Integrated Report 2026

INFRONEER Annual Vol.5

INFRONEER Holdings Inc.



Illustrations of Kosaku Shima and President Kibe:
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Who is it?

Q. What is INFRONEER?

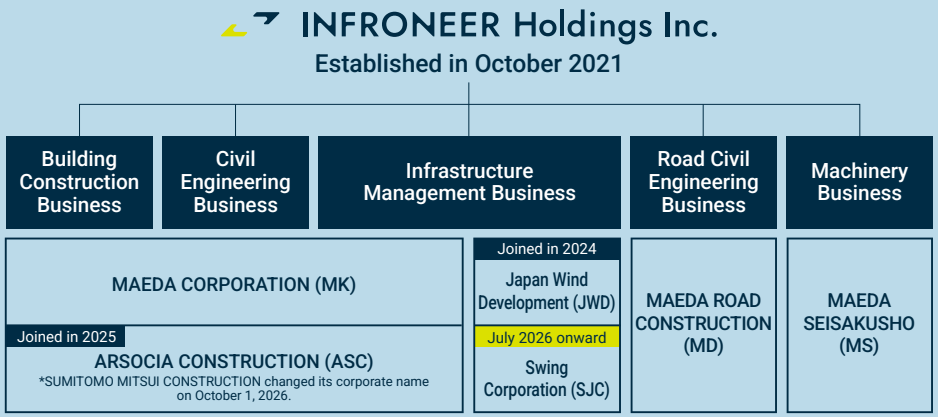
A.

INFRONEER is Japan's first integrated infrastructure service company

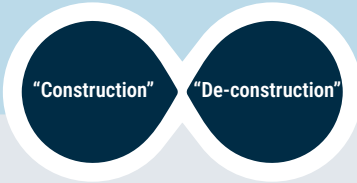
From "building" and "constructing" to "infrastructure that creates value"

Now, social challenges such as aging infrastructure*, a declining birth rate and aging population, worker shortages, and insufficient financial resources for municipalities are beginning to undermine the safety and comfort of local communities that were once taken for granted. INFRONEER leverages engineering capabilities* and regional networks cultivated over many years through manufacturing and "construction" to comprehensively undertake all aspects including operations and services ("de-construction"), thereby supporting people's lives and regional economies.

> *Infrastructure, Engineering Capabilities Glossary P.94



Our major businesses include building construction, civil engineering, road civil engineering, machinery, and infrastructure management, and we also operate extensively in the retail and real estate businesses. INFRONEER will strive to enhance corporate value by sincerely engaging with each business. As a company united as a group alongside the community and society, we will tackle the future of infrastructure services.



What is "De-construction"?

The term "de-construction" encapsulates our intention to not only conduct traditional contracting business but also to take on project risks as a business operator. Specifically, the "de-construction" business involves concession projects of acquiring the right to construct, operate, maintain, and manage public infrastructures such as airports, water supply and sewerage systems, and toll roads. It also includes renewable energy projects that make investments in everything from business development and construction to operation, maintenance, management, and sales.
By leveraging financial expertise and the engineering capabilities we have cultivated in the "construction" business, the "de-construction" business enables us to minimize risks and generate large returns.

Kosaku Shima Joins INFRONEER as an Outside Director!



Kosaku Shima has forged a path through one difficult situation after another with his trademark drive and strength of character, rising all the way to president and then senior advisor. Now he has left TECOT, where he worked for many years, and chosen a new path as an outside director. Of all the offers that came his way, which path did he choose next?

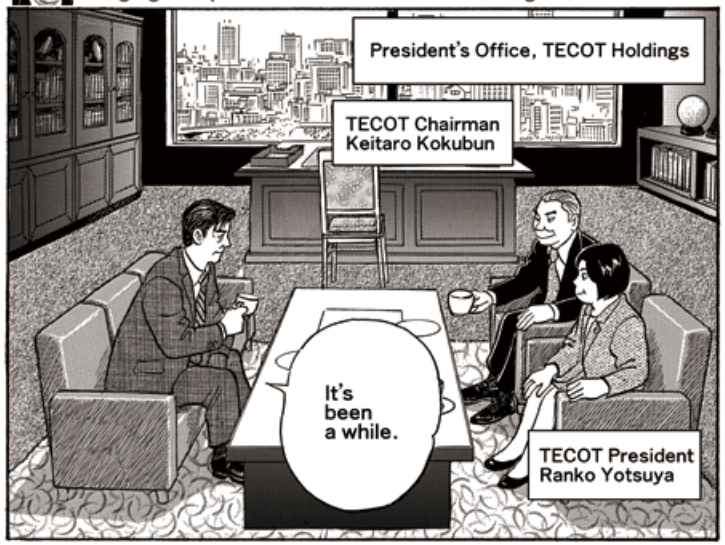
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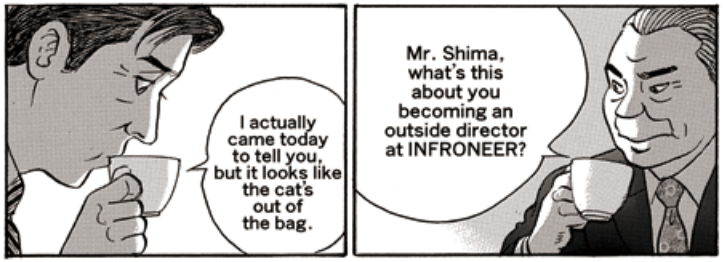
About the Kosaku Shima series

Over 47 million copies of the series are in print. A popular series by Kenshi Hirokane depicting the exploits of Kosaku Shima, an employee of the major electronics manufacturer Hatsushiba Electric Industries. With each new installment, the series widened its global scope and wove in economic and political developments, becoming a landmark of business manga.



Keitaro Kokubun :
The second president and current chairman of TECOT.
A bigwig who quelled numerous crises as Shima's right-hand man.

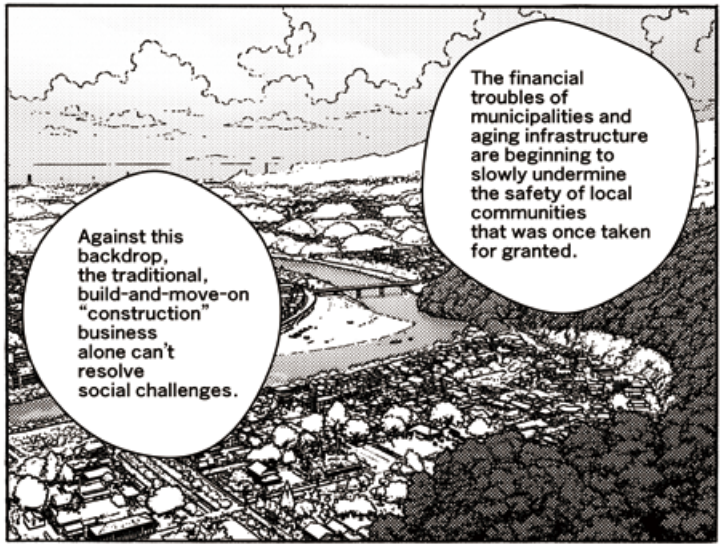


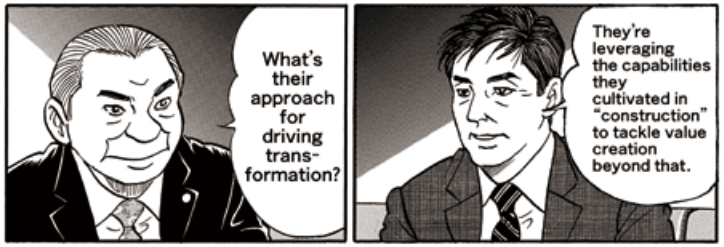




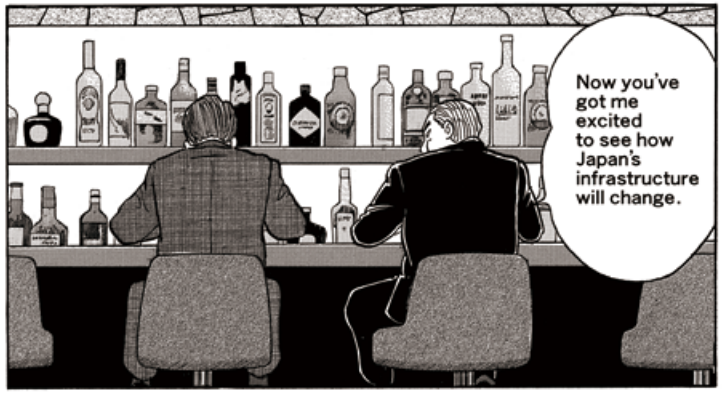
Ranko Yotsuya :
The fourth president of TECOT. After serving as a Hatsushiba director and a university president, she took her post as the president of TECOT. A woman of many talents, well versed in politics, business, and bureaucracy.

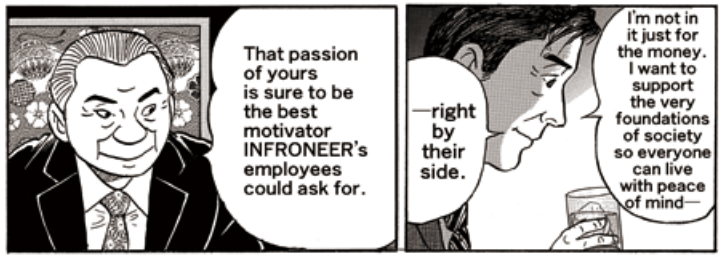




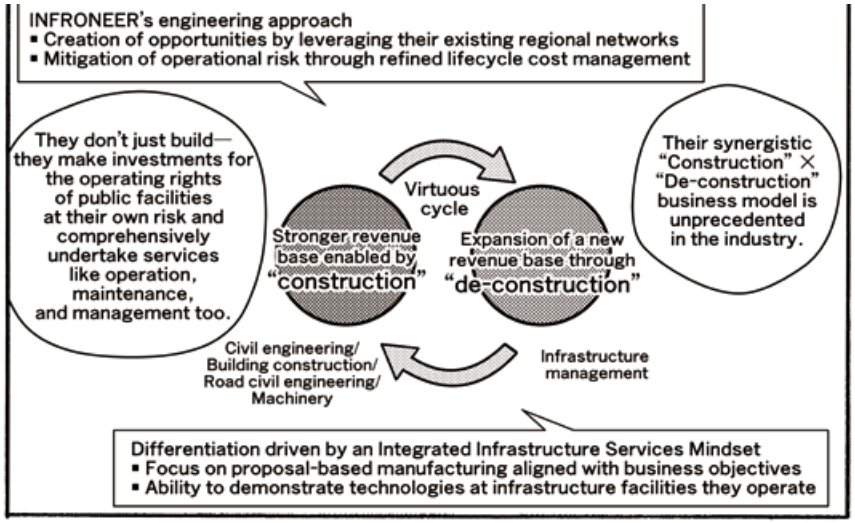



RITZ
MITH 1F
カミュ
キャビン


Now you've got me excited to see how Japan's infrastructure will change.


That passion of yours is sure to be the best motivator INFRONEER's employees could ask for.
—right by their side.
I'm not in it just for the money. I want to support the very foundations of society so everyone can live with peace of mind—


As for me, I'll enjoy one last youthful adventure at my new workplace.
Hahaha… You give me too much credit. Keep taking good care of TECOT, okay?


INFRONEER's engineering approach
▪ Creation of opportunities by leveraging their existing regional networks
▪ Mitigation of operational risk through refined lifecycle cost management
They don't just build— they make investments for the operating rights of public facilities at their own risk and comprehensively undertake services like operation, maintenance, and management too.
Virtuous cycle
Stronger revenue base enabled by "construction"
Expansion of a new revenue base through "de-construction"
Their synergistic "Construction" × "De-construction" business model is unprecedented in the industry.
Civil engineering/ Building construction/ Road civil engineering/ Machinery
Infrastructure management
Differentiation driven by an Integrated Infrastructure Services Mindset
▪ Focus on proposal-based manufacturing aligned with business objectives
▪ Ability to demonstrate technologies at infrastructure facilities they operate


Rather than just maintaining things, they're moving toward infrastructure services that enrich people's lives. Am I getting that right?
Their strength comes from combining their cultivated engineering capabilities with financial expertise.


That's what drew me in. Precisely because they're in an industry with such a long history, they're willing to challenge conventions and try something new.
They've got the chutzpah needed to turn the industry on its head even though they're a big business.

To where ?

Q. What is INFRONEER's vision for the future?

A.

A world where there's no limit to what can be asked from and what can be delivered by infrastructure services.

A sustainable society where people can live with peace of mind anytime, anywhere, and disaster-resistant cities that are environmentally friendly.
A world where the people who live there can share in the excitement together. We believe that the power of infrastructure can transform lifestyles and culture.
To bring about the future we envision, we will provide optimal infrastructure services for each user through free thinking that is unbound by conventional ideas.

To realize our vision for the future, we have established the following principles:

Challenge the status quo

Challenge the status quo of existing infrastructure business and open up limitless possibilities

Our vision for the future

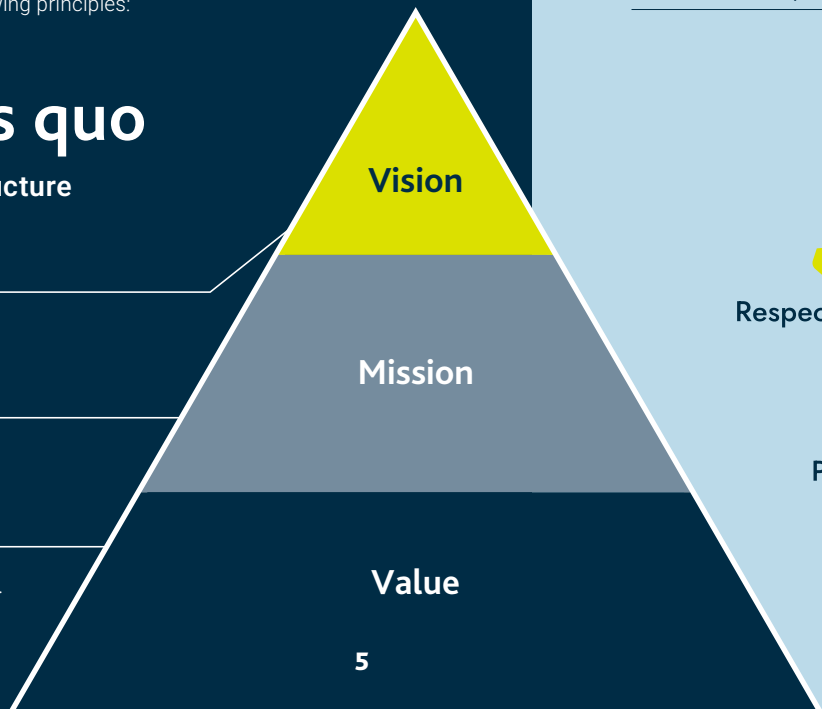
A world where there's no limit to what can be asked from and what can be delivered by infrastructure services.

Our mission

We challenge the status quo of existing infrastructure businesses and deliver the most suitable service globally with innovative ideas.

The value we promise

Safety, security, and sustainability of our society and local communities.

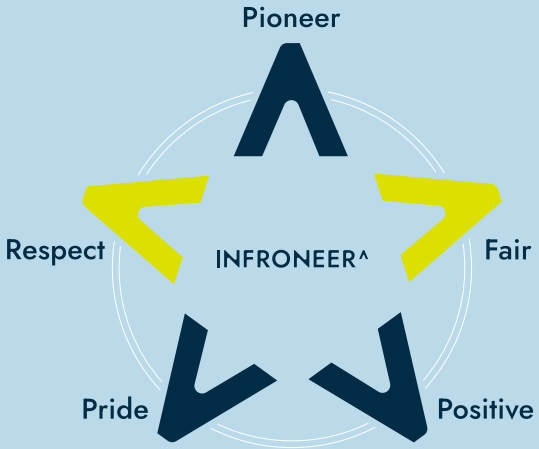


We have established a shared mindset that every employee should hold as we strive to become an integrated infrastructure service company.

INFRONEER^ (INFRONEER Caret)

A source of new value creation and a path to care for, through the power (Caret) of the diverse strengths of INFRONEER believers.

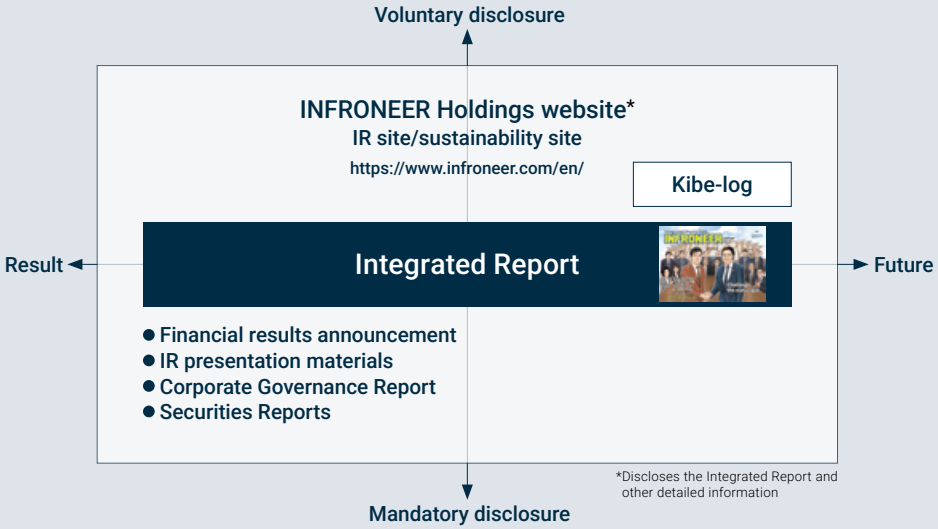
Pioneer	It is okay to make mistakes. Taking initiatives into uncharted territory.
Respect	It is okay to disagree. Building trust through acknowledging each other.
Pride	It is okay to be proud. Let everyone witness your skills and knowledge.
Positive	There is no such thing as a worthless experience. Whatever happens, everything will be for our future.
Fair	It is not just for us. Judging from the regional and social perspective.



About Integrated Report 2026

We regard this Integrated Report as an important communication tool between our stakeholders and ourselves. This Integrated Report is structured to outline the path toward enhancing corporate value. We aim to help our stakeholders understand our enduring value creation process and the value we provide to the community and society, and build up stakeholder engagement to contribute thereby to the enhancement of social and corporate value.

Information disclosure framework diagram



For details on our businesses, see the corporate sites of our business companies.

MAEDA CORP.
https://www.maeda.co.jp/english.html

MAEDA ROAD
https://ssl.maedaroad.co.jp/en/

MAEDA SEISAKUSHO
https://www.maeda-minicranes.com/

Japan Wind Development
https://www.jwd.co.jp/en/

ARSOCIA CONSTRUCTION
https://www.arsocia.co.jp/en/

Swing
https://www.swing-w.com/eng

INFRONEER Strategy & Innovation
https://www.isi.infroneer.com/
(in Japanese)

Target period	Covers the activities of the INFRONEER Group from April 1, 2025, to March 31, 2026, including some previous initiatives and recent activities. With some exceptions, the figures and content presented do not include Swing. SUMITOMO MITSUI CONSTRUCTION changed its corporate name to ARSOCIA CONSTRUCTION on October 1, 2026. Charts and tables in this Integrated Report present information as of March 31, 2026, and for FY2025, unless otherwise noted.
Reference guidelines	"International Integrated Reporting Framework" by the International Financial Reporting Standards (IFRS) Foundation, "Guidance for Collaborative Value Creation" by the Ministry of Economy, Trade and Industry, GRI Standards, and ISO 26000

Highlights of Integrated Report 2026

POINT 1 Structured Around the Formula for Enhancing Corporate Value

INFRONEER strives to enhance corporate value over the medium- to long-term. This Integrated Report is structured around the following formula for enhancing corporate value.

Corporate value
The corporate value of INFRONEER lies in transforming society through infrastructure.

=

Profit margin ↑
Steadily accumulate profits by strengthening and transforming existing businesses

Capital costs ↓
Build a sustainable corporate foundation that meets the expectations of society and the market

−

Expected growth rate ↓
Make strategic moves into new areas that leverage our strengths and enhance our medium to long-term competitiveness

POINT 2 Deepening INFRONEER's Group Collaboration Through Dialogue

Aiming to become an integrated infrastructure service company, our Group has brought ARSOCIA CONSTRUCTION into the Group through a management integration. Here we explain the aims and outcomes of the Group integration.



> P.42

A Dialogue with the Leaders of Two Business Companies
The leaders of MAEDA CORP. and ARSOCIA CONSTRUCTION talk about the progress and outcomes of the integration.





POINT 3 INFRONEER's Corporate Value as Seen from an Outside Perspective

INFRONEER continues to break new ground, unbound by conventional ideas. From an outside perspective, we explore the expectations for its growth strategy and its work to enhance corporate value.



> P.62

Special Conversation
Our President, Kazunari Kibe, and Toshiaki Higashihara, Chairman of Hitachi, Ltd., talk about the leadership and organizational management that drive transformation.



> P.72

Outside Directors Roundtable
Joined by Professor Shoichi Tsumuraya of Hitotsubashi University Graduate School, three outside directors who chair the company's committees discuss INFRONEER's future growth and the issues it faces.

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What does it take to keep transforming and growing?

What is a sustainable corporate foundation for meeting the expectations of society and the market?

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Corporate value = (Profit margin) / (Capital costs − Expected growth rate)

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Editorial Policy

To make INFRONEER's business easier to understand, we have teamed up with Outside Director Kosaku Shima. Available for one year only, so don't miss it!





❶Representative Executive Officer and President Kazunari Kibe
❷Outside Director Keiichiro Hashimoto
❸Outside Director Seiichiro Yonekura
❹Outside Director Koichi Moriya
❺Outside Director Rie Murayama
❻Outside Director Atsushi Takagi
❼Outside Director Hikaru Oguchi
❽Executive Officer Takao Nakanishi
❾Executive Officer Yuji Hatakama
❿Executive Officer Masashi Shimojo
⓫Executive Officer Soji Maeda
⓬Executive Officer Yasuhiko Imaizumi
⓭Executive Officer Toshio Shibata

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.

Chapter 3

Value Creation Story

This chapter explains the story of value creation that enhances “corporate value.” The corporate value of INFRONEER lies in transforming society through infrastructure service. We will introduce these initiatives.

Corporate value ↑ = (**Profit margin ↑** − **Capital costs ↓**) − **Expected growth rate ↑**

16 Social Challenges Surrounding Japan’s Infrastructure

17 Value Creation Process

18 INFRONEER’s Vision of Society
— Sustainability Statement

20 The Six Capitals Supporting Growth

22 Challenge the Status Quo:
Business Models and Competitive Advantages

25 Materiality and KPIs

28 Initiatives to Improve Corporate Value
Water Infrastructure Business

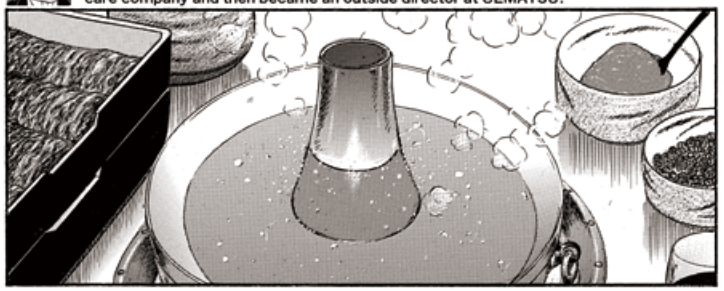


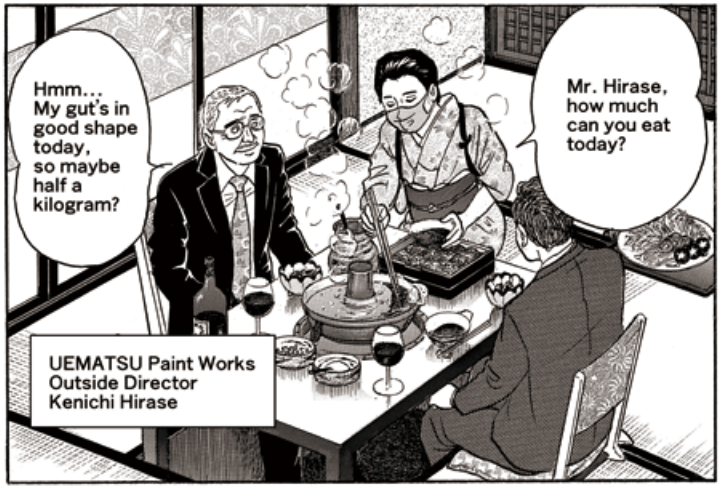
©JNSE
MUFG Stadium (Japan National Stadium)

©Kenshi Hirokane/Kodansha



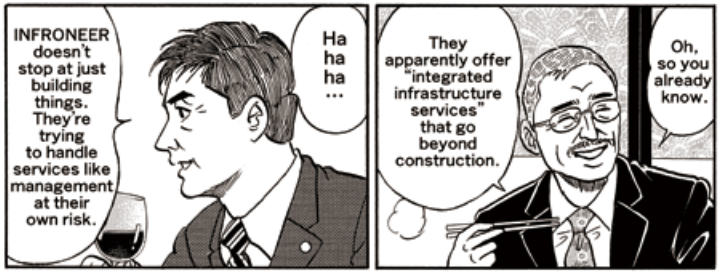
Kenichi Hirase :
Shima's sworn friend who started at Hatsushiba Electric when Shima did. After becoming the president of Hatsushiba France and later retiring, he started up a nursing care company and then became an outside director at UEMATSU.



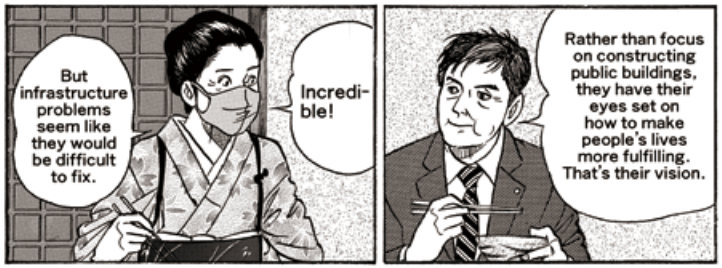




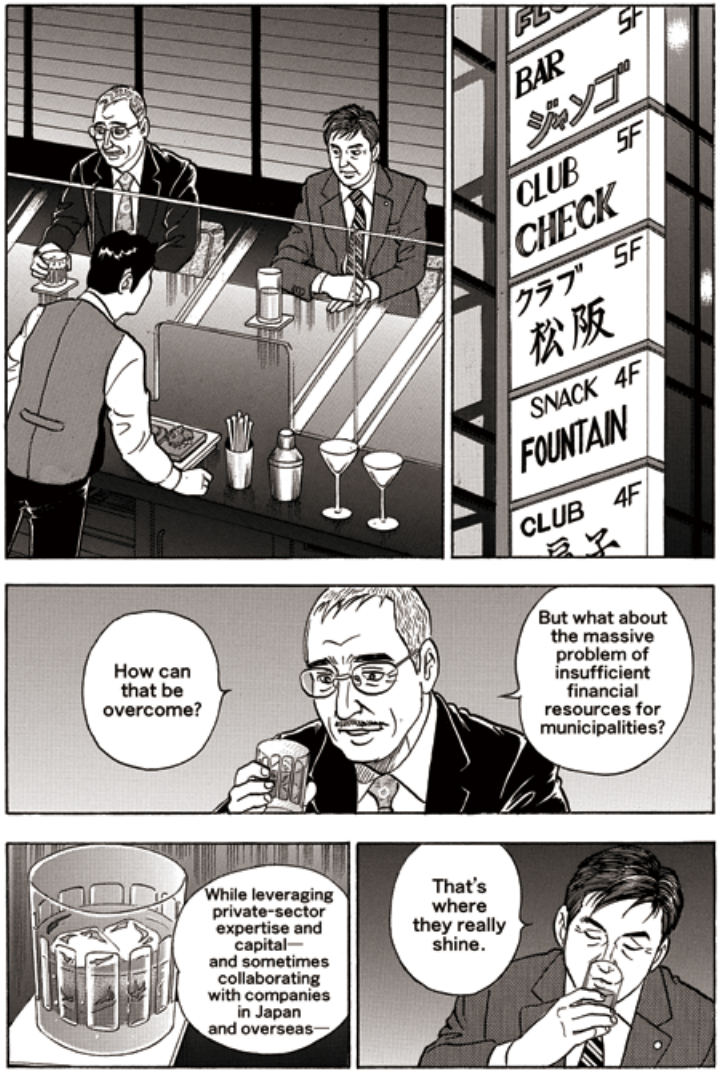






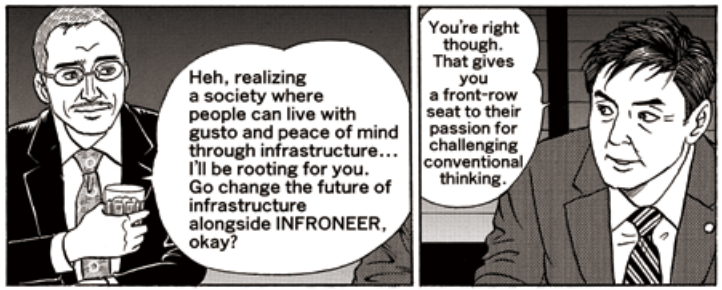


Read from right to left



3

4

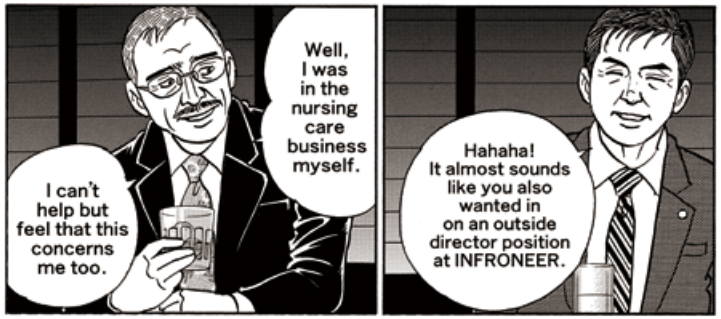

Heh, realizing a society where people can live with gusto and peace of mind through infrastructure... I'll be rooting for you. Go change the future of infrastructure alongside INFRONEER, okay?
You're right though. That gives you a front-row seat to their passion for challenging conventional thinking.


Yeah.


Here we go.


That's sure to motivate the employees actually doing the work too.
—they're taking on new businesses through public-private partner-ships.


Organizations whose people tangibly feel that their work is making someone happy instead of just paying lip service to abstract ideals are strong, no doubt about it.


I can't help but feel that this concerns me too.
Well, I was in the nursing care business myself.
Hahaha! It almost sounds like you also wanted in on an outside director position at INFRONEER.

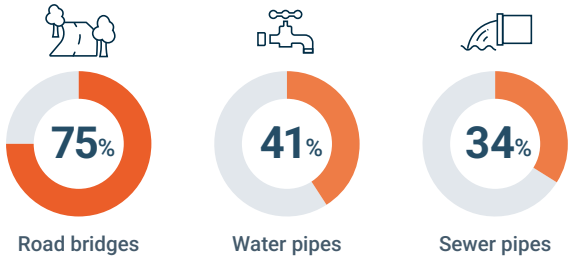
Social Challenges Surrounding Japan's Infrastructure

As infrastructure continues to age, its maintenance and management require significant costs. However, due to a shortage of workers and financial resources, regional sustainability is at risk. It is for this very reason that the Group will continue to tackle social challenges by becoming an integrated infrastructure service company.

Aging Infrastructure

As the percentage of infrastructure that has been in use for over 50 years since construction—a benchmark for renewal—is expected to increase at an accelerating rate, we are facing the challenge of aging infrastructure. Operation and management require costs and skilled workers.

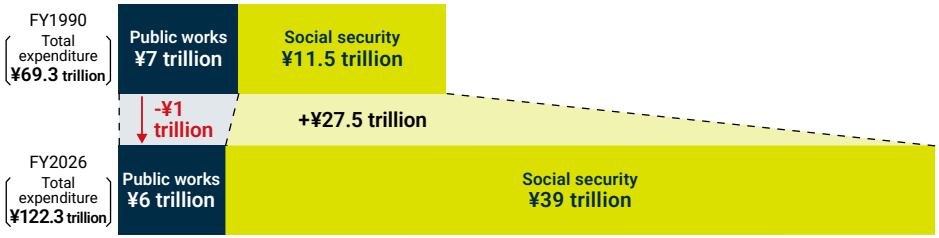
Percentage of infrastructure that will have been in use for over 50 years by 2040



Fiscal Limitations at the National Level

While social security costs have more than tripled, infrastructure investment, including public works and maintenance costs, has decreased.

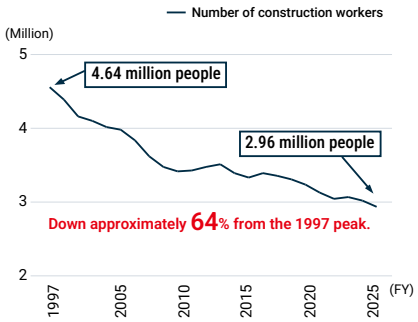
National expenditures



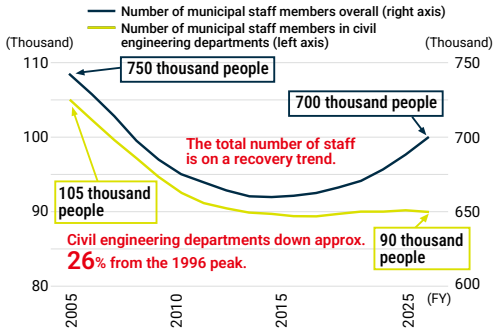
Shortage of Workers

The number of construction workers and technical staff in local governments is on a downward trend, leading to a shortage of infrastructure workers in both the public and private sectors.

Trends in the number of construction workers



Number of municipal staff members (overall, civil engineering departments)



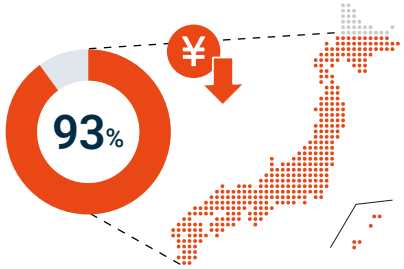
Outflow of Energy Costs to Outside the Region

Most local governments have a deficit in their energy balance, making it necessary to promote the local production and local consumption of energy. In Japan, which has resource constraints, the demand for renewable energy is increasing further.

Energy cost balance of each local government (2022)

90% of all local governments are in deficit

Local production and local consumption of energy are necessary



[Sources] Aging Infrastructure: Ministry of Land, Infrastructure, Transport and Tourism "Infrastructure Maintenance Information"; Fiscal Limitations at the National Level: Ministry of Finance "Trend in the Share of Public Works Expenses in the General Account (Initial Budget)" and "Composition of FY2026 General Account Budget Revenue and Expenditure"; Shortage of Workers: Japan Federation of Construction Contractors "Construction Industry Digital Handbook" and Ministry of Land, Infrastructure, Transport and Tourism "Materials Distributed at the 1st Infrastructure Management Strategy Subcommittee Meeting"; Growing Demand for Renewable Energy: Ministry of the Environment "Regional Economic Circulation Analysis Database (2022 Edition)"

Value Creation Process

INFRONEER is working on new business models to solve social challenges with free, unconventional ideas.

Business model

Social Challenges Surrounding Infrastructure

Materiality

> P.16 > PP.25-27

Challenge the status quo

Civil Engineering Business > PP.48-49

Infrastructure Management Business > PP.50-51

Road Civil Engineering Business > PP.52-53

Machinery Business > PP.54-55

Related Businesses

Building Construction Business > PP.46-47

"Construction" × "De-construction" > P.22

Comprehensive System × Area Expansion > P.23

Capital Recycling > P.24

INFRONEER^ (INFRONEER Caret) > P.5

Input

The Six Capitals Supporting Growth > PP.20-21

Growth Investment > P.36

Output

KPI

Financial Indicators > PP.90,92

Non-financial Indicators > PP.91,93

Functional Value

Environmental Value

Convivial Value

Outcome

INFRONEER's Vision of Society > PP.18-19

with the Earth

with Society



INFRONEER's Vision of Society

— Sustainability Statement

Achieving Sustainability for All Stakeholders of the INFRONEER Group and Our Planet by Providing Optimal Infrastructure Services

In view of the ways in which society is changing, the INFRONEER Group has formulated the INFRONEER Group Sustainability Statement (IGSS). The IGSS is our compass, showing our vision for society and the social value we can deliver and guiding us along a path toward achieving them. It describes INFRONEER's vision, mission, and value (VMV) for the future in specific terms.

As an integrated infrastructure service company, we provide a diverse range of services across the globe, which enables us to contribute to solving issues in various settings, create value, and achieve sustainability.

We know it is difficult to predict the future, which is why we depict a future vision for society and incorporate it into our medium- to long-term strategies.

But we cannot realize the kind of society INFRONEER envisions alone. We will therefore find more allies who empathize with the IGSS and work together to take on challenges.

1. We strive to realize a symbiotic society where we can coexist with the planet and its people.
2. We strive to simultaneously pursue three types of social value, namely, "functional value," "environmental value," and "convivial value*" in addition to economic value through a virtuous cycle of applying INFRONEER's strengths.
3. We will enhance our execution capabilities by refining our growth drivers that bolster INFRONEER's strengths to create social value.

* Convivial value: Conviviality is a term that means "a state of festivity and liveliness." It is a concept introduced by Austrian philosopher Ivan Illich (1926–2002). The term has the meaning of creating and communally enjoying a society where people can express their inherent abilities in a creative manner through relationships with others and nature.

> Symbiotic Society INFRONEER Hopes to Realize

As an integrated infrastructure service company, INFRONEER will provide optimal infrastructure services across the globe and work with its stakeholders to realize a symbiotic society like the following.

with the Earth

A society in which there are no trade-offs between the global environment and economic activities and that is in harmony with nature

It is a society that can achieve the goals of both environmental conservation and economic development at the same time, instead of sacrificing the environment in the pursuit of economic growth, and wherein they complement each other. By achieving harmony with nature, an abundant natural environment and economic opportunities can be provided to both present and future generations.

with Society

A society where individual diversity is respected and personal well-being is achieved

It is a society where people with diverse characteristics and values can enjoy good mental and physical health throughout their lives while acknowledging each other's differences. We strive to create a society where people support and cooperate with each other to create more prosperous and healthy communities, which will lead to the sustainable development of society.

INFRONEER's Growth Strategy and Vision for Society



Drivers for Further Growth

Ability to generate ideas
Business models for market creation and collaboration partnerships, etc.

Corporate culture
Culture that encourages employees to take on challenges

DX
Changing rules using digital technology

+

INFRONEER Holdings Inc.

INFRONEER's strengths

"Construction"
Further enhancing engineering capabilities

"De-construction"
Establishing a new revenue base

Strengthening corporate structure
Balancing centrifugal force and centripetal force

> Social Value Created by INFRONEER

By operating businesses that contribute to the sustainable development of society, INFRONEER can deliver three types of value to society as a whole.

Functional Value

that enables the safe, secure, and sustainable use of infrastructure

Examples of social issues to be solved

Aging infrastructure, insufficient financial resources, energy supply instability (self-sufficiency rate and renewable energy adoption rate), and shortage of workers

Environmental Value

provided to communities through the circulation and development of natural resources

Examples of social issues to be solved

Abnormal weather, stable energy supply, destruction of biodiversity, and achievement of carbon neutrality

Convivial Value

of respecting the joys of each other's lives and enjoying life together

Examples of social issues to be solved

Declining birth rate and aging population, regional challenges, promotion of safe towns and comfortable living, and diversity

> Growth Drivers to Create Social Value

INFRONEER's infrastructure service business creates new value for the future by taking an out-of-the-box approach. We believe infrastructure can play a part in transforming lifestyles and culture, depending on how it is managed and operated. INFRONEER strives to create "functional value," "environmental value," and "convivial value" by leveraging its strengths to achieve further growth.

The Six Capitals Supporting Growth

Among the various types of business foundations that constitute a source of value creation, we attach particular importance to the following six types: human capital; financial capital; business know-how; infrastructure service provision bases; long-term partnerships; and natural capital. While enhancing each of these business foundations built up over many years, we are promoting their efficient and effective combination with the objective of facilitating sustainable development of society and the Earth as well as the INFRONEER Group's sustained growth.

1 Human Capital

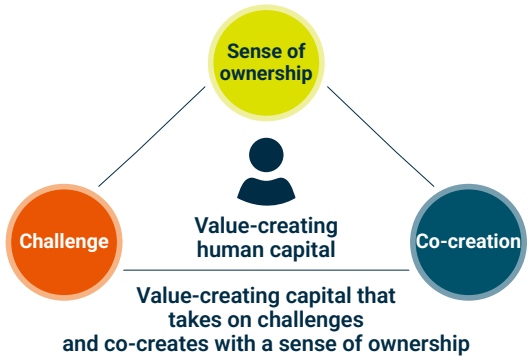
People who can create value with passion

We regard "value-creating talent" as an important part of our human capital and focus on developing and empowering these individuals.

We are investing in our people to build an organization that fosters autonomously growing individuals and creates new value while respecting diverse perspectives. To execute our growth strategy, we are working to acquire key target talent, develop workplace environments where diverse personnel can demonstrate their abilities, and cultivate talent to lead group management. Through these initiatives, we aim to foster a corporate culture with high engagement.

> Human Capital Strategies P.58

The Group's concept of human capital



2 Financial Capital

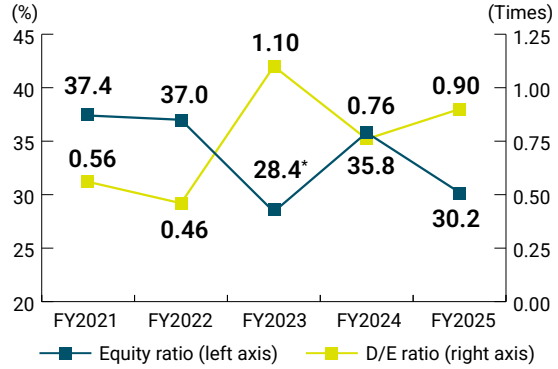
Offensive and defensive financial management

To "challenge the status quo" and build the future of infrastructure, we must make bold, proactive investments, embracing the risks that come with being a pioneer. For investments in infrastructure management businesses, which we position as growth areas, increasing financial leverage, principally through borrowings, is expected to raise a return on investment in comparison with equity.

At the same time, we need to secure a sound financial base in order to ensure ongoing investment activities. In our financial management, we determine the allocation of shareholder returns and growth investments based on earnings generated from our highly competitive "construction" business, while continuing to optimize our funding based on financial discipline, such as maintaining the D/E ratio, equity ratio, and external credit ratings defined in our financial KPIs.

> Financial Strategy P.37 Financial Summary P.92

Equity ratio and D/E ratio



*Equity ratio temporarily decreased due to an increase in interest-bearing debt resulting from financing to make Japan Wind Development a subsidiary.

3 Business Know-How (Intellectual Capital)

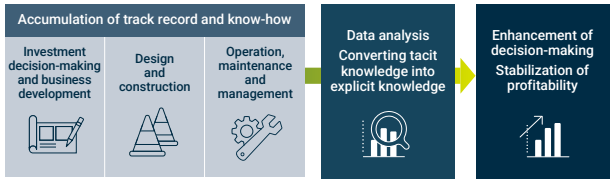
Consolidating and upgrading know-how accumulated by each business company

We possess practical experience and know-how in design and construction technologies accumulated over many years, as well as in project management related to infrastructure operation, maintenance, and business development and investment. In recent years, we have also accelerated efforts to standardize conventional, person-dependent know-how into organizational capital. Specifically, we are realizing more sophisticated decision-making and stabilized profitability by promoting data-driven management that utilizes accumulated performance data, such as through the standardization of order simulations and cost management, and systems that detect signs of problems at work sites.

Furthermore, through collaboration with diverse partners both inside and outside the Group, we are integrating technologies and knowledge to create new value. By leveraging this intellectual capital, we are evolving as a management resource that flexibly responds to changing social issues and customer needs, serving as a driving force for value creation that supports the future of infrastructure services.

> Business Introduction P.44 IT and DX Strategies P.56

For more details on our businesses, visit our website at:
https://www.infroneer.com/jp/sustainability/segment (in Japanese)

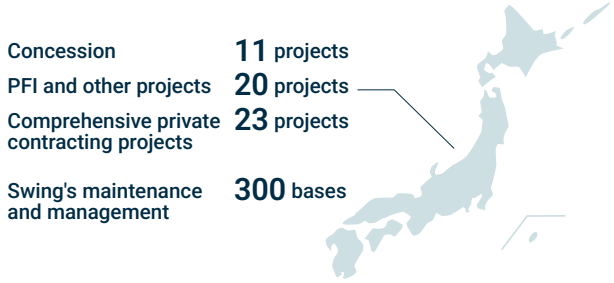


4 Infrastructure Service Provision Bases (Manufacturing Capital)

Businesses locations and regional network

Our group provides infrastructure services utilizing PPP methods in 54 projects (11 concession projects, 20 PFI and other projects, 23 comprehensive private contracting projects), which is a top-tier track record in Japan (as of the end of March 2026). Infrastructure services consistent with our group's business model are provided at each base. For example, in water and sewage projects, we aim to curb increases in user fees while effectively addressing aging infrastructure through cost reductions achieved by advancing maintenance and operations. Furthermore, on July 1, 2026, Swing joined our group, adding the 300 maintenance and management bases it possesses. This has established a system to promote Water PPP and regional infrastructure group regeneration strategy management*, which the government is promoting as a policy.

The know-how related to the infrastructure services provided by each base will become a strength for acquiring new PPP projects, and by consolidating it as group-wide know-how, further strengthening of the business model becomes possible.



(As of the end of March 2026)

* Infrastructure group regeneration strategy management: An initiative to manage infrastructure across multiple local governments and multiple fields efficiently and effectively by treating them as a "group."

5 Long-term Partnerships (Social and Relationship Capital)

Realizing an integrated infrastructure service company together

We are collaborating with diverse stakeholders to continuously provide infrastructure services.

In particular, in the civil engineering, building construction, and road civil engineering businesses, we proceed with construction work through collaboration with numerous specialized construction companies. Our Group possesses a network of partner companies with whom we have built a track record and trust over the years, ensuring a stable and high-quality supply capacity. In addition, we have established policies and guidelines related to sustainability procurement as a foundation for enhancing the sustainability of the entire supply chain, and we are engaging in continuous communication with our supply chain. Moving forward, we will accelerate initiatives that also address the expansion of our overseas business.

> Supply Chain Management P.88

In the infrastructure management business, we are expanding our business domains upstream and downstream by forming international alliances with leading players in relevant fields. We will not only continue to meet the trust of our many clients but also actively promote the strengthening of cooperation with local residents and businesses who are users of our infrastructure.

Cooperating companies (number of member companies)	Civil engineering and building construction business: Zenyu-kai (639 companies) and Shinei-kai (1,742 companies) Road civil engineering segment: Kyoei-kai (93 companies) and Rekiyu-kai (55 companies)
Alliance partners	NTT, Inc., TOKYU CORPORATION, Accenture Japan Ltd, Toshiba Corporation, Aqualia, OVG, Pixie Dust Technologies, Inc., GL events, AEG, Suez, Macquarie Group Limited, and others
Customers	Government agencies, real estate companies, transportation infrastructure companies, energy companies, and others

6 Natural Capital

Treating the Earth as a valuable stakeholder

The sustainable growth of our Group is built upon the benefits of the Earth's environment, which is a finite natural capital. We recognize that the worsening of climate change and the loss of biodiversity are significant management risks that could shake our Group's supply chain, while at the same time being important opportunities to accelerate the transition to environmentally friendly businesses. We identify materiality (critical themes) from both the perspective of how our business activities depend on natural capital (such as raw material procurement and energy use) and the impact our business activities have (such as greenhouse gas emissions and waste), and we thoroughly manage these issues. Specifically, we have set goals for reducing greenhouse gas emissions and improving resource productivity toward achieving carbon neutrality by 2050, and we are promoting technological innovation aimed at expanding the introduction of renewable energy and maximizing resource efficiency.

> Materiality PP.25-27 Environment PP.84-87

Our Group positions the "Earth" as one of our important stakeholders. The "Earth," or natural capital, is the foundation upon which we create added value, and as a return and allocation to maintain that foundation, we have implemented "Dividends for the Earth," contributing to the planet and local communities with a target of 2% of consolidated net income.



Caretan

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

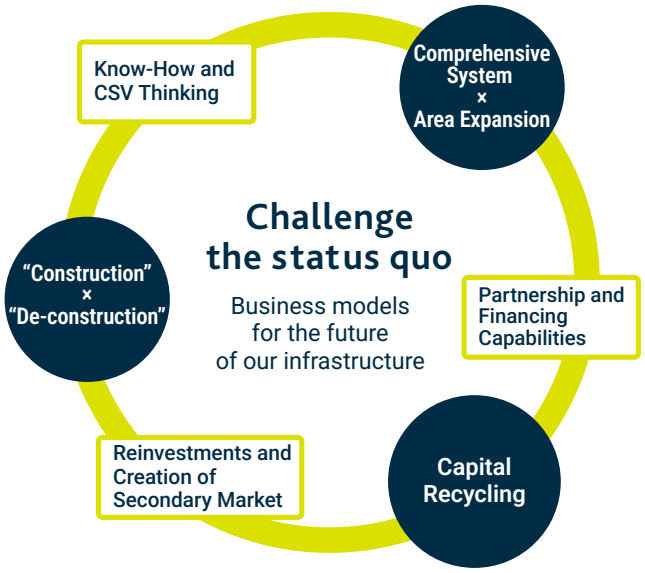
Challenge the Status Quo: Business Models and Competitive Advantages

Aiming to evolve social infrastructure and solve challenges, the INFRONEER Group is pursuing sustainable competitive advantages by creating new value through three business models while continuing to grow.

> Overview of Business Models

The INFRONEER Group is focusing on three business models to deal with each of the following themes: "construction × de-construction," "comprehensive system × area expansion," and "capital recycling."

In pursuit of establishing business models that enable sustained growth unaffected by external factors such as the economy and policies, we will aggressively promote the integrated infrastructure service company model, which offers a comprehensive range of infrastructure management services from upstream to downstream, as the Group's overall priority strategy while capitalizing on the strengths of business companies. The Group is able to approach various fields by utilizing expertise accumulated over many years of engaging in business development and operations; human capital possessing diverse and rich knowledge and experience; and financial competence based on minimization of life-cycle costs and accurate risk assessment. With these advantages, we intend to maximize our competitiveness while creating a highly profitable and stable revenue base.



1 "Construction" × "De-construction"

Achieving a Virtuous Growth Cycle by Strengthening "Construction" and Expanding "De-construction"

While aiming to strengthen and expand our own revenue, we will take on operational risks and improve our corporate value through the creation of added value and the continuous provision of infrastructure services to society that can be realized because we are an integrated infrastructure service company.

"Construction"

The "construction" business represents a pillar of the Company and its key strength. The robust engineering capabilities and regional networks built up over many years will provide us an essential advantage for promoting the "de-construction" business for reducing operational risks and reducing costs. In this sense, strong "construction" business capabilities are important for maximizing returns from engaging in "de-construction" businesses.

"De-construction"

By leveraging the engineering capabilities and financial expertise we have cultivated in the "construction" business, the "de-construction" business enables us to minimize risks and generate large returns. Specifically, it involves concession projects of acquiring the right to construct, operate, maintain, and manage public infrastructures such as airports, water supply and sewerage systems, and toll roads. It also includes such businesses as renewable energy projects that make investments in everything from business development and construction to operation, maintenance, management, and sales.

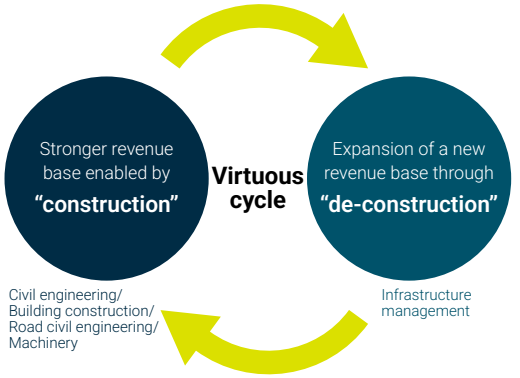
We will be able to differentiate our "construction" business by applying the know-how we have accumulated through "de-construction" and leveraging opportunities to demonstrate technologies at infrastructure facilities that we operate.

> Business Introduction P.44

For more details, visit our website at:
https://www.infroneer.com/en/company/ourbusiness.html

Our engineering approach

- Creation of opportunities by leveraging our existing regional networks
- Mitigation of operational risk through refined life-cycle cost management



Differentiation with a "de-construction" mindset

- Shift toward proposal-driven solutions from the business owner's perspective
- Ability to demonstrate technologies at infrastructure facilities we operate

2 Comprehensive System × Area Expansion

Creation of High Added Value Through Comprehensive System and Area Expansion

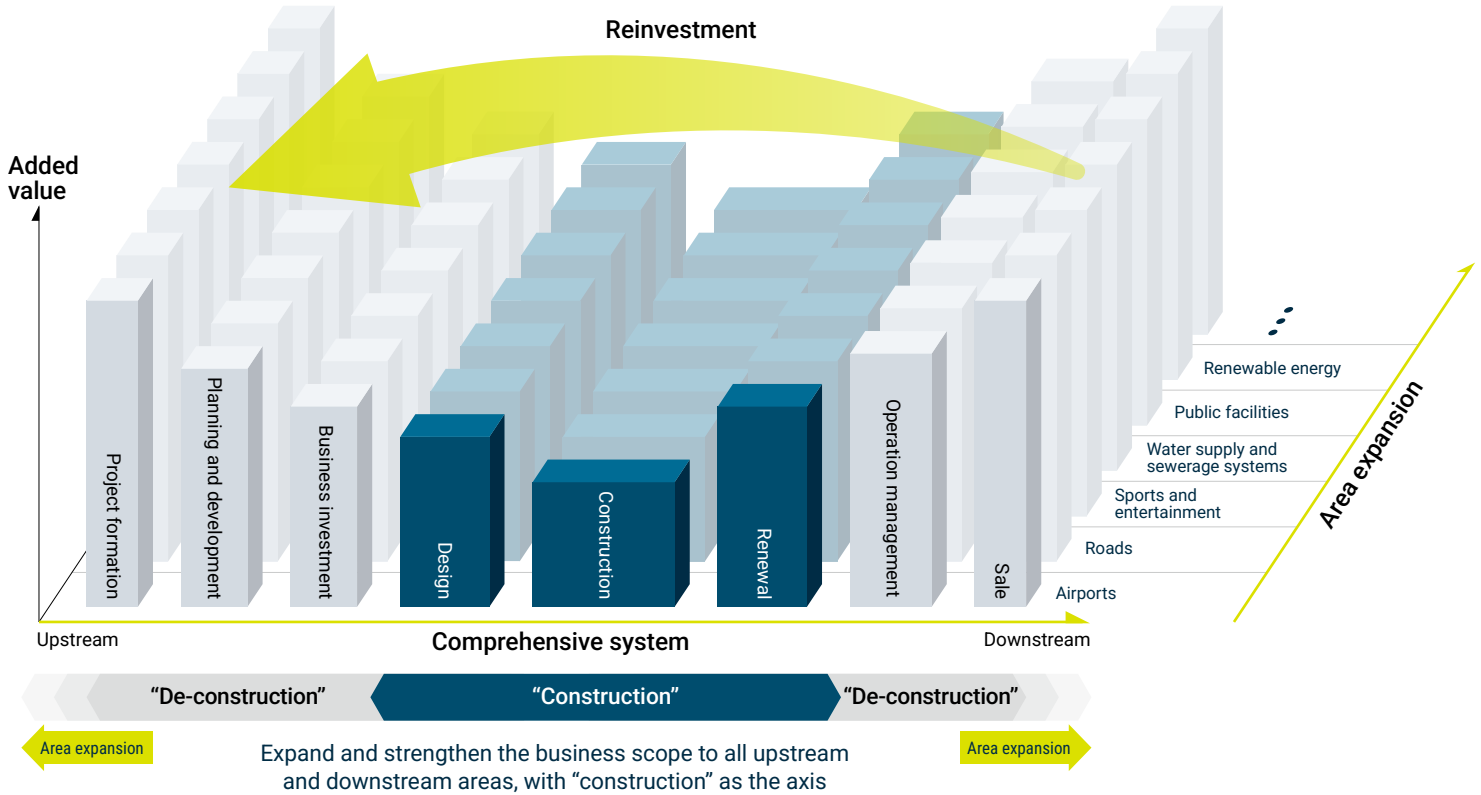
Comprehensive system

Based on the "construction" business, we will build a high-value-added value chain with an integrated approach from upstream to downstream to develop a business model that aims to improve profit margins.

Area expansion

In order to increase corporate value through our growth strategy, we will expand our business through M&A and alliances, in addition to the growth of the core businesses of our group companies and cooperating companies.

By expanding our business into a variety of infrastructure fields, including roads, airports, and water supply and sewerage systems, and combining multiple fields, we will be able to provide more comprehensive and efficient services to towns and cities, as well as all of society. As a result, we will contribute extensively to solving various problems faced by the national government, local governments, and private business owners.



Expand and strengthen the business scope to all upstream and downstream areas, with "construction" as the axis
[Active utilization of M&A and alliances]

Alliance companies × INFRONEER Holdings Inc. **INFRONEER Group** × **Cooperating companies** = ∞

3 Capital Recycling

Creation of Added Value Through Capital Recycling

1 Revenue base

We have formed a revenue base that allows us to maximize added value by comprehensively covering the entire infrastructure lifecycle with an integrated approach from project formation (upstream) to reinvestment (downstream) within the Group.

2 Reinvestments

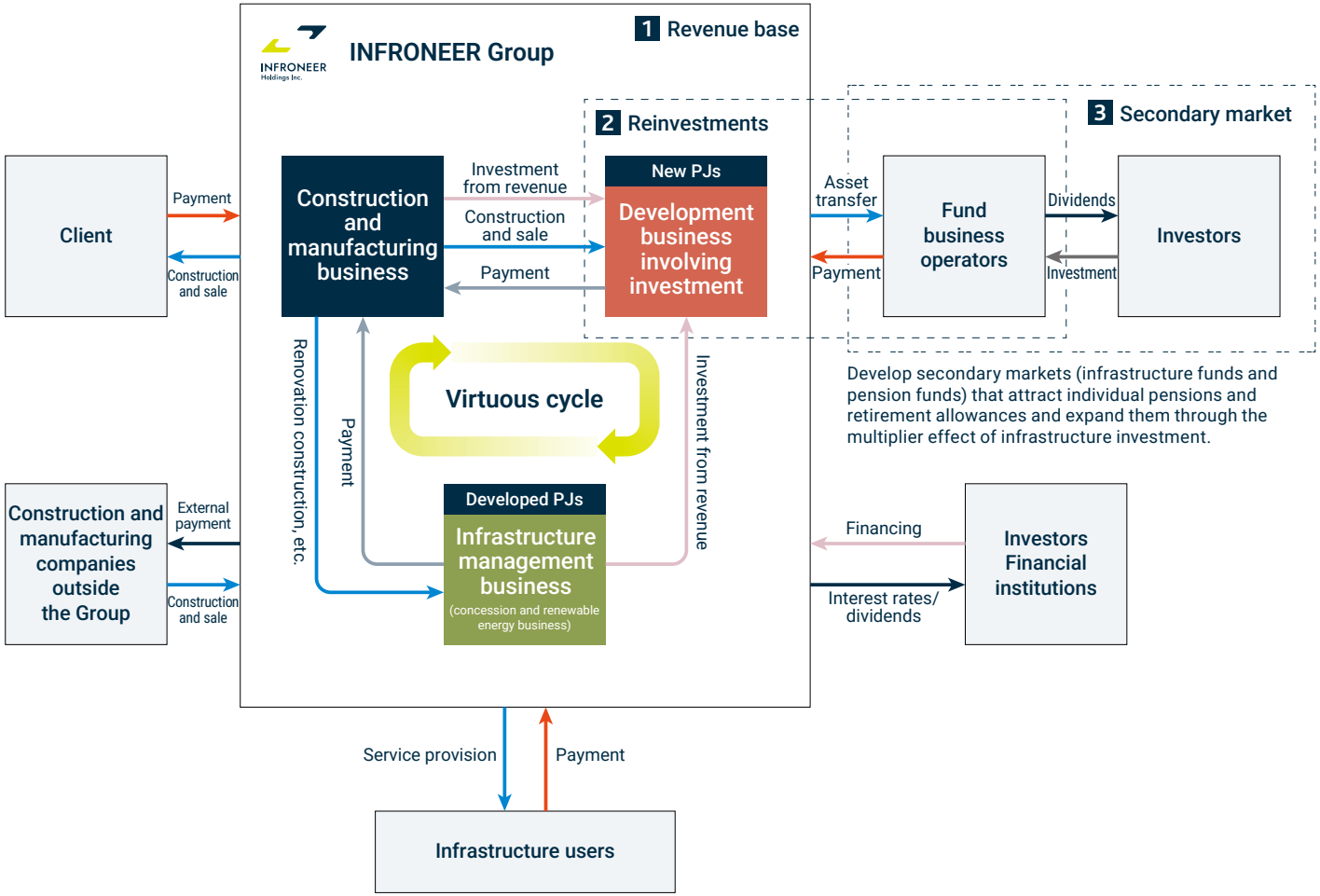
Our engineering capabilities and financial expertise allow us to take on project risk, develop and operate infrastructure, and turn projects into assets that generate long-term returns. The project is then transferred principally to pension funds, which pursue stable investment performance, with the goal of using gains on the transfer of the project to invest in new projects.

3 Secondary market

We aim to generate stable returns through the enhancement of added infrastructure value and efficient operation and maintenance, while at the same time, revitalizing the infrastructure investment market by circulating infrastructure equity to investors such as pension funds.

Global Infrastructure Management Co., Ltd., in which INFRONEER and TOKYU CORPORATION are joint shareholders, is building a new infrastructure business platform and creating a secondary market.

For details on Global Infrastructure Management, visit their website at:
https://www.gimc.jp/ (in Japanese)

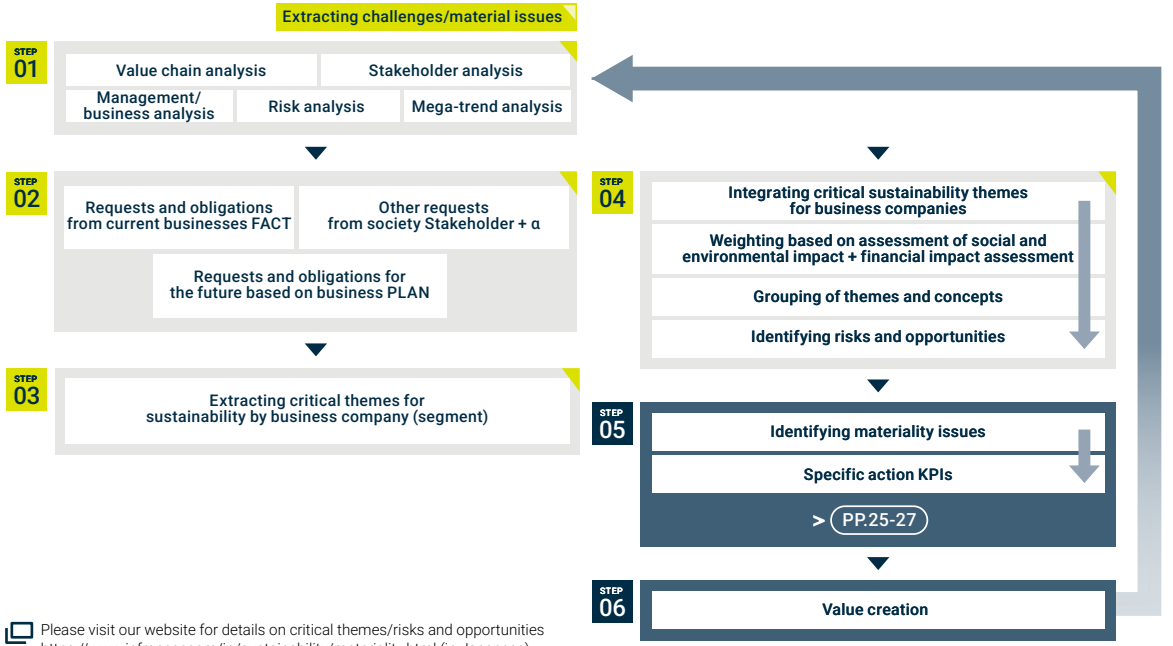


Materiality and KPIs

In response to evolving societal expectations, the INFRONEER Group has established the INFRONEER Group Sustainability Statement. To quickly promote and implement solutions to social issues, and to improve corporate value and contribute to society by continuously creating and providing added value, we have identified five material issues. Following the inclusion of ARSOCIA CONSTRUCTION in the Group, we reviewed a number of our KPIs in July 2026. In addition, we intend to continue to review them as appropriate in the future, taking into account changes in the business environment and society.

Identifying Issues for Our Materiality Assessment

To add to discussions undertaken at management meetings and by the Board of Directors, committee members, who work in a variety of fields at business companies, discussed social issues that should be addressed and identified material issues. To give our stakeholders a deeper understanding of the challenges surrounding infrastructure and the Group's activities, we reviewed our material issues in July 2025. We also strengthened the alignment between our material issues and the INFRONEER Medium-term Vision 2027.



Please visit our website for details on critical themes/risks and opportunities
https://www.infroneer.com/jp/sustainability/materiality.html (in Japanese)

Critical Themes (Materiality)

Vision	A world where there's no limit to what can be asked from and what can be delivered by infrastructure services.
Materiality	To quickly promote and implement solutions to social issues, and to improve corporate value and contribute to society as a whole by continuously pursuing and providing added value, the Group will work on the following five material issues:
	Creating a safe, secure, and more comfortable society
	Building a society that is conscious of the environment
	Strengthening value chain
	Value-creating human capital and mutual respect
	Strengthening governance
INFRONEER Medium-term Vision Relationship with the Three Strategic Pillars	Establishing a revenue base based on INFRONEER's business model
	Maximizing added value
	Strengthening and improving our corporate culture

Achieved (maintained continuously)
Progressing better than planned
Progressing as planned

Materiality & KPIs

Materiality	Critical themes	Medium- to long-term targets/KPIs (FY2030 targets)		FY2025 results	Progress	Related pages
Creating a safe, secure, and more comfortable society	● Expanding our infrastructure management business (contributing to solving social issues through the concession business) ● Promoting the development, sale, and construction of products and methods that contribute to improving the functionality and comfort of buildings and infrastructure services ● Ensuring the safety and quality of buildings, structures, and products ● Promoting disaster prevention and mitigation technology	Business profit ratio between "construction" and "de-construction"*1	60:40*1	103:-3*2	→	> Business Introduction PP.44-55
		Civil engineering Construction performance rating Building construction Customer satisfaction survey*3 Road civil engineering Construction performance rating Machinery Customer satisfaction survey	Over 80 pts/100 pts Over 80 pts/100 pts Over 80 pts/100 pts 4 or higher on a 5-point scale	81.1 points (MK) 83.1 points (ASC) 88.5 points (MK) 91.5 points (ASC)*3 81.4 points 3.8	→	
		Infrastructure management Availability indicators for infrastructure management*4	95% or more	91%		
Building a society that is conscious of the environment	● Generating electricity using renewable energy and constructing power generation facilities	Contribution of renewable energy to reducing greenhouse gas emissions in society	FY2030 1.57 million t-CO_2 FY2050 2.4 million t-CO_2	310 thousand t-CO_2	↗	> Environment PP.84-87
	● Promoting the design, construction, and manufacturing of (respectively) construction methods, equipment, and products with reduced environmental impact ● Reducing greenhouse gas emissions across the entire value chain ● Reducing the use of raw materials derived from fossil resources ● Reducing the environmental impact of manufacturing plants	Calculation of whole-life carbon*5 reduction for all design and construction projects (new construction and renovation)	100% calculation rate	100%	✓	
		Reduction of greenhouse gases Scopes 1 and 2 (compared to 2021)	45.8% reduction by 2030 Substantially zero emissions by 2050	33% reduction	↗	
		Scope 3 (compared to 2021)	25% reduction by 2030 Substantially zero emissions by 2050	18% reduction		
		Achievement of RE100	2030 RE100	82%		
	● Conserving biodiversity ● Improving the utilization rate of recycled materials to achieve zero waste ● Managing and properly disposing of hazardous substances ● Appropriately managing water resources ● Reducing harmful emissions into the atmosphere ● Managing specific chemical substances in building materials	Acquisition of certification as a site coexisting with nature	1 case or more	1 case (cumulative)	✓	
		Wood procurement volume	2,000 m³ or more	8,933 m³	✓	
		Improvement of recycling rate to reduce the amount of final waste disposal	98% or more (MK/ASC)* *Excluding items that are hazardous and cannot be recycled	95.5%	→	
		Ratio of recycled materials used in asphalt mixture	50% or more	46%	→	
		Improvement of resource productivity of key materials (steel, concrete, and asphalt)	¥25/kg or more	¥33/kg	✓	

For the full version of the materiality & KPIs, visit our website at:
https://www.infroneer.com/jp/sustainability/materiality.html (in Japanese)

*1 The business profit ratio target has been changed due to the participation of ARSOCIA CONSTRUCTION.
*2 Business profit was negative in FY2025 due to investment in start-up costs.
*3 Methods for customer satisfaction surveys differ between MK (MAEDA CORPORATION) and ASC (ARSOCIA CONSTRUCTION).
*4 Percentage of time that infrastructure is available, excluding operational (business) suspension time due to SPC reasons
*5 Greenhouse gas emissions generated throughout the entire building life cycle (from material procurement to disposal)

Materiality	Critical themes	Medium- to long-term targets/KPIs (FY2030 targets)		FY2025 results	Progress	Related pages
Strengthening value chain	● Improving public benefits for local communities/ preferential in-region procurement	Rate of local employment in SPC employees hired for concession projects operated by MAEDA CORP.*6	65.0%	65.4%	✓	
	● Promoting the design, construction/ development, and manufacturing of (respectively) construction methods, technologies, and products that save labor and contribute to efficiency on the construction site ● Promoting support for sustainability across the entire supply chain ● Strengthening collaboration with cooperating companies/strengthening supply capacities and improving productivity	Added value amount	¥334 billion by FY2027	¥272.4 billion	↗	> Financial Highlights P.90
		Number of technology development releases posted through Group synergies	Total of 20 projects from FY2024	8 cases (cumulative)	↗	
		Request rate for suppliers to comply with the Sustainability Procurement Guidelines	100%	100%	✓	> Supply Chain Management P.88
		Construction Career Up System site registration rate	100%	Registration rate of companies: 82.3% Registration rate of workers: 82.6% Registration rate of sites: 100%	→	
		Zero major accidents (four or more days of lost work time) and reduction of frequency rate	Keep frequency rate at or below 0.6 up to FY2030	Frequency rate: 0.71 (MK) 0.63 (ASC) Severity rate: 0.43 (MK) 0.41 (ASC)	-	
Value-creating human capital and mutual respect	● Improving the working environment and conditions of workers/promoting safety and health ● Accepting diversity in human capital and expanding opportunities for them to play an active role ● Preventing illegal work/forced labor (supporting foreign laborers) ● Improving understanding of human rights and preventing violations ● Enhancing and promoting education and training	Female employment rate Ratio of females in managerial positions Employment rate of persons with disabilities Female parental leave utilization rate Male parental leave or time off utilization rate	FY2027 20% 4.8% 2.8% 100% 75%	17% 3.1% 2.34% 100% 53%	→	> Human Capital Strategies P.58
		Continuous implementation of human rights due diligence		Continuously implemented	→	> Society P.88
		Group-wide training hours per person aimed at creating common understanding and synergy throughout the Group	Improvement compared with previous fiscal year	Implemented from FY2025	—	
Strengthening governance	● Strengthening governance ● Observing compliance and preventing unfair competition and corruption ● Customer privacy ● Strengthening risk management ● Network security	Outside director ratio	Majority	Outside director ratio: 85.7% (6/7)	✓	> Governance P.75
		Appointment of independent outside directors as chairpersons of the Board of Directors and of the Nominating, Compensation, and Audit Committees		Appointment	✓	
		Implementation of PDCA under a Sustainability Committee led by the President and CEO		Number of times held: 5/year	✓	
		Reduction of the number of serious legal violations to zero	0	0	→	
		Customer data breaches	0	Number of incidents discovered: 0	→	
		Operation of an effective risk management system		Implemented Risk Management Committee	→	
		Expansion of companies subject to information security governance	INFRONEER and its subsidiaries	INFRONEER and major subsidiaries: 5 Group companies conducting trials: 17 Total: 22 companies risk assessments conducted	→	

*6 Limited to SPCs that prioritize local recruitment as a priority measure



Initiatives to Improve Corporate Value

Water Infrastructure Business

Protecting Water Infrastructure Through Public-Private Partnerships

Background to Our Challenge in the Water Field

Promoting "Water PPPs" to resolve social issues

Japan's infrastructure business currently faces a serious situation. In the water field in particular, the decreasing population is resulting in decreased usage-fee income, municipalities face a shortage of technical staff, and the aging of facilities is leading to increased management fees, all of which is making sustainable operations more difficult to achieve.

To resolve such issues, it is essential to promote public-private partnership methods (PPPs and PFIs). The Japanese government has set related targets under its PPP/PFI Promotion Action Plan, and, through the utilization of water PPPs, the government is aiming to take advantage of the know-how of private business operators to increase the efficiency of operations and ensure their sustainability.

Transitioning from conventional public-private partnership methods to the concession method

Of the public-private partnership methods currently being promoted by the Japanese government, INFRONEER is focusing on the concession* method in particular. Unlike conventional methods, which involve undertaking contracted work from municipalities according to their specifications, under the concession method, private business operators work to satisfy the requirements of municipalities by managing the business income and expenses as they handle all the operation, maintenance, and management of facilities in the medium to long term. Therefore, this method makes it easier for business operators to take advantage of their ingenuity and thus offers a higher degree of business freedom. > * Concession Glossary P.94

The INFRONEER Group has received three orders for concession projects in the water field so far, and we are focusing on further reducing our costs and enhancing our operational capabilities. Compared to stadiums, arenas, etc., the water infrastructure business is especially challenging in terms of increasing income, so it is important to generate profit through comprehensive cost control and achieve sustainable operations.

In particular, the BT+concession method, which involves handling everything from water-purification-plant construction to facility operations, enables design and construction that anticipate medium- to long-term operations, and this project scheme therefore makes it easier for us to demonstrate our engineering capabilities, which is one of our strengths. The Toyohashi Water Purification Plant Concession project is the first example of this method ever being used for Japan's water supply and sewerage systems business, and this project involves comprehensive systems used to handle everything from water-purification-plant construction to operations.

"Construction" × "De-construction"

For the Toyohashi Water Purification Plant Concession, it was necessary to operate an existing water purification plant in a confined space while renewing it, so we used a water purification scheme proposed by a private business operator. By leading a consortium and using technology that offers superior space-saving performance, we successfully formulated a plan that would enable completion in 9.5 years, which was faster than the municipality's requirement of 14 years. By enabling both construction-cost reduction and stable water treatment, our proposal fully demonstrated the technical capabilities we have cultivated through contracting.

Comprehensive system × Area expansion

In July 2026, Swing joined our Group, further strengthening our comprehensive systems for handling water infrastructure business. Going forward, we will utilize this company's operation, maintenance, and management know-how as we promote more efficient water infrastructure business. > Column: Introduction to Swing Corporation P.40

INFRONEER Group's Track Record of Orders

Miotsukushi Industrial Water Concession



Client	Osaka City Waterworks Bureau
SPC	Miotsukushi Industrial Water Concession Co., Ltd.

https://www.osakakousui.com/ (in Japanese)

Miura Sewerage Concession



Client	Miura City
SPC	Miura Sewerage & Concession Co., Ltd.

https://www.miuragesuido.com/ (in Japanese)

Toyohashi Water Purification Plant Concession



Client	Aichi Prefecture
SPC	AICHI Water Co., Ltd.

https://www.infroneer.com/jp/news-article/2025/11/10/1080.html (in Japanese)

Examples of Value Creation in the Water Field

Through our concession projects, we provide stable, sustainable water-infrastructure services that are essential for the daily lives of citizens by utilizing the engineering capabilities we have cultivated over the years to apply our creativity to operations in various ways.

POINT 1 Utilizing our engineering capabilities to offer optimal options and implementation

In terms of the maintenance and management of infrastructure facilities, due to the characteristics of public services, it is necessary to make overall systems as reliable as possible and guarantee continuous operations. Therefore, the general approach is to use the manufacturer's specifications at the time of construction, which guarantee overall facility performance, as the standard and to use a management system under which cause investigation and repair requests are generally entrusted to the manufacturer when problems occur. However, under such a comprehensive management structure, there are fewer opportunities for facility managers to independently conduct technical evaluations and make decisions, which makes it a challenge to accumulate in-house engineering capabilities. As a result, even in the case of partial deterioration of facilities or minor repairs, there is a tendency for overall facility renewal to be recommended from the standpoint of guaranteeing overall system operations (which is similar to so-called vendor lock-in), and this factor can hinder cost reduction.

Through the Miotsukushi Industrial Water Concession, we are striving to address this structural issue by pursuing optimization through the establishment of a system under which business operators assume responsibility (and bear risk) related to technology and quality. By taking advantage of advanced engineering capabilities that enable business operators to properly evaluate and diagnose the deterioration situation, we are aiming to achieve a flexible approach that is not necessarily bound to the manufacturer's specifications. By enabling business operators to assume responsibility for considering and implementing the best available operations, including partial repairs and the utilization of replacement parts, it is possible to guarantee safety and reliability while also optimizing costs and increasing the service life of facilities.

Miotsukushi Industrial Water Concession initiatives



1. Advanced engineering capabilities
2. Assumption of technology and quality risks by business operators
3. Comprehensive comparative consideration of partial repairs, service life extension, renewal, and replacement
4. Cost optimization and service life extension

POINT 2 Infrastructure management based on data

Through the Miotsukushi Industrial Water Concession, we are utilizing a massive amount of pipeline and environmental data to achieve the AI-powered prediction of water leak risks, thereby efficiently narrowing down investigation target locations and increasing both the sophistication and efficiency of water leak investigations. In addition, with the "Asset Ledger AI System" developed by our Group, we can automatically link the massive amount of asset-related materials, including drawings and inspection records, possessed by municipalities to our asset ledger at the start of infrastructure management business, which has enabled us to establish an environment under which we can efficiently manage data and promptly access necessary drawings as well as past inspection and repair records when facility problems occur.

For the Toyohashi Water Purification Plant Concession, we have used our asset ledger AI system as a foundation to achieve integrated asset management, thereby centrally managing the status of facilities and equipment. Through this approach, we are increasing the accuracy of our service life extension plan and medium to long-term repair plan while also optimally allocating human capital, goods, and capital to promote efficient, sustainable infrastructure management.

> Asset Ledger AI P57

POINT 3 Introducing renewable energy

Through the Miura Sewerage Concession, we utilized the post-FIT* wind and solar power generation capabilities of Japan Wind Development, one of our Group companies, to achieve 100% renewable-energy-based sewerage facility operations starting in FY2026. Through the stable procurement of identifiable renewable energy for power plants, we are contributing to reducing the risk of electricity-price fluctuations and stabilizing the operations of sewerage business with a high public benefit. In addition, this initiative is helping Miura City to achieve its "Zero Carbon City Miura" vision in specific ways, and it is enabling us to promote decarbonization through the sewerage business, which is core infrastructure.

* Post-FIT refers to the time after FIT (Feed-In Tariff), a system under which electricity from renewable energy sources is purchased for a certain period of time at a fixed price set by the government, has ended. The purchasing period for wind power generation is 20 years.



Choshi Obama Wind Farm, which is run by Japan Wind Development (post-FIT)

Chapter 4

Growth Investment Strategies

This chapter explains the investment strategy for growth to improve the "profit margin" and "expected growth rate" in the calculation formula. Through the grouping of Japan Wind Development, ARSOCIA CONSTRUCTION, and Swing, we are steadily making preparations for the profit expansion phase.

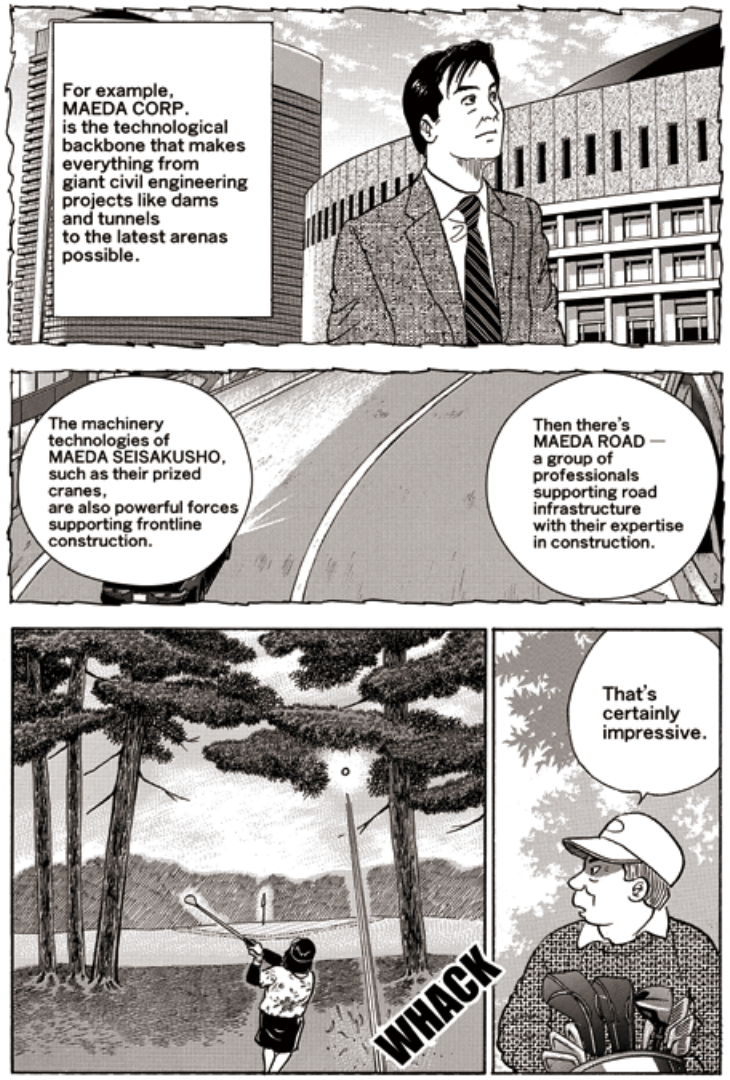
Corporate value ↑ = (Profit margin ↑ − Expected growth rate ↑) / Capital costs ↓

34 Roadmap to the Medium-term Business Plan and FY2030
36 Growth Investment Strategies
37 Message from the Executive Responsible for Financial Strategy and Finance
40 Column: Introduction to Swing Corporation
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42 A Dialogue with the Leaders of Two Business Companies
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46 Building Construction Business
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50 Infrastructure Management Business
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54 Machinery Business
56 Drivers for Accelerated Growth <IT and DX Strategies>
58 Drivers for Accelerated Growth <Human Capital Strategies>
61 Overseas Strategies
62 Special Conversation: INFRONEER×HITACHI

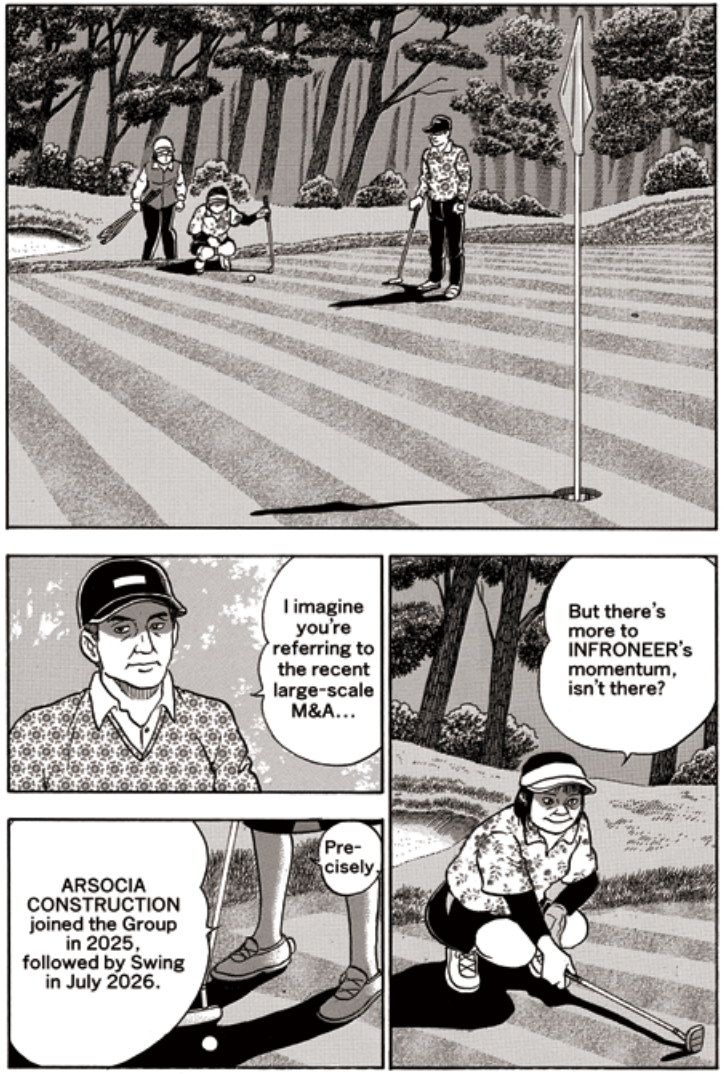


What is the significance of large-scale M&A and renewable energy investment? We explore the growth strategy and future vision as an integrated infrastructure service company!

©Kenshi Hirokane/Kodansha


For example, MAEDA CORP. is the technological backbone that makes everything from giant civil engineering projects like dams and tunnels to the latest arenas possible.
The machinery technologies of MAEDA SEISAKUSHO, such as their prized cranes, are also powerful forces supporting frontline construction.
Then there's MAEDA ROAD — a group of professionals supporting road infrastructure with their expertise in construction.
WHACK
That's certainly impressive.


THWACK
Nice shot!
Actually, it's really interesting. I learned that each Group company plays an important role by leveraging its strengths.
—as an outside director at INFRONEER?
How're things going—

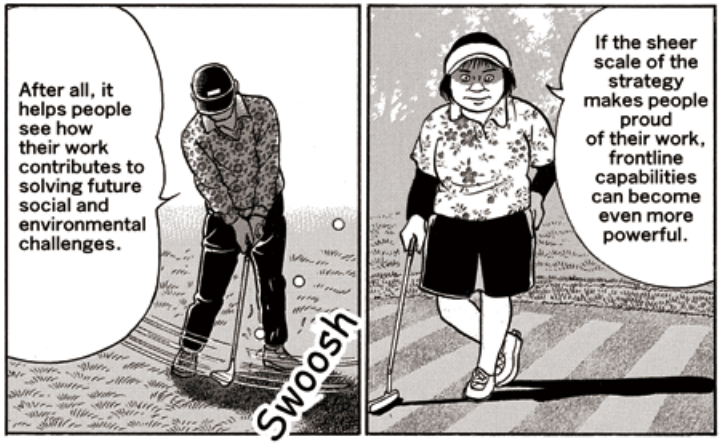

THWACK!
What I'm curious about is Japan Wind Development.
I've done my research, all right. They handle everything from the development of wind power generation projects to operation and maintenance.
You've really done your homework. I'm impressed ...!
Sustainable infrastructure services that support society are starting to come to fruition, huh?
Demand for renewable energy is bound to keep going up from here.

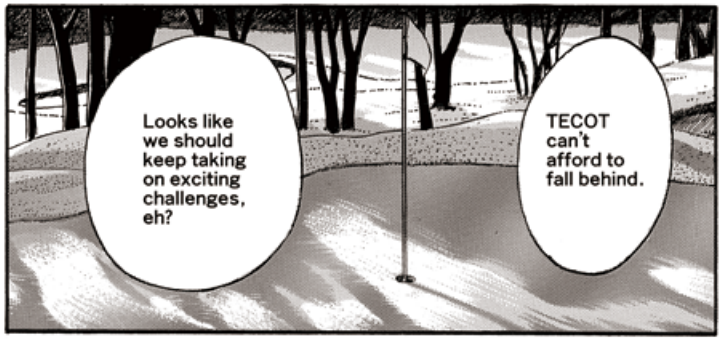
I imagine you're referring to the recent large-scale M&A...
But there's more to INFRONEER's momentum, isn't there?
ARSOCIA CONSTRUCTION joined the Group in 2025, followed by Swing in July 2026.
Pre-cisely.

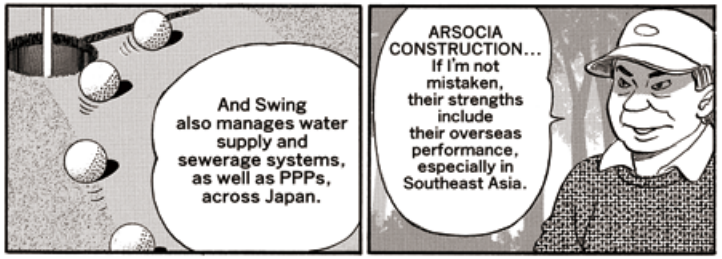
> *J-ESOP (Employee Stock Ownership Plan) P.41

Read from right to left









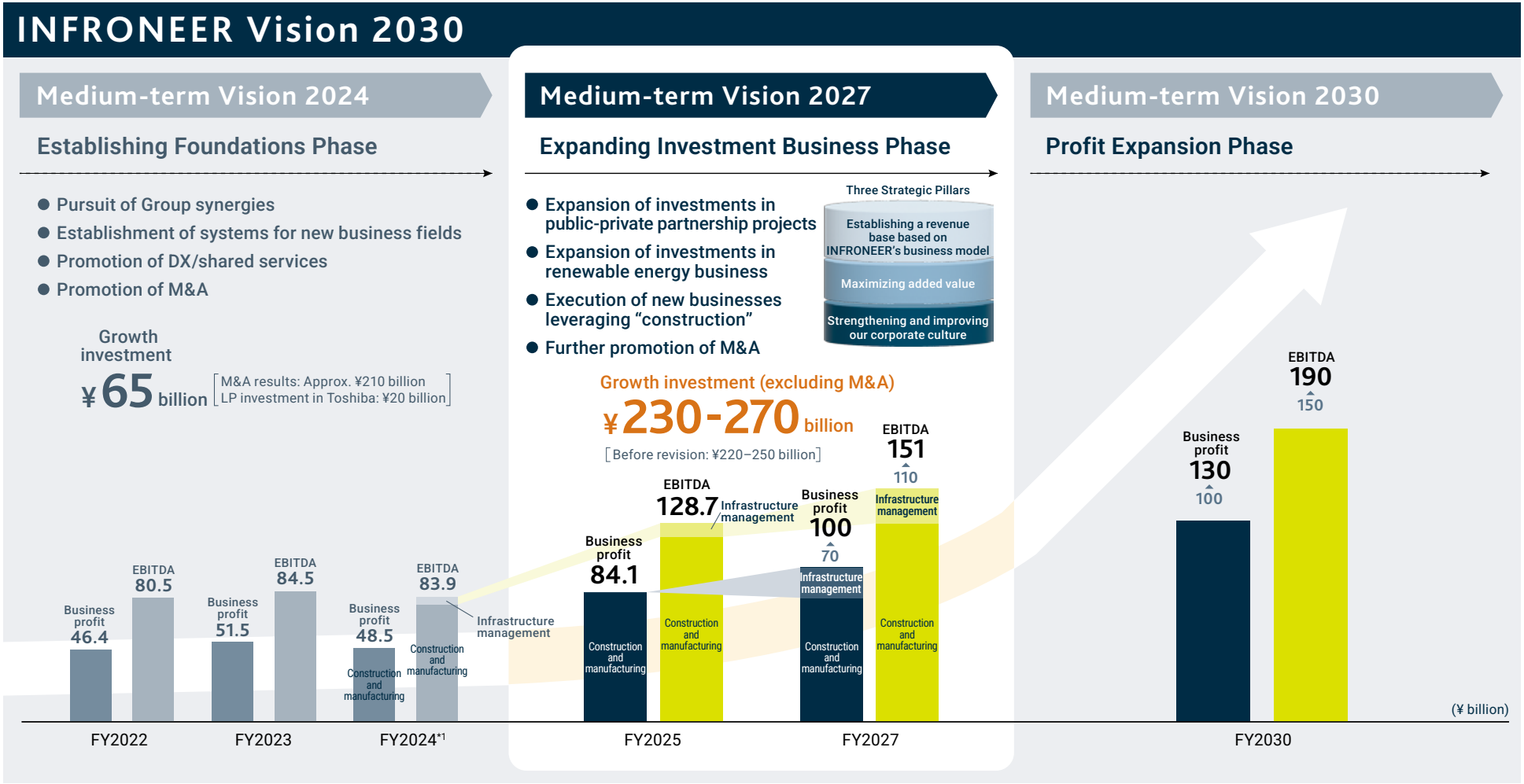






Roadmap to the Medium-term Business Plan and FY2030

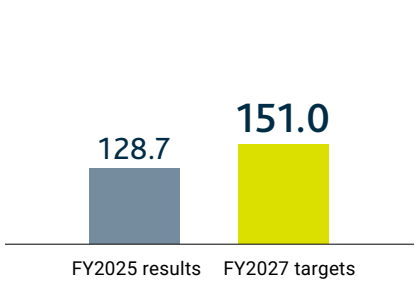
The new Medium-term Business Plan, "INFRONEER Medium-term Vision 2027," launched in FY2025, represents the second phase of INFRONEER's Medium to Long-term Vision, "INFRONEER Vision 2030" and is positioned as the Expanding Investment Business Phase. In September 2025, we integrated ARSOCIA CONSTRUCTION, and in November of the same year, we revised the Medium-term Business Plan. With this, we have set a higher target to achieve the business profit target of ¥100 billion, originally set for FY2030, three years ahead of schedule during the period of this Medium-term Business Plan.



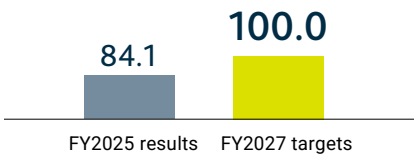
*1 Due to the cancellation of the sale of the Ozu Biomass Power Plant, the gain on sale and unrealized profit from construction/civil engineering EPC are retained.

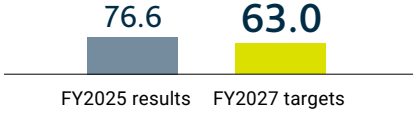
Financial Targets

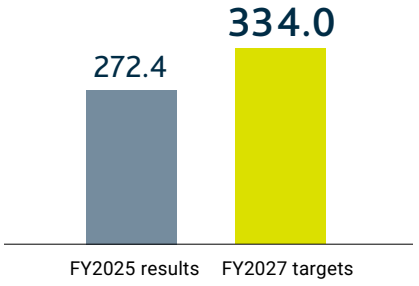
Results for FY2025 and Financial Targets for FY2027 (¥ billion)



EBITDA = Business profit + Depreciation







Added value amount = Business profit + Depreciation + Total labor expenses + R&D cost

(¥ billion)

Segment			FY2025 results	FY2027 targets
Building construction		EBITDA	32.7	38.7
		Business profit	22.1	28.7
Civil engineering		EBITDA	33.2	46.7
		Business profit	26.4	34.7
Infrastructure management	MAEDA CORP.	EBITDA	11.0	20.7
		Business profit	1.7	7.5
	Japan Wind Development	EBITDA	(2.4)	1.4
		Business profit	(4.0)	(0.4)
Road civil engineering		EBITDA	31.4	37.7
		Business profit	20.5	26.2
Machinery		EBITDA	4.6	5.1
		Business profit	1.8	2.7
Other		EBITDA	18.2	0.7
		Business profit	15.6	0.6

Key points for achieving INFRONEER Medium-term Vision

We aim for integration effects in “construction”, “de-construction”, and corporate areas through the acquisition of ARSOCIA CONSTRUCTION, which possesses leading engineering capabilities.

“Construction”	Building construction	By utilizing precast manufacturing and construction technology that boasts high technical capabilities and a wealth of experience, it is possible to acquire a high market share in high-rise residential projects.
	Civil engineering	By intensively allocating resources to areas where both companies have strengths and consolidating engineering capabilities, competitive advantage will increase and the probability of winning orders will improve.
	Overseas	Expansion of business in India in the building field, and expansion of large-scale ODA project orders in the Philippines and Bangladesh in the civil engineering field
	Common	Cost reduction through joint procurement of materials and equipment leveraging economies of scale, and mutual utilization of partner companies
“De-construction”	Public-private partnership	Further acceleration of stadium, arena, and water infrastructure projects by leveraging the resources of the entire group, including ARSOCIA CONSTRUCTION
	Renewable energy	Acceleration of wind power generation and grid energy storage businesses through expanded engineering capabilities
	Overseas	By integrating ARSOCIA CONSTRUCTION’s extensive ODA experience with MAEDA CORP.’s infrastructure operation know-how, ODA+concession business development becomes possible, and further strengthening of the revenue base is expected.
Corporate		Improvement of financial balance Optimization of operating costs through business efficiency and management efficiency through integrated operation of assets such as bases Strengthening of corporate governance and enhancement of risk management systems

Growth Investment Strategies

We will strengthen growth investments that form the source of our competitiveness, aiming to expand our business areas and maximize profits.
In addition, investment projects of a certain scale or larger are reviewed and evaluated by INFRONEER's Investment Committee and are continuously monitored even after investment.

Growth investment (excluding M&A)*1
¥230–270 billion

*1 Total amount including overseas business, IT/DX investment, and human capital investment in addition to the businesses below

Market outlook for priority investment areas

Renewable energy market

- Electricity demand is increasing, primarily due to industrial power consumption associated with the new construction and expansion of semiconductor factories and data centers
- The 7th Strategic Energy Plan raised wind power introduction targets, which are expected to accelerate future deployment
- Adjustments to supply-demand balance and stabilization of the power grid are needed to accelerate the introduction of renewable energy

Public-private partnership market

- PPP/PFI continue to be promoted by the government, with the water field in particular expected to see accelerated project development following the introduction of water PPP
- Introduction of stadiums and arenas that contribute to regional revitalization is accelerating

	Investment amount	Results (cumulative)	Growth strategy
Renewable energy business	¥123 – 133 billion	+0 MW / +100 MW FY2024 results: 600 MW FY2025 results: 600 MW FY2027 targets: 700 MW	**Design a portfolio that considers investment recovery speed and revenue management** ● Steadily promote projects according to the development schedule, enhance business profitability by leveraging Group synergies ● Initiatives in the wind turbine refurbishment business (enhance the value of existing wind power generation projects after FIT expires, etc.)
Battery storage business	¥50 – 60 billion	+2 MW / +84 MW FY2024 results: 0 MW FY2025 results: 2 MW FY2027 targets: 86 MW	**Steady expansion of the grid energy storage business** ● Develop 1 project (2 MW) in FY2025, and aim to develop 12 projects (24 MW) in FY2026 ● Expand projects by quickly securing suitable sites using the Group network and accumulating business know-how
Stadium and arena projects	¥15 – 35 billion	+1 project FY2024 results: 4 projects FY2025: 5 projects FY2027 targets: 5 projects	**Create an ecosystem for regional revitalization, starting from stadiums and arenas** ● Won the bid for "Shizuoka City Arena" in FY2025. Steadily proceed with preparations for the start of operations in April 2030 ● Become a top player in the stadium/arena business, which is expected to expand across Japan in the future ● Build a regional network using stadiums and arenas as footholds, and leverage this network for infrastructure operations in each region
Water infrastructure business		+1 project / +4 projects FY2024 results: 2 projects FY2025: 3 projects FY2027 targets: 7 projects Water PPP projects of 3.5 or higher	**Enhance the advantages and profitability of water PPP projects** ● Won the bid for the "Toyohashi Water Purification Plant Concession" in FY2025. Introduction of the first "BT + Concession" method in the water supply and sewerage systems projects ● Swing will also participate from July 2026, aiming for further business expansion in the water sector

INTERVIEW

Message from the Executive Responsible for Financial Strategy and Finance

Transitioning to a Profit Expansion Phase: We Will Invest in Growth While Maintaining Sound Financial Discipline



Masashi Shimojo

Executive Officer Responsible for Corporate Functions
INFRONEER Holdings Inc.

Joined Japan Wind Development in 2015; served as Corporate Officer and Chief Financial Officer; in June 2024, became the Executive Officer responsible for Financial Strategy of INFRONEER Holdings; in June 2025, became the Executive Officer responsible for Corporate Functions (current).

Record-High Performance Achieved by Strengthening Profitability; Strategic Investments Accelerating Transformation

For INFRONEER, which aims to become an integrated infrastructure service company, improving the profitability of our core construction business is essential to building a stable revenue model centered on the infrastructure management business. FY2025 was a year in which we were able to confirm certain results in this regard. In FY2025 (ended March 2026), we achieved business profit of ¥84.1 billion, EBITDA of ¥128.7 billion, and profit of ¥76.6 billion—all record highs. We also ultimately increased dividends from the initial plan of ¥60 per share to ¥120 per share. We interpret these results, which we arrived at following upward revisions, as indicating that the profitability of our contracting business has steadily improved. In the building construction and civil engineering segments, progress on the construction of large-scale projects, combined with the securing of design changes, contributed to higher-than-expected profit margins. The addition of ARSOCIA CONSTRUCTION to the Group has further accelerated these trends, and we are also seeing progress in qualitative improvements through post-merger integration (PMI).

In July 2026, Swing joined the Group, marking the third consecutive year we have made a major investment following Japan Wind Development and ARSOCIA CONSTRUCTION. These are strategic investments that will accelerate our transformation into an integrated infrastructure service company. We are aiming to grow sustainably by strengthening our "construction" and "de-construction" business portfolio.

Improving Corporate Value by Balancing Growth Investments with a Solid Financial Foundation

On the other hand, we see maintaining financial discipline—not just pursuing growth—as a key management issue. This reflects our belief that improving corporate value can only be achieved by balancing growth investments with a solid financial foundation. Backed by the improved profitability of our contracting business, we will proceed to make growth investments totaling ¥230-270 billion (excluding M&A) as indicated in our Medium-term Business Plan “INFRONEER Medium-term Vision 2027.” Our financial targets for this Expanding Investment Business Phase are a D/E ratio of 1.0 times or less and an equity ratio of 30% or more. As of the end of the first quarter of FY2026

(ending March 2027), we are maintaining sound financial discipline with a D/E ratio of 1.0 times and an equity ratio of 32.3%. We manage these figures as important KPIs for gauging financial soundness. As for our large-scale M&A, we have established an understanding regarding our maintenance of financial discipline through repeated dialogue with credit rating agencies and investors. Credit rating agencies have deemed that our rating is not immediately affected even after we make large-scale investments, and we have received a certain level of understanding from the market as well. I believe we should continue to place a high priority on this kind of timely and transparent communication on the financial implications of our investments, especially because we are in a phase of sustained large-scale investment.

The financial resources supporting our continuous investments are also clear. We secure investment funds through three pillars. The first is the cash generation capacity of our core business. We generate approximately ¥130 billion in EBITDA on an annual basis. With ARSOCIA CONSTRUCTION contributing to profits, this earnings level is expected to rise even further in the future.

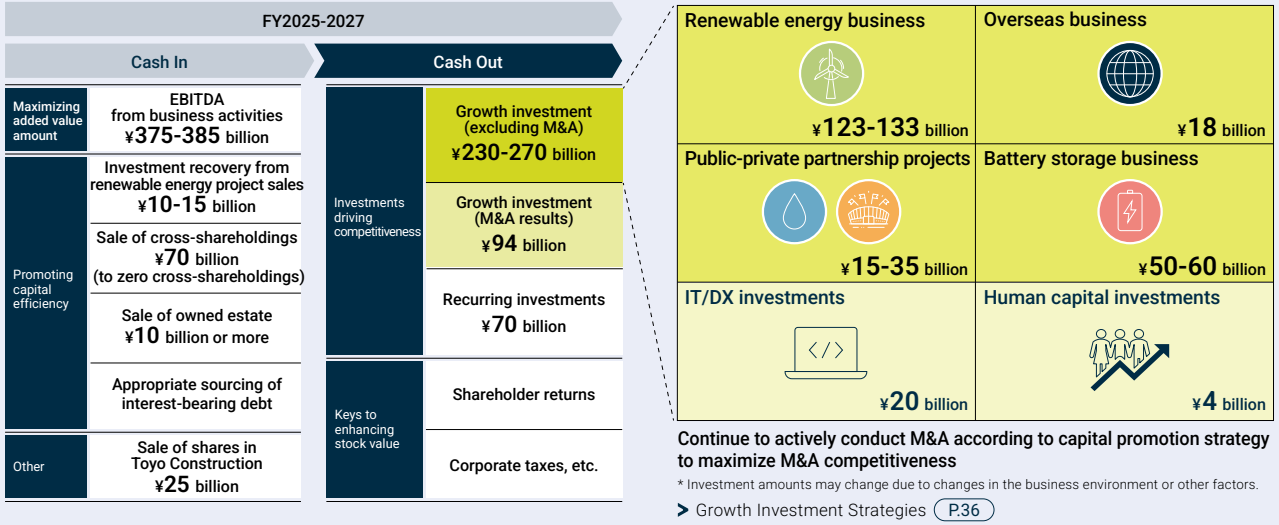
The second is funds raised through the sale of cross-shareholdings and owned estate. During the INFRONEER Medium-term Vision period (FY2025-2027), we will proceed with the sale of ¥70 billion in cross-shareholdings and at least ¥10 billion in owned estate, redirecting the proceeds to growth investments. Regarding cross-shareholdings, we are proceeding with sales with the aim of having zero cross-shareholdings by end of FY2027. As for owned estate, we maintain a Group-wide database of information ranging from basic property details to the latest market prices. We use this database to centrally manage property locations and current values, periodically reviewing the rationale for continuing to hold these properties. By actively selling assets for which the strategic and economic rationale for holding them has diminished, and redirecting the proceeds to growth investments, we will improve capital efficiency and increase corporate value simultaneously.

The third is our capital recycling system, in which funds obtained in the ways described above are redirected to the next growth investment. By reallocating funds obtained from the sale of assets toward new investments, we are building a sustainable investment cycle that frees us from an excessive reliance on increased borrowings. I believe this system is critical for us to continue making growth investments while maintaining financial discipline.

In conjunction with this financial resource arrangement, we have established strict rules guiding the investment decisions themselves. Investments over a certain threshold are scrutinized by INFRONEER's Investment Committee and evaluated from four perspectives: strategic alignment, profitability, balance between risk and return, and feasibility. The committee continues to monitor investments after the fact, reviewing our policies as necessary.

Furthermore, we have also been working to develop more sophisticated financing methods to support these investments. To finance the acquisition of Japan Wind Development, we issued Japan's first Bond-Type Class Shares and, in order to enhance our capital and broaden our investor base while limiting the dilution of existing shareholders' shares, refinanced our bridge loan with convertible bonds and Bond-Type Class Shares. Choosing a highly equity-based approach strengthened our financial position while helping to increase our recognition among new investor segments, including individual and institutional investors. Refinancing the funds for the acquisition of ARSOCIA CONSTRUCTION and Swing are future challenges. Leveraging our past knowledge, we are considering funding methods that have the potential to expand our investor base, including institutional investors, while maintaining financial discipline.

Cash allocation

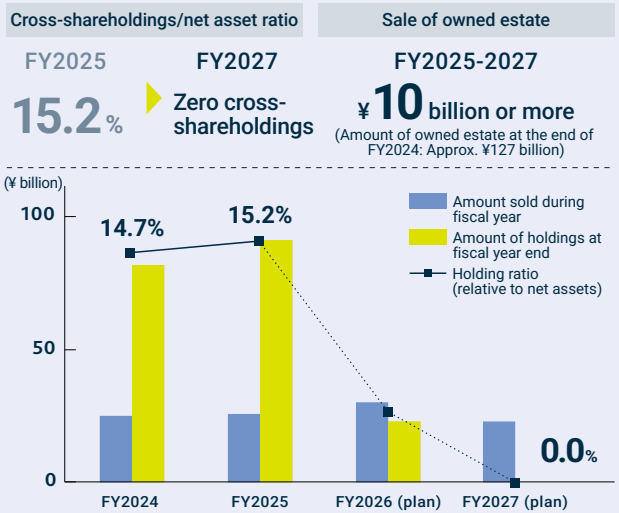


Continue to actively conduct M&A according to capital promotion strategy to maximize M&A competitiveness

* Investment amounts may change due to changes in the business environment or other factors.

> Growth Investment Strategies P.36

Policy on sale of cross-shareholdings and owned estate



*The increase in the amount of holdings is due to increases in stock price, and does not affect progress in sales.

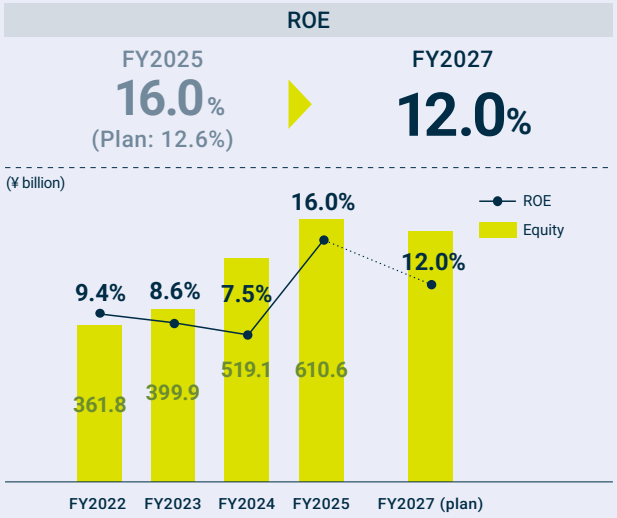
Achieving 12% ROE and Improving PBR with a Focus on ARSOCIA CONSTRUCTION's Contribution to Profits

In "INFRONEER Medium-term Vision 2027," our ROE target was raised from the previous target of 9% to 12%. The greatest growth driver supporting our achievement of an ROE of 12% is ARSOCIA CONSTRUCTION's contribution to profits. The company began contributing to profits in FY2025, and the addition of Swing's profits starting in FY2026 will further increase profitability across the entire Group. In addition to the increase in profits from ARSOCIA CONSTRUCTION and Swing, we are steadily improving the profitability of our existing businesses, leading me to believe that a 12% ROE is a level that is readily achievable even on a basis that excludes one-time factors. We see the 12% ROE not just as a financial indicator, but as a management indicator that shows whether we are using capital efficiently. We will pursue both profit growth and improved asset efficiency to further raise our PBR and steadily increase our market valuation.

Such efforts to grow profits and improve asset efficiency are also beginning to be reflected in how we are evaluated by the capital market. Our PBR, which was below 1.0 times until FY2024, has improved to 1.27 times (as of August 6, 2026) due to improved business performance in FY2025. I view this as evidence that our efforts to improve profitability and capital efficiency are being recognized to some degree by the market.

However, we do not think of the current PBR level as our goal. We are aiming to further increase corporate value by expanding EPS (earnings per share) through ARSOCIA CONSTRUCTION and Swing's contributions to profit, as well as by steadily building on the results of long-term growth investments such as Japan Wind Development. The point of improving PBR is not simply to increase the stock price. We see it as a key management priority for enhancing market confidence in our growth strategy and financial strategy, as well as for securing more favorable terms in future growth investments. By obtaining an appropriate valuation from the capital market, I believe that we can enhance our financing capability and financial flexibility, which are both necessary for growth investments, and create a virtuous cycle that will lead to further improvements to our corporate value.

Maintain a level exceeding the cost of shareholders' equity



Raising the Minimum Dividend and Continuing Stable Shareholder Returns Linked to Profit Growth

The three aforementioned large-scale investments, while each serving a different role, are beginning to contribute steadily to strengthening our revenue base. In particular, ARSOCIA CONSTRUCTION is recovering from past losses on major projects at a faster pace than anticipated and is expected to contribute approximately ¥20.0 billion annually to business profit under normal circumstances. We are also making strides on business improvements through PMI, with the increase in joint orders and other effects of integration beginning to show tangible results. Combining the differing strengths of MAEDA CORP. and ARSOCIA CONSTRUCTION elevates our competitiveness in the fields of building construction and civil engineering. Swing has also begun contributing to profits immediately after it became a part of the Group. This has further strengthened our system for accepting and operating water PPP projects nationwide, and we look forward to winning new projects through its collaboration with existing Group companies and the synergies we generate in the future. Meanwhile, Japan Wind Development is positioned as a long-term upfront investment with an eye on the year 2030 and beyond. Although wind farms require approximately eight years from development to launch, once operational, they can be expected to generate stable revenue from electricity sales for two to three decades. Therefore, this is an important business that will support our future profit base. Rather than contributing to short-term profits, its role is to strengthen the stability of the Group's revenue base over the medium to long term.

In this manner, the results of our investments to date are becoming apparent one after another, and we are entering the stage where we can look ahead to our transition from the Expanding Investment Business Phase to the Profit Expansion Phase. Since we are seeing clear signs of improved profitability and intend to further enhance shareholder returns, beginning in FY2026, we raised the minimum dividend from ¥60 to ¥90 per share. This minimum dividend was set based on dialogue with shareholders who wanted us to continue providing stable dividends over the long term, while linking the dividend amount to corporate growth. By raising the minimum, we aim to increase the stability, continuity, and predictability of our dividends while enhancing returns to shareholders in line with profit growth, based on a dividend payout ratio of 40% or more. Going forward, we will continue to engage in dialogue with our investors in order to strengthen our relationship of trust with the capital market through highly transparent information disclosures.

Right now, we are in a period of transition from our Expanding Investment Business Phase, which is focused on future growth, to our Profit Expansion Phase for FY2028 and beyond. Through mutual support among Japan Wind Development, which will generate stable long-term revenue, ARSOCIA CONSTRUCTION and Swing, which strengthen our revenue base, and our existing construction business, we will complete our robust business portfolio in "construction" and "de-construction." We will then strive to continuously improve our corporate value and earn a market valuation commensurate with that value.



Column

Introduction to Swing Corporation

Introducing Swing which joined the INFRONEER Group in July 2026

Company overview

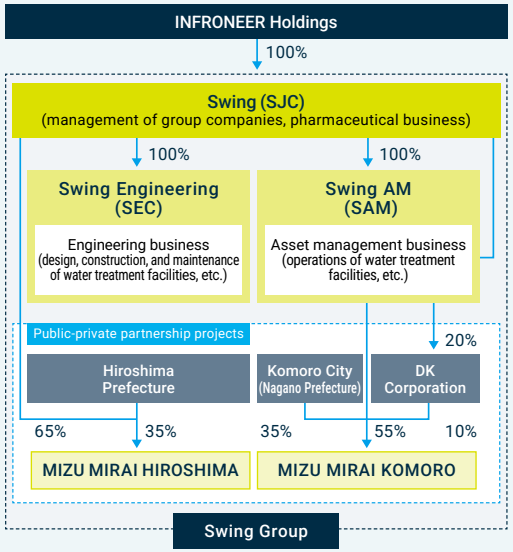
Swing's main businesses are engineering and asset management, and the company has 4,070 employees.

The company's engineering business is handled by Swing Engineering, which is involved in the design, construction, and maintenance of water treatment facilities for a variety of fields, including water supply systems, sewerage, human waste and sludge recycling, industrial water treatment, leachate treatment, biomass, and amusement facilities.

The company's asset management business is handled by Swing AM, which employs around 3,000 field engineers, who manage the operations and maintenance of a wide range of water treatment facilities, and the company has also established an emergency response system. The company has a network of over 300 locations in Japan, one of the largest in the country, with a proven maintenance and management track record.

In addition, Swing has established Japan's first water supply and sewerage operating companies as public-private joint ventures: MIZU MIRAI HIROSHIMA and MIZU MIRAI KOMORO.

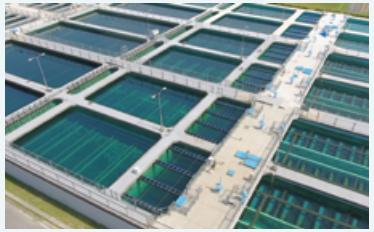
Group structure at a glance



(excluding Hiroshima Prefecture and Komoro City, Nagano Prefecture)

History

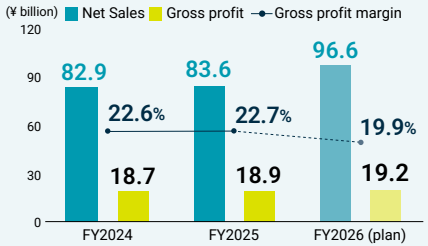
Since Swing was established as an affiliate of EBARA CORPORATION in 1977, the company has been involved in the comprehensive water treatment business. The company's roots go all the way back to 1931, when Japan's first ever rapid sand filter was delivered, and the company has contributed to the development and sustainability of Japan's water infrastructure for over 90 years.

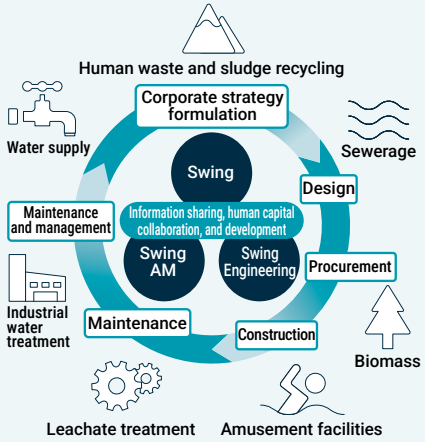


A water purification plant that uses the rapid sand filter method

Business overview

Swing provides total solutions for the water treatment business, including everything from EPC to O&M, in a wide range of end markets, such as water supply and sewerage, biomass, and entertainment.





Competitive advantage thanks to collaboration between Swing and the INFRONEER Group

As a result of Swing participating in our Group, we have gained the ability to manage the entire water supply and sewerage value chain through a comprehensive system. No other corporate group in Japan currently has this function.

In addition, by utilizing the more than 300 O&M bases Swing has throughout Japan, we can provide services not only related to water supply and sewerage but also in other infrastructure fields, such as roads and public facilities. This contributes to achieving "Regional Infrastructure Group Regeneration Strategy Management," a policy currently being promoted by Japan's Ministry of Land, Infrastructure, Transport and Tourism. In addition, by combining our knowledge with that of INFRONEER Strategy & Innovation, a joint venture with Accenture, we are striving to boost the efficiency of business operations.

	Management	EPC (engineering, procurement, and construction)			O&M (operations and maintenance)
		Civil engineering	Machinery	Electric	
INFRONEER Swing	●	●	★ Strengthened by Swing joining the group	●	★
Company A	–	–	●	●	●
Company B	●	–	●	–	●
Company C	–	–	●	–	●
Company D	–	–	●	–	●
Company E	–	–	–	–	●

* Based on independent research conducted by us, including exchanging opinions

Synergy Topics

Implementing Management-Led Interviews Between Executive Officers and Business Companies


An interview between executive officers and business companies

The INFRONEER Group holds “interviews with executive officers and business companies,” which are attended by INFRONEER executives as well as the presidents and executives of Group companies, twice per year. At these meetings, executive officers in charge of each segment explain their policies, and participants actively exchange opinions, including discussions of the strategies and priority measures of each business company. Having our management engage in dialogue on the Group’s current status, challenges, and future issues clarifies our Group’s overall direction while also promoting stronger collaboration and the achievement of synergies that go beyond company boundaries.

In addition, we distribute and record these interviews so that all Group employees can view them, thereby conveying the direction that the organization as a whole should aim for by sharing information on our management approach and Group strategy.

Integrating Group-Wide Insights Through Strategy Review Meetings


A Group growth strategy review meeting

In our group, we hold monthly meetings on an ongoing basis that are attended by the general managers and planning departments of each business company as a forum to discuss cross-group growth strategies. For FY2025, we have evolved the conventional "Three Strategy Review Meeting" and clarified its position as the "Group Growth Strategy Review Discussion." We are evolving our operations from a focus on information sharing to a focus on discussion and examination based on each company's growth strategy and market perception, while also taking into account external environment and resource constraints. Through this, we promote the fusion of knowledge across fields and the creation of effective measures, leading to the realization of group-wide synergies and sustainable growth.

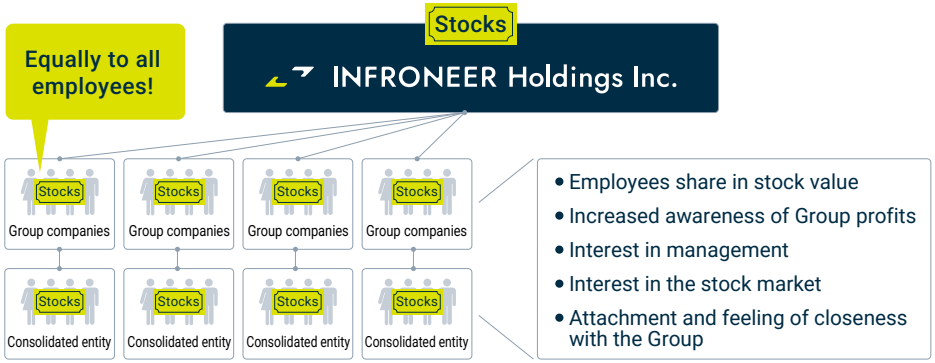
J-ESOP (Employee Stock Ownership Plan)

Our Group introduced the J-ESOP (Employee Stock Ownership Plan) in April 2024. This plan enables each employee to receive a share of the Group’s overall performance results through stock.

By providing INFRONEER stock equally to all employees as opposed to using a framework of incentives and employee benefits, this plan is designed to foster greater interest in management among employees as Group members and allow them to tangibly share in the results.

In August 2025, stock was provided to employees for the first time since the plan launched. Starting in FY2026, employees of ARSOCIA CONSTRUCTION will be covered by the plan as well. Through this plan, we will continue striving to foster a sense of unity within the Group.

Granting of INFRONEER stock linked to the overall Group performance



Over 12,000 Group employees (as of April 2026)

Same boat: Fostering Group unity with the sense of being in the same boat

Types and Details of Stock Grants

Under J-ESOP, points (1 point = 1 share) are awarded based on annual performance, which are converted into INFRONEER stock (70%) and cash (30%) every year. Granted shares become personal assets, allowing employees to sell them or receive dividends.



Led by Kosaku Shima

A Dialogue with the Leaders of Two Business Companies

Maeda Corporation

Soji Maeda

President and Representative Director
MAEDA CORPORATION

Joined MAEDA CORPORATION in 1997; became the Representative Director and President (current) of the company in 2016; became the Director and Chairman of INFRONEER Holdings in October 2021; became Executive Officer (current) in June 2025.



ARSOCIA CONSTRUCTION

Toshio Shibata

Representative Director and President
ARSOCIA CONSTRUCTION CO., LTD.

Joined Mitsui Construction (now ARSOCIA CONSTRUCTION) in 1985; became the Representative Director and President (current) of the company in 2024; became Executive Officer (current) of INFRONEER Holdings in October 2025.

*SUMITOMO MITSUI CONSTRUCTION changed its corporate name to ARSOCIA CONSTRUCTION on October 1, 2026.


Kosaku Shima

Q1. In 2025, ARSOCIA CONSTRUCTION joined the INFRONEER Holdings Group. What led to this decision?

Maeda This management integration was not a "merger" of the two companies, but rather something made possible precisely because we have adopted a holding company structure that allows us to collaborate while maintaining each company's own strengths and culture.

This was the first time for two companies in the same industry, each with net sales in the hundreds of billions of yen, to integrate with each other. We see this undertaking as opening up new possibilities for the industry as a whole. In the construction industry, it has long been said that "one plus one does not equal two." I want to tackle this prevailing wisdom head-on and build value through collaborative synergies. I believe that the more we cultivate Group collaboration, the stronger our collective capacity for value creation becomes—this principle lies at the heart of our integration.

Shibata Our decision to integrate was driven by the reality of a challenging business environment. Considering the financial pressures of large-scale, unprofitable construction projects, as well as challenges unique to the construction industry, such as labor shortages and market fluctuations tied to economic conditions, government policies, disasters, and other factors, we concluded that it would be difficult to achieve sustainable growth on our own. Meanwhile, having previously experienced the merger of Mitsui Construction and Sumitomo Construction, we were acutely aware that mergers take a considerable amount of time and management resources. Given the rapid pace of transformation in society and the industry, a traditional merger was off the table. Instead, one of the deciding factors was the holding company structure, which allows each company to leverage its unique characteristics and strengths.

We chose INFRONEER as our integration partner because we felt there was potential in the differing areas of expertise held by MAEDA CORP., the Group's core company, and ARSOCIA CONSTRUCTION. Our conviction that we could build a relationship where we would complement each other rather than compete was the final deciding factor. No other companies have this framework in which business companies of similar scale operate side-by-side under a holding structure. Through preliminary discussions, we were able to confirm potential synergies arising from our respective areas of expertise and cultures.


Kosaku Shima

Q2. What results and challenges did you encounter during the post-merger integration (PMI) process?

Maeda The Group's net sales for FY2025 may have exceeded 1.1 trillion yen, but size alone was not our goal. There's no point in simply having two core companies with general contractor business models. The significance of PMI is figuring out what kind of new value we can generate from this combination. Currently, we have a subcommittee with a total of about 60 people drawn from each field—building construction, civil engineering, technology, corporate, overseas business, and so on—that is working to deepen collaboration between the companies. We are moving into the implementation phase of several initiatives, including the establishment of a joint framework for ARSOCIA CONSTRUCTION employees to tackle total evaluation system projects in the civil engineering field, the shared use of offices at our Kansai Branch, and the formation of JVs and collaboration in the building construction field. We are also seeing synergies in procurement as a result of information sharing and our enhanced negotiating power. Collaboration within the Group has also given us the capacity to take on projects that we previously lacked the resources to handle on our own.

On the other hand, public procurement contract opportunities are the primary reason why it has long been said that "one plus one does not equal two" in the industry. Our greatest mission in the PMI process is to figure out how to enhance our chance of winning orders as a Group. In shifting each employee's mindset from what is most optimal for their own department or company to what is most optimal for the Group, I believe that we must simultaneously improve our evaluation system and operational

frameworks. Examples of initiatives that contribute to Group unity include the introduction of J-ESOP* and our Group-wide entrance ceremony and training, which we held with approximately 320 people. We are also creating opportunities for all employees across the Group to deepen their understanding of each company's business strategies by sharing interviews with our executive officers and business companies.

> *J-ESOP (Employee Stock Ownership Plan) P.41

Shibata Discussions in the subcommittee can get heated at times, but we keep moving forward by respecting each other's strengths and remembering the original purpose of our integration. Frankly speaking, the speed at which the INFRONEER Group has implemented reforms has far exceeded our expectations. ARSOCIA CONSTRUCTION would not have been able to reform itself this quickly alone. In the midst of these changes, I tell our employees to actively learn from the best practices while sticking to what they believe in.

At our company, we are seeing a rebound in domestic business following the integration, and I believe we have now entered an expansion phase. What the discussions with MAEDA CORP. have brought to our attention once again is the issue of productivity. Our on-site gross profit margin has recovered to a level on par with that of other companies, but the gap in operating profit remains. From this point on, our top priority will be boosting operating profit through enhanced accuracy in on-site management. At the same time, we will continue to review our order portfolio and closely examine internal decisions regarding orders.


Kosaku Shima

Q3. Going forward, how will you combine the two companies' strengths to create synergies?



Combining the two companies' strengths will reveal new possibilities.

Maeda Our "de-construction" business, which we have been developing for over a decade, has expanded in scope to include concessions, PPPs, and renewable energy. By combining this de-construction expertise with the overseas business foundation ARSOCIA CONSTRUCTION has established mainly in the Philippines and India, we can go beyond mere construction to create value through infrastructure management, even in overseas markets. This is the first major synergy we have seen as a result of integration.

In the infrastructure management segment, we face competition not only from major general contractors but also developers and trading companies. This is an area in which we can fully leverage MAEDA CORP.'s comprehensive strengths—in areas such as finance, legal affairs, and regional collaboration—that we have built up over many years. Collaboration is also advancing in the field of building construction; we have begun taking concrete steps such as mutually adopting each other's construction methods in reinforced concrete skyscraper condominiums and applying for joint patents.

Shibata Thanks to long-term partnerships with local companies and the cultivation of local talent, our overseas business has grown to account for approximately one-quarter of the company's net sales. We train local engineers at training and education centers we established in the Philippines and India, and our overseas profit margins are being maintained at the same level as in Japan. By adding MAEDA CORP.'s extensive de-construction knowledge to the mix, we can leverage our contract engineering capabilities with the agility to venture into the new field of infrastructure management.

In the civil engineering segment, we are combining our expertise in bridge construction with MAEDA CORP.'s strengths in areas such as shield tunneling to build a "one-pool" system in which we pool our technical expertise for total evaluation system bidding. In building construction as well, we are organizing both companies' construction methods according to the specific conditions under which they are used. Particularly for skyscraper condominiums, an area in which both companies excel, we have established a collaborative structure in which we can choose the most optimal techniques for each project. Thus, I feel that synergies are manifesting in our civil engineering and building construction businesses.

In the "de-construction" business, there is still room for collaboration in the fields of water PPPs, arenas, and roads. Of these, domestic water PPPs are an area in which we can readily participate, as it closely aligns with our track record in DBO* and PFI projects. First, we must build up practical experience in de-construction EPC projects while learning on a project-by-project basis, then participate in domestic projects, and ultimately look ahead to a new arena: overseas concessions.


Kosaku Shima

Q4. What do you see as the future goal for the Group, and what message do you have for its stakeholders?

Maeda Our Group is expected to continuously question its own way of doing things as it adapts to changes in society, looking beyond the boundaries of the building construction industry. As a business, our opportunity lies in our ability to provide value from the perspectives of business owners and the community by adopting a de-construction mindset across the entire company. We will continue to work to unleash the Group's full potential and enhance our value as one entity.

Shibata Right after the integration was announced, I visited all of our branches to meet directly with our employees. Many employees felt uncertain about the dual changes of delisting from the stock exchange and adopting a new company name. I continued to reassure them that "our capital relationship and company name may change, but the pride you have as an engineer and the trust you have earned from our customers will not." At the moment, it seems to me that there are more people viewing the integration in a positive light.

Ultimately, I was the person who decided to go ahead with the integration. I am determined to steer us toward success, and I intend to forge the future of the INFRONEER Group together with President Maeda.



*DBO (Design-Build-Operate): A method of public-private partnership in which the design, construction, maintenance, management, and operation of a public facility are all outsourced to a single private company.

We will maintain the same pride in our engineers and trust of our customers under a new company name.

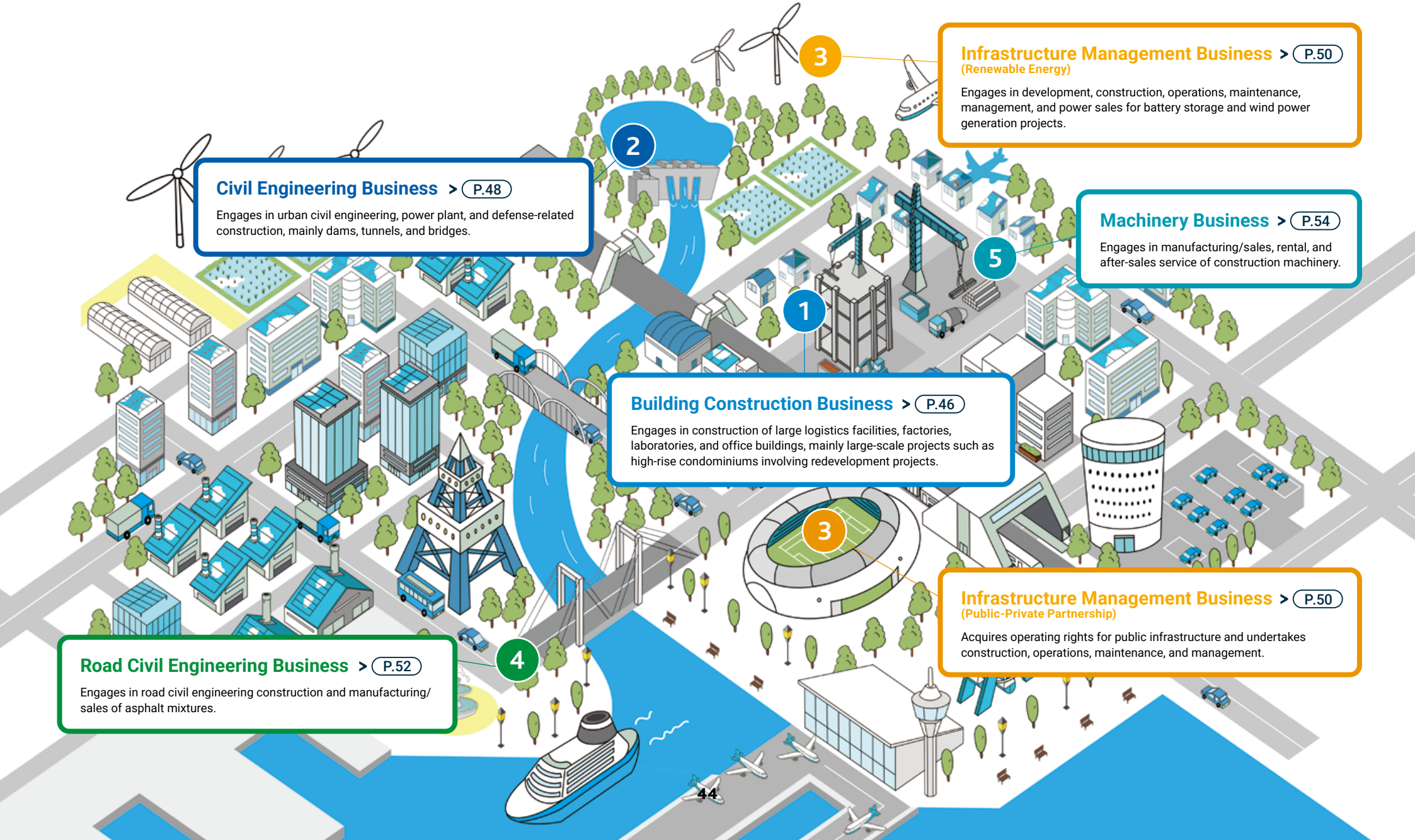
This is more than just integration. The companies can create new value by collaborating in a manner that leverages each other's respective strengths and cultures. It's by embracing our differences that we build strong partnerships.



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Business Introduction

Cities and Society Supported by the INFRONEER Group



Civil Engineering Business > P.48

Engages in urban civil engineering, power plant, and defense-related construction, mainly dams, tunnels, and bridges.

Building Construction Business > P.46

Engages in construction of large logistics facilities, factories, laboratories, and office buildings, mainly large-scale projects such as high-rise condominiums involving redevelopment projects.

Road Civil Engineering Business > P.52

Engages in road civil engineering construction and manufacturing/sales of asphalt mixtures.

Infrastructure Management Business > P.50
(Renewable Energy)

Engages in development, construction, operations, maintenance, management, and power sales for battery storage and wind power generation projects.

Machinery Business > P.54

Engages in manufacturing/sales, rental, and after-sales service of construction machinery.

Infrastructure Management Business > P.50
(Public-Private Partnership)

Acquires operating rights for public infrastructure and undertakes construction, operations, maintenance, and management.

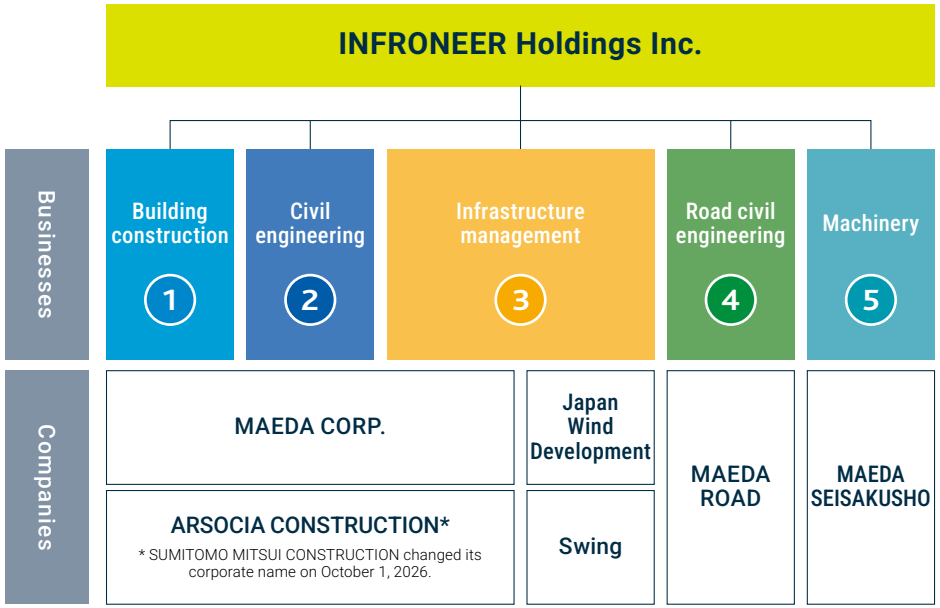
Business Overview

The INFRONEER Group, as an integrated infrastructure service company aiming to develop social infrastructure and realize a sustainable future, brings together diverse functions related to infrastructure and develops a unique business model. Through the development of a wide range of infrastructure that supports society—such as roads, bridges, dams, tunnels, buildings, water supply and sewerage systems, renewable energy facilities, and stadiums/arenas—we are contributing to the realization of a safe, secure, and comfortable society.

The Group includes companies in diverse business areas, including construction, road civil engineering, and machinery manufacturing, and has built a value chain that integrally handles everything from project planning and development to construction and maintenance. In September 2025, ARSOCIA CONSTRUCTION joined the Group, further strengthening our engineering capabilities. In the infrastructure management business, we are promoting the entire process from development to operation in the renewable energy field, with Japan Wind Development as the core.

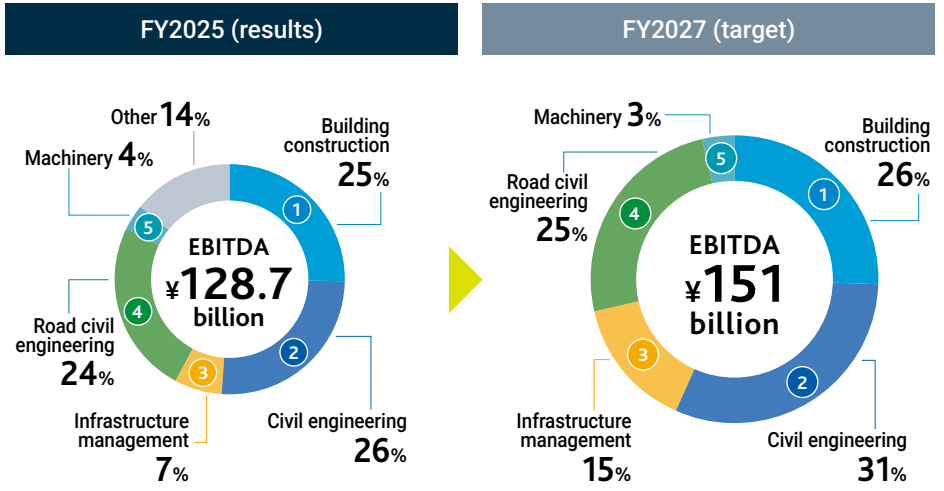
In addition, we have one of the best track records in Japan in public-private partnership fields such as stadiums/arenas and water PPP, and with the addition of Swing in July 2026, we have realized an even more advanced operation system.

Based on this business foundation, we promote the entire process from infrastructure project development to construction, operation, and maintenance through a comprehensive system, aiming to create social value and achieve sustainable growth.



INFRONEER's Target Business Portfolio

INFRONEER places importance on EBITDA as an indicator of cash flow health and potential growth capacity. We aim for an EBITDA of ¥151 billion in FY2027 and ¥190 billion in FY2030, while further increasing the proportion of our infrastructure management business to establish a business portfolio that achieves more stable and sustainable growth.



For top messages from each company, please visit our website.
https://www.infroneer.com/jp/sustainability/topics/comany3-top-message.html (in Japanese)

For other constituent companies not shown in the figure on the left, please visit our website.
https://www.infroneer.com/en/company/ourbusiness.html

For details on each business segment, visit our website at:
https://www.infroneer.com/jp/sustainability/segment/ (in Japanese)



Fujimino Stella East, Hall Building
Two cultural facilities (including halls) were developed in the city under a design-build-operate (DBO) scheme.

Building Construction Business

Our Building Construction Business addresses sophisticated and diverse social needs, from planning and design through construction. By delivering buildings across a wide spectrum of uses, including offices, commercial facilities, logistics facilities, public facilities, and condominiums, we contribute to the development of social infrastructure.

We are also focused on developing technologies that reduce environmental impact and support local communities. Going forward, we will strive to deliver high-value-added services through our craftsmanship.



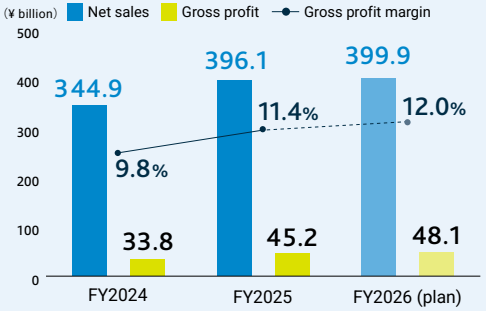
Yuji Hatakama
Executive Officer, Building Construction Segment
INFRONEER Holdings Inc.

Message from the Executive Officer

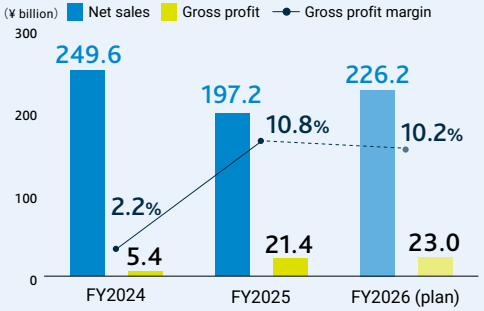
In the Building Construction segment, our top priority is achieving an early V-shaped recovery for ARSOCIA CONSTRUCTION, as we aim to increase profit levels. As part of this, we are advancing joint venture (JV) projects with MAEDA CORP. We also aim to secure a dominant share in both companies' core markets by strengthening the coordination between our sales, design, and construction divisions and maximizing the economies of scale through integrated group operations. Furthermore, we are venturing into new growth fields to expand our business domains and enhance our profitability. We prioritize safety and quality, and we will conduct our business in a manner that meets the trust and expectations of both society and our customers.

Business Performance

MAEDA CORPORATION (consolidated)



ARSOCIA CONSTRUCTION (consolidated)



*FY2024 figures are non-consolidated results.

SWOT Analysis

Strength

- Stable track record of orders centered on redevelopment projects
- Advanced project management utilizing DX
- Comprehensive capabilities provided by the holding company structure
- Capability to handle diverse projects, including concession projects

Weakness

- Labor shortages throughout the construction industry
- Aging engineers and the stagnation of technical skill transfer

Opportunity

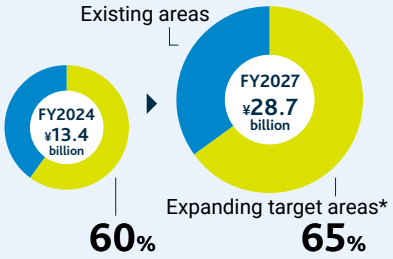
- Robust construction demand from the private sector
- Rising expectations for environmental technologies driven by decarbonization and regional revitalization

Threat

- Rising construction costs
- Intensifying price and order competition

Growth Field Portfolio

Business profit ratio (Existing areas/Target areas)



*Target areas: High-rise condominiums, meat processing factories, refrigerated and frozen warehouses, and logistics warehouses

We will strengthen our organization by having the two companies complement each other's management resources, enforce strict order discipline, and drive further profit growth.

We also aim to achieve top market share by leveraging our high-level engineering capabilities in the high-rise sector, while concentrating on new areas such as meat processing factories, refrigerated and frozen warehouses, and logistics warehouses.

Key Initiatives for FY2025 and Future Outlook

ARSOCIA CONSTRUCTION

Early recovery and steady growth of the Building Construction Business

The large-scale domestic building project that incurred substantial losses was successfully completed in FY2025. Learning from these past failures, we will rigorously implement measures to prevent any recurrence. Additionally, buildings symbolizing our technical expertise have been completed one after another across the country, marking our transition to a new stage. With this as a catalyst, the Building Construction division has restarted its efforts to build an efficient organization that balances certainty with speed, while maximizing the benefits of the integration. By mutually absorbing and implementing best practices with MAEDA CORP., we will improve quality across all processes from customer service to construction, building a robust revenue base by seeking greater certainty and driving efficiency. By leveraging the comprehensive strength gained through this integration, we aim to continue meeting customer expectations, achieve early recovery and steady growth in the Building Construction Business, and consistently deliver valuable buildings that benefit society.

Expanding the use of the PAE system through enhancement and standardization

The PAE system is a digital platform that provides integrated management through information and communication technology (ICT) that connects people, replacing the conventional method of one-to-one information sharing in precast concrete (PCa) work, which involves many related trades. By uniquely integrating commercially available applications, the system resolves issues such as time lags in primary information, miscommunication, and redundant data entry. To digitize site information through Internet of Things (IoT) technology, the system features proprietary radio frequency identification (RFID) tags for component identification, map and construction status displays, and automatic chat alerts about severe weather; it also provides a satellite communication environment to ensure connectivity on the upper floors of buildings under construction. With a track record of managing over 30,000 components in Japan and applications in overseas sea container logistics for steel frame work, the system is expected to drive efficiency across a wide range of site management operations.



Azabudai Hills Residence B

Maeda Corporation

Achieving sustainable growth by linking enhanced earning power with employee engagement

The Building Construction Division aims to establish a robust management foundation, setting a target of exceeding ¥50 billion in gross profit for FY2030. The core of this target is not the expansion of scale, but a relentless focus on profit productivity. To achieve sustainable growth amid a rapidly changing environment, we are moving away from our traditional focus on sales volume and establishing construction profit per employee as the core of our new management metrics.


Construction of the new Nango Plant for PRIFOODS CO., LTD.

Central to this productivity reform is the thorough implementation of front-loading, led by the Building Production Design Department. By identifying challenges during the upstream stages of a project and developing optimal designs and plans, we minimize site waste and strengthen the profit-oriented structure that maximizes construction profits. In response to shifting social needs, we have designated five priority areas: arena facilities, refrigerated and frozen warehouses, meat processing facilities, large-scale renovation, and large-scale temporary works. Within the arena business in particular, we established a new Arena Promotion Department in FY2026. This specialist group brings design and construction professionals together, and by collaborating closely with MAEDA CORP.'s business strategy division, it enables optimal proposals with operations in mind from the earliest planning stages.

We are committed to transforming into a truly strong organization by evolving into one where every employee generates high added value through technical expertise and ingenuity. In doing so, we will achieve both increased corporate earning power and enhanced employee engagement at a high level. Creating this virtuous cycle is the true growth we strive for.



IG Arena

Employee Voices



Naoki Kitagawa

Group Leader, Project Management (PM) Group, Arena Promotion Department, Building Construction Division
MAEDA CORPORATION

Established in FY2026, the Arena Promotion Department serves as a cross-functional team focused on arena projects. By integrating expertise from planning, design, construction, and operations, we are cultivating a one-stop mindset and creating new value across the entire project lifecycle.

Drawing on the knowledge and experience of members from our sales, design, and construction functions, we are spearheading one of our priority growth areas. In the years ahead, we aim to build on our arena expertise and establish the stadium and entertainment sector as a distinctive strength of the INFRONEER Group.



Emergency restoration work on landslides (Shimizu and Nie) caused by the 2024 Noto Peninsula Earthquake
Construction of emergency roads to end the isolation of local communities

Civil Engineering Business

In our Civil Engineering Business, which supports social infrastructure, we undertake a wide range of large-scale infrastructure projects, including roads, railways, rivers, water and sewerage systems, energy-related facilities, and disaster recovery. By advancing technological development, digital transformation (DX), and labor-saving and personnel-saving methods, while simultaneously strengthening our foundations, including human capital development, we aim to achieve sustainable growth by addressing social challenges through our construction expertise.



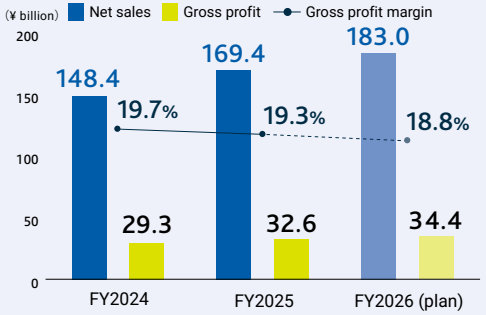
Takao Nakanishi
Executive Officer, Civil Engineering Segment
INFRONEER Holdings Inc.

Message from the Executive Officer

We will strengthen our technical and management capabilities in our core areas to enhance our competitiveness and drive further growth. Furthermore, we will accelerate our entry into new growth sectors. We will also improve productivity and boost earning power by undertaking large-scale projects and sharing materials and equipment. By reinforcing site management through technology-driven expertise, we aim to deliver value to society and achieve sustainable growth.

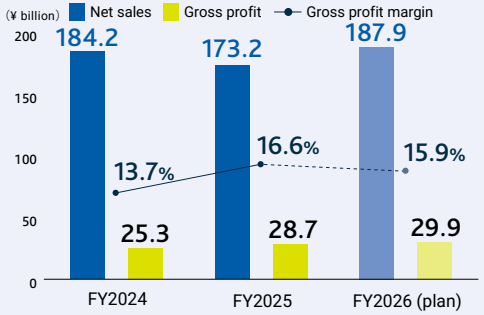
Business Performance

MAEDA CORPORATION (consolidated)



*FY2024 figures are non-consolidated results.

ARSOCIA CONSTRUCTION (consolidated)



SWOT Analysis

Strength

- Advanced technical capabilities and extensive construction experience
- High profitability through cost management DX
- Comprehensive capabilities provided by the holding company structure

Weakness

- Labor shortages throughout the construction industry
- Aging engineers and the stagnation of technical skill transfer

Opportunity

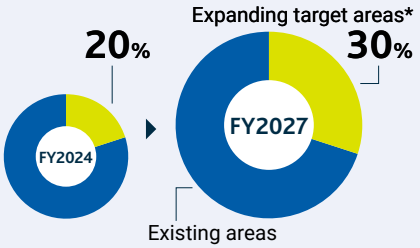
- Increased demand for facility development related to enhanced defense capability
- Demand for infrastructure renewal and aging-related countermeasures
- Expanding overseas infrastructure demand
- Growing demand for energy

Threat

- Rising costs for materials and equipment
- Rising labor costs due to workforce shortages

Growth Field Portfolio

Order value ratio (Existing areas/Target areas)



*Target areas: Defense-related, onshore wind power, water infrastructure business, nuclear-related, green transformation (GX) energy, and infrastructure renewal

We will advance each company's core technologies, such as tunneling, shield work, bridges, and large-scale renewal, while strengthening our competitive advantage by having the companies complement each other's management resources, so that we can expand our existing areas.

Furthermore, we will work to expand our market share by focusing on priority areas such as the energy sector, water and sewerage infrastructure through water public-private partnerships (PPP), and national resilience projects.

Key Initiatives for FY2025 and Future Outlook

ARSOCIA CONSTRUCTION

Deployment of labor-saving, rapid-construction technology using PCaPC deck slabs for aging bridge renewal

For the PCaPC* deck slabs used in bridge renewal, we have established a zero-cement PCaPC deck slab that reduces material-derived CO_2 emissions by approximately 90%, and we have obtained an Environmental Product Declaration (EPD). By utilizing Sustain-Crete®, which contains no Portland cement, we ensure both early strength and durability. Maintaining the stable quality of factory production and the advantages of rapid construction, and serving as a technology that concretely advances decarbonization in bridge deck renewal, it will contribute to the renewal of social infrastructure.

*Precast prestressed concrete

Nurturing young talent to drive the future of the industry

The civil engineering industry faces a shortage of professionals aged 35 to 45, while having a large number of younger employees; therefore, the early development of young talent to become the future core of the workforce is a critical priority. ARSOCIA CONSTRUCTION has included hands-on training camps in its education for new employees since FY2017, with teams of five working together to fabricate box girder bridges. Participants manage the entire process themselves, from developing construction plans, performing structural calculations for temporary works, and creating drawings to managing safety, quality, schedules, and finished dimensions, as well as assembling formwork supports, scaffolding, reinforcing bars, and formwork, placing concrete, and dismantling formwork, completing a structure in approximately ten weeks. Through these training camps, the joy of building a structure alongside colleagues despite repeated failures provides a sense of success that fosters an adventurous spirit unafraid of failure, along with resilience.



Hands-on training camp (1)

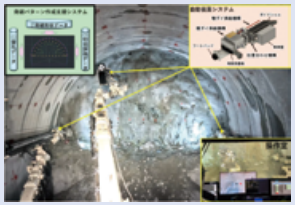


Hands-on training camp (2)

Maeda Corporation

Demonstrating and deploying DX and automation technology in tunnel construction

We have actively implemented DX in the tunneling field to improve productivity and safety at construction sites. In a mountain tunnel project commissioned by Fukushima Prefecture, we conducted demonstration construction that integrated a dedicated three-boom automatic charging machine with a blasting pattern creation support system driven by artificial intelligence (AI). This achieved zero worker entry directly beneath the tunnel face during hazardous charging operations. This is a leading example that simultaneously enhances safety and delivers construction processes that do not rely on specialized manual skills, and it is expected to be implemented nationwide. We will continue to deploy our DX and automation technologies not only within our own operations but also to other companies in the industry through external sales and technical support, helping to solve the problems facing the construction industry. We will also work in collaboration with ARSOCIA CONSTRUCTION to further drive technological development.



Demonstration construction with the dedicated three-boom automatic charging machine

Expanding the deployment of proprietary technology for addressing per- and polyfluoroalkyl substances (PFAS)

We are expanding the use of De-POP's ION®, our proprietary adsorption treatment system, to address PFAS issues. In September 2025, we responded rapidly to a leak of firefighting foam containing perfluorooctane sulfonate (PFOS) at the Tokyo University of Technology, Hachioji Campus, contributing to swift environmental recovery. Furthermore, in February 2026, we completed purification treatment at the Okinawa prefectural government building, delivering a comprehensive solution that included preventing re-elution. We will continue to meet the environmental needs of municipalities and the national government to help build sustainable social infrastructure.



PFAS purification treatment at Tokyo University of Technology

Employee Voices



Naoyuki Terakado

Site Manager, Penkeotasoi River Bridge Construction Site, Hokkaido Branch
ARSOCIA CONSTRUCTION CO., LTD.

After joining ARSOCIA CONSTRUCTION, I gained experience in construction management and bridge design and am currently working on a new prestressed concrete (PC) bridge in Shintoku, Kamikawa District, Hokkaido. This project is part of the widening of the Doto Expressway to four lanes and involves construction in close proximity to lanes already in service. We have proceeded without any accidents by implementing various measures from the start of construction to avoid affecting those lanes, such as installing global positioning system (GPS) units on crane booms to prevent contact with existing structures. Now that we have joined the INFRONEER Group, I look forward to taking on new businesses as well.



Sanmoritoge Wind Farm
Driven by the combined strengths of the Group, this project is based on development by Japan Wind Development, with MAEDA CORP. and MAEDA ROAD participating.

Infrastructure Management Business

In our Infrastructure Management Business, we operate across a wide range of fields, drawing on comprehensive systems that handle everything from project planning to operation and maintenance. In public-private partnership projects, we have built a track record in fields such as stadium and arena projects and water infrastructure, supported by the growth of PPP and private finance initiatives (PFI). In our renewable energy business, we manage the entire lifecycle from wind farm development to operations and maintenance (O&M), working to solve energy and regional issues. Through these initiatives, we contribute to a sustainable society and regional development.



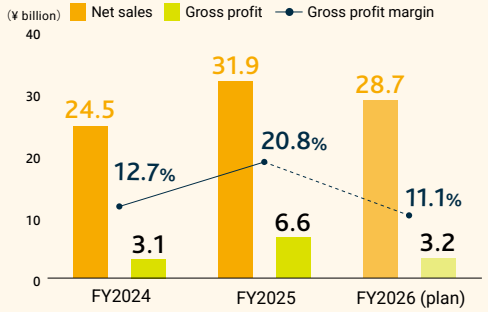
Takao Nakanishi
Executive Officer, Infrastructure Segment
INFRONEER Holdings Inc.

Message from the Executive Officer

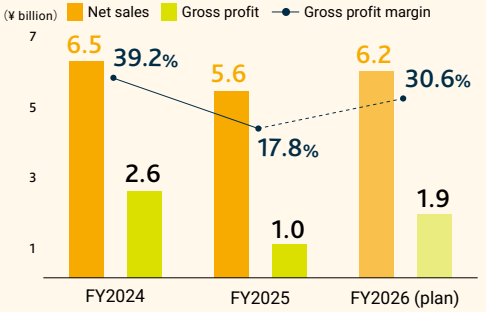
As a company rooted in manufacturing, we possess the engineering capabilities in design and construction and the financial capabilities to bring projects to life, establishing ourselves as a front-runner in the infrastructure services business with a substantial track record. As social demand for infrastructure services rises rapidly, we are currently in a phase of expanding our investment business, aiming for medium- to long-term profit growth. We will continue to refine our experience and knowledge to strengthen our position as a leading company.

Business Performance

MAEDA CORPORATION Group



Japan Wind Development (consolidated)



SWOT Analysis

Strength

- Engineering and development capabilities within the Group
- Financial strength and know-how cultivated through an extensive project track record
- Operational excellence incorporating global standards
- Utilization of cutting-edge digital, sensor, and AI technologies
- Connections with local communities through development and operation

Weakness

- Capital recovery taking longer than in the construction business
- Structure highly dependent on public entities and influenced by national and local government policies/budgets
- Difficulty of establishing operational systems tailored to regional characteristics and demand

Opportunity

- Demand for infrastructure renewal and aging-related countermeasures
- Growing project volume due to government policies utilizing private capital, such as water PPP*1
- Expanding demand for private-sector involvement due to aging and decreasing municipal engineers
- Growing demand for renewable energy

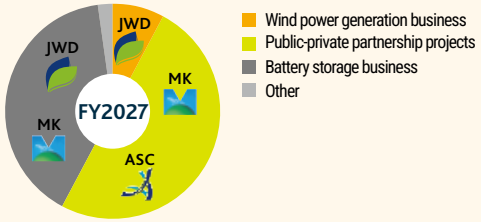
Threat

- Legal and regulatory changes, and shifts in national and municipal policies
- Natural disasters and climate change
- Changes in the business environment (exchange rate fluctuations, rising prices)
- Discrepancies between our perceptions of a project and those of local residents

*1 The Cabinet Office has released the fiscal 2025 edition of the Action Plan for Promoting PPP/PFI.
https://www8.cao.go.jp/pfi/actionplan/action_index_r7.html (in Japanese)

Growth Field Portfolio

EBITDA composition ratio



- Short-term focus: Grid energy storage business
- Expanding public-private partnership projects and the wind power generation business through FY2030

We have built a steady track record by engaging in a wide variety of projects across the public-private partnership and renewable energy sectors. Moving forward, we will leverage the enhanced engineering capabilities and networks of our Group companies to capture growing demand and drive further business growth. We also aim to build a balanced portfolio, prioritizing both profitability and the speed of investment recovery.

Key Initiatives for FY2025 and Future Outlook

Maeda Corporation

Stadium and arena projects

Through IG Arena and MUFG Stadium, which began operations in FY2025, we provide world-class sports and entertainment experiences. Furthermore, a consortium including our company has been selected as the operator for the Shizuoka City arena development and operation project, and preparations for the start of operations are under way.



MUFG Stadium
(Japan National Stadium)

By collaborating with partners across various industries, we will accumulate operational know-how and continue to strengthen our ability to propose diverse types of stadium and arena projects.

Water infrastructure business

Driven by national policies, the public-private partnership market for water is expanding rapidly.

Our Group is actively engaged in concession projects and comprehensive private contracting for industrial water supply and sewerage systems. In FY2025, we secured the Toyohashi Water Purification Plant Concession as the lead company, marking our Group's first project in the drinking water supply sector.


Toyohashi Water Purification Plant Concession

In collaboration with Swing, which recently joined our Group, we will leverage DX for facility maintenance and renewal, achieving sustainable water infrastructure through more advanced asset management.

> Introduction to the water infrastructure business P.28

Road operation business

Since 2016, we have operated the Aichi Prefecture toll road concession, providing safe, secure, and more comfortable road services while also enhancing the functionality and appeal of parking areas and contributing to regional revitalization. In Fuchu City, we provide road maintenance services that remain close to the needs of local residents. Leveraging our accumulated technology and know-how, we will continue to strive to deliver roads that people can use with confidence.

JWD

Wind power generation business

Wind farm construction today requires design and construction that give full consideration to the local community and the environment and adapt to them. The INFRONEER Group is driving its wind power business with Japan Wind Development at its core, consolidating the strengths of the entire Group.

In FY2025, we commenced construction of the Sanmoritoge Wind Farm in Fukushima Prefecture, with MAEDA CORP. serving as the contractor. MAEDA ROAD is also participating in this project as a cooperating company. This is a demanding project: the terrain is steep, and because the site lies within a national protection forest, permits limit the area that can be developed. We will leverage MAEDA CORP.'s construction capabilities to execute it smoothly.

Once the wind farm begins operation, we aim to establish a safe and stable O&M structure by utilizing MAEDA SEISAKUSHO's crane technology and other resources.

Electricity retail business

Having completed our registration as an electricity retailer in FY2025, we commenced electricity sales in FY2026. Moving forward, we will go beyond the development and operation of power plants; by building a system to deliver the renewable energy they generate directly to a wide range of consumers, we will respond flexibly to customer and societal needs and contribute to a decarbonized society through the provision of high-added-value services.


Choshi Obama Wind Farm, supplying post-feed-in-tariff (post-FIT) electricity

Battery storage business

We have commenced operations of a grid-scale battery storage facility (approximately 2 MW/8 MWh) in Gifu Prefecture. We will accelerate this initiative to stabilize the power grid and promote renewable energy adoption, while also laying the groundwork for an integrated operation model that combines power generation and storage, with an eye to cooperation with our wind power business.


Kakamigahara high-voltage battery storage facility, Gifu Prefecture

Employee Voices



Atsushi Toriyama

Onshore Project Department
Japan Wind Development Co., Ltd.

The Sanmoritoge Wind Farm is under construction in Koriyama City, Fukushima Prefecture; it is a demanding project as the entire site for the turbines is located within a national forest.

This is the first wind farm project we have undertaken in collaboration with MAEDA CORP. since Japan Wind Development joined the INFRONEER Group, and I feel that Group-wide cooperation is enabling smooth decision-making on-site.

Although the construction period is long, with operations scheduled to begin in 2029, all parties involved will work as one to prioritize safety throughout the process.



FY2024 Improvement and Paving Work in the Kanai District of the Shibukawa West Bypass on National Route 17, Part 1
Kanai and vicinity, Shibukawa, Gunma Prefecture

Road Civil Engineering Business

While the domestic road paving market has reached maturity, demand for planned maintenance and renewal driven by aging infrastructure will continue. With a robust network of approximately 200 locations nationwide and high mobility, MAEDA ROAD is expanding its business beyond traditional boundaries into comprehensive management and infrastructure operations. We will remain firmly committed to the local communities we serve, continuing to strive to create value through sustainable growth and the resolution of social issues.



Yasuhiko Imaizumi
Executive Officer in charge of major business companies (MAEDA ROAD)
INFRONEER Holdings Inc.

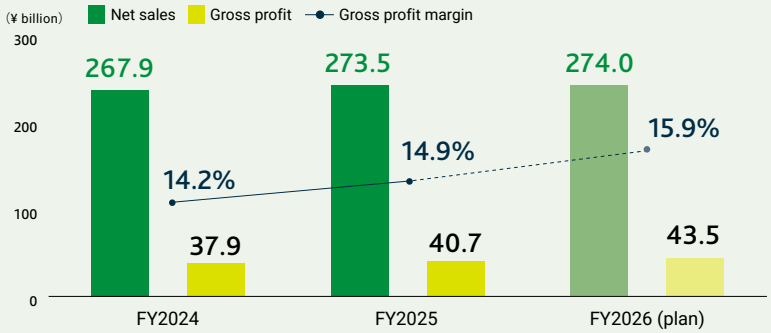
Chairman and Representative Director
MAEDA ROAD CONSTRUCTION Co., Ltd.

Message from the Executive Officer

In the Road Civil Engineering segment, despite the impact of sharply rising crude oil prices driven by increasing geopolitical risks, we have limited the impact on our results through timely price pass-throughs. Moving forward, we will seek to expand our business through mergers and acquisitions (M&A) that offer high synergy, centered on our road civil engineering business. Furthermore, by tackling infrastructure management businesses in the road sector as a united Group, we will build a rock-solid management foundation that no competitor can match.

Business Performance

MAEDA ROAD (consolidated)



SWOT Analysis

Strength

- Strong nationwide regional network
- High mobility through dedicated cooperating company system
- Industry-leading construction profit margins and asphalt mixture sales track record

Weakness

- Business structure influenced by economic fluctuations and public investment
- Cost volatility due to crude oil prices and exchange rate fluctuations
- Aging engineers and human capital acquisition

Opportunity

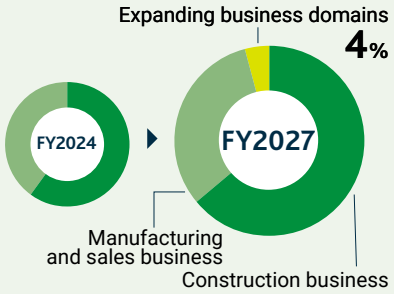
- Expansion of the maintenance and management market driven by aging infrastructure
- Expansion of large-scale renewal projects by road management companies
- Rising social demand for ESG and the SDGs

Threat

- Soaring raw material costs due to global conditions and Japan-U.S. interest rate differentials
- Instability in construction systems due to engineer shortages
- Declining social reputation due to delayed environmental responses

Growth Field Portfolio

Gross profit ratio



We will further deepen our existing construction and manufacturing and sales businesses while strengthening cooperation with other companies in the industry, including SUMIKEN MITSUI ROAD, to improve operational efficiency and expand our market share.

Additionally, we will build a more robust earnings base and achieve sustainable growth by expanding our crushing business to support resource recycling, restarting our surplus soil business, and broadening our construction business into paving-related fields.

Key Initiatives for FY2025 and Future Outlook

MAEDA ROAD

Construction business

In FY2025, profitability improved substantially as a result of our focus on improving the profit margin of orders received and eliminating loss-making projects, following a strategic shift from prioritizing net sales to prioritizing profit.

In FY2026, we will advance measures to grow net sales while continuing to improve profit margins. Specifically, we aim to expand public-sector projects by developing more supervising engineers and increase private-sector orders by strengthening mutually beneficial partnerships. Furthermore, by leveraging the full strength of the INFRONEER Group, we will expand our involvement in the infrastructure management business and aim to deliver lasting value to local communities.

Manufacturing and sales business

In FY2025, we strengthened the rollout of "ecole", an environmentally friendly warm-mix asphalt, as part of our work on a carbon-neutral society.

In FY2026, despite an uncertain market environment characterized by rising raw material prices due to the situation in the Middle East, we will secure profitability by passing on costs appropriately in response to fluctuations in procurement prices. Concurrently, we will maintain a strong and stable supply through procurement enabled by close cooperation with dealers nationwide.



Hirose New Kanto Factory Project (tentative name)



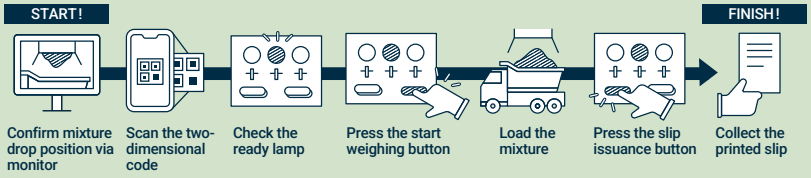
Asaka Mixing Factory

Introduction of the self-service shipping system

To ensure the successful implementation of the MAEDA ROAD president's policy of a full two-day weekend and to take on our new goal of closing on Saturdays and Sundays, we have introduced a self-service shipping system capable of handling night and holiday operations.

This system is a key initiative designed to simultaneously address operational challenges and drive growth. By automating night and holiday service, we will significantly reduce the burden on our sites. We also aim to improve customer satisfaction by establishing a flexible and rapid supply system for asphalt mixture that meets customer needs 24 hours a day, 365 days a year. Furthermore, by reliably capturing orders during hours when staffing is difficult, we aim to maximize revenue and increase sales opportunities. Looking ahead, we aim for a sustainable, next-generation approach to factory management, with a view to full-time unmanned operation.

Self-service shipping system overview



Returning to the surplus soil business

MAEDA ROAD is re-entering the business of accepting construction-generated soil (surplus soil), which is essential for infrastructure development. While we previously withdrew from this business because we took the risks under the Waste Management and Public Cleansing Act seriously, we have decided to relaunch it under a robust management system to expand and secure our customer base.

In re-entering this field, we are ensuring transparency by utilizing the Ministry of Land, Infrastructure, Transport and Tourism's Stockyard Operator Registration System. Furthermore, we are prioritizing compliance through rigorous risk management measures, such as establishing soil quality acceptance rules based on the ministry's guidelines and implementing new workflows using proprietary advance documentation to prevent contamination by foreign matter. In FY2026, we will begin safe and proper soil acceptance at 33 factories nationwide, providing foundational support for sustainable infrastructure development.

Employee Voices



Yoshikazu Seido

Assistant Manager of Machinery Section, Equipment Department, Product Business Division, Head Office
MAEDA ROAD CONSTRUCTION Co., Ltd.

Since joining the company, I have worked as a machinery engineer, ensuring the stable operation of manufacturing equipment at our mixing factories. I am currently in the Equipment Department of the Product Business Division, working to solve operational challenges in our factories. In the road construction industry, there is a constant demand for weekend and night work, yet labor shortages have placed an increasing burden on factory staff. To address these issues, we promoted the introduction of the asphalt silo self-service shipping system. By enabling self-service shipping via advance reservations using a two-dimensional code, we have successfully balanced flexible response to customer needs with work-style reforms. I will continue to drive initiatives that support the front lines, helping to increase factory efficiency and reduce workloads.



MK3053CB
Battery-powered knuckle boom crane

Machinery Business

MAEDA SEISAKUSHO, which manages the Machinery Business, serves as the master distributor for Komatsu, providing sales, rental, and after-sales services for construction machinery and forklifts. It also handles everything from the design to the after-sales service of its own products, such as cranes. Furthermore, it is working to expand its markets in Japan and overseas by investing in new products and fields, developing environmentally friendly products, and strengthening its consultative sales approach. Guided by its vision to be the Number One Maker Creating the Future, it will continue to contribute to the development of local communities through the creation of new value.



Masayoshi Itou
President & Representative Director
MAEDA SEISAKUSHO CO., LTD.

*Background product: Our proprietary spider crane MC305CWMB-5

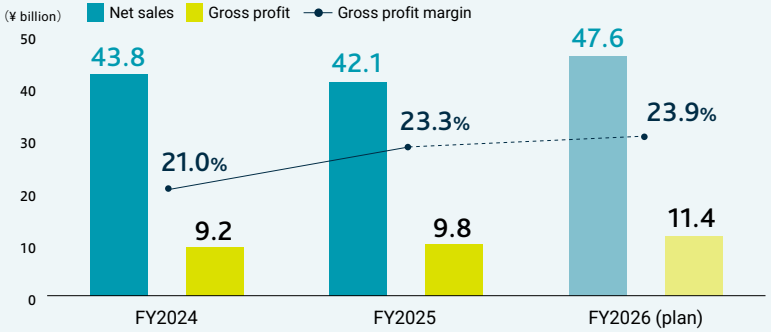
Message from the President

With the mission of supporting infrastructure and protecting lives and livelihoods, we contribute to society by taking responsibility for the development of vital social infrastructure through our core strengths in machinery maintenance and mechatronics technology.

In recent years, we have strengthened our business foundation by expanding our service areas and growing our forklift business. Moving forward, we will enhance our responsiveness to market needs by advancing our core technologies, such as remote and automatic control, to raise corporate value and achieve sustainable growth.

Business Performance

MAEDA SEISAKUSHO (consolidated)



SWOT Analysis

Strength

- Technical capabilities through a comprehensive system from product design to after-sales service
- Trust earned through the in-house product brand and as a distributor for major construction equipment manufacturers

Weakness

- High dependence on externally procured parts
- Dependence on specific markets/industries
- Limited product variations

Opportunity

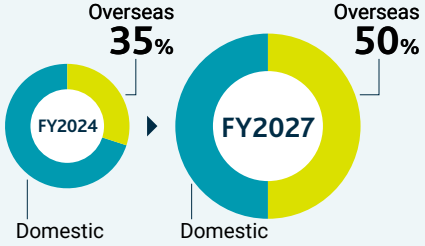
- Rising demand for labor-saving and automated products
- Growing demand for sustainable products driven by heightened interest in a decarbonized society
- Entry and expansion into overseas markets and new industrial fields

Threat

- Escalating costs for raw materials and labor
- Changes in external environments impacting the supply chain
- Tightening of environmental regulations and labor laws

Growth Field Portfolio

Crane sales ratio (Domestic/Overseas)



Overseas, leveraging growing infrastructure demand in the Americas, Europe, and Asia, we will expand sales and strengthen our business foundation by providing regionalized products and services. In Japan, to address a mature market and labor shortages, we will help raise productivity through expanded rental and service operations and the advancement of remote-control and automation technologies. We will also build a foundation for sustainable growth by strengthening our stock business via the used equipment lifecycle and deploying machinery into infrastructure renewal and maintenance through Group-wide collaboration.

Key Initiatives for FY2025 and Future Outlook

MAEDA SEISAKUSHO CO., LTD.

Strengthening the business base by expanding our areas in Japan

As part of our strategy to address maturing domestic demand for construction machinery, MAEDA SEISAKUSHO has focused on strengthening its business foundation by expanding its sales areas and enhancing its functional capabilities within Japan.

In April 2025, we strengthened our sales organization and expanded our product portfolio by assuming responsibility for the forklift business in Nagano and Aichi prefectures from Komatsu Customer Support. This has allowed us to establish an integrated structure for the sales, rental, and servicing of both construction machinery and forklifts, driving our aftermarket-based revenue model. Furthermore, the expanded product lineup has broadened the scope of what we can propose, enabling us to meet increasingly diverse and sophisticated customer needs while increasing customer touchpoints and generating continuous business opportunities.

In April 2026, we expanded our construction machinery and forklift operations to cover the entirety of Mie Prefecture. By integrating the construction machinery business, previously limited to the northern and central regions, with the forklift business, which had not been offered there at all, we have transitioned to a comprehensive operating structure. This move aims to optimize business operations through streamlined locations and staffing while securing stable revenue over the medium to long term.

We will continue to maximize synergies between these two businesses to drive market expansion and revenue growth.



Komatsu product: Hydraulic excavator PC138USI-12



Komatsu product: Forklift

Strengthening Group collaboration and infrastructure-related businesses

By collaborating with the Group and focusing on infrastructure-related sectors, we have captured the demand for aging infrastructure renewal and created projects through integrated design and manufacturing. As a specific example of Group collaboration, we are jointly developing a deck slab erection machine with MAEDA CORP., designed for half-width construction during expressway renewal projects. Additionally, we are collaborating with Hokkaido Electric Power Network to develop a crane attachment for lifting power lines, which eliminates the need for temporary support poles during utility pole replacement. We intend to strengthen our capabilities in the infrastructure sector, increase orders both within and outside the Group, and enhance our communication regarding our technical expertise. Through this, we aim to establish sustainable growth fields and drive further earnings expansion.



Development of the precast deck slab erection machine



Development of the power line lifting attachment

Expanding markets and building a foundation for sustainable growth through region-specific overseas strategies

Through our region-specific strategies, we have strengthened partnerships with distributors, differentiated ourselves from competitors with new crane models, and increased direct sales to major rental companies. Moving forward, we will bolster our presence in Europe and the Americas by creating demand through specialized application and construction method proposals and expanding our lineup beyond cranes, while continuing to develop new business with major rental companies. We will also focus on strengthening our existing operations in Asia and exploring new territories. Through these efforts, we will implement strategic business development tailored to regional characteristics to establish a stable and sustainable overseas revenue base.

Employee Voices



Masanori Mizutani

General Manager of the Nagoya Branch, Construction Machinery Headquarters
MAEDA SEISAKUSHO CO., LTD.

Following the business transfer in southern Mie Prefecture in April 2026, the Nagoya Branch now operates across an area stretching from Nishimikawa in Aichi Prefecture to Higashikishu in Mie Prefecture. With 57 new team members, the branch now totals 243 employees with sales of approximately ¥18 billion, serving a wide range of industries, including civil engineering, steelmaking, port operations, quarrying, demolition, and forestry.

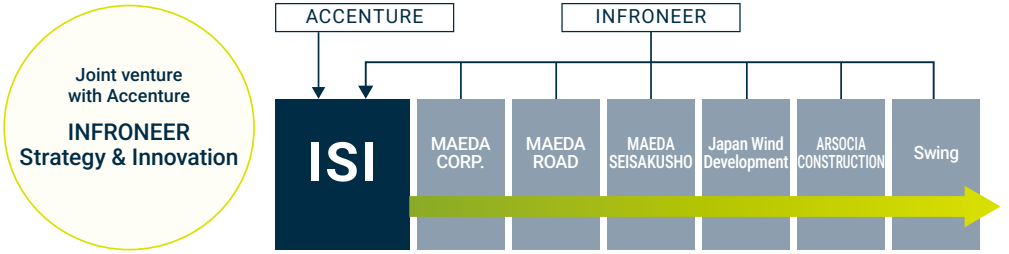
In the Chubu region, we have established forums for exchanging sales information within the Group to create synergies, and our internal ties are growing stronger. Whether it is the rental, servicing, and sale of construction machinery and forklifts, or the development and expansion of MAEDA SEISAKUSHO's proprietary products, I want us to face our customers together as Team INFRONEER.

Drivers for Accelerated Growth <IT and DX Strategies>

INFRONEER Group's IT and DX Strategies

The INFRONEER Group positions IT and DX as the foundation for supporting the growth of the existing business of each business company, facilitating the rapid achievement of increased governance sophistication and synergies, and supporting the sustainable growth of the Group as a whole.

We consider our joint venture with Accenture, INFRONEER Strategy & Innovation (ISI), to be the core of these strategies and related execution functions, while INFRONEER Holdings is in charge of standardization and investment management in the overall optimization area, and each business company accelerates on-site value creation in the individual-company optimization area.

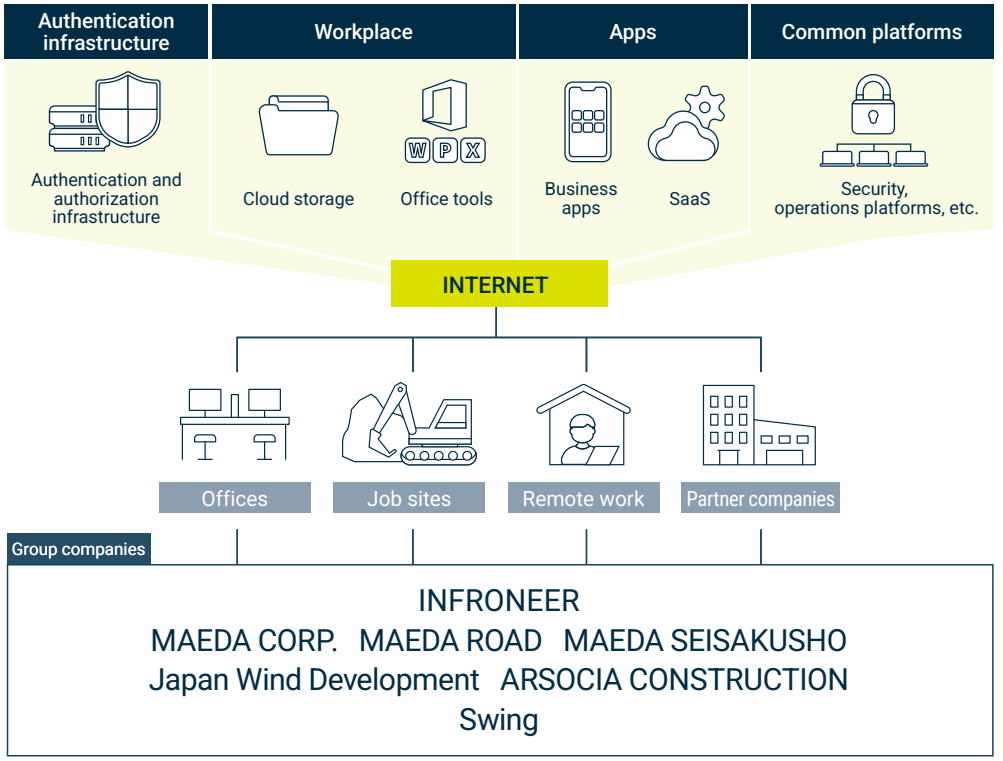


Achieving a Group capable of cooperating beyond the boundaries of individual locations and organizations: taking on the challenge of achieving a common digital infrastructure

We are promoting IT-PMI integration in terms of our IT and business foundation to pursue overall optimization.

To establish a cooperative environment that goes beyond individual organizations, bases, or locations, we are gradually integrating our authentication, information, and networking systems through the use of common IDs. This will accelerate the cross-organizational utilization of human capital and data and lead to the rapid achievement of synergies. In terms of operations as well, we are promoting the visualization of standard business processes as well as increased efficiency and cost optimization through the integration of IT operations.

However, the actual goal of such infrastructure development is to ensure that our IT can keep pace with the speed of growth made possible by M&A.



AI and data utilization supporting INFRONEER's business models

As part of our common digital infrastructure, we are promoting the development of a Group-wide AI and data utilization platform. The core of this is the establishment of a new data platform enabling the Group-wide utilization of data.

Our aim is to develop a platform that achieves both the sharing and autonomy of business-company-specific workspaces while also ensuring that the platform is highly scalable, organizes data so that it is easy to understand and find, and offers an environment that enables AI to utilize the necessary information.

We will also formulate and release Group-wide generative AI guidelines, review them twice per year, and apply them to our latest services and education plans. By separating Group-specified items from items decided on by each company, we will achieve a flexible governance system.

Examples of Business Companies Using AI to Increase Sophistication

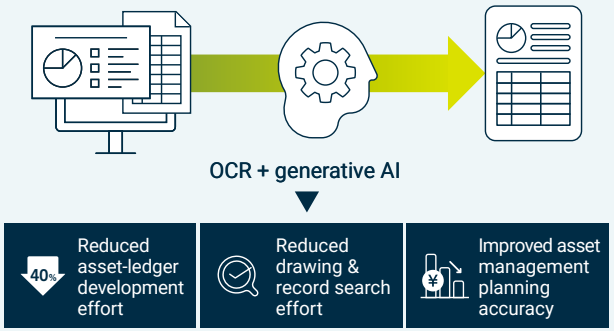
MAEDA CORP. Asset ledger AI

In terms of social-infrastructure maintenance and management, there were once many cases where inspection records, drawings, estimates, and other important information were kept on paper, and such information was not sufficiently linked to the asset ledger, so it required considerable time and effort to organize such information. Such inefficiencies can get in the way of suitable repair decisions and planned investments while also resulting in the loss of infrastructure safety and sustainability.

In response, MAEDA CORP. utilized OCR and generative AI to digitize and structure paper materials and then develop technology to automatically link specifications, drawings, inspection and repair records, and order information to the asset ledger. This has made it possible to gain a comprehensive understanding of the status of each asset, which contributes to improving the accuracy of our service life extension plans and medium to long-term repair plans.

For the Toyohashi Water Purification Plant Concession, our asset ledger AI has reduced the number of man-hours necessary for asset-ledger development by approximately 40%, while also establishing an environment that makes it possible to instantly find the necessary drawings and past historical records when problems occur. We will continue using this system for municipalities to contribute to the achievement of sustainable infrastructure management even in the face of increasingly severe labor shortages.

AI-powered linking of necessary information to make asset management and operations simpler and smarter



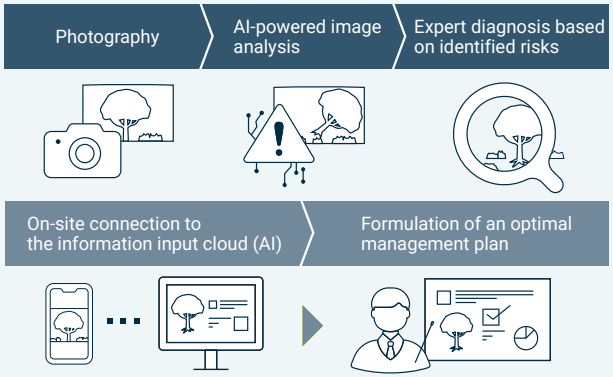
ARSOCIA CONSTRUCTION tree AI

ARSOCIA CONSTRUCTION has developed "tree AI®," a tree management support system that utilizes AI-powered image analysis and is intended to increase the safety of social infrastructure as well as the sophistication of maintenance and management operations.

tree AI® uses AI to judge the risk of trees or tree branches falling based on images of each tree's appearance, with the system automatically registering the results to a digital management ledger, thereby increasing the efficiency of inspection work and the consistency of judgment quality, which used to depend on experts.

In 2025, ARSOCIA CONSTRUCTION launched tree AI® demonstration tests in cooperation with municipalities, etc., and the company is verifying how to increase the efficiency of tree maintenance and management as well as how to reduce risks related to roadside and park trees. In addition, the company has completed the development of its basic system for using AI to automatically judge tree-related risks and is gradually working toward practical utilization. In 2026, the company initiated pre-sales of its digital management ledger function, which contributes to increased inspection efficiency, and, in 2027, the company plans to start selling systems that also feature an AI-powered risk assessment function.

We will continue fusing the knowledge we have cultivated in the civil engineering and construction field with digital technology as we aim to contribute to sustainable social-infrastructure maintenance and management as well as safe, secure urban development.

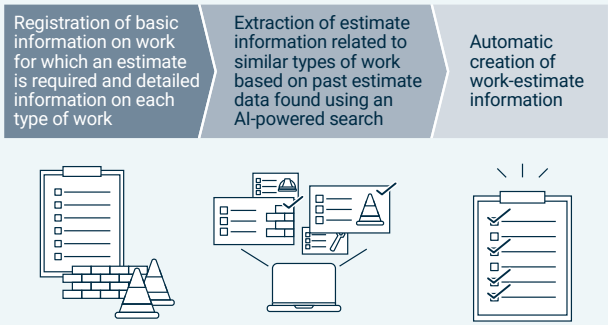


MAEDA ROAD Estimate AI

MAEDA ROAD receives orders for around 50,000 to 60,000 construction projects per year and creates several times that many estimates. In many cases, this massive amount of estimation work relies on the experience and knowledge of specialists, so reducing the related workload and increasing productivity have become issues. To resolve such issues, MAEDA ROAD is working on developing "Estimate AI," an AI-powered estimate support system.

Based on regional characteristics as well as sales-office autonomy, supplier conditions, etc., Estimate AI enables users to register basic information on work for which an estimate is required in order to extract highly similar types of work from the past four years of estimate data by using an AI-powered search and then automatically generate detailed information. As the generated results are used for practical work, this is learned by the AI to continuously increase the accuracy of the extractions, which could help resolve the problem of depending on specific people, make quality more consistent, and increase operational efficiency.

MAEDA ROAD's future goal is to achieve an environment that enables anyone, regardless of whether they possess specialized knowledge, to rapidly and accurately create estimates even for complex road construction projects.



Drivers for Accelerated Growth <Human Capital Strategies>

For more details, visit our website at:
https://www.infroneer.com/jp/sustainability/social/human-develop.html (in Japanese)

> Increasing Our Power to Create the Future Through Our Human Capital Strategies

To achieve the goals of its FY2030 management vision, the INFRONEER Group is promoting human capital strategies focused on "securing and utilizing diversity." To achieve sustainable growth as the uncertainty and complexity of the environment surrounding the infrastructure business grows, it is essential to challenge the status quo and cultivate organizational capabilities that go beyond it. To strengthen organizational capabilities in this way, we will use our Group's management vision as a springboard to focus on further refining our engineering capabilities, nurturing the seeds of our regional business, taking advantage of diverse approaches stemming from diverse human capital, and establishing an organizational culture that enables us to continue taking on the challenge of creating new value that anticipates the society of the future.

Policies and philosophy	Fostering Value-Creation Talent Through the Virtuous Cycle of "Construction" and "De-construction."			
Vision	Cultivate a workforce and organization that embraces diversity from a broad perspective across the entire group to promote sustainable growth as an integrated infrastructure service company.	Necessary organizational capabilities	Engineering capabilities	Evolve and deepen technologies across each segment and promote a virtuous cycle of "construction" and "de-construction"
			Regional business	Maintain awareness of demand creation opportunities at each site and nurture project seeds through close regional engagement
			Organizational culture	Internalize the Group management vision and strategies and enable diverse organizations and human capital to collaborate and take on the challenge of value creation

> Implementing a "Learning and Evolving Human Capital Strategy System" as a Human Capital Management Cycle

In a continuously changing management environment, we at INFRONEER believe that we face dynamically changing issues in terms of achieving the integrated infrastructure service business we are striving for and breaking through conventional thinking. We therefore keep our Learning and Evolving Human Capital Strategy System in mind as we engage in human capital management (consisting of the three phases shown in the figure below) that assumes the progressive setting and updating of goals through hypothesis verification. Instead of using a one-way process (management strategies ➡ human capital strategies ➡ approaching business sites), we instead constantly engage in mutual two-way information feedback, focus on the formulation of co-creative human capital strategies that consider our Group-wide perspective as well as the context of each company and organization, and, with the exception of certain leading indicators, make ongoing updates to our operations as opposed to defining specific future KPI calculation methods or target values.

	Phase 1 Secure human capital essential for business operations	Phase 2 Create a workplace environment where diverse human capital can grow and play an active role	Phase 3 Promote mindsets and actions that challenge conventional thinking
	- Strategically secure diverse approaches -	- Visualize diversity and promote contributions and learning -	- Foster collective intelligence to create new value -
KPIs for each phase*1	**Cognitive diversity indicators** Level of human capital diversity in terms of different cognitive frameworks Calculated based on the range of employee backgrounds in terms of the fields, sectors, industries, etc. they came from	**KPIs related to job satisfaction** Sense of expressing one's individuality and contributing to the teams (We will consider the specific indicators.)	**KPIs related to reframing** Performance in terms of hypothesis verification and new framework creations (We will consider the specific indicators.)
Leading indicators for the 2025 to 2027 INFRONEER Medium-term Vision*2	**Securing of surface-level diversity** Calculated based on the ratio of minority employees*2 based on attributes, work restrictions, etc.	**Minority acceptance** (We will consider the specific indicators.)	**Engagement with the concept of creating the future** (We will consider the specific indicators.)
Policies to achieve human capital strategies ➡ Recent activities	Emphasize the appeal of diverse human capital based on INFRONEER's worldview ➡ ① Recruitment strategy ② Personnel system ③ HR system	Conduct activities that promote mutual respect and understanding of differing cognitive styles ➡ ④ DE&I promotion	Provide training and organizational support to foster a structured knowledge creation process ➡ ⑤ Human capital training

*1 The above is based on assumed operations up through FY2030. Considering that it will take time for the effects of human capital investment to show, we will gradually disclose values measured based on leading indicators relevant to the INFRONEER Medium-term Vision.
*2 Targets by the end of the period covered by the INFRONEER Medium-term Vision: female employment rate: 20.0%, ratio of females in managerial positions: 4.8%, employment rate of persons with disabilities: 2.8%, ratio of females taking parental leave: 100%, ratio of males taking parental or childcare leave: 75%

> Results at the End of FY2025 P.93

Approach to Priority Measures

① Recruitment strategy — Establish and enhance the recruitment base to secure priority targets

Activities in FY2025	Activities in FY2026
• Identified recruitment issues specific to each company target • Had recruiters exchange knowledge for the sake of mutual development	• Update each company's recruitment process • Formulate a recruitment strategy aimed at people from non-traditional backgrounds

Our Group has promoted transformation to achieve strategic recruitment activities aimed at securing the human capital necessary to achieve the management and business strategies of each company. We started by clarifying the gap between each company's target vision and the current situation, and then we organized information on issues and factors relevant to recruitment activities through information sharing and discussions by recruiters working for each Group company. As a result, we clarified priority targets and set the establishment of recruitment processes that emphasize what makes each company so appealing as a priority issue for achieving these targets. To resolve these issues, we promoted persona design and the formulation of a specific recruitment process for each persona, and we established a recruitment base enabling us to effectively approach the desired human capital.

In addition, we are promoting the development of a recruitment system that utilizes connections between employees and external human capital while also focusing on creating an environment that enables diverse human capital to fully demonstrate their abilities. We have also promoted the Group-wide acquisition of certification that includes "KIH Outstanding Organization," "Eruboshi," and "Kurumin" certification while fostering a comfortable workplace environment and corporate culture to develop a foundation that supports the acquisition and retention of diverse human capital.

Going forward, we will enhance our appeal to achieve priority targets while also expanding our use of referral and alumni recruitment. At the same time, we will encourage Group companies to share their accumulated recruitment knowledge and success stories in an effort to increase the sophistication and quality of overall recruitment activities. In addition, we will take advantage of the strengths of our multiple-business-company holding structure by effectively informing job seekers that we offer an opportunity for them to experience careers that encompass multiple business areas, thereby differentiating ourselves more effectively from competitors. Furthermore, we will hire more women in line with our efforts to eliminate the gender gap, deepen our in-house understanding of DE&I, and promote the hiring of persons with disabilities to accelerate our efforts to create a workplace where human capital with diverse values and specializations can actively participate, thereby achieving sustainable corporate value growth.





Our recruitment web portal, which was renewed in FY2025

We focus on communicating information on INFRONEER's business, the kinds of candidates we are looking for, and stories about the diverse kinds of people who have succeeded with us.

For more details, visit our website at: https://recruit.infroneer.com/ (in Japanese)

② Personnel system — Maximize results expected of individuals and organizations through the INFRONEER personnel system

Activities in FY2025	Activities in FY2026
• Linked job design to job grades • Ensured widespread system understanding, including system objectives, through operations	• Implement job design in line with our Medium-term Business Plan and department policies • Foster a result-oriented mindset through feedback

Our Group is 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. One initiative that symbolizes this is our new personnel system, which INFRONEER, the organization in charge of the Group's head office functions, launched for the purpose of management reform in FY2025.

The new personnel system is based on the following concepts: a job grade system based on position-specific expectations, the achievement of an annual salary system and autonomous work-styles, and evaluations that cover results, actions, and organizational contributions. Through this system, our aim is to draw out the full potential of both individuals and organizations that make up our Group, thereby accelerating its growth. Going forward, we will strive to improve the quality of evaluation feedback and foster a more result-oriented mindset.

③ HR system — Establish a platform for integrating the HR system to support Group-wide human capital data utilization

Activities in FY2025	Activities in FY2026
• Defined and selected system requirements • Specified integration processes and utilization policies	• Promote detailed design in the talent management area • Promote implementation for companies integrated first

Our Group is promoting HR system integration to increase the sophistication of our human capital management and create group synergies. In FY2025, as we defined requirements and selected products, we formulated policies aimed at establishing a Group-wide human capital data platform and decided to introduce an integrated HR system. Our aim is to achieve data-based human capital management through the central management of human capital information that includes recruitment, training, assignment, and evaluation. In FY2026, we will gradually promote design and implementation in the talent management area as we aim to enhance the strategic functions of HR departments throughout the Group by increasing the accuracy of recruitment and training, optimizing job assignment, and streamlining and standardizing HR operations.

④ DE&I promotion — Improve literacy to transform workplace management in the interest of mutual respect and understanding

Activities in FY2025	Activities in FY2026
• Organized issues related to the achievement of diversity targets • Set up opportunities to learn DE&I basics	• Begin efforts to eliminate gaps • Provide support to resolve issues related to workplace management

To execute our Group management strategy, we consider the achievement of an organization that enables active participation by diverse human capital to be a critical issue. At first, the people at individual business sites did not necessarily have a clear recognition of the purpose or necessity of DE&I, and we faced an issue in that there was no real awareness of the complaints of affected people or how difficult it was to work here.

Therefore, in FY2024, we introduced a workshop intended to help executives understand our DE&I approach, and, in FY2025, we began providing a program for executives and managers to help them understand the gaps between DE&I targets and the current situation, unconscious bias, and constraints that affect minorities. We also launched a program for general employees to foster their DE&I literacy in the interest of deepening their understanding of different cultures and increasing their acceptance of diverse values. As a result, the awareness that DE&I promotion is essential for our management strategy spread throughout the group to an extent, and our executives in particular reached a common understanding that "to secure human capital, it is necessary to develop an organization that enables diverse people to fully demonstrate their abilities."

In FY2026, we will take steps to ensure that even more managers and employees have access to these learning opportunities, and we will pursue full-scale initiatives to achieve an inclusive workplace environment. For example, we will set up a model workplace, where our HR department will provide intensive hands-on support while working on resolving workplace-specific issues, and we will also launch a project-based learning program focused on the theme of reviewing our business structure and work-styles. Through such activities, we will strive to identify the barriers faced by minorities, increase our level in terms of responding to them, and establish a foundation that enables diverse human capital to fully demonstrate their abilities without worry.



DE&I workshop for executives
Considering guidelines for resolving target-related issues

⑤ Human capital development — Foster a Group-management-oriented perspective and the ability to respond to complex issues, which are core elements for creating the future

Activities in FY2025	Activities in FY2026
• Began providing Group-wide education (400 people) • Emphasized mutual understanding with other Group companies	• Increase the number of participants (800 people) • Emphasize understanding of the Group's strategies and repetitive training

In the human capital training area, we are promoting the creation of Group-wide exchange and collaboration opportunities based on CSV thinking to create an environment where diverse human capital can grow and actively participate. In FY2025, we started providing Group-wide education, and 400 young employees, mid-level staff, and managers from Group companies participated. Through group training and its subsequent application in the workplace, we strived to improve the ability to formulate issues, verify hypotheses, and take action to challenge the status quo. As a result, we promoted empathy with our Group policies as well as mutual understanding between business companies. At the same time, we also confirmed cases where people struggled to formulate issues and apply them to their practical work to achieve integrated infrastructure service business goals. Based on the results of the first year and the issues that arose, in FY2026, we will expand the Group personnel scale to around 800 people while also increasing the sophistication of our efforts to help employees internalize our Group management strategy and put our conventional conceptual framework into perspective. More specifically, based on an understanding of our business environment and higher level policies, we will shift to a program structure that emphasizes the ability to formulate issues from a social or customer perspective, the ability to come up with ideas aimed at the medium to long term, and the ability to challenge conventional frameworks. We will also set up session for supervisors aimed at improving guidance and support skills in the workplace while also utilizing OJT and off-JT to go beyond conventional perspectives and ways of thinking as we develop people who can independently take on the challenge of creating value.



Target effects of training

Our goal is to implement programs that give general managers the ability to formulate strategies and policies that anticipate our Group's future, give managers the ability to realize strategies and apply them to our organization, and give assistant managers the ability to promote plans and proposals within our organization.

Overseas Strategies

INFRONEER Group's overseas bases

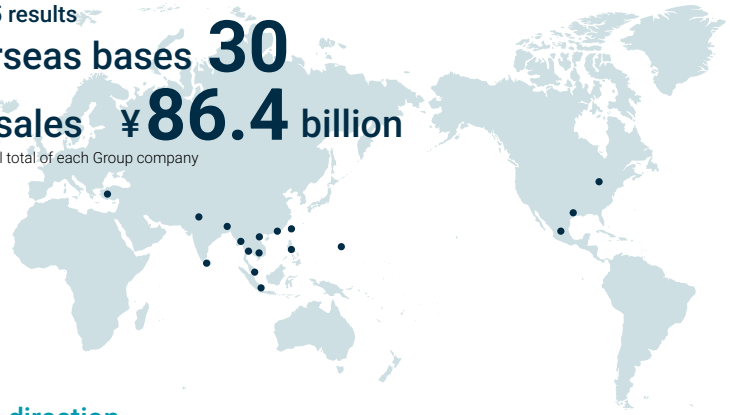
In FY2025, ARSOCIA CONSTRUCTION was added to our Group, greatly expanding our overseas network.

FY2025 results

Overseas bases 30

Net sales ¥86.4 billion

* Numerical total of each Group company



Strategic direction

Strength

- Diverse human capital and overseas bases that support our global network
- Comprehensive capabilities that take advantage of the expertise of each Group company

Weakness

- Lack of human capital and know-how for individual companies

Opportunity

- Increasing infrastructure demand focused on emerging countries and resource-rich countries

Threat

- Revenue uncertainty due to exchange rate fluctuations, country risk (risks related to political instability, legal system changes, and contracts)
- Intensifying price competition with local companies

We will fully utilize our holding company structure to mutually utilize our overseas network and human capital while also promoting the sharing of sales information to take advantage of each company's strengths as we reduce risks and strive to expand our market.

Related: conclusion of an MOU with Samsung C&T Corporation
https://www.infroneer.com/jp/news-article/2026/07/01/1243.html (in Japanese)

> Main Initiatives in FY2025

ARSOCIA CONSTRUCTION

Metro Manila Subway Project, the first ever ODA-based Philippine project of its kind

Section 103 of the country's first ever metropolitan subway line (total length of approximately 27 kilometers, 15 stations), which will connect Ninoy Aquino International Airport to the northern metropolitan area, is currently under construction. To complete this section, four shield machines are being simultaneously operated in the 6.1-kilometer tunnel running between two underground stations. This subway project is supported by JICA, and its purposes include eliminating serious traffic congestion, reducing health damage caused by air and noise pollution, and mitigating economic losses.



Camp Aguinaldo Station, which is located on section CP103 of the Metro Manila Subway in Quezon City

Construction of the Bank of Hawaii West Pacific Regional Headquarters, supporting the local economy

We were selected to handle the construction of the West Pacific Regional Headquarters building for the Bank of Hawaii, which has supported the local community since 1961, due to our more than 40-year track record in Guam and the trust that has been fostered as a result. During this project, we overcame issues that included unexpected ground conditions leading to a temporary suspension of construction as well as the need to procure materials from a third country, ultimately completing the project by the deadline requested by the client.



Bank of Hawaii West Pacific Regional Headquarters

Training and appointing global human capital

We run a wide range of training programs to train global human capital, including HDC*1 Global Training and practical HDC Local Training. In addition, we certify and appoint local managers as MMs*2 and support staff as OMs*3 in order to train human capital for our overseas business and enhance both the independence and network of each base.



Global education

*1 Human development center *2 Management Members: senior talent who lead localization efforts at their bases
*3 Operating Members: human capital with the knowledge and abilities necessary to support managers

MAEDA SEISAKUSHO

Participating in Conexpo 2026, North America's largest construction machinery trade show

Conexpo 2026 was the seventh time the event was held, and MAEDA SEISAKUSHO exhibited the MK3053C, its new battery-powered spider crane model, as well as cranes with specifications intended for the U.S. market. The trade show was attended by approximately 140,000 visitors from 128 countries, and, as a result of demonstrating its models and directly explaining their features and performance, the company successfully sold or secured new dealer candidates for its five exhibited models.



A photo of the trade show

SPECIAL CONVERSATION

Turning Social Challenges into a Driving Force for Growth: Two Leaders on the Resolve and Execution Required for Transformation

INFRONEER × HITACHI



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

Toshiaki Higashihara
Director, Executive Chairman, and Representative Executive Officer
Hitachi, Ltd.



Hitachi has declared it is no longer a manufacturing company, announcing its pivot to the Social Innovation Business. Meanwhile, INFRONEER Holdings holds that it is not a construction company whose work ends once something is built; under the banner of "de-construction," it continues to transform itself into an integrated infrastructure service company that reaches beyond the bounds of the construction industry. While their paths differ, their aspiration is identical. What both companies have their sights on is management that turns the resolution of social challenges into a driving force for growth. How have these leaders translated such ambitious visions into reality? The two executives sat down to discuss what achieving this goal would take.

Facing Social Challenges as Public Institutions of Society: A Shared Philosophy of Transformation

Kibe The foundation of our current business model lies in the structural challenges facing Japan's infrastructure. As the population declines and ages, the roads, water supply, sewerage systems, and public facilities built during the high-growth era are all reaching their renewal phase at once.

Maintaining these systems through conventional methods, however, is not easy, even in fiscal terms. Faced with this reality, we chose a path of lowering infrastructure maintenance and management costs while actually enhancing service quality through new technologies and business models. Furthermore, by also engaging in business and investment, we want to create a *sanpo yoshi* relationship, one that yields benefits for local communities, government, and our own company alike. That is the picture we have been striving for.

Higashihara *Sanpo yoshi* (a well-known Japanese business philosophy that emphasizes benefits for the seller, the buyer, and society) is an excellent expression. While modern business often prioritizes short-term shareholder value, if you press the question of why a company exists at all, it ought to serve as a public institution of society. Every employee should be able to feel that they personally had a hand in designing that bridge, or that they made a difference in society that day. That feeling is precisely what becomes the driving force that propels the company forward. Of course, earning money is essential. Without it, we cannot make the next round of R&D investment or provide returns to our employees. However, to borrow from The Analects and the Abacus, the abacus cannot come first; the order has to be the Analects and then the abacus. We must earn by being committed to social contribution, not by prioritizing profit above all else. If we get that order wrong, the company will not grow like it should.

The Question a Massive Loss Forced on Us: Redefining Where the Company Makes Its Money

Higashihara For the fiscal year ended March 2009, Hitachi recorded a loss of ¥787.3 billion, the largest for a Japanese manufacturer at the time. We were driven to a point where another significant loss could have resulted in the company's collapse. Takashi Kawamura, one of my predecessors as President of Hitachi, took full authority and spearheaded the turnaround, and Hiroaki Nakanishi, who followed him, put forward the concept of the Social Innovation Business as our medium- to long-term vision.

When I assumed the presidency in 2014, my immediate priority was addressing the loss-making structure within the parent company itself, which had persisted for more than a decade. Although revenue was growing and operating profit was in the black, net income for the period turned negative once profits were allocated to the minority shareholders of our twenty-two listed subsidiaries. There had been a culture of complacency, where it was acceptable for the parent company to run a loss because it was the one doing the R&D.

To dismantle this mindset, I decided on two things. First, if we were going to take the Social Innovation Business forward, we had to transform Hitachi into a company that makes money. And second, on the premise that domestic infrastructure demand would shrink with a declining population, we had to become a company that could compete globally. That said, at the time, the definition and purpose of the Social Innovation Business were still somewhat vague.

So I defined it in my own words as a business that leverages digital technology to enhance social infrastructure and improve people's quality of life, and I worked to embed that across the company.

Hitachi grew on the idea that if you make something good, it will sell, from five-horsepower motors to trains and computers. However, since the emergence of Microsoft in 1975, business models around the world have been shifting from hardware to software and services. I believe our inability to break free from a manufacturing-centric mindset was at the heart of that massive loss. Moving forward, the competitive edge will no longer come from cutting costs to meet market prices; it will come from listening to customers' problems, delivering solutions digitally, and raising added value. As our winning strategy changed, our business portfolio had to change as well. We undertook a rigorous scrap-and-build process, selling all twenty-two listed subsidiaries and reinvesting the proceeds into our growth areas.

Kibe MAEDA CORP. also posted a loss of ¥45.8 billion in the fiscal year ended March 2008, and we were forced to go as far as offering early retirement to our employees. Having lived through the full extent of this as General Manager of the Corporate Planning Department, I made a vow: never again. That determination remains the foundation of how I manage the company today.

However, the mindset on the ground does not always align with management's way of thinking. Many of our employees join us wanting to build the finest building in Japan or a great dam; for them, working on a large-scale project is itself a powerful motivator. Even when profitability declined, there was a widespread sense that such financial concerns were solely for management to worry about. To change that structure, we introduced the concept of "de-construction." We shifted from being a simple contractor that builds and hands over projects to taking part in the business as a

whole, from planning and design through construction, operation, and maintenance and management, generating value ourselves throughout. We needed to evolve into a company that thinks not just about what to build, but about where profit is generated and how we deliver value to society. This is the shift in perspective we have been championing.

Deciding What to Discard and What to Bet On: The Pain of Transformation and Executive Resolve

Kibe Even if you enhance infrastructure value and redefine how you make money, transformation will not progress without a change in the mindset on the ground.

To achieve this, MAEDA CORP. implemented a strict principle: we would no longer accept any project that was projected to be unprofitable at the time of the order. However, if the decision is left to the divisions eager to secure the contracts, internal self-correction rarely kicks in. Until around 2017, the corporate planning department doggedly reviewed the profitability of every single project, passing on any that did not meet our required criteria. There was pushback at the time along the lines of what young staff members with no site experience could possibly understand, and honestly the internal headwinds were strong. We persevered, and as a result MAEDA CORPORATION's provision for losses on construction contracts has remained near zero for roughly a decade, and the company has changed into one that no longer carries unprofitable work. I believe this discipline in selecting projects is what underpins our current high profit margins.



Higashihara We had a similar structure at Hitachi too. Engineers naturally prioritize the pride of craftsmanship, such as having delivered an exceptional power plant or installed a good system, often at the expense of profitability. This led to several instances where we accepted lump-sum contracts for thermal power plants that included civil works, despite lacking in-house expertise in building or civil engineering. While the equipment side was profitable, the construction component, which represented 60% of the contract value, incurred such heavy losses that it dragged the entire project into the red. When work sits well outside your core business, the risks become impossible to read.

Consequently, by 2018, I directed the company to cease all orders involving civil works, allowing us to focus entirely on engineering and equipment. By clearly defining what to discard and where to bet, our earnings before interest, taxes, depreciation, and amortization (EBITDA) margin reached 12% to 13%, and our stock price has grown about tenfold from its ¥500 level in 2016.

Kibe A leader's responsibility is twofold: the decision about what to abandon and, at the same time, the boldness to bet on future growth. In this regard, I too believe large-scale investments and mergers and acquisitions (M&A) are the ultimate tests of executive conviction and governance quality.

Higashihara The situation in which I felt this most keenly was the acquisition of the US-based digital engineering firm GlobalLogic. We were acquiring a company with ¥95 billion in revenue for ¥1 trillion, representing an EBITDA multiple of 34. This sparked intense debate within our Board of Directors, where ten of the thirteen members were independent outside directors. I put it to the board this way: it may indeed be an expensive purchase today. But which carries the greater risk, I asked: the purchase price, or the possibility that in five years we find ourselves unable to do agile development, jeopardizing the very viability of the business? If executive officers are the accelerator, then the Board of Directors is the brake. I believe the essence of governance lies in maintaining the balance between these two forces.

Kibe We encountered a similar situation during our acquisition of Japan Wind Development. At the time of the deal, Japan Wind Development had already divested its completed power plants, leaving only development projects that had yet to produce revenue. With virtually no operating profit and an investment exceeding ¥200 billion, the deal was difficult to justify through conventional financial metrics. At the board I put it this way: none of us here, myself included, will see a direct return. However, this project holds the potential to generate EBITDA on the order of ¥50 billion in the future. Why not take it on as an investment in the growth base that will support INFRONEER ten and twenty years from now? The outside directors offered a wide array of perspectives, making a consensus difficult to reach. Ultimately, however, the proposal was approved unanimously. It meant judging not on short-term performance or cash flow, but with our eyes on the future of infrastructure five years out, ten years out, and beyond. It was, I believe, precisely because we had a board that endorsed INFRONEER's management philosophy and could share the same perspective that we were able to make such a monumental decision.

Starting Transformation from the Top Down and Rooting It in Culture from the Bottom Up

Kibe What determines whether a transformation actually gets carried out is, I think, how many employees truly take ownership of their work. As companies grow, organizational silos, both vertical and horizontal, become more prevalent, and it becomes easier for people to think that something is not their job. Even with leadership initiatives and training, what remains at the end is pride, a wall in people's minds. To dismantle this barrier, we need a higher purpose. Without a purpose that resonates with everyone at a fundamental level, people will not commit themselves fully. Once a shared purpose is established, we can face specific objections such as regulatory constraints, lack of precedent, or deviations from industry norms one by one, carefully, and clear them away. The same goes for risk. Press people on who will take responsibility and the organization shrinks back. Turn the discussion into a constructive one about eliminating that risk, however, and people start contributing their ingenuity. I believe that an organization's potential is defined more by its will to take things on than by its ability. When there is a genuine commitment

to succeed, most obstacles become surmountable.

Higashihara Hitachi has also experienced firsthand the difficulty of getting all employees pointed in a single direction. Today, 60% of our workforce come from outside Japan, with diverse cultures and values. We established One Hitachi as our common language.

Initiative, in treating the resolution of social challenges as their own responsibility; empathy, in engaging in discussions through an understanding of others rather than imposing one's own view; and commitment, in fulfilling promises while mobilizing those around them. We called upon every employee to embody these three behaviors.

However, mindset shifts do not happen overnight. During the first three to five years of a major reform, there is no choice but to pull from the top down. The key is to demonstrate results to employees. Without the conviction that this approach will yield success, people will not act. Once that conviction takes hold, we transition to the next phase: fostering a bottom-up movement where employees take proactive initiative. Build a workplace where people feel empowered to speak their minds, and give credit for a good attempt. A leader's role, I think, is to cultivate that kind of environment.

Kibe In the sense that Hitachi's Lumada has created a container that anyone can use to access data from every department, it seems to serve as a mechanism for dismantling silos.

Higashihara Precisely. Lumada is a platform that consolidates the solutions Hitachi has developed over the years, allowing them to be combined and offered according to each customer's specific needs. It works rather like a showroom. This initiative arose from a deep reflection on our own internal silos. In 2014 and 2015, the divisions were so segmented that information from the field failed to reach me as president, leading to two consecutive years of missing our performance targets. To rectify this, we reorganized our business structure in 2016 into small business units under the direct control of the president, making the actual state of each business visible. Our objective was to dismantle silos and build a corporate structure that handles everything end to end, from identifying a customer's problem through to development and operation.

In tandem with this reorganization, we launched Lumada as a cross-business common platform. Today, it has become the symbol of Hitachi's growth.

Japan's *Sanpo Yoshi* Ethos Makes It Possible: The Social Infrastructure Operating System (OS) We Both Aim For

Kibe In fact, I believe the common infrastructure data platform we are building through our concession business is also very much in the spirit of Lumada. Every day, we collect vast amounts of data from the infrastructure we operate, including airports, roads, water systems, and arenas. Rather than letting this data end in optimization for each asset alone, we aim to accumulate it on a shared platform so that it can be used across the operation of different kinds of infrastructure. For example, the idea is to leverage data and insights gained from operating one facility to improve the maintenance and management of another piece of infrastructure or to enhance the services its users receive. This is a type of data that only a company like ours, which handles both construction and operation, can accumulate, and we are currently building that foundation.

Higashihara I believe we are heading in the same direction. While Hitachi takes a digital approach to unifying railways and energy, INFRONEER approaches it through civil engineering, building construction, and concessions. Only our points of entry differ. By around 2040, I envision infrastructure connected across industry boundaries such as transportation, energy, and construction, forming a single foundation that delivers the service best suited to every individual, a Social Infrastructure OS, in effect. I view both Hitachi's Lumada and the infrastructure data platform being developed by INFRONEER as steps on the road there. The goal is Society 5.0, a human-centered society that leaves no one behind.

Kibe The key to delivering the integrated infrastructure service INFRONEER envisions lies in a participatory society where every resident can engage with infrastructure freely. For many overseas smart city projects, the overemphasis on corporate profit has often resulted in a failure to earn residents' support. In this regard, Japanese values prioritize the welfare of society as a whole. I am confident that when Japanese companies, guided by the *sanpo yoshi* mindset, take this on, they will succeed without fail. Fundamentally, infrastructure exists to enhance human well-being. This is why we will keep pushing forward with free thinking, unconstrained by the boundaries of the construction industry, in service of the greater cause of solving social challenges.

Higashihara A determination to think through the interests of society as a whole will become Japan's strength in the coming years. With expertise in civil engineering and building construction alongside a concession service business, your company has what it takes to lead the way. I have high expectations for your evolution into an integrated infrastructure service company.



Chapter 5

Strengthening the Foundation of Value Creation

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.

Corporate value ↑ = Profit margin ↑ / (Capital costs ↓ − Expected growth rate ↑)

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88 Society

Kosaku Shima talks about how the business itself, which supports the extension of infrastructure life and sustainable operation, has social value. How does INFRONEER envision sustainability as a company that supports everyday life?!



Rokkasho Wind Farm

©Kenshi Hirokane/Kodansha







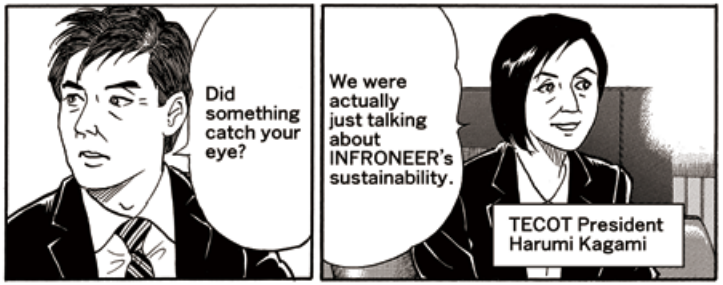
*PPP/PFI Promotion Action Plan , Water PPP, stadium and arena reform, sustainable finance promotion, etc.





Harumi Kagami :
Shima's junior back when he was a section chief and the right-hand woman of the third president.
Praised for her exceptional skills, she became TECOT's fifth president.

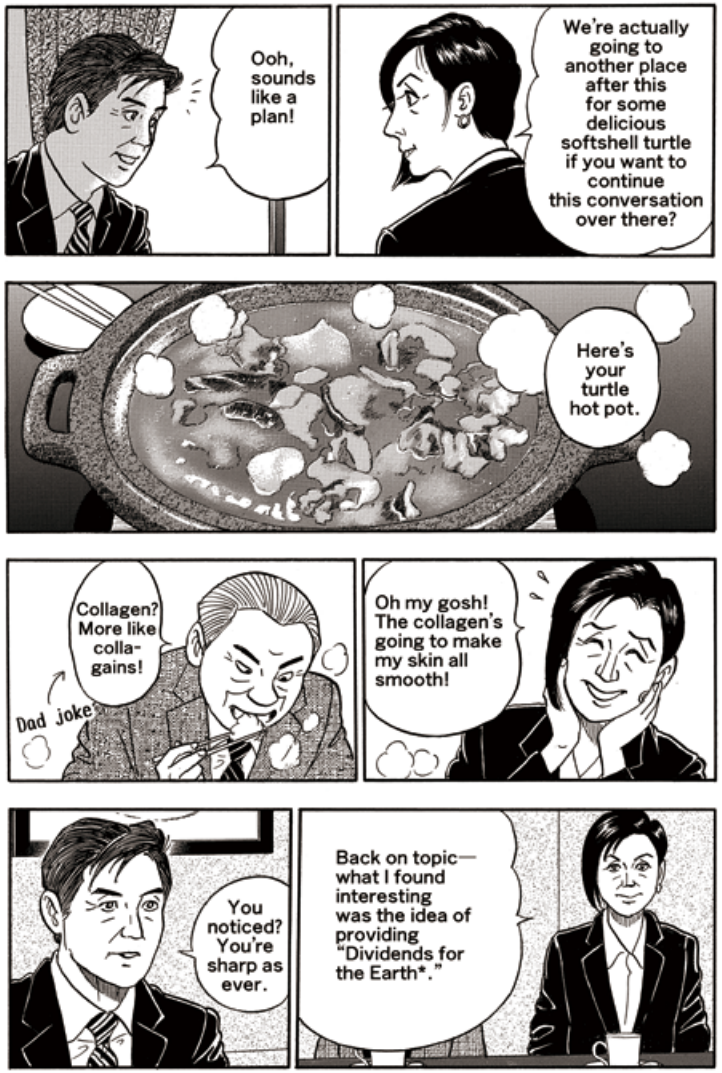


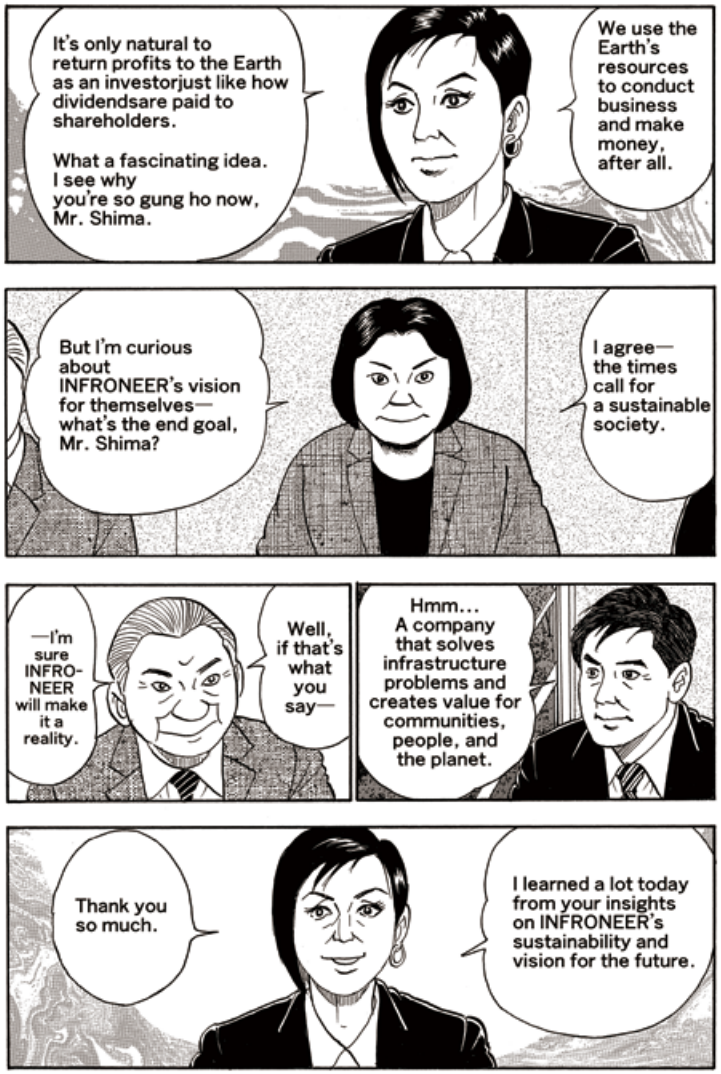


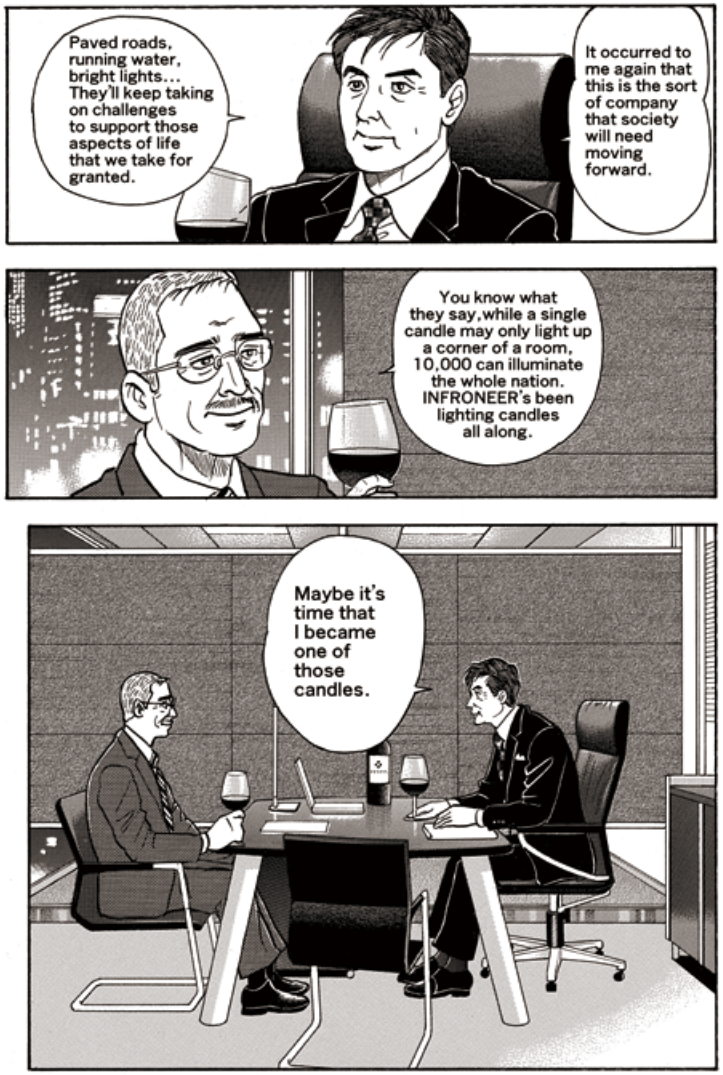


> *Dividends for the Earth P.21

Read from right to left






6F
株式会社 島 耕作 事務所
6F
Glug. glug...
Their governance is bold too. Six of their seven directors are independent, so execution and oversight can each stay focused.
And that's about it. It's a truly revolution ary manage- ment model.
A toast— to the future of infrastructure services.
You better not pull your punches as an outside director either. Otherwise, you'll fall behind.
Ms. Kagami was also eager to take TECOT to the next level, you know.

Paved roads, running water, bright lights... They'll keep taking on challenges to support those aspects of life that we take for granted.
It occurred to me again that this is the sort of company that society will need moving forward.
You know what they say,while a single candle may only light up a corner of a room, 10,000 can illuminate the whole nation. INFRONEER's been lighting candles all along.
Maybe it's time that I became one of those candles.

Sustainability Strategies

Sustainability, the Foundation of Value Creation

Amid rapid changes in the business and social environment, the INFRONEER Group regards sustainability as a foundation for long-term value creation. Our business model involves utilizing the established strengths of each business company as we respond to changes in the external environment and help address social challenges. In this way, we aim to build sustainability into the business model itself.

Part of the value we promise as we conduct business activities is the "safety, security, and sustainability of our society and local communities." In this spirit, we strive to realize a symbiotic society where we can coexist with the planet and its people, which are the foundation of our business, by working toward a sustainable future through the reduction of our long-term environmental impact, active participation by diverse human capital, and the utilization of sustainable finance.

> Environmental initiatives PP.84-87 Human Capital Strategies PP.58-60

For details on our utilization of sustainable finance, visit our website at:
https://www.infroneer.com/jp/sustainability/finance/ (in Japanese)

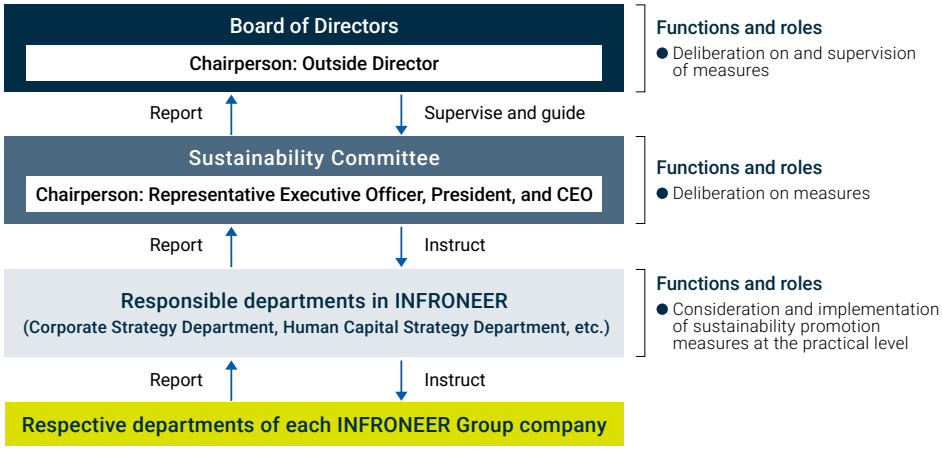
Sustainability Promotion Structure

Our Group positions climate change and other priority issues related to the environment, society, and governance as critical management themes, and, under the supervision of our Board of Directors, our executives are spearheading efforts to establish a structure for promoting our response.

The Board of Directors deliberates and makes decisions on basic policies and priority measures related to sustainability as well as our medium- to long-term direction while also regularly receiving reports on how we are handling climate-related risks, human capital, and other critical themes and supervising the progress. In addition, the Board of Directors reviews our policies as necessary to pursue sustainable corporate value improvement.

Meanwhile, the executive side has established a Sustainability Committee chaired by the CEO and plans and promotes Group-wide measures. This Committee collaborates with various departments while promoting management objectives as well as risk management and rolling out effective initiatives. In addition, the Committee reports the details of its considerations to the Board of Directors as appropriate, thereby enhancing collaboration between supervision and execution.

Sustainability governance and promotion structure



TOPICS Committee Initiatives That Drive Sustainability Promotion

Our Sustainability Committee meets semi-annually in principle and met five times in FY2025. In March, the Committee deliberated on our policies for rolling out the Sustainability Procurement Guidelines, and implementation was started in FY2026. The Committee also regularly reports the details of its considerations to the Board of Directors, and we have a structure in place to ensure proper oversight by the Board.


Sustainability Committee meeting

Key agenda items for the Sustainability Committee in FY2025

- Natural restoration efforts > P.86
- Updating the INFRONEER Medium-term Vision sustainability strategies
- Reporting on the results of "Dividends for the Earth" and revising systems
- Revising the Human Rights Policy
- Rollout of the Sustainability Procurement Guidelines > P.88
- External evaluation of sustainability > P.94

Stakeholder Dialogue

As social issues become increasingly complicated and severe, companies are increasingly expected to pursue initiatives that effectively help to resolve them. To realize INFRONEER's vision for the future, "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 provide appropriate information disclosure and engage in dialogue with diverse stakeholders.

Through dialogue with all kinds of stakeholders, including investors and the planet, we gain an understanding of society's expectations and the issues it faces, and we reflect these insights in our management and business activities.

This page presents selected comments we have received from our dialogue with various stakeholders. For full reports and more details, please visit our website.

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



Major Dialogues

Investors

To promote understanding of our business, we conduct active IR activities. In FY2025, we conducted over 230 individual IR meetings, thereby engaging in multiple constructive dialogues with investors and analysts. We will continue to communicate clear information on our business progress and growth strategy while taking feedback from everyone seriously as we further deepen our dialogues with capital markets and aim to enhance corporate value and achieve an appropriate market valuation.

Main IR activities		
	• Briefings for analysts	• Conferences: 3 times
	• IR DAY: 1 time	• Seminars for individual investors: 2 times
	• Overseas IR events: 4 times (Hong Kong, Singapore, Europe, and North America)	• Site tours: 3 times
		• Media appearances and social media (YouTube)

VOICE



Ryo Kawauchi
Analyst
Marusan Securities

The main thing we look for when considering investment targets is growth potential in the medium to long term. In addition to its solid existing business, INFRONEER is expected to achieve non-linear growth in terms of its infrastructure management business and M&A. Regarding investment decisions, other INFRONEER strengths include its systems for governance and organizational due diligence as well as its active IR activities. We expect INFRONEER to achieve results in terms of its infrastructure management business and engage in continuous information sharing.

Local communities and partners

As a B.LEAGUE Innovation Partner, we are promoting regional revitalization that starts with sports and infrastructure by combining a fan community that boasts strong local ties with our know-how related to public-private partnerships and infrastructure operations. We hold events that include INFRONEER B.Hi TOUCH, an event for parents and their children, as well as BI LEAGUE, a participatory event that involves posting photos of local basketball goals. Through such events, we hope to arouse interest in infrastructure.

INFRONEER × B.LEAGUE support website
https://www.infoinf.com/jp/bleague/go.html (in Japanese)


INFRONEER B.Hi TOUCH event in Saga

Earth

Dividends for the Earth: striving to contribute to a wider range of social issues

Our Group collaborates with local communities and NPOs to promote activities for employees and their families to actively participate in. In FY2025, we initiated activities aimed at contributing to the resolution of an even wider range of 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


Disaster prevention education for junior high school students

Outside Directors Roundtable

Governance Reforms Underpinning a Stable Management Foundation as INFRONEER Continues to Take on Challenges

Evolving Group management through the separation of supervision and execution



FACILITATOR

Shoichi Tsumuraya
Professor, Graduate School of Business Administration, Hitotsubashi University

Koichi Moriya
Outside Director,
Nominating Committee Chair,
Audit Committee Member

Keiichiro Hashimoto
Outside Director,
Chairperson of the Board of Directors,
Audit Committee Chair,
Nominating Committee Member

Atsushi Takagi
Outside Director,
Compensation Committee Chair,
Audit Committee Member

TALK SESSION

The Board of Directors, Centered on Outside Directors, Supports Stable Management by Exercising High Supervisory Functions

Tsumuraya INFRONEER is continuously enhancing its governance structure in order to accelerate the execution of its growth strategy. First, can you explain the purpose behind the transition, starting in 2025, to a Board of Directors composition consisting of only one Representative Executive Officer/President and six outside directors?

Hashimoto Leveraging the structure of a Company with a Nominating Committee, etc., the management's monitoring (supervisory) functions have been clearly separated from its executive functions. This structure makes it easier to manage companies acquired through M&A as one Group. It also clarifies the Representative Executive Officer's performance accountability, which directly informs decisions on their appointment and dismissal. In addition, strengthening supervisory functions through a Corporate Audit Department that operates independently of executive functions and having outside directors play a central role in supervision on behalf of shareholders makes it easier to incorporate capital market perspectives into governance. There was debate about having only one internal director on the Board, but ultimately, the consensus was that, unless a critical issue arises, we will begin operating under this structure first, and then review it as necessary if a problem occurs. Limiting internal directors to one Representative Executive Officer makes the executive side's responsibilities and authority clearer, allowing the Board of Directors to focus on supervision.

While our "offensive" stance is easy to understand, "defense" is more difficult. Internal controls do not function effectively without sufficient defense. In addition, the more diverse industries that we bring into the Group through M&A, the more complicated internal control becomes across the entire Group. In the Audit Committee, rather than taking a blanket approach, we believe that audit systems tailored to each company's characteristics form the foundation of our defense, and we review these systems on an ongoing basis.

Moriya President Kibe is trying to create a new business model called "integrated infrastructure services." I think the recent overhaul of the governance structure can also be seen as an important mechanism for supporting and overseeing this endeavor. Taken together, I view these reforms as a "grand experiment." We were able to take decisive action to overhaul the Company's structure precisely because we acted on the assumption that "even if problems arise, we can fix them quickly." Outside directors each have differing areas



The challenge of becoming an "integrated infrastructure service" company, combined with the recent change to a supervisory-focused governance structure, is a grand experiment. (Moriya)

of expertise and perspectives, and we enhance the supervisory function through our frank dialogue.

This approach extends to human capital governance, as well. From FY2026, the Nominating Committee has been involved in the process of appointing the top executives of our major subsidiaries, and we also began discussing each company's succession plan in the Board of Directors. On the other hand, the Group's expansion has led to an increasing number of agenda items, making it challenging for us to secure enough time to delve deeply into essential topics such as business strategy or human capital strategy.

Takagi During my time as an analyst, I have seen two weaknesses in conventional executive-led boards of directors. The first is that, under the business division system, general managers tend to prioritize their own division's profits over what is best for the entire company. The second is that it creates the contradiction of having to supervise yourself while executing operations. Amid the overall trend of Japanese companies' boards of directors shifting to monitoring-focused boards, I believe that President Kibe was ahead of the game in envisioning what the ideal board should look like.

Cross-Functional Group Management Has Progressed Due to the Integration of ARSOCIA CONSTRUCTION

Tsumuraya During the aforementioned change in governance structure and the integration of ARSOCIA CONSTRUCTION, what kinds of changes took place in the executive side's method or speed of decision-making?

Takagi After the integration with ARSOCIA CONSTRUCTION, there has been stronger collaboration based on shared functions, beyond the boundaries of each major subsidiary. For example, a decision that appears to be detrimental for company A in the short term may be beneficial for company B, and when viewed from the perspective of the entire Group, it may actually contribute to increasing corporate value. There have been more situations like this, where decisions can be made based on what is optimal on the Group level. Integration is not only about growing in scale. It is about having each company's functions complement each other and create greater value as a Group. In that sense, I feel that our matrix-style management has progressed to the next level.

On the other hand, the way we structure performance evaluations and incentives is also crucial to fully instill the mindset of making decisions based on Group optimization among management and on-site. From the perspective of the chair of the Compensation Committee, facilitating cross-organization thinking requires that we design our compensation system to drive the enhancement of the corporate value of the entire Group. We are seeking the ideal system for this while constantly revising our approach.

Hashimoto Assigning executive officers to oversee the respective building construction and civil engineering segments of MAEDA CORP. and ARSOCIA CONSTRUCTION on a cross-organizational level has improved the coordination of policies and other matters and expedited decision-making.

It has also created more opportunities for each Group company to get to know each other's businesses and how they operate on the ground. President Kibe has been conducting Town Hall Meetings in various locations nationwide, and since FY2025, outside directors have been participating in these meetings as well. I can see firsthand that collaboration across the Group has improved through such dialogue with employees. Not only are we beginning to see tangible benefits on the business side—such as the referral of projects across regional borders—but these changes are also having a ripple effect on personnel growth. The experiences employees gain at INFRONEER, where they encounter information from many different industries, such as building construction, civil engineering, roads, machinery, and infrastructure management, become opportunities to broaden their horizons. Much like a brackish lake where seawater mixes with freshwater, the exchange of diverse insights, values, and talents generates new ideas and leads to growth. In fact, many employees seconded to INFRONEER say that they have grown from the experience when they return to their original employers. I sense that as collaboration across the organization deepens, the foundation for growth among young and mid-career employees also expands.

> Town Hall Meetings P.77

Quality Decision-Making Supports the Growth Strategy

Tsumuraya While progress is being made in Group management, how has the role of the Board of Directors changed in terms of M&A and investment decisions?

Moriya The quality of decision-making is improving, even on the front lines of M&A. Outside directors with different backgrounds and criteria for judgment freely express their opinions from the perspectives of their respective areas of expertise. The important thing is not to stop the momentum on the executive side: "If you are going ahead with that, you should mitigate this risk." The executive side finds it easier to organize the key issues precisely because we can point them out so frankly. We discern not only whether an acquisition is viable, but also the risks involved and other available options. I believe our role as outside directors is to enhance the quality of the growth strategy through healthy friction, not conflict.

Racking up acquisitions is not the Group's true objective. What is important is how the strengths of each company can be combined after integration takes place, and whether that will enhance the overall capabilities of the Group. Because significant changes keep happening over a short period of time, there is a healthy sense of urgency building on each company's executive side.



There is no end to the process of enhancing the Board of Directors. We can continue to question our effectiveness based on whether or not we are contributing to corporate value. (Takagi)

Refining the Effectiveness of the Board of Directors by Continuing to Question Our Corporate Value

Tsumuraya During the FY2024 evaluation of the effectiveness of the Board of Directors, optimizing Group management and enhancing the effectiveness of Board operations were brought up as areas for improvement.

Hashimoto We introduced a system in which the Corporate Audit Department conducts interviews and compiles the key points and their priority levels, reporting this in the quarterly reports issued by the executive officers of each business segment. Beginning in FY2026, we also added key themes addressed at management meetings to these reports, allowing the Board of Directors to more comprehensively understand the reality of business operations. This type of disclosure by the Corporate Audit Department helps the part-time outside directors properly grasp each business company's management situation, which plays an important role in eliminating gaps in information among the outside directors. Additionally, from July, we increased the frequency of Board meetings and also established post-meeting sessions for opinion exchange. We are dedicating time to discussing fundamental management challenges, beyond merely deliberating agenda items. This will lead to a more effective Board of Directors.

Takagi There is only one criterion for assessing the effectiveness of the Board of Directors: whether or not we are helping to enhance corporate value. What matters should INFRONEER decide, and what matters should be entrusted to each company? We must constantly reexamine the balance between the centrifugal and centripetal forces. There is no "perfect" form of governance. I believe it is important to stay humble and continue to ask ourselves whether the Board of Directors is providing appropriate oversight and advice to management, and whether our discussions are truly contributing to corporate value, rather than being satisfied with our results.



While it is easy to paint a picture of our "offensive" strategy, "defense" is more difficult. We design internal controls for each company, even as the Group continues to expand. (Hashimoto)

Tsumuraya So even the position and competence of the outside directors themselves, who serve a supervisory role, are subject to scrutiny.

Moriya On the supervisory side, we have one internal director and six outside directors. Naturally, there is a disparity of information in this structure. Knowing this, how much do we get involved, and when should we step back? While it is necessary to actively gather information, doing so to an excessive degree risks overstepping into executive territory. Even now, we are still trying to find our proper place while remaining mindful of this balance.

Takagi I believe that the most vital information emerges naturally within relationships of trust, and is not gathered through force. The greater the mutual trust is with the Board of Directors, the faster decisions will be made and the easier it will be to obtain necessary information. Therefore, we do not venture into the finer details of execution any more than is necessary. We are very careful to maintain clear boundaries as outside directors.

Hashimoto We are living in an era where the competence of the outside directors themselves is coming under scrutiny. In order to serve as the voice of the shareholders from an independent perspective, we ourselves must keep learning. By continuously enhancing our ability to fulfill our role as outside directors, we can improve the effectiveness of the supervisory function.

Bridging the Gap with Investors to Convey the Significance of Our Challenges

Tsumuraya As an outside director, how do you intend to address the demands of the capital market and shareholders?

Hashimoto Our role as outside directors does not stop at managing the risks involved in the executive side's ambitious investments. We look at what risks and opportunities lie behind investments and M&A. Another important responsibility we have is to organize that information from an external perspective and serve as a bridge to convey it to the market in an easy-to-understand manner. As part of this, outside directors will also participate in IR DAY* starting in FY2026. At Town Hall Meetings, we make sure to share changes in the stock price and market capitalization. Going forward, enhancing sensitivity to the market across the Group will be essential for increasing corporate value.



Few Japanese companies venture to change their business model as boldly as this. I expect INFRONEER to become a leading force for Japan as a whole. (Tsumuraya)

Takagi As a new initiative, the Company held a shareholder roundtable following the 2026 General Meeting of Shareholders, in which outside directors also participated. There is a growing need for direct dialogue between investors and outside directors, even during IR meetings. To close the gap between the Company's intrinsic corporate value and its current market valuation, we must listen to the market and make necessary adjustments. Over time, these efforts will help reduce capital costs. There is no perfect form of governance or perfect stock price. I want others to see us as a company that continues to change.

Moriya The significance of our Group's challenges cannot be explained in words alone, but must be demonstrated by each and every one of our decisions and results. The question is not one of scale, but rather of what kind of value the entire Group can provide to society through infrastructure. We intend to demonstrate our answer to this over the medium to long term. As outside directors, we will also elevate the quality of oversight and hold ourselves responsible for making this a reality.

Hashimoto After strengthening our defenses, we also intend to tackle overseas operations—an area in which Japanese construction companies have historically struggled. Corporate value improves only when offense and defense exist in balance. We will meet the expectations of our shareholders based on the results of these endeavors.

*IR DAY: A briefing session for institutional investors and analysts on business policies and medium- to long-term management strategies

Governance

Basic Approach

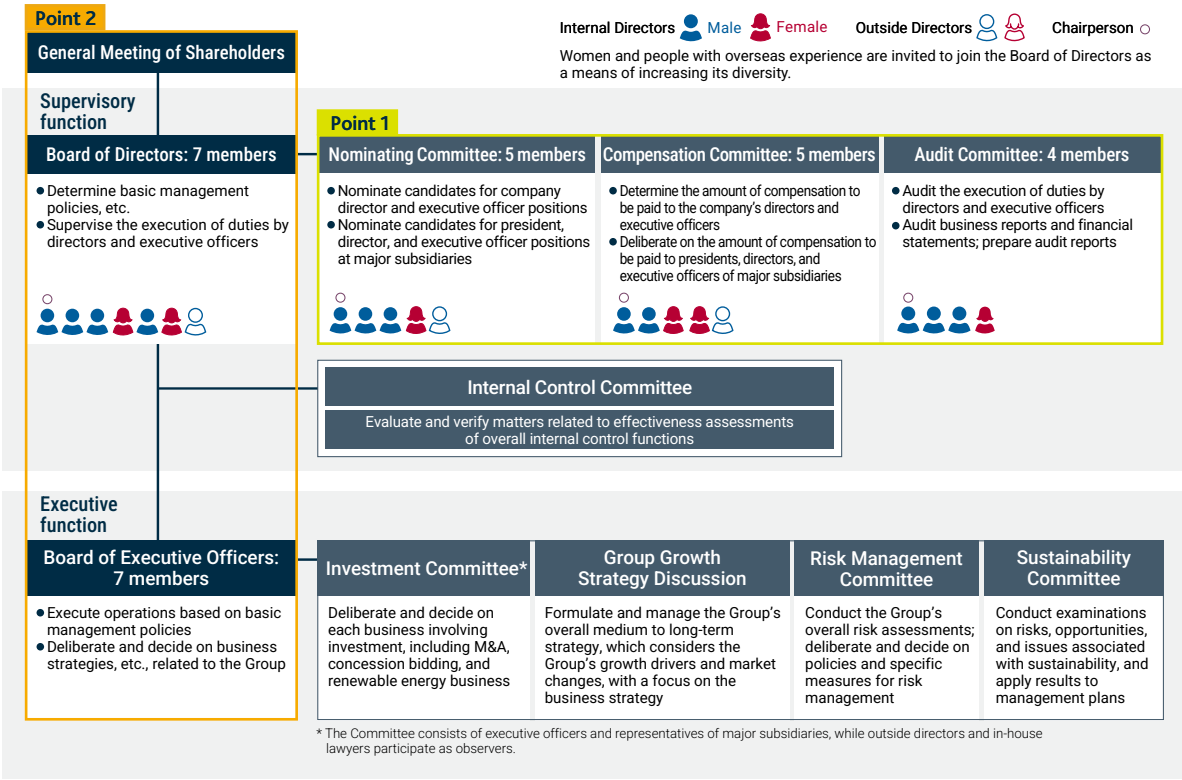
INFRONEER pursues initiatives aimed at strengthening corporate governance to achieve sustainable growth and enhance its corporate value over the medium to long term. By adopting the industry's first Company with a Nominating Committee, etc. system, thereby separating the supervisory and executive functions, INFRONEER ensures suitable decision-making and management soundness. In addition, through timely and appropriate information disclosure as well as constructive dialogues with our stakeholders, we will deepen trust with them as we strive to achieve both social and economic value.

Corporate Governance

Our corporate governance structure achieves a strong supervisory function by ensuring that a majority of the Board of Directors and each committee consists of independent outside directors. Each chairperson is also an outside director.

Furthermore, starting in June 2025, we transitioned to a structure in which all directors, except for the CEO, are outside directors, thereby further strengthening the supervisory function of our Board of Directors. This will ensure our management soundness and strengthen the governance foundation that supports our sustainable growth.

Corporate governance structure



Point 1 Improving management transparency

Establishing a committee system where outside directors form the majority

As a Company with a Nominating Committee, etc., our Board of Directors and various committees consist primarily of independent outside directors, which ensures the transparency and objectivity of important decision-making. In addition, outside directors spearhead deliberations on nominations, compensation, etc., which enhances our accountability. Our Audit Committee also audits the execution of duties by our directors and executive officers, which ensures internal-control effectiveness and management soundness.

Point 2 Further strengthening our governance system through the separation of supervision and execution

Focusing the supervisory function on our Board of Directors

June 2025 and earlier

The Chairperson of the Board of Directors is an outside director.



June 2025 and onward

All our directors other than the CEO are also outside directors.



This system separates the roles of the Board of Directors and Board of Executive Officers, thereby enhancing both the supervisory function and execution ability.

Speeding up decision-making through an executive system that includes the presidents of major subsidiaries

Under our system, executive officers are in charge of each segment, and the representatives of major subsidiaries are responsible as well. This enables decision-making based on on-site knowledge as well as the rapid implementation of our policies.

Key Themes of the Board of Directors in FY2025

Corporate value creation	Revision of INFRONEER Medium-term Vision 2027, integration with ARSOCIA CONSTRUCTION, investment projects (arenas, onshore wind power, biomass, etc.), and financing
Execution status monitoring	PMI-based effects of integration with ARSOCIA CONSTRUCTION (progress), quarterly business execution status reports, and reports from the Nominating, Compensation, and Audit Committees
Management philosophy dissemination	Enhancement of stakeholder engagement through town hall meetings, etc.
Governance and risk management	Development of director and executive systems, enhancement of Board of Directors operations, enhancement of compliance and security measures
Disclosure and shareholder relations	Disclosure of financial results, agenda items of the General Meeting of Shareholders, Securities Reports, and IR result reports as well as decisions on shareholder returns and dividend policies

Evaluation of the Effectiveness of the Board of Directors in FY2025

INFRONEER 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 FY2025, 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.

Implementation overview	**Target**: All 7 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 2 to 13, 2026 **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: Responsibilities/roles, coordination with the Board, etc. • Support system: Provision of information, including Board materials, etc.
Issues identified from results	• Enhancement of Board operations (ensuring deliberation time and opportunities to exchange views with outside directors) > For details, see P.78 • Reviewing the business portfolio (capital cost and profitability analysis and improvement) • Dialogues with shareholders
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)

Promotion of Outside Director Support Systems

Challenges identified during the FY2024 effectiveness evaluation and our response

As a result of the FY2024 effectiveness evaluation, "further enhancement of executive training opportunities" was identified as a key issue. In response, we implemented the executive training initiatives below in FY2025.

> Also see P.75 for details on the "optimization of Group management" and P.78 for details on the "enhancement of Board operations" and other identified issues.

DE&I (diversity, equity, and inclusion) training

Through this training, we deepened executive awareness of unconscious bias and the importance of decision-making based on diverse values. This training helped executives notice unconscious bias, deepened their understanding of the importance of equity, and enabled them to realize that this crucial management issue is not only related to system development but is also directly linked to improving decision-making and achieving innovation. Directors commented that DE&I must be promoted in terms of both philosophy and practice and that it is also necessary to take specific related action in various departments to reform our organizational culture.

Cybersecurity training (IT and DX strategies)

Through this training, our directors reaffirmed the relevance of cyber risks as important management issues directly linked to business continuity and corporate value. Executives at other companies as well are increasingly likely to participate in incident response training or simulated cyberattack training, and such training contributes to improving the effectiveness of the supervisory function. Similarly, INFRONEER believes that it is important to ensure that such training goes beyond simple knowledge acquisition to provide a stronger ability to respond in terms of management decisions while also establishing a cross-organization initial response system.

Examples of FY2025 initiatives

- **Participating in meetings aimed at supplementing execution-status information**
  Providing opportunities to attend "interviews between executive officers and business companies" as well as "interviews between executive officers and department heads"
- **Deepening business understanding via site tours and base visits**
  Holding regular tours of project sites both within and outside Japan (arena and other infrastructure management, renewable energy facilities, water supply facilities, etc.)
- **Stakeholder Dialogue**
  - Press conferences
    Providing opportunities for reporters and executives to communicate
  - Town Hall Meetings > For details, see P.77



A tour of MUFG Stadium by directors and executive officers

Dialogues with Employees Through Town Hall Meetings

The INFRONEER Group holds town hall meetings every year, during which Mr. Kibe, our president, visits our bases to directly exchange views with employees. In FY2025, as a new initiative aimed at improving the quality of such discussions, we introduced panel discussions for which outside directors served as facilitators (involving the president and management of each base), and we also held meetings at bases outside Japan for the first time. We will continue taking steps to revitalize communication between employees and our president as well as other management, increase the growth of our Group, and create value for our Group as a whole.


A panel discussion

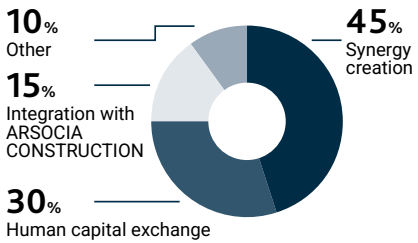
Key points in FY2025

- **16 meetings throughout Japan** (+ 2 meetings overseas)
- Dialogues and panel discussions at which **our president and outside directors** spoke
- **Participation possible for every INFRONEER Group employee** thanks to a format combining in-person and online events
- Direct dialogues between management and sites in the case of regional events thanks to **site tours as well as lunch meetings and parties with young employees**

Program	Speakers	Details
Presidential lecture	Mr. Kibe	A lecture focused on improving our corporate value and brand strength through the maximization of business profit and improved market valuation. Our aim is to become a company more trusted and relied on by stakeholders.
Outside director lecture	Outside Directors	One outside director participates in each of these events, during which they lecture on what they expect of INFRONEER based on their experience.
Mr. Hashimoto (director): effects on employees following the establishment of INFRONEER and corporate governance Mr. Yonekura (director): improving the productivity of Japanese companies and the growth potential of global infrastructure business Mr. Moriya (director): dialogues with employees based on personal experience and suggestions for achieving Group-internal synergies Ms. Murayama (director): evaluation of INFRONEER from an analyst's perspective Mr. Takagi (director): five important assets for evaluating corporate value from an analyst's perspective Ms. Oguchi (director): growth expected of INFRONEER based on her personal career as well as international and legal trends		
Q&A	Mr. Kibe Outside directors	The participating outside directors act as moderators to respond to questions from employees.
Panel discussions	Mr. Kibe Outside directors General manager of the corresponding division or branch	Discussions based on two themes: "Business Company Synergies" and "Integrated Infrastructure Service"

Main questions and opinions from employees

Question themes (out of 100%)



Q. What specific steps can be taken to achieve synergies with major subsidiaries?

A. Take advantage of the strengths of each company, share human capital, technologies, and information, and jointly handle orders to achieve synergies that can be felt on site.

Q. How should roles be divided in the case of overlapping business?

A. Do not rush to integrate. Instead, consider how to best divide roles throughout the Group based on the business characteristics and site conditions.

Q. How should human capital be exchanged (secondment, assignment, transfers)?

A. In addition to the human capital exchanges that have already been implemented throughout the INFRONEER Group, we will consider additional exchanges aimed at ensuring the effectiveness of our strategies and facilitating mutual understanding.

Results and evaluation

Based on our follow-up questionnaire, the town hall meetings were extremely well received in terms of disseminating our management philosophy and providing opportunities for dialogues. In particular, many participants commented that the meetings offered an opportunity to directly hear what the president and outside directors think and that adding the third-party perspective of outside directors helped to deepen the discussions. At the same time, there was a lot of interest in both the specific execution of strategies and the chance to connect with job sites, and there were strong expectations surrounding highly interactive discussions as well as concrete explanations. Based on such feedback, we will strive to improve both the quality of dialogues and the transparency of strategy execution.

Understanding of "INFRONEER's Vision"

Preliminary questionnaire
3.7
★★★★☆

Follow-up questionnaire
4.01
★★★★☆

Feedback from an employee who participated in a town hall meeting (lunch meeting)



Moe Yokose
Meijo Shield Works
ARSOCIA CONSTRUCTION CO., LTD.

Through episode-based discussions, young employees like us were given the opportunity to expand the specifics of INFRONEER's "de-construction" strategy, including concessions, as well as our overseas outlook. As a result, I now have a more concrete understanding of what INFRONEER is trying to do as well as how I can contribute as an engineer. Going forward, as a member of the INFRONEER Group, I will try to work even more proactively and enthusiastically.

Related: Kibe-log: "PMI of ARSOCIA CONSTRUCTION - The biggest hurdle in PMI is the mental barrier"
https://www.infroneer.com/pdf/en/company/topblog/kibelog_en_vol20.pdf

Outside Director Thoughts on Advancement (Background of Effectiveness Evaluation and Improvement Measures)

We conducted individual interviews with outside directors to maintain or further improve the functions of our Board of Directors.

> Some of the main ideas resulting from the effectiveness evaluation and consideration of improvement measures shown on P.76 are introduced here.

Discussion time and management approach

Due to the increase in agenda items, we were told that it is necessary to ensure sufficient deliberation time and review management methods.



Mr. Hashimoto
Director

- In addition to regularly holding meetings, taking advantage of new opportunities for flexible discussions could increase both the scope and depth of discussions.



Mr. Moriya
Director

- A lot of matters are addressed at each meeting, and there is room to further deepen discussions.
- In terms of fleshing out explanations, we could secure additional time for discussions.

Strategy discussions and information sharing

Issues were pointed out related to fleshing out discussions regarding critical management themes as well as our approach to information sharing.



Mr. Takagi
Director

- We could do more to advance information sharing between directors.



Ms. Oguchi
Director

- By further deepening the understanding of the situations of major subsidiaries and the execution status, it would be possible to strengthen the supervisory function.

Monitoring and governance management

Suggestions for improvement were made regarding systems that support the supervisory function as well as related operations.



Mr. Yonekura
Director

- Monitoring after investment projects are executed should be enhanced.
- One key issue is to clarify the roles of executive officers as well as the management system.



Ms. Murayama
Director

- There is variation in terms of the governance systems of individual major subsidiaries.
- It is necessary to improve the transparency of the compensation determination process and standards.

Summary

Based on the above comments, although our Board of Directors was praised somewhat in terms of how it functions to encourage risk taking, there are still important issues, including deepening discussions that support this function, sharing information, and increasing the sophistication of operations. Going forward, we will strive to increase information input by our Board of Directors while also focusing on enhancing communication, including executive officers and major subsidiaries, to achieve more effective discussions.

Corporate Governance

❶ Increasing the frequency of meetings of the Board of Directors and optimizing the time

To strike a balance between the number of agenda items and the deliberation time, regular meetings of the Board of Directors will generally be held at least once per month, and, regarding important agenda items in particular, we will hold emergency meetings or extend the meeting time to ensure enough time for deep discussion.

❷ Opening up access to the execution status

We will enable outside directors to freely participate in major meetings held on the executive side and set up a system that enables the viewing of materials. Our aim is for this to foster an appropriate understanding of information that is important in terms of execution to flesh out discussions by the Board of Directors.

❸ Informal strategic dialogue

We will allocate time apart from meetings of the Board of Directors to freely discuss specific themes, including our medium-to long-term strategies, capital policy, and organizational issues. By holding deeper discussions, we will work on consensus building and improve the quality of our strategies.

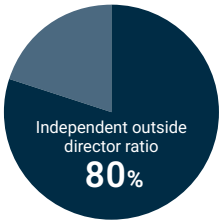
❹ Individual communication between the Board of Directors and the Secretariat of the Board

By gaining an appropriate understanding of views and other ideas that are not effectively covered by the effectiveness evaluation of the Board of Directors, we will continuously strive to identify and respond to potential management issues, thereby further increasing the sophistication of Board of Directors operations.

Activities of Three Committees (Nominating, Compensation, and Audit Committees)

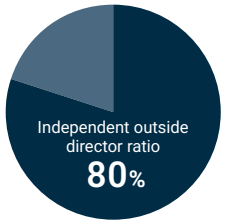
Nominating Committee

Number of times held	12
Attendance rate	96.0%
Chair (outside director)	Koichi Moriya



Compensation Committee

Number of times held	14
Attendance rate	98.8%
Chair (outside director)	Atsushi Takagi



Audit Committee

Number of times held	19
Attendance rate	96.1%
Chair (outside director)	Keiichiro Hashimoto



Roles

Nominating Committee
- Nomination of candidates for company director and executive officer positions
- Deliberation on candidates for president, director, and executive officer positions at major subsidiaries

Compensation Committee
- Determination of the amount of compensation to be paid to the company's directors and executive officers
- Deliberation on the amount of compensation to be paid to presidents, chairmen, directors, and executive officers of major subsidiaries

Audit Committee
- Auditing of the execution of duties by directors and executive officers
- Creation of audit reports
- Determination of agenda items related to the appointment, dismissal, and non-reappointment of accounting auditors who submit information to the General Meeting of Shareholders

Key agenda items and activities in FY2025

Considering our Group executive system approach

We considered appropriate governance and executive systems based on the need to strike a balance between the centripetal force of INFRONEER itself and the centrifugal force of our major subsidiaries. We therefore redefined the roles of executive officers at major subsidiaries as well as human capital requirements, and we formulated related guidelines.

Expanding our succession plan

We are reorganizing our past succession plan and expanding it to encompass major subsidiaries. To ensure that this plan leads to the stable and continuous growth of our Group's business, we review the plan based on a broad perspective every year, thereby systematically training successors.

Considering our compensation-system approach in line with roles

In terms of our annual incentives, we have designed a rational compensation system that increases the correlation between business-execution responsibilities and compensation by using indicators that show the roles and results of our president as well as executive officers in charge of corporations, major subsidiaries, and segments.

Strengthening our commitment

In 2025, we added "sustainability-linked indicators" to our annual incentives. In FY2026, we will increase the percentage that these indicators account for in terms of annual as well as medium- to long-term incentives, thereby ensuring that the interests of shareholders line up with those of executives and strengthening our commitment to sustainable growth.

Evaluating and verifying the effectiveness of our internal control system

We evaluated and verified the effectiveness of the audit systems of each company by exchanging opinions with our Group's directors, executive officers, the Corporate Audit Department, and accounting auditors.

Evaluating and verifying the audit systems of major subsidiaries

To ensure audit quality, we evaluated and verified the effectiveness of the audit systems of each company by exchanging opinions with the auditors of major subsidiaries and the heads of their internal audit departments while also obtaining reports from them.

Evaluating and verifying information security measures

We evaluated and verified the effectiveness of our information security measures by exchanging opinions with the IT Department.

For details on our system and policy for determining executive remuneration as well as our internal control system, visit our website at:
https://www.infroneer.com/jp/ir/security_report/ (in Japanese)

Risk Management

The INFRONEER Group recognizes diverse risks in business operations, and the appropriate management of such risks is positioned as one of the most important management issues. Through strategic risk-taking that is supervised by the Board of Directors and based on an appropriate understanding of the risks, we strive to improve our corporate value and achieve sustainable growth. This approach is shared by our entire Group, and we implement it for all our business activities.

To ensure appropriate risk management, our Risk Management Committee holds meetings every quarter. The Committee is chaired by our CEO, and meetings are attended by the management as well as individuals in charge of each department, who strive to gain a comprehensive understanding of risks based on business activities and changes in the external environment (Figure 1). More specifically, as defined in the INFRONEER Medium-term Vision, the Committee views risk management in the context of our three strategic pillars and priority measures, identifies risks based on the perspectives of "governance, compliance, disclosure, and reporting," "strategies and plans," and "business operations and management," and systematically organizes risks in association with each priority measure.

The Committee then evaluates identified risks, assigns a specific priority to each based on its likelihood of occurrence and impact level, and thereby identifies priority risks. More specifically, risks expected to occur "once every three years to once a year or more" and that would have a "major effect on the entire Group" based on their impact level are identified as priority risks. In addition, we prioritize the formulation of measures in response to priority risks, continuously monitor their progress, and conduct regular reviews that consider the correlation between risk factors to increase the effectiveness of our risk management (Figure 2 and Table 1).

Figure 1 Risk management system



Figure 2 Risk management flow

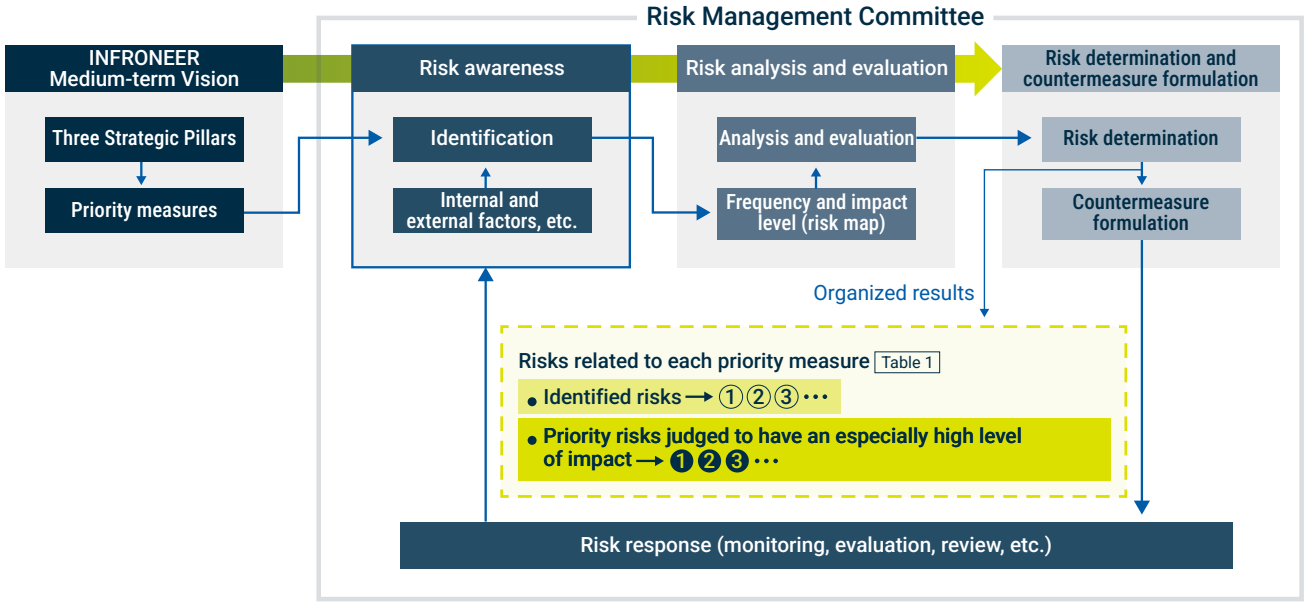


Table 1 Risks related to each priority measure

INFRONEER Medium-term Vision	Three Strategic Pillars	Establishing a revenue base based on INFRONEER's business model		Maximizing added value				Strengthening and improving our corporate culture		
		①	②	③	④	⑤	⑥	⑦	⑧	⑨
	Priority measures	Further expanding business areas and infrastructure service business in Japan	Expanding business areas and entering the infrastructure service business in the global market	Optimizing the value creation process based on value-driven thinking	Maximizing profits through Group collaboration	Realizing stable and low-cost financing	Optimizing fixed and administrative expenses from a perspective that leads to the creation of added value	Promoting a Group human capital strategy	Pursuing optimal governance in response to internal and external environments	Improving investment discipline (standards and monitoring)

Risks		Corresponding priority measures * Cases where priority risks are judged to have an especially high level of impact are indicated using white numbers in black circles.
Governance, compliance, disclosure, and reporting	Unethical acts	①②④⑤⑧
	Legal compliance	①②⑤⑦❽
	Sustainability reporting	①②⑤⑦
	Reputation	①②❺⑦⑨
	Relationships with shareholders and stakeholders	①②⑤⑧
Strategies and plans	M&A and business divestitures	❶②④⑧⑨
	Disasters and catastrophic damage	①②
	Economic situation	❶②❺❾
	Group-wide strategy	①②❸❹⑤❻⑨
	Business strategy	❶❷③④⑤❻❾
	Geopolitical factors	❷⑤
Business operations and management	Corporate culture	❸❹⑥❼⑧
	Reporting system	④❽⑨
	Work-related accidents	①②⑧
	Human capital	①②⑥❼⑧
	Human capital diversity	①②❸⑥❼
	Employee engagement	③❹⑦
	Network security	①②❽
	Financial situation	①②❺⑧❾
	Materials and equipment procurement	①❷⑥⑨
	Product and service quality control	①②③⑥

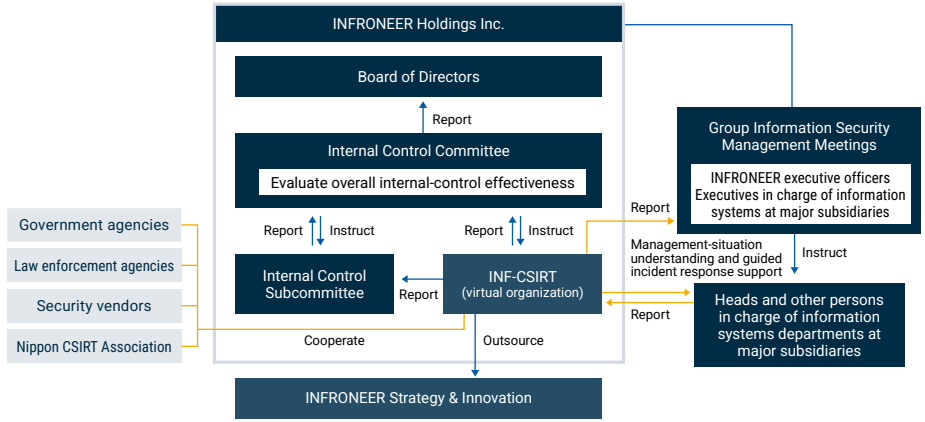
For details on risks and countermeasures related to each priority measure, read our Securities Reports, which are available at: https://www.infroneer.com/jp/ir/security_report/ (in Japanese)

Network Security

The Group positions information security as an important management issue. We are therefore promoting the establishment of an integrated Group-wide security system to underpin business growth and risk mitigation.

Group information security system

We have established a "Basic Policy on Group Information Security," and decision-making is done through "Group Information Security Management Meetings," which are attended by executives in charge of information systems at major subsidiaries.



Main initiatives

Technical measures

The INF-CSIRT, which consists of heads and other persons in charge of information systems departments at each business company, leads our efforts to develop and integrate the information security measures implemented by each company in order to achieve Group-wide cost optimization and measure advancement. More specifically, through ASM*1, which covers VPN devices and external-facing devices, we manage vulnerabilities, manage threat intelligence, including understanding the leakage of information to the dark web, and proactively implement measures to prevent or mitigate damage. In addition, through our fully managed Group-wide EDR*2 and SOC*3 systems, which are available 24 hours a day, 365 days a year, we are promoting expanded identity protection measures.

Human capital measures

We offer Group-wide educational content in the form of e-learning to all executives and employees, and, to complete these courses, it is necessary to submit a written pledge to the president of each company. In addition, we conduct targeted attack email training twice per year, which leads to effective improvement activities based on open, unreported data. We also conduct cybersecurity training and incident response training for executives.

Generative AI measures

To ensure a safe AI utilization environment, we have formulated "Generative AI User's Guidelines" and have established a certified service that satisfies all relevant information management, data protection, legal compliance, and external rights protection standards.

*1. ASM (Attack Surface Management): initiatives aimed at managing the risk of cyberattacks, including continuously tracking and monitoring an organization's external-facing assets
*2. EDR (Endpoint Detection and Response): functions for detecting, investigating, and responding to threats, including infection by malware, suspicious behavior, and other problems at endpoints
*3. SOC (Security Operation Center): a specialized organization that discovers, analyzes, and responds to security incidents

For details on our information security, visit our website at: https://www.infroneer.com/jp/sustainability/governance/information-security.html (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 to not conducting acts that are illegal or that could be misconstrued by society and to maintaining 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 details on the "INFRONEER Group 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.

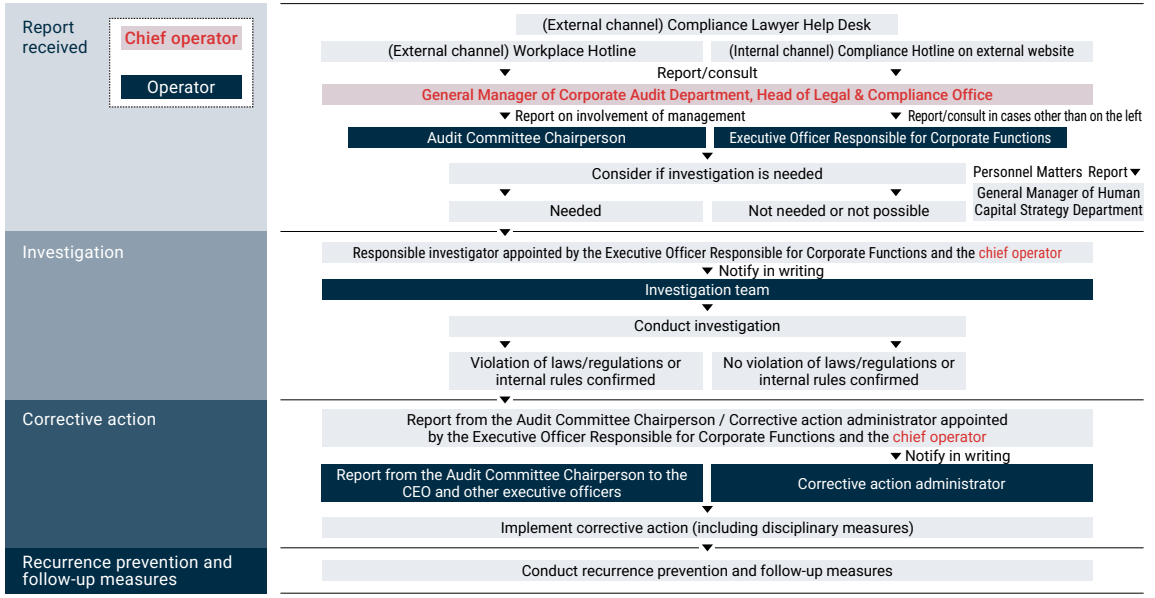
Whistle-blowing system

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 external reporting channels, 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 FY2025, a total of 113 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 major subsidiary 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 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)

Executives

Company directors	Kazunari Kibe	Keiichiro Hashimoto	Seiichiro Yonekura	Koichi Moriya	Rie Murayama	Atsushi Takagi	Hikaru Oguchi
							
Executive name	Director, Representative Executive Officer, President, and CEO Nominating Committee member Compensation Committee member	Outside Director and Chairperson of the Board of Directors Audit Committee member Nominating Committee member	Outside Director Nominating Committee member Compensation Committee member	Outside Director Chairperson of the Nominating Committee Audit Committee member	Outside Director Nominating Committee member Compensation Committee member	Outside Director Compensation Committee member Audit Committee member	Outside Director Compensation Committee member Audit Committee member
Tenure as director (as of June 2026)	4 years 9 months	4 years 9 months	4 years 9 months	4 years 9 months	4 years 9 months	4 years 9 months	1 year
Board attendance (for FY2025)	11/12 meetings	12/12 meetings	11/12 meetings	12/12 meetings	12/12 meetings	12/12 meetings	9/9 meetings

Skills	Criteria for selecting skills	Expected roles and expertise						
Business management	Experience in business execution at the CEO level or equivalent.	●	●		●			
Business strategy/ Industry knowledge	Experience in business-strategy development, market analysis skills, and deep industry knowledge related to business results, expertise, and networks.	●	●	●		●	●	
Finance/ Accounting/M&A	Experience in roles such as CFO, analyst, or M&A advisory positions, with expertise in finance, accounting, and M&A.		●			●	●	●
Sales/Marketing	Experience in sales or marketing and knowledge aligned with relevant markets.	●			●	●		
Internal control/ Risk management	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	Experience in human capital roles or education, with expertise in human capital development, training, and DE&I.	●		●	●	●		●
Technology/R&D/ Quality/Safety	Experience in manufacturing, R&D, or quality and safety management, with knowledge of advanced technology development.	●		●				
Global perspective/ Overseas business management	Experience in overseas operations or at local subsidiaries, with diverse insights into global markets.		●	●	●	●	●	●
IT/DX	Experience in IT or DX-related roles, with knowledge in innovation and problem-solving through digital technologies.	●	●		●			
Sustainability	Experience in sustainability-related roles and knowledge of social issue resolution and sustainable development.	●	●	●	●			

For more information on each director's background, visit our website at: https://www.infroneer.com/en/company/outline.html

For details on the skill matrix, read our Securities Reports, which are available at: https://www.infroneer.com/jp/ir/security_report/ (in Japanese)

Environment

Basic Approach

The INFRONEER Group strives to avoid sacrificing the environment in the process of pursuing economic growth as we aim to help create a society wherein environmental conservation and economic development coexist and complement each other. As we strive to achieve harmony with nature, we will work to provide an abundant natural environment and economic opportunities to both present and future generations. In addition, we view issues that include "climate change, the circular economy, natural restoration, pollution prevention, and water security" as key management issues that are interrelated. As we strive to maintain an accurate understanding of the risks and opportunities faced by INFRONEER, we will aim to achieve sustainable value creation and sustainability in general through our business activities in response to increasingly serious social challenges.

For details on our environmental management, visit our website at:
https://www.infroneer.com/jp/sustainability/environment/management.html (in Japanese)

Climate Change

2050: Achieving carbon neutrality
2030: Reducing Scope 1 and 2 emissions by 45.8%
Reducing Scope 3 emissions by 25% (SBT certified)

Initiatives

- Generating electricity using renewable energy and constructing power generation facilities
- Reducing greenhouse gas emissions across the entire value chain
- Reducing use of raw materials derived from fossil resources



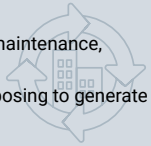
For details on natural restoration, visit our website at:
https://www.infroneer.com/jp/sustainability/environment/climate.html
(in Japanese)

Circular Economy

2030: Achieving at least a 50% ratio of recycled materials used in the asphalt mixture production business
2030: Achieving resource productivity of key materials equivalent to ¥25/kg or more

Initiatives

- Reducing resource consumption and environmental impact
- Recycling construction by-products
- Utilizing stock, including facility renovations, maintenance, management, and operations
- Taking on the challenge of upcycling by repurposing to generate value



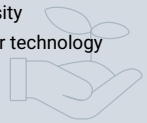
For details on the circular economy, visit our website at:
https://www.infroneer.com/jp/sustainability/environment/circular-economy.html
(in Japanese)

Natural Restoration (Nature Positive)

Achieving nature positivity
Promoting green infrastructure

Initiatives

- Promoting activities in coordination with local communities
- Expanding wood utilization that contributes to sustainable forest management
- Minimizing the impact of land use on biodiversity
- Conserving infrastructure by using AI and other technology



For details on natural restoration, visit our website at:
https://www.infroneer.com/jp/sustainability/environment/living.html (in Japanese)

Pollution Prevention

Managing PRTR-listed* chemical substances
Properly processing wastewater to be discharged
Preventing soil contamination and alleviating and avoiding negative impacts in case of contamination, etc.

Initiatives

- Promoting water treatment technology that can handle per- and polyfluoroalkyl substances
- Initiatives to prevent pollution due to oil and water separating tanks, etc.



* Pollutant Release and Transfer Register

For details on how we help prevent pollution through pollutant release and transfer registers, visit our website at:
https://www.infroneer.com/jp/sustainability/environment/pollution.html
(in Japanese)

Water Security

Comprehensively managing the water environment
Appropriately treating hazardous substances
2027: Setting optimal goals for water resource consumption

Initiatives

- Thoroughly implementing efficient water usage, recycling, reuse, and wastewater treatment
- Reducing water use
- Contributing to the resolution of water issues by developing water-related infrastructure through our water infrastructure business



For details on water security, visit our website at:
https://www.infroneer.com/jp/sustainability/environment/water.html (in Japanese)

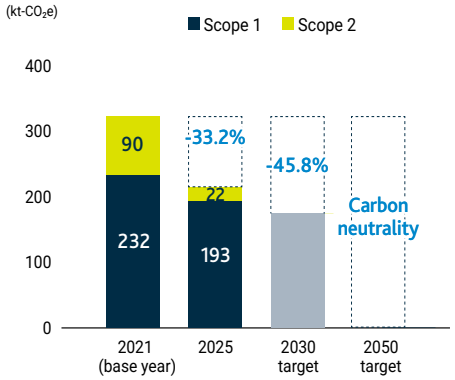
Climate Change Measures

The Group has set a target of reducing Scope 1 and 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*1 certified). In FY2025, as a result of adding the emissions of ARSOCIA CONSTRUCTION, we recorded around 4,660 kt-CO_2e*2 (up 2,090 kt-CO_2e year on year). At the same time, in terms of our progress on emissions reduction targets, we attained a 33.2% reduction for Scopes 1 and 2 combined and a 17.8% reduction for Scope 3 (Categories 1 and 11) compared to FY2021 levels. Going forward, we will enhance our embodied carbon*3 assessment system, promote the introduction of "ecole" in the road civil engineering field, and promote the reduction of emissions throughout the value chain. Meanwhile, in the infrastructure management business, we will cooperate with suppliers and other stakeholders to promote initiatives aimed at increasing the effectiveness of GHG emissions reduction.

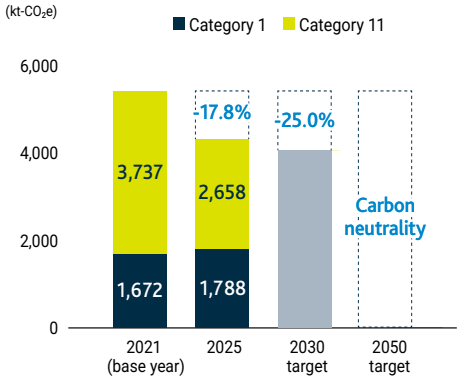
*1 Science Based Targets
*2 Total value for Scopes 1, 2, and 3 (Categories 1 and 11)
*3 Embodied carbon assessments refer to the total amount of CO_2 emitted outside of a building's operation (including material procurement, manufacturing, transportation, construction work, and building disposal/recycling)

For details on our climate change approach, policies, etc., visit our website at:
https://www.infroneer.com/jp/sustainability/environment/climate.html (in Japanese)

GHG emissions: Scope 1 and 2



GHG emissions: Scope 3



Responding to the TCFD recommendations

The Group considers climate change to be a serious management issue, and we are aiming to achieve sustainable corporate value improvement by disclosing information based on the TCFD (Task Force on Climate-Related Financial Disclosures) recommendations.

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

Promoting carbon neutrality through renewable energy

In terms of renewable energy, in addition to the generation of wind power by Japan Wind Development, in FY2026, we launched our post-FIT electricity retail business, and we handle everything from generating to supplying power. In addition, ARSOCIA CONSTRUCTION utilizes floating solar power and other renewable energy technology to promote both decarbonization and business growth in the medium to long term. Furthermore, the participation of MAEDA CORP. in the grid energy storage business contributes to power supply stabilization by absorbing fluctuations in renewable energy. By handling everything from power generation to storage and operations, we are helping to make renewable energy a core power source, achieve a decarbonized society, realize local production for local consumption in the energy infrastructure field, and thereby promote the creation of new value.



(Upper left) ARSOCIA CONSTRUCTION's floating solar power
(Lower left) MAEDA CORP.'s grid-scale batteries
(Right) Japan Wind Development's wind power turbine

For details on the launch of our electricity retail business using post-FIT wind power, visit the website at:
https://www.jwd.co.jp/retail/news/358/ (in Japanese)

Contributing to the reduction of CO_2 emissions throughout the building life cycle

MAEDA CORP. is visualizing CO_2 emissions throughout the building life cycle while calculating whole-life carbon to establish a menu of reduction options. This contributes to the achievement of a decarbonized society as well as the standardization of assessment methods.

For details on whole-life carbon, visit the website at:
https://www.maeda.co.jp/news/2025/02/14/5612.html (in Japanese)

Promoting decarbonization through the road civil engineering technology "ecole"

MAEDA ROAD is using foamed asphalt technology, which improves the mixability and compactibility of asphalt, to achieve mixture production and construction at lower temperatures than before. This makes it possible to reduce the amount of fuel used for aggregate heating and contributes to the reduction of CO_2 emissions. In addition, the foamed asphalt mixture "ecole" offers improved performance while also extending how long the compactibility can be maintained. In this way, the company is reducing the environmental impact and helping to achieve a sustainable society by promoting improved environmentally friendly construction methods and manufacturing technology while also working on new technology development.



MAEDA ROAD's environmentally friendly road civil engineering technology "ecole"

For details on "ecole," visit the website at:
https://ssl.maedaroad.co.jp/product/ecole (in Japanese)

Implementing the Circular Economy Through Business

Instead of simply using resources once and then forgetting about them, the INFRONEER Group aims to help achieve a truly circular economy in which resources are used as long as possible by society to generate value. We consider the entire life cycle of raw materials, including collection, manufacturing, use, recycling, and reuse, and we believe it is important to simultaneously reduce resource input, maximize value, and reduce waste. We will utilize our technology and know-how in the construction and infrastructure fields in combination with a diverse range of initiatives related to recycling, durability improvement, upcycling, and stock utilization to contribute to the realization of a circular economy.

Promoting the recycling of construction by-products

MAEDA ROAD accepts debris and other construction by-products resulting from construction work and then processes them to reuse them as recycled aggregate and recycled roadbed material. These recycled materials are sold or used to mix recycled asphalt, which contributes to reducing both the final disposal amount and the use of natural resources, facilitating the effective circular use of resources.

For details on MAEDA ROAD products, visit the website at:
https://ssl.maedaroad.co.jp/business/retail/ (in Japanese)

Training human capital capable of increasing the service life of renewable energy facilities

EOS Engineering & Service, part of the Japan Wind Development Group, has opened Japan's first ever specialized training facility for training blade repair specialists in order to achieve long-term stable operations of wind turbines. The company is training specialists capable of conducting inspections and making advanced repairs in response to the increasing demand for maintenance stemming from larger wind turbines and the expansion of offshore wind power. By increasing the service life and ensuring the stable operations of such facilities, the company is contributing to the sustainable use of renewable energy.



Blade Training Center, EOS Engineering & Service Co., Ltd.

For details on the Blade Training Center, visit the website at:
https://www.jwd.co.jp/news/2026021701/ (in Japanese)

Initiatives to take advantage of the value of existing infrastructure

In addition to increasing the service life by making improvements to existing public facilities and social infrastructure, MAEDA CORP. stays involved in related operations for the long term to improve the value of such assets.

For details on the Toyama City Gymnasium R Concession Project, visit the website at:
https://www.maeda.co.jp/works/datsuukeoi/toyama_arena.html (in Japanese)

Natural Restoration (Nature Positive) Initiatives

The Group recognizes dependence and effects on biodiversity as important management issues and positions the achievement of nature positivity as a medium- to long-term strategy. In addition to analyzing nature-related risks and opportunities and disclosing relevant information based on the TNFD (Taskforce on Nature-related Financial Disclosures) Recommendations, we pursue initiatives that combine carbon neutrality and circular economy considerations, thereby striving to achieve both business sustainability and the functional value of infrastructure. In addition, we work with communities to recover natural capital and improve social value by participating in 30by30 and promoting green infrastructure.

Conserving trees and infrastructure by using AI

ARSOCIA CONSTRUCTION has developed "tree AI®," a tree risk assessment system that uses AI-powered image analysis. This system easily and efficiently assesses trees that pose a risk of falling or dropping their branches, and, by digitally visualizing the results of such inspections, the system facilitates planned tree management. Municipalities, etc. have been making progress on demonstrating the use of this system as a way to conserve the natural environment while also ensuring the safety and security of infrastructure, and it therefore contributes to the establishment of sustainable social infrastructure from the perspective of managing nature.

> tree AI® P.57

For details on tree AI®, visit the website at:
https://www.smcon.co.jp/topics/2025/12171300/ (in Japanese)

Urban development enabling the coexistence of road civil engineering and greenery

MAEDA ROAD has developed the "Green infrastructure construction method," which achieves both the healthy growth of roadside trees and functional road civil engineering. This method involves setting up a pressure-resistant planting base under the pavement to improve the tree root-system environment, thereby reducing the likelihood of root exposure and helping to reduce the risk of trees falling over. In addition, by incorporating the wide range of functions offered by greenery, including hot-environment mitigation and rainwater runoff control, into urban infrastructure, the company is promoting sustainable urban development that harnesses the power of nature.



MAEDA ROAD CONSTRUCTION's MD Green Infrastructure Method

For details on the "Green infrastructure construction method," visit the website at:
https://ssl.maedaroad.co.jp/product/md (in Japanese)

Research center certified as a Natural Symbiosis Site

MAEDA CORP's ICI Center was certified as a Natural Symbiosis Site due to the company's initiatives to conserve biodiversity based on its landscaping plan for the site, which establishes it as a biotope. The ICI Center has also been registered to an international database as an OECM (other effective area-based conservation measure), and it functions as a center that both demonstrates and conveys the importance of nature positivity.

For details on the ICI Center, visit the website at:
https://www.ici-center.jp/en/

> Pollution Prevention Initiatives

The Group recognizes the risk of water pollution stemming from business activities as an important environmental issue, and we pursue initiatives aimed at conserving the water environment through appropriate management and technology development. Therefore, we strive to reduce harmful emissions and increase the sophistication of treatment as we ensure comprehensive legal compliance, thereby reducing the effects of our overall business on water quality. In addition, we promote technology development in response to increasingly sophisticated environmental regulations and new risks, thus contributing to the achievement of safe, sustainable water utilization.

■ Water treatment technology that can handle per- and polyfluoroalkyl substances



Water treatment system

In response to the risk of polluting water with per- and polyfluoroalkyl substances (PFOS and PFOA), MAEDA CORP. has developed a water treatment system and implemented on-site water purification. This system consists of two units, a clarifier unit and an ion-exchange resin unit. The system is portable and can be transported using a general-purpose vehicle, which makes it possible to rapidly respond to pollution near the source. In addition, treated water can be reused, which helps to prevent the spread and discharge of pollutants, while also contributing to reducing the secondary environmental impact. Through such technology, the company is increasing its ability to respond to the increasingly strict regulations surrounding per- and polyfluoroalkyl substances while also preventing or continuously reducing water-related environmental risks.

For details on the De-POP's ION® PFAS adsorption treatment system, visit the website at:
https://www.maeda.co.jp/tech_service/detail/de-pops_ion.html (in Japanese)

> Contributing to Water Security

The Group recognizes water as a crucial foundation for both social and economic activities, and we therefore pursue initiatives aimed at ensuring the stable supply and sustainable use of water. By promoting the operation, maintenance, and management of water infrastructure, the efficient use of water resources, and the handling of water-related risks in an integrated manner, we strive to improve water safety and supply reliability. In addition, in response to the challenges posed by climate change and aging infrastructure, we contribute to the establishment of highly resilient water supply systems as well as enhanced water security for local communities.

■ Sustainable water infrastructure operations

The Group is actively engaged in sustainable water infrastructure operations through public-private partnership projects in the water supply, industrial water supply, and sewerage fields. For the Miotsukushi Industrial Water Concession and Miura Sewerage Concession, operation, maintenance, and management are handled through SPCs. By combining our expertise in cooperation with affiliated companies, we promote the efficient, stable utilization of water resources, and we are also engaged in the Toyohashi Water Purification Plant Concession, through which we are striving to ensure the safety and sustainability of water.

> Introduction to our water infrastructure business P.28

For details on the Miura Sewerage Concession, visit the website at:
https://www.miuragesuido.com/ (in Japanese)

■ Water loss prevention

Through the Miotsukushi Industrial Water Concession, we are striving to prevent large-scale water leakage in aging pipelines by implementing condition-based monitoring and maintenance using water leak sensors and analysis technology. In addition, we are developing systems to respond to sudden water leaks, enabling rapid recovery and helping to minimize damage. Through these preventive and responsive measures, we help to reduce water loss and ensure a stable water supply.



Repair site: identifying a leak

For details on the Miotsukushi Industrial Water Concession, visit the website at:
https://www.osakakousui.com/ (in Japanese)

■ Reducing water use

ARSOCIA CONSTRUCTION has developed a water circulation bio-toilet in an effort to more effectively utilize water resources. These toilets do not rely on water or sewerage, and they instead use microbial treatment and reuse washing water to greatly reduce the amount of water used. Because these bio-toilets do not require pumping or a water supply, they can be used to ensure a sanitary environment even in environments that face infrastructure restrictions. In addition, the toilets remain available for use even during disasters, which contributes to improved water security and resilience.



SMilet® water circulation bio-toilets

For details on SMilet® water circulation bio-toilets, visit the website at:
https://www.smcon.co.jp/service/biotoilet/ (in Japanese)

Society

Human Rights

Policies and philosophy

Based on the Group's mission to "challenge the status quo of existing infrastructure businesses and deliver the most suitable service globally with innovative ideas," we do business with diverse partners in Japan and around the world. Underlying this is our recognition of the importance of respecting the human rights of all individuals involved in our businesses. We have formulated a Human Rights Policy in support of international norms to ensure that respect for human rights is upheld in all of our business processes. We review this policy in accordance with changes in the social environment and international requests and implement initiatives together with internal and external stakeholders.

Human rights due diligence

Based on the UN Guiding Principles on Business and Human Rights, the Group is working to identify, evaluate, prevent, and reduce human rights violations in our businesses and supply chains. To fully understand risks, we identify significant risks based on their severity and likelihood of occurrence, accounting for business characteristics and the social environment. We then implement preventive/corrective measures and monitor the risks we have identified, striving to improve continuously while drawing on external knowledge.

For INFRONEER Group Human Rights Policy, visit our website at:
https://www.infroneer.com//pdf/en/sustainability/INFRONEER%20Group%20Human%20Rights%20Policy.pdf
For the promotion structure and human rights risk map, visit our website at:
https://www.infroneer.com/jp/sustainability/social/human-rights.html (in Japanese)

Human rights-related consultations and whistle-blowing channel

The Group has established a whistle-blowing channel that can be used by external parties to accept human rights-related consultations and reports. We take appropriate measures in response to these reports.

Support for foreign skilled workers

At MAEDA CORP., we are taking steps to ensure respect for the human rights of foreign skilled workers, especially our technical intern trainees, in collaboration with Zenyu-kai, an organization formed by cooperating companies. Using questionnaires and individual visits to understand issues and risks, we are working to create an environment where they can work with peace of mind by providing recruitment and employment support, Japanese language education, and ongoing support.



Individual visit with technical intern trainees

For more details on support for foreign skilled workers, visit our website at:
https://www.infroneer.com/jp/sustainability/social/human-rights.html (in Japanese)

Supply Chain Management

Policies and philosophy regarding sustainability procurement

The Group views suppliers as important partners and aims to realize sustainability across our entire supply chain built on relationships of trust. Based on our Sustainability Procurement Policy and Guidelines, we are promoting responsible procurement that considers the environment, human rights, occupational health and safety, and compliance—not only quality, price, and delivery times. We request our business partners to cooperate with our efforts and are working to build a sustainable supply chain through dialogue and collaboration.

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

Rollout of Sustainability Procurement Guidelines

The Group is working to improve sustainability in our supply chain through collaboration with our suppliers. In FY2025, we received responses from our key suppliers who evaluated the level of adoption of our initiatives, giving us an above-average score of 3.6 out of 5. We are using the results of this survey to understand risks as part of our human rights due diligence process. Going forward, we will continue to improve our initiatives and facilitate the adoption of the Guidelines through dialogue and feedback.

Results of the survey on INFRONEER Group's Sustainability Procurement Guidelines

Category	Score
Adoption of Sustainability Procurement Guidelines	3.1
Human rights/labor	4.1
Safety and health	3.7
Environment	3.1
Fair trade/ethics/anti-corruption	3.7
Information security	3.7
Business continuity plan	3.8
Contribution to society	3.2
Overall average score	**3.6**

Overview	
Target	All major Group subsidiaries 967 business partners
Response rate	63.1% (610 companies)
Evaluation method	Evaluation based on a 5-point scale (5 being the maximum) of 15 items in 8 categories
Breakdown by number of employees	Companies with 100 or more employees: 122 (20%) Companies with fewer than 100 employees: 488 (80%)

For more details about the results of the FY2025 survey on INFRONEER Group's Sustainable Procurement Guidelines, visit our website at:
https://www.infroneer.com/pdf/sustainability/social/SurveyResults2025-ProcurementGuidelines.pdf (in Japanese)

Labor Standards

Policies and philosophy

In the construction industry, businesses are required to adapt to workstyle reforms, such as the regulations limiting overtime that went into effect in April 2024. At the INFRONEER Group, we are working to reduce long working hours by ensuring a safe and healthy labor environment and by promoting appropriate working hour management based on our Human Rights Policy.

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

MAEDA ROAD has implemented a full two-day weekend system and steadily resolved issues at each worksite due to this change. As a result, mindsets and behaviors have changed significantly, and a 100% adoption rate was achieved from the first fiscal year of implementation.

Automating tasks to ensure appropriate working conditions in dam construction



Automated green cutting machine

At MAEDA CORP., we are developing and introducing automated machinery to address challenges in dam construction, such as grueling manual work involved in concrete surface treatment and constraints on work processes, thereby promoting the automation of these tasks. Through these efforts, we aim to reduce worker strain and help reduce workers' long working hours.

Local Communities

Coexisting and creating value with local communities

We aim to build relationships of trust and create sustainable value through initiatives, dialogue, and other efforts in each area in which we operate. Using coexistence with local communities as our foundation, we are contributing to local economies by creating jobs and sourcing locally.

Promoting understanding of infrastructure through events (MAEDA SEISAKUSHO)

Through interactive experiences such as operating a Spider Crane, we provide learning opportunities to help familiarize the public with infrastructure.



FY2025 industry-academia collaboration courses (Japan Wind Development)

In collaboration with Aomori Yamada High School and Junior High School, we provide opportunities to think about the future of the region from the perspective of wind power.



Promoting the fisheries industry in Nakadomari Town (Japan Wind Development)

We promote initiatives to boost the local fisheries industry in collaboration with the Kodomari Fisheries Cooperative in Nakadomari Town.



Blood drive campaign in the Philippines (ARSOCIA CONSTRUCTION)

We strive to contribute to local healthcare and strengthen relationships with the community by continuing to organize blood drives as part of our railway projects.



Health and Safety

Promoting safety and health

The Group complies with laws and regulations under our safety and health management system and focuses on conducting business activities in a safe and worry-free manner while implementing thorough accident prevention measures.

Improving safety and productivity in mountain tunnel construction

In mountain tunnel construction, we are advancing the use of mechanization, automation, AI, and ICT for work processes that carry a high risk of serious disasters. At MAEDA CORP., we are using tools such as automated explosive charging devices and robotic steel rib installers to reduce manual labor and the need for workers to enter hazardous areas. At ARSOCIA CONSTRUCTION, we are working to reduce risks and improve construction efficiency by using AI to select tunnel blasting patterns and visualize ground conditions.



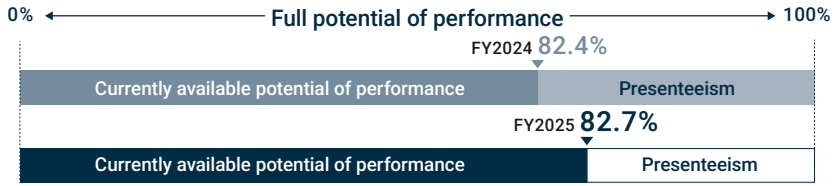
Using AI to select tunnel blasting patterns

Health and productivity management (Medium-term Health and Productivity Management Plan)

Aiming to enhance productivity and corporate value by investing in the health of our organization and employees, the Group has formulated the INFRONEER Group Medium-term Health and Productivity Management Plan, which covers FY2026 through FY2028. During this period, we will designate all health issues continuously identified across the Group as priority issues and promote measures to enhance productivity and corporate value by reducing presenteeism.*

*Presenteeism: A situation in which employees are physically present at work but have reduced productivity levels due to health problems.

Presenteeism



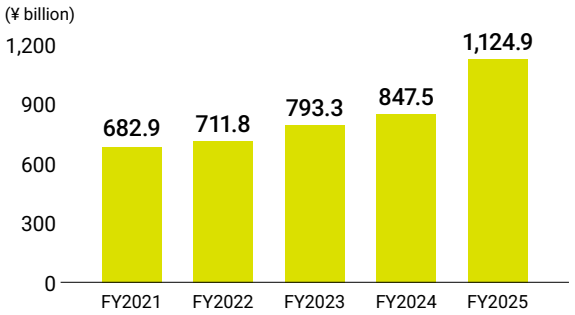
Certified as a "2026 KIH Outstanding Organization"

We were recognized among the "2026 Outstanding Organizations of KENKO Investment for Health (KIH) (Small and Medium-Sized Enterprise Category)." Based on our Medium-term Health and Productivity Management Plan, the Group will strive to improve sustainable corporate value by further enhancing and ensuring the adoption of health-promoting initiatives.

○ INFRONEER Group certified as a "2026 KIH Outstanding Organization (Large Enterprise Category)"
MAEDA CORP., MAEDA ROAD, MAEDA SEISAKUSHO

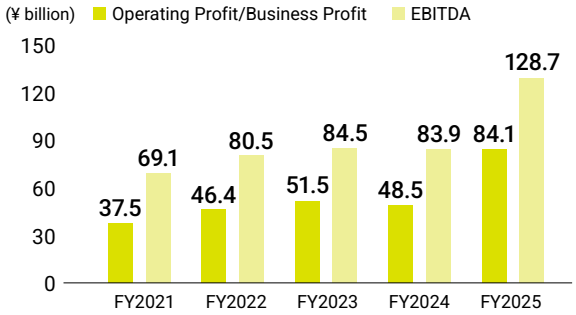
Financial Highlights

Net Sales



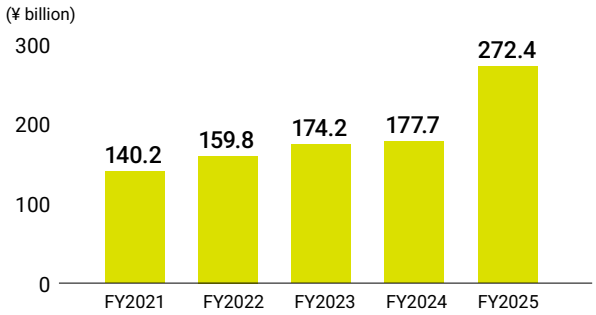
Achieved a record high, driven by factors such as ARSOCIA CONSTRUCTION joining the Group and business growth.

Operating Profit/Business Profit*1 and EBITDA



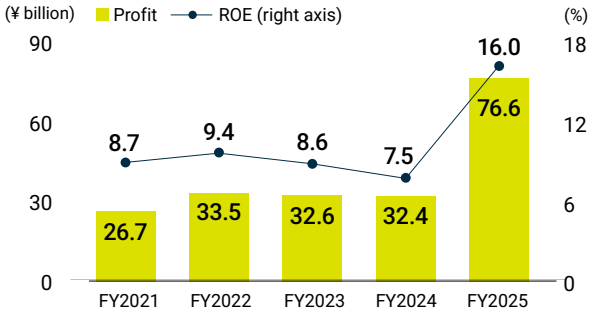
Achieved a record high, driven by factors such as ARSOCIA CONSTRUCTION joining the Group, the gain on transfer of Toyo Construction shares, and business growth in each segment.

Added Value Amount



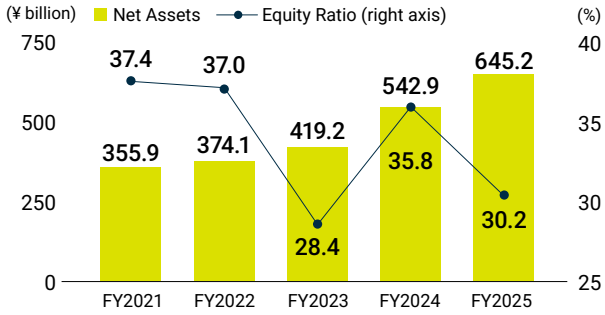
Growth in business scale accompanied by higher depreciation and labor expenses, on top of an increase in business profit.

Net Income Attributable to Owners of Parent and ROE (common shares)



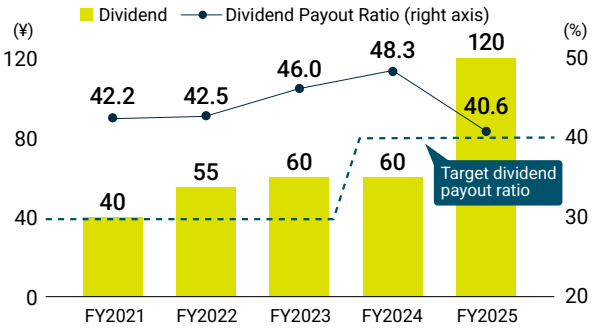
Achieved a record high, driven by factors such as ARSOCIA CONSTRUCTION joining the Group and business growth.

Net Assets and Equity Ratio



Net assets rose on accumulated profit, while liabilities increased with the consolidation of ARSOCIA CONSTRUCTION.

Dividend Per Share and Dividend Payout Ratio

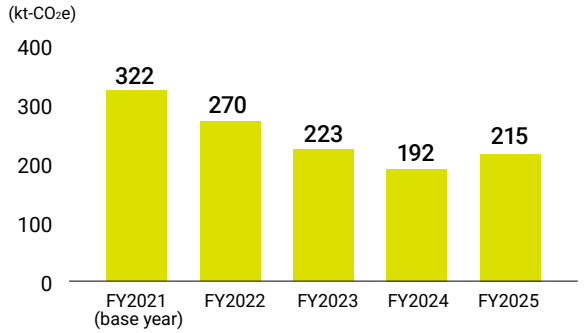


Delivered stable, growth-linked shareholder returns under a policy of a dividend payout ratio of 40% or more.

*1 International Financial Reporting Standards (IFRS) applied beginning in FY2022

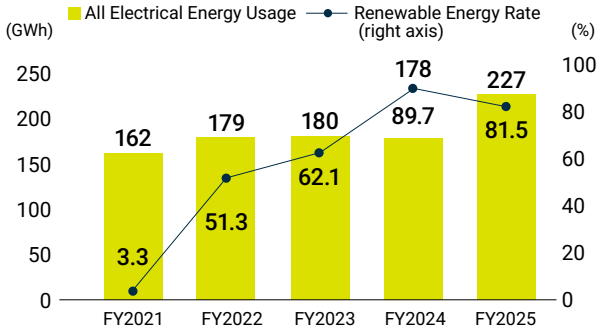
Non-financial Highlights

GHG Emissions (Scope 1 + 2)*1,*2



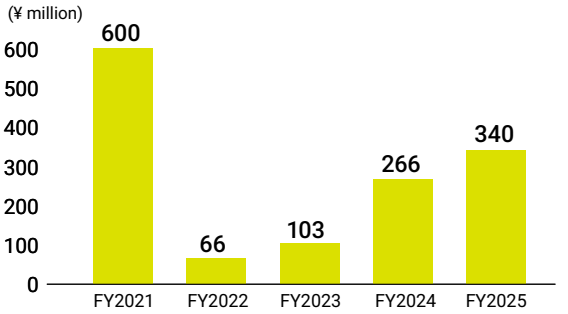
Rising with the addition of ARSOCIA CONSTRUCTION, but trending downward thanks to factors such as reductions delivered by "ecole" and the active use of renewable energy.

Renewable Energy Rate



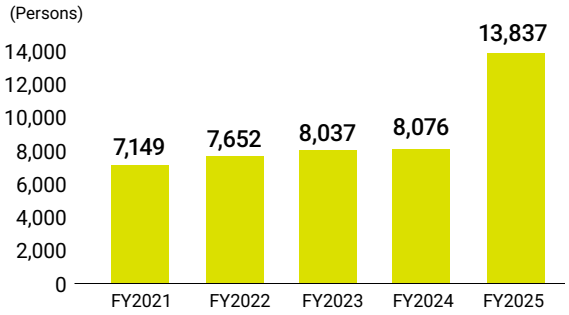
Flat owing to a change in boundary, but we continue to promote renewable energy.

Contributed Amounts in Dividends for the Earth



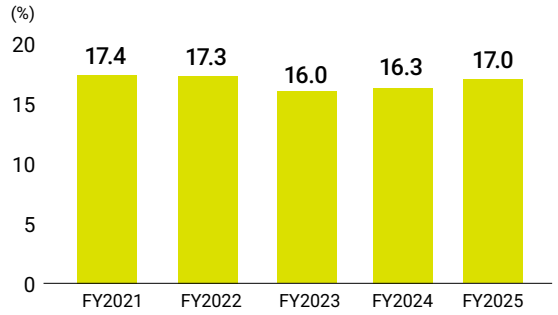
Contributions increased as an update to the scheme broadened the range of projects eligible for support in solving social challenges.

Number of Employees



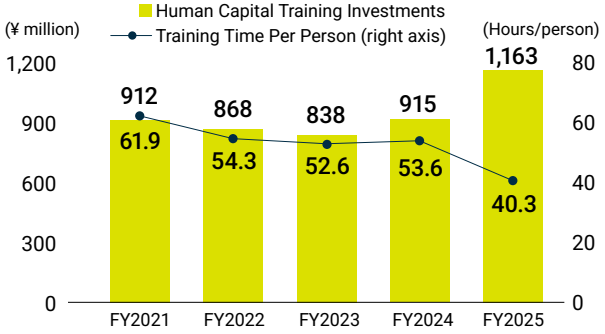
The consolidated number of employees is trending upward as the Group base expands through active mergers and acquisitions (M&A).

Female Employment Rate*3



The ratio is flat, but we are strengthening candidate pools at the recruitment stage for both new graduates and mid-career hires and pressing ahead with hiring.

Human Capital Training Investments and Training Time Per Person*4,*5



Hours fell as we shifted training from quantity to quality and moved to advanced selective programs, but total investment in human capital grew.

*1 Environmental values may change as accuracy improves.
*2 FY2021 is the base year for GHG emissions and therefore includes figures for ARSOCIA CONSTRUCTION; FY2022, FY2023, and FY2024 precede the business integration and do not include its figures.
*3 Persons who have labor contracts with INFRONEER, MAEDA CORP., MAEDA ROAD, MAEDA SEISAKUSHO, Japan Wind Development, and ARSOCIA CONSTRUCTION.
*4 Human Capital Training Investments: Total amount of training materials, outsourced instructor fees, system costs, and total salary, bonuses, and statutory welfare for the human capital development department
*5 Training time per person: The total number of training hours divided by the average number of all employees during the period

Financial Summary

For figures on our principal subsidiaries, see our Fact Book at: https://www.infroneer.com/en/ir/factbook/

		INFRONEER				
	(Unit)	2021	2022	2023	2024	2025
Operating Results						
Net Sales	¥ billion	682.9	711.8	793.3	847.5	1,124.9
Operating Profit/Business Profit	¥ billion	37.5	46.4	51.5	48.5	84.1
Ordinary Profit	¥ billion	38.0	—	—	—	—
Net Income Attributable to Owners of Parent	¥ billion	26.7	33.5	32.6	32.4	76.6
Depreciation	¥ billion	31.6	34.1	33.1	35.3	44.6
Capital Investment	¥ billion	21.7	18.4	45.0	41.9	47.9
EBITDA	¥ billion	69.1	80.5	84.5	83.9	128.7
R&D Costs	¥ billion	5.7	4.9	5.1	5.7	6.8
Labor Expenses	¥ billion	81.4	84.2	94.6	100.6	140.4
Financial Condition						
Total Assets	¥ billion	926.4	978.1	1,410.6	1,450.7	2,023.1
Net Assets	¥ billion	355.9	374.1	419.2	542.9	645.2
Equity	¥ billion	346.9	361.8	399.9	519.1	610.6
Interest-bearing Debt	¥ billion	193.5	166.9	481.5	395.2	573.3
Retained Earnings	¥ billion	198.3	242.6	255.7	278.5	349.2
Cash Flows						
Cash Flows from Operating Activities	¥ billion	(16.3)	102.8	38.9	39.6	186.3
Cash Flows from Investing Activities	¥ billion	(22.5)	(22.1)	(279.3)	(27.5)	(32.8)
Cash Flows from Financing Activities	¥ billion	15.3	(67.8)	261.3	(4.9)	86.7
Free Cash Flows	¥ billion	(38.9)	80.7	(240.3)	12.1	153.5
Cash and Cash Equivalents at End of Period	¥ billion	76.0	91.9	113.4	119.5	361.0

		INFRONEER				
	(Unit)	2021	2022	2023	2024	2025
Stock Information						
Total Number of Shares Issued	Thousand Shares	291,071	274,845	274,845	274,845*1	274,845*1
Average Number of Shares During the Period	Thousand Shares	281,729	258,899	249,578	247,136	250,365
Ending Number of Shares	Thousand Shares	264,376	252,515	246,981	248,487	252,693
Dividend	¥	40	55	60	60	120
Dividend Payout Ratio	%	42.2	42.5	46.0	48.3	40.6
EPS (Earnings Per Share)	¥	94.73	129.35	130.51	124.15*2	295.46*2
BPS (Book Value Per Share)	¥	1,312.19	1,432.70	1,619.25	1,682.05*3	2,012.57*3
Management Index						
ROIC	%	4.7	5.5	4.0	3.6	5.4
ROE	%	8.7	9.4	8.6	7.5	16.0
ROA	%	5.8	3.4	2.7	2.3	4.4
D/E ratio	Times	0.56	0.46	1.10	0.76	0.90
Operating Profit Margin	%	5.5	6.5	6.5	5.7	7.5
Equity Ratio	%	37.4	37.0	28.4	35.8	30.2
Overseas Sales Ratio *MK, MS, ASC	%	—	—	—	—	4.3*4

*1 Common shares only; the 20,000 thousand bond-type class shares are not included.
*2 Preferred share dividends deducted
*3 Equity adjusted in the calculation
*4 Before consolidation elimination
Note: Performance figures are based on financial results announcements and the like, rounded to the nearest hundred million yen. IFRS applied beginning in FY2022.

Non-financial Summary

For figures on our principal subsidiaries, visit our website at:
https://www.infroneer.com/jp/sustainability/ESG-data.html (in Japanese)

		INFRONEER*1				
	(Unit)	2021	2022	2023	2024	2025
Environment*2						
GHG Emissions*3						
Scope 1	t-CO_2e	232,108	230,335	209,869	183,045	193,188
Scope 2 Market-based	t-CO_2e	90,148	39,960	13,636	8,558	21,940
Scope 2 Location-based	t-CO_2e	90,148	77,860	76,551	75,173	96,539
Scope 3 Total	t-CO_2e	5,704,383	3,054,939	2,820,284	2,706,387	4,822,346
Scope 3 Category 1	t-CO_2e	1,672,866	897,424	979,226	1,259,812	1,788,364
Scope 3 Category 11	t-CO_2e	3,737,720	1,860,141	1,541,906	1,117,700	2,658,196
Power Consumption	MWh	161,792	179,143	179,859	177,698	227,017
Waste: Total Emissions	t	1,041,436	1,020,767	833,390	1,170,477	1,298,899
Waste: Final Disposal Amount	t	49,329	24,402	39,250	84,799	46,552
Recycling Rate	%	95.3	97.6	95.3	92.7	96.4
Water Intake*4	m^3	747,518	892,975	838,789	749,626	1,627,307
Water Discharge*4	m^3	768,567	759,689	920,293	872,644	1,727,592
Contributed Amounts in Dividends for the Earth	¥ million	600	66	103	266	340

*1 Figures for INFRONEER are totals for the entire Group, with some exceptions.
*2 Environmental values may change as accuracy improves.
*3 FY2021 is the base year for GHG emissions and therefore includes figures for ARSOCIA CONSTRUCTION; FY2022, FY2023, and FY2024 precede the business integration and do not include its figures.
*4 Numerical values for MAEDA SEISAKUSHO through FY2022 are results of the head office only. Company-wide results are presented beginning in FY2023.

		INFRONEER*1				
	(Unit)	2021	2022	2023	2024	2025
Society						
Number of Employees	Persons	7,149	7,652	8,037	8,076	13,837
Female Employment Rate*5	%	17.4	17.3	16.0	16.3	17.0
Employment Rate of Persons with Disabilities*6	%	—	—	2.39	2.40	2.34
Annual Paid Leave Rate*5	%	59.4	65.5	65.6	58.4	61.0
Number of Bases	Locations	309	311	315	308	360
Number of Cooperating Companies*7	Companies	716	718	735	763	2,529
Average Employee Salary*8	¥ thousand	9,830	9,671	10,992	11,055	11,888
Ratio of Females in Managerial Positions*9	%	1.6	1.3	1.6	2.3	3.1
Male Parental Leave Acquisition Rate	%	7.4	8.6	16.0	15.4	53.0
Gender Pay Gap (Among All Workers)	%	—	60.2	60.4	63.0	70.5
Governance						
Internal Directors	Persons	4	4	4	4	1
Outside Directors	Persons	5	5	5	5	6
Board of Directors Attendance Rate	%	99.0	95.8	100.0	98.9	97.8
Audit Committee Attendance Rate	%	100.0	97.4	94.7	94.4	96.1
Nominating Committee Attendance Rate	%	92.9	95.9	97.1	100.0	96.0
Compensation Committee Attendance Rate	%	97.2	91.0	97.0	98.6	98.8
Number of Legal Violations: Compliance*10	Violations	3	3	0	4	6

*5 Persons who have labor contracts with INFRONEER, MAEDA CORP., MAEDA ROAD, MAEDA SEISAKUSHO, Japan Wind Development, and ARSOCIA CONSTRUCTION.
*6 Persons who, as of June 2026, have labor contracts with INFRONEER, MAEDA CORP., MAEDA ROAD, MAEDA SEISAKUSHO, Japan Wind Development, and ARSOCIA CONSTRUCTION.
*7 The number of cooperating companies is the combined membership of the cooperating company associations at MAEDA CORP., MAEDA ROAD, and ARSOCIA CONSTRUCTION.
*8 Average employee salary is a non-consolidated figure for INFRONEER.
*9 The proportion of women among all managerial positions
*10 The number of legal violations discovered through internal whistleblowing

External Evaluations and Glossary

Principal External Evaluations

INFRONEER places importance on greater objectivity and transparency as it creates value through its business activities and works to bring about a sustainable society. As part of this, we actively obtain evaluations and certifications from external organizations and verify the effectiveness of our initiatives from a third-party perspective.

For more details on our external evaluations, visit our website at:
https://www.infroneer.com/jp/sustainability/evaluation.html (in Japanese)



CDP



Certified Outstanding Organization of KENKO Investment for Health



Eruboshi Certification

Glossary

The definitions of the key terms used in this Integrated Report and "INFRONEER Vision 2030" are shown below.

Term	Definitions in INFRONEER Vision
Infrastructure	Constructed structures, such as schools, medical facilities, prisons, stadiums and the like, and civil structures, such as roads, water supply and sewerage systems, airports, ports, and renewable energy facilities and the like; indicates tangible (hard) facilities of all social infrastructures. Note: An intangible (soft) infrastructure other than the above is indicated separately as XX infrastructure. (e.g., "information infrastructure").
Infrastructure service	The operation, maintenance, and management of the above infrastructure and services provided directly and indirectly through the infrastructure; indicates "soft" as opposed to "infrastructure" that indicates a tangible (hard) facility.
A world of boundless infrastructure services	A status of providing unrestricted services beyond the established mechanisms, regulations, and rules of the infrastructure industry and market. As a result, a state making it possible for the beneficiaries to make "optimal choices."
Engineering capabilities	A construction technology capability that demonstrates the strengths of each business company of INFRONEER in the "construction" business. This includes not only technical capabilities at the construction stage, but also sales capabilities, design and proposal capabilities, technical development capabilities, and others.
PPP/PFI	PPP (Public Private Partnership): A partnership between the public administration and the private sector in the construction, maintenance, management, and operation of public facilities to achieve efficient use of financial funds and administrative efficiency by utilizing the ingenuity of the private sector. PFI (Private Finance Initiative): Based on the PFI Act, utilize private funding, management capabilities, and technical capabilities for the construction, maintenance, management, and operation of public facilities and the like.
Concession	A PFI project in which a private business operator acquires the right to operate a public facility or the like (the right to operate a public facility or the like owned by the public and to receive usage fees of the facility as its own income) based on the PFI Act (Act on Promotion of Private Finance Initiative). This enables private business operators to operate, maintain, and manage public facilities and the like in a stable manner over the long term, making it easier to demonstrate private ingenuity. Note: BT+Concession method: A method in which a private business operator carries out design and construction based on its own proposals, transfers ownership to the local government upon completion, and then the local government grants the business operator the right to operate said public facility or the like, under which the operator carries out maintenance and operation.
Comprehensive private contracting project	Comprehensive outsourcing of multiple operations and facilities so that the private operator entrusted with the management and operation of public facilities can carry out the management and operation efficiently and effectively through the use of its ingenuity and know-how.

Rating Information (As of March 2026)

Rating Agency Name	Long- term	Short- term
Japan Credit Rating Agency, Ltd. (JCR)	A+ (Stable)	-

ESG Rating Information (As of March 2026)

Rating Agency Name	Rating
MSCI ESG Ratings	AA

TOPICS Use and Evaluation of Sustainable Finance

We are promoting the use of sustainable finance with the aim of solving sustainability issues and enhancing corporate value at the same time. In June 2026, working with Mizuho Trust & Banking and Mizuho Bank, we introduced Japan's first incentive scheme built on a sustainability-linked loan, tying progress against our sustainability targets to employee benefits.

Our FTSE ESG rating score, which is linked to executive compensation, also improved to 3.9, and we were selected for the FTSE4Good Index Series and the FTSE JPX Blossom Japan Index for the first time, a sign of how highly the capital markets regard our sustainability initiatives. Going forward, we will raise the effectiveness of our initiatives by linking sustainability targets to incentives as we will work to enhance corporate value and bring about a sustainable society at the same time.

For the new employee incentive scheme built on a sustainability-linked loan, visit our website at:
https://www.infroneer.com/jp/news-article/2026/05/14/1207.html (in Japanese)

Selected for the first time as a constituent of the ESG investment indices FTSE4Good Index Series and FTSE JPX Blossom Japan Index
https://www.infroneer.com/jp/news-article/2026/07/15/1253.html (in Japanese)

Company Overview and Stock-related Information

Company Overview

Trade Name	INFRONEER Holdings Inc.
Headquarters	2-10-2 Fujimi, Chiyoda-ku, Tokyo
Established	October 1, 2021
Business Category	Management of the entire Group including provision of all sorts of infrastructure services from planning to design, construction, and operation & maintenance of infrastructures
Paid-in Capital	¥20.0 billion
Net Sales (FY2025)	¥1,124.9 billion
Consolidated Number of Employees	13,837 employees
Listed Stock Exchange	Prime Market, Tokyo Stock Exchange (Stock Code: 5076)
Administrator of the Shareholder Registry	Mizuho Trust & Banking Co., Ltd.
Number of Shares Per Unit	100 shares

Group companies

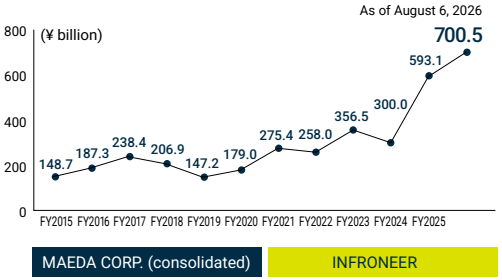
- MAEDA CORPORATION
- MAEDA ROAD CONSTRUCTION Co., Ltd.
- MAEDA SEISAKUSHO CO., LTD.
- Japan Wind Development Co., Ltd.
- ARSOCIA CONSTRUCTION CO., LTD.
- INFRONEER Strategy & Innovation Corp.
- Realtech Co., Ltd.
- SUMIKEN MITSUI ROAD CO., LTD.
- Japan Management
- Fujimi Koken Co., Ltd.
- FBS CO., LTD.
- Aichi Road Concession Co., Ltd.
- Miura Sewerage & Concession Co., Ltd.
- Miotsukushi Industrial Water Concession Co., Ltd.
- ARSOCIA CONSTRUCTION Steel Structure Engineering Co., Ltd.
- Dopy Construction Industry Co., Ltd.

109 other companies

For more company overview information, visit our website at:
https://www.infroneer.com/en/company/outline.html

Stock-related Information

Changes in Market Capitalization



Dividend Per Share and Dividend Payout Ratio

	FY2025	Plans for FY2026
Dividend	120 yen (including interim dividend)	132 yen (including interim dividend)
Dividend Payout Ratio	40.6%	40.1%

For details on our shareholder return policy P.37

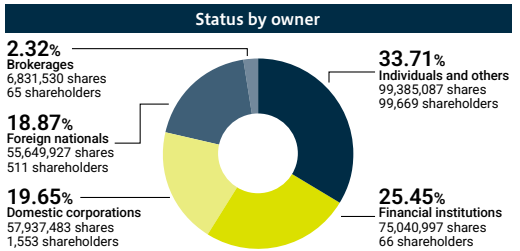
Stock Information

Stock-related Matters (As of March 31, 2026)

(1) Total Number of Shares Authorized
1,200,000,000 shares

(2) Total Number of Shares Issued
(Including Treasury Shares)
Common Shares 274,845,024 shares
Series 1 Bond-Type Class Shares 20,000,000 shares

(3) Number of Shareholders
Common Shares 80,568 shareholders
Series 1 Bond-Type Class Shares 21,296 shareholders



Major Shareholders (Top 10)

Shareholder Name	Number of Shares Held (In Thousands)		Shareholding Ratio (%)
	Common Shares	Total	
The Master Trust Bank of Japan, Ltd. (Trust Account)	30,969	30,969	11.01
Hikarigaoka Corporation	26,694	26,694	9.49
Custody Bank of Japan, Ltd. (Trust Account)	12,888	12,888	4.58
INFRONEER Employee Shareholding Association	9,681	9,681	3.44
Custody Bank of Japan, Ltd. (Money Trust Taxable Account)	5,274	5,274	1.87
Sumitomo Realty & Development Co., Ltd.	3,421	3,421	1.22
STATE STREET BANK AND TRUST COMPANY 505223	3,404	3,404	1.21
Sumitomo Mitsui Banking Corporation	3,061	3,061	1.09
MAEDA CORPORATION Business Partner Shareholding Association	2,991	2,991	1.06
The Kyoei Fire and Marine Insurance Co., Ltd.	2,842	2,842	1.01

*1 The Company holds treasury shares (13,447,701 common shares) but is excluded from the above list of major shareholders.
*2 The shareholding ratio is calculated by deducting treasury shares (13,447,701 common shares).
*3 Series 1 bond-type class shares are not included.

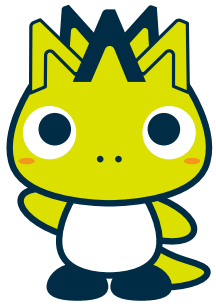
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