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Notice of Changes in the Fifth Medium-Term Management Plan Targets

MIRAIT ONE Corporation (“the Company”) has changed the management targets in the 5th Medium-Term Business Plan (FY2022 to FY2026) that are currently being promoted based on recent business trends.

The Company is pleased to announce the following.

1.Changes in the business environment and changes in management targets

In terms of the business environment surrounding us, there are negative factors that exceed expectations at the time of formulating the Fifth Medium-Term Management Plan, such as increased costs due to higher material prices and labor costs, as well as the progress in restrained investments by Telecommunications Carriers, our main customers. On the other hand, we are also expanding new business opportunities, such as the expansion of the Data Center markets and the Green Energy markets and the expansions of demand for urban development that are resilient to disasters.

Against this backdrop, The MIRAIT ONE Group are working to absorb the factors behind the increase in costs by further streamlining its business operations. At the same time, we are accelerating growth-oriented investment in response to changes in the business environment. For example, we are conducting M&As of SEIBU CONSTRUCTION CO.,LTD., Kokusai Kogyo Co., Ltd., and other companies with the aim of quickly expanding Non-Telecommunications businesses, and are strengthening DX investments aimed at business transformation using data.

As a result, the ratio of growth areas to net sales (the ratio of ※MIRAI(Future) Domains) is planned to exceed the initial target of 40% in this fiscal year. Therefore, while maintaining the sales target in the Medium-Term Management Plan, we will raise the target of the ratio of MIRAI Domains by 5%.

On the other hand, as goodwill and depreciation expenses have increased compared to the plan that was originally formulated due to the early acceleration of growth-oriented investments, we have added EBITDA margin, which is an indicator of "Earning Power" on a cash-flow basis, as a management target.

We have decided to set the target figure at 8.5% or more, which was the level we had initially envisaged when the plan was formulated, and to change the Operating profit margin target by -1.0% .

※MIRAI Domains are redefinition of the areas in which the will focus our growth efforts, and consists mainly of the following four businesses:

・Urban and regional development/corporate DX and GX
・Green energy business
・Software business
・Global business

2.Management Targets of the Fifth Medium-Term Management Plan

	FY2026 Initial target (2026.4～2027.3)	**FY2026 New target (2026.4～2027.3)**	**Details of change**
Net sale	**720.0 billion yen or more**	**720.0 billion yen or more**	**—**
MIRAI Domains ratio (※1)	**40% or more**	**45% or more**	**+5%**
EBITDA (ratio) (※2)	**[8.5% or more]**	**8.5% or more**	**Maintain initial assumptions (New addition)**
Operating profit (ratio)	**7.5% or more**	**6.5% or more**	**-1.0%**
ROE (Return on Equity)	**10% or more**	**10% or more**	**—**
Earning per share	**10% or more (per year)**	**10% or more (per year)**	**—**

(※1) Percentage of sales accounted for by MIRAI Domain (areas targeting business growth)

(※2) Figures calculated as Operating profit + goodwill + depreciation and amortization

(Reference) Results during the Medium-Term Management Plan Period

	FY2022 Actual (2022.4～2023.3)	FY2023 Actual (2023.4～2024.3)	FY2024 Forecast (2024.4～2025.3)
Net sale	483,987 million yen	518,384 million yen	570,000 million yen
MIRAI Domains ratio	29%	35%	43%
EBITDA (ratio)	6.5%	5.4%	7.0%
Operating profit（ratio）	4.5%	3.4%	4.7%
ROE (Return on Equity)	6.0%	5.0%	7.1%
Earning per share	151.20 yen	133.34 yen	198.12 yen

Please refer to our HP (https://www.mirait-one.com/english/) for detailed information on the medium-term management plan.

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