


# INFRONEER Vision 2030

Challenge the status quo



October 1, 2021

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# 1. Overview of a Holding Company

**Name** INFRONEER Holdings Inc.

**Established** October 1, 2021

**Capital** 20 billion yen

**Structure of Corporate Organs** Company With Nominating Committee, etc.

**Security code** TSE 1st Section No. 5076



## The will that is put in this logo

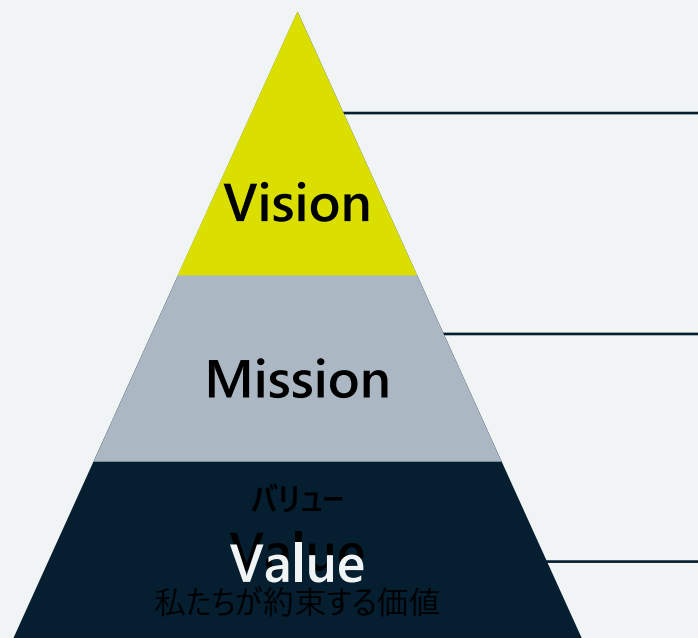
【INFRONEER ARROW】

- Creating future of infrastructure & Expanding freedom of infrastructure services. Overcoming preconceptions & Expressing intention to innovate thru dynamic motif

## The will that is put in this name

【 Infrastructure/ Innovative/ Pioneer/Engineer/Frontier 】

- Coined word representing innovators, pioneers, engineers and frontier for infrastructure services in past, present and future



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

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

Safety, security, and sustainability of our society and local communities

## 2. Concept of Management of the Holding Company

- Pursuing exquisite balance with centripetal power of the holding company and centrifugal power of the three companies and aim for **explosive improvement of corporate value**.



Maeda Corporation

Maeda Road

Maeda Seisakusho

Centripetal Force of Holding Company

- Share strategies as integrated infrastructure services company
- Joint efforts to hire employees and develop their skills
- Pursue group financial benefits through excellent credit ratings
- Joint efforts to make DX, R&D and Shared Services

Improve Corporate Value

Exquisite Balance

- Competitiveness of existing businesses utilizing strengths of each company
- Improving employees' engagement
- Active investment in human resources (reward, education and training)

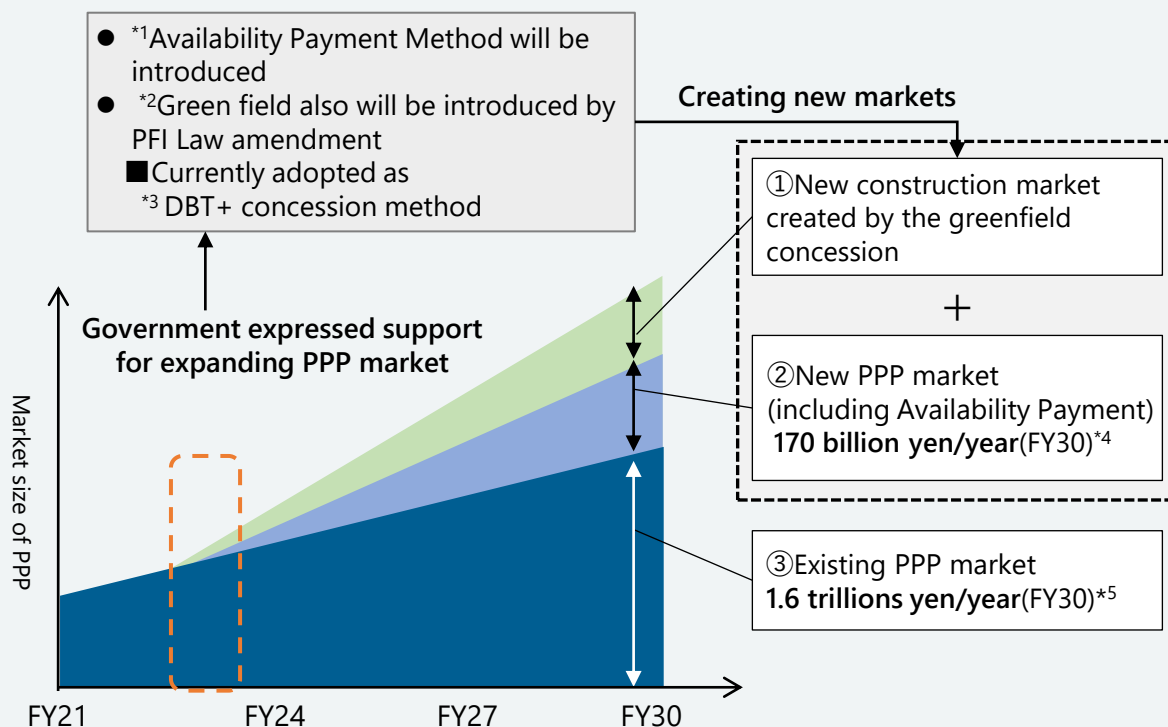
Centrifugal Force of the Three Companies

### 3. Business Environment forecast

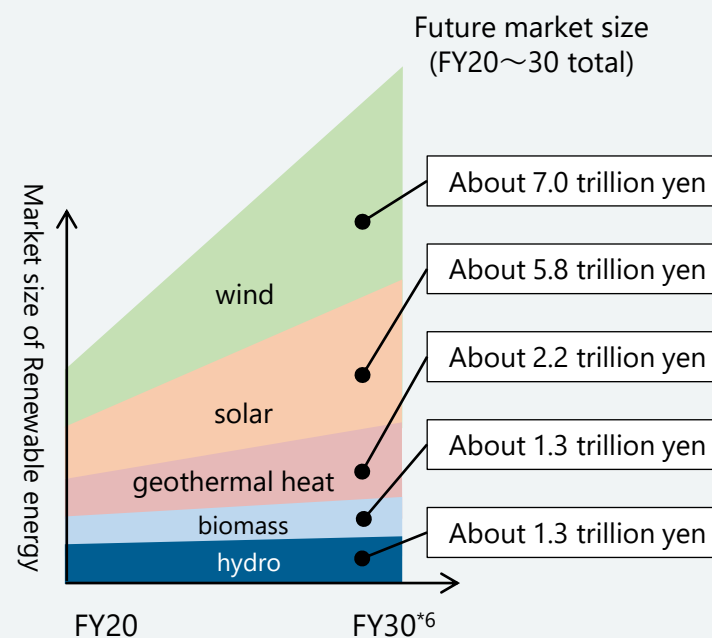
- The new construction market is predicted to shrink due to shortage of national and local government budgets .
- As a solution, it is predicted that new markets such as infrastructure maintenance, repair, renewal and new construction by using public-private partnership method(PPP) will expand rapidly.
- And by policy promotion for the carbon neutral, it is predicted that the renewable energy market will also expand rapidly.
- In order to deal with the shortage of workers, it is essential to promote work style reforms and make drastic productivity reforms.
- For long term corporate growth, it is necessary to reinforce ESG management and corporate governance.
- The speed of social changes is accelerating, such as the rapid progress of digital technology, and there is an urgent need for a prompt and agile system.

#### Expansion of new market

##### Public infrastructure going to PPP market



##### Renewable energy markets expanding more



\*1~3 see the references

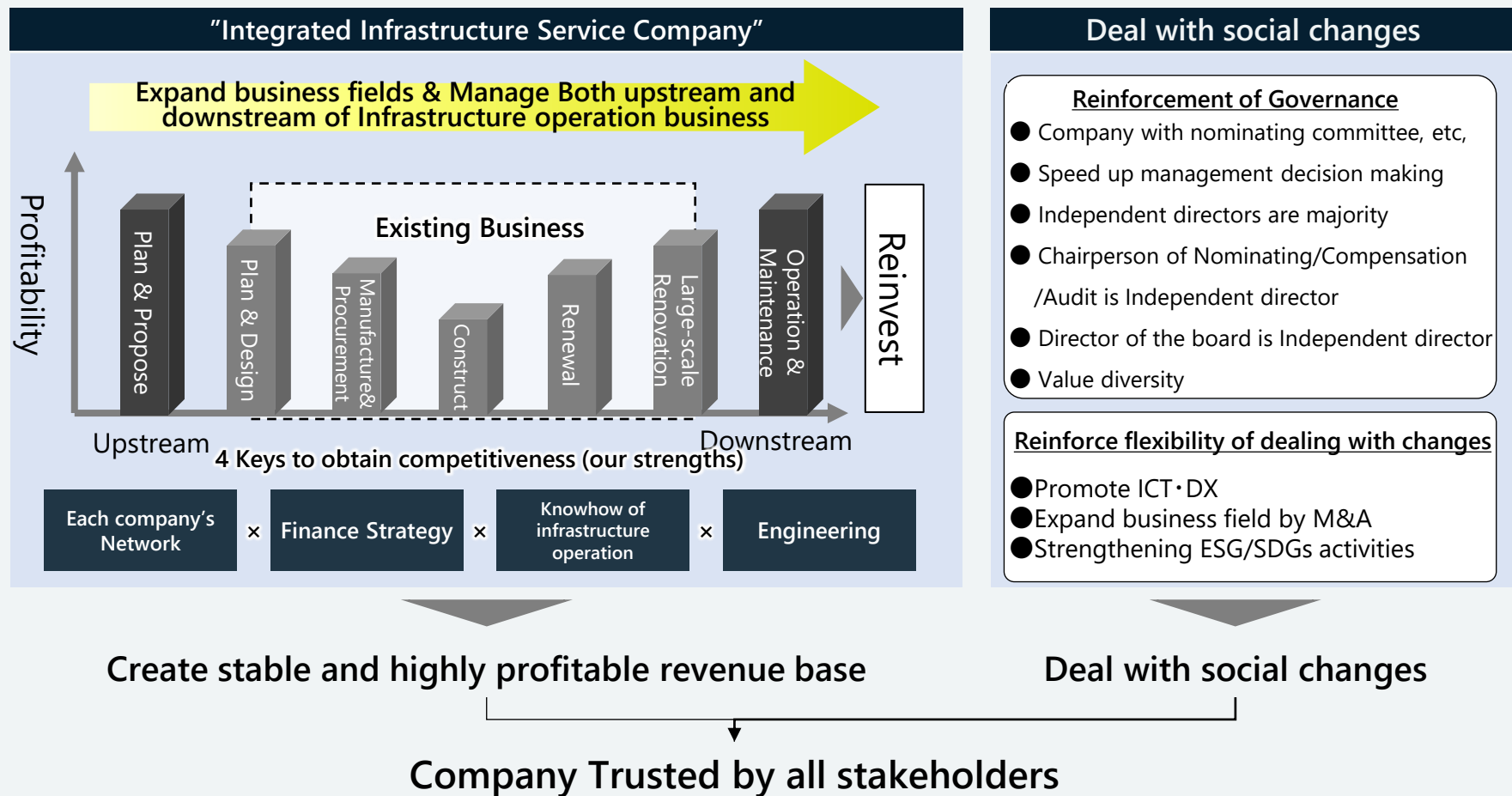
\*4 originally calculated from the MIC "Local Finance Survey Materials (Reiwa 1st Revised Edition)"

\*5 originally calculated from the Cabinet Office "PPP / PFI Promotion Action Plan (Reiwa 3rd Revised Edition)"

\*6 originally calculated partially from the sixth basic energy plan (draft)

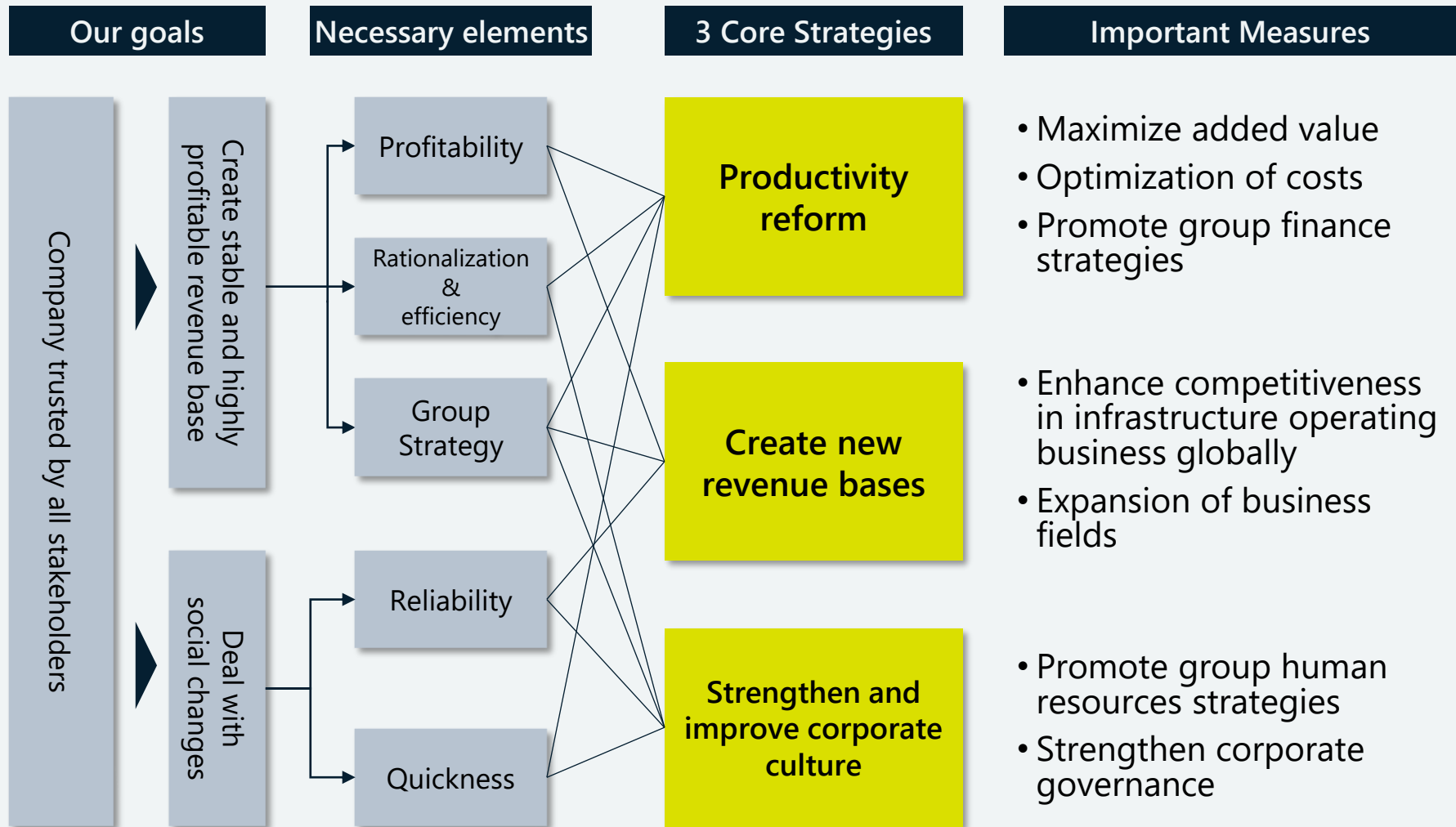
## 4. Our Goal

- Strongly promote “**integrated infrastructure service company**” that manages both upstream and downstream of infrastructure operation business aiming to establish a business model that realizes sustainable growth without being influenced by external factors.
- **Create stable and highly profitable revenue base** by uniting the engineering of each group company, expanding the business fields by M&A and reinforce competitiveness.
- Aim for “**company trusted by all stakeholders**” by establishment of an effective corporate governance system, promote Digital Transformation (DX), realize prompt and appropriate management and reinforcement our “**ability to deal with social changes.**”



## 5. 3 Core Strategies and Important Measures

- In order to realize our goals, we have set "Productivity reform", "Create new revenue bases", and "Strengthen and improve corporate culture" as 3 core strategies.
- In order to achieve the strategies, we formulate important measures for each 3 core strategies.



## 6. Our Idea of Added Value Distribution to Multi-stakeholders

- Distributing our added value to multiple stakeholders in well balance, maximizing our added value as well as realizing continuous growth through dealing with social changes

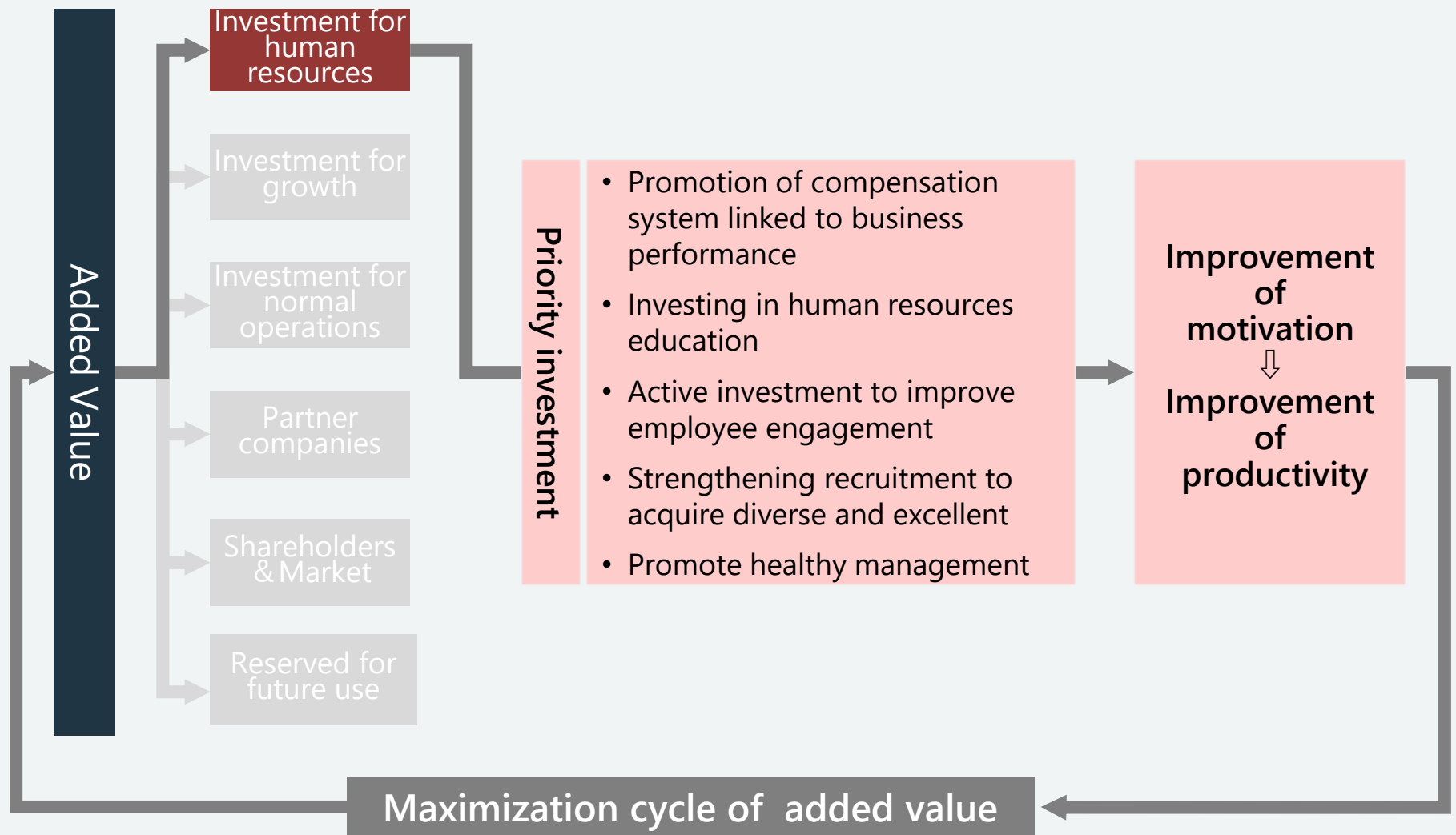




# 7. Our Idea of Added Value Distribution to Investment for Human Resources

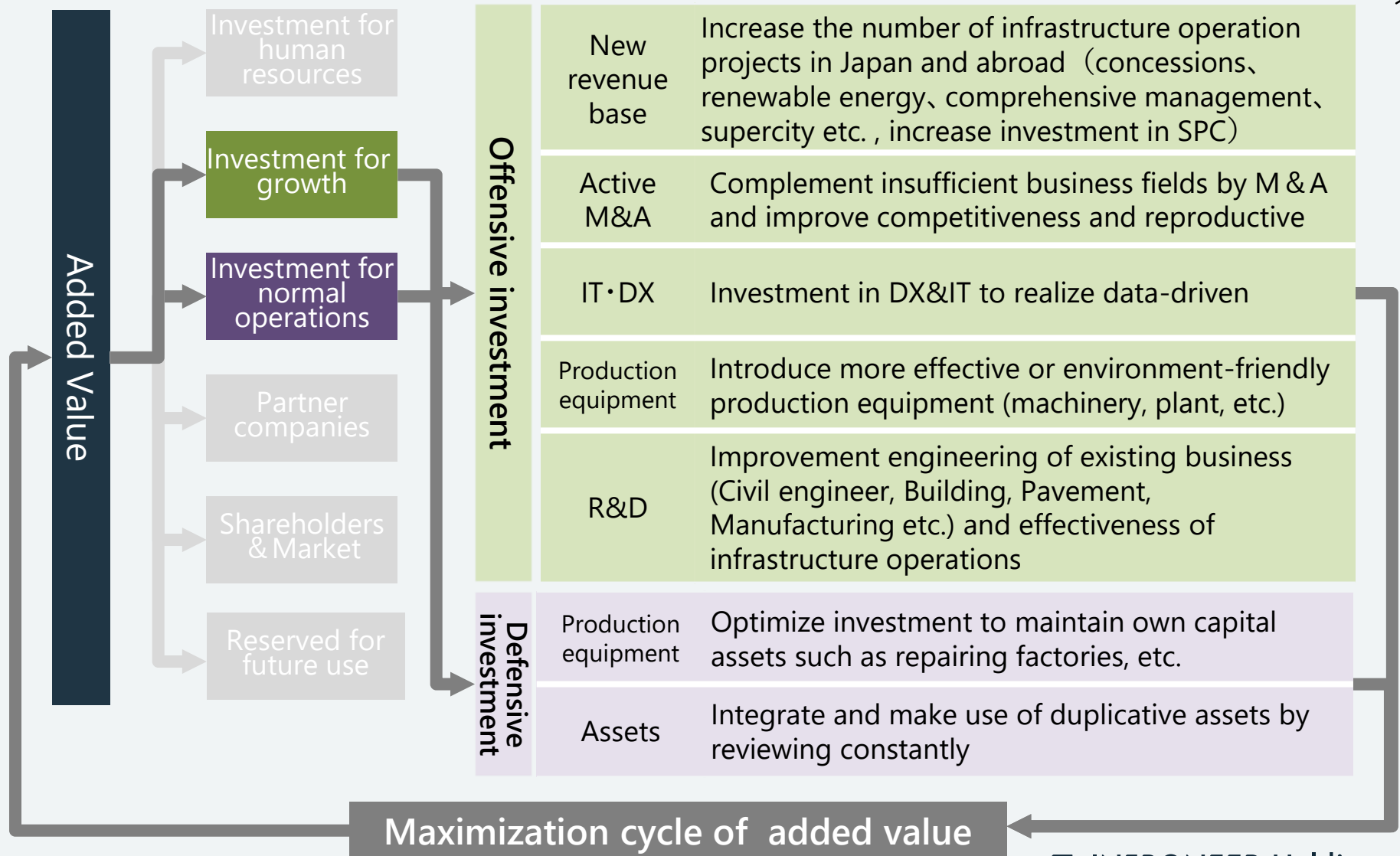
- Corporate value is the organization value which reflects the value of human resources
- Improving the growth of human resources is the key to improve organization value
- Maximizing added value centered on distribution to human resources

Human resources are the driving force for maximizing added value



# 8. Our Idea of Added Value Distribution to Growth and Constant Investment

- Aim for more spiral up by maximizing added value with both "Offensive investment" and "Defensive investment"

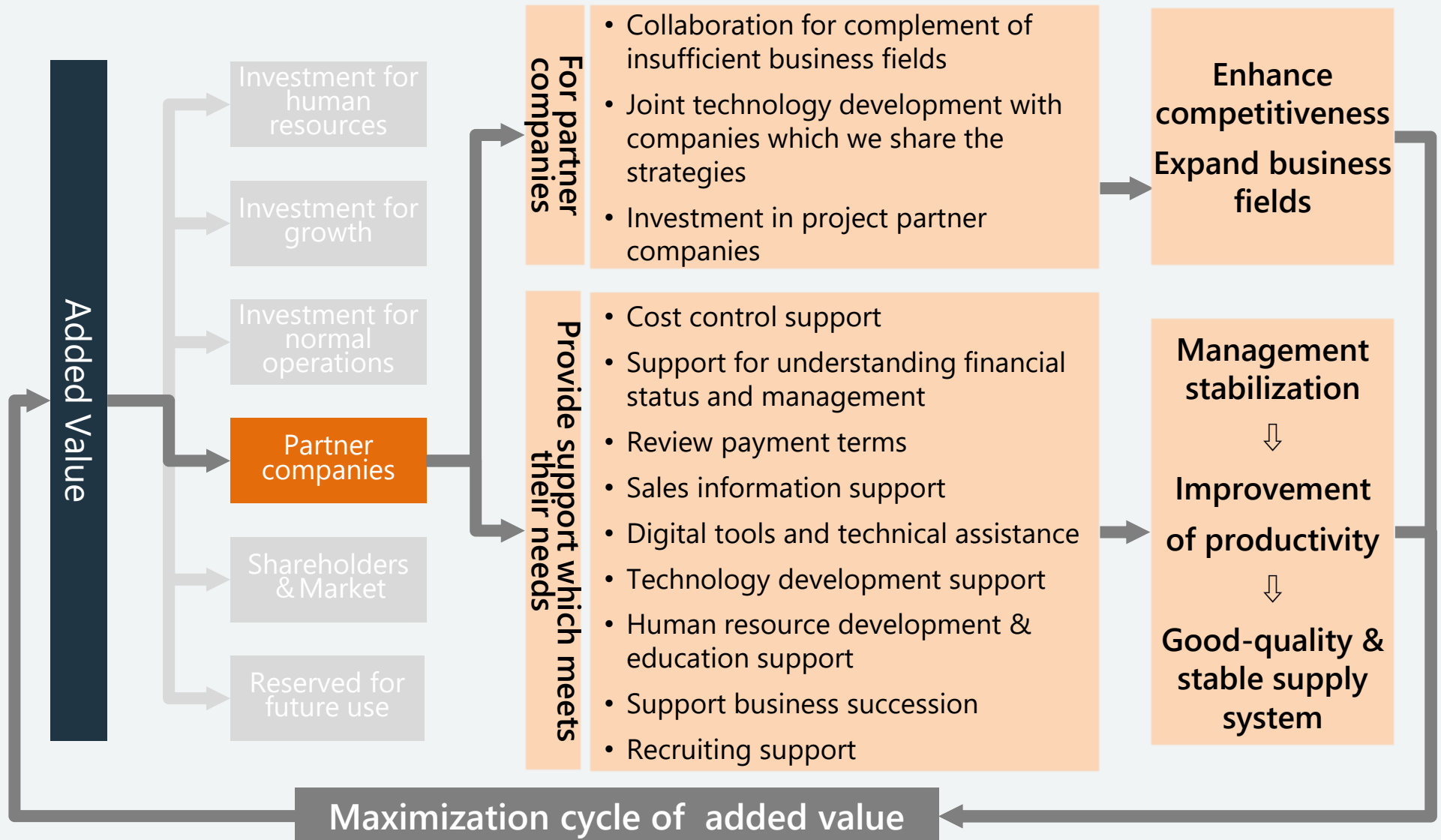


## 9. Our Idea of Added Value Distribution to Investment for Subcontractors

- Aim for management stabilization and productivity improvement with partner (subcontractor) companies and establish good-quality & stable supply system by added valued distribution which meets their needs



Subcontractor companies are important partners

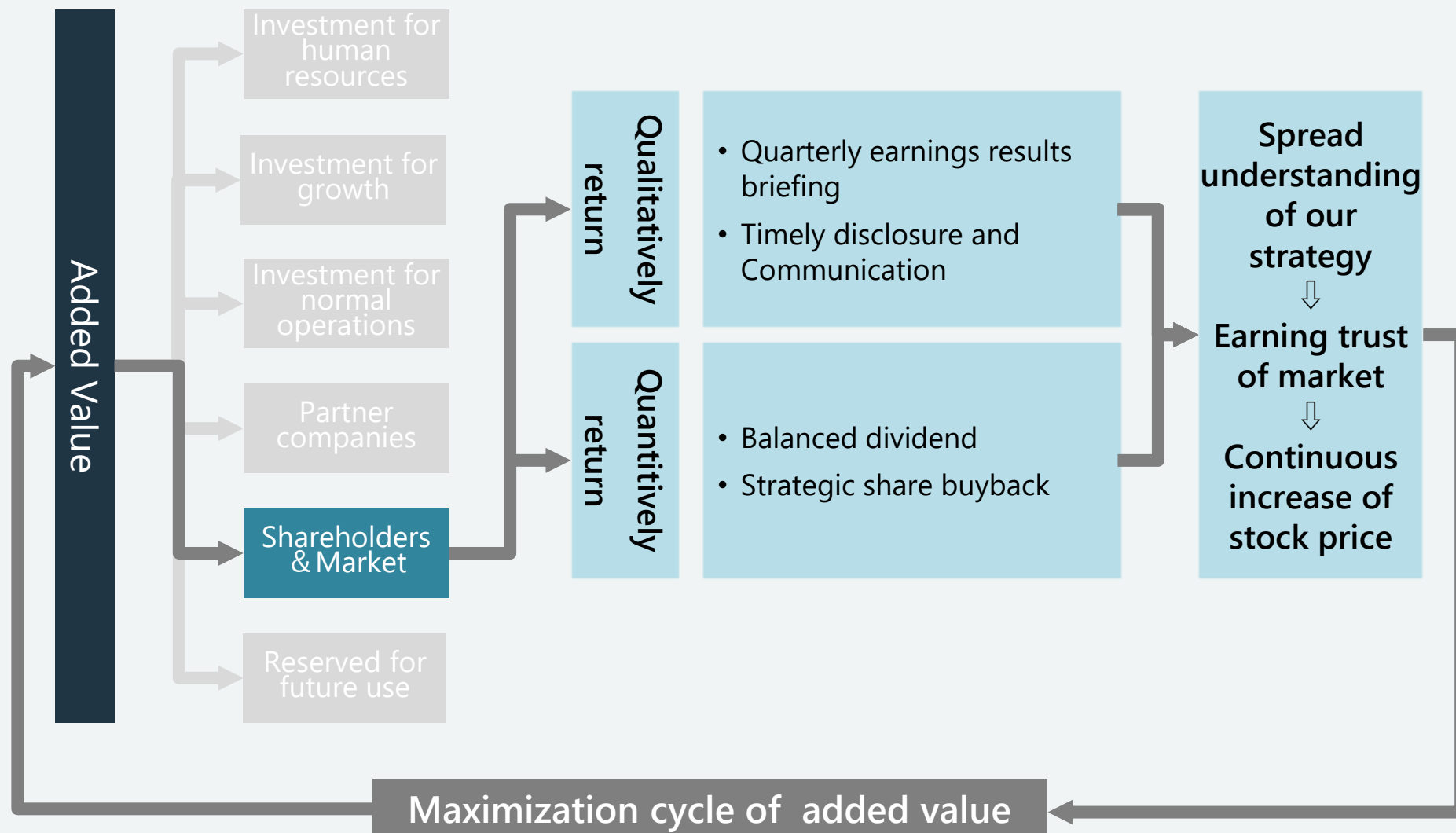


# 1 0. Our Idea of Distribution to Shareholders & Market

- Perform appropriate shareholder returns which are well-balanced with our capital policy



Medium- to long-term scope advisor



# 1 1. Management Target

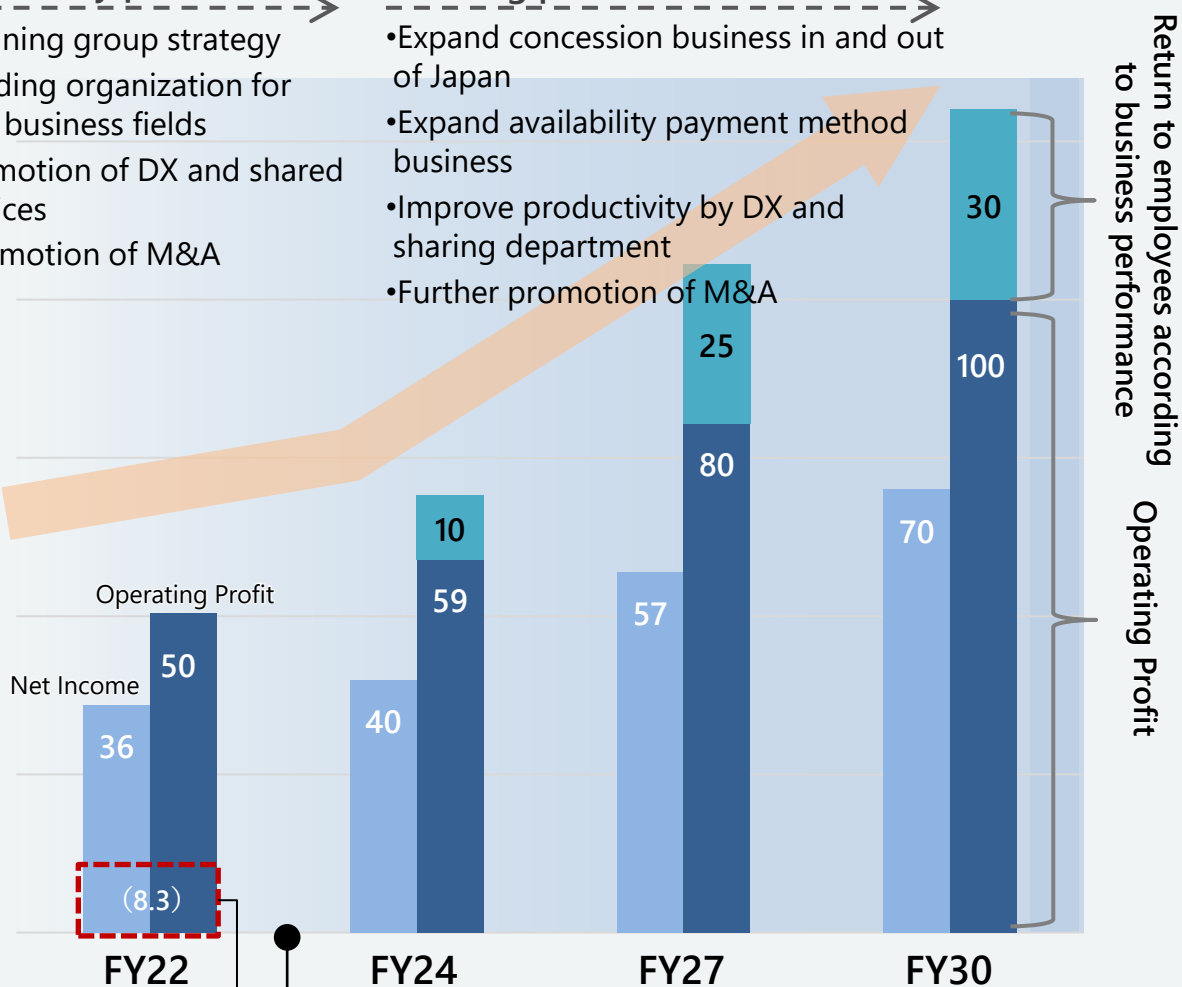
- We aim more than 1.2 trillion JPY of net sales, 100 billion JPY and around 8% profit rate of operating profit, 70 billion JPY of net income and 12% in ROE in financial year of 2030

## Preliminary phase

- Planning group strategy
- Building organization for new business fields
- Promotion of DX and shared services
- Promotion of M&A

## Growing phase

- Expand concession business in and out of Japan
- Expand availability payment method business
- Improve productivity by DX and sharing department
- Further promotion of M&A



## Management target in FY 2030

Operating Profit\*  
More than  
**100 Billion JPY**

Net Income  
More than  
**70 Billion JPY**

ROE  
More than **12%**

## After FY2021

Dividend payout ratio  
More than **30%**

\*Net income and profits are based on IFRS

6.6 billion JPY of amortization of goodwill and 1.7 Billion JPY of depreciation of machinery and other assets due to TOB of Maeda Road Construction

Starting IFRS

Around 8.0% of operating profit ratio

## 1 2. ESG management to maximize our added value

- Before the concept of ESG was widely spread, we have been working on such as renewable energy business and public-private partnership business, showing “No.1 company in environmental management.”
- From now, we aim for achievement of both solution of social issues and sustainable development of our company as integrated infrastructure service company.
- We formulate business plans such as greenhouse gas reduction target in accordance with TCFD frameworks.
- We will establish ESG governance systems to achieve ESG targets as below.

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### Greenhouse gas reduction

< SCOPE 1 > 2030 : Reduce greenhouse gas emission 30% below 2018 levels. 2050 : Net-zero

< SCOPE 2 > 2030 : Reduce consumption of electricity in offices and plants 60% below 2018 levels. 2050 : Net-zero

< SCOPE 3 > 2030 : Reduce greenhouse gas emission from materials, products and services 30% below 2018 levels

### Contributions for carbon neutral society

- Further promotion of renewable energy business (Increase the rate of electricity created by renewable energy)
- Realize carbon neutral in infrastructure operation business

### Contributions for solving social issues

- Regional vitalization through concession business and “Super City Initiative” business
- Support subcontractors to secure stable supply

### Respect for diversity

- Establish company culture and rules which respect diversity and productivity for employees
- Conduct human resources training to improve individual abilities

S

G

### Reinforcement of company governance systems

- Adoption of structure of corporate organs as company with nominating committee, etc.
- Majority of board of directors are outside directors
- Director of the Board and Chairperson of Nominating, Compensation, and Audit is Independent director
- Implementing the PDCA cycle under the supervision of the Group Sustainability Committee led by the president

# Reference

## \*1 Availability Payment Method

A fee structure that public agency makes payments according to concession contractor's performance on operation and management of infrastructure.

The payments are covered by public agency budgets.

In Europe and the United States, Availability Payment have been introduced in many projects such as schools, hospitals, courts, roads, transportation and water service.

## \*2 Green field

Project structure that includes various stages of project such as new construction, acquirement of operating rights, maintenance, large-scale repairs and renewals.

On the other hand, Brown field is project structure that includes only acquirement with operating rights of existing facility, large-scale repairs and renewals.

## \*3 DBT + concession

Project structure that combines DBT (Design Build Transfer) and the concession.

Private company constructs a facility and transfers ownership to the public agency.

After transferring the ownership to the public, a private company will acquire the operating right of the facility and do maintenance, large-scale repairs and renewals.

Challenge the status quo

 **INFRAONEER Holdings Inc.**