INFRONEER Holdings Inc.

March 26, 2025

Company name:	INFRONEER Holdings Inc.
Name of representative:	Kazunari Kibe, Representative Executive Officer and President (Stock code: 5076; TSE Prime market)
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Notice Concerning Formulation of the "INFRONEER Medium-term Vision 2027"

INFRONEER Holdings Inc. (the Company) hereby announces that our Board of Directors has formulated the "INFRONEER Medium-term Vision 2027" at a meeting held on March 25, 2025, as follows.

1.Purpose of Formulating the INFRONEER Medium-term Vision 2027

To achieve the envisioned goals outlined in "INFRONEER Vision 2030" disclosed on October 1, 2021, the medium-term management plan, "INFRONEER Medium-term Vision 2027," builds upon the growth achieved under the previous plan, "INFRONEER Medium-term Vision 2024," disclosed on October 1, 2021. This plan positions the period as the "Phase of Expanding Investment Business" and aims to promote proactive growth investments based on value-driven thinking while adhering to financial discipline over the next three years. By utilizing EBITDA as a key metric, the plan seeks to accurately assess profitability and achieve sustainable growth, particularly in the infrastructure business. Furthermore, the governance structure will evolve to align with the ideal framework by fully leveraging the design principles of a company with a nomination committee. Through future-oriented business strategies and robust execution, the plan aims to enhance corporate value while balancing social contribution.

2.Contents of "INFRONEER Medium-term Vision 2027"

I. Performance target figures

The following performance targets have been set for FY2027.

	FY2027 target
Business profit	**70 billion yen**
EBITDA	**110 billion yen**
Net profit for the current period	**43 billion yen**
Added value amount	**210 billion yen**

II. Capital Strategies and Return Policies

The following policies have been defined regarding Capital Strategies and Return Policies.

Capital Strategies	
ROE	**9.0%**
Equity ratio	**30% or higher**
D/E ratio	**1.0 times or less**
Cross-shareholdings/Equity ratio	**0%**
Sales of real estate holdings	**10 billion yen or more**

Return Policies	
Dividend payout ratio	**40% or higher**
Minimum Dividend	**60 yen per share**

III. Summary of the Briefing on "INFRONEER Medium-term Vision 2027" for Analysts and Institutional Investors

Date and Time: **Friday, April 11, 14:30–15:30**

※The video of the briefing and the Q&A session will be released at a later date.

Contact: : Corporate Strategy Department, Corporate Planning Office IR 5076_ir@infroneer.com

INFRONEER Medium-term Vision 2027

Medium-Term Management Plan

March 25, 2025

Challenge the status quo

INFRONEER Holdings Inc

Announcement of the New Medium-Term Management Plan

- During the previous medium-term management plan period, growth was almost in line with the plan. Public-private partnership projects have seen expansion into new fields such as arenas and water services. Additionally, as part of an M&A strategy, Japan Wind Development is set to join in January 2024, aiming for further growth in the renewable energy business. In the construction and manufacturing sectors, steady growth has been achieved through disciplined order management and a focus on value-added operations.
- The new medium-term management plan, “INFRONEER Medium-term Vision 2027,” designates the next three years as the “**Phase of Expanding Investment Business.** ” In line with capital strategies such as disciplined equity ratios and D/E ratios, proactive investments based on value-driven thinking are executed promptly. In this phase, as capital expenditures and investments increase, **EBITDA is adopted as a key metric** to accurately assess profitability. Particularly in the infrastructure business, EBITDA is utilized as an appropriate indicator to demonstrate cash flow health and potential growth capacity, aiming for sustainable growth.
- Furthermore, to adapt to the evolving business environment and diversifying business domains, efforts will be made to further enhance the governance structure by fully leveraging the design philosophy of a company with a nomination committee, etc. By challenging conventional norms and utilizing forward-looking business strategies and execution capabilities, the aim is to achieve both corporate value enhancement and contributions to society.
- We sincerely ask for continued support and trust from all stakeholders as we move forward with these initiatives.

Kazunari Kibe

Director Representative Executive Officer, President, and CEO

INFRONEER Holdings

Table of Contents for Medium-Term Management Plan

Announcement of the New Medium-Term Management Plan

Glossary

1-1. Review of the Previous Medium-Term Management Plan

<Business performance figures, capital strategy, and shareholder returns>

Financial figures

Despite falling short of planned targets due to the postponement of the sale of the renewable energy business, **achieved consistent growth** over three years.

(billion yen)

	FY22 Result	FY23 Result	FY24 year-end forecast [Q3] (1)	FY24 medium-term management plan (2)	Comparison to plan (1)−(2)	Evaluation	Review
Net sales	711.8	793.3	**843.2**	875.0	**-31.8**		The Civil Engineering and Infrastructure Management segment **did not meet the plan.**
Value Added amount	159.8	174.2	**173.2**	155.0	**18.2**		**The plan has been successfully achieved.**
Gross profit	97.7	111.9	**113.7**	114.5	**-0.8**		**The plan has been generally achieved**
Business profit	46.4	51.5	**47.9**	59.0	**-11.1**		The postponement of the sale of the renewable energy business resulted **in not achieving the plan.**
Net income	33.5	32.6	**33.0**	40.0	**-7.0**		The above reasons led to **falling short of the plan**.
EBITDA	80.5	84.5	**81.0**	−	−		

Capital strategy・Shareholder returns

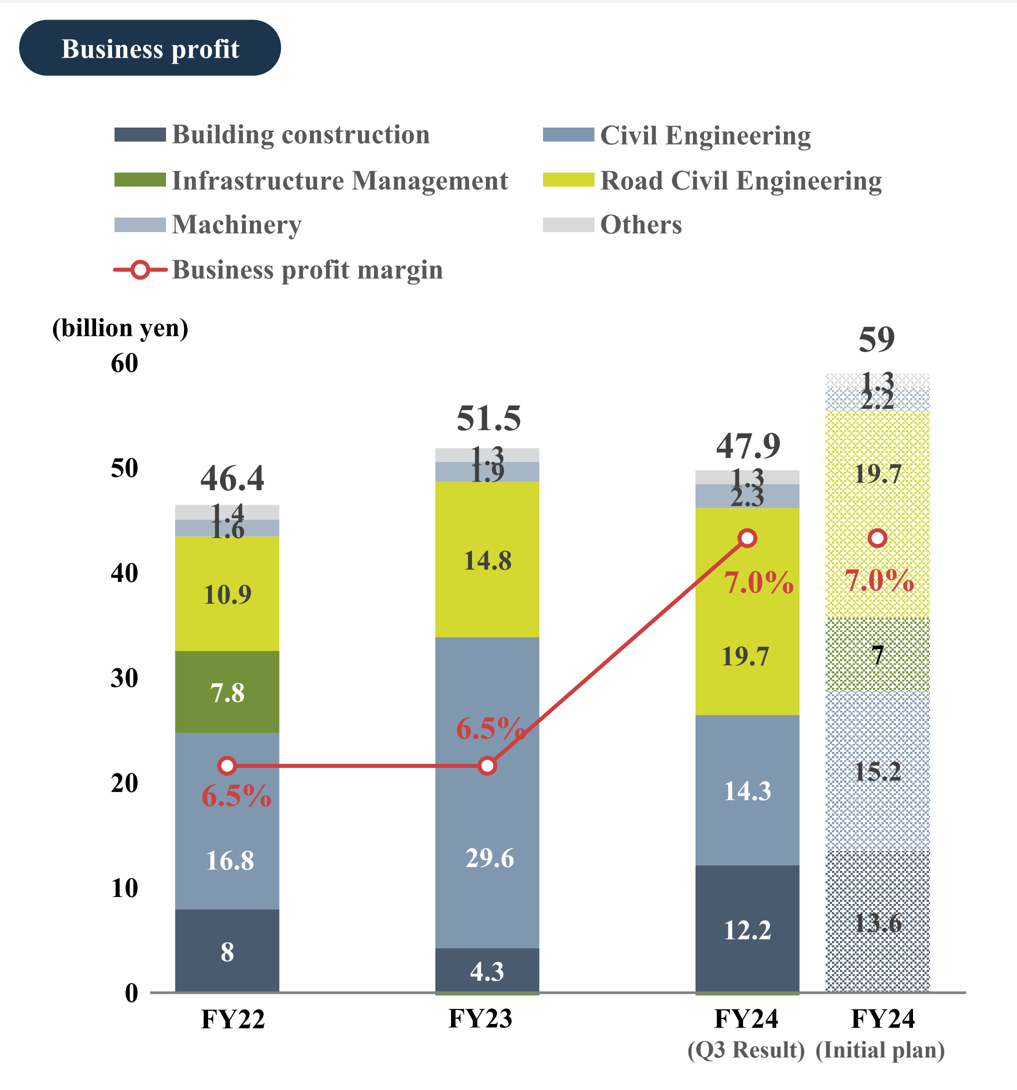
Some of the plans were not achieved due to the impact of Japan Wind Development becoming a subsidiary, but shareholder returns **were achieved ahead of schedule.**

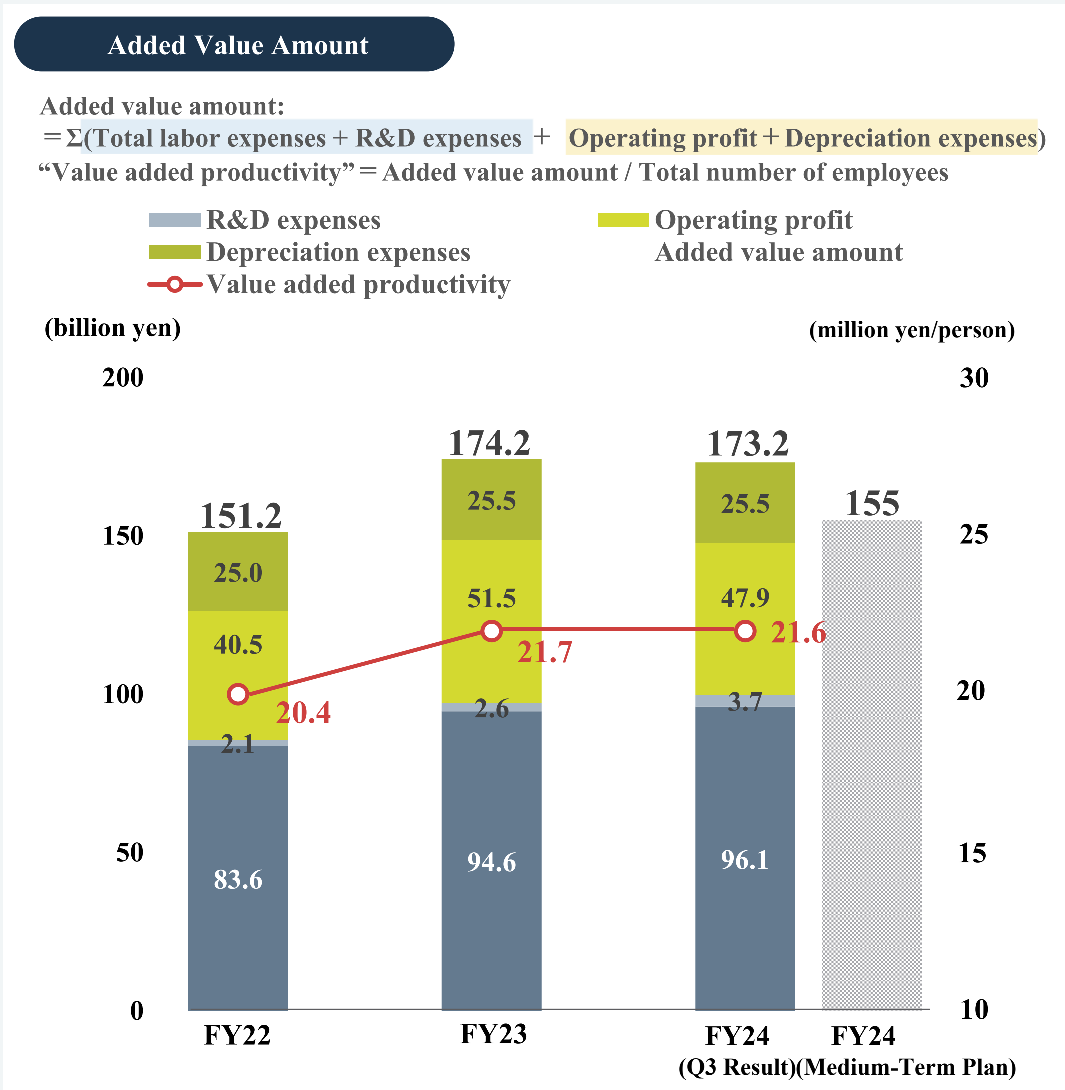
	FY22 Result	FY23 Result	FY24 year-end forecast [Q3] (1)	FY24 medium-term management plan (2)	Comparison to plan (1)−(2)	Evaluation	Review
ROE	9.4%	8.6%	**7.6%**	9.5%	**-1.9%**		The failure to meet net profit targets caused **a shortfall in the plan.**
Equity ratio	37.0%	28.4%	**35.3%**	30% or higher	**+5.3%**		**The plan has been successfully achieved.**
D/E Ratio	0.4 times	1.1 times	**0.82times**	0.6 times or less	**-0.22 times**		Interest-bearing debt increased due to fundraising for the Japan Wind Development subsidiary acquisition, leading to **a shortfall in the plan.**
Dividend payout ratio	42.5%	46.0%	**47.4%**	30% or higher	**+17.4%**		**The plan was achieved** at a level significantly exceeding 30%. Increased the dividend per share from 55 yen to **60 yen.**
Share buyback	Cumulative 30 billion yen in FY21–22	10 billion yen in FY23	**Cumulative 40 billion yen as of FY23**	Over 40 billion yen by FY24	**0**		**Achieved the plan** as of FY23.
Cross-shareholdings/Equity ratio	19.8%	25.8%	**15.0%**	20% or less	**+5.0%**		**The plan has been successfully achieved.** Sold over 25 billion yen in FY24. Plan to sell over 25 billion yen in FY24 and aim for 0 by FY27.
Sales of assets	**4.6 billion yen**			Consideration of the sale and integration of inefficient assets			Sold low-profitability and low-occupancy rental properties, dormitories, and company housing.

1-2. Review of the Previous Medium-Term Management Plan

<Business profit and added value amount>

- Business profit declined in FY24 due to the postponement of the sale of the Ozu biomass project. However, during the medium-term management plan period, **it steadily increased** due to securing a high profit margin on orders received, thorough construction management, and ensuring the acquisition of design change approvals.
- “Added value amount,” which has been established as an overall KPI**, has increased year by year**. Furthermore, “Value added productivity” **has also significantly improved, far exceeding the targets** set in the medium-term management plan.





1-3. Review of the Previous Mid-Term Management Plan

<Results of the 3 Core Strategies and Towards the Current Mid-Term Management Plan>

3 Core Strategies	Review of the Phase of Establishing Foundations	Evaluation	Towards the Phase of Investment Business Expansion
Productivity reform	●**Business profit significantly improved** through strict adherence to order discipline and price pass-through in response to market conditions. ●**Added value significantly increased** by maximizing group synergies.		●**By promoting DX, the minimization of lost profits and the enhancement of order discipline are pursued, aiming for further improvement in business profitability.** ●**Accelerate group collaboration in sales, procurement, supply, and technology development.**
Create new revenue bases	●**Established a solid position in the domestic market for public-private partnership projects** (over 40 cases), including the acquisition of **three major concession projects related to large-scale arenas.** ●**Expanded the renewable energy business** through the acquisition of Japan Wind Development as a subsidiary.		●**Make strategic investments in profitable overseas projects.** ●**Further accumulate operational know-how and develop commercially viable projects .** ●Expand business domains further through **M&A.**
Strengthen and improve corporate Culture	●**Strengthened employee engagement in management and fostered a sense of unity within the group through the introduction of J-ESOP.** ●Established an effective governance system as a company with a Nomination Committee, etc., where outside directors form the majority. ●**Restructured the governance system of Japan Wind Development.**		●**Deepen human capital management** through collaboration among group companies and various departments within the holding company. ●Effective use of the corporate governance structure will enhance corporate value, with continuous updates to the governance structure supporting business activities. ●**Upgrading investment discipline in line with the phase of Investment Business Expansion.**
Sustainability Strategy	●**Earned external recognition** for environmental initiatives (acquisition of SBT, inclusion in CDP "A" List, ESG Finance Awards). ●**Improved ESG scores [FTSE score] through the deepening of sustainability initiatives and enhanced disclosure.**(from 2.2 to **2.9)**		●**Implement concrete strategies to reduce environmental impact** for both the company and society. ●Further promote sustainability initiatives and **link them to increased corporate value.**

2. Medium-term Management Plan Positioning

- Medium-term Vision2027 is positioned as the "**Phase of Expanding Investment Business,**" which accelerates the business model involving investments.
- Business profit and EBITDA are regarded as key performance indicators.

INFRONEER Vision 2030

Medium-term Vision 2024	**Medium-term Vision 2027**	Medium-term Vision 2030
Phase of establishing foundations	**Phase of Expanding Investment Business**	Phase of Profit Expansion
• Pursuit of group synergies. • Establish a system for new business fields. • Promotion of DX and sharing systems. • Promotion of M&A.	• Increased investment in **public-private partnership projects.** • Expansion of investment in **renewable energy projects.** • Execution of **new businesses** leveraging construction. • Further advancement of **M&A** initiatives.	

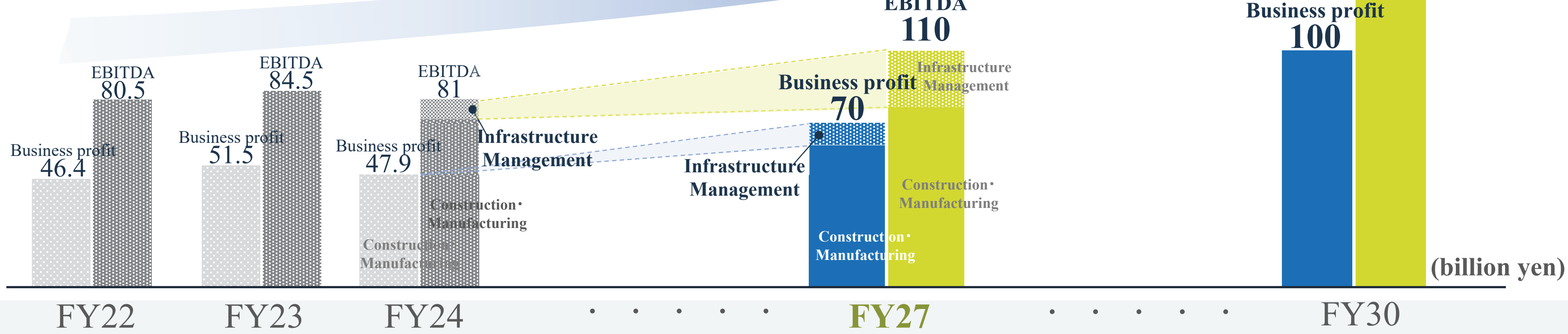
Growth Investment

65 billion yen

(M&A Track Record: Approximately 210-billion-yen
LP Investment in Toshiba: 20 billion yen)

Growth Investment (excluding M&A)

220～250 billion yen



The profit from the sale of the Ozu Biomass Power Plant and the unrealized gains from building construction and civil engineering segment EPC projects are on hold.

3-1. Recognition of the Business Environment <Construction Market>

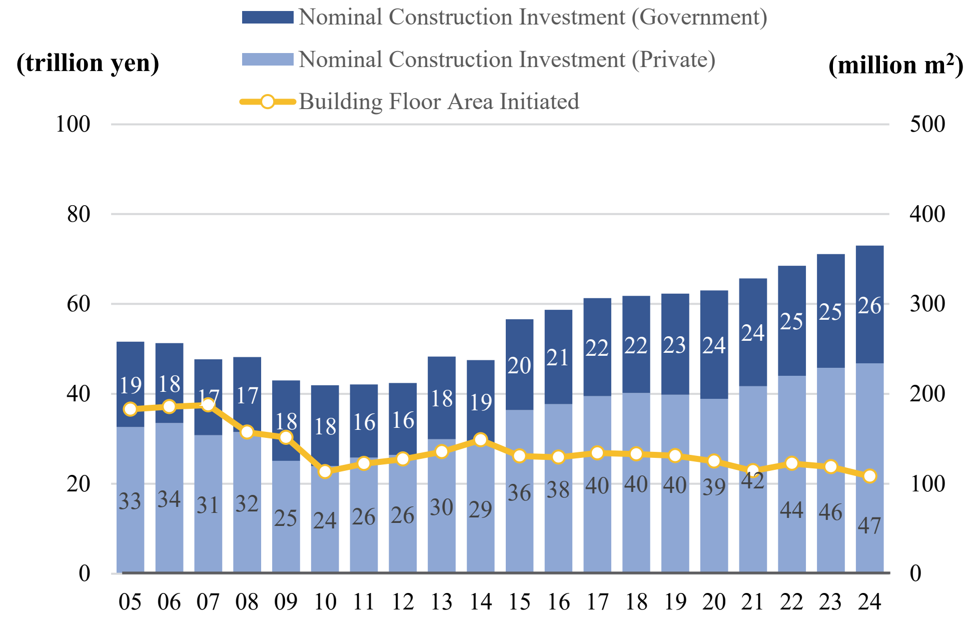
Previous Medium-Term Plan Perspective

- It was predicted that the domestic market for new construction contracts **would gradually shrink** due to fiscal constraints.

Current Medium-Term Plan Perspective

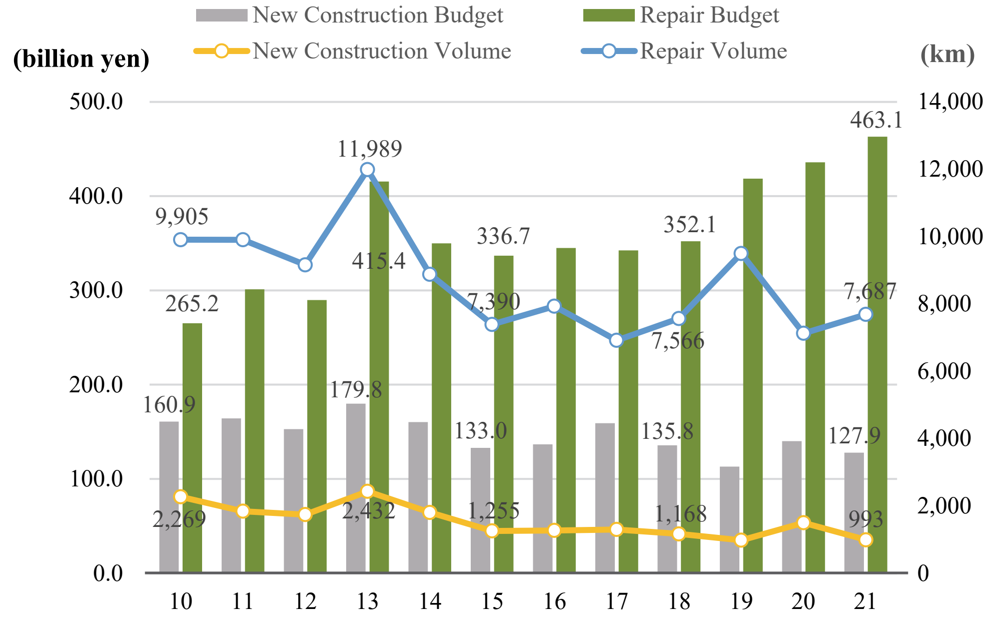
- Public investment is expected to be steadily maintained, driven by disaster prevention, national defense, and carbon neutrality initiatives, with forecasts indicating **either stability or slight growth.**
- **While building construction floor area shows a slight downward trend**, construction investment is anticipated to remain at a high level for the foreseeable future **due to rising labor costs, increasing material expenses**, and shifts in building usage and required specifications.
- In the road sector, the volume of new pavement construction is projected to gradually decline, while repair work will increase steadily, resulting **in overall stability** in the mid-term.

Trends in Construction Investment and Building Floor Area Initiated



Source: Ministry of Land, Infrastructure, Transport and Tourism "FY24 Construction Investment Outlook"

Trends in Budget and Volume for New Pavement Construction and Repairs



Source: Ministry of Land, Infrastructure, Transport and Tourism "Road Statistics Annual Report"

3-2. Recognition of the Business Environment <Public-Private Partnerships Market>

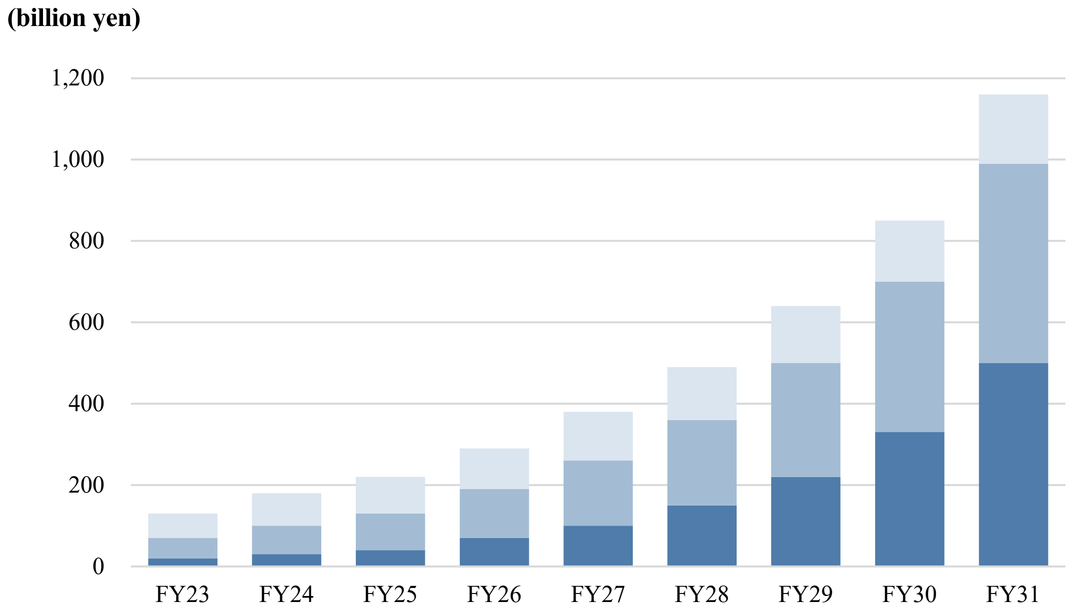
Previous Medium-Term Plan Perspective

- A growing market for infrastructure maintenance, renewal, and new construction through Public-Private Partnerships is expected to expand.

Current Medium-Term Plan Perspective

- The aging of infrastructure **is increasingly recognized** as a pressing social issue.
- It is likely that **the approach to maintaining and managing various infrastructures**, including roads, will undergo may undergo significant revisions.
- The PPP/PFI Action Plan will continue to be promoted by the government, particularly in the water sector, where the introduction of **"Water PPP"** is expected to accelerate project development.
- The implementation of **stadiums and arenas**, as part of efforts for **regional revitalization**, is accelerating.

Market size of revenue in three sectors



Roads *1
Market expansion due to aging infrastructure
Using of the private-sector know-how to the fullest extent through indicator-linked system.*2

Stadiums and Arenas*3
Accelerated implementation as part of efforts for regional revitalization.
FY24 plans for new construction and reconstruction: Approximately 100 projects.
Cabinet Office target: FY31, 40 projects

Water PPP*3
Introduction of subsidy allocation requirements for municipalities.
Cabinet Office target: FY26, 14 projects → FY31, 225 projects

*1 Based on the Ministry of Land, Infrastructure, Transport and Tourism's "Survey on Infrastructure Maintenance in FY2023," our estimate (estimate of the percentage of municipalities that have introduced the system, multiplied by our estimate of the scale of sales).
*2 Indicator-linked method: A method to ensure performance ordering by setting incentives for private operators to achieve performance indicators agreed upon by the public and private sectors, and leaving the method of achievement to the private sector.
*3 Based on the Cabinet Office's "PPP/PFI Action Plan (Revised in FY2024)" and estimated by our company (multiplying the number of actual cases and target project numbers published by the Cabinet Office in the Action Plan by our company's estimated revenue scale for each sector).

3-3. Recognition of the Business Environment <Renewable Energy Market >

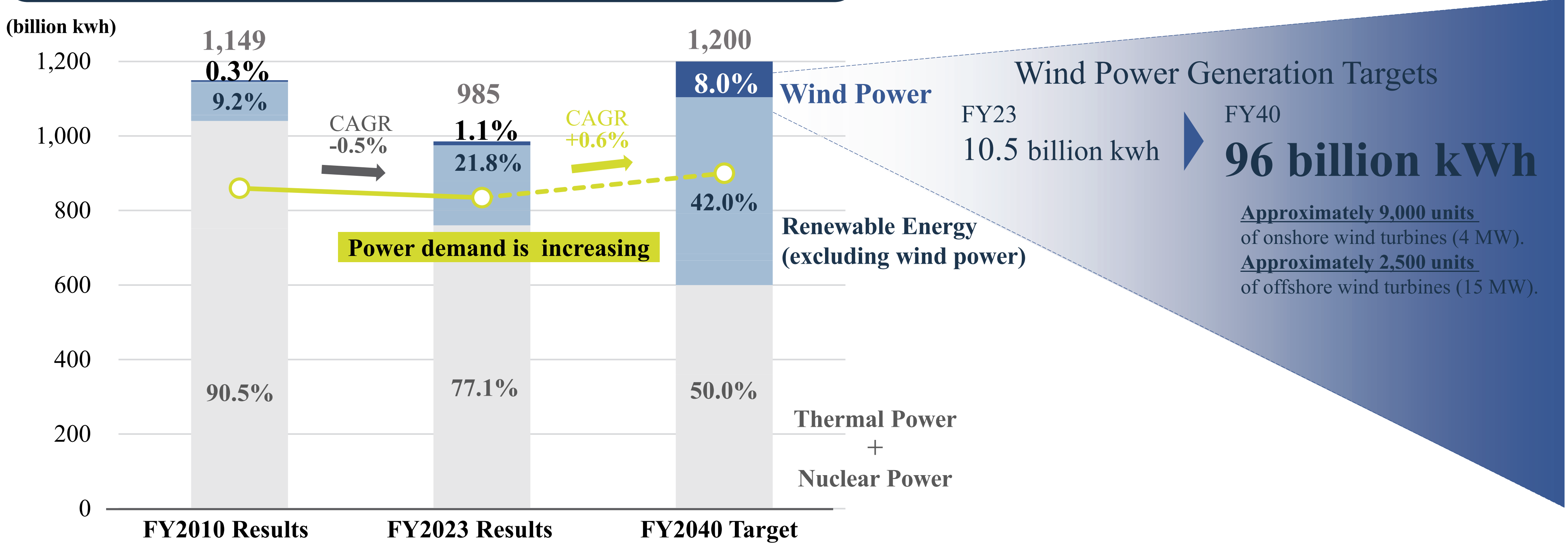
Previous Medium-Term Plan Perspective

- **The renewable energy market is expected to expand rapidly**, driven by policy initiatives aimed at achieving **carbon neutrality.**

Current Medium-Term Plan Perspective

- **Power demand is increasing**, primarily driven by industrial electricity consumption associated with newly built and expanded semiconductor factories and data centers.
- The introduction **target for wind power has been raised** in the 7th Basic Energy Plan, and its accelerated adoption is expected in the future.
- To accelerate the adoption of renewable energy, it is **crucial to balance supply and demand while stabilizing the power grid.**
- To address the above challenges, the introduction of **grid-scale battery storage systems** is of urgent necessity.

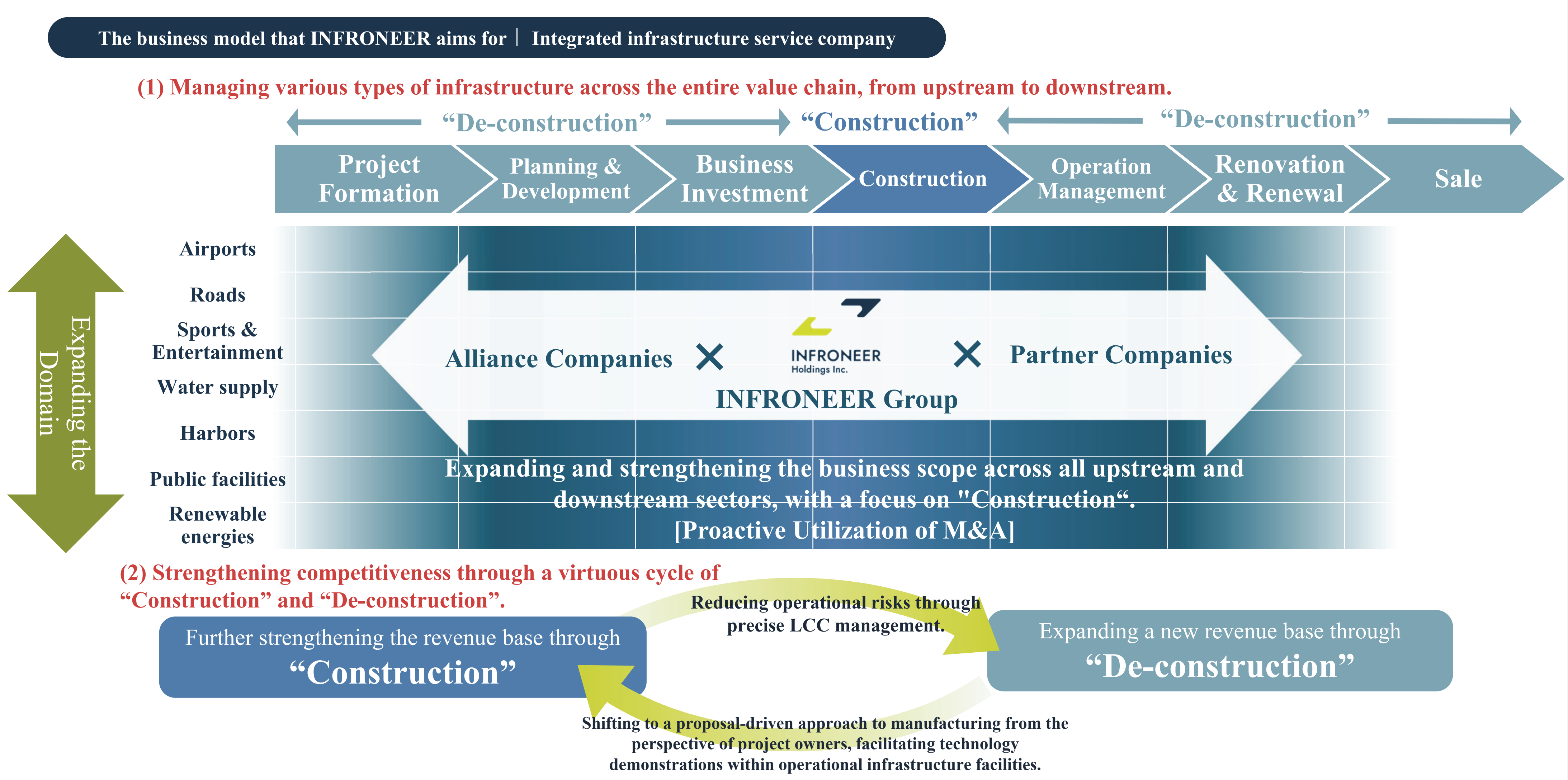
Domestic Power Supply Composition (Capacity) and Trends in Electricity Demand



Note: Created by INFRONEER based on data from the Agency for Natural Resources and Energy and the Organization for Cross-regional Coordination of Transmission Operators

4. The Business Model that INFRONEER Aims For

- Striving to establish a business model that ensures sustainable growth, resilient to external factors, and advancing the group-wide strategy of becoming an **"Integrated Infrastructure Service Company."**
- Accelerating the maximization of competitiveness by combining the engineering capabilities of group companies and expanding business domains through proactive M&A to establish and expand a **"highly profitable and stable revenue base."**

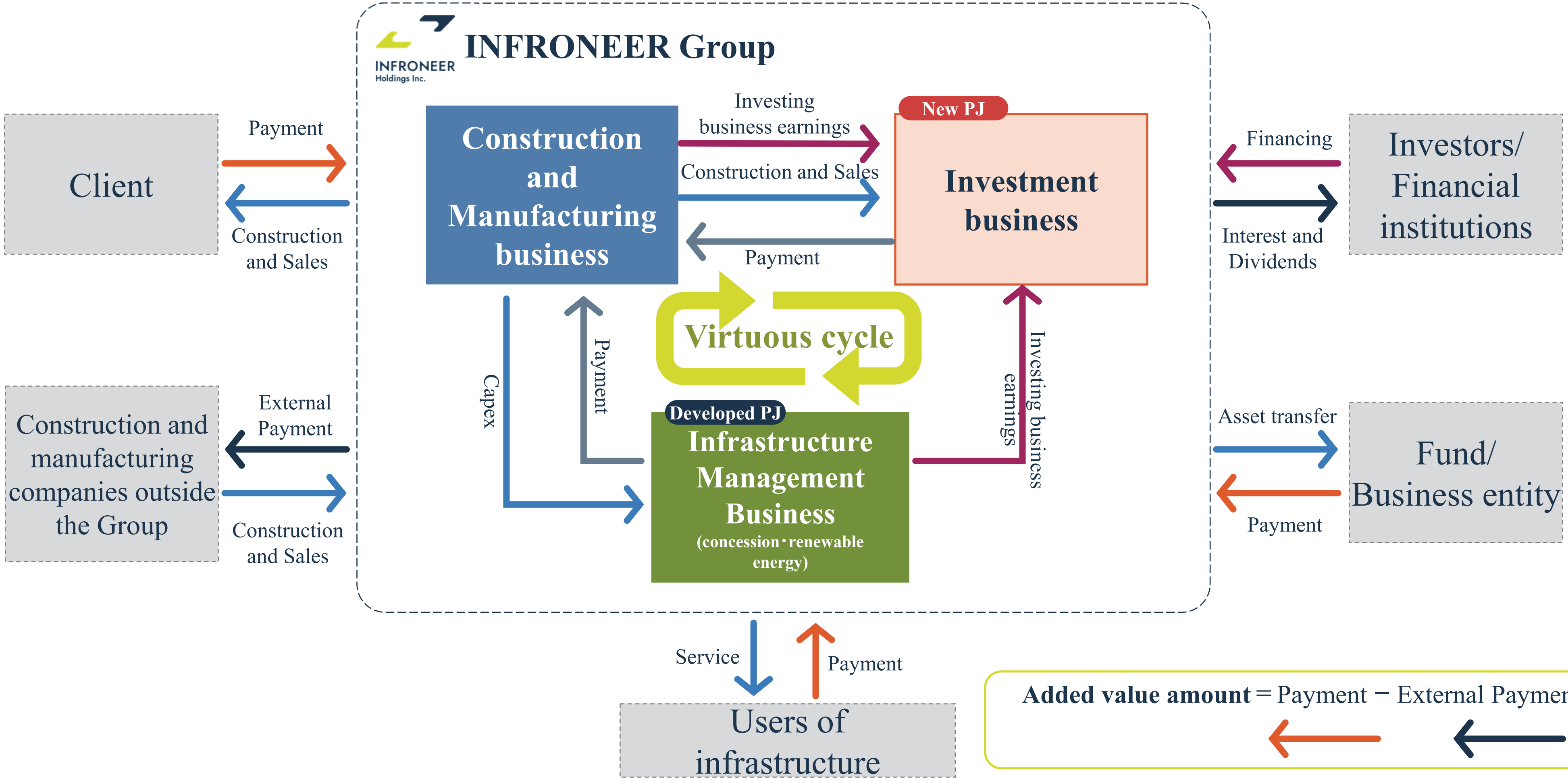


5. INFRONEER Business Model and Revenue Structure

In the INFRONEER Business Model of “Construction” and “De-Construction”.

- A single project can generate multiple revenue opportunities.
- Capital can be recycled inside INFRONEER Group(Reduce cash outflow outside the group).

Striving to maximize added value based on INFRONEER's business model and revenue structure



Added value amount = Payment − External Payment

6. Core Strategies and Important Measures

- To achieve the desired vision, the “3 Core Strategies” of “**Establishment of a revenue base based on INFRONEER's business model**” , “**Maximize added value**”, “**Strengthen and improve corporate culture**”.
- For the accomplishment of these strategies, “Important Measures” will be formulated for each strategy.

Our goals

Realizing an Integrated Infrastructure Service Company.

- Create stable and highly profitable revenue base.
- Deal with social changes.

Necessary elements

- Profitability
- Streamlining Efficiency
- Strengthening Group Capabilities
- Credibility and Reliability
- Speediness

Good Governance

3 Core Strategies	Important Measures
Establishment of a revenue base based on INFRONEER's business model	● Further expansion of business domains and infrastructure service businesses within the domestic market. ● Expansion of overseas business domains and entry into the infrastructure management business abroad.
Maximize added value	● Optimizing the value creation process through value-focused approach. ● Maximization of profits through strengthened group collaboration. ● Securing stable and cost-effective financing. ● Rationalization of fixed and administrative costs from a perspective that leads to added value creation.
Strengthen and improve corporate culture	● Advancing group-wide human resource strategies. ● Striving for optimal governance tailored to internal and external environments. ● Enhancement of investment discipline (criteria and monitoring).

7. Performance Target Figures

(billion yen)

	Medium-term Vision 2024 [Forecast as of Q3 End]		CAGR	Medium-term Vision 2027
Business profit (Business profit margin)	47.9 (5.7%)		+13.5%	**70.0**
EBITDA*1 (EBITDA margin)	81.0 (9.6%)		+10.7%	**110.0**
Net profit for the current period (Net profit margin)	33.0 (3.9%)		+9.2%	**43.0**
Added value amount*2	173.2		+ 6.6%	**210.0**
Segments	Amount	(Ratio)		
■ Building Construction*3 — EBITDA	19.2	(6.2%)	+2.2%	**20.5**
■ Building Construction*3 — Business profit	12.2	(3.9%)	+3.2%	**13.4*8**
■ Civil Engineering*3 — EBITDA	17.4	(12.1%)	+7.3%	**21.5**
■ Civil Engineering*3 — Business profit	14.3	(9.9%)	+7.6%	**17.8*8**
■ Infrastructure Management*4 — EBITDA	7.2(6.9+0.3)	(23.7%)	+48.3%	**23.5(20+3.5)**
■ Infrastructure Management*4 — Business profit	-1.9(-0.5-1.4)	(- %)	− %	**9.2(6.9+2.3)*8**
■ Road Civil Engineering*5 — EBITDA	30.3	(11.5%)	+5.9%	**36.0**
■ Road Civil Engineering*5 — Business profit	19.7	(7.5%)	+7.8%	**24.7*8**
■ Machinery*6 — EBITDA	4.3	(10.6%)	+5.2%	**5.0**
■ Machinery*6 — Business profit	2.3	(5.6%)	+4.6%	**2.6*8**
■ Others*7 — EBITDA	2.6	(4.9%)	+10.4%	**3.5**
■ Others*7 — Business profit	1.3	(2.4%)	+20.9%	**2.3*8**

*1 EBITDA = Business profit + Depreciation *2 ・Summation method: Added value amount = Total labor costs + Business (Operating) profit + Depreciation + R&D costs
・Deduction method: Added value amount = Sales - External purchase costs *3 Maeda Corporation (standalone)
*4 Maeda Corporation (standalone) + Japan Wind Development (consolidated) *5 Maeda Road (consolidated) *6 Maeda Seisakusho (consolidated)
*7 Subsidiaries of Maeda Corporation *8 Segment profit not considering consolidated eliminations from internal transactions

8-1. Capital Strategies and Return Policies 1/2

●By optimizing assets and enhancing profitability, aim to increase **ROE** to **9.0%** by FY27.
●Maintain **an equity ratio of 30% or higher** and keep **the D/E ratio below 1.0 times** to ensure financial soundness.

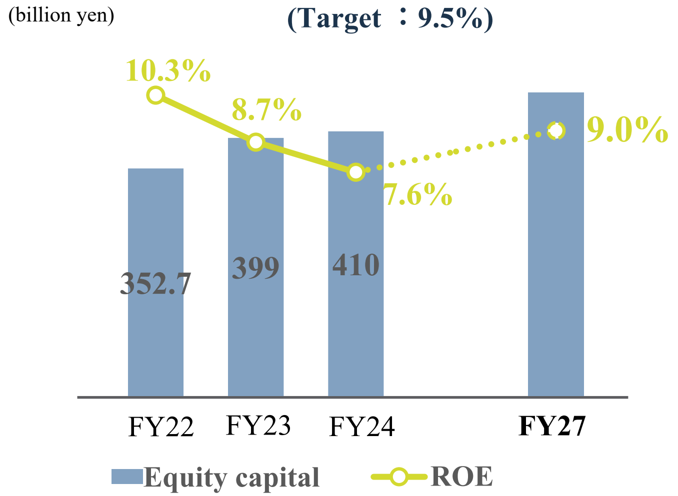
Capital efficiency

Maintain returns above the cost of shareholders' equity.

ROE

FY27 **9.0%**

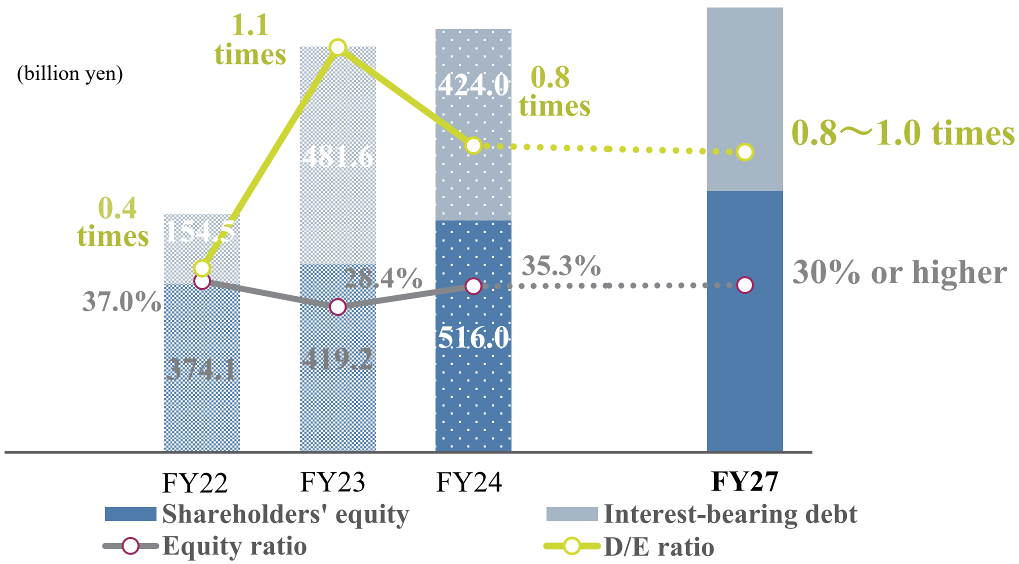
FY24 **7.6%**
(Target ：9.5%)



Optimal capital structure

Effectively utilize interest-bearing debt while maintaining financial soundness.

Equity ratio	D/E ratio
FY27 **30%** or higher	FY27 **1.0** times or less
FY24 **35.3%** (Target：30% or higher)	FY24 **0.8 times** (Target ：0.6 times or less)



8-2. Capital Strategies and Return Policies 2/2

- Maintain stable and growth-linked returns by setting a minimum **annual dividend of 60 yen per share** and actively increasing the **dividend payout ratio to 40% or higher.**
- Aim to reduce the **ratio of cross-shareholding shares to net assets to zero** and achieve **10 billion yen or more in asset sales of land and buildings** by FY27. Strengthen revenue-generating capabilities by reinvesting resources obtained through sales into growth areas.

Shareholder Returns

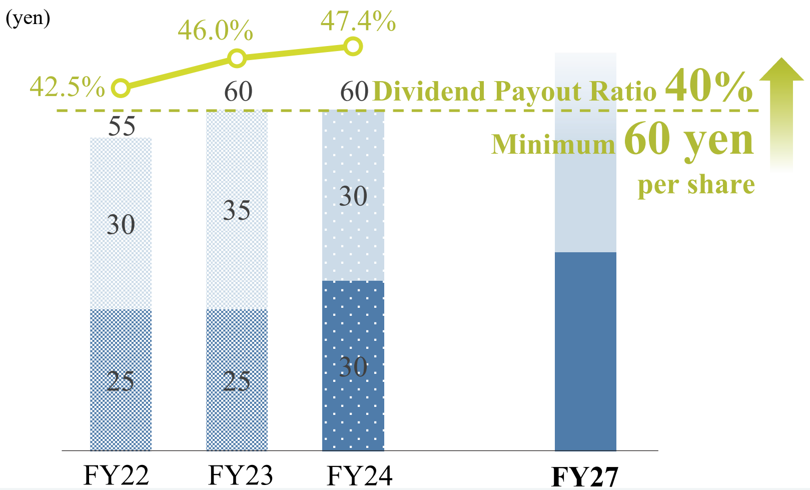
In addition to increasing the dividend payout ratio, a minimum dividend policy has been newly introduced, ensuring stable returns while anticipating upside from profit growth.

Dividend payout ratio

FY27 Dividend Payout Ratio 40% or higher

Minimum Dividend 60 yen per share

FY24 Dividend Payout Ratio 30% or higher(Target)



Capital Efficiency Improvement

Promotion of the policy to sell Cross-Shareholding Stocks.

Cross-shareholdings/Equity ratio

Zero holdings by FY27

FY24 20% or less

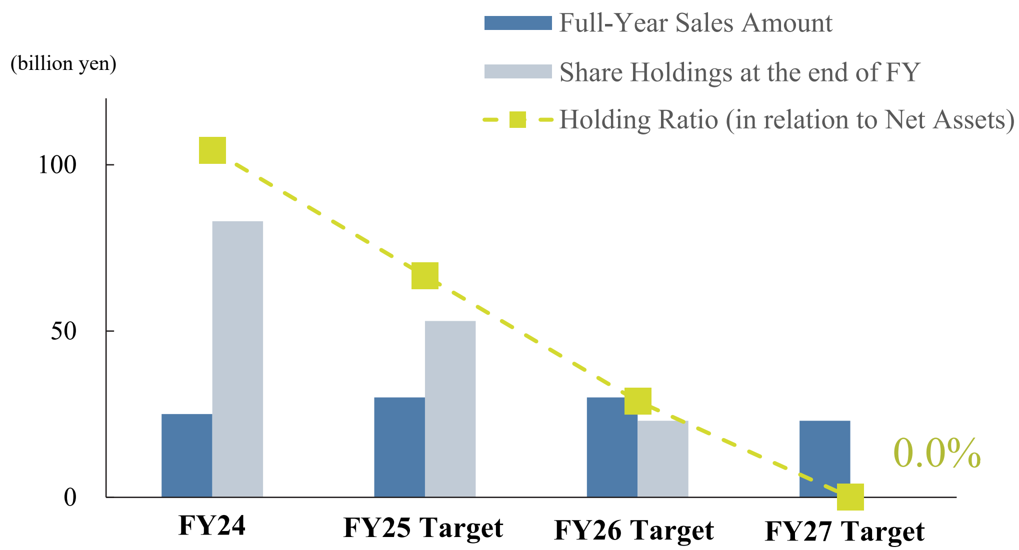
(Target：20% or less)

Sales of real estate holdings

FY25～FY27

10 billion yen or more

(Real estate holdings at the end of FY24: approximately 127 billion yen.)



9. Cash Allocation for Sustainable Growth

- Generate funds for growth through the sale of strategic shareholdings and real estate holdings in addition to **securing stable EBITDA** from business activities.
- **Enhance growth investments** as a key driver of competitiveness, aiming to expand business domains and maximize profits.

FY25〜FY27

Cash In		Cash Out	
Maximize the amount of added value	**EBITDA** from business activities **280 to 300 billion yen**	Investments as a source of competitiveness	**Growth Investment (excluding M&A) 220〜250 billion yen**
Promote capital efficiency	**Investment recovery** through the sale of renewable energy projects **40〜50 billion yen**		Regular investments **70 billion yen**
	Sale of cross-shareholdings **70 billion yen** (reducing holdings to zero)	Key to enhancing shareholder value	Shareholder returns
	Sales of real estate holdings **10 billion yen**		Corporate tax, etc.
	Appropriate sourcing of interest-bearing debt		

Wind power generation business **120 billion yen**	**Overseas Business** **18 billion yen**
Public-private partnership business **15〜35 billion yen**	**Battery storage business** **50〜60 billion yen**
Investments in IT and DX Digital Infrastructure Development & Data-Driven Solutions **15 billion yen**	**Human capital investment** Recruitment, placement, training, and HR systems **3 billion yen**

M&A: Continue to actively promote M&A to maximize competitiveness. Executed promptly and flexibly in accordance with the capital strategy.

Note: Investment amounts are subject to change due to changes in the business environment or other factors.

10. Overseas Business Strategy

Leveraging our strengths and developing an unprecedented approach based on lessons learned from the past.

- **Learn lessons from the past** and promote with **profit-oriented discipline.**
- **Implementing the business model** of “Integrated Infrastructure Service Company” **overseas, where PPP(Public-Private Partnerships) have long been mature.**

Evaluate risk and return from 3 perspectives Developing a business model.

(1) “Construction” and “De-Construction”

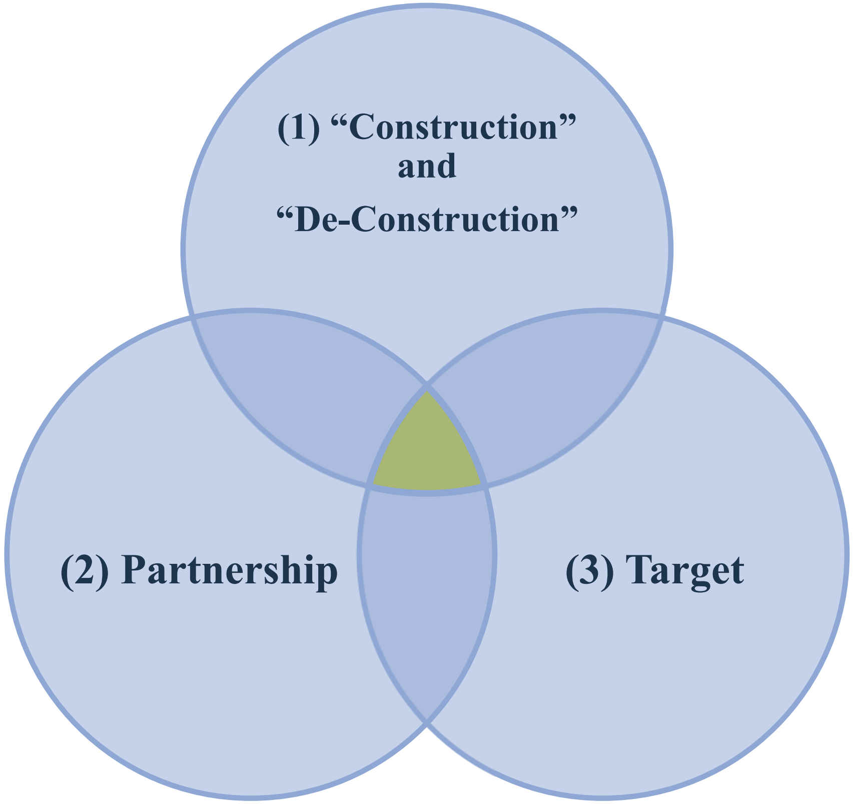
A business model that **creates a virtuous cycle of “Construction” and “De-Construction”**.

(2) Partnership

Optimal partnerships according to the characteristics of the project.
(Overseas and Japanese global companies, leading local companies)

(3) Target Areas and Fields

Areas：Areas in which **we have taken root** as a business base, etc.
Fields：Targeting infrastructure-related fields were market growth is expected.



Evaluate risk and return from **3 perspectives** Developing a business model.

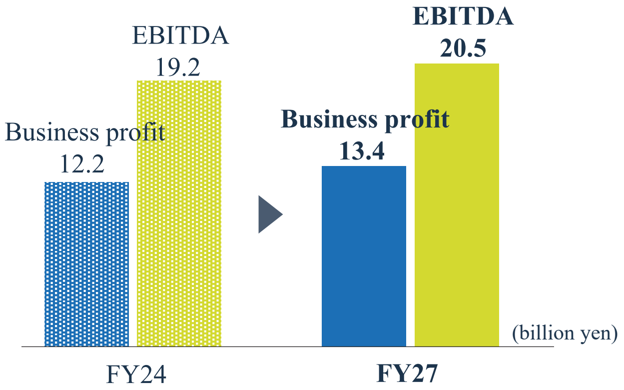
11. Building Construction Segment Enhancing industry-leading profitability to an even higher level through DX

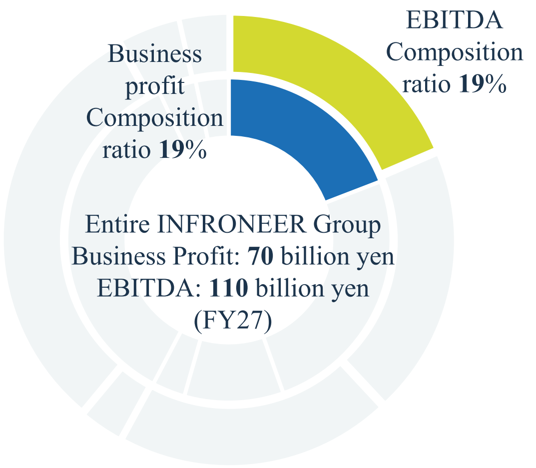
Competitive Advantages・Differentiating Factors

Thorough project development from the upstream phase, leveraging DX for order discipline, process, quality, and cost management, as well as the trust of our stable clients*.

- Increase in the number of stable clients*: 160 companies (+14% compared to FY21).
- High-quality and abundant backlog: 455 billion yen in FY24 (+15% compared to FY2021).
- Completion profit margin: 9.9% (average from FY21 to FY23).

Financial Targets



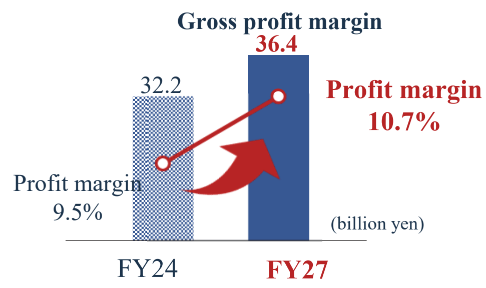


Priority and Growth Strategies

Further strengthening of the "Construction" business.

・Utilize **data-driven** approaches for mid-to-long-term order intake and project completion simulations, as well as resource management.
・**The newly formed front-loading organization for the construction production process** achieves designs that incorporate detailed construction information from the upstream phase, reducing subsequent issues and dramatically enhancing overall productivity.
・Minimize lost profit by improving estimation accuracy and strengthening management at headquarters and branch offices.

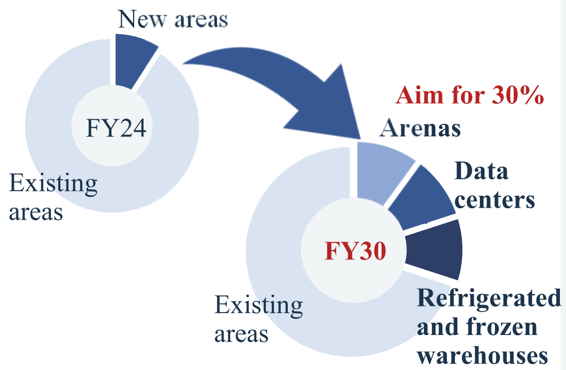
■ **Target values for completion profit and profit margin.**



Initiatives for new growth markets.

・Focus on key areas such as arenas, data centers, and refrigerated and frozen warehouses.
・Promote the development of construction technologies that contribute to reducing environmental impact.

■ **Target completion ratio for key new areas.**



Initiatives for new businesses.

・Generate profits through **projects utilizing investments**.
・Create **profits through materials, products, and services** leveraging construction expertise.

*Stable clients：This refers to customers who have achieved a certain amount of order value within a specific period at our company. Refer to Glossary No.12.

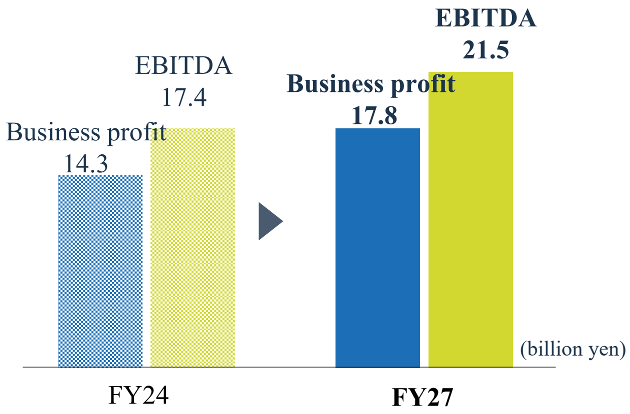
12. Civil Engineering Segment Further enhancement of industry-leading profitability

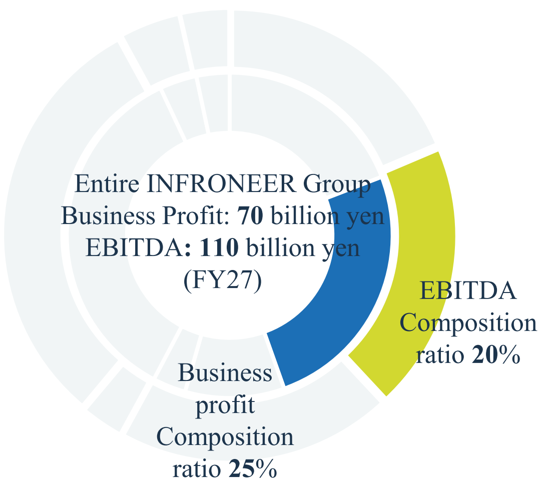
Competitive Advantages・Differentiating Factors

Rapid issue identification and resolution capabilities achieved through the integration of DX into unified management of headquarters, branches, and work sites.

- Industry-leading gross profit margin: 20% (5-term average).
- Percentage of bids awarded as the top-rated technical evaluator: 40% (FY24).

Financial Targets





Priority and Growth Strategies

Further enhancement of profitability in the contracting business.

・**Promote DX-driven management of design changes and cost control**, improve field productivity with support from headquarters and branches, minimize lost profits, and maximize gains.

・Strengthen relationships and ensure a sustainable supply system by providing educational support to partner companies, improving labor conditions, and jointly developing productivity-enhancing technologies.

Explore new areas through a "de-construction" mindset.

・Strengthen proposal capabilities for private-sector clients through integrated collaboration between sales and technical departments.

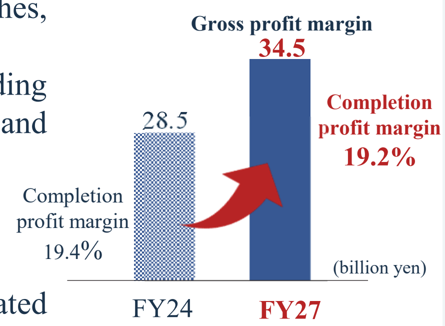
・Promote **the development of differentiated technologies that contribute to cost reduction and create competitive advantages** in acquiring new private-sector clients.

・Generate profits through construction expertise-based materials, products, and services (e.g., **segment manufacturing** and sales business for the subway construction project in Bangladesh).

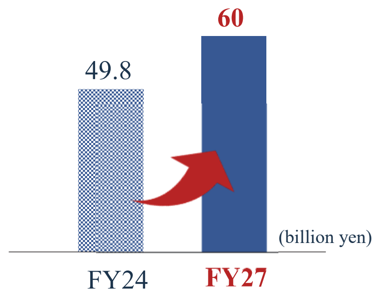
Strengthen strategic collaboration with external partners.

・Enhance competitive advantages through **strategic collaboration** with companies possessing superior construction capabilities and technologies.

■ **Target values for completion profit and profit margin.**



■ **Target for new private-sector orders. (excluding design changes)**



13. Infrastructure Management Segment【Maeda Corp.】

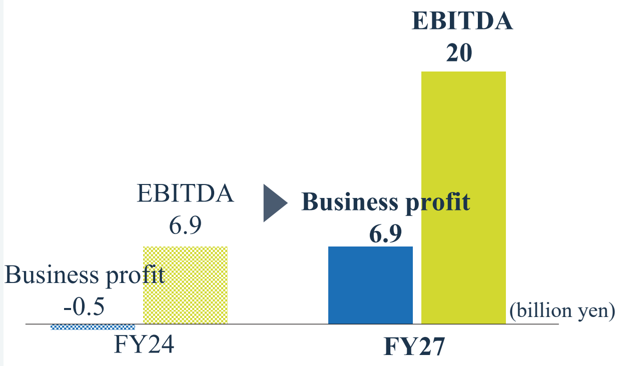
Pioneer in Infrastructure Management, further strengthening our business

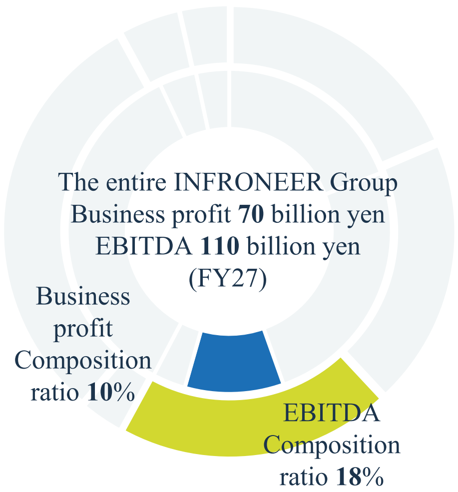
Competitive Advantages・Differentiating Factors

Pioneering experience and know-how through our engineering approach and organizational capabilities to handle diverse types of projects.

- Achievements of initiatives in Stadium/Arenas and Water PPP being promoted by policy.
- Of the Concession 9 projects, Stadium/Arena 4 projects, Water Business2 projects, Airport 1projects, Toll Road 1projects, MICE 1 projects.

Financial Targets





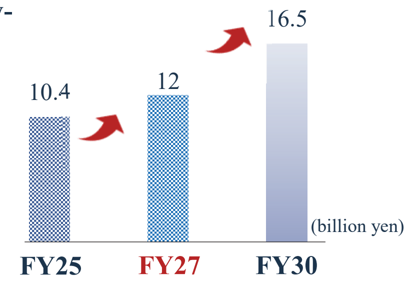
Priority and Growth Strategies

Portfolio design that considers speed of return on investment and earnings management. *Description on P.22

Project Expansion — **Formation of stadium/arena projects and accumulation of operational know-how.**
・Capture demand for arena requirements fulfillment as indicated by the B-League.
・Enhancement of proposal capability through accumulation of operational know-how in various types.

Project Expansion — **Advantages and profitability in Water PPP projects.**
・Capturing market expansion by making it a requirement for subsidies in FY27
・Osaka Industrial Water Concession and Miura Sewage Concession for advanced "DX × Asset management"
・Expanding to new projects by utilizing the operational know-how of owned projects

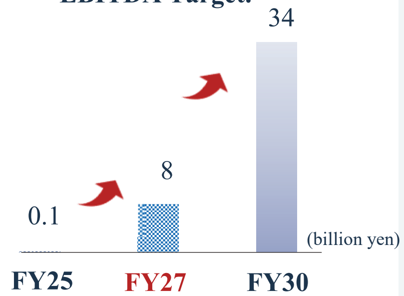
■ PPP EBITDA target.



New market — **Expansion of business into overseas concessions**
・Partnering and leveraging contracting expertise

New market — **Acceleration of initiatives in the grid storage battery business**
・Further expansion of projects through early securing of suitable sites and accumulation of business know-how by utilizing the Group's network
・Implementation of effective portfolio management for sales and operations
・Approximately 70% of FY27 operating profit will be accounted for by the grid storage battery business

■ Grid storage battery business EBITDA Target.



Market making — **Efforts to create a market for road projects**
・Lobbying to expand from comprehensive management to an Availability Payment contract

14. Infrastructure Management Segment【Japan Wind Development】

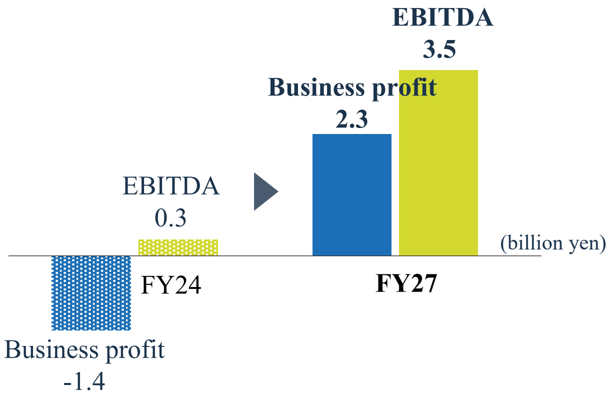
Steady project development and expansion of revenue opportunities

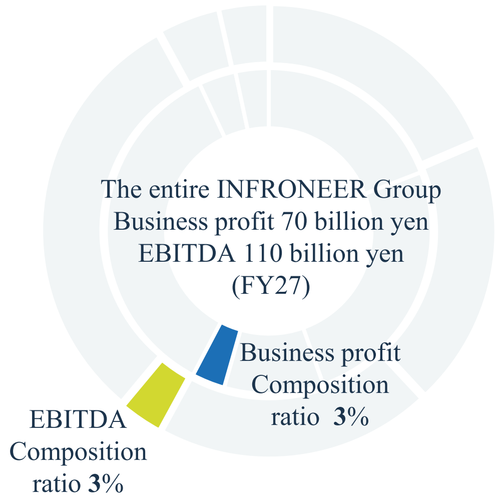
Competitive Advantages・Differentiating Factors

As a pioneer in the wind power generation business in Japan, possessing top-class development capabilities and comprehensive business management skills that cover everything, including O&M.

- Wind Power Plant Development Achievements. ・・・Approx. 600MW (by FY24)
- Share of wind power plant O&M. ・・・11%

Financial Targets





Priority and Growth Strategies

Portfolio design considered with speed of return on investment and earnings management. *1 Description on P.22

Promotion of development projects.

- **Steadily promote projects** in accordance with development schedules.
- Improve business profitability through cost reductions by **leveraging group synergies** and increasing the purchase price of electricity via C-PPA. *2

*2 C-PPA: A direct long-term contract to procure renewable energy at a fixed price.

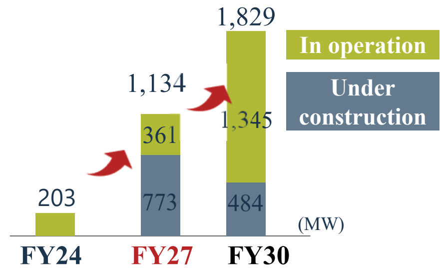
Expansion of O&M business.

- **Expanding external sales** by surveying power plant trends, **utilizing the Group's network**, etc.
- Expansion of O&M compatible models through continuous human resource development.
- Service sophistication, such as improved utilization rates, etc., utilizing accumulated data and AI.

Expansion of Business Domain.

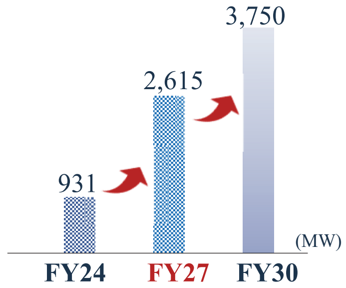
- **Windmill revitalization efforts** (value-up of existing wind power plants in Post FIT projects, etc.).
- Start of **electricity sales business** (wholesale and retail).
- **Storage Battery Business** Initiatives.

■ Planned Development Capacity. *3



*3 Total Capacity of the Pipeline Owned by Japan Wind Development (Including Projects in Operation and Under Construction).

■ O&M Outsourcing Market Targeting by JWD .*4



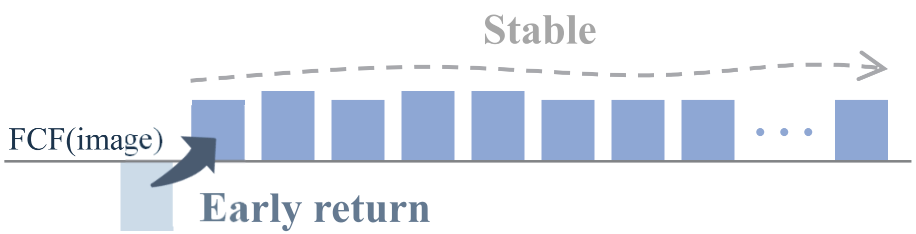
*4 Generation Capacity of Wind Power Plants by Major Manufacturers that Japan Wind Development Can Handle in the Domestic Onshore Wind Power Business Where O&M is Outsourced.

Reference　Basic pattern of Business Model for Infrastructure Management Business

- The key points of Infrastructure Management Business are speed of investment payback and portfolio design for revenue management.

Early return on investment and Cost control type

No large initial investment and stable income.



Water Business

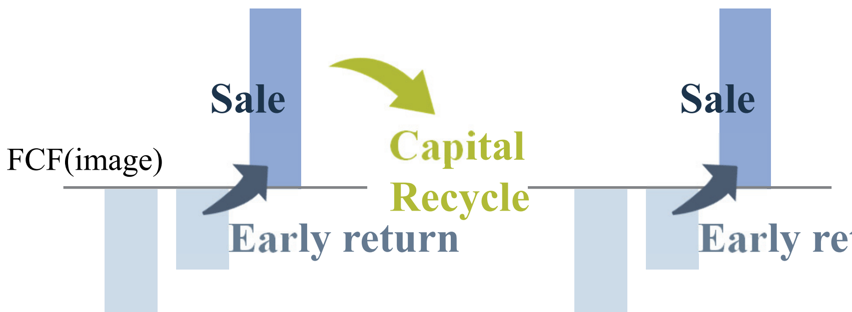
Medium - to long-term return on investment and Sales pursuit type

Large initial investment and sales improvement potential.

Stadium/Arena

Early return on investment and Capital Recycle type

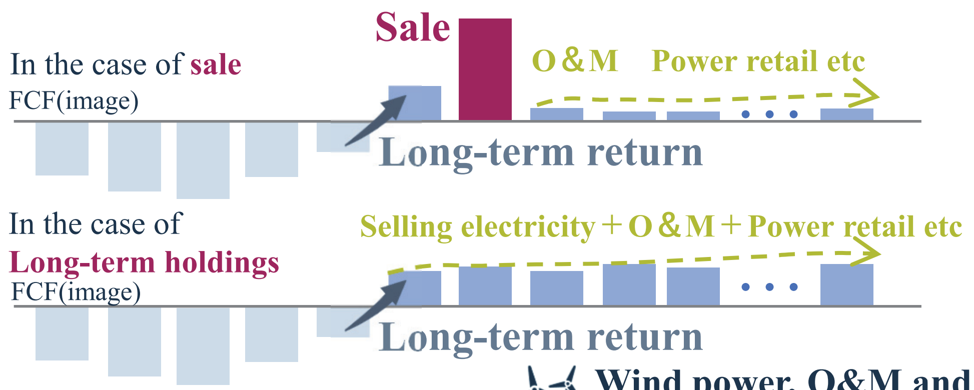
Early sale and return on investment.



Grid storage battery

Long-term return on investment

Although development takes time, stable income can be expected, including from O&M, even after the sale.



Wind power, O&M and Power retail

15. Road Civil Engineering Segment

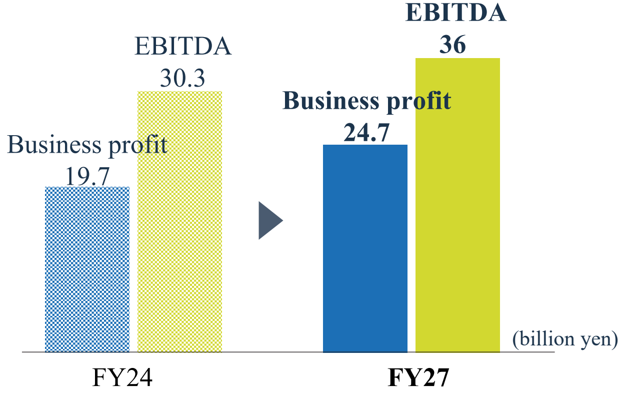
From "Laying the Foundation for Leap Forward" to "Entering a New Growth Phase"

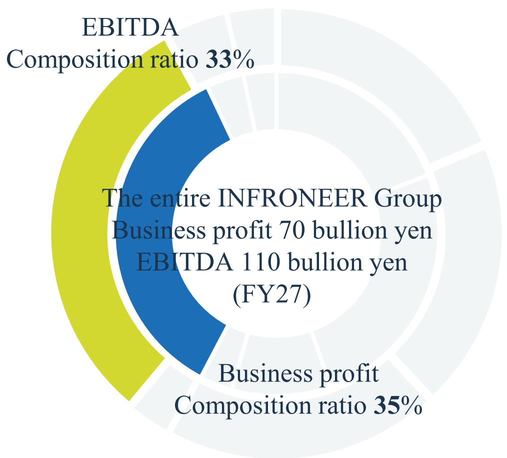
Competitive Advantages・Differentiating Factors

High sales force and mobility through a nationwide regional network, as well as a high degree of order discipline and strategic pricing capabilities that enhance profitability.

- Securing a well-located business base.
  ･･･100 sales offices,90 factory locations, More than 10,000 customers.
- Our exclusive subcontractor system.
  ･･･94 construction companies, 55 product companies.
- Industry-leading operating profit margin. ･･･7.4%(FY24 forecast)

Financial Targets





Priority and Growth Strategies

Profitability Reforms for Further Profit Improvement.

- **Expansion of orders for government works** and further improvement of profit margins **through continued strict order discipline.**
- Improve value-added productivity through consolidation of sales offices and unprofitable plants and grouping of sales offices in proximity.

Environmental Initiatives for Competitive Advantage.

- Expansion of shipments of **environmentally friendly medium-temperature asphalt mixture "ecole".**
- Strengthening of the **bio-fuel oil production business** by Japan Biofuel Co.

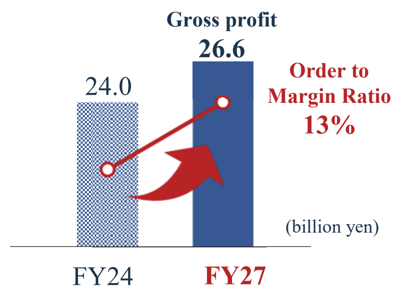
Active M&A Strategy.

- **M&A Strategies of Leading Regional Companies**
  Aiming to Increase Regional Market Share.

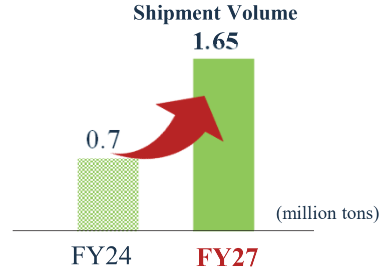
Human Resources Acquisition Strategy.

- **All sites to be fully closed on weekends** from FY25.
- **Average annual salary** (career-track positions) is the highest in the industry.

■ **Construction Business Profit Margin on Orders Received.**



■ **"ecole" Shipment Volume.**



16. Machinery Segment “Future Creation Maker No.1”

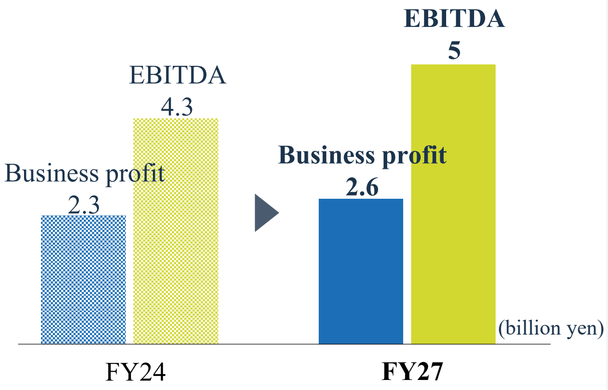
Aiming to be a team where every employee drives creativity to shape the future.

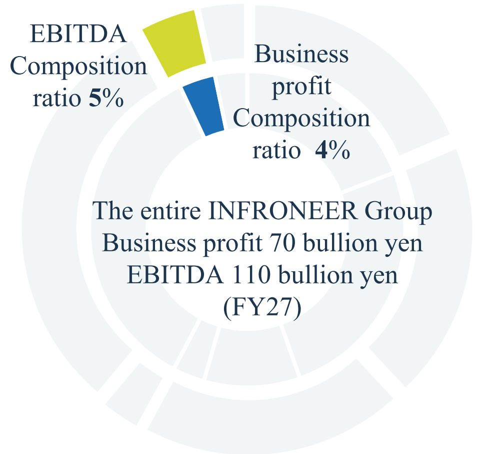
Competitive Advantages・Differentiating Factors

Integrated technical capabilities from design, manufacturing and sales to rental and service.

- Custom-made support for one-off orders as well as in-house products .
- Extensive domestic and international sales and service network.
  ・・・Overseas dealers 75 companies

Financial Targets





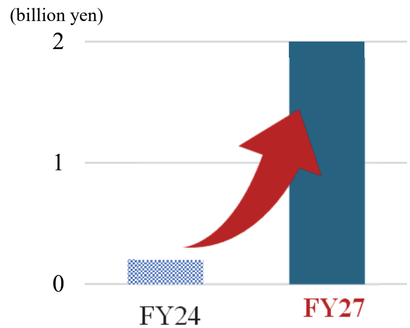
Priority and Growth Strategies

Expand sales and improve service profitability through business domain expansion.

- **Expand Forklift Truck business** that generates stable profits and increase business efficiency by optimizing resources.
- Creating value through full DX utilization.
  - ・Expanding order opportunities through digital marketing.
  - ・**Increased order volume** and streamlined and labor-saving operations through **accurate maintenance proposals** using MTA*1 information and other DX tools.

*1 MTA(Machine Touch App) is a mobile app that creates MTR(Machine Touch Report) created by Komatsu. MTA can send MTR to the web application through the synchronization function to the share machine status.

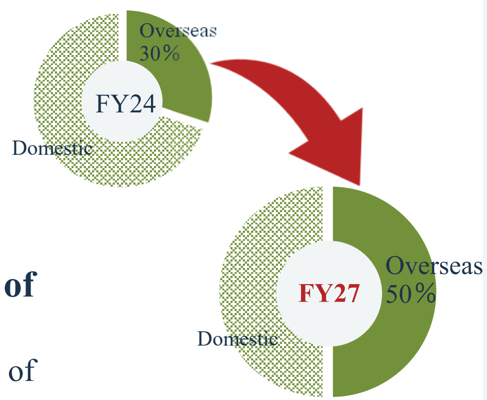
■ Forklift Net sales.



Product development that accurately captures market trends.

- Expand overseas sales through **aggressive overseas investment.**
- **Expansion of electrification products** toward carbon neutrality.
- Market introduction of **manpower-saving technologies** (remote control systems, automated driving technologies).

■ Crane sales ratio (domestic/overseas).



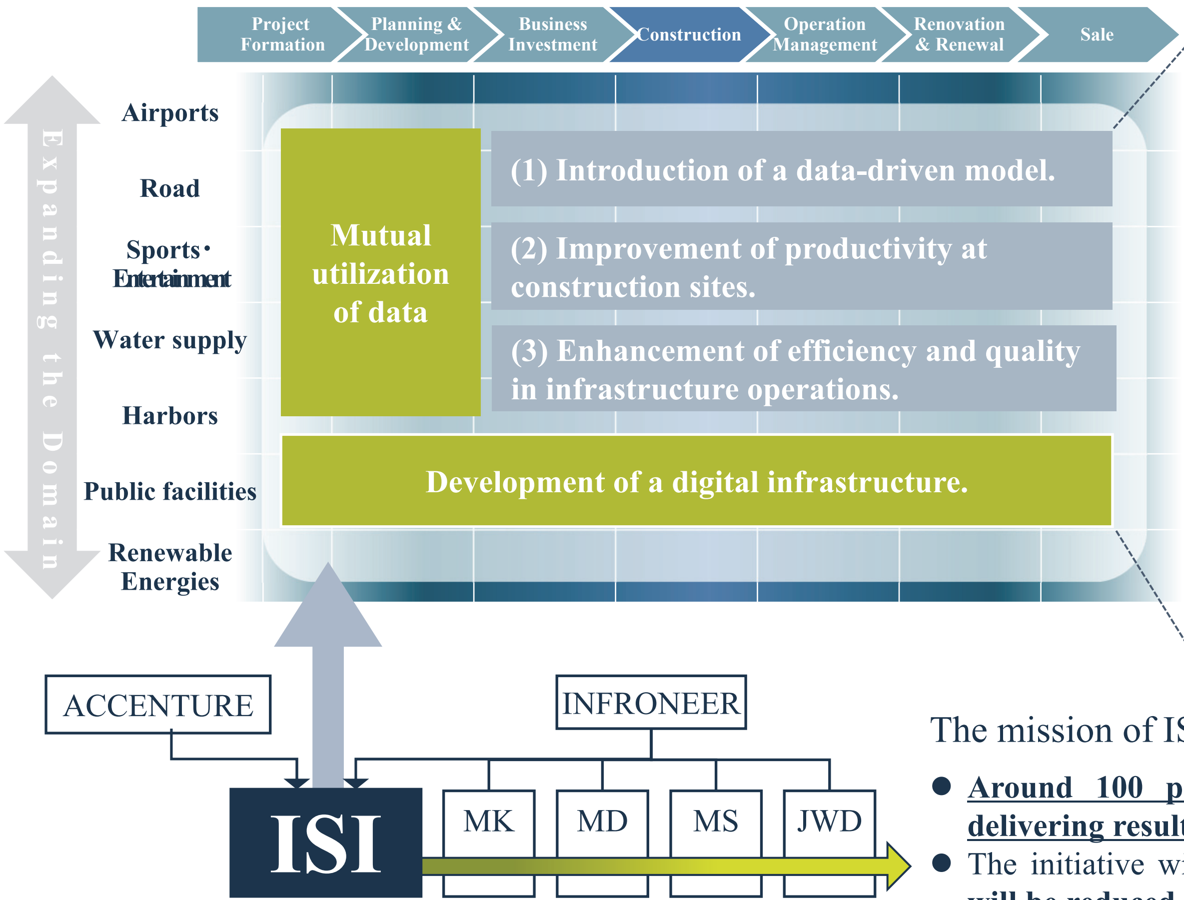
Expand product lineup through concentrated investment of development resources.

- **Development of products other than cranes**, including expansion of forwarder lineup (4 models + α).

17. IT・DX Strategy

A new joint venture company has been established to strongly drive business model transformation through DX.

- **The initiative aims to maximize profits through the development of digital infrastructure and the mutual utilization of data across the entire group.**
- **Strengthening the partnership with Accenture, which has a six-year track record of collaboration, by establishing a joint venture company.**



Examples of measures (executed with ISI)

Transforming engineering expertise into codified knowledge.
Reforming procurement and purchasing processes to enhance efficiency and cost-effectiveness.
Implement front-loading practices.
Sales transformation to create numerous high-value-added projects.
Optimize resource allocation.
Enhance productivity in construction management.
Improve operational efficiency in road management through new services.
Reform toll collection methods for road services.
Centralize and commercialize water quality management for sewage systems.
Develop projects in the infrastructure operation domain.
Establish businesses in non-infrastructure operation domains.
Standardize digital infrastructure and services across the group.

Establish a joint venture with Accenture,
"INFRONEER Strategy & Innovation (ISI)".

The mission of ISI

- **Around 100 personnel** from Accenture and INFRONEER **are committed to delivering results** and accelerating reforms.
- The initiative will begin with Maeda Corporation, where **defensive IT investments will be reduced by 30%**, reallocating resources to **proactive IT and DX investments**, and the development results will be implemented at an early stage.
- In the future, these efforts will be **gradually expanded to group companies.**

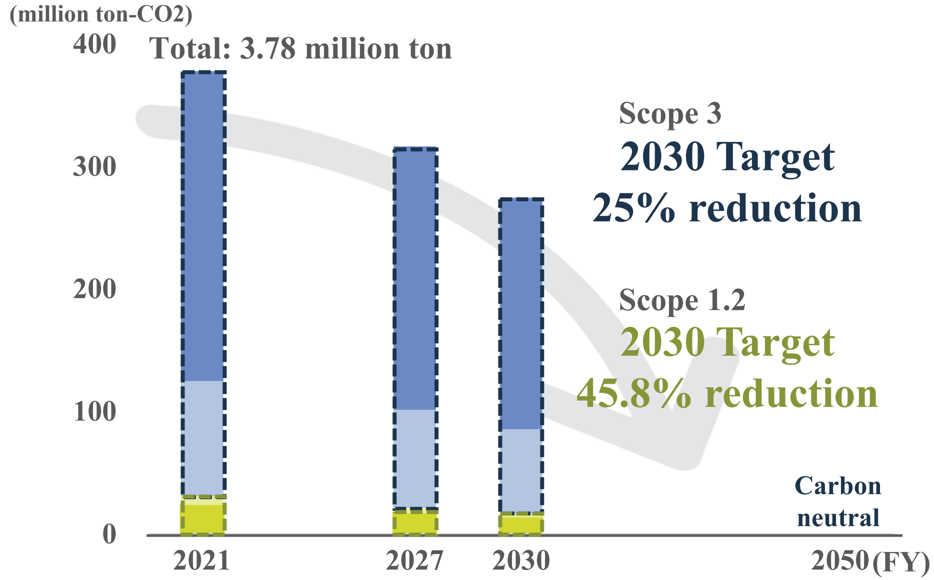
18. Sustainability Strategy   INFRONEER's business model drives sustainability.

Climate Change

(1) Advancing the achievement of RE100 to fiscal year 2030, leading the promotion of renewable energy.

RE100 is an international initiative aimed at sourcing 100% of the electricity used in business operations from renewable energy.

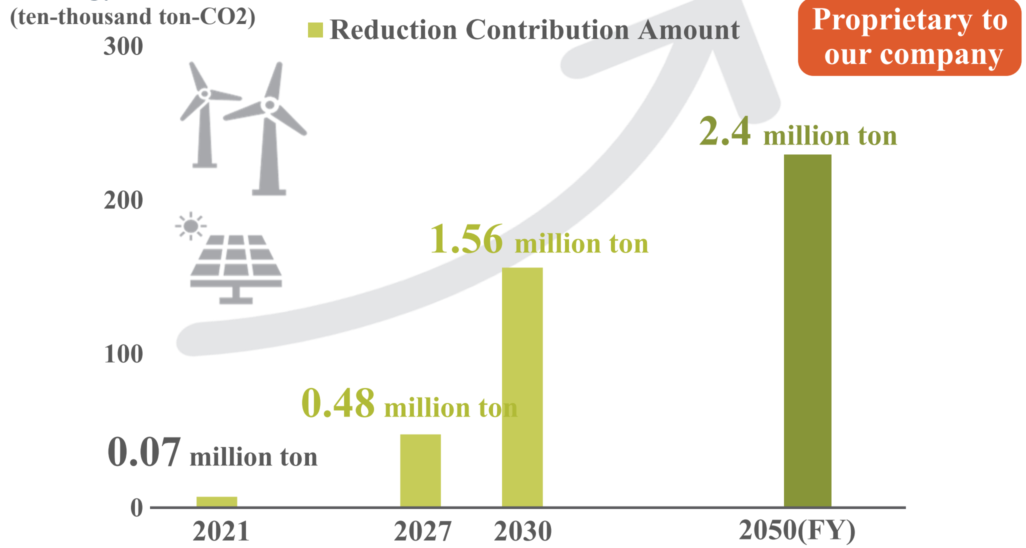
(2) Reduction of greenhouse gas emissions by the INFRONEER Group.



Reduction measures

Scope 1	Increase sales of low-carbon asphalt mixtures (**"ecole"**) and promote the production and utilization of **bio-heavy oil.**
Scope 2	Renewable Energy Utilization (Including Non-Fossil Certificates).
Scope 3	Develop low-carbon construction materials and promote the adoption of ZEB (Zero Energy Buildings) and ZEH-M (Zero Energy Houses for Multi-family Buildings). Advance infrastructure recycling, renewable energy supply, and other initiatives.

(3) Contribution to societal greenhouse gas reduction through renewable energy.*1



- Contribution to societal greenhouse gas **reduction** *1 through **renewable energy developed by our company.**
- Stable power supply enabled by grid-scale battery storage systems.

*1 Methodology for calculating the reduction contribution..
Greenhouse gas reduction contribution = (Annual power generation - Annual auxiliary power consumption for generation) × CO2 emission factor for electricity (as of FY24).

Target：Electricity supplied from solar power plants, wind power plants, and biomass power plants that the INFRONEER Group has invested in and developed (excluding subcontracted projects) or plans to develop. Regardless of ownership or sale, the contribution is calculated as the amount benefiting society.

Circular Economy

- Prioritization of recycled resources.
- Improvement of **resource productivity.***2
- Expansion of regional circularity through infrastructure recycling.

*2: A proprietary indicator of INFRONEER, aimed at achieving enhanced value-added productivity (such as operating profit and labor costs) through resource efficiency.

Ecological Restoration

- Expansion of sustainable **timber usage** to contribute to forest sustainability.
- Minimization of biodiversity impacts in land use.
- Optimization of water resource consumption.

19. Human Resource Strategy

Fostering Value-Creation Talent Through the Virtuous Cycle of "Construction" and "De-construction".

To cultivate a workforce and organization that embraces diversity from a broad perspective across the entire group, leveraging collective wisdom and ideas to promote challenges and co-creation.

Accelerating the Collaboration and Integration of "Construction" and "De-construction".

Engineering Capability	Fostering Mutual Growth and Advancement of Technology and Know-How Across Diverse Segments.
Regional Business	Driving Market Development and Project Initiation Across Fields in Each Region.
Organization Culture	Cultivating a Management Culture that Shares Knowledge and Embraces Diversity Across Segments and Functions.

Implement measures to bring together diverse talents, promote their individual challenges, and realize co-creation.

1 Systematically secure diverse human resources.

Establish a foundation for talent acquisition.

- Build recruitment processes for value-creating talents.
- Develop mechanisms for optimal placement within the group.

Creating an Environment to Leverage Diverse Strengths.

- Visualize talents through multifaceted dimensions.
- Support challenges toward diverse career paths.

2 Creating an organization in which diverse human resources can play an active role.

Organize management with a group management perspective.

- Expand goals connected to group strategies.
- Promote actions based on CSV concepts and DX concepts.

Accelerate activities toward value creation.

- Create spaces that foster team-driven innovation.
- Provide support for improving physical and mental wellness.

Glossary 1/2

No.	Term	Description
1	Construction･Manufacturing Business	Business of the Building Construction, Civil Engineering, Road Civil Engineering, and Machinery segments.
2	Infrastructure Management Business	Public-private partnership (PPP/PFI) projects, including concessions, as well as renewable energy projects.
3	Concession method	The ownership of public facilities is retained by local governments, while the operating rights are sold to private companies. These private companies operate and maintain the facilities with revenue from usage fees. This model offers greater operational freedom compared to designated manager systems or outsourcing, and there is potential for upside by leveraging private expertise.
4	Added value amount	Deduction method: Added value amount= Sales - External purchase costs Summation method：Added value amount= Total labor costs ＋Business (Operating) profit＋Depreciation +R&D costs Previously, the added value amount calculated by our company did not include depreciation costs from the infrastructure management segment, but starting from this medium-term management plan, these costs will be included. Additionally, labor costs for dispatched employees were included in the labor costs of certain business companies, but from now on, these will be excluded.
5	Value added productivity	Value-added productivity ＝Added value amount / Total number of employees or Added value amount / Total working hours
6	MK、MD、MS、JWD	MK：Maeda Corp. MD：MAEDA ROAD, MS：MAEDA SEISAKUSHO, JWD：Japan Wind Development
7	Construction	Mainly contracting work in the Building Construction, Engineering, Road, and Road Civil Engineering segments.
8	De-construction	Businesses such as infrastructure operations that are not solely focused on construction but involve investment and provide comprehensive infrastructure services from upstream to downstream.

Glossary　2/2

No.	Term	Description
9	Grid storage battery business	A business that introduces storage batteries into power grids to support stable power supply and demand adjustment, primarily aimed at addressing power fluctuations due to the spread of renewable energy.
10	Infrastructure	At INFRONEER, "infrastructure" is defined broadly to encompass tangible (hard) assets like buildings and civil infrastructure that are socially shared, as well as intangible (soft) infrastructure such as systems.
11	Construction production process	The business process for providing construction products (planning, investigation, design, estimation, procurement, construction, maintenance, etc.), and the totality of the interrelationships among each organizational entity. By utilizing front-loading, BIM, and digital technologies, many components can be organically linked to enhance cost performance.
12	Stable clients	Clients that meet the following criteria (1)to (3) (1) Clients with an average annual order record over the past 5 years of 1 billion yen or more in real estate, and 300 million yen or more in non-real estate. (2) Total orders to date of 5 billion yen or more and an average annual order record over the past 5 years of 50 million yen or more. (3) Design firms, CM（Construction Management） companies, financial institutions, etc., with an average annual order record of 1 billion yen or more over the past 5 years based on referred construction information.
13	Front-loading	A method of advancing work to the early stages of design to predict and address potential defects.
14	C-PPA	A Corporate Power Purchase Agreement (C-PPA) is a method by which consumers directly enter into long-term contracts with power generators to procure renewable energy at a fixed price over an extended period.

インフラの未来に挑む
Challenge the status quo

INFRONEER Holdings Inc