Chapter 6

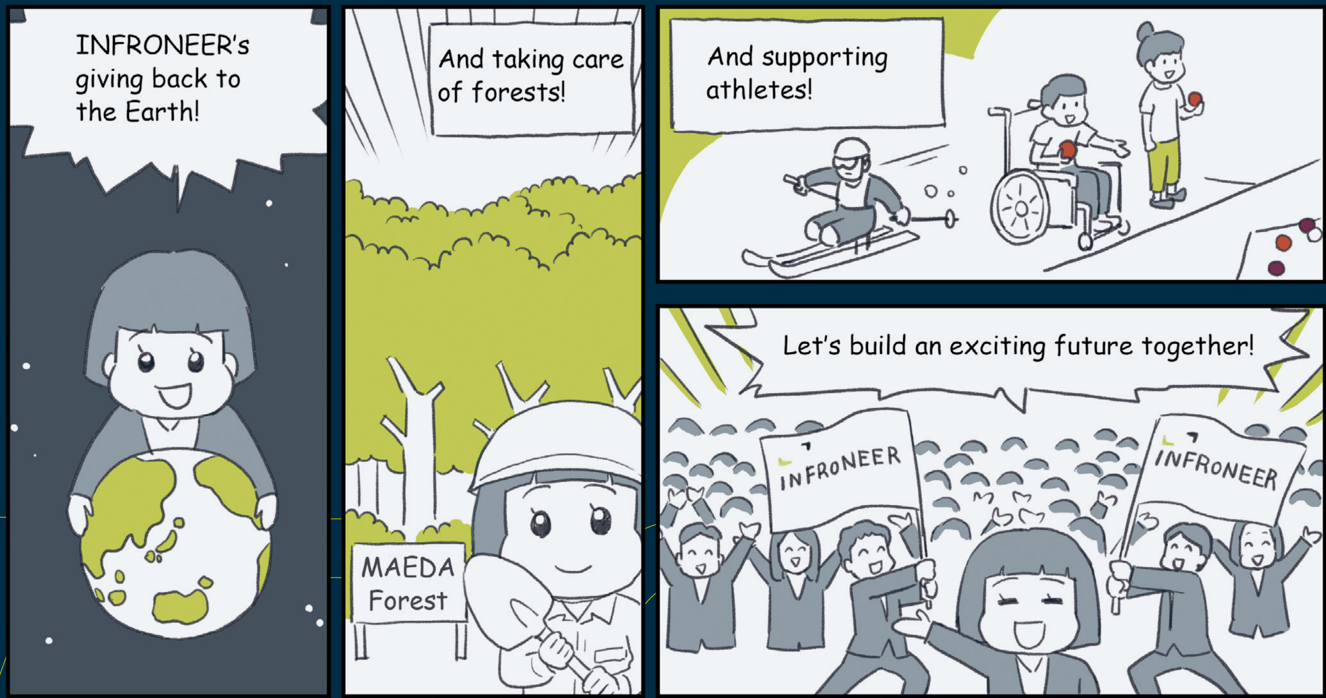
Strengthening the Foundation of Value Creation

$$\text{Corporate value} \uparrow = \frac{\text{Profit margin} \uparrow}{\text{Capital costs} \downarrow - \text{Rate of expected growth} \uparrow}$$

This chapter explains how to strengthen the foundation of value creation to reduce “capital costs” in the calculation formula. We will build a sustainable corporate foundation that meets the expectations of society and the market and take on the challenge of achieving sustainability for all stakeholders of the INFRONEER Group and our planet.

73 Sustainability Strategies
74 Stakeholder Dialogue
76 Governance
82 Environment
86 Society

“Sharing the excitement with INFRONEER”



Sustainability Strategies

Toward INFRONEER's Vision of Society

The INFRONEER Group envisions becoming an integrated infrastructure service company that will contribute to society by working to solve social issues surrounding infrastructure services, grow its businesses, improve its corporate value, provide quality infrastructure services, and improve its social value. Society is facing a number of issues. Among them, those related to the environment (E) and society (S) are often linked together and should indeed be addressed in unison. Recognizing this, our Group will address issues in these two areas comprehensively within the scope of its business activities. To ensure that such activities are carried out effectively and meet the envisioned purpose of becoming an integrated infrastructure service company, we are establishing strong governance (G) based on high standards and an appropriate risk management framework. In other words, we believe our aim of becoming an integrated infrastructure service company through business activities will lead to achieving sustainability.

> For details on the INFRONEER Group's Sustainability Statement, see page 20.

Sustainability Committee

Sustainability Committee meeting

INFRONEER's Sustainability Committee has the objective of steering the company's sustainable development in response to risks and opportunities as well as social issues that may affect our corporate value over the medium- to long term. Conclusions reached by the Committee are then reflected in the Group's management plans. The Committee is chaired by INFRONEER's Representative Executive Officer, President, and CEO with other seats filled by executive officers of the Company and officers in charge of CSR and the environment at each business company.

The Committee meets semi-annually in principle and met four times in FY2024. Its activities are subject to the supervision of the Board of Directors, which receives an activity report from the Committee on a regular basis.

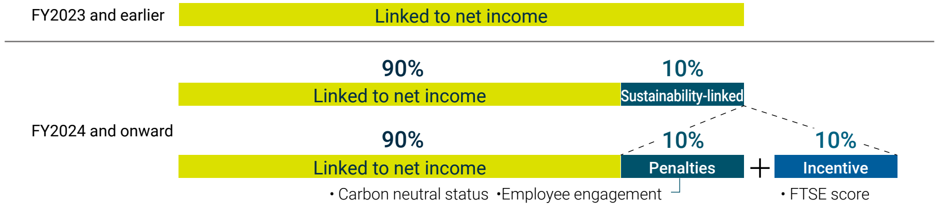
Key Agenda Items for the Sustainability Committee in FY2024

- Rollout of Sustainability Procurement Guidelines
- Revision of Human Rights Policy > P. 86
- Introduction of internal carbon pricing* > P. 82
- Quantitative targets for circular economy > P. 84
- Report on the results of "Dividends for the Earth" and revision of system

*Internal carbon pricing: This system treats CO_2 emissions as a cost and applies a price set independently by a company.

Executive Remuneration

Starting with initiatives for FY2024, we have incorporated sustainability indicators into the calculation method for executive remuneration, making them 10% of the annual incentive. Three evaluation indicators—external evaluation (FTSE score), carbon neutrality, and employee engagement—will be reflected in such remuneration.



TOPICS Dividends for the Earth

Since we conduct our business activities while benefiting from the Earth's resources, we are undertaking various activities to provide "Dividends for the Earth" based on the idea of returning a portion of business profits to the Earth as an investor in the same way that dividends are paid out to shareholders. These "Dividends for the Earth" have been set at approximately 2% of consolidated net income. In FY2024, we revised the system to contribute to a wider range of social issues.

■ Composition of "Dividends for the Earth"

- Green commitment (Environment)
- New: Social action (Society & local communities)
- Me-pon (Employees & their families)

■ Initiative: Forest maintenance activities in Thailand

Group company, Thai Maeda, has been collaborating with OISCA to conduct forest maintenance and other social contribution activities since 2012. We are promoting initiatives both in Japan and also overseas to solve social issues.

> For more details on "Dividends for the Earth," visit our website at: https://www.infroneer.com/jp/sustainability/dividend.html (in Japanese)

Forest maintenance activities in Thailand

Stakeholder Dialogue

In recent years, there has been a rise in public expectations for businesses to solve social issues, which have been increasingly becoming complicated and severe.

To achieve our goal of creating "a world where there's no limit to what can be asked from and what can be delivered by infrastructure services," it is important to conduct appropriate information disclosure and stakeholder dialogues. We have engaged in dialogue through various channels. To accurately understand these social expectations and promote initiatives aimed at achieving a sustainable society, we will strive to ensure effective communication with stakeholders.

The table on the right outlines how we reflect major engagement opportunities and their details into our management processes and business activities.

By continuing to maintain positive and smooth relationships and building relationships of trust, we will encourage joint efforts to create long-term value, thus contributing to generating social value.

> For more details on communication channels and dialogues, visit our website at: https://www.infroneer.com/jp/sustainability/stakeholder.html (in Japanese)

Stakeholder	Major engagement opportunities	Reflection in management processes and business activities
Investors, ratings agencies, and shareholders	• Investor presentation — Quarterly • Issuance of securities reports/quarterly securities reports — Quarterly • Issuance of reports/Information disclosure on the website — As needed • Individual meetings with investors in Japan and overseas — As needed • Ordinary general meeting of shareholders — Annual	We will ensure management transparency, strengthen governance, and build relationships of trust through active dialogue and timely and appropriate information disclosure. We will also strive to provide appropriate shareholder returns and enhance corporate value.
Local communities	• Cooperation with economic organizations and trade organizations — As needed • Dialogues with NPOs and NGOs — As needed • Dialogues with municipalities and local communities — As needed • Cooperation/sponsorship for social contribution activities/ Support to post-disaster reconstruction efforts — As needed • Offering site/facility tours — As needed	We will aim to resolve the issues faced by individual communities by contributing to and co-existing with local communities. We will also seek to raise CSR awareness among employees through social contribution activities.
Customers	• Customer satisfaction survey — As needed • Day-to-day sales activities — As needed • Inspection and maintenance of buildings and products — Periodical • Trade exhibitions and events — As needed • Information disclosure through PR magazines and the website — As needed	We will take customer feedback seriously and provide optimal infrastructure services around the world, thereby helping resolve customer issues and ensure the safety, security, and sustainability of societies and local communities. We will also manage customer information appropriately.
New hires and their families (recruitment)	• Information distribution via "talentbook" and Instagram (Group common) — At least twice a month • Offering company tours, site tours, and internship programs for students (business companies common) — As needed • Providing student loan repayment support (MAEDA ROAD) — Every year • Joint research with local schools and support through support groups (MAEDA ROAD and MAEDA SEISAKUSHO) — As needed	We make contact with job seekers through diverse channels, providing extensive content about our business and work styles to boost their motivation to join us. Our scholarship repayment support system provides financial security for new graduates and young employees, helping to sustainably maintain and improve engagement.
Cooperating companies and alliance partners	• Awards program for cooperating companies — As needed • Study sessions and education programs with cooperating companies (safety, quality, successor training) — As needed • Making facilities of ICI Center available for public use — As needed • Conducting supplier evaluations on an ongoing basis — As needed • Setting up whistle-blowing channels — As needed	We will work together on safety, health, and quality initiatives to achieve safe workplaces and make the necessary accommodations for foreign workers. We will pursue the development of the next generation of leaders as well as co-creation projects. We will work to incorporate legal compliance, human rights, and environmental considerations throughout our supply chains.
Employees and their families	• Holding town meetings (at 14 locations) — Annual • Holding philosophy dissemination sessions — As needed • Joint new employee orientations — Annual • Employee engagement survey — Annual • Use of the Group website and Group newsletters — As needed	We will work to realize well-being by conducting appropriate personnel evaluations, developing and utilizing human capital, improving our corporate culture, achieving work-life balance, maintaining and improving physical and mental health, complying with laws and regulations, and respecting human rights.
Earth	• Regularly disclosing data on environmental impact — Annual • Development of ecological technologies and products — As needed • Activities and donations through "Dividends for the Earth" — As needed • Cooperation/sponsorship for social contribution activities — As needed • Internal eco point system "Me-pon" — As needed	We will comply with environmental laws and regulations. We will aim for sustainable development together with societies, and commit to addressing climate change, building circular societies, and conserving biodiversity. We will also provide products with reduced environmental impact.

outer

inner

Major Dialogues

Investors

IR activities

We hold IR Day for the purpose of deepening the understanding of our businesses. The executives of each business company present the strengths and future strategies of each segment and engage in discussions with analysts. We aim to enhance our corporate value by pursuing active dialogue and carefully disseminating IR information.

> For more information on our IR activities, visit our website at: https://www.infroneer.com/en/ir/

VOICE

Hideaki Kuribara
Senior Analyst, Tokai Tokyo Intelligence Laboratory Co., Ltd.

The three key factors we prioritize when investing are growth potential, profitability, and financial stability, and we believe INFRONEER meets the criteria for each. We particularly value the company's strengthened initiatives in the infrastructure management business and its proactive M&A strategy. Explanations by President Kibe during investor briefings and other events, as well as dialogue with management, are also conducted. We look forward to continued steady profit accumulation and persistent IR activities going forward.

Partner

Regional revitalization business through sports and infrastructure

INFRONEER became a B.LEAGUE Innovation Partner in July 2024. B.INNOVATION, the B.LEAGUE's unprecedented structural reform, shares a high degree of affinity with our vision and initiatives addressing regional, infrastructure, and related social challenges in Japan. Through collaborative creation, we are taking on the challenge of creating systems that enhance regional appeal.

> INFRONEER becomes B.LEAGUE Innovation Partner
https://www.infroneer.com/jp/news-article/2024/07/16/879.html (in Japanese)

VOICE

Urara Sakurai
Executive Officer, JAPAN PROFESSIONAL BASKETBALL LEAGUE

Our initiatives and dialogues with INFRONEER have consistently offered valuable lessons on approaches to urban development. As a partner driving innovation in regional revitalization, we will work together in developing this partnership into a significant presence that can promote the adoption of concession—a new operational model for arenas and buildings—and advocate to the public for approaches to infrastructure preservation and safe urban development.

Local communities

Initiatives toward an inclusive society

INFRONEER discovers, nurtures, and trains athletes competing in the world of parasports and supports outreach activities that allow people with disabilities to enjoy snow sports. The 2024 report meeting was a valuable opportunity for two-way dialogue, where attendees could hear directly from athletes rather than just receiving reports.

VOICE

Kuniko Obinata
Head of Strengthening Division, JAPAN Para-Ski Federation

We have been receiving support since connecting during the international para-ski competition held in Sapporo. Hosting such an event would not be possible without the dedicated efforts of both federation staff and various other stakeholders. We hope that the athletes' performances will make children smile and help create a more livable society for everyone. We sincerely appreciate your continued support and encouragement.

Local communities

Social contribution project for disposing of unwanted PCs

INFRONEER collaborates with People Port Corp., which creates employment opportunities for refugees through its PC refurbishment business. We donated 193 unwanted PCs and two storage devices, contributing to improving the social integration and digital literacy of refugees as well as reducing waste.

VOICE

Yuka Fujii
Head of Corporate Partnerships, People Port Corp.

Refugee issues still don't command high levels of attention in Japan, so it was truly impressive how proactively you explored ways to collaborate with us right after learning about this project. Furthermore, we were very impressed by your sincere commitment to improving society, evident in your genuine interest in the organizations benefiting from our donation initiative tied to the number of devices collected.

Local communities

Contribution to regional revitalization with Nigumi

Since 2022, Japan Wind Development has partnered with Nigumi, one of the executive committees of the Aomori Nebuta Festival, as its main sponsor. We aim not only to strengthen community bonds, but also to foster children's affection and pride for their hometown while contributing to regional revitalization and cultural promotion.

VOICE

Yuichi Sugisawa
Head of Nigumi

Nigumi's participation in the Nebuta Festival has long been supported by many people, and we are extremely pleased to welcome Japan Wind Development as a partner. Nigumi is dedicated to preserving traditions alongside local communities and passing them on to future generations. This mission deeply resonates with Japan Wind Development's philosophy of contributing to a sustainable society through renewable energy. We hope they will continue to contribute to local job creation and economic revitalization through their wind power generation business.

Employees

Town meetings

The President personally travels nationwide to explain INFRONEER's strategic direction and specific achievements since the establishment of the HD to all Group executives and employees, fostering two-way communication through the exchange of opinions. We held 14 town meetings in FY2024.

VOICE

Comments from employees

We received lively comments such as: "I gained an understanding of the future direction and how management operates with a long-term perspective," "I was able to communicate with the management, who I rarely have the chance to interact with," "Learning the perspectives of colleagues (employees of Group companies) broadened my horizons," and "I would like to see meetings held by rank, such as for mid-level and young employees." We will continue our efforts to foster a greater sense of unity within the Group.

Governance

Basic Approach

INFRONEER has adopted the industry's first Company with Nominating Committee, etc. system as a management structure that enables proactive pursuit of new business opportunities, clearly separating the supervisory and executive functions of management. This has established a corporate governance framework that ensures transparent, fair, and decisive decision-making.

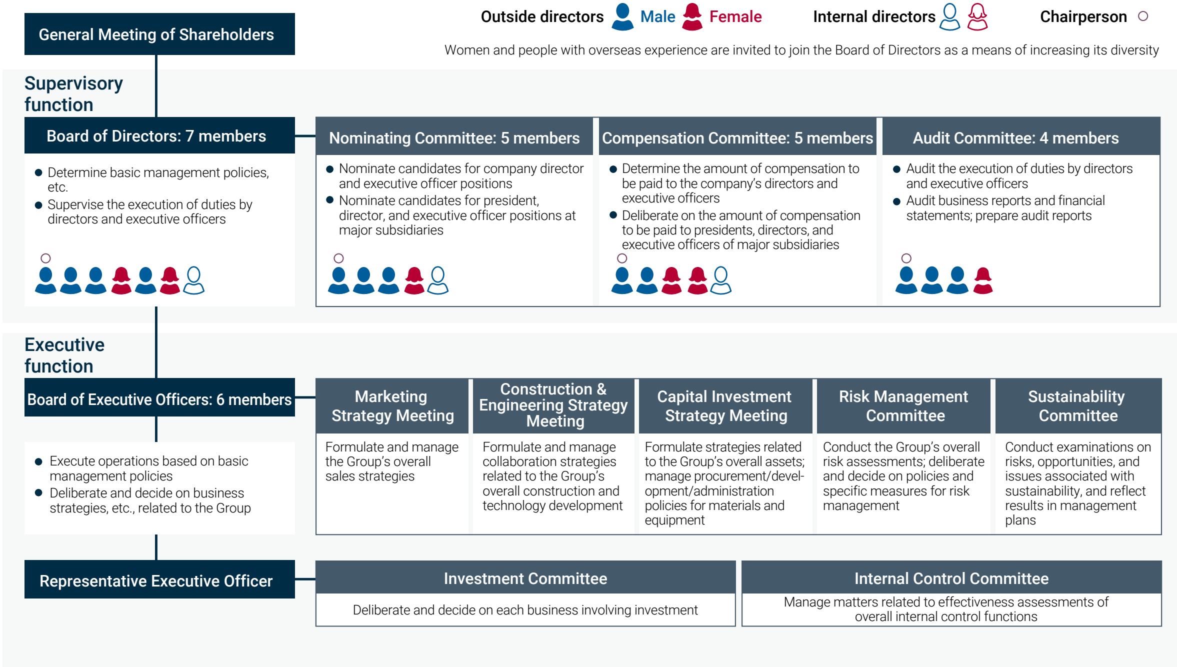
Based on this framework, we aim for the sustainable growth of our Group and to earn the trust of stakeholders. Through appropriate information disclosure and dialogue with stakeholders, we maintain good and smooth relationships and build trust, thereby contributing to the enhancement of corporate value and the creation of social value.

Corporate Governance

Our corporate governance structure ensures that a majority of the Board of Directors and each committee consists of independent outside directors. The chairperson of the Board and the chairperson of each committee are also outside directors.

Furthermore, from June 2025, we transitioned to a structure in which all directors, except for the CEO, are outside directors. This will further enhance the transparency and fairness of our decision-making and strengthen the foundation that supports our sustainable growth.

Corporate governance structure



Chairperson of Audit Committee

Keiichiro Hashimoto
Outside Director / Chairperson of the Board of Directors

The Audit Committee is focusing on further enhancing systematic audits using the internal control system. In the Establishing Foundations Phase to date, we reviewed matters such as the reporting lines of the Internal Audit Department and the audit systems of operating companies, working to strengthen governance.

In the coming phases, we will aim for qualitative improvement from operational audits to management audits by conducting monitoring that balances proactive and protective approaches and working more closely with the auditors of operating companies as well as the Internal Audit Department, thereby contributing to both strengthening Group-wide governance and enhancing corporate value.

Chairperson of Nominating Committee

Koichi Moriya
Outside Director

Since the General Meeting of Shareholders, the Board of Directors has been structured so that all members except the Representative Executive Officer, President, and CEO are outside directors. With this change in governance structure, the responsibilities of outside directors have grown significantly, and we believe the importance of the Nominating Committee—whose mission is the appointment and removal of the Representative Executive Officer, President, and CEO, the approval of director candidate proposals, and the appointment and removal of executive officers—has also increased.

We will make the succession plan created in 2023 highly effective while ensuring transparency and fairness, and we intend to consider all possible scenarios and respond accordingly to promote the company's sustainable growth.

Chairperson of Compensation Committee

Atsushi Takagi
Outside Director

Our compensation system is centered on fostering a growth mindset and is designed to support the management team's willingness to take appropriate risks to enhance corporate value. Based on this belief, since 2024, we have implemented reforms such as introducing sustainability indicators into annual incentives and implementing malus and clawback provisions, and from 2025, we have set individual evaluation criteria and weightings for annual incentives for each executive officer to further strengthen the link between responsibility and results.

These systems are merely tools, and we will continually review and evolve them to ensure the sustainable enhancement of corporate value.

Skill Matrix

Skills	Expected roles and expertise	Criteria for selecting skills	Kazunari Kibe	Keiichiro Hashimoto	Seiichiro Yonekura	Koichi Moriya	Rie Murayama	Atsushi Takagi	Hikaru Oguchi
Business management	To achieve the Company's vision, "A world where there's no limit to what can be asked from and what can be delivered by infrastructure services," establishing a strong domestic and global presence, building an integrated framework, and expanding business domains are essential. Accordingly, the Company places high importance on appropriate management-strategy development and business execution.	Experience in business execution at the CEO level or equivalent.	●	●		●			
Business strategy / Industry knowledge	As an integrated infrastructure service company, the Company manages the full infrastructure life cycle and delivers services across all business domains to create added value. It emphasizes business-strategy formulation and execution, as well as management aligned with industry trends and regulations.	Experience in business-strategy development, market analysis skills, and deep industry knowledge related to business results, expertise, and networks.	●	●	●		●	●	
Finance / Accounting / M&A	To realize its vision as an integrated infrastructure service company, the Company emphasizes building a strong financial base, developing and executing balanced financial strategies that support growth investments (e.g., DX, R&D, M&A) for the integrated framework and expanded business domains, and delivering returns to stakeholders.	Experience in roles such as CFO, analyst, or M&A advisory positions, with expertise in finance, accounting, and M&A.		●			●	●	●
Sales / Marketing	To achieve its vision as an integrated infrastructure service company, the Company aims to deliver new infrastructure services that integrate "construction" and "de-construction." This requires formulating and executing sales and marketing strategies that address environmental changes and diverse customer needs through high-value-added offerings.	Experience in sales or marketing and knowledge aligned with relevant markets.	●			●	●		
Internal control / Risk management	To achieve its vision as an integrated infrastructure service company, the Company emphasizes establishing fair and transparent governance and compliance systems and appropriately assessing and managing the potential and actual risks involved in our operations, to support sound risk-taking and decision-making.	Experience in audit or legal functions, or as an attorney, with expertise in corporate governance and risk management.		●		●		●	●
Human capital training and development / DE&I	As part of its goal to become an integrated infrastructure service company, the Company views human capital as the driving force of value creation and emphasizes fostering challenges and co-creation through a diverse workforce.	Experience in human capital roles or education, with expertise in human capital development, training, and DE&I.	●		●	●	●		●
Technology / R&D / Quality / Safety	To realize the value of "safety, security, and sustainability of our society and local communities," the Company prioritizes enhancing the quality and safety of infrastructure services and creating added value through the development of new technologies, products, services, and innovation.	Experience in manufacturing, R&D, or quality and safety management, with knowledge of advanced technology development.	●		●				
Global perspective / Overseas business management	To "provide optimal infrastructure services around the world," the Company prioritizes formulating and executing business strategies tailored to regional characteristics as it expands globally.	Experience in overseas operations or at local subsidiaries, with diverse insights into global markets.		●	●	●	●	●	●
IT / Digital transformation	To enhance its competitiveness and "provide optimal infrastructure services around the world," the Company prioritizes digital transformation (DX) through IT-driven business innovation and productivity improvements.	Experience in IT or DX-related roles, with knowledge in innovation and problem-solving through digital technologies.	●	●		●			
Sustainability	The Company views sustainability initiatives as essential to long-term growth and prioritizes addressing social issues and promoting coexistence with the planet and society through its integrated infrastructure services.	Experience in sustainability-related roles and knowledge of social issue resolution and sustainable development.	●	●	●	●			

Executive Profiles

Directors

Kazunari Kibe

Director, Representative Executive Officer, President, and CEO

Tenure as director: 3 years 9 months
Board attendance: 10/10 meetings (100%)

- Apr. 1986 Joined MAEDA CORPORATION
- Apr. 2014 Managing Officer
- Apr. 2016 General Manager of Business Strategy Office
- Apr. 2020 Senior Managing Officer, General Manager of Management Innovation
- Oct. 2021 Representative Director and Executive Vice President of MAEDA CORPORATION
- Oct. 2021 Director, Representative Executive Officer, President, and CEO of the Company (current position)

Keiichiro Hashimoto

Outside Director, Chairperson of the Board of Directors, Chairperson of Audit Committee

Tenure as director: 3 years 9 months
Board attendance: 10/10 meetings (100%)

- Jun. 2001 General Manager, International Business Department of The Mitsubishi Bank, Ltd.
- Jun. 2003 Member of the Board, Deputy President, Executive Officer, and Chief Financial Officer (CFO) of Mitsubishi Motors Corporation
- Feb. 2006 CEO of Fitch Ratings Japan
- Jun. 2010 Director, Chairman, and President of Metropolitan Expressway Company Limited
- Apr. 2019 Vice Chairman & President of the Japan Association of Corporate Executives
- Oct. 2021 Outside Director of the Company (current position)
- Aug. 2024 Representative Director and President of TKX Corporation (current position)

Seiichiro Yonekura

Outside Director

Tenure as director: 3 years 9 months
Board attendance: 9/10 meetings (90%)

- Jun. 1990 PhD, Harvard Graduate School of Arts and Sciences (History)
- Apr. 1997 Professor of Hitotsubashi University Institute of Innovation Research
- Apr. 2017 Professor of Hosei University Graduate School of Innovation Management
- Dec. 2019 Representative Director of Creative Response-Social Innovation School (current position)
- Oct. 2021 Outside Director of the Company (current position)
- Apr. 2024 Specially Appointed Professor of DIGITAL HOLLYWOOD UNIVERSITY GRADUATE SCHOOL (current position)
  Specially Appointed Professor of Kyoto Tachibana University (current position)
- Oct. 2024 Dean of Hiroshima Business and Management School of Prefectural University of Hiroshima (current position)

Koichi Moriya

Outside Director, Chairperson of Nominating Committee

Tenure as director: 3 years 9 months
Board attendance: 10/10 meetings (100%)

- Jun. 2017 Director and Senior Executive Officer of PIONEER CORPORATION (in charge of HR, General Affairs, Information System, Legal Risk Management, Environment, CSR, Corporate Communications & IR, and Audit)
- Jun. 2018 Representative Director, President, and CEO
- Oct. 2021 Outside Director of the Company (current position)
- Jun. 2023 Outside Director and Chairman of Investment Committee of Cool Japan Fund Inc. (current position)

Rie Murayama

Outside Director

Tenure as director: 3 years 9 months
Board attendance: 10/10 meetings (100%)

- Nov. 2001 Managing Director of GOLDMAN SACHS JAPAN CO., LTD.
- Jul. 2021 Outside Director of Ricecurry Inc. (current MUSCAT GROUP inc.) (current position)
- Oct. 2021 Outside Director of the Company (current position)
- Feb. 2024 Auditor of Yamano Gakuen
- Jun. 2024 Outside Director (Audit & Supervisory Board Member) of True Data Inc. (current position)
- Apr. 2025 Outside Director of Japan Institute for Health Security (current position)
- Jun. 2025 Outside Director of ORION BREWERIES, LTD. (current position)

Atsushi Takagi

Outside Director, Chairperson of Compensation Committee

Tenure as director: 3 years 9 months
Board attendance: 10/10 meetings (100%)

- Dec. 2004 Managing Director of Morgan Stanley Japan Ltd.
- Oct. 2015 Deputy General Manager of Research Division
- Nov. 2019 Representative Director of Infrastructure Research & Advisors Co., Ltd. (current position)
- Oct. 2021 Outside Director of the Company (current position)
- Jun. 2022 Outside Director of Takasago Thermal Engineering Co., Ltd. (current position)

Hikaru Oguchi

Outside Director

Tenure as director: -
Board attendance: -/- meetings (-%)

- Jan. 2011 Partner of Nishimura & Asahi (current Nishimura & Asahi (Gaikokuho Kyodo Jigyo)) (current position)
- Jan. 2016 Partner, Vietnam Offices of Nishimura & Asahi
- May 2018 External Auditor of DCM Holdings Co., Ltd.
- Sep. 2018 Part-time lecturer, Faculty of International Social Sciences of Gakushuin University
- May 2022 External Director and Audit and Supervisory Board Member of DCM Holdings Co., Ltd. (current position)
- Jun. 2025 Outside Director of the Company (current position)

Executive Officers

■ **Soji Maeda**
Responsible for the Major Business Company (MAEDA CORPORATION)

■ **Yasuhiko Imaizumi**
Responsible for the Major Business Company (MAEDA ROAD CONSTRUCTION)

■ **Takao Nakanishi**
Responsible for Civil Engineering Segment, Infrastructure Segment and Technology

■ **Yuji Hatakama**
Responsible for Building Construction Segment and Overseas Operations

■ **Masashi Shimojo**
Responsible for Corporate Functions

*Years as director are as of June 2025
Board attendance is for FY2024.
> For more information on each director's background, visit our website at:
https://www.infroneer.com/jp/company/outline.html (in Japanese)

Evaluation of effectiveness of the Board of Directors

The Company evaluates the effectiveness of the Board of Directors as a whole every year in order to maintain and improve its functionality on an ongoing basis. In FY2024, to evaluate the effectiveness of the Board as a whole, a third-party service was employed to perform self-evaluation questionnaires of directors, and the results of responses analyzed by the service were used by the Board in making evaluations.

FY2024 initiatives and evaluation

Implementation overview	**Target**: All 9 directors **Method** : To ensure objectivity and transparency in the evaluation, a third-party service was employed to conduct self-evaluation questionnaires of directors, and based on the analysis results provided by the service, the Board carried out its evaluations **Implementation period**: March 3 to 14, 2025 **Self-evaluation items for each director**: ●Board composition: Diversity of members, number and ratio of outside and internal directors, etc. ●Clarification of the Board's responsibilities and expected roles ●Board operations: Frequency of meetings, deliberation time, selection of agenda items, discussion content, role of the chairperson, etc. ●Contributions: Contribution to management strategy formulation and corporate culture transformation, contribution to constructive discussions, leveraging the experience, knowledge, broad perspectives, and insights of directors ●Understanding of the company: Group identity, risk factors, future challenges and opportunities ●Committee activities: Composition, responsibilities/roles, coordination with the Board, etc. ●Support system: Provision of information, including Board materials, etc.
Issues identified from results	●Further enhancement of executive training opportunities ●Optimization of Group management, including decision-making approaches and the role of INFRONEER Holdings ●Enhancement of Board operations, such as advance distribution of materials and annual scheduling
Current evaluation and future actions	We confirm that the effectiveness of the Board of Directors as a whole is generally sufficient. Going forward, we will address the issues identified by the recent evaluation to further improve the Board's supervisory and decision-making functions and enhance the corporate value of the Company.

> For details on evaluation processes and results, read our Corporate Governance Report, which is available at:
https://www.infroneer.com/jp/ir/governance/ (in Japanese)

System and policy for determining executive remuneration

Types of remuneration, etc.	Overview	
Base remuneration	Remuneration amounts are set for each position level according to responsibility and are paid monthly.	–
Annual incentives	[Performance-linked] Linked to single-year performance and paid annually at a fixed time. Performance-linked indicators include net income attributable to owners of parent and net income of business companies. For net income attributable to owners of parent, a proportion is set based on the executive officer's role. Net income of business companies is set only for executive officers responsible for major business companies. [Segment profit-linked] Set only for executive officers responsible for specific segments. [Sustainability indicator-linked] Within the annual incentive, an amount equivalent to 10% of the individually determined single-year standard amount is linked to sustainability indicators.	Approximately 50-60% of base remuneration
Medium- to long-term incentives	Linked to the achievement of performance targets, etc., over a three-fiscal-year period aligned with the INFRONEER Medium-term Vision; a predetermined number of base points are assigned in advance, and the incentive is paid in a lump sum after the performance evaluation period concludes.	Approximately 50-60% of base remuneration
Restricted stock remuneration	Paid annually at a fixed time for the purpose of enhancing awareness of contributing to medium- to long-term performance improvement and increased corporate value by sharing profits and risks arising from stock price fluctuations with shareholders.	Approximately 16-40% of base remuneration

Total remuneration amount (FY2024 results)

Executive category	Total amount of remuneration, etc. (¥ million)	Total amount of remuneration, etc. by type (¥ million)				Number of eligible executives (persons)
		Base remuneration	Annual incentives	Stock remuneration (performance-linked)	Stock remuneration (restricted stock)	
Directors (excluding outside directors)	742	219	146	307	68	4
Outside Directors	67	67	–	–	–	5
Executive Officers	581	195	116	222	46	7
Total	1,390	483	263	529	114	16

> For details on executive remuneration, etc., read our Securities Reports, which are available at:
https://www.infroneer.com/jp/ir/security_report/ (in Japanese)

Compliance

Anti-corruption

INFRONEER has established the “INFRONEER Group Anti-Corruption Policy” and is focused on adhering to it to continue conducting fair and transparent corporate activities at all times. Both in Japan and abroad, the prevention of corrupt practices including bribery of public officials and all stakeholders involved in the Group’s corporate activities, giving and receiving excessive entertainment and gifts, collusive relationships, embezzlement, and breach of trust is positioned as one of the most important issues in ensuring compliance. Accordingly, in our “Code of Ethics,” we have committed ourselves not to conduct acts that are illegal or that could be misconstrued by society and to maintain a healthy and appropriate relationship with public officials and political organizations, and we conduct training on this for our employees. Also, we have signed the UN Global Compact, and we support and affirm the principles related to anti-corruption.

> For the Anti-Corruption Policy, visit our website at: https://www.infroneer.com/en/anti-corruption/

Transparency of taxes

The Group complies with tax laws and regulations and other related rules applicable in countries where Group companies operate business. At the same time, we aim to perform appropriate tax procedures in response to standards issued by international organizations and changes in tax administration policies. In order to ensure compliance with tax laws and regulations and other related rules, we provide opportunities for responsible employees to keep themselves updated on relevant information and assign them to appropriate positions while utilizing external expertise to achieve a fair level of tax payment. Although we consider using tax advantages and incentives within the scope of normal corporate activities, we will never pursue unfair tax avoidance schemes.

Moreover, we work to maintain proper relationships with the tax authorities, provide timely and appropriate tax information to them, and respond with integrity in an effort to ensure transparency in tax-related matters and form relationships of trust.

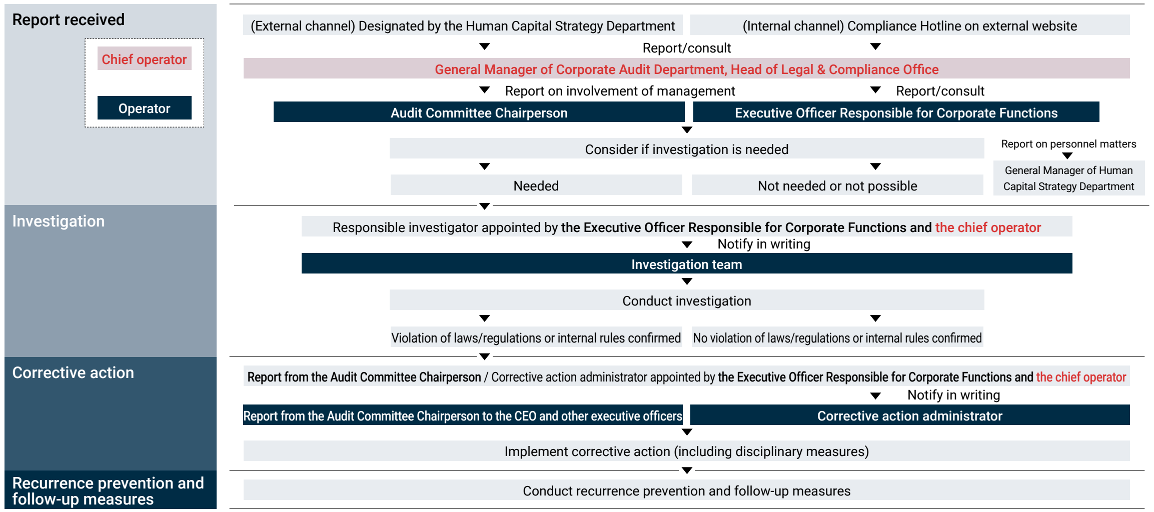
Whistle-blowing system

The Group has established a whistle-blowing system to identify any act that does or may constitute a legal violation through employees or officers noticing such an act and reporting to or seeking consultation with their supervisors or the department in charge of compliance (Corporate Audit Department, Legal & Compliance Office) as well as other whistle-blowers, in order to prevent or detect as early as possible an illegal act and address reported cases. Also, we take measures to prevent those who have reported or sought consultation and whistle-blowers from suffering disadvantages because of their actions.

In FY2024, a total of 88 cases were reported across the entire Group.

> For details on the whistle-blowing system, visit our website at: https://www.infroneer.com/jp/sustainability/governance/compliance.html (in Japanese)

Whistle-blowing system workflow (excerpt)



Prohibition of anti-competitive acts

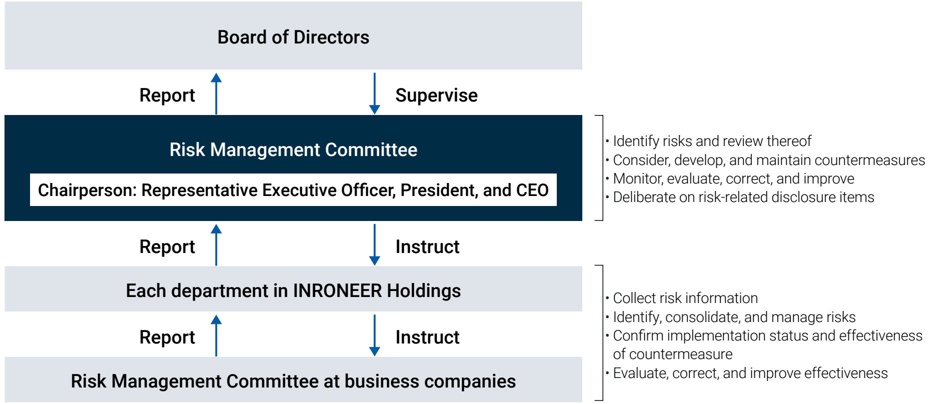
Each business company has set out a bid rigging prevention policy in an effort to avoid the practice more effectively. The policies and provisions have been revised to require employees and officers to abide by highly effective bid rigging prevention rules. For example, we have clarified the rules governing leaving a meeting that apply when an employee suspects a bid rigging is being discussed at a meeting with another company in the same industry. We also fully implement compliance training.

> For details on compliance training, visit our website at: https://www.infroneer.com/jp/sustainability/governance/compliance.html (in Japanese)

Risk Management

The Group recognizes diverse risks in business operations, and the appropriate management of such risks is positioned as one of the most important management issues. We hold quarterly Risk Management Committee meetings and have established a system where management and department heads participate. This Committee comprehensively identifies risks arising from business activities and changes in the external environment, evaluates and prioritizes them, and identifies key risk items.

Risk management system



Among high-risk areas, we have positioned M&A risk as a critical risk factor. In the INFRONEER Medium-term Vision 2027, we also define this period as the Expanding Investment Business Phase and clearly outline a cash allocation policy aimed at sustainable growth.

As the Group promotes the expansion of our business domains in the Japanese market as an integrated infrastructure service company, we will utilize M&A as appropriate. However, in M&A and business divestitures, factors such as insufficient information or misjudgments in the valuation process of the target company, sales under unfavorable terms, or even deteriorating business performance of the target company can lead to a decline in corporate value. These factors create the risk of circumstances necessitating the recognition of impairment losses on goodwill.

To mitigate such risks, we thoroughly conduct detailed due diligence and perform accurate valuations based on comprehensive analysis. In addition, during the organizational integration process, we will strive to minimize impacts by ensuring transparent communication with employees and business partners. Furthermore, we will proactively prevent goodwill impairment risks by carefully evaluating the profitability and growth potential of target companies prior to acquisition. Following an acquisition, we will continue to regularly review the target company's performance indicators and provide ongoing support to identify and address management issues, thereby striving to maintain and improve corporate value.

Under the newly formulated INFRONEER Medium-term Vision 2027, the Group has formulated and is advancing three strategic pillars and priority measures, and we are reviewing our risk management framework accordingly. This initiative enables us to more accurately grasp the relationship between business and risk and impact, allowing for swift and appropriate responses when incidents occur.

> For more details on our risk review and reevaluation, read our Securities Reports, which are available at:
https://www.infroneer.com/jp/ir/security_report/ (in Japanese)

INFRONEER Holdings risk map (as of FY2024)

In terms of monetary value

In terms of monetary value	Impact level	1	2	3 (High-risk areas)	4 (High-risk areas)	5 (High-risk areas)
Approx. ¥1 billion or more	5		• Internal controls	• Climate change and environment	• Serious disasters • Product or service defects • Business strategy	•M&A
	4	• Disaster	• Financial • Shareholder-related • Violation of the Financial Instruments and Exchange Act	• Communication • Brand value damage • Economic and financial change • Diversity • Decline in employee engagement	• Human capital and employment • Information security, ICT • Materials and equipment procurement • Legal regulations, compliance • Overseas operations	
	3		• Contingent liability			
Approx. ¥100 million	2					
	1					
Approx. ¥10 million	Frequency	Once in 10 years		Once in 3 years		More than once in 1 year

Environment

Basic Approach

The INFRONEER Group, as an integrated infrastructure service company, strives to deliver optimal infrastructure services around the world, with the aim of achieving the sustainability of all stakeholders of the Company and the Earth.

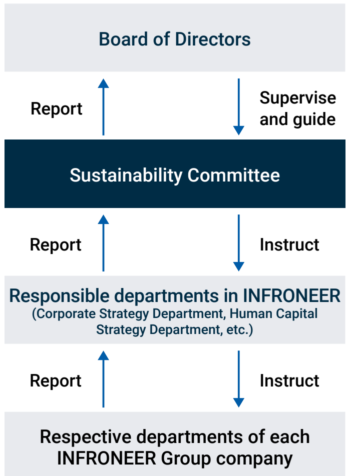
The environment must not be sacrificed in the process of pursuing economic growth. Rather, environmental conservation and economic development should be able to be pursued at the same time and in a mutually beneficial way. Aiming to create such a society, we are endeavoring to achieve harmony with nature and provide rich natural environments and economic opportunities to the present and future generations alike. Accordingly, we have been engaging in initiatives from a long-term perspective by addressing issues related to climate change, circular economy, natural restoration, pollution prevention, and water security. In addition, we are promoting activities through the Group's own "Dividends for the Earth."

Environmental Management

The Group recognizes environmental challenges, such as climate change, as a key management issue. While viewing it as a major risk with a strong sense of threat, we also see it as an opportunity and implement concrete initiatives to solve issues and achieve sustainability in line with the INFRONEER Medium- to Long-term Vision.

In FY2024, the Sustainability Committee discussed matters such as the results and monitoring of the status of greenhouse gas (GHG) emissions, deliberations on introducing internal carbon pricing, and quantitative targets for the circular economy, which are then reported to the Board of Directors.

The relevant department (sustainability, CSR, and environment) of each Group company reflects decisions made by the Committee in their respective policies and plans and promotes related activities.



Environmental laws and regulations compliance status

In FY2024, we reported zero cases of violations of environmental laws and regulations.

> For more details, visit our website at: https://www.infroneer.com/jp/sustainability/ESG-data.html#environment (in Japanese)

Climate Change

Policies and philosophy

We anticipate that the market for carbon neutral initiatives will expand more rapidly in the maintenance, management, repair, renewal, and new construction infrastructure fields through public-private partnerships. The Group has set a target to achieve net-zero GHG emissions across Scopes 1, 2, and 3 by 2050 and is strengthening its initiatives to tackle climate change, while promoting initiatives to reduce and increase the efficiency of energy usage. Additionally, we updated our 2030 GHG reduction target to the 1.5°C level and received certification from the SBT Initiative in November 2024.

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Climate-related information disclosure based on the TCFD Framework

We recognize the importance of climate-related information disclosure. We endorse the TCFD recommendations and are working to enhance our information disclosure. We identify risks and opportunities and implement appropriate measures to reduce our emissions and enhance resilience while achieving business growth simultaneously.

TCFD | TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

> For more details on climate-related information disclosure based on the TCFD Framework, visit our website at: https://www.infroneer.com/jp/sustainability/environment/climate.html (in Japanese)

Governance

The Group recognizes climate change as one of the key management issues and a major risk. Our basic policies and issues related to climate change are regularly reviewed by the Sustainability Committee, and we have a structure in place to ensure proper oversight by the Board of Directors.

Indicators, targets, and results

The Group has set a target to reduce Scope 1+2 emissions by 45.8% and Scope 3 emissions by 25% by 2030, using FY2021 as the base year, to achieve carbon neutrality by 2050 (SBT certified).

In FY2024, we promoted the introduction of "ecole[*1]," proactive utilization of renewable energy resources (including non-fossil fuel certificates), and other activities. As a result, we recorded around 2,570 kt-CO_2e[*2] (down 150 kt-CO_2e year on year). With respect to GHG emissions reduction targets, we attained a 38% reduction for Scopes 1 and 2 combined and a 31% reduction for Scope 3 (Categories 1 and 11) compared to FY2021 levels.

In addition, we will enhance the function to perform embodied carbon assessments[*3] as a measure to reduce emissions across the entire value chain. In the infrastructure management business, we aim to build a one-stop service platform to reduce environmental footprint by creating a mechanism for exchanging and sharing information among suppliers and stakeholders in the value chain to increase the effectiveness of GHG emissions reduction.

As an initiative to ensure credibility, we have conducted third-party verification by a sustainability accounting firm for GHG emissions (Scope 1, Scope 2, and Scope 3 categories 1 and 11).

*1 "ecole" is a low carbon (medium temperature) asphalt mixture using mechanical foamed technology
*2 Total value for Scopes 1, 2, and 3 (Categories 1 and 11)
*3 Embodied carbon assessments refer to total amount of CO_2 emitted outside of a building's operation (including material procurement, manufacturing, transportation, construction work, and building disposal/recycling)

Risk management and strategy

The identification of climate change-related risks and opportunities is conducted chiefly by the responsible department at each business company, with the scope covering the entire Group. Identification results are brought together and analyzed in terms of financial impact by the Sustainability Promotion Office. Major risks and opportunities identified through this process are examined by the Sustainability Committee and then reported to the Board of Directors, which discusses measures to mitigate and control such risks as needed.

Moreover, these results are shared with the Risk Management Committee at its quarterly meeting so that discussions on risks and their management will be conducted in the Group's overall risk management framework.

Premises for scenario analysis

Climate-related risks and opportunities can be grouped into two categories: risks related to the transition to a decarbonized society (policies and regulations) and risks related to the physical impacts of climate change (occurrence of natural disasters). We performed analyses for the two categories based on two scenarios, namely, the 1.5°C scenario (good progress) where good action is taken to mitigate climate change, and the 4°C scenario (slow progress) where little action is taken to combat climate change, maximizing physical risks. For each scenario, analyses were conducted on the premises defined in reference to future climate predictions published by various international institutions based on two timeframes of short- to medium-term (to 2030) and medium- to long-term (to 2050).

Financial impact assessment related to risks and opportunities and countermeasures

The results of the financial impact assessment related to major risks and opportunities identified by the scenario analyses are summarized in the table below. For risks and opportunities associated with procurement, wind and flood disasters, and outsourcing cost increases, relevant information is posted on our website.

Financial Impact	Positive	Negative
Large (¥10 billion or more)	↑↑↑	↓↓↓
Medium (¥5 to ¥10 billion)	↑↑	↓↓
Small (Less than ¥5 billion)	↑	↓

Major risks and opportunities

Category		Risks/opportunities	Details	Financial impact assessment (operating profit) 1.5°C scenario 2030	1.5°C scenario 2050	4°C scenario 2030	4°C scenario 2050	Countermeasures
Transition	Policies and regulations	Risks	Increased tax burden related to CO_2 emissions from business operations as a result of carbon taxes being introduced and raised	↓↓	↓↓↓	↓	↓	I
Transition	Markets	Opportunities	Increased demand for ZEB, ZEH, energy-saving renovation, and wooden construction; expanded market of innovative construction machinery (EV, etc.)	↑	↑	-	-	III
Physical	Chronic	Risks	Increased costs of recruiting and outsourcing as a result of accelerating labor shortages due to deterioration of work environments	↓	↓↓	↓↓	↓↓↓	II,III
Physical	Acute	Opportunities	Increased markets for building national resilience against disasters (including infrastructure maintenance, management, inspection, etc.)	↑↑	↑↑↑	↑↑	↑↑↑	III,IV

Countermeasures

	Countermeasures	Details	Financial impact assessment (operating profit) Risk reduction and recovery 1.5°C scenario 2030	1.5°C scenario 2050	4°C scenario 2030	4°C scenario 2050
I	Reduce CO_2 emissions from business operations	Reduce CO_2 emissions from production activities at each business company; especially, increase sales of low-carbon asphalt mixture, such as "ecole" (loss to be posted in 2030 due to the initial investment and depreciation), etc.	↓	↑↑↑	-	-
II	Implement decarbonization measures across the entire supply chain	Procure low-carbon materials in cooperation with suppliers; expand and diversify the supply chain to disperse risks; promote BCP, etc.	↑↑	↑↑↑	↑↑	↑↑↑
III	Respond to markets related to carbon neutrality and national resilience against disasters	Make proactive human and physical investments in decarbonization-related businesses; promote partially or fully unmanned work for more construction sites by utilizing ICT technologies, etc.	↑	↑	↑	↑
IV	Research related to decarbonized or low-carbon economy	Promote research and development to support a decarbonized or low-carbon economy (cost of research and development investment to be turned into benefits from initiatives implemented)	↓	↓	-	-

Circular Economy

Policies and philosophy

A circular economy refers to a socioeconomic system that aims to keep creating new value while using and recycling resources (including products and parts) on a continuous basis. In May 2024, the ISO 59000 series, a set of international standards for the circular economy, was made available, which will likely spur related discussions.

The INFRONEER Group operates the comprehensive infrastructure business that handles the entire infrastructure life cycle ranging from planning and proposal to construction, operation, maintenance, and management, and we promote environmentally conscious design for all infrastructure. We will achieve extended service life by actively promoting the reduction of resource use and the mitigation or avoidance of impacts through planned operations, maintenance, and management.

Goals

We will continue to promote resource conservation, the use of recycled materials, and the reduction of final disposal volumes, as we have done previously, while also setting targets aimed at creating high added value with fewer input resources.

- Ratio of recycled aggregate used in asphalt mixture production materials
- Resource productivity in the resource conservation of key materials*

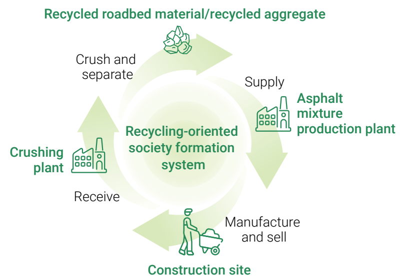
*Resource productivity is calculated by dividing the INF Added Value Amount—a key overall KPI—by the input volume of key materials.

> For target and result values, refer to KPIs (page 31).

Recycling construction by-products and long-term resource recycling initiatives

MAEDA ROAD accepts debris, mainly asphalt and concrete clumps, which are waste materials from our construction sites, and processes them for recycling, thereby contributing to reducing final disposal volumes. Approximately 3 million tonnes of recycled aggregate are sold as a recycled roadbed construction material. At the same time, we are promoting initiatives to diminish the usage of natural resources and develop petroleum substitutes.

Industrial waste (construction) recycling diagram



> For more details on circular economy, visit our website at: https://www.infroneer.com/jp/sustainability/environment/circular-economy.html (in Japanese)

Natural Restoration (Nature Positivity)

Policies and philosophy

The Group conducts all aspects of its business activities benefiting from the resources provided by the Earth. At the same time, we recognize that our business activities impact biodiversity throughout the entire value chain—including land alteration, the procurement of materials and water, wastewater and waste generated during production, and the use and service life of manufactured products.

Aiming to help accomplish the goals of nature positivity—a concept of conducting efforts to help nature recover, such as halting and reversing biodiversity loss—we are promoting actions for biodiversity conservation and natural restoration while maintaining the functional value expected of infrastructure, in coordination with carbon neutrality and the circular economy.

The Group is committed to conserving biodiversity and the sustainable use of resources in all business domains, including procurement, operation, and renewal, to increase social and community safety, security, and sustainability. In addition, we are introducing green infrastructure that uses the functions of the natural environment to solve various issues in society.

Goals

The Group is continuing activities that contribute to the restoration of nature in coordination with local communities, while promoting the expansion of wood utilization that contributes to sustainable forest management. In addition, we will implement proper wastewater management by minimizing impacts on biodiversity in land use and efficiently utilizing water resources to limit usage to the minimum necessary. We will begin initiatives toward TNFD disclosure during FY2025.

Initiatives

The Group has been participating in the 30by30 Alliance for Biodiversity, launched by the Ministry of the Environment, since November 2023 to contribute to achieving the global target of designating at least 30% of the Earth's land and sea area as protected areas by 2030. In October 2024, the biotope created in MAEDA CORP.'s ICI Center was certified as a Natural Symbiosis Site. We will continue to promote initiatives that conserve biodiversity.

> For other projects related to biodiversity, visit our website at: https://www.infroneer.com/jp/sustainability/environment/living.html (in Japanese)
For a timeline of our past biodiversity actions, visit our website at: https://www.infroneer.com/jp/sustainability/environment/biodiversity.html (in Japanese)
For details on the ICI Center, visit their website at: https://www.ici-center.jp/en/

Pollution Prevention

Policies and philosophy

The Group recognizes the management and proper disposal of hazardous substances, reduction of harmful emissions into the atmosphere, and management of specific chemicals in building materials as key priorities.

We appropriately and thoroughly manage hazardous substances in all stages of our operations, such as civil engineering, building construction, road civil engineering, crushing stones, mixture manufacturing, and construction machinery manufacturing, in compliance with applicable laws and regulations. Recognizing that inappropriate management poses reputational risks that can result in a lost business opportunity, we will ensure appropriate management on a constant basis.

Goals

Major issues managed by the Group are related to monitoring the usage of PRTR-listed* chemical substances, proper processing of wastewater to be discharged, and prevention of soil contamination and alleviating and avoiding negative impacts in case of contamination.

*PRTR system: A system in which businesses handling chemical substances potentially hazardous to human health and ecosystems are required to estimate the amounts of such substances released into the environment (atmosphere, water, and soil) and transferred in waste and report the data to the government. The national government then compiles the submitted data and estimates the release and transfer amounts and makes the results public.

Aquatic PFOS/PFOA adsorption treatment system

MAEDA CORP. has developed a water treatment system to remove PFOS and PFOA (organofluorine compounds) from wastewater and has been engaging in treatment activities. The system, composed of two types of units, each for the clarifier and ion-exchange resin, is suitable for transportation on a general-purpose vehicle. The clarifier unit removes free-floating substances and the ion-exchange resin unit removes PFOS and PFOA.

Water treatment system installed

> For details on "De-POP's ION®," visit our website at: https://www.maeda.co.jp/tech_service/detail/de-pops_ion.html (in Japanese)
> For details on pollution prevention and other projects, visit our website at: https://www.infroneer.com/jp/sustainability/environment/pollution.html (in Japanese)

Water Security

Policies and philosophy

The Group undertakes water supply and sewerage system projects as part of its infrastructure business and recognizes the conservation of water resources as an important environmental issue. With the aim of pursuing sustainable water resource utilization in our business activities, we are thoroughly implementing efficient water usage, recycling, reuse, and wastewater treatment, while also working to reduce consumption. Furthermore, through our water supply and sewerage systems business, we will contribute to the development of water-related infrastructure and the resolution of water issues.

Goals

In all its business operations, the Group will work to reduce water usage and promote appropriate management of water sources while managing the discharge (or release) of wastewater by presenting its characteristics as needed and conducting monitoring, control, and treatment. For this purpose, we will implement plans to reduce water consumption and intake, collect and analyze data, and consider standardization based on the analysis findings.

Water loss prevention

The Osaka City Industrial Water Supply Specified Management Business, in which MAEDA CORP. is participating, involves conducting measures to prevent major water leaks (unwanted water loss) and installing water leak sensors and AI. In FY2024, no major water leaks were recorded. In March 2025, we unveiled a dedicated web page called "What is Yasasui?" to clearly explain the cost-reduction effects of industrial water and its low environmental impact in water production, and we remain committed to communicating with our stakeholders.

In the Miura City Public Sewerage (for East Area Treatment District) Management Business, we set voluntary standards that are higher than the legal standards for managing the quality of water to be released into public waters.

The management values we set for major indicators are: 15 mg/l for COD[*1] against the legal value of 25 mg/l; 10 mg/l for SS[*2] against a legal 40 mg/l; and 6.0–8.0 for pH against the legal range of 5.8–8.6. All targets for FY2024 have met the standard values.

*1 Short for Chemical Oxygen Demand, COD is an indicator for water pollution levels used chiefly for lake and sea water.
*2 Short for Suspended Solids, SS refers to insoluble particles less than 2 mm in diameter suspended in water.

> For other projects related to water security, visit our website at: https://www.infroneer.com/jp/sustainability/environment/water.html (in Japanese)
> For "What is Yasasui?" visit our website at: https://www.osakakousui.com/landing/ (in Japanese)

Society

Basic Approach

Based on the belief that human capital are the driving force behind maximizing added value, the Group recognizes that investments in human capital are the starting point for enhancing corporate value. To realize our vision of becoming an integrated infrastructure service company, we are proactively promoting investments so that we can not only continuously nurture and assign value-creating human capital that will embrace challenges and engage in co-creation with a sense of ownership but also improve corporate value. In addition, aiming to take on the challenge of building future infrastructure together with all our partners, we have been promoting initiatives throughout the entire supply chain by establishing a human rights policy, a bedrock for solid business operations, while pursuing diversity and ensuring occupational health and safety.

Human Rights

Policies and philosophy

The Group has established the INFRONEER Group's Human Rights Policy (the "Policy") and will act accordingly in all the processes of business operations while fulfilling our responsibility of "respecting the intrinsic rights of humans."

We will provide all our officers and employees with appropriate training and education to ensure that the Policy is fully observed by the Group and all business partners, and implemented effectively in all corporate activities. At the same time, we will identify and assess negative impacts on human rights and implement measures to prevent and mitigate such risks in a bid to increase stakeholders' trust in the Group. Furthermore, we will regularly disclose information on our activities to promote respect for human rights through the Company's website, Integrated Report, and other relevant tools.

> For INFRONEER Group Human Rights Policy, visit our website at:
https://www.infroneer.com//pdf/en/sustainability/INFRONEER%20Group%20Human%20Rights%20Policy.pdf

Human rights due diligence

Based on the Guiding Principles on Business and Human Rights, the Group identifies risks of adverse human rights impacts, prevents and mitigates them, monitors them, and implements appropriate prevention, remediation, and verification measures for identified human rights risks. For high-risk factors, we provide education to all employees through training sessions, study groups, and questionnaires at each business company, as well as by distributing seminar videos and issuing sustainability newsletters across the entire Group.

> For more details on our human rights-related initiatives, promotion structure, and human rights risk map, visit our website at:
https://www.infroneer.com/jp/sustainability/social/human-rights.html (in Japanese)

E Employees S Suppliers C Customers/end users

High-risk factors associated with human rights	Measures to prevent and reduce risks
Accidents E S	E Provide safety training and education S Provide safety education
Harassment E S	E Provide training and education and conduct fact-finding questionnaire surveys S Monitor and evaluate the implementation status related to transactions
Environmental issues (all stakeholders)	E Provide training and education S C Monitor and evaluate the implementation status related to transactions; perform on-site sample fact-finding surveys
Overtime work E	E Manage working hours using digital attendance sheets; promote other workstyle reforms
Physical and mental health management E	E Provide training and education and conduct fact-finding questionnaire surveys
Personal information and privacy S C	E Provide training and education; require submission of a written pledge S C Set up whistle-blowing channel

We also implement prevention, remediation, and monitoring of human rights risks affecting suppliers, customers, and end users through supply chain management. As a remedial measure for all stakeholders, we have established a whistle-blowing channel to receive human rights-related consultations and reports from within and outside the Group.

Supply Chain Management

Policies and philosophy regarding sustainability procurement

The Group has established the INFRONEER Group Sustainability Procurement Policy and the INFRONEER Group Sustainability Procurement Guidelines, aiming to achieve sustainability and create added value throughout the entire supply chain by fostering relationships with our direct and indirect business partners based on mutual respect and a strong sense of partnership.

These guidelines define specific requirements for all business partners to comply with matters that add sustainability elements—such as environment, safety and health, and human rights—to the traditional aspects of quality, performance, price, and delivery time when collaborating with the Group.

> For more details on our Sustainability Procurement Policy and Sustainability Procurement Guidelines, visit our website at:
https://www.infroneer.com/en/news-article/2024/10/07/917.html

Labor Standards

Basic approach toward labor standards

Restrictions on overtime work in the construction industry have been enforced since April 2024. The Group has stipulated "Occupational health and safety: Provide a safe and healthy working environment" in its Human Rights Policy. We are working to prevent health issues caused by excessive workloads by accurately tracking employee working hours and raising awareness to curb long working hours.

Promotion of the road construction industry's first full two-day weekend system

MAEDA ROAD introduced a full two-day weekend system starting in FY2025, focusing on creating a workplace where employees can reliably take their days off. This initiative is unprecedented in the road construction industry, overturning the conventional wisdom of the sector.

To realize this full two-day weekend system, MAEDA ROAD has provided thorough explanations externally, issued messages from top management, and published awareness posters in industry publications. MAEDA ROAD is also strongly promoting its slogan, "Decision for the future: Full two-day weekends," in all situations—from estimates to email signatures—appealing not only to employees but also to stakeholders. Internally, alongside creating an environment that makes it easier to take time off, MAEDA ROAD is also working to accurately understand the current situation by inquiring about individual circumstances regarding vacation usage. As a result, the mindset that taking time off is normal is gradually spreading throughout the company.

Awareness poster

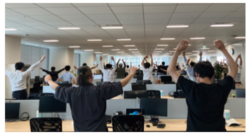
This system has produced tangible results, such as the ratio of employees working on weekends halving year-on-year to 3%, and the utilization rate for compensatory days off and substitute holidays exceeding 98%. We believe the challenge continues to become a more attractive and easier place to work.

Health and Safety

Based on the belief that human capital are the driving force behind maximizing added value, the Group is committed to promoting the health and well-being of its employees, partners, and all those who support us. As part of this commitment, we established the Group Health & Productivity Management Policy in December 2023. Under this policy, we position health as a vital management resource and are committed to supporting our employees and all those who work with us in leading fulfilling social lives, both physically and mentally.

Currently, the entire Group views obtaining KENKO Investment for Health certification as a key milestone, with each company advancing initiatives tailored to its business characteristics and workplace environment. Going forward, we will further accelerate initiatives based on this policy and work as a unified Group to build systems and generate results.

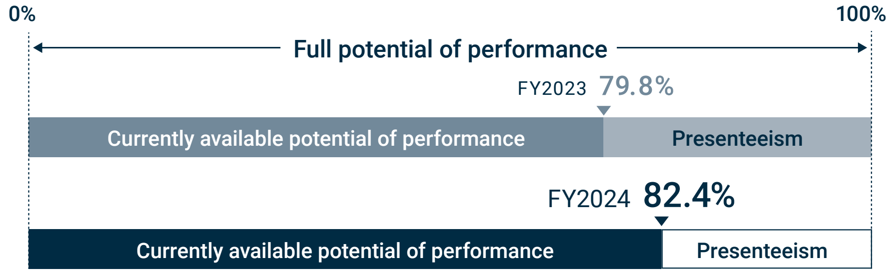
An example of activities to promote employee health


Radio exercise session in the office

In particular, to promote occupational health—the foundation of health management—we are carefully implementing measures for employees who require re-examination or have been identified as high-risk based on regular health checkup results, including consultations with occupational physicians, follow-ups after re-examinations, and workplace accommodations.

Furthermore, we go beyond legally mandated health checkups and stress assessments by conducting a Group employee health survey to comprehensively understand the factors supporting workplace performance. We have designated presenteeism* as a key indicator and are implementing initiatives to solve health issues tailored to business characteristics, job types, and individual traits.

Presenteeism (based on health survey results)



* Presenteeism is a situation in which employees come to work but have reduced productivity levels due to health problems.

> For the Group Health & Productivity Management Policy, visit our website at: https://www.infroneer.com/jp/blog_assets/attachments/711/20231211_2.pdf (in Japanese)

Local Communities

Revitalize the community and support partners

We will work to resolve social issues and promote regional revitalization by participating in public-private partnership projects such as concession projects and others, and we will introduce initiatives that will contribute to improving the stability and productivity of the management of cooperating companies, who are our partners nationwide and who are indispensable in sustaining growth in our company. From FY2023, MAEDA CORP. has started to budget for supporting cooperating companies, chiefly in areas related to human capital development, establishment of construction structures, and development of technical capabilities for improving productivity, and is accelerating efforts for these purposes.

> For details on partner support initiatives, visit our website at: https://www.infroneer.com/jp/sustainability/social/scm.html (in Japanese)