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June 25, 2024

For Immediate Release

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**Notice Regarding Issuance of Series 1 Bond-Type Class Shares (Green Bond-Type Class Shares) and Reduction of Share Capital and Additional Paid-in Capital**

INFRONEER Holdings Inc. (hereinafter the “Company”) hereby announces that the Board of Directors passed a resolution today to issue Series 1 Bond-Type Class Shares (the “Bond-Type Class Shares”, and such issuance, the “Offering”), as described below. In addition, the Company also hereby announces that the Board of Directors passed a resolution today to reduce the amount of share capital and additional paid-in capital equivalent to the amount of its share capital and additional paid-in capital to be increased as a result of the issuance of the Bond-Type Class Shares, effective as of the Payment Date (defined below) of the issuance of the Bond-Type Class Shares through the Offering.

[Background and Purpose of the Financing]

On October 1, 2021, the Company was established as the wholly-owning parent company of Maeda Corporation, Maeda Road Construction Co., Ltd. and Maeda Seisakusho Co., Ltd. The Company has set a medium- to long-term goal to become an integrated infrastructure service company focusing on infrastructure management business which manages upstream to downstream infrastructure operations, aiming for perpetual growth of the group. The Company has vigorously promoted this as a group-wide strategy.

At the core of the group’s growth strategy, the infrastructure management business consists of the renewable energy business and public-private partnership businesses such as the concession business. The Company focuses on promoting these business areas.

Under these circumstances, the Company passed a resolution at the meeting of the Board of Directors held on February 9, 2024 to submit a proposal for partial amendments to its Articles of Incorporation regarding the authorization of the Series 1 Bond-Type Class Shares through Series 6 Bond-Type Class Shares (the “Proposal for the Amendment to the Articles of Incorporation”) at the Company’s 3<sup>rd</sup> Annual General Meeting of Shareholders on June 25, 2024 (the “General Meeting of Shareholders”) in order to achieve financial strength

through an increase in equity capital while minimizing the impact on the interests of existing holders of shares of common stock of the Company (the “Common Shareholders,” and such shares, the “Common Shares”) to the fullest extent possible. The Company also filed a shelf registration statement with respect to the Bond-Type Class Shares on February 9, 2024.

As the Proposal for the Amendment to the Articles of Incorporation was approved at the General Meeting of Shareholders, the Company has concluded that the funding by the Bond-Type Class Shares is the best option based on the comprehensive consideration of the market environment and other factors, and decided to issue the Bond-Type Class Shares by public offering under the terms and conditions outlined below.

The Bond-Type Class Shares will be the first “Green Bond-Type Class Shares” in Japan, and will be issued under the Company’s Green Finance Framework (hereinafter the “Framework”), which was updated in March 2024. The funds raised through the issuance of the Bond-Type Class Shares will be used by the end of August 2024 to refinance a part of the loan of 218.4 billion yen borrowed from financial institutions in connection with the acquisition of shares of Japan Wind Development Co., Ltd. (the “Japan Wind Development”).

(Product Nature of Bond-Type Class Shares)

The Bond-Type Class Shares are designed to be suitable for investments by a wide range of domestic investors while minimizing the impact of dilution on the interests of the Common Shareholders. The product nature of the Bond-Type Class Shares is as follows:

(i) Product nature as “bond-type” class shares

In consideration of the Common Shareholders of the Company, the hybrid design of the Bond-Type Class Shares provides a combination of features that resemble those of “corporate bond”, such as no dividend to be paid beyond the preferred dividends determined at the time of issuance and no dilution of the voting rights, and features that resemble those of “shares”, such as the nature to increase equity capital.

Therefore, the issuance of the Bond-Type Class Shares will enable the Company to realize an increase in equity capital to secure a sound financial base without dilution of the voting rights of the Common Shareholders, while taking into more consideration the impact on the Company’s financial indicators, including ROE and EPS for the Common Shares (\*), compared to a capital increase through the issuance of the Common Shares.

\* On the assumption that the relevant amounts of the Bond-Type Class Shares (paid-in amount and preferred dividends) are deducted from the net assets and net income when calculating ROE and EPS for the Common Shares

(ii) Product nature similar to that of hybrid bonds

The Company aims a product nature similar to that of hybrid bonds and is considering a design with the following main features. The Company plans to obtain the equity credit for the 50% of the amount of funds raised by the issuance of the Bond-Type Class Shares from a rating agency (Japan Credit Rating Agency, Ltd.).

(Key features)

- Preferred Dividend: Fixed dividend for approximately five years from the issuance (to be determined upon the pricing of the Bond-Type Class Shares), and variable dividend thereafter, senior to Common Shares, cumulative, non-participating

- Clause for Acquisition by the Company (Call option): The Company may acquire Bond-Type Class Shares in exchange for cash after the elapse of five years from the issuance, etc.
- Replacement restrictions: Generally, financing with equal or greater equity credit will be required if the Company acquires the Bond-Type Class Shares by exercising the call option, etc. (\*1)
- Voting rights: None
- Right to convert into the Common Shares: None

\*1 An issuer of hybrid bonds generally replaces its existing hybrid bonds with certain securities and loans with equal or greater equity credit because of the replacement restrictions when the issuer exercises the call option of the existing hybrid bonds.

For this reason, the Articles of Incorporation authorizes the issuance of up to sixth series of Bond-Type Class Shares so that the Company may replace the Bond-Type Class Shares with another series of Bond-Type Class Shares when it acquires the Bond-Type Class Shares by exercising the call option, etc.

Meanwhile, unlike typical hybrid corporate bonds, proceeds from the issuance of the Bond-Type Class Shares will be recorded as equity for accounting purposes.

(iii) Issuance by public offering in Japan; listing on the TSE

The issuance of the Bond-Type Class Shares will be conducted by public offering in Japan, and the Bond-Type Class Shares will be listed on the Prime Market of the TSE. The Company intends to make the Bond-Type Class Shares available for retail investors.

(iv) General Meetings of Class Shareholders

Under the Companies Act, shareholders of Bond-Type Class Shares (“Bond-Type Class Shareholders”) may resolve only the matters provided for in such act and the Articles of Incorporation at the General Meetings of Class Shareholders. The Articles of Incorporation require a resolution passed at the General Meeting of Class Shareholders comprising Bond-Type Class Shareholders if the Company performs any of the following acts and there is any likelihood of causing damage to the Bond-Type Class Shareholders:

- a merger in which the Company will be a disappearing company or a share exchange or share transfer in which the Company will be a wholly-owned subsidiary (except for a sole-share transfer conducted by the Company); or
- an approval by the Board of Directors of a demand for a cash-out by a Special Controlling Shareholder against the other shareholders of the Company.

In addition, in order to promptly and flexibly manage its capital structure based on the Offering, the Company has passed a resolution to reduce its share capital and additional paid-in capital by the amount of the increase in share capital and additional paid-in capital as a result of the issuance of the Bond-Type Class Shares through the Offering, as of the Payment Date, on the condition that the Offering successfully closes, and to transfer the full amount of both to “other capital surplus.”

[Green Finance Framework]

In March 2024, the Company updated the Framework, which was announced in August 2022. The Framework aligns with the four core components and key recommendations of the Green Bond Principles 2021, the Green Loan Principles 2023, the Green Bond Guidelines 2022 and the Green Loan Guidelines 2022.

For more information on the Framework, please see below.

- Green Finance Framework

[https://www.infroneer.com/static/pdf/greenfinanceframework\\_en\\_202403.pdf](https://www.infroneer.com/static/pdf/greenfinanceframework_en_202403.pdf)

- JCR Green Finance Framework Evaluation

<https://www.jcr.co.jp/en/greenfinance/green/fw/>

In updating the Framework, the Company has selected Nomura Securities Co., Ltd. as the structuring agent to provide support for green finance through the formulation of the Framework and advice on obtaining a third-party evaluation.

#### **I. Outline of Issuance of Series 1 Bond-Type Class Shares by Public Offering**

1.	Class and Number of Shares for Subscription	Series 1 Bond-Type Class Shares of INFRONEER Holdings Inc. (the “Series 1 Bond-Type Class Shares”): 20,000,000 shares
2.	Aggregate Amount of Issue Price (Offer Price)	100,000,000,000 yen (5,000 yen per share)
3.	Amount to be Paid in	4,875 yen per share
4.	Amount of Increase in Share Capital and Additional Paid-in Capital	Amount of increase in share capital 48,750,000,000 yen (2,437.5 yen per share) Amount of increase in additional paid-in capital 48,750,000,000 yen (2,437.5 yen per share)
5.	Offering Method	Public offering in Japan (the “Public Offering”) with firm commitment underwriting of all shares by the Japanese underwriters.
6.	Consideration of Underwriters	The Company will not pay any underwriting commission to the underwriters, although the aggregate amount of the difference between the Issue Price (Offer Price) and the amount to be paid to the Company by the underwriters shall constitute proceeds to the underwriters.
7.	Subscription Period	From the next business day after the Pricing Date to Wednesday, July 31, 2024  The Pricing Date is expected to be a date between Friday, July 12, 2024 and Wednesday, July 17, 2024.
8.	Payment Date	Thursday, August 1, 2024
9.	Share Unit for Subscription	100 shares

10. Preferred Dividends

(1) Preferred Dividends

When the Company declares a dividend of surplus with March 31 as the record date, the Company shall pay in cash to holders of the Series 1 Bond-Type Class Shares entered or registered in the last shareholder register as of the record date of that dividend, in preference to the Common Shareholders, in the amount per Series 1 Bond-Type Class Share equal to the product of equivalent of the issue price per share of the Series 1 Bond-Type Class Shares multiplied by the annual dividend rate specified in the following subsection (not more than 10%; the "Annual Dividend Rate")(a "Preferred Dividend to Series 1 Bond-Type Class Shares").

(2) Annual Dividend Rate

(i) If the record date falls in a fiscal year ending on or before March 31, 2030:

A rate not less than 2.30% per annum and not greater than 3.00% per annum, to be determined on the Pricing Date (the "Fixed Annual Dividend Rate").

(ii) If the record date falls in a fiscal year ending on or after April 1, 2030:

The interest rate of One-Year Japanese government bonds (JGBs) as of two business days before the last day of the immediately preceding fiscal year, plus a rate equal to the spread over the secondary yield (biannual compound basis) on 10-year JGBs with a remaining maturity of about 5 years applicable on the date that the Fixed Annual Dividend Rate is determined plus 1% (to be determined on the Pricing Date).

(3) Accumulation

If the amount of dividends of surplus actually paid to the holders of the Series 1 Bond-Type Class Shares per Series 1 Bond-Type Class Share in a given fiscal year in which the record date falls is less than the amount of the Preferred Dividend to Series 1 Bond-Type Class Shares for that fiscal year, that shortfall amount shall accumulate in subsequent fiscal years by a simple interest calculation (the accumulated shortfall, the "Accumulated Dividends Payable to Series 1 Bond-Type Class Shares"). The Company shall pay dividends of surplus to the holders of the Series 1 Bond-Type Class Shares until such payment reaches the amount of the Accumulated Dividends Payable to Series 1 Bond-Type Class Shares, in preference to any dividends

of surplus provided for in the subsection (1) of this section or the following section.

(4) Non-Participation

No dividends of surplus shall be paid to the holders of the Series 1 Bond-Type Class Shares in excess of the total of the Preferred Dividend to the Series 1 Bond-Type Class Shares and the Accumulated Dividends Payable to Series 1 Bond-Type Class Shares.

11. Interim Preferred Dividend

When the Company declares a dividend of surplus with a record date of September 30 (an "Interim Dividend Record Date"), the Company shall pay in cash to the holders of the Series 1 Bond-Type Class Shares entered or registered in the last shareholder register as of the Interim Dividend Record Date, in preference to the Common Shareholders, in the amount per Series 1 Bond-Type Class Share equal to one-half of the Preferred Dividend to the Series 1 Bond-Type Class Shares.

12. Distribution of Residual Assets (1)

Distribution of Residual Assets

When the Company makes a distribution of residual assets, the Company shall pay in cash to the holders of the Series 1 Bond-Type Class Shares in preference to the Common Shareholders, in the amount per Series 1 Bond-Type Class Share equal to the sum of the equivalent of the issue price per Series 1 Bond-Type Class Share plus the total of the Accumulated Dividends Payable to Series 1 Bond-Type Class Shares and the Accrued Dividend (defined below) as of the date of the distribution of residual assets (the "Distribution Date").

"Accrued Dividend" means the amount obtained by multiplying the amount of the Preferred Dividend to Series 1 Bond-Type Class Shares for which the record date falls within that fiscal year by the number of days in the period beginning from (inclusive) the first day of the fiscal year in which the Distribution Date falls and ending on (inclusive) the Distribution Date, and then dividing such amount by the number of the days in the fiscal year.

(2) Non-Participation

No distribution of residual assets shall be made to the holders of the Series 1 Bond-Type Class Shares other than the distribution provided for in the preceding subsection.

13. Order of Priority Distributions of preferred dividends, interim preferred dividends and residual assets payable to Series 1 Bond-Type Class Shares through Series 6 Bond-Type Class Shares are ranked *pari passu*.
14. Voting Rights The holders of the Series 1 Bond-Type Class Shares cannot exercise voting rights at the General Meeting of Shareholders with respect to any matter.
15. Resolutions of General Meeting of Class Shareholders
- (1) Unless otherwise provided by law, ordinance or the Articles of Incorporation, the resolutions of a General Meeting of Class Shareholders shall be adopted by a majority of the voting rights represented by the shareholders present who are entitled to exercise voting rights.
  - (2) The resolutions provided for in Article 324, Paragraph 2 of the Companies Act shall be adopted by no less than two-thirds of the voting rights of shareholders present at the meeting whereby shareholders representing no less than one-third of the voting rights of shareholders who are entitled to exercise voting rights are present.
  - (3) No resolution of a General Meeting of Class Shareholders comprising the holders of the Series 1 Bond-Type Class Shares is required for the Company to conduct any of the acts provided for in the items of Article 322, Paragraph 1 of the Companies Act, unless otherwise provided by law or ordinance.
  - (4) If the Company performs any of the following acts and there is any likelihood of causing damage to the holders of the Series 1 Bond-Type Class Shares, that act shall not take effect without a resolution of the General Meeting of Class Shareholders comprising the holders of the Series 1 Bond-Type Class Shares, in addition to a resolution of the General Meeting of Shareholders or the Board of Directors, unless there are no holders of the Series 1 Bond-Type Class Shares who would be able to vote at that General Meeting of Class Shareholders:
    - (a) a merger in which the Company will be the disappearing company or a share exchange or share transfer in which the Company will be the wholly-owned subsidiary (except for a sole-share transfer conducted by the Company); or
    - (b) an approval by the Board of Directors of a demand for a cash-out by a Special Controlling Shareholder against the other shareholders of the Company.

16. Acquisition (Acquisition by the Company in Exchange for Cash) (1) Acquisition in Exchange for Cash
- If either of the events specified in (a) or (b) below occurs, the Company may acquire all or part of the Series 1 Bond-Type Class Shares as of the acquisition date separately determined by a resolution of the Board of Directors or a determination of an executive officer to whom the authority to make such determination has been delegated by a resolution of the Board of Directors:
- (a) five years have passed from and including the Payment Date (i.e., on or after August 1, 2029); or
- (b) a capitalization event has occurred and exists.
- (2) Replacement Restrictions
- If the Company acquires the Series 1 Bond-Type Class Shares in exchange for cash in accordance with the call option under this section or repurchases Series 1 Bond-Type Class Shares (together with an acquisition in exchange for cash, the "Acquisition for Monetary Consideration"), the Company shall not conduct that Acquisition for Monetary Consideration unless the Company funds the amount required for the Acquisition for Monetary Consideration with the issuance or disposition of replacement securities or borrowing with equal or greater equity credit at least 12 months prior to the date of that Acquisition for Monetary Consideration.
- (3) Method of Acquisition
- In the case of an acquisition in accordance with the call option under this section, the Company shall notify or announce the date of acquisition to the holders of the Series 1 Bond-Type Class Shares at least one month before the date of acquisition.
17. Share Consolidation; Share Split (1) The Company shall not conduct any share consolidation or share split with respect to the Series 1 Bond-Type Class Shares, unless otherwise provided by law or ordinance.
- (2) The Company shall not make any gratis allotment of shares or stock acquisition rights to the holders of the Series 1 Bond-Type Class Shares.
- (3) The Company shall not grant to the holders of the Series 1 Bond-Type Class Shares any right to receive allotment of shares offered for subscription or stock acquisition rights offered for subscription.



- (4) If the Company conducts a share transfer (limited to a sole-share transfer conducted by the Company), the Company shall deliver to the Common Shareholders shares issued by the wholly-owning parent company to be incorporated in the share transfer that are of the same class as the Common Shares of the Company in exchange for the Common Shares, and deliver to the holders of the Series 1 Bond-Type Class Shares issued by the wholly-owning parent company to be incorporated in the share transfer that are of the same class as the Series 1 Bond-Type Class Shares in exchange for the Series 1 Bond-Type Class Shares, in the same ownership ratio respectively.
18. Absence of Seller Put Options When the Company Repurchases Series 1 Bond-Type Class Shares
- If the Company decides to repurchase all or part of the Series 1 Bond-Type Class Shares held by a specific holder of the Series 1 Bond-Type Class Shares under an agreement with such holder pursuant to a resolution of the General Meeting of Shareholders, other holders of the Series 1 Bond-Type Class Shares shall not be entitled to participate in the sale of the Series 1 Bond-Type Class Shares they hold.
19. Listing
- The Series 1 Bond-Type Class Shares are to be listed on the Prime Market of the Tokyo Stock Exchange.
20. Applicability of the Act on Book-Entry Transfer of Corporate Bonds and Shares, etc.
- All of the Series 1 Bond-Type Class Shares are subject to the book-entry transfer system of Japan.
21. In addition to the above items, the representative executive officer shall decide the Annual Dividend Rate and all other matters necessary for the issuance of the Series 1 Bond-Type Class Shares by the Public Offering pursuant to the delegation by the Board of Directors. The representative executive officer is also authorized to change the pricing range specified in 10(2)(i) above.
22. The above matters are conditional on the filing of a supplemental document to the shelf registration statement pursuant to the Financial Instruments and Exchange Act.

(Reference)

1. Use of Proceeds

(1) Use of Proceeds

The full amount of the approximate net proceeds of 97,000,000,000 yen from the issuance of the Bond-Type Class Shares will be used by the end of August 2024 to refinance a part of the loan of 218.4 billion yen borrowed from financial institutions in connection with the acquisition of shares of Japan Wind Development. Such use of proceeds constitutes refinancing for eligible projects as defined in the Framework updated by the Company in March 2024.

The net proceeds from the issuance of Zero Coupon Convertible Bonds (Green CBs) due 2029 issued on April 8, 2024 (London time) , amounting to approximately 60 billion yen, have already partially repaid the borrowings.

(2) Change in Use of Proceeds Since Previous Issuance

Not applicable.

(3) Outlook on Business Performance

No change in the forecast for this fiscal year.

2. Distribution of Profit to Shareholders, etc.

(1) Basic Policy on Profit Distribution

The Company regards the return of profits to shareholders as one of its most important management policies, and has established a basic policy to endeavor to achieve a dividend payout ratio of 30% or more in accordance with the return policy set forth in the medium-term management plan “INFRONEER Medium-term Vision 2024” in addition to share buybacks.

(2) Policy for Determining Dividends

The Company's policy is to pay dividends twice a year, an interim dividend and a year-end dividend. The Company's Articles of Incorporation stipulate that dividends, etc. may be paid by a resolution of the Board of Directors in accordance with Article 459, Paragraph 1 of the Companies Act of Japan.

The Company will pay dividends to the Bond-Type Class Shares in the amount of the product of the equivalent of the issue price per share multiplied by the annual dividend rate determined on the Pricing Date in accordance with the terms and conditions.

(3) Use of Retained Earnings

Retained earnings will be used for R&D investment in new technologies and to fund business development aimed at becoming a “comprehensive infrastructure services company.”

## II. Reduction of Share Capital and Additional Paid-in Capital

1. Purpose of Reduction of Share Capital and Additional Paid-in Capital

As stated in “I. Outline of Issuance of Series 1 Bond-Type Class Shares by Public Offering” above, the Company passed a resolution with respect to the Offering today. In order to promptly and flexibly manage its capital structure based on the Offering, the Company has passed a resolution to reduce its share capital and additional paid-in capital, by the amount of the increase in share capital and additional paid-in capital due to the issuance of the Series 1 Bond-Type Class Shares through the Offering, as of the Payment Date, on the condition that the Offering successfully closes, and to transfer the full amount of both to “other capital surplus” (the “Capital Reduction”).

2. Outline of Reduction of Share Capital and Additional Paid-in Capital

(1) Amount of Reduction in Share Capital

48,750,000,000 yen

As the amount of share capital will increase by 48,750,000,000 yen as a result of the Offering, the amount of share capital after the effective date will not be less than the amount of share capital before the effective date.

(2) Amount of Reduction in Additional Paid-in Capital

48,750,000,000 yen

As the amount of additional paid-in capital will increase by 48,750,000,000 yen as a result of the Offering, the amount of additional paid-in capital after the effective date will not be less than the amount of additional paid-in capital before the effective date.

(3) Method of Reduction of Share Capital and Additional Paid-in Capital

The Company will reduce the amounts of share capital and additional paid-in capital as described above in accordance with the provisions of Article 447, Paragraphs 1 and 3 and Article 448, Paragraphs 1 and 3 of the Companies Act, and transfer the full amount of both to “other capital surplus.”

3. Schedule of Reduction of Share Capital and Additional Paid-in Capital

Tuesday, June 25, 2024	Resolution by the Board of Directors
Wednesday, June 26, 2024	Public Notice of Objection by Creditors Regarding Reduction of Share Capital and Additional Paid-in Capital
Friday, July 26, 2024	Final Deadline for Objection by Creditors Regarding Reduction of Share Capital and Additional Paid-in Capital
Thursday, August 1, 2024	Effective Date of Reduction of Share Capital and Additional Paid-in Capital

4. Future Outlook

The Capital Reduction is a transfer of share capital and additional paid-in capital accounts to the “other capital surplus” account within the net assets, and there will be no change in the Company’s net assets.

This press release is intended to announce the proposed issuance of the Series 1 Bond-Type Class Shares and the reduction of the Company’s share capital and additional paid-in capital, and it has not been prepared for the purpose of soliciting investments or other conduct of similar nature whether in Japan, the United States, or elsewhere. This press release does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The securities referred to in this press release have not been, and will not be, registered under the United States Securities Act of 1933, as amended (hereinafter the “Securities Act”). The securities may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. The securities referred to above will not be publicly offered or sold in the United States.