

August 9, 2024

Company name : INFRONEER Holdings Inc.
Representative : Kazunari Kibe, Representative Executive Officer and President
(Stock code : 5076, TSE prime market)
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Notice of policy for the sale of cross-shareholdings

The Board of Directors of the Company resolved at its meeting on 9 August 2024 to adopt a policy for the sale of cross-shareholdings, as follows.

1. Our basic policy to date on policy for cross-shareholdings

The Group's basic policy has been not to acquire or hold cross-shareholdings unless it is necessary for the transactional business until now. Individual shareholdings have been regularly reviewed by the Board of Directors of the Company and its main subsidiaries from the perspective of economic rationality in terms of cost of capital, strengthening business relationships, prospects, and so on. If the appropriateness of the holdings was not recognized on that basis, the Company has proceeded with the sale of the shares, taking into consideration the impact on the market after obtaining the full understanding of the counterparty companies.

2. New policy for the future

In INFRONEER medium-term Vision, the Group set a target of reducing the percentage of net assets held by cross-shareholdings to below 20% and has been selling these shares. After repeated discussions on the significance of the holdings and investment efficiency, the Board of Directors resolved today that the Group will reduce its cross-shareholdings to zero by FY2027, and that it intends to sell over JPY 25 billion of its holdings in Maeda Corp. during the current financial year, with the ratio of its holdings to net assets at 20% or less.

In order to realize the business model, the Group aims to become a “integrated infrastructure services company”, the Group is accelerating investment in growth through M&A and initiatives in infrastructure operation businesses such as renewable energy projects and public-private partnerships and will make more effective use of capital. Funds from the sale will be distributed with a view to financial discipline and capital efficiency. (The specific distribution policy will be announced as soon as it has been decided by the next mid-term management plan.)

3. Policy for initiatives

The Group will engage in careful dialogue with the companies issuing the shares that are the subject of future sales to ensure that they understand the Group's policy. We will continue to make every effort to continue and strengthen our business relationship with the target company.

Reduce Cross-Shareholdings to zero by fiscal year 2027

Policy for the sale of Cross-Shareholdings

FY24 target: Sell **over 25 billion yen** of Maeda Corp. (reduce the ratio to net assets to below 20%)

Final goal Reduce **to zero for the entire INFRONEER Group** by FY27.

Policy for the allocation of funds from sales.

Implement distribution with awareness of financial discipline and capital efficiency.

➔ The specific distribution policy will be **announced as soon as it is decided by the next medium-term management plan.**

INFRONEER Group's transition of policy-held share sales amount and ratio to net asset ownership

※The stock price is based on the market value at the end of the fiscal year.

