

Integrated Report

Integrated Report 2022

**Safety, Security, and Sustainability of
Our Society and Local Communities**

Challenge the status quo

Challenge the status quo

INFRONEER Holdings will continue to be Japan's first integrated infrastructure service company to solve social issues relating to infrastructures and infrastructure services.

Happiness exists naturally. Today, that happiness is in peril. This issue is related to the existing infrastructure in many regions, a declining birthrate and an aging population, a diminishing workforce, and a declining industry. As local finances grow increasingly strict, it is no longer easy for municipalities alone to maintain their aging infrastructures and public service. Damage to the safety and comfort of our infrastructure is a vicious circle that reduces the attractiveness of a region and the value of living there. INFRONEER Holdings is an integrated infrastructure service company created to reverse such a negative spiral.

INFRONEER Holdings breaks down established market concepts with free ideas that cannot be captured using the

production and building methods that have been applied until now. It is implementing changes in the rules by, for example, building infrastructure services that bring together public and private entities. It reduces excessive construction costs and reviews revenues and operating models. INFRONEER Holdings will continue to increase and protect the value of our infrastructure as a sustainable solution. It aims to create a society in which the government, region and people who live there can choose the optimal infrastructure services for the era in which they live. We are INFRONEER Holdings, a pioneer in infrastructures. We bring together the technological capabilities of the Japanese concept of *monozukuri* (manufacturing), which has been developed for over a century, and diverse partnerships from across industries. (Source: The INFRONEER brand story)



Yasuhiko Imaizumi

President and CEO
MAEDA ROAD CONSTRUCTION Co., Ltd.

Kazunari Kibe

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

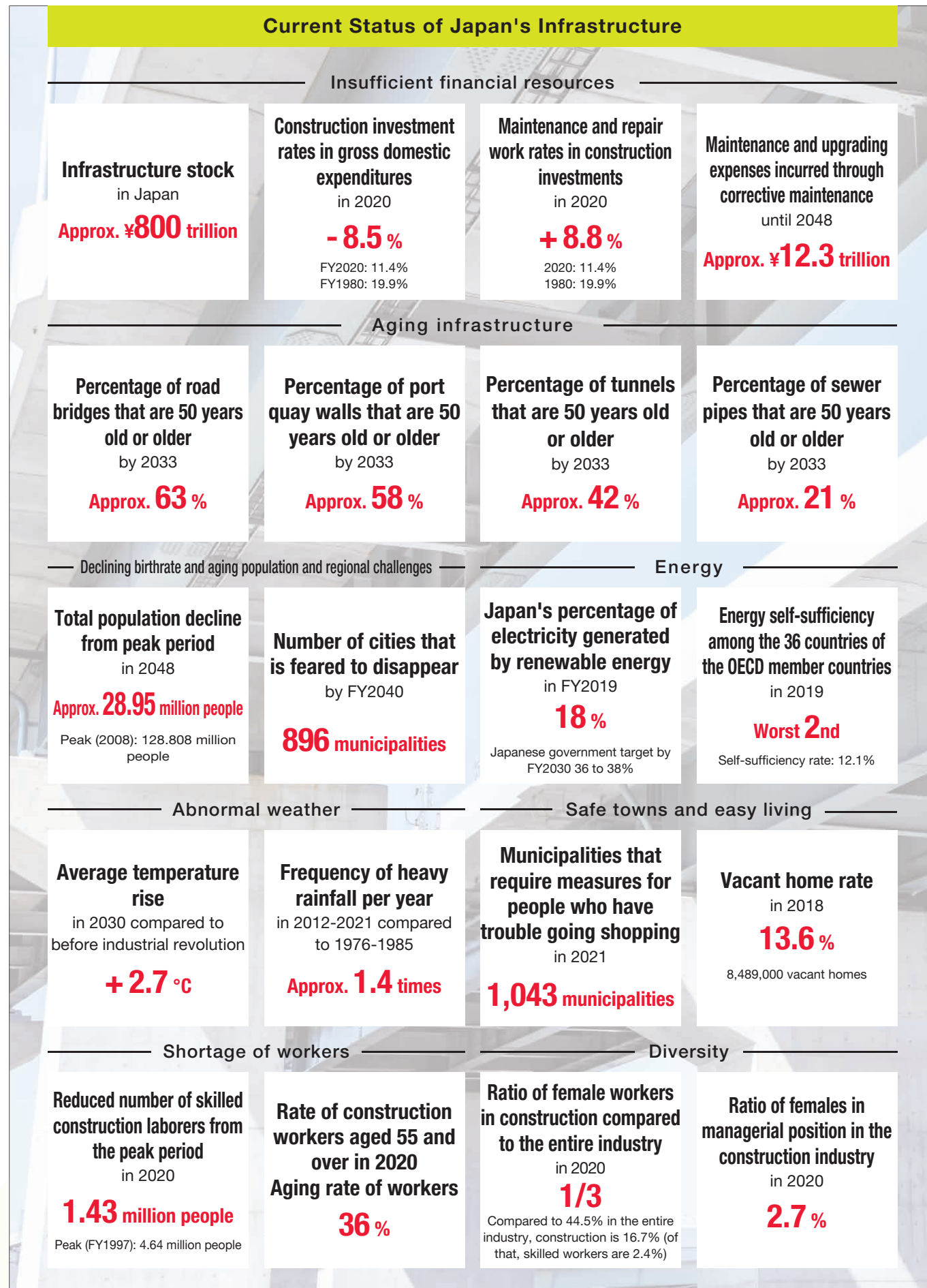
Soji Maeda

President and Representative Director
MAEDA CORPORATION

Masaaki Shioiri

President and Representative Director
MAEDA SEISAKUSHO CO., LTD.

Social Issues Surrounding Infrastructures and Their Solutions



[Source: Some of the data was calculated by our company based on source data]
Current Status and Future of Aging Social Capital—Infrastructure Maintenance Information published by the Ministry of Land, Infrastructure and Transport and Tourism (<https://www.mlit.go.jp/en/index.html>)
Construction Industry Handbook 2021 (Japan Federation of Construction Contractors)
Statistics Bureau of Japan "Population Estimate," Japan Policy Council "Cities at Risk of Disappearing," Japan Meteorological Agency "Climate Change in Japan," Ministry of Economy, Trade and Industry "Support for Measures for People Who Cannot Go Shopping"
"Future National Land Transport Strategies With a View to 'The Age of Disappearing Regions,'" a theme of the "Study Session for Policy Issues" held by the Policy Research Institute for Land, Infrastructure, Transport and Tourism (<https://www.mlit.go.jp/en/index.html>), FY2014 Materials
Renewable Energy | Japan's Energy 2020 Edition "10 questions for understanding the current energy situation" | Public Relations Brochure | Agency for Natural Resources and Energy (<https://www.mlit.go.jp/en/index.html>)

Status of the Infrastructure Japan is Facing

Due to decreasing tax revenues and increasing social security-related expenses caused by Japan's declining birthrate, aging population, and a decreasing population, the finances of the government and local governments are becoming increasingly stressed. Conversely, an enormous number of infrastructures that were setup during the period of high economic growth is reaching a time for a major renewal; the maintenance and renewal costs are expected to increase dramatically in the future. Against a backdrop, the shortage of infrastructure industry workers is also becoming increasingly acute. If we continue on the path and continue to use the methodology we've relied upon up to now, it will be difficult to maintain even the current level of infrastructure services. Disruptions could begin to affect people's lives. Furthermore, Japan is a major energy consumer and importer; the impact of the global situation on our industries and lives is incalculable.

Social Issues Requiring Attention in Japan

By accelerating our renewal and optimization of our infrastructure for which Japan has greatly fallen behind, we will provide services that lead to our overall safety and security, and to the development of the local economies and society. Furthermore, we will contribute to the optimization of infrastructure services worldwide by exporting Japanese technologies and know-how developed in Japan.

Challenges Our Company Will Address

In order rapidly to promote and to resolve the social issues described above, we will take the lead, continuously pursue and provide added value, improve corporate value, and contribute to society as a whole in a lasting manner.

Solutions to Issues

In addition to maximizing the strength and utilization of conventional technologies and know-how, we will implement radical reforms of our methods and systems, such as increasing the longevity, aggregation, and complexity of our facilities, expanding PPP/PFI businesses, developing a renewable energy business, introducing the latest technologies, and increasing efficiency through DX and many others.

Stable Supply | Japan's Energy 2021 Edition "10 questions for understanding the current energy situation" | Public Relations Brochure | Agency for Natural Resources and Energy (<https://www.mlit.go.jp/en/index.html>)
Regarding the publication of the results of the National Municipal Questionnaire on "Food Access Problems" in FY2021
Changes to date (extreme phenomena) such as heavy rains and intensely hot weather (Japan Meteorological Agency) (<https://www.jma.go.jp/jma/indexe.html>)
Action Programs Toward Promoting Women in the Workplace, 3rd Edition, published August 2022 (Fund for Construction Industry Promotion)
Executive Summary of Emissions Gap Report 2021: The Heat Is On—A World of Climate Promises Not Yet Delivered released by The United Nations Environment Programme (UNEP)

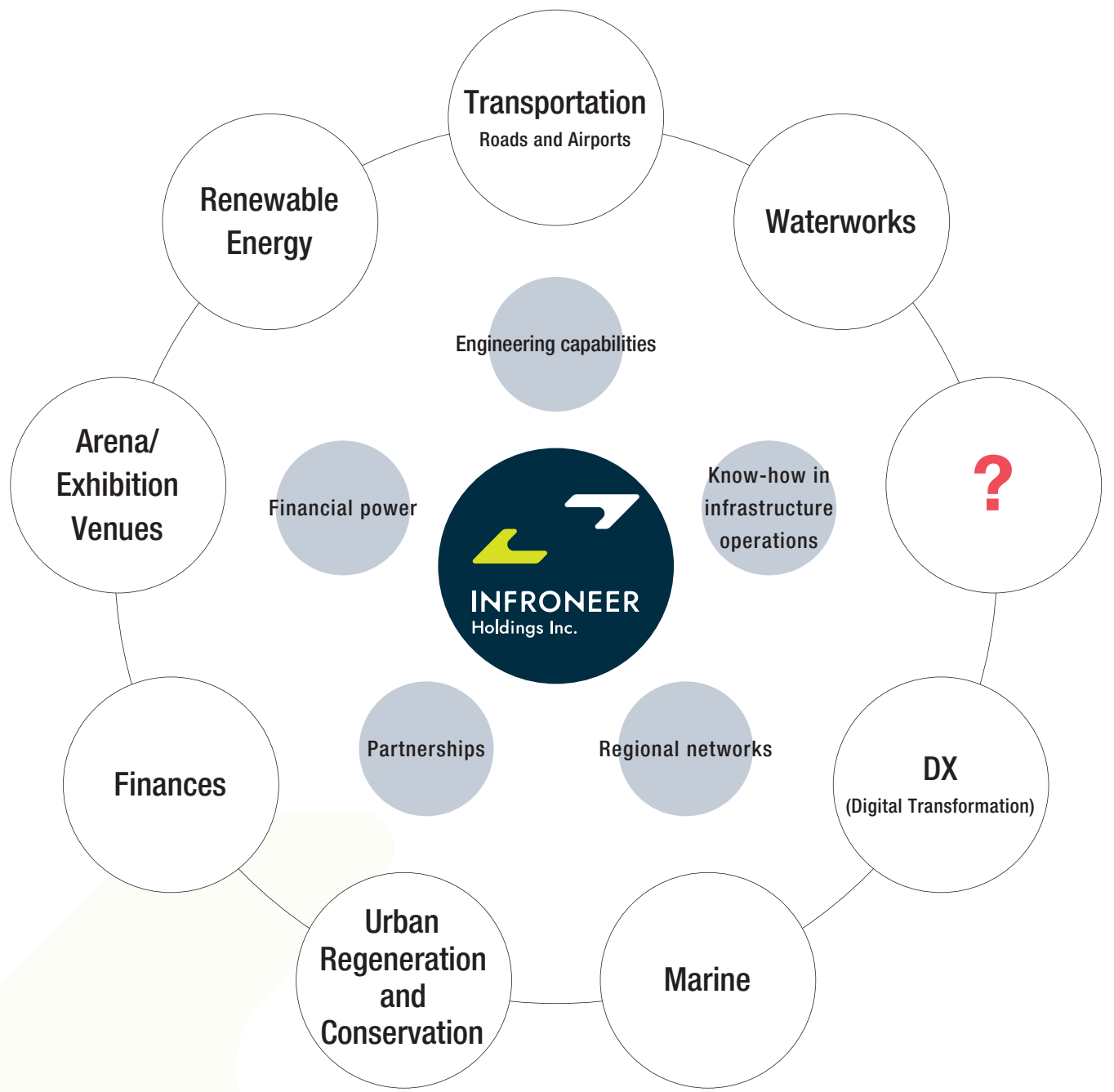
➤ **VISION: "A world where there's no limit to what can be asked from and what can be delivered by infrastructure services."**

INFRONEER support the infrastructure that underpins our everyday lives. If something happens, even though it is something with which we are quite familiar, it can lead to severe damages and have widespread effects. We take it quite for granted when it is safe and maintains quality. However, its significance and image are difficult to grasp. Such infrastructure is our business area.

The future we aim for is "a world where there's no limit to what can be asked from and what can be delivered by infrastructure services." This is not achieved in a short period of time by an individual, a business, a company, a municipality, or even an entire country.

On the other hand, an infrastructure is not only new construction, but its maintenance, operation and even renewal are in a difficult state, and it is beginning to have a direct effect on our normal lives. It is for that reason that we have taken a step forward together with our collaborative innovation partners to accelerate that by gathering the technical capabilities and know-how cultivated for over a century and shifting to a holding company structure.

In addition to showing the future that INFRONEER is aiming for in this integrated report, we hope that with the empathy of more people, we will work together to solve those issues.



| First Step | Second Step | Next |
|--|--|---|
| Seawall maintenance River/coastal embankments (disaster recovery) Water and sewer equipment | Water and sewage concession • Osaka City industrial water Page 86 • Miura City public sewer Page 86 Projects for building national resilience • Hamamatsu seawall Page 58, Page 74 • Yamasubaru power plant dam Page 74 | For example, you can sense how families are living from the amount of water they use. |
| Transportation (roads, airports and railways) Tunnels Bridges | Transportation concession • Aichi Prefecture toll road Page 83 • Sendai International Airport ¹ | For example, you can get a one-stop transportation service even when you go to places you have never visited before. |
| Commercial, sports and leisure facilities Hotels and lodging facilities | Arena concession • Aichi Arena Page 78 • Aichi Sky Expo ² Super city • Vision Hotels page 78 | For example, your cheers move the game without missing any special plays. |
| Production, research and logistics facilities Educational and cultural facilities | Special construction and re-development projects • Redevelopment of the western area of Harumi 5-chome Page 78 • New government building, Yatsushiro City, Kumamoto Prefecture ³ • Tenjin Business Center Page 67 | For example, process management and worker health management lead to a safe work site and peace of mind for the family. |
| Condominiums and housing complexes Offices | Comprehensive management work • Konosu City Page 91 • Joso City Comprehensive road management work • Fuchu City Page 81 | For example, draw future living from spatial data and 3D technology to build a comfortable city. |
| Energy and waste related facilities Machinery Mountains and forests | Decarbonization projects (Renewable energy and others) • Wood biomass power generation Page 86 • Solar-power generation (Tsukuba) • Multi-axis machining Page 94 | For example, grasp the state of the forest environment, and achieve a world that recycles. |

INFRONEER Vision Movie

https://youtu.be/QJEUuIL_6vM

1. Sendai International Airport <https://www.sendai-airport.co.jp/en/> 2. Aichi Sky Expo <https://www.aichiskyexpo.com/?lang=en> 3. Let's build with wood. <https://kidetatetemiyou.com/projects/>

All Our Initiatives Will Lead to Solving Social Issues and Improving Corporate Value

We regard this integrated report as an important communication tool between us and our stakeholders, as well as facilitating communications among such stakeholders. Through this integrated report, we hope that readers will understand our continuing value creation process and the values that we offer to communities and to society. We aim to improve social value and corporate value through close engagement with our stakeholders. Specifically, we aim to gain the understanding and empathy of all our stakeholders concerning (1) urgent social issues related to the infrastructure, (2) INFRONEER's concepts and initiatives (business model) toward solving such issues, and (3) the future (VISION) realized through our initiatives. We also aim to develop firm relationships with stakeholders who are willing to "challenge the status quo for the future of our infrastructure together." We have edited the first integratedreport for this fiscal year as described on the right.

- Target period: Covers activities of each Group company from April 1 to September 30, 2021, and activities of INFRONEER from October 1, 2021 to March 31, 2022, including some previous initiatives and recent activities.
- Reference guidelines: International Integrated Reporting Council (IIRC) "International Integrated Reporting Framework," Ministry of Economy, Trade and Industry "Value Creation Guidance," GRI Standards

Initiatives to Achieve Comprehensive KPIs

We show the comprehensive KPIs linked to the overall growth story of the INFRONEER Group, which is not just an extension or a simple aggregation of the affiliated business's conventional KPIs. We introduce our initiatives to achieve those KPIs in each chapter.

Common Recognition and Clarification of Growth Stories in Capital Markets

The method of calculating corporate value in the market includes the DCF method. However, the corporate value considered by INFRONEER (INF*) is not only the overall market value, but also the value obtained by our business base and all stakeholders.

We quantify what can be quantified, which is a part of our corporate value, and share it with our employees as an "added value amount."

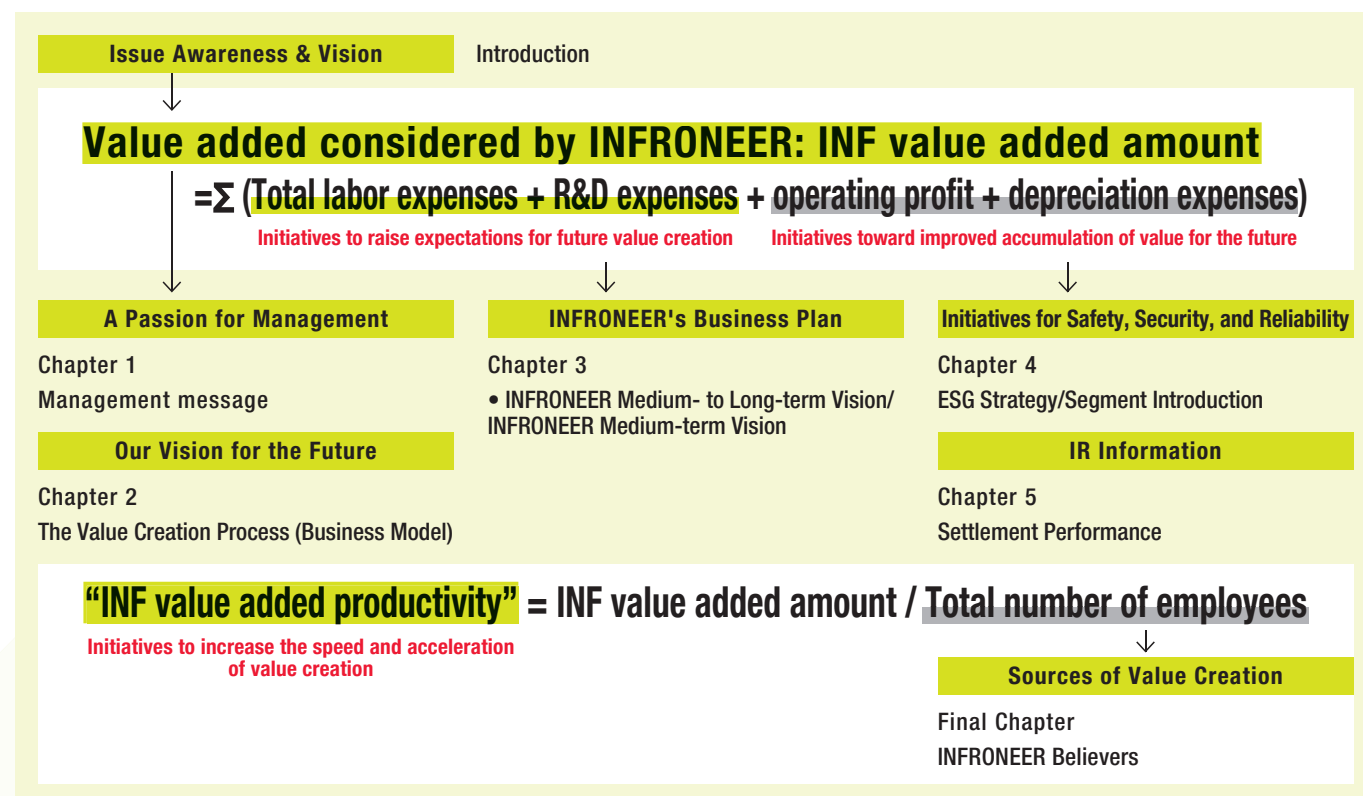
In this integrated report, "INF value added amount" and "INF value added productivity" are positioned as the overall KPIs of INFRONEER. They are defined as shown below so that they can be commonly recognized and clarified with all stakeholders.

Defines the Corporate Value that Considered by INFRONEER

Maximize corporate value ➡ Maximize added value ➡ Optimize and enrich the portfolio

... As a result, it leads to the improvement of ROIC, the reduction of capital costs, and the expansion of the market capitalization

*INF: Abbreviation of INFRONEER Holdings Inc.



[Company Abbreviation]

INFRONEER Holdings Inc. (INFRONEER/INF)

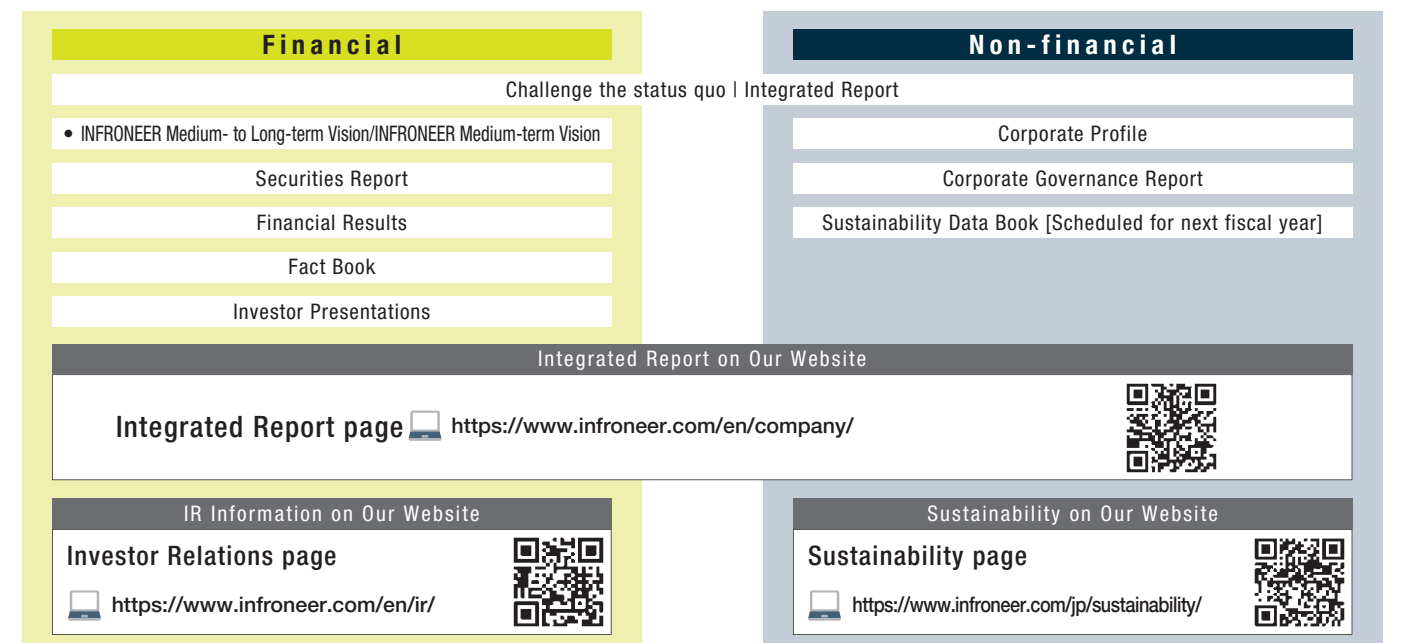
07 MAEDA CORPORATION (MAEDA/MK), MAEDA ROAD CONSTRUCTION Co., Ltd. (MAEDA ROAD/MD), MAEDA SEISAKUSHO Co., LTD. (MAEDA SEISAKUSHO/MS)

| | | | |
|-----------------|----------|---|--|
| [Introduction] | Page 03 | Issue Awareness & Vision | Current status of Japan's infrastructure and issues |
| [Chapter 1] | Page 09 | 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 |
| [Chapter 2] | Page 23 | Our Vision for the Future | Introduction to our business through the value creation process and materiality recognized by our company (key issues) |
| [Chapter 3] | Page 41 | INFRONEER's Business Plan | Group strategy as an "integrated infrastructure service company," that offers one-stop management across all infrastructure operations from upstream to downstream |
| [Chapter 4] | Page 51 | Initiatives for Safety, Security, and Reliability | Initiatives for ESG to solve infrastructure problems Segment strategies and related initiatives |
| [Chapter 5] | Page 95 | IR Information | Highlights of our financial and non-financial information |
| [Final Chapter] | Page 105 | Sources of Value Creation | The passions and talents of INFRONEER believers |

Associating the Integrated Report (booklet edition) content with the web version

We have released a web version that complements the annual booklet edition.

In the future, we will provide additional information and updates as necessary.



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

Page 11 Management Message from INFRONEER Holdings

Page 17 Management Message from Business Company 1

Page 19 Management Message from Business Company 2

Page 21 Management Message from Business Company 3

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.

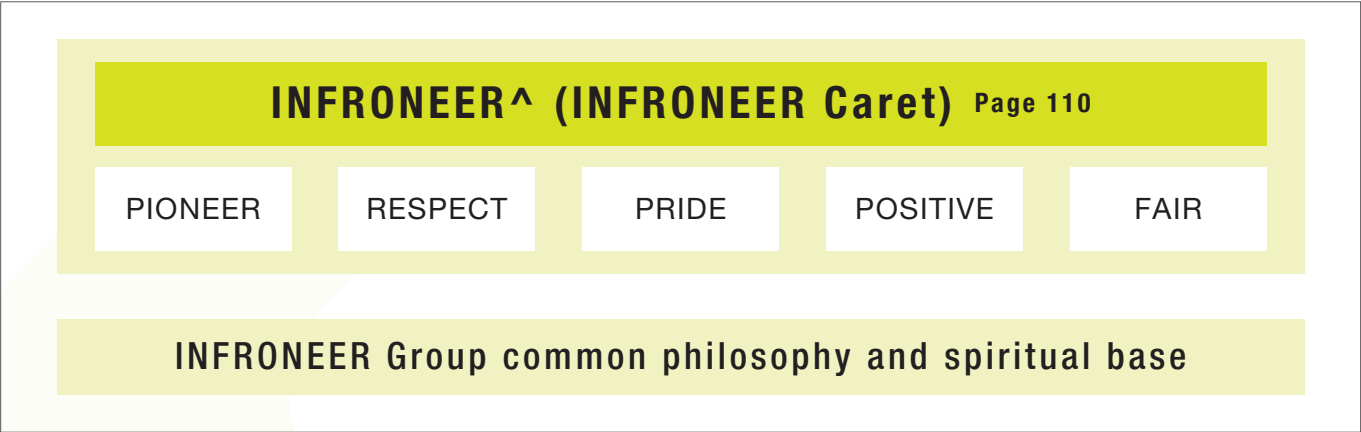
DX is indispensable for the evolution of our employees and our company. We believe that DX is a rule change through the use of digital technology. A rule change is something that breaks down established concepts, changes how we think, radically transforms the way we work and creates new value.

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.



CHECK!

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"

Our Vision for the Future

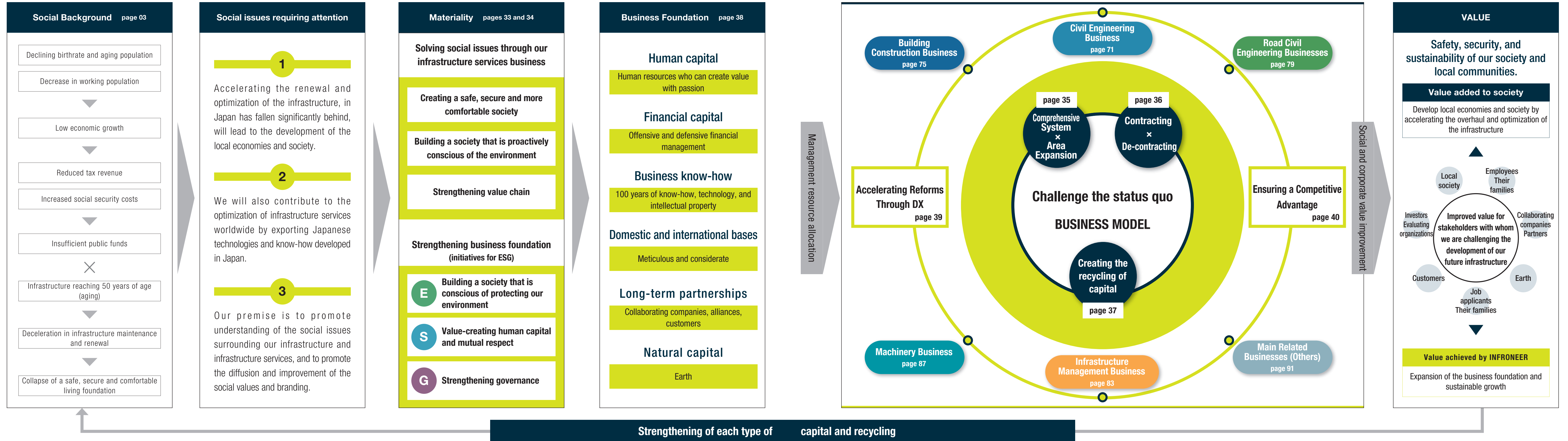
Introduction to our business through the value creation process and materiality recognized by our company (key issues)

- Page 25 The Value Creation Process
- Page 29 Stakeholder Remarks
- Page 31 Our Vision for the Future, Materiality & KPIs
- Page 35 Three Business Models That are Challenging the Future of Our Infrastructure
- Page 38 Six Business Foundations to Support Growth
- Page 39 Catalysts for the Early Establishment and Stabilization of Evolved Business Models



MISSION

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



VISION

A world where there's no limit to what can be asked from and what can be delivered by infrastructure services. page 05

Partner Companies With Which We Are Challenging the Future of Our Infrastructure

INFRONEER is developing new businesses in partnership with companies in various fields that have adopted innovative approaches to future infrastructure services, taking advantage of technologies and achievements that have been developed, enabling it to support the infrastructure for many years. We will leverage the strengths of both sides to take on the future challenges facing our infrastructure services.

NTT DOCOMO, INC.



Motoyuki Ii

President & CEO
NTT DOCOMO, INC.



https://www.docomo.ne.jp/english/?icid=CRP_drawer_to_CRP_EN

Japan's social infrastructure has been intensively developed during a period of high growth, with the result that strategic maintenance and operations for the future has become one of the key social issues. In the field of road infrastructure, DOCOMO, along with INFRONEER, is committed to improving the efficiency of operations by using AI detection technology for road cracks, automating repair plans and other methods.

INFRONEER aims to create a sustainable local communities that is not bound by the established concepts of infrastructure management. This is in line with DOCOMO's brand slogan, "Changing worlds with you."

In the future, we will promote DX (digital transformation) of the infrastructure with INFRONEER, and will contribute to the development of a sustainable society through the structural reforms in society and industry and the creation of new lifestyles.

Accenture Japan Ltd



Atsushi Egawa

Representative Director and President
Japan Country Managing Director
Accenture Japan Ltd



<https://www.accenture.com/us-en>

Many sections of the social infrastructure are undergoing large-scale renewal. Innovative approaches and the adoption of leading-edge digital technologies are indispensable to overcome this situation with limited financial resources and workforce. As an integrated infrastructure service company, INFRONEER initiated the concept of de-contracting, and is promoting the concession business to transform the industry. Our philosophy is to be a force for change in the world.

By combining the vast amounts of knowledge and data from both of our industries with digital technologies such as AI and the cloud, we can move your business model forward and elevate it to become a pioneering platform in the industry. Our joint efforts will lead to the realization of a prosperous society with a view to 100 years from now.

Related topic: Accelerating Reforms Through DX (page 39)

Tokyu Corporation



Kazuo Takahashi

President & Representative Director
Tokyu Corporation



<https://www.tokyu.co.jp/global/>

Our engagement with MAEDA CORPORATION was through the Sendai International Airport project. We have learned that MAEDA was moving forward with structural reformations to make infrastructure management the mainstream of its business, therefore we have decided to take up the challenge to explore the first airport concession in Japan with them. We were able to pioneer a new model that would revitalize the region while taking on the management of a vital public infrastructure. It was a collaborative project of great significance for both companies. Subsequently, we also participated as a joint venture in the concession for Aichi Prefecture's new gymnasium, the first arena in Japan to adopt the concession method.

In June 2022, Global Infrastructure Management, a joint venture with INFRONEER Holdings Inc., established Japan's first full-scale infrastructure fund. We will utilize this mechanism to commercialize social infrastructure. Both companies will work to develop new infrastructure markets and invest in businesses.

Related topic: Global Infrastructure Management Co., Ltd. (page 37)

Fukuoka Jisho Co., Ltd.



Ichiro Enomoto

President and C.E.O
Fukuoka Jisho Co., Ltd.



<https://fukuokajisho.com>

We are building a city in Fukuoka, on the island of Kyushu. We have established various collaborative relationships with the INFRONEER Group's MAEDA CORPORATION, including the Tenjin Business Center (completed in 2021).

For the future development of the city, it is important to continue to support operations in the city in the long term by supplying and operating an infrastructure that matches the characteristics of the region. We have formed a partnership that we believe will increase attraction of the region in which the city is built, and add value to our daily lives, by combining INFRONEER Group's innovative and infrastructure management capabilities with our know-how in building cities rooted in the region, which is one of our company's strengths.

We are confident that, together with INFRONEER Group, which was the one of the first companies to turn to the infrastructure business, we can leverage our mutual strengths to enhance the level of our city building.

Related topic: Tenjin Business Center (page 67)

Our Vision for the Future, Materiality & KPIs

Sustainability Policies

The INFRONEER vision of sustainability is a business activity that will create a company that contributes to society by working to solve social issues surrounding infrastructure services, grow the company and improve its corporate value, providing quality infrastructure services, and improving their social value.

With materiality, we will address three social issues. Namely, they are to create a safe, secure and more comfortable society, to build a society that is proactively conscious of the environment and to strengthen our value chain. We will also take initiatives to strengthen our business foundation and strengthen our governance, working to build a society that is conscious of protecting our environment and of our value-creating human resources and the need for mutual respect. We aim to achieve both sustainable growth for the Group and sustainable development for society.

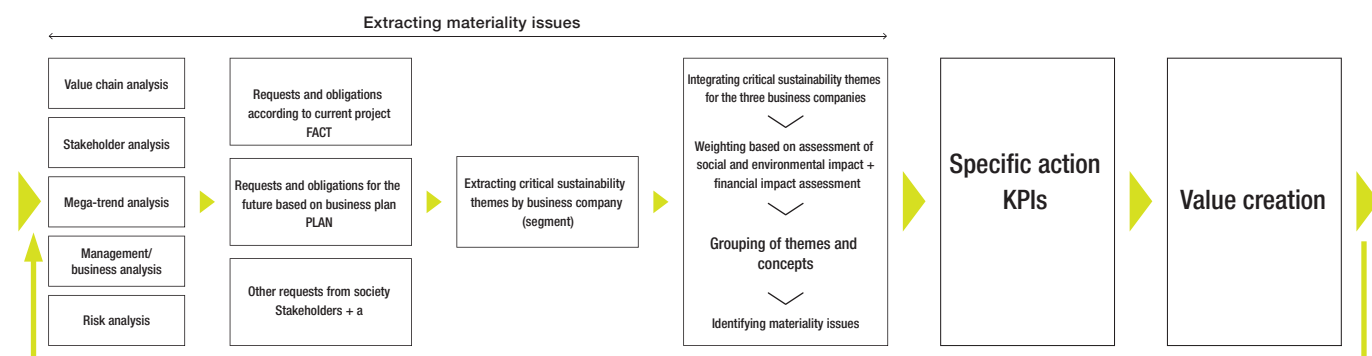
Identifying Issues for Our Materiality

In FY2022, after converting to a Holdings structure, INFRONEER set up a Sustainability Committee composed of the three business companies. In addition to discussions at management meetings and the Board of Directors meetings, INFRONEER asked members from a variety of fields of the three business companies to have discussions for about six months, to solve social issues and to identify materiality issues that should be addressed specifically.

To give our stakeholders a broader understanding of the challenges surrounding the infrastructure and the activities of INFRONEER, the materiality issues had been summarized in a simple and easy-to-understand expressions. We have also been careful to specifically clarify the association between our business plan, each segment business and the priority issues. We will continuously review our materiality continuously through discussions with management as the main body, based on the changes in the environment and the opinions and expectations of our stakeholders.

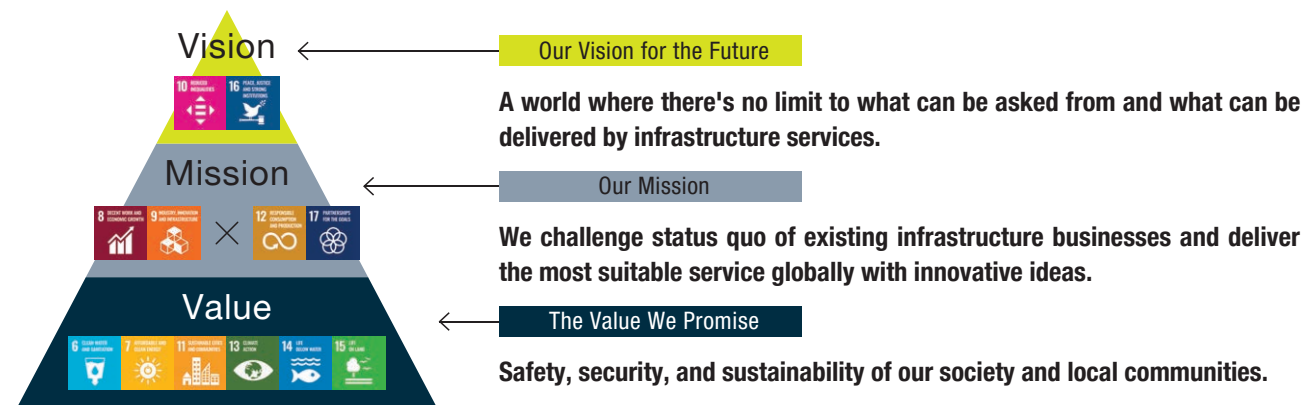


Eleven Sustainability Committee meetings, have been held.



Implementing SDGs and VMV

In addition to the relationship between the materiality issues and the SDGs, INFRONEER also links its own VMV to the SDGs as a company whose business area is infrastructure, with a diverse and broad social infrastructure. Our mission (MISSION) is to create value provided directly and indirectly from initiatives, business content, domains and value chains (VALUE), as well as to identify what society as a whole can achieve through our initiatives and businesses (VISION).



Extracting Risks and Opportunities

For the 29 important themes, we examined the risks and opportunities for the entire Group and each business company and evaluated their importance. We examined these as part of our long-term management policy and identified the corresponding management issues.

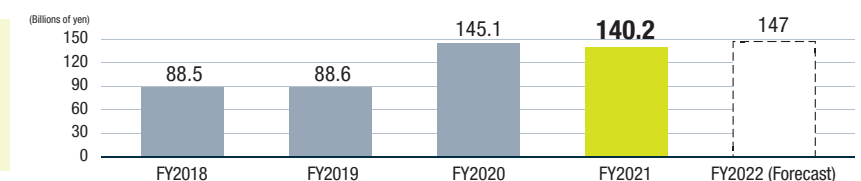
The management issues identified were studied and debated with the management of the Group and the directors, including outside directors, and particularly important issues were designated at the meeting of the Board of Directors.














For more information on risks and opportunities, visit https://www.infroneer.com/jp/company/integrated_report/materiality.html

















| Important Themes | |
|--|--|
| Generation of electricity using renewable energy and construction of power generation facilities | Strengthening collaboration with partner companies/strengthening of supply capacities and improving productivity |
| Promoting design, construction and manufacturing of construction methods, equipment and products that reduce environmental impact (ZEB, wooden construction, geothermal, and others) | Improving public benefit for local communities/preferential procurement in the region |
| Reducing greenhouse gas emissions across the entire value chain | Improving the working environment and conditions of workers/promoting safety and health |
| Reducing raw materials derived from fossil resources | Promoting diverse human resources and expanding opportunities for them to play an active role |
| Reducing the environmental impact of the manufacturing plant | Prevention of illegal work/forced labor (support for foreign laborers) |
| Conserving biodiversity | Improving understanding of human rights and preventing violations |
| Improving the utilization rate of recycled materials and to attain zero waste | Enhancement and promotion of education and training |
| Management and proper disposal of hazardous substances | Promoting disaster prevention and mitigation |
| Appropriate management of water resources | Strengthening governance |
| Reducing emissions of harmful substances to the atmosphere | Observance of compliance and prevention of unfair competition and corruption |
| Management of specific chemicals in building materials | Information security |
| Promoting the development, sales, and construction of products and construction methods that contribute to improving the functionality and comfort of buildings (buildings, bridges, tunnels, roads, dams, and others) | Customer privacy |
| Promoting design, construction/development and manufacturing of construction methods, technologies and products that save labor and contribute to efficiency on the construction site | Promoting support for ESG in the entire supply chain |
| Expanding our infrastructure management business (contribution to solving social issues through the concession business) | Strengthening of risk management |
| Ensuring the safety and quality of buildings, structures and products | |

Overall KPIs - INF Value Added Amount

INF value added amount =
 Σ (Operating profit + total labor expenses + depreciation expenses + R&D expenses)



| | Materiality | Sub-issues | Three Strategic Pillars | 2030 Medium- to Long-term Goals (Achievement Vision) | KPIs (Targets for FY2030) |
|---|-------------|--|---------------------------------|--|--|
| <div>Creating a safe, secure and more comfortable society</div> <div></div> <div>Building a society that is proactively conscious of the environment</div> <div></div> <div>Strengthening value chain</div> <div></div> | | <ul style="list-style-type: none">Expanding our infrastructure management business (contributing to solving social issues through the concession business)Ensuring the safety and quality of buildings (buildings, bridges, tunnels, roads, and dams and others) and productsPromoting the development, sales, and construction of products and construction methods that contribute to improving the functionality and comfort of buildings (buildings, bridges, tunnels, roads, dams, and others)Promoting disaster prevention and mitigation | Establishing a new revenue base | Enhance portfolio and increase profitability | Targets <ul style="list-style-type: none">Operating profit ratio² between contracting and de-contracting¹ 50:50 <small>¹ See page 36</small> <small>² Operating profit from infrastructure management is the amount of profit contribution</small> <small>See page 85 (Infrastructure Management Business)</small> |
| | | | | | Results in previous fiscal year <ul style="list-style-type: none">81:19 |
| | | | | Earn high ratings from customers (quality, safety, functionality, comfort and value-added proposals) | Targets <ul style="list-style-type: none">Building construction: Customer satisfaction survey: 80 points or higherCivil engineering: Construction performance rating: 80 points or higherRoad civil engineering: Customer satisfaction survey: 80 points or higherMachinery: Customer satisfaction survey: 80 points or higher <small>Note: When the total score is 100 points</small> |
| | | | | Expand businesses involved in renewable energy | Targets <ul style="list-style-type: none">Developed cumulative total power generated 1 million MWh/year (1,000 GWh/year) |
| | | | Productivity reforms | | Results in previous fiscal year <ul style="list-style-type: none">546,000 MWh/year (546 GWh/year) |
| | | | | Strengthen efforts at design and construction facilities that contribute to reducing CO ₂ emissions over the product life cycle | Targets <ul style="list-style-type: none">Design and construction ratio are being formulatedNumber of wooden buildings adopted is being formulated |
| | | | | | Results in previous fiscal year <ul style="list-style-type: none">Design and construction ratio: 66.4% (3-year average)Cumulative number of wooden buildings adopted: 14 |
| | | | | Expand local recruitment rate of locally based employees and intra-regional orders | Targets <ul style="list-style-type: none">Local recruitment rate of locally based employees is being formulated |
| | | | | Improve the supply capacity of partner companies and train workers | Targets <ul style="list-style-type: none">Construction career advancement system site registration rate: FY2023: 100% |
| | | | | | Results in previous fiscal year <ul style="list-style-type: none">Business registration rate at the registration site: 63%Registration rate of technicians at the registration site: 60% |
| | | | | Labor saving, efficiency and optimization on the construction site | Targets <ul style="list-style-type: none">Net sales of completed construction contracts per person is being formulated |
| | | | | | Results in previous fiscal year <ul style="list-style-type: none">Net sales of completed construction contract per person in civil engineering: ¥105 million/person |
| | | | | Appropriate allocation of management resources by maximizing operational efficiency and minimizing SG&A expenses by sharing | Targets <ul style="list-style-type: none">ROIC is being formulated |
| | | | | Accelerate development of certified technologies and products that save labor and contribute to an efficient construction site | Targets <ul style="list-style-type: none">Formulated in conjunction with certified technical standards |
| | | | | | |

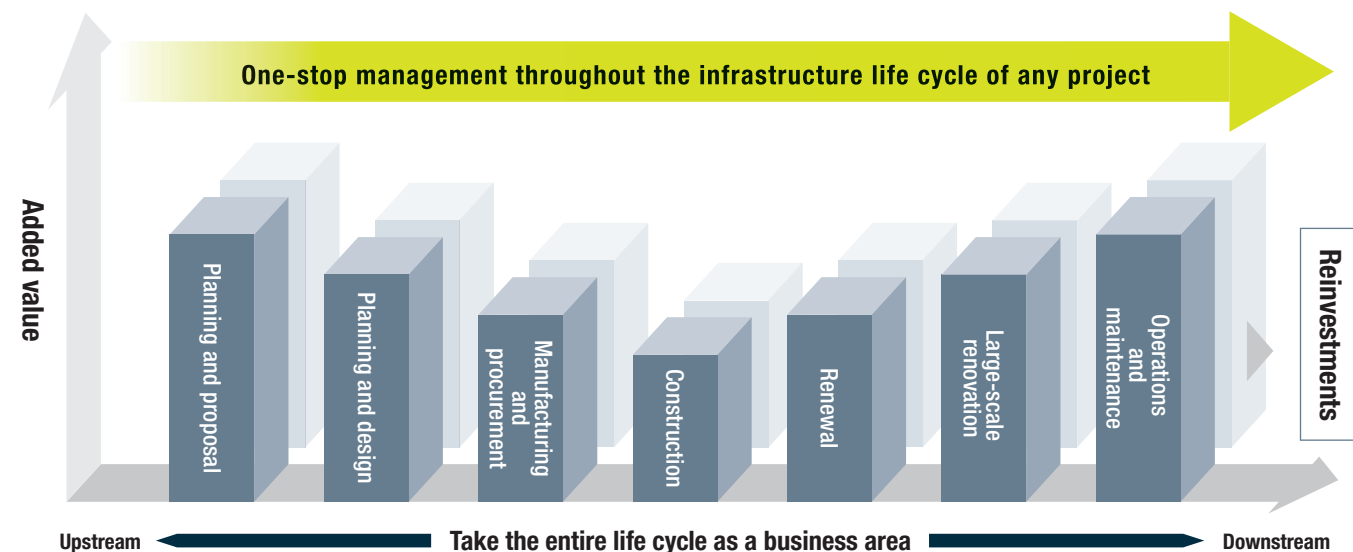
| | Materiality | Sub-issues | Three Strategic Pillars | 2030 Medium- to Long-term Goals (Achievement Vision) | KPIs (Targets for FY2030) |
|--|-------------|---|--|--|--|
| <div>Building a society that is conscious of protecting our environment</div> <div></div> <div>Value-creating Human Capital and Mutual Respect</div> <div></div> <div>Strengthening Governance</div> <div></div> | | <ul style="list-style-type: none">Reducing greenhouse gas emissions across the entire value chainReducing raw materials derived from fossil resourcesImproving the utilization rate of recycled materials to achieve zero wasteConserving biodiversity | Strengthening and improving our physical structure | <ul style="list-style-type: none">Reduce greenhouse gas emissions across the entire value chainIntroduce non-fossil fuel certificates to the entire CompanyReduce greenhouse gas emissions from plantsImprove the utilization rate of recycled materialsReduce waste in new construction projects significantlyReduce waste at plants significantlyImprove the utilization rate of the recycled road materialsEstablish a management system for biodiversity conservationDevelop preservation technology for biodiversityContinue forestry activities and development | Targets Reduce greenhouse gases Scopes 1 and 2 <ul style="list-style-type: none">40% reduction by FY2030 (Compared to FY2018)Substantially zero emissions by FY2050 Scope 2 <ul style="list-style-type: none">Utilization rate of renewable energy (electrical power) RE60 in FY2030 RE100 in FY2050 Scope 3 <ul style="list-style-type: none">40% reduction by FY2030 (Compared to FY2018) |
| | | | | <ul style="list-style-type: none">Give each employee the full training required | Results in previous fiscal year <small>Note: See page 101 for details</small> |
| | | | | <ul style="list-style-type: none">Improve leave of absence/vacation rate for childbirth/ child care, and the likeImplement correct working hoursReduce occupational accidentsMaintain physical and mental health of workersBuild a workplace in which people want to work | Targets Improve employee engagement by building a corporate culture and system in which diverse human resources play an active role <ul style="list-style-type: none">Strengthen our advantages and improve our room to grow (weaknesses) (Feedback and implementation of measures) <small>Note: See page 61 for details</small>Improve the employment rate of female employeesZero major accidentsReduce frequency rate |
| | | | | <ul style="list-style-type: none">Improve the employment rate of persons with disabilities, female employees and skilled female employees | Implement human resource training to improve individual skills <ul style="list-style-type: none">100% participation in required training |
| | | | | <ul style="list-style-type: none">Ensure that all employees are aware of respect for human rights and can make appropriate decisions and take appropriate actions | Results in previous fiscal year <small>Note: See page 101 for details</small> <ul style="list-style-type: none">Employment rate of female employees: 17.5%Frequency rate: 0.51%Strength rate: 0.03% |
| | | | | <ul style="list-style-type: none">Continue to ensure legitimate working conditions for all foreigners working on the construction site | |
| | | | | <ul style="list-style-type: none">Run the Nomination Committee, the Compensation Committee and the Audit CommitteeEstablish a Sustainability CommitteeForm a Board of Directors with a majority of outside directorsBuild a governance system that can be trusted by stakeholders | Targets Strengthen the governance function by introducing a Nomination Committee into the company system <small>Note: See page 65 for details</small> <ul style="list-style-type: none">Outside director ratio: 50%Appoint independent outside directors as the chairpersons of the Board of Directors and the Nomination, Compensation and Audit Committees |
| | | | | <ul style="list-style-type: none">Reduce the number of serious legal violations to zero | Results in previous fiscal year <small>Note: See page 101 for details</small> <ul style="list-style-type: none">Implement PDCA under a Sustainability Committee led by the president |
| | | | | <ul style="list-style-type: none">Eliminate serious information security accidents | |
| | | | | <ul style="list-style-type: none">Eliminate customer privacy breaches | <ul style="list-style-type: none">Outside director ratio: 55.5% (5 people/9 people)Appoint independent outside directors as the chairpersons of the Board of Directors and the Nomination, Compensation and Audit Committees |
| | | | | <ul style="list-style-type: none">Operate an effective risk management system | |
| | | | | | |

Three Business Models That Are Challenging the Future of Our Infrastructure

1. Comprehensive system (Line) × Area Expansion (Surface) Model

Comprehensive System

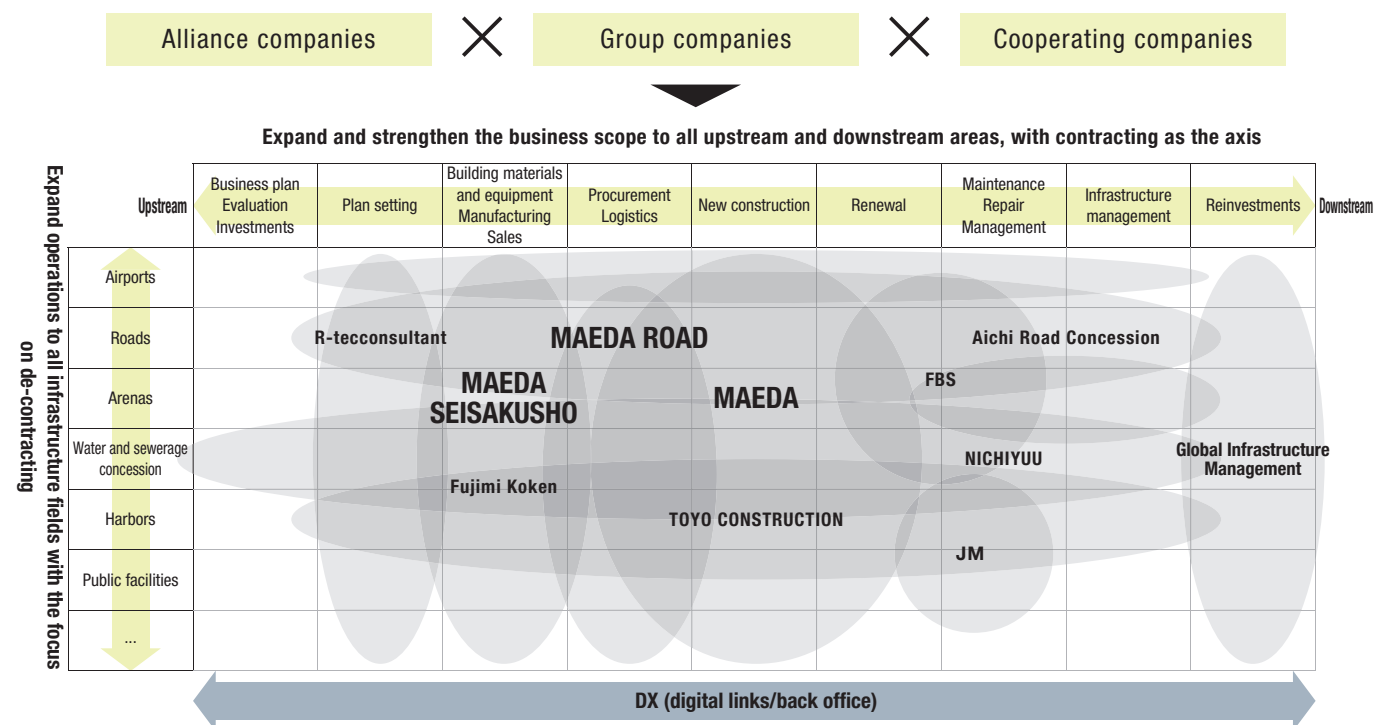
Taking the entire life cycle of the infrastructure, including planning proposals, construction, and operation and maintenance, as a business area, we strive to achieve consistency, maximize the value added throughout the infrastructure life cycle and the value chain, and maintain and expand the Company's revenue base.



Area Expansion

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

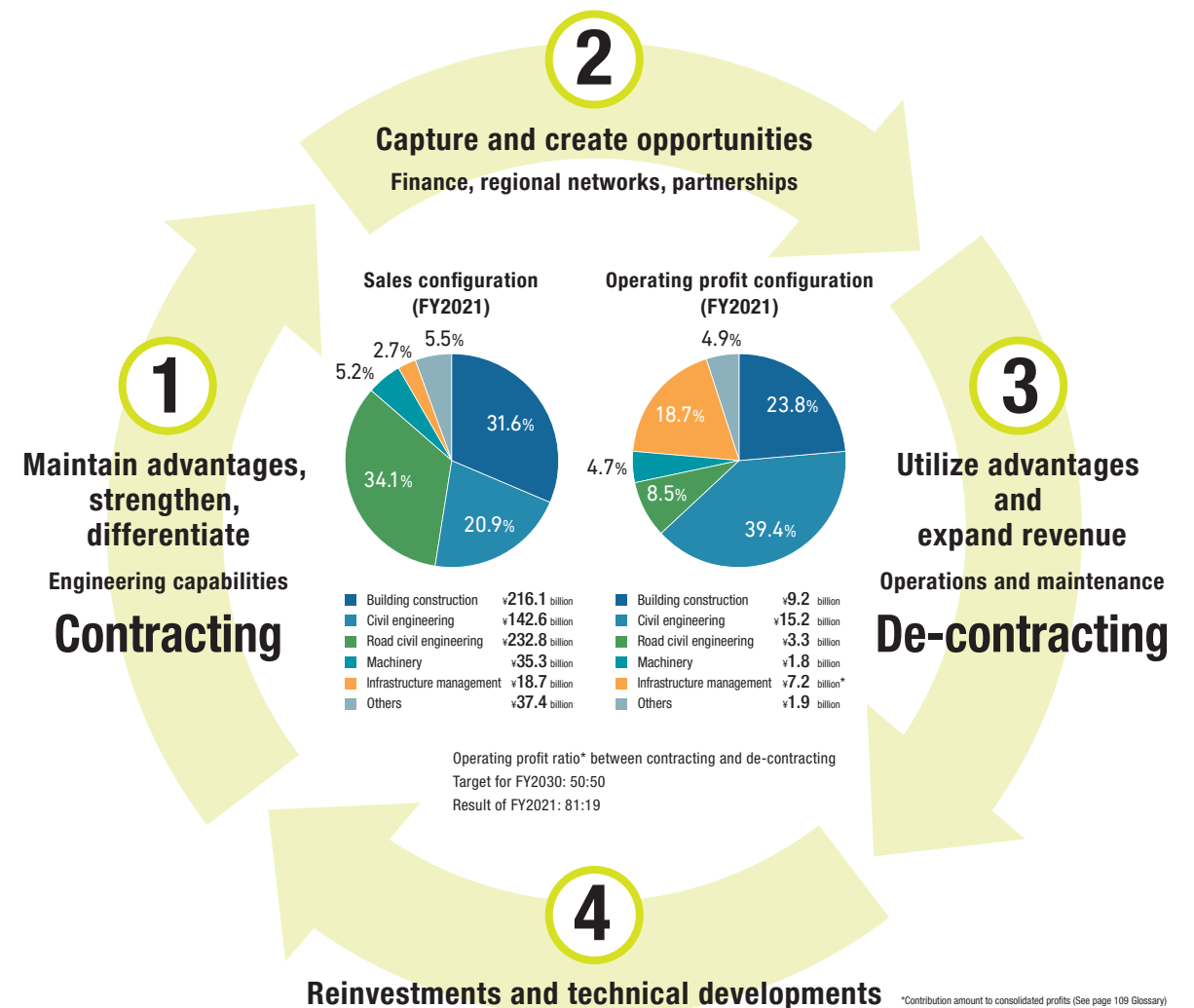
Comprehensive Infrastructure Services Company



2. Contracting × De-contracting Model (Strengthening Advantages and Utilization Model)

Contracting × De-contracting

While aiming to stabilize and expand our own revenue, we will take business risks and improve our corporate value through the creation of added value that can be realized because we are a comprehensive infrastructure services company. In this way, we aim to continuously provide infrastructure services to society.



- 1 Strengthen and maintain engineering capabilities and advantages through contracting projects (construction, etc.)
- 2 Create opportunities and reduce risks by combining engineering and financing
- 3 Open new areas utilizing our advantages and expand revenue (De-contracting infrastructure business)
- 4 Obtain stable and continuous returns and make further reinvestments

The phrase “de-contracting” or “exiting contracts” includes not only our conventional contracting business, but also the intention to take on business risk of projects as a construction vendor. Specifically, a business acquires the right to operate social infrastructures such as airports, water and sewerage systems, and toll roads, and comprehensively manages all related businesses, such as its construction, operation, and maintenance. Contracting business is a kind of fee-earning business, but infrastructure business with such investments can also generate returns beyond contracting business by utilizing engineering and financial know-how. These will also lead to further growth investments.

3. Creation of Capital Recycling

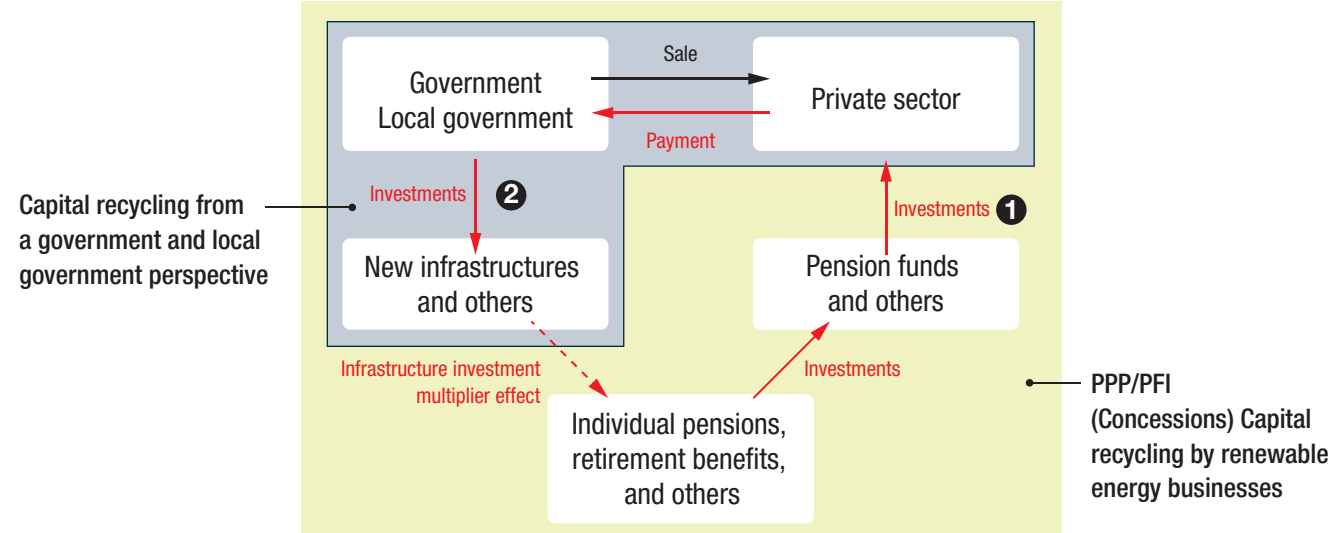
Creation of Value Through Capital Recycling

INFRONEER will supply society with its infrastructures taking on development risks and generating long-term returns. Based on our engineering capabilities we will create buildings and infrastructures all across the stages of planning, design, construction, and maintenance and operation.

This makes it possible to do the following.

- (1) Pass on equity to investors such as in pension funds while continuously contributing to operational management.
- (2) Through PPP/PFI business, the government and local governments will invest in new infrastructures using the income obtained from the sale of operating rights.

Further, we will contribute to the revitalization of the energy market and the attaining of carbon neutrality by creating a high-quality power generation business in the renewable energy market and supplying society. In this way, we believe that by proactively implementing initiatives to recycle capital and to create a secondary market, we will contribute to solving the problems faced by the development and renewal of infrastructures, and pension finances.



Providing Development Projects to Society (Secondary Market Creation)

- FY2021 Sale of two solar power projects to infrastructure funds
- FY2022 Sale of one wind power projects to an infrastructure fund

Global Infrastructure Management Co., Ltd.: Established Two Infrastructure Funds

As part of our efforts in the capital recycling model, together with TOKYU CORPORATION (hereinafter referred to as "TOKYU"), we have established Global Infrastructure Management Co., Ltd., which plays a role in supporting infrastructures from a financial aspect. Utilizing the different strengths of our own companies, which have been involved in the infrastructure business for many years, we aim to respond quickly and effectively to the growing market needs for new infrastructures in recent years. The company is responsible for providing financing and investment support for infrastructure projects, mainly through its specialist human resources in the financial field. In Japan, many policies have been announced in recent years such as promoting public-private partnerships and the introduction of renewable energy, aiming to promptly respond to infrastructure issues. In June 2022, the Cabinet Office announced the "PPP/PFI Promotion Action Plan (Revised Edition, 2022)*." We believe that the company's role will expand as attention focuses on new investment opportunities for capital needs and capital markets that are seeking stable cash flow.

In order further to develop businesses in the PPP (public-private partnerships) and environmental energy sectors and to foster the domestic infrastructure capital market, the company has also made preparations for the establishment of two infrastructure funds in FY2021 for establishment in FY2022. Specifically, they are the Asset Creation Fund Series (hereinafter referred to as "ACF") and the Income Fund Series (hereinafter referred to as "ICF"). The establishment of these two types of infrastructure funds to create and promote recycling of capital is also a major step forward for our shareholder Tokyu, and our company in which to take the initiative.

Global Infrastructure Management Co., Ltd. <https://www.gimc.jp/>

*See PPP/PFI Promotion Action Plan (Revised Edition, 2022) https://www8.cao.go.jp/pfi/actionplan/action_index_r4.html

Six Business Foundations to Support Growth

| Human Capital | Human resources who can create value through passion |
|---|---|
| Page 98, page 101 to page 102 Non-financial Information | |
| [Ethics and compliance] <ul style="list-style-type: none">Types and number of complaints filedRatio of employees who have been trained in ethics and compliance | [Health and safety indicators (workers employed by our company)] <ul style="list-style-type: none">Number of labor-related accidents (incidence rate)Number of labor-related fatalitiesPercentage of health and safety training participants |
| [Diversity] <ul style="list-style-type: none">Diversity of the workforce (gender, age, disability, nationality) | [Human resource development] <ul style="list-style-type: none">Investments in human resource trainingTraining time per employeeContent and participation rate of training sponsored by human resources department |

| Financial Capital | Offensive and defensive financial management |
|---|--|
| Page 97 IR Information | |
| FY2021 results | |
| Net sales: ¥682.9 billion; gross profit: ¥91.6 billion (gross profit margin: 13.4%); general administrative expenses: ¥54.1 billion; operating profit: ¥37.5 billion (operating profit to net sales: 5.5%); ordinary profit: ¥38.0 billion (ordinary profit to net sales: 5.6%); profit: ¥26.7 billion (profit to net sales: 3.9%); equity: ¥346.9 billion; ROE: ¥15.0%; EPS: ¥94.7; EBITDA: ¥69.1 billion; value-added: ¥140.2 billion | |
| Total of gains from the sale of cross-shareholdings: ¥7,808 million | |
| Acquisition of treasury shares: | |
| Accumulated treasury shares acquired up to April 13, 2022 | |
| (1) Total number of shares acquired: 19,180,600 shares (2) Total amount of acquisition ¥19,999,983,864 | |

| Business Know-how | 100 years of know-how, technology, and intellectual property |
|---|--|
| Page 67 Challenges in Expanding the Infrastructure Business Page 69 Segment Introduction | |
| Achievements of designing, manufacturing, sales, rental and services of civil engineering, building construction, road civil engineering, infrastructure management, construction machinery, and other related businesses | |

| Domestic and International Bases | Community-based services |
|--|--------------------------|
| Page 107 Company Overview | |
| [M A E D A] 44 domestic bases (16 head offices and branches, 28 sales offices), 15 overseas bases | |
| [M A E D A R O A D] 223 domestic bases (11 branches, 111 sales offices, 100 plants), 1 overseas base | |
| [MAEDA SEISAKUSHO] 29 domestic bases (2 branches), 1 overseas base, 56 dealers | |
| [J M] 14 domestic bases (34 satellite offices), 3 overseas bases | |

| Long-term Partnerships | Cooperating companies, alliances, customers |
|--|---|
| Page 26 Value Creation Process Page 29 Stakeholder Remarks Page 69 Segment Introduction | |
| [Cooperating companies] Civil engineering and building construction segment Zenyu-kai (number of member companies: 567), road civil engineering segment Kyoei-kai (number of member companies: 98), Rekiyu-kai (number of member companies: 57) | |
| [A l l i a n c e s] Nippon Telegraph and Telephone Corporation, Tokyu Corporation, Accenture Japan Ltd, Fukuoka Jisho Co., Ltd., GL events, AEG, and others | |
| [C u s t o m e r s] Government agencies, real estate companies, transportation infrastructure and energy companies, and others | |

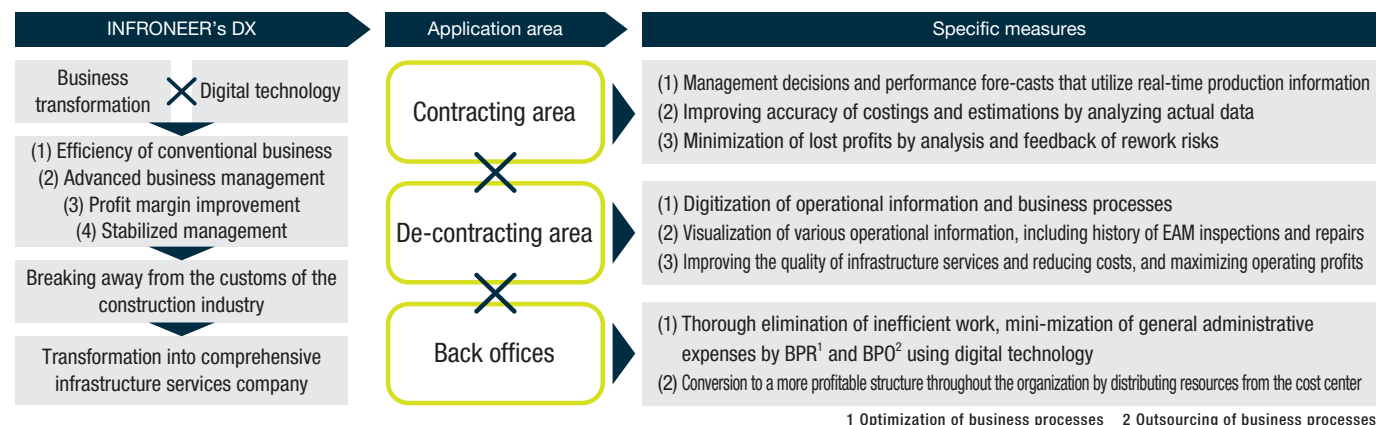
| Natural Capital | Earth |
|--|-------|
| Page 55 Initiatives for the Environment | |
| [E n e r g y] Power (crude oil conversion) 39,119.445 kl, green power 4,538,000 kwh, heavy oil 47,856.01 kl | |
| [M a t e r i a l s] To be disclosed in FY2023 | |
| [W a t e r r e s o u r c e s] To be disclosed in FY2023 | |

Accelerating Reforms Through DX

INFRONEER's DX Strategy

The essence of INFRONEER's idea of DX is to break through the traditional conventions embedded in the construction industry, not merely to improve the efficiency of conventional businesses, but also to improve business management itself, to improve profit margins and to attain management stability.

By utilizing digital technologies, including contracting and de-contracting areas and back offices, INFRONEER is promoting DX specifically by transforming into a comprehensive infrastructure services company as yet unseen in the world, that provides low-cost, high-quality infrastructure services worldwide from construction to operation.



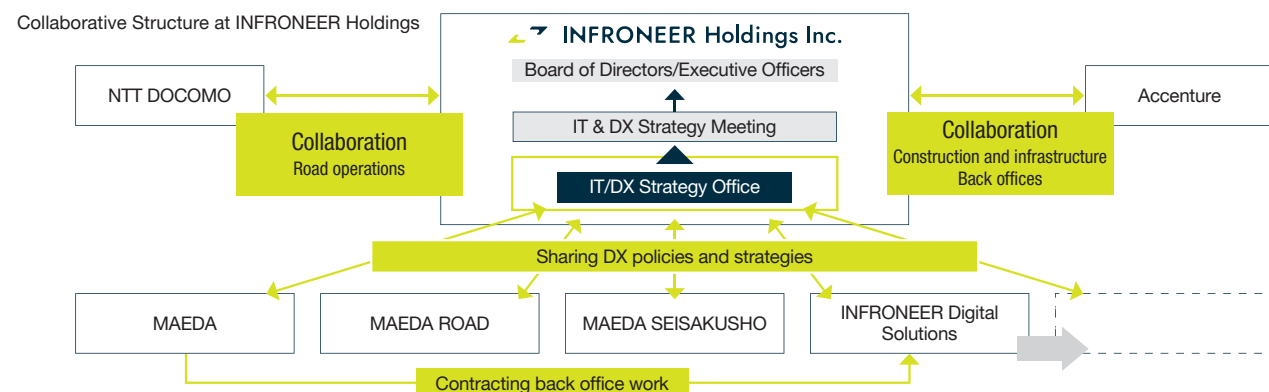
In construction and production, it is necessary to assemble a tailored, optimal production process based on different project conditions and flexibly dealing with uncertainties such as market conditions and the weather over a long period of time. For that reason, it has been difficult to make predictions and to standardize, and the process of making judgments and decision-making also tended to be based on personal know-how. At INFRONEER, we are transforming these traditional approaches into data-driven mechanisms wherever possible, thereby ensuring more reliable management decision making.

In the civil engineering, building construction, and road civil engineering segments of the contract area, we will focus on construction cost data, share in-formation including costs with stakeholders, and aim to stabilize our income structure by agreeing on ap-propriate costs and fees.

In the area of de-contracting, we aim to expand our business to all areas of infrastructure operations, regardless of the country or region. Aichi Prefecture toll roads have introduced EAM (Enterprise Asset Management System), and implementing data-driven management decisions, including repair plans based on inspection and repair history. In the future, we will improve the quality of infrastructure services and reduce costs to maximize operating profits while utilizing construction and production data accumulated in the contracting area.

Collaboration with Business Partners

In our collaboration with Accenture, we are committed to eliminating inefficient operations in the back-office sector and to BPR and BPO using digital technology. We are focusing on conversion to a more profitable structure throughout the organization by distributing resources from the cost center. In order to maximize acceleration of digital utilization, we will proactively expand collaboration with our partners that have leading-edge technologies, such as Accenture and NTT DOCOMO.



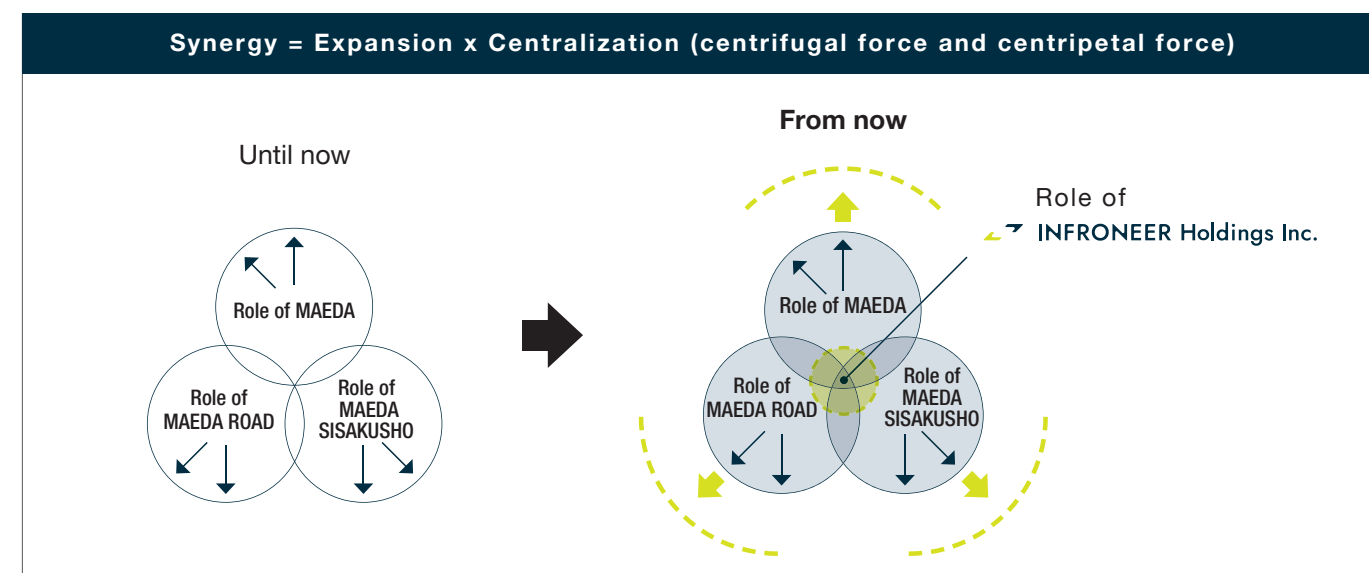
Ensuring a Competitive Advantage

Conversion to Holdings Structure

In October 2021, the three MAEDA Group companies (MAEDA, MAEDA ROAD and MAEDA SEISAKUSHO) shifted to the Holding structure and established INFRONEER Holdings, through a business integration.

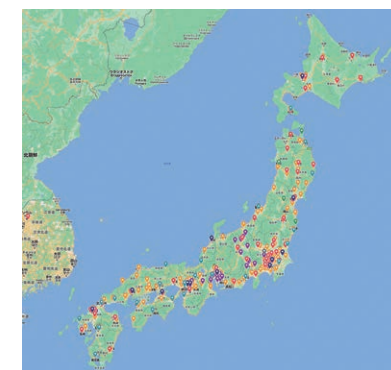
INFRONEER Holdings is responsible for medium- to long-term strategy planning for the entire Group, ensuring stable capital through IR activities, and enhancing our business portfolio through effective capital allocation. Furthermore, with a focus on business management based on growth and capital profitability, we aim to build a system that achieves Group-wide added value and ROE goals through timely decision-making.

In addition to being able to focus on their own core businesses as well as operating autonomously, the companies will accelerate collaborative participation in high-compatibility business areas that had previously been difficult for individual companies, and improve corporate value for the entire Group.



Domestic and International Offices and Regional Networks Providing Comprehensive Services

In addition to the headquarters of each business company in Japan and overseas, INFRONEER has its own base and regional network that realize comprehensive responses such as our sales offices for MAEDA ROAD and the satellites (franchise companies) of JM (a 100% subsidiary of MAEDA). We aim further to strengthen our business base and ensure our competitive advantage by utilizing and collaborating with this regional network.



Collaboration with and Support for Business Partners

In addition to internal strengthening through M&A, and the like, we will accelerate problem-solving in a wider range of areas through business alliances to supplement deficient areas of shortage, collaborative and joint technical development with partner companies that can share strategies, and investment in business partners that understand our strategies. In addition to establishing long-term partnerships by enhancing our economic and human resources, and technical support for cooperating companies, we will proactively develop future partners through investment in future venture companies (Page 62 Revitalize the Community and Support Partners).

Business Portfolio Management and Competitive Advantage

In pursuing the enhancement and utilization of the strengths of contracting and de-contracting, and in promoting the expansion of segments and areas (enrichment), we intend to accelerate reforms through strict business portfolio management by Holdings, and through DX. We will evaluate each business by combining market growth potential with ROIC, and optimize the allocation of management resources based on timely and rational judgments and decision-making.

INFRONEER's Business Plan

The Group's overall strategy as an "integrated infrastructure service company," which manages infrastructure operations from upstream to downstream as a one-stop service

Page 43 Roundtable Discussions of Financial and Corporate Strategies with Executive Officers

Page 47 Overview of INFRONEER Medium- to Long-term Vision

Page 50 Capital Policy and Dividend Policy



Keiichiro Hashimoto



Ryuji Endo



Shinya Sakaguchi



Discussion meeting

Expanding Infrastructure Investments While Setting up a Structure for INFRONEER

We held roundtable discussions with the executive officers responsible for financial strategy and corporate strategy, and the chairman of the Board of Directors on INFRONEER Holdings' underlying governance and initiatives regarding finances, management planning and ESG.

We will adopt a holding company structure to give clarity to the evolution of our governance.

Sakaguchi: We have held comprehensive discussions on the institutional design of our new company, INFRONEER Holdings, recognizing that the most important thing in maximizing our corporate value is our governance structure. We came to the conclusion that a company with a nominating committee monitored by the Board of Directors, comprising a majority of outside directors, is the most suitable structure to achieve our goal of speed in a drastically changing business environment.

Hashimoto: I was appointed the chairman of the tentative Nominating Committee through a detailed process before INFRONEER Holdings was established. There were more than 20 candidates for directors and executive officers. We prepared detailed work histories and personnel evaluation reports. Following each presentation, five tentative Nominating Committee members asked detailed questions to evaluate the candidates in accordance with the requirements specified by the tentative Board of Directors. This process was repeated for each of the candidates, and each time we held discussions among the committee members and submitted written answers to the tentative Board of Directors. Those members selected by the tentative Nominating Committee became the directors and executive officers of INFRONEER Holdings when it was established.

Sakaguchi: It is now more than six months after INFRONEER Holdings was established. What is your opinion of our governance as a Chairman of the Board of Directors?

Hashimoto: Looking at the Board of Directors from my position as Chairman, since INFRONEER Holdings was established on October 1 of last year, we are constantly reviewing its structure and issues. I feel that our ability to take action speedily and without hesitation is very good. Let me also ask you, from your executive perspective, what is your opinion of the Board of Directors and the operation of the three committees?

Endo: Because the majority of directors are outside people, relationships in the Board of Directors and the three committees are more tense than in the business company. The chairman is skillful in obtaining opinions from all the directors. I think that the discussion is more lively than ever before. Also, outside directors can also speak on the basis of their professional knowledge in their respective fields, and as the executive officer responsible for finance in a company with a high demand for capital, their advice on financing methods, balance of liabilities and capital and other financial aspects is very helpful.

Sakaguchi: As Chairman Hashimoto pointed out, our governance structure is developing. The biggest reason for shifting to a company with a nominating committee was to increase the speed of execution. Establishing INFRONEER Holdings immediately maximized the authority of the Board of Directors, but this is gradually being transferred to the Board of Executive Officers. I think the same is true for the three committees.

Hashimoto: In particular, it's also important how we make investment decisions in the infrastructure management business, which is our biggest growth driver.

Sakaguchi: I agree. The infrastructure management business, including concessions, should be understood not only by MAEDA, but also by the entire Group. Initially, all the projects were discussed by the Board of Directors. However, from the viewpoint of increasing speed, we are considering transferring the authority to the Board of Executive Officers while keeping our eyes on the status of each case.

In addition, although we are currently using MAEDA's investment standards for evaluation, the economy and society are constantly changing, so we want to create investment standards for INFRONEER Holdings as soon as possible.

We will promote the aims of INFRONEER Holdings by linking corporate planning department and finance department so that they can play a central role.

Endo: As an executive officer responsible for finance, my biggest responsibility is to support the financial achievements of our INFRONEER Medium-term Vision to improve our corporate value. Of particular note, I will steadily advance our capital strategy and return policy as we have promised to our stakeholders, with an eye on FY2024. Currently, we are progressing faster than we had expected, but we want to continue to maintain a sense of tension in our work. There are many issues to be addressed, such as how INFRONEER can reduce capital costs as Holdings, and the search for an optimal portfolio balance sheet for sustainable growth, but we will continue to make steady progress with the entire Group.

Sakaguchi: As the executive officer responsible for corporate strategy, I will be proactive in promoting investments that area source of competitiveness in order to improve our corporate value. In addition to investing in our infrastructure management business, I will expand M&A, IT and DX investments, and our investment in human resources. We have announced the INFRONEER Medium-term Vision covering the period up to FY2024 and the INFRONEER Medium- to Long-term Vision covering the period up to FY2030. I believe that the key to achieving these is implementing growth investments.

Hashimoto: When large projects such as concessions are offered as planned, I think that they will be the key to finance. For example, what kind of balance sheet structure will be used? I hope that the balance between our corporate planning and financial departments will decide what kind of procurement is desirable for our business plan.

Sakaguchi: I agree. The basic structure is centered around each business department responsible for the contracting business and the de-contracting business, and they will support it by linking with the corporate planning and finance departments. Also, while INFRONEER Holdings maintains an optimal balance between centripetal and centrifugal forces, we are committed to implementing various measures to improve the Group's corporate value as a whole.

Earning half of our operating profit in the infrastructure management business in the future

Sakaguchi: We announced the INFRONEER Medium-term Vision and the INFRONEER Medium- to Long-term Vision on October 1 last year. The framework is based on the Medium- to Long-term Business Plan,

NEXT 10, announced by MAEDA in FY2019. We had a lively discussion with three companies based on NEXT 10, and considered how we could improve our corporate value in the context of future changes in the business environment. Looking at anticipated changes in the business environment, we set specific numerical targets, including an operating profit of ¥100 billion, together with our future aims. Next, we analyzed our current situation clearly, centering on the type of organization we want to be, and incorporated strategies and tactics that would allow us to fill the gap. Naturally, we cannot solve all issues only with our internal resources, so we have incorporated policies that use external capabilities proactively. For example, in the case of DX, we are thinking of responding promptly to the speed of changes in the business environment by partnering with Accenture Japan Ltd.

Hashimoto: I think that you were able to predict the demand for conventional construction to some extent when you formulated the plan, but I think it is very difficult to predict in infrastructure management businesses such as concessions. What were the difficulty areas?

Sakaguchi: Yes. In the INFRONEER Medium- to Long-term Vision, we indicated how the public-private partnership market will expand as a market for infrastructure management businesses. For example, by FY2030, the public-private partnership market is estimated to expand to about ¥1.6 trillion, and to about ¥170 billion in terms of the availability payment method*, and in total, to approximately ¥1.8 trillion. There was also some debate about whether it would really expand that much. However, on June 3, this year, the Cabinet Office issued the "PPP/PFI Promotion Action Plan (Revised Edition, 2022)," which showed a market scale of ¥30 trillion over 10 years. I think there is a difference in definitions, but it is a market size forecast that far exceeds our forecasts. We were able to reconfirm that our direction is correct.

We also aim to earn half of our FY2030 operating profit target of ¥100 billion in infrastructure management. We understand empirically that it is also very difficult to predict the demand for conventional construction. Conventional construction demand is a highly volatile market that is heavily affected by the external environment. Recognizing that the market is on a declining trend in the long term and fluctuates greatly, I believe that increasing the ratio of infrastructure management, which can reliably be anticipated to grow in the market, is a way to continuously improve the Group's corporate value as a whole. Our employees are the driving force in increasing corporate value. Therefore, at the same time as our message to the market aiming for an operating profit of ¥100 billion, we also sent a message to our employees that their remuneration would be set according to the Company's performance. We have committed to this internally and externally. In addition to remuneration, we will improve trainings and systems for employees, and proactively invest in our human resources.

Hashimoto: Your aggressive growth strategy aims to achieve more

than a 12% ROE in FY2030. Is that correct?

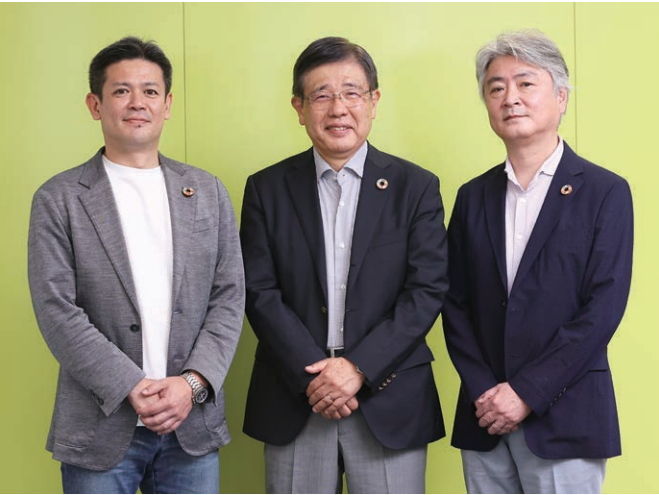
Endo: Yes. We are not aiming to expand our profit by inflating our balance sheet. For ROE, we aim to achieve more than 12% in FY2030 in our INFRONEER Medium- to Long-term Vision. Firstly, we are committed to achieving 9.5% for the entire Company in the INFRONEER Medium-term Vision by FY2024. In addition to improving our operating profit margin, our capital strategy is to reduce our net asset ratio for our cross-shareholdings to less than 20%, D/E ratio to 0.6 times or less, equity ratio to 30% or more and ¥40 billion as a treasury share acquisition by FY2024. We aim to expand our profit while working to strengthen our constitution.

Organizing efforts to date to build an ESG strategy

Sakaguchi: We implemented initiatives for ESG at each business company, but the entire Group has organized E and S initiatives so far. We will dig deeper into the parts that are insufficient, formulate strategies and tactics, and prioritize our responses. We believe that after the flow of this series is in place, we will have an INFRONEER Group ESG strategy.

Hashimoto: I think that a significant part of our company's business is worth E and S. Japan's total infrastructure assets amount to ¥800 trillion, and it is aging significantly. It is now clear to everyone that accidents occur frequently because of the aging infrastructure, so I think that updating these is the biggest S initiative. In addition, infrastructure management businesses such as renewable energy have been sold to the secondary market for operation by financial institutions. If this continues and local residents are allowed to invest on their own, they may start to realize that they are supporting the local infrastructure on their own. Enriching the secondary market is very important in the sense of connecting E and S.

Sakaguchi: Actually, at our Group company, we have already launched two infrastructure funds last year and this year. In the future, we are working with the idea that we will create a secondary



market. Right now, we are only dealing with renewable energy projects, but in the end, we want to add concession projects as well. As J-REITs have combined finance and real estate, we want not only to revitalize aging infrastructure by fusing finance and infrastructure, but also to provide new infrastructure services to society. Various projects have already been launched to achieve this object.

Endo: As far as finance is concerned, ESG initiatives are becoming increasingly important from the viewpoint of how to raise capital to implement our INFRONEER Medium- to Long-term Vision. While there are capital investments in environmental issues, we also conduct renewable energy projects and concession projects. It is necessary to optimize financing for each. We are positioning the Earth as one of our stakeholders. MAEDA has paid dividends for the Earth (2% of consolidated profit for the fiscal year), but we have a policy to continue as INFRONEER Holdings as a whole.

Hashimoto: In addition to the perspective of ESG, the infrastructure management business has a stock effect on the safety and security of people and society. Furthermore, it has a flow effect of promoting infrastructures that were abandoned for financial reasons through public-private partnerships. It is also a grand attempt to expand previously stagnant infrastructure investments by introducing new methods such as availability payments with the help of the private sector. So we believe that we can reliably move forward with our business.

Sakaguchi: The Company logo is INFRONEER ARROW. The thought behind the logo is to open up the future for infrastructure and to achieve a world where there's no limit to what can be asked from and what can be delivered by infrastructure services. The dynamic motif expresses our willingness to take on the challenges of our established concept and to innovate. Along with our company name which carries our philosophy as infrastructure innovator, pioneer, engineer at the frontier in each era, all employees of the Company are united in working for a world where there's no limit to what can be asked from and what can be delivered by infrastructure services.

Shinya Sakaguchi (photo left)

Joined MAEDA CORPORATION in 1999; after working in the field, design, and research, served as Group Director of the Corporate Planning Department and General Director of the General Planning Department in 2017; became Executive Officer and Deputy General Manager of the Management Innovation Division in April 2020; became Executive Director of INFRONEER Holdings in October 2021.

Keiichiro Hashimoto (photo center)

Joined The Mitsubishi Bank, Ltd. (now MUFG Bank, Ltd.) in April 1974; served as Director, Executive Officer, Executive Vice President and Chief Financial Officer (CFO) of Mitsubishi Motors Corporation in June 2003; served as an Outside Director of FANCL Corporation in June 2020. In October 2021, became an Outside Director of INFRONEER Holdings, Chairman of the Board of Directors, and Chairman of the Audit Committee.

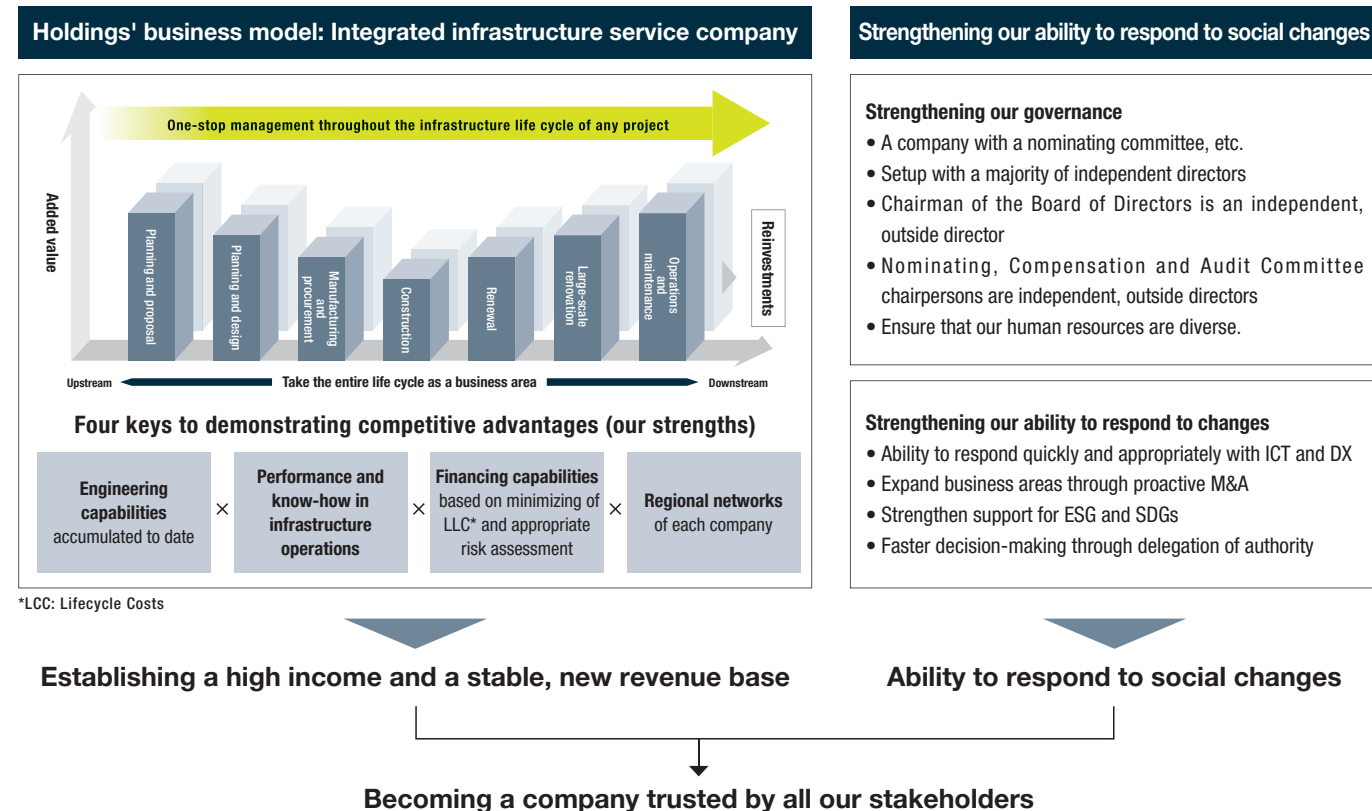
Ryuji Endo (photo right)

Joined MAEDA ROAD CONSTRUCTION Co., Ltd. in 1986; served as the Manager of the Accounting Section at the Head Office and the General Manager of the Accounting Department; in April 2019, became the Executive Officer, Deputy General Manager of the Administration Division and the General Manager of the Accounting Department. In October 2021, became Executive Officer of INFRONEER Holdings.

Overview of INFRONEER Medium- to Long-term Vision

The Organization as Envisioned by INFRONEER

- Prioritize our promotion as an "integrated infrastructure service company" that manages both upstream and downstream in the infrastructure operation business aiming to establish a business model that achieves sustainable growth unaffected by external factors.
- Create a stable and highly profitable revenue base by uniting the engineering know-how of each Group company, expand our business fields by M&A and reinforce competitiveness.
- Aim to be a company trusted by all our stakeholders by establishing an effective corporate governance structure, promoting Digital Transformation (DX), ensuring prompt and appropriate management and reinforcing our "ability to deal with social changes."



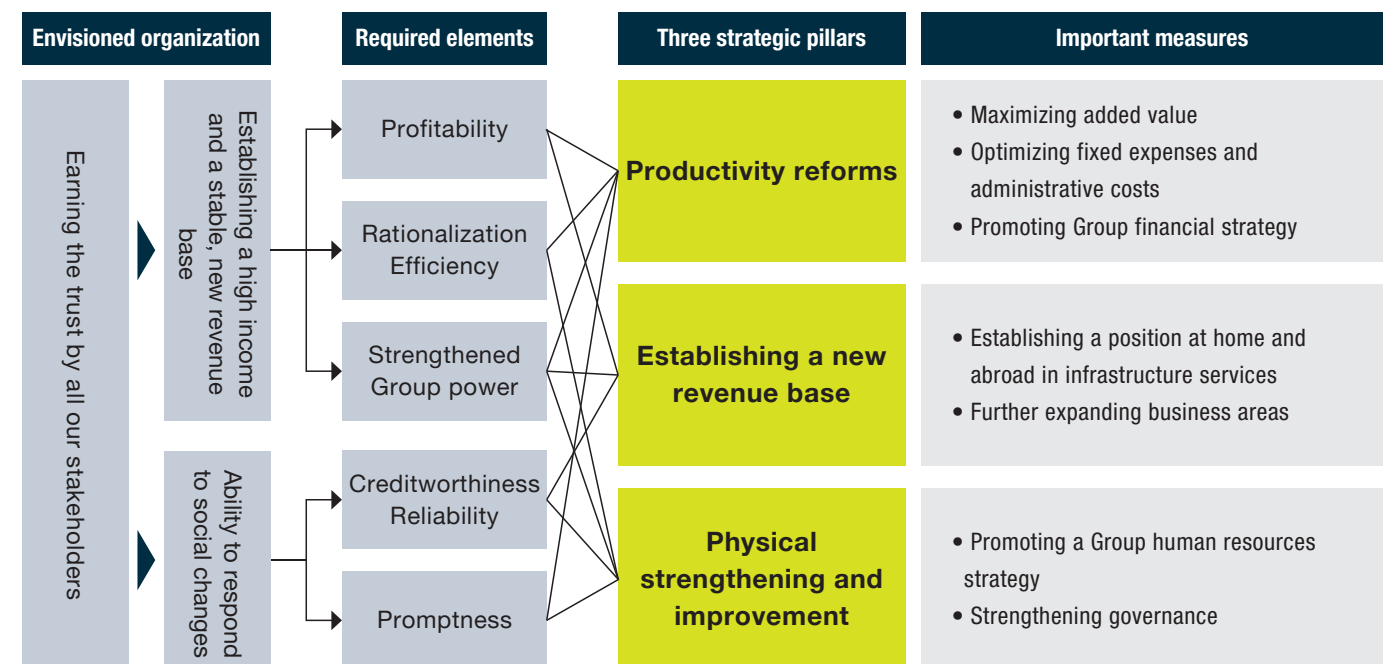
Basic Policy for INFRONEER Medium-term Vision

Measures that will be of particular focus in the infrastructure construction phase for significant growth after FY2025 (INFRONEER Medium-term Vision 2024)

| | | |
|---|--|---|
| Pursue Group synergy | Improve competitive power | Mutual application of the performance and know-how of the Group companies |
| | Strengthen business infrastructure | Maximum utilization of Group regional/customer networks at each company |
| | Ensure quality shared ability | Integrate cooperating company information at each company in the Group and strengthen cooperation |
| | Reduce costs | Effectively utilize Group assets (elimination and consolidation) |
| Establish a system for new business areas | Improve competitive power in infrastructure operating markets | Amalgamate the strengths of the Group companies' technical capabilities, infrastructure operation performance and know-how, finance capabilities and regional networking capabilities |
| | Expand the renewable energy business | Accelerate the renewable energy business to date |
| | Expand business areas | Fuse together the business areas of each Group company |
| Promote DX/shared services | Reduce costs by sharing services | Consolidate duplicate business processes in each Group company, sharing and streamlining functions, and shifting resource to department creating value-added services. |
| | Use digital technology to advance business and make it more efficient. | Aggregate and centralize management of data at each company in the Group |
| Promote M&A | Complement insufficient areas through M&A | Use M&A to rapidly complement areas that are insufficient (upstream and downstream areas, fields, and others) but necessary for an integrated infrastructure service company |

Three Strategic Pillars and Important Measures

To achieve our envisioned organization, we have formulated key measures for each strategy with productivity reforms, establishing a new revenue base, and strengthening and improving our physical structure as the three pillars of our strategy.

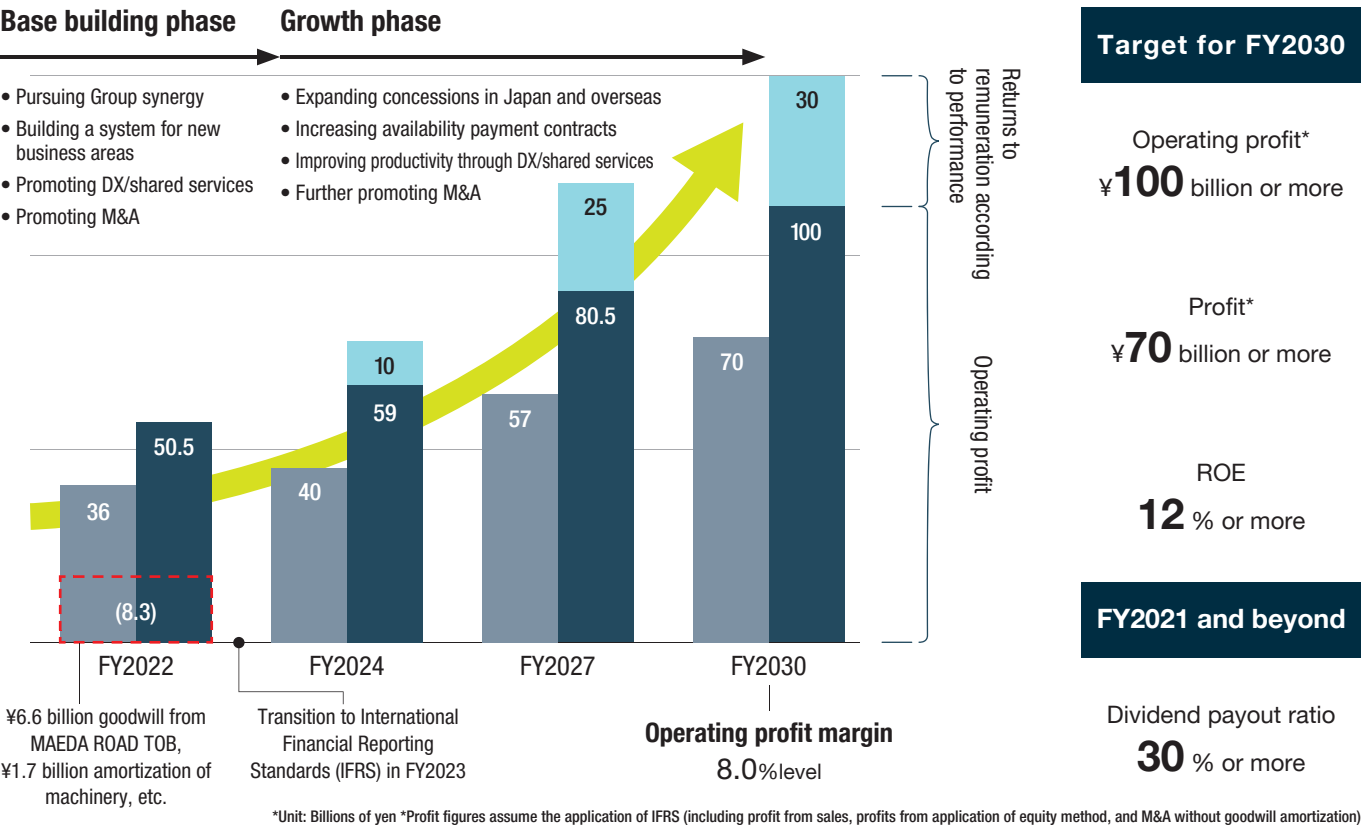


Specific Medium- to Long-term Measures in the Three Strategic Pillars

| Three strategic pillars | Important measures | ESG | Specific measures |
|--|---|-----|---|
| Productivity reform | Maximizing added value | ES | Share application of the performance and know-how of the construction contracting business and the infrastructure management business to improve competitiveness. |
| | | ES | Use regional/customer networks at each Group company to the full to strengthen the business base (including global expansion) |
| | | ES | Reduce procurement costs through Group collaborative procurement and centralized purchasing |
| | Optimizing fixed expenses and administrative costs | S | Ensure stable and good quality supply capabilities by integrating cooperative company information from each company in the Group, and strengthen our cooperation. |
| | | S | Introduce digital technologies across the entire Group to maximize productivity in all businesses |
| | | ES | Improve the quality and speed of R&D by bringing together the strengths and know-how developed by each company in the Group. |
| | Promoting a Group financial strategy | G | Improve our rate of return by executing growth investments with a focus on capital efficiency. |
| | | G | Consolidate duplicate business processes in each Group company, sharing and streamlining functions, and shifting resources to departments creating added value. |
| | | S | Make business more efficient and advanced through aggregation and unified management of data possessed by every company in the Group, and use of digital tools. |
| Establishing a new revenue base | Establishing a position at home and abroad in infrastructure services | EG | Optimize fixed expenses by using Group assets effectively (elimination and consolidation). |
| | | G | Minimize capital costs by integrated operation of Group capital. |
| | | ES | Improve our competitive power in the infrastructure operation market by assembling the strengths of our technical capabilities, infrastructure operation performance and know-how, financing capabilities and regional networking capabilities from each company in the Group |
| | Further expanding business areas | SG | Extensively develop the infrastructure management business in Japan and overseas by maximizing use of each Group company's networks. |
| | | ES | Expand the renewable energy business to support the creation of a decarbonized society and the development of sustainable and autonomous local communities. |
| | | ES | Expand business areas by sharing the Group's diverse strengths (technology, know-how and networks). |
| Physical strengthening and improvement | Promoting a Group human capital strategy | ESG | Complement insufficient areas through M&A and expand business areas |
| | | ESG | Actively recruit specialized human resources that will become an immediate fighting force, and rapidly expand into new business areas. |
| | | SG | Improve employee motivation by monitoring engagement surveys and feeding back to management policy. |
| | Strengthening governance | SG | Improve employee job satisfaction and motivation by proactively investing in human resources training and improving the personnel system. |
| | | ESG | Disseminate our management philosophy and establish CSV thinking through joint training and dialogs with management. |
| | | S | Promote sustainable growth of individuals and companies by acquiring and developing strategic human resources across the entire Group. |
| | | G | Speed up management by introducing transparent, fair, prompt and decisive decision-making mechanisms. |
| | | ESG | Strengthen compliance awareness through continuous training. |
| | | SG | Develop a strong and effective governance structure that contributes to improving our corporate value |
| | | SG | Adopt a corporate culture in which diverse human resources can play a role by promoting diversity. |
| | | | |

Management Target Values

We aim to achieve net sales of more than ¥1.2 trillion, an operating profit of ¥100 billion or more (operating profit margin of 8.0% level), profits of ¥70 billion or more, and a ROE of ¥12% or more by FY2030.



Initiatives for Safety, Security and Reliability

Initiatives for ESG to solve infrastructure problems
Segment strategies and related initiatives

- Page 53 ESG Strategy
- Page 55 ESG Strategy - Environment
- Page 59 ESG Strategy - Society
- Page 63 ESG Strategy - Governance
- Page 67 Challenges in Expanding the Infrastructure Business
- Page 69 Segment Introduction
- Page 71 Segment Introduction - Civil Engineering Business
- Page 75 Segment Introduction - Building Construction Business
- Page 79 Segment Introduction - Road Civil Engineering Business
- Page 83 Segment Introduction - Infrastructure Management Business
- Page 87 Segment Introduction - Machinery Business
- Page 91 Segment Introduction - Main Related Businesses (Others)
- Page 93 Bases for Generating Synergies - ICI General Center -



Promote ESG Strategy

Promote ESG strategies for creating sustainable value

E

Environment

Build an offensive and defensive environment-conscious society

Reduce greenhouse gas emissions and build a decarbonized society

In addition to initiatives to recycle resources and introduce efficient, leading-edge technologies,

reduce greenhouse gases in the business value chain itself, we will also promote new renewable energy businesses to develop and construction methods that contribute to reducing our environmental impact (see page 33 "Materiality").

Approve TCFD recommendations and disclose information

In accordance with the TCFD* framework, we will be on responding to climate change risks and

analyze the financial impact of climate change, and disclose climate-related information in line with TCFD's recommendations opportunities (published: June 30, 2022 on our website).

Strengthen environmental management

We took over "Environmental Management No. "Dividends for the Earth (page 58),"continue and

1," which MAEDA Group advocated in 2009. As part of the overall initiatives of INFRONEER Holdings, we will implement the strengthen efforts to preserve biodiversity and build a society that coexists with nature.

*See page 107 "TCFD"

S

Society

Produce value-creating human capital, build a mutually respectful

society, and pursue ease of work and value of work

Contribute to solving social issues

We will work to resolve social issues and promote ensure a stable supply capacity through management

regional revitalization by participating in public-private partnership projects including the concession projects, and we will support and human capital development for cooperating companies that are our partners.

Formulate a Group human capital strategy

We formulated a Group human capital strategy with capital (page 59). We will improve employee properly assign human resources, and make strategic

the aim of increasing added value and improving corporate value through the sustained generation of value-creating human engagement by building a corporate culture and system in which diverse human resources can play an active role, and will investments in training our employees to improve our human capital.

Formulate a Group human rights policy

We published our INFRONEER Group Human Rights We will provide all our officers and employees with activities.

Policy on our website on June 30, 2022, recognizing that our business activities may directly or indirectly affect human rights. appropriate training and education and will disclose relevant initiatives to ensure effective execution of our overall corporate

G

Governance

Develop strong and effective governance

Strengthen the governance structure

We are strengthening our governance structure by management skills. Each committee is chaired by an

increasing the ratio of outside directors (50% or more) and establishing a company with a nominating committee with diverse independent outside director.

Establish effective structure and initiatives

We will set up a Sustainability Committee, build a effective structures for the environment, compliance,

governance structure for ESG, and work to achieve our goals in the medium to long term by employing the PDCA cycle to create risk management, diversity, and other aspects of the entire value chain.

Allocate management resources appropriately

We will allocate management resources accurately, business models that challenge the status quo for the

speedily and with transparency, to each business segment that maximizes added value (maximizes corporate value) using future of our infrastructure.

Use diverse investment funds

We will increase efficiency and speed with use of a

financial strategy that leverages diverse investment funds, not just our own, through an Investment Committee.

Environment

The INFRONEER Group is moving forward with initiatives from a long-term perspective, focusing on decarbonization, resource recycling, and coexistence with nature, to enable the sustainable use of and symbiosis with natural capital, which is our business base. In addition, we are promoting activities through INFRONEER's own "Dividends for the Earth."

Initiatives for a Decarbonized Society

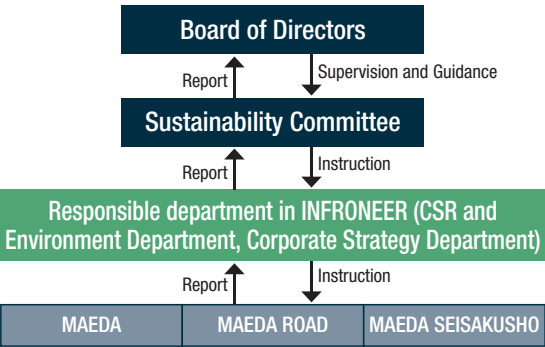
• Policies and Philosophy Regarding Climate Change

As the world moves towards economic recovery after the convergence of the pandemic, we are raising greenhouse gas reduction targets and accelerating the transition to a decarbonized and recycling economy. In the business environment surrounding us, we recognize that the new market for carbon neutral initiatives will expand rapidly in the maintenance, repair, renewal and new construction infrastructure fields through public-private partnerships. We have set out a target value for CO₂ emissions at zero by 2050 and we are driving forward our initiatives.

• Disclose Climate-related Information Based on TCFD Recommendations

Governance

The Group recognizes climate change as one of the key management issues and a major risk. While we have a strong sense of crisis, we also view it as an opportunity and will implement concrete initiatives to achieve our INFRONEER Medium- to Long-term Vision. Our basic policies and issues related to climate change are regularly reviewed by the Sustainability Committee, and we have a structure in place to ensure proper oversight by the Board of Directors.



Strategy

The Group recognizes that climate change is having a significant impact on its business. After identifying changes in the social environment and markets, we identified, analyzed and evaluated risks and opportunities related to migration and physical changes. In the past, we have been proactive in solving environmental and social issues in our businesses with the development of a renewable energy businesses. We will continue to add value by expanding these businesses to support a decarbonized society and sustainable and autonomous local development, with the aim of sustainable growth for the company. We will not only expand our renewable energy businesses as a supplier, but also, as a consumer of large amounts of energy, contribute to building a decarbonized society by reducing carbon emissions through the development of technologies for conserving energy, and by introducing wooden structures and buildings.

Risk Management

This indicates risks, opportunities, and responses related to migration and physical changes based on the assumed climate change scenarios for 2030.

<https://www.infroneer.com/jp/sustainability/environment/>

Targets and Goals

CO₂ Reduction Targets

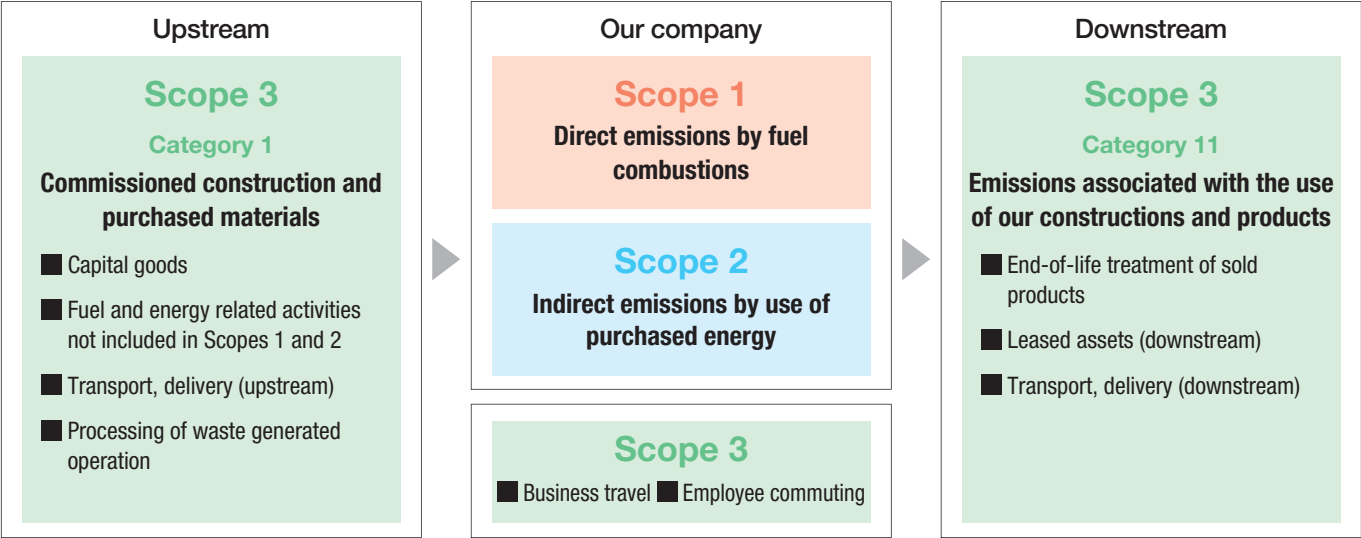
| Target | Target (Compared to FY2018) | Indices |
|---|--|---|
| Scope 1, and 2 emissions | Substantially zero emissions by FY2050 | Disclose graph of results in emissions |
| | 40% reduction by FY2030 | |
| Scope 2 emissions Utilization rate of renewable energy (electrical power) | RE100 in FY2050 | Disclose graph of usage rate of renewable energy (electrical power) |
| | RE60 in FY2030 | |
| Scope 3 emissions (Category 1: Commissioned construction, purchased materials) | 40% reduction by FY2030 | Disclose emissions from commissioned work and calculable purchased materials |
| Scope 3 emissions (Category 11: Emissions associated with the use of our constructions and products) | 40% reduction by FY2030 | Disclose emissions The service period of buildings is calculate with the LCCO ₂ method with CASBEE* *CASBEE: A system for assessing and rating the environmental performance of buildings, targeting new and existing buildings in Japan |

*The calculation standard for Group emissions is in accordance with the GHG protocol (obtained third-party assurance in June 2021)

• Reduce Greenhouse Gas (GHG) Emissions Across the Entire Value Chain

The Group is moving towards “carbon neutral 2050” by reducing emissions across the entire value chain. Going forward, in the infrastructure management business, we will aim to build a one-stop management to reduce environmental impact by building an mechanism for exchanging and sharing information to increase the effectiveness of GHG emissions reductions among our suppliers and stakeholders in the value chain. In FY2021, we received third-party assurance for our GHG emissions calculation reports (INFRONEER Holdings supply chain emissions in FY2020). We plan to issue ESG bonds, and the first green bond will be issued in September 2022.

Main CO₂ Emissions in Our Upstream and Downstream Business Activities



| Scope | Content of initiatives |
|---------|---|
| Scope 1 | <ul style="list-style-type: none">Streamline work and use leading-edge construction machineryPromote the above initiatives with the cooperating companies as the main entitiesReduce emissions during asphalt mixture production (promote foamed asphalt technology, and sell low-carbon mixtures) |
| Scope 2 | <ul style="list-style-type: none">Conserve energy at each business officeOffset with non-fossil fuel certificates and the likeDevelop infrastructure for climate change countermeasures through the renewable energy businessReduce emissions during asphalt mixture production |
| Scope 3 | <p>[Category 1: Commissioned construction, purchased materials]</p> <ul style="list-style-type: none">Accelerate technical development with open innovation centered on ICI for resource recycling and decarbonizationAchieve environmentally friendly procurement through the visualization of scope 3 emissions and resource recycling rates in the infrastructure management business, and promote DX <p>[Category 2: Capital goods]</p> <ul style="list-style-type: none">Contribute to reducing GHG in the supply chain when procuring asphalt mixtures <p>[Category 11: Emissions from our construction projects and products during use]</p> <ul style="list-style-type: none">Submit customer proposals for added value including for the environment, health, and productivity through W ZEB (double ZEB) for new construction projects and renovation and promote wooden structures and buildings.Expand the use of EV construction machinery in the machinery business |

<Examples of reducing CO₂ emissions during building operations: ZEB conversion through renovation of medium-sized office buildings>

MAEDA has registered as a ZEB* leading owner and ZEB planner, and we are moving forward with our initiative as a comprehensive energy-saving planner that designs, builds and offers consulting. In particular, while there are fewer examples of ZEB conversion renovations in existing buildings compared to new constructions, in MAEDA, the heat load was reduced by improving the outer skin performance with thermal insulation and solar shielding in the MKD Nagoya Building (Nagoya City, Aichi Prefecture) and the Hitokuchizaka Chuo Building (Chiyoda Ward, Tokyo), which are medium-sized office buildings, and the air conditioning was redesigned. Furthermore, by combining universal energy-saving technologies, both buildings are ZEB Ready. We are working to become a leading company for ZEB by working on "W ZEB" (double ZEB) for new construction and renovation projects.



Hitokuchizaka Chuo Building

*ZEB: Abbreviation of Net Zero Energy Building. Buildings with net zero or negative annual primary energy consumption
Reducing CO₂ emissions in the road civil engineering business (page 82)
Promoting renewable energy in the infrastructure management businesses (page 86)
Expanding the use of EV construction machinery in the machinery business (page 90)

Initiatives for Resource Recycling

• Policies and Philosophy Related to Resource Recycling

There is a need to respond to international developments, including conversion to a circular businesses, the business model that results in a circular economy. From a comprehensive perspective as infrastructure operators (ordering parties), emitters, and processors, the INFRONEER Group is introducing design for products that are environmentally friendly throughout their life-cycle to contribute to a circular economy. Almost all of the recycled asphalt mixture and recycled roadbed materials used in our construction business use products recycled and processed at our crushing plant in our road civil engineering business. As a one-stop management system for infrastructure operations from upstream to downstream, we aim to centralize resources and by-product logistics (scope 3) data, improve productivity, and build a social implementation model.

Recycling Construction By-products and Long-term Resource Cycling Initiatives

MAEDA ROAD accepts debris mainly asphalt clumps and concrete clumps, that are waste material from our construction sites, and recycles about 8 million tons of that per year (recycling rate is around 100%). Recycled aggregate is used as a material for recycled asphalt mixture, and is sold as a recycled roadbed construction material.

Industry Waste (Construction) Recycling Diagram



There have been concerns that the quality of the recycled aggregate would be inadequate due to repeated recycling. However, the production of foamed asphalt assemblies suppressed any deterioration in the quality of the recycled aggregate. Also, by reducing the heating temperature by approximately 30°C compared to ordinary asphalt production, the thermal degradation of the old asphalt in the recycled aggregate was suppressed. We will work to manufacture it at our factories nationwide, and develop our quality control and long-term resource circulation.

Towards a Society that Coexists with Nature

• Policies and Philosophy for Biodiversity

The Earth's environment is an indispensable foundation for achieving a world where there's no limit to what can be asked from and what can be delivered by infrastructure services, which is one of our goals. The Group is committed to conserving biodiversity and the sustainable use of resources in all business areas, including procurement, operation and renewal, to increase social and community safety, security, and sustainability. In addition, we are introducing green infrastructure that uses the functions of the natural environment to solve various issues in society. In the civil engineering, building construction and road civil engineering businesses, we are committed to the use of building materials with low environmental impact and the construction of a resource circulation model, especially because it requires a great deal of natural capital input. This year, we built a new government building for Yatsushiro City, Kumamoto Prefecture using local wood, and have worked to popularize wooden buildings. In addition, during development, we conduct environmental assessments to help preserve ecosystems, and the like. We are committed to protecting endangered species and protecting local ecosystems. In the machinery business, R&D in the forestry and processing machinery sectors contributes to the recycled use of forest resources. In the infrastructure management business, in addition to conserving biodiversity with the use of sustainable resources, we are maintaining water resources in connection with the water and sewage concession business.

<https://www.infroneer.com/jp/sustainability/environment/biodiversity.html>

→ See our website for details on wooden structures. <https://kidetatetemiyou.com/projects/>

<Green Infrastructure Example: Hamamatsu Seawall>

MAEDA participated in a 17.5-kilometer seawall development project in Hamamatsu City, Shizuoka Prefecture. By using CSG material (page 74) at the center of the seawall, the CSG will remain firm despite the earth and sand shifting by tsunami, and will remain a firm structure that cushions against a tsunami. Furthermore, the cover soil can be used to regenerate the disaster prevention forests that blend with the environment and the landscape and also suppresses the damage to houses from flying sand and salt. We also cooperated with local NPOs to take into account the natural environment, including protecting sea turtles and transplanting rare plants. During the construction period, we have been working to conserve the Motschulsky (chaetodera laetescripta) with the local Hamamatsu Minami High School. As a result of the school's efforts, which continued after the completion of the conservation activities, they were awarded the Minister of the Environment Award in 2021.



Hamamatsu Seawall

Dividends for the Earth

Because we are conducting business activities with the benefits provided by the Earth's resources, we are introducing "Dividends for the Earth" to return a portion of the business profits to our investor Earth in the same way as we pay dividends to our shareholders. Specifically, those dividends were set at 2% of our consolidated profit. Furthermore, we do not simply contribute funds as a company, we also promote activities that actively involve our employees and their families while collaborating with local communities and NPOs. This scheme is the successor to INFRONEER Holdings, which MAEDA had been undertaking since 2010 "dividends for the Earth" comprises three frameworks. Green Commitment and SII (Social Impact Investment) to promote the company's activities, and an Eco Point System called *Me-pon* to promote individual activities.

Content of Dividends for the Earth

| Green Commitment | | + | SII(Social Impact Investment) | |
|------------------|-----------|---|--------------------------------|--|
| INFRONEER Forest | Eco-Aid | | Eco Point System <i>Me-pon</i> | |
| Eco-system | Eco-Angel | | | |
| Eco-School | Green R&D | | | |

• Green Commitment

This is mainly a mechanism to support activities designed to solve social issues related to the environment. Each issue is categorized, and the content is carefully reviewed and supported for each of these activities.

• SII (Social Impact Investment)

We provide support through investments in businesses, technologies, and venture companies with ideas that contribute to solving social issues.

• Eco Point System *Me-pon*

This is an eco-point system designed to support employees and their families who proactively engage in environmental activities in their daily lives, and to visualize individual environmental activities. Through our dedicated website, the Company awards points to employees and their families for any voluntary environmental activities they are involved in outside of their work. The accumulated points allow employees to select and purchase environmentally friendly products, and the like. It is a mechanism that is gentle on the Earth.

→ See our website for details on "Dividends for the Earth." <http://www.maeda.co.jp/csr/sacca/cwsac/>

<Examples of Green Commitment: Forest development activities in the INFRONEER Forest Takamori>

In FY2010, INFRONEER Forest Takamori (Takamori Town, Aso-gun, Kumamoto Prefecture) entered into an agreement with the corporate forestry development system established by Kumamoto Prefecture and have been providing ongoing support. In addition to carrying out forest conservation activities in collaboration with local NPOs, we are expanding the forest creation circle together with our employees and their families by conducting annual forest maintenance. This activity is in its tenth year. Our many years of our efforts, including contributing to preventing global warming by planting trees, clearing forests and contributing to community exchanges through volunteer activities, have been well received, and as a result we received the Prefectural Governor's Award in Kumamoto Prefecture in 2022.

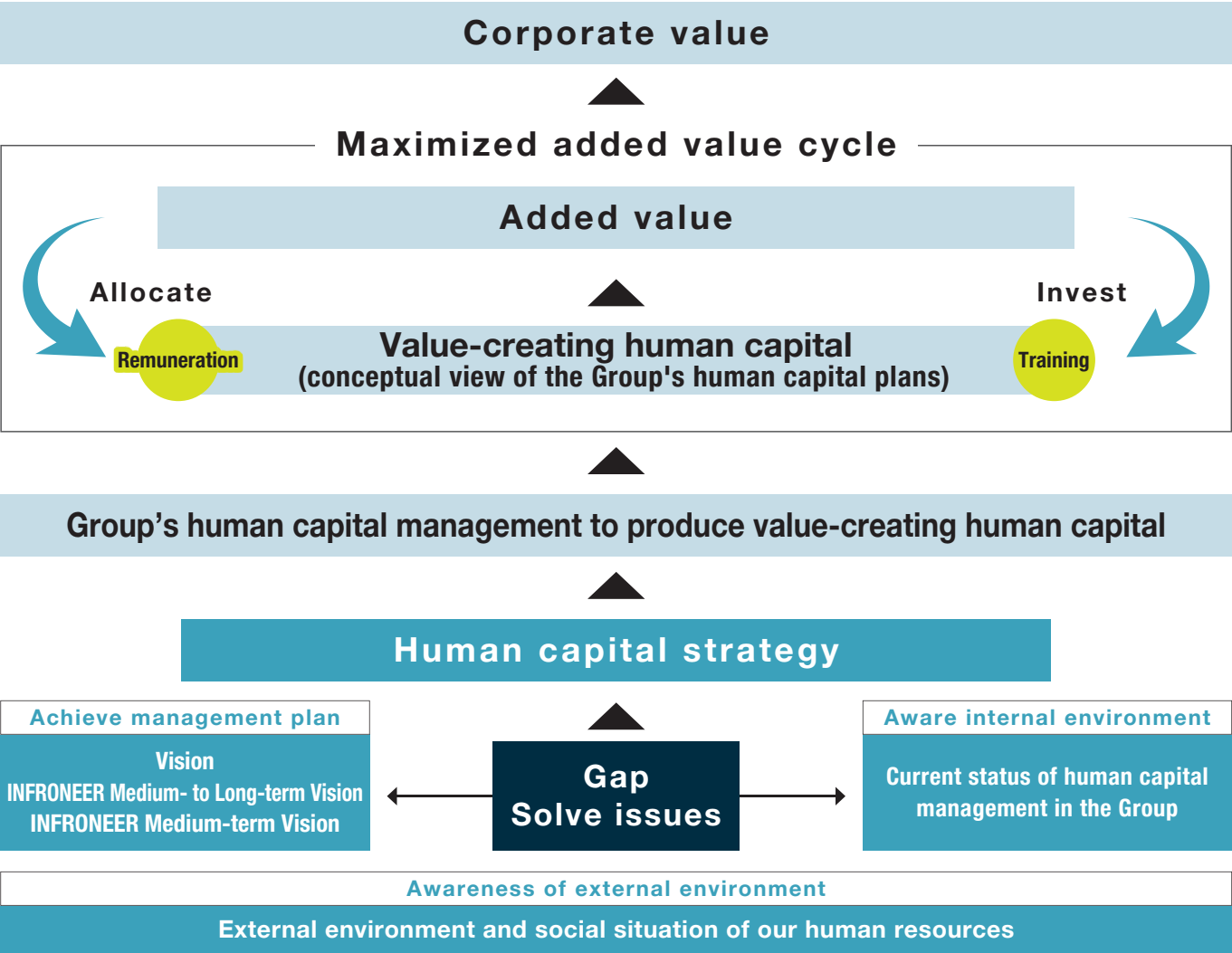


INFRONEER Forest Takamori

Society

The INFRONEER Group has formulated a INFRONEER Medium- to Long-term Vision, and an INFRONEER Medium-term Vision policy to increase added value and improve our corporate value through continuous production of value-creating human capital. Based on this, we formulated a Group human capital strategy based on social conditions, how people work, changes to how value our work, and the current status of human capital management in the Group.

Overall View of the Group's Human Capital Strategy



Executing our Human Capital Strategy

In implementing specific measures, the Holdings Human Resources Strategy Department is responsible for launching an initiatives policy that will optimize companies Group-wide and determine the implementation status of the measures, and demonstrate Group synergy. The Human Resources Department and HR-related departments of the affiliated business implement the measures in the way that best suits their own company, based on the Group's policies.



Maximized Added Value Cycle Through Value-creating Human Capital

The added value created by human capital is the Group's products and services. The revenue earned from the providing these to customers is related to the allocation of and investment in human capital; further added value is created and a cycle is created to maximize added value. In terms of allocating value added to human capital, we use value-added productivity (page 07) as the standard for calculating bonuses, and this allocates for the results in a clear fashion; we have started efforts to motivate employees to improve productivity and foster a sense of organizational cohesion.

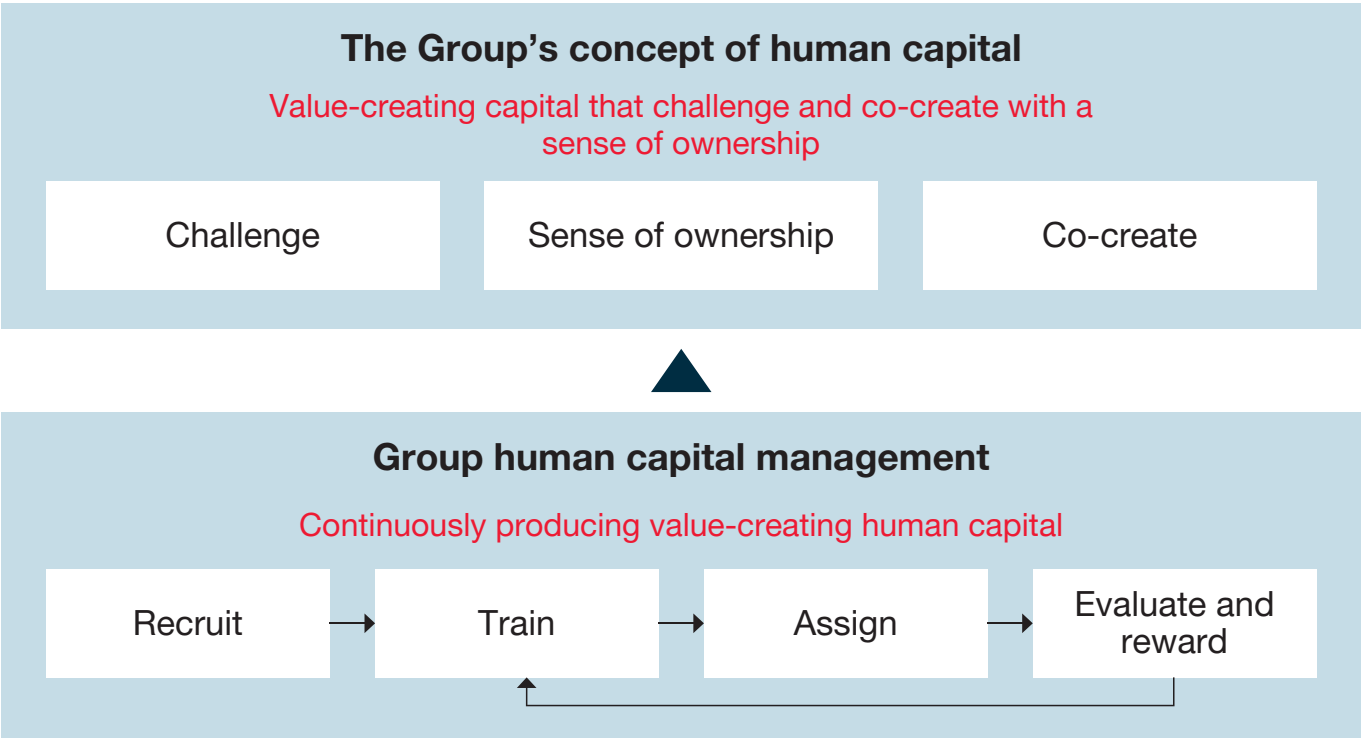
Challenging the Creation of the Future Infrastructures with All of Our Partners

• Management of the Group's Human Capital Management – To Continuously Produce Value-creating Human Capital"

Th Group recognizes that investments in human capital is the starting point for improving corporate value, because our human resources are the driving force for maximizing added value. Based on this recognition, the Group will be proactive in promoting investment. We will manage the Group's human resources to produce continuous value-creating human capital that will challenge and co-create with a sense of ownership," which is identified as the type of human capital the Group needs to improve our corporate value.

• The Group's Concept of View of Human Capital: Value-creating Human Capital that Challenge and Co-create with a Sense of ownership

In the Group, human capital with a sense of ownership refers to employees who are able to manage things to make the business succeed. Even if they do not actually take a management role, they are always conscious of the overall optimal solution and can move outside their area of responsibility, take the initiative, and think and act independently to solve problems. We believe that it is necessary to challenge and co-create with a sense of ownership from a wider viewpoint to continue to create value.



Group Human Capital Strategy

To prioritize issues that are important in managing the Group's human capital to continuously create value, we will formulate key measures and invest through the four pillars of our medium- to long-term human capital strategy.

| Conceptual view of required human capital | | Human capital management | Strategy pillar | Specific measures |
|---|--------------------|------------------------------|---|--|
| Value-creating human capital | Challenge | Recruitment | Strengthen competitiveness in acquiring human resources | Ensure diversity in recruitment branding |
| | Sense of ownership | Training | Invest in strategic training of human resources | Train managers and executives systematically Improve basic skills of entire Group |
| | Co-create | Assignment | Assign human resources optimally | Group talent management* |
| | | Evaluations and remuneration | Pursue ease of work and value of work | Improve engagement Establish Group human resources system |

*Talent management: A management method that manages information such as employee abilities, qualities and experience values centrally; it is useful for the strategic development and allocation human resources

• Strengthen Competitiveness in Acquiring Human Resources

We will strategically secure human resources who have diverse values, knowledge, and abilities, and create value through our “comprehensive system ×area expansion” and “contracting × de-contracting” business models. We will build an effective system to that addresses the Group’s future, mission, business and content of work, corporate culture, and that attracts human resources and achieves our targeted human capital.

• Invest in Strategic Human Resources Training

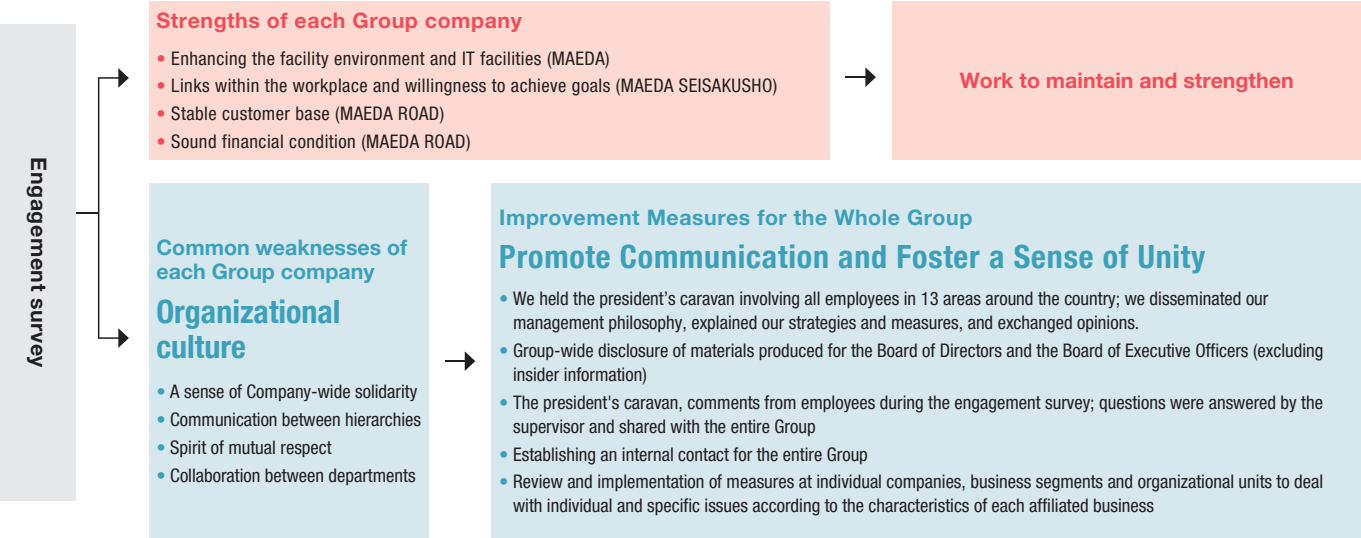
The INFRONEER Group has been investing significantly in developing its human resources so far, but we recognize that to overcome more powerful changes and to continue to grow, it is necessary to plan for the development of capable managers and executives who will lead the entire Group, to invest in the training that is optimal for individual employees and that does not stop at standard training, which retrains employees, but that puts them through continuous re-learning in response to environmental changes, and improves the business basic skills of the entire Group. We will increase the value created by our human capital and the value of our human resources themselves by investing in the standard training across the entire Group and training that imparts the expertise required in each affiliated business.

• Optimally Assign Human Resources

We will maximize value-added by assigning the necessary human resources to implement the strategy, and assigning a sufficient number of employees when needed. By promoting talent management throughout the entire Group, we will systematically train and secure human resources necessary for our medium- to long-term strategy, and aiming to achieve optimal allocation of our human resources.

• Pursue Ease of Work and Value of Work

An employee engagement survey was conducted immediately after the business integration. Our aim is to improve engagement, motivation and productivity by reviewing results, implementing countermeasures and developing PDCA cycles. We will build a system and corporate culture in which diverse human resources can actively participate by promoting a performance-based remuneration system, proactively investing in employee engagement-improvement measures, promoting health management, supporting the work-life balance, and introducing flexible working formats.



President’s caravan venue

• Human Rights

We take the impact that risks and opportunities related to human rights have on companies seriously. At the Board of Directors meeting held on June 23, 2022, we decided to implement an the INFRONEER Group Human Rights Policy (hereinafter referred to as the "Human Rights Policy"). We recognize that our business activities may directly and indirectly affect human rights. We will provide all our officers and employees with appropriate training and education to ensure that our Human Rights Policy permeates INFRONEER and the Group and is implemented effectively across all of our corporate activities. Furthermore, we will regularly disclose our commitment to respect for human rights on our website and in our integrated reports.

<https://www.infroneer.com/jp/sustainability/social/>

Revitalize the Community and Support Partners

We will work to resolve social issues and regional revitalization by participating in public-private partnership projects such as the concession project and others, and we will introduce initiatives that will contribute to improving the stability and productivity of the management of cooperating companies, who are our partners nationwide and who are indispensable in sustaining growth in our company (page 40).

Cash flow

• Create an advance payment system and abolish the reserve money system

In an effort to reduce the load on cash flows and upfront investments at cooperating companies regarding cash flow and upfront investments, we abolished the construction fee payment reserve money system for the purpose of collateral and shortened conventional payment terms. We also created a system for the payment of advance payments for specific sets of contracted work.

Securing and training human resources

• Support the dissemination of cooperating company recruitment information and training

Securing and training skilled construction workers will make the construction industry more attractive and lead to the development of a more developed social infrastructure. Posting recruitment information on the work environment and welfare benefits of our cooperating companies on each Group company’s website will support human resources training and secure more workers, and encourage workers to obtain the qualifications necessary for construction work. We plant to hold study meetings and establish an award system that evaluates the performance and technical capabilities at the Group's construction sites and introduce a payment system that is based on the work performance.

• Revitalize the Community and Support Partners

MAEDA's cooperating company association (Zenyu-kai)

As MAEDA's best partners, Zenyu-kai members strive to improve safety and quality through group activities to create a Group that is trusted by all its stakeholders. In addition, TEAM-Z, a recruitment site of Zenyu-kai, disseminates a range of information to members to increase solidarity.



Kenji Kaido, Representative Director and President of Kaido Construction Co., Ltd.; Chairman of Zenyu-kai

Currently, the issues facing the construction industry and companies are accumulating. There are urgent issues, including a shortage of workers, but we need to think about what the world will look like in the future and tackle the issues before the change occurs. We have established an association for Zenyu-kai's next-generation of leaders, comprising managers responsible for the next generation. We hope to expand our business opportunities following our expansion of the new business areas set out by INFRONEER Holdings. The resulting experience, such as de-contracting initiatives with members of MAEDA's next-generation leaders' association, present us with the sustained challenge of facing social changes.



* Overview of Zenyu-kai: 12 branches nationwide; 567 member companies. Kyocho-kai was started in 1948 as an association of civil engineering companies, and Zenshin-kai was started in 1967 as an association of building constructors. In 1969, they merged and became Zenyu-kai. (<https://team-z.jp>)

MAEDA ROAD's cooperating company association (Kyoei-kai, Rekiyu-kai)

In 1968, the Kyoei-kai, and Rekiyu-kai systems were started to strengthen MAEDA ROAD's construction and transportation system. For more than half a century, we have worked as a dedicated cooperative company to create close relationships with each region. Currently, there are 98 Kyoei-kai member companies and 57 Rekiyu-kai member companies including the original members, giving a total of approximately 3,500 people. Meanwhile, the pavement industry today is experiencing severe challenges, including high crude oil prices and a chronic shortage of construction technicians. We need to develop into a group of companies that can continue to grow even under these circumstances. As a partner of INFRONEER Holdings, we will continue to work together on a variety of issues to ensure that we act as one.



(From left to right in the photo)
Shinichi Matsubashi, Representative Director and President of Matsubashi Komuten Co., Ltd.; Chairman of Kyoei-kai
Tokuji Morita, Chairman of the Board of Directors of Morita Shoji Co., Ltd.; Chairman of Rekiyu-kai

Governance

With the growing awareness of governance in society and to further its aim of becoming an "integrated infrastructure service company," INFRONEER has formed a company with a nominating committee, with a majority of outside directors, to give emphasis to investment decisions and management evaluations from a social perspective.



| | | | | |
|---|--|---|---|--|
| Director Hiroataka Nishikawa | Director/Executive Officer Masaaki Shioiri Capital Investment Strategy Officer | Director (Outside) Seiichiro Yonekura | Director (Outside) Koichi Moriya Chairman of the Nominating Committee | Director (Outside) Atsushi Takagi Chairman of the Remuneration Committee |
| Director (Outside) Keiichiro Hashimoto Chairman of the Board of Directors and Chairman of the Audit Committee | Chairman of the Company Soji Maeda | Director, Representative Executive Officer, and President Kazunari Kibe CEO | Director (Outside) Rie Murayama | |

| Name | Position in the Company | Expected Roles and Expertise Items | | | | | | | | | |
|---------------------|--|------------------------------------|-------------------------------------|----------------------|-----------------|----------------------------------|--|--------------------------------|-------------------------------------|-------|--------------------|
| | | Company Management M&A | Business Strategy Industry Insights | Financial Accounting | Sales Marketing | Internal Control Risk Management | Human Resource Training Development Labor Management | Engineering R&D Quality Safety | Global Overseas Business Management | IT DX | ESG Sustainability |
| Soji Maeda | Chairman of the Company Compensation Committee Member | ○ | ○ | | ○ | | | | ○ | ○ | |
| Kazunari Kibe | Director Representative Executive Officer and President Nominating Committee Member Compensation Committee Member | ○ | ○ | | ○ | | ○ | ○ | | ○ | ○ |
| Hiroataka Nishikawa | Director Audit Committee Member | | ○ | | ○ | ○ | | | | | |
| Masaaki Shioiri | Director Executive Officer Nominating Committee Member | ○ | ○ | | ○ | | | ○ | | | |
| Keiichiro Hashimoto | Outside Director Chairman of the Board of Directors Nominating Committee Member Chairman of the Audit Committee | ○ | ○ | ○ | | ○ | | | ○ | ○ | ○ |
| Seiichiro Yonekura | Outside Director Nominating Committee Member Compensation Committee Member | | ○ | | | | ○ | | ○ | | ○ |
| Koichi Moriya | Outside Director Chairman of the Nominating Committee Compensation Committee Member Audit Committee Member | ○ | | | ○ | ○ | ○ | | ○ | ○ | ○ |
| Rie Murayama | Outside Director Nominating Committee Member Compensation Committee Member | | ○ | ○ | ○ | | | | ○ | | |
| Atsushi Takagi | Outside Director Nominating Committee Member Chairman of the Remuneration Committee Audit Committee Member | | ○ | ○ | | | | | ○ | | |

Note: The above list does not represent the complete expertise of each officer.

Basic Philosophy

INFRONEER Holdings is proud of its business, which creates a living foundation for people and contributes to a prosperous society, and is confidently implementing its social mission. For this, INFRONEER Holdings has established a basic Code of Ethics for its corporate activities, established a compliance system for laws and regulations, and has implemented appropriate operations. The basic standpoint of our management is to identify and eradicate corruption, breaches of trust, and unauthorized construction at every opportunity. In addition to the basic compliance items in our Code of Ethics, we will focus on the following items to conduct fair and large-scale corporate activities at all times.

Anti-corruption

Both in Japan and abroad, the prevention of corrupt practices including bribing public officials, giving and receiving excessive entertainment and gifts, collusive relationships, embezzlement and trespassing is positioned as one of the most important issues in ensuring compliance. In our "Code of Ethics," we have commit ourselves not to conduct acts that are illegal or that could be misconstrued by society, and to maintain a healthy and appropriate relationship with public officials and political organizations. We have signed the UN Global Compact and we support and affirm the principles related to anti-corruption.

Anti-competitive Acts

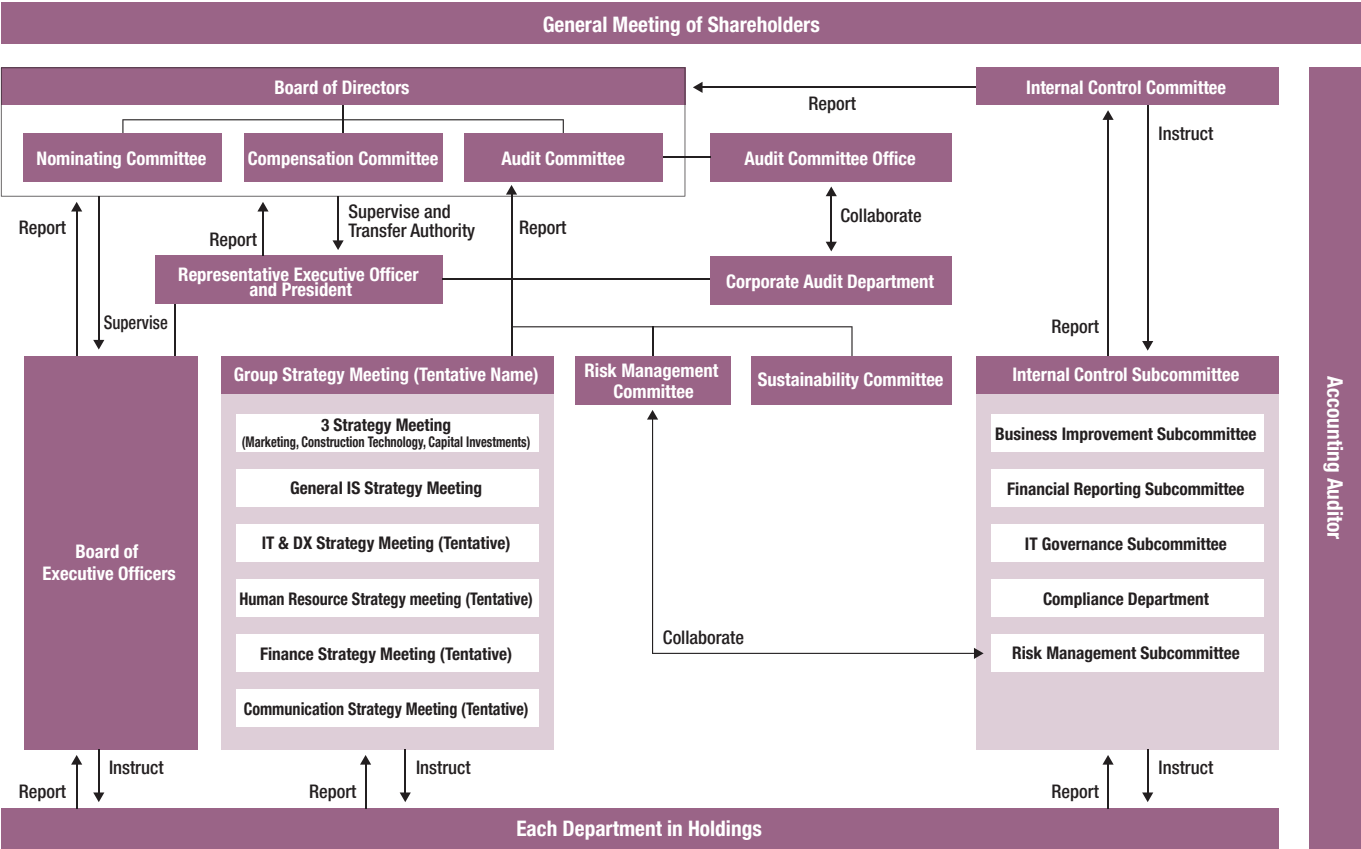
We have set out a "bid rigging prevention policy" to prevent bid rigging at each affiliated business more effectively. In line with policy revisions, employees need to comply with our highly effective "bid rigging prevention rules." For example, we have clarified the rules governing leaving a meeting that apply when an employee suspects a bid rigging is being discussed at a meeting with another company in the same industry. We also fully implement compliance training.

Transparency of Taxes

We will respond appropriately to changes in local laws and regulations and provide timely and appropriate tax information to ensure transparency. Furthermore, we are working to build trust with the tax authorities in each country and re-gion, such as by responding honestly to tax investigations and ensuring transparency and reliability in tax-related matters. We use appropriate and effective measures to reduce our tax burden, and if the tax risk is assumed to be high, we will seek advice and guidance from tax experts to reduce tax risks when necessary.

We will strengthen the internal restraint mechanism and we will establish an internal audit system to ensure that these are implemented, Furthermore, we will always clarify the difference between public and private, correct our own attitude, and respond to the trust of society by staying close to our management philosophy.

Governance Structure



Overview of the Operational Status of the Structure to Ensure Our Business is Appropriate

INFRONEER has built and operates an internal control system to ensure the execution of appropriate administrative orders in the Group and efficient business execution, and audit systems to respond to changes in the business environment quickly and flexibly with good risk management, and compliance.

1. System required for the execution of the instructions of the Audit Committee

The Audit Committee Office, a dedicated organization that assists the Audit Committee in its functions, comprises four employees. To enhance the effectiveness of the audits carried out by the Audit Committee, we hold regular meetings with outside directors and accounting auditors, as well as the presidents of subsidiaries, auditors and internal audit departments to exchange information and opinions.

2. Information storage and management system

All documents related to executive officers' execution of their duties, such as minutes of the Board of Executive Officers meetings and requests for approval, are appropriately stored and managed by relevant departments in an easily searchable state based on relevant laws and regulations and relevant internal regulations, and the status of execution of executive officers' duties is regularly reported to the Board of Directors.

3. Risk management system for the management of risk

We established the risk management regulations and established a Risk Management Committee, the highest level body relating risk management, on a quarterly basis to establish risk management regulations and implement cross-cutting risk management across the entire Group. In FY2021, we conducted cross-cutting evaluations and analyses on themes including governance, compliance, and disaster preparedness and climate change.

4. Compliance system

We disseminate our Code of Ethics, which defines the social roles and responsibilities our company must fulfill, to all employees via our internal intranet to ensure business ethics and compliance. We have also established an internal reporting system, set up methods of contact including a workplace hot-line telephone and a compliance hotline. We will work to prevent and detect fraud at an early stage. We have also established and operate a system that prevents users from being adversely treated.

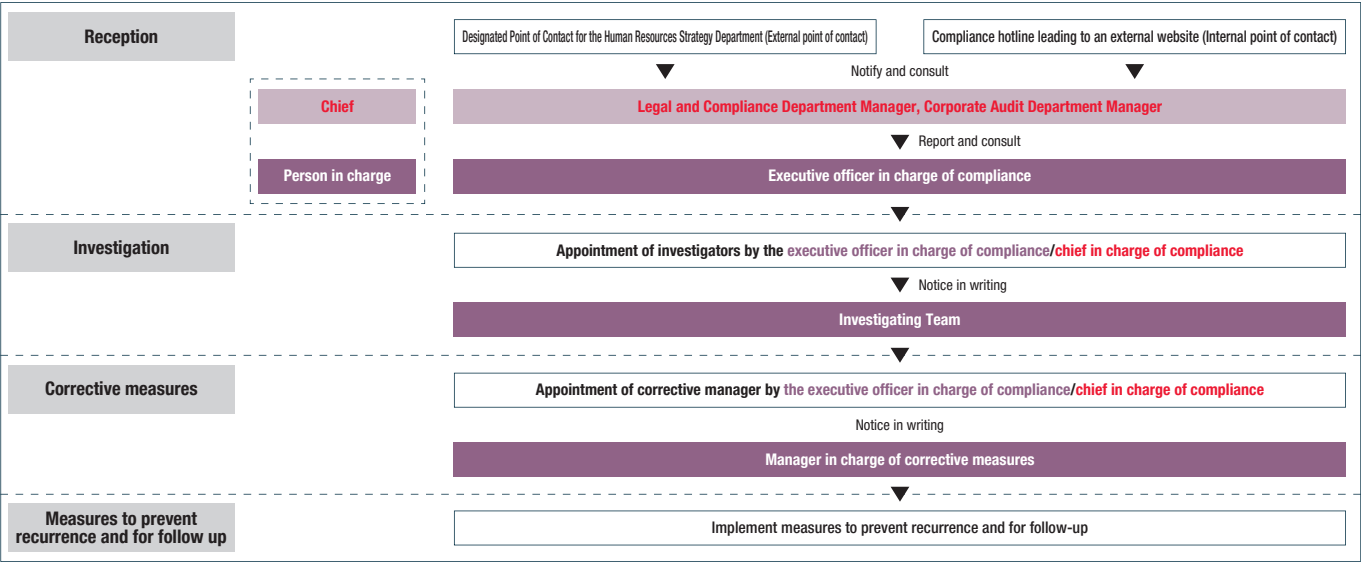
5. Group management system

To ensure that our subsidiaries carry out their business adequately, we have developed a risk management system, a compliance system, a system to eliminate anti-social forces and a system to ensure that documents and other information related to financial calculations relating to Article 24, 4(4) of the Financial Instruments and Exchange Act are kept. These systems receive the approval of the Board of Executive Officers or executive officers according to the level of importance, based on the rules of affiliated companies prescribed by the Company.

6. Internal audit system

The Company has established a Corporate Audit Department that is responsible for conducting internal audits for the entire Group. During an audit, we use a risk approach that reviews the reliability of financial reports, effectiveness of operations, and compliance with laws and regulations. We have also established an internal audit departments at our main subsidiaries that are linked with the Corporate Audit Department to strengthen the Group's internal audit function.

Internal Notification Response Structure (Partial Excerpt)



See our website for details. <https://www.infroneer.com/jp/sustainability/governance/>

System and Policy for Determining Executive Remuneration

The policy that determines the remuneration for Company officers and others is set out by the Compensation Committee, which has a high degree of independence. The Compensation Committee has established an operational process that emphasizes objectivity and transparency, and regularly reviews the rationality of the policy for executive remuneration. In FY2021, we also established Basic Principles of the Executive Remuneration System and a Remuneration System.

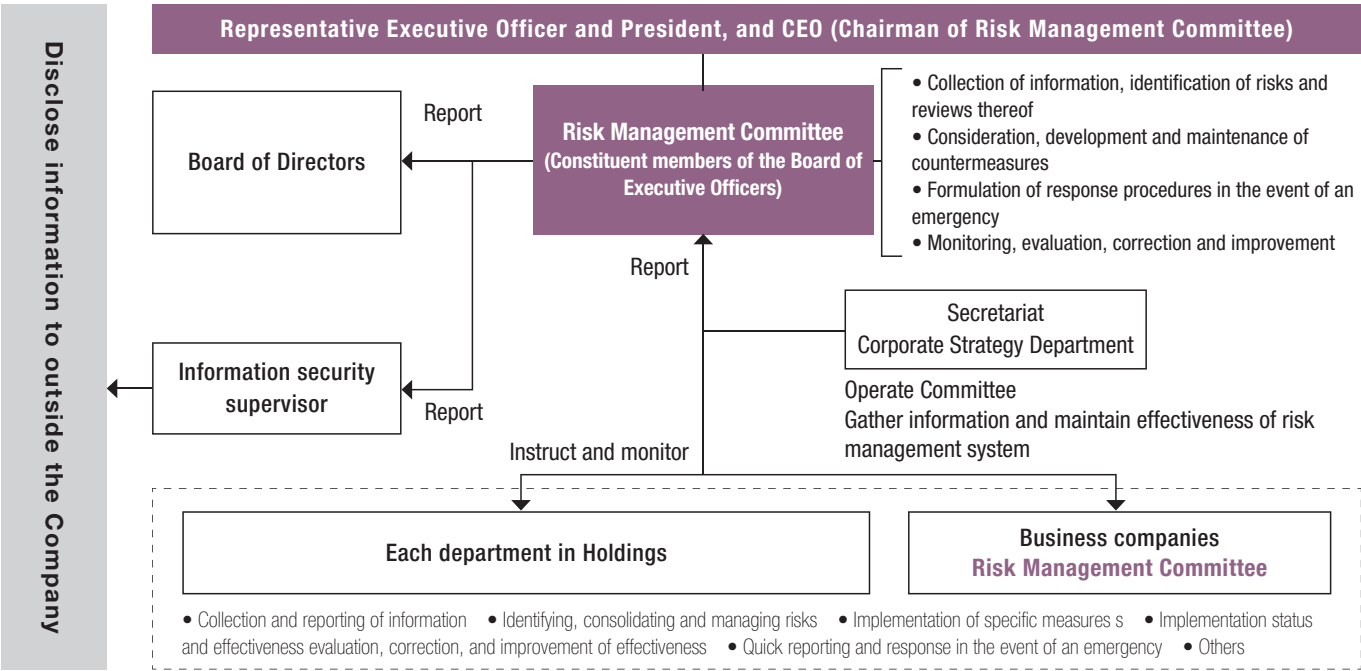
Executive remuneration comprises a base remuneration, performance-linked remuneration and non-monetary remuneration. Performance-linked remuneration is composed of annual incentives that are linked to the achievement of Company-wide performance goals in a single year, and medium- to long-term incentive that is linked to the achievement of performance goals in the INFRONEER Medium-term Vision. Non-monetary remuneration consists of shares with restricted transfers to share interest with shareholders. The remuneration rate for each type of executive remuneration reflects the weight of responsibility for improving performance and corporate value and is subject to a performance-related increase for top management positions.

INFRONEER Holdings FY2022 Risk Map

High-risk areas

| Impact level | Approx. ¥1 billion converted or more | Approx. ¥100 million converted | Approx. ¥10 million converted | 5 | <ul style="list-style-type: none">• Natural disasters• Customers | <ul style="list-style-type: none">• Markets• Products and service defects• Environment | <ul style="list-style-type: none">• Existing businesses• Compliance | <ul style="list-style-type: none">• Governance• Organization/corporate culture• Procurement | |
|-----------------------|--------------------------------------|--------------------------------|-------------------------------|---|--|--|---|---|---|
| | | | | 4 | <ul style="list-style-type: none">• Conflicts and disputes at the national level | <ul style="list-style-type: none">• Shareholder, IR• Financial | <ul style="list-style-type: none">• Competitor• Public relations• Communication• Human capital | <ul style="list-style-type: none">• New businesses• Labor(occupational health and safety)• Information systems• Laws and regulations | |
| | | | | 3 | | <ul style="list-style-type: none">• Trading partners• Asset preservation (Physical and intellectual property) | <ul style="list-style-type: none">• Overseas business | | |
| | | | | 2 | | | | | |
| | | | | 1 | | | | | |
| | | | | | 1 | 2 | 3 | 4 | 5 |
| | | | | | Less than once in 10 years | | | Less than once in 3 years | |
| Frequency (Frequency) | | | | | | | | | |

Risk Management System



Challenges in Expanding the Infrastructure Business

For 100 years, the three businesses companies of the INFRONEER Group have been involved in infrastructure businesses that support the growth and development of their communities and society. To anticipate and respond quickly to the diverse needs of infrastructures that is changing with the times, we have grown along with the communities and societies and made efforts to improve our corporate value using the technology and knowledge that each company has developed and our eagerness to take on new challenges.

Now, the pace of change is increasing, and the challenges facing the infrastructure are becoming more complex and diversified. In the meantime, as a company that must survive for the next 100 years with the community and society, we will work together as a Group to face each business challenge with integrity and develop future infrastructure services together with our stakeholders.



Tenjin Business Center



Aichi Arena



Fukuoka PayPay Dome

1980s Transition to high-level construction such as ultra high-rise buildings and domes

- Urbanization and diversifying lifestyles
⇒ Transition to infrastructures to make life enjoyable

1960s Moved into the overseas civil engineering and building construction business

- Urbanization and population growth
⇒ Developed infrastructure for a safer, more secure and richer life

Asphalt mixture production business

- Popularization of automobiles and expanded demand for road maintenance
⇒ Established a structure to provide our asphalt mixture production and sales business to the whole country

Moved into the machinery business

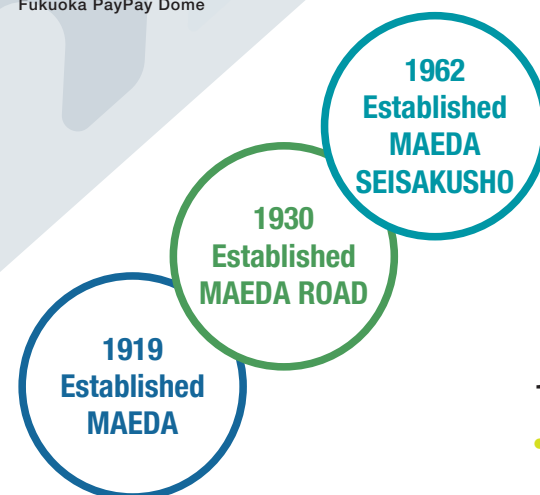
- Expanded demand for machinery
⇒ Ensured safety and quality and streamlined infrastructure maintenance

1950s Moved into the civil engineering business

- Post-war reconstruction
⇒ Setup infrastructure that provides a foundation for living

1920s Moved into the mountain civil engineering business

- Modernization of Japan
⇒ Beginning of setting up an infrastructure to support national development



Legend:

- Social environment changes
⇒ INFRONEER's challenges

Vision

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

2021 Established INFRONEER Holdings Inc.

- Safety, security and sustainability of our society and local communities
⇒ Becoming an integrated infrastructure service company

Mission

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

2020s Moved into comprehensive public facility management business

- Diversity of regional issues
⇒ The challenge of building the best infrastructure services for each region

2010s Moved into the renewable energy concession business

- Increasing environmental awareness and aging infrastructure
⇒ Promotion of de-contracting and "Environmental Management No. 1"

2000s Moved into the PFI business and the retail business

- Shrinking of markets
⇒ Moved into new infrastructure services



Paving construction



Crawler Crane



Tagokura Dam



Umihotaru Parking Area at TOKYO-WAN-AQUA-LINE EXPWY

Recent movement to revise infrastructure related laws

2022 Amended the PPP/PFI promotion action plan

2021 Amended the road act

2020 Amended the national strategic special zone act

2019 Amended the water supply act

2013 Enforced the private airport operation act

2011 Amended the PFI Act

1999 Enforced PFI Act

As an integrated infrastructure service company that provides optimal infrastructure services around the world outside of the established concepts, the INFRONEER Group focuses on the civil engineering, building construction, road civil engineering, infrastructure management and machinery businesses, and has expanded its range of businesses from retail business to real estate. In addition to further strengthening businesses in each segment, we will continue to leverage the strengths of each segment to demonstrate synergy across Holdings and provide safety and security for society and the regions.

| INFRONEER Holdings segment | |
|------------------------------------|---|
| Civil engineering business | MAEDA CORPORATION civil engineering business MAEDA CORPORATION real estate business (civil engineering) |
| Building construction business | MAEDA CORPORATION building construction business MAEDA CORPORATION real estate business (construction) |
| Road civil engineering business | MAEDA ROAD CONSTRUCTION Co., Ltd. (Consolidated) |
| Infrastructure management business | MAEDA CORPORATION infrastructure management business Anonymous association Goyoan solar-power generation Aichi Road Concession Co., Ltd. Anonymous association Aichi road concession Anonymous association Mine solar-power generation Anonymous association Happon wind power development |
| Machinery business | MAEDA SEISAKUSHO CO., LTD. (Consolidated) |
| Related businesses | JM Corporation FBS Corporation Fujimi Koken Co., Ltd. Thai Maeda Corporation Limited |

Civil Engineering Business Continuing to be the backbone supporting companies and society

The civil engineering business began with the construction of a hydroelectric power plant in 1919 in the mountains, and expanded in scope to include urban civil engineering and overseas construction, as well as work on dams, tunnels, and shields. Based on MAEDA's founding philosophy of "doing a good job and gaining the trust of customers," we are proud to have been the backbone that supports the company and society through infrastructure development, through monozukuri (manufacturing) implemented with local companies and cooperating companies.

As society faces a declining birthrate and an aging population, and the fiscal situation deteriorates, the way in which infrastructure is operated is changing dramatically. In the field of construction which is our core business, it is necessary to improve our management capabilities and introduce significant improvements in productivity through automated construction, DX, and other technologies. In addition, as the forms of infrastructure businesses diversify, I think that proactively introducing concessions and expanding our business areas will result in the capturing major business opportunities.

Even in this era, although the needs of society have greatly changed, human resource development and technology succession still present the same challenges. This is becoming increasingly important. Each individual has the right sense of responsibility, a sense of crisis, and takes action after observing their surroundings. If we can enjoy these things, our thinking will be a source of organizational strength. We can move forward vigorously as an integrated infrastructure service company that incorporates civil engineering business and INFRONEER Holdings.



Takao Nakanishi, Representative Director and Senior Managing Officer, MAEDA CORPORATION

Building Construction Business Implementing growth as an equal partner in one group

The building construction business has developed a variety of building technologies to meet changing needs. The scale of the business has expanded 1.5 times over the past decade as a result of the growth of the sales, design, and engineering divisions that create upstream businesses. Importance is placed on both the ordering party and the cooperating company continuing to be partners. This is an equal relationship of trust in which we work together from upstream on any project to overcome challenges, and share the risks and value.

For example, we also ask the ordering party to understand so that we must obtain appropriate profits as a business. To do this, it is necessary to provide more value-added products without wasting costs. In fact, we are proud to be the only general contractor who not only incurred additional costs when prices soared, but also returned them when prices fell. This was possible because we have unconventional ideas for sharing, such as the industry's first cost disclosure method of "cost + fee."

This also leads to pride and rewards for our staff and skilled personnel at cooperating companies. We are not worried about the shortage of workers that will be future source of anxiety in the building construction business.

In addition to acquiring projects and developing technologies on our own, we are accelerating our links with partner companies and Group companies, and we will grow together in response to the diverse needs of society and the regions.



Yuuji Hatakama, Director and Senior Managing Officer, MAEDA CORPORATION

Road Civil Engineering Business A spirit of working hard and taking on challenges

The road civil engineering business consists of two businesses. Specifically, they are construction mainly focusing on pavement and asphalt mixture production and sales.

Achieving physical improvement, one of INFRONEER's key goals for sustainable growth, requires deepening these two existing core businesses and employees' taking on challenges to attain that. At MAEDA ROAD, the spirit of working hard to be able to face each one and move the business forward is a byword across the whole company, but I also want to cultivate the spirit of taking on challenges while valuing our commitment to the core business.

Our existing business is in a mature market; further growth will require a new revenue base. For this reason, we are also implementing initiatives in new areas such as comprehensive private contracting in Fuchu City, utilizing the technical skills we built up in our road civil engineering business. We will continue to build on our achievements by taking on business in which we can demonstrate synergy as a Group.

In addition to using ICT to improve productivity by, we will implement and practice new ideas that complement each of our other Group companies and mechanisms generated from the use of IoT and DX to attain reformed productivity. We will switch the type of power and fuel used at our manufacturing plants to renewable energy and work to achieve the target values set by the government.



Satoru Tsuchiya, Senior Managing Officer, MAEDA ROAD CONSTRUCTION Co., Ltd.

Infrastructure Management Business Leading the de-contracting business, and moving to create more value

The infrastructure management business has led the de-contracting business, mainly in the renewable energy business and the concession business. These initiatives and the Holding's management plan also coincide with the government's action plan* announced in June this year. I feel the responsibility to respond reliably to social demands in each business and lead us to the next business area.

Last fiscal year, we were able to provide society with a quality infrastructure, including the commercialization of woody biomass-power generation and the sale of two photovoltaic power generation businesses. We were able to expand our earnings, and this will lead to the next business development and investments. In the concession business, we also expanded our areas, adding the water supply business following airports and toll roads. We will strengthen our links with external partners and Group companies to create a secondary market for infrastructure as well as business development and operations. We will continue to provide society with a quality infrastructure that is complete in both quality and quantity.

To respond to the different needs and issues of each region with optimal infrastructure services, we will combine the engineering capabilities of each Group company with the know-how developed in our infrastructure management business and finance, thereby expanding our de-contracting business and creating further added value.



Motoi Higashiyama, Managing Officer, MAEDA CORPORATION

Machinery Business Contributing to the development of the social infrastructure by integrating the technologies accumulated over the years with leading-edge technologies

For 60 years, the machinery business has been responsible for designing, manufacturing, selling, leasing, and providing after-sales services for construction machinery and the like, and it has played a part in the development of the social infrastructure. We develop original products including our spider cranes and crawler cranes to meet diversified workplace needs. In recent years, we have made further efforts to reduce the impacts on the environment by expanding our lineup of fully electric cranes to achieve carbon neutrality. In addition, we tirelessly develop and manufacture custom-made products based on our extensive technological development. Further, we strongly support our customers with a comprehensive system from design to after-sales services, which is the strength of our business.

As a master exclusive distributor for Komatsu, the world's leading brand, we are proud of our top ranking results in Japan. We have a wide range of state-of-the-art machines, including hybrid construction equipment, machines with our "KOMTRAX" vehicle management system installed and ICT construction equipment that incorporates an integrated construction site management system called "smart construction." By solving the social issues resulting from the decrease in the working-age population caused by the dropping birthrate and the aging population, we are contributing to making work sites more efficient and safer.

We will continue to work with both machine manufacturers and Komatsu master exclusive distributor to strengthen our technical capabilities to meet a range of work site needs. We are committed to expanding our business areas by collaborating with Group companies.



Masahiko Ichigi, Executive Officer and Vice President, MAEDA SEISAKUSHO CO., LTD.

Civil Engineering Business



Civil Engineering Project: Work to Take Measures for Sediment Flow at Yamasubaru Power Plant Dam (Higashiusuki-gun Morotsuka, Miyazaki Prefecture)

Initiatives for National Resilience through 100 Years of Civil Engineering Capabilities Developed

Our civil engineering business was accompanied by growth in Japan, crisis response, and crisis circumvention. We have supported Japan's high economic growth through construction projects, including the development of the power supplies needed after the war, the development of a mobile infrastructure centered on roads and railways and the development of social infrastructure as urbanization progressed.

However, business opportunities have shrunk in Japan and overseas since the collapse of the bubble economy, making it difficult to maintain technical capabilities.

With this as a background, using the Great East Japan Earthquake as an opportunity, we have raised public interest in the development and maintenance of social infrastructure. In recent years, in the construction industry, especially the civil engineering business, national resilience, the renewal of a crumbling social infrastructure, decarbonization, and improvements to our defense capabilities have become pressing issues. Furthermore, due to budgets shortages and the failure of engineers for planning and management, plus a shortage of workers, we are also entering a situation in which smooth business continuity is becoming increasingly more difficult.

We are in an era in which various forms of business are working to solve these issues and problems, and to improve Japan's infrastructure potential. For this reason, we are working to become an integrated infrastructure service company. To achieve this, we are strengthening our core businesses to improve our construction, design, and technological development capabilities in the civil engineering business, and we are accelerating our expansion into new business areas, including in renewable energy, carbon neutrality, and environmental technologies.

Our civil engineering business has a long history , during which we acquired the technical skills that are indispensable for *monozukuri* (manufacturing). In the future, while valuing our history and traditions, we will acquire new technological capabilities and respond to the demands of the era that our social infrastructures serves.

Opportunities

- Expansion of the public-private partnership markets as a result of the financial difficulties in the national and local governments
- Demand for infrastructure renewal has increased because of the deterioration of both public and private infrastructure. Especially, large-scale renewal projects carried out by various road companies have accelerated
- Expansion of environmental businesses, including carbon neutrality, and renewable energy businesses (onshore/offshore wind power and others)

Strengths

- Industry-leading technical evaluation score for an overall evaluation of projects: Ranked in first place for technical evaluation and order acceptance rate**
- Comprehensive evaluation of projects: technical evaluation score: first place, acquisition rate: 37% (average of five periods)
 - Technical evaluation of #1 projects: Order acceptance rate 53% (average of five period)
 - Achievements in renewable energy, EPC, and CM¹: Construction value ¥44 billion (cumulative over the past 5 years)

INF
infrastructure
construction
measures

Strategy

Pursue Group synergy

Establish a structure for new business areas

Promote DX/
shared service

Promote M&A

Strengthen the ability to receive orders, including design and construction projects

- Strengthen the design system by promoting M&A and mid-career recruitment and developing our training system
- Improve the ability to propose value-added solutions that meet customer needs, and strengthen our approach upstream

Expand renewal efforts

- Strengthen competitiveness by developing renewal technologies such as for roads and dams and power, and building on our achievements
- Strengthen relationships and build institutions with specialist companies, and others

Develop and systematize productivity-enhancing technologies

- Introduce BIM/CIM² in all processes, build on and use knowledge
- Develop tunnel construction automation technology (reduce target input labor by 40%)
- Develop a shield tunnel integrated management system (reduce target input labor by 50%)

Synergy through Group collaboration

- Work with MAEDA SEISAKUSHO to reduce manufacturing costs for heavy machinery and shielding machines
- Share the customer networks of each Group company to expand opportunities for orders

Train human resources

- Train human resources that can expand our share of the contracting business, establish a ranking, and secure profits
- Train human resources that can expand business areas and play an active role in new areas

Use DX to minimize lost profits

- Improve the construction management capacity of the entire organization by standardizing the traditional individual construction management skills and aligning them at a high level
- Improve cost control accuracy and ease of design changes by systematizing business management

Establish a sustainable, good-quality supply capacity and system

- Take on the challenges of improving work site productivity in collaboration with cooperating companies
- Implement measures to reduce the load on the cash flow and upfront investments of cooperating companies

Risks

- Worsening profitability caused by soaring prices of construction material
- Drop in work site productivity because of the aging and shortage of workers
- Loss of opportunities to get orders because of problems relating to quality or safety
- Inadequate adaptation to major environmental changes

1. EPC: Acronym for Engineering Procurement Construction. Work flow system comprising design, procurement, construction and test runs in the engineering business
CM: Acronym for Construction Management. A method in which the construction manager manages the design, construction ordering, and process management integrally from the position of the ordering party
2. BIM: Acronym for Building Information Modeling. A method for utilizing streamlined information on planning, design, construction and maintenance by constructing buildings in 3D space on computers
CIM: Acronym for Construction Information Modeling. An attempt to use the concept of BIM, which is becoming popular in the construction field, in civil engineering.

FY2021 Initiatives and Performance Review

In recent years in the civil engineering business, demands for national resilience, renewal of a crumbling social infrastructure, decarbonization and improvements to our defense capabilities have become increased. With this as a background, we have responded to the diverse needs of society, including developing new markets and improving productivity and the like from a long-term perspective.

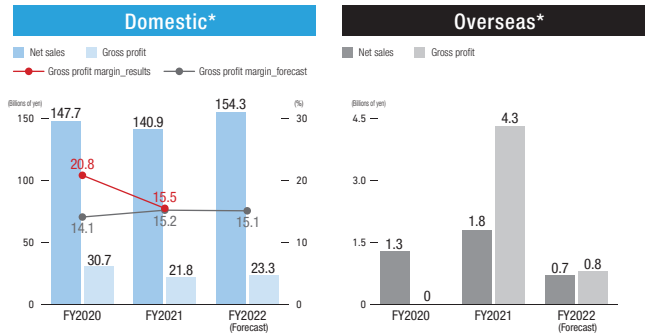
In our core business, we maintain industry-leading overall evaluation capabilities with high technical proposal capabilities and accurate budgeting, which results in us receiving orders. In actual construction, during the large-scale renovation of a dam, we used our high technical capabilities to challenge the social issues including the major natural disasters of recent years and aging, and implemented a flood control recovery function.

This technology allowed us to carry out high-precision construction, achieving significant labor-savings, and shortening the construction cycles for steel shoring work and improving the quality. It has also greatly improved safety when face cutting to prevent rockfall³.

In its recent results, despite factors such as the shrinkage emanating from the Ministry of the Environment and the decrease in net sales of completed construction contracts of large-scale shielding constructions, the Company maintained net sales of about ¥150 billion thanks to robust orders for large-scale private construction projects and other government construction projects. In FY2021, there was a decrease in domestic civil engineering work, including large completed construction projects, and net sales were more than ¥142.6 billion. However, while orders for domestic government construction projects were struggling to grow, orders for private construction projects were robust. For this reason, we obtained a construction volume of more than ¥161.5 billion.

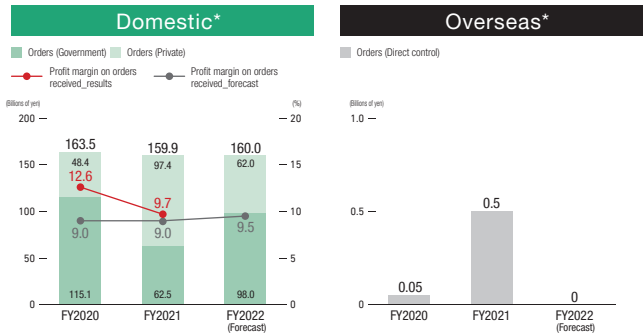
3. Loose rockfalls occurring during face cutting: With the leading-edge technology (face cutting) for excavating at mountain tunnels, the rock face becomes exposed, and industrial accidents can occur as a result of falling rocks.

Results (Net Sales/Profit Margins)



*Because of the numerical values include the real estate business, the numerical values before FY2021 are different from the published data.
*For overseas, the amounts were calculated using the exchange rate at that time.

Results (Orders/Profit Margins)



Future Outlook

The issues to be addressed by the civil engineering business are diverse; they include introducing public-private partnerships to solve the deterioration in the infrastructure and the shortage of financial resources for the future, and reforming working styles against a backdrop of a shortage of workers and required improvements in productivity.

One risk we have recently identified is the rise in material prices caused by delays in large-scale construction projects that have been impacted by major social accidents and changes in the global situation. To seize new market opportunities, we are further strengthening our initiatives in the wind power market, nuclear power plant-related projects, highway re-basing, dam renewal, and local government water supply projects.

In the current technical cooperation to design and construct a tunnel to reroute sediment transportation at the Omachi dam, and others, which is currently being designed, the sediment countermeasures technology is being used to evaluate the flood adjustment capacity of the existing dam. This is the first project we have received the Ministry of Land, Infrastructure, Transport and Tourism ECI⁴, and we are moving forward with initiatives to sign an agreement after the designs are completed. To improve productivity, we are introducing introduction of new technologies including DX, automation, and unmanned vehicles, as well as the training and strengthening cooperation with cooperating company staff.

From the next period onwards, we will continue to maintain our first place ranking in the technical evaluation of comprehensive evaluation projects, and we expect to maintain our performance with orders for solid domestic government construction projects and expand private construction projects.

4. ECI: Acronym for Early Contractor Involvement. One of the ordering methods that involves the construction vendor from the design stage

TOPICS



First Large-scale Dam Renovation Project for an Aging Infrastructure

Many dams in Japan suffer from diminished functional degradation caused by sand and aging. The number of natural disasters such as typhoons has also increased in recent years. Renewal work is one of the major initiatives we use to solve those problems. This project was the first in Japan to undergo a major modification while still generating power.

Civil Engineering Project: Measures for Sediment Flow at Yamasubaru Power Plant Dam
Facility Usage: Power plant/Location: Morotsuka-mura Higashiusuki-gun, Miyazaki Prefecture
Year of Completion: 2022/Received 3rd Civil Engineering Award from the Japan Federation of Construction Federations in 2022

Initiatives for National Resilience Using Dam Technology

Since the Great East Japan Earthquake, the need to be prepared for natural disasters has increased. In this project, we carried out maintenance work on the seawall of a 17.5-km section of the coastal area of Hamamatsu City as a defense against a massive earthquake in the Nankai trough. CSG* dam technology was use as the core. This business is financed with local donations. This project served as a business model for the local region; we were responsible for the general management of this project to strengthen the country's resilience.

Construction of Hamamatsu Seawall : Maintenance Business of Tsunami Control Facilities in Coastal Zone at Hamamatsu City
Facility Usage: Embankment (Coast)/Location: Hamamatsu City, Shizuoka Prefecture
Year of Completion: 2020/ Received 3rd Civil Engineering Award from the Japan Federation of Construction Federations in 2022



*CSG: Acronym for cemented sand and gravel. A new type of dam in which cement and water are added to the locally sourced materials, and a cement-based solidified material produced by simple kneading and mixing is used. By making the cross-section of the embankment a trapezoidal shape, three types of rationalizations of design, materials and construction can be attained.



Unmanned Construction that Improves Safety and Eliminates Labor Shortage

Technological inheritance, safety improvements, and productivity improvement have been issues in the construction industry for many years. This project is a new construction of a flat-bottom tunnel (extension 1,665 m) on the Takachiho Hinokage Road, General National Route No. 218. With special geological layers and severe constraints, we maximized our technical capabilities and successfully penetrated the ground. We also actively took on the challenge of technology development and established technologies that included unmanned steel shoring construction. We will expand the know-how we have developed here into future tunnel and shield construction.

Miyazaki No. 218 Flat Bottom Tunnel Construction
Facility Usage: Road Tunnel (Mountain)/
Location: Hinokage-cho, Nishiusuki-gun, Miyazaki Prefecture/Year of Completion: 2020

Employees Views

Currently, I am responsible for the construction of a bridge over the Kumano River, which flows along the border between Wakayama and Mie Prefectures. In addition to improving the convenience of public transport, this bridge will also play a role as an evacuation site for a Nankai trough earthquake. This construction project has enabled me to understand the importance of infrastructure development more deeply. In my private life, I'm married to one of the civil engineering staff members at MAEDA. Our first child was born in July. After giving birth, my wife also returned to work. We are discussing how we can work together both in raising our children and working. However, we believe that it is necessary to improve the child-rearing support system, which has no vacancies; people are denied admission to any daycare facility pathway through the school year when there is a transfer. If we have the opportunity to be involved in planning-related work in the future, we are enthusiastic about trying to introduce an in-house nursery as part of our company's child-rearing support system.



Takahiro Fukuroi who joined MAEDA CORPORATION in 2015; he's working at Kumano River Bridge Work Site

Building Construction Business



Vision Hotels; Hotel Building New Construction (Taki-cho, Taki-gun, Mie Prefecture)

Diverse construction technologies to meet the changing needs in creating cities

In an era of rapid development of urban areas that resulted from the high economic growth, the Architecture Department was established in 1960 as a foothold for business activity in urban areas. In the following year, it fully expanded into the housing sector. Construction technology was steadily developed, and in the 1990s, the challenge of ultra-high-rise buildings (more than 100 m high) began. In 2008, our capabilities grew to take on THE TOKYO TOWERS (58 stories above ground and two buildings), which were the largest condominiums in Japan at that time. To date, we have completed more than 40 ultra high-rise buildings and are proud to be a leading company in the field of ultra high-rise residential buildings. We have also used this technology to participate in projects exceeding ¥100 billion for the Tokyo Olympics.

In the metropolitan area and its surrounding areas, we are facing challenges that include updating urban functions and revitalizing regions and strengthening disaster-prevention functions against places gathered with wooden houses. Over a long period of time, the Group has worked with local residents and related parties to discuss and plan for the optimal redevelopment of the region.

In recent years, we have begun to achieve this. Now we are able to provide more value-added services that focus on customer satisfaction, with the urban redevelopment project as the axis of our business. We are committed to creating a new city that takes advantage of the history and characteristics of the region, and to turning it into a safe and secure city.

With the new Holdings structure, we are committed to building a new business model that takes full advantage of the synergies between segments. In the previous year, we received an order for a new gymnasium in Aichi Prefecture and we will be involved from the business plan. We are currently moving forward with that construction. We will continue to use the technical capabilities we have developed as a building construction business to focus on solving social issues.

Opportunities

- Expansion of the public-private partnership market to solve social issues
- Expansion of large-scale redevelopment projects
- Expansion of renewable energy markets through carbon neutrality
- Creating new building needs, such as measures to cope with infectious diseases
- The digital revolution that is expanding around the world

Strengths

- Strategy for receiving large-scale redevelopment project and abundant experience
- Industry-leading ultra-high-rise building performance
- Securing profit rates unaffected of market conditions
- Technical ability to meet changing customer needs
- High design capabilities familiar with knowledge of workability and maintenance
- EPC through links with the infrastructure management business
- Highly technical and collaborative ability with trustworthy cooperative groups¹

1. Zenyu-kai: See page 62 Revitalizing the Community and Support Partners

INF
infrastructure
construction
measures

Strategy

Create more value-added not just through contracting, but through our de-contracting philosophy.

- Collaborate with developers on redevelopment areas, and participate from the upstream stage with a view to purchasing seed lots.
- Introduce proprietary technologies such as Floor Chamber Air Conditioning Systems and Space Disinfection and Deodorization Equipment for infection control technology, and increase the number of orders by providing more value-added services that focus on customer satisfaction.

Minimize construction costs, and improve profit rates.

- To accelerate constructability and reduce costs, we will implement menu/standardization of design and construction work to standardize buildings, including tower apartments, logistics warehouses, and factories.

Establish a sustainable supply system by strengthening links with partner companies, including the Zenyu-kai

- Strengthen the supply capacity of cooperating companies centered on the Zenyu-kai by using a combined ordering system (framework and interior and exterior construction,), and support the introduction of and training for ICT technologies that contribute to labor-saving operations, and improve the productivity of cooperating companies.
- Activate recruitment support for cooperating companies and improve the supply capacity of Zenyu-kai

Improved workplace productivity

- Improve the productivity of work place staff by verifying ICT technology and deploying it as a standard tool in the workplace to save labor.
- Activate and diversify design BIM and construction BIM, and improve workplace productivity.

Initiatives to close work sites eight days every four weeks

- Support for cooperative companies and their associated workers to improve productivity to enable work sites to be closed for eight days every four weeks.

Development and implement a new business model based on our de-contracting philosophy

- We will expand business orders by strengthening links with the infrastructure management business division and the CSV strategy division, including the Integrated Infrastructure Services Strategy Office at INFRONEER, to solve local social issues.

Risks

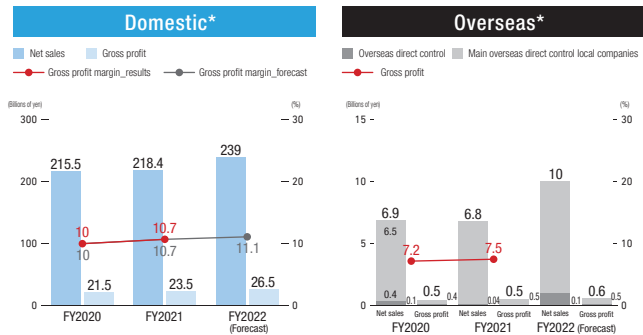
- Worsening performance due to price competition
- Revenue is affected by fluctuations in building materials prices
- Construction delays, generation of extra costs, and loss of credibility because of quality bugs
- Loss of important workers because of industrial accidents
- Lack of awareness of social responsibility for environmental issues
- Low supply and construction capacity resulting from a shortage of workers
- Loss of business opportunities resulting from misreading the market
- Loss of

FY2021 Initiatives and Performance Review

Since FY2014, we have strengthened our efforts to secure large-scale construction projects, and from FY 2015 we have maintained a robust completion profit ratio of approx. 10% by strengthening VE/CD² that has been thoroughly managed for profit rates, low-cost purchasing through centralized procurement and efficient management at the construction sites. At the Tokyo Olympics, we expanded our business area by constructing and dismantling temporary observation seats at several competition venues. Furthermore, we received orders to construct five blocks (six buildings) at Harumi Flag (Athlete's Village), and after the Olympic Games, we are renovating our rentals and subdivided houses and are constructing a new 50-story ultra high-rise housing complex.

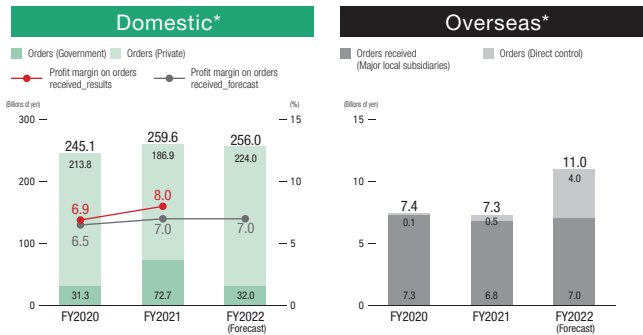
In FY2021, we were concerned about the special needs after the Tokyo Olympics and the impact of the new coronavirus. However, by promoting business strategies, including orders for the Build/Transfer+ concession Aichi Arena, manufacturing from upstream of redevelopment projects, and expanding the number of stable customers, we received multiple large-scale orders exceeding ¥10 billion, and achieved a record high order value of ¥260 billion. As the construction industry in general struggled to earn profits because of constant price increases, we exceeded the previous fiscal year in both orders and completion profits.

Results (Net Sales/Profit Margins)



*Numerical values include the real estate business, and so the numerical values before FY2021 are different from the published data.
*For overseas, the amount was calculated using the exchange rate at that time.

Results (Orders/Profit Margins)



Future Outlook

With increased competition and the recent surge in material prices caused by a shrinking construction market after the Tokyo Olympics, our business base, the redevelopment and housing complex businesses, has always secured ¥1 trillion in sales information. Based on this information, we will stabilize our performance in the medium to long term by anticipating future orders and profits for several years with manufacturing from the upstream.

We will also focus on strengthening our efforts to reorganize and rearrange large-scale meat processing facilities, which will be increasing in the future, by leveraging our production engineering capabilities and turnkey³ achievements.

We recognize that it is the responsibility of building engineers to build a decarbonized society. To obtain ZEB/ZEH-M⁴ certification that our company significantly conserves energy, we will introduce design technology that contributes to reducing CO₂ emissions, collaborate in developing floor chamber air conditioning (central air conditioning), and develop medium-sized or larger scale wooden buildings that have a proven track record in each region. We will reduce of CO₂ emissions during construction and building operation.

In the new revenue base of the de-contracting business, the public-private partnership market is expected to expand, so we will increase our fusion of the contracting and de-contracting businesses to create EPC through links with the infrastructure management business. In addition, we will take advantage of our achievements with Aichi Arena and actively participate in the stadium and arena reforms promoted by the Ministry of Economy, Trade and Industry and the Sports Agency.

Based on our extensive construction achievements, we are committed to working with partner companies to build complex resorts such as Auberge that will take advantage of local characteristics and lead to regional revitalization.

2. VE/CD: Acronym for Value Engineering & Cost Down
3. Turnkey: To deliver the product to the customer in a ready-to-run state.
4. ZEM/ZEH-M: Acronym for Zero Energy Building & Net Zero Energy House Mansion. Buildings and homes with net zero or negative annual primary energy consumption

TOPICS



Participate in the Super City Project, the Detonator for Regional Revitalization

In the regional revitalization of local cities, it is necessary to create cities that will attract tourists and generate local employment. This project is a composite hot spring facility on the themes of healing and food that utilizes the nature surroundings and ingredients from the region. Our company participates as part of the business.

New Construction of Hotel Building at Vision Hotel

Facility Usage: Resort Hotels and Inns/
Location: Taki-Cho, Taki-gun, Mie Prefecture; Year of Completion: 2021

Support the Diverse Construction Needs of Sporting Events

We constructed facilities for athletes to stay and temporary observation seats for one of the world's largest international sporting events. After the games, we renovated the facility into rentals and subdivision housing and constructed ultra-high-rise residential buildings (50 stories).

Redevelopment of type 1 urban area; western area of Harumi 5-chome New Construction at 5-5 Tower Building

Facility Usage: Shared House/Location: Chuo-Ku, Tokyo/
Year of Completion: 2025 (Planned)



Introduction of Japan's first Build/Transfer+ concession Method* at the Arena A World-class Arena Project that Implemented State-of-the-Art Technology

The Ministry of Economy, Trade and Industry and the Sports Agency are committed to stadium and arena reforms. This is a core of urban development and regional revitalization that will act as a hub for exchanges between diverse generations. As one of the model businesses for that, the Arena has adopted Japan's first Build/Transfer+ concession method, making full use of private sector vitality, to provide high-level hospitality services.

Construction work related to the development and operation of a new gymnasium in Aichi Prefecture (Aichi Arena)

Facility Usage: Gymnasium/Observatory/Location: Nagoya City, Aichi Prefecture/
Year of Completion: 2025 (Planned)

* Build/Transfer+ concession method: A method in which a business operator designs and builds based on its own proposal, transfers ownership to the prefecture government after completion, and then the prefecture assigns the operating rights for public facilities to the business operator to implement maintenance and operation.

Employees Views

For the last two and a half years, I have been engaged in construction work at construction sites for large commercial facilities. I noticed that the children's park in the commercial facility for which I was responsible became a walking route for the local nursery school, and that students, couples with children and elderly people come to the commercial facility to shop. I felt that I had connected with the local residents through this construction work. I want to continue to take leadership as a member of the INFRONEER Group and create value for society by constructing buildings that will continue to be loved. Also, although the number of key female staff has been increasing since I joined the Company, I still feel that the ratio is low. In the future, I would like to think carefully about how to build an environment where women can work, I would like to think carefully about it and keep my eyes open to see our strengths.



En Chon who joined MAEDA CORPORATION in 2015; she's working at South Ikebukuro 2-Chome Redevelopment Workshop

Road Civil Engineering Business



2nd Tomei Expressway Fuji Nishi Pavement Works Fuji City, Shizuoka Prefecture

Technical Innovation to Create a Path that Connects People

The road civil engineering business began operations in 1930 as a pioneer for asphalt paving work. We have worked on roads and various exterior facilities nationwide, including highways, and have supported the development of social capital and worked to provide attainment of a rich life for the local community for more than 90 years.

In the 1960s, in order to quickly respond to an the automobile-based society and changes in people's lives during the period of high growth, we began installing asphalt mixture factories in various regions of Japan to sell our products and expand our business area.

Currently, we have 111 sales offices and 100 asphalt mixture factories that manufacture and sell asphalt mixture nationwide. Taking advantage of the community-based company, we implement construction directly linked to roads and people's lives and the supply of asphalt mixture. We are addressing various regional issues such as creating safe and secure roads.

In the future, while the new road construction market will shrinks, the maintenance market for aging roads and the like is expected to expand. Therefore, in the road civil engineering business, we have positioned the infrastructure maintenance and management business as a third pillar using the construction and product technology capabilities that we have developed so far. The pressure for solving problems for the local governments all over the country to solve problems is increasing in the area of comprehensive private contracting, which we are already involved in; we will continue to focus more on that in the future, taking advantage of the achievements that other companies have made.

We will make the depth of our links to regional construction companies and municipalities, which have been a source of strength in the road civil engineering business, one of the driving forces behind our integrated infrastructure service company.

In recent years, the road paving industry has faced many challenges, including soaring raw material prices caused by soaring crude oil prices and exchange rate fluctuations, and environmental problems. In our countermeasures for environmental problems, the particular focus of our company is on low-carbon asphalt mixtures. We will work to maintain and improve both the living and natural environments and nature through these people-friendly paths.

Opportunities

- Maintenance market expands because of the aging infrastructure
- Accelerating large-scale renewal projects carried out by road management companies
- Expanding society's demand for ESG and SDGs(low-carbon asphalt mixtures)

Strengths

- Achieve stability and high profitability with a wide customer network based on two axes: construction and products.**
- Secure a good business base... 111 sales offices, 100 plants, and over 10,000 customers.
 - Stable cash flow creation capability
 - Build up our road operation know-how from the operation results of the comprehensive private contracting for local municipalities (3 cases).

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Strategy

Pursue Group synergy

Establish a structure for new business areas

Promote DX/sharing

Promote M&A

Establish a new revenue base in addition to private construction, which is our strength

- Build our own comprehensive private contracting model that uses the abundant private construction achievements to date.
- Develop new products and new manufacturing technologies (environmentally friendly technologies and environment-preserving technologies)
- Use the network of each company in the Group to expand the sales channels for high value-added products such as mild patches.
- Develop a comprehensive private contracting nationwide through M&A in the road sector (construction and manufacturing plants)
- Expand business areas through planning and proposals for new environmental construction laws.
- Expand share through manufacturer and sales of low-carbon asphalt mixtures.

Productivity reforms through DX

- Streamline business management by visualizing and sharing customer and asset information and the like in real time
- Systemize by standardizing sales know-how and business processes, and introduce sales support tools, to increase sales efficiency and expand orders.
- Maximize production efficiency and labor utilization rate by systematizing construction, manufacturing and shipping operation management, and optimizing resource allocation using analysis results of operation data.
- Improve productivity and quality through the use of digital technologies (ICT construction, etc.)

Synergy through Group collaboration

- Share the know-how of the comprehensive evaluation system of each company in the Group, and strengthen our efforts for government agency construction projects
- Use the sales networks of each company in the Group to expand opportunities for obtaining orders and stabilize the amount of construction on hand.
- Establish a new department specializing in infrastructure operations (PPP/PFI Division) for MAEDA ROAD, and build a full-scale collaboration structure with each company in the Group.
- Expand orders for the comprehensive private contracting and road concession business using the bidding support and operational know-how held by MAEDA.
- Leverage the overseas network of each company in the Group to strengthen our initiatives in overseas markets.

Human capital strategy

- Give continuous training to employees to raise awareness of compliance (compliance with laws and regulations).
- Implement training in collaboration with companies in the Group to improve safety awareness.
- Implement planned training for human resources with a management perspective.

Risks

- Higher crude oil prices caused by the global situation and interest rate fluctuations between Japan and the United States
- Labor shortage caused by fewer skilled construction technicians
- Construction delays caused by quality bugs, generation of extra costs and loss of credibility
- Loss of social trust because of late adaptation to environmental problems

FY2021 Initiatives and Performance Review

In FY2021, we focused on the following three areas because of the growing interest in ESG and SDGs.

- Initiatives to manufacture of low-carbon mixtures
- Promotion of DX
- Started Comprehensive Management Project Including Roads in Fuchu City

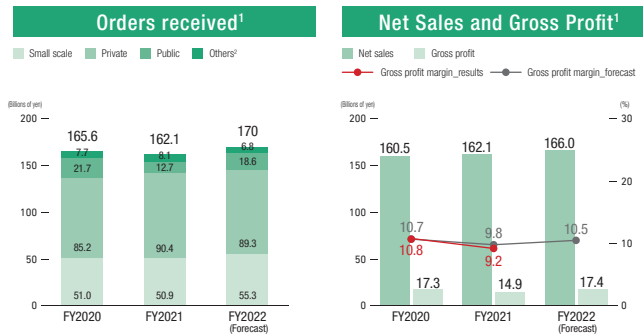
This was a year in which our initiatives for decarbonization accelerated. As a road civil engineering business, we have been working to promote foamed asphalt technology and to manufacture and sell low-carbon mixtures to achieve decarbonization. Foamed asphalt generators have been installed in 44 plants nationwide, and we will move forward with installing them in all mixing factories during this period. By reducing CO₂ emissions when manufacturing the asphalt mixture, we are creating a path that is friendly to people and the environment.

We are also introducing ICT construction as a response to the shortage of construction skilled construction workers. We are working to improve the construction productivity and reducing the number of workers on the site. At the same time, we are improving construction precision and safety.

In the construction sector, efforts have been increased not only in private construction projects, which has been one of our strengths, but also in government construction projects and comprehensive road commissioning. We are working on a wide variety of construction projects using the know-how of each company in the Group. In April 2021, we launched the Comprehensive Management Project Including Roads in Fuchu City (East Area), a joint venture between MAEDA ROAD, MAEDA and six other companies. We provide high-quality services that are unique to the private sector and that fuse the engineering capabilities of MAEDA ROAD in road construction with MAEDA's know-how in infrastructure operations.

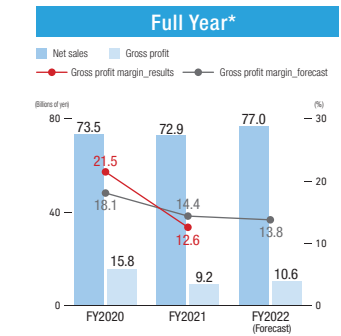
We experienced a very difficult year because of soaring crude oil prices. However, the new initiatives described above produced significant results that will lead to future success.

Construction Business Results(Net Sales/Profit Margins)



1. Previous consolidated figures for MAEDA ROAD; does not take into account the consolidated elimination within the INFONEER Group. "Small scale" refers to work with a contract value of ¥5 million or less.
2. Others: Orders received by affiliated companies (mainly government construction) and elimination of intra-segment transactions

Manufacturing and Sales Business Results (Net Sales/Profit Margins)



*The above figures are MAEDA ROAD's previous consolidated figures and do not take into account the consolidated elimination within the INFONEER Group.

Future Outlook

In the road civil engineering business, we will continue to create diverse paths in the medium term to contribute to the development of social capital and the enrichment of local communities. For that purpose, we are working to maintain and improve the environment by promoting key measures such as physical improvement, productivity reforms, and establishment of a new revenue base.

In the construction business, we aim to develop the road comprehensive management business, based on the performance of the Comprehensive Management Project Including Roads in Fuchu City (East District), and to develop multiple bases rooted in the region.

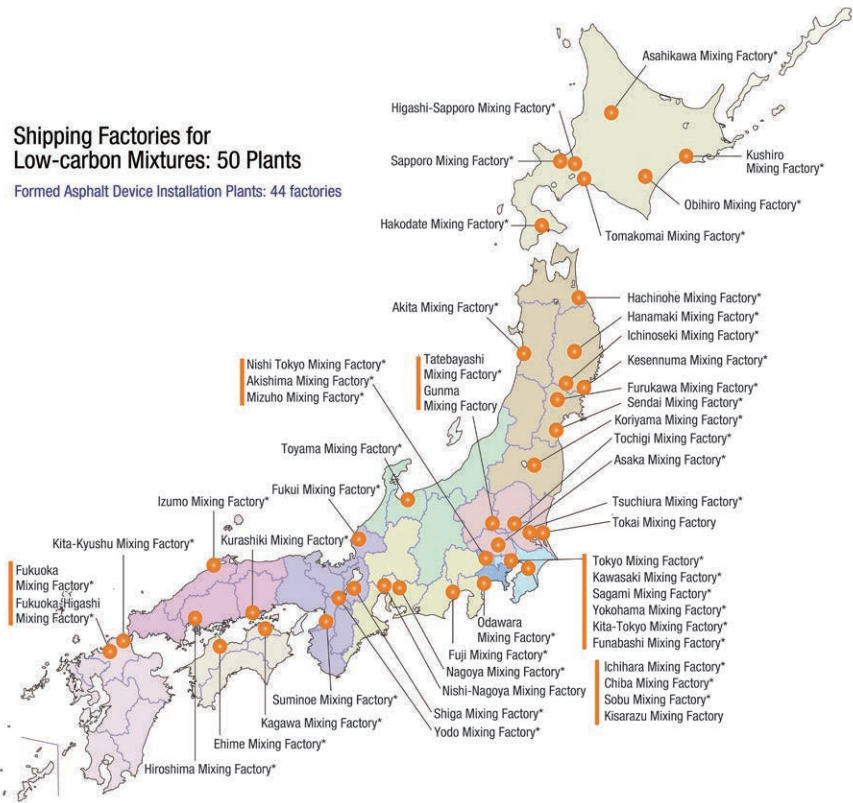
We will strengthen our ability to submit proposals for a wide range of needs that include rainwater control and landscaping projects, and will use our strengths in taking on new challenges such as the development of ICT construction technology, which is important in small-scale projects.

For this reason, from FY2022, we are introducing initiatives at the ICI General Center to develop technologies across business segments.

In our product business, we aim to reduce CO₂ emissions by 2030 by expanding the use of low-carbon mixtures designed for the environment through the use of mid-temperature asphalt mixtures and biomass fuels.

This technical development and development of new materials will strengthen our core construction business and product sales business, and expand into new business areas.

TOPICS



Initiatives to Reduce CO₂ Emissions Across the Entire Supply Chain and to Solve Regional Problems by Manufacturing and Selling Foamed Asphalt (FA) Technology and Low-carbon Mixtures

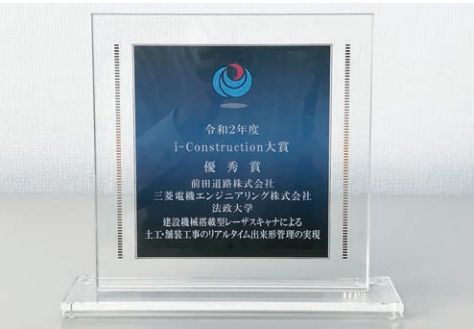
MAEDA ROAD sells an asphalt mixture (our name: LEAB) manufactured using FA technology (mechanical microforming method), a medium-temperature technology for asphalt mixtures. We will use FA technology to reduce the manufacturing temperature of asphalt mixtures to reduce CO₂ emissions, and work to solve regional problems by enabling future sustainable supplies of asphalt mixtures to areas where supply is a concern.

We are also introducing initiatives to reduce GHG in our corporate activities through the sale of low-carbon mixtures. "Low-carbon mixtures" is a generic name for asphalt mixtures manufactured using a method with lower CO₂ emissions than the conventional method. The low-carbon production method involves using biomass fuel, RE100 power, FA technology and a regenerative deodorizing furnace. We are also introducing initiatives to share value with our customers and evaluate low-carbon mixtures across our entire supply chain.

Initiatives to Improve Productivity at the Construction Management Stage Using a Laser Scanner Equipped on Construction Machinery

An as-built management system that uses a laser scanner equipped on construction machinery is a technology that performs real-time, three-dimensional as-built management of pavement work. The acquired data can also be used as BIM/CIM at the maintenance management stage.

This technology has received a great deal of attention as one that will improve productivity at the construction site. For example, it was awarded the 2020 i-Construction Award for Excellence of the Ministry of Land, Infrastructure, Transport and Tourism.



Employees Views

Let me give you a simple description of the road maintenance business that we perform for Yashio City in Saitama Prefecture. The work includes patrolling the roads (309.2 km) throughout the entire city, and using our company's mild patches to maintain and repair road surfaces. This falls under preventive maintenance management. Previously, City Hall consistently received complaints and implemented repairs. However, by proposing and carrying out guaranteed road maintenance workers and strategic preventive maintenance management and getting involved in system design to reduce LCC (Lifecycle Costs), our company has outsourced road maintenance work that continues to the present day. In the future, we will play a role as an integrated infrastructure service company by maximizing local advantages and expanding the scope of our work with road weeding operations and the management of ancillary facilities.

Hiroyoshi Yamauchi who joined MAEDA ROAD CONSTRUCTION Co., Ltd in 1994; he's working at Saitama Sales Office



Infrastructure Management Business



First toll road concession in Japan
In our operation of toll roads in Aichi Prefecture, we are implementing the "Aichi Accelerated Field" initiative which uses actual infrastructure facilities to demonstrate technologies that will solve problems with the operation and maintenance of the social infrastructure.
<https://www.arco.jp/>

Diverse Initiatives to Make Regions More Attractive

In recent years, as requirements to maintain infrastructure have diversified and the pace of change has increased, it is not possible for us to meet the expectations of society by simply following through on contracting projects. To develop sustainably and continue to return value to society, it is essential to work in both contracting and de-contracting cycles to build a stable revenue base and create added value that is unaffected by the external environment.

Since 2009, we would aim to become No. 1 in the environmental management field and from 2011 we have been deploying de-contracting as our management strategy. We are leading the concession business in Japan, implementing initiatives with global partners to operate the Sendai International Airport since July 2016, the toll roads in Aichi Prefecture since October of the same year, and the Aichi Sky Expo since August 2019. In recent years, the social needs of the concession business have increased, and its scope extends to various sectors that now include arenas and water supply and sewage. In the renewable energy business, we have been involved in a number of solar power businesses since 2013, and the wind power business since 2015. In the future, it will be necessary to respond to a wider range of needs, including the biomass business.

In the future, we will not only need to work for single facilities, but also to solve issues related to the infrastructure and public facilities that are specific to a region, while grasping the issues specific to that region and a vision for the future. One of these issues is the comprehensive management business. We started work as the INFRONEER Group by combining the know-how accumulated through our concession business and renewable energy business with the strengths that include our maintenance management know-how and establishing regional bases for each INFRONEER Group company.

In addition to our maintenance and operation performance for infrastructures across a wide range of sectors, we will promote DX and R&D to achieve stable and efficient operations and build and strengthen our promotional structure by developing and training the required human resources. Through these initiatives, we will work to create high-quality and attractive infrastructure services.

Opportunities

- Continued expansion of the public-private partnership market**
- Expansion of Build/Transfer+ concession and conventional PFI in various regions for sports and literary projects typical of arenas
 - Expansion of the public-private partnership market in all fields of water and sewage, especially the expansion of PFI projects, including the renewal of pipelines, whose aging will problems will soon become apparent
 - Promotional support from the Japanese government, which is moving forward with introducing the availability payment method for infrastructure such as general roads.
- Reviewing the basic energy plans to expand the renewable energy market**
- The renewable energy market will expand rapidly with government promotion to achieve carbon neutrality.

Strengths

- Operational performance and human capital in diverse fields**
- Human resources with know-how accumulated through infrastructure business development and operations, and diverse and in-depth knowledge and experience
 - Financing capabilities based on minimization of LLC and appropriate risk assessment
- Deepening collaboration with core businesses**
- Synergy effect emerging from the fusing of engineering capabilities and infrastructure operation know-how in core businesses in each company of the Group
 - Diverse regional networks in each company of the Group

Strategy

INF
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construction
measures

Pursue Group synergy

Establish a structure for new business areas

Promote DX/
shared services

Promote M&A

- Strategic approach that utilizes the benefits of establishing INFRONEER Holdings**
- Strengthen the lobbying activities for project creation by utilizing our sales staff at partner companies and for each company in the Group that is expanding in Japan and overseas.
 - Improve competitiveness and productivity by accumulating and deploying best practices in the infrastructure management business undertaken by each company in the Group
 - Establish an Integrated Infrastructure Services Strategy Office in INFRONEER Holdings to unify the infrastructure operational strategies of each company, and maximize the driving force by effectively utilizing the strengths and management resources of each company in the Group.
- Develop human resources and strengthen the promotional structure based on a long-term plan.**
- Implement a plan for hiring of skilled workers according to the development field and number of projects.
 - Improve our organizational capabilities by systematically promoting human resource rotation between the development and bidding support departments and business management companies (SPCs) for renewable energy and concessions, etc.
 - Promote human exchanges within the Group, and develop multi-personnel resources that combine the strengths of each company
- Drive DX and R&D for more stability and profitability**
- Reduce operating costs by deploying the operating system developed for toll roads in Aichi Prefectures to other projects and managing them centrally.
 - While making maximum use of the technologies possessed by each company in the Group, cooperate with each company to reduce infrastructure operating costs by efficiently developing and implementing the required technologies.
 - Build a data platform that includes links with the City OS for participation in supercities and smart city operations
- Improve competitiveness through collaboration with domestic and overseas companies and M&A.**
- Build diverse partnerships (consortiums, business alliances and joint ventures, and others) with domestic and international companies with leading-edge know-how and experience.
 - Expand renewable energy PJ, and expand planning and management functions for new fields such as forestry and waste materials through collaboration with external companies and experts, and through M&A.

Risks

- Intensified competition caused by market expansion related to public-private partnerships
- Changes in policies and regulations related to the environment and energy
- Rapid changes in market conditions and rising infrastructure construction costs led to lower business revenues.
- Costs of capital procurement rose in line with fluctuating interest rates.
- The occurrence of force majeure and reduced market for public-private partnerships caused by the resurgence of the COVID-19 pandemic.
- Risks associated with the agreement formation process with administrative organs in public-private partnership projects

FY2021 Initiatives and Performance Review

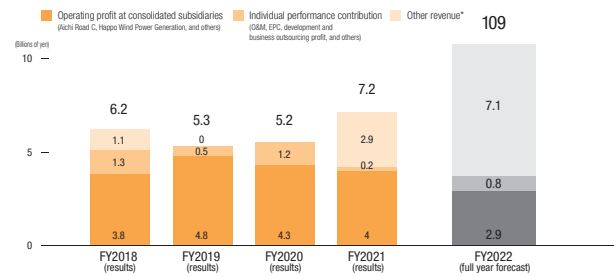
In the infrastructure management business, to contribute to building the integrated infrastructure service company that the Group is working towards, we have been developing new projects centered on the public-private partnership business, including concessions, and the renewable energy business, and managing and selling existing projects. In FY2021, affiliated businesses including Aichi Road Concessions Co., Ltd. and others had strong results. In addition, two solar power projects were sold, resulting in net sales of ¥18.7 billion and a gross profit of ¥7.6 billion.

As a new project in the field of concessions, since April 2022 we have been operating Osaka City Industrial Water Specific Operation Project, the first industrial water concession in Japan to include work from pipeline maintenance to renovation and renewal. In addition, with the new gymnasium development and operation project in Aichi Prefecture (Aichi Arena), we established affiliated businesses with domestic and overseas partners to produce a new value creation model that will revitalize the economy and local society through an arena adapted to global-level specifications. (Construction began in July 2022 and operation is scheduled to begin in April 2025).

In the renewable energy business, we will implement a wood biomass power generation project in Ozu City, Ehime Prefecture. (Construction started in June 2022, and power sales are scheduled to start from August 2024). Biomass power generation is one of the renewable energy power generation businesses that has been developing rapidly in Japan in recent years for carbon neutral power generation business with a low environmental impact.

Both public-private partnerships and renewable energy are on the rise, and we have strengthened our structure by setting up a special department in INFRONEER Holdings. We will use these as a tailwind to contribute to the growth of the Group.

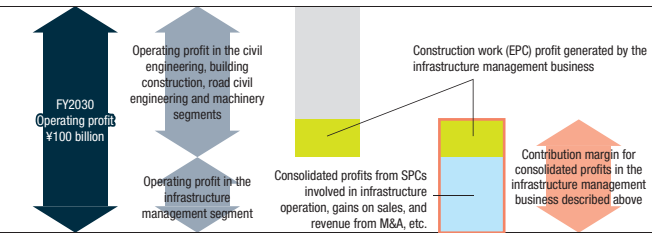
Results (Profit Contribution and Profit Margins)



*Other income includes gain on sales and dividends on non-consolidated SPC shares.

What is the "Profit Contribution Margin?"

The contribution margin for consolidated profits in the infrastructure management business above is a numerical value that combines construction work (EPC) profit generated by the infrastructure management business and consolidated profits from SPCs involved in infrastructure operation, gains on sales, and revenue from M&A, etc.



Future Outlook

In June 2022, the Cabinet Office announced the PPP/PFI Promotion Action Plan (Revised Edition, 2022)*, thereby accelerating public-private partnerships, as local governments were feeling the pressure from the effects of the COVID-19 pandemic and the declining population. In the concession business, we will actively create projects in new fields such as education and cultural facilities and parks, and implement horizontal developments in fields in which we have a proven track record, including airports, roads, exhibition halls, arenas, and water supply.

We believe that there is a high social demand for arena facilities against the backdrop of sports promotion and local regeneration. We view them as the same type of local infrastructures such as airports and roads, and actively work to contribute to local coexistence and development that embodies "sampo yoshi (three-way satisfaction)" for the public, the region, and private sectors.

In the water business, we will establish a technology that determines and monitors the status of pipelines and maintains them through our Osaka Industrial Water Specific Operation Project, the first concession project in Japan that includes renewals and upgrades in the maintenance of pipelines. We aim to expand nationwide with partners who have global knowledge at home and abroad.

In the field of renewable energy, power generation projects are being planned and are underdevelopment focusing on onshore wind power, offshore wind power, and wood biomass.

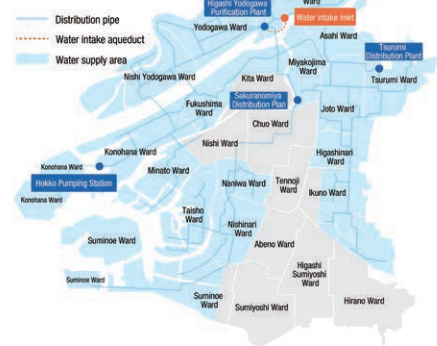
In addition, we will create new business and expand revenue opportunities by expanding into new areas such as forestry and waste treatment.

In addition, We will provide high-quality infrastructure services on the technological demonstration project, Accelerated Field, for operating toll roads in Aichi Prefecture and on DX in pipeline operations in the water supply business, Osaka Industrial Water Specific Operation Project.

*PPP/PFI Promotion Action Plan (Revised Edition, 2022) https://www8.cao.go.jp/pfi/actionplan/action_index_r4.html

TOPICS

Osaka City Industrial Water Supply Specified Operation Project



Japan's First Industrial Water Concession Project

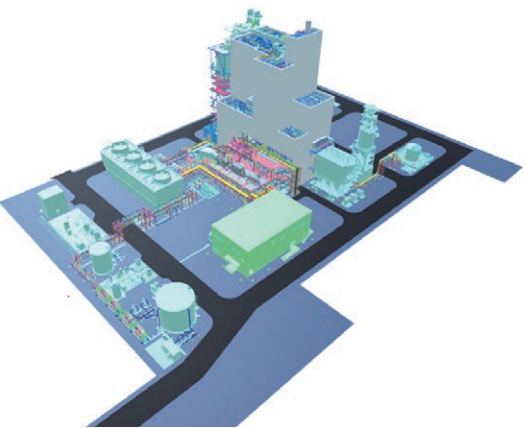
This is a one-stop management project for the operation and maintenance of water purification plants and water distribution plant facilities, and the maintenance and renewal of pipelines that receives fees from users. It is operated under the approval of the Minister of Economy, Trade and Industry. Based on the results of this project, we will strengthen our ability to respond to various water projects.

Project name: Osaka City Industrial Water Supply Specified Operation Project/Facility Usage: Industrial Water/
Location: Osaka City, Osaka Prefecture/Project Period: 10 years (Commencing April 2022)

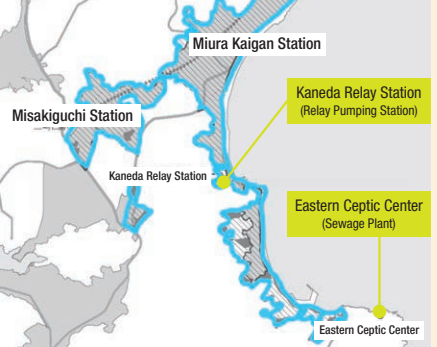
Promotion of the Renewable Energy Business to Attain Carbon Neutrality by 2050

This project is our company's first large-scale, woody biomass power generation project. We estimate that 200,000 tons of wood pellets will be used for fuel annually. In terms of fuel procurement, we will establish a structure for the continuous and stable supply of fuel from FSC-certified local suppliers (mainly in Southeast Asia) to attain sustainable business activities. MAEDA also received our first order for a large-scale biomass power generation project as a contractor.

Project name: Ozu Biomass Power Generation Project/Facility usage: Biomass Power Plant/
Location: Ozu City, Ehime Prefecture/Year of completion: 2024 (Planned)



Miura City Eastern Treatment Area



Japan's First Sewage Concession Project

This project is one of six concession projects supported by the government based on the PPP/PFI promotion action plan*. It is the first scheme in Japan that includes from maintenance to renewal of all processing plants, pumping stations and pipelines in one processing area. The knowledge gained from this project will lead to the solution of issues common to the sewage business with a new sewage business model through systematization and further improvement.

Project name: Miura City Public Sewerage (Eastern Treatment Area) Operation Project/Facility usage: Public sewage/
Location: Miura City, Kanagawa Prefecture/Project period: 20 years (Commencement scheduled for April 2023)

Employees Views

Since February 2021, I have been working on the development and operation of the Ozu Biomass Power Generation Project. As an employee of an SPC (special purpose company) representative company, I am daily considering how to improve the company's operating structure while consulting and coordinating with various related parties.

In some of the work that we do in our position as business owners, we consider and develop the necessary paths to complete the project after detailed discussions on the rules and structures. Then, when the project is actually implemented, I am able to experience a great sense of accomplishment. The strength of our business strategy department is that we have human resources with diverse experience and knowledge of, infrastructure development and operational know-how. These give us competitive power in implementing projects. I will continue to contribute to projects by working to expand my own personal knowledge.



Mizuki Tsuchiya who joined MAEDA CORPORATION in 2020; she is in charge of Business Strategy

Machinery Business



One-of-a-kind Technical Capabilities to Meet Diversified Field Needs

The Machinery Business has contributed to mechanization, labor savings, and safety in the construction and civil engineering industries for more than half a century, providing a range of high-quality products, from designing, manufacture, sales, leasing, and after-sales services for construction and industrial machinery from 1962. In addition to cranes, we have pushed forward with manufacturing civil engineering equipment, dam equipment, water gates, bridges and special vehicles, with the aim of creating new value. In our main crane business, our detailed attention to safety and security has been recognized by users around the world. Today, we have sales agents in various parts of the world, and we are responding to every kind of demand from the market.

Whenever there have been requirements for labor saving and safety in the field, we have met the expectations of society through our machines, using the proposal and development capabilities that we have accumulated over many years. Today, with the decline in the working-age population, industrial labor shortages are issues for all of society. In the machinery business , we will contribute to improving labor-saving on the construction site and productivity/safety by proposing efficient ICT construction machines and strengthening construction method proposals utilizing DX.

In addition to the engineering capabilities of our machinery business, by using closer Group cooperation than ever before, we will establish a business model that will build a stable revenue base and achieve sustainable growth, unaffected by external factors. Specifically, we will work proactively to invest in growth products and environment-related businesses, promoting innovation with DX, investing proactively in human capital and using the Group's networks to expand our business areas.

Opportunities

- Reducing the number of skilled construction workers and popularizing work style reforms**
- Accelerated flow of automated construction work
 - Increased demand for automation and labor-saving products (ICT construction machines)
- Increasing demands to build a decarbonized society**
- Expansion of the use of electrical products
 - Restoration of forests that absorb and capture carbon dioxide

Strengths

- Technical capabilities to consistently handle design, manufacture, sales, leasing, and after-sales services**
- Ability to plan and propose a wide range of products using mobility
 - High product quality resulting from over half a century of crane manufacturing know-how
 - Wide sales and service (maintenance) network in Japan and overseas
 - Service (maintenance) capabilities as a major construction machine manufacturer dealer

INF
infrastructure
construction
measures

Strategy

Pursue Group synergy

Establish a structure for new business areas

Promote DX/sharing

Promote M&A

- Ensure sales through development and introduction of strategic products.**
- Develop products to meet needs in the field in addition to labor saving and safety on the work site.
 - Expand the lineup of electric cranes equipped with lithium-ion batteries introduced to the market in FY2020 to reduce the impact on the environment
- Initiatives for DX**
- Strengthen the sales proposal by automating customer needs data
 - Propose construction methods using DX to improve efficiency on the work site
 - Maximize production efficiency by systematizing the management of manufacturing and shipping operations and optimizing resource allocation.
- Human capital strategy**
- Actively invest in monozukuri (manufacturing) to develop multi-skilled workers to equalize work and improve productivity amid concerns of a declining workforce due to the falling birthrate and aging population.
 - Build a structure that does not compromise on technology or quality by systematically training human resources to meet progressive needs in the field, including collaboration with external companies and experts
- Synergy through Group collaboration**
- Develop special custom-made machinery to meet the business needs of each company in the Group.
 - Leverage the domestic network of each company in the Group to strengthen our business areas.
- In addition, we will develop new products that meet the needs in the field by expanding into new business areas.
- Create a strong company**
- Promote work-life balance to increase employee motivation.
 - Foster a corporate culture in which diverse human resources play a role by promoting diversity.

Risks

- Decline in productivity caused by increased product lineup
- Obsolete commercial power resulting from the rise in competitor manufacturers
- Production delays caused by insufficient or delayed parts supply due to supply chain disruptions
- Product cost increases resulting from higher raw materials costs
- Compensation for damages caused by product defects

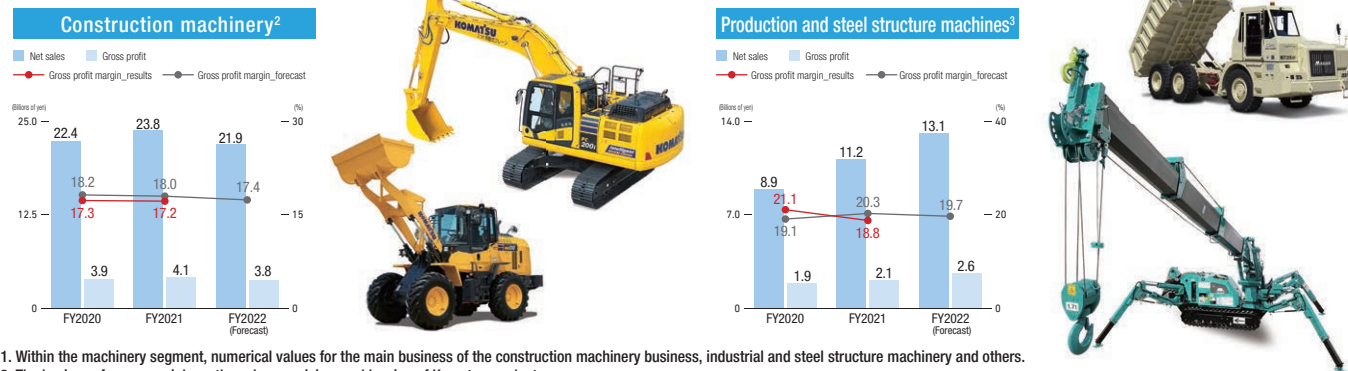
FY2021 Initiatives and Performance Review

In FY2021, although economic activities stagnated temporarily because of the COVID-19 pandemic in Japan. However, economic activities resumed, including holding the Tokyo Olympic and Paralympic Games, which had been postponed during the coronavirus pandemic. Overseas, although the situation varied by country and region, there were signs of recovery from the downturn caused by the pandemic. However, the global shortage of raw materials and components, as well as the soaring price of materials have significantly affected production in the machinery business, making it a year in which we needed to be able to respond to change.

Meanwhile, through our transformation, we introduced activities to capture new challenges and opportunities in leaps and bounds to improve growth and profitability. In FY2021, the final year of MAEDA SEISAKUSHO's medium-term three-year business plan, our slogan of “achieving growth” became “transform change into growth.” We worked proactively to use digital technologies, participate in fields outside construction and civil engineering, rebuild the safety and health system, and reduce the impact on the environment.

In addition to these activities, we introduced activities aimed at sharing information with suppliers and improving the efficiency of parts procurement. Sales of construction machinery remained strong, and sales of our original product, the spider crane, were improved mainly through overseas exports. Furthermore, we worked to reduce our production costs. As a result, both net sales and operating profit increased from the previous year.

Results (Net Sales/Profit Margins)¹



Future Outlook



In promoting mechanization, we have introduced hybrid machines and machines with excellent energy-saving performance such as ICT machines to the market, to build a low-carbon society. In the future, we will expand our lineup of cranes equipped with lithium-ion batteries that can achieve zero emissions, in light of the demand for environmentally friendly products, and this will increase globally.

MAEDA AMERICA Inc., a subsidiary of MAEDA SEISAKUSHO, was established to increase our market share in North America, which is the largest market for construction machinery, and in which we have been struggling until now. We will increase our market share in North America by building a strong dealer network through market-based activities.

We also want to focus on forests that function in various multifaceted ways to prevent global warming by capturing CO₂, conserving water resources, preserving biodiversity and preventing soil and sand disasters. We will actively work to develop technology so that we can strongly support the use of wood materials and use mechanization to develop rugged forestry sites.


Although the environment we find ourselves in continues to change at a faster rate than ever before, we are committed to working for economic development, solving social issues and preserving the environment, and we will use the technical, proposal, and service capabilities that we have developed so far to build a sustainable society through monozukuri (manufacturing). We are working to establish a business model that will achieve sustainable growth unaffected by external factors.

TOPICS



Lithium-ion Battery Powered Machines that are Carbon Neutral

Up to now, we have contributed to reducing our environmental impact by providing various types of machines that comply with emissions regulations around the world. Currently, we are committed to developing and expanding battery-powered cranes to further reduce our environmental impact. Machines equipped with lithium-ion batteries are compact and achieve zero emissions, and have a performance far superior to engine driven machines.



Use in Art and Other Forms of Expression

A spider crane was used in a fashion show held in Paris by Rick Owens, the global fashion brand. The compact and flexible nature of the crane can be exhibited not only at construction sites, but also at cultural sites as an expression of art and fashion. You can view the show on INFRONEER's social media.





Facebook



Instagram

Employees Views

Currently, I am responsible for developing a new spider crane model. With limitations on the chassis weight, we are working to accommodate our customers' requirements to suspend heavier objects at higher levels and farther away. In addition, we are making completely new innovations to the functions and structure of the crane. Because these innovations are without precedent, many things that do not go as planned. Every day I have to use trial and error to move forward with my work.

I am involved in design work, which is often very difficult, but I love this environment because it presents me with new challenges. Even if I fail, I am working in an environment where I can try different things to investigate the causes and work out countermeasures. I have to think about what needs to improve to move the design forward. I enjoy working with my team members to create the new product, and to motivate them in turn through anticipation of the satisfaction we will feel when we finally ship the product to our customer.




Yuta Nakamura, Technical Headquarters (Joined MAEDA SEISAKUSHO in 2015)

Main Related Businesses (Others): FBS, JM, Fujimi Koken

Our other businesses cover from the retail business to the manufacture and sale of construction materials, building management and real estate. Net sales were more than ¥37.4 billion and segment profits were over ¥1.8 billion.

FBS Corporation



Business overview

- Building management (building management and operation, equipment inspection and security, and others)
- Construction (renovation, seismic reinforcement, and others)
- Civil engineering (ground improvement, structural reinforcement, and others)

Strengths

- One-stop management for a wide range of applications from design to construction and building management
- Proposal-oriented company that improves the value of assets with its ability to submit proposals that address both present and future needs


(Billions of yen)

Net sales

Operating profit margin (%)

| Fiscal Year | Net sales (Billions of yen) | Operating profit margin (%) |
|-------------------|-----------------------------|-----------------------------|
| FY2020 | 23.0 | 4.3 |
| FY2021 | 21.0 | 5.0 |
| FY2022 (Forecast) | 21.4 | 4.6 |

JM Corporation



Business overview

- Building equipment maintenance and upkeep
- Lifecycle management of building equipment
- EV charger and small-scale solar/storage battery maintenance
- Regional generation Comprehensive control work for autonomous bodies
- BPO and outsourcing services

Strengths

- A nationwide network system with franchises across all regions of Japan
- Use of IT to streamline the operations of local craftsmen
- Know-how accumulated through the maintenance and management of 210,000 facilities

(Billions of yen)

Net sales

Operating profit margin (%)

| Fiscal Year | Net sales (Billions of yen) | Operating profit margin (%) |
|-------------------|-----------------------------|-----------------------------|
| FY2020 | 19.8 | -0.5 |
| FY2021 | 21.0 | 2.5 |
| FY2022 (Forecast) | 21.0 | 2.2 |

Fujimi Koken Co., Ltd.



Business overview

- Manufacturing and sales of concrete secondary products including concrete segments, precast concrete building members and SEED form¹

Strengths

- Differentiated from other companies by its proprietary technologies (SEED, REED², one-pass joints)
- Nationwide business development by the Alliance Plant (SEED, REED)
- Stable and continuous supply of manufacturing services to other general contractors (construction precast)

(Billions of yen)

Net sales

Operating profit margin (%)

| Fiscal Year | Net sales (Billions of yen) | Operating profit margin (%) |
|-------------------|-----------------------------|-----------------------------|
| FY2020 | 7.3 | 4.2 |
| FY2021 | 7.4 | 3.8 |
| FY2022 (Forecast) | 8.7 | 2.0 |

TOPICS Comprehensive public facility management in Konosu City

In April 2022, the JM, FBS, and MAEDA CORPORATION consortium began the comprehensive management of 118 public facilities owned by Saitama Prefecture's Konosu City. In this project, we will unify business standards, improve the quality of maintenance and management, improve business efficiency, and establish sustainable management and operation of the public facilities. In doing this, we will prevent malfunctions by conducting inspection patrols, digitize work, introduce facility-specific examination records, and setting up a management center. We will continue to share data with Konosu City and contribute to reducing the work load. In FY2022, the consortium will support the city's Digital Garden City Nation promotion grant project and build a foundation for leading-edge infrastructure management.



¹ Status of comprehensive management work within the Group: four projects are in operation; two projects have acquired priority negotiation rights and are being prepared for operation (at end of September 2022)

Review of the Previous Period and Future Outlook

In FY2021, the first period of FBS 21-24, our new medium-term management plan designed to transform the company in a way that will improve the value of our assets, the measures we implemented included restructuring the organization and focusing our management resources on specific areas. As a result, we achieved both our net sales and operating profit targets.

In FY2022, which is the second period of the new medium-term management plan, in addition to expanding our three existing businesses—construction, civil engineering, and building management—we will work to improve our corporate value through initiatives that will include expanding decarbonization-related proposals in the area of the environmental, focusing on comprehensive management projects in the social area, and solving bottom-up issues through our internal governance.

Review of the Previous Period and Future Outlook

In FY2021, in addition to working for our existing partnership with major private companies including SEVEN-ELEVEN JAPAN CO., LTD., Nissan Motor Co., Ltd., Idemitsu Kosan Co., Ltd., JAPAN POST Co., Ltd., and Starbucks Coffee Japan, Limited, and others, the company began the comprehensive management of local public facilities. In 2022, we are entering the comprehensive management business in Konosu City, Saitama Prefecture (118 facilities) and Izu City, Shizuoka Prefecture (91 facilities). The number of electric vehicle (EV) charging facilities we installed exceeded 40,000 in total, and we are the top constructor/provider of these installation in Japan (related article: Go to the website and access TOPICS).

JM will continue to use its know-how in the maintenance and management know-how of private facilities and provide technological innovations and DX to the people responsible for building maintenance in each region to address the aging of local buildings and facilities. We will also work with private companies, municipalities, and citizens to provide both hard and soft technologies in the construction of regional platforms, and contribute to the revitalization of the local economy.

Review of the Previous Period and Future Outlook

In FY2021, the COVID-19 pandemic and soaring raw material prices did not significantly affect our performance. The company was unable to ship PC products because of delays to the start of large-scale construction projects. Also, in the SEED and REED divisions, net sales dropped because of the decrease in the number of projects. However, the company's results showed an increase in sales and profits as production volumes increased and sales and profits increased significantly thanks to an improvements in the productivity of large-scale segment projects under the segment division.

For the future, we are studying how to develop and use peripheral technologies with our own technologies and are exploring the development of new businesses. We will actively work to introduce IT into each business, secure and train the human capital that will form the next generation of workers and reduce CO₂ emissions.

1. SEED form

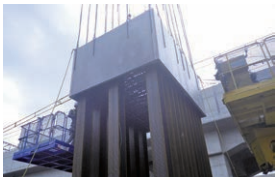
The SEED form is a precast form that significantly improves the durability and crack dispersion characteristics of structures by using high-strength mortar with a low water-cement ratio as the base material and mixing in vinylon fiber as a reinforcement material. This ensures that the buried form has adequate bending strength, and improves the durability of the concrete structure. The rear of the SEED form is given a rough surface using a joint surface-treatment agent and high-pressure jet water cleaning, to ensure it bonds with the concrete. Use of the SEED form can eliminate formwork removal work and concrete curing, shortening the construction period.



SEED form installation status

2. REED construction method

The REED method is a structural form and construction method for a steel-concrete composite structural pier that uses H-shaped steel with protrusions and SEED forms. Because it involves repetition of a simplified process, it is possible to reduce the number of workers and labor involved and speed up construction. The method gives excellent seismic resistance through the use of high-rigidity H-shaped steel. In addition, the SEED form is set on the surface of the pier, which improves the aesthetic appearance.



REED construction status

Open Innovation Facilities that Solve Social Issues

In 2019, the ICI General Center (ICI) opened in Toride City, Ibaraki Prefecture as a base for corporate transformations on the occasion of the 100th anniversary of the establishment of MAEDA CORPORATION. In addition to the functions of the Institute of Technical Research, our predecessor, we will promote business development that contributes to solving social issues through open innovations. We are aiming further to accelerate and leap forward development related to integrated infrastructure services since MAEDA ROAD and MAEDA SEISAKUSHO's technology research departments were joined.

<https://www.ici-center.jp/>

Phase 3 : Demonstration

Demonstration through the fields of construction sites and infrastructure management projects (toll roads in Aichi Prefecture, Aichi Sky Expo, Sendai International Airport, ad others) and others.



Actual business field

Phase 1 : Creation and promotion



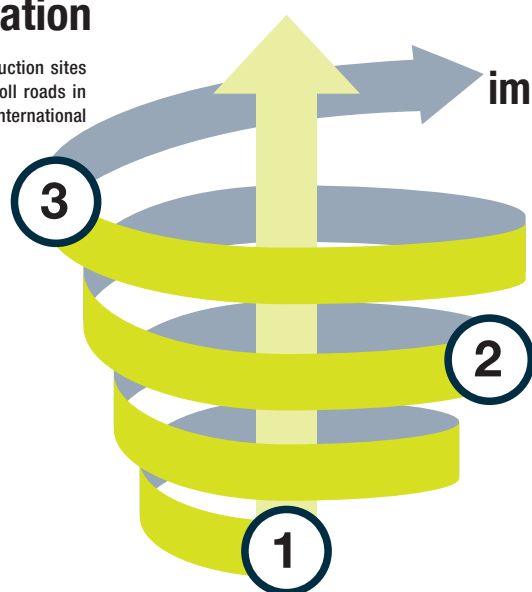
Exchange building NEST building

ICI LAB*

Venture companies in Japan and overseas
(technology seeds and business ideas)

Note: The ICI Lab Exchange building has received multiple awards related to carbon neutrality and energy conservation as a next-generation office that achieves ZEB and improvement of intellectual productivity.

Solution



Social
implementation
BUSINESS

The organization
desired
by INFRONEER

- Permanent growth
- Stable and profitable constitution
- Trusted by all stakeholders
- Solving social issues around the world

Phase 2 : Verification

Verification with well-equipped equipment, space and human resources that support diverse and leading-edge experiments and research



Wind and environment experiment facility
Winner of the Japan Society of Wind Engineers Technical Development Award

Communication with human resources co-creation
and co-creation partners



ICI CAMP



ICI STUDIO

Expectations for further leaps forward and acceleration thanks to the conversion to Holdings

Employees Views (MAEDA ROAD)

ICI and our Institute of Technical Research have been conducting technical exchanges through facility tours and the like since FY2019. Up to now, we have made use of ICI's laboratory facilities and their technologies, and have made achievements in the evaluation of thermal environmental risks in paving work. Starting from this period, the Merger Review Committee was launched in anticipation of the relocation of our facilities to ICI. Our goal is to create valuable technologies by holding discussions at the practitioner level on the study issues and deepening our mutual ties.

Yasunari Shimizu, MAEDA ROAD CONSTRUCTION Co., Ltd.
Technical Research Market Strategy Information Office



Employees Views (MAEDA SEISAKUSHO)

I am responsible for the development of mechanical equipment (hardware) for the commercialization of WOODSTAR (multi-axis machining tool). We had a frank exchange of views between the project members at the development meetings, and others. I have been able to take advantage of my work experience so far in practice, and I feel that my work is very rewarding. I look forward to taking on challenges in businesses into which we have not yet ventured by becoming Holdings.

Michiya Ito, MAEDA SEISAKUSHO CO., LTD.
Industrial Machinery Headquarters WS Promotion Division



ICI LAB — Open Lab for Solving Social Issues Facing Infrastructures —

[MAEDA CORPORATION and MAEDA SEISAKUSHO]

Accelerate Wood Utilization and Construction DX — WOODSTAR (Multi-axis Machining Tool) —

WOODSTAR is a robotic arm-type wood processing machine developed in a joint venture of the Group company. We began business in 2021, starting with a joint research project with the Hirasawa Lab at Chiba University.



[MAEDA CORPORATION and Aichi Road Concession]

Demonstration Experiments Utilizing Infrastructure Facilities in Service — Aichi Accelerated Field —

Together with Aichi Road Concessions, we are extracting issues related to the operation and maintenance of infrastructures.

We are implementing technology demonstrations that use actual infrastructure facilities relating to issues extracted for the operation and maintenance of social infrastructures.

[FY2021: Results]

- Reverse running vehicles and pedestrian intrusion prevention system using three-dimensional laser radar
- Expansion of application bridge types and careful reviews of costs in application of UAV inspection of bridges



ICI CAMP — Connecting Local Memories to Make a Place for Sustainable Learning and Exchange —

[MAEDA CORPORATION and Toride City, Ibaraki Prefecture]

Renovation of an Abandoned Primary School into a Training Facility

We are renovating a part of the old Hakusan Nishi Elementary School that has been abandoned, into a training facility, and we are taking on the challenge to make this abandoned school usable.

As an emergency evacuation facility for when a disaster strikes, we are cooperating with Toride City and implementing symbiosis with the local community.



[MAEDA CORPORATION and Venture Companies]

Conferences and Digging up Social Issues

The largest startup conference in Japan, "SVS*," was held at ICI Camp, hosted by Samurai Incubate Co., Ltd., a co-creation partner.

We have built a new network through workshops on the theme of water infrastructure and through discussions with the participants.

*Samurai Vision Summit



ICI STUDIO — Fusing Old and New Technologies and Art to Attain a Base in a Living Area —

Relocation of Historic Buildings — Residence of Jinkichi and W-ANNEX—

In April 2022, the former residence of Jinkichi Watanabe was relocated to the ICI General Center for the purpose of preserving the historic buildings for future generations.

Parts that are corroding and cannot be repaired are 3D scanned. We cut out new parts using WOODSTAR, and conducted our restoration. Furthermore, W-ANNEX has also been setup as a base for activities that will lead to the promotion of culture and the arts.



What is the former residence of Jinkichi Watanabe?

The former residence of Jinkichi Watanabe was built in the pre-war period of Japan's economic prosperity as the personal residence of Mr. Jinkichi Watanabe, the 14th generation of the Watanabe family in Gifu who ran the banking business.

- It is one of the few authentic Tudor styles in Japan; an extremely sophisticated technique was used to decorate the home.
- The highest standards of experience and knowledge for Japanese residential construction at the time was employed in its construction.
- Its original appearance is almost completely preserved, including the characteristic decorations.
- There is a rich introductory literature and objective cultural value in this structure with relevant literature and furniture have been left behind

IR Information

Highlights of our financial and non-financial information

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Page 101 11-Year Non-financial Summary

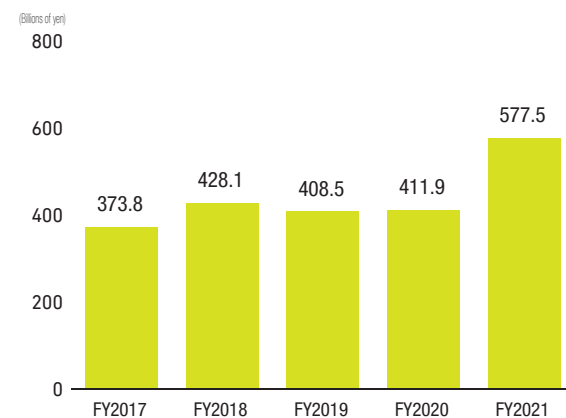
Page 103 Financial Statements



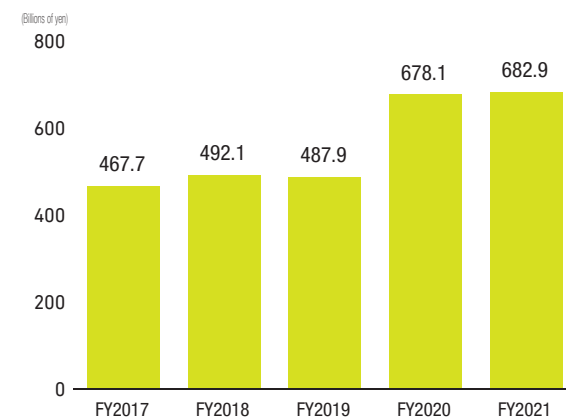
Our Financial and Non-financial Highlights

Our Financial Highlights

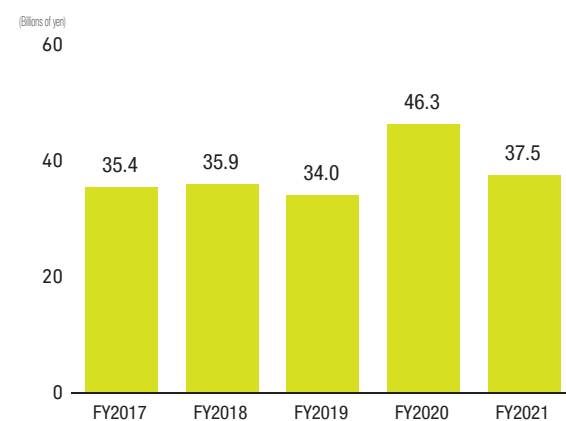
Orders received



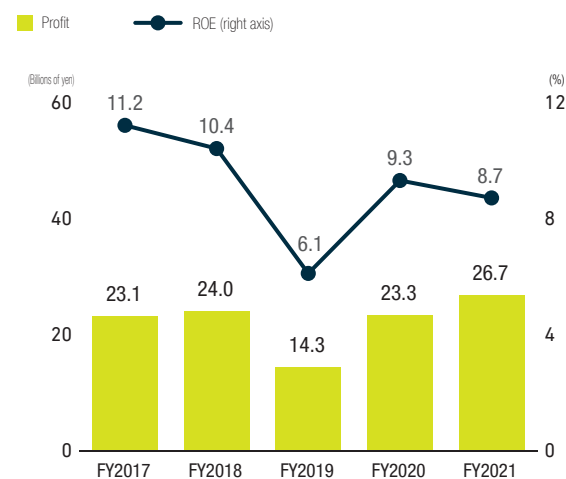
Net Sales



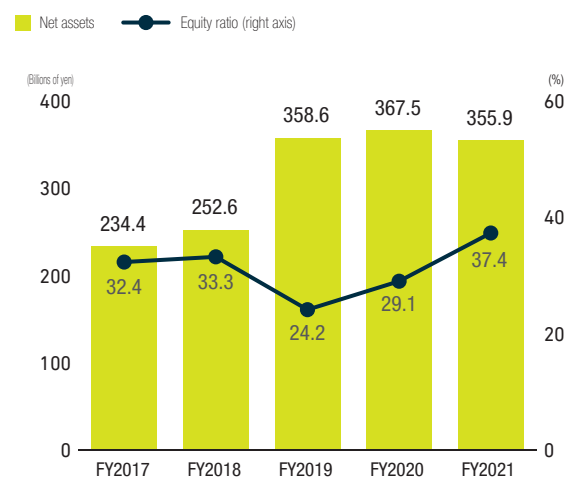
Operating Profit



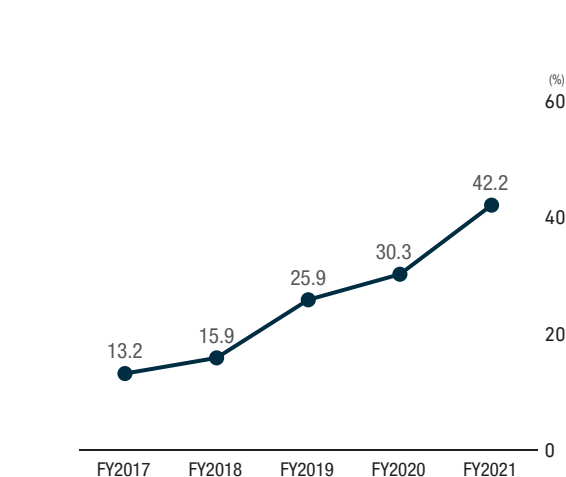
Profit Attributable to Owners of Parent and ROE



Net Assets and Equity Ratio

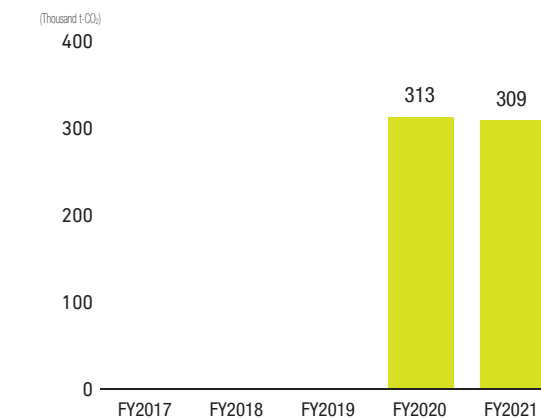


Dividend Payout Ratio

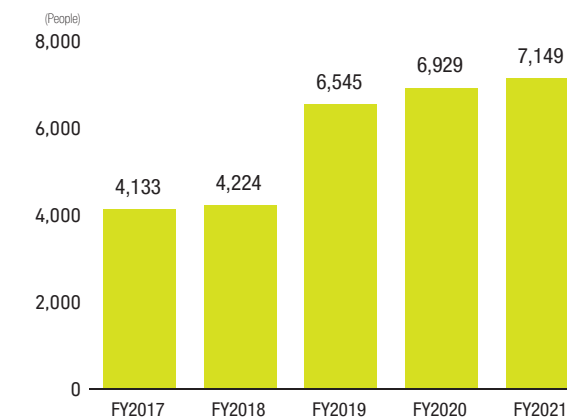


Our Non-financial Highlights

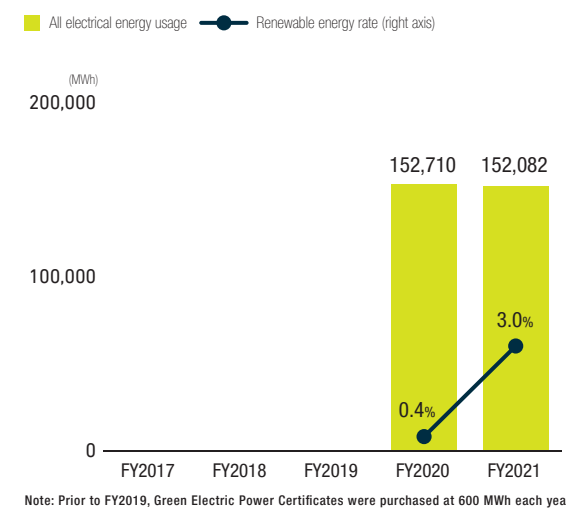
CO₂ Emissions (Scopes 1 and 2)



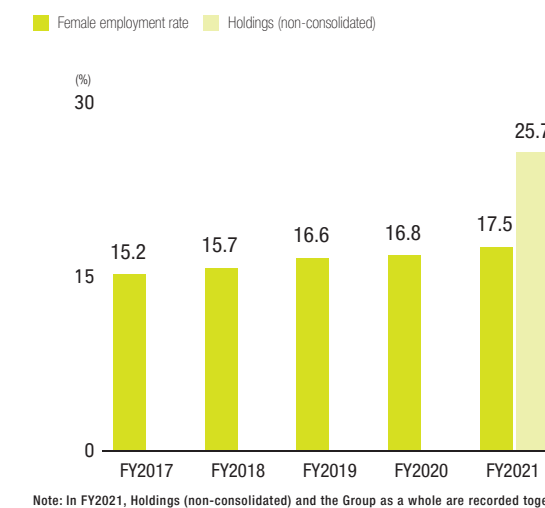
Number of employees



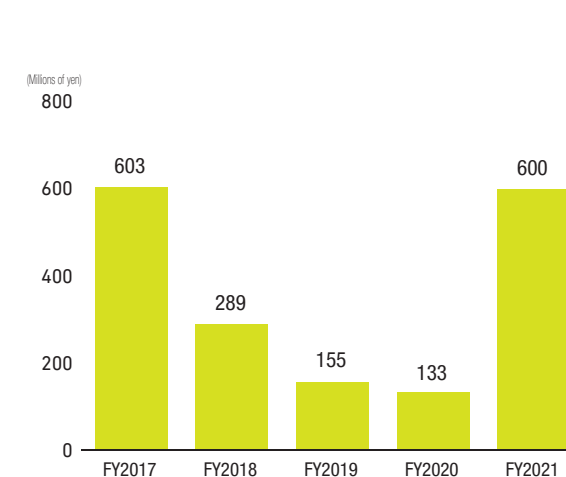
Renewable Energy Rate



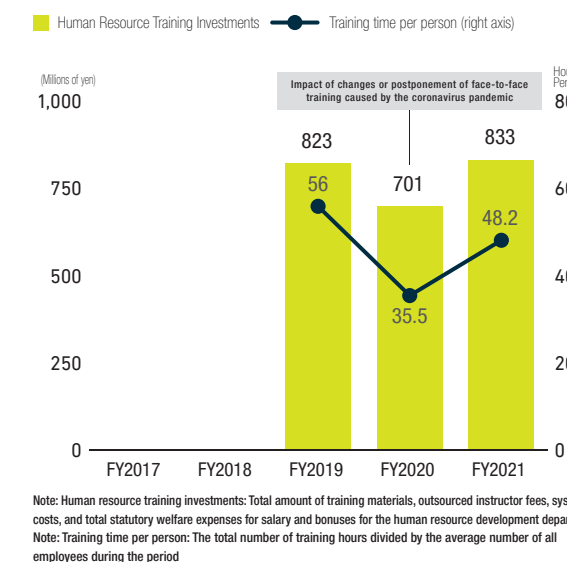
Female Employment Rate



Contributed Amounts in Dividends for the Earth



Human Resource Training Investments and Training Time Per Person



11-Year Financial Summary

| INFONEER (INF) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|----------|----------|-----------------|----------|----------|--|----------|----------|----------|----------|----------|----------|-----------------------|----------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|----------|
| MAEDA (MK) | | | | | | | | | | | | MAEDA ROAD (MD) | | | | | | | | | | MAEDA SEISAKUSHO (MS) | | | | | | | | | | | | | |
| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2011 | 2012 | 2013 | | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2021 |
| Operating Results (Billions of Yen) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Orders received | 282.5 | 307.7 | 316.8 | 367.8 | 369.8 | 448.1 | 369.6 | 425.6 | 395.6 | 408.8 | 423.4 | 132.2 | 134.2 | 143.6 | | 156.6 | 157 | 153.1 | 162.4 | 157.2 | 165 | 165.6 | 162.1 | - | - | - | - | - | - | - | - | - | - | - | - |
| Net Sales | 259 | 301.2 | 323.9 | 331.3 | 372.6 | 338.1 | 374.2 | 401.3 | 387.3 | 366.1 | 365.8 | 204.9 | 213.2 | 230.1 | | 233 | 232.7 | 233.1 | 234.4 | 223.8 | 237.8 | 234.6 | 235.6 | 23.6 | 25.3 | 32.6 | 33.8 | 35 | 35.4 | 36.7 | 36.5 | 37 | 33.5 | 37.1 | 682.9 |
| Operating Profit | 4.2 | -8.7 | 5.3 | 8.2 | 15.6 | 17.5 | 27.9 | 29.8 | 28.6 | 29.7 | 27.3 | 14.5 | 16.7 | 20 | | 23.7 | 28.8 | 26.6 | 23.4 | 17.1 | 19.6 | 20.7 | 11.7 | 0.4 | 0.6 | 1.4 | 1.5 | 1.4 | 1.8 | 1.9 | 1.7 | 1.9 | 1.4 | 1.8 | 37.5 |
| Ordinary Profit | 2.9 | -8 | 5.7 | 9.3 | 16.5 | 19.4 | 29.4 | 32.2 | 29.8 | 45.2 | 35.2 | 15.3 | 17.8 | 20.8 | | 24.5 | 29.3 | 27 | 23.8 | 17.6 | 19.9 | 21.1 | 12.2 | 0.4 | 0.6 | 1.4 | 1.5 | 1.4 | 1.8 | 1.9 | 1.8 | 1.9 | 1.5 | 1.9 | 38 |
| Profit Attributable to Owners of Parent | 1.7 | -8.6 | 5.5 | 7.3 | 12.9 | 19 | 19 | 20.4 | 21.4 | 36.2 | 28.5 | 7.6 | 10.1 | 12.6 | | 13.4 | 17.5 | 17.9 | 9.2 | 11.5 | 18.8 | 16.8 | 9.6 | 0.3 | 0.6 | 0.9 | 1.1 | 0.9 | 1.3 | 1.3 | 0.9 | 1.3 | 1 | 1.2 | 26.7 |
| Depreciation | 2.7 | 2.3 | 2.2 | 2.4 | 3 | 2.6 | 2.6 | 3.7 | 5.1 | 4.7 | 5.4 | 7 | 7.3 | 7.2 | | 7.6 | 7 | 7.2 | 7.5 | 8 | 8.4 | 8.5 | 8.8 | 1.5 | 1.6 | 1.7 | 1.7 | 2 | 2 | 2.1 | 2.1 | 1.9 | 1.8 | 1.8 | 31.6 |
| Capital Investment Amount | 1.6 | 2.6 | 2 | 5.7 | 1.7 | 3 | 7.9 | 13.5 | 11.5 | 7.5 | 7.1 | 8.4 | 8.5 | 10.2 | | 8.2 | 9.9 | 15 | 11.6 | 10.1 | 8.2 | 11.2 | 11.8 | 1.7 | 2.6 | 2.8 | 2.4 | 2.1 | 1.8 | 1.9 | 2.3 | 2.2 | 1.9 | 2.4 | 21.7 |
| EBITDA | 6.8 | -6.4 | 7.5 | 10.6 | 18.6 | 20.2 | 30.5 | 33.6 | 33.7 | 34.4 | 32.7 | 21.6 | 24 | 27.3 | | 31.3 | 35.8 | 33.8 | 30.9 | 25.2 | 28 | 29.2 | 20.5 | 1.9 | 2.2 | 3.1 | 3.3 | 3.4 | 3.8 | 4 | 3.8 | 3.8 | 3.2 | 3.6 | 69.1 |
| R&D Cost | 1.5 | 1.5 | 1.1 | 1.4 | 1.7 | 1.8 | 2.1 | 3.6 | 5.2 | 4.3 | 4.2 | 0.4 | 0.4 | 0.5 | | 0.4 | 0.4 | 0.5 | 0.4 | 0.5 | 0.7 | 0.9 | 1 | 0.1 | 0.2 | 0.5 | 0.4 | 0.3 | 0.3 | 0.4 | 0.4 | 0.3 | 0.3 | 0.4 | 5.7 |
| Financial Condition (Billions of Yen) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total Assets | 317 | 341 | 351.2 | 363.3 | 359.4 | 384.3 | 411.3 | 455.7 | 519.6 | 555.4 | 482.4 | 195.2 | 199.6 | 215.6 | | 227.8 | 247.1 | 258 | 287 | 290 | 264.1 | 222.9 | 218.9 | 20.9 | 22.3 | 25.3 | 26.2 | 27.4 | 28.9 | 30.7 | 31.4 | 29.4 | 31.2 | 30.7 | 926.4 |
| Net Assets | 93.3 | 90 | 100.1 | 118.8 | 125.4 | 151.2 | 173.6 | 190.1 | 187.7 | 233.3 | 245.3 | 132.9 | 141.8 | 150.2 | | 164.7 | 173.7 | 194.4 | 202 | 207.7 | 206.9 | 163.6 | 164.5 | 4.5 | 5 | 5.8 | 7.5 | 7.9 | 9.6 | 11.2 | 11.5 | 12.1 | 14 | 14.8 | 355.9 |
| Equity | 93.3 | 90 | 100.1 | 118.8 | 125.4 | 151.2 | 173.6 | 190.1 | 187.7 | 233.3 | 245.3 | 132.8 | 141.6 | 149.8 | | 164.3 | 172.6 | 193.3 | 200.8 | 206.2 | 205.3 | 162.2 | 163.1 | 4.5 | 5 | 5.8 | 7.5 | 7.9 | 9.6 | 11.2 | 11.5 | 12.1 | 14 | 14.8 | 346.9 |
| Interest-bearing Debt | 90.6 | 84.7 | 8.3 | 73.6 | 84.9 | 60 | 57 | 69.9 | 149.2 | 127 | 73.2 | 0 | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 6.3 | 5.8 | 5.9 | 6.2 | 7.1 | 7.1 | 6.9 | 6.5 | 5.8 | 5.6 | 2.7 | 193.5 |
| Retained Earnings | 31.7 | 21.8 | 2.6 | 33.5 | 44.7 | 61.7 | 78 | 95.2 | 109 | 141.3 | 162.1 | 94.4 | 102.9 | 113.3 | | 124.2 | 138.2 | 151.4 | 155.8 | 162.6 | 170.9 | 125.8 | 119.7 | 0.6 | 1.1 | 2 | 3.4 | 4.2 | 5.4 | 6.6 | 7.4 | 8.5 | 9.3 | 10.3 | 198.3 |
| Cash Flows (Billions of Yen) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cash Flows from Operating Activities | 18.3 | 9.7 | -1.3 | 18.3 | -9.5 | 56 | 33.8 | -28.9 | 22.7 | 39.4 | -34.7 | 22.1 | 19 | 16.2 | | 22.8 | 27.1 | 28.6 | 28.7 | 17.8 | 2.6 | 25.6 | 10.3 | 2.5 | 2.8 | 2.3 | 2.9 | 1.3 | 2.6 | 3.6 | 3.7 | 2.5 | 3.4 | 2.1 | -16.3 |
| Cash Flows from Investing Activities | -3.4 | -0.7 | 0.4 | -4.7 | -0.6 | -7.6 | -10.3 | -16.8 | -106.5 | -5 | -5.9 | -14.2 | -15.8 | -16.5 | | -14.1 | -18 | -21.7 | -11.4 | -5 | 21.6 | 0.2 | -24.7 | -0.7 | -1.8 | -2.1 | -1.9 | -1.8 | -1 | -1.3 | -1.9 | -1.8 | -2.4 | -2 | -22.5 |
| Cash Flows from Financing Activities | -9.5 | -6.4 | -2.3 | -10.4 | 9.4 | -16 | -4.4 | 10 | 73.8 | -25.7 | 33.3 | -1.2 | -1.8 | -2.2 | | -2.6 | -4 | -4.8 | -4.8 | -4.3 | -16 | -62.2 | -5.9 | -0.8 | -0.9 | -0.2 | -0.3 | 0.2 | -0.7 | -0.9 | -1 | -1.4 | -0.7 | -3.3 | 15.3 |
| Free Cash Flows | 14.9 | 9 | -13.1 | 13.7 | -10.1 | 48.4 | 23.5 | -45.7 | -83.8 | 34.3 | -40.7 | 7.9 | 3.2 | -0.4 | | 8.8 | 9.1 | 6.8 | 17.3 | 12.8 | 24.2 | 25.8 | -14.4 | 1.8 | 1 | 0.2 | 1.1 | -0.5 | 1.6 | 2.3 | 1.9 | 0.7 | 1 | 0.2 | 6.2 |
| Cash and Cash Equivalents at End of Period | 28.7 | 31.9 | 16.8 | 20.4 | 19.4 | 51.8 | 70.7 | 35 | 24.9 | 33.9 | 26.6 | 39 | 40.4 | 37.9 | | 44.1 | 49.1 | 51 | 63.6 | 72.2 | 80.7 | 44.3 | 24 | 2 | 2.1 | 2.2 | 3 | 2.8 | 3.7 | 5.1 | 6 | 5.2 | 5.6 | 2.5 | 76 |
| Stock Information | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total Number of Shares Issued (in Thousands) | 185,214 | 185,214 | 185,214 | 185,214 | 185,214 | 197,956 | 197,956 | 197,956 | 194,608 | 194,608 | 194,448 | 94,159 | 94,159 | 94,159 | | 94,159 | 94,159 | 94,159 | 94,159 | 94,159 | 89,159 | 89,159 | 82,419 | 16,100 | 16,100 | 16,100 | 16,100 | 16,100 | 16,100 | 16,100 | 16,100 | 16,100 | 16,100 | 15,822 | 291,071 |
| Average Number of Shares During the Period (In Thousands) | 185,098 | 185,096 | 185,093 | 185,088 | 185,085 | 188,381 | 197,820 | 197,707 | 193,540 | 193,499 | 194,079 | 86,482 | 86,428 | 86,245 | | 86,235 | 86,258 | 86,306 | 86,299 | 86,334 | 84,416 | 82,420 | 82,419 | 16,065 | 16,064 | 16,056 | 16,048 | 16,042 | 16,041 | 16,039 | 16,062 | 15,968 | 15,891 | 15,845 | 281,729 |
| Ending Number of Shares (In Thousands) | 185,098 | 185,095 | 185,090 | 185,087 | 185,084 | 197,823 | 197,819 | 196,324 | 193,254 | 193,713 | 194,448 | 86,468 | 86,259 | 86,229 | | 86,248 | 86,310 | 86,302 | 86,295 | 86,421 | 82,420 | 82,419 | 82,419 | 16,064 | 16,063 | 16,052 | 16,045 | 16,041 | 16,040 | 16,039 | 16,073 | 15,875 | 15,873 | 15,822 | 264,376 |
| Dividend (Yen) | 7 | 7 | 7 | 9 | 11 | 14 | 16 | 20 | 20 | 38 | 0 | 18 | 25 | 30 | | 40 | 55 | 55 | 55 | 70 | 750 | 70 | 0 | 0 | 6 | 7 | 7 | 7 | 7 | 9 | 10 | 10 | 10 | 0 | 40 |
| Dividend Payout Ratio (%) | 77.9 | - | 23.6 | 22.9 | 15.8 | 13.9 | 16.6 | 19.4 | 18.1 | 20.3 | 0.0 | 20.5 | 21.4 | 20.6 | | 25.7 | 27.2 | 26.5 | 51.6 | 52.6 | 336.3 | 34.4 | 0.0 | 0.0 | 17.4 | 12.4 | 9.8 | 12.9 | 8.7 | 10.8 | 17.1 | 12.5 | 15.9 | 0.0 | 42.2 |
| EPS (Earnings Per Share) | 8.99 | △ 46.53 | 29.64 | 39.33 | 69.60 | 100.99 | 96.23 | 103.31 | 110.36 | 187.33 | 146.91 | 87.92 | 116.71 | 145.71 | | 155.86 | 202.46 | 207.67 | 106.62 | 133.00 | 223.02 | 203.23 | 116.47 | 17.37 | 34.55 | 56.43 | 71.41 | 54.29 | 80.92 | 83.42 | 58.65 | 79.97 | 62.80 | 75.01 | 94.73 |
| BPS (Book Value Per Share) | 504.00 | 486.22 | 540.90 | 641.91 | 677.29 | 764.24 | 877.66 | 968.15 | 971.52 | 1,204.24 | 1,261.60 | 1,535.27 | 1,641.75 | 1,737.80 | | 1,905.13 | 1,999.39 | 2,239.97 | 2,326.81 | 2,386.55 | 2,490.89 | 1,967.73 | 1,979.32 | 278.75 | 313.14 | 359.45 | 465.19 | 494.23 | 600.76 | 695.37 | 714.88 | 764.04 | 880.30 | 934.81 | 1,312.19 |
| Management Index | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

11-Year Non-financial Summary

| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | INFONEER (INF) | | |
|--|------------|---------|---------|---------|---------|---------|---------|---------|---------|-----------|-----------|-----------|-----------------|-----------|------|-----------|--------------|--------------|--------------|--------------|--------------|--------------|-----------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|----------------|---------|-----------|
| | MAEDA (MK) | | | | | | | | | | | | MAEDA ROAD (MD) | | | | | | | | | | MAEDA SEISAKUSHO (MS) | | | | | | | | | | | | 2021 |
| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | | |
| Environment | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| CO ₂ Emissions: Scopes 1 (t-CO ₂) ¹ | - | - | - | - | - | - | - | - | - | 3,439 | 3,256 | 254,969 | 267,393 | 285,049 | | 268,396 | 246,329 | 246,462 | 243,880 | 225,575 | 228,793 | 232,618 | 232,378 | 1,388 | 1,324 | 1,256 | 1,167 | 1,162 | 1,050 | 1,029 | 1,035 | 1,056 | 1,159 | 1,193 | 236,827 |
| CO ₂ Emissions: Scope 2 Market Standards (t-CO ₂) | - | - | - | - | - | - | - | - | - | 20,282 | 17,365 | 41,083 | 51,322 | 57,444 | | 56,830 | 68,201 | 60,592 | 64,054 | 57,922 | 52,888 | 54,634 | 53,664 | 1,428 | 1,485 | 1,583 | 1,552 | 1,484 | 1,501 | 1,478 | 1,444 | 1,458 | 1,428 | 1,400 | 72,429 |
| CO ₂ Emissions: Scope 2 Location Criteria (t-CO ₂) | - | - | - | - | - | - | - | - | - | 19,952 | 17,791 | - | - | - | | - | - | - | - | - | - | 50,397 | 50,669 | - | - | - | - | - | - | - | - | - | 1,491 | 1,599 | 70,059 |
| CO ₂ Emissions: Scope 3 (t-CO ₂) ¹ | - | - | - | - | - | - | - | - | - | 4,401,065 | 4,449,403 | - | - | - | | - | - | - | - | - | - | 166,813 | 300,867 | - | - | - | - | - | - | - | - | - | 175,796 | 184,396 | 4,934,666 |
| Energy: Total Energy Consumption (Mwh) ² | 57,783 | 35,211 | 51,732 | 44,076 | 62,075 | 40,165 | 38,136 | 38,287 | 32,581 | 33,979 | 33,009 | 1,122,053 | 1,167,537 | 1,193,873 | | 1,131,037 | 1,096,318 | 885,489 | 1,092,581 | 1,006,652 | 1,010,400 | 1,025,265 | 1,106,589 | - | - | 9,776 | 8,805 | 8,693 | 8,649 | 8,101 | 8,250 | 8,769 | 7,639 | 8,295 | 1,147,892 |
| Energy: Power Consumption (Mwh) | 273,195 | 218,263 | 312,547 | 287,539 | 343,166 | 264,294 | 262,506 | 338,875 | 331,291 | 236,688 | 287,636 | 115,377 | 119,809 | 122,896 | | 122,959 | 122,554 | 122,302 | 125,359 | 117,613 | 114,590 | 115,377 | 117,019 | - | - | 3,914 | 3,757 | 3,635 | 3,695 | 3,531 | 3,607 | 3,610 | 3,115 | 3,694 | 408,349 |
| Waste: Total Emissions (t) | 626,079 | 512,126 | 614,364 | 566,392 | 586,118 | 560,127 | 593,102 | 539,370 | 579,133 | 388,124 | 532,883 | - | - | - | | - | - | - | - | - | 367,599 | 406,653 | 507,590 | - | - | 77 | 88 | 104 | 115 | 145 | 168 | 188 | 201 | 221 | 1,040,694 |
| Waste: Final Disposal Amount (t) ³ | 34,000* | 45,000* | 31,000* | 19,000* | 30,000* | 26,000* | 20,000* | 15,000* | 20,768 | 17,117 | 31,973 | - | - | - | | - | - | - | - | - | 12,165 | 12,215 | 17,356 | - | - | - | - | - | - | - | - | - | - | - | 49,329 |
| Contributed Amounts in Dividends for the Earth (Millions of Yen) | 29 | 40 | 46 | 52 | 90 | 200 | 603 | 289 | 155 | 133 | 600 | - | - | - | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 600 |
| Society | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Number of Employees (People) | 2,504 | 2,588 | 2,683 | 2,811 | 2,956 | 3,008 | 3,127 | 3,275 | 3,488 | 3,640 | 3,684 | 2,120 | 2,140 | 2,201 | | 2,246 | 2,247 | 2,223 | 2,219 | 2,231 | 2,215 | 2,196 | 2,233 | 545 | 539 | 533 | 556 | 578 | 590 | 591 | 588 | 589 | 596 | 592 | 6,509 |
| Female Employment Rate (%) | 9.9 | 10.2 | 10.6 | 11.4 | 11.8 | 12.1 | 12.7 | 13.7 | 15.0 | 15.7 | 16.7 | 18.0 | 19.0 | 19.6 | | 20.0 | 20.2 | 19.9 | 20.1 | 19.9 | 20.6 | 20.0 | 20.1 | 10.8 | 10.6 | 10.3 | 10.8 | 10.7 | 10.5 | 10.8 | 11.4 | 11.2 | 11.7 | 12.3 | 17.5 |
| Annual Paid Leave Rate (%) | 16.4 | 17.8 | 16.9 | 20.2 | 24.1 | 36.9 | 42.6 | 46.0 | 56.6 | 56.1 | 60.5 | 30.9 | 31.8 | 29.8 | | 31.0 | 32.1 | 35.2 | 38.3 | 38.2 | 48.3 | 55.4 | 57.8 | 39.7 | 48.8 | 40.6 | 51.8 | 52.6 | 57.8 | 69.7 | 67.7 | 72.0 | 70.0 | 70.0 | |
| Number of Bases (Locations) | 54 | 61 | 65 | 59 | 60 | 62 | 62 | 62 | 61 | 58 | 57 | 232 | 231 | 231 | | 232 | 232 | 235 | 234 | 232 | 229 | 229 | 226 | 33 | 33 | 33 | 27 | 27 | 28 | 28 | 26 | 25 | 25 | 29 | 292 |
| Number of Cooperating Companies (Companies) *MK and MD only | 485 | 478 | 473 | 475 | 507 | 522 | 524 | 525 | 533 | 545 | 561 | 127 | 129 | 138 | | 149 | 151 | 154 | 154 | 156 | 156 | 155 | 155 | - | - | - | - | - | - | - | - | - | - | - | - |
| Frequency Rate *MD only Upper section:Construction/Lower section: Product | 1.13 | 1.28 | 1.38 | 0.97 | 0.59 | 0.75 | 0.57 | 0.44 | 0.9 | 0.8 | 0.51 | - | - | - | | - | 1.51 4.46 | 2.10 3.31 | 2.55 2.19 | 1.50 3.56 | 1.77 1.06 | 0.87 1.41 | 1.58 4.13 | 2.91 | 1 | 1 | 1.05 | 1.01 | 0 | 0.9 | 0 | 0.87 | 4.21 | 0 | 0.51 |
| Governance | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Internal Directors (People) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 4 |
| Outside Directors (People) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 5 |
| Board of Directors Attendance Rate (%) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 99 |
| Board of Auditors Attendance Rate (%) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 100 |

1 MAEDA has changed the categories of Scope 1 and 3 in 2020. For numerical values from before 2019, view the MAEDA CORPORATION website. MAEDA ROAD has changed the aggregate range of Scope 3 since 2021.

2 The numerical values from before FY2020 for MAEDA ROAD are calculated using estimated values based on FY2021 results

3 Numerical values for Maeda before 2018 are estimates only.

Note: Numerical values before establishing INFONEER Holdings in October, 2021 are listed separately for each business company.

Unit: Millions of yen

| Consolidated Balance Sheet | | As of March 31, 2022 |
|---|--|----------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | | 78,035 |
| Notes receivable, accounts receivable from completed construction contracts and other | | 310,801 |
| Securities | | 30 |
| Real estate for sale | | 1,987 |
| Merchandise and finished goods | | 1,573 |
| Costs on construction contracts in progress | | 13,698 |
| Raw materials and supplies | | 3,444 |
| Other | | 43,149 |
| Allowance for doubtful accounts | | -117 |
| Total current assets | | 452,602 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures | | 107,476 |
| Machinery, vehicles, tools, furniture and fixtures | | 171,647 |
| Land | | 83,599 |
| Leased assets | | 1,334 |
| Construction in progress | | 2,550 |
| Accumulated depreciation | | -203,029 |
| Total property, plant and equipment | | 163,578 |
| Intangible assets | | |
| Right to operate public facilities | | 109,721 |
| Assets related to replacement investment to operate public facilities | | 24,122 |
| Goodwill | | 19,891 |
| Other | | 14,988 |
| Total intangible assets | | 168,724 |
| Investments and other assets | | |
| Investment securities | | 120,123 |
| Long-term loans receivable | | 221 |
| Distressed receivables | | 354 |
| Deferred tax assets | | 840 |
| Retirement benefit asset | | 14,907 |
| Other | | 5,418 |
| Allowance for doubtful accounts | | -402 |
| Total investments and other assets | | 141,464 |
| Total non-current assets | | 473,767 |
| Deferred assets | | 62 |
| Total assets | | 926,432 |
| Liabilities | | |
| Current liabilities | | |
| Electronically recorded obligations - operating | | 6,933 |
| Account payable for works in progress and other | | 110,997 |
| Short-term borrowings | | 84,492 |
| Current portion of non-recourse loans | | 1,194 |
| Lease liabilities | | 236 |
| Accounts payable - other | | 9,614 |
| Income taxes payable | | 10,896 |
| Advances received on construction contracts in progress | | 34,862 |
| Provision for repairs | | 181 |
| Provision for bonuses | | 8,080 |
| Provision for bonuses for directors (and other officers) | | 406 |
| Provision for share awards | | 379 |
| Provision for warranties for completed construction | | 1,083 |
| Provision for loss on construction contracts | | 836 |
| Liabilities related to right to operate public facilities | | 4,555 |
| Liabilities related to replacement investment to operate public facilities | | 1,016 |
| Other | | 23,468 |
| Total current liabilities | | 299,236 |
| Non-current liabilities | | |
| Bonds payable | | 45,000 |
| Long-term borrowings | | 52,851 |
| Non-recourse loans | | 9,947 |
| Lease liabilities | | 451 |
| Deferred tax liabilities | | 14,305 |
| Retirement benefit liability | | 16,767 |
| Liabilities related to right to operate public facilities | | 103,843 |
| Liabilities related to replacement investment to operate public facilities | | 24,588 |
| Other | | 3,573 |
| Total non-current liabilities | | 271,330 |
| Total liabilities | | 570,566 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | | 20,000 |
| Capital surplus | | 134,117 |
| Retained earnings | | 198,273 |
| Treasury shares | | -24,342 |
| Total shareholders' equity | | 328,048 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | | 18,275 |
| Deferred gains or losses on hedges | | 3 |
| Foreign currency translation adjustment | | -95 |
| Remeasurements of defined benefit plans | | 680 |
| Total accumulated other comprehensive income | | 18,863 |
| Non-controlling interests | | 8,953 |
| Total net assets | | 355,865 |
| Total liabilities and net assets | | 926,432 |

Unit: Millions of yen

| Consolidated Statement of Income | | Fiscal Year Ended March 31, 2022 |
|---|--|----------------------------------|
| Net sales | | |
| Net sales of completed construction contracts | | 390,678 |
| Sales in other businesses | | 292,234 |
| Total net sales | | 682,912 |
| Cost of sales | | |
| Cost of sales of completed construction contracts | | 338,718 |
| Cost of sales in other businesses | | 252,583 |
| Total cost of sales | | 591,302 |
| Gross profit | | |
| Gross profit on completed construction contracts | | 51,959 |
| Gross profit - other business | | 39,651 |
| Total gross profit | | 91,610 |
| Selling, general and administrative expenses | | 54,120 |
| Operating profit | | 37,489 |
| Non-operating income | | |
| Interest income | | 221 |
| Dividend income | | 2,253 |
| Foreign exchange gains | | 543 |
| Share of profit of entities accounted for using equity method | | 652 |
| Other | | 407 |
| Total non-operating income | | 4,078 |
| Non-operating expenses | | |
| Interest expenses | | 2,571 |
| Other | | 960 |
| Total non-operating expenses | | 3,531 |
| Ordinary profit | | 38,036 |
| Extraordinary income | | |
| Gain on sale of non-current assets | | 331 |
| Gain on sale of investment securities | | 7,808 |
| Other | | 320 |
| Total extraordinary income | | 8,460 |
| Extraordinary losses | | |
| Loss on retirement of non-current assets | | 529 |
| Loss on valuation of investment securities | | 686 |
| Impairment losses | | 494 |
| Other | | 261 |
| Total extraordinary losses | | 1,972 |
| Profit before income taxes | | 44,524 |
| Income taxes - current | | 14,649 |
| Income taxes - deferred | | 95 |
| Total income taxes | | 14,744 |
| Profit | | 29,779 |
| Profit attributable to non-controlling interests | | 3,089 |
| Profit attributable to owners of parent | | 26,689 |
| Consolidated Statement of Comprehensive Income | | |
| Fiscal Year Ended March 31, 2022 | | |
| Profit | | 29,779 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | | -11,080 |
| Deferred gains or losses on hedges | | 46 |
| Foreign currency translation adjustment | | -71 |
| Remeasurements of defined benefit plans, net of tax | | 1,322 |
| Share of other comprehensive income of entities accounted for using equity method | | 42 |
| Total other comprehensive income | | -9,739 |
| Comprehensive income | | 20,039 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | | 17,029 |
| Comprehensive income attributable to non-controlling interests | | 3,010 |

Sources of Value Creation


The passions and talents of INFRONEER believers

Page 107 Company Overview and Share-related Information
Page 109 Post-Editing Notes and Glossary
Page 110 INFRONEER Spirit
Page 111 INFRONEER Believers



Company Overview and Share-related Information

Company Overview (As of March 31, 2022)

| | | |
|--|--|---|
| Trade Name | INFRONEER Holdings Inc. |  https://www.infroneer.com/en/ |
| Headquarters | 2-10-2 Fujimi, Chiyoda-ku, Tokyo | |
| Established | October 1, 2021 | |
| Business Category | Provision of all sorts of infrastructure services from planning and proposal to design, construction, and operation & maintenance of infrastructures, as well as management and control of the Group and subsidiaries operating the construction business (civil engineering and architecture), paving and manufacturing & sales of construction machinery, and all business incidental or related thereto | |
| Paid-in Capital | ¥20 billion | |
| Net Sales (Fiscal Year Ended March 31, 2022) | ¥682.9 billion | |
| Number of Employees | 7,149 | |
| Accounting Period (Business Year) | Every year from April 1 to March 31 of the following year | |
| Listed Stock Exchange (As of the Issue Date of the Integrated Report) | Prime Market, Tokyo Stock Exchange (Stock Code: 5076) | |
| Ordinary General Meeting of Shareholders | Held in June of every year | |
| Administrator of the Shareholder Registry | Mizuho Trust & Banking Co., Ltd. 1-3-3 Marunouchi, Chiyoda-Ku, Tokyo | |
| Number of Shares Per Unit | 100 shares | |

Group Company List (As of March 31, 2022)

| | | |
|-----------------------------------|---|---|
| MAEDA CORPORATION | 2-10-2 Fujimi, Chiyoda-ku, Tokyo |  https://www.maeda.co.jp/english.html |
| MAEDA ROAD CONSTRUCTION Co., Ltd. | 1-11-3 Osaki, Shinagawa-ku, Tokyo |  https://ssl.maedaroad.co.jp/en/ |
| MAEDA SEISAKUSHO CO., LTD. | 1095 Shinonoionbegawa, Nagano-shi, Nagano |  https://www.maesei.co.jp/global/ |
| Aichi Road Concession Co., Ltd. | 3-100 Hikoze-cho, Handa-shi, Aichi | |
| Japan Management | Nibancho 3, Chiyoda-ku, Tokyo | |
| Fujimi Koken Co., Ltd. | 1576-1 Tsukinowa, Namegawa-machi, Hiki-gun, Saitama | |
| FBS Corporation | 3-1-11 Nihonbashi Kayaba-cho, Chuo-Ku, Tokyo | |
| 75 other companies | | |

Initiatives Valued by the INFRONEER Group

UN Global Compact

We support the 10 principles related to human rights, labor, environment and anti-corruption, and will continue our efforts to achieve a sustainable society.



TCFD(Task Force on Climate-related Financial Disclosures)

Recognizing climate change as one of our key management issues, we will continue our efforts to achieve carbon neutrality.



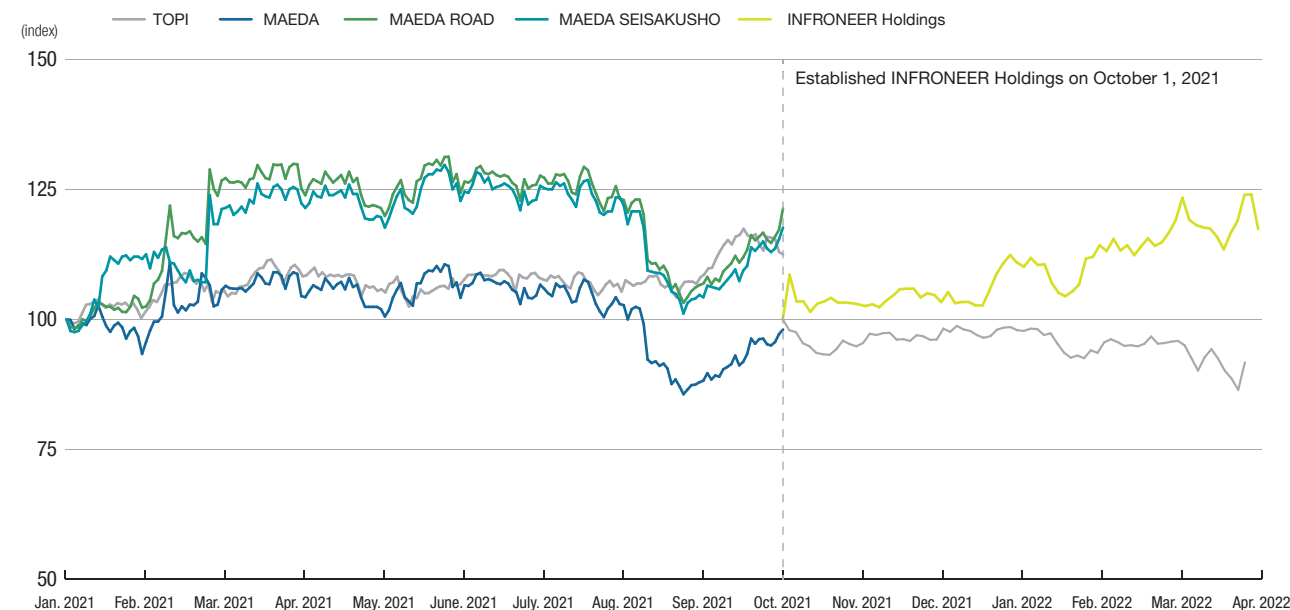
RE100

We aim to procure 100% of the electricity we use in our business activities from renewable energy sources.



Share-related Information

Share Price Transitions (As of March 31, 2022)



Note: From January 2021 to September 2021, the index is posted with December 30, 2020 set to 100. After October 2021, the index is posted with September 28, 2021 set to 100.

Dividend Per Share and Dividend Payout Ratio (Fiscal Year Ended March 31, 2022)

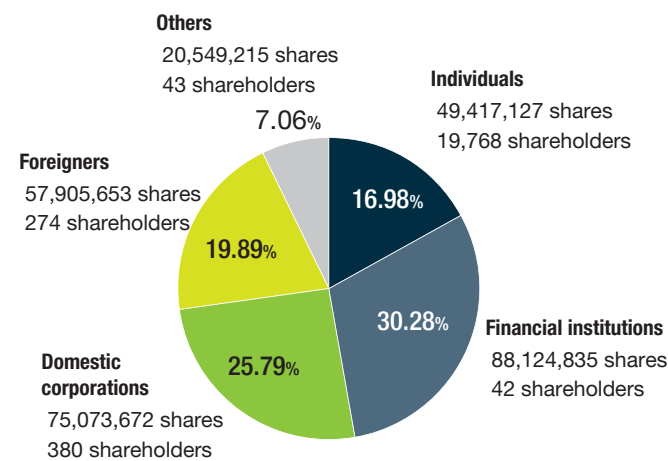
| | |
|---------------------------|------|
| Dividend (Yen) | 40 |
| Dividend Payout Ratio (%) | 42.2 |

Stock Information (As of March 31, 2022)

| | |
|-----------------------------------|----------------------|
| Total Number of Shares Authorized | 1,200,000,000 shares |
| Total Number of Shares Issued | 291,070,502 shares |
| Number of Shareholders | 20,507 |

Note: As of the date of submission of this integrated report, the total number of shares issued was 274,845,024 due to the cancellation of 16,225,478 treasury shares on May 23, 2022.

Status by Owner



Major Shareholders (Top 10)¹

| Shareholder Name | Number of Shares Held (In Thousands) | Shareholding Ratio (%) |
|--|--------------------------------------|------------------------|
| The Master Trust Bank of Japan, Ltd. (Trust Account) | 42,037 | 15.34 |
| Hikarigaoka Corporation | 26,274 | 9.59 |
| Custody Bank of Japan, Ltd. (Trust Account) | 12,583 | 4.59 |
| Sumitomo Realty & Development Co., Ltd. | 8,695 | 3.17 |
| Mizuho Bank, Ltd. | 5,505 | 2.01 |
| STATE STREET BANK AND TRUST COMPANY 505001 | 5,368 | 1.96 |
| Custody Bank of Japan, Ltd. (Trust E Account) | 4,878 | 1.78 |
| Sumitomo Mitsui Banking Corporation | 4,610 | 1.68 |
| MAEDA ROAD Employee Shareholding Association | 4,377 | 1.60 |
| MAEDA CORPORATION Employee Shareholding Association | 3,529 | 1.29 |

¹ The shareholding ratio is calculated by deducting treasury shares (16,992,687 shares).
² The Company holds 16,992,687 treasury shares, but is excluded from the above list of major shareholders.

IR Activities

- Quarterly briefing for analysts (president in attendance)
- Individual IR and small meetings
Held 114 times, 153 companies in total, 176 participants
- Kibe-log distribution (president's blog)
<https://www.infroneer.com/en/company/topblog.html>



On Completing Our First Integrated Report

In the winter, three months after we became INFRONEER Holdings, we decided to prepare this integrated report. It certainly was a task to produce an integrated report.

In order to align our vectors, everyone searched for common use of language and a common philosophy. The social challenges we are taking on, the infrastructure crises, may not be recognized in the first place. Then the significance our existence and creative value will never be recognized. Nonetheless, our business is absolutely necessary and cannot be realized without the empathy of various stakeholders such as local governments, companies, regions, and society.

Together, challenge the status quo for the future of our infrastructure

We began to see a large common concept. In parallel to this integrated report, the development of a code of conduct was also in progress. "A world of boundless infrastructure services" is not self-righteous. It is based on "sampo yoshi (good for the seller, the buyer, and society)" as in our previous projects. Also, there are things that should be changed and things to carry on like our "technical capabilities," "honesty," and "hard work." After a heated discussion that would beat the intense heat, INFRONEER^ (INFRONEER caret) was formulated as a signpost common to the INFRONEER believers to change the ideas of “other companies and other people” to “our company and ourselves” and to lead to action changes.

Our generation in which we were raised in a safe and secure Japanese society, is now seeing our sense of safety and security begin to feel unstable. As social situations and lifestyles change dramatically, we are happy to have the opportunity to share the sense of crisis and anxiety, and to think deeply about the need for infrastructure services, and the significance of our initiatives.

We would like to express our heartfelt gratitude to all our collaborators, stakeholders and vanguards. We sincerely hope that this integrated report will be the first step in our two-way communication with stakeholders with whom we are challenging the status quo for the future of our infrastructure to achieve the world for which we are aiming. We look forward to your encouragement moving forward. September 2022: Jumping in a clear autumn day



Glossary

The definitions of the key terms used in this integrated report and the INFRONEER Medium- to Long-term Vision are shown below.

| Term | Definitions in Management Plan |
|--|--|
| Availability payment method | Of the PFI contracts, and the like (including comprehensive private outsourcing contracts, and others) that the administrator of a public facility, or the like (Article 2, Paragraph 3 of the PFI Act) mainly implements for infrastructure that does not generate usage fees, a method that sets indices that correspond to the function and sustainability of the infrastructure, and some or all of the amount, or the like to be paid when entrusted to a private business operator is determined according to the status of the achievement of the indices. |
| Infrastructure | Constructed structures, such as schools, medical facilities, prisons, and stadiums and the like, and civil structures, such as roads, water and sewers, 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 maintenance and operation 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 | Providing services beyond the established mechanisms, regulations and rules of the infrastructure industry and market. 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 contracting business. This includes not only technical capabilities at the construction stage, but also sales capabilities, design and proposal capabilities, and technical development capabilities and others. |
| 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 and maintain public facilities and the like in a stable manner over the long term, making it easier to demonstrate private ingenuity. |
| PPP/PFI | PPP (Public Private Partnership): A partnership between the public administration and the private sector in the construction, maintenance, and operation of public facilities to achieve efficient use of financial funds and administrative efficiency by utilizing the ingenuity and ingenuity of the private sector. Based on the PFI (Private Finance Initiative) Act, utilize private funding, management capabilities, and technical capabilities for the construction, time, and operation of public facilities, and the like. |
| Contribution amount to consolidated profits | Contributing amount to consolidated profits of infrastructure management business set by INFRONEER. Numerical values that combine “construction work (EPC) profit generated by the infrastructure management business” and “consolidated profits from SPCs involved in infrastructure operation, gains on sales, and revenue from M&A, etc.” |

Corporate Identity – Message Embedded in the Logo

Developing the future of infrastructures; innovating the infrastructure services. This is a symbol of INFRONEER, taking on the challenges of established concepts and creating innovation.

The light green that indicates innovation to challenge established concepts expresses acceleration. The deep blue which is gentle and deep expresses sustainability, a sustainable society that is harmonious without being excessively deficient. Challenge and sustainability, innovation and stability. Or this expresses coexistence of the two conflicting logics to attain optimal living. The symbiosis of two conflicting colors is a symbol of INFRONEER's will to challenge established concepts and to create new value.

INFRONEER^ (INFRONEER Caret)

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

As a pioneer in challenging the established concept of infrastructures toward achieving VMV in INFRONEER, we, the INFRONEER believers, will always show respect and pride, have a positive attitude, and will not forget the perspective of the region and society and continue to take on challenges. We will expand the circle of the integrated infrastructure service business and INFRONEER believers while enjoying ourselves, in order to attain a world where there's no limit to what can be asked from and what can be delivered by infrastructure services.

| INFRONEER^ (INFRONEER Caret) |
|--|
| <p>PIONEER</p> <p>It is okay to make mistakes. Taking initiatives into uncharted territory.</p> |
| <p>RESPECT</p> <p>It is okay to meet deadends. Building trust through.</p> |
| <p>PRIDE</p> <p>It is okay to be proud. Let everyone witness your skills and knowledge.</p> |
| <p>POSITIVE</p> <p>There is no such thing as a worthless experience. Whatever happens, everything will be for our future.</p> |
| <p>FAIR</p> <p>It is not just for us. Judging from the regional and social perspective.</p> |

INFRONEER Believers

One year since converting three business companies into INFRONEER Holdings. We will offer the thoughts of INFRONEER employees believers who are taking the lead to attain bring VMV in to INFRONEER, and who may at times have different opinions it a dead ends, but will continue to take on challenges together, build mutual trust, and grow.

I think that our philosophy and attitudes go beyond areas that were unnoticed by business companies alone and will continue to be stimulating.

Finance Strategy Dept. (Economics)

I feel that our free- thinking business with its free ideas will expand my career options as an employee.

CSR and Environment Dept. (Management)

In the future, I would like to consider measures that will have a synergistic effect on welfare.

General Affairs Dept. (Management)

I feel the strength of bringing together diverse forces every day.

President Strategy Office (Civil Engineering)



Experiencing the clash and fusion of cultures.

For that reason, we will be more evolve mored in the future.

Corporate Strategy Dept. (Civil Engineering)

We are Infroneer!

I want to continue to increase the “We.”

Corporate Planning Office (Business Law)

I would like to pursue the best from now on, regardless of existing conventions or practices.

General Affairs Dept. (Financial Accounting)

When I talk to people outside of the Company, I understand the high expectations they have for our company. I want to live up to their expectations.

Corporate Audit Dept. (Management)

I want to work to solve social issues!

And I personally want to grow!

IT & DX Promotion Office (Management Engineering)

Introduction
Issue Awareness & Vision

Chapter 1
A Passion for Management

Chapter 2
Our Vision for the Future

Chapter 3
INFRONEER's Business Plan

Chapter 4
Initiatives for Safety, Security, and Reliability

Chapter 5
IR Information

Final Chapter
Sources of Value Creation

We want to become an enviable company where people will say they didn't know that there was a company in Japan that had such a dream!

IT & DX Promotion Office (Civil Engineering)

I believe that our efforts will bloom all over the world.

Let's change the future together!

CSR and Environment Dept. (Construction)

As an INFRONEER believer, I would like to create new social value for

MAEDA × MAEDA ROAD × MAEDA SEISAKUSHO

Finance Strategy Dept. (Management)



See page110 for INFRONEER Caret.

It doesn't matter what company you work for. I don't care who's the boss. We are all colleagues working together.

Corporate Strategy Dept. (Construction)

I would like to generate large synergy by multiplying each strength rather than through simple addition.

Integrated Infrastructure Services Strategy Office (Civil Engineering)

Days full of variety.
I will continue to challenge boldly with a smile!

CSR and Environment Dept. (Home Economics)

Every day, little by little, I feel that the Company is taking steps toward building a rich infrastructure society.

Legal & Compliance Dept. (Law)

Together with cooperating companies, create the future of monozukuri and social development.

Corporate Planning Office (Law)

