

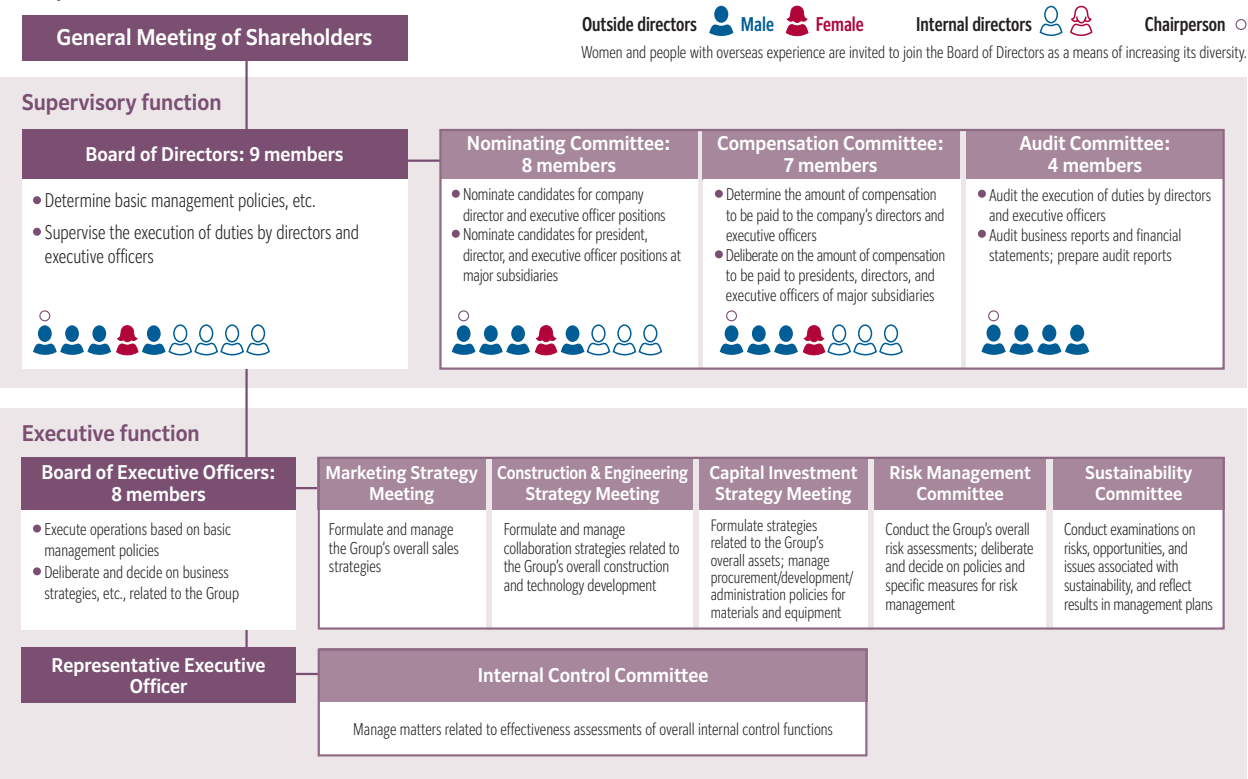
Governance

Basic Approach

The INFRAONEER Group is committed to strong governance as an essential mechanism for promoting sound risk-taking and taking on the challenge of entering new business fields. To realize our vision of becoming an integrated infrastructure service company, we need to take on an array of challenges to enter new areas related to various upstream and downstream infrastructure management processes while continuing to pursue the Group's existing businesses. Venturing into fields unknown to us will pose substantial risks. The company therefore needs to establish systems to enable management to conduct appropriate risk assessments and promote sound risk-taking. Such advanced governance systems designed to ensure appropriate risk management will allow business managers to take risks appropriately when making decisions and embrace the challenges of entering unknown fields. We will commit to taking on these challenges to achieve the objective of becoming an integrated infrastructure service company. This is the core of our approach to governance. Accordingly, we have adopted the system of a company with a nominating committee to further enhance governance.

Corporate Governance

Corporate Governance Structure



System and Policy for Determining Executive Remuneration

Matters related to the remuneration of the company's directors and executive officers are determined by the Compensation Committee. The Committee ensures a high degree of fairness and transparency in the decision-making process and verifies compensation levels, collecting information and providing advice by utilizing external remuneration consultants. In FY2021, the company began to apply its basic policies for the executive remuneration system as well as the remuneration system itself. From FY2023, the scope of application of the basic policies and the rollout of the executive remuneration system has been expanded to include major subsidiaries. Executive remuneration comprises base remuneration, performance-linked remuneration, and non-monetary remuneration. Performance-linked remuneration contains a number of incentives linked to the achievement of company-wide performance goals and targets laid out in the INFRAONEER Medium-term Vision. Non-monetary remuneration consists of stock remuneration for the purpose of ensuring a shared interest with shareholders. With an eye to improving corporate value, executive remuneration is designed so that the proportion of performance-linked remuneration increases in accordance with the level of responsibility.

► For details of executive remuneration, etc., read our securities reports, which are available at: [https://www.infroneer.com/jp/ir/security\\_report/](https://www.infroneer.com/jp/ir/security_report/) (in Japanese)

Message from chairperson for each committee

Chairperson of the Audit Committee

**Keiichiro Hashimoto** Outside Director / Chairperson of the Board of Directors

The Audit Committee is composed of four members, all of whom are appointed from among the five outside directors. The Committee is striving to upgrade organizational audit functions using internal control systems. Toward becoming an integrated infrastructure services company, INFRAONEER will undertake a larger number of group-wide business collaborations, often involving infrastructure-related special purpose companies (SPCs). Anticipating such a situation, we have worked on the structural alteration of auditors at business companies in conjunction with the shift to the holding company system. The Audit Committee will promote closer cooperation with auditors of business companies, aiming to boost the Group's overall governance.

Chairperson of the Nominating Committee

**Koichi Mori** Outside Director

We have been discussing succession plans, taking into account diversity and anticipating changes expected to occur in the business environment over the coming five or 10 years. The plans will be carried out from the next fiscal year. When chairing the meeting, I work to create an open atmosphere that encourages a frank exchange of opinions. Going forward, we will ramp up discussions in order to establish governance systems that are fully functional.

Chairperson of the Compensation Committee

**Atsushi Takagi** Outside Director

We have submitted aggressive compensation design plans that benchmark leading companies in and outside of Japan and are primarily aimed at fostering a growth-oriented mindset. To achieve our aim, we believe remuneration systems must be designed to powerfully incentivize the entire workforce to aim for growth. With an eye to improving corporate value (discounted cash flow, market capitalization), we are committed to developing strong remuneration systems that help secure excellent talents and elevate employee motivation.

Compliance

Anti-corruption

On April 1, 2023, the INFRAONEER Group established the Anti-Corruption Policy. Both in Japan and abroad, the prevention of corrupt practices including bribery of public officials or stakeholders, 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 committed 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 provide appropriate training for employees. Also, we have signed the UN Global Compact and we support and affirm the principles related to anti-corruption.

► For the Anti-Corruption Policy, visit our website at: <https://www.infroneer.com/en/anti-corruption/>

Prohibition of Anti-competitive Acts

The company has set forth provisions in the Code of Ethics for compliance with competition law and other related regulations, and business companies have set out a bid rigging prevention policy, in an effort to avoid the practice more effectively. The policies and provisions have been revised to require employees and officers to abide by highly effective bid rigging prevention rules. For example, we have clarified the rules governing leaving a meeting that apply when an employee suspects a bid rigging is being discussed at a meeting with another company in the same industry. We also fully implement compliance training.

► For details on compliance training, visit our website at: <https://www.infroneer.com/jp/sustainability/social/> (in Japanese)

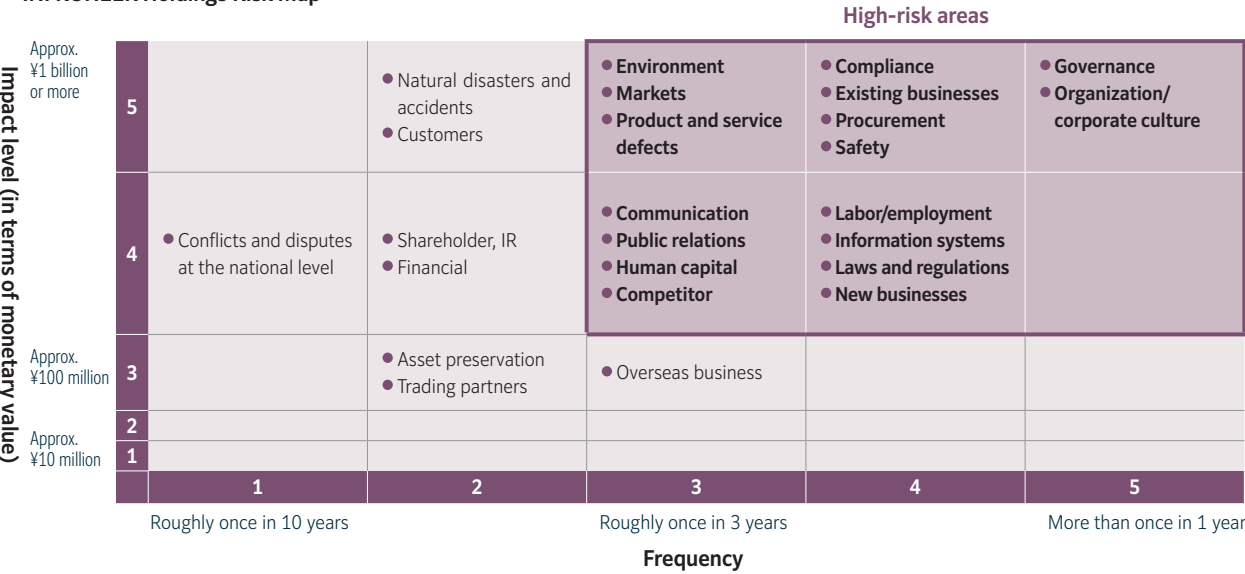
Transparency of Taxes

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 region, 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.

Risk Management

INFRONEER has established procedures for managing major potential risk factors associated with its business development as follows. First, the risk management committee at each business company collects risk-related information, identifies issues, and deliberates on the effectiveness of measures. Relevant results of such discussions at each business company and INFRONEER are brought up at the quarterly INFRONEER Risk Management Committee meeting for a comprehensive review to identify risk factors. Identified factors are classified in terms of frequency and impact level, and those classified into high risk groups are discussed with regard to specific steps that can be taken to increase the effectiveness of risk reduction measures, and necessary processes are implemented following the PDCA cycle.

INFRONEER Holdings Risk Map



In FY2023, our assessments identified “governance” and “organization/corporate culture” as critical factors with high risk.

For governance-related risks, we particularly note potential risks arising from inadequacies in the Group's overall internal control functions as a result of M&As, and conduct measures to reduce such risks. Specifically, we will ensure the effective monitoring of the implementation status of initiatives promoted to accomplish targets set for the INFRONEER Vision 2030 (Medium- to Long-term Business Plan) by holding regular discussions with the management teams of business companies and performing ongoing monitoring via the business execution supervision function of INFRONEER's directors.

For organization/corporate culture, we will take steps to mitigate risks posed by organizational/cultural differences between business companies. Our plan is to foster a shared sense of unity throughout the Group and reduce risks by carrying out corporate culture promotion activities at town meetings, where the president personally explains management policies to employees, and disseminating VMV statements and the Group's common guidepost (action guidelines) INFRONEER^ (“INFRONEER Caret”) (see page 1).

Risk Management System



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 related to risk management, on a quarterly basis to establish risk management regulations and implement cross-cutting risk management across the entire Group.

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 and set up methods of contact including a workplace hotline 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 ensures the confidentiality and anonymity of users and related parties to protect them against adverse treatment. In FY2022, a total of 52 cases were reported across the entire Group.

► For details, visit our website at: <https://www.infroneer.com/jp/sustainability/governance/> (in Japanese)

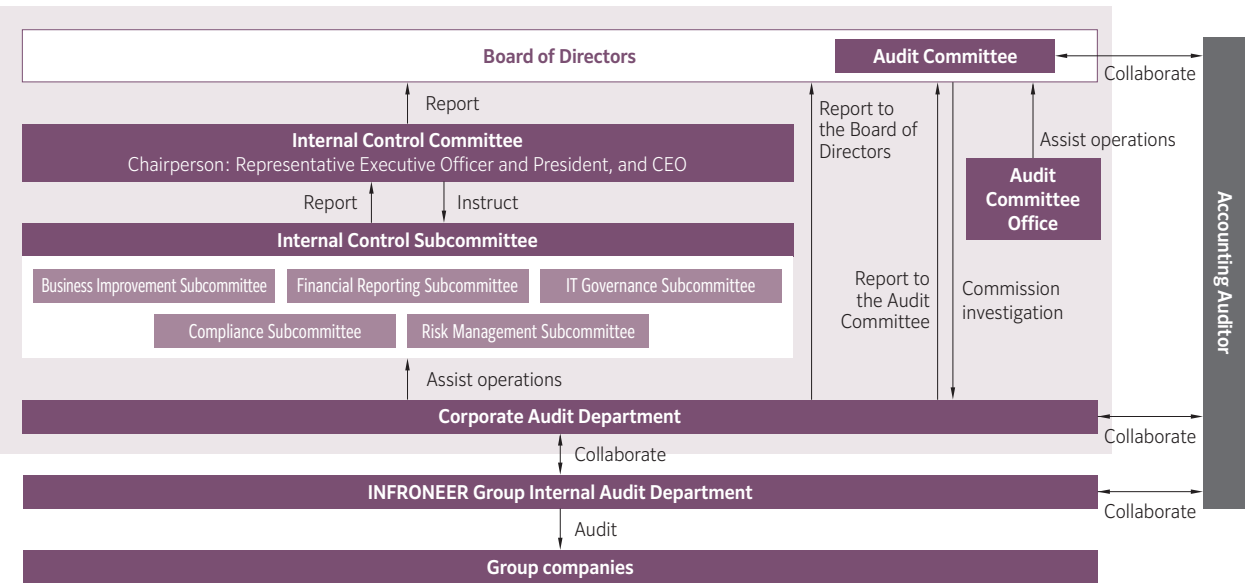
5. Group management system

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 department at each of our main subsidiaries that is linked with the Corporate Audit Department to strengthen the Group's internal audit function.

Internal Control System



Environment

Basic Approach

The INFRAFRONTEER Group is moving forward with initiatives from a long-term perspective, focusing on climate change, resource recycling, biodiversity, pollution prevention, and water security, to enable the sustainable use of and symbiosis with natural capital, which is our business base. In addition, we are promoting activities through INFRAFRONTEER's own "Dividends for the Earth."

Climate Change

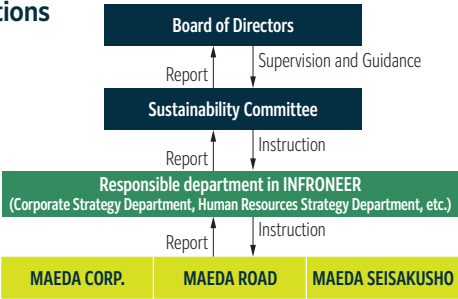
Policies and Philosophy Regarding Climate Change

The Group recognizes climate change as one of the key management issues. We anticipate that the new market for carbon neutral initiatives will expand rapidly in the maintenance, management, repair, renewal and new construction infrastructure fields through public-private partnerships. We have set out a target value for CO<sub>2</sub> emissions at net zero by 2050. At the same time, we are strengthening our initiatives to tackle climate change while reducing and increasing the efficiency of energy usage.

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 INFRAFRONTEER 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 climate change as a major risk factor that can significantly affect its business. In FY2022, based on the results of TCFD's financial analysis, we identified priority issues related to energy cost, effect of low-carbon building materials, and response to new markets, and started discussing related action plans and financial evaluation models. As a large energy consumer, we have incorporated the internal carbon pricing mechanism into investment indices to promote the adoption of scalable renewable energy supply systems. In the fields of public-private partnerships promoting infrastructure projects for maintenance, management, repair, renewal and new construction, new markets related to carbon neutral initiatives will bring added value to regional economies. We will give the value a tangible form, looking to enhance stakeholder engagement while expanding the market.

Risk Management

This indicates risks, opportunities, and responses related to migration and physical changes based on the assumed climate change scenarios for 2030.   
▶ For details on risk management, visit our website at: <https://www.infroneer.com/jp/sustainability/environment/> (in Japanese)

Targets and Metrics

CO <sub>2</sub> Reduction Targets		
Subject	Targets (Compared to FY2018)	Metrics
Scope 1 and 2 emissions	Net 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 construction 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 <sub>2</sub> method with CASBEE

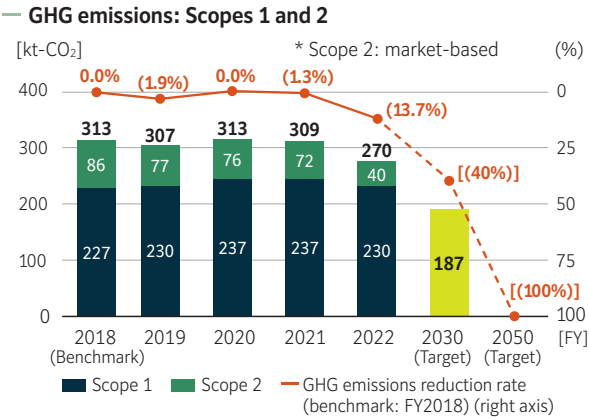
\* The calculation standard for Group emissions is in accordance with the GHG protocol (obtained third-party assurance in March 2023).

▶ For details on the obtained third-party assurance, visit our website at: <https://www.infroneer.com/jp/sustainability/evaluation.html> (in Japanese)

Reduce Greenhouse Gas (GHG) Emissions across the Entire Value Chain

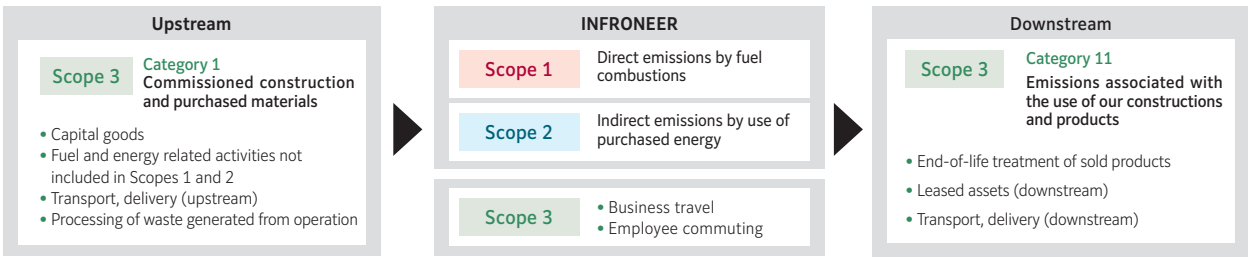
The Group is moving toward "carbon neutral 2050" by enhancing the function to perform embodied carbon\* assessments as a measure to reduce emissions across the entire value chain. Going forward, in the infrastructure management business, we aim to build a one-stop management to reduce environmental impact by building a mechanism for exchanging and sharing information to increase the effectiveness of GHG emissions reductions among our suppliers and stakeholders in the value chain. In FY2022, we received third-party assurance for our GHG emissions calculation reports (INFRAFRONTEER Holdings supply chain emissions in FY2021).

\* Embodied carbon: Total amount of carbon emissions from building structures and materials related to all stages of their life cycle



▶ For the chart for Scope 3, visit our website at: <https://www.infroneer.com/jp/sustainability/environment/> (in Japanese)

Main CO<sub>2</sub> Emissions in Our Upstream and Downstream Business Activities



Scope	Content of initiatives
Scope 1	• Streamline work and use leading-edge construction machinery • Promote the above initiatives with the cooperating companies as the main entities • Reduce emissions during asphalt mixture production (promote foamed asphalt technology and sell low-carbon mixtures)
Scope 2	• Conserve energy at each business office • Offset with non-fossil fuel certificates and the like • Develop infrastructure for climate change countermeasures through the renewable energy business • Reduce emissions during asphalt mixture production
Scope 3	[Category 1: Commissioned construction, purchased materials] • Accelerate technical development with open innovation centered on ICI for resource recycling and decarbonization • Achieve environmentally friendly procurement through the visualization of Scope 3 emissions and resource recycling rates in the infrastructure management business, and promote DX [Category 2: Capital goods] • Contribute to reducing GHG in the supply chain when procuring asphalt mixtures [Category 11: Emissions from our construction projects and products during use] • 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

Related Projects

Bio Heavy Oil

MAEDA ROAD previously used a large amount of heavy oil to manufacture asphalt mixture. As a solution, the company decided to switch from fossil fuels to an animal and plant oil derived alternative that can reduce CO<sub>2</sub> emissions from burning to net zero, and set up Japan Biofuel Co., Ltd., a bio heavy oil manufacturer. The company has strong processing techniques to support various types of raw materials, including a by-product from refining kitchen oil (oil residue), skimmed oil, waste oil, and fat products in addition to waste kitchen oil.

In September 2023, the new company started operations at its factory in Hiroshima, allowing MAEDA ROAD to take its first step of the emissions reduction plan by addressing its Scope 1 emissions and Scope 3 emissions from users of the asphalt mixture, then move to the next step to sell the bio heavy oil to external marketplaces, with an eye to contributing to decarbonizing society at large.



New factory in Hiroshima

▶ For other projects related to GHG emissions reduction, visit our website at: <https://www.infroneer.com/jp/sustainability/environment/> (in Japanese)

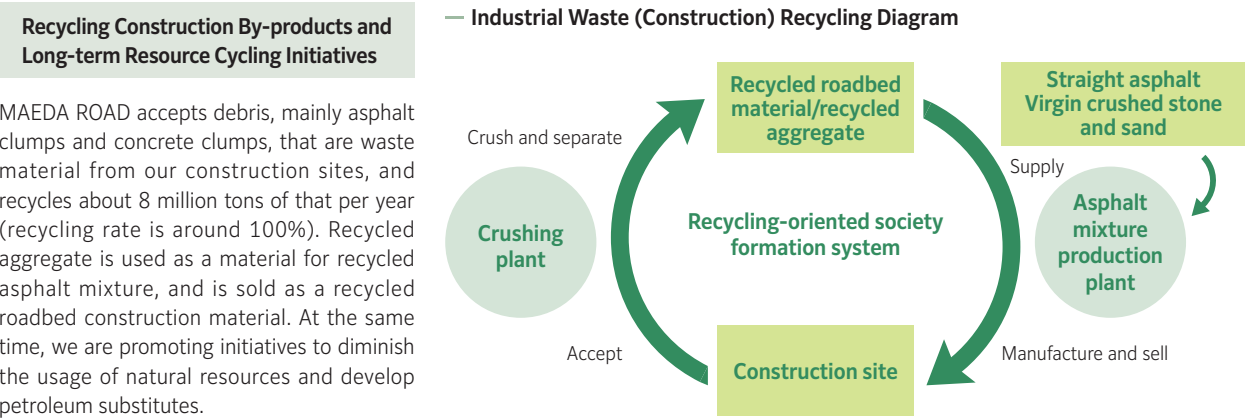
Sustainability Finance

In September 2022, INFRAFRONTEER issued its first green bond. In FY2023, we are planning to apply for positive impact finance programs. We will continue to commit to sustainability finance going forward.



Resource Recycling

There is a need to respond to international developments, including conversion to a circular business model, 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 designs for products that are environmentally friendly throughout their life cycle, thereby diminishing the usage of resources and alleviating and avoiding the negative impact of resource usage, in order 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.



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. 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, we are promoting the conservation of biodiversity with the use of sustainable resources.

**Related Projects**

**Ogasawara Environmental Education Project: Bonin Infrastructure Initiative**

In FY2022, MAEDA ROAD launched an environmental education project on the Ogasawara Islands where its sales office is located. This is an industry-academia collaboration project organized to give students aspiring to be engineers an opportunity to learn about the “coexistence of biodiversity and infrastructure,” with a view to building future plans. Participants attended four advanced study sessions and visited the islands to experience the abundant nature and listen to lectures from local experts on local environmental conservation activities and infrastructure development. The program was designed to help students gain an in-depth understanding of a diverse range of topics relating to biodiversity and the business of MAEDA ROAD. We received comments from participants expressing their stronger awareness of the importance of developing sincere attitudes toward addressing issues that have a large impact on the environment as well as aspiration for engaging in environmental conservation through building careers in the relevant fields. In FY2023 for its second event of the program, the company offers an upgrade by inviting external experts to give lectures at advance study sessions. MAEDA ROAD will utilize knowledge gained from this environmental education project in order to enhance its activities to contribute to society as a “road builder friendly to the environment and people.”

▶ For other projects related to biodiversity, visit our website at: <https://www.infroneer.com/jp/sustainability/environment/> (in Japanese)  
▶ For timeline of our past biodiversity actions, visit our website at: <https://www.infroneer.com/jp/sustainability/environment/biodiversity.html> (in Japanese)

Pollution Prevention

■ Management of Hazardous Substances

The Group manages operations for building, civil engineering, pavement construction, crushing stone, mixture manufacturing, building machinery manufacturing, and others, appropriately in compliance with applicable laws and regulations. Major issues under management are related to monitoring the usage of PRTR-listed chemical substances; proper processing of wastewater to be discharged; and prevention of soil contamination and alleviating and avoiding negative impacts in case of contamination. Recognizing that inappropriate management poses reputational risks that can result in a lost business opportunity, we will ensure appropriate management on a constant basis.

**Related Projects**

**Development of Aquatic PFOS/PFOA Adsorption Treatment System**

MAEDA CORP. has developed a water treatment system to remove organofluorine compounds (PFOS, PFOA) from wastewater. The system, composed of two types of units, each for the clarifier and ion-exchange resin, is suitable for transportation on a general-purpose vehicle. The clarifier unit removes free-floating substances and the ion-exchange resin unit removes PFOS and PFOA. Anticipating an increase in the amount of detected PFOS and PFOA nationwide in the future, we are planning to aggressively market this technology.

Clarifier unit

Ion-exchange resin unit

■ Environmental Laws and Regulations Compliance Status

In FY2022, we reported three cases of violations of environmental laws and regulations.  
▶ For more details, visit our website at: <https://www.infroneer.com/jp/sustainability/environment/> (in Japanese)

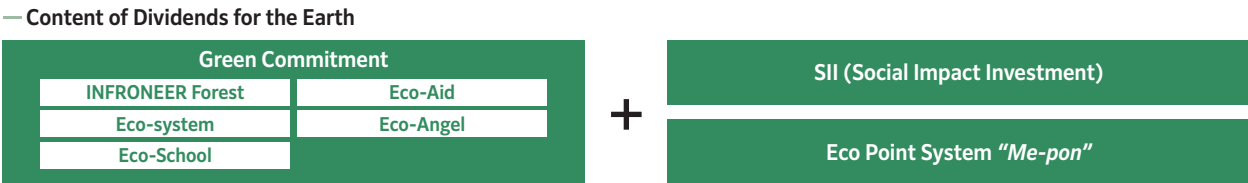
Water Security

■ Policies and Philosophy Regarding Water Security

The Group recognizes the conservation of water resources as one of the key environmental issues and is committed to reducing water usage by increasing usage efficiency and promoting recycling as well as securing safe water resources, a factor for ensuring local residents' sense of security. We promote related efforts through our overall businesses, particularly water and sewage concession projects, exemplified by those for managing industrial water supply systems in Osaka City and a public sewer system concession in Miura City (for east area treatment).

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 concept as we pay dividends to our shareholders. Based on this idea, we set the amount of “Dividends for the Earth” at 2% of our consolidated profit.



- **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. 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.
- ▶ For details on “Dividends for the Earth,” visit our website at: <https://www.infroneer.com/jp/sustainability/environment/> (in Japanese)

Society

Basic Approach

The INFRONEER Group recognizes that investments in human capital are the starting point for improving corporate value, because our human resources are the driving force for maximizing added value. To realize our vision of becoming an integrated infrastructure service company, we are proactively promoting investments so that we can not only continuously produce value-creating human capital that will embrace challenges and engage in co-creation with a sense of ownership but also improve corporate value. In addition, aiming to take on the challenge of building future infrastructure together with all our partners, we have been promoting initiatives throughout the entire supply chain by establishing a human rights policy, a bedrock for solid business operations, while pursuing diversity and ensuring occupational health and safety.

Human Rights and Labor

Human Rights Policy

We take the impact that risks and opportunities related to human rights have on companies seriously. We have implemented 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 human rights on our website and in our integrated reports.

▶ For details of the Human Rights Policy, visit our website at: [https://www.infroneer.com/jp/blog\\_assets/attachments/314/HumanRightsPolicy.pdf](https://www.infroneer.com/jp/blog_assets/attachments/314/HumanRightsPolicy.pdf) (in Japanese)

Basic Approach toward Labor Standards

The INFRONEER Group respects the freedom of association and rights to collective bargaining protected by laws and regulations applicable in each country and region where we conduct business, as stated in our Human Rights Policy. Also, the policy describes that in countries and regions where the freedom of association and rights to collective bargaining are restricted by local laws and regulations that do not meet international human rights standards, we will pursue appropriate ways to respect these rights by establishing alternative means for having a dialogue with local employees.

In the INFRONEER Group, labor unions are promoting activities to improve working conditions, such as wages and working hours, with the aim of maintaining and improving the employment conditions and increasing the economic status of workers. Some details of such activities are provided below.

MAEDA ROAD CONSTRUCTION Labor Union

We have 1,840 members, representing a majority of the entire applicable workforce. We conduct an annual survey to monitor chronological changes in membership satisfaction and use the survey results to plan activities to raise the motivation of members. Also, we hold constructive labor-management consultation sessions several times a year, seeking to improve working conditions and the employment environment.

Yoshihito Ryuo  
Chairperson of Central Executive Committee  
MAEDA ROAD CONSTRUCTION Labor Union



Activities and initiatives carried out in FY2022	
April	Labor-management consultations regarding wages and systems
April-June	Spring headquarters union organizing campaign (32 sessions)
September	Labor-management consultations regarding reduction of internal documentation work
September-November	Autumn headquarters union organizing campaign (23 sessions)
October-November	Branch labor-management consultations (11 branches)
November	Membership satisfaction survey

Japan Metal, Manufacturing, Information and Telecommunication Workers' Union (JMITU) MAEDA SEISAKUSHO Branch

Despite its small size with 30 members, our labor union promotes activities to improve working conditions, including bonus negotiations as well as spring and autumn wage negotiations. Our other important activities include preparing a summary of the concerns and fears of employees about the introduction of new systems and submitting the summary to the company, looking to build a better labor-management relationship and contribute to the sustained development of society.

Kazuhiko Miyazaki  
Chairperson of MAEDA SEISAKUSHO Labor Union



Activities and initiatives carried out in FY2022	
June	Collective bargaining (summer bonus)
September	Annual conference, collective bargaining (autumn wage negotiation)
November	Collective bargaining (year-end bonus)
March	Collective bargaining (spring wage negotiation)

Health and Safety

Approach to Health and Safety

At the INFRONEER Group, officers, employees, and other related parties act together according to health and safety management systems, following not only laws and regulations but also relevant rules and standards. Each person carries out disaster prevention measures effectively and works to ensure health, safety, and security when engaging in business activities. The Group's workplace accident report for FY2022 (workers employed by INFRONEER only) presents 14 accidents accompanied by lost work time, out of which eight cases involved four or more days of absence and no case was fatal.

Also, based on the recognition that the physical and mental health of employees serves as a basis of business activities and a driver of the development of the Group, we implement various measures to support employees' health.

Certified as a Health & Productivity Management Outstanding Organization

MAEDA CORP. was certified as a Health & Productivity Management Outstanding Organization 2023 (large enterprise) under a Japanese government program to recognize large enterprises and SMEs for the outstanding practice of health and productivity management to deal with health issues effectively and engage in health-promoting activities recommended by the Nippon Kenko Kaigi.

◎ Previous certification: MAEDA CORP., MAEDA SEISAKUSHO (2020)



All Employees to Have an Interview with a Public Health Nurse (MAEDA ROAD)

MAEDA ROAD runs a program to allow all its employees to have an interview with a public health nurse once a year for the management of their physical and mental health. The interviews are held at the head office and 11 branch offices across Japan according to the annual schedule set for each office. Individual employees make an appointment from the dedicated website according to their own schedule and have an online interview with one of the six nurses. The nurses are qualified for privacy management and provide guidance and advice on various health topics, including recommendations for re-examination, health promotion, self-care for mental health, and smoking cessation, using the employee's latest health check-up results.

◎ Program use rate in FY2022: 98%



Local Communities

Revitalize the Community and Support Partners

We will work to resolve social issues and promote regional revitalization by participating in public-private partnership projects such as concession projects 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. From FY2023, MAEDA CORP. has started to budget for supporting cooperating companies, chiefly in areas related to human resources development, establishment of construction structures, and development of technical capabilities for improving productivity, to accelerate efforts for these purposes. Also, as steps to provide support with cash management, the company has abolished the use of electronically recorded monetary claims and begun to make all-cash payments.

Major activities to support cooperating companies

Support for securing and training human resources

Securing and training skilled construction workers will make the construction industry more attractive and lead to the development of a more developed social infrastructure. As part of efforts to assist the recruiting activities of cooperating companies, MAEDA CORP. makes budgets for enhancing the brand image of TEAM-Z, the recruitment website of Zenyu-kai, the network of MAEDA CORP.'s cooperating companies, principally by employing services for content creation and branding item development. The company also prepares budgets for providing extensive personnel training programs for cooperating companies, such as rank-based upskilling and training courses for employees, managers, engineers and candidates for management team members.

▶ For details of TEAM-Z, visit our website at: <https://team-z.jp/> (in Japanese)

Support for technical capabilities development in consideration of needs of cooperating companies

Improvement of cooperating companies' technical capabilities is a crucial issue not only for the purpose of increasing their profitability but also for adequately securing and developing human resources, a challenge that requires more focused attention in the future. MAEDA CORP. sets aside budgets for development projects based on suggestions submitted by cooperating companies to deal with their needs in order to maintain and improve their construction capabilities.

Local contribution activities

INFRONEER is an SDGs partner to the professional basketball team LEVANGA HOKKAIDO based on the partnership agreement signed in October 2022. The company sponsors the team's SDGs project LEVANGA ACTION, specifically for donating basketballs to local elementary schools, in a bid to contribute to community revitalization through promoting sports activities. Going forward, we will engage in communication with regional communities through social contribution activities.



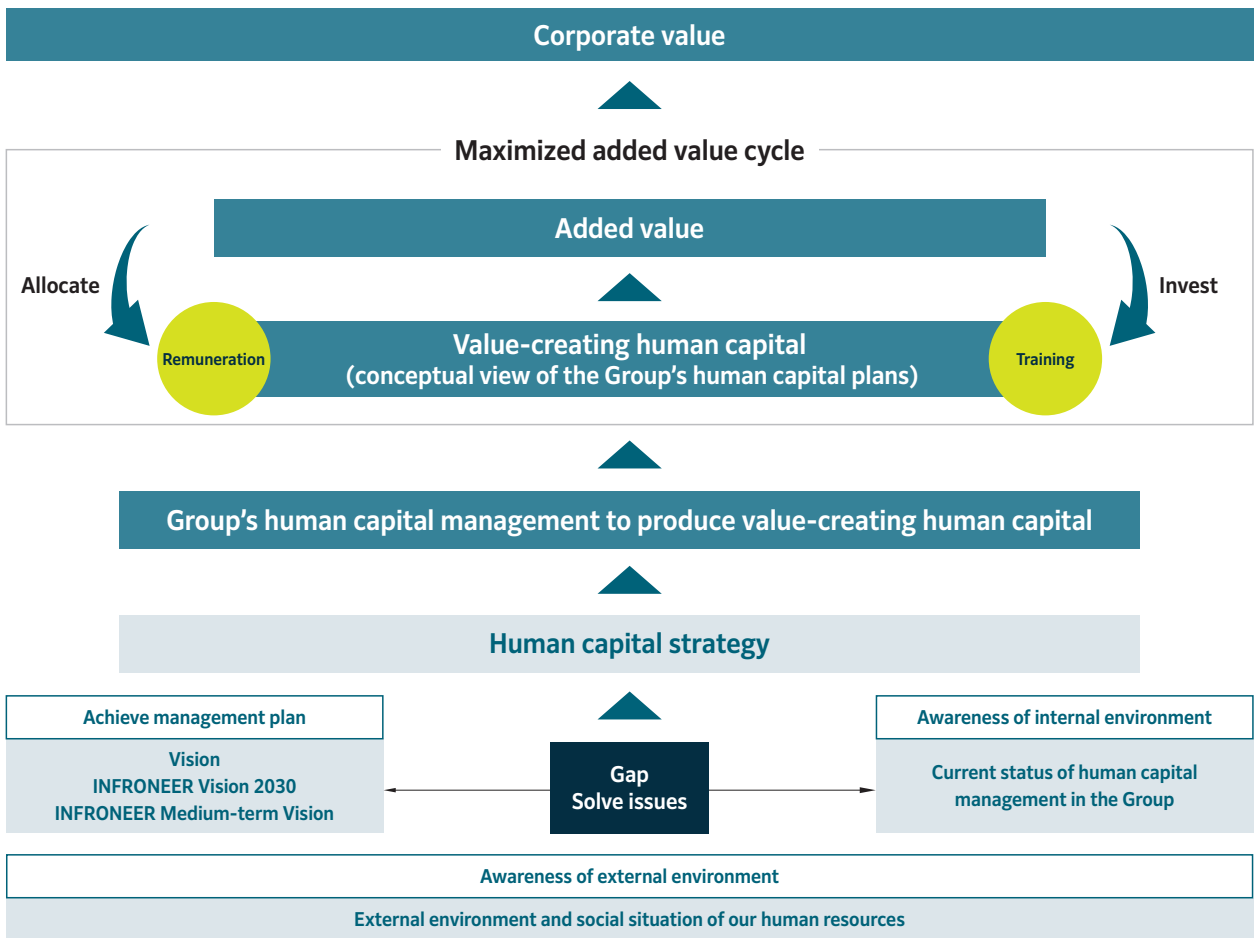


## Human Capital Strategy

### ■ Policies and Approach to Human Resources

The INFONEER Group has formulated an INFONEER Vision 2030 (Medium- to Long-term Business Plan) and an INFONEER 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 to value our work, and the current status of human capital management in the Group.

#### — Overall View of the Group's Human Capital Strategy



### ● 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	Challenges	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
		Assignment	Assign human resources optimally Group talent management*
	Co-creation	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 of human resources

### ● Strengthening Competitiveness in Acquiring Human Resources

To create value through a diverse and productive workforce, the INFONEER Group promotes recruitment activities to raise the recognition and understanding of the Group in the labor market. For this purpose, we run "talentbook," a website to present stories of INFONEER believers performing their work, as well as our official Instagram account that focuses on the talent of people involved in infrastructure services and attention-grabbing situations occurring in day-to-day operations. Using these tools, we aim to raise awareness and arouse the interest and empathy of more people in the company, seeking to attract many new members to join our Group.



► For more details, visit our website at: <https://www.talent-book.jp/infoneer> (in Japanese)

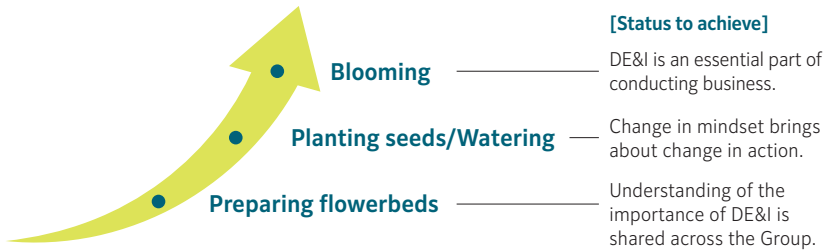
### ● Pursue Ease of Work and Value of Work

We build a system and corporate culture in which diverse human resources can work together productively with a sense of unity and fulfillment, by implementing a performance-based remuneration system, proactively investing in employee engagement improvement measures, promoting health & productivity management, supporting work-life balance, and introducing flexible working styles. Since FY2022, we have been promoting activities at each business site of Group companies to instill the Group's management philosophy and the common philosophical guidepost (action guidelines). We will continue with these activities with unabated eagerness, with a focus on improving employee engagement in and motivation for group-wide activities and increasing productivity.

#### Formulating Diversity, Equity & Inclusion Policy

To continue providing infrastructure services to an increasingly diverse society, it is important to ensure that each employee with diverse values, attributes, skills, and other background factors fully demonstrates their abilities to generate new value. Based on this recognition, we have formulated our Diversity, Equity & Inclusion Policy. Going forward, we will implement all the initiatives according to the related roadmap and strive to achieve sustained growth and improvement of our corporate value over the medium to long term.

#### — Diversity, Equity & Inclusion (DE&I) Roadmap



- Give training for change in mindset to make the understanding of the importance of DE&I shared across the Group.
- Bring the change in mindset to the phase of change in action by implementing appropriate personnel exchange and personnel systems.
- Achieve results from the change in action (practice DE&I policy)

► For details of the Policy, visit our website at: [https://www.infoneer.com/jp/blog\\_assets/attachments/583/20230622.pdf](https://www.infoneer.com/jp/blog_assets/attachments/583/20230622.pdf) (in Japanese)

#### Philosophy Dissemination Workshop

In FY2022, we started holding workshops for disseminating the Group's common philosophical guidepost INFONEER^ (INFONEER Caret) for realizing the Vision, Mission, and Value. The workshops were attended by a total of roughly 900 employees in managerial positions. In FY2023, they are organized at business sites across Japan in sequence, targeting a total of 5,000 non-managerial employees. Through teamwork activities transcending companies and departments, the workshops are designed to foster mutual understanding and a sense of unity while increasing an understanding of the Group's vision and direction as well as actions to take to approach them, with an eye to increasing employee engagement.

► For details of the philosophy, see page 1.



Problem-solving teamwork activity at a philosophy dissemination workshop