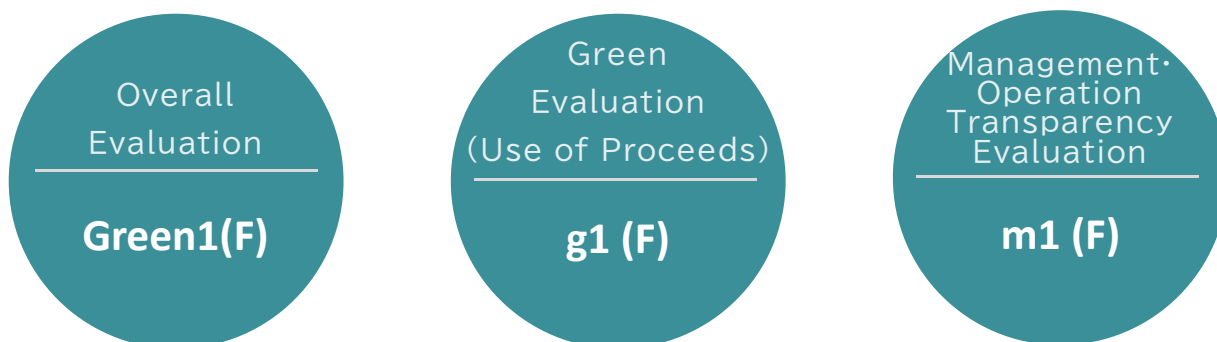


Japan Credit Rating Agency, Ltd. (hereinafter referred to as "JCR") will announce the review results of the Green Finance Framework as follows:

INFRONEER Holdings Inc.

Green Finance Framework

Affirmation



Issuer/Borrower	INFRONEER Holdings Inc. (Securities Code: 5076)
Evaluation Target	INFRONEER Holdings Inc. Green Finance Framework

Evaluation Overview

▶▶▶ 1. Overview of INFRONEER Holdings Inc.

INFRONEER Holdings Inc. (hereinafter referred to as "INFRONEER" or "the Company") is a holding company established on October 1, 2021 through the management integration of MAEDA CORPORATION, MAEDA ROAD CONSTRUCTION Co., Ltd. and MAEDA SEISAKUSHO CO., LTD. The main operating companies in the INFRONEER Group (hereinafter referred to as "the Group") are MAEDA CORPORATION, a second-tier general contractor that has been in business for over 100 years, MAEDA ROAD CONSTRUCTION Co., Ltd., which ranks second in sales on a consolidated basis in the road paving industry and MAEDA SEISAKUSHO CO., LTD., which has developed manufacturing/ sales and rental businesses for construction machinery. The Company has architecture, civil engineering, pavement, machinery and infrastructure management

projects by segment. Aiming to further accelerate "de-construction"¹ across the entire group, INFRONEER has provided one-stop management of infrastructure planning, proposal, construction, operation and maintenance, and additionally it has made efforts to enhance its management foundation by promoting collaboration, such as digitalization strategies, technology development or human resource development. The segment profit composition for the fiscal year ended March 31, 2023 was 21.7% for the construction, 41.9% for the civil engineering, 10.1% for the pavement, 3.3% for the machinery, 19.8% for the infrastructure management and 3.2% for other projects.

▶▶▶ 2. INFRONEER's Medium- to Long-term Business Plan and Environmental

Initiatives

INFRONEER, as an integrated infrastructure services company, aims to achieve both the resolution of environmental and social issues and the corporate sustainable growth. The Maeda Group, a predecessor of INFRONEER, has set forth "the firm with the top environmental management" in 2009, has a proven record of actively working on dividends for the Earth, renewable energy projects and public-private partnership businesses and has been strongly promoting these projects as the entire holdings.

In the medium- to long-term business plan, "INFRONEER Vision 2030," the Company has set forth "Establishing a new revenue base" as one of the three strategic pillars and has been working on renewable energy projects conducive to creating a carbon-free society and building sustainable and autonomous local communities. The Company has invested in renewable energy projects and has constructed, operated and maintained facilities by capitalizing on its construction know-how. Not only does the Company create a cycle of capital that improves its business value and then sells it to external parties but it also contributes to solving environmental issues through its renewable energy projects.

INFRONEER group has disclosed climate-related information in accordance with the recommendations of the TCFD since June 2022 in which it has set forth the medium- to long-term goals for the reduction of GHG emissions (Scope 1 to 3) by 2030 and 2050, respectively as follows:

Subject	Target (compared to FY 2018)
Scope 1, 2 emissions	Net zero emissions by FY 2050
	40% reduction by FY 2030
Scope 2 emissions (Utilization rate of renewable energy (electrical power))	RE100 in FY 2050
	RE60 in FY 2030

¹ Please refer to "De-Construction" in the Glossary on the website of INFRONEER Holdings Inc. for details.
<https://www.infroneer.com/en/glossary/>

Scope 3 emissions (Category1: Commissioned construction, purchased materials)	40% reduction by FY 2030
Scope 3 emissions (Category11:Emissions associated with the use of the Company's constructions and products)	40% reduction by FY 2030

▶▶▶ 3. Green Finance Framework

The subject of this evaluation is a green finance framework (hereinafter referred to as "this framework") established by INFRONEER to exclusively limit the proceeds financed through green finance to the use with environmental benefits. The financing cover corporate bonds including convertible bonds (CB,) Bond-Type Class Shares and loans. The Company established a framework in August 2022 and has updated it to add such as wind power generation to the use of proceeds. The proceeds in this framework will be used for (1) green buildings that have obtained a high level of environmental certification, (2) renovation of buildings aiming at ZEB/ZEH/ZEH-M, renovation of buildings with potential energy efficiency and installation of equipment/facilities with high energy-saving performance, (3) capital investments in renewal energy facilities and acquisition of shares in a pure-play company focused on the renewable energy business and (4) capital investments in bio heavy oil production plants. JCR has evaluated that all of the eligible criteria defined by INFRONEER in this framework have had high environmental benefits and have been important measures that contribute to its Group's medium- to long-term business plan, "INFRONEER Vision 2030" and GHG emission reduction targets. JCR has also evaluated that the project selection process, proceeds management system or post-issuance reporting structure have been appropriately developed and highly transparent.

Accordingly, in terms of this framework, JCR has assigned "g1(F)" to "Green Evaluation (Use of Proceeds)," "m1(F)" to "Management, Operation and Transparency Evaluation" and "Green 1 (F)" to "JCR Green Finance Framework Evaluation (Overall Evaluation)" based on the JCR green finance evaluation methodology.

JCR has evaluated that this framework meets the criteria for the items required in "Green Bond Principles²," "Green Loan Principles³," and also "Green Bond Guidelines⁴" and "Green Loan Guidelines⁵" formulated by the Ministry of the Environment.

² "Green Bond Principles 2021" by ICMA (International Capital Market Association) at <https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/>

³ "Green Loan Principles 2023" by LMA (Loan Market Association), APLMA (Asia Pacific Loan Market Association), Loan Syndications and Trading Association (LSTA) at <https://www.lma.eu.com/>

⁴ "Green Bond Guidelines 2022" by the Ministry of the Environment at <https://www.env.go.jp/content/000062495.pdf>

⁵ "Green Loan Guidelines 2022" by the Ministry of the Environment at <https://www.env.go.jp/content/000062495.pdf>

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JCR's Key Consideration in this Factor

In this section, firstly, JCR will confirm whether the proceeds financed have been allocated to green projects with clear environmental benefits. Then, in cases where the use of proceeds is expected to have negative impacts on the environment or society, the impacts have been thoroughly examined by an internal specialized department or an external third-party institution and necessary workarounds/mitigation measures have been taken. Lastly, JCR will confirm whether the use of proceeds is aligned with the Sustainable Development Goals (hereinafter referred to as "SDGs".)

▶▶▶ Current Status of Evaluation Targets and JCR Evaluation

The projects for which INFRONEER will use proceeds in this framework are important measures that will contribute to the realization of its Group's medium- to long-term business plan, "INFRONEER Vision 2030" and GHG emission reduction targets and are expected to have environmental benefits.

INFRONEER has stipulated the use of proceeds as follows: (the main changes are bolded and underlined.)

This Framework for Use of Proceeds (After Change/Excerpt)

INFRONEER will allocate the funds raised through green finance* to new expenditures and/or refinancing related to projects within our group that meet the following eligible criteria ("the eligible projects"). Refinancing of eligible projects is limited to expenditures made within 48 months prior to the execution of green finances. **Eligible projects include investment in our own business, construction businesses, and special purpose companies (SPC.)**

*** It refers to financing that being allocated to eligible projects, including bonds, Bond-Type Class Shares and loans. In the case of convertible bond, the application of this Framework shall be in effect until the conversion to shares.**

Project Categories	Eligible Criteria
Green Building	<p>Construction or acquisition of real estate that has obtained any of the following certifications or is scheduled to obtain certification in the future.</p> <ul style="list-style-type: none"> · 5-star or 4-star rating in the DBJ Green Building certification · 5-star or 4-star rating in BELS certification (2016 standard) · The following levels of BELS certification (2024 standard) <ul style="list-style-type: none"> ✓ Non-residential: Level 6 to Level 4 ✓ Residential buildings with renewable energy facilities: Level 6 to Level 3 ✓ Residential buildings without renewable energy facilities: Level 4 to Level 3 · S or A ranked CASBEE (including municipal version) Certification · Platinum or Gold in LEED certification · Outstanding or Excellent in BREEAM certification · ZEB, ZEH, ZEH-M (including nearly, ready and oriented)
Energy Efficiency	<ul style="list-style-type: none"> · <u>Renovation of buildings aiming at ZEB, ZEH, ZEH-M</u> · <u>The following projects are expected to improve energy efficiency by 30% or more</u> <ul style="list-style-type: none"> ✓ Renovation of buildings ✓ Introduction of highly energy-efficient equipment and facilities
Renewable Energy	<ul style="list-style-type: none"> · <u>Capital investments related to either a, b or c (including leasing and purchase of land, construction of facilities, purchase and installation of facilities, operation, maintenance and management, and facility expansion)</u> · <u>Funds for acquiring shares in a company specializing in either a, b or c</u> <ol style="list-style-type: none"> a. Solar power b. <u>Onshore/offshore wind power</u> c. Biomass power*
Pollution Prevention and Control	<ul style="list-style-type: none"> · <u>Capital investments related to bio heavy oil production plant (including leasing and purchase of land, construction of facilities, purchase and installation of facilities, operation, maintenance and management and facility expansion)</u>

*** To be eligible, biomass power projects must use fuel that meets both of the following requirements.**

A. Must not compete with food.

B. Must achieve greater environmental improvement effects according to a Life Cycle Assessment or meet (i) and (ii) below.

(i) Must be derived from waste or FSC certified wood/wood pellets.

(ii) Must be procured in Japan.

Evaluation by JCR to the Framework

Background of the Framework Update

The framework was revised mainly due to the addition of eligibility criteria, which is acquisition of shares in a pure-play company focused on the renewable energy business. INFRONEER aims to promptly maximize its competitiveness and establish a business model for sustainable growth by expanding its business areas through aggressive M&A; for instance, the Company acquired all shares of Japan Wind Development Co., Ltd., turning the company into its subsidiary in January 2024

<Overview of Japan Wind Development Co., Ltd.>

Japan Wind Development Co., Ltd. (hereinafter referred to as "JWD") established in July 1999, is a company specializing in the wind power generation business, which consistently developed, constructed and maintained onshore and offshore wind power generation. JWD, as an independent power generation company, has the top-class development record and developed 293 wind power generation units in Japan and overseas with a total power generation capacity of over 570MW (as of April 2023.) JWD has also offers operations and management (hereinafter referred to as "O&M") business as well as development and had overwhelmingly the top share in Japan in the O&M sector of wind power plants. Additionally, among peers, JWD is only a company that handled not only development projects for its own group but also performed O&M for projects other than those developed by its own group and owned outstanding O&M business know-how and it has approximately 3,800 MW of wind power projects from upstream to downstream as a pipeline (Figure 1.)

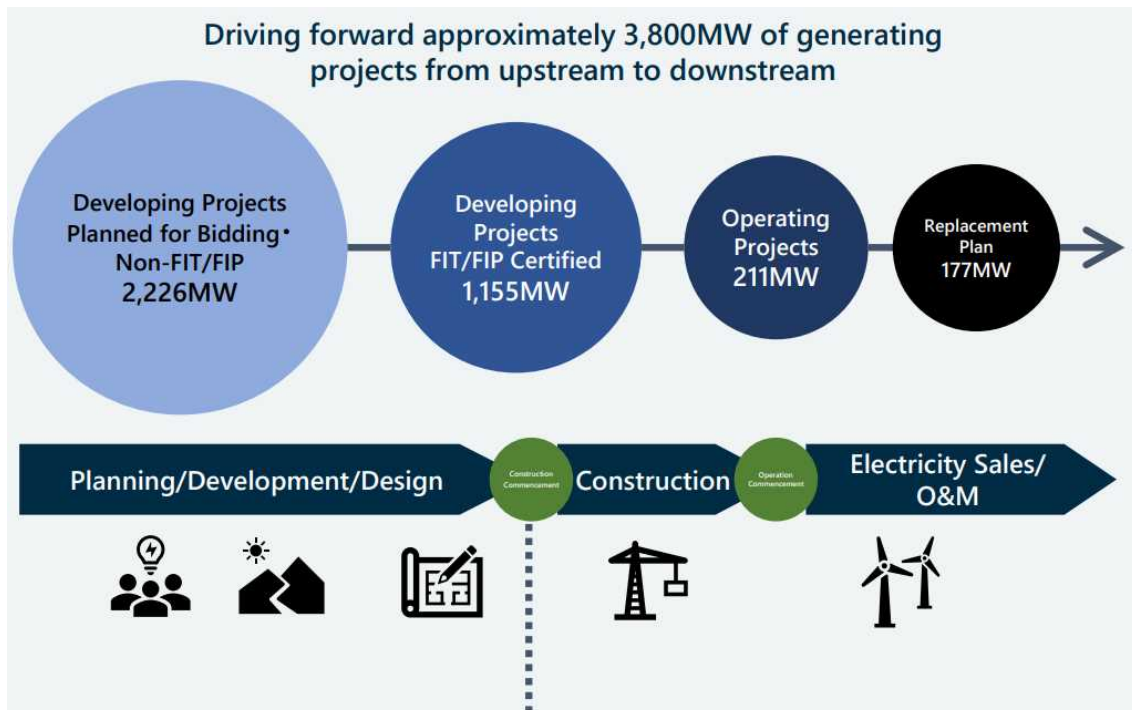


Figure 1: Japan Wind Development Projects⁶

⁶ INFRONEER's Explanatory materials on the stock acquisition of Japan Wind Development (turning it into its subsidiary) (December 12, 2023)

The acquisition of JWD will combine INFRONEER's inherent strengths in design and construction with JWD's development, operation, maintenance and management capabilities in the wind power generation business, and the Company is expected to increase its business in the wind power generation sector by complementing respective strengths in know-how, technologies or networks and establishing a system to strongly promote the wind power generation project from start to finish.

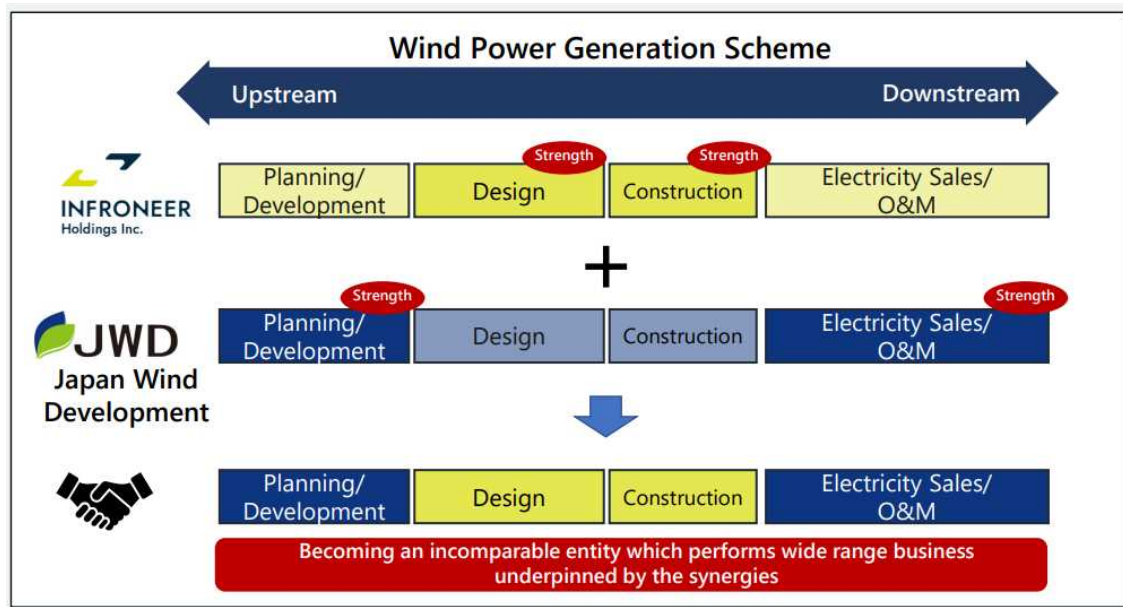


Figure 2: Complementing strengths through acquisition of Japan Wind Development⁷

JCR has confirmed in an interview with INFRONEER that it will investigate the bribery case involving JWD, which was acquired by the Company, with experts, and that it will make efforts to prevent the recurrence of such a case by adapting its governance system hereafter. JCR has evaluated that it is necessary for INFRONEER to carefully monitor the effectiveness of the aforementioned preventive measures while the effectiveness of this wind development project will not be impaired, provided that the measures will be steadily implemented and another new measures will be disseminated.

1. Environmental Benefits of Projects

In this framework, INFRONEER has (1) changed eligible criteria and (2) increased financing methods.

(1) Changes in Eligible Criteria

INFRONEER has increased the eligible criteria in all green project categories. The details of changes in each project including changes made are as follows:

Use of Proceeds 1: Green Building

⁷ INFRONEER's Explanatory materials on the stock acquisition of Japan Wind Development (turning it into its subsidiary) (December 12, 2023.)

The use of proceeds 1 is subject to expenditure on construction or acquisition of buildings that have the highest 2 ranked environmental certification in buildings with environmental certification and is expected to have high environmental benefits. This use of proceeds falls under "Green buildings" in "Green Bond Principles" and "Green Loan Principles," and "Projects for green buildings" among the uses of proceeds exemplified in the "Green Bonds" and "Green Loan Guidelines" by the Ministry of the Environment.

Environmental certification for green buildings for which INFRONEER will use proceeds is categorized into the following types:

DBJ Green Building Certification

DBJ Green Building Certification refers to a certification system provided by DBJ (Development Bank of Japan) to evaluate real estate with social and environmental consideration. The evaluation results are indicated with the number of stars, and the evaluation axis is "buildings with social and environmental consideration." The evaluation has been made with the following five major categories: "Energy & Resources (environmental performance of buildings)," "Amenity (comfort of tenants)," "Resilience (ability to respond to crises)," "Community & Diversity (consideration for diversity and the surrounding environment)" and "Partnership (cooperation with stakeholders)" with 5 stars (extremely excellent and top-shelf buildings in Japan,) 4 stars (excellent,) 3 stars (great,) 2 stars (good) and 1 star (satisfactory.) JCR has evaluated that this evaluation is equivalent to the "regional, national or internationally recognized standards or certifications" in the green project classification defined in "Green Bond Principles" as DBJ Green Building Certification has been highly recognized in Japan and has had certain evaluation items for environmental performance although it is not specific to environmental performance. JCR has however determined that it is desirable to individually confirm the evaluation of environmental performance as the certification is not exclusively limited to environmental performance.

DBJ Green Building Certification is based on an overall evaluation, including not only the environmental performance of properties to be evaluated but also comfort of tenants, risk management, such as disaster/crime prevention, consideration for the surrounding environment /communities and collaboration with stakeholders. There are many properties that do not meet the criteria for evaluation in the real estate market as scoring is designed by consolidating specific "excellent initiatives" for the environment and society. In order to be highly rated, a building is required to appropriately consider not only the environment but also all stakeholders involved in the building.

The level of DBJ Green Building Certification is assumed to be the top 20% or so of all income properties in Japan in the "environmental and social consideration." Additionally, each rating up to 4 stars is subject to the aggregation of the top 10% (5 stars) and top 30% (4 stars) of properties that exceed the certification level. JCR has therefore evaluated that the buildings with 4 stars or higher, which the Group set as the eligible criteria, have been narrowed down to properties with high environmental performance among the buildings that are designated to obtain the certification.

BELS (Building-Housing Energy-efficiency Labeling System)

BELS is an acronym standing for Building-Housing Energy-efficiency Labeling System and is a system in which energy-saving performance for new and existing buildings has been evaluated and certified by a third party evaluation institution. The envelope performance and primary energy consumption are subject to evaluation, and it is required to have excellent energy-saving performance to be highly evaluated. The evaluation results are indicated with the number of stars and are ranked from one to five, based on BEI (Building Energy Index.) BEI is criteria to measure energy-saving performance relative to a reference value, with a design primary energy consumption amount as the numerator and a reference primary energy consumption amount as the denominator. One star meets the existing energy conservation standard, two stars satisfy the energy conservation standard and 3 stars meet the induction standard in the 2016 standard.

A new standard will be introduced in the BELS when the notification of the BELS will be revised and enforced in April 2024. Under the new standard, residential and non-residential buildings with renewable energy facilities will be evaluated on a scale of Level 6 (an energy consumption reduction rate of 50% or more) to Level 0 (an energy consumption reduction rate of less than 0%) and residential buildings without renewable energy facilities will be evaluated on a scale of Level 4 (an energy consumption reduction rate of 30% or more) to Level 0 (an energy consumption reduction rate of less than 0%.) The energy conservation standards for large non-residential buildings of 2,000 m² or larger will be tightened followed by the revision of the Building Energy Conservation Act, which will take effect on April 1, 2024. The energy conservation standards after the revision of the Act differ depending upon building uses: an energy consumption reduction rate of 25% or more is required for factories including logistics facilities and an energy consumption reduction rate of 20% or more is needed for offices, schools, hotels or department stores. All non-residential buildings that meet the energy conservation standards will receive the level 4 (an energy consumption reduction rate between 30% and 40%) or higher in the BELS under the new standards. The energy conservation standards for residential buildings remain the same as in the past and an energy consumption reduction rate of 0% or more is specified under the energy conservation standards and an inducement rate of 20% or more is stipulated under the induction standards. JCR has determined that the criteria in the BELS adopted by, INFRONEER have had energy-saving performance (residential buildings: the BEI value of 0.8 or less and non-residential buildings: the BEI value of 0.75 or less) and that they have been appropriate as the use of the proceeds.

CASBEE (Comprehensive Assessment System for Built Environment Efficiency)

CASBEE is an acronym standing for Comprehensive Assessment System for Built Environment Efficiency and is a method to evaluate and rate the environmental performance of buildings. In April 2001, a comprehensive environmental evaluation research committee for buildings was established as an industry-academia-government collaboration project with the support of the Housing Bureau of the Ministry of Land, Infrastructure, Transport and Tourism and has been continuously developed and maintained since then. The evaluation tools include CASBEE for Construction, CASBEE for Cities or CASBEE for Real Estate that was developed for the real estate market to show environmental performance in an easy-to-understand manner.

CASBEE for Construction is evaluated with the value of BEE (Built Environment Efficiency) with L (L means Load) as the denominator and Q (Q refers to Quality) as the numerator after the reconstruction from the viewpoint of environmental quality of buildings and environmental loads of buildings for the evaluation items in the four areas: energy consumption, resource recycling, regional environment and indoor environment. The evaluation results are categorized into five as follows: Rank S (excellent,) Rank A (very good,) Rank B plus (good,) Rank B minus (slightly inferior) and Rank C (inferior.) CASBEE for Real Estate falls under four categories as follows: Rank S (excellent,) Rank A (very good,) Rank B plus (good) and Rank B (satisfied with items required.) In order to be highly evaluated, the concern for indoor comfort or landscape is required in addition to the environment consideration, such as energy saving or using equipment with low environmental burdens, and buildings with comprehensive high quality is required.

JCR has evaluated that buildings with Rank A or higher in the CASBEE certification set as the eligible criteria by INFRONEER have had environmental benefits with the following reasons: (1) such buildings have BEE of 1.5 or higher in CASBEE for Construction and their environmental quality clearly exceeds their environmental burdens and (2) such buildings are equivalent to Rank A in the conventional CASBEE for Construction although the measurement is not based on BEE in CASBEE for Real Estate.

CASBEE (local government version) refers to the CASBEE evaluation used by some local governments when constructing buildings with a certain size or larger. Although the assessment has been weighted by region, the evaluation has been made according to the calculation results of evaluation software used for CASBEE for Construction. Accordingly, CASBEE (local government version) has the environmental benefits as same as those of CASBEE for Construction.

LEED (Leadership in Energy and Environmental Design)

LEED refers to an environmental performance evaluation system for buildings and urban environments developed and operated by the U.S. Green Building Council (USGBC,) a non-profit organization. LEED is an acronym standing for Leadership in Energy and Environment Design, and the draft was published in 1996 and has been updated every few years since then. The certification is categorized into six: BD+C (Building Design and Construction,) ID+C (Interior Design and Construction,) O+M (Building Operations and Maintenance,) ND (Neighborhood Development,) HOMES (Home) and CITIES (City.)

The certification levels are shown by the total of points obtained for each item with Platinum (80 points or more,) Gold (60 to 79 points,) Silver (50 to 59 points) and Certified (standard certification) (40 to 49 points) from top to bottom. It is often prerequisites for evaluation, which require high scores or achievement for items on energy conservation, and high energy efficiency is necessary so as to obtain a high certification level. Therefore, the certification level, Silver or higher, which has been established as eligible criteria by the Company is deemed as a certification level that can be obtained by buildings that have achieved high energy efficiency and has been evaluated as having environmental benefits.

BREEAM (Building Research Establishment Environmental Assessment Methodology)

BREEAM is a system to measure and certify the sustainability of buildings based on their scientific evidence, announced by Building Research Establishment (BRE) in 1990. The evaluation consists of 10 items: Management, Health and Wellbeing, Energy, Transport, Water, Materials, Waste, Land Use and Ecology, Pollution and Innovation and points are given for evaluation and the total points are 112. As a result of the evaluation, a 6-level BREEAM Rating will be assigned: Outstanding (85 points or higher,) Excellent (70 points or higher,) Very good (55 points or higher,) Good (45 points or higher,) Pass (30 points or higher) and Unclassified (less than 30 points.) To achieve Excellent or above established in this framework by INFRONEER, a score of 70 points or higher is required, and the 10 evaluation items are necessary to be highly scored, respectively from the wide range of perspectives. Accordingly, JCR has evaluated that the eligible criteria set by the Company to be Excellent or higher have been targeting at buildings with high environmental performance.

ZEB, ZEH and ZEH-M

ZEB stands for Net Zero Energy Building and in the general meaning, it refers to "a building that achieves significant energy savings while maintaining the quality of the indoor environment by controlling energy loads via advanced architectural design, actively utilizing natural energy through the adoption of passive technologies and introducing highly efficient equipment systems. Such a building aims to achieve a zero annual primary energy consumption balance by introducing the use of renewable energy, thereby increasing energy independence as much as possible." ZEB is indicated with the following four levels depending upon energy independence and energy-saving amounts. In particular, the design of ZEB has put particular importance on the concept using a hierarchy approach in a manner that combines the sophistication of a building envelope that has a long service life and is difficult to repair with the sophistication of building equipment while optimizing architectural methods (passive methods,) such as heat insulation, insulation shielding, utilization of natural ventilation and daylight. ZEB includes (i) ZEB (a primary energy consumption reduction of 100% or more with energy conservation of 50% or more and energy creation,) (ii) Nearly ZEB (a primary energy consumption reduction of 75% or more with energy conservation of 50% or more and energy creation,) (iii) ZEB Ready (a primary energy consumption reduction of 50% or more) and (iv) ZEB Oriented (buildings with a total floor area of 10,000 square meters or more that meet the requirements specified per use⁸.)

ZEH stands for Net Zero Energy House, and in the broad sense, it is defined as "residence that aims at a zero annual primary energy consumption balance by significantly improving the insulation efficiency of the envelope and introducing efficient equipment systems to achieve significant energy savings while maintaining the quality of the indoor space and introducing

⁸ The following qualitative requirements in (1) and (2) shall be satisfied:

- (1) Reduction of the primary energy consumption specified from the standard primary energy consumption per the following use (excluding renewable energy)
 - i) Offices, schools or factories: 40% or more
 - ii) Hotels, hospitals, department stores, restaurants or meeting places: 30% or more
- (2) Introduction of technologies that have not yet been evaluated in WEBPRO at this time as "measures toward realization of further energy conservation".

renewable energy. ZEH includes: (i) ZEH (a primary energy consumption reduction of 100% or more from the standard primary energy consumption by adding renewable energy,) (ii) Nearly ZEH (a primary energy consumption reduction of 75% or more from the standard primary energy consumption by adding renewable energy,) (iii) ZEH Ready (a primary energy consumption reduction of between 50% and 75% from the standard primary energy consumption by adding renewable energy) and (iv) ZEH Oriented (a primary energy consumption reduction of 20% or more from the standard primary energy consumption, excluding renewable energy.)

ZEH-M stands for Net Zero Energy House Mansion and in the broad sense, it means "a residential apartment that achieves significant energy savings while maintaining the quality of the indoor environment by controlling energy loads with advanced architectural design, actively utilizing natural energy through the adoption of passive technologies and introducing highly efficient equipment systems. Such a residential apartment aims to achieve a zero annual primary energy consumption balance by introducing the use of renewable energy, thereby increasing energy independence as much as possible. The aforementioned ZEH has evaluated residences while ZEH-M has evaluated residential buildings. ZEH-M as same as ZEH has categorized into four.

The ZEB-certified buildings and ZEH/ZEH-M-certified residence (four levels from (i) to (iv) above, respectively,) which the Company set as eligible will have the BEI value of 5 stars or higher in the BELS based on the standard primary energy consumption, and JCR has determined that they are appropriate as the use of proceeds.

INFRONEER has undertaken the building construction that will be highly certified with high environmental performance as defined in this framework. The proceeds will be allocated to this construction or acquisition; however, if payment is received from the contractor, the construction proceeds will be collected. The proceeds therefore will be reallocated to other projects that meet any of the eligible criteria until the repayment period arrives.

An example of construction as a green building includes proceeds for construction for the new Aichi prefectural gymnasium (so-called IG Arena,) which has been developed by Aichi International Arena Co., Ltd., represented by MAEDA CORPORATION, a subsidiary of INFRONEER with a BT concession method based on the PFI Law. IG Arena is a building with CASBEE Nagoya S Rank, the highest level of environmental performance and was selected as "stadium/arena as an exchange base in which diverse generations gather" by the Japan Sports Agency and the Ministry of Economy, Trade and Industry in 2021. IG Arena is a project that is highly expected from the perspective of urban development or regional revitalization and is scheduled for completion in 2025.

Use of Proceeds 2: Energy Efficiency

Use of proceeds 2 refers to investments on renovation of buildings aimed at ZEB, ZEH and ZEH-M, renovation of buildings, which are expected to improve energy efficiency by 30%

or more compared to conventional ones and introduction of highly energy-efficient equipment and facilities. This use of proceeds falls under "Energy efficiency" in "Green Bond Principles" and "Green Loan Principles" and "Project for energy efficiency" among the use of proceeds illustrated in "Green Bond Guidelines" and "Green Loan Guidelines."

As buildings aimed at ZEB, ZEH and ZEH-M will be renovated with a view to ZEB, such buildings are expected to have environmental benefits. For renovation of buildings, which are expected to improve energy efficiency and introduction of equipment/facilities with high energy-saving performance, the Company has covered those, which are expected to improve energy efficiency by 30% or more, and the reduction rate is comparable to global standards. Accordingly, JCR has evaluated that the renovation of these buildings will have highly environmentally benefits.

MAEDA CORPORATION, a subsidiary of INFRONEER, has been working to realize "W ZEB" that includes not only new construction but also renovation work, which has been increasing in recent years since 2017. With the registration of ZEB Leading Owners and ZEB Planners, MAEDA CORPORATION has promoted initiatives aimed at becoming a "ZEB Leading Company" and has also moved forward with designing/constructing ZEH-M, which realizes a comfortable living environment and energy savings in apartment construction, its specialty.

MAEDA CORPORATION has worked on 13 ZEB construction projects (including ZEB Ready) and 4 ZEH-M (Net Zero Energy House Mansion) construction project to date. Representative examples of ZEB Ready are "MKD Nagoya Building (Chubu Branch)" and the "ZEB Ready Comprehensive Renovation Project" of "Hitokuchizaka Chuo Building (Tokyo Building Construction Branch)," and instances of newly constructed ZEB include "Exchange Building," an administrative core facilities of "The ICI General Center," its technology development and human resources training base in Toride City, Ibaraki Prefecture.

In newly constructed ZEB projects, MAEDA CORPORATION has achieved ZEB by introducing equipment, such as internal and external blind control, natural ventilation, small-sized floor outlets for air conditioners or ceiling radiant air conditioning with deck slabs. In ZEB renovation projects, MAEDA CORPORATION has achieved a level of ZEB-Ready by redesigning/downsizing heat source systems, such as lighting control with air conditioning image sensors or heat source systems that optimize well water and by simultaneously advancing/optimizing automatic controls after reducing building heat loads based on past operational data.

Use of Proceeds 3: Renewable Energy

Use of proceeds 3 refers to capital investments related to solar power generation, onshore and offshore wind power generation and biomass power generation, and proceeds for acquiring shares of companies that specialize in any of the aforementioned projects. The Company is expected to have environmental benefits as it contributes to generating renewable energy. The use of the proceeds is categorized into "Renewable energy" in

"Green Bond Principles" and "Green Loans" and "Project for renewal energy" among the use of proceeds exemplified in "Green Bond Guidelines" and "Green Loan Guidelines."

INFRONEER has been established to solve social issues such as achieving carbon neutrality through its infrastructure operation projects and has intended to contribute to solving social issues by accelerating the development of renewable energy, which is important for achieving carbon neutrality. The Company has developed approximately 141 MW through solar power, onshore wind power and biomass and aims to expand its infrastructure project as the third pillar of its projects after construction and civil engineering. This framework has been recently updated to include the proceeds as the use in the eligibility criteria; for instance, acquiring shares with the intention of reinforcing the wind power development projects, which can intensify the renewable energy sector on which INFRONEER has focused.

INFRONEER will use this proceeds for renewable energy including not only solar power and biomass but also onshore and offshore wind power generation. The eligible criteria for biomass power generation defined in the previous framework have been clarified. Operational, maintenance/management investments as well as construction investments have been added to the eligible projects.

Wind power generation is a renewable power generation method that uses the power of wind to turn a windmill and converts the rotational motion of the windmill into electricity through a generator. Due to increasing sizes of wind turbines and the expansion of offshore wind power generation, the price has been on the decrease internationally; therefore, it is an energy source that has the potential to be economically viable, and its introduction is expected to domestically increase.

Requirements for biomass power generation have been added for competition with food and life cycle GHG. For competition with food, a decision will be made by paying a close attention to the progress of discussion domestically and internationally and by considering whether or not biomass species are edible or there are any impacts on the land use of other edible biomass species by cultivating biomass species for fuel purposes. For life cycle GHG, conformation will be made whether or not GHG emissions from the cultivation of raw materials, fuel production and transportation to the final use of fuels have clear environmental benefits before and after project implementation. JCR has determined that the fuels domestically procured have environmental benefits as GHG will be slightly emitted via marine transport.

According to the 6th Basic Energy Plan approved by the Cabinet in October 2021, the government will make sure to use renewable energy as main power sources, strive to prioritize renewable energy and promote its introduction to the maximum extent possible while minimizing the burdens on citizens and coexisting with communities based on the main premise of ensuring stable supply and reducing energy costs (S+3E) in the renewable energy sector, aiming at "Carbon neutral declaration" in 2050, a 46% reduction in CO₂ emissions in 2030 and a new plan that continues to aim at an even higher level of 50% reduction in CO₂ emissions.

		(FY2019 ⇒ previous energy mix)	Energy mix in FY2030 (ambitious outlook)	
Energy efficiency improvement		(16.55 million kl ⇒ 50.30 million kl)	62 million kl	
Final energy consumption (without energy conservation)		(350 million kl ⇒ 377 million kl)	350 million kl	
Power generation mix	Renewable energy	(18% ⇒ 22-24%)	36-38%	
Electricity generated: 1,065 TWh ⇒ Approx. 934 TWh	Hydrogen/Ammonia	(0% ⇒ 0%)	※If progress is made in utilization and implementation of R&D of renewable energy currently underway, 38% or higher will be aimed at.	
	Nuclear	(6% ⇒ 20-22%)	1%	
	LNG	(37% ⇒ 27%)	20-22%	(details of renewable)
	Coal	(32% ⇒ 26%)	20%	solar 14~16%
	Oil, etc.	(7% ⇒ 3%)	19%	wind 5%
			2%	geothermal 1%
				hydropower 11%
				biomass 5%

Figure 3: Energy Supply and Demand in 2030⁹

In this plan, the renewable energy is positioned as the main power source in FY 2030, and wind power generation and biomass power generation are expected to become the second most important power source after solar power generation in renewable energy sources.

It is assumed that the majority of the proceeds financed in this framework will be allocated to the development and construction of power generation facilities by renewable energy and funds for acquiring shares; however, JCR has confirmed that the proceeds will be allocated to capital investments in operating facilities developed and constructed. JCR has determined that it is appropriate for operational capital investments to be partially included in the use of proceeds as these are essential for the long-term utilization of renewable energy power generation facilities.

Use of Proceeds 4: Pollution Prevention and Control

Use of Proceeds 4 refers to capital investments of bio heavy oil production plants to be implemented by a subsidiary of INFRONEER, which is expected to have high environmental benefits. The use of proceeds is categorized into "Pollution prevention and control" in "Green Bond Principles" and "Green Loan Principles" and "Projects for pollution prevention and control (Projects that contribute to the realization of a circular economy) (advanced waste collection and treatment (energy collection waste treatment facilities) among other uses of proceeds illustrated in "Green Bond Guidelines" and "Green Loan Guidelines."

MAEDA ROAD CONSTRUCTION Co., Ltd., (hereinafter referred to as "MAEDA ROAD"), a subsidiary of INFRONEER, has emitted CO₂, 90% of which has come from its own asphalt mixture plants. In particular, Scope 1 excluding purchased electricity, accounts for approximately 90% of the total, and MAEDA ROAD needs to reduce CO₂ emissions from fossil fuel-derived energy, one of its issues. In response to this, MAEDA ROAD has worked to reduce its own energy-derived CO₂ emissions by refining and producing energy with reduced environmental burdens with bio

⁹ "Overview of the 6th Basic Energy Plan" by Agency for Natural Resources and Energy at https://www.enecho.meti.go.jp/category/others/basic_plan/pdf/20211022_02.pdf

heavy oil production technology using oil cake derived from animals and plants as raw materials.

The use of proceeds specified in this framework is the capital investments related to the bio heavy oil production plant that will be established as a subsidiary of MAEDA ROAD. JCR has confirmed that waste is appropriately managed and reduced as raw materials of the bio plants are all waste vegetable oil, supplies have been secured and MAEDA ROAD has been considering to sell denitrification materials, fertilizers and partings that are refined as by-products. MAEDA ROAD is expected to reduce approximately 35,000 tons of CO₂ emissions in or after the third year when the plant begins its full-scale operation. This contributes to a reduction of approximately 13% of CO₂ emissions of Scope 1 of the total amount of MAEDA ROAD as of fiscal 2020. MAEDA ROAD has established Japan Biofuel Co., Ltd., a bio-fuel oil manufacturing company and has begun manufacturing at a new plant in Hiroshima Prefecture since September 2023, firstly aiming to reduce Scope 1 for its own and Scope 3 for mixture users and then aiming to contribute to a carbon-free society as a whole by externally selling bio-fuel oil.

The capital investment for operation and maintenance/management added to the framework are deemed to be adequate as essential capital investment as same as the use of proceeds 3 above.

(2) Increasing Financing Methods

INFRONEER has targeted corporate bonds, Bond-Type Class Shares and loans as green finance to be executed with reference to this framework. It is specified that corporate bonds will be included in convertible bonds (hereinafter referred to as "CB".)

JCR has evaluated that Bond-Type Class Shares can be included as green finance as they can be managed in accordance with the four core components of the Green Bond Principles (Use of Proceeds, Selection Criteria and Processes of the Use of Proceeds, Management of Proceeds and Reporting,) and they can be separately managed by the issuer and investors.

JCR has evaluated that CB can be included in green finance only if the following conditions are satisfied: (1) the use of proceeds shall be limited to the issuer's main business, (2) the project for which the proceeds will be used shall not be transferred to another company and (3) reporting shall be made until the CB is redeemed and for the initially scheduled period. The evaluation period determined by JCR shall be continued until the CB is converted into stocks.

Accordingly, JCR has evaluated that the use of proceeds specified by INFRONEER in this framework will be used for projects with high environmental benefits.

2. Negative Impacts on the Environment and Society

INFRONEER assumes to take the following measures for the negative environmental and social impacts to be provided by eligible projects.

- Compliance with environment-related laws and regulations required by the national government or local governments where projects are implemented and implementation of environmental impact studies as necessary.
- Adequate explanation to local residents in the implementation of the project
- Procurement of materials in accordance with INFRONEER Group's internal regulations, and implementation of pollution prevention
- To prevent risks such as landslides, we will conduct proper embankment management and implement a drainage plan by installing backside drainage materials and drainage ditches

It is determined that there has been no negative impacts on the environment and society for the acquisition of shares in JWD or the properties involved with JWD due to prior due diligence as for the acquisition of JWD, which was the reason why changes were made in the framework.

Accordingly, JCR has evaluated that INFRONEER has appropriately treated and addressed negative impacts on the environment and society.

3. Alignment with SDGs

JCR has evaluated that projects to be realized through this framework will contribute to the following SDG goals and targets with reference to ICMA's SDG mapping.

Projects for Green Buildings and Energy Conservation



Goal 7: Affordable and Clean Energy

Target 7.3. By 2030, double the global rate of improvement in energy efficiency



Goal 9: Industry, Innovation and Infrastructure

Target 9.4. By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities



Goal 11: Sustainable Cities and Communities

Target 11.3: By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries
Target 11.6: By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management

Projects for Renewable Energy



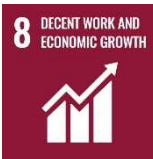
Goal 3: Health and Well-Being

Target 3.9 By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination



Goal 7: Affordable and Clean Energy

Target 7.2 By 2030, increase substantially the share of renewable energy in the global energy mix



Goal 8: Decent Work and Economic Growth

Target 8.4. Improve progressively, through 2030, global resource efficiency in consumption and production and endeavor to decouple economic growth from environmental degradation, in accordance with the 10-year framework of programs on sustainable consumption and production, with developed countries taking the lead



Goal 9: Industry, Innovation and Infrastructure

Target 9.4. Develop quality, reliable, sustainable and resilient infrastructure, including regional and trans border infrastructure, to support economic development and human well-being with a focus on affordable and equitable access for all



Goal 12: Responsible Consumption and Production

Target 12.4. By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment

Projects for Pollution Prevention and Control



Goal 3: Health and Well-being

Target 3.9 By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination



Goal 9: Industry, Innovation and Infrastructure

Target 9.4. By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities



Goal 11: Sustainable Cities and Communities

Target 11.6. By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management



Goal 12: Responsible Consumption and Production

Target 12.4. By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment

Target 12.5. By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse

I. Selection Criteria and Processes for Use of Proceeds

JCR's Key Consideration in this Factor

In this section, JCR will confirm the goals to be achieved through this evaluation, the validity of the green project selection criteria and processes and whether a series of processes have been appropriately disclosed to investors.

▶▶▶ Current Status of Evaluation Targets and JCR Evaluation

JCR has evaluated that departments with specialized knowledge and the management have been appropriately involved in the goals, green project selection criteria and processes in this framework.

1. Goal

In October 2021, INFRONEER has set forth the achievement of carbon neutrality for 2050 as its long-term goal. The Company has also announced its medium-term goal for 2030 so as to achieve the aforementioned goal. The medium- to long-term business plan, "INFRONEER Vision 2030" announced on October 1, 2021 has listed the goals of reducing Scope 1 and Scope 3 by 40%, respectively in 2030 (from FY 2018.)

The bio heavy oil production plant for which the proceeds will be used in this framework will contribute to the reduction of Scope 1 emissions in INFRONEER and will reduce Scope 3 emissions by proposing and promoting construction of green buildings and renovation work with high environmental benefits.

Subject	Targets (Compared to FY2018)	Metrics
Scope 1 and 2 emissions	Net zero emissions by FY2050	Disclose graph of results in emissions
	40% reduction by FY2030	
Scope 2 emissions Utilization rate of renewable energy (electrical power)	RE100 in FY2050	Disclose graph of usage rate of renewable energy (electrical power)
	RE60 in FY2030	
Scope 3 emissions (Category 1: Commissioned construction, purchased materials)	40% reduction by FY2030	Disclose emissions from commissioned construction and calculable purchased materials
Scope 3 emissions (Category 11: Emissions associated with the use of our constructions and products)	40% reduction by FY2030	Disclose emissions * The service period of buildings is calculate with the LCCO, method with CASBEE

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

Figure 4: INFRONEER's CO₂ Reduction Targets¹⁰

INFRONEER has set forth three strategic pillars of "Productivity reform," "Establishing a new revenue base" and "Reinforcing and improving corporate culture" in its medium- to long-term business plan, "INFRONEER Vision 2030 and has aimed to establish a position in infrastructure

¹⁰Source: INFRONEER website

services both domestically and internationally including renewable energy projects. To achieve the goals for 2030, the Company has promoted the dual-approach investment strategy—“proactive” growth investment and “reactive” permanent investment—to maximize added value. One of the growth investments is to increase the number of infrastructure management projects in Japan and overseas including renewable energy for which the proceeds will be used in this framework. Promoting renewable energy projects will contribute to promoting sustainability initiatives as well as will increase the business value of INFRONEER.

Medium- to Long-term Business Plan, “INFRONEER Vision 2030”

1. Our Goal

The Company will promote the followings, aiming to achieve perpetual growth of the entire group and to become “a company trusted by all stakeholders.”

- Establish a “highly profitable and stable revenue base,” which is unaffected by external factors by defining its business models as an “integrated infrastructure services company,” which offers a comprehensive range of infrastructure management services from upstream to downstream and by strongly promoting as the Group’s strategy.
- Realize prompt and appropriate management and improve its “ability to respond to social changes” by building an effective governance system and promoting DX

2. Three pillars of strategy and priority measures

The three strategic measures to achieve its “vision” and respective important measures are as follows:

- Productivity reform: Maximizing added value, optimizing fixed expenses and administrative costs and promoting Group financial strategy
- Establishing a new revenue base: Establishing a position at home and abroad in infrastructure services and further expanding business areas
- Strengthening and improving corporate culture: Promoting a Group human resources strategy and strengthening governance

Accordingly, JCR has evaluated that the projects covered in this framework have been aligned with the INFRONEER's medium- to long-term environmental goals.

2. Selection Criteria

JCR has evaluated that the eligible criteria in this framework formulated by the Company are described in the Evaluation Phase 1 and have been aligned with INFRONEER's medium- to long-term environmental goals.

3. Process

INFRONEER has established the selection processes as follows (no changes have been made to the processes this time):

This Framework for Processes (Excerpt)

The Finance Strategy Department assesses the eligibility of candidate projects after consulting with relevant departments regarding their alignment with our group's policies and their contribution to "INFRONEER Vision 2030." The final decision on eligible projects is made by the Representative Executive Officer and President.

Evaluation by JCR to the Framework

Each department in charge of the use of proceeds for the eligible criteria will select candidate projects after examining plans of capital investments and then confirming that the Company will produce specific environmental benefits in INFRONEER. Financial Strategy Department will carefully examine candidate projects submitted by respective departments, select to which the proceeds will be allocated and formulate financing policies. The green of candidate projects will be confirmed through this series of processes. JCR has confirmed that each department has selected, planed and implemented projects with expertise and a sense of responsibility for the work for which they are responsible via interviews with INFRONEER.

INFRONEER's goals, selection criteria and processes defined in this framework have been appropriately established. The Company will specify the objectives, selection criteria and processes as requirements to be satisfied in green finance in the framework and will disclose the framework documents on its website. Accordingly, JCR has evaluated that transparency has been continuously kept.

II. Management of Proceeds

JCR's Key Consideration in this Factor

It is generally assumed that how to manage proceeds financed widely vary depending upon the fundraisers. JCR will confirm that the proceeds financed based on this evaluation target are reliably allocated to green projects and that mechanisms and internal systems are in place to easily track and manage the allocation.

JCR also will give importance to whether the proceeds financed based on this evaluation target are scheduled to be early allocated to respective eligible projects and to the evaluation of management and operation methods for unallocated proceeds.

▶▶▶ Current Status of Evaluation Targets and JCR Evaluation

JCR has evaluated that the proceeds management system in INFRONEER has been highly transparent as it has been appropriately developed and the method of how to manage proceeds financed has been disclosed in this evaluation report.

INFRONEER has established the proceeds management system as follows: (no change has been made for the management system.)

This Framework for Proceeds Management (Excerpt)

The proceeds of green finance are tracked and managed by the Finance Strategy Department using an internal accounting system after sharing the appropriations for eligible projects with relevant departments. Funds may be used for eligible projects through Group companies or SPCs. The funds procured through green finance are expected to be fully allocated to eligible projects within approximately 12 months from the implementation of the green finance. If unallocated funds arise due to the recovery of construction funds, etc., they will be reallocated to new eligible projects. The Company plans to manage unallocated funds in cash or cash equivalents until allocation or reallocation.

Evaluation by JCR to the Framework

As stated in the framework above, INFRONEER will reliably manage proceeds financed through green finance with its internal accounting system until they are allocated to eligible projects. Representative Executive Officer and President will make the final decision on the allocation of proceeds. The proceeds financed through green finance will be managed in cash or cash equivalents until they are fully allocated to eligible projects.

Deposits and withdrawals with proceeds financed through green finance will be audited internally by Audit Office and General Audit Department and externally by audit firms as part of the normal financial processes. Supporting documentation on the allocation of proceeds will be kept for the period as same as the life of the green finance.

JCR has evaluated that the changes made this time indicate that the proceeds may be allocated to eligible projects not only through INFRONEER but also through group companies or SPCs and will not affect any suitability assessment of the management of proceeds.

Accordingly, JCR has evaluated that how to manage proceeds defined by INFRONEER has been appropriate and highly transparent.

III. Reporting

JCR's Key Consideration in this Factor

In this section, JCR will evaluate whether the disclosure system to investors before and after financing based on this evaluation target is planned in a detailed and effective manner.

▶▶▶ Current Status of Evaluation Targets and JCR Evaluation

JCR has evaluated that INFRONEER will appropriately disclose both of the allocation of proceeds and the environmental benefits to investors.

INFRONEER has established the reporting system as follows:

This Framework for Reporting (after Change/Excerpt)

INFRONEER will disclose the allocation status of the funds procured through green finance and the environmental improvement effects, as specified by us, on our website once a year, to the extent reasonably feasible. If requested by the green loan lenders, the method of reporting to the lenders will be determined through discussion. If there are significant changes following the allocation of the funds, we will promptly disclose and report them to the lender using the agreed method.

■ Allocation Report

The following items will be disclosed until the full allocation of the funds procured through green finance.

- Allocation amount and number of projects for each category (Renewable energy categories are reported by energy type)
- Percentage of new financing and refinancing
- If there are any unappropriated amounts, the unappropriated amounts and their appropriation policy

■ Impact Report

As long as there is an outstanding balance of green financing (for CB, until the initial expected issuance period expires,) the following items will be disclosed, along with the distinction between in-house business and contracted business for each project.

Project categories	Impact indicators (example)
Green buildings	<ul style="list-style-type: none"> • Status of acquisition of certification by the subject property
Energy efficiency	<ul style="list-style-type: none"> • Overview of the equipment

	<ul style="list-style-type: none"> • Energy efficiency improvement rate
Renewable energy	<ul style="list-style-type: none"> • <u>The following items for the entire power generation facility for each type of renewable energy;</u> <ul style="list-style-type: none"> ✓ <u>Number of power plants</u> ✓ Annual estimated power generation capacity (MW) ✓ Annual estimated CO₂ emission reduction (t-CO₂) • <u>In the case of a share acquisition, the following items regarding the target company at the time of acquisition;</u> <ul style="list-style-type: none"> ✓ <u>Type of renewable energy</u> ✓ <u>Number of power plants</u> ✓ <u>Annual estimated power generation capacity (MW)</u> ✓ <u>Annual estimated CO₂ emission reduction (t-CO₂)</u>
Pollution prevention and control	Estimated reduction in fossil fuel consumption due to substitution with plant and animal oil residues (in tons)

Evaluation by JCR to the Framework

Reporting on the Allocation of Proceeds

INFRONEER plans to annually disclose the allocation of proceeds financed through green finance on its website until the entire amount of proceeds financed is allocated to eligible projects. In cases where there is any major change in the allocation plan for the proceeds and there are unallocated proceeds, the details will be also disclosed. JCR has evaluated that reporting on the allocation of proceeds has continued to be appropriate.

Reporting on Environmental Benefits

As long as there is a green finance balance, INFRONEER plans to annually disclose the environmental benefits on its website as a reporting item as described above. JCR has evaluated that the contents in this report include specific and quantitative data regarding environmental benefits, and that the disclosure items and frequency of disclosure specified in this reporting plan will be thoroughly disclosed and continuously adequate.

IV. Organizational Sustainability Initiatives

JCR's Key Consideration in this Factor

In this section, JCR will evaluate whether the management of fundraisers has positioned sustainability issues as highly prioritized management challenges, has established a department that specializes in sustainability sectors, or has clearly positioned implementation policies/processes for sustainable finance or criteria for selecting eligible projects in collaboration with external organizations.

▶▶▶ Current Status of Evaluation Targets and JCR Evaluation

JCR has evaluated that INFRONEER has positioned sustainability issues as important management challenges and has promoted sustainability initiatives by incorporating the knowledge of external experts.

INFRONEER, as an integrated infrastructure services company, aims to achieve both of the resolution of environmental and social issues and the corporate sustainable growth. The Maeda Group, a predecessor of INFRONEER, has set forth "the firm with the top environmental management" in 2009 and has had a proven record of actively working on dividends for the Earth, renewable energy projects and public-private partnership businesses and has been strongly promoting these businesses as the entire holdings.

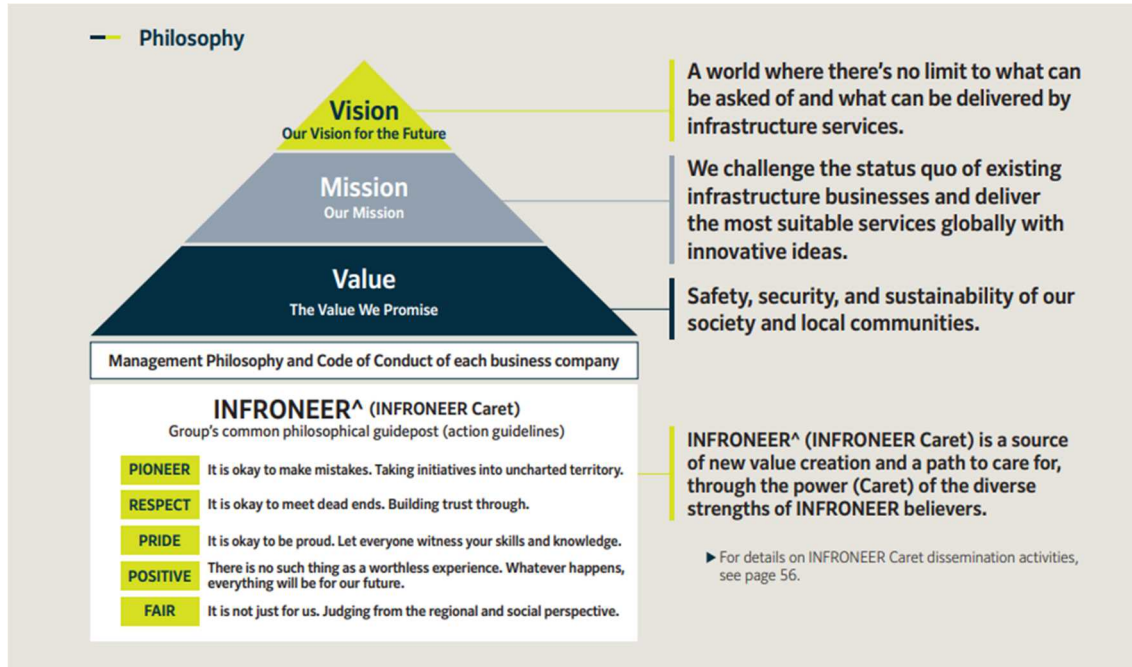


Figure 5: INFRONEER Vision, Mission and Value¹¹

The Company has set forth "Establishing a new revenue base" as one of the three strategic pillars and has been working on renewable energy projects conducive to creating a carbon-free society

¹¹ Integrated Report 2023 by INFRONEER

and building sustainable and autonomous local communities in the medium- to long-term business plan, "INFRONEER Vision 2030." The Company has invested in renewable energy projects and constructed, operated and maintained facilities by capitalizing on its construction know-how. Not only does INFRONEER create a cycle of capital that improves business value and then sells it to infrastructure funds but it also contributes to solving environmental issues through its renewable energy projects. Turning JWD into a subsidiary mentioned above is an initiative in line with this strategy.

The Company aims to go beyond the conventional construction business and become an "integrated infrastructure services company" that provides one-stop management in all areas of the infrastructure projects. INFRONEER, not only increases its corporate value by promoting the concession projects, such as the construction work on the maintenance/operation of the new Aichi prefectural gymnasium with environmental performance, but also helps local governments who face tight finance to reduce their financial burdens, resolve their labor shortages and provide efficient, effective and good public services.¹²

INFRONEER has established Sustainability Committee with the management so as to proactively engage in projects that contribute to the environment and society as mentioned above. The medium- to long-term business plans or ESG strategies will be regularly reviewed and a system has been established to ensure appropriate supervision by the Board of Directors in this Committee. The Company interviewed with respective operating companies per segment, such as MAEDA CORPORATION, MAEDA ROAD and MAEDA SEISAKUSHO CO., LTD. in identifying materiality, discussed risks and opportunities and then the Board of Directors made a final decision (to be discussed with the aforementioned companies including JWD hereafter.) INFRONEER also interviewed with respective operating companies to formulate the vision in 2030 or identify environmental and social issues in medium- and long-term business plans, discussed those with Corporate Strategy Department or Task Team and then made a resolution at the Board of Directors.

INFRONEER has recognized the significance of climate-related financial information disclosure and has endorsed the recommendations of the TCFD (Task Force on Climate-related Financial Disclosures) in June 2022. The Company has listed a 40% reduction in Scope 1 and Scope 2 emissions in FY 2030, net zero emissions in FY 2050 and a 40% reduction in Scope 3 emissions in FY 2030 as its CO₂ reduction targets (from FY 2018) in the climate-related financial information disclosure in line with the recommendations of the TCFD.

Accordingly, JCR has evaluated that the management has positioned environmental issues as highly prioritized management challenges and that internal and external experts with specialized knowledge have been involved in sustainability initiatives as organizations.

¹² It is likely that the financial burdens on local governments are reduced, a decreasing number of employees in local governments are addressed and efficient and effective and good public services are achieved by promoting PPP/PFI including concession projects according to "PPP/PFI Promotion Action Plan (Revised Edition 2020)" by the Cabinet Office at https://www8.cao.go.jp/pfi/actionplan/pdf/actionplan_r4_2.pdf

Evaluation Phase III: Evaluation Results (Conclusions)

Green 1(F)

JCR has assigned "g1 (F)" to "Green Evaluation (Use of Proceeds)," "m1(F)" to "Management, Operation and Transparency Evaluation" and "Green1(F)" to "JCR Green Finance Framework Evaluation" based on the JCR Green Finance Evaluation Methodology in terms of this framework. JCR has determined that this framework satisfies the criteria for the items required in "Green Bond Principles," "Green Loan Principles," "Green Bond Guidelines" and "Green Loan Guidelines."

<JCR Green Finance Framework Evaluation Matrix>

		Management, Operation and Transparency Evaluation				
		m1(F)	m2(F)	m3(F)	m4(F)	m5(F)
Green Evaluation	g1(F)	Green 1(F)	Green 2(F)	Green 3(F)	Green 4(F)	Green 5(F)
	g2(F)	Green 2(F)	Green 2(F)	Green 3(F)	Green 4(F)	Green 5(F)
	g3(F)	Green 3(F)	Green 3(F)	Green 4(F)	Green 5(F)	N/A
	g4(F)	Green 4(F)	Green 4(F)	Green 5(F)	N/A	N/A
	g5(F)	Green 5(F)	Green 5(F)	N/A	N/A	N/A

(Responsible analysts for this evaluation) Rieko Kikuchi, Takuto Toda

Important Explanation on this Evaluation

1. Assumptions, Significance and Limitations of JCR Green Finance Framework Evaluation

JCR Green Finance Framework Evaluation, which is granted and assigned by Japan Credit Rating Agency, Ltd. (hereinafter referred to as "JCR") is a comprehensive statement of JCR's current opinion on the alignment with green projects as defined by JCR and the extent of the initiatives to ensure management, operations and transparency on the use of proceeds with policies set forth by the Green Finance Framework as the target evaluation. Therefore, it is not intended to evaluate the specific environmental benefits, management/operation systems and transparency of individual bonds or borrowings to be executed based on these policies concerned. In cases where a green finance evaluation is granted or assigned to an individual bond or borrowing based on the said framework, a separate evaluation is required. JCR Green Finance Framework Evaluation neither proves environmental benefits from the individual bond or borrowing executed based on the framework concerned nor does it assume responsibility for any environment benefits. JCR, in principle, will not directly measure environmental benefits of proceeds financed through Green Finance Framework although JCR will confirm the items measured quantitatively and qualitatively by the issuer and/or borrower (hereinafter an issuer and borrower are collectively referred to as "a fundraiser") or a third party requested by the fundraiser. Green equity may also be included in the evaluation only if all assets, in case of investment corporations, fall under green projects.

2. Methodology Used in this Evaluation

The methodology used to make this evaluation is posted as "JCR Green Finance Evaluation Methodology" in the "Sustainable Finance/ESGs" section on the JCR's website at <https://www.jcr.co.jp/en/>.

3. Relation with Conduct of Credit Rating Activities

The conduct of assigning and providing JCR Green Finance Framework Evaluation is performed by JCR as its related business and is different from the conduct of credit rating activities.

4. Relation with Credit Rating

This evaluation is different from a credit rating and is not committed to providing a predetermined credit rating or making available for inspection.

5. Impartiality in Evaluating JCR Green Finance Framework

There are neither capital ties nor personnel relationships that could create a conflict of interest between this evaluation and JCR.

■Disclaimer

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■Terminology

JCR Green Finance Framework Evaluation: The assessment of the extent to which proceeds financed based on the Green Finance Framework are allocated to green projects as defined by JCR and of the degree of management, operation and transparency on the use of proceeds for the said Green Finance. The evaluation is made on a scale of five in the order from top to bottom with evaluation symbols of Green 1 (F), Green 2 (F), Green 3 (F), Green 4 (F) and Green 5 (F)

■Status of Registration as an External Evaluator of Sustainability Finance

- Ministry of the Environment: Registered as an external reviewer for Green Finance
- ICMA (observer registration as an external evaluator with the International Capital Markets Association)
- UNEP FI Positive Impact Financial Principles Working Group Member
- Climate Bonds Initiative Approved Verifier

■Other Registration Status as Credit Rating Agency

- Credit Rating Agency: the Commissioner of Financial Services Agency (Credit Rating) No. 1
- EU Certified Credit Rating Agency

• NRSRO: JCR has registered with the following four of the five credit rating classes of Nationally Recognized Statistical Rating Organization ("NRSRO") as defined by the U.S. Securities and Exchange Commission: (1) financial institutions, broker/dealers, (2) insurance companies, (3) general business corporations and (4) government and local governments. In cases where disclosure is required based on Rule 17g-7(a) of the Securities and Exchange Act, such disclosure is attached to News Release posted on the JCR's home page at <https://www.jcr.co.jp/en/>.

■For all other inquiries, please contact us below

TEL: 03-3544-7013 FAX: 03-3544-7026

Information Service Department

Japan Credit Rating Agency, Ltd.

Jiji Press Building, 5-15-8 Ginza, Chuo-ku, Tokyo 104-0061, Japan
Tel. +81 3 3544 7013, Fax. +81 3 3544 7026