Who is it?

Q. What is INFRONEER?

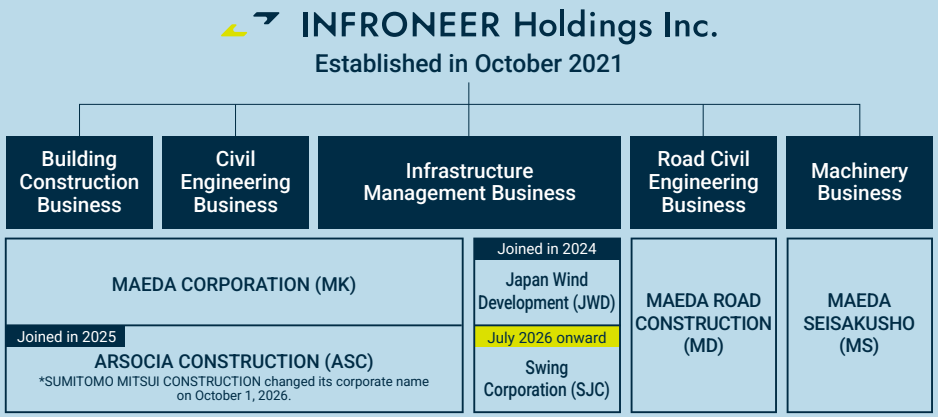
A.

INFRONEER is Japan's first integrated infrastructure service company

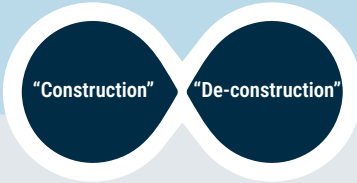
From "building" and "constructing" to "infrastructure that creates value"

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?

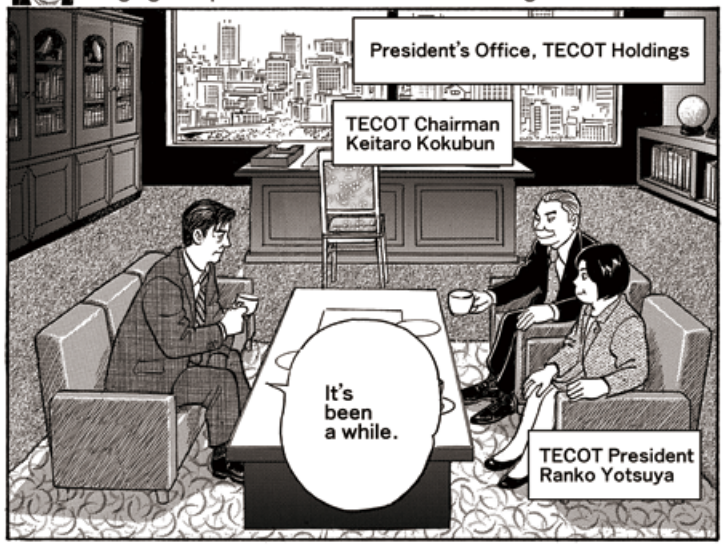
©Kenshi Hirokane/Kodansha

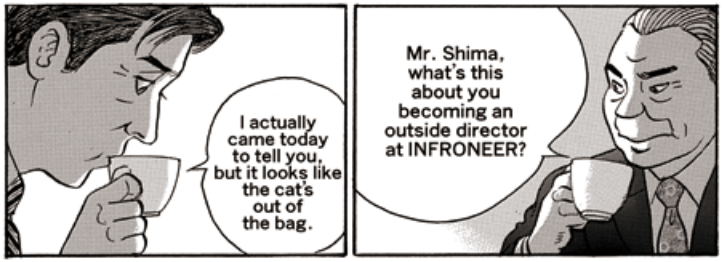
About the Kosaku Shima series

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.

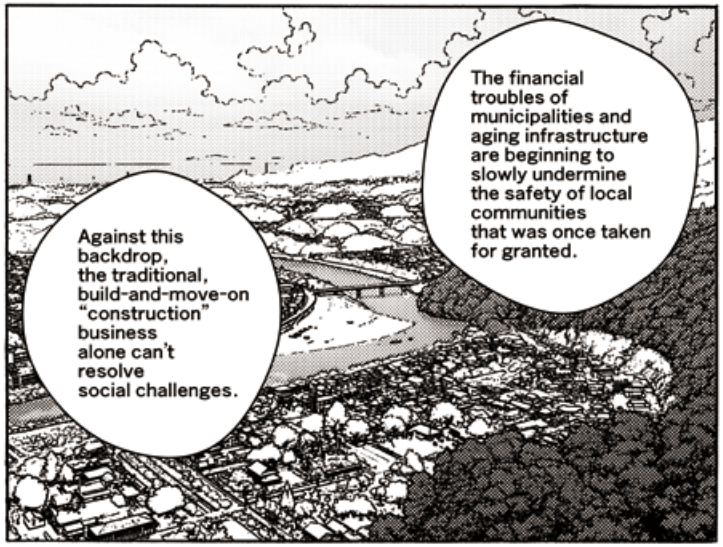


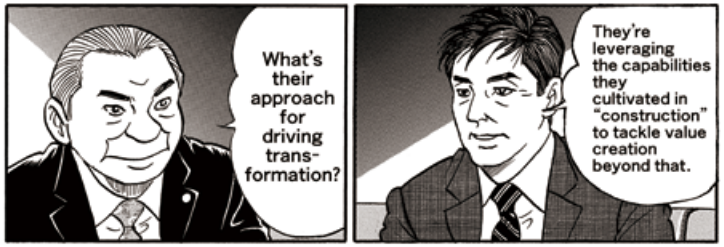




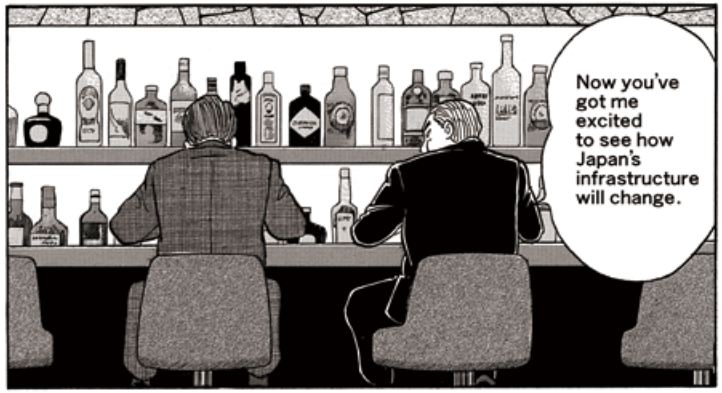
Ranko Yotsuya :
The fourth president of TECOT. After serving as a Hatsushiba director and a university president, she took her post as the president of TECOT. A woman of many talents, well versed in politics, business, and bureaucracy.

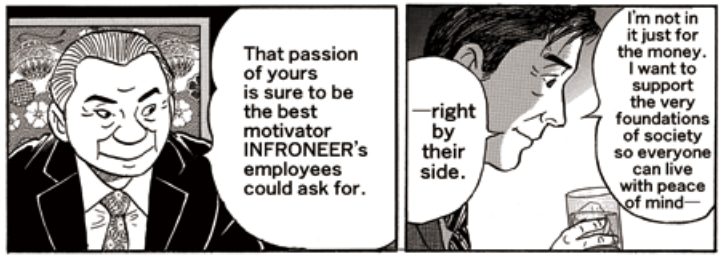




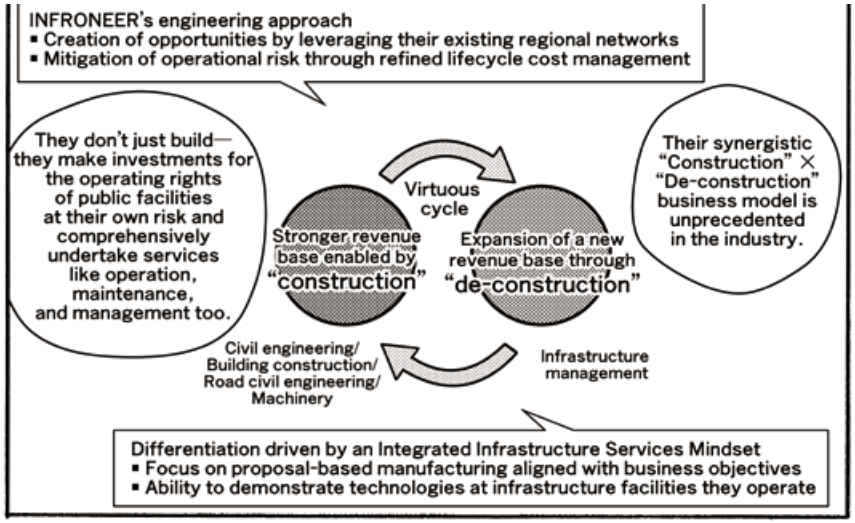



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Now you've got me excited to see how Japan's infrastructure will change.


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.

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

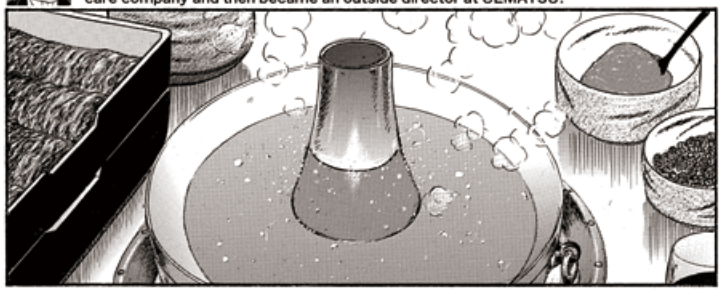


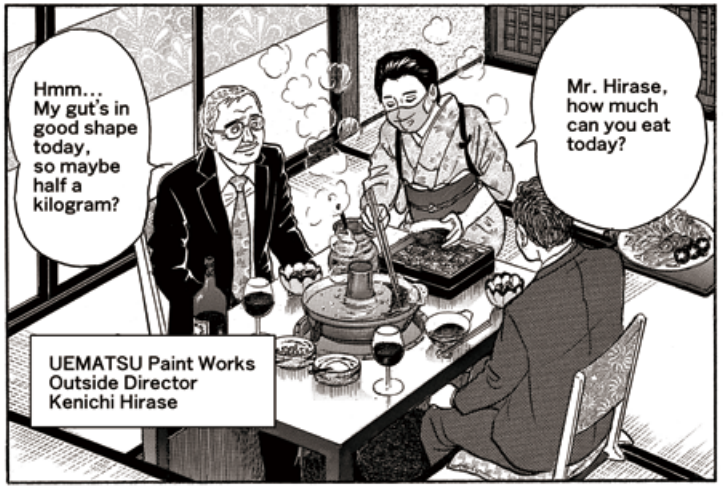
©JNSE
MUFG Stadium (Japan National Stadium)

©Kenshi Hirokane/Kodansha



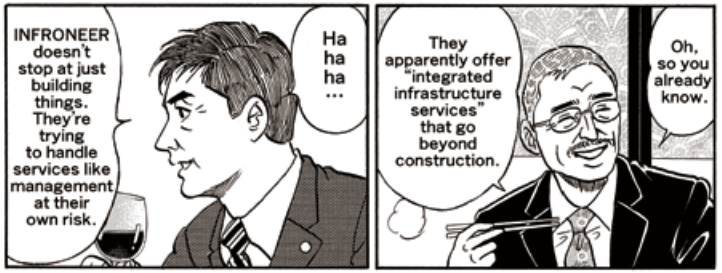
Kenichi Hirase :
Shima's sworn friend who started at Hatsushiba Electric when Shima did. After becoming the president of Hatsushiba France and later retiring, he started up a nursing care company and then became an outside director at UEMATSU.



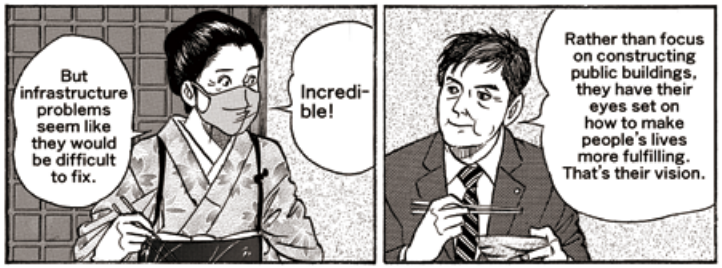




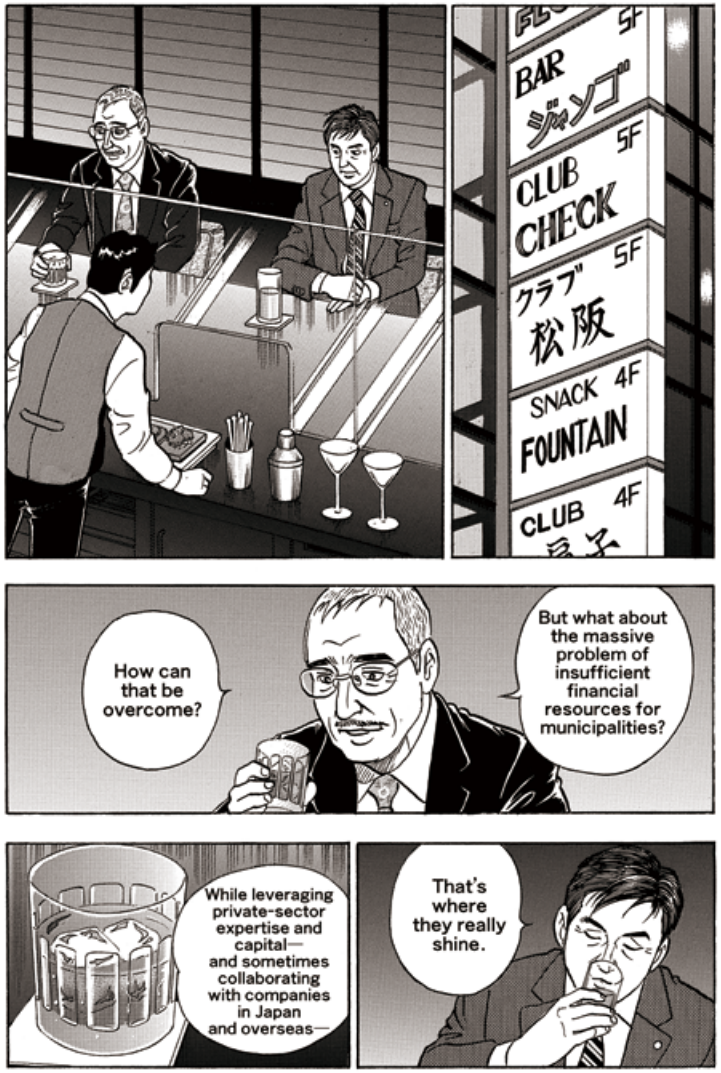






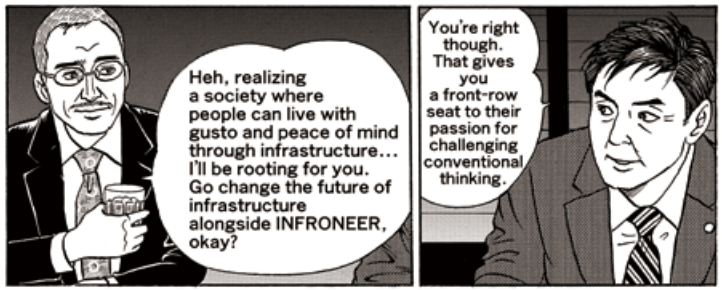


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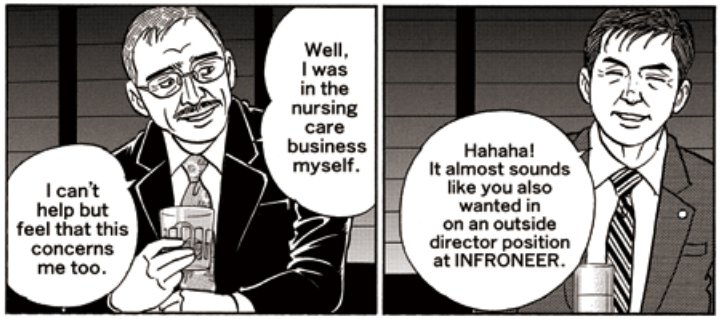

Heh, realizing a society where people can live with gusto and peace of mind through infrastructure... I'll be rooting for you. Go change the future of infrastructure alongside INFRONEER, okay?
You're right though. That gives you a front-row seat to their passion for challenging conventional thinking.


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.

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.

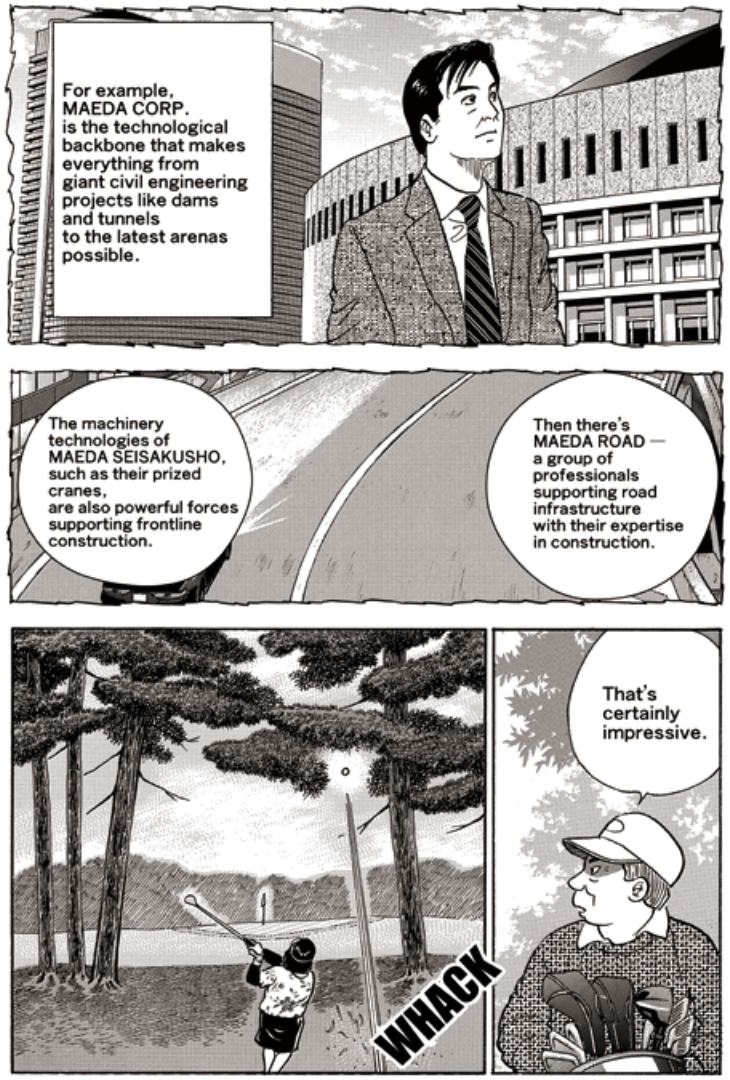
Corporate value ↑ = (Profit margin ↑ − Expected growth rate ↑) / Capital costs ↓

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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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

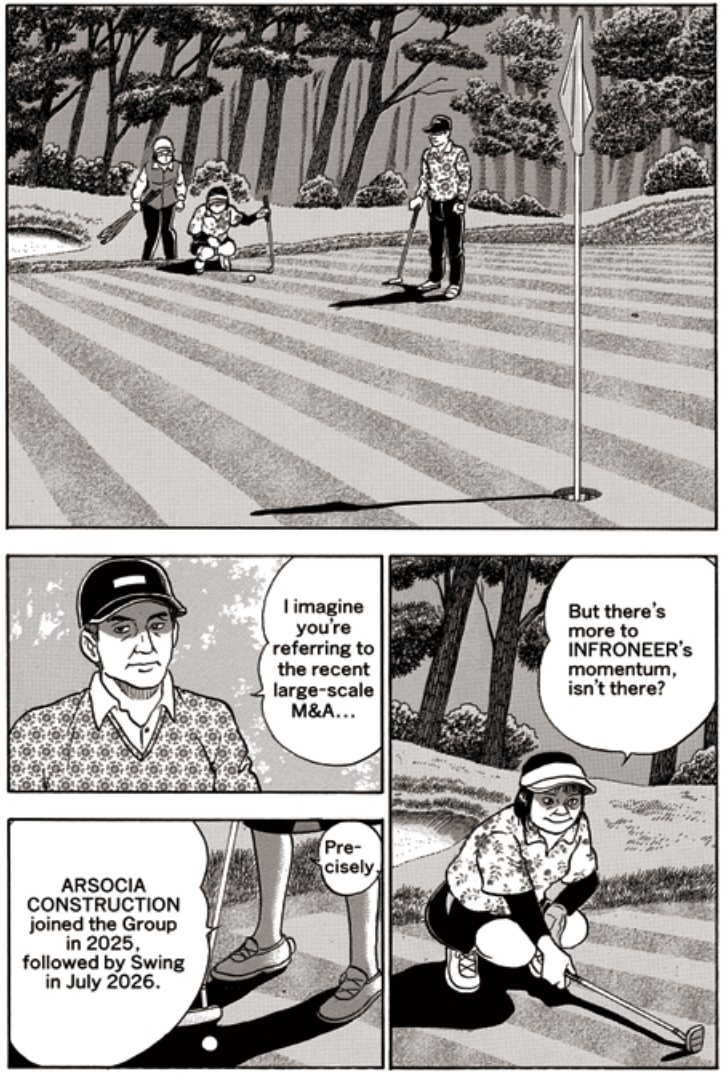


What is the significance of large-scale M&A and renewable energy investment? We explore the growth strategy and future vision as an integrated infrastructure service company!

©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—

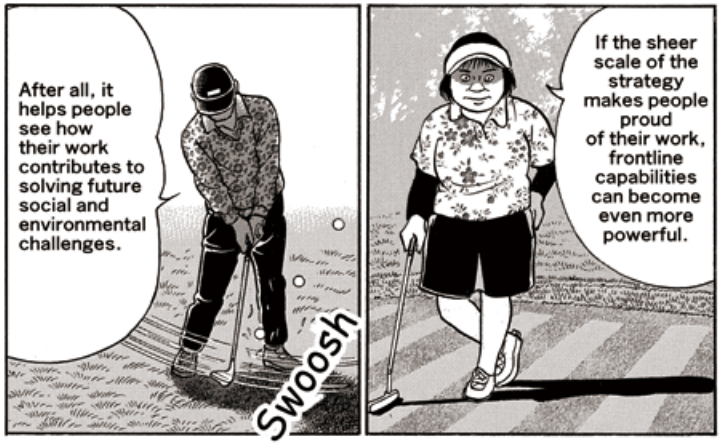

THWACK!
What I'm curious about is Japan Wind Development.
I've done my research, all right. They handle everything from the development of wind power generation projects to operation and maintenance.
You've really done your homework. I'm impressed ...!
Sustainable infrastructure services that support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

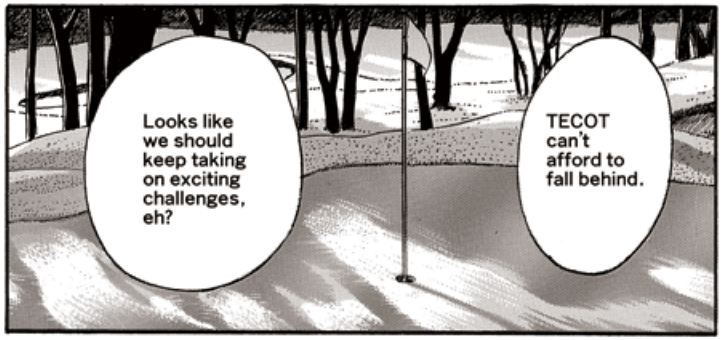
I imagine you're referring to the recent large-scale M&A...
But there's more to INFRONEER's momentum, isn't there?
ARSOCIA CONSTRUCTION joined the Group in 2025, followed by Swing in July 2026.
Pre-cisely.

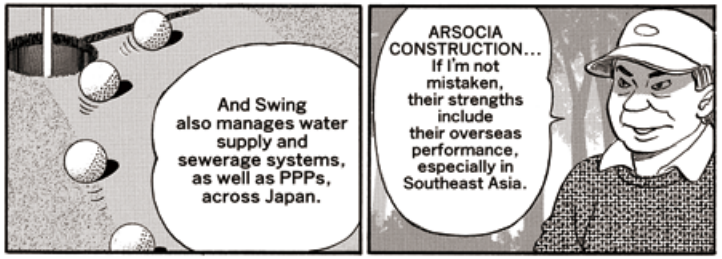
> *J-ESOP (Employee Stock Ownership Plan) P.41

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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 ↑)

70 Sustainability Strategies
71 Stakeholder Dialogue
72 Outside Directors Roundtable
75 Governance
84 Environment
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







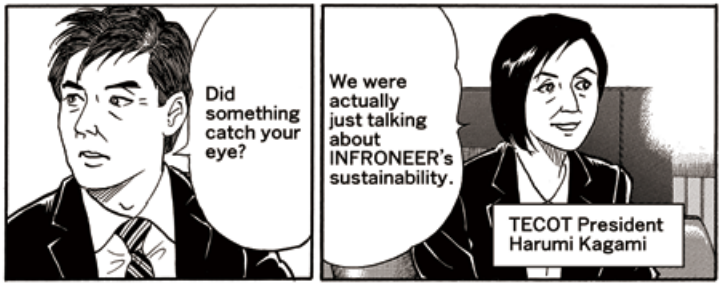
*PPP/PFI Promotion Action Plan , Water PPP, stadium and arena reform, sustainable finance promotion, etc.





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.

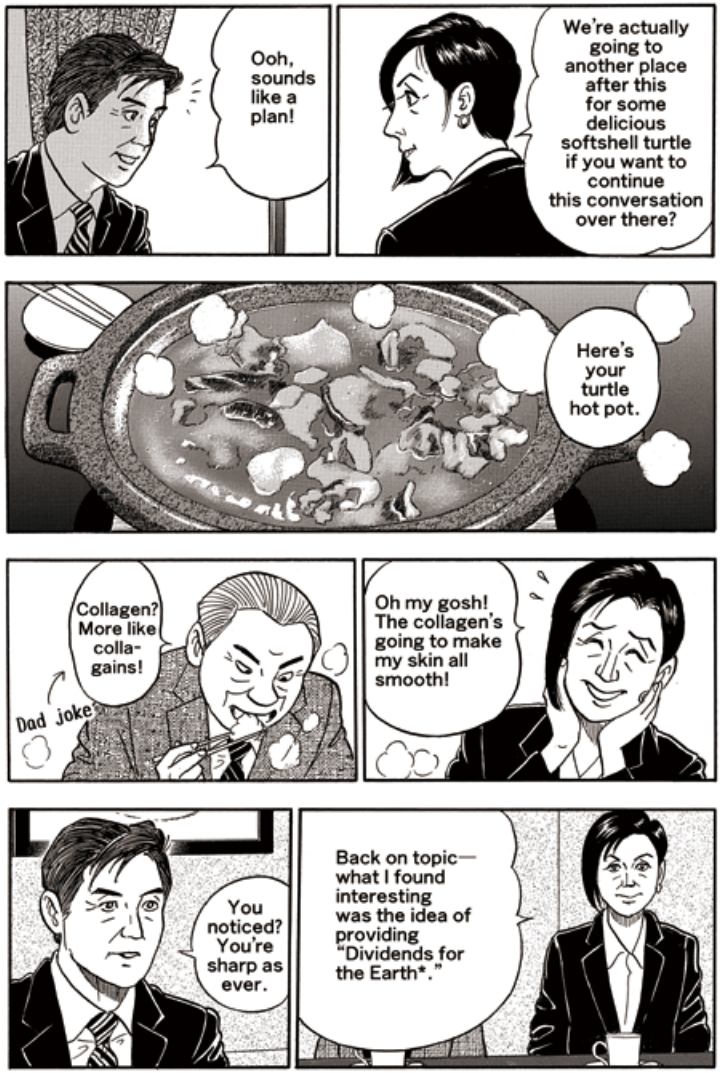


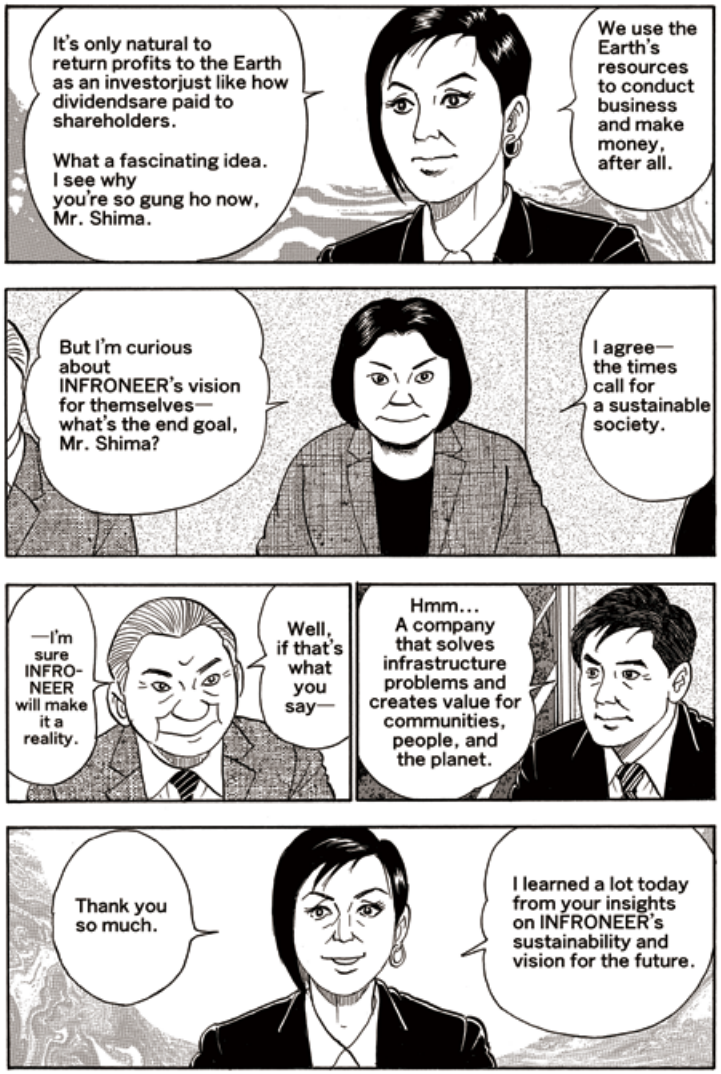


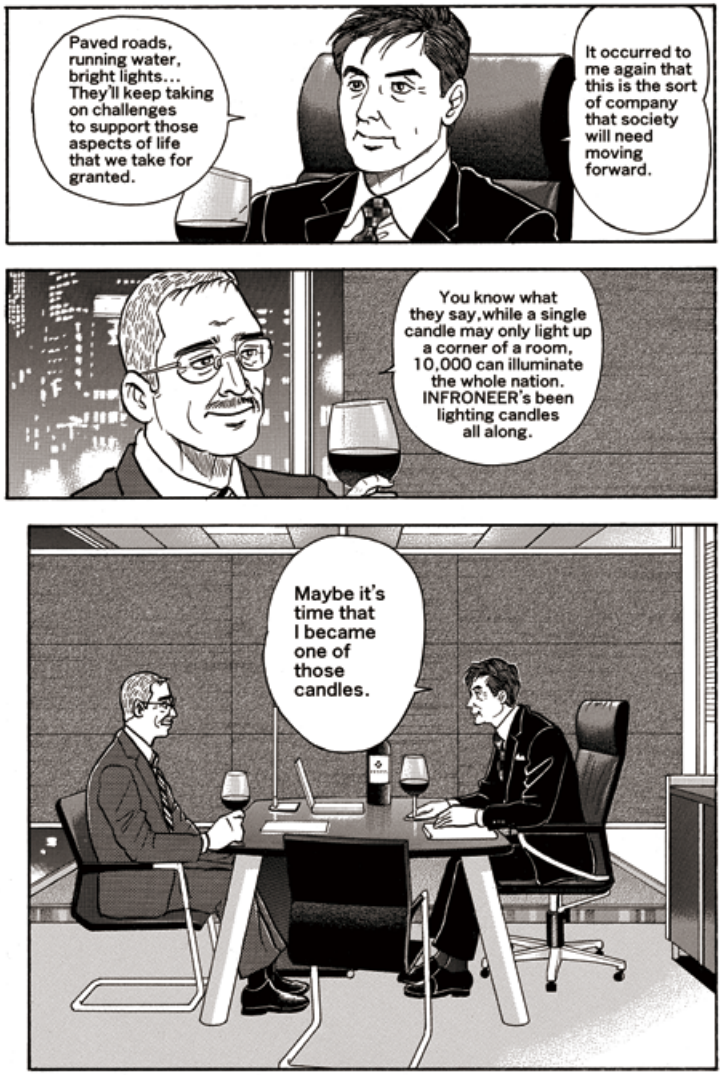


> *Dividends for the Earth P.21

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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.