward the establishment of a self-monitoring system in FY2024

- As this fiscal year is the first year of this project, we will establish and launch a system to implement self-monitoring.
- We will make it a more reliable system by appointing the company responsible for overseeing the project as a party in charge of implementing self-monitoring and establishing a three-step confirmation system as shown on the right.
- Specifically, we will implement the following major initiatives.

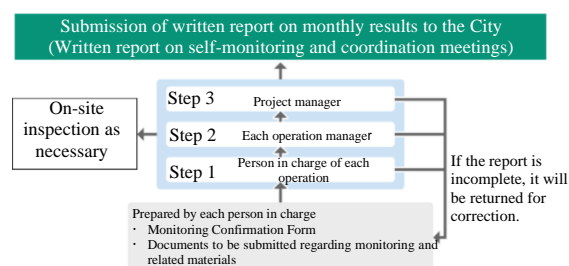


Fig. 1 Flowchart to confirm the achievement of required levels

	Major initiatives	Approximate timing of implementation
1	Establishment of a self-monitoring team	April 2024
2	Establishment of a self-monitoring evaluation meeting	June 2024
3	Setting of items to which special attention are to be paid among the priority confirmation items	June 2024

4. Renewal plan in FY2024

Table 2: Expected business volume in FY2024

Month	1Q	2Q	3Q	4Q	Total
Cumulative Achievement (%)	0	0	0	0	0
Business Volume (km)	0	0	0	0	0
Number of water mains for which construction has been completed (water mains)	0	0	0	0	0
Business volume (km) *Extension of the water mains	0	0	0.18	0.54	0.72