

A Passion for Management

Messages from the management of INFRONEER Holdings and its three business companies—Challenge the status quo for the future of our infrastructure

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Management Message from INFRONEER Holdings

A free future for infrastructure creates a sustainable world



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

Kazunari Kibe

Management Message

Background to Establishing Holdings

[Page 40 Ensuring a Competitive Advantage](#)

In the late 1990s, the question I posed myself as a member of MAEDA's management team was which direction the company should take. It was a time in which Japan as a whole could not come up with a growth strategy after the collapse of the bubble economy. The construction industry was in a very precarious state due to the discovery of successive bid rigging incidents. Overseas in Europe and in the United States, the old construction market, which was mainly focused on new construction, continued to shrink. However, new construction markets such as PPP, PFI¹, and concessions² were expanding. It became clear to everyone that the Japanese construction market would eventually follow suit.

Still, a majority of construction work is implemented in the form of a contract whereby the construction operator promises the ordering party that the work will be completed. The contracting business has the benefit of not taking on any business risks and a promise that the work will be paid for. Conversely, when the market shrinks, price competition for contracting intensifies, making it difficult to generate profits. As this situation continues, some of the major overseas construction companies have begun to participate in the comprehensive business of building social infrastructure³ such as airports and water and sewage facilities on behalf of the public with their own funds and at their own risk, and then operating and maintaining them.

Turning our focus onto Japan, there has been a response to Japan's aging public infrastructure. Due to local financial difficulties caused by population decline and slow economic growth, it is no longer easy for municipalities alone to maintain and renew their public infrastructure such as water supplies, the sewage system and their roads. Under the traditional concept of "public facilities are government made," Japan's public infrastructure will eventually reach a dead end. Public-private partnerships through concessions that go beyond the established concept of contracting indicate the way to move forward toward solving this problem. By expanding infrastructure services⁴ beyond established concepts, we will be able to renew and optimize our infrastructure and build a safe, secure and sustainable society.

I identified the possibility of future business with this method of public-private partnerships, introducing the initiative of "contracting ×

de-contracting,"⁵ and this led to the establishment of INFRONEER Holdings.

In public-private partnerships, we have taken on domestic concession projects, including Aichi Prefecture toll roads, Aichi Sky EXPO, Sendai International Airport and others. With the aim of building a carbon-neutral society, we have already begun initiatives to invest in renewable energy businesses, build and operate facilities, sell them to infrastructure funds, leading to capital recycling⁶. Although these initiatives have been implemented by MAEDA alone, MAEDA alone lacked the resources, and accelerating our initiatives was difficult. We established INFRONEER Holdings to demonstrate synergy across the entire Group of MAEDA, MAEDA ROAD and MAEDA SEISAKUSHO and to contribute to solving social issues while ensuring our steady growth.

A Free Future as Envisioned by INFRONEER

[Page 31 Our Vision for the Future, Materials & KPIs](#)

Proceeding with the de-contracting process is also going beyond the established concepts of infrastructure, including our own business. For example, Japan is a small island country, but it has become one of the world's leading countries both culturally and economically. However, the side effects of this success make it difficult to change the rules, and there is one aspect that is very difficult to change. The same has been true for our infrastructure, where there have been preconceived notions of laws and human consciousness in the construction industry.

However, by changing the laws, the industry and people's thinking, we can achieve much higher levels of infrastructure services and contribute to a sustainable world by making the infrastructure freer. We express this thinking that also leads to SDGs and ESG as "a world where there's no limit to what can be asked from and what can be delivered by infrastructure services,"⁷ and offer it as the Medium- to Long-term Vision for INFRONEER Holdings.

Strengths that Combine Engineering and Financial Know-how

[Page 26 The Value Creation Process](#)

There are two main points around which we have implemented our

1, 2, 3, 4. Page 109 Glossary; 5. Page 36 Contracting × De-contracting; 6. Page 37 Recycling of Capital; 7. Page 109 Glossary



de-contracting business. One is to change the laws and ordinances to enable the implementation of business that was not traditionally conceived of as de-contracting. We have been doing this activity for many years, and we will continue to focus on it more in the future.

The other is that we have gained financial know-how while being a construction company. Both the concession business and the renewable energy business were executed by construction companies with engineering capabilities⁸ and financial institutions overseas. However, we were unable to find the financial institutions that we would partner with in Japan, so we acquired financial know-how by partnering with the top global players.

The de-contracting business is a business that aims for greater returns by investing in projects and engaging in operation and maintenance. However, there are also risks associated with engaging in this type of business. We have been able to reduce the project risks by using the engineering capabilities that were our original strengths

and the financial know-how that we eventually acquired. I believe that having both engineering capabilities and financial know-how is exceptional in the industry, and this is one of our biggest differentiating factors and added value.

Three Business Models That are Challenging the Future of Our Infrastructure

The INFRONEER Group is focusing on three business models to solve infrastructure challenges through its business while also maintaining business growth and aiming to achieve a world where there's no limit to what can be asked from and what can be delivered by infrastructure services.

Contracting × De-contracting⁵
For the INFRONEER Group, contracting and de-contracting from a two-

wheeled vehicle, and de-contracting cannot be extended unless contracting is strong. If the de-contracting becomes stronger, it can positively affect contracting. Since de-contracting is a time-consuming business, it cannot involve the whole Group. INFRONEER will take the lead in promoting it, aiming to increase revenue while reducing risks by strengthening its financial know-how. Our business companies will continue to promote conventional businesses, including contracting, and maintain and strengthen our engineering capabilities.

With contracting and de-contracting functioning as the wheels, it is possible to improve our corporate value as an "integrated infrastructure service company."

Comprehensive System × Business Area Expansion⁹
From business creation to planning and proposals, design, construction, maintenance, upkeep and management, operations, and sales, we are expanding our business to comprehensively handle projects from upstream to downstream.

Expanding our business portfolio area into a variety of infrastructure fields, including roads, water and sewage systems and airports, and combining multiple fields will enable us to provide more comprehensive and efficient services to all of society.

We will contribute to solving a wide range of infrastructure issues through our comprehensive support and the expanding of our areas of business.

Recycling of Capital⁶
We will create capital recycling (flow) by taking risks to create a social infrastructure based on our engineering capabilities and financial know-how, tailoring it to projects that generate long-term returns, and selling it to pension funds, who place importance on stable operations and cannot take development risks.

Through this cycle, we can proceed with the development and renewal of infrastructures through public-private collaboration, and this will also lead to the improvement of social issues such as financing pensions. In other words, working on overall infrastructure services will enable us to solve not only the challenges surrounding the infrastructures, but also a wide range of social issues.

Key Points in Promoting Reforms are "Culture" and "People"
Page 53 ESG Strategy Page 111 INFRONEER Believers

I believe that the creation of a new construction industry model that

promotes reform can form the basis for the corporate culture at the INFRONEER Group and the changes in our employees' approach to work. The top executives of European construction companies who are pioneers in the de-contracting business have also said: "the most important thing is that it takes ten years to change a person's approach."

For employees to change their approach, I believe that it is an important job and my role to provide opportunities for new work and challenges that bring the vectors of personal growth in line with company growth. This integrated report is one such instance.

We have formulated "INFRONEER^ (INFRONEER Caret),"¹⁰ a set of guidelines for the way of thinking, spirit, and approach that each and every employee throughout the Group should develop to achieve the INFRONEER VMV¹¹. Generally, this is similar to a code of conduct, but at INFRONEER, we have positioned it as a source of new value creation and a path to value, through the power (Caret) of the diverse strengths of our INFRONEER employees.

In this way, we want to provide many opportunities for employees to develop a common awareness in taking the next steps.

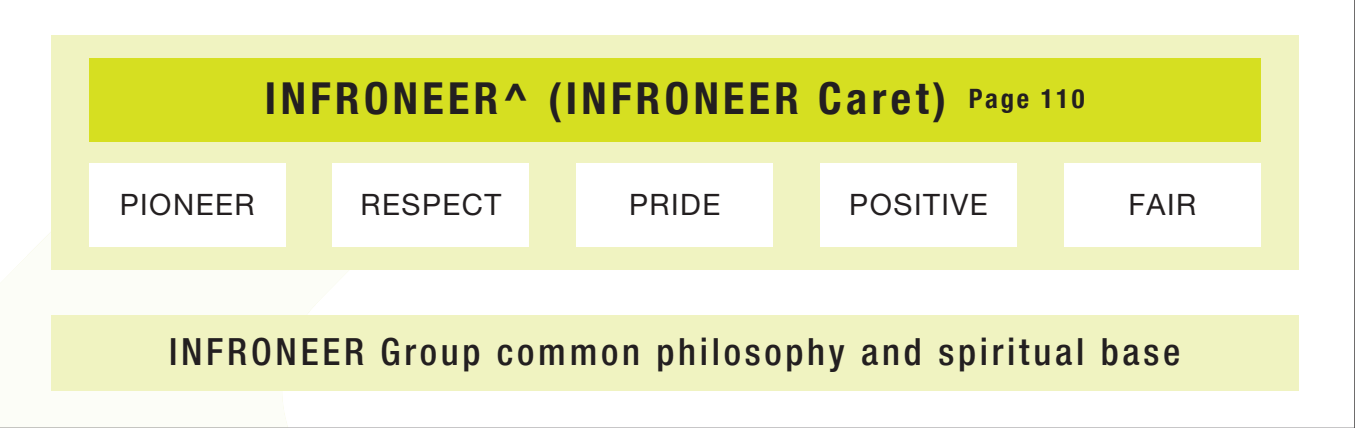
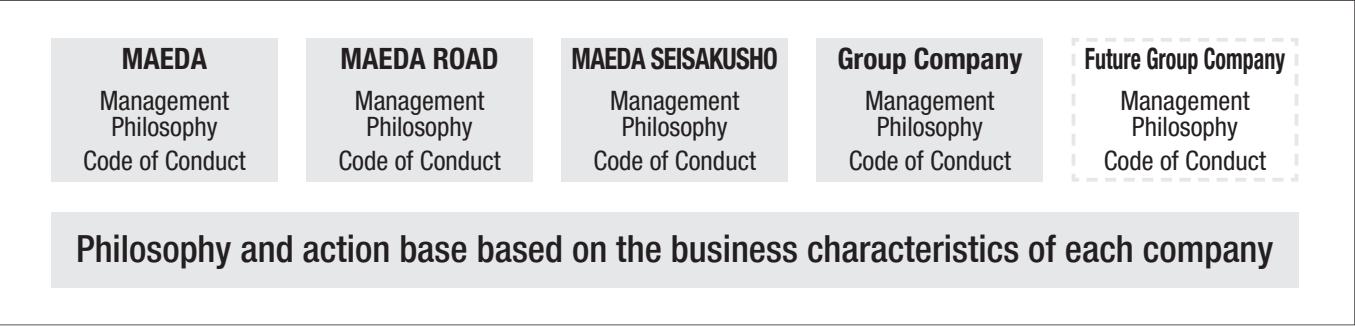
DX is indispensable for the evolution of our employees and our company. We believe that DX is a rule change through the use of digital technology. A rule change is something that breaks down established concepts, changes how we think, radically transforms the way we work and creates new value.

I am defining a future in which the promotion of DX will bring rewarding ways of working and will allow our employees and the company to grow together. To achieve this, we need to reform the awareness of our executive officers and employees in order to implement DX and to improve the IT literacy needed to support it. In response to changes in the business environments, it is increasingly important to use production-information data to make quick decisions and management judgments. We believe that DX is essential for further growth.

Towards a Sustainable World

Sustainability perspectives are also important in reforming our awareness and creating a new culture. In the first place, the de-contracting business, which contributes to solving the problems of public infrastructure can be called an SDG in the end. It is a business model that incorporates ESG.

I believe that one aspect of diversity is that people with different ways of thinking come together and merge to create new ideas and new challenges, so I intend to promote diversity to evolve our



corporate culture and our people. Because of our awareness of the importance of diversity, in establishing of INFRONEER Holdings, we also set a target of having over 30% of female employees. The number isn't simply a target. I believe that achieving this will generate a new culture.

By encouraging our employees and our company to evolve, we are transforming into an INFRONEER Group that can solve a wide range of social issues. We want to contribute to building a sustainable society.

A Company to Build an Infrastructure That Embodies a Sense of Security

Our business performance for the fiscal year ended March 31, 2022 was as we had anticipated. Our business will continue to show a strong performance in this period as well. However, we believe that we must pay even more attention to our corporate culture and employee awareness in the future. We have formulated *Vision 2024* as the foundation construction phase of the Medium Term Business Plan, and *Vision 2030*, a Medium- to Long-term Business Plan that includes the growth phase of the Medium- to Long-term Business Plan. We believe that the evolution of our corporate culture and employee awareness is essential for its implementation.

With our commitment to the evolution of our corporate culture and employee awareness, and with the engineering capabilities of our business companies and the de-contracting of INFRONEER building a track record across a wide area of society, we want all of our stakeholders to have confidence in the trust society places in the INFRONEER Group to develop the infrastructure.

To All Investors

I have been in charge of IR (Investor Relations) since the late 1990s. I organized opportunities for top managers to exchange opinions with investors at financial results briefings and overseas road shows, which was rare in the construction industry at the time, and I also supported them in exchanging opinions with many investors on the spot. "How do you increase earnings per share in the construction industry, which is still in the business-as-usual industry of construction?" "What do you think of the low level for valuation such as PER and PBR?" "What do you think about the issue of parent-child listings?" The topics have changed over time, but I think that I have received much valuable advice on improving the corporate value. I believe that improving corporate value will lead to the expansion of market capitalization in the medium to long term. Whether the world changes from shareholder supremacy to multi-stakeholderism, I believe that the satisfaction of all stakeholders will be reflected in the market capitalization in the medium to long term. To that end, we will of course work to maximize our cash flow, but we want to gain the trust of all our stakeholders, because they have great expectations of us. We want to engage with investors more actively than ever before and work together with our executive officers and our employees to improve our corporate value. I hope you will continue to encourage us in moving forward.



Kibe-log

Blog of the official website
– the President's viewpoint!

<https://www.infroneer.com/en/company/topblog.html>



Kazunari Kibe

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



Taking the Lead in Responding to Changes
to Promote the INFRONEER Group

MAEDA CORPORATION

<https://www.maeda.co.jp/english.html>

President and Representative Director

Soji Maeda

Responding to Changes in Times

In today's world, we are entering an era of uncertainty that will bring about changes that many of us would never have imagined. Due to the impact of the coronavirus pandemic, economic growth has stagnated, people's lives and even their sense of value changed in an instant around the world. Changes in the industrial structure in the move to digitalization have accelerated all at once. Most recently, high prices of commodities and resources associated with the situation in Ukraine have had a significant impact around the world; the construction industry is beginning to experience a shortage of materials and equipment, and there has been a negative impact on costs and construction periods. In addition to the changes caused by the social situation, it is even more important to respond quickly to the

challenges facing the construction industry¹, including the quantitative and qualitative changes in the construction market associated with the maturation of social infrastructure, aging infrastructure, and a shortage of workers due to the declining population.

Move Steadily Forward with a Proper Sense of Crisis

In this context, MAEDA has demonstrated its spirit of taking on challenges, which has been one of the company's strengths passed on since the company's inception. Now that we are at a turning point in the current era, we recognize the characteristics of our business that are susceptible to economic fluctuations with a proper sense of crisis. For that reason, we are promptly responding to changes in the business environment while implementing reforms.

One such challenge is the "de-contracting" project launched in 2011. We have established a business model that allows us to manage upstream and downstream in the value chain with one-stop service. As a result, we have built up achievements in public-private partnership concessions and renewable energy businesses. In the public-private partnerships, which is anticipated to be one of the methods for solving social issues, we have taken on the Aichi Arena², which adopted the Build/Transfer+ concession² scheme for the first time in Japan.

In our contracting business, which is one of the pivots of our business, we do not get involved in cost competition; instead we negotiate realistically with customers for a fair price and for a fair construction period. Still further, in bidding for design and construction projects, we have differentiated ourselves by strengthening our proposal capacity and by being engaged from the project planning stage. As a result, the design and construction ratio has increased from 30% to 70%. An evaluation of these initiatives indicates that they have resulted in the acquisition of projects and transactions that require technical and comprehensive capabilities, such as large-scale redevelopment projects and wooden structures.

In this way, we are building a business model that is not susceptible to the effects of the external environment; a model that develops business in both the conventional contracting and the new revenue source of de-contracting.

Taking the Initiative to Create a Path for Transformation

The construction industry is characterized as a labor-intensive industry, and an understanding that investment in human capital is essential to address the growing shortage of workers resulting from a declining population. MAEDA has been placing value-added productivity at the heart of its KPIs since before it became a Holdings company. It has been investing in human capital while making efforts to raise salaries with the idea of including labor costs in added value. At present, MAEDA is taking the initiative in improving value-added productivity and increasing its share of operations. After evaluating the results and issues, the company is building a foundation that can also be deployed to the business companies of the INFRONEER Group.

In our working-style reform initiative, we have introduced a variety of working styles, including closing construction sites for eight days in every four-weeks³, expanding our flex-time system and telework, and improving the environment for our male workers to take childcare leave. In our education and training system, we reviewed the training curriculum for each career, and the three-year turnover rate, which was 20% ten years ago, is now less than 5%.

To enable us to respond flexibly and quickly to changes in society, we recognize that it is important to increase the numbers of our female managers and foreign employees. Currently, we are launching a cross-cutting working group in the INFRONEER Group to advance these initiatives. We will also focus on exchanging human resources between our Group companies and acquiring diverse human resources from outside the company.

The cooperating companies that form part of our supply chain have various common issues that include recruitment, human resource development, and technology development. We will collaborate with them to solve these issues.

MAEDA's business is closely connected with the SDGs, and so we are working to solve social issues through our business while keeping pace with the world's trends. This includes signing the United Nations

Global Compact and obtaining SBT certification in response to climate change. Our renewable energy business has reached a total power generation output of 142 MW, and the ICI General Center⁵, which has implemented ZEB⁴ won the Carbon Neutral Award. We are steadily making steady process.

Our Performance for the Fiscal Year Ended March 31, 2022 and the Future

Despite the painful situation in the construction industry, with the profits of some companies being significantly reduced, MAEDA has not reached its sales targets because of delays in the progress of some construction projects. However, we are ensured a high gross profit margin as a result of the contribution from profitable hand-held construction projects. In the renewable energy business, in FY2021, we sold two solar power businesses. We also plan to sell one wind power business⁶ in FY2022, and expect to have our highest operating profit ever, increasing the contribution of this business makes to our performance. Achievements in infrastructure management include the acquisition of Aichi Arena and Osaka City industrial water, the operation of Ozu biomass power generation in the renewable energy business, and an increase in the number of projects that involve comprehensive management operations and others.

I feel that our record of zero major disasters is also a major



achievement. We will continue to focus on countermeasures because disasters are issues that we must continue to address.

We have maintained a proper sense of crisis until today; one that is sensitive to changes in society, and the strides we have made in boldly challenging ourselves in the medium to long term are the fruit of our steady efforts. The year 2022 marks the start of the second stage of NEXT 10, MAEDA's Medium Term Business Plan. We have plans to speed up this transformation. However, the transformation will not be accomplished by MAEDA alone. It is essential that we collaborate with other companies within and outside the Group. We will strengthen our collaboration between INFRONEER Holdings, MAEDA ROAD and MAEDA SEISAKUSHO, and move forward to meet the expectations of society as an integrated infrastructure service company.

Soji Maeda

Joined MAEDA CORPORATION in 1997; served as a Director and Managing Officer from 2002; served as a General Manager of the Building Division and was in charge of Sales Promotion; served as President and Representative Director of the company in 2016; in October 2021, became the Director and Chairman of INFRONEER Holdings.

1. See page 03 "Social Issues Surrounding Infrastructures and Their Solutions";

3. See page 61 "Pursue ease of work and value of work"

5. See page 93 "Bases for Generating Synergies—ICI General Center"

2. See page 78 "Construction work related to the development and operation of a new gymnasium in Aichi Prefecture";

4. https://www.maeda.co.jp/assets/file/tech_service/w_zeb_new.pdf

6. Sold in the first quarter of the fiscal year ending March 31, 2023



President and CEO **Yasuhiko Imaizumi**

Responding Quickly to Industry Challenges

The road-building industry is experiencing a downward trend in new construction projects, similar to the construction industry. However, maintenance and repair orders have shown a slight growth. We believe that our workload will not decrease significantly. Conversely, there is an urgent problem in that the price of raw materials for asphalt has more than tripled due to the soaring prices of crude oil and exchange rate fluctuations. There are also other issues that need to be addressed across the industry. They include CO₂, which is emitted in great quantities in asphalt production, and the lack of construction workers. MAEDA ROAD was the first to respond to these challenges.

The particular focus of MAEDA ROAD in our countermeasures for CO₂ is medium-temperature compounds¹. The asphalt composite used for paving is usually transported from the plant to the construction site at 160°C for construction, but the medium-temperature compounds can be used at 130°C. This 30°C difference reduces CO₂ emissions during manufacture. MAEDA ROAD has installed equipment that can produce this medium-temperature compound in 44 of its approximately 100 plants. We have achieved one of the best installation rates in the industry. Also, while asphalt normally has a transport distance of up to 20 kilometers, medium-temperature compounds can be transported up to approximately 40 kilometers. If the asphalt plant is closed because of a shrinking local economy, this will create an area where asphalt cannot be supplied. However, the

1. See page 82 "Road Civil Engineering Business—Topics"

medium-temperature compound can be transported longer distances thereby solving this problem and contributing to a sustainable society.

With regard to the shortage of workers, we have previously secured companies that will cooperate exclusively with MAEDA ROAD in each region. Currently, our projects are supported by 98 companies that employ approximately 2,000 people in the construction area, and by 57 companies that employ approximately 1,500 people who are related to plants. I believe that this is a strength that other companies do not possess. However, the shortage of workers is an important issue. We want to take measures to secure human resources while strengthening our relationship with these cooperating companies in the future.

MAEDA ROAD is also focusing on a comprehensive private contracting that receives inclusive orders for the maintenance and management of the infrastructure with the goal of establishing a third pillar of our business after construction and manufacturing. We received an order for a JV (joint venture) with MAEDA to implement comprehensive road management work in Fuchu City, Tokyo, which is the first of our full-scale road comprehensive contracting project. We will implement road related work in the eastern area of Fuchu City over a three-year period that will last until March 2024. While building on these achievements, we plan to establish the systems necessary for maintenance and management, and acquire comprehensive road management projects from other municipalities. We will shift to stock-holding management by increasing our comprehensive management project that we aim to undertake over the long term.



Growth through Holdings and the Role of MAEDA ROAD

We anticipate that the entire Group and each business company will be strengthened in various aspects in the medium to long term with the conversion to the Holdings structure. With MAEDA's backup, I feel that MAEDA ROAD is already seeing the effects of this conversion, such as in the technical proposal capabilities when bidding on construction and IT work in various fields aimed at improving productivity.

With regard to technology collaboration, the research function of MAEDA ROAD will be transferred to the ICI General Center², and ICI will be used as a base for technology development for MAEDA ROAD during this year. We expect that the development capabilities of each Group company will be strengthened by advancing and complementing each other's research work. On the practical side, we are also creating relationships with our mutual customers, including

2. See page 93 "Bases for Generating Synergies—ICI General Center"; 3. See page 40 Ensuring a Competitive Advantage

JV with MAEDA.

There are two roles that I feel MAEDA ROAD plays in the Group. One is that our financial situation has been good for many years; our equity ratio is very high and our cash flow is good. We believe that MAEDA ROAD will play a major role in raising the value-added creativity of the Holdings as a whole, and in the aspect of funds that are essential for the operations that leads to improved corporate value. Another of our strengths is that we have more than 200 sites³ around the country and have a very deep connections with many local construction companies and municipalities. We are aiming to utilize various information networks and MAEDA ROAD's community-based capabilities to acquire comprehensive infrastructure service projects such as PPP projects and concessions.

A Fusion of Human Capital is Particularly Anticipated

The INFRONEER Group has some of the best human capital in each of the three business companies that operate different businesses. We very much look forward to their fusion. The human capital our group has accumulated will result in a chain reaction, expanding into new business areas. I can sense the possibilities and the attraction in this.

What is important here is the sense of satisfaction of employees as they work toward implementing innovations. The three business companies have different histories and different corporate cultures. It is important to proceed with reforms while understanding and respecting each other's differences. True innovation will not come about unless we are advancing steadily in a way that our employees understand and are convinced by, rather than simply seeking quick results.

After being assigned to my current post as company president two years ago, I traveled to nearly all of our 200 work sites, from Hokkaido to Okinawa, and talked to employees face to face. I feel that by talking directly to each other with specific details, such as the company direction, company benefits, any issues being experienced at the work sites, we can better understand each other and communicate clearly. In order to further innovate through this conversion to the Holdings structure, we believe that we need to give our executive officers and employees opportunities and the time to feel satisfied with their work.

Our Performance for the Fiscal Year Ended March 31, 2022 and the Future

With regard to performance, I think ultimately that it had a big influence because we were unable to respond to the higher prices of crude oil. In the future, by working on comprehensive private contracting in addition to conventional construction and manufacturing, we will aim to achieve more stable management through securing long-term business.

Yasuhiko Imaizumi

Joined MAEDA CORPORATION in 1981; served as an Executive Officer and General Manager of the Planning Promotion Department of the Building Division from 2010; became Director and Senior Managing Officer and General Manager of the Building Division of the company in 2017; became President and CEO of MAEDA ROAD CONSTRUCTION Co., Ltd. in June 2020.



President and Representative Director

Masaaki Shioiri

Diverse Business Areas

The construction machinery industry is characterized by a performance that fluctuates in proportion to the construction investment. The construction machinery industry has been strong in recent years thanks to solid domestic construction investment. This trend is likely to continue for some time. However, the construction industry as a whole is facing many challenges, including the shrinking of the traditional construction market, and we cannot afford to be

optimistic.

Amid this, MAEDA SEISAKUSHO is expanding its business in Japan and overseas. We are contributing to the construction industry as a master exclusive distributor for Komatsu, in addition to developing and selling our own products in Japan. This diverse business area is one of the strengths of MAEDA SEISAKUSHO. To utilize this strength and further improve performance, MAEDA SEISAKUSHO is committed to improving the efficiency of production processes, strengthening its overseas businesses, and further promoting proposed sales in our



Medium-term Business Plan with the aim of reforming productivity, establishing a new revenue base, and strengthening and improving its structure.

Expanding Our Overseas Business

MAEDA SEISAKUSHO has set expanding sales of its own products to overseas markets as one of its priorities, selling construction machinery such as cranes through local dealers in more than 60 countries and regions. However, in the North American market, the largest construction machinery market, we have struggled. In April, MAEDA AMERICA Inc., a wholly owned subsidiary of MAEDA SEISAKUSHO, was launched in Houston, Texas, United States. In the North American market, we expect to expand our share in the largest market by expanding our sales network with a focus on local corporations.

Relationship of Trust Built with Komatsu

As a top-notch domestic master exclusive distributor for Komatsu, the largest domestic construction machine manufacturer, we offer everything from sales, rental, to after-sales services in Nagano, Yamanashi, Aichi and Mie prefectures. In addition to this distributor business, we share in Komatsu's sales know-how and technology through our personnel exchanges. This is just one more of the strengths of MAEDA SEISAKUSHO. In addition to handling the company's machines, we have also built a relationship that goes beyond the framework of a distributor, including being entrusted with the development and manufacture of special construction machines.

Development of Unique Construction Machinery Through Original Technology and Collaboration

As a manufacturer, MAEDA SEISAKUSHO offers comprehensive support for construction machinery design, manufacturing, sales, rental and after-sales services. Original products such as the spider crane and the crawler crane have received high ratings not only in Japan but also overseas. We also develop and manufacture custom-made products that meet the demands of work sites and our customers. These include special vehicles used in public works, airports and railways, IT-related equipment, and automobile-related equipment. We have received high praise from our customers for our ability to develop special machines.

In the 60 years since our company's founding, MAEDA SEISAKUSHO has refined its technical capabilities as a manufacturer. We want to further enhance our technical prowess by collaborating with the various other companies in our group through INFRONEER Holdings. A number of projects are already underway in our collaboration with the ICI General Center*, where we are focusing on strengthening our development capabilities. One of these is the WOODSTARTM, a robot arm-type wood processing machine. This system makes it possible to process large materials and complex shapes that were difficult to process using conventional processing machines.

In addition, demand is strong from overseas, mainly in Europe, for

environmentally friendly construction machinery. We held the impression that Japan was somewhat lagging behind, but interest has increased in recent years in Japan as well. In response to these demands, MAEDA SEISAKUSHO has developed a spider crane equipped with a lithium-ion battery that has zero emissions. In addition to expanding our lineup, we will also work with the ICI General Center to develop special, large-scale machines.



Demonstrating the Strengths of MAEDA SEISAKUSHO with our Group

Our business development know-how in Japan and overseas, our comprehensive system from designing our own products and custom-made products to after-sales service, and our unique business model as the master exclusive distributor for Komatsu, will enable us to create synergies with the INFRONEER Group.

MAEDA SEISAKUSHO will contribute to achieving the Group's goal of becoming an integrated infrastructure service company by developing and maintaining construction machines that will improve the efficiency of construction sites. In addition, we hope to utilize the community-based strength that we have built over the years by developing businesses that are rooted in the region to acquire projects such as comprehensive management work in which each business company in our Holdings can work together.

Our Performance for the Fiscal Year Ended March 31, 2022 and the Future

In Japan, construction-related sales such as public works investments remained strong, and overseas demand for our products returned. In fact, the demand exceeded our plans.

In the future, we will continue to promote the growth of the entire Group through further cooperation with INFRONEER Holdings, MAEDA and MAEDA ROAD, and the strengths of MAEDA SEISAKUSHO.

Masaaki Shioiri

Joined MAEDA SEISAKUSHO CO., LTD. in 1981; served as an Executive Officer and General Manager of Machinery Sales Department, Industrial Machinery Division in the company from 2008; served as President and Representative Director of the company from 2013; became the Director and Executive Officer responsible for Capital Investment Strategy of INFRONEER Holding in October 2021.

* See page 93 "Bases for Generating Synergies—ICI General Center"