



As an Integrated Infrastructure Service Company, We Will Continue to Take on the Challenge of Social Transformation Through Infrastructure to Achieve Enhanced Corporate Value



Four years have passed since INFRONEER Holdings Inc. was established in October 2021. We have continued to take on challenges in uncharted territory as a pioneering company in Japan with the unique positioning of an integrated infrastructure service company, and our first Medium-term Business Plan, “INFRONEER Medium-term Vision 2024,” concluded in FY2024. Having completed the Establishing Foundations Phase, we entered a new stage in April 2025 with the start of our next Medium-term Business Plan, “INFRONEER Medium-term Vision 2027,” which aims for further growth by accelerating investment-driven busi-

ness models.

To grow as an integrated infrastructure service company, we must not make our traditional “construction” business our ultimate goal; instead, it is essential to expand it alongside our new value-creating “de-construction” business. We must not only aim to improve our business performance, but also enhance the convenience and richness of people’s lives with the power to transform society. To achieve this, we still face many challenges and opportunities for growth.

Kazunari Kibe

Director, Representative Executive Officer,
President, and CEO
INFRONEER Holdings Inc.

Joined MAEDA CORPORATION in 1986; served as a Managing Officer in 2014; served as a Director and General Manager of the Management Innovation Division from 2016; in October 2021, became the Director, Representative Executive Officer, President, and CEO of INFRONEER Holdings.

“Transforming Society Through Infrastructure” Will Become Corporate Value

We are taking on the challenge of creating value in a new business area that is unprecedented in Japan. Our role will not end once infrastructure is built; instead, we will comprehensively undertake all aspects, including operations and services, to create new economic and cultural value for public facilities. Through these efforts, our vision and purpose are to achieve not only the growth of our Group, but also the revitalization of regional economies and the improvement of people's quality of life.

The corporate value of INFRONEER lies in transforming society through infrastructure. Corporate value is generally measured by figures such as market capitalization or the DCF method. While these are certainly important indicators, the corporate value we are pursuing goes beyond mere numbers.

We are developing our business with a vision for the future; therefore, I feel that some aspects of our corporate value is not yet fully understood by the market. I recognize that our current stock price is not moving as envisioned, reflecting a gap between our vision and market valuation. That is precisely why I am acutely aware of the necessity and our responsibility to diligently communicate our future potential to bridge this gap.

Realizing a Sustainable Society by Changing the Rules

The most critical perspective when discussing the business environment surrounding our company is how we address the high volatility inherent to the construction industry. The “construction” business of the construction industry is characterized by the difficulty of generating demand independently and its strong susceptibility to fluctuations in the supply-demand balance, driven by external factors such as economic conditions and national poli-

cies. To break free from this situation, we established INFRONEER Holdings and have been building a business model that does not rely solely on “construction,” as we have since our founding. We have been working to transition to a sustainable model by not only building infrastructure, but also undertaking its operations, maintenance, and management with an integrated approach.

We should view the current changes in the external environment, such as rising interest rates and soaring raw material prices and labor expenses, as a transition period for the construction industry to grow as a healthy market. The fact that prices and labor expenses are rising to appropriate levels, and that services are being rewarded with compensation commensurate with their value, is a desirable direction for society as a whole and something our company welcomes.

Another pressing challenge facing construction sites is the shortage of workers. The construction industry is a typical labor-intensive industry that is difficult to automate like a factory and hard to replace with AI. Given such characteristics, the sustainability of the industry itself is being questioned in Japan, with its declining birth rate, aging, and shrinking population.

To address this challenge, we place importance on realizing a society where fair compensation is paid. Sustainable growth cannot be achieved if we continue to tolerate a traditional system where rising construction costs are passed down to those working on-site. It is only natural for both the industry and society that labor expenses rise appropriately and that services are rewarded with compensation commensurate with their value. Our company will spearhead efforts to transition into such a structure.

I believe that breaking free from systems built on someone's sacrifice and establishing an industry structure that is fair and sustainable for all stakeholders is a crucial responsibility we must fulfill as we evolve into an integrated infrastructure service company. Solving the social challenges facing the construction industry and creating new value for the future will enhance our corporate value.

What is required in the coming era is an attitude that goes beyond the confines of “construction” and the construction industry

by flexibly responding to social changes and re-examining the very nature of a company. In Japan, with its declining birth rate, aging, and shrinking population, the allocation of tax revenues to new infrastructure with a high public benefit is expected to be limited going forward. Conversely, demand for the maintenance and management of existing infrastructure is expected to grow significantly. This field, which includes the reconstruction of sewerage systems, holds significant potential to become a new growth driver for our company, and we are already promoting full-scale initiatives.

➤ For details on our business model, see page 23.



What we value most in enhancing corporate value is our attitude of treating all stakeholders—shareholders, customers, employees, cooperating companies, and local communities—as equal partners, respecting them and continuously engaging in sincere dialogue. Respecting all stakeholders equally, rather than prioritizing any one party, and actively communicating as partners tackling change together are essential for sustaining our business, and it is a philosophy we have cherished since our founding.

As we venture into the new business area of “de-construction,” we are faced not only with systems and laws, but also with invisible barriers such as norms. These barriers are difficult to break down using conventional methods. That is precisely why we do not simply follow existing rules, but instead actively propose rule changes—revising the rules themselves when necessary—and continue to take on the challenge of creating better systems for society. The introduction of the BT+ concession* model in stadiums and arenas is one such example. We are taking on the challenge of changing the rules and stepping forward to create unprecedented business models.

➤ *For BT+ concession, refer to the glossary on page 95.

Competitive Advantage and Social Transformation in Stadiums and Arenas

The new Japan National Stadium, which our Group became involved in operating in April 2025, and the IG Arena, which opened in Aichi Prefecture in July 2025, are major projects marking a turning point in expanding our stadium and arena business areas. IG Arena employs Japan's first BT+ concession model, which I believe will allow us to establish first-mover advantage by quickly building a track record.

The government is promoting stadium and arena reform as a catalyst for regional revitalization. By participating in the stadium and arena business, we can leverage the engineering capabilities we have cultivated through our “construction” business during construction, and the know-how we have accumulated through

our “de-construction” business during operation. Leveraging these strengths will enable operations that create vibrant local communities centered around stadiums and arenas, and the practical insights accumulated from such service operations will further enhance the precision of our proposals for solving challenges faced by other municipalities, thereby helping us to acquire other projects. Furthermore, building a track record will also contribute to establishing optimal networks, including collaborations with local businesses. I believe that this virtuous cycle will give us a competitive advantage for stadium and arena projects, representing a unique initiative for our Group that leverages the strengths of both our “construction” and “de-construction” businesses. We aim to deliver results that make people feel that “things changed because INFRONEER got involved,” no matter the project.

Enhancing corporate value through the social transformation of infrastructure isn't something achieved overnight. It's built on steady, persistent effort. I believe that initiatives which, when we look back years or decades later, make us feel “yes, they truly brought about change” are what will lead to fundamental enhancement of corporate value, and that's what drives our current businesses forward.

➤ For stadiums and arenas, see pages 44 and 52.

Engineering and Finance Capabilities That Transform Risk into Growth Opportunities

When looking from a revenue base perspective, while we achieve solid results in our “construction” business, we must not rely on it and instead also focus on establishing new revenue models for “de-construction.” There is value in actively taking on challenges even in fields that are generally considered risky, which involve significant difficulty. However, our company possesses the ability to minimize potential risks to the greatest extent possible, along with the expertise and technology to control risks, and we have a proven track record of leveraging these as sources of competitive

advantage to achieve results.

At the core of establishing new revenue models is the fusion of engineering and financial capabilities. Engineering capabilities refer not only to design and construction techniques, but also to cost estimation capabilities, which allow for accurate risk assessment, selection of optimal technologies and methods, and maximization of cost performance while ensuring quality and service. This dramatically enhances the accuracy of on-site decision-making and our ability to respond to risks. On the other hand, financial capabilities refer to the ability to design an optimal capital structure—the ideal balance of equity and debt—with a view spanning from the project planning stage through to exit. If we can visualize and mitigate technical risks through engineering capabilities, we can also control costs on the financial side. Furthermore, by designing comprehensively, including contracts and legal hedging, we can optimize the entire project.

In Europe, it is common to divide roles between construction companies and investment banks, but our company is a rare business that is capable of performing both functions as a single entity. Leveraging this strength, we intend to boldly take on new challenges in fields that other companies have not yet entered, aiming to establish a new, globally competitive business model originating from Japan.

Creating value through “de-construction” is by no means a smooth path. However, it presents a solid opportunity for growth. We will move forward while correctly identifying and managing risk without fearing it. I believe that this is precisely the path our company should take, and the driving force behind building our unique corporate identity. Going forward, we will continue to take on challenges to realize a sustainable society.

Further Developing Unique Business Models

Our Medium- to Long-term Vision, “INFRONEER Vision 2030,” is structured around a three-stage Medium-term Business Plan. In

the first stage, we developed our organizational structure and business base under the theme of solidifying our foundations. We have now entered the second phase, the “Expanding Investment Business Phase,” where we will nurture and cultivate the seeds we have sown. We will advance our current Medium-term Business Plan, “INFRONEER Medium-term Vision 2027,” to ensure that the initiatives undertaken in this phase bear significant fruit as substantial profits during the “Profit Expansion Phase” from FY2028 to FY2030.

I believe a medium-term business plan should not merely set targets, but rather serve as a compass guiding current decisions by working backward from the desired future state. While we have achieved certain results over these three and a half years, of course, not everything progressed exactly as planned. To vigorously advance our Medium- to Long-term Vision, we must not be afraid to deviate from plans, but instead adopt a flexible and proactive attitude of learning from failures and applying those lessons to future endeavors. Furthermore, as a company, we must always maintain a sense of urgency, remaining vigilant even when things appear to be going smoothly, and never allowing ourselves to become complacent with the status quo. As the pace of change accelerates, we will forge ahead with the conviction that consistently managing with an awareness of anticipating the future will lead to the sustained enhancement of corporate value.

In the “INFRONEER Medium-term Vision 2027,” we adopted EBITDA as a new management indicator and made it a major key performance indicator (KPI) to enhance the effectiveness of our Medium-term Business Plan. Traditional accounting indicators visible only from P/L and B/S statements have faced the challenge of accurately evaluating the value of companies like ours, which operate two core businesses—“construction” and “de-construction”—and where there is a time lag between upfront investment and results. EBITDA indicates the actual cash-generating capabilities generated by a company’s business activities, serving as an indicator directly linked to the source of compensation and reinvestment. We view it as a key decision-making axis for management and an important metric supporting our future growth

strategy.

Japan Wind Development, which joined our Group in January 2024, plans to develop 1,100 MW of projects during the current Medium-term Business Plan period, requiring approximately ¥120 billion in upfront investment. It will take time for power generation to commence, so contributions to profits are anticipated from FY2030 onward, but I believe that examining changes in EBITDA will demonstrate our corporate value, including future growth.

In addition, we have adopted the “added value amount” KPI from our unique perspective. This measures the fundamental value a company generates, taking into account labor expenses, depreciation, capital expenditures, and other factors. I believe that this initiative to visualize the overall picture of value—which is difficult to see through mere sales or profits alone—will also help evolve our corporate culture.

In May 2025, we announced a management integration with Sumitomo Mitsui Construction Co., Ltd., which became a consolidated subsidiary in September 2025. The addition of Sumitomo Mitsui Construction to our Group is expected to strengthen our engineering capabilities, a key differentiator in both “construction” and “de-construction.” Sumitomo Mitsui Construction and MAEDA CORP. each possess strengths in differing technical fields, which will ultimately create synergy through mutual supplementation. Furthermore, leveraging the industry-leading overseas business track record and network of Sumitomo Mitsui Construction, particularly in Asia, will enable our Group to expand into new overseas markets. By combining the strengths of both companies with our infrastructure management know-how, we will further enhance our capabilities as an integrated infrastructure service company.

➤ For an overview of the new Medium-term Business Plan and growth investment, see pages 26 and 58 respectively.

Industry-Leading Advanced Governance System

Since our founding, we have regarded governance as one of the engines driving corporate value enhancement. Therefore, upon



our founding in October 2021, we chose to become a Company with a Nominating Committee, etc.—the first such company in the construction and real estate industry—and have since pioneered initiatives to establish advanced governance. Only around 5% of companies listed on the Tokyo Stock Exchange’s Prime Market, and around 3% of companies listed on the Tokyo Stock Exchange overall, have chosen to become a Company with a Nominating Committee, etc. (as of January 2025). By choosing to become a Company with a Nominating Committee, etc., it becomes possible to significantly delegate authority from the Board of Directors to executive officers under the Companies Act. We will expand the scope of matters that can be decided at the discretion of executive officers and clearly separate management supervision from execution to ensure swift decision-making and maintain management transparency and fairness.

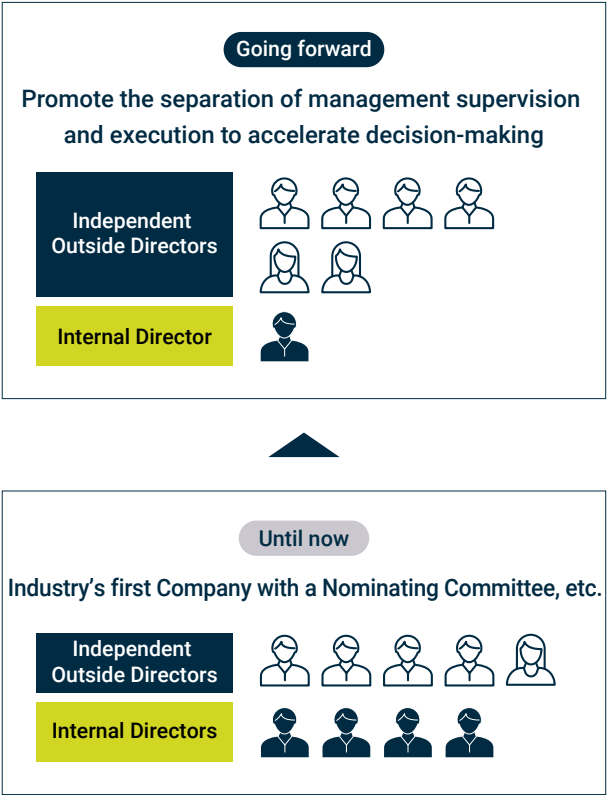
We changed our governance system in June 2025 to further advance this approach, with the aim of achieving our Medium-term Business Plan and better enhancing corporate value.

Specifically, while the Board of Directors previously had a majority of outside directors, the presidents of business companies also served as directors. However, this arrangement resulted in internal directors supervising their own execution of operations, contradicting the purpose of becoming a Company with a Nominating Committee, etc. Therefore, we have limited internal direc-

tors to the CEO—specifically, the Representative Executive Officer, President, and CEO—to more clearly separate supervision and execution. This is an extremely advanced governance system, with only a handful of other examples in Japan.

Additionally, we have defined roles for executive officers for each segment within our Group. Under the authority and responsibility delegated by the Board of Directors, we aim for executive officers to maximize their roles in achieving the Medium-term

Further strengthening of the governance system



Business Plan, ensuring our policies are implemented through a comprehensive system all the way down to business companies.

Taking on these kinds of challenges is by no means easy. However, I believe that a constant willingness to take on the challenge of reform is essential for sustainable growth. Moving forward, we will continue to engage sincerely with all our stakeholders while enhancing our corporate value.

> For the outside directors roundtable, see page 64.
For details on governance, see page 76.

**DX and Human Capital Management:
The Key Drivers of Corporate Value**

Our Group is focusing on investing in DX and human capital, which are key to our transition toward value-creation businesses. For DX, we are particularly focused on building mechanisms to

utilize data for company and infrastructure management. In April 2025, we established the joint venture INFRONEER Strategy & Innovation (ISI) with Accenture. With the participation of around 100 members from Accenture and INFRONEER, ISI is committed not only to developing IT systems but also to creating business outcomes, driving DX across our business companies. Through these initiatives, we will create results through DX while simultaneously developing DX human capital. In addition, we will incorporate Accenture's DX insights and global network to gather the pieces that support INFRONEER's business model.

In addition, it is essential to extend DX beyond merely digitizing operations and instead connect it to management decisions. The evolution of AI is already reaching realms beyond human cognition, enabling algorithms to uncover patterns humans overlook and present unprecedented decision-making options. I believe that incorporating this trend into management can evolve both

infrastructure management methods and the very act of management decision-making.

For human capital, in order to enhance corporate value over the long term, it is essential not only to transform the business model but also to reform the culture and people that support it. We are promoting measures centered on human capital management with the goal of drawing out the initiative of each employee and creating a flexible organization capable of responding to change.

An initiative that symbolizes this is the new personnel system that INFRONEER launched independently in FY2025. This is not merely a revision of the compensation system; it signifies a restructuring of the evaluation system to ensure fair treatment commensurate with job responsibilities and contributions to results. Through this, we plan to create an environment where talented human capital feel fulfilled at work and can demonstrate their abilities, thereby driving our company's accelerated growth.

I position this new personnel system as a "management reform." The key to this system is the supervisors, who are the evaluators. Supervisors are expected to have the ability to sincerely engage with their subordinates, carefully observe their daily actions, and provide feedback. The first step to realizing diversity and sustainability management is for the management layer to change. The new personnel system, as a mechanism to encourage this resolve, can be considered a highly significant measure.

Additionally, we have fully embarked on training the next generation of management candidates. I want candidates to acquire not only business skills but also two essential qualities: visionary thinking and fighting spirit.

Visionary thinking refers to the ability to cultivate a broad perspective through liberal arts like history and philosophy, logically constructing one's own hypotheses while incorporating social changes. Fighting spirit refers to the willpower to act with conviction even in the face of adversity and achieve results. The tenacity to get back up again and again after experiencing failure is also a crucial element of this readiness. I firmly believe that human capital possessing both of these capabilities will be the driving force behind enhancing corporate value in the coming era, so I intend to

continue this initiative for the sake of our company's future.

We are not aiming to be a company that merely pursues improved business performance. We aim to be a company that embraces change and continues evolving toward the future. This is symbolized by our investments in DX and human capital. These are not mere measures; they are the engines driving our evolution and the pillars shaping the essence of our corporate value. We will continue to move forward steadily with a strong resolve to "shift the source of corporate value toward the future."

➤ For details on IT and DX strategies, see page 68.

➤ For details on human capital strategies, see page 70.

To the Investors Who Support the INFRONEER Group

Recently, there has been a growing call from markets, including the Tokyo Stock Exchange, for companies to raise their price-to-book ratio (PBR). We are committed to fundamentally enhancing our corporate value. Our goal is to steadily accumulate the results of our business activities, and we are working toward this goal with the recognition that this will lead to rising stock prices as a reflection of recognition by society and the markets, which will thereby increase our PBR.

To realize this approach, we must continuously strive to sincerely communicate our corporate value story to all stakeholders, including our investors. We will clearly communicate our vision for the future and the strategic path to achieve it through diverse communication channels, including enhanced IR, integrated reports, and web media. Sharing our value enhancement initiatives with society will lead to improved PBR and earn us genuine trust.

It is my sincere hope that our investors will view our corporate value from a long-term perspective and watch over the challenges we undertake with both understanding and scrutiny.

*This interview was conducted at the end of May 2025.

