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November 14, 2025

Company name: INFRONEER Holdings Inc.
Representative: Kazunari Kibe, Representative Executive Officer
and President
(Securities code: 5076; TSE Prime Market)
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(Telephone: +81-3-6380-8253)

Notice Concerning Formulation of the “INFRONEER Medium-term Vision 2027 (Revised Edition, November 2025)”

INFRONEER Holdings Inc. (the “Company”) hereby announces that our Board of Directors has formulated the “INFRONEER Medium-term Vision 2027 (Revised Edition, November 2025)” (hereinafter “INFRONEER Medium-term Vision 2027 (Revised Edition),” at a meeting held on November 14, 2025, as outlined below.

1. Purpose of Formulating the INFRONEER Medium-term Vision 2027 (Revised Edition)

The “INFRONEER Medium-term Vision 2027 (Revised Edition)” has been formulated to revise the Company’s performance targets in light of the acquisition of Sumitomo Mitsui Construction Co., Ltd. (hereinafter “Sumitomo Mitsui Construction”) as a consolidated subsidiary through a tender offer on September 26, 2025. This revision reflects the addition of Sumitomo Mitsui Construction’s performance targets and the impact of its inclusion in the Group.

Under the “INFRONEER Medium-term Vision 2027,” disclosed on March 26, 2025, the Company positioned the period covered by the plan as the “Phase of Expanding Investment Business,” aiming to promote proactive growth investments based on value-driven thinking while thoroughly adhering to financial discipline, in pursuit of the goals outlined in “INFRONEER Vision 2030,” disclosed on October 1, 2021. In this Revised Edition, the Company aims to accelerate the “Phase of Expanding Investment Business” by further enhancing the profitability of its construction business, including strengthening the operations of Sumitomo Mitsui Construction, and by leveraging the profits generated from the construction business to drive further advancement of its infrastructure business.

The Company will continue to utilize EBITDA as a key metric to accurately assess its profitability, and strive to advance the evolution of its governance structure by fully leveraging the design principles of a company with a nomination committee. Through future-oriented business strategies and robust execution, the Company aims to enhance corporate value while balancing social contribution.

2. Contents of INFRONEER Medium-term Vision 2027 (Revised Edition)

I. Performance target figures

The following performance targets have been set for FY2027 and FY2030.

	FY2027 target
Business profit	100 billion yen
EBITDA	151 billion yen
Net profit for the current period	63 billion yen
Added value amount	334 billion yen

	FY2030 target
Business profit	130 billion yen
EBITDA	190 billion yen

II. Capital Strategies and Return Policies

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

Capital Strategies	
ROE	12.0%
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 (Revised Edition) for Analysts and Institutional Investors

Date and Time: **Friday, November 14, 15:00–16:30**

*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

November 2025 Revised Edition



November 14, 2025

Challenge the status quo

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【Reference】

1. Major Updates Between the March Release and This Revised Version
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Announcement of the New Medium-Term Management Plan

As part of our M&A strategy, in September 2025, we welcomed **Sumitomo Mitsui Construction** to INFRONEER Group. This is an extraordinary important event that symbolizes our growth investment, and we aim to achieve a **business profit of 100 billion yen**, three years ahead of our original plan, through this integration. With the integration of Sumitomo Mitsui Construction, we will promote the integration of people and organizations, decisive business reforms, and aim to create synergies. We will achieve further growth in the contract business by strengthening our engineering capabilities and differentiating ourselves in each of our business areas, and vigorously promote the "**investment business expansion phase.**"

In addition, we will continue to evolve as a group and aim to establish ourselves as **the one and only "Integrated infrastructure service company"** by accelerating public-private partnership businesses such as arenas, stadiums, and water businesses, as well as renewable energy businesses, driven by the profits generated from our business.

By expanding our business mainly in the infrastructure field, creating new businesses, increasing the profitability of Sumitomo Mitsui Construction, and promoting further transformation of our business structure, we aim to achieve a **business profit of 130 billion yen** by Fiscal Year 2030, and steadily prepare for the "**profit expansion phase**" of our next medium-term management plan.

We will further focus on thorough **financial discipline and stable shareholder returns**, maintain and strengthen our sound financial backbone, and aim to continuously improve our corporate value. Through these efforts, we will meet the expectations of shareholders, investors and other stakeholders in the capital market, and realize even more trusted group management.

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

1. 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.
- Through the integration of Sumitomo Mitsui Construction, We aims to achieve FY27 business profit of **100 billion yen** (+30 billion yen) and EBITDA of **151 billion yen** (+41 billion yen) three years ahead of schedule.



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

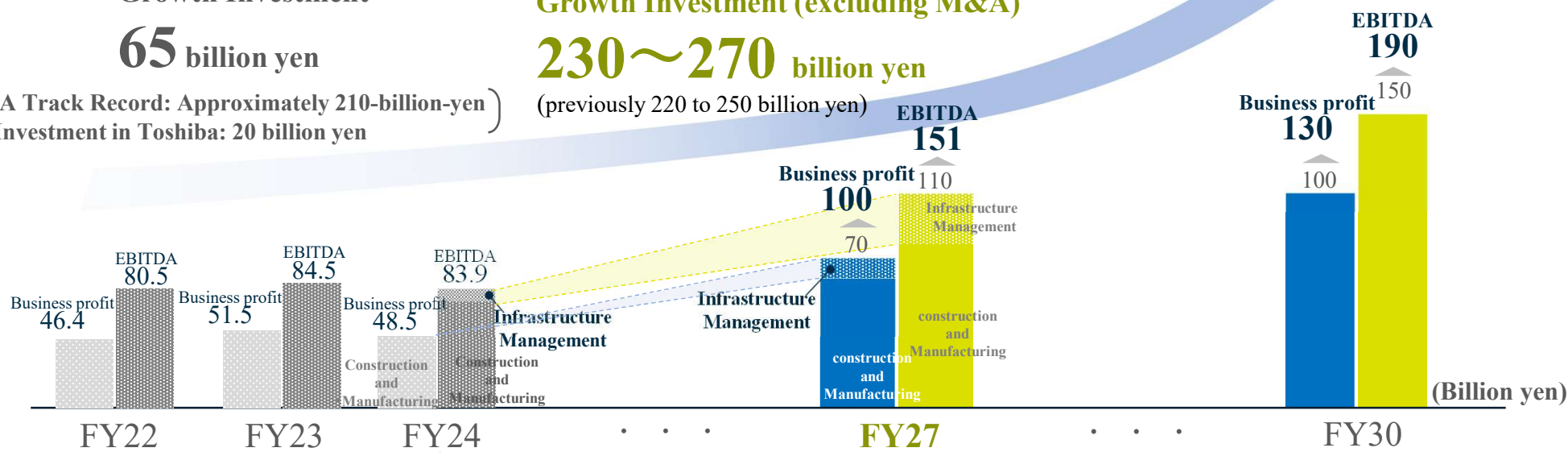
65 billion yen

Growth Investment (excluding M&A)

230~270 billion yen

(previously 220 to 250 billion yen)

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

2. Performance Target Figures

(Billion yen)

	Medium-term Vision 2024	Medium-term Vision 2027 Disclosed on 3/26/2025 (Revised on 5/14)	Change	Medium-term Vision 2027 (revised target)		
Business profit (Business profit margin)	48.5 (5.7%)	70.0	+30.0	100.0		
EBITDA*₁ (EBITDA margin)	83.9 (9.9%)	110.0	+41.0	151.0		
Net profit for the current period (Net profit margin)	32.4 (3.8%)	43.0	+20.0	63.0		
Added value amount*₂	177.7	225.0	+109.0	334.0		
Segments						
■ Building construction*₃	EBITDA	17.7	20.5	+18.2	38.7	26.3+12.4
	Business profit	11.3	13.4	+15.3	28.7	21.7+7.0
■ Civil Engineering*₃	EBITDA	18.0	21.5	+25.2	46.7	27.8+18.9
	Business profit	15.2	17.8	+16.9	34.7	20.6+14.1
■ Infrastructure Management*₄	EBITDA	7.8(8.0-0.2)	23.5(20.0+3.5)	-1.4	22.1	20.7+1.4
	Business profit	-2.0(-0.4-1.6)	9.2(6.9+2.3)	-2.1	7.1	7.5-0.4
■ Road Civil Engineering*₅	EBITDA	31.0	36.0	+1.7	37.7	35.7+2.0
	Business profit	19.7	24.7	+1.5	26.2	25.0+1.2
■ Machinery*₆	EBITDA	4.6	5.0	+0.1	5.1	
	Business profit	2.2	2.6	+0.1	2.7	
■ Others*₇	EBITDA	4.8	3.5	-2.8	0.7	
	Business profit	2.2	2.3	-1.7	0.6	

*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 (consolidated) + Sumitomo Mitsui Construction (consolidated) *4 Maeda Corporation (consolidated) + Japan Wind Development (consolidated)

*5 Maeda Road (consolidated) + Sumitomo Mitsui Construction (consolidated) *6 Maeda Seisakusho (consolidated) *7 Other associated companies

*Note: From the second quarter of the fiscal year ending March 2026, we have changed the segment classification of some of our affiliated companies.

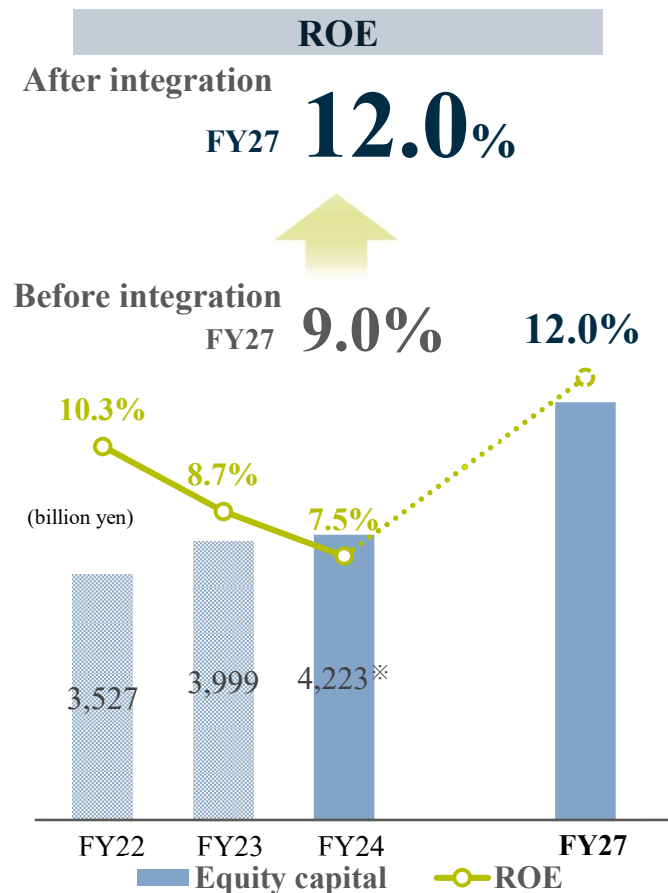
For details, please refer to the reference material "Segment Classification – Entities subject to reclassification"

3-1. Financial Strategy - Capital Strategies and Return Policies 1/2

- By optimizing assets and enhancing profitability, aim to increase ROE to 12.0% 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 shareholder's equity.



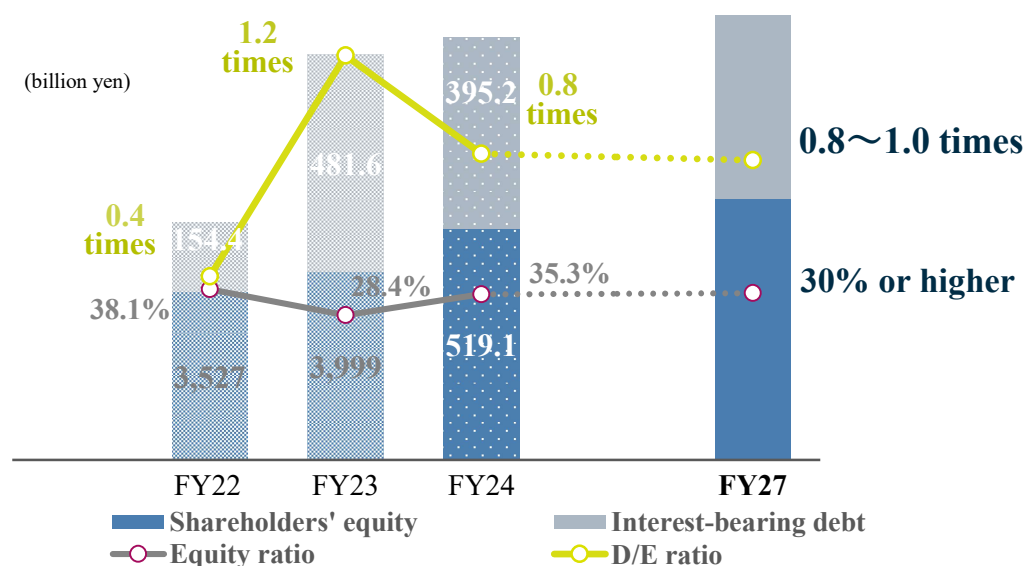
*Figures excluding net assets related to Bond-Type Class Shares

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**



3-1. Financial Strategy - 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.

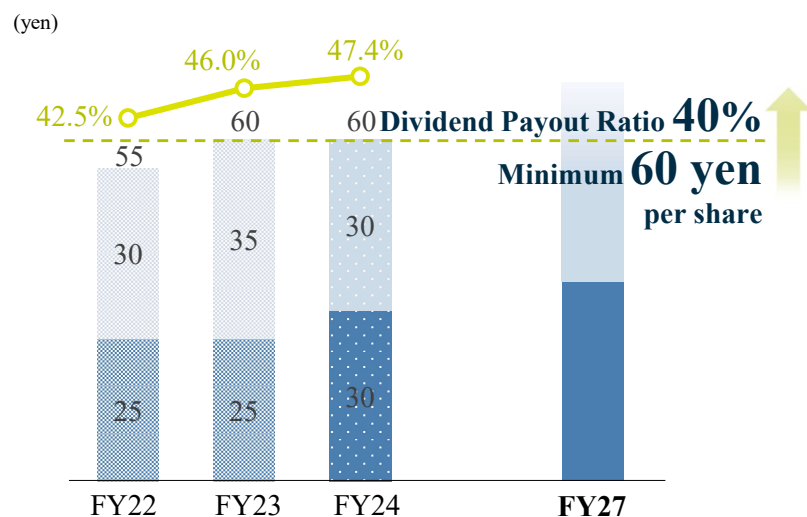
Shareholder Returns

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



Capital Efficiency Improvement

Promotion of the policy to sell Cross-Shareholding Stocks.

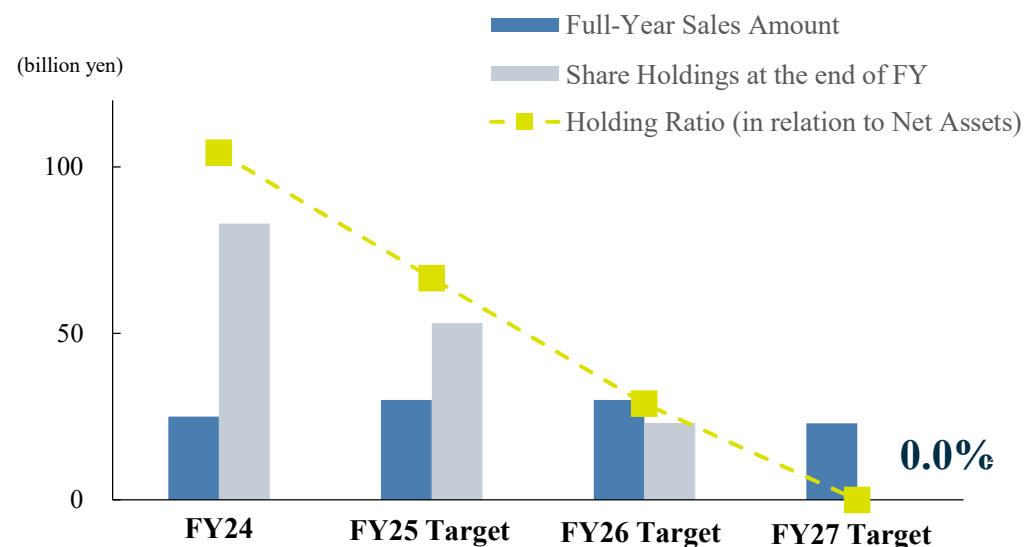
Cross-shareholdings/Equity ratio

Sales of real estate holdings

FY25~FY27

Zero holdings by FY27 **10 billion yen or more**




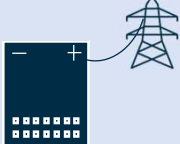


(Real estate holdings at the end of FY24: approximately 127 billion yen.)



3-2. Financial Strategy - 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 375 ~ 385 billion yen	Investments as a source of competitiveness Growth Investment (excluding M&A) 230 ~ 270 billion yen
Promote capital efficiency Investment recovery through the sale of renewable energy projects 10 ~ 15 billion yen Sale of cross- shareholdings 70 billion yen (reducing holdings to zero) Sales of real estate holdings 10 billion yen Appropriate sourcing of interest-bearing debt	Growth Investment (M&A executed) 94 billion yen Regular investments 70 billion yen
Others Sale of Toyo Construction shares 25 billion yen	Key to enhancing shareholder value Shareholder returns Corporate tax, etc.

Renewable energy business  123 ~ 133 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 20 billion yen	Human capital investment  Recruitment, placement, training, and HR systems 4 billion yen

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

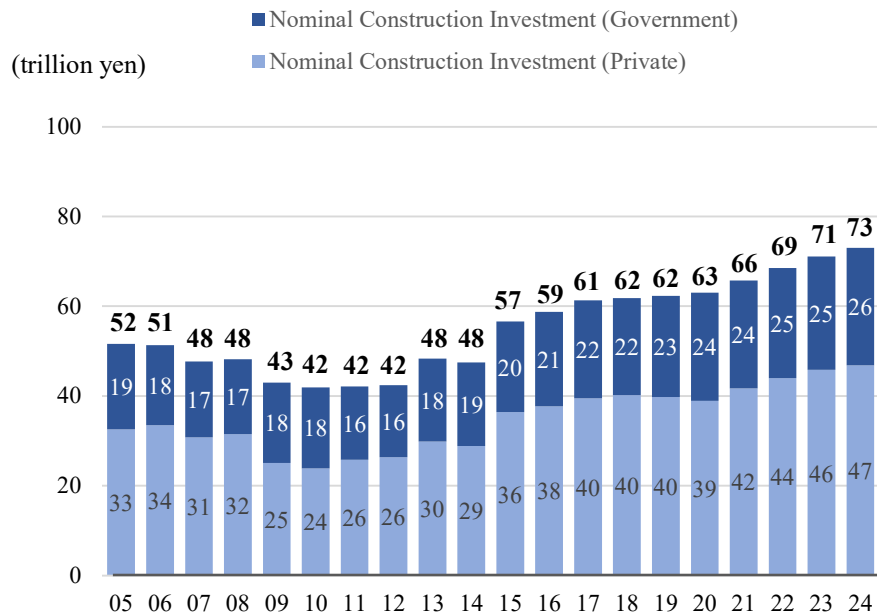
Note: Investment amounts are subject to change due to changes in the business environment or other factors.

4-1. Recognition of the Business Environment <Construction Market>

Current Medium-Term Plan Perspective

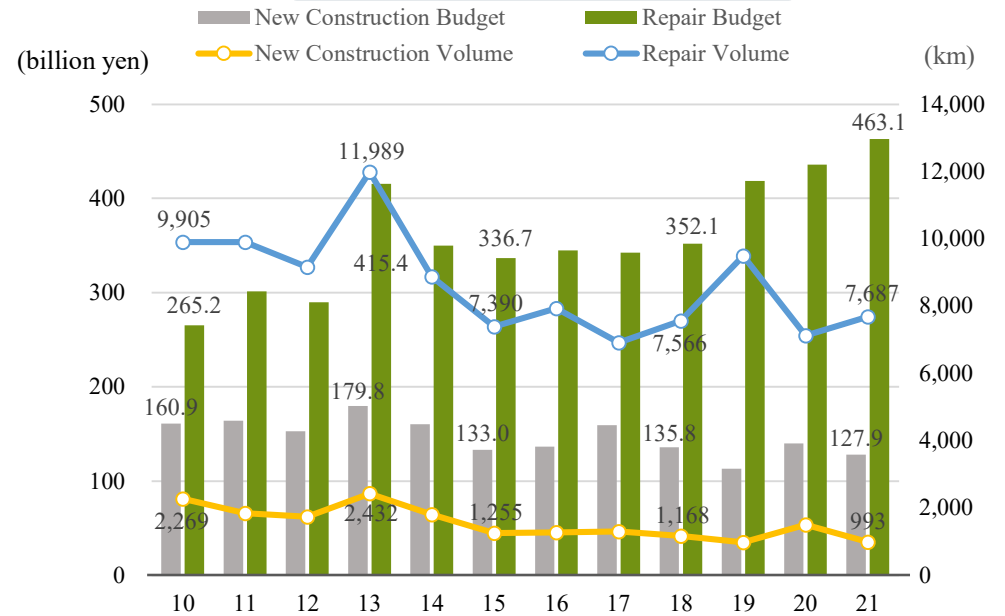
- Public investment is expected to be steadily maintained, driven by disaster prevention, national defense, and carbon neutrality initiatives, with forecasts indicating **either stability or slight growth**.
- Construction investment is anticipated to remain at a high level for the foreseeable future **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



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"

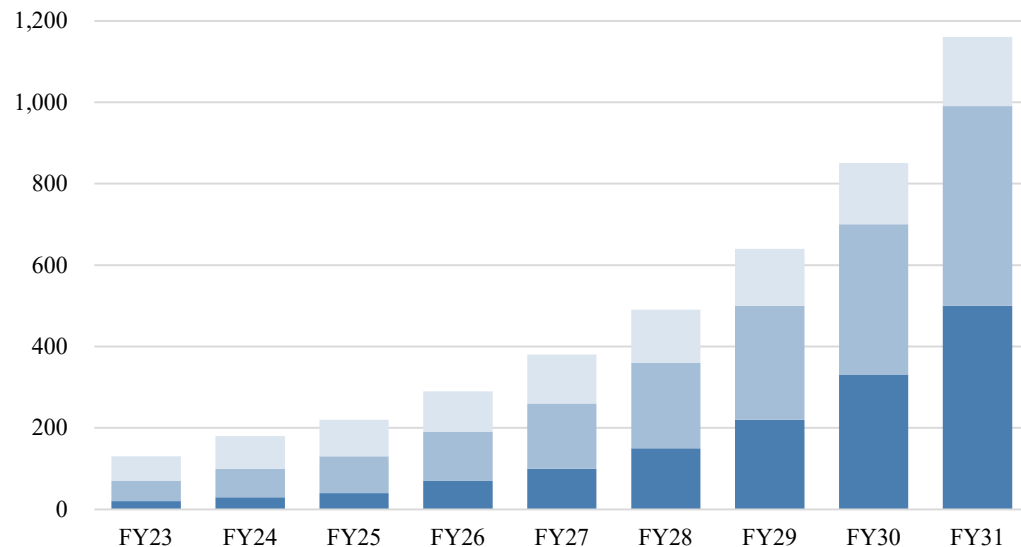
4-2. Recognition of the Business Environment <Public-Private Partnerships Market>

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

(billion yen)



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.

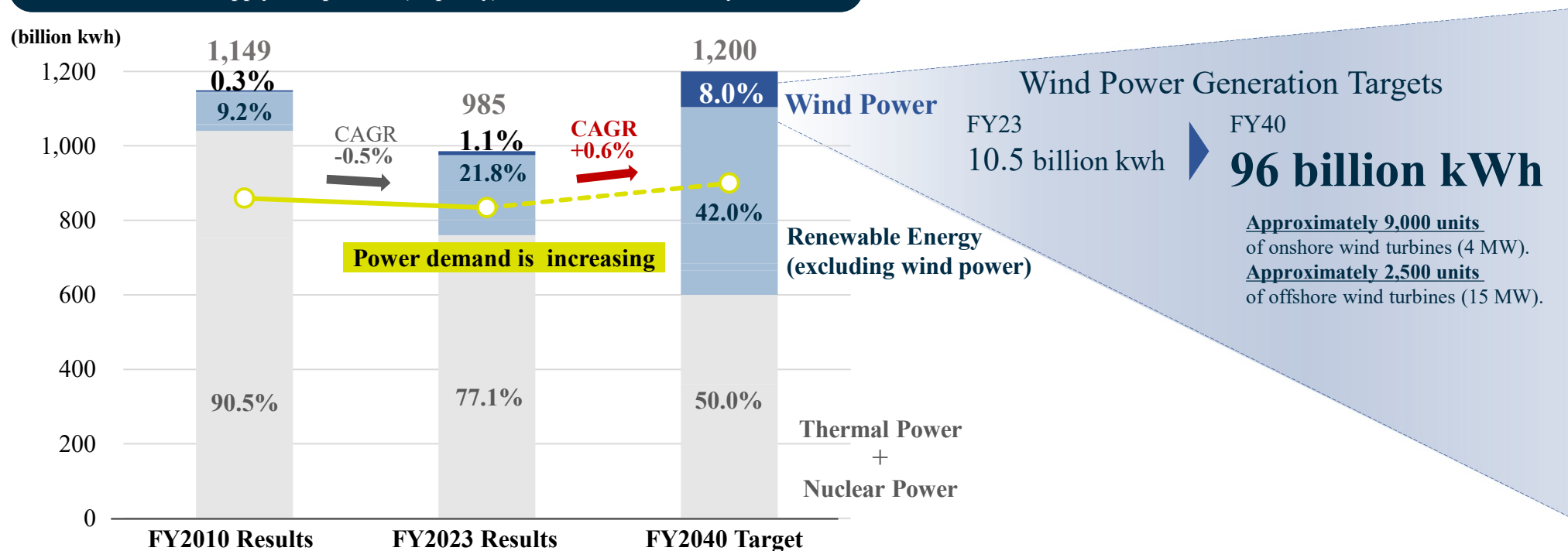
*3 Based on the Cabinet Office's "PPP/PFI Action Plan (Revised in FY2024)" and estimated by our company (multiplying the number of actual cases and target project numbers published by the Cabinet Office in the Action Plan by our company's estimated revenue scale for each sector).

4-3. Recognition of the Business Environment <Renewable Energy Market >

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



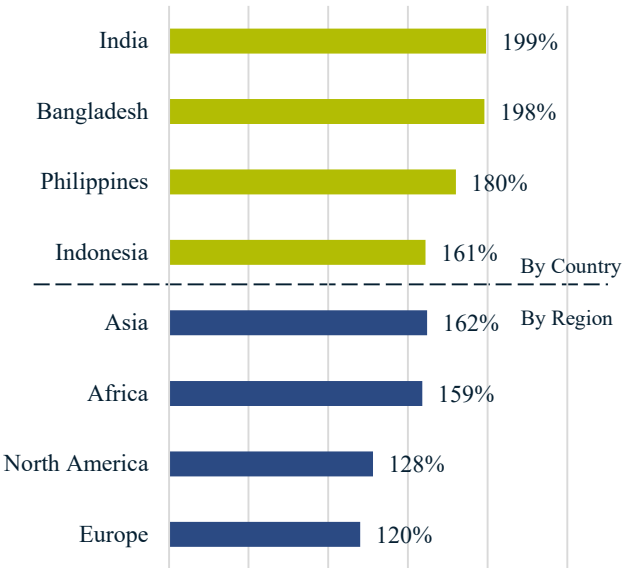
Note: Created by INFRONEER based on data from the Agency for Natural Resources and Energy and the Organization for Cross-regional Coordination of Transmission Operators

4-4. Recognition of the Business Environment <Overseas Markets>

Current Medium-Term Plan Perspective

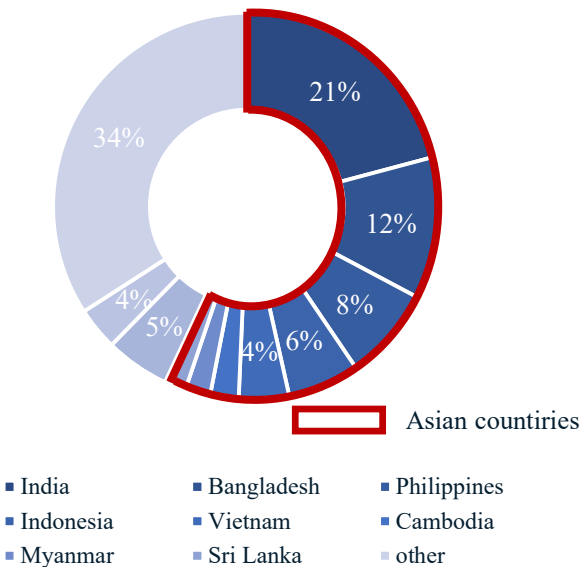
- Real GDP growth is expected to **continue to be strong** in India, Bangladesh and **other Asian countries**
- **Asian countries account for about 60%** of Japan's ODA (Official Development Assistance) aid, and involvement in the region continues to be strong
- The number of overseas subsidiaries of Japanese companies is also on the rise, **especially in Asia**

Real GDP Growth Forecast by Country and Region (from 2020 to 2020)



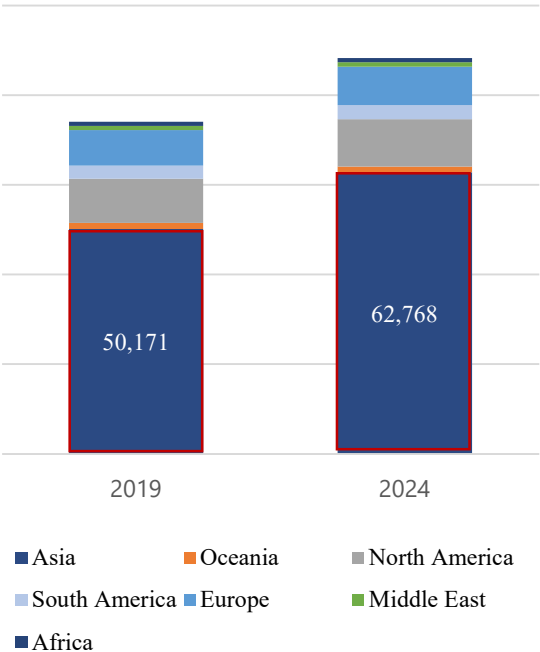
Source : INFRONEER analysis based on World Economic Outlook, April 2025

ODA share by recipient country (Top 10 + Others)



Source : INFRONEER analysis based on Japan's ODA Data by Country from Ministry of Foreign Affairs

Number of overseas bases of Japanese companies



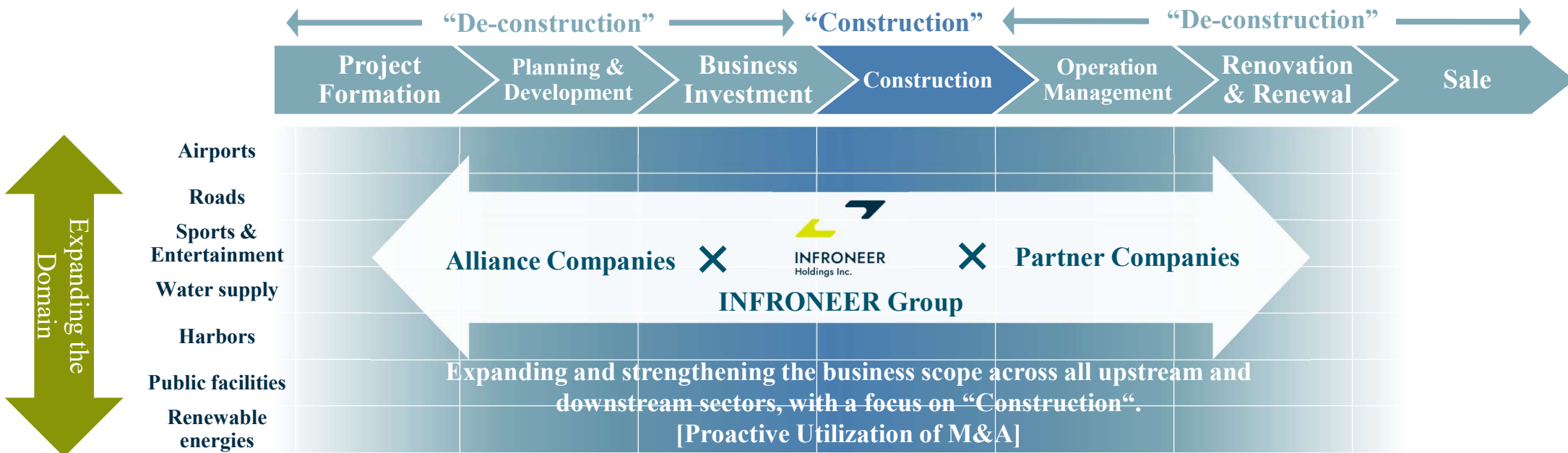
Source : INFRONEER analysis based on "Survey on the Number of Overseas Bases of Japanese Companies" from Ministry of Foreign Affairs

5. The Business Model that INFRONEER Aims For

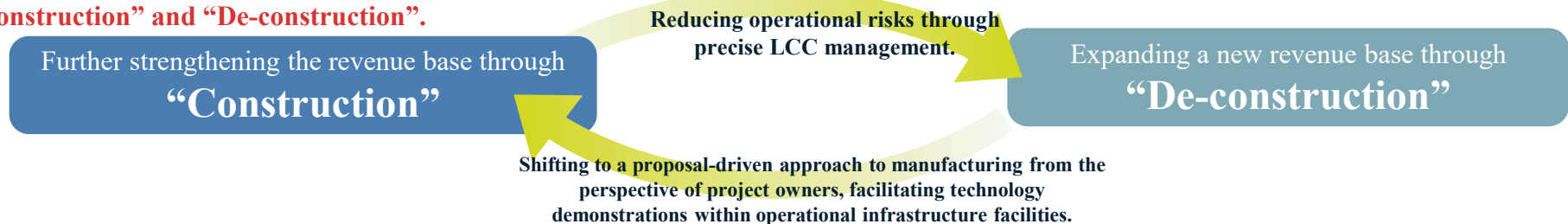
- Striving to establish a business model that ensures sustainable growth, resilient to external factors, and advancing the group-wide strategy of becoming an **“Integrated Infrastructure Service Company.”**
- Accelerating the maximization of competitiveness by combining the engineering capabilities of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

The business model that INFRONEER aims for | Integrated infrastructure service company

(1) Managing various types of infrastructure across the entire value chain, from upstream to downstream.



(2) Strengthening competitiveness through a virtuous cycle of **“Construction”** and **“De-construction”**.

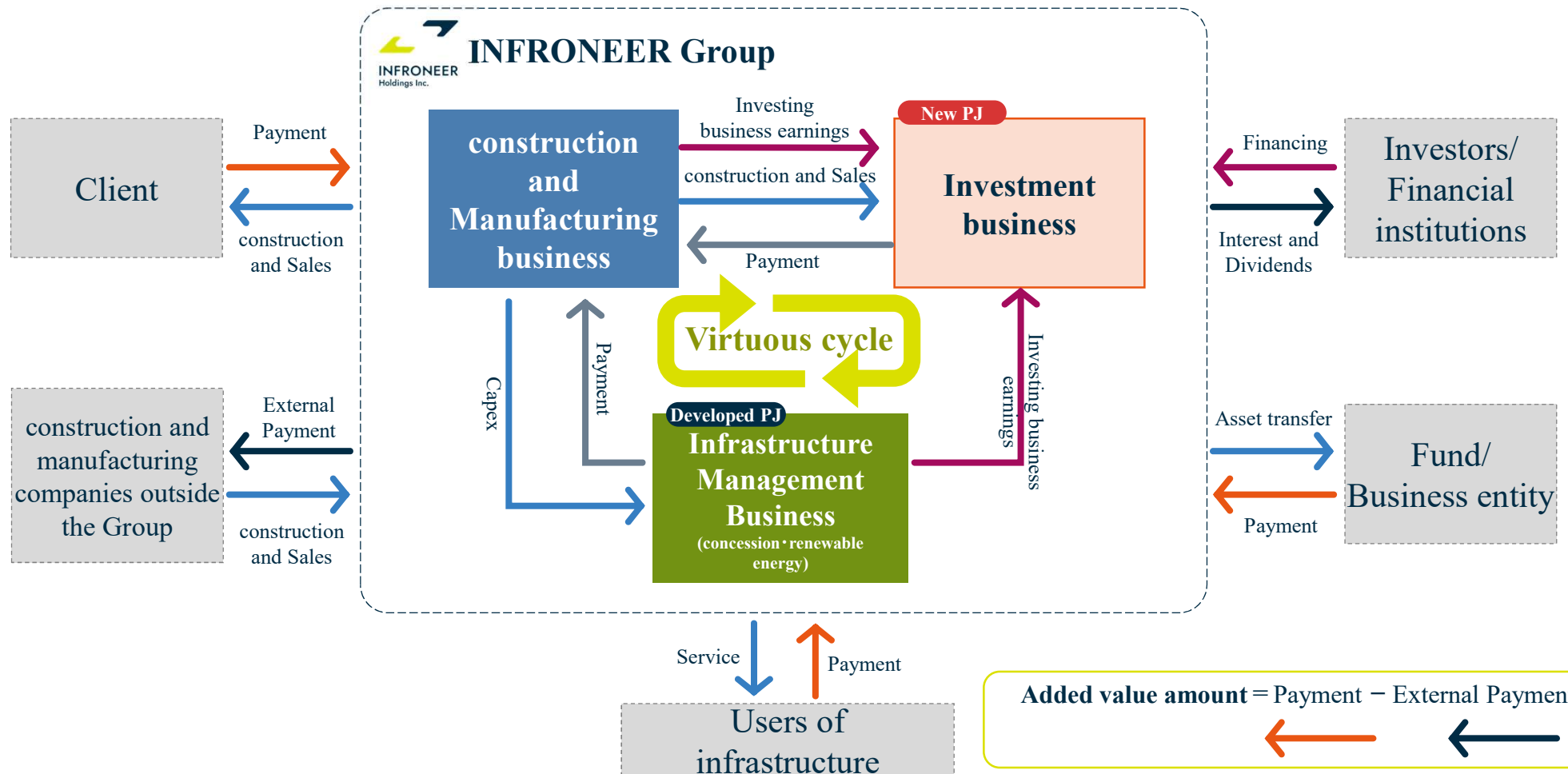


6. INFRONEER Business Model and Revenue Structure

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

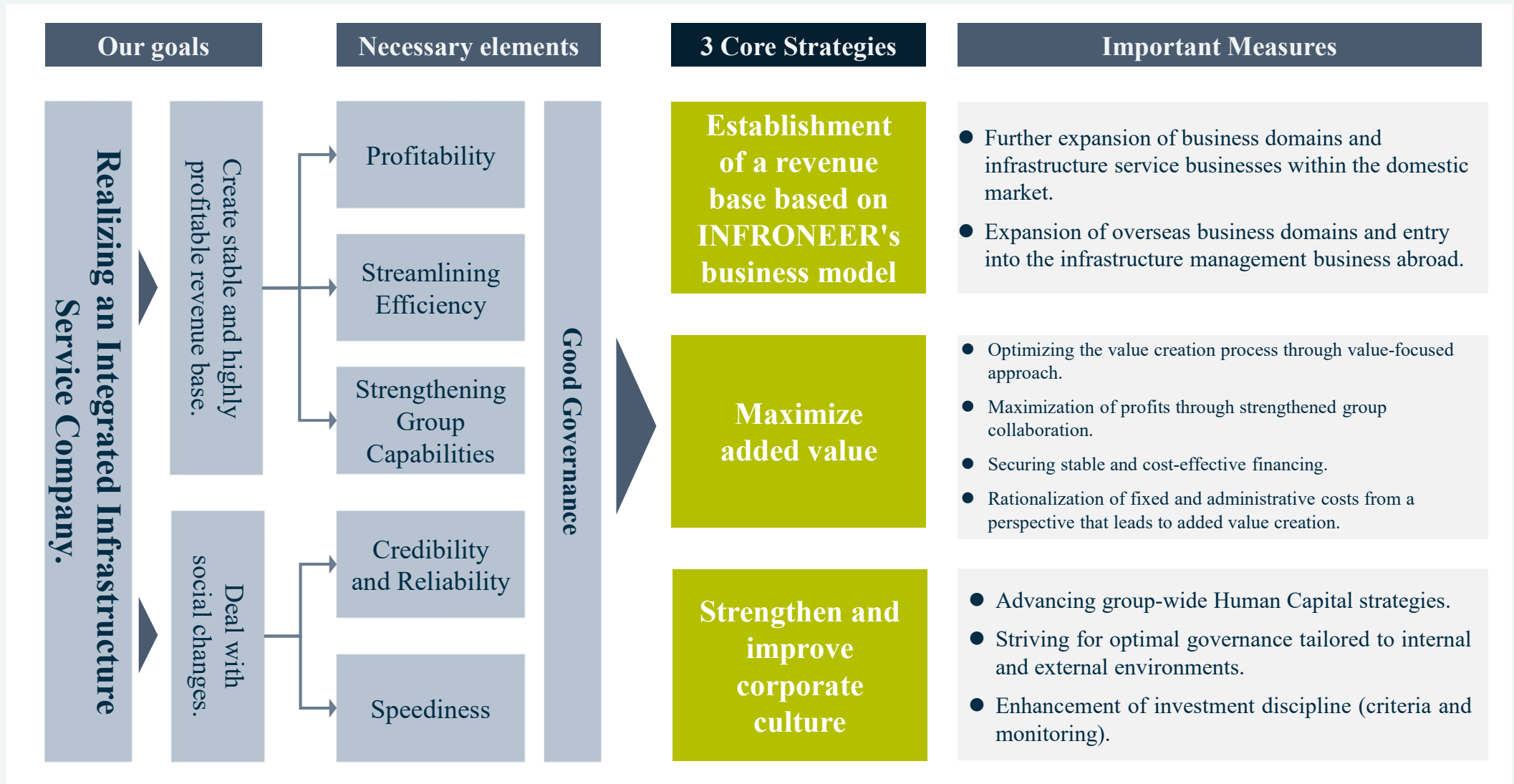
- A single project can generate multiple revenue opportunities.
- Capital can be recycled inside INFRONEER Group (Reduce cash outflow outside the group).

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



7. 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.



8-1. Business Strategy - Building Construction Segment <<MAEDA CORP. and Sumitomo Mitsui Construction>>

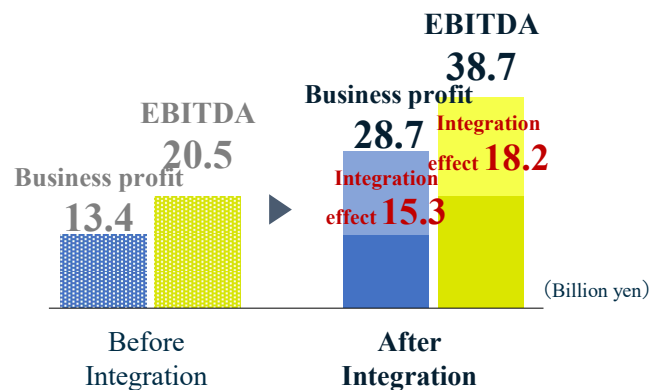
Vision Post-Integration

Leveraging the strengths of each company to create synergies and grow the entire Group

Competitive Advantage/ Differentiation Factors

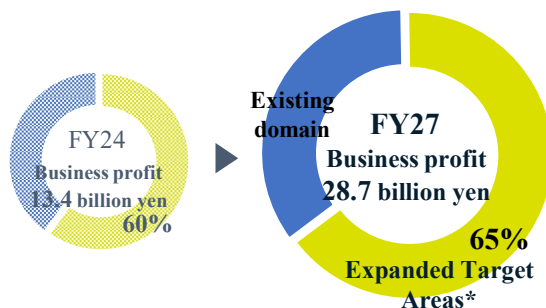
Technology, engineering capabilities, and customer pipeline to gain an overwhelming share in the high-rise field
Visualization through the use of DX to realize order discipline, cost, quality, and process management across head and branch offices

Financial Target



Integration effects = SMC Business profit + revenue improvements and cost reductions resulting from the integration

Evolution of Business Domains Portfolio



*High-Rise Residential Buildings, Meat Processing Plants, Refrigerated and frozen warehouses, Logistics Warehouses

Strategic Priority / Growth Strategy

Sumitomo Mitsui Construction's rapid recovery

- Stringent order discipline based on target profit per head
- Continuing and strengthening relationships of trust with stable clients, including the Sumitomo Mitsui Group companies
- Improving top-line productivity by optimizing the overall allocation of human capital using order and completion simulation

Realization of economies of scale through integrated operation

- Construction system to respond to the increase in large-scale projects and secure stable construction inventory that is not affected by short term market volatility
- Reduce costs by bargaining power based on increased procurement volume
- Gaining an overwhelming share of high-rise projects by -
 - ✓ PCa production and construction technology with high technical capabilities and rich track record
 - ✓ Deal origination from the upstream stage via partnership with customers

Expanding the target areas

- Initiatives targeting high-rise residential buildings, meat processing plants, refrigerated and frozen warehouses, and logistics warehouses
- Strengthening planning and design capabilities that add value to the expected growth arena/stadium business
- Entering large-scale temporary facilities construction projects at various events

Stable delivery of high-quality buildings

- Utilizing obtained data to detect signs and solve problems at head offices and branches as "one team"
- Establish and strengthen a system that can respond immediately in the event of a serious defect or problem

8-2. Business Strategy - Civil Engineering Segment <<MAEDA CORP. and Sumitomo Mitsui Construction>>

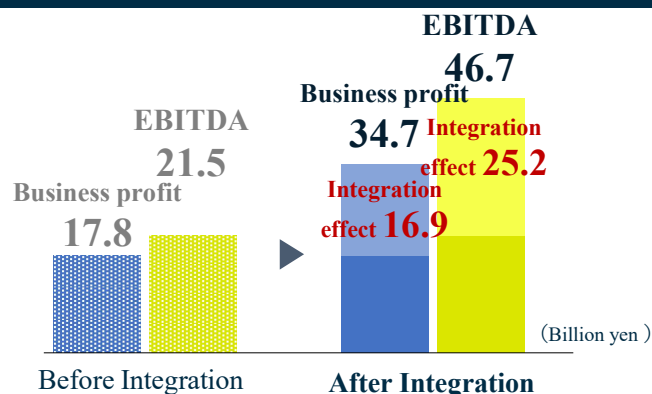
Vision Post-Integration Bringing together the strength of the group to become a leading company in the field of civil engineering

**Competitive Advantage/
Differentiation Factors**

Advanced technical and engineering capabilities in the business areas that both companies are good at

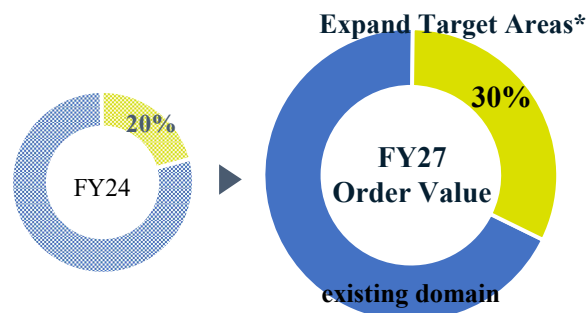
Outstanding skills in cost management and winning orders for design changes

Financial Target



Integration effects = SMC Business profit + revenue improvements and cost reductions resulting from the integration

Evolution of Business Domains Portfolio



*Defense-Related, Onshore Wind Power, Water Business, Nuclear-Related, GX (Green Transformation) Energy, Infrastructure Renewal

Strategic Priority / Growth Strategy

Strengthen competitive advantage by concentrating resources on areas of strength and complementing each other

- In addition to developing the areas of expertise of both companies (tunnel shields, bridges, and large-scale renewals), we will improve the probability of winning orders by pooling and reinforcing our technical capabilities to respond to the "total evaluation method" adopted by some of the large customers.
- Improving comprehensive engineering capabilities through mutual utilization of construction and technology development resources

Accelerate the development of new growth segments

- Early Targets (Defense-related, Onshore Wind Power, Water Business)
- Medium- to long-term targets (nuclear-related, GX energy-related, infrastructure revitalization-related)

Realization of economies of scale

- Accelerate efforts on large-scale projects with high productivity
- Cost reduction through joint procurement of materials and equipment, mutual utilization of partner companies which each company maintains indendently

Maximizing profits through the pursuit of productivity improvement

- Thorough order discipline based on productivity indicators (profit per headcount)
- Maximizing Profits by codifying the knowledge of Cost Control and Design Change.

8-3. Business Strategy - Infrastructure Management Segment <<MAEDA CORP., JWD and Sumitomo Mitsui Construction>>

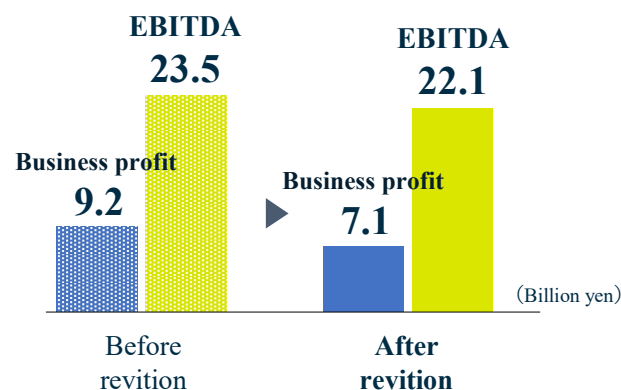
Vision Post-Integration Expanding engineering capabilities to accelerate the development of infrastructure management business

Competitive Advantage/ Differentiation Factors

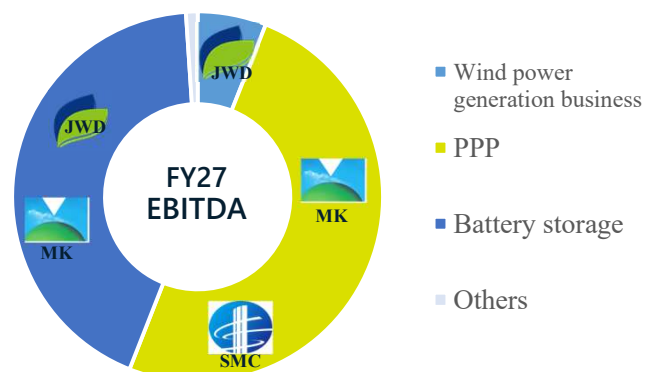
PPP : a top runner to take on numerous first-of-its-kind projects in Japan and has contributed to market expansion

Renewable energy : a top-class development track record and pipeline in Japan, as well as a wealth of development and maintenance know-how in onshore wind power generation segment.

Financial Target



Evolution of Business Domains Portfolio



- In the short term, focus on **grid-scale battery storage business**
- Expand **PPP and wind power generation business** toward FY30

Strategic Priority / Growth Strategy

◆ Portfolio design that considers speed of return on investment and earnings management.

- Formation of stadium/arena projects and accumulation of operational know-how**
- Capture demand for arena requirements fulfillment as indicated by the B-League.
 - Alliances with the world's top arena operators accumulate operational know-how and strengthen proposal capabilities

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 and Asset management”

Efforts to create a market for road and bridge projects

- Lobbying to expand from comprehensive management to an Availability Payment contract
- Creation of businesses by leveraging Sumitomo Mitsui Construction's bridge technology

Steady promotion of wind power generation business (planned development of more than 1,000 MW)

- All phases are delivered inhouse to maximize revenue from development to operation and retail,
- Implement appropriate portfolio management for divestitures and operations
- By improving repair technology and strengthening the system, we will promote contracts with other companies and expand our share of the O&M market

Steady growth in the grid storage battery business

- Early securing of suitable sites by utilizing the Group's network and steady advancement in development
- Promotion of new projects by leveraging the know-how of renewable energy business development

Further promotion of floating solar power generation business

- Accelerating the business development of reservoir projects centered on C-PPA
- Discovery of suitable sites including offshore (demonstration tests to be conducted in the future)

8-4. Business Strategy - Road Civil Engineering Segment <<MAEDA CORP. and Sumiken Mitsui Road Co>>

Vision Post-Integration

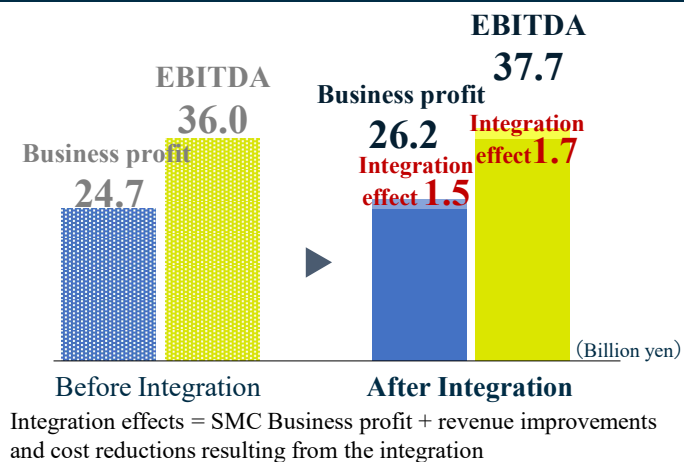
Combining two powers to solidify the path to the top of the industry

Competitive Advantage/ Differentiation Factors

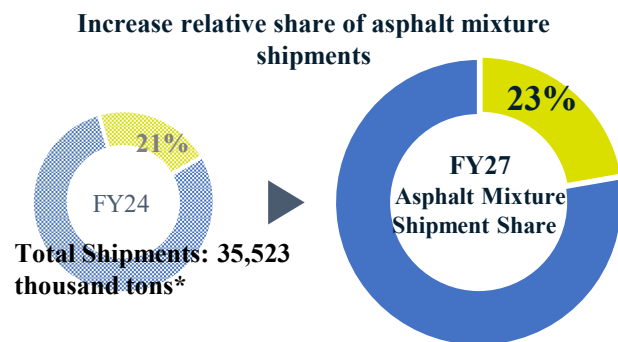
Construction business: Secure high competitiveness by sharing customer information and partner companies

Manufacturing and sales business: Expansion of supply capacity/supply area and sales network through an increase in manufacturing sites

Financial Target



Evolution of Business Domains Portfolio



*Source: JAPAN ASPHALT MIXTURE ASSOCIATION

Strategic Priority / Growth Strategy

Establish the industry's top market share through the increase in manufacturing bases

- Increasing manufacturing sites to expand supply capacity and covered area
- Promoting medium-temperature asphalt mixture to differentiate ourselves from other companies

Further improvement of profitability by "path-through" prices increase and stringent order discipline

- Both companies share know-how on price pass-through and order discipline to improve segment profits

Strengthening competitiveness through mutual utilization of human capital, know-how, materials, and partner companies

- Sharing know-how on estimation and technical proposals in government construction to improve the winning bid rate
- Strengthening the construction system through sharing with partner companies
- Mutual use of products (asphalt mixture materials and crushing stone) of both companies in in-house construction

Joint sales of high-value-added products (room temperature mixtures, etc.)

- utilizing the sales networks of both companies to increase sales volume of high-value-added products

8-5. Business Strategy - Machinery Segment <<MAEDA SEISAKUSHO>>

Vision Post-Integration

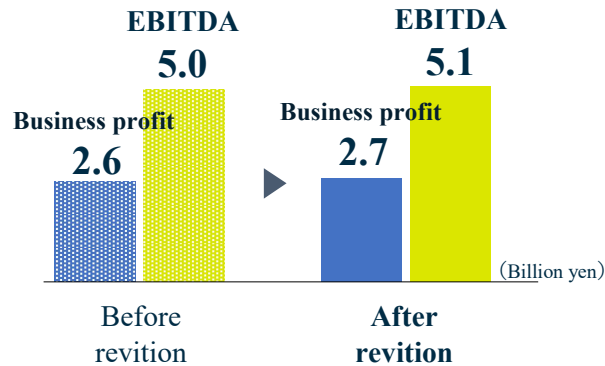
Collaborating with other segments to enhance INFRONEER Group's potential as the Group's only "creative" machine manufacturer

Competitive Advantage/ Differentiation Factors

Technical capabilities that consistently handle design, manufacturing, sales, rental, and service

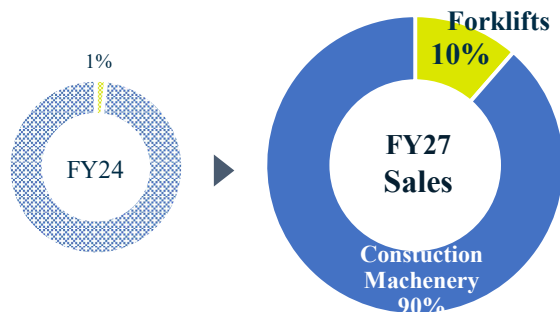
- Not only MAEDA brand products, but also custom-made orders for one-item orders
- Extensive sales and service network in Japan and overseas (75 distributors)

Financial Target



Evolution of Business Domains Portfolio

Expansion of sales in the forklift business



Strategic Priority / Growth Strategy

Expanding business domains to increase sales and improve service profit margins

- Promote the sales area expansion of the construction machinery business with stable profits and the growth of the forklift business, and further improve the efficiency of business operations by optimizing resources
- Creating value through full utilization of DX
 - ✓ Expanding Order Opportunities with Digital Marketing
 - ✓ Proposing maintenance using DX tools (e.g. MTA*1) increase order volume and improve operational efficiency

*1 MTA (Machine Touch App): A mobile app that creates MTR (Machine Touch Reports) created by Komatsu. MTA can send MTR to a web app with a synchronization function, allowing for sharing of machine status

Expansion of product range through concentrated investment in development resources

- Development of products other than cranes, including expansion of forwarder*2 lineup (4 models + α)

*2 forwarder: A type of vehicle designed for transporting and loading harvested timber.

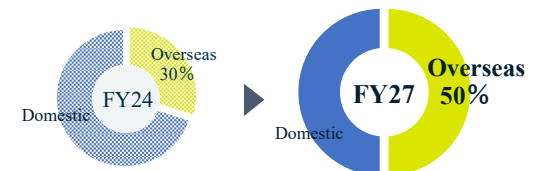
Product development that accurately captures market trends

- Expansion of electrification products for carbon neutrality
- Introduction of automation technologies (remote control systems, autonomous driving technologies) to boost operational efficiency

Accelerating Overseas Expansion

- Increasing overseas sales revenue by leveraging the Group's overseas network
- Increase overseas sales with the products that meet market needs through aggressive overseas investment

Sales of cranes (Domestic vs. Overseas)



8-6. Business Strategy - Overseas Markets <<MAEDA CORP. and Sumitomo Mitsui Construction>>

Vision Post-Integration

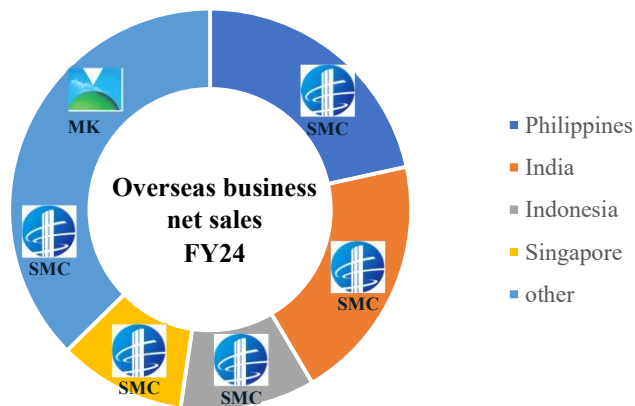
Overseas expansion of integrated Construction×De-construction business to quickly harvest revenue in growth markets

Competitive Advantage/ Differentiation Factors

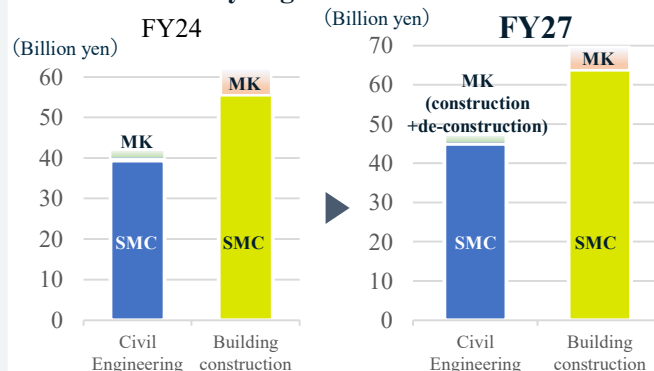
Synergy effect achieved by integrating the know-hows of Sumitomo Mitsui Construction, which boasts a top-level overseas construction record, and MAEDA CORP., a leading company in the field of De-construction.

Evolution of Business Domains Portfolio

- Focusing on India and Philippines
- Expand the business in the areas of de-construction or high growth toward FY30



Sales Trends by Segment



Strategic Priority / Growth Strategy

Strengthening the profit base in the overseas construction business

- Build a pillar of profit base by thoroughly hedging risks at the time of receiving orders and managing profitability at the time of construction.

【Civil Engineering】—Based on know-how in large-scale ODA projects such as the ones in Philippines and Bangladesh, we will expand into Africa and Oceania, where high pace of growth is expected

— Winning civilian and defense facility projects to achieve sustainable growth

【Building Construction】—Sumitomo Mitsui Corp mainly serves Japanese companies in India, where it boasts a top-class market share.

— Capture the growing markets where it expects the active orders from non-Japanese companies and achieve sustainable growth there.

Project pipeline development of Construction × De-construction business

- MAEDA Vietnam's pioneering construction × De-construction model expands to other regions
- Promoting ODA+concessions model, combining Sumitomo Mitsui Construction's extensive ODA experience with MAEDA CORP.'s infrastructure management know-how, as a future profit base

Strengthening overseas business capability (partnerships, Human Capital development, technology export)

- Build optimal partnerships according to the nature of the project (Japan based MNE's local business. Domestic large companies, etc)
- Focus on education and development for local employees to strengthen the competitiveness of our operation centered on Human Capital
- Export technologies that have a competitive advantage in Japan, such as precast technology, to improve competitiveness

9-1. Non-financial strategies – Research and Development Strategy : The future of infrastructure pioneered by the INFRONEER Group's technological superiority

As an integrated infrastructure service company, we pursue to optimize and bring in new values to the entire infrastructure service business

To become the only R&D organization that breaks through the boundaries of the construction industry

Advanced technology and Human Capital

Strengthening core technologies with competitive advantages + expanding into new areas

- While focusing resources on our strong areas, we will combine diverse knowledge among group companies to sharpen our competitiveness through quality, productivity, and value creation. e.g. Precast technology, tunnel construction automation technology, etc.
 - Especially in high-rise residential building, where both MK and SMC have strengths, establish a unique brand backed by advanced technology
- Through resource management across group companies, create additional capacity to develop the technologies in strategic/medium- to long-term focus areas



Rapid construction of high-rise building with precast technology



Transport automation in shielded tunnels

knowledge and real field experience in the infrastructure management business

Lifecycle Engineering for Infrastructure Operations

- Investing in our knowledge as an infrastructure operator, such as concessions and renewable energy businesses, to pursue cost optimization throughout the business e.g.) Streamline operations, optimize lifecycle costs
- Utilizing the analysis of various data obtained in the infrastructure management business and real-field demonstrations to achieve effective and speedy development.
- Developing unique solutions that expand the possibilities of infrastructure and create and provide new value in collaboration with sports/entertainment businesses, etc.



Risk simulation of water pipelines

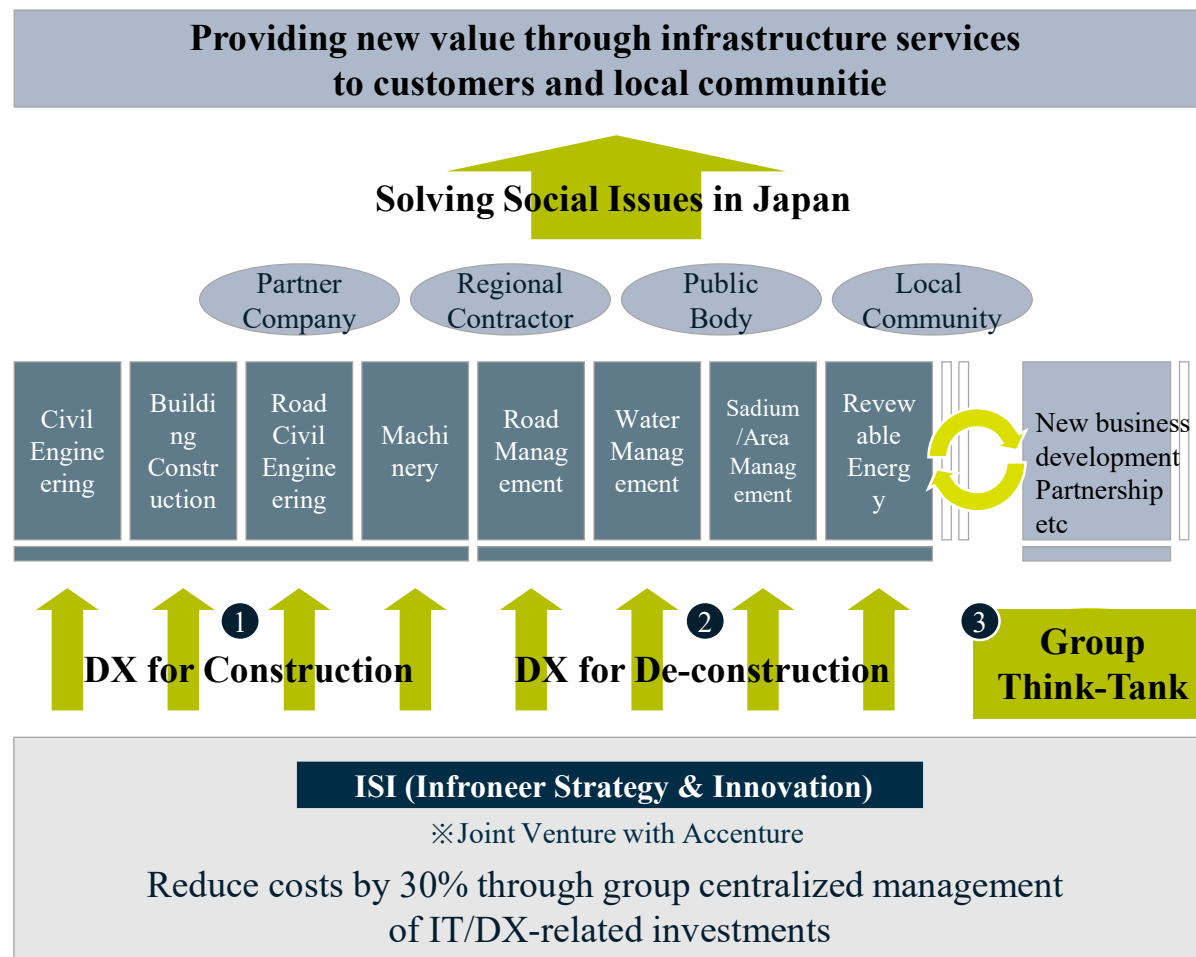


Value-added technology for arenas (Sound, heat, vibration)

9-2.Non-Financial Strategy - IT & DX Strategy: Establish a new joint venture to strongly promote business model transformation through DX

- Established Infroneer Strategy & Innovation (ISI) in a joint venture with Accenture to promote business reform with more than 100 employees
- Reduce costs by 30% through group centralized management of IT/DX-related investments and allocate them to growth investments

Realization of an "integrated infrastructure service company" through IT and DX strategies



Key points for IT/DX Strategy

- 1 Construction**
 Fundamentally review business processes through analysis of performance data to raise productivity to a level that stands out from competitors
- 2 De-construction**
 Actively incorporating the knowledge of global partners to enhance operations through the use of data and technology
- 3 Group Think-Tank (ISI)**
 Through research and analysis on various issues, we pursue new business creation, partnerships, and strengthening synergies among group companies

9-3. Human Capital Strategy

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

Cultivate a workforce and organization that embraces diversity from a broad perspective across the entire group to promote sustainable growth as an integrated infrastructure service company.

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 Capital.

Realize talent management that assigns the best people to the right positions at the right time for the Group as a whole.

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 Capital can play an active role.

Developing organizational capabilities that maximize individual expertise and contribute to the creation of business results toward the realization of the shared vision of the Group

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.

Designing an environment that supports group-wide talent management

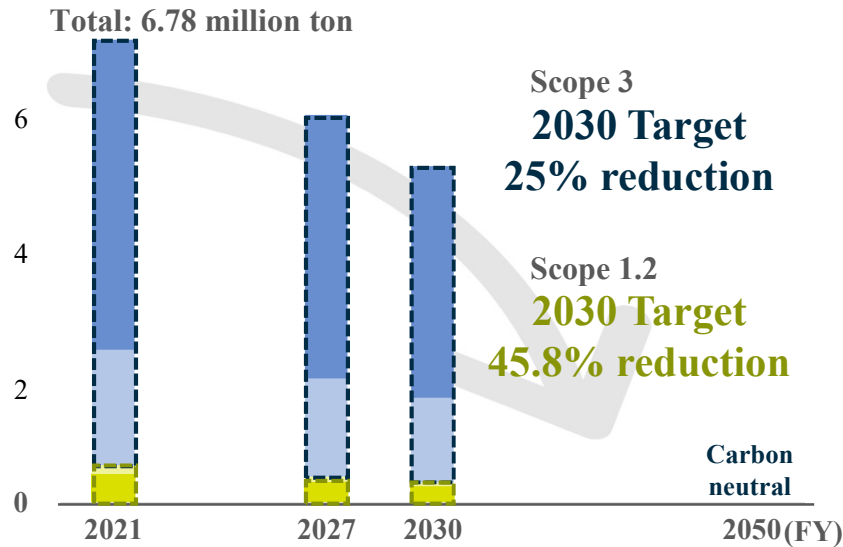
- Centralized management of information related to organizational and talent management within the group
- Business reforms to enable resource shifts based on the medium- to long-term needs of each business division

9-4. Non-financial Strategy - Sustainability Strategy

INFRONEER's business model drives sustainability.

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

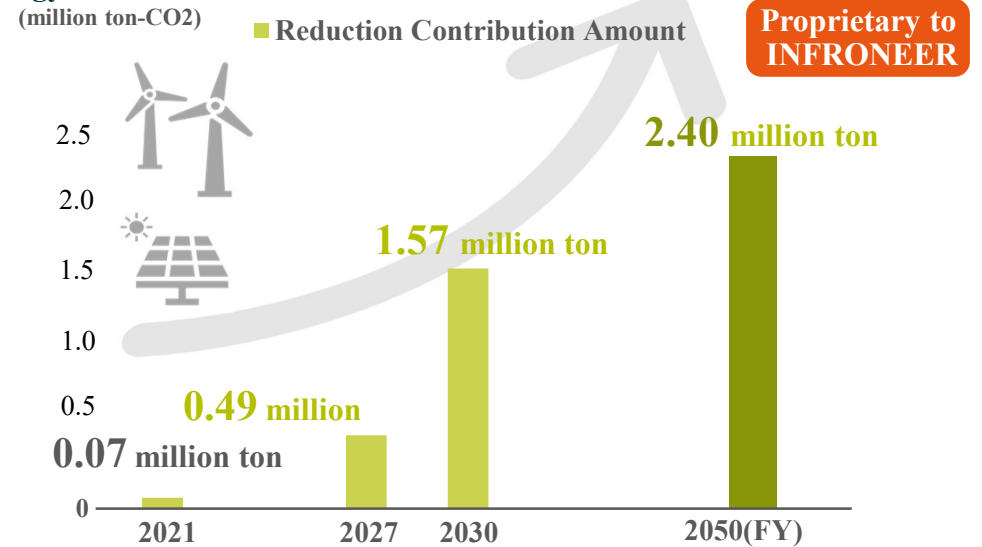
(2) Reduction of greenhouse gas emissions by the INFRONEER Group.
(million ton-CO2)



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.

*1 RE100 is an international initiative in which companies aim to power 100% of their business operations with renewable energy.

(3) Contribution to societal greenhouse gas reduction through renewable energy.*2
(million ton-CO2)



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

*2 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**.^{*3}
- Expansion of regional circularity through infrastructure recycling.

*3: 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.

【Reference】 1. Major Updates Between the March Release and This Revised Version

Table of contents		Changes from Medium-term Vision 2027 (original version on 23 on March 26, 2025)
1. Medium-term Management Plan Positioning	Revision	Revision to business profit and EBITDA for FY27 and FY30
2. Performance Target Figures	Revision	Revision to Consolidated Target Figures for Infroneer Holdings and Segment breakdown
3. Financial Strategy		
-1. Capital Strategies and Return Policies	Revision	Capital strategies: revision to ROE target plan ROE plan figure revision
-2. Cash Allocation for Sustainable Growth	Revision	Update figures for cash inflows, cash outflows, and growth investments.
4. Recognition of the Business Environment	New	Added overseas market environment
5. The Business Model that INFRONEER Aims For		No changes
6. INFRONEER Business Model and Revenue Structure		No changes
7. Core Strategies and Important Measures		No changes
8. Business Strategy		
-1. Building construction Segment	Revision	Synergy strategy between MAEDA CORP. and Sumitomo Mitsui Construction
-2. Civil Engineering Segment	Revision	Synergy strategy between MAEDA CORP. and Sumitomo Mitsui Construction
-3. Infrastructure Management Segment	Revision	Synergy strategy between MAEDA CORP., JWD and Sumitomo Mitsui Construction
-4. Road Civil Engineering Segment	Revision	Synergy strategy between MAEDA ROAD and Sumiken Mitsui Road
-5. Machinery Segment	Revision	Updated focus strategy
-6. Overseas Markets	New	Added Overseas Markets strategy
9. Non-financial Strategy		
-1. research and development	New	Add research and development strategy
-2. IT & DX Strategy	Revision	Content Updates
-3. Human Capital Strategy	Revision	Content Updates
-4. Sustainability Strategy	Revision	Content Updates

【Reference】 2-1. 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 JWD becoming a subsidiary, but shareholder returns **were achieved ahead of schedule.**

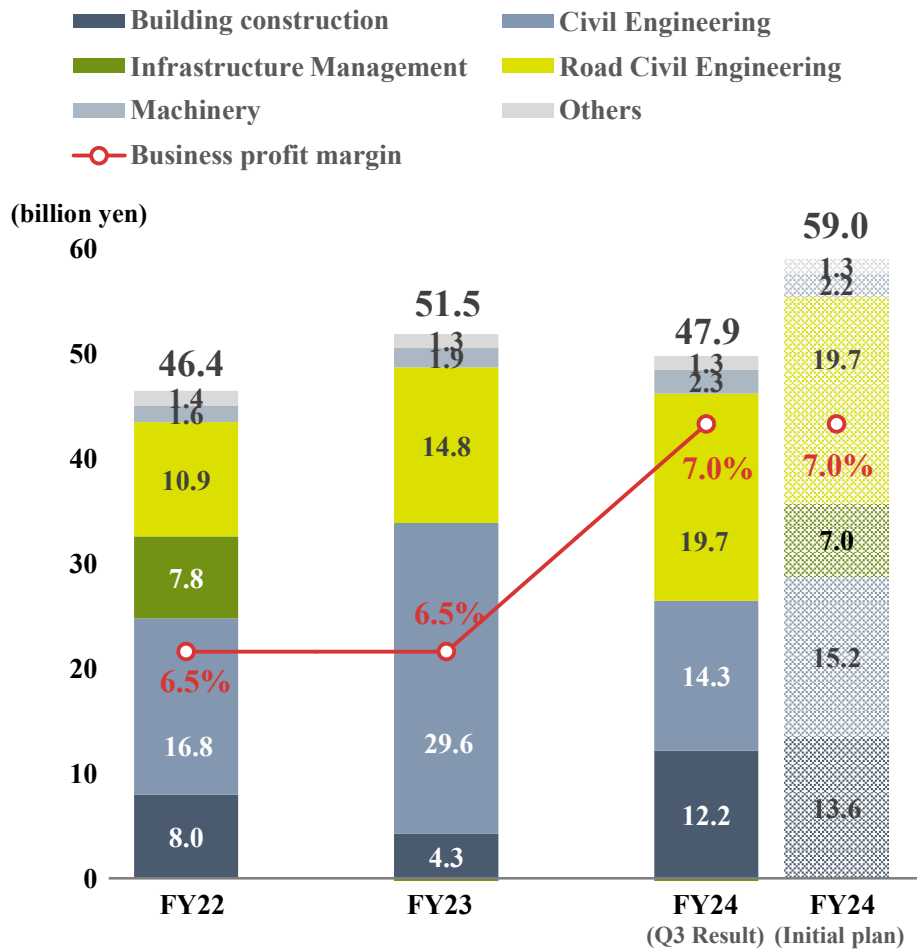
ROE	9.4%	8.6%	7.6%	9.5%	-1.9%		The failure to meet net profit targets caused a shortfall in the plan.
Equity ratio	37.0%	28.4%	35.3%	30% or higher	+5.3%		The plan has been successfully achieved.
D/E Ratio	0.4 times	1.1 times	0.82times	0.6 times or less	-0.22 times		Interest-bearing debt increased due 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/E 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.

【Reference】 2-2. 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.

Business profit

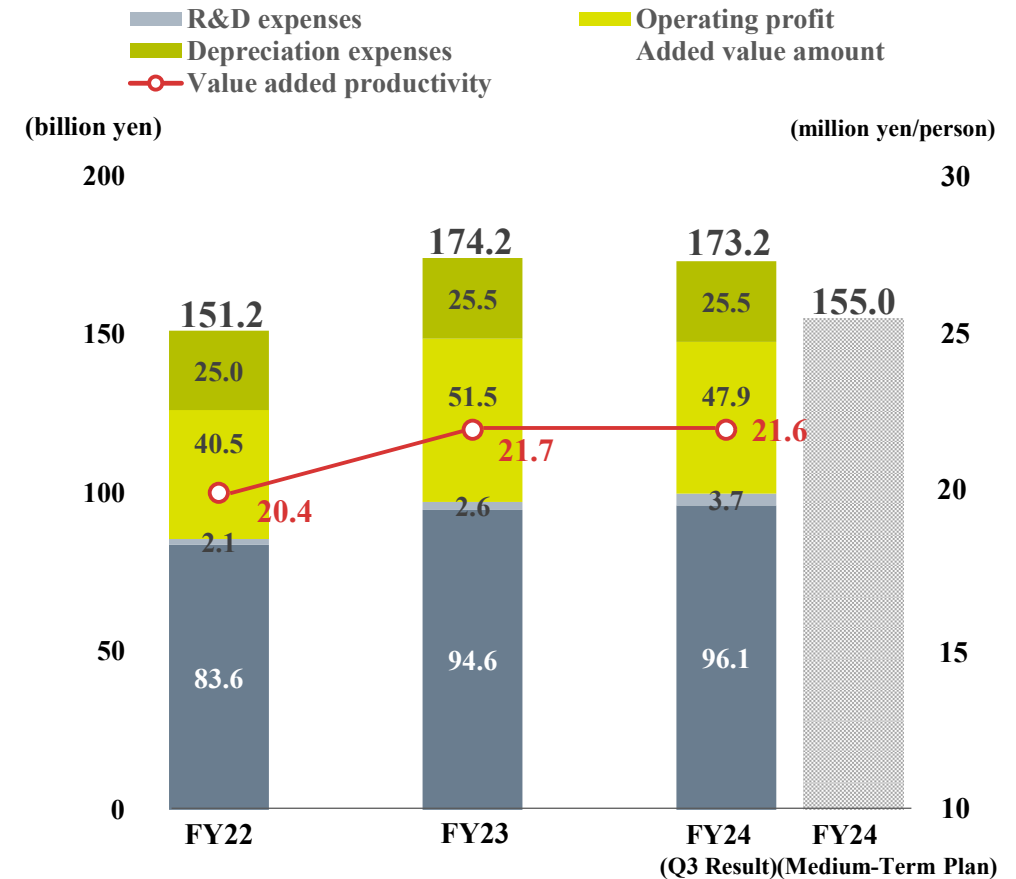


Added Value Amount

Added value amount:



$$= \Sigma(\text{Total labor expenses} + \text{R\&D expenses} + \text{Operating profit} + \text{Depreciation expenses})$$

$$\text{“Value added productivity”} = \text{Added value amount} / \text{Total number of employees}$$



【Reference】 2-3. 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	<ul style="list-style-type: none"> ● 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. 		<ul style="list-style-type: none"> ● 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	<ul style="list-style-type: none"> ● 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. 		<ul style="list-style-type: none"> ● 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	<ul style="list-style-type: none"> ● 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. 		<ul style="list-style-type: none"> ● 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	<ul style="list-style-type: none"> ● 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) 		<ul style="list-style-type: none"> ● Implement concrete strategies to reduce environmental impact for both the company and society. ● Further promote sustainability initiatives and link them to increased corporate value.

【Reference】 3.Segment Classification – Entities subject to reclassification

New segments	Entity	Old segments
Building Construction	JM Corporation	Infroneer Holdings (Other)
	FBS CO., LTD.	
	THAI MAEDA CORPORATION,LIMITED	
	Maeda Vietnam Co.,Ltd	
Civil Engineering	FUJIMI KOKEN Co.,Ltd.	
Infrastructure Management	6 companies related to PFI	
Road Civil Engineering	SUMIKEN MITSUI ROAD CO., LTD.	Sumitomo Mitsui Construction (Civil Engineering)

【Reference】 4-1.Glossary 1/2

No.	Term	Description
1	INF, MK, MD, MS, JWD, SMC	INF: INFRONEER Holdings. MK: MAEDA CORP., MD: MAEDA ROAD, MS: MAEDA SEISAKUSHO, JWD: Japan Wind Development. SMC: Sumitomo Mitsui Construction.
2	Construction	Mainly construction work in the Building construction, Engineering, Road, and Road Civil Engineering segments.
3	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.
4	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.
5	Infrastructure Management Business	Public-private partnership (PPP/PFI) projects, including concessions, as well as renewable energy projects.
6	construction・Manufacturing Business	Business of the Building construction, Civil Engineering, Road Civil Engineering, and Machinery segments.
7	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.
8	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.

【Reference】 4-2.Glossary 2/2

No.	Term	Description
9	Value added productivity	Value-added productivity = Added value amount / Total number of employees or Added value amount / Total working hours
10	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.
11	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.
12	LCC Management	Optimizing and managing Life Cycle Costs (LCC), which encompass all expenses associated with construction, including initial construction costs, maintenance and repair costs, and demolition costs.
13	GX Energy	An abbreviation for Green Transformation. An energy strategy aimed at achieving both decarbonization and economic growth.
14	Performance-Based Incentive System	A system in which private sector operators are incentivized to achieve performance indicators agreed upon by public and private entities. The methods for achieving these targets are left to the discretion of the private sector, thereby ensuring a performance-driven approach to project delivery.
15	Data-Driven Solutions	Approaches that leverage big data analytics to address business challenges and support decision-making.
16	Non-Fossil Certificates	Certificates that represent the environmental value of electricity generated from renewable energy sources and other non-fossil fuels.

Pioneering the Future of Infrastructure
Challenge the status quo

 **INFRAONEER Holdings Inc**