Top Message

Broadening the value we create through infrastructure and accelerating growth in corporate value during the Expanding Investment Business Phase

With our structure as an integrated infrastructure service company now in place, we are ready to enter a full-fledged growth stage

INFRONEER Holdings Inc. is now in its fifth year since it set out as an integrated infrastructure service company. Having focused on building our business foundations to bring this about, the Group is at last poised to step into a full-fledged growth phase.

In the construction contracting business, supply and demand are highly susceptible to external factors such as economic conditions and government policy. To move beyond this structure, a stable revenue base built on infrastructure operation and investment is indispensable. That is why, guided by the idea that we should not merely build but actively enter new markets, we envisioned a shift to a holding company structure coupled with mergers and acquisitions (M&A). Our target markets are centered on two axes: public-private partnerships (PPPs) and renewable energy (hereinafter, renewables).

To establish a business model across these two axes, three essential components were required. These were a water infrastructure business to operate concessions, development investment in renewables, and the enhanced construction capacity to make both possible. Only when all three were in place could the INFRONEER business model come to life: a model that handles the entire lifecycle, not just constructing infrastructure but investing in projects, operating them, raising their value, and, where necessary, drawing on the option of divestment to fund the next growth investment.



Kazunari Kibe

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

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

The Group welcomed Japan Wind Development in January 2024, ARSOCIA CONSTRUCTION in September 2025, and Swing in July 2026. Two things are required when presented with a business opportunity: the prudence to discern the essence of change, and the boldness to turn that opportunity into growth. By valuing both of these and executing steadily, one step at a time, we have at last established our current structure. I have been envisioning the ideal form of an integrated infrastructure service company for some 20 years, and I believe the moment that vision began to take shape as something real was in 2020, when we acquired additional shares in MAEDA ROAD and welcomed it into the Group.

> A Dialogue Between the Leaders of MAEDA CORP. and ARSOCIA CONSTRUCTION P.42

However, establishing a structure is distinct from having the substance to match it. We must now advance in two ways at once: vertical growth, expanding the core businesses of each Group company, and horizontal expansion, widening our reach as an infrastructure business. The stage of shaping our form is complete; we have begun our journey in earnest as an integrated infrastructure service company.

What will enable us to prevail? The Group's strength lies in its ability to drive the full capital recycling cycle in infrastructure, underpinned by its engineering capabilities. While we compete with players such as general trading companies, domestic developers, overseas firms, and infrastructure funds, no other corporate group can handle all of these as one. This distinctiveness is, I believe, our greatest weapon for enhancing corporate value.

> Capital Recycling P.24

Fusing Engineering Capabilities Fuels Our Competitiveness

The significance of ARSOCIA CONSTRUCTION and Swing joining the Group goes far beyond mere expansion of business scale. The key is to combine the engineering capabilities each company has developed to lift the competitiveness of the entire Group to a higher level. While the fields of specialization vary, the fundamental principles of engineering remain consistent across our companies. It is a process of gathering and analyzing data, identifying the underlying rules, and deriving the optimal solution. This capacity for logical reasoning and execution is the source of the Group's unique strength.

The social challenges surrounding infrastructure cannot be solved through a single specialized approach alone. By integrating multiple disciplines and thinking about everything as one, from concept through investment, design and construction, operation, maintenance, and management, all the way to divestment, we can uncover ideas and solutions that were difficult for any single company to generate on its own. Furthermore, these engineering capabilities also connect with finance; by making business risks visible and designing the capital structure, we can reduce funding costs.

This cross-disciplinary combination also extends to how we view our businesses. "Construction" and "de-construction" are not opposing concepts. It is precisely because of the engineering capabilities we have built in the construction business that we can assess risks and enhance value even in infrastructure operations and PPP projects. Conversely, entering the fields of operation and investment allows us to accumulate know-how that could not be gained through conventional construction alone, thereby strengthening the competitiveness of the construction business itself. Ultimately, our goal is to reach a stage where these two aspects no longer need to be discussed separately. Which approach to a given piece of infrastructure creates the most value? An organization that can search out the optimal solution across the entire Group and execute it: that is the integrated infrastructure service company we aim to be.

> Business Models P.22

Three Growth Areas to Accelerate the Expanding Investment Business Phase

Under our Medium-term Business Plan, INFRONEER Medium-term Vision 2027, we have set targets for FY2027 of ¥100.0 billion in business profit and ¥151.0 billion in EBITDA. This represents a three-year acceleration of the level we had originally projected for FY2030. Behind this lie the fact that the formation of our structure through M&A progressed faster than expected, and the fact that the potential of our Group companies exceeded our initial expectations. While we must remain vigilant regarding the external environment, such as price volatility, I am confident that we can achieve even higher growth by leveraging the strengths of each company.

> Roadmap to the Medium-term Business Plan and FY2030 P.34

There are three primary pillars of growth that support this INFRONEER Medium-term Vision. The first is PPP projects. Our Group is pressing ahead with building a business model that covers everything from investment, design, and construction to operation, maintenance, and management, within infrastructure sectors such as roads, public water supply and sewerage, and stadiums and arenas. With a shrinking population, tightening public finances, and labor shortages, we see maintaining infrastructure in a sustainable form as a major challenge for Japanese society as a whole.

In the road sector specifically, demand for renewing aging infrastructure is rising even as the management burden on local governments increases every year. Leveraging the expertise of MAEDA ROAD and the rest of our road civil engineering business, we are conducting demonstration projects in municipalities such as Fuchu City and Yashio City. While these are currently in the demonstration stage, we are exploring new possibilities for PPPs, including more efficient maintenance and management as well as more advanced comprehensive management. Because roads serve as the foundation for people's daily lives and regional economies, we believe that creating mechanisms for efficient and sustainable maintenance and renewal represents a significant growth opportunity going forward.

In the water sector, too, the participation of Swing has established a structure that handles everything as one, from planning and construction through to operation, maintenance, and management. As this sector faces social challenges similar to those in the road sector, expectations are growing for the operational efficiencies that private-sector expertise can provide. By combining Swing's operational and management expertise with our existing construction and engineering capabilities, we will drive new value creation across the public water supply and sewerage sector.

> Column: Introduction to Swing Corporation P.40

Furthermore, stadium and arena projects are another PPP field we are focusing on. These projects embody our vision of driving

social transformation through infrastructure. As Japan's population shrinks and its regions decline, sports and entertainment have the power to attract people and bring new vitality to communities. The opening of IG Arena and similar projects has increased interest across the country in urban development centered on stadiums and arenas. The very assumptions of the sports and entertainment business are beginning to change.

At IG Arena, we implemented Japan's first build-transfer plus concession model (BT+Concession). The practical insights gained through operation will improve the precision of the proposals we make to help other local governments solve their challenges, and will also help us secure new projects. As demand for stadiums and arenas spreads nationwide, we will build an early track record to establish a competitive advantage unique to our Group.

The second pillar of growth is overseas expansion. The overseas track record and network established by ARSOCIA CONSTRUCTION, particularly in Asia, are powerful growth drivers. I have visited our offices in India and the Philippines myself and spoken directly with local clients. What struck me most there was the depth of the trust and expectation placed in ARSOCIA CONSTRUCTION. In both countries, understanding of PPPs and concessions runs deeper than in Japan, and I believe there is ample room to deploy our Group's business model. In July, we also signed a memorandum of understanding with Samsung C&T to promote strategic cooperation in areas such as infrastructure development projects and PPP projects, including concessions, both in Japan and overseas. We aim to create new business opportunities by sharing our respective knowledge and expertise.

> Overseas Strategies P.61

Adding Swing's water treatment technology to this will further expand our potential in the water infrastructure business overseas. Despite its high technical expertise, Swing has previously encountered obstacles in overseas ventures where construction contracting alone was insufficient. However, by combining ARSOCIA CONSTRUCTION's overseas network, Swing's operational strength, and our concession expertise, an approach different from anything we have had before comes into view. This is a growth story unique to INFRONEER, one made possible by bringing several business companies together into a single Group.

The third pillar is our renewables business. On top of RE100 and Scope 2, with decarbonization now required across entire supply chains, energy procurement is no longer merely an environmental concern— it has become a management issue that determines corporate competitiveness. Companies are now held accountable not only for the energy they consume but also for the environmental impact of their suppliers and business partners, a factor that also influences business continuity and investment decisions. As geopolitical risks mount, expectations for renewables are also rising from the standpoint of a key national policy priority for Japan: securing a stable energy supply.

Japan Wind Development plans to invest as much as ¥130.0 billion during the current Medium-term Business Plan period and aims to develop projects that will produce 1,000 megawatts by 2030. Because power generation requires a significant period to move from investment to revenue generation, we expect meaningful profit contributions in FY2030 and beyond. Through progress in project development and our EBITDA growth outlook, we aim to demonstrate how this will enhance corporate value over the medium to long term.

> Growth Investment Strategies P.36

To put the renewables business on a growth trajectory, it is essential to build an integrated structure that spans from development through to the sale of electricity. While Japan Wind Development possesses strong wind power development capabilities, it previously relied on partnerships with utilities to sell its generated electricity. With progress on a basic agreement for a long-term power purchase agreement (PPA) with Chubu Electric Power Miraiz as our sales partner, we are steadily establishing a business foundation that encompasses development, generation, and sales.

Driving Sustainability Through the Business Itself

Historically, our Group has provided infrastructure services primarily to government agencies and corporations. As we expand into businesses that extend as far as operation, such as concessions, we are finding ourselves more directly connected to the daily lives of the local people who use that infrastructure. As the center of gravity of our business shifts from building and handing over to providing infrastructure services that remain integral to daily life, the nature of our responsibility has evolved as well.

Infrastructure is the foundation upon which daily life is built. Its safety, its reliability, and the environmental care taken with it directly affect the quality of life for everyone. For this reason, we do not view sustainability as separate from our business activities; instead, we treat it as a way of thinking that should be built into management itself. By ensuring that infrastructure remains safe and functional over the long term, we can simultaneously drive business growth and solve social challenges. This is the core of our vision for sustainability.

Furthermore, infrastructure is only made possible through collaboration with numerous partner companies. Ensuring rigorous attention to safety, quality, the environment, human rights, and governance across our entire supply chain is another important theme for the Group. We believe that working alongside all those involved to solve social challenges and improve quality of life will also enhance corporate value over the medium to long term.

> Sustainability Strategies P.70

Governance, DX, and Human Capital: The Foundations of Effective Integration

Evolving our management foundation is essential to driving our growth investments forward. The greatest challenge we face after M&A has put the structure in place is not the integration of systems or processes. It is the wall in people's minds. In my experience, building a new community among people with differing corporate cultures and values is more difficult than overcoming language or national barriers. Because this wall can only be crossed through repeated dialogue between people, I have held town hall meetings at sites across the country since our founding. In FY2025, I visited 18 locations in all, including our overseas sites. While online platforms are sufficient for disseminating information, in-person visits foster a far deeper level of mutual understanding. As a management message is passed from person to person, message A, the one I meant to send, can reach people as B or C, transformed in any number of ways. During my regional visits, I have even heard concerns far removed from my actual message,

such as whether construction work will eventually disappear. As the number of sites to visit increases with the addition of Swing, I will continue to prioritize these opportunities for direct engagement.

> Town Hall Meetings P.77

Alongside this dialogue, we are advancing the evolution of our governance structure. Since our founding, we have operated as a Company with a Nominating Committee, etc., delegating appropriate authority to executive officers and clearly defining the roles and responsibilities of our directors and executive officers. We are now accelerating this evolution. In FY2025, we transitioned to a structure where the Representative Executive Officer and President is our sole inside director. Furthermore, starting in July 2026, we moved to a system where each outside director at the holding company also serves as a non-executive director of a business company. This is a vital initiative for the Group, unifying governance between the holding company and our business companies. This shift has significantly accelerated decision-making and established a stable management foundation that allows us to carry Group-wide policies seamlessly all the way down to our business companies.

> Governance P.75

DX is another pillar of our growth. Our joint venture with Accenture, INFRONEER Strategy & Innovation (ISI), which began operating in April 2025, was established to reform the structure of our traditional, defense-oriented IT investment and redirect it into transformation and growth. We are already seeing tangible results, such as integrating the systems of acquired companies, migrating their accounting systems to SAP in a short time, and reducing lost profits by proactively preventing cost overruns on-site. These achievements are the product of a partnership with Accenture built on a success-fee model that ensures we are both in the same boat. Moving forward, we will leverage knowledge and artificial intelligence to achieve centralized infrastructure management and faster management decision-making.

> IT and DX Strategies P.56

Ultimately, people are the drivers of this transformation. M&A has significantly expanded our Group's talent base in both quality and scale. What matters is to respect the cultures and expertise each company has cultivated while ensuring the right people are in the right roles.

To this end, we also provide common Group-wide education to develop people with both management and business perspectives. By encouraging learning that transcends individual company boundaries and increasing opportunities to pool our expertise, we are cultivating the ability to drive business by viewing construction and de-construction as a unified whole. We are also developing and promoting the next generation of management company-wide to solidify the foundation for our future growth.

> Human Capital Strategies P.58

Additionally, in FY2024, we introduced Employee Stock Ownership Plan (J-ESOP). This system distributes 4% of INFRONEER's total net profit equally to all Group employees in the form of shares, and it is designed as something conceptually different from a simple incentive or benefit. The aim is to ensure that every individual, working in their own role, can feel the connection between their work and the growth of the Group as a whole. We believe that a mechanism for sharing the company's growth among all employees fosters a sense of unity and a sense of ownership across the Group.

> Synergy Topics P.41

Communicating the Essence of Our Corporate Value to Stakeholders

The Group is focused on fundamentally enhancing its corporate value. Our priority is to steadily accumulate business results and sustainably improve our standing in the capital markets. To achieve this, we are improving capital efficiency through both growth investment and asset optimization.

We have also maintained a disciplined approach to leverage, building on the business foundation we established through contracting. During the INFRONEER Medium-term Vision period, we plan growth investment on the order of ¥230.0 billion to ¥270.0 billion. To generate part of the funding for this, we are reviewing our cross-shareholdings and real estate holdings. We intend to eliminate cross-shareholdings by FY2027 through phased sales. Regarding real estate, we have implemented a system to manage holdings centrally across the entire Group and will proceed with phased sales of assets that lack a sound economic reason for continued ownership. The management resources this generates will be reinvested in our growth areas.



Our Group's business model takes time before upfront investment becomes visible as results. Now, in the midst of that process, we recognize that our communication to the market regarding the full scope of our corporate value has not always been sufficient. This is why it is essential that we continue to communicate the story of the Group's corporate value to all stakeholders with sincerity. Beyond strengthening our investor relations (IR), we will clearly communicate the future we aim for and the strategic roadmap to reach it through diverse channels, including our integrated report, our website, and the media.

Our business model is based on a hypothesis we have spent approximately 25 years refining. Today, that hypothesis is showing clear signs of success and is beginning to translate into business results. I believe that if we change the rules of infrastructure, society will become more convenient and more prosperous. Guided by this principle, we will keep striving forward alongside our Group colleagues. We hope you will look forward to the Group's growth and to the initiatives we undertake going forward.