

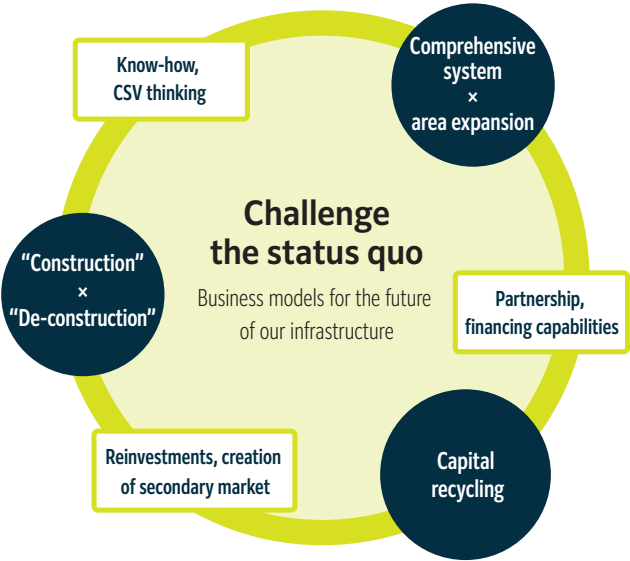
Three Business Models That are Challenging the Future of Our Infrastructure

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 of and what can be delivered by infrastructure services.

Overview of Business Models

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

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



"Construction" × "De-construction"

Reinforce strength, create opportunities, and expand revenues

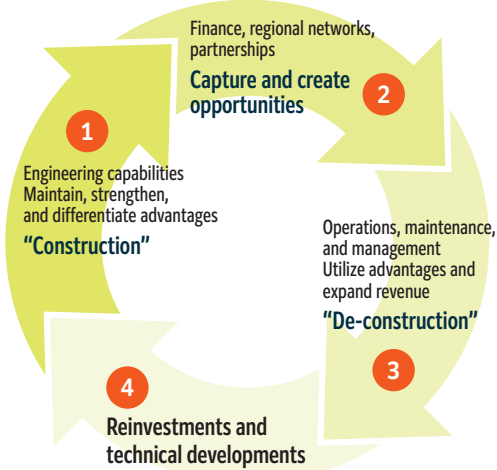
While aiming to stabilize and expand our own revenue, we will take business risks and improve our corporate value through the creation of added value and the continuous provision of infrastructure services to society that can be realized because we are an integrated infrastructure service company.

"De-construction"

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

"Construction"

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



► For details of each business segment, visit our website at: https://www.infroneer.com/jp/company/integrated_report/segment/index.html (in Japanese)

Comprehensive System × Area Expansion

Alliance companies × Group companies × Cooperating companies = ∞

Comprehensive system

Taking the entire life cycle of the infrastructure, including planning proposals, construction, operation, maintenance, management, and reinvestments, 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

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. By expanding our business into a variety of infrastructure fields, including roads, airports, water supply 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.

Integrated Infrastructure Service Company

Alliance companies × Group companies × Cooperating companies

Expand and strengthen the business scope to all upstream and downstream areas, with "construction" as the axis

► For details of infrastructure management projects, visit our websites at: <https://www.infroneer.com/en/company/ourbusiness.html>

Capital Recycling

Creation of Added Value through Capital Recycling

Capital recycling represents the business model by utilizing our engineering capabilities cultivated over many years and the financial know-how we have acquired through forming domestic and international business partnership, with the goal of promoting reinvestments and creating secondary markets.

Reinvestments

Based on our engineering capabilities and financial know-how, reinvestments entail creating a capital flow from taking risks to invest in an infrastructure development project, constructing facilities, and managing the project to be able to generate long-term returns. The project is then transferred principally to pension funds, which pursue stable investment performance, with the goal of using gains on the transfer of the project to invest in new projects.

Secondary market creation

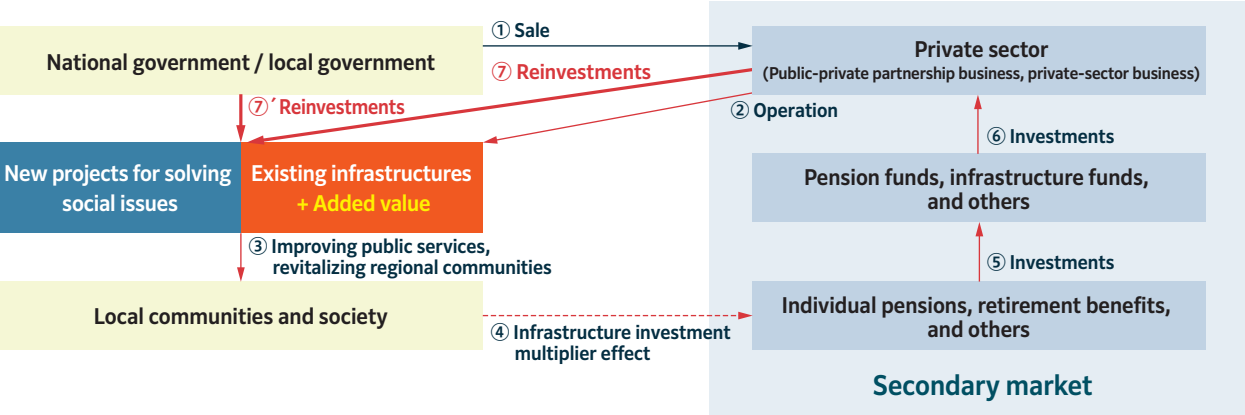
We transfer equity stakes to pension funds and other investors while continuing to engage in the operation, maintenance, and management of infrastructure that increases its added value over time and generates stable returns, with the aim of revitalizing the infrastructure investment market.

- ▶ For details on secondary market creation projects, visit the following websites:
Building new infrastructure business platforms <https://www.infroneer.com/jp/news-article/2022/07/05/524.html> (in Japanese)
Structuring equity income funds for the infrastructure investment market in Japan <https://www.infroneer.com/jp/news-article/2022/07/05/523.html> (in Japanese)

We are aiming to establish business as an integrated infrastructure service company to implement these business models effectively and ensure a highly profitable and stable revenue base, with an eye to addressing social issues associated with infrastructure while achieving our sustained growth.

We believe this will enable us to contribute to solving social challenges relating to the entire nation, such as pension financing, in addition to infrastructure-related issues.

Take on new challenges to address social issues through capital recycling



INFRONEER will promote the strategy of taking investment risks to develop infrastructure projects to generate long-term returns based on its engineering capabilities for building and infrastructure construction by engaging in a comprehensive range of processes from planning, design, construction, operation, maintenance, and management. This strategy is expected to produce a number of benefits as follows in alignment with the chart above.

- 1 National and local governments sell the rights to operate government-owned infrastructure facilities to private companies, including INFRONEER, to undertake necessary maintenance and renewal work. By purchasing the operating rights, private companies take business risks. INFRONEER draws on its engineering capabilities and financial know-how to mitigate such risks and reduce costs.
- 2 Right-holding companies operate the infrastructure facilities under the agreement, drawing on the business know-how of the private sector while expertly demonstrating engineering capabilities to implement renewal work (for added value).
- 3 The infrastructure renewal is expected to raise the quality and comfort of living in the local communities, encouraging population inflow and regional revitalization.
- 4 Infrastructure investment multiplier effect is expected to improve the fiscal position of the national and local governments. It also brings additional benefits, such as employment creation and building a stable basis of livelihood, as well as having a positive ripple effect on individual pensions and retirement benefits.
- 5 Through pension funds and infrastructure funds, individual pension and retirement plans are targeted as a primary investment destination, which basically pursue long-term stable investment performance.
- 6 INFRONEER transfers equity stakes chiefly to pension funds, which basically pursue stable investment performance, while continuing to engage in the operation, maintenance, and management of the infrastructure in order to provide sustainable and optimal infrastructure services.
- 7 Private companies can take on new projects to solve social issues based on profits earned from infrastructure transfer gains as well as maintenance and renewal.
- 7* The national and local governments can use gains on the transfer of the operating rights acquired in the process ① to invest in new projects for solving social issues.

INFRONEER's Competitive Advantages

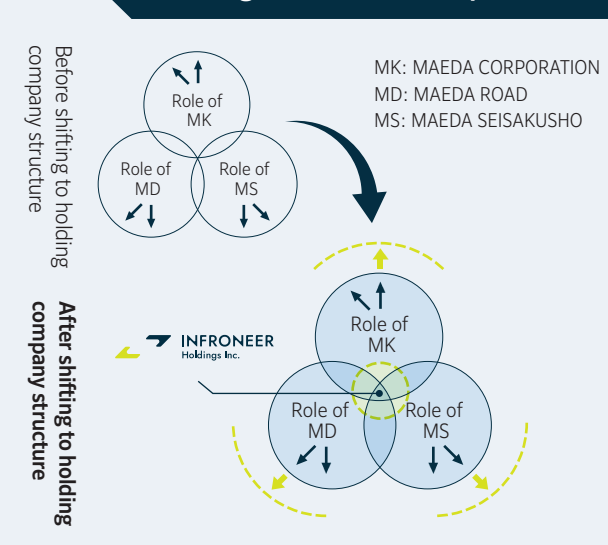
To achieve perpetual growth of the entire Group, we have set the medium- to long-term goal of becoming an integrated infrastructure service company. Toward this end, we are taking on the challenge of transforming to a business model that enables us to maintain stable and high profitability continuously by expanding business areas while leveraging the strengths of the three business companies in operating existing businesses. We are promoting this endeavor with Group companies, cooperating companies, and co-creation partners, with the aim of realizing our vision of creating “a world where there's no limit to what can be asked from and what can be delivered by infrastructure services.”

Holding Company Structure

Previously, the major business companies of the INFRONEER Group faced constraints, particularly related to resource efficiency, when tackling social challenges individually. To remedy this situation, the three companies decided to shift to the holding company structure so that MAEDA CORP., MAEDA ROAD, MAEDA SEISAKUSHO, and INFRONEER Holdings could demonstrate team synergy throughout the Group.

INFRONEER 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.

Synergy = Expansion x Centralization (centrifugal force and centripetal force)



Utilizing Regional Networks of Business Companies to Create Synergy throughout the Group

Making use of domestic and international sales offices and local business networks built by the Group's individual business companies in various regions, we facilitate the sharing of sales information and referral of customers between companies, seeking out new business opportunities.

We use the existing networks of Group companies to obtain a foothold in carrying out global business development in new regions, ensuring efficient market expansion with minimized risks.



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 areas in which we are deficient, collaborative and joint technical development with partner companies that share our strategies, and investment in business partners that understand our strategies. In addition to establishing long-term partnerships by enhancing our economic and human resources as well as technical support for cooperating companies, we will proactively develop future partners through investment in promising venture companies.

Business Portfolio Management

In pursuing the enhancement and utilization of the strengths of “construction” and “de-construction” as well as promoting the expansion of segments and areas (enrichment), we intend to accelerate reforms through strict business portfolio management by INFRONEER 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.

Stakeholder Dialogue

To achieve our goal of creating “a world where there’s no limit to what can be asked from and what can be delivered by infrastructure services,” it is important to conduct appropriate information disclosure and stakeholder dialogues. We have had dialogues and communication with stakeholders in various ways, and will continue to do so to maintain good and smooth relationships and build relationships of trust with stakeholders. Based on such relationships, we will encourage joint efforts to pursue common benefits and create long-term value, thus contributing to generating social value.

▶ For other articles on stakeholder dialogues and opinions in addition to the following, visit the sustainability page of our website at: <https://www.infroneer.com/jp/sustainability/> (in Japanese)

Major Dialogues

Local Community (Municipality)

FBS and MAEDA CORP. formed a joint venture to undertake a contract for comprehensive management services, including maintenance and mandatory inspections, for public facilities owned by Joso City, Ibaraki Prefecture, and started operations in April 2020. Subsequently, the joint venture and the Joso City Office had a number of study sessions on the management of public facilities and infrastructure. As a result, INFRAONEER Holdings and Joso City signed a comprehensive cooperation agreement in September 2022 to improve civil services by utilizing public facilities and infrastructure functions. We will continue with dialogues with the city office with the objective of offering value in terms of a safe and secure social and local environment and sustainability.



Local Community (University)

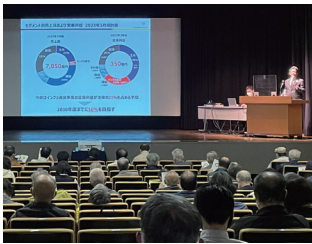
In commemoration of our first issue of the integrated report in FY2022, we held a discussion inviting Professor Shoichi Tsumuraya from Hitotsubashi University's Graduate School of Business Administration to talk about the essential purpose and appropriate systems of corporate information disclosure. To improve our corporate value utilizing objective evaluations of experts, we aim to increase stakeholders' understanding and engagement by presenting our views and directions. The company's website posts past dialogue sessions with experts, which are made available from the corporate communications archive Infroneer AtoZ.

▶ Visit the Infroneer AtoZ page at: <https://www.infroneer.com/en/company/atoz/>



Investors

We hosted seminars for individual investors in Tokyo, Osaka, and Nagoya, the three major cities in Japan, attracting a total of 521 participants over three days. The seminar gave a one-hour presentation on the earnings summary and future strategies of INFRAONEER. We provide IR information to individual investors in a meticulous way to correct information asymmetry and aim to increase the appetite of such investors, which constitutes a driver for stabler and higher share prices.



Employees

We organized the national conference of female employees in the construction sector, which was attended by 158 female employees. The event ran a number of programs, such as reports on employment situations and company systems; briefings on duties and career paths of various job categories, given by representatives of each job category; a panel discussion; and lectures by Outside Director Murayama to discuss on the theme of “what should be aimed at by diversity and inclusion initiatives.” We will continue working to create a workplace environment befitting a diversity-orientated employer.



Stakeholder Remarks

Investors

As an investment management firm, we at Marathon Asset Management have maintained regular meetings with MAEDA Corp. at their respective offices in London and Tokyo since before the company became INFRAONEER Holdings. We have high regard for INFRAONEER as one of the Japanese companies that are evolving with an eye on the future, including management's focus on the growth areas of concessions/PPP and renewables. The most recent news that the company is starting a group-wide Employee Share Ownership Plan is a progressive initiative.

Simon Somerville
Portfolio manager of Japanese equities
Marathon Asset Management LP (U.K.)



INFRAONEER's Primary Stakeholder Communication Channels

In recent years, there has been a rise in public expectations for businesses to address social issues, which have been increasingly becoming complicated and severe. To accurately understand these social expectations and promote initiatives aimed at achieving a sustainable society, we strive to ensure effective communication with stakeholders while building relationships of trust. The following is an excerpted list of our major means of communication with stakeholders.

Stakeholder	Policy (INFRAONEER's responsibilities, stakeholders' expectations)	Major engagement opportunities	Reflection in management processes and business activities
Investors, ratings agencies (loyal shareholders) outer	Ensure sustainable growth and medium- to long-term improvement in corporate value by holding constructive dialogues and reflecting their requests in management.	<ul style="list-style-type: none">Investor presentation — QuarterlyIssuance of financial reporting/quarterly reporting — QuarterlyIssuance of the integrated report — AnnualCorporate governance report — As neededInformation disclosure on the IR website — As neededInformation disclosure to ESG ratings agencies — As neededVisiting and having individual interviews with institutional investors in and outside of Japan — As neededSmall meeting with investors — As neededOrdinary general meeting of shareholders — AnnualIssuance of the investor newsletter — Semiannual	<ul style="list-style-type: none">Ensuring transparency of management processes, enhancing governanceTimely and appropriate information disclosureAppropriate shareholder returnsImprovement in corporate valueBuilding relationships of trust through proactive dialogues
Local communities	Be aware of being a member of the local community, have communication with each community on an ongoing basis, and carry out various activities to solve social and regional issues. Form partnerships with NPOs and NGOs to promote collaborative projects to contribute to solving social issues.	<ul style="list-style-type: none">Cooperation with economic organizations and trade organizations — As neededDialogues with NPOs and NGOs — As neededCooperation with international initiatives — As neededDialogues with municipalities and local communities — As neededTown meeting with local residents — As neededOffering site/facility tours — As neededInformation distribution via industrial newspaper and other media — As neededCooperation/sponsorship for social contribution activities — As neededSupport to post-disaster reconstruction efforts — As neededSponsorship and hosting events for sports promotion, regional revitalization, and SDGs-related activities — As needed	<ul style="list-style-type: none">Contribution to local communities, mutually beneficial relations with local communitiesSolutions to issues faced by each communityImproving employees' awareness of CSR through encouraging their participation in social contribution activities
Customers	Accurately grasp needs of customers, challenge conventional infrastructure business models, and offer optimal services and innovative solutions to customers around the world, thereby winning the trust of society.	<ul style="list-style-type: none">Customer satisfaction survey (construction performance evaluation score) — As neededDay-to-day sales activities — As neededRegular meetings (for construction projects) — PeriodicalInspection of buildings — PeriodicalTrade exhibitions and events — As neededIssuance of PR magazines, etc. — As neededInformation disclosure through the website — As neededCollecting user feedback via telephone and website — As neededIssuance of the integrated report — Annual	<ul style="list-style-type: none">Provision of optimal infrastructure servicesSafe and secure social and local environmentSustainable social and local developmentSolutions to issues faced by customersAppropriate management of customer information
New hires and their families (recruitment)	Implement Group-wide human resources recruitment and development strategies, with the aim of promoting sustained growth of individuals and organizations. Proactively recruit industry-ready professionals and enter new business areas in a timely manner.	<ul style="list-style-type: none">Information distribution via “talentbook” and Instagram (Group common) — At least twice a monthOffering company tours, site tours, and internship programs for students (jointly by three business companies) — As neededProviding student loan repayment support programs as a way to increase employee engagement (MAEDA ROAD) — Up to 120,000 yen per annumProviding scholarship programs for overseas students of civil engineering (MAEDA ROAD) — Every yearJoint research with local schools and support through support groups (MAEDA ROAD and MAEDA SEISAKUSHO) — As needed	<ul style="list-style-type: none">Improving the quality and quantity of the recruiting base through increased name recognition and understanding of the INFRAONEER Group among existing and potential job seekersOffering a solution to the social issue of outstanding student loans while providing economic support to applicable employees of the company and increasing their engagementTackling workforce shortages in the construction industry and ensuring recruitment and development of engineers for the companyPromoting industry-academia collaborative R&D and emphasizing the significance of this activity when carrying out recruiting activities to arouse the interest of students in the company
Cooperating companies, alliance partners	Promote activities jointly to address issues related to health and safety as well as quality while fostering partnerships and building relationships of trust. Make joint efforts to secure employment of future workers. Engage in free and equitable competition and fair business transactions while promoting efforts to solve environmental and social issues throughout the entire supply chain, thereby solidifying relationships of trust.	<ul style="list-style-type: none">Awards program for cooperating companies — As neededOn-site safety education — As neededStudy sessions on quality management for cooperating companies — As neededSuccessor training programs — As neededSupport for recruitment activities — As neededWebsite operation of and support for Team-Z (network of cooperating companies) — As neededHolding online exhibitions — As neededMaking facilities of ICI Center available for public use — As neededConducting supplier evaluations on an ongoing basis — As neededSetting up whistle-blowing channels — As needed	<ul style="list-style-type: none">Implementing measures to achieve a safe workplace (including those for foreign national workers (multilingual safety education programs and multilingual posts))Fair evaluation of technical skills and for career development (career path program; internal technical qualification program)Development of future workersPromotion of co-creation projectsAddressing issues related to legal compliance, human rights, and the environment throughout the supply chain
Employees and their families inner	Respect the individuality of each employee and create an appropriate workplace environment and company systems to promote diversity and increase job satisfaction. Develop mindsets for challenging the conventional way of thinking and having an out-of-the-box way of viewing things to make changes as a way to achieve corporate growth.	<ul style="list-style-type: none">Holding town meetings (at 13 locations) — AnnualHolding philosophy dissemination sessions — As neededConducting joint new employee orientations — AnnualSelf-evaluation and reporting — SemiannualConducting ES surveys and publishing survey results — AnnualSetting up whistle-blowing channels — As neededCollection and distribution of management information via the Group website — As neededOnline distribution of investor presentations to all officers and employees — QuarterlyINFRAONEER Group's group newsletter — AnnualExpanding the lineup of benefits eligible for employees' families — As needed	<ul style="list-style-type: none">Development and utilization of human resourcesAppropriate personnel evaluations (revision of evaluation systems)Improving corporate culture (promoting teleworking, introducing free-seating office)Providing diverse workstyle options, supporting work-life balanceCreating a safe and comfortable workplace environmentHealth promotion and maintenance of employees, prevention of mental health disordersLegal compliance, respect for human rights, etc.
Earth	View the Earth as an important stakeholder and work to support people's rich and safe lifestyles through infrastructure service, aiming for sustainable development of the company and society.	<ul style="list-style-type: none">Regularly disclosing data on environmental impact (issuance of integrated report, etc.) — AnnualDevelopment of ecological technologies and products — As neededActivities and donations through “dividends for the Earth” - As neededCooperation/sponsorship for social contribution activities — As neededDialogues with NPOs and NGOs — As neededInternal eco point system “Me-pon” — As needed	<ul style="list-style-type: none">Compliance with environmental laws and regulationsResponse to climate changeBuilding a circular societyBiodiversity conservationProvision of ecological products (LEAB, bio heavy oil, etc.)

Materiality and KPIs

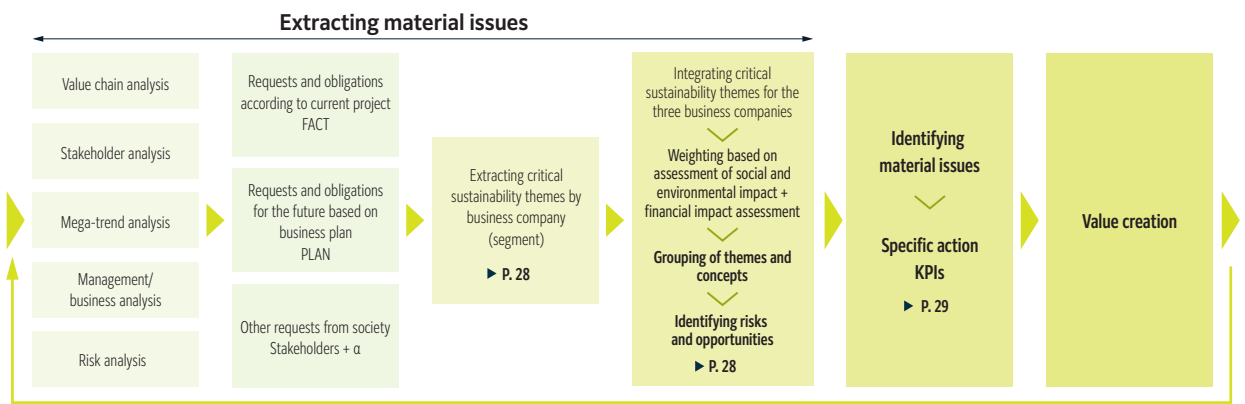
We have identified the following six materiality issues to quickly promote and implement initiatives to solve social issues as well as to improve corporate value and contribute to society as a whole permanently by pursuing and offering added value on an ongoing basis.

- Creating a safe, secure, and more comfortable society
- Building a society that is proactively conscious of the environment
- Strengthening value chain
- Building a society that is conscious of protecting our environment
- Value-creating human capital and mutual respect
- Strengthening governance

Identifying Issues for Our Materiality Assessment

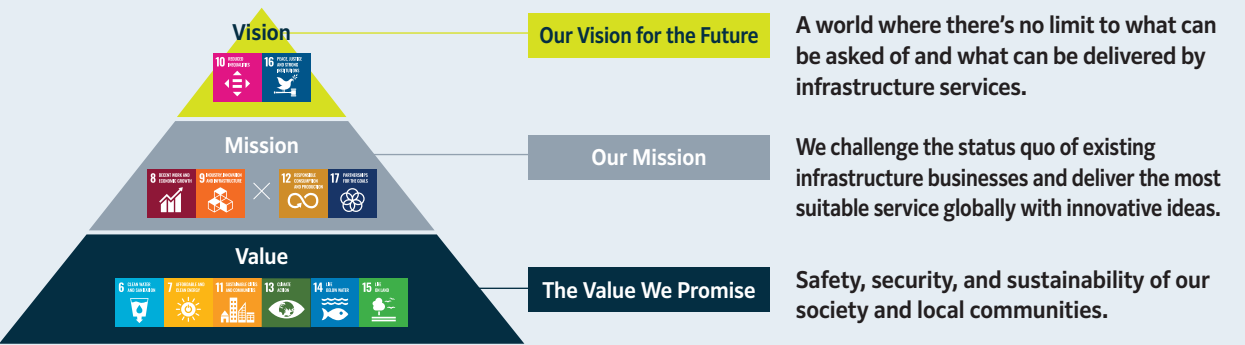
In FY2022, after transitioning to a holding company structure, INFRONEER set up a Sustainability Committee comprised of representatives of the three business companies. To add to discussions undertaken by management and by the Board of Directors, INFRONEER asked committee members, who work in a variety of fields at the three business companies, to discuss solutions to social issues and identify specific material issues that should be addressed over a period of roughly six months.

To give our stakeholders a broader understanding of the challenges surrounding infrastructure and the activities of INFRONEER, the material issues have been summarized in the form of simple and easy-to-understand expressions. We have also been careful to clarify the links between our business plan, each business segment, and the priority issues. In view of changes in the environment and the views and expectations of our stakeholders, we will continue to review and identify the issues that are material to our business through discussion.



Implementing SDGs and VMV

In addition to the relationship between individual material issues and the SDGs, INFRONEER, as a provider of infrastructure services, also links its own VMV to the SDGs. Our mission (MISSION) is to create value directly and indirectly through 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).



Important Themes

To identify material issues, we have extracted, compiled, and evaluated important themes related to the entire Group.

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

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 by the Group's management team and directors, including outside directors, and issues of particular importance were designated as such by the Board of Directors.

▶ For details on risk management, see page 47.
For risks and opportunities, visit our website at: https://www.infroneer.com/jp/company/integrated_report/materiality.html (in Japanese)

Materiality & KPIs

	Three Strategic Pillars	Materiality	Sub-issues	2030 Medium- to Long-term Goals (Achievement Vision)	KPIs (Targets for FY2030)	FY2022 Results
Solving social issues through our infrastructure services business	Establishing a new revenue base P. 38	Creating a safe, secure, and more comfortable society	<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 construction (buildings, bridges, tunnels, roads, dams, and others)Promoting construction methods and the development, sales, and construction of products that contribute to improving functionality and comfort (buildings, bridges, tunnels, roads, dams, and others)Promoting disaster prevention and mitigation	<ul style="list-style-type: none">Enhance portfolio and increase profitabilityEarn high ratings from customers (quality, safety, functionality, comfort, and value-added proposals)	Operating profit ratio between "construction" and "de-construction": 50:50	80:20
					<Building construction> Customer satisfaction survey: 80 points or higher out of 100 points	Survey started from FY2023
					<Civil engineering> Construction performance rating: 80 points or higher out of 100 points	82.4 points
					<Road civil engineering> Customer satisfaction survey: 80 points or higher out of 100 points	Construction: 88.0 Product: 85.5
					<Machinery> Customer satisfaction survey: 4 or higher on a 5-point scale	3.4
	Productivity reforms P. 37	Strengthening value chain	<ul style="list-style-type: none">Improving public benefit for local communities/preferential in-region procurementStrengthening collaboration with partner companies/strengthening of supply capacities and improving productivity (hiring and training of workers)Promoting design, construction/development and manufacturing of (respectively) construction methods, technologies, and products that save labor and contribute to efficiency on the construction site	<ul style="list-style-type: none">Expand local recruitment rate of locally based employees and intra-regional ordersImprove the supply capacity of partner companies and train workersEnhance labor productivity, efficiency, and optimization on the construction siteAppropriate allocation of management resources by maximizing operational efficiency and minimizing SG&A expenses through economies of scaleAccelerate development of certified technologies and products that save labor and contribute to an efficient construction site	Active employment of local human resources	Rate of local employment in SPC employees hired for concession projects operated by MK 56.5%
					Construction career advancement system site registration rate for FY2023: 100%	Business registration rate: 73% Registration rate of technicians: 71% Registration rate at the registration site: 100%
					Net sales of completed construction contracts per person ¥137 million/person (civil engineering) ¥153 million/person (building construction)	¥106 million/person (civil engineering) ¥105 million/person (building construction)
					ROIC is being formulated	5.3%
					Early formulation of certified technical standards In preparation * To be completed by September 2024	—

	Three Strategic Pillars	Materiality	Sub-issues	2030 Medium- to Long-term Goals (Achievement Vision)	KPIs (Targets for FY2030)	FY2022 Results
Strengthening and improving our corporate culture P. 38	Strengthening business foundation	Building a society that is conscious of protecting our environment P. 49	<ul style="list-style-type: none">Reducing greenhouse gas emissions across the entire value chainReducing use of raw materials derived from fossil resourcesImproving the utilization rate of recycled materials to achieve zero wasteConserving biodiversity	<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 plantsReduce waste in new construction projectsReduce waste at plants significantlyImprove the utilization rate of recycled materials in new construction projectsEstablish a management system for biodiversity conservationDevelop preservation technology for biodiversityContinue forestry activities and development	Reduce greenhouse gases (Compared to FY2018)	
					Scopes 1 and 2 40% reduction by FY2030 Substantially zero emissions by FY2050	-15.7%
					Scope 2 Utilization rate of renewable energy (electrical power) RE60 in FY2030 RE100 in FY2050	55.4%
					Scope 3 40% reduction by FY2030	-47.6%
					Waste discharged from new construction projects Improve compared with previous fiscal year/total amount basis	▶ See page 61 for results in previous fiscal year.
					Usage rate of recycled materials in new construction projects Improve compared with previous fiscal year/total amount basis	
	Value-creating Human Capital and Mutual Respect P. 53		<ul style="list-style-type: none">Education for the Group's human resources strategy (increasing and improving training)Improving the working environment and conditions of workers/promoting safety and healthPromoting diversity in the workplace and expanding career opportunities/improving understanding of human rights and preventing violationsPrevention of illegal work/forced labor (support for foreign laborers)	<ul style="list-style-type: none">Give each employee the full training requiredImprove rate of leave utilization for family reasons and the likeEnsure appropriate working hoursMaintain physical and mental health of workersCreate an attractive workplaceImprove the employment rate of persons with disabilities, female employees, and skilled female employeesEnsure that all employees respect human rights and can make appropriate decisions and take appropriate actionsContinue to ensure legitimate working conditions for all foreign workers employed on construction sites	Improve employee engagement by building a corporate culture and system in which diverse personnel play an active role	
					Strengthen our advantages and create more room for us to grow (weaknesses) (Feedback and implementation of measures)	
					Improve the employment rate of female employees Increase from previous fiscal year	17.3%
					Zero major accidents Reduce frequency rate Keep frequency rate below 0.6 up to FY2030 (MK)	Frequency rate: 0.56 Strength rate: 0.42
					Implement human resource training to improve individual skills 100% participation in required training	97.9%
	Strengthening Governance P. 45		<ul style="list-style-type: none">Building an effective governance systemObservance of compliance and prevention of unfair competition and corruptionInformation securityCustomer privacyStrengthening of risk management	<ul style="list-style-type: none">Form a Board of Directors with a majority of outside directorsOperate the Nomination Committee, Compensation Committee, and Audit CommitteePromote ESG initiatives under the leadership of the Sustainability CommitteeBuild a governance system that can be trusted by stakeholdersReduce the number of serious legal violations to zeroEliminate serious information security breachesEliminate customer data breachesOperate an effective risk management system	Strengthen the governance function by introducing a Nomination Committee into the company system	Outside director ratio: 50%
					Appoint independent outside directors as chairpersons of the Board of Directors and of the Nomination, Compensation, and Audit Committees	Appoint independent outside directors as chairpersons of the Board of Directors and of the Nomination, Compensation, and Audit Committees
					Implement PDCA under a Sustainability Committee led by the president	Number of Sustainability Committee meetings held: 2

Six Business Foundations to Support Growth

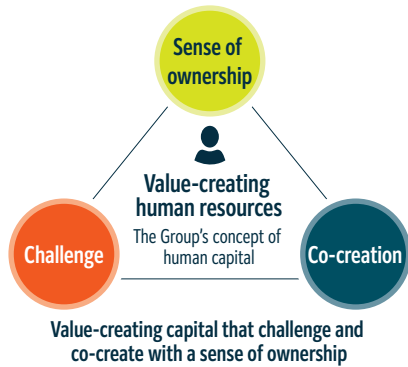
Among the various types of business foundations that constitute a source of value creation, we attach particular importance to the following six types: human capital; financial capital; business know-how; domestic and international bases; long-term partnerships; and natural capital. While enhancing each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

1 Human Capital

Human resources who can create value through passion

We are working on the continuous production of value-creating human resources who can attain professional growth through autonomous learning activities and various experiences and take the initiative in co-creation with various partners in pursuit of business success. We are also striving to promote workplace diversity and engagement by improving our recruitment competitiveness, nurturing human resources through various opportunities, and fostering an employee-oriented corporate culture that pursues higher work motivation and satisfaction.

► For details of value-creating human resources, see page 55.

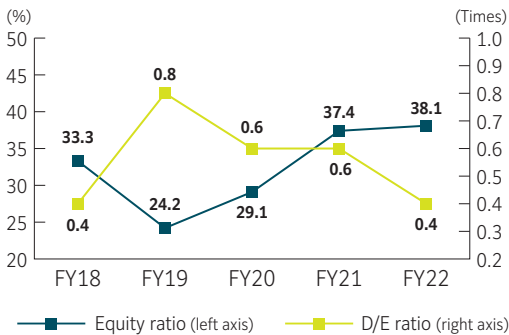


2 Financial Capital

Offensive and defensive financial management

As a challenger to the status quo for the future of our infrastructure, we will promote aggressive, occasionally even risk-taking, investment policies. For investments in new businesses, increasing financial leverage, principally through borrowings, is expected to raise a return on investment in comparison with equity. At the same time, we need to secure a sound financial base in order to ensure ongoing investment activities. For this purpose, we will manage our D/E ratio, equity ratio and other financial indicators, while conducting financing activities appropriately according to the situation based on good relationships with our financial institutions and investors.

► For specific financial data, see page 59.



3 Business Know-how (Intellectual Capital)

Consolidation and upgrading know-how accumulated by individual companies

For 100 years, the three businesses companies of the INFRONEER Group have been involved in infrastructure businesses that support the growth and development of regional communities and society. To anticipate and respond quickly to the diverse infrastructure needs that are changing with the times, each company has cultivated its engineering capabilities and expertise and acquired financial know-how through engaging in challenging new projects. Enhancing these strengths, we have pursued mutual growth with regional communities and society while improving our corporate value. Going forward, while endeavoring to further reinforce the major business domains—civil engineering, building construction, road civil engineering, infrastructure management, and machinery—we will realize synergistic effects across the Group as an integrated infrastructure service company in a bid to challenge the status quo for the infrastructure.

► For details of each business segment, see our website at: <https://www.infroneer.com/en/company/ourbusiness.html>

4 Domestic and International Bases (Manufacturing Capital)

INFRONEER bases and regional network that realize comprehensive responses

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 CORP.). We aim further to strengthen our business base and ensure our competitive advantage by utilizing and collaborating with this regional network.

MAEDA CORP.	44 domestic bases (16 head office and branches, 28 sales offices) 15 overseas bases
MAEDA ROAD	226 domestic bases (13 head office and branches, 112 sales offices, 101 plants) No overseas base
MAEDA SEISAKUSHO	28 domestic bases (1 head office, 27 branches, sales offices, and plants) 1 overseas base, 55 dealers
JM	14 domestic bases (34 satellite offices) 3 overseas bases

(As of March 2023)

5 Long-term Partnerships (Social and Relationship Capital)

Partnerships for establishing business as an integrated infrastructure service company

In the major segments of civil engineering, building construction, and road civil engineering, we form partnerships with many specialized construction companies. For this purpose, we mobilize our large network of cooperating companies, which are known for their established track record and trust and are capable of stable and high-quality performance. In the infrastructure operation segment, we expand our business areas both upstream and downstream through forming international alliances with leading players in the relevant fields. In the process, we have earned the trust of the client base, including government agencies, real estate companies, transportation infrastructure operators, and energy developers.

Cooperating companies (number of member companies)	Civil engineering and building construction segment: Zenyu-kai (567 companies) Road civil engineering segment: Kyoei-kai (95 companies), Rekiyu-kai (56 companies)
Alliance partners	Nippon Telegraph and Telephone Corporation, Tokyu Corporation, Accenture Japan Ltd, Fukuoka Jisho Co., Ltd., GL events, AEG, Suez, Whole Earth Foundation, Macquarie Group Limited, and others
Customers	Government agencies, real estate companies, transportation infrastructure companies, energy companies, and others

6 Natural Capital

Treating the Earth as a valuable stakeholder

Because we are conducting business activities with the benefits provided by the Earth's resources, we set aside 2% of our consolidated net income as "dividends for the Earth" in the same concept as we pay dividends to our shareholders. We do not simply contribute funds as a company but we also promote activities that actively involve our employees and their families while collaborating with local communities and NPOs. We also administer the in-house eco point system "Me-pon" to visualize individual environmental activities.

► For details on "Me-pon," see page 52 or visit our website at: <https://www.infroneer.com/jp/sustainability/environment/> (in Japanese)

